Silver Outlook

After the gold rush

Commodities
Precious Metals

Global

- After hitting record highs, silver corrected in February; may ease further in 2H'26 as tightness recedes but will remain highly volatile
- Industrial and jewelry demand falling; mine, scrap supply growing; coin & bar demand may rise; gold may have less price influence
- We raise our average price forecasts across the board to USD75/oz in 2026 and USD68/oz in 2027; soft USD supportive but narrowing production/consumption deficits do not argue for rallies

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Outlook: Silver hit a record high of USD121/oz on 29 January 2026, in league with record-high gold, supply tightness, and tariff, geopolitical and economic concerns, all of which fostered safe-haven buying. The Middle East conflict triggered a flood into the USD, and high oil prices sparked concerns over tighter monetary policy as equites slumped. This in turn sent silver tumbling along with gold to USD64/oz. The market has since stabilized, but we believe further room to the upside is limited as silver remains overvalued, in our view. Gold prices will likely remain influential, but we believe the gold:silver ratio is likely to widen, allowing silver to ease even if gold rallies. Tightness in the London market has eased with silver stocks shifting back from New York as tariff concerns dissipate, although there is still room for tariff surprises. We view prices as fundamentally overvalued, but they are closer to equilibrium levels than earlier in the year. Industrial and jewelry demand will continue to weaken. Large bar demand should rise based on institutional purchases. Coin & small bar demand may also recover but at a moderate pace as high prices curb demand. ETFs liquidated this year but may rebuild. India and China imports are curbed by high prices. The likelihood of a soft USD, as forecast by HSBC FX Research, can aid silver downswings. Debate over future Fed rate cuts, Fed independence, and geopolitical risks are price supportive.

Supply rising: Global silver mine output continues to rise, aided by primary and byproduct output. Lower ore grades and mine closures will be largely offset by new projects and facilities expansion. The main increase will be in 2027, however. Mining costs remain well below prices. Prices are still an incentive to raise output. Recycling levels look set to rise as bullion holders mobilize out of concern of further price declines. Hedge supply is also rising.

Silver balances and limited downside for 2026 prices: Based on our supply/demand model and data from the Silver Institute's 2026 Survey, silver ran a 143moz deficit in 2025. We look for this deficit to narrow to 73moz in 2026 and 25moz in 2027. Moderating deficits, in our view, will not be sufficient to propel silver sharply higher for prolonged periods and help explain our outlook for gradually lower prices in 2H'26 and 2027. Shortages of .9999 high-quality silver may persist and aid prices. Above-ground stocks and recycling may eventually help cap the rally and weigh on prices longer term.

HSBC average silver price forecasts

	2026f		2027f		2028f		2029f	
USD/oz	Old	New	Old	New	Old	New	Old	New
Silver	68.25	75.00	57.00	68.00	49.00	59.00	47.00	52.00

Notes: Long term = five years. Year-end 2026 and 2027 forecasts for silver are USD70.00/oz and USD65.00/oz, respectively. Source: HSBC forecasts

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Golden wings

The power of gold

Silver traded to record highs in January 2026

Neil Young's 1970 album "After the Gold Rush" depicts hopeful but uncertain times, employing the imagery of "silver spaceships" in the future. In some senses, this is appropriate for the silver market. Powered by an unprecedented rally in both real and nominal terms in gold to very near USD5,600/oz by 29 January of this year, silver hit a record high in nominal (but not real) terms of USD121/oz on the same day. Much, but by no means all, of silver's meteoric rally can be attributed to the influence of gold. Gold subsequently corrected – as did silver – which fell almost in half to just below USD64/oz by 6 February. Prices have put in a bumpy recovery since then and are trading well USD85/oz as of writing, and the question is: with gold pulling back, where now for silver?

A tale of tariffs, lease rates, and stockpiles

The pullback in gold removed a plank of the silver rally

To understand current market dynamics, a closer look at what drove the market last year and earlier this year followed by a steep drop may be helpful. While physical tightness and the shift in deliverable silver from London to New York on tariff and other concerns resulted in historic backwardation, rocketing lease rates, and high EFPs in 2025 and earlier this year, they were only one facet of the rally. A bevvy of additional factors, notable among them high gold prices, drove silver higher. This is a theme we repeated in recent outlooks, including *Silver Outlook: Raising our forecasts on a bull wave* (7 October 2025) and *2026 Silver Outlook: A cresting wave* (7 January 2026). Silver's rally was strongly linked to record-high gold prices. As a fellow but more dominant precious metal, gold exerts a strong gravitational pull on silver, and silver often follows gold movements – higher or lower – at a lag. This is based on our view that gains in gold attract ancillary buying in silver, possibly by investors who had not taken full advantage of the gold rally. Now that gold has pulled back, a plank of the silver rally has been removed, and so silver has fallen as well. We are still positive on gold prices, as outlined in our recent *Gold Outlook: Bull-dozer* (8 April 2025), but we do not expect the gold rally to resume in earnest until there is a sustained resolution to the Middle East conflict, the Straits of Hormuz are reopened, and oil prices ease. The impact this may then have on the USD and yields could eventually leave room for a gold rally to resume – but one that we believe may be more measured and possibly less volatile. This in turn should support silver but likely not until later in the year and only as one of several competing factors driving the silver market.

The genesis of the silver rally dates back to tariff concerns in Q1 2025. The threat of tariffs on silver imports into the US triggered powerful rallies in 2025 peppered with pullbacks as silver was exempted from the tariff in April of that year. By that time, however, tens of millions of ounces of silver had shifted from mainly London LBMA warehouses and elsewhere, including Asian depositories, to New York as the exchange-for-physical (EFP) premium widened, in case refined silver became subject to tariffs. Until recently, this silver has been slow to migrate back to London. Fresh tariff scares in July 2025 ignited further rounds of panicky buying and arrested further movement of silver back to London. Up until early this year, the London market – the center of the global physical silver market – remained historically tight. As persistent tightness in London prices broke higher, lease rates briefly surged to more than 200%. Evidence of tightness is seen by near-record backwardation on the Chicago Mercantile Exchange (CME) futures markets. To varying degrees, these factors persist into 2026 with silver hitting an almost manic phase with the market more than doubling from December '25 through January '26, hitting a record USD121/oz as gold neared USD5,600/oz by the end of January.

Iran, Warsh, and shifting stocks

An acute liquidity squeeze has eased with stocks shifting back to London

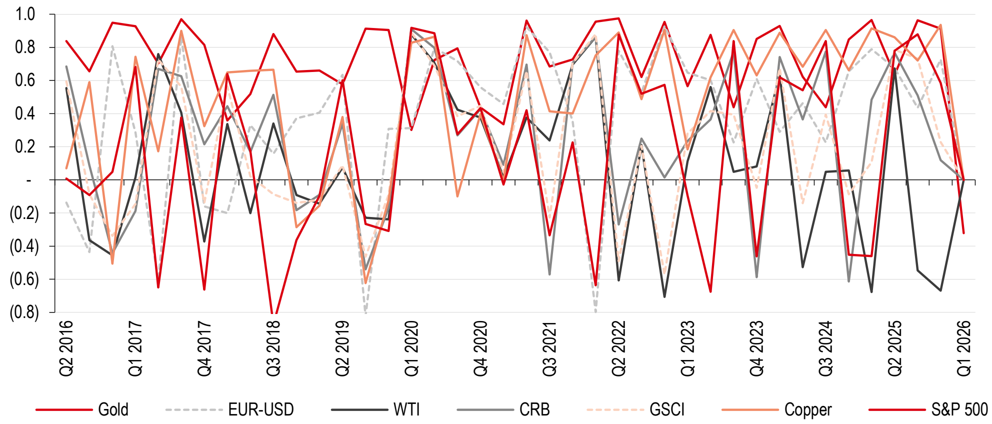
Although silver was exempted from tariffs, its inclusion on the 2025 White House 232 list of critical minerals kept the market on edge, impeding the migration of silver back to London and contributing to persistent market tightness. Silver prices tumbled from the end of January of this year after US

