



Nikos Kavalis, Metals Focus

Global Silver Market Review and Outlook

Asia Pacific Precious Metals Conference, Singapore, 6th June 2017



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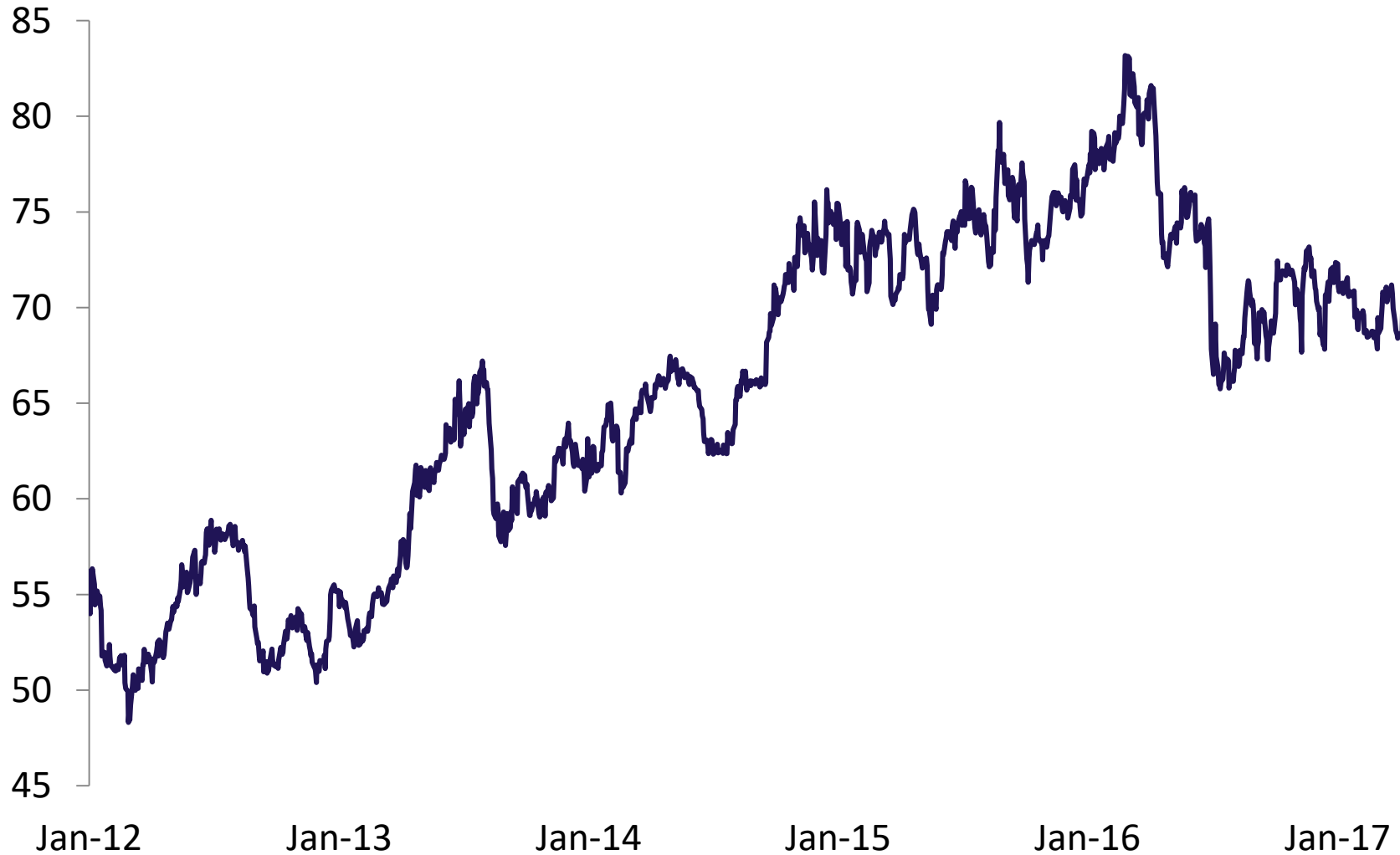
End of silver bear cycle

