HOW PRECIOUS METALS ARE PRICED

Introduction

Precious metals pricing reflects both the value of the underlying metal and the costs associated with producing and delivering a physical product.

Understanding how pricing is formed helps provide clarity when comparing products and dealers.

What This Means

The price of a physical metal product typically includes two components:

- **spot price** — the current market value of the raw metal
- **premium** — the additional cost associated with producing and delivering the product

Both elements contribute to the final price.

How It's Typically Evaluated

Pricing is often evaluated by considering:

- how closely a product tracks the spot price
- the size and consistency of the premium
- the type and format of the product
- overall transparency in how pricing is presented

These factors provide a clearer basis for comparison.

How It Works in Practice

SPOT PRICE

The spot price reflects:

- real-time global trading activity
- supply and demand across financial markets
- currency and macroeconomic factors

It represents the baseline value of the metal itself.

PREMIUM

The premium reflects the cost of bringing a physical product to market.

It may include:

- refining and fabrication
- minting and production
- distribution and logistics
- insurance and delivery handling
- dealer operations and infrastructure
- product format and denomination
- market demand and availability
- limited production runs or variations in design

Premiums can vary depending on the product and market conditions.

Where Differences Become Important

Differences in pricing become more relevant when comparing:

- product types (coins vs bars)
- levels of recognition
- dealer pricing models
- availability during periods of increased demand

Understanding what contributes to pricing helps explain why differences may exist.

Considerations

Evaluating price alone without context may not provide a complete picture.

Clarity often comes from understanding how pricing is constructed rather than focusing on a single number.

Summary

Precious metals pricing reflects both the underlying market value and the costs associated with producing, distributing, and delivering physical products.

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- Why the Gold Price is Different From Coin Pricing →
- Investment-Grade Precious Metals →

Continue the Conversation

Atlas provides education-first conversations designed to help clarify ownership, product selection, and pricing considerations.

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Previous: Investment-Grade Precious Metals →
Next: Gold Price Explained →

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