2024 Silver Price Movement Trend Analysis & Forecast: Is it a Good Time to Buy Silver Now?

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As a precious metal, silver has the same investment value as gold. While the price of gold recently has seen rapid rally, some investors may be wondering whether silver also is a good investment as a precious metal, and is it appropriate time to buy silver now?

In this article, we will analyze the historical price of silver, combined with the current actual situation, to make predictions about the future trend of silver in 2024. We will explore from the following aspects:

Silver vs. Gold

Benefits of Investing in Silver

Silver Historical Price Analysis

Silver vs. Gold

Precious metals such as silver and gold have long been regarded as an alternative to traditional investments such as stocks and bonds. Although silver is not as eye-catching as gold, it is considered one of the most valuable metals in the world and one of the most traded commodities.

Compared to gold, silver has a wider application value and a higher commercial position. In addition, some of silver's unique characteristics mean that its industrial uses are greater than those of gold. Less than 10% of the gold mined is used in industry, while more than 50% of silver is used for industrial purposes. The close connection with industry means that demand for silver is often correlated with industrial demand. Therefore, this means that silver prices can be linked to overall economic output.

Silver is often used by buyers as a way to diversify their commodity holdings and portfolios. There are many methods to invest in silver, including buying and storing the physical metal yourself, as well as buying and investing in silver futures and funds. Another option is to own shares in companies involved in silver mining and production.

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Benefits of Investing in Silver

Silver's advantages as an investment option depend on the role it plays in investment portfolio.

As a independent investment, silver's performance over the past five years has been roughly similar to that of the blue-chip S&P 500 index. However, because supply and demand in the silver market can be volatile, its price movements do not always follow the movements of the overall economy.

Some investors hold silver for the purpose of stock diversification. Besides, many of the reasons for investing in silver are similar to those for investing in gold. Because of silver's inherent scarcity and the demand for silver in applications such as electronics, the precious metal is likely to maintain its value even in economic conditions such as recessions, where stocks and other investments suffer huge losses.

In addition, the silver market is highly liquid and the market range is often large, which provides investors with an opportunity to earn high profits. However, investing in silver also carries risks, which means that adequate research and risk assessment should be conducted before investing.

In a word, the silver market is a market full of opportunities and risks. Investors can participate through the foreign exchange market and other investment channels. It is important that investors should obsess adequate knowledge and skills to manage risks appropriately.

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Silver Historical Price Analysis

Silver has a long history. For centuries, silver, like gold, was considered a reliable method of storing wealth. This metal has been used as a medium of exchange in many societies and still enjoys the same reputation for reliability today.

Although past performance is not necessarily indicative of future results, looking at silver price history may provide useful information. In addition, looking at silver's historical price data may also help investors identify support areas that could become reliable buying opportunities.

Next, we'll look at a five-decade history of silver prices.

From the early 1960s to 2021, silver experienced multiple rounds of bull and bear market changes. Although the price of silver denominated in US dollars showed different development characteristics and trends in different historical periods, overall, silver prices followed the price of gold in nearly half a century, showing an upward trend. Besides, because of its own industrial attributes, silver prices also performed their own unique market trends.

Since 1960, the silver market as a whole has been divided into seven stages.

Stage One: 1960 to 1971

From 1960 to 1971, the price of gold was almost fixed. While the price of silver was not fixed, but because it followed the trend of gold prices, it fluctuated slightly at a low level.

In the mid-to-late 1960s, the U.S. government began to aggressively reduce its silver holdings. In 1971, the U.S. government's silver stocks had fallen from a high of 65,000 tons in 1959 to just 5,300 tons. In 1965, the total supply of silver in the United States reached 23,000 tons, of which 12,400 tons came from the United States Treasury, which subsequently withdrew from the silver market, resulting in gradual decline in the total supply of silver.

The silver market was oversupplied and prices remained low, bottoming out at $1.27 an ounce in the early 1970s.

Stage Two: 1973 to 1980 (first round of bull market)

During the first round of the bull market from 1973 to 1980, after the breakup of the Bretton Woods system, the policy factors that suppressed the price of gold finally subsided, upward momentum for silver price broke out. Under the comprehensive impact of factors such as the overissuance of US dollars, inflation, political turmoil, oil crisis and gold production being stagnated, the international gold price continued to rise from 42 US dollars/ounce. The silver price closely followed the gold price trend, and at that time, the silver market was in a serious state of short supply.

