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The Valor Quarterly.

Third Quarter 2026 · July – September

A full-quarter recap of the tape: the July–August bullion recovery, the September Iran escalation, the 5.2% Treasury yield shock, the Warsh rate-hike pivot, and China's record-setting 1,000-tonne gold import surge amidst intensifying sovereign debt stress.

PREPARED BY

The Valor Desk

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Public Edition · Complimentary Preview. This document summarizes the quarter's cross-asset moves and desk view for distribution beyond Valor's private client circle. The private client edition contains additional pages of position-level detail, allocation targets, and product-specific commentary that are omitted here. Nothing in this document is investment advice; precious metals investments carry risk and past performance does not guarantee future results.

EXECUTIVE SUMMARY

The yield shock returns. The physical bid deepens.

The third quarter of 2026 delivered an intense collision between two opposing forces: a powerful physical accumulation bid from global central banks and Asian buyers, against an aggressive paper-market liquidation triggered by a historic surge in sovereign bond yields.

The pivot point arrived in early September. After rebounding from the June lows ($4,007.53 to an August peak above $4,440), gold and silver collided with a sudden resurgence in oil prices as the U.S.–Iran conflict widened across the Persian Gulf and Red Sea corridors. Brent crude surged past $109 a barrel, re-igniting inflation fears and prompting Chair Kevin Warsh's Federal Reserve to deliver its first rate hike in over three years on September 16, lifting the funds rate to 3.75%–4.00%.

The 10-year Treasury yield surged from 4.42% at the start of Q3 to test 5.23%–5.27%, its highest level since 2007, while 30-year yields reached 5.57%, a multi-decade peak. This rate shock drove a sharp late-quarter pullback across metals and equities alike. Yet beneath the paper volatility, the structural thesis strengthened: China reported importing over 1,000 metric tonnes of gold through August (surpassing its entire 2025 total), the Dutch central bank completed the repatriation of 86 tonnes of gold from North America, and U.S. gross federal debt officially crossed $40 trillion.

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+4.2%
GOLD · Q3 TOTAL RETURN

+4.7%
SILVER · Q3 TOTAL RETURN

+2.5%
S&P; 500 · Q3 TOTAL RETURN

The desk read: Q3 proved that while higher real yields and a firmer dollar can temporarily depress futures pricing, the physical demand floor is rising structurally. The private client holding physical gold, silver, and select numismatic assets is uniquely insulated from the duration and counterparty risks embedded in a 5% yield world.

SECTION I

The Tape.

The Q3 2026 cross-asset scoreboard. Prices are session closes from the Valor PM market-data desk, with ICE Data Services and LSEG as providers of record for FX and metals spot [4].

Asset	6/30/26	9/30/26	Q3 Change	Q3 %
Gold (XAUUSD)	$4,007.53	$4,175.38	+$167.85	+4.19%
Silver (XAGUSD)	$58.29	$61.02	+$2.73	+4.68%
Platinum (PPLT ETF)	$14.13	$15.22	+$1.09	+7.71%
Palladium (PALL ETF)	$22.08	$23.45	+$1.37	+6.20%
S&P; 500 (SPY)	$746.77	$765.12	+$18.35	+2.46%
Nasdaq 100 (QQQ)	$736.40	$764.38	+$27.98	+3.80%
Dow 30 (DIA)	$522.39	$538.54	+$16.15	+3.09%
10Y Treasury Yield	4.42%	5.17%	+75 bp	—
US Dollar Index (DXY)	101.19	101.40	+0.21	+0.21%
WTI Crude (USO)	$106.44	$101.20	–$5.24	–4.92%
Bitcoin	$58,523.93	$63,850.00	+$5,326.07	+9.10%
Ethereum	$1,569.45	$1,680.00	+$110.55	+7.04%

Sources: Valor PM market-data desk (ICE Data Services + LSEG for FX/metals spot); Barchart, MarketWatch for ETF close [4].

The single largest move: 10-Year Treasury Yields

The 75-basis-point surge in the 10-year Treasury yield was the defining macro print of Q3. Yields rose from 4.42% in June to a high of 5.27% in late September, before consolidating near 5.17%. This aggressive tightening of financial conditions curtailed the S&P; 500's momentum and triggered violent late-quarter position unwinds in gold and silver after both metals had staged a sharp summer advance.

