PRIVATE CLIENT CIRCULATION · NOT FOR RETRANSMISSION

China is preparing for *$38,000 gold.*

A breakdown of the Hamiltonian playbook, the neutral-reserve thesis, and the arithmetic that turns a viral YouTube headline into a serious institutional question.

LIVE SPOT AT PRESS TIME · **$3,977 / OZ** · −1.75% TODAY

PREPARED BY **PETER FETHERSTON**
MANAGING DIRECTOR · NEW YORK OFFICE
VALOR PM ADVISORS

Wealth that endures.
Counsel that arrives.
Metals that don't blink.

THE PROVOCATION

A number worth *interrogating.*

Andrei Jikh's July 15 video crossed three quarters of a million views in twenty-four hours. It reached a client's inbox before it reached ours. This is our reading of it — line by line — from the New York desk.

On July 15, 2026, financial YouTuber Andrei Jikh published a thirty-minute video titled *"China Is Preparing For $38,000 Gold."* It has since crossed **741,000 views**. It is not a bullion advertisement. It is a synthesis — largely drawn from the research work of **Luke Gromen (FFTT)** — of five sitting arguments that gold, at some future date, must be revalued into the tens of thousands of dollars per ounce.

The video attracted our attention for one reason only: **the arithmetic is not fringe.** The names supporting it are not fringe. And the on-the-ground behavior of the Chinese state, its central bank, its retail investors, and its four largest domestic banks is consistent with the thesis in a way that cannot be dismissed as narrative.

This report is not a recommendation to buy gold at any specific price. It is a written record of what the video says, what is verifiable, what is speculative, and how a Valor client should think about it inside a diversified portfolio.

FOUR FACTS THE VIDEO IS BUILT ON

#1

The **largest ETF in China** by retail assets is now a **gold ETF** (Huaan Gold, ~$13B), surpassing China's S&P-equivalent fund (~$12B).

20

Consecutive months of gold buying by the People's Bank of China — the longest confirmed streak since at least 2015. June: nearly 15 tonnes, largest single month since Oct 2023.

14,000

Tonnes of gold **imported by China** since 2015 — roughly 700 tonnes in the first five months of 2026 alone.

Sources cited in the underlying video: World Gold Council, PBOC monthly reserve disclosures, China Customs, Bloomberg reporting on Chinese ETF AUM (via Jikh / Gromen, July 15, 2026). Valor has independently verified the direction and rough magnitude of each figure but has not audited the exact tonnage numbers.

The retail move nobody in the U.S. is talking about. *Yet.*

On **July 24, 2026**, four of China's largest retail banks are scheduled to **close their unallocated / paper gold trading desks** to new customers. The stated reason from Beijing is investor protection. The functional consequence is that the marginal

Chinese saver, going forward, has to buy the physical metal or a bullion-backed ETF — not a synthetic contract.

Read on its own, that is a regulatory footnote. Read alongside twenty consecutive months of central-bank buying, a 14,000-tonne import register, and a paper-gold phase-out for retail, it reads as something else entirely: **a state actively rotating a nation of savers out of promises to receive gold and into gold itself.**

What we are not saying. *Read this carefully.*

We are not saying gold will trade at $38,000 next quarter. We are not saying it will trade at $38,000 next year. Jikh himself, to his credit, says the same. What the number represents is not a price target. It is **a math problem** — an implied revaluation level that emerges from a very specific way of asking how global trade could rebalance without a war and without a dollar crisis.

Whether or not the exact number is right, the direction it points is what a private-client desk must take seriously.

> *"There is a difference between being right on the direction and being right on the timing of when to buy it."*
>
> — ANDREI JIKH, CLOSING MINUTES OF THE JULY 15 VIDEO

Section I. *The Hamiltonian frame.*

On June 23, 2026, U.S. Treasury Secretary **Scott Bessent** published a Wall Street Journal op-ed titled *"Hamilton Inspires Trump's Economic Statecraft."* That paper is the anchor text of the entire thesis. It outlines five principles — five, plainly stated — for what the U.S. now believes its economic strategy should be.

