



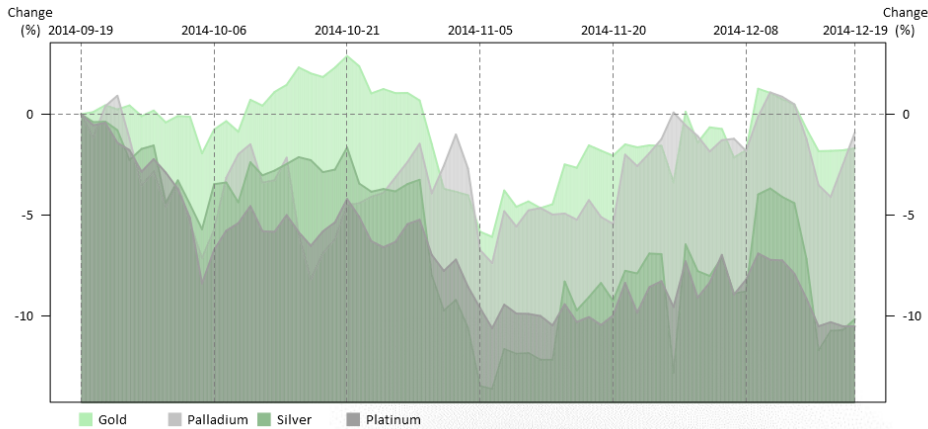
DUKASCOPY
RESEARCH PRODUCTS

22/12/2014



Weekly Commodity Overview

Precious Metals Drop on US Dollar and Equities



Gold and Silver declined 2.17% and 6.02%, respectively, after posting two consecutive weekly gains. The main catalyst for this drop was the strength of the US Dollar and higher equities, while also concern that the Fed is moving closer to hiking interest rates is worrisome for the yellow metal. Moreover, gold dipped below the \$1200 an ounce level again, while, silver managed to bounce above the \$16 an ounce by the end of the trading week. Bullion's losses were limited on signs of rising physical demand for the metal, as Swiss gold exports increased to the highest level this year, and flows from the UK suggest that Swiss refineries are working at full capacity to meet demand from Asia, according to UBS Group AG. Meanwhile, HSBC Securities stated that gold prices are currently capped by a stronger dollar and ongoing weak oil prices, while equity-markets gains further reduce the appeal of alternative assets like gold.

Platinum retreated 2.84% in the period, after it posted weekly gains of 0.7% in the previous week. The world's second biggest producer of the metal, the Zimbabwean unit of Impala Platinum Holdings Ltd., will need three years to re-develop its biggest mine, after closing it following the underground collapse. At the mean time, Anglo American Platonum Ltd. climbed the most in nearly a month, after a report that it received a \$386 million offer for 49% of its stake in Bokoni mine (South Africa).

Palladium slid 1.4% in the week, after Glencore Plc. and Merafe Resources Ltd. reached an agreement with the National Union of Metalworkers of South Africa to end a pay strike few weeks ago.

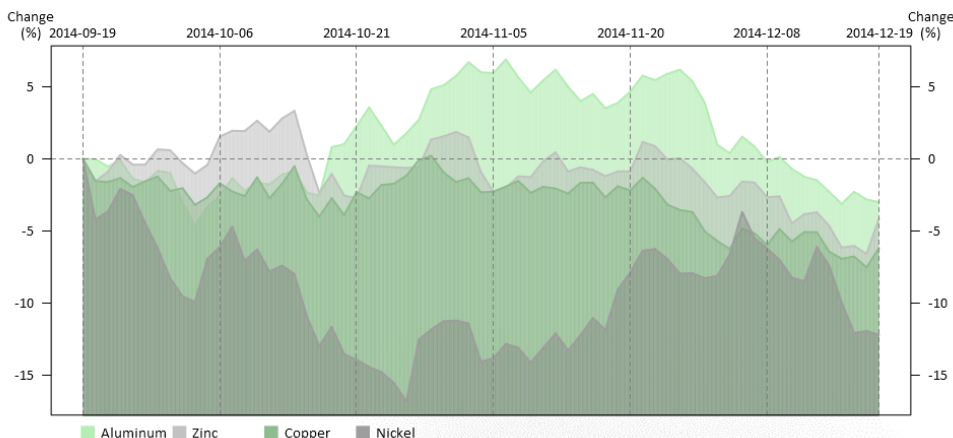
Price Changes (%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Gold	-2.17	0.12	-1.69	-9.16	-3.16	0.2
Silver	-6.02	-1.96	-10.17	-23.64	-20.09	-16.45
Platinum	-2.84	-0.08	-10.52	-17.77	-11.01	-9.25
Palladium	-1.4	4.4	-0.92	-2.08	15.1	15.63

Changes in Total Known ETF Holdings (%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Gold	-0.15	-0.48	-5.15	-6.07	-9.3	-9.9
Silver	-100.14	-100.13	-100.13	-100.14	-100.14	-100.14
Platinum	-0.16	-2.58	-4.31	-7.78	4.1	4.54
Palladium	1.23	2.49	4.82	2.71	41.27	41.18

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	1 060	1 743	1 244.81	1 060	1 450	1 197.85	1 025	1 480	1 190.59	975	1 400	1 176.84
Silver	15.5	34	19.4	14.7	24	18.31	14.5	24	18.39	14.3	24	18.33
Platinum	1 175	1 820	1 426.9	1 125	1 900	1 421.47	1 050	1 900	1 446.18	1 050	1 900	1 465.62
Palladium	750	900	826.63	700	925	835.06	650	950	838.69	613	950	833.93

S&P GSCI Precious Metals Index	%
Weekly	-2.59
Monthly	-0.11
3 Months	-2.77
6 Months	-11.16
12 Months	-3.11

