



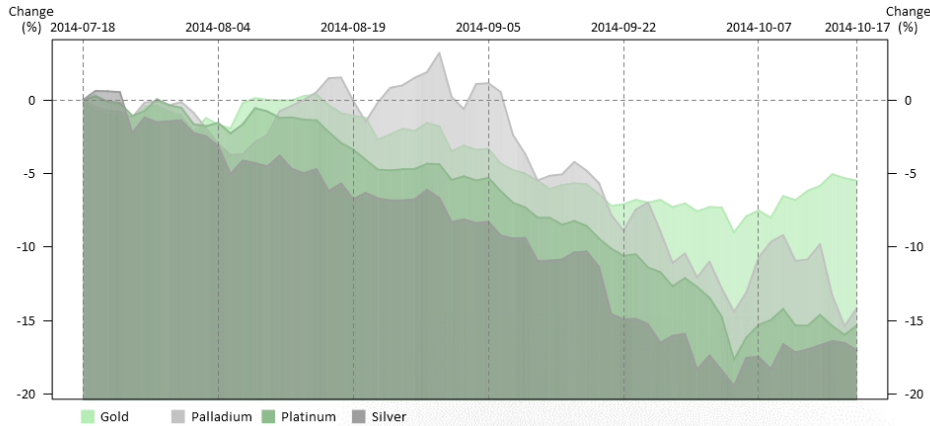
DUKASCOPY
RESEARCH PRODUCTS

20/10/2014



Weekly Commodity Overview

Precious Metals Mixed on Unstable US Equity Market



Gold has extended its advance to two straight weeks by climbing 1.42%, after a five consecutive weekly losses. The week started off with a three daily gains, as the US Dollar continued to underperform compared with the previous weeks. Moreover, the concerns of the global economic growth slow-down fueled demand for a haven asset. According to Commerzbank AG, the falling gold price might be a signal that global economic growth is slowing, in such scenario, gold can be seen as a safe haven. However, by the end of the week the yellow metal started to lose some of its value, as the equities started to reverse some of the previous declines, therefore reducing demand for the precious metal as a haven. Also there were released better than expected US Unemployment Claims and Industrial Production on Thursday that did not help the gold price.

Silver was little changed as it added 0.16% in the period. Silver price was mostly dragged around by the same factors as its yellow peer—US data, weakness of the US Dollar and of course the equity market. Nonetheless, the metal was not impacted that much by these factors as in the week before. It closed \$13.33 a pound, which was the lowest level in the week.

Platinum and **Palladium** both declined in the previous week after a week of gains; however, the metal performance was very different. Palladium plummeted 3.61%, while Platinum lost just 0.01%. Additionally, platinum dropped below the price of gold for the first time since April 2013, on worries that slowing economic growth will curb demand. The metal has slid around 17% since mid-July, when a South African mine strike ended.

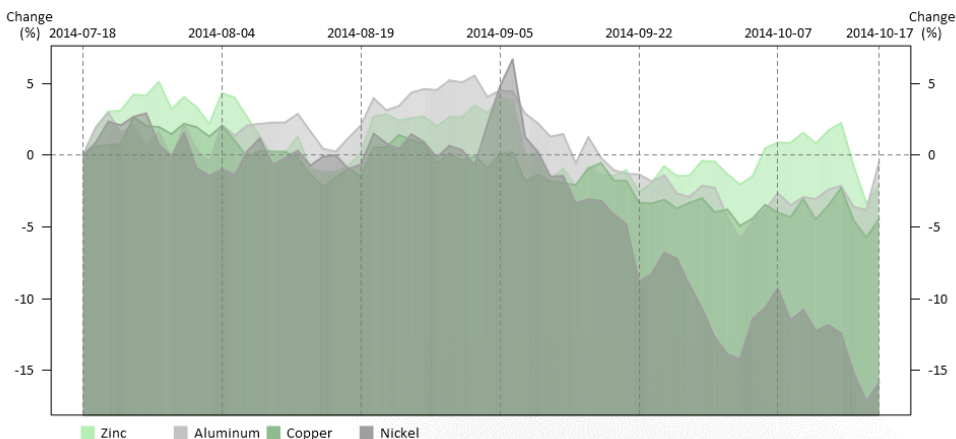
Price Changes (%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Gold	1.42	0.25	-5.49	-4.24	-3.38	-6.35
Silver	0.16	-7.49	-17.02	-11.56	-18.88	-21.03
Platinum	-0.01	-7.39	-15.33	-11.7	-9.78	-12.08
Palladium	-3.61	-9.81	-14.16	-6.24	6.05	2.56

Changes in Total Known ETF Holdings (%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Gold	0.3	-2.32	-3.79	-4.05	-11.75	-12.08
Silver	-0.51	-0.34	1.17	0.46	-0.21	-0.29
Platinum	0.48	-0.99	-4.44	1.97	14.75	14.88
Palladium	1.31	1.28	-2.51	20.78	36.79	35.59

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	1 275.28	1 050	1 450	1 237.38	950	1 488	1 225.35	875	1 598	1 215.57
Silver	16.8	34	20.76	16.5	27	19.79	17	28.42	20.01	17	35.46	20.44
Platinum	1 220	1 820	1 482.23	1 175	1 900	1 503.82	1 225	1 900	1 530.94	1 275	1 900	1 554.06
Palladium	726.25	900	835.26	700	925	857.01	715	950	863.57	725	950	862.89

