



September 2, 2020

Silver – Rolling from Resistance

Silver is reversing from the anticipated time and resistance targets.

A review of previous consolidations following upside Exhaustion alerts suggests that prices should now test the rising 50-day exponential moving average (*currently \$24.50 basis December futures*).

We have also analyzed the percentage declines during the immediate weeks following the overbought test of the Bollinger Band. The average decline is 17%, which would be just below the moving average.

	Silver				Hecla			
	High	Low	Decline		High	Low	Days	Decline
1974	5.73	4.22	-26%		20.45	14.94	13	-27%
1979	18.10	16.00	-12%		12.83	10.92	4	-15%
1980	39.35	32.70	-17%		33.00	27.58	5	-16%
1987	9.31	7.27	-22%		23.25	17.50	5	-25%
1993	4.88	3.93	-19%		13.25	9.13	9	-31%
2006	15.10	11.88	-21%		6.59	4.56	7	-31%
2008	18.16	16.05	-12%		13.10	9.76	9	-25%
2011	38.76	34.40	-11%		8.43	6.87	14	-19%
2019	18.81	16.94	-10%		2.10	1.74	5	-17%
Average			-17%					-23%
		Target	Decline			Target		Decline
2020	29.23	26.31	Min, 10%		6.24	5.30		Min, 15%
		21.63	Max, 26%			4.37		Max, 30%
		24.26	Avg, 17%			4.80		Avg, 23%

As far as miners go, we have Hecla (HL) data going back to 1970. EVERY one of the silver corrections that we have pointed as similar (1974, '79, '80, '87 and '06) became a great short sale in HL. Additionally, a similar signal on May 26, 2011 saw HL drop from \$8.60 to \$6.87 within 14 trading days. The average decline was 23%, targeting \$4.80. The Oct 2nd HL \$5.50 puts would be worth a shot.



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