

Executive summary

There is a version of April's silver performance that looks reassuring. Prices fell just 1.7% — from \$75.14 to approximately \$73.84 — making April the quietest month for silver in 2026. After February's paired 40% crashes and March's 15.9% decline, a near-flat month represents genuine stabilisation.

There is a version that looks less reassuring. Silver has now spent a full month trading in a \$73–76 range, unable to break meaningfully in either direction despite the strongest structural deficit data in the market's recent history. The World Silver Survey 2026 — published April 15 — confirmed that 2026 will be the fifth consecutive year of global supply shortfall, with the deficit forecast to widen to 46.3 million ounces. COMEX vaults have continued to drain. Asian physical demand remains robust. And yet: \$73.

Both versions are correct. Silver's April tells the same story as the past three months: the physical market and the financial market are operating on different timescales, and the financial market is currently winning.

The resolution will come from the same place it always does: the macro environment. If oil falls — meaning the Strait reopens — rate-cut expectations revive, industrial demand recovers, thrifting slows, and the structural deficit becomes the dominant narrative. If the Strait stays closed, the thrifting dynamic intensifies and the physical deficit competes with an industrial demand ceiling.

Market performance

The month in numbers

Metric	April 2026	vs. Prior Month	vs. Prior Year
Open (Apr 1)	\$75.14	-	-
Monthly High	~\$79 (mid-Apr)	-	-
Monthly Low	~\$73 (late Apr)	-	-
Close (Apr 29)	~\$73.84	-1.7%	+126.4%

Silver tracked gold almost exactly through April, which is itself notable. In recent months, silver has consistently *amplified* gold's moves — falling harder in February, March, and January. In April, with gold -1.9% , silver printed -1.7% . The amplification effect disappeared.

This convergence may reflect a shift in sentiment composition: the speculative short interest that magnified the downside in prior months has been worked off, leaving the market with a cleaner balance of structural buyers (physical/Asian) and macro sellers (Western institutional). The result is a ratio that has stabilised rather than continuing to deteriorate.

The gold-silver ratio came in at approximately 62:1 by month-end — recovering slightly from the March extreme of 64:1. The five-year average is approximately 80:1, which silver bulls correctly cite as evidence of persistent relative cheapness. But a ratio of 62:1 in the context of \$121 January highs means something different from a 62:1 ratio when silver was at \$15 — the absolute price has already done much of the normalisation work.

Regional context

- **UK:** Silver in sterling fell approximately 1.2% in April. Year-to-date, silver in GBP terms remains up approximately 95% — still the best-performing major asset class for UK investors over the trailing 12 months. VAT-exempt silver in bonded vaults continues to attract UK investors seeking physical exposure without the 20% retail markup
- **India:** April saw a seasonal uptick in Indian silver demand ahead of the summer harvest season. Dealers reported physical premiums of \$1.50–2.00/oz over spot, indicating genuine physical tightness at the retail level
- **China:** Export restrictions on silver remain in force. Mainland silver premiums stayed elevated at \$3–4/oz above international spot. Chinese manufacturers' urgency to source offshore silver has eased slightly as some strategic stockpiling from 2025 is drawn down

What drove the market

The World Silver Survey 2026: structural deficit widens

The Silver Institute's World Silver Survey 2026, published April 15, is the most comprehensive annual review of global silver supply and demand. Its findings for 2026 are unambiguous on the structural picture:

- **Fifth consecutive annual global supply deficit** — every year since 2022 has ended in a shortfall
- **2026 deficit forecast: 46.3 million ounces** — wider than 2025, driven by 18% growth in physical investment demand alongside stagnant mine supply

- **Physical investment demand:** surged 18% in 2026 forecast, led by European, Middle Eastern, Chinese, and Indian buyers
- **COMEX registered inventory** continues its multi-year decline from 341 million ounces in 2020 to current levels below 90 million ounces — a 74% reduction

The Survey specifically highlighted the October 2025 liquidity crisis — when COMEX lease rates spiked and regional silver availability collapsed — as evidence of a market structurally incapable of absorbing a surge in physical demand. The crisis that drove silver to \$121 in January 2026 was not manufactured. It was a genuine physical market event.

