

Silver spot steadied slightly below the 3-month high hit in May. A languishing dollar, higher inflation numbers from US and China lifted the sentiments of safe haven assets.

Global Economy

- Global equities displayed mixed signals last week. US Dow Jones Industrial Average index settled 0.80 percent lower. European peers were mixed. India's Sensex gained 0.72 percent while Japan's NIKKEI and China's SSE composite index moderated.
- US inflation rate accelerated to 5 percent in May of 2021 from 4.2 percent in April. It is the highest reading since August of 2008.
- The China's annual inflation rate jumped to 1.3 percent in May 2021, from 0.9 percent a month earlier. This was the highest reading since September 2020
- China's trade surplus was at USD 45.5 billion in May 2021, compared to a surplus of USD 61.9 billion in the May of 2020.

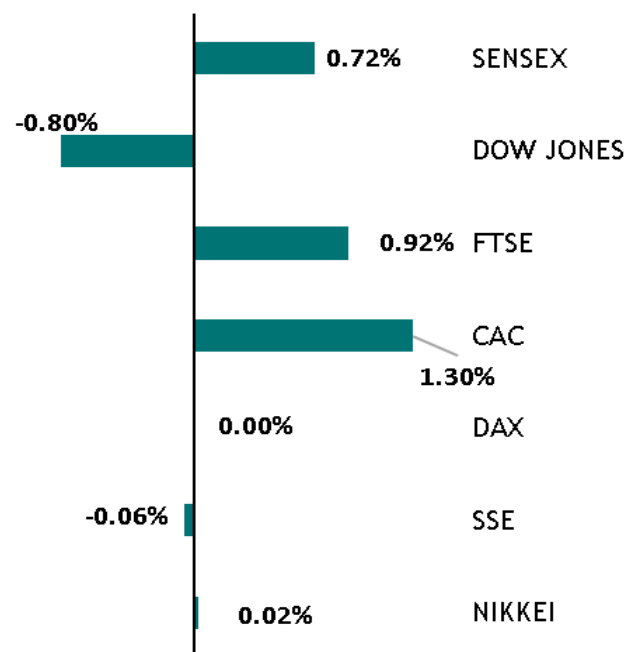
Currencies

- US dollar gained 0.46 percent against the currency basket and closed at 90.555 marks in the last week.
- Euro shed against dollar by 0.48 percent last week. Japanese Yen eased 0.15 percent while Chinese Yuan ticked lower.
- Indian Rupee fell 0.52 percent against US dollar to 73.24 marks.

Silver

- LBMA spot silver gained 0.40 percent last week whereas COMEX Silver up by 0.90 percent.
- MCX active silver futures gained 0.96 percent last week.
- Global silver demand is projected to achieve a six year high of 1.025 billion ounces in 2021—Silver Institute

Indices



Currency

Currencies	Close	WoW % Chg
Dollar Index Spot	90.555	0.46%
Euro/US Dollar	1.2106	-0.48%
US Dollar/ Japanese Yen	109.65	-0.15%
US Dollar/ Indian Rupee	73.24	-0.52%
US Dollar/ Chinese Yuan	6.3967	-0.03%

*Currency rates mentioned above are Friday closing rates

Key Data/Events for the week

Day	Data/Events
Tuesday	US - Industrial Production
Wednesday	China - Industrial Production
Wednesday	US - FOMC Meeting
Thursday	Euro Zone - Inflation

Silver prices steadied near recent high

Silver prices steadied below the recent high with moderate gains as investors halted awaiting fresh cues. The recent inflation numbers from US and China have offered safe haven assets some shine, while prospects to tapering the highly accommodative monetary policy by US Fed checked silver prices from gaining further.

The spot prices of silver in LBMA platform gained 0.40 percent to USD27.89 per troy ounce last week. Silver spot prices in India's domestic Mumbai market was up by 2.84 percent to Rs.72500 per kilogram last week. In COMEX platform, the silver futures gained 0.90 percent WoW and settled USD28.13 per troy ounce last week. Near month MCX silver futures prices was gained 0.96 percent WoW and settled at Rs.72227 per kilogram.

Rising inflation give Fed the room for policy tapering

The inflation numbers from US for the month of may jumped to 5.0 percent as the government's unemployment aids boosted retail demand. The present inflationary pressure expected to bring US Fed's open market committee to a gradual tapering of the present accommodative stance and adjustments in ultra low interest rates. In the last meeting in April, a number of FOMC participants suggested that if the economy continued to make rapid progress toward the Committee's goals, it might be appropriate at some point in upcoming meetings to begin discussing a plan for adjusting the pace of asset purchases.

