



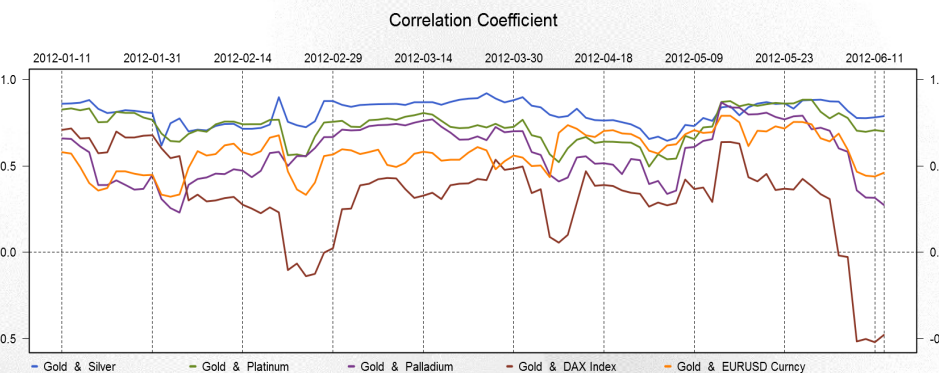
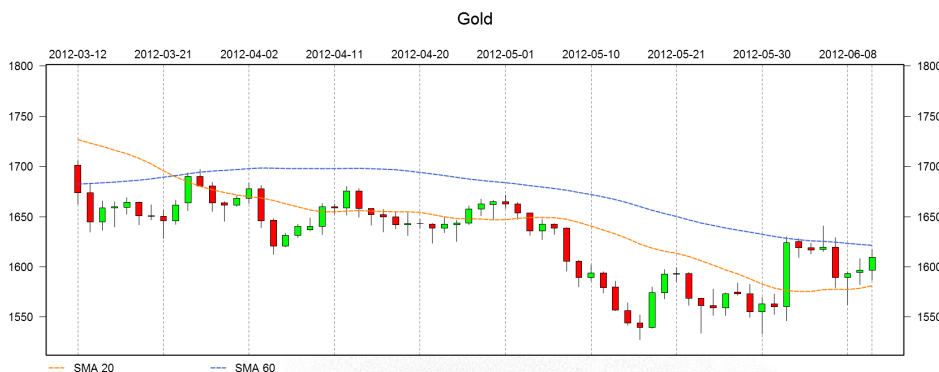
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13/06/2012



# Commodity Overview

# Precious Metals: *Gold rallied on US easing hopes*



**Precious metals** rallied on Tuesday as safe-haven appeal of the commodity group increased after Spanish costs of borrowing neared 7% and Fitch downgraded 18 Spain's banks.

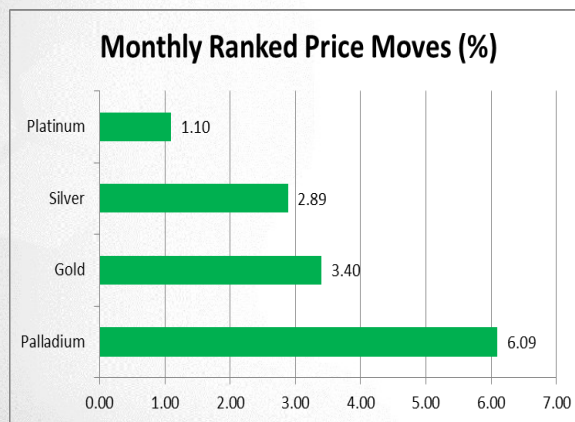
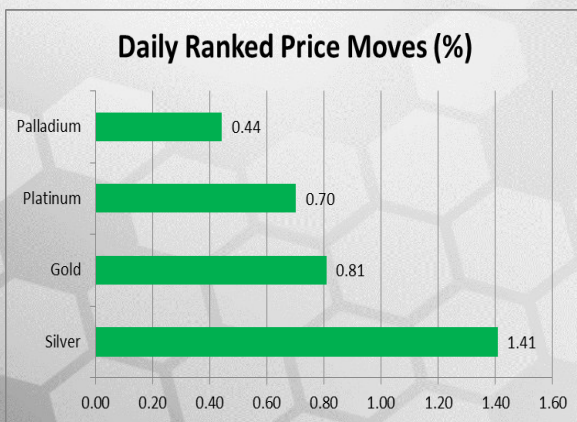
**Gold** gained 0.81% as hopes for easing measures from the Fed rose. Charles Evans, Fed official, said that he would back up additional easing to support US labour market.

**Silver** was the top-gainer amid stronger global equities and weaker US Dollar.

**Platinum** rose on rising risk-aversion amid fiscal instability in the Eurozone. However, potential increase in supplies as South African government formed special group to address problems related to platinum production limited the gains.

**Palladium** added 0.44% on better demand prospect and expected tight supplies over the next four years.

Correlating pairs	Strengthening	Weakening	Unchanged	Insignificant
Gold vs Silver			0.78	
Gold vs Platinum			0.71	
Gold vs Palladium		0.31 ► 0.27		
Gold vs German DAX Index		-0.52 ► -0.48		
Gold vs EUR/USD	0.43 ► 0.46			

