



DAILY METALS COMMENTARY Tuesday February 13, 2024

PRECIOUS METALS COMMENTARY

2/13/2024

Finding early support in front of US inflation data

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
GOLD +9.20, SILVER +0.02, PLATINUM +0.85**

OUTSIDE MARKET DEVELOPMENTS: Global markets started out under pressure and dropped further coming into this morning's action. China continues to be on holiday, while the Japanese Nikkei and South Korean KOSPI came out of their long weekend with sizable gains. UK unemployment had a surprise downtick while UK average earnings were higher than forecast. Both the latest German and Euro zone ZEW survey were higher than expected. The US session starts out with a weekly private survey of same-store sales and a monthly private survey of small business optimism. The highlight for global markets will be the January US consumer price index which is expected to have a moderate downtick from December's 3.4% year-over-year rate. The January US core consumer price index (excluding food and energy) is forecast to have a mild downtick from December's 3.9% year-over-year rate.



MARKET FUNDAMENTALS: Gold is seeing some strength this morning after hitting a 2 1/2 week low yesterday. Silver is also positive so far today following through on yesterday's positive close. Comments by Fed Governor Bowman that it is too soon to project when and how much the Fed will cut rates are pressuring metals prices. South Africa's gold production during December was 3.4% below the previous year's total while their PGM metals output was 9.4% above the previous year's total. The IMF reported that in January, Kazakhstan increased their official gold holdings by 6.16 tonnes, Australia increased their holdings by 2.99 tonnes while the Bank of International Settlements (BIS) reduced their holdings by 4.91 tonnes. Gold ETF holdings fell 170,880 ounces to 83.3 million and are at the lowest level since January 16, 2020. Silver ETF holdings were also lower, cutting 1.96 million ounces to 698.5 million. This morning's US CPI and core CPI readings for January will provide an updated gauge on consumer inflation. If both readings come in below trade forecasts, it should increase the chances for a rate cut at the May FOMC meeting. This should result in a weaker Dollar and lower longer-term Treasury yields, both of which can provide additional support to precious metals and silver should gain further ground on gold.

TODAY'S MARKET IDEAS:

While the Dollar has plateaued, longer-term US yields remain stubbornly high which has kept gold prices within their late January/February consolidation zone. Lower than expected January US CPI and core CPI results should strengthen the chances for a May FOMC rate hike, and that could provide fresh support to precious and PGM metals prices. If a "risk on" mood can redevelop later today, silver will gain further ground on gold. Near-term support for April gold is at \$2,027 while resistance is up at \$2,055.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None

COPPER COMMENTARY

2/13/2024

LME exchange stocks at 4 1/2 month low providing support

GENERAL: Copper has made a decisive move away from last Friday's 2 1/2-month lows but has a long way to go to recover from their February downdraft. LME copper stocks have declined 14 of the last 15 days and are at their lowest level since September and could signal improving near-term copper demand. The Chilean mining company Codelco said that their December copper production came in at 142,000 tonnes which compares with 114,000 tonnes in November and was their largest monthly production since December 2022. The Shanghai Metals Market said that China's January copper cathode production came in at 969,800 tonnes which was 2.96% below December's output but 13.65% above January 2023's output.



MARKET IDEAS:

While an extended upside move may be difficult to sustain while China is out on holiday, copper's managed money net short position can provide plenty of fuel for short-covering. A post-CPI pullback in the Dollar could also provide additional support to copper prices. Near-term support for March copper is at \$3.7150 while resistance is up at \$3.7775.

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) 02/13/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. 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 pivot swing number is a mildly negative setup. The next downside target is now at 2017.4. The next area of resistance is around 2042.1 and 2050.1, while 1st support hits today at 2025.7 and below there at 2017.4.

COMEX SILVER (MAR) 02/13/2024: A negative indicator was given with the downside crossover of the 9 and 18 bar moving average. Declining momentum studies in the neutral zone will tend to reinforce lower price action. The close above the 9-day moving average is a positive short-term indicator for trend. The market has a slightly positive tilt with the close over the swing pivot. The next downside objective is now at 22.232. The next area of resistance is around 23.037 and 23.381, while 1st support hits today at 22.463 and below there at 22.232.

COMEX PLATINUM (APR) 02/13/2024: 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. The market setup is supportive for early gains with the close over the 1st swing resistance. The next downside objective is 870.58. The next area of resistance is around 907.45 and 915.17, while 1st support hits today at 885.15 and below there at 870.58.

COMEX COPPER (MAR) 02/13/2024: Momentum studies are declining, but have fallen to oversold levels. A negative signal for trend short-term was given on a close under the 9-bar moving average. A positive setup occurred with the close over the 1st swing resistance. The next downside target is now at 3.65. The next area of

resistance is around 3.75 and 3.76, while 1st support hits today at 3.70 and below there at 3.65.

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	2033.9	39.22	43.10	40.04	32.14	2043.30	2050.49	2047.78	2057.85	2056.37
SIEH24	22.750	48.46	46.20	41.06	39.93	22.59	22.72	22.77	23.32	23.66
PLAJ24	896.30	44.35	43.91	28.93	25.17	889.05	903.02	908.63	939.03	937.00
CPAH24	3.72	38.51	41.19	27.55	19.39	3.71	3.78	3.80	3.83	3.82
PAAH24	896.60	35.91	37.07	30.19	23.43	889.58	931.47	944.55	1020.23	1024.94

Calculations based on previous session. Data collected 02/12/2024

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

DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
METALS COMPLEX						
GCEJ24	COMEX Gold	2017.3	2025.7	2033.7	2042.1	2050.1
SIEH24	COMEX Silver	22.231	22.462	22.806	23.037	23.381
PLAJ24	COMEX Platinum	870.57	885.15	892.87	907.45	915.17
CPAH24	COMEX Copper	3.64	3.69	3.70	3.75	3.76
PAAH24	COMEX Palladium	866.05	882.59	894.05	910.59	922.05

Calculations based on previous session. Data collected 02/12/2024

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