

### Summary

Commodities gave back the gains from the prior month. Industrial metals led the losses, falling by 5.3%. With the Trump Administration imposing tariffs on steel and aluminium imports, the threat of a tit-for-tat trade war has sent jitters into the base metals markets. However, judging by global purchasing managers indices, economic growth appears to be on a strong footing in both manufacturing and service sectors. That bodes well for commodity demand. Although an upgrade in the Federal Reserve's assessment of the US economy is likely to be US Dollar positive, which could constrain commodity prices in US Dollar terms.

At its May meeting, the Organization for Petroleum Exporting Countries (OPEC), will have to think carefully about its messaging for lifting the curbs on its production, which we expect will happen sometime in 2019. They will be keen to emphasise that avoiding a build-up of oil inventory will continue to be their goal. We suspect many members are itching to raise production at current prices before the US eats their market share, but they will likely keep their restraint until the end of the year, as the programme to reduce inventory is currently working successfully. The delay of Saudi Aramco's initial public offering (IPO) may ease Saudi Arabia's urgency in propping up oil prices. Last year, Saudi Arabia had indicated that the company is worth US\$2 trillion – a valuation that would be difficult to attain without oil prices north of US\$85/bbl. Delaying and scaling back the IPO is likely to buy the country time to revise its message and condition the market for a lower valuation. Saudi Arabia is also being evasive about whether the company will float on an international exchange at all (they confirmed it will float on the local exchange next year). That will significantly change the scale of the IPO and the ambition of the country to diversify its economy. Meanwhile, Saudi Arabia-Iran tensions appear to be intensifying. While this provides a geopolitical premium in oil for now, it could develop cracks in OPEC's unity, which could end the pact prematurely.

- **Positive sentiment towards agricultural commodities supportive of recent price gains.** Investor positioning across cocoa, cotton, wheat, soybean and corn have improved significantly. Weather related disruptions have helped to improve sentiment towards agricultural commodities that have lagged in performance last year. We remain supportive of further price gains among cocoa but maintain a cautious outlook on sugar.
- **Temporary headwinds derail industrial metal prices but fundamentals remain intact with the exception of zinc.** The uncertainty over trade wars in conjunction with weak manufacturing data and higher production of metals in China weighed on industrial metal prices. While rising supply is likely to reduce the existing deficits of most metals, we believe the fundamentals remain intact and concerted global growth to underpin performance.
- **Oil prices rise on bullish forecasts.** The International Energy Agency's bullish assessment of oil demand coupled with their view of a muted supply response from most of the world has provided a boost to oil prices. Meanwhile OPEC raised its estimate of US oil production, recognising just how responsive the country is to price.
- **Precious metal prices falter after a good start to the year.** Precious metal prices slipped as the Federal Reserve nears its first rate hike of the year. With the US central bank likely to increase rates at a faster pace this year, compared to other major central banks, the US Dollar has appreciated by almost 1% over the past month, leading to a decline in gold and silver prices.

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### Commodity Monthly Matrix<sup>1</sup>

