

Copper versus gold trade proposal

14 October 2026 | Desk decision | \$100,000 assumed paper account

RECOMMENDATION Conditional paper trade only. Buy CPER and sell GLD short after confirmation; remain flat while entry requirements are incomplete. Positive expected return has not been established.

Trade and economics

Position	First stage	Maximum after addition
Buy CPER	Up to \$5,000	Up to \$10,000
Sell GLD short	Up to \$5,000	Up to \$10,000
Gross exposure	\$10,000 or 10% of equity	\$20,000 or 20% of equity
Net profit exit / loss exit	+\$325 / -\$200	+\$650 / -\$400 cumulative
Capital and costs	Earmark \$25,000 of equity	95-day incremental cost ceiling \$75

Why this trade and why wait

Copper can outperform if physical tightness persists while higher real yields weaken gold. The copper balance is mixed: ICSG projects refined surpluses of 96kt in 2026 and 377kt in 2027; Grasberg is recovering. Gold demand challenges the short: September ETF inflows were \$10bn and Q3 inflows a record \$31bn. The Fed range is 3.75% to 4.00%; a widely expected hike alone provides no edge. [S1, S4, S5, S6]

When and how

Enter October 15 to November 6 only after two closes with CPER above its 20-session average, GLD below its average, and CPER/GLD above its average. GLD five-session return must be negative; the latest released 10-year real yield must exceed five observations earlier. Require physical copper confirmation, current tariff review, GLD borrow at no more than 2% annually, and matched whole-share sizes within 2%. Avoid chasing a ratio more than 1.5 standard deviations above its mean. Full rules and execution limits are in Appendices C to E.

Add only from October 29, after five sessions, while net P&L is positive and every entry condition still passes. No averaging down. Close both legs at the applicable net dollar exit, on thesis failure, or by January 15, 2027 at 3:30 p.m. ET. Use actual liquidation P&L; continuous metal ratios are diagnostic only.

Payoff and principal risks

At \$10,000 per leg, CPER +3% and GLD -2% produce \$500 gross or \$425 after \$75 costs. A +\$650 net exit needs a 7.25 percentage point ETF return difference under that cost assumption. A -20% CPER / +15% GLD stress loses \$3,575 after costs. These are sensitivities, not forecasts. Stops cannot guarantee a maximum loss.

CPER retains COMEX tariff and regional premium exposure. Recession, gold demand, borrow recall, gaps and execution failure can hurt both legs. This is a financial relative-value trade informed by physical markets; there is no cathode cargo, logistics commitment or delivery arbitrage. Physical trade requirements are in Appendix K.

Before entry Verify quotes, quantities, borrow, collateral, latest ICSG balance, operative tariffs and all signals. Current eligibility is pending. Thresholds are provisional paper rules; historical validation is required before real capital.

Appendices A to L contain data, calculations, controls, sources and charts.

Appendix A Verified data and evidence

Evidence	Finding and implication
Fed decision September 16	The Fed raised the target range to 3.75% to 4.00%. This supports examining a gold short, but the event is already public. [S1]
Inflation October 14	September CPI rose 0.6% monthly and 3.7% annually; core rose 0.3% and 2.6%. The planned CPI catalyst has occurred. Any new entry uses post-release prices. [S2]
Real yield reference	FRED showed the 10-year inflation-indexed yield at 2.91% on October 9, versus 2.95% on October 5. These observations do not establish a fresh upward trend. [S3]
Gold ETF demand	WGC reported September inflows of \$10bn and record Q3 inflows of \$31bn. The original claim that ETFs were selling used stale Q2 evidence. [S4]
Copper balance	ICSG April forecast: refined surpluses of 96,000 tonnes in 2026 and 377,000 in 2027. Obtain the October update before entry; the homepage alone does not establish its contents. [S5]
Grasberg recovery	Freeport reported Q3 throughput of 140,000 tonnes/day, roughly 67% of normalized rates, and expected 80% capacity by mid-2027. Throughput differs from copper output. [S6]

Evidence that supports and weakens the idea

Persistent restrictive policy can weigh on gold, while copper disruptions can support industrial metal prices. However, strong Q3 gold ETF buying, official-sector demand, prospective copper surpluses and mine recovery all challenge a simple long-copper short-gold conclusion. Neither side warrants a high-conviction label.

