



DUKASCOPY
RESEARCH PRODUCTS

25/06/2012



Commodity Overview

Monday, June 25, 2012

15:00 GMT

Precious Metals: *Silver moved up on stronger Euro*

Silver



Precious metals were mixed on Friday as risk-aversion eased after the ECB announced it would relax collateral rules for banks to facilitate borrowing.

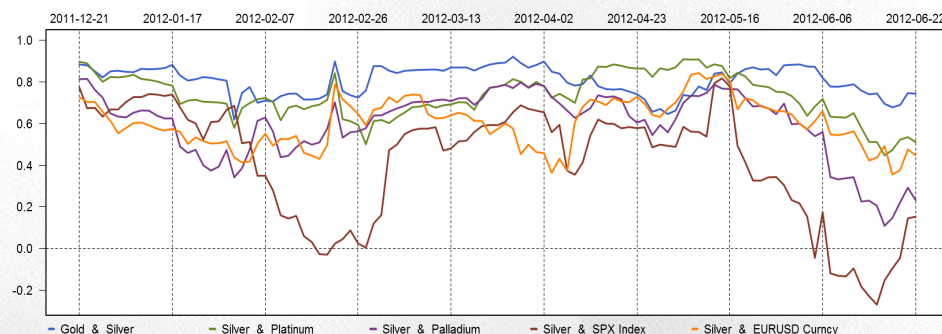
Gold managed to climb by almost 0.4% as Germany, France, Italy and Spain have agreed on a 130 billion Euros package to boost growth. However, the upside was capped as Fed said that it is not going implement QE in the nearest term.

Silver eased up, following gold's suit on Friday. The white metal found support on slightly stronger global equities and solid Euro. Meanwhile, I-share silver holdings remained unchanged last week.

Platinum dropped despite tight balance between supply and demand as production slows while demand is still strong, especially from China.

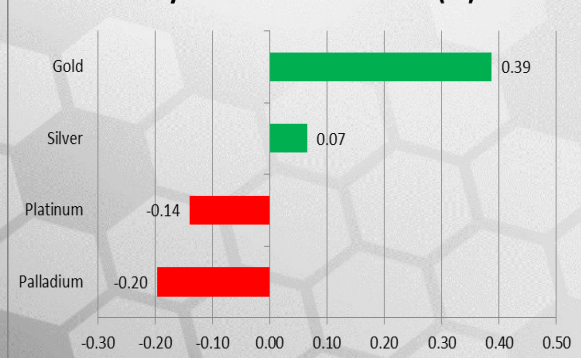
Palladium moved down, being pressured by weakness of the industrial metals. However, potential deficit in the market this year due to recovering auto sales in the US and China may bolster the metal's price.

Correlation Coefficient

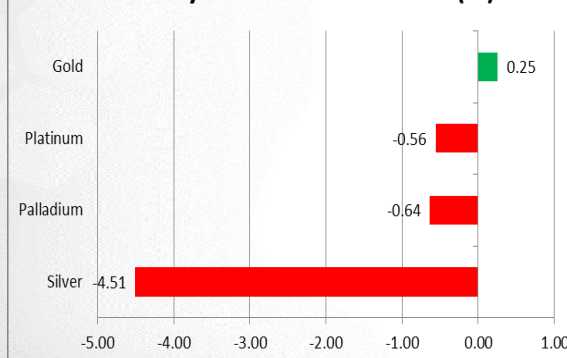


| Correlating pairs | Strengthening | Weakening | Unchanged | Insignificant |
|-------------------------|---------------|-------------|-----------|---------------|
| Silver vs Gold | | | 0.74 | |
| Silver vs Platinum | | 0.53 ► 0.51 | | |
| Silver vs Palladium | | 0.29 ► 0.23 | | |
| Silver vs S&P 500 (SPX) | | | | 0.15 |
| Silver vs EUR/USD | | 0.48 ► 0.45 | | |

Daily Ranked Price Moves (%)



Monthly Ranked Price Moves (%)

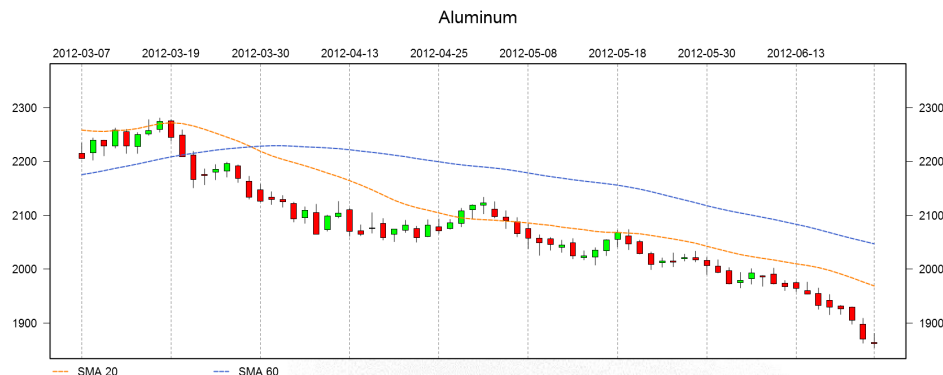


| Dow Jones-UBS Precious Metals Index | chg % |
|-------------------------------------|-------|
| 1 day | -0.07 |
| 1 week | -4.52 |
| 1 month | -1.78 |
| 3 months | -7.26 |
| 6 months | -4.39 |
| 12 months | -7.24 |
| 1 year | -4.28 |

