

SILVER REPORT

Where Technical Triggers.....

06 April 2026



Fundamental



Commodity	Price	Period (% Change)					Ytd
		1 Week	1 Month	3 Month	6 Month	1 Year	
Silver \$	70.22	3.13	-14.36	-3.57	46.35	107.19	-1.94
MCX Silver	226,420.00	2.98	-14.66	-4.19	55.35	126.98	-3.94



★ Reasons for drop in prices from 120\$

- **Margin Shock:** CME Group hiked margins ~20–30%, triggering leveraged long liquidation across markets.
- **Profit Booking:** After ~250% yearly rally, institutions exited longs, locking historic gains aggressively.
- **Cascade Sell Off:** Sharp declines triggered automated sell orders, accelerating global market-wide liquidation.
- **Liquidity Crunch:** Paper silver volumes exceeded physical demand, creating severe absorption imbalance globally.
- **Mean Reversion:** Silver corrected from extremely overbought levels toward historical average price bands.
- **Policy Shift:** Kevin Warsh nomination signaled stricter, hawkish monetary policy outlook ahead.
- **Bond Yield Spike:** US 10-year yields surged near 4.3%, hurting silver attractiveness.
- **Dollar Strength:** DXY rally made silver costlier globally, weakening international physical demand.
- **Rate Cut Reset:** Inflation persistence reduced expected 2026 Fed rate cuts significantly.
- **Fear Trade Reversal:** Dollar collapse narrative faded, reducing safe-haven demand for silver.
- **Industrial Thrifiting:** Solar sector reduced silver usage, substituting cheaper metals like copper.
- **Demand Pause:** \$100+ prices forced industries to delay procurement and reassess consumption.
- **ETF Outflows:** Heavy selling from ETFs in India, US amplified downside volatility.

- Silver rallied over 5% in a week amid de-escalation hopes on rumors that Iran was prepared to make nuclear concessions to avoid US attacks.
- By April 2, Trump threatened that Iran would be "hit extremely hard" in the next 2-3 weeks, causing silver to tumble as the US Dollar rallied on war fears.
- US Dollar Index stability at 100 limits silver's immediate breakout potential
- The Federal Reserve signaled that interest rate cuts for 2026 are "completely evaporated" due to war-driven inflation, weighing heavily on prices.
- The US Court struck down several of Trump's tariffs, briefly weakening the USD and providing a temporary floor for silver.
- COMEX silver registered inventories slip below 90 million ounce threshold
- February silver imports into China reached an eight-year high of 206.76 metric tonnes, 49% month-on-month increase
- Global silver market faces sixth consecutive deficit of 67 million ounces in 2026
- Solar PV silver demand forecast to drop 7% as substitution efforts accelerate
- Silver recycling projected to surge 7% surpassing 200 million ounces
- Indian silverware demand expected to contract 17% due to price sensitivity
- Silver investment demand forecast to jump 20% to 227 million ounces
- Silver mine production in Mexico set for 1% growth driven by primary mines
- Indian silver ETFs record first net outflow in 27 months totaling ₹826 crore
- J.P. Morgan projects 2026 silver average at \$81/oz despite recent pullbacks

Strengths

- Silver market to remain in deficit in 2026 for the sixth consecutive year, at a noteworthy 67 Moz.
- iShares Silver Trust ETF holdings increased by 61.97 tonnes during the March price correction
- COMEX silver faces unprecedented delivery stress as registered stocks plummet 31% in March cycle
- Gold-silver ratio compressed to 64:1 showing silver's outperformance relative to gold over 12 months.
- Rupee weakening to record low near 94.70 has kept domestic silver prices from falling as sharply as global spot rates
- Technical support at the \$62 level held on a weekly closing basis despite volatility

Weaknesses

- International spot prices plunged 37% from \$121.64 peak to \$61.21 in three weeks
- US Dollar Index reclaimed the 100.00 level pressuring all dollar-denominated bullion asset classes
- The Federal Reserve held the funds rate steady within the 3.5%–3.75% target range.
- Solar sector silver demand forecast to drop 7% as manufacturers substitute silver with copper
- Indian silverware and jewelry demand contracted 17% as consumers rejected record high prices
- India's silver exchange-traded funds (ETFs) recorded their first net outflow in 27 months in February.

