

Silver outlook to Q3 2026 - Silver's second act: the metal's rally has room to run

Published 30 October 2025

Nitesh Shah

Head of Commodities and Macroeconomic Research, WisdomTree Europe

Key Takeaways

- Silver hits record highs, but the rally looks sustainable. Prices reached an all-time high of \$53.89/oz in October 2025, surpassing the 2011 peak. Unlike the 2011 spike, this surge is backed by strong fundamentals: tight physical markets, solid investment demand, and gold's continued strength amid macroeconomic uncertainty.
- Forecasts point to further upside through 2026. With gold projected to reach \$4,530/oz by Q3 2026, our models suggest silver could rise to around \$62/oz. Supply growth remains constrained as silver is primarily a by-product of base-metal mining, while industrial demand, particularly from photovoltaics, continues to expand despite efficiency-driven thrifting.
- Market tightness and policy uncertainty add momentum. London and Mumbai markets are experiencing physical shortages, with spot prices trading at multi-decade premiums. Fears that the US could classify silver as a 'critical mineral' have led to pre-emptive stock movements and tariff speculation.

Silver prices surged to an all-time high of \$53.89/oz on 16 October 2025, surpassing the previous 2011 peak. Unlike the fleeting rally of 2011, we believe today's market is underpinned by strong fundamentals, setting the stage for further gains over the coming year.

Silver: a leveraged play on Gold

Silver typically acts as a leveraged proxy for gold. Our models indicate a beta of 1.4 - meaning that if gold rises 1%, silver tends to climb around 1.4%, all else equal.

Gold remains well-supported by a depreciating dollar, falling bond yields, elevated inflation, and heightened policy uncertainty, particularly around trade and debt management. As we outlined in our recent [Gold Outlook](#), gold prices are expected to reach \$4,530/oz by Q3 2026 under our consensus scenario.

Using our gold-linked model, we forecast silver prices to rise to \$62/oz by Q3 2026 (Figure 1), supported by robust industrial demand, even as some thrifting in photovoltaic (PV) silver usage occurs. Silver mine supply is unlikely to expand rapidly despite these price gains, as most silver is produced as a byproduct of other metals such as copper, nickel and zinc. Higher silver output will likely depend on broader strength in those base metals.

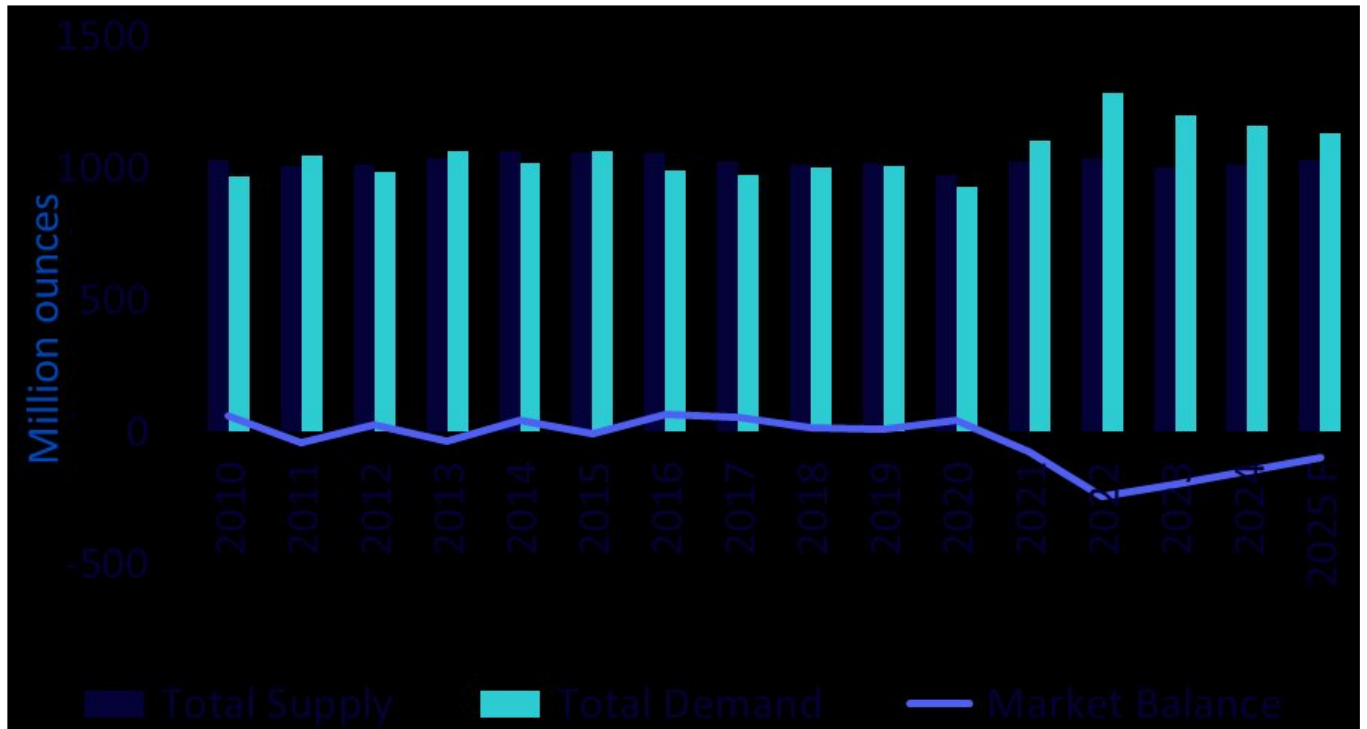
Figure 1: WisdomTree Silver price forecast