President Donald Trump said he is holding off on new tariffs targeting imports of critical minerals, easing near-term trade disruption risks. This decision reduced part of the near-term policy risk premium that had propelled silver to record levels. Other related tariff setbacks for the Trump White House, including court rulings by the US Court of International Trade, also weighed on silver. Silver's status as regards Section 232 critical minerals dependency however has yet to be clarified. The tension in the silver market over threats of tariffs has been greatly reduced but not altogether alleviated, and silver has the potential to spike higher on tariff threats real or imagined. There is still clear evidence of a gradual – but persistent – shift in stocks from New York depositories back to London Bullion Market Association warehouses. After hitting a peak of 531.9moz in CME stocks on 9 May 2025 – as a result of more than c200moz of silver being shipped to New York from London facilities – CME stockpiles fell to 449.8moz by the beginning of 2026 and are now down to 319moz, a level that reflects normal holdings. This has greatly relieved stress on the spot market and brought down lease rates and EFP levels, all of which contributed to lower prices.

The slump in silver coincided with Kevin Warch's nomination for Fed Chair

A slump in gold following a one-day surge after the conflict began on 28 February as the USD and yields rallied and equities fell, dragged silver lower. This closely coincided with news of the nomination of Kevin Warsh for Fed Chair, which further removed some level of uncertainty from the market, effectively creating a climate forcing silver, as well as gold, to recalibrate lower.

1. Quarterly silver correlations



Source: LSEG Datastream, HSBC

Exhibit 1 shows silver's high correlation with gold, as well as copper and other commodities. This illustrates the strong industrial component in silver and the influence of industrial demand on prices. A rally in base metals added further support to the silver rally as silver plays a dual role as an industrial as well as safe-haven asset. Copper prices notably played a role in aiding silver higher in 2025 and weakening them more recently. The chart also shows the strong positive relationship with gold as discussed. We expect gold prices to be volatile until events in the Middle East are settled, but then to stabilize and resume a cautious rally in 2H (see *Gold Outlook: Bull-dozer*, 8 April 2026). Like gold, and for similar reasons, silver is inversely correlated with the USD over the longer term. HSBC FX Research's view for a mildly softer USD post-Iran later in 2026 is among the reasons we look for some firmness, at least up to a point, in silver this year. Moderating physical demand and rising mine and recycling rates also factor into our expectations for positive prices in 1H, followed by softer prices later in 2026.

A range of broad macroeconomic and geopolitical factors – not directly related to Iran and oil, or the tariff saga – such as uncertainty regarding economic policy, monetary policy, and the USD – are also driving prices. We discuss these in more depth, as well as how a host of supply/demand factors – including locational tightness in the silver market and shortages of

.9999 (high quality) silver or other factors germane to silver alone – are also driving prices. On balance, we expect the global macroeconomic and geopolitical climate to play a key role in aiding silver prices, but not necessarily driving them sharply higher.

And where are we going?

We update our supply/demand model (exhibit 2), which considers 10 components of the physical market, including mine and recycling supply, industrial, photographic, jewelry, coin and bar, and ETF demand. Our historical data incorporate available figures from the Silver Institute's 2026 Silver Survey (15 April 2026) compiled by Metals Focus.

We forecast a narrowing of the 2026 deficit to 73moz

After a narrower production/consumption deficit of 143moz in 2025, we forecast further narrowing to 73moz for 2026. This is based on greater mining and scrap supply, offset by higher coin & bar demand. We forecast investment in the form of ETFs to rise. Industrial and jewelry demand are likely to fall further in response to high prices. We forecast a further narrowing of the deficit to 25moz in 2027 as supply rises but key elements of physical demand fall further, notably industrial and jewelry demand. Coin & bar demand in the form of bars & coins may continue to recover at a modest pace, but ETF purchases may be modest. Much of the demand decline is price-related and could be halted on downswings, but we do not expect prices to fall sufficiently to revive either industrial or jewelry demand. We expect remaining underlying market tightness to unwind as the year unfolds and into 2027, with a likely negative impact on prices.

Based on our expectation that, while silver is fundamentally still overvalued, the downside following the February correction is now limited, volatility – while still high – may contract going forward. Still, persistent – but easing – tightness may trigger spikes higher. We expect that both the high and low for the year may already have been put in. Silver prices will be aided by still-high gold and a host of macroeconomic and geopolitical factors, but not necessarily driven higher by them. Reduced industrial demand and supply increases may begin to weigh on prices as the year progresses and the threat of tariffs to gradually recede further as 2026 unfolds. A key factor may be that we expect the gold:silver ratio to widen. This may allow gold to rally without necessarily pumping silver much higher. We raise our average price forecasts to USD75.00/oz (from USD68.25/oz) for 2026, to USD68.00/oz (from USD57/oz) for 2027, and to USD59.00/oz (from USD49.00/oz) for 2028. For 2029, we forecast an average price of USD52.00/oz (from USD47.00/oz). Our average 2026 forecast conceals expectations of a still-wide USD88.00-68.00/oz range for the rest of 2026. Our end-'26 and end-'27 forecasts are USD70.00/oz and USD65.00/oz, respectively.

2. Silver supply/demand model

(moz)	2018	2019	2020	2021	2022	2023	2024	2025	2026f	2027f
Mine production	851	837	784	831	838	811	822	847	848	868
Government sales	1	1	1	2	2	1	1	1	1	1
Old silver scrap	156	162	164	181	191	184	194	197	216	222
Hedging	-1	14	8	-4	-18	-12	-4	42	15	11
Total supply	**1,007**	**1,014**	**957**	**1,010**	**1,014**	**986**	**1,013**	**1,087**	**1,080**	**1,102**
Fabrication										
Industrial and decorative	526	525	512	564	592	657	679	657	642	618
Photography	31	31	27	28	**28**	**27**	**26**	**24**	**22**	**21**
Jewelry	203	202	151	182	235	203	205	189	157	151
Silverware	67	61	31	41	74	55	54	42	35	32
Physical investment, coins, medals, bar	166	187	208	284	338	244	191	218	247	265
Exchange traded funds	-8	90	282	14	-138	-48	17	100	50	40
Total fabrication	976	1,006	929	1,099	1,267	1,186	1,155	1,130	1,103	1,087
Total demand	**968**	**1,096**	**1,211**	**1,113**	**1,129**	**1,138**	**1,172**	**1,230**	**1,153**	**1,127**
Market balance	**31**	**-82**	**-254**	**-89**	**-115**	**-200**	**-159**	**-143**	**-73**	**-25**
Market balance ex-gov't stock sales	32	-83	-255	-91	-117	-201	-160	-144	-74	-26
Price average (USD/oz)	**15.70**	**16.20**	**20.55**	**25.14**	**21.80**	**23.40**	**28.29**	**45.00**	**75.00**	**68.00**

