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WEEKLY ANALYSIS

M. Alain Freymond—Partner & CIO

PRECIOUS METALS: BETWEEN THE EUPHORIA OF A BULLISH CONSENSUS AND THE RISKS OF A CORRECTION

The central scenario: A wave driven by three fundamental pillars. Precious metals have additional industrial leverage. Potential risks of an overly complacent bullish consensus now. Profit-taking justified after an exceptional year.

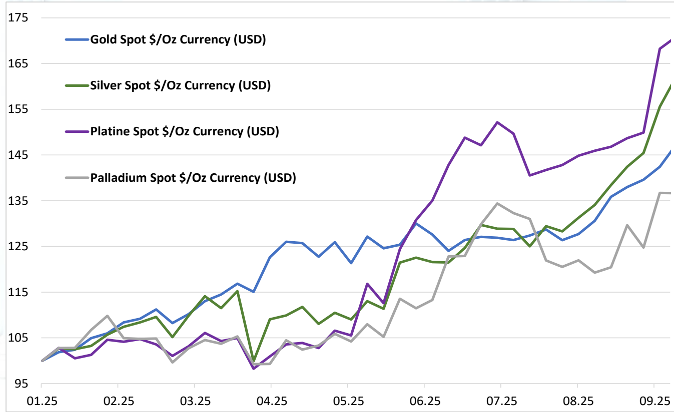
Key points

- Between the euphoria of a bullish consensus and the risks of a correction
- The central scenario: A wave driven by three fundamental pillars
- Precious metals have additional industrial leverage
- Potential risks of an overly complacent bullish consensus now
- Increased risks of a tactical correction
- Profit-taking justified after an exceptional year

Between the euphoria of a bullish consensus and the risks of a correction

After a spectacular performance in 2024 and 2025, which saw gold (+27%) and silver (+21%) reach historic highs, the precious metals market is now the focus of attention. An in-depth analysis of the outlook of leading US banking strategists reveals a rare consensus of optimism for the next 12 to 18 months. This optimistic view, which recently set bold price targets for this period (up to $4,000 per ounce for gold and $43-45 for silver), has in fact quickly materialized in recent weeks. Gold has reached nearly $3,900 per ounce, rising $600 (+17%) in just five weeks. During the same period, silver jumped nearly $100 to $31.50 per ounce. Gold has reached nearly $3,900 per ounce, rising $600 (+17%) in just five weeks. During the same period, silver jumped nearly $10 to over $48 per ounce (+28%), far exceeding consensus expectations. For both metals, the +49% and +66% increases in 2025 are quite exceptional and have no parallel in recent history, even though the maximum one-year performances for gold (+39%) and silver (+83%) have sometimes been impressive over the past 40 years. Since 2007, we have consistently recommended exposure to precious metals with an invariably positive long-term outlook based on combinations of factors that have nevertheless varied over the years. Fundamental, quantitative, geopolitical, and other factors have indeed varied greatly over time, sometimes justifying tactical profit-taking and reduced exposure. But during all these years, since 2007 when we began tracking precious metals and advising investors, we have never encountered such universally shared enthusiasm. On the contrary, during all those years of upward trends, a very large majority of investors considered investments in precious metals to be unattractive, offering neither returns nor prospects for appreciation.

Precious metals—performance in USD YTD (30/09/2025)



Sources: Bloomberg, BBGI Group SA

Just a few years ago, gold was seen almost exclusively as a hedge against inflation and was simply dismissed by those who believed that globalization had eliminated the risk of inflation for the long term, which has proven to be particularly untrue since 2021. In a secular uptrend, which had not been anticipated by the vast majority of investors, gold has obviously experienced periods of weakness that could be addressed through tactical approaches to temporarily reducing exposure and taking profits. The current situation seems particularly interesting from this perspective because, even though the recent trend is based on a powerful convergence of factors, financial history reminds us that the strongest consensus is often the one that masks the greatest risks. Our analysis aims to dissect the central scenario driving the markets and discuss the risk factors and reversal scenarios that could put an end to the current momentum.