Industrial Metals Fall as Demand Concerns Are Growing



Price Changes (%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Aluminum	-1.53	-6.61	-3	1.83	7.22	8.79
Copper	-1.16	-4.36	-6.18	-5.82	-11.49	-10.63
Nickel	-6.48	-3.46	-12.2	-15.21	10.31	9.94
Zinc	-0.45	-3.29	-4.13	0.2	10.09	10.16

Changes in LME inventories(%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Aluminum	-0.72	-2.52	-8.78	-16.18	-22.16	-22.06
Copper	2.1	5.7	10.12	6.63	-54.3	-55.72
Nickel	0.37	4.2	19.99	33.25	57.52	59.46
Zinc	-1.75	-0.27	-9.88	0.37	-23.36	-24.59

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	6 870.2	6 000	7 500	6 686.56	6 000	7 680	6 732.68	5 500	7 720	6 724.35
Zinc	1 965	2 447	2 242.07	1 990	2 400	2 257.27	2 000	2 535	2 316.91	2 094	2 610	2 352.38
Aluminum	1 850	2 215	1 978.86	1 850	2 090	1 977.91	1 874	2 090	1 995.65	1 874	2 150	2 028.05
Nickel	14 330	22 000	17 120.48	15 067	23 000	18 022.36	15 133	24 000	18 812.05	15 233	24 250	19 571.43

Aluminum extended its decline to four straight weeks, after losing 1.53% in the last week and 6.61% on a monthly basis. The worries are growing about aluminum exiting warehouse that are tracked by the London Metal Exchange (LME) at the fastest pace in a decade. Thereby, the amount of information is decreasing substantially and the volatility could increase. According to Australia & New Zealand Banking Group Ltd., China stimulus is still what investors are expecting and on top of that, we saw an improvement in the aggregate financing, which would have been viewed positively.

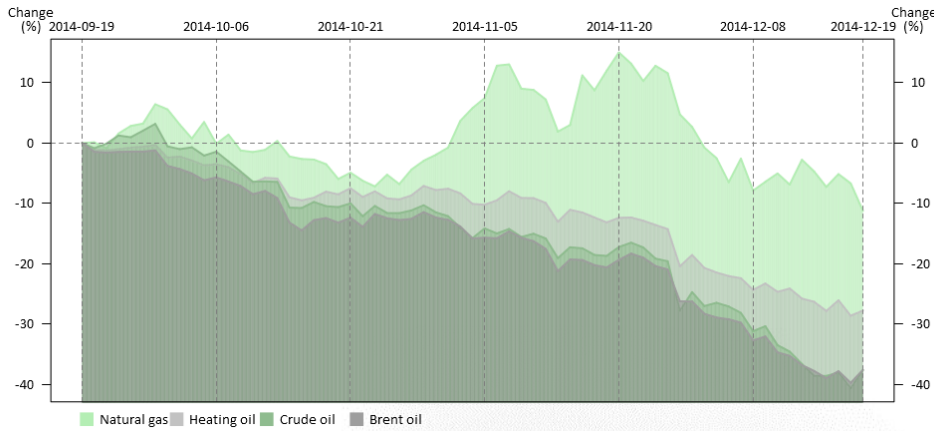
Copper slipped 1.16% in period, as the inventories are continuing to increase, while demand concerns are growing. Meanwhile, the Democratic Republic of Congo's state-owned copper miner is likely to deliver its lower output in 10 years. Nonetheless, the main worry is the fading demand, as the market is seeing a further signs of slowing economic growth in China, the world's biggest metals user.

Nickel slumped 6.48%, after a heavy selling of the metal in the first two days of the week. Nevertheless, the metal has lost more than 15% of its value during the last six months.

Zinc lost the less among the industrial metals in the period, as it slid only 0.45%; moreover, it has also been the best performer during the lost months by falling 3.29%. The US Dollar rebounded from its decline, decreasing the allure of industrial metals, as it made the commodities priced in US Dollars less attractive to the investors.

S&P GSCI Industry Metals Index	%
Weekly	-2
Monthly	-4.93
3 Months	-5.91
6 Months	-4.89
12 Months	-4.81

Energy Futures Rebound on Friday on Saudi Arabia's Minister Remarks



WTI oil has lost around 25% of its value during the last four trading weeks and it is a substantial drop; moreover, the price has declined below \$60 a barrel mark and reached the low at \$54.36 a barrel. Nonetheless, it seems that the decline is starting to lose its pace; however, oil still lost 1.64% of its value through the previous week. Also, it fell to the lowest level in five years to close at \$54.36 a barrel on Thursday. However, on Friday the price of oil jumped by the most (4.5%) since August 2012, as remarks from Saudi Arabia's oil minister pushed the volatility to the highest levels in three years. He said that the slump in prices was temporary and that it would be difficult, if not impossible for OPEC to curb its oil production amid a glut. Meanwhile, Again Capital LLC said that oil continues to find value buyers when it falls to these levels, this is a weak market.

Brent Oil added another 1.24% to its decline in the week and also prolonged its decline to four consecutive weeks. Additionally, it reached the lowest level in five years by falling below \$60 a barrel. According to SEB AB, this will not stop until oil producers are on their backs.

Natural gas and Heating oil plummeted 8.72% and 2.67%, respectively, after the positive week before, as the updated weather-forecasting models scaled back on the reach inbound winter storms will have over the US in the coming days, that most likely will decrease demand for heating fuel. According to Natgasweather.com, weather conditions are expected to rapidly change beginning Monday as a weather system tracks into the northern Plains and then pushes colder temperatures deep into the central US.

