



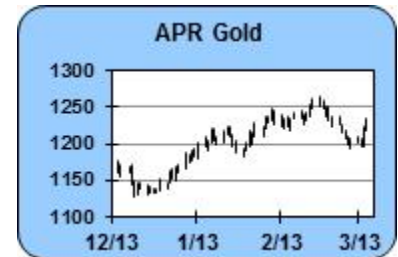
DAILY METALS COMMENTARY Friday March 17, 2017

PRECIOUS METALS COMMENTARY 03/17/17

The bulls have an edge but momentum is set to wane

**OVERNIGHT CHANGES THROUGH 6:05 AM (CT):
GOLD +1.30, SILVER +5.50, PLATINUM +0.80**

OUTSIDE MARKET DEVELOPMENTS: Global equity markets were mixed overnight. The Asian session was relatively quiet, while the European session saw ongoing reaction to ECB comments yesterday regarding the prospect of raising rates. The North American session will start out with a January reading on Canadian manufacturing sales, followed by February industrial production which is forecast to see moderate improvement from January and climb into positive territory. The Conference Board's February reading on leading indicators is expected to slightly downtick from January's +0.6% rate. A major private survey on March consumer sentiment is forecast to have a moderate increase from February's 95.7 reading. Earnings announcements will include Tiffany and Co. before the Wall Street opening.



GOLD / SILVER

All things considered the gold and silver markets have performed stellar in the wake of this week's Fed move. Even more surprising is the markets capacity to discount hints of four interest rate hikes this year. However it is once again clear that the action in the US dollar is the primary driving force for metals prices. The precious metals markets also discounted news of a rate hike by the People's Bank of China in a move that was designed to temper outflows of capital and or support the Chinese currency. However with the gold contract from this week's low to the high posting a rally of \$37 an ounce and the market regaining the \$1225 level the risk to fresh longs is on the rise. On the other hand with the June dollar index falling below the parity level overnight it is possible that gold and silver will be able to carve out modest stepwise gains in the early going today. However prospects of an improvement in Industrial Production later this morning might lift the Dollar but that action should be quickly offset by the US conference Board's leading indicators which are expected to show a slight contraction as that could leave the Dollar trade confused. However March consumer sentiment to be released later this morning is expected to post an improvement and that could save the dollar from finishing the week under pressure. With the April goal contract yesterday falling back to and then rejecting its 50 day moving average it would appear that positive chart signals remain in place to start today. The world's largest gold ETF saw their holdings decline by 2.37 tonnes on Thursday for its first daily decline since last Friday as their holdings remain nearly 12 tonnes higher on the week.

PLATINUM

While platinum and palladium come into the final trading session of the week well above their recent lows, their recent price action may not give much comfort to the bulls especially with platinum yesterday failing to hold the brunt of its rally. Both PGM metals still ended up with sizable gains this week but they left the session yesterday in a fashion that suggests some form of technical reversal. Reports that an Indian investor has bought more than \$2.5 billion in Anglo-American shares may be a positive sign for the PGM sector's demand outlook. As with the precious metals, however, continued weakness in the Dollar may provide the strongest source of near-term support going into the weekend.

TODAY'S MARKET IDEAS:

After a \$37 rally in just two days, April gold appears to have run into resistance/consolidation low resistance at \$1,225.00. Apparently the gold market looks set to hold above its 50 day moving average which comes in today at \$1218.70 but the failure to hold above \$1,222 could damage the confidence of the bull camp quickly. Initial

resistance in April gold this morning is seen at \$1234 with a closer in critical pivot point seen just under the market at \$1223.90. With May silver unable to sustain above its 50 day moving average of \$17.49 and a lower low to start today the silver market appears to be more vulnerable than that gold to modest corrective action today. Close in critical support this morning is seen at \$17.23.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COPPER COMMENTARY

03/17/17

More hard fought gains possible today

GENERAL: Copper has lifted 12 cents above the 2-month low posted last week, but it will have a key hurdle to clear early today to extend this recovery move through the weekend after some initial selling action overnight. In fact May copper could not sustain early strength yesterday but was able to finish Thursday's session above its 50 day moving average of \$2.6720. Production issues at 3 major mines that account for more than 12% of global copper output continue to underpin copper prices, although the Cerro Verde mine in Peru could resume operations if this current strike is declared illegal next week the market is discounting that prospect. Copper is also being boosted by ongoing sluggish action in the Dollar.



