

# Silver Outlook to Q1 2026: Catch-up potential after the sharp correction

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## Key Takeaways

- The geopolitical shift marked by "Liberation Day" (02 April 2025) reset the scales, allowing gold to overtake silver following a sharp correction.
- Under the 'consensus' gold forecast scenario—which is based on prevailing views on the US dollar, Treasury yields, and inflation—silver prices could reach \$40/oz.
- As gold ascends to fresh highs, silver could test its previous peak and potentially exceed it, particularly under our bullish gold scenario.
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In Q1 2025, silver was outpacing gold. However, the geopolitical shift marked by "Liberation Day" (02 April 2025) reset the scales, allowing gold to overtake silver following a sharp correction. The gold-to-silver ratio has now exceeded 100 for the first time since the COVID-19 crisis of 2020—two standard deviations above the long-term average since 1990. Historically, such deviations have indicated strong catch-up potential for silver. For example, in 2020, silver prices rallied 94% between May and August, highlighting the scale of potential upside.

## Figure 1: Gold to silver ratio

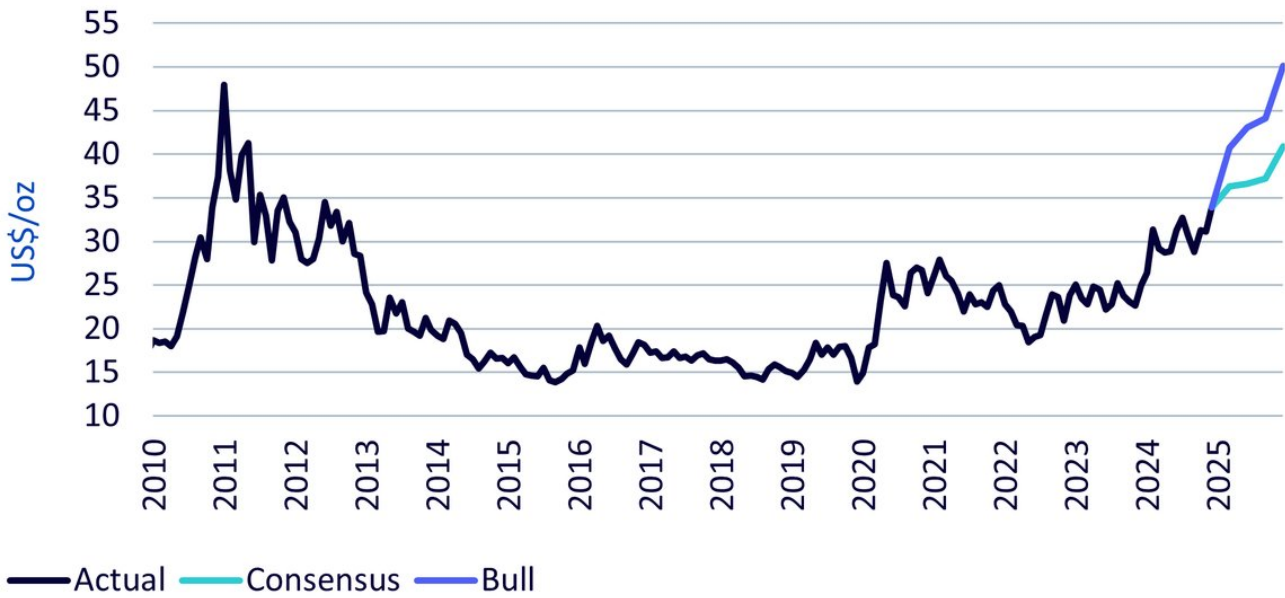


Source: WisdomTree, Bloomberg (01/06/1990 – 10/04/2025). Sd = standard deviation. **Historical performance is not an indication of future performance and any investments may go down in value.**

Following our recent [gold forecast update to Q1 2026](#), we now present our silver outlook. Under the 'consensus' gold forecast scenario—which is based on prevailing views on the US dollar, Treasury yields, and inflation—silver prices could reach \$40/oz. However, it's important to note that consensus macro forecasts were established prior to Liberation Day.

