

How To Value Gold & Silver

Enrich Wealth

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Theoretical Valuation Framework

Gold Valuation Model

Comprehensive valuation approach considers total above-ground gold stock against global money supply to establish fair value ranges. With 218,065 tonnes of mined gold (7.01 billion troy ounces) and US M2 money supply at \$22.2 trillion, we calculate a base value of \$3,166 per ounce against US money supply alone.

Adding European Union money supply (estimated at 50% of total, or \$9.2 trillion) provides an additional \$1,318 per ounce, establishing our theoretical range of \$3,166 to \$4,484 with a midpoint of **\$3,825** (Current Gold rate: **\$3,895**)

Silver Valuation Through Historical Ratios

Silver valuation relies on historical gold-to-silver ratios, which have varied dramatically across civilizations. The Roman Empire maintained a 12:1 ratio, Medieval Europe saw 9.4:1, while the US Coinage Act of 1792 established 15:1.

Current ratio stands at 85:1, well above target range. Using a conservative 60:1 ratio (with bounds of 53:1 to 75:1), we derive silver's theoretical range of **\$53 to \$75** with a midpoint of **\$64** (Current Silver rate: **\$47**)

Strategic Investment Approach: Time To Be Conservative?

Gold prices (LTP: \$3,895) have rallied and exceeded the midpoint (\$3,825) on theoretical price framework. The current bull market is driven largely by central-bank purchases and is reflected in a weaker U.S. dollar and other currencies. Since the price has approached the fair-value zone, strategic positioning becomes critical.

Hold Strategy

Do nothing and maintain current positions. In past cycles (e.g., the 1980s), prices have run as much as 20% above the theoretical range, but this leaves investors dependent on market sentiment with no margin of safety.

Gradual Reduction

Trim about 5% per week to cut at least half of the overweight position. **Sell into strength between \$3,860 to \$4,000.** This is the time to turn conservative and lock in gains.

Silver Opportunity

Silver still has room to close in on its theoretical midpoint at \$64. Taking some profits from current levels (\$47) to the low end of \$53 range is advisable while maintaining core positions.