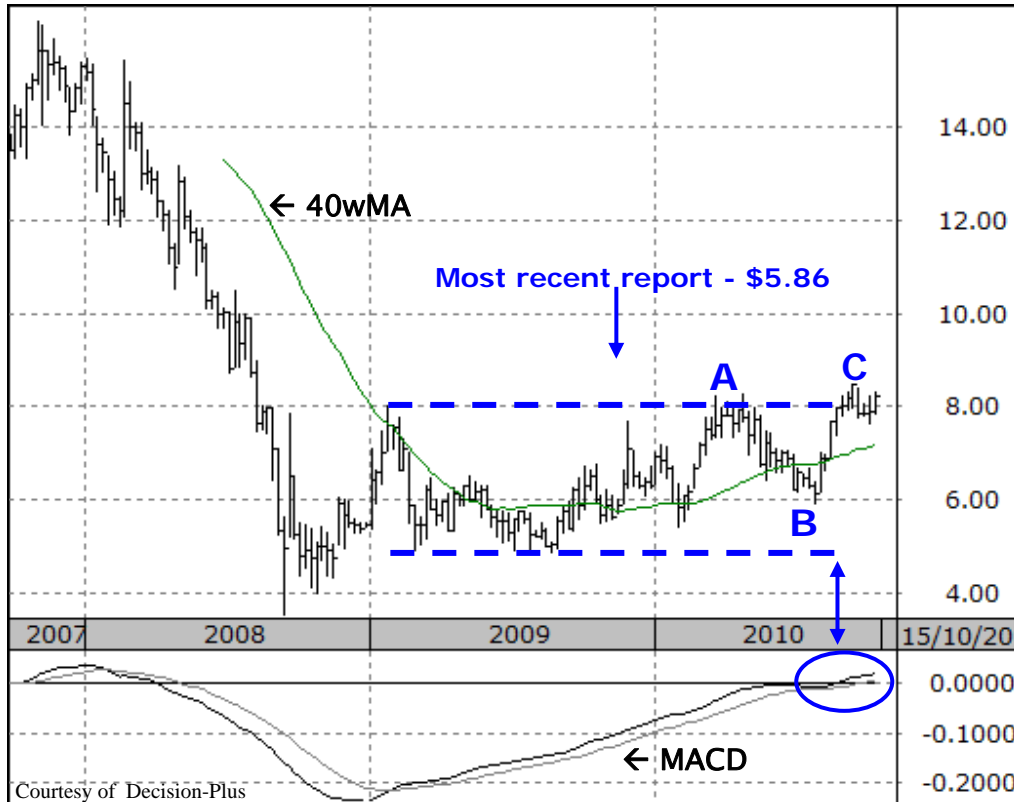




PHASES & CYCLES®

MAG SILVER IS ON THE VERGE OF A MAJOR BREAKOUT

Sector: Material – Precious Metals & Minerals
(MAG: \$8.25; Weekly Chart from October 2007)



MAG Silver has higher targets.

Following our most recent report on November 18, 2009 (\$5.86), MAG Silver rallied to a high of \$8.26 (A), pulled back toward its rising 40-week moving average (B) and now appears ready to resume the up-trend (C). A sustained rise above \pm \$8.30 would signal the breakout from the large area of accumulation (dashed lines) toward higher targets.

Technical indicators including the rising 40-week moving average and the MACD (see lower panel) confirm the bullish status. Only a decline below the 40-week moving average (currently at \pm \$7.00) would suggest that additional base-building is required.

A rise above \pm \$8.30 would signal an initial target of \$9.50 (a 15% appreciation potential from current levels). The large area of accumulation supports higher targets.

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PAC-10-192; MAG-2; October 14, 2010

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