

Summary

US President Trump's declaration of a "phase one" of a trade deal with China has driven a rally in base metals (+1.9%) and agriculture (+3.3%) over the past month. However, the fact that China's President Xi has failed to acknowledge it as a deal has meant that defensive hedges are still in play. Gold has not lost much ground and hovers close to the US\$1500/oz level. Other defensive currencies like the Yen and the Swiss Franc have been trading in a tight range.

As this Commodity Monthly Monitor goes to print, the London Metals Week will be coming to a close. The mood among participants is generally more positive than last year notwithstanding trade uncertainties. However, last week the big United Nations metal study groups published their forecasts for 2020 supply and demand balances. For 2020 they expect surpluses for copper, lead and zinc, from deficits in 2019. We are somewhat sceptic, based on the pattern of historic revisions. Usually balances are revised down. As such the market has not reacted negatively to these releases.

We are little over a month away from the OPEC+ (Organization of the Petroleum Exporting Countries and its partnering countries) meeting. We expect the oil cartel to extend cuts to production. According to news reports, Saudi Arabia is due to launch its initial public offering of Saudi Aramco on 3rd November 2019, with the view to commence trading on the domestic Tadawul stock exchange on 11th December 2019. Given the valuation gap between what the Saudi Crown Prince wants (US\$2trn) and what market consensus expects (US\$1.2-1.5trn), Saudi Arabia will be keen to keep the pressure on the OPEC cartel to maintain stable – if not higher – oil prices, especially before the company starts trading on any of the international exchanges.

- Agricultural commodities stage a strong rebound following optimism on the first phase of a trade deal between US-China.** China is expected to resume net purchases of US agricultural product at a level last seen prior to the trade wars in 2018. Net speculative positioning for agricultural commodities except for sugar, coffee and lean hogs rose higher reflecting the renewed positive sentiment.
- Oil markets beginning to price in December cuts by OPEC+.** Oil markets spiked in the middle of September when Saudi oil facilities became the subject of a drone attack and retreated quickly as authorities assured the damage was minimal. OPEC+ countries are now expected to offset some of the price weakness with further cuts in December. Markets are now beginning to price this in.
- Industrial metal prices led by zinc, lead and copper rebound after the International Study Groups for various metals revised the year end balances for 2019 lower.** The release of better economic activity data in China coupled with the prospect of dollar weakness should support the industrial metals complex.
- Palladium shines in a dull month for precious metals.** The precious metals basket was relatively flat last month following strong performance in recent months. Palladium was the standout performer with an 8.1% price rally. This was driven by further accumulation in speculative positioning with investors probably recognising that fundamentals still remain strong for the very industrial precious metal.

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Commodity Monthly Matrix¹

	Current Price ²	Returns (-1 Mth)	Price vs 200 days MA	Inventories ³ (-3 Mths)	Positioning ⁴ (-1 Mth)	Roll Yield ⁵	25 Oct Score	13 Sept Score
WTI Oil	57	0.3%	-1.0%	-2.7%	-14%	-0.1%	(1)	2
Brent Oil	62	-0.6%	-4.0%	0.1%	0%	0.5%	0	2
Natural Gas	2.3	-8.1%	-8.0%	40.4%	-74%	-6.5%	(4)	(1)
Gasoline	1.7	2.9%	-5.1%	-4.1%	8%	2.3%	3	0
Heating Oil	2.0	1.3%	1.8%	10.2%	31%	0.5%	2	1
Carbon	25.0	-0.9%	0.0%	-	-	-0.2%	(4)	(2)
Wheat	5.2	8.5%	6.8%	0.5%	590%	-1.1%	0	1
Corn	3.9	3.3%	0.4%	1.2%	47%	-2.7%	0	(4)
Soybeans	9	3.5%	4.1%	-8.9%	1097%	-1.5%	2	0
Sugar	0.1	4.7%	1.4%	-	-16%	-0.6%	(1)	(2)
Cotton	0.6	9.3%	-3.6%	4.1%	132%	-1.4%	(1)	(1)
Coffee	1.0	-1.5%	2.3%	-	-64%	-3.3%	(3)	(1)
Soybean Oil	0.3	6.6%	7.7%	3.1%	78%	-0.7%	0	(3)
Cocoa	2,435	-1.4%	3.8%	-	212%	-1.9%	0	(3)
Aluminium	1,734	-0.3%	-3.8%	-10.6%	-16%	-0.3%	(2)	1
Copper (COMEX)	2.7	3.1%	-1.9%	-10.3%	0%	-0.3%	1	(1)
Copper (LME)	5,914	2.5%	-2.0%	-11.7%	47%	-0.1%	1	(3)
Zinc	2,555	10.7%	-1.1%	-19.2%	13%	0.7%	3	(1)
Nickel	16,793	-3.8%	20.5%	-47.2%	-24%	0.0%	(1)	1
Lead	2,235	6.1%	11.4%	-4.2%	9%	0.2%	4	(2)
Tin	16,664	0.8%	-12.1%	-13.7%	-9%	-0.1%	(1)	(2)
Gold	1,500	-0.4%	8.6%	-	-19%	-	(2)	(2)
Silver	18	-0.2%	12.2%	-	-17%	-	(2)	4
Platinum	929	0.1%	8.3%	-	0%	-	0	4
Palladium	1,744	8.1%	18.6%	-	4%	-	4	4
Live Cattle	1.1	8.7%	-1.9%	-	118%	-3.5%	0	(4)
Lean Hogs	0.6	0.5%	-9.7%	-	-2%	-11.5%	(3)	(4)
Feeder Cattle	1.5	2.9%	3.7%	-	1589%	0.2%	4	0

The score matrix is designed to highlight significant changes in key variables but should not be viewed as predictor of performance. Source: WisdomTree, Bloomberg

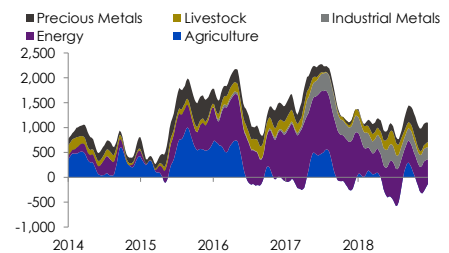
Performance²

	- 1 Mth	- 6 Mth	- 12 Mth
All Commodities	0.9%	-1.1%	-3.9%
Energy	-1.2%	-11.0%	-16.1%
Industrial Metals	1.9%	1.0%	2.1%
Precious Metals	-0.4%	17.8%	21.3%
Agriculture	3.3%	1.6%	-6.2%
MSCI World	2.1%	3.0%	12.9%
US Aggregate Bond	0.1%	5.2%	10.6%

Bloomberg TR Indices for basket returns, data to Friday 25 October 2019. Source: WisdomTree, Bloomberg

CFTC Net Speculative Positioning

(in '000 contracts)



Source: WisdomTree, Commodity Futures Trading Commission (CFTC), Bloomberg

- Information not available. Green = returns positive, inventories falling, positioning rising, roll yield positive. Red = the opposite. Black = neutral. 1 Detailed explanation of the matrix calculations can be found at the end of this report. 2 All prices are futures prices to Friday 25 Oct 19. Broad sector returns based on Bloomberg Commodity Index family. 3 % change in inventory over the past 3 months except for sugar and coffee which are based on past 6 months as data is updated bi-annually by USDA. 4 CFTC futures and LME COIR net positioning as of Sep 10, 2019 and Sep 13, 2019 respectively, % change from previous month. 5 Calculated as % difference between front month and second month futures prices on report date.

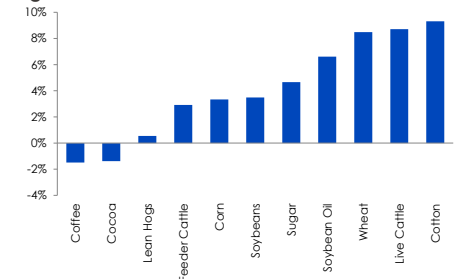
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Sector Overview

Agriculture

- Optimism surrounding the first phase of the US China trade deal drove agricultural commodities higher over the prior month. China is expected to resume purchases of US agricultural products at a level last seen before the trade wars began in 2018. In exchange the US plans to import cooked poultry products from China and delay further tariffs slated for this month. The first phase of the trade deal is expected to be signed on Nov 16-17 at the Asia-Pacific Economic Cooperation summit in Santiago, Chile. Cotton prices staged the strongest recovery, up 9.3%, the price response is likely related to better prospects of trade relations between US and China, as China is a major supplier of cotton textiles to the US and is also the world's largest importer of cotton.
- Wheat posted strong gains, rising 8.5% over the prior month as its recent inclusion in the Chinese list of agricultural commodity purchases from the US helped improve sentiment. We expect further upside for wheat to be capped as the US Department of Agriculture (USDA) has raised its estimate for global wheat ending stocks in October to a record 287.8mn owing to higher supply and lower use.

Agriculture - October Returns*

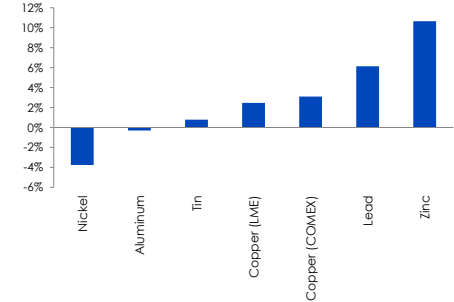


Source: Bloomberg

Industrial Metals

- Chinese economic data disappointed in September. According to the National Bureau of Statistics (NBS), the Chinese economy grew by 6.0% in the third quarter, which marked its weakest level since 1992. Despite the release of weak GDP growth in China, commodity demand in China was resilient as reported by NBS. Economic activity data for September was slightly better – industrial production recovered from the prior month and rose by 5.8%. Fixed asset investments increased by 5.4%. Real estate continued to be the key driver for industrial commodity demand as property investment maintained a 10.5% year on year (yoy) growth last month. We expect the strong momentum to continue next month as the macro backdrop remains broadly constructive. Additional monetary easing in the US and subsequent dollar weakness is likely to support industrial metal prices.
- Lead and zinc led the gains across industrial metals over the period owing to higher supply deficits in the first half of the year versus last year according to the International Lead and Zinc Study Group (ILZSG). The zinc market witnessed a combination of short supply coupled with higher demand, but the situation is likely to ease as supply exceeded demand in June. While the lead market experienced a high deficit as robust demand from China and India helped offset rising supply.
- The high supply deficit of 160,000 tons (January – May) reported by the International Copper Study Group (ICSG) helped lend a tailwind to copper prices over the period. Smelter outages in Chile, forced closure of a large smelter in India and power supply shortages in Zambia were to blame for the reduced refined copper production this year. However, in sharp contrast to the previous estimate in April, the ICSG now expects refined copper production to surge by 4.2% to nearly 25.3mn tonnes in 2020 which should result in production surplus of almost 300,000 tonnes. According to ICSG demand is likely to abate after rising slightly this year, to grow by 1.7% next year.

Industrial Metals - October Returns*

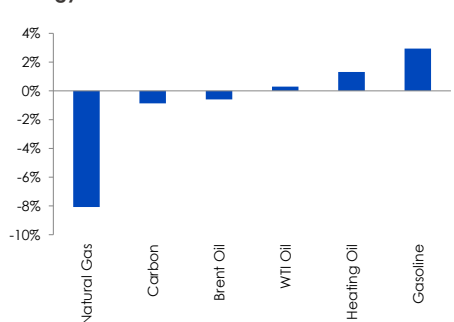


Source: Bloomberg

Energy

- The relatively flat return for oil during the month masks the developments behind the scenes. In the first half of the month, oil prices were retreating following the spike that occurred in the middle of September when Saudi oil facilities suffered a drone attack. Prices retreated quickly as Saudi authorities assured markets that the damage was less than what was initially suspected and that supply had been restored swiftly. Markets then resumed their focus on demand growth destruction driven by soft global economic data, which has been the primary cause for weakness in oil markets this year. However, in the second half of the month, oil markets picked up again to pare earlier losses on the back of expectations that OPEC and its partners (collectively referred to as OPEC+) will agree to cut supplies further when they next meet in December. This will serve to offset some of the weakness in global demand growth and facilitate a more favourable valuation for Saudi Aramco in its upcoming initial public offering (IPO).
- Natural gas had another challenging month with a price decline of 8.1% continuing its seasonal trend of low demand through the summer months. This has been reflected in net negative and worsening speculative positioning for the commodity since spring this year. As we enter winter, demand is expected to pick up again for heating purposes and we may see a rebound in speculative positioning and concurrently prices.

Energy - October Returns*

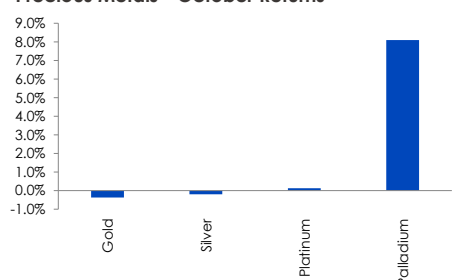


Source: Bloomberg

Precious Metals

- Gold continued to hover around the \$1500/oz mark throughout the month as small macroeconomic and geopolitical jolts kept investor appetite in the haven asset high. Speculative positioning, which has driven the strong performance of the yellow metal this year, came off very slightly during the month but remains within a region we characterise as significantly elevated. Trade tensions, conflict in Syria, Brexit prolongation and soft economic data from both the US and China are some of the factors keeping gold in demand. Under our central yet conservative scenario, we expect the current economic environment to continue and speculative positioning to come down from around 300k contracts today to around 120k contracts by end of Q2 next year. This is likely to take us to a gold price of \$1550/oz at the same time. In an alternative scenario, where speculative positioning remains elevated as it is today and all other economic conditions remain unchanged still, gold could exceed the \$1800/oz mark.
- The broader precious metals basket has been experiencing a rally since June this year driven by its correlation to gold, albeit to different extents for different metals. Last month, palladium was the standout performer in the basket rallying 8.1%. While this was supported primarily by a meaningful uptick in speculative positioning, we believe investor sentiment is being fuelled by an appreciation for the growing demand for palladium in the automobile industry relative to its tight supply. Platinum on the other hand, which is used primarily in catalytic converters for diesel cars, has weaker fundamentals and its correlation rally may be losing steam.

Precious Metals - October Returns*



Source: Bloomberg

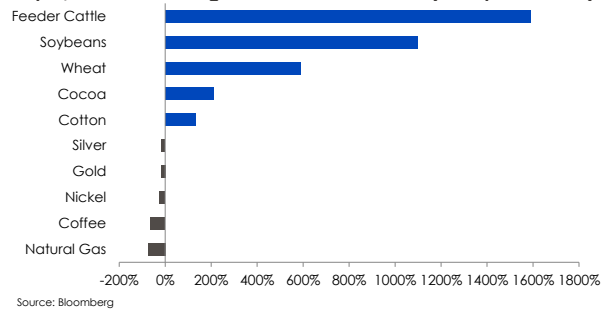
*Note: all returns are based on front month futures prices in the month to Friday 25 October 2019. Historical performance is not an indication of future performance and any investments may go down in value.

Technical Overview (as of Oct 25, 2019)

Positioning

- Net speculative positioning on most agricultural commodity futures except for sugar, coffee and lean hogs rose higher as investors trimmed their short positions on corn (by 23%), soybeans (41%), wheat (19%), cotton (36%), soybean oil (47%), cocoa (18%), live cattle (29%) and feeder cattle (24%).
- Net positioning for natural gas became more negative during the month continuing the trend from recent months driven by demand weakness through the summer.
- Net speculative positioning in gold and silver came off very slightly last month. Gold's positioning remains considerably elevated and is hovering around all-time highs. The uptick in silver's speculative positioning has been directionally similar to gold due to silver's precious metal attributes but smaller in magnitude owing to weaker demand for silver as an industrial metal.

