

KEDIA ADVISORY

# SILVER

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Kedia Stocks & Commodities Research Pvt. Ltd.

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Commodity	Price	Period (% Change)					
		1 Week	1 Month	3 Month	6 Month	1 Year	Ytd
Silver	96055.00	1.02	3.05	5.78	13.06	30.75	10.11



Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Silver gained 3.05% in a month on Dollar weakness, tracking gains from Gold.</li> <li>• Safe-haven demand amid trade tensions – US tariffs and countermeasures by China drive silver buying.</li> <li>• Weaker US Dollar – Dollar index fell as European leaders supported a Ukraine peace deal.</li> <li>• Industrial silver demand growth – Silver industrial fabrication projected to grow 3% in 2025, surpassing 700 mn ounces.</li> <li>• Improving investment sentiment – Tactical investors covering shorts, boosting futures and spot silver prices.</li> <li>• US public debt concerns – Rising debt levels drive investor interest in safe-haven metals like silver and gold.</li> </ul>	<ul style="list-style-type: none"> <li>• Weak jewellery demand in India and China – Indian silver jewellery demand to decline 6% due to high domestic prices.</li> <li>• US silver coin sales drop – Purchases fell 27% YoY in January to 3.5 moz, lowest since 2018.</li> <li>• Mining production increase – Hecla Mining reported a 13% YoY increase in silver output to 16.2 moz.</li> <li>• Higher silver mine output – Global silver supply projected to grow 3% to 1.05 bn ounces in 2025.</li> <li>• Impact of strong Treasury yields – Rising US bond yields may limit silver investment despite macro uncertainties.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Growing silver ETF inflows – Institutional investors may turn to silver amid equity overvaluation concerns.</li> <li>• China's economic recovery – China's Manufacturing number recovered, any other policy support or stimulus could revive Chinese silver consumption.</li> <li>• US trade policy risks – Tariffs and economic uncertainty could further boost silver's safe-haven appeal.</li> <li>• Geopolitical uncertainty support – Continued Russia-Ukraine tensions keep silver in focus as a risk hedge.</li> <li>• Recycling limitations – Silver recycling still insufficient to offset growing demand.</li> <li>• Silver market deficit – Deficit expected 19% to 149 mn ounces, reducing supply-side price support.</li> </ul>	<ul style="list-style-type: none"> <li>• Seasonally bearish gold market – Historical patterns suggest gold may correct 6-9%, dragging silver down.</li> <li>• Profit-taking in silver investments – Short-term traders may exit positions after recent price spikes.</li> <li>• Slower global economic growth – Weaker industrial demand could cap silver's upside despite long-term gains.</li> <li>• Declining Indian demand – Domestic liquidation trends could weaken silver's price support from key Asian markets.</li> <li>• Mining expansions adding supply – A 2% rise in mine output to 844 mn ounces could limit price appreciation.</li> </ul>

- **Silver Market Deficit:** The silver market is expected to remain in deficit for the fifth consecutive year, with a shortfall of 149 Moz, a 19% reduction from 2024 but still historically significant.
- **Industrial Demand Growth:** Silver industrial fabrication is projected to rise by 3% to over 700 Moz, driven by photovoltaics, automotive electrification, and AI-related consumer electronics.
- **Physical Investment Uptick:** Silver physical investment is forecast to grow by 3%, supported by stronger demand in Europe and North America, while high prices in India may trigger some liquidations.
- **Decline in Jewelry & Silverware Demand:** Jewelry demand is expected to drop by 6%, mainly due to high prices in India and cautious Chinese consumer spending, while silverware demand is set to fall by 16%.
- **Silver Supply Growth:** Global silver supply will increase by 3% to 1.05 billion ounces, driven by higher mine production (844 Moz) and a 5% rise in recycling, particularly from industrial scrap.
- **Mining Expansion:** Increased silver output is expected in China, Canada, Chile, and Morocco, with key contributions from base metal and gold operations, along with ramp-ups at major mining projects.
- **Geopolitical & Economic Impact:** Investor sentiment towards silver has improved due to geopolitical uncertainties, trade concerns under Trump's second term, and inflationary pressures, despite headwinds from a strong dollar.
- **Impact of US Tariffs:** Fears over Trump's potential tariff policies have fueled silver price recovery, but concerns about global economic growth, particularly in China, could limit investor enthusiasm in industrial metals.