Price Changes (%)

	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Crude oil	-1.64	-23.32	-37.67	-46.52	-41.74	-42.32
Brent oil	-1.24	-21.41	-37.62	-46.54	-44.01	-44.35
Natural gas	-8.72	-20.75	-11.25	-23.55	-18.51	-22.33
Heating oil	-2.67	-16.82	-27.77	-35.69	-34.81	-35.25

Changes in U.S. inventories (%)

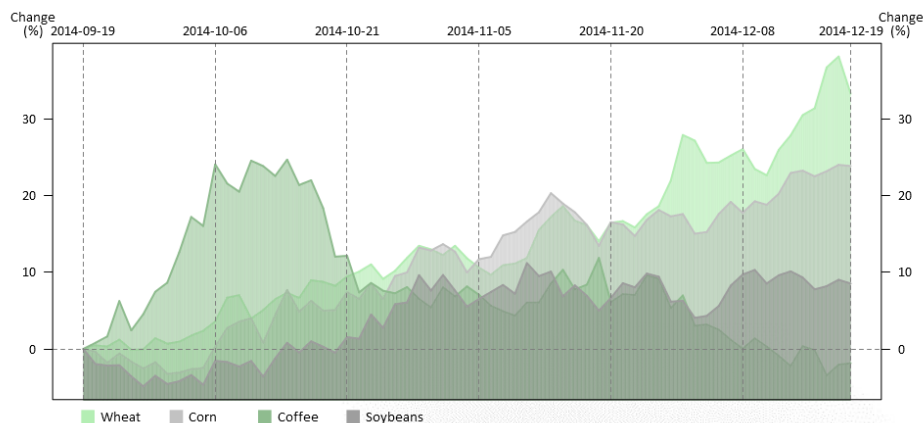
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Crude oil	-0.22	0.39	4.88	-1.66	2.05	1.25
Gasoline	2.42	9.06	5.35	3.62	0.69	1.31
Natural Gas	-1.91	-8.75	13.97	91.68	1.45	-6.74
Distillate Fuel	-0.17	4.02	-4.87	1.81	4.82	2.95

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	108	85.47	65	106	81.9	64	107	82.33	67	105	85.87
Natural gas	54	70.1	60.86	57.55	69	61.85	52	55	53.71	51	55	53.19
Heating oil	236	277	254.5	217	292	247.25	202	275	238	214	282	242.75
Brent oil	78	114	92.42	70.2	114	88.69	69.9	112	88.49	71.8	112	91.37

S&P GSCI Energy Index	%
Weekly	1.4
Monthly	6.07
3 Months	12.28
6 Months	-12.69
12 Months	-8.31

Agriculture Futures—All but Soybeans Advance



Wheat rose 4.25% on a weekly basis; however, it fell the most since July on Friday. The top news of the week was, of course, the falling Russian Ruble and it had its impact also on wheat, as the currency's collapse increased domestic costs for bread leading to Russia taking steps to stem its grain shipments and sending wheat prices to the highest level since May. Russia is denying certificates that grain sellers and buyers need and by doing that it is slowing down shipments.

Corn futures were little changed by adding 0.74%, as China's government has made a decision to lift an import ban on some genetically modified crops. Shanghai JC Intelligence Co. founder said that the move, if it materializes, will be a boost for China's imports of US corns, and it would also be a sign confirming the improving relationship between the two countries.

Soybean futures were the only ones to decline in the week; however, its price remains around the same levels seen in the recent weeks. France will pay farmers to grow faba beans and other crops that can add protein livestock, since the country wants to decrease its dependence on imported soybeans.

Coffee prices were a little changed for a second straight week. Also the coffee makers are afraid of the impact from Russia's economic turmoil. Bank of Jerusalem Ltd. Stated that Russia is an important market for the coffee division and revenues are going to be decreasing—that is a no-brainer. At the mean time, Specialty Coffee Association of America stated that Robusta coffee production has grown every year, and it will continue to grow, but he thinks it would be a less wonderful world if we didn't have arabica coffee still with us.

Price Changes (%)

	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Wheat	4.25	16.87	33.25	6.57	3.18	3.52
Corn	0.74	9.18	23.83	-9.18	-3.41	-4.65
Soybeans	-1.45	3.36	8.52	-15.67	-20.95	-21.27
Coffee	0.4	-12.26	-1.85	-0.46	50.67	53.58

USDA Wasde Total Estimated Inventories

	Today	Month	6 Months	YTD	3 Years
Soybeans	415	27.69	176.67	56.6	118.42
Green Coffee	36495	13.63	1.29	19.56	40.66
Corn	188050	2.96	8.44	23.85	68.07
Wheat	189540	0.49	2.85	4.58	2.86

Farm Commodities Long-Term Price Forecasts (USD)