Under our 'bull' scenario for gold, which factors in a sharper depreciation of the dollar and elevated inflation, gold could exceed \$4,000/oz. Holding all other assumptions in the silver model constant, this would imply silver prices could surpass \$50/oz, marking a new all-time high.

## Figure 2: WisdomTree silver price forecast



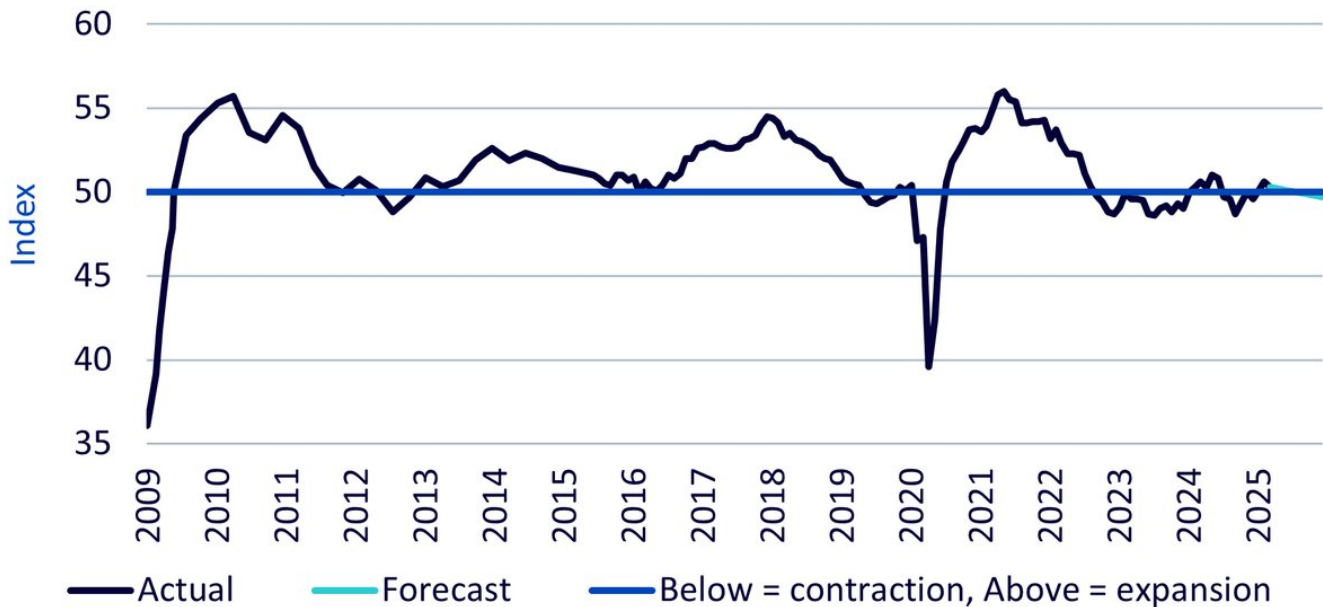
Source: WisdomTree (forecasts), Bloomberg (historic data). Historic: April 2010 to March 2025. Forecasts: April 2025 to March 2026. **Forecasts are not an indicator of future performance and any investments are subject to risks and uncertainties.**

## Key assumptions

### Macroeconomic backdrop:

We anticipate that the ongoing trade war will lead to a contraction in industrial activity, with Global Manufacturing Purchasing Manager Indices (PMIs) likely to fall below the 50 mark, signalling contraction.

