



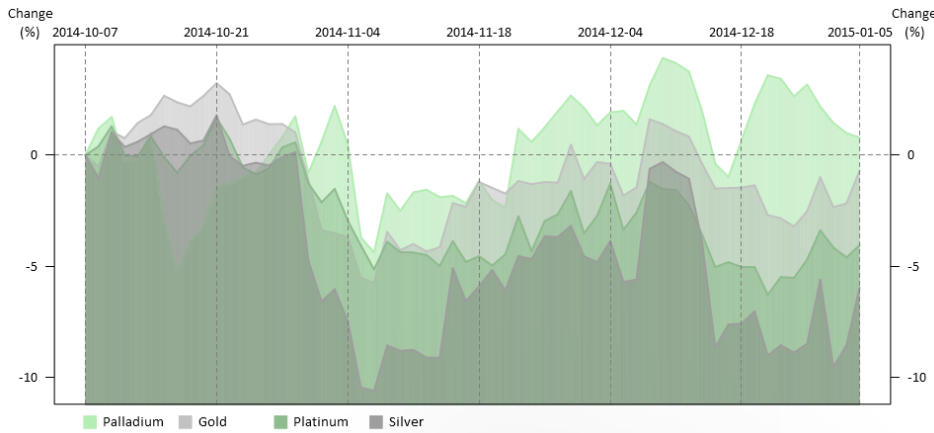
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06/01/2015



# Weekly Commodity Overview

# Bullion is Still Seen as Safe Haven



**Gold** appreciated in price amid ECB's speculation with adding stimulus due to fighting with region's slowing economic growth. Mario Draghi, ECB's President, announced that he cannot exclude the deflation risk, which let the European currency to depreciate to a four-year low, while the Dollar strengthened among its 16 peers on Friday. However, it did not prevent bullion to gain some value since investors do not stop counting on the safe haven. Respectively, gold for immediate delivery was seen rising 0.4% to \$1,186.72, whereas the February future delivery added 0.2% to \$1,186.80. Trading volume was 42% lower than the 100-day SMA but some analysts expect a bullish move from the yellow metal during the next week. Meanwhile, the metal lost 1.4% during the year of 2014 amid speculations over the possible interest rate rise from the Federal Reserve.

**Silver** for immediate delivery gained 1.2% to \$15.859 per ounce, continuing the weekly decline for the third time. Futures for March delivery followed by a 0.3% gain to \$15.65 per ounce. The annual data, however, was worse because of silver recording a fall about 15 cent in the price.

**Palladium** moved in the opposite direction versus most of other metals. Overall, palladium gained 15% during the year of 2014 in a stark contrast to the sister platinum. The metals' positive performance may be mainly driven by expanding holdings in exchange-traded funds (ETFs). Those have grown by 50% due to the launch of two ETFs in South Africa.

**Platinum** is down 10% on an annual basis, moving lower for the second straight year. Future contracts settled down 0.8% at \$1,208.90.

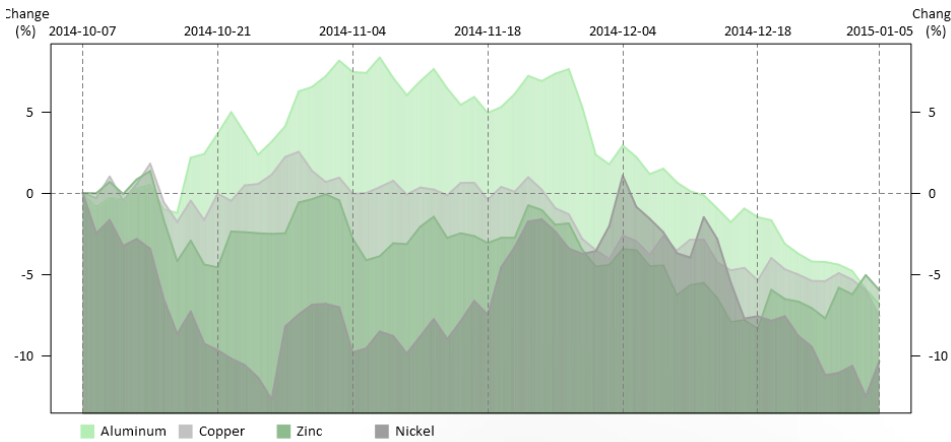
Price Changes (%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Gold	1.87	1.14	-0.69	-9.08	0.58	0.06
Silver	2.75	-0.28	-5.96	-23.04	-16.48	-16.79
Platinum	0.68	-0.71	-4.04	-19.64	-8.83	-9.4
Palladium	-2.32	-1.18	0.79	-9.11	14.02	14.06

Changes in Total Known ETF Holdings (%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Gold	-0.04	-0.56	-4.52	-7.28	-8.27	-8.77
Silver	-0.21	-2.36	-3.74	-1.03	0.53	0.03
Platinum	-0.3	-1.48	-3.5	-7.88	4.28	4.54
Palladium	-0.58	0.05	2.25	-0.21	40.98	41.03

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	1.96
Monthly	0.99
3 Months	-1.38
6 Months	-11.02
12 Months	-2.41

# Nickel as The Only Gainer Among Other Metals



**Aluminum** has closed out the third week of falling prices at \$1,853 per metric ton together with inventories declining by 5050.775 tons. Meanwhile, China, world's largest aluminum consumer, is expecting to increase the smelting operating capacity for 7% from 29 mil in 2014 to 31 mil in 2015.

**Copper** futures for March delivery fell 1.9% to \$2.765 a pound, reaching \$2.744 later, the lowest since 2010. The metal for three-month delivery declined 2.2% to \$6.119 since the Dollar strength curbed demand for its denominated metals. Copper stockpiles climbed 0.8% to the highest since May, \$178.425 tons. Meanwhile, the US gauge of base metals moved to a six-month low, whereas China's PMI is in 18-month lowest.

