



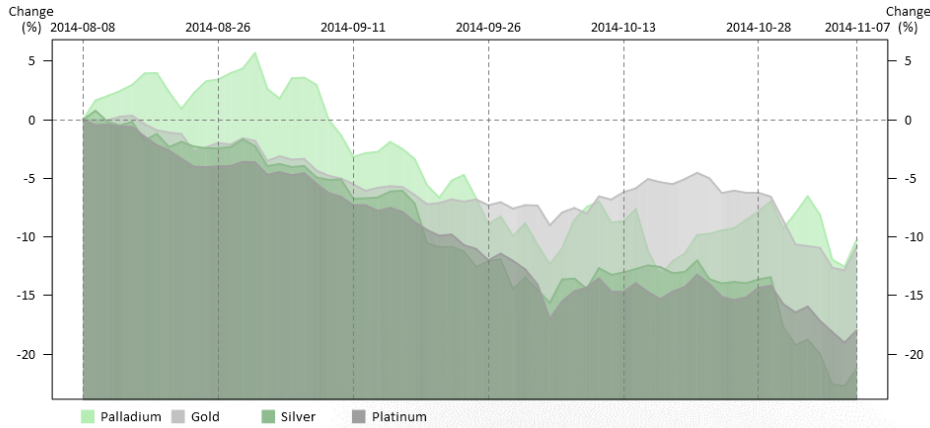
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10/11/2014



Weekly Commodity Overview

Precious Metals Prolong Their Slump on Strong Dollar



Gold started the week by posting the longest slump in seven weeks, as the Greenback's advance to the highest level in five years decreased the appeal of the precious metal as an alternative investment. On Wednesday Gold touched the lowest level since April 23, 2010, as the US Dollar continued to demonstrate very strong performance. According to Treesdale Partners LLC., gold is a victim of the dollar strength and there is big expectation that the US economy will continue to grow and that will further boost the dollar. At least the last day of the week was good for bullion's bulls as the metal reversed almost all losses, after disappointing US jobs report. All in all, it was relatively neutral week for the yellow metal and it closed just 0.15% below the opening price.

Silver; however, lost more than 2% in the period. Moreover, the metal reached the lowest price since February 23, 2010, while it is down 18% this year. If the metal fails to recover from this loss then it will make this a first consecutive annual retreat since 1992. Some of the lost value through the week was recovered on Friday and silver closed at \$15.71 a pound.

Platinum's movements have correlated well with both gold and silver through the week, meaning that also platinum has reached a multiple year low, namely five-year low. Additionally, billionaire Robert Friedland's Ivanhoe Mines Ltd. climbed the most in 17 months, after receiving a permit to build the world's biggest platinum mines in South Africa. While **Palladium** failed to sustain its bullish momentum from the last week and it slid 2.43%.

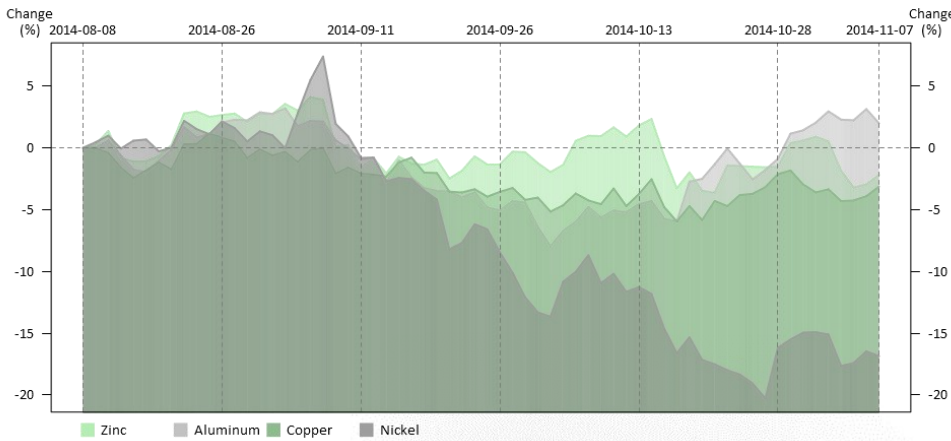
Price Changes (%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Gold	-0.15	-3	-10.77	-9.15	-11.23	-10.6
Silver	-2.43	-7.91	-21.2	-17.82	-27.81	-27.44
Platinum	-1.81	-4.27	-17.96	-15.18	-17.35	-16.75
Palladium	-2.43	-3	-10.22	-3.4	1.07	1.77

Changes in Total Known ETF Holdings (%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Gold	-1.36	-2.28	-5.88	-5.67	-13.31	-13.26
Silver	0.13	-0.63	1.74	0.36	-0.19	-0.47
Platinum	1.01	0.79	-4.61	1.79	14.05	14.43
Palladium	1.7	2.84	-1.73	12.81	41.05	41.49

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	1 270.75	1 050	1 450	1 235.08	950	1 488	1 223.42	875	1 598	1 212.3
Silver	16.8	34	20.49	16.5	27	19.63	17	28.42	19.84	17	35.46	20.24
Platinum	1 220	1 820	1 461.32	1 175	1 900	1 492.65	1 225	1 900	1 521.82	1 275	1 900	1 545.94
Palladium	726.25	900	827.76	700	925	851.07	715	950	860.14	725	950	856.89

S&P GSCI Precious Metals Index	%
Weekly	-0.4
Monthly	-3.55
3 Months	-12.05
6 Months	-10.31
12 Months	-10.38

Industrial Metals Slide on Disappointing Chinese Data



Aluminum was little changed through the last week by losing 0.05% from its value. The key event that impacted its price were disappointing Chinese and British manufacturing data at the beginning of the week, and the US jobs data at the end of the week. Moreover, US jobs data at first pushed the metal higher on Thursday, while later on Friday happened the opposite, after US non-farm payrolls came in below the estimates. According to Long Leaf Trading Group, Inc., we have seen an improvement in the industrial metals, and better jobs and a better economy is basically the nuts and bolts of it.

