



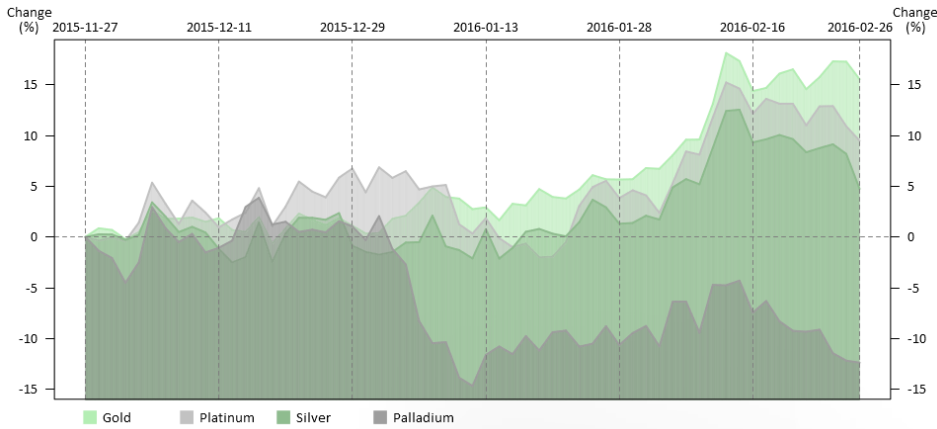
**DUKASCOPY**  
RESEARCH PRODUCTS

01/03/2016



# Weekly Commodity Overview

# Precious Metals Down Amid Upbeat US Data



**Gold** posted steep declines on Friday, falling as upbeat data from the US renewed optimism over the strength of the country's economy and raised concerns that the Federal Reserve might return on the path of raising interest rates in 2016, driving the Dollar much higher. On the Comex division of the New York Mercantile Exchange, gold futures for delivery in April settled at \$1,220.40 a troy ounce by the end of Friday's trade, slipping \$18.40, or 1.49% compared to Thursday's close, as data revealed the US economy expanded at an annual rate of 1.0% in the last quarter of the previous year, beating initial expectations for a 0.7% rise. In the meantime, the likelihood of a rate hike happening as soon as June climbed from 17.7% to 32.2% prior to the optimistic data release, while the Dollar Index added 0.71% on Friday to finish at 98.13, the highest close since February 3. Over the course of the whole trading week, gold futures also did not manage to tack on, closing 0.84%, or \$6.30, lower compared to the previous week's end price, sliding for the second consecutive week, despite being up nearly 15% so far this year on the back of indications that the current situation in the global economy could make it tough for the Fed to lift rates in 2016.

**Silver** futures for March delivery sank on Friday, settling 48.1 cents, or 3.17%, lower at \$14.68 a troy ounce on the Comex by the end of trade. On the week, silver prices shed as much as 4.48%, or 67.6 cents, posting the second weekly decline over the past six weeks.

**Platinum** also dropped on Friday, with metal's futures for April delivery falling \$12.30, or 1.3%, to settle at \$914.70 per ounce. Over the prior trading week, prices finished 3.23% lower on the New York Mercantile Exchange.

**Palladium** plummeted to \$480.65 an ounce on Friday, down \$2.75 from the Thursday's close. In light of this drop, on the week prices of the metal ticked down, slipping as much as 3.46% on the New York Mercantile Exchange.

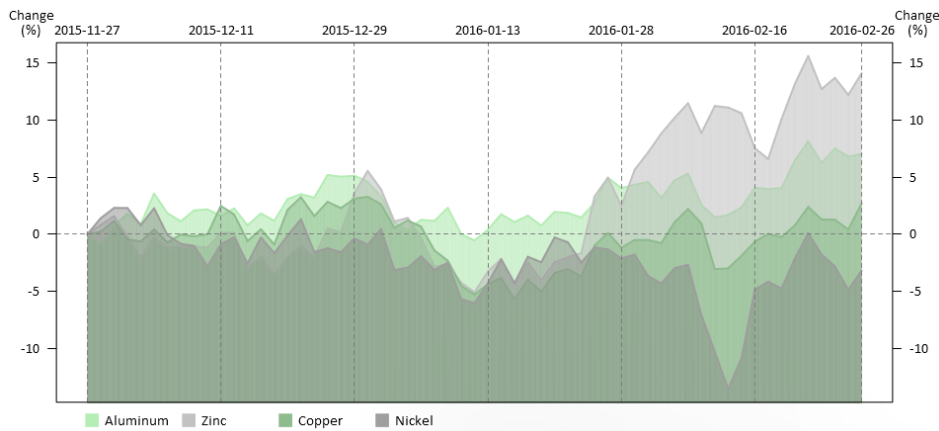
Price Changes (%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Gold	-0.84	9.33	15.55	7.62	1.57	0.85
Silver	-4.48	1.76	4.74	1.13	-10.68	-11.49
Platinum	-3.23	3.74	9.49	-10.43	-21.71	-22.03
Palladium	-3.46	-3.94	-12.39	-18.25	-40.39	-40.52

Changes in Total Known ETF Holdings (%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Gold	2.55	11.21	12.72	10.03	0.88	0.23
Silver	0.06	0.23	-1.36	-3.48	-4.42	-4.36
Platinum	0.17	-1.87	-4.25	-18.66	-12.79	-12.48
Palladium	-0.02	-3.66	-8.64	-25.66	-25.34	-25.92

Precious Metals Long-Term Price Forecasts (USD per ounce)												
	Q1 16			Q2 16			Q3 16			Q4 16		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
Gold	950	1 534	1 128.48	960	1 375	1 114.75	960	1 400	1 123.71	925	1 400	1 128.04
Silver	12.67	25	15.73	12.3	22.3	15.63	12.3	23	15.93	12.5	24	16.05
Platinum	800	1 500	1 026.17	725	1 530	1 058.06	838	1 520	1 099.83	875	1 540	1 113.82
Palladium	490	950	623.45	475	950	658.2	525	950	697.07	560	950	731.63

S&P GSCI Precious Metals Index	%
Weekly	-1.21
Monthly	8.53
3 Months	14.4
6 Months	6.87
12 Months	-0.36

# Industrial Metals Higher as Inventories Fall



**Aluminum** continued its upward movement on Friday, with metal's futures for delivery in April trading at \$1,569 on the London Metal Exchange, as data revealed inventories and cancelled warrants both declined 8,650 tonnes to 2,768,800 tonnes and 712,600 tonnes respectively. Following the steep climb on Friday, aluminum managed to close the prior trading week 0.53% higher, posting the third weekly increase, as markets gained a bit strength after Chinese equities fell more than 6% on Thursday, while the main focus was on the G20 meeting in Shanghai. In the meantime, weak growth in emerging markets as well as worries over health of the global economy are expected to continue dampen prices of the industrial metal.