**Nickel** performed as the only gainer among other metals. The metal was seen trading at \$15.007 in the first trading day of 2015, \$143 lower, but stocks continue to hit new highs. Respectively, nickel stocks rose by 1,752 tons to 414,900 tons.

**Zinc** reached the nine-year high during the 2014. However, was down \$4 and settled at a price of \$2.174 at the end of the week. Stocks fell 775 tons to 191,650 tons. The market participants created some fresh positions amid the rising demand from consuming industries that supported the metal.

### Price Changes (%)

	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Aluminum	-2.72	-8.86	-6.85	-6.32	4.01	4.12
Copper	-2.26	-4.74	-7.56	-13.18	-14.51	-15.01
Nickel	0.97	-9.58	-10.35	-22.19	6.19	7.26
Zinc	1.89	-2.55	-5.98	-4.46	5.91	4.72

### Changes in LME inventories(%)

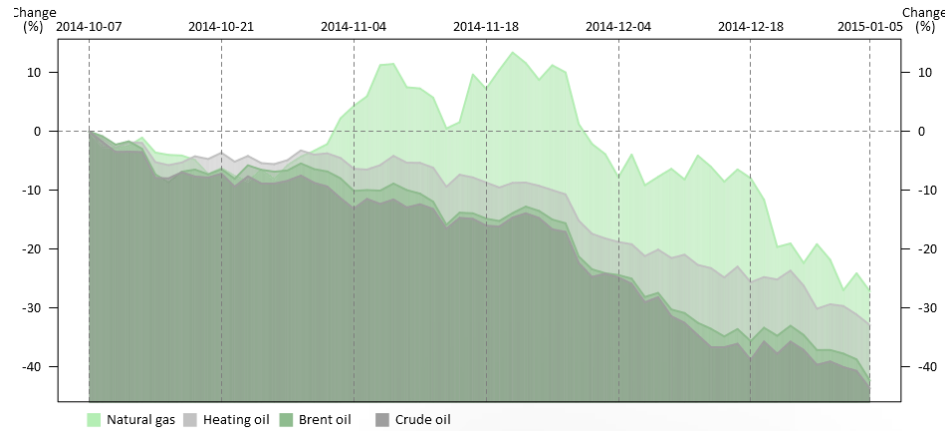
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Aluminum	-0.44	-2.63	-8.29	-16.31	-22.67	-22.99
Copper	3.83	9.15	18.91	12.16	-48.11	-50.31
Nickel	0.96	1.81	13.87	35.18	58.36	59.09
Zinc	-0.93	1.18	-7.15	3.68	-24.14	-25.92

### 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

S&P GSCI Industry Metals Index	%
Weekly	-1.57
Monthly	-6.56
3 Months	-7.82
6 Months	-11.98
12 Months	-8.31

# Oil Oversupply in US Puts Pressure on the Prices



**Brent and WTI oil prices** were seen trimming previous gains after a slight edge on Friday. Despite, analysts foresee oil prices to remain near the five year low, since the global demand is still weak amid the current oversupply of the black gold on the market. In addition, the recent release of poor Chinese manufacturing data acted as a confirmation for traders' worries over demand. Respectively, the leading indicator of Chinese manufacturing activity tumbled to its lowest level in the month of December, bringing the data to the expansion versus contraction border with the PMI falling to 50.1. The factory sector contraction may negatively impact the prices. China will account for 11% of total demand this year of 2015. Meanwhile, the 2014 brought a 46% tumble as OPEC decided not to cut production to defend their market share amid small demand. At the time of writing, Brent futures traded at \$57.16 per barrel, losing 0.30%, while WTI were higher 0.19% at \$53.39 per barrel.

**Gasoline** falling prices are beneficial for consumers amid the current global glut of oil. With the cost of oil, falling to its largest annual decline since 2008, helped Americans to save \$14 billion on the fuel. Despite, the uncertainty over the cost of crude persists on the market, as lower prices may trigger companies to cut production. Gasoline futures lost 48% in 2014 year end to trade at \$1.44 per gallon.

**Natural gas** falls to new four-month low amid reduced Ukrainian risk of lacking gas flows from the continent's largest supplier. Ukraine paid off its outstanding debt for gas to Russian Gazprom on December 24th and additionally pre-paid some future volumes. European prices for gas declined more than 20% in 2014, whereas UK gas lost 3.3% to 48.15 pence per million British thermal units.

### Price Changes (%)

	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Crude oil	-6.66	-24	-43.68	-51.08	-49.41	-49.57
Brent oil	-8.24	-23.11	-42.34	-50.95	-52.39	-52.54
Natural gas	-9.91	-24.2	-27.17	-30.89	-36.22	-35.51
Heating oil	-3.97	-17.01	-32.91	-39.08	-42.84	-43.18

