



DAILY METALS COMMENTARY Wednesday February 28, 2024

PRECIOUS METALS COMMENTARY

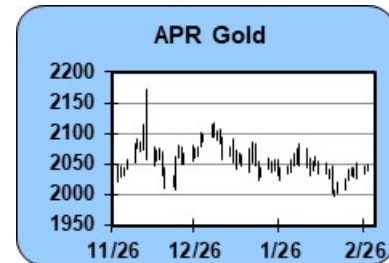
2/28/2024

Upside dollar breakout & Fed to pressure prices today

OVERNIGHT CHANGES THROUGH 3:16 AM (CT):

GOLD -9.20, SILVER -0.03, PLATINUM -1.27

OUTSIDE MARKET DEVELOPMENTS: Global equity markets overnight were lower except for the Russian and German markets which traded fractions of a percent higher. Critical economic news released overnight included no change in New Zealand interest rates, a softer Japanese coincident index reading for December, slightly improved Japanese leading economic index readings for December, a vast improvement over the prior month in a Swiss ZEW expectation survey for February, disappointing Italian business confidence, slightly better-than-expected Italian consumer confidence, declines in European economic sentiment, industrial confidence and a services sentiment for February. The North American session will start out with a weekly private survey of mortgage applications followed by fourth quarter US gross domestic product which is expected to hold steady with the previous 3.3% annualized rate. The January US goods trade balance is forecast to have a minimal decrease from December's \$88.5 billion monthly deficit. January US wholesale trade is expected to have a modest downtick from the previous 0.4% reading. Atlanta Fed President Bostic, Boston Fed President Collins and New York Fed President Williams will speak during afternoon US trading hours. Earnings announcements will include Salesforce, Snowflake and Monster Beverage after the Wall Street close.



MARKET FUNDAMENTALS: With an upside breakout in the US dollar overnight surprisingly forged in the wake of a series of soft US data points over the last 5 sessions, the markets are expecting today's US GDP report to partially right the ship of the US economy. However, it is also possible the dollar is feeding higher off persistent hawkish views from Federal Reserve members which could be expected to reach a fever pitch just before midsession today with the Fed's Bostic, Collins, and Williams speaking just ahead of midsession. Expectations for US GDP call for no revision in a previous growth rate of 3.3%. While not a definitive bullish impact, a Russian gold mining group indicated last year's gold production declined by 6.8% on a base output of 412,500 Troy ounces. With a slight moderation of macroeconomic optimism from the lofty levels seen last week, an upside breakout in the dollar to a six-day high and a violation of close in chart support in April gold, the stage is set for a retest of \$2025. Interestingly the 200-day moving average in April gold is near the last two weeks consolidation low support at \$2022.25. It is also possible that trading ranges in gold will narrow after today's GDP report and ahead of midday Fed speeches, as the approach of the US Federal Reserve's favorite inflation measure (PCE) on Thursday could be a major influence on any remaining chance of a first-half US rate cut. In retrospect, given the failure to rally yesterday in the wake of another lower low move in the dollar, the bull camp in gold is losing resolve. While some might suggest higher lows and higher highs indicated a bullish tilt, April gold has clearly lost that momentum with the probe above and failure back below \$2,050 yesterday. In conclusion, we leave the edge with the bear camp with critical support now \$2,022.25.

TODAY'S MARKET IDEAS:

Unless the current pattern of softer than expected US scheduled data is extended by a very disappointing US GDP reading today, and that in turn knocks the dollar back into its recent downward channel, we expect April gold to remain within a trading range defined as \$2,050 on the upside and \$2,020 on the downside.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