Opportunities

- China's silver imports hit 8-year high with 790 tonnes in early 2026 amid new export curbs
- The Silver Institute expects global physical investment to increase by 20% in 2026, reaching 227 million ounces.
- Any dovish pivot by the Federal Reserve could trigger immediate 15% bullion price rally
- Citigroup analysts reiterated a \$100/oz target for 2026, citing the structural deficit as a primary reason.
- J.P. Morgan forecasts 2026 silver price average of \$81/oz citing persistent supply-demand imbalances.
- Mexico's Fresnillo PLC, the world's largest silver miner, cut its 2026 production guidance by 9%.

Threats

- Federal Reserve signaled potential 25bps rate hike if core CPI stays above 2.5%
- Ceasefire progress in West Asia could remove the safe-haven "war premium" from silver prices.
- Global silver supply is forecast to reach a decade high of 1.05 billion ounces later this year
- Global manufacturing slowdown could reduce industrial silver demand by 10% in the near term
- Rising energy costs for smelters may lead to forced production cuts in secondary refining
- BOFA warned that if the Gold-Silver ratio reverts to the 80s, silver could see another 15-20% downside.

US Fed Interest Rate Outlook

The Federal Reserve's monetary policy stance remains the primary driver of gold price prediction trends. In March 2026, rates stayed within the 3.5–3.75% range, with uncertainty around future rate cuts. Lower interest rates support gold by reducing the opportunity cost of holding non-yielding assets, while higher rates tend to weaken its appeal.

Inflation and Dollar Strength

The strength of the US dollar is another major factor. A stronger dollar makes gold more expensive globally, reducing demand. At the same time, inflation adds complexity; while it supports gold as a hedge, it can also lead to tighter monetary policy, indirectly pressuring prices.

Geopolitical Tensions and Impact of War

Geopolitical tensions have had a limited impact on gold prices recently. Instead of driving demand, rising oil prices and persistent inflation concerns have strengthened the dollar, offsetting traditional support for gold.

Trump Signals Potential End to Iran Conflict

President Donald Trump announced that United States military actions against Iran could potentially wrap up within two to three weeks. Notably, he stated that Tehran is not required to finalize a formal deal as a prerequisite for the de-escalation of the conflict. White House spokeswoman Karoline Leavitt confirmed that the President will provide a comprehensive update on the situation during a national address scheduled for Wednesday at 9 pm. This shift in stance has introduced a new wave of speculation across global financial markets.

CME FEDWATCH TOOL - CONDITIONAL MEETING PROBABILITIES							
MEETING DATE	225-250	250-275	275-300	300-325	325-350	350-375	375-400
29/04/2026	0.0%	0.0%	0.0%	0.0%	0.0%	97.4%	2.6%
17/06/2026	0.0%	0.0%	0.0%	0.0%	7.5%	90.1%	2.4%
29/07/2026	0.0%	0.0%	0.0%	0.3%	11.1%	86.3%	2.3%
16/09/2026	0.0%	0.0%	0.0%	0.3%	11.0%	86.2%	2.5%
28/10/2026	0.0%	0.0%	0.0%	0.6%	12.7%	84.3%	2.4%
09/12/2026	0.0%	0.0%	0.1%	2.4%	23.5%	71.9%	2.0%
27/01/2027	0.0%	0.0%	0.2%	3.8%	26.9%	67.1%	1.9%
17/03/2027	0.0%	0.0%	0.4%	4.7%	28.4%	64.7%	1.8%
28/04/2027	0.0%	0.0%	0.5%	5.5%	29.5%	62.6%	1.8%
09/06/2027	0.0%	0.1%	1.2%	8.6%	33.9%	54.7%	1.5%
28/07/2027	0.0%	0.2%	1.9%	11.1%	35.9%	49.4%	1.4%
15/09/2027	0.1%	1.1%	6.8%	24.3%	43.1%	24.0%	0.7%
27/10/2027	0.2%	1.6%	8.2%	25.8%	41.5%	22.1%	0.6%
08/12/2027	0.3%	2.0%	9.4%	26.8%	40.2%	20.7%	0.6%