Industrial Metals: *Aluminum declined despite production cuts*

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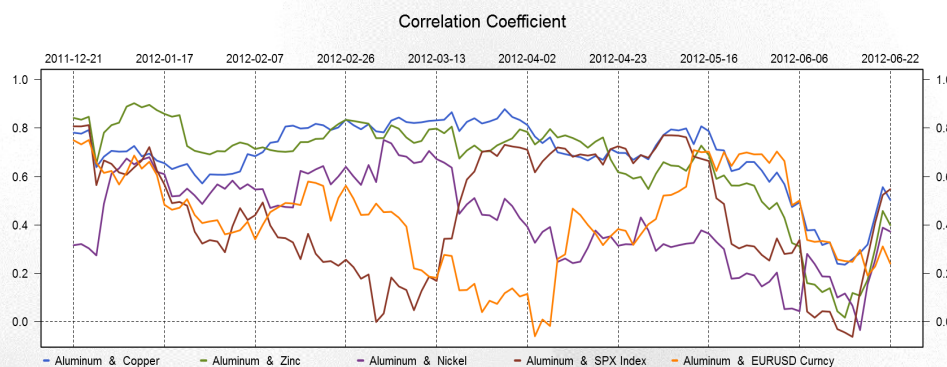
Industry metals except for nickel depreciated on Friday as slowing manufacturing activity all over the world continued to dominate market sentiment.

Aluminum remained weak despite significant fall in output in the recent months as producers are closing down smelting facilities as a response to low prices.

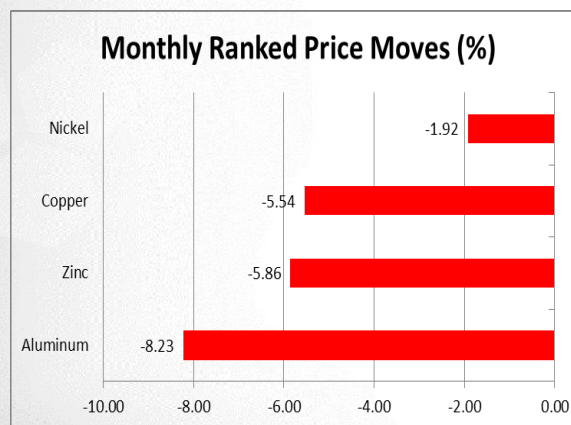
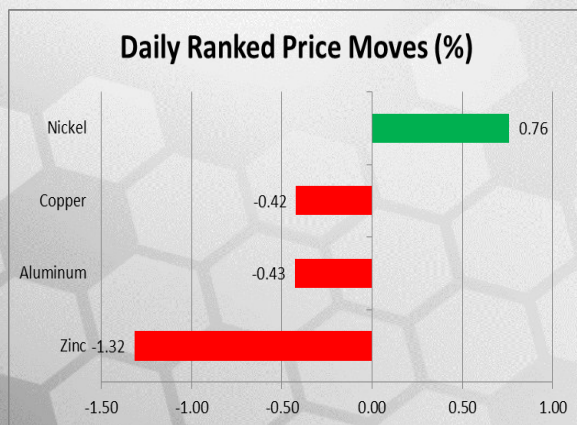
Copper balanced between pessimistic manufacturing data and positive news from the Eurozone as four largest economies agreed on additional stimulus to boost growth.

Nickel was the only gainer as spot demand remained strong; however, dismal economic releases may weight on the metal in the following sessions.

Zinc was the top-loser as market continued to stay in surplus. Moreover, weak demand and elevated inventory levels added pressure to the metal.



| Correlating pairs | Strengthening | Weakening | Unchanged | Insignificant |
|---------------------------|---------------|-------------|-----------|---------------|
| Aluminum vs Copper | | 0.56 ► 0.50 | | |
| Aluminum vs Zinc | | 0.46 ► 0.40 | | |
| Aluminum vs Nickel | | 0.39 ► 0.37 | | |
| Aluminum vs S&P 500 (SPX) | 0.52 ► 0.55 | | | |
| Aluminum vs EUR/USD | | 0.31 ► 0.24 | | |

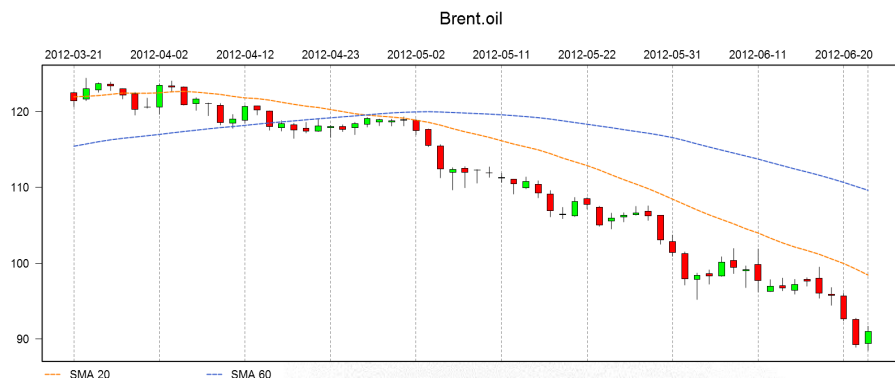


| Dow Jones-UBS Industry Metals Index | chg % |
|-------------------------------------|--------|
| 1 day | -0.15 |
| 1 week | -3.18 |
| 1 month | -6.07 |
| 3 months | -12.65 |
| 6 months | -7.11 |
| 12 months | -25.06 |
| 1 year | -9.43 |

