



MKS PAMP

Gold After \$4,000: Floors, Crowding & the CB Question

Views Through A Trade House Lens

MKS PAMP

April 2026

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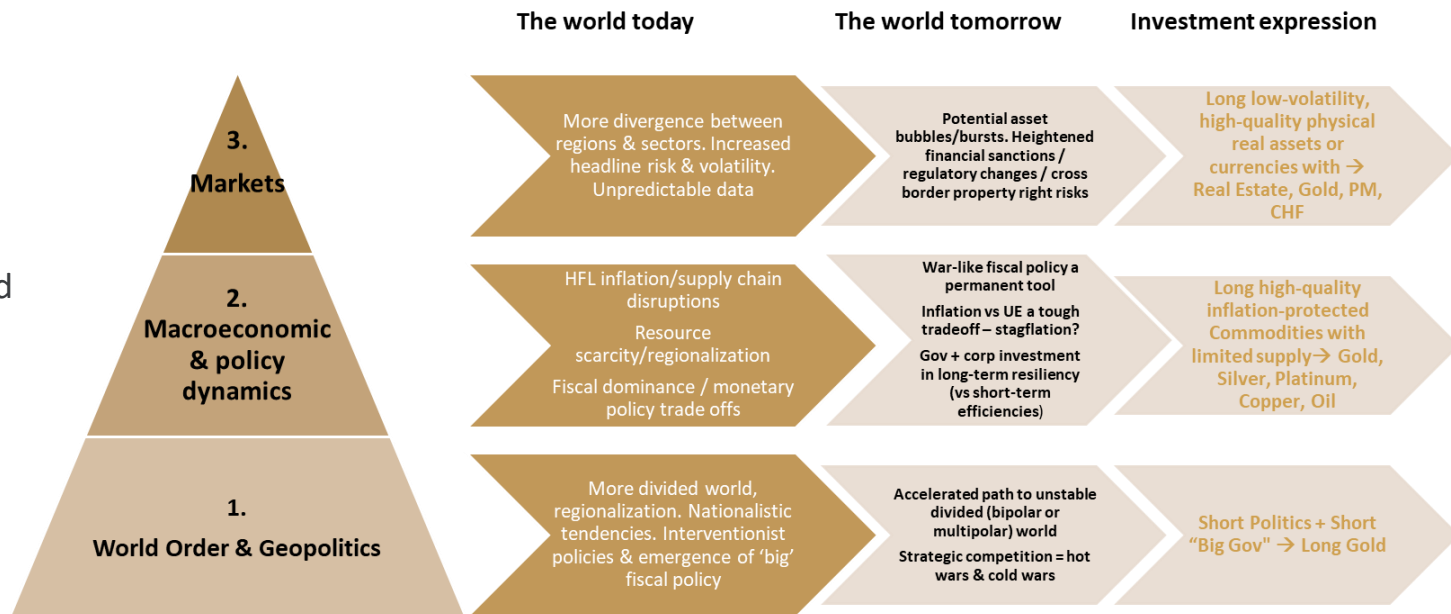
Geo-Macro: Debase, Diversify, Dedollarize

The Secular Gold Trade Is Driven by the Three “Ds”: Dedollarise, Debase, Diversify

#1) World order and geopolitics — **the dedollarisation trade**

#2) Macroeconomic and policy dynamics — **the debasement trade**

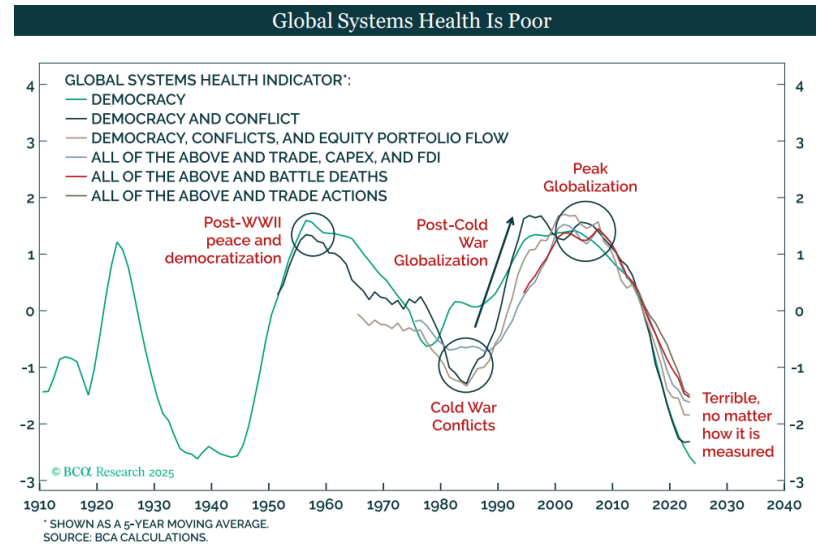
#3) Markets — **the diversification trade**



