



DAILY METALS COMMENTARY Thursday February 15, 2024

PRECIOUS METALS COMMENTARY

2/15/2024

The bias is down, sell \$5 rallies in gold

OVERNIGHT CHANGES THROUGH 3:16 AM (CT):

GOLD +1.80, SILVER +0.02, PLATINUM +0.60

OUTSIDE MARKET DEVELOPMENTS: Global equity markets overnight were higher except for the Russian market which traded three quarters of 1% lower. Critical economic news released overnight included slower New Zealand visitor arrivals in December, Japanese GDP, steady Australian consumer inflation expectations, a minimal improvement in Australian full-time employment, a 1/10% uptick in the Australian unemployment rate, softer than expected Japanese industrial production, stronger-than-expected GBP industrial production for December, much weaker than expected GBP GDP, stronger than expected GBP industrial production, a larger than expected decline in Swiss producer and import prices for January, steady Spanish CPI and a slight narrowing of the euro zone trade surplus for December. Today will be a busy North American session will start out with January Canadian housing starts which are expected to have a sizable downtick from December's annualized rate. January US retail sales are forecast to have a moderate downtick from December's 0.6% reading. The February Philly Fed manufacturing survey is expected to have a modest uptick from January's -10.6 reading. The New York Fed's February Empire State manufacturing survey is forecast to have a sizable uptick from January's -43.7 reading. A weekly reading on initial jobless claims is expected to have a modest uptick from the previous 218,000 reading. Ongoing jobless claims are forecast to have a minimal weekly increase from the previous 1.871 million reading. January readings for the US import price index and US export price index are expected to have minimal upticks from their December readings. January US industrial production is forecast to have a modest uptick from December's 1.0% reading while January US capacity utilization is expected to have a mild increase from December's 78.6% reading. December US business inventories are forecast to have a moderate uptick from November's -0.1% reading. The February NAHB housing market index is expected to have a modest uptick from January's 44 reading. The December Treasury International Capital (TIC) report will come out during afternoon US trading hours and will show net changes to Chinese and Japanese Treasury holdings. Fed Governor Waller and Atlanta Fed President Bostic will speak during afternoon US trading hours. Earning announcements will include Deere & Company and Southern Company before the Wall Street opening while Applied Materials, DoorDash, The Trade Desk, Ingersoll Rand, and Coinbase Global report after the close.



MARKET FUNDAMENTALS: While April gold is tracking in positive territory early today and has established a key pivot point around \$2005, the onus is on the bull camp to prove the market can respect even number consolidation support at \$2000. Unfortunately for the bull camp, gold ETF holdings continue to slide with year-to-date outflows of 2.8% taking place in less than 50 days. While Indian gold imports in January increased to \$1.9 billion that is probably a function of the recovery in gold prices and not necessarily from increased volume. Furthermore, the market remains disappointed in the recent hawkish tilt from the Fed which is more effectively described as disappointment in the lack of dovish indications from the Fed, with market expectations for the first US rate cut shifting into the second half of this year. Fortunately for the bull camp the dollar has been unable to benefit from soft economic data from Europe and the UK overnight, but a very active slate of US data this morning will likely result in significant dollar volatility especially given the massive rally earlier in the week. Obviously, initial claims will be the highlight of the trading session followed closely by US retail sales, but expectations for the data today call for insignificant changes but therefore a minor improvement in US retail sales could still further the delay in cutting rates which could result in the dollar surging to higher highs and April gold failing at key support of \$1996.40. With a failure of close in support, targeting in April gold becomes \$1983.

TODAY'S MARKET IDEAS:

The bias is down as outside market forces tilt in favor of the bears, news from the Fed front is bearish, the charts are vulnerable and without definitively softer than expected US scheduled data, the gold market should be without a large contingent of bargain hunting buyers on the sidelines capable of holding up prices. The bias in gold pointing down with a close below \$2,000 today possibly projecting a downside extension to \$1,975 into the Friday's close.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

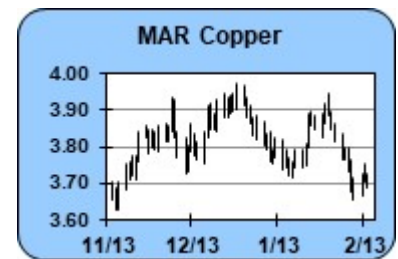
None

COPPER COMMENTARY

2/15/2024

Traders should be conservative with sell orders close to \$3.75

GENERAL: While the copper market was reportedly under pressure yesterday because of growing doubt of a first-half US rate cut, and by a higher high in the dollar (brought on by the potential delay in cutting rates) the March contract appears to have found value around the \$3.70 level. Fortunately for the bull camp, daily LME copper warehouse stock readings continue to decline filling the void of information left by the Chinese holiday. With the Chinese on holiday, this week we expected sluggish to sideways action but would not be surprised today if a hard break in copper prices in the coming 24 hours prompts vacationing Chinese institutional buyers to act. Unfortunately for the bull camp, the Chinese government appears to be more focused on Taiwan than on its struggling economy and therefore we leave the edge with the bear camp today.



MARKET IDEAS:

While we favor the downside without significant news March copper will likely respect support levels of \$3.6895 and \$3.6550. However, pushed into the market, we favor the downside but would not be surprised to see March copper simply waffle within a range defined as \$3.7375 on the upside and \$3.6670 on the downside.

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 (APR) 02/15/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The close below the 9-day moving average is a negative short-term indicator for trend. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is 1990.8. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 2009.9 and 2015.5, while 1st support hits today at 1997.5 and below there at 1990.8.

COMEX SILVER (MAR) 02/15/2024: Momentum studies are declining, but have fallen to oversold levels. The close below the 9-day moving average is a negative short-term indicator for trend. The upside daily closing price

reversal gives the market a bullish tilt. The market has a slightly positive tilt with the close over the swing pivot. The next downside objective is now at 21.785. The next area of resistance is around 22.675 and 22.865, while 1st support hits today at 22.135 and below there at 21.785.

COMEX PLATINUM (APR) 02/15/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The close above the 9-day moving average is a positive short-term indicator for trend. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next downside objective is 866.85. The next area of resistance is around 910.50 and 920.45, while 1st support hits today at 883.70 and below there at 866.85.

COMEX COPPER (MAR) 02/15/2024: 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. The market tilt is slightly negative with the close under the pivot. The next downside objective is now at 3.67. The next area of resistance is around 3.72 and 3.74, while 1st support hits today at 3.69 and below there at 3.67.

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
METALS COMPLEX										
GCEJ24	2003.7	27.30	34.62	27.73	15.94	2020.55	2037.11	2042.99	2055.73	2056.07
SIEH24	22.405	41.70	42.04	34.33	28.78	22.48	22.51	22.72	23.26	23.60
PLAJ24	897.10	46.78	45.46	25.21	24.24	887.88	894.28	906.26	937.45	936.31
CPAH24	3.70	35.05	38.84	22.53	17.96	3.70	3.74	3.80	3.82	3.82
PAAH24	935.00	50.39	46.81	27.53	30.93	890.35	912.26	939.15	1017.18	1019.90

Calculations based on previous session. Data collected 02/14/2024

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	1990.7	1997.5	2003.1	2009.9	2015.5
SIEH24	COMEX Silver	21.785	22.135	22.325	22.675	22.865
PLAJ24	COMEX Platinum	866.85	883.70	893.65	910.50	920.45
CPAH24	COMEX Copper	3.66	3.68	3.70	3.72	3.74
PAAH24	COMEX Palladium	855.87	902.75	920.37	967.25	984.87

Calculations based on previous session. Data collected 02/14/2024

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