



DAILY METALS COMMENTARY Monday February 12, 2024

PRECIOUS METALS COMMENTARY

2/12/2024

Silver continues to outperform gold early this week

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

GOLD -2.90, SILVER +0.04, PLATINUM +0.96

OUTSIDE MARKET DEVELOPMENTS: Global markets are subdued start to the week as trading volume is reduced with holidays in several Asian countries. While the UK FTSE-100 has a mild early loss, the German DAX and French CAC-40 have moderate early gains. US equity index futures have mixed results with the NASDAQ outperforming the S&P and Dow, while Bonds and the Dollar both have mild early strength. There are no major US or Canadian economic numbers on today's schedule. Fed Governor Bowman and Minneapolis Fed President Kashkari will speak during morning US trading hours.



MARKET FUNDAMENTALS: While gold and silver finished Friday with moderate losses for the day and week, they are starting with silver rallying to a one week high and gold under pressure. Platinum and palladium have rebounded off their 2024 lows. However, further gains are being held in check by ongoing Asian and European auto catalyst demand concerns. Although they started a 1-week Lunar New Year holiday on Friday, China's economic concerns are not going away anytime soon, and they continue to weigh on the near-term demand outlook for both precious metals. The S&P and Nasdaq stock indices are holding near their record highs set Friday and their ongoing strength since mid-January are pressuring gold and silver prices. Tuesday's US CPI release will have a critical impact on gold and silver prices. The year-over-year rate for CPI needs to resume its longer-term downtrend and core CPI needs to maintain its downtrend for Fed rate cut hopes to be strengthened. If that happens, gold and silver have a strong chance of regaining upside momentum. Gold ETF holds were down 18,884 ounces Friday bringing their weekly decline to 416,018 ounces. Total holdings as of Friday were 83.485 million ounces. Silver ETF holdings increased 94,540 ounces on Friday bringing their weekly increase to 212,596 ounces. Silver ETF holdings on Friday were 700.470 million ounces. Gold positioning in the Commitments of Traders for the week ending February 6th showed Managed Money traders were net long 82,591 contracts after increasing their already long position by 10,615 contracts. This is the largest net long position in three weeks. Silver Managed Money traders went from a net long to a net short position of 4,784 contracts after net selling 9,830 contracts. Platinum Managed Money traders net sold 3,636 contracts and are now net short 4,804 contracts. Palladium Managed Money traders are net short 10,555 contracts after net selling 223 contracts.

TODAY'S MARKET IDEAS:

While the Fed's Bowman and Kashkari may provide some dovish comments, the market is waiting for Tuesday's CPI results before there is a major shift in Fed rate cut prospects. As a result, gold prices will continue to be pressured by recent strength in the Dollar and rising longer-term US yields. With a "risk on" mood boosting US equity markets, silver will remain well supported and continue to reduce the gold silver ratio. Near-term resistance for April gold is at \$2,046 while support is down at \$2,020.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

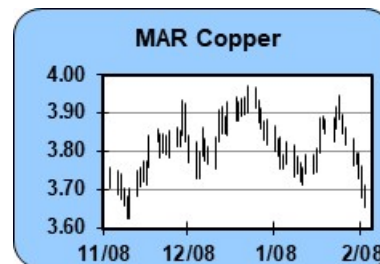
None

COPPER COMMENTARY

2/12/2024

Chinese demand concerns continue to weigh on market

GENERAL: While a rebound in global risk sentiment has put some brakes on its February selloff, copper prices are showing few signs of regaining strong upside momentum. While it was released a day early due to the Lunar New Year holiday week starting on Friday, a seventh weekly increase in a row for Shanghai exchange copper stocks continues to be a source of pressure on copper prices. Chinese demand concerns from a weakening economy continues to weigh on copper prices. LME copper stocks were lower today, making it their thirteenth daily decline over the past 14 sessions. LME copper stocks have fallen to their lowest level since mid-September, and that bodes well for copper's global demand prospect. The Commitments of Traders report for the week ending February 6th showed Copper Managed Money traders added 17,224 contracts to their already short position and are now net short 20,554. Non-Commercial & Non-Reportable traders net sold 3,393 contracts and are now net short 10,687 contracts.



