

# SILVER



## News & Development

MCX Silver Futures has sustained on the higher levels during the January month so far, owing to hopes of stimulus package in the United States that have led to resuming of the industrial and manufacturing activities. Moreover, silver prices had also witnessed uptrend during the last week due to strong US economic data that weakened the US Dollar Index. By 15th February, MCX Silver futures closed at Rs.70129/kg, higher by 0.61% compared to Rs.69706/kg reported on 31st January.

For the coming month, we are estimating MCX silver prices to trade bullish as ETF investments has shown recoveries in the global markets due to fall in US Dollar Index. Correspondingly, silver prices to also find support as the industrial demand is expected to find further recoveries and global markets are expected to resume business activities. Conversely, silver eagle coins sales on the monthly basis, may prominently see limited rise as lockdown situation is damaging the US economy for the short term period. Currently the gold silver ratio which has come down to 65-66 levels still indicating cheaper silver prices which can support prices from the lower levels. In the case of India, the Financial budget session has taken multiple initiatives to revive the economy with easing lockdown situation, by boosting industrial activities in construction and infrastructure developments. However, ongoing worries about the covid-19 situation in the some of developed countries like U.S., UK, Germany and European Union could also cap extreme upside movement in global silver prices. Conversely, the Indian equity market has shown outstanding movement in the month of February so far, signaling that the economy is getting back to the normal levels. United States' fourth quarter GDP growth rate has been reported to be positive. Overall, investors with cautious note should remain bullish MCX Silver futures for the month ahead.



On the daily chart, MCX Silver (Mar) has been trading in bullish trend with the support of 50 days Exponential Moving Averages, which indicates upward move in the counter. Moreover, the price has sustained above **Middle Bollinger Band** and **Ichimoku Cloud** formation, which suggest bullish movement for the long term. A momentum indicator RSI (14) and stochastic oscillator witnessed a positive crossover, which point-out bullishness for the near term. **So, based on the above technical structure one can initiate a long position in MCX Silver (Mar) future at CMP 70200 or a fall in the prices till 70000 levels can be used as a buying opportunity for the upside target of 73000. However, the bullish view will be negated if MCX Silver (Mar) closes below the support of 68300.**