Source: Silver Institute GFMS LSEG, HSBC forecasts

Investment sentiment

Geopolitical risk and fiscal and policy uncertainty

In addition to gold, silver is an accepted and tested safe haven

In addition to gold, silver is an accepted and tested safe haven. Elevated geopolitical risks almost always stimulate gold demand and – to a lesser degree – do the same to silver. Silver also has a historical role as an indicator of economic and geopolitical uncertainty and is an effective hedge against economic and geopolitical risks. Heightened geopolitical risks have undoubtedly played a key role in silver's ascent in recent years. Specific global geopolitical risks outside of the Middle East are characterized by accelerating US-China competition, the ongoing Russia-Ukraine war, and severe disruption to key maritime trade routes. Other critical dangers include rapid AI proliferation, cyber warfare, and instability in Africa and Latin America including trade frictions and the impact of rising food prices. Discord in the Western alliance and concerns over US foreign policy are also factors that may aid gold and silver prices. The global geopolitical risk thermometer compiled by Federal Reserve economist Dario Caldara and Matteo Iacoviello is elevated, with readings as of May 2026 showing the index around 200, well above long-term averages, reflecting ongoing tensions from conflicts. As of writing, levels are close to the peaks seen at the invasion of Ukraine in 2022.

Concerns about US budget deficits can support silver longer term

Elevated risks are a powerfully bullish cocktail for silver. Essentially, geopolitical tensions can quickly translate into increased financial market volatility. This can result in a flight to safe-haven assets, namely government bonds and certain currencies, but also to gold and silver. Demand for precious metals may be heightened when government bonds have reduced appeal. These risks may be a double-edged sword for bullion, however. Rising economic and/or political uncertainty or risk can lower collateral values of equities and other assets and increase credit spreads, limit credit provision, and slow economic activity. This may aid silver as a safe haven. But should risks grow so high, such as over Iran, that investors flood into the USD, investors may then reduce bullion holdings. Longer term, we believe other factors may aid silver in a less spectacular way. Concerns surrounding the size and scope of US budget deficits – as well as those of many other nations – have increased and been the subject of caution by the IMF and World Bank. While trade frictions appear to have calmed, any resurgence in trade tensions, especially between the US and China, stand to help rally silver.

Monetary policy and USD impact on silver going forward

A shift in policy rate cut expectations is weighing on silver

What is HSBC's outlook for short- and long-term rates, and how might this impact silver? Ryan Wang, HSBC's US economist, stated that for the third meeting in a row on 28-29 April, the FOMC decided to keep the federal funds target range at 3.50-3.75%. Three voting policymakers voted in favor of steady rates but "did not support inclusion of an easing bias in the statement at this time." Effectively, these policymakers wished to modify the FOMC's forward guidance in a hawkish direction (likely to signal that the next policy move could be either a rate hike or a rate cut) but did not go as far as actually voting for a rate hike, said Mr. Wang. Chair Powell said that a change to the language could "conceivably come as soon as the next meeting", which is scheduled for 16-17 June. By then, Kevin Warsh will likely be the new Fed (and FOMC) chair. Markets, including bullion, will be watching closely as to whether there is a shift in tone regarding monetary policy. It remains evident, said Mr Wang, that the actual performance of inflation this year will be an important determinant of future policy decisions. In our view, the FOMC may need to see core PCE inflation fall below 3%, and perhaps below 2.5%, before contemplating a return to possible rate cuts. This is the main reason we do not expect any rate cuts in 2026 or 2027. Mr. Wang's forecast is for unchanged policy rates.

Pre-conflict, the market had been pricing in over 50bp in rate cuts by end-2026 but is now priced for no change in policy rates. Mr Wang continues to forecast an unchanged federal funds target range of 3.5-3.75% through 2026 and 2027. This is important for silver. The rampant rally in late 2025 and early 2026 was heavily – but not solely – predicated on expectations of at least

50bp in cuts this year. As this is now unlikely to be the case, we expect the likely lack of rate cuts has not only helped weaken silver but may cool future rallies for at least this year. As discussed by both Mr Wang and HSBC's Global Chief Economist Janet Henry (*Global Economic: Running out of gas*, 25 March 2026), there are dual-sided risks. The longer the Middle East conflict persists and the Strait of Hormuz remains closed, the greater the magnitude of a likely energy supply shock, pushing down growth and pushing up inflation. On the face of it, this looks gold positive as rising unemployment could tip the FOMC towards a rate cut. On the flip side, a greater and more persistent inflationary shock could prompt a return to rate rises. This would clearly be gold negative. But even unchanged rates, as Mr Wang is forecasting, would be a net drag on silver, we believe. Recent Fed speakers have tended to err on the side of caution, which implies no early change in policy. Long-term yields as forecast by HSBC's US Rates Strategist Dhiraj Narula are also likely to be firm.

The USD will be a key influence on silver prices

We believe the USD will play a crucial role in determining silver prices. According to HSBC FX research, the USD is currently driven by headlines surrounding the Middle East conflict. The near-term outlook is essentially binary: de-escalation headlines are USD negative (and therefore silver positive), and escalation headlines are USD positive (and therefore silver negative). This sensitivity means that USD movements are most attuned to moves in the equity and energy markets, near term. An initial market reflex, states the FX team, could be to assume it will all be all right in the end and so point to a weaker USD. This seems to be the market's view. The USD has pretty much fallen back to the level prevailing before the conflict began at the end of February. This argues for a weaker USD. However, there is also a reasonable argument for USD strength near term. The head of the IEA said energy markets are vastly underestimating the impact of this conflict. The dominance of geopolitics over the USD should continue to leave little room for conventional drivers of the USD to thrive, including rate differentials. However, points out the FX team, were they somehow to get traction, they too may trap the USD. Firstly, argues the FX team, the USD is at neither a discount nor a premium to rate differentials. Secondly, recent US data have been mostly hawkish with upside surprises on activity and inflation data, but Fed rhetoric suggests there is no rush to hike, and that even a move to a neutral rather than an easing bias is progressing only slowly through the FOMC. Thirdly, while Kevin Warsh may offer a dovish voice if and when his nomination as the next Fed Chair is approved, uncertainty looks set to continue around the timing. Longer term, post-Iran, the USD may revert to the defensive, but the team does not look for an exaggerated decline. This leads us to look for volatility in the near term on Middle East-driven headlines, followed by only mild support for silver at best medium to longer term.

ETF and the CME net long positions

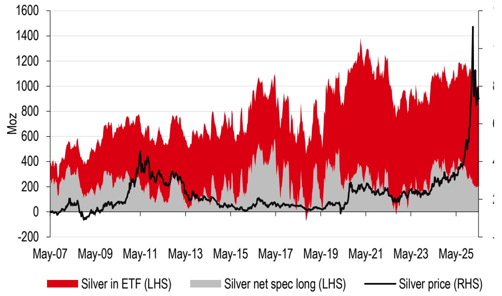
ETF holdings liquidated heavily this year

Changes in silver ETFs and net long positions on the CME reflect investor sentiment and demand. We believe that the recent slump in silver prices is partly the result of investor moves out of ETFs and net long exchange positions. There is room for them to rebuild, however. After a c48moz decline in net holdings in 2023 and a modest increase of 17moz in 2024, ETF holdings shot higher in 2025 and, with it, silver prices. Combined silver holdings reached 858.7moz at end-2025, a 142.5moz gain for the year. This represented the biggest gain in ETF holdings since the shift into ETFs in 2020 at the height of the COVID-19 pandemic. A feature of silver ETFs as compared to gold ETFs is that holdings are generally less prone to liquidation and, until recently, had seen steady investor accumulation.

