



## DAILY METALS COMMENTARY Friday April 12, 2024

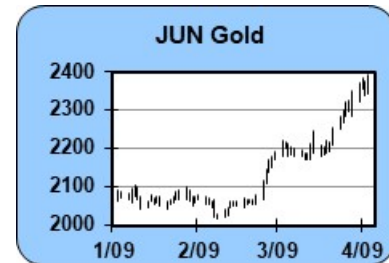
### PRECIOUS METALS COMMENTARY

4/12/2024

#### Flight to quality speculative buying (Iran/China) continues

**OVERNIGHT CHANGES THROUGH 3:16 AM (CT):**  
**GOLD +41.40, SILVER +0.10, PLATINUM +2.62**

**OUTSIDE MARKET DEVELOPMENTS:** Global equity markets overnight were mostly higher except for the Chinese and Australian markets, with the Chinese markets off considerably especially in Hong Kong where prices declined by more than 2%. Critical economic news released overnight included a contraction in New Zealand electronic credit card retail sales, a precipitous 0.5% decline in Japanese capacity utilization for February, a much larger than expected 0.6% decline in Japanese industrial production, steady but still problematic German consumer price index readings for March, slightly EP, better-than-expected GBP industrial production, softer than expected French consumer price index readings for March, much softer than expected Chinese March exports, much weaker than expected Chinese March imports, steady but residually hot Spanish CPI, and much weaker than expected Italian industrial sales for January. The North American session will start out with March readings for the US import price index and US export price index, both of which are forecast to have sizable increases from their February year-over-year readings. A private monthly survey of April US consumer sentiment is expected to have a minimal downtick from the previous 79.4 reading. Kansas City Fed President Schmid, Atlanta Fed President Bostic and San Francisco Fed President Daly will speak during afternoon US trading hours. Earnings announcements will include J.P. Morgan, Wells Fargo, BlackRock, and Citigroup before the Wall Street opening.



**MARKET FUNDAMENTALS:** With gold and silver prices significantly higher overnight in the face of a very significant upward thrust in the US dollar it is possible the markets are beginning to aggressively embrace flight to quality buying from rising economic concern toward China. In fact, overnight Chinese import, and export readings came in significantly below expectations which facilitates more anxiety toward an economy thought to have serious problems. It is also likely that rising concerns of financial pressures on developing countries is fostering flight to quality buying of gold and silver in anticipation of a financial crisis in the emerging market sector. Apparently, small investment interest is not a major component of the bull case as gold and silver prices have soared despite four days of gold ETF outflows. In fact, Bank of America pegged the week over week outflow from gold at \$900 million and outflows from stocks the largest in 16 months! In addition to the potential for economic uncertainty arising from a meltdown in the Chinese economy, fear of an Iranian strike against Israel (now expected within two days) has risk instruments like gold, silver, Bitcoin, oil prices and the dollar surging. While we suspect Iran will avoid a direct strike tied to Iranian national military forces, the trade will likely assume a connection. While the trade has not embraced the very long pattern of declining South African gold production, South African February gold output reportedly declined by 3.6% versus year ago levels and that provides a somewhat rare supportive supply side theme. With the aggressive range up extension into even higher all-time high territory, gold (and silver) apparently balanced their overbought technical condition with the temporary corrections earlier this week. While we suspect gold and silver will see some reaction to US import and export price readings today, we suspect the trade is looking to international events for guidance. Therefore, the path of least resistance remains up with volatility likely to reach a crescendo next week.

#### TODAY'S MARKET IDEAS:

With a new all-time high in gold and sharp gains in silver of more than one dollar overnight the bull camp has extended their control and might see ongoing speculative buying ahead of the weekend. In other words, traders

sense a flight to quality situation from the Middle East or China and are not likely to be deterred today. While traders should not rule out surprising two-sided volatility, we suspect fresh speculative buying will surface on price weakness.

**NEW RECOMMENDATIONS:**

None

**PREVIOUS RECOMMENDATIONS:**

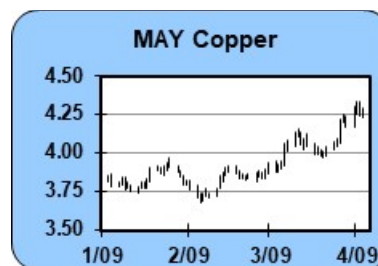
Long May Gold \$2,300 put at \$15.00 and long a June Gold \$2,390 call at \$35.00. Use an objective of \$35.00 for the May put and use an objective on the long June Gold call of \$90.00.

