

## Analysis Report

### Determine factors which will pose as a risk to the firms capital investment in Gold

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At Aristeia Group one of our integral principles is to protect the companys capital by analysing risks that are able to effect the preservation of capital. Currently the main bulk of the capital is invested into the Gold market so the risk report will be done to ensure the preservation of the capital invested in XAU. Market structure will be closely monitored across higher time frames. News events across the board will be monitored and geopolitical tensions will be taken in to consideration to get a strong understanding of the stress testing on the price of Gold. With this information the intention is to help preserve capital and understand the risks involved in the investments that will be made in the coming week. Short, Medium and long term factors will be taken into consideration. Both technical and fundamentals will be analysed as fundamentals have been causing a lot of market volatility negating the technical element to a certain degree, however another factor as to why technicals are not performing is because of HFT algorithmic trading bots which are being used by the large investment firms and banks.

Current price of XAU/ USD: **\$4966.17**

Yearly High: **\$5,608.35 per ounce**

Yearly Low : **4,412 per ounce on 2 February 2026**

Weekly High: **\$5,079.77 per ounce, 3 February 2026** Weekly Low: **\$4,563.71 per ounce, 2 Feb 2026.**

ATH 2025: **53**

ATH YTD 2026: **4 (January)**

#### News Events Coming this week:

*Inflation Rate MoM* – If the inflation rate rises this could cause the price of Gold to go up. If the rate rises central banks could raise interest rates and become more aggressive if the real yields increase. If the inflation rate drops then the price of Gold could potentially drop. Food, energy, housing, core goods and services are all sectors that are considered when determining the core inflation rate. Geopolitical uncertainties like a trade tariff from Trump to China could effect this. As of now no trade sanctions seem to be coming into place this week.

*Core inflation Rate MoM* – Higher core inflation will cause inflation pressure so the purchasing power of Fiat currencies erodes. Investors tend to seek a store of value which hedges against inflation usually being Gold. This could cause a spike in price for a short time but then the rate could decrease causing the price of Gold to drop sharply.

*Inflation Rate YoY* – If interest rates are cut then price of Gold will decrease and if they aren't then price will continue bullish.

After a price correction of Gold at the end of January we can see that the price had dropped sharply giving us an indication that price action will be upwards.

**Safe-Haven Universality:** Nearly every high-impact risk (war, terror, cyber, major power conflict) would likely send gold higher. Even where not explicitly stated in BlackRock's scenario, gold's role as a universal store of value means it *tends* to appreciate when fear spikes.

**Inflationary vs. Deflationary Risks:** Some geopolitical risks are inflationary (regional wars that drive commodity prices up, trade protectionism raising import costs), whereas others can be deflationary or growth-negative (global fragmentation reducing demand, major attacks causing recessions). Gold tends to perform well in both extremes of the spectrum, either as an inflation hedge or a crisis hedge. Silver prefers the inflationary scenarios (where it benefits from rising commodity tide and monetary debasement) but might underperform gold in deflationary shock scenarios (since its industrial demand would fall, but this is highly unlikely if we take into consideration the construction of data centres which require 3000 metric tons of silver to build one). For instance, the

trade war of 2025 was inflationary and we saw silver outperform gold significantly .

**Geopolitical risks** hotspots specifically are: China–Taiwan (and broader U.S.–China rivalry), Russia–Ukraine war and the Middle East situation. As assessed by BlackRock and evidenced by history – form a powerful bullish factor for gold and a generally positive factor for silver.

Trading Economics data from February 6, 2026 shows silver was up +8.5% in one day after a prior slump, highlighting how quickly conditions can reverse. **Investors should be prepared for sudden swings.**

**Trump** is applying pressure on the Fed to bend to his will and cut interest rates. Gold pays no interest therefore becoming a more attractive in a lower-rate environment as the opportunity cost of holding it versus interest earning assets decreases. The next Fed chair to be appointed by trump will have a more doveish approach than Jerome Powell

**Short-Term Technicals:** In the next 0–6 months, we also rely on technical analysis for timing. Key levels to watch:

**Gold:** The psychological round numbers (e.g. \$5,000/oz, since gold is nearing that according to recent data). If breached, we could see momentum buyers pile in. Conversely, support levels might be around the 50-day moving average. As of early Feb 2026, the 50-day SMA is estimated in the mid-\$4,000s (given recent volatility, trading ~10% below the current price). Notably, gold formed a “golden cross” (50-day crossing above 200-day) earlier in its bull run, and both averages are trending upward, suggesting any corrections could find support at those dynamic levels. We would monitor if gold dips to its 50-day moving average which historically has been a buying zone in uptrends unless the trend is truly reversing.

