# Copper at a Record Close It Hasn't Earned Intraday

HG1 weekly record-close breakout beneath an intact intraday high — 2005 vs. 2025–26 analog cohorts, with the COMEX–LME arb overlay | STORM framework

## Situation

The week of July 20, 2026 is on pace to print **6.5215**, the highest weekly close in the continuous HG1 series — without a new daily close or intraday print. The May 11, 2026 intraday all-time high of **6.716** sits 3.0% overhead and has been untouched for **10 weeks**. The consolidation beneath it has built higher lows since the June 22 flush to 5.924 (6.06 → 6.19 → 6.21 over the last three weeks). The event class is precise: *a new record weekly close while the week's high remains below the prior record intraday high* — a close-basis breakout under intact resistance. This study isolates that trigger from 2000–present and focuses on the two cohorts with predictive structure: the 2005 mid-supercycle cluster and the current 2025–26 regime.

## Tension

The two cohorts tell opposite near-term stories from the same trigger. The **2005 cohort** (four events: Mar 14, Aug 22, Oct 24, Dec 19) fired within one week of the standing intraday high — fresh stair-steps in an accelerating supercycle. Median path: +1.4% at 4 weeks, +16.8% at 13 weeks, **+44.6% at 26 weeks**; worst 26-week drawdown in the cohort was –11.7%, and the intraday high was taken out within 1–5 weeks in every case. The **2025–26 cohort** (five events: Mar 17 '25, Jun 30 '25, Dec 22 '25, Feb 23 '26, May 4 '26) fired 4–43 weeks stale and carries the tariff premium embedded in the HG1 series. Median path: –7.3% at 4 weeks, –3.1% at 13 weeks, +5.2% at 26 weeks — every resolved event drew down 7–21% within 26 weeks before recovering. The current event (10 weeks stale, 3.0% gap) sits structurally between the cohorts, and closest to Jun 30 '25 (14 weeks stale, 4.5% gap) — the event that preceded the –13.7% four-week tariff-exemption collapse and still finished +10.7% at 26 weeks.

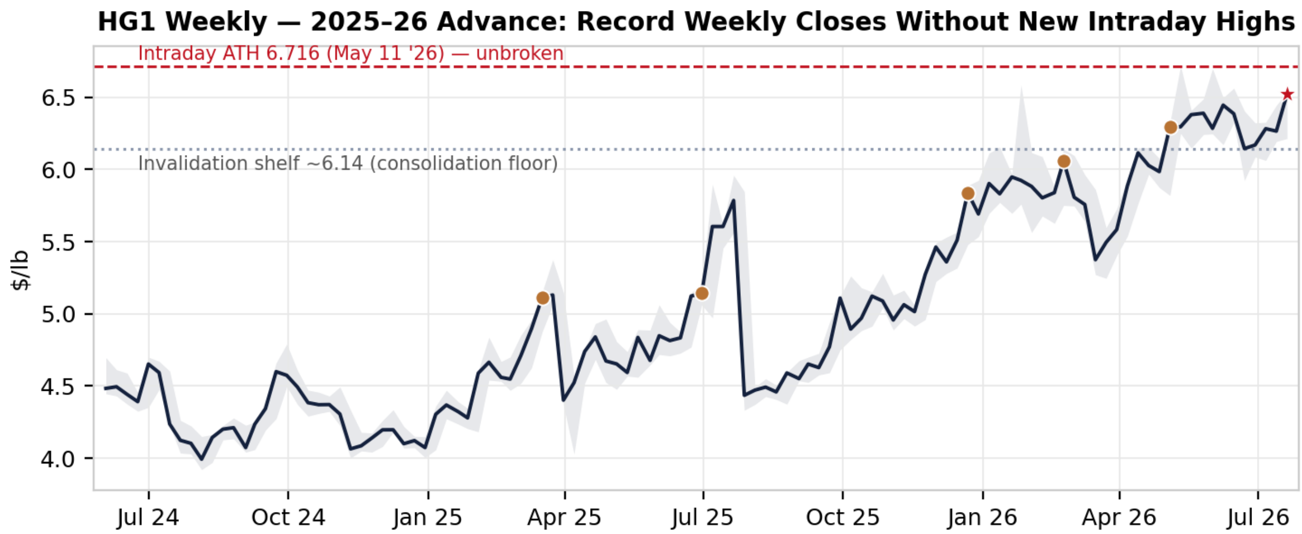


*Exhibit 1. Copper markers = 2025–26 record-close-without-new-high events; star = current event. Dashed line = unbroken intraday ATH; dotted = invalidation shelf.*