Copper was the only industrial metal that posted a weekly gain, as its price was not hit that strongly as other metals. Early in the week copper's price increased on better than expected US manufacturing data, the world's second-largest metals consumer. Tuesday, however, came with a disappointment as the European Commission cut growth forecasts for the Euro zone. Later in the week copper was impacted by the US jobs data similarly to other industrials.

Nickel and Zinc were the worst performing currencies falling 2.28% and 3.06%, respectively. Nickel reached the lowest level on Wednesday trading at \$15,043 a ton. The metal has declined for two straight months as increased ore supply from Philippines helped to avoid a shortage after Indonesia banned raw ore exports. According to CLSA Ltd., China built so much inventory and there is so much refined nickel coming into the market this year. Nonetheless, the metal continued to slide on worries that China may report a slowdown in export growth.

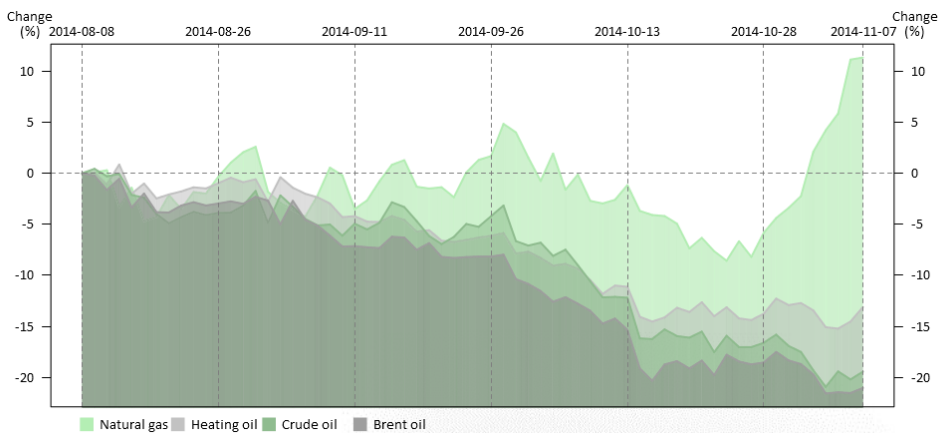
Price Changes (%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Aluminum	-0.05	8.08	1.99	19.81	15.8	15.85
Copper	0.49	1.5	-3.14	-0.18	-4.52	-4.97
Nickel	-2.28	-6.63	-16.86	-22.69	9.39	10.25
Zinc	-3.06	-3.11	-2.19	10.33	19.01	19.68

Changes in LME inventories(%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Aluminum	-0.17	-3.14	-9.99	-16.66	-16.88	-17.21
Copper	-1.74	6.78	12.3	-23.3	-65.22	-65.79
Nickel	0.99	6.23	21.46	39.22	60.2	61.07
Zinc	-0.73	-5.63	0.61	-8.58	-31.19	-31.64

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	6 901.37	6 000	7 500	6 780.75	6 000	7 680	6 806.5	5 500	7 800	6 795.23
Zinc	1 965	2 447	2 227.78	1 979	2 425	2 244.19	1 979	2 535	2 310.81	1 980	2 610	2 352.95
Aluminum	1 756	2 215	1 957.25	1 772	2 090	1 957.14	1 780	2 100	1 983.82	1 789	2 150	2 021.05
Nickel	14 329	22 000	17 695.26	14 881	23 000	18 643.38	14 881	24 000	19 315.76	14 931	24 250	20 057.85

S&P GSCI Industry Metals Index	%
Weekly	-0.26
Monthly	1.7
3 Months	-3.61
6 Months	2.68
12 Months	2.17

Energy Futures Fall on Saudi Arabia Signals, while Natural Gas Jumps



WTI oil has dropped below the \$80 a barrel level in the period already starting from the first day of the week. One of the main reasons were that Saudi Arabia decreased the cost of its oil to US customers in the face of climbing North American inventories. According to IHS Inc., US oil production has significantly changed the flows of oil around the world and LOOP is at the fulcrum. On Tuesday and Thursday the oil prices slipped to as low as \$77 a barrel on Saudi Arabia signals and jobless data. However, in the last day of the week the crude bounced off to levels seen on Wednesday and closed at \$78.65 a barrel, after US employment gains exceeded 200,000 for a ninth month and the unemployment rate reached the lowest level in six year.

Brent Oil posted a seventh consecutive weekly drop and by doing that it has set the longest streak of losses since November 2001, after OPEC forecasted that it will need to provide less crude amid the US shale boom. According to Jefferies International Ltd., some in the market, myself included, are highly skeptical of OPEC making production cuts. After rebounding slightly Brent closed at \$83.39 a barrel on Friday.

Natural gas jumped significant 13.92% through the week on forecasts for colder weather across the central and eastern US that will fuel demand for the heating gas. Moreover, despite the bearish supply report on Thursday natural gas managed to gain substantially by closing at \$4.412 per million British thermal units.

Heating oil added 0.45% to its value and there were no major moves witnessed through the week.

