

Gold fever Silver spark

A Dig Into Why Gold And Silver Are Hitting Record Highs

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Anchor (to audience): Good evening and welcome. For centuries, gold and silver, symbolising wealth have risen steadily. But what we are witnessing today is extraordinary. Since 2019, gold prices have nearly doubled, with the sharpest acceleration between 2023 and 2025. Now, as we step into 2026, gold has surged a record 17 per cent in just weeks, grabbing headlines and triggering anxiety among households, investors, and policymakers alike. And it isn't gold alone. Silver is also stealing the spotlight. Prices touched USD 110 an ounce in January, and analysts warn it could climb to USD 125 if demand continues at the current pace. To help us decode this unprecedented surge, we're joined tonight by financial expert Dr Rajendra Mehta.

Anchor (turning to expert): Dr Mehta, this sudden spike feels very different. What's driving it?

Dr Mehta: This surge is unusual. A key factor is geopolitical uncertainty. Rising tensions between Iran and Israel, US naval deployments, and warnings of a wider regional conflict have unsettled global markets. Historically, whenever uncertainty rises, investors rush towards safe-haven assets—and gold and silver top that list.

Anchor: Besides geopolitics are there other forces at play?

Dr Mehta: Several. Trade disputes and diplomatic standoffs between major economies have added to global unease. Ongoing tensions between the United States and China over technology transfers, semiconductor restrictions, and tariffs have disrupted supply chains and weakened growth prospects. At the same time, central banks in countries like China, India, Turkey, and Russia are aggressively buying gold. This isn't about ornamentation; it's about reducing reliance on the US dollar and strengthening economic resilience.

Anchor: Is inflation influencing prices?

Dr Mehta: Inflation plays a crucial role. When inflation rises, fiat currencies like the rupee or the dollar lose purchasing power. Gold and silver, which can't be printed, become natural hedges. In fact, the US dollar fell nearly 8 per cent year-to-date in 2025, making gold cheaper for overseas buyers and boosting global demand. In India, cultural factors matter too, such as the ongoing wedding season has kept jewellery demand strong despite soaring prices.

Anchor: What's surprised many is silver's meteoric rise since mid-2025. Why is silver suddenly in such demand?

Dr Mehta: Silver's surge is largely industry driven. Nearly 60 per cent of its

global demand comes from industrial use. It's critical for electric vehicles, solar panels, electronics, and battery technology, thus referred as green metal.

Anchor: And technology seems to be amplifying this trend?

Dr Mehta: Absolutely. AI data centres require high-performance electronics, relying heavily on silver. Adding to this, China imposed strict export controls on silver from January 1, 2026, tightening global supply. When demand rises and supply contracts, prices soar upwards.

Anchor: How are these rising prices impacting India and global markets?

Dr Mehta: For investors, the rally has been rewarding. Gold and silver ETFs have seen strong inflows, offering diversification. However, the jewellery sector, especially in price-sensitive markets like India is under pressure. Higher prices usually dampen demand, though the wedding season has cushioned the impact for now.

Anchor: And as a broader economy, should we be concerned?

Dr Mehta: A bit. Rising gold prices can weaken the rupee, making imports costlier and adding to inflation. Globally, central banks closely track gold prices while shaping monetary policy. Increased gold demand can also pressure the US dollar, influencing trade balances

and currency valuations worldwide.

Anchor: Looking ahead, what can viewers expect from gold and silver?

Dr Mehta: If inflation remains elevated, gold and silver are likely to stay strong as safe-haven assets. Higher interest rates may slow gold's momentum, but persistent uncertainty can keep demand firm. Silver, meanwhile, has further upside due to its growing role in renewable energy, AI, and electronics. In times of global stress, both metals continue to serve as financial anchors.

Anchor: Before we wrap this discussion up, what advice would you give to our viewers watching these soaring prices with equal parts hope and concern?

Dr Mehta: Staying calm and informed comes first. Gold and silver are long-term assets, not vehicles for quick speculation. Align investments with your goals, time horizon, and risk appetite. For households buying gold for weddings or cultural needs, stick to need-based purchases and avoid panic buying. And remember diversification is key. Prices move in cycles. Discipline and patience matter far more than trying to time the market.

Anchor (closing): Thank you, Dr Mehta and thank you viewers for tuning in. Hope you keep a close eye on these markets and make your money shine.

