

SILVER- At Critical Level...

Physical demand for silver spikes as price drops to an 11-year low:

Silver prices have dropped to their lowest level since 2009, boosting demand for the physical metal at a rate not seen in a decade. "The fall in the underlying gold and silver prices, coupled with the potential recession due to the sharp economic downturn the CORONAVIRUS is causing has spurred the public to buy physical precious metals at the fastest pace in 10 years." Sales of the one-ounce American Silver Eagle coins were at 3.1 million so far this month, as of Wednesday, compared with total sales of 650,000 in February, according to data from the Mint. Silver prices have seen sharp declines as "institutions have dumped silver for cash to pay for margin calls and other obligation, as well as hoarding cash," said Edmund Moy, who was director of the U.S. Mint from 2006 to 2011. "Eventually, low silver prices will catch up to limited physical supply and increased physical demand," he said. "And once the global economy begins to recover from this pandemic, silver demand from industry will recover too." But it's silver's industrial aspect that makes some analysts a bit more cautious. Right now, silver futures look "ready to at least bounce in a significant way," said Spina. However, "if there is another global market selloff, silver future could get one more historic dump to [the] \$10 area."

9-SILVER.Rolling - 20/03/20
SMA(CloseLine:50)



Technical outlook:

MCX Silver May futures technical chart has taken the formation of "Megaphone chart" pattern in a weekly time frame. Last few sessions ended on a bearish note, the market is expected to turn bullish after taking the support from the trend line. Strong support is seen in the range of 34,500 – 33,500. If prices manage to sustain above it then the upside rally could test the levels of 39,000 – 41,000. Alternatively, if the prices breach trend line support then it is expected that the bearish momentum will continue and test the levels of 30,000 – 27,000 in the upcoming trading sessions.

@ Futures	Expiry Date	Quotation/ Base Value	Close	WoW % change	52 wk H/L	S2	S1	Pivot	R1	R2	Trend
GOLD	03-Apr-20	10 GM	40268	-8.97%	44961/37530	37190	38780	40000	41570	42780	UP
SILVER	05-May-20	1 KG	35800	-24.10%	50123/33580	29300	32580	36800	40100	44350	UP
CRUDE OIL	20-Apr-20	Rs/bbl	1945	-38.45%	4186/1717	1195	1566	1954	2326	2700	DOWN
NG	26-Mar-20	Rs/mmBtu	122.5	-5.62%	159/119	106	115	126	134	146	DOWN
COPPER	31-Mar-20	1 KG	372.8	-13.91%	451/336	293	333	376	416	459	MODERATE
NICKEL	31-Mar-20	1 KG	856	-11.25%	1032/806	750	805	861	917	973	MODERATE
LEADMINI	31-Mar-20	1 KG	131.9	-8.85%	153/119	103	117	133	147	162	MODERATE
ZINCMINI	31-Mar-20	1 KG	142.55	-9.03%	186/124	111	127	139	155	167	MODERATE
ALUMINI	31-Mar-20	1 KG	135.1	-2.38%	146/128	122	128	134	140	146	MODERATE