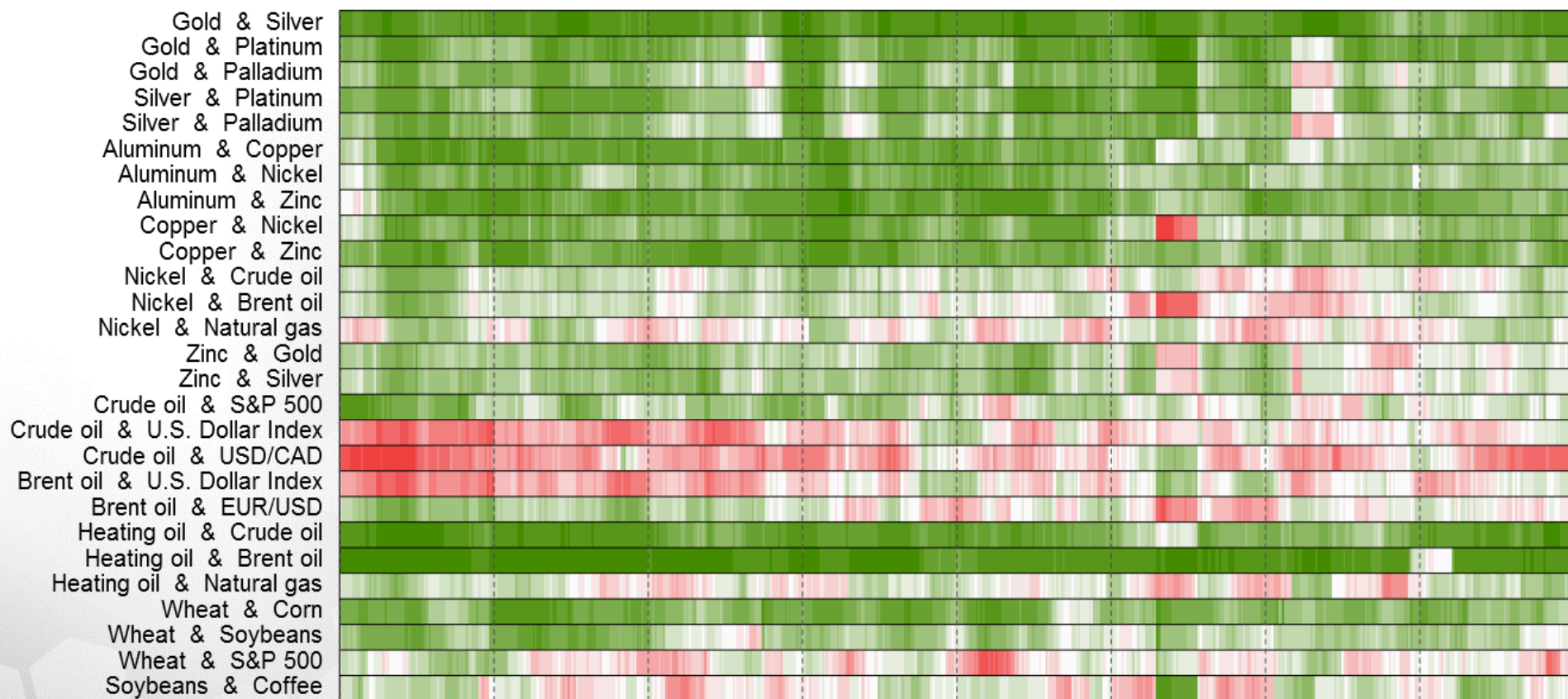
	Q4 14			Q1 15			Q2 15			Q3 15		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
Corn	350	550	397.09	347	500	382.22	350	500	388.89	350	500	400.22
Coffee	150	210	183.83	140	215	183	120	225	183.5	110	225	182.17
Wheat	500	615	537.27	500	600	536.9	500	600	543.9	527	605	568
Soybeans	948	1 275	1 053	933	1 300	1 029.67	950	1 400	1 045.78	950	1 400	1 040.44

S&P GSCI Agriculture Index	%
Weekly	-2.24
Monthly	-22.05
3 Months	-35.55
6 Months	-44.05
12 Months	-40.37

Correlation Matrix

Correlation

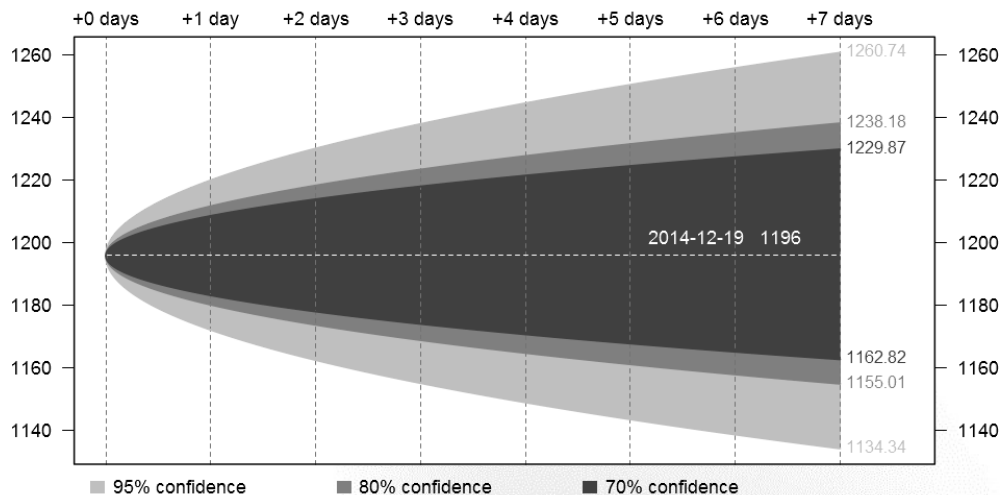
2012-06-01 2012-09-19 2013-01-09 2013-04-26 2013-08-12 2013-11-22 2014-05-23 2014-09-09 2014-12-19



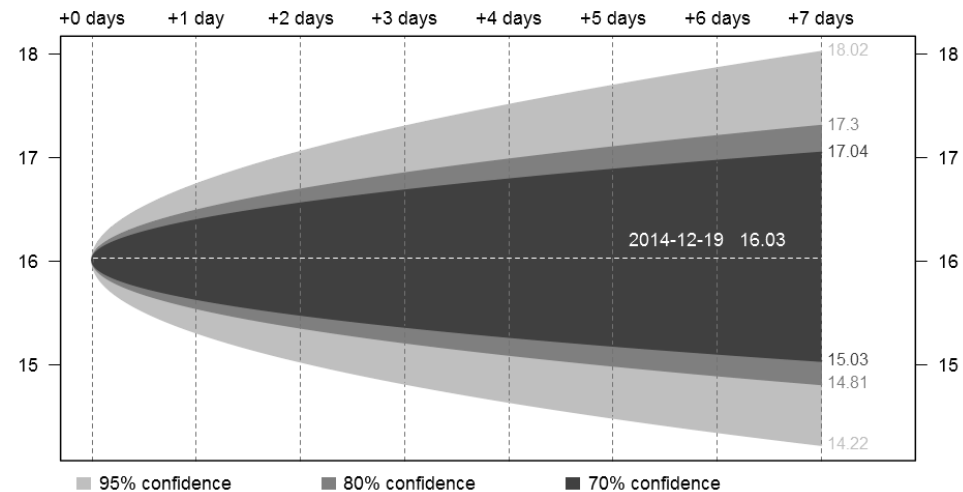
Correlation -1 -0.9 -0.8 -0.7 -0.6 -0.5 -0.4 -0.3 -0.2 -0.1 0 0.1 0.2 0.3 0.4 0.5 0.6 0.7 0.8 0.9 1