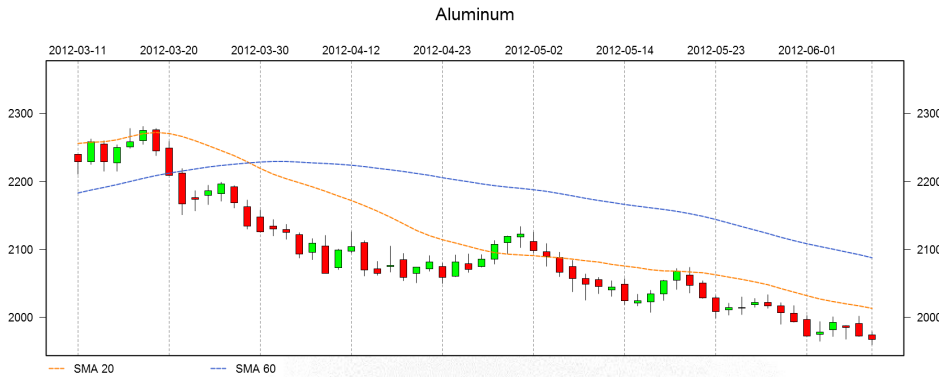


Dow Jones-UBS Precious Metals Index	chg %
1 day	1.09
1 week	0.27
1 month	2.99
3 months	-7.29
6 months	-4.44
12 months	-0.14
1 year	-0.27



# Industrial Metals: Aluminum dropped on record China's production

Wednesday, June 13, 2012  
15:00 GMT



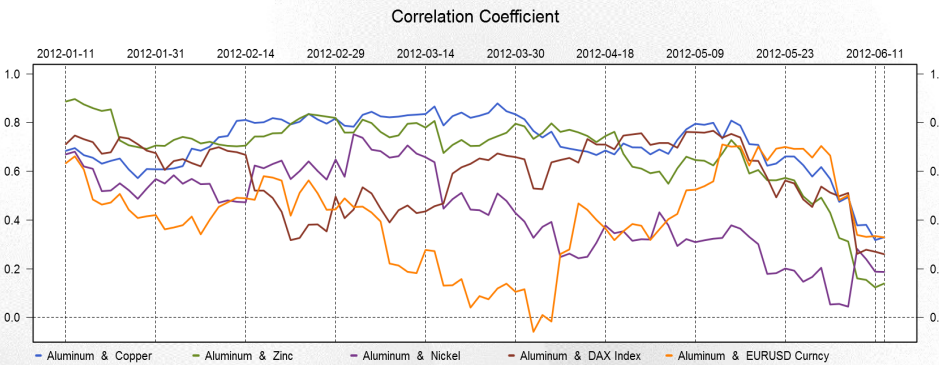
**Industry metals** tumbled on Tuesday on lingering concerns over the Eurozone's economy after Spanish 10-year bond yields moved closer to 7%, level considered to be unsustainable.

**Aluminum** extended losses as China's aluminum production approached record high level even despite capacity reduction in Henan province.

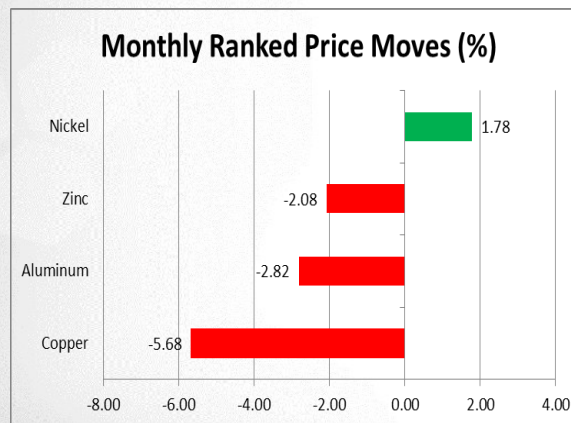
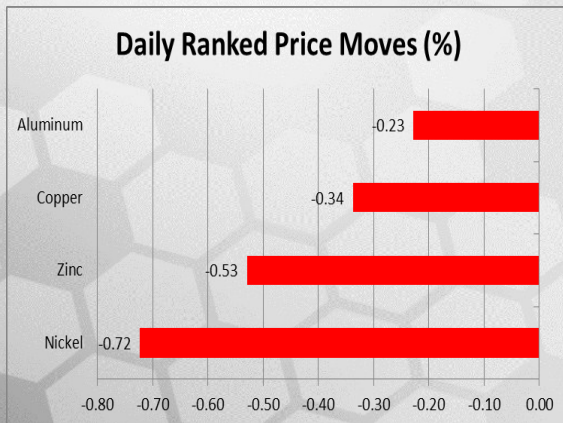
**Copper** lost 0.34% after disappointing manufacturing data from the UK. UK's manufacturing output dropped by 0.7% in April, falling for fourth month in a row.

**Nickel** plunged by 0.72% on falling risk-appetite among investors. However, better spot activity after Indonesia banned nickel ore exports to China restricted losses.

**Zinc** price declined on elevating inventory levels at LME warehouses.



Correlating pairs	Strengthening	Weakening	Unchanged	Insignificant
Aluminum vs Copper			0.32	
Aluminum vs Zinc				0.14
Aluminum vs Nickel				0.19
Aluminum vs German DAX Index	0.27 ▶ 0.26			
Aluminum vs EUR/USD			0.33	



Dow Jones-UBS Industry Metals Index	chg %
1 day	-0.36
1 week	0.14
1 month	-3.65
3 months	-12.48
6 months	-5.06
12 months	-22.55
1 year	-6.39



