



## DAILY METALS COMMENTARY Tuesday April 09, 2024

### PRECIOUS METALS COMMENTARY

4/9/2024

**Expect gold & silver ranges to expand significantly**

#### OVERNIGHT CHANGES THROUGH 3:16 AM (CT):

**GOLD +21.70, SILVER +0.03, PLATINUM +1.60**

**OUTSIDE MARKET DEVELOPMENTS:** Global equity markets overnight were divided among the winners and weakest and the TOPIX the strongest. Critical economic news released overnight included a much stronger-than-expected GBP BRC Like for like retail sales reading for March, a significant worsening of Australian Westpac downtick in the Australian National Australia Bank's Business Conditions index for March, a minimal improvement in the national Straley a Banks Business Confidence index for March, a significant contraction in March Japanese machine-tool orders, stronger French February exports, and a higher French February imports. The North American session will not have any top-tier US or Canadian economic numbers and will be highlighted by a weekly private survey of same-store sales and a monthly private survey of small business optimism.



**MARKET FUNDAMENTALS:** The overnight action is a good example of how the gold and silver trade is tracking its own course, as interest rates, currency, bitcoin, and energy prices are not giving off notable influences and yet gold and silver prices have surged again with gold posting another new all-time high. Therefore, it is unlikely gold is tracking a classic safe harbor issue with a broad global origin. In a slightly negative signal both gold and silver ETF holdings declined yesterday, with the gold extraction of 299,047 ounces the largest single day exodus in three months! It seems that some small investors have been enticed to bank profits. In another positive, the market has summarily discounted the Central Bank of Kazakhstan news that it will resume its sales of gold as it attempts to keep gold as a percentage of total reserves in a range bound by 50% and 55%. Surprisingly, the gold market has also maintained its bullish track despite modest headwinds from the dollar and US treasury yields yesterday. In retrospect, buyers today seem to indicate news of ongoing Chinese central bank gold buying has attracted their interest while other traders see ongoing Bitcoin gains and Middle East tensions as a reason to buy dips. However, given this morning's new all-time high, the net spec and fund long in gold is likely the largest since April 2022 leaving gold and silver vulnerable to a sudden spike in volatility. Later today, gold and silver volatility could be restrained as financial markets avoid implementing fresh positions ahead of a major US inflation reading on Wednesday (CPI). Obviously, the bias against early US rate hikes has expanded and we think hope of a rate cut could be extinguished until late in the third quarter if CPI tomorrow is at or above 0.3%. However, the bull camp in precious metal markets should be cheered by the lack of dollar strength yesterday in the wake of a hot New York Fed consumer inflation expectations report!

#### TODAY'S MARKET IDEAS:

As indicated recently, the path of least resistance remains up in gold and silver, but traders should expect volatility to become extreme following the Wednesday US CPI report! While big picture macroeconomic uncertainty and inflation are likely lifting prices, the markets are fighting against typical outside market headwinds suggesting day-to-day action could become tumultuous.

#### NEW RECOMMENDATIONS:

Long May Gold \$2,300 put at \$15.00 and long a June Gold \$2,390 call at \$35.00. Use an objective of \$35.00 for the May put and wait for further instructions for this strategy in upcoming comments.

