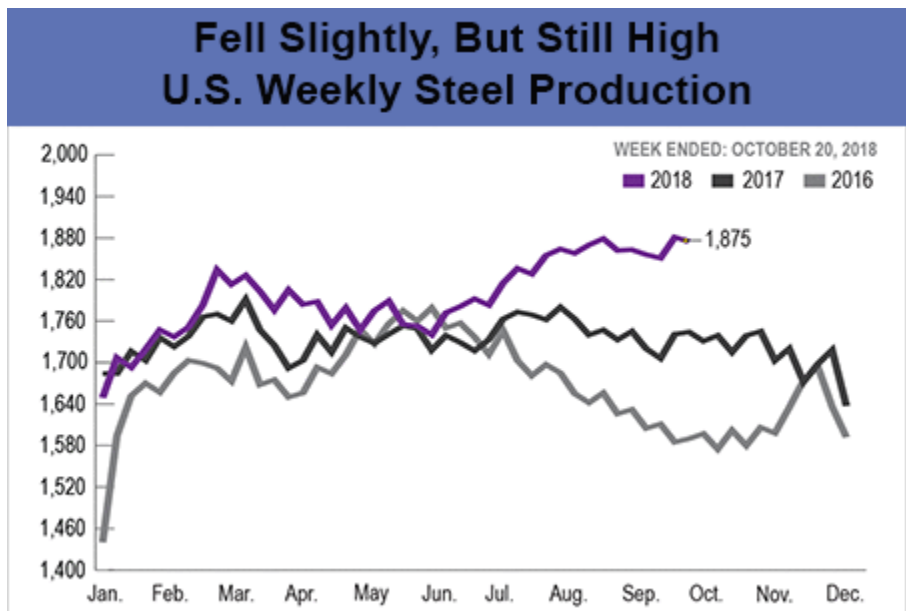
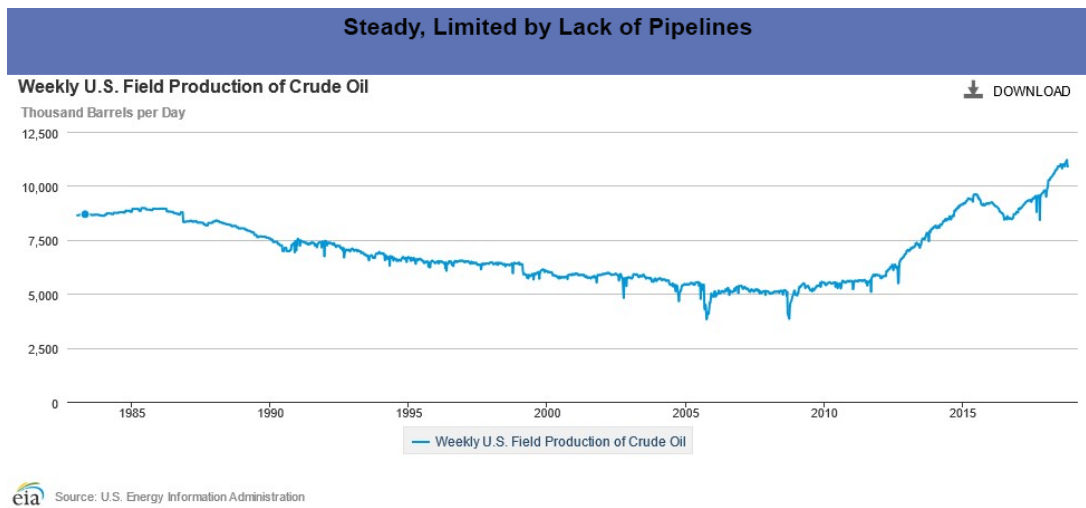


Last week commodity prices and economic reports were mostly mixed.



U.S. steel production fell slightly remaining near a Multi-year high as tariffs continue to reduce imports and as higher prices are starting to hurt demand.



U.S. weekly oil production remained at 10.9M Barrels a day, near the recent 11.2M record. A lack of pipelines hurting production.

Fell On Strong Saudi Arabian Production

CRUDE OIL



SOURCE: TRADINGECONOMICS.COM | OTC

Oil fell about \$2/barrel to \$67.59 as markets remain concerned about global slowing and as Saudi Arabia has increased production to keep the U.S. happy thereby helping U.S. consumers and businesses.

