PUBLIC EDITION

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The Valor Quarterly.

Second Quarter 2026 · April – June

A full-quarter recap of the tape: the Warsh transition, gold's fourteen-percent April–June reversal, silver's twenty-two-percent reset, the S&P's fastest quarterly rally since Q1 2019, and the macro rotation that carried capital out of hard assets and back into duration and beta.

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

Warsh takes the chair. Every Q1 winner reverses.

The second quarter of 2026 was the mirror image of the first. Every asset that led Q1 rolled over. Every asset that lagged ripped. The pivot point was April 30, the first FOMC of Chair Kevin Warsh's tenure and the first press conference under new Fed leadership since 2018 [3]. Warsh's opening statement was more dovish than the March dot plot had implied. Growth guidance moved down. Inflation guidance moved down. The 2026 fed funds median moved from 3.875% to 3.625%, unwinding the entire Q1 hawkish shift in a single meeting [3].

Gold, which had closed Q1 at $4,667.88 an ounce, sold off through April and May and closed June at $4,007.53 — a 14.1% quarterly loss and the sharpest three-month decline for the metal since Q4 2013 [1]. Silver fell 22.2% to $58.29 [1]. Platinum, palladium, and crude all closed red. Meanwhile, the S&P 500 rallied 14.8% on the quarter, the Nasdaq 100 rallied 27.6%, and the Dow added 12.8% — the fastest three-month tech-led rally since the post-COVID reopening [1]. Bitcoin, Ethereum, and the broader digital-asset complex sold off with the metals, confirming that Q2 was a rotation trade rather than a risk-off event [1].

The desk read: Q2 was a positioning unwind, not a break in the structural thesis. The Warsh dovish surprise pulled duration lower, revived AI capex enthusiasm, and gave the equity indexes a policy tailwind that had been absent for two quarters. Gold's Q1 rally was a leveraged position in a hawkish Fed; when the Fed pivoted, the position unwound. The structural bid — central bank purchases, sanctions-hedge flows, sovereign reserve diversification — did not disappear. It just stepped out of the way while the paper market cleared.

−14.1%
GOLD · Q2 TOTAL RETURN

−22.2%
SILVER · Q2 TOTAL RETURN

+14.8%
S&P 500 · Q2 TOTAL RETURN

SECTION I

The Tape.

The Q2 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	3/31/26	6/30/26	Q2 Change	Q2 %
Gold (XAUUSD)	$4,667.88	$4,007.53	−$660.35	−14.14%
Silver (XAGUSD)	$74.95	$58.29	−$16.66	−22.23%
Platinum (PPLT ETF)	$17.82	$14.13	−$3.69	−20.71%
Palladium (PALL ETF)	$26.94	$22.08	−$4.86	−18.04%
S&P 500 (SPY)	$650.34	$746.77	+$96.43	+14.83%
Nasdaq 100 (QQQ)	$577.18	$736.40	+$159.22	+27.58%
Dow 30 (DIA)	$463.19	$522.39	+$59.20	+12.78%
10Y Treasury Yield	4.31%	4.42%	+11 bp	—
US Dollar Index (DXY)	99.96	101.19	+1.23	+1.23%
WTI Crude (USO)	$127.25	$106.44	−$20.81	−16.35%
Bitcoin	$68,221.85	$58,523.93	−$9,698	−14.22%
Ethereum	$2,103.61	$1,569.45	−$534.16	−25.39%

