VALOR **PRECIOUS METALS**

SPECIAL REPORT · FROM THE NEW YORK DESK
AUGUST 27, 2026

PRIVATE CLIENT CIRCULATION · NOT FOR RETRANSMISSION

The Everything *Bubble.*

Forty trillion in debt. Seven hundred billion in AI capex. Eighteen billion short the Nasdaq. Hormuz closed. The reserve currency at a thirty-year low. This is the setup — and why the vault is now the only room without a counterparty.

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THE PROVOCATION

Every bubble at *once.*

Historically bubbles pop one at a time. This time, eight are inflating together — and each one leaks into the same asset class on the way out.

In August of 2026 the S&P 500 sits within striking distance of an all-time high, and the men who called 1999, 2007, and 2020 are — quietly, publicly, and with real capital behind them — positioned for a decline. **Jeremy Grantham** calls this "the most expensive market in American history." **David Einhorn**, in a letter to his LPs, calls it "the most expensive we've seen since we began managing money, and arguably in the history of the United States." **Ray Dalio** says the AI boom "increasingly resembles the market bubbles of 1929 and 2000." **Michael Burry**, before de-registering Scion in November 2025, filed 13Fs disclosing put positions of roughly $1.1 billion against Nvidia and Palantir — the biggest concentrated bearish bet of his career since the 2007 CDS trade.

They are not alone. As of August 18, aggregate net-short positioning in Nasdaq-100 futures reached **roughly $18 billion** — the largest short book on record for that index, built while the Nasdaq itself was making new highs.

This report is not a market call. It is a written record of what a diversified investor is actually facing in the second half of 2026: eight simultaneous pressure points, each already visible in the tape, each pointing in the same monetary direction.

THE EIGHT PILLARS OF THE EVERYTHING BUBBLE

#1

The AI capex bubble. Four hyperscalers spending $725B in a single year on data centers — up 77% year over year — much of it financed with debt and circular equity swaps.

#2

$18 billion short. Record net-short positioning against the Nasdaq-100 futures as the index prints all-time highs. Burry is publicly leading with ~$1.1B in NVDA/PLTR puts.

#3

The bond market breaks. The 30-year Treasury cleared at 5.216% at auction — the highest since 2001. TLT is down 41% from its 2020 peak. Term premium is back.

#4

The Japan problem. USD/JPY 159. The 10-year JGB at 2.94% — a three-decade high. Japan cut Treasuries by $66.7B in a single month. The carry trade is loaded again.

#5

BRICS and the dollar. USD reserve share at 56.77% — the lowest since 1995. BRICS+ now covers half the world. China has bought gold every month for 21 months running.

#6

$40 trillion in debt. US public debt doubled in a decade. Interest expense at $1.04T is now larger than Medicare. Moody's stripped the last AAA in May 2025.

#7

Iran and Hormuz. The Strait blocked since February 28. Oil at $84. The US Strategic Petroleum Reserve at 289.7M barrels — the lowest since November 1982.

#8

Fertilizer and food. World Bank fertilizer index up 12% Q1 alone. Anhydrous ammonia +23% YoY. Food CPI +3.0%. A cost-push inflation the Fed cannot cut its way out of.

→

The response. Gold ATH $5,590. Silver ATH $121.67. Platinum in its fourth straight deficit. Every pillar above pushes capital toward assets that are no one's liability.

Sources cited throughout. All figures as of August 25–27, 2026 unless otherwise noted.

Pillar I. *The AI capex bubble.*

In one year, Microsoft, Alphabet, Amazon, and Meta plan to spend a **combined $725 billion** on data centers, chips, and AI infrastructure — a **77% jump** from an already record ~$410 billion in 2025. Goldman Sachs strategist Amanda Lynam projects cumulative 2025–2030 hyperscaler capex of **$5.3 trillion**, up from a $4.5T pre-Q1-earnings estimate. In 2025 alone, hyperscalers raised **$108 billion in debt** to fund the build-out; industry forecasts see **$1.5 trillion in additional debt issuance** over the coming years.

