



April 19, 2020

Silver's Post-Bubble Breakdown

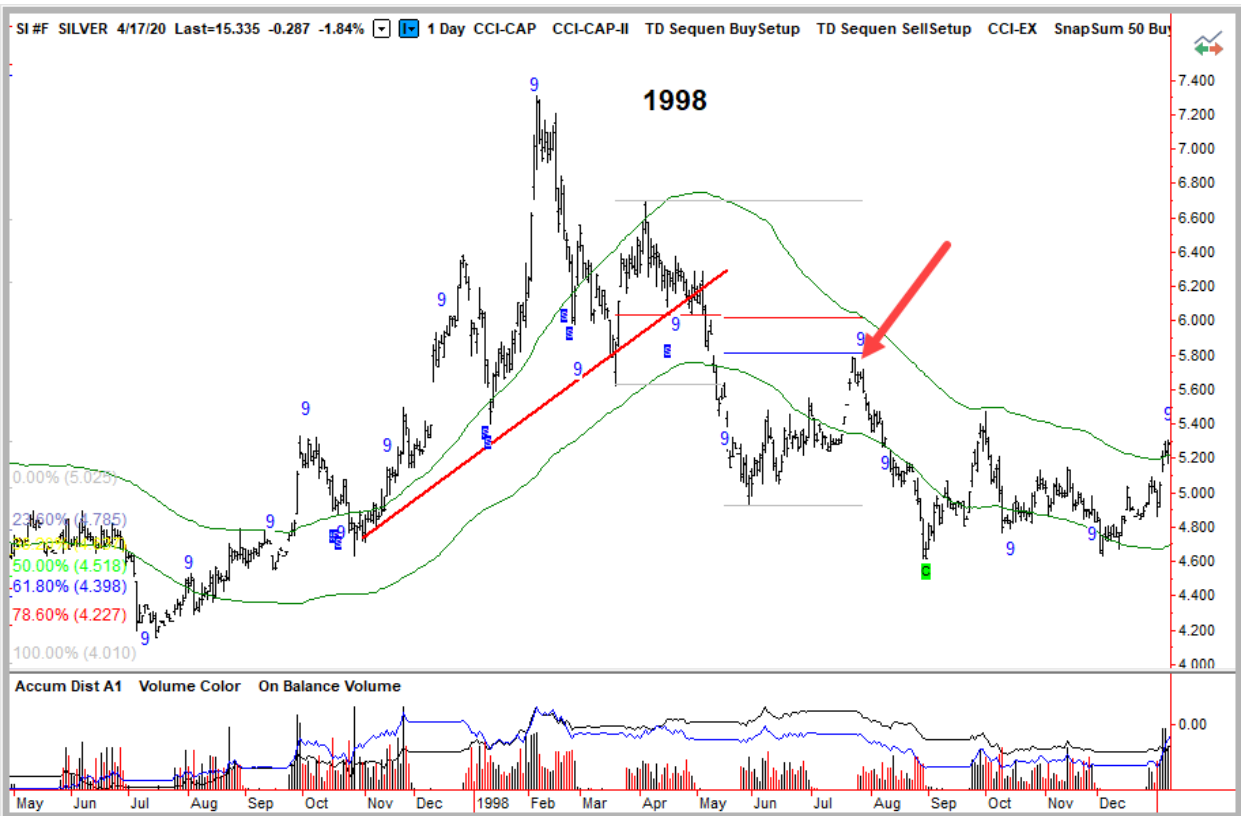
Post-bubble action is always very telling. Upside Exhaustions and bubbles in silver, as seen around Labour Day, are invariably followed by retracements of 50% or more, testing the lower Keltner Channel ✓. The subsequent rally retraces 65% to 78% (73% on January 8th ✓) and tests the upper Keltner Channel ✓ four months after the top ✓. Prices then back off, making two tests of the Fibonacci 61.8% retracement level (\$17.45 ✓) and the rising support line ✓. Seven examples since 1983 evolved in this manner. Five subsequently broke the support line (pages 2 to 5). This year became the sixth breakdown from the pattern.

