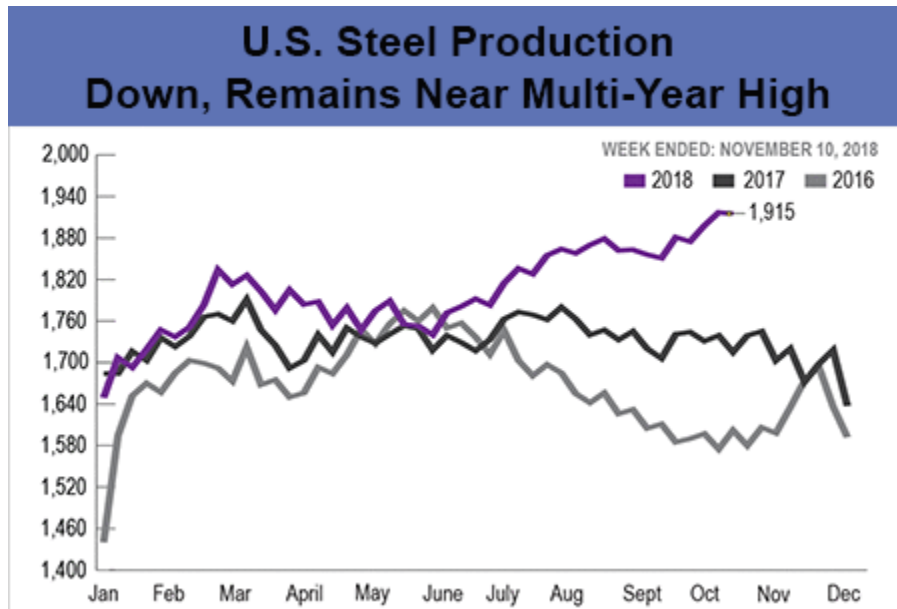


Last week commodity prices and economic reports were mostly mixed.



U.S. steel production fell slightly, remaining high as tariffs continue to support higher demand and prices, as well as on good remains U.S. demand.

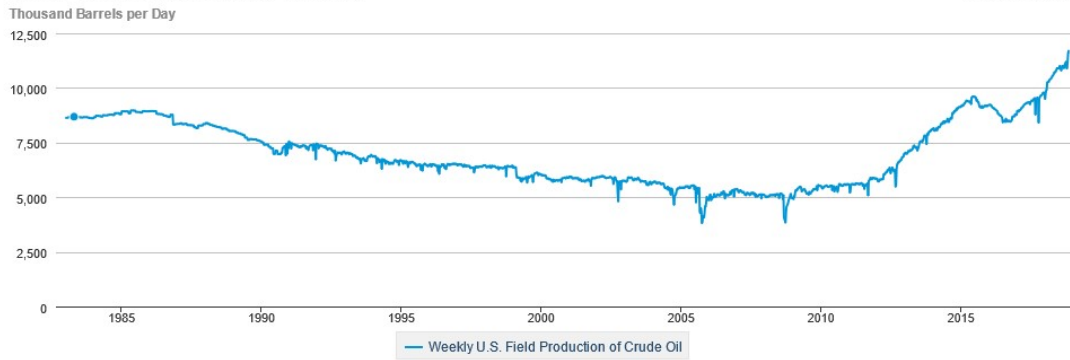


Oil fell about \$3 barrel to \$56.46. During the week, oil hit a record in the number of days prices dropped. OPEC increased oil production at the U.S.'s request due to the U.S. demanding all countries stop buying Iranian oil. When India told the U.S., they would not stop buying Iranian oil, the U.S. agreed to allow them and 7 others to buy it, so markets became oversupplied and prices dropped. This drop will help lower November's inflation.

U.S. Oil Production Up, New Record High

Weekly U.S. Field Production of Crude Oil

↓ DOWNLOAD



Source: U.S. Energy Information Administration

U.S. oil production rose to 11.7M barrels a day, a new all-time record, as technology continues to help U.S. oil producer's lower costs. Great news for the U.S.