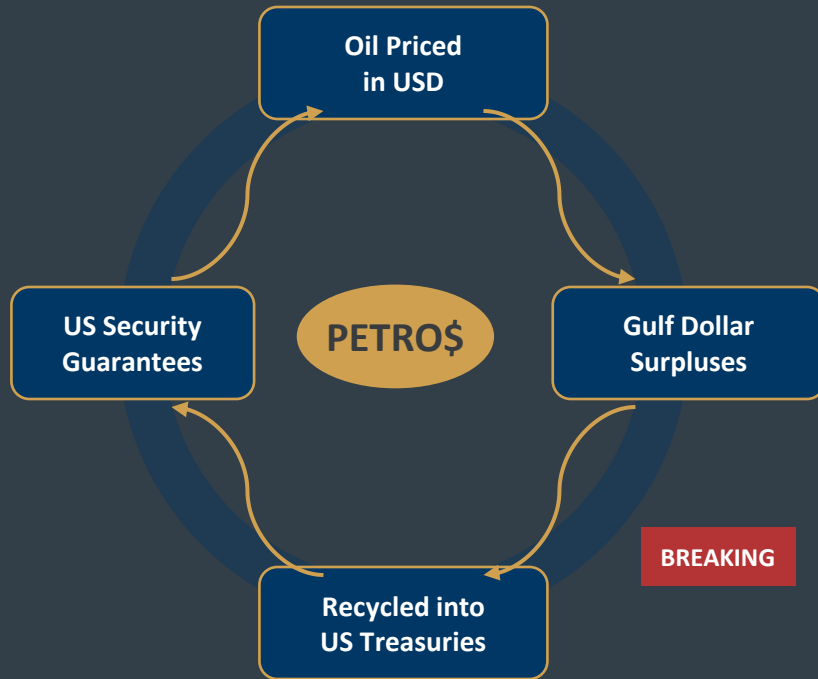
Source: Future Fund, MKS PAMP

Rebalancing the World Order: From U.S. Hegemony to Multipolarity

Any rebalancing — whether of the world order, monetary systems, or policy frameworks — is inherently volatile. Gold is pricing in this structural transition away from U.S. hegemony and peak globalisation.



The Petrodollar Loop: A Virtuous Circle, Now Pressure-Tested



The Virtuous Loop (1974 – Present)

- Oil priced in USD; Gulf surpluses parked in Treasuries
- US provides security guarantees in return
- Suppressed yields, funded deficits, anchored USD reserve status for 50 yrs

Why the Loop Is Breaking

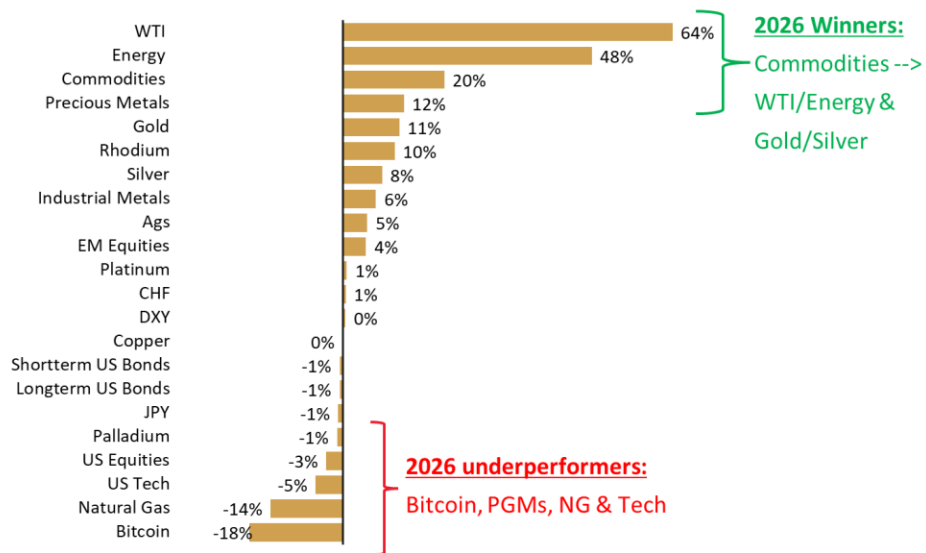
- Gulf recycling shifting: Treasuries → equities ("petro-equities"), tech, non-USD assets, Gold
- Flows around the petrodollar are shrinking = flows around its hedge (Gold) are too!
- USD FX reserve share at ~57% — lowest since 1995 (vs 72% peak)
- Yuan-settled energy trades accelerating; Hormuz tolls in CNY
- \$39T US debt load; marginal buyer retreating → higher funding costs

Source: Bloomberg Opinion, Aaron Brown (Apr 6, 2026)

The Entrenched 2025 Debasement Trade Continues In 2026

- The "Sell USA" theme on hold
- U.S. economy to toggle between energy-led inflation and AI-led disinflation
- The war strengthens the US\$ s/t position, only
- The world remains structurally short real physical assets given rising stagflationary pressures.

Macro Asset Performances YTD 2026

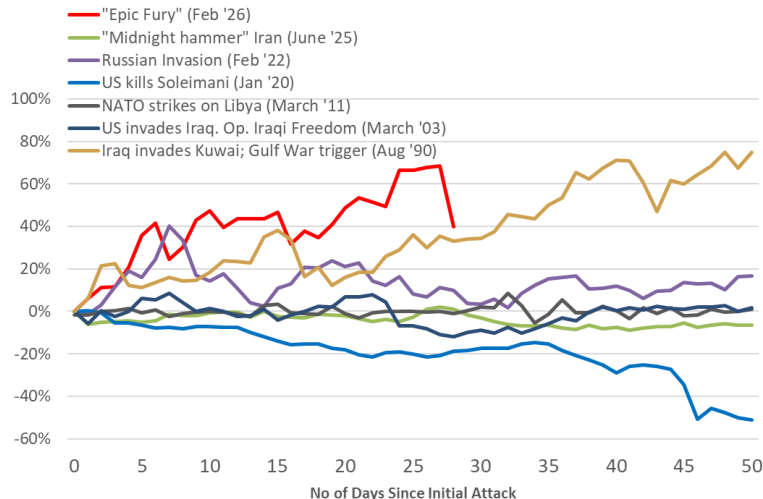


* YTD 2026 performances as of April 8 2026

MKS PAMP, Bloomberg

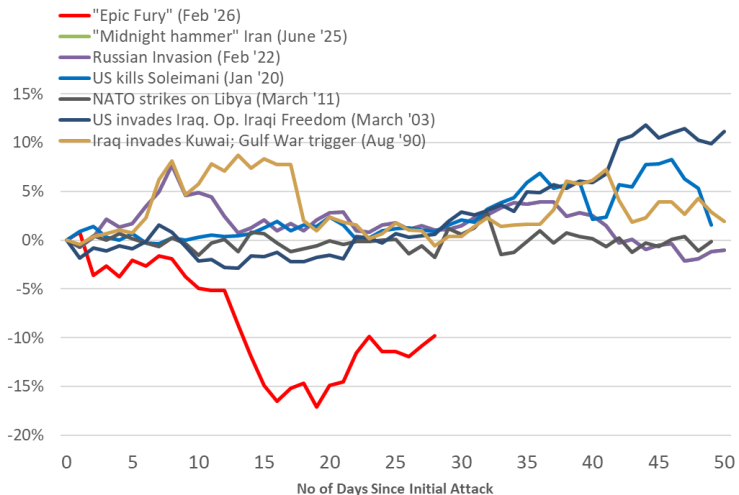
1990s–2026 Oil Shocks: WTI Absorbs All of Gold's Geopolitical Premium

