

Commodity Monthly Monitor

Green shoots in commodity markets?

15 Apr - 15 May 2020



Summary

The lifting of some lockdown restrictions across the globe and greater hope of a vaccination against the COVID-19 virus set off a cyclical rally in recent weeks. The 'whatever it takes' rhetoric from central banks has also offered a tailwind to commodities. We saw a rebound in energy, most metals and a large number of agricultural products. However, with the exception of gold and palladium, all commodities are still lower today than when they started the year.

Current inflation figures for most countries have plummeted as demand destruction has outweighed supply chain disruptions. Looking at Inflation Protected Securities or 5yr 5yr Forward Breakevens, market expectations for inflation appear anchored well below 2%. However, there are increased concerns expressed by some analysts about the longer-term impact on prices from the gargantuan level of monetary easing. That may account for why gold prices are rising when speculative positioning in the metal, US Dollar, nor Treasury yields have moved in a significant way in the past month. After spending so long as laggard, silver is also joining the precious metals party.

Supply damage is increasingly becoming a theme as data starts to filter in. That should offer support to many commodities. The key question is how quickly supply will return to normal when lockdown eases versus how quickly demand recovers. Various forms of social distancing are likely to constrain both. Ultra-loose policy could help the demand recovery part of the equation restore. Meanwhile the ability of companies to invest in capital will likely be compromised by deteriorating credit conditions and lack of equity interest after a period of cancelled or lower dividends. The growth in mines, rigs and farms could suffer. That could set the world up for relative supply tightness in years to come.

- Crude oil bounces after an extended period of volatility.** The June WTI futures contract came to expiry without the market stress experienced in the expiry of the May WTI futures contract. Supply cuts and some tentative signs of demand recovery are helping tighten market balances. However, absorbing the glut created will take time and we believe prices aren't likely to get back to pre-March levels quickly.
- Signs of life in industrial metals as supply disruptions combine with a gradually improving demand outlook.** Despite the sharp decline in demand from the coronavirus pandemic worldwide, mine closures are offsetting some of the headwinds helping industrial metal prices find support from extremely suppressed levels.
- Silver initiates a much-awaited surge.** Until last month, strong headwinds to silver's industrial demand had held the precious metal back from rallying in line with gold, as it typically does. With demand expectations improving as countries ease lockdown conditions, silver was propelled forward returning a 9.9% price rally last month potentially instigating its overdue catch up with gold.
- Agricultural commodities present a mixed bag.** Performance among agricultural commodities diverged considerably last month with cotton and cocoa yielding strong positive returns and wheat and coffee having a notably negative month.

Nitesh Shah
Director

Mobeen Tahir
Associate Director

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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	14 May Score	24 Apr Score
WTI Oil	29	48.1%	-37.6%	20.0%	6%	-0.3%	(1)	(2)
Brent Oil	33	17.4%	-38.5%	-4.8%	-641%	-0.9%	(1)	0
Natural Gas	1.6	3.0%	-22.6%	3.4%	43%	-10.2%	(1)	1
Gasoline	1.0	34.7%	-30.7%	-2.4%	-28%	-1.4%	(1)	(1)
Heating Oil	0.9	0.7%	-43.6%	-9.8%	70%	-3.6%	1	0
Carbon	19.1	-0.5%	-18.8%	-	-	-0.2%	(4)	(2)
Wheat	5.0	-7.4%	-4.6%	7.7%	-108%	-0.5%	(4)	(1)
Corn	3.2	0.0%	-12.6%	14.4%	-77%	-1.2%	(3)	(4)
Soybeans	8	-0.4%	-5.5%	-0.5%	53%	-0.3%	0	(4)
Sugar	0.1	2.2%	-16.1%	-	-43%	-1.1%	(2)	(2)
Cotton	0.6	10.4%	-6.2%	21.1%	105%	0.5%	1	(1)
Coffee	1.0	-12.8%	-3.6%	-	-26%	-1.9%	(4)	(1)
Soybean Oil	0.3	0.1%	-10.3%	21.4%	-141%	-0.7%	(3)	(4)
Cocoa	2,399	8.8%	-4.0%	-	114%	1.0%	3	0
Aluminium	1,429	-3.9%	-15.4%	14.7%	2%	-1.0%	(2)	(2)
Copper (COMEX)	2.3	1.6%	-9.1%	64.2%	30%	0.1%	1	1
Copper (LME)	5,156	1.1%	-8.9%	71.7%	27%	-0.2%	(1)	(3)
Zinc	1,966	2.1%	-11.1%	9.3%	7%	0.3%	1	(1)
Nickel	11,786	0.5%	-17.2%	10.3%	6%	-0.2%	(1)	(3)
Lead	1,581	-6.6%	-17.4%	-21.5%	-1%	-0.7%	(2)	1
Tin	15,120	0.0%	-7.2%	-48.9%	-8%	0.3%	0	1
Gold	1,756	1.7%	12.8%	-	-7%	-	0	0
Silver	17	9.9%	0.6%	-	-14%	-	0	(2)
Platinum	817	2.1%	-7.7%	-	3%	-	2	(2)
Palladium	1,858	-13.7%	-2.3%	-	-53%	-	(4)	4
Live Cattle	1.0	2.4%	-11.3%	-	23%	-0.8%	0	1
Lean Hogs	0.6	26.9%	-7.0%	-	-30%	0.2%	0	1
Feeder Cattle	1.2	7.7%	-8.2%	-	43%	-4.8%	0	1

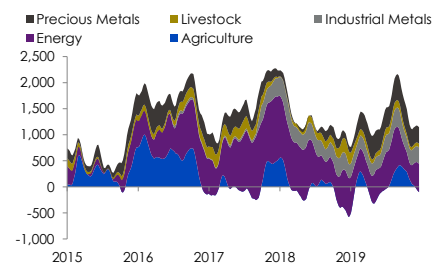
The score matrix is designed to highlight significant changes in key variables but should not be viewed as predictor of performance. Source: WisdomTree, Bloomberg

Performance²

	- 1 Mth	- 6 Mth	- 12 Mth
All Commodities	-0.5%	-21.6%	-21.4%
Energy	-3.1%	-51.8%	-54.9%
Industrial Metals	-0.2%	-16.8%	-16.5%
Precious Metals	2.4%	14.7%	29.6%
Agriculture	-3.2%	-11.2%	-8.1%
MSCI World	2.5%	-11.5%	-3.8%
US Aggregate Bond	0.1%	5.3%	10.0%

Bloomberg TR indexes for basket returns, data to Friday 15 May 2020. Source: WisdomTree, Bloomberg

CFTC Net Speculative Positioning (in '000 contracts)



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

¹ Information not available. Green = returns positive, inventories falling, positioning rising, roll yield positive. Red = the opposite. Black = neutral. ² Detailed explanation of the matrix calculations can be found at the end of this report. ³ All prices are futures prices to Friday 15 May 20. ⁴ 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. ⁵ CFTC futures and LME COTR net positioning as at May 12, 2020 and May 15, 2020 respectively, % change from previous month. ⁶ Calculated as % difference between front month and second month futures prices on report date.

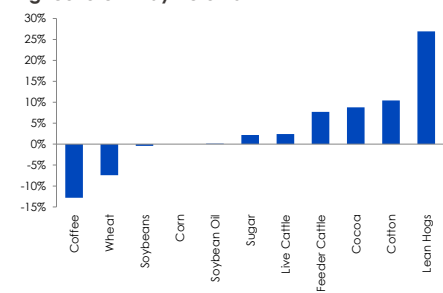
Historical performance is not an indication of future performance and any investments may go down in value.

Sector Overview

Agriculture

- Wheat prices fell 7.4% last month adding to their losses since the start of April. Both the US Department of Agriculture (USDA) and the International Grains Council (IGC) have unanimously forecasted a supply surplus for wheat this year. The reduction in wheat demand due to the coronavirus pandemic has been augmented by favourable weather conditions in key wheat producing countries including Russia, Canada, Argentina and Australia. Cotton, in contrast, had a strong month with prices rallying around 10.4% adding to their strength since the start of April. According to the USDA, demand from key buyers including China, Bangladesh and Pakistan is expected to recover in 2020/21 to pre-coronavirus crisis levels as lockdown conditions are eased and economic activity resumes. Equally, production is expected to be slightly lower this year from major producers including China, Brazil, India and to some extent, the US. Thus, an improving outlook is helping lift cotton prices following a sharp decline in the first quarter of the year.
- Last month, we stated that coffee prices could remain volatile in the near term. A higher yield in Brazil's production this year is expected to bring larger volumes to the market according to Brazil's forecasting authority Conab. Equally, a weaker Brazilian is also expected to encourage producers to offer more coffee on international markets to increase their revenues in USD terms. But this could be offset by increased consumer demand amid the coronavirus pandemic. Coffee price declined 12.8% last month.

Agriculture - May Returns*

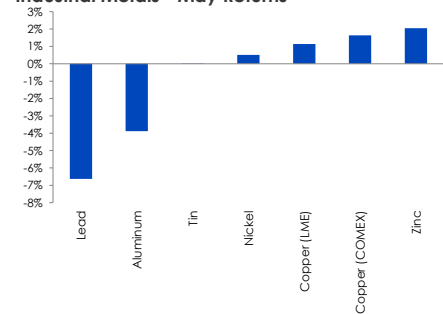


Source: Bloomberg

Industrial Metals

- A recovery in copper prices since the start of April bodes well for the industrial metals complex. The base metal, often termed the bellwether for the global economy, has appreciated by 4.3% (London Metal Exchange prices) since the start of April (to 15 May) with easing lockdown conditions promising an improvement in manufacturing demand. Another reason why copper is leading the recovery among industrial metals is that its demand and supply was broadly in balance in January before the pandemic accelerated (according to the International Copper Study Group) and mine shutdowns have helped offset some of the reduction in demand. Industrial activity in China has already picked up following a record slump in the first quarter of this year. Markets are also keeping an eye on the upcoming National People's Congress meetings expected to start on 22 May. Any announcement of fiscal expansion from these meetings will support the recovery of industrial metals. For now, it appears that markets are brushing aside the risk of trade wars re-intensifying between the US and China. We however recognise that this remains a risk for the industrial metals complex.
- Among the weak performers was aluminium which has continued its downward slide this year. According to the International Aluminium Institute, global aluminium production has remained high through the pandemic despite a sharp decline in demand. This has resulted in an increase in aluminium inventories and the expectation of a supply surplus this year. Last month, we noted how aluminium industry's supply is known to be price inelastic owing to falling input costs, higher smelter restart costs, longer term power contracts and government support. Thus, production has continued despite the fall in demand. A decline in energy prices, which account for nearly 40% of production costs, is the silver lining for aluminium producers.

Industrial Metals - May Returns*

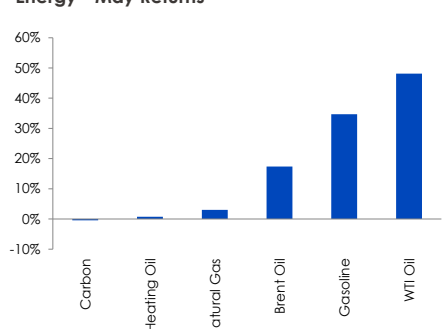


Source: Bloomberg

Energy

- Supply cuts by the Organisation of the Petroleum Exporting Countries and their partners (OPEC+) and non-OPEC+ producer shut-ins have driven crude oil supplies lower. Meanwhile, tentative signs of demand recovery in parts of Asia are helping to tighten balances. Front month WTI and Brent have staged a strong recovery in the past month after a disastrous March and April 2020. OPEC members appear to be complying with their quotas and indeed started cutting production ahead of the May 1st 2020 start point. Oil rigs in operation in the US have fallen to the lowest level since 2009, i.e. before the shale oil revolution started. Oil production is following suit. Issues around storage nearing capacity in Cushing, Oklahoma where WTI futures contracts settle, seem to be easing although utilisation is still very high. As the June 2020 WTI contract came to expiry there was no downward price pressure – a sharp contrast to last month when the May 2020 contract traded negative on account of the storage capacity issues. However, aggressive contango in the crude oil markets a month ago has meant that it has been difficult for investors to profit. Contango has declined significantly in recent weeks with front month roll yields in WTI down to -0.3% from -23.7% a month ago for example.
- As lockdown measures ease and people returning to work are encouraged to avoid public transport, gasoline demand is recovering. Gasoline prices are still close to 50% below the 5-year seasonal average, but the front month price has rallied close to 35% in the past month. Refinery shut-ins have also helped the balance of gasoline. However, we are likely to see the summer driving season remain disappointing as it will take a long time for travel to return to normal.
- After a period of weak demand in the winter, natural gas is heading into the summer with elevated inventory. However, the sharp decline in shale activity could tighten the natural gas markets. Natural gas could thus be one of the beneficiaries the energy market chaos.

Energy - May Returns*

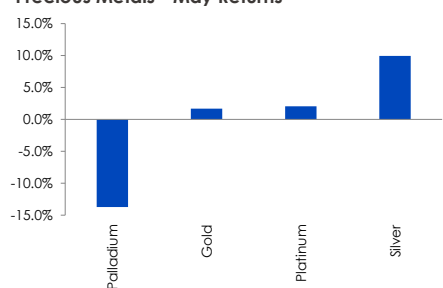


Source: Bloomberg

Precious Metals

- Following liquidity driven price weakness in March, gold has resumed its strong run this year with more than 15% price appreciation year to date (as of 15 May 2020). Two important forces are driving the strong demand for gold at present. Firstly, the ongoing coronavirus pandemic has created a high degree of economic uncertainty with the International Monetary Fund and major central banks around the world forecasting a sharp slump in global GDP in 2020. Investors appear to be turning to the safe-haven metal to hedge against this uncertainty. Secondly, forceful monetary accommodation from central banks has raised the risk of devaluation of paper currency through rising inflation when economic activity picks up again. This may happen in 2021 in a U-shaped recovery scenario. Thus, it appears that, investors are also turning to gold to hedge against the risk of rising inflation from crisis-stricken levels today. Gold prices have found additional support since Dr Anthony Fauci's warning against a premature easing in lockdowns during a US senate hearing on 12 May. Markets were reminded of the risks to the U-shaped recovery story, including further downside for risk markets and the need for additional monetary stimulus, which gave further support to gold.
- Silver, until last month, had been behaving more as an industrial metal than a precious metal. Over the last 20 years, silver prices have had a correlation with gold prices of over 0.7 despite silver finding more than half of its demand in industrial applications. This year, at least until last month, this correlation appeared to be broken with silver's performance lagging behind that of gold. This was mainly the result of acute headwinds facing silver's industrial demand with lockdowns around the world stifling manufacturing activity. It appears now that silver is making its return from the doldrums with a 9.9% price rally last month. Silver's correlation with gold is coming through and can be expected to provide further support to it this year. Silver is also finding support as industrial metals recover on expectations of gradually recovering economic activity as lockdown conditions are eased around the world.

Precious Metals - May Returns*



Source: Bloomberg

*Note: all returns are based on front month futures prices in the month to Friday 15 May 2020. Historical performance is not an indication of future performance and any investments may go down in value.

Positioning

- Net speculative positioning for palladium continued to decline over the month. Palladium's demand, which comes mostly from the metal's use in autocatalysts, has been hit strongly with falling car sales and manufacturing activity as a result of the coronavirus pandemic.
- Over the past month, Brent oil has shown the sharpest decline in speculative positioning of all commodities. Net shorts in Brent have reached -52,085 contracts from -7,032 a month ago. A decline in bargain-hunting followed after a 17% gain in the front month price. That remains in sharp contrast to WTI, where positioning remains above the 5-year average.
- Net speculative positioning for cocoa fell sharply between February and April falling into negative territory. In the last month, net speculative positioning has improved into positive territory again.
- As the demand outlook improves on easing lockdown conditions in key markets, net speculative positioning for cotton has also become positive after becoming negative last month.
- With forecasts of a large surplus this year causing price weakness in wheat last month, net speculative positioning also fell by 108%.