S&P GSCI Precious Metals Index	%
Weekly	1.28
Monthly	-0.67
3 Months	-6.96
6 Months	-5.29
12 Months	-10.16

Industrial Metals Mixed on Chinese Data



Price Changes (%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Aluminum	2.62	-0.34	-0.52	6.81	7.73	8.16
Copper	0.01	-3.95	-4.47	0.2	-7.91	-7.49
Nickel	-4.16	-13.14	-15.91	-12.55	11.19	12.12
Zinc	-2.87	-0.72	-2.07	9.27	17.9	17.64

Changes in LME inventories(%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Aluminum	-0.81	-3.74	-8.88	-15.01	-16.37	-16.7
Copper	5.46	1.56	0.08	-34.86	-67.94	-68.46
Nickel	2.28	11.09	20.7	35.34	62.21	63.39
Zinc	-1.17	-4.1	10.06	-9.78	-31.18	-32.15

Industrial Metals 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
Copper	6 250	8 487	6 912.77	6 000	7 500	6 780.29	6 000	7 680	6 812.92	5 500	7 800	6 786.18
Zinc	1 965	2 447	2 226.85	1 979	2 425	2 246.57	1 979	2 535	2 314.38	1 980	2 610	2 357.95
Aluminum	1 756	2 215	1 939.75	1 772	2 090	1 954.86	1 780	2 100	1 978.14	1 789	2 150	2 015.24
Nickel	14 329	22 000	17 922.15	14 881	23 000	18 914.81	14 881	24 000	19 587.19	14 931	24 250	20 246.6

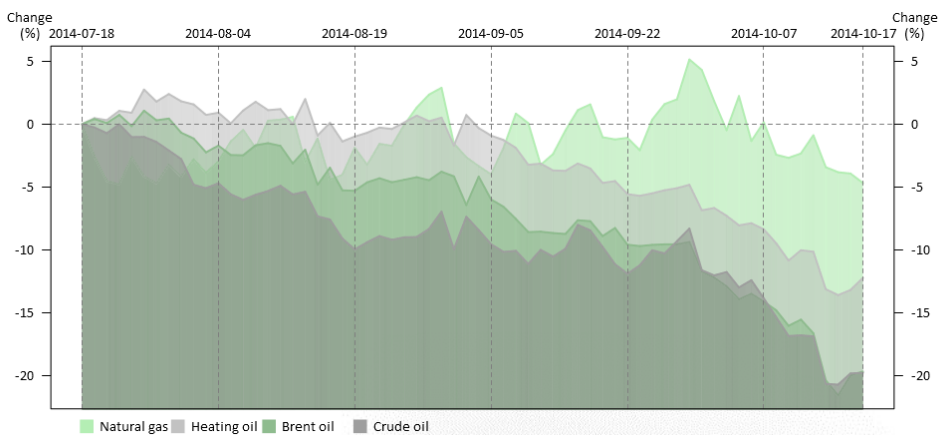
Even though **Aluminum** slid for the first four days of the week, the losses were subdued. The biggest move in the metal's price occurred on Friday on speculation that global central banks are ready to implement more stimulus measures to boost economic growth. According to Archer Financial Services Inc., there was some Chinese stimulus news, and any stimulus is good for base-metal prices. Alcoa Inc., the largest U.S. aluminum producer, reported its highest earnings in three years, after prices rebounded and demand rose from car, truck and plane makers.

Copper was little changed; however, we cannot definitely say that there were no price action through the week. At the beginning of the week the price of the metal rose, as better than expected exports data from China eased concern that economic growth will fade in the nation, the world's biggest consumer. Moreover, China's central bank cut an interest rate for the second time in a month on Tuesday, raising bets that lower borrowing costs will spur economic growth. On Wednesday; however, the metal's investors were surprised to the downside as signs of muted inflation indicated on lower metal demand in China. By the week's end Copper traded at \$6,675 a metric ton.

Nickel and Zinc both plummeted—4.16% and 2.87%, respectively, with nickel being the clear leader. Nickel's price was mostly determined by the same factors that was previously mentioned by describing copper's performance. However, also the Euro region's industrial production impacted metal's price to the downside, since it was released considerably worse than expected. Zinc closed at \$2,244.5 a metric ton.

S&P GSCI Industry Metals Index	%
Weekly	-0.03
Monthly	-3.68
3 Months	-4.79
6 Months	0.25
12 Months	-3.97

Energy Futures Extend Their Retreat Further on Rising Global Supplies



WTI oil prolonged its slump by falling 3.58% in the week from 13th-17 September. On Monday crude's price remained steady; although, the biggest move was witnessed on Tuesday, after the International Energy Agency stated that oil demand will expand this year at the slowest pace since 2009. According to Saxo Bank A/S, the IEA report adds to the current pressure on prices and on OPEC. Oil futures have emerged into bear market as shale supplies continue to boost US output to the biggest in almost 30 years, while at the same moment global demand weakens. On Thursday WTI crude slipped below the \$80 mark a barrel for the first time since June 2012 on the US supply concerns. Nonetheless, by the end of the week the price managed to recover and WTI oil closed at \$82.75 a barrel.

Brent Oil already opened below the \$90 level; however, the biggest drop in the commodity's price was on Tuesday. Brent prolonged its retreat also in Wednesday when the lowest level of the week at \$83.37 a barrel was reached. Then in the last two days of the week Brent managed to reverse some of the previous losses, but just some on speculation that a 25% decline from this year's high is excessive. Moreover, Brent oil pared its fourth consecutive weekly loss. According to Goldman Sachs, the recent slump in prices was too much too soon and the supply glut is not yet here today.

