



DAILY METALS COMMENTARY Tuesday May 28, 2024

PRECIOUS METALS COMMENTARY

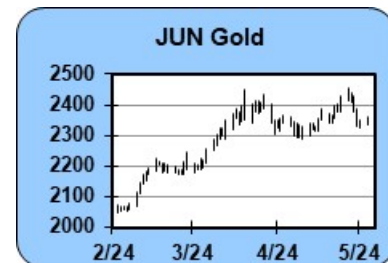
5/28/2024

A sideways tendency until PCE on Thursday

OVERNIGHT CHANGES THROUGH 3:16 AM (CT):

GOLD +7.60, SILVER +0.11, PLATINUM +2.04

OUTSIDE MARKET DEVELOPMENTS: Global equity markets overnight were mixed with down markets slightly outnumbering markets posting gains. Critical economic news released overnight included a slightly higher-than-expected German wholesale price index reading for April, a softer than expected Australian retail sales reading for April and a hotter than expected Japanese Corporate Service Price Index reading for April. The North American trading session feature Canadian industrial product prices for April which are expected to show a slight reduction in the pace of gains in the prior month, Canadian raw material price index readings which are expected to come down, a US Redbook index for May 24, a slight downtick in US housing price index readings for March, S&P/Case Shiller home price indices for March which are expected to be unchanged, US consumer confidence for May, Dallas Fed manufacturing business index readings for May, a two-year treasury note auction, a five-year treasury note auction, and speeches from the Fed's Kashkari, Daly, and Cook.



MARKET FUNDAMENTALS: While gold and silver are tracking higher early today the charts still favor the bear camp from last week's sharp range down failures which in turn should make the Thursday/Friday lows key pivot point pricing to start the new trading week. Key pivot point pricing in June gold begins at \$2328.10 and at \$30.265 in July silver. Adding into the negative track in gold and silver prices early today is news that Chinese April net gold imports plunged 38% from March which we think was largely the result of historically high pricing. It should also be noted that April saw the biggest compacted gains in gold prices ever with gains in silver also very significant. However, some of the reduction in Chinese gold imports was the result of a reduced import quota from the government's attempt to counter weakness in the yuan. The focus of the trade this week will be inflation data from the US at the end of the week especially with the pendulum of prospects of softer US Fed policy plunging last week and in turn providing support to the dollar. According to the CME Fed watch tool the highest probability of a US rate cut is in September with a less than 50% chance. In fact, through the end of the year the CME Fed watch tool does not have a probability of a rate cut above 50%. Last week small investors trimmed their ETF holdings of gold by 87,083 ounces increasing ETF holdings of silver, platinum, and Palladium. However, both gold and silver ETF holdings have contracted year-to-date while platinum and palladium holdings have expanded. The big question for gold and silver traders is where and if bargain hunting buying will surface? Gold positioning in the Commitments of Traders for the week ending May 21st showed Managed Money traders were net long 193,972 contracts after increasing their already long position by 21,030 contracts. Non-Commercial & Non-Reportable traders are net long 287,208 contracts after net buying 26,804 contracts. Silver positioning in the Commitments of Traders for the week ending May 21st showed Managed Money traders reduced their net long position by 3,918 contracts to a net long 37,703 contracts. Non-Commercial & Non-Reportable traders were net long 79,160 contracts after increasing their already long position by 1,534 contracts. Platinum positioning in the Commitments of Traders for the week ending May 21st showed Managed Money traders are net long 20,573 contracts after net buying 1,604 contracts. Non-Commercial & Non-Reportable traders net bought 3,124 contracts and are now net long 35,219 contracts. The Commitments of Traders report for the week ending May 21st showed Palladium Managed Money traders net bought 639 contracts and are now net short 11,227 contracts. Non-Commercial & Non-Reportable traders are net short 9,958 contracts after net buying 255 contracts.

TODAY'S MARKET IDEAS:

While gold and silver appear to have found a thin measure of chart support/value, prices look to remain vulnerable with the net spec and fund long in gold at the highest level since April 2022 as of last Tuesday. The net spec and fund long in silver last week also registered a definitive overbought reading which reached the highest level since January 2021. Key support in June gold is \$2328.10 and at \$30.265 in July silver with a closer pivot point seen at \$31.18.

