



Gold vs. Silver: Which Is the Better Buy?

Description

Gold and silver are two of the most popular metals on earth. Both have been used as money since ancient times, and both are used extensively in industry today. Gold is used in electronics due to its excellent electrical conductivity (i.e., tendency to conduct electricity), while silver is used to make high-quality cutlery, among other things.

Gold and silver have different uses. But in one way, they're very similar: they're both popular investments. Investors have always speculated on gold and gold stocks; many are betting on silver today, too. There are many different ways to invest in either of these metals. The question is, which is a better buy?

The case for silver

One advantage of silver over gold is that it's more useful for bartering with. Gold is so valuable that it's not really practical to trade for small items. A single gold coin costs about \$2,300 these days, you'd have to break it down into tiny fragments in order to barter it for day-to-day purchases. A silver coin could easily be traded for \$50 or \$100 worth of goods. If you're interested in precious metals, not for expected returns, but for "collapse of civilization" insurance, silver makes more sense than gold.

The case for gold

There are many advantages of investing in gold over silver.

If you're looking to buy physical metal, you'll find that gold isn't anywhere near as "marked up" as silver is. Because silver is not all that expensive, coin makers have to mark up its price to turn a profit on it. Often, silver coins are more expensive to buy from vendors than the silver market price would indicate. There's a mark-up with gold too, but not nearly as much. Gold coins sell for thousands of dollars, so you don't need to mark them up as much to earn a profit.

Also, if you want to bet on precious metals in the form of stocks, gold gives you more options than

silver does. [Gold mining stocks](#) are extremely well covered and well known.

Barrick Gold ([TSX:ABX](#))(NYSE:GOLD) has been trading on the TSX for decades. With a \$28 billion market cap, it's a fairly large company. You'll have no trouble finding news, analysis, and data on a big company like Barrick. With silver stocks, you might have a harder time getting to the bottom of the story. Many of Canada's silver stocks are [smaller companies](#) trading on the TSX venture exchange — an exchange comprised of stocks too small to list on the TSX. It's a much less liquid market, and the stocks on it are generally riskier than the likes of Barrick Gold.

Foolish takeaway

The bottom line on gold and silver is that your choice to invest in either one is personal. Silver is probably better as a form of disaster insurance, gold if you're looking to make gains in the stock market. In any case, it wouldn't hurt to diversify your portfolio into precious metals, just in case the stock market disappoints.

CATEGORY

1. Investing
2. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. TSX:ABX (Barrick Mining)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. andrewbutton
2. kduncombe

Category

1. Investing
2. Metals and Mining Stocks

Date

2025/06/28

Date Created

2022/08/28

Author

andrewbutton

default watermark

default watermark