Natural gas and **Heating oil** retreated more than 2%. Natural gas for instance deepened its slide from day to day, as forecasts for mild fall weather emerged. Mild temperatures mean that most likely demand will be limited for both heating and air conditioning.

Price Changes (%)

	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Crude oil	-3.58	-12.36	-19.76	-20.66	-19.1	-17.8
Brent oil	-4.88	-12.94	-19.66	-21.34	-22.09	-21.03
Natural gas	-2.41	-6.15	-4.68	-20.57	-0.08	0.24
Heating oil	-2.45	-9.02	-12.22	-16.97	-17.82	-16.47

Changes in U.S. inventories (%)

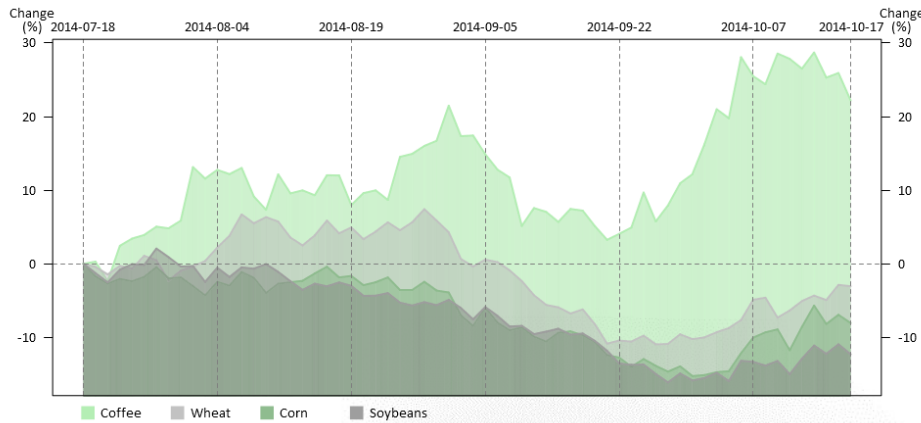
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Crude oil	2.47	3.34	-1.19	-5.98	-1.06	0.01
Gasoline	-1.91	-3.15	-4.11	-2.19	-5.35	-6.46
Natural Gas	2.93	17.78	54.96	288.12	-9.72	-7.77
Distillate Fuel	-1.2	-2.25	0.26	11.35	0.31	-1.12

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	94.03	80	118	95.24	80	107	93.9	80	105	95.48
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	300	289.25	292	300	296.25	275	300	286.5	281	295	287
Brent oil	86	128	101.49	85	124	102.16	85	112	100.03	80	112	101

S&P GSCI Energy Index	%
Weekly	2.02
Monthly	1.71
3 Months	-7.42
6 Months	-25.16
12 Months	-20.16

Agriculture Futures Advances on Global Supply Worries



Wheat prices has extended its gains to a third straight week on concern that unexpected weather conditions will hurt crops globally. Moreover, the USDA stated on October 10 that global wheat inventories at the end of 2014-2015 season will total 192.59 million metric tons, down 1.9% from the previous estimates of 196.38 million.

Corn and **Soybeans** futures jumped 4.19% and 3.17%, respectively, on worries that rains could possibly slow the harvest in the US, the world's top producer of both commodities. Early last week DTN meteorologist reported that rain in some areas of the Midwest will disrupt soybean and corn collection with some severe weather returns by the end of the week. Nevertheless, on Wednesday news appeared on drier weather from now on that sent both commodity prices lower. The U.S. Department of Agriculture in September forecasted this fall's US soybean harvest is likely to reach an all-time high of 3.913 billion bushels. According to Commodity Weather Group, rain will remain very limited in the next two weeks, aiding crop collection. In the end of the week the prices were at \$3.48 and \$9.52 a bushel.

Coffee prices dropped (4.42%) for the first time in a long time, as the worries of insect outbreak decreased. At the same time Vietnams coffee growers are set to reap an almost record harvest, helping to ease the global shortage. Moreover, a drought in Brazil's coffee-growing regions pushed the arabica –bean prices up 96% this year. Nonetheless, the bets on coffee still are bullish, as they increased 15% to 50,032 contracts, the highest level in more than six years.

Price Changes (%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Wheat	3.51	3.36	-3.05	-26.18	-24.28	-24.78
Corn	4.19	1.83	-8.06	-30.47	-21.4	-21.44
Soybeans	3.17	-3.13	-12.3	-36.65	-25.44	-26.41
Coffee	-4.42	13.96	22.19	3.21	81.83	83.65

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	325	550	392.8	347	500	381.88	330	500	385.62	350	500	399
Coffee	150	190	174.8	140	225	179	120	225	175.6	110	225	174
Wheat	488	615	530.7	500	600	530.89	500	600	539.11	527	605	567.22
Soybeans	930	1 275	1 056	900	1 300	1 030.88	925	1 400	1 066.5	925	1 400	1 067.38

S&P GSCI Agriculture Index	%
Weekly	-3.85
Monthly	-11.87
3 Months	-17.82
6 Months	-19.43
12 Months	-15.43

