



DAILY METALS COMMENTARY

Thursday March 21, 2024

PRECIOUS METALS COMMENTARY

3/21/2024

Continuing to find strong support after FOMC results

OVERNIGHT CHANGES THROUGH 3:16 AM (CT):

GOLD +46.20, **SILVER** +0.07, **PLATINUM** +1.73

OUTSIDE MARKET DEVELOPMENTS: Global markets have maintained a mostly positive tone coming into this morning's trading session. While the Shanghai Composite closed with a modest loss, other major Asian stock indices finished with sizable gains. European equities and US stock index futures are posting mild to moderate gains early in today's action. Australian unemployment had a larger than expected decline while the Swiss National Bank surprised the market by cutting Swiss rates. The Bank of England is forecast to hold UK rates unchanged at today's meeting. This morning's trading will start out with a weekly reading on initial jobless claims which are expected to have a mild uptick from the previous 209,000. Ongoing jobless claims are forecast to have a minimal weekly increase from the previous 1.811 million. The March Philly Fed manufacturing survey is expected to have a moderate downtick from February's 5.2. The February Canadian new housing price index is forecast to have a moderate uptick from January's -0.1%. February US existing home sales are expected to have a modest downtick from January's 4.00 million annualized rate. The Conference Board's February reading on leading indicators is forecast to have a minimal uptick from January's -0.4%. Fed Vice Chair Barr will speak during afternoon US trading hours.



MARKET FUNDAMENTALS: Precious metals have broken out to the upside in a very positive reaction to the FOMC meeting results. June gold has reached a new record high while May silver reached a 3 1/2-month high early in today's action, and both are holding onto those gains this morning. Gold and silver have benefited from the sizable pullback in the Dollar after it reached a 3-week high before the FOMC meeting results. While the Dollar has found its footing, it remains well below Wednesday's high and is providing support to metals markets. The Fed maintained a median forecast for 75 basis points in rate cuts this year, which was in some doubt before Wednesday. This increased the likelihood that the Fed will make their first rate cut at the June FOMC meeting. We suspect the Fed is attempting to remain neutral by noting inflation is still generally headed in the right direction, but also that risks are two-sided now. Therefore, the subject of a rate cut as a source of the gold strength is consistently being pushed back in time. We are entering the Indian wedding season and potential declines in gold bring in a measure of Indian buying, but currency and pricing considerations should leave this year's purchases crimped. The PGM sector has found early support from a weaker dollar and stronger global risk sentiment, but concern over auto catalyst demand prospects have kept platinum and palladium lagging precious metals this week.

TODAY'S MARKET IDEAS:

Fortunately for the gold bull camp, the market has recently corrected and that can help the market maintain upside momentum this week. We think Indian gold buyers see prices as expensive, especially on a currency adjusted basis, while the Chinese gold buyers have been disappointed in the lack of a massive stimulus for their economy. With the Swiss National Bank rate cut giving an early boost to risk appetites, the bulls will hold the upper hand in gold and silver this morning. Near-term support for June gold is at \$2,212 while resistance is at \$2,246. Near-term support for May silver is at \$25.51.

NEW RECOMMENDATIONS:

None

PREVIOUS RECOMMENDATIONS:

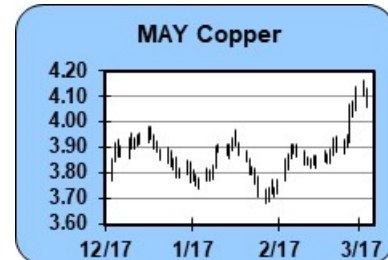
None

COPPER COMMENTARY

3/21/2024

Benefiting from post-FOMC meeting positive tone to global risk sentiment

GENERAL: Copper prices continue to see volatile two-sided action following Tuesday's high for the move, but they have found fresh strength early in today's action. Wednesday's large daily increase in LME copper stocks put pressure on the copper market as it may reflect some softening of global near-term demand, but that was followed by a moderate decline this morning. Recent industrial production readings from the US, China and Japan have come in stronger than expected which have underpinned copper prices near their recent highs. There is concern over the high level of China's copper stocks this year as that may diminish import demand over the next few months, and that could weigh on copper prices going forward.



MARKET IDEAS:

Copper prices have held onto a large portion of their mid-March updraft during their whipsaw price action this week. As long as global risk sentiment continues to improve following the FOMC results and today's central bank decisions, copper prices should remain well supported on near-term pullbacks. Near-term support for May copper is at \$4.0575 while resistance is up at \$4.1350.

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) 03/21/2024: The daily stochastics gave a bullish indicator with a crossover up. Momentum studies are trending higher but have entered overbought levels. The close above the 9-day moving average is a positive short-term indicator for trend. Since the close was above the 2nd swing resistance number, the market's posture is bullish and could see more upside follow-through early in the session. The near-term upside target is at 2220.6. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 2209.2 and 2220.6, while 1st support hits today at 2169.4 and below there at 2140.9.

COMEX SILVER (MAY) 03/21/2024: The daily stochastics gave a bullish indicator with a crossover up. Rising stochastics at overbought levels warrant some caution for bulls. A positive signal for trend short-term was given on a close over the 9-bar moving average. There could be more upside follow through since the market closed above the 2nd swing resistance. The near-term upside target is at 26.458. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 26.177 and 26.458, while 1st support hits today at 25.273 and below there at 24.649.

COMEX PLATINUM (APR) 03/21/2024: The market now above the 40-day moving average suggests the longer-

term trend has turned up. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The cross over and close above the 18-day moving average indicates the intermediate-term trend has turned up. The upside closing price reversal on the daily chart is somewhat bullish. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside objective is 884.95. The next area of resistance is around 922.80 and 929.35, while 1st support hits today at 900.60 and below there at 884.95.

COMEX COPPER (MAY) 03/21/2024: 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. The daily closing price reversal up is a positive indicator that could support higher prices. The market has a slightly positive tilt with the close over the swing pivot. The next downside objective is now at 4.01. The next area of resistance is around 4.12 and 4.14, while 1st support hits today at 4.06 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	2189.3	72.38	70.73	81.78	82.20	2168.38	2173.17	2133.89	2077.86	2077.03
SIEK24	25.725	74.86	70.53	88.73	90.37	25.38	25.04	24.27	23.51	23.60
PLAJ24	911.70	47.93	49.20	66.96	55.87	919.40	926.86	911.46	908.11	923.38
CPAK24	4.08	68.83	66.76	84.64	82.00	4.10	4.03	3.95	3.87	3.87
PAAM24	1000.20	45.19	48.88	67.33	54.06	1032.80	1044.30	1009.47	974.84	998.53

Calculations based on previous session. Data collected 03/20/2024

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	2140.8	2169.3	2180.7	2209.2	2220.6
SIEK24	COMEX Silver	24.648	25.272	25.553	26.177	26.458
PLAJ24	COMEX Platinum	884.95	900.60	907.15	922.80	929.35
CPAK24	COMEX Copper	4.00	4.05	4.07	4.12	4.14
PAAM24	COMEX Palladium	965.10	981.70	1002.10	1018.70	1039.09

Calculations based on previous session. Data collected 03/20/2024

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