**Copper** futures for delivery in March soared on Friday, climbing 5.1 cents, or 2.49%, to finish the trading session at \$2.118 a pound. Earlier, futures hit an intraday high of \$2.156 a pound, the highest since November 16, following the suggestion from the Chinese Central Bank that more monetary measures might be implemented to boost country's economy. Thanks to this uptick, prices of the red metal managed to advance over the course of the prior trading week, settling 1.91% higher on the Comex division of the New York Mercantile Exchange. Meanwhile, despite China-led slowdown in the global economy, prices of copper have rebounded already around 3% since the beginning of the year.

**Nickel** closed Friday on an up note, rebounding to \$8,450 on the LME, following market consolidation. Over the past five trading days, nickel futures, however, lost 1.08%, despite stocks declined 1,044 tonnes to 441,966 tonnes, while cancellations were down 2,526 tonnes to 162,942 tonnes respectively.

**Zinc** was up on Friday, rallying 0.83% on the LME over the past trading week, in light of inventories sliding 5,575 tonnes to 482,875 tonnes.

Price Changes (%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Aluminum	0.53	1.99	7.03	-2.23	-12.78	-13.3
Copper	1.91	2.58	2.71	-8.37	-18.64	-20.22
Nickel	-1.08	-1.87	-3.18	-15.62	-40.93	-40.91
Zinc	0.83	8.71	14.11	-2.93	-14.13	-14.64

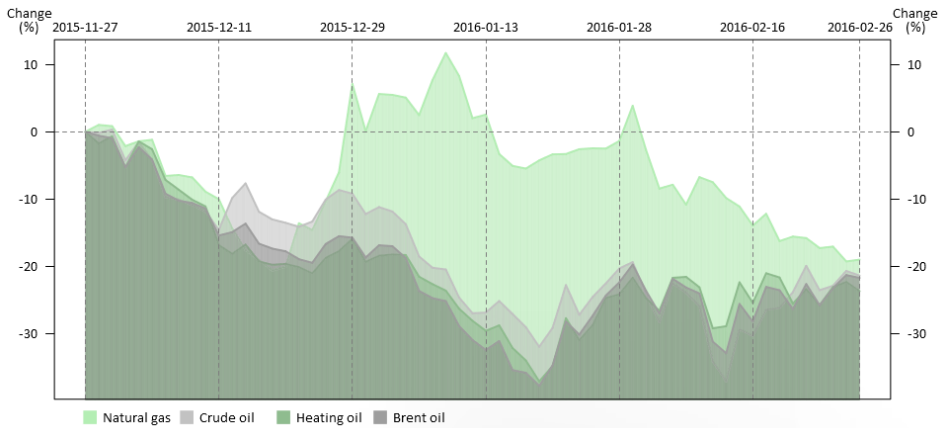
Changes in LME inventories(%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Aluminum	-0.68	-1.56	-4.72	-15.48	-29.6	-29.98
Copper	-5.42	-17.93	-18.95	-46.88	-33.68	-33.15
Nickel	1.51	-1.83	7.47	-2.9	2.56	3.36
Zinc	-4.26	1.04	-11.46	-7.65	-13.79	-15.14

## Industrial Metals Long-Term Price Forecasts (USD)

	Q1 16			Q2 16			Q3 16			Q4 16		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
Aluminum	1 380	2 123	1 559.21	1 350	2 165	1 588	1 368	2 209	1 630.37	1 393	2 022	1 647.44
Copper	4 400	6 614	4 956.48	4 250	6 614	5 034.05	4 300	6 514	5 161.33	4 180	6 476	5 187
Nickel	8 200	19 504	10 803.78	7 495	20 504	11 146.28	8 449	21 255	11 657.5	8 726	21 755	11 942.65
Zinc	1 500	2 310	1 762	1 450	2 322	1 803.67	1 456	2 333	1 880.78	1 484	2 425	1 937.47

S&P GSCI Industry Metals Index	%
Weekly	1.1
Monthly	2.92
3 Months	5
6 Months	-6.43
12 Months	-18.27

# Oil Rallies as Number of Rigs Declines



**Crude oil** slid in a choppy trade on Friday, with New York-traded crude oil futures declining towards the end of trade, as traders made profits from a jump earlier in the day, which drove prices to a two-month high. On the New York Mercantile Exchange, crude oil futures for delivery in April finished at \$32.78 a barrel on Friday, bringing daily decrease to 29 cents, or 0.88%, after hitting a midday peak of \$34.69, a level not seen since January 28, being supported by the news that the number of rigs drilling for oil in the US fell by 13 to 400 last week, the tenth straight weekly drop. Despite Friday's losses, over the course of the whole trading week, Nymex oil futures added as much as 3.24%, or \$1.03, posting the second consecutive weekly increase over the last four.

**Brent oil** futures for delivery in April also dropped by the end of Friday's trade to settle at \$35.10 a barrel on the ICE Futures Exchange, which is down 19 cents, or 0.54%, on a daily basis, following a climb to a midday high of \$37.00, closing the week above the important level of \$35 a barrel for the first time since early January. On the week, London-traded Brent oil futures added 6.33%, posting the first weekly gain in the last month, as hopes that Saudi Arabia and Russia will come closer to an agreement to cut production helped prices to rally, as four major oil-producing countries decided to meet in mid-March to negotiate their efforts to stabilize the market.

**Natural gas** futures tacked on modestly on Friday, but prices still held close to multi-year lows, as an updated weather outlook called for warmer temperatures in the US in the upcoming weeks. On the Nymex, natural gas futures for April delivery finished up 0.34%, climbing to \$1.791 per million British thermal units on Friday, following a slide to a bottom of \$1.711 on Thursday, a level not seen since 1999. For the week, natural gas futures shed 4.07%, or 7.6 cents, on mild demand and widening supply glut expectations.

