

**Bloomberg Commodity Outlook – October 2018 Edition**  
*Bloomberg Commodity Index (BCOM)*

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# Bull Market Discount

- Back to support, commodities are ripe to revisit resistance
- Energy's dominance set to trickle up
- Copper to lead metals' bull-market mission of discount reduction
- Corn, soybeans and wheat among the ags longing for brighter days
- Commodities' divergent strength vs. the dollar, EM

Note - Click on graphics to get to the Bloomberg terminal

Data and outlook as of September 28

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[BI COMD](#) (the commodity dashboard)

## Discounts Could Prod Broad Commodities Into Bull Market Mode

Performance: Sept. +1.9%, YTD -2.0%, Spot -1.1%.  
 (Returns are total return (TR) unless noted)

(Bloomberg Intelligence) -- Commodities appear to be a bull market beginning to respond favorably to discounted prices. Energy is the primary sector at a premium, which should give way some to metals, at a discount. Agriculture remains the weakest sector, but with limited downside as it shows divergent strength despite a near perfect storm for lower prices this year. All storms pass. Looking a year ahead, broad commodities should be higher, though a stronger U.S. dollar and declining China growth are key risk factors.

Trade tension fears should subside, while the 23% drawdown in copper is an indication that the correction has gone a bit too far. Crude oil did the same a year ago, setting the stage for recovery.

broad commodities should have a just-right 4Q to get back the bull. Pressure from dollar strength and trade tensions should dissipate, allowing the remaining sectors to play some catch-up to strong energy.

**Commodity Dip Pivoting to Recovery.** Absent sustained U.S. dollar strength, the broad commodity market is poised to resume its upward march. Early in 2016, the commodity bottom preceded the dollar peak later that year. Greenback strength this year has coincided with a 10% Bloomberg Commodity Spot Index correction -- about the same as last year's drawdown. We see a similar outcome this time around. Trade tensions are at the forefront, with coincident weakness in China's yuan. Looking to a year from now, some mean reversion and resolution is more likely.

The Bloomberg Commodity Spot Index has initially backed away from the halfway mark of the range established from the 2008 low to 2011 peak. Following the correction back into upward trending support, commodities are poised for a sustained recovery toward the upper end of the range.

### Commodities Showing Divergent Strength to Dollar



**Back to Support, Commodities Are Ripe to Revisit Resistance.** A little too hot in 2Q, then too cold in 3Q,

### Favorable Futures Trends Support Commodities



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### Futures Indicate Commodities Poised for Recovery.

Speculative net longs that are near their lowest levels in this bull market, along with favorable trends (increasing open interest and flattening futures curves), indicate that the commodity market's correction is about complete. Pointing to increasing participation, open interest continues to climb, yet the managed-money net position (speculators) percentage is near 2017's low. A sign of favorable demand vs. supply conditions, the weighted average of one-year futures curves for Bloomberg Commodity Index constituents continues to gravitate toward backwardation.

Contrast this with the VIX Volatility Index, which is at its lowest-for-longest levels in its three-decade history. Indications from futures favor commodities vs. stocks.

### Copper vs. Gold, Elevated Shorts Support Bonds.

Record net-short positions in Treasury futures appear too extreme for further bond-yield advances, particularly with commodities in decline. At about 16% of open interest in Treasuries and 10- and five-year futures, managed-money net shorts are the greatest since 1995. A 10% level in this measure has marked past extremes. It's rare for yields to increase when commodities are in decline. Since May, when the Bloomberg Commodity Spot Index reached a four-year high coincident with a seven-year peak in the 10-year Treasury, commodities have corrected 10%.

### Futures Shorts, Copper/Gold Indicate Lower Yields



Perhaps more significant is the sharp decline in the copper-to-gold spread, a primary bond-yield companion. The copper-to-gold ratio has returned to unchanged from a year ago, when the 10-year yield was about 100 bps lower.

## MACRO PERFORMANCE

### Commodities' Divergent Strength vs. the Dollar, EM.

Commodities are showing signs of a trough despite persistent strength in the U.S. dollar and most performance attention on a rollicking stock market. In September, the Bloomberg Commodity Index was among the top performers, notably as the dollar rally stalled. Despite the trade-weighted broad dollar gain of almost 5% for 2018, commodities are down only 2%. Over the past 20 years, the annual commodity-to-dollar negative beta typically tops 2x.

### Commodities Center Performance Measures

Security	%YTD	Chg Sept	Chg QTD Pct	1Yr % Chg	2Yr % Chg
S&P 500 Total Return Index	+10.6%	+6%	+7.7%	+18.3%	39.7%
S&P 500 Index	+9.0%	+4%	+7.2%	+16.1%	34.2%
MSCI World Net Total Return US	+5.7%	+8%	+5.2%	+11.9%	31.7%
Bloomberg Barclays US Corporat	+2.5%	+5%	+2.3%	+3.0%	12.5%
Bloomberg Dollar Spot	+2.0%	+1%	+2%	+1.9%	.2%
Bloomberg Commodity Spot Index	-1.1%	+2.0%	-2.3%	+5.1%	12.5%
Bloomberg Commodity Index Tota	-2.0%	+1.9%	-2.0%	+2.4%	2.5%
Bloomberg Barclays U.S. Treasu	-5.7%	-2.9%	-2.8%	-3.1%	-10.5%
MSCI Emerging Markets Net Tota	-7.4%	-2%	-8%	+4%	20.7%

Highly correlated to emerging markets (EM), commodities are also showing divergent strength despite an almost 8% drop in the MSCI Emerging Markets Index, what we view as a dip in the commodity recovery trend. It appears a much stronger dollar and weaker EM will be needed for a broad commodity market decline. Some mean reversion in those markets increases commodity upside potential.

## SECTOR PERFORMANCE

**Energy's Dominance Set to Trickle Up.** Industrial metals' lowly performance this year is ready to follow energy's strength. Both major sectors were up about the same in this tightening cycle into 2Q, and 3Q's disparity appears unsustainable. To Sept. 27, the Bloomberg Energy Spot Subindex is up almost 80%, vs. 45% for industrial metals since the Fed's first rate hike. Energy has momentum and backwardation going for it but is at a premium in a bull market. Most metals are at discounts to bull market trends.

### Hot Energy Likely to Support Remaining Sectors

Security	%YTD	Chg Sept	Chg QTD Pct	1Yr % Chg	2Yr % Chg
Bloomberg Energy Subindex Tota	+17.6%	+5.2%	+4.4%	+27.5%	25.5%
Bloomberg Livestock Subindex T	-2.4%	+7.9%	+2.9%	+1.9%	20.1%
Bloomberg Grains Subindex Tota	-6.2%	-3.0%	-3.0%	-10.6%	-14.7%
Bloomberg Precious Metals Subi	-10.7%	-3%	-6.0%	-9.3%	-15.0%
Bloomberg Agriculture Subindex	-10.9%	-2.1%	-5.4%	-12.5%	-22.4%
Bloomberg All Metals Total Ret	-11.4%	+1.0%	-6.5%	-5.8%	3.3%
Bloomberg Industrial Metals Su	-11.8%	+2.2%	-6.9%	-3.0%	22.0%
BBG Softs TR	-22.8%	-2.0%	-12.5%	-18.7%	-42.9%

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A 5% drop in grains' total return reflects steep contango as the spot index is up about 3% despite trade tensions, an exceptional Corn Belt growing season and Brazil's plunging real. We see a bottom for grains. Led by sugar and coffee, softs reflect the weak real, but a year from now, most of the bearish forces should be alleviated.

## ATTRIBUTION

### Strong Energy Contribution May Gain Companions.

Energy being the sole contributor to broad commodity returns in 2018 may be a risk, but the sector is more likely to gain some partners. Base metals and agriculture appear the most likely to follow the 420 bps of index total returns attributable from energy through Sept. 27. Agriculture, notably pressured by trade tensions and new lows in the Brazil real vs. the U.S. dollar, is effectively offsetting energy, subtracting about 360 bps of total returns. The strong dollar pressure is notably evident in metals. Precious metals have subtracted almost 190 bps from total returns on the back of a 230-bp pull from base metals.

### BCOM Index Attribution by Sector - 2018 YTD

Name	Start % Wgt	End % Wgt	Avg % Wgt	Tot Rtn	CTR
BCOM_SB (Exclusi...	100.0	100.0	100.0	-3.4	-3.4
Energy	30.4	35.7	32.2	16.0	4.8
Livestock	6.1	6.0	6.0	-3.7	-0.2
Precious Metals	15.5	14.1	15.0	-11.9	-1.8
Base Metals	20.9	15.8	16.9	-13.0	-2.4
Agriculture	27.1	28.4	29.9	-12.1	-3.7

Port Wgt	Contribution
32.18	4.85
5.97	-0.25
14.98	-1.83
16.92	-2.38
29.94	-3.75

BCOM Attribution – 2017 through Sept. 28. Note, these are estimates, actual results will vary.

Hurricane Florence helped livestock recover from being a drag on total returns, a boost that appears set to begin contributing in 4Q.

## Curve Analysis – Contango (-) | Backwardation (+)

Name	Current Position	1 Yr Ago	1 Yr Change	YTD Change
<b>1 Year Spread % of First Contract</b>				
BCOM	-3.1	-3.8	0.7	-1.4
<b>Sector</b>				
Energy	3.4	4.6	-1.3	-0.9
Industrial Metals	-0.7	-1.3	0.6	0.1
Precious Metals	-3.0	-2.0	-0.9	-0.7
Livestock	-3.1	-9.2	6.1	-9.5
Agriculture	-7.9	-8.0	0.0	-2.0
<b>Single Commodities</b>				
Natural Gas	9.3	0.0	9.3	12.9
Brent Crude	5.4	3.1	2.3	-1.0
Crude Oil	4.3	-0.1	4.4	-0.7
Unleaded Gas	3.3	4.4	-1.1	-1.4
Zinc	3.2	3.0	0.2	-0.3
Palladium	2.0	0.2	1.8	0.5
Cotton	1.5	2.9	-1.4	-4.6
Gas Oil	1.2	6.2	-5.0	-5.0
Heating Oil	0.4	6.0	-5.5	-5.5
Copper (LME)	-0.1	-1.8	1.7	1.2
Thermal Coal	-0.2	12.9	-13.2	-5.7
Live Cattle	-0.9	-1.9	1.0	-7.2
Soybean Meal	-1.2	-4.2	3.0	2.2
Copper (CME)	-1.6	-2.1	0.5	0.2
Platinum	-1.6	-1.5	-0.1	-0.2
Aluminum	-2.4	-3.1	0.6	-0.1
Nickel	-2.6	-2.7	0.1	-0.6
Gold	-2.8	-1.8	-1.0	-0.7
Silver	-3.1	-2.3	-0.9	-0.7
Lean Hogs	-5.2	-16.4	11.2	-11.9
Soybean Oil	-6.0	-2.8	-3.2	-4.8
Soybean	-7.9	-2.3	-5.6	-4.6
Corn	-9.8	-12.6	2.8	2.3
Sugar	-10.6	-10.8	0.2	-7.1
Wheat	-11.5	-16.8	5.3	4.0
Coffee	-13.6	-10.7	-2.9	-2.6
HRW Wheat	-13.6	-19.5	5.9	5.4

Measured via the one-year futures spread as a percent of the first contract price. Negative means the one-year out future is higher (contango). Positive means the one-year out future is lower (backwardation).

## Market Flows – Commitment of Traders

Name	Current	3 Mth Change	YTD Change	1 Yr Change
<b>Net - Managed Money Total/Disagg</b>				
<b>Single Commodities</b>				
Brent Crude	496,343	37,894	-64,941	-12,302
WTI Crude	332,143	18,276	-79,829	80,355
Aluminum (Pre- MiFID II)	163,475	21,105	3,315	-10,481
Natural Gas	145,080	-41,719	197,526	54,945
Aluminum (Post- MiFID II)	143,067	-49,736		
Gasoline	91,131	5,737	11,681	20,113
Zinc (Pre MiFID II)	79,906	3,640	-471	-8,898
Live Cattle	78,872	51,958	-3,838	-13,486
Cotton	59,035	-22,203	-43,367	1,869
Heating Oil	55,607	-9,729	-26,217	-6,867
Nickel	42,230	12,113	13,772	5,041
Copper (LME) (Pre MiFID II)	37,448	-27,111	-31,597	-34,385
HRW Wheat	34,030	-13,183	68,452	22,612
Zinc (Post MiFID II)	28,608	-27,377		
Copper (LME) (Post MiFID II)	25,415	-20,690		
Lean Hogs	24,140	25,943	-29,817	-29,486
Soybean Meal	21,205	-62,369	-10,052	26,697
Palladium	7,798	-1,391	-18,017	-13,874
Copper (CME)	1,435	-49,866	-98,085	-89,467
wheat	-1,119	-367	144,616	63,580
Platinum	-12,300	12,708	-8,090	-19,881
Silver	-42,409	-70,473	-35,304	-100,946
Soybeans	-58,614	-45,813	10,477	-86,934
Gold	-77,313	-100,827	-187,232	-282,044
Soybean Oil	-85,782	7,357	-89,188	-161,411
Sugar	-92,438	-65,187	-19,382	-22,171
Coffee	-105,512	-39,356	-47,666	-92,361
Corn	-112,779	-98,741	93,845	20,663

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### Energy (Index weight: 29% of BCOM)

Performance: Sept. +5.2%, YTD +17.6, Spot +15.7%

\*Note index weights are the YTD average.

## Crude Oil Bull Ripe for Gas

**Crude-Oil Bull Near Extremes May Be Passing Baton to Natural Gas.** Crude oil is likely entering an extended range trade. The rally is stretched, with bull-market drivers nearing exhaustion. Recent calls for \$100-a-barrel Brent are indicative of excessive exuberance, contrasting with bear-market fear last year in the midst of a 20%-plus drawdown. The copper bull market has a discount on its side. Crude oil doesn't, but it's got momentum, backwardation and positive carry, though the trend in the one-year futures curve has reached a multiyear peak. Positive demand vs. supply and stocks-to-use trends also appear extended. Iran's production declines are typically offset by Saudi Arabia.

Natural gas is caged within its most compressed and extended range in futures history, with positive drivers. Upside-breakout potential outweighs downside risks.

### Caged Crude Oil

**Brent Crude Oil's Quarterly Uptrend Harkens Back to 2008 Peak.** The most extended period of quarterly gains for Brent crude since the peak a decade ago has advanced prices into a good resistance zone, with most bull-market drivers nearing exhaustion. WTI hasn't held above \$75 or below \$65 a barrel since April. We expect extended range trading, similar to 2011-14.

### Best of Declining Stocks-to-Use Is Likely Over



**The Crude-Oil Cage Getting Tougher to Break.** Only once in Brent crude oil history has the front futures contract advanced more than the current run of five consecutive quarters. It happened just before the 2008 high, and the trend peaked at six. Prices have moved back to the midpoint of the 2012-16 range on a rapid decline in stocks-to-use. The best of the bull run is over, in our opinion, as a price advance with little volatility and almost no room left for stocks to decline is a recipe for consolidation or correction.

Extended range trading that's similar to 2011-14 is likely. In the current bull market, DOE estimates of global crude oil stocks-to-use have declined similar to 2009-13, coincident with that bull market. Some form of sustained geopolitical strife should be necessary to keep WTI crude oil above \$80 a barrel. A normal correction could reach \$60.

### WTI to Brent Crude Discount Gains Staying Power.

WTI crude oil is low relative to Brent, but key companions indicate the dispersion will endure. U.S. DOE crude-oil net imports and North Sea production top the list of highly correlated data sets to the percentage spread between the benchmarks. Both indicate the WTI/Brent extreme should have less propensity to revert to the mean, as happened in the aftermath of Hurricane Harvey in 2017. Annualized measures of U.S. net imports and North Sea output are plunging rapidly, supporting a widening WTI discount.

### Brent Crude Oil Likely to Remain Well Above WTI



In June, the WTI/Brent ratio spread bottomed at a similar extreme vs. its annual mean as reached last September, but remains near the 2017 low, indicating comfort at such levels. Since 2014, the average WTI-to-Brent discount is about 7%, and it should continue to increase.

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**WTI Crude Oil Unlikely to Stray From \$60-\$80.** Absent a bid from geopolitical events, a year from now crude oil is unlikely to stray far from the Sept. 7 level of \$68 a barrel. Momentum remains strong, but the market has run into good resistance at the halfway mark of the 2011-16 range. So has the futures curve. In backwardation, the one-year-back future signals a price near \$65, which is more indicative of current demand in excess of supply supporting the fronts. Indicating the best of the run is over, the bull-market-coincident trend in backwardation has reached a 14-year high.

## Crude Oil Bull Near Good Resistance With the Curve



Getting back to initial \$60 support, near the 2015 and 2017 highs, would entail a normal 20% correction from July's peak; a 24% drawdown marked the bottom last year. It should take OPEC and Russian production cuts to hold above \$80 resistance near the 2011-12 lows.

## Crude Oil Bull-Market Companions Near Limits.

Demand vs. supply, the futures curve and stocks-to-use indicate the best of the crude oil bull market is over. Backwardation, when front futures trade higher than backs, is a sign of demand exceeding supply and supports total returns, but the one-year measure reaching the 2014 peak leaves little room for a continuation of the bull-market coincident trend. Similar conditions exist in our analysis of EIA and IEA global crude oil demand vs. supply estimates. The favorable trend in the demand vs. supply ratio also appears to have peaked.

Our analysis of stocks-to-use derived from Department of Energy data, with a strong negative correlation to the crude oil price, is nearing the lows from 2014, which preceded the price decline. Crude oil appears to peaking for an extended stretch, potentially similar to 2011-14.

## Futures Curve; Demand vs. Supply; Stocks-to-Use



## Gas Cage Exit Risks Up

**Natural Gas More Likely to Rally Than Retreat Once Cage Broken.** There's greater potential for natural gas to sustain an advance that's outside of its historically compressed range, in our view. There's less risk of downside, with positive-trending companions, including the backwardated one-year futures curve, indicating that a visit to resistance near \$4 a MMBtu is more likely than support near \$2.

## Gas Upside Potential Outweighs Downside Risk.

Stuck within an increasingly compressed range and with primary companions trending favorably, the potential for a sharp natural-gas rally outweighs decline risks. Simply put, the most widely traded natural-gas benchmark future is more likely to break out of its cage to almost \$4 MMBtu, not \$2. Stuck within that range for about three years has coincided with a distinct trend toward backwardation in the one-year futures curve. An oxymoron in natural gas, front futures trading above the backs is an indication of demand exceeding supply.