Price Changes (%)

	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Crude oil	-2.35	-9.92	-19.46	-21.34	-17.04	-16.51
Brent oil	-2.88	-8.74	-21.05	-22.71	-20.76	-19.4
Natural gas	13.92	14.45	11.36	-2.63	26.13	25.38
Heating oil	-0.45	-2.97	-13.12	-14.01	-12.9	-11.96

Changes in U.S. inventories (%)

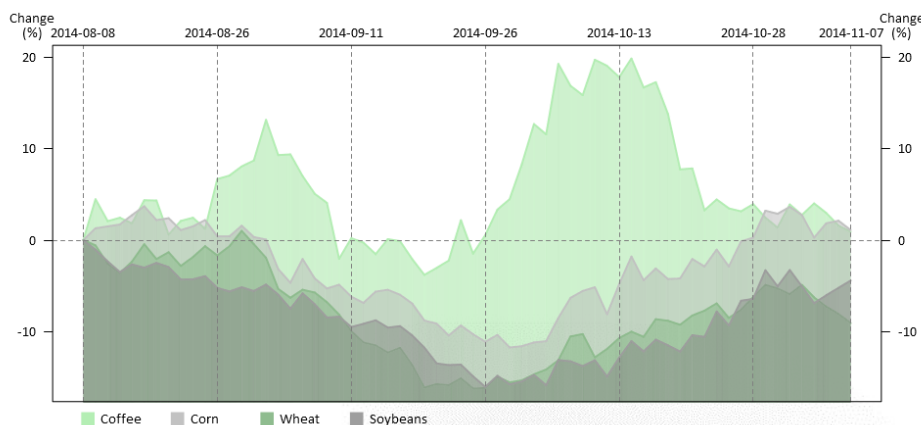
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Crude oil	0.12	6.61	3.99	-4.37	-1.36	-0.96
Gasoline	-0.68	-3.23	-5.65	-5.36	-3.94	-5.63
Natural Gas	2.61	15.19	49.48	238.48	-6.37	-5.5
Distillate Fuel	-0.6	-4.81	-4.22	4.96	1.56	-2.5

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	91.83	80	118	92.22	80	107	91.37	80	105	93.13
Natural gas	54	70.1	60.8	57.46	69	61.82	51.98	55	52.99	49.25	55	51.75
Heating oil	250	290	268	250	293	271.25	250	276	262.75	250	282	268.25
Brent oil	85	128	99.14	85	124	98.93	85	112	97.48	80	112	98.59

S&P GSCI Energy Index	%
Weekly	-2.34
Monthly	1.13
3 Months	-5.83
6 Months	-25.21
12 Months	-16.09

Agriculture Futures Decline on Record Supply



Wheat prices retreated by the most (3.38%) in seven weeks, despite the solid performance at the beginning of the period. Demand for supplies from the US, the world's biggest exporter, dwindled. According to Standard Grain Inc., exports in wheat are struggling big time. The stockpiles of world's grain are expected to increase 8% reaching a 15-year high. On Friday wheat slipped to \$5.145 a bushel as the US Dollar rally eroded the allure of exports from the US.

Corn and **Soybeans** futures declined 2.46% and 1.19%, respectively, after the jump in the period before. The week started with news that US weather will accelerate crops that are estimated to be the biggest ever in the US, the world's top producer, these news sent both futures lower. News about favorable weather were the main driver for the beginning of the week. Wednesday; however, came with news that shipments of the commodity will be delayed and export demand rose for supplies from the US. According to Farm Futures, the export sales reported this morning were a lot better than expected, we are seeing pretty aggressive buying recently by China, there is just a lot of demand out there. The United Nation's Food & Agriculture Organization updated its forecasts to a record 722.6 million metric tons, which is 0.6% higher.

Coffee prices continued their slump by prolonging it to four straight weekly retreats. According to Volcafe Ltd., coffee stockpiles at consumer ports grew the most in three years in the 2013-14 season that ended in September in most countries. It is expected that rains in Brazil will help flowering, while making it difficult to dry beans harvested in Colombia.

Price Changes (%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Wheat	-3.38	1.33	-9.1	-28.79	-21.24	-21.21
Corn	-2.46	7.06	1.1	-27.59	-12.76	-12.6
Soybeans	-1.19	10.88	-4.42	-30.28	-17.39	-18.14
Coffee	-2.89	-12.92	0.92	1.55	83.99	79.65

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

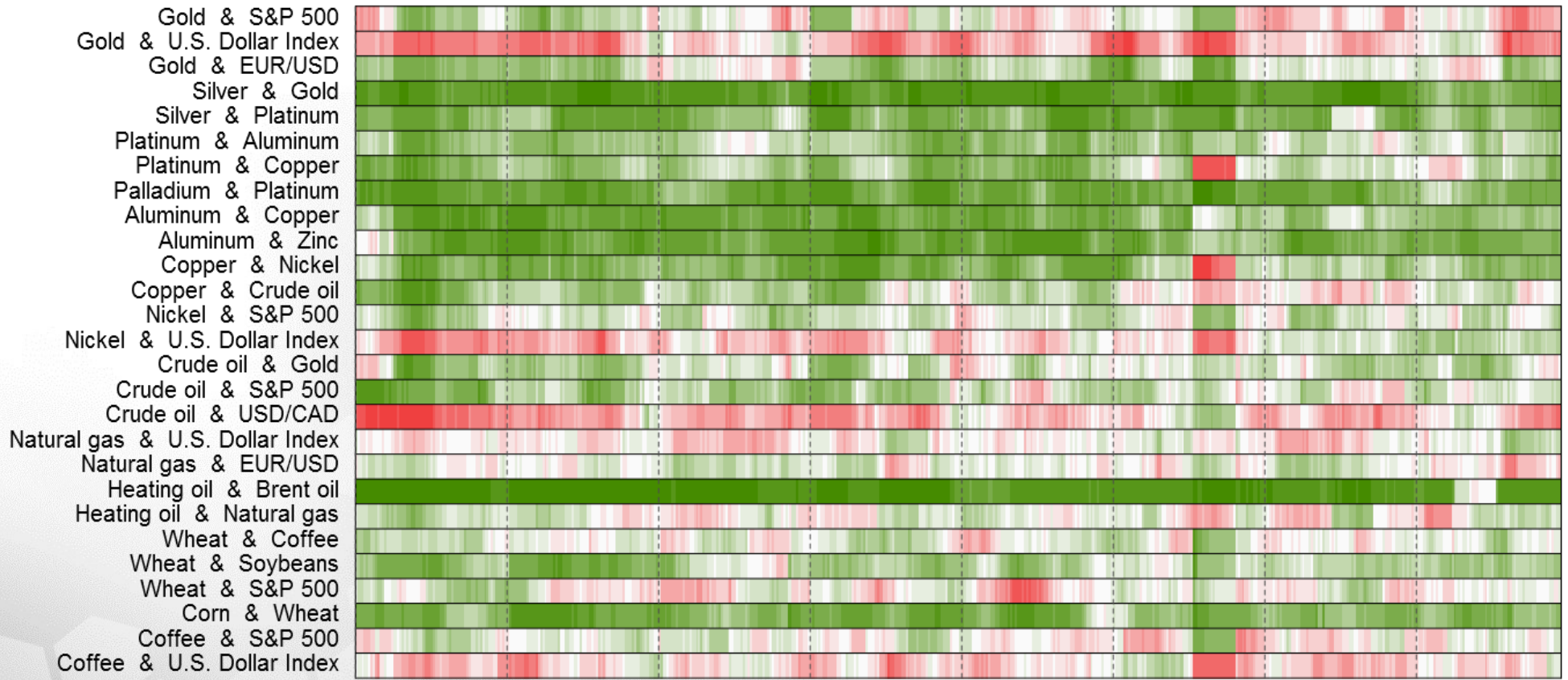
Farm Commodities Long-Term Price Forecasts (USD)												
	Q4 14			Q1 15			Q2 15			Q3 15		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
Corn	325	550	392.8	347	500	381.88	330	500	385.62	350	500	399
Coffee	150	190	174.8	140	225	179	120	225	175.6	110	225	174
Wheat	488	615	530.7	500	600	530.89	500	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	-1.16
Monthly	-6.93
3 Months	-17.39
6 Months	-18.6
12 Months	-13.44