Inventories

- US oil inventories have risen over the past 3 months with demand collapsing and supply unable to fall as fast. However, in the past week, inventories look like they have peaked. That has been one of the catalysts for the recent price uptick.
- Copper inventories rose sharply in the first three months of the year but have been on the decline since the end of March as lockdown conditions have resulted in substantial cuts in supply helping offset some of the weakness in demand.
- Lockdowns have also resulted in a sharp reduction in tin supplies resulting in a steep drawdown in inventories. Tin prices, despite being broadly flat last month, have recovered from their lows in March. Tin futures curve is now in backwardation with markets anticipating a supply shortage when electronics manufacturing demand starts to pick up again.

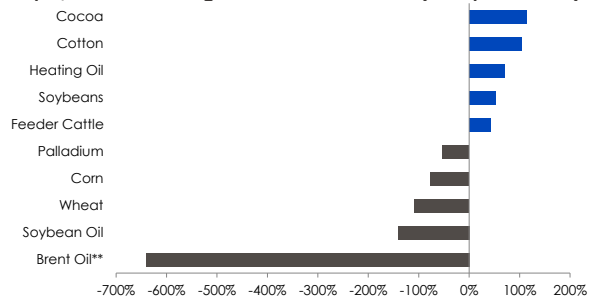
Curve Dynamics

- Natural gas has replaced crude oil in the contest for steepest contango this month. While natural gas usually has seasonal contango at this time of the year, the steepness is pronounced on account of the front month being deeply discounted compared to prior years.
- Following a recovery in prices since April, zinc and tin futures curves are now in slight backwardation at the front end.
- An upward shift along with a steepening of the feeder cattle futures curves at the front end means the curve is now in contango giving a negative roll yield of 4.8%.

Technical

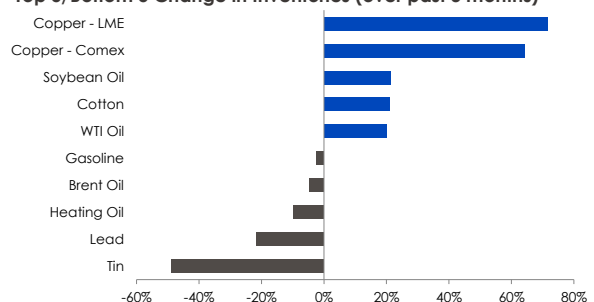
- After experiencing liquidity driven selling pressures in March when equity markets slumped sharply, gold has risen strongly with prices now 12.8% above their 200-dma.
- Palladium prices declined 13.7% last month on account of ongoing weakness in industrial demand for the metal. As of 15 May, prices were 2.3% below their 200-dma.
- The energy complex dominates the bottom five in terms of current price relative to the 200-day moving average. Despite the recovery in the past month, the brutal price declines in March and April still scar the technical picture.
- Following an 8.8% increase in prices last month, cocoa is now trading at 4% below its 200-dma compared to 6.2% below its 200-dma last month.
- Weakness in the price of coffee last month with a 12.8% decline has taken it to 3.6% below its 200-dma compared to 2.8% below its 200-dma last month.

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



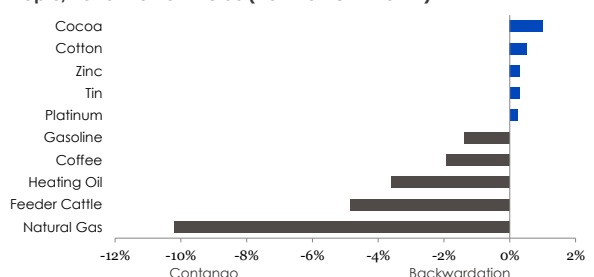
Source: Bloomberg

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



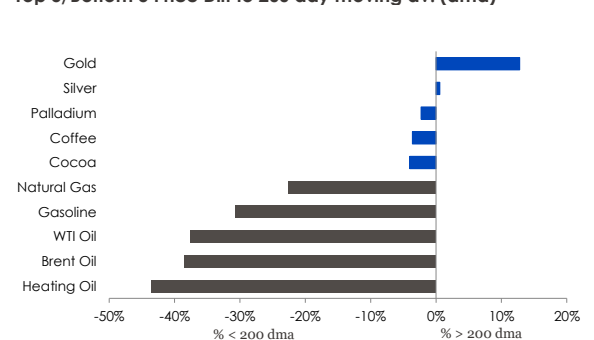
Source: Bloomberg

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



Source: Bloomberg

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



Source: Bloomberg

¹ CFTC futures net positioning as at 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 May 15, 2020.

⁴ Percent difference between the front month futures price and its 200 day moving average on May 15, 2020.

Summary Tables

PRICES ¹	Current	Unit	1 Month	3 Month	6 Month	1 Year	ROLL YIELDS ²	Unit	Exchange	15-May	1 Week	1 Month	3 Month
Energy							Energy						
WTI Oil	29	USD/bbl.	48.1%	-43.5%	-49.0%	-52.5%	WTI Oil	USD/bbl.	NYMEX	-0.3%	-5.2%	-23.7%	-0.5%
Brent Oil	33	USD/bbl.	17.4%	-43.3%	-48.7%	-54.7%	Brent Oil	USD/bbl.	ICE	-0.9%	-3.1%	-11.9%	0.2%
Natural Gas	1.6	USD/MMBtu	3.0%	-10.4%	-38.8%	-36.7%	Natural Gas	USD/MMBtu	NYMEX	-10.2%	-11.0%	-8.6%	-1.0%
Gasoline	1.0	USD/gal.	34.7%	-38.7%	-40.7%	-51.8%	Gasoline	USD/gal.	NYMEX	-1.4%	-0.4%	-6.1%	-8.3%
Heating Oil	0.9	USD/gal.	0.7%	-45.8%	-52.8%	-55.9%	Heating Oil	USD/gal.	NYMEX	-3.6%	-4.9%	-3.9%	0.3%
Carbon	19.1	EUR/MT	-0.5%	-21.2%	-19.9%	-26.2%	Carbon	EUR/MT	ICE	-0.2%	-0.2%	-0.1%	-0.1%
Agriculture							Agriculture						
Wheat	5.0	USD/bu.	-7.4%	-7.8%	-0.5%	11.5%	Wheat	USD/bu.	CBOT	-0.5%	1.2%	0.0%	0.2%
Corn	3.2	USD/bu.	0.0%	-15.5%	-14.0%	-13.6%	Corn	USD/bu.	CBOT	-1.2%	-0.6%	-2.3%	-1.1%
Soybeans	8.4	USD/bu.	-0.4%	-6.2%	-8.7%	0.4%	Soybeans	USD/bu.	CBOT	-0.3%	-0.3%	-1.1%	-1.1%
Sugar	0.1	USD/lb.	2.2%	-31.1%	-18.5%	-12.4%	Sugar	USD/lb.	NYBOT	-1.1%	-2.2%	-1.2%	3.5%
Cotton	0.6	USD/lb.	10.4%	-13.6%	-10.2%	-12.2%	Cotton	USD/lb.	NYBOT	0.5%	-2.3%	-0.1%	-1.5%
Coffee	1.0	USD/lb.	-12.8%	-3.9%	-1.3%	16.6%	Coffee	USD/lb.	NYBOT	-1.9%	-1.4%	-0.8%	-2.0%
Soybean Oil	0.3	USD/lb.	0.1%	-13.1%	-12.7%	-2.4%	Soybean Oil	USD/lb.	CBOT	-0.7%	-1.2%	-1.4%	-1.2%
Cocoa	2,399	USD/MT	8.8%	-17.4%	-13.3%	2.6%	Cocoa	USD/MT	NYBOT	1.0%	0.8%	-1.1%	0.6%
Industrial Metals							Industrial Metals						
Aluminum	1,429	USD/MT	-3.9%	-15.8%	-18.8%	-22.2%	Aluminum	USD/MT	LME	-1.0%	-1.0%	-0.9%	-0.7%
Copper	2.3	USD/lb.	1.6%	-10.2%	-11.5%	-15.3%	Copper	USD/lb.	COMEX	0.1%	0.2%	-0.6%	-0.3%
Copper (LME)	5,156	USD/MT	1.1%	-10.3%	-11.5%	-15.1%	Copper (LME)	USD/MT	LME	-0.2%	-0.2%	-0.1%	0.0%
Zinc	1,966	USD/MT	2.1%	-7.9%	-18.4%	-26.8%	Zinc	USD/MT	LME	0.3%	0.0%	-0.2%	-0.3%
Nickel	11,786	USD/MT	0.5%	-8.9%	-21.3%	-3.3%	Nickel	USD/MT	LME	-0.2%	-0.2%	-0.2%	-0.2%
Lead	1,581	USD/MT	-6.6%	-16.7%	-20.3%	-12.5%	Lead	USD/MT	LME	-0.7%	-0.5%	-0.4%	1.3%
Tin	15,120	USD/MT	0.0%	-8.4%	-5.9%	-24.2%	Tin	USD/MT	LME	0.3%	0.1%	0.1%	-0.1%
Precious Metals							Precious Metals						
Gold	1,756	USD/t oz.	1.7%	11.0%	19.6%	35.3%	Gold	USD/t oz.	COMEX	-0.7%	-0.6%	-0.7%	-0.2%
Silver	17.0	USD/t oz.	9.9%	-3.9%	0.6%	15.6%	Silver	USD/t oz.	COMEX	-0.1%	-0.2%	-1.0%	-0.5%
Platinum	817	USD/t oz.	2.1%	-15.7%	-8.7%	-3.6%	Platinum	USD/t oz.	NYMEX	0.2%	0.0%	-0.5%	-0.5%
Palladium	1,858	USD/t oz.	-13.7%	-19.8%	10.4%	39.4%	Palladium	USD/t oz.	NYMEX	0.2%	0.0%	0.4%	0.2%
Livestock							Livestock						
Live Cattle	1.0	USD/lb.	2.4%	-19.7%	-18.6%	-11.6%	Live Cattle	USD/lb.	CME	-0.8%	-6.0%	11.7%	0.4%
Lean Hogs	0.6	USD/lb.	26.9%	3.5%	-8.4%	-37.0%	Lean Hogs	USD/lb.	CME	0.2%	7.7%	15.6%	-13.1%
Feeder Cattle	1.2	USD/lb.	7.7%	-10.0%	-14.7%	-8.2%	Feeder Cattle	USD/lb.	CME	-4.8%	-5.7%	0.2%	-2.0%
CFTC 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	532,633	454,973	501,027	445,616	535,326	Oil - US	531,476	7.8%	6%	20%	18%		
Brent Oil**	-52,085	192,053	-7,032	323,627	173,266	Oil - OECD Europe**	339	-100%	-	-4.8%	-6%		
Natural Gas	-49,381	-109,328	-86,154	-121,003	-74,033	Natural Gas - DOE	2,422	13.6%	15%	3%	-33%		
Gasoline	67,690	75,049	93,900	75,685	93,085	Gasoline - DOE	252,894	6.2%	-4%	-2%	15%		
Heating Oil	-1,507	13,907	-5,018	1,921	-17,880	Heating Oil - DOE	8,787	-11%	-7%	-10%	-23%		
Agriculture						Industrial Metals							
Wheat	-2,475	-36,324	29,786	6,870	-56,357	Aluminum	1,772,017	-20%	0%	15%	32%		
Corn	-188,238	31,727	-106,478	-93,318	-231,090	Aluminum - LME	1,419,675	-19%	13%	18%	33%		
Soybeans	59,468	33,951	38,786	52,773	-148,817	Aluminium - SHFE	352,342	-24%	-31%	4%	25%		
Sugar	4,342	50,351	7,632	-165,086	-108,097	Copper	535,799	-1%	-14%	18%	34%		
Cotton	384	51,903	-8,145	-9,147	-12,021	Copper - LME	278,750	12%	7%	72%	24%		
Coffee	17,994	-14,560	24,207	-4,187	-62,624	Copper - SHFE	208,890	10%	-34%	-20%	54%		
Soybean Oil	-2,595	37,011	6,324	107,123	-49,861	Copper - COMEX	48,159	-54%	19%	64%	21%		
Cocoa	734	19,522	-5,391	49,354	2,076	Nickel - LME	233,844	-25%	2%	10%	262%		
Industrial Metals⁵						Zinc	214,997	-46%	-15%	9%	96%		
Copper (COMEX)	-15,807	1,284	-22,470	-24,821	-19,913	Zinc - LME	98,975	-64%	-1%	32%	88%		
Copper (LME)	37,050	34,705	29,099	35,143	24,768	Zinc - SHFE	116,022	-6%	-24%	-5%	103%		
Aluminum	189,103	158,878	185,248	176,490	138,708	Lead	81,511	-51%	1%	-22%	-23%		
Nickel	26,175	20,723	24,600	43,233	14,799	Lead - LME	74,300	-46%	2%	11%	11%		
Zinc	35,721	43,823	33,444	62,260	49,742	Lead - SHFE	7,211	-76%	-13%	-81%	-82%		
Lead	52,023	52,652	52,633	72,356	48,076	Tin	7,052	-21%	-35%	-49%	-33%		
Tin	8,916	8,239	9,726	7,694	8,183	Tin - LME	3,540	-15%	-48%	-48%	-47%		
Precious Metals						Tin - SHFE	3,512	-26%	-14%	-50%	-8%		
Gold	268,914	169,452	290,063	267,190	128,449	Agriculture							
Silver	24,384	40,112	28,449	38,346	-5,296	Wheat - USDA	310,120	58.2%	5.9%	7.7%	7.6%		
Platinum	16,327	25,059	15,801	37,031	26,255	Corn - USDA	339,620	133%	12.0%	14.4%	14.8%		
Palladium	364	12,049	767	11,192	7,621	Soybeans - USDA	98,390	56%	-2.1%	-0.5%	3%		
Livestock						Sugar - USDA	49,580	38%	-	-	-		
Live Cattle	39,353	77,898	31,962	94,721	117,743	Cotton - USDA	99,430	39%	9.0%	21.1%	23.1%		
Lean Hogs	29,288	40,875	42,031	43,139	92,079	Coffee - USDA	34,976	-3%	-	-	4%		
Feeder Cattle	2,639	6,366	1,840	5,124	201	Soybean Oil - USDA	4,140	0%	2.2%	21%	21%		

¹Performance of front month futures from 15 May 19 (1 Year), 15 Nov 19 (6 Month), 15 Feb 20 (3 Month) and 15 Apr 20 (1 Month) to 15 May 20.

²Roll return non-annualised from front month futures into second " month on 14 Feb 20 (3 Month), 15 Apr 20 (1 Month), 07 May 20 (1 Week), 15 May 20.

