



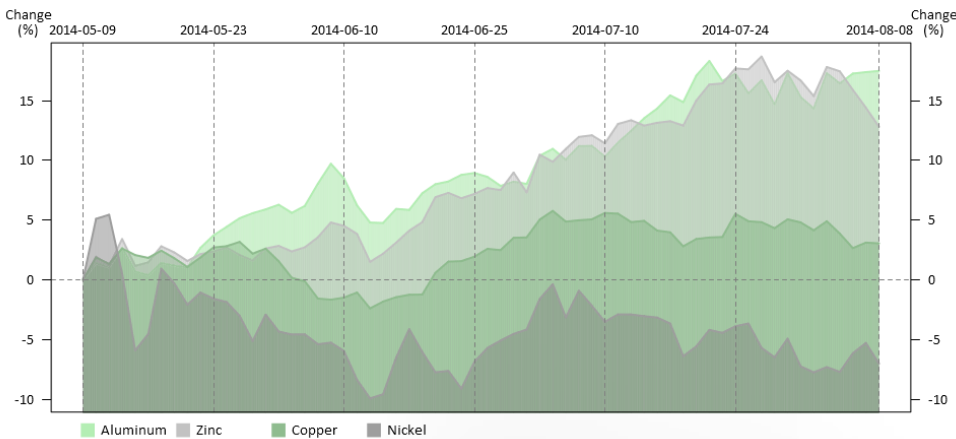
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12/08/2014



# Weekly Commodity Overview

# Industrial Metals Mixed on the Global Tensions



**Aluminum** jumped 2.76% last week and it reached the peak on Friday at 2023.25. Moreover, the metal has gained 5.64% monthly, making it the second best performer after Zinc, among the industrial metals in this time period. Nonetheless, Aluminum might be overbought as the construction sector's outlook in China remains unclear, according to a monthly report by INTL FCStone.

**Copper** finished the week at \$7004.75, which is around 1% lower than previous week that ended on 1st of August. One of the main threats for the metals price is the raising pressure from a weakening property sector in the U.K., however, the buoyant exports from China fueled the optimism. Also, Copper remains the only industrial metal that has declined through period of six months and one year.

**Nickel** rebounded last week from the week before, reaching the high on Wednesday at \$18,663. The main reason for nickel's late decline is that the largest mining companies are considering divestments to decrease their debt and to maximize returns on capital; therefore, the next half year might be a period of uncertainty due to the instability in the commodity prices. Nickel ended the last week at \$18.489.

**Zinc** lost some of its previous gains last week, due to the arising tensions in the Gaza Strip, closing on Friday at \$2290. The escalation of the unrests should continuously be the most important catalyst for Zinc and also other industrial metals. Nonetheless, Zinc has increased more than 12% last six months.

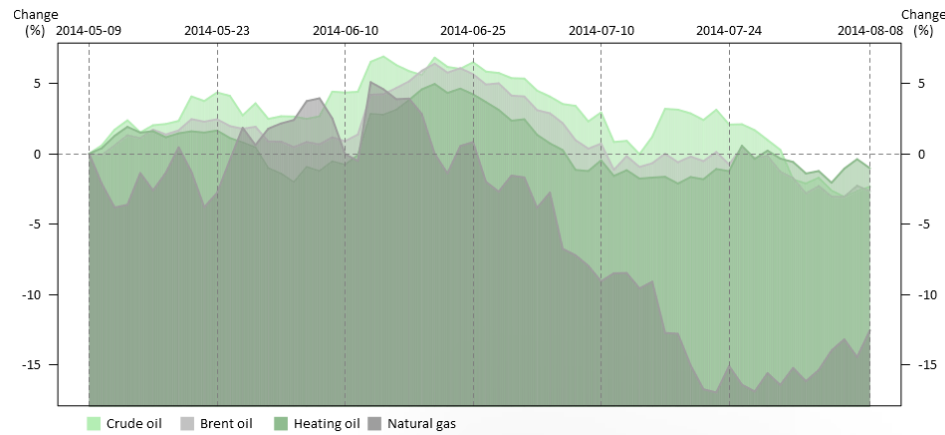
Price Changes (%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Aluminum	2.76	5.64	17.48	20.34	10.15	0
Copper	-1.04	-1.91	3.06	-2.63	-3.46	0
Nickel	0.79	-4.95	-7.01	31.12	26.02	0
Zinc	-2.22	0.64	12.81	12.89	20.04	0

Changes in LME inventories(%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Aluminum	-0.85	-2.08	-7.41	-8.64	-9.87	-10.09
Copper	-2.68	-10.56	-31.71	-53.81	-75.87	-76.19
Nickel	0.37	3.9	14.62	19.54	54.84	56.19
Zinc	5.55	4.39	-9.14	-16.53	-33.82	-34.07

Industrial Metals Long-Term Price Forecasts (USD)												
	Q3 14			Q4 14			Q1 15			Q2 15		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
Copper	5 750	8 762	6 942.23	5 750	8 487	6 953.84	6 275	8 500	6 939.71	6 175	8 300	6 982.78
Zinc	1 800	2 403	2 152.79	1 800	2 450	2 189.96	1 979	2 500	2 229.29	1 979	2 550	2 293.86
Aluminum	1 720	2 271	1 892.21	1 756	2 215	1 929.66	1 772	2 100	1 939.55	1 780	2 150	1 961.73
Nickel	14 000	21 491	17 817.75	14 000	22 000	18 162.21	14 881	24 000	19 467.86	14 881	25 000	20 046.29

S&P GSCI Industry Metals Index	%
Weekly	0.16
Monthly	0.05
3 Months	6.52
6 Months	6.89
12 Months	1.24

# Energy Futures Extend their Decline on the Global Supply Concerns



**WTI oil** extended its decline and traded near a nine-month low on Wednesday below the \$97 level. Stockpiles may have decreased for seven times past week, as the refineries used 16.4 million barrels of a oil daily the week before, the most since 1989. Moreover, despite the ongoing global tensions the oil prices remained low at the close on Friday at \$97.65.

Meanwhile, **Brent Oil** fluctuated around \$105 through the previous week, these levels are also close to the nine-month low. Nevertheless, Libya's National Oil Corp. is in talks to resume exports from the Es Sider port, according to Mohamed Elharari, a spokesman for the state-run company, that could increase the supplies.