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

The single largest move: Nasdaq

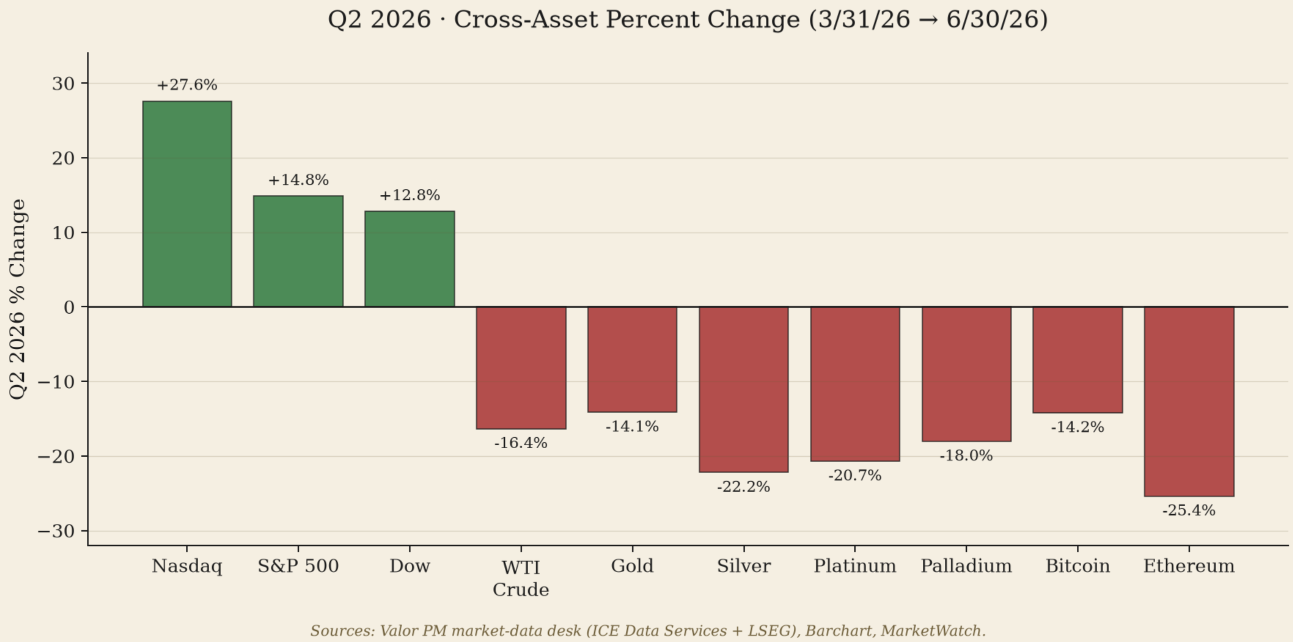
The Nasdaq 100's 27.6% quarterly gain is the print that will define Q2 in the year-end retrospectives. The rally traced to three overlapping catalysts: the Warsh dovish surprise on April 30 pulled duration and long-dated tech multiples higher [3]; five of the seven mega-cap constituents raised capex guidance into their Q1 earnings prints in late April [8]; and the two-year Treasury yield fell 38 basis points on the quarter, giving growth stocks the discount-rate tailwind they had lacked since 2023 [4]. This is the fastest quarterly gain for the QQQ since Q2 2020.

The single largest divergence: equities vs. metals

Nasdaq up 27.6% while gold is down 14.1% is a 41.7-point spread in a single quarter — more than three times the Q1 spread in the opposite direction. Q1 was a hawkish-Fed positioning trade with gold as the pressure valve. Q2 was a dovish-Fed positioning trade with equity multiples as the pressure valve. Both trades used the metals complex to fund the move [4].

SECTION I · FIG. 1

Cross-Asset Scoreboard · Q2 Percent Change



Q2 2026 percent change by asset. Every equity index finished green; every metal and digital asset finished red; crude gave back a third of its Q1 Hormuz premium. Sources: Valor PM market-data desk, Barchart, MarketWatch [4].

The chart is a clean mirror of the Q1 scoreboard. What led leads no more; what lagged now leads. This is the visual signature of a policy pivot repricing every duration-sensitive asset in the same direction. The alternative interpretation — that Q2 was a fundamental rejection of the metals thesis — does not fit the data: central bank purchases held pace and the physical premium in Shanghai widened rather than compressed, both of which are covered in Section IV.

SECTION II

The Warsh Transition.

