



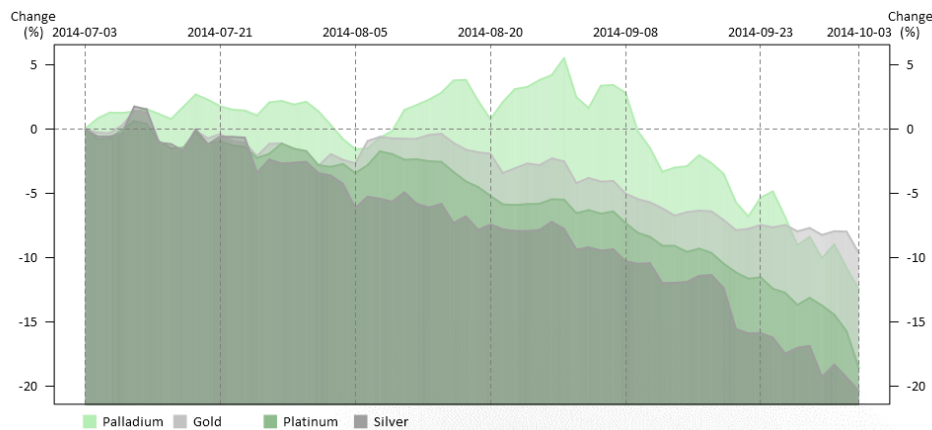
**DUKASCOPY**  
RESEARCH PRODUCTS

06/10/2014



# Weekly Commodity Overview

# Precious Metals Prolong Their Slump on Strong U.S. Dollar



Price Changes (%)

	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Gold	-1.85	-6.09	-9.67	-8.48	-9.68	-9.46
Silver	-4.05	-12.31	-20.4	-15.64	-23.16	-22.77
Platinum	-5.7	-13.14	-18.62	-15.44	-11.95	-10.66
Palladium	-3.73	-13.86	-12.46	-4.58	4.62	7.76

Changes in Total Known ETF Holdings (%)

	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Gold	-0.59	-2.3	-2.67	-4.11	-12.59	-12.74
Silver	0.37	1.67	3.01	1.7	0.37	0.43
Platinum	-0.65	-1.24	-4.34	4.55	17.56	19.51
Palladium	0.81	-0.26	-2.94	39.54	32.82	32.9

Precious Metals Long-Term Price Forecasts (USD per ounce)

	Q4 14			Q1 15			Q2 15			Q3 15		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
Gold	1 125	1 743	1 285.75	1 100	1 450	1 253.38	900	1 488	1 230.16	865	1 598	1 218.45
Silver	18	34	21.1	16.5	27	20.27	18	28.42	20.41	17	35.46	20.82
Platinum	1 360	1 820	1 501.77	1 300	1 900	1 524.41	1 400	1 900	1 549.47	1 450	1 900	1 585.33
Palladium	726.25	900	841.01	750	925	861.7	752.18	950	868.89	735	950	859.17

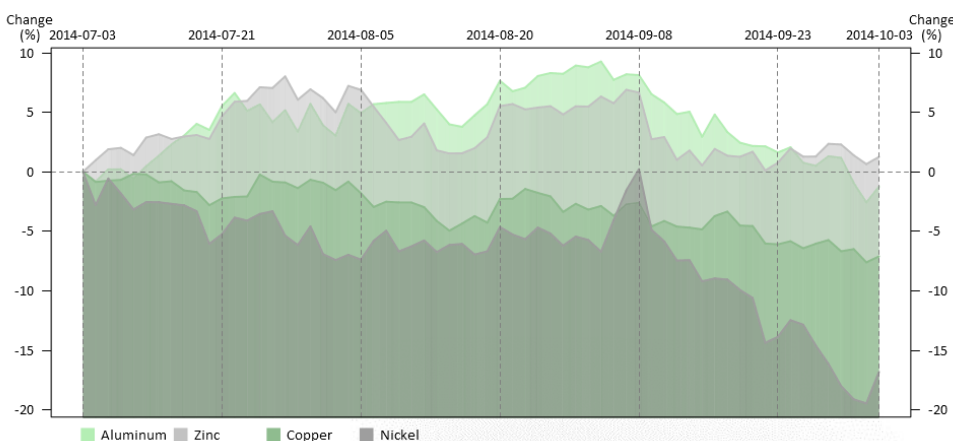
**Gold** prolonged its slump by declining 1.85% last week. At the beginning of the week, the yellow metal managed to reverse some of the losses posted before, as the global equities fell boosting demand for the precious metals as an alternative investment. Moreover, gold dropped more than 5% in September. The bullion is moving closer to reversing this year's gains on low inflation and speculations that the U.S. recovery will lead to the Fed boosting interest rates. According to BB&T Wealth Management, there are a lot of headwinds for gold prices right now, because it's hard to find any inflation, and the dollar has been strong. Then for the rest of the week there were no major fluctuations witnessed in gold until Friday. However, on Friday the metal prices reached the lowest level this year, after U.S. payrolls beat forecasts, sending the U.S. Dollar to trade higher and prompting the rate increase expectations even more.

Meanwhile, **silver** also continued its down-trend with a 4.05% decline in the past week. Last week's news impacted silver even more than its yellow peer, as on Friday the metal fell below the \$17 level. At the close silver was trading at \$16.83 an ounce.

**Platinum** and **Palladium** plummeted 5.7% and 3.73%, respectively. Platinum for immediate delivery dropped to as low as \$1,190.25 an ounce, making it the lowest trading level since July 2009; although, it managed to close above the \$1,200 mark. While palladium slipped to \$737.75 an ounce, the weakest since February 27, before rebounding to \$754.55 on Friday.