Beneath the headline number sits a more delicate structure: **the circular capital loop.** On September 22, 2025, Nvidia announced a $100 billion letter of intent to invest in OpenAI. OpenAI in turn buys Nvidia chips, deployed at Oracle and CoreWeave data centers, which are themselves building on Nvidia hardware. OpenAI has also announced an AMD partnership for tens of billions in additional GPUs. Even the IMF has flagged concentration and circular-financing risk in this web.

Concentration inside the index itself.

34%

The **Magnificent 7 share of the S&P 500** as of mid-August 2026 — the highest single-cohort concentration in the index's modern history.

7.3%

Nvidia's single-stock weight in the S&P 500. The top three names (NVDA, AAPL, MSFT) are ~18% of the index; the top ten are ~40%.

41.98

Shiller CAPE ratio as of Aug 26, 2026 — the highest reading since August 2000 and the 98.8th percentile since 1881. The long-run median is 16.6.

Capex: AOL/ValueAddVC, GPUsmith, Goldman Sachs. Circular loop: The Register, NBC News. Concentration: HistoryOfMarket, Walnut Investment. CAPE: multpl.com, chartrow.com.

> *"Based on the value of the stock market compared to GDP, with modifications, this is the most expensive market in American history."*
>
> — JEREMY GRANTHAM (GMO), CNBC, JUNE 2026

> *"We believe that the U.S. equity market is the most expensive we've seen since we began managing money, and arguably in the history of the United States."*
>
> — DAVID EINHORN (GREENLIGHT), Q4 2025 LETTER TO LPS

Extreme AI spend, Einhorn told an NYSE panel in September 2025, "may destroy vast amounts of capital, even if the technology itself proves transformative." The technology thesis may be right. The *capital-return* thesis is a separate question — and it is the one the tape is beginning to ask.

Pillar II. *Eighteen billion short.*

Asset managers and hedge funds have built a **~$18 billion aggregate net-short position** in Nasdaq-100 futures as of August 18, 2026 — the largest NDX short on record. It is not being built in a bear market. It is being built while the index prints new highs, which is exactly how the biggest short books historically have been built: when the crowd is euphoric and the professionals are quietly hedging.

Goldman Sachs prime brokerage confirms the broader shift: median short interest in S&P 500 stocks has climbed to **3% of market capitalization** — the highest since late 2011. QQQ short interest sits at 73.2 million shares (11.12% of float) as of July 31. Aggregate open short interest across all 5,488 Nasdaq securities reached **22.6 billion shares** at end-July.

Michael Burry — the marquee bear.

Scion Asset Management's Q1 2026 13F disclosed put options on approximately **1 million Nvidia shares** (strike $110, 2027 expiry) plus multiple put tranches against Palantir. Combined, roughly **80% of the disclosed portfolio** sat in NVDA and PLTR puts, with a total notional near **$1.1 billion** — his largest concentrated bearish bet since the 2007 subprime CDS trade.

Burry closed Scion as a registered adviser in November 2025 and now publishes an "AI Bubble" Substack, but his final filings before de-registration confirmed the exposure. Going into Nvidia's August 26, 2026 earnings, he was short at a $5.2 trillion NVDA valuation and had doubled his LULU long to 17.4% of the portfolio as a hedge.

The other tell — the biggest shorts sit on the biggest names.

S3 Partners reports that SpaceX, just seven weeks after going public, has amassed **$24.6 billion in short interest** — larger than Tesla's $21 billion. The pattern is consistent: professionals are selecting the largest, most concentrated, most retail-favored names in the market for their bearish exposure. This is not a rotation trade. It is a directional bet against the index leadership itself.

CFTC/positioning: TheBigCycleGame (widely-cited CFTC-derived data). Goldman: Bloomberg, May 28, 2026. QQQ: ChartExchange, MarketBeat. Nasdaq total: Nasdaq IR. Burry: Bitfinanzas, 247 Wall St., Yahoo Finance. S3: S3 Partners.

Pillar III. *The bond market breaks.*

The 40-year secular bond bull is over. Long-end yields are at 25-year highs. Foreign buyers are stepping back. The **term premium** — the extra yield lenders demand for holding long-duration risk — has re-emerged for the first time in a generation.