NEW RECOMMENDATIONS:

None

PREVIOUS RECOMMENDATIONS:

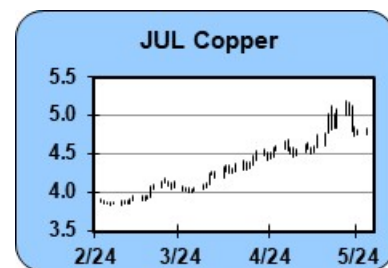
None.

COPPER COMMENTARY

5/28/2024

Oversold, revived Chinese smelting activity & housing support

GENERAL: While the net spec and fund long position in copper has come down considerably from the COT report mark off date, the net spec and fund long was at the highest level since early 2021! However, from the positioning report into the recent low July copper prices fell by \$0.34, thereby balancing the overbought condition modestly. The Commitments of Traders report for the week ending May 21st showed Copper Managed Money traders are net long 75,342 contracts after net buying 2,557 contracts. Non-Commercial & non-reportable traders are net long 77,867 contracts after net buying 8,431 contracts. The copper market should see support from news that Chinese smelters achieved near record output in their latest monthly results as that can indicate increased economic activity or in managed economies could mean the government has directed higher output. However, the Chinese smelters are reportedly turning heavily to scrap thereby avoiding/mitigating a portion of the significant run up in raw ore pricing.



MARKET IDEAS:

With the significant washout in copper prices last week, the ability to build consolidation above \$4.7435 and growing hope of additional Chinese government support for their property sector copper might have found a low! Uptrend channel support in July copper today is just under the consolidation lows at \$4.7265.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 5/14/2024 - 5/21/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Metals						
Copper	68,048	+6,207	-77,866	-8,429	9,819	+2,224
Gold	257,369	+24,619	-287,206	-26,802	29,839	+2,185
Palladium	-10,333	+526	9,958	-255	375	-271
Platinum	31,152	+2,756	-35,219	-3,122	4,067	+368
Silver	54,971	+12	-79,160	-1,534	24,189	+1,522

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) 05/28/2024: 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 up is a positive indicator that could support higher prices. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is now at 2314.0. The next area of resistance is around 2347.0 and 2359.3, while 1st support hits today at 2324.4 and below there at 2314.0.

COMEX SILVER (JUL) 05/28/2024: 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 close below the 9-day moving average is a negative short-term indicator for trend. The daily closing price reversal up is a positive indicator that could support higher prices. The market tilt is slightly negative with the close under the pivot. The next downside objective is now at 29.940. The next area of resistance is around 30.845 and 31.140, while 1st support hits today at 30.245 and below there at 29.940.

COMEX PLATINUM (JUL) 05/28/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The close below the 9-day moving average is a negative short-term indicator for trend. The daily closing price reversal up is a positive indicator that could support higher prices. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside objective is 1013.33. The next area of resistance is around 1046.54 and 1055.12, while 1st support hits today at 1025.65 and below there at 1013.33.

COMEX COPPER (JUL) 05/28/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is 4.70. The next area of resistance is around 4.79 and 4.84, while 1st support hits today at 4.73 and below there at 4.70.

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	2335.7	42.04	47.07	60.59	43.68	2368.48	2384.46	2358.20	2338.02	2299.11
SIEN24	30.545	59.11	61.80	79.45	72.42	31.14	30.73	29.16	28.05	27.27
PLAN24	1036.10	56.04	59.06	72.24	62.59	1044.90	1057.70	1019.38	974.84	962.74
CPAN24	4.76	47.35	53.42	64.68	52.69	4.88	4.93	4.76	4.49	4.37
PAAM24	970.00	41.59	44.53	61.69	49.11	994.58	1001.83	982.81	1004.09	1009.59

Calculations based on previous session. Data collected 05/24/2024

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	2313.9	2324.3	2336.6	2347.0	2359.3
SIEN24	COMEX Silver	29.939	30.244	30.540	30.845	31.140
PLAN24	COMEX Platinum	1013.32	1025.64	1034.22	1046.54	1055.12
CPAN24	COMEX Copper	4.69	4.72	4.77	4.79	4.84
PAAM24	COMEX Palladium	959.25	965.00	969.25	975.00	979.25

Calculations based on previous session. Data collected 05/24/2024

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