



PRECIOUS METALS COMMENTARY
5/30/2024

Today's PCE could set upcoming trends in gold

OVERNIGHT CHANGES THROUGH 3:16 AM (CT):
GOLD -10.20, SILVER -0.08, PLATINUM -0.82



OUTSIDE MARKET DEVELOPMENTS: Global equity markets overnight were mixed with markets in Asia and the Pacific rim lower and generally higher in the West. Critical economic news released overnight included a larger than expected jump in Australian private capital expenditures in the first quarter, higher Swiss import, and export data for April, stronger-than-expected Swiss GDP, much weaker than expected Swiss KOF leading indicators for May, as expected Spanish consumer price index readings which matched the previous month and a drop in Italian unemployment readings for April. The North American session will start out with first quarter US gross domestic product which is expected to have a minimal downtick from the previous 1.6% annualized rate. First quarter core personal consumption expenditures (a favorite Fed inflation gauge) is forecast to hold steady with the previous 3.7% reading. A weekly reading on initial jobless claims is expected to have a minimal uptick from the previous 215,000 reading. Ongoing jobless claims are forecast to have a modest weekly increase from the previous 1.794 million reading. The April goods trade balance is expected to have a moderate uptick from March's \$91.8 billion reading. April wholesale inventories are forecast to have a mild uptick from the previous -0.4% reading. April pending home sales are expected to have a modest uptick from March's 0.1% year-over-year rate. New York Fed President Williams and Dallas Fed President Logan will speak during afternoon US trading hours. Earnings announcements will include Dollar General and Hormel Foods before the Wall Street opening while Costco Wholesale, Dell Technologies, Marvell Technologies, and Autodesk report after the close.

MARKET FUNDAMENTALS: With the dollar overnight breaking out to the highest level since May 14th, US treasury yields nearing the highest levels of the month and critical US inflation data from the quarterly PCE report to be released later this morning, traders should expect an expansion of volatility in gold. Divergence between gold and silver extended yesterday with silver remaining strong, gold showing weak and silver adding to its recent show of sector leadership. However, we suspect strength in the dollar and rising global interest rates undermined sentiment and might have prompted some gold longs to exit ahead of today's US PCE data. While we suspect gold and silver will be driven by the quarterly PCE reading release later today, the markets might show a minimal reaction to the quarterly data and instead wait for the monthly data on Friday. Expectations for the US core PCE today call for a reading level to last month while the US GDP report calls for a softer reading. Therefore, US scheduled data could be offsetting leaving the direction in gold and silver locked onto action in the US dollar. Unfortunately for traders, US Federal Reserve dialogue continues to pour onto the market with most statements calling for more evidence of declining inflation before loosening policy. Initial support in August gold today is \$2,335.90 and then again down at \$2,333.70. However, the outlook for silver remains generally bullish with signs of physical and speculative interest surfacing in China which could leave the silver market tracking different fundamentals than gold and potentially being less vulnerable to stronger dollar action. Key support in July silver is at \$31.18 and resistance is at \$32.02.

TODAY'S MARKET IDEAS:

With a fresh lower low and the lowest price since May 9th in August gold overnight the next support level becomes \$2335.90. As indicated already, we see ongoing divergence between gold and silver with gold more vulnerable than silver in the near-term and silver potentially breaking out to the upside if US scheduled data over

the coming two sessions is benign/as expected. Unfortunately for the bull camp in gold, the market is likely to become hypersensitive to the dollar and interest rates especially if higher highs are posted in those measures again today.

NEW RECOMMENDATIONS:

None

PREVIOUS RECOMMENDATIONS:

None.

