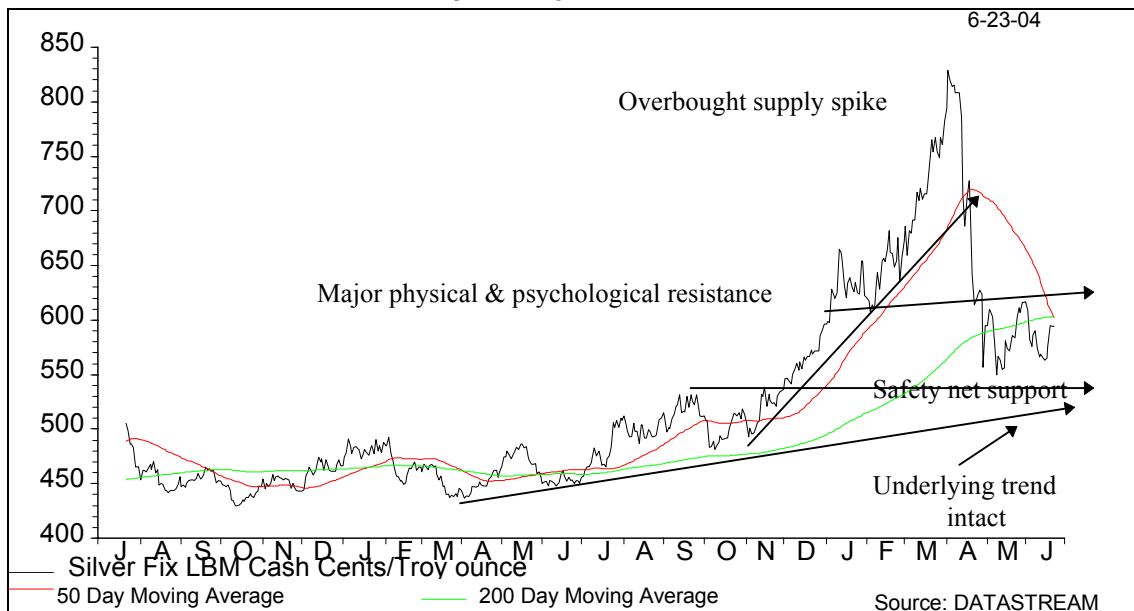


Silver fix LBM Cash 594.0 cents per Troy oz



- Support: 550; **532**; 481; 465; **430**; 406
- Resistance: 600-615; 660; 700-730; 830; 875; 1000
- The short to medium-term technical profile is one of consolidation following a major correction
- Significant safety net support generated by former resistance @532 remains effective
- This support is in turn underpinned and reinforced by the fifteen month uptrend
- Pattern development is one of sideways consolidation oscillating across the pivotal long average
- Major physical & psychological resistance is focused on 600-615
- The neutral indicator profile is not strong in support of a near-term break above this resistance
- Speed and direction indicators are short-term in line within the prevailing downtrend
- Short momentum registers some easing but no major upward impetus
- Target potential on a clear break of 600-615 could however reach 680
- The 600-615 resistance zone would however need to reverse into effective support to introduce the potential for a more significant advance
- The long-term profile is now dominated by supply generated by the 2004 overbought spike
- This supply will dominate and hinder rally attempts for some considerable time to come
- On a two to four week view therefore there is little prospect of a significant directional change
- The suggested trading range is 550, possibly limited to 570, to 615
- On a one to three month view downside risk limited to 530
- On a three month view there is potential for a more significant rally attempt up to 680
- It is however highly unlikely silver will regain 700 or beyond in the next few months

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