



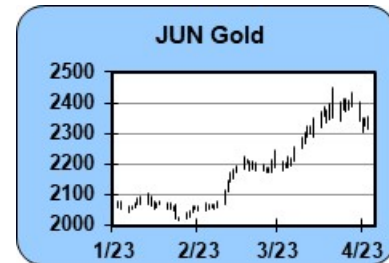
## DAILY METALS COMMENTARY Friday April 26, 2024

### PRECIOUS METALS COMMENTARY 4/26/2024

**Renewed Middle East fear & good Chinese demand = up**

**OVERNIGHT CHANGES THROUGH 3:16 AM (CT):  
GOLD +17.00, SILVER +0.04, PLATINUM +0.96**

**OUTSIDE MARKET DEVELOPMENTS:** Global equity markets overnight were higher except for the All Ordinaries in Australia which traded 1.2% lower! Critical economic news released overnight included a significantly softer than expected Japanese CPI reading for April, declines in Australian imports and exports for the first quarter, steady Australian producer price index readings for the first quarter, no change in Bank of Japan interest rates, a softer than expected French consumer confidence reading for April, a downtick in Spanish retail sales in March, a jump in a Spanish unemployment survey for the first quarter, smaller than expected EU money supply growth and softer than expected euro zone private loans for March. The North American session will start out with March US personal income which is forecast to have a minimal uptick from February's 0.3% reading. March US personal spending is expected to have a modest downtick from February's 0.8% reading. March personal consumption expenditures is forecast to have a minimal uptick from February's 2.5% year-over-year rate. A private survey of April US consumer sentiment is expected to hold steady with the previous 77.9 reading. Earnings announcements include AbbVie, Exxon Mobil, Chevron, Colgate-Palmolive, Phillips 66, and Aon before the Wall Street opening.



**MARKET FUNDAMENTALS:** Once again noted strength in gold and silver prices appears to be taking place in a vacuum, with little change in US interest rates, the dollar and energy prices overnight. However, the bull camp is likely benefiting from a surprise jump in Chinese first-quarter gold consumption which increased by 5.9% from year ago levels. Apparently, mainland China March gold imports through Hong Kong increased by 40% from February giving credence to news earlier this month that Chinese investors were seeking to hold gold to avoid weakness in the domestic currency. Furthermore J.P. Morgan reiterated its view that the gold market remains in a structural bull trend, and they raised their upside target to \$2600 per ounce. Fortunately for the bull camp, yesterday the dollar did not strengthen on bullish dollar data that could have sent it sharply higher. While the PCE reading yesterday was the preliminary reading compiled within the quarterly GDP report, without downtick from 0.3% in the primary monthly PCE reading today, the concern of residual inflation should remain intact. However, looking back to the action over the last several months, the most consistent correlation between surging gold prices and headline developments points to a primary focus on the uncertainty flowing from the Middle East. Therefore, it is likely that a noted portion of this morning's gains are the result of reports of intensified Israeli airstrikes on Rafah in Gaza. While the Israelis are attempting to evacuate civilians, global pressure to avoid mass casualties is not likely to prevent an "all-out assault" of what the Israelis think is a hotbed of Hamas. From a technical perspective, the June gold contract has partially constructed a consolidation pattern with key support levels pegged at \$2,316.40 and then down at \$2,304.60. In today's action, we suspect the monthly PCE reading will have a short-term impact, with the trade focus turning back to the situation in the Middle East and the potential for weekend turmoil.

#### **TODAY'S MARKET IDEAS:**

While the path of least resistance was down in gold and silver at the start of this week, it appears that intensified Israeli airstrikes, stronger than expected Chinese gold consumption in the first quarter, and a reiterated bullish gold price forecast from J.P. Morgan have turned gold and silver back to the upside. Consolidation support remains \$2300 in June gold with closer in pivot point support seen at \$2344.60. Near-term upside resistance is

\$2370.70 in the June gold contract.

**NEW RECOMMENDATIONS:**

None

**PREVIOUS RECOMMENDATIONS:**

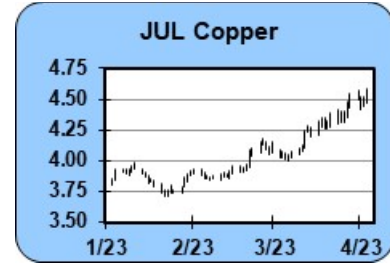
None.