## Extreme Coiled-Spring Risk Favors Gas Upside



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Seasonality is a prime factor in natural gas, which is primarily used for winter heating, but the one-year curve eliminates it.

**Inventory, Demand Gauges Say Gas Should Be Higher.** Natural gas prices are too low, based on the primary bull-market drivers -- demand exceeding supply and declining inventories. Our analysis of key U.S.-traded futures shows a strongly positive trend, with the ratio of demand vs. supply at its highest level in four years. Simultaneously, the annualized measure of inventories has peaked and is plunging rapidly. Conditions look similar to 2013-14, when natural gas averaged \$4 MMBtu.

### Natural Gas Prices Appear Low to Primary Drivers



The 2018 average price of \$2.82 is on the back of the narrowest range in futures history in 2017 and similar to the past 52 weeks. There's an increasing risk of a sharp rally, with the market highly susceptible to bullish catalysts, such as hot summer weather.

## PERFORMANCE DRIVERS

**Strong Crude Oil Lifts All Commodity Boats.** A primary performance takeaway is the predominance of gainers on our energy-focused screen, with crude oil leading most commodity gainers in 2018. Other commodities should follow. Strong spot-price gains are driving, but in transition to positive roll yields. It looks like mean-reversion risks between low natural gas prices and high crude oil will be predominant a year from now. Front gas futures are up about 5% year-over-year vs. 38% for WTI crude oil. Total returns are positive for crude and negative for gas.

### Crude Oil Prices Near Good Resistance, Gas Isn't

Security	%YTD	Chg Sept	Chg QTD Pct	1Yr % Chg	2Yr % Chg
Bloomberg Brent Crude Subindex	+30.1%	+7.3%	+5.8%	+54.2%	63.2%
Bloomberg WTI Crude Oil Subind	+27.2%	+5.8%	+3.3%	+47.9%	46.9%
Bloomberg Petroleum Subindex T	+24.2%	+6.1%	+5.0%	+43.8%	50.9%
Bloomberg Energy Subindex Tota	+17.6%	+5.2%	+4.4%	+27.5%	25.5%
Bloomberg Heating Oil Subindex	+17.0%	+4.7%	+6.2%	+32.2%	50.8%
BBG Energy Spot	+15.7%	+4.7%	+2.6%	+28.2%	41.3%
Bloomberg Unleaded Gasoline Su	+14.6%	+5.6%	+5.5%	+28.4%	34.9%
Bloomberg Natural Gas Subindex	-1%	+2.5%	+2.9%	-12.2%	-28.0%

Backwardation in one-year curves is indicative of demand exceeding supply. Brent crude in an \$80-a-barrel handle is an extended bull, but 5% in backwardation supports positive carry. Stuck near \$3 a MMBtu, natural gas appears low compared with crude and its favorably trending primary drivers.

### Front Energy Futures to Sept. 28

Ticker	Last	%YTD	%MTD	Chg QTD %	1 Yr Ago	2 Yrs Ago	%1YR	Change 2 Year Percent
Generic 1st 'CO' Future	82.7	+23.7%	+6.8%	+4.1%	57.4	48.7	+44.1%	69.9%
Generic 1st 'CL' Future	73.5	+21.7%	+5.3%	-8%	51.6	47.1	+42.6%	56.3%
Generic 1st 'XB' Future	210.1	+16.8%	-2.0%	-3.6%	163.2	147.8	+28.8%	42.2%
Generic 1st 'HO' Future	235.2	+13.3%	+4.9%	+6.5%	183.2	149.1	+28.4%	57.7%
Generic 1st 'NG' Future	3.0	+1.6%	+2.8%	+2.6%	3.0	3.0	-5%	1.7%

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### Metals

**All** (Index weight: 35% of BCOM)

Performance: Sept. +1.0%, YTD -11.4%

**Industrial** (Index weight: 19.0% of BCOM)

Performance: Sept. +2.2%, YTD -11.8, Spot -12.3%

**Precious** (Index weight: 16.1% of BCOM)

Performance: Sept. -0.3%, YTD -10.7, Spot -9.9%

### Responding to the Discount

**Copper to Lead Metals' Bull-Market Mission of Discount Reduction.** The metals' September price recovery tells us that it's going to take a much stronger dollar and global disinflation to restrain copper from leading the charge in the year ahead. Prices have rebounded despite continued greenback gains and escalating trade tension, though the Bloomberg All Metals Total Return Index is on track to end 3Q down 11%. The correction's adequate, in our view, with sufficient economic growth to stimulate a recovery in key decliners copper, silver and zinc. The red metal will be a leader, in our view, as the implications would be significant if it fails to extend a recovery.

Unless China rolls over, copper is more likely to continue toward \$3.50-a-pound resistance. Driven by the declining yuan, the trade-weighted broad dollar, about 2% from its 2016 peak, has little room for more appreciation.

### All Metals Warming Up

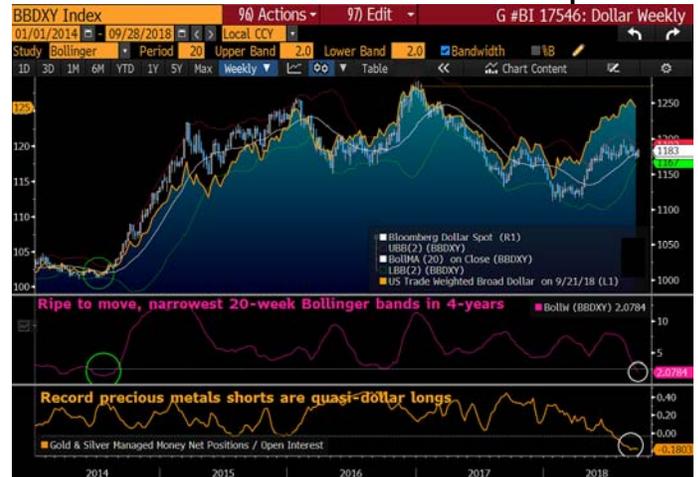
**Big Hedge Funds Short in Gold and Silver May Fuel Metals Rebound.** Extreme managed-money net shorts in gold and silver are quasi-dollar longs that have the potential to fuel mean revision, with a broad metals advance and greenback decline. The tightest Bloomberg Dollar Spot Index range since the 2014 inception of the greenback bull market portends movement soon.

**Metals Recovery Waiting on Next Dollar Move.**

Metals will have a hard time recovering if the dollar rally resumes, but we don't see that happening. The end-of-3Q Federal Open Market Committee meeting may get the market closer to releasing the Bloomberg Dollar Spot Index from its narrowest 20-week range since the recovery started in 2014. Mean reversion of the 20%-plus dollar rally that preceded the Fed's first rate hike of the cycle appears more likely to resume on the back of record

quasi-dollar longs, as measured by precious metals managed-money net shorts.

### Record Precious Metal Shorts Limit Dollar Upside



The Bloomberg Dollar Index is down about 4% since the start of the rate-hike cycle vs. up 3% for the China-heavy trade-weighted broad gauge. Trade tension is a primary driver, but the broad index (near 2016's peak) has limited room for upside.

### Metals Showing Bullish Divergence vs. Greenback.

For the first time since the bear-market bottom in 2015, the Bloomberg All Metals Total Return Index has revisited its lower 52-week Bollinger Band, signaling that the sector is poised to recover from this support level. Despite the trade-weighted broad dollar rallying to within 2% of its 14-year high from 2016, the all-metals gauge has remained more than 20% above the similar low. It's unlikely the dollar can sustain itself above the 14-year high. Risk vs. reward appears to favor metals' longs at current levels.

### Metals in Good Support Zone on Strong Dollar



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If metals remain below 3Q levels, it could indicate an end to the bull market, with broader negative macroeconomic implications. In the history of the metals index since 1997, the annual correlation to the dollar is negative 0.70.

### Industrial Metals Recovery

#### **Copper at the Forefront With Base-Metals Bull Gaining Steam.**

Conditions are optimal, we believe, for copper to get the metals bull market back on track after a 3Q breather. The macroeconomic ramifications would be quite negative, as we see it, if copper doesn't respond. It would take an even stronger dollar and a severe decline in China's economic growth to keep the industrial metals down, and both appear unlikely.

#### **Weak Dollar, Strong China PMI Feed Metals Bull.**

Industrial metals appear to have corrected sufficiently for trade-tension fears and the recovering dollar. The potential upside in resuming the nascent bull market appears greater than the risk of further declines. A worst-case scenario for industrial metals would be weakening Chinese economic growth and a strong greenback. China's purchasing managers' index remains well above 50, while the trade-weighted broad dollar has limited upside near 2016's peak. The weak yuan is a prime broad-dollar driver.

#### **Dollar Mean-Reversion Room Favors Strong Metals**



Record precious-metal net shorts, also quasi-dollar longs, may indicate a dollar peak. At a minimum these shorts should limit further dollar appreciation. Copper is key. The top performing metal in September appears to have sufficiently corrected, down 23% peak to trough to match crude oil's drawdown a year ago.

#### **Copper, 2018's Whipping Boy, Should Recover.**

Copper is in a support zone that should prevail via higher prices a year from now. Near or above initial resistance at the 2018 high of \$3.30 a pound is more likely than below

good support at the December 2016 low of \$2.45. Highly correlated with emerging-market equities, global purchasing-managers' indexes and Treasury yields, and inversely to the dollar, macro implications of copper sustaining more of 2018's 23% drawdown are quite severe. What's likelier is a recovery from the dip in the bull-market trend.

#### **Copper Support Likely to Prevail**



The halfway mark of the 2011-16 bear market is copper's resistance level, which should eventually be breached in an expanding global economy, with rapidly advancing technology supporting the price of the most widely used conductor of electricity.

#### **Copper May Mimic Crude-Oil Recovery From Lows.**

About 20% below its peak, copper's fate appears similar to last year's nadir in crude oil. Widely declared a bear market last June after correcting a little more than 20%, WTI has rallied about 80% since. From its peak to trough, copper has corrected about 20% this year, mostly in June-July. Elevated trade tension and China's plunging stock market and yuan have accompanied the metal's decline. Copper's weakness appears to be overdone. Unless the signal is a severe global economic slowdown, the metal should follow crude.

CME copper futures have entered the key support zone established in the early bull-market breakout from 4Q16. About \$2.50-\$2.75 a pound was the majority of the 1H17 range. Sustaining below that range would indicate failure. It has been 22 years since copper declined with crude oil up 12% or more.

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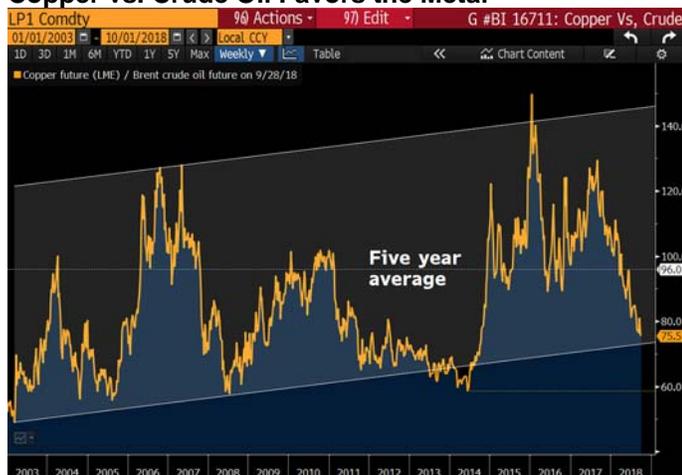
Bloomberg Commodity Index (BCOM)

### Copper Is Similar to Crude Oil About a Year Ago



**Copper Nearing Bottom of Range vs. Crude Oil.** Less subject to price pressure from substitution and rapidly advancing technology, copper should appreciate vs. crude oil. Copper is entering the lower end of its price range relative to oil. The average of the LME copper future vs. Brent crude oil spread is almost 96 for the past five years vs. 82 currently. On a 10-year basis, the average is closer to 88. A ton of copper equaling about 60 barrels of Brent crude marked the 2014 low before oil's collapse.

### Copper vs. Crude Oil Favors the Metal



Trade tension is unlikely to reverse the favorable copper demand-vs.-supply balance. Rallying crude oil is evidence of global demand and economic growth. Copper tops the list of commodities correlated to the JPMorgan Global PMI Index at 0.81, measured annually over the past 20 years. Crude oil is 0.68 correlated to the purchasing managers' index.

## [Precious Metals Upside Favored](#)

**Big Hedge-Fund Gold and Silver Short Dependent on Strong Dollar.** Perhaps anticipating a shift to more aggressive U.S. interest-rate hikes, record managed-money net-short gold and silver positions may mark a bottom in the price correction. The Bloomberg Dollar Spot Index decline and gold rally in this rate-hike cycle is indicative of markets looking ahead to an unfavorable greenback end-game.

### Gold Near Range Bottom Likely Opposite in a Year



**Gold's Upside Potential Outweighs Downside Risk.** Up 13% in this Federal Reserve tightening cycle to Sept. 7, gold is closer to support, which should prevail. A combination of sustained strength in the dollar and the stock market is likely needed for gold to decline below good support near \$1,120 an ounce a year from now. It may benefit most portfolios, which is supporting the diversifier, notably via exchange-traded funds. Total known ETF holdings are up 47% since the first rate hike.

Good initial resistance for gold is near \$1,375, the high in this tightening cycle. Trading the past few years within the most compressed range in decades increases the chance of a breakout higher, typically the case in such coiled markets. If the greenback resumes the mean-reversion process of 2017, gold should head toward \$1,400.

**Higher Plateau in Silver vs. Gold Is Unlikely.** Silver is set to embrace a leadership role in a metals-sector rally. The amount of ounces of silver equal to gold has reached the highest level in 23 years, with net silver positions the shortest in 12 years as a percentage of open interest. A higher plateau in this relationship is unlikely, while the potential and extent of some mean reversion weighs heavily on greater short-covering risks. A primary spark would be a pullback in the trade-weighted broad dollar, which should be approaching the point of diminishing returns near 2016's peak.

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## Silver-to-Gold Surpasses Lehman-Collapse Extreme



February 1995 was the last time the gold-to-silver ratio was at current levels. It hasn't sustained higher since 1993. Commodities will find demand when prices are low, and vice versa when they're relatively high.

**Gold Bears Need New Fuel at Current Levels.** The gold-price setup mirrors the period just before a three-week rally of almost 34% in 1999. A similar pop now would put gold near \$1,600 next month. Extremely low volatility is the connection, with gold's 90-day reading the lowest since September 1999. The 60-day level hasn't been this low since 1997. Such a condition is unsustainable, in our view. Mean reversion in volatility typically occurs with the opposite conditions. The greatest net-short position in the Comex (CME)-traded gold database (2006) is an added risk.

## Two-Decade Low in Volatility, Record Net Shorts



Typically, only a minor spark is needed for reversion to occur. In 1999, expectations of limits on central-bank sales were a prime short-covering spark for gold. That rally was fleeting, but current conditions indicate extreme risks for short positions.

**Silver Shorts in High-Risk, Low-Reward Zone.** Set up for a bear market, record short positions in silver are more likely to be disappointed. At about 22% of open interest, net-short managed-money positions in CME-traded silver have never been surpassed (since 2006), elevating covering risks. Priced for the worst, and only about 4% above the 2015 trough, silver may favor new longs near current levels, the most discounted vs. gold in 23 years.

## Record Silver Shorts Are Set for Bear Market



The last time silver dropped at a similar extreme was in 2H14. That decline in the 2011-15 bear market was mostly retraced, with some short covering by early 2015, though net shorts weren't as dire. For lower prices to hold, much of the short base may need to be cleansed first. At about \$14.20 an ounce, silver could make a sharp move toward \$16 resistance.

**Silver vs. the Dollar, With a Spice of Yuan.** The success of the big silver short depends highly on the dollar advancing further, notably vs. the yuan. January marked the inflection point for the dollar, when the trade-weighted broad measure bottomed from a three-year low. It was also the only month in the past five years that silver closed above its 50-month average. Near the 2015 low, silver is at the mercy of the advancing dollar, which is close to the 2016 peak.

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## Bloomberg Commodity Index (BCOM)

### Silver Appears Low vs. Companions Copper & Gold



Record silver short positions and extended levels elevate mean-reversion risks. Extreme one-sided positions are rarely rewarded. Failing at the downward-sloping 50-month mean indicates that silver is still in a bear market, yet highly dependent on broad-dollar strength. China has the greatest weight in the broad-dollar index (about 22%). Silver appears too low vs. primary companions gold and copper.

### PERFORMANCE DRIVERS

**Most Metals Ready to Reverse Declines.** A year from now, the beleaguered metals indexes are likely to reverse direction, particularly if the dollar is done appreciating. Potential mean reversion in the metals' primary 2018 pressure sources -- the strong dollar and trade tension -- should prevail, allowing the nascent bull market to resume. The worst performer, zinc, has corrected 36%, similar to the 40% rout that bottomed in January 2016 amid the bear-market trough. Copper has corrected 23%, similar to crude oil last year. WTI has rallied more than 80% from that low.

### Under Pressure Metals Are Poised for Recovery

Security	%YTD	Chg Sept.	Chg QTD	1Yr %	2Yr %
Bloomberg Nickel Subindex Tota	-1.5%	-1.6%	-15.6%	+20.2%	15.4%
Bloomberg Aluminum Subindex To	-6.8%	-2.5%	-2.5%	-1.1%	24.1%
Bloomberg Gold Subindex Total	-9.4%	-7%	-5.0%	-7.9%	-11.2%
Bloomberg Precious Metals Subi	-10.7%	-3%	-6.0%	-9.3%	-15.0%
Bloomberg All Metals Total Ret	-11.4%	+1.0%	-6.5%	-5.8%	3.3%
Bloomberg Industrial Metals Su	-11.8%	+2.2%	-6.9%	-3.0%	22.0%
Bloomberg Silver Subindex Tota	-14.8%	+1.2%	-9.3%	-13.5%	-25.0%
Bloomberg Copper Subindex Tota	-16.0%	+5.2%	-5.7%	-7.4%	23.8%
Bloomberg Zinc Subindex Total	-18.2%	+7.8%	-6.2%	-12.9%	16.3%

Moribund silver, which reached a 23-year discount vs. gold in 3Q, has little relative room to decline further. Such extremes often mark similar in the broader market. The last time the gold-to-silver ratio peaked from similar levels was the month after Lehman's collapse in 2008.

