



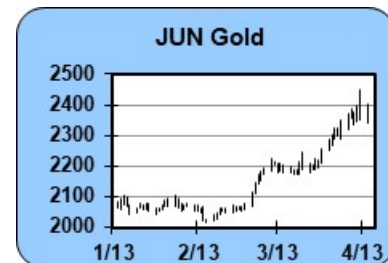
DAILY METALS COMMENTARY Wednesday April 17, 2024

PRECIOUS METALS COMMENTARY 4/17/2024

The bias in gold remains up

OVERNIGHT CHANGES THROUGH 3:16 AM (CT):
GOLD -7.70, SILVER +0.01, PLATINUM -0.95

OUTSIDE MARKET DEVELOPMENTS: Global equity markets overnight were higher except for the markets in Japan which traded sharply lower and Australia which traded fractionally lower. Critical economic news released overnight included Ray residually hot New Zealand consumer price index reading, disappointing Japanese trade data, a contraction in an Australian Westpac Leading Index for March, residually hot UK CPI, and a stronger-than-expected UK retail price index reading. The North American session will start out with a weekly private survey of mortgage applications. The Fed's latest Beige Book will be released during early afternoon US trading hours, while the February Treasury International Capital (TIC) report will show net changes to Chinese and Japanese Treasury holdings. Cleveland Fed President Mester and Fed Governor Bowman will speak during afternoon US trading hours. Earnings announcements will include Abbott Labs, Prologis, U.S. Bancorp, and Travelers before the Wall Street opening while CSX and Kinder Morgan report after the close.



MARKET FUNDAMENTALS: The bias in gold remains up despite negative divergence with silver prices and news of continued outflows from gold and silver ETF holdings. However, yesterday gold impressively managed gains despite another significant extension of upside action in the dollar and in the face of another higher high in US treasury yields. There are some discussions in the marketplace that some form of crisis is ahead because of the unrelenting gold market gains and the only other major market reaction to a looming global flight to quality event is the surging US dollar! Certainly, the gold market fell initially yesterday morning as US interest rate cut hopes were pushed even lower following a Fed speech indicating US rates would remain higher for longer. In fact, with the gold market rejecting weakness from hawkish Fed dialogue and recovering in the face of noted silver weakness, the bear camp in gold should remain off balance. In a minimally supportive classic fundamental supply development, Barrick Gold posted lower than expected first-quarter gold production and that sent shares of the Canadian gold miner down 6% which is very surprising considering gold prices remain near all-time highs! From a technical perspective, the massive Friday high to the Monday low decline of \$106 and a measure of sideways consolidation over the last week probably moderated the short-term severely overbought condition in place at gold's last high. In the end, geopolitical risks are likely to continue to lift gold prices which have managed a sustained uptrend in the face of a very disappointing slide in Bitcoin. As of Tuesday's low, April bitcoin futures were trading more than \$13,000 below their all-time high! In a very minor classic fundamental supply development Russia has considered removing gold export duty which could prompt greater gold supply flowing to the world market. Uptrend channel support in June gold today is \$2,364.60 with that uptrend channel increasing to \$2,389 on Friday.

TODAY'S MARKET IDEAS:

The bias in gold remains up with silver apparently remaining off balance. As indicated already, chatter in the gold trade suggests the market might be anticipating some type of major global crisis but given recent weakness in Bitcoin and treasury prices not all flight to quality instruments are sensing trouble ahead. However, with US treasury yields surging and US government debt exploding it is possible the crisis could be US government centric. With the gold market continuing to rally in the face of distinctly bearish outside market headwinds, the focus of the trade is at least partially centered on flight to quality concerns from the potential for a regional Middle

East war. However, given surging interest rates, it is possible some traders are concerned about a return to banking problems (SVB) as rising interest rates could catch banks leaning in the wrong direction again. It should be noted that regional banks saw significant pressure in the first quarter of 2023 following significant increases in interest rates throughout 2022. Uptrend channel support in June gold today is \$2,364.60 with that uptrend channel increasing to \$2,389 on Friday.

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

4/17/2024

Bearish track in copper tempered by lower Chilean production

GENERAL: With a recovery in copper this morning and the markets maintaining a pattern of higher lows, the negative supply and demand news from yesterday has been discounted. In fact, the market is refocused away from yesterday's bearish supply news toward bullish supply news after learning the number one Chilean copper miner posted an output decline of 11% versus year ago levels! In our opinion, the copper market deserved aggressive liquidation given the disappointing flow of Chinese economic data and what was likely the largest (adjusted into the high yesterday) net spec and fund long position since the beginning of the pandemic era. However, Chinese copper demand concerns were not the only catalyst behind the setback in copper prices yesterday as Peru copper production in February reportedly jumped by 12.7%.



MARKET IDEAS:

With the net spec and fund long in copper likely nearing "record" levels into the recent highs, the aggressive reversal yesterday probably balanced a portion of the overbought condition! Key support in May copper is \$4.2705 with a failure to hold that level projecting a slide below \$4.20.

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) 04/17/2024: 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 close above the 9-day moving average suggests the short-term trend remains positive. The market has a slightly positive tilt with the close over the swing pivot. The next downside objective is now at 2365.2. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 2422.2 and 2436.3, while 1st support hits

today at 2386.7 and below there at 2365.2.

COMEX SILVER (MAY) 04/17/2024: Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. The market's short-term trend is positive on the close above the 9-day moving average. The daily closing price reversal down is a negative indicator for prices. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is now at 27.348. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 28.805 and 29.487, while 1st support hits today at 27.735 and below there at 27.348.

COMEX PLATINUM (JUL) 04/17/2024: The daily stochastics have crossed over down which is a bearish indication. Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market tilt is slightly negative with the close under the pivot. The next downside target is 956.98. The next area of resistance is around 982.34 and 994.37, while 1st support hits today at 963.65 and below there at 956.98.

COMEX COPPER (MAY) 04/17/2024: The daily stochastics have crossed over down which is a bearish indication. Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is 4.22. The next area of resistance is around 4.35 and 4.41, while 1st support hits today at 4.25 and below there at 4.22.

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	2404.5	74.88	75.04	84.91	82.14	2388.70	2366.34	2302.84	2192.31	2161.19
SIEK24	28.270	76.00	76.13	80.52	76.41	28.39	28.02	26.62	24.95	24.46
PLAN24	973.00	57.63	57.67	74.24	71.37	986.48	974.90	948.13	929.08	926.28
CPAK24	4.30	65.06	66.40	82.81	82.79	4.30	4.28	4.16	4.01	3.96
PAAM24	1031.20	48.98	50.80	54.14	51.85	1043.83	1046.56	1027.51	1005.00	992.18

Calculations based on previous session. Data collected 04/16/2024

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	2365.1	2386.7	2400.7	2422.2	2436.3
SIEK24	COMEX Silver	27.347	27.735	28.417	28.805	29.487
PLAN24	COMEX Platinum	956.97	963.64	975.67	982.34	994.37
CPAK24	COMEX Copper	4.21	4.24	4.31	4.35	4.41
PAAM24	COMEX Palladium	992.47	1013.94	1026.97	1048.44	1061.47

Calculations based on previous session. Data collected 04/16/2024

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.