# Energy: Crude oil edged up as Cushing inventories declined

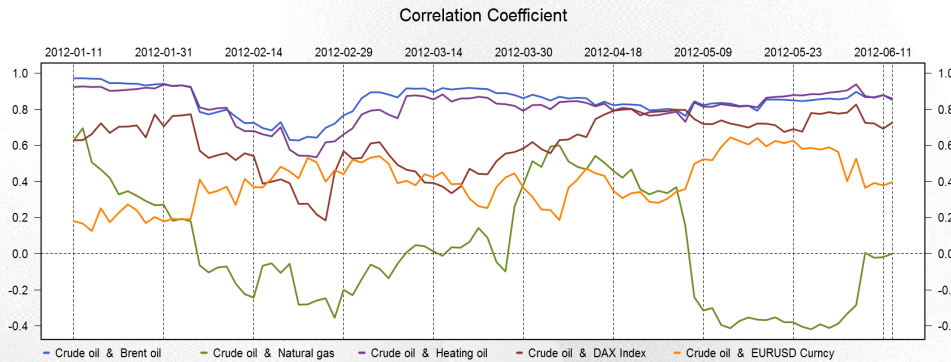
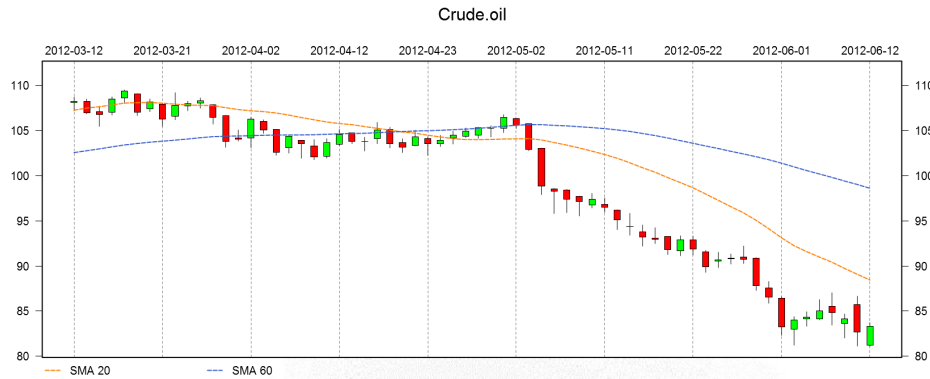
**Energy commodities** were mixed on Tuesday, balancing between bleak demand outlook and falling crude oil inventories in the US.

**Crude oil** rose by 0.75% after API reported that Cushing, key US hub, faced a fall in the crude oil inventories last week.

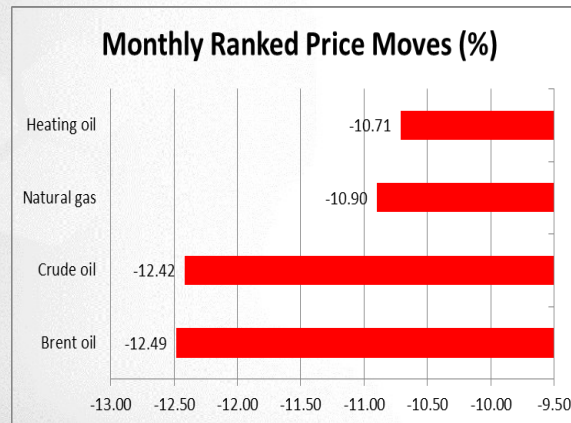
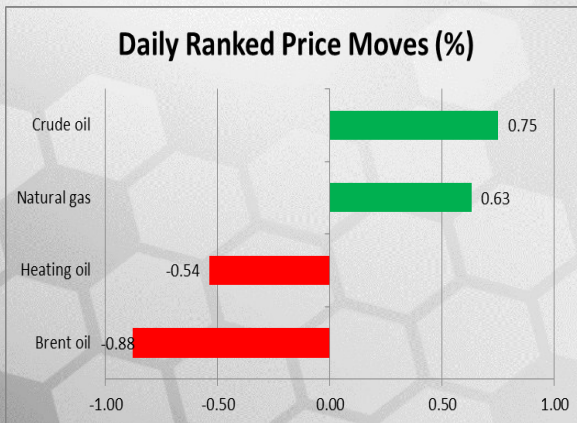
**Brent oil** was the top-loser ahead of OPEC meeting due on Thursday. Iran, Venezuela and Angola called Saudi Arabia to restrict oil output to limit recent price fall while Saudi Arabia intends to stick to the current production level.

**Natural gas** advanced as demand from electricity sector is likely to soar. Moreover, recent slump in the natural gas price created dip buying opportunities for investors.

**Heating oil** was lower amid rising risk-aversion in view of the Eurozone's debt woes.

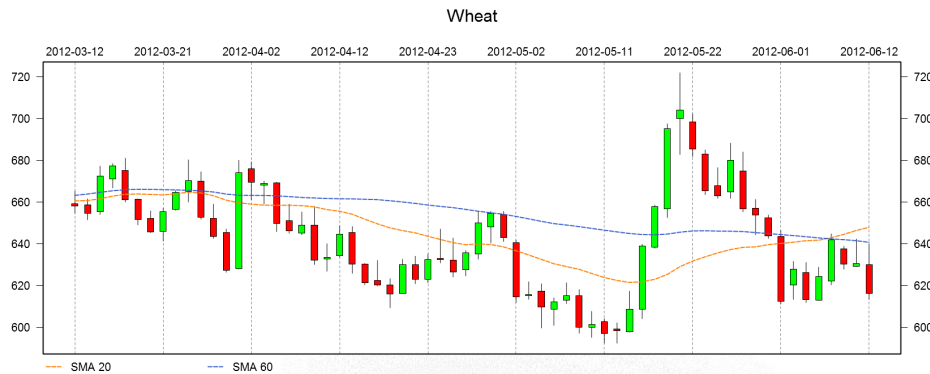


Correlating pairs	Strengthening	Weakening	Unchanged	Insignificant
Crude oil vs Brent oil		0.88 ► 0.85		
Crude oil vs Natural gas				-0.0004
Crude oil vs Heating oil		0.88 ► 0.86		
Crude oil vs German DAX Index	0.69 ► 0.73			
Crude oil vs EUR/USD	0.38 ► 0.40			



Dow Jones-UBS Energy Index	chg %
1 day	0.30
1 week	-3.78
1 month	-11.17
3 months	-19.24
6 months	-21.90
12 months	-34.83
1 year	-23.02