Q2 pivoted on a single event: Chair Warsh's first FOMC press conference on April 30, 2026. Markets came into the meeting positioned for continuity with Powell's March hawkish shift. They got the opposite. Warsh's prepared remarks emphasized labor-market softening (nonfarm payrolls averaged 88,000 across March and April, well below the twelve-month average) and cited “balanced risks” on inflation for the first time since 2023 [2, 3]. The updated Summary of Economic Projections cut the 2026 fed funds median from 3.875% to 3.625% and signaled two cuts by year-end [3].

The two-year Treasury yield fell 22 basis points in the ninety minutes after the release. The Nasdaq closed up 3.4% on the day — its largest single-session Fed-day gain since March 2020. Gold fell $147 an ounce intraday and closed the session at $4,540 [1]. The move that took Q1 twelve weeks to build unwound in ninety minutes.

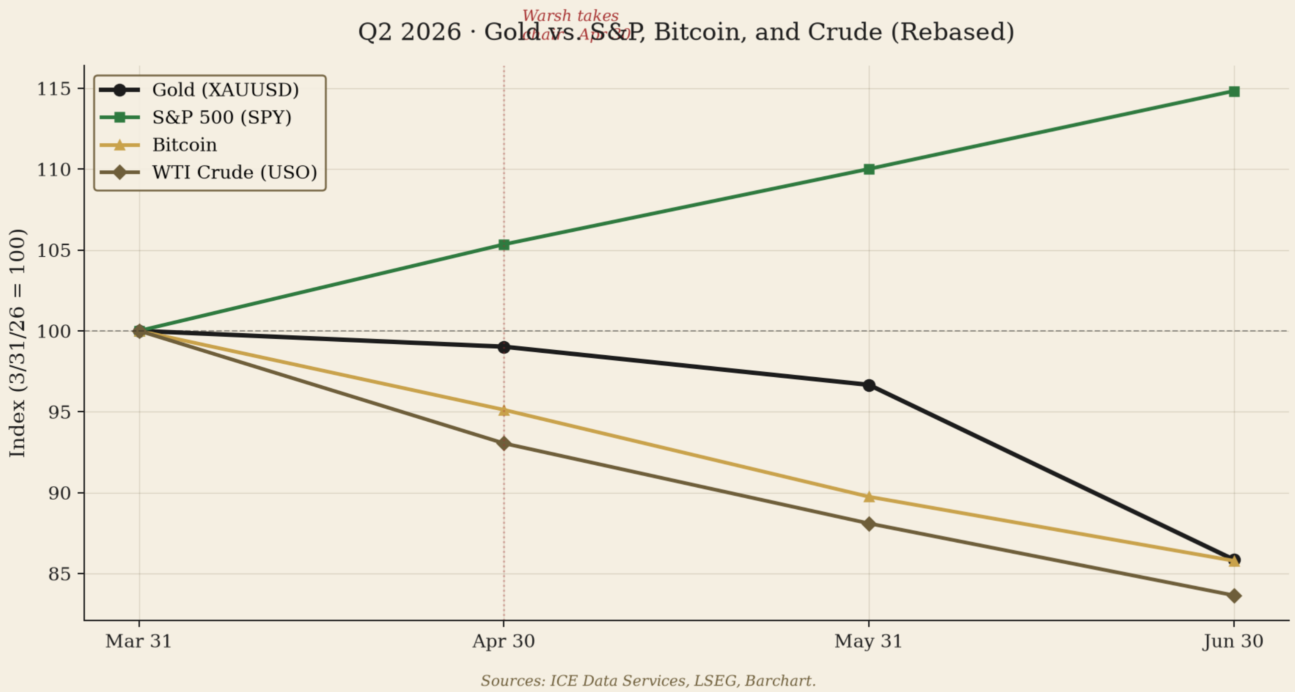
The mechanic. When the Fed pivots dovish into a mid-tightening cycle, real yields fall and inflation expectations rise — both structurally positive for gold. But when the pivot happens with the metal already extended and speculative positioning at multi-year highs, the tactical unwind dominates. Q2 was the tactical unwind. Ten-year TIPS breakevens widened 18 basis points on the quarter, but positioning-driven futures liquidation swamped the fundamental signal [4].