5.22%

30-year Treasury auction stop on August 13, 2026 — the highest 30-year auction yield since 2001.

–41%

TLT drawdown from its August 2020 peak — six-plus years underwater and among the deepest bond bear markets on record.

$9.30T

Foreign Treasury holdings, June 2026 — down from a $9.49T record in February, with Japan, the UK, and China leading the retreat.

At the front of the curve, the 10-year sits at **4.67%**; the 30-year at **5.19%**. NY Fed's ACM 10-year term premium reads **0.87%** as of August 21 — up sharply from deeply negative post-QE years. SF Fed's alternative measure puts it higher still, at **1.29%**. Investors are demanding to be paid for duration risk again. They had not asked for that payment since 2014.

> *"The bond market is telling the Fed it has to actually act on inflation."*
>
> — JEFFREY GUNDLACH (DOUBLELINE), JULY 2026

Gundlach has shifted DoubleLine to **"capital preservation mode"** and cut risk to historical lows, arguing the 40-year secular decline in rates is over. He points to the 2s30s curve steepening from –108bp to +100bp in the last year as evidence the long end is "punishing the Fed."

> *"Bessent's debt-buyback move fits into a larger pattern that could signal a looming debt crisis... U.S. debt is nearing a point of no return."*
>
> — RAY DALIO (BRIDGEWATER FOUNDER), CNBC, AUGUST 21, 2026

Dalio's book *How Countries Go Broke: The Big Cycle* is explicit about the endgame — and his portfolio recommendation is equally explicit: **gold and bitcoin**. Bill Gross, the former PIMCO bond king, expects **a third consecutive year of losses** for bond investors, arguing Treasury issuance is now so heavy that yields "can't come down."

Auctions: CRFB, EBC, SquawkDeck. TLT: TotalRealReturns, Anchor Capital. Foreign holdings: Reuters, Bloomberg. Term premium: FRED (NY Fed ACM), SF Fed. Quotes: CNBC, DoubleLine, Fortune, Seeking Alpha.

Pillar IV. *The Japan problem.*

Japan is the world's largest external creditor. It is also the largest foreign holder of US Treasuries. And it is now losing control of its own yield curve. The 10-year JGB reached **2.945% on August 18** — its highest since **September 1996**, up from 2.1% at the start of 2026 and just 0.1% at the start of 2022. Japan's sovereign debt exceeds **200% of GDP**. Rising real funding costs are a first-time problem for a generation of Japanese fiscal planners.

The yen has weakened to **159.42 per dollar**. Earlier this cycle it hit a 40-year low of 163.99 before US-Japan coordinated intervention pushed it back to ~155.20. Markets now price an **87% probability** of a 25-basis-point BoJ hike to 1.25% in September, up from 23% before the July meeting. Governor Ueda has signaled the door is open; policy-board member Takata already proposed a hike at the July 30–31 meeting and was outvoted.

The mechanical concern — a forced Treasury sale.

Japan holds **$1.114 trillion** in US Treasuries as of mid-2026. In **May alone** it cut those holdings by **$66.7 billion** — the biggest monthly reduction since 2022 — and led another decline in June. Sales at this pace, from the single largest foreign creditor, feed directly into the term-premium story on the previous page: fewer natural buyers, at higher required yields.

The reference case — August 5, 2024.

Investors do not need to imagine what an unwind looks like. On August 5, 2024, a surprise BoJ hike combined with a soft US jobs print triggered an estimated **$250–500 billion** in yen-carry-trade unwind. The Nikkei/TOPIX fell **12.4% in a single day** — its worst since 1987. VIX briefly punched through 65. Global equity market capitalization lost roughly **$6.4 trillion** over the six-day event before central-bank verbal intervention restored calm.

In August of 2026 the carry trade has been rebuilt — larger — into a much thinner liquidity backdrop. The trigger this time will not need to be as clean.