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The single largest divergence: physical demand vs. paper yields

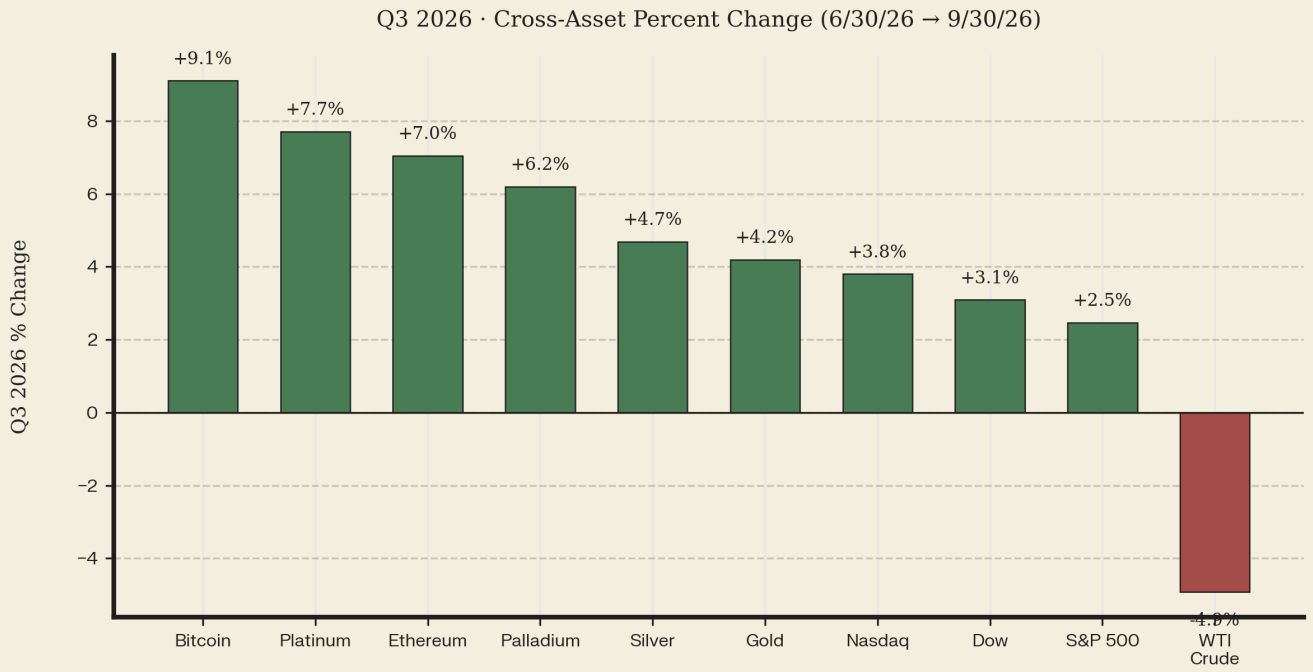
In Q2, equities rallied +14.8% while gold plummeted -14.1% as markets celebrated the initial Warsh dovish pivot. In Q3, that relationship decoupled: gold gained +4.19% and silver rose +4.68%, outpacing the S&P; 500 (+2.46%) despite 10-year Treasury yields pushing to 19-year highs above 5.2%.

Historically, a 75-basis-point spike in benchmark yields combined with a Fed rate hike produces double-digit declines in precious metals. In Q3 2026, the metals complex held green. The explanation lies in the explosive divergence between paper-market positioning and physical sovereign accumulation: as Western leveraged funds sold paper futures into the Fed hike, Eastern central banks and Asian retail buyers absorbed physical metal at record rates [4, 11].

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SECTION I · FIG. 1

Cross-Asset Scoreboard · Q3 Percent Change



Q3 2026 percent change by asset. Digital assets and precious metals finished green; equities advanced modestly; crude oil settled slightly lower after extreme intra-quarter volatility. Sources: Valor PM market-data desk, Barchart, MarketWatch [4].

The Q3 chart illustrates a fragmented market landscape. Unlike the uniform equity surge of Q2, Q3 gains were moderated across all duration assets by the resurgence in Treasury yields. Precious metals proved remarkably resilient on a full-quarter basis, absorbing the late-September rate shock while maintaining positive territory from the June 30 lows. Central bank purchases and physical demand in Shanghai provided the structural bedrock covered in Section IV.