The Q2 WGC report recorded 289 tonnes of official-sector purchases and 45 tonnes of ETF outflows, but also estimated 327 tonnes of OTC and other demand. It revised Q1 central-bank demand from 244 to 57 tonnes. The data include estimates and revisions; a claimed central-bank buying floor cannot be treated as certain. [S11]

SAFE reported a September reserve increase of 740,000 troy ounces, approximately 23.0 tonnes. Retain the quantity; omit the disputed consecutive-month streak because the annual table includes unchanged monthly holdings. [S12]

Data conventions

Every trading input must carry observation time, retrieval time, time zone, instrument, contract month where relevant, units and source. Preserve the underlying observation. Official releases support macro facts; live broker quotes support orders. Secondary spot or CFD references are context only. Unverified record highs, inventory totals and tariff probabilities are excluded from sizing and entry decisions.

Appendix B Thesis and market disagreement

Working thesis: copper can outperform gold if copper demand and physical availability support prices while rising real yields or tighter-than-priced policy weaken gold. A second route to profit is a broad commodity decline in which gold falls more than copper. Both routes require relative performance after CPER tracking effects and short-sale costs.

The market disagreement

The desk must record one measurable disagreement before entry: the expected future real-yield or policy path, the copper supply-demand path, or the persistence of relative price strength. State what is priced today, the alternative forecast, its catalyst and the expected effect on each leg. A hawkish Fed decision that matches expectations is insufficient on its own.

For illustration only, an 86% probability of one 25-basis-point hike implies 21.5 basis points of expected tightening in a binary model. A hike is then only a 3.5-basis-point surprise; no hike is a 21.5-basis-point surprise in the opposite direction. These are not current market probabilities. Archive a fresh CME FedWatch distribution and the rate curve before entry. [S16]

Copper needs demand evidence as well as disruptions

- Review the latest two available Chinese manufacturing releases and changes in construction, grid and manufacturing activity. Record which observations support copper use within the holding period. Long-term electrification alone cannot establish a three-month catalyst.
- Separate mined copper, concentrate availability, smelter throughput, refined production, scrap supply and final consumption. A mine disruption need not create an immediate refined shortage.
- Quantify recovery and new supply over the next quarter. Explain how much of a revised annual balance is relevant before January 15, rather than relying on the year label.
- Require at least one current physical confirmation: rising regional premiums, persistent cash-to-three-month backwardation, or falling comparable available stocks supported by actual outflows. Record level, change and date; a headline is insufficient.

Gold needs more than high nominal yields

Monitor real yields, inflation expectations, the dollar, current ETF flows and futures positioning. Strong ETF buying can absorb selling elsewhere. Lower prices alongside inflows can also show that another source of selling is dominant. Neither observation alone proves the next price move. A crowded short or reversal in real yields can invalidate the tactical entry.

Why COMEX exposure may still be acceptable

The plan accepts CPER exposure only if the global copper case remains attractive after a separately estimated US premium compression. If the entire opportunity is scarcity outside the US, require a separately accessible non-US instrument or pass. CPER is selected for sizing flexibility, not geographic insulation. Its own roll selection and collateral returns can change performance relative to a single copper contract. [S7]

Appendix C Entry and addition rules

No automatic entry follows CPI or a Fed meeting. The following filters define a paper experiment. They are not statistically validated trading signals. Evaluate them using information available before each order.