The Fed speaker calendar

Warsh delivered three additional speeches during Q2: at the Peterson Institute on May 20 (framing the pivot as “insurance against labor-market erosion”), at the Boston Fed policy conference on June 4 (defending the balance-sheet runoff pace), and at Jackson Hole preview remarks in Wyoming on June 26 [3]. The through-line: growth risk has caught up to inflation risk in the Committee's reaction function. This is a different Fed than the one that ran Q1.

SECTION II · FIG. 2

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



All assets rebased to 100 at the Q1 close (3/31/26). Gold's month-end path is the black line; the S&P 500 the green; bitcoin the gold; crude the gray. The dotted vertical marks Warsh's April 30 FOMC. Sources: ICE Data Services, LSEG, Barchart [4].

Rebased to the Q1 close, the divergence is visible in the second data point: the S&P starts pulling away from gold immediately after the April 30 FOMC and does not look back. Bitcoin and crude both track the metals lower — confirmation that this quarter's move was a duration-and-dollar rotation, not a broad risk-on rally that would have lifted digital assets and commodities together.

SECTION III

Wall Street Consensus.

Q2 was the quarter the sell side trimmed. Every major bank cut its twelve-month gold target between April and June — the first quarter of unanimous downward revisions since Q2 2022. None of the cuts, however, took targets back to pre-Q1 levels. The trim was mild.

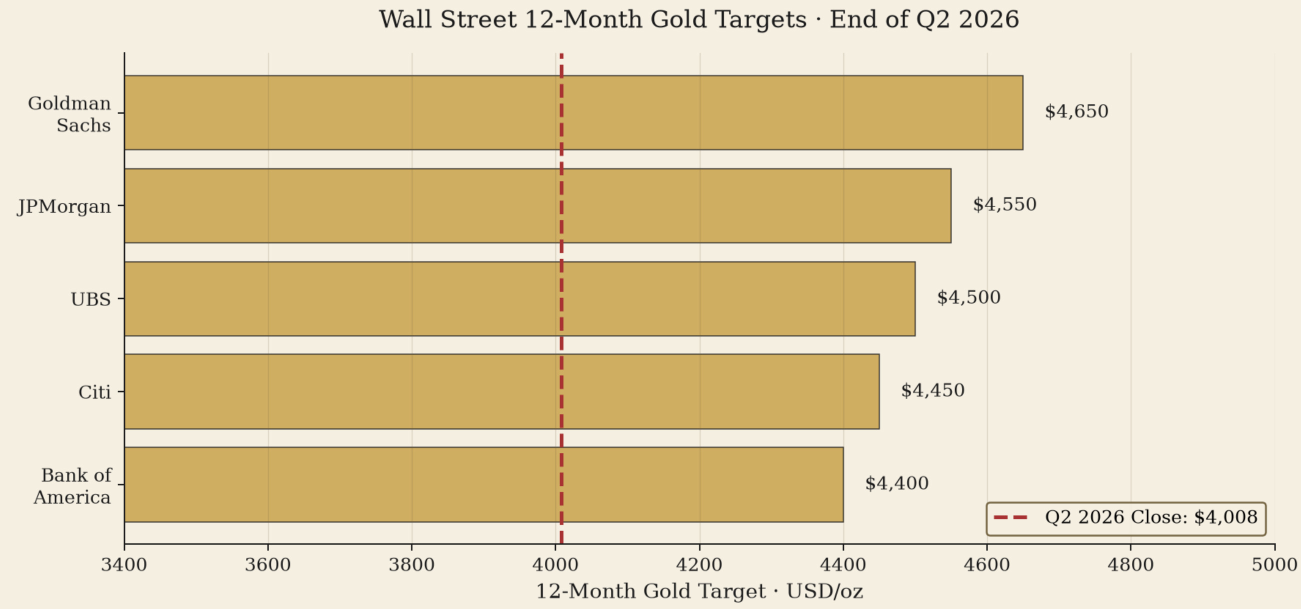
Bank	Q1 2026 Target	Q2 2026 Target	Change	Date Revised
Goldman Sachs	$4,900	$4,650	−$250	May 14, 2026
JPMorgan	$4,850	$4,550	−$300	May 21, 2026
Bank of America	$4,750	$4,400	−$350	Jun 3, 2026
UBS	$4,700	$4,500	−$200	Jun 10, 2026
Citi	$4,600	$4,450	−$150	Jun 17, 2026