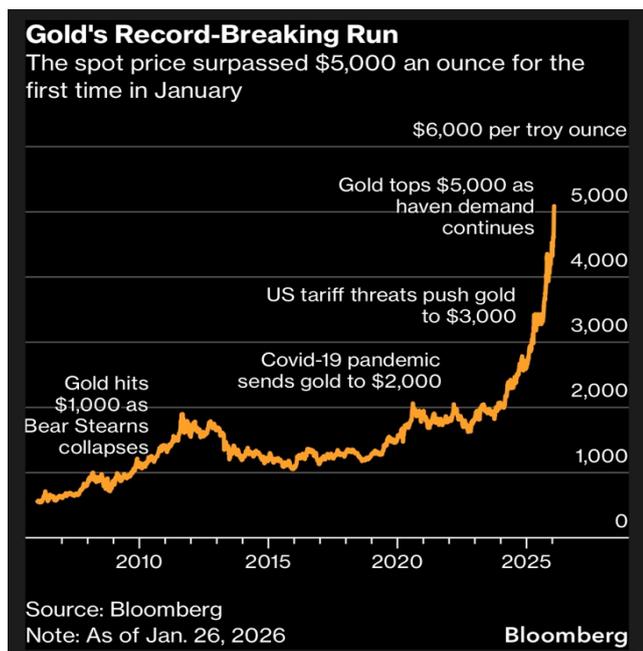


Fig 1

If price breaks \$5000 per ounce, we could see a rush of buyers entering the market driving the price upwards. This could cause a bull run until \$6000 per ounce.

**Silver:** Key levels are harder to pinpoint due to volatility, but \$80/oz stands out as a round number resistance (silver’s recent peak was around \$78). Support might be around \$65–\$70 (previous consolidation area). Silver’s 50-day and 200-day are also sloping up strongly, but silver can slice through moving averages on short-term news then snap back. So we place slightly less weight on technical support for silver and more on gold’s signal and macro cues.

**Risk Management (Short Term):** Ensure that short-term leverage (if any, e.g. futures or options) on precious metals is limited, as **whipsaw risk** is high. Instead, a preferable short-term approach is holding core physical or ETF positions unlevered and perhaps using options to hedge extreme short-term downsides or to profit from volatility. For instance, we could sell covered calls on a portion of our gold holdings when sentiment is exceedingly bullish or buy protective positions if gold surges and we fear a quick retracement. Any such actions would be tactical as the strategic allocation remains intact.

In summary, the short-term should be viewed as a period to **expect the unexpected**. Our stance is to remain long on gold and silver, but be ready to weather rapid moves. We will treat spikes as validation of the hedge (potentially taking modest profits) and dips as opportunities to add, within the allocation ranges set by our investment policy.

**Liquidity Considerations:** Gold is among the most liquid assets globally (the London OTC market, COMEX futures, etc.), so even in a crisis its liquidity holds up well. Silver’s market is smaller and can see temporary liquidity issues in chaotic markets. In a very sharp equity sell-off or margin call scenario, we’ve observed instances where silver and gold to a lesser extent had brief selloffs as investors liquidated positions to raise cash e.g. March 2020 COVID crash initially saw gold and silver dip for a couple weeks due to a dash for cash.

Gold is reliably liquid and usually stable or rising when stock markets crash, but **there could be short spans where it falters if liquidity is king**. Those are typically moments to add to gold, as the fundamental hedge thesis reasserts once forced selling abates. Silver is more prone to such liquidity-driven dips. A prudent approach is not to over-leverage any silver positions in the short term. If anything, hold some dry powder (cash) to scoop up silver at a discount if a liquidity event knocks it down temporarily.

**The Risk here is not seeing a dash for cash situation coming as the dollar is weakened and near to collapse.** Gradual accumulation on pull backs is a long term strategy but market structure would have to be closely monitored to see the formation of swing points. A dash for cash scenario could come at the weakening of any currency pair or a collapse in the listed stock exchange or Index’s. Another cause could be the overselling of ETFs causing a big demand for liquidity.

If we look at Fig 2 we can see that gold backed ETF’s are still less than the pandemic high which could be due to the higher price of Gold requiring less ETF holding to hold a certain monetary value.