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

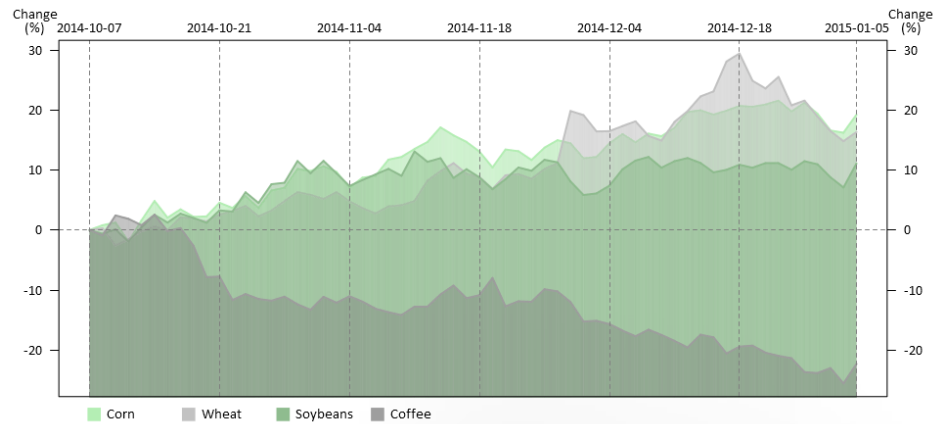
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Crude oil	-0.45	0.63	8.08	0.14	6.9	4.86
Gasoline	1.31	10.96	9.86	7.16	3.77	4.17
Natural Gas	-0.8	-6.18	3.87	66.93	8.27	4.85
Distillate Fuel	1.51	11.11	0.02	3.44	5.52	10.18

### 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	-6.96
Monthly	-22.48
3 Months	-40.67
6 Months	-48.27
12 Months	-47.65

# Wheat Global Production is Expected to Decline



**Wheat** futures fell during the year of 2014, following a second consecutive annual decline due to the global grain production. However, analysts claim that the days of the most perceived availability are already behind. According to the European commission, wheat production in US is expected to decline together with the French and Canadian wheat supply. Moreover, the Russian/ Ukraine relationship brings even larger uncertainty to the market since Russia had brought new fees on export in order to support the national currency and domestic stock. Meanwhile, world consumption should increase by 21m tons. The average price for the 2014 crop is \$5.00 per bushel, while the 2015 harvest will probably be near \$5.50.

**Corn** for March delivery in the US stepped lower 0.31% to trade at \$3.914 a bushel during the Friday session, after settling at \$3.956. On a weekly basis, corn futures contract for March declined 4.46% overall, down 19 cents, the biggest weekly decline since July.

**Soybean** futures for March delivery hit another session low on Friday, by trading at \$10.07, its weakest level since the December beginning. The March contract slumped 3.82%, or 46.1 cents during the week, another largest weekly loss in three months as the US and South America indicates bumper crops.

**Coffee** ended the year as the best-performer among other commodities. Yet, the market closed in red, as prices tumbled 12% in two months amid heavy rain in Brazil. According to the Ecom Agroindustrial Corp., the 2015 crop will be 25% bigger while Brazil expands the export volume and the global surplus persists.

Price Changes (%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Wheat	-4.31	-0.84	16.35	6.85	-3.36	-2.85
Corn	-1.64	2.78	19.24	2.01	-6.51	-6.56
Soybeans	-0.33	0.89	11.11	-5.3	-20.8	-20.98
Coffee	1.79	-6.66	-22.3	-2.78	45.1	46.49

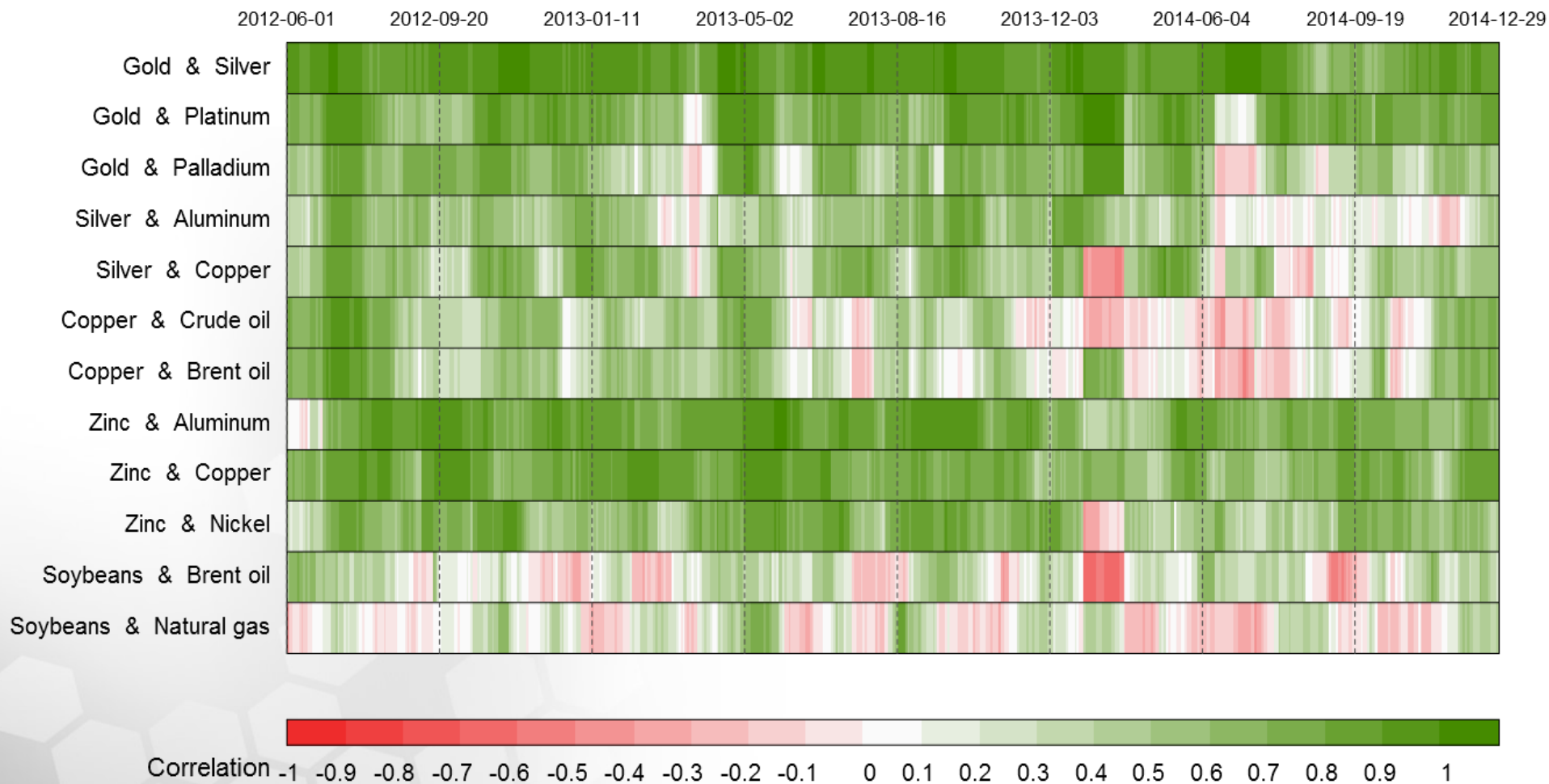
USDA Wasde Total Estimated Inventories					
	Today	Month	6 Months	YTD	3 Years
Soybens	415	27.69	176.67	56.6	118.42
Green Coffee	36495	13.63	1.29	19.56	40.66
Corn	188050	2.96	8.44	23.85	68.07
Wheat	189540	0.49	2.85	4.58	2.86