# Agriculture: *Wheat plunged after USDA stockpiles report*



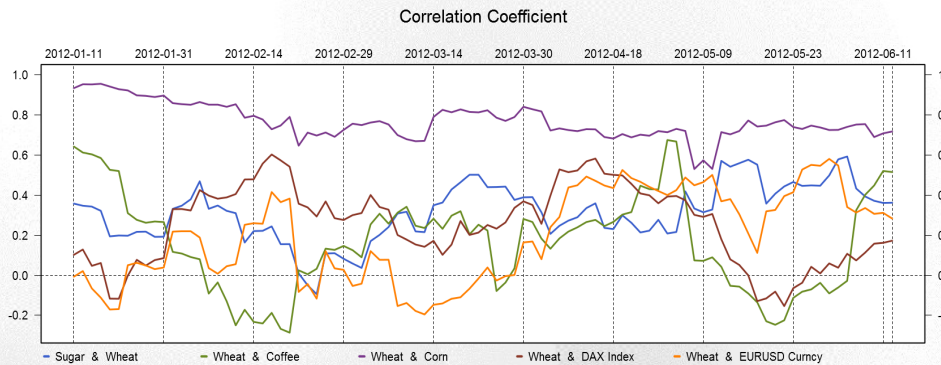
**Farm commodities** dropped on Tuesday amid dismal demand prospects in the light of fiscal difficulties in Spain and Italy.

**Wheat** was the top-loser, sliding the most in a week after USDA reported that world's inventories are likely to be larger than forecast.

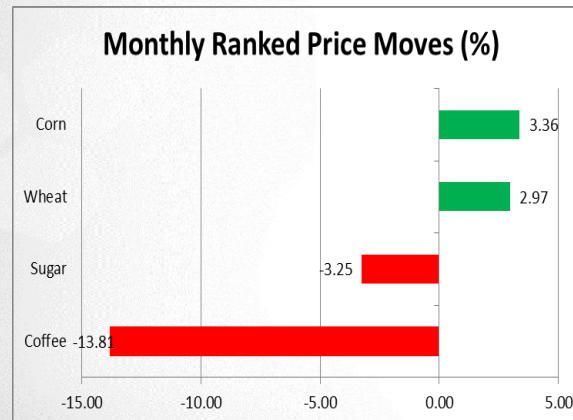
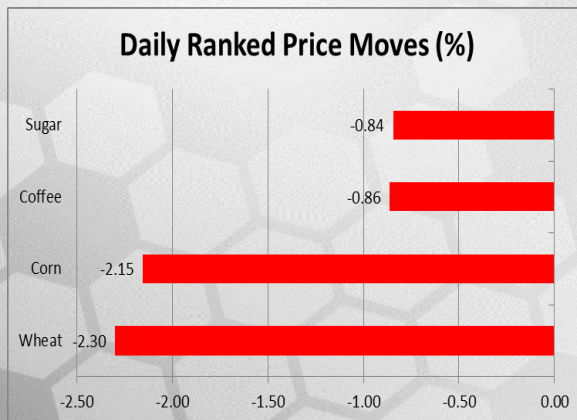
**Corn** followed bearish trend as demand is weakening while supplies are expected to be ample due to high US crops and improving weather conditions in the top-growing regions.

**Sugar** lost 0.84% despite speculation that Brazilian sweetener's production is expected to drop this year amid drought concerns.

**Coffee** was lower as demand is likely to decline this year on faltering global economy and sufficient supplies. ICO reported that global consumption gained 1.7% last year, being below 12-year average while Brazilian harvest is likely to be record high.



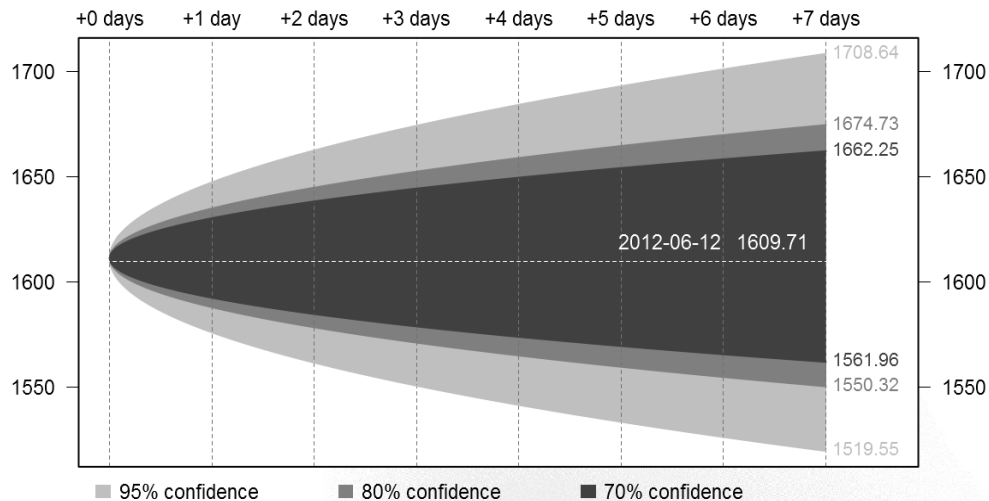
Correlating pairs	Strengthening	Weakening	Unchanged	Insignificant
Wheat vs Sugar			0.36	
Wheat vs Coffee		0.52 ► 0.51		
Wheat vs Corn			0.71	
Wheat vs German DAX Index				0.17
Wheat vs EUR/USD		0.31 ► 0.28		



