



DAILY METALS COMMENTARY

Thursday February 08, 2024

PRECIOUS METALS COMMENTARY

2/8/2024

Silver regains upper hand on gold following Chinese inflation data

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

GOLD -9.70, SILVER +0.00, PLATINUM -0.32

OUTSIDE MARKET DEVELOPMENTS: Global markets started out with a positive tone, but they have lost some strength and are showing mixed results coming into this morning's action. Chinese equities saw a third positive daily result in a row and the Japanese Nikkei reached a 34-year high. January Chinese CPI was lower than forecast while January Chinese PPI was slightly higher than expected, with both staying in negative year-over-year territory. Major European indices were modestly higher early today and were led to the upside by the French CAC-40 while US stock index futures fell back from overnight highs and were close to unchanged levels. Today's trading will start out with US weekly initial jobless claims that are expected to have a modest downtick from the previous 224,000. Ongoing jobless claims are forecast to have a mild weekly decline from the previous 1.898 million. December wholesale trade is expected to have a sizable uptick from the previous -0.4%. Richmond Fed President Barkin will speak during morning US trading hours.



MARKET FUNDAMENTALS: There has been notable divergence in precious metals with gold holding within its 2024 consolidation zone while silver is still within striking distance of a new 4-month low. The gold/silver ratio was just above 92 at yesterday's close and approaching the 17-month high reached in mid-January. The Dollar remains well below Monday's 2 1/2-month high which has underpinned metals prices early today. Fed speakers gave mixed comments on upcoming Fed policy yesterday, however, and the market's disappointment that there was not an overall dovish tone has weighed on gold and silver prices. The People's Bank of China announced that Chinese gold reserves in January increased 9.55 million ounces to 72.19 million. This is 15th consecutive month of increases. The World Gold Council said that global gold ETF holdings finished January at 102.065 million ounces, which compares to 103.705 million at the end of December. This was an eight monthly decline in a row as global gold ETF holdings saw their smallest month-end total since February 2020. Yesterday gold ETFs cut their holdings 189,255 ounces to 83.63 million ounces. This is the 15th straight day of declines and was the largest daily decrease since December 19th. Silver ETFs added 4.2 million ounces to 700.3 million.

TODAY'S MARKET IDEAS:

Today's global economic calendar is light. Chinese inflation readings were weaker than expected and could further erode Chinese near-term demand prospects and limit further upside for gold and silver prices during today's action. This is the last of China's last top-tier data points before their Lunar New Year holiday week begins on Friday. Near-term resistance for April gold is at \$2,062 while support is down at \$2,039.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

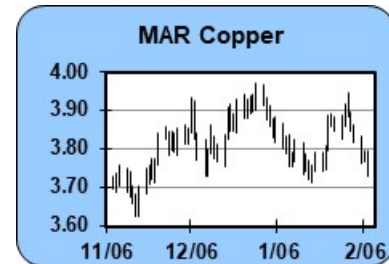
None

COPPER COMMENTARY

2/8/2024

3-day winning streak in Chinese equity markets providing significant support

GENERAL: Copper prices continue to face headwinds from Chinese demand concerns, but they have gotten past critical Chinese data early today without sliding to a new 3-week low. The twelfth daily decline in a row for LME copper stocks provided underlying support for copper prices as that shows some improvement with global demand. Chinese equities have a long way to go to fully recover from losses, but a third daily gain in a row is a step in the right direction. Copper has been able to overcome a sixth weekly increase in a row for Shanghai exchange copper stocks which has reached their highest level since June, as well as the disappointing results for January Chinese CPI and PPI.



MARKET IDEAS:

The bulls will start out with the upper hand in the copper market as Chinese equities have extended their pre-holiday rebound. While Chinese inflation readings were soft and Shanghai exchange copper stocks continue to rise, copper prices can avoid a new low for the move and regain upside momentum later today. Near-term support for March copper is at \$3.7175 while resistance is up at \$3.7650.

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) 02/08/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The downside closing price reversal on the daily chart is somewhat negative. The close over the pivot swing is a somewhat positive setup. The near-term upside target is at 2066.7. The next area of resistance is around 2057.3 and 2066.7, while 1st support hits today at 2042.5 and below there at 2037.0.

COMEX SILVER (MAR) 02/08/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The close below the 9-day moving average is a negative short-term indicator for trend. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is now at 22.080. The next area of resistance is around 22.405 and 22.600, while 1st support hits today at 22.145 and below there at 22.080.

COMEX PLATINUM (APR) 02/08/2024: 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 defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside target is now at 863.28. The next area of resistance is around 902.05 and 923.47, while 1st support hits today at 871.95 and below there at 863.28.

COMEX COPPER (MAR) 02/08/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's close below the 9-day moving average is an indication

the short-term trend remains negative. 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 3.69. The next area of resistance is around 3.76 and 3.81, while 1st support hits today at 3.71 and below there at 3.69.

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	2049.9	48.29	48.62	46.29	46.39	2050.25	2052.77	2049.41	2059.26	2053.90
SIEH24	22.275	32.61	36.91	45.51	35.44	22.49	22.86	22.83	23.44	23.67
PLAJ24	887.00	34.80	38.34	39.76	30.11	900.75	916.58	911.18	940.77	936.23
CPAH24	3.73	34.21	39.79	47.58	29.91	3.78	3.83	3.81	3.83	3.82
PAAH24	900.30	29.73	34.14	44.58	34.83	939.20	960.81	954.46	1024.98	1030.68

Calculations based on previous session. Data collected 02/07/2024

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	2036.9	2042.4	2051.8	2057.3	2066.7
SIEH24	COMEX Silver	22.080	22.145	22.340	22.405	22.600
PLAJ24	COMEX Platinum	863.27	871.95	893.37	902.05	923.47
CPAH24	COMEX Copper	3.68	3.70	3.74	3.76	3.81
PAAH24	COMEX Palladium	865.90	878.30	909.90	922.30	953.90

Calculations based on previous session. Data collected 02/07/2024

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

***This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Opinions expressed are subject to change without notice. Any information or recommendation contained herein: (i) is not based on, or tailored to, the commodity interest or cash market positions or other circumstances or characterizations of particular investors or traders; (ii) is not customized or personalized for any such investor or trader; and (iii) does not take into consideration, among other things, risk tolerance, net worth, or available risk capital. Any use or reliance upon the information or recommendations is at the sole discretion and election of the subscriber. The risk of loss in trading futures contracts or commodity options can be substantial, and traders should carefully consider the inherent risks of such trading in light of their financial condition. Any reproduction or retransmission of this report without the express written consent of Lakefront Futures is strictly prohibited.