Precious Metals Confidence Intervals for the Next 7 Days

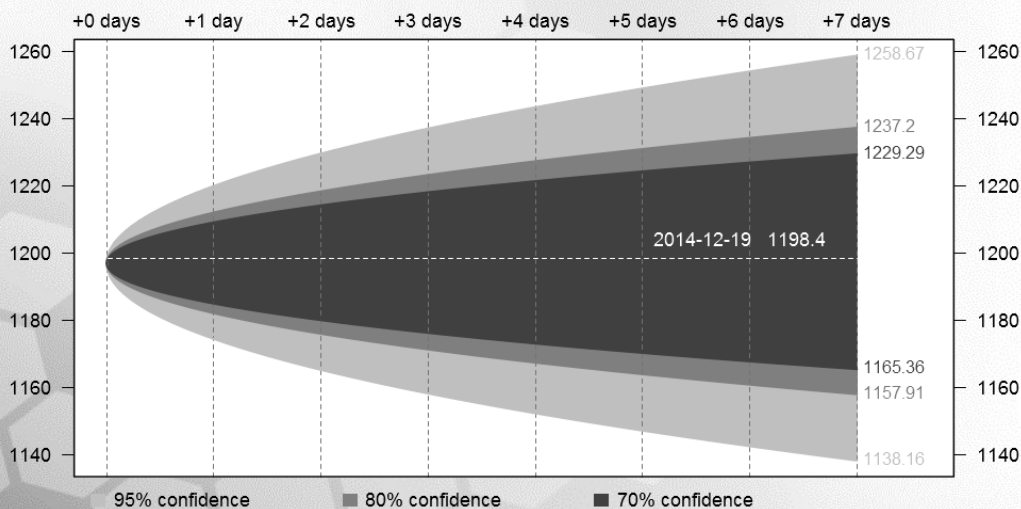
Gold Potential Rates



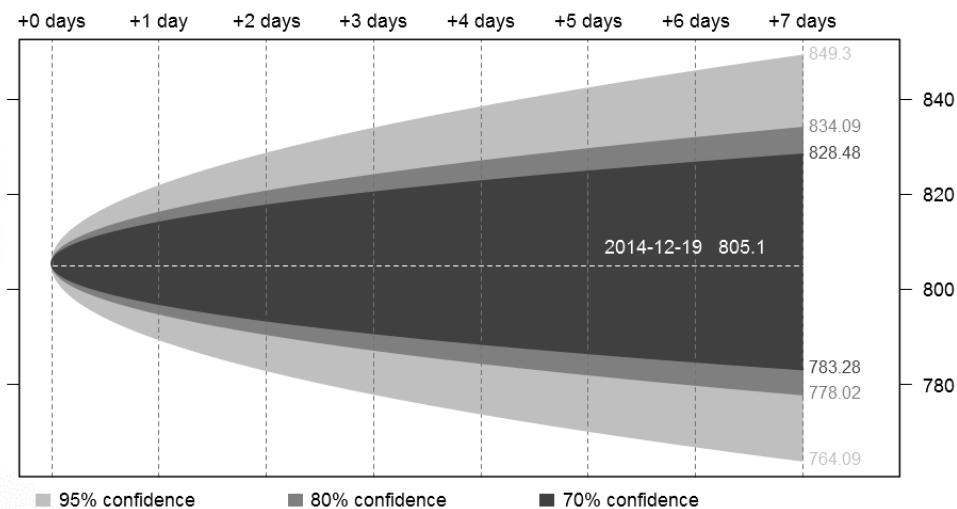
Silver Potential Rates



Platinum Potential Rates



Palladium Potential Rates

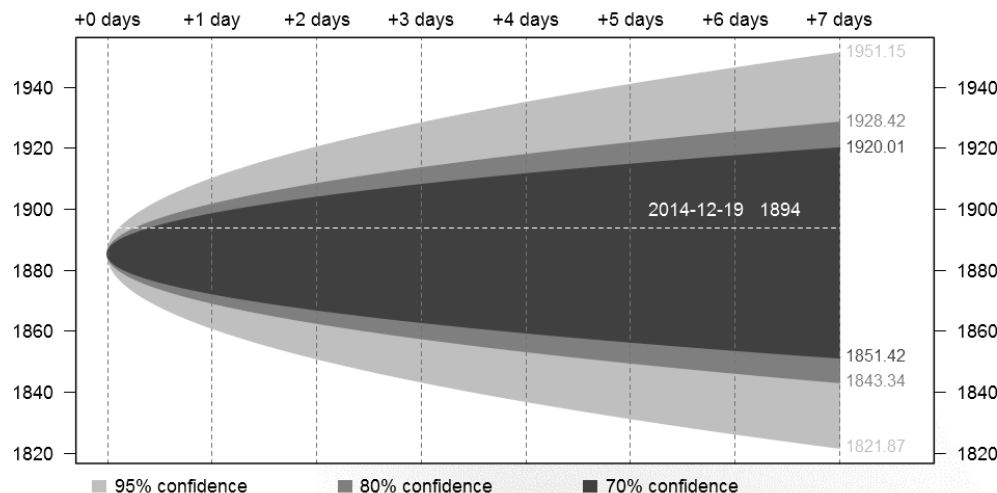


Industrial Metals Confidence Intervals for the Next 7 Days