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	-2.03
Monthly	-0.46
3 Months	4.26
6 Months	-6.93
12 Months	-11.07

# Correlation Matrix

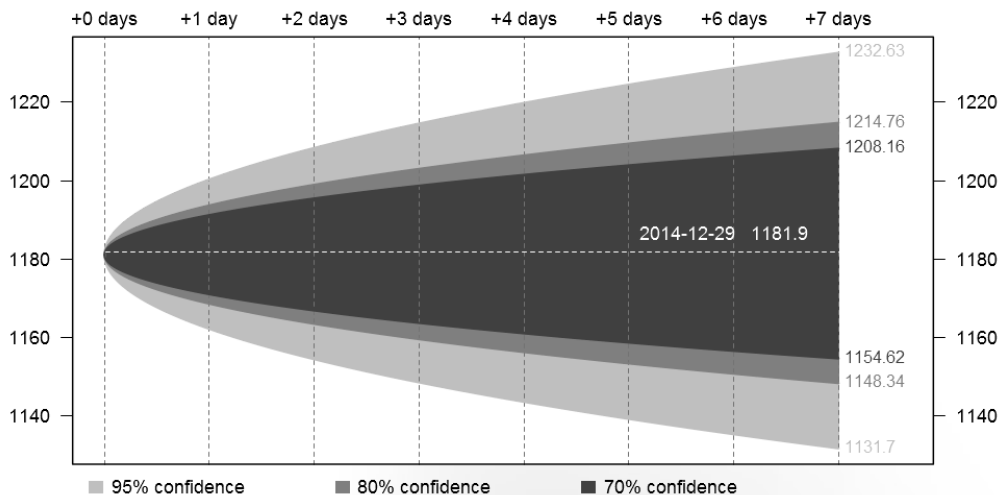
## Correlation



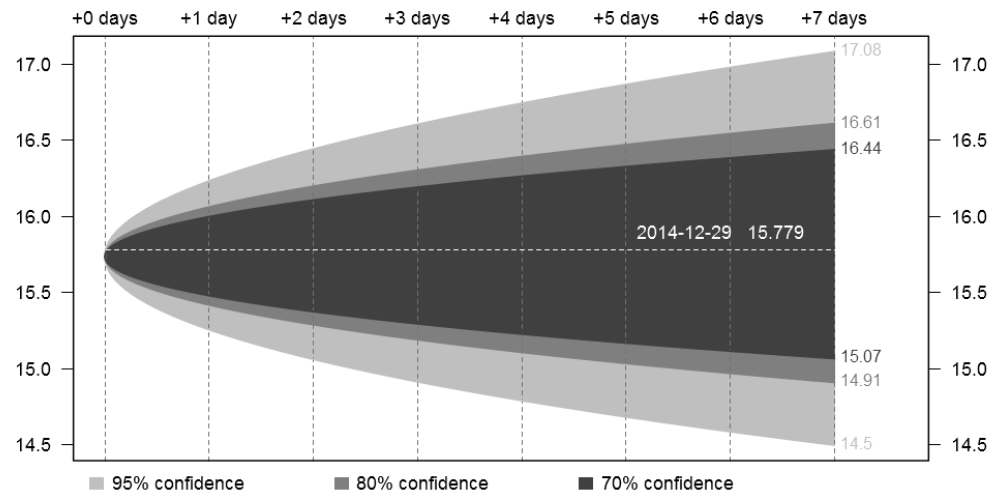
# Precious Metals Confidence Intervals for the Next 7 Days

