

Investing in Gold, Silver and Platinum....

Why the *Narrative* winner is not always the *Numerical* one

A comparative analysis of physical precious metals performance and positioning

Finova Insights

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1. Executive Summary

Precious metals are often treated as a single asset class. In practice, gold, silver, and platinum behave very differently, economically, psychologically, and numerically (financially).

This paper examines the performance of physical gold, silver, and platinum over calendar year 2025, based on an identical USD 100,000 spot-price investment in each metal on 1 January 2025, valued on 26 December 2025 (or nearest trading day). All values are calculated using LBMA spot prices for gold and COMEX spot prices for silver and platinum, with fractional holdings permitted.

The 2025 results are instructive. While gold dominated headlines and investor sentiment, it did not deliver the strongest financial return. Silver and platinum, influenced by industrial demand dynamics, supply constraints, and thinner market liquidity, produced materially different, and in some cases superior return profiles.

Looking ahead to 2026, the divergence between these metals is expected to persist.

Institutional outlooks broadly suggest that outcomes will remain highly path-dependent, with gold continuing to benefit from monetary and geopolitical support, while silver and platinum are likely to experience more cyclical behaviour driven by industrial demand, supply discipline, and investor risk appetite. Precious metals are therefore unlikely to move in lockstep, and relative performance will reflect structural differences rather than a single macro narrative.

The conclusion is not that gold is “worse,” nor that silver or platinum are “better.” Rather, precious metals fulfil distinct roles in capital allocation, and conflating emotional reassurance with return optimisation can obscure both risk and opportunity. A more nuanced and diversified approach across metals and across cycles may therefore warrant closer consideration.

2. Methodology and Scope

- Investment assumption: USD 100,000 invested in each metal
- Entry date: 1 January 2025 (nearest trading day)
- Valuation date: 26 December 2025 (nearest trading day)
- Pricing benchmarks:
 - Gold: LBMA spot
 - Silver & platinum: COMEX spot
- Structure: Spot-price valuation only; fractional holdings permitted

Premiums, storage, insurance, VAT, and jurisdiction-specific costs are intentionally excluded. These vary materially by geography and investor profile and would obscure cross-metal comparison. Their qualitative implications are addressed later.

This analysis is comparative, not prescriptive. Equal allocation is used as a controlled analytical device, not a portfolio recommendation.

3. 2025 Performance Snapshot

Monthly Spot Prices of Silver, Gold, and Platinum in 2025 with % Change



Metal	Approx. Entry Spot	Approx. Exit Spot	End Value	Approx. Return
Gold	~\$2,630/oz	~\$4,480/oz	~\$170,000	~+70%
Silver	~\$29/oz	~\$70/oz	~\$240,000+	~+140%
Platinum	~\$1,000/oz	~\$2,300/oz	~\$230,000	~+130%

Key observation: Gold delivered strong absolute gains, but silver ranked first numerically, followed by platinum. Gold's leadership was narrative-driven rather than purely performance-led.

4. Understanding the Divergence

Gold: The Emotional Hedge

Gold remains the world's monetary anchor, supported by central-bank accumulation, deep liquidity, and universal acceptance as a reserve asset. In 2025, it benefited from geopolitical uncertainty, expectations of looser monetary policy, and de-dollarisation narratives, reinforcing its role as a store of confidence.

Those same qualities, however, limit upside convexity. Gold excels at capital preservation with confidence, rather than return maximisation.

Silver: Monetary Optionality with Industrial Leverage

Silver combines monetary characteristics with meaningful industrial exposure, making it structurally more volatile than gold. In 2025, it was driven by energy-transition demand, supply constraints, and renewed investor interest once gold's rally was established.

Silver offers less emotional safety, but it responds more aggressively to macro and industrial forces, amplifying both opportunity and risk.

Platinum: Scarcity and Asymmetric Optionality

Platinum operates in a thinner, more supply-constrained market and is highly sensitive to industrial demand. Its 2025 performance reflected disciplined supply, improving automotive and industrial conditions, and favourable substitution dynamics relative to palladium.

Platinum lacks gold's reassurance, but it offers asymmetric upside when fundamentals align.

5. A Note on Real-World Frictions

Investors in physical precious metals inevitably encounter practical considerations such as dealer premiums, storage and insurance, and transport or jurisdiction-specific taxes. These costs vary widely by geography and product type, making them difficult to standardise in comparative analysis.

Importantly, however, these frictions do not alter the core insight. Gold typically carries the lowest relative transaction and holding costs, reflecting its scale and liquidity. Silver and platinum often incur higher percentage costs, but this is inseparable from their smaller market size and greater price sensitivity.

The more relevant distinction is not cost alone, but how each metal behaves within a portfolio. Metal selection influences risk, volatility, and return dynamics far more than marginal differences in cost structure.

6. 2026 Outlook: Scenario Context and Three-Point Estimates

The 2026 outlook is scenario-based rather than predictive. The ranges below reflect plausible outcomes under differing macroeconomic regimes, informed by institutional research and analyst commentary. Outcomes remain path-dependent, shaped by monetary policy, geopolitical developments, industrial demand, and supply constraints.

Metal	Bear Case	Base Case	Bull Case
Gold ¹	3,800	4,950	5,300
Silver ²	45	65	150
Platinum ³	1,550	2,340	3,000

1 – Forecasts for the price of gold are derived from public domain forecasts provided by Deutsche Bank, JP Morgan Chase and Citigroup and others.

2 – Forecasts for the price of silver are derived from public domain forecasts provided by Bank of America, JP Morgan Chase, HSBC and Citigroup and others

3 – Forecasts for the price of platinum are derived from public domain forecasts provided by Bank of America, JP Morgan Chase, HSBC and Citigroup and others

Interpretation: Gold offers relative downside resilience, silver provides momentum-driven optionality, and platinum presents asymmetric outcomes tied to supply and industrial dynamics.

7. Re-Thinking Precious Metals Allocation

The central insight from 2025 is not which metal “won,” but how differently each behaves within a portfolio. Too often, emotional reassurance is mistaken for optimal capital deployment.

- Gold reassures
- Silver amplifies
- Platinum surprises

Each serves a distinct function. Treating them as interchangeable obscures their true contribution. A more considered approach is to re-examine the balance within precious-metals exposure itself, and to view diversification across metals as a means of aligning capital with differing economic regimes rather than a single dominant narrative.



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