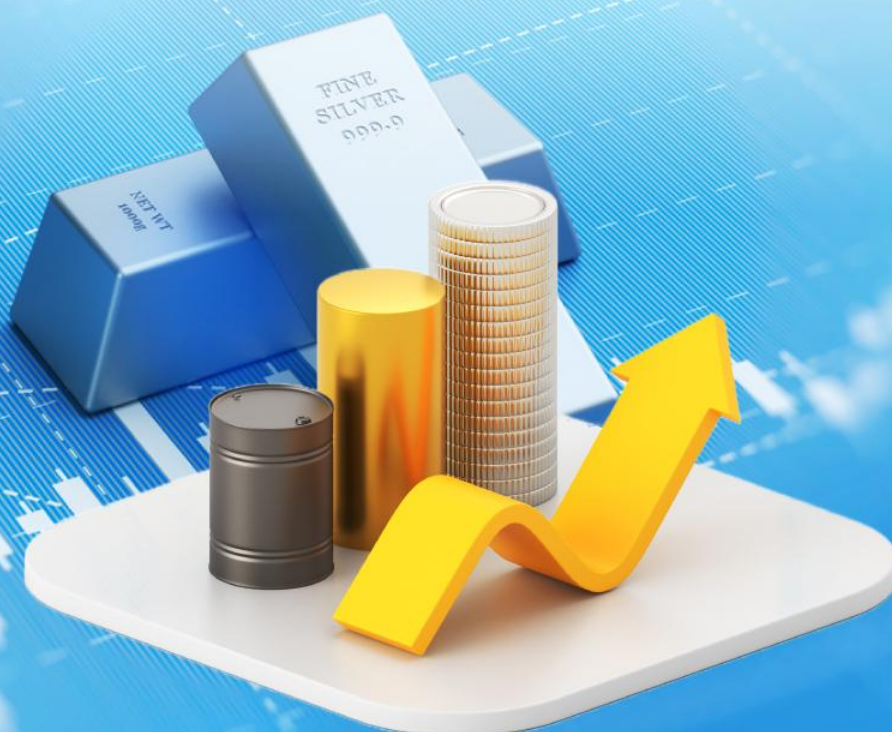


Precious Metals Outlook For 2026

12-Jan-2026



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Precious Metals 2026: Macro Drivers and Structural Tailwinds

Sustained Institutional Demand: Continued aggressive accumulation by global central banks provides a structural floor for bullion prices.

Capital Re-entry: A significant surge in inflows into Exchange-Traded Funds (ETFs) and ETPs signals a return of retail and institutional participation.

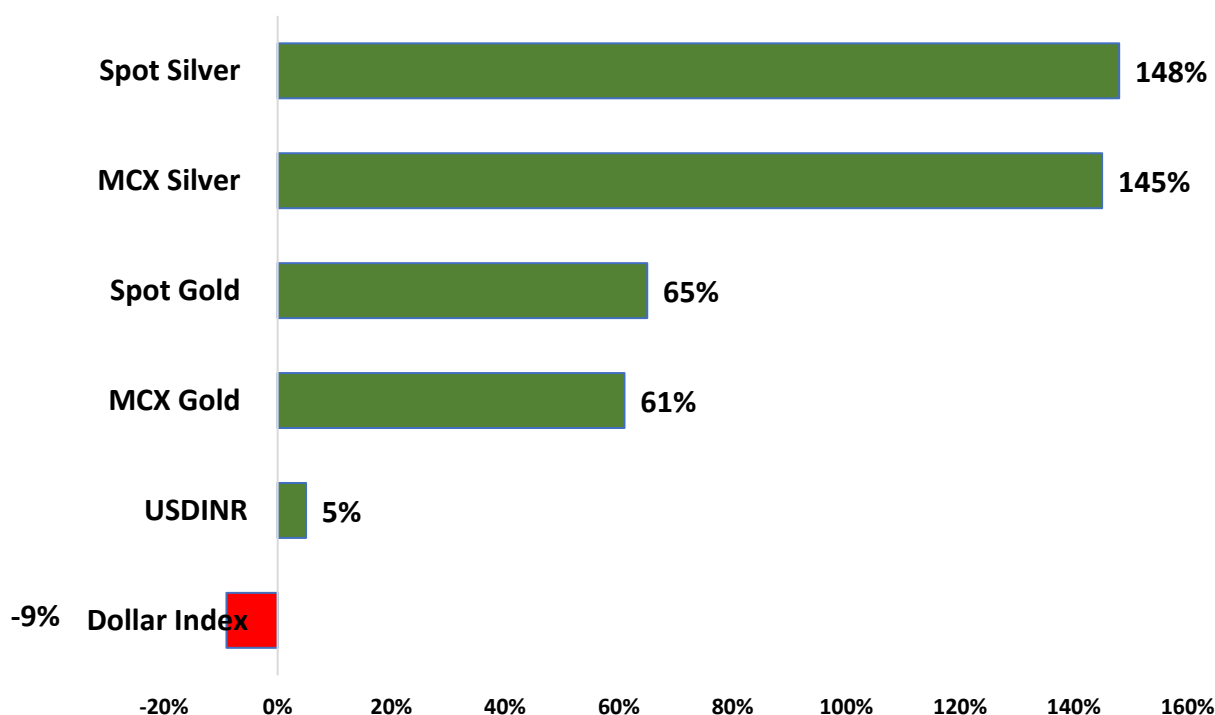
Monetary Tailwinds: The Federal Reserve's dovish pivot and easing interest rate environment have reduced the opportunity cost of holding non-yielding assets.