JGB & yen: Reuters, Trading Economics. Treasury holdings: SeDaily, MarketCrash, FRED Blog. BoJ policy: Chosun, Daiwa. 2024 unwind: BIS Bulletin 90, Khan Capitals, MacroMap.

Pillar V. *BRICS and the neutral reserve.*

A parallel monetary architecture is being built in real time. The **October 2024 Kazan Summit** admitted Egypt, Ethiopia, Iran, and the UAE to BRICS. **Indonesia** joined as the 10th member in January 2025. Nine additional partner countries were designated — Belarus, Bolivia, Cuba, Kazakhstan, Malaysia, Thailand, Uganda, Uzbekistan. Saudi Arabia was invited and has not formally declined. BRICS+ now covers roughly **half of the world's population** and more than **41% of world GDP on a PPP basis**.

The plumbing.

Kazan formalized work on **BRICS Pay** for cross-border consumer and commercial payments, **BRICS Bridge / BRICS Clear** for settlement and depository, and **"the Unit"** — a proposed unit of account partially backed by gold and local currencies. In parallel, **Project mBridge** — the multi-CBDC settlement platform — continues to operate through China's PBoC (with HKMA), Thailand, the UAE, and Saudi Arabia, after the BIS Innovation Hub quietly withdrew shortly after Kazan.

The reserve currency at a thirty-year low.

56.77%

US dollar share of global FX reserves (IMF COFER, Q4 2025) — the lowest since the series began in 1995; down ~14 points from the 2001 peak.

21

Consecutive months of net PBoC gold buying through July 2026 — the longest run on record. June's 14.93t buy was the largest since October 2023.

863t

Central-bank gold buying in 2025 (WGC) — the 16th consecutive net-buying year. Poland led for the second year running (+102t).

Russia's monetary gold rose **66.8% in value** in 2025, ending the year at $326.5 billion; geological additions of **614 tonnes** to its national gold-deposit reserves. This is not narrative de-dollarization. This is *mechanical* de-dollarization — visible in the vault tonnage of sovereign balance sheets.

Every dollar of debt issued since 1971 has been a vote — quietly, persistently — for the metal in someone else's vault.

— THE VALOR THESIS

BRICS: Carnegie, UK Parliament, Bloomberg, MR Online. Payments: Intellinews, Deluair. COFER: IMF, COFERData.com, Juncture Policy. PBoC & CB gold: Reuters, WGC, GoldSilver, BiggoFinance. Russia: Interfax, AK&M, Xinhua.

Pillar VI. *Forty trillion in debt.*

On **August 20, 2026**, US total public debt crossed **$40 trillion** for the first time. As of August 25, the number stands at **$40.06 trillion** — roughly **$119,575 per US citizen**. The debt was $19.95 trillion when the current era of debt-financed policy began in January 2017. It has doubled in under a decade.

US public debt, January 2017	$19.95 trillion
US public debt, August 25, 2026	$40.06 trillion
Change over the decade	+$20.11T · +101%
FY2026 net interest expense (CBO)	$1.039 trillion
Interest cost vs. FY2020	+190%

Interest on the debt now exceeds **Medicare.**

The CBO baseline is not stabilization.

CBO projects cumulative net interest of **$16.2 trillion** over the next decade — rising to **$2.1 trillion per year (4.6% of GDP)** by 2036 and **$6.6 trillion per year (6.9% of GDP)** by 2056. Debt held by the public is projected to reach **120% of GDP by 2036** — blowing past the WWII-era record of 106%. The FY2026 deficit sits at **$1.9 trillion (~5.8% of GDP)**, projected to average **6.1%** of GDP over the next decade against a 50-year historical average of 3.8%.

The rating agencies have all voted.

AUG 2011	**S&P** downgrades the United States from AAA to **AA+**.
AUG 2023	**Fitch** cuts to **AA+ from AAA**, citing "expected fiscal deterioration" and "a steady deterioration in standards of governance over the last 20 years."
MAY 2025	**Moody's**, the last holdout, cuts the United States to **Aa1 from Aaa**. Rationale: "successive administrations and Congress have failed to agree on measures to reverse the trend of large annual fiscal deficits and growing interest costs."
AUG 2026	**The 30-year auction** clears at 5.216% — the highest since 2001. The bond market is now the rating agency.