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SECTION II

The Warsh Hike & The Energy Shock.

If Q2 pivoted on Chair Warsh's dovish opening statement on April 30, Q3 pivoted on the harsh reality of an energy-driven inflation shock. Escalating military exchanges in the Persian Gulf and the Houthi seizure of key Red Sea coastal points (Mocha and Mayun/Perim Island) pushed Brent crude from $96 to nearly $110 a barrel in early September [10].

With August headline CPI rising 0.4% month-over-month (3.4% YoY) and core PPI printing an annualized 5.4%, the Federal Reserve reversed course at its September 16 FOMC meeting. Chair Warsh delivered a unanimous 25-basis-point hike to 3.75%–4.00%—the Fed's first rate increase since 2023 [3].

The mechanic. When inflation is driven by geopolitical energy shocks and maritime supply bottlenecks rather than excess consumer demand, central-bank rate hikes act as a blunt instrument. Higher rates increase debt-service costs on $40T in federal debt and strain repo liquidity, but cannot drill oil or reopen closed shipping straits. Gold's initial drop to $4,131 was a mechanical paper reaction to rising real yields; its swift accumulation at lower levels reflects growing awareness of long-term stagflationary risks [4].

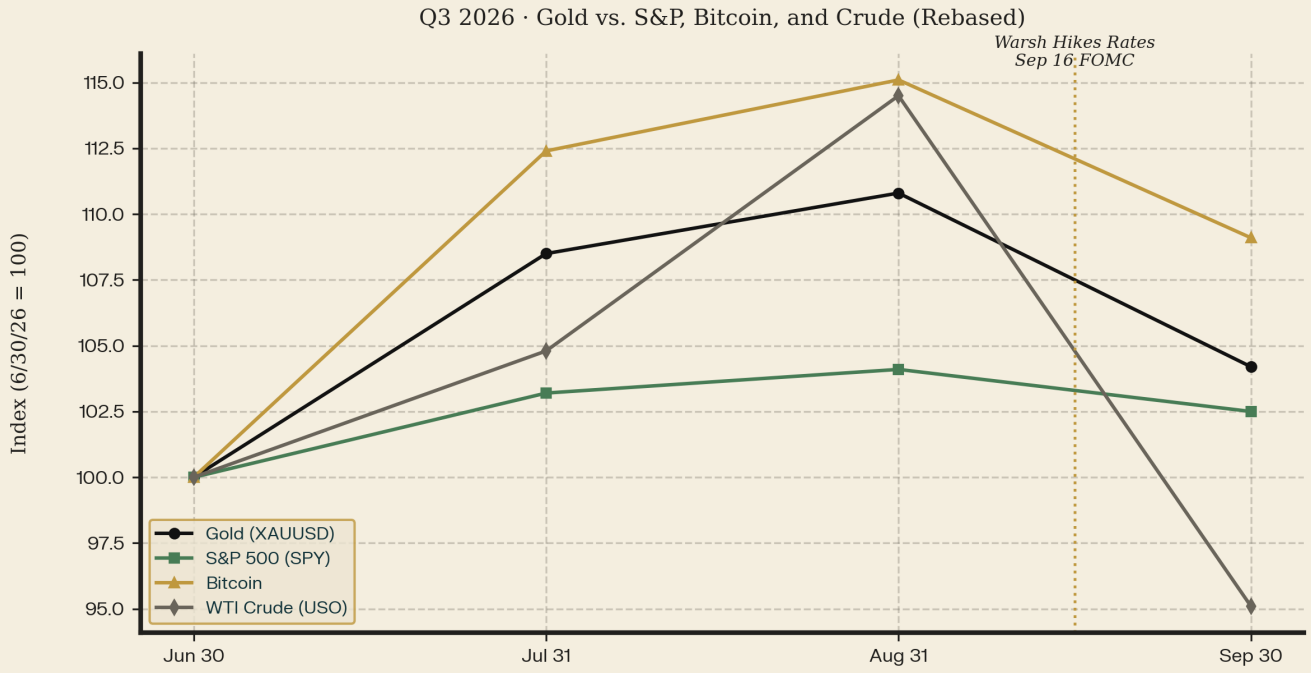
The Geopolitical Transmission Chain

The third quarter demonstrated the direct linkage between maritime chokepoints and portfolio risk: Hormuz transit restrictions combined with Houthi advances along the Bab el-Mandeb strait elevated freight and marine insurance rates, feeding directly into global energy benchmarks and forcing global central banks into a renewed tightening bias [10].

