



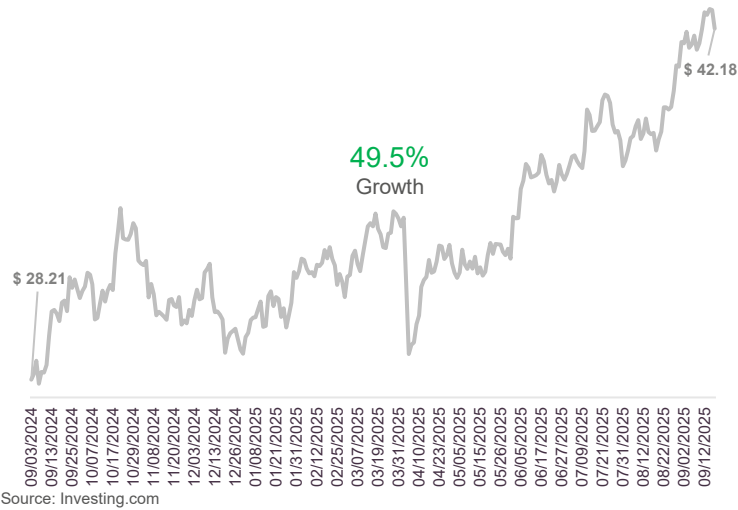
**Silver Is Well Positioned To Capitalise From Structural
Market Tailwinds In The Short- To Medium-Term**



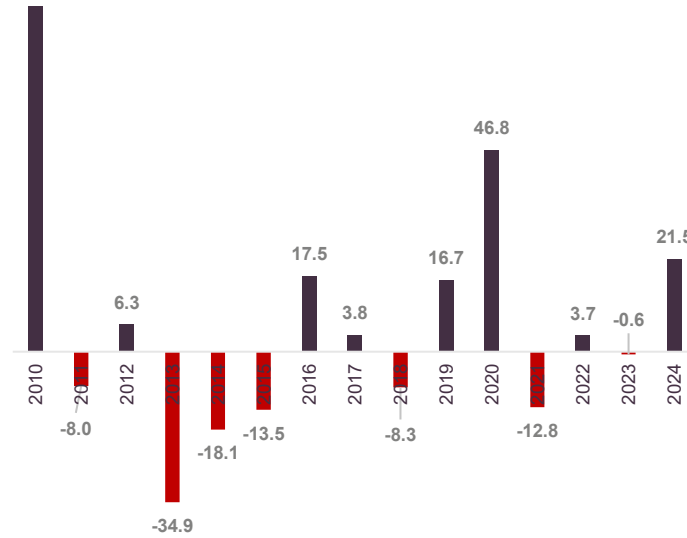
مركز قطر للمال
Qatar Financial Centre

Precious Metals And In Particular Gold And Silver Have Shown Strong Growth In 2025 As Central Banks Shift Towards Hard Assets

Silver Prices, in US\$/oz, (01 Sept'24 – 17 Sept'25)



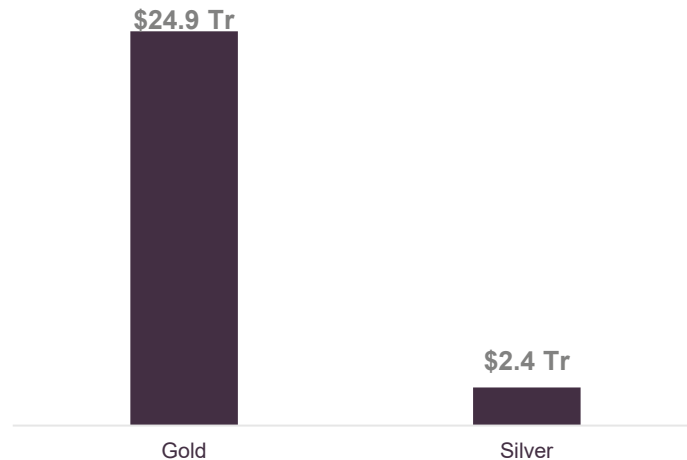
Annual US\$ Price Change, in %, (2010 – 2024)