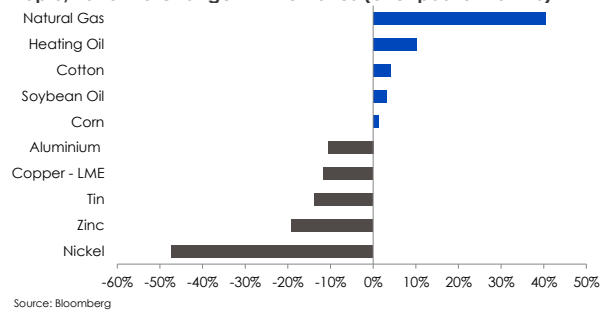
Top 5/Bottom 5 Change in CFTC Net Positions (over past month)¹



Inventories

- Cotton inventories increased 4.1% over the prior 3 months. According to USDA, global ending cotton stocks are forecasted to rise 3mn bales more than the prior year.
- Inventories for nickel, zinc, tin, copper, aluminium in storage houses on the London Metal Exchange (LME) and Shanghai Futures Metal Exchange (SHFE) are down 47.2%, 19.2%, 13.7%, 11.7% and 10.6% respectively over the last 3 months.
- Natural gas inventories continued to build during the month in line with seasonal trends as we approach winter when heating demand picks up. Heating oil inventories followed suit for similar reasons.

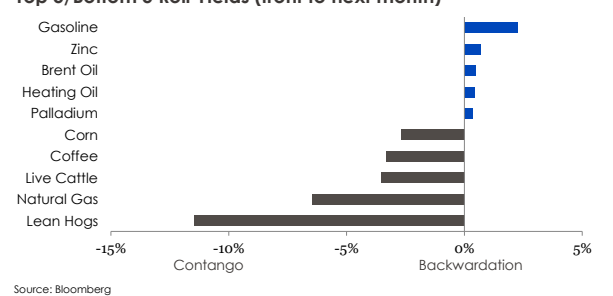
Top 5/Bottom 5 Change in Inventories (over past 3 months)²



Curve Dynamics

- Corn, coffee, live cattle and lean hog futures are in contango. Roll yields are considerably negative with lean hogs at -11.5% and corn at -2.7% indicating that the markets are in over-supply in the short-term.
- The front end of the zinc futures curve moved further into backwardation over the prior month with a positive roll yield of 0.7%.
- Gasoline remains in backwardation on account of its seasonal futures curve. Spot prices for Brent moved during the month as discussed in the summary but the shape of the curve looks relatively similar to what it was a month ago. Brent is in backwardation as markets continue to expect current tightness to persist in the short term but a potential supply surplus to emerge in H1 2020 on account of demand growth destruction. This means that prices for delivery in 6 months are lower than that for prompt delivery.

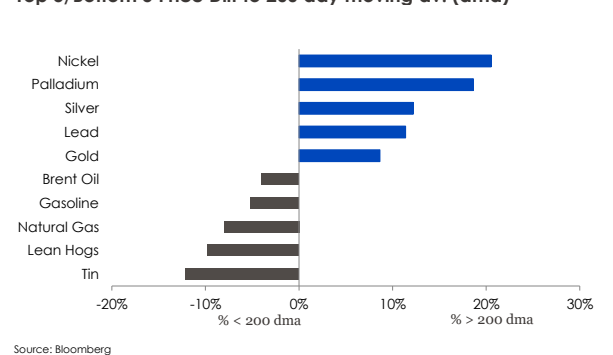
Top 5/Bottom 5 Roll Yields (front to next month)³



Technical

- Lead prices are trading 11.4% above its 200-dma as the outlook improves following the higher supply deficits projected by ILZSG.
- Due to seasonal weakness in natural gas, price for the commodity is now 8% below its 200-dma. Similarly, weakness in oil markets in recent months mean that Brent is now 4% below its 200-dma.
- Despite a relatively flat month for gold and silver, both metals remain well above their 200-day moving averages on account of their strong rally in recent months. Palladium, which stayed on its upward trajectory last month and experienced a price appreciation of 8.1%, now stands at 18.6% above its 200-dma.

Top 5/Bottom 5 Price Diff to 200 day moving av. (dma)⁴



¹ CFTC futures net positioning as of report date, percent change from previous month. ² Percent change in inventory based on 3 month change (in %).

³ Roll yields calculated as percent change between front month futures price and next month futures price on Oct 25, 2019.

⁴ Percent difference between the front month futures price and its 200 day moving average on Oct 25, 2019.

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Summary Tables



PRICES ¹	Current	Unit	1 Month	3 Month	6 Month	1 Year	ROLL YIELDS ²	Unit	Exchange	25-Oct	1 Week	1 Month	3 Month
Energy							Energy						
WTI Oil	57	USD/bbl.	0.3%	1.1%	-13.1%	-15.8%	WTI Oil	USD/bbl.	NYMEX	-0.1%	-0.2%	0.3%	-0.2%
Brent Oil	62	USD/bbl.	-0.6%	-2.2%	-16.6%	-19.3%	Brent Oil	USD/bbl.	ICE	0.5%	0.6%	1.6%	0.2%
Natural Gas	2.3	USD/MMBtu	-8.1%	2.5%	-8.5%	-28.2%	Natural Gas	USD/MMBtu	NYMEX	-6.5%	-7.8%	-0.6%	0.8%
Gasoline	1.7	USD/gal.	2.9%	-11.0%	-21.5%	-7.7%	Gasoline	USD/gal.	NYMEX	2.3%	2.9%	1.6%	3.0%
Heating Oil	2.0	USD/gal.	1.3%	3.4%	-5.6%	-13.1%	Heating Oil	USD/gal.	NYMEX	0.5%	0.9%	0.2%	-0.4%
Carbon	25.0	EUR/MT	-0.9%	-13.9%	-8.2%	30.9%	Carbon	EUR/MT	ICE	-0.2%	-0.2%	-0.1%	-0.1%
Agriculture							Agriculture						
Wheat	5.2	USD/bu.	8.5%	3.7%	19.1%	6.3%	Wheat	USD/bu.	CBOT	-1.1%	-0.9%	-1.3%	-1.5%
Corn	3.9	USD/bu.	3.3%	-7.6%	11.3%	7.1%	Corn	USD/bu.	CBOT	-2.7%	-2.9%	-2.9%	-2.1%
Soybeans	9.2	USD/bu.	3.5%	4.3%	7.1%	9.3%	Soybeans	USD/bu.	CBOT	-1.5%	-1.4%	-1.5%	-0.6%
Sugar	0.1	USD/lb.	4.7%	2.9%	-0.1%	-11.6%	Sugar	USD/lb.	NYBOT	-0.6%	-0.7%	-6.8%	-7.6%
Cotton	0.6	USD/lb.	9.3%	1.7%	-15.7%	-16.5%	Cotton	USD/lb.	NYBOT	-1.4%	-1.0%	-1.8%	-0.6%
Coffee	1.0	USD/lb.	-1.5%	-1.2%	8.0%	-17.9%	Coffee	USD/lb.	NYBOT	-3.3%	-3.4%	-3.4%	-3.5%
Soybean Oil	0.3	USD/lb.	6.6%	9.5%	12.0%	9.1%	Soybean Oil	USD/lb.	CBOT	-0.7%	-0.8%	-0.5%	-0.5%
Cocoa	2,435	USD/MT	-1.4%	0.0%	6.1%	10.2%	Cocoa	USD/MT	NYBOT	-1.9%	-1.1%	-0.4%	-2.2%
Industrial Metals							Industrial Metals						
Aluminum	1,734	USD/MT	-0.3%	-4.1%	-5.7%	-12.7%	Aluminum	USD/MT	LME	-0.3%	-0.2%	-0.9%	-0.5%
Copper	2.7	USD/lb.	3.1%	-0.7%	-6.5%	-2.9%	Copper	USD/lb.	COMEX	-0.3%	-0.3%	-0.7%	-0.3%
Copper (LME)	5,914	USD/MT	2.5%	-1.4%	-7.0%	-5.2%	Copper (LME)	USD/MT	LME	-0.1%	-0.2%	-0.2%	-0.1%
Zinc	2,555	USD/MT	10.7%	4.8%	-9.0%	-4.8%	Zinc	USD/MT	LME	0.7%	0.7%	0.4%	-0.2%
Nickel	16,793	USD/MT	-3.8%	19.4%	36.8%	38.9%	Nickel	USD/MT	LME	0.0%	0.2%	0.4%	-0.2%
Lead	2,235	USD/MT	6.1%	5.4%	16.2%	11.3%	Lead	USD/MT	LME	0.2%	0.2%	-0.3%	0.0%
Tin	16,664	USD/MT	0.8%	-6.7%	-16.2%	-14.0%	Tin	USD/MT	LME	-0.1%	-0.1%	0.0%	-0.1%
Precious Metals							Precious Metals						
Gold	1,500	USD/t oz.	-0.4%	6.0%	17.5%	22.0%	Gold	USD/t oz.	COMEX	-0.4%	-0.4%	-0.5%	-0.5%
Silver	17.9	USD/t oz.	-0.2%	9.7%	20.5%	22.5%	Silver	USD/t oz.	COMEX	-0.8%	-0.8%	-0.6%	-0.4%
Platinum	929	USD/t oz.	0.1%	7.0%	4.9%	12.1%	Platinum	USD/t oz.	NYMEX	-0.5%	-0.4%	-0.8%	-0.6%
Palladium	1,744	USD/t oz.	8.1%	13.7%	24.0%	60.4%	Palladium	USD/t oz.	NYMEX	0.3%	0.5%	0.1%	0.1%
Livestock							Livestock						
Live Cattle	1.1	USD/lb.	8.7%	3.1%	-9.7%	-1.2%	Live Cattle	USD/lb.	CME	-3.5%	-2.8%	-5.1%	-1.1%
Lean Hogs	0.6	USD/lb.	0.5%	-24.5%	-26.1%	14.4%	Lean Hogs	USD/lb.	CME	-11.5%	-12.3%	-9.6%	9.3%
Feeder Cattle	1.5	USD/lb.	2.9%	2.0%	1.5%	-5.4%	Feeder Cattle	USD/lb.	CME	0.2%	0.5%	-0.6%	-0.3%
CFIC NET POSITIONING ³	Current	5 Yr Average	1 Month	6 Month	1 Year	INVENTORY LEVELS ⁴	Current	5 Yr Average	1 Month	3 Month	6 Month		
Energy						Energy							
WTI Oil	392,752	436,140	455,067	581,229	482,706	Oil - US	433,151	-2.7%	3%	-3%	-6%		
Brent Oil**	238,952	178,584	237,914	185,639	246,947	Oil - OECD Europe**	358	1%	-	0%	10%		
Natural Gas	-211,848	-115,236	-121,468	-60,595	-14,801	Natural Gas - DOE	3,606	-1%	13%	40%	169%		
Gasoline	63,079	71,973	58,504	98,956	93,673	Gasoline - DOE	223,094	0%	-3%	-4%	-1%		
Heating Oil	-1,974	11,904	-2,843	-12,192	37,935	Heating Oil - DOE	11,279	-9%	3%	10%	-2%		
Agriculture						Industrial Metals							
Wheat	19,397	-42,018	2,812	-56,260	-15,418	Aluminum	1,261,037	-50%	1%	-11%	-26%		
Corn	-58,128	59,290	-110,402	-270,560	87,295	Aluminum - LME	966,200	-54%	6%	-2%	-6%		
Soybeans	83,107	35,412	-8,333	-110,318	-33,353	Aluminum - SHFE	294,837	-34%	-13%	-30%	-56%		
Sugar	-203,643	46,315	-176,058	5,144	67,901	Copper	438,748	-19%	-4%	-10%	-6%		
Cotton	5,395	53,574	-17,035	42,548	56,116	Copper - LME	261,025	3%	-6%	-12%	34%		
Coffee	-50,621	-14,101	-30,932	-66,070	-38,341	Copper - SHFE	143,010	-22%	1%	-7%	-40%		
Soybean Oil	87,709	34,676	49,355	-29,628	-2,844	Copper - COMEX	34,713	-66%	-15%	-10%	-1%		
Cocoa	31,350	19,955	10,061	-2,345	-22,679	Nickel - LME	76,758	-77%	-50%	-47%	-56%		
Industrial Metals⁵						Zinc							
Copper (COMEX)	-40,532	886	-40,593	869	8,648	Zinc - LME	58,525	-82%	-3%	-23%	-23%		
Copper (LME)	17,625	33,808	11,984	42,659	48,070	Zinc - SHFE	64,075	-49%	-19%	-15%	-28%		
Aluminum	129,479	154,711	153,658	157,722	187,331	Lead	87,569	-53%	-7%	-4%	-19%		
Nickel	31,324	17,611	41,122	20,523	3,709	Lead - LME	69,259	-55%	-5%	23%	-8%		
Zinc	34,862	43,936	30,802	59,078	45,153	Lead - SHFE	18,319	-44%	-11%	-48%	-45%		
Lead	60,852	51,535	55,941	45,788	45,946	Tin	11,150	25%	-2%	-14%	28%		
Tin	8,181	7,990	9,026	7,947	7,035	Tin - LME	6,590	43%	1%	7%	609%		
Precious Metals						Tin - SHFE							
Gold	290,532	148,247	357,965	36,022	28,404	4,560	5%	-7%	-32%	-42%			
Silver	49,777	37,664	59,687	-3,071	-5,651	Agriculture							
Platinum	35,177	23,352	35,331	32,468	12,840	Wheat - USDA	287,800	46.8%	0.5%	0.5%	4.4%		
Palladium	13,302	13,531	12,780	8,962	13,600	Corn - USDA	302,550	107%	-1.2%	1.2%	-3.6%		
Livestock						Soybeans - USDA							
Live Cattle	52,261	80,779	23,936	183,134	97,625	Sugar - USDA	47,836	33%	-	-	-6%		
Lean Hogs	51,649	42,219	52,877	97,769	26,838	Cotton - USDA	83,690	17%	-0.1%	4.1%	9.5%		
Feeder Cattle	1,653	6,659	-111	10,928	2,527	Coffee - USDA	33,545	-7%	-	-	-8%		
						Soybean Oil - USDA	3,680	-11%	-	3%	-1%		

¹Performance of front month futures from 25 Oct 18 (1 Year), 25 Apr 19 (6 Month), 25 Jul 19 (3 Month) and 25 Sep 19 (1 Month) to 25 Oct 19.
²Roll return non-annualised from front month futures into second "1" month on 25 Jul 19 (3 Month), 25 Sep 19 (1 Month), 18 Oct 19 (1 Week), 25 Oct 19.

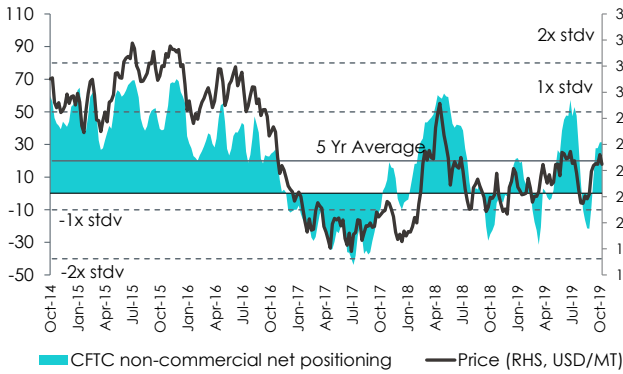
³Net positions in number of contracts. ⁴Current inventories relative to 1, 3, 6 months ago. Under the column "5 yr average" is the current inventory level relative to 5 year average inventory. For energy, 5 yr average is the average of the same month as report month over the past 5 years. SHFE started reporting inventory data from April 2015. ⁵All industrial metals positioning data (excluding copper) is sourced from LME COIR data in Bloomberg from 30 January 2018 (first available date) under post-MIFID rules. **Brent 5 Yr average of net positions from January 2011 as positions were not reported by CFIC before then and inventory data (OECD) reported with 3 month lag with current = June 2019.

Historical performance is not an indication of future performance and any investments may go down in value.