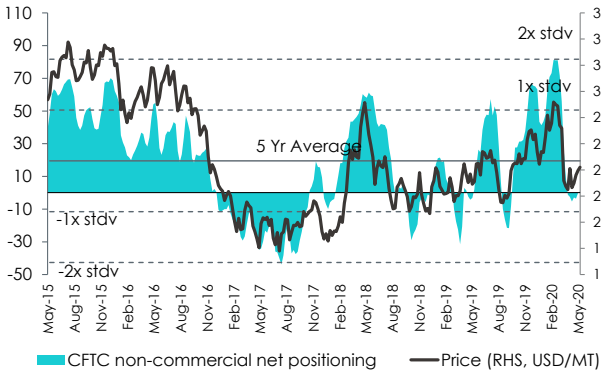
³Net positions in number of contracts. ⁴Current inventories relative to 1, 3, 6 months ago. Under the column "5 yr average" is the current inventory level relative to 5 year average inventory. For energy, 5 yr average is the average of the same month as report month over the past 5 years. SHFE started 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 CFTC before then and inventory data (OECD) reported with 3 month lag with current = Jan 2020

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

CFTC Speculative Net Long Futures Positions

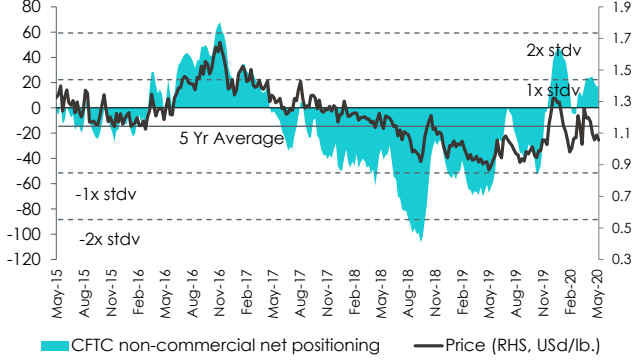
Agriculture

Cocoa



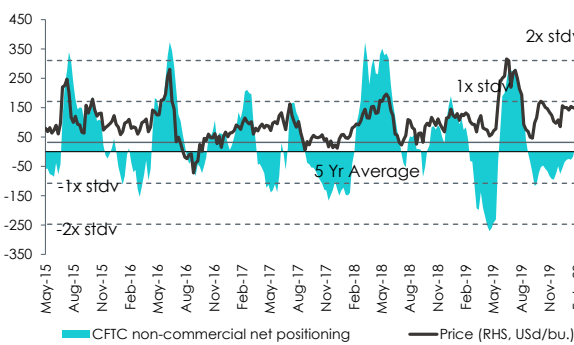
Source: Bloomberg, WisdomTree

Coffee



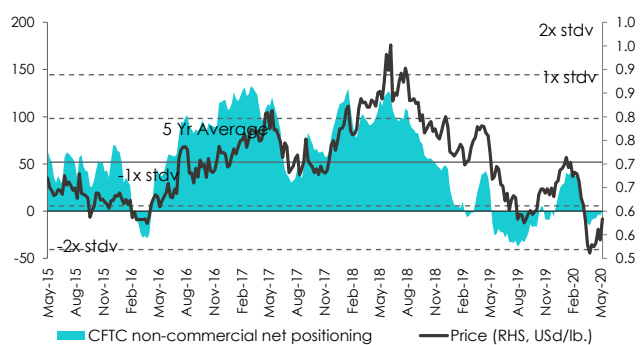
Source: Bloomberg, WisdomTree

Corn



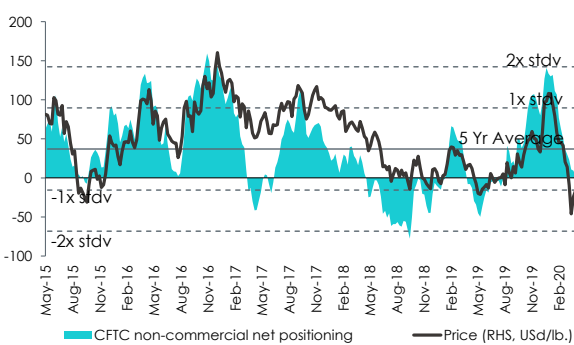
Source: Bloomberg, WisdomTree

Cotton



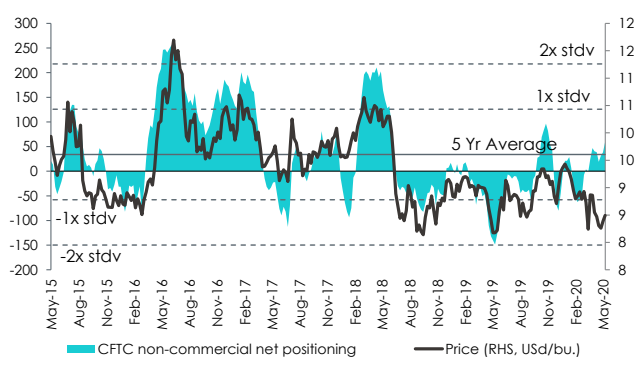
Source: Bloomberg, WisdomTree

Soybean Oil



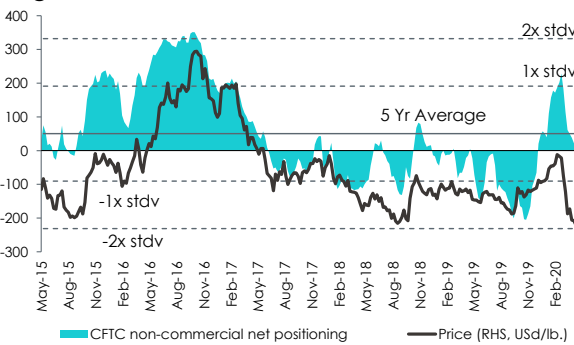
Source: Bloomberg, WisdomTree

Soybeans



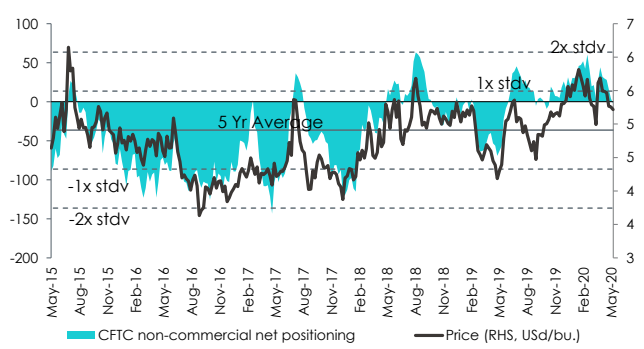
Source: Bloomberg, WisdomTree

Sugar



Source: Bloomberg, WisdomTree

Wheat



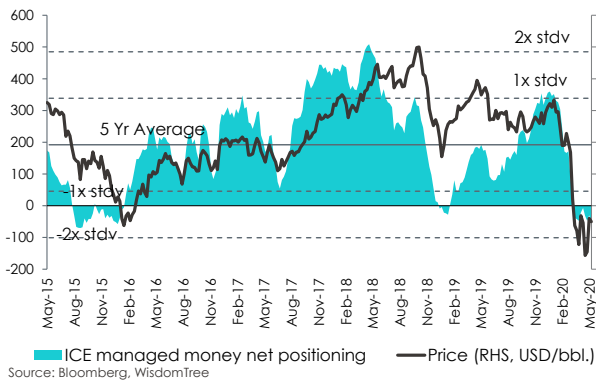
Source: Bloomberg, WisdomTree

Note: positioning in '000 contracts. Standard deviation based on 5 year average CFTC non-commercial net positioning

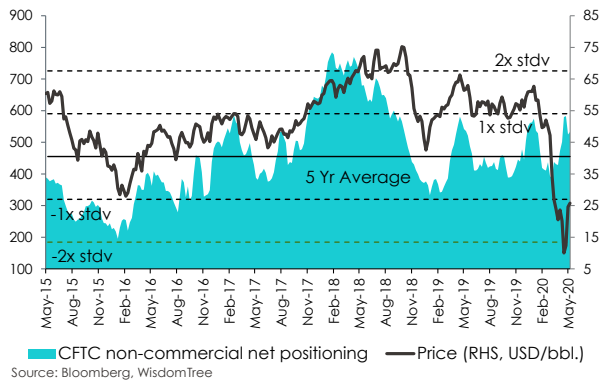
All commodity futures price data is denominated in USD unless otherwise indicated. CFTC futures and LME COIR net positioning as at May 12, 2020 and May 15, 2020 respectively. **Historical performance is not an indication of future performance and any investments may go down in value.**

Energy

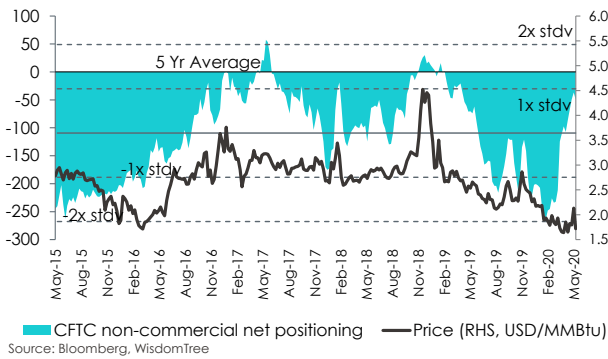
Brent Oil



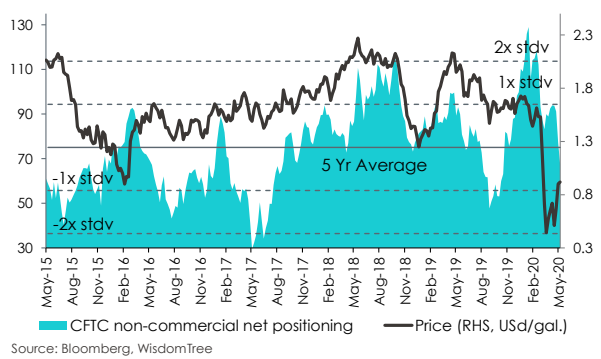
WTI Oil



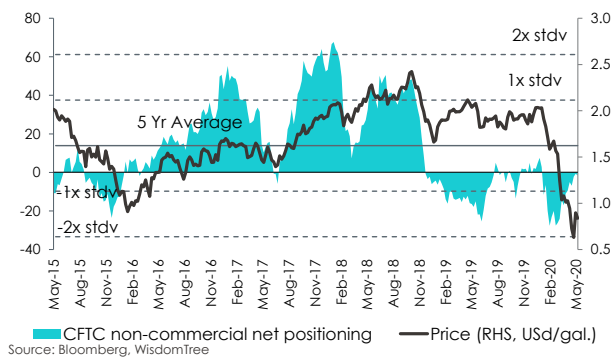
Natural Gas



Gasoline

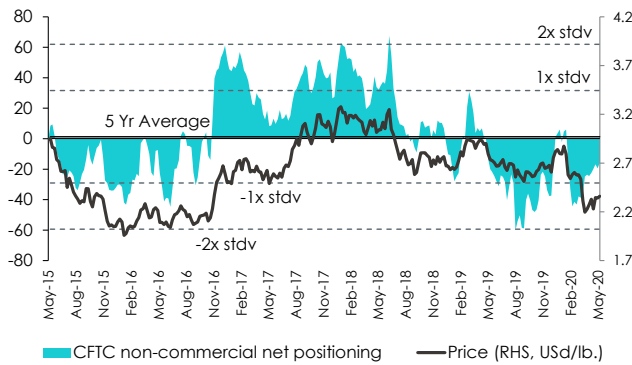


Heating Oil



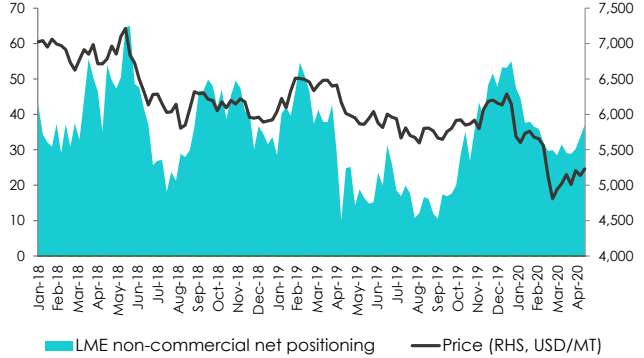
Industrial Metals

Copper (COMEX)



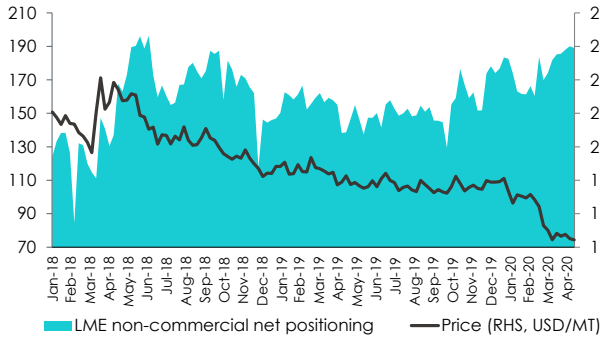
Source: Bloomberg, WisdomTree

Copper (LME)