**Agriculture** (Index weight: 30% of BCOM)  
Performance: Sept. -2.1%, YTD -10.9%, Spot -5.4%)

**Grains** (Index Weight: 24% of BCOM)  
Performance: Sept. -3.0%, YTD -6.2%, Spot +1.5%)

**Softs** (Weight: 6% of BCOM)  
Performance: Sept. -2.0%, YTD -22.8, Spot -19.2%)

### Expecting Brighter Days

**Corn, Soybeans and Wheat Among the Ags Longing for Brighter Days.** Conditions for agricultural-commodity prices are unlikely to be as bad as 2018's, and the Bloomberg Grains Spot Subindex might even eke out gains this year. Trade tension, plunging Brazilian and Argentine currencies and exceptional Corn Belt growing conditions are likely to succumb to mean reversion. Wheat is leading the potential recovery charge with some normalization in favorable production trends. A wild card for market volatility is some normalization in Corn Belt weather.

The worst should be over for exports of U.S. soybeans, which are recovering as the world adjusts to record American inventories vs. empty bins in Brazil. Weak sugar and coffee, the primary drags this year (along with the Brazil real), should be nearing worst-case conditions with coming elections and downgrade risks.

### A Grain Harvest Low?

**A WASDE Low? Corn, Soybeans and Wheat Appear to Have Bottomed.** The USDA World Agricultural Supply and Demand Estimates (WASDE) released in September may mark a bottom for the grains. This year's Bloomberg Grains Spot Subindex low to Sept. 25 came the week after the report, and it's above last year's nadir. The September 2019 report is unlikely to be as good, in our view.

**Better Days on the Horizon for Grains.** Grain prices appear to be marking time for a brighter future. Despite rising trade tension, the highest sustained U.S. stocks-to-use ratio in about 20 years and Brazil's currency reaching a new low vs. the dollar, the Bloomberg Grains Spot Subindex is up 3% in 2018. A repeat of strongly bearish conditions is likely needed to further pressure prices. A year from now, the real's prime pressure factor -- Brazilian elections -- will dissipate, and the 2019 growing season in the U.S. Corn Belt is unlikely to be as

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exceptional as this year's. Some alleviation of trade tensions would support prices.

### High Stocks-to-Use, Weak Real Pressuring Grains



Combined U.S. stocks-to-use for corn, soybeans and wheat is about 25%, the highest since 2000. Soybeans and wheat are the most elevated despite drought conditions in Europe and Australia.

**Corn Stocks-to-Use in Price-Recovery Zone.** The stocks-to-use ratio for corn has declined to levels that typically are price-supportive. At 14.3%, the USDA estimate for global corn inventory vs. demand is near the post-ethanol-mandate low from 2010. Stocks-to-use hasn't been this low since the early 1970s, when U.S. grain exports to the former Soviet Union were substantial. In 2010, stocks bottomed at 14.2%, coinciding with a 155% gain in corn prices to the 2012 peak.

### Corn Global Stocks-to-Use is Rarely Lower



Stocks peaked at 22% in 2016 as corn reached a 10-year low of about \$3 a bushel. The front future has breached the previous year's high for the first time since 2012, yet remains pressured by record U.S. yields and trade tension. The annual correlation of stocks-to-use vs. the

corn price is 0.68 in the past 30 years. The Energy Policy Act of 2005 expanded ethanol production.

**Grain Prices Bottoming -- the Futures Market.** Futures curves indicate the grains' bear market is approaching its nadir. About a year ago, the average of one-year curves for Bloomberg Grains Subindex constituents reached the most extreme contango since the 2006 bottom. Indicating demand in excess of supply, similar visits of such curve extremes have coincided with recoveries in the grain index. Up about 2% year-over-year, the grains have barely budged from that low, as wheat gains have been offset by soybean losses.

### Steep Contango Indicating as Bad as It Gets



Trade sanctions, a very good Corn Belt growing season and declining emerging-market currencies have conspired to pressure grain prices, offsetting the worst-is-over signal from the curve. There are indications that a recovery will resume.

**Grains Harken Back to 2002 Recovery.** Grains are showing divergent strength in the midst of a near-perfect storm for lower prices. Despite what promises to be another exceptional U.S. bumper crop, trade tensions and the collapsing Brazilian currency, the Bloomberg Grain Spot Subindex is up almost 2% this year to Aug. 28. Wheat is the stalwart, offsetting weak soybeans as the bigger picture is rolling over for bottoming prices. Combined global corn, soybeans and wheat stocks-to-use estimates from the USDA appear to have peaked, similar to about two decades ago.

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## Bloomberg Commodity Index (BCOM)

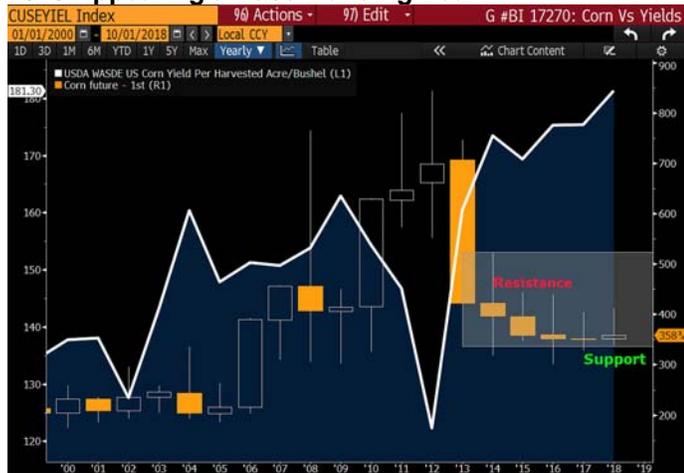
### Prices Appearing Too Low vs. Peaking Stocks-to-Use



Grain prices up slightly this year within the narrowest five-year range in the history of the index indicate a breakout move. Trading below the cost of production limits further downside, as does declining income. The USDA estimate of farm income is the lowest in 12 years.

**Base Building Favors Higher Corn in a Year.** Divergent strength is a key takeaway from corn, favoring higher prices 12 months from now. Some normalization in record U.S. yields should put resistance near \$5 a bushel (the 2014 high) in play. Good support is \$3.37, this year's low. Corn's rally potential outweighs downside risks on some alleviation of the near-perfect storm that pressured prices this year. Essentially below the cost of production, prices have held steady despite the best U.S. yields in history, trade tensions and plunging currencies in the primary exporters (Brazil and Argentina).

### 2018 Appearing a Base-Building Year



Elevating breakout-rally risks, 2019 will follow the narrowest five-year Bollinger Bands in modern corn futures history (1959). Indicating demand increasing vs. supply, the corn contango has narrowed, with futures a

year back almost 10% above the front price.

**Extremely Compressed Corn Ripening for Rally.** The technical setup-for corn has rarely been more explosive. Not since 2002 have the 50-, 100- and 200-week moving averages been similarly aligned. A sharp rally and increase in volatility was the outcome then as prices initially popped. Tight compression periods typically resolve to the upside, notably with corn under the cost of production. The initial 50%-plus rally from 16 years ago wasn't sustained until the advent of the ethanol mandate in 2006.

### Corn Compression Likely to Pop to the Upside



Prices aligned near \$2.10 a bushel in 2002, vs. \$3.65 now. Key support and resistance levels are about \$3.40-\$4.10. Essentially below the cost of production in the U.S., sustaining under \$3.40 is unlikely, but above \$4.10 should be a matter of time and the next catalyst. Some normalization of the strong production trend is a prime suspect. Wheat indicates it may be soon.

**Record Stockpiles Marked Price Bottom in 2016.** The worst may be over for plunging soybean prices, if our analysis of past spikes in U.S. stockpiles is accurate. A near-perfect storm for lower prices is evident in the highest-ever U.S. ending stocks. Yet in the context of global consumption, elevated stocks are similar to the 2006 spike that marked a significant price bottom. An exceptional Corn Belt growing season, trade sanctions and plunging Brazil and Argentina currencies are behind high stockpiles.

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## How Much Worse for Soybeans? Record U.S. Stocks



Perfect storms rarely last. Down about 12% in 2018 to Sept. 11 vs. a 4% gain for the Bloomberg Grains Spot Subindex, U.S. soybean production should decline vs. corn and wheat in 2019, unless prices rise. Emphasizing the growing size of the soybean market, U.S. ending stocks (about 6% of global consumption) are the highest since 2006, yet far from a record.

**Priced for the Worst, Soybean Cover Risk High.** The greatest managed-money net short positions in the soybean database for this time of year elevate covering risks. Just as the growing season was hitting stride in 2017 -- the last time combined soybeans, meal and oil net futures positions were shorter -- it marked last year's low price. With the harvest underway and bins busting, net positions have returned to similar extremes. There has never been more than 129,000 soybean-complex net shorts to greet a September USDA WASDE report.

## Elevated Net Soybean Shorts Greet Sept. WASDE



A year from now, global forces should fill many of the gaps, even if U.S.-China trade issues remain contentious. At such relatively depressed prices vs. corn and wheat, fewer soybeans should be sown. The plunge in U.S.

exports will soon reverse, if history is a guide.

**U.S. Soybean-Export Plunge Just a Dip in Trend.** The plunge in U.S. soybean exports is a dip in the bullish trend, in our view. A sustained suppressant would be necessary to stop the U.S. from continuing to export a greater percentage of its soybean crop. After exceeding 50% in 2017, U.S. soybean-crop exports are down to an estimated 45% this year, just below the five-year average. Elasticity of demand favors higher soybean prices when the export trend gets back on track, as we expect. The beta of prices to the percentage of U.S. soybeans exported is about 1.7 when measured annually in the past 20 years.

## Trade Sanctions a Blip in U.S. Export Trend



It took severe sanctions and a bin-busting U.S. production year to revisit the five-year average in U.S. exports, equating to a 12% decline in 2018 soybean prices. If exports recover to the 50% level, resistance at the 2018 high of \$10.82 a bushel should be in play.

**Wheat May Be Agriculture Recovery Spark.** With grains trading near similar subdued prices to 2014, we find a firmer foundation for a more sustained recovery. The last time wheat had a similar drought-related rally in 2010, it marked the beginning of a two-year recovery in grain and agriculture prices. Relative to the Bloomberg Grains Spot Subindex, wheat has spiked to the post-2010 peak from 2015. It was a point of failure, but occurred in December. Still in peak growing season, advancing wheat may hold more profound sway this time than the 115% rally to the 2012 high in grain prices.

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## Rallying Wheat May Mark Agriculture Bottom



Drought in Russia was a prime wheat-rally catalyst in 2010. A 40%-plus jump in U.S exports maintained the global balance. Higher wheat prices mean more of it is sown, and less corn and soybeans. This year's drought is more widely dispersed -- the world isn't cooling.

## Bottoming Softs?

**Sugar and Coffee Plunge With the Real, But Worst Should Be Over.** The Bloomberg Softs Spot Subindex is declining with the real, but new lows in Brazil's currency aren't translating to the same in soft commodities. Continued declines vs. the dollar will pressure sugar and coffee prices, but fears of downgrades and apprehension for Brazil's upcoming election may be nearing extremes, with record soft shorts.

**Softs Show Some Divergent Strength to Real.** Soft commodities, notably coffee and sugar, are highly subject to the declining value of the Brazilian real, but show divergent strength. The real has plunged to a new low vs. the dollar, yet the Bloomberg Softs Spot Subindex is holding above the August bottom, supported by record net-short positions and stable cotton prices. Upcoming elections in Brazil and an increasing risk of downgrades there are pressuring the currency.

## Plunging Brazilian Real Dragging Softs Along



If the real continues to plunge, the soft commodities will have a hard time recovering. Brazil is a primary producer and exporter of sugar and coffee. Sugar's the most prominent in the subindex, with a 2018 target weighting of about 47%. Coffee accounts for 34%.

**Sovereign Downgrade Remains a Ratings Risk for Brazil's Banks.** While Moody's, S&P and Fitch have stable outlooks on Brazil and its biggest banks' credit ratings, further downgrades are possible if the country fails to implement key fiscal reforms. The raters have downgraded Brazil and its largest banks multiple times since 2015 due to fiscal weakness, rising debt levels and failure to implement pension reform. Brazil's sovereign ratings remain the main constraint on the credit ratings of Itau Unibanco, Banco Bradesco and Banco do Brasil.

## Brazil Sovereign Ratings vs. Bank Ratings

	Brazil			Itau			Bradesco			Banco do Brasil		
	Moody's	S&P	Fitch	Moody's	S&P	Fitch	Moody's	S&P	Fitch	Moody's	S&P	Fitch
<b>2015</b>	BB+	BBB-		Baa3	BB+	BBB	Baa2	BB+	BBB	BB+	BBB-	
	Baa3	BB+		Ba1	BBB-		Baa3	BBB-		Baa3	BB+	
<b>2016</b>	Ba2	BB	BB	Ba3	BB	BB+	Ba2	BB	BB+	Ba2	BB	BB
<b>2017</b>												
<b>2018</b>	BB-	BB-		BB-	BB		BB-	BB		BB-	BB-	
<b>Current</b>	Ba2	BB-	BB-	Ba3	BB-	BB	Ba2	BB-	BB	Ba2	BB-	BB-

While S&P aligns the ratings on all three banks with the sovereign at BB-, Moody's rates Itau one notch lower than Brazil, at Ba3. Fitch rates Itau and Bradesco one notch above sovereign, at BB, citing their solid credit profile and strong market positions.

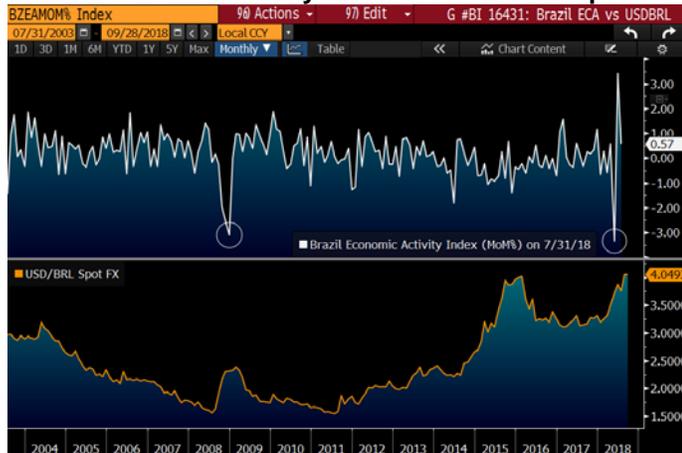
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### Brazil Burned by Slow Growth, Poor Technicals.

Deteriorating credit conditions are weighing on Brazil's sovereign score, as slow growth and weak market technicals add to uncertainty ahead of October's general election. Brazil slashed its full-year growth estimate to 1.6% in July as economic activity contracted by 3.34% in May -- its worst month on record. Policy intervention is partially mitigating Brazil's weak technicals, yet the real is off 12.9% year-to-date. Downward rating migration remains a risk for Brazil (Ba2/BB-/BB-), yet it's no stranger to single B status, having borrowed from that perch prior to 2004.

### Brazil Economic Activity Index vs. USD/BRL Spot FX



Political risk remains elevated, as Brazil's leading presidential candidates are reluctant to offer a clear position on economic reform. The nation's fiscal deficit has increased to 7.4% of GDP -- the largest shortfall among major issuers of EM sovereign debt.

### Policy Misstep Hurts Argentina's Credit Score.

Argentina's sovereign credit score has deteriorated sharply, as policy-transmission mechanisms lose their effectiveness. The peso is off 32.6% in 2018, as the central bank's decision to cut rates in the face of rising inflation ignited a run on the currency. New central-bank president Luis Caputo is expected to stabilize monetary policy, yet that may only shift attention to the nation's fiscal shortcomings as the government must soon agree on \$11 billion of austerity measures to comply with IMF requirements.

### LatAm Sovereign Credit Scorecard (Click Chart)

Credit Driver	Argent	Brazil	Chile	Colom	Mexico	Peru
Fiscal Policy	Red	Yellow	Yellow	Yellow	Yellow	Yellow
Monetary Policy	Red ↓	Yellow	Yellow	Yellow	Yellow	Yellow
Economic Growth	Yellow	Yellow ↓	Yellow	Yellow	Yellow	Green ↑
Mkt Externalities	Red	Yellow	Yellow	Yellow	Yellow	Yellow
Political Risk	Yellow	Red	Yellow	Yellow ↑	Yellow ↑	Yellow
Relative Value	Yellow	Yellow	Red	Yellow	Yellow	Yellow
Rating Migration	Yellow	Red	Red	Red	Red	Yellow
Mkt Technicals	Red	Yellow ↓	Yellow	Yellow	Yellow ↓	Yellow

A weaker peso should reduce Argentina's twin deficits, yet recession risk is rising as the country contends with elevated inflation and a severe weather-related drought. Argentina is the largest sovereign issuer of dollar-pay EM debt, making up 7.9% of the Bloomberg Barclays EM Sovereign Bond Index.

### Wheat Gains Offset by Soybeans, Sugar and Coffee.

Hurricane Florence boosted lean hogs to lead September agriculture gainers and may mark a bottom for pork prices. Matthew (2016) was the last significant hurricane to hit the Carolinas. By June 2017, front lean-hog futures recovered 120%, trading to a peak that's still in place. Though most total-return grain indexes are down in September and 3Q, soybeans are up about 3% this month to Sept. 25 (measured by the November contract) amid the U.S.-China trade dispute.

### Wheat is 2018 Stalwart, Others Should Follow

Security	YTD	Chg Sept	Chg QTD	1Yr %	2Yr %
Bloomberg Wheat Subindex Total	+6.2%	-6.5%	-1.7%	-3.9%	-9.8%
Bloomberg Kansas Wheat Subindex	+5.3%	-7.4%	+5%	-4.2%	-14.6%
Bloomberg Live Cattle Subindex	+6%	+5.2%	+5.1%	+1.7%	21.8%
Bloomberg Cotton Subindex Total	-4%	-7.0%	-8.5%	+13.6%	14.8%
Bloomberg Livestock Subindex T	-2.4%	+7.9%	+2.9%	+1.9%	20.1%
BBG Soybean Meal TR	-3.9%	+8%	-5.9%	-3.8%	-4.9%
Bloomberg Grains Subindex Total	-6.2%	-3.0%	-3.0%	-10.6%	-14.7%
Bloomberg Corn Subindex Total	-7.1%	-2.2%	-4.0%	-10.7%	-14.8%
Bloomberg Lean Hogs Subindex T	-8.8%	+15.1%	-9%	+1.2%	15.1%
Bloomberg Agriculture Subindex	-10.9%	-2.1%	-5.4%	-12.5%	-22.4%
Bloomberg Soybeans Subindex To	-14.6%	+4%	-3.4%	-16.0%	-18.1%
Bloomberg Soybean Oil Subindex	-15.0%	+9%	-2.0%	-14.5%	-17.9%
BBG Softs TR	-22.8%	-2.0%	-12.5%	-18.7%	-42.9%
Bloomberg Coffee Subindex Total	-24.1%	+8%	-13.0%	-27.2%	-44.1%
Bloomberg Sugar Subindex Total	-31.6%	-1.0%	-14.1%	-25.4%	-58.1%

Soybeans may have bottomed just above the key support near \$8 a bushel. Some mean reversion in an almost perfect storm for lower soybean prices in the year ahead should spark similar movement in the November 2019 contract toward \$10. The plunging Brazilian real has added pressure to sugar and coffee, the biggest drags on the ags' returns.