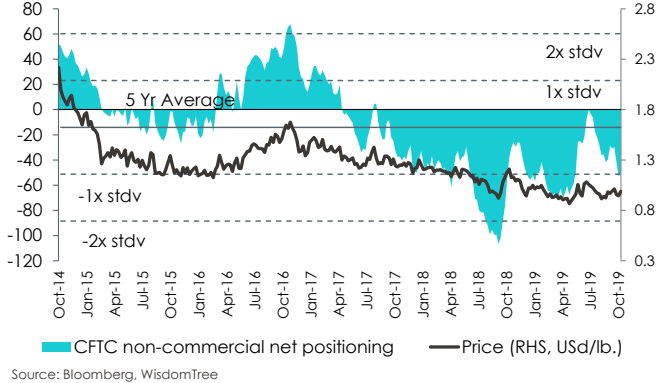
CFTC Speculative Net Long Futures Positions

Agriculture

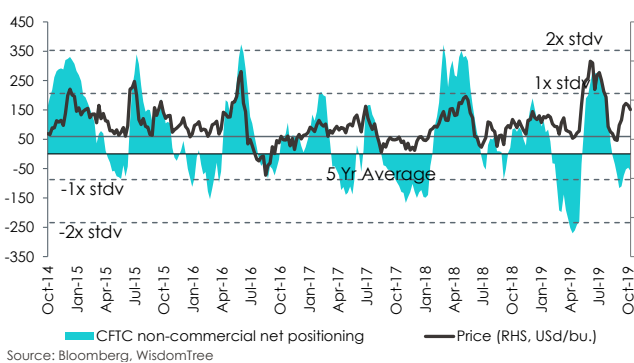
Cocoa



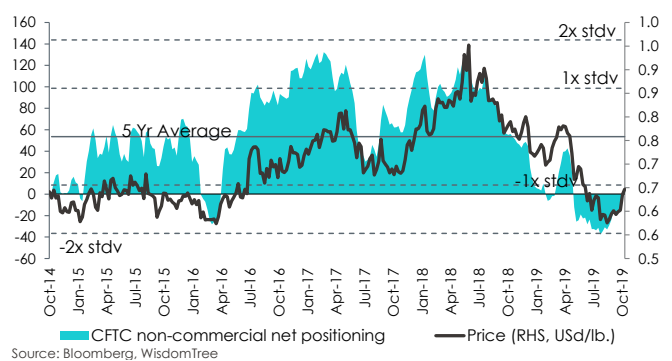
Coffee



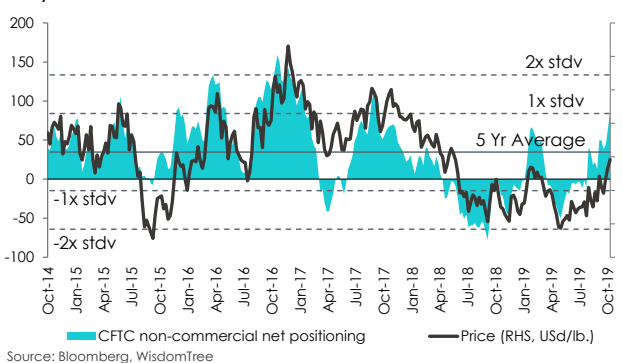
Corn



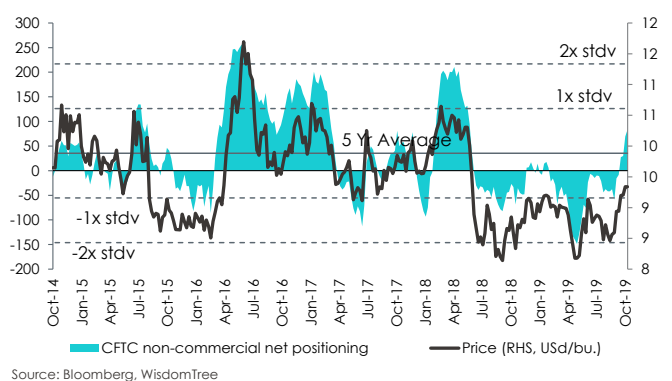
Cotton



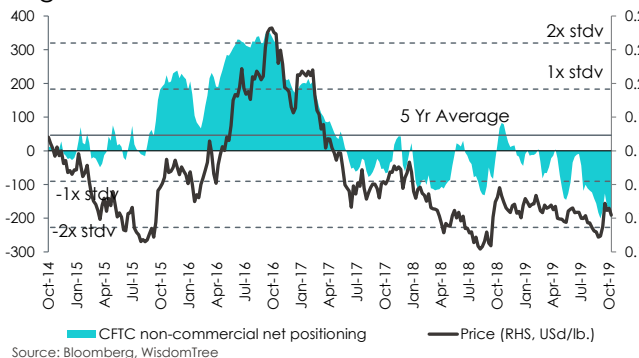
Soybean Oil



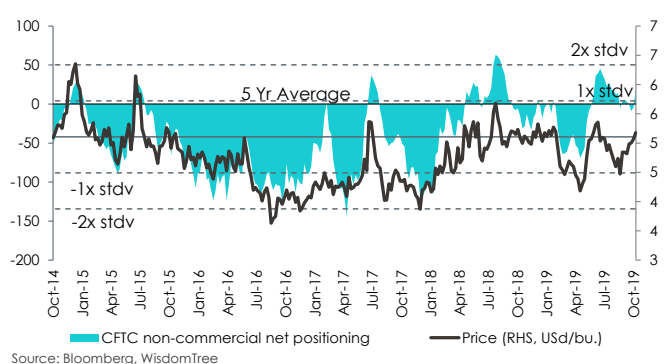
Soybeans



Sugar



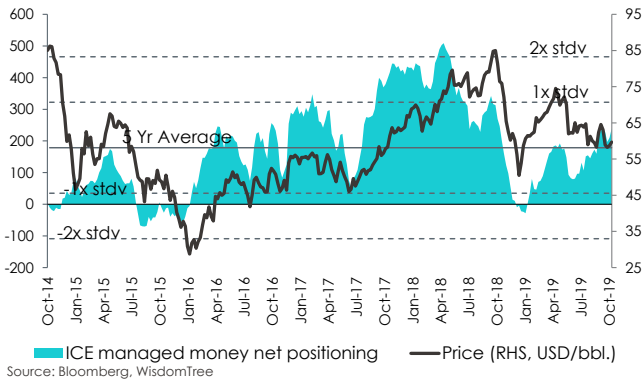
Wheat



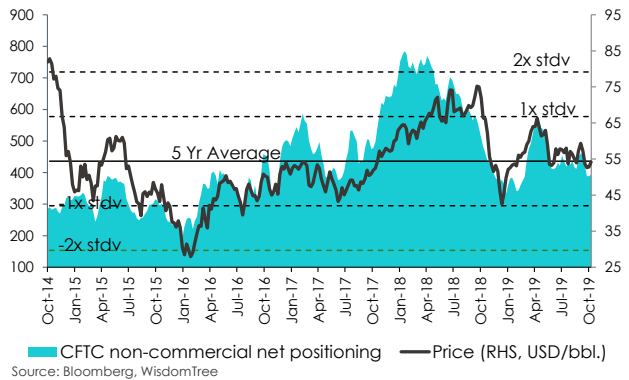
Note: positioning in '000 contracts. Standard deviation based on 5 year average CFTC non-commercial net positioning
 All commodity futures price data is denominated in USD unless otherwise indicated. CFTC futures and LME COIR net positioning as at Sep 10, 2019 and Sep 13, 2019 respectively.
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Energy

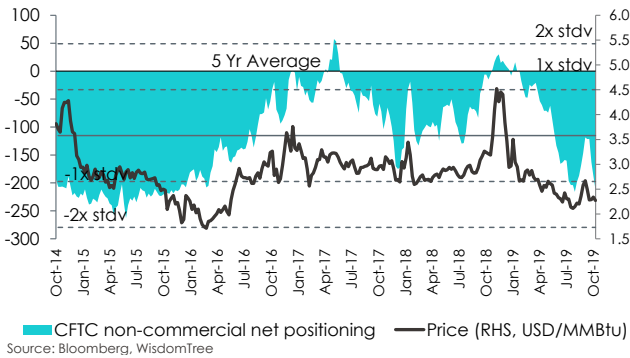
Brent Oil



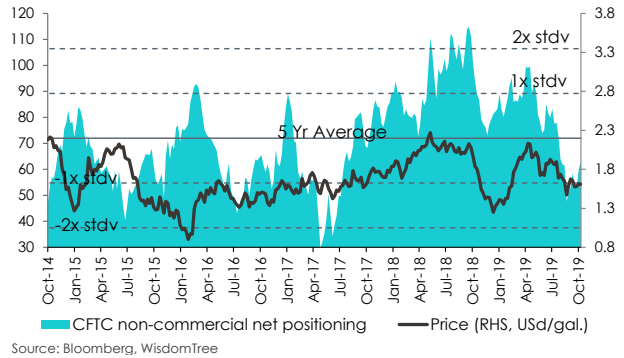
WTI Oil



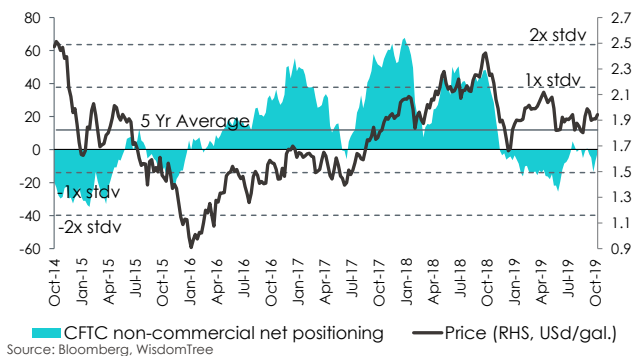
Natural Gas



Gasoline

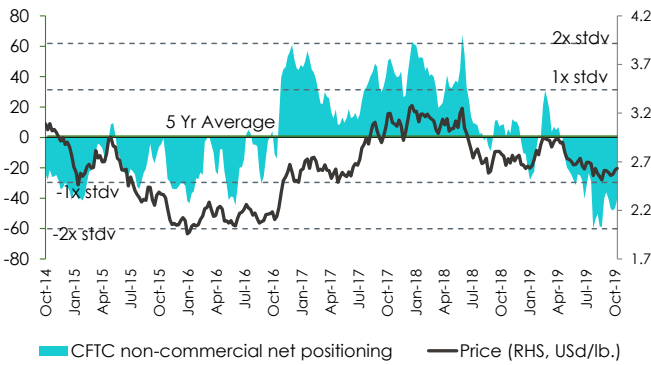


Heating Oil

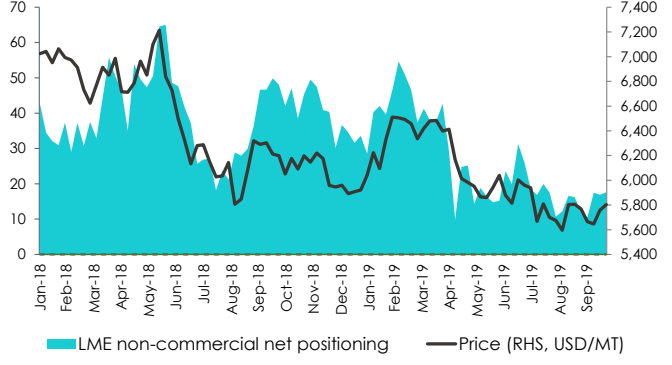


Industrial Metals

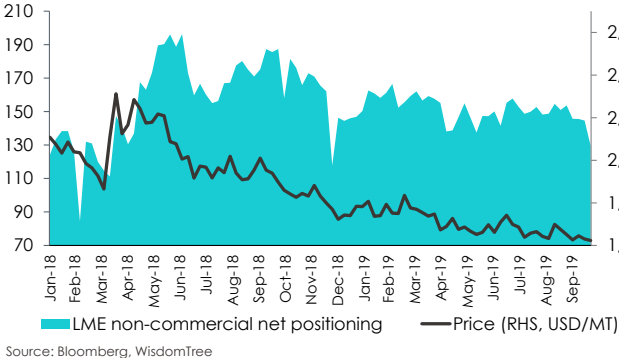
Copper (COMEX)



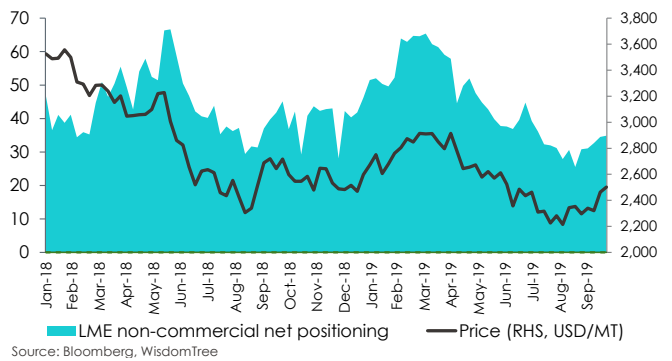
Copper (LME)



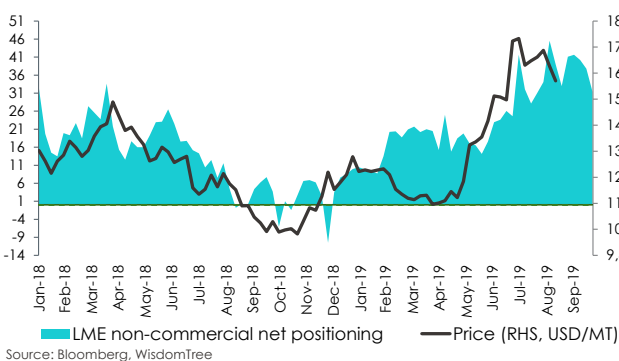
Aluminum



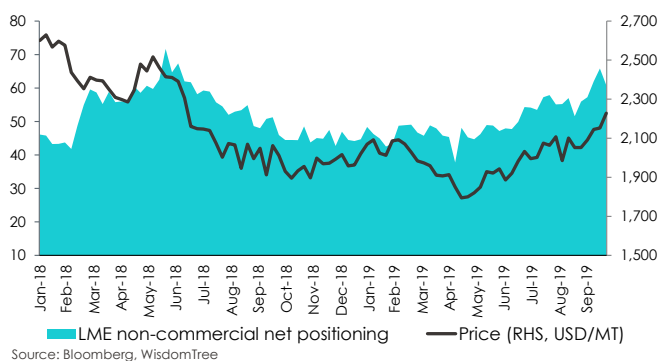
Zinc



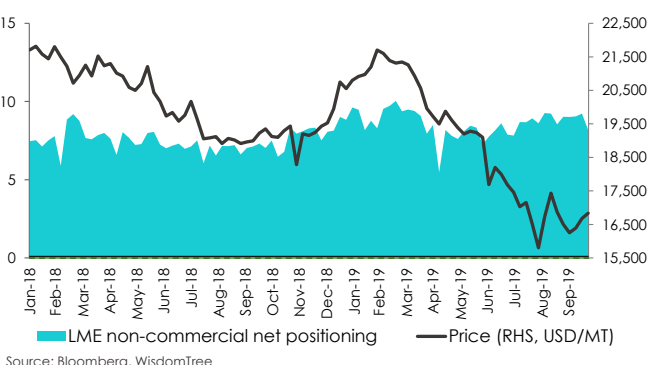
Nickel



Lead



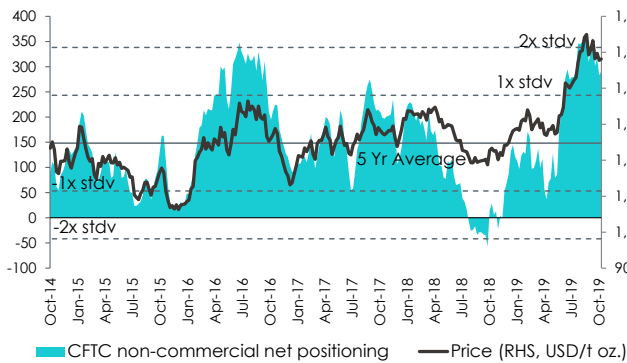
Tin



Note: positioning in '000 contracts. Standard deviation based on 5 year average CFTC non-commercial net positioning. LME non-commercial net positions from 30 January 2018 post MIFID II data and respective graphs represent daily data. All commodity futures price data is denominated in USD unless otherwise indicated. **Historical performance is not an indication of future performance and any investments may go down in value.**

