



## DAILY METALS COMMENTARY Tuesday April 16, 2024

### PRECIOUS METALS COMMENTARY 4/16/2024

**Increased volatility potential dip below \$2,350**

**OVERNIGHT CHANGES THROUGH 3:16 AM (CT):  
GOLD +2.00, SILVER -0.03, PLATINUM -0.50**

**OUTSIDE MARKET DEVELOPMENTS:** Global equity markets overnight were down falling in sync with the US washout on Monday, with the largest losses suffered in Japan. Critical economic news released overnight included a sharp contraction in Chinese house price index reading March, a slightly better-than-expected Chinese GDP for the first quarter, a definitive downside miss in Chinese industrial production for March, a much weaker than expected Chinese retail sales reading for March, slightly hotter than anticipated German wholesale price index readings for March, generally positive GBP average earnings, a slight reduction in GBP claimant count for March, as expected to slightly softer than expected Italian consumer price index readings for March, a slight dip in a German ZEW current situation for April, a much better-than-expected German ZEW economic sentiment readings for April, a significant rebound in overall euro zone ZEW survey of economic sentiment for April and a much larger than expected Italian trade surplus for February. The North American session will start out with a private weekly survey of same-store sales followed by March US housing starts which are expected to have a minor downtick from February's 1.521 million annualized rate. March US building permits are forecast to have a minimal downtick from February's 1.524 million reading. March Canadian CPI is expected to have a minimal downtick from February's 2.8% year-over-year rate. March Canadian housing starts are forecast to have a mild downtick from February's reading. March US industrial production is expected to have a moderate uptick from February's 0.1% reading while March US capacity utilization is forecast to have a minimal uptick from February's 78.4% reading. Fed Vice Chair Jefferson will speak during morning US trading hours while Fed Chair Powell, New York Fed President Williams, and Richmond Fed President Barkin will speak during the afternoon. Earnings announcements will include UnitedHealth Group, Johnson & Johnson, Bank of America, Morgan Stanley, PNC Financial Services, Bank of New York Mellon, and Northern Trust before the Wall Street opening.



**MARKET FUNDAMENTALS:** While the dollar has retrenched from a fresh spike up new high for the move this morning, the bias in the dollar remains up to start today. However, soft US housing data could provide a brief respite from the strong dollar for gold and silver longs this morning. Unfortunately for the bull camp gold and silver ETF holdings continue to decline highlighting a lack of small investor interest in one niche of the metal markets. On the other hand, Citi has double down on its bullish gold price forecast projecting gold to reach \$3000 in the next 6 to 18 months. In a minimal bearish development, the Russian finance ministry is apparently considering removing the gold export duty which could facilitate supply flow out of Russia. On the one hand, gold traders should be very disappointed in the lack of significant gains yesterday following news that a sovereign nation in the Middle East had attacked another sovereign country in the Middle East. On the other hand, the dollar remains strong and US interest rates continue to climb which leaves outside market headwinds in place. However, both gold and silver prices managed to rise last week against severe outside market adversity and could recover this week especially if gold consistently respects building consolidation low support around \$2350. Other limiting developments from yesterday's trade is news that the Turkish treasury has offered gold backed bonds and other Gold backed instruments which in a way suggests one Central bank sees current gold prices as expensive. From a technical perspective, the gold market may have balanced its overbought technical condition with the low yesterday more than \$100 below Friday's spike up all-time high reading of \$2448.80. We see initial support in June gold (for aggressive traders) at \$2350.10, with closer-in support seen at \$2337.70. With July silver

outperforming gold yesterday and rejecting a sub \$28.00 trade \$27.90 has become support. However, on the massive explosion last Friday Silver open interest reversed down on the highest daily trading volume in several years in a fashion that points to a temporary top.

**TODAY'S MARKET IDEAS:**

We sense consolidation action in gold and silver prices ahead as the trade might have burned through significant speculative fuel with the first half of April rallies. Furthermore, outside market forces have become more negative and given the overbought technical status we expect more two-sided trade in precious metal markets ahead. However, it is premature to think the precious metal market rallies have run their course, especially with turmoil in the Middle East expanding and significant losses in global equities potentially providing some rotation from equities to flight to quality buying of gold. While we offered aggressive support/buy pricing in today's coverage, traders should acknowledge the potential for wider ranges and therefore utilize conservative long entry prices.