Geopolitical Resilience: Escalating global tensions and trade-related policy risks have solidified the "safe-haven" status of precious metals.

Economic Uncertainty: Heightened volatility surrounding global trade wars and shifting fiscal policies act as primary catalysts for risk aversion.

Technical Continuity: Following the record-breaking advance of 2025, the broader bullish trend remains intact, with structural indicators pointing toward new highs in 2026.

Performance Snapshot for 2025



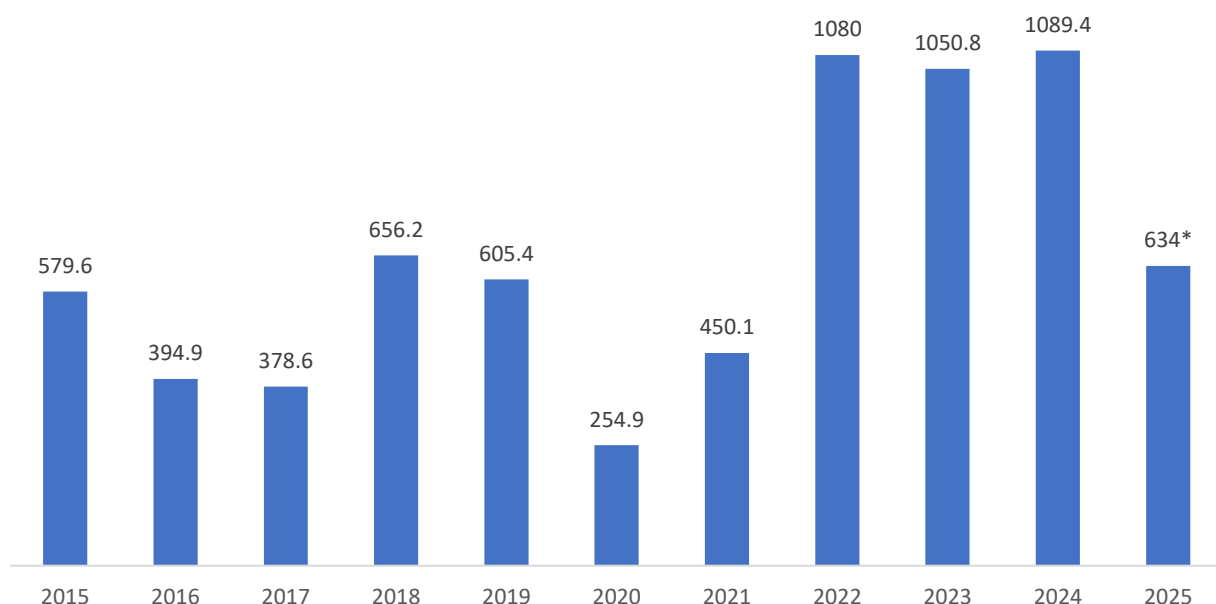


How Much Steam Left In Gold As An Asset Class?

In 2025, a confluence of powerful factors led to a significant increase in precious metal prices, pushing them to unprecedented levels. Importantly, many of these supportive dynamics are still in place, indicating that the favorable environment for precious metals is likely to extend into 2026, even if the pace of gains moderates.