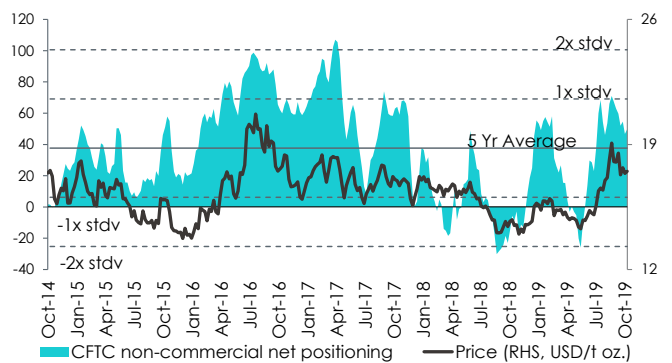
Precious Metals

Gold



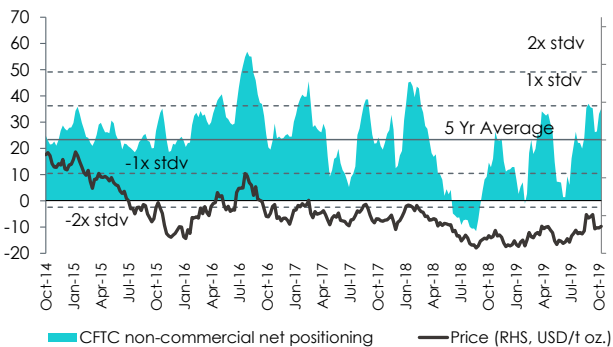
Source: Bloomberg, WisdomTree

Silver



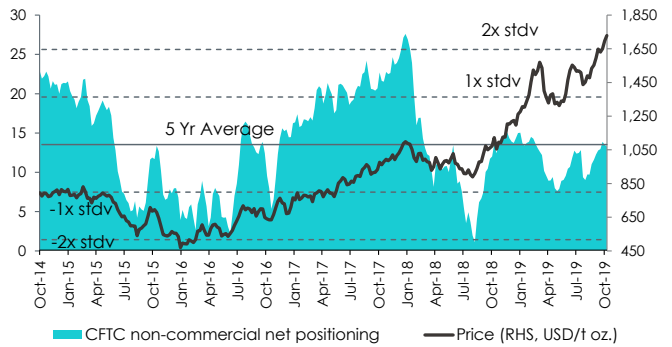
Source: Bloomberg, WisdomTree

Platinum



Source: Bloomberg, WisdomTree

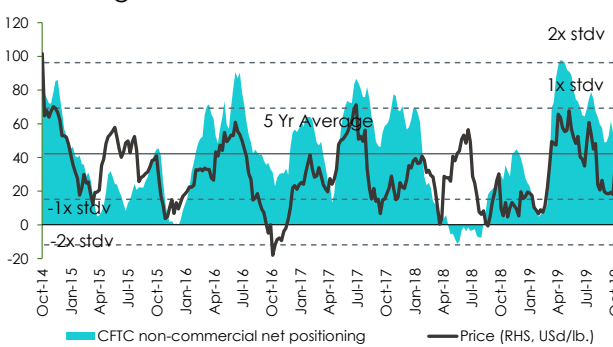
Palladium



Source: Bloomberg, WisdomTree

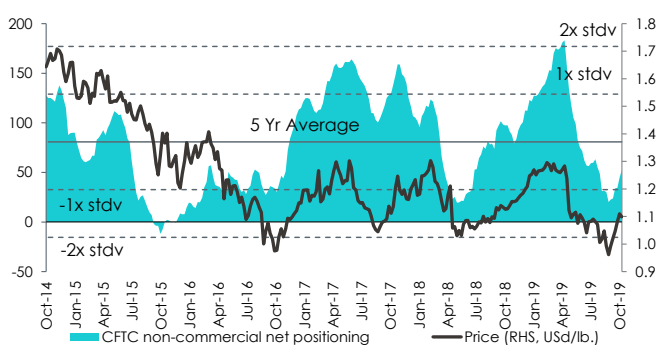
Livestock

Lean Hogs



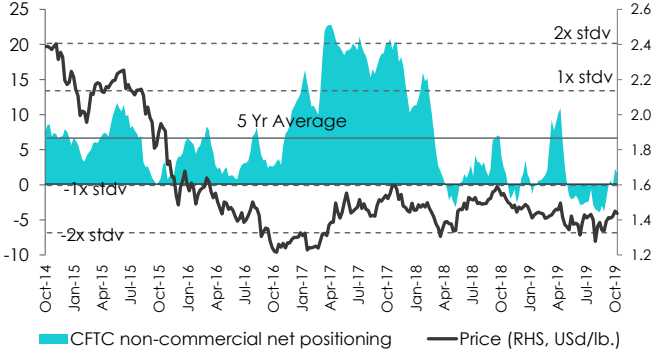
Source: Bloomberg, WisdomTree

Live Cattle



Source: Bloomberg, WisdomTree

Feeder Cattle



Source: Bloomberg, WisdomTree

Note: positioning in '000 contracts. Standard deviation based on 5 year average CFTC non-commercial net positioning. respective graphs represent daily data. All commodity futures price data is denominated in USD unless otherwise indicated.

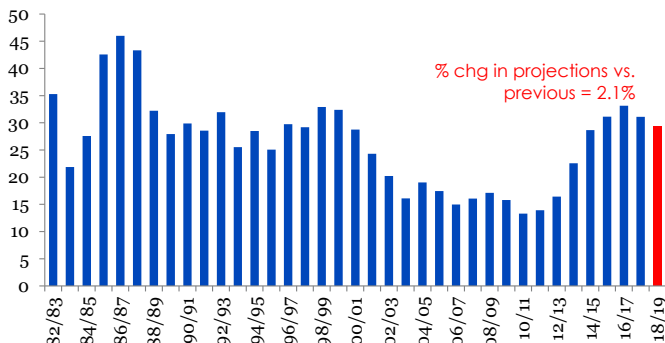
Historical performance is not an indication of future performance and any investments may go down in value.

Inventories

Agriculture

Corn - Stock to Use

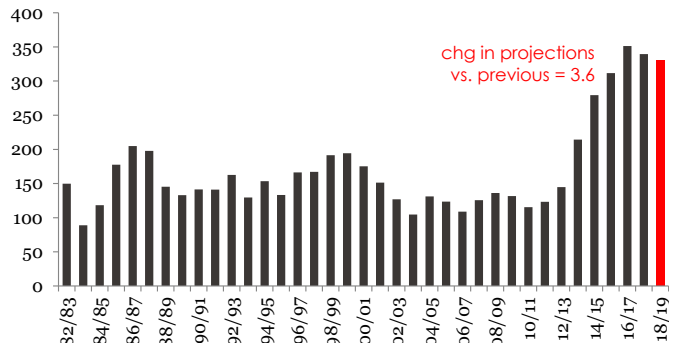
Annual data in %, from 1980 to 2018



Source: USDA, Bloomberg, WisdomTree

Corn - Ending Stocks

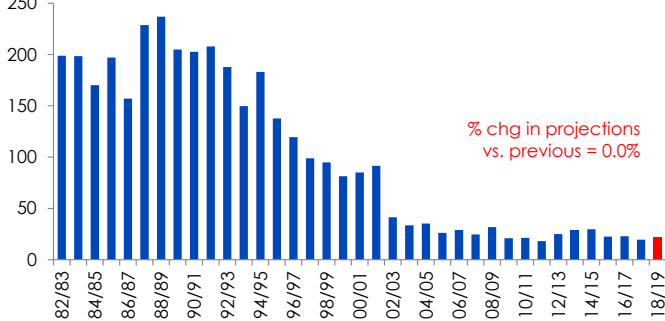
Annual data in mln tons, from 1980 to 2018



Source: USDA, Bloomberg, WisdomTree

Coffee - Stock to Use

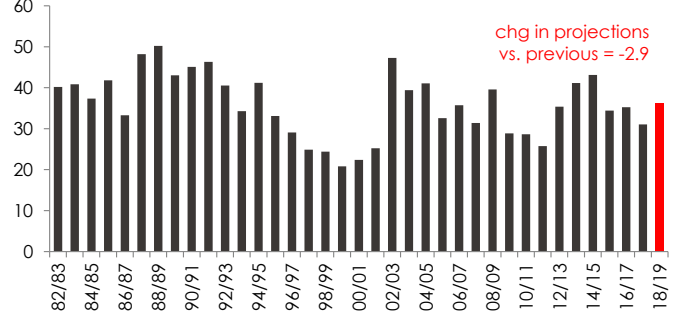
Annual data in %, from 1980 to 2018



Source: USDA, Bloomberg, WisdomTree

Coffee - Ending Stocks

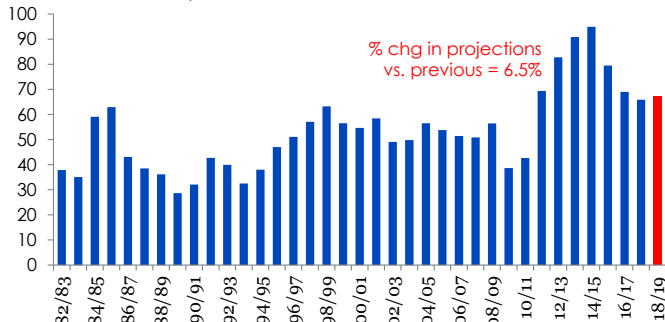
Annual data in mln bags (60 kg), from 1980 to 2018



Source: USDA, Bloomberg, WisdomTree

Cotton - Stock to Use

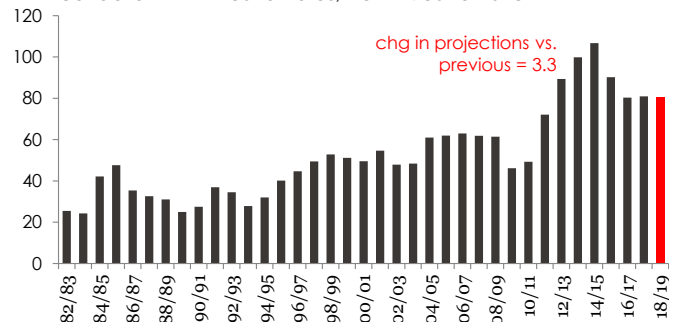
Annual data in %, from 1980 to 2018



Source: USDA, Bloomberg, WisdomTree

Cotton - Ending Stocks

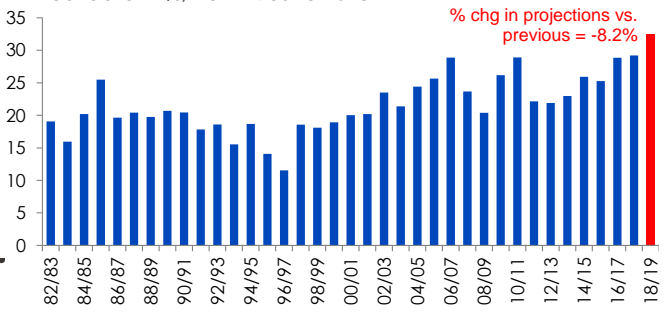
Annual data in mln 480 lb Bales, from 1980 to 2018



Source: USDA, Bloomberg, WisdomTree

Soybeans - Stock to Use

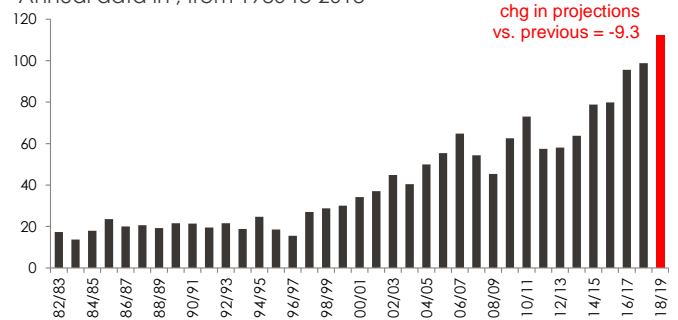
Annual data in %, from 1980 to 2018



Source: USDA, Bloomberg, WisdomTree

Soybeans - Ending Stocks

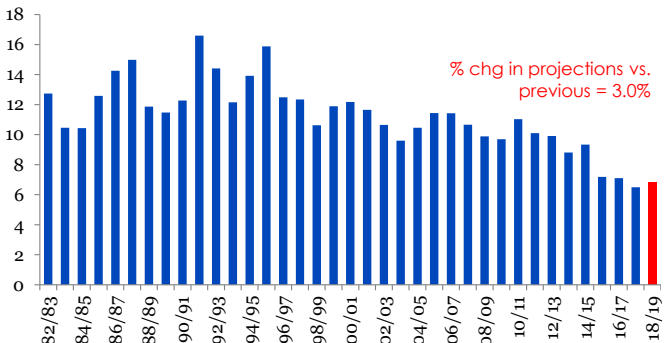
Annual data in , from 1980 to 2018



Source: USDA, Bloomberg, WisdomTree

Soybean Oil - Stock to Use

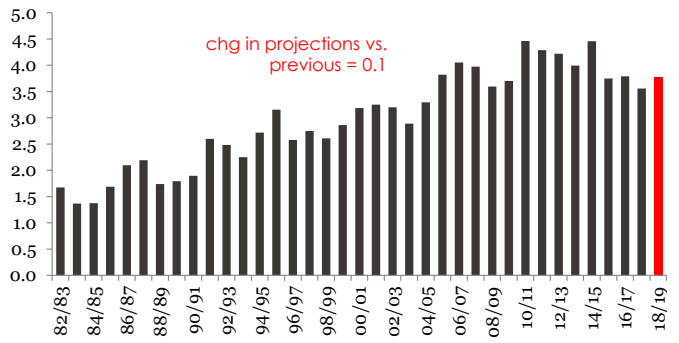
Annual data in %, from 1980 to 2018



Source: USDA, Bloomberg, WisdomTree

Soybean Oil - Ending Stocks

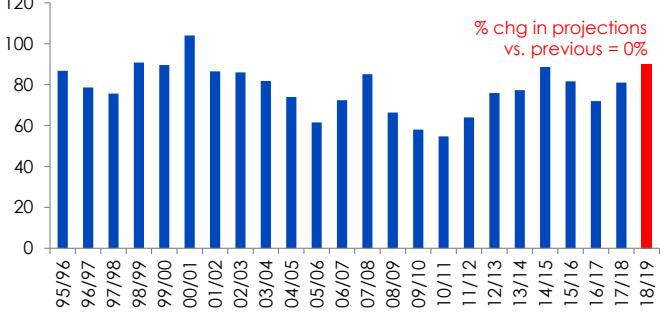
Annual data in mln Metric Tons, from 1980 to 2018



Source: USDA, Bloomberg, WisdomTree

Sugar - Stock to Use

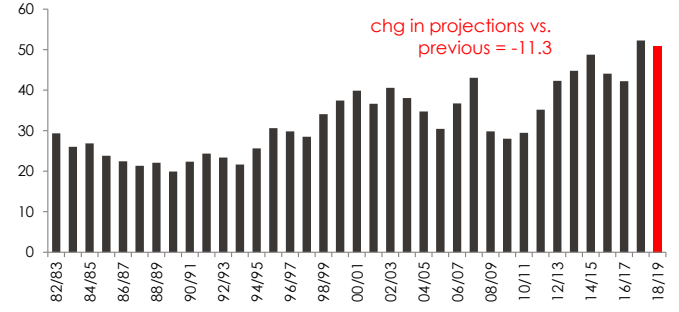
Annual data in %, from 1998 to 2018



Source: USDA, Bloomberg, WisdomTree

Sugar - Ending Stocks

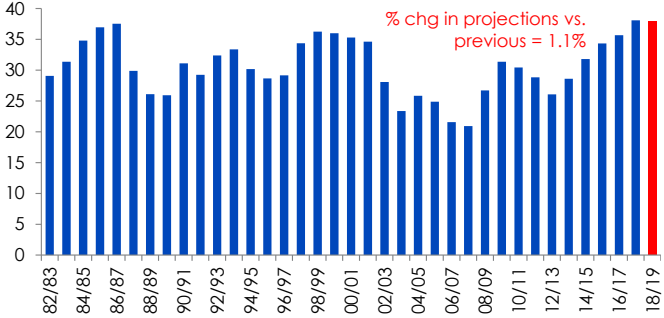
Annual data in mln Metric Tons, from 1980 to 2018



Source: USDA, Bloomberg, WisdomTree

Wheat - Stock to Use

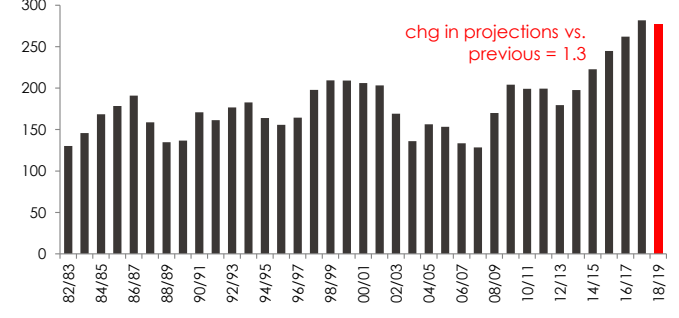
Annual data in %, from 1980 to 2018



Source: USDA, Bloomberg, WisdomTree

Wheat - Ending Stocks

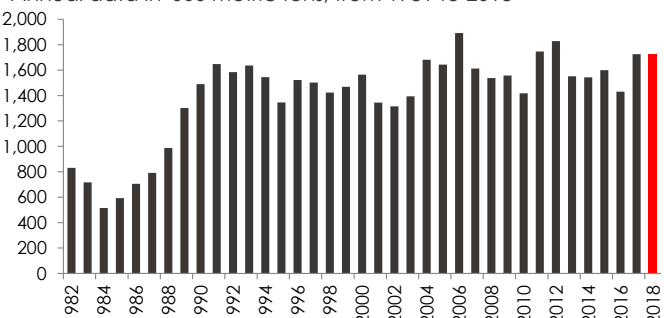
Annual data in mln tons, from 1980 to 2018