Returns For Nasdaq 100, S&P 500, FTSE 100, Silver & Gold, in %, (03 Sept'24 – 17 Sept'25)



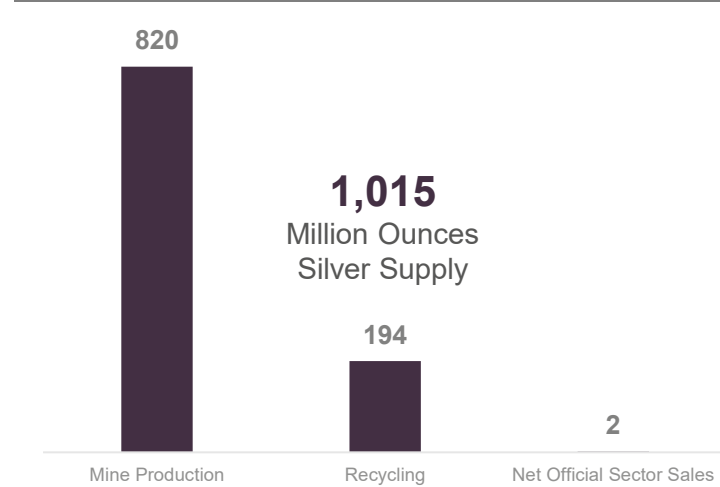
Gold vs Silver Market Cap, In Trillion



- In 2024 precious metals – particularly gold and silver – witnessed significant growth and have maintained their growth momentum well into 2025. In 2024, silver witnessed strong growth of **21.5%**, its third-highest annual return between 2010 to 2024. As of 18 September 2025, silver has surpassed its 2024 performance, with returns currently at **49.5%**.
- Unlike gold, silver is not typically used as a hedge against global macroeconomic fluctuations, due to its higher volatility and lower liquidity compared to gold. However, silver's various use cases such as for industrial purposes and jewellery is what gives silver its value.
- As an industrial product, silver is a good source of electrical conductivity, making it a key component for many electrical products. Further, demand from the AI sector, as AI Data Centres emerge, will require key components made from silver, boosting its long-term appeal.
- For the foreseeable future, the increasing use cases for silver will raise demand for silver while persistent supply deficits will contribute to the rise in the price of silver.
- As an asset, silver has a lot of room for growth compared to an asset such as gold. This is based on silver's lower market capitalisation of **\$2.4 trillion**, which is ten times smaller than gold's market capitalisation of **\$24.9 trillion**. This implies that even a modest increase in demand could have a disproportionately larger impact on Silver's price trajectory.

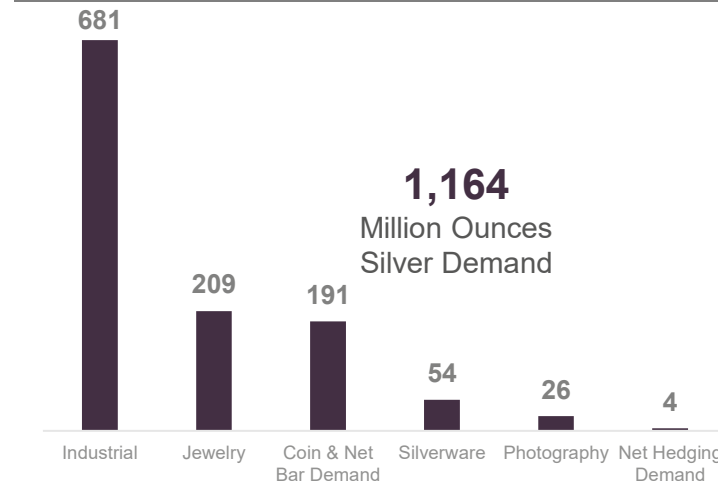
Demand For Silver Has Outpaced Supply Over The Last Four Years, Resulting In Global Supply Constraints For Silver

