



DAILY METALS COMMENTARY Tuesday March 12, 2024

PRECIOUS METALS COMMENTARY

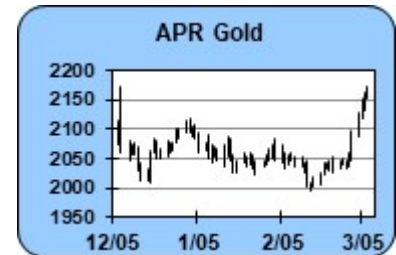
3/12/2024

Today is a major junction for those with rate cut hope

OVERNIGHT CHANGES THROUGH 3:16 AM (CT):

GOLD -5.50, SILVER -0.01, PLATINUM -0.49

OUTSIDE MARKET DEVELOPMENTS: Global equity markets overnight were higher except for the markets in Japan, Shanghai, and Moscow. Critical economic news released overnight included a stronger-than-expected New Zealand electronic card retail sales reading for February, a slightly higher-than-expected Japanese producer price index reading for February, improved Australian National Australia Bank's Business Conditions for February, as expected German CPI (+2.5% year-over-year), as expected German consumer price index readings (+0.4% month over month), an increase in the GBP unemployment rate for January, and a decline in GBP employment in January of 21,000. The North American session will start out with a weekly private survey of same-store sales and a monthly private survey of small business optimism. The February US consumer price index is expected to hold steady with January's 3.1% year-over-year rate. The February core consumer price index (which excludes food and energy) is forecast to have a mild downtick from January's 3.9% year-over-year rate. Earnings announcements will include Archer-Daniels-Midland and International Game Technology before the Wall Street opening.



MARKET FUNDAMENTALS: There is no doubt the gold market has expended a tremendous amount of speculative buying fuel in achieving a \$200 rally and today the trade will finally see the true origin of the rally. In our opinion, part of the significant rally in gold is the markets attempt to mirror the record rally in Bitcoin, with a lesser force from hopes of a June rate cut. Clearly, traders are becoming price sensitive as Friday's massive range up move has stalled and trading volume has moderated significantly. Some traders suggested the gold market needs fresh money to continue higher and so far, gold ETF holdings have continued to slide despite the 10% appreciation in prices since the middle of last month! Despite a significantly overbought technical condition, the gold market continued to favor positive territory yesterday and managed that action despite adversity from modest strength in the dollar. While there appears to be division among analysts on the source of the explosive February and March gold rally, a large portion of the trade is content to suggest the new all-time highs in gold were primarily the result of record bitcoin pricing. Certainly, some gold analysts see the potential for a shift to global central bank easing as a foundation of the bullish action in gold and silver recently, but the trade will need fresh evidence of the potential for a US rate cut later today from US CPI or risk aggressive corrective selling. In our opinion, the most likely outcome from the CPI release is a middle-of-the-road "as expected" monthly gain of 0.3% which will keep the debate alive with respect to central bank decisions this summer. Another portion of the trade thinks central bankers are poised to mistakenly shift policy back to easing before inflation has been slayed completely. While today's CPI reading will probably set the trend for gold and silver for the rest of this week, Chinese new loan figures also figure to be a key focal point, especially with Chinese gold premiums narrowing at the same time Indian gold has shifted into discount status. While the bias is pointing up, we think the bull camp has larger exposure to upcoming data than the bear camp with April gold trading \$200 above the February lows this morning!

TODAY'S MARKET IDEAS:

Those long gold and silver should seek options protection, or bank long profits, or implement profit stops as volatility is likely to expand dramatically today. However, with Friday the most active trading day in gold over the last 12 months and open interest the highest since last May, a key market junction looms. Our suggestion to protect profits or implement stops is more about money management than having a strong bearish fundamental