At \$73.84, silver is 39% below its January high. The survey's implicit message: the physical dynamics that drove the January spike have not resolved. They have merely paused while the Iran war distorts the macro backdrop.

Thrifting: the structural threat that doesn't go away

The counterweight to the deficit narrative — and it is a genuine counterweight — is thrifting. Silver now represents approximately 30% of the total module cost in standard solar PV panels at current prices. At \$121, that ratio was unsustainable; at \$73, it remains elevated enough that manufacturers have not relaxed their substitution R&D programmes.

Key thrifting developments in April:

- **First Solar** announced its Series 7 cadmium telluride module, which uses no silver, is entering mass production at its Ohio facility. Initial capacity: 3 GW/year, representing approximately 3.6 million ounces of avoided annual silver demand at current loading rates
- **Longi Green Energy** (China's largest solar manufacturer) confirmed its heterojunction cell architecture, which uses approximately 18% less silver per watt than conventional PERC cells, is now accounting for 40% of its new capacity additions
- **NREL** published a roadmap suggesting industry-wide silver per-watt loading could fall by 35–45% by 2030 if current substitution trends accelerate

The bear case on silver in 2026 is essentially a thrifting story: if the technology transition accelerates faster than the deficit widens, the structural floor moves lower. The bull case argues that mine supply cannot respond quickly enough regardless of what happens to demand. Both have merit.

ETF flows: SLV stabilisation

SLV — the iShares Silver Trust, the largest publicly traded silver ETF — saw significantly smaller outflows in April compared to March's \$3.6 billion quarterly drain. April flows appear broadly neutral to slightly negative, reflecting the same dynamic as gold: Western institutional selling has partially paused while Asian physical demand provides a floor.

The silver ETF market is smaller and more concentrated than gold's, which makes single large outflow

COMEX inventory: continued drain

COMEX registered silver inventory — the metal actually available for delivery against futures contracts — continued to decline in April. While precise end-of-month data is not yet available, the trajectory from the March figure of 86 million ounces is downward. The 74-million-ounce delivery surge in January–February has left the registered category persistently thin.

This matters because it means the futures-to-physical spread — the measure of how much paper silver is trading relative to available physical supply — continues to widen. When that spread gets wide enough, it creates the conditions for the kind of physical squeeze that drove January's spike. We are not at that level now. But the directional trend has not reversed.

The thrifting-deficit balance sheet

It is worth setting out the competing forces explicitly, because April 2026 is a month where both sides strengthened simultaneously:

Deficit deepens:

- World Silver Survey confirms 5th consecutive deficit, widening to 46.3mn oz
- COMEX registered inventory at multi-decade lows
- Chinese export restrictions continue
- Asian physical demand structurally elevated

Thrifting accelerates:

- First Solar scaling cadmium telluride (zero silver) capacity
- Longi reducing silver loading per watt
- NREL roadmap targeting 35–45% silver intensity reduction by 2030
- Solar PV is ~35% of total industrial silver demand — any meaningful reduction has an outsized impact

Our reading: the deficit is structural and takes years to resolve through new mine supply. Thrifting is real but slower to deploy than the bull side acknowledges. Both forces are operating simultaneously, which is why the price is at \$73 rather than \$40 or \$100.

May 2026 outlook

The Iran deal — same binary as gold, with different mechanics

For silver, the Iran deal matters through a different channel than it does for gold. For gold, the deal matters because it reopens the path to Fed cuts. For silver, it matters primarily through its effect on oil prices and therefore manufacturing economics.

Oil above \$100/barrel raises the marginal cost of every energy-intensive manufacturing process. Solar panel manufacturing is energy-intensive. When manufacturing costs rise, the incentive to reduce the silver loading per panel intensifies — thrifting is partly a cost-push story, not just a technology story. A fall in oil prices from a Strait deal would reduce that manufacturing cost pressure and slow the urgency of silver substitution R&D.