Supply For Silver, in Million Ounces, 2024



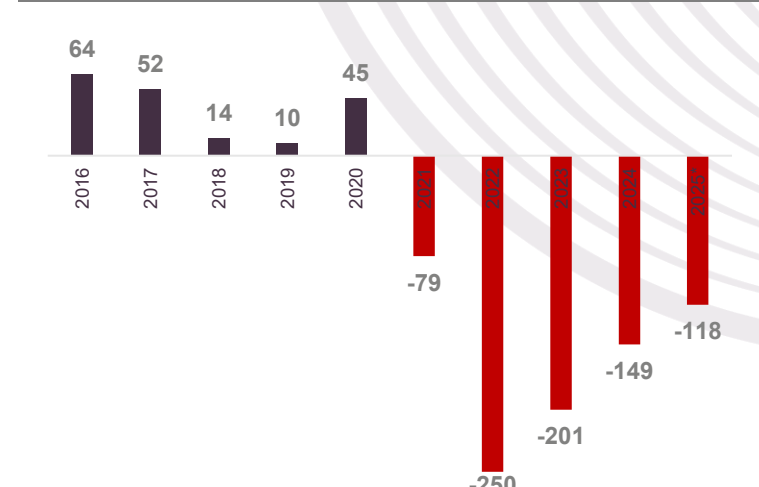
Source: The Silver Institute, QFC Research

Demand For Silver, in Million Ounces, 2024



Source: The Silver Institute, QFC Research

Silver Surplus & Deficit, in Million Ounces, (2016 – 2025*)

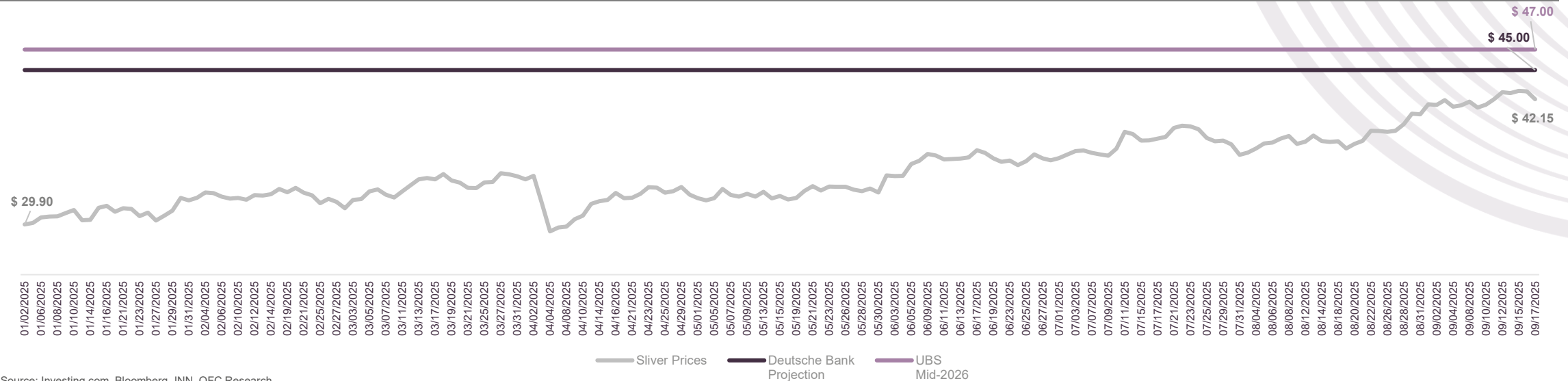


Source: The Silver Institute, QFC Research. Note: 2025 is a forecast

- Demand for silver has been steadily increased from **993.3 million** ounces in 2016 to **1,164.1 million** ounces in 2024, a **17.2%** increase. During the same period (2016 – 2024) supply for silver has stagnated, ranging between a minimum of **997.8 million** ounces and a maximum of **1,057.4 million** ounces.
- Growth in demand for silver is largely underpinned by its critical role in industrial applications, particularly in electrical and electronic components. The rapid expansion of solar energy, particularly for photovoltaic technologies has emerged as a key structural driver of silver demand.
- According to the IEA, the global electric vehicle (EV) sales are expected to increase from **17.8 million** in 2024 to **40.1 million** by 2030. This increase in EV sales will raise the demand of silver due to its efficient ability to conduct electricity, making silver a key material required for the manufacturing of EVs.
- From the above factors we anticipate that demand for silver to remain strong for the foreseeable future, providing the necessary tailwinds for silver miners while placing upward pressure on the current price of silver.
- According to BusinessWire, there is a sizable portion of silver mines which will be reaching their maturity between 2025 – 2030, which would negatively impact global supply. This will see production of silver decline at a compound annual growth rate of **-0.9%** during this period.

