

**R21 ESMA COMEX Copper is \$2.757/lb.**

**COMEX Copper is \$2.7565/lb.**

%HG [10]	LAST: 2.7565	CHANGE: ▲ 0.0125	HIGH: 2.7640	LOW: 2.7560	10/29/2018
	EMA (%HG,21) = 2.7570	EMA (%HG,21) = 2.7570	EMA (%HG,21) = 2.7570		



**PSP R21 ESMA COMEX is \$2.82/lb. and was set July 25, 2018.**

**September ME Avg COMEX is \$2.6763/lb. October MTD Avg COMEX Copper is \$2.7697/lb.**

**Upward Price Pressure**

The agreement reached recently between the USA, Canada, and Mexico to execute the revised and new NAFTA Trade agreement will provide positive support to global markets and commodities. USA September Employment report posted solid overall in Jobs created, Unemployment Rate, Participation Rate, Hourly Earnings, and Hours worked. These labor and employment metrics indicate a solid USA economy and a tightening employment market. Two other factors supporting copper prices: (1) expected increasing demand for copper (and Cobalt and Nickel) for Electric Vehicle and Battery manufacturing; (2) many large global major copper mines are expected to have issues in 2018 negotiating expiring labor and collective bargaining agreements. These factors will respectively have impacts on raising demand and reducing supply for Copper. The above factors provide positive support to copper prices.

**Downward Price Pressure**

The USD is rising against the EURO. This currency dynamic influences lower copper prices. The price of COMEX Copper is being influenced down by recently reported China data that indicates the economy of the world's largest consumer of copper is slowing. Recent sharp COMEX copper volatility is being driven by global Trade disputes and the corresponding uncertainty caused by potential commodity and trade goods demand disruptions and price tariffs. The USA Federal Reserve increased the Federal Funds Rate .25% in September and has stated its intention of raising interest rates 3 or 4 times in 2018. The above downward factors combined with rising geopolitical risk and global trade tariff related concerns influence and drive commodities, copper, and USA Exports lower.

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