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## DATA on BI COMD

(as of the morning of October 1)

### Performance - Overview

#### Key Metrics

Name	1 Mth % Change	3 Mth % Change	YTD % Change	1 Yr % Change	2 Yr % Change	3 Yr % Change	5 Yr % Change
<b>Commodities</b>							
BCOM Index TR	2.0	-2.0	-2.0	2.6	2.3	0.5	-30.6
Energy Index	6.0	5.1	18.5	29.1	25.4	3.6	-49.1
All Metals Index	1.0	-6.5	-11.4	-5.3	3.0	16.5	-9.3
Industrial Metals Index	1.1	-7.8	-12.7	-3.3	19.9	25.9	-6.1
Precious Metals Index	-0.7	-6.4	-11.1	-9.3	-15.2	2.7	-17.1
Ags & Livestock Index	-0.5	-4.1	-9.6	-10.6	-16.6	-18.1	-36.6
Livestock Index	7.9	2.9	-2.4	0.9	25.5	-3.7	-12.5
Agriculture Index	-2.1	-5.4	-10.9	-12.7	-22.4	-20.9	-40.8
Grains Index	-2.7	-2.7	-6.0	-10.5	-15.4	-27.5	-45.5
Softs Index	-2.5	-13.0	-23.3	-19.3	-42.0	-19.0	-44.5
BCOM EX Indices TR							
BCOM Index Roll Select TR	1.3	-2.6	-2.6	1.7	3.9	5.5	-24.9
BCOM Index Forwards TR							
BCOM Index ER	1.8	-2.5	-3.3	0.9	-0.1	-2.2	-32.5
BCOM Index Spot	2.0	-2.3	-1.1	5.3	12.3	22.5	-10.6
<b>Stocks</b>							
S&P 500 Index TR	0.6	7.7	10.6	17.9	39.9	61.1	90.6
<b>Bonds</b>							
Barclays U.S. Aggregate	-0.6	0.0	-1.6	-1.2	-1.1	3.9	11.4
<b>Currencies</b>							
Bloomberg U.S. Dollar Spot Index	0.0	0.1	2.0	1.9	0.0	-2.5	16.9
US Dollar Index	0.0	0.7	3.3	2.2	-0.3	-1.1	18.7
Pound Index	0.6	-0.8	-1.9	-1.9	-0.8	-17.8	-13.8

#### Historical

Name	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Commodities</b>										
BCOM Index TR	-2.0%	1.7%	11.8%	-24.7%	-17.0%	-9.5%	-1.1%	-13.3%	16.8%	18.9%
Energy Index	17.6%	-4.3%	16.3%	-38.9%	-39.3%	5.2%	-9.4%	-16.0%	-10.5%	-5.3%
All Metals Index	-11.4%	20.8%	15.7%	-19.5%	-7.1%	-21.6%	2.9%	-11.5%	25.9%	60.2%
Industrial Metals Index	-11.8%	29.4%	19.9%	-26.9%	-6.9%	-13.6%	0.7%	-24.2%	16.2%	80.0%
Precious Metals Index	-10.7%	10.9%	9.5%	-11.5%	-6.7%	-30.8%	6.3%	4.6%	42.7%	29.2%
Ags & Livestock Index	-9.7%	-8.1%	0.9%	-16.1%	-6.0%	-12.6%	2.7%	-12.4%	33.9%	7.9%
Livestock Index	-2.4%	6.4%	-5.6%	-18.8%	11.6%	-3.5%	-3.5%	-2.3%	9.3%	-15.1%
Agriculture Index	-10.9%	-11.0%	2.1%	-15.6%	-9.2%	-14.3%	4.0%	-14.4%	38.5%	13.7%
Grains Index	-6.2%	-11.3%	-5.9%	-19.4%	-9.4%	-16.9%	18.3%	-14.4%	30.3%	-1.6%
Softs Index	-22.8%	-14.8%	13.2%	-9.9%	-10.1%	-16.9%	-22.4%	-14.0%	59.9%	44.2%
BCOM EX Indices TR										
BCOM Index Roll Select TR	-2.6%	3.6%	14.6%	-23.4%	-15.2%	-9.1%	-0.4%	-8.8%	19.5%	23.1%
BCOM Index Forwards TR										
BCOM Index ER	-3.4%	0.7%	11.4%	-24.7%	-17.0%	-9.6%	-1.1%	-13.4%	16.7%	18.7%
BCOM Index Spot	-1.1%	7.6%	23.1%	-18.4%	-17.0%	-8.7%	3.7%	-8.1%	26.4%	41.2%
<b>Stocks</b>										
S&P 500 Index TR	10.6%	21.8%	12.0%	1.4%	13.7%	32.4%	16.0%	2.1%	15.1%	26.5%
<b>Bonds</b>										
Barclays U.S. Aggregate	-1.6%	3.5%	2.6%	0.5%	6.0%	-2.0%	4.2%	7.8%	6.5%	5.9%
<b>Currencies</b>										
Bloomberg U.S. Dollar Spot Index	2.0%	-8.5%	2.8%	9.0%	11.0%	3.3%	-0.7%	1.8%	-1.8%	-4.8%
US Dollar Index	3.3%	-9.9%	3.6%	9.3%	12.8%	0.3%	-0.5%	1.5%	1.5%	-4.2%
Pound Index	-5.4%	11.6%	-30.3%	-5.7%	-4.3%	3.9%	8.7%	-0.5%	-6.6%	17.3%

## Bloomberg Commodity Outlook – October 2018 Edition

Bloomberg Commodity Index (BCOM)

### Performance – Commodity Total Returns

#### Key Metrics

Name	YTD % Change	3 Mth % Change	1Yr % Change	2Yr % Change
<b>▼ BCOM Total Return Indices</b>				
Brent Crude Index	30.5	6.1	55.6	60.3
WTI Crude Index	27.6	3.5	48.0	43.7
Heating Oil Index	17.4	6.6	33.8	47.2
Gasoline Index	14.8	5.7	30.6	32.9
Nickel Index	-2.9	-16.8	17.9	15.1
Cotton Index	-1.5	-9.5	13.2	14.2
Live Cattle Index	0.6	5.1	1.6	26.1
Aluminum Index	-6.9	-2.7	0.2	23.4
Lean Hogs Index	-8.8	-0.8	-1.6	22.3
HRW Wheat Index	5.3	0.5	-2.0	-13.4
Wheat Index	6.0	-1.9	-2.7	-9.7
Soybean Meal Index	-3.9	-6.2	-3.8	-4.9
Copper Index	-17.0	-6.8	-7.6	21.1
Gold Index	-9.7	-5.4	-8.0	-11.1
Natural Gas Index	2.3	5.4	-9.7	-23.9
Corn Index	-6.5	-3.4	-10.8	-16.1
Platinum Index	-12.9	-4.6	-10.9	-21.7
Silver Index	-15.5	-10.1	-13.4	-26.0
Zinc Index	-19.1	-7.2	-14.3	12.9
Soybean Oil Index	-15.3	-2.4	-14.8	-19.5
Soybeans Index	-14.6	-3.5	-16.8	-18.9
Coffee Index	-23.9	-12.8	-26.7	-43.4
Sugar Index	-32.4	-15.0	-27.1	-57.1

#### Historical

Name	2018↓	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>▼ BCOM Total Return Indices</b>										
Brent Crude Index	30.1%	14.2%	25.4%	-45.6%	-47.6%	7.2%	7.6%	16.8%	11.5%	28.6%
WTI Crude Index	27.2%	5.1%	7.1%	-44.3%	-41.7%	6.8%	-11.8%	-3.6%	3.8%	4.4%
Heating Oil Index	17.0%	15.0%	33.5%	-42.8%	-38.8%	0.4%	5.5%	10.7%	8.3%	20.5%
Gasoline Index	14.6%	2.8%	6.4%	-12.6%	-43.8%	1.9%	25.7%	14.5%	13.1%	74.7%
Wheat Index	6.2%	-12.5%	-24.1%	-22.2%	-9.4%	-27.2%	9.8%	-34.0%	21.2%	-26.0%
HRW Wheat Index	5.3%	-14.9%	-25.3%	-32.7%	-4.7%	-26.2%	5.6%	-22.9%	42.1%	-23.8%
Live Cattle Index	0.6%	9.1%	-7.4%	-14.3%	22.1%	-5.0%	-3.9%	-1.0%	15.0%	-9.8%
Natural Gas Index	-0.1%	-36.4%	10.3%	-39.9%	-30.7%	5.0%	-30.6%	-47.1%	-40.6%	-51.6%
Cotton Index	-0.4%	12.5%	10.5%	3.0%	-21.2%	9.0%	-12.7%	-21.7%	98.2%	30.1%
Nickel Index	-1.5%	25.6%	11.8%	-42.6%	7.3%	-20.1%	-10.2%	-24.7%	32.2%	54.9%
Soybean Meal Index	-3.9%	-4.8%	18.1%	-18.0%	11.8%	20.0%	49.1%	-18.1%	38.9%	34.7%
Aluminum Index	-6.8%	31.2%	9.7%	-22.9%	-3.1%	-20.7%	-4.0%	-21.7%	5.4%	33.8%
Corn Index	-7.1%	-12.1%	-9.8%	-19.2%	-13.3%	-30.3%	19.0%	1.1%	30.7%	-10.1%
Lean Hogs Index	-8.8%	2.8%	-2.9%	-26.1%	-4.4%	-2.0%	-2.9%	-4.6%	0.3%	-22.5%
Gold Index	-9.4%	12.8%	7.7%	-10.9%	-1.7%	-28.7%	6.1%	9.6%	28.7%	22.9%
Platinum Index	-12.4%	3.0%	0.8%	-26.5%	-12.3%	-11.8%	8.7%	-21.8%	19.3%	54.0%
Soybeans Index	-14.6%	-8.1%	14.8%	-14.6%	-5.5%	10.5%	24.0%	-16.4%	34.9%	22.9%
Silver Index	-14.8%	5.8%	14.0%	-12.7%	-20.4%	-36.6%	7.1%	-10.1%	81.8%	47.6%
Soybean Oil Index	-15.0%	-7.0%	7.3%	-7.7%	-20.6%	-22.4%	-9.8%	-15.2%	33.8%	14.2%
Copper Index	-16.0%	29.2%	15.7%	-25.1%	-16.6%	-8.8%	5.0%	-24.4%	29.5%	130.0%
Zinc Index	-18.2%	29.7%	57.5%	-28.0%	3.5%	-7.0%	9.0%	-27.8%	-8.8%	98.3%
Coffee Index	-24.1%	-16.0%	-1.3%	-31.5%	37.8%	-30.5%	-41.6%	-11.2%	67.0%	10.3%
Sugar Index	-31.6%	-25.4%	22.8%	-4.7%	-30.9%	-20.0%	-13.0%	-11.9%	24.0%	86.3%

## Bloomberg Commodity Outlook – October 2018 Edition

Bloomberg Commodity Index (BCOM)

### Performance – Prices

#### Key Metrics

Name	1	MTD % Change	3 Mth % Change	YTD % Change	1↓ Yr % Change	2 Yr % Change
▼ BCOM Single Commodity Price						
Brent Crude	(0)	0.3	4.4	24.1	44.2	69.1
WTI Crude	(0)	0.2	-1.0	21.5	42.1	52.2
Gas Oil	(0)	0.2	7.4	20.9	32.4	62.5
Heating Oil	(0)	0.2	6.7	13.6	30.1	54.3
Gasoline	(-)	-0.6	-4.1	16.1	30.1	40.5
Nickel	(-)	0.2	-15.4	-1.3	20.3	19.1
HRW Wheat	(-)	-0.1	8.5	19.5	15.4	22.9
Wheat	(0)	0.0	2.3	19.1	13.5	26.6
Palladium	(-)	-2.5	10.0	-1.4	11.6	44.9
Cotton	(-)	-1.6	-11.5	-3.9	9.4	10.7
Live Cattle	(4)	4.8	14.6	-2.2	9.1	14.9
Lean Hogs	(-)	-6.8	-28.6	-19.3	4.3	12.0
Natural Gas	(2)	2.6	5.5	4.5	2.6	6.2
Corn	(0)	0.6	2.4	2.2	0.9	6.5
Aluminum	(1)	1.0	-4.0	-8.0	-0.2	24.8
Soybean Meal	(1)	1.5	-6.9	-0.9	-0.5	4.0
Copper (LME)	(-)	-1.4	-7.0	-14.5	-4.3	27.2
Copper (CME)	(-)	-1.3	-6.2	-16.1	-6.3	25.3
Gold	(-)	0.0	-5.0	-9.0	-7.0	-9.3
Platinum	(-)	-0.3	-4.2	-12.6	-10.3	-20.6
Soybean Oil	(-)	0.7	-0.8	-12.7	-11.3	-13.1
Silver	(-)	-0.9	-9.4	-14.9	-12.5	-24.1
Soybeans	(-)	-0.1	-1.6	-11.2	-12.7	-11.4
Zinc	(-)	-0.2	-8.6	-20.7	-17.0	11.5
Sugar	(-)	6.2	-6.7	-27.0	-18.2	-50.9
Coffee	(0)	0.4	-7.8	-18.5	-19.7	-32.1

#### Historical

Name	2018↓	2017	2016	2015	2014	2013	2012	2011	2010	2009
▼ BCOM Single Commodity Price										
Brent Crude	23.7%	17.7%	52.4%	-35.0%	-48.3%	-0.3%	3.5%	13.3%	21.6%	70.9%
WTI Crude	21.2%	12.5%	45.0%	-30.5%	-45.9%	7.2%	-7.1%	8.2%	15.1%	77.9%
Gas Oil	20.7%	19.8%	53.6%	-36.3%	-45.8%	1.9%	0.3%	21.2%	20.0%	51.9%
HRW Wheat	19.7%	2.1%	-10.7%	-25.2%	-2.2%	-22.9%	15.9%	-15.7%	58.7%	-14.9%
Wheat	19.2%	4.7%	-13.2%	-20.3%	-2.6%	-22.2%	19.2%	-17.8%	46.7%	-11.3%
Gasoline	16.8%	8.1%	31.4%	-11.7%	-48.5%	-0.9%	4.7%	9.5%	19.5%	103.6%
Heating Oil	13.7%	21.8%	54.8%	-40.4%	-40.0%	1.1%	3.8%	15.4%	20.1%	50.7%
Natural Gas	1.9%	-20.7%	59.3%	-19.1%	-31.7%	26.2%	12.1%	-32.1%	-20.9%	-0.9%
Corn	1.6%	-0.4%	-1.9%	-9.6%	-5.9%	-39.6%	8.0%	2.8%	51.7%	1.8%
Palladium	0.3%	55.3%	21.6%	-29.6%	11.2%	2.1%	7.2%	-18.3%	96.5%	116.7%
Nickel	-1.5%	27.5%	13.5%	-41.8%	9.0%	-18.6%	-9.2%	-24.2%	33.8%	58.8%
Soybean Meal	-2.3%	-0.1%	18.4%	-27.5%	-16.7%	4.1%	35.9%	-16.4%	18.0%	4.5%
Cotton	-2.4%	11.3%	11.6%	5.0%	-28.8%	12.6%	-18.1%	-36.6%	91.5%	54.2%
Live Cattle	-6.7%	4.7%	-15.2%	-16.4%	21.5%	1.8%	8.9%	12.1%	25.9%	0.0%
Gold	-8.9%	13.7%	8.6%	-10.5%	-1.5%	-28.3%	7.0%	10.2%	29.7%	24.0%
Aluminum	-9.0%	33.3%	12.5%	-17.9%	4.1%	-13.9%	2.5%	-18.8%	11.6%	45.6%
Soybeans	-11.2%	-4.5%	14.4%	-14.5%	-22.3%	-7.5%	18.4%	-14.0%	34.0%	6.9%
Platinum	-12.6%	3.6%	1.1%	-26.2%	-11.8%	-10.9%	9.9%	-21.1%	21.5%	55.9%
Copper (LME)	-13.3%	30.6%	17.3%	-25.8%	-13.9%	-6.8%	4.2%	-21.2%	31.2%	141.1%
Soybean Oil	-13.3%	-3.9%	12.7%	-4.4%	-17.6%	-21.0%	-5.6%	-9.8%	43.1%	21.2%
Lean Hogs	-13.4%	8.5%	10.6%	-26.4%	-4.9%	-0.3%	1.7%	5.7%	22.3%	7.1%
Silver	-14.6%	7.2%	15.8%	-11.5%	-19.5%	-35.9%	8.3%	-9.8%	83.7%	49.1%
Copper (CME)	-14.9%	31.7%	17.4%	-24.4%	-16.8%	-7.0%	6.3%	-22.7%	32.9%	137.3%
Coffee	-18.8%	-7.9%	8.2%	-23.9%	50.5%	-23.0%	-36.6%	-5.7%	76.9%	21.3%
Zinc	-20.6%	30.1%	60.2%	-26.2%	6.0%	-0.5%	12.2%	-25.2%	-3.5%	113.5%
Sugar	-31.3%	-22.3%	28.0%	5.0%	-11.5%	-15.9%	-16.3%	-27.5%	19.2%	128.2%

# Bloomberg Commodity Outlook – October 2018 Edition

Bloomberg Commodity Index (BCOM)