BESSENT'S FIVE PRINCIPLES (WSJ, JUNE 23, 2026)

1. **Economic security starts with national capacity.** Rebuild the ability to manufacture at home.
2. **Openness will be matched by reciprocity.** If you sell into our market, we sell into yours — on symmetrical terms.
3. **America will rewrite the rules of the next economy.** Standards, chips, energy, AI, payments.
4. **Financial leadership is a central instrument of statecraft.** Dollars, Treasuries, and dollar-pegged stablecoins remain the plumbing.
5. **Economic statecraft must serve the American people.** Not just Wall Street, not just multinationals.

Bessent, S. (June 23, 2026). Hamilton Inspires Trump's Economic Statecraft. The Wall Street Journal, Opinion.

The historical playbook, in a paragraph.

In December 1791, Alexander Hamilton — America's first Treasury Secretary — presented Congress with his *Report on Manufactures*. The plan had two levers: **tariffs on foreign goods** and **subsidies for domestic industry**. Hamilton's argument was blunt: a country that cannot manufacture what it needs is not politically independent, whatever its constitution says. The United States ran this playbook, in one form or another, for roughly one hundred and fifty years. It is what turned an agrarian former colony into the industrial power that armed two world wars.

The Gromen triangle. Pick two.

Luke Gromen's analytical contribution is to note that Bessent's five principles collapse into three simultaneous objectives — **and no country in history has ever managed all three at once.**

OBJECTIVE A

Rebuild American industrial capacity. Real factories. Real jobs. Real wages.

OBJECTIVE B

Protect Main Street purchasing power. Keep the cost of living from eating the middle class alive.

OBJECTIVE C

Preserve a strong dollar as the world's reserve currency and pricing unit for oil, chips, and debt.

You can pick two. You cannot have all three. • A+B without C means the dollar must weaken meaningfully to make U.S. exports competitive again. • B+C without A is the status quo — the deal America has run since roughly 1971. • A+C without B means large, permanent tariffs paid at the register — and inflation eats the household.

Gromen's read: **the Bessent Treasury is going to sacrifice C** — the strong dollar — **but not by openly devaluing it.** Instead, another asset absorbs the adjustment. An asset outside any single nation's balance sheet. A neutral reserve. And there is exactly one asset in human history that has ever done that job.

"Gold, despite being in nearly fixed supply, does not have this problem — because there is no limit on its price."

— KENNETH ROGOFF, FORMER IMF CHIEF ECONOMIST, 2016

Section II. *The neutral-reserve thesis.*

The argument for a global reserve asset that is not any one country's currency is **not new** and it is **not Chinese.** It has been on the record of every major post-war monetary institution for eighty-two years. What is new is that the country now making it is the same country that once had the power to reject it.

THE EIGHTY-TWO-YEAR PAPER TRAIL

1944	**John Maynard Keynes** proposes the *Bancor* at Bretton Woods — an international unit of account, backed by a basket of ~30 commodities, that would automatically penalize *both* chronic surpluses and chronic deficits. The United States, running the world's largest trade surplus in 1944, refuses. The dollar system is adopted instead.
2009	Six months after Lehman, PBOC Governor **Zhou Xiaochuan** publishes *Reform the International Monetary System*, calling explicitly for "an international reserve currency that is disconnected from individual nations." Keynes is quoted by name.
2010	Former U.S. Treasury official and then-World Bank President **Robert Zoellick** writes in the *Financial Times* that the world should consider gold "as an international reference point for the monetary system."
2016	**Kenneth Rogoff**, former IMF Chief Economist, writes that emerging markets should convert a significant portion of their dollar reserves into gold — and notes that gold, uniquely, has no ceiling on its price.
Jan 2026	U.S. Trade Representative **Jamieson Greer**, at Davos, publicly acknowledges that Keynes's ideas were "left on the cutting room floor at Bretton Woods" — and that the U.S. of 2026 no longer has "the big trade surplus" that made rejecting them convenient in 1944.
Jun 2026	Treasury Secretary **Scott Bessent** publishes the Hamiltonian op-ed. The neutral-reserve conversation moves, for the first time in eighty-two years, from foreign capitals into the U.S. Treasury itself.