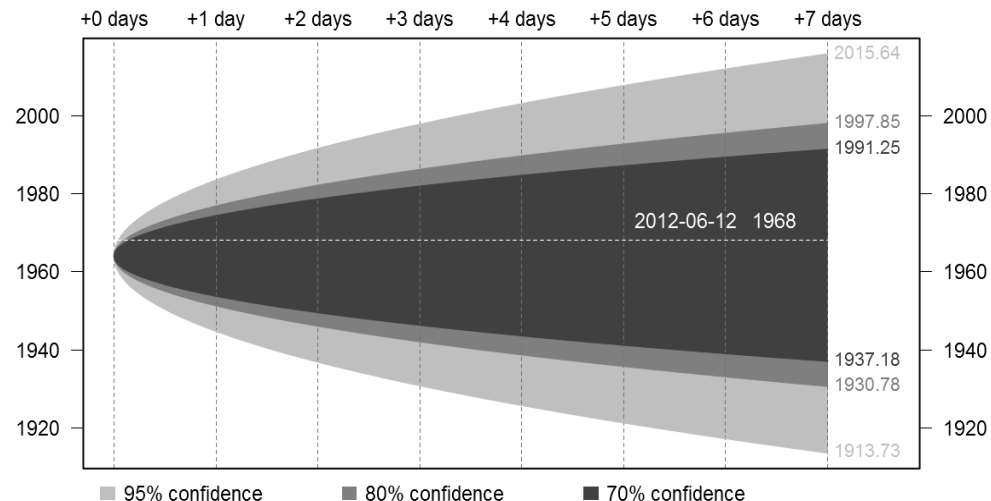
Dow Jones-UBS Agriculture Index	chg %
1 day	-0.79
1 week	0.93
1 month	-0.45
3 months	-6.15
6 months	1.27
12 months	-20.16
1 year	-6.85