Energy: *Brent oil rose on possible storm in the Gulf of Mexico*

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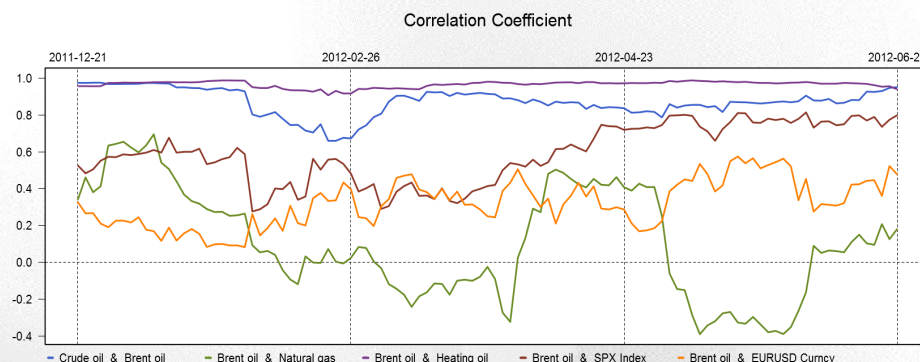
Energy markets posted slight gains on Friday after recent slump. Expected storm in the Gulf of Mexico supported the commodity pack.

Crude oil surged by 2% on unfavorable weather conditions in the Gulf of Mexico. However, persistent surplus in the market as OPEC continues to pump more oil than its initial target restricted the upward trend.

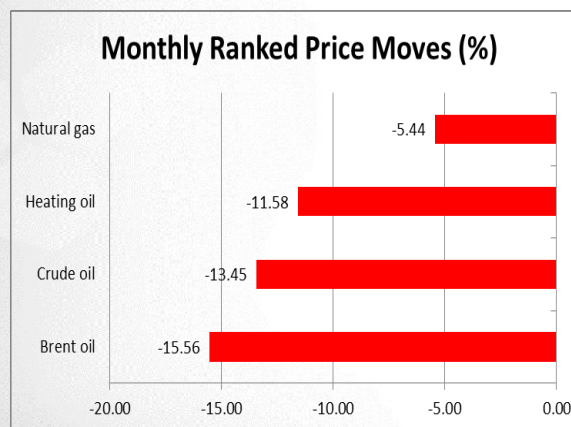
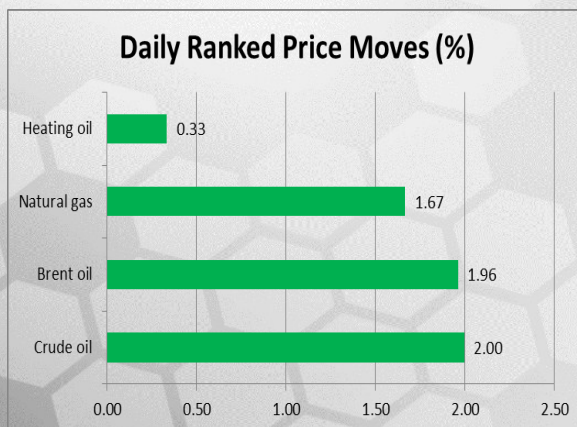
Brent oil rose as potential storm in the Gulf in Mexico may disturb production. Moreover, more growth-oriented policies from the Eurozone supported the gains.

Natural gas inched up, being buoyed by possibility of tropical storm in the Gulf of Mexico. Meanwhile, record fall in production continued to provide support for the commodity price.

Heating oil was bolstered by potential supply disruption because of the storm. However, bleak demand prospects continued to dampen investors' sentiment.



| Correlating pairs | Strengthening | Weakening | Unchanged | Insignificant |
|----------------------------|---------------|-------------|-----------|---------------|
| Brent oil vs Crude oil | | | 0.95 | |
| Brent oil vs Natural gas | | | | 0.18 |
| Brent oil vs Heating oil | | 0.96 ► 0.94 | | |
| Brent oil vs S&P 500 (SPX) | 0.77 ► 0.80 | | | |
| Brent oil vs EUR/USD | | 0.52 ► 0.48 | | |



| Dow Jones-UBS Energy Index | chg % |
|----------------------------|--------|
| 1 day | 1.63 |
| 1 week | -2.02 |
| 1 month | -11.03 |
| 3 months | -17.37 |
| 6 months | -21.15 |
| 12 months | -31.07 |
| 1 year | -21.95 |

Agriculture: *Sugar fell despite persistent rains in Brazil*



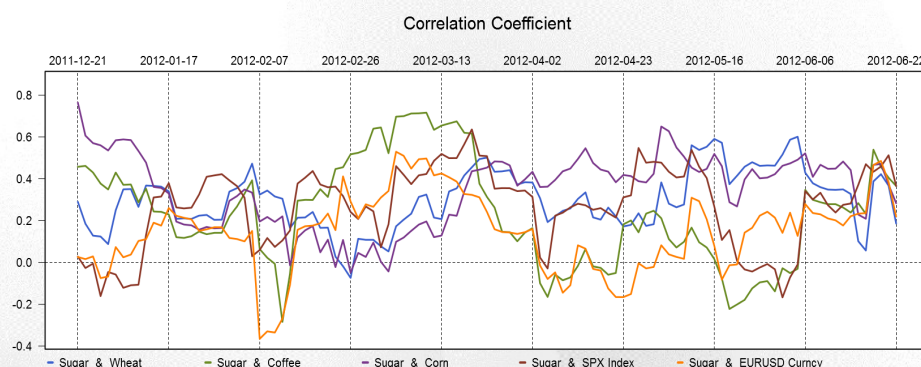
Farm commodities were mixed on Friday as hot weather in the US supported grains while global economic uncertainty weighted down on coffee and sugar futures.