S&P GSCI Precious Metals Index	%
Weekly	-2.1
Monthly	-6.83
3 Months	-11.12
6 Months	-9.51
12 Months	-12.22

# Industrial Metals Extend Decline Increasing Monthly Losses



## Price Changes (%)

	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Aluminum	-1.74	-8.32	-1.24	5.51	4.98	5.67
Copper	-1.13	-3.54	-7.09	0.86	-7.95	-6.69
Nickel	-2.59	-13.28	-16.79	0.86	20.46	22.5
Zinc	-0.03	-4.26	1.26	13.05	21.64	23.13

## Changes in LME inventories(%)

	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Aluminum	-0.75	-3.9	-8.91	-14.11	-13.98	-14.29
Copper	-2.56	-2.76	-3.8	-41.6	-70.89	-71.59
Nickel	4.35	9.68	19.23	28.78	59.21	59.96
Zinc	-0.91	0.84	12.12	-10.4	-25.92	-26.56

## 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	6 957.13	5 750	8 487	6 954.94	6 275	8 500	6 924.29	6 175	8 300	6 950.3
Zinc	1 800	2 403	2 161.15	1 800	2 447	2 202.54	1 979	2 500	2 245.76	1 979	2 535	2 310.71
Aluminum	1 720	2 271	1 912.14	1 756	2 215	1 953.07	1 772	2 116	1 966.14	1 780	2 150	1 985.09
Nickel	14 000	20 170	17 638.59	14 000	22 000	18 132.43	14 881	23 000	19 424.29	14 881	24 000	20 023.1

**Aluminum** slipped 1.74% in the week from 29th September to 3rd of October. The metal, which was the best performer among base metals last quarter, will decline into a deficit almost four times larger than previously expected as demand grows faster than estimated, according to Standard Bank Plc. It is forecasted that global consumption will surpass production by 806,000 metric tons this year, more than previous estimate of 217,000 tons. The metal closed at \$1887.25 a ton on 3rd of October.

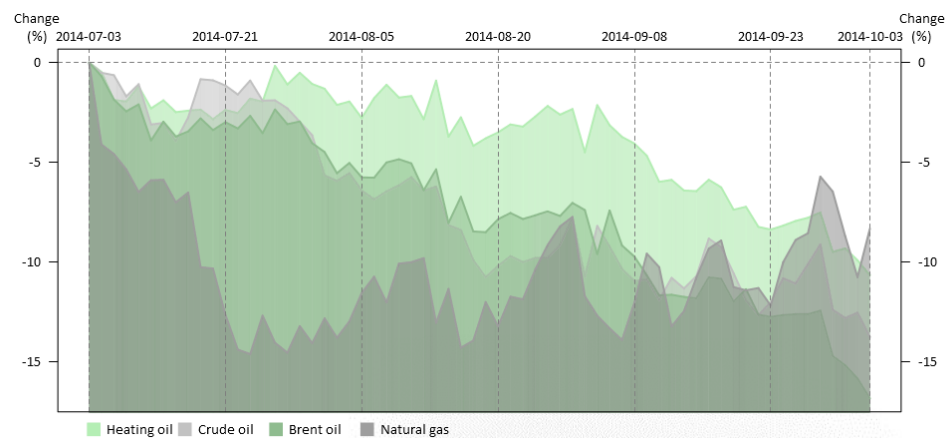
**Copper** slid 1.13% in the last week on signs of the weakness in Europe's economy that dimmed the metal's demand prospects. According to TD Securities, Mr. Draghi did not give us anything to get excited about to say—'Wow, let's buy copper, things are going to get spectacular in Europe'. However, at the same time the great U.S. payroll numbers impacted the metal to the upside, as the U.S. are the second-biggest consumer. According, to Nihon Unicom Inc., with China on holidays, any positive reports on the U.S. economy will provide support to the market.

**Nickel and Zinc** retreated 2.59% and 0.03% respectively, posting a fourth consecutive weekly losses. Zinc's price has remained basically unchanged, while Nickel's decline is more significant. In the first part of the week nickel declined to a six-month low as inventories of the metal increased to a record. Nonetheless, on Friday nickel rebounded, as it advanced the most in 19 weeks on Goldman Sachs report, where they stated that metal is oversold at the moment, and on the positive employment data from the U.S.

S&P GSCI Industry Metals Index	%
Weekly	-1.25
Monthly	-6.33
3 Months	-5.98
6 Months	2.14
12 Months	-2.45



# Energy Futures Drop on Rising Global Supplies



## Price Changes (%)

	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Crude oil	-4.06	-6.07	-13.76	-11.27	-13.79	-13.14
Brent oil	-4.84	-8	-16.84	-13.5	-15.46	-15.31
Natural gas	0.25	4.99	-8.33	-9.01	14.03	15.43
Heating oil	-3.12	-8.71	-10.66	-10.03	-12.58	-12.89

## Changes in U.S. inventories (%)

	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Crude oil	-0.38	-1.07	-7.35	-6.17	-1.95	-0.45
Gasoline	-0.87	-1.8	-2.46	-3.31	-5.12	-3.58
Natural Gas	3.75	17.87	60.71	277.13	-11.1	-8.45
Distillate Fuel	-2.25	2.37	3.42	11.28	-2.69	-3.94

## Energy Futures Long-Term Price Forecasts (USD)

	Q4 14			Q1 15			Q2 15			Q3 15		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
Crude oil	70	120	95.91	85	118	98.04	85	107	96.64	85	110	98.21
Natural gas	54	70.1	60.8	57.46	69	61.82	51.98	55	52.99	49.25	55	51.75
Heating oil	277	305	293	292	300	296.25	275	300	286.5	281	295	287
Brent oil	86	128	103.39	85	124	104.56	85	112	102.49	80	114	103.16

**WTI oil** dropped below the \$90 mark for the first time since 2012. The main drivers through last week were the better-than-expected U.S. personal spending data coupled with news of refinery closures on Monday that pushed oil prices towards session highs above the \$94 level. However, in the following part of the week the crude's price started to decline. Moreover, the speculation that rising global supplies will be more than enough to meet slowing demand also impacted the commodity to the downside. According to Pacific Investment Management Co., we are witnessing pretty good growth in oil supply and that is weighing on the market. Output from OPEC increased by 413,000 barrels a day to 30.935 million in September, the highest level in more than a year, according to Bloomberg survey.