## PREVIOUS RECOMMENDATIONS:

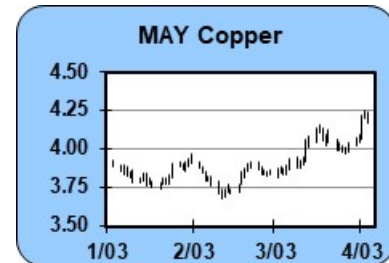
None

## COPPER COMMENTARY

4/9/2024

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

**GENERAL:** The copper market remains pinned to the spike up highs yesterday from a market theme anticipating a tightening of global copper supply. Not surprisingly, the Shanghai copper contract has hit an all-time high overnight even though supplies at the Chinese exchange are at nearly 300,000 tons. Underpinning the bull case are fresh upward revisions in price targeting from several brokerage research departments overnight and the reduced copper smelting capacity in China. However, the trade has apparently discounted a higher-than-expected Chinese refined copper output tally for last month, with that output rising by 5.2% versus the prior month. On the other hand, the trade expects refined copper output in China to decline by a minimal 0.2% this month. While the situation in China is obviously the tip of the bull's sword, the trade is apparently fixed on the idea that Central and South American copper production will remain off pace! Apparently, the upside breakout has also triggered fund buying but given the rally since the last positioning report it is possible that the net spec and fund long in copper is now at the highest level since April 2021. We would not stand in the way of the upward thrust but believe risk and reward of long positions around current levels is very unattractive.



### MARKET IDEAS:

Even if reduced smelter capacity in China is justification for recent gains, Shanghai copper warehouse stocks are very burdensome and could be difficult to work off once the trade focuses on that issue. Eventually surging global copper prices should result in more supply flowing to the Shanghai exchange to take advantage of higher prices but in the near term the market seems to be factoring in improved Chinese economic activity. Into the high yesterday the copper market had gained \$0.22 from the last COT report likely resulting in the longest net spec and fund long positioning in copper of the pandemic era.

### 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) 04/09/2024: 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. It is a mildly bullish indicator that the market closed over the pivot swing number. The near-term upside objective is at 2403.0. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 2382.7 and 2403.0, while 1st support hits today at 2332.0 and below there at 2301.5.

COMEX SILVER (MAY) 04/09/2024: 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 close over the pivot swing is a somewhat positive setup. The next upside target is 28.978. The

market is approaching overbought levels with an RSI over 70. The next area of resistance is around 28.537 and 28.978, while 1st support hits today at 27.313 and below there at 26.529.

COMEX PLATINUM (JUL) 04/09/2024: The moving average crossover up (9 above 18) indicates a possible developing short-term uptrend. Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The close above the 9-day moving average is a positive short-term indicator for trend. There could be more upside follow through since the market closed above the 2nd swing resistance. The near-term upside objective is at 1015.85. The next area of resistance is around 1002.00 and 1015.85, while 1st support hits today at 953.00 and below there at 917.85.

COMEX COPPER (MAY) 04/09/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. A positive signal for trend short-term was given on a close over the 9-bar moving average. A positive setup occurred with the close over the 1st swing resistance. The near-term upside target is at 4.39. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 4.35 and 4.39, while 1st support hits today at 4.23 and below there at 4.14.

## 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
<b>METALS COMPLEX</b>										
GCEM24	2357.4	85.47	81.93	89.60	93.62	2334.45	2286.98	2240.01	2150.68	2130.14
SIEK24	27.925	88.56	82.49	78.77	89.18	27.43	26.11	25.60	24.22	23.95
PLAN24	977.50	67.63	62.49	56.90	72.66	953.55	934.60	931.09	918.46	919.63
CPAK24	4.29	81.67	76.34	76.75	87.99	4.24	4.12	4.09	3.94	3.91
PAAM24	1050.50	58.95	56.57	36.41	45.92	1030.23	1016.09	1025.34	987.99	982.76

Calculations based on previous session. Data collected 04/08/2024

Data sources can & do produce bad ticks. Verify before use.

## DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>METALS COMPLEX</b>						
GCEM24	COMEX Gold	2301.4	2332.0	2352.2	2382.7	2403.0
SIEK24	COMEX Silver	26.528	27.312	27.753	28.537	28.978
PLAN24	COMEX Platinum	917.85	953.00	966.85	1002.00	1015.85
CPAK24	COMEX Copper	4.13	4.22	4.26	4.35	4.39
PAAM24	COMEX Palladium	1004.50	1030.00	1045.50	1071.00	1086.50

Calculations based on previous session. Data collected 04/08/2024

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