Historically Silver Has Not Been A Popular Reserve Among Central Banks; However, Central Banks Are Beginning To Show Interest In The Accumulation Of Silver

Silver Current Prices vs Projections For Price of Silver (02 January 2024 – 17 September 2025)

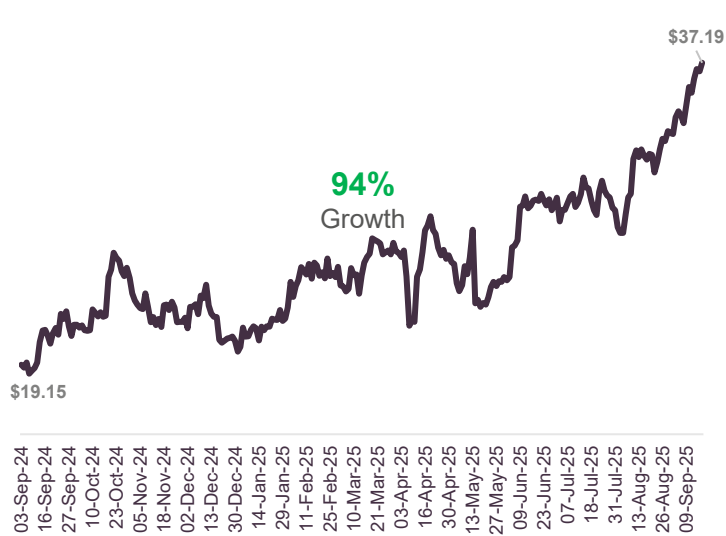


Source: Investing.com, Bloomberg, INN, QFC Research.
Note: Green percentage figure is increase from 02 January 2025

- Traditionally, silver is not viewed as a reserve commodity held by central banks. However, there seems to be a shift by central banks and their accumulation of silver as a reserve, albeit not in physical silver in all instances. Russia and Saudi Arabia are two notable countries currently acquiring large volumes of silver.
- The Russian government has indicated that it would look to spend approximately **\$535 million** on the accumulation of precious metals including silver. Saudi Arabia on the other hand has purchased **932,000** shares of iShares Silver Trust valued at **\$30.6 million** and **203,700** shares of Global X Silver Miners ETF valued at **\$9.9 million**.
- According to Discovery Alert, China and India are also accumulating silver through various channels with India reportedly having accumulated between **600 – 800 million** ounces over the past five years.
- This **increased appetite by central banks to acquire silver will boost demand for silver and will likely widen silver's supply deficit even further, and will place upward pressure on the price of silver** for the foreseeable future.
- Deutsche Bank has forecast silver to reach **\$45** an ounce by 2026, while UBS and First Majestic Silver's CEO have projected that silver to rise to **\$47** and **\$100** an ounce, respectively. While these price projections may seem optimistic it is important to note that **on January 2, 2025, silver was priced at \$29.90 and is currently outpacing projections by institutions such as Citigroup and JP Morgan which had forecast \$40 and \$38 an ounce, respectively for 2025.**

