

“REFLECTIONS”

May 2026

By Brahm Satov

Some people leave a deeper mark than we realize until long after they're gone. I had a cousin named Frank Singer. He had a speech impediment, which made friendships hard to come by, and from what I know, his home life certainly wasn't a refuge. But none of that dimmed him. Ask Frank for help with anything, anything at all, and I cannot recall a single time he said no. He just wanted to be included, to be part of whatever we were doing, to be family. He died at the age of 38, and I still miss his kindness and his honesty. He was different in ways that mattered, and that difference was entirely to his credit. I find myself reflecting on Frank as I think about trust, who earns it, and how freely we extend it. There was a time when I accepted most official or government statements at face value. Whether that has changed with age, or experience, or simply with the current political environment, I'm not sure, but it has. What I do know is that investors should be cautious about treating political commentary as an established fact. And yet, markets often react as if they are. "Reflections" is a 1967 song recorded by American R&B music group The Supremes for the Motown label.

Markets are behaving as though the war is over, as if normal growth has resumed, and corporate earnings are about to reaccelerate. I'm not saying those things can't happen, but should we be paying as if they already have? It's a bit like celebrating a Toronto Maple Leaf's Stanley Cup win before they've even made the playoffs. Most leading economic indicators remain mixed at best, and, as well known economist, David Rosenberg and his team have noted, consumer sentiment just hit a 70-year low. That's not a footnote. That's a warning sign.

Consumer Sentiment

United States: *University of Michigan Survey of Consumers*
(index)



Shading indicates recession

Source: Haver Analytics, University of Michigan, Rosenberg Research

You may have noticed something puzzling: gold hasn't rallied much lately, and when tensions with Iran escalate, precious metals actually sell off. That seems counterintuitive. Here's how I think about it. When conflict escalates, oil prices tend to rise on fears of supply disruption. Higher oil prices feed inflation. And inflation puts central banks, particularly the U.S. Federal Reserve, (which holds a dual mandate of maximum employment and price stability), in a bind. To fight inflation, they usually raise rates, which strengthens the currency. Gold, meanwhile, tends to perform best when prevailing interest rates are falling and/or unlikely to rise. In essence, my belief is that precious metals prices rise when currencies depreciate and fall as they appreciate. So, I think that higher oil prices and the resulting inflationary concerns are putting downward pressure on precious metals. It's not that gold has lost its safe-haven status. It's that the specific inflationary character of this conflict works against the conditions gold needs to shine.

Upcoming Seminars:

Seminars: If you do have any suggestions for a future seminar, please let us know. We will do our best to accommodate. We did have a few suggestions that came in recently and as such we have three seminars planned for the coming months.

1. *"Kids Seminar-
The Basics". Designed for those 13 and older. Wed. May 13th 6p.m.-7p.m.*

2. *"Update on the Markets" Wed. May 27th 6p.m.-7p.m.*

Please let us know if you would like to reserve a spot early, although we plan to send slightly more formal invitations in the near future.

Thank you very much for taking the time to read our newsletter and feel free to send us any comments or suggestions.

Sincerely,

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