Requirement	Exact paper pilot rule
Research	Obtain the latest ICSG balance and current operative tariff documents. Write the market disagreement and the physical copper confirmation described in Appendix B. Unknown or materially adverse evidence means wait.
Gold weakness	On each of the last two completed US sessions, GLD closes below its 20-session simple moving average. Its five-session return must also be negative.
Copper confirmation	On those same two sessions, CPER closes above its own 20-session simple moving average.
Relative confirmation	CPER divided by GLD closes above its 20-session simple moving average on both sessions. Use synchronized closing observations adjusted consistently for splits and distributions.
Real yields	The latest released DFII10 observation exceeds its observation five available business-day observations earlier. Respect release lag; do not substitute a future observation.
Avoid chasing	Latest CPER/GLD ratio must be no more than 1.5 trailing 20-session standard deviations above its 20-session mean. If the standard deviation is zero, wait.
Execution	GLD borrow confirmed; annual fee at most 2%; initial and maintenance requirements known; quoted spread at most 0.20% of midpoint for each ETF; projected incremental 95-day costs at most \$75 at full size.

First stage

Earliest entry is October 15, 2026 between 10:00 a.m. and 3:30 p.m. after two qualifying closes and all operational requirements. Buy up to \$5,000 CPER and sell up to \$5,000 GLD short. If a requirement fails, remain flat and reassess after the next close. Cancel any unfilled proposal after November 6; a later trade needs a fresh note.

Second stage

Add up to a further \$5,000 per leg no earlier than October 29 and at least five completed sessions after the first entry. Add only if every filter still passes, cumulative net P&L is positive, and no exit threshold has triggered. Additions must occur by November 6. If adding never qualifies, retain the smaller position under its original stage-one exits.

Recompute quantity balance and stressed losses with the new fills. Never reset cumulative losses after adding. Once any exit closes the idea, there is no automatic re-entry or recovery trade. Avoid initiating or adding within 30 minutes before or after a scheduled high-impact release.

Appendix D Sizing capital and quantities

Sizing rationale

Full size is a ceiling of \$10,000 per leg. That is \$20,000 gross exposure, or 20% of the assumed account, versus approximately 167% in the original futures proposal. The gold short is a second directional exposure; no volatility, currency or recession hedge credit is assumed.

The design budgets for an illustrative severe stress of CPER down 20% and GLD up 15%. At full size that loses \$3,500 before costs, approximately \$3,575 using the maximum planned \$75 incremental costs. This remains below the original \$4,000 risk preference in this selected stress only. It is not a worst-case bound; a short can lose substantially more.

For any other account equity E, cap each leg at 10% of E and scale the planned dollar exits proportionally. Recalculate with actual whole-share quantities. Do not scale real capital merely because a larger account permits it; research validation remains necessary.

Whole share quantities

For a target per leg N and estimated fill prices PC for CPER and PG for GLD, begin with $qG = \text{floor}(N / PG)$. Choose the integer qC nearest to $qG \times PG / PC$ that also satisfies $qC \times PC \leq N$. Lower qG if needed. Require each leg at or below N and a mismatch no larger than 2% of their average. If no integer pair qualifies, reduce the matched size or wait; do not use an unapproved fractional short.

Illustration only	CPER long	GLD short
Hypothetical prices	\$40 per share	\$400 per share
First stage	120 shares = \$4,800	12 shares = \$4,800
After a matched second stage	240 shares = \$9,600	24 shares = \$9,600

These example prices are not market quotes. The second stage adds 120 CPER shares and 12 GLD shares, each worth \$4,800 in this example. At an actual addition, cap each new leg at \$5,000 and each combined current leg value at \$10,000; match the total position within 2%. Reduce the addition if needed. Appreciation alone does not require rebalancing. Record actual fills.

Cash and margin

Fully fund the CPER purchase from account equity. Earmark \$25,000 of existing equity for this idea, including the long and a conservative cash reserve for the short; the other \$75,000 stays uncommitted. This earmark is a desk buffer, not a quoted broker margin requirement. Confirm broker restrictions on collateral and buying power. Short-sale proceeds are restricted collateral, not profit or free capital. No interest on short proceeds or idle cash is assumed. [S13]

Use the broker pre-trade estimate for the exact pair. If it requires a margin loan, prevents sufficient liquidity, or consumes more than the earmarked equity, reduce the pair or skip. Do not use the old futures margin figures for this ETF implementation.

