



DAILY METALS COMMENTARY Wednesday March 27, 2024

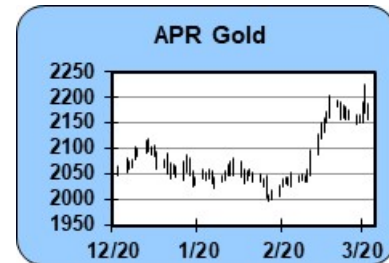
PRECIOUS METALS COMMENTARY

3/27/2024

Declining open interest = a loss of bullish momentum

**OVERNIGHT CHANGES THROUGH 3:16 AM (CT):
GOLD +3.10, SILVER +0.00, PLATINUM -0.36**

OUTSIDE MARKET DEVELOPMENTS: Global equity markets overnight were mostly higher except for the markets in Shanghai, Hong Kong, and Paris with the losses in China particularly significant. Critical economic news released overnight included a minimally positive Australian Westpac Leading Index for February, an unchanged but slightly softer than expected Australian monthly consumer price index reading, minimally better-than-expected French consumer confidence readings for March, a hotter than expected Spanish consumer price index reading for March (preliminary), a much stronger-than-expected Spanish retail sales reading for February, and a slightly better-than-expected Swiss ZEW survey of expectations for March. The North American session will start out with a weekly private survey of mortgage applications and have no major US or Canadian economic numbers on the schedule. Earnings announcements will include Cintas and Carnival before the Wall Street opening.



MARKET FUNDAMENTALS: Even though June gold has managed to build consolidation low support just under \$2200, the dollar charts show residual bullishness which in turn offers overhead resistance for gold and silver. Today's US economic report slate presents minimal news from weekly mortgage applications and a seven year note auction at midsession. With June gold flaring sharply higher and giving up those gains quickly yesterday, the market has given off another blowoff top signal on the charts. However, the gold market also forged a blowoff top last week and at times yesterday had recovered \$42 of the \$66 slide. However, Indian buyers are beginning to show sensitivity to near record gold prices and the Indian government has moved to restrict investment in gold loan schemes which is a classic sign of an overdone market. Even Chinese gold demand news has shifted negative with Chinese gold imports through Hong Kong dropping 48% in last month and reaching the lowest level since November. Going forward, the gold bulls will need to see a resurgence in Bitcoin prices, a sustained slide in the dollar or a significant drop in US treasury yields for the bull camp to regain definitive control.

TODAY'S MARKET IDEAS:

We continue to expect further corrective action as some bulls will likely bank long profits and move to the sidelines ahead of what is likely to be an extremely volatile trade on Thursday following the release of the US PCE inflation report. Fortunately for the bull camp, market buzz has maintained a more dovish view of the Fed's likely policy track ahead with ideas that inflation is softening in US. In fact, some markets (like gold) have posted significant gains despite signs US inflation has not softened enough to provide a clear path to lower rates in the coming two months. Short-term uptrend channel support in June gold today is found at \$2189.25 with initial resistance today pegged at \$2209.60 and given the lack of key scheduled data today we suspect June gold will remain range bound.

NEW RECOMMENDATIONS:

None

PREVIOUS RECOMMENDATIONS:

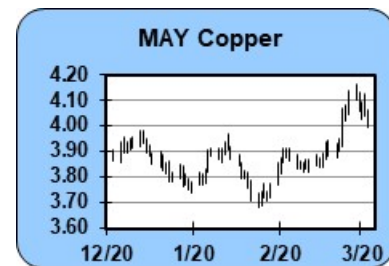
None

COPPER COMMENTARY

3/27/2024

The bias remains down with Chinese equity losses

GENERAL: With a fresh lower low for the move overnight, noted weakness in Chinese equity markets and a lingering bearish cloud from an ICSG January world refined copper surplus that leaves the bear camp with control of copper this morning. However, LME copper warehouse stocks dropped significantly overnight and open interest in futures trading has continued to rise on the liquidation, potentially signaling bargain hunting buying. While the stronger than expected US durable goods reading for February released yesterday provided support yesterday, the May copper contract ultimately forged a fresh lower low for the move and the lowest trading price since March 13th. Apparently, funds piled into copper last week, perhaps from leaks of the very bullish commodity price forecast from Goldman Sachs over the weekend and with the net spec and fund long positioning in copper (adjusted for the highs yesterday) likely at the highest level since October 2021, further chart support violations could result in May copper spiking down to \$3.95 before the end of this week.



MARKET IDEAS:

While we see the path of least resistance remaining down in copper, the market may have found general value around the \$4.00 level for today. However, some traders now see key support down at \$3.95 with resistance falling to \$4.0110. In the end, we expect the Bears to maintain slim control with lower lows ahead.

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 (JUN) 03/27/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market's close above the 9-day moving average suggests the short-term trend remains positive. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside objective is now at 2170.0. The next area of resistance is around 2215.1 and 2235.1, while 1st support hits today at 2182.5 and below there at 2170.0.

COMEX SILVER (MAY) 03/27/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. The outside day down is somewhat negative. The close below the 1st swing support could weigh on the market. The next downside objective is now at 24.133. The next area of resistance is around 24.830 and 25.212, while 1st support hits today at 24.290 and below there at 24.133.

COMEX PLATINUM (JUL) 03/27/2024: The downside crossover (9 below 18) of the moving averages suggests a developing short-term downtrend. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market's close below the pivot swing number is a mildly negative setup.

The next downside target is now at 907.53. The next area of resistance is around 921.25 and 926.92, while 1st support hits today at 911.55 and below there at 907.53.

COMEX COPPER (MAY) 03/27/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The market's short-term trend is negative as the close remains below the 9-day moving average. The market tilt is slightly negative with the close under the pivot. The next downside target is 3.96. The next area of resistance is around 4.02 and 4.05, while 1st support hits today at 3.99 and below there at 3.96.

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										
GCEM24	2198.8	62.82	64.33	68.07	57.75	2196.75	2192.82	2184.31	2109.91	2102.09
SIEK24	24.560	48.31	53.81	66.90	52.64	24.83	25.03	24.69	23.67	23.59
PLAN24	916.40	49.50	49.80	43.25	34.95	917.33	923.87	924.65	917.07	925.14
CPAK24	4.00	52.40	55.72	66.96	57.66	4.02	4.06	3.98	3.89	3.88
PAAM24	1011.10	46.60	49.25	46.68	35.58	1008.40	1027.04	1022.58	980.50	986.70

Calculations based on previous session. Data collected 03/26/2024

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						
GCEM24	COMEX Gold	2169.9	2182.5	2202.5	2215.1	2235.1
SIEK24	COMEX Silver	24.132	24.290	24.672	24.830	25.212
PLAN24	COMEX Platinum	907.52	911.55	917.22	921.25	926.92
CPAK24	COMEX Copper	3.95	3.98	4.00	4.02	4.05
PAAM24	COMEX Palladium	1004.30	1007.59	1011.30	1014.59	1018.30

Calculations based on previous session. Data collected 03/26/2024

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