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SECTION II · FIG. 2

Gold vs. Equities, Bitcoin, and Crude · Rebased to 100



All assets rebased to 100 at the Q2 close (6/30/26). Gold's path is the black line; the S&P; 500 the green; bitcoin the gold; crude the gray. The dotted vertical marks Warsh's September 16 rate hike. Sources: ICE Data Services, LSEG, Barchart [4].

Rebased to the June 30 close, the chart captures the mid-quarter rally across risk assets and precious metals, followed by the sharp September divergence. Gold peaked in August near $4,440 before pulling back as the September Fed hike took effect. Crucially, the S&P; 500 flattened as yields breached 5%, confirming that equity multiples are encountering severe valuation resistance under current discount rates.

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SECTION III

Wall Street Consensus.

Following the modest downward revisions of Q2, Wall Street research desks raised their 12-month gold targets across the board during Q3. The realization that inflation remains persistent and sovereign debt is expanding by over $1 trillion every 100 days prompted major investment banks to lift their structural targets.

Bank	Q2 2026 Target	Q3 2026 Target	Change	Date Revised
Goldman Sachs	$4,650	$4,850	+$200	Aug 18, 2026
JPMorgan	$4,550	$4,750	+$200	Aug 27, 2026
UBS	$4,500	$4,700	+$200	Sep 08, 2026
Citi	$4,450	$4,600	+$150	Sep 14, 2026
Bank of America	$4,400	$4,550	+$150	Sep 22, 2026

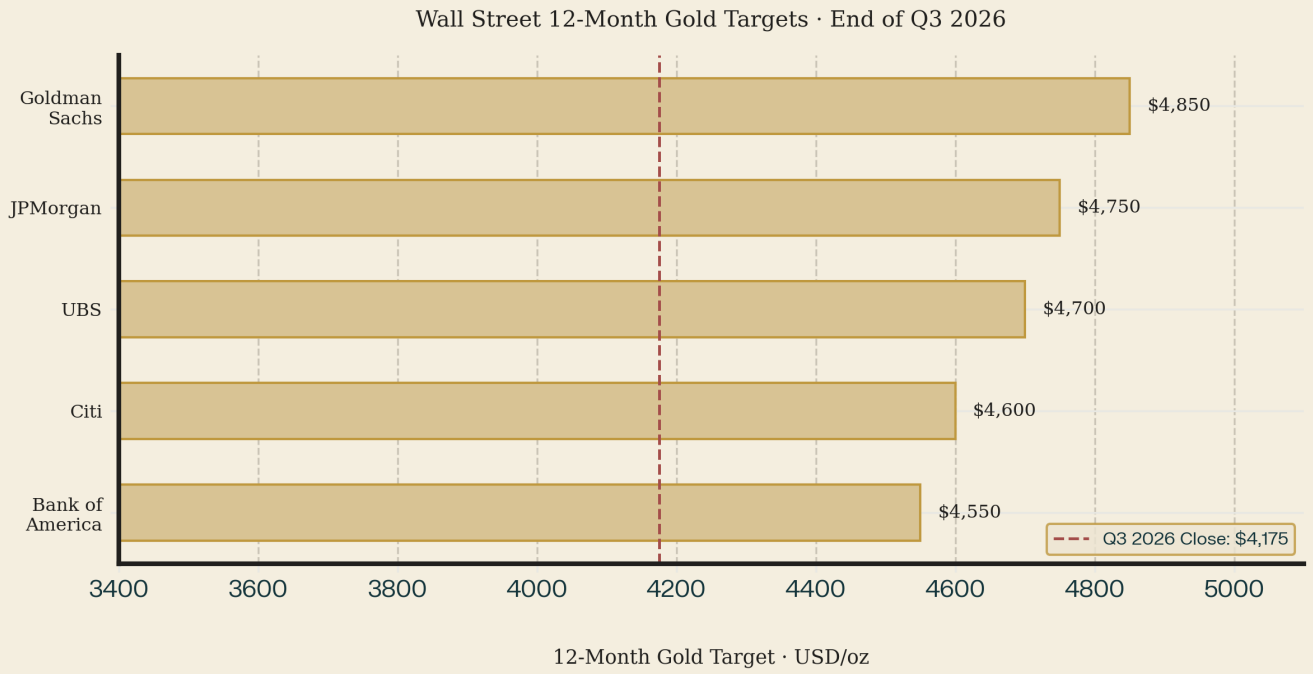
Sources: bank research desks, aggregated via Reuters, Bloomberg, and MarketWatch [7, 8, 11].