Correlation Matrix

Correlation

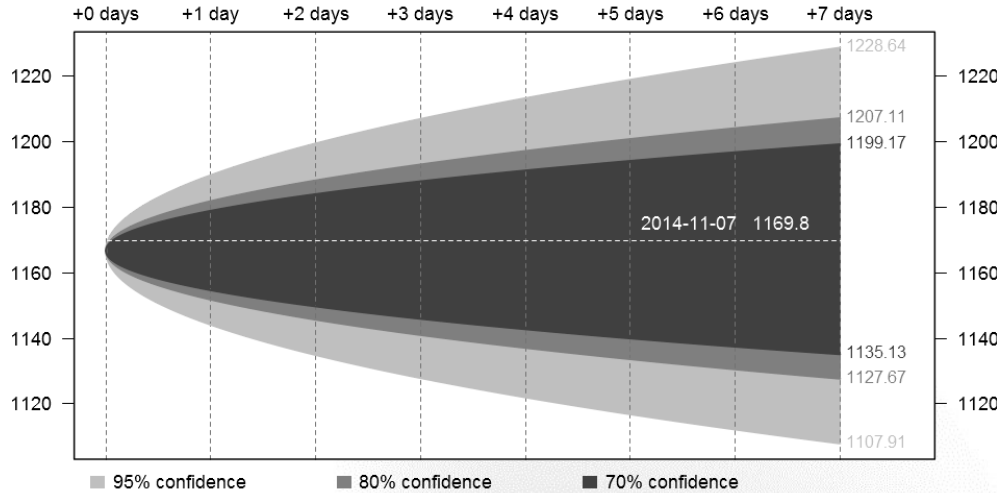
2012-06-01 2012-09-14 2012-12-31 2013-04-15 2013-07-25 2013-10-31 2014-04-25 2014-08-07 2014-11-07



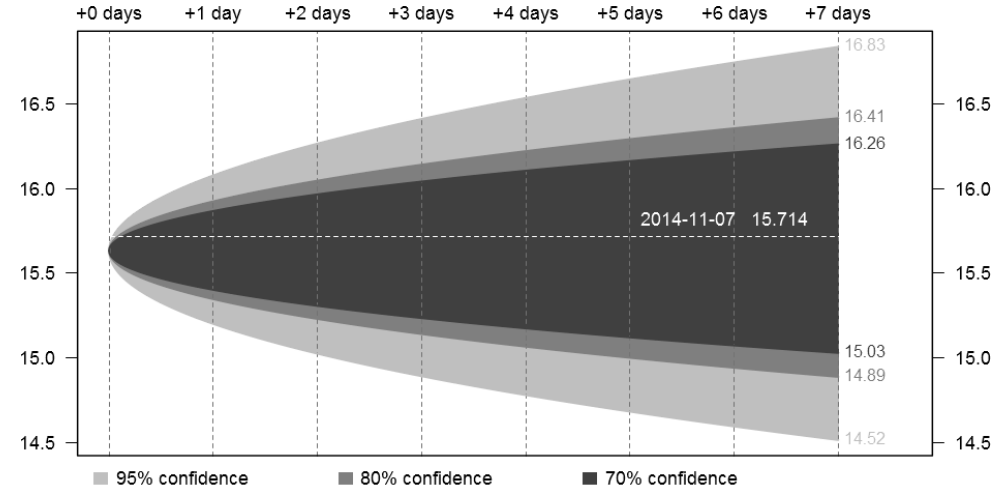
Correlation -1 -0.9 -0.8 -0.7 -0.6 -0.5 -0.4 -0.3 -0.2 -0.1 0 0.1 0.2 0.3 0.4 0.5 0.6 0.7 0.8 0.9 1

