



**PRECIOUS METALS COMMENTARY**  
2/27/2024

**Bullish resiliency but range bound today**

**OVERNIGHT CHANGES THROUGH 3:16 AM (CT):**  
**GOLD +7.80, SILVER +0.01, PLATINUM +1.04**

**OUTSIDE MARKET DEVELOPMENTS:** Global equity markets overnight were higher, with the Chinese markets recovering by more than 1%! Critical economic news released overnight included a slight decline in an ongoing hot Japanese national consumer price index reading, a slight moderation in the GBP BRC Shop Price Index January, as expected but very soft German Gfk Consumer Confidence Survey for March, a noted drop-in French Consumer Confidence rate, and a very minimal reduction in euro zone private loans in January versus year ago figures. The North American session will start out with a weekly private survey of same-store sales followed by the highlight for global markets, January US durable goods which are expected to have a sizable downtick from December's unchanged reading. The December Case-Shiller home price index is forecast to have a moderate uptick from November's 5.4% year-over-year rate. The December FHFA house price index is expected to have a minimal downtick from November's 0.3% reading. The Conference Board's February reading on US consumer confidence is forecast to have a minimal uptick from January's 114.8 reading. The Richmond Fed's February manufacturing index is expected to have a sizable increase from January's -15 reading. Fed Vice Chair Barr will speak during morning US trading hours. Earnings announcements will include Lowe's, American Tower, Sempra, AutoZone, and American Electric Power before the Wall Street opening while Republic Services, Agilent Technologies, and Devon Energy report after the close.



**MARKET FUNDAMENTALS:** With a three-day low in the dollar extending a lower high and lower low pattern and US treasuries posting early gains, gold and silver bulls have an edge from outside market action. The dollar was clearly undermined by disappointing US new home sales readings for January yesterday, and we suspect the trade saw some anticipatory selling ahead of what is expected to be a very soft US durable goods report today (expectations -4.5%). While we think softer economic activity will undermine gold and silver prices because of the recent focus on the potential for improved physical demand, it is possible a very disappointing US durable goods report will knock the dollar sharply lower and in turn help gold and silver find firm support. Unfortunately for the bull camp, the gold market failed to extend last week's pattern of higher highs, which suggests the bull camp needs more than minimal losses in the dollar to catch a strong bid. It is also possible that the gold trade is looking ahead to the Fed's favorite inflation measure (PCE) later this week, as that could be the most important input to the Fed's policy decisions in the coming months. However, it is premature to look several days ahead with a flurry of US reports today capable of prompting significant volatility before the inflation readings are released. It should be noted that gold ETF holdings continued to fall for the 12th straight day yesterday with holdings already 3.5% lower year-to-date! Similarly, silver ETF holdings are down 1.7% year to date. As in many other physical commodity markets, the gold market has settled in between its 21 and 200-day moving averages as if a key pivot/trend decision is in the offing later this week. Key support is at the 200-day moving average is \$2,023.05, with resistance at last week's high of \$2,053.20.

**TODAY'S MARKET IDEAS:**

While we think the most likely trade today will be two-sided and without direction, an as expected sharp decline in US durable goods could throw the dollar sharply lower, drop treasury yields and rekindle US rate cut hopes all of which should propel gold above \$2,050 to a possible near-term target of \$2,058. Uptrend channel support today is \$2035.40 with the 21-day moving average today matching the overnight low at \$2040.60. In conclusion, the

charts point higher but a noted reaction to durable goods should be expected to sustain.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None

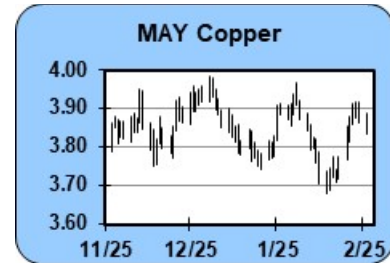
**COPPER COMMENTARY**

**2/27/2024**

**Chinese equities provide support but demand concerns are surfacing**

**GENERAL:** While Chinese equity markets overnight managed recoveries of more than 1% overnight and that should provide copper with support, news that Hong Kong housing prices reached 7 1/2 year lows in January rekindles concerns for the Chinese economy. However, copper bulls are saved by a recovery in iron ore futures prices overnight reportedly from hopes of a domestic demand recovery for steel.

