

Summary

In August 2020, commodities had their best monthly performance since April 2016 and second-best monthly performance in the past decade (based on the Bloomberg Commodity Total Return Index). Each major segment of commodities contributed positively to the strong performance, led by Energy (+11.2%). Natural gas was the best performer in that segment, with a 47.6% gain.

The US Federal Reserve (Fed) now "seeks to achieve inflation that averages 2% over time". Effectively, the Fed will allow inflation to run above 2% (for how long and how high remains unclear) to make up for periods where inflation is below 2%. Inflation expectations based on 10-year Treasury breakevens (difference between inflation protected and non-inflation protected 10-year Treasuries, using Bloomberg data) and 5-year breakevens (expected inflation, on average, over the five-year period that begins five years from today, using Federal Reserve Bank of St. Louis data) have risen to the highest in over a year. Commodities are a good hedge for inflation which explains part of the price appreciation seen in the past month. Additionally, the looser policy setting (relative to other central banks) has been US dollar negative. A weak US dollar will be commodity price positive. The US dollar basket is currently trading at over a 2-year low.

In August 2020, the S&P 500 hit its all-time high. Gold also reached a new high, rising to above US\$2060/oz on 6th August 2020 (surpassing its previous high of US\$1900/oz on 5th September 2011 by quite a margin). That turns the thesis that gold can't perform when equities are roaring on its head. Although gold has pared back a bit since then, the metal is likely to do well in an environment of plunging bond yields, rising inflation, and weak US dollar. Gold – while not offering any yield at all – is better positioned than many bonds that offer negative yields.

Manufacturing Purchasing Manager's Indices are recovering briskly, with the global gauge showing the upturn and new orders rising at the fastest rates since April 2018 and June 2018 respectively in August 2020. The upturn was mainly driven by the restarting of production and reopening of clients following lockdowns. With manufacturing a core source of demand for many commodities, these trends if sustained, will bode well for the commodity complex.

- **Silver takes the lead once again.** Gold and silver experienced some price volatility last month as improving economic sentiment briefly caused precious metals to retreat. They have both recovered since then with silver making gains of 13.8% last month.
- **Natural gas fuelled the energy complex to pole-position in August.** A confluence of easing lockdown conditions, warmer weather, hurricane risks and declining supply from oil by-product helped propel natural gas higher.
- **Another strong month for industrial metals.** Gradually improving economic data and reflationary expectations helped the industrial metals complex experience another month of strong gains.
- **Sentiment drives a strong month for agricultural commodities.** A sharp improvement in investor sentiment on account of improving demand conditions has helped agricultural commodities make meaningful gains last month.

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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	28 Aug Score	17 Jul Score
WTI Oil	43.0	4.7%	4.6%	-5.0%	-4%	-0.7%	0	(1)
Brent Oil	45.1	4.2%	-1.4%	9.0%	-21%	-1.7%	(3)	(1)
Natural Gas	2.7	47.6%	37.9%	30.9%	179%	-8.9%	0	(1)
Gasoline	1.3	3.9%	6.0%	-6.2%	41%	5.5%	4	1
Heating Oil	1.2	-2.1%	-10.4%	-4.1%	47%	-1.9%	0	(3)
Carbon	29.5	14.8%	25.3%	-	-	-0.1%	0	0
Wheat	5.4	3.0%	1.5%	2.2%	-13%	-1.7%	(2)	0
Corn	3.5	8.1%	-0.6%	-6.5%	128%	-3.7%	1	(1)
Soybeans	9.5	6.0%	7.8%	-3.1%	66%	0.0%	4	4
Sugar	0.1	4.9%	1.6%	-	70%	-4.7%	1	0
Cotton	0.6	6.2%	3.5%	5.5%	75%	-1.1%	0	1
Coffee	1.3	15.9%	14.3%	18.2%	596%	0.6%	2	(1)
Soybean Oil	0.3	13.5%	13.5%	1.2%	87%	0.9%	2	0
Cocoa	2,692	17.5%	8.0%	-	650%	2.6%	4	(4)
Aluminium	1,772	4.4%	7.8%	-0.5%	-3%	-0.9%	0	(3)
Copper (COMEX)	3.0	3.1%	14.5%	44.9%	12%	-0.8%	0	0
Copper (LME)	6,682	3.0%	15.7%	-66.2%	14%	0.1%	4	4
Zinc	2,498	11.3%	17.2%	37.5%	13%	-0.4%	0	2
Nickel	15,344	12.6%	18.1%	2.3%	5%	-0.1%	0	(1)
Lead	1,953	5.1%	8.2%	83.1%	-4%	-0.5%	(2)	(1)
Tin	17,867	-1.0%	8.4%	41.2%	-11%	0.0%	(3)	2
Gold	1,967	1.1%	17.0%	-	-10%	-	0	4
Silver	27.6	13.8%	51.0%	-	18%	-	4	4
Platinum	940	-3.9%	7.1%	-	-12%	-	(2)	(2)
Palladium	2,198	-7.1%	6.6%	-	-21%	-	(2)	4
Live Cattle	1.0	2.3%	-3.1%	-	53%	-1.6%	0	0
Lean Hogs	0.5	-1.0%	-6.3%	-	55%	-2.8%	(1)	0
Feeder Cattle	1.4	-0.5%	4.2%	-	25%	-0.1%	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.

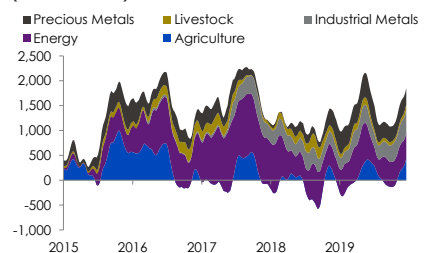
Performance²

	- 1 Mth	- 6 Mth	- 12 Mth
All Commodities	6.7%	3.1%	-4.3%
Energy	11.2%	-17.2%	-33.6%
Industrial Metals	6.2%	15.3%	6.5%
Precious Metals	3.5%	31.4%	29.1%
Agriculture	7.0%	-0.8%	2.6%
MSCI World	6.6%	15.5%	18.4%
US Aggregate Bond	-0.8%	2.7%	6.1%

Bloomberg TR Indexes for basket returns, data to Friday 28 August 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 28 Aug 20. ⁴ Broad sector returns based on Bloomberg Commodity Index family. ⁵ 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. ⁶ CFTC futures and LME COIR net positioning as at Aug 25, 2020 and Aug 28, 2020 respectively, % change from previous month. ⁷ Calculated as % difference between front month and second month futures prices on report date.

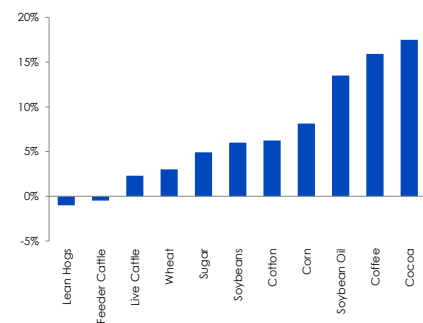
Historical performance is not an indication of future performance and any investments may go down in value.

Sector Overview

Agriculture

- Agricultural commodities added to their gains from last month with another month of strong performance. As lockdown conditions have eased and economic activity has picked up, the demand for agricultural commodities has received a boost. Further support has come from a weaker US dollar making it cheaper for holders of other currencies to buy dollar-denominated agricultural commodities. For soft commodities – coffee, sugar, cocoa – (which are primarily grown outside of US), producers are more willing to sell when the dollar is strong (translates into higher home currency revenue) and less eager to sell when the dollar is weak. When the dollar is weak, producers often like to build inventory rather than sell in a rush.
- Cocoa prices made strong gains of 17.5% last month as concerns about dry weather in West Africa impeding production helped lift prices. This also strongly boosted net speculative positioning in cocoa futures last month. Coffee posted similar performance last month with gains of 15.9% driven by a weak dollar and sharply improving investor sentiment – as evident from a steep rise in net speculative positioning in coffee futures.
- An improvement in investor sentiment extended across the sector causing speculative positioning to rise in cotton, soybeans, soybean oil and sugar, among others. Soybean oil made gains of 13.5% last month while sugar prices appreciated by 4.9%.

Agriculture - August Returns*

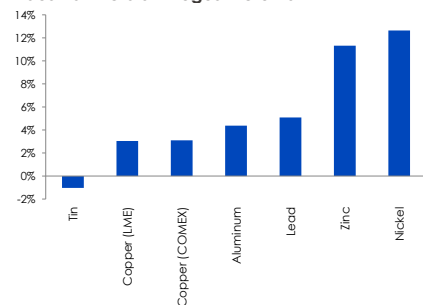


Source: Bloomberg

Industrial Metals

- Industrial metals made further gains last month with most metals experiencing strong positive returns. Four key forces are fuelling industrial metals right now: 1. Rising inflation expectations, especially with the Fed now targeting average inflation rather than fixed; 2. Improving industrial demand with manufacturing Purchasing Managers Indices (PMIs) being strong across US, Europe, and China; 3. Positive momentum since April visible in both prices and speculative positioning on futures exchanges of industrial metals; and 4. Weak US dollar which makes it cheaper for holders of other currencies to purchase dollar-denominated commodities.
- Among the top performers last month was nickel which was up 12.6% last month adding to its strong gains since April. This was largely driven by strong nickel ore imports by China as manufacturing activity continued to pick up. Another top performer was zinc which was up 11.3% last month. In addition to the factors noted above, zinc made gains on account of the closure of San Cristobal mine in Bolivia – one of the ten largest zinc and lead producing mines in the world. This also helped boost lead prices which were up 5.1% last month. Improving industrial demand, particularly in Europe, also lifted aluminium by 4.4% last month, helping it recover its losses from the first quarter this year.

Industrial Metals - August Returns*

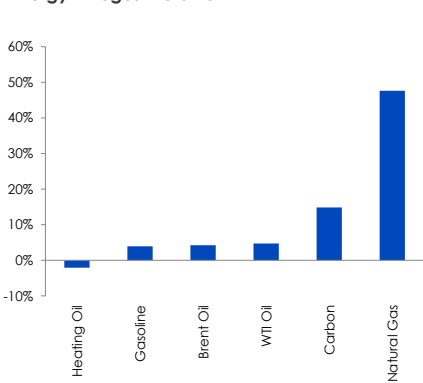


Source: Bloomberg

Energy

- Natural gas was the standout winner in the commodity complex in August, posting a gain of 48%. Bearing in mind natural gas prices had skidded to a 25 year low in June 2020, natural gas prices bounced back close to its five-year average (natural gas prices are currently US\$2.5/MMBtu versus five average of US\$2.6/MMBtu). There are several drivers of the recent rally. Firstly, lockdown conditions in the US have been easing, allowing the severely dented natural gas demand to recover. Secondly, many parts of the US are experiencing warmer than usual weather, raising cooling demand. With more than a third of US electricity powered by natural gas, higher air conditioning demand has been a boon for natural gas. Moreover, natural gas prices having fallen so much it has become increasingly price competitive relative to other power sources including coal thus displacing other feedstock for electricity production. Lastly, hurricanes Marco and Laura were feared to ravage production and exporting facilities in the US. It turns out that these hurricanes narrowly missed key infrastructure, thus causing minimal damage. Yet late in the month of August these risks were being priced in.
- The natural question is whether these trends will persist? Barring meaningful second spikes in infections, lockdown conditions are expected to continue to ease. However, whether conditions are likely to cool reducing air conditioning demand. We are not out of hurricane season yet and hence hurricane related production volatility should remain priced in. We expect natural gas to remain in favour relative to other hydrocarbons for power production given its lower carbon emissions and relatively attractive pricing today. More structurally, falling shale oil production will reduce natural gas supplies as a significant portion of natural gas comes as a by-product of shale oil production (around 12% of all natural gas production in the US in 2018 comes from this so called "associated gas" according to the Energy Information Agency).
- The oil markets did not respond to the hurricane risks in the same manner as natural gas with Brent and WTI posting gains closer to 5%. That, in part, reflects the fact that crude oils have had a strong price recovery relative to their COVID-19 lows earlier in the year. Indeed, with minimal hurricane damage, it is likely oil will continue to trade in the current range. OPEC continues to maintain strong compliance with this quota and oil demand globally continues to recover.

Energy - August Returns*

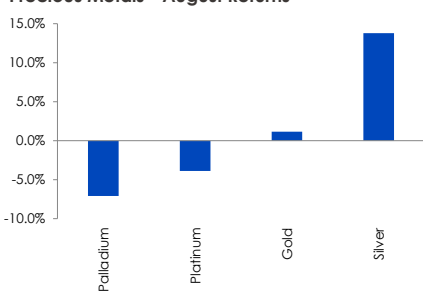


Source: Bloomberg

Precious Metals

- Gold hit an all-time high in the month of August as low Treasury yields and a weak dollar continued to fuel investor appetite for the precious metal. Gold did, however, experience some volatility during the month, notably pulling back on August 11 when the release of various economic sentiment indicators signalled optimism for the US and European economies. This fuelled risk assets and caused defensive assets including gold and US treasuries to retreat. Since then, however, the US Federal Reserve (Fed) has made a policy shift to target average inflation instead of a fixed level of inflation. This has cemented market expectations of rates to remain lower for longer and the dollar to remain weak for the foreseeable future. It also helped gold recover and gain another 1.1% over the month. We expect this ongoing accommodation from the Fed and rising inflation expectations to be very supportive for gold going forward.
- Silver enjoyed another stellar month and was up 13.8%. Silver experienced similar volatility as gold over the month and retreated along with the yellow metal on August 11 but recovered more quickly thereafter. Chief among the reasons for silver's continued strength, and outperformance over gold, are its added benefits as an industrial metal – over and above being a safe-haven precious metal. Silver's use in electronics, medical equipment, and solar power generation, among other applications, means that it is benefitting strongly from the pick-up in manufacturing activity following the coronavirus-induced slump. Silver's demand in fast-growing technological trends including 5G and electric vehicles also gives it strong prospects in the long term.

Precious Metals - August Returns*

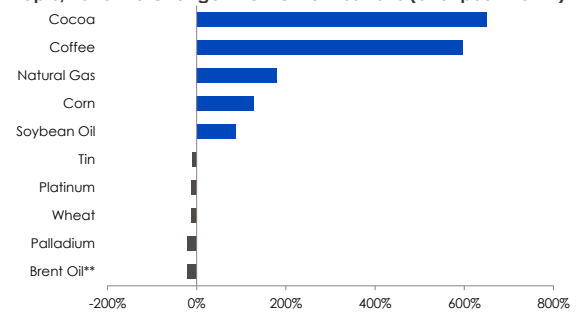


Source: Bloomberg

Positioning

- Net speculative positioning for both platinum and palladium retreated slightly last month. Speculative positioning for both precious metals remains low compared to levels seen over 2019, suggesting that there is considerable scope for an improvement in sentiment to provide a boost to both metals.
- Most agricultural commodities experienced a significant increase in net speculative positioning over the last month. Cocoa and coffee led the way while corn and soybean oil followed. An improvement in sentiment as demand conditions improve is helping agricultural commodity prices rise from very low levels in the last two months.
- Positioning in copper (COMEX) increased sharply last month as an improving demand outlook and ongoing supply disruptions helped improve investor sentiment for the base metal.
- Natural gas futures market speculative positioning became long for the first time in 20 months in August 2020. After prices fell to a 25-year low in June 2020, many investors covered their speculative shorts, taking profit on their positions (between 30th of June and 25th of August shorts fell by 74K, while longs increased by a mere 4K). Therefore, it is unlikely a lot of investors have participated in the recent price upside.