Price Changes (%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Crude oil	3.24	1.49	-21.41	-27.51	-35.71	-31.95
Brent oil	6.33	3.45	-21.76	-29.87	-43.05	-41.55
Natural gas	-4.07	-16.97	-19.03	-34.03	-37.42	-33.59
Heating oil	2.51	1.37	-23.72	-33.93	-45.83	-44.48

Changes in U.S. inventories (%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Crude oil	0.69	4.33	3.97	12.61	16.94	19.26
Gasoline	-0.86	4.68	18.33	19.6	6.85	5.48
Natural Gas	-4.33	-21.63	-35.55	-16.62	33.33	19.8
Distillate Fuel	-1.02	-2.32	13.69	7.26	28.88	26.14

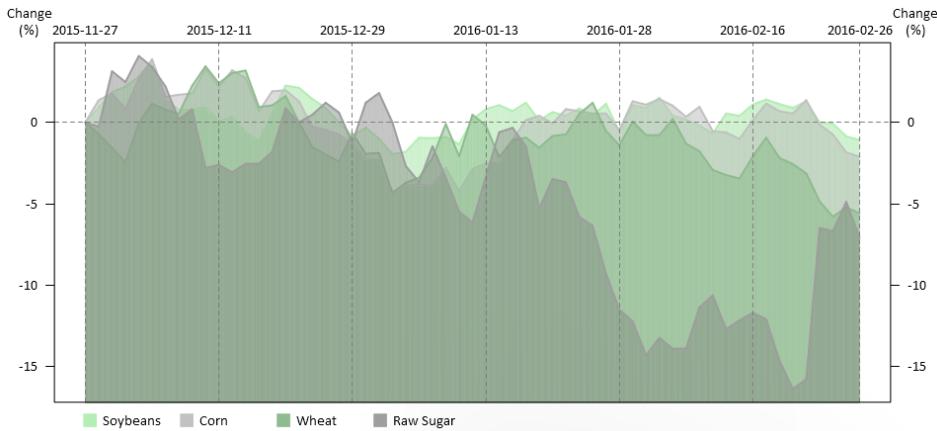
## Energy Futures Long-Term Price Forecasts (USD)

	Q1 16			Q2 16			Q3 16			Q4 16		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
Crude oil	29	87	45.74	30	95	48.05	36	85	51.5	38	90	52.45
Brent oil	30	95	48.16	30	100	50.42	37	90	53.79	34.5	95	53.77
Natural gas	33.81	42	38.16	30.59	38	34.32	28.98	38	33.8	35	44	39.28
Heating oil	106	162	137.67	117.9	150	139.3	129.8	170	153.93	147.6	195	176.2

S&P GSCI Energy Index	%
Weekly	4.04
Monthly	-1.85
3 Months	-28.54
6 Months	-38.67
12 Months	-50.71



# Grains Decline on Stronger US Dollar



Price Changes (%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Corn	-2.64	-2.64	-2.11	-4.13	-6.32	-7.46
Wheat	-3.11	-5.09	-5.58	-6.51	-9.05	-9.64
Soybeans	-1.96	-2.21	-1.09	-2.48	-14.57	-15.88
Raw Sugar	11.1	2.43	-7.08	16.3	-11.74	-12.3

USDA Wasde Total Estimated Inventories (\$ and Changes (%)					
	Today	Month	6 Months	YTD	3 Years
Corn	208807	-1.46	6.98	0.3	51.09
Wheat	238865	5.09	18.02	12.63	36.02
Soybeans	450	2.27	-4.26	16.88	69.81
Raw Sugar	39598	0	-2.3	-6.2	3.39

**Corn** prices slumped to the lowest level in more than six weeks, with futures for immediate delivery being weighed by a stronger US Dollar and indications for growing inventories in the coming year. At the Chicago Board of Trade, the most actively-traded corn futures for delivery in March finished 1.5 cents, or 0.4%, lower to settle at \$3.54 a bushel by the close of trade on Friday, after hitting an intraday bottom of \$3.53 a bushel, the lowest mark since January 12, as the Greenback rose 0.8% according to the WSJ Dollar Index. Over the course of the prior trading week, prices of corn did not manage to climb, declining 2.64% compared to the previous week's final price.

**Wheat** prices also inched downward on Friday, being influenced mainly by expectations for increasing grain stockpiles, after the USDA announced domestic inventories are likely to rise to 989 million bushels at the end of the 2016-2017 season, which is set to be the highest output level in nearly 29 years. At the Chicago Board of Trade, wheat futures for delivery in March slid 1.25 cents, or 0.3%, to finish Friday's session at \$4.44 a bushel. Due to this drop, US grain prices plummeted on the week, finishing the trade 3.11% lower.

**Soybeans** did not manage to book gains during the last trading day of the prior week, slumping to a two-month bottom despite predictions for a smaller US cop in 2016 and lower inventories by the end of 2016-17 season. The USDA estimates soybean production to decline 3% this year. However, the growing harvest in South America, major US rival for soybeans export, oughtweighed expectations for a decrease in supply. At the Chicago Board of Trade, soybean futures for March delivery slid 1.25 cents, or 0.2%, to finish Friday's trade at \$8.57 a bushel. On the week, soybean futures for March delivery dipped 1.96%.

**Raw sugar** reversed losses, trading in green for the first time over the past three weeks. At the CBOT, raw sugar futures added 11.1% on the week.