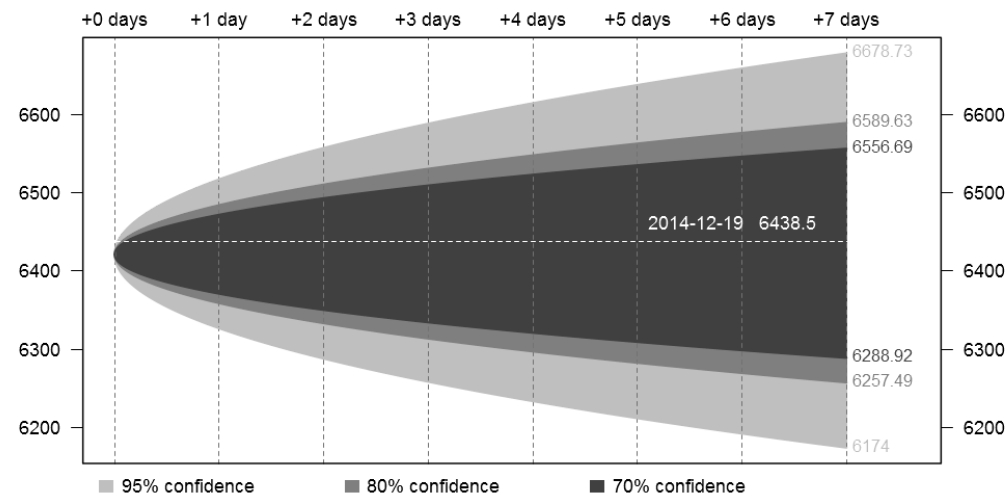
Monday, December 22, 2014

16:30 GMT

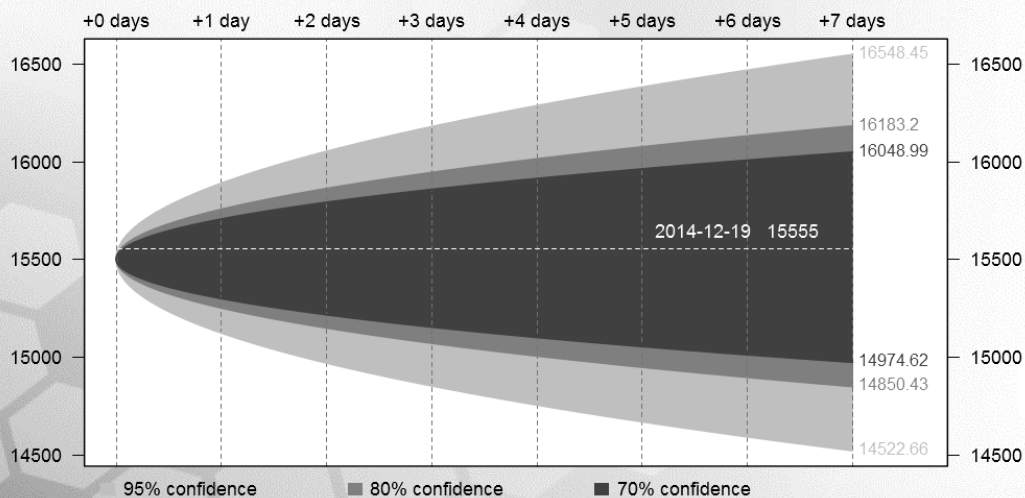
Aluminum Potential Rates



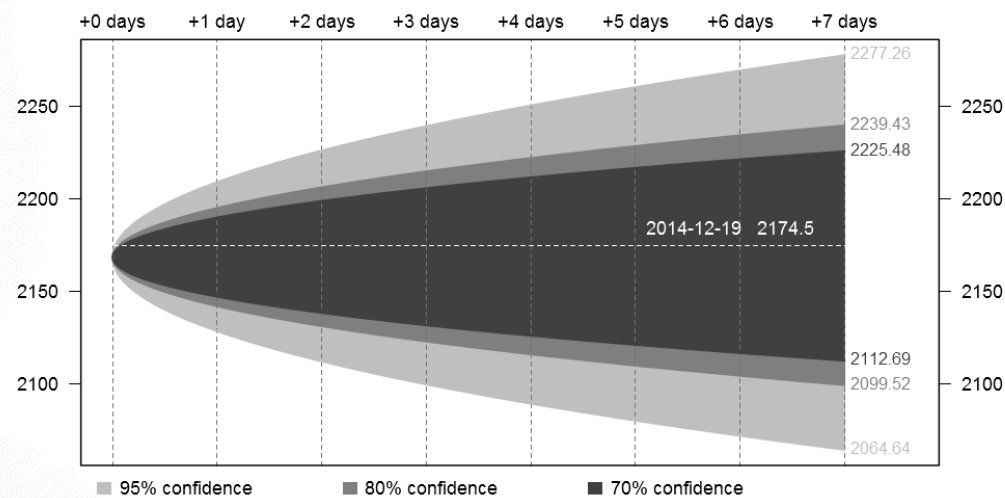
Copper Potential Rates



Nickel Potential Rates

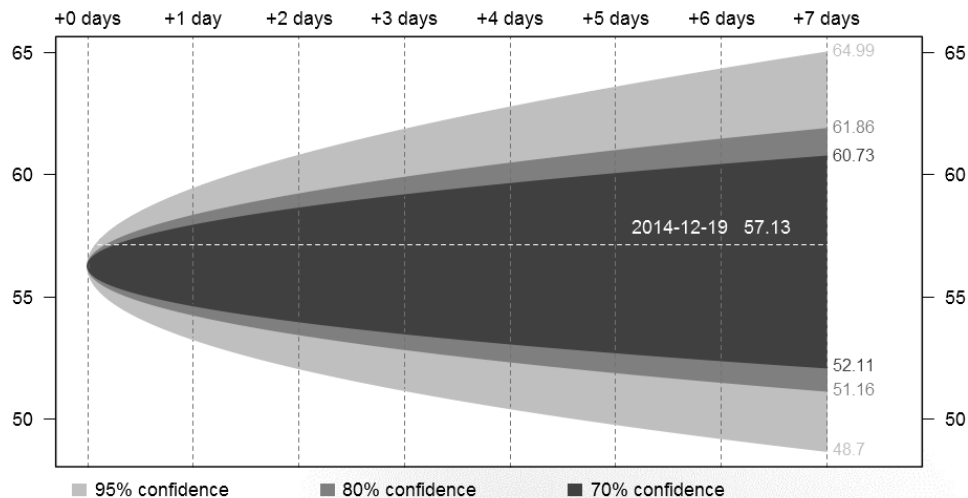


Zinc Potential Rates

