

Trade Alert - (FCX) – BUY

BUY the Freeport McMoRan (FCX) December 2023 \$31-34 vertical BULL CALL spread at \$2.70 or best

Opening Trade

11-23-2023

expiration date: December 15, 2023

Portfolio weighting: 10%

Number of Contracts = 40 contracts

A severe short squeeze in copper is developing, leading to a massive price spike later in 2024. Copper prices could jump from the current \$9,000 per metric tonne to \$15,000 by December, say industry insiders.

A Chinese economic recovery and soon-to-recover EV growth are the reasons. Copper is the only industrial metal up this year, some 3%. The rest are all down on recession fears.

Is the red metal now recession-proof?

I believe the fundamental argument for Freeport McMoRan is so compelling that I am going to dive in, even during this period of extreme volatility.

If you can't do options, buy the stock. My long-term target for (FCX) is \$100, up from today's \$36.97. (FCX) is the world's largest copper producer.

Please remember that I told you earlier that each Tesla needs 200 pounds of copper, and that Tesla sales could reach 2.2 million vehicles in 2024. The ten-year target is 20 million cars a year.

That's a lot of copper.

Therefore, I am buying the **Freeport McMoRan (FCX) December 2023 \$31-34 vertical BULL CALL spread at \$2.70 or best.**

Don't pay more than \$2.80 or you will be chasing.

This is a bet that the (FCX) will not fall below \$34.00 by the December option expiration in 15 trading days.

If you are looking for other copper plays, please take a look at the United States Copper Fund (CPER), First Quantum Minerals Ltd. (FM.TO), Antofagasta (ANTO.L), and hang on. We are going much higher once the stock market bottoms.

I have a feeling that Freeport McMoRan is my new rich uncle, cutting me generous but undeserved maintenance checks every month.

Here are the specific trades you need to execute this position:

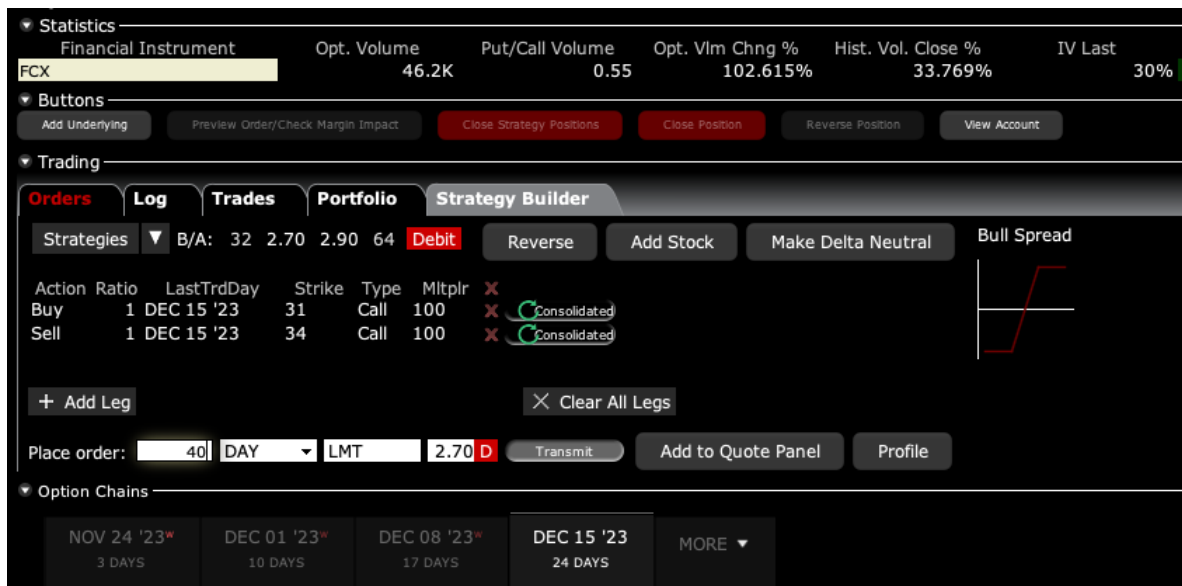
Buy 40 December 2023 (FCX) \$31 calls at.....\$6.00

Sell short 40 December 2023 (FCX) \$34 calls at.....\$3.30

Net Cost:.....\$2.70

Potential Profit: $\$3.00 - \$2.70 = \$0.30$

$(40 \times 100 \times \$0.30) = \$1,200$ or 11.11% in 15 trading days.







To see how to enter this trade in your online platform, please look at the order ticket below, which I pulled from *Interactive Brokers*.

If you are uncertain about how to execute an options spread, please watch my training video on “*How to Execute a Vertical Bull Call Debit Spread*” by clicking here at

<https://www.madhedgefundtrader.com/ltt-vbcs/>

The best execution can be had by placing your bid for the entire spread in the middle market and waiting for the market to come to you. The difference between the bid and the offer on these deep-in-the-money spread trades can be enormous.

Don't execute the legs individually or you will end up losing much of your profit. Spread pricing can be very volatile on expiration months farther out.

Keep in mind that these are ballpark prices at best. After the alerts go out, prices can be all over the map.