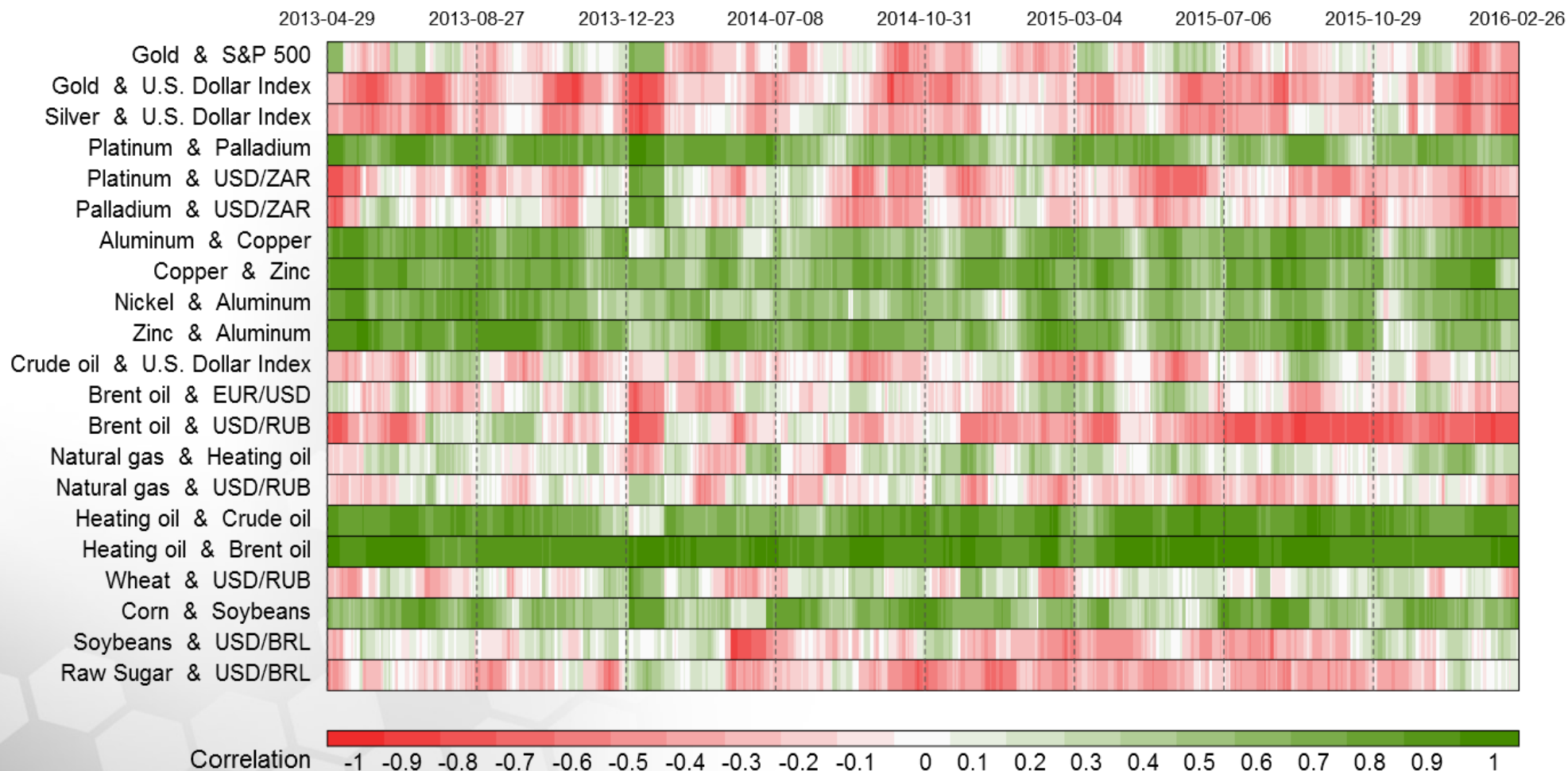
## Farm Commodities Long-Term Price Forecasts (USD)

	Q1 16			Q2 16			Q3 16			Q4 16		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
Corn	351.9	405	380.74	342.5	410	386.94	337.5	425	390.94	332.5	450	396.69
Wheat	457.5	620	512.55	442.5	620	514.75	437.5	620	520.55	432.5	590	522.06
Soybeans	850	950	880.45	837.5	950	889.19	832.5	950	883.31	827.5	950	898.81
Sugar	14.07	16	14.77	13.6	16	14.44	13.2	16	14.61	13.7	15.88	14.73

S&P GSCI Agriculture Index	%
Weekly	-1.13
Monthly	-3.35
3 Months	-5.29
6 Months	-4.97
12 Months	-14.26

# Correlation Matrix

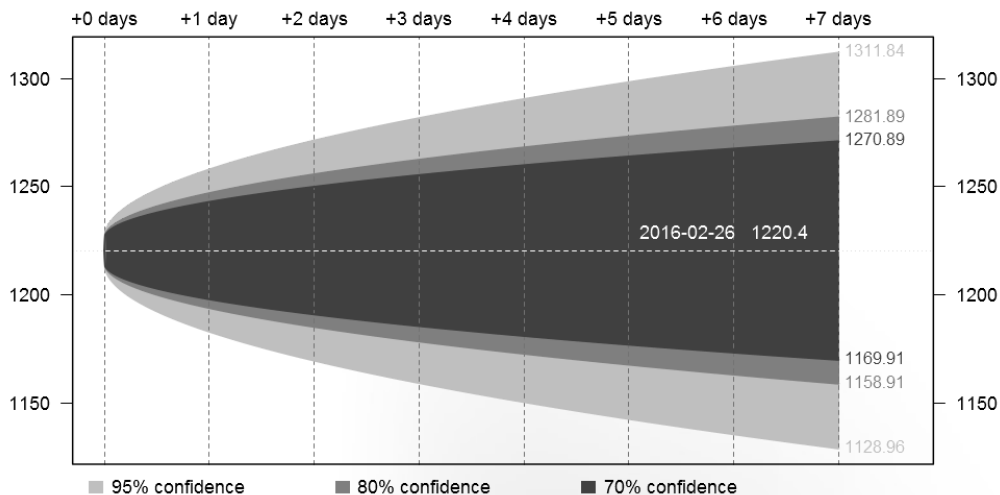
## Correlation



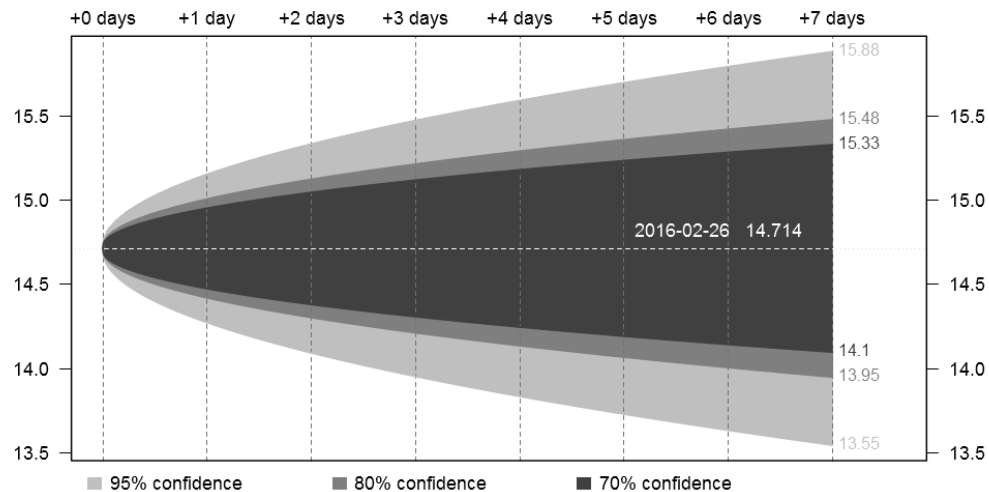
# Precious Metals Confidence Intervals for the Next 7 Days

