

Silver kept soaring after a warning to be careful. Then it halved

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Maxim: *If an asset class has done extremely well in the recent past, you have to be very careful.* — Sankaran Naren

A great run makes an asset feel safer at exactly the moment it has become riskier. The warning is not a timing signal. It is a reminder about how much you own, and why.

The most dangerous moment to buy an asset is when everyone can see how well it has done.

In late October 2025, Sankaran Naren, chief investment officer of ICICI Prudential Mutual Fund, told a podcast that gold and silver had become “one of the most dangerous asset classes” for long-term investors, [Business Today](#) reported. His reasoning was the maxim: if an asset class has done extremely well in the recent past, you have to be very careful. That week, silver sold for about ₹1.51 lakh a kilogram, according to [5paisa](#).

For three months, the warning looked wrong. Silver kept climbing, through ₹2.4 lakh in December and past ₹3.5 lakh in late January. On 29 January 2026, MCX silver futures touched a record ₹4,20,048 a kilogram, [Motilal Oswal](#) reported. Investors were not watching from the sidelines. In January alone, Indian silver ETFs took in ₹9,463 crore and gold ETFs ₹24,039 crore, according to AMFI data reported by the [Free Press Journal](#). Combined gold and silver ETF assets had tripled in five months.

Then the run broke. The next day, silver futures fell about 15%. By 15 October 2026, silver was selling for roughly ₹2.09 lakh a kilogram in Delhi and Mumbai, [Angel One's](#) price tables showed. That is about half its January peak.

Early is not the same as wrong

It would be easy to tell this as a story of a prophet proved right. That is not quite what happened, and the difference is the useful part.

Anyone who heeded Naren in October 2025 and stayed away missed a spectacular three months. Even after the crash, silver in October 2026 is still above where it was when he spoke. The investors who were badly hurt were not those who already owned some silver and held on. They were the ones who arrived late and in size, buying because the run had been so strong, in the very month it peaked.

Naren's own framing pointed in that direction. He was not calling a top on a particular date. He was describing a pattern in market cycles: in his view, the best opportunities have tended to follow long stretches of poor returns, not long stretches of great ones, and he preferred asset allocation and multi-asset funds to a concentrated bet on whatever had just won. Read that way, the maxim is less a forecast than a rule about position size. A great run is a reason to check how much you own, not a reason to buy more.

The pattern is older than silver

The most famous example is Japan. On 29 December 1989, after a decade of spectacular gains, the Nikkei 225 closed at a record 38,915.87. It fell below 8,200 in 2011, and it did not close above that 1989 peak until 22 February 2024, more than 34 years later, [Business Standard](#) reported. Japan's companies did not disappear in those decades. Investors who bought at the peak had simply paid a price that took a generation to earn back.

The silver episode and the Nikkei share a feature that is easy to miss. In both, the asset itself did not vanish; silver still has industrial uses, and Japan still has great companies. What failed was the price people paid after a long run convinced them that the run was the normal state of things.

The opposite also holds, and it is what makes the maxim hard to follow. The same instinct that keeps you out of an asset after a great decade can keep you out of one after a terrible decade, which is often when it is cheapest. Naren's point cuts both ways: past returns are a poor guide to future ones, in either direction.

Careful, not clever

Being careful after a great run does not require predicting the top. It requires three habits.

The first is a target allocation set in calm times. If you have decided that precious metals, small caps or any single theme should be, say, a tenth of your portfolio, a great run will push that share up on its own. Bringing it back to the target means selling a little of what has risen, mechanically, without having to forecast anything.

The second is suspicion of your own reasons. When the main argument for buying is how much an asset has already gained, or how many people are buying it, you are reading the crowd rather than the asset. Record ETF inflows, a flood of new fund launches in one theme and relatives asking about it at dinner are not reasons to buy. They are reasons to check your allocation.

The third is staggering new money. If you do want more exposure to an asset after a strong run, spreading the purchase over months limits the damage of arriving at the peak.

If you do one thing: Look at your portfolio today and find the asset that has risen most over the past two years. Compare its share of your money now with the share you intended. If it has grown well past that, trim it back before the market does it for you.

Silver did not betray anyone in January 2026. It did what assets do after an extreme run: it stopped going up and then fell hard. The people who suffered most were the ones who took its recent past as a promise about its future.

Naren's warning was early, and early can feel like wrong for a long time. But being careful was never about catching the top. It was about not needing to.

Sources

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