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The Valor Quarterly.

First Quarter 2026 · January – March

A full-quarter recap of the tape: gold's parabolic January and February, the March mean-reversion, silver's ninety-percent-high round trip, the S&P's first quarterly loss since Q3 2024, and the macro backdrop that set every one of these moves in motion.

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

Gold prints an all-time high. Then the whole tape reprices.

The first quarter of 2026 belonged to gold — for two months. Spot XAUUSD opened the year at $4,323 an ounce, ran to a February 27 close of $5,278.51, and printed an intraday high above $5,451 in late January before rolling over into a March consolidation that closed the quarter at $4,667.88 [1]. Silver traced the same arc in miniature and with more amplitude: the January high above $118 an ounce collapsed into a March close of $74.95, a fifty-three-percent peak-to-trough round trip that reset positioning across every retail platform in the space [1].

Equities did not participate. The S&P 500 (SPY proxy) fell 4.6% on the quarter — the first negative quarter since Q3 2024 — while the Nasdaq 100 (QQQ) shed 6.0% and the Dow lost 3.6% [1]. The ten-year Treasury yield closed the quarter at 4.31%, fifteen basis points higher than the December print, and the dollar index climbed 1.7% to 99.96 [1]. Neither the Fed nor the White House released a policy shock in Q1; the moves came from repositioning, not from a single event.

The desk read: Q1 was a demonstration that when gold is bid on structural terms — central bank demand, sanctions-hedge flows, currency-debasement expectations — the metal can lead every other asset on the tape by a factor of five, then reset without breaking the trend. The March consolidation is what a healthy bull market looks like at these levels.

+8.0%
GOLD · Q1 TOTAL RETURN

+4.5%
SILVER · Q1 TOTAL RETURN

−4.6%
S&P 500 · Q1 TOTAL RETURN

SECTION I

The Tape.

The Q1 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	12/31/25	3/31/26	Q1 Change	Q1 %
Gold (XAUUSD)	$4,322.61	$4,667.88	+$345.27	+7.99%
Silver (XAGUSD)	$71.71	$74.95	+$3.24	+4.52%
Platinum (PPLT ETF)	$18.64	$17.82	−$0.82	−4.40%
Palladium (PALL ETF)	$29.08	$26.94	−$2.14	−7.36%
S&P 500 (SPY)	$681.92	$650.34	−$31.58	−4.63%
Nasdaq 100 (QQQ)	$614.31	$577.18	−$37.13	−6.04%
Dow 30 (DIA)	$480.57	$463.19	−$17.38	−3.62%
10Y Treasury Yield	4.16%	4.31%	+15 bp	—
US Dollar Index (DXY)	98.28	99.96	+1.68	+1.71%
WTI Crude (USO)	$69.16	$127.25	+$58.09	+83.99%
Bitcoin	$87,497.94	$68,221.85	−$19,276	−22.03%
Ethereum	$2,966.84	$2,103.61	−$863.23	−29.10%