	Current Price <sup>2</sup>	Returns (-1 Mth)	Price vs 200 days MA	Inventories <sup>3</sup> (-3 Mths)	Positioning <sup>4</sup> (-1 Mth)	Roll Yield <sup>5</sup>	16 Mar Score	16 Feb Score
WTI Oil	62	1.1%	15.0%	-1.3%	-3%	-0.1%	0	1
Brent Oil	66	2.1%	12.5%	1.9%	-7%	0.2%	0	(1)
Natural Gas	2.7	5.1%	-8.1%	-55.5%	-1%	-1.0%	(1)	(2)
Gasoline	1.9	11.1%	14.3%	7.5%	-8%	-0.6%	(2)	(3)
Heating Oil	1.9	0.1%	6.1%	2.8%	-74%	-0.3%	(2)	(1)
Carbon	11.2	17.4%	53.3%	-	-	0.0%	2	2
Wheat	4.7	2.2%	5.1%	0.2%	62%	-3.6%	0	2
Corn	3.8	4.1%	7.2%	-2.4%	298%	-2.1%	2	2
Soybeans	10	2.7%	7.6%	-4.0%	281%	-1.0%	2	0
Sugar	0.1	-5.5%	-9.7%	-	-27%	-1.6%	(2)	(1)
Cotton	0.8	9.4%	12.5%	1.0%	28%	-0.2%	0	(1)
Coffee	1.2	-0.8%	-7.3%	-	-16%	-0.9%	(4)	0
Soybean Oil	0.3	1.4%	-4.0%	-3.7%	3%	-0.7%	1	0
Cocoa	2,522	18.0%	24.7%	-	138%	-1.0%	1	4
Aluminium	2,065	-6.9%	-0.6%	21.6%	8%	-0.4%	(2)	0
Copper (COMEX)	3.1	-4.8%	2.4%	11.7%	-10%	-0.5%	(3)	(2)
Copper (LME)	6,858	-4.6%	3.1%	64.7%	6%	-0.1%	(1)	(2)
Zinc	3,263	-9.3%	3.6%	37.6%	3%	0.0%	0	2
Nickel	13,569	-2.2%	17.6%	-13.3%	10%	-0.1%	1	0
Lead	2,384	-8.9%	-1.9%	-12.6%	-6%	0.0%	(1)	4
Tin	21,080	-3.6%	3.4%	-21.3%	5%	0.1%	3	4
Gold	1,312	-3.0%	1.7%	-	-9%	-	(2)	0
Silver	16	-3.1%	-3.3%	-	-81%	-	(4)	(4)
Platinum	950	-6.1%	-0.1%	-	-15%	-	(4)	4
Palladium	992	-4.2%	2.7%	-	-18%	-	(2)	(2)
Live Cattle	1.2	-6.8%	3.4%	-	-9%	8.5%	0	4
Lean Hogs	0.7	-4.0%	-7.1%	-	-51%	-10.0%	(4)	(4)
Feeder Cattle	1.4	-6.5%	-5.7%	-	-49%	-0.2%	(4)	1

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

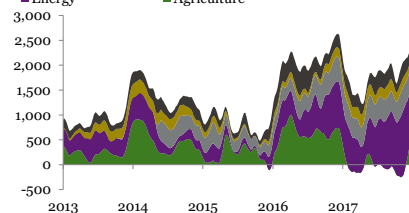
Performance <sup>2</sup>	- 1 Mth	- 6 Mth	- 12 Mth
All Commodities	-0.5%	4.7%	6.4%
Energy	2.3%	7.7%	11.3%
Industrial Metals	-5.3%	6.5%	15.3%
Precious Metals	-3.1%	-2.9%	2.6%
Agriculture	0.5%	-0.2%	-8.2%
MSCI World	0.1%	8.5%	18.0%
US Aggregate Bond	0.1%	-1.9%	1.4%

Bloomberg TR Indexes for basket returns, data to Friday 16 March 2018. Source: ETF Securities, Bloomberg

### CFTC Net Speculative Positioning

(in '000 contracts)

■ Precious Metals ■ Livestock ■ Industrial Metals  
■ Energy ■ Agriculture



Source: ETF Securities, CFTC, Bloomberg

\* - Information not available. Green = returns positive, inventories falling, positioning rising, roll yield positive. Red = the opposite. Black = neutral. <sup>1</sup> Detailed explanation of the matrix calculations can be found at the end of this report.

<sup>2</sup> All prices are futures prices to Feb 16, 2018. Broad sector returns based on Bloomberg Commodity Index family. <sup>3</sup> % change in inventory over the past 3 months except for sugar and coffee which are based on past 6 months as data is updated bi-annually by USDA. <sup>4</sup> CFTC futures and LME COFR net positioning as at Mar 13, 2018, and Mar 16, 2018 respectively, % change from previous month. <sup>5</sup> Calculated as % difference between front month and second month futures prices on report date.

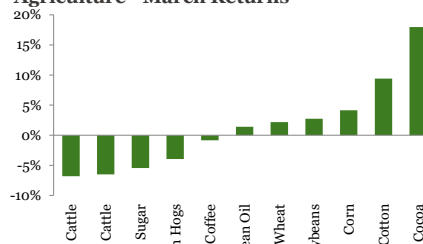
Historical performance is not an indication of future performance and any investments may go down in value.