Central Bank Gold Hoarding: Central banks have maintained a strong appetite for gold, with annual net purchases exceeding 1,000 tonnes every year since 2022. This unprecedented buying spree is primarily driven by strategic diversification away from the US dollar and a desire for safe-haven assets amid global economic and geopolitical uncertainty

Annual central bank net gold purchases, tonnes



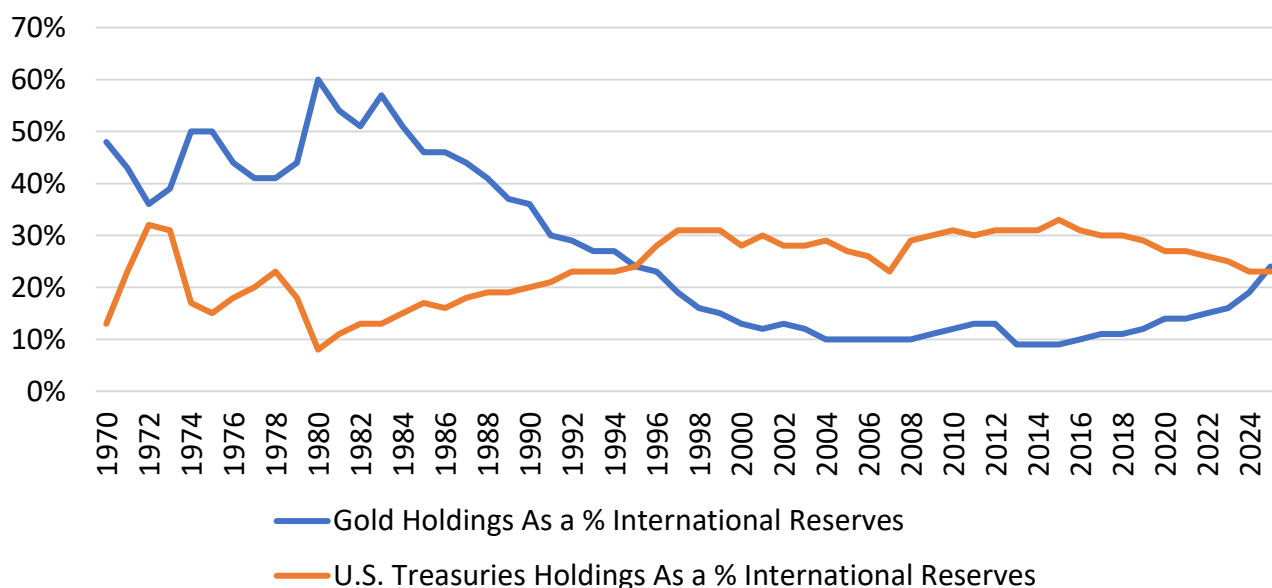
Central banks remained significant net buyers of gold throughout 2025, purchasing an estimated 900 tonnes over the year, including 634 tonnes in the first nine months alone.



Forces Shaping Global Gold Demand

- **Diversification:** Reducing reliance on USD-denominated assets and diversifying reserve currencies.
- **Geopolitical Risk:** Safeguarding reserves against potential sanctions and global political instability (a lesson learned from the freezing of Russia's reserves).
- **Inflation Hedging:** Using gold as an effective hedge against persistent inflation and currency debasement.
- **Store of Value:** Valuing gold as a reliable, long-term store of value with no counterparty risk.

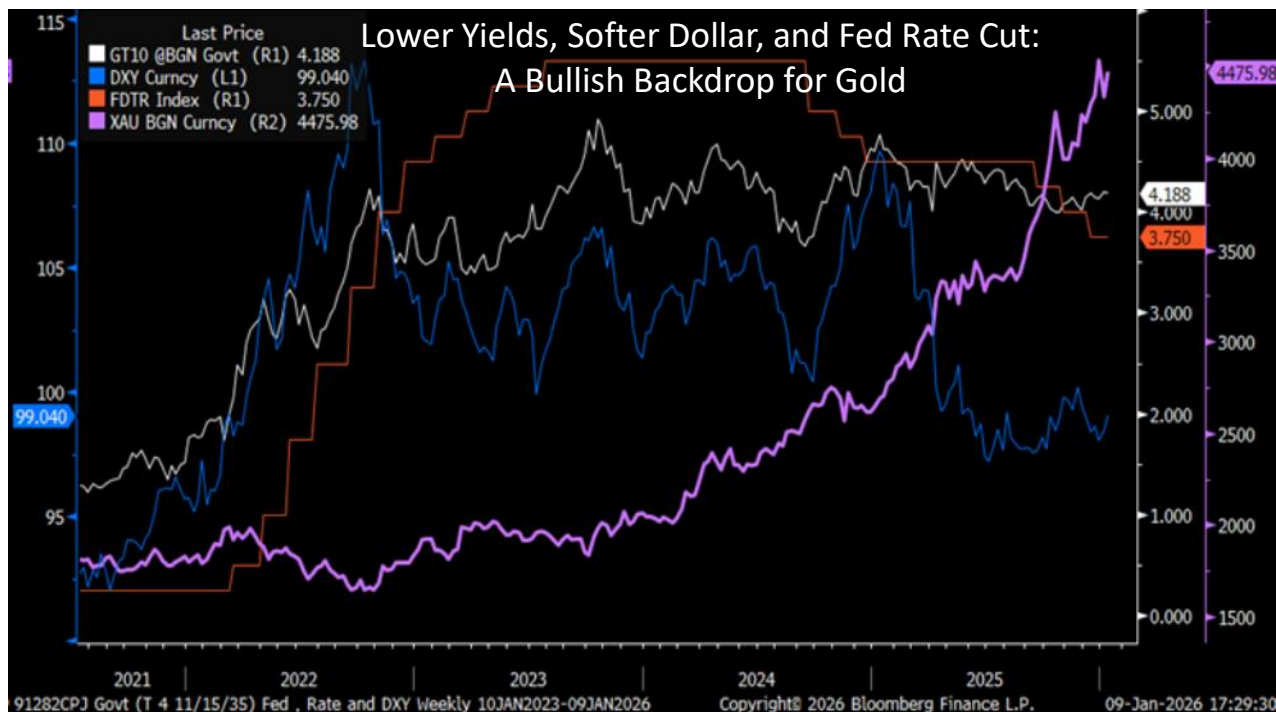
Gold Reclaims Dominance in Central Bank Reserves