Up On Good Demand

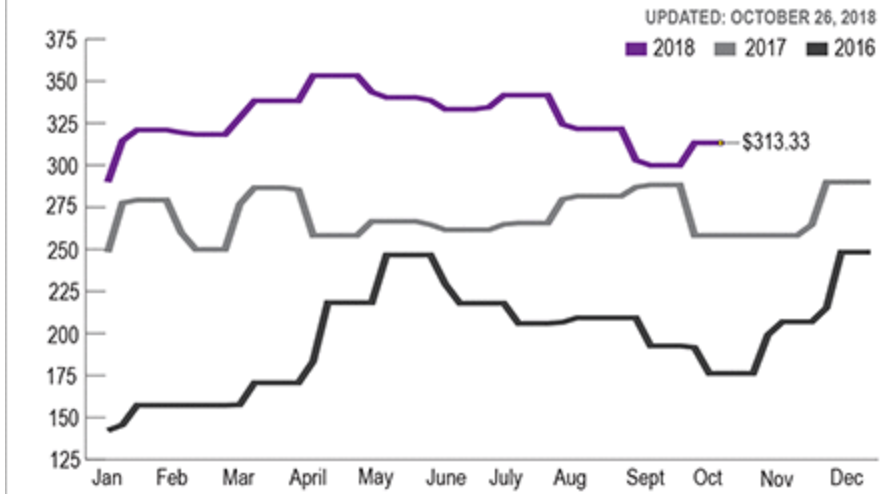
IRON ORE



SOURCE: TRADINGECONOMICS.COM | OTC

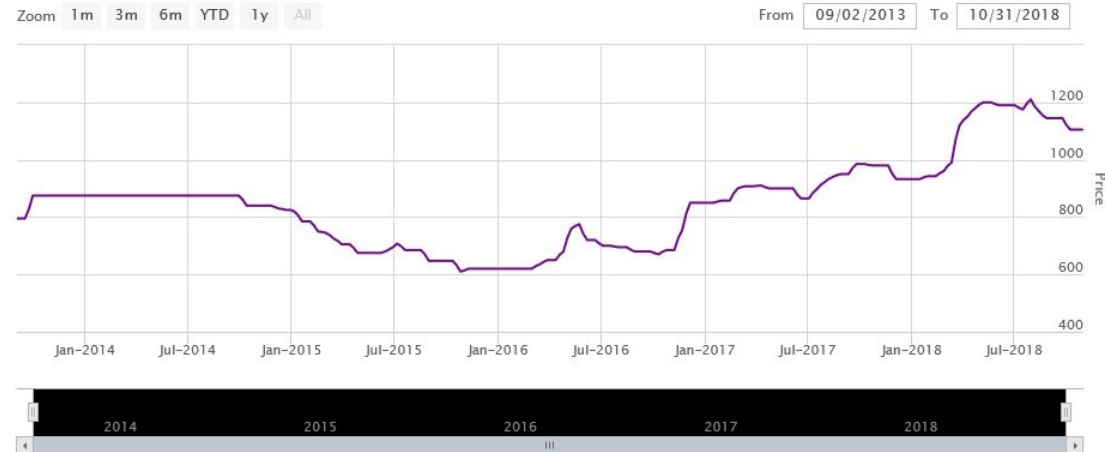
Iron ore rose \$2.00/Ton to \$75.50 on good global and China demand. Remember that China is more than half the world's steel production.