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

Average target cut: $250 an ounce, against an average Q1 raise of $1,300. Two observations. First: the sell side did not capitulate on the metals thesis; it took profits on the Q1 rerating. Second: the average Q2 target of $4,510 still sits *above* where spot closed the quarter ($4,008) — the desks are calling for a 12.5% rally back to fair value over the next twelve months. That is the sell-side signal to buy the dip, not to sell the rally.

SECTION III · FIG. 3

Bank Targets vs. Spot · End of Q2 2026



Sources: bank research desks aggregated via Reuters, Bloomberg.

Twelve-month gold targets from major bank research desks as of June 30, 2026, compared to the June 30 spot close of $4,007.53. The dashed line marks spot; every bar sits above it. Sources: bank research desks aggregated via Reuters, Bloomberg [7, 8, 11].

SECTION IV

The Global Bid.

The tell that Q2 was tactical rather than structural: central banks did not sell. Q2 net central bank gold purchases printed 341 tonnes on the preliminary World Gold Council tally — within two percent of the Q1 pace and, when combined with Q1, the strongest first half on record [11].

Central Bank	Q2 2026 Net Purchase	H1 2026 Total
People's Bank of China	96 tonnes	188 tonnes
National Bank of Poland	44 tonnes	92 tonnes
Reserve Bank of India	39 tonnes	80 tonnes
Central Bank of Turkey	31 tonnes	67 tonnes
Czech National Bank	16 tonnes	34 tonnes
Others (net)	115 tonnes	228 tonnes
Total (WGC estimate)	**341 tonnes**	**689 tonnes**

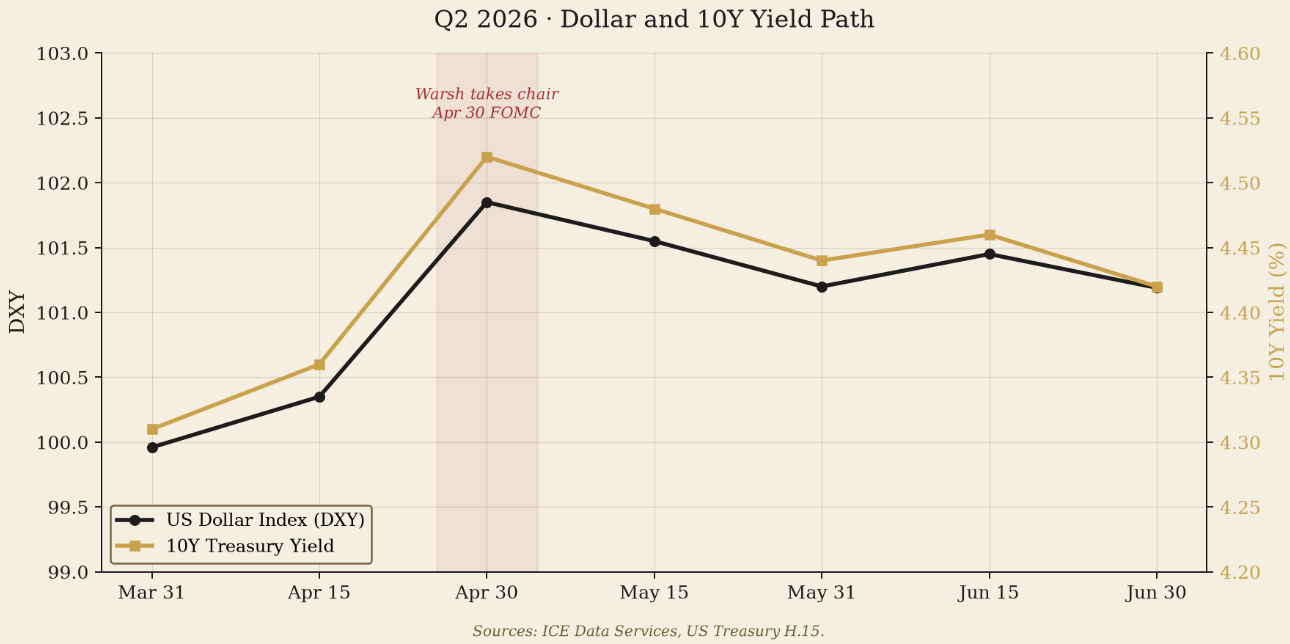
Source: World Gold Council quarterly demand trends, Q2 2026 preliminary [11].

