



## DAILY METALS COMMENTARY

Friday March 15, 2024

### PRECIOUS METALS COMMENTARY

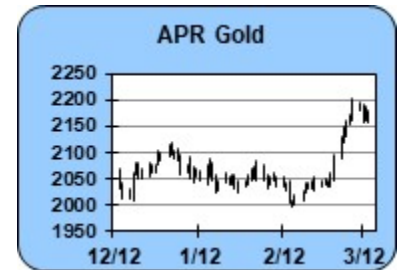
3/15/2024

**The bulls must display resilience or bust!**

#### OVERNIGHT CHANGES THROUGH 3:16 AM (CT):

**GOLD +2.30, SILVER +0.01, PLATINUM +0.43**

**OUTSIDE MARKET DEVELOPMENTS:** Global equity markets overnight were mixed with early losses in Europe and Australia offset by gains in Japan and China. Critical economic news released overnight included a significant jump in New Zealand Business NZ PMI for February, a contraction in Chinese House Price Index readings for February of 1.4%, and positive but slower than the prior month Japanese Tertiary Industry Index readings for January. Apparently, the Chinese new loan report has been pushed back again today with expectations calling for February loans to be 1.5 billion yuan compared to 4.92 billion in January. The North American session will start out with February Canadian housing starts which are expected to have a minimal uptick from January's annualized rate. February readings for the US import price index and US export price index are both forecast to have moderate downticks from their January results. The New York Fed's March Empire State manufacturing survey is expected to have a modest downtick from February's -2.4 reading. February US industrial production is forecast to have a minimal uptick from January's -0.1% reading while February US capacity utilization is expected to hold steady at a 78.5% rate. A private monthly survey of March US consumer sentiment is forecast to hold steady at the previous 76.9 reading.



**MARKET FUNDAMENTALS:** With another higher high for the move early today in the dollar and treasury yields hovering just below the three week highs posted yesterday, the gold and silver trade should continue to feel the looming threat of liquidation. On the one hand, gold and silver prices deserved a measure of corrective weakness after such massive gains over the last two months. However, the corrective action in gold and gold related instruments was broad yesterday with gold mining shares giving back recent noted gains. Clearly, some selling yesterday was generated by a sharp jump in the dollar and a pulse up in US treasury yields with that action likely extending into today's action. While Bitcoin fell back sharply from the reduction in the prospects of a June US rate cut, the crypto markets were massively overbought from a long chain of daily record highs. However, with outside market forces shifting in favor of the bear camp, gold and silver prices are vulnerable to larger than normal corrective weakness. In fact, with April gold from the last COT positioning report into the March high gaining \$67.00, the net spec and fund long position in gold is likely nearing the highest level in two years. Therefore, traders should not underestimate corrective action in gold especially if outside markets whip up additional bearish pressure after today's very active US report slate. A normal retracement of the February and March rally produces a target of \$2124.10, with a similar retracement target in silver well off the early market today down at \$24.16. We must acknowledge the capacity to trade higher early in the session today, as that could be a sign that bullish resiliency in gold and silver has not evaporated.

#### TODAY'S MARKET IDEAS:

While we give the edge to the bear camp, from a sustained reversal of five straight days of lower highs (after a series of all-time highs), that suggests buyers were rocked back on their heels. We give the edge to the bear camp today given chart reversals and bearish shifts in important outside market forces. However, gold, and silver bulls could be saved if Bitcoin recovers and forges fresh all-time highs again today.

#### NEW RECOMMENDATIONS:

None.