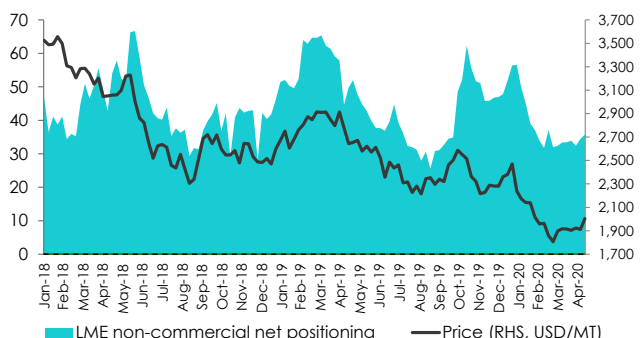
Source: Bloomberg, WisdomTree

Aluminum



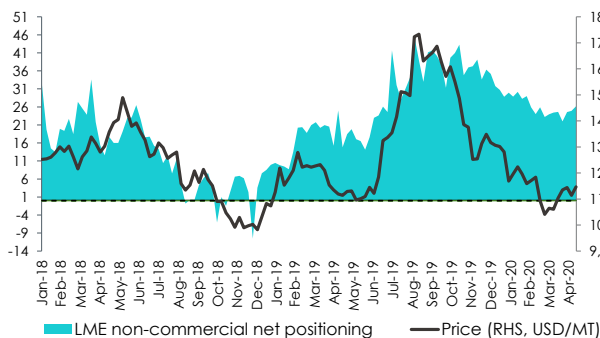
Source: Bloomberg, WisdomTree

Zinc



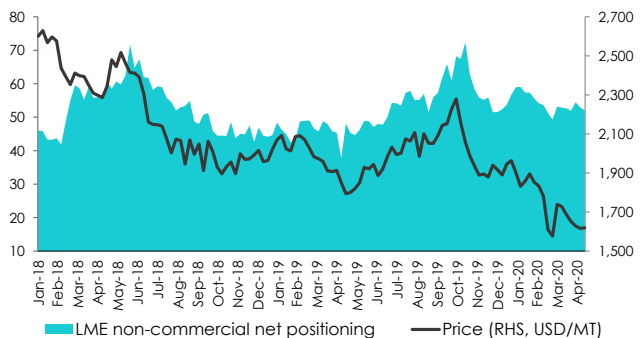
Source: Bloomberg, WisdomTree

Nickel



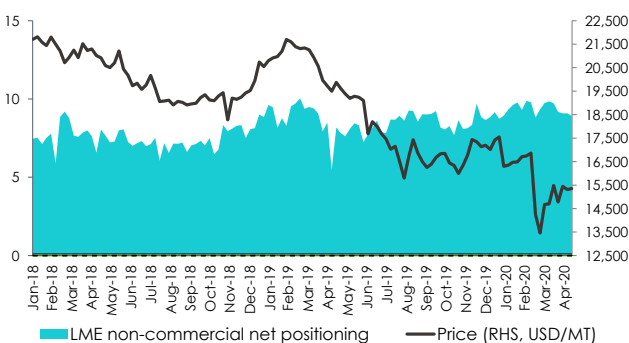
Source: Bloomberg, WisdomTree

Lead



Source: Bloomberg, WisdomTree

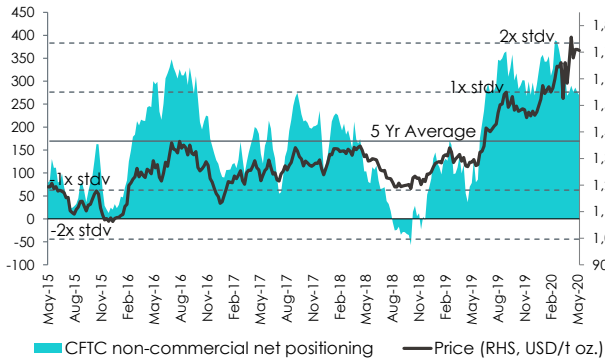
Tin



Source: Bloomberg, WisdomTree

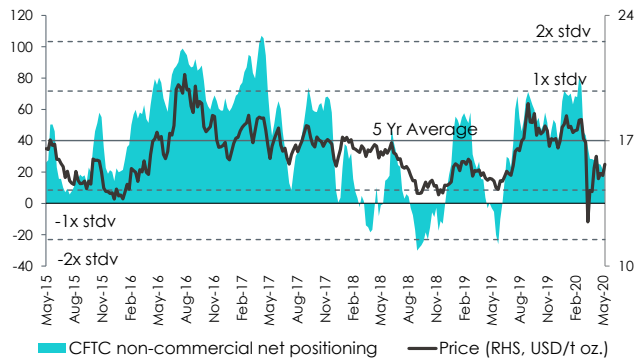
Precious Metals

Gold



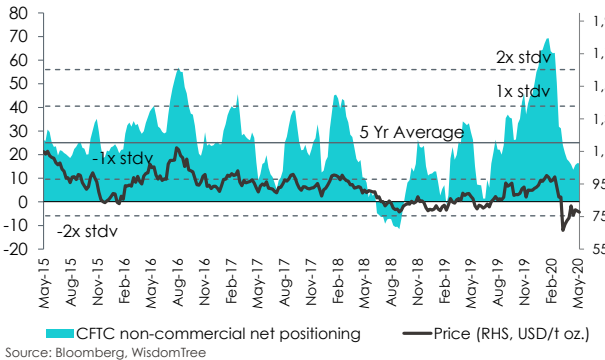
Source: Bloomberg, WisdomTree

Silver



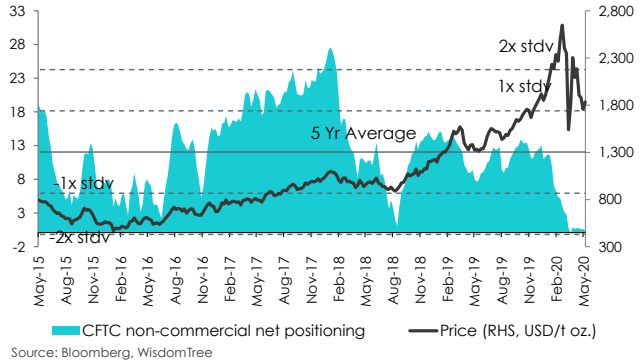
Source: Bloomberg, WisdomTree

Platinum



Source: Bloomberg, WisdomTree

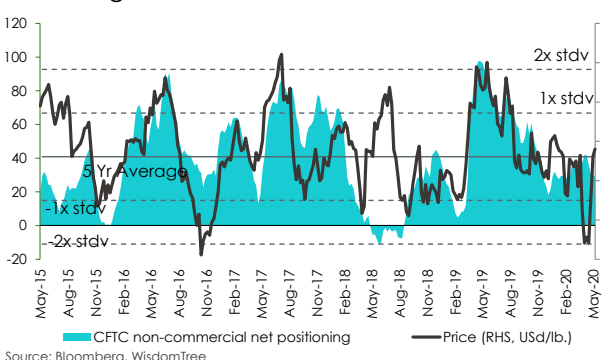
Palladium



Source: Bloomberg, WisdomTree

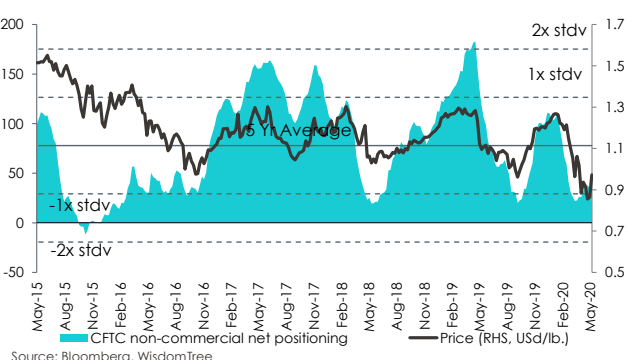
Livestock

Lean Hogs



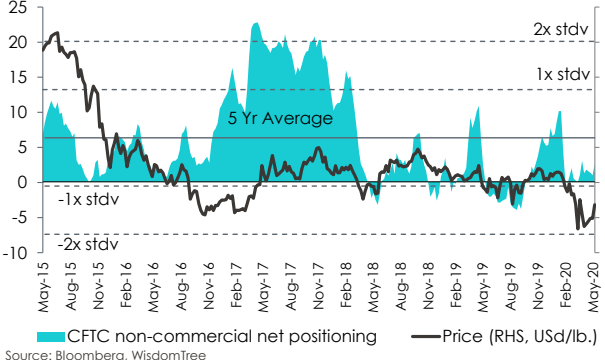
Source: Bloomberg, WisdomTree

Live Cattle



Source: Bloomberg, WisdomTree

Feeder Cattle



Source: Bloomberg, WisdomTree

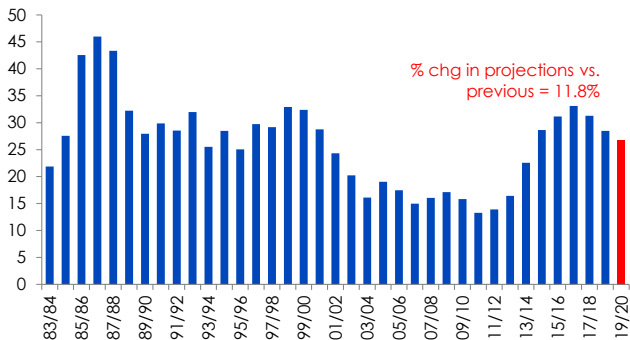
Note: positioning in '000 contracts. Standard deviation based on 5 year average CFTC non-commercial net positioning. respective graphs represent daily data. All commodity futures price data is denominated in USD unless otherwise indicated.
Historical performance is not an indication of future performance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

Inventories

Agriculture

Corn - Stock to Use

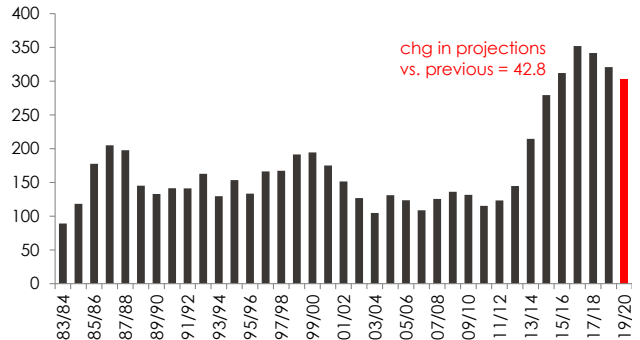
Annual data in %, from 1980 to 2019



Source: USDA, Bloomberg, WisdomTree

Corn - Ending Stocks

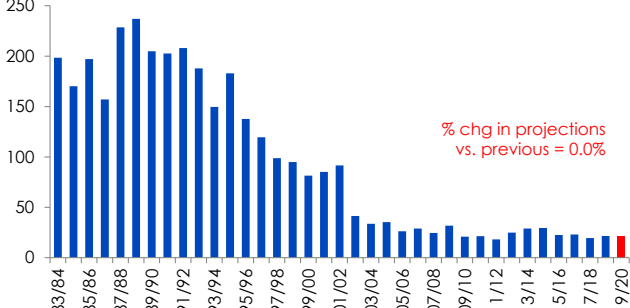
Annual data in mln tons, from 1980 to 2019



Source: USDA, Bloomberg, WisdomTree

Coffee - Stock to Use

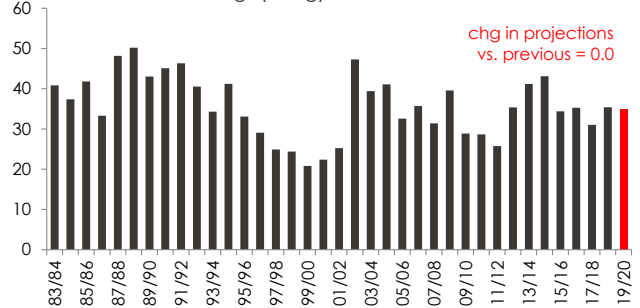
Annual data in %, from 1980 to 2019



Source: USDA, Bloomberg, WisdomTree

Coffee - Ending Stocks

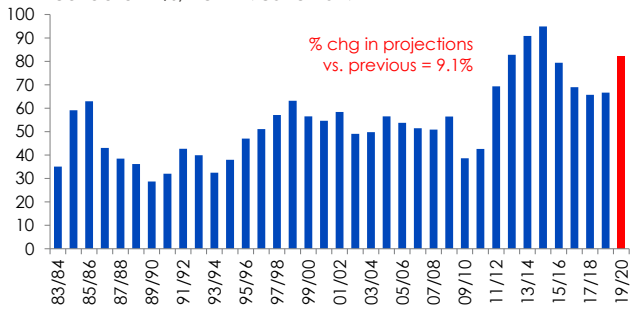
Annual data in mln bags (60 kg), from 1980 to 2019



Source: USDA, Bloomberg, WisdomTree

Cotton - Stock to Use

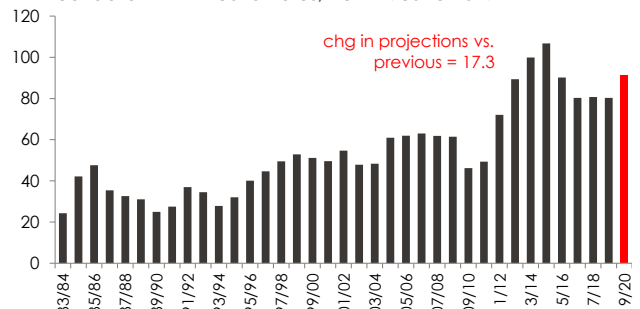
Annual data in %, from 1980 to 2019



Source: USDA, Bloomberg, WisdomTree

Cotton - Ending Stocks

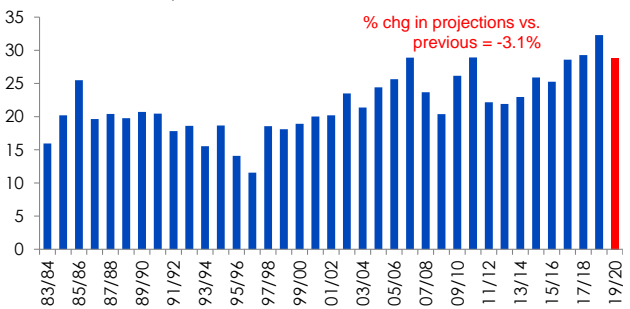
Annual data in mln 480 lb Bales, from 1980 to 2019



Source: USDA, Bloomberg, WisdomTree

Soybeans - Stock to Use

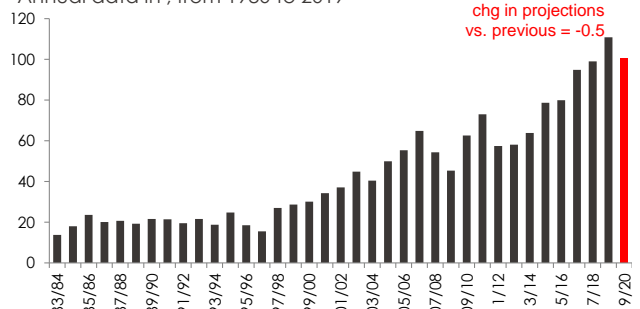
Annual data in %, from 1980 to 2019



Source: USDA, Bloomberg, WisdomTree

Soybeans - Ending Stocks

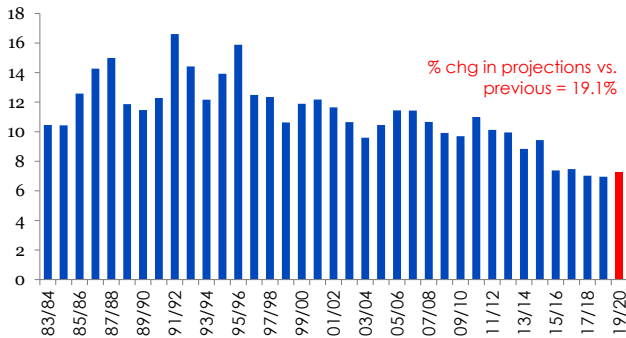
Annual data in , from 1980 to 2019



Source: USDA, Bloomberg, WisdomTree

Soybean Oil - Stock to Use

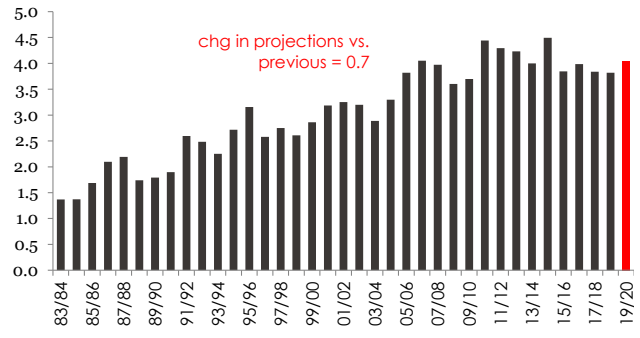
Annual data in %, from 1980 to 2019



Source: USDA, Bloomberg, WisdomTree

Soybean Oil - Ending Stocks

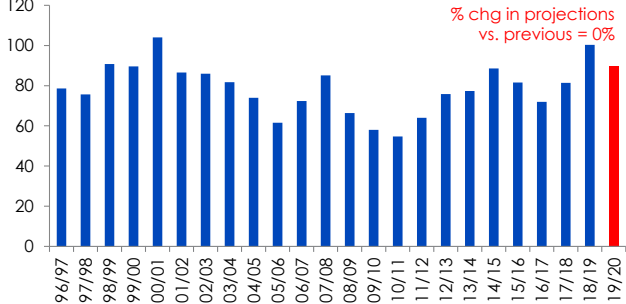
Annual data in mln Metric Tons, from 1980 to 2019



Source: USDA, Bloomberg, WisdomTree

Sugar - Stock to Use

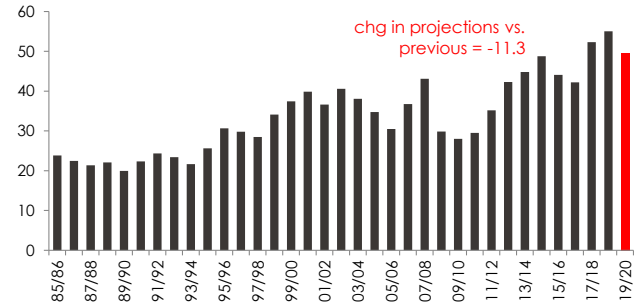
Annual data in %, from 1998 to 2019



Source: USDA, Bloomberg, WisdomTree

Sugar - Ending Stocks

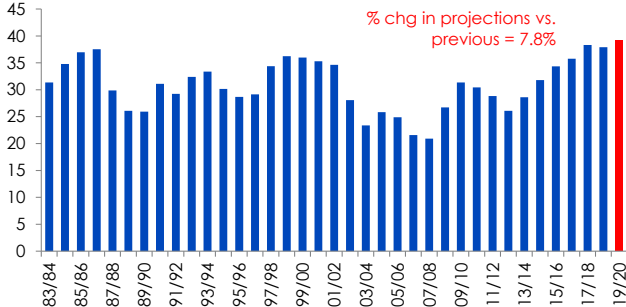
Annual data in mln Metric Tons, from 1980 to 2019



