



11<sup>th</sup> November 2022

### MCX Silver Mini



### COMEX Silver Weekly Chart





**Recommendation**

Symbol:  
SILVERM  
November  
(Future)

CMP: 62500

Entry Point:  
Range  
61000 - 62500

Target:  
67000 / 72000

Stop loss:  
57000

Risk Reward:  
1: 1.80

After making the high of 73078 in the month of March 2022, Silver prices witnessed massive profit booking in last few months. Silver prices recently made a low of 51551 in the month of September 2022. Prices have gained nearly 20% from its recent lows during last one and half month. The gains in Silver were largely driven by the depreciation of Indian Rupee (INR) against the US Dollar (USD).

Going through the daily chart structure, Silver prices have recovered till the 50% retracement of the recent down swing started from (March 2022 high of 73078 to the September low of 51551 levels) and observed near 62500 levels. A decisive breakout above this level could push the Silver towards 61.8% retracement placed near 65000 levels. On weekly charts, Silver is trading within Inverse Head and Shoulders pattern. The neckline is observed near 63000 levels. A decisive breakout above this level on weekly closing basis could trigger a fresh leg of uptrend and drive prices towards 72000 levels.

Momentum indicator RSI (14) on weekly chart has climbed near 55 mark after hitting the low of 33 in the month of September. It signals positive shift in momentum for the medium term. Furthermore, Silver has broken decisively above the 100 EMA (Exponential Moving Average) on weekly chart which is observed near 60200 levels which is a good sign for medium to longer term trend. The key support for the medium term is now at 20-weeks moving average which is observed near 57000 levels. A break below this level will negate the current bullish momentum.

On another chart, we can see International Silver trading withing Inverse Head and Shoulders pattern on weekly chart and poised for a breakout above the neckline. On daily chart, International Silver is trading in a rising channel pattern. The lower bound of the channel is at \$18 levels and upper bound is observed near \$22 levels. A decisive breakout above \$22 is likely to push Silver prices towards \$26 level in the medium term.

From our analysis, Silver prices have formed a bottom near the recent lows and heading higher with strength in momentum. We expect MCX Silver prices to reach above mentioned levels of 67000 then 72000 in coming weeks. The Dollar Index has inverse correlation with Precious Metals. It has cooled off from the recent highs of 114 and now trading near 110 levels. Recent CPI reading indicates that rate hike cycle may be peaking out. Cool off in inflation data may give comfort to central bankers to re think its aggressive monetary policy resulting in better economic numbers which can help Silver prices to continue the current momentum on the higher side.

**Hence, we recommend traders to Buy Silver Mini November Futures in the range of 61000 to 62500 for the first target (T1) of 67000 then (T2) 72000 with stop loss placed at 57000 levels in the medium term.**

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