



DAILY METALS COMMENTARY Tuesday February 06, 2024

PRECIOUS METALS COMMENTARY

2/6/2024

Bias remains down due to \$ strength & hawkish Fed

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

GOLD -0.30, SILVER -0.01, PLATINUM -0.23

OUTSIDE MARKET DEVELOPMENTS: Global markets shook off early pressure, but they have lost some of their strength coming into this morning's action. Chinese equities broke a 6-session losing streak with sizable gains following reports that their financial regulators will meet with China's President Xi. December Euro zone retail sales came in at -0.8% year-over-year which was slightly above trade forecasts. Today's trading will start out with a weekly private survey of US same store sales. January Canadian Ivey PMI is expected to have a modest downtick from December's 56.3. Cleveland Fed President Mester and Minneapolis Fed President Kashkari will speak during morning US trading hours followed by Boston Fed President Collins and Philadelphia Fed President Harker will speak during the afternoon.



MARKET FUNDAMENTALS: The sharp rally in the dollar has clearly undermined support for the precious metals, along with the break in Treasury prices. Fed Chair Powell's comments on 60 Minutes put to rest any ideas that the Fed would consider cutting rates in March, and this sparked a breakout rally in the dollar to its highest level since November 14. Comments from other Fed officials reinforced this stance, with Fed Governor Michele Bowman saying it is too soon to consider lowering interest rates and Chicago Fed President Austin Goolsby saying he wants to see more inflation progress. Further pressure came from a US Services PMI reading of 52.5 in January, because while this was down from a preliminary reading of 52.9, it was still the strongest it had been in seven months. Investor interest in gold continues to soften with gold holdings falling for the 13th straight day yesterday, the longest streak since September 21st. Current gold ETF holding are 83.8 million ounces, the lowest since January 27, 2020. Silver ETF holdings fell for the 8th straight day yesterday and the largest single day drop since November 29th. The potential for a widening of the Middle East war could provide some safe-haven buying, but so far that support has been elusive. The PBOC plans to boost liquidity ahead of the Lunar New Year holiday to avoid a squeeze on supply as people withdraw money to cover travel expenses. Silver is facing the same fate as gold, but it has the added uncertainty about industrial demand that comes with China's economic condition.

TODAY'S MARKET IDEAS:

A break below 2023.30 in April gold would leave the next support at 2016.60. Look for resistance at 2044.20.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

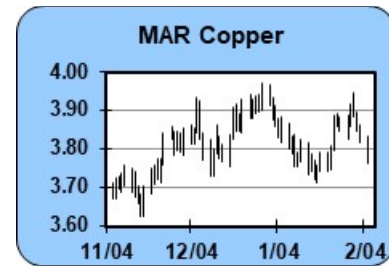
None

COPPER COMMENTARY

2/6/2024

Chinese demand concerns continue to pressure

GENERAL: Copper prices have retraced most of their late January recovery move as they continue to be pressured by near-term demand concerns in China and the US. March copper reached a 2-week low before finishing Monday with a third daily loss in a row and has fallen back from early highs this morning. LME copper stocks reached their lowest levels since mid-September with a tenth daily decline in a row, and that has helped to keep further losses in check early this week. Peru's Energy and Mines Ministry said that their nation's 2023 copper production came in at 2.76 million tonnes which was 12.7% above their 2022 output total and a record high production total.



MARKET IDEAS:

The bears will start out with the upper hand in copper prices as Chinese demand concerns remain a front-and-center issue for the market. Even as Chinese equity markets break their losing streak with a positive result today, copper may be heading for a retest of the mid-January lows. Near-term resistance for March copper is at \$3.8050 while support is down at \$3.7325.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

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 (APR) 02/06/2024: The close under the 60-day moving average indicates the longer-term trend could be turning down. Positive momentum studies in the neutral zone will tend to reinforce higher price action. The intermediate trend has turned down with the cross over back below the 18-day moving average. The market setup is somewhat negative with the close under the 1st swing support. The next upside objective is 2071.2. The next area of resistance is around 2055.1 and 2071.2, while 1st support hits today at 2026.9 and below there at 2014.7.

COMEX SILVER (MAR) 02/06/2024: The daily stochastics gave a bearish indicator with a crossover down. Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The market's short-term trend is negative as the close remains below the 9-day moving average. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is now at 21.992. The next area of resistance is around 22.687 and 23.021, while 1st support hits today at 22.173 and below there at 21.992.

COMEX PLATINUM (APR) 02/06/2024: The daily stochastics gave a bearish indicator with a crossover down. Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The close below the 9-day moving average is a negative short-term indicator for trend. The upside daily closing price reversal gives the market a bullish tilt. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is now at 891.48. The next area of resistance is around 912.75 and 918.47, while 1st support hits today at 899.25 and below there at 891.48.

COMEX COPPER (MAR) 02/06/2024: The close below the 60-day moving average is an indication the longer-term trend has turned down. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The intermediate trend has turned down with the cross over back below the 18-day

moving average. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next downside target is now at 3.72. The next area of resistance is around 3.80 and 3.85, while 1st support hits today at 3.74 and below there at 3.72.

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
METALS COMPLEX										
GCEJ24	2041.0	43.26	45.54	45.51	46.44	2057.00	2049.53	2049.40	2061.12	2052.15
SIEH24	22.430	34.71	38.46	53.79	50.27	22.91	22.98	22.89	23.59	23.70
PLAJ24	906.00	41.33	42.78	45.96	45.38	915.63	918.13	914.17	942.80	935.44
CPAH24	3.77	38.16	42.87	63.04	50.27	3.84	3.86	3.81	3.84	3.82
PAAH24	956.10	42.49	42.21	48.96	53.06	968.23	967.96	961.45	1028.95	1034.48

Calculations based on previous session. Data collected 02/05/2024

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

DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
METALS COMPLEX						
GCEJ24	COMEX Gold	2014.6	2026.8	2042.9	2055.1	2071.2
SIEH24	COMEX Silver	21.991	22.172	22.506	22.687	23.021
PLAJ24	COMEX Platinum	891.47	899.25	904.97	912.75	918.47
CPAH24	COMEX Copper	3.71	3.73	3.78	3.80	3.85
PAAH24	COMEX Palladium	919.67	940.34	951.17	971.84	982.67

Calculations based on previous session. Data collected 02/05/2024

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