Appendix E Execution monitoring and exits

Execution sequence

- Before trading, record both live bid and ask quotes within the same minute, borrow availability, fees, account equity and buying power. Use regular US equity hours. A last price alone cannot establish the cost of entry.
- Use a supported two-leg order if available. Otherwise sell the located GLD shares short first using a marketable limit, then buy the matched CPER quantity immediately. If the other leg cannot be completed within 60 seconds, cancel the unfilled order and unwind the filled exposure. Record any loss within the same trade budget.
- In a simulation, assume purchases fill at the ask and sales at the bid, subject to visible size. Do not grant midpoint fills without evidence. Cap an initial order at displayed executable size and split it if needed.
- Use limits for routine execution, but prioritize closing exposure if a stop is reached. A limit order can remain unfilled. If a halt blocks one leg, close the available leg and continue trying to close the remainder; record the residual risk.

Calculate the money actually at risk

At time t , estimated liquidation P&L = realized P&L + $qC \times (\text{CPER bid minus weighted purchase price}) + qG \times (\text{weighted short sale price minus GLD ask})$ minus accrued borrow, commissions, other cash charges and estimated remaining exit charges. Include manufactured distributions if owed. Use all fills and all stages. ETF expenses are already in share prices and must not be deducted again.

Use actual holdings and executable prices for decisions. CPER/GLD is a diagnostic chart only. HG1!/GC1! is neither the held portfolio nor an executable stop; a metal ratio multiplied by 1,000 is a different series again.

Trigger	Action
Stage 1 net P&L $\leq -\$200$ or $\geq +\$325$	Close both legs at the first executable opportunity.
After addition cumulative net P&L $\leq -\$400$ or $\geq +\$650$	Close both legs. Count stage-one P&L and all costs; do not reset entry economics.
At any close from the tenth completed session onward net P&L $\leq \$0$	Close at the next regular session. Adding does not restart this clock.
Ratio below its 20-session mean for two completed closes	Close next session, even if the dollar loss exit has not triggered.
Final date January 15 2027	Begin liquidation by 3:00 p.m. and aim to be flat by 3:30 p.m.; record execution exceptions.

Monitor liquidation P&L throughout market hours with alerts. Record an opening check, midday check and 3:30 p.m. check, plus a full Friday review. If monitoring cannot be maintained, close the paper position. ETF markets close overnight; the next available price may be far beyond an alert.

Appendix F Costs payoff and scenarios

Cost budget

Projected incremental costs are capped at \$75 over a 95-calendar-day planning window at full size, covering an October entry through January 15. This is a paper ceiling, not a broker quote. Borrow at 2% annually on an unchanged \$10,000 short costs about \$52.05 using 95/365. The remaining \$22.95 must cover spread crossing, commissions, regulatory charges and an execution allowance. Obtain the broker day-count convention; 95/360 gives \$52.78. Rising GLD prices increase the borrowing base.

CPER expenses, futures curve changes, rebalancing and collateral returns affect CPER share returns. GLD expenses affect its share return; they are not a separate cash bill to the short seller. Use actual ETF returns for performance. If modeling spot metals instead, separately estimate these tracking and carry effects. The original CPER 0.97% expense assumption is removed until the current prospectus is verified. GLD lists a 0.40% gross expense ratio. [S7, S8]

For equal \$10,000 starting legs, gross P&L = \$10,000 x (CPER return minus GLD return). Incremental costs of \$75 require a 0.75 percentage point simple return difference to break even. A +\$650 net exit requires \$725 gross, or 7.25 percentage points under the full cost assumption. This is not necessarily a 7.25% ratio gain.