Hunter brothers in the United States believed that the silver market was profitable, thus beginning to buy a large number of silver futures, option contracts and hoard silver spot and control the price of silver. By the end of 1979, they controlled 53% of silver deposits on the New York Mercantile Exchange and 69% of silver deposits on the Chicago Mercantile Exchange, owing 120 million ounces of spot silver and 50 million ounces of silver futures. Under the influence of the manipulation, the silver price in London has risen sharply to an all-time high of $49.45 an ounce.

The crazy speculation caused the market supply and demand of silver to be decoupled with the actual production and consumption, and the market price seriously deviated from its value.

Stage Three: 1980 to 1983

From 1980 to 1983, the Hunt brothers' capital chain broke, resulting in the price fall of of silver.

From 1979 and 1980, at the urging of the Commodity Futures Trading Commission, the New York Mercantile Exchange took measures in the silver futures market, which included raising margin, imposing position limits, and allowing only closing trades. The result is a reduction in short interest and forcing short sellers to either exit the market or take positions into the spot market.

The average price of silver in London in 1982 has fallen back to $7.92 per ounce. Silver began to rebound in 1983, but the annual average price was only $11.43 /ounce.

Stage Four: 1984 to 2000 (first round of bear market)

During the first round of bear market from 1984 to 2000, the gold and silver markets collapsed. After the gold price hit a new high of 850 US dollars/ounce in 1980, by 1999, the gold price has fallen to 251.9 US dollars/ounce, a decline of 70.36%. The confidence for the gold market was greatly damaged.

Factors at the root of the 20-year bear market in gold prices include interest rate increase by the Fed, the strength of the US dollar, Saudi Arabia's production increase and the collapse of oil prices, the collapse of the Soviet Union, the gold sell-off, economic stability and the bull market in the US stock market, etc. After the silver market returned to rationality, it also followed gold trend into a bear market of nearly 20 years.

During the period, silver prices as a whole remained in the range of $4 per ounce to $6 per ounce, during which the annual average price even fell below $4 per ounce to $3.95 per ounce.

Stage Five: 2000 to 2012 (second round of bull market)

At this stage, the Internet economic bubble burst, terrorism rose, geopolitical conflicts such as the Middle East occurred frequently, the subprime mortgage crisis triggered the international financial crisis, the Federal Reserve slashed interest rates and implemented multiple rounds of quantitative easing policies, the rapid development of gold ETF (exchange-traded fund) increased the demand for gold investment, and the gold price continued to rise, once rising to a high of 1920 dollars/ounce, representing a seven-fold increase in 12 years.

This stage can be divided into two smaller stages, namely during 2000 to 2008, the gold bull market before the outbreak of the international financial crisis, and during 2008-2012, the gold bull market after the outbreak of the international financial crisis, which is also the largest bull market since the 20th century. Affected by this, silver prices entered the second round of bull market, silver price in London rose from around $5 / ounce to the highest near $48.7 / ounce.

Stage Six: 2012 to 2018 (second round of bear market)

After the international gold price hit a record high of 1920 US dollars/ounce, it continued to fall sharply, and the decline was rare in 30 years, and the voice of the bear market of gold and silver appeared frequently.

This round of decline is a technical adjustment caused by investors' preference for stocks and gold ETFs constant position reduction. International investment banks continuing to lower gold price expectations and the withdrawal of speculative funds has also played a role in promoting silver fall; The fundamental reason is that the Federal Reserve began to exit quantitative easing policy and began to raise interest rates, causing panic selling in the gold market.

In addition to the above influencing factors, the weak economy dragged down the demand for silver, and the price of silver fell more than the price of gold. The price of silver fell to the lowest near $13.6 / ounce.

Stage Seven: 2019 to now (third round of bull market)

During the third round of bull market since 2019, quantitative easing combined with the impact of the epidemic promote the emerge of the new bull market, and the silver price has risen with the gold price.

The weakening of the US economy and the overall easing of monetary policy by the Federal Reserve have all been positive for gold and silver prices, and gold and silver prices have begun to strengthen.

The price of silver, despite dragged down by the COVID-19 and economic stagnation, once fell to a new low of $12 per ounce since 2010, but then began to strengthen and once approached $30 per ounce. In 2021, the expected turn of the Federal Reserve's monetary policy and the epidemic repeatedly became the core impact logic of the silver price trend, while the US Treasury yield and the US dollar index were the core drivers. Silver prices dropped amid volatility from a high of $30 an ounce to a low of $21.40.