Tuesday, March 01, 2016

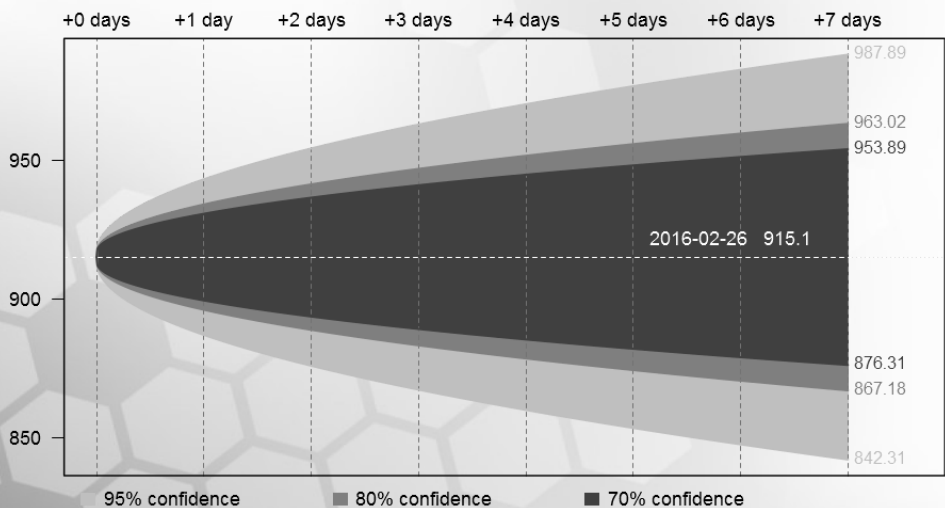
Gold Potential Rates



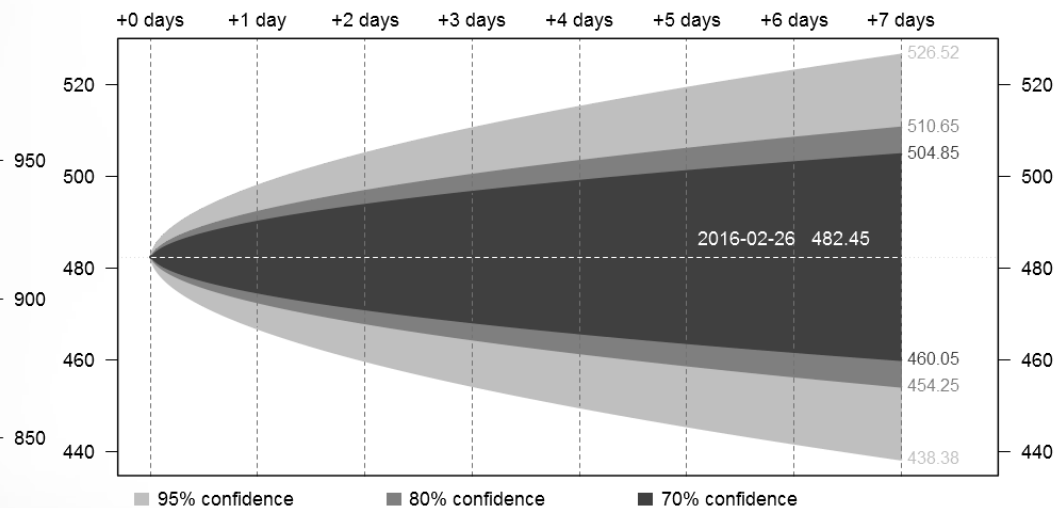
Silver Potential Rates



Platinum Potential Rates



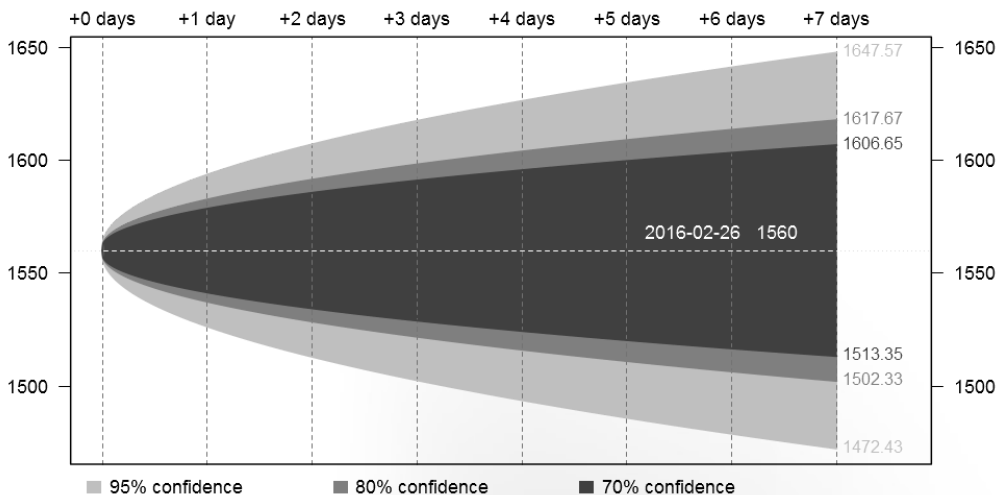
Palladium Potential Rates



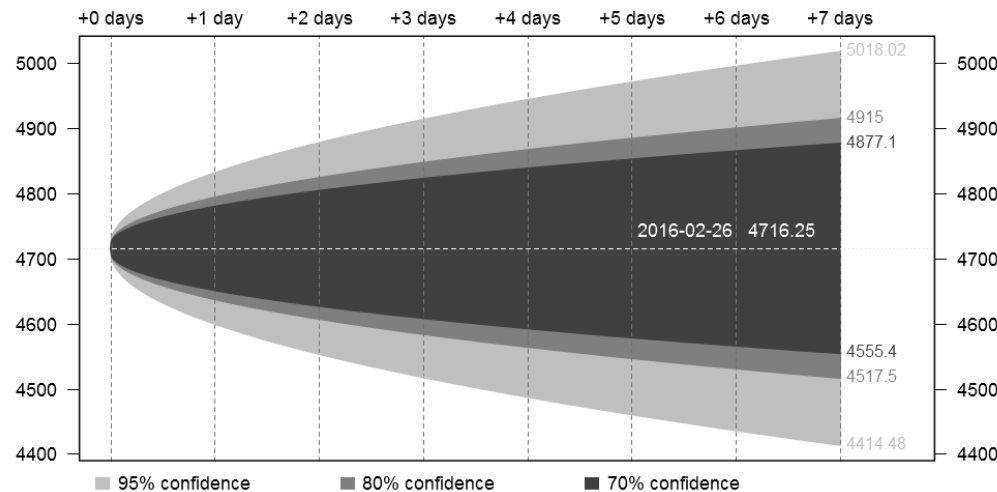
# Industrial Metals Confidence Intervals for the Next 7 Days