The EIA data showed that U.S. crude stocks dropped as much as 3.7 million barrels, while analysts had forecasted a decline of 1.5 million barrels.

**Natural gas** is the only commodity among the energy futures that did not fall in the week from 4th to 8th August. According to MDA Weather Services in Gaithersburg, Maryland, the temperatures might be above the average on the East Coast, part of the Gulf Coast and the Great Lakes region in the period from August 21st to August 25th, that could spur the gas demand, according to the forecast. On 8th of August the natural gas price reached \$3.96 level.

**Heating oil** futures slid 2.72% monthly, while September heating oil closed at \$2.89 per gallon on 8th of August. Meanwhile, the oil's inventories, which include heating oil and diesel, dropped 1.42% past week.

Price Changes (%)

	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Crude oil	-4.12	-6.32	-1.88	0.4	-6.81	-9.28
Brent oil	-3.28	-5.75	-3.45	-1.47	-2.66	-4.29
Natural gas	0.29	-12.83	-18.74	-23.16	10.21	12.13
Heating oil	-1.96	-2.72	-1.92	-4.37	-6.18	-7.44

Changes in U.S. inventories (%)

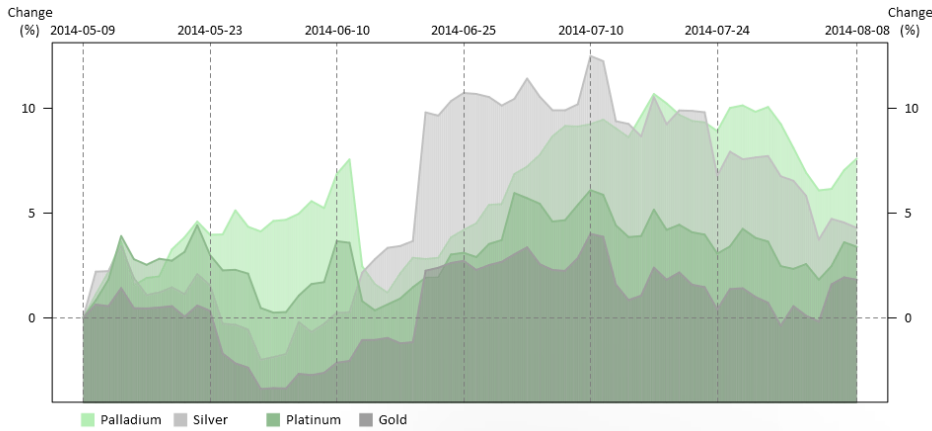
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Crude oil	-0.48	-5.02	-8.04	2.1	0.64	0.27
Gasoline	-2.01	0.05	0.31	-8.98	-4.36	-4.3
Natural Gas	3.55	23.85	126.45	24.23	-18.77	-16.03
Distillate Fuel	-1.42	2.78	9.58	9.78	-1.21	-0.84

Energy Futures Long-Term Price Forecasts (USD)

	Q3 14			Q4 14			Q1 15			Q2 15		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
Crude oil	80	115	100.81	70	120	98.36	85	118	100.75	85	107	98.57
Natural gas	39	65.1	52.7	54	70.1	62.6	59	65	62	52	58	55
Heating oil	3	300	235.6	3	305	224	3	300	222.25	3	295	211
Brent oil	90	124	107.26	85	128	105.58	85	124	106.64	85	114	104.37

S&P GSCI Energy Index	%
Weekly	0.55
Monthly	-4.21
3 Months	-20.58
6 Months	-8.99
12 Months	-11.95

# Precious Metals Mixed with Gold Gaining the Most



**Gold** started the first two days in the same manner as it did for the most of the previous week — by falling. This was due to an equity rally, stronger Greenback and solid economic data such as the non-manufacturing PMI in the U.S. Consequently, the precious metal reached its lowest point of the week at \$1,283.76 an ounce. Nevertheless, these news were overshadowed in the second part of the week by renewed tensions in Ukraine as Russia was gathering its troops near the country's border prompting a sharp jump in the price of Gold. The fall in indexes mainly due to disappointing Italian PMI numbers also added to the safe haven demand as it climbed considerably and reached \$1321.98 per ounce — the highest in two weeks. However, it ended the week at \$1309.58 as investors closed their positions.

**Silver** for September delivery fell 2.11% for the week to close at \$19.895, after it reached a six-week low on Wednesday. This was largely caused by the gains of the U.S. Dollar and lower silver coin sales by the U.S. Mint.

**Platinum and Palladium** finished the week with mixed results at \$1467.7 and \$860.31 an ounce, respectively. Platinum rose as much as 1.03%, while Palladium ended the week 0.47% lower. During the week Palladium fell to its lowest in more than a month at \$840 as speculative bets also fell to their lowest since February. Nevertheless, the precious metal rebounded towards the end of the week but could not close as high as it opened in the beginning of the week. At the same time Platinum followed a similar path as it also reached its lowest in more than a month on Wednesday yet it surpassed the week's open at the end of it.

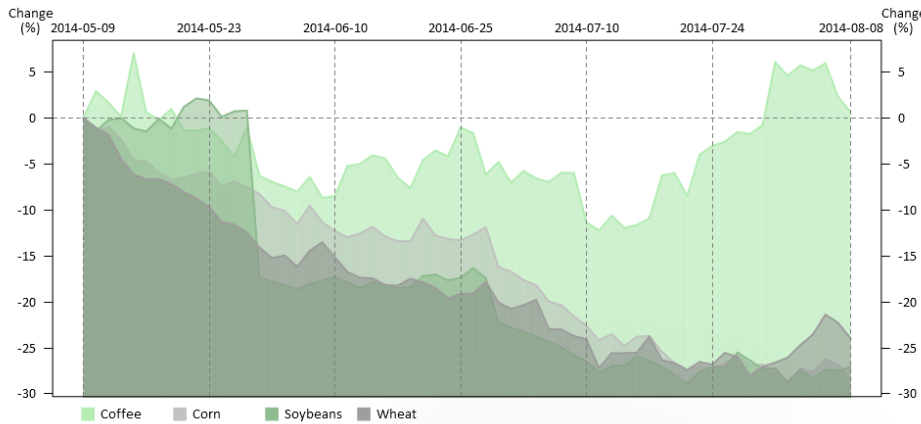
Price Changes (%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Gold	1.25	-1	1.82	3.81	2	0.08
Silver	-2.11	-5.35	4.29	0.03	2.22	-1.25
Platinum	1.03	-1.9	3.38	7.19	2.78	-0.89
Palladium	-0.47	-1.4	7.6	21.4	18.99	16.51

