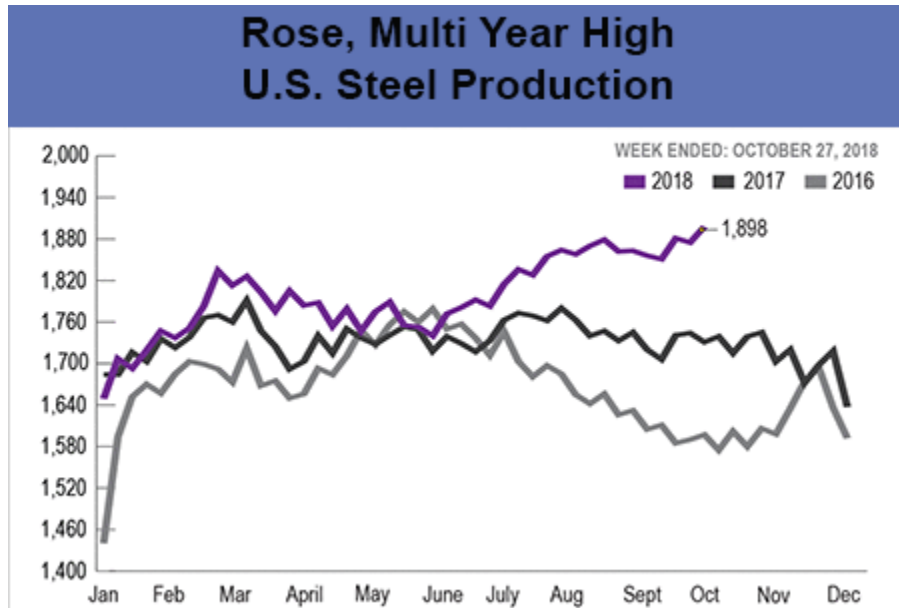
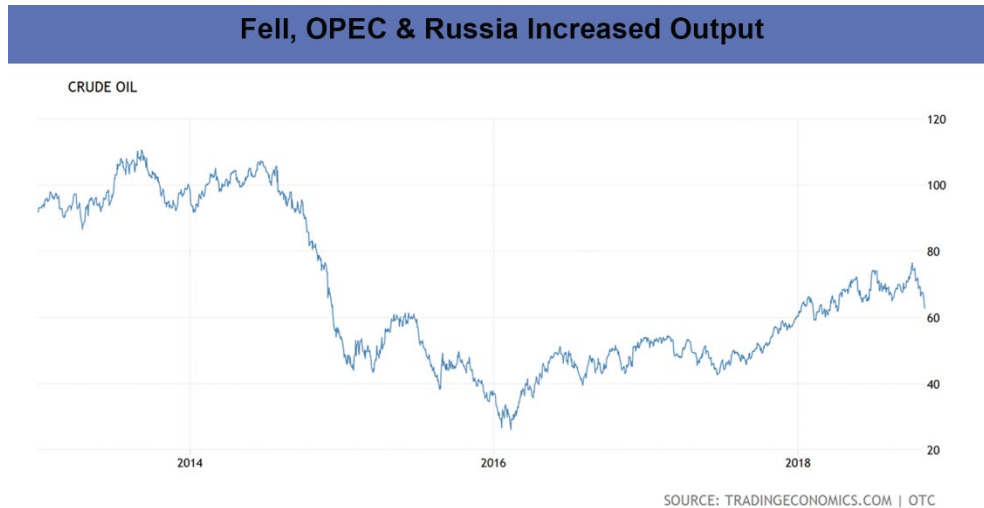


Last week commodity prices and economic reports were mostly mixed.