Tuesday, March 01, 2016

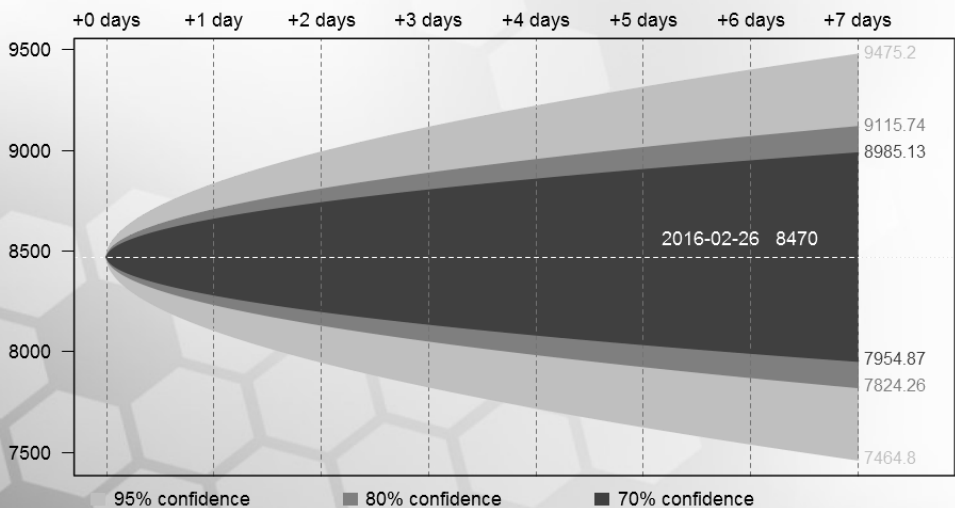
Aluminum Potential Rates



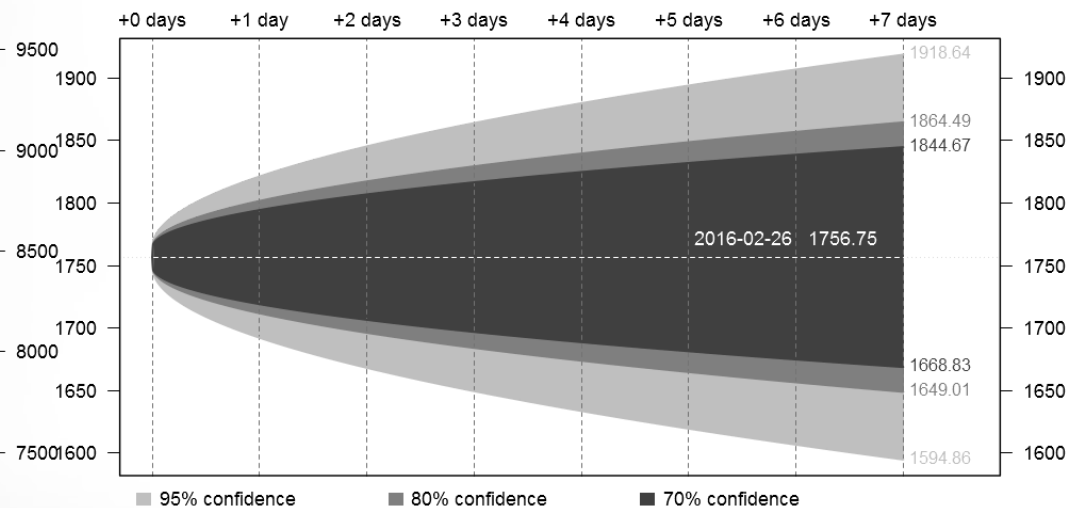
Copper Potential Rates



Nickel Potential Rates



Zinc Potential Rates

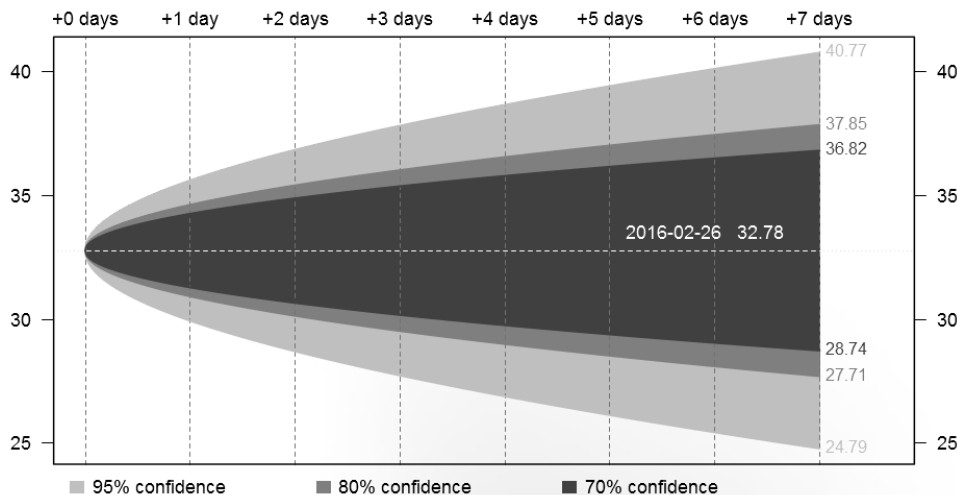




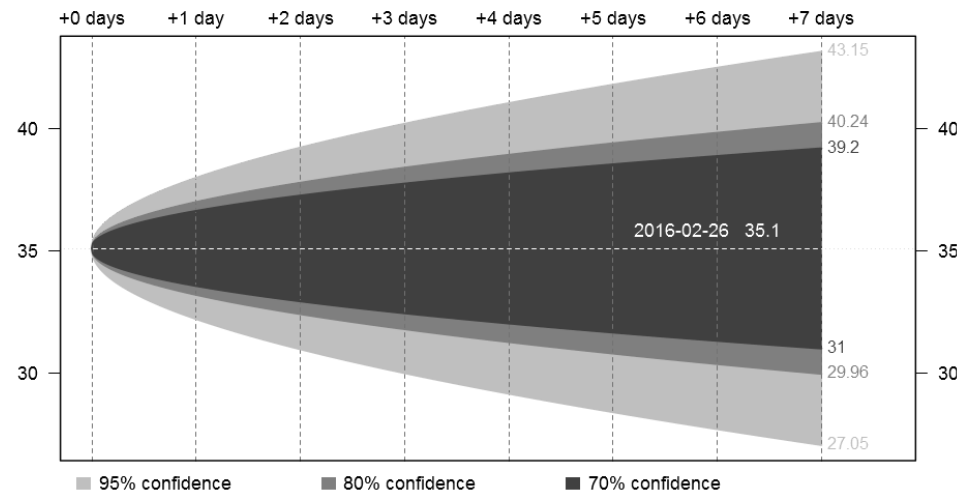
# Energy Confidence Intervals for the Next 7 Days