## Performance – Volatility

Name	Current	% Change o... Day	WTD % Change	MTD % Change	1 Mth % Change	3 Mth % Change	YTD % Change	1 Yr % Change	2 Yr % Change
▼ BCOM 3M Implied Volatility									
Gold	9.4	1.7	2.2	-4.1	-1.8	-3.3	-2.5	-13.1	-32.8
Soybean Oil	15.2	-1.4	-3.0	-3.1	-1.7	-6.5	-1.0	-8.9	-25.0
Aluminum	15.3	-38.9	-28.7	-38.9	-30.2	-34.4	-8.9	-26.4	-7.1
Corn	15.6	-8.1	-11.5	-14.0	-6.7	-33.3	22.5	-4.7	-24.0
Live Cattle	15.8	-0.2	0.4	-1.5	-4.9	-21.3	-15.4	-23.6	-33.6
Soybeans	15.9	-2.8	-5.5	-8.8	-10.4	-32.2	41.3	14.9	-9.9
Silver	17.1	0.1	-0.9	1.9	13.4	5.0	10.5	-4.7	-29.5
Cotton	17.6	-1.2	-4.4	-5.2	-7.9	-27.0	-22.1	-6.7	-22.2
Platinum	18.4	5.7	7.0	-7.0	10.0	5.0	40.6	26.6	-6.0
Soybean Meal	18.4	-1.0	-3.4	-4.6	-1.0	-24.1	20.3	11.0	-15.0
Wheat	19.9	-3.2	-16.6	-26.6	-19.5	-11.8	-0.2	7.0	-5.2
Copper (LME)	20.1	-23.0	7.4	-14.8	-3.7	4.8	13.3	9.7	31.0
Copper (COMEX)	20.3	-2.1	-4.1	-1.6	-8.5	14.3	17.6	23.3	13.5
HRW Wheat	21.0	-1.5	-15.8	-24.3	-15.6	-10.1	3.5	10.0	1.1
Heating Oil	22.4	1.3	-0.1	1.6	1.8	-1.2	19.3	-3.8	-33.6
Gas Oil	22.4	0.2	0.2	-3.6	-1.6	-4.9	18.4	-10.5	-44.2
Palladium	22.9	-7.3	-2.8	2.5	0.9	1.7	0.8	-1.5	-11.1
Brent Crude	24.7	-1.3	-0.9	1.0	2.5	-0.1	30.2	-9.3	-37.2
Crude Oil	25.1	-0.8	-1.2	3.0	5.0	4.4	32.3	-8.9	-37.3
Unlead Gas	25.1	0.0	-1.3	1.9	-1.0	0.6	25.3	2.9	-34.3
Sugar	26.1	-3.2	1.5	0.2	-4.3	2.3	20.2	1.9	-24.8
Zinc	28.5	-12.4	4.9	-36.4	2.7	18.6	34.4	107.5	29.6
Coffee	29.4	12.1	10.4	10.6	6.1	73.7	23.6	21.5	-3.8
Nickel	33.7	0.0	6.8	1.6	20.2	18.1	19.3	-15.8	24.0
Lean Hogs	36.0	-9.3	-7.4	-14.5	-20.3	40.1	73.5	15.8	-5.8
Natural Gas	40.5	0.8	20.0	49.3	49.5	94.0	18.5	2.5	-2.6
▼ BCOM 60 Day Historical Volatility									
Gold	8.9	2.2	-1.4	-8.9	-8.8	-9.5	-14.1	-12.7	-20.4
Soybean Oil	14.4	-1.9	-1.5	-9.2	-8.1	6.3	3.0	-15.1	-36.7
Silver	17.2	8.1	2.4	-10.0	-10.3	-11.4	-8.0	-7.9	-22.6
Gas Oil	18.1	0.9	1.9	-14.4	-16.0	-25.4	-9.0	-5.7	-45.3
Soybean Meal	19.5	-6.7	-6.8	-3.7	-4.0	1.6	17.4	-18.8	-26.0
Cotton	21.5	-3.7	-0.5	-13.7	-17.6	-17.5	15.3	-30.5	-22.9
Natural Gas	21.9	1.2	3.3	10.2	11.2	-2.5	-52.5	-29.4	-40.1
Heating Oil	22.0	0.4	0.2	-10.4	-12.1	-4.9	2.0	-5.6	-40.8
Platinum	22.1	0.2	-14.2	-14.9	-15.3	33.9	29.4	59.7	5.3
Soybeans	22.7	-7.4	-7.9	-10.2	-9.9	24.5	76.8	13.1	-16.8
Aluminum	23.1	1.4	1.9	9.2	9.8	-37.4	36.1	29.7	48.6
Copper (LME)	23.6	0.2	-0.8	19.0	15.6	39.6	22.4	49.7	62.7
Corn	24.1	0.2	-5.8	-6.1	-3.7	21.5	74.6	-7.8	-9.9
Copper (CME)	24.3	0.2	-3.3	9.4	7.1	38.9	25.0	43.0	52.4
Crude Oil	25.8	0.4	0.9	-9.0	-9.5	-5.8	22.9	1.4	-38.7
Brent Crude	26.3	0.0	2.6	-9.5	-10.6	4.8	30.4	15.4	-32.0
Palladium	26.8	0.0	-1.7	-5.7	-5.9	2.6	44.1	27.2	-4.7
Coffee	28.4	-3.0	-4.8	12.8	10.5	35.2	26.2	7.3	8.8
Nickel Gas	29.2	-0.6	-0.8	4.6	9.2	0.4	-16.8	-12.8	7.6
Sugar	30.2	3.7	13.3	40.4	22.7	3.6	27.7	-12.5	-4.6
Unlead Gas	30.7	0.0	-2.6	5.8	5.0	39.3	27.4	-47.2	-30.5
Zinc	34.6	4.6	5.4	10.0	10.3	56.8	65.6	46.5	94.2
Wheat	36.0	-0.4	-5.6	-4.1	-2.3	3.1	69.6	24.1	28.7
Live Cattle	36.3	-0.4	-8.6	-8.8	-6.6	7.0	91.7	30.9	39.2
HRW Wheat	36.3	-0.4	-8.6	-8.8	-6.6	7.0	91.7	30.9	42.5
Lean Hogs	53.1	0.0	0.2	6.9	8.1	-12.2	71.7	1.1	66.4

# Bloomberg Commodity Outlook – October 2018 Edition

Bloomberg Commodity Index (BCOM)

## Curve Analysis – Contango (-) | Backwardation (+)

### Key Metrics

Name	Current Position	1 Yr Ago	1 Yr Change	YTD Change	MTD Change	1 Mth Change	3 Mth Change	2 Yr Change
<b>1 Year Spread % of First Contract</b>								
BCOM	-3.1	-3.8	0.7	-1.4	1.3	1.7	-0.2	1.1
Sector								
Energy	3.4	4.6	-1.3	-0.9	0.1	0.1	-2.2	9.6
Industrial Metals	-0.7	-1.3	0.6	0.1	0.7	0.5	-0.3	0.8
Precious Metals	-3.0	-2.0	-0.9	-0.7	0.0	-0.2	0.0	-1.2
Livestock	-3.1	-9.2	6.1	-9.5	11.6	10.6	-3.7	0.0
Agriculture	-7.9	-8.0	0.0	-2.0	0.1	0.8	0.0	-3.8
Single Commodities								
Natural Gas	9.3	0.0	9.3	12.9	1.5	2.3	1.4	12.8
Brent Crude	5.4	3.1	2.3	-1.0	1.2	2.5	-0.2	14.0
Crude Oil	4.3	-0.1	4.4	-0.7	-1.2	-0.8	-7.6	13.6
Unleaded Gas	3.3	4.4	-1.1	-1.4	0.2	1.6	0.5	1.2
Zinc	3.2	3.0	0.2	-0.3	1.5	1.3	0.7	3.6
Palladium	2.0	0.2	1.8	0.5	0.3	1.0	1.0	2.6
Cotton	1.5	2.9	-1.4	-4.6	-2.8	-3.6	-0.4	2.7
Gas Oil	1.2	6.2	-5.0	-5.0	-0.3	-0.5	0.7	9.5
Heating Oil	0.4	6.0	-5.5	-5.5	-0.4	-0.4	0.2	6.6
Copper (LME)	-0.1	-1.8	1.7	1.2	0.7	0.8	0.4	0.8
Thermal Coal	-0.2	12.9	-13.2	-5.7	0.0	-3.9	-10.6	
Live Cattle	-0.9	-1.9	1.0	-7.2	0.2	2.1	5.9	-8.3
Soybean Meal	-1.2	-4.2	3.0	2.2	2.0	2.8	-3.2	-0.1
Copper (CME)	-1.6	-2.1	0.5	0.2	1.5	1.3	1.3	0.0
Platinum	-1.6	-1.5	-0.1	-0.2	0.2	0.2	0.3	-0.4
Aluminum	-2.4	-3.1	0.6	-0.1	-0.3	-0.5	-2.9	0.6
Nickel	-2.6	-2.7	0.1	-0.6	0.1	-0.3	-0.9	-1.1
Gold	-2.8	-1.8	-1.0	-0.7	0.0	-0.3	0.1	-1.3
Silver	-3.1	-2.3	-0.9	-0.7	0.0	0.0	-0.1	-1.0
Lean Hogs	-5.2	-16.4	11.2	-11.9	23.1	19.0	-13.3	8.4
Soybean Oil	-6.0	-2.8	-3.2	-4.8	0.2	0.2	0.4	-3.3
Soybean	-7.9	-2.3	-5.6	-4.6	-0.4	0.2	-1.7	-7.6
Corn	-9.8	-12.6	2.8	2.3	1.6	2.8	2.9	2.3
Sugar	-10.6	-10.8	0.2	-7.1	1.4	3.1	-0.8	-19.8
Wheat	-11.5	-16.8	5.3	4.0	-0.2	1.2	-0.5	8.2
Coffee	-13.6	-10.7	-2.9	-2.6	0.7	0.8	0.0	-6.8
HRW Wheat	-13.6	-19.5	5.9	5.4	-1.0	1.2	4.9	3.0

Measured via the one-year futures spread as a percent of the first contract price. Negative means the one-year out future is higher (contango). Positive means the one-year out future is lower (backwardation).

## Historical

Name	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>1 Year Spread % of First Contract</b>										
BCOM	-3.1	-1.7	-2.2	-7.1	-4.4	0.3	-0.9	-2.0	2.3	-4.1
Sector										
Energy	3.4	4.3	0.4	-14.0	-11.3	3.5	-1.3	-2.5	-2.1	-9.4
Industrial Metals	-0.7	-0.8	-0.8	-1.5	-0.8	-1.8	-2.5	-2.1	0.5	-2.3
Precious Metals	-3.0	-2.3	-1.7	-1.0	-0.8	-0.7	-0.7	-0.7	-0.9	-0.9
Livestock	-3.1	6.5	8.1	0.6	8.3	4.1	-0.7	-0.2	-1.8	-4.8
Agriculture	-7.9	-5.9	-4.2	-5.5	-5.6	-1.5	-2.3	-1.8	12.2	-0.3
Single Commodities										
Natural Gas	9.3	-3.7	-0.1	-22.6	-22.2	-3.2	-20.7	-29.9	-18.4	-21.1
Brent Crude	5.4	6.3	-3.1	-22.1	-16.4	4.9	6.3	4.0	-0.4	-8.3
Crude Oil	4.3	5.0	-5.9	-20.4	-13.5	7.3	-1.3	1.4	-3.2	-6.7
Unleaded Gas	3.3	4.7	2.8	1.0	-12.3	7.0	9.8	7.9	3.7	-2.9
Zinc	3.2	3.4	0.2	-2.8	-1.4	-2.3	-4.5	-3.9	-1.7	-3.2
Palladium	2.0	1.5	-0.5	-0.2	-0.1	-0.5	-0.2	-0.4	0.0	-0.3
Cotton	1.5	6.1	1.7	-2.7	-8.6	6.7	-5.7	3.6	34.6	-2.6
Gas Oil	1.2	6.2	-4.8	-23.8	-12.0	3.1	2.9	3.0	-4.2	-11.0
Heating Oil	0.4	5.9	-4.5	-24.5	-4.5	3.2	2.1	2.1	-3.4	-8.0
Copper (LME)	-0.1	-1.3	-0.3	0.3	1.6	1.1	-0.7	-0.3	2.7	-0.9
Thermal Coal	-0.2	5.4	18.4	14.0	1.7	1.9	-8.3	-6.2	11.2	-7.9
Live Cattle	-0.9	6.3	13.3	8.1	7.0	2.5	-3.3	-4.5	-3.8	-4.3
Soybean Meal	-1.2	-3.4	-0.4	-5.7	9.8	19.9	12.5	-2.4	9.9	9.5
Copper (CME)	-1.6	-1.8	-0.8	-1.1	-0.2	1.3	-1.1	-0.8	2.5	-1.2
Platinum	-1.6	-1.4	-1.1	-0.4	-0.4	-0.5	-0.7	-1.0	-0.5	-1.2
Aluminum	-2.4	-2.3	-1.0	-2.7	-3.1	-7.5	-5.0	-5.2	-2.3	-5.0
Nickel	-2.6	-2.0	-1.9	-1.4	-1.1	-1.8	-1.4	-0.1	1.1	-1.1
Gold	-2.8	-2.2	-1.5	-0.5	-0.3	-0.4	-0.7	-0.9	-0.9	-1.0
Silver	-3.1	-2.5	-2.0	-1.4	-1.2	-0.9	-0.7	-0.5	-0.9	-0.8
Lean Hogs	-5.2	6.7	2.9	-7.0	9.6	5.7	2.0	4.2	0.2	-5.3
Soybean Oil	-6.0	-1.1	-1.2	-3.1	-0.9	-3.8	-2.8	-1.6	-0.9	-5.3
Soybean	-7.9	-3.3	0.4	-2.0	0.9	13.1	7.7	-1.2	5.9	1.7
Corn	-9.8	-12.1	-10.5	-9.5	-8.1	-9.2	12.7	7.2	9.4	-8.5
Sugar	-10.6	-3.5	4.8	0.9	-13.1	-8.2	-5.5	-0.3	26.0	21.9
Wheat	-11.5	-15.5	-17.1	-10.5	-5.0	-7.2	-6.9	-12.4	-8.7	-15.3
Coffee	-13.6	-10.9	-9.2	-8.4	-7.4	-11.2	-11.5	-4.9	6.1	-5.7
HRW Wheat	-13.6	-19.1	-16.1	-14.9	-6.3	-5.5	-5.7	-7.9	-3.1	-12.7

# Bloomberg Commodity Outlook – October 2018 Edition

Bloomberg Commodity Index (BCOM)

## Curve Analysis – Gross Roll Yield

### Key Metrics

Name	Current 1Yr Yld	Yld 6 Months Ago	Yld 1 Yr Ago	Change from 1 Yr Ago	Yld 2 Yr Ago	Change from 2 Yr Ago
▼ 1 Year Gross Yield						
▼ Sector Roll Yield						
BCOM Industrial Metals	0.8	-2.1	-2.1	2.8	-2.3	3.1
BCOM Energy	-0.1	-7.9	-12.4	12.4	-26.5	26.4
BCOM Precious Metals	-0.8	-0.9	-1.3	0.5	-1.0	0.2
BCOM Livestock	-0.9	-0.8	1.0	-1.9	3.1	-4.0
BCOM	-2.7	-4.4	-6.9	4.2	-10.8	8.1
BCOM Softs	-4.5	-3.1	-3.4	-1.0	-7.0	2.6
BCOM Grains	-10.3	-11.1	-10.9	0.6	-5.4	-4.8
BCOM Agriculture		-8.0	-7.7			
▼ Commodities Roll Yield						
Brent Crude	11.0	-3.5	-13.4	24.4	-7.8	18.8
Gas Oil	8.5	1.5	-6.6	15.1	-11.3	19.8
Crude Oil	5.5	-3.3	-10.2	15.7	-29.7	35.2
Heating Oil	5.1	-3.2	-9.1	14.1	-16.5	21.6
Cotton	4.1	2.7	0.0	4.1	-1.7	5.9
Zinc	3.0	-0.7	-3.8	6.8	-3.4	6.4
Aluminum	2.9	-2.6	-2.4	5.3	-3.7	6.5
Unlead Gas	2.5	-3.0	-6.7	9.1	-21.5	23.9
Platinum	0.7	0.2	-0.8	1.5	-0.2	0.9
Silver	0.1	-1.3	-1.6	1.7	-1.2	1.3
Gold	-0.4	-0.7	-1.1	0.8	-0.4	0.0
Copper (CME)	-0.6	-2.3	-2.4	1.8	-1.0	0.4
Nickel	-1.2	-2.2	1.1	-2.3	-5.1	3.9
Soybean Oil	-2.5	-1.8	-5.1	2.6	-6.2	3.7
Soybean Meal	-3.3	-5.0	-3.5	0.1	0.1	-3.4
Soybean	-4.9	-3.8	-4.4	-0.5	-0.3	-4.6
Coffee	-6.6	-7.6	-5.7	-1.0	-12.0	5.4
Sugar	-10.9	-0.7	0.4	-11.3	-14.2	3.3
Natural Gas	-11.6	-15.6	-18.7	7.1	-40.9	29.4
Corn	-12.5	-12.3	-11.6	-0.8	-6.7	-5.8
Lean Hogs	-13.6	12.8	5.7	-19.3	-2.1	-11.5
Wheat	-14.4	-17.1	-18.0	3.6	-7.4	-7.0
HRW Wheat	-14.8	-18.1	-17.5	2.7	-13.0	-1.8

Measured on a gross roll yield basis; the 251 business day difference between the total return and spot change.

