



DAILY METALS COMMENTARY Wednesday March 20, 2024

PRECIOUS METALS COMMENTARY

3/20/2024

Holding in tight ranges in front of FOMC results

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
GOLD -2.80, SILVER -0.01, PLATINUM -0.19**

OUTSIDE MARKET DEVELOPMENTS: Global equity markets started out with a mildly positive tone as Asian stocks closed higher led by gains in the Japanese Nikkei and Shanghai Composite indices. However, major European stock indices and US stock index futures are posting mild to moderate losses. The People's Bank of China kept benchmark Chinese rates unchanged while the latest reading on UK CPI came in lower than trade forecasts. US trading will start out with a weekly private survey of mortgage applications, but the highlight for global markets will come in the early afternoon with the FOMC meeting results. While the Fed is widely expected to hold rates unchanged, their post-meeting comments should provide clues on the likelihood of rate cuts in May and/or June. More importantly, the Fed's March quarterly economic projections (which include the "dot plot") will show if their median forecast for 2024 rate cuts has shifted from the 75-basis point reduction in their December economic projections.



MARKET FUNDAMENTALS: While gold prices have regained the upper hand on silver, both are holding in relatively tight price ranges this morning. After this afternoon's Fed meeting results and Fed Chair Powell's press conference, gold and silver are likely to break out of those tight ranges. The Dollar has rallied to a 3-week high in a "buy the fact" reaction to the first Bank of Japan rate hike in 17 years, and that continues to pressure gold and silver prices. With very little chance of a Fed rate move today, gold and silver will take direction from post-meeting comments by Fed Chair Powell, but more so from the Fed's quarterly economic projections. If the "dot plot" has a median forecast for 50 basis points in rate cuts by the end of 2024, staying "higher for longer," could pressure gold and silver prices. Some people have speculated on a possible blockade of China which we think is unlikely but with the US clearly preoccupied with several other fires, the Chinese certainly have a strategic loophole. The PGM sector remains squarely on the defensive with palladium and platinum having mild early losses this morning, as higher rates in Japan at the same time as the Fed potentially reduces the size of their 2024 rate cuts may weaken demand for new motor vehicles.

TODAY'S MARKET IDEAS:

If the recent record rallies in bitcoin and gold were related with increased flight quality anxiety, we would have expected a rally in bonds and significant weakness and equities. If the Fed does pull back on their 2024 rate cut projection, it should strengthen the Dollar and in turn put additional pressure on precious and PGM metals. On the other hand, if the Fed has a more dovish tone for their post-meeting commentary and forecasts, silver should regain the upper hand on gold with both metals regaining upside momentum. Near-term support for June gold is at \$2,168.50 while near-term support for May silver is at \$24.90.

NEW RECOMMENDATIONS:

None

PREVIOUS RECOMMENDATIONS:

None

COPPER COMMENTARY

3/20/2024

Chinese demand concerns keep market under pressure in front of FOMC meeting results

GENERAL: After a 23-cent rally in less than four sessions (increasing 6% in value), copper prices got ahead of themselves and have given back 13 cents of that rally since midday Tuesday. Increased output from Freeport Indonesia's mining operations was a source of pressure on the copper market Tuesday as it found little lasting support from better-than-expected US housing starts data. LME copper stocks saw their largest daily increase since early December this morning which has lifted stocks well above Tuesday's 6-month low, but that was only a fourth daily increase over the past 41 sessions. This has provided little support to the copper market as Chinese demand concerns may have soothed by a stronger than expected industrial production reading for January and February, but they continue to cast a shadow on the copper market following an enormous buildup of Shanghai exchange copper stocks since the start of this year.



MARKET IDEAS:

The bears will start out with the upper hand in the copper market as some longs are likely to take their profits and head to the sidelines in front of the FOMC meeting results and economic projections. If the market can avoid an overly hawkish tone from the Fed's policy moves and forecasts, copper prices should find their footing and regain upside momentum. Near-term support for May copper is at \$4.0450.

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) 03/20/2024: Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market has a slightly positive tilt with the close over the swing pivot. The next downside target is 2144.0. The next area of resistance is around 2169.8 and 2176.1, while 1st support hits today at 2153.8 and below there at 2144.0.

COMEX SILVER (MAY) 03/20/2024: The daily stochastics have crossed over down which is a bearish indication. Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. The market's short-term trend is positive on the close above the 9-day moving average. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is 24.685. The next area of resistance is around 25.330 and 25.564, while 1st support hits today at 24.890 and below there at 24.685.

COMEX PLATINUM (APR) 03/20/2024: The close below the 40-day moving average is an indication the longer-term trend has turned down. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. The close below the 2nd swing support number puts the market on the defensive. The

next downside objective is 878.75. The next area of resistance is around 910.40 and 927.55, while 1st support hits today at 886.00 and below there at 878.75.

COMEX COPPER (MAY) 03/20/2024: The daily stochastics gave a bearish indicator with a crossover down. Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. 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 next downside target is now at 4.01. The next area of resistance is around 4.10 and 4.16, while 1st support hits today at 4.03 and below there at 4.01.

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	2161.8	64.33	65.55	81.62	78.22	2162.90	2170.83	2125.97	2074.82	2075.18
SIEK24	25.110	67.53	65.35	87.92	87.20	25.21	24.91	24.13	23.46	23.58
PLAJ24	898.20	43.26	46.28	72.50	60.58	925.38	928.14	911.33	907.95	924.50
CPAK24	4.06	65.87	64.71	85.67	83.38	4.09	4.01	3.93	3.87	3.87
PAAM24	999.40	44.98	48.75	73.96	62.90	1052.40	1048.99	1009.30	973.62	1002.45

Calculations based on previous session. Data collected 03/19/2024

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	2143.9	2153.7	2160.0	2169.8	2176.1
SIEK24	COMEX Silver	24.685	24.890	25.125	25.330	25.564
PLAJ24	COMEX Platinum	878.75	886.00	903.15	910.40	927.55
CPAK24	COMEX Copper	4.00	4.02	4.08	4.10	4.16
PAAM24	COMEX Palladium	967.45	983.90	998.45	1014.90	1029.45

Calculations based on previous session. Data collected 03/19/2024

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