WTI performance now vs comparable ME wars, 50 days on from initial strike



"Epic Fury" Data as of April 8 2026
Source: Bloomberg, MKS PAMP

Gold's performance now vs comparable ME wars, 50 days on from initial strike



"Epic Fury" Data as of April 8 2026
Source: Bloomberg, MKS PAMP

2026 Oil Shock: Macroeconomic Implications Signal Stagflation

Fed paralysed: cuts pushed back; DM CBs on hold/hiking on inflation risk.

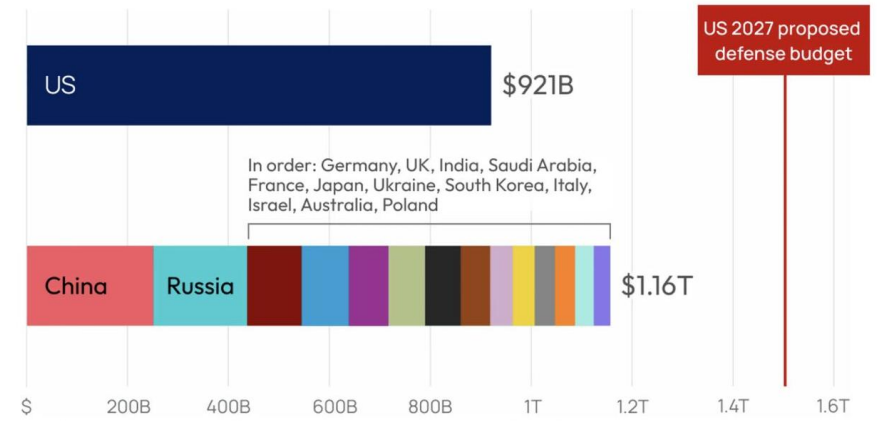
Stagflation regime: HFL oil reignites cost-push onto sticky core PCE. Supply-side inflation → negative real rates even absent Fed cuts. **Growth drag:** every sustained +10% oil = +40bp CPI, -15bp GDP (IMF).

Hormuz chokepoint = supply shock = fiscal dominance: first-line response fiscal (subsidies, price caps, SPR) not monetary. Treasury funding unbudgeted war costs + deficits at higher yields.

Secular re-rating of real assets & gold: debasement

The world's military spending giant

Top defense budgets in the world compared to the United States in 2025, in USD



*Note: Defense budgets above reflect the calendar year, with the exception of the US (which uses financial years). Budget includes military R&D funding, military pensions, paramilitary forces' budgets, and other MoD-related expenses such as housing.

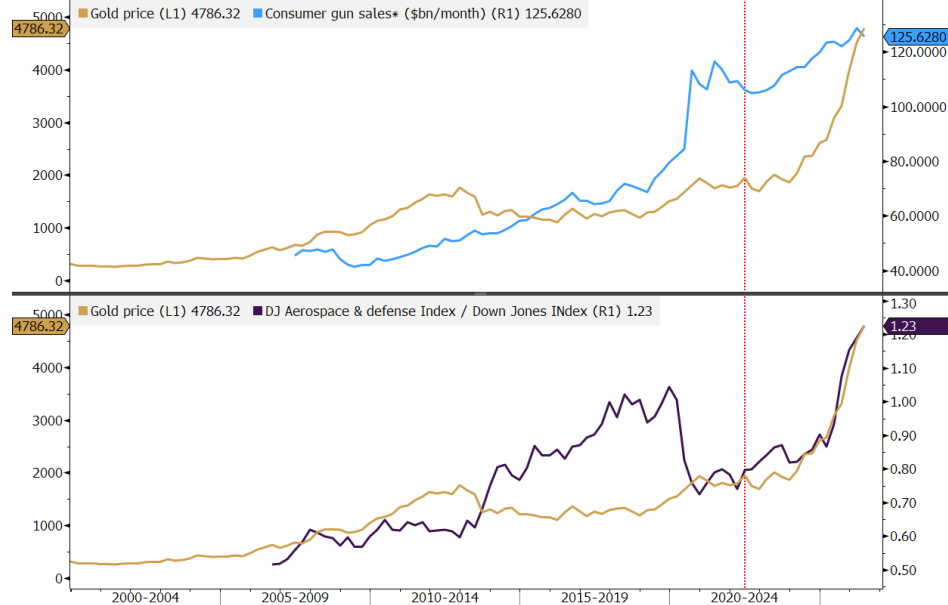
Source: International Institute for Strategic Studies; White House

GZERO

Post Russian Invasion: New War-Time Era With Defense Proxies In Vogue

Gold vs US Gun sales & US Defense performance

Notable quarterly correlation since Russian invasion of +0.74 & 0.66 respectively



Source: MKS PAMP, Bloomberg, *Guns sales proxied by PCE: Durable goods: Sporting equipment, supplies, guns & ammunition
XAU Currency (Gold Spot \$/Oz) gun sale gold defense Quarterly 15AUG1999-09APR2026
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2.

