



DAILY METALS COMMENTARY

Monday April 29, 2024

PRECIOUS METALS COMMENTARY

4/29/2024

A temporary pause in volatility from cease-fire talks

OVERNIGHT CHANGES THROUGH 3:16 AM (CT):

GOLD +0.90, SILVER +0.01, PLATINUM +0.71

OUTSIDE MARKET DEVELOPMENTS: Global equity markets overnight were higher except for the markets in Russia and Spain which traded fractionally lower. Critical economic news released overnight included Spanish consumer price index readings for April (preliminary) which remained at hot levels, a decline in Chinese industrial profits for March a contraction in the Italian trade surplus, a decline in euro zone business climate readings for April, as expected but still negative euros on consumer confidence, weaker than expected euro zone economic sentiment for April, much weaker than expected euro zone industrial confidence and slightly softer than expected euro zone services sentiment readings for April. The North American session will only have one top-tier data point, the Dallas Fed's April manufacturing business index which is expected to have a modest uptick from March's -14.4 reading. Earnings announcements include SBA Communications after the Wall Street close.



MARKET FUNDAMENTALS: While the net spec and fund long in gold (adjusted for the \$30 rally into Friday's high) suggest the market is heavily overbought, we suspect technical signals will take a backseat to classic flight to quality headline news flow. However, with the post COT report rally, the net spec and fund long in gold is likely the longest in two years, and therefore any sign of a cease-fire between Israel and Hamas could result in a massive correction. Gold positioning in the Commitments of Traders for the week ending April 23rd showed Managed Money traders net bought 3,296 contracts and are now net long 176,157 contracts. Non-Commercial & non-reportable traders net sold 37 contracts and are now net long 252,606 contracts. Clearly, the market can correct aggressively and therefore traders should consider placing stops on futures positions and or purchasing put spreads protection to attempt to ride through wild swings. Critical support in June gold is close at \$2,335.70 and then again down at \$2,324.80. In our opinion, the cease-fire talks in Cairo will be the linchpin of this week's trend. It goes without saying that the silver market will continue to follow gold price action which we think will remain mostly centered on flight to quality action and not on the dollar, inflation, or interest rates. With the silver market gaining \$0.39 into the high Friday, the net spec and fund long in silver may have reached the highest level since the early days of the Covid breakout. The April 23rd Commitments of Traders report showed Silver Managed Money traders were net long 39,955 contracts after decreasing their long position by 1,007 contracts. Non-Commercial & non-reportable traders net-long 74,869 contracts after increasing their already long position by 2,056 contracts. Like gold, the silver market is vulnerable to significant downside. The Commitments of Traders report for the week ending April 23rd showed Platinum Managed Money traders went from a net long to a net short position of 4,801 contracts after net selling 15,818 contracts. Non-Commercial & non-reportable traders net sold 10,622 contracts and are now net long 15,673 contracts. Palladium positioning in the Commitments of Traders for the week ending April 23rd showed Managed Money traders added 214 contracts to their already short position and are now net short 9,708. Non-Commercial & non-reportable traders are net short 9,130 contracts after net selling 148 contracts.

TODAY'S MARKET IDEAS:

While the gold market has shown a bullish chart pattern of higher highs and higher lows since last week's major spike down washout, we think a measure of calm has drifted into place. While there is no predicting developments between Israel and Hamas, hope that cease-fire talks in Cairo will yield a pause in hostilities, combined with

significantly overbought conditions and recent signs of strength in the dollar, should give the bear camp a slight edge.

NEW RECOMMENDATIONS:

None

PREVIOUS RECOMMENDATIONS:

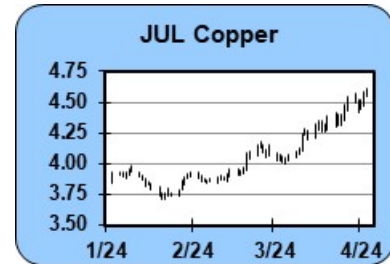
None.

