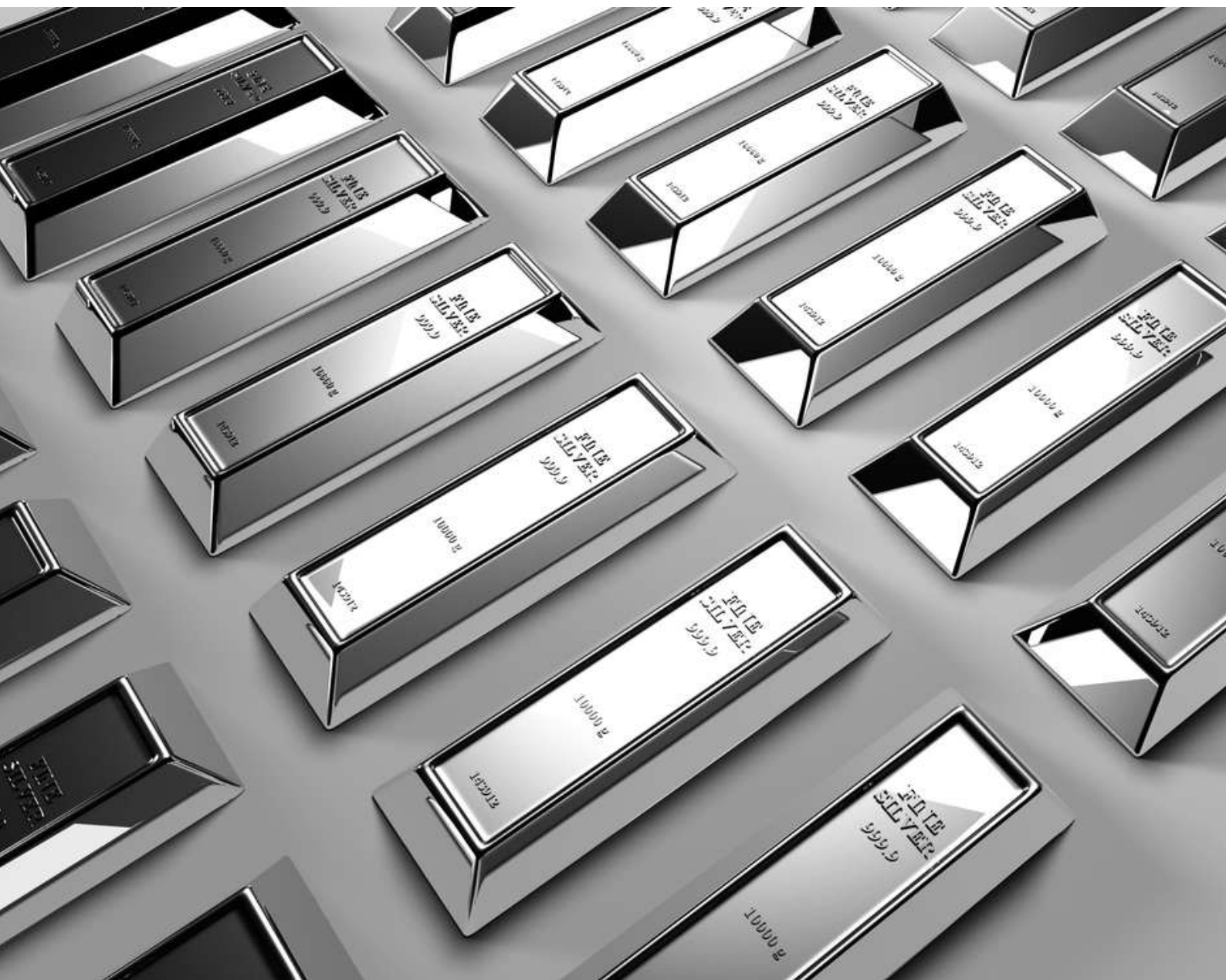


# TECHNO FUNDA REPORT ON SILVER

*White metal can witness bounce back*

June 18th, 2015



## DAILY CHART OF MCX SILVER (SEP)



Source: Reuters

### Recommendation

Take fundamental buy position in Silver (Sep) at current levels for the target of 40000 and stop loss of 36700

### Note:

- These long term fundamental calls are for duration of three to four weeks time frame and do not confuse these with intraday calls.
- It is assumed that investor takes position in two lots and square off position in one lot on partial profit booking and trail stop loss to buying/selling price for second lot.

## DAILY CHART OF COMEX SILVER (JULY)



Source: Reuters

## **Bullish factors**

### **Decline in Greenback**

Dollar index can fall lower towards 92 levels after dovish comments from Federal Reserve. Any decline in greenback is bullish for Silver.

