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An Ounce of Silver Is Now Worth More Than a Barrel of Oil

Investors, industrial buyers send precious metal soaring, while oil glut depresses fuel prices

BY RYAN DEZEMBER

In a year in which precious metals shined, silver stole the show.

Silver's price blew through a 45-year-old record and more than doubled in 2025. At Wednesday's closing price of $70.134, a troy ounce of silver is worth more than a barrel of oil in futures markets, where U.S. crude ended the year at $57.42.

Aside from two brief stretches in the chaos of 2020's Covid crash, that hasn't happened since West Texas Intermediate oil futures began trading in 1983. Neither investors nor industry can get enough of the precious metal, while a glut of oil has swamped energy markets and depressed fuel prices.

As with gold, which rose 65% in 2025 and is trading near its own record, silver is hoarded physically and on paper by investors hoping to store wealth and hedge against risks to the U.S. dollar and other currencies.

Silver is also in demand from jewelers, medical-device makers, electric-vehicle manufacturers, data-center developers and especially solar-panel factories. The solar industry has been consuming nearly 30% of annual production from mining and recycling, Citigroup analysts estimate.

"Even though there's been a push away from solar in the United States, countries in Europe and China are not slowing down with solar capacity installation, and that's consuming a lot of silver," said John Ciampaglia, chief executive of Sprott Asset Management, which runs funds that hold silver bullion.

Industrial buyers of the antimicrobial and highly conductive metal are competing with investors around the world, many of whom would have bought gold in the past but are now turning to a cheaper alternative.

Silver imports to India, where precious metals are popular with savers, have surged lately as gold has risen to more than $4,300 a troy ounce and beyond the reach of many savers.

A similar dynamic is playing out in exchange-traded funds, which offer investors exposure to precious metals without having to store them. SPDR Gold Shares, the most popular ETF that holds gold, ended Wednesday at $396.31 a share, compared with a $64.42 price for a share of iShares Silver Trust, the largest silver ETF.

There is unlikely to be a surge of freshly mined silver hitting the market. The world's pure-play silver deposits have been mostly exhausted. Silver often comes out of the ground these days as a byproduct of mining for other metals, such as copper, gold and zinc. That means that supply response is usually driven by demand for other metals and not silver itself, Ciampaglia said.

That leaves the silver held above ground—in vaults, jewelry boxes, kitchen drawers and coin collections—to fulfill a chunk of the additional demand. The big question in the market is what price will trigger enough selling to satisfy demand and bring prices down.

Silver bulls said the current gold-to-silver price ratio of about 62 could shrink significantly—meaning silver prices rise relative to gold prices—before it approaches the roughly 30 reached during silver's 2011 price spike. Another argument that silver has room to run is that it would have to climb above $200 an ounce to top the inflation-adjusted high of 1980.

Others said precious metals prices are already at a precipice and likely to fall.

"Precious metals have risen beyond the levels that we think would be justified by the fundamentals," Capital Economics analysts wrote in a recent report. They forecast silver dropping to about $42 an ounce by the end of next year as exuberance over gold dissipates.

If the price ratio between oil and silver is to flip back to crude on top, it will likely be because silver has tumbled.

Oil prices shed 20% in 2025 to trade at the lowest prices since they were climbing back from the Covid crash. Prices are now solidly in the danger zone for producers, and neither Wall Street nor Texas boardrooms expect them to rise much in the new year.

Goldman Sachs analysts have forecast U.S. barrels averaging $52 in 2026.

The Dallas Federal Reserve Bank earlier this month asked energy executives what crude price they were using for capital planning next year and received an average answer from the 128 executives of $62, down from the $71 that last year's respondents used to plan 2025 spending.

Either U.S. drillers, who have been pumping a record of about 13.5 million barrels a day this year, or the Organization of the Petroleum Exporting Countries, which has also been boosting output, will have to pull back or risk worsening the glut. That is especially true, according to analysts, if Russia-Ukraine peace talks or a resolution to the U.S. standoff with Venezuela loosens restrictions on oil exports.