## Historical

Name	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
▼ 1 Year Gross Yield										
▼ Sector Roll Yield										
BCOM Industrial Metals	0.8	-3.0	-2.0	-1.8	-2.1	-3.9	-3.3	-2.2	-4.1	-16.7
BCOM Energy	-0.1	-7.7	-32.5	-12.6	1.6	-5.1	-11.7	-11.0	-13.8	-51.8
BCOM Precious Metals	-0.8	-0.2	-1.1	-0.6	-0.4	-0.5	-0.9	-0.6	-1.1	-1.1
BCOM Livestock	-0.9	0.5	0.2	1.1	-0.2	-4.5	-9.8	-12.3	-14.8	-20.2
BCOM	-2.7	-5.9	-11.4	-6.3	0.0	-0.9	-4.7	-6.6	-9.5	-21.8
BCOM Softs	-4.5	-4.2	-5.6	-7.4	-12.5	-4.9	0.9	9.0	0.5	-24.7
BCOM Agriculture	-6.8	-8.0	-6.1	-4.1	-1.0	4.9	1.9	-1.9	-9.6	-8.3
BCOM Grains	-10.3	-10.7	-7.0	-4.7	0.7	8.2	3.6	-5.8	-12.6	-2.5
▼ Commodities Roll Yield										
Brent Crude	11.0	-4.9	-27.7	-23.3	0.3	6.9	4.2	8.3	-12.5	-55.6
Gas Oil	8.5	-0.9	-22.7	-11.0	-1.6	2.1	7.4	2.1	-12.3	-20.5
Crude Oil	5.5	-7.3	-28.2	-14.0	4.3	-0.3	-4.5	-9.7	-11.3	-70.3
Heating Oil	5.1	-6.4	-25.3	-3.0	1.1	-1.3	1.0	-2.9	-11.7	-25.3
Cotton	4.1	1.0	-1.1	-2.1	7.7	-3.6	5.2	15.5	14.3	-24.1
Zinc	3.0	-3.1	-2.7	-2.5	-4.6	-8.8	-3.1	-3.0	-5.3	-11.2
Aluminum	2.9	-3.2	-2.9	-6.0	-9.1	-8.4	-6.2	-3.3	-6.0	-13.6
Unlead Gas	2.5	-4.0	-27.2	1.1	4.7	1.3	18.9	4.5	-6.9	-16.9
Platinum	0.7	-1.1	-0.4	-0.2	-0.5	-0.8	-1.2	0.9	-2.7	-6.2
Silver	0.1	0.1	-1.8	-1.2	-0.9	-0.7	-1.1	4.5	-5.1	-1.5
Gold	-0.4	-0.3	-0.9	-0.4	-0.2	-0.4	-0.9	2.9	-1.0	-1.1
Copper (CME)	-0.6	-3.5	-1.6	-0.7	0.3	-1.7	-1.3	-0.1	-3.6	-7.1
Live Cattle	-0.8	4.4	7.8	2.0	0.6	-6.8	-12.8	-12.5	-12.2	-9.6
Nickel	-1.2	-0.6	-1.7	0.5	-2.9	-2.3	-1.0	-1.7	-1.6	-7.3
Soybean Oil	-2.5	-2.9	-5.4	-3.2	-2.9	-1.3	-4.2	-4.2	-8.5	-6.9
Soybean Meal	-3.3	-4.8	-0.5	9.6	28.7	16.5	13.0	-1.3	20.7	30.2
Soybean	-4.9	-3.0	0.2	-0.2	17.0	18.5	5.5	-1.8	0.5	16.1
Coffee	-6.6	-9.2	-9.7	-7.8	-12.6	-7.2	-5.0	-3.4	-8.5	-11.1
Sugar	-10.9	-3.2	-5.2	-9.9	-19.5	-4.1	3.1	18.7	4.6	-41.8
Natural Gas	-11.6	-14.0	-52.6	-19.8	0.8	-22.3	-42.7	-13.8	-16.1	-47.6
Corn	-12.5	-12.4	-7.9	-9.6	-7.4	9.4	10.8	0.4	-20.9	-11.8
Lean Hogs	-13.6	-8.2	-13.6	0.3	0.6	-1.7	-4.5	-9.6	-23.8	-30.8
Wheat	-14.4	-18.0	-10.9	-1.9	-7.0	-5.1	-9.4	-14.6	-23.8	-14.7
HRW Wheat	-14.8	-17.8	-14.7	-7.6	-2.5	-3.3	-4.1	-7.6	-9.9	-4.7

# Bloomberg Commodity Outlook – October 2018 Edition

Bloomberg Commodity Index (BCOM)

## Curve Analysis – Forwards / Forecasts Spread %

Name	9/2018	8/2018	7/2018	6/2018	5/2018	4/2018	3/2018	2/2018	1/2018	12/2017	11/2017
<b>1 Yr Spread ((Forward-Forecast)/ Forecast</b>											
<b>Energy</b>											
WTI Crude Spread %	2.4	1.2	2.6	6.1	4.3	7.3	3.6	0.3	4.7	19.4	13.7
Brent Crude Spread %	4.1	3.8	5.7	7.1	8.9	9.8	4.6	0.3	7.7	23.8	17.8
ULS Diesel Spread %	2.2	1.1	0.2	8.4	9.6	6.1	2.6	0.8	7.6	32.8	18.4
Unleaded Gasoline Spread %	2.8	-0.1	-0.3	-0.1	1.4	3.5	1.3	-0.2	8.3	15.1	7.7
<b>Soft</b>											
Sugar Spread %	-3.6	-2.0	-5.8	-2.3	0.7	-6.2	-6.9	-4.0	-4.5	-5.2	-4.4
Coffee Spread %	-6.8	-9.0	-5.6	-5.6	-2.5	-1.3	-4.0	-4.3	-6.0	-6.5	-5.9
Cotton Spread %	-2.5	-1.9	3.1	-0.2	9.9	2.5	5.1	10.2	6.7	7.7	2.1
<b>Industrial Metals</b>											
Copper Spread % (LME)	-1.7	-3.4	-5.2	-2.9	-1.3	-2.5	-3.5	3.3	7.0	17.8	10.5
Aluminum Spread %	-1.0	0.6	-0.4	0.2	3.9	3.3	-3.9	2.7	7.5	14.7	3.9
Zinc Spread %	-4.9	-7.2	-7.3	-4.2	-0.4	-2.1	2.8	7.5	10.1	16.6	10.8
Nickel Spread %	-3.1	-0.8	1.9	8.4	10.8	5.1	10.3	14.5	13.4	23.2	7.3
<b>Precious Metals</b>											
Gold Spread %	-1.7	-1.7	-2.5	-2.2	0.3	1.1	1.5	1.8	5.4	4.1	1.2
Silver Spread %	-4.3	-4.5	-2.5	-4.1	-2.3	-2.6	-3.2	-3.6	1.1	0.1	-4.4
<b>Grain</b>											
Corn Spread %	-3.4	-5.1	-3.5	-5.9	2.4	4.4	3.6	3.0	0.2	-3.3	-5.2
Soybeans Spread %	-3.3	-5.4	-7.1	-8.0	0.6	2.6	4.4	4.3	2.8	-2.7	1.0
Wheat Spread %	-1.4	1.0	5.2	0.0	10.3	8.6	2.7	9.1	4.0	-3.0	-6.6

## Data Set

Name	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Data Set</b>												
<b>1 Yr Spread</b>												
<b>Energy</b>												
Natural Gas Forward	2.97	2.95	3.72	2.34	2.89	4.23	3.35	2.99	4.34	5.57	5.62	7.48
WTI Crude Forward	68.6	60.4	53.7	37.0	53.3	98.4	91.8	98.8	91.4	79.4	44.6	96.0
WTI Crude Forecast	67.0	50.6	43.2	50.0	93.6	98.2	95.0	94.0	79.0	61.4	101.5	69.6
Brent Crude Forward	76.2	66.9	56.8	37.3	57.3	110.8	111.1	107.4	94.8	77.9	45.6	93.9
Brent Crude Forecast	73.2	54.0	44.9	54.0	100.0	108.0	111.9	110.7	80.0	62.0	99.1	71.0
ULS Diesel Forward	2.20	2.08	1.70	1.10	1.85	3.08	3.05	2.94	2.54	2.12	1.41	2.64
ULS Diesel Forecast	2.14	1.56	1.34	1.69	2.79	2.98	3.05	2.87	2.13	2.96	2.96	2.96
Unleaded Gasoline Forward	2.07	1.80	1.67	1.27	1.44	2.79	2.81	2.69	2.45	2.05	1.01	2.48
Unleaded Gasoline Forecast	2.01	1.56	1.39	1.64	2.65	2.86	2.95	2.91	2.12	1.47	2.49	2.49
<b>Soft</b>												
Sugar Forward	0.12	0.15	0.20	0.15	0.15	0.16	0.20	0.23	0.32	0.27	0.12	0.11
Sugar Forecast	0.12	0.16	0.18	0.13	0.17	0.18	0.22	0.27	0.21	0.17	0.13	0.10
Coffee Forward	1.06	1.26	1.37	1.27	1.67	1.11	1.44	2.27	2.40	1.36	1.12	1.36
Coffee Forecast	1.13	1.35	1.37	1.34	1.79	1.26	1.78	2.53	1.60	1.23	1.36	1.36
Cotton Forward	0.81	0.79	0.71	0.63	0.60	0.85	0.75	0.92	1.45	0.76	0.49	0.68
Cotton Forecast	0.84	0.73	0.65	0.64	0.76	0.84	0.79	1.34	0.90	0.60	0.67	0.67
<b>Industrial Metals</b>												
Copper Forward (LME)	6,526	7,219	5,526	4,713	6,349	7,373	7,913	7,595	9,644	7,352	3,049	6,651
Copper Forecast (LME)	6,615	6,129	4,826	5,575	6,871	7,334	7,958	8,855	7,460	5,100	6,973	6,750
Aluminum Forward	2,149	2,258	1,694	1,506	1,834	1,762	2,047	1,997	2,459	2,204	1,514	2,366
Aluminum Forecast	2,161	1,968	1,600	1,693	1,883	1,883	2,038	2,450	2,167	1,675	2,607	2,550
Zinc Forward	2,865	3,335	2,564	1,600	2,168	2,045	2,055	1,831	2,447	2,535	1,187	2,356
Zinc Forecast	2,978	2,861	2,043	1,961	2,170	1,930	1,963	2,210	2,192	1,641	1,905	2,775
Nickel Forward	13,348	12,714	9,975	8,788	15,088	13,843	17,008	18,731	24,715	18,467	11,629	26,060
Nickel Forecast	13,778	10,322	9,594	12,170	17,000	15,124	17,602	22,997	21,814	14,672	21,229	28,263
<b>Precious Metals</b>												
Gold Forward	1,255	1,309	1,152	1,060	1,184	1,202	1,676	1,567	1,421	1,096	884	838
Gold Forecast	1,275	1,258	1,262	1,165	1,265	1,420	1,677	1,575	1,211	960	872	747
Silver Forward	15.50	17.15	15.99	13.80	15.57	19.34	30.17	27.88	30.91	16.82	11.27	14.80
Silver Forecast	16.20	17.13	17.11	15.84	19.10	24.00	31.40	35.50	19.68	14.66	15.00	13.46
Platinum Forecast	885	951	1,000	1,076	1,390	1,514	1,556	1,752	1,616	1,184	1,575	1,350
Palladium Forecast	978.6	855.0	616.6	700.0	803.0	734.0	643.0	733.0	520.0	255.0	350.5	330.0
<b>Grain</b>												
Corn Forward	3.6	3.5	3.5	3.6	4.0	4.2	7.0	6.5	6.3	4.1	4.1	4.6
Corn Forecast	3.8	3.6	3.6	3.8	4.1	5.9	7.0	6.9	4.9	3.8	5.4	3.6
Soybeans Forward	9.0	9.5	10.0	8.7	10.2	13.1	14.2	12.0	13.9	10.4	9.7	12.0
Soybeans Forecast	9.4	9.8	9.9	9.5	12.4	14.0	14.7	13.5	10.5	10.4	12.4	9.9
Wheat Forward	4.9	4.3	4.1	4.7	5.9	6.1	7.8	6.5	7.9	5.4	6.1	8.9
Wheat Forecast	5.0	4.4	4.4	5.1	5.8	6.9	7.5	7.4	6.2	5.4	8.4	6.2

# Bloomberg Commodity Outlook – October 2018 Edition

Bloomberg Commodity Index (BCOM)

## Market Flows – Open Interest

### Key Metrics

Name	Current	MTD % Change	3 Mth % Change	YTD % Change	1 Yr % Change	2 Yr % Change	2 Year High
▼ <b>Open Interest (Aggregate - 1,000s)</b>							
▼ <b>Single Commodities</b>							
Coffee	341	10.0	25.4	56.4	77.6	84.3	341
Soybean Meal	514	1.2	3.4	36.7	40.4	40.4	532
Soybean Oil	572	8.1	16.3	28.8	33.6	41.2	606
Soybean	874	7.6	8.0	24.0	30.5	35.1	976
Natural Gas	1,644	2.4	11.9	13.5	25.3	52.7	2,971
Corn	1,690	2.8	-9.2	9.7	20.9	28.9	2,007
Sugar	819	-21.0	-13.5	8.8	15.4	-4.1	1,062
Silver	203	-5.1	-6.9	4.6	9.7	1.5	244
Wheat	461	4.3	-3.0	-11.9	7.2	-0.9	581
Cotton	247	-2.8	-3.5	-11.5	5.6	-1.6	322
Unlead Gas	423	-4.3	-4.1	9.3	4.2	10.4	501
Gas Oil	1,032	-5.5	-4.4	19.3	2.3	13.3	1,138
Platinum	72	-17.2	-16.3	-13.3	1.4	4.4	94
HRW Wheat	271	4.6	12.0	-17.9	1.1	16.3	342
Nickel	157	-1.9	-9.8	4.7	0.0	-4.9	188
Live Cattle	328	6.8	0.6	-1.5	-2.7	25.2	432
Aluminum	490	5.6	1.5	-5.8	-3.9	-3.9	550
Brent Crude	2,267	0.8	-7.3	-2.4	-6.1	3.3	2,704
Zinc	173	4.9	-1.1	-13.5	-7.0	-18.0	225
Crude Oil	2,232	-2.4	-9.6	-9.3	-8.0	19.3	2,714
Heating Oil	414	1.5	10.1	-7.8	-11.2	3.8	491
Copper (CME)	237	1.7	-11.2	-15.4	-13.2	30.9	338
Gold	461	-2.5	-1.9	-2.3	-14.5	-19.7	598
Lean Hogs	218	-2.2	-4.8	-8.8	-16.5	-2.7	282
Copper (LME)	149	-8.0	-11.3	-26.6	-24.0	-14.9	234
Palladium	23	21.1	4.6	-37.8	-25.8	-14.8	40

## Historical

Name	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
▼ <b>Open Interest (Aggregate - 1,000s)</b>	15,036	14,623	12,965	11,965	10,881	11,033	10,367	9,282	10,206	8,524
▶ <b>BCOM</b>										
▼ <b>Sector</b>										
▶ Energy	8,012	7,931	7,084	6,057	5,033	5,346	4,980	4,230	4,262	3,712
▶ Agriculture	5,789	5,168	4,493	4,563	4,211	4,090	3,876	3,418	4,399	3,447
▶ Industrial Metals	1,206	1,354	1,319	1,178	1,224	1,104	1,006	1,159	1,105	1,016
▶ Precious Metals	759	786	667	673	620	613	658	585	783	669
▶ Livestock	546	572	501	431	481	591	578	552	534	443
▼ <b>Single Commodities</b>										
Brent Crude	2,267	2,322	2,159	2,031	1,513	1,443	1,285	886	873	728
Crude Oil	2,232	2,460	2,051	1,671	1,468	1,616	1,473	1,328	1,430	1,193
Corn	1,690	1,540	1,236	1,334	1,237	1,203	1,128	1,151	1,549	1,002
Natural Gas	1,644	1,448	1,243	957	939	1,291	1,165	1,011	772	708
Gas Oil	1,032	865	802	700	435	477	512	458	619	545
Soybean	874	705	632	646	599	576	546	460	629	418
Sugar	819	753	805	879	836	830	754	559	613	834
Soybean Oil	572	444	372	384	355	340	306	273	358	211
Soybean Meal	514	376	329	402	341	262	212	194	192	162
Aluminum	490	520	541	551	595	539	495	682	546	487
Wheat	461	523	448	368	371	411	456	384	492	362
Gold	461	472	416	415	372	380	428	419	585	490
Unlead Gas	423	387	400	355	332	239	282	277	267	235
Heating Oil	414	449	429	342	346	279	263	269	301	304
Coffee	341	218	191	172	160	142	144	105	140	126
Live Cattle	328	333	306	265	266	327	329	317	327	265
HRW Wheat	271	330	239	193	132	154	158	139	219	145
Cotton	247	279	242	185	178	172	171	152	207	187
Copper (CME)	237	280	224	166	160	167	147	121	167	155
Lean Hogs	218	239	194	166	215	264	248	235	207	178
Silver	203	194	164	168	151	132	141	106	136	124
Zinc	173	200	184	167	182	184	166	148	135	149
Nickel	157	150	160	148	132	81	69	65	61	62
Copper (LME)	149	203	209	146	155	132	130	143	196	163
Platinum	72	83	63	65	64	62	60	42	39	33
Palladium	23	37	24	24	33	39	29	18	23	23

# Bloomberg Commodity Outlook – October 2018 Edition

Bloomberg Commodity Index (BCOM)

## Market Flows – Commitment of Traders

### Key Metrics

Name	Current	5 Day Change	1 Mth Change	3 Mth Change	YTD Change	1 Yr Change	2 Yr Change
▼ Net - Managed Money Total/Disagg							
▼ Single Commodities							
Brent Crude	496,343	28,465	171,912	37,894	-64,941	-12,302	206,165
WTI Crude	332,143	-965	4,401	18,276	-79,829	80,355	150,691
Aluminum (Pre- MiFID II)	163,475	6,307	-3,292	21,105	3,315	-10,481	115,362
Natural Gas	145,080	64,727	-38,495	-41,719	197,526	54,945	21,015
Aluminum (Post- MiFID II)	143,067	0	-4,778	-49,736			
Gasoline	91,131	12,025	10,618	5,737	11,681	20,113	68,042
Zinc (Pre MiFID II)	79,906	-1,121	-6,682	3,640	-471	-8,898	44,606
Live Cattle	78,872	4,530	14,046	51,958	-3,838	-13,486	45,835
Cotton	59,035	-1,644	-11,615	-22,203	-43,367	1,869	-12,981
Heating Oil	55,607	2,191	5,005	-9,729	-26,217	-6,867	57,999
Nickel	42,230	-664	-1,792	12,113	13,772	5,041	22,602
Copper (LME) (Pre MiFID II)	37,448	-917	-16,651	-27,111	-31,597	-34,385	25,052
HRW Wheat	34,030	-3,054	-30,343	-13,183	68,452	22,612	39,528
Zinc (Post MiFID II)	28,608	0	-9,219	-27,377			
Copper (LME) (Post MiFID II)	25,415	0	6,128	-20,690			
Lean Hogs	24,140	2,315	23,581	25,943	-29,817	-29,486	-2,175
Soybean Meal	21,205	-684	-31,528	-62,369	-10,052	26,697	9,505
Palladium	7,798	2,186	7,996	-1,391	-18,017	-13,874	-5,652
Copper (CME)	1,435	15,173	29,455	-49,866	-98,085	-89,467	-1,461
Wheat	-1,119	260	-61,931	-367	144,616	63,580	130,298
Platinum	-12,300	7,032	16,405	12,708	-8,090	-19,881	-33,358
Silver	-42,409	2,648	-17,036	-70,473	-35,304	-100,946	-120,303
Soybeans	-58,614	11,199	-18,565	-45,813	10,477	-86,934	-116,266
Gold	-77,313	-2,923	1,266	-100,827	-187,232	-282,044	-339,205
Soybean Oil	-85,782	24,168	9,427	7,357	-89,188	-161,411	-179,974
Sugar	-92,438	-29,827	57,903	-65,187	-19,382	-22,171	-378,686
Coffee	-105,512	3,647	-1,176	-39,356	-47,666	-92,361	-150,194
Corn	-112,779	28,497	-97,955	-98,741	93,845	20,663	64,065

