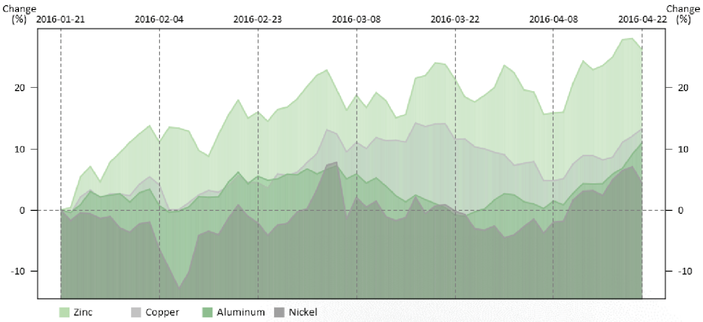
Base Metals Mostly Overperforming

Tuesday, April 26, 2016



Price Changes (%)

	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Aluminum	6.42	11.97	11.03	12.31	-8.43	-8.25
Copper	4.74	1.59	13.33	-2.76	-15.73	-14.49
Nickel	1.93	4.56	4.35	-13.64	-29	-28.29
Zinc	2.06	3.94	26.22	9.36	-12.43	-14.83

Changes in LME inventories(%)

	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Aluminum	-1.36	-5.42	-5.47	-13.17	-30.29	-30.78
Copper	-0.12	-1.91	-37.73	-46.76	-56.3	-56.18
Nickel	-0.78	-2.81	-6.5	-2.05	-4.97	-3.1
Zinc	-1.78	-7.29	-15.21	-29.49	-14.39	-16.26

Aluminum was one of the best-performing commodities during the previous week, reaching a new high each day. Falling oil prices and seemingly recovering economic conditions in China boosted investor confidence and sparked demand for industrial metals. Ultimately, aluminum reached the highest level since July 2015, closing at $1,648.50 per tonne on the London Metal Exchange, making it a 6.5% weekly increase.

Copper was the second best-performing industrial metal after aluminum. Futures for May delivery edged higher up to $2.164 per pound, continuing to rise in value for the same reasons as aluminum, ultimately reaching a price of $2.269 per pound, but making it only a new two-month high. The overall performance accounted for a 5.34% weekly increase, compared to 6.5% in aluminum.

Nickel established a fresh two-month high during the previous week, but was unable to retain such high prices. During the first three days of the week, Nickel prices edged 4.38% higher, but edged 2.28% lower during Thursday and Friday, as rising oil prices kept weighing on the base metal.

Zinc was not so lucky, compared to other industrial metals last week. Although some impressive gains were registered both from Monday to Tuesday, they were still partially erased by the end of the week, with the weekly gain account for 2.37%, compared to 7.42% during the preceding week.

Industrial Metals Long-Term Price Forecasts (USD)

	Q2 16			Q3 16			Q4 16			Q1 17		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
Aluminum	1 350	2 165	1 629.91	1 316	2 209	1 666.14	1 242	2 022	1 646.3	1 289	1 850	1 621.83
Copper	4 250	6 614	5 179.96	4 300	6 514	5 256.71	4 103	6 476	5 213.57	4 193	6 500	5 057.42
Nickel	7 495	20 504	11 480.3	7 553	21 255	11 834.4	7 167	21 755	11 829.94	7 598	14 500	10 698.73
Zinc	1 450	2 322	1 839.05	1 550	2 333	1 877.5	1 479	2 300	1 888.5	1 535	2 293	1 892.64

S&P GSCI Industry Metals Index	*%*
Weekly	4.83
Monthly	5.29
3 Months	12.9
6 Months	2.04
12 Months	-17.95

Energy Commodities End The Week Higher

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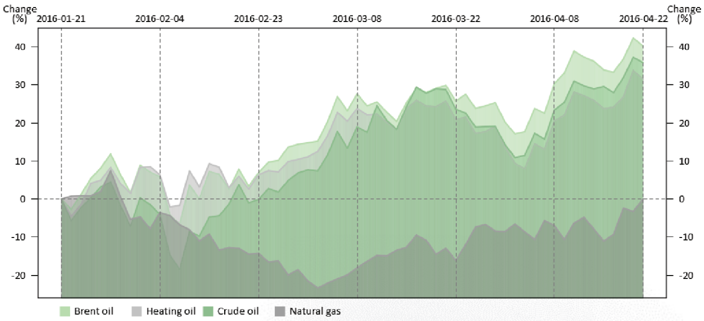

Crude oil started the week with a 3.62% decline, as during the Doha meeting no agreement to cut production was reached. Nevertheless, crude futures made a recovery on Tuesday, after the reports of Kuwait output falling significantly in response to the a strike of workers there. Futures for June delivery experienced substantial volatility in the middle of the week, but still ended up surging up to $44.12 per barrel, which was the first time futures' prices climbed over the $44 mark in several months. Overall, the previous week was formidable for crude oil, as futures basically kept rising from Tuesday to Thursday, despite a number of negative news weighing on the energy commodity.

Brent oil futures' behavior was almost identical to those of crude, driven by the same factors prices declined on Monday, but continued to rebound on Tuesday and Wednesday. The only difference was Thursday, where futures for June delivery fell down to $44.53 on fears of oversupply. Nonetheless, the week ended with futures stabilising at $45.11 per barrel on Friday, making it a nearly 5% weekly increase.

Natural gas futures for delivery in May edged 1.31% up to $1.92 per million British thermal units on NYMEX at the beginning of the week, amid rising demand on colder weather forecasts in the upcoming weeks. Futures kept rising in value on Tuesday as well, but experienced setbacks in the middle of the week, with prices falling after the release of stockpile data. Overall, amid rather warm winter conditions weakened demand for natural gas, while high production pushed the market into oversupply, therefore, lowering the price. Nonetheless, the week was ultimately positive for natural gas, with price closing at $2.14 per million British thermals units.

Heating oil futures edged up more than 6% over the week, with prices rising up to $1.3089 per gallon.

Price Changes (%)

	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Crude oil	4.84	9.9	35.85	-1.95	-24.45	-22.13
Brent oil	4.66	11.47	40.18	-6	-28.9	-28.09
Natural gas	12.51	19.29	0.05	-14.16	-15.62	-17.88
Heating oil	6.22	8.71	31.46	-11.45	-30.27	-30.04

Changes in U.S. inventories (%)

	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Crude oil	0.39	2.95	10.7	13.01	10.14	11.36
Gasoline	-0.05	-4.03	-2.18	9.04	6.16	5.17
Natural Gas	0.28	0.24	-24.66	-34.87	52.49	61.4
Distillate Fuel	-2.17	-0.87	-2.79	10.29	23.66	24.04

S&P GSCI Energy Index	*%*
Weekly	5.57
Monthly	7.73
3 Months	21.4
6 Months	-19.56
12 Months	-41.39

Energy Futures Long-Term Price Forecasts (USD)

	Q2 16			Q3 16			Q4 16			Q1 17		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
Crude oil	34	85	44.3	35	85	48.45	35	90	49.81	37	92.5	50.31
Brent oil	34	90	46.61	17.5	90	49.92	36	95	50.78	36.5	100	51.57
Natural gas	28	38	31.72	25	38	30.6	32	41	36.88	34	45	39.05
Heating oil	113.1	125	117.37	117.9	145	127.3	123.8	175	144.93	136	180	152