Gold

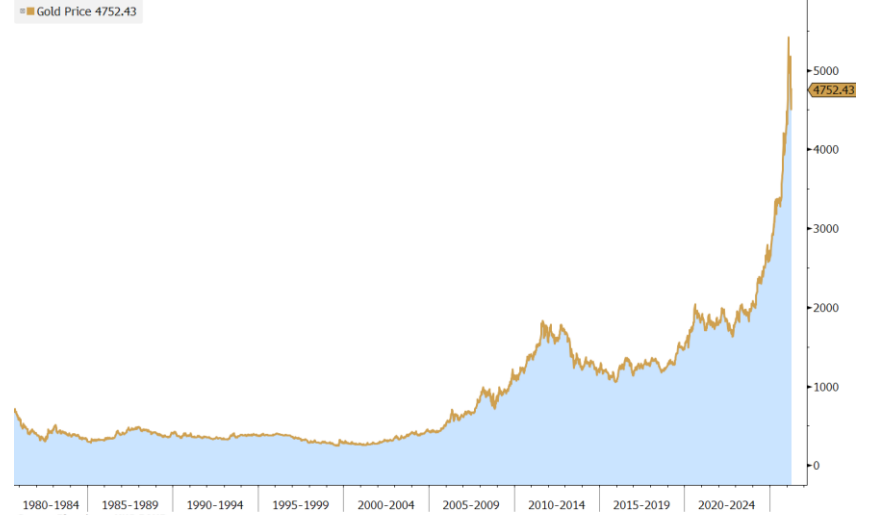
Secular Gold Market: A New-ish Bull Market or an Ageing One?

Gold Long Term LOG Chart
Mid innings in the 3rd cycle



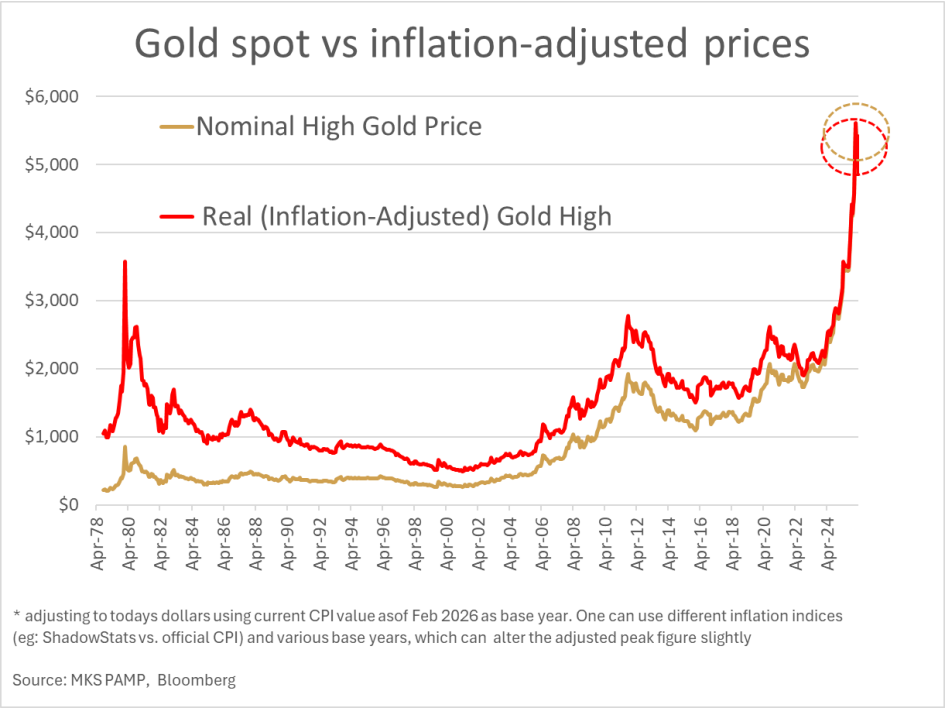
Source: MKS PAMP, Bloomberg, Crescat Capital
XAU Currency (Gold Spot \$/Oz) gold lt tech cycles LOG Monthly 31MAR1968-21DEC2030 Copyright© 2026 Bloomberg Finance L.P. 08-Apr-2026 12:33:25

Gold's Longterm Trend
Historical tops typically burn out



Source: Bloomberg, MKS PAMP
XAU Currency (Gold Spot \$/Oz) Gold tech lt 2 Weekly 09SEP1980-08APR2026 Copyright© 2026 Bloomberg Finance L.P. 08-Apr-2026 12:24:52

Nominal vs. Real Highs: Gold Has Exceeded Its Inflation-Adjusted Highs by \$2,000/oz



Gold's Secular Cycles: Still 6 Months and 125% to Go To \$6750

GOLDS 5 CYCLES									US\$ (DXY INDEX)		
#	Cycle	Start Date of Gold Cycle	Gold price on cycle start	End Date / Gold Peak	Gold price on cycle end	Duration (months)	Performance	Performance / month	Start	End	Performance
1st	1976-1980	25-Aug-76	\$104	21-Jan-80	\$850	40	721%	18%	106.26	85.7	-19%
2nd	1985-1988	28-Feb-85	\$284	14-Dec-87	\$500	33	76%	2%	160.41	88.53	-45%
3rd	2001-2008	2-Apr-01	\$256	14-Mar-08	\$1,003	83	292%	4%	117.34	71.66	-39%
4th	2008-2011	12-Nov-08	\$712	5-Sep-11	\$1,900	33	167%	5%	87.47	75.11	-14%
	AVERAGE					47	314%				-29%
	MAX					83	721%				-14%
	MIN					33	76%				-45%
5th	Current cycle: 2022 - ??	Oct-22	\$1,628	ongoing	\$4,700	41	189%	5%	112.01	99	-12%

Notes: Current Price as of April 8 2026

**1970-1974 Gold cycle excluded due to Gold being lifted from its US\$ peg and insufficient silver/DXY data availability.