US\$/oz



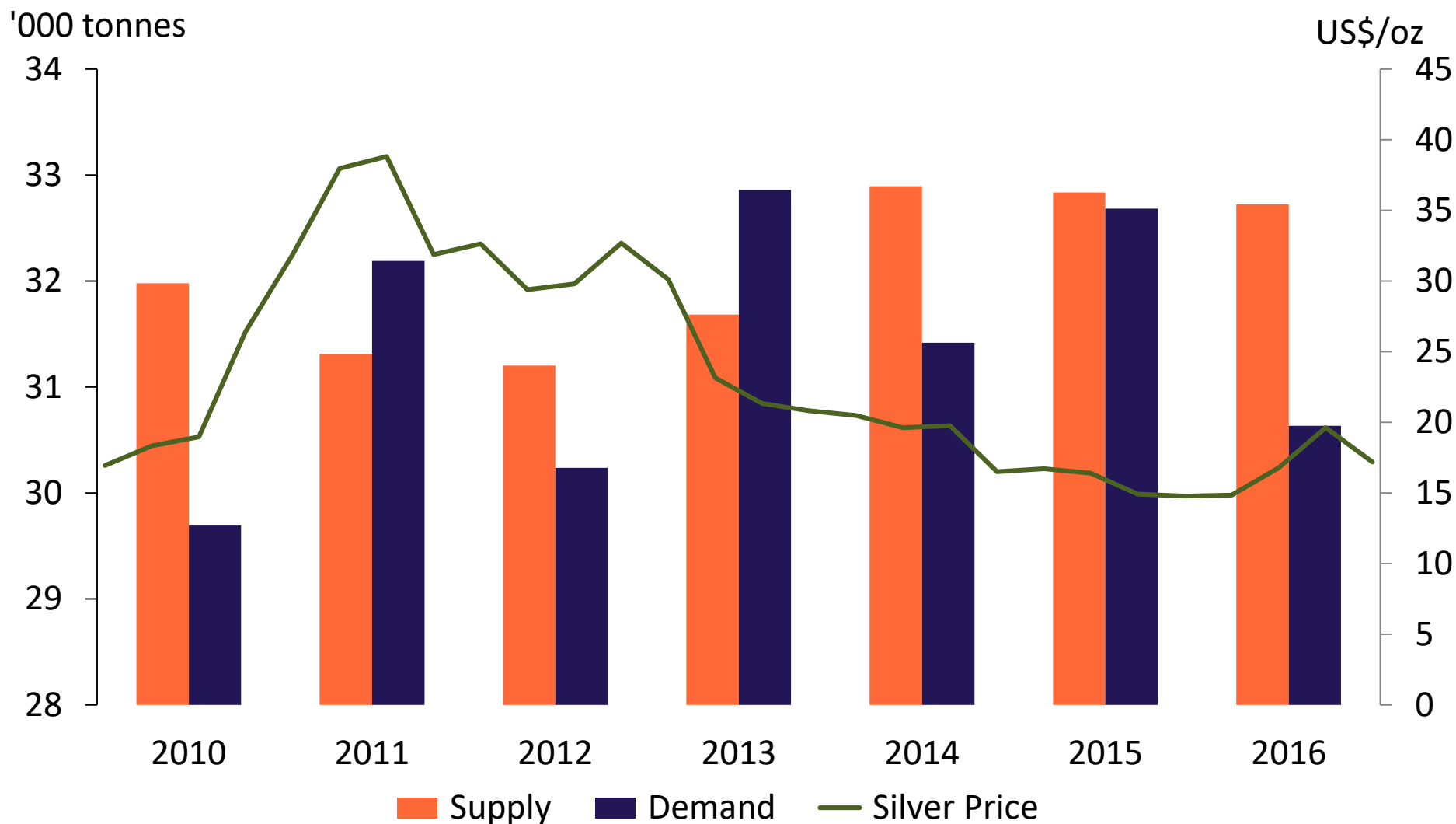
Source: Bloomberg

Gold:silver ratio uptrend reverses

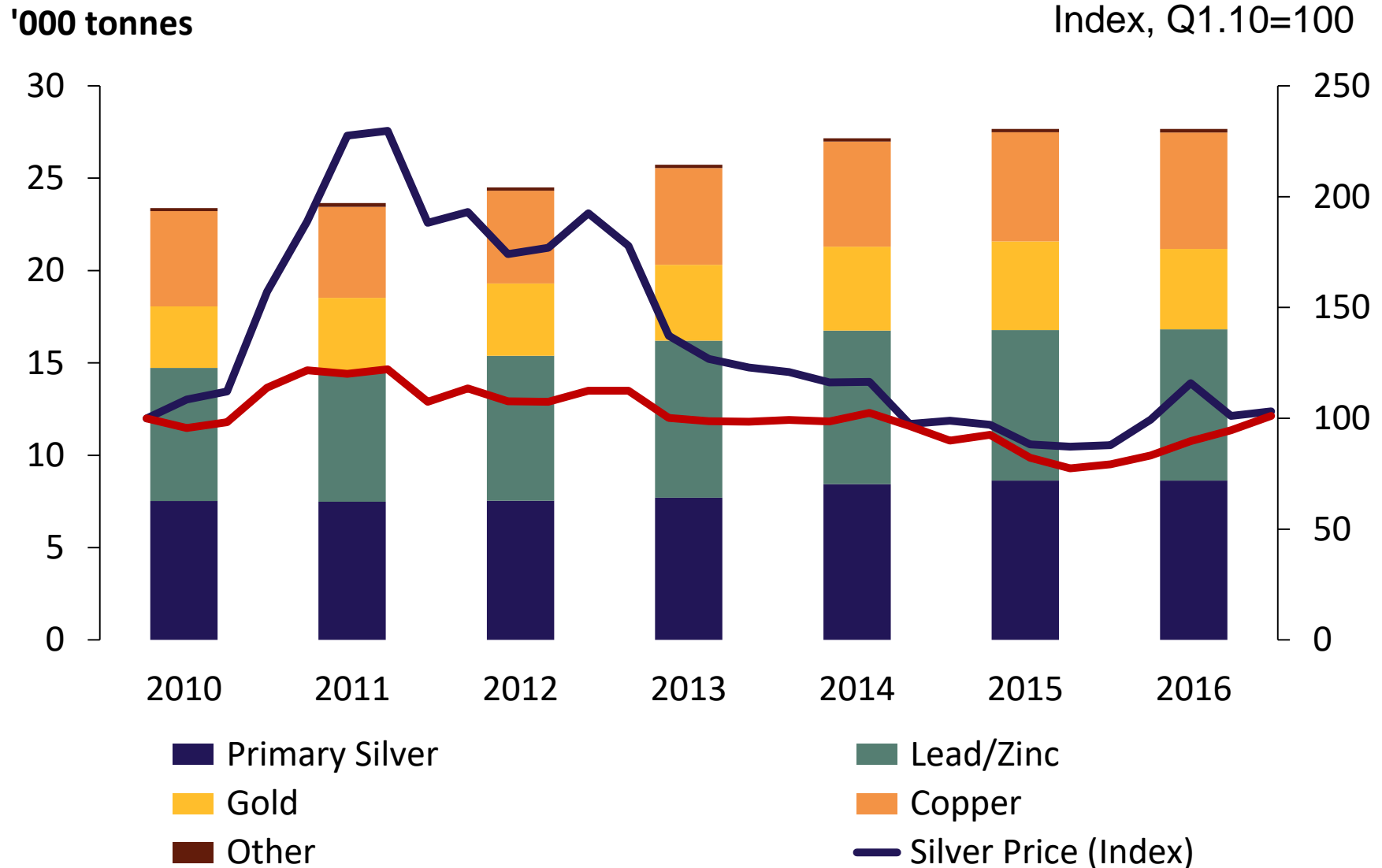


Source: Bloomberg

2016 surplus, mainly due to bar & coin losses



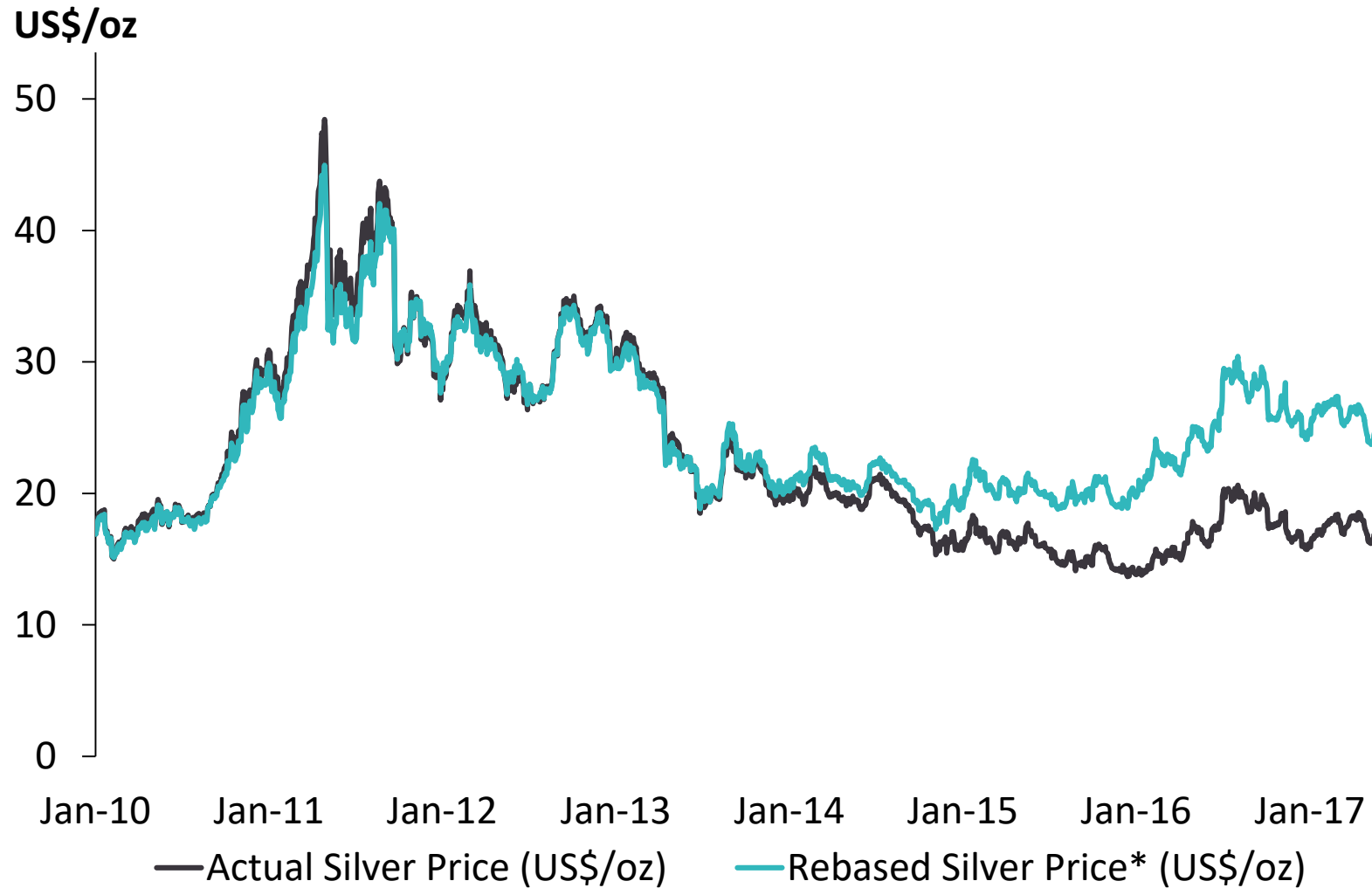
Pause in mine production growth



* Index of gold, copper, lead and zinc prices weighted on relative production volumes of silver in 2016.