The change in the global economic and financial landscape prompted by the Middle East conflict has had a profound impact on silver ETF holdings. After starting the year at 857moz and moving higher through January, investors liquidated holdings heavily as financial markets reacted to the initial stage of the conflict. Some investors liquidated positions to raise cash and cover margin calls in the equity markets. ETFs now stand at 790moz, down 8%. The bulk of liquidation may have occurred, however, and we forecast a recovery in 2H '26 based on a likely soft USD and increased demand for hard assets due to geopolitical risks, policy uncertainty, and fiscal imbalances. Lower prices may also invite value-conscious buyers. We forecast an increase of 50moz in 2026 (from 70moz) and leave our 2027 forecast unchanged at 40moz.

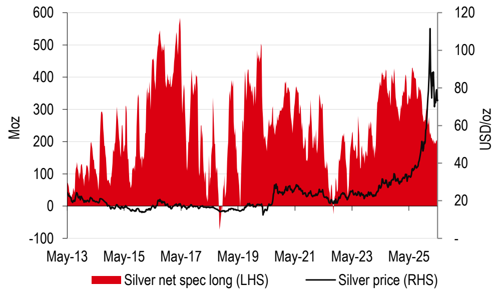
Net long positions on the CME are also down sharply from the beginning of the year

3. Silver prices, silver in ETFs, and net speculative long positions



Source: Bloomberg, HSBC

4. Silver and net speculative long positions



Source: Bloomberg, HSBC

Net long positions on the CME are also down sharply from the beginning of the year. Positions on the CME are typically subject to a high degree of volatility. They closed 2024 almost unchanged on the year at 262.11moz. They surged earlier in 2025 to 396moz but were subject to liquidation and profit taking and began 2026 at 251.3moz. Net long positions slumped with the steep correction in silver in early February and are now a net long 202.3moz. Some accumulation may be possible. Gross long positions are down to 282.88moz, compared to 436moz at the time of our previous outlook. Gross short positions are a low 81.62moz however, leaving plenty of room to grow. This may mean that though gross longs have been reduced, the market remains more vulnerable to long liquidation, or an increase in gross short positions, than to increases in gross long or reductions in gross shorts. Combined ETF and net long CME positions are at 992moz, down 138moz from the time of our previous outlook of 1,130moz. This is still equivalent to more than an entire year of silver mine production. Our view for fairly limited upside in ETFs and net long positions on the CME to build translates to limited price upside.

Large bars cater to institutional investors while small bars and coins cater to the retail market

Coin and bar and medal demand may stay sluggish but steady

Coin and bar and medal purchases are also an important source of investor demand. Large bars cater to institutional investors and small bars and coins to the retail market. Combined coin and bar and medal demand rose for five straight years, hitting a record 395moz in 2022, according to the Silver Institute, in large part due to escalating Indian demand but also a surge in Western consumer purchases following the invasion of Ukraine, rising inflation, and elevated geopolitical risks. This level of demand proved unsustainable, and combined coin and bar and medal demand fell for the next few years, dropping by more than half by 2024 to 191moz, according to the Silver Institute's 2026 Silver Survey. Much of the decline in 2025 came from pronounced weakness for coins in the US, with sizable levels of liquidation and sales of old coins on the secondary market. There were limited gains for coins in Europe but a more notable increase in large bars for institutional and high-net-worth individuals in that region. Despite high prices, Indian bar demand was also higher. Domestic prices are now more than INR250,000/kg. This has prompted some significant selling back from investors, although this remains limited given the still-bullish sentiment.

We may see a recovery in bar and coin demand in 2026 and 2027, based on:

- After heavy dishoarding and liquidation, which saw a plunge in demand in 2025, US coin and bar buyers may, at the least, curb liquidation, which should raise net new coin demand.

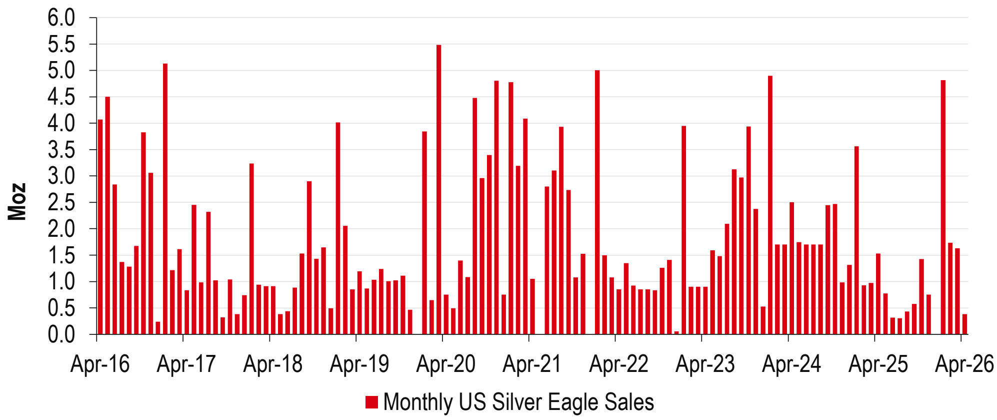
- European demand is robust, jumping earlier in 2026 based on economic sluggishness and geopolitical and policy uncertainty, all of which are likely to continue to support prices.
- High fiscal deficits across the Western world are also encouraging investment into hard assets, including silver.
- Large bar institutional demand in China as well as retail demand in China and SE Asia are high and likely to continue as demand from jewelry switches to bars & coins.
- Geopolitical and economic policy uncertainty is key to large-scale institutional demand for large bars, which we believe may accelerate.

Likely increases in coin & bar demand may be tempered

Increases in coin and bar demand after several years of declines may be tempered by a number of factors. First and foremost are high prices. A 1oz coin can cost more than USD85/oz when a premium is included. In India, silver prices are well above INR250,000/kg, a level that is bound to moderate demand. German investment will likely remain modest following the removal of VAT exemptions on certain coins. High prices are still encouraging the liquidation of old coins and bars into the market.

In exhibit 5, we show monthly US coin sales. Although an indication, US Mint sales may not reflect the true state of global coin or even US demand. Data from other mints are not as timely as the US, but coin demand from sister mints outside the US does not appear as strong as recent US sales. According to the US Mint, it sold 24.75moz of silver coins in 2023, up 55% from 2022. In 2024, the US Mint sold 24.86moz, almost unchanged from 2023. Bar demand was likely steady, and while the retail audience for small bar was not enthusiastic, the demand for large bars is much better. The US Mint reported sales of 24.56moz for 2025, similar to 2024 levels. April 2026 coin sales reached 1.63moz, up 7% from 1.53moz in April 2025 and virtually unchanged from March 2026 sales. For the first three months of the year, coin sales are up, rising to 8.56moz, compared to 5.463moz for the same period in 2025, a gain of 57%. We believe other mints have also done a little better compared to last year. The demand for bars also looks a little better, but there is not verifiable data for 2026 as of yet.

5. Silver coin sales



Source: US Mint, HSBC

We look for only increases in coin and bar demand in 2026

Will global coin and bar demand continue to recover this year and next?

