



DAILY METALS COMMENTARY

Monday April 15, 2024

PRECIOUS METALS COMMENTARY

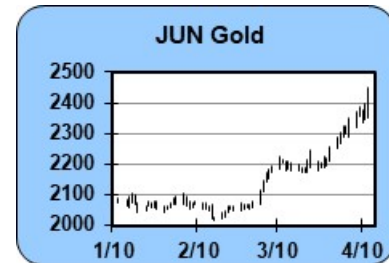
4/15/2024

Vulnerable to correction on any higher high in the \$

OVERNIGHT CHANGES THROUGH 3:16 AM (CT):

GOLD -3.10, SILVER +0.02, PLATINUM -1.78

OUTSIDE MARKET DEVELOPMENTS: Over the weekend, Iran launched an attack on Israel using drones and missiles, virtually all of which were shot down by Israeli, US, and UK defense weapons. Global equity markets overnight were generally higher with markets tracking positive barely outnumbering those trading lower. Critical economic news released overnight included a much softer than expected New Zealand business NZ PSI index for March, a moderate jump in New Zealand versus January, a much stronger-than-expected Japanese machinery orders reading for February, unchanged Swiss producer and import price measures on a month over month basis and a rebound in euro zone Industrial Production for the month of February. The North American session will start out with March US retail sales which are expected to have a mild downtick from February's 0.6% reading. The New York Fed's April Empire State manufacturing survey is forecast to have a moderate uptick from March's -20.9 reading. February Canadian manufacturing sales are expected to have a moderate uptick from the previous 0.2% reading. February US business inventories are forecast to have a mild uptick from January's unchanged reading. The April NAHB housing market index is expected to hold steady with March's 51 reading. Dallas Fed President Logan will speak during morning US trading hours while San Francisco Fed President Daly will speak during the afternoon. Earnings announcements will include Goldman Sachs and Charles Schwab before the Wall Street opening.



MARKET FUNDAMENTALS: In addition to the major swing higher at the end of last week exaggerating the overbought conditions of gold and silver, the trade will likely have to contend with a surging US dollar, which is nearing the highest level in 5 1/2 months. Fortunately for the bull camp, US interest rates fell back slightly on Friday with traders thinking the upward track in interest rates will now abate. However, the Iranian drone attack directly against Israel is clearly an expansion of the fighting and could mean a country fighting a country instead of a country fighting a terrorist group! Furthermore, seeing Israel and Iran engage with more significant armament will certainly cause shipping disruptions in the area and is likely to reduce Iranian oil exports. On the other hand, Iranian officials indicated their attack was simple retaliation for Israel's targeting of their officials in Syria and they say now the matter is concluded! While the suggestion Iran is appeased for the attack on its Syrian consulate seems to temper tensions, it is unlikely the Israelis will stand back and take the attacks. In a slightly negative development, gold ETF holdings last week saw outflow of 481,361 ounces while silver ETF holdings declined by 9.5 million ounces. According to Goldman, the gold market is now an "Unshakeable bull market" likely to extend because of emerging market central bank buying, rising Asian retail investment and escalating US political uncertainty into the election. Therefore, gold and silver look as if they are in a flight to quality environment again but given severe outside market headwinds in the extreme (\$ and Rates), and severe overbought technical signals, daily trading ranges could now become extreme. In fact, since the last COT positioning was measured gold prices rallied \$76.00 and therefore the net spec and fund long in gold might be at the highest level since March 2022. The April 9th Commitments of Traders report showed Gold Managed Money traders net bought 929 contracts and are now net long 179,142 contracts. Non-Commercial & Non-Reportable traders net long 255,103 contracts after net buying 2,089 contracts. Unfortunately for the bull camp, the explosion up above \$30 in July silver and subsequent close nearly \$1.00 below the high on Friday signals a classic reversal on the charts. The Commitments of Traders report for the week ending April 9th showed Silver Managed Money traders are net long 38,496 contracts after net buying 4,412 contracts. Non-Commercial & Non-Reportable traders were net long

70,745 contracts after increasing their already long position by 3,840 contracts. Platinum positioning in the Commitments of Traders for the week ending April 9th showed Managed Money traders net bought 12,776 contracts and are now net long 12,785 contracts. Non-Commercial & Non-Reportable traders net bought 11,482 contracts and are now net long 27,416 contracts. Palladium positioning in the Commitments of Traders for the week ending April 9th showed Managed Money traders net bought 1,147 contracts and are now net short 9,535 contracts. Non-Commercial & Non-Reportable traders were net short 8,905 contracts after decreasing their short position by 1,250 contracts.

TODAY'S MARKET IDEAS:

While technical action from last Friday suggests a top is in place in gold and silver, the precious metal markets have clearly changed their focus from rate cut hope and/or residual inflation concerns back toward classic flight to quality issues. Not surprisingly, the Iran/Israeli standoff is now paramount in the market's focus with the Israelis potentially lashing back at Iran thereby increasing the chances of a full blown war. As we indicated several times last week, we see the bull camp maintaining the edge, but also acknowledge the potential for even wilder swings than were seen at the end of last week.

NEW RECOMMENDATIONS:

None

PREVIOUS RECOMMENDATIONS:

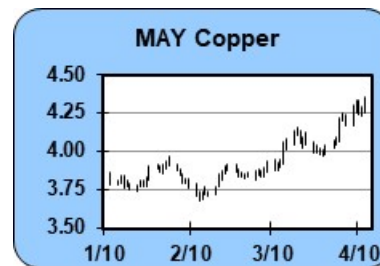
Long May Gold \$2,300 put at \$15.00 and long a June Gold \$2,390 call at \$35.00. Use an objective of \$35.00 for the May put and use an objective on the long June Gold call of \$90.00.