Source: Metals Focus, Bloomberg

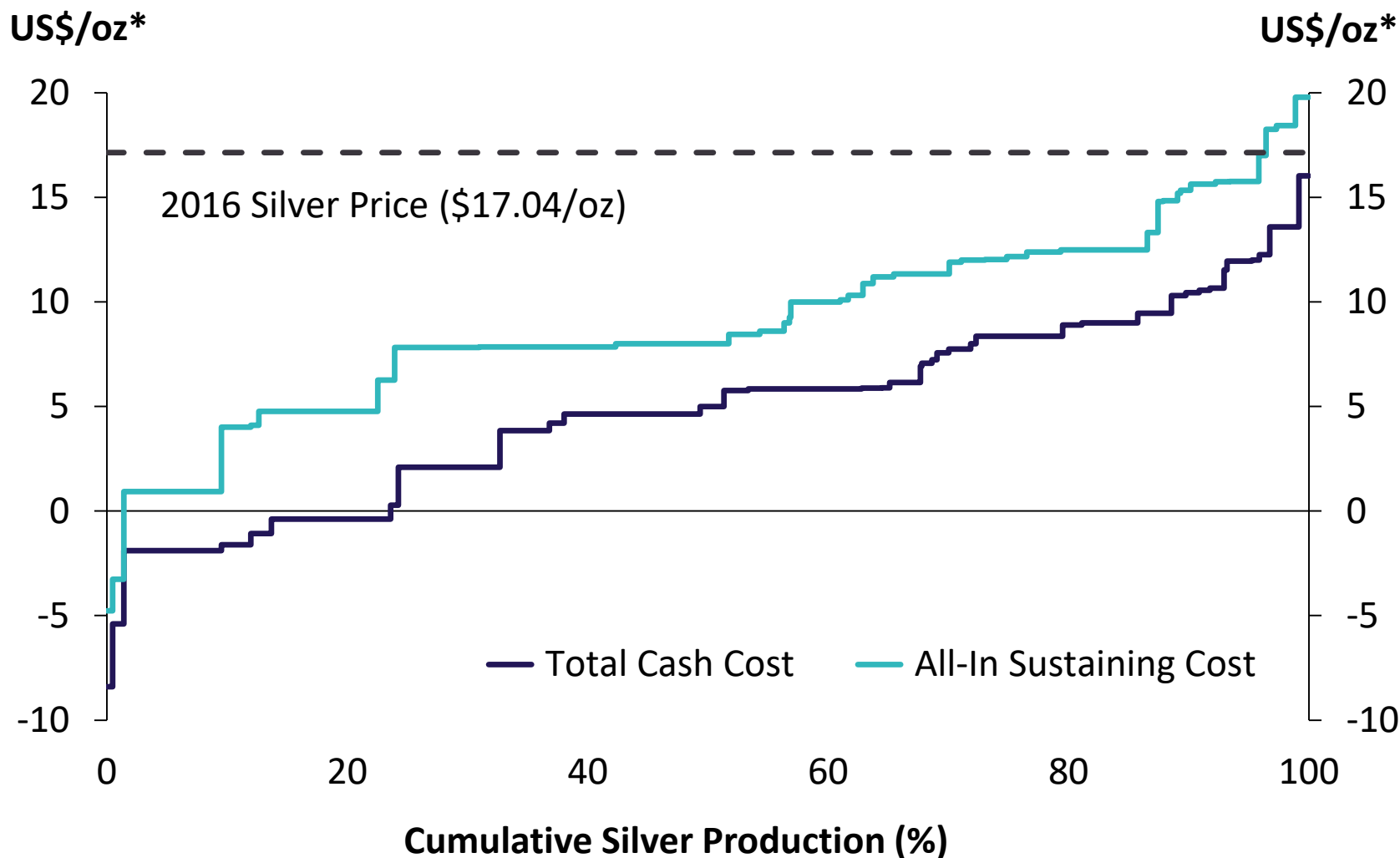
Windfall from weaker currencies for mine costs



* The blue line represents a rebased silver price that has been adjusted for local currency movements in primary silver producing countries. Local currencies have been indexed from January 2010 and weighted by the countries' 2016 silver production volumes.

Source: Bloomberg, Metals Focus

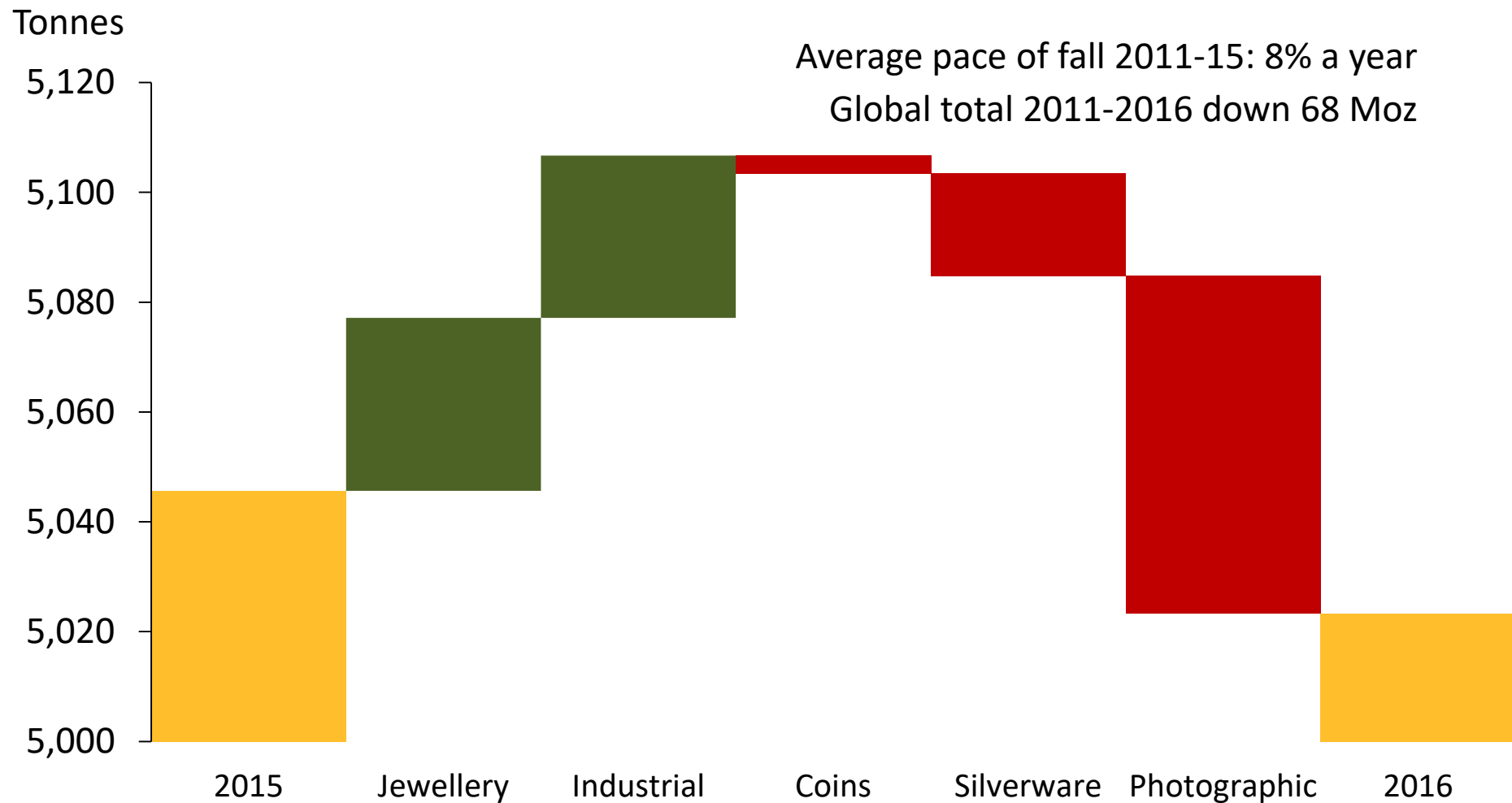
2016 cost curves remain relatively healthy