Illustrative ETF returns	CPER	GLD	Gross P&L	Net after \$75
No movement	0%	0%	\$0	-\$75
Moderate relative gain	+3%	-2%	+\$500	+\$425
Strong relative gain	+7%	-4%	+\$1,100	+\$1,025
Both fall and copper holds up	-2%	-6%	+\$400	+\$325
Both rise and copper lags	+3%	+5%	-\$200	-\$275
Growth and defensive demand shock	-5%	+3%	-\$800	-\$875
Severe stress	-20%	+15%	-\$3,500	-\$3,575

These are sensitivity calculations at full size from a single starting point, with no probabilities assigned. They are not realized forecasts and ignore interim exits. Actual rules would seek to exit earlier; gaps can prevent this. Two-stage fills require the actual share ledger.

Expected return remains unproven

The nominal target-to-planned-loss ratio is $650/400 = 1.625$. A binary model with exactly those net outcomes breaks even at 38.1% wins. Actual outcomes include time exits, gaps and failures, so this number is not a required or expected real-world win rate. Do not assign probabilities to make expected value look positive. Estimate the distribution from the validation process in Appendix H.

Appendix G Risks physical basis and catalysts

Risk or event	Required response
Refined copper tariff removed or delayed	Freeze additions. Reprice the synchronized regional spread and global case. If the documented thesis depends on the premium, close BOTH legs; do not leave an automatic gold-only short.
US premium loses one percentage point in a session	Review immediately and freeze additions. Treat as a provisional review threshold, not an estimated probability. Exit if the documented global case no longer covers the premium risk.
Copper surplus rises and physical tightness eases	Close both legs if the documented scarcity case is invalidated. No arbitrary half-contract reduction and no switch to CPER as a tariff hedge.
Real yields fall and GLD regains its 20-session average	Freeze additions; close on the next session if both persist for two available observations or closes. An explicit Fed easing pivot invalidates the monetary rationale immediately.
Ceasefire or escalation	Assess real yields, energy, growth and defensive demand separately. No assumed universal gold response; retain dollar exits and close if the documented mechanism fails.
Borrow recall or rate above 2% annually	Close both legs at the next executable opportunity. No unapproved substitute short or added financing.
Halt margin increase or platform failure	Stop additions. Use the broker contingency channel to close where possible. Keep the earmarked cash buffer and record residual unhedged exposure.

Policy and inventory treatment

The July 2025 proclamation contemplated conditional refined-copper tariffs starting in January 2027. It is not sufficient evidence of the operative October 2026 rules. Check White House, Federal Register and CBP changes through entry. A missed June deadline is not tariff cancellation. [S9]

Compare COMEX and LME prices at one timestamp and matched maturities, converted at 2,204.6226 pounds per metric tonne. Adjust or disclose financing, freight and specification differences. Report a regional basis, not a direct tariff probability. Compare total stocks with total stocks and separately compare available categories. US warehouse location alone does not establish that metal cannot leave.

Date	Action
October 14	CPI already released; replace the old entry snapshot. [S2]
October 27	Review Freeport results and recovery guidance. [S6]
October 27 and 28	Review FOMC decision and the change versus pricing. [S10]
November 6	Last date to initiate or add under this note.
December 8 and 9	FOMC review; no automatic hold simply because a hike occurs. [S10]
January 15 2027	Final exit; avoid allowing the time horizon to drift.

Appendix H Validation and alternatives

Research needed before risking real money

Historical price data, borrow terms and live executable quotes have not been supplied for this note. Therefore no backtest, volatility estimate, hedge ratio, win probability or live order quantity is represented as verified. The complete rules above can be tested in paper trading; real-money eligibility remains pending the following work.