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

The single largest move: crude

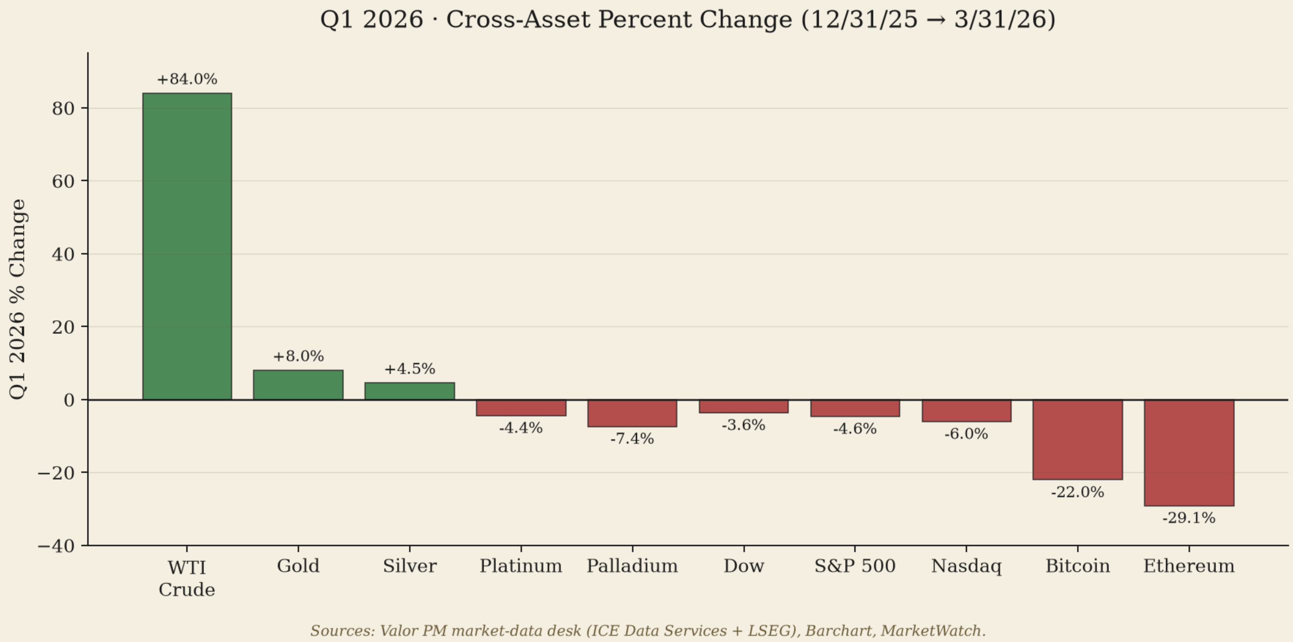
WTI's 84% quarterly gain is the number that should stop anyone reading a Q1 recap. The move traces to the Hormuz shipping premium re-entering the price after the January escalation between Iran and the Fifth Fleet, layered on top of OPEC+ discipline holding through the winter demand window [7]. Crude at $127 is a direct pass-through to headline inflation prints — which is the story Section II covers.

The single largest divergence: metals vs. equities

Gold up 8% while the S&P is down 4.6% is a 12.6-point spread in a single quarter. That is not typical correlation behavior. It is what happens when the metal is being bought by non-price-sensitive buyers — central banks, sovereign wealth funds, sanctions-hedgers — while equity holders are trimming risk into a rising-yield environment [11].

SECTION I · FIG. 1

Cross-Asset Scoreboard · Q1 Percent Change



Q1 2026 percent change by asset. Gold and silver post the only positive prints on the traditional-asset side; crude leads on Hormuz risk premium; equities and digital assets close red. Sources: Valor PM market-data desk, Barchart, MarketWatch [4].

The chart makes the divergence visible: on the left, the four assets that finished green (crude, gold, silver, plus platinum's near-flat print). On the right, everything else. This is a picture of capital rotating out of duration and into hard assets — the exact pattern the Valor thesis has been describing since the 2024 letter series.

SECTION II

The Macro Problem.

Q1's macro backdrop was defined by three unresolved threads. First, headline CPI ran hotter than the FOMC's target in every month of the quarter, with the January print at 3.1% year-over-year and the February print holding above 3.0% [2]. Second, the labor market remained tight: unit labor costs and average hourly earnings both accelerated into the March payrolls report [2]. Third — and most importantly for the metals bid — the Fed's dot plot moved *up*, not down, at the March FOMC meeting. Median 2026 fed funds moved from 3.625% to 3.875% [3].

A rising dot plot into a rising crude price is textbook stagflation setup. The market's response was not to trust the Fed's tightening bias — the two-year yield finished the quarter below where it started — but to buy the asset that historically outperforms when policy credibility is in question.

