



DAILY METALS COMMENTARY Friday April 19, 2024

PRECIOUS METALS COMMENTARY

4/19/2024

A temporary blowoff top, long profit taking possible

OVERNIGHT CHANGES THROUGH 3:16 AM (CT):

GOLD -0.30, **SILVER** +0.00, **PLATINUM** -0.62

OUTSIDE MARKET DEVELOPMENTS: Global equity markets overnight were lower except for the Russian and Hong Kong markets which traded fractionally higher. Critical economic news released overnight included a slight downtick in Japanese National Consumer Price Index readings, a slightly hotter than expected German Producer Price Index reading for March, very disappointing GBP Retail sales for March, and a very discouraging GBP retail sales excluding fuel contraction for March. There are no major US or Canadian economic numbers on the schedule. Chicago Fed President Goolsbee will speak during morning US trading hours. Earnings announcements will include Procter & Gamble, American Express and Schlumberger before the Wall Street opening.



MARKET FUNDAMENTALS: The big question for the gold trade now is will the tensions between Israel and Iran cool and temporarily end the potential for sudden massive geopolitical inspired flight to quality buying. While not a major bearish development gold and silver ETF holdings continue to decline with the declines in gold and silver ETF holdings very significant yesterday (Gold -218,995 ounces & Silver -6.3 ml ounces). Even the technical picture has shifted in favor of the bear camp with the overnight spike up move squarely rejected. In fact, this morning early gold prices are trading \$36 below the overnight high, with July silver prices trading \$0.77 below the overnight high! Yet another bearish development (more psychological than material) the Vietnamese central bank announced they would auction gold for the first time since 2013.

We think this week's consolidation in gold and silver has managed to temper a portion of overbought market conditions built into prices from a long string of daily record closes in gold in early April. In retrospect, gold has recently delinked correlations with treasury yields and the dollar but given the drop sharp in US treasury yields this week (bonds gained almost 3 full points) at least part of the consistently bearish outside market influences have dissipated in favor of the bull camp. In a fresh negative unlikely to impact gold prices significantly, Swiss March gold exports declined because of lower India and Turkish purchases which outweighed higher sales totals to mainland China and Hong Kong. The Swiss clearinghouse is the largest clearing center in the world and handles significant volumes of another precious metals as well. Apparently, gold demand in China has remained robust because of fear of holding Chinese currency. From a technical perspective, recent lower high and lower low action (prior to the Israeli retaliation) did temper bullish sentiment, and given the \$108 range between Friday and Monday, one cannot rule out a blowoff top has been put in place. In today's action we see initial support at \$2,376.20 and think the path of least resistance is down for today.

TODAY'S MARKET IDEAS:

As indicated already, we leave the uptrend in gold in place but give the bear camp a temporary edge today as the charts give off the impression of a blowoff top following the overnight Israel attack of Iran. Apparently, the markets think the tit for tat strikes between Iran and Israel will pause. Furthermore, we also think gold and silver will temporarily lose the flight to quality force and action in the dollar will temporarily resume control over gold and silver prices. On the other hand, the overall uptrend is likely to be sustained especially if the June gold contract manages to respect uptrend channel support today of \$2376.20, with similar critical support seen in July silver at \$28.31.

NEW RECOMMENDATIONS:

None

PREVIOUS RECOMMENDATIONS:

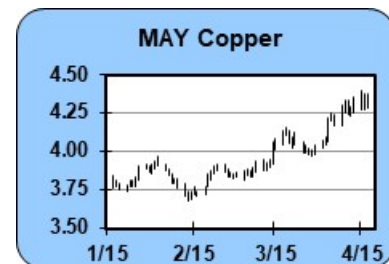
Long May Gold \$2,300 put at \$15.00 and long a June Gold \$2,390 call at \$35.00. Use an objective of \$11.00 for the Long May \$2,300 put. *Hit the objective on the long June Gold \$2,390 call of \$90.00.

COPPER COMMENTARY

4/19/2024

Spike up extension leaves the bulls in control

GENERAL: While a minimal inflow to Shanghai copper warehouse stocks this week would not appear to be a major bullish development, the minimal inflow to weekly inventories tempers what has been very consistent massive weekly inflows to Chinese exchange warehouses. However, global traders continue to focus on long-term tightening of global refined copper supply with the tight supply theme given a psychological lift by overnight news indicating the Chilean government has cooled on plans to build a new copper smelter and instead plans to overhaul a current facility reportedly to reduce the country's reliance on Asian smelters. Another bullish issue facilitating this week's gains is another bullish price forecast from Citi predictions the copper rally will continue for the next three months. The bullish outlook for copper was also facilitated by a Chinese government supported research group who cited strong Chinese demand as the main catalyst of a continued bull track in copper prices.

**MARKET IDEAS:**

In addition to another sharply higher spike up trade overnight, copper bulls may be relieved with only a minor inflow to Shanghai copper warehouse inventories posted this week as that could signal an end to the very long chain of massive inflows. While we would have thought the market needed a moderate outflow of Shanghai warehouse stocks to signal strong demand, the copper trade has the capacity to shape fundamentals in favor of the bull camp. A very steep uptrend channel support line in copper is at \$4.3825 today with a pivot point this morning seen at \$4.4595.

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) 04/19/2024: Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. The market's close above the 9-day moving average suggests the short-term trend remains 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 2362.6. The next area of resistance is around 2409.6 and 2424.2, while 1st support hits today at 2378.8 and below there at 2362.6.

COMEX SILVER (MAY) 04/19/2024: 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. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is 27.877. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 28.592 and 28.926, while 1st support hits today at 28.068 and below there at 27.877.

COMEX PLATINUM (JUL) 04/19/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is now at 933.43. The next area of resistance is around 958.65 and 969.22, while 1st support hits today at 940.75 and below there at 933.43.

COMEX COPPER (MAY) 04/19/2024: 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. A positive setup occurred with the close over the 1st swing resistance. The near-term upside objective is at 4.53. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 4.49 and 4.53, while 1st support hits today at 4.37 and below there at 4.28.

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	2394.2	68.41	70.27	80.26	76.15	2392.38	2378.12	2323.51	2207.55	2171.79
SIEK24	28.330	76.76	76.77	77.04	73.20	28.46	28.25	27.01	25.21	24.66
PLAN24	949.70	48.13	51.41	65.13	55.30	966.23	976.62	952.53	931.64	927.66
CPAK24	4.42	76.05	74.14	85.09	88.62	4.36	4.31	4.20	4.04	3.98
PAAM24	1038.50	51.35	52.15	49.08	44.25	1036.10	1048.84	1030.40	1011.53	995.01

Calculations based on previous session. Data collected 04/18/2024

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	2362.6	2378.8	2393.4	2409.6	2424.2
SIEK24	COMEX Silver	27.876	28.067	28.401	28.592	28.926
PLAN24	COMEX Platinum	933.42	940.75	951.32	958.65	969.22
CPAK24	COMEX Copper	4.28	4.36	4.40	4.49	4.53
PAAM24	COMEX Palladium	1018.00	1026.50	1042.00	1050.50	1066.00

Calculations based on previous session. Data collected 04/18/2024

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.