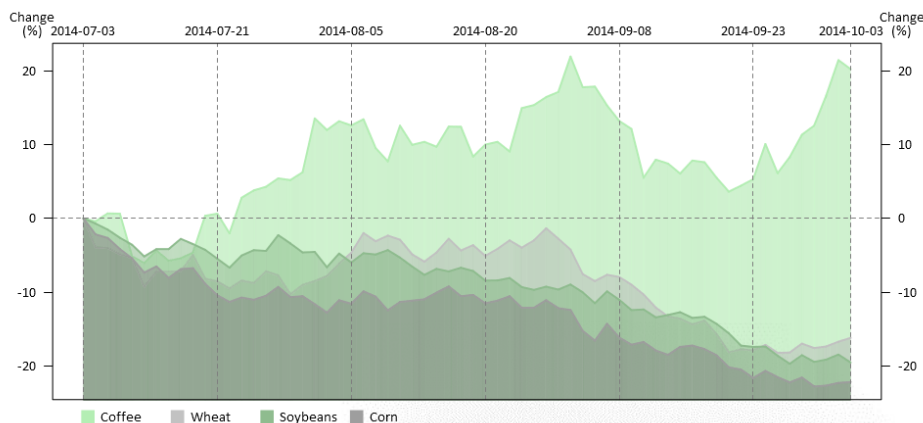
At the mean time, **Brent Oil** declined even more significant 4.84% last week, as it reached a 27-month low. Moreover, Goldman Sachs Group Inc. stated it is losing confidence in its forecast that Brent will recover to \$100 a barrel next year. However, for now the bank is maintaining its projection. According to Global Risk Management Ltd., there has been a strong correlation between euro-dollar and oil prices lately, so a weaker dollar could definitely give oil a boost.

**Natural gas** traded slightly above the \$4 mark, with a exception when on Thursday it fell below the level on news that U.S. stockpiles climbed more than estimated in the previous week. The commodity's prices increased on Friday, after updated weather-forecasting models indicated on a cold snap to trek eastward across the U.S. While **Heating oil** dropped 3.12%

S&P GSCI Energy Index	%
Weekly	1.19
Monthly	-7.77
3 Months	-17.22
6 Months	-27.62
12 Months	-23.25

Monday, October 06,  
2014 15:30 GMT

# Agriculture Futures Advance With Coffee Skyrocketing



## Price Changes (%)

	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Wheat	2.42	-9.33	-16.18	-27.47	-29.19	-29.52
Corn	0.08	-8.17	-22.16	-35.58	-26.37	-26.41
Soybeans	0.22	-10.56	-19.52	-38.1	-28.38	-29.19
Coffee	10.99	2.08	20.2	11.62	80.43	79.02

## USDA Wasde Total Estimated Inventories

	Today	Month	6 Months	YTD	3 Years
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)

	Q4 14			Q1 15			Q2 15			Q3 15		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
Corn	330	550	406.1	350	500	401	330	500	405.62	350	505	421.88
Coffee	150	200	180.6	140	225	183	120	225	179.6	110	225	178
Wheat	500	615	546.3	500	600	553.67	500	620	562.11	545	640	586.89
Soybeans	950	1 275	1 083.5	900	1 300	1 052.75	925	1 400	1 086.25	925	1 400	1 077.38

**Wheat** price added 2.42% to its value in the last week. One of the key reasons for this advance is lowering the wheat output forecasts. According to Statistics Canada, the wheat output will retreat to 27.5 million metric tons from a record 37.5 million in 2013. There are concerns about the upcoming weather that could potentially hurt the crops. According to PI Financial, the data was gathered too early to tell what the crop is, it is difficult to know how much we are going to get. At the same time, South Africa increased their estimates for wheat production this year by 0.6%, but that did not send the prices lower.

**Corn** prices recovered from the five year low on last Monday; however, they still were very near these levels. At the beginning of the week the commodity's price rose on bets that rain in the Midwest will delay the U.S. harvest, the world's biggest grower of the crops. According to Commodity Weather Group, by midweek, showers will travel east across the Corn Belt. Later on corn prices slumped to the lowest in five years once again as the inventories topped the estimates.

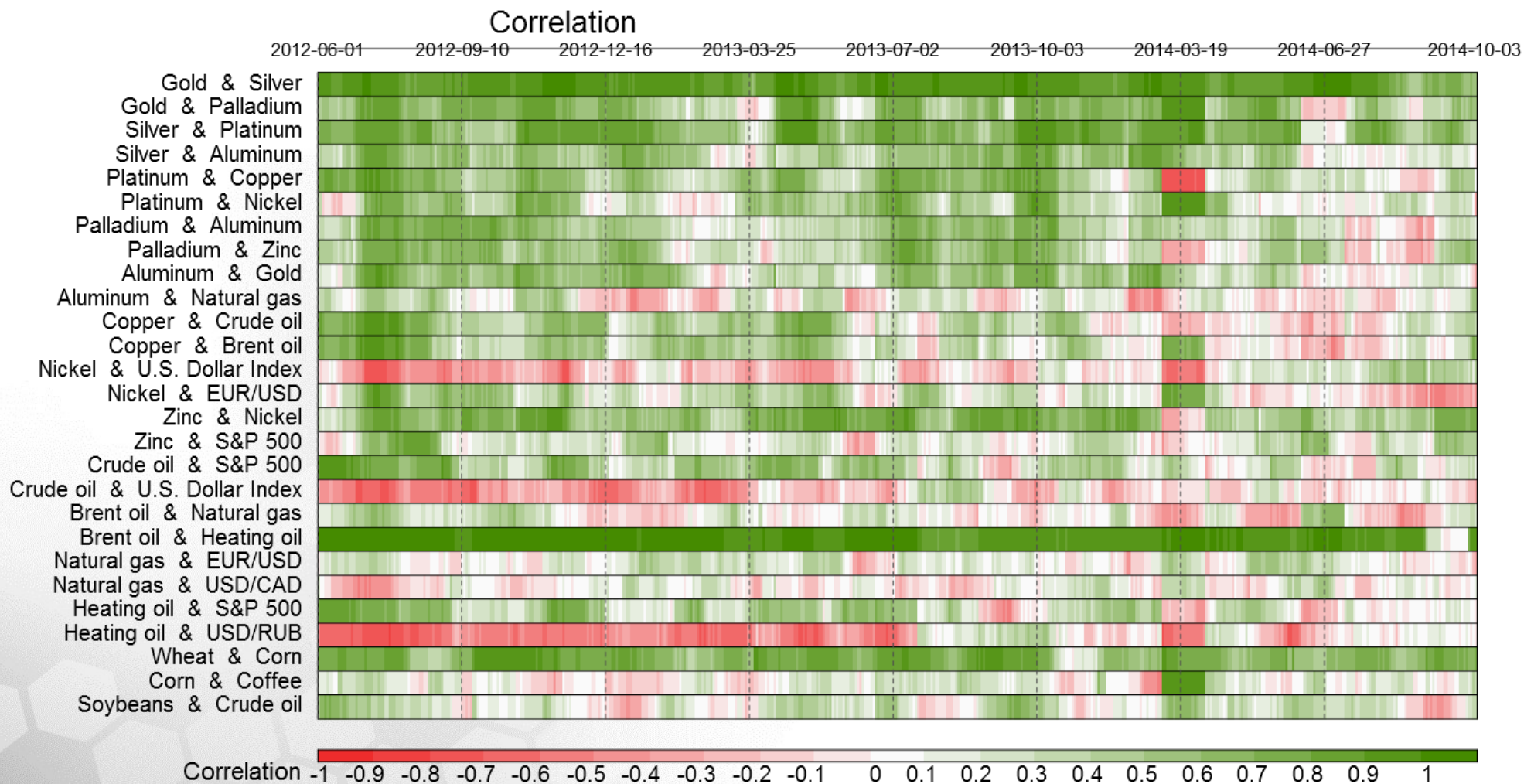
**Soybeans** added just 0.22% to its value; however, by doing that it stopped a multiple straight week decline. The biggest move was on Thursday on speculation that demand will increase in China, the world's top consumer, following the price slump.