* Gold equities using the TSX Gold Index using own trough/peak dates (can differ from Gold trough/peak dates) - analysis from Scotiabank GBM Portfolio Strategy

Source: MKS PAMP, Bloomberg, Scotiabank Global Equity Research

5 major Gold cycles over c.50 yrs; no 2 identical in duration/magnitude — recurring drivers: **economic/financial shock, geopolitical stress, USD weakness.**

A Wild Q1'26: A Milder Bullish Trajectory to Be Established

Gold technicals in 2026

50dma gives way to 200, with fundamental inflection pt ~\$4500/oz



Source: MKS PAMP, Bloomberg

XAU Curncy (Gold Spot \$/Oz) Gold s/t tech YTD Daily 07JAN2025-08APR2026

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Jan '26 \$1,000+/oz rally fully retraced; late-Jan/late-Mar sell-offs driven by:

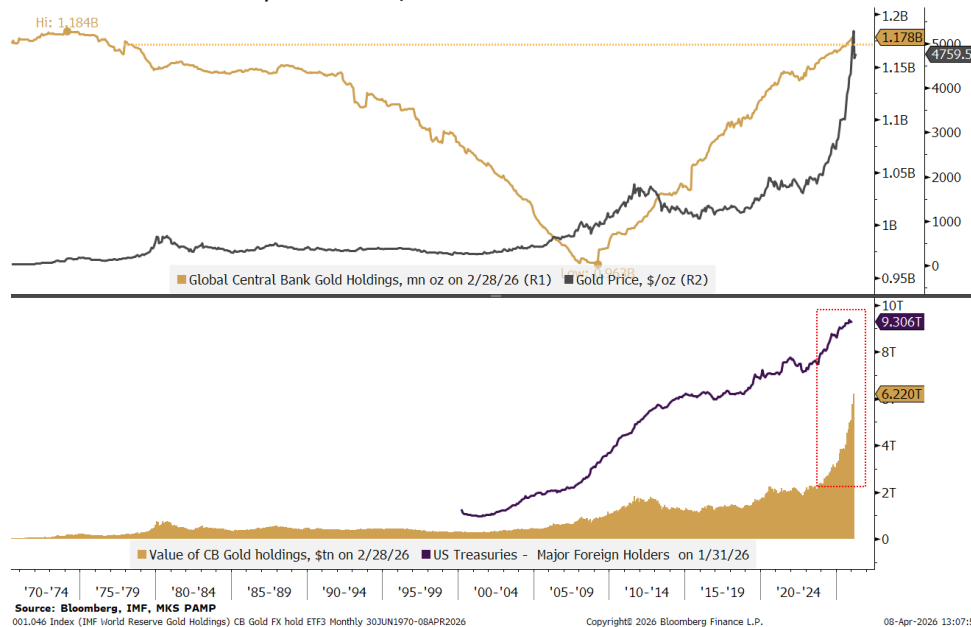
- **USD strength**
- **Rising rates** (Warsh nomination + energy shock)
- **Absent physical buyers** (ME now, China prior)
- **Systemic USD/credit/liquidity shortages in war periods**
- **Elevated retail leverage**
- **Technical mean-reversion & broad risk-off.**

Central Bank Gold Holdings: A Critical New Player Since 2022, Actively Dedollarising

CB buying has near-term selling risk, but EM catch-up gap (~22,000t) keeps the structural bid intact

Central Bank Gold Holdings vs US Treasury Holdings

CB Gold at 1970s levels, valued at ~\$6tn



Gold Investor Holdings: Market Remains Structurally U/W vs. Equities, O/W on \$-Basis

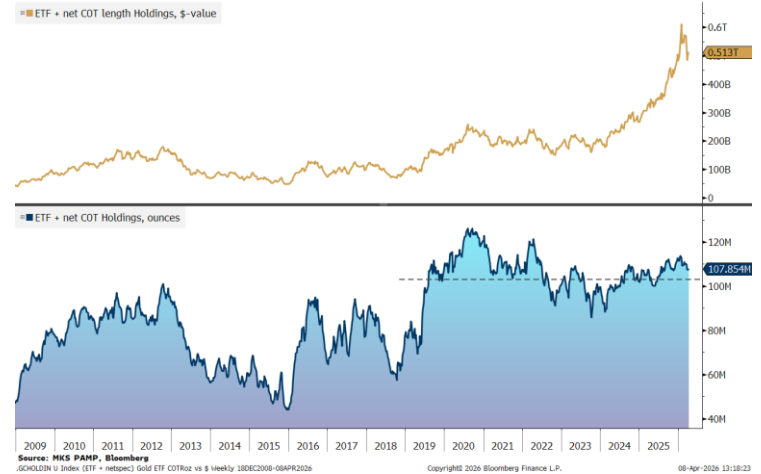
GOLD: 2%	Traditional	58%
	Alternative	44%

CUMULATIVE INFLOWS SINCE 2020:			
Cash	Equities	Bonds	Gold
\$5.0tn	\$3.0tn	\$2.4tn	\$0.1tn

Gold Investment* in Equity portfolios overweight on actual oz basis, but underweight as a % of equity portfolios

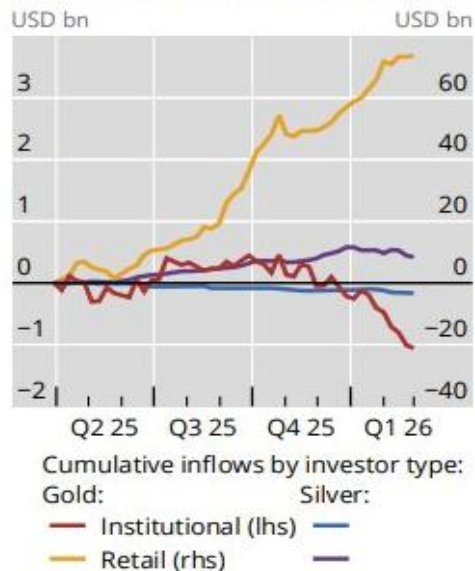


Known Gold investor flows: ETF & COT Net holdings neutral on historical oz-basis but overweight on \$-basis



Retail Investors Drove the Gold and Silver Rush — and the Bust (BIS)

B. Retail investors poured into gold and silver as institutions withdrew



LEVERAGE TURNED FUEL INTO FIRE

Leveraged ETF rebalancing + margin liquidations amplified vol, esp. in Ag. Jan '26 reversal = largest single-day Ag loss since 1980s — leverage-driven, not secular.