| Event | Cohort | Wks stale | Gap to ATH | +4w | +13w | +26w | +52w | MaxDD 26w | Wks to take out ATH |
|---|---|---|---|---|---|---|---|---|---|
| Mar 14 '05 | 2005 | 1 | 0.9% | –4.1% | +6.4% | +5.7% | +56.6% | –11.7% | 4 |
| Aug 22 '05 | 2005 | 1 | 2.7% | +0.3% | +16.3% | +30.4% | +103.3% | –6.8% | 5 |
| Oct 24 '05 | 2005 | 1 | 2.1% | +8.2% | +22.7% | +77.0% | +87.1% | –3.8% | 2 |
| Dec 19 '05 | 2005 | 1 | 0.3% | +2.5% | +17.4% | +58.9% | +39.9% | –2.3% | 1 |
| Mar 17 '25 | 2025–26 | 43 | 1.7% | –7.3% | –5.5% | –9.5% | +5.1% | –21.2% | 1 |

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|---|---|---|---|---|---|---|---|---|---|
| Jun 30 ’25 | 2025–26 | 14 | 4.5% | –13.7% | –0.6% | +10.7% | +20.0% | –15.7% | 1 |
| Dec 22 ’25 | 2025–26 | 22 | 2.0% | +1.8% | –5.9% | +5.2% | n/a | –10.2% | 2 |
| Feb 23 ’26 | 2025–26 | 4 | 8.6% | –9.3% | +5.4% | n/a | n/a | –13.4% | 11 |
| May 4 ’26 | 2025–26 | 14 | 4.6% | –0.2% | n/a | n/a | n/a | –7.6% | 1 |
| Jul 20 ’26 | current | 10 | 3.0% | — | — | — | — | — | — |

*Exhibit 2. All record-weekly-close-without-new-intraday-high events, both cohorts. “Wks stale” = weeks since the standing intraday ATH printed. Forward returns from event close; MaxDD uses intraweek lows.*