Correlation Matrix

Correlation

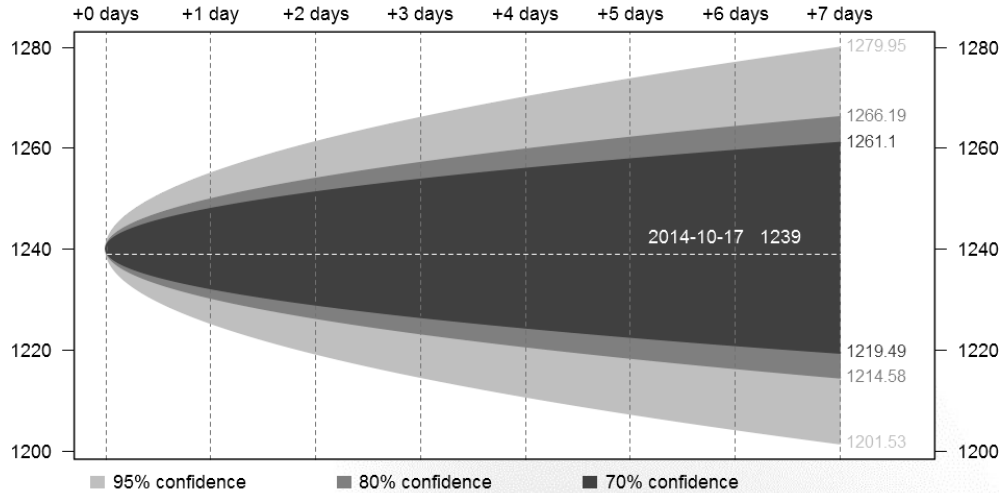
2012-06-01 2012-09-12 2012-12-20 2013-04-05 2013-07-15 2013-10-17 2014-04-07 2014-07-18 2014-10-17



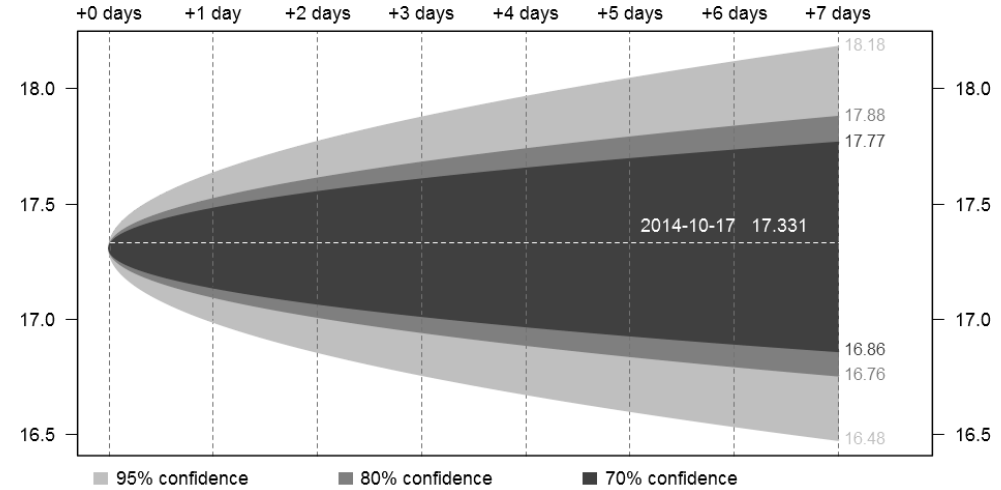
Correlation -1 -0.9 -0.8 -0.7 -0.6 -0.5 -0.4 -0.3 -0.2 -0.1 0 0.1 0.2 0.3 0.4 0.5 0.6 0.7 0.8 0.9 1