Source: USDA, Bloomberg, WisdomTree

Wheat - Stock to Use

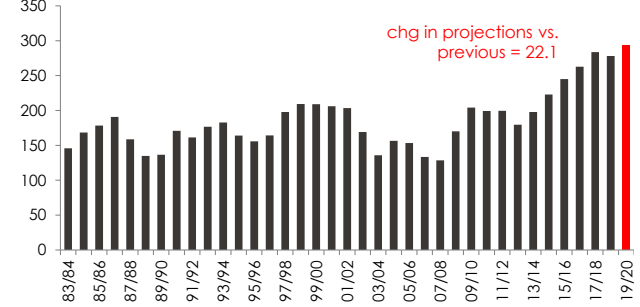
Annual data in %, from 1980 to 2019



Source: USDA, Bloomberg, WisdomTree

Wheat - Ending Stocks

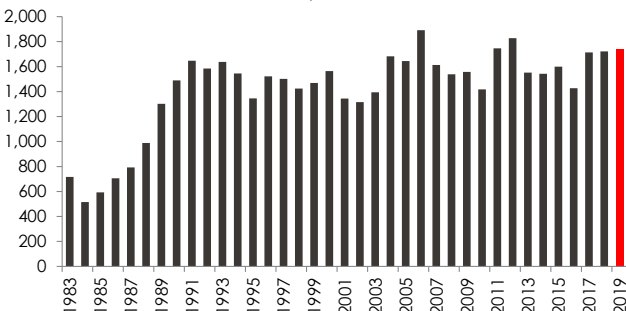
Annual data in mln tons, from 1980 to 2019



Source: USDA, Bloomberg, WisdomTree

Cocoa - Inventory

Annual data in '000 metric tons, from 1981 to 2019

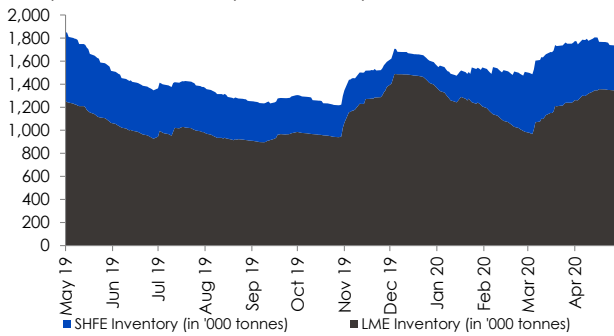


Source: International Cocoa Organisation, Bloomberg, WisdomTree

Industrial Metals

Aluminum Inventory

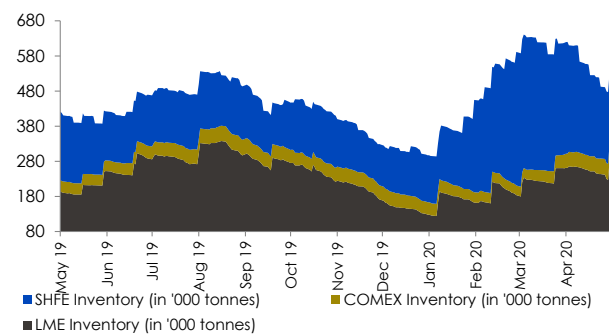
Daily data, from 15 May 19 to 15 May 20



Source: Bloomberg, WisdomTree

Copper Inventory

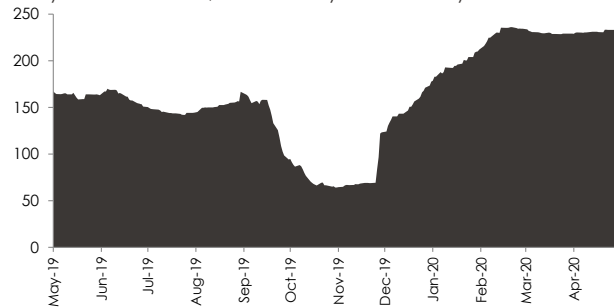
Daily data, from 24 Apr 19 to 24 Apr 20



Source: Bloomberg, WisdomTree

Nickel Inventory

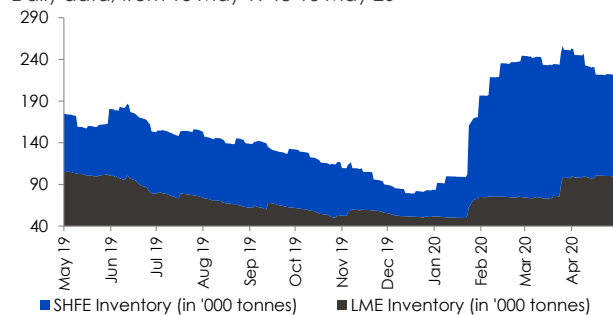
Daily data in '000 MT, from 15 May 19 to 15 May 20



Source: LME, Bloomberg, WisdomTree

Zinc Inventory

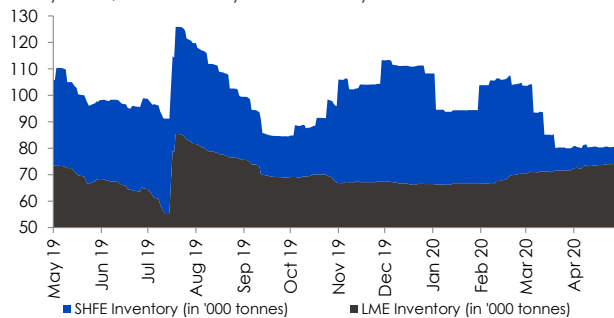
Daily data, from 15 May 19 to 15 May 20



Source: Bloomberg, WisdomTree

Lead Inventory

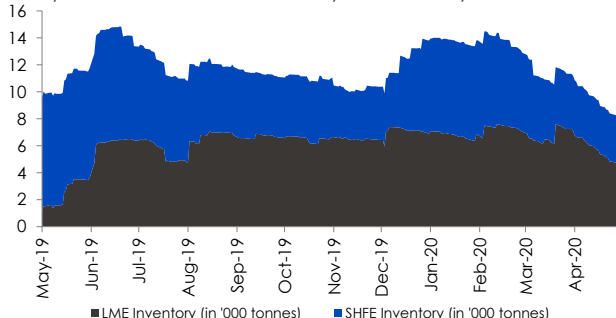
Daily data, from 15 May 19 to 15 May 20



Source: Bloomberg, WisdomTree

Tin Inventory

Daily data in '000 MT, from 15 May 19 to 15 May 20

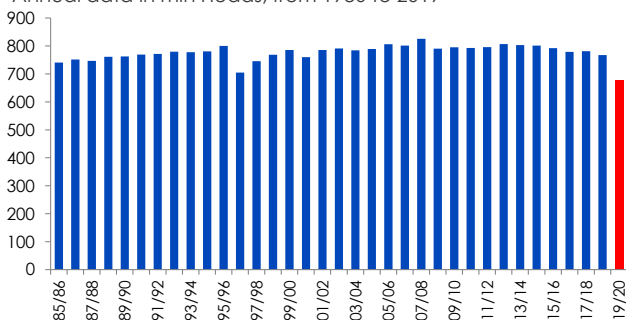


Source: LME, Bloomberg, WisdomTree

Livestock

Lean Hogs Inventory

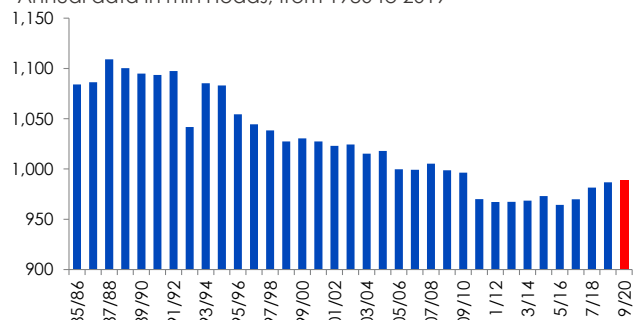
Annual data in mln Heads, from 1980 to 2019



Source: USDA, Bloomberg, WisdomTree

Live Cattle Inventory

Annual data in mln Heads, from 1980 to 2019



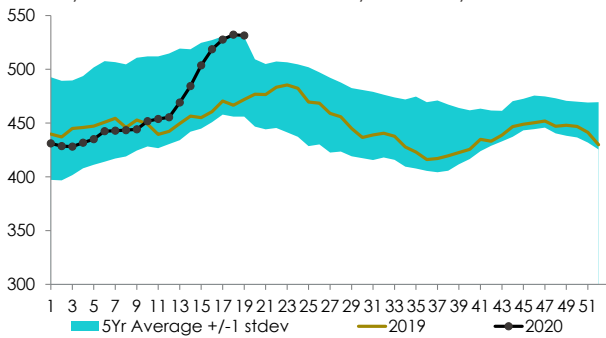
Source: USDA, Bloomberg, WisdomTree

Note: Ending stocks, inventories and stock to use data from the USDA are annual with monthly update of 2019/2020 estimates.
Historical performance is not an indication of future performance and any investments may go down in value.

Energy

US Oil Inventory

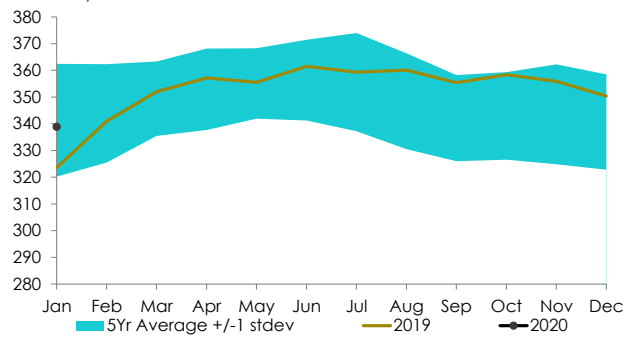
Weekly data in mln barrels, from May 15 to May 20



Source: DOE, Bloomberg, WisdomTree

OECD Europe Oil Industry Inventory

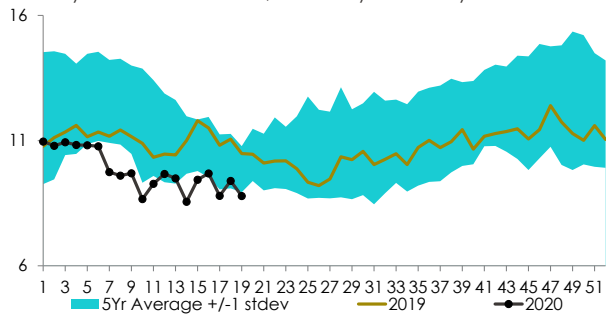
Monthly data in mln barrels, from Jan 15 to Jan 20



Source: IEA, Bloomberg, WisdomTree

Heating Oil Inventory

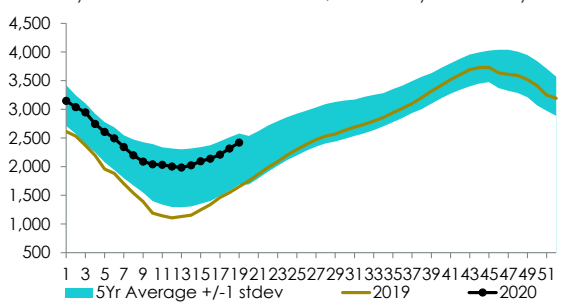
Weekly data in mln barrels, from May 15 to May 20



Source: DOE, Bloomberg, WisdomTree

Natural Gas Inventory

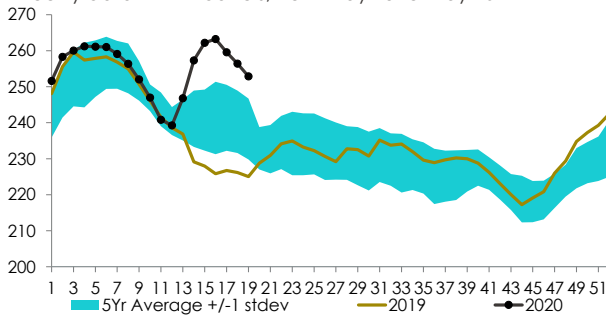
Weekly data in billion cubic feet, from May 15 to May 20



Source: DOE, Bloomberg, WisdomTree

Gasoline Inventory

Weekly data in mln barrels, from May 15 to May 20



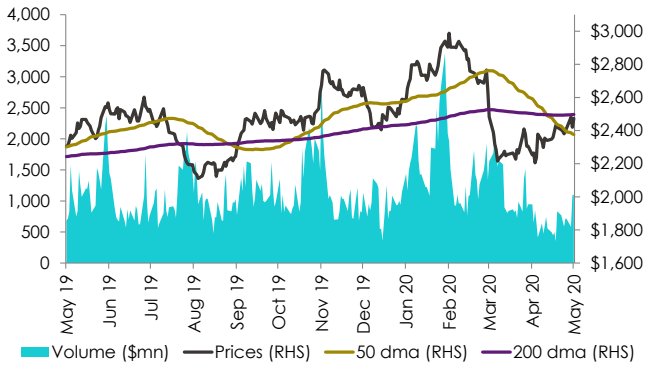
Source: DOE, Bloomberg, WisdomTree

Commodities Front Month Futures and Trading Volumes

Agriculture

Cocoa Front Month Futures Price

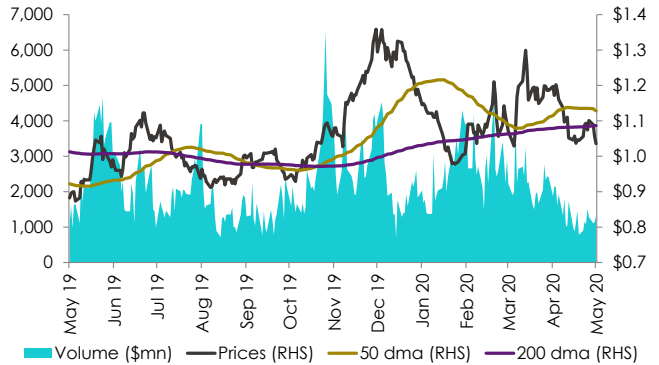
Daily data in USD/MT, from 15 May 19 to 15 May 20



Source: Bloomberg, WisdomTree

Coffee Front Month Futures Price

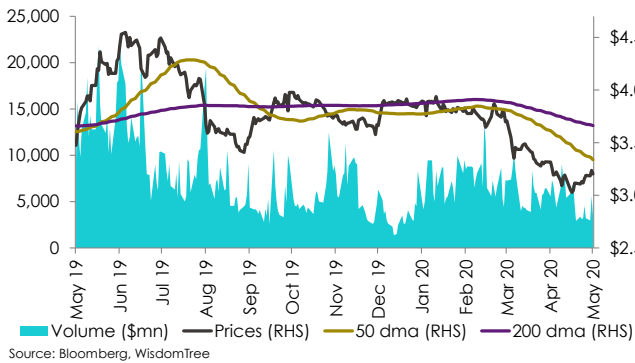
Daily data in USD/lb., from 15 May 19 to 15 May 20



Source: Bloomberg, WisdomTree

Corn Front Month Futures Price

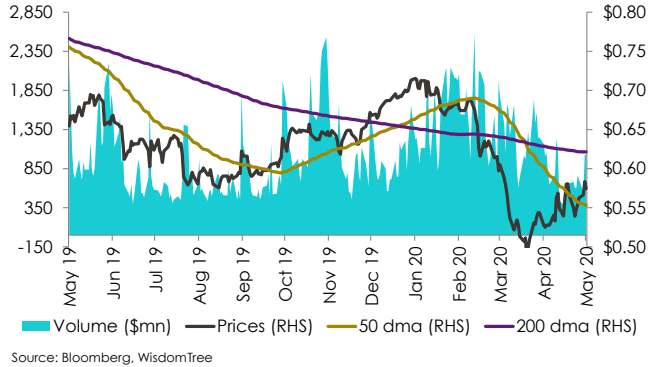
Daily data in USD/bu., from 15 May 19 to 15 May 20



Source: Bloomberg, WisdomTree

Cotton Front Month Futures Price

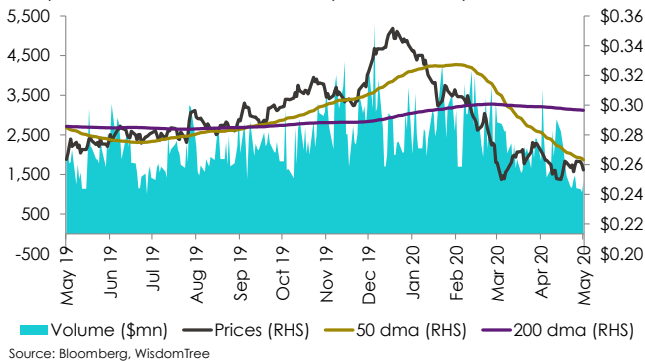
Daily data in USD/lb., from 15 May 19 to 15 May 20