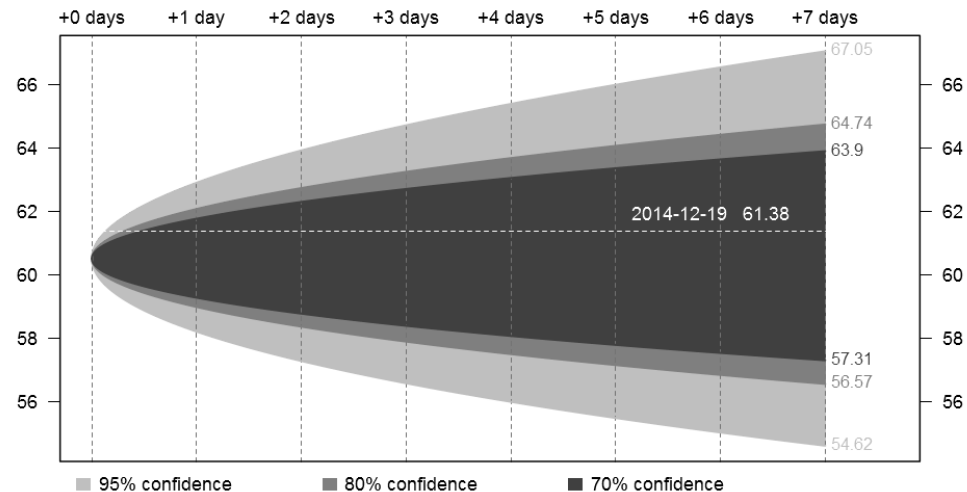


Energy Confidence Intervals for the Next 7 Days

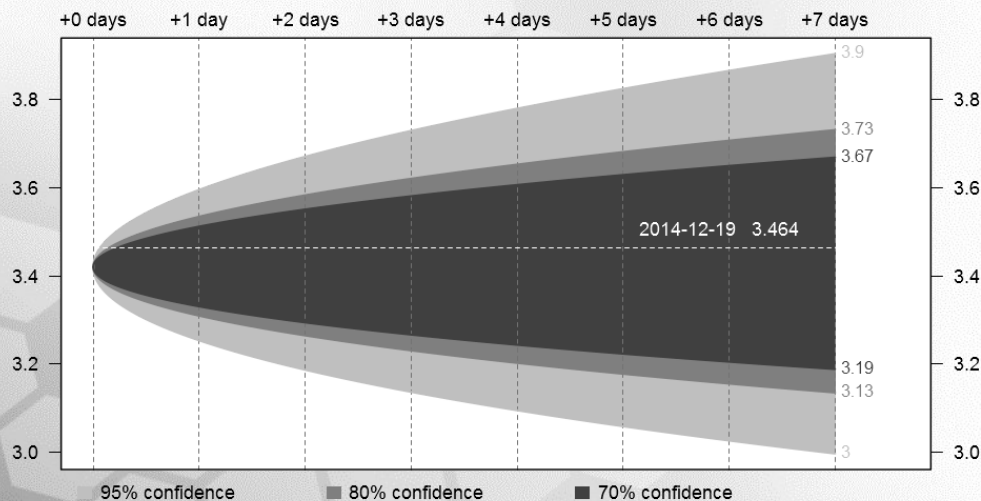
Crude.oil Potential Rates



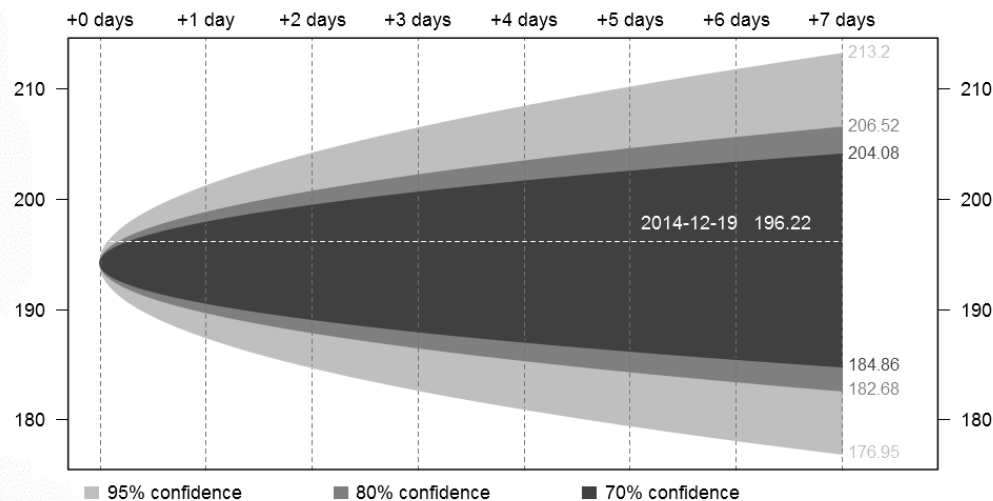
Brent.oil Potential Rates



Natural.gas Potential Rates



Heating.oil Potential Rates

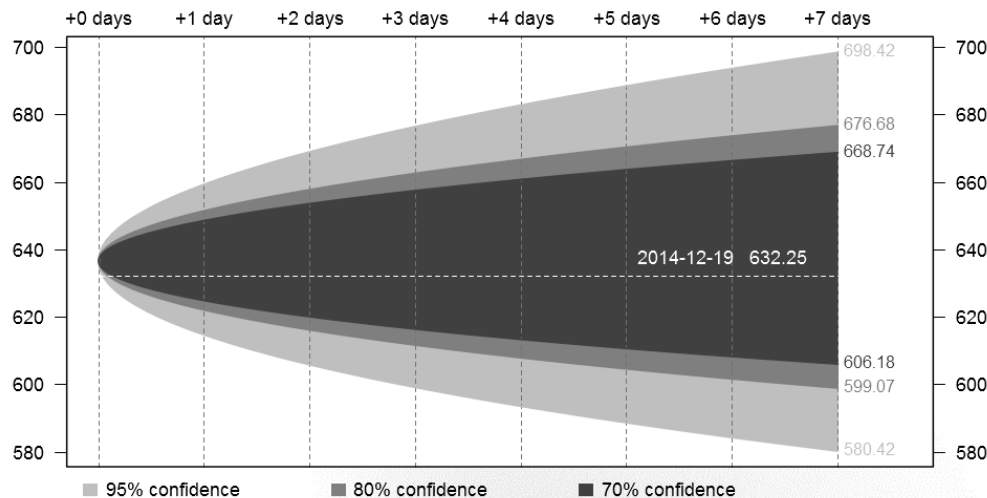