Steady, Heading Bit Higher? Scrap Steel #1 Heavy Melt



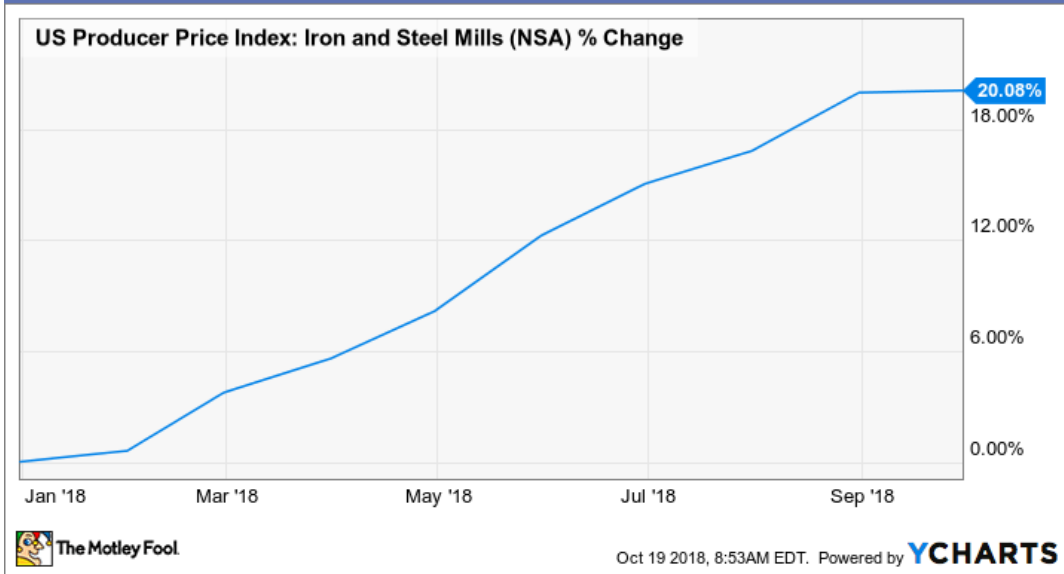
Scrap steel #1 Heavy Melt remained at \$313/GT on good demand and word is prices could be slightly up in November on ok demand.

Steady, At High Level Hot Dipped Steel Coil



Hot roll coiled steel remained at \$1,105 on continued good, but some softening demand.

U.S. Steel Overall Up 20% In Past 10 Months



Overall steel prices in the U.S. are up about 20% this year, mainly due to tariffs. The imports of steel, aluminum and more, continue to come in to the U.S. but at a lower rate and the U.S. government is collecting billions of dollars of tariffs on these imports from U.S. companies. These new billions of dollars which are being collected from U.S. businesses are going to help the U.S. government pay for the large tax cuts many received.

Down On Nervous Markets

COMEX:HGZ2018, D 2.7410 ▼ -0.0135 (-0.49%) O: 2.7525 H: 2.7540 L: 2.7075 C: 2.7410



Copper fell 4 cents to 2.74/lb. as markets remain nervous about global slowing.

Steady In Recent Weeks



The 5-year copper chart shows prices remain in a tight range for the past about 5 weeks, as markets look for a direction.

Fell, Near One Year Low



Aluminum fell 1.3 cents to 89.3 cents, near a one year low on nervous global markets and slowing housing and automotive markets.

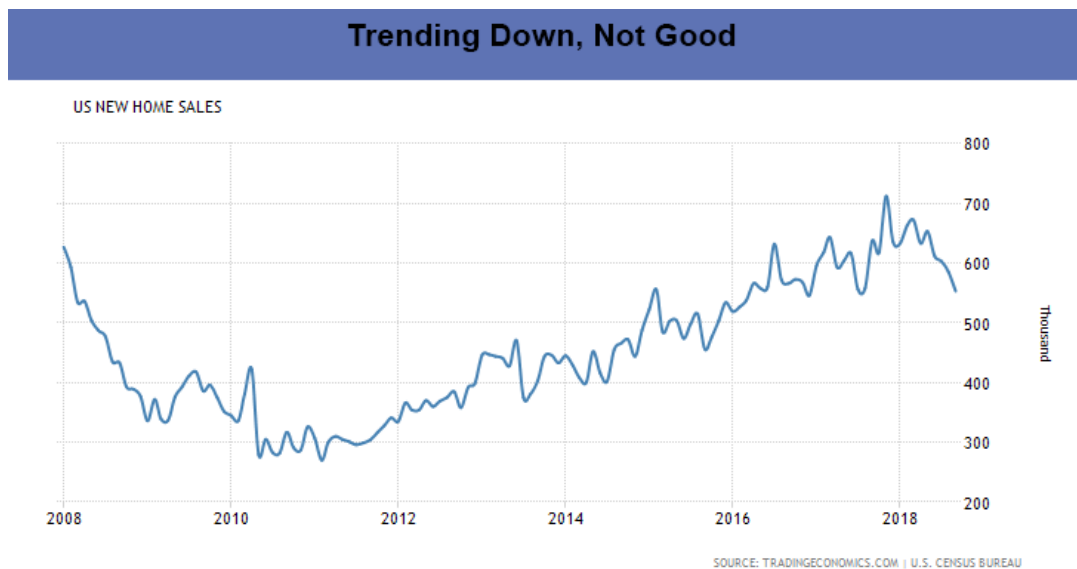
Great Third Quarter Earnings
16% Higher Prices, 6% Higher Volume



Nucor, the nation's largest steel company had great Q3 earnings and is on track for record annual profits, driven by a great 92% operating rate, in Q3, vs. last year's 84% and an outstanding 16% higher average sales price, with a solid 6% higher volume.



