

PRECIOUS METALS: Gold & Silver see profit-taking selling after warm USA Consumer Price Index (CPI)

April Gold -&- May Silver prices are lower near midday Tuesday, in the aftermath a key U.S. inflation report that came in just a bit warmer than market expectations and prompted some profit taking. April gold was last down \$21.20 at \$2,167.70. May silver was last down \$0.285 at \$24.43.

The U.S. data point of the week saw the consumer price index for February come in just a bit warmer than expected, at up 3.2%, year-on-year, versus market expectations for a rise of 3.1%, and compares to a rise of 3.1% seen in the January report. The core CPI number for February was up 3.8% compared to expectations of up 3.7% and up 3.9% seen in the January report. The slightly warmer CPI readings boosted the U.S. dollar index a bit, while U.S. Treasury yields up-ticked. **JP Morgan chief Jamie Dimon said overnight the Federal Reserve should wait until after June to lower interest rates.**

The key outside markets today see the U.S. dollar index modestly up. New York crude oil prices are firmer and trading around \$78.50 a barrel. The yield on the benchmark 10-year U.S. Treasury note is presently fetching 4.149%.

Technically, April Gold futures bulls still have the strong overall near-term technical advantage. A steep four-week-old uptrend is in place on the daily bar chart. Bulls' next upside price objective is to produce a close above solid resistance at the contract high of \$2,203.00. Bears' next near-term downside price objective is pushing futures prices below solid technical support at \$2,100.00. First resistance is seen at today's high of \$2,190.80 and then at the contract high of \$2,203.00. First support is seen at today's low of \$2,158.20 and then at \$2,150.00.

May Silver futures prices scored a bearish "outside day" down today after hitting a nine-week-high early on. The silver bulls still have the overall near-term technical advantage. Silver bulls' next upside price objective is closing prices above solid technical resistance at \$26.00. The next downside price objective for the bears is closing prices below solid support at \$23.00. First resistance is seen at today's high of \$24.90 and then at \$25.00. Next support is seen at today's low of \$24.22 and then at \$24.00.