SI Annual Market Balance Z

Sustained structural deficits (2022-2024: −254, −200, −138 Moz) deplete inventory and create floor for price rallies.

David Stendahl · Market Lab Analytics · November 6, 2026

What this signal is

Sustained structural deficits (2022-2024: −254, −200, −138 Moz) deplete inventory and create floor for price rallies.

The composite is bounded between minus one and plus one through tanh. On 2023-05-02 it reached its series maximum plus 0.987 and on 2017-05-02 its series minimum minus 0.864.

Today the composite reads near −0.10. See live page for current state.

• • •

How the inputs compose

Sustained structural deficits (2022-2024: −254, −200, −138 Moz) deplete inventory and create floor for price rallies.

The engine also computes four confirming features: five-day velocity, 60-day volatility regime, 60-day correlation with silver returns, 63-day lag-1 autocorrelation.

• • •

What the state-conditional returns have actually done

The silver forward-60-day return baseline (unconditional) is mean plus 2.07 percent, median plus 0.19 percent.

> **Reference baseline (3,090 silver-aligned forward-60-day windows over the live engine window)**
>
> Silver forward-60-day return baseline: mean plus 2.07 percent, median plus 0.19 percent. Phase 0 source: Z100265 engine parquet joined with COMEX silver back-adjusted continuous closes.

Supply surplus (Phase +1), 1,507 trading days, returned on average plus 3.70 percent.

Normal (Phase +0), 6,700 trading days, returned on average plus 0.76 percent.

Supply deficit (Phase −1), 1,009 trading days, returned on average minus 1.19 percent.

• • •

Three cases that frame how to read the signal

Case 1: 2023-05 composite series maximum

On 2023-05-02 the composite reached its series maximum plus 0.987. Silver subsequent 60-day behavior aligned with the supply surplus regime pattern.

Case 2: 2017-05 composite series minimum

On 2017-05-02 the composite reached its series minimum minus 0.864. Silver subsequent 60-day behavior aligned with the supply deficit regime pattern.

Case 3: March 2020 COVID shock window

The March 2020 COVID liquidity shock drove violent regime shifts across silver drivers. The composite oscillated as the underlying mechanism repriced.

• • •

How to use the signal today

This is a regime detector on a 60-day forward horizon.

Three best uses. First, as a regime filter for silver exposure (Phase +1 equals supply surplus). Second, as a cross-check against positioning and price-momentum signals. Third, as a transition-window warning, pairing with price-based signals for conviction.

• • •

Methodology notes

Sustained structural deficits (2022-2024: −254, −200, −138 Moz) deplete inventory and create floor for price rallies.

The 1989 start reflects the earliest reliable source coverage.

• • •

What this signal does not cover

Four caveats. The signal is a regime detector, not a timing signal. State-conditional means hold on average, not for every individual window. Regime persistence varies with macroeconomic backdrop. Individual windows can run much longer or shorter than mean sample. State-conditional edges are backward-looking empirical averages. Future regimes may differ. The baseline is COMEX silver back-adjusted continuous (SI_1240BD).

Not investment advice. Signal readings and empirical statistics are derived from publicly available data sources. (c) 2026 David Stendahl.