The Silver Institute
2023 INTERIM SILVER MARKET REVIEW
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Metals Focus
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2023 – Benefiting from safe haven spillovers from gold

Source: CFTC, net managed money positions
Industrial metals, Chinese equities and silver have mostly reflected China’s economic momentum
Helps explain a rising gold:silver ratio

Source: Bloomberg
2023 – Signs of Resilience

Source: Metals Focus; CFTC
Global demand: -10% in 2023, but just a two-year low

Source: Metals Focus
Global supply: 2023 down 2% to a three-year low

Source: Metals Focus
2023 - 140Moz deficit contributes to 474Moz stock decline over 2021-23
Mined silver production to fall by 18Moz y/y in 2023

This year global output is expected to decrease by 2% y/y to 820Moz due to lower production from Mexico, Peru and Argentina. Higher production from existing mines in Bolivia and Chile will mitigate the fall to a certain extent.

Source: Metals Focus
Notable new projects coming on stream in 2024

Bubble size represents average LOM production.
Source: Metals Focus
Primary silver miners' costs higher year-on-year in H1.23

Average AISC for primary silver mines in H1.23 increased by 57% y/y to $17/oz as by-product credits fell and input cost inflation persisted. This, in addition to lower silver spot prices during this period, put considerable pressure on producer AISC margins.

Source: Metals Focus – Silver Mine Cost Service
Lower oil and gas prices lead to reduced fuel and energy costs for producers.

Falling metal prices led to lower by-product revenues for silver miners in H1.23.

Source: Bloomberg, Metals Focus
Lower by-product revenues underpin increase in AISC

Increases in on-site costs and sustaining capex, up by 8% and 5% respectively year-on-year, contributed to the rise in AISC. However, lower by-product revenues, zinc in particular, were the primary causal factors.
Global demand: -10% in 2023, to a two-year low
Industrial demand, setting a new high (+8% to 632 Moz)

Source: Metals Focus
Research institutions have raised their PV projections for 2023 as China’s installation progress accelerated, this being significantly ahead of schedule during H2.
Global PV Additions vs. a Ramp-up in China

- Newly Added Capacity outside China
- Newly Added Capacity in China
- China’s Share


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Global PV Installations - TopCon dominates from 2024

Source: Metals Focus
Indian demand remains volatile

Source: Indian Customs, Metals Focus

Note: *Jan-Aug imports for 2023
Vault holdings stabilize at ~1.2Bn oz (end-2021: 1.7Bn oz)

Source: Indian Customs, Metals Focus, LBMA, CME
Jewelry: -22% to 182Moz, +2% excluding India

Source: Metals Focus
Silverware: -47% to 39Moz, -12% excluding India

Source: Metals Focus
Bar/coin demand falls 21% to 329Moz, led by Germany and...
Bar/coin demand falls 21% to 329 Moz, and India

Source: Metals Focus
ETPs ease by just ~39Moz (4%), or $2bn (-10%), this ytd
Deficit expected to persist beyond 2023
US policy rates tightest since 2007

Source: Bloomberg
Manufacturing slowdown impacting industrial metals & silver
Gold 2023 average estimate: $1,920, +1%
Silver 2023 average estimate: $23.10, +6%

Source: Metals Focus
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