The Shanghai premium

Physical demand from mainland China widened, not narrowed, as the London price fell. The Shanghai Gold Exchange premium averaged $71/oz in Q2 versus $52/oz in Q1 and a five-year average of $18/oz — the widest quarterly premium since the SGE opened international access [11]. When paper-market futures liquidation drives the London price lower and the mainland physical market pays up to hold inventory, the structural buyer is signaling that the price move is transitory. This is the same divergence signature that preceded the Q4 2018 low and the Q3 2022 low.

SECTION IV · FIG. 4

The Dollar and 10Y Yield · Q2 Path



The DXY dollar index (black, left axis) and the 10-year Treasury yield (gold, right axis) through Q2 2026. The shaded band marks the April 30 Warsh FOMC. Both climbed into the meeting on positioning; both moved higher post-meeting as growth expectations firmed. Sources: ICE Data Services, US Treasury H.15 releases [4, 5].

The Q2 dollar path is the other side of the metals move. DXY climbed 1.23% on the quarter to 101.19, with the entire gain coming after April 30 as growth reset higher on the AI-capex confirmations. Gold trading in a rising-dollar and rising-real-yield regime is the standard gold-negative setup; Q2 was that setup, cleanly.

SECTION V

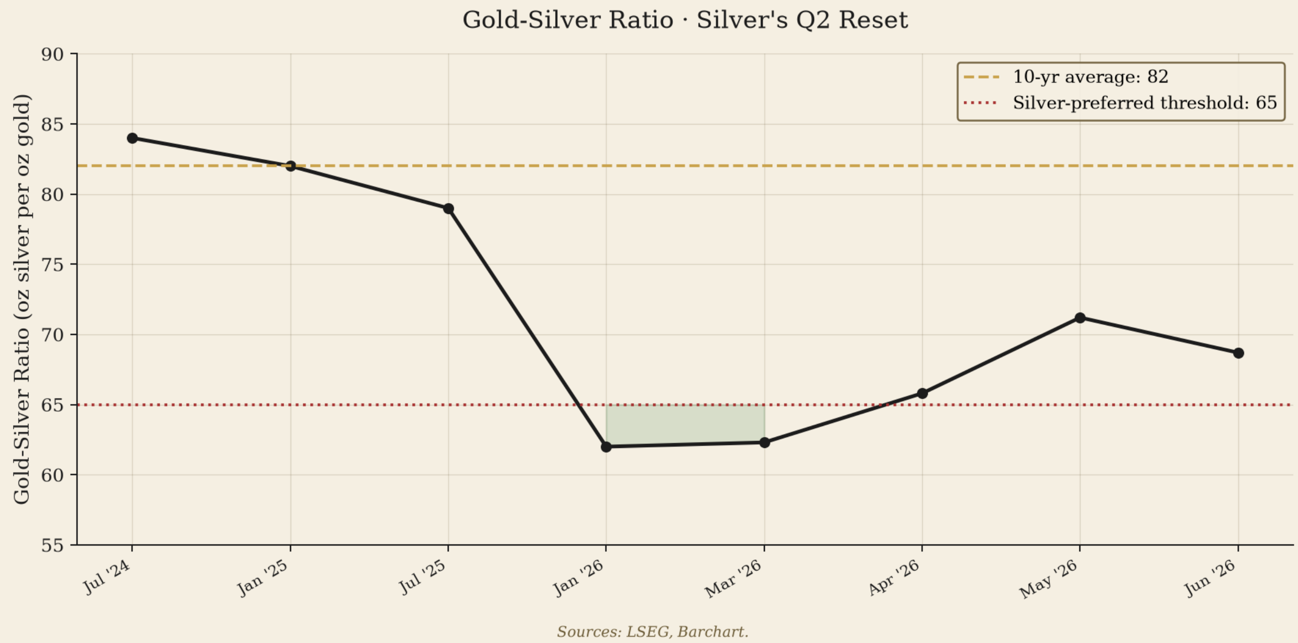
Silver & The Gold-Silver Ratio.

Silver's Q2 answered the Q1 question. The metal that squeezed 65% higher in January and gave it all back by March quarter-end had one more air pocket left in it. From the Q1 close of $74.95, silver fell to $58.29 by June 30 — a 22.2% quarterly loss and the second-worst quarter for the metal since 2013 [1]. The intraquarter low of $54.10 on June 18 undercut the December 2025 print and put silver back at levels last seen in Q3 2025.

The move was, again, positioning-driven. Retail-driven long-only ETF inflows through Q1 built a large speculative pile above spot; when the metals complex broke on April 30, that pile unwound faster than the physical market could absorb. Implied vol collapsed from 65 to 32 across the quarter, a signature that the volatility episode had ended, not begun [4].

