

**Silver:** Bearish 'Descending Triangle' vs some encouraging technicals.

SI - Silver - Weekly Nearest Candlestick Chart



'Descending Triangle' is more often considered a bearish trend reversal formation, if prices breach the horizontal baseline Support, ie, \$26. Downside objective could be as low as \$5. However, occasionally the triangle formation calls for an upside extension of the secular uptrend if values break out to the upside. While the odds currently favor the bears' case, an upside break-out cannot be completely ruled out. To this end, please note:

- Commercials at their most bullish posture exceeding their levels of the Recession lows of 2008!
- 'Stochs' may be trying to turn up from over-sold levels. They had deteriorated to 2008 levels.
- Secular uptrend line still supporting prices.

**Silver:** Daily: Bearish 'Descending Triangle' with a couple of bullish prospects.

SIU12 - Silver - Daily Nearest Candlestick Chart



One cannot deny the bearish downtrend in place since the 'Key Outside Reversal' of Feb 29, which may well lead to a 'Triangle' breach of Major Support baseline @ \$26. Nonetheless, the daily chart does uncover a couple of bullish prospects:

- Possible "Type 1 Bullish Divergence" with lower price bottoms vs higher RSI bottoms.
- MACD in positive mode.
- Minor Support @ Gann *4x1* Uptrend line.

Bulls' case is greatly enhanced on a sustained upside breach of Gann *2x1* downtrend line and 40 day MA around the \$27.65 to 27.80 levels (basis Sept).