



## DAILY METALS COMMENTARY Friday March 08, 2024

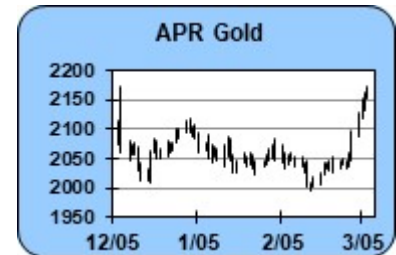
### PRECIOUS METALS COMMENTARY

3/8/2024

**The early bias is up with more outside market support**

**OVERNIGHT CHANGES THROUGH 3:16 AM (CT):  
GOLD +7.50, SILVER +0.01, PLATINUM +0.17**

**OUTSIDE MARKET DEVELOPMENTS:** Global equity markets overnight were mostly higher except for the markets in Great Britain and Germany which traded fractionally lower. Critical economic news of importance released overnight included a much weaker than expected Japanese Overall household spending for January, nearly level Japanese February bank lending, softer Japanese Leading Economic Index readings for January, much softer than expected Japanese coincident index readings for January, a better-than-expected Japanese Eco-watchers survey, as expected German producer price index readings for January, better-than-expected German industrial production for January, a massive in Italian producer prices, an as expected euro zone GDP (0%), and a slightly improved euro zone employment change for the fourth quarter. The North American session will start out with the highlight for global markets, the February US employment situation report. February non-farm payrolls are expected to have a sizable downtick from January's 353,000 reading. February US unemployment is forecast to hold steady at a 3.7% rate while February average hourly earnings are expected to have a minimal downtick from January's 4.5% year-over-year rate. February Canadian unemployment is forecast to have a minimal uptick from January's 5.7% rate along with a moderate monthly increase in net employment. New York Fed President Williams will speak during morning US trading hours.



**MARKET FUNDAMENTALS:** Higher all-time highs overnight are clearly justified by ongoing outside market assistance. In addition to a multiweek low in US treasury yields, the gold and silver bulls were presented with a downside extension in the dollar to the lowest levels since the middle of January! In retrospect, outside market forces for gold this week became entrenched in favor of the bull camp with a distinct pattern of US slowing evidence, a slightly dovish US Fed take away and increased expectations for a June rate cut from the ECB. However, today's US nonfarm payroll reading could raise expectations of monetary easing in the US with a softer than expected reading. While a better-than-expected nonfarm payroll report is unlikely to erase a flurry of soft data over the last two weeks, and therefore strong payroll data could temporarily shift economic sentiment which in turn could foster temporary corrective balancing in treasury yields, the dollar and gold. On the other hand, with China adding to gold reserves for the 16th straight month last month, the trade finds a solid fundamental demand underpin for gold prices. Furthermore, gold ETF holdings continue to see minimal outflows suggesting small investors are still not rushing into catch the historic rally. Historically, Indian, and Chinese buyers have been very price sensitive and the explosion in prices is only partially offset by a strengthening in those currencies this week. Nonetheless, the magnitude of the gains in gold and silver prices this week give the bull case credibility, especially with the bull case becoming increasingly supported by outside market action. Obviously, the major range down washout in the dollar over the prior two sessions is justification for additional long speculation in gold and silver ahead, as is the decline in implied treasury yields to the lowest level since January especially as yields appear to be headed even lower. In fact, with a softer US monthly nonfarm payroll reading later today yields could be on track to fall to the lowest levels of 2024. With April gold into the high today up \$182 from the February low, and the market gaining \$140 in just six days that has likely puffed up the net spec and fund long in gold to the highest level in several months! Therefore, suggest those with long profits allow for some follow-through today but implement stops ahead of the payroll release. Close in conservative stop pricing in April gold is \$2,161 and then down at \$2,149.