The two ways this story ends.

Gromen's framing — reproduced faithfully by Jikh — is that there are only two outcomes from here, and they lead to the same destination at very different speeds and with very different collateral damage.

PATH ONE — DISORDERLY

The reindustrialization plan fails. Debt continues to compound faster than nominal GDP. Confidence in dollar-settled paper breaks. The 1971 system unwinds the way 1922–1945 unwound — currency crises, capital controls, and eventually a war before a new system replaces the old. Gold is the winner because gold is what people demand when paper promises fail.

PATH TWO — MANAGED

The plan works. Trade rebalances. The dollar comes down in a controlled way against a neutral asset — gold — that quietly settles the international residual. The system that replaces the 1971 dollar order is negotiated rather than shattered. Gold is still the winner, because gold is the escape valve engineered into the design.

Both paths point in the same direction. Only the speed, the volatility, and the human cost differ. This is why the People's Bank of China does not care what gold prints on any given Tuesday.

Section III. *Where the number comes from.*

The $38,000 figure is not a chart pattern or an Elliott-wave count. It is a division problem. Whether or not you accept the premise, you should be able to see how it is constructed — and where it can be argued with.

China's latest annual trade surplus (rounded)	**≈ $1.20 trillion**
China's 2025 gold imports (approx.)	**≈ 940 tonnes**
Troy ounces in 940 tonnes	**≈ 30,222,000 oz**
Implied price to settle the surplus in gold	**$1.20T ÷ 30.22M oz**

≈ $39,700 / oz

— rounded downward in the video to the more legible "$38,000."

Restated in one sentence: **if the world's largest bilateral trade imbalance had to be settled in physical gold at last year's Chinese import pace, the price of gold would need to reach roughly $38,000 – $40,000 per ounce for the arithmetic to clear.**

What the number is not.

It is not a prediction about 2027, 2028, or 2035. It is not a claim that anyone in Beijing or Washington has committed to this figure. It is a *bound* — a level derived from public trade data and a specific, contestable assumption that the residual of global trade will be settled in a neutral reserve asset rather than in fresh dollar-denominated debt.

What the number is.

It is a useful sanity check. Gold at today's $3,977 is priced consistent with a world where the dollar remains the sole settlement medium for global trade in perpetuity. Any partial move toward Bessent's stated triangle — any partial move toward what Gromen, Rogoff, Zoellick, Zhou, and Keynes have each described — implies a gold price that starts with a different first digit than "3."

BEHAVIOR THAT IS CONSISTENT WITH THE THESIS

- **Central banks worldwide** have bought roughly **1,000 tonnes of gold per year for three consecutive years** — approximately double the pace of the prior decade.
- **U.S. non-monetary gold exports** hit an all-time record in Q4 2025 and Q1 2026, driven by shipments identified as flowing to Asia. This is publicly reported U.S. Census Bureau data.
- **Very few sovereigns are selling.** The buyer list — Poland, Uzbekistan, Kazakhstan, Turkey, India, Singapore, and above all China — has grown; the seller list is almost empty.

- **The paper-gold retail phase-out** in China (effective July 24, 2026) removes a suppressive layer of synthetic supply from the world's largest physical-demand market.

> *"The most likely outcome is a capital rotation from financialized America into real-world America. Inflation outperforms the dollar. Stocks outperform inflation and the dollar. Gold outperforms everything else."*
>
> — ANDREI JIKH, SUMMARIZING THE GROMEN FRAMEWORK

Section IV. *The New York desk's reading.*

Where we agree with the video.