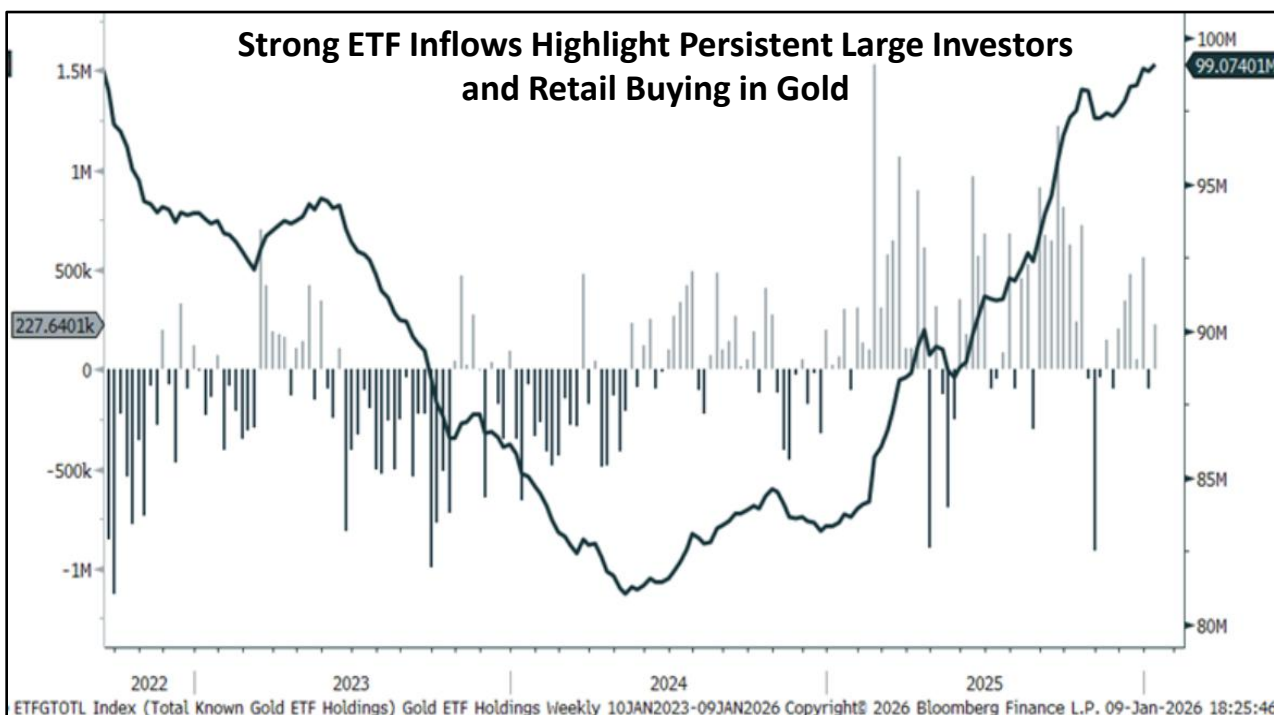
- For the first time since 1996, foreign central banks' gold reserves have overtaken their U.S. Treasury holdings. Persistent gold accumulation, rising U.S. debt risks, and an accelerating diversification away from U.S. assets are driving a structural shift in reserve composition toward hard assets.



