



DAILY METALS COMMENTARY Monday April 08, 2024

PRECIOUS METALS COMMENTARY

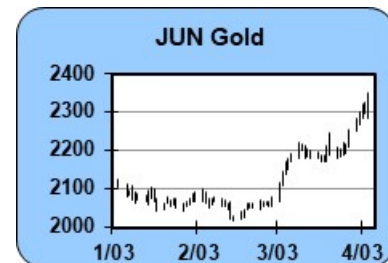
4/8/2024

Expect gold & silver ranges to expand significantly

OVERNIGHT CHANGES THROUGH 3:16 AM (CT):

GOLD +13.90, SILVER +0.05, PLATINUM +0.76

OUTSIDE MARKET DEVELOPMENTS: Global equity markets overnight were higher except for the markets in China which traded nearly 1% lower. Critical economic news released overnight included a larger than expected jump in Chinese foreign-exchange reserves, a slight uptick in Japanese labor cash earnings, a smaller than expected Japanese current account balance for February, a much weaker than expected Australian home loan figures for February, weaker-than-expected Japanese Eco-Watchers Survey current and Outlook situations for March, an uptick in Swiss Unemployment Rates for March, much softer than expected German February exports, much stronger than expected German imports, Stronger than expected German industrial production and not as weak as the prior month Sentix Investor Confidence for April. The only North American economic number of note is the New York Fed's March reading on 1-year consumer inflation expectations which are expected to have a minimal downtick from February's 3.0% reading. Minneapolis Fed President Kashkari will speak during afternoon US trading hours.



MARKET FUNDAMENTALS: While the gold and silver markets exhibited significant two-sided volatility at the end of last week, the bull trend has clearly prevailed and is managing that action despite adversity from the dollar and interest rates. However, a small portion of the upside impetus this is likely the failed Middle East peace talks undertaken by Egypt. It appears that gold and silver ETF holdings have started to climb with the flat price of gold in a potential beginning of the end of the rally. In other words, when the small investors begin to jump into the market bullish sentiment could burn hot, and then burnout. Unfortunately for the bull camp, gold is becoming classically overbought from various technical measures with the net spec and fund long in the positioning report registering the largest long since April 2021. However, if adjusted for the \$54 in gains since the positioning report was measured, the net long is obviously understated. Similarly, the net spec and fund long position in silver is overdone with the reading last week the highest since March 2022. Furthermore, with the post COT report rally of \$1.55, silver is probably the longest since May 2021. However, keep in mind the World Gold Council last week indicated central banks continue to add to reserves despite the Chinese central bank indicating that their reserves went up minimally. In our opinion, the Chinese do not want the exact amount of gold purchased known to the world trade as in many other commodities as they would be fighting against themselves. The bias is up but we recommend those with long profits secure bear put protection while those looking to enter the market should BUY a May Gold \$2,300 put at \$12.00. Once filled on the put, BUY a June Gold \$2,390 call at \$40.00. Use an objective of \$35.00 for the May put and wait for further instructions for this strategy in upcoming comments. Gold positioning in the Commitments of Traders for the week ending April 2nd showed Managed Money traders added 20,493 contracts to their already long position and are now net long 178,213. Non-Commercial & Non-Reportable traders were net long 253,014 contracts after increasing their already long position by 16,404 contracts. The April 2nd Commitments of Traders report showed Silver Managed Money traders are net long 34,084 contracts after net buying 3,902 contracts. Non-Commercial & Non-Reportable traders were net long 66,905 contracts after increasing their already long position by 4,185 contracts. The April 2nd Commitments of Traders report showed Platinum Managed Money traders net bought 2,750 contracts which moved them from a net short to a net long position of 9 contracts. Non-Commercial & Non-Reportable traders were net long 15,934 contracts after increasing their already long position by 1,993 contracts. The April 2nd Commitments of Traders report showed Palladium Managed Money traders are net short 10,682 contracts after net selling 601 contracts. Non-

Commercial & Non-Reportable traders added 174 contracts to their already short position and are now net short 10,155.

TODAY'S MARKET IDEAS:

As indicated already, the path of least resistance remains up, but traders should expect volatility to become extreme! While big picture macroeconomic uncertainty and inflation is likely lifting prices, the markets are fighting against typical outside market headwinds suggesting day-to-day action could become tumultuous. BUY a May Gold \$2,300 put at \$12.00. Once filled on the put, BUY a June Gold \$2,390 call at \$40.00. Use an objective of \$35.00 for the May put and wait for further instructions for this strategy in upcoming comments.