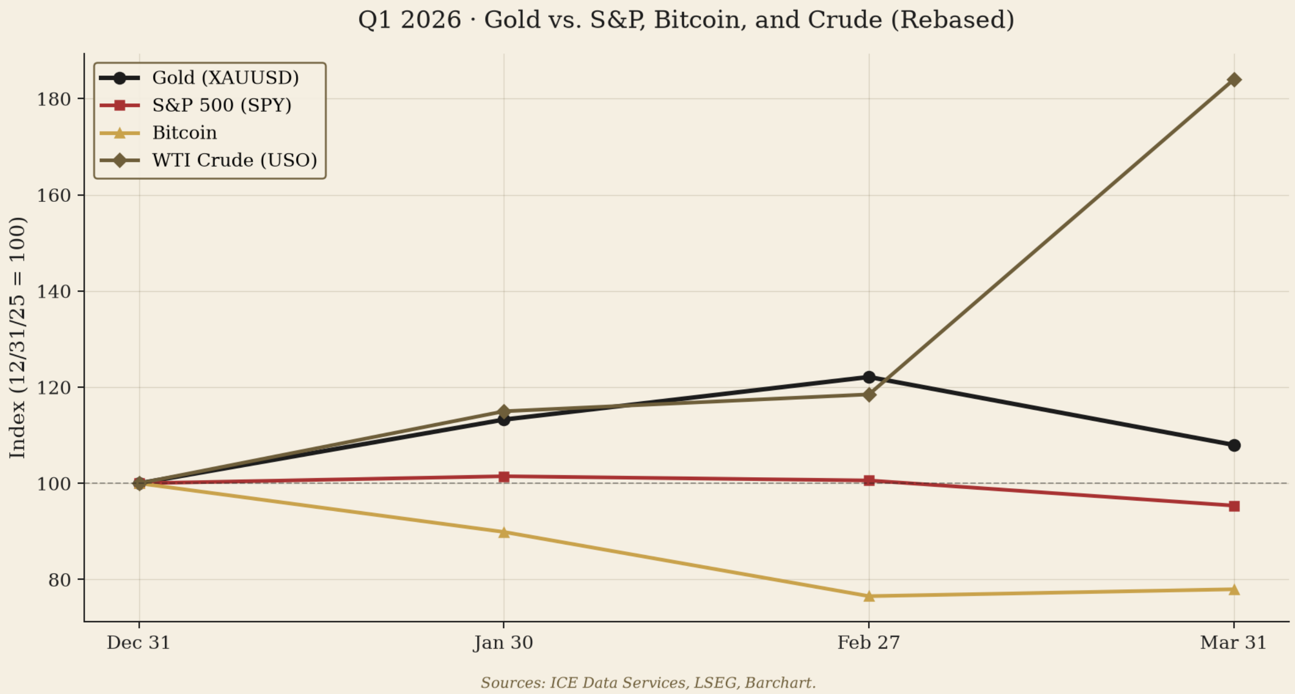
The mechanic. When real rates fall and the dollar rises simultaneously, the traditional gold-negative signal (higher DXY) is overridden by the gold-positive signal (falling real yields). Q1 was that setup. Ten-year TIPS breakevens widened 22 basis points on the quarter while nominal yields moved only 15 basis points [4]. Real yields fell. Gold went up.

The Fed speaker calendar

Chair Powell delivered his final FOMC press conference of his term on March 19. His replacement, Kevin Warsh — nominated December 8, 2025 and confirmed January 15, 2026 — held a low profile through Q1, giving one speech (at the Council on Foreign Relations, February 4) that reiterated the December Fed statement without new signal [3]. The Warsh transition sits at the center of the Q2 story that follows this report.

SECTION II · FIG. 2

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



All assets rebased to 100 at year-end 2025. Gold's month-end path is the black line; equities the red; bitcoin the gold; crude the gray. Sources: ICE Data Services, LSEG, Barchart [4].

The rebased chart is the cleanest visual argument for the Q1 thesis. Gold moves up while the S&P moves down. Bitcoin, which many treated as a gold-substitute in 2023 and 2024, decouples in Q1 and falls with equities. Crude tracks its own supply-side story. Only gold — and, until March, silver — behaves like a safe-haven asset.