Falling Yields, US dollar & Rate Cut Expectations: Gold becomes more attractive when interest rates and bond yields are expected to fall. And that's exactly the scenario now: markets anticipate that major central banks (like the US Federal Reserve) will cut rates amid risks of inflation.



Persistent large investors buying as well as retail buying have helped to create a structural floor under gold prices, a trend we expect to continue into 2026.”





Silver Outshines Gold: White Metal's Stronger Sparkle

Silver experienced a historic price rally in 2025, driven by a supportive macroeconomic backdrop that included strong industrial demand, tightening supply conditions, dovish monetary policy expectations, and robust safe-haven and investment inflows.

What Drove the Rally — Can It Go Further?

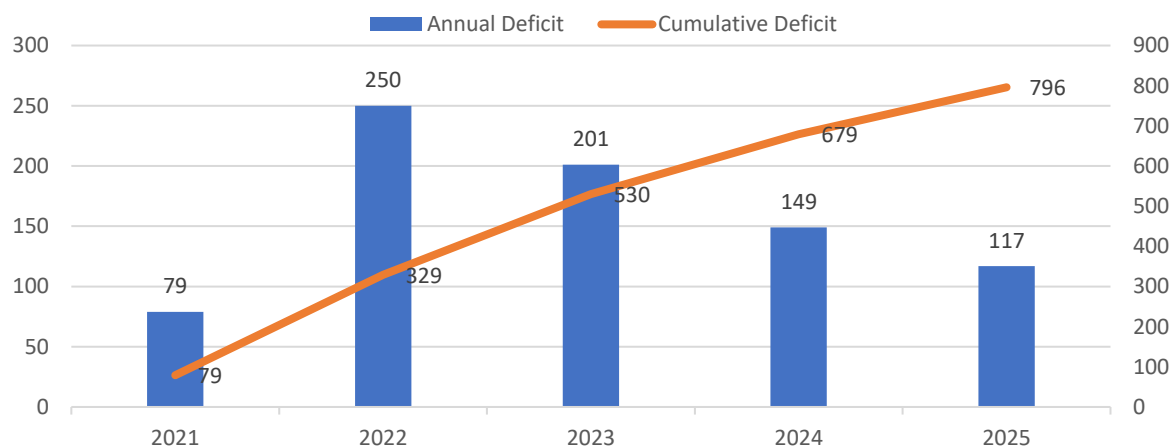
- Fifth consecutive year of global supply deficit
- Record-high industrial demand
- Robust investment demand
- Inventory drawdowns across major global hubs
- Federal Reserve interest-rate cuts
- U.S. designation as a critical mineral
- China's export restrictions
- The gold-silver ratio favors silver outshining gold

2025 is set to mark the fifth consecutive year of a significant supply deficit in the silver market over the 2021–2025 period; the cumulative deficit is expected to reach almost 800 million ounces, which is nearly equivalent to a full year's mine supply. Industrial and investment demand consistently surpasses the combined total of mining production and recycling. Global silver supply from mining remains relatively stable.



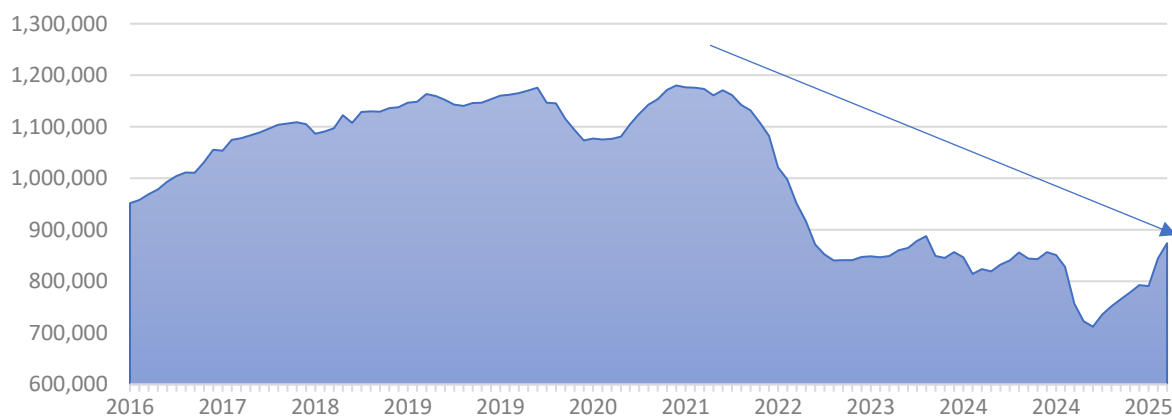
Silver Supply Deficit Trends: Annual Shortfall and Cumulative Impact (2021–2025E)

(Fig in Million Ounce)

