



DAILY METALS COMMENTARY Tuesday April 23, 2024

PRECIOUS METALS COMMENTARY

4/23/2024

Ongoing stop loss selling expected

OVERNIGHT CHANGES THROUGH 3:16 AM (CT):

GOLD -26.40, SILVER -0.03, PLATINUM -0.69

OUTSIDE MARKET DEVELOPMENTS: Global equity markets overnight were higher except for the markets in Shanghai, both of which closed -0.7% lower. Critical economic news released overnight included better than expected Judo Bank Australian Composite PMI for April, better than expected Judo Bank Manufacturing PMI for Australia, softer than expected Judo Bank Services PMI for Australia, better-than-expected Japanese Jibun Bank Manufacturing PMI, better-than-expected Japanese Jibun Bank Services PMI, a significant jump in GBP public-sector net borrowing in March, better than expected French, German and euro zone Composite PMI, softer than expected French, German and euro zone manufacturing PMI, better than expected French German and euro zone services PMI readings for April, stronger than expected GBP global/CIPS composite and services PMI readings for April, and a weaker than expected GBP S&P global/CIPS services PMI reading for April. The North American session will start out with a weekly private survey of same-store sales followed by an April "flash" US manufacturing PMI reading that is forecast to have a minimal uptick from the previous 51.9 reading. March new home sales are expected to have a modest uptick from February's 662,000 annualized rate. The Richmond Fed's April manufacturing index is forecast to have a mild uptick from March's -11 reading. A busy day of earnings announcements will include Pepsico, GE Aerospace, Danaher, NextEra Energy, UPS and Freeport McMoRan before the Wall Street opening while Visa, Tesla, Texas Instruments and Chubb report after the close.



MARKET FUNDAMENTALS: The capitulation in gold and silver extended overnight with what we think is mostly stop loss selling from the massive net long built up from the \$425 gold rally off the February low and the \$7.50 rally in July silver. However, ongoing liquidation of flight to quality longs from lower ME angst is certainly adding to the washout while typical outside market influences of the dollar and treasury yields have not been a noted influence and are unlikely to be a key impact today. In retrospect, there was apparently more flight to quality longs in off the potential for a widespread Middle East war than expected and that should be remembered if conflict returns. The breath of selling is broad with gold mining shares pressed into two week lows yesterday and ongoing liquidation of gold and silver ETF holdings. In fact, over the last six trading sessions silver ETF holdings have declined by nearly 31 million ounces! In what is more of a psychological negative than a material physical negative, the Vietnam central bank only managed to sell a 1/5th of the gold at an auction overnight. From a short-term technical perspective, the June gold contract likely retains additional stop loss selling with the gold net spec and fund long position into Monday's high likely at the highest level since April 2022! Uptrend channel support in July silver becomes \$26.49, with uptrend channel support in June gold at \$2274.70.

TODAY'S MARKET IDEAS:

It is difficult to argue against further downside action in gold and silver ahead, as flight to quality interest from the Middle East has temporarily punctured and the charts have been decimated. Fortunately for the bull camp, outside market action from treasuries and the dollar have not turned patently bearish or the washout could have become even more severe. In our opinion, the bull camp will lack a bullish theme capable of discouraging sellers unless there is another military exchange between Iran and Israel.

NEW RECOMMENDATIONS:

None

PREVIOUS RECOMMENDATIONS:

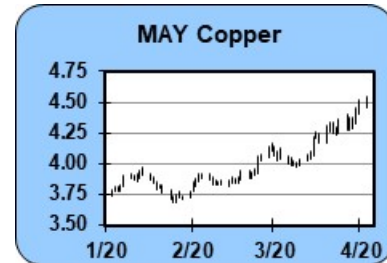
Long May Gold \$2,300 put at \$15.00 and long a June Gold \$2,390 call at \$35.00. Use an objective of \$15.00 for the Long May \$2,300 put. *Hit the objective on the long June Gold \$2,390 call of \$90.00 giving a \$55.00 gain.

COPPER COMMENTARY

4/23/2024

What goes up aggressively can correct aggressively

GENERAL: While the liquidation in precious metals is probably not linked to the reversal in copper today, copper has a similar overbought condition as gold and silver with disappointing global manufacturing PMI readings adding an element of selling interest this morning. While not a primary factor in the reversal, Anglo-American indicated their first quarter 2024 copper production was up 11% and they left their forecast of output for the entire year at 730,000 - 790,000 tons. After making another higher high for the move yesterday, gains in copper for the month of April increased to \$0.52, which obviously leaves the market vulnerable to aggressive stop loss selling. While the copper market might see the freefall extend sharply it should be noted the copper market managed the aggressive April rally in the face of generally disappointing Chinese economic signals and that could eventually help the market find value around the \$4.30 level. Certainly, the decision to reduce Chinese smelter capacity disrupted the refined copper market which remains the sector of the copper trade expected to be the tightest this year.



MARKET IDEAS:

With the copper market significantly overbought into the high yesterday and copper prices into the low this morning already trading \$0.16 off the high yesterday the reversal is likely to foster waves of self-perpetuating stop loss selling. It goes without saying that the copper market is significantly overbought in spec categories with the market into the high yesterday likely pushing the net spec and fund long position in copper to the highest level since March 2021! Given the aggressive gains over the last four trading sessions, the July copper contract has little in the way of credible close in chart support until \$4.3480.

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) 04/23/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. A negative signal for trend short-term was given on a close under the 9-bar moving average. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next downside target is 2291.4. The next area of resistance is around 2376.6 and 2423.5, while 1st support hits today at 2310.6 and below there at 2291.4.

COMEX SILVER (MAY) 04/23/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The close under the 18-day moving average indicates the intermediate-term trend could be turning

down. The market is in a bearish position with the close below the 2nd swing support number. The next downside target is 26.079. The next area of resistance is around 28.032 and 29.108, while 1st support hits today at 26.518 and below there at 26.079.

COMEX PLATINUM (JUL) 04/23/2024: The major trend has turned down with the cross over back below the 40-day moving average. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The close below the 9-day moving average is a negative short-term indicator for trend. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside target is 912.68. The next area of resistance is around 942.35 and 955.27, while 1st support hits today at 921.05 and below there at 912.68.

COMEX COPPER (MAY) 04/23/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The close above the 9-day moving average is a positive short-term indicator for trend. The market could take on a defensive posture with the daily closing price reversal down. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside objective is 4.58. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 4.52 and 4.58, while 1st support hits today at 4.44 and below there at 4.41.

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	2343.6	50.37	56.86	74.33	65.03	2380.35	2380.38	2343.22	2222.89	2182.46
SIEK24	27.275	46.07	54.42	71.58	62.03	28.22	28.29	27.38	25.44	24.82
PLAN24	931.70	38.63	44.91	50.93	34.75	946.03	967.38	954.51	932.92	928.47
CPAK24	4.48	76.63	74.88	88.02	89.58	4.44	4.36	4.26	4.07	4.00
PAAM24	1015.60	44.23	47.86	41.90	33.84	1028.18	1038.49	1031.90	1014.66	996.89

Calculations based on previous session. Data collected 04/22/2024

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	2291.3	2310.5	2357.4	2376.6	2423.5
SIEK24	COMEX Silver	26.078	26.517	27.593	28.032	29.108
PLAN24	COMEX Platinum	912.67	921.05	933.97	942.35	955.27
CPAK24	COMEX Copper	4.40	4.43	4.49	4.52	4.58
PAAM24	COMEX Palladium	989.80	1001.59	1017.80	1029.59	1045.80

Calculations based on previous session. Data collected 04/22/2024

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