

2026 Gold & Silver Forecasts - A Bullish Consensus - by Jeff Pritchard, LSCC # 1759



It wasn't just our friendly wizard who didn't predict skyrocketing precious metals prices. None of last year's forecasts were even close! That's understandable considering the remarkable two year run gold and silver have experienced. Gold was up 27% in 2024 and 66% in 2025; Silver was up 20% in 2024 and a stunning 145% in 2025. Those phenomenal two years are why most forecasters are calling for a period of consolidation or a brief price retrenchment in the first quarter of 2026.

Today, the biggest challenge is finding an institutional forecast current enough to be relevant considering what happened in December. Those year-end price jumps forced forecasters back to their crystal balls, ratcheting up predictions, only to be embarrassed again within a matter of days by surging prices.

Two common factors in nearly all 2026 predictions: a) Due to the recent dramatic run-up, all see a near-term pullback for the market to consolidate support before beginning an upward move towards the \$5,000 level; and b) Institutions foresee significant volatility ahead for silver.

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GOLD - Below are the forces influencing gold's price and their status in January 2026:

Factors that **INCREASE** Gold's Price:

Central Bank Buying. This was the 600-pound gorilla in 2025. Central Banks, particularly Emerging Market countries, were aggressively adding to their monetary reserves. During the last 3 years annual Central Bank buying has averaged 1,000 metric tons a year. And 43% of Central Banks plan to continue adding to their gold reserves during the next 3 years.

Declining U.S. Interest Rates. The Federal Reserve reduced interest rates .25% at their December 10th meeting and Trump will soon nominate a more accommodating (i.e. proponent of lower rates) Federal Reserve Chair to replace Jerome Powell.

Geopolitical Risks & Instability. The Ukraine War and China's confrontational politics have been adding to international tensions.

Investor & Speculator (ETF) Demand. As investors piled into gold, ETFs purchased an estimated 700 metric tons of the yellow metal in 2025.

End-of-Year Momentum. Skyrocketing prices at year-end turned bears into bandwagon bulls. *Recency bias* makes momentum a powerful force.

Inflation / Declining U.S. Dollar. U.S. inflation continues around the 3% level, above the Fed's 2% target. Long-term, the nation's ever-expanding deficits and national debt bode well for the metal, less so for the nation.

Factors that **DECREASE** Gold's Price:

Rising U.S. Interest Rates. Unlikely in the near-term without a large, unexpected inflation spike.

Strengthening U.S. Dollar. Unlikely in the near term.

Overall Business Decline (Recession). This may be the biggest unknown, and the major influence of silver prices.

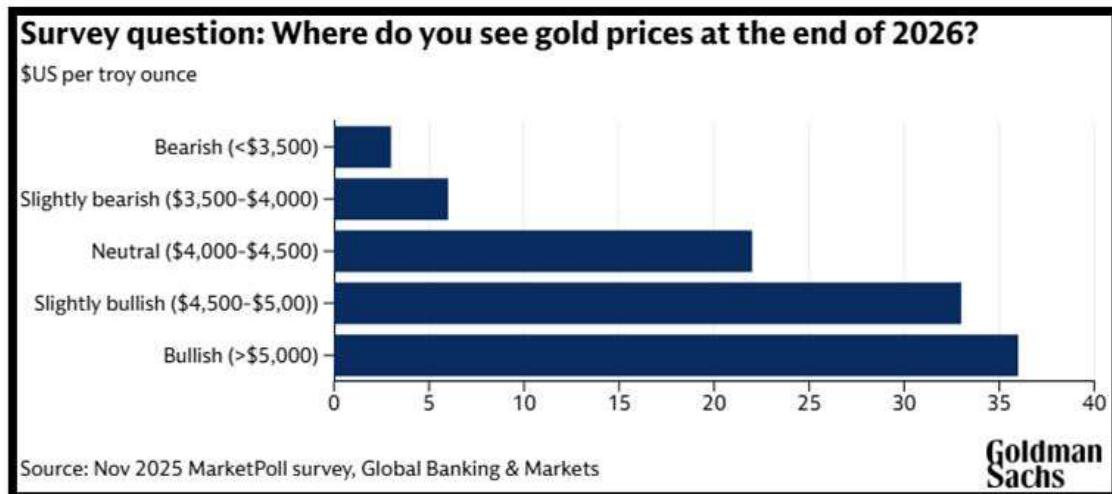
High Gold Prices. As prices rise, jewelry purchases tend to decline, acting as a slight counterbalance to momentum's bullish effect.

In late-2025, Goldman Sachs conducted a broad-based institutional survey of investment managers asking where they thought gold would settle at the end of 2026.

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The results are illustrated in the graph below. Nearly 70% of respondents felt gold would settle above \$4,500., and 36% think it will finish 2026 above \$5,000.



Silver - Below are the forces influencing silver's price and their status in January 2026:

While silver is influenced by the same factors as gold, its primary driver is industrial demand. Think of EVs, solar panels, electronics, and advanced weapons systems. Silver 'bulls' anticipate a growing supply squeeze, where demand continues to outstrip supply. (2025 was the fifth year in a row in which consumption exceeded mining production.) As major global economies grow, so does silver demand. Adding to its industrial usage, the U.S. recently added silver to its "critical minerals" list, while at the same time, China, the world's largest silver processor, has begun weaponizing silver as political tool. Potentially ominous signs.

What about a 2026 silver prediction? The recent price run-up has taken on a life of its own. Those dealing with the metal on a daily basis call for it to reach \$100, or more, by year-end. Forty-six years ago, in 1980, your elderly author worked at a precious metals brokerage, experiencing first-hand the Hunt Brothers' silver bubble inflate.... and then dramatically implode. Amid the historic market we are now experiencing, one can only advise proceeding with caution, as 'trees still can't grow to the sky'.

What if unexpected global events intercede in the above forecasts to the financial detriment of E-Gobrecht readers? As recompense, this author will happily extend my annual offer – to send any disgruntled readers the exorbitant amount I was paid to write this column and gladly relinquish my crystal ball.