Changes in Total Known ETF Holdings (%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Gold	0.23	0.59	0.48	-0.26	-11.39	-12.01
Silver	0.02	0.07	-1.16	1.23	1.88	1.76
Platinum	-0.01	0.99	6.84	14.81	29.04	30.6
Palladium	0.82	1.6	18.45	42.12	36.72	36.64

Precious Metals Long-Term Price Forecasts (USD per ounce)												
	Q3 14			Q4 14			Q1 15			Q2 15		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
Gold	1 070	1 760	1 297.73	1 025	1 743	1 288.45	970	1 450	1 251.46	915	1 488	1 231.52
Silver	17	35	20.92	17	34	21.12	18	27	20.6	18	28.42	20.62
Platinum	1 320	1 835	1 525.17	1 369	1 820	1 552.48	1 450	1 900	1 577	1 450	1 900	1 585.35
Palladium	630	880	813.35	675	900	833.35	705	915	847.32	720	930	853.57

S&P GSCI Precious Metals Index	%
Weekly	0.84
Monthly	-1.64
3 Months	1.97
6 Months	3.15
12 Months	-1.79

# Agricultural Commodities Mixed on the Weather Conditions



**Wheat** extended its gains and added 2.81% weekly to close at 549.25 on Friday amid speculation that the U.S., which is the world's top exporter, will expand its production outlook. Moreover, it is forecasted that global wheat reserves will increase to 190.81 million metric tons by the end of 2015. The USDA will update their global supply and demand forecasts this week and that could brighten the outlook.

**Corn** as well as Wheat rose, although, in this case the advance was considerably smaller as the grain commodity closed 0.35% higher at \$3.635 a bushel. Corn has dropped 20.94% year to date, making it the worst performing agricultural commodity on the outlook for a bumper crop in the U.S.

**Soybeans** increased in value through the trading week and at the end closed at \$10.8475. This means that the oilseed has managed to recover from two consecutive weekly losses due to weak supply forecasts. Imports by Asia's biggest economy increased to a record in July, according to country's government data.

**Coffee** sank 3.8% from a week before, reversing some of this year's gains, finishing the week at \$1.85 a pound. Coffee producers in Vietnam, the top farmers of robusta beans used by Nestle SA, most likely have smaller stockpiles compared to the previous year. Moreover, total coffee demand will exceed output by 10 million bags, according to a statement from the International Coffee Organization. The USDA Waste Total Inventories of Green Coffee has retreated 10.86% over a month.

Price Changes (%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Wheat	2.81	-0.36	-23.98	-9.4	-16.3	-15.98
Corn	0.35	-8.67	-28.37	-16.34	-20.68	-20.94
Soybeans	2.48	-1.72	-27.05	-17.99	-6.95	-8.4
Coffee	-3.8	7.03	0.63	61.26	52.87	51.62

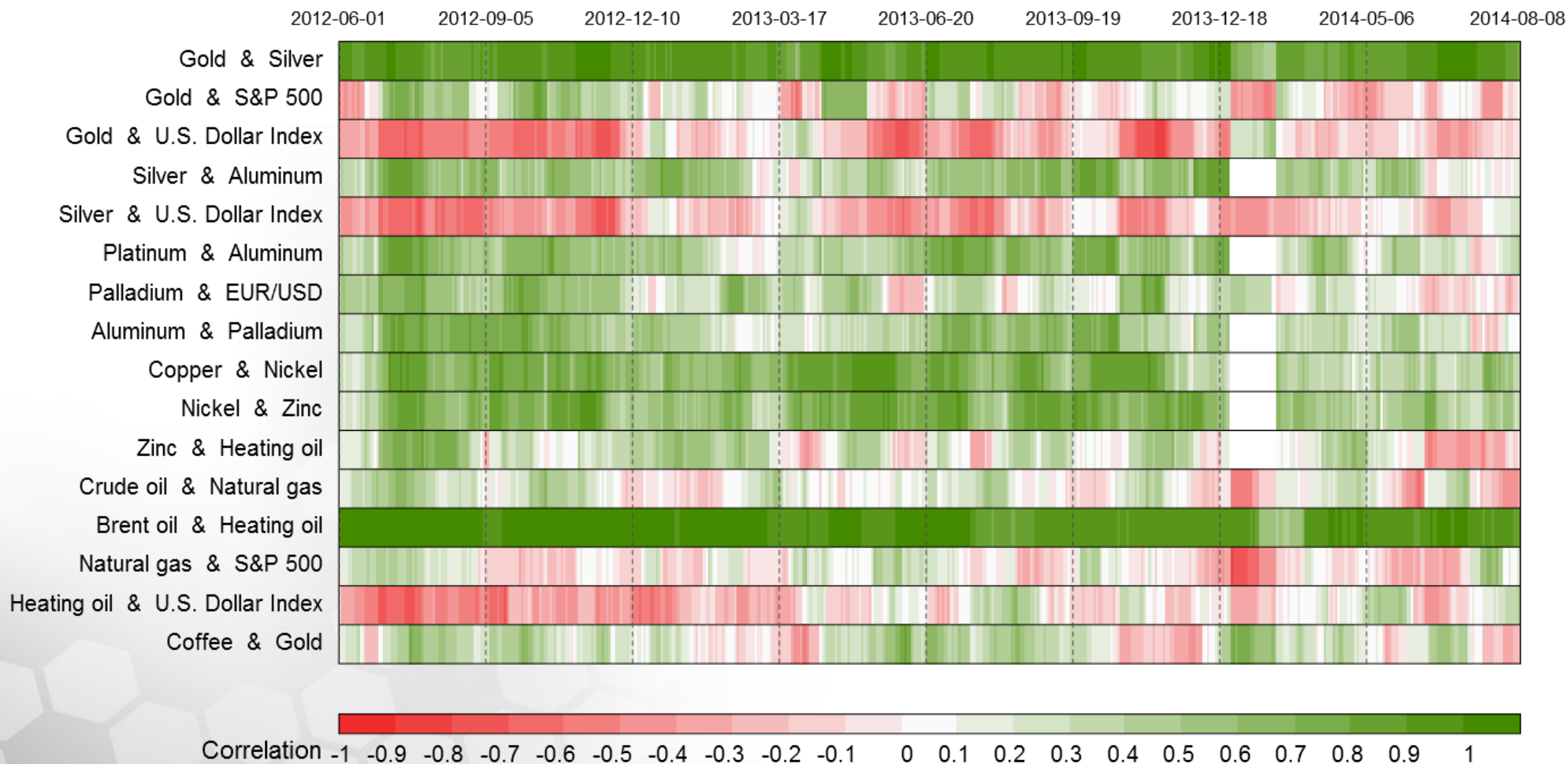
USDA Waste Total Estimated Inventories					
	Today	Month	3 Months	6 Months	YTD
Soybens	325	116.67	22.64	150	71.05
Green Coffee	32116	-10.86	5.21	-10.8	21.71
Corn	182647	5.32	20.29	32.17	63.24
Wheat	188609	2.34	4.06	7.41	2.36

