

# Investing in Silver 101

## The People's Money

Silver has long been valued as “the People’s Money” due to its historical role as a currency and its unique attributes as both a commodity and a hedge against uncertainty. As global demand for silver rises, driven by both industrial demand ranging from electronics to renewable energy as well as investment demand, outpacing gold in terms of percentage gains in 2024, the metal is proving to be an invaluable asset. As geopolitical tensions continue to rise with risks of further deglobalization, physical silver stands out as a tangible, secure investment option that offers advantages over paper silver or silver ETFs. Here’s a comprehensive look at physical silver as a long-term investment in our current environment.



## Silver as Money: A Historical Foundation as Money



Silver has served as currency for thousands of years, and many of today’s names for money actually stem from silver. For example, the word “dollar” originated from the silver coin “Joachimsthaler,” while the British “pound sterling” referred to a pound of silver, equal to 240 silver ‘sterling’ pennies. Silver’s monetary history in places like the United States is enshrined in laws such as the US Constitution, which originally mandated silver coins as legal tender.

Why was silver so widely accepted as money? Silver coins are durable, scarce, portable, and fungible, making them ideal for trade and as a unit of account. As a precious metal, silver retains intrinsic value over time and is a hedge against inflation, making it a compelling choice for long-term wealth preservation.

## Aren’t We Too Advanced as a Civilization for This?

Previous civilizations thought so too. Throughout history, several civilizations have faced hyperinflation and economic collapse after introducing paper or fiat currencies and expanding their money supply excessively. Here are a few notable examples:



- **China (Yuan Dynasty, 1260s–1340s)**

China was one of the first civilizations to introduce paper money, originally under the Song Dynasty, but the Yuan Dynasty (established by the Mongols) took money printing to a new level. The Yuan government expanded the money supply extensively to cover state expenses and military campaigns, leading to severe inflation. As the currency rapidly lost value, the government attempted to introduce various reforms, but they were unsuccessful. This currency crisis contributed to social unrest and weakened the Yuan Dynasty, eventually leading to its fall and the rise of the Ming Dynasty.



- **Yugoslavia (1989–1994)**

In the 1990s, following political and economic crises and the breakup of Yugoslavia, the central government of the Federal Republic of Yugoslavia resorted to massive money printing to fund state expenditures. Hyperinflation peaked in 1994 when prices doubled every day, leading to an inflation rate estimated at 313 million percent monthly. Yugoslavia issued banknotes in absurdly high denominations, such as 500 billion dinars. Eventually, the government reformed its monetary system, replacing the old dinar with the new dinar and pegging it to foreign currency to stabilize the economy.



- **Weimar Germany (1921–1923)**

After World War I, Germany faced massive war reparations imposed by the Treaty of Versailles, economic instability, and political turmoil. The German government, unable to meet its financial obligations, started printing large amounts of paper currency (the German Mark). This excessive printing led to extreme inflation, which turned into hyperinflation by 1923. Prices doubled every few days, and people resorted to using wheelbarrows of cash to buy basic goods. The value of the Mark dropped so severely that, by the end of 1923, it was effectively worthless. The economic collapse destabilized the Weimar Republic, contributing to social and political unrest and eventually leading to the rise of the Nazi regime.



Image credit: Wikipedia

- **Zimbabwe (2000s)**

Zimbabwe's economy began to spiral in the early 2000s due to political turmoil, land reform policies, and declining agricultural output. The government, facing a shrinking tax base and increasing economic hardship,



began printing money to cover its expenses. Hyperinflation set in as the supply of Zimbabwean dollars exploded, peaking in 2008 when inflation rates reached as high as 89.7 sextillion percent monthly. The currency became so worthless that the government issued banknotes in trillion-dollar denominations. Ultimately, Zimbabwe abandoned its currency and switched to foreign currencies, such as the U.S. dollar, to stabilize its economy.

These historical examples serve as a sobering reminder that no civilization, regardless of its advancements, is immune to the consequences of unchecked currency expansion. Each of these societies once believed their economic frameworks to be resilient, yet they still faced the same pitfalls when their money supply outpaced real value. As we move further into an era of digital currencies and unprecedented economic policies, it's worth asking: have we truly learned from history, or are we destined to repeat it?