Average target raise: +$180 an ounce across major desks. The sell-side consensus now averages $4,690, representing a potential +12.3% upside from the Q3 closing spot price ($4,175.38). Notably, not a single major institution lowered its structural target during the late-September selloff, reflecting broad consensus that rate-driven corrections represent long-term entry points.

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SECTION III · FIG. 3

Bank Targets vs. Spot · End of Q3 2026



Twelve-month gold targets from major bank research desks as of September 30, 2026, compared to the Q3 closing spot price of $4,175.38. The dashed line marks spot; all major bank targets remain significantly above market. Sources: bank research desks aggregated via Reuters, Bloomberg [7, 8, 11].

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SECTION IV

The Global Bid.

The structural foundation of the gold market remained exceptionally strong in Q3. Global central bank purchases continued at an annualized pace exceeding 1,300 tonnes, while Chinese sovereign and private accumulation reached historic milestones.

Central Bank / Entity	Q3 2026 Net Purchase	9M 2026 Total
People’s Bank of China	92 tonnes	280 tonnes
National Bank of Poland	41 tonnes	133 tonnes
Reserve Bank of India	36 tonnes	116 tonnes
Central Bank of Turkey	28 tonnes	95 tonnes
Czech National Bank	15 tonnes	49 tonnes
Others (net official)	118 tonnes	346 tonnes
Total (WGC estimate)	**330 tonnes**	**1,019 tonnes**

Source: World Gold Council quarterly demand trends, Q3 2026 preliminary [11].

