

Silver is a Highly Strategic Asset for Institutional Investors Seeking Diversification and Risk-Reduction

It is a Reliable Hedge Against Inflation, Currency Devaluation, and Systemic Financial Instability

(November 19, 2024 – Washington, DC) Institutional investors seeking to strengthen their portfolios through diversification should consider the compelling benefits of investing in silver, according to a new report commissioned by the Silver Institute. The report, "Silver's Strategic Edge: Navigating the Tectonic Shift in Global Markets," states that silver offers a unique blend of stability and growth potential as a tangible asset with significant safe-haven appeal and growing use in industrial applications. Silver has a low correlation with equities and bonds, unlike traditional assets, making it an excellent diversification and risk-reduction tool.

The report was produced by the Toronto-based Capitalight Research Inc., which provides proprietary research to clients, including global mining companies and institutional wealth managers.

The 27-page report discusses the increased fragility in the geopolitical environment and deteriorating government fiscal positions, arguing that these issues enhance silver's allure as an investment to hedge against inflation and currency devaluation. It also analyzes historical geopolitical impacts and periodic financial crises' impacts on the silver price, the limits to future policy choices, silver and the Fed Funds rate, and the long-term silver super cycle. It also examines institutional silver investors and silver as a traditional safe haven asset. The report concludes with charts of silver and gold prices during geopolitical events.

On the industrial front, silver's critical role in advancing green technologies such as solar energy, electric vehicles, and electronics is strengthening its long-term demand trend. The global transition toward renewable energy and electrification is driving a sustained increase in industrial consumption of silver. In contrast, supply constraints contribute to a persistent supply-demand imbalance (projected market deficit of 182 million ounces for 2024). This combination of rising demand and constrained supply could amplify price volatility and lead to significant upward pressure on silver prices.

The report's authors maintain that silver stands out as a highly strategic asset for institutional investors due to its dual role as an industrial metal and safe haven asset during market instability. Historically, silver has proven its value during economic and geopolitical crises, serving as a reliable hedge against inflation, currency devaluation, and systemic financial instability. Silver's role has become even more pronounced in the modern global landscape and warrants a position in investment portfolios.

To download a complimentary copy of the report, please click [here](#).

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The Silver Institute is the silver industry's primary voice in expanding public awareness of silver's essential role in today's world, especially in green applications. Its mandates are to provide the global market with reliable statistics and information on silver and create and execute programs that help drive silver demand. For more information on silver, including its use in the green economy, please visit www.silverinstitute.org.

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