NEW RECOMMENDATIONS:

None

PREVIOUS RECOMMENDATIONS:

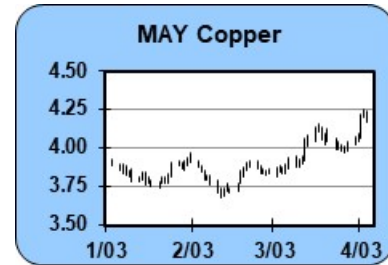
None

COPPER COMMENTARY

4/8/2024

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

GENERAL: Even though the copper market is likely drafting some lift from the noted strength in industrial commodities like precious metal markets and energies, the trade is likely drafting ongoing support from the Chinese copper smelting industry move to reduce capacity and from the recent sign of improvement in the Chinese economy. The copper market is likely drafting a small measure of lift from an increase in daily per Chinese capita spending jumping 54% in March from February. However, it should be noted that Shanghai copper warehouse stocks have increased in 14 of the last 15 weeks and are currently at the highest level since April 2020. Another threat to the bull camp and a likely precursor to significant volatility is the latest positioning report reading in copper which posted a net spec and fund long of 30,269 contracts. That positioning is also understated given the rally of \$0.16. The Commitments of Traders report for the week ending April 2nd showed Copper Managed Money traders reduced their net long position by 4,907 contracts to a net long 15,362 contracts. Non-Commercial & Non-Reportable traders reduced their net long position by 1,753 contracts to a net long 30,269 contracts.



MARKET IDEAS:

It usually doesn't pay to fight a solid and aggressive uptrend, especially with volume and open interest rising on the early April rally. However, as in many physical commodities, volatility is likely to expand from global developments and because copper is short-term and intermediate term very overbought. As suggested in other coverage today we suggest those with long profits bank profits or implement protection in the form of bear put spreads.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 3/26/2024 - 4/2/2024						
	Non-Commercial			Commercial		Non-Reportable
	Weekly			Weekly		Weekly
	Net Position	Net Change	Net Position	Net Change	Net Position	Net Change
Metals						

Copper	21,167	-2,440	-30,269	+1,754	9,102	+687
Gold	236,574	+18,208	-253,015	-16,405	16,440	-1,804
Palladium	-10,172	-315	10,155	+174	17	+141
Platinum	10,456	+1,873	-15,934	-1,993	5,478	+120
Silver	52,152	+4,226	-66,904	-4,186	14,753	-41

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) 04/08/2024: Rising stochastics at overbought levels warrant some caution for bulls. The market's close above the 9-day moving average suggests the short-term trend remains positive. The outside day up is a positive signal. 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 next upside objective is 2394.9. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 2376.0 and 2394.9, while 1st support hits today at 2312.2 and below there at 2267.3.

COMEX SILVER (MAY) 04/08/2024: 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 outside day up is somewhat positive. The close over the pivot swing is a somewhat positive setup. The next upside target is 28.466. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 28.122 and 28.466, while 1st support hits today at 26.918 and below there at 26.057.

COMEX PLATINUM (JUL) 04/08/2024: 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 setup is somewhat negative with the close under the 1st swing support. The next upside objective is 959.05. The next area of resistance is around 950.00 and 959.05, while 1st support hits today at 929.40 and below there at 917.85.

COMEX COPPER (MAY) 04/08/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. A positive signal for trend short-term was given on a close over the 9-bar moving average. The close over the pivot swing is a somewhat positive setup. The next upside objective is 4.30. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 4.27 and 4.30, while 1st support hits today at 4.21 and below there at 4.15.

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	2344.1	84.19	80.84	87.21	93.25	2319.08	2268.33	2230.18	2144.67	2125.24
SIEK24	27.520	86.80	80.68	73.66	87.01	26.94	25.78	25.41	24.12	23.87
PLAN24	939.70	55.72	54.24	48.84	59.83	943.25	928.32	928.98	917.47	918.99
CPAK24	4.24	79.23	74.05	71.34	83.29	4.19	4.09	4.07	3.93	3.91
PAAM24	1007.40	47.79	49.51	31.65	32.54	1018.68	1011.96	1025.34	986.36	981.99

Calculations based on previous session. Data collected 04/05/2024

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	2267.3	2312.2	2331.1	2376.0	2394.9
SIEK24	COMEX Silver	26.056	26.917	27.261	28.122	28.466

PLAN24	COMEX Platinum	917.85	929.40	938.45	950.00	959.05
CPAK24	COMEX Copper	4.14	4.20	4.22	4.27	4.30
PAAM24	COMEX Palladium	980.07	994.65	1005.57	1020.15	1031.07

Calculations based on previous session. Data collected 04/05/2024

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