



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.

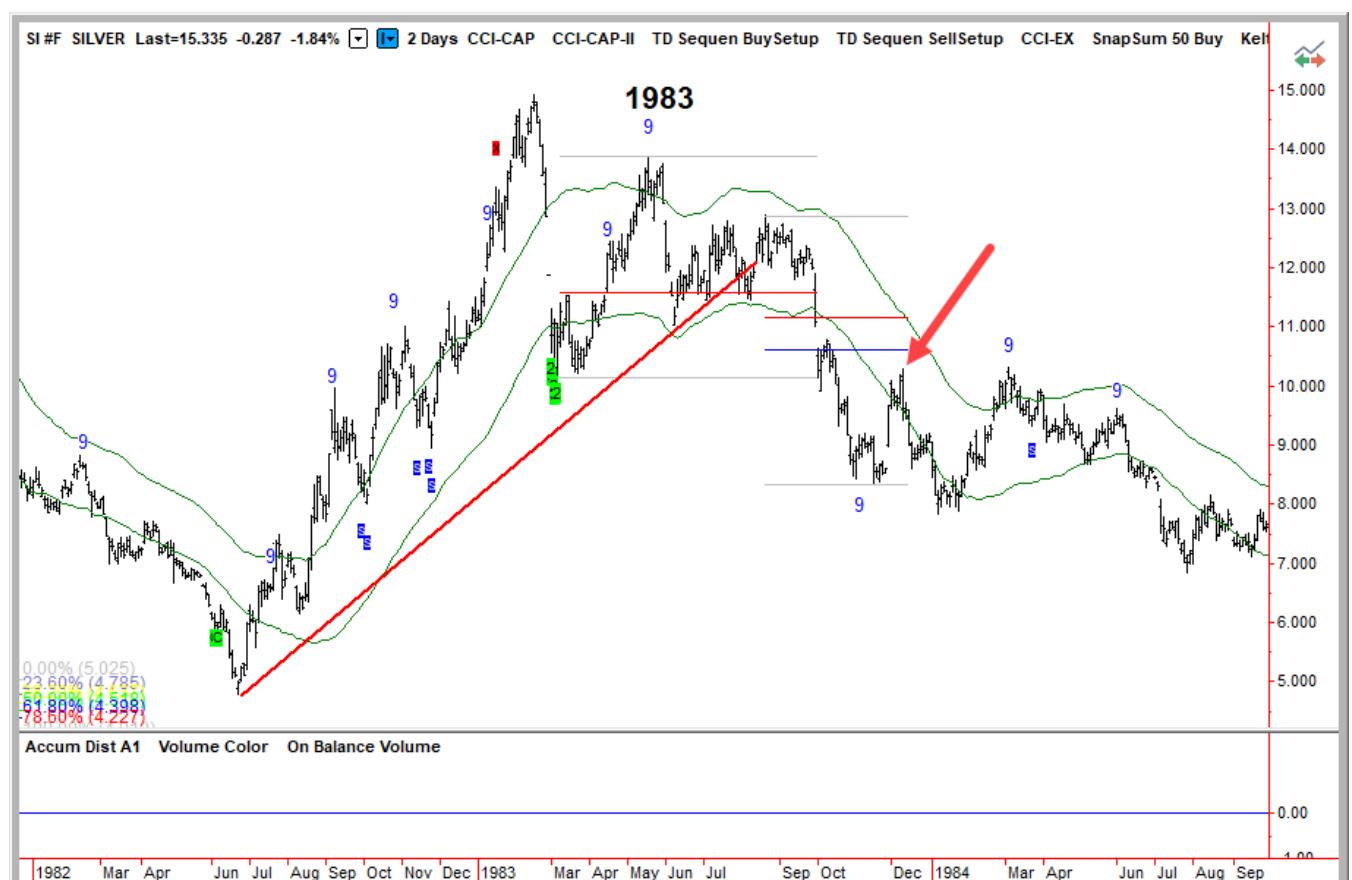
The current rally from Downside Capitulation alerts on March 17<sup>th</sup> to-19<sup>th</sup> and a Sequential 9 Buy Setup have resulted in a 61.8% retracement rally to \$16.30 and a Sequential 9 Sell Setup. We anticipate that this resistance will cap the rally and be followed by an erosion, retesting/violating 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.









Opinions in this report are solely those of the author. The information herein was obtained from various sources; however, we do not guarantee its accuracy or completeness. This research report is prepared for general circulation and is circulated for general information only. It does not have regard to the specific investment objectives, financial situation, and the needs regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in this report and should understand that statements regarding future prospects may not be realized.

Investors should note that income from such securities, if any, may fluctuate and that each security's price or value may rise or fall. Accordingly, investors may receive back less than originally invested. Past performance is not necessarily a guide to future performance. Neither the information nor any opinion expressed constitutes an offer to buy or sell any securities or options or futures contracts. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related investment mentioned in this report. In addition, investors in securities such as ADRs, whose values are influenced by the currency of the underlying security, effectively assume currency risk. Moreover, from time to time, members of the Charts and Markets team may be long or short positions discussed in our publications.