Tuesday, January 06, 2015

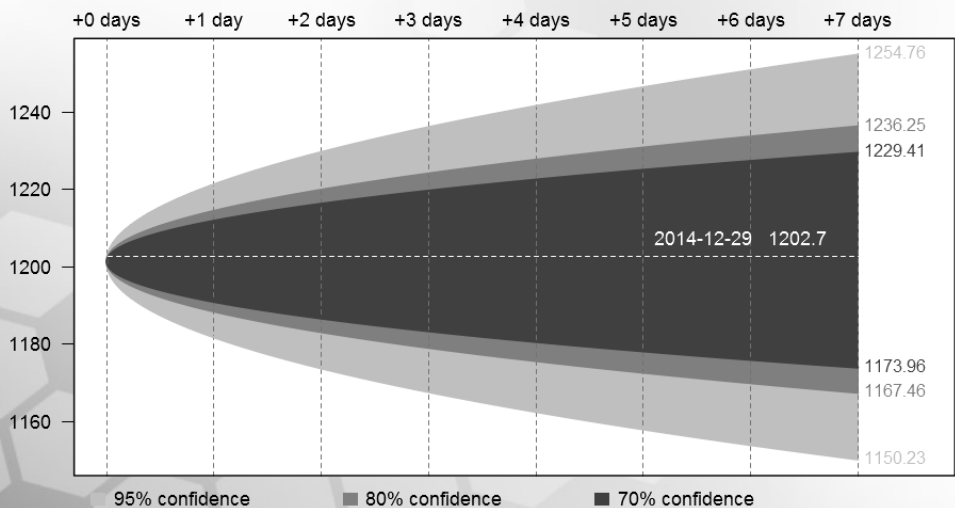
Gold Potential Rates



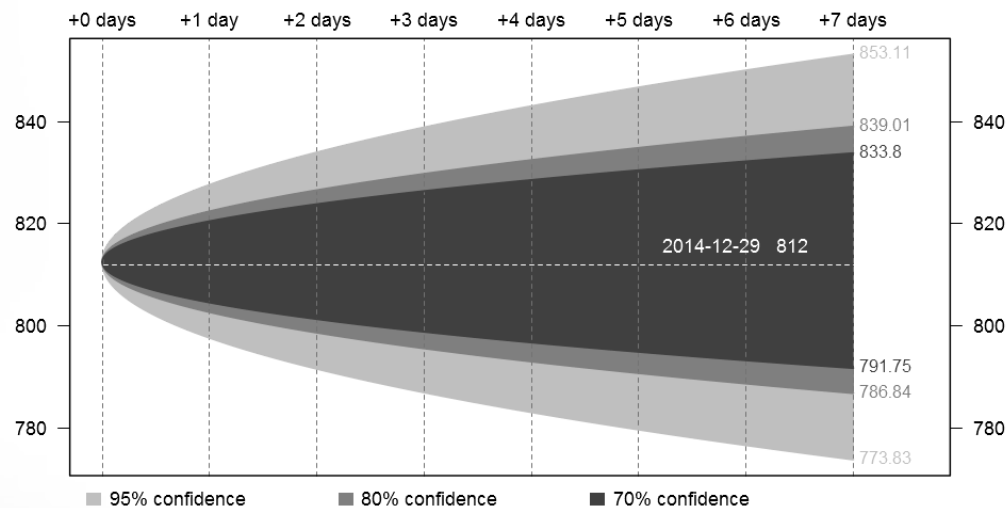
Silver Potential Rates



Platinum Potential Rates



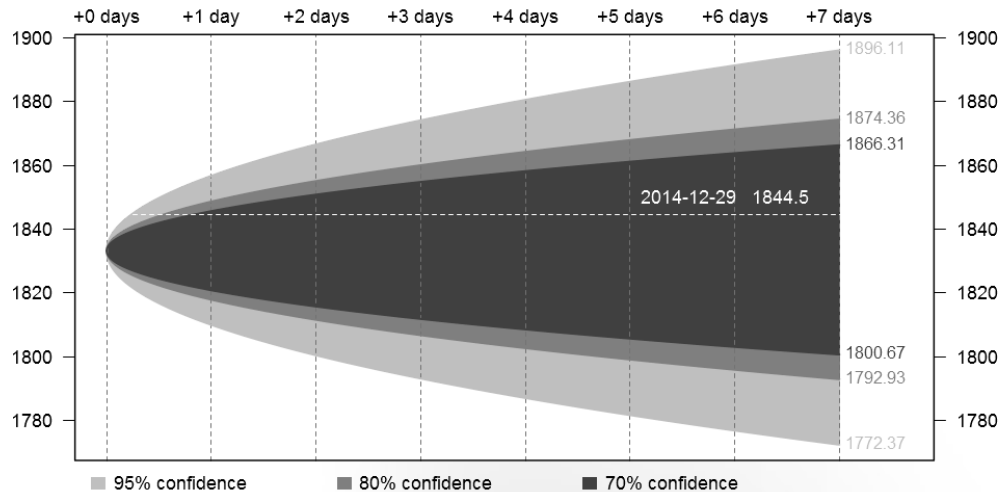
Palladium Potential Rates



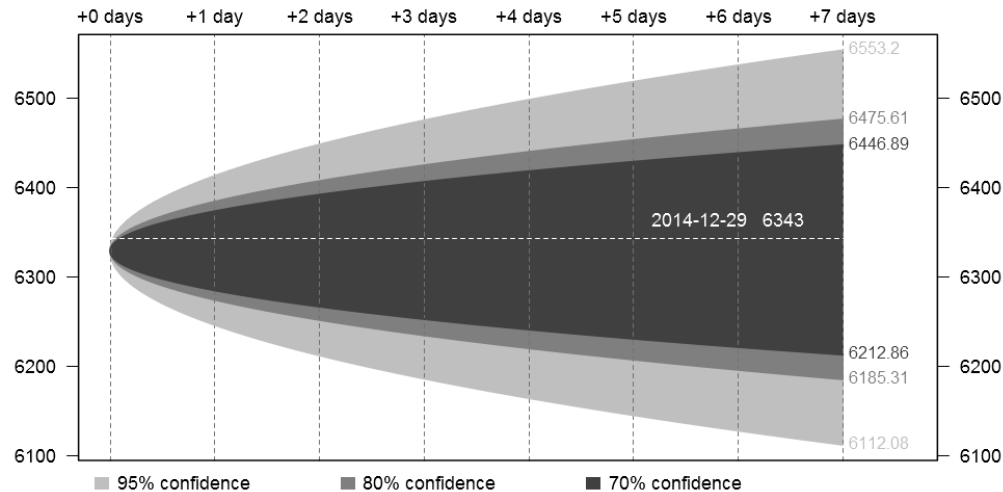
# Industrial Metals Confidence Intervals for the Next 7 Days

