



**PRECIOUS METALS COMMENTARY**  
5/7/2024

**Fundamentals shift back to the upside with little flat price reaction**

**OVERNIGHT CHANGES THROUGH 3:16 AM (CT):**  
**GOLD -10.00, SILVER -0.02, PLATINUM -0.31**

**OUTSIDE MARKET DEVELOPMENTS:** Equity markets overnight were higher except for the Russian market. Critical economic news released overnight included a much softer than expected GBP BRC Like-For-like retail sales reading for April, disappointing Japanese Jibun bank services PMI for April, no change in Australian interest rates, steady Swiss unemployment, much stronger than expected German exports for March, a noted contraction in German factory orders for March, a slight increase in German March imports, a very minimal downtick in GBP Halifax House Prices for April, a larger than expected gain in French nonfarm payrolls for the first quarter, an expansion of the French trade deficit, a much stronger-than-expected GBP S&P Global/CIPS Construction PMI reading for April, and a stronger-than-expected euro zone retail sales reading for March. The North American session will start out with a weekly private survey of same-store sales followed by the April Canadian Ivey PMI which is expected to have a mild uptick from March's 57.5 reading. March US consumer credit is forecast to have a moderate uptick from February's \$14.1 billion reading. Minneapolis Fed President Kashkari will speak during morning US trading hours. Earnings announcements will include Walt Disney and Duke Energy before the Wall Street opening, while Arista Networks, McKesson, Occidental Petroleum and Suncor Energy report after the close.



**MARKET FUNDAMENTALS:** While the gold market forged a quasi-upside breakout yesterday the market has fell back into a building consolidation zone largely situated between \$2352 and \$2285. In general, we suspect gold and silver will continue to benefit from geopolitical flight to quality buying (especially with the Israelis launching their attack on the southern city of Rafah) and somewhat less from the dovish pivot in sentiment toward US interest rates following last week's data. However, the bull camp should be very discouraged with the lack of gains in gold and silver this morning given the Israeli offensive. Furthermore, we are highly suspicious of the dovish drift in the Treasuries market with inflation arguably holding steady at high levels and at damaging levels. In fact, the CME Fed watch tool does not have a probability of a rate cut above 66% (September) for any Fed meeting through the end of the year. Nonetheless, treasury prices have recovered, and the dollar has softened thereby tempering outside market headwinds for gold and silver. In addition to the Israeli attack overnight, the markets were also presented with a statement from the Russian government yesterday ordering its troops to begin training for the use of tactical nuclear weapons. We have to say the Russia's decision to train for the use of tactical nukes, as any nuclear detonation in Ukraine (even if the weapon is very small) should ignite significant "safe haven" buying of gold and silver. Even classic fundamentals are supportive, with a decline in Gold Fields quarterly gold production and positive demand signals from a 6% first quarter increase in Chinese gold consumption. Furthermore, the Indian central bank raising their gold holdings by 5.1 tons in March. Total Indian central bank gold holdings are now pegged at 822.1 tonnes. In the end, we leave the edge with the bull camp with sellers potentially encountering significant adversity from the unpredictable events in Ukraine and Gaza. Uptrend channel support in gold is right at the current market at \$2,320.15 with next support pegged at \$2,296.20. In July silver, the charts turned definitively bullish yesterday with a major range up move and a relative outperformance of the gold rally. Furthermore, the July silver contract managed a higher high overnight, but continued to see outflows from ETF holdings. Uptrend channel support in July silver is well below the market at \$26.50, with a closer in pivot point seen at \$26.93 and a near-term upside targeting of \$28.02.

**TODAY'S MARKET IDEAS:**

We expect daily trading ranges in gold and silver to remain expansive with flight to quality issues capable of dominating over outside market action in treasuries and currencies. While gold has not had a strong track record of gaining significant ground on classic flight to quality developments recently, the Israeli attack of Rafah and the Russian nuclear news provides one of the most significant flight to quality combinations in many years, but apparently the markets are not embracing that angle this morning. Uptrend channel support in gold is right at the current market at \$2,320.15 with next support pegged at \$2,296.20. Uptrend channel support in July silver is well below the market at \$26.50 with a closer in pivot point seen at \$26.93 and a near-term upside targeting of \$28.02.