COPPER COMMENTARY

4/29/2024

Higher Chinese equities and hope of Chinese stimulus

GENERAL: Apparently, seeing a decline in Chinese industrial profits in March had little if any impact on copper prices overnight as the July contract managed another higher high for the move and in turn reached the highest level since April 18th. However, Chinese and Hong Kong equities managed gains and Chinese property shares rose off hope of stimulus from the Peoples Bank of China. With a very strong close last Friday (the highest since April 18th of 2022), it is not surprising that the net spec and fund long positioning in copper (adjusted for the post COT report rally of \$0.16) is likely at the highest level since February 2021.



Copper positioning in the Commitments of Traders for the week ending April 23rd showed Managed Money traders were net long 67,210 contracts after increasing their already long position by 14,260 contracts. Non-Commercial & non-reportable traders added 7,261 contracts to their already long position and are now net long 63,214. Obviously, the copper market has been ignited by fresh demand hopes following a significant decline in Shanghai copper warehouse stocks last week of 4.2% and by improved demand expectations given a return to risk on sentiment in global equity markets.

MARKET IDEAS:

It usually doesn't pay to fight the trend and the trend on the copper charts is definitively up. However, it should be noted that news on the Chinese economy has been virtually absent, and it is difficult to perceive significant gains from current levels without a positive demand story from China. In the end, markets that explode on the upside can top and reversal viciously!

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 4/16/2024 - 4/23/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Metals						
Copper	55,237	+8,315	-63,214	-7,260	7,977	-1,054
Gold	228,900	-2,684	-252,606	+38	23,706	+2,647
Palladium	-9,102	-104	9,129	+147	-28	-44
Platinum	8,233	-12,615	-15,673	+10,623	7,440	+1,993
Silver	56,260	+4,379	-74,868	-2,056	18,609	-2,323

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) 04/29/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market has a slightly positive tilt with the close over the swing pivot. The next downside target is 2324.4. The next area of resistance is around 2363.6 and 2377.2, while 1st support hits today at 2337.2 and below there at 2324.4.

COMEX SILVER (MAY) 04/29/2024: The moving average crossover down (9 below 18) indicates a possible developing short-term downtrend. Declining momentum studies in the neutral zone will tend to reinforce lower price action. The close below the 9-day moving average is a negative short-term indicator for trend. The daily closing price reversal down puts the market on the defensive. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is now at 26.664. The next area of resistance is around 27.547 and 27.973, while 1st support hits today at 26.893 and below there at 26.664.

COMEX PLATINUM (JUL) 04/29/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's short-term trend is negative as the close remains below the 9-day moving average. The close over the pivot swing is a somewhat positive setup. The next downside target is now at 910.38. The next area of resistance is around 931.25 and 940.17, while 1st support hits today at 916.35 and below there at 910.38.

COMEX COPPER (MAY) 04/29/2024: The daily stochastics have crossed over up which is a bullish indication. 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. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside target is at 4.63. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 4.60 and 4.63, while 1st support hits today at 4.54 and below there at 4.50.

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	2350.4	52.95	57.57	48.53	37.94	2339.88	2364.20	2360.62	2248.38	2200.43
SIEK24	27.220	45.88	53.98	44.84	31.46	27.33	27.84	27.86	25.80	25.09
PLAN24	923.80	38.65	43.78	24.92	16.68	920.70	937.98	954.84	933.51	927.25
CPAK24	4.56	77.04	75.15	84.84	85.96	4.49	4.45	4.36	4.12	4.04
PAAM24	958.30	29.78	37.69	23.15	11.28	993.85	1013.10	1029.30	1016.65	997.39

Calculations based on previous session. Data collected 04/26/2024

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	2324.4	2337.2	2350.8	2363.6	2377.2
SIEK24	COMEX Silver	26.663	26.892	27.318	27.547	27.973
PLAN24	COMEX Platinum	910.37	916.35	925.27	931.25	940.17
CPAK24	COMEX Copper	4.49	4.53	4.56	4.60	4.63
PAAM24	COMEX Palladium	936.02	943.55	965.52	973.05	995.02

Calculations based on previous session. Data collected 04/26/2024

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