Tuesday, January 06, 2015

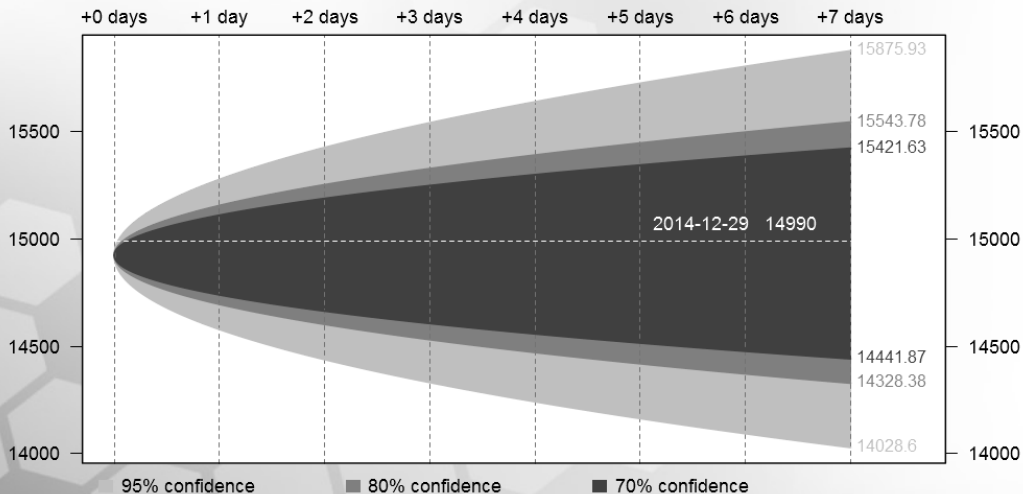
Aluminum Potential Rates



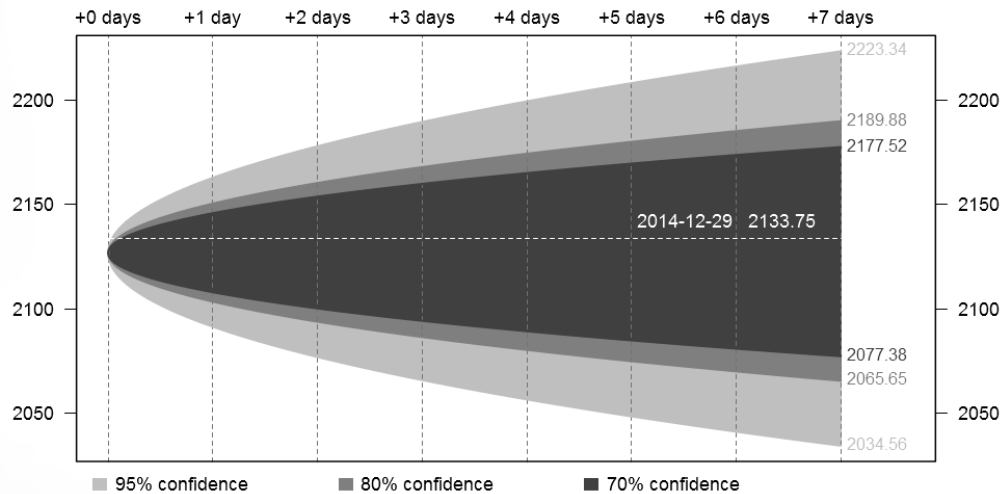
Copper Potential Rates



Nickel Potential Rates



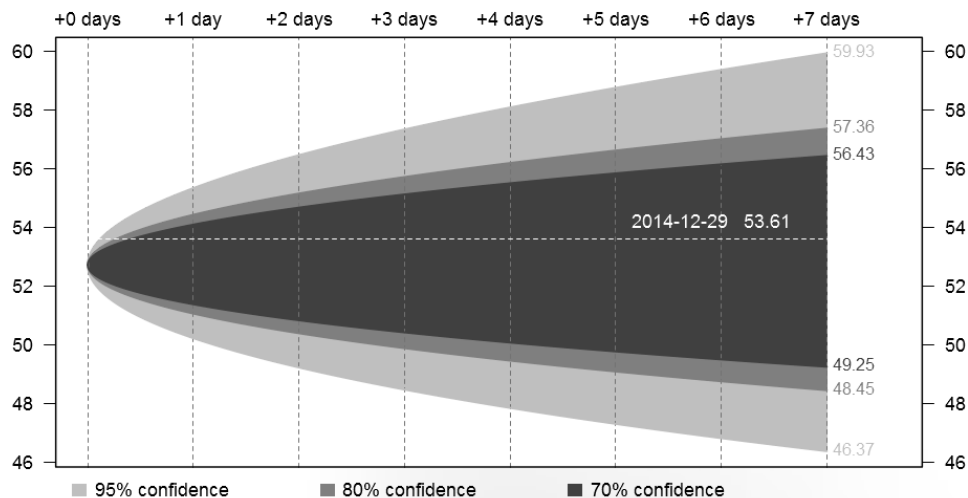
Zinc Potential Rates



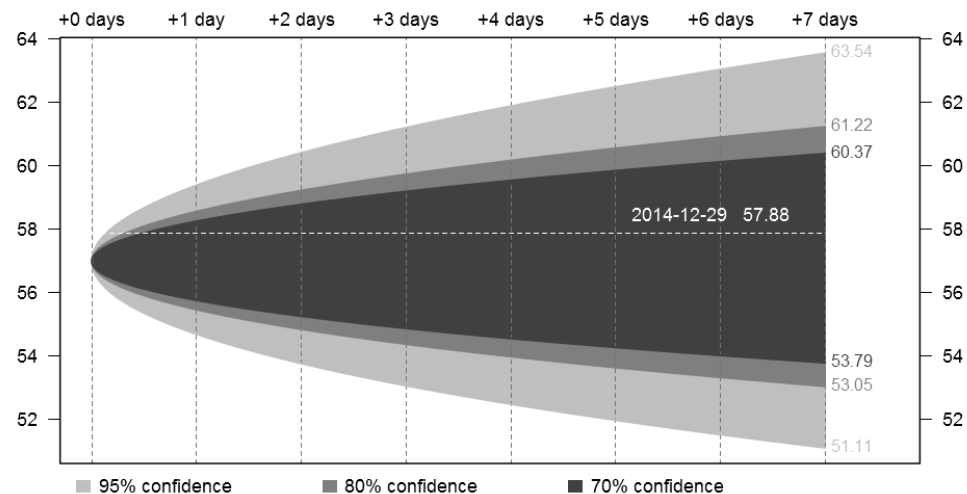


# Energy Confidence Intervals for the Next 7 Days

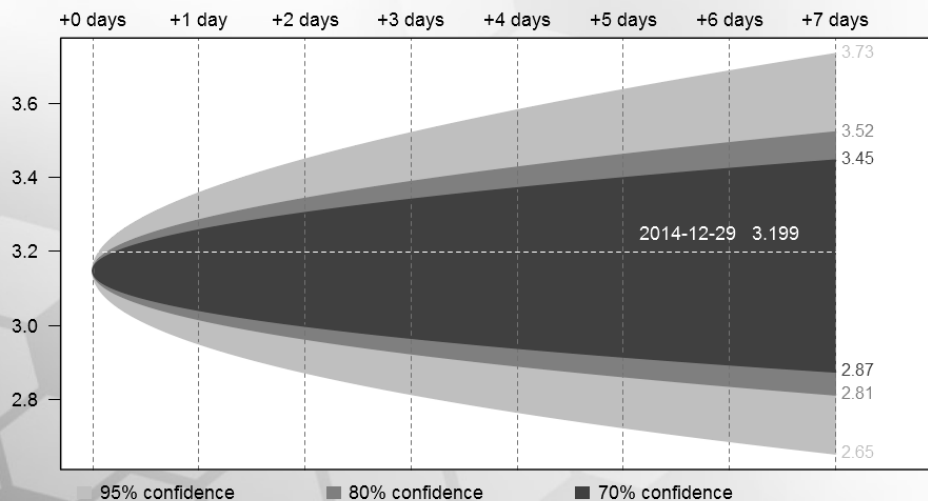