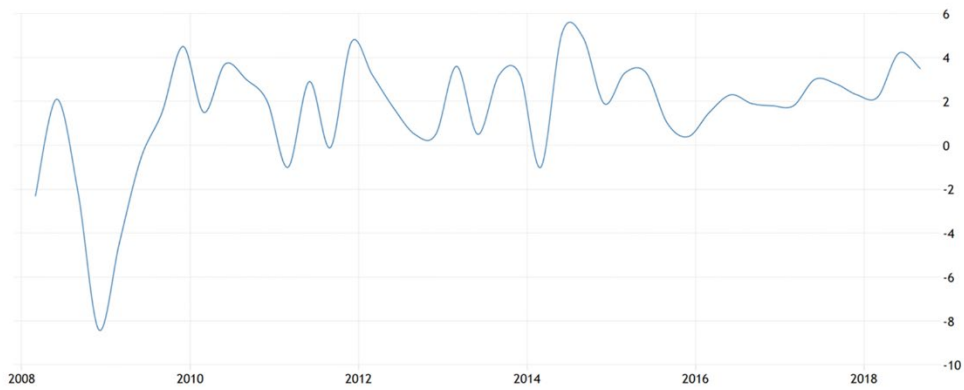
Caterpillar announced their highest 3rd Quarter earnings in company history, but their stock price crashed, fell hard, due management saying steel price increases due to tariffs were starting to hurt profitability.



September sales of single-family homes dropped 5.5%, their lowest rate since 2016. The NE had its lowest since April 2015. After 8 years of increases sales have been trending down for about a year.

Down, But a Solid 3.5%

US GDP GROWTH RATE



SOURCE: TRADINGECONOMICS.COM | U.S. BUREAU OF ECONOMIC ANALYSIS

Third Quarter U.S. GDP Growth was a very solid 3.5%. While down from last quarter's 4.2%, these numbers are closer to the 5.2% growth of 4 years ago. The economy remains very good, but there are signs of slowing.

Rose, 5 Month High U.S. Manufacturing Index



October's Manufacturing Purchasing Manager's Index rose to 55.9, the strongest since May on increased new business creation and strong employment growth, but hurt by a slowdown in output as orders for exports shrank.

Down, Lost All of 2018 Gains

DOW JONES INDUSTRIAL AVERAGE



SOURCE: TRADINGECONOMICS.COM | OTC/CFD

Wall Street's Dow Jones Industrial average fell a big 756 points to 24,688, losing all of 2018 gains on higher interest rates, signs of a slowing economy and as the huge injection of cash due to tax cuts will continue, but is not repeatable year over year.

Trump bump				
CNBC				
Employment				
Measure	Pre-election	Through 9/18	Change	
Avg hourly earnings	\$25.88	\$27.24	5%	↑
Labor participation rate	62.8%	62.7%	-0.1	↓
Nonfarm employees (millions)	145.1	149.5	4.4	↑
Unemployment rate	4.9%	3.7%	-1.2	↓
Surveys				
Consumer confidence	101	138	37	↑
ISM manufacturing	52	60	8	↑
NFIB Small Biz Optimism	95	108	13	↑
Government				
Assets held by the Fed (\$trillion)	\$4.52	\$4.22	-6%	↓
Budget deficit (% of GDP)	2.90%	12.50%	9.6 pp	↑
Corp tax rate	35%	21%	(14) pp	↓
Federal debt (\$ trillion)	\$19.8 T	\$21.5 T	9%	↑
Markets				
Nasdaq 100	4,861	7,178	48%	↑
S&P 500	2,126	2,810	32%	↑
S&P 500 fwd P/E	17X	16.3X	(0.7X)	↓
S&P EPS	\$117	\$140	20%	↑
Rates				
10-year Treasury yield	1.80%	3.10%	121 bp	↑
Fed funds rate	0.30%	2.20%	187 bp	↑

You may want to freeze the following chart. It has great data. It shows the many good things, as part of the Trump Bump, such as increases in earnings, employment, stock prices, business confidence and more. Really great news. At the same time, it shows Government Budget deficits are up and government debt is increasing, not decreasing despite a very solid economy.

Lastly, may the victims of this weekend's shooting, rest in peace and may their memory be a blessing.

As always, feel free to call or email me with any questions and we hope all have a Safe and Profitable week.