

## SILVER: AN ATTRACTIVE INVESTMENT OPTION

In the face of mounting global macroeconomic uncertainty—ranging from high global debt, rising credit risk, de-dollarization trends and unabated war besides domestic concerns—bullion becomes a contra to uncertainty. Over centuries, Gold and silver have been investment option for safety.

Over the past year, Gold has delivered a strong return of 43.8%, outpacing Silver's 21.9% gain. However, this outperformance may have already been priced in. Going forward, Silver appears to offer a more attractive risk-reward profile.

Silver has emerged as a rare asset that offers both defensive protection and industrial-led growth potential, making it highly relevant in the current landscape.

# Why Silver, Why Now?

## Industrial Utility & Demand Boom

Silver is a critical input in fast-growing sectors such as:

- Solar energy (photovoltaic panels)
- Electric Vehicles (EVs)
- Semiconductors & electronics
- 5G infrastructure

FINANCIAL ADVISORS This industrial demand creates a **structural floor** for long-term consumption.

### Supply-Side Deficit

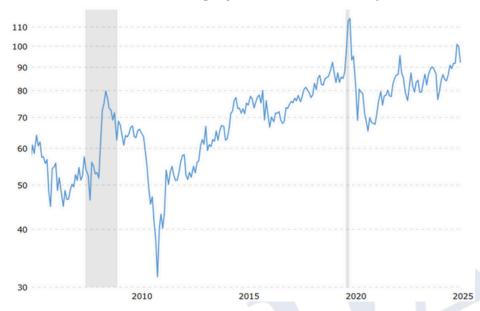
- Silver has been in deficit for 5 consecutive years.
- 2025 is projected to witness a 149-million-ounce shortfall, nearly 12% of global demand.
- With demand growth outpacing supply, supply deficit is visible till 2030.

#### Undervaluation Relative to Gold

- The current gold-silver ratio of 93 is significantly above its long-term historical average of ~70, indicating a rare divergence.
- Such extremes have historically preceded strong outperformance by silver, suggesting that silver is currently trading at a substantial discount relative to gold.



## Gold/Silver Ratio- Silver is highly undervalued compared to Gold



# **Comparative Snapshot**

Factor	Gold	Silver
Industrial Use	Low	High
Volatility	Moderate	High
Current Valuation	Overvalued	Undervalued
Market Sentiment	Crowded Long	Emerging Interest
Strategic Use	Wealth Preservation	Growth + Hedge

## **Our Recommendations**

- Increase Allocation to Silver: Allocate more capital to silver-based instruments—including physical silver, ETFs, and commodity-backed funds. Based on current macro and industrial trends, we have a firm conviction that silver is poised to outperform gold in the coming cycle.
- *Tactical Rebalancing:* Rebalance portfolios by moderately reducing gold exposure and increasing silver allocation. While gold has already delivered substantial returns, silver offers greater upside potential at current valuations.
- Strategic Positioning of Silver: Treat silver as a dual-purpose asset:
  - Hedge against macroeconomic and geopolitical risks, similar to gold.
  - Capture upside from the green and tech-driven industrial demand, especially in solar energy, EVs, and electronics

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