

Silver Gearing Up to Shine Bright, Eyeing 105000 Milestone!

Daily Chart:SILVER : 77985



Technical View:

- Silver appears poised to outshine gold: On the monthly scale, as it has been consolidating in a rectangular pattern following an prior up move witnessed from 51857 to 78292, spanning nine months. Notably, the figure nine represents a Gann level, which led to a time wise correction lasting close to 11 months. Despite this correction, the trend remains positive, with silver trading above its key 20-monthly EMA. Interestingly, in the current month, silver is breaking out of this range, signaling the likelihood of continued upward momentum.
- On the weekly scale, silver has formed rising swing bottoms since August 2022, with mean reversion playing a significant role as dips find support at the 100-week EMA. This bullish sentiment aligns with the monthly scale. Additionally, both MACD and RSI indicators support the bullish outlook, with MACD showing a bullish crossover in positive territory and RSI witnessing a breakout of the sloping trend line from April 2023. Momentum indicators further reinforce the trend.
- Silver has made multiple attempts to sustain levels above 78300, facing rejection each time. However, if it manages to sustain this time, it could receive a further boost to its outperformance.
- On the daily scale, in the latter part of February 2024, silver exhibited a breakaway gap, signaling the start of a new momentum phase. Thereafter, silver continued to inch higher on its upward journey, finding support at the 61.80% retracement level of the prior downswing from (78549 - 68854). This resumed the bullish momentum, bringing silver closer to its all-time high.

MONTHLY CHART: SILVER/NIFTY RATIO CHART



- Analyzing the ratio chart of silver against the NIFTY, we observe a pullback from the Point of Interest (POI) within the support zone. It's noteworthy that historically, similar pullbacks have occurred, and each time they signal a pullback from this zone, silver has shown an average gain of over 50% - 70%. This suggests that if silver manages to sustain above the higher levels, it could potentially demonstrate robust outperformance in the future.
- Considering price, pattern, and momentum, the bullish outlook persists for SILVER, with a target of 89,700 followed by 1,05,000, contingent upon sustaining above 73700 on a closing basis.