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Precious Metals Trading Boom Signals Need for a More Modern Market

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The current surge in precious metals trading, driven by extreme market volatility, particularly for gold and silver, highlights that the trading infrastructure for these safe-haven" assets is outdated and struggling to keep pace with modern demand, writes Integral's Chief Revenue Officer Vikas Srivastava. Over the years, other markets have evolved and upgraded their technology, Mr. Srivastava says, explaining that now it's precious metals' turn.

Driven by geopolitical events and macroeconomic fragility, volatility defined global financial markets in 2025. With further geopolitical tensions already shaping 2026, market participants are preparing for more of the same. Gold's surge through the \$5,000 threshold less than a month into the new year is an early sign of what lies ahead. This renewed rally, combined with dollar weakness, has reinforced precious metals' critical role as a strategic hedge.



Trading activity reflects this clearly. Gold trade tickets processed on Integral more than doubled in 2025, rising from 50 million in Q1 2025, to over 100 million trade tickets in Q4 2025.

Since last April, banks and brokers have largely been able to ride the waves of volatility that hit FX and equity markets. Against the backdrop of growing government debt and questions over the US dollar, however, gold and silver have taken center stage as go-to safe-haven assets.

The rally in gold and silver markets last year afforded substantial opportunities for investors; requiring banks, bullion brokers, institutional brokers, and retail brokers alike to adapt quickly to surging demand. They supported inflows in precious metals not only in the spot market, but through derivatives and ETFs, enabling clients to capitalize on this growth period. Yet the scale and persistence of the volatility also exposed gaps in precious metals trading infrastructure that drag on the value firms could gain from these market conditions.

In these situations, slow, manual pricing and conversions become more than an operational inconvenience. During a volatility shock, the absence of resilient, modernized trading and risk management infrastructure can exacerbate instability.

In addition, precious metals trading largely remains within relatively narrow, outdated constructs: constrained access to custom pricing, dependence on manual conversions, and overreliance on a handful of benchmarks. Despite investor appetite extending far beyond a single pairing, exposure is too often channeled into the most familiar, liquid contract: gold priced in US dollars per ounce.

This model no longer reflects how today's sophisticated investors want to trade. As demand becomes more regional, market participants are no longer satisfied with a single asset or pair to generate exposure to precious metals, no matter how liquid. A European institutional investor, Asian bullion broker, and Latin American retail broker do not share the same requirements yet are often channeled into a simplified one-size-fits-all approach. Regional players want to trade in alignment with local currencies and conventions, while brokers and liquidity providers want streamlined access to tailored currency pairs in order to offer more bespoke pricing to clients. This lack of flexibility can hamper participation and, ultimately, constrain market liquidity.

Other asset classes have faced these challenges before. Fully capitalizing on opportunities created by spikes in gold, silver, and other precious metals requires taking proven learnings from other asset classes and applying them alongside careful consideration of the markets' distinct characteristics.

Flexible construction of synthetic currency pairs and streamlined, automated pricing have become standard enablers of modern-day FX markets, enabling them to scale to new heights. Applying these same principles to precious metals, the natural focus is on the ability to synthesize and automate prices across local currencies, different weight measurements (ounces, grams, kilograms), delivery locations, and even levels of metal purity. All

This level of granularity is also increasingly essential for effective risk management. By breaking down trades into their underlying commodity and currency risk components, banks and brokers of all sizes can hedge exposures more precisely and optimize their balance sheets. This facilitates access to the most relevant currency pairs favored by both global and local players, without expanding firms' risk portfolios or further fragmenting liquidity.

As volatility becomes entrenched as a structural feature of global markets, the opportunity in precious metals is clear. But success will not come from simply responding to price movements. The firms best positioned to take full advantage will focus on *how* they're able to participate in these evolving, specialist markets.

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