

## MCX Silver July

## Technical Outlook

**Silver**-MCX Silver is currently trading at Rs.29300 on 26<sup>th</sup> May 2010. It has made its 52 week high at Rs.30163 on 13<sup>th</sup> May 2010 and 52 week low of Rs. 21103 on 13<sup>th</sup> July 2009. Its 200 days moving average is currently at Rs. 26729 (on daily chart).

## Weekly Chart\*\*



In the technical chart of Silver we note that it has formed a **Symmetrical Triangle** (continuation pattern). On elaborating it, we can see two **peak points** joined with each other. The first point being the highest price of the year 2009 (Rs.29580) formed in the month of December and the second point denotes the highest price of April 2010 (Rs.28360). Then, we can see two important **lower levels** joined together- first one being the lowest price of the year 2010 (Rs.23610) and the next being the lowest price of April 2010 (Rs.26806). A symmetrical is thus emerged on joining all these points. Prices traded near the apex of the triangle during 1<sup>st</sup> week of this month (May 2010) & gave potential breakout above the triangle in the 2<sup>nd</sup> week. Prices again corrected a bit & touched upper part of the triangle (now, line of support) penetrating little in the apex and have now started bouncing back strongly. This confirms the potentiality of the breakout which is reflected in the form of high volumes. The breakout can take silver prices towards new all time highs & buying is recommended at market price as well as on a considerable dip. RSI is also showing a positive cross over in daily chart & is currently reading at 61. **Medium Term Traders & Investors can buy MCX silver July contract at CMP 29300 & on dips up to 28850-28650 levels with stop loss @27800(closing basis) for the targets of 31000 & 31800.** \*\*Chart has been updated on 10<sup>th</sup> June since the report was released 15 days back.