Crude.oil Potential Rates



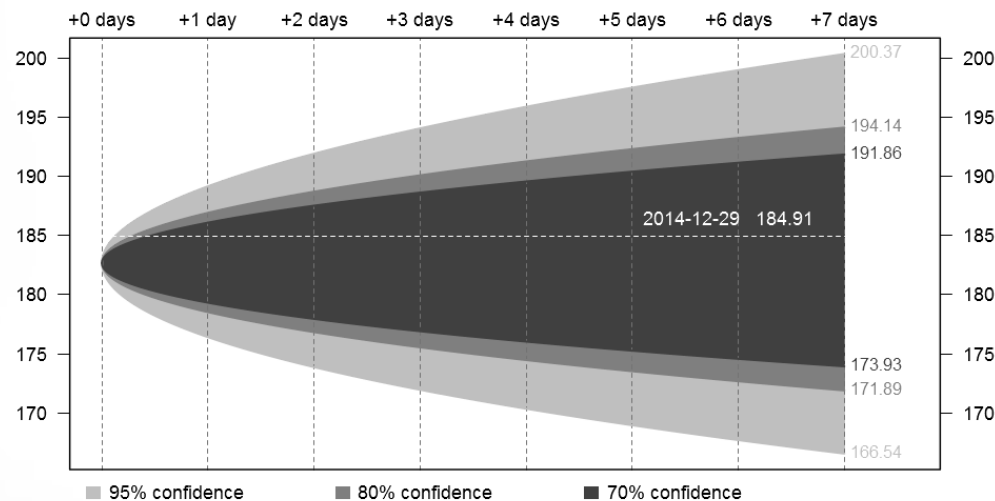
Brent.oil Potential Rates



Natural.gas Potential Rates

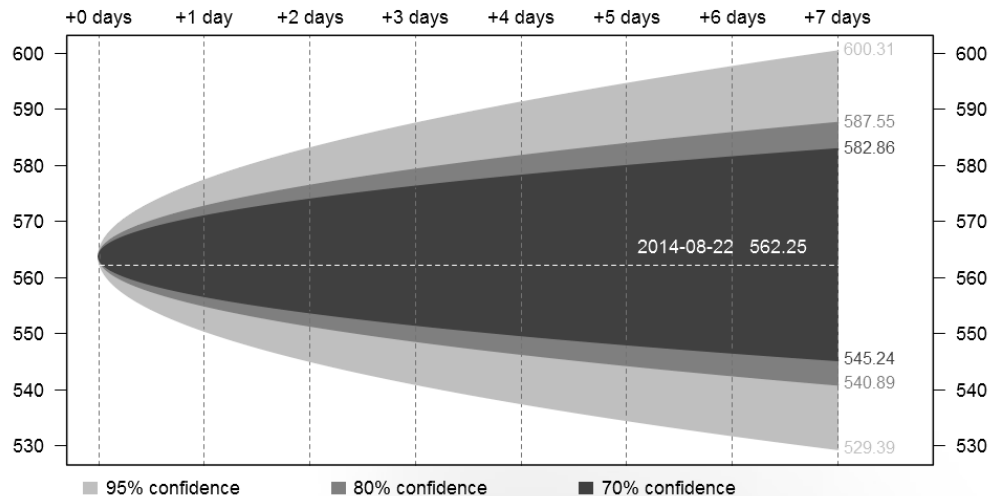


Heating.oil Potential Rates

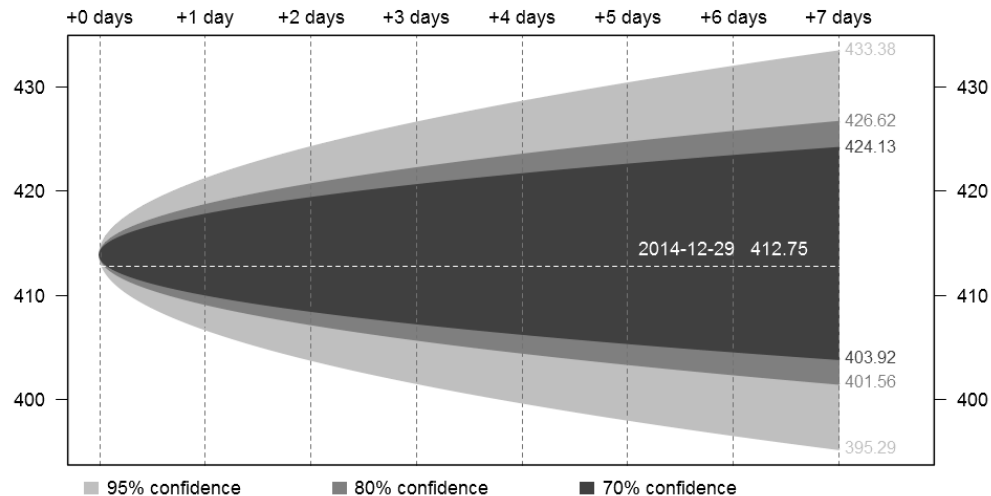


# Agriculture Confidence Intervals for the Next 7 Days

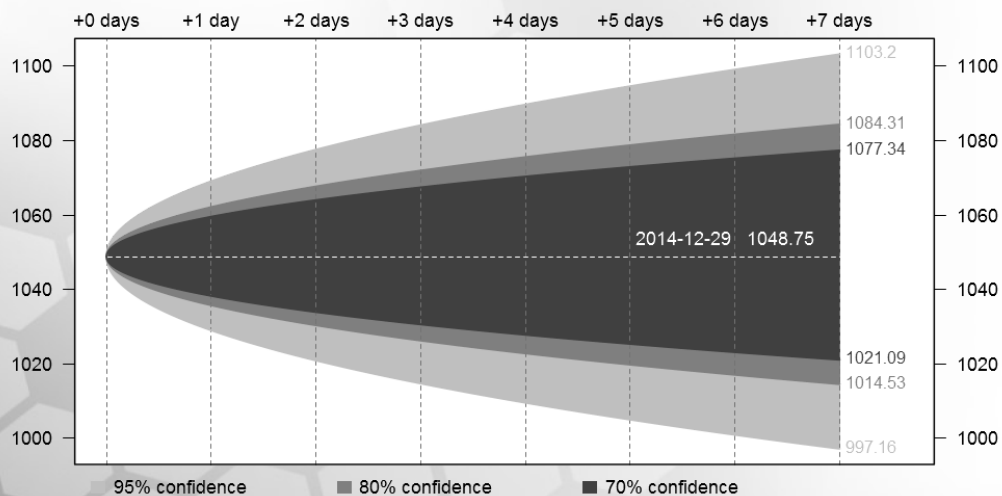
Wheat Potential Rates