RETAIL FLOWS FUELLED THE RALLY

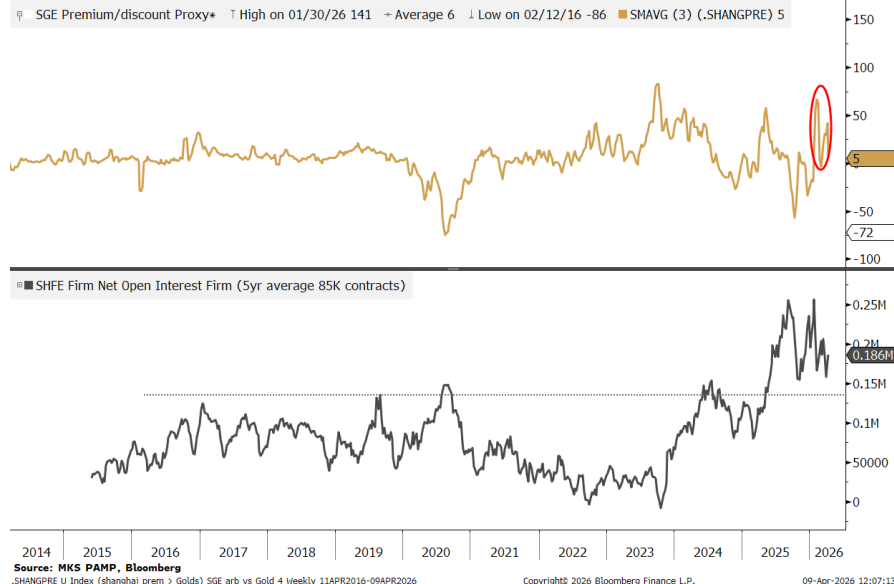
Retail piled into Au/Ag ETFs as institutions pulled back; non-reportable futures persistently net long Ag — amplified upside, concentrated unwind risk.

Sources: CFTC; Bloomberg; LSEG Lipper; BIS Quarterly Review March 2026 (Box C, pp. 8–9); authors' calculations.

Physical Supply/Demand Flows: Q1'26 A Tale of 2 Halves

China vs International Gold

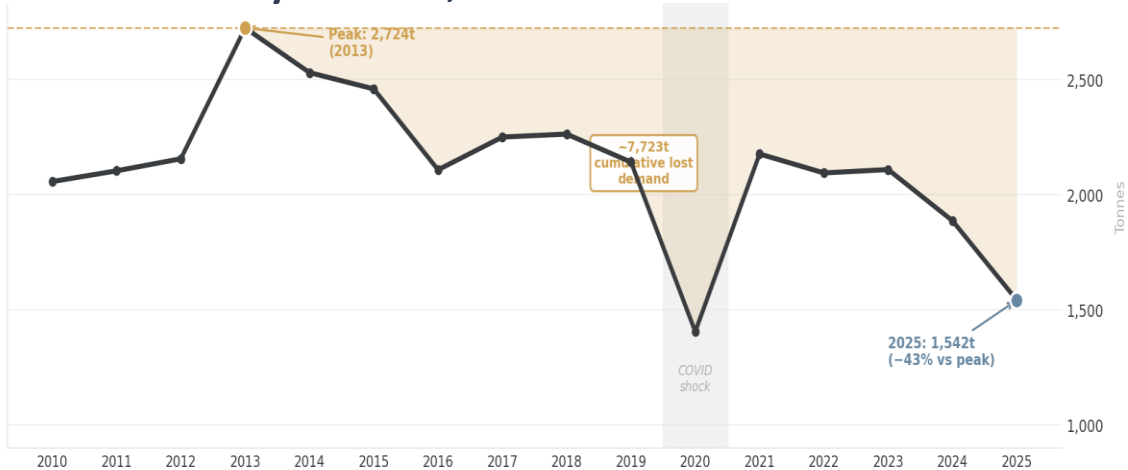
SGE remains at a premium despite softening physical demand elsewhere



- China: dominant physical bid; outpacing ME, India & Turkey
- Jewelry/coin softening at \$4K+; large bar demand firm (institutional + financial dereg driving ETF inflows in India & China)
- Recycling supply lagging price; expect uptick as inflation pressures consumer
- Net: growing share of bullion needs to be absorbed by investor/institutional flows

Gold Jewellery: ~7,700 Tonnes of Demand *Synthetically* Lost Since the 2013 Peak

Global Jewelry Demand, 2010 - 2025



~7,723t lost vs 2013 peak

≈2.4 yrs of global mine supply foregone

-43% 2025 vs peak (~1,500t vs 2,700t)

Jewelry demand halved, but investment + CB buying more than fill the gap.

Structural demand-base shift is LT bullish once/if price sensitivity eases

Gold Outlook: 'Higher for Longer' Within Milder Trajectories but Wider Ranges

KEY RISKS

Retail ↑ / Institutional. ↓

Diversification diluted; technical damage; sidelined 60/40 allocators.

Supply response

Mine supply & recycling rise significantly.

Demand Fragility

CB + jewelry slow/reverse

STRUCTURAL & TACTICAL DRIVERS

GEO-MACRO / STAGFLATION

Med-L/T stagflationary forces (US-Iran war, energy shock). Geo-macro regime change → secular upside; debasement trade accelerating.

USD / POLICY

Fiscal dominance, midterms, Fed independence → US\$ weakness. Global tariff uncertainty + messy multipolarity → elevated instability.

ALLOCATION

Decoupling from yields/USD; risk-asset ST. U/w on oz basis vs. eq/bonds, o/w on US\$. 60/40 rotation → real assets as inflation or crises re-emerge.

CENTRAL BANKS

Buying continues, slower pace; monetisation explored. Uni-directional buyer narrative challenged '26.