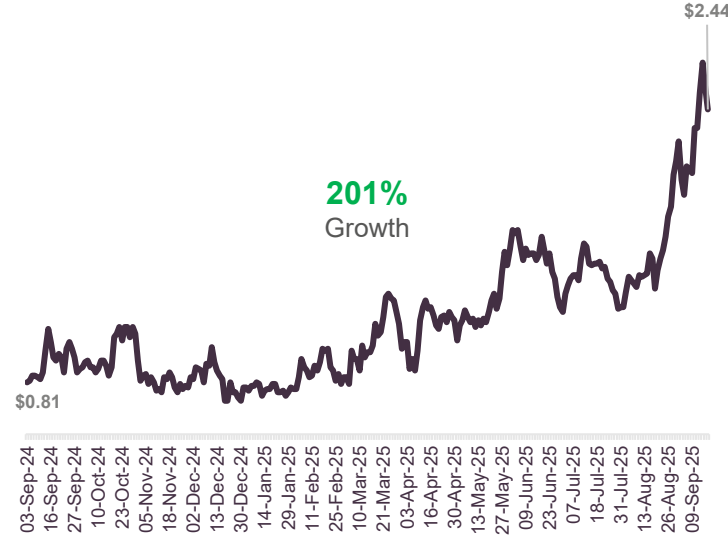
Rising Demand And Limited Supply Have Set The Stage For Silver Miner's To Realise Strong Growth

Pan American Silver, in US\$,
(03 Sept'24 – 17 Sept'25)



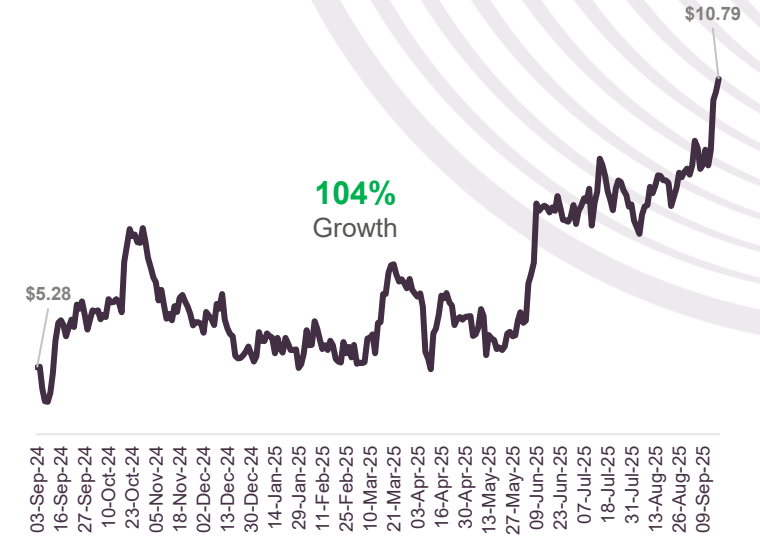
Source: Investing.com

Apollo Silver, in US\$,
(03 Sept'24 – 17 Sept'25)



Source: Investing.com

First Majestic Silver, in US\$,
(03 Sept'24 – 17 Sept'25)

