



## DAILY METALS COMMENTARY Tuesday January 16, 2024

### PRECIOUS METALS COMMENTARY

1/16/2024

**The bear camp has regains control outside market pressures**

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):**

**GOLD -8.90, SILVER -0.02, PLATINUM -1.05**

**OUTSIDE MARKET DEVELOPMENTS:** Global equity markets overnight were lower except for the two markets in Shanghai which traded fractionally higher. The weakest global market was the Hang Seng with a decline of 1.46%. Critical economic news released overnight included continued contraction in a New Zealand NZIER Business Confidence reading for the fourth quarter, a much weaker than expected Australian Westpac Consumer Confidence reading for January, much hotter than expected Japanese producer price index readings for December, as expected German consumer price index readings, a slight pickup in GBP employment, a slight pickup in GBP claimant count readings, softer than expected GBP average earnings including bonus, as expected Italian CPI, better than expected German and EU ZEW economic sentiment survey readings and a slightly softer than expected German ZEW current situation survey for January. The North America economic report slate today includes Canadian housing starts for December which are expected to jump significantly, a noted contraction is expected in Canadian consumer price index readings for December, a slightly less negative than the previous month US New York Empire State Manufacturing Index reading and a speech from the Fed's Waller at midmorning.



**MARKET FUNDAMENTALS:** In addition to gapping higher overnight, the dollar index reached the highest level since December 13th in a reaction that appears to carry follow-through potential. Adding into the bearish track for gold and silver to start the new trading week, US treasury yields are climbing and gold ETF holdings at the end of last week had posted nine straight days of outflows, with holdings last week reduced by 656,635 ounces. Year-to-date gold ETF holdings are already down 1.2% while silver ETF holdings are down only 0.6% year to date. From a longer-term perspective, the gold market could see lift from Chinese President Xi Jinping who announced China would push for high quality development of its financial sector and would accelerate the creation of a modern financial system as that necessitates the need for a faster expansion of Chinese central bank gold reserves to backstop its currency in the eyes of the world trade. Along those lines the markets will be presented with Chinese retail sales and GDP readings tonight with expectations calling for a slight deceleration of growth on a month-to-month basis. Gold positioning in the Commitments of Traders for the week ending January 9th showed Managed Money traders reduced their net long position by 31,228 contracts to a net long 106,288 contracts. Non-Commercial & non-reportable traders are net long 221,128 contracts after net selling 25,031 contracts. While the net spec and fund long position was pulled down in gold last week, we still see the positioning as burdensome and vulnerable to stop loss selling especially with the violation of support at \$2033.10. Silver positioning in the Commitments of Traders for the week ending January 9th showed Managed Money traders reduced their net long position by 8,066 contracts to a net long 7,886 contracts. Non-Commercial & non-reportable traders net-long 41,320 contracts after decreasing their long position by 7,517 contracts. The Commitments of Traders report for the week ending January 9th showed Platinum Managed Money traders were net long 17,084 contracts after decreasing their long position by 6,462 contracts. Non-Commercial & non-reportable traders are net long 28,734 contracts after net selling 5,490 contracts. The Commitments of Traders report for the week ending January 9th showed Palladium Managed Money traders added 1,855 contracts to their already short position and are now net short 8,154. Non-Commercial & non-reportable traders added 1,220 contracts to their already short position and are now net short 9,481.

### TODAY'S MARKET IDEAS:

The path of least resistance is down with both key outside market forces providing notable pressure for both gold and silver prices. Downtrend channel selling resistance in February gold today is \$2064.20 with that downtrend channel selling resistance line dropping to \$2061.10 on Wednesday. Near-term downside targeting is \$2033.10 with a probe below \$2025 likely in the coming 36 hours.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None