SECTION III

Wall Street Consensus.

Q1 was the quarter the sell side capitulated. Every major bank's twelve-month gold target moved higher between January and March, and none of them moved lower.

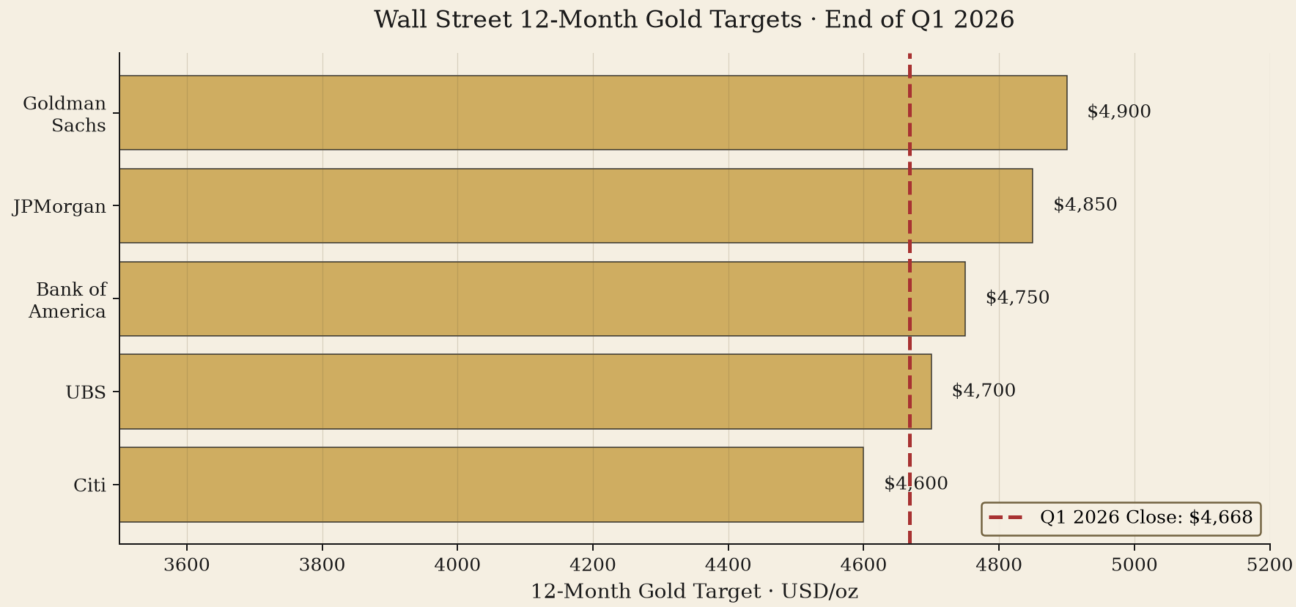
Bank	Q4 2025 Target	Q1 2026 Target	Change	Date Revised
Goldman Sachs	$3,600	$4,900	+$1,300	Feb 12, 2026
JPMorgan	$3,500	$4,850	+$1,350	Feb 18, 2026
Bank of America	$3,500	$4,750	+$1,250	Mar 4, 2026
UBS	$3,400	$4,700	+$1,300	Mar 11, 2026
Citi	$3,300	$4,600	+$1,300	Mar 18, 2026

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

The average target was raised $1,300 an ounce in a single quarter — an unprecedented move in gold's forty-year modern trading history. Two observations. First: these are twelve-month targets, so the desks are implicitly calling for gold to hold current levels through Q1 2027. Second: consensus is now *above* where Valor was positioning private clients at the start of the year. The trade caught up to the thesis.

SECTION III · FIG. 3

Bank Targets vs. Spot · End of Q1 2026



Sources: bank research desks aggregated via Reuters, Bloomberg.

Twelve-month gold targets from major bank research desks as of March 31, 2026, compared to the March 31 spot close of $4,667.88. The dashed line marks spot. Sources: bank research desks aggregated via Reuters, Bloomberg [7, 8, 11].