Wheat rallied on speculation that hot and dry weather in the US, Russia and Ukraine will curb essentially global stockpiles.

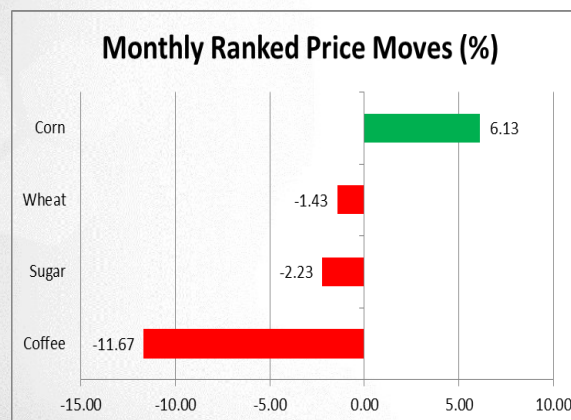
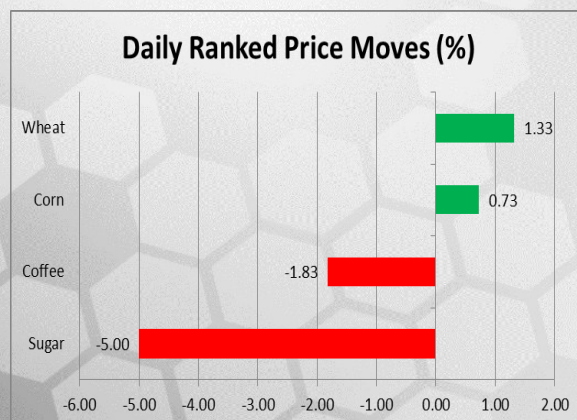
Corn advanced as forecast for fry, hot weather in the key growing regions in the US spurred worries that crops may be smaller than expected.

Sugar lost 5% despite rains in Brazil that are delaying harvest and are expected to reduce yields. Meanwhile, Rabobank expects the sweetener's price to stabilize at 20.5 cents per pound in the nearest term.

Coffee followed bearish trend despite possible deficit in the market as consumption may outpace supply in 2011-12, according to ICO.



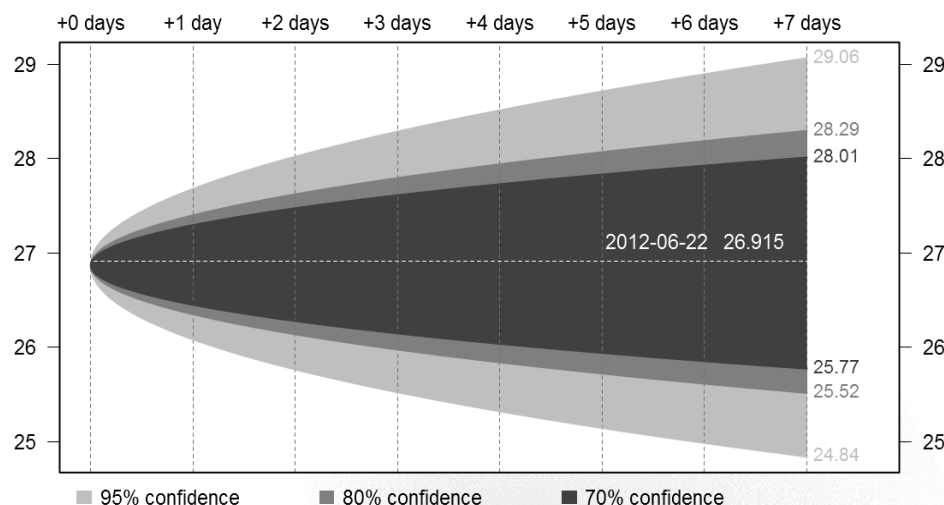
| Correlating pairs | Strengthening | Weakening | Unchanged | Insignificant |
|------------------------|---------------|------------|-----------|---------------|
| Sugar vs Wheat | | 0.37 ►0.19 | | |
| Sugar vs Coffee | | 0.40 ►0.37 | | |
| Sugar vs Corn | | 0.37 ►0.28 | | |
| Sugar vs S&P 500 (SPX) | | 0.51 ►0.36 | | |
| Sugar vs EUR/USD | | 0.38 ►0.22 | | |