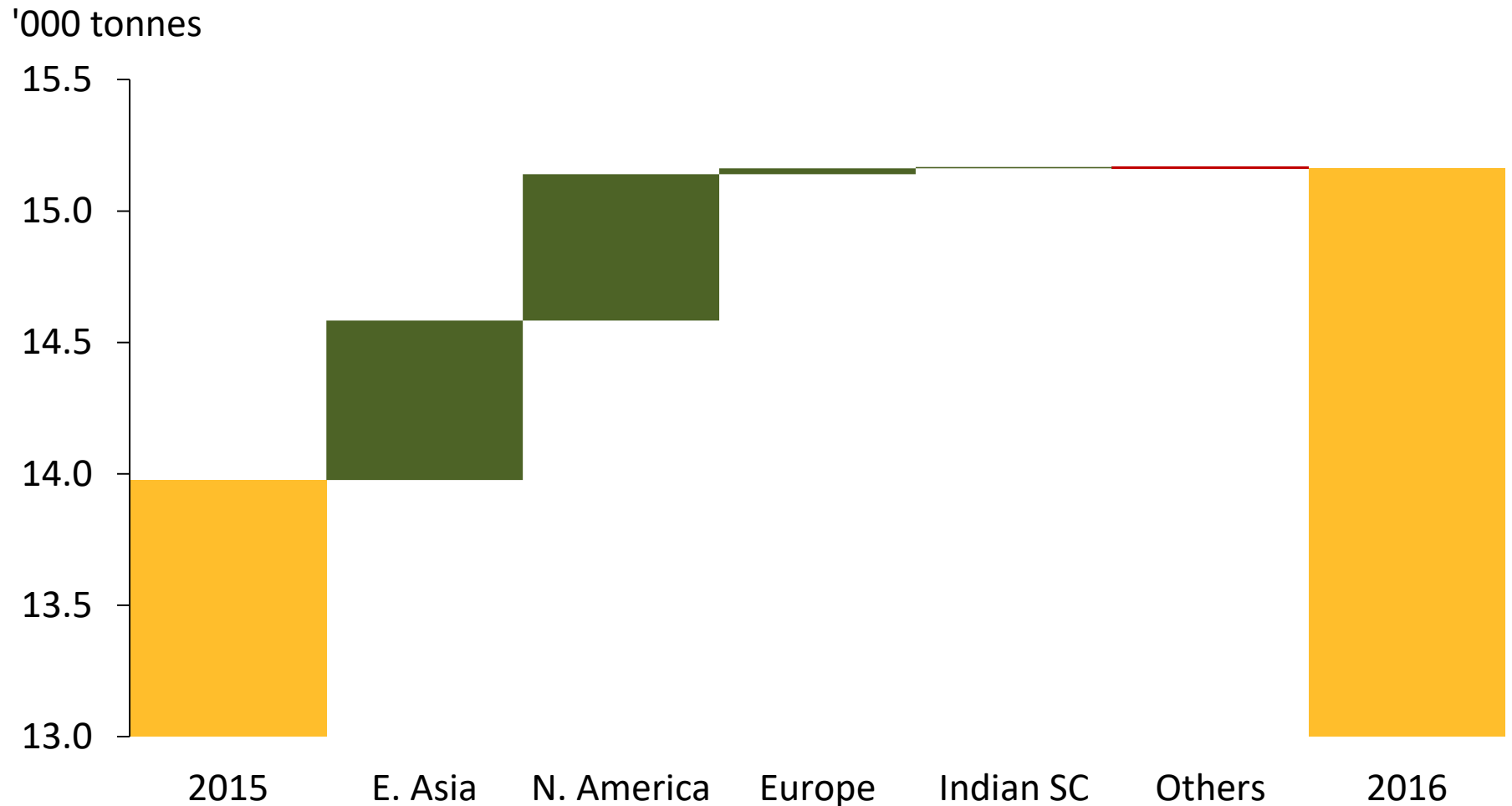
* Costs shown on a by-product accounting basis.

