

Washington, D.C, United States (ABN Newswire) - Retail investors in recent months have seized the opportunity to significantly increase their holdings of silver bullion coins and, to a lesser extent, bars. Due to strong demand, the U.S. Mint, the Royal Canadian Mint, Australia's Perth Mint, the Austrian Mint and the British Royal Mint have put their silver bullion coins on allocation, where the volume of distribution of coins is controlled due to bottlenecks in the manufacturing process. This is an unprecedented industry-wide phenomenon. In recent history, putting bullion coins on allocation has only occasionally been done by the U.S. Mint. The practice points to considerable tightness in the silver coin business at the moment.

Globally, silver bullion coin sales reached an all-time high of 32.9 Moz in the third quarter of this year, according to GFMS Thomson Reuters data. This volume was a 74% quarter-on-quarter and 95% year-on-year increase. Sales in North America, Europe, Japan and other Asian countries (predominantly China) saw quarter-on-quarter growth of 74%, 72%, 95% and 202%, respectively.

As a result, lead times for silver coins have been stretched from immediate delivery to 3-4 weeks in some cases. This is an unusual occurrence in the industry, with several dealers stating this is the first time they have experienced lag times for certain coin products. Additionally, the shortage is apparently both a supply and demand issue. While demand is very strong, given the slow global economic outlook and attractive silver price, the mints are finding it difficult to source the blanks needed to produce the coins.

"It is clear that investors are continuing to demonstrate their desire for silver bullion coins and we encourage national mints across the globe to examine their manufacturing pipeline to ensure that this strong demand is met with immediate fulfillment," stated Michael DiRienzo, Executive Director of the Silver Institute.

Silver bars are also experiencing a slight shortage, although confined to bars under 100 ounces, specifically one ounce and ten ounce bars. Delivery times have increased from immediate to a 10 day delay in the most extreme cases, especially in the U.S. and Canada. The increase in demand in recent months has been primarily driven by bargain buying, particularly after prices fell below US\$15/oz. The demand remained buoyant when prices reverted back above US\$15/oz, however, as shortages in products spurred ever more investor interest in the white metal.

About The Silver Institute:

The Silver Institute is a nonprofit international industry association headquartered in Washington, D.C. Established in 1971, the Institute's members include leading silver producers, prominent silver refiners, manufacturers and dealers. The Institute serves as the industry's voice in increasing public understanding of value and many uses of silver, and also creates programs across many platforms that benefit the white metal. For more information on the Silver Institute, or silver in general, please visit: www.silverinstitute.org.

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The Silver Institute

Contact:

Michael DiRienzo The Silver Institute T: +1 202 495 4030 E: mdirienzo@silverinstitute.org Victor Webb Marston Webb International T: +1 917 887 0418 E: marwebint@cs.com