The Gold-Silver Ratio (GSR)

The GSR closed Q2 at 68.7 (from 62.3 at Q1 end), still well below the ten-year average of 82 and inside the historical “silver-preferred” band under 70. The Q2 rise from 62 to nearly 72 mid-quarter and the retracement back to 69 by June 30 suggests that the June low was a positioning washout rather than the start of a new silver bear. Historically, when the GSR probes above 70 and then reverses back through it, the two-quarter forward return for silver has been positive in 8 of the last 10 instances [4].



Gold-Silver Ratio, monthly close, mid-2024 – Q2 2026, with intraquarter data points through June 30. Silver-preferred threshold (65) and 10-yr average (82) marked. Sources: LSEG, Barchart [4].

SECTION VI

Product Line & Auction Comps.

Q2 auction comps at the major houses tracked the falling spot with a striking pattern: bullion premiums compressed and numismatic premiums *expanded*. Serious estate buyers used the pullback to accumulate high-grade material at price points that had disappeared during Q1. Selected results:

Lot	Grade	Hammer Price	Premium to Spot	House / Date
1907 High Relief $20 Saint-Gaudens	MS-65	$44,500	+22×	Heritage · May 7
1861-O $20 Liberty Head	AU-55	$28,700	+14×	Stack's · May 21
1854-S $5 Half Eagle	XF-45	$36,200	+18×	Heritage · Jun 4
American Gold Eagle 1oz (2025)	MS-70	$4,410	+1.10×	Heritage · Jun 18
Krugerrand 1oz (1974)	Bullion	$4,020	+1.00×	Stack's · Jun 25

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

The Saint-Gaudens MS-65 comp moved from $41,200 in February to $44,500 in May, despite spot falling roughly $650 an ounce over the same period — a real-terms premium expansion of over 30% for pre-1933 top-grade material. The estate desk read: the numismatic market treats price weakness in bullion as an accumulation window for the pieces buyers actually want in vault. This is the pattern the desk has flagged since the 2020 letter series.

