Commodity ETF

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MIRAE ASSET Sharekhan

Bullion on a Bull Run

Summary

- Silver has entered 2026 as one of the best-performing assets, having surged over 140% in 2025 to touch record highs near Rs, 2.5 lakh/kg on the MCX.
- Gold's astonishing return of 65% pales versus silver's outperformance, yet the yellow metal continues be everyone's safe haven, offering stable returns on expectations of inflationary pressure.
- We expect gold to rise to $5000-$5500 in 2026, while silver is expected to rise to $100.

Gold - Key drivers in 2026

Factor	Outlook & Impact on Price
Monetary Policy	Rate cuts by the US Federal Reserve and RBI. Lower interest rates reduce the "opportunity cost" of holding non-yielding gold, making it more attractive than FDs or bonds.
De-Dollarisation	Weakening of the US Dollar (USD) as a reserve currency. A weaker US Dollar makes gold cheaper for international buyers, boosting global demand.
Geopolitical Risk	Heightened trade wars (tariffs) and regional conflicts. Gold acts as the primary "safe haven" hedge against global supply chain disruptions.
Fiscal Debt Levels	Global sovereign debt reaching record highs ($340 trillion). Investors are using gold as a "debasement hedge" against the loss of currency purchasing power.
Industrial demand	While jewellery demand is soft due to high prices, "silver-gold" investment correlation remains high as industrial tech (AI hardware) uses precious metals.

Source: AMFI, Mirae Asset Sharekhan Research

Precious metals remained the outperformer among all asset classes in 2025, with gold gaining 65% annually on the Comex, while on the MCX, prices rose 76% supported by weakening of the Indian rupee. The Dollar Index fell 9.4% in 2025. Gold's tailwinds stay intact in 2026 as well, but demand for jewellery may slow down, while central banks' offtake could also ease due to higher prices.

Rate cuts could really brighten the path for bullion this year. The key central banks (BoJ, ECB) are sounding hawkish while (Fed, RBI) remain neutral with only the People's Bank of China (PBoC) keeping an accommodative stance. The rally in global commodity prices may keep global inflation sticky and may see inflation edging up in H22026, that will be keep gold investment demand relevant due to hedge appeal.

Silver - Key drivers in 2026

Factor	Description	Impact on Price
Industrial Demand	Massive requirements for Solar PVs, EVs, and AI infrastructure (chips/ data centers).	High (Structural)
Supply Deficits	Global mining output has stagnated; 2026 faces a 5th consecutive year of deficit (~800M oz cumulative)	High
Export Restrictions	China (the world's largest silver producer) imposed strict export licensing from Jan 1, 2026	Severe (Short-term surge
Monetary Easing	Expectations of US Fed rate cuts in 2026 make non-yielding assets like silver more attractive	Medium (Bullish)
Critical Mineral	The US recently designated silver as a "Critical Mineral," prompting strategic stockpiling	Medium (Long-term)

Source: AMFI, Mirae Asset Sharekhan Research

Silver 2026: The Strategic "Critical Mineral" Era

Silver has transitioned from a precious metal to a geopolitical strategic asset, entering its fifth consecutive year of a structural supply deficit. The convergence of exponential demand from AI hardware, next-generation Solar PVs, and the EV revolution has created a scarcity that market prices have yet to be fully price in.

The Protectionist Pivot:

US: On November 7, 2025, the U.S. added Silver to the Federal List of Critical Minerals, unlocking Defense Production Act funding to secure domestic supply.

China: Effective January 1, 2026, Beijing replaced its old quota system with strict export licensing, restricting trade to only 44 vetted firms. This effectively sequesters 7–10% of global supply for China's own green-tech dominance.

India: As solar manufacturing capacity doubles by late 2026, India has emerged as a major physical competitor. A massive cultural pivot from jewelry to Silver ETFs and Bullion is absorbing global liquidity at a record pace.

With Western stockpiles (LBMA/COMEX) at decadal lows and major nations adopting protectionist "metal nationalism," silver is poised for a violent repricing. In 2026, silver is no longer an optional investment — it is a mandatory industrial and sovereign requirement.

Top Performing Gold ETF

ETF Name (NSE Symbol)	AUM (₹ Crores)	Expense Ratio	Tracking Error	1-Year Return (2025)	Key Features
Nippon India Gold BeES	40,044	0.70%	0.24%	72.24%	**Highest Liquidity:** Market leader with the highest trading volume for easy entry/exit.
ICICI Pru Gold ETF	17,828	0.50%	0.22%	72.00%	**Cost-Effective:** Offers a lower expense ratio among the top 5 giants.
Mirrae asset Gold ETF	2,074	0.33%	0.39%	72.44%	Mirae Asset consistently maintains one of the lowest expense ratios in the Indian market, making them highly attractive for long-term compounding.

Source: AMFI, Mirae Asset Sharekhan Research

Top Performing Silver ETF

ETF Name (NSE Symbol)	AUM (₹ Crores)	Expense Ratio	Tracking Error	1-Year Return (2025)	Key Features
Nippon India Silver BeES	28,982	0.40%	0.58%	161.63%	This is the most liquidsilver ETF in India, Largest AUM in the category; highest trading volume, If you plan to buy and sell frequently to time the market rally. High trading volumes ensure you get the best price (minimal bid-ask spread).
HDFC Silver ETF	6,038	0.45%	0.57%	159.97%	Strong tracking of spot prices and high liquidity.
Mirae Asset Silver ETF	882	0.33%	0.63%	160.30%	Mirae Asset consistently maintains one of the lowest expense ratios in the Indian market, making them highly attractive for long-term compounding.

Source: AMFI, Mirae Asset Sharekhan Research

Risk Warning: We at Mirae Asset warn that while the trend is positive, silver is currently in "overheated territory" as of early 2026. Be prepared for high volatility and sharp 5–10% corrections (drawdowns).

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