



DAILY METALS COMMENTARY Tuesday March 19, 2024

PRECIOUS METALS COMMENTARY

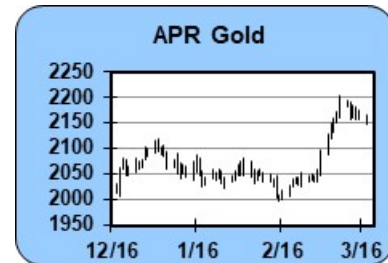
3/19/2024

First BOJ rate hike since 2007 putting pressure on gold and silver

OVERNIGHT CHANGES THROUGH 3:16 AM (CT):

GOLD -9.40, SILVER -0.02, PLATINUM -1.61

OUTSIDE MARKET DEVELOPMENTS: Asian stock indices finished with mixed results and were led to the downside by the Hong Kong Hang Seng while major European equity markets are seeing mild early losses led to the downside by the French CAC-40. The Bank of Japan raised interest rates for the first time since 2007 and finished negative rate policy and yield curve control programs. Although the Nikkei finished in positive territory, there was little carryover support to other major stock markets. Japanese industrial production and the Swiss trade balance were slightly above market expectations. The European session will feature March readings for the German ZEW survey and Euro zone ZEW survey. The US session starts out with a weekly private survey of same-store sales followed by February US housing starts which are expected to have a sizable uptick from January's 1.331 million annualized rate. February US building permits are forecast to have a minimal uptick from January's 1.489 million annualized rate. February Canadian CPI is expected to have a modest uptick from January's 2.9% year-over-year rate. Later today, the January TIC report will include net changes to Chinese and Japanese Treasury holdings.



MARKET FUNDAMENTALS: While gold and silver saw divergent trading action at the start of this week, they are both on the defensive early on. There was a role reversal Monday with gold regaining the upper hand on silver as both remain close to 2024 price highs. The Dollar has extended its mid-March recovery to a 3-week high in the wake of the Bank of Japan's first rate hike since 2007 as the Yen had a "sell the fact" reaction falling to a new low for the move and that in turn put early pressure on precious metals prices. The CME's Fed Watch tool is projecting a 1% chance for a FOMC rate cut Wednesday and less than a 9% chance for a May rate cut, so the prospect of "higher for longer" US rates continues to be a source of headwinds for the gold market. The PGM sector remains under pressure as the prospect of no Fed rate cut at Wednesday's FOMC meeting and the May FOMC meeting could weaken US demand for new motor vehicles. A weekend report that the Biden Administration may crack down on automotive emissions may negatively impact vehicle sales and pressured PGM metals.

TODAY'S MARKET IDEAS:

Today's housing starts and building permits results could shed more light on the US residential construction outlook and provide support to gold and silver prices. If the US data fails to meet market expectations, look for gold and silver to extend their early pullbacks. Near-term resistance for June gold is at \$2,197 while critical close-in support is at \$2,171. Near-term resistance for May silver is at \$25.25.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

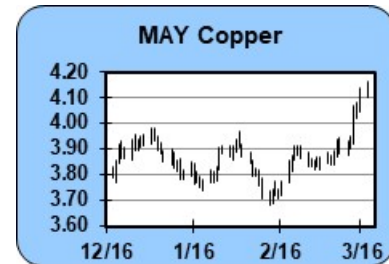
None

COPPER COMMENTARY

3/19/2024

Positive US housing data later today could lead to a midsession turnaround

GENERAL: Copper's mid-March updraft may be running out of near-term steam as it spent little time in positive territory during the overnight session. Better than expected readings for Chinese industrial production and Chinese retail sales have boosted China's economic growth outlook while Japanese industrial production was better than expected. Today's BOJ rate hike cast a long shadow over Chinese and global copper demand prospects and has put the market back on the defensive. There are ongoing concerns with the health of China's property sectors, and that may be putting more pressure on copper prices. The potential for hawkish FOMC results tomorrow may also be sources of headwinds for the copper. LME copper stocks were lower today and have fallen to a new 6-month low.



MARKET IDEAS:

Copper may be vulnerable to profit-taking and additional long liquidation in front of tomorrow FOMC results, but the market received positive industrial production readings from China and Japan overnight. If today's US housing data can exceed market expectations, it should help copper prices find their footing. Near-term resistance for May copper is at \$4.1360 while support is down at \$4.0825.

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) 03/19/2024: Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. A negative signal for trend short-term was given on a close under the 9-bar moving average. The daily closing price reversal up on the daily chart is somewhat positive. The close over the pivot swing is a somewhat positive setup. The next downside target is now at 2143.0. The next area of resistance is around 2172.7 and 2178.9, while 1st support hits today at 2154.7 and below there at 2143.0.

COMEX SILVER (MAY) 03/19/2024: 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. The market tilt is slightly negative with the close under the pivot. The next upside objective is 25.678. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 25.437 and 25.678, while 1st support hits today at 25.053 and below there at 24.909.

COMEX PLATINUM (APR) 03/19/2024: The major trend has turned down with the cross over back below the 60-day moving average. A bearish signal was triggered on a crossover down in the daily stochastics. Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market setup is somewhat negative with the close under the 1st swing support. The next downside objective is 901.40. Short-term indicators on the defensive. Consider selling an intraday bounce. The next area of resistance is around 932.60 and 949.80, while 1st support hits today at 908.40 and below there at 901.40.

COMEX COPPER (MAY) 03/19/2024: 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 close over the pivot swing is a somewhat positive setup. The near-term upside target is at 4.19. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 4.16 and 4.19, while 1st support hits today at 4.10 and below there at 4.07.

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	2163.7	65.60	66.36	83.31	79.58	2167.23	2170.21	2118.87	2072.84	2073.55
SIEK24	25.245	71.03	67.43	88.20	89.03	25.21	24.84	24.01	23.42	23.58
PLAJ24	920.50	50.88	51.43	78.46	74.56	936.33	929.62	911.58	908.39	925.86
CPAK24	4.13	80.68	74.20	86.82	90.52	4.09	3.99	3.93	3.86	3.87
PAAM24	1041.30	55.02	55.48	79.49	76.13	1070.30	1054.49	1008.13	973.34	1006.37

Calculations based on previous session. Data collected 03/18/2024

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	2142.9	2154.7	2160.9	2172.7	2178.9
SIEK24	COMEX Silver	24.908	25.052	25.293	25.437	25.678
PLAJ24	COMEX Platinum	901.40	908.40	925.60	932.60	949.80
CPAK24	COMEX Copper	4.06	4.09	4.13	4.16	4.19
PAAM24	COMEX Palladium	1001.90	1018.80	1046.90	1063.80	1091.90

Calculations based on previous session. Data collected 03/18/2024

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.