

R21 ESMA COMEX Copper is \$2.411/lb.

COMEX Copper is \$2.105/lb.



PSP R21 ESMA COMEX is \$2.63/lb. and was set August 22, 2019

Feb Avg COMEX is \$2.5847/lb.

Mar 2020 MTD Avg COMEX Copper is \$2.4245/lb.

**Upward Price Pressure**

The USA Federal Reserve recently lowered USA short term interest rates to 0% to .25% and added \$1.5T in liquidity to the Financial and Treasury Markets to support the Financial System and Economy. The USA Congress is also negotiating an estimated \$2T+ economic stimulus plan to help alleviate the negative impact on the USD economy and financial system of the virus. The USA and China have agreed to and mutually executed the USA/China Phase 1 Trade deal. The USA and China have also agreed to negotiate a longer term, comprehensive, and structurally focused Phase 2 Trade Deal. One other factor supporting copper prices is the expected increasing demand for copper (and Cobalt, Lithium, Vanadium, 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**

The USD is rising against the EURO. This currency dynamic influences lower copper prices. Recently reported USA and China Q1 2020 manufacturing and economic data indicate a significant negative impact on the 2 largest economies in the world caused by the virus. The extended China New Year Holiday and expanding Corona Virus negative impact on Manufacturing, Supply Chains, and the overall China and Global economies; Global Oil Price War between major producers; ECB lower interest rate policy moves driving a weaker EURO; and a high level of geopolitical risk and global economic and trade tariff related concerns influence and drive commodities, copper, and USA Exports lower.

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