PRICE OUTLOOK s/t consolidation **\$4,200–\$5,000/oz**; milder trajectory post boom-bust with **\$5800/oz target (+34% YoY)**. One-way → two-way pricing,

2026 Average & High-Low Forecasts vs Historical Outlier Annual Performances

	2025 Performance	Top 3 largest annual performances* over the past 25 years			Average 2026 Price Forecast	2026 Low Price	2026 High Price Target ****	2026 High Price YoY**	Physical availability risk	Liquidity risk
Gold	65%	31% (2007)	30% (2010)	27.2% (2024)	\$ 4,500	\$ 3,800	\$ 5,800	34%	Low	Low
Silver	148%	83% (2010)	48% (2009)	48% (2020)	\$ 75.00	\$ 60.00	\$ 120.00	67%	Medium	Medium
Platinum	127%	57% (2009)	38% (2000)	36% (2003)	\$ 2,000	\$ 1,700	\$ 3,000	46%	High	High
Palladium	78%	113% (2000)	97% (2010)	74% (1997)	\$ 1,700	\$ 1,300	\$ 2,300	42%	Medium	High

* 2025 performance as of Dec 31 2025, ** Expected 2026 YoY based off 2025 yearend closing prices. *** All estimates/forecasts rounded to the nearest ten for Gold & PGMs and nearest one for Silver. ****Rhodium price to average \$10,000/oz in 2026. ****Average/low/high prices adjusted March 23 2026 vs Jan forecasts.

Source: Bloomberg, MKS PAMP

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Appendix

Important Themes and Trends for Precious Metals in 2026



1

"Max Out" Volatility & Unpredictable Price Movements

"Once-in-a-lifetime" price action in Q1'26 in both directions; wider ranges expected within a milder bullish trajectory

— KEY THEME



2

Geopolitical & Macro Regime Shift

Healthy correction in January & March — not an unwind of the secular trade. Gold becoming a multi-year critical portfolio asset, not a cyclical hedge

— STRUCTURAL



3

Physical Tightness & Ongoing Tariffs → Strategic Stockpiling

Especially relevant for Silver, Platinum & Palladium. Larger, more unpredictable OTC dislocations from protectionist trade policies, ongoing regionalization & war-driven supply chain risk

— SUPPLY RISK



4

Structural Underinvestment in Primary Supply

Multi-year failure to invest in new mines, exploration & sustaining capital. Critical for Silver & PGMs — structural deficits & 'spike risk' to continue

— STRUCTURAL



5

Balance Sheet & Logistical Constraints a Double-Edged Sword

HFL precious pricing + HFL interest & oil rates + HFL demand = market infrastructure hasn't kept pace, leading to liquidity & credit challenges. Market requires addtl credit, innovation & new players

— MARKET STRUCTURE



6

"Pain Trade Is Higher" — New Milder Bullish Trajectory

2025 showed PMs rallied into liquidity gaps rather than selling off. Under top-down financial tightening, that reverses. A milder, more sustainable bull trend to be re-established in 2026 led by Gold.

— OUTLOOK

Source: www.mkspamp.com

U.S. (and Global) Unsustainable Debt Trajectory = Fiscal Dominance

- Sovereign debt/GDP at **post-WWII highs** — structurally elevated, politically entrenched; reinforces **debasement hedge** thesis.
- War-related spending **worsening US fiscal trajectory**.
- 60/40 conviction fading — Au as **preferred unindebted asset**; bond-crisis tail risk rising.

US debt as % of GDP vs gold

Structural theme that was well correlated; Gold pricing in debt trap



Gold Investor Flows & Allocations: Still Underweight as % of Portfolios

GOLD:
2%

Traditional **58%**

Alternative **44%**

CUMULATIVE INFLOWS SINCE 2020:

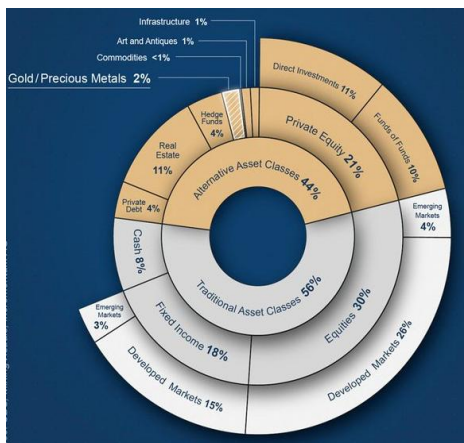
Cash
\$5.0tn

Equities
\$3.0tn

Bonds
\$2.4tn

Gold
\$0.1tn

Portfolio Structure of Family Offices ('24)



Source: UBS Global Family Office Report 2025

Flows to Know Since 2020: cumulative inflows by asset class



Source: BoA Global Investment Strategy, EPFR

THE HALO TRADE: *Hard Assets* · *Low Obsolescence*

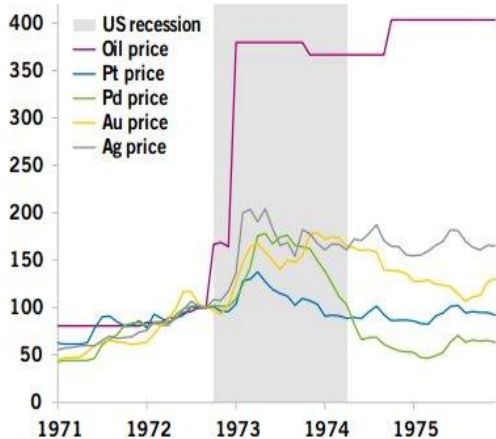


1970s–1990s Oil Shocks: Precious Metals Outperform in Every Geopolitical Disruption

KEY TAKEAWAYS Gold outperformed in all three episodes, with the strongest gains during the Iranian Revolution (+250%). | Silver and PGMs also rallied but with higher beta; oil-shock inflation amplifies the debasement bid. | Post-oil-shock recessions do not erase gains — precious metals consolidate at structurally higher levels.

