



## DAILY METALS COMMENTARY Wednesday March 29, 2017

### PRECIOUS METALS COMMENTARY

03/29/17

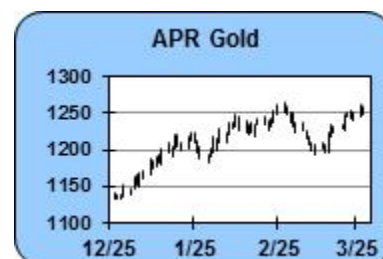
#### Lower risk anxiety leads to mild pressure on precious metals

#### OVERNIGHT CHANGES THROUGH 6:05 AM (CT):

**GOLD** -3.60, **SILVER** -8.20, **PLATINUM** -1.70

**OUTSIDE MARKET DEVELOPMENTS:** Global markets calmed down after their recent volatile price action and have taken a more positive risk tone. The market appears to be more accepting that there will be two more Fed rate hikes in 2017, which in turn helped to improve risk appetites going into quarter-end.

While there were few major economic numbers from Asia or Europe, the US had a much better than expected consumer confidence reading that reached its highest level since December of 2000. US equities regained upside momentum to post moderate gains. Treasuries fell back from early highs and ultimately ended with fairly heavy losses, while the Dollar put together a sharp rally. European stocks for the most part have started out with a mildly positive tone, and once again were led by moderate gains in the German DAX index. There have been few major economic numbers of note in Asia or Europe, with market focus on the UK signing their Article 50 letter which officially begins their "Brexit" process of formally leaving the EU. The North American session will start out with a weekly reading on mortgage applications, followed by February pending home sales that are forecast to see a moderate increase from their January reading.



#### GOLD / SILVER

The precious metals markets are finding moderate pressure this morning while staying within inside-day ranges as risk concerns remain subdued, but have not been fully extinguished. With higher bond yields, a jump in the US dollar and the overbought condition of the market, a short-term setback for gold and silver may be in order. The gold market kept within a relatively tight trading range yesterday. While the Dollar climbed well into positive territory, it remains at the lower end of its recent downmove which in turn continues to provide gold with some underlying support. Silver continued to outperform gold as it climbed above its 200-day moving average for the first time since early March as well as reaching a new 3 1/2 week high. The surge in the US stock market was more of a positive force for silver, and this helped to support the market. The world's largest gold ETF saw their holdings fall by 1.77 tonnes on Tuesday and despite the recent ups and downs in risk anxiety, have stayed in less than a 4 tonnes range since the beginning of last week.

#### PLATINUM

In spite of improving risk appetites, both PGM metals were on the defensive yesterday and have shown little recovery action during today's early activity as platinum continues to lose ground to palladium. There are reports that South African President Zuma ordered his Finance Minister and Deputy Finance Minister home from an investment roadshow in London, which has sent a chill throughout their nation's financial markets and triggered a selloff in their currency. South African platinum mining companies are already in poor shape financially, so a slumping currency and economic uncertainty could encourage them to increase their output of platinum going forward.

#### TODAY'S MARKET IDEAS:

The gold market felt the brunt of reduced anxiety for financial markets and a turn back up in the US dollar. While slightly overbought, however, other technical signals are still mostly positive with a steady rise in open interest and no chart signals of a short-term peak. June gold key support levels come in at \$1,241.30 and \$1,233.00. Close-in resistance is at \$1,257.10. New buyers can wait for a test of support to buy looking for a longer-term objective of \$1,294.80 if the February highs are violated. May silver is overbought basis the COT report and basis

traditional technical indicators and have closed higher in 8 of the last 9 trading sessions. Stiff resistance is at \$18.4650 with support back at \$17.8850 and \$17.6850. Near-term support for July platinum is at \$952.50 while near-term support for June palladium is at \$787.00.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

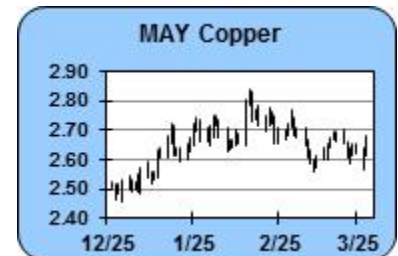
None.

## COPPER COMMENTARY

03/29/17

### Remains well supported after near-term pullback

**GENERAL:** After reaching a new 1-week high, copper prices have found moderate pressure early in today's trading. Even so, few commodities have benefited more from this week's positive turnaround in risk sentiment than copper which even after today's early pullback is nearly 10.00 cents (3.8% higher) from Monday's low. Copper prices followed through on Monday's huge recovery move by posting a sizable gain yesterday. Stronger global demand vibes for copper have been underscored by a tenth straight daily decline in LME copper warehouse stocks as well as a recovery in US equity markets. Copper was able to climb higher in spite of news that work will resume at the Escondida mine in Chile later this week, which follows news that the Grasberg mine in Indonesia will restart their operations.



**MARKET IDEAS:**

The fact that copper prices were able to recover without the benefit of Escondida and Grasberg work stoppages indicates that demand prospects are strong enough to provide underlying support to the market. However, key US and Chinese economic data later this week as well as LME and Shanghai exchange stocks readings will need to avoid any negative surprises for copper to break out above its recent consolidation. Near-term support for May copper will be at \$2.6150 while resistance is at \$2.6905.

**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 (JUN) 03/29/2017:** Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market tilt is slightly negative with the close under the pivot. The near-term upside objective is at 1265.9. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 1259.6 and 1265.9, while 1st support hits today at 1248.8 and below there at 1244.2.

**COMEX SILVER (MAY) 03/29/2017:** 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 near-term upside target is at 18.396. The market is becoming somewhat overbought now that the RSI is over 70. The next area of

resistance is around 18.297 and 18.396, while 1st support hits today at 18.063 and below there at 17.927.

COMEX PLATINUM (JUL) 03/29/2017: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. The close below the 2nd swing support number puts the market on the defensive. The near-term upside objective is at 982.30. The next area of resistance is around 968.30 and 982.30, while 1st support hits today at 946.50 and below there at 938.70.

COMEX COPPER (MAY) 03/29/2017: The major trend could be turning up with the close back above the 60-day moving average. Positive momentum studies in the neutral zone will tend to reinforce higher price action. The market now above the 18-day moving average suggests the intermediate-term trend has turned up. With the close higher than the pivot swing number, the market is in a slightly bullish posture. 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 2.64 and below there at 2.60.

### 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>										
GCAM7	1254.2	72.89	66.16	77.74	87.67	1254.85	1246.93	1230.04	1231.18	1222.23
SIAM7	18.180	75.25	66.36	62.25	80.35	17.91	17.66	17.45	17.67	17.46
PLAN7	957.40	41.74	42.86	43.35	50.44	967.98	968.49	962.32	991.26	986.46
CPAK7	2.66	54.53	51.68	51.05	58.24	2.64	2.65	2.64	2.68	2.66

Calculations based on previous session. Data collected 03/28/2017

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>						
GCAM7	COMEX Gold	1244.1	1248.7	1255.0	1259.6	1265.9
SIAM7	COMEX Silver	17.926	18.062	18.161	18.297	18.396
PLAN7	COMEX Platinum	938.70	946.50	960.50	968.30	982.30
CPAK7	COMEX Copper	2.59	2.63	2.65	2.69	2.71

Calculations based on previous session. Data collected 03/28/2017

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