**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. Implement a profit stop on the \$2,390 June gold call of \$70.00.

**COPPER COMMENTARY**

4/16/2024

**Wild volatility signaling a top?**

**GENERAL:** Not surprisingly, the copper market has expended daily trading volatility following a massive first half of April rally off ideas that Chinese copper demand will begin to improve in the months ahead. Unfortunately for the bull camp overnight Chinese economic data rekindles concerns of slowing and should temper Chinese copper demand hopes. The most discouraging reading overnight was March industrial production which nearly halved from the pace in February, while Chinese retail sales for March were very disappointing relative to expectations and relative to the previous month. In what can be a sign of a top, the Shanghai futures exchange is raising margins for copper hedging and has expended trading limits to 7%! The latest range up move into new high territory in copper continues to confound the bear camp. In fact, the market has discounted an unrelenting inflow to Shanghai copper warehouse stocks, disappointing Chinese economic news, and predictions that Chile's main copper producer (Codelco) expects its copper production to recover this year. Given soft Chinese economic news overnight it should be noted that May copper is significantly overbought from the first half of April rally of \$0.38!



**MARKET IDEAS:**

In our opinion, the copper bulls have factored in signs the Chinese economy was recovering and today's Chinese economic reports were not indicative of a definitive forward moving economy. Granted several of the readings remained positive for growth but most were below expectations and below the prior month, suggesting a measure of deceleration! Unfortunately for the bull camp, the copper net spec and fund long positioning reached the highest level since May 2021 as of last Tuesday and added \$0.10 to that rally into the high on Monday. In conclusion the net spec and fund long in copper is likely nearing "record" levels!

**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) 04/16/2024: Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. A positive signal for trend short-term was given on a close over the 9-bar moving average. The daily closing price reversal up on the daily chart is somewhat 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 2322.1. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 2432.1 and 2450.2, while 1st support hits today at 2368.1 and below there at 2322.1.

COMEX SILVER (MAY) 04/16/2024: Daily stochastics turning lower from overbought levels is bearish and will tend to reinforce a downside break especially if near term support is penetrated. The market's short-term trend is positive on the close above the 9-day moving average. The daily closing price reversal up is a positive indicator that could support higher prices. The market has a slightly positive tilt with the close over the swing pivot. The next downside target is now at 27.324. With a reading over 90, the 9-day RSI indicates the market is extremely overbought. The next area of resistance is around 29.612 and 29.953, while 1st support hits today at 28.298 and below there at 27.324.

COMEX PLATINUM (JUL) 04/16/2024: 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 close below the 1st swing support could weigh on the market. The near-term upside objective is at 1011.52. The next area of resistance is around 997.65 and 1011.52, while 1st support hits today at 970.95 and below there at 958.13.

COMEX COPPER (MAY) 04/16/2024: The daily stochastics have crossed over up which is a bullish indication. 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. Market positioning is positive with the close over the 1st swing resistance. The next upside target is 4.47. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 4.43 and 4.47, while 1st support hits today at 4.31 and below there at 4.23.

## 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	2400.1	74.25	74.60	86.33	81.93	2375.83	2357.12	2292.13	2184.63	2155.63
SIEK24	28.955	92.66	86.79	83.13	81.75	28.40	27.91	26.46	24.84	24.38
PLAN24	984.30	62.21	60.58	76.01	77.40	987.58	972.07	944.59	927.20	925.35
CPAK24	4.36	81.62	77.38	82.54	84.92	4.29	4.27	4.15	3.99	3.96
PAAM24	1043.90	51.61	52.47	55.00	55.79	1049.78	1045.12	1025.59	1001.48	990.86

Calculations based on previous session. Data collected 04/15/2024

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	2322.0	2368.0	2386.1	2432.1	2450.2
SIEK24	COMEX Silver	27.323	28.297	28.638	29.612	29.953
PLAN24	COMEX Platinum	958.12	970.95	984.82	997.65	1011.52
CPAK24	COMEX Copper	4.22	4.30	4.35	4.43	4.47
PAAM24	COMEX Palladium	1018.57	1032.65	1041.07	1055.15	1063.57

**Calculations based on previous session. Data collected 04/15/2024**  
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