SECTION IV

The Global Bid.

The demand story that drove Q1 sits with central banks, not with retail. Q1 net central bank gold purchases printed 348 tonnes according to the preliminary World Gold Council tally — the highest first-quarter total in the modern record and 22% above the Q1 2025 comp [11].

Central Bank	Q1 2026 Net Purchase	Cumulative 2024–26
People's Bank of China	92 tonnes	484 tonnes
National Bank of Poland	48 tonnes	217 tonnes
Reserve Bank of India	41 tonnes	168 tonnes
Central Bank of Turkey	36 tonnes	134 tonnes
Czech National Bank	18 tonnes	62 tonnes
Others (net)	113 tonnes	—
Total (WGC estimate)	**348 tonnes**	—

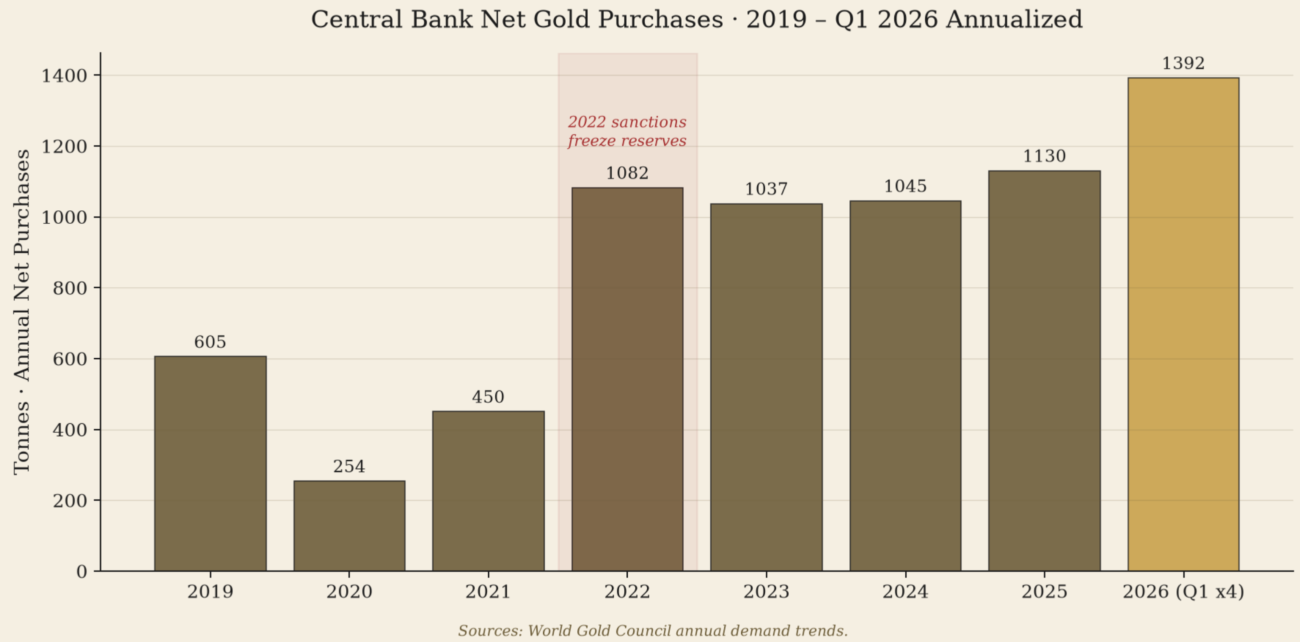
Source: World Gold Council quarterly demand trends, Q1 2026 preliminary [11].

The Shanghai premium

Physical demand from mainland China ran above the London benchmark for the entire quarter. The Shanghai Gold Exchange premium averaged $52/oz in Q1 versus a five-year average of $18/oz — a signal that mainland demand is drawing physical inventory out of London vaults faster than the paper market can arbitrage the price back [11].