Source: USDA, Bloomberg, WisdomTree

Cocoa - Inventory

Annual data in '000 metric tons, from 1981 to 2018

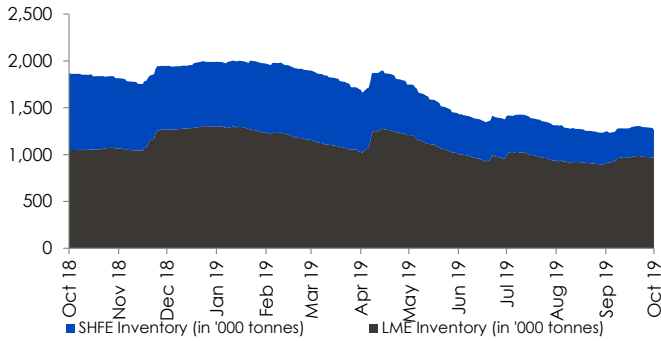


Source: International Cocoa Organisation, Bloomberg, WisdomTree

Industrial Metals

Aluminum Inventory

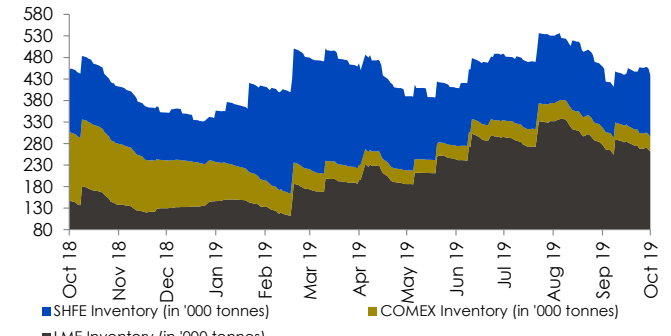
Daily data, from 25 Oct 18 to 25 Oct 19



Source: Bloomberg, WisdomTree

Copper Inventory

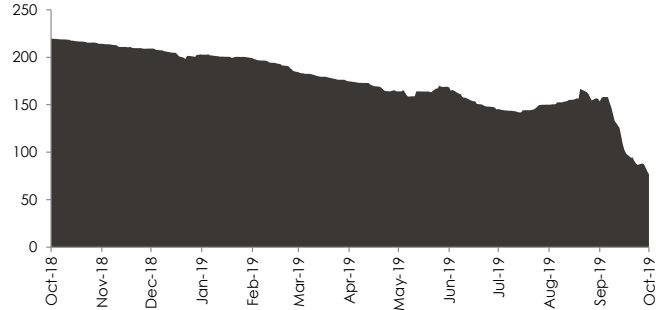
Daily data, from 25 Oct 18 to 25 Oct 19



Source: Bloomberg, WisdomTree

Nickel Inventory

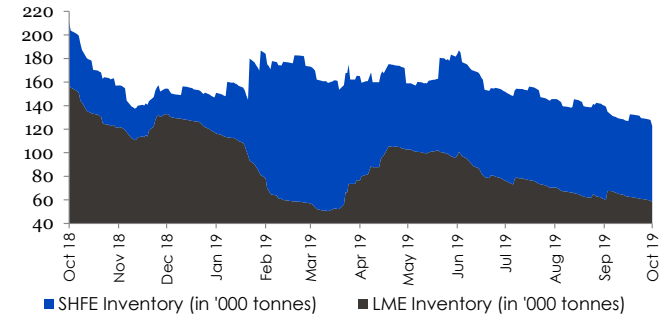
Daily data in '000 MT, from 25 Oct 18 to 25 Oct 19



Source: LME, Bloomberg, WisdomTree

Zinc Inventory

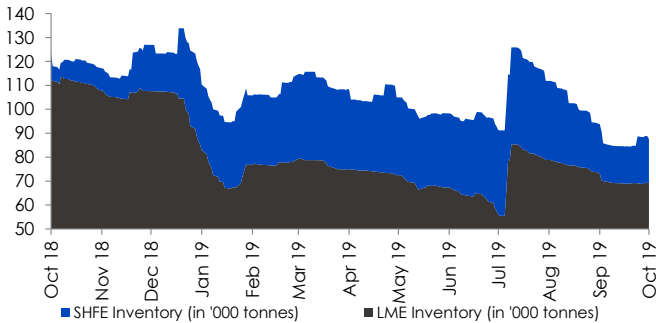
Daily data, from 25 Oct 18 to 25 Oct 19



Source: Bloomberg, WisdomTree

Lead Inventory

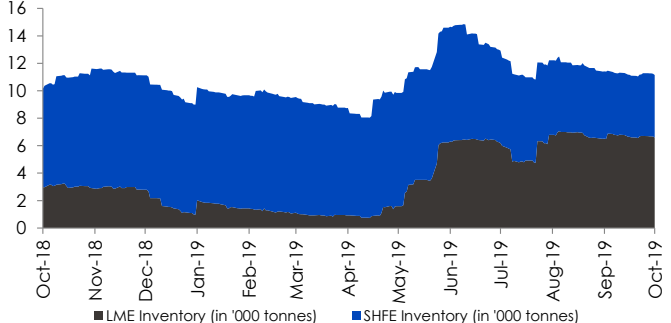
Daily data, from 25 Oct 18 to 25 Oct 19



Source: Bloomberg, WisdomTree

Tin Inventory

Daily data in '000 MT, from 25 Oct 18 to 25 Oct 19

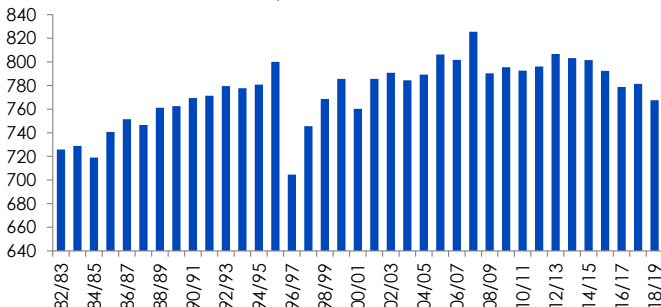


Source: LME, Bloomberg, WisdomTree

Livestock

Lean Hogs Inventory

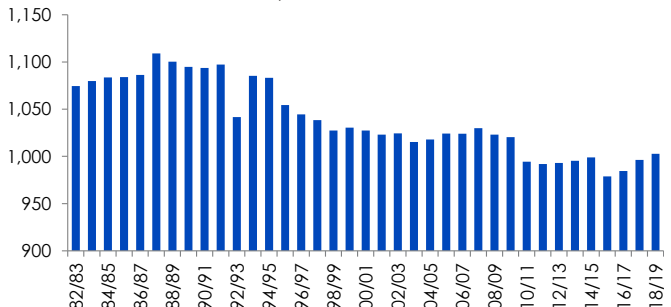
Annual data in mln Heads, from 1980 to 2018



Source: USDA, Bloomberg, WisdomTree

Live Cattle Inventory

Annual data in mln Heads, from 1980 to 2018

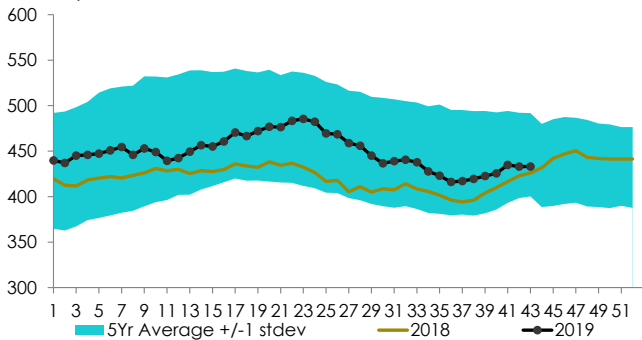


Source: USDA, Bloomberg, WisdomTree

Energy

US Oil Inventory

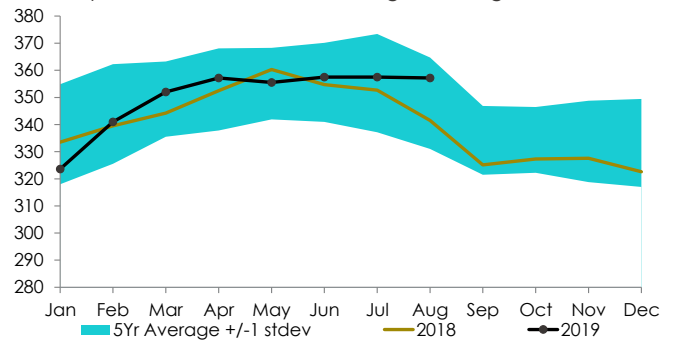
Weekly data in mln barrels, from Oct 14 to Oct 19



Source: DOE, Bloomberg, WisdomTree

OECD Europe Oil Industry Inventory

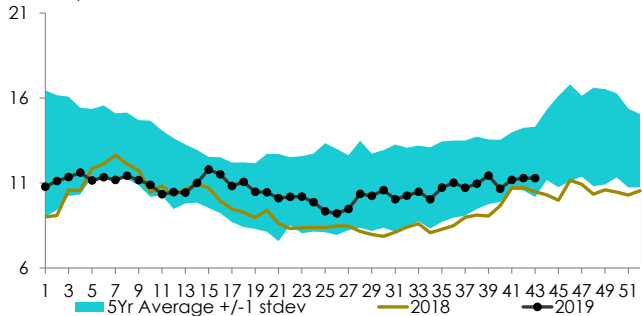
Monthly data in mln barrels, from Aug 14 to Aug 19



Source: IEA, Bloomberg, WisdomTree

Heating Oil Inventory

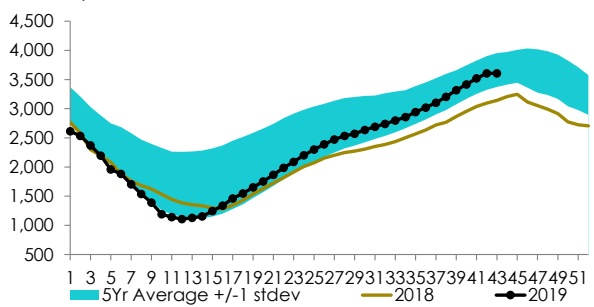
Weekly data in mln barrels, from Oct 14 to Oct 19



Source: DOE, Bloomberg, WisdomTree

Natural Gas Inventory

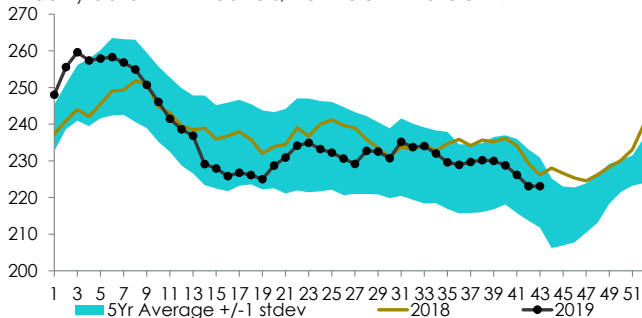
Weekly data in billion cubic feet, from Oct 14 to Oct 19



Source: DOE, Bloomberg, WisdomTree

Gasoline Inventory

Weekly data in mln barrels, from Oct 14 to Oct 19



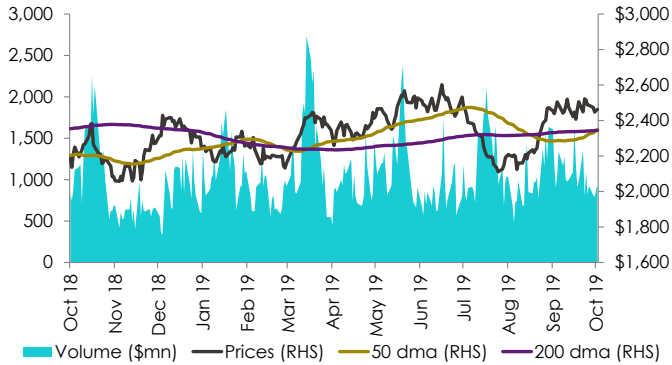
Source: DOE, Bloomberg, WisdomTree

Commodities Front Month Futures and Trading Volumes

Agriculture

Cocoa Front Month Futures Price

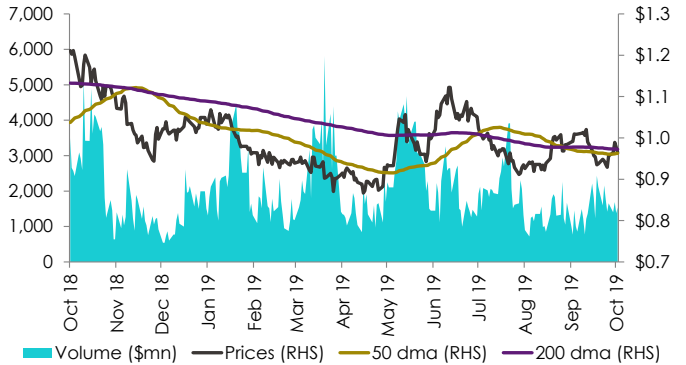
Daily data in USD/MT, from 25 Oct 18 to 25 Oct 19



Source: Bloomberg, WisdomTree

Coffee Front Month Futures Price

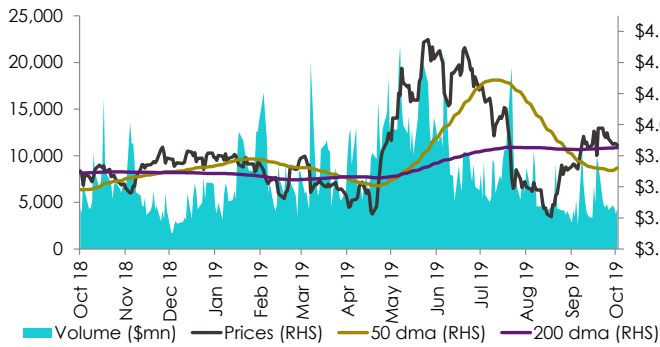
Daily data in USD/lb., from 25 Oct 18 to 25 Oct 19



Source: Bloomberg, WisdomTree

Corn Front Month Futures Price

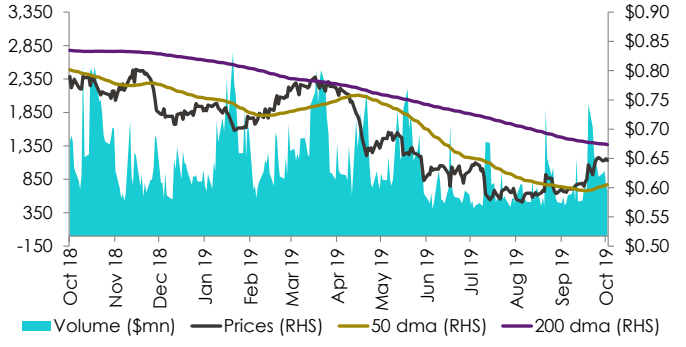
Daily data in USD/bu., from 25 Oct 18 to 25 Oct 19



Source: Bloomberg, WisdomTree

Cotton Front Month Futures Price

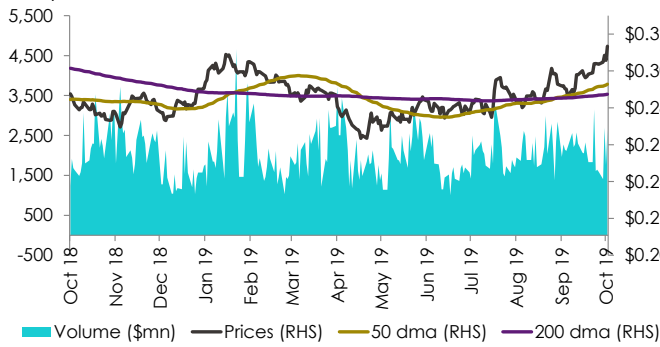
Daily data in USD/lb., from 25 Oct 18 to 25 Oct 19



