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- Copper prices received some support from improving economic prospects as a result of increased infrastructure spending in the United States. The Senate approved a \$550 billion infrastructure proposal, the largest increase in public works expenditure in the United States in decades. The bill still faces opposition in the House, which is on recess until September 20.
- Copper prices, on the other hand, have been under pressure this month as China tackles the virus's largest epidemic since its discovery. The World Health Organization has issued a warning about a possible increase of Delta cases, which have now been documented in more than 135 countries. On Tuesday, the number of Covid-19 cases in the United States surpassed 36 million, owing to a sharp spike in infections caused by the Delta variant's unregulated spread. In the week ending July 25, the number of people infected with Covid climbed by 3.729 million, the most in two months. The overall global Covid-19 caseload has topped 204.06 million, with more than 4.314 million deaths, according to Johns Hopkins University.
- Meanwhile, BHP Group and union officials at Chile's Escondida complex are nearing an agreement on wages that would prevent a walkout at the world's largest copper mine. Copper prices are anticipated to remain under pressure as a result of this agreement. After workers at a mine operated by JX Nippon Mining & Metals chose to strike on Tuesday, a settlement would relieve labour tensions in Chile.
- The People's Bank of China (PBOC) is anticipated to maintain stability in its upcoming monetary policy meet while making it more forward-looking and effective while avoiding the use of more stimulus. China's central bank stoked hopes of more monetary policy loosening by stating in its most recent quarterly report that inflation pressures are "controllable," while also emphasising dangers to the economy's development prospects. The People's Bank of China mostly maintained its stable policy stance, promising to make it more forward-looking and effective while preserving adequate liquidity. The increase in producer inflation in the first half was most likely temporary, and the domestic recovery is still in its early stages, according to the report.
- Global economic data released on Tuesday was negative for economic development and demand for industrial metals. In the second quarter, nonfarm production in the United States expanded by +2.3 percent (q/q annualised), falling short of expectations of +3.2 percent. Moreover, in August, the German ZEW survey's economic growth expectations index fell -22.9 to a 9-month low of 40.4, missing forecasts of 55.0. In addition, the July eco-watchers survey expectations index in Japan fell -4.0 points to 48.4, missing forecasts of 49.2.
- According to the Peruvian energy and mining ministry, copper production jumped 14.1 percent in June, and mining investment increased 10.6 percent year over year to \$2.1 billion from January to June. When compared to the same period last year, copper exports surged by 83.2 percent in the first five months of this year.

- On the Comex, Copper open interest was 199984 contracts on August 10th, down 11087 contracts in the previous five trading days, while on the LME, open interest was 174813 contracts on August 9th, down 3048 contracts in the previous five trading sessions. Copper open interest on the SHFE as of the 11th of August 2021 is now at 298803 contracts, up 1517 contracts in the last five trading sessions.
- As of the 10th of August, Comex copper inventory stood at 41832.1 metric tonnes, up 325.7 from the previous five trading days. As of the 11th of August, the LME's copper inventory stood at 235925 mt, down 2725 mt from the previous five trading sessions. Copper inventory at SHFE is now at 40969 mt, down 4470 mt in the last five trading sessions as of August 11th.

Outlook

- Copper prices are likely to trade lower as long as they remain below the key resistance level of the 50-day EMA at \$9527, while immediate support can be found around 100 days EMA at \$9360.

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