Iron Ore No Change in Price

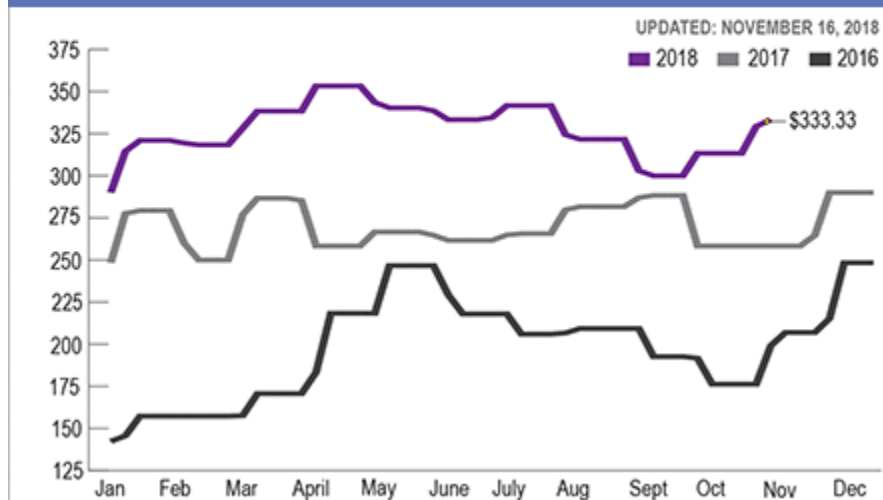
IRON ORE



SOURCE: TRADINGECONOMICS.COM | OTC

Iron ore was no change \$75.00/Ton on a good balance of supply and demand and as global steel production continues to grow slowly, so demand remains good.

Scrap Steel #1 Heavy Melt Rose on Good Demand



Scrap steel #1 Heavy Melt rose a bit to \$333/GT as demand stays solid. Many scrap yards sell limited amounts of scrap in December for tax planning, which could put upward pressure on December prices.



Hot roll coiled steel remained near the multi-year high of \$1,085/ton, as tariffs including from Mexico and Canada continue to protect U.S. steel mills and demand stays good.



Copper rose 12 cents to \$2.80 as markets are nervous about tariffs and a global slow down, but some remain optimistic.

Copper Prices Remains Off Recent High

5 Year Copper Spot



The 5-year copper chart has prices remaining off the recent high on global market uncertainty.

Aluminum Prices Down, Hit 1 Year Low

5 Year Aluminium Spot



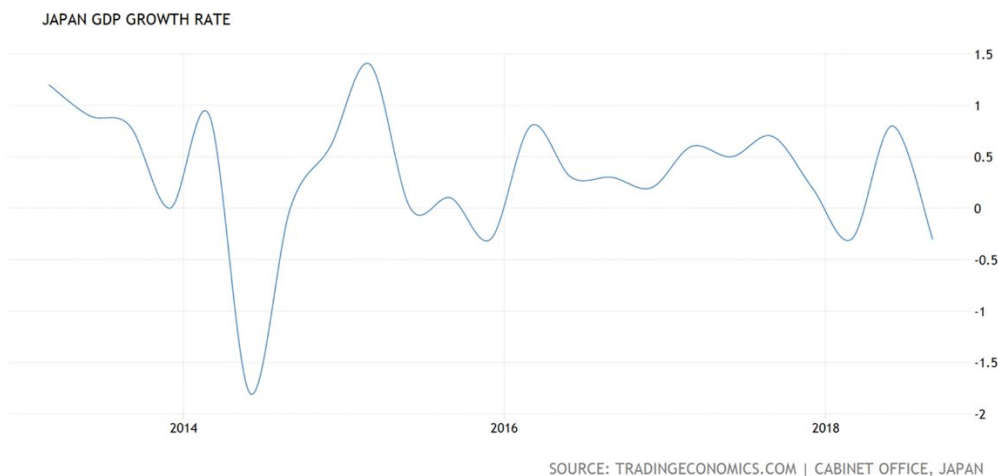
Aluminum was down a penny to 87.2 cents, after hitting a new 1 year low during the week on market uncertainty and a slowdown in housing and automotive markets.