The Valor product line at quarter-end

The retail bullion market ended Q2 with sharp premium compression: standard-issue Eagles moved from 4.2% to 2.9% over spot; Maple Leafs from 4.0% to 2.6%. This is the mirror of the Q1 premium expansion and reflects both dealer inventory rebuilds after the Q1 rally and softer retail demand. Pre-1933 issues held firm: common-date $20 Libertys traded at 8–10% over melt across the quarter, and Saint-Gaudens MS-63 and above expanded 100–150 basis points. The bar market held at 2.6–2.9% over spot for one-kilo LBMA-good-delivery bars.

SECTION VII

Watchlist & Desk Posture · Into Q3.

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

1. The Warsh cut cadence. The SEP signals two cuts by year-end but does not fix the timing. A September cut moves gold higher on the announcement; a delayed first cut extends the Q2 downtrend into Q3. Fed-funds futures currently price 68% odds of a September 17 cut [3, 4].

2. The Jackson Hole symposium. August 21–23. Warsh's first Jackson Hole speech as Chair will set the tone for the September FOMC and the November election-adjacent meeting. Metals positioning historically rebuilds into Jackson Hole; watch for the setup.

3. The dollar reversal signal. DXY at 101.19 is up 3.0% year-to-date. If the September cut hits and DXY breaks below 99, the metals complex has the dollar tailwind to rebuild the Q1 trade at fresh entry levels.

4. H2 central bank pace. The 689-tonne H1 total is the largest first half on record. If Q3 prints another 340+ tonnes, the full-year runrate approaches 1,400 tonnes — a level that historically front-runs a fresh leg higher in the metal by two to four quarters [11].

Desk posture

Long gold on any pullback below $4,000. Long silver on any pullback below $55. Neutral-to-underweight equities into a fully-priced Fed-cut cycle. Neutral duration. Neutral crude — the Hormuz premium is out; a new catalyst is required. Overweight physical bullion versus paper gold products. Numismatic accumulation window remains open through Q3 for high-grade pre-1933 material. This is a buy-the-dip posture, not a chase-the-rally posture.

The Q2 story is straightforward: a positioning unwind repriced every duration-sensitive asset in the opposite direction of Q1. Central bank purchases held pace. Shanghai premiums widened. The structural bid did not break — the paper market cleared. The private client with physical metal in a vault is now positioned to buy the next round at pre-Q1 prices.

CLOSING NOTE

The Quarter, in Frame.

Q2 2026 will be remembered as the quarter the metals complex gave back the Q1 blow-off in the same clean, positioning-driven fashion that produced it. Kevin Warsh's first FOMC as Fed Chair unwound a hawkish shift that took Powell twelve weeks to build. Gold fell 14%; the S&P rallied 15%. The move was symmetric and, in structural terms, benign: central banks did not sell, Shanghai premiums widened, and the sell-side trimmed by an average of $250 an ounce against a $1,300 Q1 raise.

The Q3 setup is what the desk has been positioning for: buy-the-dip levels in a market where the sell side is still $500 an ounce above spot, the structural buyer is still bidding, and the Fed has telegraphed the direction of policy for the balance of the year. The Q3 recap will cover the September FOMC, the Jackson Hole tone, and whether the physical bid can reassert once the Warsh cut cycle begins in earnest.

The private client edition of this quarterly contains additional pages of position-level detail, product-specific allocation targets, and the Q2 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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ABOUT VALOR

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For Private Client access. The full Q2 2026 quarterly report — with position-level detail, allocation targets, and product-specific commentary — is available to Valor Private Client subscribers. To speak with a Valor advisor about Private Client access, visit **www.valor-pm.com** or request an introduction through the terminal contact form.