opinion.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

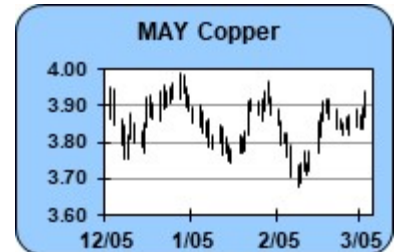
None

COPPER COMMENTARY

3/12/2024

Without a major risk on environment copper is overbought

GENERAL: The bias in copper remains up with residual hope of positive Chinese economic news from new loans scheduled for release early today. However, expectations predict February new loans dropping by more than 50% from the prior reading (January) and therefore copper bulls should brace for an even bigger reaction to US CPI. Apparently, the copper trade yesterday saw value in the May copper contract on the early dip below \$3.8815. However, today's Chinese new loan report will be very important to the near-term direction of copper, as Chinese copper demand concerns hover in the background following three straight weeks of large increases in weekly Shanghai copper warehouse stock readings. Fortunately for the bull camp, LME copper warehouse stocks have continued to decline consistently, and a large Chinese copper mining company yesterday indicated they were seeking to purchase foreign copper mines which should improve Chinese copper demand expectations. However, without an increase in Chinese new loans today, it will be difficult to shrug off the massive jump in Shanghai exchange copper stocks over the prior three weeks. It should also be noted that Chinese treatment charges continue to plummet which has resulted in a call among smelters to "do something" to alleviate the problem which in our mind originates from soft demand!



MARKET IDEAS:

With the trade expecting soft Chinese new loan data, the bull camp needs a quick return to macroeconomic optimism/risk on sentiment flowing from equities and that might only materialize today if US CPI is viewed as moderating. In other words, copper prices \$0.13 above last week's lows likely need fundamental underpin early today or risk a corrective track back to \$3.8370.

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) 03/12/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's close above the 9-day moving average suggests the short-term trend remains positive. The close over the pivot swing is a somewhat positive setup. The next upside objective is 2202.6. Caution is warranted with the RSI over 90, as the market may be limited on further gains. The next area of resistance is around 2195.1 and 2202.6, while 1st support hits today at 2180.5 and below there at 2173.4.

COMEX SILVER (MAY) 03/12/2024: Daily stochastics have risen into overbought territory which will tend to

support reversal action if it occurs. 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 next upside target is 24.931. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 24.827 and 24.931, while 1st support hits today at 24.533 and below there at 24.342.

COMEX PLATINUM (APR) 03/12/2024: The major trend could be turning up with the close back above the 60-day moving average. Rising stochastics at overbought levels warrant some caution for bulls. The close above the 9-day moving average is a positive short-term indicator for trend. The market has a bullish tilt coming into today's trade with the close above the 2nd swing resistance. The next upside objective is 964.62. The next area of resistance is around 956.84 and 964.62, while 1st support hits today at 929.15 and below there at 909.23.

COMEX COPPER (MAY) 03/12/2024: The daily stochastics gave a bullish indicator with a crossover up. Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. A positive signal for trend short-term was given on a close over the 9-bar moving average. The upside daily closing price reversal gives the market a bullish tilt. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next upside target is 3.96. The next area of resistance is around 3.95 and 3.96, while 1st support hits today at 3.91 and below there at 3.87.

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	2187.8	90.22	82.02	90.45	92.41	2174.45	2127.24	2079.17	2060.65	2064.97
SIEK24	24.680	75.63	67.96	81.46	88.90	24.58	23.91	23.49	23.23	23.51
PLAJ24	943.00	64.35	59.04	65.34	79.35	923.28	904.63	903.04	909.51	928.04
CPAK24	3.93	63.96	60.05	74.59	76.67	3.91	3.87	3.86	3.83	3.85
PAAM24	1042.00	63.54	59.40	72.47	75.11	1039.65	991.12	979.06	966.72	1013.68

Calculations based on previous session. Data collected 03/11/2024

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	2173.4	2180.5	2188.0	2195.1	2202.6
SIEK24	COMEX Silver	24.341	24.532	24.636	24.827	24.931
PLAJ24	COMEX Platinum	909.22	929.14	936.92	956.84	964.62
CPAK24	COMEX Copper	3.86	3.90	3.91	3.95	3.96
PAAM24	COMEX Palladium	1021.25	1032.50	1040.25	1051.50	1059.25

Calculations based on previous session. Data collected 03/11/2024

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.