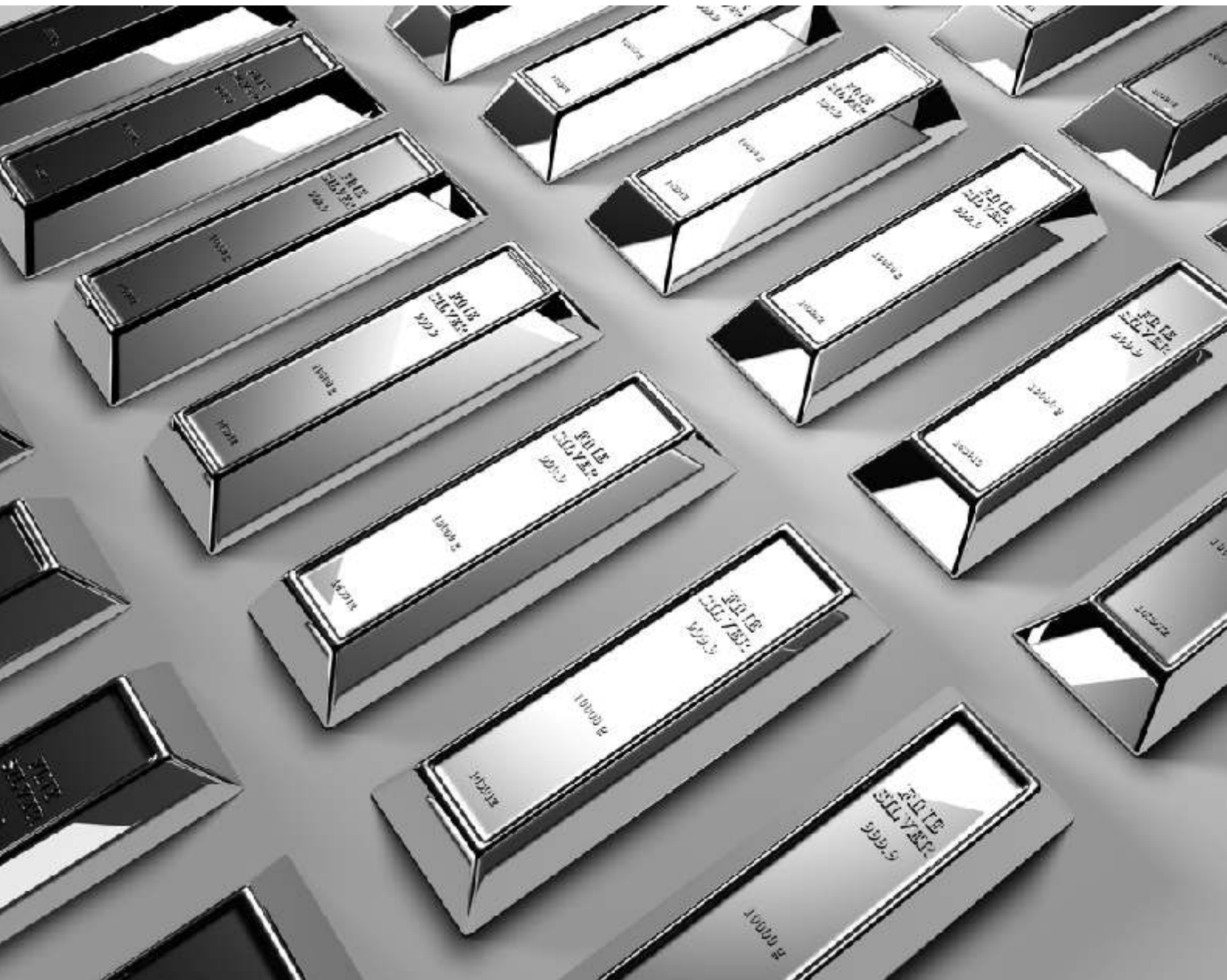


# TECHNO FUNDA REPORT ON **SILVER**

*White metal can witness further Recovery*

May 22nd, 2017



## DAILY CHART OF MCX SILVER MINI (JUNE)



### Recommendation

Positional call: Buy Silver Mini (June) at current price for target of 41000 with stop loss of closing below 38300.