Source: Metals Focus Silver Mine Cost Service

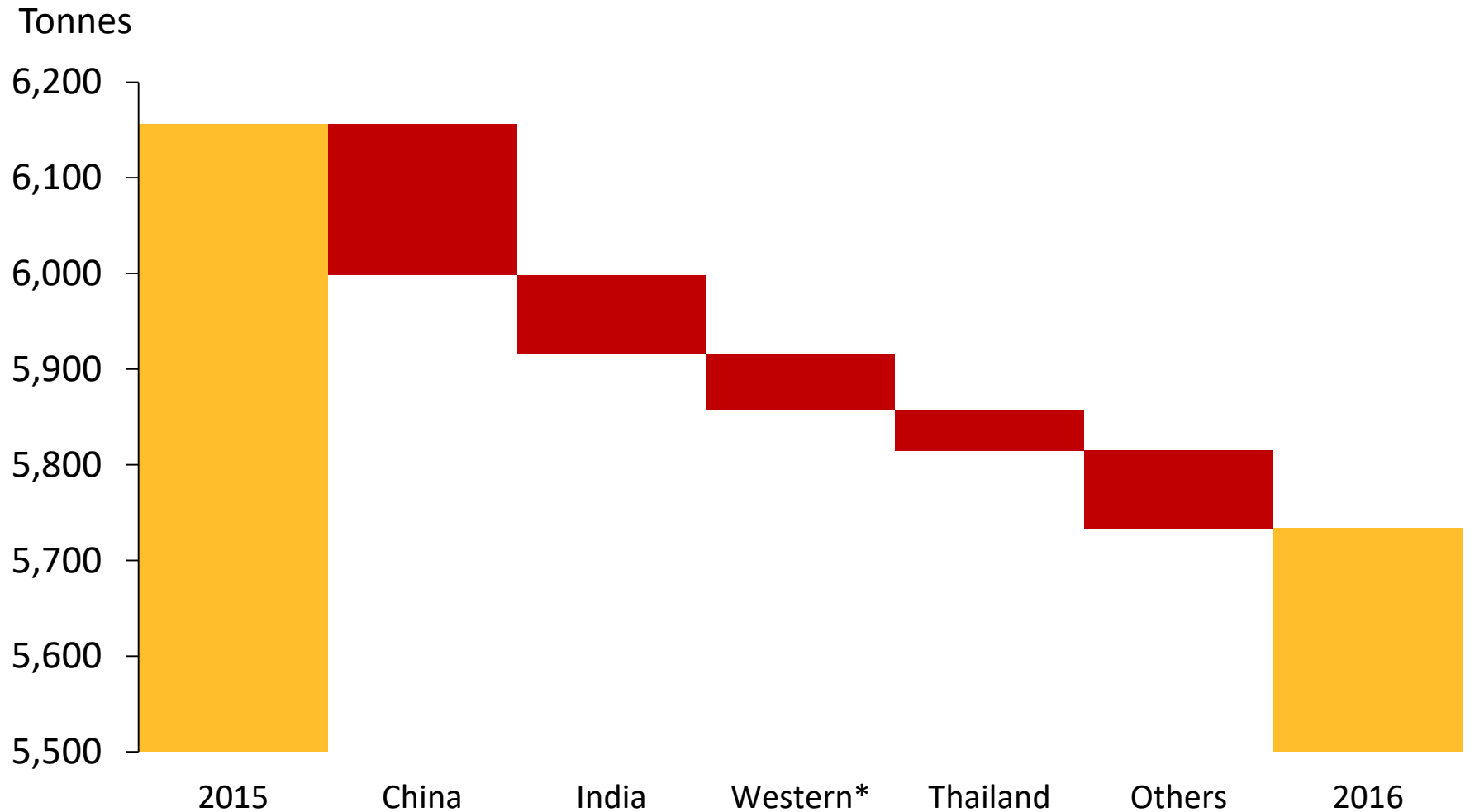
Recycling down at the margin



Industrial demand up 8% to 5-year high

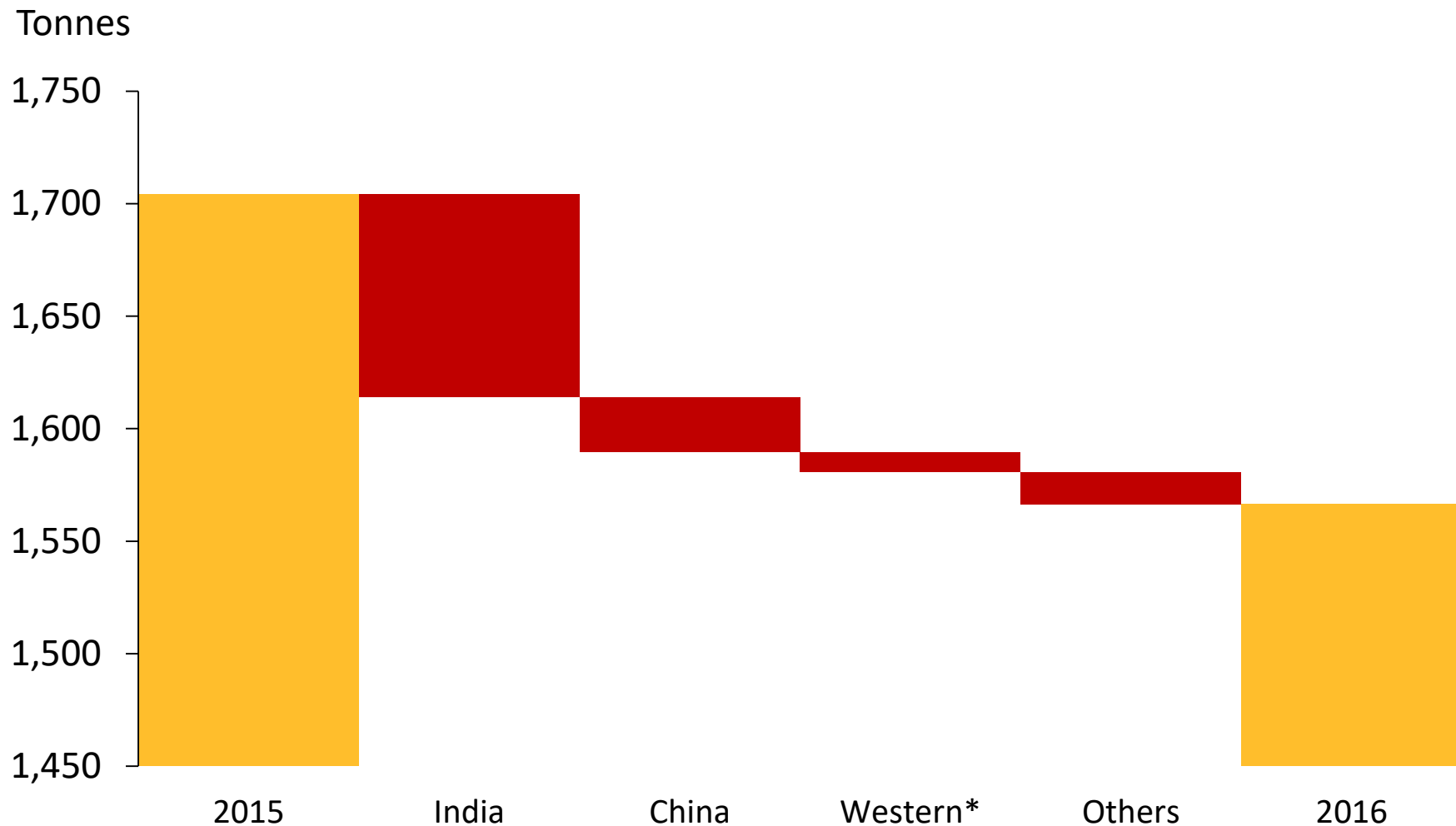


Jewellery demand falls by -7%