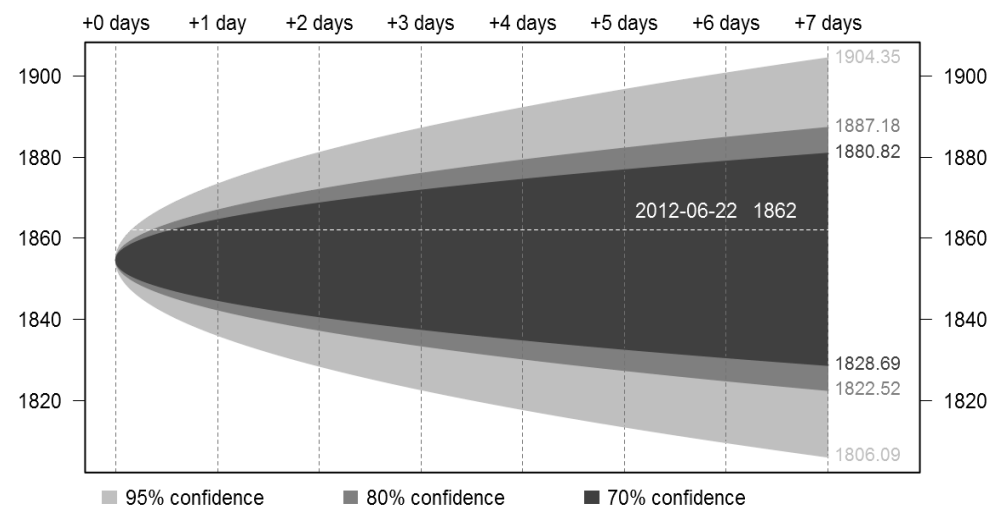
| Dow Jones-UBS Agriculture Index | chg % |
|---------------------------------|--------|
| 1 day | -0.27 |
| 1 week | 4.77 |
| 1 month | 0.79 |
| 3 months | -3.76 |
| 6 months | 1.29 |
| 12 months | -11.98 |
| 1 year | -3.92 |

