



PRECIOUS METALS COMMENTARY

5/1/2024

The bears control off hope in the Middle East & FOMC

OVERNIGHT CHANGES THROUGH 3:16 AM (CT):

GOLD -7.30, SILVER +0.00, PLATINUM -0.10

OUTSIDE MARKET DEVELOPMENTS: Global equity markets overnight continued to slide except for the markets in London and Hong Kong which traded fractions of a percent lower. Critical economic news released overnight was limited due to the May Day holiday in China and Europe. Stood a weaker than expected employment change for the first quarter, New Zealand labor cost index readings matched expectations but were slightly lower than the prior month, a New Zealand unemployment rate uptick of 0.3% from the prior month, softer than expected readings for March, softer than expected Japanese bank manufacturing PMI, a slight moderation of GBP Nationwide housing prices, a significant dip in an Australian commodity Index SDR and a better than expected GBP S&P global/CIPS manufacturing PMI reading for April. The North American session will start out with a private weekly survey of mortgage applications followed by the April ADP employment survey which is expected to have a mild downtick from March's 184,000 reading. The April S&P Global US manufacturing PMI is forecast to have a mild downtick from March's 51.9 reading while the April S&P Global Canadian manufacturing PMI is expected to have a minimal uptick from March's 49.8 reading. The April ISM manufacturing index is forecast to have a modest downtick from March's 50.3 reading. The March US JOLTS survey is expected to have a minimal downtick in job opening from February's 8.756 million reading, while March quits are forecast to have a mild uptick from February's 3.484 million reading. The highlight for global markets will come during early afternoon US trading hours with the results of the May FOMC meeting. While the Fed is expected to keep rates unchanged, their post-meeting statements and comments from Fed Chair Powell should provide clues for upcoming rate moves and policy measures. Earnings announcements will include Mastercard, Pfizer, ADP, CVS Health, Marriott, and Kraft Heinz before the Wall Street opening while QUALCOMM, DoorDash, Allstate and Devon Energy report after the close.



MARKET FUNDAMENTALS: The deck is stacked against the bull camps in gold and silver today, with an upside breakout in the dollar, signs of higher treasury yields, fear of a hawkish Federal Reserve statement, and a lack of support from Chinese and European buyers overnight due to the May Day holiday. However, the gold market should derive some underpin from World Gold Council projections of continued brisk global central bank purchases, and signs of positive gold demand from India and China. It should also be noted that Indian gold demand increased by 8% during the January through March timeframe with gold jewelry demand in India increasing by 4% and amounting to a significant percentage of total world gold demand. Unfortunately for the bull camp the WGC expects Indian demand to soften in the short-term in the wake of the record surge in gold prices and strength in the dollar. Therefore, gold should generally find support eventually given supportive longer-term demand views and could find support instantly if the cease-fire deal in the Middle East is rejected by either party. Unfortunately for the bull camp, the charts remain severely damaged and the prospects of improving chances of a US rate cut from today's Fed meeting are very low. In fact, the most recent CME Fed watch tool suggests the odds of a rate cut for the rest of the Fed's 2024 meetings are all below 50%, with December rate cut expectations the highest but only at 42.2%! In conclusion, the trade has nearly extracted the hope for rate cuts this year with residual inflation readings likely to keep the Fed firmly entrenched on the sidelines. However, today will bring the first wave of monthly US jobs related reports with two of the three jobs today expected to signal softening. While the June gold contract has failed at the \$2300 level overnight leaving the chart bias down, we expect narrow trading in the morning action and expect a test of consolidation lows down at \$2285.70 in the early afternoon. In

July silver the overnight trade displayed some respect for yesterday's low and created a suspicious double low support point at \$6.515.

TODAY'S MARKET IDEAS:

What goes up at breakneck pace can correct aggressively, and both gold and silver are likely to remain in aggressive liquidation mode. In addition to bearish outside market influences, the trade is unsure if the Middle East situation will provide flight to quality buying or flight to quality selling from a moderation of tensions from a cease-fire. Unfortunately for the bull camp, chart damage has been severe, the Fed meeting today is likely to bring additional selling pressure and both gold and silver were massively overbought in both spec and fund categories into last Friday's highs!