Physical market tightness and trade dynamics

The silver market has been in deficit for four consecutive years (Figure 2), though the deficit’s size may narrow this year.

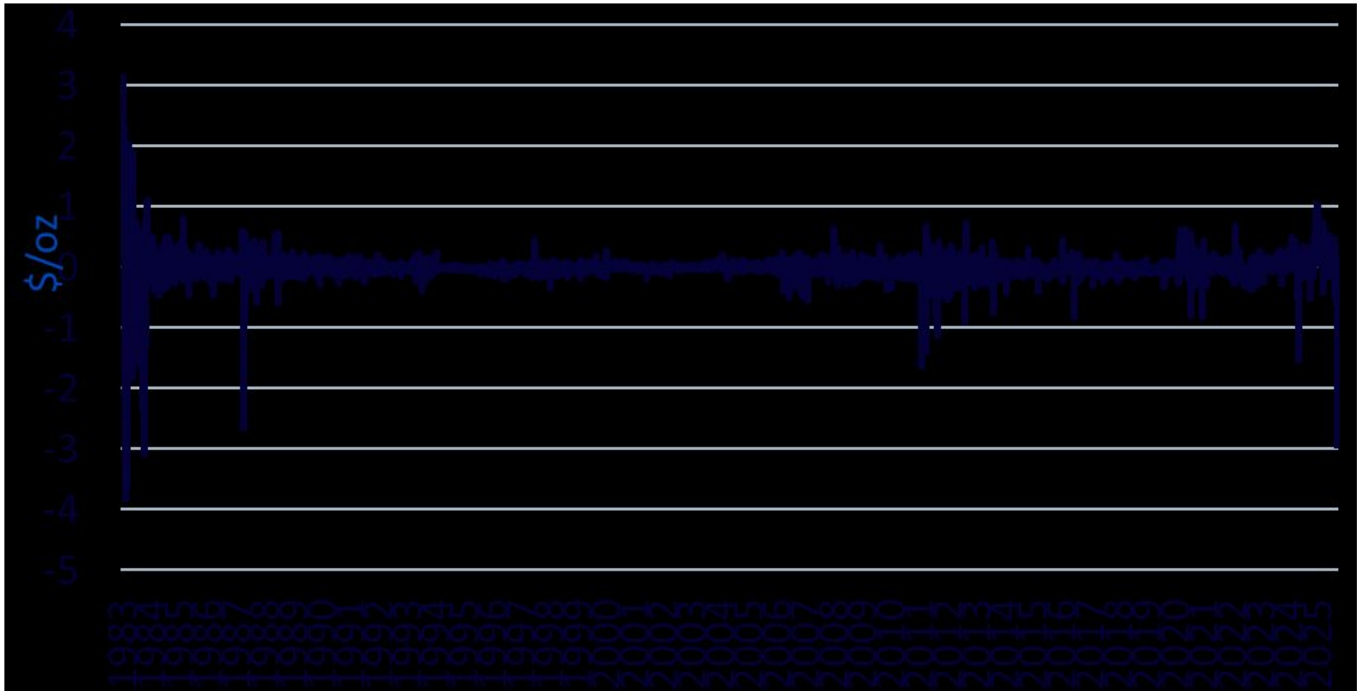
Figure 2: supply, demand and balance



Source: WisdomTree, Metals Focus. Historical data: 2010 –2024. Forecast 2025. **Forecasts are not an indicator of future performance and any investments are subject to risks and uncertainties**

However, physical tightness has become evident in key markets, notably London and Mumbai. London spot prices are trading at a premium to front-month Comex futures (Figure 3), reaching their highest spread since the early 1980s, when the Hunt Brothers’ attempted market corner led to significant distortions.