**COPPER COMMENTARY**

4/12/2024

**the market retains the capacity to ignore bearish signals**

**GENERAL:** With a higher high and the highest trade in 12 months, the copper trade is clearly unconcerned about signs of precipitous slowing in the Chinese economy following softer than expected Chinese imports and exports. However, Chinese January through March unwrought copper imports surged 6.9%, while copper concentrates and ore imports increased by 5.1% and that has clearly offset ongoing and escalating concerns toward the Chinese economy. In fact, the trade has also definitively discounted another significant jump in the weekly Shanghai copper warehouse stocks of 7,874 tons. Weekly Shanghai copper warehouse stocks have now increased in 15 of the last 16 weeks and have reached nearly four year highs! However, the constant refrain of disrupted global copper production and reduced smelter capacity in China continues to dominate market sentiment.



**MARKET IDEAS:**

Despite further concerning Chinese economic datapoints/news, another large jump in weekly Shanghai copper warehouse stocks and a short-term overbought technical condition, copper prices continue to surge in what might end up being an artificial rally from a temporary mechanical disruption of Chinese smelting activity.

**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) 04/12/2024: The crossover up in the daily stochastics is a bullish signal. 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. The market setup is supportive for early gains with the close over the 1st swing resistance. The near-term upside target is at 2430.8. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 2417.6 and 2430.8, while 1st support hits today at 2367.2 and below there at 2329.9.

COMEX SILVER (MAY) 04/12/2024: 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. With the close over the 1st swing resistance number, the market is in a moderately positive position. The near-term upside target is at 29.157. The market is giving an extremely overbought indicator with the RSI over 90. The next area of resistance is around 28.955 and 29.157, while 1st support hits today at 28.195 and below there at 27.638.

COMEX PLATINUM (JUL) 04/12/2024: 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. Market positioning is positive with the close over the 1st swing resistance. The next upside target is 1012.17. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 1006.35 and 1012.17, while 1st support hits today at 984.45 and below there at 968.38.

COMEX COPPER (MAY) 04/12/2024: 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. It is a slightly negative indicator that the close was under the swing pivot. The near-term upside objective is at 4.33. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 4.29 and 4.33, while 1st support hits today at 4.23 and below there at 4.20.

## 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	2392.4	81.37	79.80	91.82	93.71	2368.83	2336.58	2270.44	2170.86	2144.86
SIEK24	28.575	91.19	85.23	86.05	91.19	28.10	27.25	26.10	24.58	24.19
PLAN24	995.40	70.84	65.55	72.92	83.01	982.63	957.32	936.92	923.21	922.71
CPAK24	4.26	71.63	70.27	82.17	83.11	4.27	4.21	4.12	3.97	3.94
PAAM24	1040.70	56.72	55.73	53.64	60.94	1062.75	1036.63	1023.15	995.26	987.40

Calculations based on previous session. Data collected 04/11/2024

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	2329.8	2367.1	2380.3	2417.6	2430.8
SIEK24	COMEX Silver	27.637	28.195	28.397	28.955	29.157
PLAN24	COMEX Platinum	968.37	984.45	990.27	1006.35	1012.17
CPAK24	COMEX Copper	4.19	4.22	4.26	4.29	4.33
PAAM24	COMEX Palladium	1001.34	1016.69	1049.34	1064.69	1097.34

Calculations based on previous session. Data collected 04/11/2024

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

\*\*\*This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Opinions expressed are subject to change without notice. Any information or recommendation contained herein: (i) is not based on, or tailored to, the commodity interest or cash market positions or other circumstances or characterizations of particular investors or traders; (ii) is not customized or personalized for any such investor or trader; and (iii) does not take into consideration, among other things, risk tolerance, net worth, or available risk capital. Any use or reliance upon the information or recommendations is at the sole discretion and election of the subscriber. The risk of loss in trading futures contracts or commodity options can be substantial, and traders should carefully consider the inherent risks of such trading in light of their financial condition. Any reproduction or retransmission of this report without the express written consent of Lakefront Futures is strictly prohibited.