Source: Bloomberg, WisdomTree

Soybean Oil Front Month Futures Price

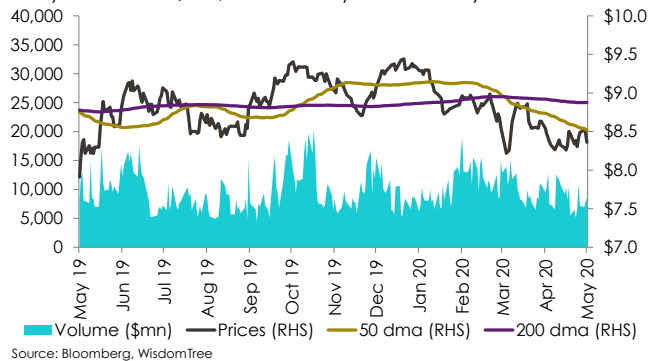
Daily data in USD/lb., from 15 May 19 to 15 May 20



Source: Bloomberg, WisdomTree

Soybeans Front Month Futures Price

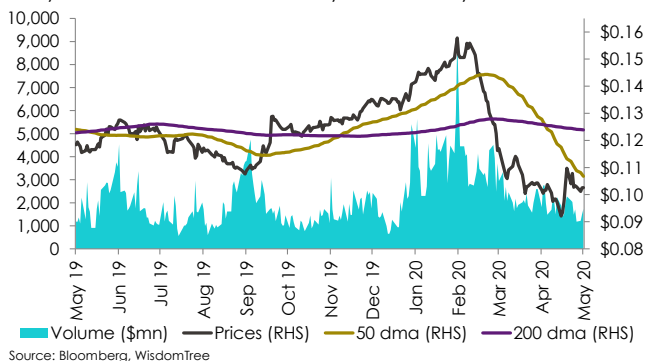
Daily data in USD/bu., from 15 May 19 to 15 May 20



Source: Bloomberg, WisdomTree

Sugar Front Month Futures Price

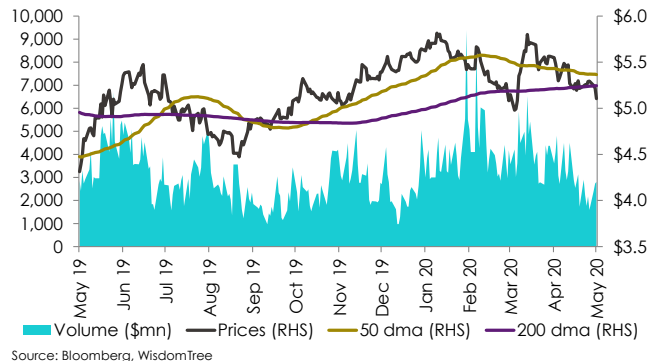
Daily data in USD/lb., from 15 May 19 to 15 May 20



Source: Bloomberg, WisdomTree

Wheat Front Month Futures Price

Daily data in USD/bu., from 15 May 19 to 15 May 20



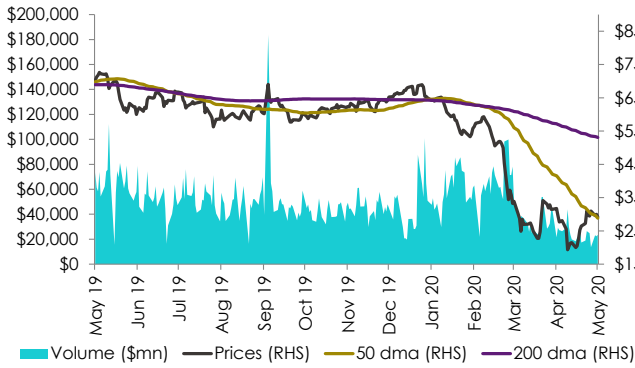
Source: Bloomberg, WisdomTree

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

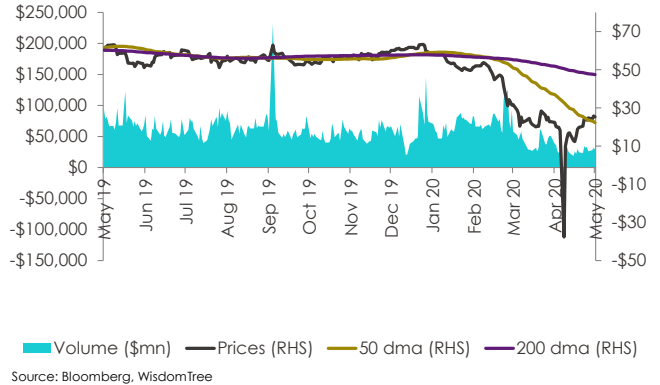
Brent Oil Front Month Futures Price

Daily data in USD/bbl., from 15 May 19 to 15 May 20



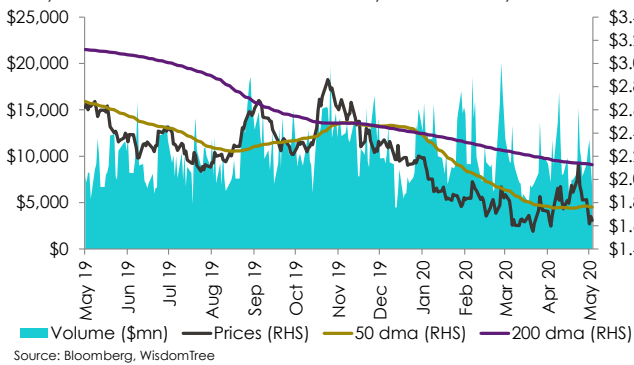
WTI Oil Front Month Futures Price

Daily data in USD/bbl., from 15 May 19 to 15 May 20



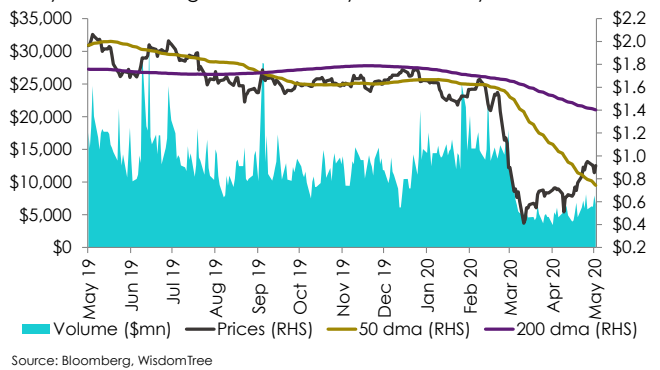
Natural Gas Front Month Futures Price

Daily data in USD/MMBtu, from 15 May 19 to 15 May 20



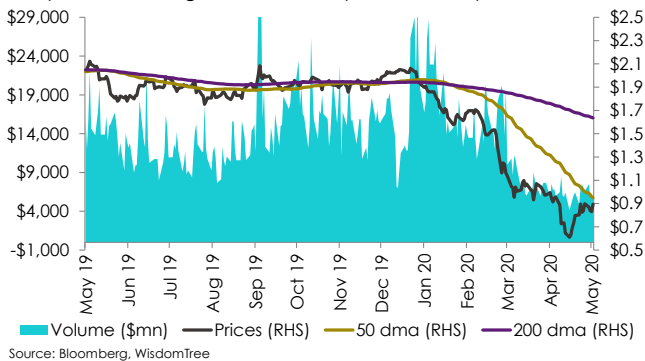
Gasoline Front Month Futures Price

Daily data in USD/gal., from 15 May 19 to 15 May 20



Heating Oil Front Month Futures Price

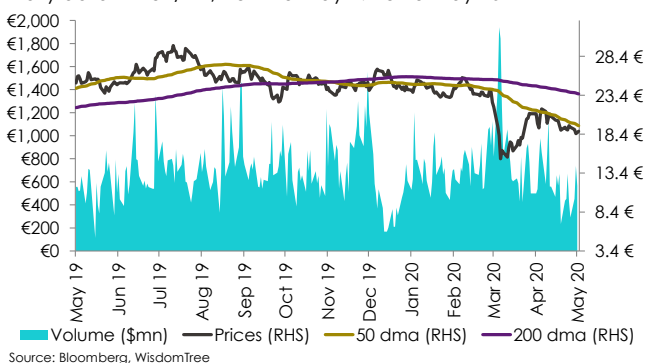
Daily data in USD/gal., from 15 May 19 to 15 May 20



Carbon

Carbon Front Month Futures Price

Daily data in EUR/MT, from 15 May 19 to 15 May 20

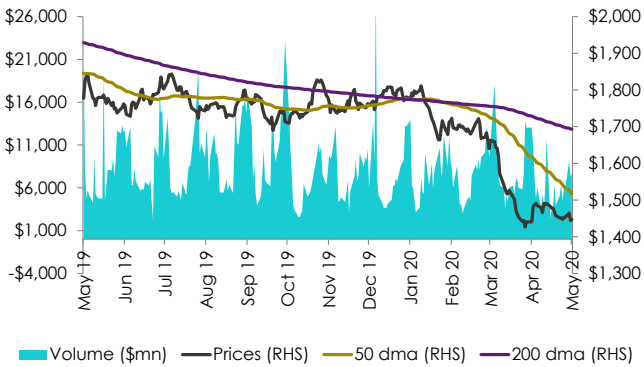


Note: all commodity futures trading volume and price data is denominated in USD unless otherwise indicated.
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Industrial Metals

Aluminum Front Month Futures Price

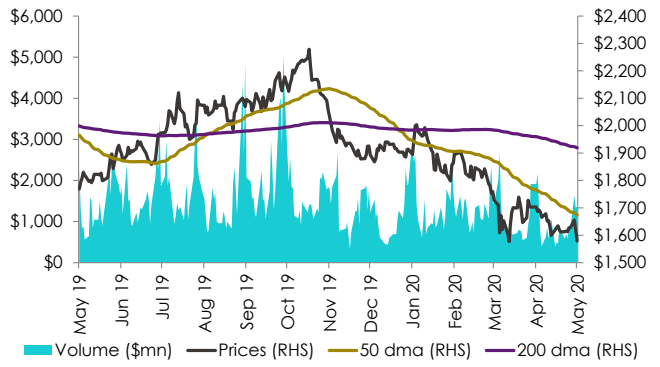
Daily data in USD/MT, from 15 May 19 to 15 May 20



Source: Bloomberg, WisdomTree

Lead Front Month Futures Price

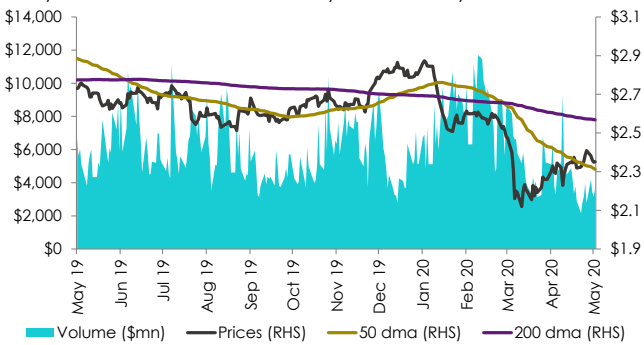
Daily data in USD/MT, from 15 May 19 to 15 May 20



Source: Bloomberg, WisdomTree

Copper (COMEX) Front Month Futures Price

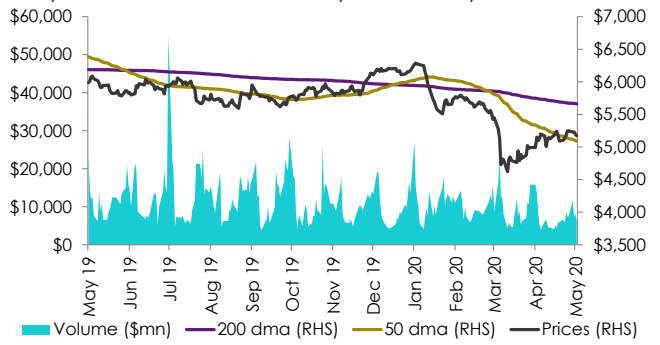
Daily data in USD/lb., from 15 May 19 to 15 May 20



Source: Bloomberg, WisdomTree

Copper (LME) Front Month Futures Price

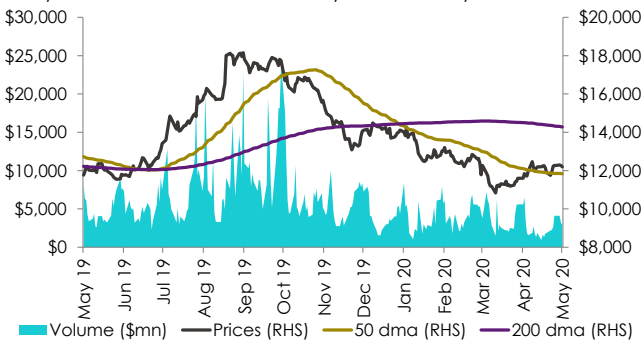
Daily data in USD/MT, from 15 May 19 to 15 May 20



Source: Bloomberg, WisdomTree

Nickel Front Month Futures Price

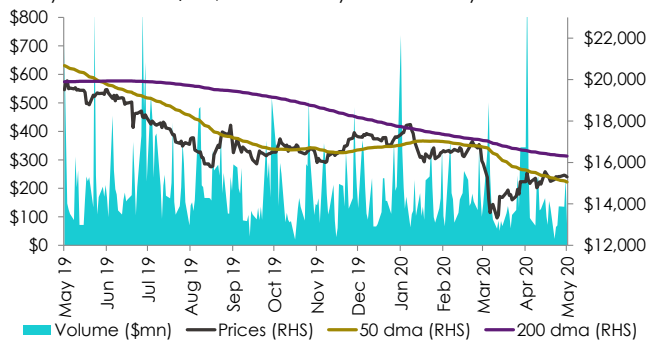
Daily data in USD/MT, from 15 May 19 to 15 May 20



Source: Bloomberg, WisdomTree

Tin Front Month Futures Price

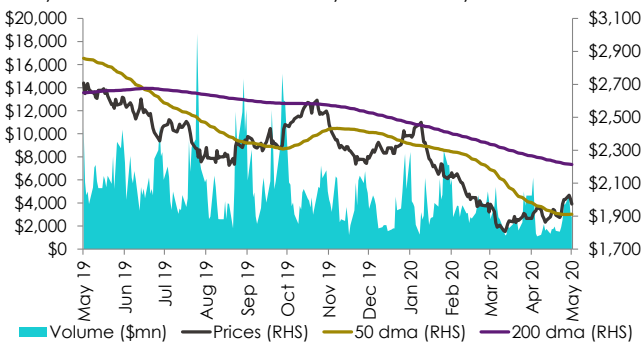
Daily data in USD/MT, from 15 May 19 to 15 May 20