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

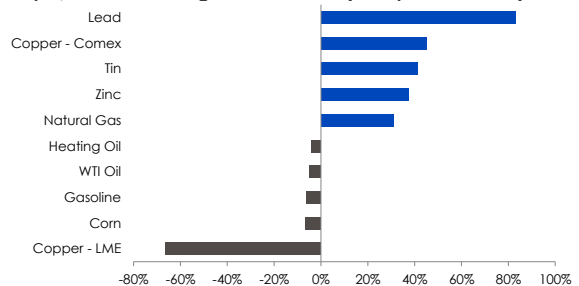


Source: Bloomberg

Inventories

- Despite the closure of the San Cristobal mine in Bolivia helping fuel zinc and lead prices, both metals remain well supplied and inventories on exchanges continued to build last month.
- COMEX's copper inventories have continued to build over the last 3 months while London Metal Exchange (LME) copper inventories – which built up significantly in the first quarter of the year – have fallen sharply in the last 3 months.
- Natural gas inventories are more than a standard deviation above its 5-year seasonal historic average. That could place headwinds for further price increase.
- WTI oil and product (gasoline, heating oil) inventory declined over the past 3 months highlighting the supply adjustment process is taking place.

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

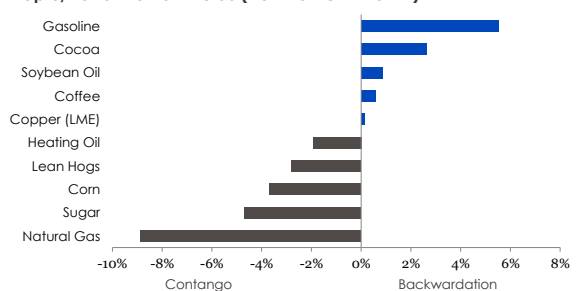


Source: Bloomberg

Curve Dynamics

- Cocoa, soybeans, and soybean oil are all in slight backwardation following strong price performance in the last month.
- Despite a 4.9% rise in sugar prices last month, the commodity remains well-supplied as weak ethanol prices have incentivised producers to produce larger volumes of sugar instead from the raw cane. Sugar futures are in contango at the front end of the curve.
- While natural gas has produced the best returns of any commodity in the past month, it also has the most aggressive backwardation the commodity complex. Front month contango is close to 9%. That is far higher than the seasonal average (which has averaged 2% in the prior four years).
- With around 3% gains in prices last month on account of improving demand, copper's futures curve is now in slight backwardation.

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

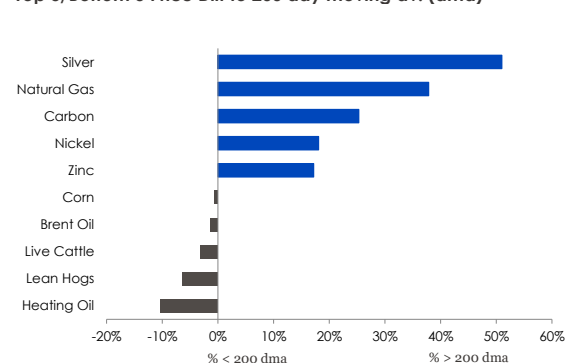


Source: Bloomberg

Technical

- With a price appreciation of 13.8% last month, silver leads the pack with its price trading at 51% above its 200-day moving average (dma). This is up from its price being 15.5% above its 200-dma last month.
- Weakness in lean hog prices last month means that they are now trading at 6.4% below their 200-dma.
- Live cattle experienced a 2.3% gain in prices but is still trading 3.1% below its 200-dma.
- Following the recent breakout in prices, natural gas is trading 38% above its 200-dma. Although prices have not reached November 2019 levels, they are higher than where they were this time last year (i.e. during hurricane season and the tail end of cooling demand season). With the 50-dma rising above the 200-dma, natural gas futures are forming what technical analysts call a "golden cross" which is seen by such analysts as a bullish sign.
- Following gains of 12.6% last month, nickel prices now stand at 18.1% above their 200-dma.
- With a price gain of 11.3% last month, zinc now stands at 17.2% above its 200-dma.

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 Aug 28, 2020.

⁴ Percent difference between the front month futures price and its 200 day moving average on Aug 28, 2020.

Summary Tables



PRICES ¹	Current	Unit	1 Month	3 Month	6 Month	1 Year	ROLL YIELDS ²	Unit	Exchange	28-Aug	1 Week	1 Month	3 Month
Energy							Energy						
WTI Oil	43.0	USD/bbl.	4.7%	27.5%	-4.0%	-23.0%	WTI Oil	USD/bbl.	NYMEX	-0.7%	-0.6%	-0.6%	-1.0%
Brent Oil	45.1	USD/bbl.	4.2%	27.7%	-10.8%	-25.5%	Brent Oil	USD/bbl.	ICE	-1.7%	-1.3%	-0.9%	-2.1%
Natural Gas	2.7	USD/MMBtu	47.6%	45.4%	57.8%	18.0%	Natural Gas	USD/MMBtu	NYMEX	-8.9%	-6.0%	-3.4%	-4.8%
Gasoline	1.3	USD/gal.	3.9%	31.7%	-5.7%	-21.8%	Gasoline	USD/gal.	NYMEX	5.5%	5.7%	2.5%	-2.7%
Heating Oil	1.2	USD/gal.	-2.1%	31.4%	-18.4%	-34.3%	Heating Oil	USD/gal.	NYMEX	-1.9%	-1.4%	-0.6%	-5.1%
Carbon	29.5	EUR/MT	14.8%	39.2%	25.2%	13.5%	Carbon	EUR/MT	ICE	-0.1%	-0.1%	-0.2%	-0.2%
Agriculture							Agriculture						
Wheat	5.4	USD/bu.	3.0%	4.8%	1.9%	14.2%	Wheat	USD/bu.	CBOT	-1.7%	-1.7%	-1.3%	-0.6%
Corn	3.5	USD/bu.	8.1%	5.6%	-5.6%	-4.6%	Corn	USD/bu.	CBOT	-3.7%	-4.3%	-3.0%	-1.3%
Soybeans	9.5	USD/bu.	6.0%	12.2%	7.6%	11.5%	Soybeans	USD/bu.	CBOT	0.0%	-0.2%	1.0%	-0.3%
Sugar	0.1	USD/lb.	4.9%	16.7%	-12.9%	10.8%	Sugar	USD/lb.	NYBOT	-4.7%	-4.0%	-4.9%	-1.0%
Cotton	0.6	USD/lb.	6.2%	11.8%	4.5%	10.3%	Cotton	USD/lb.	NYBOT	-1.1%	-0.9%	-0.9%	0.6%
Coffee	1.3	USD/lb.	15.9%	28.3%	15.4%	34.9%	Coffee	USD/lb.	NYBOT	0.6%	-0.3%	-2.6%	-1.8%
Soybean Oil	0.3	USD/lb.	13.5%	21.9%	17.9%	18.8%	Soybean Oil	USD/lb.	CBOT	0.9%	-0.1%	-0.4%	-0.7%
Cocoa	2,692	USD/MT	17.5%	10.8%	-2.5%	22.5%	Cocoa	USD/MT	NYBOT	2.6%	1.7%	0.4%	1.8%
Industrial Metals							Industrial Metals						
Aluminum	1,772	USD/MT	4.4%	16.2%	5.1%	2.7%	Aluminum	USD/MT	LME	-0.9%	-0.9%	-0.7%	0.0%
Copper	3.0	USD/lb.	3.1%	24.1%	17.6%	17.3%	Copper	USD/lb.	COMEX	-0.8%	-0.6%	-0.4%	-0.5%
Copper (LME)	6,682	USD/MT	3.0%	25.7%	18.7%	17.5%	Copper (LME)	USD/MT	LME	0.1%	0.1%	0.1%	-0.2%
Zinc	2,498	USD/MT	11.3%	29.0%	24.1%	10.4%	Zinc	USD/MT	LME	-0.4%	-0.3%	0.0%	0.2%
Nickel	15,344	USD/MT	12.6%	25.9%	25.8%	-5.1%	Nickel	USD/MT	LME	-0.1%	-0.1%	-0.1%	-0.2%
Lead	1,953	USD/MT	5.1%	20.7%	5.7%	-5.7%	Lead	USD/MT	LME	-0.5%	-0.4%	-0.3%	-0.5%
Tin	17,867	USD/MT	-1.0%	14.3%	9.8%	13.2%	Tin	USD/MT	LME	0.0%	0.0%	0.1%	0.4%
Precious Metals							Precious Metals						
Gold	1,967	USD/t oz.	1.1%	14.8%	25.5%	27.9%	Gold	USD/t oz.	COMEX	-0.4%	-0.2%	-0.4%	-0.9%
Silver	27.6	USD/t oz.	13.8%	53.7%	68.5%	50.7%	Silver	USD/t oz.	COMEX	-0.6%	-0.6%	-0.1%	-0.5%
Platinum	940	USD/t oz.	-3.9%	8.3%	8.7%	3.4%	Platinum	USD/t oz.	NYMEX	-1.0%	-0.7%	-0.8%	0.0%
Palladium	2,198	USD/t oz.	-7.1%	15.6%	-12.4%	50.5%	Palladium	USD/t oz.	NYMEX	-1.5%	-0.9%	0.0%	-2.3%
Livestock							Livestock						
Live Cattle	1.0	USD/lb.	2.3%	1.7%	-8.4%	-1.8%	Live Cattle	USD/lb.	CME	-1.6%	-2.5%	-3.9%	0.3%
Lean Hogs	0.5	USD/lb.	-1.0%	-5.8%	-13.8%	-15.5%	Lean Hogs	USD/lb.	CME	-2.8%	-1.2%	6.9%	2.3%
Feeder Cattle	1.4	USD/lb.	-0.5%	3.3%	6.7%	0.9%	Feeder Cattle	USD/lb.	CME	-0.1%	-1.6%	-0.4%	-0.6%
CFTC NET POSITIONING³							INVENTORY LEVELS⁴						
	Current	5 Yr Average	1 Month	6 Month	1 Year		Current	5 Yr Average	1 Month	3 Month	6 Month		
Energy							Energy						
WTI Oil	522,555	467,601	543,134	436,588	415,723	Oil - US	507,763	10.8%	-3%	-5%	14%		
Brent Oil**	-91,220	185,252	-75,268	171,706	172,313	Oil - OECD Europe**	384	7%	5.7%	9.0%	7%		
Natural Gas	14,751	-98,145	-18,560	-234,136	-187,019	Natural Gas - DOE	3,420	11.9%	6%	31%	64%		
Gasoline	72,011	75,228	50,961	112,139	61,672	Gasoline - DOE	239,179	2.5%	-3%	-6%	-5%		
Heating Oil	15,035	14,231	10,251	-27,551	247	Heating Oil - DOE	8,730	-11%	-2%	-4%	-10%		
Agriculture							Industrial Metals						
Wheat	15,238	-35,346	17,418	40,435	13,665	Aluminum	1,805,412	-14%	-4%	-1%	19%		
Corn	18,339	18,627	-64,548	-50,040	-6,295	Aluminum - LME	1,554,375	-6%	-6%	4%	44%		
Soybeans	139,868	35,267	84,007	-48,010	-41,828	Aluminium - SHFE	251,037	-45%	13%	-22%	-43%		
Sugar	236,597	56,440	139,088	228,364	-141,349	Copper	345,298	-36%	-9%	-31%	-38%		
Cotton	63,079	50,898	36,131	28,653	-32,879	Copper - LME	89,350	-63%	-33%	-66%	-59%		
Coffee	42,753	-13,817	6,140	-4,697	-35,334	Copper - SHFE	170,086	-11%	8%	-3%	-45%		
Soybean Oil	79,308	35,786	42,378	36,702	18,469	Copper - COMEX	85,862	-20%	-4%	45%	197%		
Cocoa	33,539	16,382	-6,096	81,049	-16,369	Nickel - LME	238,974	-20%	2%	2%	2%		
Industrial Metals⁵							Zinc						
Copper (COMEX)	48,338	3,508	43,045	-43,211	-58,507	Zinc	294,960	-21%	12%	37%	25%		
Copper (LME)	67,348	36,593	59,283	36,471	10,724	Zinc - LME	219,950	-14%	27%	113%	192%		
Aluminum	192,435	162,781	198,579	161,281	148,215	Zinc - SHFE	75,010	-37%	-16%	-33%	-53%		
Nickel	34,378	21,729	32,783	29,004	34,085	Lead	153,005	-5%	0%	83%	45%		
Zinc	57,856	44,242	51,340	37,094	31,211	Lead - LME	125,425	-4%	7%	65%	85%		
Lead	57,116	53,108	59,379	55,602	55,105	Lead - SHFE	27,580	-6%	-22%	273%	-27%		
Tin	8,099	8,364	9,074	9,303	8,614	Tin	8,893	1%	32%	41%	-36%		
Precious Metals							Tin - LME						
Gold	250,097	180,937	277,600	386,392	361,373	Tin - LME	5,265	33%	38%	80%	-30%		
Silver	37,095	40,983	31,522	74,919	65,999	Tin - SHFE	3,628	-25%	24%	8%	-43%		
Platinum	19,828	24,868	22,511	50,411	23,951	Agriculture							
Palladium	2,551	11,526	3,226	3,998	9,711	Wheat - USDA	316,790	61.6%	0.6%	2.2%	10.0%		
Livestock							Corn - USDA	317,460	117%	0.8%	-6.5%	6.9%	
Live Cattle	82,021	76,444	53,680	41,547	31,403	Soybeans - USDA	95,360	51%	0.3%	-3.1%	-4%		
Lean Hogs	37,685	41,101	24,285	35,059	59,513	Sugar - USDA	43,551	21%	-	-	-2%		
Feeder Cattle	9,663	6,145	7,713	2,018	-3,903	Cotton - USDA	104,910	47%	2.1%	5.5%	27.8%		
						Coffee - USDA	41,478	15%	-	18.2%	18%		
						Soybean Oil - USDA	4,190	1%	1.5%	1%	23%		

¹Performance of front month futures from 28 Aug 19 (1 Year), 28 Feb 20 (6 Month), 28 May 20 (3 Month) and 28 Jul 20 (1 Month) to 28 Aug 20.

²Roll return non-annualised from front month futures into second " month on 28 May 20 (3 Month), 28 Jul 20 (1 Month), 20 Aug 20 (1 Week), 28 Aug 20.