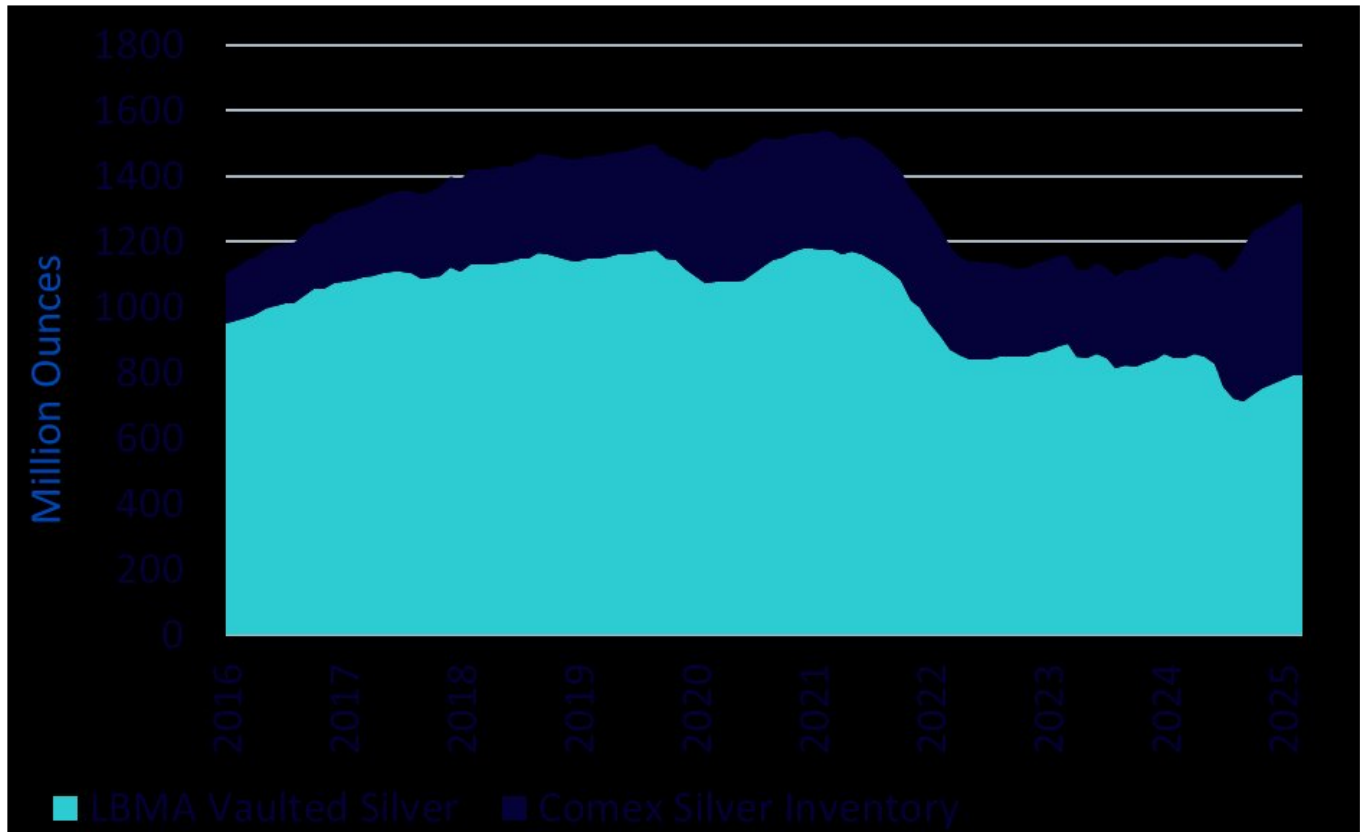
Figure 3: COMEX - Spot Silver



This tightness stems partly from silver outflows from London vaults to the US, a trend amplified by fears of potential US tariffs. Traders have pre-emptively relocated metal to the US, anticipating future restrictions. The resulting wide differential between London spot and COMEX front-month prices has sparked reverse arbitrage, with silver now being air-freighted back to Europe to capitalise on price gaps. This is an extraordinary situation for this market.