Global Silver Market Faces Sixth Consecutive Annual Deficit of 67 Million Ounces in 2026:

The Silver Institute forecasts that total supply will reach 1.05 billion ounces, failing to meet demand for the sixth straight year. This structural shortfall has exhausted over 800 million ounces of global reserves since 2021.

Global Mine Production Expected to Grow Only 1% to 820 Million Ounces in 2026:

New output from Morocco (Zgounder mine) and Chile (Salares Norte) is barely offsetting declines in Peru. Primary silver mines now account for only 28% of total supply, leaving the market reliant on base-metal byproducts.

The Silver Institute Forecasts 2% Decline in 2026 Industrial Fabrication Due to PV Thrifting:

Despite a 130% YoY price rally, the Silver Institute reports that solar manufacturers are cutting silver load-per-cell by 7-10%. Total industrial demand is expected to hover around 650 million ounces for the fiscal year.

Shanghai Silver Exchange Stocks Plunge to Decade Low of 318 Tonnes:

Inventories in China have dropped by nearly 10% in a single week, down from 349 tonnes. The acute shortage in the East has kept Shanghai premiums \$10 per ounce above London spot, effectively sucking metal out of Western vaults.

Solar PV Silver Demand Forecast to Fall 7% as Manufacturers Pivot to Copper Substitution:

High silver prices (17-29% of module costs) have forced solar giants like Longi to accelerate "thrifting." Sector consumption is expected to drop to 194 million ounces this year despite expanding solar capacity.

Silver Jewelry Demand in India Dips 9% as Record High Prices Deter Retail Consumers:

While investment demand is up 20%, the physical jewelry sector is suffering. Indian consumers are reportedly shifting to lighter designs or delaying purchases.

Indian Silverware Demand Projected to Contract 17% in 2026 as Price Sensitivity Peaks:

High domestic rates above ₹2.5 lakh/kg have severely impacted the gift-driven silverware market. In India, retail volume is down significantly, though this is being offset by a 20% surge in silver ETF and digital bar investment.

MACRO ECONOMY VIEW

UNITED STATES



Economy
Above trend growth expected as policy uncertainty fades



Inflation
Trending lower into 2H 2026, energy risk remains



Policy
Fed expected to ease further toward neutral rates later this year

EUROPE



Economy
Gradual growth strengthening, real wage gains, fiscal support



Inflation
Close to target, expected to remain contained



Policy
ECB likely to keep rates steady, downside risks if growth disappoints

UNITED KINGDOM



Economy
Improving modestly as easier policy offsets labour market softening



Inflation
Momentum cooling, could fall below target absent energy shocks



Policy
BoE has room to cut rates more than peers

JAPAN



Economy
Growth above potential, real wages positive, fiscal support



Inflation
Should fall below 2%, supporting household spending



Policy
BoJ likely to continue gradual policy normalisation (increasing rates)

CHINA



Economy
Growth stabilizing with targeted policy support



Inflation
Pressures limited, consumer inflation positive



Policy
Support through fiscal measures and RRR cuts

INDIA



Economy
Growth remains resilient and structurally supported



Inflation
Not a central concern in the near term



Policy
Policy rates expected to remain broadly stable

Economic Environment

- **Global Acceleration:** Economy expected to pick up in 2026.
- **Cycle Stage:** Currently in Mid-Expansion (transitioning from Early Expansion in lagging regions like Germany).
- **Outlook:** Bullish for riskier assets, though less broad-based than 2025.