Agriculture Confidence Intervals for the Next 7 Days

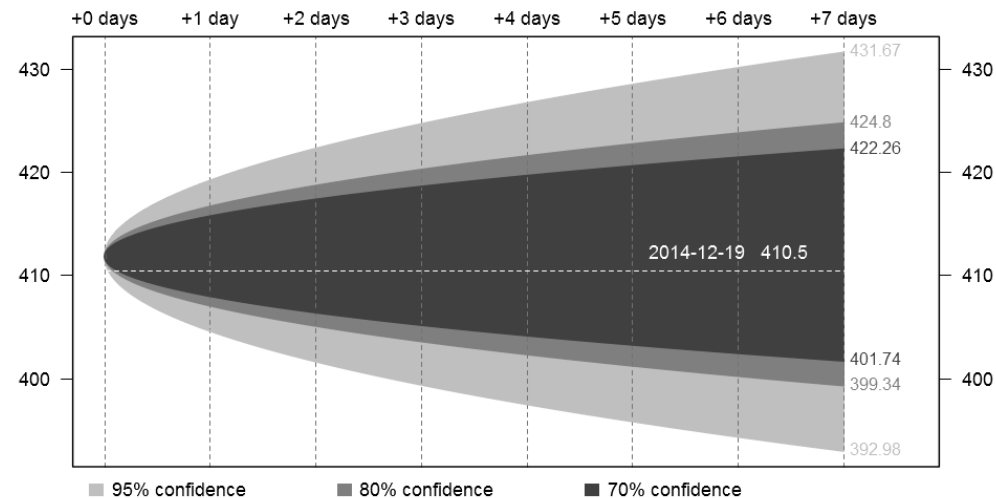
Monday, December 22, 2014

16:30 GMT

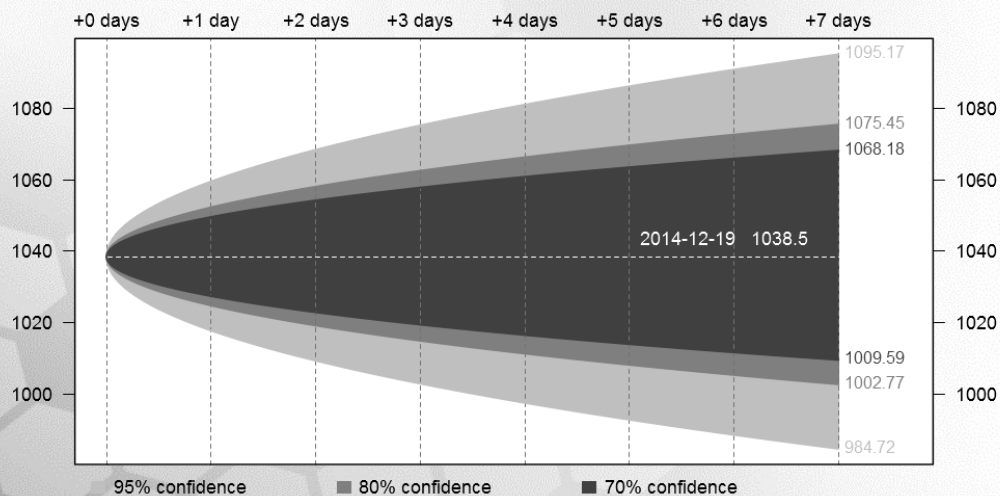
Wheat Potential Rates



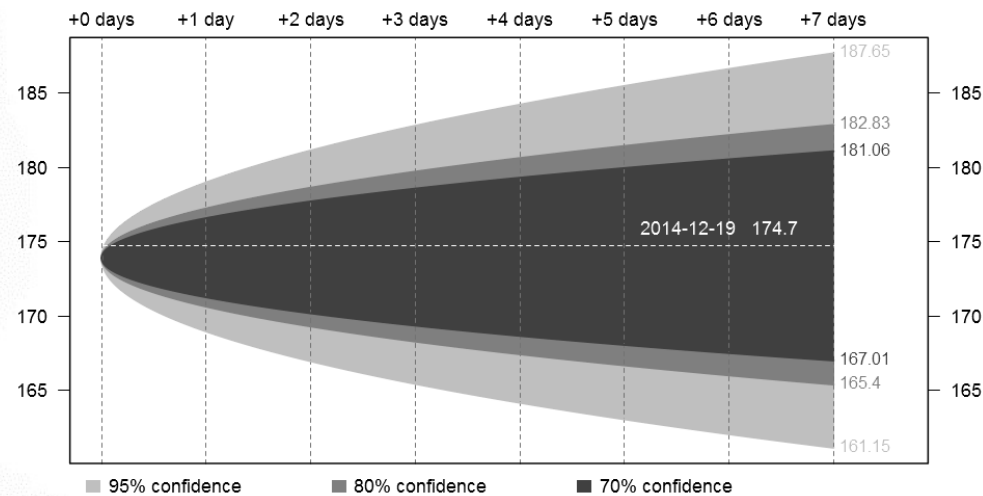
Corn Potential Rates



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.