Figure 4 illustrates that the combination of London Bullion Markets Association (LBMA) and COMEX gold inventory is not necessarily low, relative to the past; it's just that the metal is more concentrated in the US, and it has taken a spike in spot prices versus the front month future to move this metal.

Figure 4: LBMA and COMEX Silver Inventory



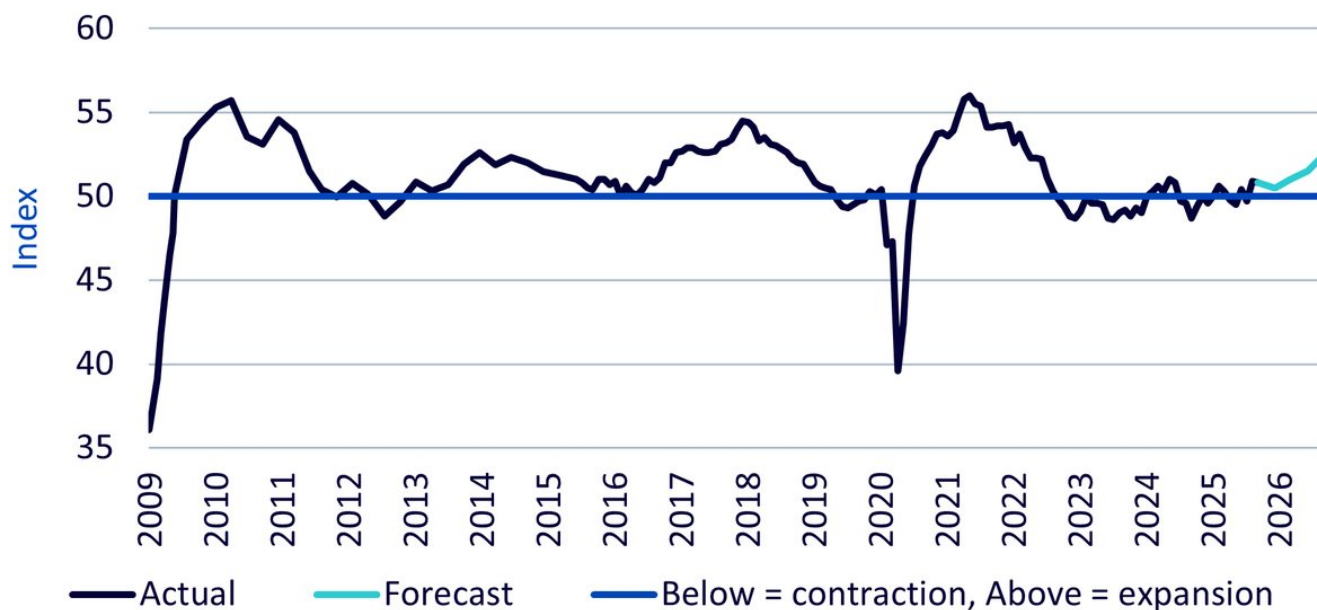
As long as tariff fears persist, physical markets are likely to remain constrained. The upcoming US Geological Survey's critical minerals list, expected in early November 2025, could be pivotal. If silver is included, it may sustain tariff speculation; if excluded, it could alleviate those concerns.

Despite reports of long queues at pawnbrokers and scrap silver buyers, much of this reflects retail investors selling silver to realise profits, rather than a surge in new buying.

Industrial demand: PV innovation and thrifting

We expect industrial demand to rise this year as easing monetary policy fuels greater economic activity, with Global Purchasing Managers' Indices already surpassing the 50 demarcation of contraction and expansion (Figure 5). That should be supportive for silver demand.

Figure 5: Global Manufacturing Purchasing Managers Index



Silver's industrial demand has remained resilient in prior years despite the lacklustre broader industrial environment, largely due to its essential role in photovoltaic (PV) technologies. However, innovation within the PV industry is reshaping silver's future usage profile.

Since 2022, manufacturers have increasingly adopted copper-cored silver pastes for heterojunction (HJT) and TOPCon cells, reducing silver content from over 50% in 2023 to just 10–15% by mid-2025, without compromising efficiency.

Further silver savings are emerging from:

- Busbar-less (OBB) cell designs, cutting usage by 10–20%.
- Fine-line printing and laser pattern transfer, reducing paste consumption by another 10–15%.
- Laser Selective Emitter (LSE) technology, improving efficiency while optimising electrode contact.
- Silver-free metallisation using copper or nickel, gaining traction in HJT and back-contact cells.

