



PRECIOUS METALS COMMENTARY

4/5/2024

Expect gold & silver ranges to expand significantly

OVERNIGHT CHANGES THROUGH 3:16 AM (CT):

GOLD +1.30, SILVER -0.03, PLATINUM -1.58

OUTSIDE MARKET DEVELOPMENTS: Global equity markets overnight were down hard likely following the lead of the US markets on Thursday with heavy losses noted in Spain and Germany with declines near 1.5%. Critical economic news released overnight included disappointing Australian exports, much stronger than expected Australian imports, a significant drop in Japanese Coincident Index readings for February, improved Japanese Leading Economic Index readings for February, a tremendous contraction in German factory orders on a year over year basis and softer than expected month over month German factory orders. Another critical economic developments overnight included a much larger than expected decline in GBP Halifax House Prices for March, a softer than expected French industrial output reading for February, stronger than expected Spanish industrial output, better-than-expected GBP S&P Global Construction PMI for March and further weakening in overall euro zone retail sales for February. The North American session will start out with the highlight for global markets, the March US employment situation report. March non-farm payrolls are expected to come in around 200,000 which compares to February's 275,000. March US unemployment is forecast to hold steady at 3.9% while March average hourly earnings are expected to have a mild downtick from February's 4.3% year-over-year rate. March Canadian unemployment is forecast to hold steady at 5.8% along with a moderate monthly increase in their net employment. The March Canadian Ivey PMI is expected to have a moderate uptick from February's 53.9 reading. February US consumer credit is forecast to have a moderate decline from January's \$19.4 billion reading. Boston Fed President Collins, Richmond Fed President Barkin, Dallas Fed President Logan and Fed Governor Bowman will speak during morning US trading hours.



MARKET FUNDAMENTALS: Clearly, gold, and silver prices lost upside momentum in the wake of a very active US economic report slate this week has presented a mixed outlook for the US economy and surprisingly that failed to markedly increase expectations for a US June rate cut. Certainly, the markets have been disappointed by US Fed dialogue seemingly playing down and or pushing back the prospect of rate cuts! However, the gold and silver trade will likely remain sensitive and perhaps poised to rally if today's key nonfarm payroll reading is softer and the Takeaway from US data shifts sentiment toward economic risk. Fortunately for the bull camp, and silver ETF holdings have posted two straight days of inflows with silver inflows showing relatively larger inflows. Unfortunately for the bull camp, precious metal markets have failed to benefit from a serious escalation in Middle East tensions this week following Israeli attacks of Iranian outposts in Syria and from rumors that Iran intends to retaliate against Israel quickly. On the other hand, crude prices continue to show signs of moving even higher and that could be set to impact US Fed policy as higher energy prices are inflationary pressures. In a very minimal negative, Perth Mint gold sales fell by two thirds in March in a sign that some demand destruction is taking place from record pricing. Even though mainstream capital market chatter on central bank rotation from US treasuries to gold has not gained traction, that issue remains a very important force for the bull camp, especially if the historic run is to be extended straightaway. However, in today's action short-term macroeconomic influences are likely to drive the dollar, interest rates and ultimately gold prices. In our opinion, recent Fed statements remain very cautious/neutral on the need for cutting interest rates with the risk of a faltering economy not prevalent enough yet. In conclusion, the gold bulls need very soft nonfarm payroll readings and or a noted increase in the US unemployment rate or a noted week ending profit-taking setback could surface early only to be reversed later in

the session.

TODAY'S MARKET IDEAS:

While the gold and silver markets did not display significant volatility yesterday in the wake of a mixture of US economic data, we saw the data as a slight benefit to those expecting an early US Fed rate cut, but the trade did not behave like the data increased the prospects the US Fed would act. In fact, the trade remains skeptical on Fed action anytime soon and without a clearly soft US jobs take away today, profit-taking by longs could be aggressive in the morning trade. On the other hand, a large washout in gold could meet bargain hunting buying and result in a recovery before the close. We suggest those long gold seek temporary put protection but be prepared to take profits on a dive of more than \$20 today.

NEW RECOMMENDATIONS:

None

PREVIOUS RECOMMENDATIONS:

None

COPPER COMMENTARY

4/5/2024

The bull's control but prices are extremely expensive & overbought

GENERAL: From a short-term trading perspective this week's extension of last week's rally saw upside momentum accelerate, open interest continue to rise, and trading volume pick up. Therefore, expectations of improvement in the Chinese economy have been embraced by the trade and it is possible the Chinese attempt to reduce excess smelter capacity is cleaning up supply of refined products which could result in improved treatment charges. Because of a Chinese holiday Shanghai copper warehouse stocks are not available today with the last update showing an increase of 1621 tons. In another modestly bearish internal development daily LME copper warehouse stocks increased by 3000 tons this morning. However, short-term technical measures are extremely overbought with the rally off last week's low reaching nearly \$0.30, the RSI in copper at the second highest reading since early last year and the net spec and fund long in copper (adjusted for the gains since last report) are likely at the highest levels since May 2021!



MARKET IDEAS:

While the trend in copper remains in favor of the bull camp, technical indicators, and the sheer size of the flat price jump over the last two weeks signals an overbought market. Therefore, we suggest the risk to holding longs is very high into the most important US scheduled data point of the month. As indicated in gold market coverage today those long copper futures or long large premium copper calls should consider the purchase of near to the money bear put spreads for two days of protection.

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) 04/05/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's short-term trend is positive on the close above the 9-day moving average. The daily closing price reversal down puts the market on the defensive. The market's close below the pivot swing number is a mildly negative setup. The near-term upside target is at 2337.6. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 2323.4 and 2337.6, while 1st support hits today at 2296.8 and below there at 2284.5.

COMEX SILVER (MAY) 04/05/2024: 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 next upside objective is 27.727. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 27.330 and 27.727, while 1st support hits today at 26.660 and below there at 26.388.

COMEX PLATINUM (JUL) 04/05/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market could take on a defensive posture with the daily closing price reversal down. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside target is 963.07. The next area of resistance is around 951.85 and 963.07, while 1st support hits today at 935.75 and below there at 930.88.

COMEX COPPER (MAY) 04/05/2024: 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 close over the pivot swing is a somewhat positive setup. The next upside target is 4.27. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 4.24 and 4.27, while 1st support hits today at 4.19 and below there at 4.17.

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	2310.1	79.92	77.43	84.16	90.88	2301.10	2250.98	2222.74	2138.73	2120.73
SIEK24	26.995	82.62	77.18	65.87	77.18	26.26	25.45	25.24	24.03	23.80
PLAN24	943.80	63.24	58.63	43.35	56.35	936.20	924.77	929.53	917.49	919.18
CPAK24	4.21	79.22	73.50	63.95	73.07	4.13	4.06	4.05	3.92	3.90
PAAM24	1041.30	59.00	56.19	31.21	33.94	1017.83	1010.94	1027.27	986.27	981.63

Calculations based on previous session. Data collected 04/04/2024

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	2284.4	2296.8	2311.0	2323.4	2337.6
SIEK24	COMEX Silver	26.387	26.660	27.057	27.330	27.727
PLAN24	COMEX Platinum	930.87	935.75	946.97	951.85	963.07
CPAK24	COMEX Copper	4.16	4.18	4.22	4.24	4.27
PAAM24	COMEX Palladium	1004.52	1024.55	1038.02	1058.05	1071.52

Calculations based on previous session. Data collected 04/04/2024

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