Source: Bloomberg, WisdomTree

Soybean Oil Front Month Futures Price

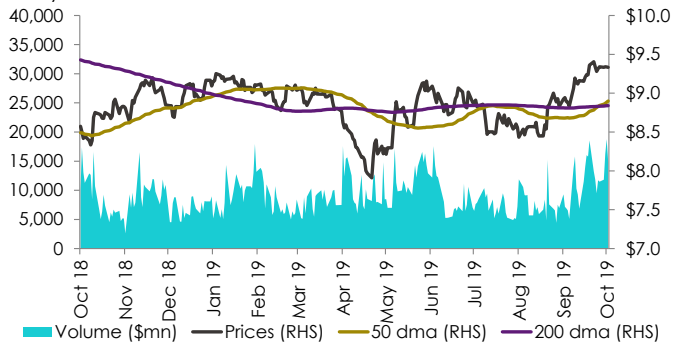
Daily data in USD/lb., from 25 Oct 18 to 25 Oct 19



Source: Bloomberg, WisdomTree

Soybeans Front Month Futures Price

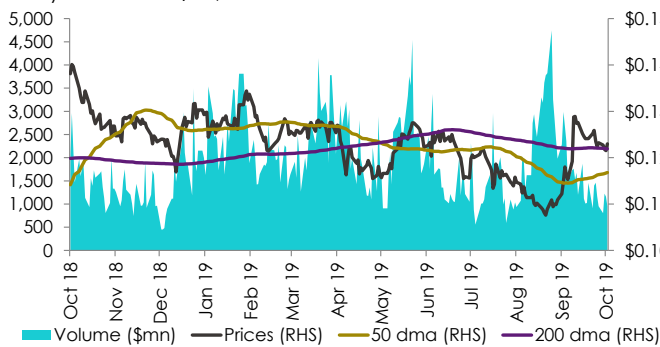
Daily data in USD/bu., from 25 Oct 18 to 25 Oct 19



Source: Bloomberg, WisdomTree

Sugar Front Month Futures Price

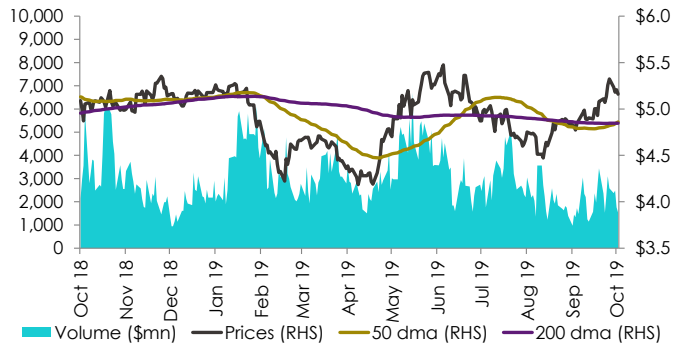
Daily data in USD/lb., from 25 Oct 18 to 25 Oct 19



Source: Bloomberg, WisdomTree

Wheat Front Month Futures Price

Daily data in USD/bu., from 25 Oct 18 to 25 Oct 19



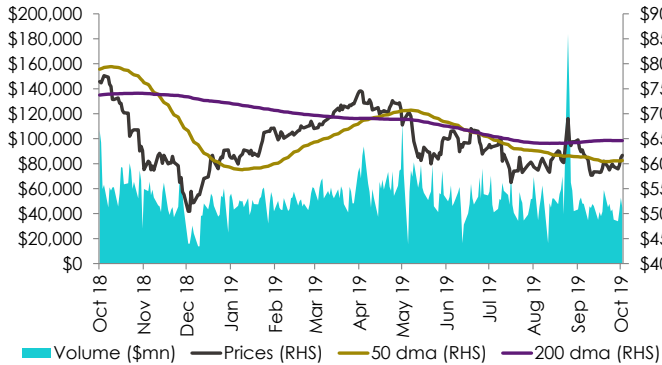
Source: Bloomberg, WisdomTree

Note: all commodity futures trading volume and price data is denominated in USD unless otherwise indicated.
Historical performance is not an indication of future performance and any investments may go down in value.

Energy

Brent Oil Front Month Futures Price

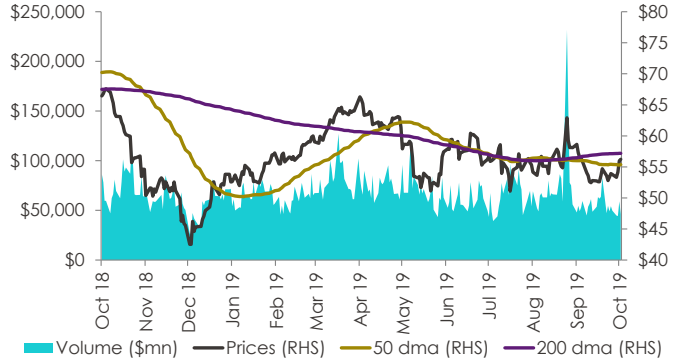
Daily data in USD/bbl., from 25 Oct 18 to 25 Oct 19



Source: Bloomberg, WisdomTree

WTI Oil Front Month Futures Price

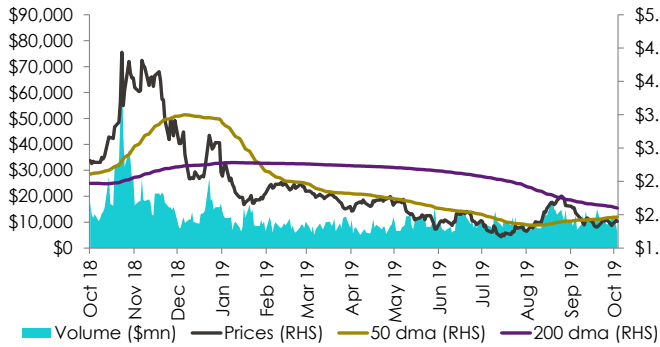
Daily data in USD/bbl., from 25 Oct 18 to 25 Oct 19



Source: Bloomberg, WisdomTree

Natural Gas Front Month Futures Price

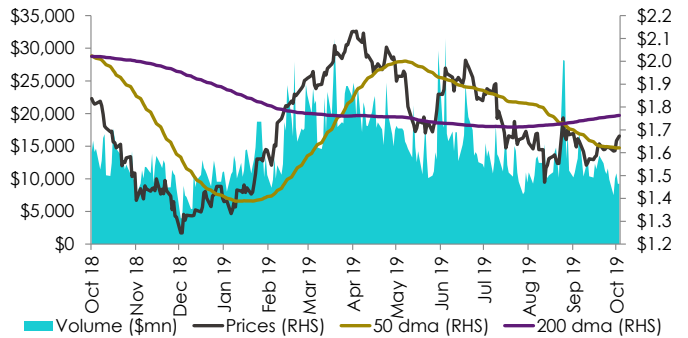
Daily data in USD/MMBtu, from 25 Oct 18 to 25 Oct 19



Source: Bloomberg, WisdomTree

Gasoline Front Month Futures Price

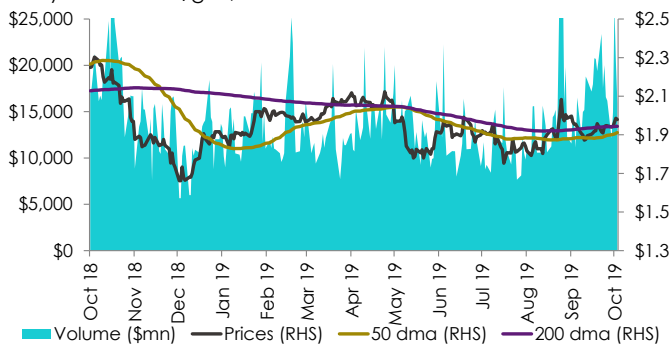
Daily data in USD/gal., from 25 Oct 18 to 25 Oct 19



Source: Bloomberg, WisdomTree

Heating Oil Front Month Futures Price

Daily data in USD/gal., from 25 Oct 18 to 25 Oct 19

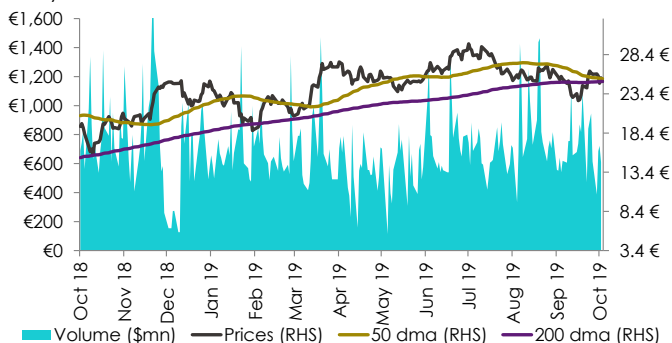


Source: Bloomberg, WisdomTree

Carbon

Carbon Front Month Futures Price

Daily data in EUR/MT, from 25 Oct 18 to 25 Oct 19



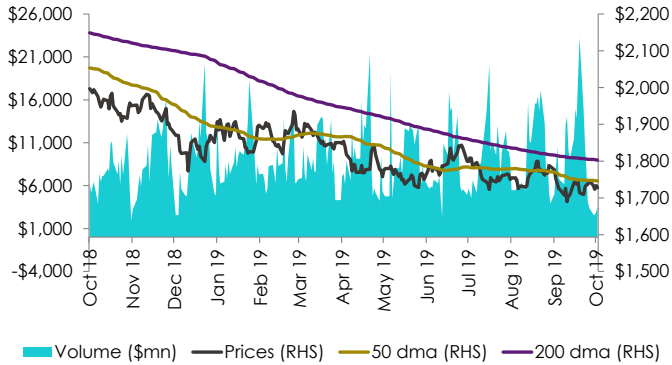
Source: Bloomberg, WisdomTree

Note: all commodity futures trading volume and price data is denominated in USD unless otherwise indicated.
Historical performance is not an indication of future performance and any investments may go down in value.

Industrial Metals

Aluminum Front Month Futures Price

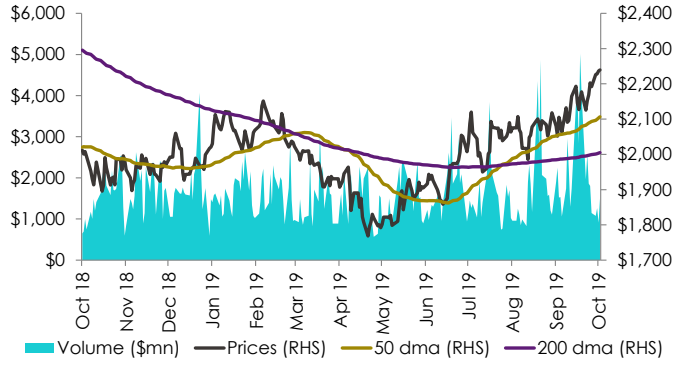
Daily data in USD/MT, from 25 Oct 18 to 25 Oct 19



Source: Bloomberg, WisdomTree

Lead Front Month Futures Price

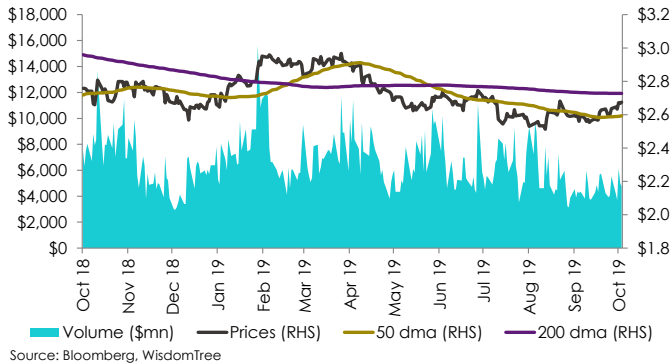
Daily data in USD/MT, from 25 Oct 18 to 25 Oct 19



Source: Bloomberg, WisdomTree

Copper (COMEX) Front Month Futures Price

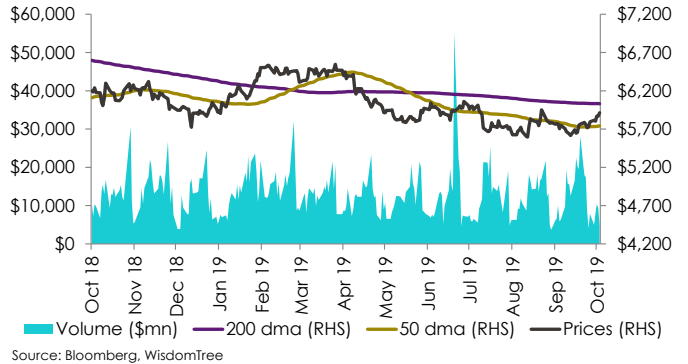
Daily data in USD/lb., from 25 Oct 18 to 25 Oct 19



Source: Bloomberg, WisdomTree

Copper (LME) Front Month Futures Price

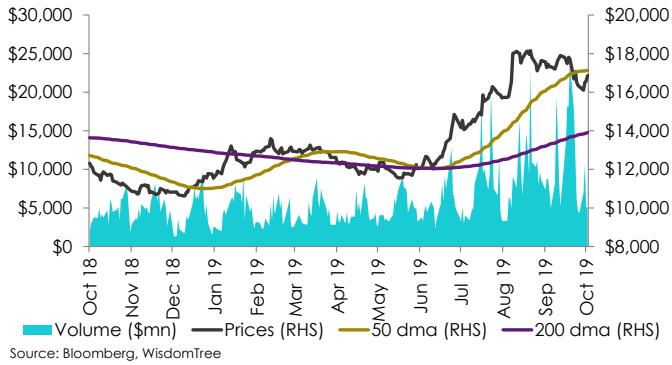
Daily data in USD/MT, from 25 Oct 18 to 25 Oct 19



Source: Bloomberg, WisdomTree

Nickel Front Month Futures Price

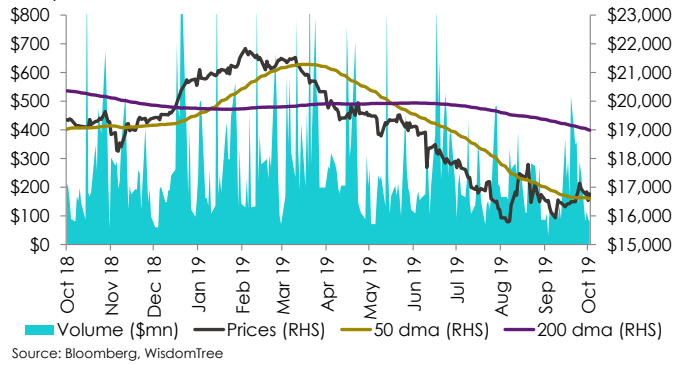
Daily data in USD/MT, from 25 Oct 18 to 25 Oct 19



Source: Bloomberg, WisdomTree

Tin Front Month Futures Price

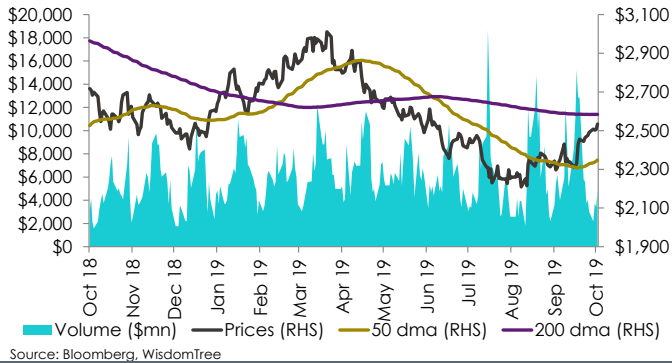
Daily data in USD/MT, from 25 Oct 18 to 25 Oct 19