# Confidence Intervals for the Next 7 Days

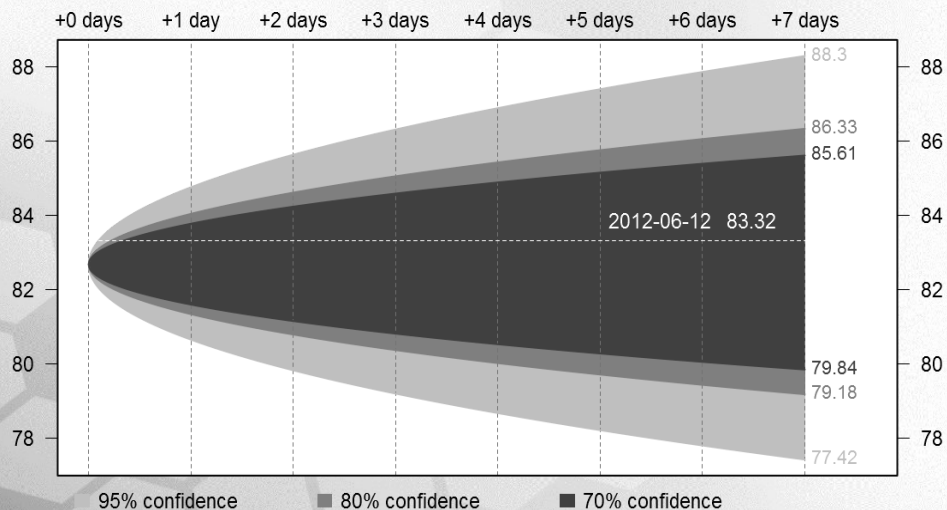
Gold Potential Rates



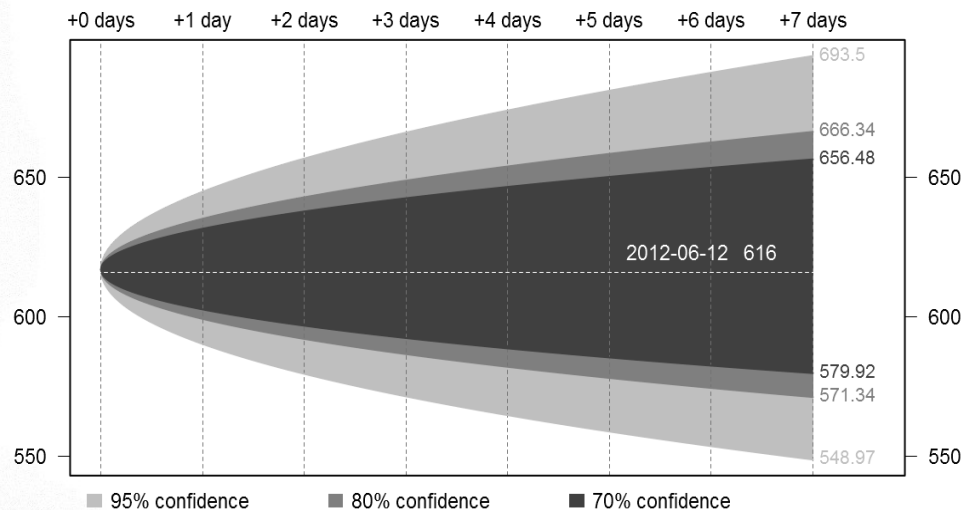
Aluminum Potential Rates



Crude oil Potential Rates

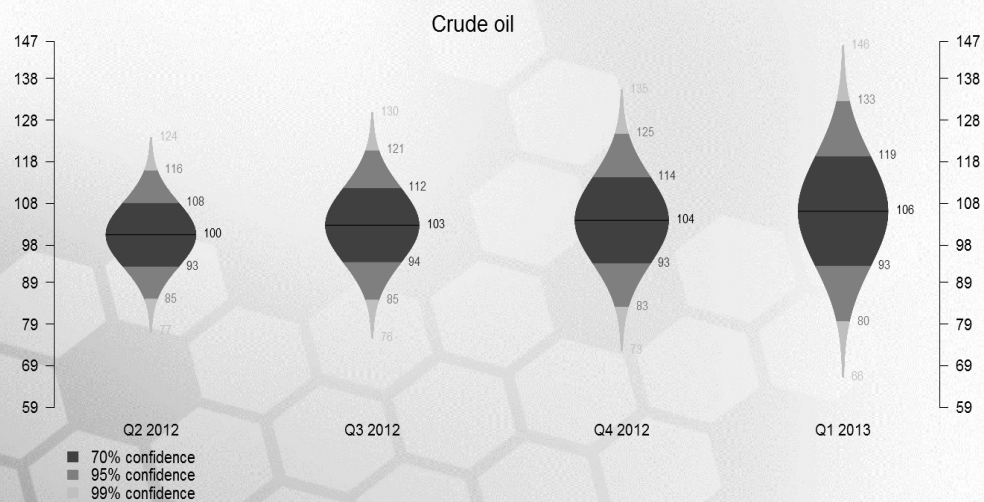
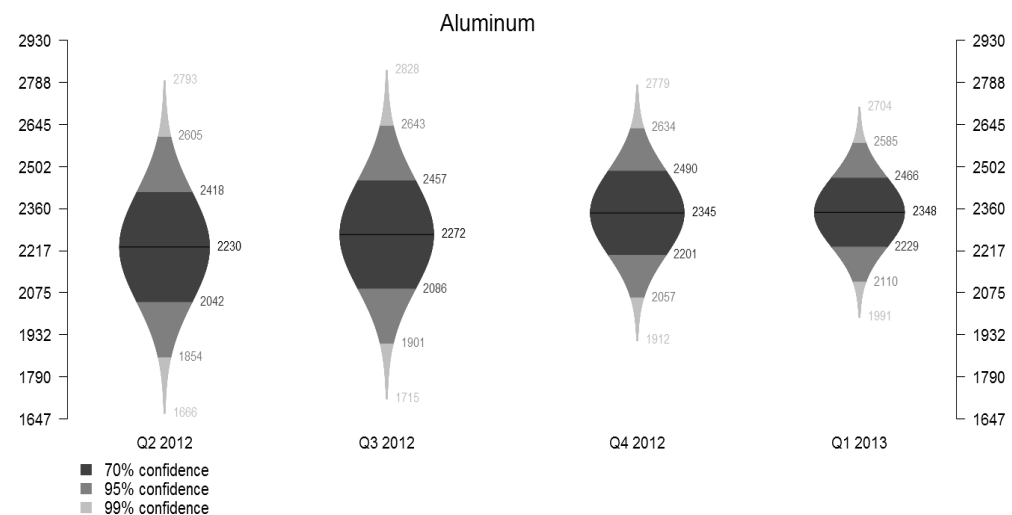
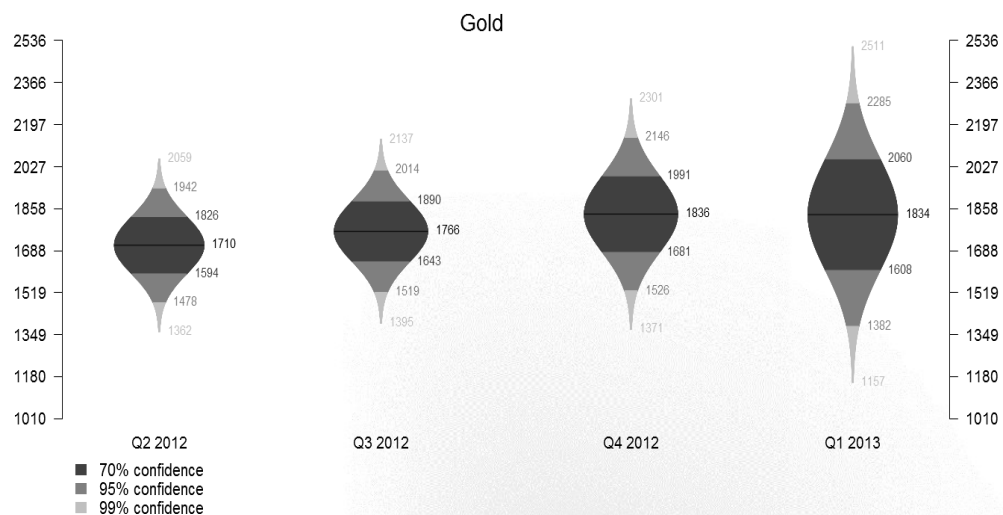