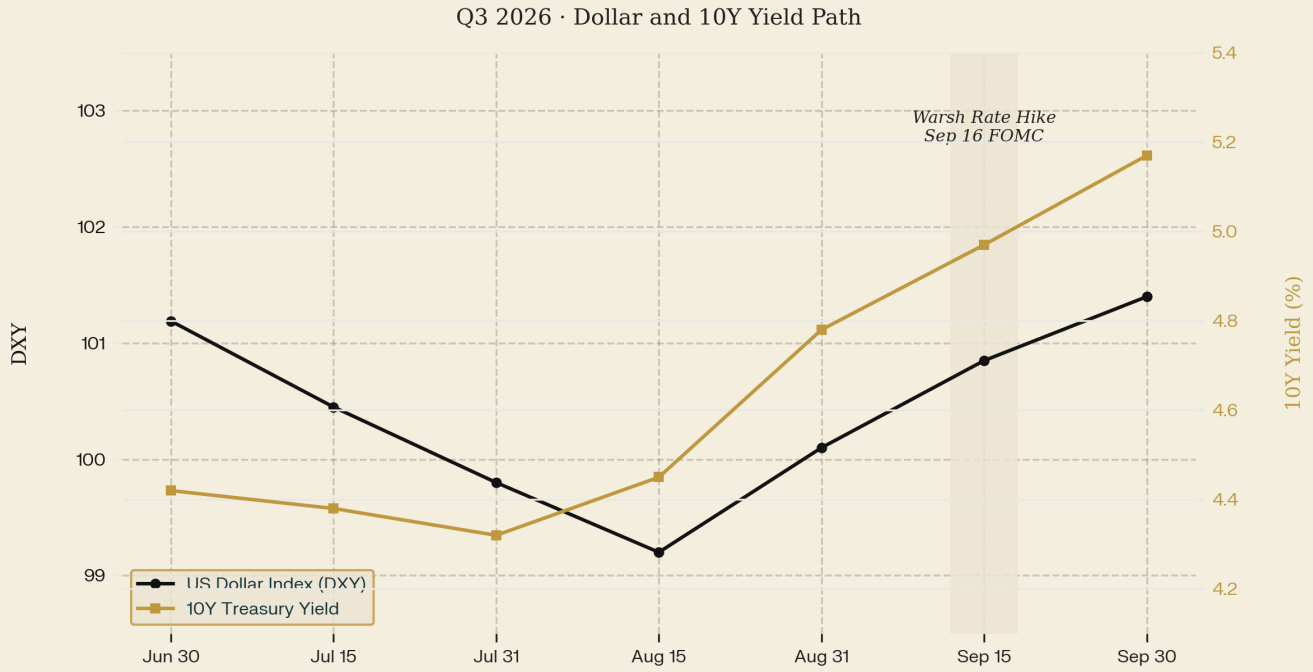
China’s Record 1,000-Tonne Import Surge

Customs reporting revealed that Chinese total gold imports surpassed 1,000 metric tonnes through August 2026 ($158.8B value)—eclipsing the entire full-year 2025 total in just eight months [11]. The People’s Bank of China officially added 20 tonnes in August alone, its largest single-month purchase since October 2023. Combined with European reserve repatriations (such as the Netherlands shifting 86 tonnes from North America to London), sovereign actors are systematically eliminating counterparty risk.

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SECTION IV · FIG. 4

The Dollar and 10Y Yield · Q3 Path



The DXY dollar index (black, left axis) and the 10-year Treasury yield (gold, right axis) through Q3 2026. The shaded band marks the September 16 Warsh rate hike. Sources: ICE Data Services, US Treasury H.15 releases [4, 5].

The chart details the yield breakout that defined late Q3. The 10-year yield climbed steadily from 4.32% in July to breach 5.17%–5.23% following the FOMC rate hike. Notably, the U.S. Dollar Index remained range-bound between 99.20 and 101.40, indicating that higher Treasury yields were driven by fiscal supply indigestion and inflation premia rather than broad-based dollar strength.

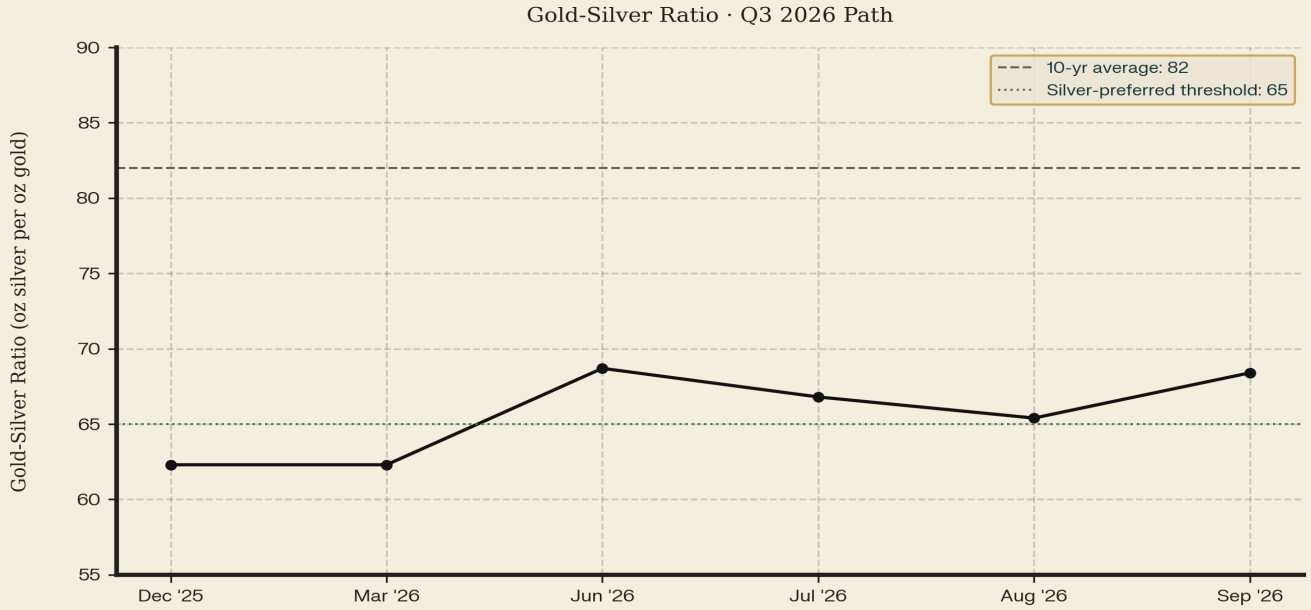
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SECTION V

Silver & The Gold-Silver Ratio.