Tuesday, March 01, 2016

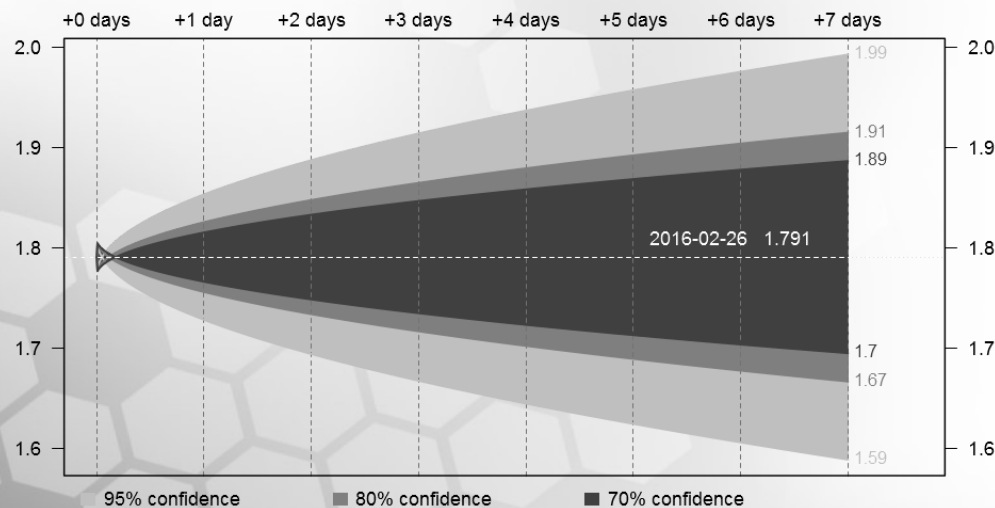
Crude oil Potential Rates



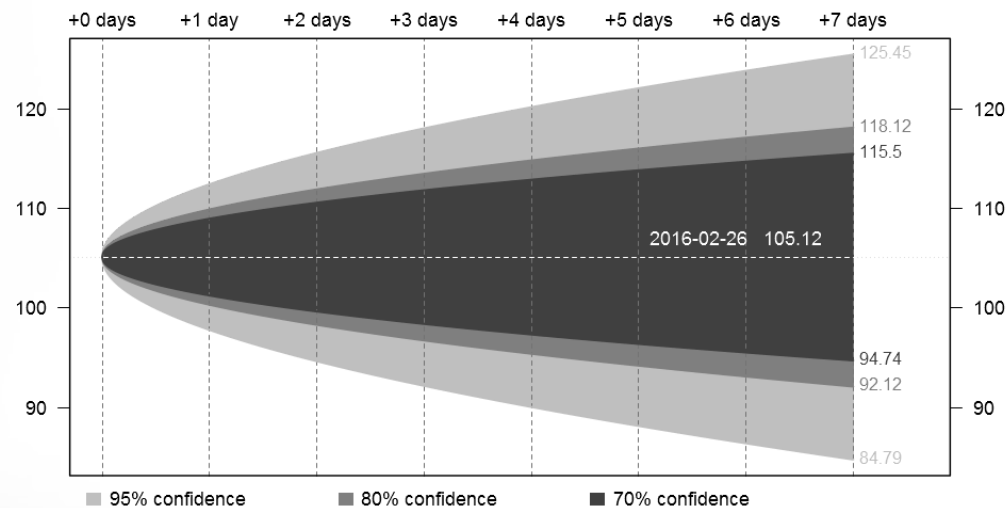
Brent oil Potential Rates



Natural gas Potential Rates

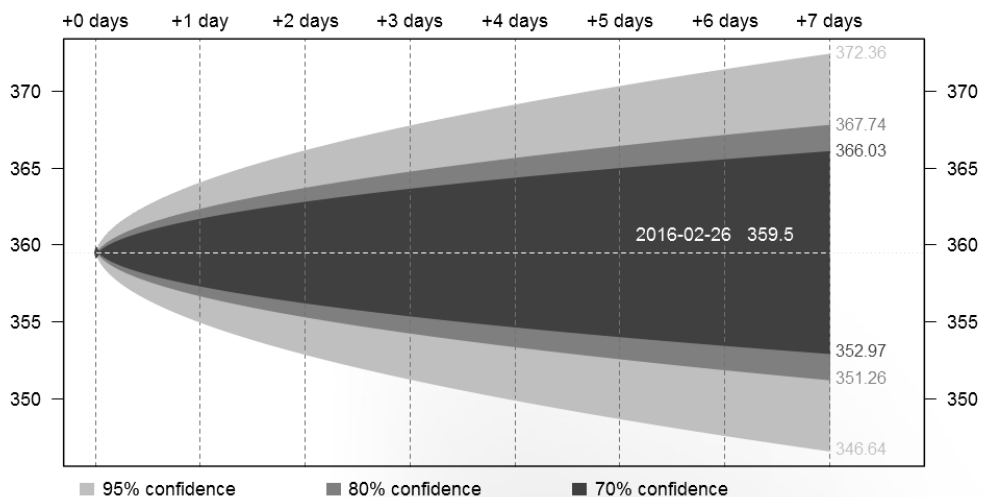


Heating oil Potential Rates

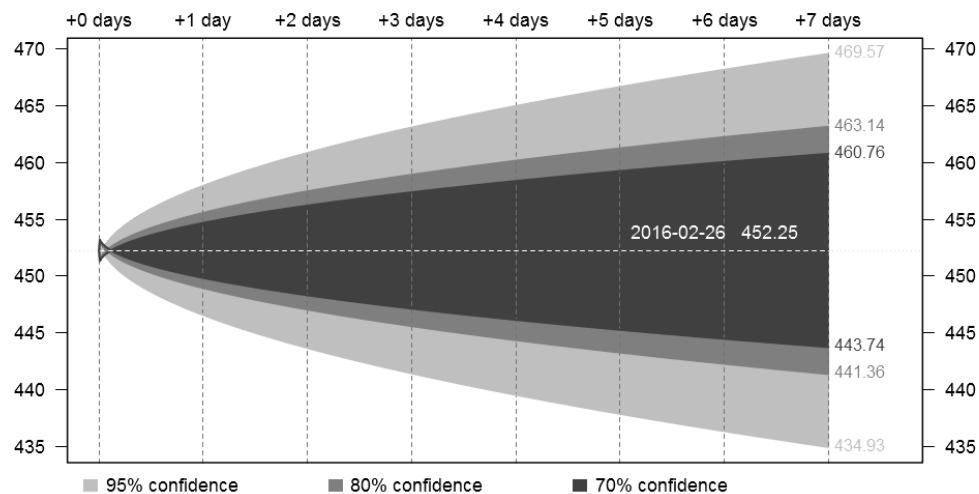