### Note:

- These long term fundamental calls are for duration of three to four weeks time frame and do not confuse these with intraday calls.
- It is assumed that investor takes position in two lots and square off position in one lot on partial profit booking and trail stop loss to buying/selling price for second lot.

## DAILY CHART OF COMEX SILVER (JULY)



Source: Reuters

## BULLISH FACTORS

### Dollar index can dip further

Weaker momentum in Dollar index can continue further as it can decline towards 96 levels thereby giving support to bullion counter. The dollar began to lose its luster from mid-December last year, partly due to softer economic data, lack of concrete steps toward tax re-forms and partly due to continued political uncertainty.

### Growing geopolitical tensions

North Korea stated today that it had successfully tested an intermediate-range ballistic missile to confirm the reliability of the late-stage guidance of the nuclear warhead, indicating further advances in the ability to hit U.S. targets. Any geopolitical tensions increase safe haven demand for bullions.

### Solar Sector the “Shining Star” of 2016 Silver Usage

#### Industrial Demand Picture: Solar Leads the Way

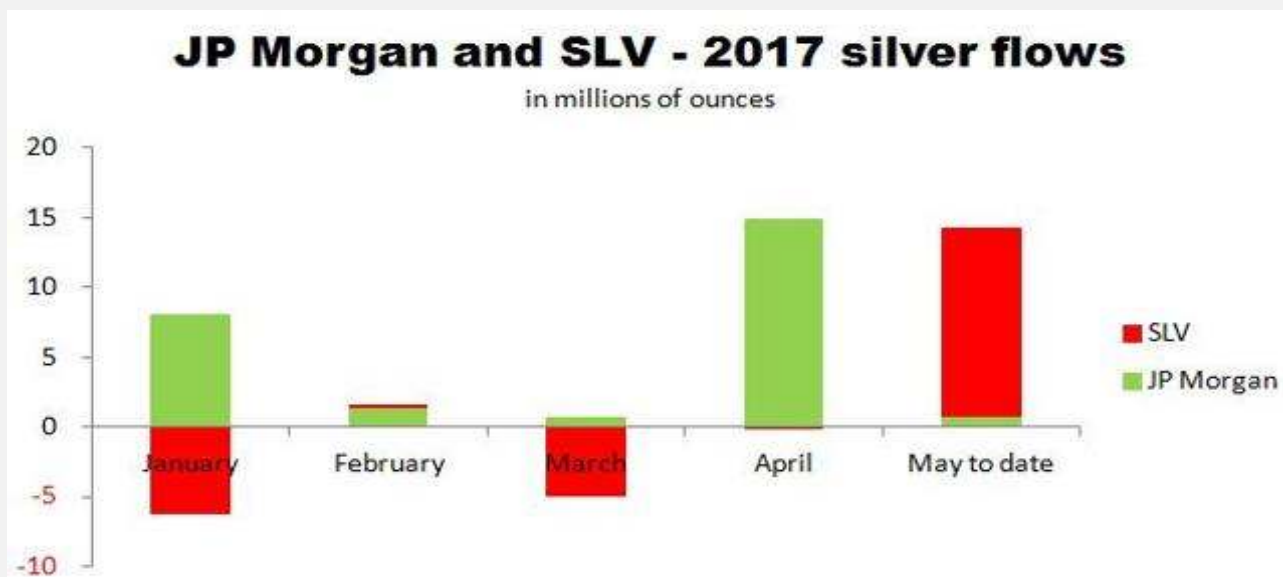
According to the International silver institute report, silver demand for photovoltaic applications shot up 34% to reach 76.6 million ounces. This growth was the strongest since 2010, and it was driven by a 49% increase in global solar panel installations.