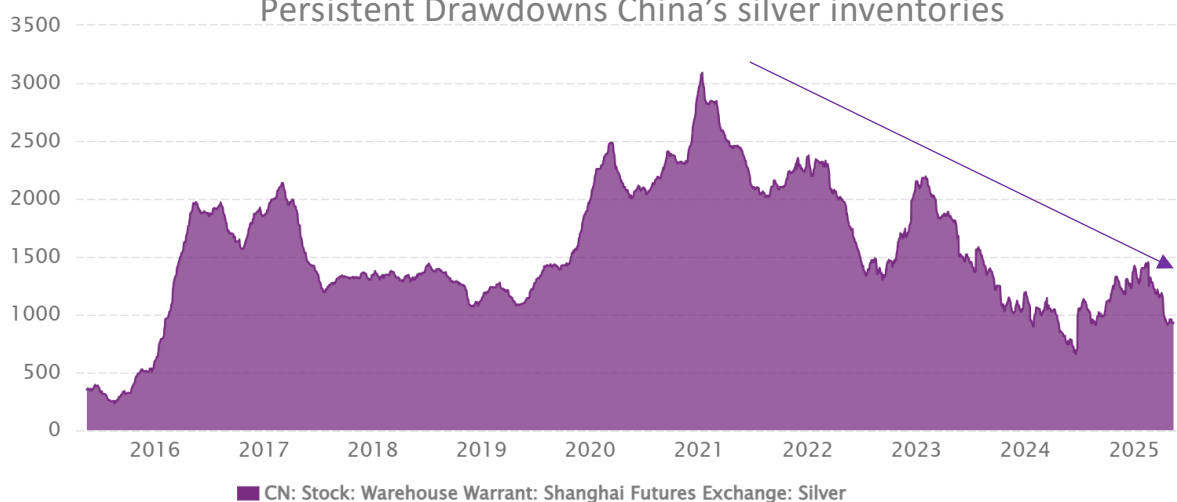


Shrinking Silver Stocks in Major Global Hubs

Silver held in London Vaults



Persistent Drawdowns China's silver inventories



■ CN: Stock: Warehouse Warrant: Shanghai Futures Exchange: Silver

SOURCE: WWW.CEICDATA.COM | Shanghai Futures Exchange



Gold-Silver Ratio: Historic Compression

The gold–silver ratio has compressed sharply from around 90:1 in early 2025 to approximately 57:1 currently. This move brings the ratio closer to the long-term “50:1” benchmark, which historically signals fair valuation of silver relative to gold.

The ongoing compression suggests that silver may still have **further upside potential**, favored by supportive drivers—such as supply deficits, rising industrial usage, dovish monetary policy, and investors' preference shifts toward higher-yielding metals—that remain in place. We anticipate the ratio continuing to gravitate toward the historical level; it would imply additional scope for silver to outperform gold, reinforcing the constructive medium- to long-term outlook for the white metal. **At 50:1 with gold at current levels (\$4500), silver would be \$90. At 40:1, silver would exceed \$110.**

saumilgandhi03 created with TradingView.com, Jan 09, 2026 21:17 UTC+5:30

GOLD/SILVER - 3M - TVC O59.650 H60.477 L54.388 C56.532 -3.770 (-6.25%)

Gold Silver Ratio Quarterly Chart



TradingView



U.S. Gold Outlook: Bullish; Utilize Dips To Accumulate Longs



MCX Gold Outlook: Bullish; Utilize Dips To Accumulate Longs





Outlook

Based on the fundamentals and technical setup, Gold and Silver long-term bullish trend seems intact and still has the potential to deliver extraordinary returns in year 2026. However, If the government reduces import duties on gold and silver in the upcoming budget, domestic prices could come under pressure and could act as a short-term headwind for domestic prices.

We recommend investors to allocate up to 10% of their portfolio to precious metals - gold and silver, with the option to increase exposure based on individual risk appetite gradually.

Our bullish view on precious metals can be captured by taking exposure in these asset class by accumulating available ETF on Exchange.