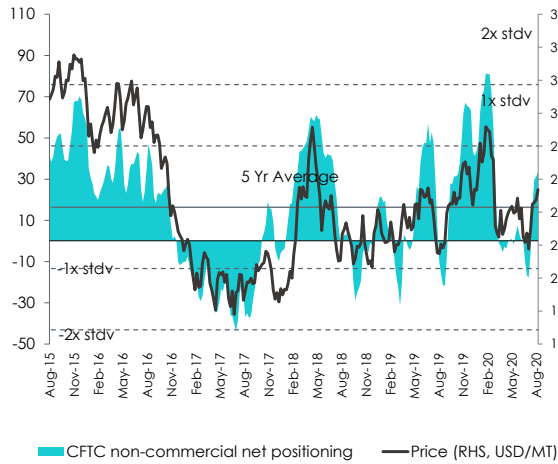
³Net positions in number of contracts. ⁴Current inventories relative to 1, 3, 6 months ago. Under the column "5 yr average" is the current inventory level relative to 5 year average inventory. For energy, 5 yr average is the average of the same month as report month over the past 5 years. SHFE started reporting inventory data from April 2015. ⁵All industrial metals positioning data (excluding copper) is sourced from LME COTR 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 4 month lag with current = Apr 2020

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

CFTC Speculative Net Long Futures Positions

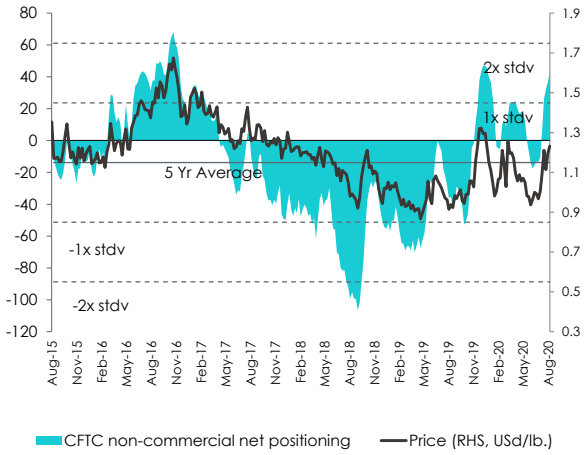
Agriculture

Cocoa



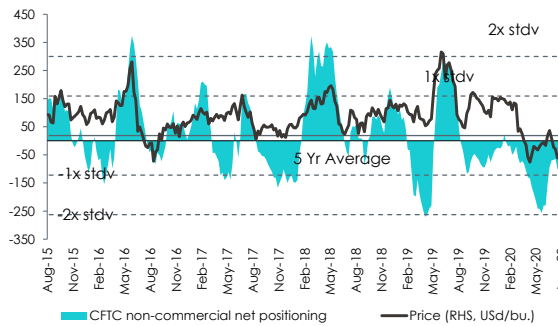
Source: Bloomberg, WisdomTree

Coffee



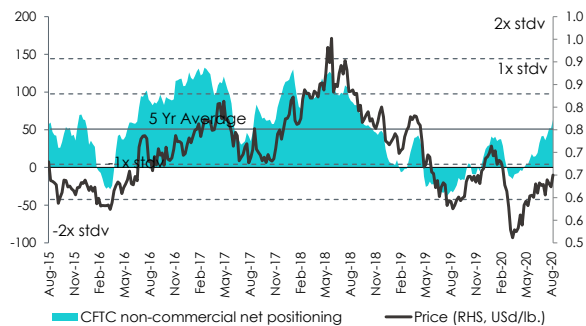
Source: Bloomberg, WisdomTree

Corn



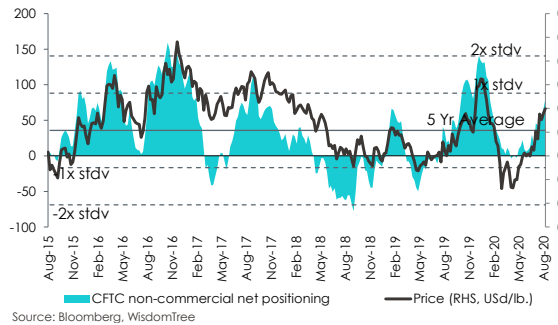
Source: Bloomberg, WisdomTree

Cotton



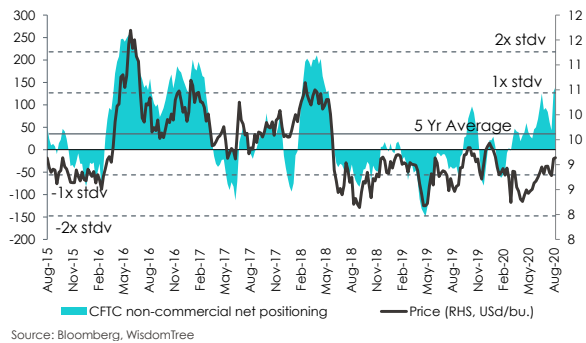
Source: Bloomberg, WisdomTree

Soybean Oil



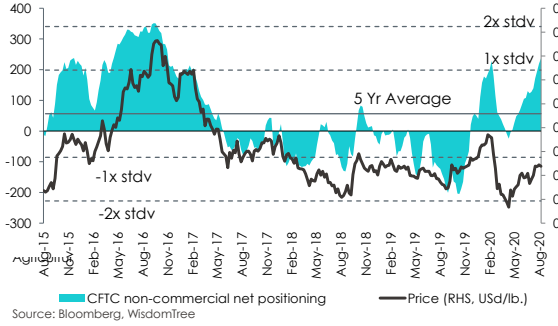
Source: Bloomberg, WisdomTree

Soybeans



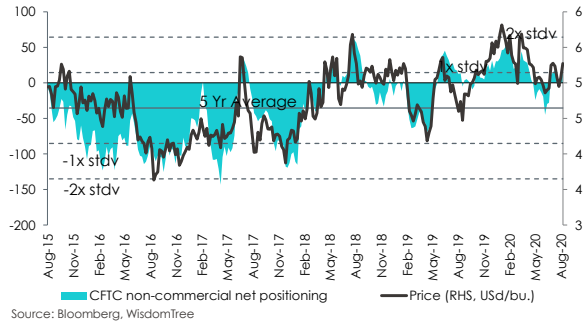
Source: Bloomberg, WisdomTree

Sugar



Source: Bloomberg, WisdomTree

Wheat



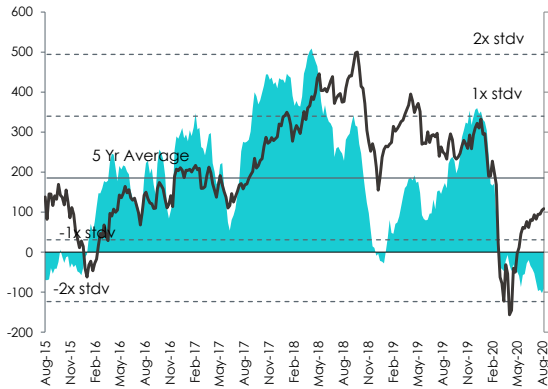
Source: Bloomberg, WisdomTree

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 COMR net positioning as at Aug 25, 2020 and Aug 28, 2020 respectively.
Historical performance is not an indication of future performance and any investments may go down in value.

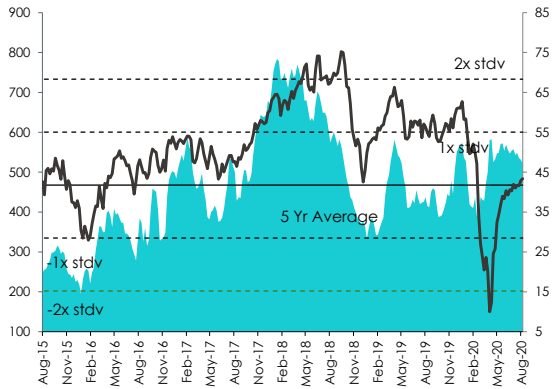
Energy

Brent Oil



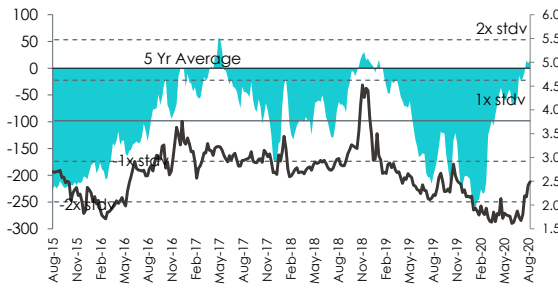
ICE managed money net positioning — Price (RHS, USD/bbl.)
Source: Bloomberg, WisdomTree

WTI Oil



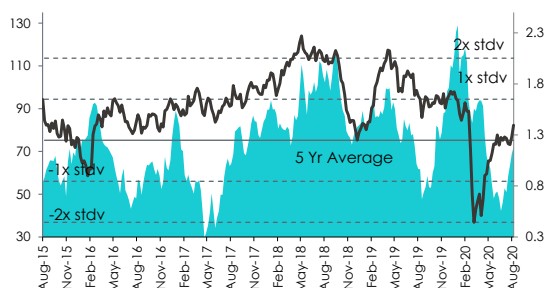
CFTC non-commercial net positioning — Price (RHS, USD/bbl.)
Source: Bloomberg, WisdomTree

Natural Gas



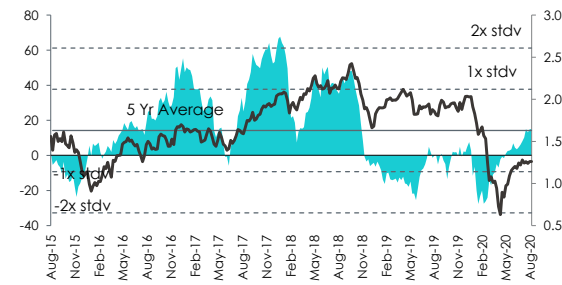
CFTC non-commercial net positioning — Price (RHS, USD/MMBtu)
Source: Bloomberg, WisdomTree

Gasoline



CFTC non-commercial net positioning — Price (RHS, USD/gal.)
Source: Bloomberg, WisdomTree

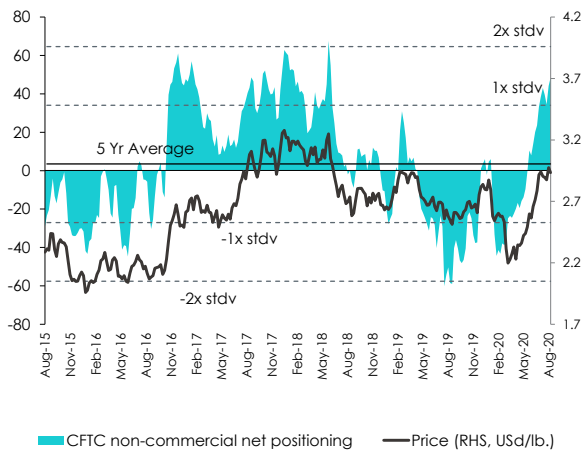
Heating Oil



CFTC non-commercial net positioning — Price (RHS, USD/gal.)
Source: Bloomberg, WisdomTree

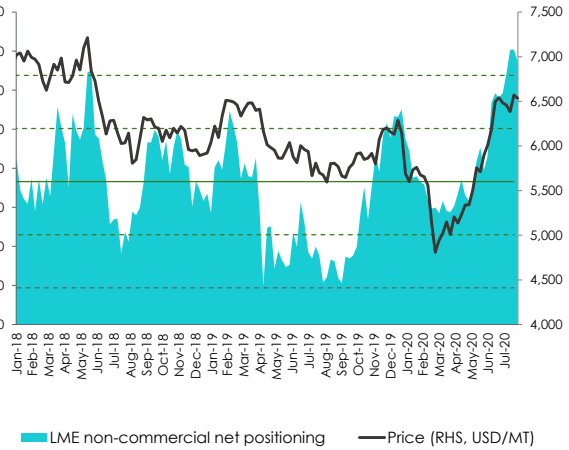
Industrial Metals

Copper (COMEX)



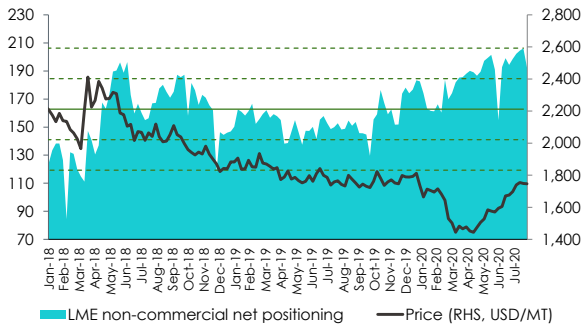
Source: Bloomberg, WisdomTree

Copper (LME)