### Decline in silver mine production

Global silver mine production declined by 0.6% in 2016 to a total of 885.8 million ounces — the first such decline since 2002.

In addition, although primary silver production increased 1% last year, silver scrap supply, despite higher silver prices, fell to 139.7 million ounces in 2016. This is a level that has not been seen in 20 years, according to the Silver Institute’s press release for the report.

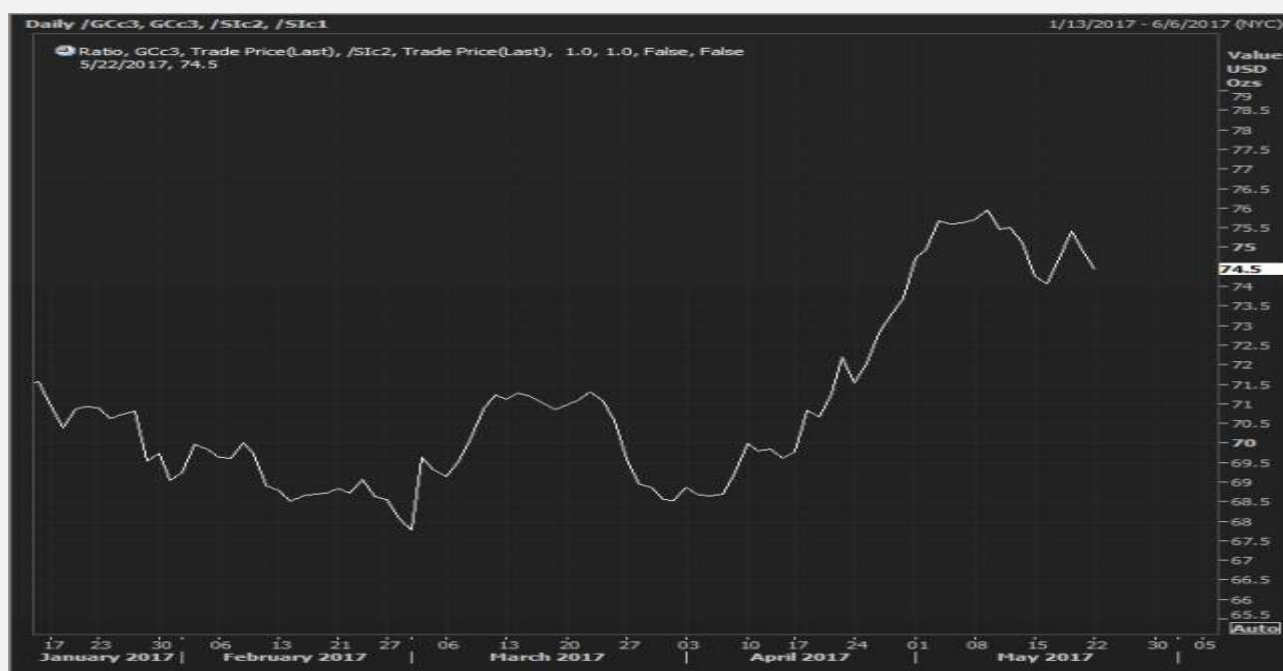
In April and May 2017 JPMorgan and SLV were aggressively adding silver bullion to their vaults.



Source: Simple Diggions

As the chart shows, for the undisclosed reasons, two large entities, JPMorgan) and the iShares Silver Trust have been hoarding silver since April 2017. JPMorgan added vast amounts of silver (14.9M ounces) to its vaults in April. In May JPMorgan stopped its acquisitions but SLV stepped into the breach and hoarded 13.5M ounces of silver.

## Gold silver ratio



Source: Reuter

## Analysis:

Gold silver ratio after hitting 76 levels is showing some decline towards 74 levels and it may further decline towards 72 in near term. Any decline in gold silver ratio means silver can outperform gold in near term.

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