We look for some recovery for 2026 and 2027, mostly in bar demand but also coins. There is also sufficient risk in the form of geopolitical, economic policy, and financial market concerns to support a certain level of coin and bar purchases. We see demand heavily favoring bars rather than coins, a pattern we saw in 2025. That said, high gold prices may tempt buyers to shift to silver coins and bars as a cheaper alternative. While high prices will temper retail demand, institutional demand for large bars is strong. Concerns over inflation that drove coin and bar demand up in the emerging and OECD markets in recent years may be a declining issue, but geopolitical and economic policy uncertainty remains high. The popularity of gold products is also helping to buoy silver coin and bar demand. There is still room for further liquidation for some investors to take profits. For 2021-23, annual coin and bar demand averaged 290moz a year, more than 100moz above the average for the preceding five years. This provides a pool of investors who may liquidate. That said, we suspect much of the potential liquidation has occurred. After hitting 218moz in 2025, we forecast an ongoing recovery modest recovery in 2026 to 247 (from 201moz) increasing to 265moz (from 210moz) in 2027.

Supply: higher but can't catch up

Mine supply likely to rise in 2026 and 2027

Silver mine supply is well below the peak year of 900moz

Silver is a widely mined precious metal, produced in scores of countries across the world. It is mined both as a primary metal and as a byproduct (see *Gold Outlook: Bull-dozer*, 8 April 2026). Despite record-high prices, silver mine production remains well below 2016's record level of 900moz. After years of decline – partly due to the impact of the COVID-19 pandemic on mining – production steadied in 2023 at 811moz, moving up to 824moz in 2024, according to the Silver Institute. This means production in both these years came in below 2022's 834moz. According to the 2026 Silver Survey from April, the 2025 production forecast jumped to 847moz, boosted by higher prices. According to the Silver Institute, mine output was bolstered by gains principally from Central and South America the locus of which were ramp-ups in various projects in Chile and higher grading in Peru. North American output did not respond to higher prices and eased mostly due to a variety of operational problems and declining ore grades in Mexico, despite gains in US and Canadian output. Notably, output from Asia continued to fall due to ongoing disruptions in Indonesia and lower grading in India. Output fell in Australia but rose in the CIS AD Europe due to project ramp-ups. Buoyant production in Morocco from the Zgounder project lifted aggregate African production.

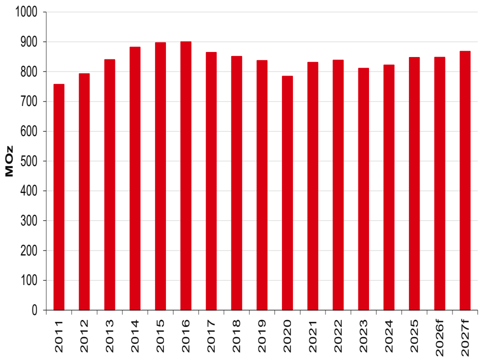
The outlook for 2026-27 production is modestly positive

Our outlook for primary silver mine production is mixed but generally positive for 2026-27. We covered the factors driving silver mine production in more detail in our *2026 Silver Outlook: A cresting wave?*, 8 January 2026. Output from primary silver-producing mines may increase only marginally in 2026. Primary mine growth will be driven by new projects coming online, which is estimated to only just offset closures from depleted assets and clapped out mines. Output at some existing operations will also rise due to planned expansions. Silver mine output is likely to rise in 2026 in the US and Canada, driven by Hecla Mining. Lower grades could impact Peru output, while China continues its policies of silver mine expansion despite declines in 2025. Mexico's production is expected to recover due to the resolution of strike actions in 2025, and Morocco's Zgounder mine may further increase output. High prices may sustain some marginal mines, however. Primary silver mine output is not expected to grow much in 2027.

Long lead times inhibit output

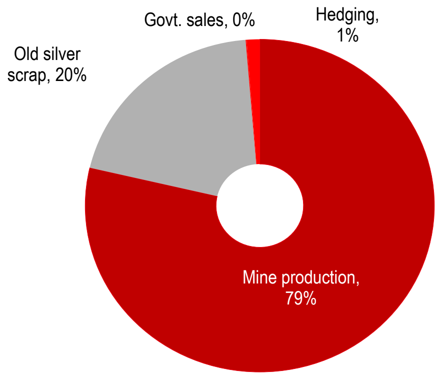
We discussed the long lead times in opening new mines in previous outlooks but believe they merit revisiting. An appreciation of this impediment to increasing production goes a long way to explaining why output is not expected to increase more actively despite historically high prices. A major constraint on silver production – as well as that of other metals – is *the long lead time in bringing new mines on production.* According to S&P Global, the average mine lead time continues to trend higher and was nearly 18 years for 2020-23, up from c12.7 years for mines that started up 15 years ago. In the early 2000s, the time for a mine to turn a discovery of a deposit into startup production was just 10 years. The long lead time is a function of longer times for exploration, permitting, and studies phase, as well as a longer period between the end of feasibility studies and the start of construction. This is often attributable to time spent obtaining financing and construction permits. Lower capex in base metals mining earlier in the mining cycle may also constrain silver derived as a byproduct from base metals output. Other headwinds for supply include declining ore grades, a shortage of trained talent, and bottlenecks in smelting and refining.

6. Silver mine supply (moz)



Source: Silver Institute GFMS LSEG, HSBC forecasts

7. 2026e silver supply forecast (moz)



Source: HSBC forecasts

Byproduct

Only about 30% of silver mine output is from primary silver mines

Less than 30% of silver mine output comes from primary silver mines. The rest is derived as a byproduct of other metals, notably gold and base metals. Difficulties in increasing primary mine output is shifting production slightly back in favor of mine byproduct output. We will see limited silver byproduct output over the next couple of years. Lower ore grades and technical and geopolitical problems limiting primary mine output are also affecting byproduct output.

Silver byproduct was limited in 2025 but may increase in 2026 and 2027. Our forecast for higher gold mine output (see *Gold Outlook: Bull-dozer*, 8 April 2026) will support silver output, as millions of gold ounces mined will have some silver content, and some gold operations may have a high silver byproduct content. Base metals production – and its impact on byproduct silver supply – is less straightforward. HSBC's Mining team forecasts base metals output to rise this year and next (see *Metals Quarterly Q2: 'Conflict'ed*, 26 April 2026), which could also boost silver supply. However, supply issues will likely inhibit production in select metals. In general, the mining team are forecasting only modest to slim growth for the metals that carry a silver byproduct.

