

# Flash

## Silver catching up compared to gold We increase our target to USD 40/ounce

### Key Messages

- Silver demand remains strong:** industrial (electronics, solar panels) and jewellery demand continues to grow, while mining supply struggles to keep pace. Investment demand has also finally started to improve. A 5<sup>th</sup> year of supply deficits versus demand is expected in 2025.
- Silver price breaks out, catches up to gold:** the gold/silver ratio briefly touched an extreme 100x, while the long-term ratio is around 68x.
- We upgrade our 12-month silver target price to USD 40/ounce** (from USD 38 previously) to reflect a gold/silver ratio closer to 80x.

### Silver had been lagging gold in recent years/months

Although silver price performed already well in recent years, it has been lagging the gold price rally. And after the US trade tariffs announcement of April 2, silver and gold even decoupled, as silver corrected due to fear for lower industrial demand, while gold reached new all-time-highs due to peak uncertainty and flight to save-haven investments.

Early May we downgraded our view on gold from positive to neutral as our USD 3,300 12-month target had been reached (and probably also peak geopolitical uncertainty), but we remained positive on silver which we expected to catch up.

### Silver: technical breakout

The gold-silver ratio, which had mostly traded between 50 and 80 in the past decades, had risen to a historic high of 100 in April/May. While gold price is consolidating around our target of USD 3,300 (trade deals could ease geopolitical tensions), silver price early June has technically broken out and is catching up compared to gold, helped by a supply deficit and short covering. Silver price surged from USD 32-33 in previous months to USD 36.80 in early June, the highest level in 13 years.

### Gold/silver ratio is correcting from its historic peak

The gold/silver ratio has currently come down to 90 and we expect a further normalization in the direction of 80. This implies a silver price target around 40 USD, a slight increase compared to our previous target of USD 38/ounce.

### Silver benefits from gold substitution and growing industrial demand, while supply growth is limited.

Silver benefits from a substitution effect in the jewelry sector, as gold has become relatively expensive and less affordable. Industrial demand (although somewhat cyclical) should continue to grow (for electronics, solar panels, aerospace, data centers...). On the other hand, we see limited supply growth and the supply/demand balance is already in deficit, which should further support silver price.

Furthermore, the recent technical breakout could attract more retail and institutional investors, diversifying their save-haven investments from gold.

### EXHIBIT 1: SILVER PRICE (5-YEAR GRAPH)



Source: Datastream, BNP Paribas

Patrick Casselman

Commodity Strategist  
BNP Paribas Wealth Management



# CONNECT WITH US

---



[wealthmanagement.bnpparibas](https://www.wealthmanagement.bnpparibas)

---

## DISCLAIMER

---

This marketing document is communicated by the Wealth Management Métier of BNP Paribas, a French Société Anonyme, Head Office 16 boulevard des Italiens, 75009 Paris, France, registered under number 662 042 449 RCS Paris, registered in France as a bank with the French Autorité de Contrôle Prudentiel et de résolution (ACPR) and regulated by the French Autorité des Marchés Financiers (AMF). As marketing material, it has not been prepared in accordance with legal and regulatory requirements aimed at ensuring the independence of investment research and is not subject to any prohibition on dealing ahead of its dissemination. It has not been submitted to the AMF or any other market authority.

This document is confidential and intended solely for the use of BNP Paribas SA, BNP Paribas Wealth Management SA or their affiliates ("BNP Paribas") and the persons to whom this document has been delivered. It may not be distributed, published, reproduced or disclosed by any recipient to any other person, nor may it be quoted or referred to in any document, without the prior consent of BNP Paribas.

This document is provided solely for information and shall not constitute an offer or solicitation in any state or jurisdiction in which such an offer or solicitation is not authorized, or to any person to whom it is unlawful to make such offer, solicitation or sale. It is not, and under no circumstances is it to be construed as, a prospectus.

Although the information provided herein may have been obtained from published or unpublished sources considered to be reliable and while all reasonable care has been taken in the preparation of this document, BNP Paribas does not make any representation or warranty, express or implied, as to its accuracy or completeness and does not accept responsibility for any inaccuracy, error or omission. BNP Paribas gives no warranty, guarantee or representation as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (either legal, regulatory, tax, financial, accounting or otherwise) of any product or transaction. Investors should not place undue reliance on any theoretical historical information regarding such theoretical historical performance. This document may contain or refer to past performance; past performance is no guarantee for future performance.

The information contained in this document has been drafted without prior knowledge of your personal circumstances, including your financial position, risk profile and investment objectives.

Prior to entering into a transaction each investor should fully understand the financial risks, including any market risk associated with the issuer, the merits and the suitability of investing in any product and consult with his or her own legal, tax, financial and accounting advisors before making his or her investment. Investors should be in a position to fully understand the features of the transaction and, in the absence of any provision to the contrary, be financially able to bear a loss of their investment and willing to accept such risk. Investors should always keep in mind that the value of investments and any income from them may go down as well as up and that past performance should not be seen as an indication of future performance. Any investment in a product described herein is subject to the prior reading and understanding of the legal documentation concerning the product, and in particular the one which describes in details the rights and obligations of investors as well as the risks inherent to an investment in the product. Save as otherwise expressly agreed in writing, BNP Paribas is not acting as financial adviser or fiduciary of the investor in any transaction. The information, opinions and projections expressed herein reflect the opinion of their author at the time of writing; they are not to be relied upon as authoritative or taken in substitution for the exercise of judgment by anyone, and are subject to change without notice. Neither BNP Paribas nor any BNP Paribas Group entity accepts any liability whatsoever for any consequences that may arise from the use of information, opinions or projections contained herein.

As distributor of the products described herein, BNP Paribas may receive distribution fees on which you can obtain more information upon specific request. BNP Paribas, their employees or administrators may hold positions in these products or have dealings with their issuers.

By accepting this document, you agree to be bound by the foregoing limitations.

© BNP Paribas (2025). All rights reserved.

Pictures from Getty Images.