Collectively, these developments could reduce silver consumption per watt by 15–20% in 2025, marking a pivotal shift toward cost-efficient, copper-based PV production.

Indian Demand Resilient Despite Record Prices

In India, local silver prices have approached 1150,000/kg, yet demand has remained robust through September and early October. Premiums ranging from \$0.50 to \$1/oz signal strong physical buying.

Growth has been led by investment demand, with silver's rally boosting investor confidence. Sales of bars and coins have risen, while silver ETPs continue to attract inflows, bringing loco-India holdings above 2,000 tonnes. Jewellery and silverware demand also improved ahead of the festive season, though gains were less pronounced than in investment categories.

Outlook

We believe silver's record-breaking rally is fundamentally justified, not speculative. The combination of structural industrial demand, limited supply growth, and supportive macroeconomic drivers for gold point to further upside through Q3 2026. Short-term market tightness may ease if tariff fears abate, but the medium-term trajectory remains firmly bullish.

Important Risks Related to this Article

IMPORTANT INFORMATION

Marketing communications issued in the European Economic Area (“EEA”): This document has been issued and approved by WisdomTree Ireland Limited, which is authorised and regulated by the Central Bank of Ireland. **Marketing communications issued in jurisdictions outside of the EEA:** This document has been issued and approved by WisdomTree UK Limited, which is authorised and regulated by the United Kingdom Financial Conduct Authority. WisdomTree Ireland Limited and WisdomTree UK Limited are each referred to as “WisdomTree” (as applicable). Our Conflicts of Interest Policy and Inventory are available on request. This marketing communication has been prepared for professional investors, but the WisdomTree products set out in this document may be available in some jurisdictions to any investors, subject to applicable laws and regulations. As the product may not be authorised or its offering may be restricted in your jurisdiction, it is the responsibility of every person or entity to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction. Prior to any application investors are advised to take all necessary legal, regulatory, tax and investment advice on the suitability and consequences of an investment in the products. Past performance is not a reliable indicator of future performance. Any historical performance included in this document may be based on back testing. Back testing is the process of evaluating an investment strategy by applying it to historical data to simulate what the performance of such strategy would have been. Back tested performance is purely hypothetical and is provided in this document solely for informational purposes. Back tested data does not represent actual performance and should not be interpreted as an indication of actual or future performance. The value of any investment may be affected by exchange rate movements. Any decision to invest should be based on the information contained in the appropriate prospectus and after seeking independent investment, tax and legal advice. These products may not be available in your market or suitable for you. The content of this document does not constitute investment advice nor an offer for sale nor a solicitation of an offer to buy any product or make any investment. An investment in exchange-traded products (“ETPs”) is dependent on the performance of the underlying index, less costs, but it is not expected to match that performance precisely. ETPs involve numerous risks including among others, general market risks relating to the relevant underlying index, credit risks on the provider of index swaps utilised in the ETP, exchange rate risks, interest rate risks, inflationary risks, liquidity risks and legal and regulatory risks. The information contained in this document is not, and under no circumstances is to be construed as, an advertisement or any other step in furtherance of a public offering of shares in the United States or any province or territory thereof, where none of the issuers or their products are authorised or registered for distribution and where no prospectus of any of the issuers has been filed with any securities commission or regulatory authority. No document or information in this document should be taken, transmitted or distributed (directly or indirectly) into the United States. None of the issuers, nor any securities issued by them, have been or will be registered under the United States Securities Act of 1933 or the Investment Company Act of 1940 or qualified under any applicable state securities statutes. This document may contain independent market commentary prepared by WisdomTree based on publicly available information. Although WisdomTree endeavours to ensure the accuracy of the content in this document, WisdomTree does not warrant or

guarantee its accuracy or correctness. Any third party data providers used to source the information in this document make no warranties or representation of any kind relating to such data. Where WisdomTree has expressed its own opinions related to product or market activity, these views may change. Neither WisdomTree, nor any affiliate, nor any of their respective officers, directors, partners, or employees accepts any liability whatsoever for any direct or consequential loss arising from any use of this document or its contents. This document may contain forward looking statements including statements regarding our belief or current expectations with regards to the performance of certain assets classes and/or sectors. Forward looking statements are subject to certain risks, uncertainties and assumptions. There can be no assurance that such statements will be accurate and actual results could differ materially from those anticipated in such statements. WisdomTree strongly recommends that you do not place undue reliance on these forward-looking statements. The products discussed in this document are issued by WisdomTree Metal Securities Limited and WisdomTree Hedged Commodity Securities Limited (the "Issuer"). The Issuer is regulated by the Jersey Financial Services Commission. Investors should read the prospectus of the Issuer before investing and should refer to the section of the prospectus entitled »Risk Factors¼ for further details of risks associated with an investment in the securities offered by the Issuer. WisdomTree Metal Securities Limited disclaimer