Confidence Intervals for the Next 7 Days

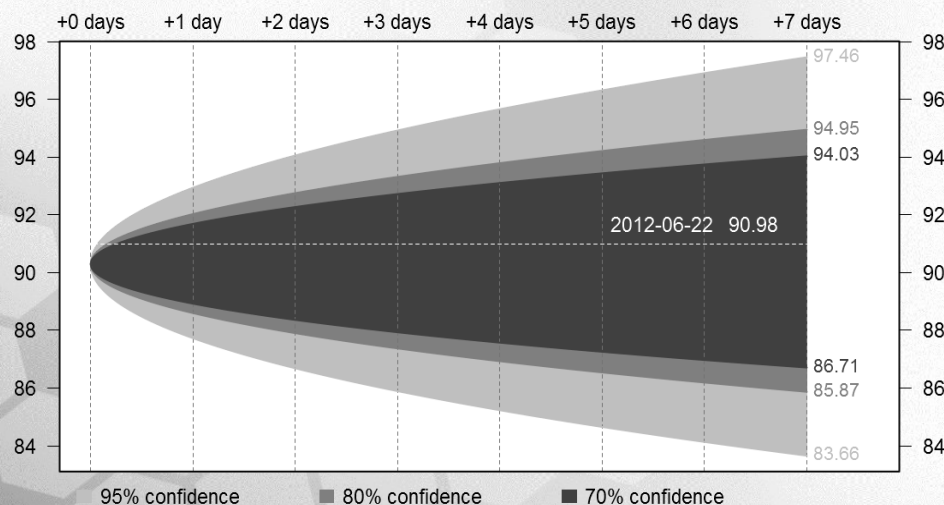
Silver Potential Rates



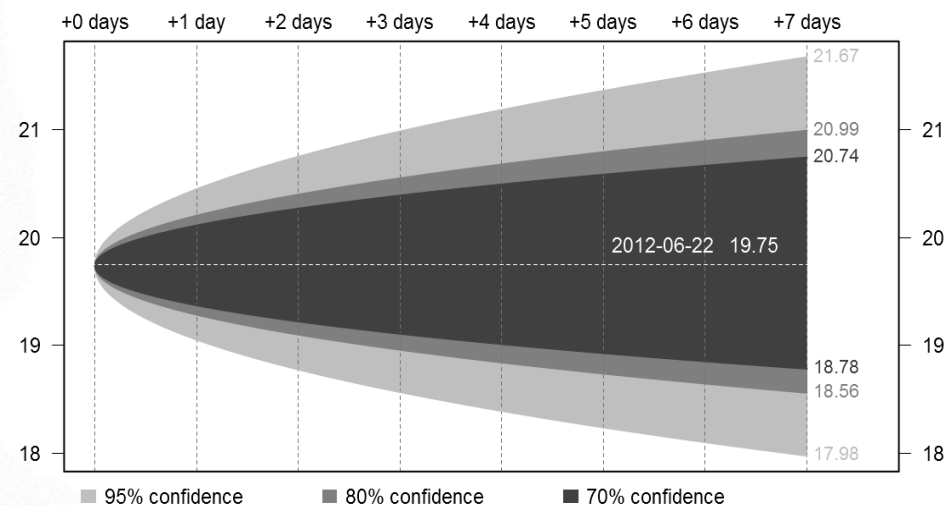
Aluminum Potential Rates



Brent oil Potential Rates

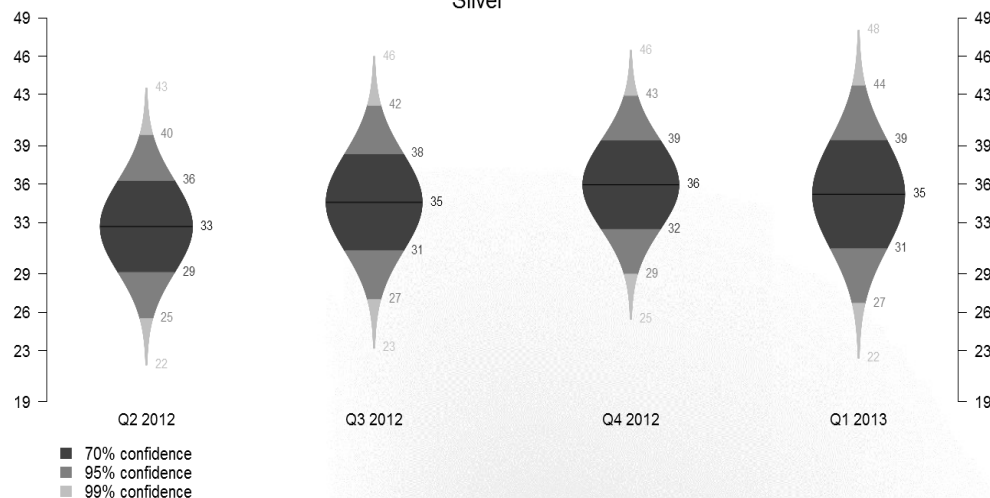


Sugar Potential Rates

