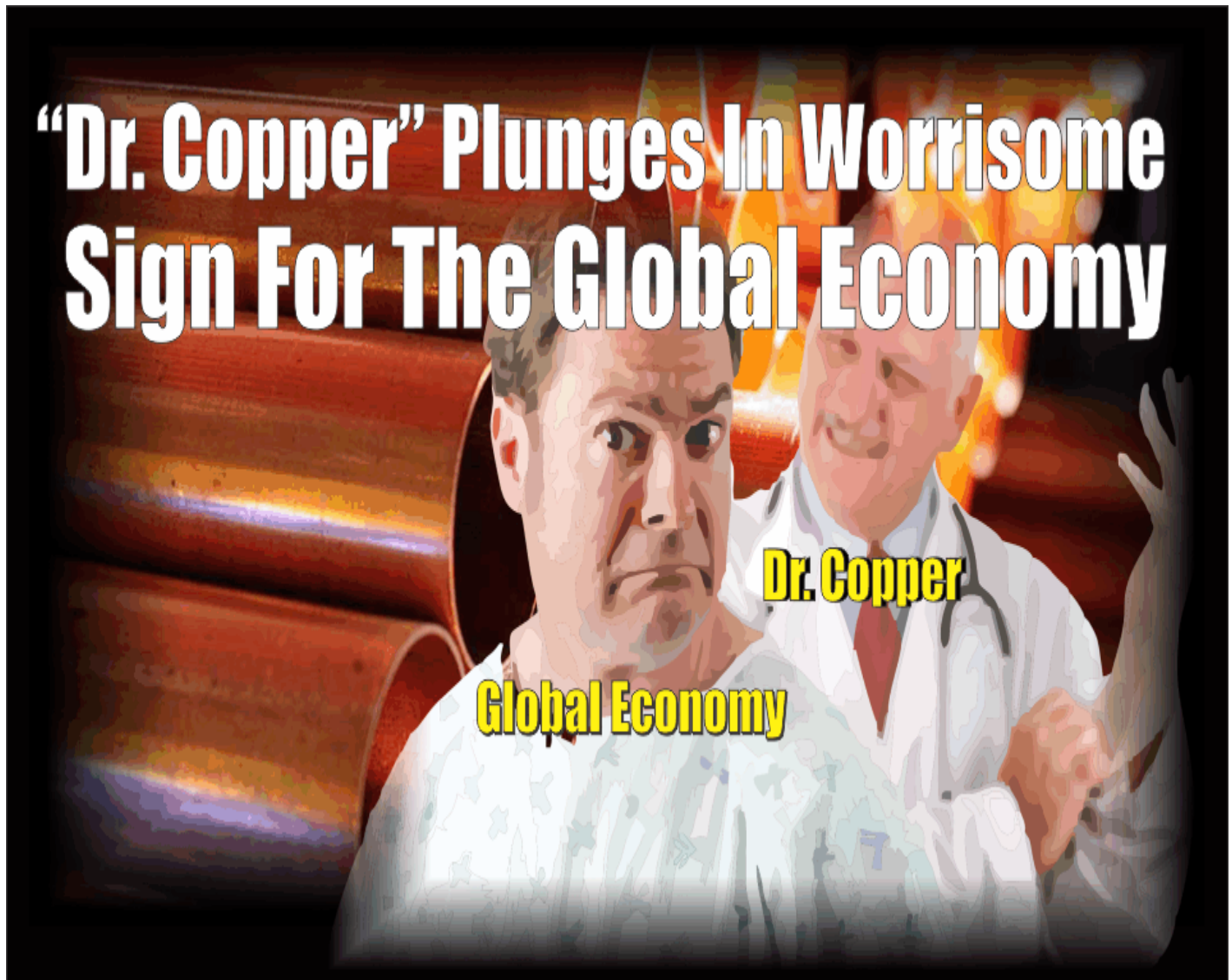


# "Dr. Copper" Plunges In Worrisome Sign For The Global Economy



As if the recent turmoil in Turkey, South Africa, and other emerging markets wasn't enough, commodities including copper are now sinking as well. Copper, which is known as "the metal with a PhD in economics" due to its historic tendency to lead the global economy, is down nearly 4 percent today alone and 22 percent since early-June. Copper's bear market of the past couple months is worrisome because it signals that a global economic slowdown is likely ahead. The chart below shows how copper was bouncing around in a range between \$3 and \$3.3 per pound until it peaked and broke down in June:



The longer-term chart shows how copper surged after Donald Trump's election win (due to expectations of an infrastructure boom), climbed within a channel pattern, and then broke down from the channel in late-2017. The \$2 per pound support is the next major level to watch if copper's bearish trend continues.



Copper and other base metals are falling for a wide variety of reasons including the plunge in [Turkey](#) and other [emerging markets](#), the strengthening U.S. dollar, and China's [economic slowdown](#) due to the trade war. If the dollar continues to rise and the emerging markets turmoil spreads (which I ultimately expect to happen), there is a high likelihood that copper will continue its downward trend.