Farm Commodities Long-Term Price Forecasts (USD)												
	Q3 14			Q4 14			Q1 15			Q2 15		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
Corn	360	570	433.09	350	550	434.55	350	500	433.22	350	500	443.11
Coffee	160	200	177.5	150	200	171.25	130	225	170.05	120	225	166.47
Wheat	525	630	579.36	500	624	579.91	500	620	582.5	525	640	601.7
Soybeans	1 100	1 400	1 255.91	1 000	1 366	1 176.91	1 000	1 383	1 184.22	1 000	1 411	1 201.78

S&P GSCI Agriculture Index	%
Weekly	0.13
Monthly	-3.11
3 Months	-1.46
6 Months	-1.22
12 Months	-1.5

# Correlation Matrix

## Correlation

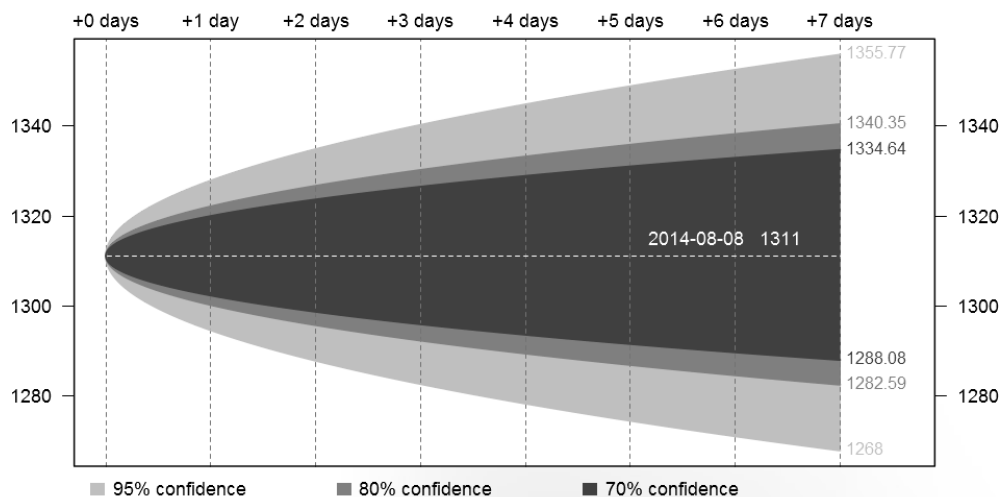


# Precious Metals Confidence Intervals for the Next 7 Days

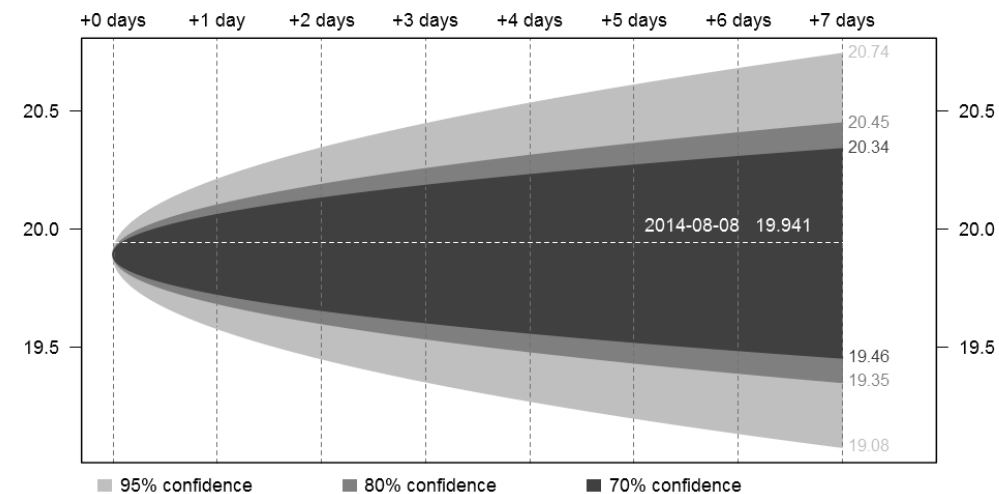
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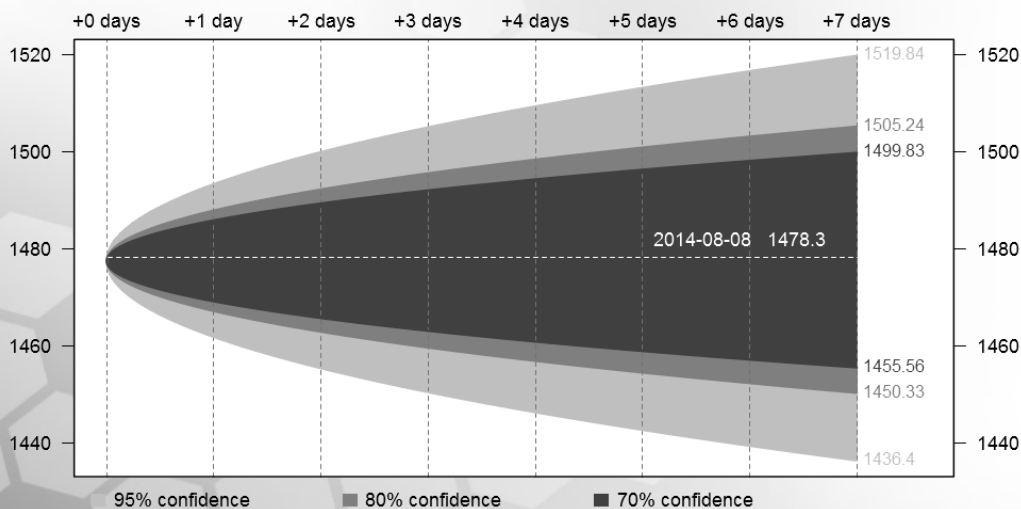
Gold Potential Rates