Precious Metals Confidence Intervals for the Next 7 Days

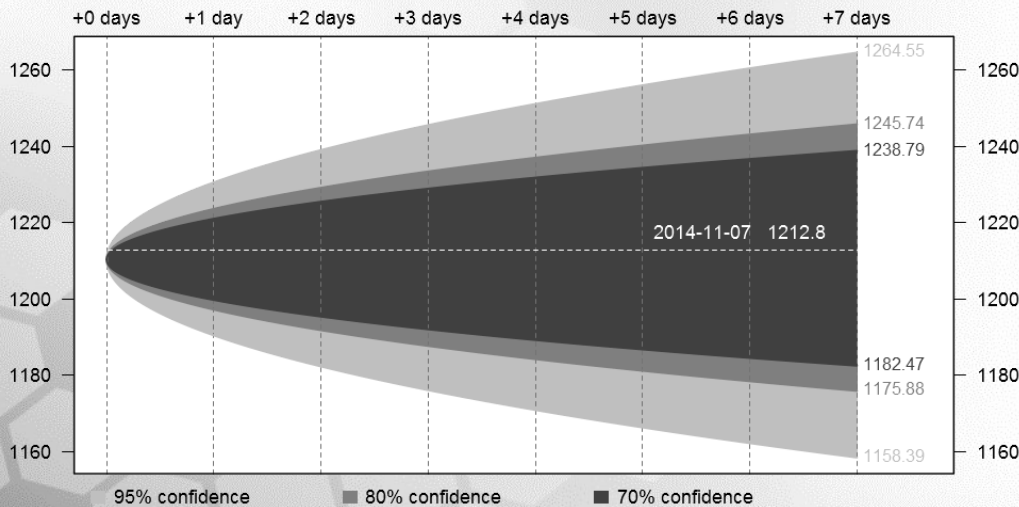
Gold Potential Rates



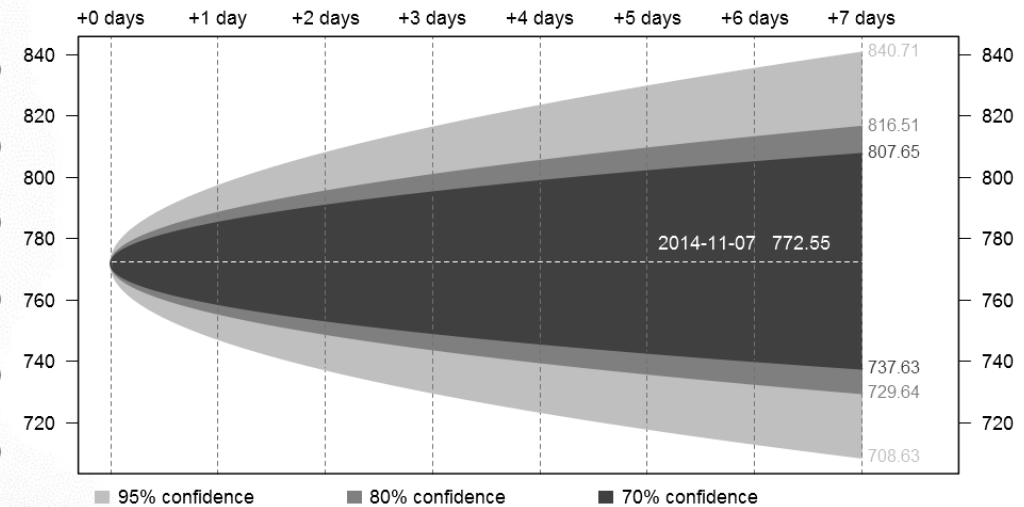
Silver Potential Rates



Platinum Potential Rates



Palladium Potential Rates

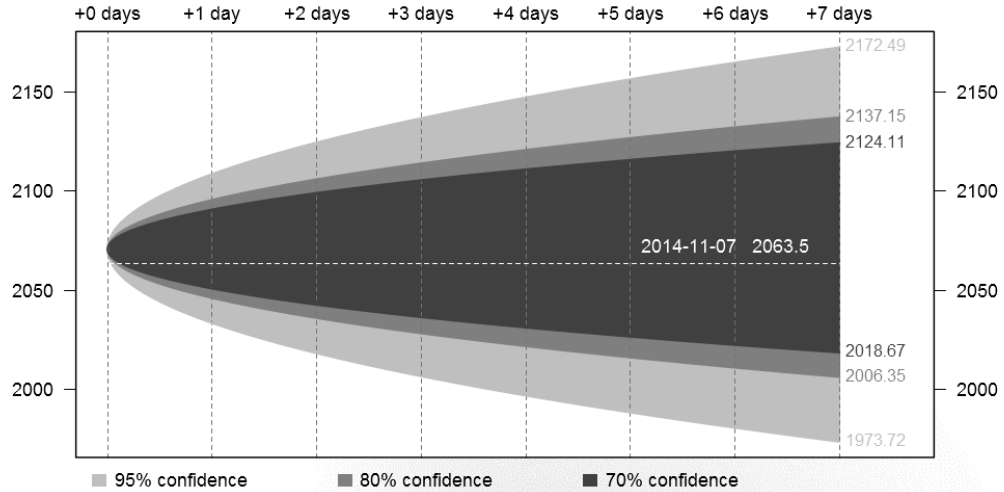


Industrial Metals Confidence Intervals for the Next 7 Days