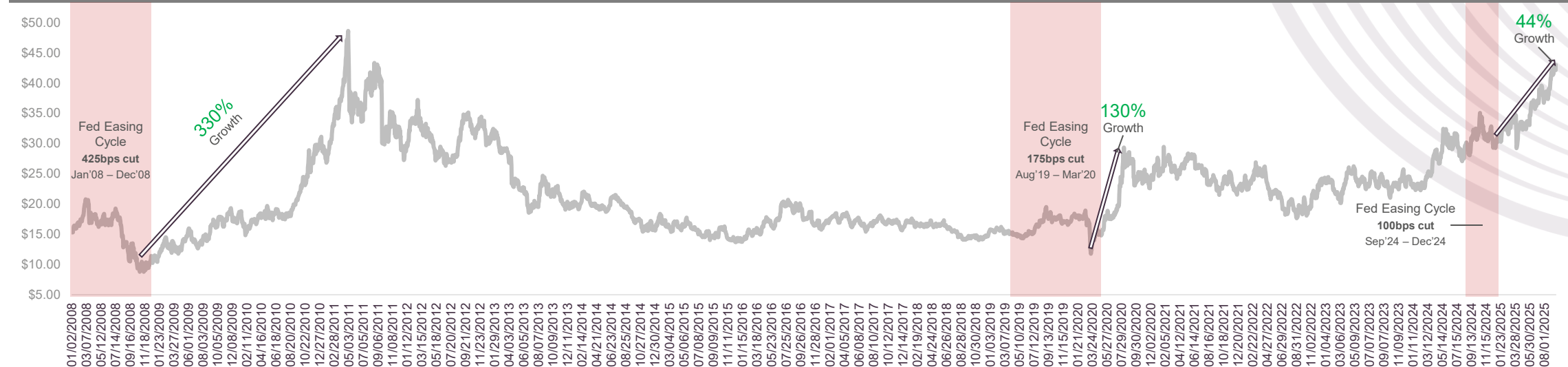


Source: Investing.com

- **Silver miners are benefitting from the ongoing boom in precious metals, evidenced by the strong growth of silver stocks.** While the price of silver has grown by **36.5%** (as of 07 September 2025) publicly traded miners have recorded higher levels of growth. Pan American Silver, Apollo Silver, and First Majestic Silver saw growth of **94%**, **201%**, and **104%**, respectively.
- Demand for silver is expected to remain high while supply will continue to lag, placing silver miners in a unique position to enjoy above-normal levels of profitability. **Sustained supply deficits typically translate to upward pressure on prices which in turn results in improved margins for silver miners and positive returns for silver equity holders.**
- Demand for silver remains largely driven by industrial demand, as well as demand from photovoltaics for solar purposes. **The emergence of new industries that are AI specific such as AI Data Centres will rise demand for silver over the foreseeable future.** Further new appetite for silver accumulation from central banks will raise demand amid tight supply for the commodity.

Recent Fed Rate Cuts Will Add Fuel To The Performance Of Silver Over The Foreseeable Future

Price Of Silver And Fed Rate Cuts (02 January 2008 – 17 September 2025)



- The fed has cut rates by **25bps** on 17 September, the first rate cut for 2025, with increased expectations of further rate cuts by year-end. What does this mean for silver and its performance for the remainder of the year?
- Historically, the silver performed strongly after the Fed cut rates. In 2008, the Fed cut rates by **425bps** in efforts to stimulate economic activity owing to the impact of the Great Financial Crisis. This saw interest rates reach a low of **0.0% – 0.25%**, which was maintained until December of 2015.
- Consequently, lower interest rates saw the price of silver rise from a low of **~\$11.30** on December 31, 2009, to a high of **\$48.60** at the end of April 2011, representing a **330%** rise in the price of silver.
- The fed had another easing cycle that started in August of 2019 to March 2020, which saw rates cut by **175bps**, resulting in rates of between **0.0% - 0.25%**. On the day of the last rate cut the price of silver was **\$12.82** before rallying to **\$29.44** by February 2021, a rise of **~130%**.
- It is evident that **rate cuts bode well for the price of silver, with triple-digit returns usually following a rate cut cycle**. Therefore, the September 2025 rate cut will provide the necessary tailwinds for the price of silver to rise further, especially if the Fed decides to cut rates further.

Conclusion

- **Strong 2025 Performance:** As of 18 September 2025, silver has outpaced gold returns, delivering over **40% growth returns** from 03 September 2024 to 17 September 2025, making it one of the best-performing asset classes during this period.
- **Structural Demand Drives:** Rising demand from **EV production, solar energy, and AI data centre's** is expected to sustain long-term growth.
- **Supply Constraints:** Structural supply deficits are tightening the market, with many silver mines reaching maturity between 2025 – 2030, pressuring future supply.
- **Central Bank Activity:** Russia, Saudi Arabia, China and India are accumulating silver, boosting demand and signalling growing institutional interest.
- **Silver Miners Outperformance:** Mining companies have experienced **outsized returns**, benefitting from higher prices and expanding profit margins.
- **Fed Rate Cuts:** Historical patterns show **double-digit** and **triple-digit** rallies for silver following rate cut cycles, with **the September 2025 rate cut expected to provide further upward momentum.**
- **Growth Potential vs Gold:** Silver's market cap of **\$2.4 trillion** is significantly smaller than gold's **\$24.9 trillion**, indicates greater upside potential as investor interest expands.
- **Bullish Outlook:** Supported by **structural demand, constrained supply, and accommodative monetary policy**, silver is well-positioned for continued strong performance in the medium term.