COPPER COMMENTARY

4/15/2024

Wild volatility signaling a top?

GENERAL: While the May copper contract forged a significantly higher high upward thrust early today, as of this writing the market is trading nearly \$0.11 under its early high! A portion of the sharp rally in copper prices could be the result of various copper exchanges, and government entities pushing to enforce a ban on Russian copper supply flow into the LME as that could obviously pinch world supply. However, reports are that China is already purchasing disguised copper from Russia to avoid sanctions designed to punish Russia. A fresh bullish headline from overnight came from Citi who upwardly revised their copper price forecasts for the second and third quarters. While the copper market has certainly managed to charge higher in the face of significant disappointment over the Chinese economic condition, it has gained sharply in the face of a stronger dollar and has even climbed in the face of ongoing rebuilding of Shanghai copper warehouse inventories. However, the copper market is seriously overbought in the net spec and fund long positioning with the rally of \$0.06 after the report likely putting the net spec and fund long up to the highest level since April 2021. Copper positioning in the Commitments of Traders for the week ending April 9th showed Managed Money traders were net long 50,687 contracts after increasing their already long position by 35,325 contracts. Non-Commercial & non-reportable traders are net long 51,009 contracts after net buying 20,740 contracts.



MARKET IDEAS:

While the short-term trend favors the bull camp, we see faltering Chinese copper demand headlines, an overbought technical condition and deteriorating sentiment from the possible expansion of the Middle East conflict thickening resistance May copper at \$4.335.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

| Commitment of Traders - Futures and Options - 4/2/2024 - 4/9/2024 | | | | | | |
|---|----------------|-------------------|--------------|-------------------|--------------|-------------------|
| | Non-Commercial | | | Commercial | | Non-Reportable |
| | Net Position | Weekly Net Change | Net Position | Weekly Net Change | Net Position | Weekly Net Change |
| Metals | | | | | | |
| Copper | 43,960 | +22,793 | -51,009 | -20,740 | 7,049 | -2,053 |
| Gold | 234,504 | -2,070 | -255,103 | -2,088 | 20,599 | +4,159 |
| Palladium | -8,693 | +1,479 | 8,904 | -1,251 | -212 | -229 |
| Platinum | 22,002 | +11,546 | -27,415 | -11,481 | 5,414 | -64 |
| Silver | 52,500 | +348 | -70,744 | -3,840 | 18,245 | +3,492 |

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 (JUN) 04/15/2024: A crossover down in the daily stochastics is a bearish signal. Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. The market's close above the 9-day moving average suggests the short-term trend remains positive. The downside closing price reversal on the daily chart is somewhat negative. The market setup is somewhat negative with the close under the 1st swing support. The next downside target is 2282.4. The next area of resistance is around 2410.5 and 2478.7, while 1st support hits today at 2312.3 and below there at 2282.4.

COMEX SILVER (MAY) 04/15/2024: A crossover down in the daily stochastics is a bearish signal. Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. A positive signal for trend short-term was given on a close over the 9-bar moving average. The downside closing price reversal on the daily chart is somewhat negative. The market tilt is slightly negative with the close under the pivot. The next downside target is 26.639. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 29.027 and 30.408, while 1st support hits today at 27.143 and below there at 26.639.

COMEX PLATINUM (JUL) 04/15/2024: Rising stochastics at overbought levels warrant some caution for bulls. A positive signal for trend short-term was given on a close over the 9-bar moving average. The close over the pivot swing is a somewhat positive setup. The near-term upside objective is at 1028.34. The next area of resistance is around 1006.00 and 1028.34, while 1st support hits today at 975.80 and below there at 967.95.

COMEX COPPER (MAY) 04/15/2024: A bearish signal was triggered on a crossover down in the daily stochastics. Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower 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 next downside target is now at 4.17. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 4.31 and 4.39, while 1st support hits today at 4.21 and below there at 4.17.

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 | | | | | | | | | | |
| GCEM24 | 2361.4 | 68.57 | 70.78 | 88.59 | 82.56 | 2369.10 | 2346.24 | 2280.11 | 2177.29 | 2150.06 |
| SIEK24 | 28.085 | 83.70 | 80.21 | 83.19 | 79.35 | 28.09 | 27.55 | 26.24 | 24.70 | 24.28 |
| PLAN24 | 990.90 | 69.79 | 64.72 | 74.11 | 78.31 | 984.83 | 965.31 | 939.89 | 925.15 | 924.11 |

| | | | | | | | | | | |
|--------|---------|-------|-------|-------|-------|---------|---------|---------|--------|--------|
| CPAK24 | 4.25 | 72.26 | 70.67 | 81.35 | 79.72 | 4.27 | 4.23 | 4.13 | 3.98 | 3.95 |
| PAAM24 | 1059.50 | 56.51 | 55.58 | 54.44 | 58.64 | 1060.68 | 1040.88 | 1023.20 | 998.28 | 989.32 |

Calculations based on previous session. Data collected 04/12/2024

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 | | | | | | |
| GCEM24 | COMEX Gold | 2282.3 | 2312.3 | 2380.5 | 2410.5 | 2478.7 |
| SIEK24 | COMEX Silver | 26.638 | 27.142 | 28.523 | 29.027 | 30.408 |
| PLAN24 | COMEX Platinum | 967.95 | 975.80 | 998.15 | 1006.00 | 1028.34 |
| CPAK24 | COMEX Copper | 4.16 | 4.20 | 4.28 | 4.31 | 4.39 |
| PAAM24 | COMEX Palladium | 1030.75 | 1041.00 | 1067.75 | 1078.00 | 1104.75 |

Calculations based on previous session. Data collected 04/12/2024

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