

## Starboard Weekly Report Ending July 1, 2016 Charts of the Week



Both of the weekly charts above are on Copper and provided by StockCharts.Com. The top chart is the actual commodity while the bottom chart is an ETF of Copper stocks (JJC).

## TECHNICAL

Note the mirror images of the commodity price performance to the Copper stock movement. The daily charts in both the metal price and stock price are beginning to move upward. However, I prefer to look at the weekly picture and that is showing me that the rally is not likely to continue. This means that I need to be patient on my planned purchase of several Copper stocks. A breakout above \$2.30 per lb. for Copper and \$27 per share for JJC, the Copper stock ETF, would cause me to change my mind. The supporting chart (KST) is concerning because it shows the completion of the current weekly uptrend. Looking at the downside, if Copper should decline and hold above the previous low, then I would become a buyer. A future weekly will be used to highlight stocks that I intend to buy. Along with JCC listed above, I am watching NSU and FCX for future purchase.

## FUNDAMENTAL

Copper is known in economic circles as “Dr. Copper” because it is used in so many commercial applications. Electronics, housing and automobiles are just some examples and when Copper declines these industries will tend to follow. That has not happened in this country. However, economies that are emerging have had serious recessions. The turnaround of these developing countries could be what the short-term strength in Copper is about. If the Dollar continues in a bullish trend, then the emerging rally will not materialize and Copper will flounder. The turmoil in Europe has caused the Dollar to advance and should that persist, then Dr. Copper will continue with his bearish instructions. The relative strength of the Dollar and Copper are in a tug of war and whoever comes out on top will resolve the direction of Copper. At some point Copper will offer a tremendous opportunity, but I am not sure we are there yet. Going forward I will be closely monitoring this evolving portfolio prospect.

## ASIDE

“Patience makes things happen.” Charlie Burke (Our 5 year old Grandson)

Charlie recently uttered these words in the car while we were trapped in Chicago traffic. If only he knew just how profound these words are to investors. Someday Charlie!!

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