



The **Commodity Trader's Guide** deals with these and many other markets in much more detail over multiple time-frames. For more details and information about **Seven Days Ahead's** other trading guides: [CLICK HERE](#)

Market Update

12th June 2009

SILVER Setback – Temporary Tarnish

A recent Key Reversal Day, ahead of key resistance. This could be enough to justify a shorter term bear stance in Silver, notwithstanding the latest rebound. And the *reward/risk* ratio looks sufficiently large too...

The Commodity Trader's view



MONTHLY CHART – CONTINUATION:

The long term chart shows how effective support was from a major 76.4% level (and highs from 2004/2005 too).

On this chart note that an old rising support/return line plus the May-08 low around 16.00 have recently provided effective shorter term resistance.

A further pause in the medium term recovery would not be a surprise.

SEVEN DAYS AHEAD

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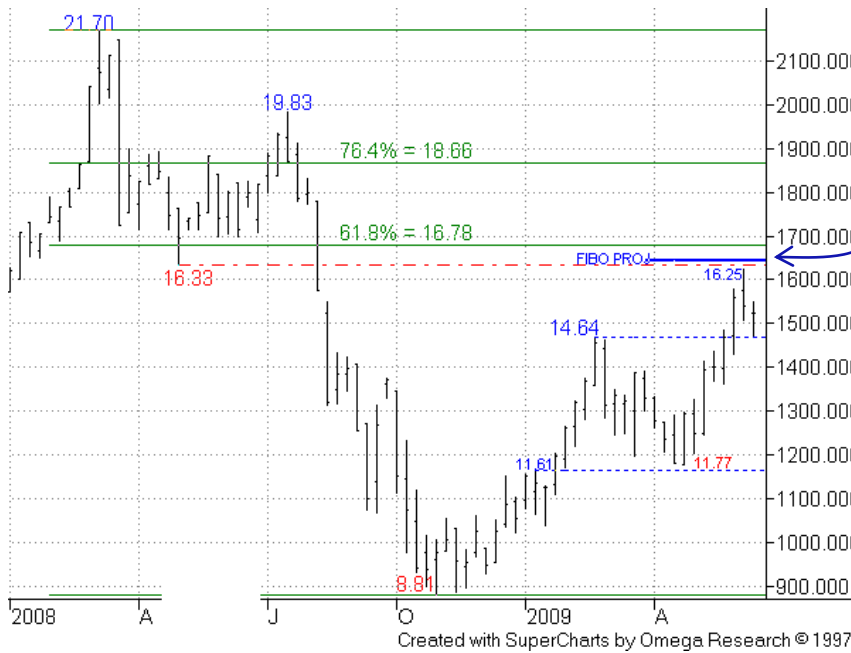
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WEEKLY CHART – JUL-09:

In the **Commodity Trading Guide** we had identified the 16.33-78 area (May-08 low, Fibo projection & 61.8% retracement) as potentially tough overhead resistance.

S/term the market has found a high just ahead of this - see below...

Continued...

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DAILY CHART – JUL-09:

Wed 03-Jun saw a Key Reversal Day (just ahead of key resistance), heralding a pause/pullback phase.

Unsurprisingly initial support has been found at/above the 14.64/54/50 area (Feb high and dual Fibo retracement area).

But, in view of the failure near to key resistance, there is a good chance of seeing a further bear onslaught.

If so, then a break of 14.64/50 would turn focus on the lower 13.48/40, the next dual Fibo retracement area.

In any case, ultimately, bulls do not want to see the channel base projection, around 12.60 currently (and closing in on the 76.4% 12.83 level), broken.

This suggests a later buy strategy towards 13.50, with stops below 12.80. But ahead of this, s/term sellers on rallies (spurred by that Key Reversal Day) have a clear risk level in the 16.25 03-Jun high (so stops above this). Favoured entry area would be 15.65/90, the s/term 61.8%/76.4% rebound area, but ideally towards the higher end as one Fibo projection implies that the 16.00 area might be seen prior to resumption of weakness under this temporary bear scenario. This would minimize risk. Partial profits may be taken at 14.70/60, balances targeting 13.60/50 with tightened stop to at least cost. This particular s/term bear view is negated if the 16.25 high is exceeded.

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