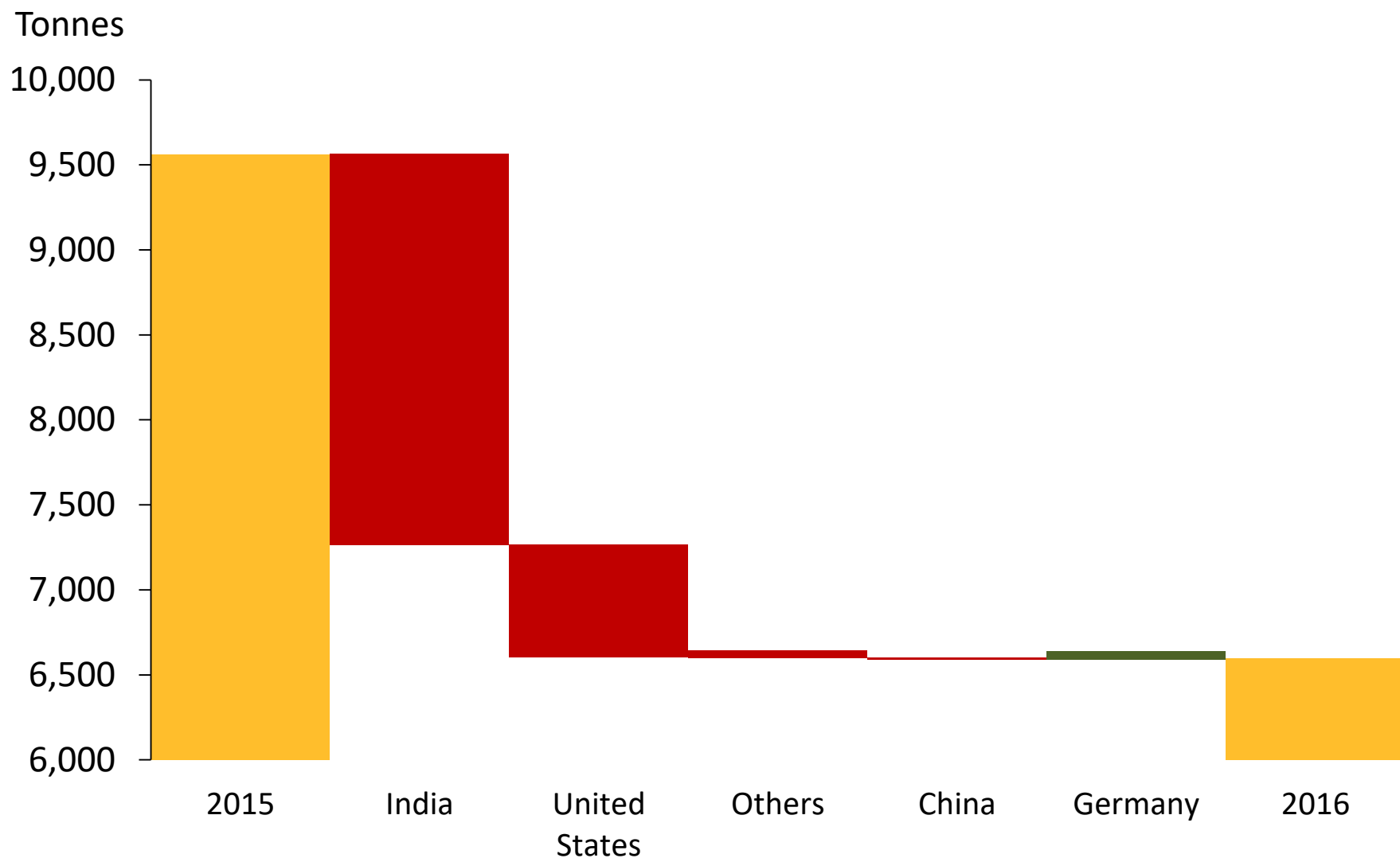
* Europe & North America
Source: Metals Focus

Silverware demand also lower



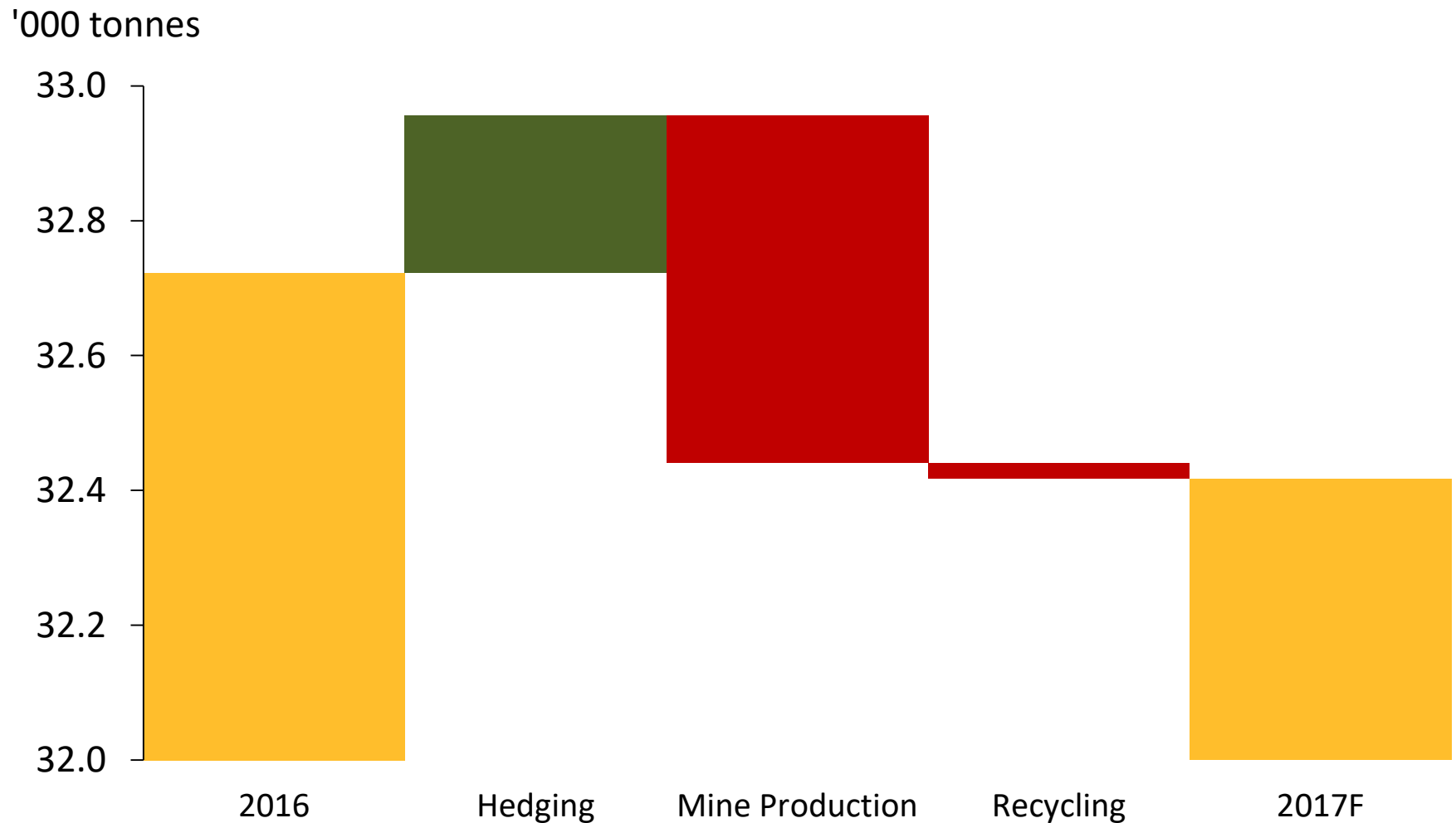
* Europe & North America
Source: Metals Focus