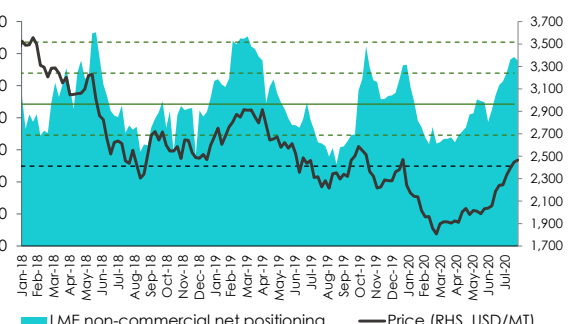
Source: Bloomberg, WisdomTree

Aluminum



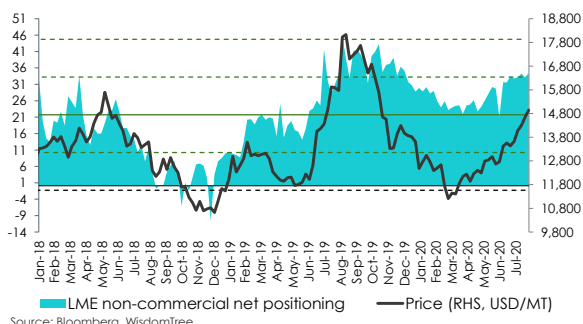
Source: Bloomberg, WisdomTree

Zinc



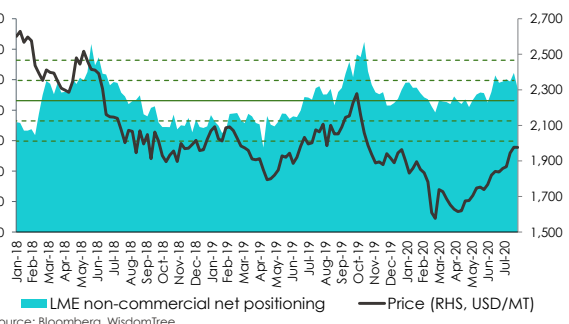
Source: Bloomberg, WisdomTree

Nickel



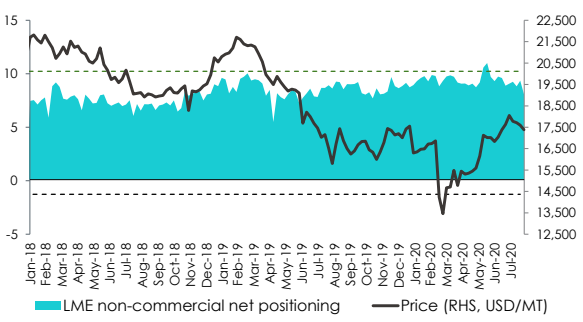
Source: Bloomberg, WisdomTree

Lead



Source: Bloomberg, WisdomTree

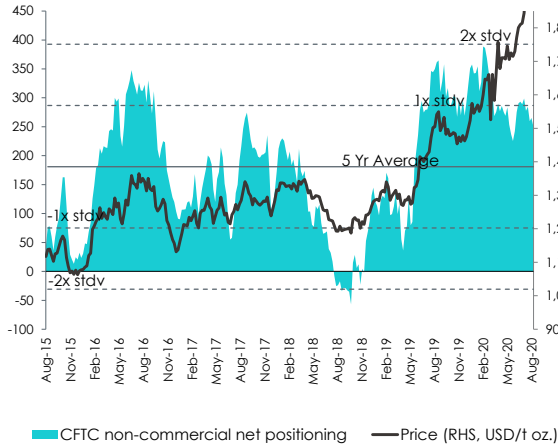
Tin



Source: Bloomberg, WisdomTree

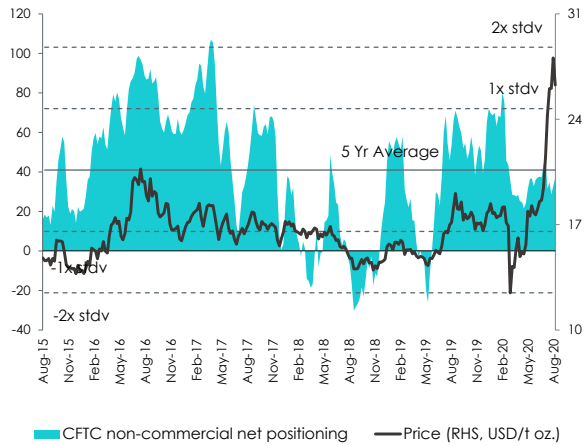
Precious Metals

Gold



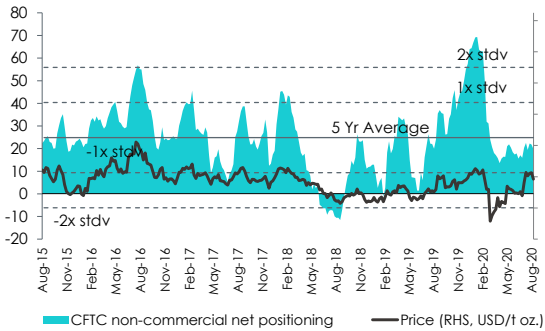
Source: Bloomberg, WisdomTree

Silver



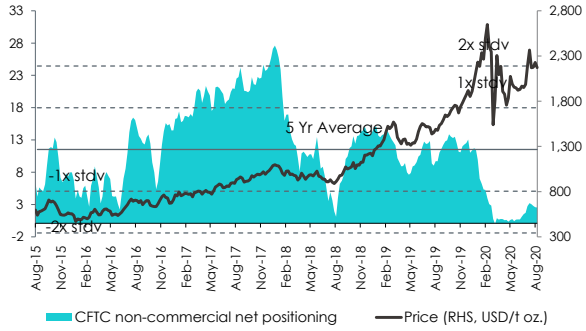
Source: Bloomberg, WisdomTree

Platinum



Source: Bloomberg, WisdomTree

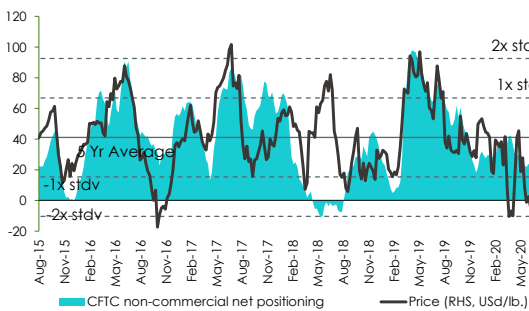
Palladium



Source: Bloomberg, WisdomTree

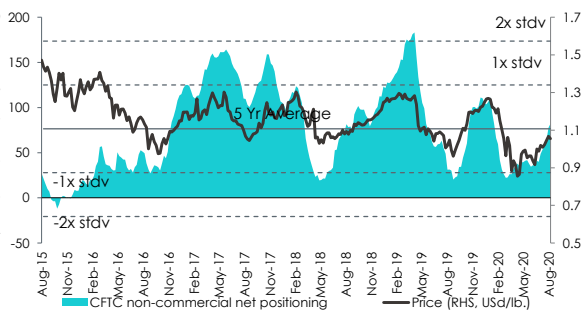
Livestock

Lean Hogs



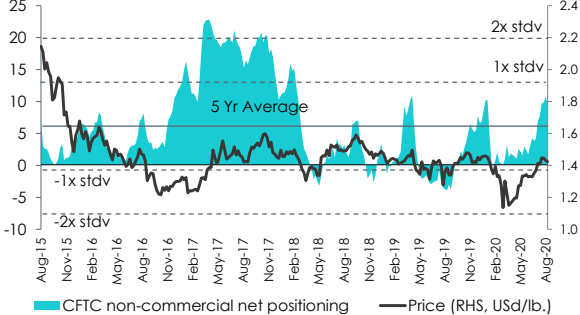
Source: Bloomberg, WisdomTree

Live Cattle



Source: Bloomberg, WisdomTree

Feeder Cattle



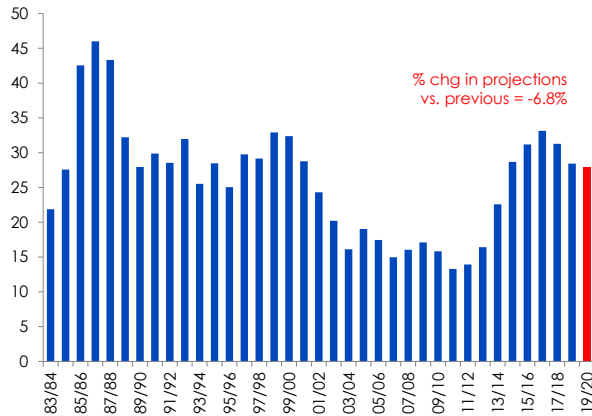
Source: Bloomberg, WisdomTree

Inventories

Agriculture

Corn - Stock to Use

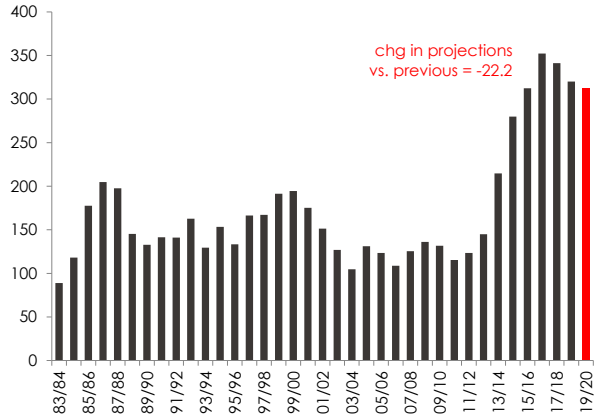
Annual data in %, from 1980 to 2019



Source: USDA, Bloomberg, WisdomTree

Corn - Ending Stocks

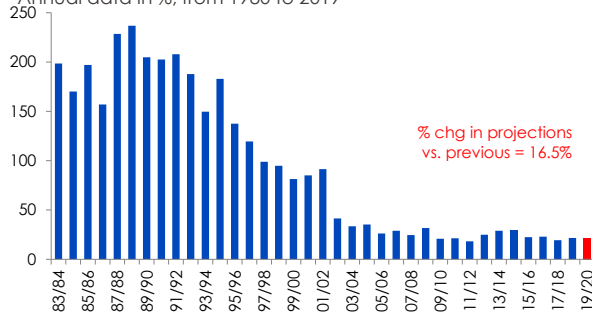
Annual data in mln tons, from 1980 to 2019



Source: USDA, Bloomberg, WisdomTree

Coffee - Stock to Use

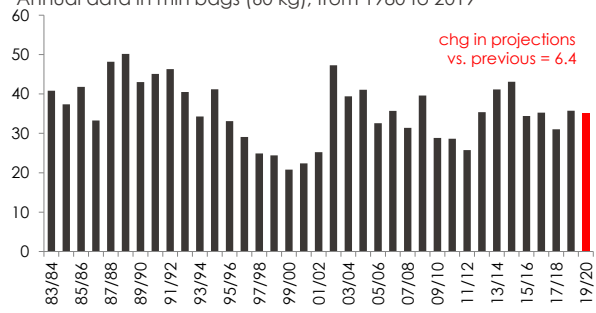
Annual data in %, from 1980 to 2019



Source: USDA, Bloomberg, WisdomTree

Coffee - Ending Stocks

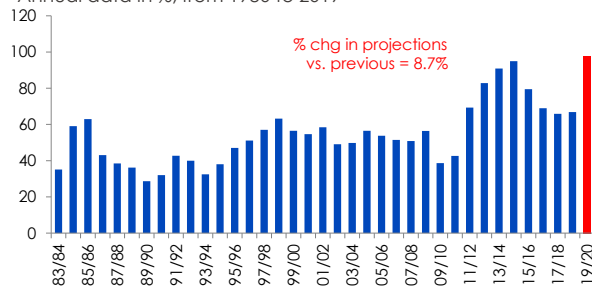
Annual data in mln bags (60 kg), from 1980 to 2019



Source: USDA, Bloomberg, WisdomTree

Cotton - Stock to Use

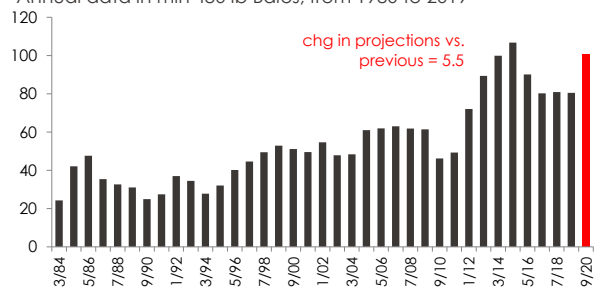
Annual data in %, from 1980 to 2019



Source: USDA, Bloomberg, WisdomTree

Cotton - Ending Stocks

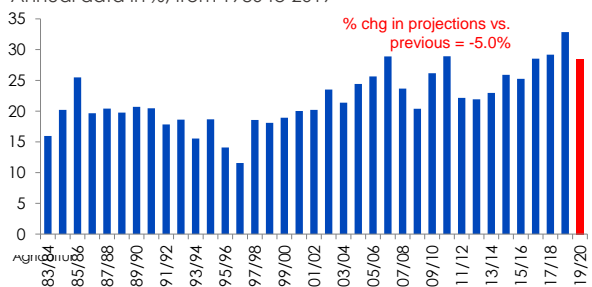
Annual data in mln 480 lb Bales, from 1980 to 2019



Source: USDA, Bloomberg, WisdomTree

Soybeans - Stock to Use

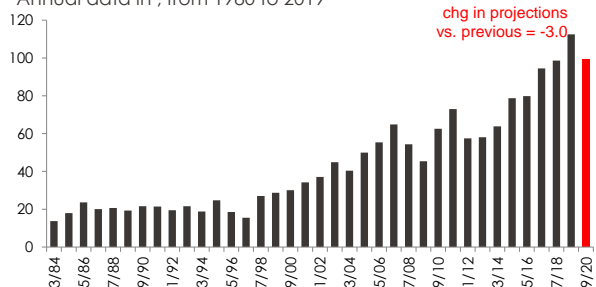
Annual data in %, from 1980 to 2019



Source: USDA, Bloomberg, WisdomTree

Soybeans - Ending Stocks

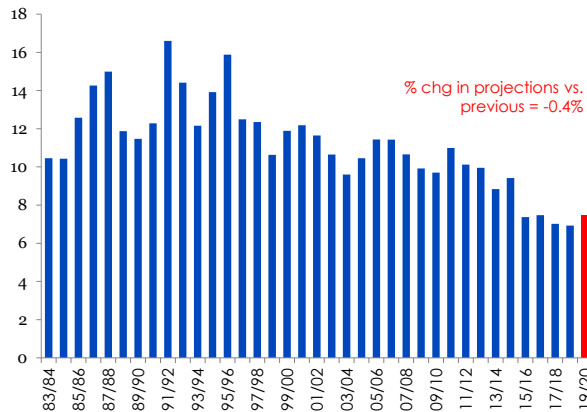
Annual data in , from 1980 to 2019



Source: USDA, Bloomberg, WisdomTree

Soybean Oil - Stock to Use

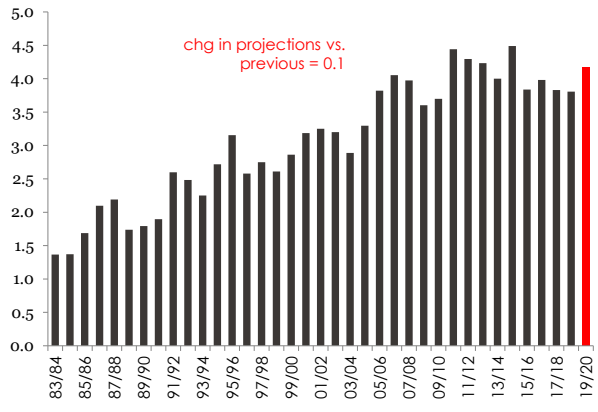
Annual data in %, from 1980 to 2019



Source: USDA, Bloomberg, WisdomTree

Soybean Oil - Ending Stocks

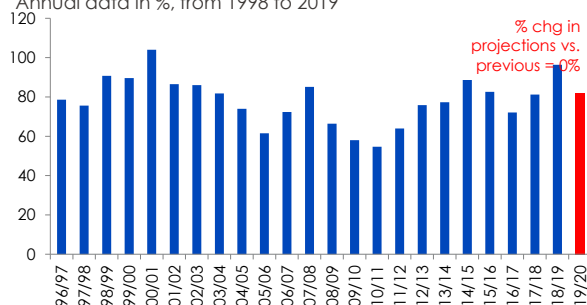
Annual data in mln Metric Tons, from 1980 to 2019



Source: USDA, Bloomberg, WisdomTree

Sugar - Stock to Use

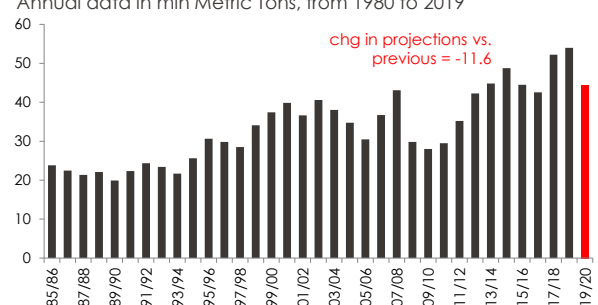
Annual data in %, from 1998 to 2019



Source: USDA, Bloomberg, WisdomTree

Sugar - Ending Stocks

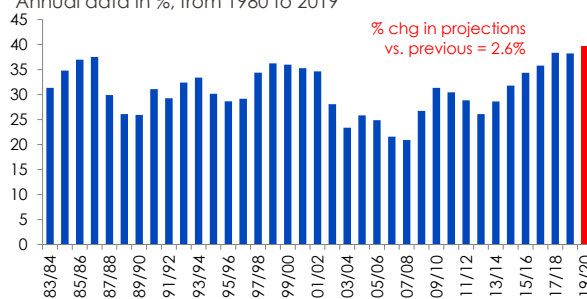
Annual data in mln Metric Tons, from 1980 to 2019