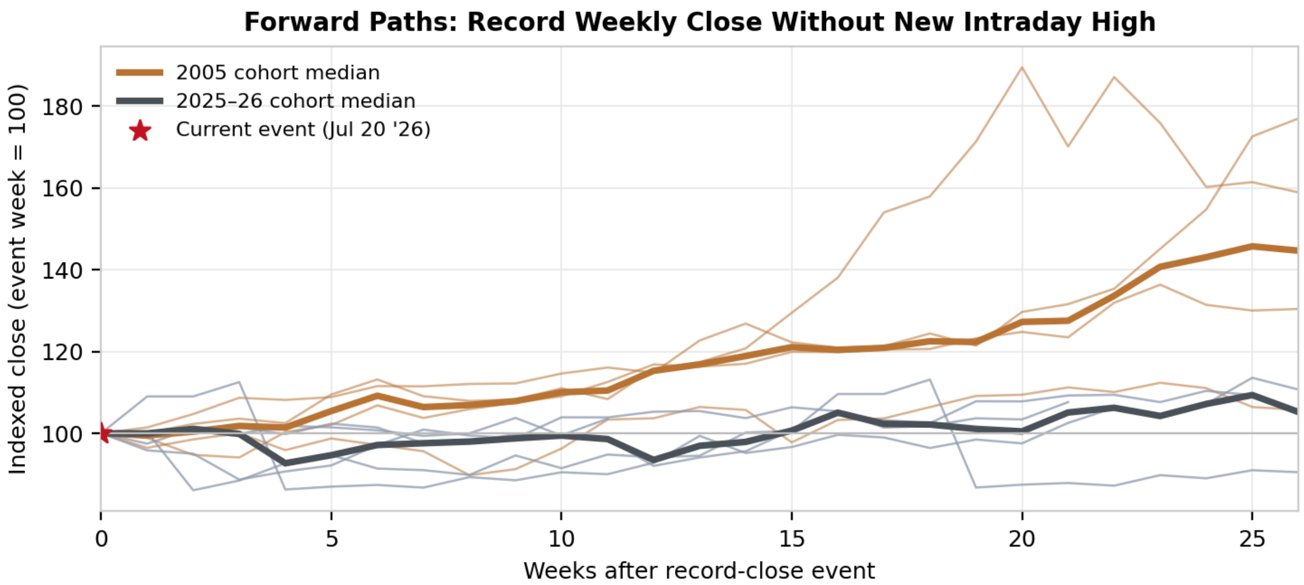


*Exhibit 3. Indexed forward paths (event week = 100). The cohorts diverge immediately: 2005 never traded materially below the trigger; 2025–26 systematically retested 7–21% lower first.*

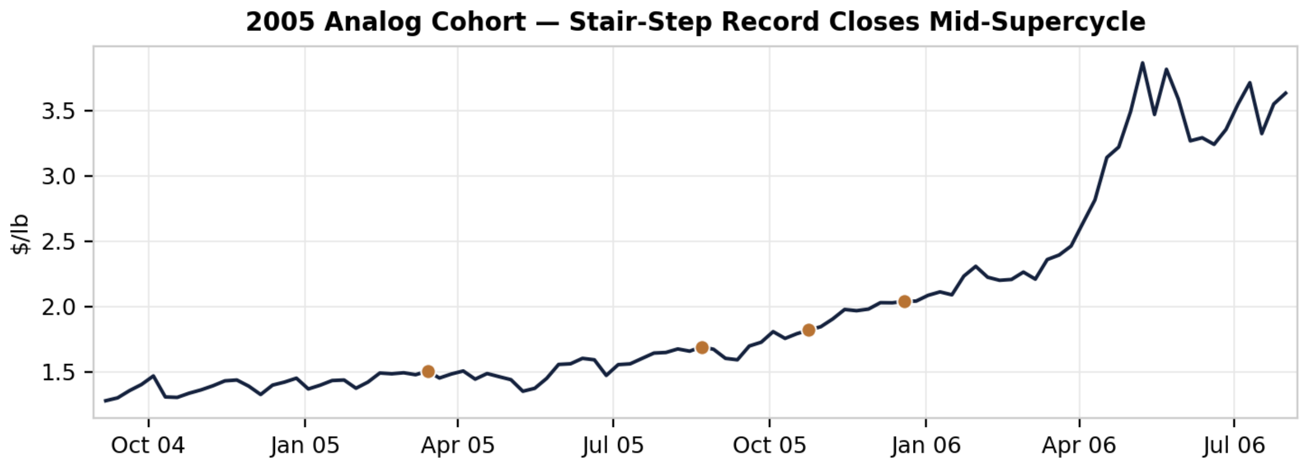


*Exhibit 4. The 2005 template: record closes every 6–10 weeks, each resolved by an intraday take-out within five weeks.*

## Options — Scenario Map (with the COMEX–LME Arb Overlay)

The arb is the variable that separates this event from every pre-2025 analog. Commerce delivered its refined-copper market update on the June 30, 2026 statutory deadline; the presidential decision on the phased refined-copper duty (15% Jan 1 ’27 → 30% Jan 1 ’28) remains outstanding. The spread ran from ~$400/t to nearly $690/t into early June, collapsed to roughly zero in late June as arb cargoes landed, and has rebuilt to only ~$200–400/t — versus ~$2,100/t if the full 15% phase-in were priced at current levels. The market is paying roughly 10–20 cents on the dollar for the tariff outcome. Meanwhile COMEX inventories sit at a record ~652kt against LME stocks near three-month lows (~352kt), with US refined imports running ~2× the 2024 pace since early 2025 — the US is pre-stocked, which caps spread upside on a “yes” (destocking) and loads the downside on a “no” (the July 2025 exemption produced a 22% single-day COMEX collapse and full arb erasure).

