



The Silver Lining continues to live up to its name, every cloud has a "silver lining"!

Looking back, over the quarter silver rallied and as such I took advantage to sell in to the rally banking gains for those invested. As the first quarter drew to a close in March silver was at or close to \$24.41 an ounce, as we moved through the second quarter I acquired additional metal on the 5th of April at \$24.73 an ounce, and added further to the accounts weighting buying silver at \$24.80 on the 12th of April, selling 15% of the cash held to do so.

The additional weighting had proven to be beneficial as by the 18th of May Silver had rallied to \$28.76 an ounce. The reopening of economies favoured a move slightly higher, but at the time the metal looked to have peaked, and as such I sold 25% of the newly acquired metal on the 8th of June at \$27.60. The metal remained in range a few days following the sale before falling back to \$25.79 on the 17th of June, protecting gains and taking profits had been the correct decision.

The trading executed during the second quarter has yet again proven its worth, this quarter's net gain of 4.16% has brought the total return for the past 12 months to 32.76%. As we enter the third quarter the Silver Lining's current weighting to silver is 51.63% of the total asset base, the remaining 48.37% is held in cash ready to buy in to any fall back. Silver looks to have support at \$25.40 but my experience would have me predict that we should be able to buy at sub \$24.50 in the coming weeks, time will tell.

### **Silver**

Due to the rising demand, silver is one of the few metals to have held its ground despite the FED's announcement on interest rates.

I have traded this metal for over two decades, and would bring attention to 1998 as during that year I had identified the fact that silver's production/demand ratio was running 100 million ounces below demand, as such I positioned trading appropriately, in turn this led to the banking of strong gains for those invested. Why mention this? Simply because today, there are clear signs that in coming months the supply demand ratio is set to become even more out of sync.

To be more precise according to statistics, 848.5 million ounces of silver are forecast to be mined in 2021. But the coming demand is forecast to be 1,033 million ounces (over estimating possible recycling this could see the total supply at 1,056 million ounces max for 2021). That 184.5-million ounce imbalance between new production and total demand should push silver prices higher over time.

The above is also supported further by President Biden's administration policies, for example- the recent announcement on 500 million new solar panels in the United States, these panels use silver in their production and as such silver could move even higher, that is should the aforesaid come to fruition. In fact, with individual solar farms around the world using up millions of additional ounces of silver, the future price of silver looks well supported.

There are of course other bullish drivers for silver this year, for one the sale of 40.3 million silver-reliant 5G iPhones sold in the first quarter alone.

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