



PRECIOUS METALS COMMENTARY
5/31/2024

Today's PCE could set upcoming trends in gold

OVERNIGHT CHANGES THROUGH 3:16 AM (CT):
GOLD -4.60, SILVER -0.03, PLATINUM -0.66

OUTSIDE MARKET DEVELOPMENTS: Global equity markets overnight mixed with the markets in Asia generally lower and a sprinkling of markets in Europe starting out higher. Critical economic information released overnight included a slight dip in a Japanese jobs/applicant's ratio for April, an uptick in Tokyo consumer price index readings for May, steady Japanese unemployment rate readings for April, a much softer than expected Japanese industrial production reading for April, a positive but slower than expected Japanese large retailer sales reading for April, stronger-than-expected Australian private sector credit for April, much weaker than expected Chinese NBS Manufacturing PMI for May, weaker than expected Chinese NBS non-manufacturing PMI for May, much weaker than expected German retail sales, as expected French consumer price index readings, a massive contraction in French producer prices, steady Italian GDP, steady Italian consumer price index readings and a much larger than expected jump in GBP net lending to individuals. The North American session will start out with April US personal income which is forecast to have a mild downtick from March's 0.5% reading, while April US personal spending is expected to have a moderate downtick from March's 0.8% reading. The April core personal expenditure price index is forecast to hold steady at a 2.8% year-over-year rate. First quarter Canadian GDP is expected to have a moderate uptick from the previous 1.0% annualized rate. May Chicago PMI is forecast to have a moderate uptick from April's 37.9 reading. Atlanta Fed President Bostic will speak during afternoon US trading hours.



MARKET FUNDAMENTALS: While there was continued divergence between gold and silver yesterday, gold was able to hold its ground in positive territory and finished Thursday with a mild gain. In contrast, silver was the weaker market as it closed with a heavy loss. The declines in silver were outsized and were likely the result of profit-taking by aggressive Asian buyers over the prior two weeks. It should be noted that Chinese silver prices reached a significant premium to spot prices recently resulting in Chinese buying international silver and reducing their risk to the weakness in their currency. Thursday's US economic data featured first quarter PCE and core PCE reading that were roughly in-line with trade forecasts, but resulted in a very slight uptick in rate cut expectations which were also boosted by minimal weakness in the pending home sales and weekly increases in both initial and ongoing claims. A possible cause of the sharp selloff in silver came from news that the US would limit AI chip sales to China which rattled risk appetites, and likely put additional pressure on the silver market. Unfortunately for the bull camp overnight Chinese manufacturing PMI for May dropped sharply reducing prospects of physical demand for silver ahead. Despite the corrective action in gold from the middle of the month, gold looks to finish with both monthly and weekly gains. However, today's US PCE reading could result in gold and silver finishing the week on a much more positive note as yesterday's quarterly PCE data leaned slightly in favor of softening inflation!

TODAY'S MARKET IDEAS:

Uptrend channel support in August gold today is \$2345.20 with a trade back above \$2386 needed to shift the bias away from the downside. July silver this morning sits on critical pivot point support of \$31.00 with a failure to hold \$30.94 potentially resulting in a spike down move to \$30.55. With the gold/silver ratio falling from 87 to 73 and reaching a 32-month low in May, look for additional spread unwinding going into month-end. There has been a pullback in US longer-term yields and a weaker Dollar, both of which should strengthen precious metals markets.

Going into month-end, August gold should find near-term support at \$2,348 while resistance is up at \$2,380. July silver will have near-term resistance at \$31.85 while support is down at \$30.60.

NEW RECOMMENDATIONS:

None

PREVIOUS RECOMMENDATIONS:

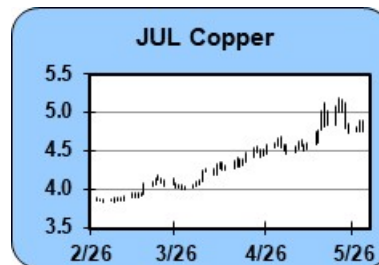
None.

COPPER COMMENTARY

5/31/2024

We see a slide deeper into the \$4.60 - \$4.52 consolidation zone

GENERAL: With both manufacturing and nonmanufacturing PMI readings from China falling overnight the copper market is fortunate to have held yesterday's low and in turn forge a double low at \$4.6205. In fact, the Chinese manufacturing PMI reading for May came in one full point below expectations and reached a three month low. Unfortunately for the bull camp negative news from China was not limited to PMI readings with Shanghai copper warehouse stocks jumping by more than 20,000 tons which means Shanghai copper warehouse stocks are now at a 50 month high! While Copper prices remain on-track for a third monthly gain in a row, both supply and demand news from China favor more downside and a trade below \$4.60. However, Goldman Sachs should help July copper find value around the \$4.60 level as they predicted copper prices could see another 15% rally once the finite supply of alternative materials is exhausted.



MARKET IDEAS:

The copper market remains vulnerable to further internal supply and demand driven selling and perhaps from a "risk off" global macro environment. As indicated already both supply and demand news from China overnight favors the bear camp with another large jump in Shanghai copper warehouse stocks and very disappointing Chinese PMI data. We suspect \$4.60 will fail to hold with prices potentially seeking \$4.50 early next week especially if the current risk off environment in equities extends.

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) 05/31/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The daily closing price reversal up on the daily chart is somewhat positive. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is 2330.5. The next area of resistance is around 2378.4 and 2391.2, while 1st support hits today at 2348.0 and below there at 2330.5.

COMEX SILVER (JUL) 05/31/2024: The daily stochastics gave a bearish indicator with a crossover down. 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 market is in a bearish position with the close below the 2nd swing support number. The next downside target is now at 30.410. The next area of resistance is around 31.839 and 32.610, while 1st support hits today at 30.740 and below there at 30.410.

COMEX PLATINUM (JUL) 05/31/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The intermediate trend has turned down with the cross over back below the 18-day moving average. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside target is now at 1014.95. The next area of resistance is around 1043.10 and 1056.95, while 1st support hits today at 1022.10 and below there at 1014.95.

COMEX COPPER (JUL) 05/31/2024: 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. The close below the 2nd swing support number puts the market on the defensive. The next downside target is now at 4.52. The next area of resistance is around 4.73 and 4.84, while 1st support hits today at 4.57 and below there at 4.52.

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	2363.2	44.55	48.14	40.56	27.51	2366.45	2396.52	2385.59	2370.00	2330.67
SIEN24	31.290	58.46	61.04	79.37	78.18	31.57	31.56	30.02	28.51	27.66
PLAN24	1032.60	50.08	54.38	62.85	54.14	1046.48	1053.40	1034.07	983.73	970.08
CPAN24	4.65	41.10	47.64	49.70	36.50	4.76	4.88	4.80	4.54	4.41
PAAU24	958.70	36.54	40.99	42.28	29.23	975.23	998.83	994.28	1009.75	1018.05

Calculations based on previous session. Data collected 05/30/2024

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	2330.4	2348.0	2360.8	2378.4	2391.2
SIEN24	COMEX Silver	30.409	30.739	31.509	31.839	32.610
PLAN24	COMEX Platinum	1014.95	1022.10	1035.95	1043.10	1056.95
CPAN24	COMEX Copper	4.51	4.57	4.67	4.73	4.84
PAAU24	COMEX Palladium	923.97	942.45	956.47	974.95	988.97

Calculations based on previous session. Data collected 05/30/2024

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