**NEW RECOMMENDATIONS:**

None

**PREVIOUS RECOMMENDATIONS:**

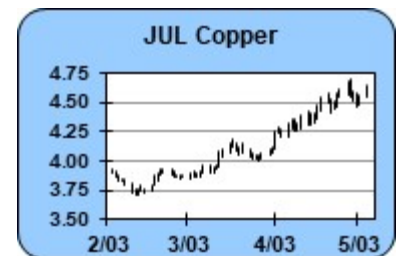
None.

## COPPER COMMENTARY

5/7/2024

### A slight corrective bias today

**GENERAL:** While it appears the July copper contract has become short-term overbought and is exhibiting corrective action today, the bullish buzz has not left the building. Fortunately for the bull camp, LME copper warehouse stocks continue to decline with a noted overnight outflow of nearly 4,000 tons. In a fresh negative for copper prices Freeport Mac Moran has apparently gained a license from the Indonesian government to export up to 900,000 tons of copper concentrate its Grasberg mine which serves to partially offset the production setbacks from Panama. However, as in our gold and silver commentary this morning, we are suspicious of the lift for commodities like copper from renewed hope of a US rate cut. In retrospect, it was surprising copper prices rallied yesterday following evidence that Chinese smelters were turning their focus to domestic scrap because of favorable price differentials. It should also be noted that copper managed to rally yesterday in the face of predictions that Chinese copper companies could export up to 50,000 tonnes of copper this month.



**MARKET IDEAS:**

Classic internal fundamentals in copper continued to argue against the bull case, with Shanghai copper prices trading lower yesterday in the face of international copper price gains. Furthermore, the copper market managed the rally despite fresh evidence of a soft economy in China. However, bullish sentiment continues to show resiliency despite a net spec and fund long approaching record long levels! Uptrend channel support today is \$4.52 with closer in support at \$4.5690.

**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) 05/07/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. A positive signal for trend short-term was given on a close over the 9-bar moving average. A positive setup occurred with the close over the 1st swing resistance. The next downside

objective is now at 2286.3. The next area of resistance is around 2354.5 and 2368.8, while 1st support hits today at 2313.3 and below there at 2286.3.

COMEX SILVER (JUL) 05/07/2024: The major trend could be turning up with the close back above the 40-day moving average. The daily stochastics have crossed over up which is a bullish indication. Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. A positive signal for trend short-term was given on a close over the 9-bar moving average. There could be more upside follow through since the market closed above the 2nd swing resistance. The near-term upside target is at 28.516. The next area of resistance is around 28.227 and 28.516, while 1st support hits today at 27.153 and below there at 26.367.

COMEX PLATINUM (JUL) 05/07/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The market's short-term trend is positive on the close above the 9-day moving average. The daily closing price reversal up on the daily chart is somewhat positive. The market tilt is slightly negative with the close under the pivot. The next upside target is 989.07. The next area of resistance is around 977.25 and 989.07, while 1st support hits today at 954.95 and below there at 944.48.

COMEX COPPER (JUL) 05/07/2024: Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. A positive signal for trend short-term was given on a close over the 9-bar moving average. A positive setup occurred with the close over the 1st swing resistance. The next downside objective is now at 4.50. The next area of resistance is around 4.66 and 4.70, while 1st support hits today at 4.56 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
<b>METALS COMPLEX</b>										
GCEM24	2333.9	50.76	53.40	25.37	24.15	2321.90	2328.39	2353.31	2281.65	2225.29
SIEN24	27.690	55.60	56.13	22.30	25.45	26.99	27.23	27.86	26.57	25.72
PLAN24	966.10	59.67	56.55	46.07	59.04	962.18	946.31	953.85	941.49	931.99
CPAN24	4.61	64.39	65.60	72.45	70.05	4.55	4.56	4.48	4.24	4.14
PAAM24	983.20	48.65	47.17	17.05	23.67	954.83	966.48	1000.65	1016.48	998.96

Calculations based on previous session. Data collected 05/06/2024

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	2286.2	2313.2	2327.5	2354.5	2368.8
SIEN24	COMEX Silver	26.366	27.152	27.441	28.227	28.516
PLAN24	COMEX Platinum	944.47	954.95	966.77	977.25	989.07
CPAN24	COMEX Copper	4.49	4.55	4.59	4.66	4.70
PAAM24	COMEX Palladium	949.22	967.95	979.72	998.45	1010.22

Calculations based on previous session. Data collected 05/06/2024

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.