# Agriculture Confidence Intervals for the Next 7 Days

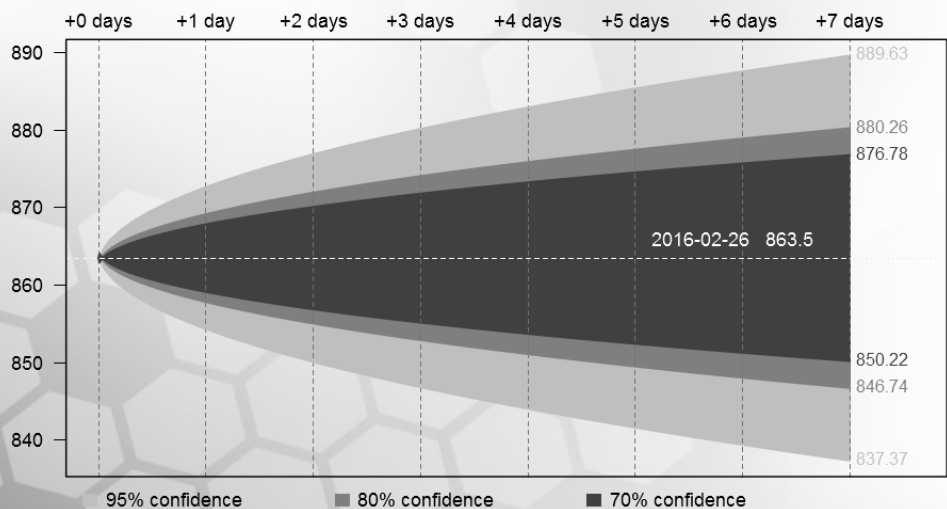
Corn Potential Rates



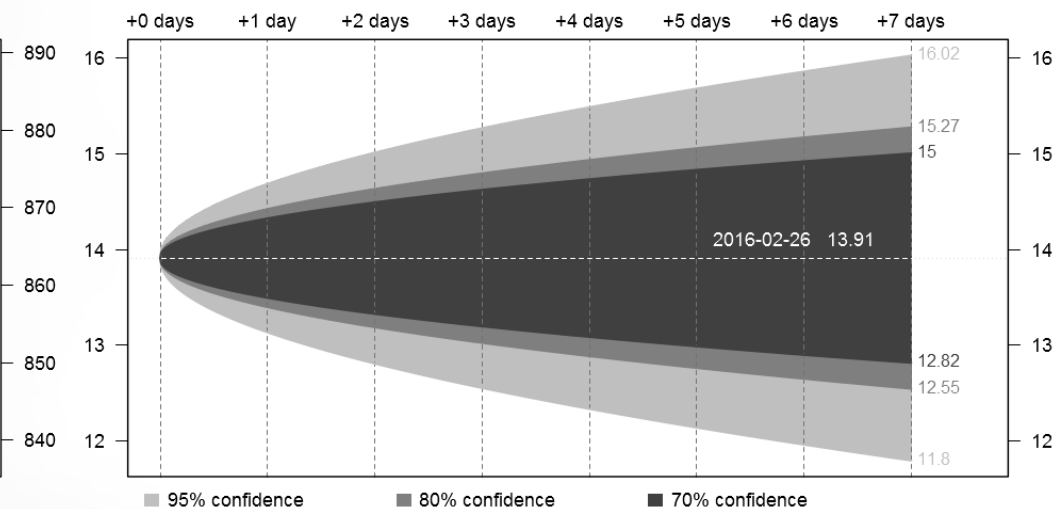
Wheat Potential Rates



Soybeans Potential Rates



Raw Sugar 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.