The second-order effect: if oil falls and rate cuts revive, risk appetite returns, Western institutional capital re-enters silver ETFs, and the speculative long position rebuilds. That combination — slower thrifting, higher ETF flows, intact physical deficit — is what a bull case for silver in May looks like.

Scenario framework

Scenario	Probability	Trigger	Price Range
Base Case: Stalemate	40%	Strait stays closed, talks stall	\$70–\$80
Bull Case: Deal + Rate Pivot	30%	Strait opens, June cut odds surge	\$82–\$95
Bear Case: Breakdown	20%	Talks collapse, oil spike, thrifting surge	\$60–\$72
Structural Squeeze	10%	Physical delivery fails, COMEX crisis	\$95–\$115

The 10% structural squeeze scenario is worth noting explicitly. It is not our base case, but the conditions that produced January 2026's squeeze — COMEX inventory below 90 million ounces, large outstanding delivery positions, Chinese export restrictions, and a sudden spike in physical investment demand — have not been resolved. If a macro catalyst arrives (deal, rate cut, inflation break) at a moment when COMEX inventory is at seasonal lows, a rapid repricing is possible.

What to watch in May

- Iran deal mechanics:** The specific trigger for silver is oil falling below \$90/barrel — watch Brent as the real-time proxy for deal probability
- COMEX registered inventory:** Any further decline below current levels toward 80 million ounces raises the squeeze probability
- Solar capex announcements:** Q1 earnings season (underway now) will surface manufacturer guidance on silver loading and thrifting roadmaps

5. **Gold-silver ratio:** A ratio tightening below 58:1 would signal that silver is outperforming gold and the speculative community is returning
6. **World Silver Survey follow-through:** April 15's deficit data is now in the market. If May brings further confirmation of physical tightness (lease rates, Indian/Chinese premium spreads), that narrative will build

UK investor considerations

The VAT landscape for UK silver investors remains unchanged: silver bullion is still subject to 20% VAT at the point of UK retail sale, making bonded vault storage the practical choice for any meaningful position. With silver in sterling at approximately £58/oz, the gap to January's £96/oz peak remains substantial.

For UK investors who entered silver positions in 2024 or early 2025 and are sitting on large gains even after the correction, April's stability may be the stabilisation period before a directional move. The question is which direction. Our view: the direction is up over a 12-month horizon, but the path runs through an Iran deal and a resumption of the Fed easing cycle.

Conclusion

Silver in April delivered the market's first meaningful period of calm since the war began. Prices fell 1.7% in a \$73–76 range. The gold-silver ratio stabilised. The World Silver Survey confirmed the structural thesis. Thrifting continued to progress. Nothing was resolved, in either direction.

That is not a failure — it is consolidation. After three months of extraordinary volatility, the market needed to find a new equilibrium, and April provided it. The equilibrium is approximately \$73–76: below the level where the physical deficit drives prices, above the level where genuine industrial demand destruction occurs.

The May outlook is, like gold's, contingent on the Strait. An open Strait is bullish silver — arguably more bullish than gold, because it directly addresses the thrifting motivation and reopens the ETF flow channel. A closed Strait keeps silver in its current range with downside risk if oil spikes further.

Silver at \$73.84 is 39% below January's all-time high of \$121.64. The metal that has delivered +126% over the past year has given back nearly half of those gains. Whether April 2026 was the floor, or merely a pause before another leg lower, depends on a geopolitical variable that no silver analyst controls. That is the honest state of this market.

Data sources: Silver Institute World Silver Survey 2026 (15 April 2026); USAGOLD daily market reports; Trading Economics; Fortune/AP silver price data; MineListings.com market reports; Reuters, AP News, CNBC (Iran/Strait reporting); World Gold Council Q1 2026 Demand Trends; CME COMEX inventory data.