<b>Silver Supply and Demand</b>												
Million ounces	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024F	Year on Year	
											2023	2024F
<b>Supply</b>												
Mine Production	896.8	899.8	863.6	850.6	837.2	783.4	829.0	836.7	830.5	823.5	-1%	-1%
Recycling	147.0	145.7	147.2	148.7	148.2	164.3	173.7	176.9	178.6	178.9	1%	0%
Net Physical Disinvestment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	na	na
Net Hedging Supply	2.2	0.0	0.0	0.0	13.9	8.5	0.0	0.0	0.0	0.0	na	na
Net Official Sector Sales	1.1	1.1	1.0	1.2	1.0	1.2	1.5	1.7	1.6	1.5	-6%	-9%
<b>Total Supply</b>	<b>1,047.0</b>	<b>1,046.5</b>	<b>1,011.8</b>	<b>1,000.5</b>	<b>1,000.3</b>	<b>957.4</b>	<b>1,004.3</b>	<b>1,015.4</b>	<b>1,010.7</b>	<b>1,003.8</b>	<b>0%</b>	<b>-1%</b>
<b>Demand</b>												
Industrial (total)	457.1	489.5	526.4	524.2	523.5	509.7	561.3	588.3	654.4	710.9	11%	9%
Electrical & Electronics	272.3	308.9	339.7	331.0	327.3	322.0	351.2	371.3	445.1	485.6	20%	9%
...of which photovoltaics	59.6	81.6	99.3	87.0	74.9	82.8	88.9	118.1	193.5	232.0	64%	20%
Brazing Alloys & Solders	51.1	49.1	50.9	52.0	52.4	47.5	50.5	49.2	50.2	51.8	2%	3%
Other Industrial	133.7	131.5	135.8	141.2	143.8	140.2	159.6	167.8	159.0	173.5	-5%	9%
Photography	38.2	34.7	32.4	31.4	30.7	26.9	27.7	27.5	27.0	26.1	-2%	-3%
Jewelry	202.5	189.1	196.2	203.2	201.6	150.9	182.0	234.5	203.1	211.3	-13%	4%
Silverware	58.3	53.5	59.4	67.1	61.3	31.2	40.7	73.5	55.2	58.8	-25%	7%
Net Physical Investment	309.3	212.9	155.8	165.9	187.4	208.1	284.3	337.1	243.1	212.0	-28%	-13%
Net Hedging Demand	0.0	12.0	1.1	7.4	0.0	0.0	3.5	17.9	12.2	0.0	-32%	na
<b>Total Demand</b>	<b>1,065.4</b>	<b>991.8</b>	<b>971.3</b>	<b>999.2</b>	<b>1,004.4</b>	<b>926.8</b>	<b>1,099.6</b>	<b>1,278.9</b>	<b>1,195.0</b>	<b>1,219.1</b>	<b>-7%</b>	<b>2%</b>
<b>Market Balance</b>	<b>-18.4</b>	<b>54.7</b>	<b>40.5</b>	<b>1.3</b>	<b>-4.1</b>	<b>30.6</b>	<b>-95.4</b>	<b>-263.5</b>	<b>-184.3</b>	<b>-215.3</b>	<b>-30%</b>	<b>17%</b>
Net Investment in ETPs	-17.1	53.9	7.2	-21.4	83.3	331.1	64.9	-125.8	-42.1	50.0	-67%	na
<b>Market Balance less ETPs</b>	<b>-1.3</b>	<b>0.8</b>	<b>33.3</b>	<b>22.7</b>	<b>-87.4</b>	<b>-300.5</b>	<b>-160.3</b>	<b>-137.7</b>	<b>-142.2</b>	<b>-265.3</b>	<b>3%</b>	<b>87%</b>
Nominal Silver Price (US \$/oz, London price)	15.68	17.14	17.05	15.71	16.21	20.55	25.14	21.73	23.35	-	7%	na