The risk of the price of Gold dropping is subject to at what point will the market cap for ETF holdings require for a price correction. An area of risk to monitor the amount of holdings in ETFs because if they reach the same volume as they did in COVID this could cause a sell off dropping the price of Gold. Another angle could be that price will be driven up simultaneously with ETF holding volume so that their can be a huge liquidity dump dropping the price of Gold and sweeping capital from the portfolio.

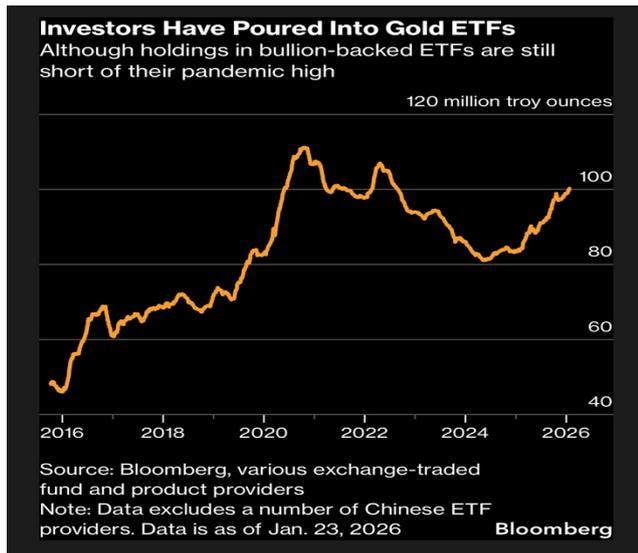


Fig 2

Gold ETFs are increasingly on the rise, if we look at the diagram below we can see that the demand for ETFs is the largest.

Chart 2: Gold ETFs aren't always the demand driver...but they are now Percentage breakdown of quarterly and annual demand\*

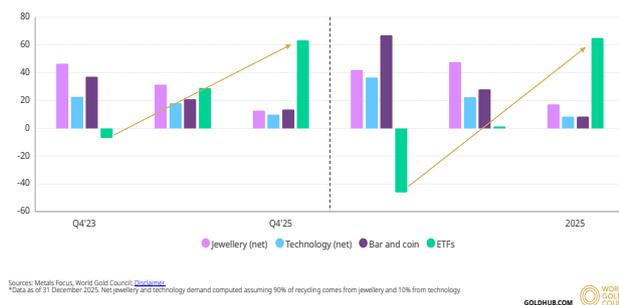


Fig 3

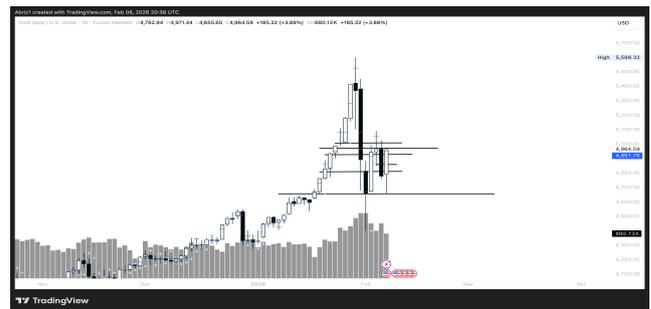
Globally physically backed ETFs saw record inflows of 801 tonnes in 2025 nearly doubling their total assets under management to \$559 billion

**Market Structure** for the previous week shows that at the start of the week on the daily time frame we could see Higher Highs forming but at the end of the week we saw Lower Lows forming. This indicates that price could be moving downwards unless we see a BoS which causes the price to move upwards. If there is a Bos in an uptrend and price pushes above \$5000 per ounce then we could see a rush of buyers enter. Key order volume level is \$5087 per ounce.

**Weekly View** - Strong closing candle after a heavy retraction. Price on a weekly view looks ready to to continue towards ATH. Bullish sentiment



**Daily View** - Price has made a higher low. Key areas of interest will be the next daily candle closing above 4,971. Bullish



**4-Hour View** - Key areas of interest will be a closing above 5011. Above 5011 – find a clean entry after a retraction towards ATH. Indication, Correction and then Continuation.



**Summary** is rather simple. Focus on the short-term risk factors to build and preserve capital. Take into consideration different elements that could affect the conditions as water effects the land in a flood and how fire effects air quality during a forest fire by producing smoke which reduces visibility. Our aim is to not see through the smoke or swim in the flood as we do not want to participate in these conditions. Our aim is to see these events coming and safeguard ourselves by constantly monitoring risks.

**NOTES: Next Week Medium – long term risks will be analysed**