**TODAY'S MARKET IDEAS:**

A dovish Fed spin, precipitous and ongoing weakness in the dollar, growing prospects of even lower US treasury yields directly ahead, and recent strength in Bitcoin leave the bull camp in gold confident from a fundamental perspective. However, technical signals are dramatically overdone and following significant and compacted gains this week, a slightly better than expected US payroll could result in a significant and compacted washout later today.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

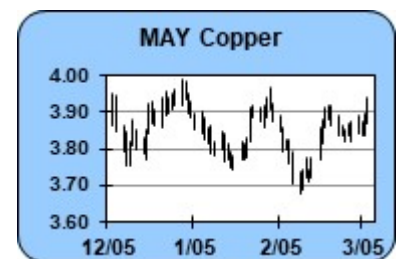
None

**COPPER COMMENTARY**

**3/8/2024**

**Apparently macro hope more than offsets a jump in Chinese supply**

**GENERAL:** Seeing May copper forge, a higher high this morning in the wake of another explosive increase in weekly Shanghai copper warehouse stocks is impressive and somewhat suspicious. In fact, the large inflow of 24,758 tons to Shanghai warehouse supplies is the third straight week of massive inflows which can no longer be fully blamed on the long Chinese holiday last month. However, the bull camp sees Chinese trade data earlier this week as supportive of an improving Chinese economic outlook and supportive of the improving Chinese copper demand outlook. Evidence of the improvement in sentiment toward the Chinese economy is the recovery in Chinese equity markets this week and that combines with revived hopes of lower rates in Europe and in the US. However, the "increased probability" of a US rate cut in June is not fully registering in the market with the CME Fed watch tool probability of a June rate cut increasing by just a few percentage points in the wake of an avalanche of soft US data! However, copper should continue to draw support following news that Chinese January and February copper imports increased by 2.6% with total imports of unwrought copper and copper products reaching 902,000 metric tonnes. Fortunately for the bull camp a portion of the negative impact from this week's large jump in Shanghai copper warehouse stocks is countered by predictions from Chinese industry sources of a revival of copper demand as industry in China finishes spooling up from the recent long holiday.



**MARKET IDEAS:**

While the copper rally didn't gather upside momentum until after US scheduled data was released yesterday, some in the trade might be hesitant to add to long positions with May copper prices trading \$0.11 above this week's initial low. While we favor the bull edge from positive charts, short-term technical measures are overdone, and it is possible that "too much US slowing" could trip up what continues to be upbeat global economic psychology. Pushed into the market we expect more gains but see key resistance at \$3.9675.

**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) 03/08/2024: Momentum studies are trending higher but have entered overbought levels.

The market's short-term trend is positive on the close above the 9-day moving average. It is a mildly bullish indicator that the market closed over the pivot swing number. The near-term upside target is at 2184.5. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 2176.4 and 2184.5, while 1st support hits today at 2156.0 and below there at 2143.6.

COMEX SILVER (MAY) 03/08/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. 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 next upside objective is 25.027. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 24.809 and 25.027, while 1st support hits today at 24.300 and below there at 24.008.

COMEX PLATINUM (APR) 03/08/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The market's short-term trend is positive on the close above the 9-day moving average. The market has a slightly positive tilt with the close over the swing pivot. The near-term upside objective is at 943.65. The next area of resistance is around 935.00 and 943.65, while 1st support hits today at 913.20 and below there at 900.05.

COMEX COPPER (MAY) 03/08/2024: Rising stochastics at overbought levels warrant some caution for bulls. The market's close above the 9-day moving average suggests the short-term trend remains positive. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next upside target is 3.98. The next area of resistance is around 3.96 and 3.98, while 1st support hits today at 3.89 and below there at 3.85.

## 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
<b>METALS COMPLEX</b>										
GCEJ24	2166.2	88.27	79.61	87.61	94.25	2145.58	2094.50	2060.54	2055.44	2059.24
SIEK24	24.555	74.56	66.90	73.54	85.63	24.26	23.49	23.27	23.18	23.46
PLAJ24	924.10	60.00	55.43	52.76	67.82	907.33	896.06	898.64	911.69	928.13
CPAK24	3.92	67.12	61.23	73.56	77.72	3.88	3.86	3.84	3.83	3.85
PAAM24	1042.40	65.36	60.25	70.35	74.67	1002.90	974.63	962.86	968.00	1011.91

Calculations based on previous session. Data collected 03/07/2024

Data sources can & do produce bad ticks. Verify before use.

## DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>METALS COMPLEX</b>						
GCEJ24	COMEX Gold	2143.5	2155.9	2164.0	2176.4	2184.5
SIEK24	COMEX Silver	24.007	24.299	24.517	24.809	25.027
PLAJ24	COMEX Platinum	900.05	913.20	921.85	935.00	943.65
CPAK24	COMEX Copper	3.84	3.88	3.91	3.96	3.98
PAAM24	COMEX Palladium	1005.57	1022.65	1045.07	1062.15	1084.57

Calculations based on previous session. Data collected 03/07/2024

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