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Eric Sprott: Silver is the investment of the decade

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Renowned fund manager Eric Sprott forecasts a silver price explosion in this decade in a recent interview with King World News. Silver will become the investment of the decade. The continued monetisation of outstanding debt by central banks would result in an acceleration of the global capital flight into safe havens such as gold or silver.

According to Sprott, [it is entirely possible that we will see gold at \\$12,000 per troy ounce](#), after the yellow metal took out \$1,764 per troy ounce. Sprott is in line with renowned fund manager Marc Faber, who also said that gold was still “dirt cheap” at today’s prices. Sprott even expects silver to be a 30-bagger from its current price level. Historically, the gold/silver ratio was at 16:1. The gold/silver ratio shows how many ounces of silver are needed to buy 1 ounce of gold. If one assumed that gold was traded at \$12,000 per troy ounce in the future – with the gold/silver ratio overshooting and sinking to 10:1 – silver’s price target would be at \$1,200 per ounce, Sprott said.

Sprott added that shares of mining companies in the gold and silver sector were still worth buying, with the precious metal mining sector finally starting to outperform other primary producers.

Clive Maund, on the other hand, [was less enthusiastic on the silver price](#). He expects the white metal to face a similar decline to the one it suffered in May . Technical indicators suggested that investors should exercise caution in silver investments. Previous calls of a similar nature have proven to be short-sighted to say the least, but it is true that silver is extremely volatile and should therefore be handled with care, especially when dealing with “paper silver” and leveraged financial instruments.