



## DAILY METALS COMMENTARY

Friday May 24, 2024

### PRECIOUS METALS COMMENTARY

5/24/2024

**A dip in US durables should cushion prices today**

**OVERNIGHT CHANGES THROUGH 3:16 AM (CT):**  
**GOLD +2.00, SILVER +0.01, PLATINUM -0.46**

**OUTSIDE MARKET DEVELOPMENTS:** Global equity markets overnight were sharply lower following a massive losses in the US trade on Thursday. However, except for the Australian and Chinese markets, global declines were less than 1%. Critical economic news released overnight included a significant improvement in a New Zealand Roy Morgan Consumer Confidence reading for May, stronger New Zealand imports/exports for April, not as weak as feared GBP GfK Consumer Confidence, slightly lower year-over-year Japanese national consumer price index for April, as expected German GDP, much weaker than expected GBP retail sales for April, a very slight downtick in Swiss employment and a slight dip in French Business Climate in Manufacturing for May. The North American session will start out with April US durable goods which are expected to have a sizable downtick from March's 2.6% reading. March Canadian retail sales are forecast to have a mild downtick from February's 1.2% year-over-year rate. A private survey of May US consumer sentiment is expected to hold steady with the previous 67.4 reading. Fed Governor Waller will speak during morning US trading hours.



**MARKET FUNDAMENTALS:** What goes up aggressively and makes a chain of new record highs holds the prospect of aggressive corrective action. In fact, if gold finishes the week at current levels, it will have dropped the most in a single week since last October! In retrospect, the pendulum shift on US interest rate policy back toward the Hawks, combined with a higher high in the dollar and a pulse higher in treasury yields, provides a bearish environment for gold and silver into the end of the week. However, if recent gains were partially the result of flight to quality issues, we suspect some bargain hunting buying will surface before the close today, but perhaps after additional declines! In a sign of ongoing bearishness, both gold and silver ETF holdings declined again yesterday. It should be noted that small investors have not joined the bull markets in gold and silver yet with both and silver ETF holdings year to date down by 5.5% and 0.7% respectively. Fortunately for the bull camp, global central bankers do not tend to "trade" their reserves, as the record run up in prices could prompt some bureaucrats to bank significant windfalls. In fact, a story from Bloomberg indicated that Turkish central bank gold holdings rose \$377 million from last week and reached \$60.6 billion as of May 17th. We suspect precious metal markets are garnering support from talk of yet another Chinese economic support plan from the upcoming Chinese leadership meeting, with that support specifically focused on housing and job reforms and that could help the economy and shore up Chinese gold demand! On the other hand, retail demand in China may have jumped as the Chinese sought the protection of gold during the precipitous decline in the Chinese currency. In today's action the bull camp will need a pendulum shift back toward rate cut prospects from a definitively disappointing US durable goods orders report which is already expected to be weak at -0.8%! At least in the initial trade today, we leave the edge with the bear camp in gold.

#### **TODAY'S MARKET IDEAS:**

As indicated already, the path of least resistance looks to remain down unless there is a surprise flight to quality development and or the trade is presented with yet another dovish Fed sentiment pivot in from a weaker than expected US durable goods report. Near-term downside targeting in June gold is the 50-day moving average at \$2,323.60, but it may find closer support from yesterday's close at \$2330.60. However, with a better-than-expected US durable report lower support in gold is targeted down at \$2,300. While silver prices remain vulnerable to downside targeting at \$30.15, a thin and unreliable measure of support has been somewhat closing

at \$30.265.

**NEW RECOMMENDATIONS:**

None

**PREVIOUS RECOMMENDATIONS:**

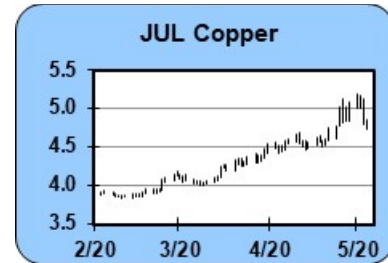
None.

**COPPER COMMENTARY**

5/24/2024

**Chances of a bottom slightly improved but soft durables needed**

**GENERAL:** Like the precious metal markets, copper has managed to arrest the sharp slide overnight which began at midweek with disappointment over a further delay and or a reduction in prospects of a US rate cut. Fortunately for the bull camp, chatter in Asia expects the upcoming Chinese Plenum to present further housing support and reform in job rules which could rekindle optimism toward the Chinese economy which in turn could rekindle Chinese copper demand prospects. Not surprisingly, the copper market continued to slide aggressively yesterday as a series of chart support levels were violated, and more noted downside should be expected if close in support from yesterday's low of \$4.7435 fails to hold after US data. In our opinion, significant stop loss selling earlier this week was fully justified from what was probably a record spec and fund long especially with that selling combining with price shock from record prices.



**MARKET IDEAS:**

As indicated already, the prospects of a bottom in copper have improved slightly but will probably require a revival of US rate cut hopes with a definitively weaker than expected US durable goods reading this morning. However, the bias remains down especially if close in support from yesterday's low of \$4.7435 fails to hold after today's durable goods. First retracement support from the 2024 low to the 2024 high is \$4.627.

**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) 05/24/2024: The major trend has turned down with the cross over back below the 40-day moving average. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market back below the 18-day moving average suggests the intermediate-term trend could be turning down. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside target is 2292.7. The next area of resistance is around 2359.5 and 2399.2, while 1st support hits today at 2306.3 and below there at 2292.7.

COMEX SILVER (JUL) 05/24/2024: A bearish signal was triggered on a crossover down in the daily stochastics. Stochastics turning bearish at overbought levels will tend to support lower prices 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 setup is somewhat negative with the close under the 1st swing support. The next downside target is now at 29.603. Short-term indicators on the defensive. Consider selling an intraday bounce. The next area of resistance is around 30.780 and 31.442, while 1st support hits today at 29.860 and below there at 29.603.

COMEX PLATINUM (JUL) 05/24/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. 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 1007.50. The next area of resistance is around 1041.20 and 1060.30, while 1st support hits today at 1014.80 and below there at 1007.50.

COMEX COPPER (JUL) 05/24/2024: 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 target is now at 4.67. The next area of resistance is around 4.83 and 4.90, while 1st support hits today at 4.72 and below there at 4.67.

## 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	2332.9	40.94	46.48	69.22	56.44	2392.68	2385.43	2356.19	2335.17	2294.76
SIEN24	30.320	56.85	60.11	82.72	77.49	31.58	30.48	28.94	27.93	27.14
PLAN24	1028.00	52.77	57.11	77.06	66.75	1051.18	1054.61	1014.36	972.25	960.31
CPAN24	4.77	48.90	54.60	70.37	60.29	4.95	4.92	4.75	4.48	4.35
PAAM24	974.20	42.78	45.32	67.97	60.85	1009.98	1001.37	981.86	1005.17	1009.21

Calculations based on previous session. Data collected 05/23/2024

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	2292.6	2306.2	2345.9	2359.5	2399.2
SIEN24	COMEX Silver	29.602	29.860	30.522	30.780	31.442
PLAN24	COMEX Platinum	1007.50	1014.80	1033.90	1041.20	1060.30
CPAN24	COMEX Copper	4.66	4.71	4.78	4.83	4.90
PAAM24	COMEX Palladium	953.60	961.20	979.60	987.20	1005.60

Calculations based on previous session. Data collected 05/23/2024

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