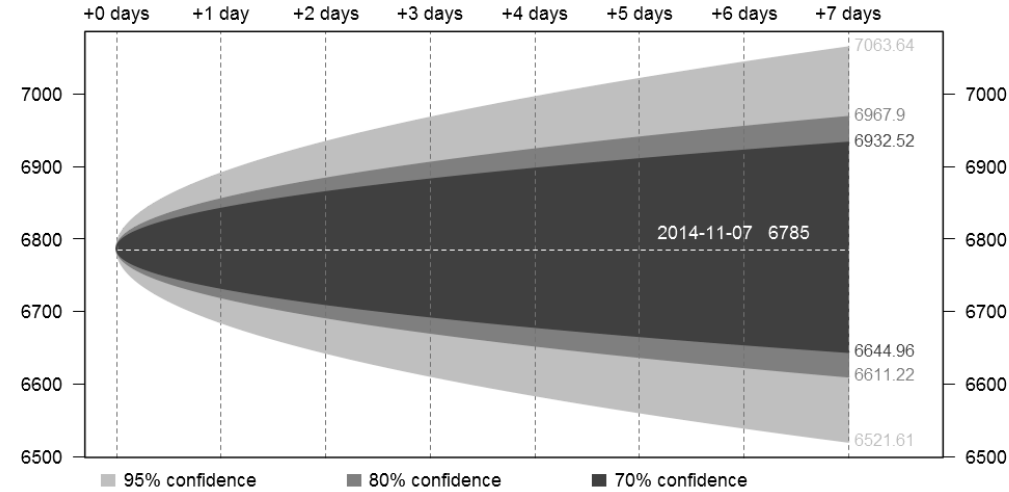
Monday, November 10, 2014

16:30 GMT

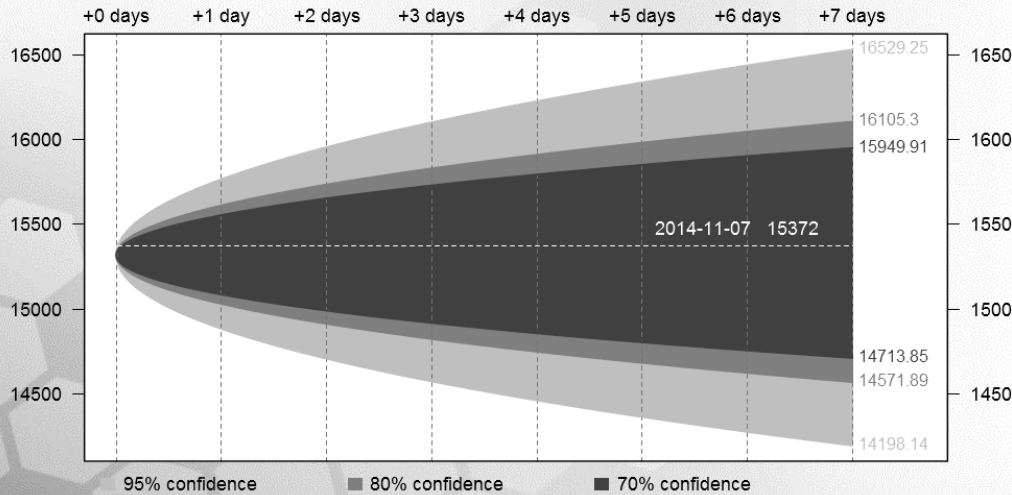
Aluminum Potential Rates



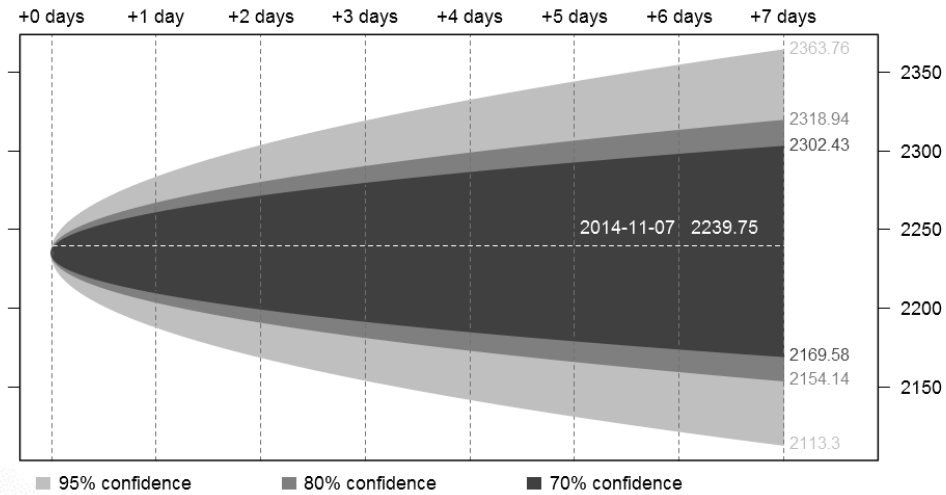
Copper Potential Rates



Nickel Potential Rates

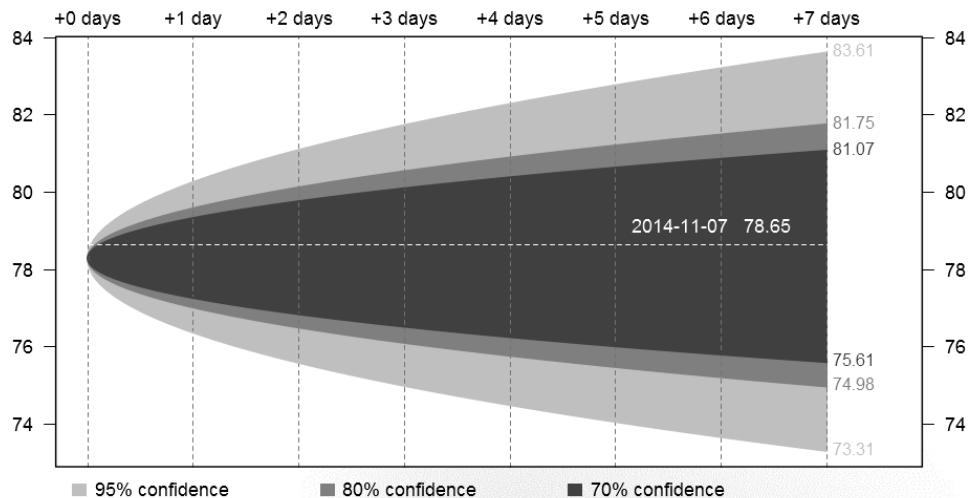


Zinc Potential Rates