Factors Affecting the Future Price Movement Trend of Silver

Knowing the past price movement of silver, as silver trading investors, we also need to know what economic factors will affect the movement of silver.

There are many factors impacting the price movement trend of silver, including :

- **Supply and demand relationship**
- **Political factor**
- **Investment demand**
- **Risk aversion sentiment**
- **Inflation**

Silver Price Prediction

For 2024, most price forecasts for silver remain bullish, although its prices are unlikely to surpass all-time highs.

In a poll survey conducted Reuters in July 2023, traders and analysts gave their predictions for the silver. While the investigation was focused on gold, the impact on silver was also clear. Their silver price forecast was that the precious metal will reach $25 an ounce in 2024. The consideration among respondents is that if the Fed doesn't cut rates, silver growth is likely to be slow. So while they expect growth, it will not be significant without specific market conditions.

Wahyu Laksono expects silver prices to fluctuate between $17 and $30 an ounce in 2024.

ANZ Research expects silver to trade at $24.7 / ounce in 2024, up from an average price of $23.2 /ounce in 2023.

JPMorgan Chase expects silver prices to trade around $30 an ounce in the fourth quarter of 2024 after a Fed rate cut cycle and lower U.S. real yields support higher gold prices.

In its 2024 silver price forecast, ING expects the white metal to trade at $23.50, essentially unchanged from its 2023 estimate of $23.25 as of Feb. 14.

Finally, according to BTCC's forecast, silver prices could fluctuate between $18 and $50 in 2024, depending on factors like inflation, interest rates, the strength of the US dollar, industrial demand and investor sentiment.

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How to Invest in Silver?

There are a variety of options for investors to invest in silver, thus tap its potential. Each approach has its own advantages and caveats. Here are some of the most common ways to invest in silver:

- **Buy physical silver**: this usually involves buying silver coins or bars from a reputable dealer. However, this also involves possible storage costs or security risks. Overall, this is a recommended way to invest because you can't beat the comfort of owning tangible assets.
- **Buy silver ETFs**: exchange-traded funds (ETFs) that track silver prices offer a convenient way to gain exposure to the metal's price.
- **Buy silver mining stocks**: buying shares of companies engaging in silver exploration, production, or processing can give investors leverage to influence the price of silver.
- **Buy silver futures or options**: these contracts give investors the right or obligation to buy or sell silver at a specified price and date in the future.

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How to Trade Silver on BTCC?

At present, BTCC offers SILVERUSDT perpetual contracts. If you are interested, we recommend you to start from BTCC.

The following sets forth the guidance for buying silver on BTCC.

Step One: go to the BTCC homepage and log in to your BTCC account. If you do not have an account, you need to register first, and then fund USDT in your crypto wallet after registration.

Step Two: go back to the BTCC official homepage, choose "Futures" -"USDT-M Perpetual Futures Contract", and find the SILVER/USD trading pair.

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Step Three: choose the contract trading order type. BTCC contract orders are divided into market orders, limit orders and stop-loss orders.

- **Market Order**: users place orders at the best price in the current market to achieve fast trading.
- **Limit Order**: Limit Order is used to plunge to the top/bottom of the market, which is a user-defined bid/ask price. Once the market reaches the limit price, it can be filled.
- **Stop Loss Order**: Stop Loss Order can be interpreted as a "Breakout Order", which is an advanced limit order where the user can set a custom bid/ask price. After the market reaches the limit price, it will be closed.

Step Four: adjust the leverage multiple.

Please keep in mind that operating leverage carries the risk of liquidation. Leverage should be adjusted based on your financial status and risk tolerance.

Step Five: choose the lot size and set the stop profit and stop loss price .

Step Six: after setting the basic data information, users can choose to buy (open long) or sell (open short) after entering their ideal price. Traders should remind that the price cannot be higher or lower than the highest buying price or lowest selling price of the platform.

Step Seven: click the buy or sell button, and the crypto contract order is completed.

Note: **BTCC provides mode trading and offer mode trading fund. Those who want to try to start cryptocurrency contract trading and are more concerned about the fee (BTCC minimum fee can be 0%), it is recommended to start from BTCC !**

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Conclusion

Even if silver's performance remains uncertain in the coming months, it remains a strategic holding for portfolio managers and speculative traders. Therefore, it is highly recommended that investors should add silver to their portfolio to protect net worth from future economic fluctuations.

However, as any investment carries risks, we suggest you to be cautious and well-informed before making any investment decision.

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