Source: USDA, Bloomberg, WisdomTree

Wheat - Stock to Use

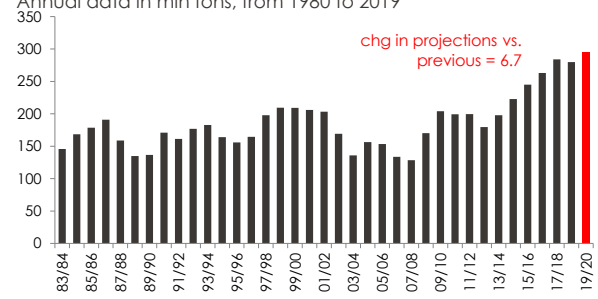
Annual data in %, from 1980 to 2019



Source: USDA, Bloomberg, WisdomTree

Wheat - Ending Stocks

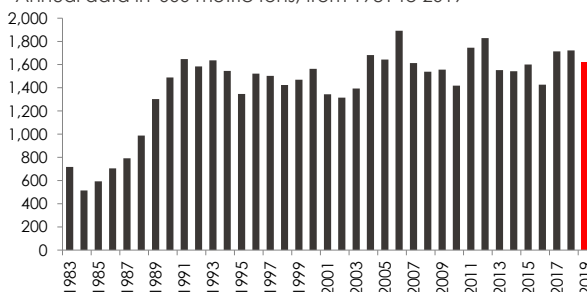
Annual data in mln tons, from 1980 to 2019



Source: USDA, Bloomberg, WisdomTree

Cocoa - Inventory

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

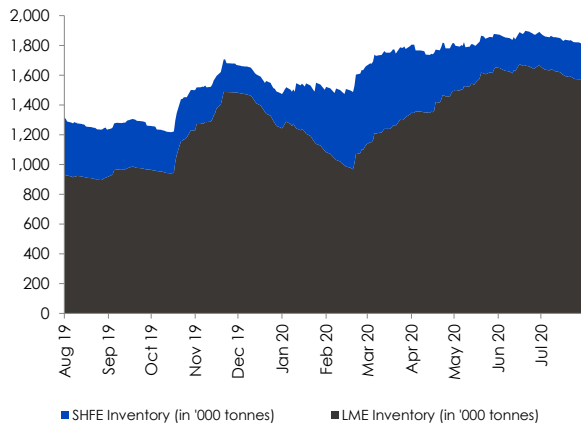


Source: International Cocoa Organisation, Bloomberg, WisdomTree

Industrial Metals

Aluminum Inventory

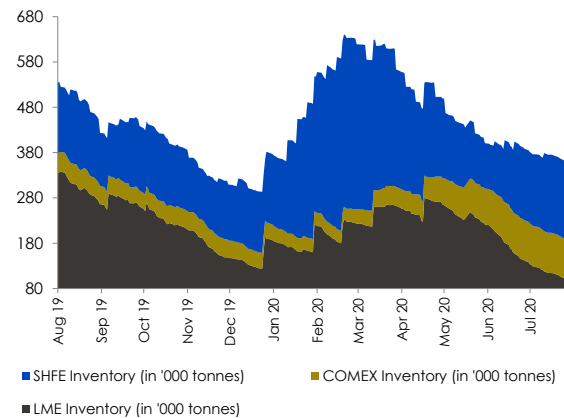
Daily data, from 28 Aug 19 to 28 Aug 20



Source: Bloomberg, WisdomTree

Copper Inventory

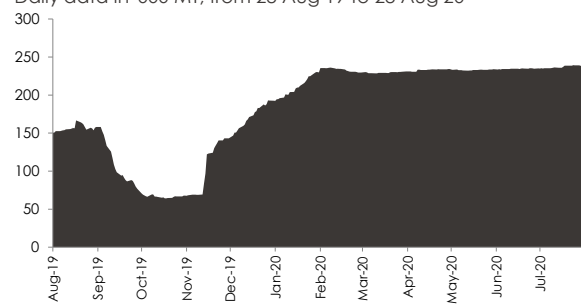
Daily data, from 28 Aug 19 to 28 Aug 20



Source: Bloomberg, WisdomTree

Nickel Inventory

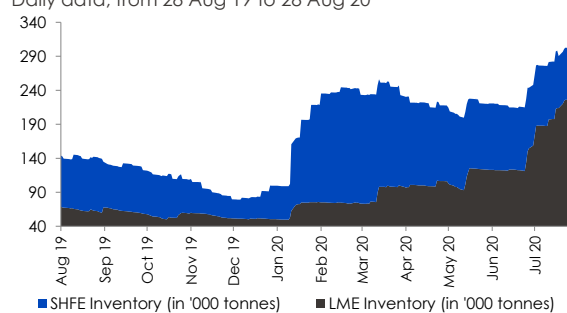
Daily data in '000 MT, from 28 Aug 19 to 28 Aug 20



Source: LME, Bloomberg, WisdomTree

Zinc Inventory

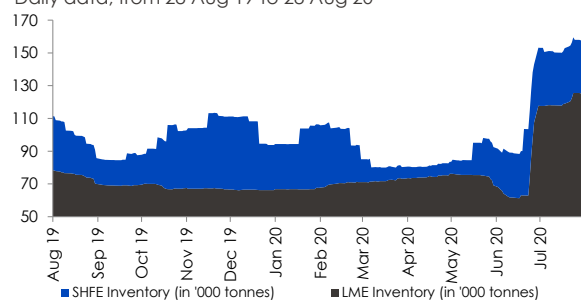
Daily data, from 28 Aug 19 to 28 Aug 20



Source: Bloomberg, WisdomTree

Lead Inventory

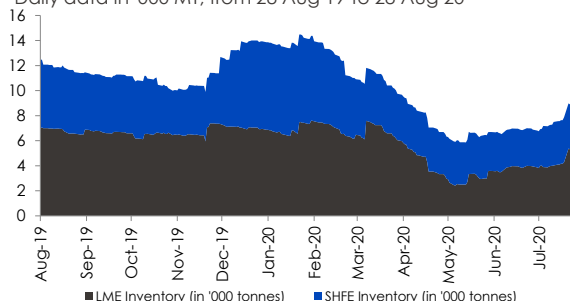
Daily data, from 28 Aug 19 to 28 Aug 20



Source: Bloomberg, WisdomTree

Tin Inventory

Daily data in '000 MT, from 28 Aug 19 to 28 Aug 20

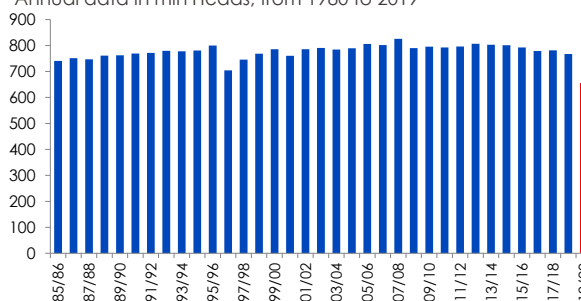


Source: LME, Bloomberg, WisdomTree

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

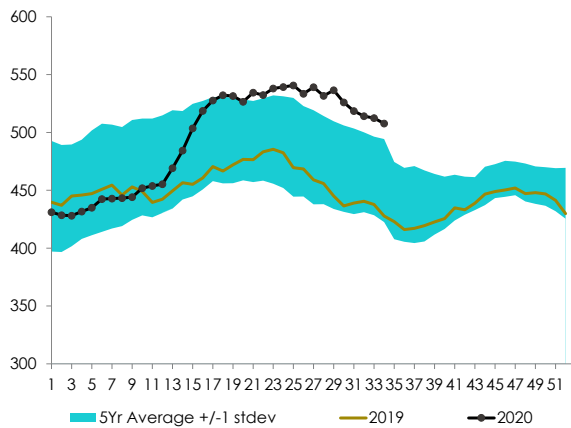


Source: USDA, Bloomberg, WisdomTree

Energy

US Oil Inventory

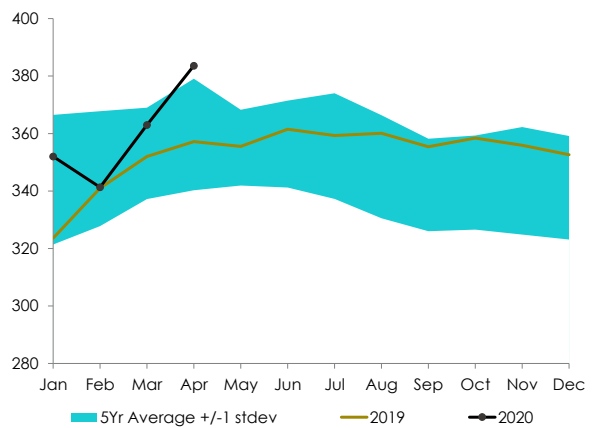
Weekly data in mln barrels, from Aug 15 to Aug 20



Source: DOE, Bloomberg, WisdomTree

OECD Europe Oil Industry Inventory

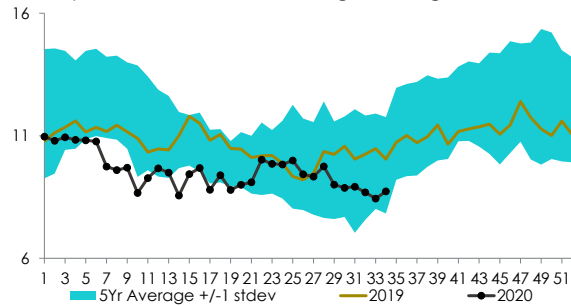
Monthly data in mln barrels, from Apr 15 to Apr 20



Source: IEA, Bloomberg, WisdomTree

Heating Oil Inventory

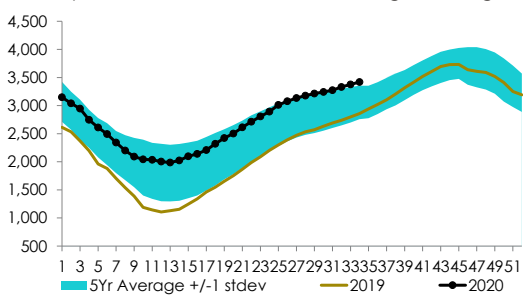
Weekly data in mln barrels, from Aug 15 to Aug 20



Source: DOE, Bloomberg, WisdomTree

Natural Gas Inventory

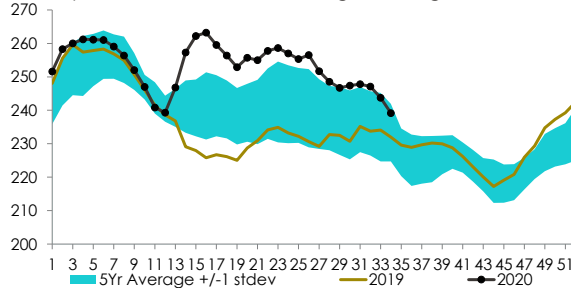
Weekly data in billion cubic feet, from Aug 15 to Aug 20



Source: DOE, Bloomberg, WisdomTree

Gasoline Inventory

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



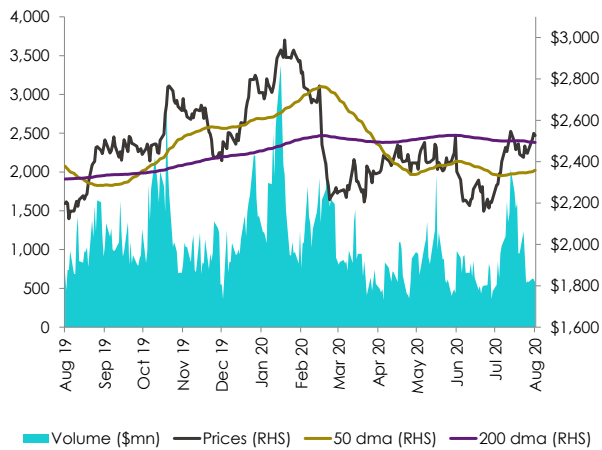
Source: DOE, Bloomberg, WisdomTree

Commodities Front Month Futures and Trading Volumes

Agriculture

Cocoa Front Month Futures Price

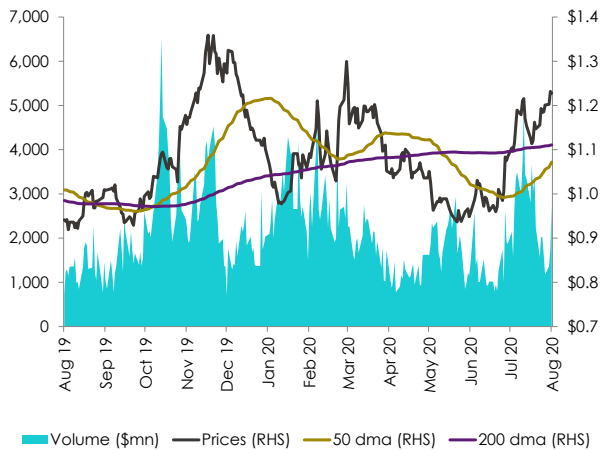
Daily data in USD/MT, from 28 Aug 19 to 28 Aug 20



Source: Bloomberg, WisdomTree

Coffee Front Month Futures Price

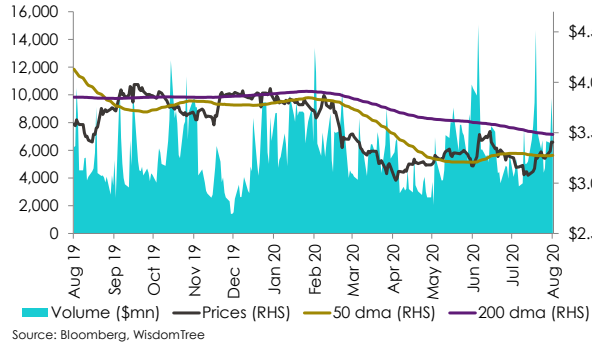
Daily data in USD/lb., from 28 Aug 19 to 28 Aug 20



Source: Bloomberg, WisdomTree

Corn Front Month Futures Price

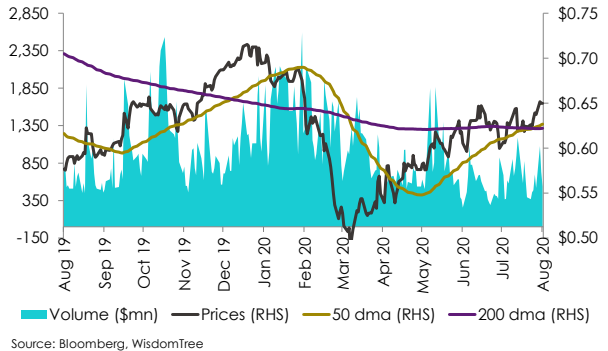
Daily data in USD/bu., from 28 Aug 19 to 28 Aug 20



Source: Bloomberg, WisdomTree

Cotton Front Month Futures Price

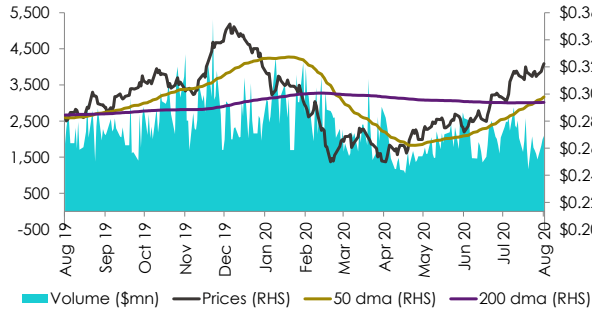
Daily data in USD/lb., from 28 Aug 19 to 28 Aug 20



