

# Investments - Flash



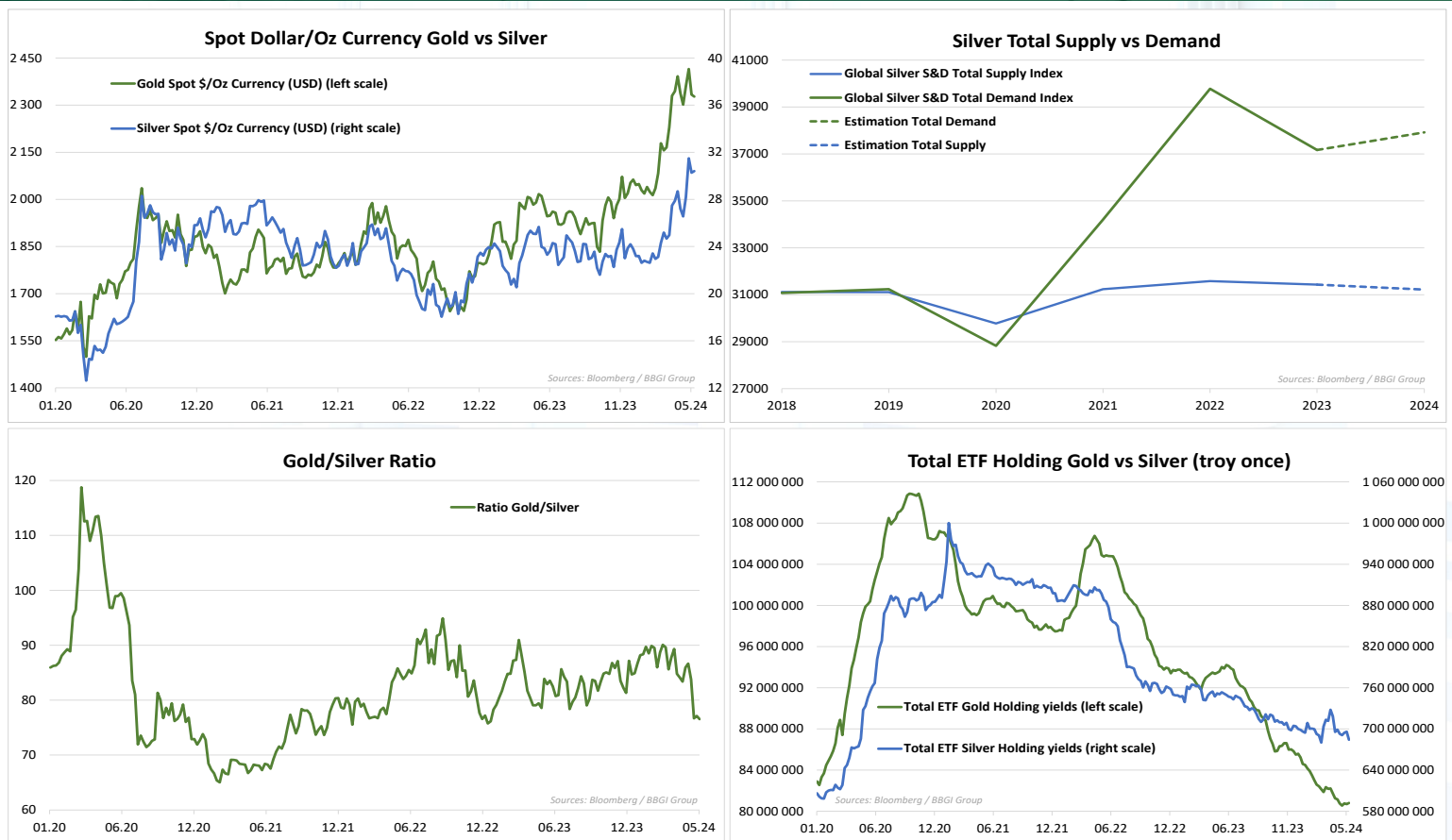
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## PRECIOUS METALS PAUSE BEFORE RISING AGAIN

### Silver's outperformance may continue

Since February 21, when we suggested a probable rise in silver towards \$30 an ounce, prices have risen by +40%, outperforming gold (+20%) over the same period. The predicted catch-up thus occurred, adjusting the silver/gold price ratio from 91.5 to 76. This 17% decline in the ratio puts it back close to its ten-year average and reduces its distance from its longer-term historical average of \$60-65. It is interesting to note that geologists estimate the silver/gold reserve ratio to be less than 20. On a fundamental level, industrial and jewelry demand is expected to grow strongly over the next ten years. Demand for silver in the solar sector is booming, as is that linked to the production of electric vehicles. These sectors will strongly influence global demand and industrial requirements, which could turn out to exceed current production and reserves.

In fact, the imbalance in the physical market has been a reality for the past three years, which has finally, as we expected, led to the sharp rise in prices in recent months. Conditions seem different for gold, which is more influenced by the outlook for interest rates and Asian demand for monetary reserves. Despite the sharp rises in these two metals, there has been no increase in traditional investment demand, as measured by the volume of ETFs in physical gold and silver. However, we believe it is likely to strengthen as a result of the expected change in monetary policy, the decline in interest rates and the weakening of the dollar. While gold and silver prices have partly anticipated these trends, we believe further rises are likely after a period of price stabilization, which we believe is already underway.



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