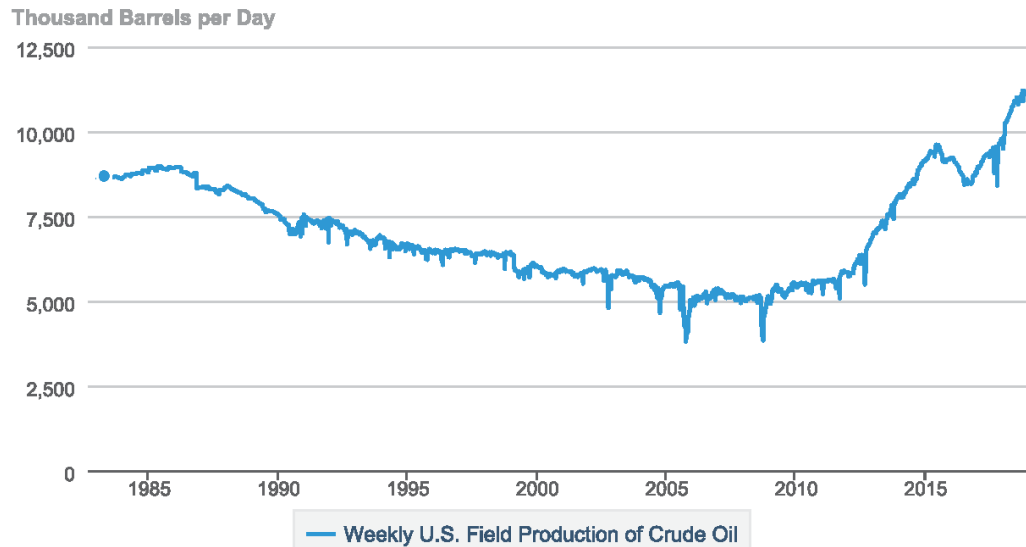
U.S. steel production rose to a multiyear high as tariffs continue to hurt imports and U.S. steel mills replace the volume, but at about 20% higher prices.



Oil fell about \$5 barrel to \$62.72 as Saudi Arabia and Russia increased production. The U.S. has granted exemptions to 8 countries to continue to buy Iranian oil, despite the new sanctions that went into effect today. Low oil prices help many U.S. businesses and the consumer.

Rose Matching Recent Record

Weekly U.S. Field Production of Crude Oil



 Source: U.S. Energy Information Administration

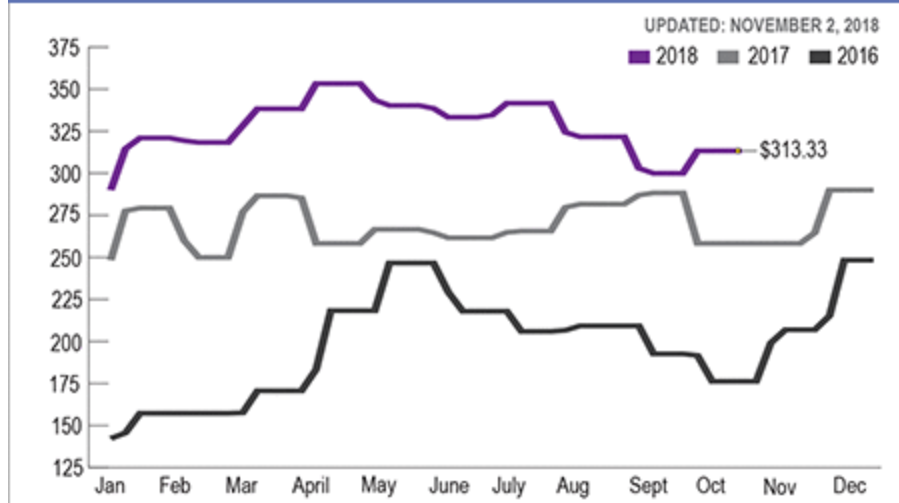
U.S. oil production rose to match the recent record of 11.2M Barrels a day, as Russia and OPEC increased production as well, therefore helping keep prices and inflation down which is helping the economy.

Fell Slightly Yet Good Demand



Iron ore fell 1.00/Ton to \$74.50 on a good balance of supply and demand. Global steel production continues to grow slowly so there is solid demand.

Rose About \$20/GT, Show Next Week Scrap Steel #1 Heavy Melt



Scrap steel #1 Heavy Melt rose about \$20/GT which to about \$333, which will show next week on this chart. Importantly this is about double the price of two years ago.

Fell Slightly, But Still High Hot Roll Coil Steel



Hot roll coiled steel fell \$20/Ton on slight weakness to \$1,085/ton. Markets remain good not great.

Up On Optimism ON A Trade Deal

COMEX:HGGZ2018, D 2.7815 ▼-0.0255 (-0.91%) O:2.8200 H:2.8235 L:2.7650 C:2.7815



Copper rose 8 cents to \$2.818 as markets continue to be nervous but optimistic about cutting a trade deal with China. Trade uncertainty is hurting global growth.

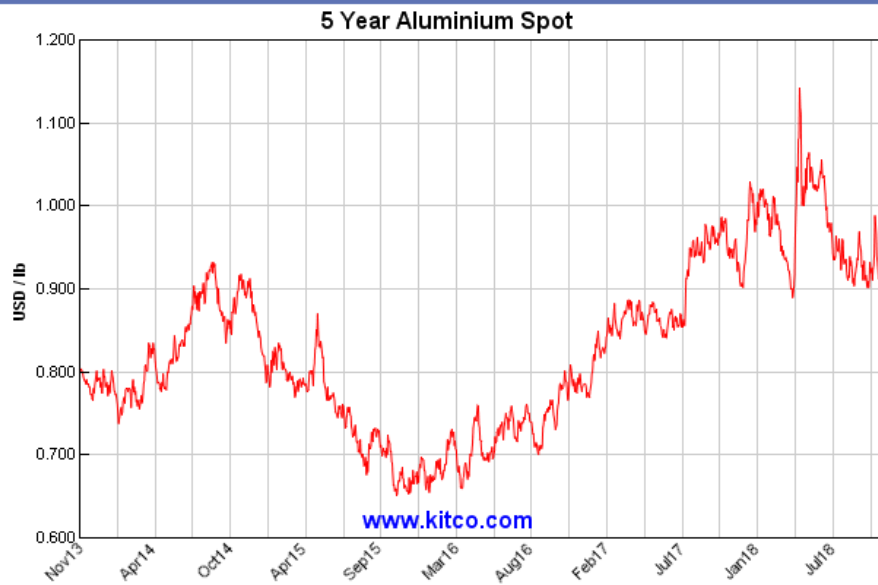
Up, Off Summer's Low

5 Year Copper Spot



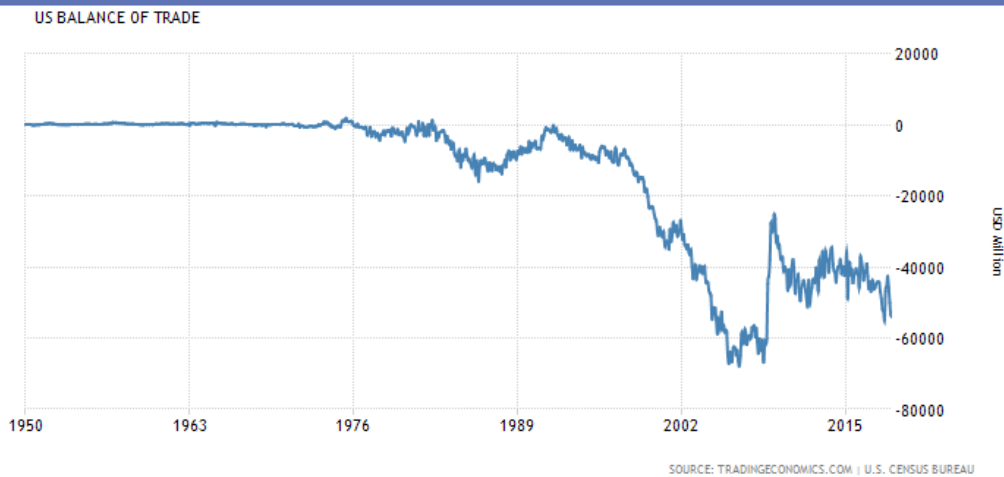
The 5-year copper chart shows prices remain in a tight range but are off the lows of the summer.

Little Change, Near Annual Low



Aluminum was almost no change at cents to 89.1 cents, remaining near a one year low on nervous global markets and China trade concerns.

Worst In 7 Months



September's U.S. Balance of Trade was the worst in 7 months and is near the worst in a decade. Despite all the noise, the trade imbalance with China just set a new all-time record. We imported more capital and consumer goods and exports of food and vehicles fell. Many do not know, Mercedes and BMW make vehicles in here in the U.S. that are exported to China, but are now being hit by China tariffs on U.S. goods, even though they are from German companies making them here.

Remained In Slow Growth Mode China Caxin Manufacturing Index



China's October Caixin Manufacturing index was little change at 50.1 percent. Over 50 is growth, so this shows China's manufacturing is growing at a very slow level. Export sales fell for the seventh straight month and employment fell. These numbers will keep downward pressure on commodity prices.

Revised Down, But Very Solid U.S. IHS Manufacturing Index



October's U.S. IHS Manufacturing index was revised down, but remains a very solid 55.7, with the strongest increase in factory growth in 5 months, boosted by new orders from domestic sources, with exports showing the weakest growth in three months.

Steady, At Multi-Decade Low

US UNEMPLOYMENT RATE

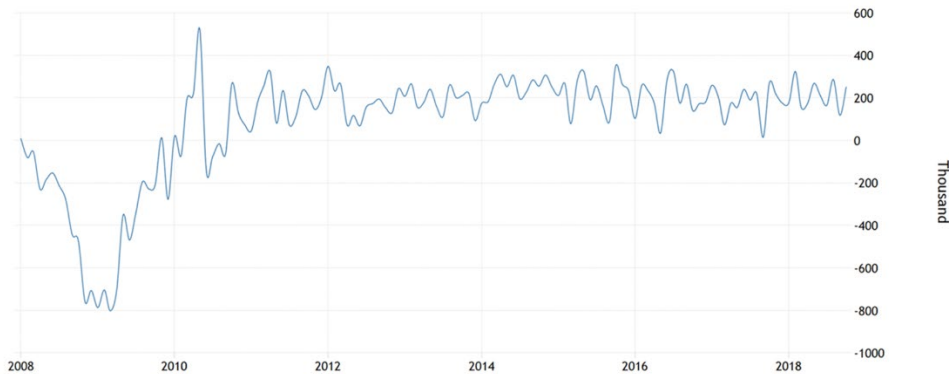


SOURCE: TRADINGECONOMICS.COM | U.S. BUREAU OF LABOR STATISTICS

October's Unemployment remained steady at 3.7%, the multi-decade low it hit in September, which is really great news.

Strong Growth, But Trend Down From 2015 Highs

US NON FARM PAYROLLS



SOURCE: TRADINGECONOMICS.COM | U.S. BUREAU OF LABOR STATISTICS

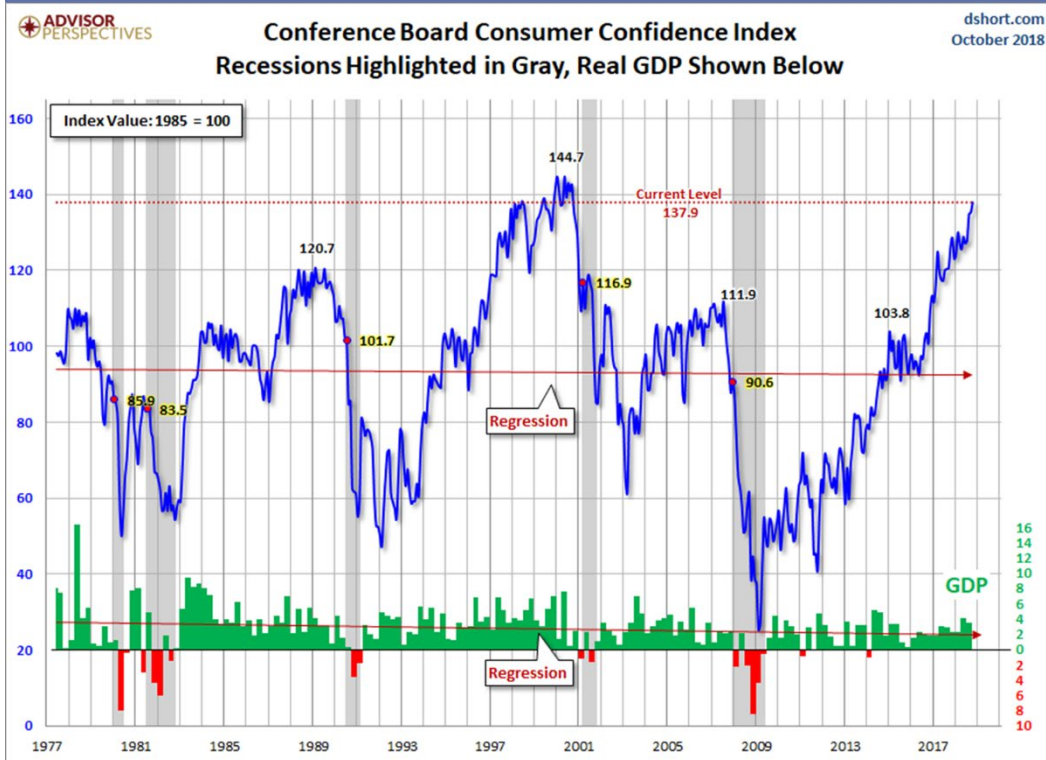
October non-fam payrolls increased a strong 250,000, which is great news. The U.S. is at or near full employment, so this is actually down from the 2015 highs when we were growing faster.

Improved Slightly to 62.9% Labor Force Participation Rate



October's labor force participation rate rose to 62.9%, which means that of all people that are over 16 years of age that can work, 62.9% are working, meaning 37.1% are not working. To keep wage inflation down, we need to get more of these people off welfare and early retirement and back to work.

18 Year High!



October's U.S. Consumer confidence hit an 18 year high. Really great news. Much of the news remains very, very good, but we are sorry to be the grim reaper, as we continue to say, this good news is based on the Government borrowing more and more money at a faster rate.

Rose, But Well Off Recent High



Wall Street's Dow Jones Industrial rose a nice 583 points 25,271, but still remains well down from the recent highs, as higher interest rates continue to take their toll.

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