Source: Bloomberg, WisdomTree

Soybean Oil Front Month Futures Price

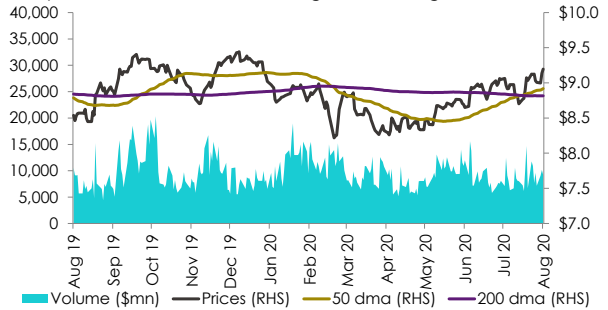
Daily data in USD/lb., from 28 Aug 19 to 28 Aug 20



Source: Bloomberg, WisdomTree

Soybeans Front Month Futures Price

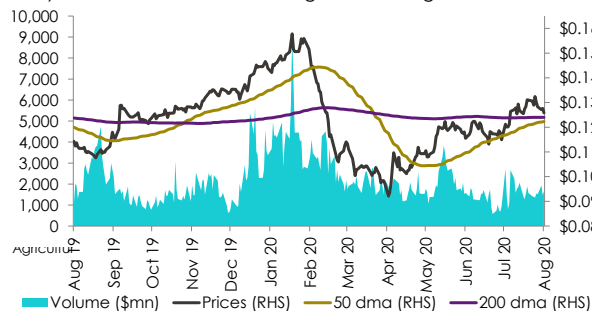
Daily data in USD/bu., from 28 Aug 19 to 28 Aug 20



Source: Bloomberg, WisdomTree

Sugar Front Month Futures Price

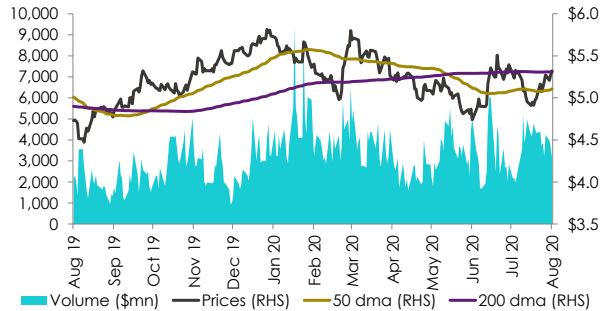
Daily data in USD/lb., from 28 Aug 19 to 28 Aug 20



Source: Bloomberg, WisdomTree

Wheat Front Month Futures Price

Daily data in USD/bu., from 28 Aug 19 to 28 Aug 20



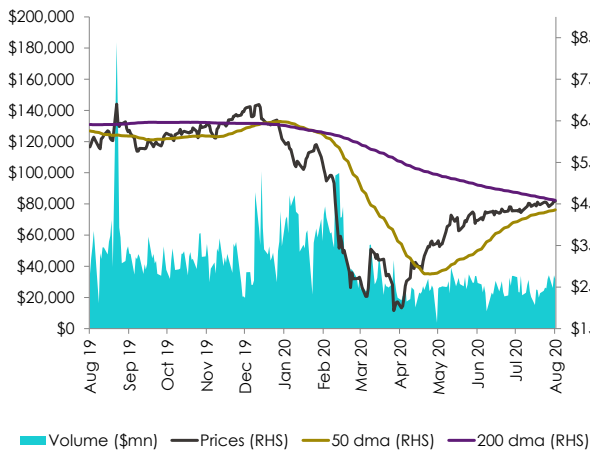
Source: Bloomberg, WisdomTree

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

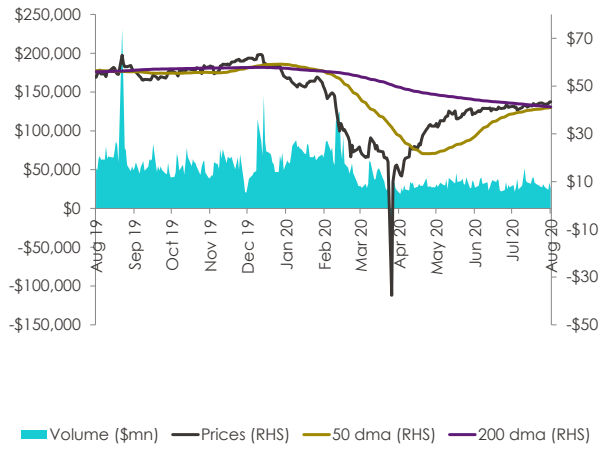
Daily data in USD/bbl., from 28 Aug 19 to 28 Aug 20



Source: Bloomberg, WisdomTree

WTI Oil Front Month Futures Price

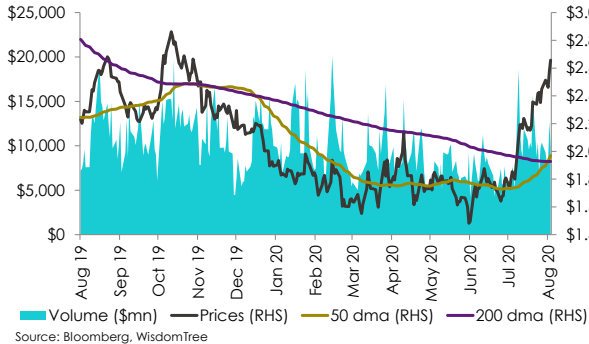
Daily data in USD/bbl., from 28 Aug 19 to 28 Aug 20



Source: Bloomberg, WisdomTree

Natural Gas Front Month Futures Price

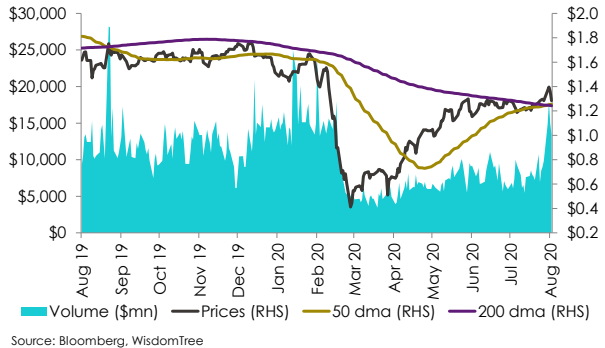
Daily data in USD/MMBtu, from 28 Aug 19 to 28 Aug 20



Source: Bloomberg, WisdomTree

Gasoline Front Month Futures Price

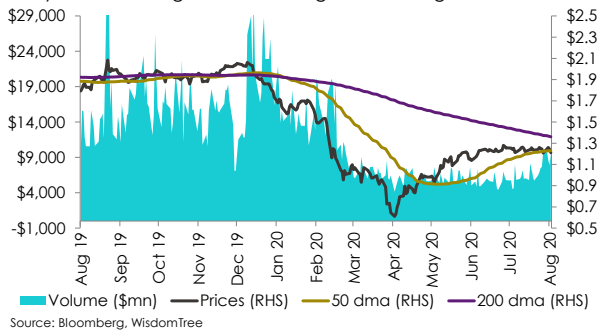
Daily data in USD/gal., from 28 Aug 19 to 28 Aug 20



Source: Bloomberg, WisdomTree

Heating Oil Front Month Futures Price

Daily data in USD/gal., from 28 Aug 19 to 28 Aug 20

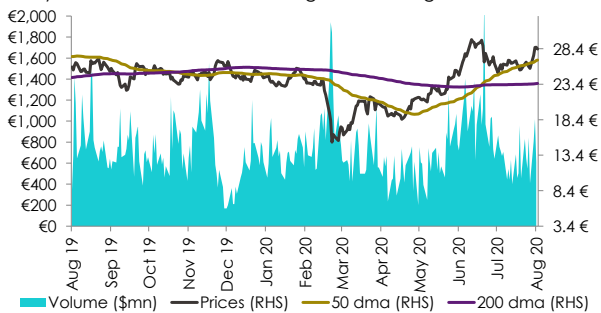


Source: Bloomberg, WisdomTree

Carbon

Carbon Front Month Futures Price

Daily data in EUR/MT, from 28 Aug 19 to 28 Aug 20



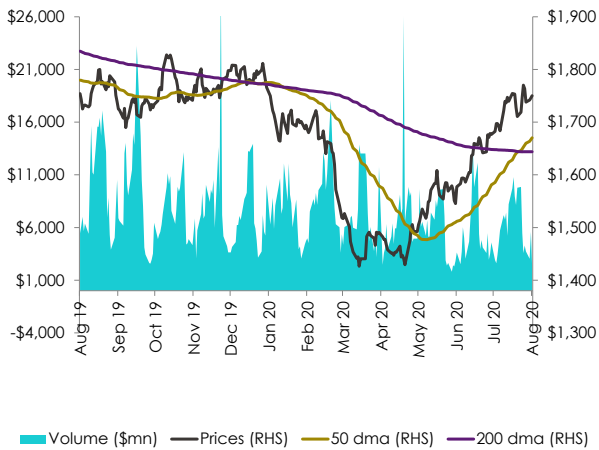
Source: Bloomberg, WisdomTree

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

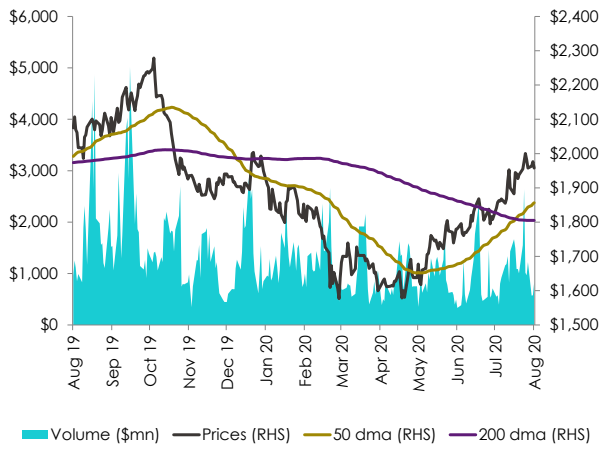
Daily data in USD/MT, from 28 Aug 19 to 28 Aug 20



Source: Bloomberg, WisdomTree

Lead Front Month Futures Price

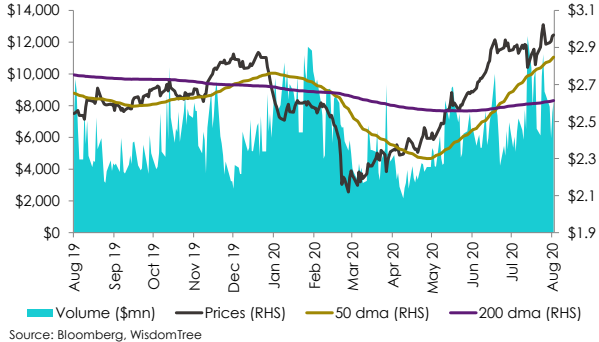
Daily data in USD/MT, from 28 Aug 19 to 28 Aug 20



Source: Bloomberg, WisdomTree

Copper (COMEX) Front Month Futures Price

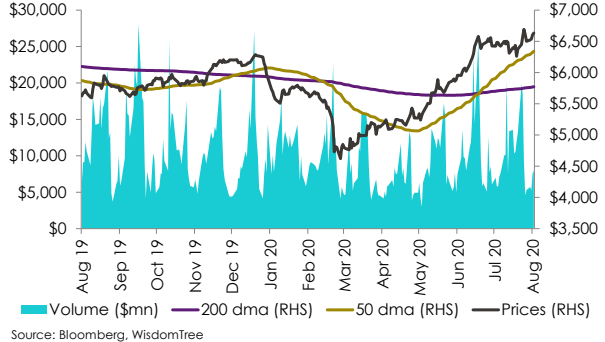
Daily data in USD/lb., from 28 Aug 19 to 28 Aug 20



Source: Bloomberg, WisdomTree

Copper (LME) Front Month Futures Price

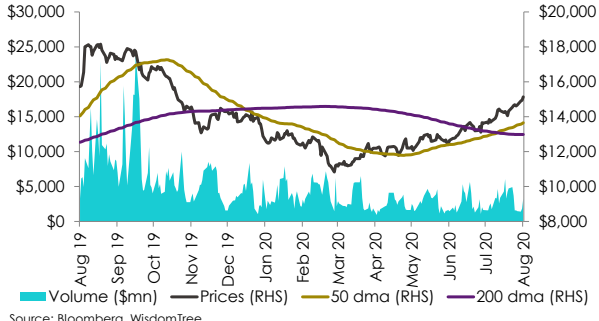
Daily data in USD/MT, from 28 Aug 19 to 28 Aug 20



Source: Bloomberg, WisdomTree

Nickel Front Month Futures Price

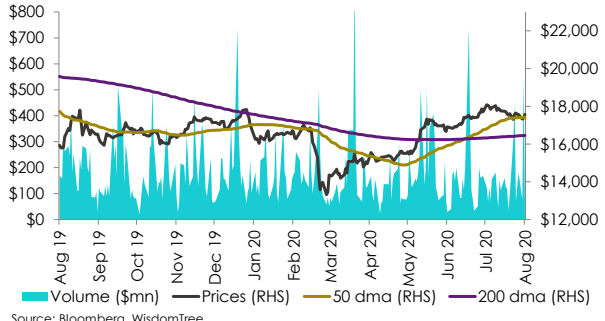
Daily data in USD/MT, from 28 Aug 19 to 28 Aug 20



Source: Bloomberg, WisdomTree

Tin Front Month Futures Price

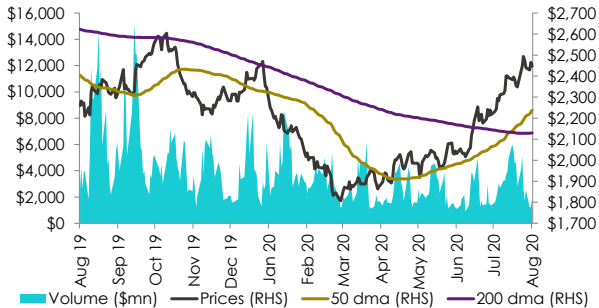
Daily data in USD/MT, from 28 Aug 19 to 28 Aug 20



