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Technical observations of
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Silver Update

During December, silver came within 26 cents of a 76% retracement of last year's rally. In the past five major corrections prices generated a bottom around such a retracement. The initial rallies tested resistance at the 50-day ema and 20-day Keltner Band (red arrows). This generally occurred within two weeks of the low. The moving average and Keltner Bands are currently at \$16.87 and \$17.00 and we are seven trading days into the rally.

The initial rallies were followed by a pullback of less than two weeks that saw the MACD(12,26,9) histogram come back to zero. This coincided with a test of the Andrew's pitchfork support (blue arrows) and provided an attractive buying point. The pitchfork support is currently at \$15.90 and rising to \$16.20 within three weeks.

Major silver corrections in the last five decades



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