GM and Ford Steel and Aluminum Tariffs Cost Each \$1B



GM and Ford announced that tariffs on Steel and Aluminum will cost them each \$1B in higher costs this year which they are mostly passing on in higher prices. Related, BMW is the #1 exporter of vehicles in the U.S., including they ship their South Carolina made SUVs to China. Some of this BMW production is now moving out of the U.S. to avoid Chinese tariffs on U.S. made goods.

Japan Growth Rate Negative for 3rd Quarter



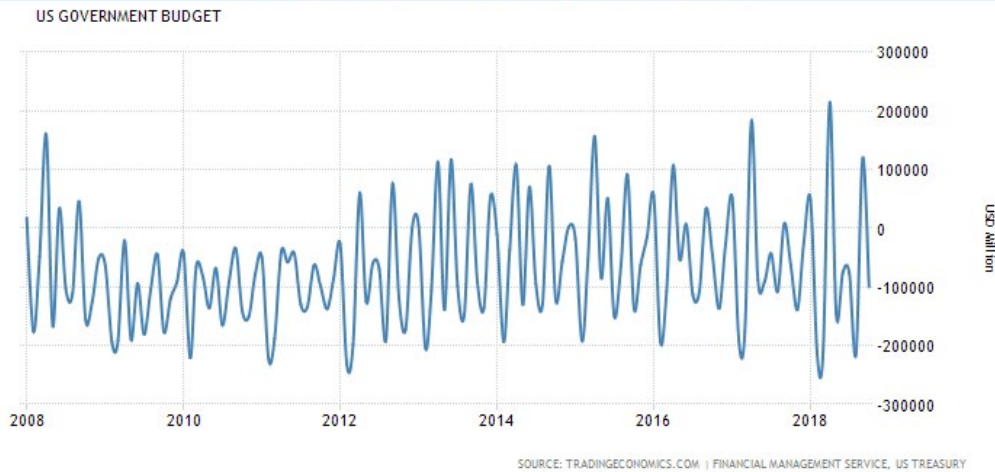
Japan, the world's third largest economy after the U.S. and China, had negative growth in the 3rd quarter, a bad sign for the global economy.

German Growth Rate Negative for the 3rd Quarter



Germany, the world's fourth largest economy also turned negative for the 3rd quarter. This along with Japan's negative growth will keep downward pressure on commodity prices.

U.S. Government Budget October, Deficit \$100B, v.s. \$63B LY



October's U.S. Federal Government Budget deficit was \$100B vs. \$63B last October. Spending increased 18.3% while incoming receipts increased only 7.4%. This means the government borrowed \$100B, so increased debt by \$100B, which puts upward pressure on interest rates due to increased government borrowing.

U.S. Industrial Production Rose A Small .1%



October's U.S. industrial output edged up .1% from September. Manufacturing output rose .3% for its 5th consecutive month of increases, while mining and utilities declined .3 and .5% respectively.

U.S. Inflation Rose 2.5%



October's U.S. Inflation rose 2.5%, mainly driven by higher fuel oil and gasoline rates which could reverse in November with the historic drop in oil prices. This puts downward pressure on interest rates.

U.S. Retail Sales Up A Strong .8%

U.S. RETAIL SALES



SOURCE: TRADINGECONOMICS.COM | U.S. CENSUS BUREAU

October's U.S. retail sales rose a strong .8%, the largest increase since May, mainly boosted by purchases of vehicles, building materials amid efforts to rebuild areas affected by Hurricane Florence and energy on the back of higher gasoline prices.

Jones Average Down: Higher Interest Rates, Slowing Earnings

DOW JONES INDUSTRIAL AVERAGE



SOURCE: TRADINGECONOMICS.COM | OTC/CFD

The Dow Jones Average dropped a big 576 points for the week to 25,413 as interest rates continue to rise and tariffs are putting downward pressure on earnings.

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