Securities issued by the Issuer are direct, limited recourse obligations of the Issuer alone and are not obligations of or guaranteed by any of HSBC Bank plc and JP Morgan Chase Bank, N.A. any of their affiliates or anyone else or any of their affiliates. Each of HSBC Bank plc and JP Morgan Chase Bank, N.A. disclaims all and any liability whether arising in tort, contract or otherwise which it might have in respect of this document or its contents otherwise arising in connection herewith. WisdomTree Hedged Commodity Securities Limited disclaimer Securities issued by the Issuer are direct, limited recourse obligations of the relevant Issuer alone and are not obligations of or guaranteed by Citigroup Global Markets Limited ("CGML"), Citigroup Global Markets Holdings Inc. ("CGMH"), Merrill Lynch International ("MLI"), Bank of America Corporation ("BAC") or any of their affiliates. Each of CGML, CGMH, MLI and BAC disclaim all and any liability whether arising in tort, contract or otherwise which they might have in respect of this document or its contents otherwise arising in connection herewith. "Bloomberg®" and the Bloomberg Commodity Index(es)SM referenced herein are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the indices (collectively, "Bloomberg") and have been licensed for use for certain purposes by WisdomTree and its permitted affiliates including WisdomTree Hedged Commodity Securities Limited (together, WisdomTree). Bloomberg is not affiliated with WisdomTree, and Bloomberg does not approve, endorse, review, or recommend the exchange-traded product(s) referenced herein. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the index(es).

For Investors in Switzerland This document constitutes an advertisement of the financial product(s) mentioned herein. In Switzerland, this communication is only targeted at Qualified Investors. [The prospectus and the key investor information documents \(KID\) are available from WisdomTree¼s website: <https://www.wisdomtree.eu/en-ch/resource-library/prospectus-and-regulatory-reports>](#) For Investors in Monaco This communication is only intended for duly registered banks and/or licensed portfolio

management companies in Monaco. This communication must not be sent to the public in Monaco. For Investors in Israel Offering materials for the offering of the securities have not been filed with or approved or disapproved by the United States Securities and Exchange Commission or any other state or federal regulatory authority, nor has any such regulatory authority passed upon or endorsed the merits of this offering or passed upon the accuracy or completeness of any offering materials. Any representation to the contrary is unlawful. The products mentioned herein have not been approved by the Israel Securities Authority and will only be distributed to Israeli residents in a manner that will not constitute "an offer to the public" under sections 15 and 15a of the Israel Securities Law, 5728-1968 ("the Securities Law") or section 25 of the Joint Investment Trusts Law, 5754-1994 ("the Joint Investment Trusts Law"), as applicable. The products are being offered to a limited number of investors (35 investors or fewer during any given 12 month period) and/or those categories of investors listed in the First Addendum ("the Addendum") to the Securities Law, "Sophisticated Investors") who in each case have provided written confirmation that they qualify as Sophisticated Investors, and that they are aware of the consequences of such designation and agree thereto; in all cases under circumstances that will fall within the private placement or other exemptions of the Joint Investment Trusts Law, the Securities Law and any applicable guidelines, pronouncements or rulings issued from time to time by the Israel Securities Authority. This prospectus or this document may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent. Any offeree who purchases a product is purchasing such product for its own benefit and account and not with the aim or intention of distributing or offering such product to other parties (other than, in the case of an offeree which is a Sophisticated Investor by virtue of it being a banking corporation, portfolio manager or member of the Tel-Aviv Stock Exchange, as defined in the Addendum, where such offeree is purchasing a product for another party which is a Sophisticated Investor). Nothing in this document should be considered investment advice or investment marketing as defined in the Regulation of Investment Counselling, Investment Marketing and Portfolio Management Law, 5755-1995. Investors are encouraged to seek competent investment counselling from a locally licensed investment counsel prior to making the investment. A recipient of this document may be required to provide confirmation that it is a Sophisticated Investor purchasing a product for its own account or, where applicable, for other Sophisticated Investors.