**PREVIOUS RECOMMENDATIONS:**

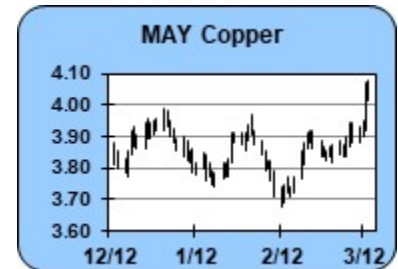
None

**COPPER COMMENTARY**

3/15/2024

**Bullish resiliency impressive but fundamentally overdone**

**GENERAL:** While we would not suggest traders fade this week's very impressive rally yet, we think bullish fundamentals fail to justify a 20% March rally. In fact, the status of the Chinese economy remains murky best and besides various stimulus efforts, world markets are suspicious of recent Chinese growth targeting and Chinese data has favored a soft economy. In addition to consistently delaying the release of Chinese new loan data this week, overnight Chinese house prices for February declined by 1.4% or twice the decline posted in January. While the trade is heavily embracing the idea that an orchestrated cutback in Chinese copper smelting capacity is a major bull issue, the ultimate and most important influence on copper prices is the direction of Chinese copper demand. However, with Chinese copper smelters recently rushing to secure scarce material inputs, this week's rally has likely pulled some demand forward leaving the market with a possible demand pullback ahead. Another major bearish force in today's copper trade is another massive jump in weekly Shanghai copper warehouse stocks of 47,150 tons which extends the recent trend of very large inflows. While the Chinese have delayed the Chinese new loan report several times this week, that report is expected out again today and is expected to show much softer loan demand which would be a minimal negative for copper.



**MARKET IDEAS:**

While Chinese smelters are scrambling for raw materials and are idling significant Chinese smelting capacity that clearly justifies a portion of this week's rally. However, with Chinese smelting capacity reduced and smelters potentially hoarding raw materials in the near term the market is pulling demand forward is likely to be a one-off development and is unlikely to be a sign of a long-awaited economic revival. We suggest those with long positions bank profits or purchase copper puts.

**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) 03/15/2024: Daily stochastics turning lower from overbought levels is bearish and will tend to reinforce a downside break especially if near term support is penetrated. The close above the 9-day moving average is a positive short-term indicator for trend. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside objective is now at 2143.8. The next area of resistance is around 2179.1 and 2192.3, while 1st support hits today at 2154.9 and below there at 2143.8.

COMEX SILVER (MAY) 03/15/2024: Rising stochastics at overbought levels warrant some caution for bulls. The market's short-term trend is positive on the close above the 9-day moving average. The downside closing price reversal on the daily chart is somewhat negative. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside objective is at 25.525. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 25.260 and 25.525, while 1st support hits

today at 24.840 and below there at 24.685.

COMEX PLATINUM (APR) 03/15/2024: Rising stochastics at overbought levels warrant some caution for bulls. The market's short-term trend is positive on the close above the 9-day moving average. The downside closing price reversal on the daily chart is somewhat negative. The swing indicator gave a moderately negative reading with the close below the 1st support number. The near-term upside objective is at 953.62. The next area of resistance is around 941.35 and 953.62, while 1st support hits today at 923.45 and below there at 917.83.

COMEX COPPER (MAY) 03/15/2024: 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 daily closing price reversal down is a negative indicator for prices. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside objective is at 4.11. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 4.08 and 4.11, while 1st support hits today at 4.03 and below there at 3.99.

### 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	2167.0	68.53	68.40	87.30	84.41	2174.83	2163.21	2105.00	2067.96	2070.41
SIEK24	25.050	71.73	67.27	86.57	89.54	24.83	24.55	23.77	23.32	23.55
PLAJ24	932.40	57.28	55.24	77.96	83.60	936.45	921.10	908.01	907.97	927.01
CPAK24	4.05	76.90	70.36	82.54	88.18	3.99	3.93	3.90	3.85	3.86
PAAM24	1078.59	69.72	63.86	79.53	83.86	1060.55	1031.01	997.75	970.30	1011.77

Calculations based on previous session. Data collected 03/14/2024

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	2143.7	2154.8	2168.0	2179.1	2192.3
SIEK24	COMEX Silver	24.685	24.840	25.105	25.260	25.525
PLAJ24	COMEX Platinum	917.82	923.45	935.72	941.35	953.62
CPAK24	COMEX Copper	3.98	4.02	4.05	4.08	4.11
PAAM24	COMEX Palladium	1037.80	1056.59	1081.80	1100.59	1125.80

Calculations based on previous session. Data collected 03/14/2024

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