### How do I Invest in Silver?

There are multiple ways and strategies to invest in silver, each catering to different goals and risk appetites. You might opt to own physical silver bars or coins, invest in silver mining stocks, buy physically-backed Exchange Traded Funds (ETFs), trade silver futures, or explore synthetic products linked to silver prices. Each method offers unique advantages—but they also come with important considerations.

One key factor to keep in mind is counterparty risk. If your goal is to safeguard wealth from systemic financial risk, holding physical silver bars and coins is often the most secure choice. Unlike other silver investments, physical silver isn't tied to the stability of financial institutions or third parties. For instance, popular silver ETFs like the iShares Silver Trust (SLV) may track silver prices but don't allow investors to directly access the underlying metal. SLV's primary purpose is to mirror silver's performance—not to deliver actual silver to holders.

To truly own silver free of counterparty or default risk, it's best to hold physical bars or coins in a secure, private location, such as a vault in a stable jurisdiction, safely out of the reach of potential banking system disruptions. In essence, physical silver offers the peace of mind that comes with having tangible wealth you can rely on, no matter what happens in the financial world.





## What are the Industrial Uses of Silver?



Silver is the most conductive metal for heat and electricity, and it's also highly reflective, which makes it indispensable in electronics, solar energy, and medical equipment. Silver's uses range from photography to water purification and even in anti-microbial clothing, giving it unique versatility among commodities.

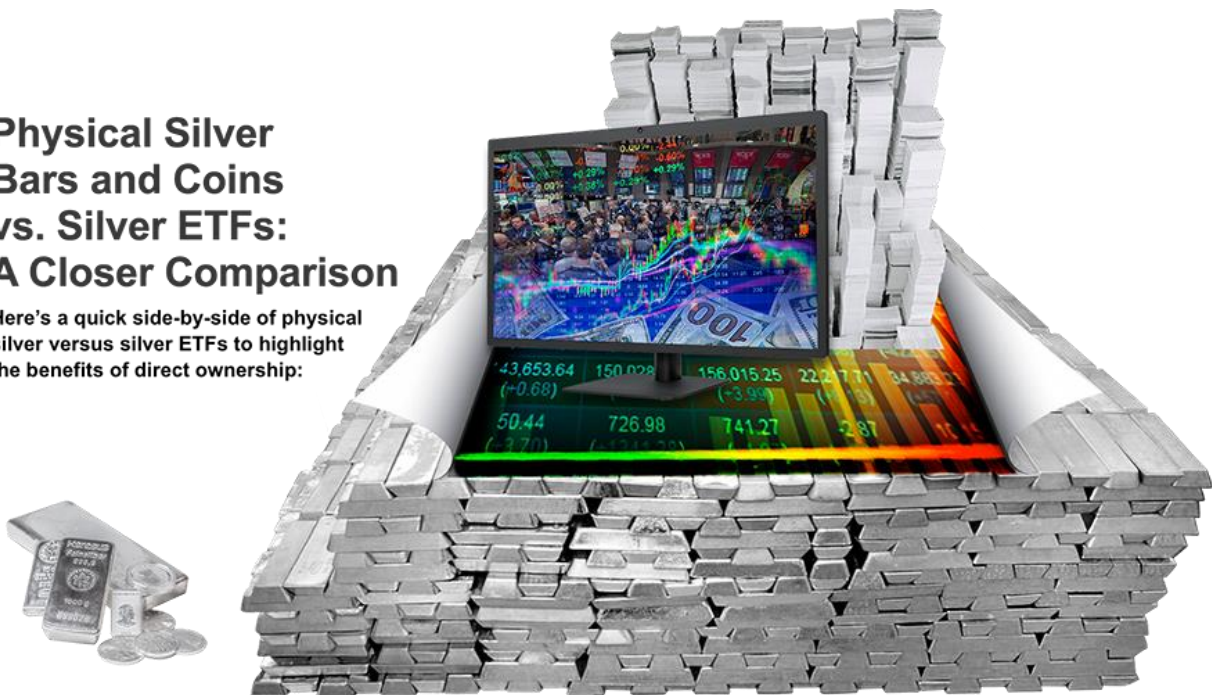
The diversity of applications means that silver demand is driven by sectors that compete for limited supply.