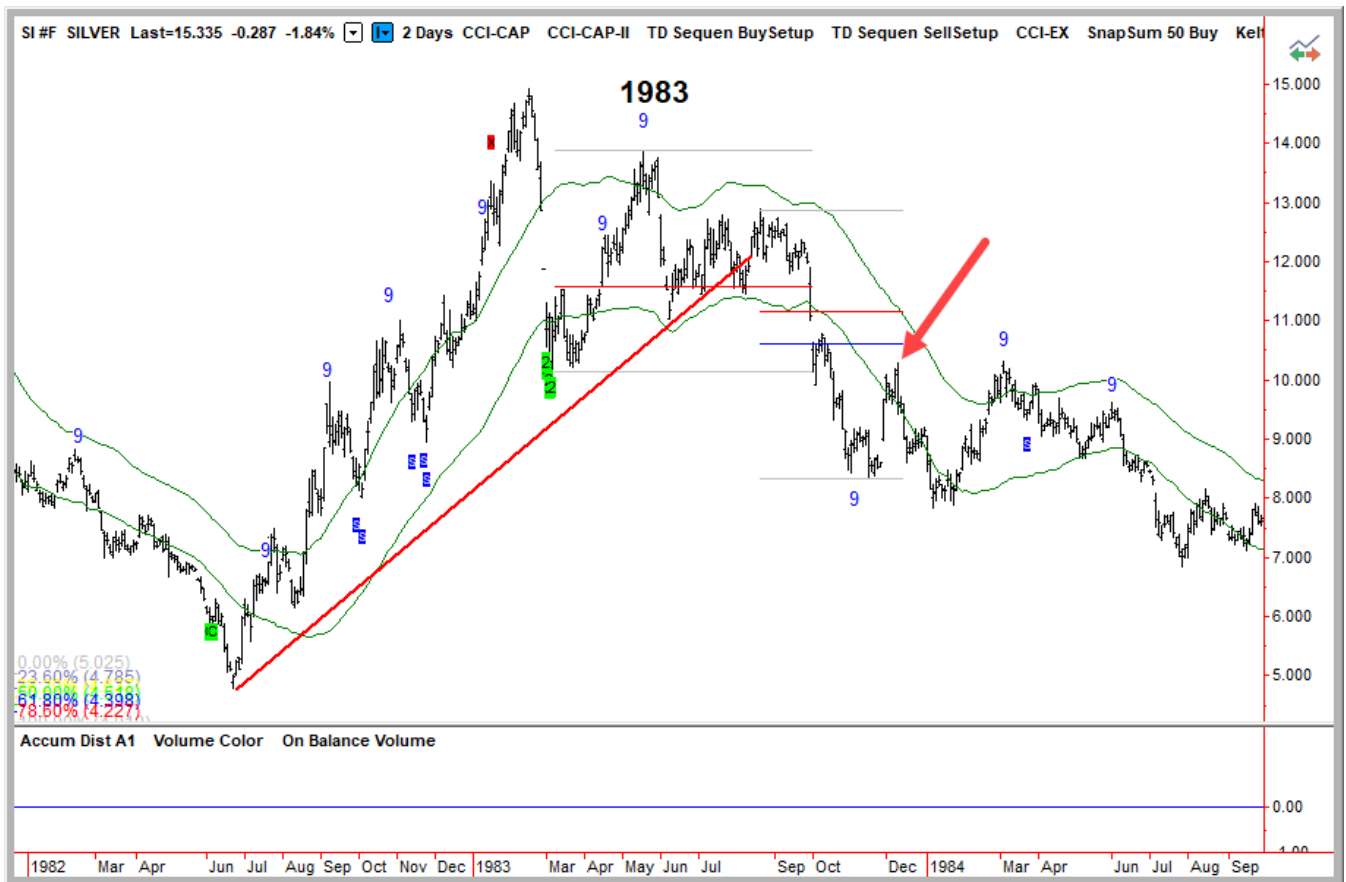
The current rally from Downside Capitulation alerts on March 17th to-19th and a Sequential 9 Buy Setup have resulted in a 61.8% retracement rally to \$16.30 and a Sequential 9 Sell Setup. We anticipate that this resistance will cap the rally and be followed by an erosion, retesting/violating the February low by the summer. Look for an RSI(14) in the low 30's.

The ZSL Ultrashort ETF or puts on SLV or SIL would appear appropriate plays.









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