GoldSquawk

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Silver's plunge may be signalling broader precious-metals liquidation

GoldSquawk Research

Key takeaways

- The late-October move was broad-based: Reuters reported gold at a one-year low on 30 October while silver fell below $50/oz for the first time since November 2025, and silver, platinum and palladium all moved into technically oversold territory. That pattern points beyond a silver-only story towards a wider washout across precious and white metals.[1,2]
- Silver is structurally more likely to exaggerate stress. LBMA noted that silver tends to fall more than gold when the complex is under pressure because it is smaller, less liquid and prone to overshoot, while Reuters had already highlighted its greater sensitivity to risk appetite because of its industrial character.[3,4]
- Gold also shows signs of stress beneath the surface. North American gold ETFs saw outflows in early Q4 even as Europe and Asia kept buying, and GLD holdings stood at 1,041.4t on 6 November, down 14.0t over the month; COMEX gold speculative net length has also fallen for eight consecutive weeks to 179.5K contracts.[5,6,7]
- Macro pressure remains important. Reuters tied the sell-off to firmer higher-for-longer US rate expectations and a tech-led risk event with likely forced selling, while GoldSquawk data show the US 10-year real yield at 2.63% on 6 November, still elevated in its one-year range.[1,2,8]
- The liquidation view is tempered by still-firm strategic demand. Global physically backed gold ETFs added US$2.7bn in October, lifting holdings by 67t to a record 4,256t, while central banks bought a net 321t in Q3 and China's official holdings reached 2,410t after 23 consecutive monthly increases through September.[9,10,11]

The divergence looks broader than silver alone

- On 30 October, Reuters reported that gold hit a one-year low and silver fell below $50/oz for the first time since November 2025, linking the move to firmer higher-for-longer US rate expectations and a sharp technology-stock sell-off. Commerzbank also said forced selling and margin calls likely contributed.[2,1]
- The same episode also pushed silver, platinum and palladium into technically oversold territory. That breadth matters: simultaneous stress across white metals is harder to explain by silver-specific fundamentals alone and is more consistent with a cross-complex deleveraging phase.[1]
- The subsequent rebound still shows divergence. By 6 November, the LBMA PM gold price was $4,049.60/oz and a distributed LBMA silver reference was $52.02/oz; by 9 November, one live market snapshot showed gold around $4,142.46/oz and the gold/silver ratio at 78.4, consistent with gold rebounding faster than silver.[12,13,14]
- GoldSquawk's three-month intermarket data show gold's strongest current link is with silver at +0.87. That strong correlation can itself obscure the underlying diagnosis: silver's larger moves can dominate the visual story even when both metals are responding to the same liquidation impulse.[15]

Figure 1: Gold positioning is weakening as silver absorbs the sharper stress

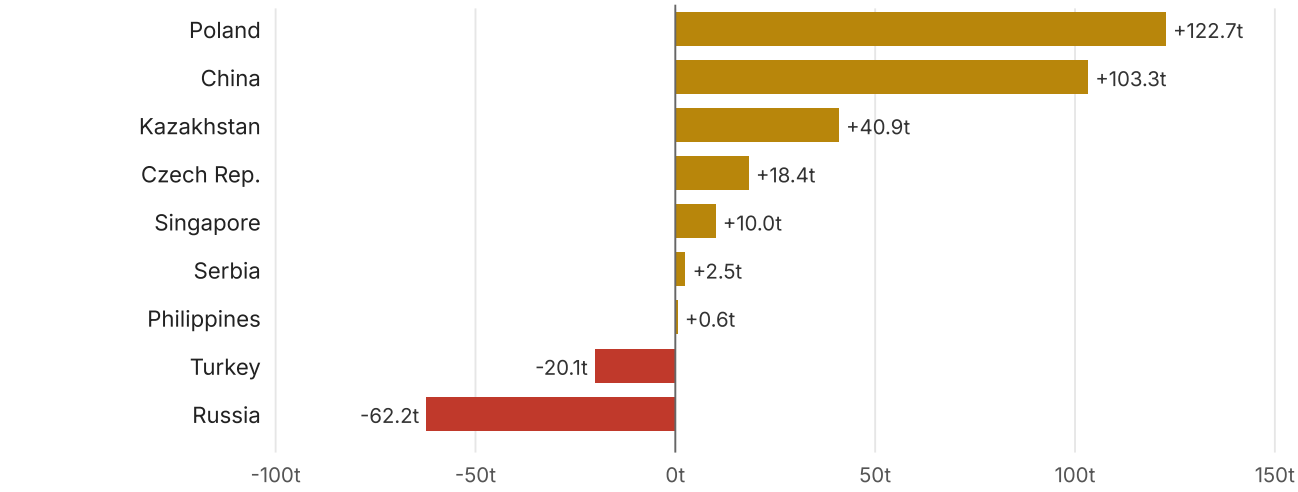


Source: CFTC Commitments of Traders (futures only), as of 03 November 2026.