Silver Demand Expected to Rise 11 Percent in 2021 - Silver Institute

Led by industrial use and physical silver investment, global silver demand is projected to achieve a six year high of 1.025 billion ounces in 2021, according to an analysis published by the Silver Institute. Strong investment demand is expected to push silver prices higher in 2021.

iShare Silver backed ETFs gained

Total physical holdings of Silver backed ETFs with iShare silver trust increased by 0.10 percent so far in June after gaining 1.62 percent in May. The total physical holdings in silver with iShare silver trust is more than 577.22 million troy ounces in the week ended 11th of June.

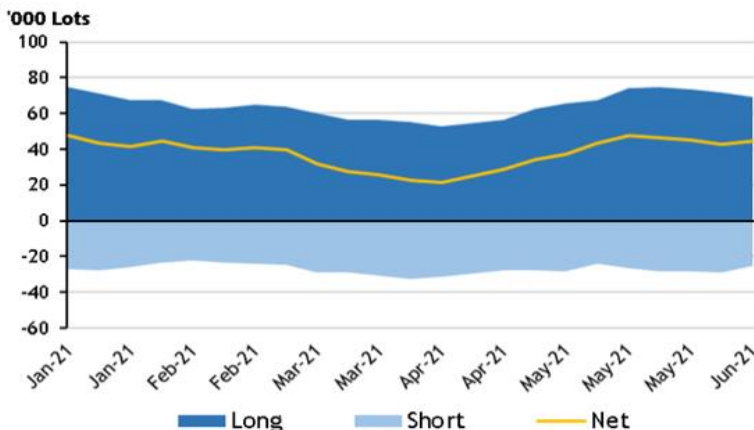
COMEX Money managed net longs in Silver F&O increased

Data from U.S. Commodity Futures Trading Commission (CFTC) showed that the hedge funds and money managers reduced their bullish positions and bearish positions in COMEX silver contracts in the week ended June 11, while the net long positions increased.

Gold - Silver Ratio at 67.26 ounces

Gold/Silver Ratio is the amount of silver it takes to purchase one ounce of gold. One ounce of gold was at 67.26 ounces of silver on Friday.

Money Managed Silver F&O Positions in COMEX



Spot Market Prices

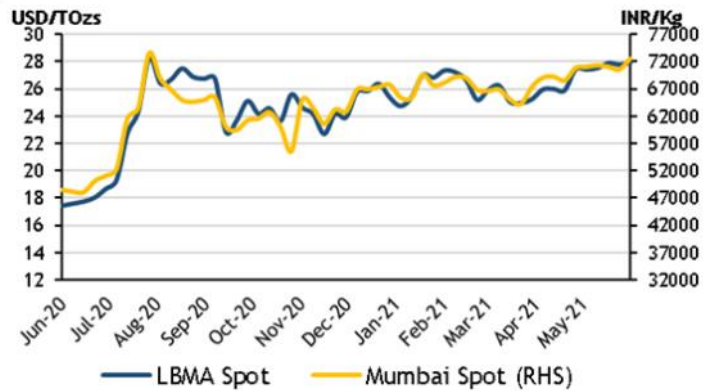
Market	Close Price	WoW % Chg	YoY % Chg
LBMA	27.89 (\$/Ozs)	0.40%	53.83%
Mumbai	72500 (Rs/Kg)	2.84%	48.87%

Futures Market Prices

Market	Close Price	WoW % Chg	YoY % Chg
COMEX	28.13 (\$/Ozs)	0.90%	51.72%
MCX	72227 (Rs/Kg)	0.96%	45.47%

*Near month futures contracts in respective exchanges
*Prices mentioned above are Friday closing rates

LBMA Vs Mumbai Spot Prices



Gold - Silver Ratio



iShare Silver Trust ETF Physical Holdings (Ozs)



Weekly PREC.M.XAG=

10.08.2018 - 13.08.2021 (GMT)



Outlook

Concerns over investment demand continue to hit the sentiment of the commodity. A recovery in US greenback and strong global equities limiting the metal's demand as a safe investment. However, possible industrial demand recovery from China, EU and US likely to dent major downside in the metal.

COMEX: Inability to move past the \$30 resistance, prices remain choppy with mild negative bias. However, breaking the support of \$23.80 is needed to trigger major selling pressure in the counter.

MCX: Initial trades are most likely inside Rs 74500-69500 levels and breaking any of the sides would suggest fresh short term direction to the commodity.

Trading Outlook

	COMEX Jun	MCX Kg Jun
Weekly View	RANGE BOUND	RANGE BOUND
Short Term View	MILD NEGATIVE	MILD NEGATIVE
Technical Levels		
Trading Range	\$30.10-23.8	Rs 77800-49020
Resistance 1	28.75	74200
Resistance 2	30.10	77800
Resistance 3	34	82000
Pivot	27.70	71800
Support 1	26.80	69800
Support 2	25.70	66900
Support 3	23.80	62400

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