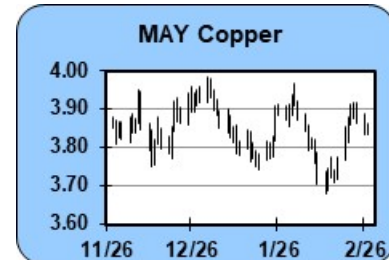
None

COPPER COMMENTARY

2/28/2024

Hong Kong property regulations loosened but bearishness prevails

GENERAL: Despite another decline in daily LME copper warehouse stocks, reduced housing market restrictions in Hong Kong, and predictions that Chinese solar installations will be near record levels again this year, copper has failed on the charts with a six-day low and should see spillover pressure from the upside breakout in the US dollar and from overnight declines in Chinese equities of more than 1.25%. However, those pressing the short side of the copper market should be aware of Chinese manufacturing data later this week as recently improved Chinese economic sentiment will need further verification to support copper prices above \$3.80. While it appears that LME copper warehouse stocks have returned to a pattern of daily outflows, copper should be undermined by Chinese copper demand concerns off residual soft treatment charges inside China. Even though US GDP will not have a massive direct impact on copper prices, the report could have a significant impact on markets that impact copper!



MARKET IDEAS:

We see a corrective track underway especially with the aggressive second half of February low to high rally of \$0.23 prompting in a wave of traders exiting positions as noted by falling open interest which in early February was 262,259 contracts compared to only 189,869 contracts yesterday. In fact, with a looming failure at the 21-day moving average (\$3.8225) we then see a failure of the 200-day moving average (\$3.806), therefore a temporary probe below \$3.80 is very likely in the coming sessions.

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) 02/28/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market could take on a defensive posture with the daily closing price reversal down. The market tilt is slightly negative with the close under the pivot. The near-term upside target is at 2052.4. The next area of resistance is around 2044.8 and 2052.4, while 1st support hits today at 2033.8 and below there at 2030.5.

COMEX SILVER (MAY) 02/28/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. A negative signal for trend short-term was given on a close under the 9-bar moving average. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is now at 22.427. The next area of resistance is around 22.837 and 23.036, while 1st support hits today at 22.533 and below there

at 22.427.

COMEX PLATINUM (APR) 02/28/2024: The moving average crossover up (9 above 18) indicates a possible developing short-term uptrend. The crossover up in the daily stochastics is a bullish signal. Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The close below the 9-day moving average is a negative short-term indicator for trend. With the close over the 1st swing resistance number, the market is in a moderately positive position. The near-term upside target is at 913.25. The next area of resistance is around 906.20 and 913.25, while 1st support hits today at 887.60 and below there at 876.05.

COMEX COPPER (MAY) 02/28/2024: The cross over and close above the 60-day moving average is an indication the longer-term trend has turned positive. Momentum studies are trending higher but have entered overbought levels. The market's short-term trend is positive on the close above the 9-day moving average. The market has a slightly positive tilt with the close over the swing pivot. The near-term upside target is at 3.88. The next area of resistance is around 3.87 and 3.88, while 1st support hits today at 3.84 and below there at 3.83.

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	2039.3	51.45	49.40	49.56	59.06	2040.08	2031.08	2037.91	2052.64	2054.38
SIEK24	22.685	42.50	44.06	52.16	44.92	22.90	23.06	22.94	23.31	23.60
PLAJ24	896.90	47.69	46.91	43.60	43.96	898.23	901.42	899.24	927.85	931.37
CPAK24	3.85	53.83	52.78	67.55	73.80	3.88	3.85	3.81	3.84	3.85
PAAM24	952.20	47.86	47.37	70.90	71.81	973.05	966.76	944.88	997.64	1012.40

Calculations based on previous session. Data collected 02/27/2024

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	2030.4	2033.8	2041.4	2044.8	2052.4
SIEK24	COMEX Silver	22.426	22.532	22.731	22.837	23.036
PLAJ24	COMEX Platinum	876.05	887.60	894.65	906.20	913.25
CPAK24	COMEX Copper	3.82	3.83	3.85	3.87	3.88
PAAM24	COMEX Palladium	928.85	938.20	956.85	966.20	984.85

Calculations based on previous session. Data collected 02/27/2024

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