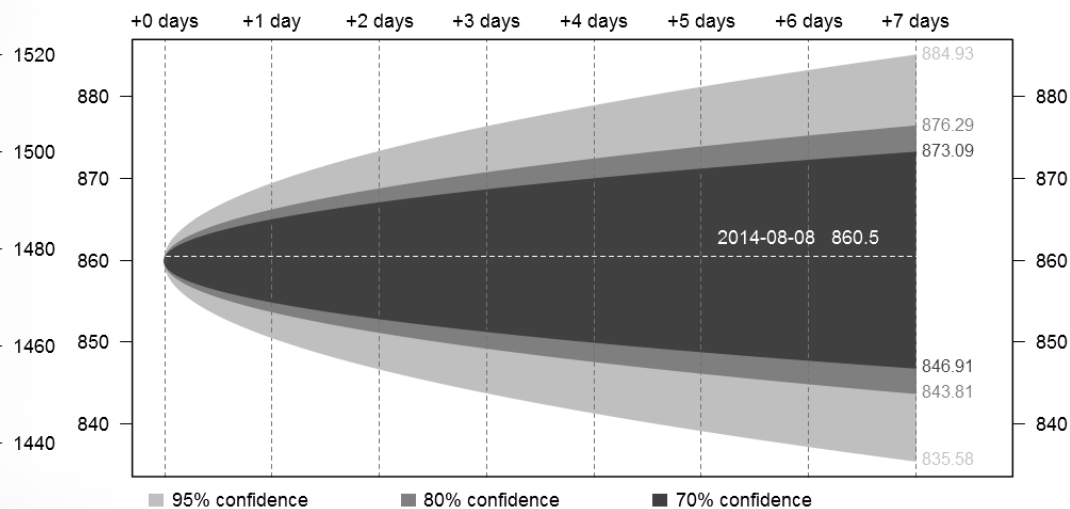
Silver Potential Rates



Platinum Potential Rates



Palladium Potential Rates

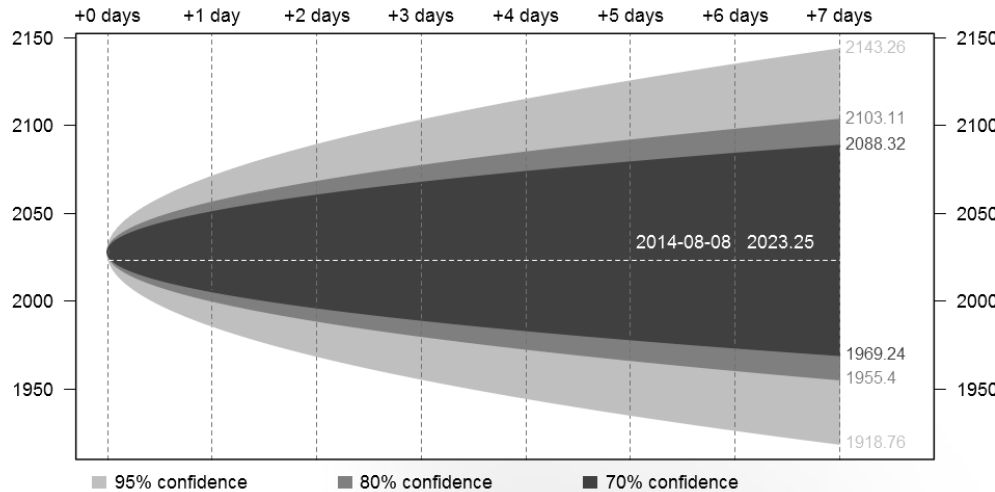


# Industrial Metals Confidence Intervals for the Next 7 Days

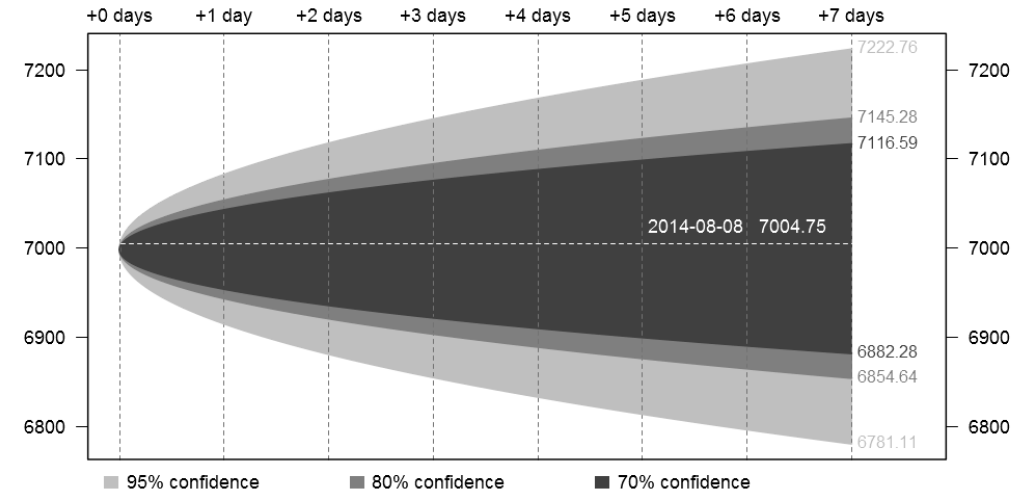
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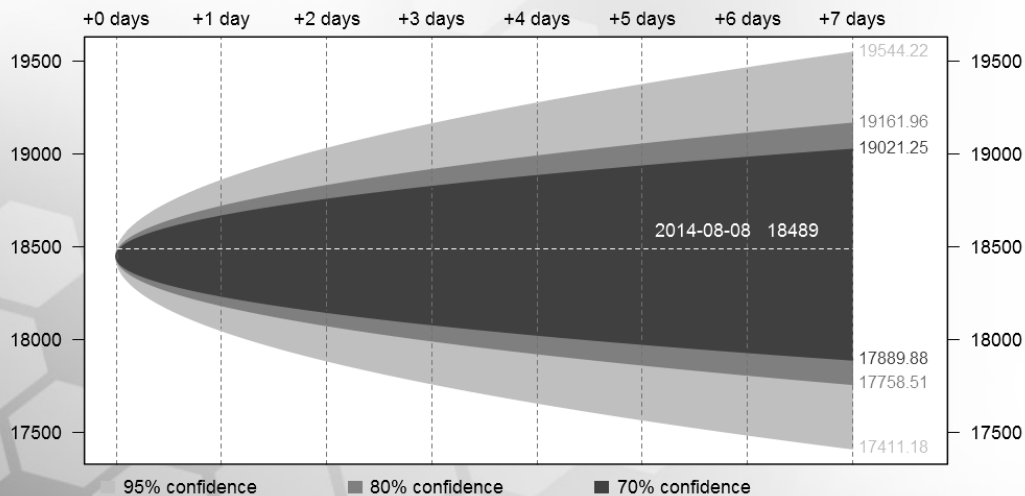
Aluminum Potential Rates