Physical investment down by one-third to 6-yr low

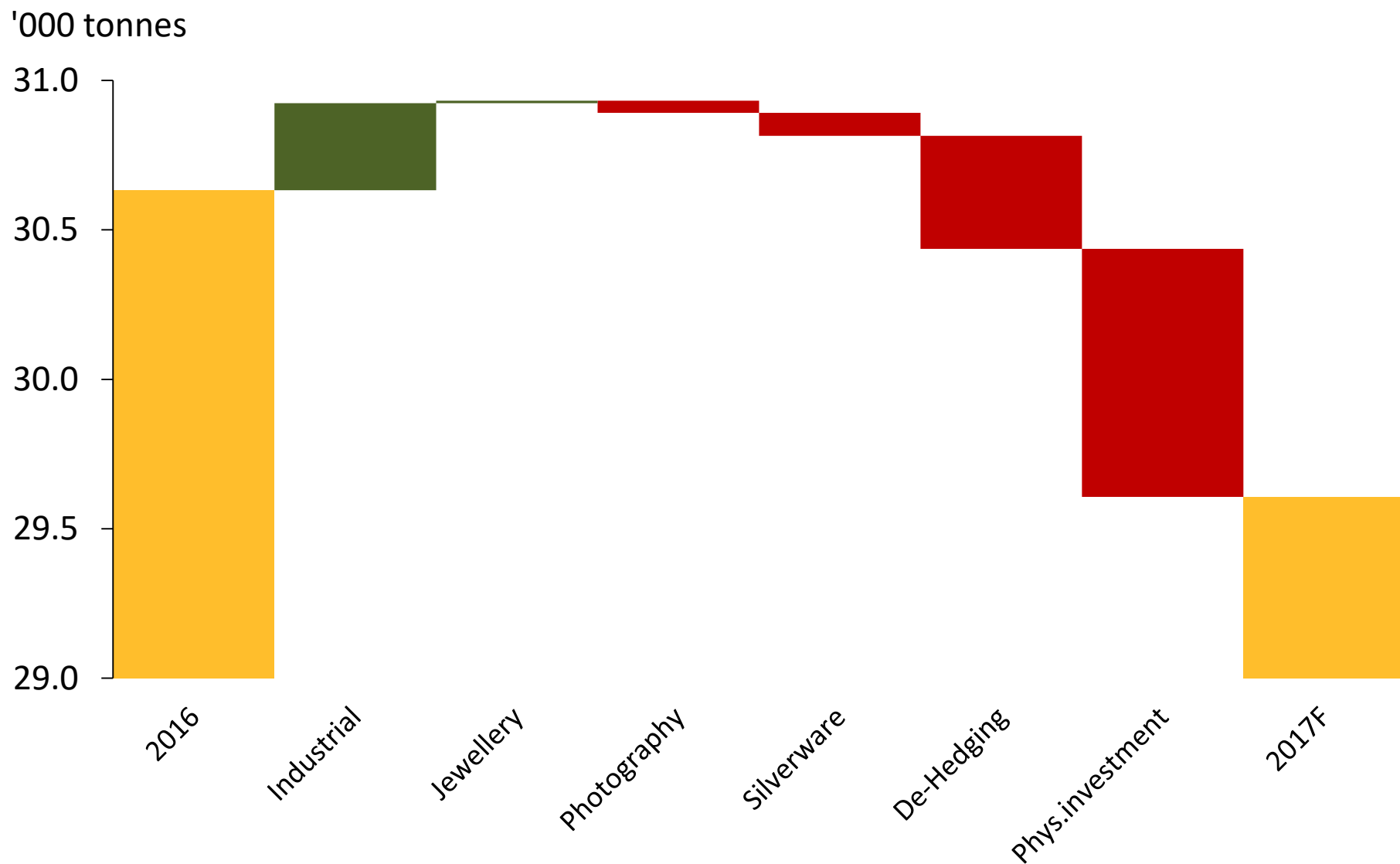


Source: Metals Focus

Global supply forecast: 2017 down 1%

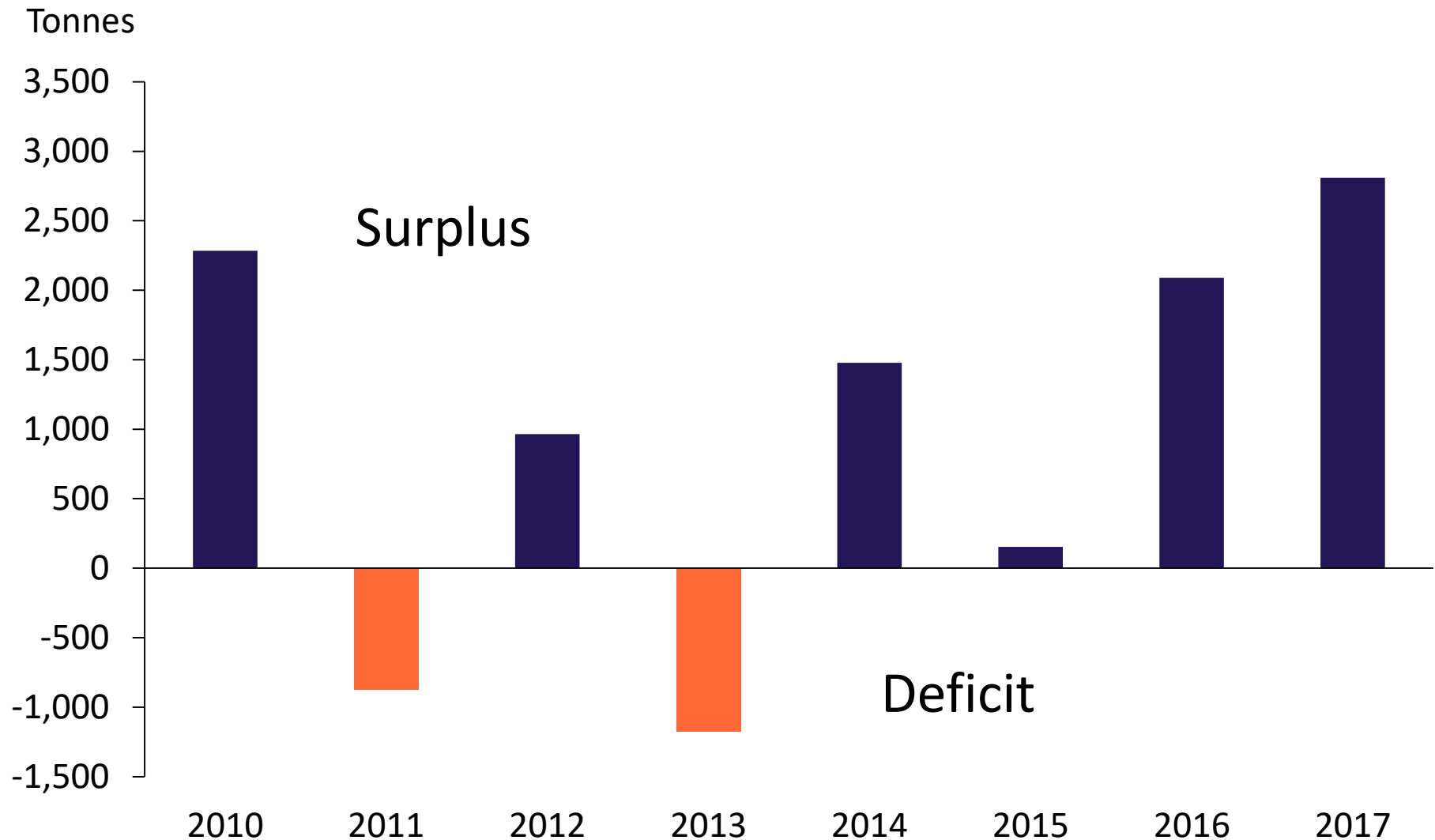


Global demand forecast: 2017 down 3%



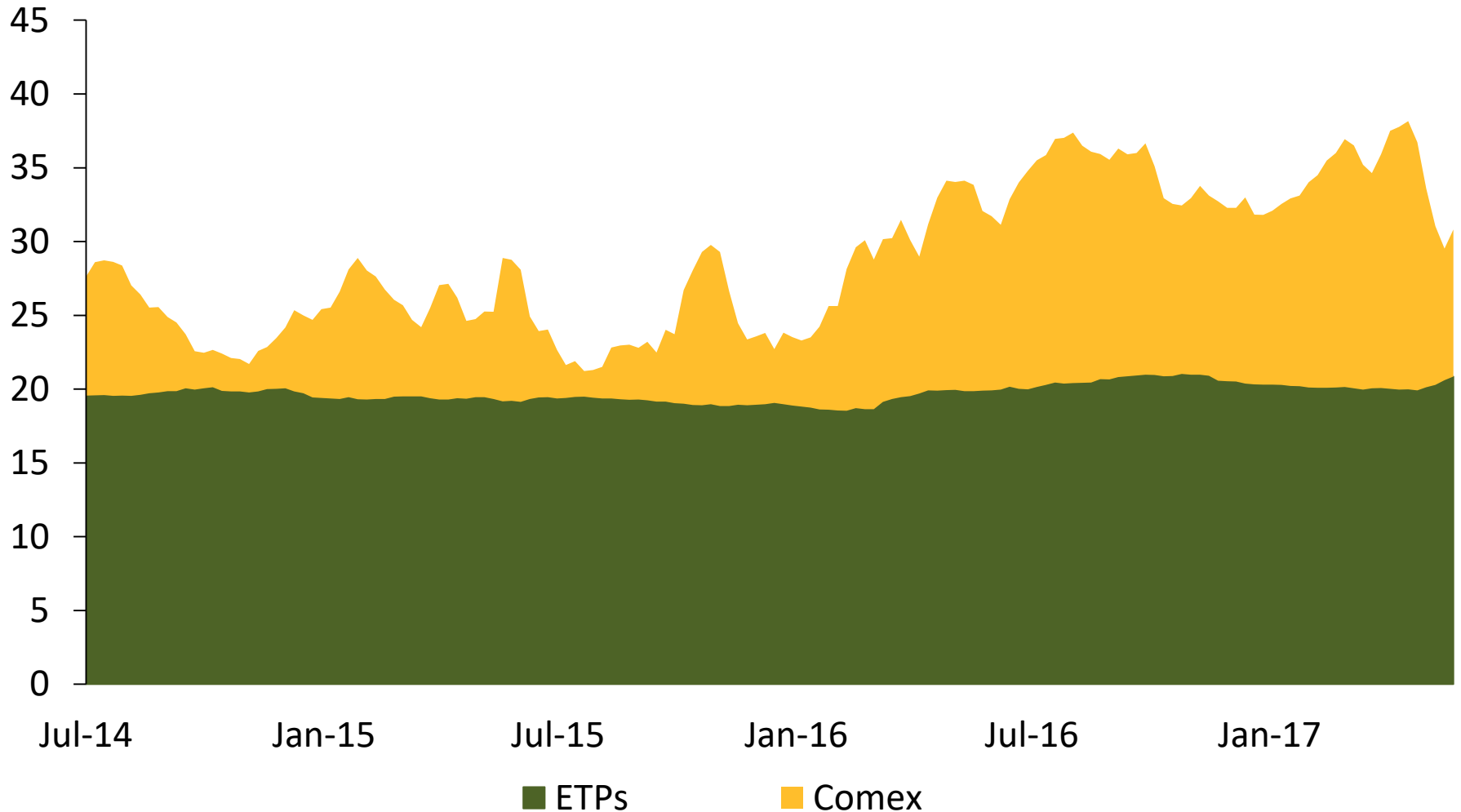
Source: Metals Focus.