Source: Bloomberg, WisdomTree

Zinc Front Month Futures Price

Daily data in USD/MT, from 28 Aug 19 to 28 Aug 20



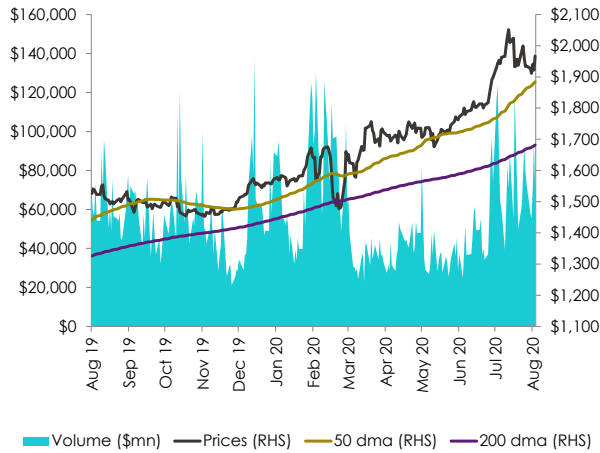
Source: Bloomberg, WisdomTree

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Precious Metals

Gold Front Month Futures Price

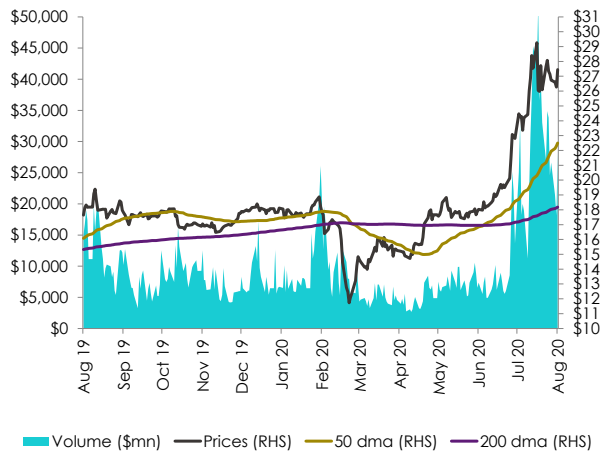
Daily data in USD/t oz., from 28 Aug 19 to 28 Aug 20



Source: Bloomberg, WisdomTree

Silver Front Month Futures Price

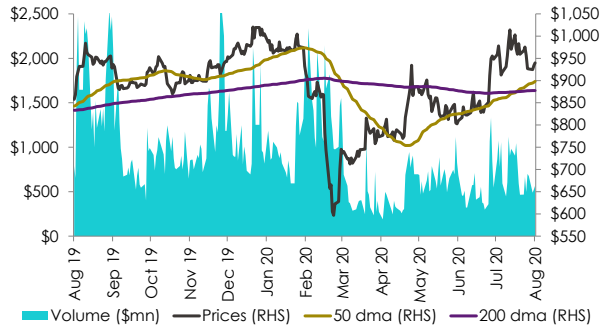
Daily data in USD/t oz., from 28 Aug 19 to 28 Aug 20



Source: Bloomberg, WisdomTree

Platinum Front Month Futures Price

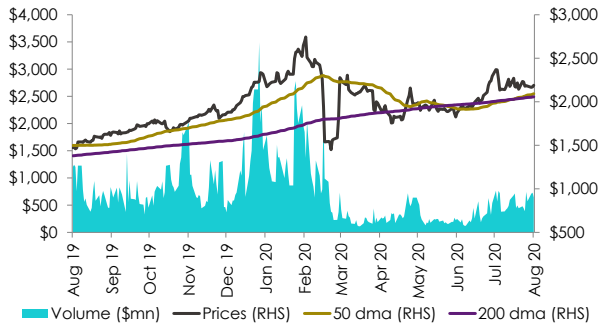
Daily data in USD/t oz., from 28 Aug 19 to 28 Aug 20



Source: Bloomberg, WisdomTree

Palladium Front Month Futures Price

Daily data in USD/t oz., from 28 Aug 19 to 28 Aug 20

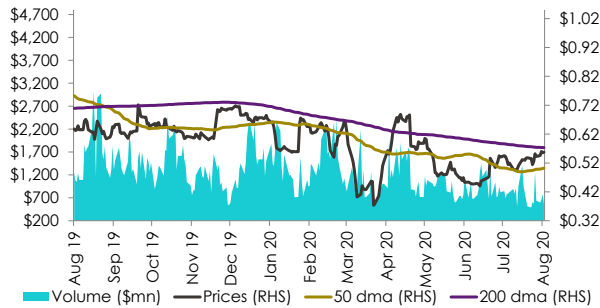


Source: Bloomberg, WisdomTree

Livestock

Lean Hogs Front Month Futures Price

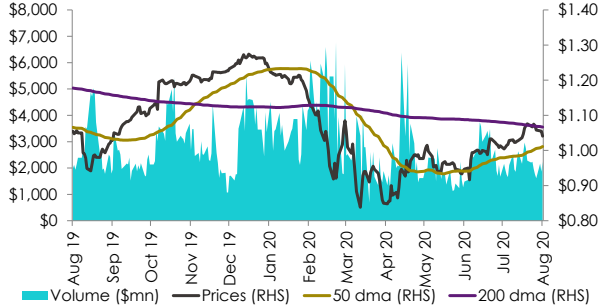
Daily data in USD/lb., from 28 Aug 19 to 28 Aug 20



Source: Bloomberg, WisdomTree

Live Cattle Front Month Futures Price

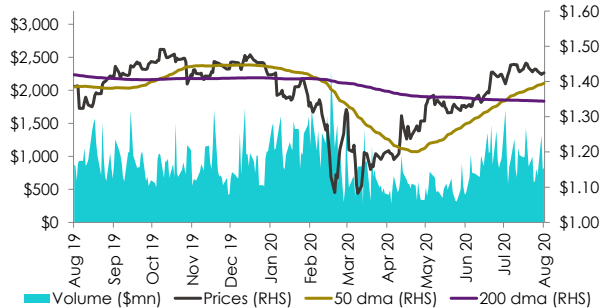
Daily data in USD/lb., from 28 Aug 19 to 28 Aug 20



Source: Bloomberg, WisdomTree

Feeder Cattle Front Month Futures Price

Daily data in USD/lb., from 28 Aug 19 to 28 Aug 20



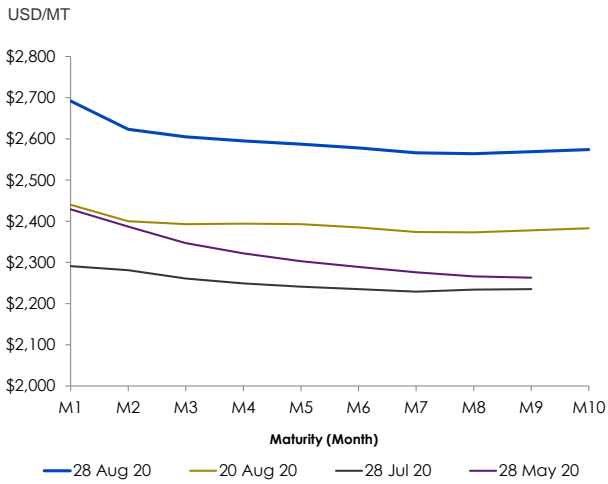
Source: Bloomberg, WisdomTree

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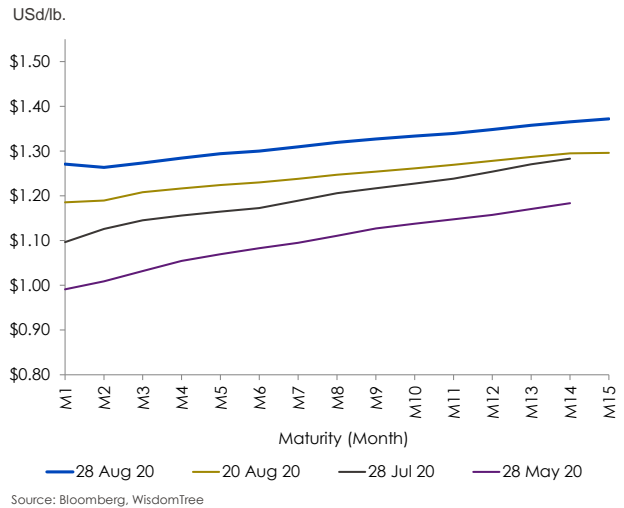
Futures Curves

