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Technical observations of
RossClark@ChartsandMarkets.com

Initial Target Achieved in Silver

Gold broke out of its moving average band resistance at \$1495 and quickly tacked on an additional \$20 as of today.

Silver was well positioned for a seasonal rally.

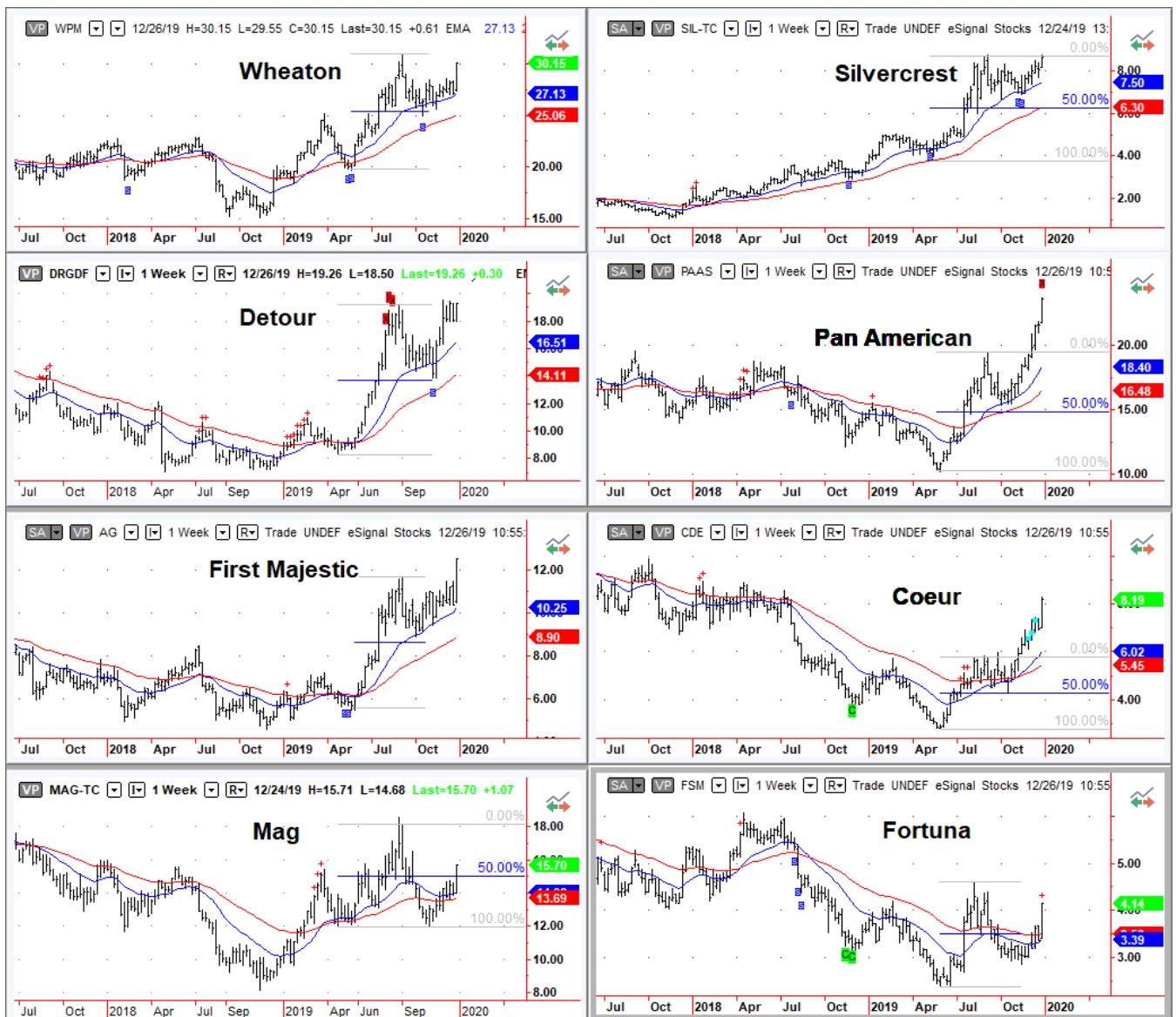
December 12: "Silver loves to take out supporting lows, creating a Wyckoffian 'Spring' and bullish divergence in the RSI just prior to rallies. We have such a divergence now.

In the last thirty years silver has managed to put in seasonal lows in November and December (7 & 18 times). Seasonal highs have been in January and February (14 & 10 times). There were only four instances where prices continued to rally past March (2016, 2011, 2006 and 2004).

Rallies most commonly advance around 17%. The smallest percentage gain was 9% with a few outliers in excess of 30%. If the \$16.56 low of last week holds then we can anticipate a minimum target of \$18.05 with a most likely target of \$19.35. An optimum transaction would be a March call option with a strike price halfway to the target. Options are available for the futures contract and the SLV ETF.

Silver has managed to achieve the minimum target at \$18.05 as of today and call options have more than doubled in price.





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