Lower grades limit production despite high prices

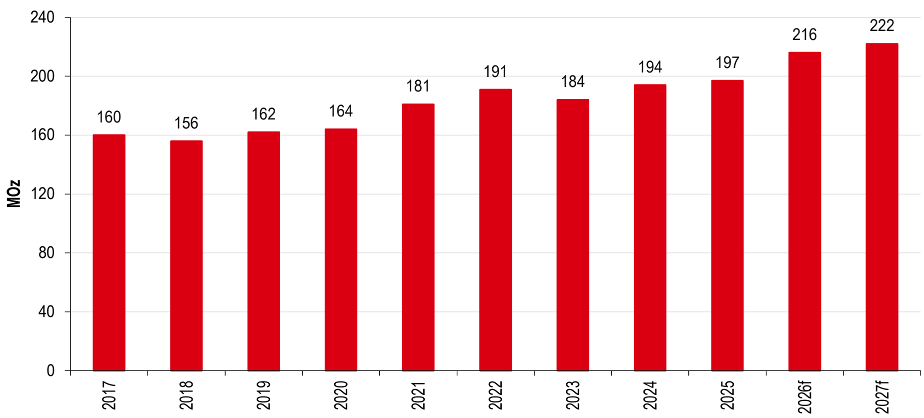
There are challenges and obstacles to both byproduct and primary silver production, including shortages of trained staff and rising equipment and energy prices. As the occasional antagonism of the local populace in some remote areas of development and declining grades are other impediments, there is a strong economic argument for producers to strain to increase silver output wherever possible. According to company reports, grade declines appear likely to be a long-term trend, making increased production important to raising overall supply. This will make it gradually more difficult to lift output over the long term. Historically high prices above USD50/oz can only encourage production modestly by supporting producer margins. As far as we can ascertain, global all-in sustaining costs (AISC) of production are a fraction of silver prices, and even significant price corrections would have no impact on production schedules as mining silver would likely remain profitable. Producer margins for primary silver mines are clearly massive, with the bulk of miners producing silver for well below USD20/oz. Gold and base metals operations are wide enough to encourage silver output, where possible. Some facilities will retire, but this will only restrain, not reverse, rising silver output. Despite high prices, the complexities and challenges of mining mean that most production schedules cannot be brought despite the financial inducements to do so. We have raised our mine supply outlook, reflecting limited progress across several prospective developments. We forecast 2026 to only grow by 1moz to 848moz (from 824moz) and forecast a more significant jump in mine output to 868moz (from 830moz) in 2027. The increase in production is spurred in part by still-high prices and new facilities being brought onstream. Arguably, the increases in production are modest in relation to the price rally (see exhibits 6 and 7 for mine supply and supply split).

Prices feeding through the recycling

Recycling will add to supply this year and next

Recycling is the second-largest source of silver supply after mining. The jump in prices, however, may not be having as much of a supply impact as one might imagine. Higher prices normally lead to a significant increase in scrap supply, such as in 1979-80 and 2011 when silver almost touched USD50/oz. Historically, recycling rates are sensitive to price changes: increasing on rallies and falling on price downswings. This relationship diverged in 2025. Despite a significant rally in 2025, recycling levels only inched higher to 197oz from 194moz in 2024. Some of this may be explained by the rapid price escalation that, rather than boosting recycling rates, led some potential holders of bullion to refrain from handing in metal for fear of missing out on further gains. This continued into early this year when silver hit more than USD120/oz. The enormity of the current rally effectively had a counter effect on scrap supply and may have led some bullion holders to refrain from handing in scrap metal. Refinery bottlenecks and recyclers' tendency to favor gold also curbed recycle supply.

8. Recycling supply



Source: HSBC forecasts

Technological advances have led to escalating silver demand in the electrical and electronics manufacturing sectors, but have also boosted recycling levels, as these products reach their end of life. Like gold, silver recycling is split between mandatory recycling, such as what regularly occurs in industry due to environment regulations, and discretionary recycling from individual holders of silver, which is often in the form of jewelry, silverware, or even bars. Industrial recycling follows a product cycle rhythm, and environmental regulations mandating greater recycling have increased in recent years. Individuals have more discretion and can increase scrap supplies on rallies and reduce them on price downswings. Recyclers also have some discretion about when they are likely to release – or hold onto – recycled material and therefore can also be sensitive to price swings. In this regard, Indian jewelry recycling flows are especially price-sensitive, and prices well above USD50/oz, combined with the weak INR, stimulated Indian recycling rates in 2025, which we believe will continue this year. There are enormous amounts of silver above ground, but much of it is not in tradable form (e.g., jewelry, silver products, industrial scrap, old and cracked bars).

The pullback in prices has triggered heretofore reluctant bullion holders to step forward

We look for more convincing and robust gains in silver recycling as we expect the pullback in prices has triggered heretofore reluctant bullion holders to step forward with recyclable materials. Economic stresses brought on by inflation and high prices may further contribute to mounting recycled supply. How much higher prices will contribute to recycling is debatable. Based on conversations with recyclers and fabricators, we believe scrap silver recycling for 2026 is likely to increase as the temptation to "cash in" on still-high prices may prove too alluring for some bullion holders. High prices may also encourage the recycling of industrial scrap.

On the downside, there is a base level of recycling we are unlikely to go below, regardless of price, as a good portion of recycling flows of industrial and consumer goods are mandated by environmental legislation and regulation, as well as discretionary recycling. In the longer term, we believe environmental regulations and green awareness will continue to elicit greater recycling efforts and provide an undercurrent of recyclable material. This includes forecast increases in PV demand, increased uses in electronics, and advances in silver and precious metals recycling, as well as more extensive collection of metals. We anticipate increases from nondiscretionary scrap supply including replacing EO catalysts and increased recovery of electronic items.

The amount of silver above ground is enormous and potentially recyclable

The amount of silver above ground is enormous: the United States Geological Survey puts the amount around 1.74mt (c56bnoz). That said, while massive amounts have been mined, much has been lost or consumed. Identifiable above-ground silver (jewelry, coins) might be c20-50bnoz, with only a small fraction in bullion form (c2.5-4.0bnoz). Our forecasts still represent more than decade-high levels in recycling. We base some of the increase in recycling not so much on our outlook for high prices but on more efficient collection of industrial and electronic goods. We forecast an increase in recycled supply to 216moz (from 201moz) for 2026, a significant rise from the 197moz reached in 2025. We look for a further rise in 2027 to 222moz, (from 212moz) as efforts to recycle rise, more material is made available, and processors maintain high production rates.

Another supply source is hedging

Another supply source is hedging. After reducing supply, or dehedging – the closing out of hedges – by 4moz in 2024, new hedging surged in 2025 to near 45moz, according to the Silver Institute's Silver Survey. We look for the pullback in prices to help reduce hedging levels to 15moz in 2026 (from 11moz). We leave our forecast for 2027 unchanged at 11moz of new supply from hedging. Even if prices ease in 2027, we expect a backlog of silver from this year to carryover as overstretched refineries process more material. Price-led increases account for our expectation of ongoing high recycling levels. Increases in industrial scrap will more than likely counter any declines from reduced photographic scrap.

Demand: Industrial is key

Industrial strength

Industrial offtake accounts for half of aggregate silver demand

Industrial offtake regularly accounts for well over half of aggregate silver demand. The pace of industrial consumption is therefore a key determinant of price. Industrial demand for silver was essentially on a 10-year uptrend from 2015-24, with the exception of 2020 when the COVID-19 pandemic crimped global demand. Silver is used in a wide variety of industrial and manufacturing processes, and its demand is generally closely linked to global industrial growth. During the 2015-24 period, however, demand by industry for silver regularly outpaced overall industrial production worldwide by a wide margin. This is largely due to the more rapid expansion of silver-intensive industries, notably photovoltaic demand (PV), the emergence of AI, electronics, increased silver components in autos, additions to the global power grid, and other high tech and bioscience applications. During this period, industrial users appeared relatively insensitive to price rises as for many applications, silver is a small input compared to other costs, and price rises were not excessive.

Industrial demand for silver is declining despite greater industrial output

This relationship diverged in 2025. After hitting a record 679moz in 2024, industrial silver demand fell last year to a little more than 657moz, a decline of 3%, according to the Silver Institute's World Silver Survey. This despite global industrial production growth of 2.9%, according to HSBC macroeconomics. While industry had been generally agnostic to price rises earlier in the silver cycle, this was only true up to a point. Cost pressures led manufacturers and industrial users to search for substitutes, make design changes, and reduce the amount of metal used in various processes and end products. Rocketing prices accelerated efforts already underway in this area. As prices rallied to near and above USD50/oz in late 2025, users turned increasingly to substitution and thrifting wherever possible and devoted resources to developing alternatives. This was especially the case as regards photovoltaic demand, the pace of which also slowed, where copper has in part displaced silver. Though China continues to expand solar power capacity, around half of the decline in industrial demand can be attributed to a drop in PV demand. Sluggish auto demand in 2025 and moderation in electronic production, much of it related to tariff concerns, all played a role in curbing silver consumption. The indirect impact of tariffs on silver also retarded consumption at the margin.