**Coffee** prices jumped 10.99% to more than a two year high on bets that crops in Brazil, the world's biggest grower, will be damaged by drought. According to Rabobank, it is a critical period for the Brazilian Arabica crop, which is flowering and a meaningful rain has not yet been received.

S&P GSCI Agriculture Index	%
Weekly	-4.1
Monthly	-7.76
3 Months	-14.13
6 Months	-10.47
12 Months	-10.74



7:30 GMT

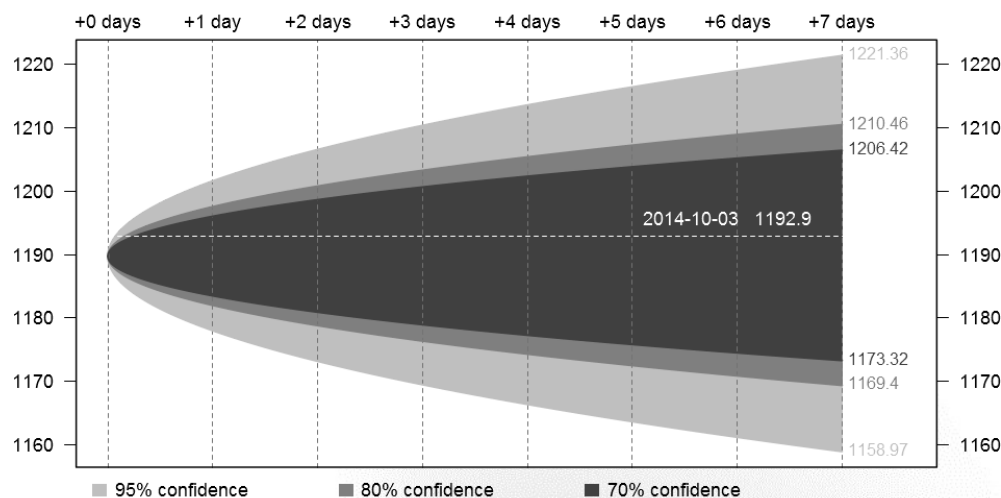


Monday, October 06, 2014

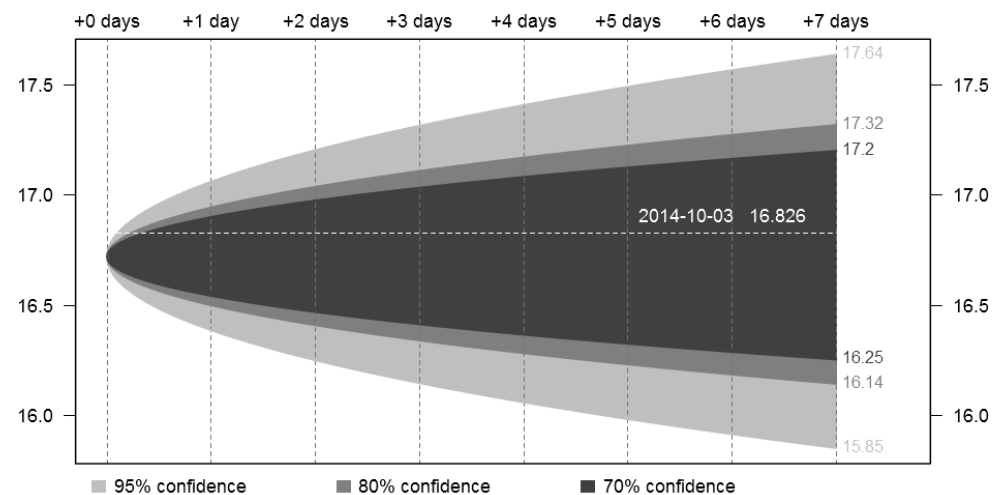
7:30 GMT

# Precious Metals Confidence Intervals for the Next 7 Days

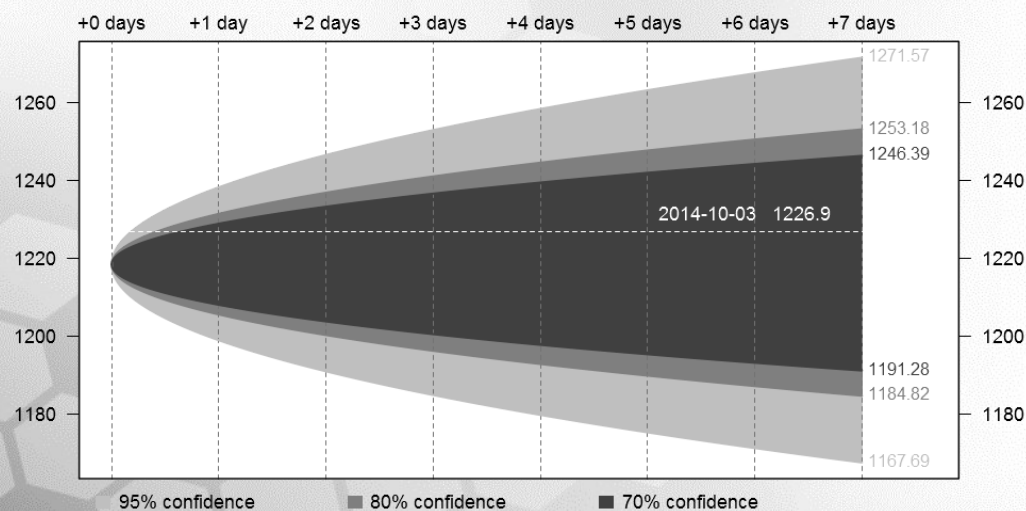
Gold Potential Rates



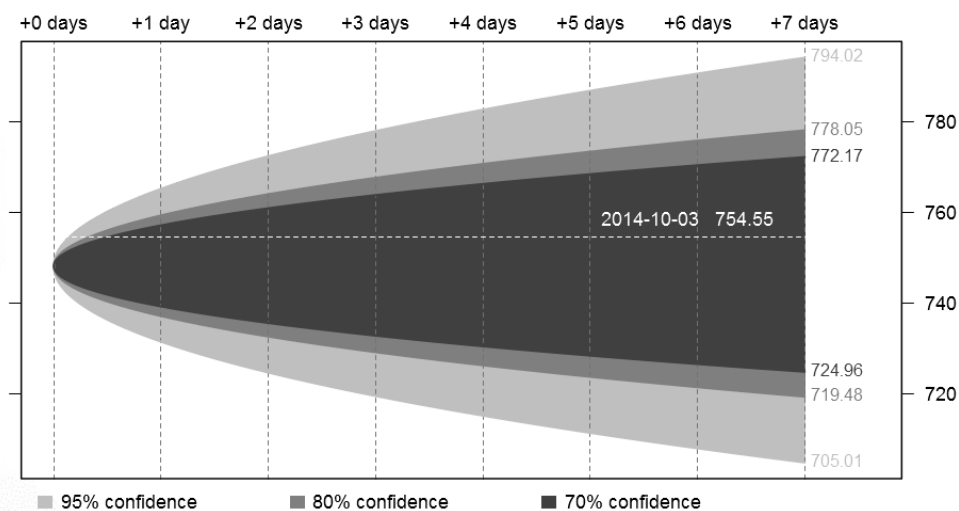