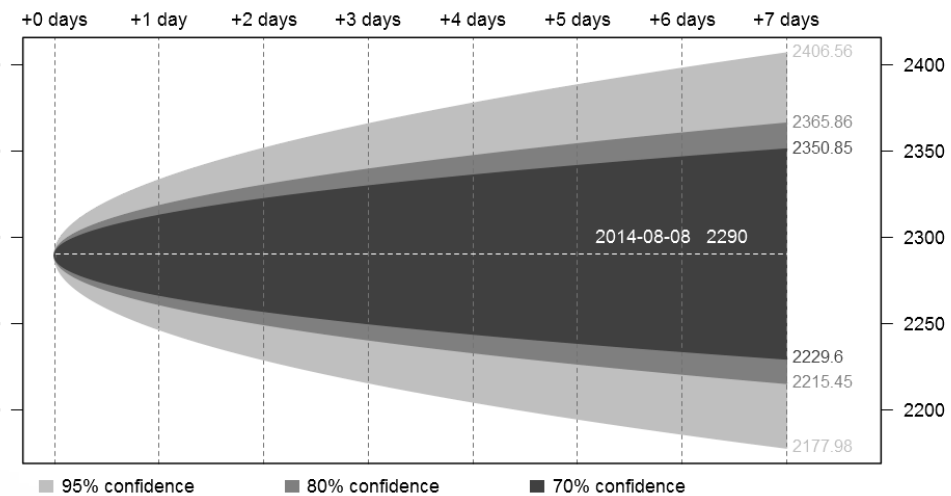
Copper Potential Rates



Nickel Potential Rates



Zinc Potential Rates



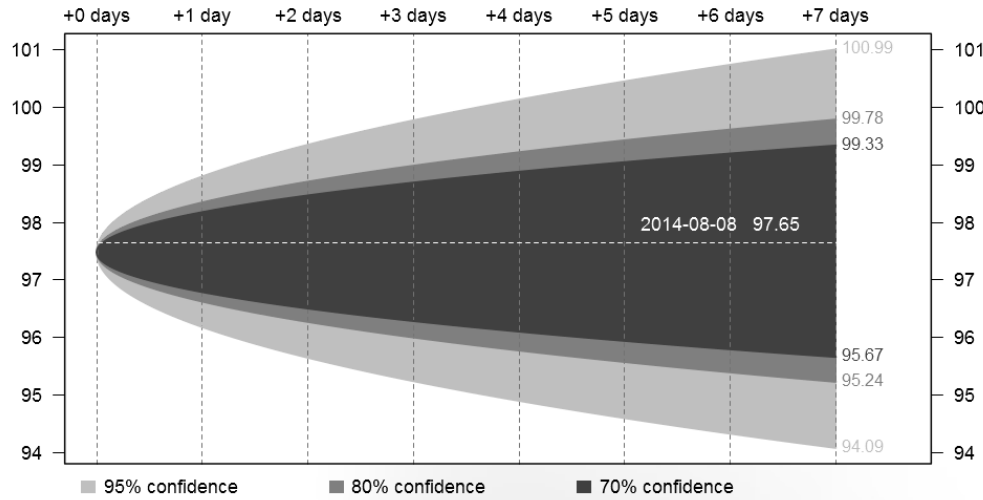


# Energy Confidence Intervals for the Next 7 Days

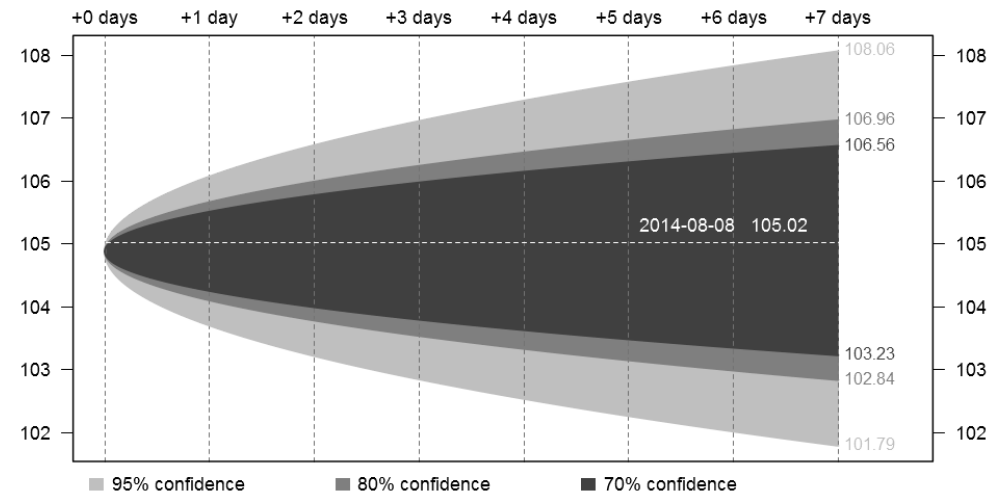
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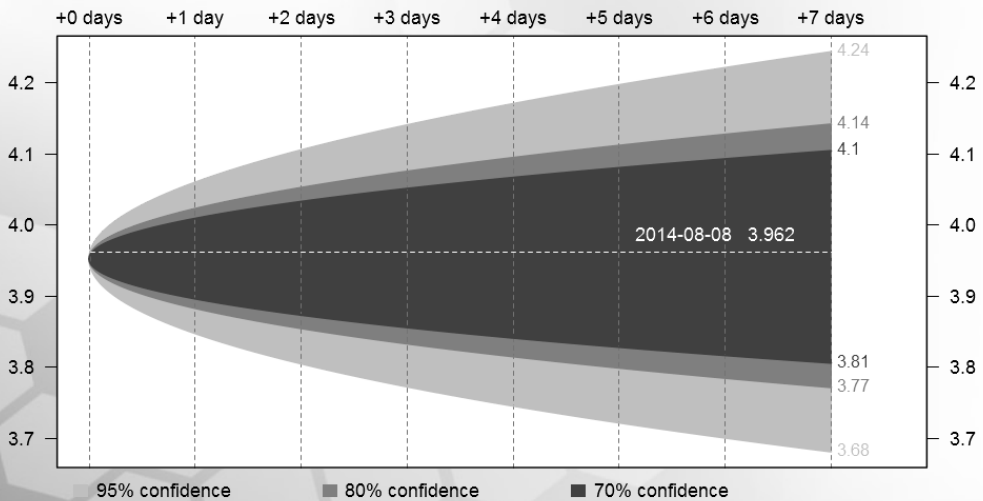
Crude.oil Potential Rates