Expectations that prices will remain high are leading industrial users to examine processes to reduce demand

We explain the reasons for the contraction in industrial demand in 2025 because we expect many of the same factors to continue through 2026 and 2027 with a commensurately negative impact on silver demand. The unprecedented rally above USD120/oz in late January – however brief – has resulted in notable demand destruction. Even with the subsequent pullback in prices, expectations that volatility and underlying prices will remain historically high for the foreseeable future are leading industrial users to intensify efforts to thrift or find alternative materials. The expectation that silver will remain high is leading industrial users to examine processes that can reduce silver demand significantly or eliminate it altogether. Non-precious metals including copper and processed alloys may take the place of silver wherever possible. We expect this process to continue for at least the next couple of years.

Notable pullbacks this and next year

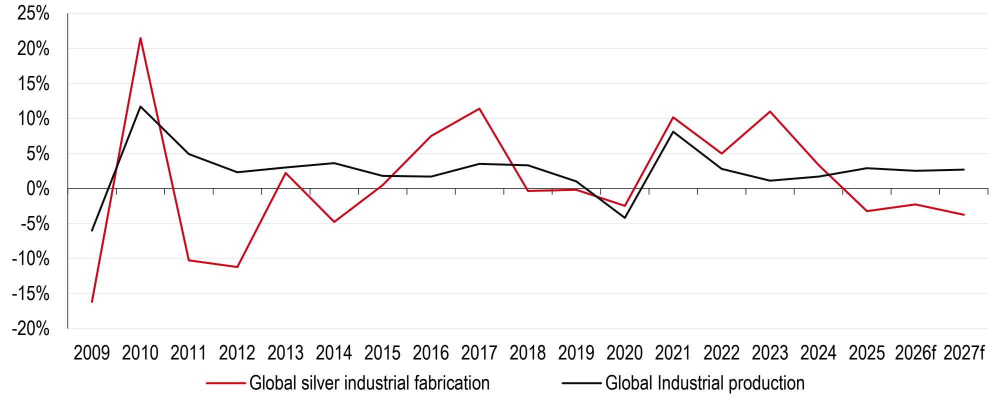
Photovoltaic demand: Up to 2025, PV demand was a rapidly growing component of silver demand. Some of the most recent academic literature and market trends, however, indicate a complex picture for solar photovoltaic demand and one that is no longer "one-way" higher. The transition from near unchecked expansion to a more constrained PV growth likely means reduced or at least moderate silver demand growth. US solar installations dropped 14% in 2025 by 43GW compared to 2024, according to the Solar Energy Industrias Association. Global solar energy development is set to slow this year and is entering a low growth phase according to BloombergNEF's 2026 Global Market Outlook. The decline is linked in part to policy changes in the US and China.

The increase in costs for PV producers is significant. In early 2026, the cost of silver paste and other silver products represented approximately 29-30% of total PV cell production costs, up from just 3-5% of total cell production costs in 2021, according to the Kobeissi Letter. Cost pressure – and concerns that silver prices may increase further – are prompting PV producers to shift away from silver. Manufacturers are accelerating plans to reduce silver intensity by structural design changes. The introduction of non-precious metals alternatives could increase, leaving silver demand especially exposed to further demand reductions.

Electronics: As a cornerstone of silver industrial demand, nearly two-thirds of industrial demand for silver is in electronics and electrical applications. Semiconductor demand is a good bellwether for electronics; hence, silver electronic demand merits closer examination. On 4 May 2026, the Semiconductor Industry Association (SIA) announced global semiconductor sales were USD298.5bn during the first quarter of 2026, a 25% increase compared to Q4 2025. Global sales were USD99.5bn during March 2026, an increase of 79.2% y-o-y. Some of the jump reflects previous tariff-related weakness. The value of sales does not translate proportionately into greater silver demand. Consumer products including smartphones, laptops, and wearables all face varying challenges that can delay production and, hence, silver demand.

Silver industrial demand will decline

9. Industrial production and silver demand growth (percentage changes)



Source: Silver Institute GFMS, LSEG Datastream, HSBC

Some of the further reasons we believe industrial demand may moderate include:

- A slower pace of EO capacity, a key requirement for heavy and traditional industries, will reduce silver demand.
- The structural decline in photography will likely continue.
- "Closed loop" recycling – the process of re-using silver in a similar but new product without being put back into the market – may increase for some key industries such as petrochemicals. High prices are encouraging closed loop recycling.
- Silver is no longer "cheap", leading some heavier users to husband usage.

Ranged against this are an array of additional supportive factors for silver industrial demand:

- The reduced tariff threat as most recently President Trump's proposed 10% tariff on imports was ruled illegal by the US Court of International Trade under section 122. The tariffs had threatened to notably disrupt electronic and chip flows.
- Treating Artificial intelligence (AI) as a separate category from electronics, it remains a powerful demand agent for silver. Investment in AI-related industries is increasing silver demand over a wide scale of applications, including smart grid infrastructure and data transmission. Investment levels lead us to view AI-related silver demand as a growth source for the next several years.
- Sluggish auto output globally, as forecast by the HSBC automotive team, may constrain demand near term, but longer term the automotive and aerospace industries provide steady demand for silver, notably in wiring and brazing alloys.
- Silver is used in a myriad of industrial processes for millions of products in sometimes small quantities with no competition from base or other precious metals, and the bulk of silver demand is therefore inelastic.
- Despite some slowing Chinese industrial production – the world's largest user and importer of silver – output is still high vs most of the world. Ms. Henry's team forecasts industrial production increases at 4.8% in 2026 and 4.7% in 2027 for China. Other non-OECD Asian economies also have a high predilection towards using silver in industry.
- Silver is of particular use in key environmental and bioscience applications. Some of these applications, notably increased silver consumption but environmental programs in particular, are experiencing a reduction in both government and private funding in and outside the US.

After years of unremitting, record-high growth, silver industrial demand dropped in 2025 to 657moz, according to the Silver Institute, from 679moz in 2024. We look for a further drop in demand to 642moz this year (from 660moz) and expect an even greater contraction in 2027 but leave our forecast unchanged at 618oz. In *Global Economic Quarterly: Running out of gas?* (25 March 2026), HSBC's Chief Global Economist Janet Henry and the economics team forecast that, after growing at 2.9% in 2025, global industrial production will edge up only 2.5% in 2026 and 2.7% in 2027. These are a little below the average for the previous 10 years. Ostensibly, these aggregate growth figures imply positive if modest silver demand this year and next, but we do not believe that will be the case as still-high prices work to reduce demand.