Silver Potential Rates



Platinum Potential Rates



Palladium Potential Rates

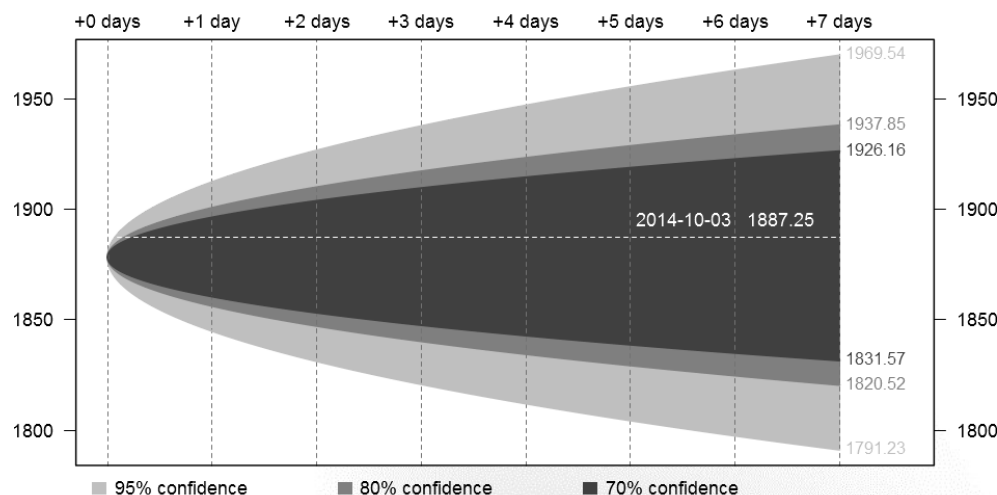


# Industrial Metals Confidence Intervals for the Next 7 Days

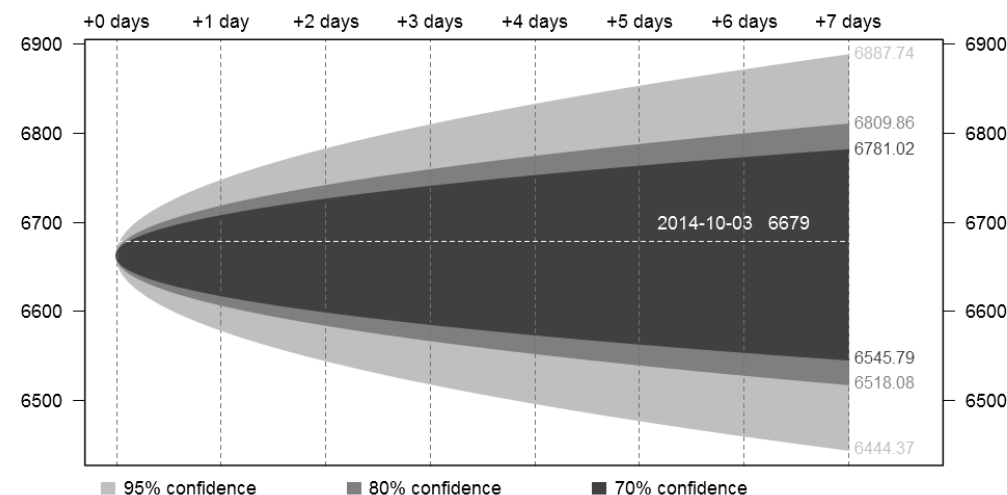
Monday, October 06, 2014

7:30 GMT

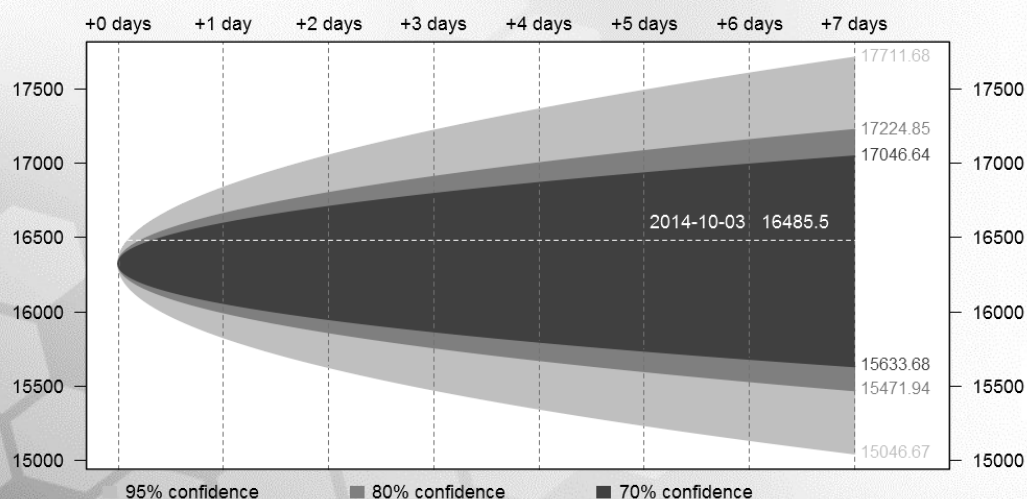
Aluminum Potential Rates



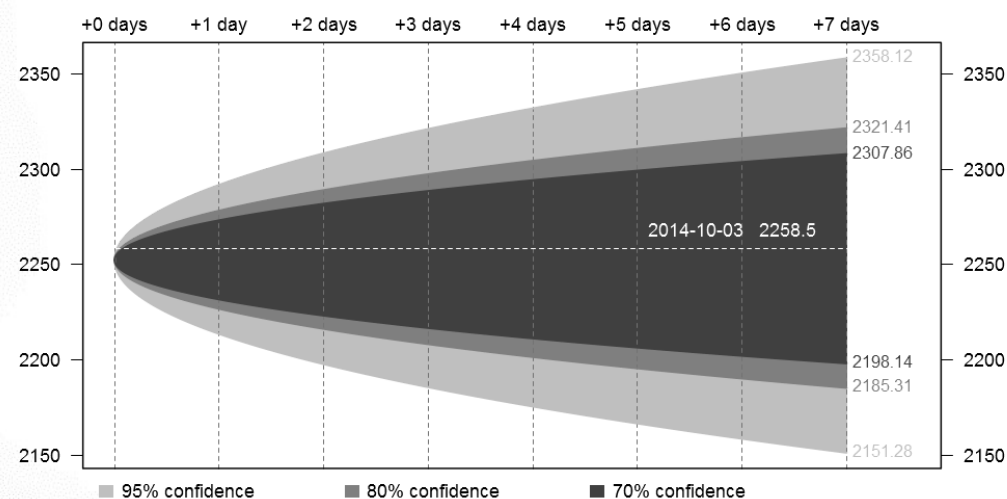
Copper Potential Rates



Nickel Potential Rates



Zinc Potential Rates



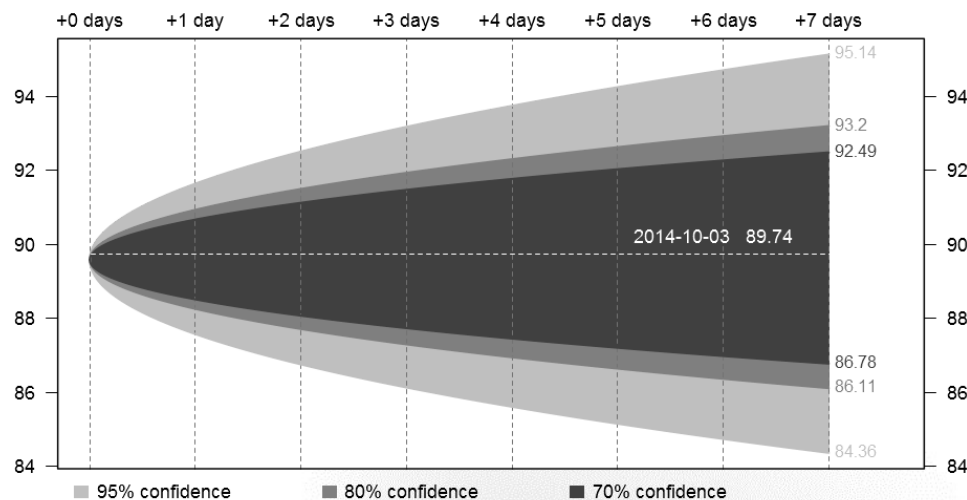


# Energy Confidence Intervals for the Next 7 Days

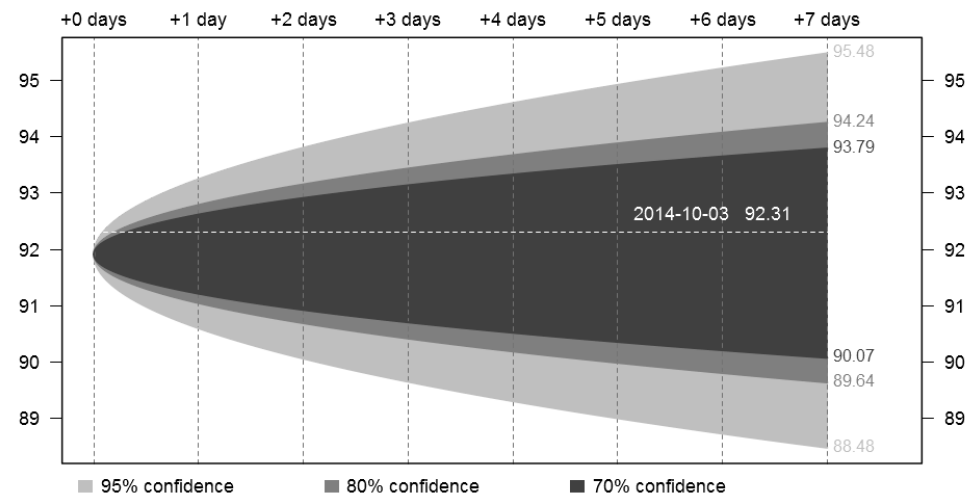
Monday, October 06, 2014

7:30 GMT

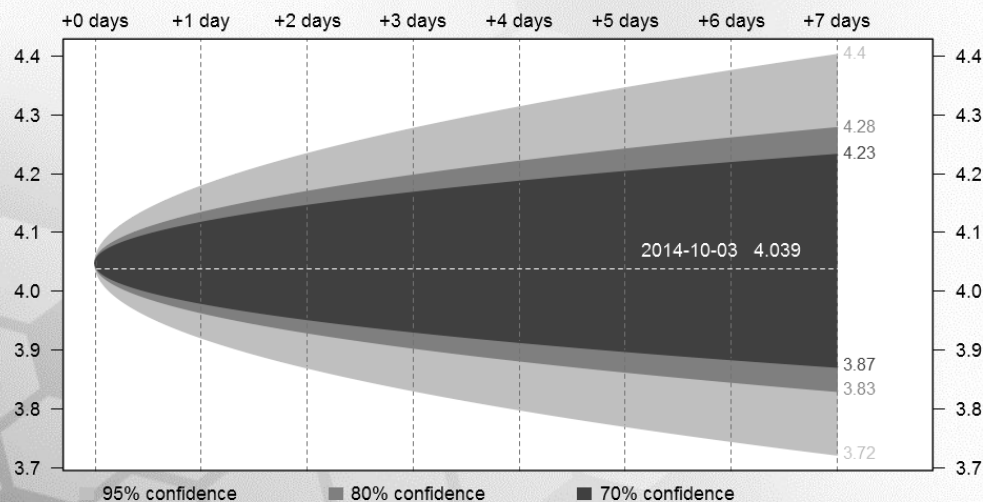
Crude.oil Potential Rates