Precious Metals Confidence Intervals for the Next 7 Days

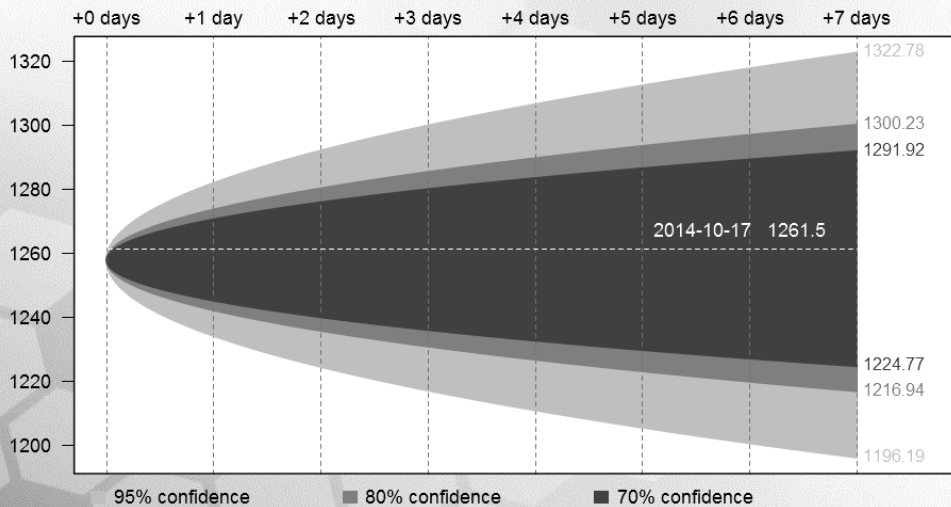
Gold Potential Rates



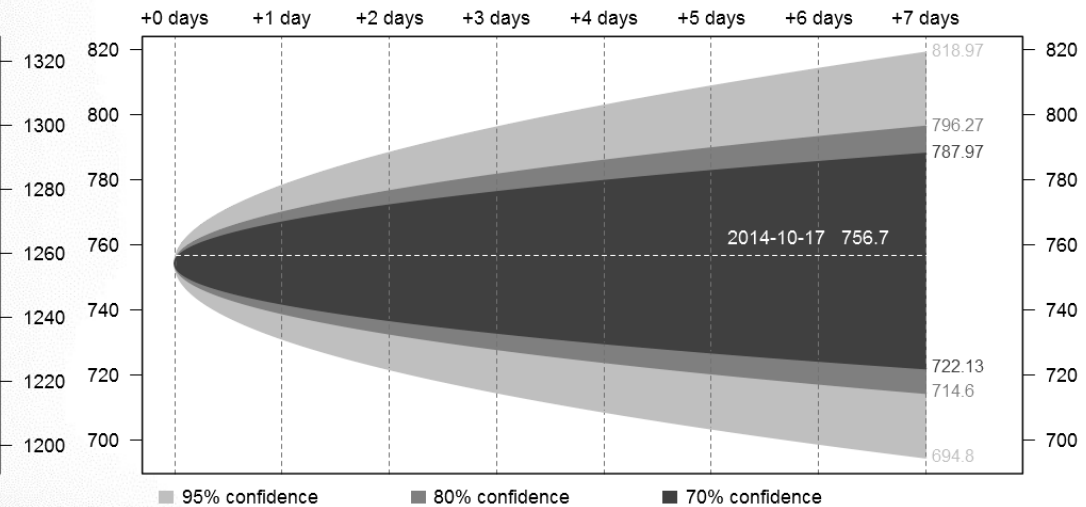
Silver Potential Rates



Platinum Potential Rates



Palladium Potential Rates

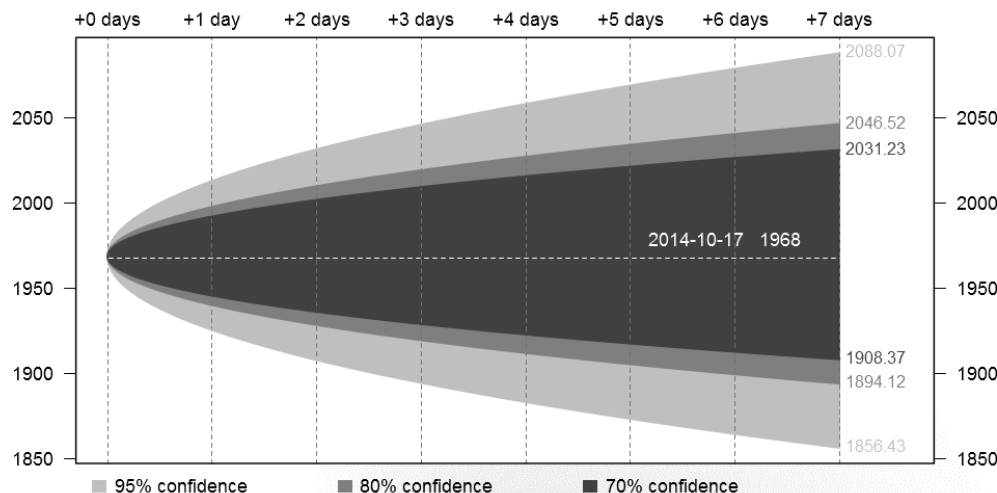


Industrial Metals Confidence Intervals for the Next 7 Days

