

## 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

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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