Is Copper Underappreciated?

Why Strategic Commodity Exposure Is Back in Fashion.

Precious metals and industrial commodities are stepping into the spotlight as investors rethink their long-term allocation strategies. Above all, silver and copper may be two of the most compelling ways to capture the megatrends reshaping global markets, from inflation resilience to decarbonization.

While silver offers the unique combination of safe-haven qualities and booming demand, copper has evolved into a strategic asset, central to the energy transition, powering electric vehicles, solar panels, and modern infrastructure.

Tim Peeters

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Silver – Nothing in the World Compares to this

Years ago, I wrote my master's thesis on gold and how to make portfolios perform better. Back then, gold wasn't even worth $400 an ounce. I argued — based on several structural factors — that gold would eventually double in price. It did, and with current prices near $3,340, we are now approaching a tenfold increase from those early days.

Gold itself hasn't changed: a kilogram of gold years ago is still a kilogram of gold today. What has changed is the monetary system. Each economic disruption has been met with more money creation, driving the money supply to grow almost parabolically. **Scarce and unique assets** like gold inevitably **rise in value as money loses purchasing power.**

Still, these moves rarely happen overnight. Gold often drifts sideways for years, earning its "boring" reputation, until monetary and economic realities catch up. When that happens, gold rallies sharply, often leaving latecomers realising they had missed the train.

With gold prices up more than 50% since early 2024, much of the upside has already been priced in. But if we dig somewhat further in the precious metal space, we find a new opportunity: silver.

If I were to write my master thesis today, it would be about silver. Like gold, silver is scarce and unique, but its industrial uses set it apart. Annual silver production is about eight to nine times higher than gold, yet silver is **the world's best conductor of electricity** and a critical component in the accelerating electrification of our economy. Its use ranges from solar panels and electric vehicles to advanced electronics.

This combination of **growing industrial demand** and **persistent supply deficits** in recent years has created a once-in-a-lifetime opportunity to add silver to a portfolio at still attractive prices. So investors might rediscover silver as an investment asset, a **store of value** next to gold.

The **attractiveness of silver** can be **derived from the gold-to-silver ratio,** which measures how many ounces of silver you can buy for one ounce of gold. Today, the ratio sits near 88, compared to a historical average of around 60, signalling that silver is trading at a huge discount relative to gold. **A simple reversion to the mean would imply a 46% price increase** from current levels.

History shows that silver markets often overshoot during bull runs. Because silver is a relatively small and less liquid market, sharp upward moves are common. In a strong rally, the ratio can compress to 45 or lower, which would mean silver prices could double from today's levels.

For investors, silver offers something unique: a combination of **a safe-haven asset with strong industrial appeal.** Silver's story is getting stronger as we speak. It's a metal rooted in tradition but vital to the future economy.

If gold is the foundation of a portfolio, silver can be the energizing catalyst that boosts your performance Miles Ahead!