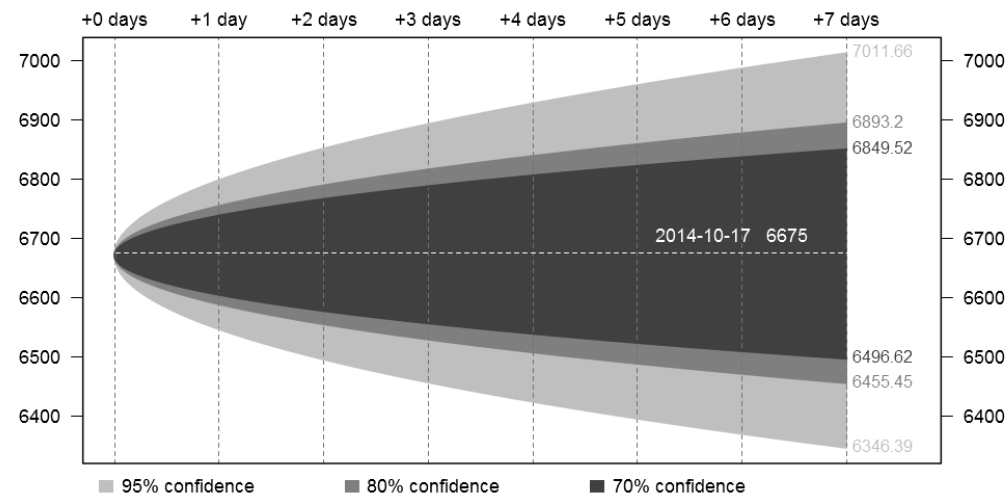
Monday, October 20, 2014

7:30 GMT

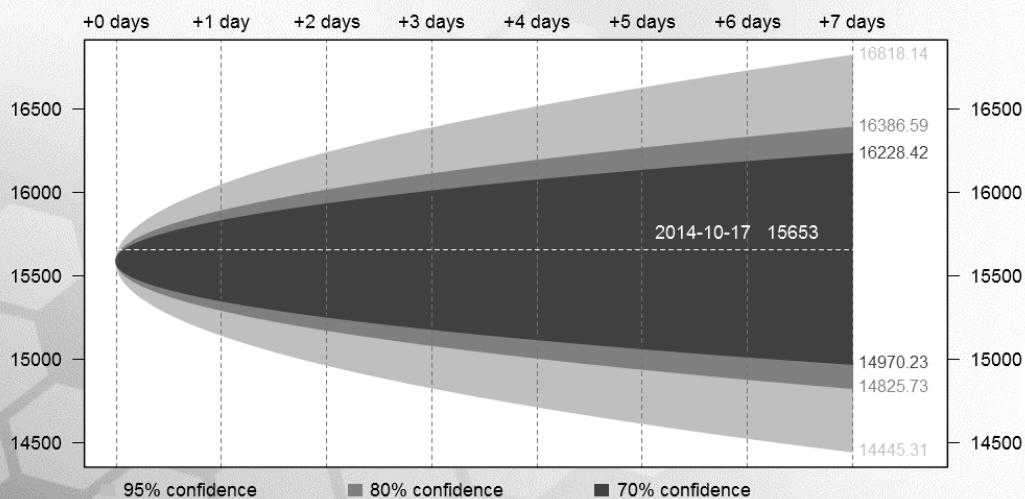
Aluminum Potential Rates



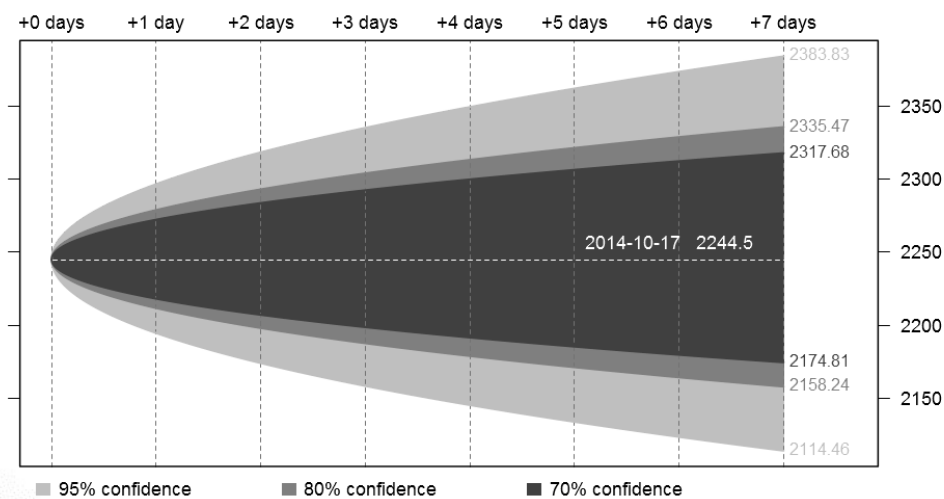
Copper Potential Rates



Nickel Potential Rates

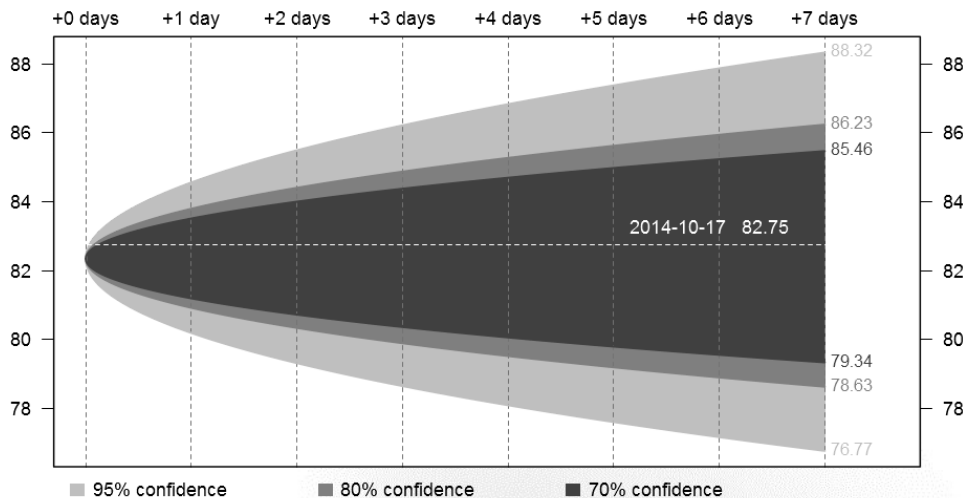


Zinc Potential Rates

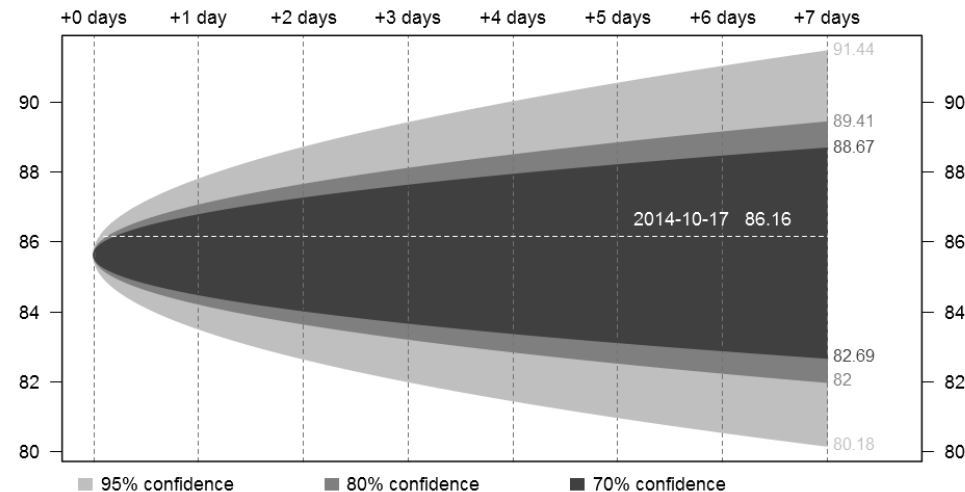