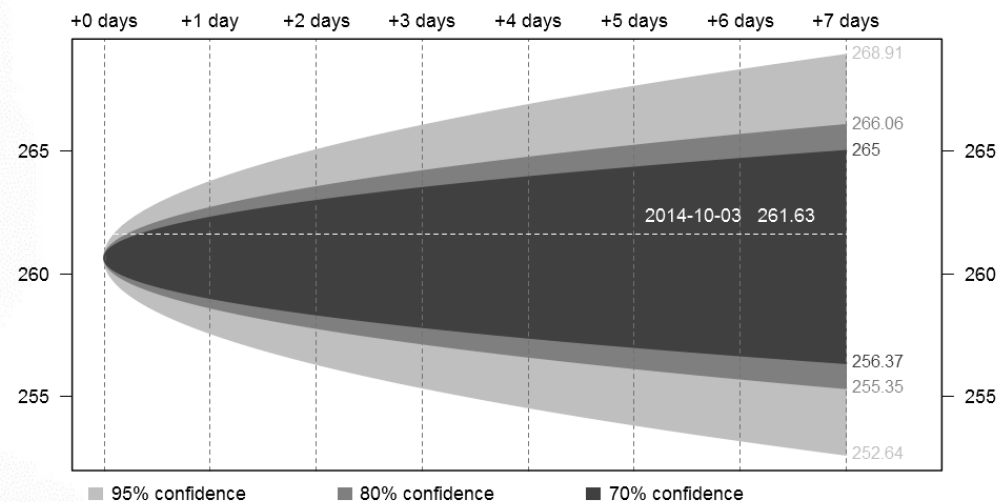
Brent.oil Potential Rates



Natural.gas Potential Rates



Heating.oil Potential Rates

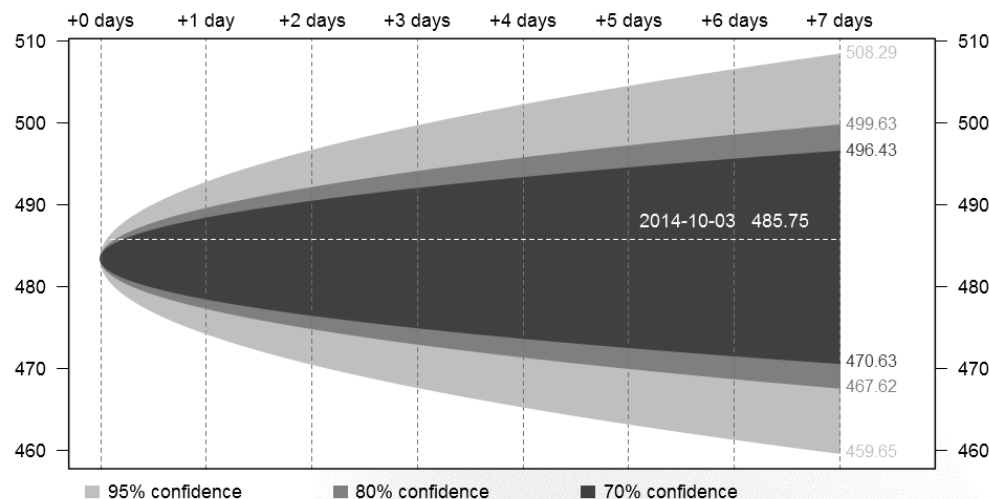


# Agriculture Confidence Intervals for the Next 7 Days

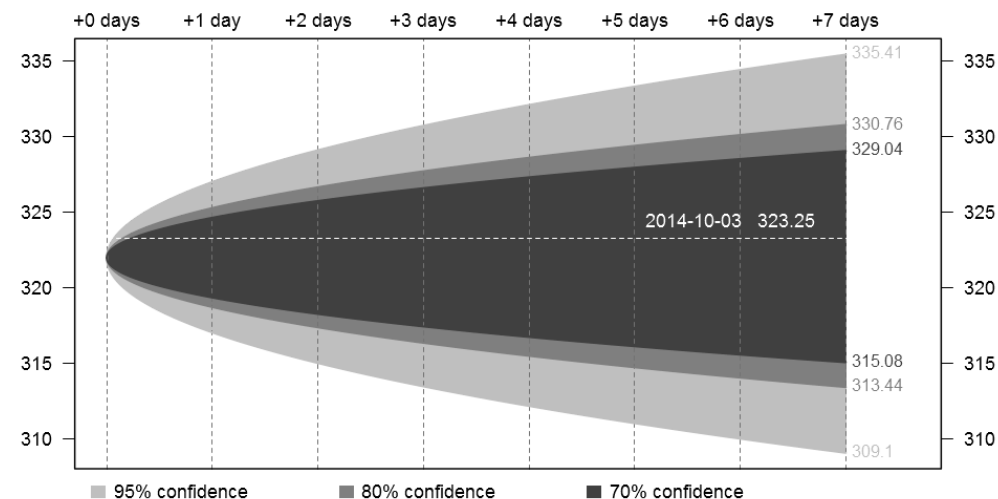
Monday, October 06, 2014

7:30 GMT

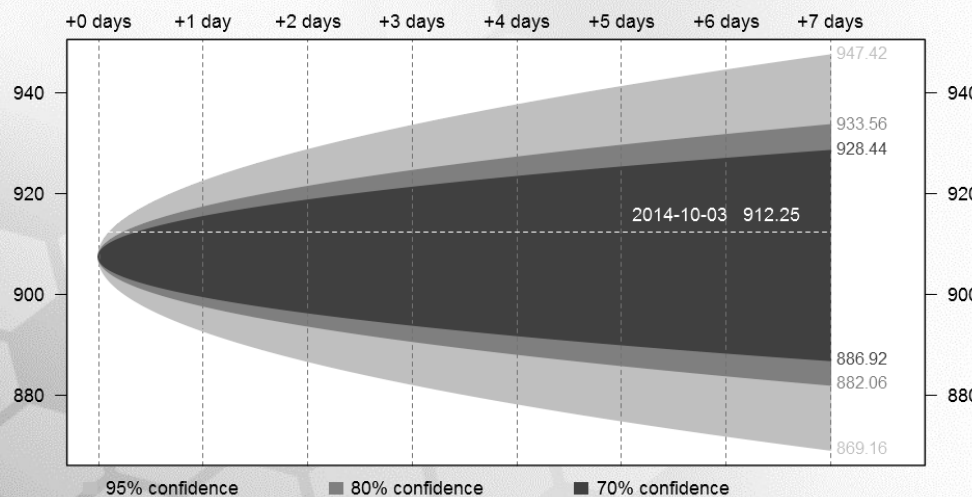
Wheat Potential Rates



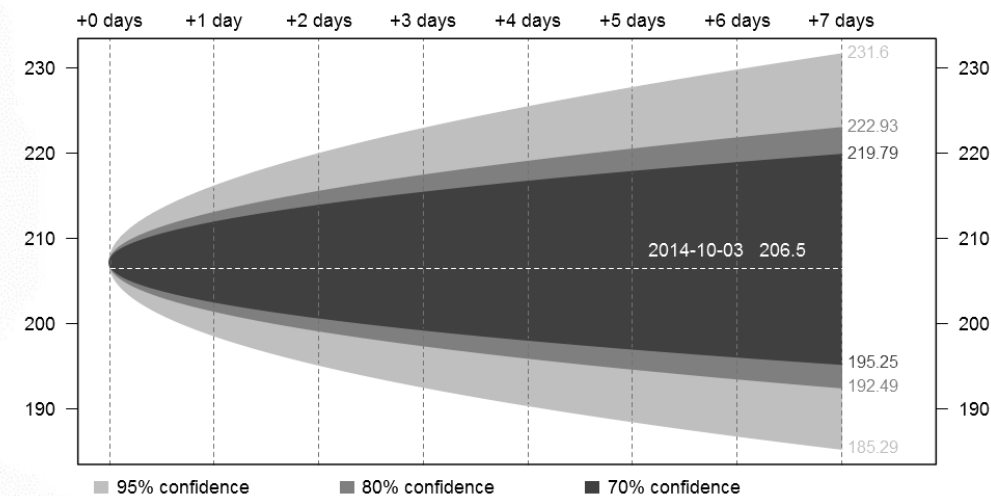
Corn Potential Rates



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 of 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





#### Newest releases and archive:

Fundamental Analysis  
Technical Analysis  
Press Review  
Market Research  
Expert Commentary  
Dukascopy Sentiment Index  
Trade Pattern Ideas  
Global Stock Market Review  
Commodity Overview  
Economic Research  
Quarterly Report  
Aggregate Technical Indicator

#### Additional information:

Dukascopy Group Home Page  
Market News & Research  
FXSpider  
Live Webinars  
Dukascopy TV  
Daily Pivot Point Levels  
Economic Calendar  
Daily Highs/Lows  
SWFX Sentiment Index  
Movers & Shakers FX  
Forex Calculators  
Currency Converter  
Currency Index  
CoT Charts

#### Social networks:



#### Disclaimer

Everything in this article, including opinions and figures, is provided for informational purposes only and may not be interpreted as financial advice or solicitation of products. Dukascopy group assume no responsibility for the completeness or the accuracy of any data contained in this article. Financial figures indicated in this article have not been verified by the Dukascopy group. Views, opinions and analyses are those of the author of the article, and are not endorsed by the Dukascopy group.

Dukascopy group waive any and all warranties, express or implied, regarding, but without limitation to, warranties of the merchantability or the fitness for a particular purpose, with respect to all information in this article. Dukascopy group shall under no circumstances be responsible for any direct, indirect, consequential, contingent or any other damages sustained in connection with the use of this article.