Wheat Potential Rates



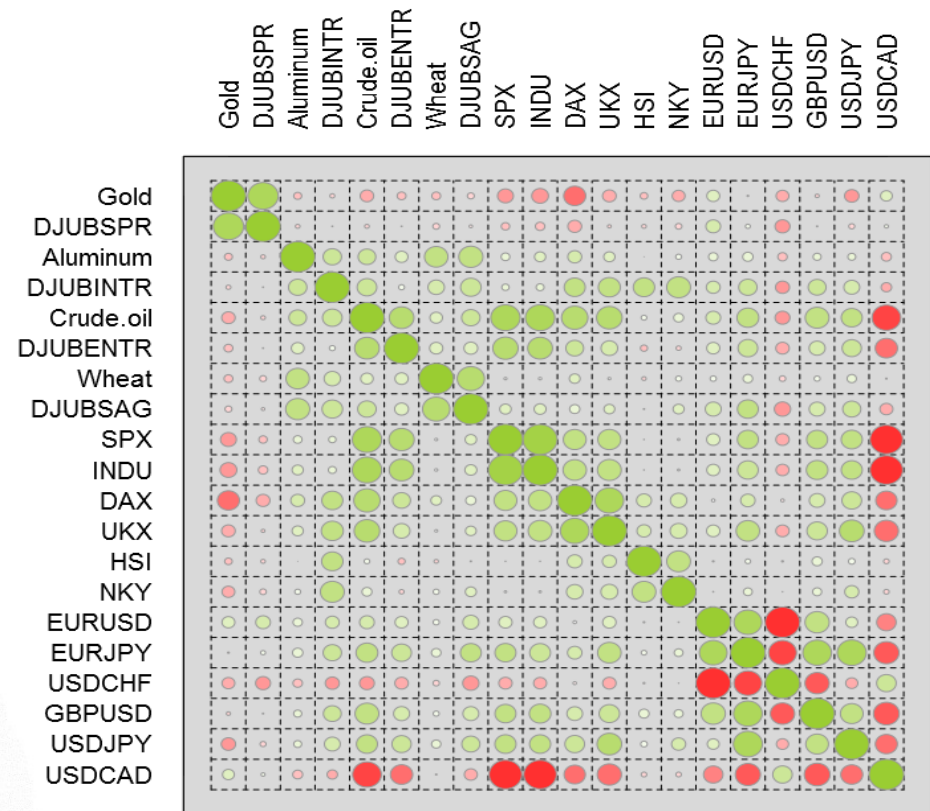
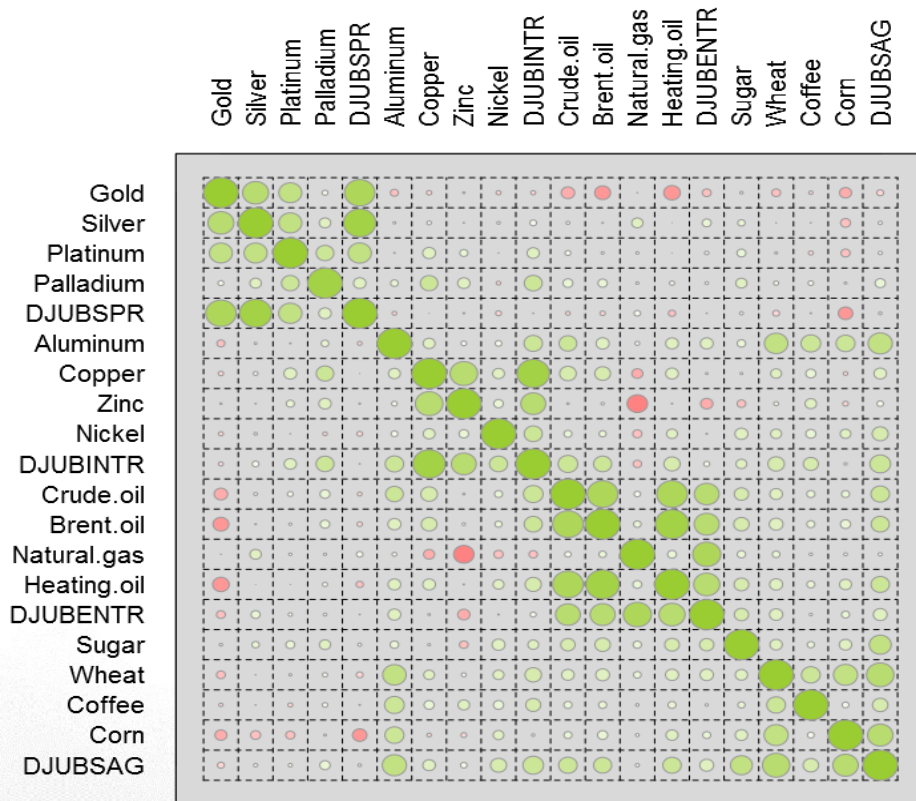


# Quarterly Price Forecast



\* data based on the 20 international banks forecasts

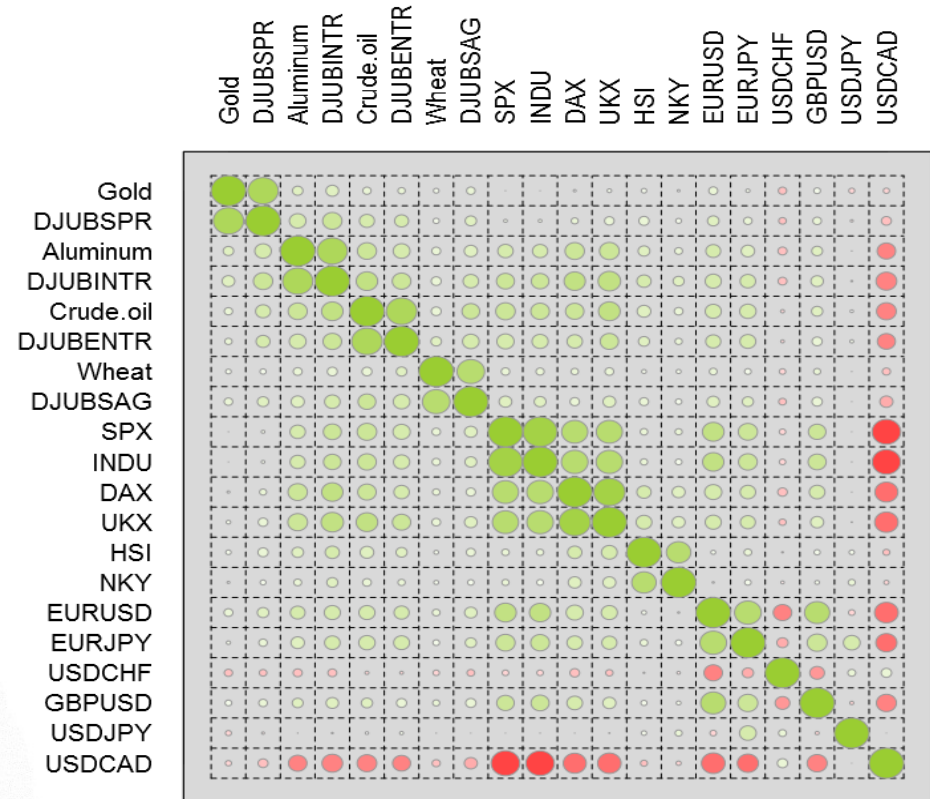
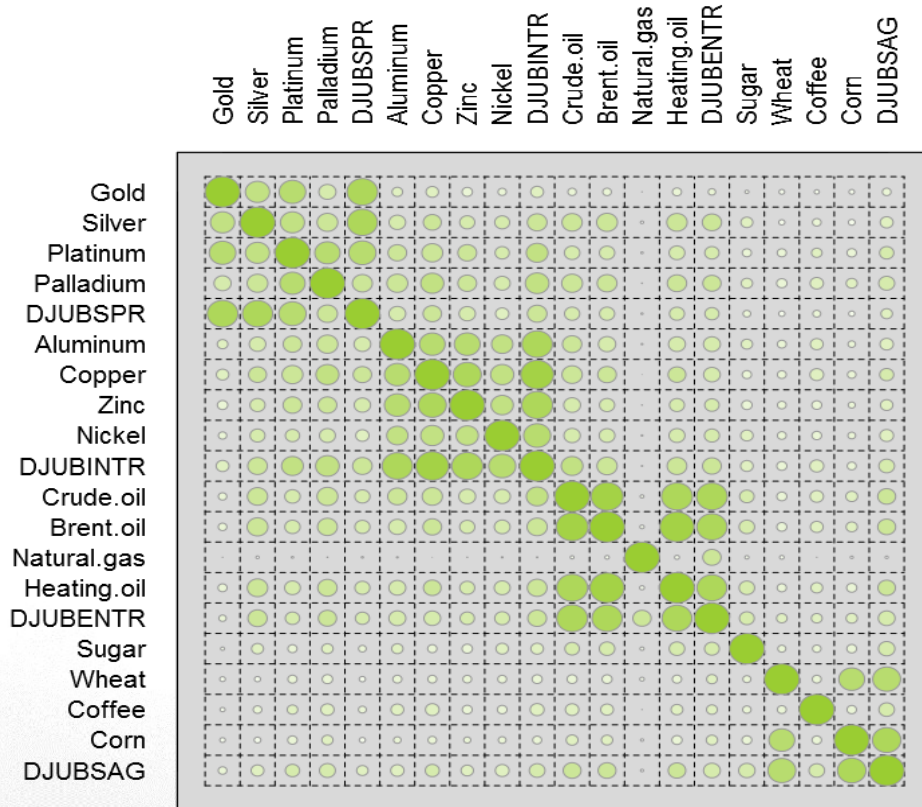
# 20-day weighted correlation matrix