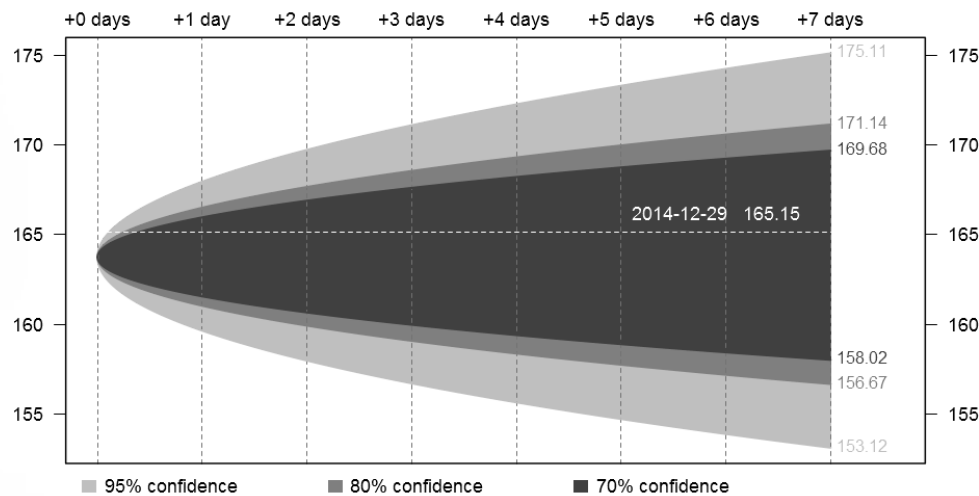
Corn Potential Rates



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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- Trade Pattern Ideas
- Global Stock Market Review
- Commodity Overview
- Economic Research
- Quarterly Report
- Aggregate Technical Indicator

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