Favored Asset Classes

- **Equities:** Preference for Non-US (higher cyclical), EM, and European markets.
- **Commodities:** Focus on Industrial (energy and base metals).
- **Real Estate:** Bullish on REITs and broad real estate.
- **Credit:** High Yield (HY) favored for cyclical, despite tight spreads.

Strategic Nuances

- **Regional Differences:** Germany viewed as "Early Expansion" (favouring Size, Value, and Early Cyclical).
- **Fixed Income Caution:** Rising long-yields may pressure Government and IG debt.
- **Valuation Warning:** High prices may already reflect much of the positive growth news.

Key Risks

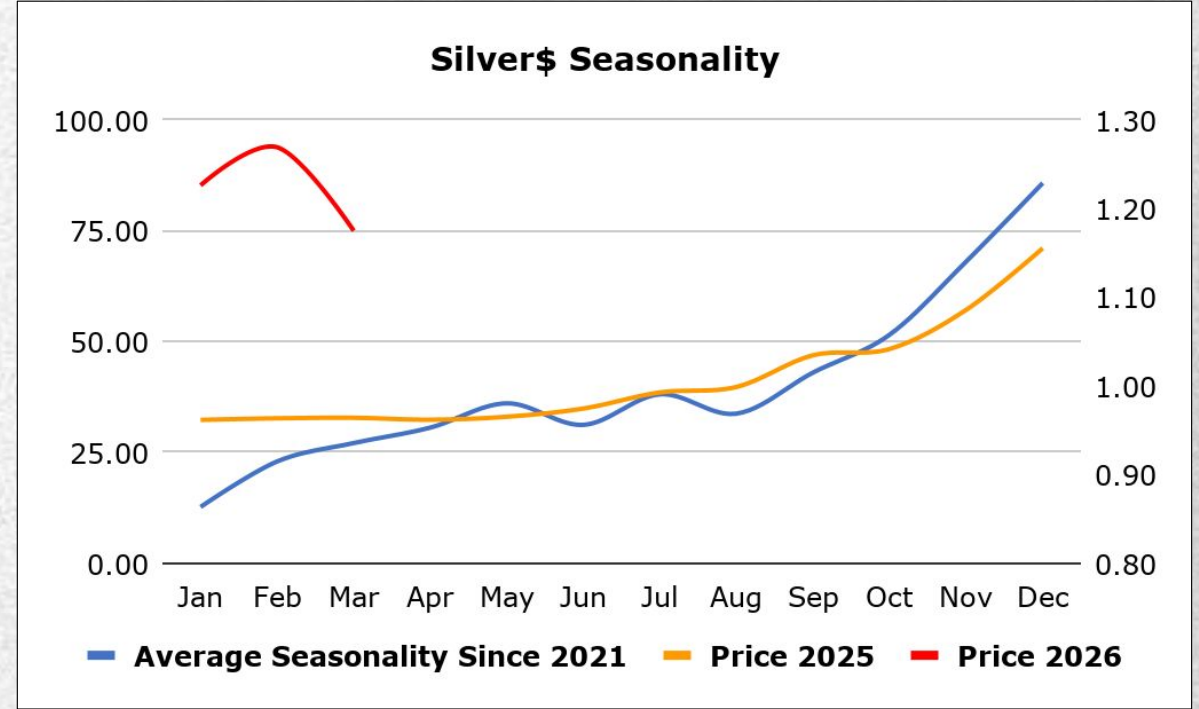
- **Recession/Tightening:** Central bank hikes could derail growth.
- **Energy Disruption:** Prolonged supply shocks could lead to stagflation.
- **Safe Havens:** In a downturn, only energy, resource equities, and Gold likely to outperform.



