



PRECIOUS METALS COMMENTARY
4/30/2024

The bears control off hope in the Middle East & FOMC

OVERNIGHT CHANGES THROUGH 3:16 AM (CT):
GOLD -30.60, SILVER -0.07, PLATINUM -1.02

OUTSIDE MARKET DEVELOPMENTS: Global equity markets overnight were mixed with markets trading lower outnumbering the markets trading higher. Critical economic news released overnight included an uptick in the Japanese unemployment rate, positive but slightly softer than the previous month Japanese large retailer sales, much stronger than expected Japanese industrial production, softer New Zealand activity outlook for April, much softer than expected New Zealand business confidence for April, much weaker than expected Australian retail sales for March, slightly better than expected but lower than the previous month Chinese manufacturing PMI for April, much weaker than expected and much weaker than the previous month Chinese nonmanufacturing PMI readings for April, a slightly better-than-expected Chinese Caixin manufacturing PMI for April, a decline in Japanese housing starts, a significant rebound in Japanese construction orders, stronger than expected French consumer spending, stronger-than-expected French GDP, a rebound in German March retail sales, a blazingly hot French consumer price index reading, a contraction in French producer prices, softer than expected Swiss leading indicator for April, stronger-than-expected Spanish GDP, stronger-than-expected German GDP, a larger than expected German unemployment change reading, stronger than expected Italian GDP, stronger-than-expected GBP mortgage approvals, and a minimal gain in Italian CPI readings for April. The North American session will start out with a weekly private survey of same store sales followed by the first quarter US employment cost index which is forecast to have a minimal uptick from the previous 0.9% reading. February Canadian GDP is expected to have a moderate downtick from January's 0.6% monthly reading. The February Case-Shiller home price is forecast to have a mild uptick from January's 6.7% year-over-year rate. The February FHFA house price index is expected to have a moderate uptick from January's -0.1% reading. The April Chicago PMI is forecast to have a moderate uptick from March's 41.4 reading. The Conference Board's April reading on US consumer confidence is expected to have a modest downtick from March's 104.7 reading. A busy day of earnings announcements will include Eli Lilly, Coca-Cola, McDonald's, Illinois Tool Works, Marathon Petroleum, and 3M before the Wall Street opening while Amazon.com, AMD, Starbucks and Mondelez report after the close.



MARKET FUNDAMENTALS: With oil prices are not signaling an imminent cease-fire deal (given initial gains), sharp declines in gold and silver without correlation to outside market influences, suggest the precious metal trade is concerned about a pause in hostilities. However, the bull camp is buoyed by the potential for a third straight monthly gain in gold prices and by talk of strong global gold demand. According to the World Gold Council's first quarter Gold Demands Trends report, total global demand increased by 3% versus 2023 and posted the strongest first quarter since 2016. It should be noted that instead of detracting from global demand readings, OTC purchases of gold were responsible for the increased total demand reading. Without the OTC purchases in the first quarter gold demand fell 5%! Not surprisingly, gold ETF holdings continued to decline with an outflow of 114 tons! Fortunately for the bull camp central banks continued to add to reserves with purchases of 290 tons in the first quarter. While it is a little premature to think the selloff this morning is attributable to the Wednesday afternoon FOMC meeting, given month end today it is possible that some longs are banking profits to stand aside from the impact of the Fed and in turn window dress monthly returns. Obviously, the bull camp is unnerved by news of cease-fire talks in Egypt and will probably remain undermined because of further declines in US rate cut hopes ahead. In our opinion, the gold trade will have to spin Fed press conference statements

definitively in favor of the doves to avoid an extension of the mid-April capitulation in prices. In other words, we think if upcoming Fed statements are taken at face value, it will be clear the Fed will continue to see more risk of inflation than risk of a slowdown in the US economy. The best the bull camp might hope for from the Fed is a statement suggesting risks of inflation and growth are balanced. While the gold and silver markets likely remain overbought, the very sharp second half of April declines have likely brought down the overdone status, but technical signals have yet to shift into a buy mode (stochastics). In a slightly supportive technical signal, the second half of April washout in gold saw trading volume fall off with steady open interest which should leave the potential for bargain hunting in place for later this week. Uptrend channel support in June gold today is \$2,297.20 with closer in support seen at \$2,316.