NEW RECOMMENDATIONS:

None

PREVIOUS RECOMMENDATIONS:

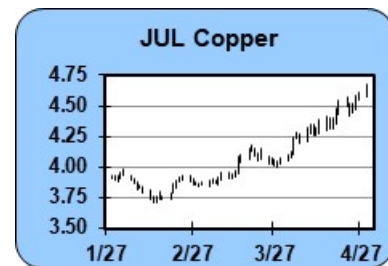
None.

COPPER COMMENTARY

5/1/2024

Bearish charts and macroeconomic pressure favors the Bears

GENERAL: After a new high for the move yesterday, the copper market reversed aggressively and with the lower low today, the market has likely forged a blowoff top. However, the selling yesterday might have been exaggerated by longs with profits on the month scrambling to the sidelines which in turn likely violated a series of chart support levels which in turn likely sparked waves of stop loss selling. We also suspect disappointing Chinese PMI data on Tuesday combined with a stronger dollar overnight and an extremely overbought spec positioning leaves the fundamental bias pointing down. Apparently, Chinese smelters (reported by Reuters to be the largest buyers in the world) are taking notice of the potential BHP/Anglo American merger as they fear battling a large competitor in their space. Overnight the International Copper Study Group reduced its forecasted surplus for 2024 because of lower than expected copper production. Previously the ICSG predicted a lofty 467,000 surplus of copper this year with the latest adjustment potentially signaling a nearly balanced 27 million ton global copper trade.



MARKET IDEAS:

While the copper market managed to rally over the last several weeks in the face of disappointing Chinese economic evidence, this week's Chinese PMI data adds to copper demand fears which in turn leaves the bear camp with an edge. It goes without saying that the copper market was massively overbought with the April rally of \$0.64 and the net spec and fund long (adjusted into the high yesterday) likely reaching the highest level in three years! Furthermore, chart patterns have shifted in favor of the bear camp with short-term technical measures like stochastics shifting into sell mode early this week. Uptrend channel support and a key pivot point in July copper today is \$4.50, with secondary support down at \$4.480.

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) 05/01/2024: 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 close below the 2nd swing support number puts the market on the defensive. The next downside objective is 2265.5. The next area of resistance is around 2326.2 and 2360.7, while 1st support hits today at 2278.6 and below there at 2265.5.

COMEX SILVER (JUL) 05/01/2024: The major trend has turned down with the cross over back below the 40-day moving average. Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The close below the 2nd swing support number puts the market on the defensive. The next downside objective is 25.878. The next area of resistance is around 27.030 and 27.697, while 1st support hits today at 26.120 and below there at 25.878.

COMEX PLATINUM (JUL) 05/01/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The intermediate trend has turned down with the cross over back below the 18-day moving average. The market's close below the pivot swing number is a mildly negative setup. The next upside objective is 972.87. The next area of resistance is around 959.55 and 972.87, while 1st support hits today at 936.45 and below there at 926.68.

COMEX COPPER (JUL) 05/01/2024: The daily stochastics have crossed over down which is a bearish indication. Daily stochastics turning lower from overbought levels is bearish and will tend to reinforce a downside break especially if near term support is penetrated. The close above the 9-day moving average is a positive short-term indicator for trend. The outside day down is a negative signal. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is now at 4.44. The next area of resistance is around 4.62 and 4.73, while 1st support hits today at 4.48 and below there at 4.44.

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	2302.4	38.88	47.42	37.49	24.32	2336.03	2350.10	2361.61	2259.99	2208.44
SIEN24	26.575	32.88	43.17	32.78	19.52	27.37	27.78	28.11	26.22	25.45
PLAN24	948.00	51.89	51.52	27.21	30.48	938.00	935.58	955.33	935.72	928.35
CPAN24	4.55	61.89	64.82	84.92	81.88	4.58	4.53	4.42	4.18	4.09
PAAM24	952.80	32.54	38.37	17.42	12.38	967.68	998.48	1021.93	1015.91	997.37

Calculations based on previous session. Data collected 04/30/2024

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	2265.5	2278.6	2313.1	2326.2	2360.7
SIEN24	COMEX Silver	25.877	26.120	26.787	27.030	27.697
PLAN24	COMEX Platinum	926.67	936.45	949.77	959.55	972.87
CPAN24	COMEX Copper	4.43	4.47	4.58	4.62	4.73
PAAM24	COMEX Palladium	929.65	942.80	949.65	962.80	969.65

Calculations based on previous session. Data collected 04/30/2024

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