

R21 ESMA COMEX Copper is \$2.794/lb.**COMEX Copper is \$2.722/lb.****PSP R21 ESMA COMEX is \$2.82/lb. and was set July 25, 2018.****July ME Avg COMEX is \$2.7915/lb.****August MTD Avg COMEX Copper is \$2.7276/lb.****Upward Price Pressure**

USA July 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. USA June Housing Starts report posted weak YOY results in Starts, Completions, and Permits. New Housing Construction in June weakened as an element of the overall USA economy. 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 June 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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