Debt & Treasury: US Debt Clock, Fiscal Data (Debt to the Penny), Al Jazeera, IndexBox. CBO: Publication 62105, Peterson Foundation, American Action Forum. Downgrades: Moody's, Fitch Ratings, Reuters, CNBC.

Pillars VII & VIII. *Hormuz, energy, food.*

Since **February 28, 2026** — when US and Israeli air operations began against Iran and the IRGC responded by boarding ships and mining the Strait — the world's most important oil chokepoint has been largely closed. Roughly 20% of global seaborne crude has had to reroute or wait. WTI trades at **$83.86**. The US Strategic Petroleum Reserve stands at **289.7 million barrels** as of August 21 — **the lowest since November 1982**. CNBC reports that drawdowns below 300M are now raising questions about the physical integrity of the salt caverns themselves.

Europe's gas problem, restated.

Dutch TTF front-month gas trades at **€65–68/MWh** — a **130% surge year-to-date** from ~€29 at year-start, the highest since March 2022. Analysts warn TTF may need to exceed **€100/MWh** this winter to divert flexible US LNG cargoes from Asia. The final Russia-Ukraine pipeline transit expired January 1, 2025 — that supply is not coming back on line.

The fertilizer cascade.

The World Bank Fertilizer Price Index rose **12%+ in Q1 2026 alone** — its sixth increase in seven quarters — and by April sat at its highest level since October 2022, "driven mainly by export disruptions related to the closure of the Strait of Hormuz." Middle East granular urea FOB has traded from ~$490 to **$604–710/ton**. Anhydrous ammonia in Illinois sits at **$915.50/ton** as of August 7 — **+23% year over year**, well above the historical average of $737 and peaking near $1,000/ton in March. Phosphate: DAP at $912/ton, MAP at $954/ton, Morocco phosphate rock at $170/mt.

China banned exports of NK blends and phosphates including urea, potassium nitrate, MAP, and potassium sulfate in mid-March 2026. Russia extended its fertilizer export quotas through December 2026. Russia and Belarus remain under EU sanctions on nitrogen and potash. Roughly **70% of global phosphate reserves** sit in Morocco; Moroccan phosphate exports fell 50% in April–May at operating rates of 55–60% due to sulphur feedstock shortages.

Which pushes into the grocery bill.

USDA reports **Food CPI +3.0% year over year** in July 2026; the full-year 2026 forecast is +3.0%. US corn planted area fell to **94.0 million acres** (down 4.8M YoY); the 2026/27 US corn crop is projected at 15.8 billion bushels, down 7%. CBOT wheat at 757¢, corn 533¢, soybeans 1,267¢ (late August, Bloomberg). This is **cost-push inflation** — inflation the Federal Reserve cannot cut its way out of. Rate cuts do not grow fertilizer. Rate cuts do not reopen the Strait of Hormuz. Rate cuts do not refill the SPR.

Hormuz: Wikipedia, Reuters, Fortune, Al Jazeera. SPR: Reuters, CNBC, WSJ, Trading Economics. TTF: Euronews, CNBC. Fertilizer: World Bank Blogs, Carnegie, FarmDoc Illinois, AFBF, USDA AMS, Morocco World News, Price-Watch. Food: USDA ERS, USDA Grains Outlook, Bloomberg.

The response. *Metals are already answering.*

Every pillar of the everything bubble transfers monetary value in the same direction — into the one asset class that isn't anyone else's liability. The tape is already writing the answer in real time.

ASSET	NOW	52W LOW	FROM LOW
Gold (spot)	$4,668.70	$3,463.00	+34.8%
Silver (spot)	$70.16	$38.68	+81.4%
Platinum	$1,857.05	$1,356.40	+36.9%
Palladium	$1,356.00	$1,084.50	+25.0%
10Y Treasury yield	4.67%	3.95%	+72 bp
30Y Treasury yield	5.19%	4.53%	+66 bp
US Dollar Index (DXY)	99.10	95.55	+3.7%
USD/JPY	159.42	146.22	+9.0%

Live market data captured August 27, 2026 at 3:12 PM ET via Valor Terminal (finance data feed).