Energy Confidence Intervals for the Next 7 Days

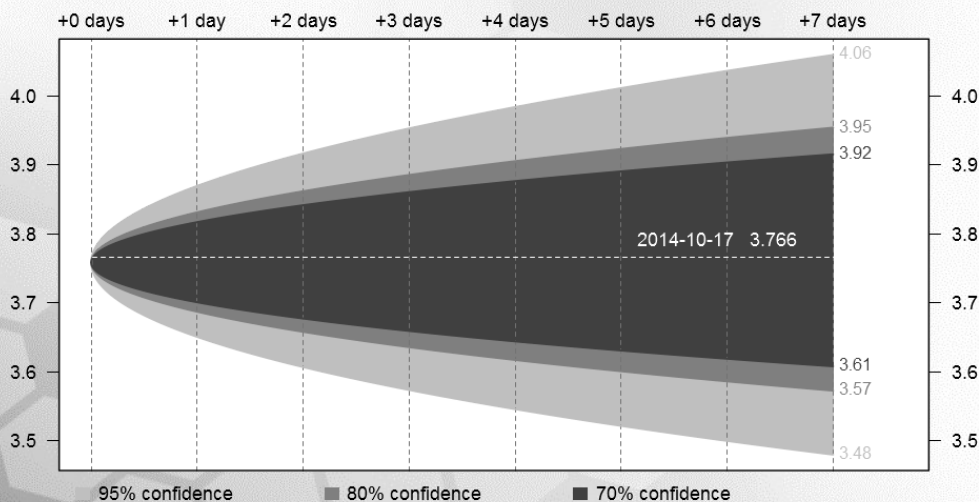
Crude.oil Potential Rates



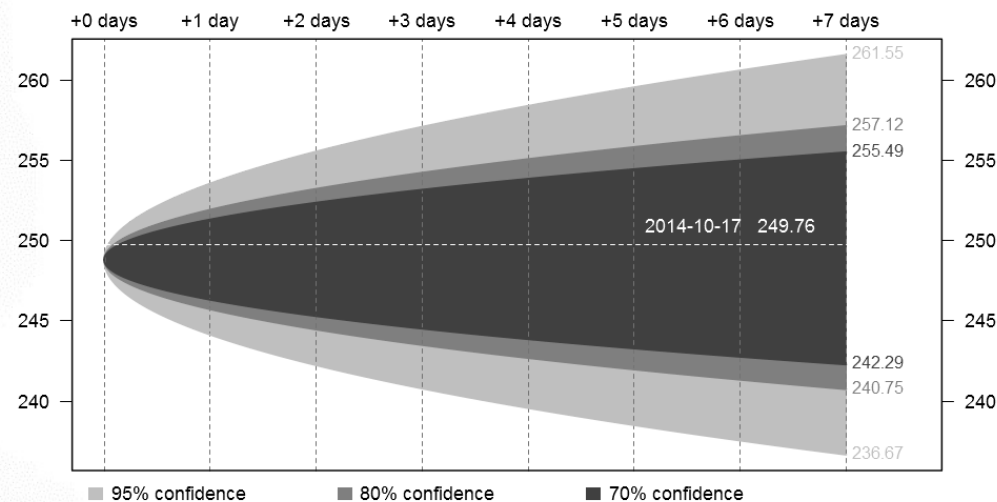
Brent.oil Potential Rates



Natural.gas Potential Rates



Heating.oil Potential Rates

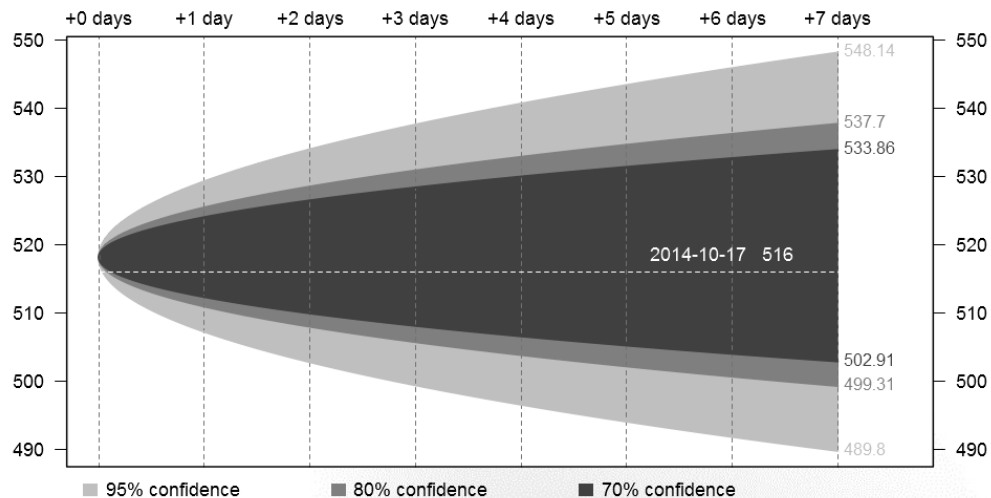


Agriculture Confidence Intervals for the Next 7 Days

