



## PRECIOUS METALS COMMENTARY

04/21/17

**A lack of direction again despite geopolitical issues!**

### OVERNIGHT CHANGES THROUGH 3:15 AM (CT):

**GOLD -1.50, SILVER -6.30, PLATINUM -2.60**

**OUTSIDE MARKET DEVELOPMENTS:** Global equity markets were mixed overnight with Asian stocks higher and the rest of the world generally weaker. The Asian session featured a "flash" reading for the Markit Japanese manufacturing PMI which showed acceleration. The European session also started out with "flash" Markit manufacturing PMI readings from around Europe. French & German PMI readings were positive and Euro zone activity reached a 6 year high. Furthermore while March UK retail sales were forecast to see a modest downtick from February's of 3.7% year-over-year they declined less than half of the anticipated level. The North American session will start out with March Canadian CPI which is expected to have a modest downtick from February's 2.0% year-over-year rate. The Markit "flash" US manufacturing PMI is forecast to see a minimal uptick from March's 53.3 reading. March existing home sales are expected to see a moderate increase from February's 5.48 million annualized rate. Minneapolis Fed President Kashkari will speak during morning US trading hours. Earnings announcements will include General Electric, Schlumberger, Honeywell and NextEra Energy before the Wall Street opening.



## GOLD / SILVER

In retrospect, the action in gold this week has to be extremely discouraging to the bull camp as the overnight wire Wednesday posted a long list of fresh concerning incendiary developments, and yet gold has remained off balance since then. As indicated in our Thursday morning coverage, the Russians appear to have stepped up with several aggressive moves in both Syria and Alaska, and yet those issues also didn't provide gold with a solid renewed safe haven bid. The precious metals markets also seemed to discount a Wednesday evening news story where North Korea produced a video depicting their missile destruction of the United States, but perhaps the US decided to ignore rather than counter and give the act credence. With the added disappointment of weak action in the face of declines in the dollar yesterday, it would appear as if gold is simply in need of a pause and the bull camp needs to be on watch against additional declines. However, the French election still looms ahead, the Russians probably won't back down until there is a US counter response and ISIS is claiming credit for the shooting in Paris and that leaves some measure of safe haven interest in the headlines. While July silver failed at the even number \$18.00 level, it did manage to reject that slide and that could be the result of news of lower silver output in Peru from earlier in the week but it could also be from news that Hecla Mining showed preliminary silver output to have declined by 1.2 million ounces versus the same period last year. Unfortunately, the bull camp might need positive leadership from gold or definitively upbeat industrial commodities action to throw off the downward slide from this week. Traders might be on the lookout for a week ending short covering bounce but only if prices falter early today. In fact favorable Euro zone and Japanese economic data overnight might foster a negative gold and silver condition to start today.

## PLATINUM

While the fundamental justification for the significant range up move in palladium is lacking, we suspect some of the gains were the result of much stronger-than-expected European car sales and the shift yesterday back into a fairly impressive and surprising risk on mentality in US equities. With volume picking up on the low action this week in palladium and the market generally respecting long-term uptrend channel support, it is difficult to argue against a return back toward the April 5th high. Platinum on the other hand has much less ground to cover before it reaches the mid-April high, and it should probably continue to lag behind palladium. The next significant

resistance point in June palladium is seen at \$809.85.

**TODAY'S MARKET IDEAS:**

We are hesitant to call for an end to the corrective pattern in place this week, especially in the wake of initial positive international economic data this morning and the failed reaction to recent geopolitical headlines. However as we have been indicating all week long, the geopolitical hot spots have yet to be solved and are likely to remain a factor. Uptrend channel support in June gold today comes in at \$1,269.60 with closer in support seen at \$1,275.40. The 50 day moving average in July silver was violated yesterday but the market rejected that probe which should leave the \$17.97 level as a key bull/bear line today.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

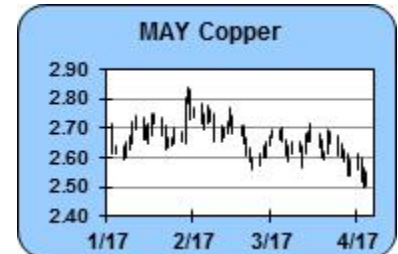
Long July gold \$1,300 call from \$19.00 with an objective of \$46.00. \* Use a stop at \$9.00.

**COPPER COMMENTARY**

04/21/17

**Consistent respect of \$2.50 needed to firm up low prospects**

**GENERAL:** With an inside day yesterday following three days of aggressive declines, it is possible that May copper has found a value zone on the charts. In fact with a very significant decline in Shanghai weekly copper stocks figures overnight and much stronger than expected Euro zone PMI data there is even more justification for an interim low to remain in place. However, it could still take it sustained strength in equities to firm up support above \$2.50, as the copper market was presented with a 51,000 ton world refined copper surplus forecast for the month of January yesterday.



**MARKET IDEAS:**

While copper has shown some indication of a possible technical low, it is unclear if the fundamental track will support prices going forward without ongoing optimism in equities and relative calm from the geopolitical front. News from the International Copper study Group regarding a 51,000 ton surplus in January would seem to leave a cloud hanging over prices. Downtrend channel resistance off the April highs comes in today at \$2.5600, and a close above \$2.5635 might be needed to turn the trend up.

**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) 04/21/2017: A crossover down in the daily stochastics is a bearish signal. 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 market's short-term trend is positive on the close above the 9-day moving average. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is 1275.4. The next area of resistance is around 1287.1 and 1289.7, while 1st support hits today at 1279.9 and below there at 1275.4.

COMEX SILVER (MAY) 04/21/2017: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market setup is somewhat negative with the close under the 1st swing support. The next downside target is now at 17.644. The next area of resistance is around 18.192 and 18.393, while 1st support hits today at 17.818 and below there at 17.644.

COMEX PLATINUM (JUL) 04/21/2017: The cross over and close above the 40-day moving average indicates the longer-term trend has turned up. Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. A positive signal for trend short-term was given on a close over the 9-bar moving average. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next upside target is 994.50. The next area of resistance is around 989.50 and 994.50, while 1st support hits today at 973.70 and below there at 962.90.

COMEX COPPER (MAY) 04/21/2017: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The market's short-term trend is negative as the close remains below the 9-day moving average. The market has a slightly positive tilt with the close over the swing pivot. The next downside objective is 2.49. The next area of resistance is around 2.56 and 2.58, while 1st support hits today at 2.52 and below there at 2.49.

## 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	1283.5	65.28	64.98	81.84	80.65	1288.23	1278.32	1266.26	1247.62	1241.03
SIAM7	18.005	44.07	49.12	65.68	53.24	18.24	18.23	18.23	17.91	17.83
PLAN7	981.60	57.28	54.66	65.65	71.20	980.30	970.96	965.41	976.98	984.00
CPAK7	2.54	37.42	39.64	23.82	20.80	2.55	2.58	2.61	2.65	2.66

Calculations based on previous session. Data collected 04/20/2017

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	1275.3	1279.8	1282.5	1287.1	1289.7
SIAM7	COMEX Silver	17.643	17.817	18.018	18.192	18.393
PLAN7	COMEX Platinum	962.90	973.70	978.70	989.50	994.50
CPAK7	COMEX Copper	2.48	2.51	2.53	2.56	2.58

Calculations based on previous session. Data collected 04/20/2017

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