Source: Bloomberg, WisdomTree

Zinc Front Month Futures Price

Daily data in USD/MT, from 15 May 19 to 15 May 20



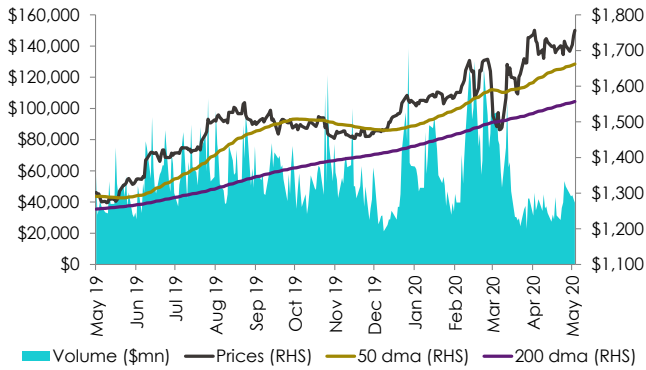
Source: Bloomberg, WisdomTree

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

Gold Front Month Futures Price

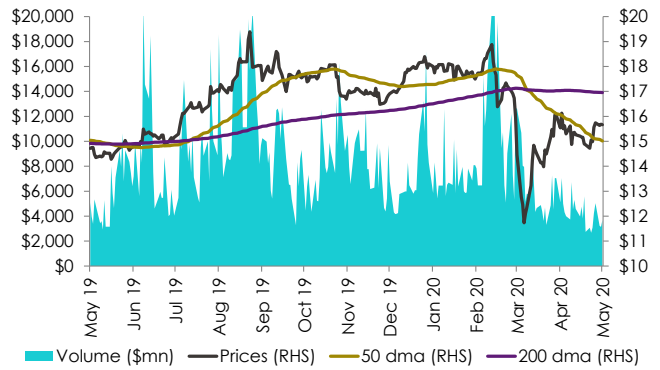
Daily data in USD/t oz., from 15 May 19 to 15 May 20



Source: Bloomberg, WisdomTree

Silver Front Month Futures Price

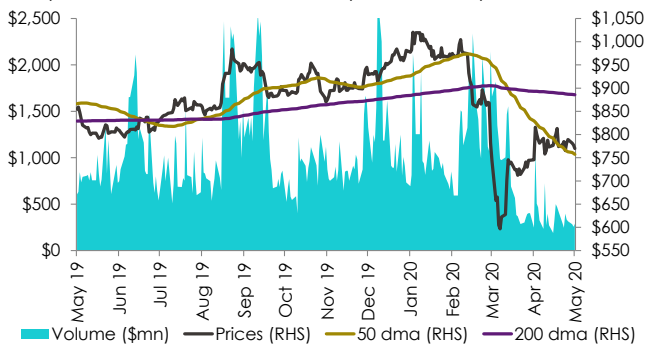
Daily data in USD/t oz., from 15 May 19 to 15 May 20



Source: Bloomberg, WisdomTree

Platinum Front Month Futures Price

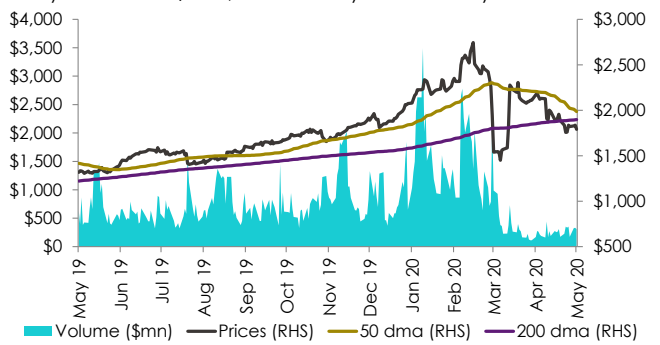
Daily data in USD/t oz., from 15 May 19 to 15 May 20



Source: Bloomberg, WisdomTree

Palladium Front Month Futures Price

Daily data in USD/t oz., from 15 May 19 to 15 May 20

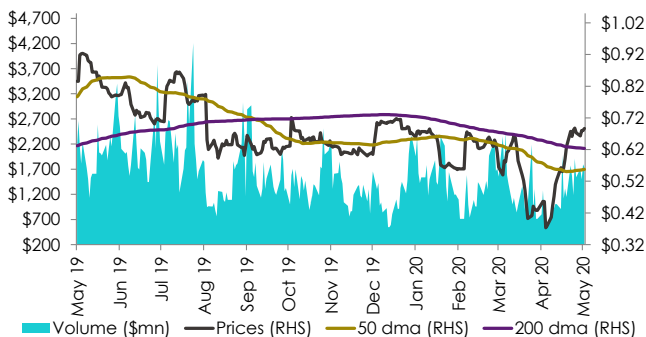


Source: Bloomberg, WisdomTree

Livestock

Lean Hogs Front Month Futures Price

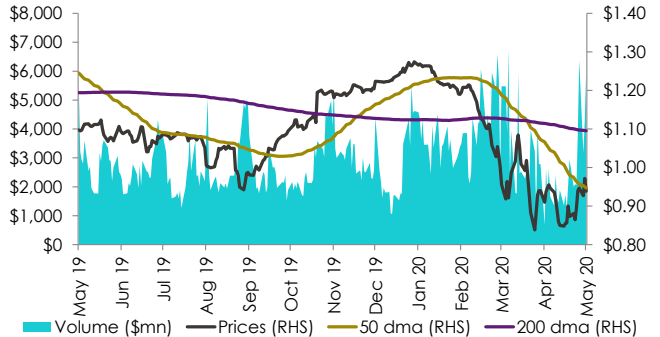
Daily data in USD/lb., from 15 May 19 to 15 May 20



Source: Bloomberg, WisdomTree

Live Cattle Front Month Futures Price

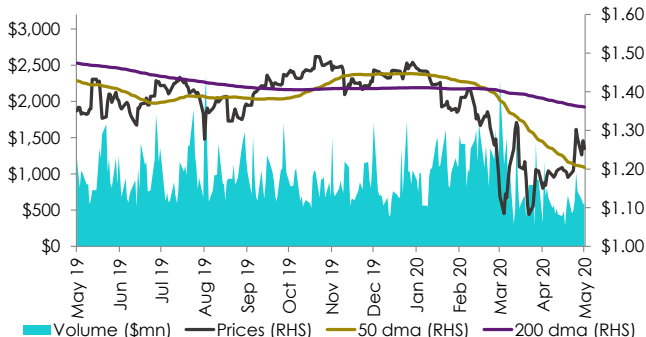
Daily data in USD/lb., from 15 May 19 to 15 May 20



Source: Bloomberg, WisdomTree

Feeder Cattle Front Month Futures Price

Daily data in USD/lb., from 15 May 19 to 15 May 20



Source: Bloomberg, WisdomTree

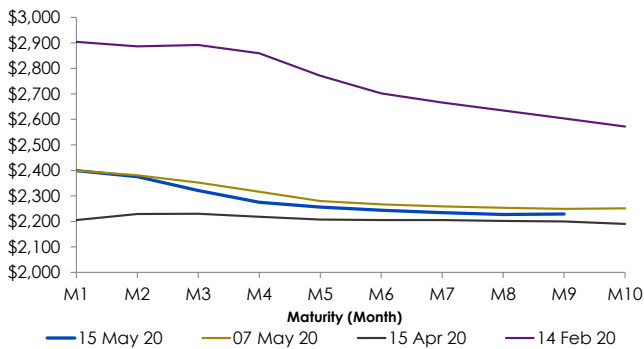
Note: all commodity futures trading volume and price data is denominated in USD unless otherwise indicated.
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Futures Curves

Agriculture

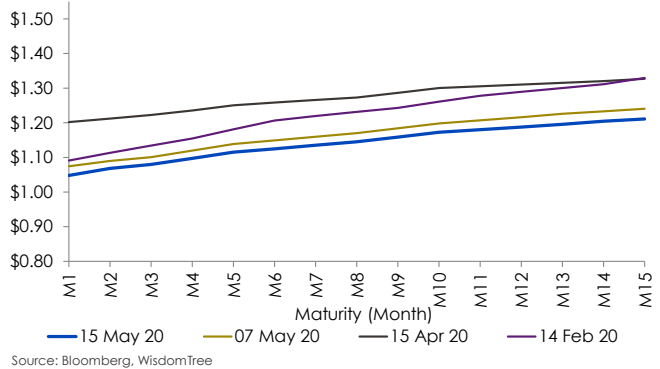
Cocoa Futures

USD/MT



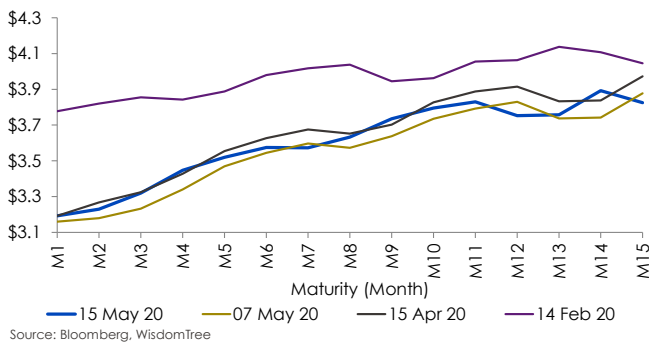
Coffee Futures

USD/lb.



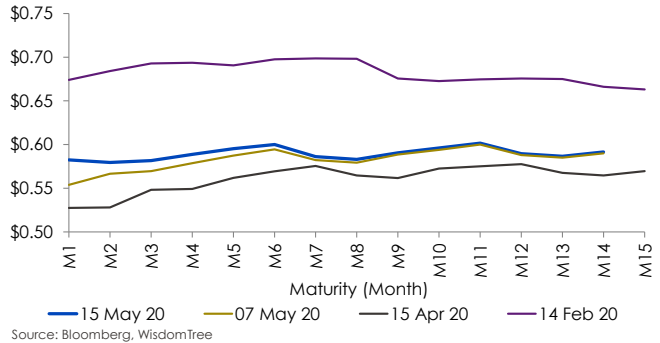
Corn Futures

USD/bu.



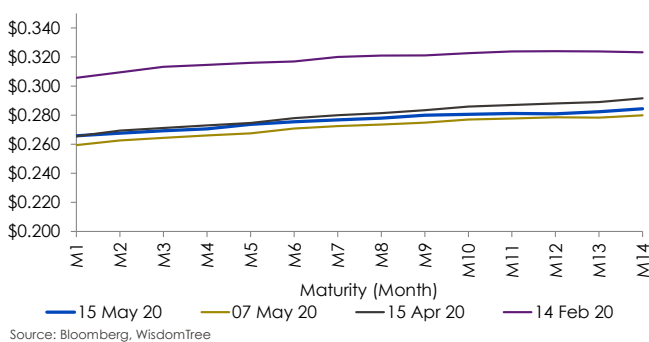
Cotton Futures

USD/lb.



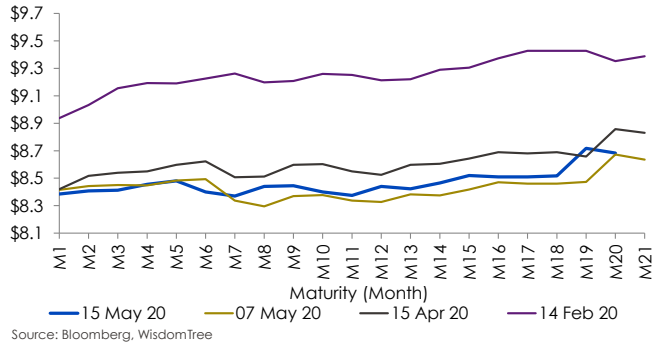
Soybean Oil Futures

USD/lb.



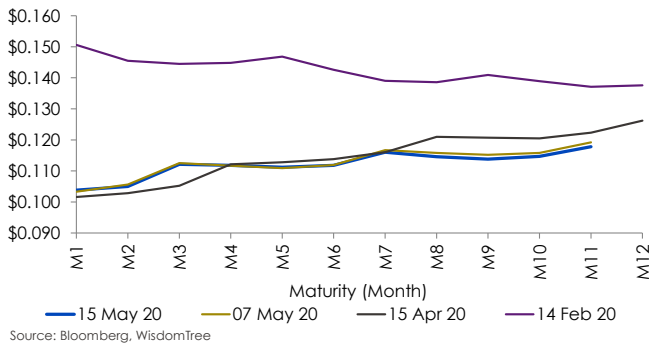
Soybeans Futures

USD/bu.



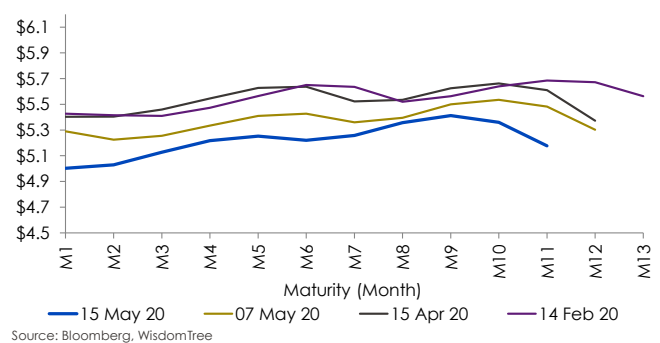
Sugar Futures

USD/lb.



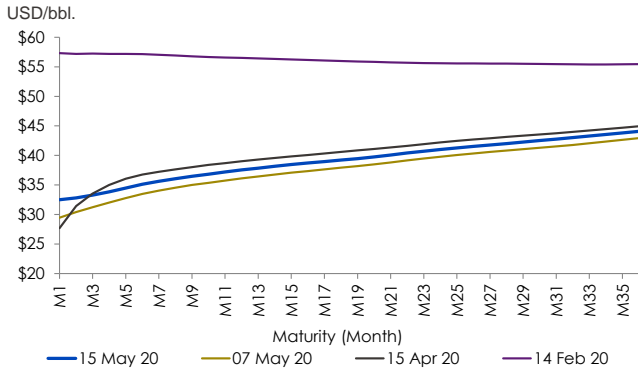
Wheat Futures

USD/bu.