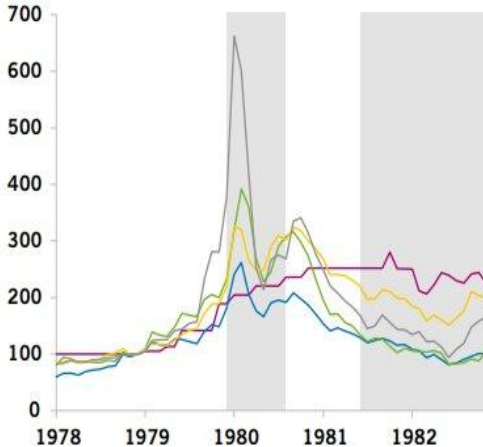
Yom Kippur war 1973

Prices indexed to Sept 1973



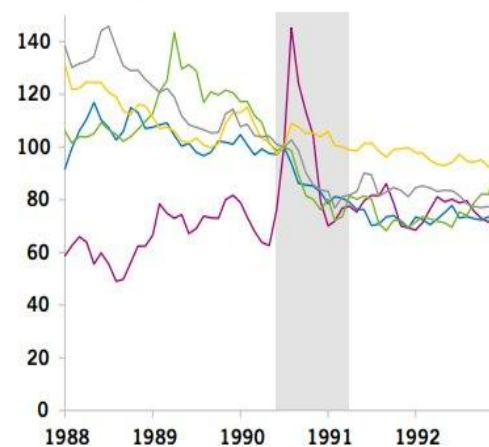
Iranian Revolution 1979

Prices indexed to Dec 1978



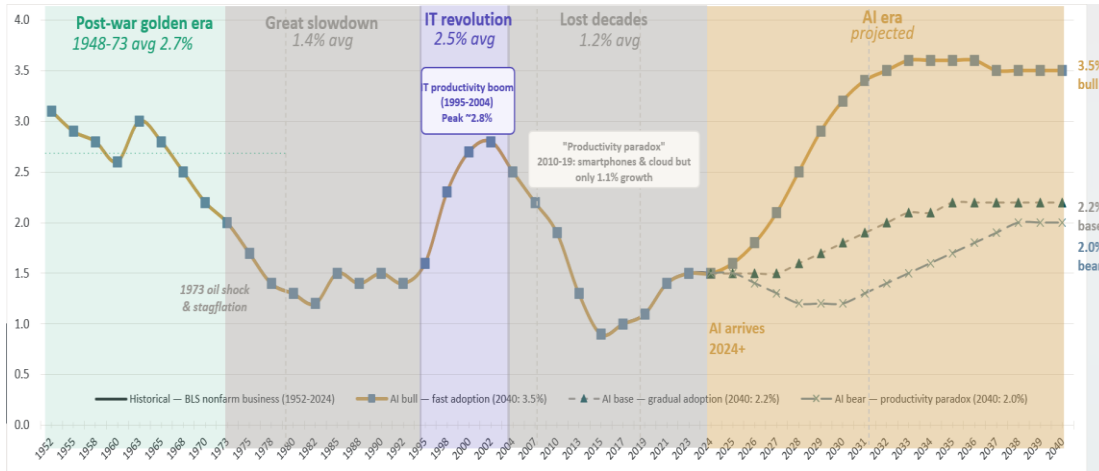
Gulf War 1990

Prices indexed to July 1990



Source: SFA (Oxford), Bloomberg Finance LP, Heraeus Precious Metals

AI Is a Medium-Term Disinflationary Force — But Timing Matters



Note: Nonfarm business sector, "10yr rolling avg annual growth (%)
 sources: BLS Nonfarm Business Sector Labour Productivity (1948-2024); Fernald (2014) productivity decomposition; Goldman Sachs GIR AI productivity estimates (2024). Note: projections are illustrative scenarios.

TRANSMISSION CHANNELS

Supply-side productivity **STRONG**

AI reduces marginal cost of knowledge, work and services. Unit costs fall structurally — the economy's largest inflation sector finally becomes tractable.

Labour market disinflation **MODERATE**

Automation dampens white-collar wage growth. Reduces services CPI stickiness — historically the hardest inflation component to tame via monetary policy.

Near-term capex offset **RISK**

AI capex boom (energy, chips, data centres) drives near-term reflation. Net disinflationary only if productivity gains exceed demand surge with a medium term lag

TAKEAWAY: AI has the potential to end a 50-year productivity drought and rival the post-war golden era — but the IT-boom analogue warns that disinflation arrives late. AI's disinflationary potential is structural and real — but operates on a 5–10-year adoption lag. In the near term, oil shocks, fiscal deficits, and tariffs dominate the inflation discussion.

AI: Both a Tailwind and a Risk for Precious Metals

- **Direct industrial demand — surging:** Each high-end AI GPU uses 3–8g of silver, with AI driving ~20% demand growth above baseline electronics. Platinum alloys are used in semiconductor fabrication for high-end AI processors.
- **Indirect demand via financial channels — mixed:** AI euphoria drives "buy everything" rallies; gold hedges macro bubble risk; a short-term sell-off is possible if technology corrects. AI is inherently disinflationary — bearish for gold in the medium term.
- **Effects on mining and supply:** ~80% of major producers now use AI operationally to improve exploration and extraction (easing supply constraints in the medium term, though permitting and construction remain bottlenecks). E-waste recycling is an emerging supply source.

In the disinflationary endgame, AI-driven inequality and fiscal dominance sustain the debasement bid for gold, real assets, and energy.

AI vs Gold

monthly correlation a strong **+0.94** the past 10years+



Source: MKS PAMP, Bloomberg
GSTMTAIP Index (GS TMT AI Basket) AI vs Gold Weekly 18DEC2015-16MAR2026

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Who Is Missing? Gold Isn't (Yet) In the DNA of U.S. Institutional Investors

Question: What is the view and connotation of Precious Metals held by American institutional investors? 1-2lines, don't hold back.

Grok: *right-leaning libertarian*

US institutional investors view precious metals as dead-money boomer rocks and doomer insurance—a non-yielding, zero-compounding drag that real money managers mostly shun, with allocations stuck at pathetic levels like 0.17% of portfolios and under 20bps even for the few who bother. The connotation in boardrooms is pure contempt: fringe tinfoil-hat sh*t for retail gold bugs, libertarians, and fiat-doubting paranoids who don't get that the system (which pays their bonuses) always wins.

Claude: *left-leaning progressive*

American institutional investors — long dismissive of precious metals as a "paranoid prepper" trade — have been forced to capitulate: gold and silver are now boardroom-legitimate, with the biggest desks on Wall Street piling in and slapping \$5,000–\$6,000 price targets on gold, quietly admitting that fiat currency, U.S. Treasuries, and the dollar's reserve dominance are all structurally compromised.