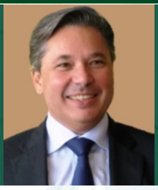
ECONOMIC RESEARCH | February 21st, 2024

Investments - Flash



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SILVER SIGNIFICANTLY UNDERVALUED RELATIVE TO GOLD

Four years of shortage should push prices to $30

For the past fifteen months, silver prices have evolved without any real trend around a central value of $22 per ounce, with little volatility. While gold has advanced from $1800 to over $2100 an ounce (+17%) over the same period, silver has slipped slightly (-4%) from $24 to $23. As a result, the silver/gold price ratio deteriorated further to 91.5, well above its historical average. From a geological point of view, experts consider the silver/gold reserve ratio to be less than 20-1. In the medium term, industrial and jewelry demand is expected to grow strongly over the next ten years. In particular, demand for silver in the fast-growing solar sector is extremely robust, as is that linked to the production of electric vehicles. These two sectors will strongly influence global demand for silver, and the industry's needs may eventually exceed current production and reserves.

However, for the past three years, the physical market has been in imbalance, with demand outstripping supply, which should tend to push prices higher, since by 2024, supply should still be lower than demand. This is not the case for gold, which should argue for a downward adjustment of the gold/silver ratio towards 60. We also note that rising interest rates have had a greater impact on demand for physical silver ETFs since 2021 (-32%), than for gold ETFs (-25%), although the decline in interest rates over the last three months has not yet reversed the trend. We believe it should strengthen again with the expected fall in the dollar and the correction in interest rates in 2024. Silver prices could rise by +30% to $30 an ounce by 2024.