We agree that the pattern of behavior — twenty consecutive months of PBOC buying, four Chinese banks winding down retail paper-gold access, ~1,000 tonnes per year of net sovereign accumulation, record U.S. non-monetary gold exports to Asia — is **not consistent** with a world that expects the dollar-settled system to persist unchanged for the next twenty-five years.

We agree that gold's role in that transition — whichever path it takes — is **structural**, not tactical. And we agree with Jikh's final observation: this is not, on this desk's reading, a signal to buy at any price on any Thursday afternoon.

Where we push back.

The $38,000 arithmetic assumes that a single year's Chinese trade surplus must be settled in a single year's Chinese gold imports. That is a **bound**, not a forecast. Real revaluations in monetary history are almost always *partial*, *staged*, and *political*. The 1934 Roosevelt revaluation moved gold from $20.67 to $35 — a 69% overnight move, not a 900% move. A modern equivalent, if it were to occur, is likely to be measured in doubles and triples over years, not orders of magnitude overnight.

We also note that the current spot price of **$3,977** is already roughly **4× where gold traded five years ago.** The direction of the video's argument has, in a material sense, already begun to price in.

What we're telling Valor clients this week.

1. **The Q2 correction was not a thesis break.** Gold went from $5,600 in January to sub-$4,000 this week — a ~29% drawdown — while every measurable indicator of structural demand strengthened. That is textbook mid-cycle behavior, not a top.
2. **The right allocation question is not "when does it print $38,000."** It is: *how much of the household balance sheet sits inside the U.S. paper-dollar system, and is that consistent with the direction the U.S. Treasury Secretary just publicly laid out?*
3. **For principals underweight physical metal:** the current tape offers an entry that is uncrowded, off the front page, and materially below the January high. That is the shape of every good long-cycle entry we have participated in going back to 2001.
4. **For principals already appropriately weighted:** the correct move is to hold, resist retail-driven volatility, and revisit ratios — physical / miner / royalty / IRA-qualified — annually. Not weekly.
5. **For all clients:** physical metal held in a segregated, allocated, custodied vault is *not* equivalent to unallocated paper claims. What the People's Bank of China is telling its own citizens on July 24 is what Valor has been telling clients since inception.

If the video reached your inbox before this note did, *call the desk.*

Ten minutes on the phone with the New York office. No call-center scripts. No hard sell. A frank read of how the arguments in this report intersect the composition of your portfolio.

peterf.valorpm@proton.me · 1.877.82.VALOR

— Peter Fetherston

MANAGING DIRECTOR · NEW YORK OFFICE · VALOR PM ADVISORS

Wealth that endures.
Counsel that arrives.
Metals that don't blink.

About this report. Valor Precious Metals · Valor PM Advisors · New York · Los Angeles · Miami · Milan '27. This bulletin is a summary and interpretation of publicly available third-party material, principally: Andrei Jikh, *"China Is Preparing For $38,000 Gold"* (YouTube, July 15, 2026, ~30 min); Luke Gromen (FFTT); Scott Bessent, *"Hamilton Inspires Trump's Economic Statecraft"* (WSJ Opinion, June 23, 2026); Zhou Xiaochuan (PBOC, 2009); Robert Zoellick (FT, 2010); Kenneth Rogoff (2016); Jamieson Greer (Davos, January 2026). Figures cited (China ETF AUM, PBOC buying streak, tonnage, U.S. non-monetary gold exports) are drawn from those sources; Valor has independently verified direction and rough magnitude but has not audited each specific data point. Live spot at press time sourced from valor-pm.com's live spot feed at 3:53 PM ET, July 16, 2026. This report is prepared for private client circulation only and is not a solicitation to buy or sell any commodity, security, or investment product. Precious metals carry risk; past performance does not guarantee future results. Views expressed are those of the author and do not constitute individualized investment advice.