Excerpts From

Elliott Wave Principle - Key to Market Behavior

“In contrast to the stock market, commodities most commonly develop extensions in fifth waves within Primary or Cycle degree bull markets. This tendency is entirely consistent with the Wave Principle, which reflects the reality of human emotions. Fifth wave advances in the stock market are propelled by hope, while fifth wave advances in commodities are propelled by a comparatively dramatic emotion, fear: fear of inflation, fear of drought, fear of war.”  E. W. P.

In Jan 1979 Major Wave Five Broke-Out over the Major Wave Three High and the price exploded higher. The price rose from the Major Wave Three high of $6.445 to the final Major Wave Five high of $41.00.

SILVER MONTHLY 1979 MAJOR WAVE FIVE BREAKOUT OVER MAJOR WAVE THREE HIGH
The 1979 weekly silver chart provides a close look at the trading once the break-out occurred.

SILVER WEEKLY 1979 MAJOR WAVE FIVE BREAKOUT OVER MAJOR WAVE THREE HIGH
The 1979 Daily chart shows us that the breakout was tested the very next day by a decline below the break-out level price.
FAST FORWARD TO OCTOBER 2020

SILVER 2020 QUARTERLY CHART SHOWING MAJOR WAVE FIVE BREAKOUT OVER MAJOR WAVE THREE
The Major Wave Four Running Flat Correction has been warning us about a “so powerful” move to occur.

“The forces in the direction of the larger trend are so powerful that the pattern becomes skewed in that direction.” E. W. P.

Running Flat Correction

SILVER QUARTERLY
SILVER 2020 MONTHLY CHART SHOWING MAJOR WAVE FIVE BREAKOUT OVER MAJOR WAVE THREE
SILVER 2020 WEEKLY CHART SHOWING MAJOR WAVE FIVE BREAKOUT OVER MAJOR WAVE THREE
SILVER 2020 DAILY CHART SHOWING MAJOR WAVE FIVE BREAKOUT OVER MAJOR WAVE THREE
A Dynamic 1979 Major Wave Five break-out over Major Wave Three has been repeated in the year 2020.
Now the question is will the 2021 price of silver repeat the 1980 performance of silver and reach the upper trend line of the current yearly logarithmic parallel channel? If the answer is yes the price will be $520 an ounce.

The answer is;
I plead the Fifth.
What qualifies me to write about an explosion in the price of silver?
Well for one, after three years of assembling bombs and rockets during the Korean War my crew and I know what it takes to cause an explosion.
For two, I started on Wall Street in 1956 with Carl M. Loeb Rhodes & Co. I started as a margin clerk and six months later began the stock broker training program. I retired in 1972 and have been doing this “stuff” for 64 years. At the age of 89 I not only enjoy it I love it.
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