BBGI GROUP Global Investments

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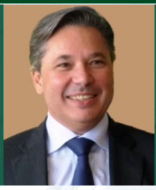
Investments - Flash



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SILVER PRICES DO NOT REFLECT FUNDAMENTALS

The price of gold above $2,000 could push silver to $30

The silver prices do not reflect the very positive fundamentals of the current market. Industrial and jewelry demand are expected to show strong growth over the next decade. In particular, the demand for silver in the rapidly expanding solar sector is extremely robust, as is the demand related to the production of electric vehicles. These two sectors will strongly influence the overall demand for silver in the coming decades. Industry needs may eventually prove to be higher than current production and reserves.

The physical market was already in imbalance in 2022, with demand exceeding production by over 230 million ounces, despite a slight decline. The current trend is similar and highlights that recent imbalances have already largely offset the surpluses of the previous decade.

Furthermore, like gold, silver is also an alternative to the dollar and currency in general. The rise of the dollar in the summer has not been favorable to investment demand in silver or gold so far. It has not materialized yet in 2023, as indicated by the decrease in volumes invested in physical ETFs until the end of October, but we believe it should strengthen again with the decline of the dollar and the correction of interest rates. The rise in gold that we announced two months ago continues and reaches new highs. The current ratio of 81-1 between silver and gold prices is extreme and far from its historical average ratio of around 40-1. When this ratio returns to its average, silver prices strongly outperform gold prices. Geologists consider the silver-to-gold reserve ratio to be less than 20-1, so with gold above $2,000, silver prices could be pushed to $30