- Obtain at least three years of synchronized daily CPER and GLD adjusted observations, plus bid-ask and cost assumptions. Preserve raw prices, distributions and corporate actions for portfolio accounting. Use intraday data to determine stop/target order when possible; if both hit within a daily bar and sequence is unknown, use the adverse ordering.
- Freeze the rules before testing. Use earlier data for calibration and a later untouched period for validation. Respect data release times, borrow constraints, trading hours and next-session execution. Test the exact stages, time stop, costs and forced exits. Do not retrospectively choose only favorable CPI or Fed meetings.
- Report sample count, net expectancy, median outcome, drawdown, 95% expected shortfall, worst gap, holding time and sensitivity to double costs. Use block resampling for dependence. A small sample with a wide uncertainty range cannot establish a stable edge.
- Compare the pair with cash, long CPER alone, short GLD alone and volatility-adjusted sizes at comparable stressed risk. Report 20-, 60- and 120-session return volatility and correlation and factor exposures to the dollar, real yields and equities. If the gold leg worsens risk without improving net expectancy, reject the pair.
- For live eligibility, require positive untouched-sample net expectancy that survives reasonable cost and timing changes, sufficient independent observations to assess uncertainty, and a desk-accepted stress budget. If evidence is inconclusive, continue paper observation; do not report an invented passing result.

Alternatives and futures

A direct MHG March 2027 and MGC February 2027 pair retains separate commodity, curve and US premium exposures. MHG is 2,500 pounds and financially settled; MGC is 10 troy ounces with a delivery mechanism. Exact notice and broker cutoff dates, quotes, margin and liquidity are required. [S14, S15]

At the original illustrative prices, five MHG and two MGC carry about \$167,368 gross. Two MHG against one MGC still carry about \$75,261 gross and a substantial dollar imbalance. Neither is substituted automatically for the \$20,000 ETF pilot. New futures sizing requires a separate risk decision and actual-contract P&L; continuous charts are unsuitable for stops.

If a firm maximum loss is essential, separately quote a CPER call spread and a GLD put spread with expiries beyond January 15. Cap combined net debit and fees at the approved loss budget; close before expiry to manage exercise and assignment. Strike selection and profitability require actual option chains. Long copper alone, short gold alone and silver are separate hypotheses, compared at equal risk rather than equal contract count.

Appendix I Entry record and corrections

Complete and archive before the first order

Field	Required record
Execution snapshot	Account equity; broker; date/time ET; CPER bid/ask; GLD bid/ask; executable depth; actual proposed quantities.
Borrow and collateral	Locate status; annual fee and day-count; initial/maintenance requirements; reserved equity; projected debit balance.
Signals	Two qualifying dates; both 20-session averages; five-session GLD return; ratio mean and standard deviation; released real-yield observations.
Fundamental evidence	Latest ICSG release/date; operative tariff documents; matched US basis; physical copper confirmation; latest China demand and mine data.
Market disagreement	Priced expectation; alternative view; catalyst; effect on each leg; contrary evidence; invalidation.
Final economics	Gross and net exposure; mismatch; 95-day cost estimate; stress loss; cumulative exits; order method and contingency contact.

Changes from the original proposal

Original problem	Treatment in this note
Stale ETF selling premise	Replaced with September and Q3 inflows; gold confirmation required.
Already priced Fed hike	Requires a stated disagreement and real-yield evidence.
Global shortage assertion	Retains verified surplus forecast and requires current physical evidence.
Regional scarcity versus COMEX	Separates global copper from US premium; no assumed lockup.
Mixed prices and inventories	Requires synchronized dates, tenors, units and inventory categories.
CPER as tariff escape	Removed; both legs close if the thesis fails.
Equal dollars called a hedge	Explicitly treats both legs as risk; no hedge credit without tests.
Large gross exposure and staged imbalance	Smaller matched ETF stages; 2% initial mismatch limit.
Ratio stop and claimed maximum loss	Uses cumulative liquidation P&L; gaps and unlimited short risk stated.
Arbitrary target and win probability	Labels exits as policy; removes forecast odds; adds validation protocol.
Automatic entry resize or one-leg fallback	Conditional additions; no averaging down or automatic single-leg trade.
Costs carry tax and references	Cost model corrected; direct-futures tax inference removed; sources indexed.

