



## DAILY METALS COMMENTARY Wednesday April 24, 2024

### PRECIOUS METALS COMMENTARY

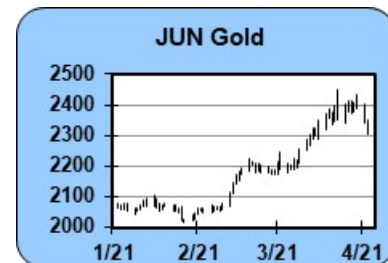
4/24/2024

#### Ongoing stop loss selling expected

#### OVERNIGHT CHANGES THROUGH 3:16 AM (CT):

**GOLD -11.50, SILVER -0.01, PLATINUM +0.32**

**OUTSIDE MARKET DEVELOPMENTS:** Global equity markets were higher following through on the strongest US equity market gain in months yesterday. Critical economic news released overnight included stronger New Zealand March exports, softer New Zealand March imports, a slight uptick in a Japanese Corporate Service Price Index reading for March, a hot Australian consumer price index reading for the first quarter, a hotter than expected but lower than the previous month Australian Monthly Consumer Price Index reading, a significant jump in a Swiss ZEW survey of expectations for April, better-than-expected German Ifo business climate, current assessment, and expectations readings for April. Also released overnight were softer than expected Italian business and consumer confidence readings for April. The North American session will start out with a weekly private survey of mortgage applications followed by March US durable goods which are expected to have a moderate uptick from February's 1.3% reading. February Canadian retail sales are forecast to have a modest uptick from January's 0.9% reading. Another busy day of earnings announcements will include Thermo-Fisher Scientific, AT&T, Boeing, and CME Group before the Wall Street opening while Meta Platforms (Facebook), IBM, ServiceNow, Lam Research, Waste Management and Chipotle Mexican Grill report after the close.



**MARKET FUNDAMENTALS:** In retrospect, the gold trade was unsure of the primary source of the massive April upside extension of the historic gold rally which began early last October. While the trade remains vulnerable to additional stop loss selling today from a very large net spec and fund positioning, further extraction of war premium is also expected with the gold futures and options positioning (adjusted into the recent highs) likely at three year highs! However, Bloomberg overnight carried a story suggesting a large portion of the gold rally was sparked by aggressive buying at the Shanghai futures exchange. Certainly, regular Chinese investors added to record gold run with large Chinese gold premiums not discouraging interest. Bloomberg bases the bullish Chinese influence on gold prices from the jump in gold futures trading volume in Shanghai. It should be noted that the Shanghai futures exchange raised margins which likely resulted in a position squaring selloff by the longs. Overnight gold ETF holdings fell by a notable 71,692 ounces and are now 5% lower year-to-date. On the other hand, silver ETF holdings rebounded with nearly 10 million ounces of purchases yesterday erasing a portion of the 30 million ounces which exited over the prior seven trading days. Therefore, it is possible that some investors saw the hard break this week in silver as a buying opportunity. We suspect US durable goods will show a smaller gain than last month as the +1.3% February reading might have stolen sales from March. From a technical perspective, the June gold contract yesterday managed to bounce \$32 off the initial washout low with some traders viewing the recovery as a sign of value around the \$2,300 level. On the other hand, continued relative calm in the Middle East combined with ongoing pressure on gold mining shares and further noted outflows from gold ETFs is likely to result in a test of the early April spike down move to \$2,286.20. Using the oil market as a measure of concern toward the Middle East, bullish interest in oil prices peaked on April 12th, which suggests the gold market into the low yesterday had very large portion of the war premium extracted. In our opinion, tensions in the Middle East rarely go straight from extreme to mild without periodic flare ups. Furthermore, as indicated already, the gold market into the low yesterday was nearly \$100 lower from where the last COT positioning report showed the market excessively long in spec categories. Uptrend channel support in June gold today is \$2,324.05 with another key downside pivot point seen at \$2,321.70. On the other hand, a trade back above \$2,361 in June

gold could shift control back to the bull camp. Unfortunately for the bull camp in silver downtrend channel support today remains well below the early market today at \$26.60 with a trade and close back above \$28.00 needed to take control from the bear camp.