Broker Name	Expected Target	Trend	Reason
Bank of America	\$309/oz	Hyper-Bullish	Historical Gold-Silver ratio compression toward 14:1 extreme levels.
Citigroup	\$100/oz	Bullish	Immediate physical squeeze and persistent 200 million ounce deficit.
J.P. Morgan	\$81/oz	Bullish	Structural industrial demand from AI and solar outstripping supply.
Goldman Sachs	\$84+/oz	Bullish	Extreme price sensitivity due to critically low global exchange inventories.
HSBC	\$88/oz	Cautiously Bullish	Safe-haven demand driven by dollar debasement and fiscal concerns.
Saxo Bank	\$70/oz	Neutral	Balancing macro tailwinds against potential industrial substitution at highs.
UBS	\$60/oz	Neutral	Consolidation as ETF inflows offset by high-price industrial thrifting.
TD Securities	\$49/oz	Bearish	Expectations of price moderation as solar manufacturers pivot to copper.

Silver \$

MCX Silver



Technical



Silver \$



MCX Silver



Silver \$



MCX Silver



Silver \$



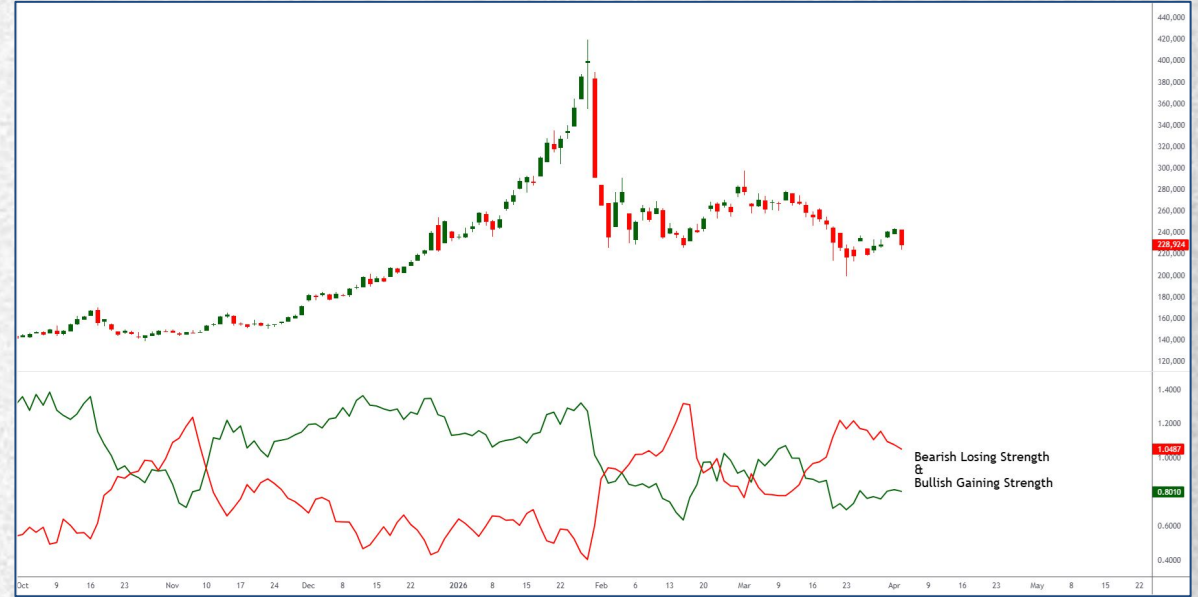
MCX Silver



Silver \$



MCX Silver

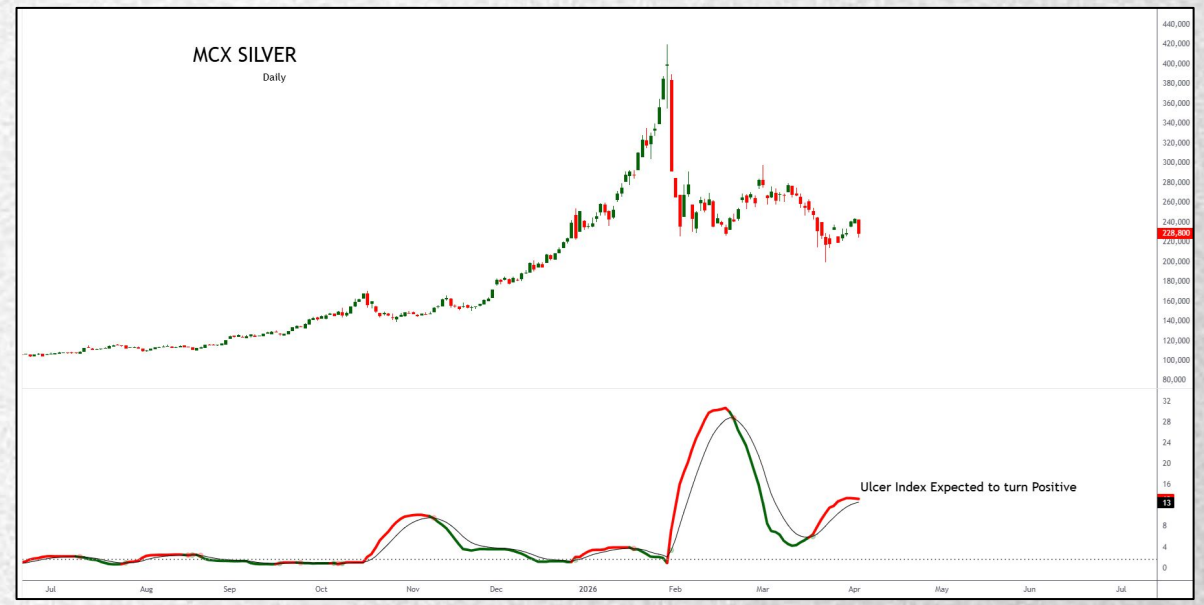




Silver \$



MCX Silver







Conclusion



Price Performance: Silver prices showed high volatility, rising over 5% in a week on easing geopolitical tensions before reversing sharply as renewed war fears strengthened the U.S. dollar. The dollar index holding near 100 limited upside momentum, reflecting a tug-of-war between safe-haven demand and macro headwinds, resulting in an uncertain near-term price trajectory.

Monetary Policy & Dollar Dynamics: Silver remains pressured by tightening monetary expectations, as the Federal Reserve indicated that 2026 rate cuts have “completely evaporated” due to war-driven inflation. A firm U.S. dollar further caps upside potential, reducing investor appetite. However, intermittent dollar weakness from policy shifts or tariff rulings continues to provide temporary price support.