MARKET IDEAS:

The market needs to find bullish supply/demand news to trigger a short-covering rebound. With China out of holiday week, copper prices will have trouble sustaining upside momentum and may head for a retest of its mid-November lows. Near-term resistance for March copper is at \$3.7100 while support is at \$3.6525.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

| Commitment of Traders - Futures and Options - 1/30/2024 - 2/6/2024 | | | | | | |
|--|----------------|-------------------|--------------|-------------------|----------------|-------------------|
| | Non-Commercial | | | Commercial | Non-Reportable | |
| | Net Position | Weekly Net Change | Net Position | Weekly Net Change | Net Position | Weekly Net Change |
| Metals | | | | | | |
| Copper | -13,907 | -5,473 | 10,687 | +3,394 | 3,220 | +2,080 |
| Gold | 164,432 | +12,983 | -183,159 | -8,764 | 18,727 | -4,220 |
| Palladium | -11,076 | -283 | 10,942 | +557 | 134 | -274 |
| Platinum | 9,013 | -2,494 | -15,309 | +1,805 | 6,295 | +688 |
| Silver | 12,586 | -5,758 | -29,975 | +5,270 | 17,388 | +487 |

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 (APR) 02/12/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside objective is now at 2023.7. The next area of resistance is around 2048.3 and 2058.9, while 1st support hits today at 2030.7 and below there at 2023.7.

COMEX SILVER (MAR) 02/12/2024: Stochastics trending lower at midrange will tend to reinforce a move lower

especially if support levels are taken out. A negative signal for trend short-term was given on a close under the 9-bar moving average. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside objective is now at 22.272. The next area of resistance is around 22.872 and 23.021, while 1st support hits today at 22.498 and below there at 22.272.

COMEX PLATINUM (APR) 02/12/2024: The downside crossover (9 below 18) of the moving averages suggests a developing short-term downtrend. Momentum studies are declining, but have fallen to oversold levels. The market's short-term trend is negative as the close remains below the 9-day moving average. The market could take on a defensive posture with the daily closing price reversal down. The market setup is somewhat negative with the close under the 1st swing support. The next downside objective is 858.18. The next area of resistance is around 894.45 and 909.57, while 1st support hits today at 868.75 and below there at 858.18.

COMEX COPPER (MAR) 02/12/2024: The downside crossover (9 below 18) of the moving averages suggests a developing short-term downtrend. Daily stochastics declining into oversold territory suggest the selling may be drying up soon. A negative signal for trend short-term was given on a close under the 9-bar moving average. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is now at 3.63. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 3.71 and 3.74, while 1st support hits today at 3.66 and below there at 3.63.

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 | | | | | | | | | | |
| GCEJ24 | 2039.5 | 42.18 | 44.96 | 44.14 | 39.75 | 2048.15 | 2052.96 | 2047.51 | 2058.51 | 2055.92 |
| SIEH24 | 22.685 | 42.66 | 42.80 | 41.62 | 37.32 | 22.52 | 22.77 | 22.77 | 23.35 | 23.67 |
| PLAJ24 | 881.60 | 34.51 | 37.86 | 31.34 | 22.17 | 893.30 | 907.21 | 908.39 | 939.19 | 937.09 |
| CPAH24 | 3.68 | 27.90 | 34.93 | 31.63 | 16.97 | 3.73 | 3.80 | 3.80 | 3.83 | 3.82 |
| PAAH24 | 869.30 | 24.58 | 30.40 | 33.58 | 21.28 | 903.28 | 940.68 | 945.83 | 1021.44 | 1027.18 |

Calculations based on previous session. Data collected 02/09/2024

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 | | | | | | |
| GCEJ24 | COMEX Gold | 2023.7 | 2030.7 | 2041.3 | 2048.3 | 2058.9 |
| SIEH24 | COMEX Silver | 22.271 | 22.497 | 22.646 | 22.872 | 23.021 |
| PLAJ24 | COMEX Platinum | 858.17 | 868.75 | 883.87 | 894.45 | 909.57 |
| CPAH24 | COMEX Copper | 3.62 | 3.65 | 3.68 | 3.71 | 3.74 |
| PAAH24 | COMEX Palladium | 840.02 | 853.05 | 872.52 | 885.55 | 905.02 |

Calculations based on previous session. Data collected 02/09/2024

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