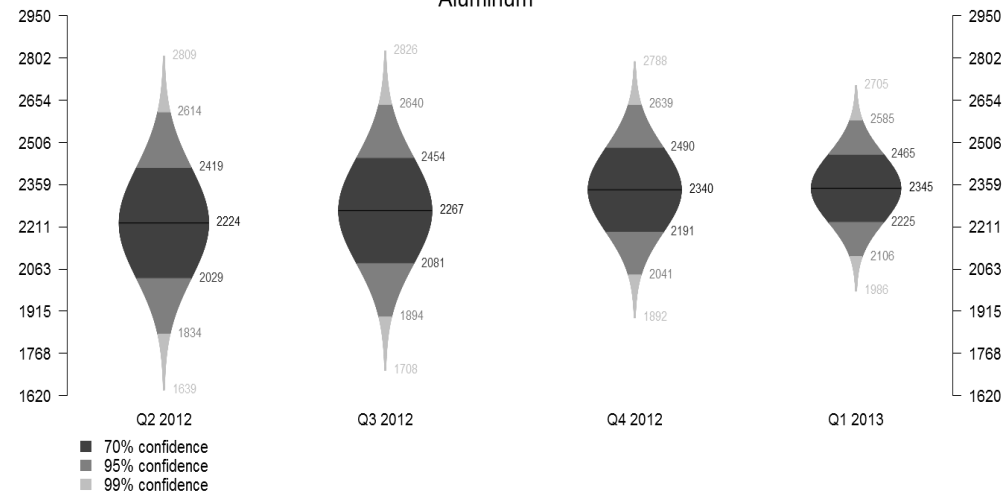


Quarterly Price Forecast

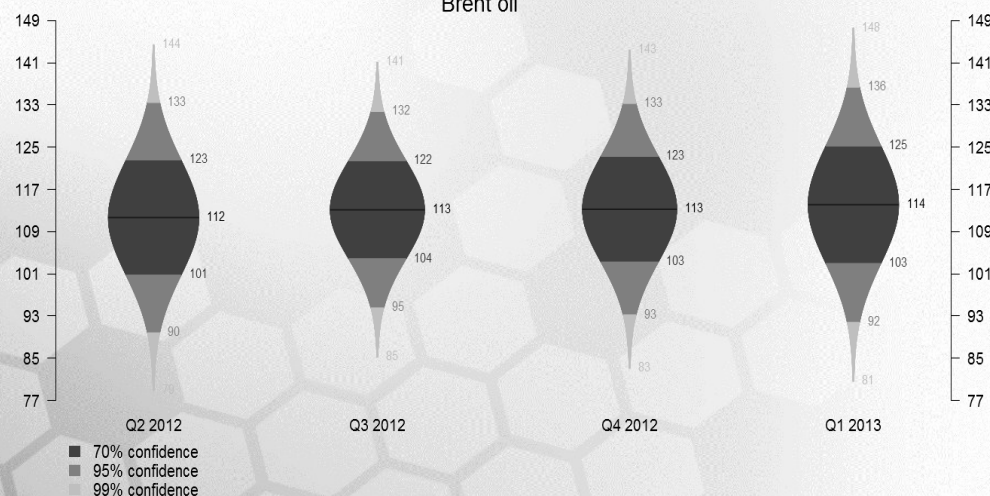
Silver



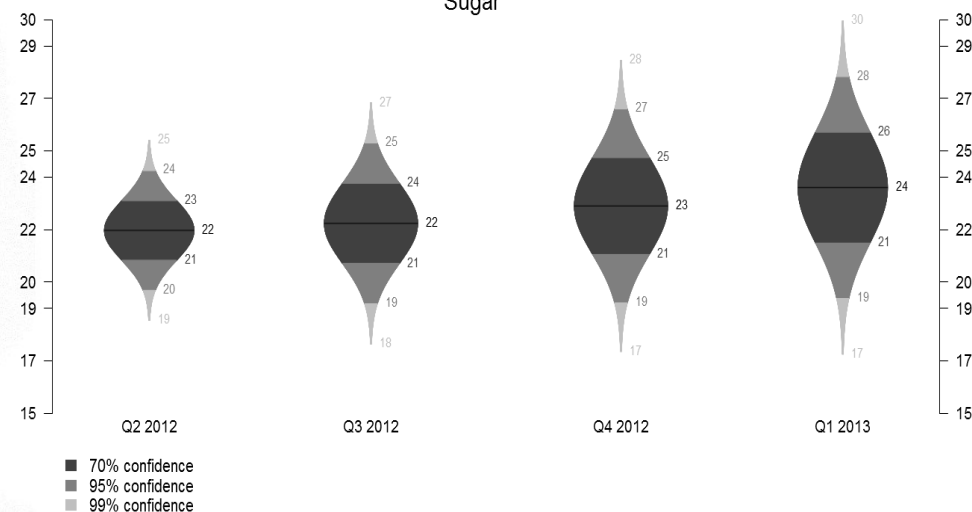
Aluminum



Brent oil

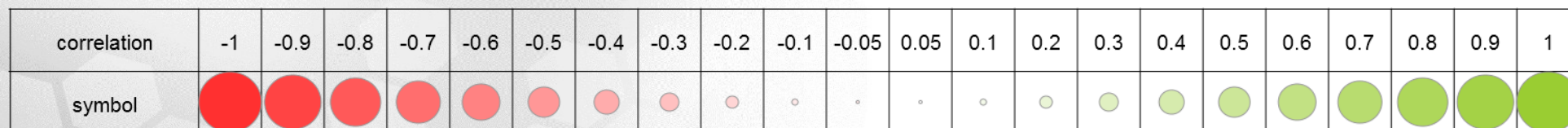
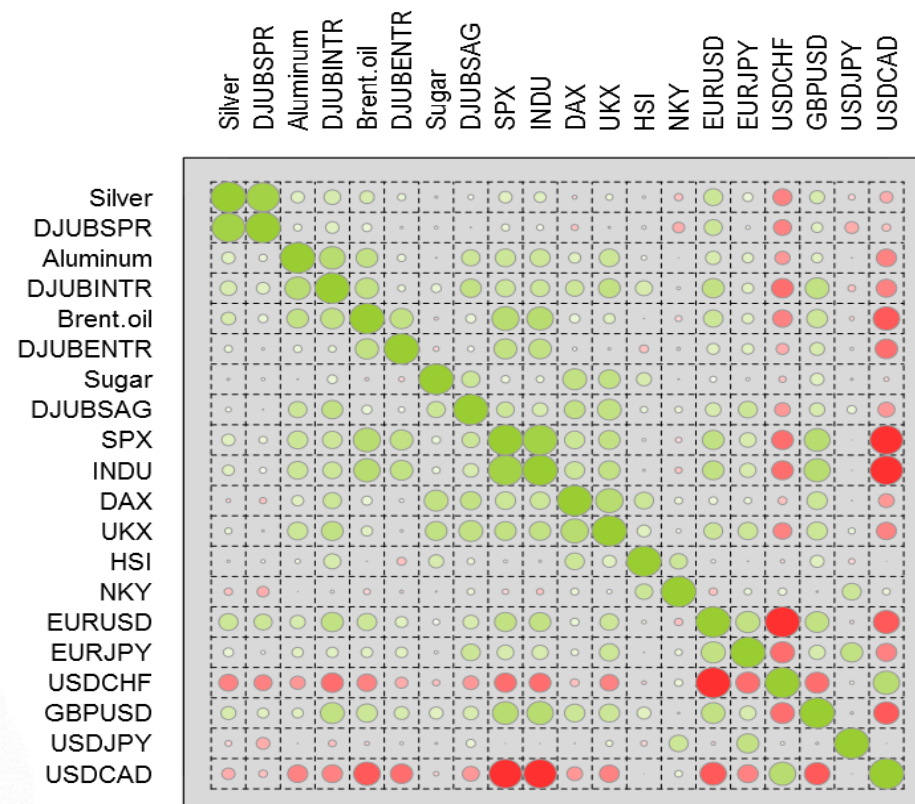
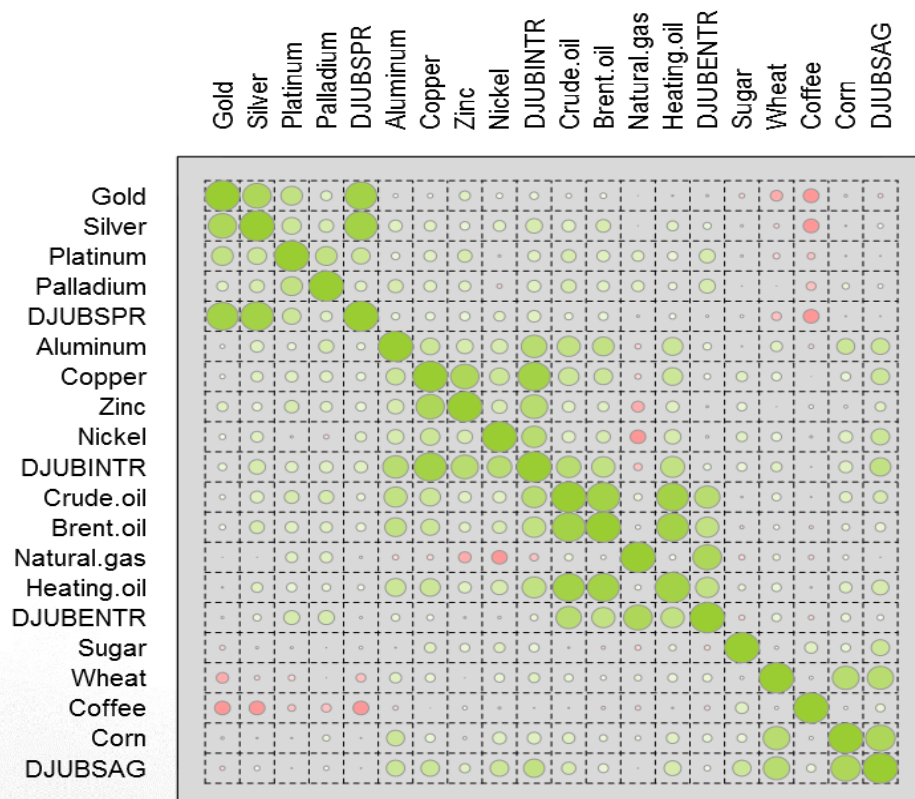