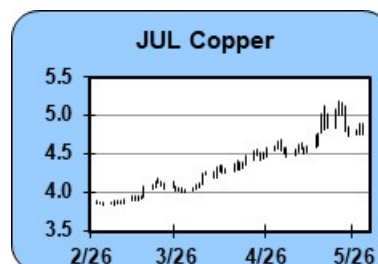
COPPER COMMENTARY

5/30/2024

We see a slide to the \$4.64 - \$4.52 consolidation zone

GENERAL: While the copper market failed to rally on bullish IMF economic forecast upgrades for China released earlier this week and has ranged down overnight to the lowest level since May 13th, we suspect the market will find solid support around the \$4.60 level. However, the net spec and fund long in copper was extreme into the May high and month end position squaring and stop loss selling looks to control again today. On the other hand, structural bullishness from tightening global supply and steadily improving demand should produce a solid value zone soon especially with Goldman Sachs overnight

predicting copper to resume its sharp rally once finite supplies of cheaper substitutes are exhausted which should add an additional 15% to recent high prices. In a temporary and indirect negative for copper prices, a buyout between two of the world's largest mining companies broke down as the \$49 billion bid from BHP for Anglo American was pulled back by BHP. On the one hand, interest in global mining capacity highlights expectations of ongoing severe tightness of copper supplies but may have signaled a temporary overvaluation of Anglo-American shares. Surprisingly, the trade did not react significantly to news that the Chinese government announced they would "strictly control" new copper and aluminum smelting capacity decisions, as an orchestrated reduction in Chinese smelting capacity was thought to be a major component behind the historic May rally. However, macroeconomic influences are shifting bearish and may remain so today with a strengthening dollar, a spike up in global interest rates, and an ongoing risk off environment flowing from equities.



MARKET IDEAS:

We see the copper market vulnerable to a test of consolidation low support just around \$4.60 and we expect the market to be temporarily vulnerable to a risk off global macro environment.

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 (AUG) 05/30/2024: The close under the 40-day moving average indicates the longer-term trend could be turning down. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market back below the 18-day moving average suggests the intermediate-term

trend could be turning down. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is now at 2336.7. The next area of resistance is around 2375.6 and 2395.5, while 1st support hits today at 2346.2 and below there at 2336.7.

COMEX SILVER (JUL) 05/30/2024: 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. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market has a slightly positive tilt with the close over the swing pivot. The near-term upside objective is at 32.931. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 32.612 and 32.931, while 1st support hits today at 31.878 and below there at 31.462.

COMEX PLATINUM (JUL) 05/30/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market tilt is slightly negative with the close under the pivot. The next downside objective is 1023.68. The next area of resistance is around 1061.55 and 1081.07, while 1st support hits today at 1032.85 and below there at 1023.68.

COMEX COPPER (JUL) 05/30/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. 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 4.66. The next area of resistance is around 4.85 and 4.94, while 1st support hits today at 4.72 and below there at 4.66.

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										
GCEQ24	2360.9	43.81	47.71	47.13	33.44	2364.05	2401.08	2383.96	2366.85	2327.58
SIEN24	32.244	70.97	70.14	79.71	81.61	31.33	31.39	29.76	28.37	27.54
PLAN24	1047.20	56.35	58.84	67.20	61.76	1045.93	1057.70	1030.33	981.24	967.81
CPAN24	4.78	49.79	54.38	56.29	48.01	4.80	4.91	4.79	4.53	4.40
PAAU24	976.40	41.79	44.46	48.81	35.85	981.13	1004.08	994.18	1010.92	1017.98

Calculations based on previous session. Data collected 05/29/2024

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						
GCEQ24	COMEX Gold	2336.7	2346.2	2366.1	2375.6	2395.5
SIEN24	COMEX Silver	31.461	31.877	32.196	32.612	32.931
PLAN24	COMEX Platinum	1023.67	1032.84	1052.37	1061.55	1081.07
CPAN24	COMEX Copper	4.65	4.71	4.80	4.85	4.94
PAAU24	COMEX Palladium	954.95	967.40	972.95	985.40	990.95

Calculations based on previous session. Data collected 05/29/2024

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