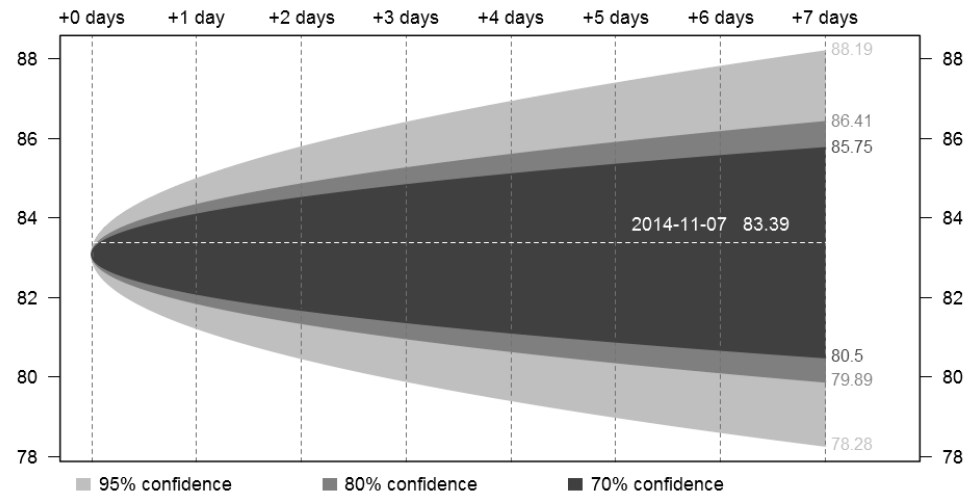


Energy Confidence Intervals for the Next 7 Days

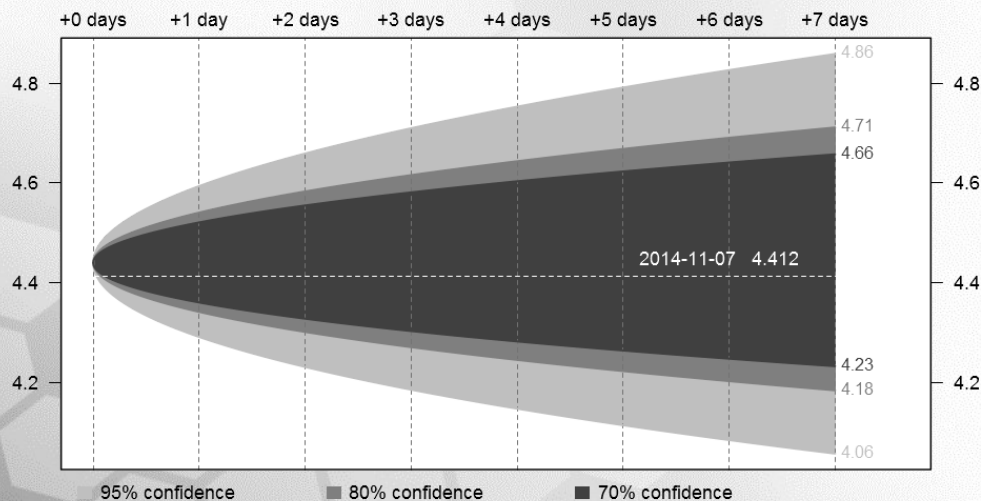
Crude.oil Potential Rates



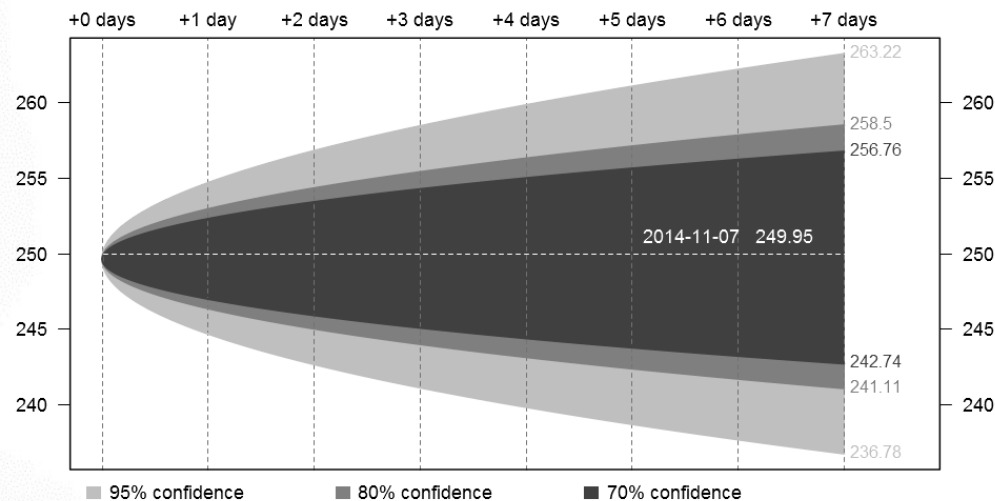
Brent.oil Potential Rates



Natural.gas Potential Rates

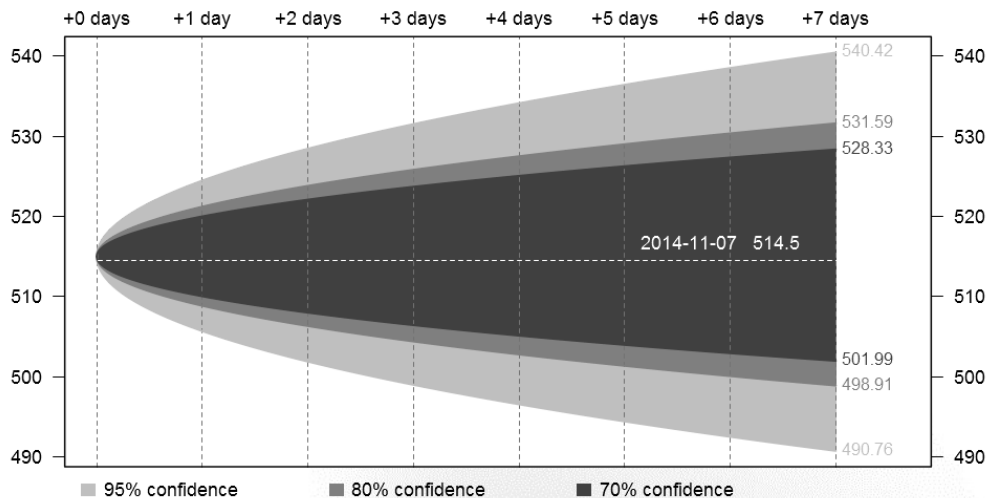


Heating.oil Potential Rates

