



PATHFINDER

Your Technical Compass for Trading in Commodities & Currencies



चांदी: Abki Baar लाख K Paar !!!

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Silver Fundamental Update



- Silver after a steady start in this year has posted gains of more than 7% YTD
- Fed in their recent policy meet increased probability of three rate cuts in this year
- Fed officials comments have been divided regarding the pace of interest rate cuts
- Economic number from the US are a bit mixed keeping the market participants on the edge
- Sticky inflation and robust US labour market justifies Fed's hesitation regarding pivot in interest rates
- Dollar index and US Yields continues to trade in a broad range
- Market participants are pricing in higher probability of a rate cut in the month of June
- Geo-political tensions are also providing a boost to the precious metal pack
- Debt and spending limit concerns could provide further boost to safe haven assets
- Imports on domestic front continues to support the overall sentiment
- Silver institute suggests that market balance for silver could remain in deficit
- Any Positive indication from China towards economic growth or industrial demand could be supportive
- After a significant rally in Gold, silver is catching up its pace

MCX Silver Technical Update



- The MCX silver broke out above the long awaited resistance zone of Rs. 78,500, which was tested in July 2020, followed by tests in May 2023 and December 2023. There was significant correction in prices after each of these occasions. Additionally, during this period prices had formed a Cup and Handle formation during this phase
- Prices have breached above the neckline of Cup and Handle formation which was placed at Rs. 78,500 level on weekly chart. The measured target of this breakout is observed at Rs. 1,00,000. The 14-period RSI on weekly chart has crossed above the 60 mark which signals robust momentum on higher side for medium term
- We recommend to accumulate MCX Silver at current price of Rs. 79,600 and add on correction towards Rs. 76,000 for the targets of Rs. 88000 and Rs. 1,00,000. Considering the risk-reward ratio, we suggest to maintain a stop loss of Rs. 72,000 on daily closing basis.

Comex Silver Technical Update



- In 2020, silver hit a low of \$11.63, but within the same year, it reached a peak of \$29.86, marking a significant increase of around 50%. It's common for commodity markets to experience trends about 20% to 30% of the time, while remaining relatively stable in a sideways range for the majority, around 70% to 80% of the time.
- Following 2020, silver traded within a broad sideways range for three years, during which it formed an inverse head and shoulders pattern on the weekly chart. Recently, prices have broken above the neckline of this pattern, signalling the end of the prolonged consolidation phase and the beginning of a new uptrend
- As per the COMEX Silver, we recommend to go long at current price of \$27.00 and add on correction towards \$25.80 for the targets of \$30 and \$34. Over view will be invalidated if prices closed below \$24.50 on daily basis.



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