Precious Metal ETF Picks 2026

(MTF ✓)

Level-Driven Recommendations With Defined Targets

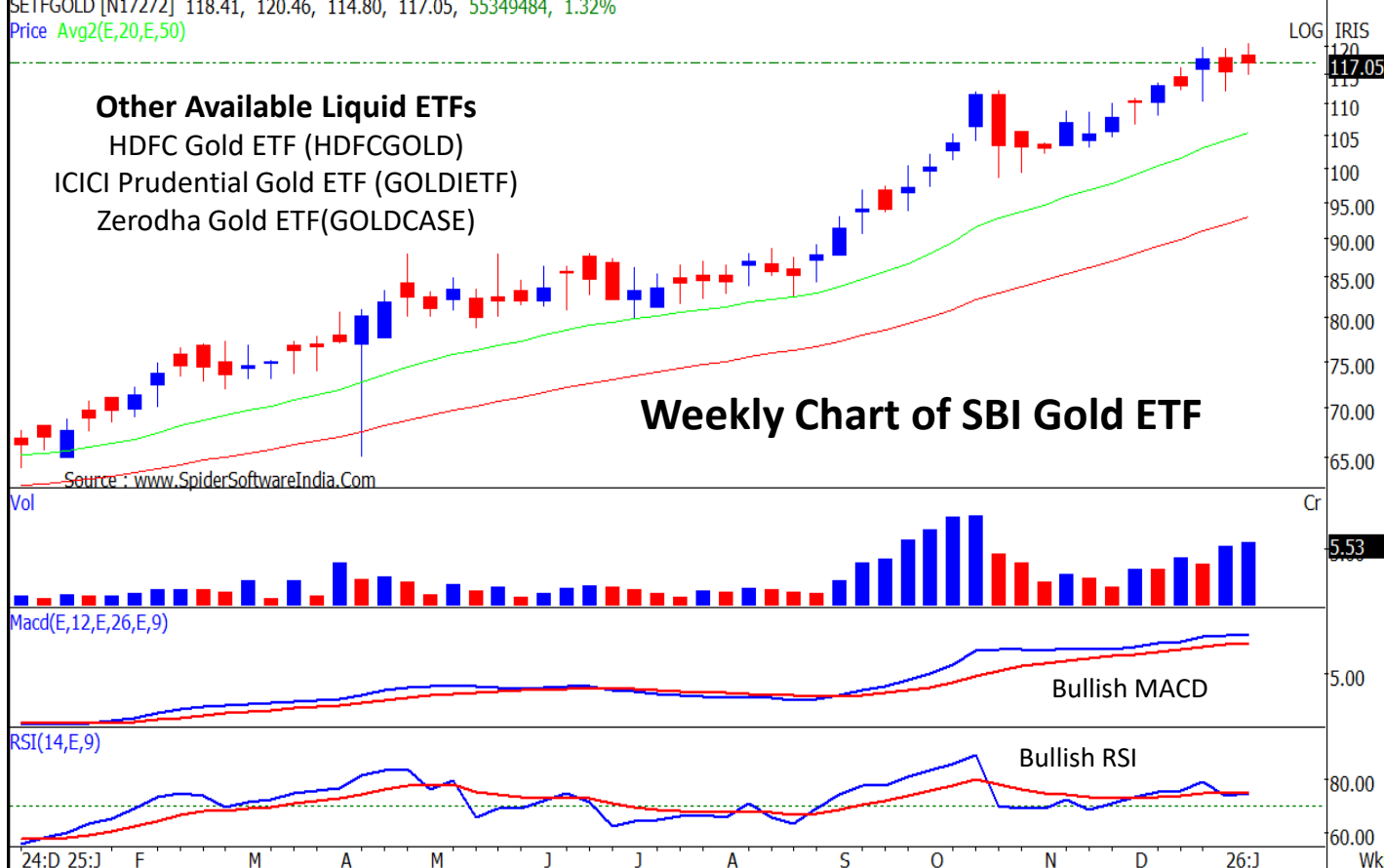
Sr. No	ETF	Buying Range	Average Level	Targets
1	SBI Gold Exchange Traded Scheme	117-119	106	136
2	ICICI Prudential Silver	240-246	210	285,300



SBI Gold Exchange Traded Scheme (SETFGOLD | 590098 | INF200KA16D8)

Buying Range	CMP	Avg Level	Target	Time-Frame
117-119	117.05	106	136	1 Year

SETFGOLD [N17272] 118.41, 120.46, 114.80, 117.05, 55349484, 1.32%
Price Avg2(E,20,E,50)



Rationales

- ETF has been forming higher tops and higher bottoms on the weekly charts
- Higher tops and higher bottoms on the weekly and monthly chart.
- ETF is placed above all key moving averages, indicating uptrend on all time frames.
- Weekly RSI is sustaining above 50, indicating sustained uptrend for the underlying.
- MACD is placed above signal and zero line on both weekly and monthly charts.
- Price rise is accompanied by healthy volumes.