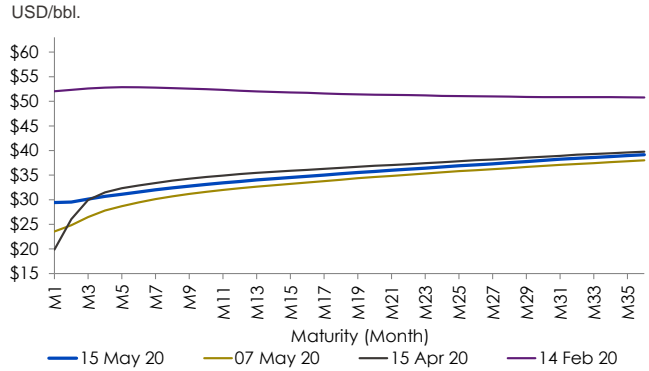
Energy

Brent Oil Futures



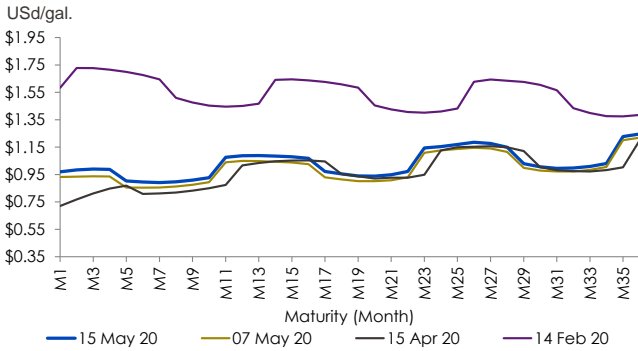
Source: Bloomberg, WisdomTree

WTI Oil Futures



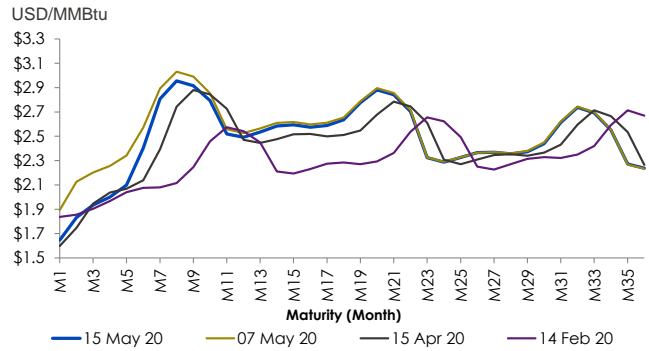
Source: Bloomberg, WisdomTree

Gasoline Futures



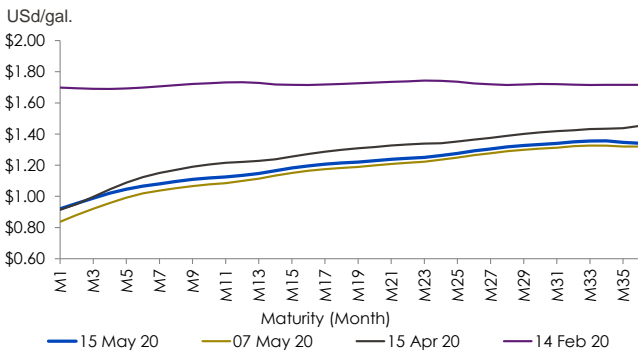
Source: Bloomberg, WisdomTree

Natural Gas Futures



Source: Bloomberg, WisdomTree

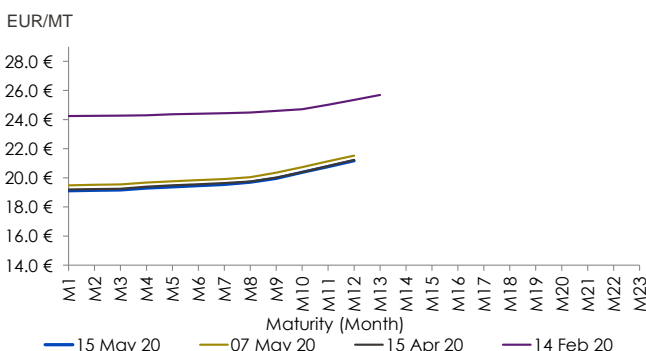
Heating Oil Futures



Source: Bloomberg, WisdomTree

Carbon

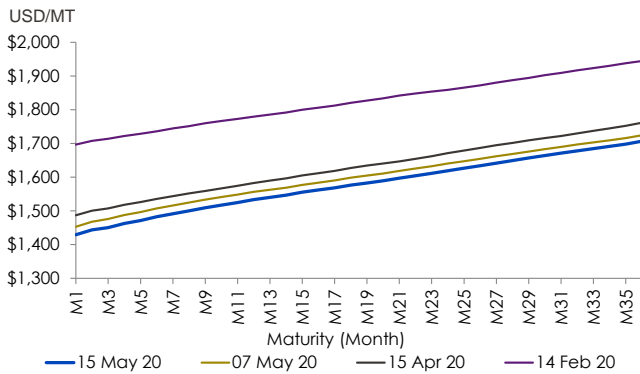
Carbon Futures



Source: Bloomberg, WisdomTree

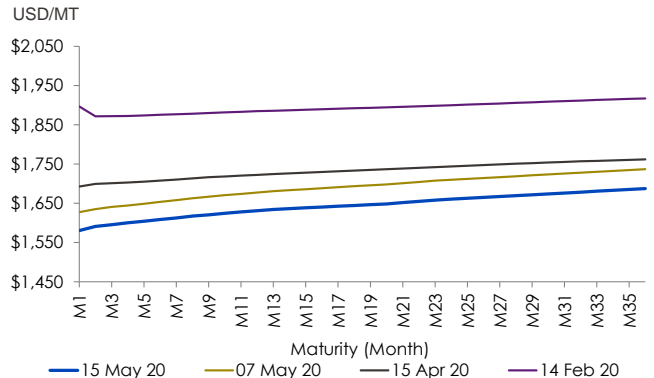
Industrial Metals

Aluminum Futures



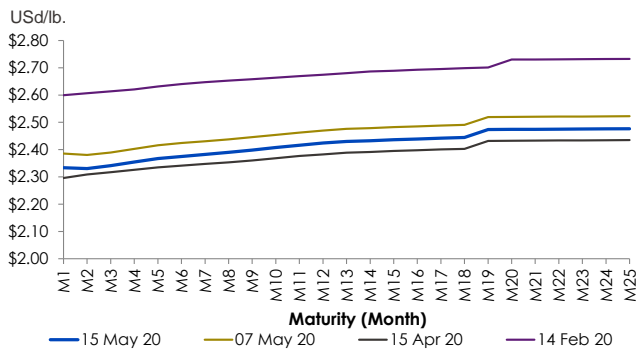
Source: Bloomberg, WisdomTree

Lead Futures



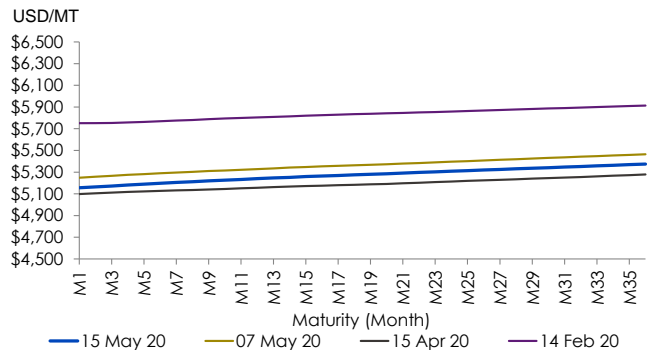
Source: Bloomberg, WisdomTree

Copper (COMEX) Futures



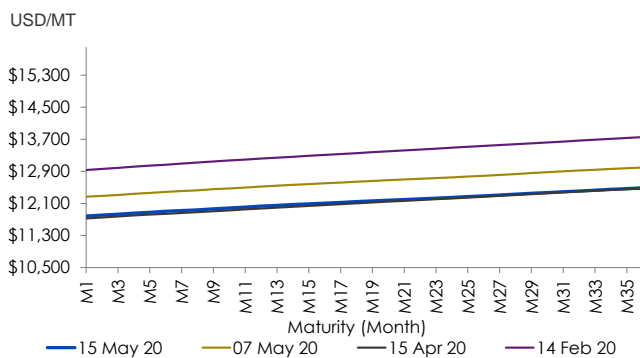
Source: Bloomberg, WisdomTree

Copper (LME) Futures



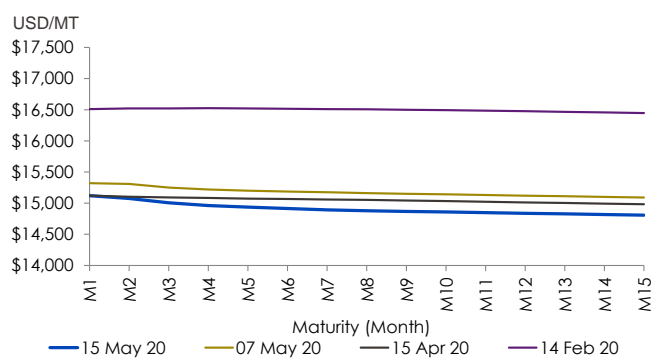
Source: Bloomberg, WisdomTree

Nickel Futures



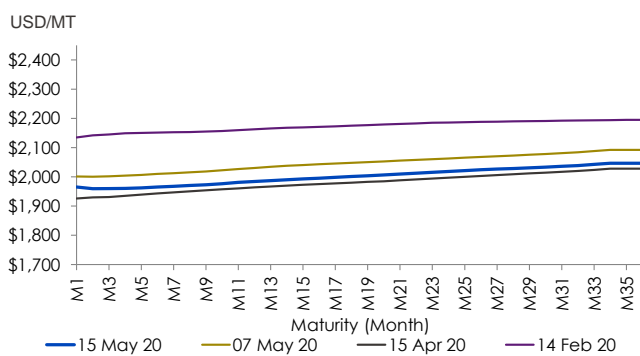
Source: Bloomberg, WisdomTree

Tin Futures



Source: Bloomberg, WisdomTree

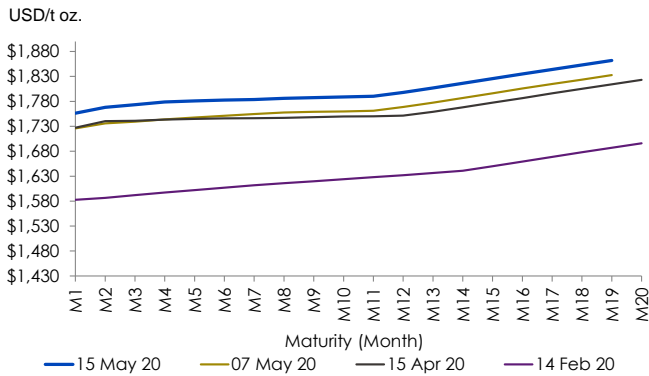
Zinc Futures



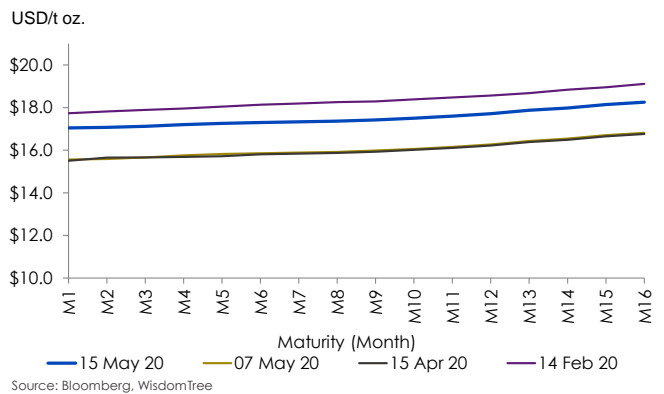
Source: Bloomberg, WisdomTree

Precious Metals

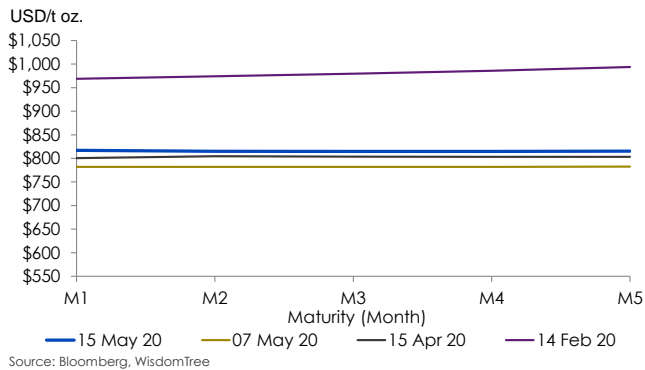
Gold Futures



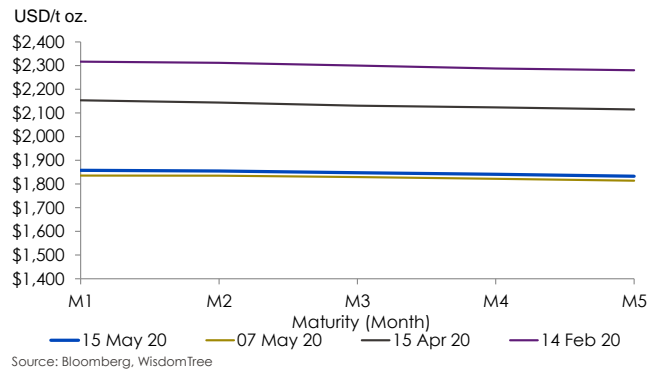
Silver Futures



Platinum Futures

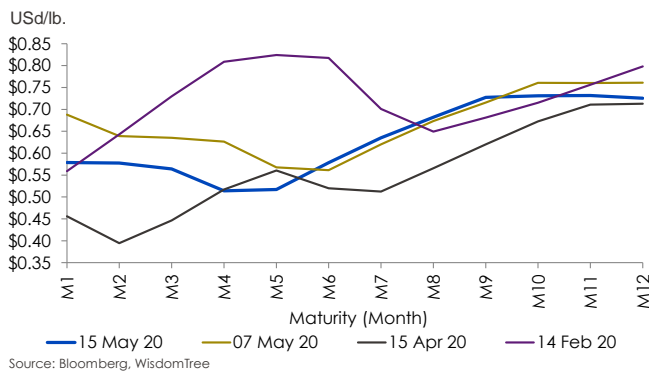


Palladium Futures

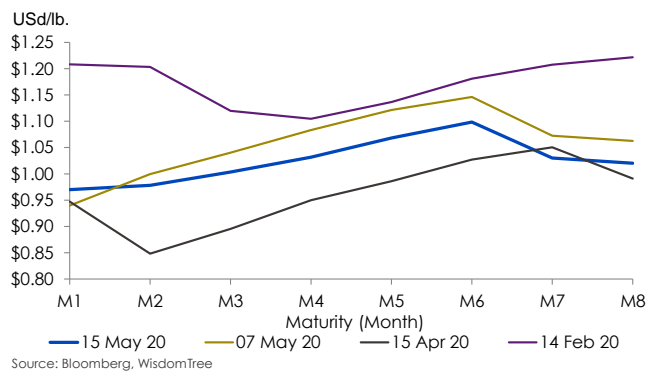


Livestock

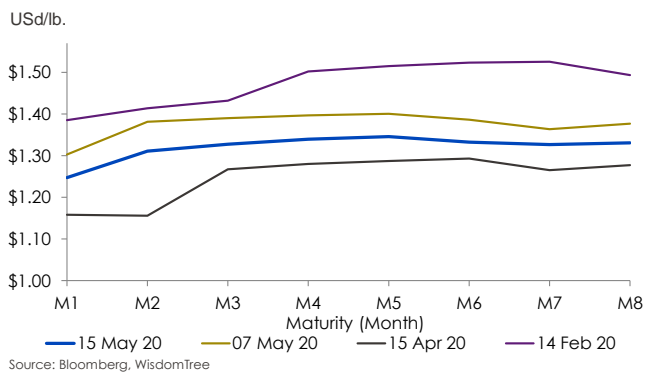
Lean Hogs Futures



Live Cattle Futures



Feeder Cattle Futures



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

18-May-20	Aneeka Gupta	Short term recovery due for platinum and palladium
13-May-20	Aneeka Gupta	Weak energy prices amidst COVID-19 pandemic to drag sugar lower
12-May-20	WisdomTree	Tankers and Natural Gas: Two beneficiaries of oil rout
07-May-20	Aneeka Gupta	Aluminium outlook remains weak as output rises amidst weak demand
05-May-20	Aneeka Gupta	Prospect of a surplus to weigh on coffee prices ahead
04-May-20	Nitish Shah	From underdog to champion? Brent could be the favoured oil benchmark
04-May-20	Mobeen Tahir	Brent and WTI - A tale of two benchmarks
30-Apr-20	Professor Siegel	Market Update on Coronavirus with Professor Siegel
29-Apr-20	Pierre Debru	Defensive Assets: Lessons to be learnt from an eventful first quarter
22-Apr-20	Wood Mackenzie	Major investment in battery production needed to meet climate goals
21-Apr-20	Nitish Shah	Nymex WTI front month futures trade negative
14-Apr-20	Nitish Shah	OPEC+ reaches a historic deal: but is it enough?
08-Apr-20	Mobeen Tahir	Time for gold to shine

WisdomTree - Past Issues of Commodity Monthly Monitor

Mar - Apr 2020	Research Team	Commodities through the looking glass
Feb - Mar 2020	Research Team	Commodities in the grip of COVID-19
Jan - Feb 2020	Research Team	Has the Black Swan landed ?
Dec- Jan 2020	Research Team	Commodities moving beyond trade and geopolitics
Oct - Nov 2019	Research Team	Commodities wait while equities rally

The research notes are for qualified investors only.

Key Reports

Current	Next release		
12-May-20	11-Jun-20	USDA	World Agricultural Supply and Demand Estimates
12-May-20	09-Jun-20	EIA	Short-Term Energy Outlook
13-May-20	17-Jun-20	OPEC	OPEC Oil Market Report
14-May-20	16-Jun-20	IEA	IEA Oil Market Report

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CONTACT DETAILS

E europeresearch@wisdomtree.com

T +44 20 7448 4330

F +44 20 7448 4366

WisdomTree UK Limited

3 Lombard Street

London EC3V 9AA

United Kingdom