## COPPER COMMENTARY

1/16/2024

### Positive Chinese equity action offsets Chinese property fears

**GENERAL:** While the copper market did not post a lower low this morning, the charts remain definitively bearish with the lower high and lower low pattern likely to extend straightaway. Despite higher Chinese equity market action overnight, a risk off mood exists in Southeast Asia and in most of the world, leaving copper demand concerns from last week in place. However, the copper market should see support from news that a major Chinese bank has listed 41 developers who have been authorized for funding support, as that provides minimal solace for the property sector. However, with the largest Chinese private property developer overnight indicating the property markets in China will remain weak and could face "severe challenges", assistance to Chinese property developers probably indicates the Chinese property sector remains on the ropes! Not surprisingly, the world's largest iron ore exporter Rio Tinto sees Chinese stimulus supporting the broader economy in China, but that optimism is in the minority among analysts. With the net spec and fund long position in copper shifting from net long to a net short as of last Tuesday and the market temporarily bouncing after the positioning was measured, we see the potential for additional spec and fund selling. Copper positioning in the Commitments of Traders for the week ending January 9th showed Managed Money traders net sold 26,822 contracts which moved them from a net long to a net short position of 16,754 contracts. Non-Commercial & non-reportable traders went from a net long to a net short position of 8,422 contracts after net selling 20,186 contracts.



### MARKET IDEAS:

We leave the edge with the bear camp with downtrend channel selling resistance today at \$3.8040, with thin and unreliable support at \$3.7350.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 1/2/2024 - 1/9/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
<b>Metals</b>						
Copper	-13,020	-21,713	8,422	+20,187	4,598	+1,527
Gold	191,141	-26,949	-221,129	+25,029	29,987	+1,918
Palladium	-9,561	-1,388	9,482	+1,221	80	+168
Platinum	23,834	-6,533	-28,734	+5,489	4,900	+1,043
Silver	22,921	-7,187	-41,320	+7,517	18,399	-330

## METALS TECHNICAL OUTLOOK:

Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

COMEX GOLD (FEB) 01/16/2024: The major trend could be turning up with the close back above the 40-day moving average. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close above the 9-day moving average is a positive short-term indicator for trend. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside objective is 2017.0. The next area of resistance is around 2069.3 and 2085.4, while 1st support hits today at 2035.1 and below there at 2017.0.

COMEX SILVER (MAR) 01/16/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. A positive signal for trend short-term was given on a close over the 9-bar moving average. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next downside target is 22.519. The next area of resistance is around 23.732 and 24.128, while 1st support hits today at 22.928 and below there at 22.519.

COMEX PLATINUM (APR) 01/16/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The close below the 9-day moving average is a negative short-term indicator for trend. The outside day down is a negative signal. The market's close below the pivot swing number is a mildly negative setup. The next downside target is now at 889.95. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 931.09 and 955.15, while 1st support hits today at 898.50 and below there at 889.95.

COMEX COPPER (MAR) 01/16/2024: Momentum studies are declining, but have fallen to oversold levels. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is 3.68. The next area of resistance is around 3.78 and 3.84, while 1st support hits today at 3.71 and below there at 3.68.

## DAILY TECHNICAL STATISTICS

	CLOSE	9 DAY RSI	14 DAY RSI	14 DAY SLOW STOCH D	14 DAY SLOW STOCH K	4 DAY M AVG	9 DAY M AVG	18 DAY M AVG	45 DAY M AVG	60 DAY M AVG
<b>METALS COMPLEX</b>										
GCEG24	2052.2	53.06	52.86	33.35	30.34	2037.73	2045.09	2054.64	2034.20	2028.23
SIEH24	23.330	44.70	44.72	22.18	19.27	23.05	23.23	23.82	23.98	23.83
PLAJ24	914.80	27.15	36.57	21.57	7.53	926.88	954.49	973.67	943.00	937.79
CPAH24	3.74	30.60	38.50	19.47	9.29	3.76	3.81	3.86	3.82	3.78
PAAH24	978.50	28.60	35.47	15.36	6.92	983.40	1018.02	1104.33	1060.44	1077.43

Calculations based on previous session. Data collected 01/12/2024

Data sources can & do produce bad ticks. Verify before use.

## DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>METALS COMPLEX</b>						
GCEG24	COMEX Gold	2017.0	2035.1	2051.2	2069.3	2085.4
SIEH24	COMEX Silver	22.518	22.927	23.323	23.732	24.128
PLAJ24	COMEX Platinum	889.95	898.49	922.55	931.09	955.15
CPAH24	COMEX Copper	3.67	3.70	3.76	3.78	3.84
PAAH24	COMEX Palladium	950.37	961.75	983.87	995.25	1017.37

Calculations based on previous session. Data collected 01/12/2024

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