Once again, no support from fundamentals



Scope for healthy inflows into futures

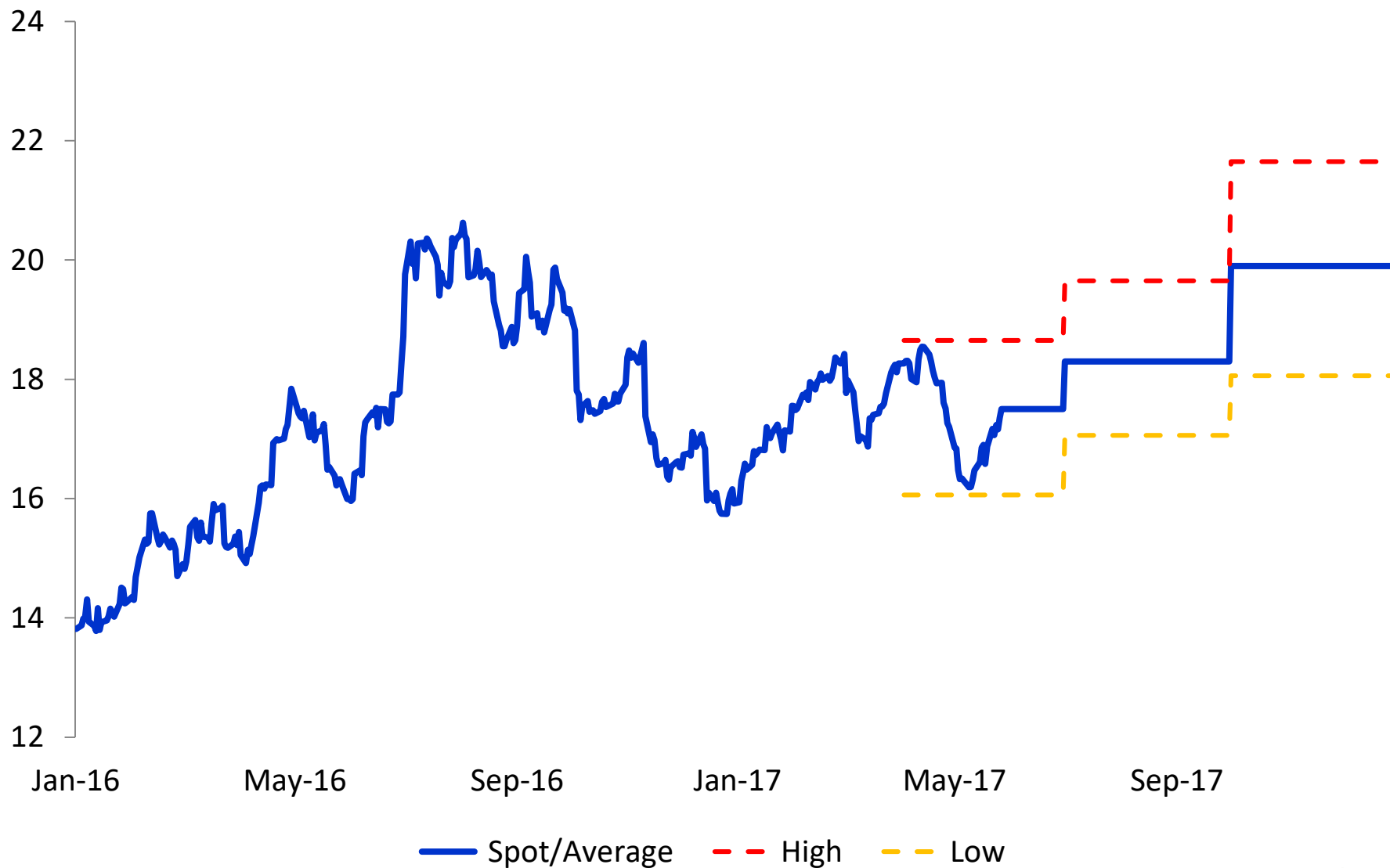
'000 tonnes



Source: Bloomberg

Silver price forecast for 2017: \$18.30, +7%

US\$/oz



Source: Metals Focus, Bloomberg





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