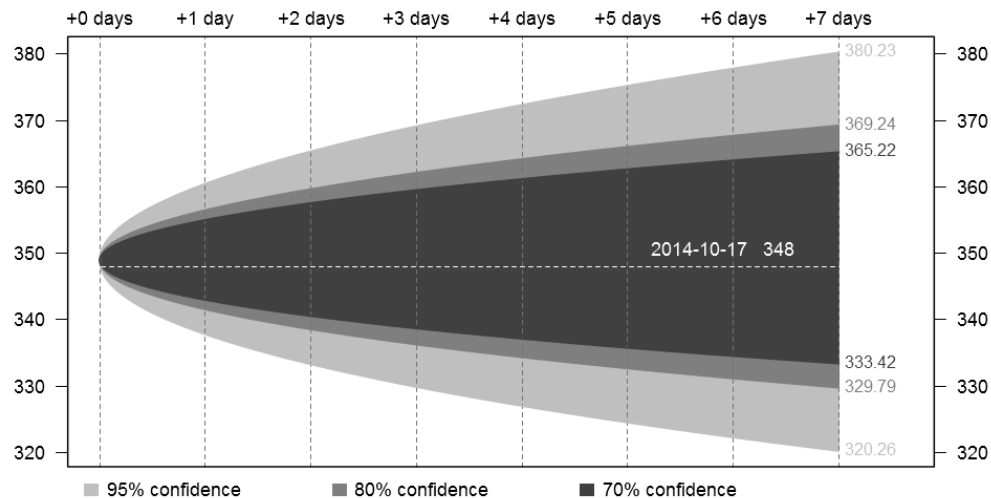
Monday, October 20, 2014

7:30 GMT

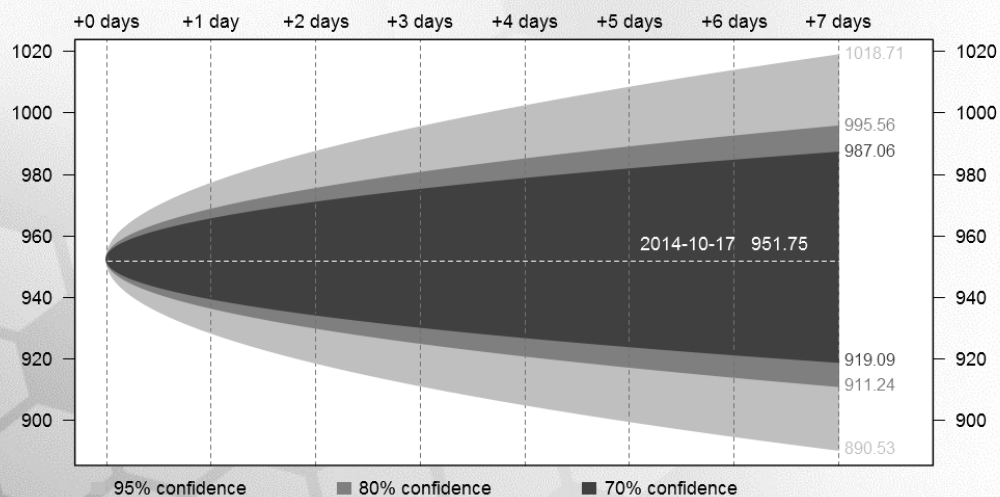
Wheat Potential Rates



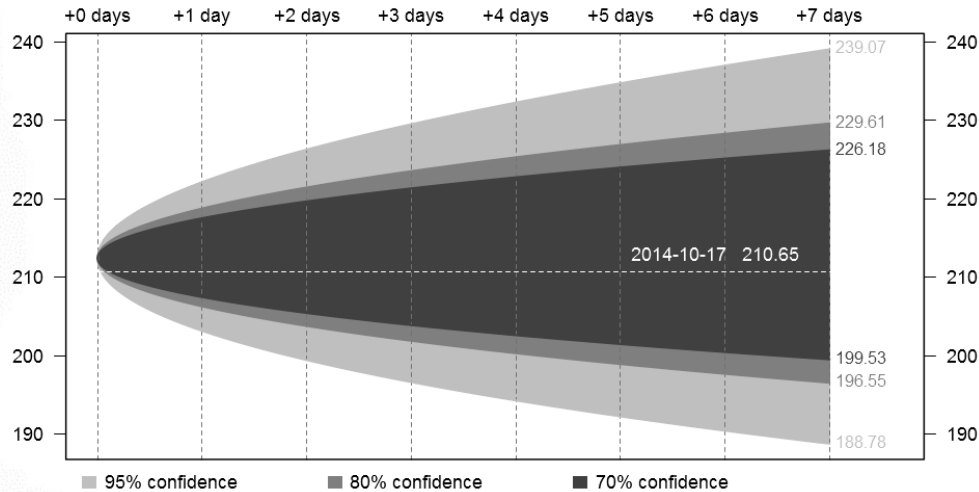
Corn Potential Rates



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 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



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.