| Scenario | Spread behavior | HG1 read-through | Event-study mapping |
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| Refined tariff confirmed | Widens toward, but below, the 15% level; stockpiles discount the arithmetic; destocking follows | Pop, then sell-the-news chop; LME lags | 2005-style resolution only if LME confirms; otherwise premium-driven false take-out of 6.716 |
| Delay 6–12 months | Stays volatile, $200–400/t; stockpiling continues | Grind higher; the close-basis pattern persists | Base case: repeats 2025–26 cohort path — drawdown risk 7–15%, positive by +26w |
| Exemption / rejection | 2025 redux: rapid unwind toward zero | HG-specific air pocket vs. resilient LME | Invalidation path: weekly close < ~6.14 breaks the higher-low sequence; event fails like Mar ’25 near-term |

## Recommendation (Research View)

The blended evidence supports the higher-highs continuation at the 13–26-week horizon, not at the 4–8-week horizon. Across all nine resolved events, +26-week returns average **+25.5%** (block-bootstrap 90% CI: +8.1% to +44.6%), with 7 of 9 positive — but the near-term is a coin flip at best, and the 2025–26 cohort says a 7–15% drawdown before resolution is the modal path, not the tail. The predictive discriminators to monitor, in order: **(1)** LME confirmation — the trend is only “real copper” if LME participates in any take-out of 6.716; **(2)** the higher-low sequence above the ~6.14 shelf; **(3)** spread behavior into the refined-copper decision — at $200–400/t the market has already faded the tariff, so the exemption scenario is partially pre-paid, unlike July 2025. Position sizing under the house Kelly-Thorp framework warrants a heavy sample-size discount: n=9 resolved events, 5 of which are serially correlated with the trigger being evaluated. Expressions that neutralize the policy binary (LME-linked exposure, or HG hedged with a short spread leg) preserve the trend thesis while sidestepping the documented single-day tail.

## Mechanics

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| **Trigger (this study)** | Weekly close 6.5215 > prior record close 6.4450; week high 6.534 < intraday ATH 6.716 |
| **Confirmation** | Weekly close above 6.716 with LME at/near contemporaneous highs; historical take-out lag: 1–5 wks in 8 of 9 events |
| **Invalidation** | Weekly close below ~6.14–6.17 (consolidation floor); reclassifies event into failed-breakout bucket |
| **Catalyst window** | Refined-copper tariff decision — outstanding post–June 30 report; Jefferies handicaps announcement or 6–12-mo delay |
| **Tail reference** | Jul 30 ’25 exemption: –22% single-day COMEX move, full arb erasure; current $200–400/t spread partially pre-pays a repeat |

## Methodology & Caveats

Data: COMEX HG1 continuous weekly bars, Mar 1992 – Jul 20 2026 (user-supplied export); event set restricted to 2000–present, de-clustered at 8 weeks. Continuous front-month series embeds roll yield and, from 2025 onward, the COMEX–LME tariff premium — the 2025–26 cohort’s trigger bars and forward returns are both contaminated by the physical arb (the Jun 30 ’25 four-week outcome is substantially the premium collapse, not global copper). Five of nine resolved events share the current regime, so the bootstrap CI understates true uncertainty; treat the 2005 cohort as the clean structural prior and the 2025–26 cohort as the regime-specific path model. Replicating the study on LME 3M would isolate the policy-clean signal and is the recommended next step. Arb facts per ING, SMM, Jefferies (via Investing.com), Sprott, and TradingKey reporting, Jun–Jul 2026. This document is quantitative research produced for informational purposes and is not investment advice; forward returns are historical analogs, not forecasts.