Source: Metals Focus

SILVER PRICE MOVEMENT SINCE 2015													
Year	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Growth
2015	38105	36716	37169	36415	38349	35536	34025	34581	34547	36490	33480	33299	-2691.00
	5.88	-3.65	1.23	-2.03	5.31	-7.34	-4.25	1.63	-0.10	5.62	-8.25	-0.54	-7.48%
2016	34750	36081	36751	41566	38400	43467	47480	43988	45726	42402	40089	39485	6186.00
	4.36	3.83	1.86	13.10	-7.62	13.20	9.23	-7.35	3.95	-7.27	-5.45	-1.51	18.58%
2017	41921	43247	42326	39503	40096	38344	38645	39798	39457	38818	37532	39000	-485.00
	6.17	3.16	-2.13	-6.67	1.50	-4.37	0.78	2.98	-0.86	-1.62	-3.31	3.91	-1.23%
2018	39319	38246	38322	38642	39904	39228	38321	37482	38577	38050	36025	38821	-179.00
	0.82	-2.73	0.20	0.84	3.27	-1.69	-2.31	-2.19	2.92	-1.37	-5.32	7.76	-0.46%
2019	40439	39760	37761	37714	36449	37452	41227	46776	44119	46764	44506	46711	7890.00
	4.17	-1.68	-5.03	-0.12	-3.35	2.75	10.08	13.46	-5.68	6.00	-4.83	4.95	20.32%
2020	46989	43979	39520	41390	50118	50364	64984	70437	59919	60865	60222	68105	21394.00
	0.60	-6.41	-10.14	4.73	21.09	0.49	29.03	8.39	-14.93	1.58	-1.06	13.09	45.80%
2021	69706	67261	63814	68366	71898	69074	67847	63366	59617	64534	62287	62660	-5445.00
	2.35	-3.51	-5.12	7.13	5.17	-3.93	-1.78	-6.60	-5.92	8.25	-3.48	0.60	-8.00%
2022	60976	65901	67487	64349	61125	58887	58370	53151	56858	57678	63461	69413	6753.00
	-2.69	8.08	2.41	-4.65	-5.01	-3.66	-0.88	-8.94	6.97	1.44	10.03	9.38	10.78%
2023	68829	64623	72218	74071	72102	70030	75427	75682	69857	71669	77515	74430	5017.00
	-0.84	-6.11	11.75	2.57	-2.66	-2.87	7.71	0.34	-7.70	2.59	8.16	-3.98	7.23%
2024	72247	71279	75048	80851	91570	87167	83596	85210	90719	94631	91209	87233	12803.00
	-2.93	-1.34	5.29	7.73	13.26	-4.81	-4.10	1.93	6.47	4.31	-3.62	-4.36	17.20%
2025	93328	94328											7095.00
	6.99	1.07											8.13%
Average	2.26	-0.84	0.03	2.26	3.09	-1.22	4.35	0.36	-1.49	1.95	-1.71	2.93	Average

## OPEN INTEREST ANALYSIS

Date	Open	High	Low	Close	% Change	Cumulative OI	% OI Change	OI Status
Mar-25	94600.00	96449.00	94523.00	96055.00	1.83	20238	-4.99	Short Covering
Feb-25	92951.00	98199.00	91725.00	94328.00	1.07	21302	-18.49	Short Covering
Jan-25	87300.00	94125.00	87160.00	93328.00	6.99	26134	-27.68	Short Covering
Dec-24	90555.00	96589.00	86447.00	87233.00	-4.36	36137	28.34	Fresh Selling
Nov-24	94924.00	95699.00	86833.00	91209.00	-3.62	28157	5.52	Fresh Selling
Oct-24	90888.00	100081.00	88222.00	94631.00	4.31	26685	-1.43	Short Covering
Sep-24	84910.00	94138.00	82251.00	90719.00	6.47	27073	-15.66	Short Covering
Aug-24	83769.00	87078.00	78270.00	85210.00	1.93	32100	-0.74	Short Covering
Jul-24	89453.00	94590.00	80271.00	83596.00	-4.10	32339	18.58	Fresh Selling
Jun-24	91125.00	94610.00	86156.00	87167.00	-4.81	27272	-4.06	Long Liquidation
May-24	80935.00	96493.00	80275.00	91570.00	13.26	28425	10.91	Fresh Buying
Apr-24	75450.00	86126.00	75010.00	80851.00	7.73	25629	1.74	Fresh Buying
Mar-24	71346.00	78323.00	71000.00	75048.00	5.29	25190	-8.24	Short Covering
Feb-24	72146.00	72435.00	68854.00	71279.00	-1.34	27451	2.92	Fresh Selling







### **MCX Silver Volatility Ahead as Prices Test Key Support Levels**

Silver prices on MCX have been highly volatile, with the metal rallying to ₹96,449 before settling near ₹96,000. This movement aligns with a broader trend influenced by geopolitical uncertainties, U.S. trade policies, and expectations of central bank interventions.

From a technical perspective, silver is testing key Fibonacci retracement levels, with support forming near ₹92,980. The MACD indicator shows a bearish crossover, hinting at potential downside risks, while RSI signals cautious momentum. The Ichimoku cloud also suggests increased volatility ahead, reinforcing the possibility of sharp price swings.

On the fundamental side, global uncertainty remains a driving force. With Trump's tariffs on Canada, Mexico, and China set to take effect, traders are weighing the impact of retaliatory actions from Beijing. Additionally, the ECB's expected rate cut may influence safe-haven demand.

Looking ahead, ₹1,02,145 serves as the next major resistance, with sustained buying needed for an upward breakout. However, if silver fails to hold ₹92,980, further corrections could be on the cards. If geopolitical tensions escalate and bullion sees renewed buying, a breakout above ₹98,800 would confirm an upward move, with ₹1,02,145 as the next critical resistance. High volatility is expected in the coming days, making risk management crucial for traders.

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