Source: Bloomberg, WisdomTree

Zinc Front Month Futures Price

Daily data in USD/MT, from 25 Oct 18 to 25 Oct 19



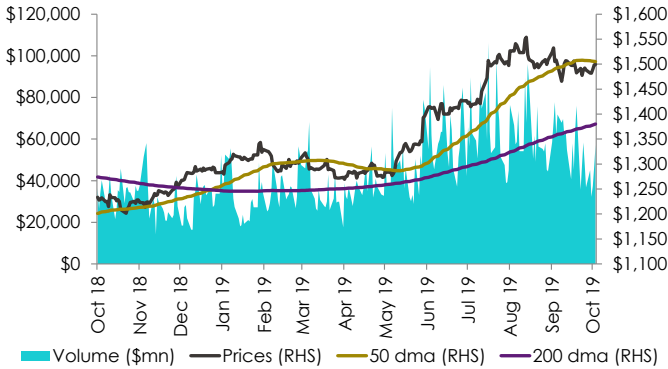
Source: Bloomberg, WisdomTree

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Precious Metals

Gold Front Month Futures Price

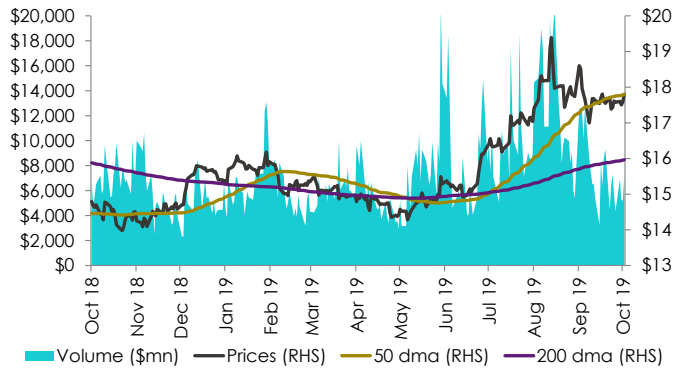
Daily data in USD/t oz., from 25 Oct 18 to 25 Oct 19



Source: Bloomberg, WisdomTree

Silver Front Month Futures Price

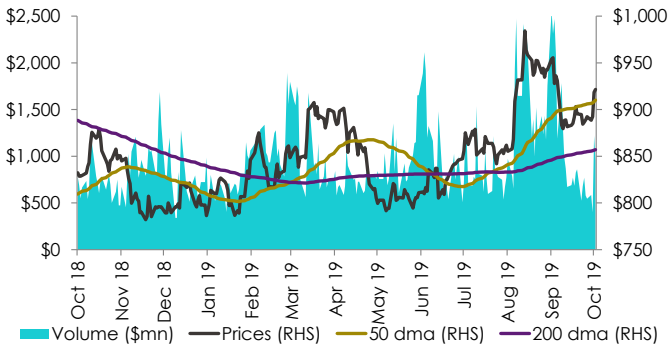
Daily data in USD/t oz., from 25 Oct 18 to 25 Oct 19



Source: Bloomberg, WisdomTree

Platinum Front Month Futures Price

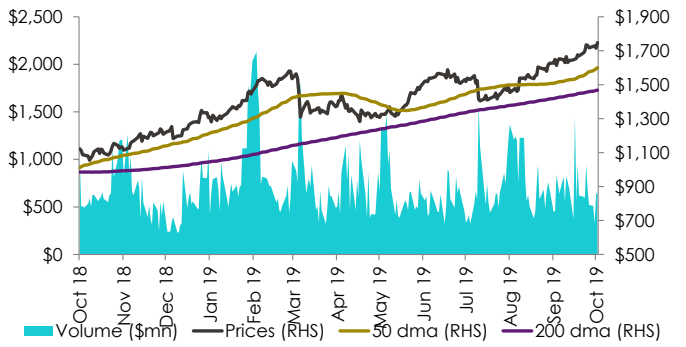
Daily data in USD/t oz., from 25 Oct 18 to 25 Oct 19



Source: Bloomberg, WisdomTree

Palladium Front Month Futures Price

Daily data in USD/t oz., from 25 Oct 18 to 25 Oct 19

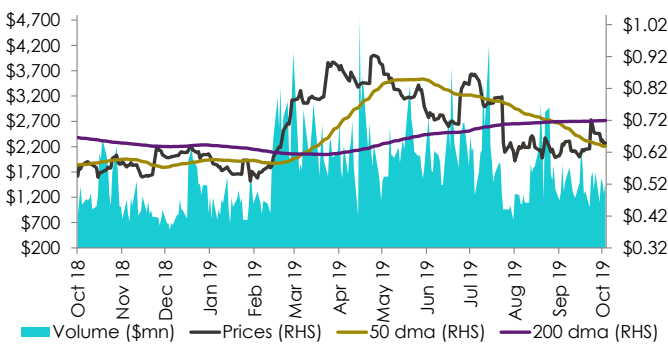


Source: Bloomberg, WisdomTree

Livestock

Lean Hogs Front Month Futures Price

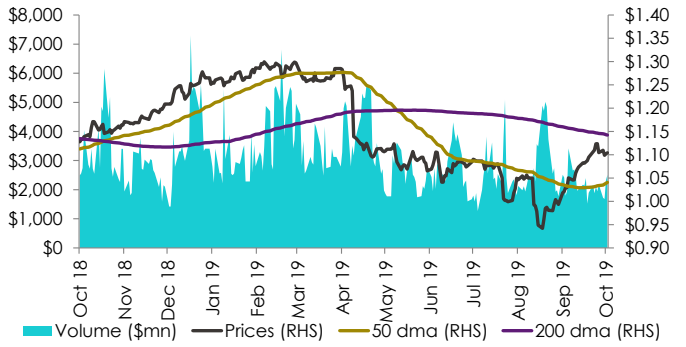
Daily data in USD/lb., from 25 Oct 18 to 25 Oct 19



Source: Bloomberg, WisdomTree

Live Cattle Front Month Futures Price

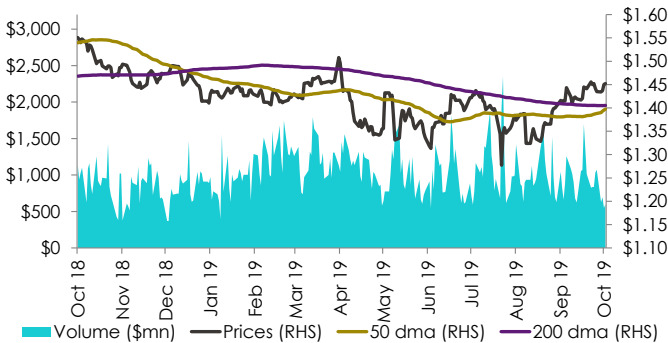
Daily data in USD/lb., from 25 Oct 18 to 25 Oct 19



Source: Bloomberg, WisdomTree

Feeder Cattle Front Month Futures Price

Daily data in USD/lb., from 25 Oct 18 to 25 Oct 19



Source: Bloomberg, WisdomTree

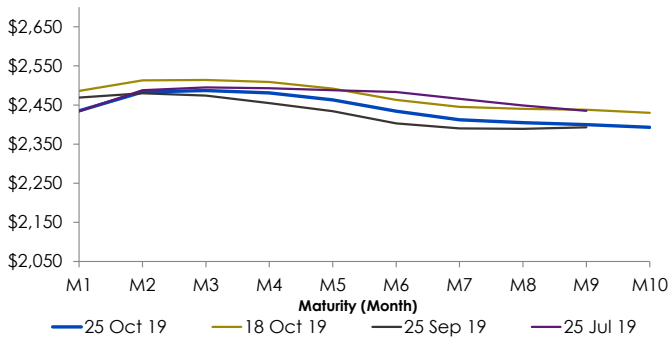
Note: all commodity futures trading volume and price data is denominated in USD unless otherwise indicated.
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Futures Curves

Agriculture

Cocoa Futures

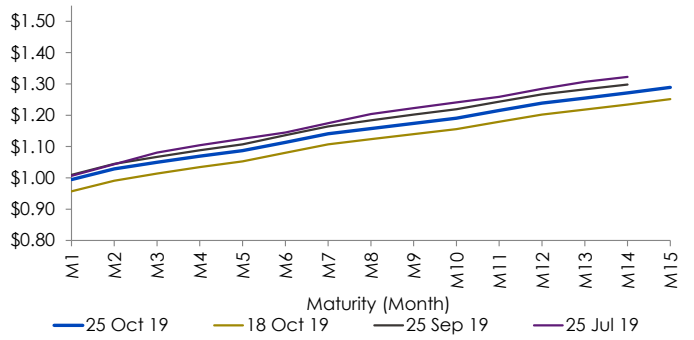
USD/MT



Source: Bloomberg, WisdomTree

Coffee Futures

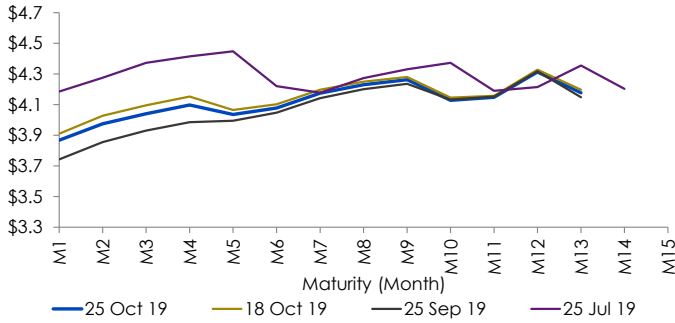
USD/lb.



Source: Bloomberg, WisdomTree

Corn Futures

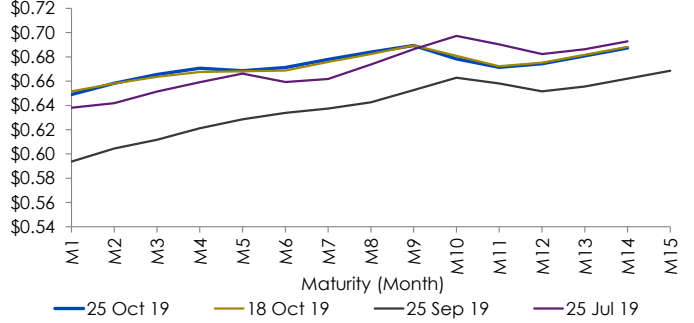
USD/bu.



Source: Bloomberg, WisdomTree

Cotton Futures

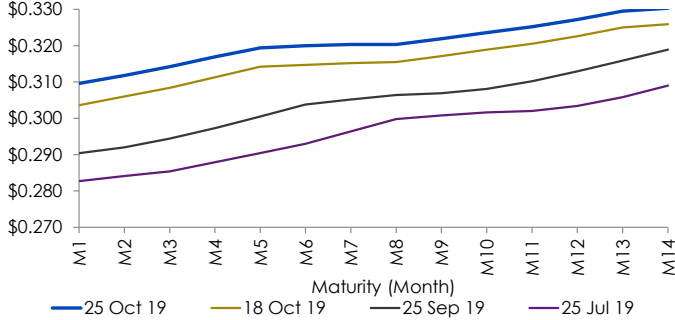
USD/lb.



Source: Bloomberg, WisdomTree

Soybean Oil Futures

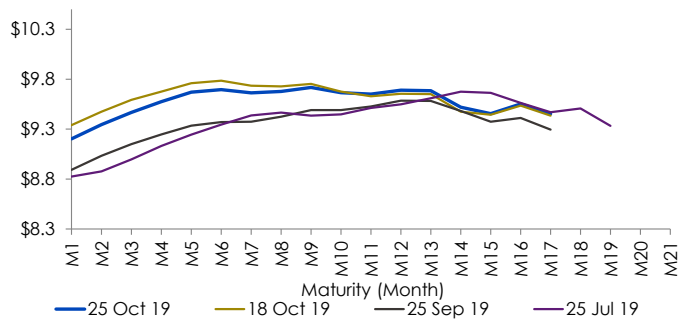
USD/lb.



Source: Bloomberg, WisdomTree

Soybeans Futures

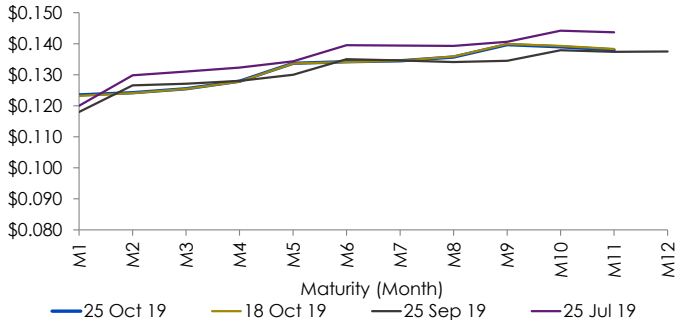
USD/bu.



Source: Bloomberg, WisdomTree

Sugar Futures

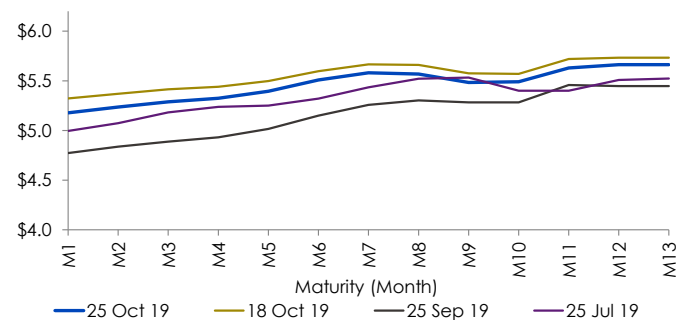
USD/lb.



Source: Bloomberg, WisdomTree

Wheat Futures

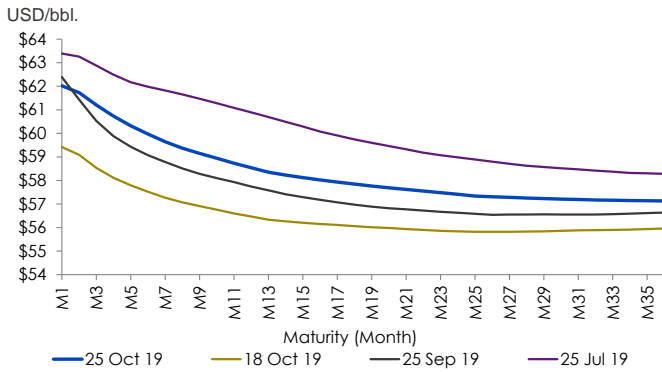
USD/bu.