Sugar



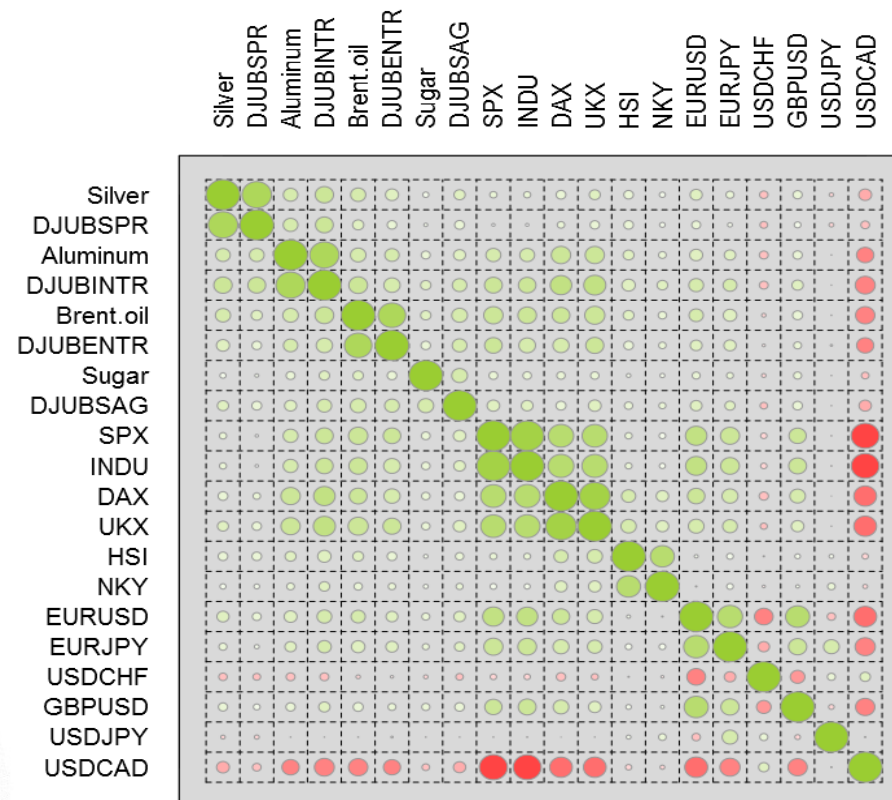
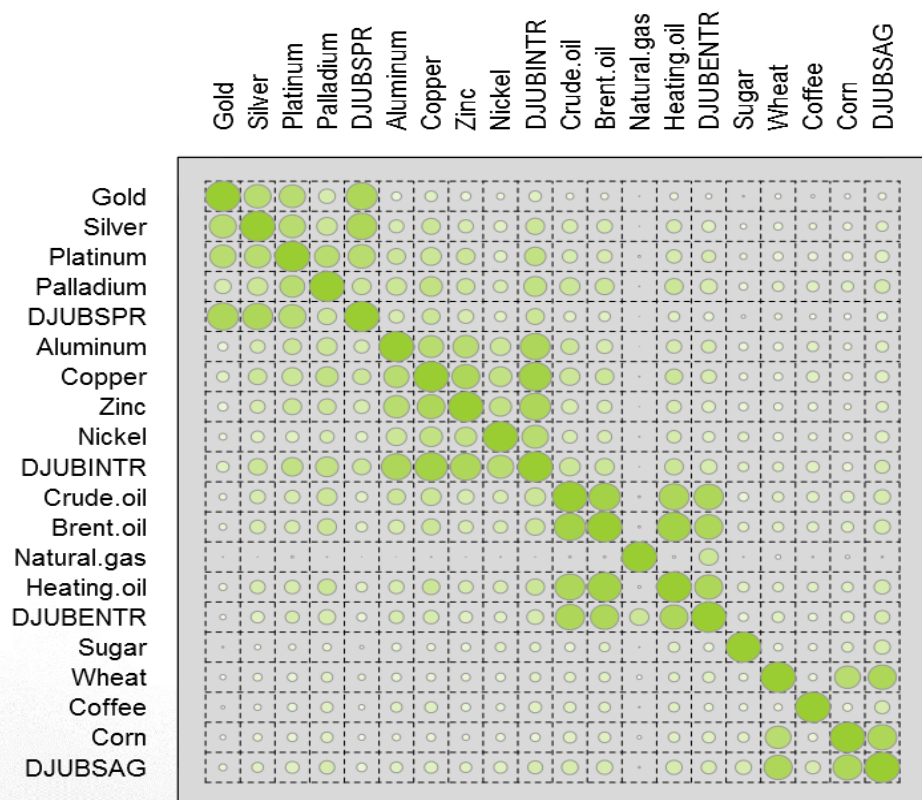
* data based on the 20 international banks forecasts

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



| correlation | -1 | -0.9 | -0.8 | -0.7 | -0.6 | -0.5 | -0.4 | -0.3 | -0.2 | -0.1 | -0.05 | 0.05 | 0.1 | 0.2 | 0.3 | 0.4 | 0.5 | 0.6 | 0.7 | 0.8 | 0.9 | 1 |
|-------------|----|------|------|------|------|------|------|------|------|------|-------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|---|
| symbol | | | | | | | | | | | | | | | | | | | | | | |

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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