**TODAY'S MARKET IDEAS:**

We get the sense the path of least resistance in gold and silver will remain down for another trading session, but we also suspect declines will moderate and perhaps the markets will respect the early Tuesday lows. Uptrend channel support in June gold today is \$2,324.05 with another key downside pivot point seen at \$2,321.70. On the other hand, a trade back above \$2,361 in June gold could shift control back to the bull camp. Unfortunately for the bull camp in silver downtrend channel support today remains well below the market at \$26.80 with a trade and close back above \$28.00 needed to take control from the bear camp.

**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 \$5.00 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**

4/24/2024

**Signs of a bottom/value from the aggressive recoil from \$4.41**

**GENERAL:** While the copper market damaged its charts again yesterday, the ability to recoil from early lows and given early positive trade this morning that could signal declining interest in attacking the short side and perhaps it is a sign of bargain hunting buying. In fact, if July copper manages to respect \$4.40 in the coming two sessions, the market might see that level as good value. Cushioning copper prices is a decline in March copper production at Poland's KGHM, with March output at 61,700 tonnes which is 2,700 lower than last year. From a technical perspective, the copper market was significantly overbought from the explosive April rally which likely resulted in the largest net spec and fund long since early 2021. Therefore, the significant two day washout of nearly \$0.16 was justified especially after a February through April rally of nearly \$0.86!



**MARKET IDEAS:**

Despite significant damage on the charts again yesterday, the July copper contract appears to have shaken off the bearish bias, perhaps because of bargain hunting buying. In retrospect, seeing the US, UK, and European countries post disappointing manufacturing PMI data yesterday, likely completed the correction. Apparently, the majority view in the copper market is the prospect of improving demand! Uptrend channel support today is far below the market \$4.3940, with a key pivot point on the upside gained yesterday afternoon at \$4.4115. However, to extend the rally straightaway may require a trade today above \$4.5195.

**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) 04/24/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is now at 2288.2. The next area of resistance is around 2358.2 and 2374.7, while 1st support hits today at 2315.0 and below there at 2288.2.

COMEX SILVER (MAY) 04/24/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. A negative signal for trend short-term was given on a close under the 9-bar moving average. The upside closing price reversal on the daily chart is somewhat bullish. The market's close below the pivot swing number is a mildly negative setup. The next downside target is 26.512. The next area of resistance is around 27.717 and 27.921, while 1st support hits today at 27.013 and below there at 26.512.

COMEX PLATINUM (JUL) 04/24/2024: The close below the 60-day moving average is an indication the longer-term trend has turned down. Momentum studies are declining, but have fallen to oversold levels. The close below the 9-day moving average is a negative short-term indicator for trend. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside target is 898.30. The next area of resistance is around 931.40 and 943.50, while 1st support hits today at 908.80 and below there at 898.30.

COMEX COPPER (MAY) 04/24/2024: The daily stochastics gave a bearish indicator with a crossover down. 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 market setup is somewhat negative with the close under the 1st swing support. The next downside target is now at 4.33. The next area of resistance is around 4.48 and 4.53, while 1st support hits today at 4.38 and below there at 4.33.

## 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	2336.6	48.62	55.46	67.68	54.69	2369.65	2378.31	2349.79	2229.31	2187.08
SIEK24	27.365	48.03	55.59	65.19	52.41	27.96	28.21	27.53	25.52	24.89
PLAN24	920.10	34.61	41.98	42.55	25.86	937.45	961.10	955.08	932.88	928.30
CPAK24	4.42	67.59	68.71	86.30	83.25	4.46	4.38	4.28	4.08	4.01
PAAM24	1026.80	48.25	49.98	38.63	32.35	1026.83	1034.82	1033.81	1016.09	997.85

Calculations based on previous session. Data collected 04/23/2024

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	2288.1	2314.9	2331.4	2358.2	2374.7
SIEK24	COMEX Silver	26.511	27.012	27.216	27.717	27.921
PLAN24	COMEX Platinum	898.30	908.80	920.90	931.40	943.50
CPAK24	COMEX Copper	4.32	4.37	4.43	4.48	4.53
PAAM24	COMEX Palladium	981.27	1007.05	1020.77	1046.55	1060.27

Calculations based on previous session. Data collected 04/23/2024

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