Supply Deficit & Production Trends: The global silver market is projected to record a sixth consecutive deficit of 67 million ounces in 2026, with total supply at 1.05 billion ounces. Mine production is expected to grow marginally by 1% to 820 million ounces, highlighting constrained supply conditions, though rising recycling, projected up 7%, partially offsets the structural shortfall.

Demand Trends & Trade Flows: Demand dynamics remain mixed, with China's imports surging 49% month-on-month to 206.76 metric tonnes, while investment demand is expected to jump 20% to 227 million ounces. Conversely, Indian silverware demand is projected to decline 17% and jewelry demand by 9%, reflecting price sensitivity, alongside a 7% drop in solar PV demand due to substitution effects.

Technical Outlook: Technical indicators highlight elevated volatility and indecisive momentum. RSI suggests oscillation near mid-levels, while MACD reflects lack of sustained directional strength. Vortex and volatility indicators indicate trend instability, and higher Ulcer Index levels point to downside risk persistence. Overall, silver is likely to remain range-bound with intermittent directional spikes driven by macro triggers.

Instrument	Trend	View
Silver	Buy on drop	Looks firm to test 66\$–68\$ and on MCX till 213500 - 216000 level, support at 62\$ and on MCX at 195000. RSI stabilization and MACD crossover indicate range-bound recovery; volatility remains elevated. Fundamental: Supply deficit of 67 million ounces and strong Chinese imports support prices, while strong dollar cap upside.

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