### **Greece debt crises can induce safe haven demand in Bullions**

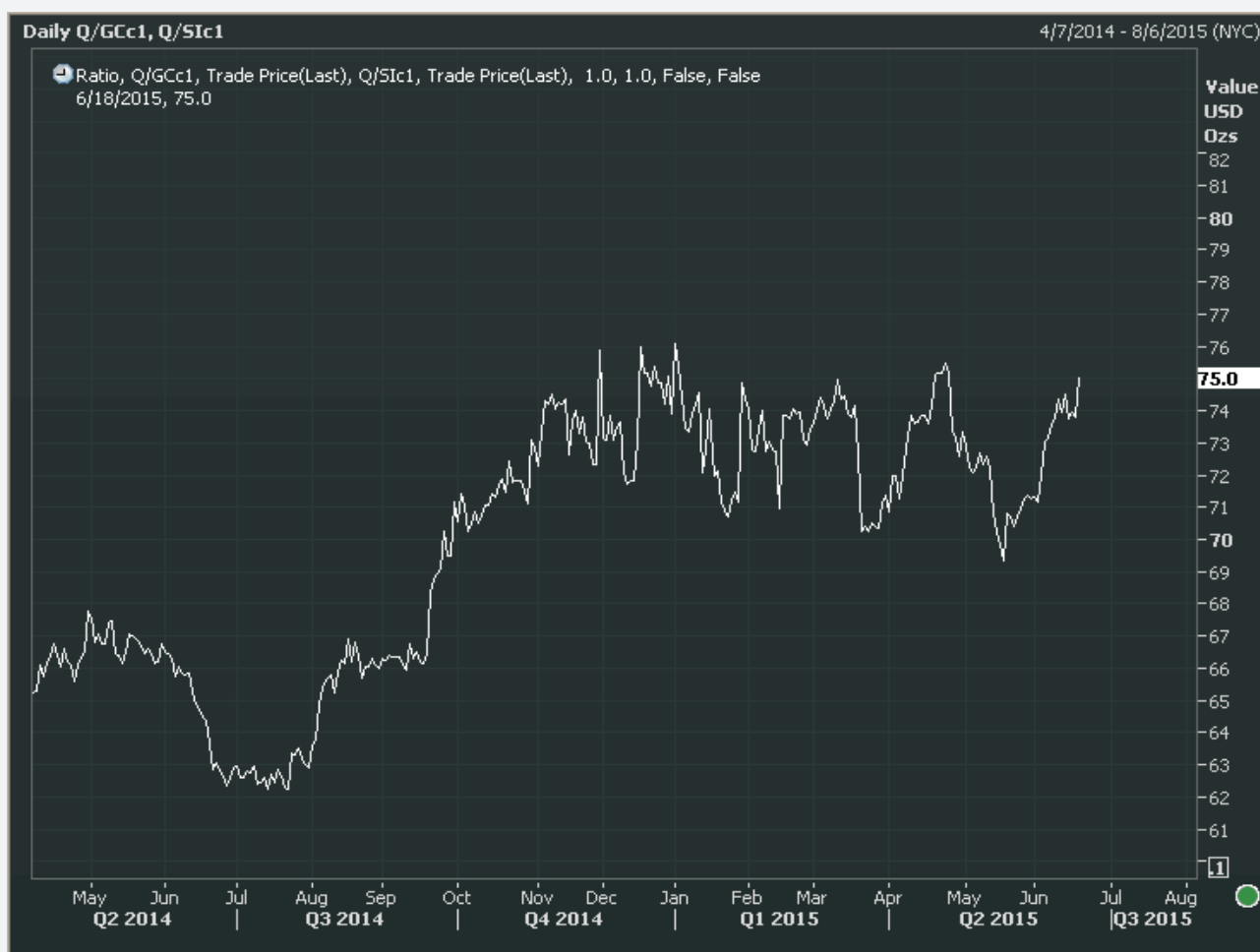
Uncertainty over the deal between Greece and the European Central Bank (ECB) and International Monetary Fund can support gold prices. Greece and its European and International Monetary Fund lenders have been locked in slow-moving talks on a reform agreement for four months without a breakthrough insight. Without a deal, Athens risks default or bankruptcy in weeks. A worsening of the Greek debt crisis could trigger demand for bullions.

Greece's central bank has taken the highly unusual step of siding against the country's government in its five-month stand-off with bailout creditors. The bank urged Greece's leaders to agree to a deal offered two weeks ago or risk an "uncontrollable crisis" that could force Athens out of the EU. It was also a severe blow to a week-long effort by Alexis Tsipras, the Greek prime minister, to shore up domestic support for his brinkmanship tactics against his country's creditors, whom he has accused of "pillaging" Greece and of "criminal responsibility" for the country's economic plight.

### **Dovish comments from FOMC meeting**

Keeping a tight lid on its future intentions, the Federal Reserve on Wednesday held interest rates steady at zero and provided only faint clues about when the first hike in nine years might occur. Adhering to market expectations, the Fed's Open Market Committee voted essentially to maintain the status quo that has prevailed since the US central bank first went to zero rates in late-2008. FOMC members deemed economic activity "expanding moderately" with various sectors seeing some activity. The language, though, was tempered and the various indicators the Fed uses to tip its hand on policy showed little movement. Economic estimates from Fed officials showed a considerably lower expectation for growth this year. The FOMC move comes as unemployment continues to drop but inflation shows almost no signs of getting to the Fed's target rate of 2 percent. The jobless rate has fallen to 5.5 percent but most inflation measures are moored in the 1 percent to 2 percent range, with low wage pressures, energy prices well below their year-ago levels and the gross domestic product in check.

## Gold Silver ratio



**Analysis:** Gold silver ratio can face resistance near 75.5 levels and can dip lower towards 72-71 in near term. Decline in this ratio indicates that silver can outperform gold in near term.

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