Tax for a real account: treatment depends on the instrument, taxpayer and jurisdiction. Direct qualifying futures generally have Section 1256 year-end mark-to-market and 60/40 treatment. Do not transfer that classification to CPER or a GLD short. Review the fund tax materials, short-sale and straddle rules, and year-end reporting separately. A paper account creates no actual tax liability. [S17]

Appendix J Sources and open inputs

Primary sources accessed October 14, 2026. Publication or observation dates are stated where material. Source links are clickable. Research and operating thresholds are distinguished throughout; source facts do not validate the proposed entry filters.

- S1 [Federal Reserve FOMC statement September 16 2026](#)
- S2 [Bureau of Labor Statistics September CPI release October 14 2026](#)
- S3 [Federal Reserve via FRED DFII10 real yield observations through October 9](#)
- S4 [World Gold Council September ETF flows published October 7 2026](#)
- S5 [ICSG April 23 2026 refined copper balance forecast](#)
- S6 [Freeport Q3 operational update October 2 2026 and earnings date](#)
- S7 [USCF CPER fund description COMEX index exposure](#)
- S8 [State Street GLD investment objective and gross expense ratio](#)
- S9 [Proclamation 10962 July 30 2025 conditional refined copper tariff framework](#)
- S10 [Federal Reserve 2026 and 2027 meeting calendars](#)
- S11 [World Gold Council Q2 demand release July 30 2026 and revision notes](#)
- S12 [SAFE official reserve assets 2026 gold holdings in ounces](#)
- S13 [Schwab margin requirements broker terms must be checked for the actual position](#)
- S14 [CME Micro Copper contract fact card](#)
- S15 [CME COMEX Chapter 120 Micro Gold futures delivery and trading rules](#)
- S16 [CME FedWatch current probability distribution source for pre-entry capture](#)
- S17 [IRS Publication 550 investment income expenses and Section 1256 treatment](#)

Inputs that remain open

Current executable ETF prices; exact whole-share orders; borrow and broker collateral; current CPER expenses and holdings; latest ICSG update; operative tariff status and synchronized regional basis; technical filter calculations; and historical strategy validation. These fields require completion before their respective entry or real-money requirements can pass. No price, probability, broker approval or test result has been invented to fill them.

Source proposal: Copper vs Gold Trade Proposal, Gaangey Goenka, CASC, October 13, 2026, supplied by the desk. The original synced and attached materials remain unchanged.

Appendix K Physical commodity requirements

The proposed CPER versus GLD pair expresses a financial view. A physical copper proposal needs a purchase and resale chain with specific cargo terms. There is no basis here to claim an executable physical arbitrage or apply the ETF return targets to a cathode shipment.

Physical economics that a cargo proposal must contain

Data type	Required terms and evidence
Product and quantity	Cathode grade, purity, approved brand, tonnage, tolerances, packaging, inspection and assay specifications.
Location and delivery	Origin, loading and discharge locations, warehouse or port, shipment window, transit time, Incoterms and contractual transfer of title and risk.
Purchase and sale price	Firm supplier and buyer quotes; benchmark, quotational period, physical premium or discount, payment terms and currency for each side.
Logistics and availability	Freight, insurance, handling, warehousing, load-out capacity, demurrage allowance, ownership and evidence the metal can be shipped.
Tariffs and tax	Operative product classification, origin rules, applicable duties, import taxes or VAT timing and any export restrictions. Resolve before committing.
Financing and credit	Inventory finance, advance payment, receivables period, interest rate, letters of credit, collateral and counterparty limits.
Hedge and residual basis	Benchmark contracts, hedge dates and tonnage, quotational-period mismatch, regional basis, FX, hedge margin liquidity and hedge unwind.
Exit and failure	Buyer default, late shipment, quality claims, replacement market, storage extension and enforceable remedies.