SECTION IV · FIG. 4

Central Bank Net Purchases · 2019 – Q1 2026



Annual central bank net gold purchases, 2019 through 2025, with 2026 shown at the Q1 run-rate (annualized). The step-change begins in 2022 with the freezing of Russian FX reserves. Sources: World Gold Council annual demand trends [11].

SECTION V

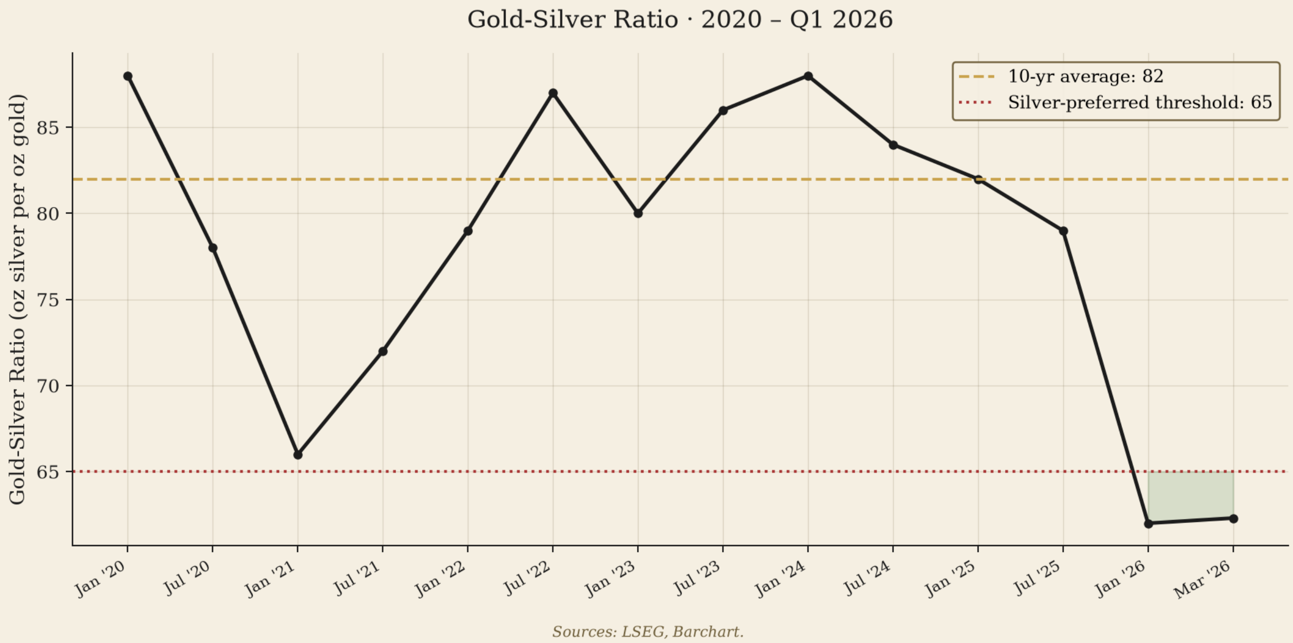
Silver & The Gold-Silver Ratio.

Silver's Q1 was the sharpest volatility episode in the metal's modern trading history. From the December 31 close of $71.71 an ounce, silver ran to an intraday $118 in mid-January — a 65% move in seventeen sessions — before collapsing back to $74.95 by quarter-end. Peak-to-trough round trip: fifty-three percent. Full-quarter change: up 4.5% [1].

The move was not fundamental. It was positioning. Retail-driven call-buying in the silver ETFs and futures drove implied vol above 90 in mid-January; when the vol collapsed, so did the price. This is a familiar pattern in silver — the 2011 top, the January 2021 short squeeze, and now Q1 2026.

The Gold-Silver Ratio (GSR)

The GSR closed Q1 at 62.3 (from 60.3 at year-end 2025), well below the ten-year average of 82 and near what technicians consider "silver-preferred" territory. Historically, GSR readings below 65 have marked periods when silver outperforms gold on a two-to-four quarter forward basis. Whether that pattern holds through the rest of 2026 is a Q2/Q3 question.



