

Silver hits \$100/oz for the first time

Silver has just broken above the \$100/oz mark for the first time, extending an exceptional rally



Prices surged nearly 150% last year, with a further 40% increase year to date, significantly outperforming gold. This strength reflects both resilient safe haven flows and robust industrial demand, pushing the gold-silver ratio to just above 50 - its lowest level since 2011. Silver's higher volatility relative to gold, driven by its smaller market size and dual role as both an industrial and investment metal, has amplified recent moves.

Support for silver has been reinforced by a weaker US dollar, lower real yields, and stronger investor appetite for hard assets amid heightened policy uncertainty. Silver has also been boosted by a historic short squeeze and strong retail buying. At the same time, industrial demand - particularly from solar, electrification, and grid infrastructure investment - has tightened the physical market at a time when mine supply growth remains limited. With most silver produced as a by product of other metals, the sector is unable to respond quickly to higher prices, leaving the market in a persistent deficit that continues to underpin the bullish narrative.

Risks do remain though. A sharper global slowdown or sustained high prices could trigger demand destruction, especially across industrial sectors. Silver's inherent volatility also means it can overshoot in both directions.

Despite these risks, the broader setup remains constructive. Strong industrial demand, tight

physical balances, and solid investor interest continue to support the market. Silver is benefiting simultaneously from its precious metal momentum and industrial strength - a rare combination that continues to define this cycle.

Meanwhile, gold is nearing the key \$5,000/oz level, extending a blistering rally, surging a further 14% this year, supported by a weaker dollar, escalating geopolitical concerns, continued central bank buying, and mounting worries over the Federal Reserve's independence.

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