ICICI Prudential Silver ETF (SILVERIETF | 543452 | INF109KC1Y56)

Buying Range	CMP	Avg Level	Targets	Time-Frame
240-246	240.40	210	285, 300	1 Year

SILVERIETF [N7942] 235.00, 250.00, 225.30, 240.40, 66910784, 3.76%

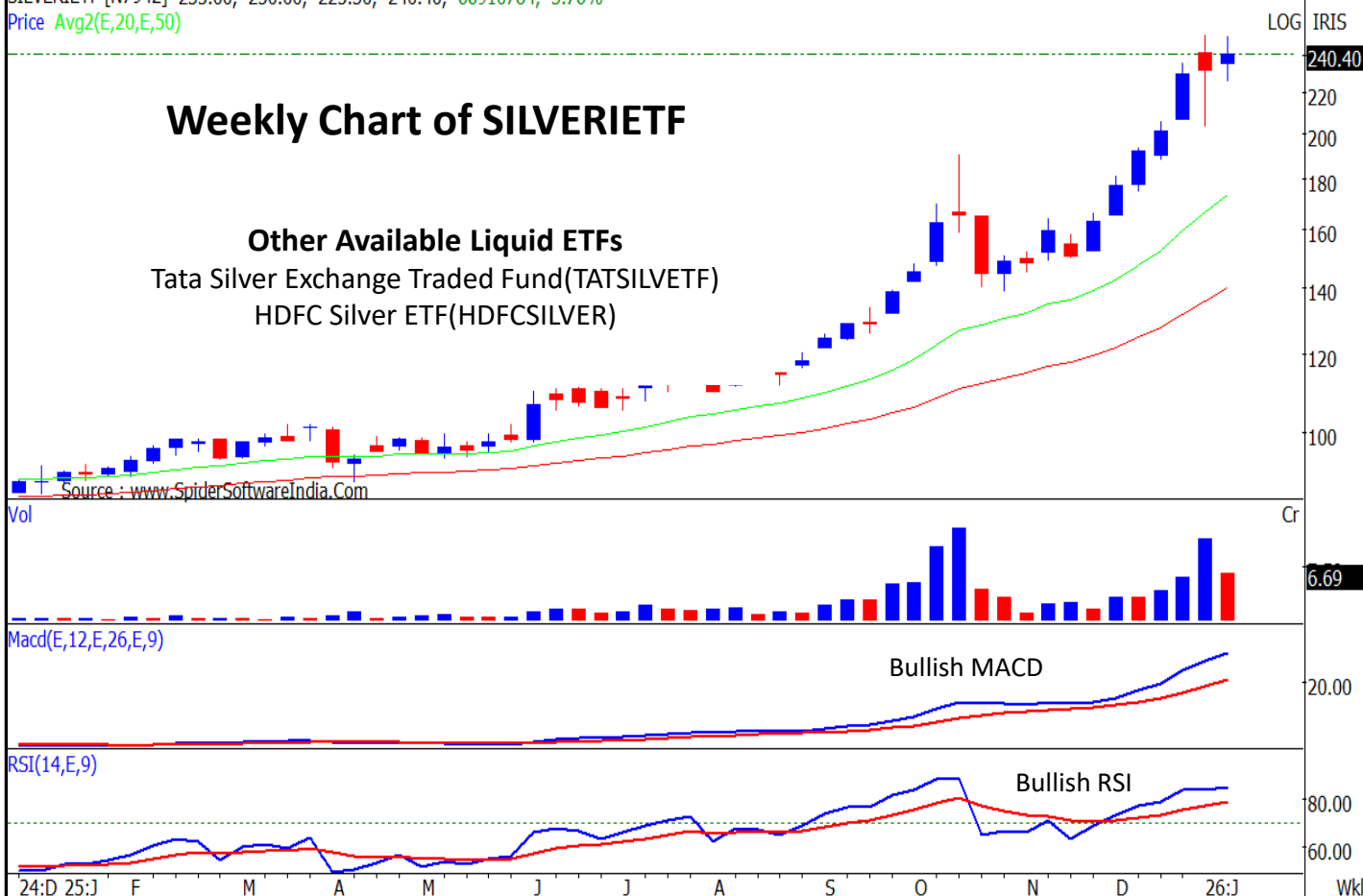
Price Avg2(E,20,E,50)

Weekly Chart of SILVERIETF

Other Available Liquid ETFs

Tata Silver Exchange Traded Fund(TATSILVETF)

HDFC Silver ETF(HDFCSILVER)



Rationales

- ETF has been forming higher tops and higher bottoms on the weekly charts
- Higher tops and higher bottoms on the weekly and monthly chart.
- ETF is placed above all key moving averages, indicating uptrend on all time frames.
- Weekly RSI is sustaining above 50, indicating sustained uptrend for the underlying.
- MACD is placed above signal and zero line on both weekly and monthly charts.
- Price rise is accompanied by healthy volumes.
- Short-term moving averages placed above long-term moving averages



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