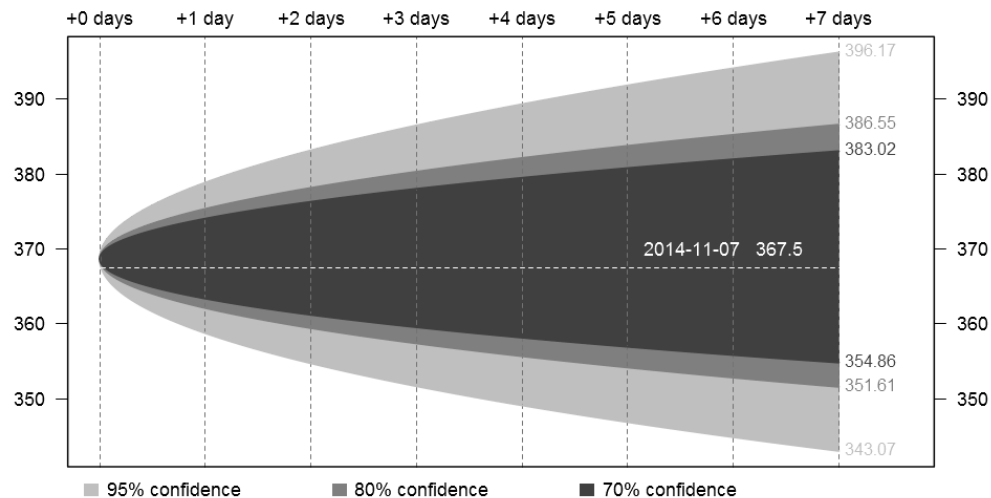


Agriculture Confidence Intervals for the Next 7 Days

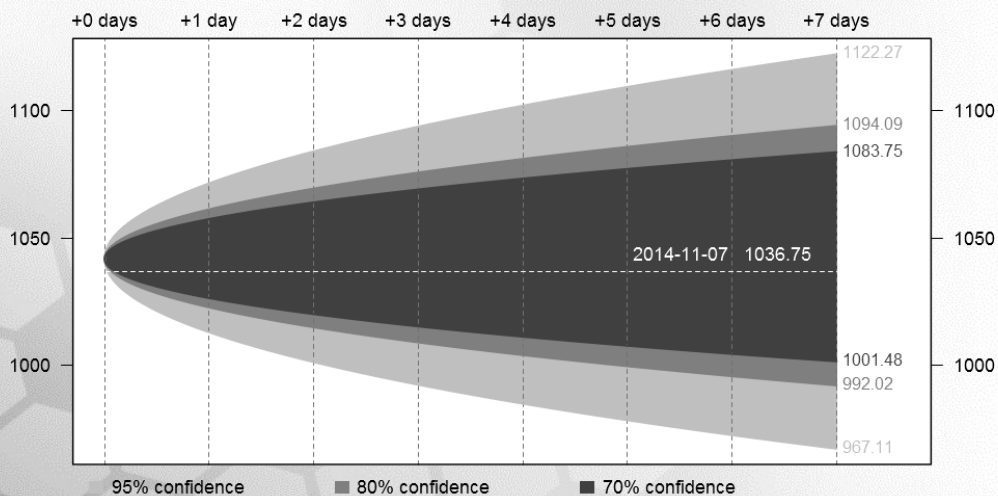
Wheat Potential Rates



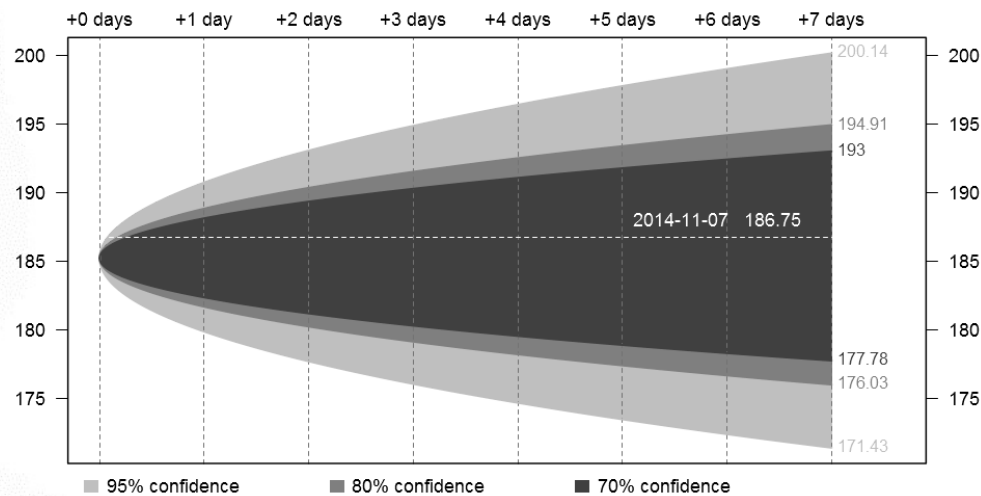
Corn Potential Rates



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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