TODAY'S MARKET IDEAS:

While we leave the edge to the bear camp, we also suggest traders be poised to get long gold on a break to \$2304.60. Like gold, we also see silver vulnerable to further declines, especially with the July contract slashing through the \$27.00 psychological support level this morning. Unfortunately for the bull camp, technical signals like stochastics remain in sell mode in silver.

NEW RECOMMENDATIONS:

None

PREVIOUS RECOMMENDATIONS:

None.

COPPER COMMENTARY

4/30/2024

Higher high despite soft Chinese data is suspicious

GENERAL: Once again, the copper market has defied fundamental gravity with a higher high overnight. We attribute the gains so far this week to a Reuters poll projecting the 2024 world copper market to post a 125,000 tonne deficit, with an even larger 2025 deficit of 137,250 tonnes projected by the poll. However, the ICSG pegged the 2024 world refined copper market to be in a surplus of 162,000 tonnes with that surplus projected to narrow in 2025 to 94,000 tonnes. The Reuters poll also pegged the average LME cash copper price this year to be \$9,100 per tonne versus \$8,483 per tonne last year. It should be noted that daily LME copper warehouse stocks have continued to consistently decline at a modest pace. In a negative supply side report from yesterday, a Chinese mining company suggests their first quarter copper production increased by 123% with a March copper output tally of 450,000 tonnes. However, we suspect the reversal from the overnight high was the result of disappointing Chinese PMI data for April with 2 of 3 PMI readings (two official one private) falling from the previous month.



MARKET IDEAS:

Despite disappointing PMI data from China overnight the copper market seems to have held up! However, it is possible that long-term structural deficits are being factored by the trade with global mining production not expected to expand quick enough to match rising demand. In fact, Bloomberg overnight carried a story suggesting global copper production will be hindered by drought in many production areas reliant on hydropower. However, into the high overnight, the July contract has gained \$0.64 from the early April low and the net spec and fund long is likely nearing extreme levels.

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) 04/30/2024: The downside crossover (9 below 18) of the moving averages suggests a developing short-term downtrend. 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. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is 2318.5. The next area of resistance is around 2361.7 and 2374.2, while 1st support hits today at 2333.9 and below there at 2318.5.

COMEX SILVER (JUL) 04/30/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The close below the 9-day moving average is a negative short-term indicator for trend. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is 26.965. The next area of resistance is around 27.725 and 27.985, while 1st support hits today at 27.215 and below there at 26.965.

COMEX PLATINUM (JUL) 04/30/2024: The market now above the 60-day moving average suggests the longer-term trend has turned up. The crossover up in the daily stochastics is a bullish signal. The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. The market now above the 18-day moving average suggests the intermediate-term trend has turned up. There could be more upside follow through since the market closed above the 2nd swing resistance. The near-term upside target is at 994.05. The next area of resistance is around 979.80 and 994.05, while 1st support hits today at 937.00 and below there at 908.45.

COMEX COPPER (JUL) 04/30/2024: Momentum studies are trending higher but have entered overbought levels. The close above the 9-day moving average is a positive short-term indicator for trend. The market's close above the 2nd swing resistance number is a bullish indication. The near-term upside target is at 4.76. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 4.73 and 4.76, while 1st support hits today at 4.62 and below there at 4.54.

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	2347.8	52.05	56.98	44.09	35.31	2342.68	2358.36	2362.06	2254.62	2204.68
SIEN24	27.470	44.78	53.24	38.80	26.45	27.57	27.99	28.15	26.14	25.39
PLAN24	958.40	57.56	54.95	25.27	26.28	929.18	935.92	955.41	934.37	927.68
CPAN24	4.67	81.46	78.63	86.34	89.72	4.57	4.51	4.41	4.16	4.08
PAAM24	977.60	38.12	42.29	19.94	13.52	981.55	1007.14	1026.85	1016.22	997.39

Calculations based on previous session. Data collected 04/29/2024

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	2318.4	2333.8	2346.3	2361.7	2374.2
SIEN24	COMEX Silver	26.965	27.215	27.475	27.725	27.985
PLAN24	COMEX Platinum	908.45	937.00	951.25	979.80	994.05
CPAN24	COMEX Copper	4.53	4.61	4.64	4.73	4.76
PAAM24	COMEX Palladium	944.30	962.59	974.30	992.59	1004.30

Calculations based on previous session. Data collected 04/29/2024
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