DJUBSPR-Dow Jones-UBS Precious Metals Index, DJUBINTR-Dow Jones Industry Metals Index, DJUBENTR-Dow Jones-UBS Energy Index, DJUBSAG, Dow Jones-UBS Agriculture Index, SPX - S&P 500, INDU - Dow Jones Industrial Average, DAX - German DAX 30, UKX - UK FTSE 100, HSI - Hang Seng, NKY - Nikkei 225



# 1-year weighted correlation matrix



DJUBSPR-Dow Jones-UBS Precious Metals Index, DJUBINTR-Dow Jones Industry Metals Index, DJUBENTR-Dow Jones-UBS Energy Index, DJUBSAG, Dow Jones-UBS Agriculture Index, SPX - S&P 500, INDU - Dow Jones Industrial Average, DAX - German DAX 30, UKX - UK FTSE 100, HSI - Hang Seng, NKY - Nikkei 225

## EXPLANATIONS

### Commodities

- **Gold** - spot 995 fine gold
- **Silver** - spot 999 fine silver
- **Platinum** - spot platinum with minimum purity 99.95%
- **Palladium** - spot palladium with minimum purity 99.95%
- **Aluminium** - three months forward aluminum contract on the London Metal Exchange
- **Copper** - three months forward copper contract on the London Metal Exchange
- **Zinc** - three months forward zinc contract on the London Metal Exchange
- **Nickel** - three months forward nickel contract on the London Metal Exchange
- **Crude oil** - light, sweet crude oil active contract on the New York Mercantile Exchange
- **Brent oil** - Brent oil active contract on the New York Mercantile Exchange
- **Natural Gas** - natural gas active contract on the New York Mercantile Exchange
- **Heating oil** - heating oil active contract on the New York Mercantile Exchange
- **Sugar** - white sugar on the LIF-NYSE LIFFE London Exchange
- **Wheat** - wheat active contract on the Chicago Board of Trade
- **Coffee** - benchmark Arabica coffee active contract on the NYB-ICE Futures Exchange
- **Corn** - corn active contract on the Chicago Board of Trade

### Indices

- **Dow Jones-UBS Precious Metals Subindex Total Return** - commodity group subindex composed of gold and silver; the index reflects return on underlying commodity futures price movement
- **Dow Jones-UBS Industry Metals Subindex Total Return** - commodity group subindex composed of futures contracts on aluminium, copper, nickel and zinc; the index reflects return on fully collateralized futures positions
- **Dow Jones-UBS Energy Subindex Total Return** - commodity group subindex composed of futures contracts on crude oil, heating oil, unleaded gasoline and natural gas; the index reflects return on fully collateralized futures positions
- **Dow Jones-UBS Agriculture Subindex Total Return** - commodity group subindex composed of futures contracts on coffee, corn, cotton, soybeans, soybean oil, sugar and wheat; the index reflects return on fully collateralized futures positions

### Chart

- **SMA (20)** - Simple Moving Average of 20 periods
- **SMA (60)** - Simple Moving Average of 60 periods
- **Correlation** - a statistical measure of the linear relationship of two random variables. It is defined as the covariance divided by the standard deviation of two variables

### Indicators

**Daily Ranked Price Moves** - daily price changes in an ascending order for positive changes and in a descending order for negative or mixed changes

**Monthly Ranked Price Moves** - monthly price changes in an ascending order for positive changes and in a descending order for negative or mixed changes





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