Jewelry and silverware…tarnished

Silver jewelry demand may weaken even further this year

As a luxury good, jewelry is perhaps the most price-elastic component of silver demand. The outlook for jewelry demand is not positive, as consumption is weighed down by high prices and, to a lesser degree, rising inflation and a moderating global economy. After rising less than 1% in 2024 to 205moz, silver jewelry demand slumped in 2025 to 189moz – the lowest level since COVID-era year of 2020, according to the Silver Institute's Silver Survey. Silver jewelry declined in nearly every major consumer country last year. Surging prices were the principal reason for the slide in consumption. Price-sensitive economies in the non-OECD nations, most notably India, registered the greatest losses. The steepest declines came from the rural sector, the locus for precious metals demand in India. To some degree, silver plating offset these losses. There was also some switchover from higher price gold jewelry, in India and other countries. That said, there is a limit to how far substitution with gold can translate into silver jewelry demand. Silver is above INR250,000/kg as of writing, resulting in very high prices for consumer items at retail. There is also a trend towards lighter weight items. Income gains in India's fast-growing economy may support demand, however. European demand dropped also, much of it from Italy, where tariffs negatively impacted exports and domestic demand weakened. North American demand fell as well, but by a lower margin, mostly in reaction to higher prices. Not every region registered demand losses. Mainland China demand rose modestly, and Southeast Asian demand, notably out of Thailand, also increased. The latter was mostly due to a jump in exports as Thai manufacturers won market share for low-cost items. The increase China demand came most from gains at substitution with high-priced gold and effective marketing. Cultural affinity for silver in China also supported demand.

The surge to USD120/oz earlier this year continued to devastate demand

It is difficult to be positive regarding jewelry demand for 2026 and 2027. The surge to USD120/oz earlier this year continued to devastate demand. The impact on silver jewelry demand in the Middle East is also considerable this year given the conflict in the region. Although silver prices have pulled back recently, they are still likely to be considerably higher than average levels in 2025, when prices began the year under USD29/oz. While high prices provide the root cause for lower demand, reduced consumer income due to high energy prices and inflation, as well a sluggish global economy will also impact demand. To some degree the switchover from high-priced gold jewelry and the marketing of lighter items will partially offset demand destruction. It is also possible that China may still rack up demand gains as consumption has held up surprising well and there is a strong cultural affinity for silver. Also, consumer income growth may support demand. The latest company reports from major jewelry retailers globally note increased revenue, especially in Western nations, but also point to lower physical demand for silver by volume. We forecast a 32moz drop to 157moz in demand this year from 189moz in 2025, followed by a more modest decline to 151moz in 2027. More stable prices combined with a likely baseline of demand should begin to cushion further declines by 2027.

Europe and North America are the other main sources of silver jewelry demand. Economic sluggishness, constrained consumer income, and high prices weighed on European demand in 2025. As these factors are likely to persist for the next one or two years, silver jewelry demand may only rise if it gains market share on gold. US demand for silver jewelry has been tame and weaker in tonnage terms. In contrast to other markets, there has been limited crossover to silver from gold by consumers. High prices are also biting into demand. Other regions including Southeast Asia, the Middle East, and Latin America all registered slight declines in 2025.

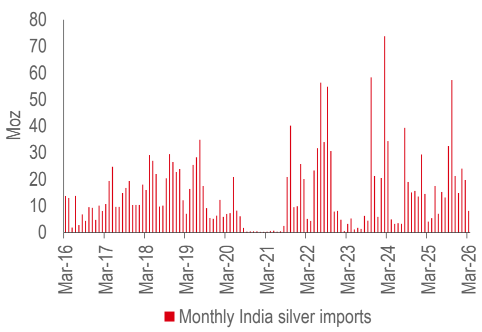
Silverware demand is experiencing the same negative impacts as jewelry

Silverware demand is experiencing the same negative impacts as jewelry. According to the Silver Survey 2025, demand hit a four-year low in 2025 of just 42moz from 54moz in 2024. We see little cause for any increase this year or next and look for additional declines. As with jewelry, high underlying prices are the main cause for weak consumer demand. Heavy recycling of silverware also signals a lack of demand. Furthermore, silverware is not popular in the few growth areas for silver jewelry demand such as China. Consumer tastes have also shifted against silverware, which has reduced appeal to younger consumers. Combined, this argues for lower demand, which we forecast to drop to 35moz (from 37moz) this year and to 32moz (from 35moz) next year as with jewelry, we may be nearing a baseline of demand that year.

India and China are key regions impacting jewelry demand

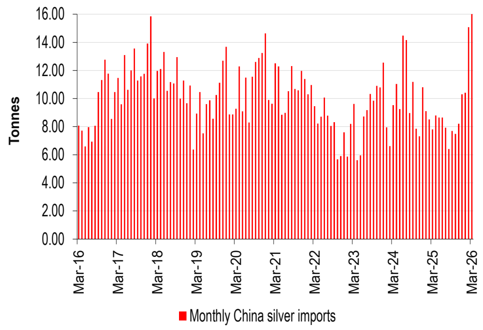
India and China are important silver-consuming and importing nations. According to official Customs Bureau data, China imported 836t of silver in March 2026, up 245% from March 2025. For the first 3 months of 2026, China imported 1,629t of silver, up 106% from the same period in 2025 of 790t. This supports our view of stronger jewelry demand than elsewhere in the world as well as steadier electronics and possibly PV demand. However, we do not expect this level of robust import demand to carry on for the rest of year or be as high in 2027.

10. India silver imports



Source: Bloomberg, India Customs, HSBC

11. China silver imports



Source: Bloomberg, China Customs Bureau HSBC

India's imports, which are mostly for jewelry and coins and bars, came in at a strong 254t in March 2026, 97% above the 129t imported in March 2025, but down from imports of 613t in February 2026, according to the Indian Customs Bureau. For the first three months of this year, imports totaled 1,615t, up 8% from the 1,495 registered for the same period in 2024, although 2024 was a "soft" year for silver imports. A reduction in import taxes last year helped support demand. Also, a stronger domestic economy until recently supported demand. The imports do not reflect the surge in prices above USD120/oz earlier in the year. We expect prices to remain high enough to weigh on imports, though we note the INR has generally been weak this year, a factor that is likely to curb imports. On 13 May, the Indian government raised the import levy on silver and gold to 15% from 6% in a bid to reduce bullion imports in the face of a weakening INR and surging energy imports. India and China imports are shown in Exhibits 10 and 11.

Conclusion

We look for limited price declines in 2H '26

Silver prices succumbed to a highly overvalued environment earlier this year and have since retraced heavily, but are already well off the lows for year so far. While we still see silver as fundamentally overvalued, we believe that prices are much closer to equilibrium values than earlier in the year and that downside is fairly limited. Prices may be subject to further downside if the USD continues to rally and the Middle East conflict drags on, as the impact of high oil buoys the USD and turns monetary policy more hawkish. A severe drop in industrial and jewelry demand also leaves the way open for lower prices as mine supply is set to expand more vigorously along with recycled supply this year and next. The tariff fears of 2025 are unlikely to be repeated, and a significant amount of silver has shifted back to London, thus easing supply tightness. We expect prices to be well supported until later in the year when easing tightness may usher prices lower, but we also envisage a wide and volatile trading range this year as a coterie of offsetting and sometimes conflicting factors influence silver. Supportive factors include geopolitical and economic policy uncertainty, threats to Fed independence, and a soft USD as forecast by HSBC FX Research. There remains pronounced tightness for .9999 (high quality) silver, which will pull the far more commonly traded .9995 silver higher. We do not expect the market to approach anywhere near the highs of the year and look for prices to stabilize. Importantly, although we still believe gold will influence silver, the ratio between the two may widen. Thus, gold rallies may not have as profound an impact on silver as earlier this or last year. We forecast ongoing but narrowing production/consumption deficits, which do not argue for sharply higher prices.

Disclosure appendix

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1 This report is dated as at 14 May 2026.

2 All market data included in this report are dated as at close 11 May 2026, unless a different date and/or a specific time of day is indicated in the report.

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