Unfortunately for the bull camp Chinese copper processing fees have plunged to the lowest levels of available data (back to 2013) with the trade blaming excess Chinese smelting activity which could have contributed to last week's upside explosion in Shanghai copper warehouse stocks. In conclusion, Chinese news favors the bear camp in copper especially with disappointing US new home sales for January yesterday and expectations for a very soft US durable goods report later this morning. Unfortunately for the bull camp, forecasts for Chinese PMI readings later this week predicted only mixed results from nonmanufacturing and Manufacturing readings. Therefore, copper seems to have lost the bullish buzz from the first half of February and looks poised for a correction with initial support at the 21-day moving average of \$3.8270 and then again at the 200-day moving average down at \$3.8060.



**MARKET IDEAS:**

We see a corrective track extending especially with the aggressive second half of February low to high rally of \$0.23 leaving the market significantly overbought into month end. In fact, with a looming failure at the 21-day and 200-day moving averages, a temporary probe below \$3.80 is likely.

**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) 02/27/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The close above the 9-day moving average is a positive short-term indicator for trend. The market's close below the pivot swing number is a mildly negative setup. The near-term upside objective is at 2053.6. The next area of resistance is around 2047.7 and 2053.6, while 1st support hits today at 2035.1 and below there at 2028.3.

COMEX SILVER (MAY) 02/27/2024: A crossover down in the daily stochastics is a bearish signal. Stochastics

trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. 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 downside target is 22.332. The next area of resistance is around 22.997 and 23.341, while 1st support hits today at 22.493 and below there at 22.332.

COMEX PLATINUM (APR) 02/27/2024: A bearish signal was triggered on a crossover down in the daily stochastics. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The intermediate trend has turned down with the cross over back below the 18-day moving average. The market is in a bearish position with the close below the 2nd swing support number. The next downside objective is now at 861.68. The next area of resistance is around 897.75 and 916.27, while 1st support hits today at 870.45 and below there at 861.68.

COMEX COPPER (MAY) 02/27/2024: The market back below the 60-day moving average suggests the longer-term trend could be turning down. The upside crossover (9 above 18) of the moving averages suggests a developing short-term uptrend. Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The close above the 9-day moving average is a positive short-term indicator for trend. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The near-term upside target is at 3.90. The next area of resistance is around 3.86 and 3.90, while 1st support hits today at 3.81 and below there at 3.80.

## 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>										
GCEJ24	2041.4	53.07	50.28	44.89	56.14	2039.58	2027.43	2038.96	2053.22	2055.14
SIEK24	22.745	43.43	44.67	55.78	51.73	23.01	23.02	22.98	23.36	23.65
PLAJ24	884.10	40.43	42.18	43.42	42.06	896.45	899.44	901.23	929.76	932.24
CPAK24	3.83	50.50	50.61	64.49	73.85	3.88	3.83	3.82	3.84	3.85
PAAM24	966.70	51.90	49.91	70.44	77.38	974.55	957.96	947.83	1003.96	1014.04

Calculations based on previous session. Data collected 02/26/2024

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>						
GCEJ24	COMEX Gold	2028.2	2035.0	2040.9	2047.7	2053.6
SIEK24	COMEX Silver	22.331	22.492	22.836	22.997	23.341
PLAJ24	COMEX Platinum	861.67	870.45	888.97	897.75	916.27
CPAK24	COMEX Copper	3.79	3.80	3.84	3.86	3.90
PAAM24	COMEX Palladium	939.72	953.45	966.22	979.95	992.72

Calculations based on previous session. Data collected 02/26/2024

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