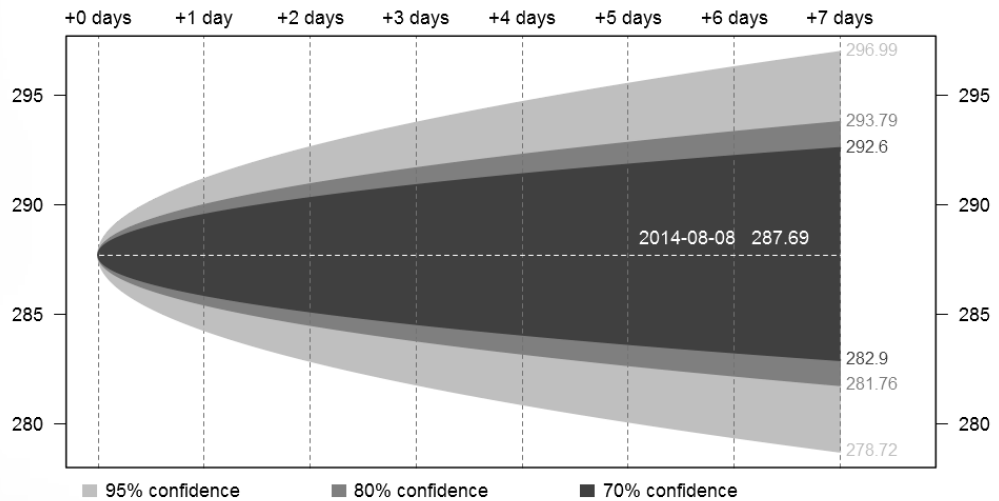
Brent.oil Potential Rates



Natural.gas Potential Rates



Heating.oil Potential Rates

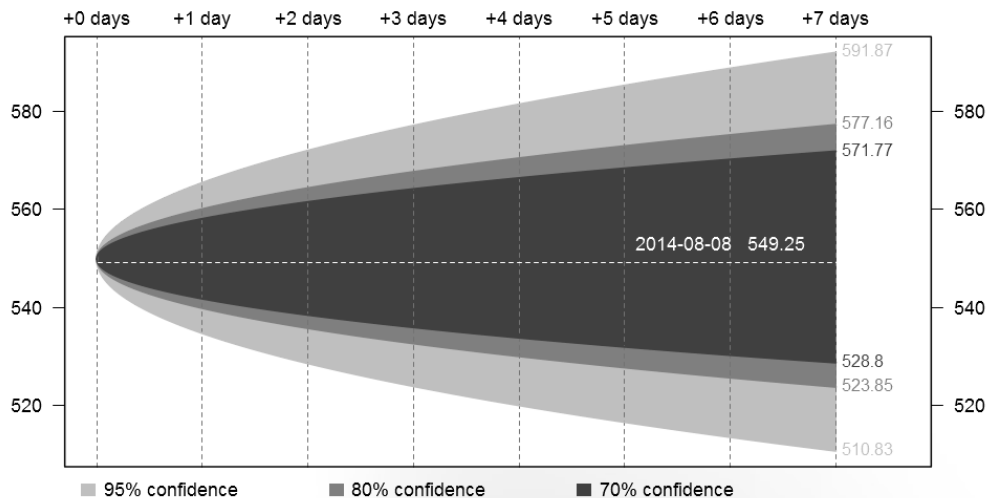


# Agriculture Confidence Intervals for the Next 7 Days

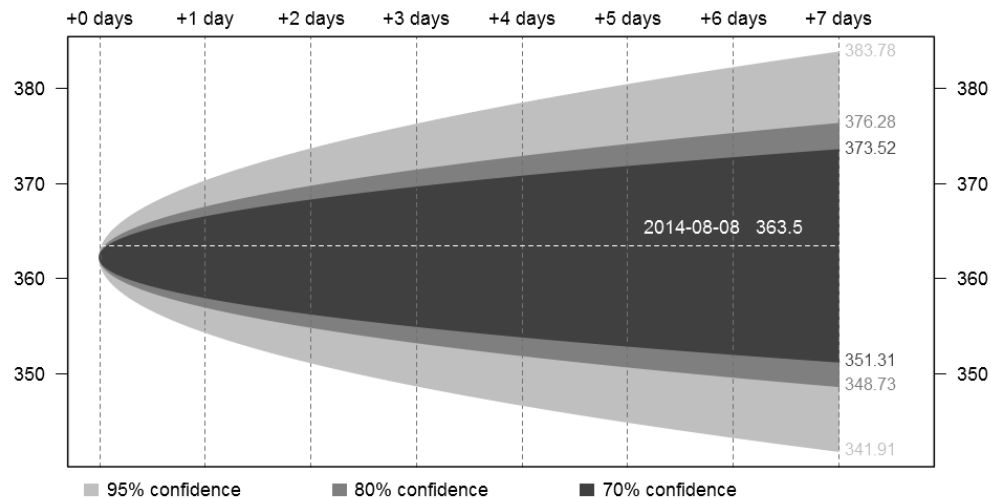
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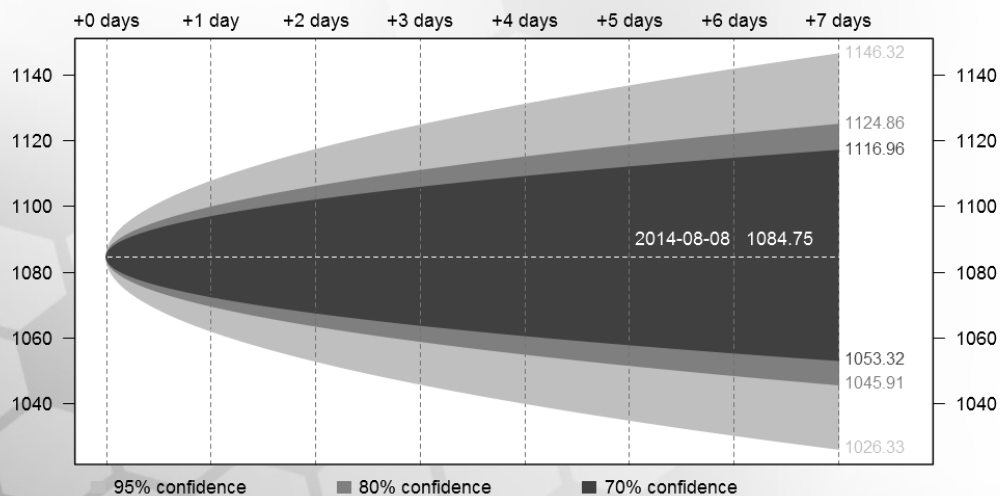
Wheat Potential Rates



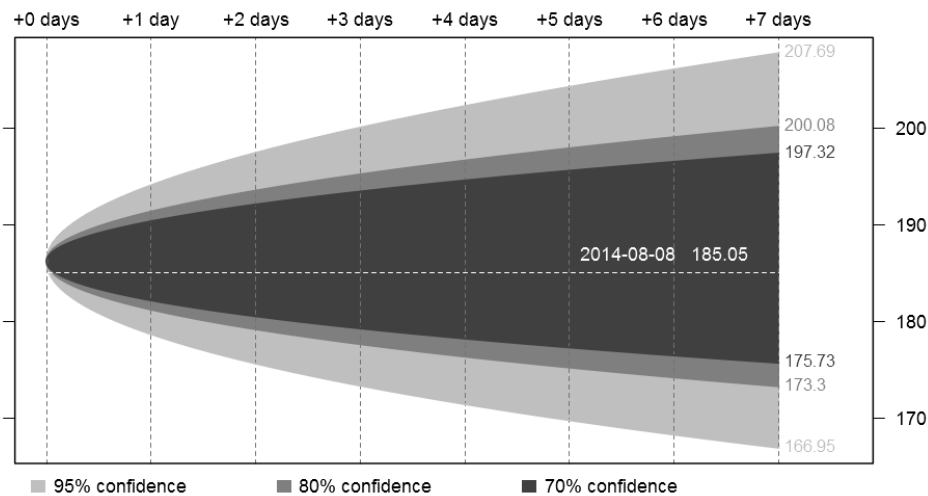
Corn Potential Rates



Soybeans Potential Rates



Coffee Potential Rates



## EXPLANATIONS

### Commodities

- Gold - COMEX active contracted (USD/t o.z.)
- Silver - COMEX active contract (USD/t o.z.)
- Platinum - New York Mercantile Exchange active contract (USD/t o.z.)
- Palladium - New York Mercantile Exchange active contract (USD/t o.z.)
- Aluminum-Active contract of primary aluminum of minimum 99.2% purity at the LME (USD/MT)
- Copper –Active contact of electrolytic copper at the LME (USD/MT)
- Zinc - Active contract of zinc od minimum 99.995% purity at the LME (USD/MT)
- Nickel– Active contract of nickel of 99.8% purity at the LME (USD/MT)
- Crude oil - light, sweet crude oil active contract on the New York Mercantile Exchange (USD/bbl.)
- Brent oil - Brent oil active contract on the ICE Futures Europe (USD/bbl.)
- Natural Gas - natural gas active contract on the New York Mercantile Exchange (USD/MMBtu)
- Heating oil - heating oil active contract on the New York Mercantile Exchange (USD/gal.)
- Wheat - wheat active contract on the Chicago Board of Trade (cents/bu)