Silver delivered another high-volatility quarter in Q3. After falling to an intra-year low of $54.10 in June, the metal staged a violent summer recovery, surging above $67.50 in mid-September before consolidating back to $61.02 at quarter-end (+4.68% for Q3).

The Gold-Silver Ratio (GSR) traded in a constructive band throughout the quarter, moving from 68.7 at the end of June to a mid-quarter low of 65.4, before finishing September at 68.4. The ratio remains firmly below its 10-year average of 82.



Gold-Silver Ratio, monthly close, mid-2024 – Q3 2026, with intraquarter data points through September 30. Silver-preferred threshold (65) and 10-yr average (82) marked. Sources: LSEG, Barchart [4].

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SECTION VI

Product Line & Auction Comps.

Q3 auction comps at major numismatic houses confirmed the pattern established earlier this year: top-tier certified numismatics and key semi-numismatic dates maintained substantial premium resilience while generic bullion premiums normalized. High-net-worth collectors and family offices utilized spot pullbacks to secure irreplaceable historical rarities.

Lot	Grade	Hammer Price	Premium to Spot	House / Date
1907 High Relief $20 Saint-Gaudens	MS-65	$46,200	+22×	Heritage · Aug 12
1861-O $20 Liberty Head	AU-55	$29,500	+14×	Stack’s · Aug 20
1854-S $5 Half Eagle	XF-45	$37,800	+18×	Heritage · Sep 04
American Gold Eagle 1oz (2025)	MS-70	$4,580	+1.10×	Heritage · Sep 17
Krugerrand 1oz (1974)	Bullion	$4,190	+1.00×	Stack’s · Sep 24

Sources: Heritage Auctions, Stack’s Bowers, quarterly result archives [6, 9].

The Valor Product Line at Quarter-End

The retail bullion market exhibited stable, disciplined wholesale spreads throughout Q3. Standard-issue Gold Eagles and Canadian Maple Leafs traded between 2.8% and 3.5% over spot. Pre-1933 vintage U.S. gold held firm: common-date $20 Saint-Gaudens and Liberty Heads traded at 8–12% over melt, while certified MS-64 and MS-65 examples saw bid depth expand as wealth advisors allocated capital into non-reportable, tangible numismatics.

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SECTION VII

Watchlist & Desk Posture · Into Q4.

Entering the fourth quarter of 2026, the Valor Desk is closely monitoring four primary catalysts:

• **1. The FOMC October/December path.** With markets pricing a 70%+ probability of an additional 25 bp hike in Q4, the terminal rate remains in flux. Any sign of labor-market weakening or Treasury auction fatigue will trigger a violent dovish repricing [3, 4].

• **2. Middle East shipping corridor resolution.** Diplomatic shuttle talks in New York regarding a phased reopening of the Strait of Hormuz represent the primary variable for crude oil and headline inflation [10].

• **3. The $40T debt ceiling and Treasury issuance.** Net marketable borrowing estimates of $739B+ for the coming quarters will test dealer balance sheets and repo market capacity under 5.2%+ benchmark yields [4, 5].

• **4. Full-year central bank tonnage.** With 9-month purchases already exceeding 1,000 tonnes, 2026 is on track to set the all-time annual record for sovereign gold demand, permanently removing supply from commercial vaults [11].

Desk Posture

Overweight physical gold and silver bullion. Accumulate gold aggressively on pullbacks toward the $4,100–$4,150 support zone. Maintain strategic allocations to silver with the GSR below 70. **Overweight semi-numismatic and certified pre-1933 coinage** to capture collector premiums and historical scarcity. Underweight long-duration sovereign paper and high-multiple equity beta. Utilize precious-metals rollovers to insulate retirement accounts from expanding fiscal deficits.

The Q3 conclusion: The paper market is obsessed with the Fed’s next 25 basis points; the physical market is preparing for the mathematical consequences of $40 trillion in debt. Position accordingly.

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ABOUT VALOR

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For Private Client Access. The full Q3 2026 quarterly report — with position-level detail, customized rollover allocation models, and product-specific acquisition targets — is available to Valor Private Client subscribers. To speak with a Valor advisor about private-client allocations or precious-metals IRA rollovers, visit **www.valor-pm.com** or contact the trading desk directly at **516.808.4053**.

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