Agriculture

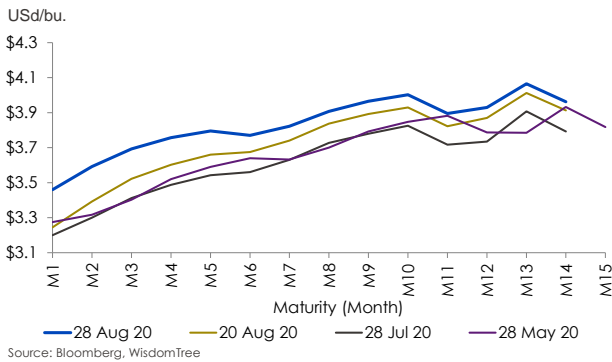
Cocoa Futures



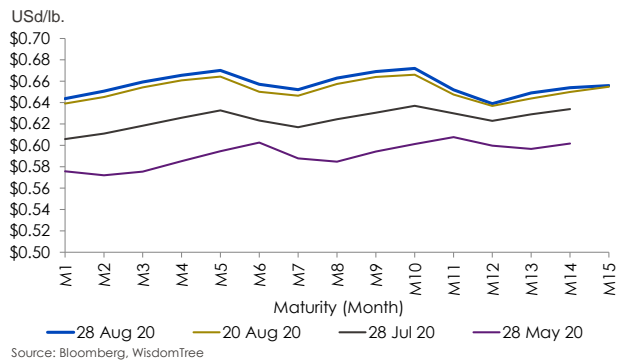
Coffee Futures



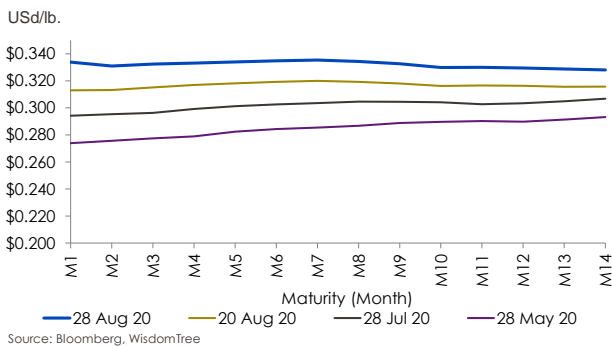
Corn Futures



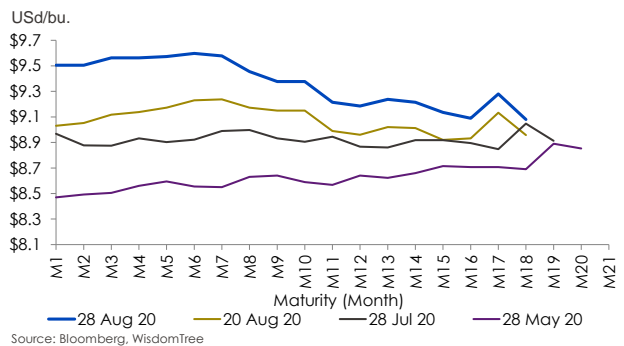
Cotton Futures



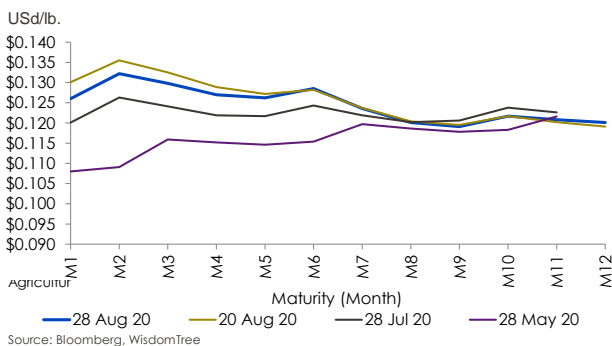
Soybean Oil Futures



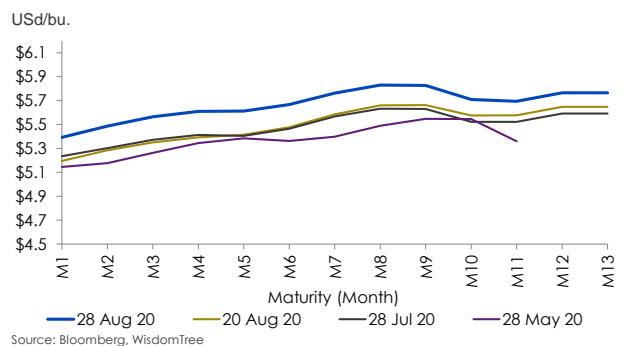
Soybeans Futures



Sugar Futures

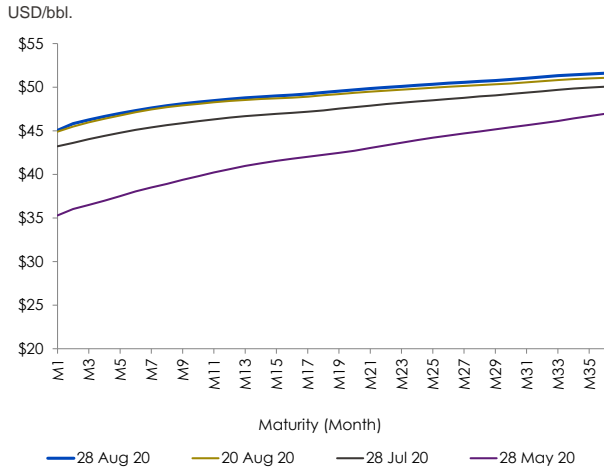


Wheat Futures



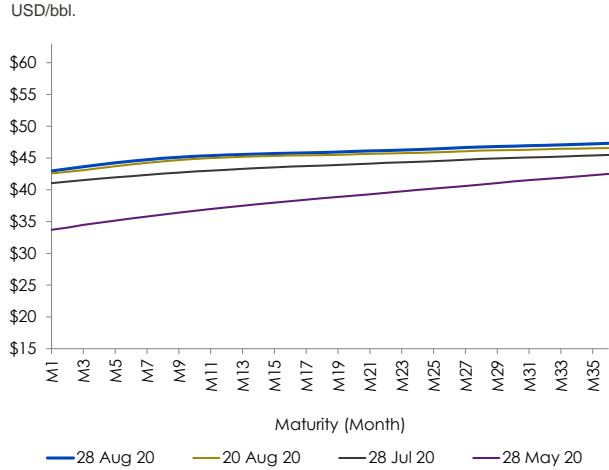
Energy

Brent Oil Futures



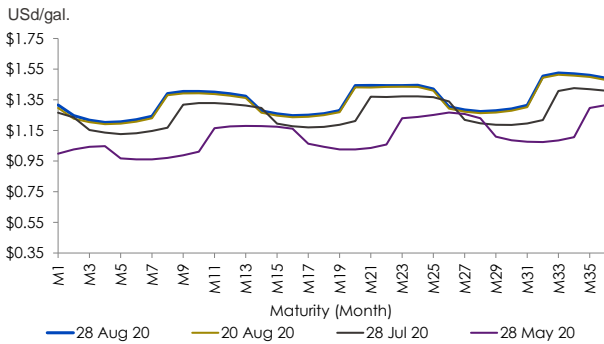
Source: Bloomberg, WisdomTree

WTI Oil Futures



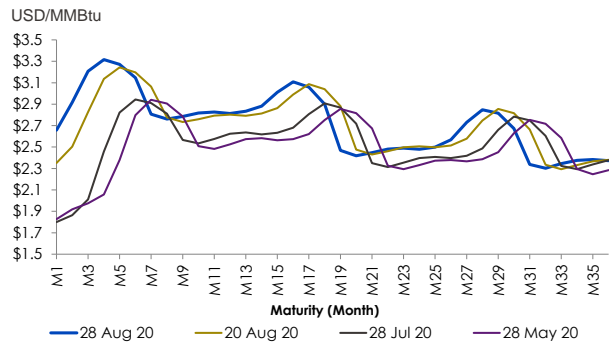
Source: Bloomberg, WisdomTree

Gasoline Futures



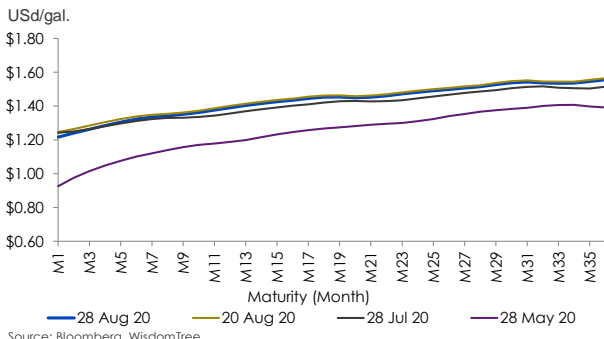
Source: Bloomberg, WisdomTree

Natural Gas Futures



Source: Bloomberg, WisdomTree

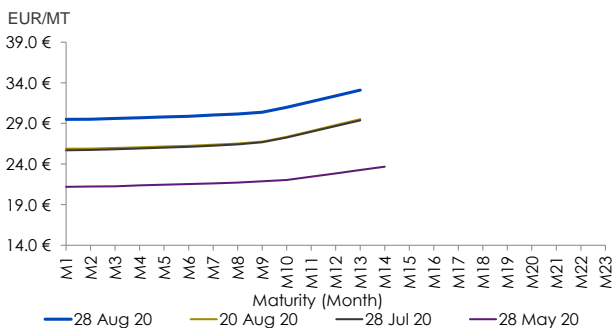
Heating Oil Futures



Source: Bloomberg, WisdomTree

Carbon

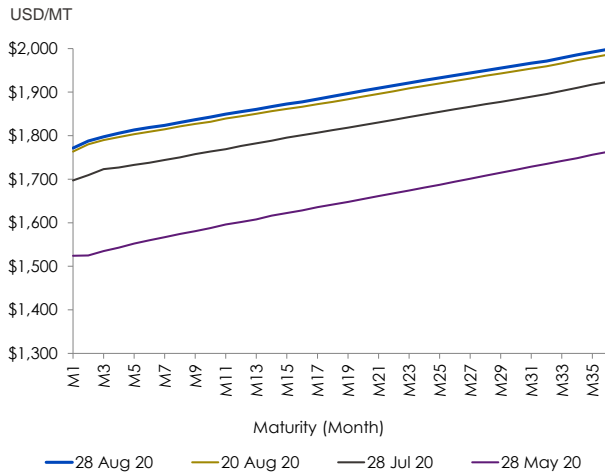
Carbon Futures



Source: Bloomberg, WisdomTree

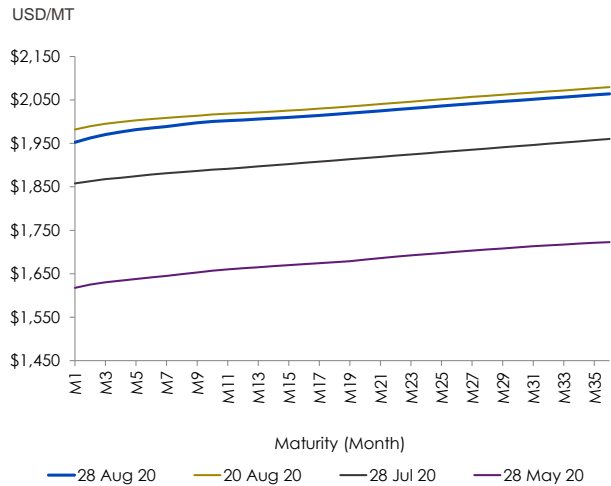
Industrial Metals

Aluminum Futures



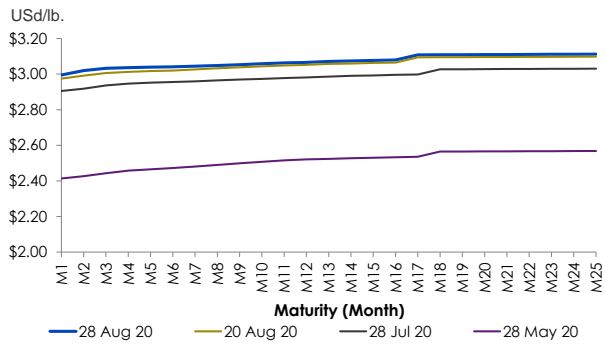
Source: Bloomberg, WisdomTree

Lead Futures



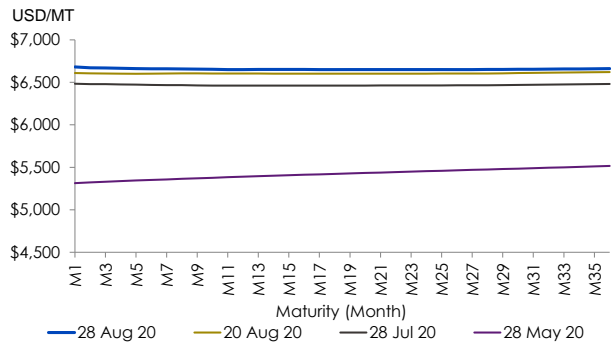
Source: Bloomberg, WisdomTree

Copper (COMEX) Futures



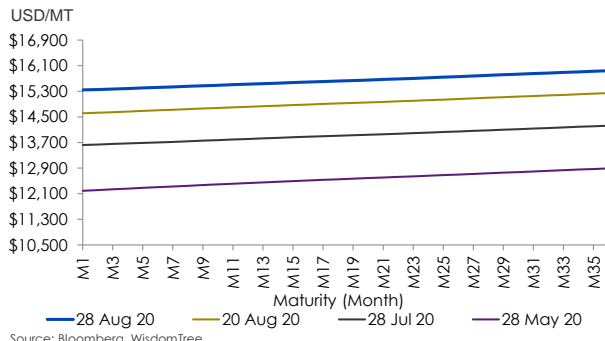
Source: Bloomberg, WisdomTree

Copper (LME) Futures



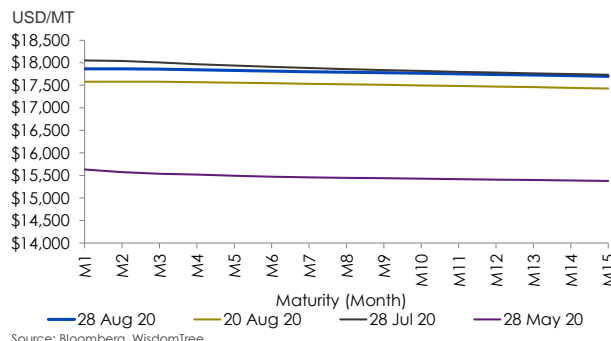
Source: Bloomberg, WisdomTree

Nickel Futures



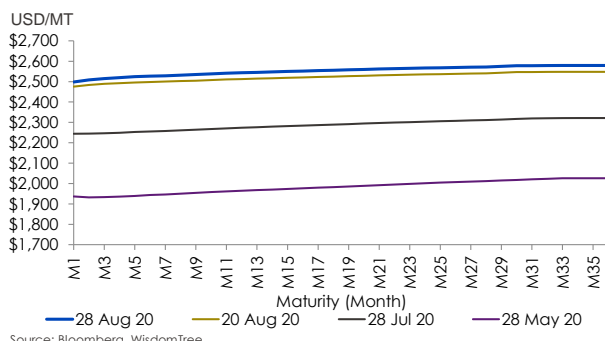
Source: Bloomberg, WisdomTree

Tin Futures



Source: Bloomberg, WisdomTree

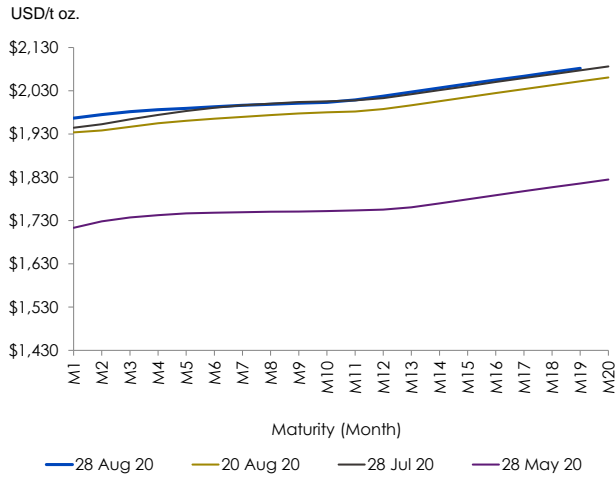
Zinc Futures



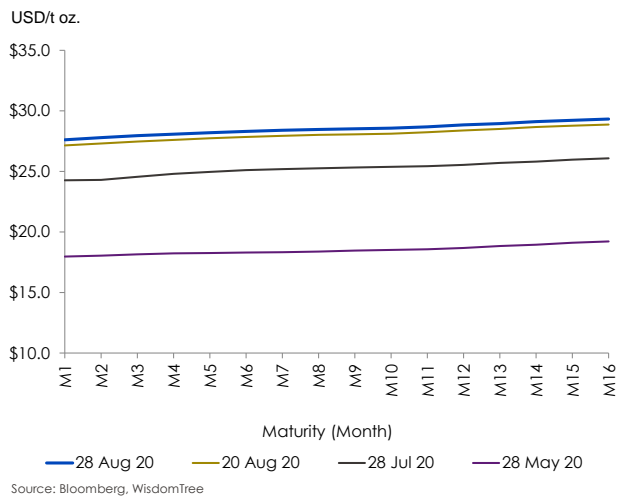
Source: Bloomberg, WisdomTree

Precious Metals

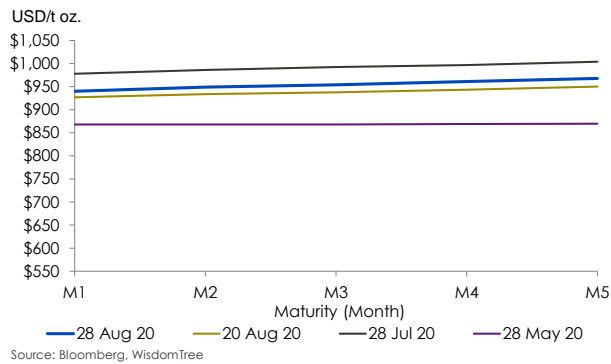
Gold Futures



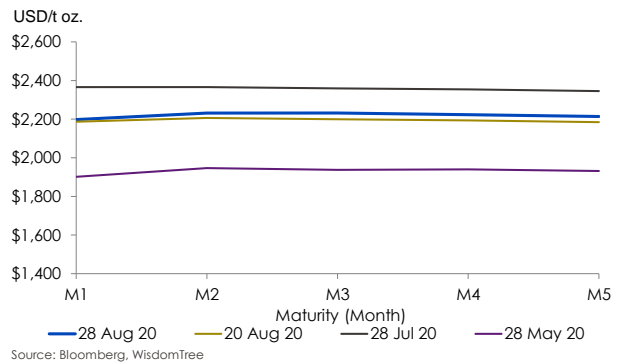
Silver Futures



Platinum Futures

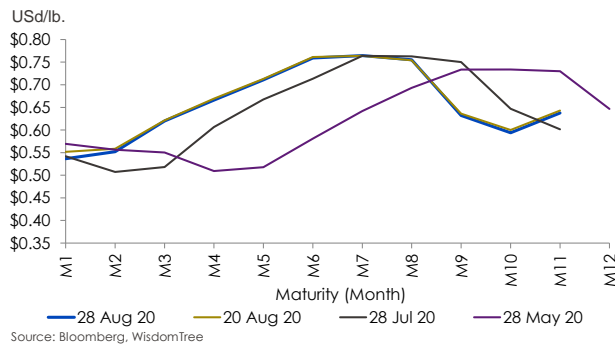


Palladium Futures

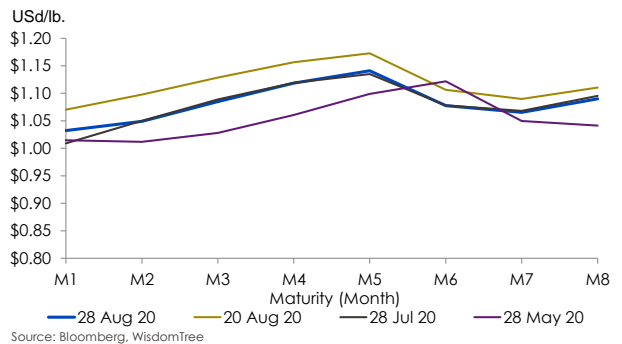


Livestock

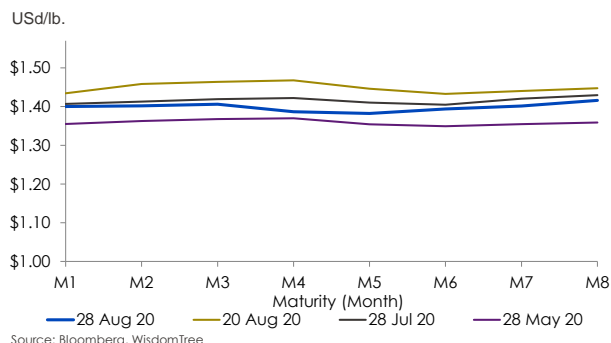
Lean Hogs Futures



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

02-Sep-20	Christopher Gannatti	Extreme Performance? Try an Equal-Weighted Rebalance
01-Sep-20	Mobeen Tahir	A moment in markets – Fed's policy shift puts a shine on metals
24-Aug-20	Mobeen Tahir	A moment in markets – the real challenge facing the Fed
19-Aug-20	Lidia Treiber	How regulation stopped the banks from bleeding in Q2?
19-Aug-20	Lidia Treiber	Where is there still income in fixed income?
19-Aug-20	Mobeen Tahir	A moment in markets – was it a shift in sentiment?
12-Aug-20	Nitesh Shah	Dollar depreciation and ultra-low Treasury yields provide gold and silver a base to continue with strong
10-Aug-20	Mobeen Tahir	A moment in markets – for a small cap premium, look towards Europe
06-Aug-20	Lidia Treiber	Uncertainty is the new certainty. How will investors ride the wave?
03-Aug-20	Mobeen Tahir	A moment in markets – is it risk-on or risk-off?
29-Jul-20	WisdomTree	A Unique Freemium Cloud Model
28-Jul-20	Mobeen Tahir	A moment in markets – gold is the new put option... again
22-Jul-20	Pierre Debru	Looking back at Equity Markets in Q2 with WisdomTree

WisdomTree - Past Issues of Commodity Monthly Monitor

Jun - Jul 2020	Research Team	Firing on all cylinders
May - Jun 2020	Research Team	Brent: A fleeting moment of backwardation
Apr - May 2020	Research Team	Green shoots in commodity markets?
Mar - Apr 2020	Research Team	Commodities through the looking glass.
Feb - Mar 2020	Research Team	Commodities in the grip of COVID-19.

The research notes are for qualified investors only.

Key Reports

Current	Next release		
12-Aug-20	11-Sep-20	USDA	World Agricultural Supply and Demand Estimates
11-Aug-20	09-Sep-20	EIA	Short-Term Energy Outlook
12-Aug-20	15-Sep-20	OPEC	OPEC Oil Market Report
13-Aug-20	15-Sep-20	IEA	IEA Oil Market Report

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