Silver is the higher-beta expression of liquidation

- LBMA's 2026 forecast commentary said silver is likely to fall more in percentage terms than gold when the complex comes under pressure because the silver market is smaller, less liquid and prone to overshoot in both directions.[3]
- That vulnerability was visible even before the late-October break. In Q3, LBMA said silver traded between $55.29 on 17 July and $70.26 on 28 August before ending the quarter at $60.73, underlining its capacity for large swings without requiring a single-factor fundamental explanation.[16]
- Gold's own positioning argues against a clean 'silver-only' sell-off. COMEX gold speculative net length fell to 179.5K contracts by 3 November, down 6.9K on the week and marking an eighth consecutive weekly decline; the position sits near the lower end of its one-year range.[7]
- ETF behaviour tells a similar story. WGC said North American gold ETFs saw outflows in early Q4 despite falling yields, likely because the technology-stock sell-off led some investors to raise liquidity from gold holdings; GLD holdings were 1,041.4t on 6 November, down 14.0t over one month, with the latest weekly flow at -0.3t and four-week flow at -11.8t.[5,6,17]

Figure 2: Official-sector buying remains a cushion for gold



Source: IMF International Reserves and Foreign Currency Liquidity data; GoldSquawk calculations, as of 09 November 2026.

Strategic demand is limiting gold's damage, not removing the stress

- The liquidation thesis does not require a collapse in gold's strategic demand. WGC said global physically backed gold ETFs added US$2.7bn in October, extending inflows to a fourth consecutive month, with holdings up 67t to a record 4,256t. Regional divergence was the key feature: Europe and Asia kept buying while North America sold.[9]
- Official demand also remains supportive. WGC said central banks added a net 321t in Q3, up 42% year-on-year, and GoldSquawk data show China's official holdings reached 2,410t in September after 23 straight monthly increases, up 103.3t this year.[10,11]
- Physical-market indicators do not point to an acute scarcity narrative. LBMA said London vaults held 9,821t of gold and 28,985t of silver at end-September, both up about 1.95% month-on-month, while Shanghai Futures Exchange gold stocks rose to 118.4t in the week to 6 November, the highest level in the past year.[18,19]
- China's gold premium has softened rather than surged. GoldSquawk shows the Shanghai premium at +$1.60/oz on 9 November, with a seven-day average of +$5.58 and the latest reading the lowest since 12 October. That suggests physical demand is still present but not strong enough to overwhelm paper-market liquidation.[20]

Scenarios

- **Liquidation easing:** If North American gold ETF outflows stabilise, gold positioning stops deteriorating and the late-October tech-led stress fades, the recent divergence would look more like a temporary deleveraging event. In that setting, silver could remain more volatile, but the case for a broader precious-metals liquidation phase would weaken.[5,6,7]
- **Broader pressure case:** If December Fed hike expectations continue to firm, real yields stay elevated and equity-market stress returns, both gold and silver could remain under pressure, with silver likely acting as the higher-beta leg. Renewed weakness across platinum and palladium would reinforce the view that this is a complex-wide macro and liquidity event.[21,8,1]
- **Silver-specific underperformance case:** If industrial demand concerns deepen beyond the current forecast decline and silver fails to recover while gold is steadied by central-bank and non-North-American investment demand, divergence could persist for more fundamental reasons. That would shift the narrative from broad liquidation towards silver premium compression layered on top of macro stress.[22,10,9]

Levels to watch

- Gold last close $4,149.5/oz on 9 Nov 2026.
- Gold 50-day moving average: $4,222.8/oz.
- Gold 200-day moving average: $4,497.3/oz.
- Gold 52-week low: $3,898.9/oz (30 Oct 2026).
- Gold 52-week high: $5,318.4/oz (29 Jan 2026).

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Glossary

Higher-for-longer: Market shorthand for expectations that interest rates will stay elevated for longer than previously expected.

Real yield: A bond yield adjusted for inflation expectations; for gold, it is often used as a measure of opportunity cost because gold does not pay income.

Forced selling: Sales driven by margin calls, risk limits or liquidity needs rather than a deliberate change in long-term investment views.

Open interest: The total number of outstanding futures contracts that have not been closed or delivered; changes can help indicate whether a move is driven by new positioning or liquidation.

Oversold: A technical term for a market that has fallen sharply and may be stretched relative to recent trading patterns.

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