Physical margin calculation

Expected cargo profit = tonnage x (resale benchmark plus resale premium minus purchase benchmark minus purchase premium) minus freight, insurance, handling, storage, financing, duties, hedge costs and expected credit or quality losses. Express both profit per tonne and total profit, plus cash tied up and downside under delay and basis stress.

A benchmark hedge can reduce outright copper price risk while leaving physical premium, quality, location, timing and counterparty exposure. A short gold position does not hedge those cargo obligations. Build the copper cargo economics independently before considering a separate copper versus gold overlay.

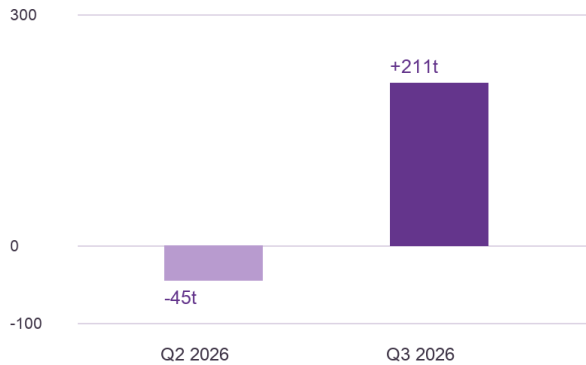
Status of physical inputs

No supplier quote, buyer bid, cargo specification, route, freight quote or financing offer is established in this proposal. These remain required inputs for a physical trade. The note therefore retains a small financial paper pilot and a physical-market research framework.

Appendix L Data and payoff dashboard

Historical observations, forecasts and hypothetical sensitivities are shown separately. The chart periods and forecast vintage are explicit. These data do not establish current entry eligibility or an estimated probability of profit.

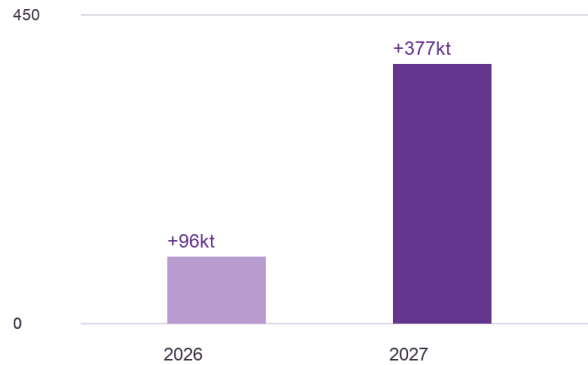
Gold ETF demand reversed



Reported quarterly data | S4 and S11

t | net change

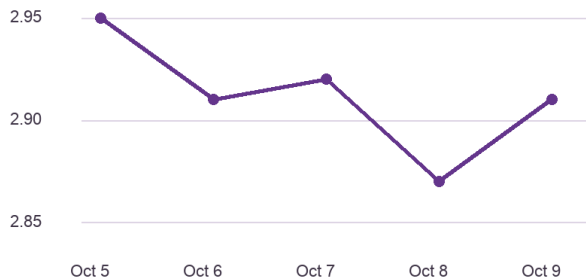
Refined copper surplus forecast



April 2026 forecast vintage | S5

kt | projected annual balance

Ten year real yield observations



Percent | 2026 daily observations | FRED DFII10 | S3

Pair payoff sensitivity in dollars

	-10%	-5%	+0%	+5%	+10%
+10%	-2,075	-1,575	-1,075	-575	-75
+5%	-1,575	-1,075	-575	-75	425
+0%	-1,075	-575	-75	425	925
-5%	-575	-75	425	925	1,425
-10%	-75	425	925	1,425	1,925

Columns CPER return | Rows GLD return

\$10,000 per leg less \$75 | before interim exits

Gold ETFs: Q2 outflows of 45 tonnes and Q3 net holdings growth of 211 tonnes. Copper: the April forecast annual refined balances remain subject to revision. Real yields: the latest observation shown is October 9, not an intraday quote. Payoff grid: equal starting ETF notionals, \$75 incremental costs, no staged fills, stop execution, gaps or tax. [S3, S4, S5, S11]