### Historical

Name	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
▼ Net - Managed Money Total/Disagg										
▶ BCOM	1.0M	1.2M	1.8M	107,932.0	1.1M	835,105.0	791,313.0	637,042.0	1.6M	1.1M
▼ Sector										
▶ Energy	1.1M	1.1M	1.0M	95,835.0	278,790.0	623,230.0	258,739.0	230,666.0	224,236.0	185,192.0
▶ Industrial Metals	324,494	437,560	423,576	90,351	218,292	35,635	14,988	-4,018	39,105	15,752
▶ Livestock	103,012	136,667	147,051	24,525	117,295	137,611	110,898	104,018	133,520	83,521
▶ Precious Metals	-124,224	124,419	101,310	-239	153,310	70,026	171,032	134,710	232,650	252,599
▶ Agriculture	-341,974	-449,709	225,844	-75,733	383,375	-1,048	281,653	188,257	962,170	594,114
▼ Single Commodities										
Brent Crude	496,343	561,284	454,585	163,672	115,571	136,611	125,397	81,537		
WTI Crude	332,143	411,972	307,909	100,797	199,388	270,386	134,834	192,466	217,046	133,742
Aluminum (Pre- MiFID II)	163,475	160,160	145,790	71,738	118,175					
Natural Gas	145,080	-52,446	174,043	-161,686	-53,308	134,994	-89,820	-124,269	-96,119	-27,225
Aluminum (Post- MiFID II)	143,067									
Gasoline	91,131	79,450	50,091	28,391	44,226	54,637	64,383	61,288	67,205	50,763
Zinc (Pre MiFID II)	79,906	80,377	81,039	20,140	49,726					
Live Cattle	78,872	82,710	92,516	11,081	80,102	96,771	59,569	68,105	104,412	49,281
Cotton	59,035	102,402	76,052	51,307	11,005	43,288	25,828	6,683	40,645	61,292
Heating Oil	55,607	81,824	33,541	-35,339	-27,087	26,602	23,945	19,644	36,104	27,912
Nickel	42,230	28,458	57,232	15,372	29,631					
Copper (LME) (Pre MiFID II)	37,448	69,045	67,384	9,065	25,215					
HRW Wheat	34,030	-34,422	9,085	-14,975	24,999	8,022	23,619	9,128	49,108	9,943
Zinc (Post MiFID II)	28,608									
Copper (LME) (Post MiFID II)	25,415									
Lean Hogs	24,140	53,957	54,535	13,444	37,193	40,840	51,329	35,913	29,108	34,240
Soybean Meal	21,205	31,257	19,537	-40,843	54,132	57,931	41,489	-15,232	40,129	35,586
Palladium	7,798	25,815	12,742	8,690	19,970	15,660	16,769	5,212	13,034	11,626
Copper (CME)	1,435	99,520	72,131	-25,964	-4,455	35,635	14,988	-4,018	39,105	15,752
Wheat	-1,119	-145,735	-108,927	-83,120	20,481	-71,468	-11,899	-29,252	36,542	-8,683
Platinum	-12,300	-4,210	8,223	9,052	17,898	14,689	29,228	11,379	22,793	16,782
Silver	-42,409	-7,105	39,098	6,282	17,051	5,573	23,113	6,200	26,836	26,631
Soybeans	-58,614	-69,091	107,075	-63,515	39,446	136,683	109,007	23,683	164,287	69,606
Gold	-77,313	109,919	41,247	-24,263	98,391	34,104	101,922	111,919	169,987	197,560
Soybean Oil	-85,782	3,406	85,522	60,895	35,047	-46,649	-42,424	-2,103	56,961	29,956
Sugar	-92,438	-73,056	138,442	165,810	-66,824	-25,626	19,000	43,792	141,534	167,357
Coffee	-105,512	-57,846	12,706	-15,181	25,385	-8,417	-23,076	2,905	36,182	23,630
Corn	-112,779	-206,624	-113,648	-136,111	239,704	-94,812	140,109	148,653	396,782	205,427

# Bloomberg Commodity Outlook – October 2018 Edition

Bloomberg Commodity Index (BCOM)

## Market Flows – ETF Flows (annual)

Name	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>ETFs (\$ Billion AUM)</b>										
▼ Total ETF Assets Under Management (\$ ...)	131.49	141.73	120.35	86.92	101.22	110.91	195.29	171.16	166.48	113.35
▼ Precious Metals	98.26	109.98	90.30	62.95	77.79	84.93	164.56	142.19	130.39	80.66
▶ Gold	85.94	95.36	76.91	51.78	62.75	68.70	143.55	120.89	105.90	70.06
▶ Silver	8.70	10.11	9.41	7.24	8.64	10.60	16.18	16.38	18.41	8.02
▶ Platinum	2.02	2.39	2.26	2.22	3.32	3.46	2.48	2.49	2.83	1.41
▶ Palladium	0.90	1.28	1.07	1.24	2.30	1.40	1.37	1.32	2.12	0.65
▶ Precious Metals Basket	0.59	0.70	0.57	0.40	0.64	0.68	0.92	1.07	1.13	0.52
▶ Other	0.11	0.15	0.08	0.06	0.13	0.10	0.06	0.02		
▶ Industrial Metals	1.35	1.63	1.17	0.64	1.09	1.02	1.27	0.99	1.38	1.16
▶ Energy	9.25	11.07	12.20	10.72	5.40	4.61	6.72	5.79	9.65	12.15
▶ Broad Commodity	20.61	17.26	14.83	10.84	14.55	17.70	19.57	18.21	19.74	14.55
▶ Agriculture	2.00	1.78	1.82	1.75	2.37	2.61	3.11	3.90	5.23	4.76
▶ Livestock	0.02	0.01	0.02	0.02	0.03	0.03	0.06	0.08	0.10	0.08
<b>ETFs Fund Flows (\$ Billion)</b>										
▼ Total ETF Fund Flows (\$ Billion)	-3.71	8.72	23.47	9.77	3.14	-40.74	19.52	1.83	16.13	37.53
▶ Precious Metals	-0.59	8.60	22.61	-3.83	-2.45	-36.83	17.74	5.92	14.98	19.61
▶ Industrial Metals	-0.11	0.05	0.30	-0.14	0.20	-0.15	0.27	-0.03	0.08	0.65
▶ Energy	-5.58	-1.20	-1.97	13.94	4.19	-3.29	1.85	-2.57	-0.43	8.23
▶ Broad Commodity	2.58	1.05	2.38	-0.01	1.37	-0.41	0.45	-0.83	2.20	6.47
▶ Agriculture	0.00	0.22	0.15	-0.19	-0.17	-0.04	-0.76	-0.64	-0.72	2.54
▶ Livestock	-0.01	0.00	0.00	0.00	-0.01	-0.02	-0.02	-0.01	0.01	0.03
<b>DELTA WEIGHTED:</b>										
<b>ETFs (\$ Billion AUM) (DW)</b>										
▼ Total ETF Assets Under Management (\$ ...)	133.28	146.22	123.03	88.63	101.61	110.16	197.39	171.70	168.44	114.84
▼ Precious Metals	99.30	111.21	91.00	62.94	77.80	85.03	166.20	142.69	131.34	81.00
▶ Gold	90.88	101.00	82.54	55.90	67.72	74.56	153.96	129.87	117.13	75.55
▶ Silver	4.80	5.74	4.50	3.10	3.67	4.83	7.40	7.90	8.10	2.86
▶ Platinum	2.01	2.39	2.24	2.21	3.28	3.39	2.42	2.44	2.85	1.42
▶ Palladium	0.90	1.28	1.07	1.24	2.30	1.40	1.37	1.32	2.12	0.65
▶ Precious Metals Basket	0.62	0.73	0.61	0.43	0.70	0.75	0.99	1.14	1.15	0.52
▶ Other	0.08	0.08	0.04	0.06	0.13	0.10	0.06	0.02		
▶ Broad Commodity	20.88	17.50	14.85	10.87	14.55	17.70	19.57	18.21	19.75	14.56
▶ Energy	9.61	13.93	14.07	12.28	5.71	3.72	7.20	5.84	10.63	13.25
▶ Agriculture	2.08	1.91	1.90	1.85	2.46	2.69	3.17	3.97	5.28	4.81
▶ Industrial Metals	1.38	1.66	1.19	0.68	1.06	0.99	1.20	0.90	1.35	1.15
▶ Livestock	0.02	0.01	0.02	0.02	0.03	0.03	0.06	0.08	0.10	0.08
<b>ETFs Fund Flows (\$ Billion) (DW)</b>										
▼ Total ETF Fund Flows (\$ Billion)	-8.25	11.40	19.57	19.87	8.80	-41.92	21.57	1.69	16.31	38.58
▶ Broad Commodity	2.63	1.22	2.37	-0.01	1.37	-0.41	0.45	-0.83	2.20	6.47
▶ Precious Metals	0.07	8.75	22.83	-3.35	-1.85	-36.09	18.61	5.75	14.48	19.69
▶ Livestock	-0.01	-0.01	0.00	0.00	-0.01	-0.03	-0.02	-0.01	0.01	0.03
▶ Agriculture	-0.06	0.30	0.15	-0.16	-0.17	0.03	-0.78	-0.56	-0.78	2.57
▶ Industrial Metals	-0.10	0.03	0.28	-0.03	0.22	-0.09	0.28	-0.05	0.03	0.61
▶ Energy	-10.79	1.10	-6.06	23.41	9.23	-5.33	3.03	-2.59	0.37	9.20

# PERFORMANCE: Bloomberg Commodity Indices

## Composite Indices

\* Click hyperlinks to open in Bloomberg

Index Name	Ticker	2018									
		Sep	Aug	Q3	Q2	YTD	1-Year	3-Year	5-Year	10-Year	20-Year
Bloomberg Commodity ER	<a href="#">BCOM</a>	1.75%	-1.94%	-2.53%	-0.07%	-3.36%	0.88%	-2.98%	-32.97%	-49.22%	-5.80%
Bloomberg Commodity TR	<a href="#">BCOMTR</a>	1.92%	-1.77%	-2.02%	0.40%	-2.03%	2.59%	-0.34%	-31.10%	-47.49%	35.96%
Bloomberg Commodity Spot	<a href="#">BCOMSP</a>	2.01%	-1.62%	-2.26%	0.95%	-1.12%	5.32%	21.58%	-11.17%	0.96%	273.07%
Bloomberg Roll Select	<a href="#">BCOMRST</a>	1.34%	-2.04%	-2.57%	0.10%	-2.58%	1.72%	4.80%	-25.42%	-34.12%	197.84%
1 Month Forward	<a href="#">BCOMF1T</a>	1.66%	-1.71%	-2.09%	0.21%	-1.69%	3.05%	3.06%	-27.32%	-38.37%	144.30%
2 Month Forward	<a href="#">BCOMF2T</a>	1.65%	-1.62%	-1.81%	0.16%	-1.16%	3.35%	5.11%	-25.85%	-38.17%	185.99%
3 Month Forward	<a href="#">BCOMF3T</a>	1.29%	-1.59%	-2.01%	0.25%	-1.05%	3.93%	6.49%	-24.37%	-34.23%	204.34%
4 Month Forward	<a href="#">BCOMF4T</a>	1.32%	-1.50%	-1.77%	0.02%	-1.04%	3.77%	10.28%	-20.27%	-27.80%	
5 Month Forward	<a href="#">BCOMF5T</a>	1.16%	-1.55%	-1.76%	0.21%	-0.69%	4.47%	11.08%	-20.27%	-27.22%	
6 Month Forward	<a href="#">BCOMF6T</a>	1.41%	-1.51%	-1.39%	-0.01%	-0.44%	4.60%	12.02%	-19.00%	-25.71%	
Energy	<a href="#">BCOMENTR</a>	5.19%	3.77%	4.39%	10.73%	17.63%	28.13%	1.16%	-49.35%	-82.63%	-25.37%
Petroleum	<a href="#">BCOMPETR</a>	6.10%	3.59%	4.96%	12.98%	24.17%	44.51%	22.60%	-44.74%	-67.49%	181.61%
Agriculture	<a href="#">BCOMAGTR</a>	-2.09%	-5.97%	-5.45%	-8.66%	-10.92%	-12.71%	-20.86%	-41.04%	-37.18%	-39.78%
Grains	<a href="#">BCOMGRTR</a>	-2.97%	-6.07%	-2.97%	-9.74%	-6.21%	-10.73%	-27.74%	-45.92%	-46.88%	-45.47%
Industrial Metals	<a href="#">BCOMINTR</a>	2.15%	-4.35%	-6.88%	0.98%	-11.82%	-2.36%	25.50%	-6.59%	-24.36%	156.42%
Precious Metals	<a href="#">BCOMPRTR</a>	-0.28%	-3.13%	-6.00%	-4.45%	-10.66%	-8.83%	3.08%	-19.16%	24.97%	236.94%
Softs	<a href="#">BCOMSOTR</a>	-1.99%	-5.33%	-12.52%	-1.86%	-22.83%	-18.84%	-17.28%	-43.97%	-35.25%	-62.13%
Livestock	<a href="#">BCOMLITR</a>	7.90%	-0.34%	2.88%	5.47%	-2.38%	0.85%	-5.40%	-12.81%	-36.75%	-46.97%
Ex-Energy	<a href="#">BCOMXETR</a>	0.19%	-4.50%	-5.26%	-4.23%	-10.50%	-7.89%	-2.78%	-25.09%	-19.08%	34.33%
Ex-Petroleum	<a href="#">BCOMXPET</a>	0.46%	-3.51%	-4.34%	-3.33%	-9.33%	-7.98%	-8.05%	-30.44%	-45.42%	
Ex-Natural Gas	<a href="#">BCOMXNGT</a>	1.86%	-2.33%	-2.47%	0.06%	-2.25%	3.68%	4.70%	-27.11%	-29.76%	
Ex-Agriculture	<a href="#">BCOMXAGT</a>	3.60%	0.09%	-0.55%	4.55%	1.97%	9.54%	8.92%	-27.67%	-53.52%	
Ex-Grains	<a href="#">BCOMXGRT</a>	2.98%	-0.79%	-1.78%	2.69%	-1.04%	5.64%	6.23%	-27.94%	-49.49%	
Ex-Industrial Metals	<a href="#">BCOMXIMT</a>	1.87%	-1.27%	-1.05%	0.28%	0.16%	3.39%	-5.49%	-35.79%	-53.49%	
Ex-Precious Metals	<a href="#">BCOMXPMT</a>	2.29%	-1.54%	-1.33%	1.28%	-0.46%	4.74%	-1.63%	-33.92%	-54.60%	
Ex-Softs	<a href="#">BCOMXSOT</a>	2.19%	-1.52%	-1.25%	0.57%	-0.35%	4.31%	0.49%	-30.56%	-49.58%	
Ex-Livestock	<a href="#">BCOMXLIT</a>	1.57%	-1.85%	-2.31%	0.09%	-1.97%	2.75%	-0.14%	-32.19%	-48.58%	
Ex-Agriculture & Livestock	<a href="#">BCOMXALT</a>	3.24%	0.13%	-0.85%	4.47%	2.42%	10.43%	10.07%	-29.15%	-55.89%	
Bloomberg Dollar Spot	<a href="#">BBDXY</a>	0.06%	0.66%	0.17%	4.94%	2.05%	1.96%	-2.53%	16.93%	18.66%	
S&P 500 Total Return	<a href="#">SPXT</a>	0.57%	3.26%	7.71%	3.43%	10.56%	17.91%	61.43%	92.10%	209.62%	318.61%
US Aggregate	<a href="#">LBUSTRUU</a>	-0.64%	0.64%	0.02%	-0.16%	-1.60%	-1.22%	3.99%	11.28%	44.82%	140.34%
US Treasury	<a href="#">LUATTRUU</a>	-0.93%	0.76%	-0.59%	0.10%	-1.67%	-1.62%	0.70%	6.88%	30.24%	119.53%
US Corporate	<a href="#">LUACTRUU</a>	-0.36%	0.49%	0.97%	-0.98%	-2.33%	-1.19%	9.64%	19.01%	85.15%	179.84%
US High Yield	<a href="#">LF98TRUU</a>	0.56%	0.74%	2.40%	1.03%	2.57%	3.05%	26.49%	30.94%	146.99%	280.75%

