

**R21 ESMA COMEX Copper is \$2.91/lb.**

**COMEX Copper is \$2.934/lb.**



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

**March ME Avg COMEX is \$2.9051/lb.**

**April MTD Avg COMEX Copper is \$2.9238/lb.**

**Upward Price Pressure**

The USD is weak against the EURO. This currency dynamic supports higher copper prices. Markets are also supported by favorable China economic data, positive initial Q1 Corp Earnings reports, and positive expectations regarding the USA and China Trade and Tariff talks. The USA suspended the scheduled March 1 China Tariff increase as the USA and China Trade Talks are proceeding in a positive direction. One other factor supporting copper prices is the expected increasing demand for copper (and Cobalt and Nickel) for Electric Vehicle and Battery manufacturing. These factors will respectively have impacts on raising demand and reducing supply for Copper and provide positive support to copper prices.

**Downward Price Pressure**

Recently reported February Housing Starts fell 8.7% MOM and Residential Building Permits fell 1.6% MOM. Housing Starts are down YTD 2019 8.2% YOY and Permits are down YTD 1.9% YOY. These results indicate that Housing Construction and Authorized Building Projects are off to a slow start in 2019. USA January 2019 New Home Sales results were weak. January 2019 New Home Sales fell 6.9% MOM to an annualized rate of 607K units versus a Forecast of 622K units. 2019 New Homes Sales also declined 4.1% YOY same month January. These weak New Home Starts, Permits, and Sales results indicate a softening in the New Home Construction component of the overall USA economy. Recent COMEX copper volatility is also being driven by global Trade disputes and the corresponding uncertainty caused by potential commodity and trade goods demand disruptions and price tariffs. The above downward factors combined with rising geopolitical risk and global trade tariff related concerns influence and drive commodities, copper, and USA Exports lower.

THE INFORMATION IN COPPEROUTLOOK IS FOR GENERAL PURPOSES ONLY AND WAS DRAWN FROM THIRD-PARTY PUBLIC SOURCES, INCLUDING FUTURESOURCE.COM. WHILE HONEYWELL BELIEVES, SUCH THIRD-PARTY INFORMATION IS RELIABLE, WE DO NOT GUARANTEE ITS ACCURACY, TIMELINESS OR COMPLETENESS. THE MATERIAL ON THIS WEBSITE DOES NOT CONSTITUTE ADVICE AND YOU SHOULD NOT RELY ON IT FOR MAKING INVESTMENT DECISIONS. HONEYWELL DOES NOT MAKE RECOMMENDATIONS FOR BUYING OR SELLING COPPER. THIS SITE MAY CONTAIN STATEMENTS, ESTIMATES OR PROJECTIONS THAT CONSTITUTE "FORWARD-LOOKING STATEMENTS" AS DEFINED UNDER U.S. FEDERAL AND OTHER JURISDICTIONS SECURITIES LAWS. ANY SUCH FORWARD LOOKING STATEMENTS ARE INHERENTLY SPECULATIVE AND ARE BASED ON CURRENTLY AVAILABLE INFORMATION, OPERATING PLANS AND PROJECTIONS ABOUT FUTURE EVENTS AND TRENDS. AS SUCH, THEY ARE SUBJECT TO NUMEROUS RISKS AND UNCERTAINTIES. ACTUAL RESULTS AND PERFORMANCE MAY BE SIGNIFICANTLY DIFFERENT FROM HISTORICAL EXPERIENCE AND OUR PRESENT EXPECTATIONS OR PROJECTIONS. OUR WEBSITE UNDERTAKES NO OBLIGATION TO PUBLICLY UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS.