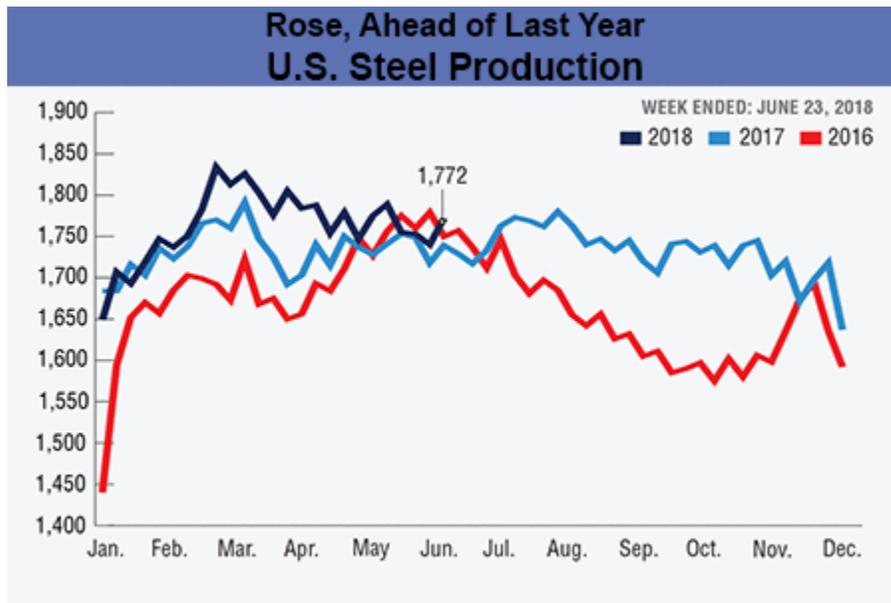
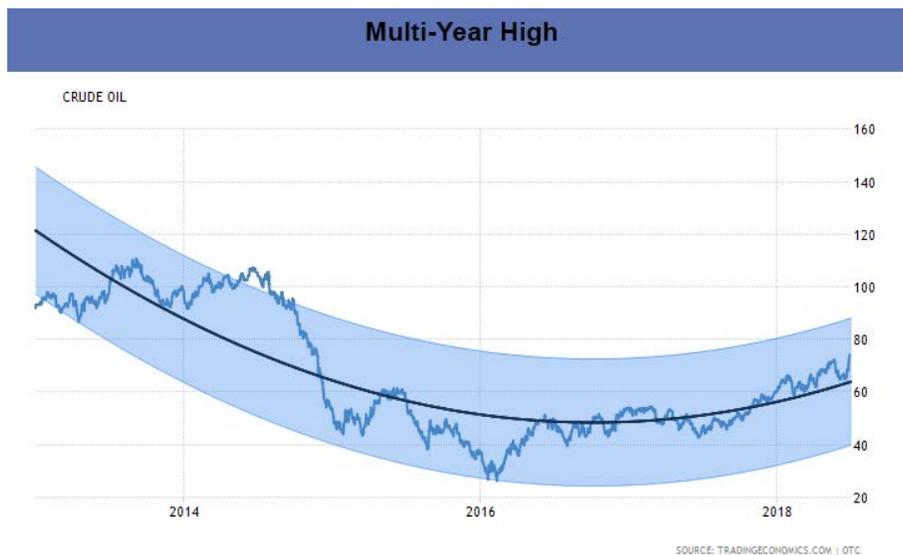


Last week prices were mixed and most economic reports were negative.



U.S steel production rose slightly and is now ahead of where it was last year and the year before, with Tariffs being a major benefit to steel manufacturers.

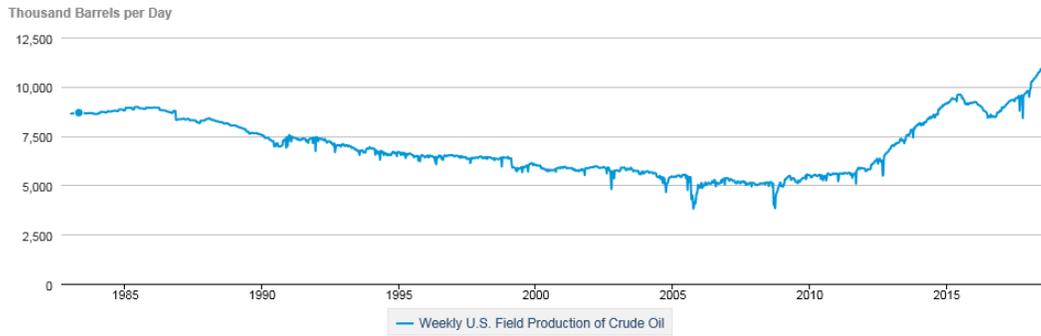


Oil rose a big \$5.57/barrel to \$74.15. Saturday President Trump tweeted Saudi Arabia at his request agreed to maybe pump up to 2M more barrels a day. Saudi Arabia responded with, they have 2M barrels of “capacity which it will prudently use if and when necessary”.

## Steady At Record Level

### Weekly U.S. Field Production of Crude Oil

DOWNLOAD

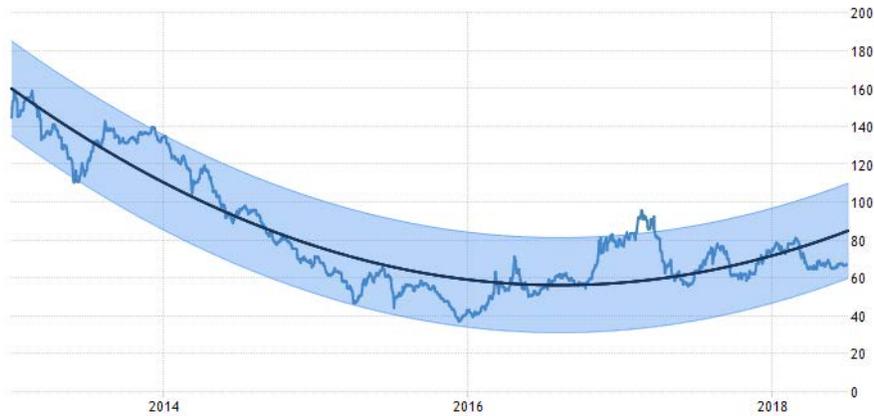


eia Source: U.S. Energy Information Administration

U.S. oil production was no change, staying at the new record high of 10.9 million barrels per day for the third week in a row. Lack of pipe lines in areas is slowing increases, which will continue at these high prices.

## Rose Slightly

### IRON ORE



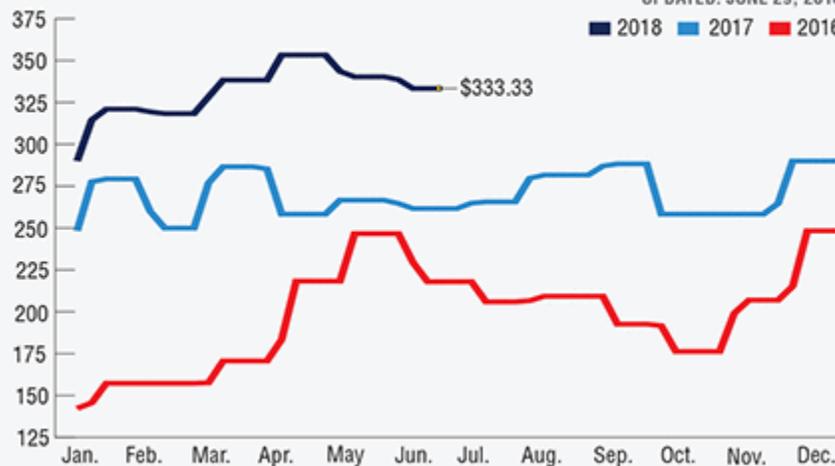
SOURCE: TRADINGECONOMICS.COM | OTC

Iron ore rose \$.50/Ton to \$67/ton, on a good balance of supply and demand and no major news.

## Prices Steady #1 Heavy Melt Scrap Steel

UPDATED: JUNE 29, 2018

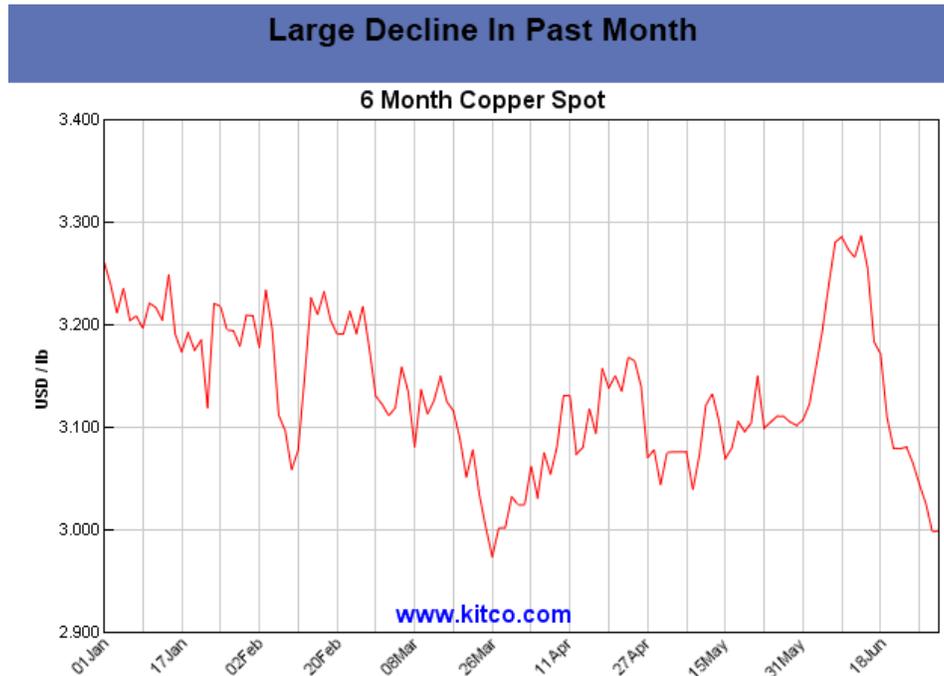
2018 2017 2016



Scrap steel #1 Heavy Melt was steady at \$333/GT on little news. Many believe prices could be mostly steady, to up this month, with some increases on primes, due to Nucor's scrap substitute plant being down.



Hot dipped galvanized steel remained stable at \$1,190/Ton on good demand and tariffs, which allow higher U.S. prices.



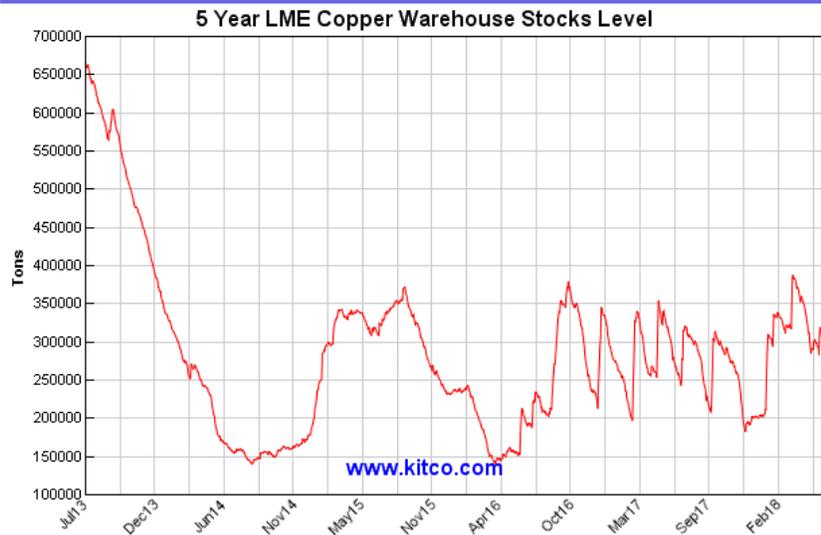
Copper fell a big 8 cents to \$3.00/lb., down about 28 cents in three weeks as trade war issues grab headlines. Copper is down a penny this morning.

### Well off Recent Highs



The 5 year chart shows Copper prices are back to where they were about 9 months ago mainly on trade worries.

### Held Steady



Copper inventories held steady despite all the concerns about global trade that has taken down prices.

### Well Off Recent Highs

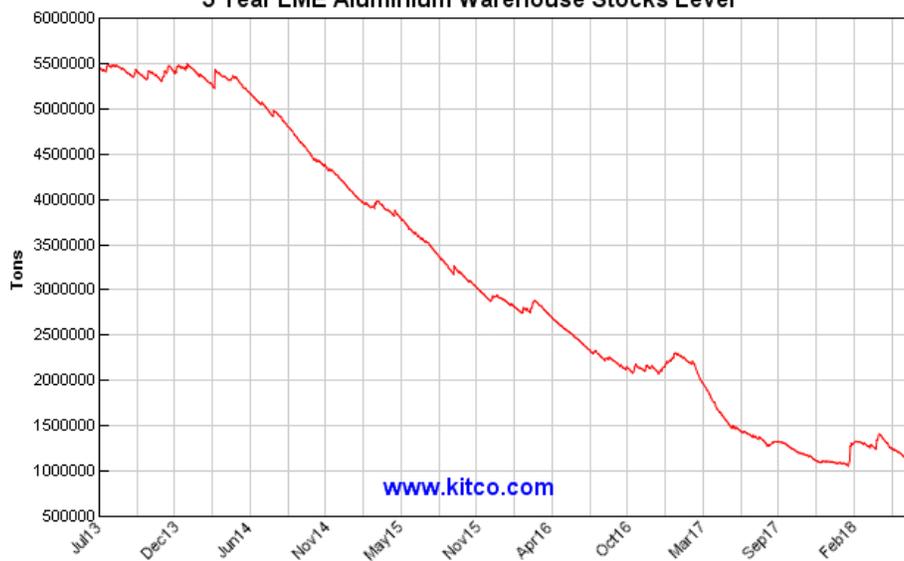
#### 5 Year Aluminium Spot



Aluminum was down about 2 cents to 95.9 cents, following copper down on global trade concerns.

### Near New 8 Year Low

#### 5 Year LME Aluminium Warehouse Stocks Level



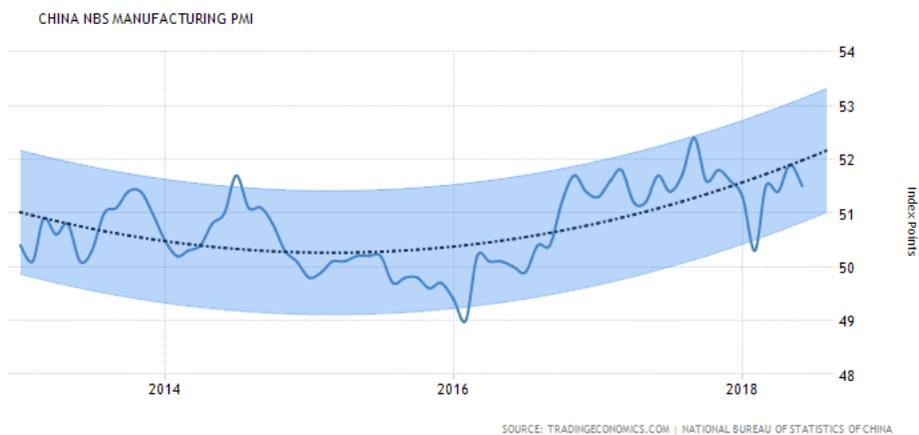
Aluminum LME inventories fell again and are approaching new 8 year lows on good demand.

## Canada Hit U.S. with Trade Tariffs Canada Sells U.S. Most Steel



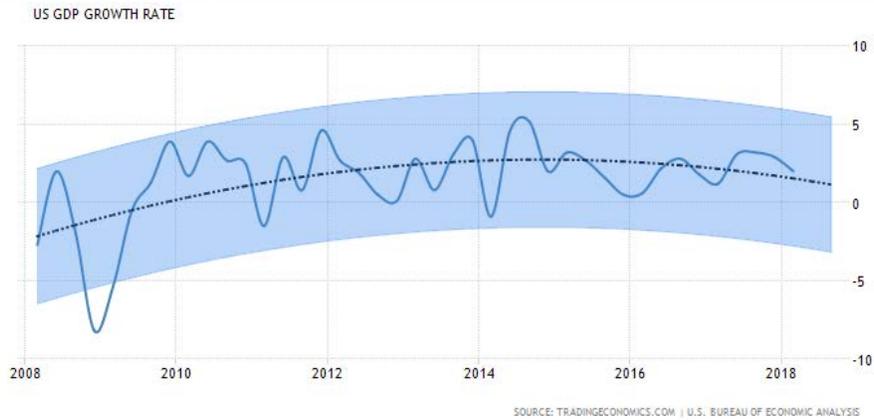
Last month as part of National Security, not an accusation of dumping at low prices, the U.S. hit Canada and other countries with 25% steel and 10% aluminum tariffs. Canada is the largest importer of Steel to the U.S. Yesterday, Canada implemented counter tariffs on U.S. goods. Trade war on.

## Down, But Trending Up



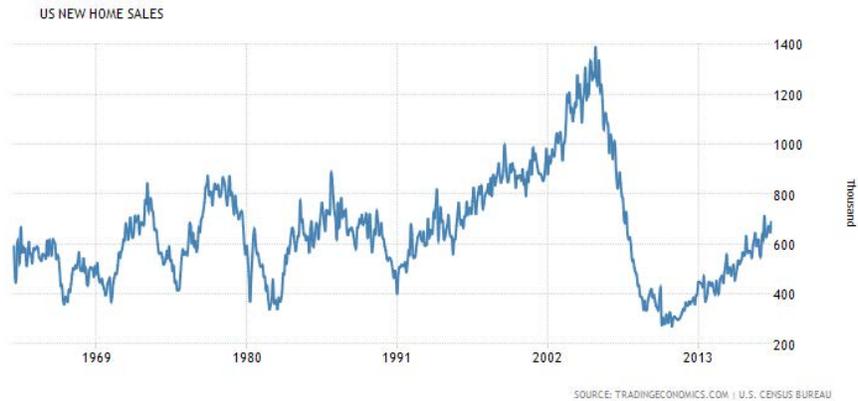
China's June Manufacturing Index fell slightly, but remains trending up, as output and new orders rose at a slower pace and new export orders declined for the first time in 4 months. Business sentiment also hit its lowest level since January.

## Q1 Only 2% Growth



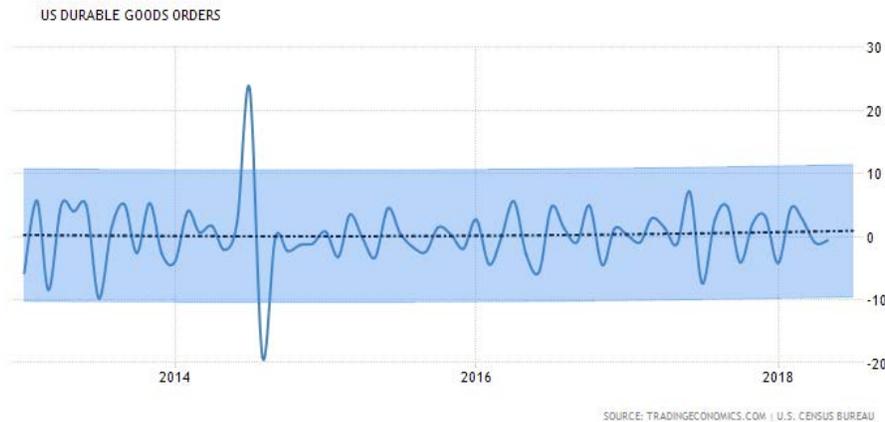
U.S. GDP growth was finalized at 2.0%. Clearly a disappointment, as personal consumption fell with people feeling nervous about what is going on with global trade and the inability to hire workers to increase production.

## Major UpSide

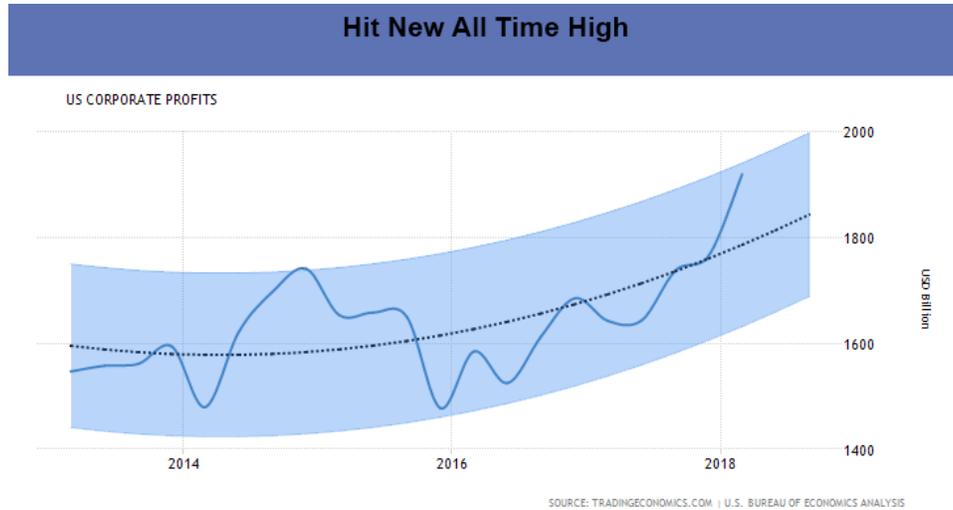


May's U.S., new single home sales jumped 6.7% to an annualized rate of 689,000, the highest rate since September. Sales in the South hit their highest level in about 11 years. Upside remains huge in that we are only at levels from the 1960s when the U.S. had about 100 million less people and this level is less than half the all-time high in 2005.

## Less Down Than Last Month



May's U.S. orders for manufactured durable goods fell 0.6 which was better than April's 1% decline. Transportation equipment, mostly motor vehicles and parts, led the decrease. Orders for non-defense capital goods excluding aircraft, a proxy for business spending plans, slipped 0.2 percent last month, after jumping by 2.3 percent in April.



1<sup>st</sup> Quarter's U.S Corporate Profits rose 8.7% to an all-time high. Tax cuts remain terrific for corporate profits and in many case shareholders have had great returns, including major increases in dividends.



Wall Street's Dow Jones average fell 310 points 24,271, as markets remain concerned about inflation and trade wars and are constrained by the inability to hire skilled workers.

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