Gold — the reserve asset.

Gold set an all-time high of **$5,590/oz on January 28, 2026**, surpassing the inflation-adjusted 1980 peak for the first time. Gold returned **+67% in 2025** — its strongest year in a generation. Global gold demand exceeded **5,000 tonnes for the first time** in 2025 (5,002t); investment demand nearly doubled to **2,175t**.

Peak gold — supply is not responding.

Global mine production reached **3,672 tonnes in 2025** — a new record but up just **1% year over year**. Mine supply has grown less than 1% annually on average for a decade even as gold rose 67% in a single year. CRU Consulting projects global production peaks around 2025 and enters "a prolonged decline" as ore grades fall and aging mines close.

Silver — structurally deficit.

Silver set an all-time high of **$121.67 on January 29, 2026** and rose **150% in 2025**. 2025 marked silver's **fifth consecutive structural deficit**; cumulative 2021–2025 deficit approaches **820 million ounces** — nearly a full year of global mine supply. Industrial demand hit 680.5 Moz in 2024, a record. The gold/silver ratio, above 100 in April 2025, now sits near 66 — in prior precious-metal bull peaks it has compressed to 31:1.

Platinum — fourth straight deficit.

The World Platinum Investment Council forecasts a **297 koz deficit for 2026** — the fourth consecutive annual deficit — with above-ground stocks falling to **1,747 koz**, or **under three months of global demand**. WPIC's 2-to-5-year view projects average deficits of ~348 koz per year from 2027 through 2030 (~4% of demand). Above-ground cover of that depth has not been seen in the modern data.

> *"On current fundamentals, the value proposition for platinum remains compelling. The market is forecast to record its fourth consecutive deficit in 2026... with just under three months' worth of cover to meet global demand now expected by the end of 2026."*
>
> — TREVOR RAYMOND, CEO, WORLD PLATINUM INVESTMENT COUNCIL

The New York desk's reading.

We are not calling a top on the S&P. We are not calling a date on a recession. We are not predicting a specific price for any metal. We are describing what the tape, the auction calendar, the fiscal accounts, and the sovereign vaults are all telling us in the same voice.

Six observations from the New York desk.

OBSERVATION 1

Historic bubbles pop **one at a time.** This time eight are inflating together, and they connect. The AI bubble needs cheap capital; cheap capital needs low rates; low rates need buyers of Treasuries; buyers of Treasuries need to trust the dollar. Each pillar undermines the next.

OBSERVATION 2

When the professionals who called **1999, 2007, and 2020** are all bearish at once — Grantham, Einhorn, Dalio, Gundlach, Burry — the base rate of "this time it's different" is very low. Especially when they are positioned with real capital, not just talk.

OBSERVATION 3

The **bond market has already voted.** A 25-year high in 30-year auction yield, TLT down 41%, term premium back, Moody's, Fitch, S&P all downgraded. This is not a forecast. This is the ratings history.

OBSERVATION 4

Central banks are the buyer of last resort — of gold. Sixteen straight years of net purchases. Twenty-one straight months from the PBoC. 863 tonnes in 2025. This is de-dollarization measured in tonnes, not tweets.

OBSERVATION 5

Cost-push inflation cannot be cut away. Hormuz is a policy problem, not a rate problem. Fertilizer is a supply problem. Food is a fertilizer problem. The Fed can lower financing costs, but it cannot lower the price of nitrogen from Riyadh or diesel from Cushing.

OBSERVATION 6

Peak gold has already begun. Mine supply grew <1% in 2025 while the price rose 67%. Silver is in its 5th deficit. Platinum has less than 3 months' above-ground cover. The response function of physical supply to price is broken.

The vault is the only room *without a counterparty.*

Every asset on the Valor terminal has an obligor except one. That is the trade. If the reader accepts even three of the eight pillars above as directionally correct, the portfolio implication follows automatically.

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