### Figure 3: Global manufacturing purchasing managers index



Source: WisdomTree, Bloomberg, S&P Global, Historic: January 2009 to March 2025. Forecasts: April 2025 to March 2026. **Forecasts are not an indicator of future performance and any investments are subject to risks and uncertainties.**

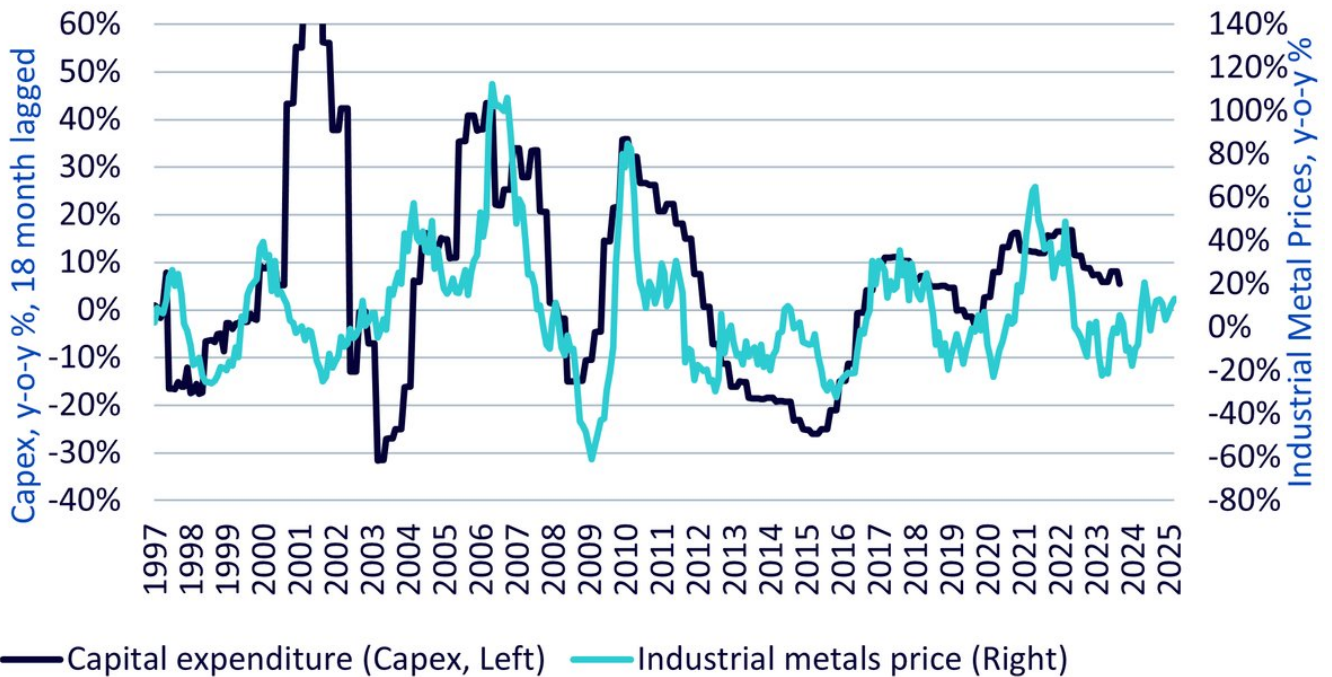
## Industrial demand for silver:

Despite overall industrial weakness, silver-specific demand is expected to remain resilient. This is largely due to strong photovoltaic (PV) demand, as China intensifies its energy transition efforts to stimulate domestic growth.

## Mining supply constraints:

Mining capital expenditure has been slowing, reflecting past declines in industrial metal prices. Given the lag between CAPEX and production, we do not expect a near-term rise in supply. As a result, silver is likely to remain in a supply deficit for the fifth consecutive year in 2025.

## Figure 4: Mining capital expenditure and industrial metal prices



Source: WisdomTree, Bloomberg, February 1996 to March 2025. **Historical performance is not an indication of future performance and any investments may go down in value.**

## Conclusion

Silver appears primed for a significant rebound relative to gold, following a temporary loss in momentum after Liberation Day. As gold ascends to fresh highs, silver could test its previous peak and potentially exceed it, particularly under our bullish gold scenario.

For investors, this creates an asymmetric opportunity: silver remains undervalued on a relative basis and continues to benefit from robust demand fundamentals and constrained supply.

1 Previous high reached in April 2011 of \$49/oz.

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