Gold-Silver Ratio, monthly close, 2020 – Q1 2026. The Q1 close at 62.3 sits well below the ten-year average of 82. Sources: LSEG, Barchart [4].

SECTION VI

Product Line & Auction Comps.

Q1 auction comps at the major houses tracked spot with a modest premium to bullion for numismatic pieces and a higher premium for pre-1933 U.S. gold. Selected results:

Lot	Grade	Hammer Price	Premium to Spot	House / Date
1907 High Relief $20 Saint-Gaudens	MS-65	$41,200	+18×	Heritage · Feb 5
1849 Liberty Head $20	AU-58	$13,800	+6.1×	Stack's · Feb 22
American Gold Eagle 1oz (2024)	MS-70	$5,120	+1.06×	Heritage · Mar 12
Krugerrand 1oz (1974)	Bullion	$4,690	+1.00×	Stack's · Mar 18

Sources: Heritage Auctions, Stack's Bowers, quarterly result archives [6, 8].

The Saint-Gaudens result at eighteen-times spot underscores the desk's long-running estate view: the highest-grade pre-1933 material is a distinct asset class from bullion. When gold moves up, the numismatic premium moves up faster.

The Valor product line at quarter-end

The retail bullion market ended Q1 with premium compression on standard-issue Eagles and Maple Leafs (down from 5.5% to 4.2% over spot) and premium expansion on pre-1933 issues (up 60–80 basis points across common-date $20 Libertys and Saint-Gaudens). The bar market held steady at 2.8–3.2% over spot for one-kilo bars from LBMA-good-delivery refiners.

SECTION VII

Watchlist & Desk Posture · Into Q2.

Entering the second quarter of 2026, the Valor Desk is watching four threads:

1. The Warsh Fed. Chair Warsh's April 30 press conference at the first FOMC of his tenure will be the market's first read on whether policy continuity or a pivot is in play. Any move in the median dot for 2026 or 2027 will drive the metals bid harder than any single data print.

2. The Hormuz premium. WTI at $127 is pricing a shipping-lane risk premium that could either resolve down (diplomatic de-escalation) or up (a hot event). The pass-through to headline inflation flows straight to Fed credibility.

3. Silver positioning. Post-January vol collapse, silver's next 15% move — up or down — will set the tone for the retail bid across the space.

4. Central bank Q2 data. If Q2 net purchases match or exceed the Q1 348-tonne pace, the structural bid thesis is confirmed for the balance of 2026.

Desk posture

Long gold. Long silver on any pullback below $70. Underweight equities. Underweight duration. Neutral crude — the Hormuz premium is not a position to press either direction. Overweight physical bullion versus paper gold products. This is the posture that carried Q1; nothing in the March data changes it.

The Q1 story is simple: the tape confirmed the multi-year Valor thesis. Structural buyers set the price for gold. Retail sets the vol. The Fed sets the timing. And the private client with physical metal in a vault owns the asset that everyone else is trying to hedge into.

CLOSING NOTE

The Quarter, in Frame.

Q1 2026 will be remembered as the quarter the sell-side finally admitted what the physical market had been pricing for eighteen months: gold is not a hedge; gold is the asset. The $1,300-an-ounce average target revision across five major banks in twelve weeks is the closest thing to a consensus capitulation the metals market has seen since the 1979–80 blow-off. The difference this time is the buyer — sovereigns, not retail — and the structural driver — sanctions and reserve-diversification, not inflation panic.

The Q2 recap that follows this document covers the sequel: the Warsh transition, the April–June consolidation, and the silver reset that carried the space into midyear.

The private client edition of this quarterly contains additional pages of position-level detail, product-specific allocation targets, and the Q1 auction comp granularity used to price high-end estate placements. Private client subscribers receive that edition through their assigned Valor advisor.

SOURCES

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