**COPPER COMMENTARY**

4/26/2024

**The bullish vibe has returned with lower Chinese inventories**

**GENERAL:** Apparently, the copper trade has been looking through the clouds hanging over the Chinese economy and has come away with a positive view. Adding to the upside track in copper is a pattern of declining LME copper warehouse stocks this week and more importantly a 4.2% (12,547 ton) decline in weekly Shanghai copper warehouse stocks. Part of the strength in US copper prices is simple catch up buying to the record Shanghai copper price overnight and a two year high in LME copper. Surprisingly, the copper market held in positive territory yesterday despite news that Southern Copper Corp. saw a quarter-over-quarter production increase of 2.6% primarily because of an 8% jump in production at the Buena Vista mine. The increase in production from the company was 7.6% versus the same quarter last year, with their first quarter's net sales showing growth of 13.3%. In the end, with another higher high for the move this morning, the copper bull camp reiterates its control of the trend.



**MARKET IDEAS:**

Even though the copper market has exploded on the upside and the net spec and fund long position is expanding rapidly, we suspect the market retains speculative buying fuel and has not hit a record spec and fund long yet. We suspect some fresh buyers have been pulled in by a very bullish study suggesting \$12,000 copper pricing (basis London) is needed to stimulate new copper mining projects. However, a 4.2% decline in Shanghai weekly copper warehouse stocks and a measure of macroeconomic optimism from this week's global equity market recovery provides the copper market with internal and external bullish fuel.

**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 (JUN) 04/26/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The market's short-term trend is negative as the close remains below the 9-day moving average. The upside closing price reversal on the daily chart is somewhat bullish. A positive setup occurred with the close over the 1st swing resistance. The next downside objective is now at 2299.4. The next area of resistance is around 2364.8 and 2381.8, while 1st support hits today at 2323.6 and below there at 2299.4.

COMEX SILVER (MAY) 04/26/2024: Declining momentum studies in the neutral zone will tend to reinforce lower

price action. A negative signal for trend short-term was given on a close under the 9-bar moving average. The daily closing price reversal up on the daily chart is somewhat positive. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside objective is 26.763. The next area of resistance is around 27.745 and 27.982, while 1st support hits today at 27.135 and below there at 26.763.

COMEX PLATINUM (JUL) 04/26/2024: 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. The daily closing price reversal up on the daily chart is somewhat positive. A positive setup occurred with the close over the 1st swing resistance. The next downside target is now at 899.18. The next area of resistance is around 936.25 and 942.57, while 1st support hits today at 914.55 and below there at 899.18.

COMEX COPPER (MAY) 04/26/2024: 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 market's close above the 2nd swing resistance number is a bullish indication. The next downside objective is now at 4.40. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 4.60 and 4.63, while 1st support hits today at 4.49 and below there at 4.40.

## 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>										
GCEM24	2344.2	51.16	56.54	53.78	40.55	2337.45	2369.59	2357.85	2241.78	2195.87
SIEK24	27.440	47.86	55.43	51.53	37.76	27.33	28.00	27.79	25.70	25.02
PLAN24	925.40	36.33	42.57	29.03	17.13	922.60	944.34	955.43	933.29	927.52
CPAK24	4.54	74.06	73.03	84.28	83.80	4.47	4.43	4.33	4.11	4.03
PAAM24	982.00	36.70	42.72	29.75	20.09	1010.05	1023.44	1032.27	1017.26	998.26

Calculations based on previous session. Data collected 04/25/2024

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>						
GCEM24	COMEX Gold	2299.4	2323.6	2340.6	2364.8	2381.8
SIEK24	COMEX Silver	26.762	27.135	27.372	27.745	27.982
PLAN24	COMEX Platinum	899.17	914.55	920.87	936.25	942.57
CPAK24	COMEX Copper	4.39	4.48	4.51	4.60	4.63
PAAM24	COMEX Palladium	952.12	963.25	989.62	1000.75	1027.12

Calculations based on previous session. Data collected 04/25/2024

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