MARKET IDEAS:

While the May copper contract overnight fell back below its 50 day moving average it has regained that level and appears to be poised to make another test of the \$2.70 level. Uptrend channel support today in May copper is seen at \$2.6395.

NEW RECOMMENDATIONS:

None

PREVIOUS RECOMMENDATIONS:

None

METALS TECHNICAL OUTLOOK:

Note: Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report.

COMEX GOLD (APR) 03/17/2017: The major trend could be turning up with the close back above the 60-day moving average. The daily stochastics have crossed over up which is a bullish indication. The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market setup is supportive for early gains with the close over the 1st swing resistance. The near-term upside target is at 1242.0. Short-term indicators suggest buying pullbacks today. The next area of resistance is around 1234.2 and 1242.0, while 1st support hits today at 1218.4 and below there at 1210.3.

COMEX SILVER (MAY) 03/17/2017: The major trend could be turning up with the close back above the 60-day moving average. The crossover up in the daily stochastics is a bullish signal. Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. The market's close above the 9-day moving average suggests the short-term trend remains positive. A

positive setup occurred with the close over the 1st swing resistance. The next upside objective is 17.710. Consider buying pull-backs since daily studies are bullish. The next area of resistance is around 17.505 and 17.710, while 1st support hits today at 17.175 and below there at 17.050.

COMEX PLATINUM (APR) 03/17/2017: A bullish signal was given with an upside crossover of the daily stochastics. Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. A positive signal for trend short-term was given on a close over the 9-bar moving average. Market positioning is positive with the close over the 1st swing resistance. The near-term upside objective is at 981.87. Daily studies suggest buying dips today. The next area of resistance is around 969.45 and 981.87, while 1st support hits today at 948.95 and below there at 940.88.

COMEX COPPER (MAY) 03/17/2017: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The cross over and close above the 18-day moving average indicates the intermediate-term trend has turned up. The market has a slightly positive tilt with the close over the swing pivot. The next upside objective is 2.71. The next area of resistance is around 2.69 and 2.71, while 1st support hits today at 2.66 and below there at 2.65.

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										
GCAJ7	1226.3	56.51	53.52	17.57	22.59	1208.18	1209.81	1227.35	1221.21	1205.19
SIK7	17.340	45.91	45.62	12.28	14.51	17.04	17.19	17.68	17.55	17.24
PLAJ7	959.20	43.88	43.08	8.14	10.49	944.03	948.92	981.24	989.83	975.48
CPAK7	2.67	54.90	51.95	29.88	40.66	2.65	2.63	2.67	2.68	2.64

Calculations based on previous session. Data collected 03/16/2017

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						
GCAJ7	COMEX Gold	1210.2	1218.3	1226.1	1234.2	1242.0
SIK7	COMEX Silver	17.050	17.175	17.380	17.505	17.710
PLAJ7	COMEX Platinum	940.87	948.95	961.37	969.45	981.87
CPAK7	COMEX Copper	2.64	2.66	2.67	2.69	2.71

Calculations based on previous session. Data collected 03/16/2017

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

***This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Opinions expressed are subject to change without notice. Any information or recommendation contained herein: (i) is not based on, or tailored to, the commodity interest or cash market positions or other circumstances or characterizations of particular investors or traders; (ii) is not customized or personalized for any such investor or trader; and (iii) does not take into consideration, among other things, risk tolerance, net worth, or available risk capital. Any use or reliance upon the information or recommendations is at the sole discretion and election of the subscriber. The risk of loss in trading futures contracts or commodity options can be substantial, and traders should carefully consider the inherent risks of such trading in light of their financial condition. Any reproduction or retransmission of this report without the express written consent of Lakefront Futures is strictly prohibited.