- Corn - corn active contract on the Chicago Board of Trade (cents/bu)
- Coffee - benchmark Arabica coffee active contract on the NYB-ICE Futures Exchange
- Soybeans -active contract on the Chicago Board of Trade (cents/bu)

### Indices

- **S&P GSCI Precious Metals Total Return Index** - commodity group subindex composed of gold and silver; the index reflects return on underlying commodity futures price movement
- **S&P GSCI Industrial Metals Total Return Index** - commodity group subindex composed of futures contracts on aluminium, copper, lead, nickel and zinc
- **S&P GSCI Energy Total Return Index** - commodity group subindex composed of futures contracts on crude oil, Brent oil, RBOB gas, heating oil, gas oil and natural gas
- **S&P GSCI Agriculture Total Return Index** - commodity group subindex composed of futures contracts on wheat, red wheat, corn, soybeans, cotton, sugar, coffee and cocoa

### Indicators

**Long-term price forecasts**-aggregated price forecasts based on predictions of 20 international banks forecasts

**USDA Wasde Total Estimated Inventories** (Today)-current level of inventories of wheat in 1000 MT, corn in 1000 MT, soybeans in million bushels and green coffee in 1000 bags



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- Dukascopy Sentiment Index
- Trade Pattern Ideas
- Global Stock Market Review
- Commodity Overview
- Economic Research
- Quarterly Report
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