

The difference between silver and gold



Silver is significantly cheaper than gold, and there are reasons for this.

There is basically an abundance of silver. Around 1.8 million tons have been discovered so far, according to the US Geological Survey. In the case of gold, the yield is only around 244,000 tons. If you compare the figures from last year, 26,000 tons of silver were mined, but only 3,100 tons of gold. In terms of production, the ratio is around 1:8.3, while the price ratio is around 1:80. This could be seen as an undervaluation of silver. A calculation shows this: calculating the price of silver according to the production ratio of silver to gold would result in a silver price of around 220 US dollars per ounce of silver.

Gold is in high demand, both from investors and central banks. And gold is also in the spotlight in the jewelry industry. One argument in favor of silver is its possible undervaluation and the fact that the precious metal is increasingly coming into the limelight. It is not just an investment metal, but an important player in the industry. Growth areas such as new technologies and batteries should boost demand.

According to calculations by the Silver Institute, demand for silver reached record highs last year. And many years of experience have shown that silver can certainly generate profits in a balanced portfolio, as it outperforms its big brother gold at certain times. If there is a turnaround in the US Federal Reserve's interest rate policy, then gold and silver should hold up well. Silver could even outperform gold.

The silver companies include **MAG Silver** - <https://www.commodity-tv.com/ondemand/companies/profil/mag-silver-corp/> -, for example. The company has a stake in the Juanicipio silver project in the Fresnillo Silver Trend in Mexico.

Sierra Madre Gold and Silver - <https://www.commodity-tv.com/ondemand/companies/profil/sierra-madre-gold-silver/> - has gold and silver in its projects. These are the La Guitarra mine in Mexico and the Tepic and La Tigra properties, also in Mexico.

Current company information and press releases from MAG Silver (- <https://www.resource-capital.ch/en/companies/mag-silver-corp/> -) and Sierra Madre Gold and Silver (- <https://www.resource-capital.ch/en/companies/sierra-madre-gold-and-silver-ltd/> -).

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