According to Metals Focus and The Silver Institute, industrial demand for silver has been on a remarkable rise, with fabrication uses—like electronics, solar panels, and medical devices—making up an impressive 71% of the annual silver supply, averaging around 26,000 to 27,000 tonnes. And here's the catch: even as demand climbs, mining supply has been steadily decreasing.

On top of this robust industrial demand, jewelry and investment demand have surged beyond the remaining 29% of the supply, consuming not only fresh silver from mines but also tapping into recycled silver reserves. This strong appetite has led to a significant net deficit in the silver market, averaging 18% to 25% over the past two years. In simple terms, demand is outstripping supply, creating a supply squeeze that could impact silver's value in the near future.

## Physical Silver Bars and Coins vs. Silver ETFs: A Closer Comparison

Here's a quick side-by-side of physical silver versus silver ETFs to highlight the benefits of direct ownership:



Feature	Physical Silver Bars and Coins	Silver ETFs
Ownership	Direct, tangible asset	Indirect, represented on paper
Storage	Personal or private vault options	Managed by third parties
Counterparty Risks	None	Multiple counterparties
Access to Silver	Direct access	No access
Recurring Costs	Minimal and often less than ETF fees	Higher management and brokerage fees
Privacy	Completely private, self-controlled	Visible, monitored, regulated

## Best Practices for Buying Silver Bars and Coins in Singapore

If you're ready to add physical silver bullion to your investment portfolio, here are some best practices to follow:



**Buy from Reputable Dealers:** Visit a dealer in person to view the selection of silver products. Check for transparent pricing and stock availability.



**Secure Storage:** For added peace of mind, consider private vaults in Singapore, which offer full insurance and discreet storage options and are more price-effective compared to certain financial instruments.



**Monitor the Market:** Silver prices fluctuate, so stay informed on market trends to time your purchases advantageously.



**Verify Purity:** Ensure your silver meets the industry standard of 99.9% purity to maximize your investment value.

## Why and How to Buy Silver in Singapore?

Singapore's favorable tax policies make it an ideal location for investing in silver. Investment-grade silver bullion is exempt from Goods and Services Tax (GST), and BullionStar offers end-to-end storage and online account management for silver investors. With 24/7 access, you can monitor your silver holdings, sell, withdraw, or convert your bullion anytime, making investing in silver bullion, bars and coins highly convenient and accessible.

BullionStar's silver bullion products are sourced from the world's most prestigious national mints and refineries including the US Mint, the Royal Canadian Mint, the Austrian Mint, Germany's Heraeus refinery and Swiss refinery PAMP Suisse. These mints and refineries guarantee the



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purity and authenticity of their bullion products, and are some of the best known brands in the bullion industry, making them a great silver investment. BullionStar has also commissioned its own BullionStar 1 kg 99.99% fine silver bar, manufactured by Heraeus in Germany. The BullionStar 1 kg silver bar can be traded with no spread between they buy and sell price.

### **What is the Best Time to Invest in Silver?**

For those looking to accumulate silver gradually, BullionStar's Bullion Savings Program (BSP) is a practical way to save regularly in silver grams by purchasing silver grams in tranches, which can later be converted to physical silver bars. The BSP grams provide a convenient and cost-effective way to implement a dollar-cost averaging strategy, allowing investors to smooth out market volatility, sidestep the pitfalls of market timing, and keep emotions at bay during the investment process. This is one of the best ways to invest in Silver long-term.

### **Conclusion: Why Physical Silver is the Ultimate Investment for 2025**

In a world of digital assets and paper trading, physical silver bullion bars and coins provides stability, security, and tangible ownership—qualities that make it a powerful addition to any investment portfolio. For investors looking to hedge against inflation and safeguard wealth, physical silver is not just a commodity; it's a strategic long-term investment.

Embrace the advantages of owning a limited, valuable resource, and enjoy the peace of mind that comes with knowing your investment is in your hands.