## Single Commodity Indices

Index Name	Ticker	2018									
		Sep	Aug	Q3	Q2	YTD	1-Year	3-Year	5-Year	10-Year	20-Year
Natural Gas	<a href="#">BCOMNGTR</a>	2.51%	4.45%	2.87%	4.25%	-0.11%	-11.88%	-45.30%	-67.61%	-97.78%	-99.32%
WTI Crude	<a href="#">BCOMCLTR</a>	5.77%	2.70%	3.26%	13.23%	27.24%	47.60%	9.68%	-55.11%	-80.01%	85.27%
Brent Crude	<a href="#">BCOMCOT</a>	7.25%	4.55%	5.75%	16.73%	30.11%	55.13%	37.06%	-44.59%	-53.12%	564.48%
ULS Diesel	<a href="#">BCOMHOTR</a>	4.74%	4.92%	6.17%	10.52%	16.97%	33.25%	23.73%	-35.21%	-54.56%	246.40%
Unleaded Gasoline	<a href="#">BCOMRBTR</a>	5.62%	2.14%	5.46%	7.70%	14.59%	30.27%	14.51%	-34.98%	-28.50%	429.75%
Corn	<a href="#">BCOMCNTR</a>	-2.24%	-5.35%	-4.02%	-11.00%	-7.13%	-11.39%	-33.35%	-51.93%	-59.37%	-80.21%
Soybeans	<a href="#">BCOMSYTR</a>	0.40%	-8.05%	-3.42%	-18.01%	-14.58%	-16.80%	-13.41%	-25.79%	26.95%	182.38%
Wheat	<a href="#">BCOMWHTR</a>	-6.54%	-5.00%	-1.73%	4.71%	6.20%	-2.49%	-35.71%	-56.39%	-79.66%	-88.36%
Soybean Oil	<a href="#">BCOMBOTR</a>	0.93%	-1.64%	-2.02%	-9.26%	-14.99%	-14.49%	-6.18%	-41.82%	-58.47%	-44.31%
Soybean Meal	<a href="#">BCOMSMT</a>	0.75%	-9.86%	-5.85%	-15.45%	-3.91%	-5.10%	-7.45%	5.24%	183.15%	1144.73%
HRW Wheat	<a href="#">BCOMKWT</a>	-7.44%	-4.81%	0.55%	-1.61%	5.29%	-1.98%	-39.41%	-62.86%	-75.87%	-74.69%
Copper	<a href="#">BCOMHGTR</a>	5.19%	-6.22%	-5.66%	-2.68%	-16.04%	-6.55%	14.00%	-20.06%	-17.34%	302.78%
Aluminium	<a href="#">BCOMALTR</a>	-2.47%	2.46%	-2.53%	8.74%	-6.75%	0.33%	26.91%	-4.61%	-47.99%	-3.57%
Zinc	<a href="#">BCOMZSTR</a>	7.80%	-5.76%	-6.21%	-12.11%	-18.24%	-13.36%	57.35%	32.09%	15.75%	84.93%
Nickel	<a href="#">BCOMNITR</a>	-1.63%	-8.81%	-15.61%	12.06%	-1.47%	19.54%	16.91%	-15.58%	-31.33%	432.52%
Gold	<a href="#">BCOMGCTR</a>	-0.71%	-2.01%	-5.00%	-5.49%	-9.36%	-7.66%	4.67%	-12.67%	26.87%	262.81%
Silver	<a href="#">BCOMSITR</a>	1.23%	-6.87%	-9.29%	-0.85%	-14.76%	-12.58%	-2.52%	-36.45%	7.28%	139.42%
Sugar	<a href="#">BCOMSBTR</a>	-1.03%	0.65%	-14.06%	-3.08%	-31.59%	-26.22%	-25.78%	-62.64%	-49.37%	-24.19%
Coffee	<a href="#">BCOMKCTR</a>	0.81%	-9.81%	-13.04%	-5.54%	-24.10%	-26.92%	-36.20%	-43.85%	-67.50%	-90.39%
Cotton	<a href="#">BCOMCTTR</a>	-6.96%	-8.07%	-8.53%	6.14%	-0.39%	14.43%	29.45%	-3.88%	55.73%	-70.55%
Live Cattle	<a href="#">BCOMLCTR</a>	5.23%	-0.31%	5.09%	6.88%	0.62%	1.56%	4.61%	7.14%	-15.54%	10.99%
Lean Hogs	<a href="#">BCOMLHTR</a>	15.12%	-0.42%	-0.85%	3.01%	-8.82%	-1.67%	-21.52%	-39.43%	-61.96%	-85.17%

## PERFORMANCE: Bloomberg Commodity Roll Select Indices

Composite Roll Select Indices \* [Click hyperlinks to open in Bloomberg](#)

Index Name	Ticker	2018					1-Year	3-Year	5-Year	10-Year	20-Year
		Sep	Aug	Q3	Q2	YTD					
BCOM Roll Select	<a href="#">BCOMRST</a>	1.34%	-2.04%	-2.57%	0.10%	-2.58%	1.72%	4.80%	-25.42%	-34.12%	197.84%
Roll Select Agriculture	<a href="#">BCOMRAGT</a>	-2.22%	-5.69%	-5.09%	-7.49%	-9.44%	-11.16%	-16.60%	-37.57%	-29.16%	12.12%
Roll Select Ex-Ags & Livestock	<a href="#">BBURXALT</a>	2.51%	-0.37%	-1.70%	3.83%	1.18%	8.73%	17.76%	-21.49%	-41.45%	
Roll Select Grains	<a href="#">BCOMRGRT</a>	-3.07%	-5.52%	-2.43%	-8.55%	-4.37%	-8.52%	-23.11%	-43.61%	-42.10%	6.81%
Roll Select Softs	<a href="#">BCOMRSOT</a>	-1.93%	-6.09%	-12.52%	-1.68%	-22.99%	-19.75%	-15.57%	-40.31%	-22.17%	-31.56%
Roll Select Livestock	<a href="#">BCOMRLIT</a>	7.45%	-0.69%	1.37%	1.49%	-6.25%	-3.96%	-19.13%	-18.08%	-25.79%	61.39%
Roll Select Energy	<a href="#">BCOMRENT</a>	4.04%	2.94%	3.03%	9.88%	15.62%	25.04%	18.09%	-36.13%	-68.44%	231.10%
Roll Select Ex-Energy	<a href="#">BCOMRXET</a>	-0.05%	-4.47%	-5.36%	-4.21%	-10.32%	-7.78%	-1.69%	-23.32%	-11.74%	129.98%
Roll Select Petroleum	<a href="#">BCOMRPET</a>	5.93%	3.13%	4.81%	12.78%	24.18%	42.43%	40.49%	-32.54%	-43.83%	733.50%
Roll Select Industrial Metals	<a href="#">BCOMRINT</a>	1.68%	-4.59%	-7.39%	0.33%	-12.52%	-3.20%	25.59%	-5.66%	-19.24%	282.41%
Roll Select Precious Metals	<a href="#">BCOMRPRT</a>	-0.28%	-3.13%	-6.03%	-4.46%	-10.66%	-8.80%	3.44%	-18.77%	25.48%	251.84%

## Single Commodity Roll Select Indices

Index Name	Ticker	2018					1-Year	3-Year	5-Year	10-Year	20-Year
		Sep	Aug	Q3	Q2	YTD					
Natural Gas RS	<a href="#">BCOMRNGT</a>	-1.42%	2.42%	-2.13%	2.08%	-6.15%	-15.81%	-31.58%	-54.11%	-94.16%	-85.56%
WTI Crude RS	<a href="#">BCOMRCLT</a>	5.68%	2.70%	3.80%	11.09%	24.15%	42.59%	38.97%	-38.54%	-52.10%	740.58%
Brent Crude RS	<a href="#">BCOMRCOT</a>	6.70%	3.48%	5.08%	16.99%	29.40%	52.51%	44.28%	-32.70%	-38.09%	903.70%
ULS Diesel RS	<a href="#">BCOMRHOT</a>	5.13%	4.19%	6.01%	9.54%	16.93%	33.13%	23.69%	-34.37%	-52.60%	502.76%
Unleaded Gasoline RS	<a href="#">BCOMRRBT</a>	5.62%	2.23%	5.29%	10.62%	21.22%	32.05%	48.87%	-17.41%	-9.84%	799.40%
Corn RS	<a href="#">BCOMRCNT</a>	-2.40%	-4.81%	-3.58%	-9.51%	-5.89%	-9.77%	-29.71%	-50.33%	-55.07%	-62.70%
Soybeans RS	<a href="#">BCOMRSYT</a>	0.61%	-7.19%	-2.24%	-15.41%	-9.68%	-11.28%	-1.67%	-16.40%	40.96%	321.55%
Wheat RS	<a href="#">BCOMRWHT</a>	-7.16%	-4.91%	-1.91%	3.19%	4.10%	-4.34%	-36.89%	-58.45%	-76.89%	-59.07%
Soybean Oil RS	<a href="#">BCOMRBOT</a>	0.79%	-1.87%	-2.38%	-9.40%	-15.46%	-15.36%	-5.66%	-39.78%	-53.43%	-16.38%
Soybean Meal RS	<a href="#">BCOMRSMT</a>	-0.17%	-8.71%	-5.39%	-11.72%	0.73%	0.37%	-0.46%	12.10%	217.25%	1542.17%
HRW Wheat RS	<a href="#">BCOMRKWT</a>	-6.91%	-4.16%	1.47%	-1.72%	5.80%	-1.48%	-36.27%	-60.53%	-73.00%	-36.82%
Copper RS	<a href="#">BCOMRHGT</a>	5.14%	-6.23%	-5.73%	-2.74%	-15.59%	-5.97%	15.23%	-19.40%	-12.80%	482.59%
Aluminium RS	<a href="#">BCOMRALT</a>	-3.28%	2.04%	-3.39%	5.68%	-9.94%	-3.31%	24.15%	-3.66%	-44.27%	42.22%
Zinc RS	<a href="#">BCOMRZST</a>	6.34%	-6.61%	-8.37%	-11.66%	-19.16%	-14.30%	57.20%	31.36%	26.08%	186.50%
Nickel RS	<a href="#">BCOMRNIT</a>	-1.64%	-8.81%	-15.33%	12.11%	-1.29%	19.43%	18.43%	-13.58%	-26.73%	758.55%
Gold RS	<a href="#">BCOMRGCT</a>	-0.71%	-2.01%	-5.02%	-5.49%	-9.35%	-7.61%	5.16%	-12.31%	26.74%	269.57%
Silver RS	<a href="#">BCOMRSIT</a>	1.20%	-6.87%	-9.39%	-0.92%	-14.89%	-12.69%	-2.43%	-35.93%	9.52%	169.37%
Sugar RS	<a href="#">BCOMRSBT</a>	-1.66%	-1.58%	-14.70%	-4.42%	-33.28%	-30.02%	-25.67%	-58.93%	-37.96%	54.95%
Coffee RS	<a href="#">BCOMRKCT</a>	0.74%	-9.95%	-13.31%	-5.51%	-24.54%	-27.36%	-35.87%	-42.65%	-63.16%	-84.24%
Cotton RS	<a href="#">BCOMRCTT</a>	-6.25%	-8.05%	-7.82%	9.99%	3.40%	20.31%	35.89%	1.81%	85.18%	-50.09%
Live Cattle RS	<a href="#">BCOMRLCT</a>	4.63%	-0.78%	3.08%	6.88%	-0.17%	0.23%	-0.48%	0.13%	-4.34%	99.01%
Lean Hogs RS	<a href="#">BCOMRLHT</a>	15.12%	-0.42%	-2.55%	-8.83%	-17.92%	-13.35%	-44.50%	-44.08%	-54.77%	-11.83%

## BCOM Constituent Weights

[BCOM Index MEMB <GO>](#) \* Click hyperlinks to open in Bloomberg

Group	Commodity	Ticker	Sep 2018 Contrib to Return %	Sep 28 2018 Weight %	Aug 31 2018 Weight %	Sep 2018 Weight% Change	2018 Target Weight
Energy	Natural Gas	<a href="#">NG</a>	0.21	8.86	8.83	↑ 0.03	8.01%
	WTI Crude	<a href="#">CL</a>	0.48	8.80	8.51	↑ 0.30	7.32%
	Brent Crude	<a href="#">CO</a>	0.64	9.42	9.07	↑ 0.35	7.68%
	ULS Diesel	<a href="#">HO</a>	0.19	4.25	4.14	↑ 0.10	3.67%
	Gasoline	<a href="#">XB</a>	0.23	4.36	4.22	↑ 0.14	3.75%
	<b>Subtotal</b>			<b>1.74</b>	<b>35.69</b>	<b>34.77</b>	<b>↑ 0.92</b>
Grains	Corn	<a href="#">C</a>	-0.16	6.27	6.56	↓ (0.28)	6.13%
	Soybeans	<a href="#">S</a>	0.01	5.23	5.33	↓ (0.09)	5.96%
	Wheat	<a href="#">W</a>	-0.29	3.88	4.25	↓ (0.36)	3.26%
	Soybean Oil	<a href="#">BO</a>	0.02	2.38	2.41	↓ (0.03)	2.75%
	Soybean Meal	<a href="#">SM</a>	0.02	2.94	2.98	↓ (0.04)	3.04%
	HRW Wheat	<a href="#">KW</a>	-0.13	1.54	1.70	↓ (0.16)	1.30%
<b>Subtotal</b>			<b>-0.53</b>	<b>22.25</b>	<b>23.22</b>	<b>↓ (0.97)</b>	<b>22.44%</b>
Industrial Metals	Copper	<a href="#">HG</a>	0.31	6.27	6.09	↑ 0.18	7.16%
	Aluminum	<a href="#">LA</a>	-0.12	4.27	4.48	↓ (0.20)	4.51%
	Zinc	<a href="#">LX</a>	0.18	2.46	2.33	↑ 0.13	3.10%
	Nickel	<a href="#">LN</a>	-0.05	2.79	2.90	↓ (0.11)	2.76%
	<b>Subtotal</b>			<b>0.31</b>	<b>15.80</b>	<b>15.80</b>	<b>↓ (0.00)</b>
Precious Metals	Gold	<a href="#">GC</a>	-0.10	10.90	11.22	↓ (0.32)	11.95%
	Silver	<a href="#">SI</a>	0.03	3.15	3.18	↓ (0.03)	3.67%
	<b>Subtotal</b>			<b>-0.06</b>	<b>14.05</b>	<b>14.40</b>	<b>↓ (0.35)</b>
Softs	Sugar	<a href="#">SB</a>	-0.05	2.65	2.56	↑ 0.09	3.54%
	Coffee	<a href="#">KC</a>	0.01	2.10	2.12	↓ (0.03)	2.61%
	Cotton	<a href="#">CT</a>	-0.11	1.44	1.58	↓ (0.14)	1.45%
	<b>Subtotal</b>			<b>-0.15</b>	<b>6.18</b>	<b>6.26</b>	<b>↓ (0.08)</b>
Livestock	Live Cattle	<a href="#">LC</a>	0.21	4.33	4.05	↑ 0.29	4.31%
	Lean Hogs	<a href="#">LH</a>	0.23	1.70	1.51	↑ 0.19	2.08%
	<b>Subtotal</b>			<b>0.44</b>	<b>6.03</b>	<b>5.55</b>	<b>↑ 0.48</b>
<b>Total</b>			<b>1.75</b>	<b>100.00</b>	<b>100.00</b>		<b>100.00%</b>

# BLOOMBERG INTELLIGENCE: COMMODITY DASHBOARDS

**BI <GO>** \* Click hyperlinks to open in Bloomberg

BI provides analysis on several key drivers of BCOM performance; industrial and precious metals mining, oil and natural gas production, and agricultural chemicals. The dashboards include key macro data libraries and interactive charting and commentary from analysts with an average of seventeen years of experience.

## Crude Oil Production: BI OILS <GO>

Region	2015	2014	2013	2012	2011
<b>North America</b>					
OECD	45.6	45.6	46.1	45.9	46.4
United States	24.2	24.1	24.1	23.6	24.0
Canada	19.2	19.0	18.8	18.7	18.9
Chile	2.4	2.4	2.4	2.4	2.3
Mexico	0.3	0.3	0.3	0.3	0.3
Eurasia	2.0	2.0	2.0	2.1	2.1
Latin America	18.4	18.5	18.7	18.4	18.6
Pacific	6.0	8.1	8.3	8.5	8.2
<b>Non-OECD</b>	47.9	46.9	45.7	44.6	43.1
Europe	4.7	4.9	4.7	4.8	4.5
China	10.7	10.4	10.1	9.8	9.4
Other Asia	12.5	12.1	11.9	11.6	11.2
Latin America	6.9	6.8	6.6	6.4	6.2
Middle East	6.3	8.1	7.9	7.8	7.5
Africa	4.1	3.9	3.8	3.8	3.6
<b>Total World Crude Oil Demand</b>	<b>93.5</b>	<b>92.5</b>	<b>91.8</b>	<b>90.6</b>	<b>89.5</b>

## Natural Gas Production: BI NGAS <GO>

Category	Current	Prev Week	1 Week % Chg	1 Week % Chg	Prev Year
<b>Natural Gas Inventories</b>					
US Working Storage (BCF)					
East	559.00	581.00	-22.00	-3.79	356.00
West	244.00	239.00	4.00	1.70	164.00
Producing	576.00	548.00	28.00	5.11	376.00
<b>Total</b>	<b>1,479.00</b>	<b>1,467.00</b>	<b>12.00</b>	<b>0.82</b>	<b>896.00</b>
Net Injections/Withdrawals	12.00	-42.00	54.00	452.00	126.00
Consensus (Bloomberg Survey)	1,474.00	1,463.00	11.00	0.75	901.00
<b>Domestic Working Storage (BCF)</b>					
East	219.76	219.77	-0.01	-0.00	113.79
West	49.53	49.52	-0.98	-1.99	22.76
<b>Total</b>	<b>269.29</b>	<b>269.28</b>	<b>-0.99</b>	<b>-0.37</b>	<b>136.46</b>

## Precious Metal Mining: BI PMET <GO>

Indicator	Value
Avg Gold Spot Price	1,220
Known ETF Gold Holdings	52,128
IMF Global Gold Reserves	1,036
Sales Growth (YoY)	-8.90
EBITDA Margin (%)	70.89
T12M Sales Growth (%)	8.83
Return on Equity (%)	2.91
Est P/E Current Yr	61.79
Price/Book	1.84

## Agricultural Chemicals: BI AGCH <GO>

Indicator	Value
Agricultural Price Ind	1.25
U.S. Farm Net Cash In	0.40
U.S. Corn Price Future	3.60
Sales Growth (YoY)	2.63
EBITDA Margin (%)	15.30
EPS Growth (YoY)	-11.17
ROIC (%)	7.83
Est P/E Current Yr	15.00
Price/Book	1.80

## Copper: BI COPP <GO>

Indicator	Value
China GDP (YoY)	7.30
YTD Copper Surplus/Deficit	201.15k
Major Exch Copper Inv	599.99k
Sales Growth (YoY)	-1.59
EBITDA Margin (%)	26.52
T12M Sales Growth (%)	-2.59
Return on Equity (%)	2.71
Est P/E Current Yr	17.46
Price/Book	1.09

## Aluminum: BI ALUM <GO>

Indicator	Value
China Industrial Prod	7.60
Global Primary Alumi	4.28M
Global Primary Alumi	4.17M
Sales Growth (YoY)	2.18
EBITDA Margin (%)	8.70
T12M Sales Growth (%)	1.46
Return on Equity (%)	4.95
Est P/E Current Yr	15.05
Price/Book	1.38

## COMMODITY CHEAT SHEET FOR THE BLOOMBERG PROFESSIONAL® SERVICE

The data provided in this report can be easily accessed on the Bloomberg Professional® service along with numerous news and analytical tools to help you stay on top of the commodity markets.

\* [Click hyperlinks to open in Bloomberg](#)

### Broad Commodities

Top commodity news	<a href="#">CTOP</a>
Global commodity prices	<a href="#">GLCO</a>
Commodity playbook	<a href="#">CPLY</a>
Commitments of traders report	<a href="#">COT</a>
Calendar of commodity events	<a href="#">ECO17</a>
Commodity arbitrage calculator	<a href="#">CARC</a>
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### Commodity Indices

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### Weather

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Crop calendar	<a href="#">CCAL</a>

## BCOM QUICK FACTS

### [Index Methodology](#)

Weighting Bias	2/3 market liquidity and 1/3 world production
No. of Commodities	20
Re-balancing Frequency	Annual
Roll Schedule	Monthly (5 day roll)
Caps/Limits	Single commodity: max 15% Single commodity and its derivatives: max 25% Related commodity groups: max 33%
First Value Date	30 December 1990

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