Source: Bloomberg, WisdomTree

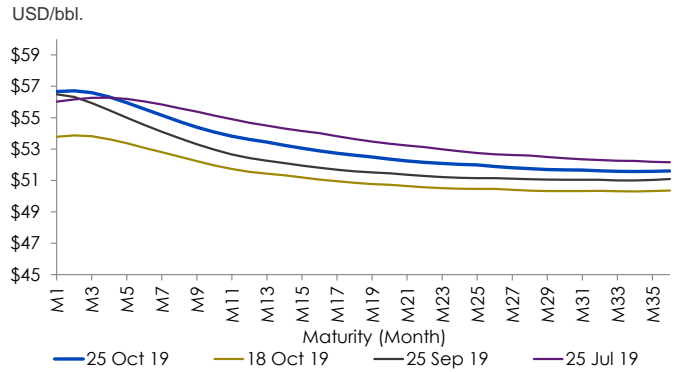
Energy

Brent Oil Futures



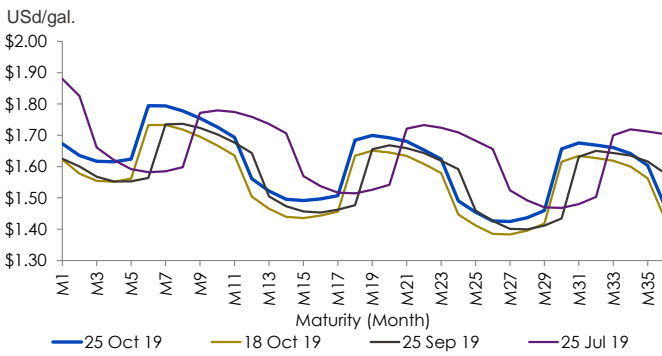
Source: Bloomberg, WisdomTree

WTI Oil Futures



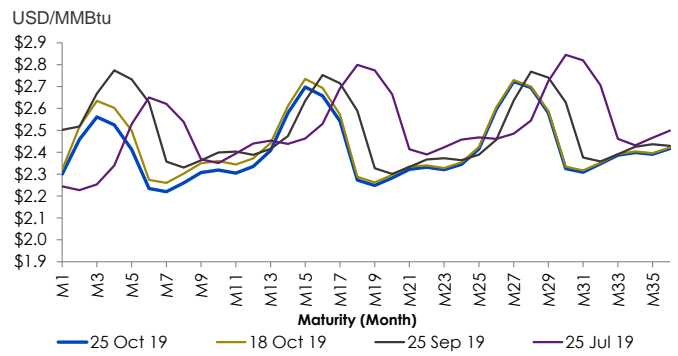
Source: Bloomberg, WisdomTree

Gasoline Futures



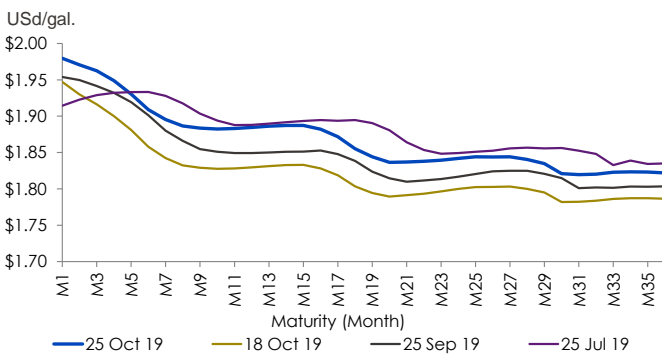
Source: Bloomberg, WisdomTree

Natural Gas Futures



Source: Bloomberg, WisdomTree

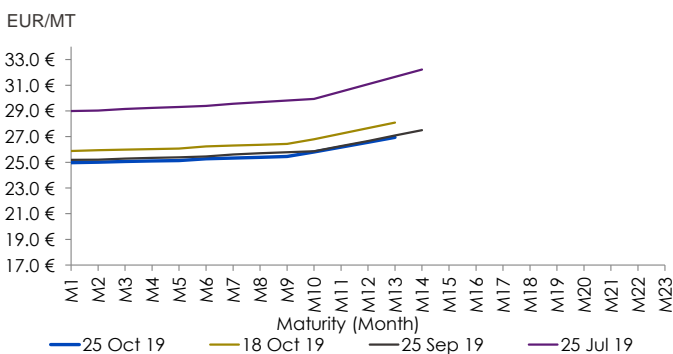
Heating Oil Futures



Source: Bloomberg, WisdomTree

Carbon

Carbon Futures



Source: Bloomberg, WisdomTree

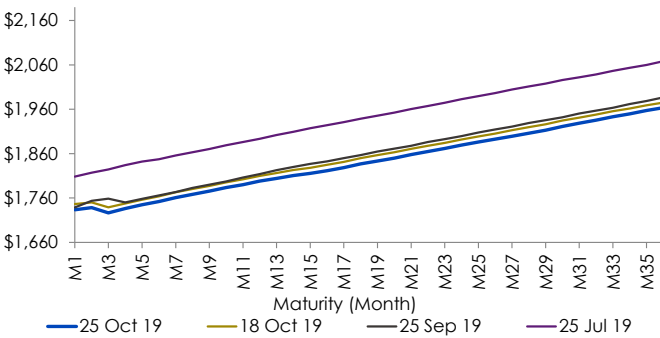
Note: all commodity futures price data is denominated in USD unless otherwise indicated.

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Industrial Metals

Aluminum Futures

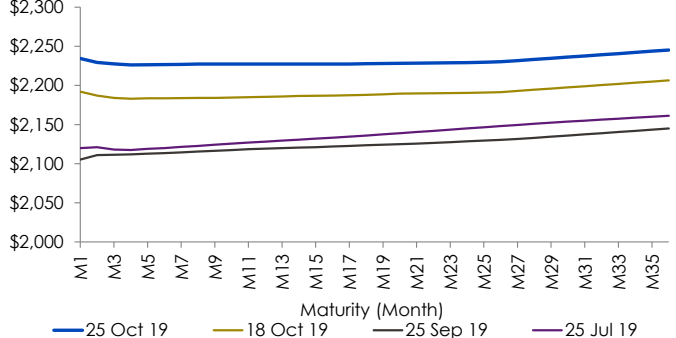
USD/MT



Source: Bloomberg, WisdomTree

Lead Futures

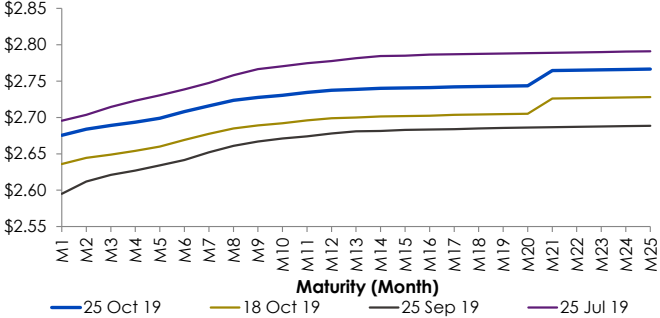
USD/MT



Source: Bloomberg, WisdomTree

Copper (COMEX) Futures

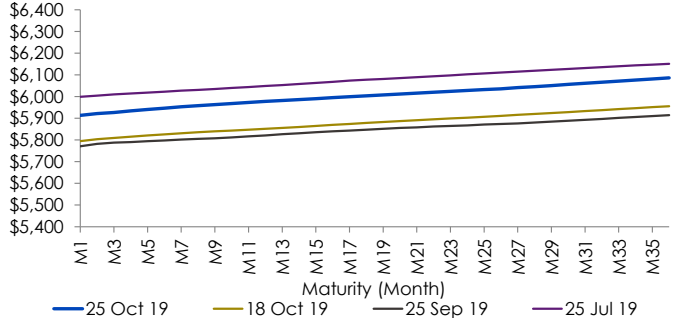
USD/lb.



Source: Bloomberg, WisdomTree

Copper (LME) Futures

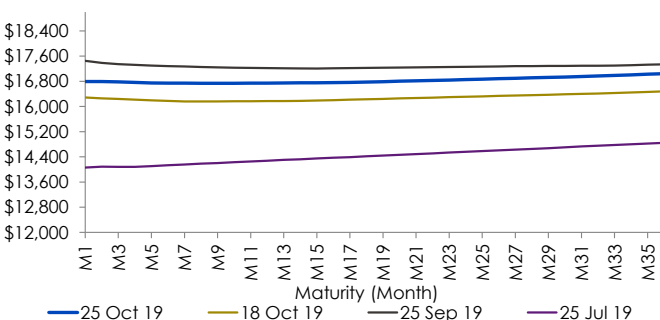
USD/MT



Source: Bloomberg, WisdomTree

Nickel Futures

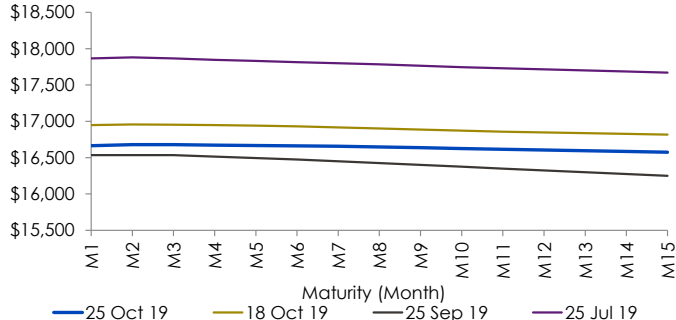
USD/MT



Source: Bloomberg, WisdomTree

Tin Futures

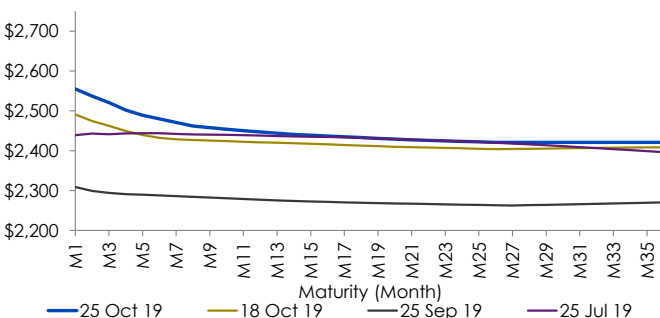
USD/MT



Source: Bloomberg, WisdomTree

Zinc Futures

USD/MT

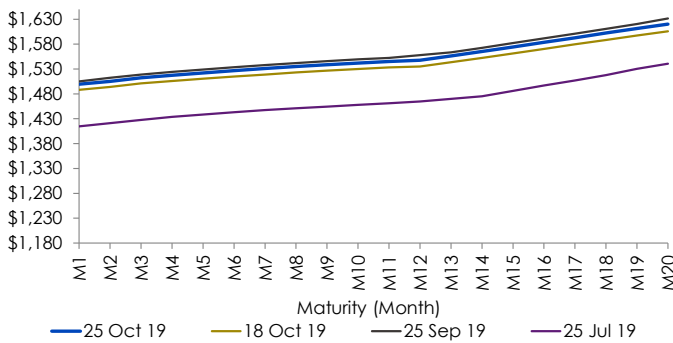


Source: Bloomberg, WisdomTree

Precious Metals

Gold Futures

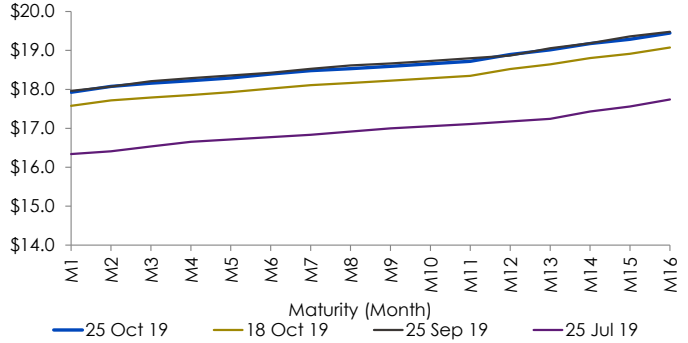
USD/t oz.



Source: Bloomberg, WisdomTree

Silver Futures

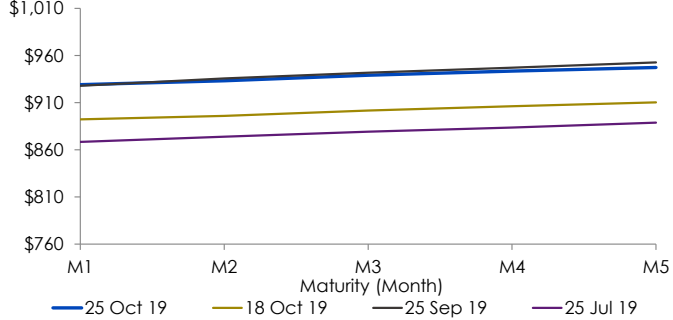
USD/t oz.



Source: Bloomberg, WisdomTree

Platinum Futures

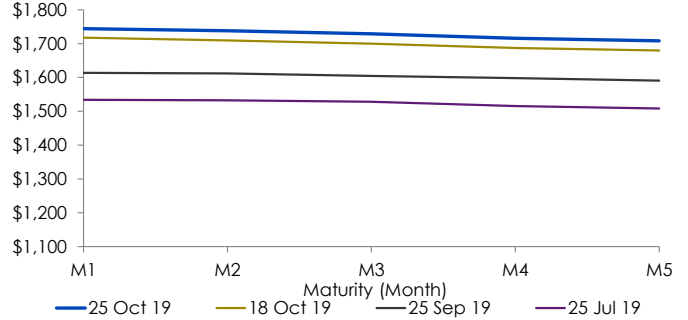
USD/t oz.



Source: Bloomberg, WisdomTree

Palladium Futures

USD/t oz.

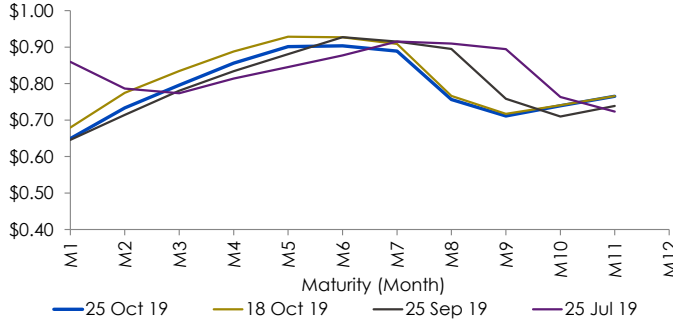


Source: Bloomberg, WisdomTree

Livestock

Lean Hogs Futures

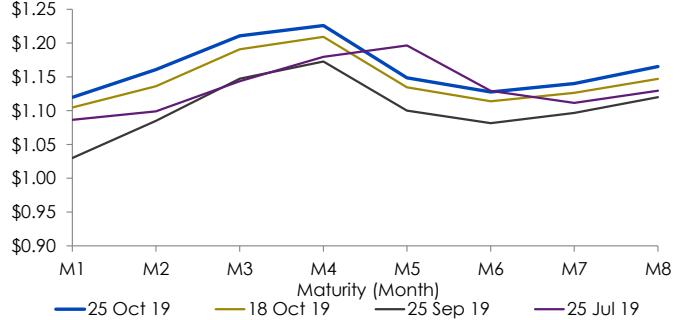
USD/lb.



Source: Bloomberg, WisdomTree

Live Cattle Futures

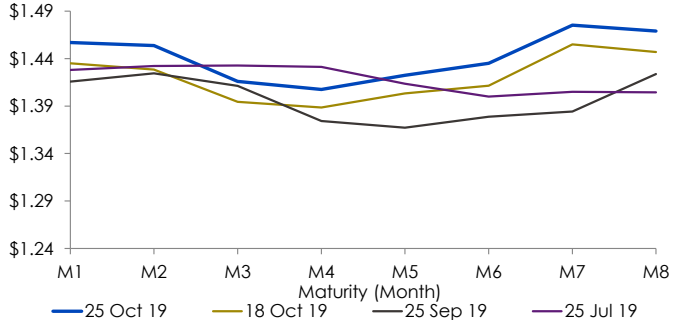
USD/lb.



Source: Bloomberg, WisdomTree

Feeder Cattle Futures

USD/lb.



Source: Bloomberg, WisdomTree

Commodity Monthly Matrix Explained

Score based on unweighted sum of four fundamental/technical measures detailed below with each measure awarded a possible score of -1, 0, or 1 depending on whether variable is viewed as fundamentally negative, neutral or positive. Score ranging from -4 to +4. For commodities where data is not available or not relevant, scores are calculated on remaining variables and adjusted to the -4 to +4 scale. The score matrix is designed to highlight significant changes in key variables but should not be viewed as predictor of performance.

The four fundamental/technical measures are as follow:

- price vs. 200 days moving average: 1 when price is above 200dma and return is positive, -1 when price is below 200dma and return is negative, 0 otherwise
- % change in net positioning over the past month: 1 when % change is positive, -1 when % change is negative, 0 when no change
- % change in inventory level over the past 3 months: 1 when % is negative, -1 when % is positive, 0 when no change
- roll yield between the front and second month futures contracts: 1 when in backwardation, -1 when in contango, 0 when no change

CALENDAR

WisdomTree - Recent Blogs

25-Oct-19	Jesper Koll	Japan fiscal boost coming?
21-Oct-19	Kevin Flanagan	Markets to the Fed: Go fund me
10-Oct-19	Nitesh Shah	Nickel rally defies industrial metals rut
30-Sep-19	WisdomTree	Why we're bullish on Cloud Computing
23-Sep-19	Kevin Flanagan	What is the highest yielding treasury security?
17-Sep-19	Nitesh Shah	Platinum surfs on gold's rising tide
17-Sep-19	Nitesh Shah	Oil price shock could be followed by large geopolitical tremors
10-Sep-19	Christopher Gannatti	The cloud computing megatrend for growth amidst uncertainty
03-Sep-19	Nitesh Shah	Faster than a speeding (silver) bullet
21-Aug-19	Nitesh Shah	Gold could rise to over US\$1800/oz if geopolitical risks remain elevated
12-Aug-19	Aneeka Gupta	The gold market reigns supreme
02-Aug-19	Kevin Flanagan	Like a good neighbour the Fed is there
25-Jul-19	Aneeka Gupta	June ETP Flows: Buy the rumour, sell the fact

WisdomTree - Past Issues of Commodity Monthly Monitor

Aug - Sep 2019	Research Team	Jitters in the oil market and beyond
Jul - Aug 2019	Research Team	Trump and Xi's Midas touch
Jun - Jul 2019	Research Team	Pre-committed Fed drives a rally across cyclicals & defensives
May - Jun 2019	Research Team	All Eyes on the G-20 Summit
Apr - May 2019	Research Team	Trade reprices commodity risk

The research notes are for qualified investors only.

Key Reports

Current	Next release		
10-Oct-19	08-Nov-19	USDA	World Agricultural Supply and Demand Estimates
08-Oct-19	13-Nov-19	EIA	Short-Term Energy Outlook
11-Oct-19	14-Nov-19	OPEC	OPEC Oil Market Report
10-Oct-19	15-Nov-19	IEA	IEA Oil Market Report

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