# Sector Overview

## Agriculture

- Cocoa prices have achieved the best performance among all commodities over the prior month. The presence of Cocoa Swollen Shoot Virus (CSSV) in Cote d'Ivoire (the largest cocoa producer) could limit the regions' producing capacity in future years as maintenance programmes need to be undertaken to reduce the spread of the virus. While the International Cocoa Organisation (ICCO) expects another production surplus this year, it will likely be smaller than last year. Added to that, the Ghana Cocoa Board expects the country to produce only around 700,000 tons in 2017/18 owing to a lack of rainfall. Lending further buoyancy to cocoa prices, the Coffee and Cocoa Council (CCC) of Ivory Coast intends to curtail its cocoa production.
- The US Department of Agriculture (USDA) raised the prospect of buoyant demand for cotton from China in 2018/19, in addition to a decline in state reserves to the lowest level since 2011/12. Poor quality of Chinese cotton stocks is supporting demand for US cotton exports that are set to rise to a 13-year high. Cotton prices are benefiting from the USDA report. However, outside of China, higher production in Sudan and Australia are likely to increase cotton stocks, which could cap further price gains for cotton.
- Sugar prices came under pressure following reports by the Indian Sugar Mills Association (ISMA) that confirmed strong sugar output this season: up 47% over the prior year. Domestic demand is unlikely to absorb the excess supply and the amount India exports is contingent on whether it abolishes the 20% export duty. However, Brazil is expected to process the smallest amount of sugarcane in five years in the 2018/19 season owing to aging plantations and the drought at the end of last year. Despite the anticipated decline in Brazil, strong EU sugar production coupled with high sugar output in India is likely to keep the global sugar market in a surplus in 2017/18.

## Agriculture - March Returns\*

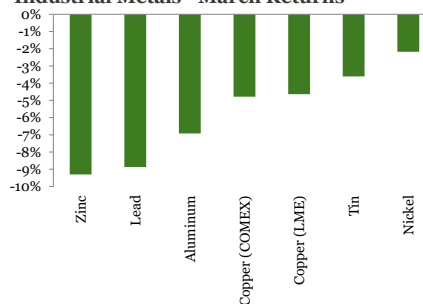


Source: Bloomberg

## Industrial Metals

- As Industrial metals ended the period with a negative undertone evident from their weak price performance over the prior month. Base metal prices came under pressure, as investors became more risk averse after the Trump Administration applied punitive tariffs to imports of steel and aluminium in the US.
- Although notoriously unreliable during the Chinese New Year period, a slew of mixed macroeconomic data from China raised concerns on demand for industrial metals. Chinese Purchasing Managers Index (PMI) for the manufacturing sector came in at 50.3 in February reaching its lowest level since July 2016. While industrial production and fixed asset investment grew by 7.2% and 7.9% respectively in the first two months of 2018, exceeding expectations. In addition, the planned constitutional change that would allow President Xi Jinping to remain in office for an unlimited period reduces the chance of any major political or economic reform in China, as the focus is likely to remain on stability.
- The National Bureau of Statistics in China confirmed that the production of many metals had increased considerably as the winter curtailments come to an end. Owing to rising production of most metals, more supply is likely to be available to the markets, and consequently we are likely to see a reduction in the existing deficits.

## Industrial Metals - March Returns\*



Source: Bloomberg

## Energy

- Carbon prices have risen sharply, up 17.4% last month alone. The price of a carbon permit on the EU Emissions Trading System is now back to levels last seen in 2011. After 2020, the number of emission allowances will have declined at a rate of 2.2% per year, compared to 1.74% currently. The market appears to believe that the EU is taking emission control seriously after a protracted period of over-supply.
- Gasoline prices have risen 11.1% in line with seasonal norms. Prices tend to rise most aggressively in March as it is the most popular time to place facilities in maintenance (and hence a time for gasoline inventories to be drawn). Given gasoline inventories are elevated compared to the five-year average (for this time of the year), demand for gasoline will have to rise to maintain these price gains.
- Oil prices have risen following bullish revisions of demand forecasts from the International Energy Agency (IEA). While demand forecasts were revised up, supply forecasts remained the same. We believe that the US is far more price responsive than the IEA gives it credit and we could end up back in a surplus this year.

## Energy - March Returns\*

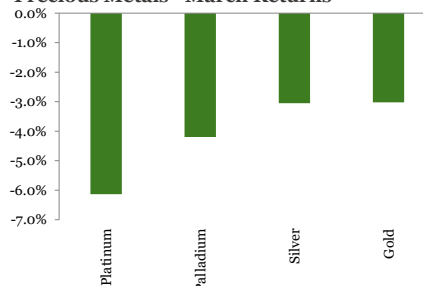


Source: Bloomberg

## Precious Metals

- Platinum has erased all of its gains in February and its price is hovering close to the level it started at this year. Final quarter 2017 numbers from the World Platinum Investment Council indicate the platinum market was in a surplus in 2017. An increase in mining activity and recycling from autocatalysts increased supply, while demand continued to decline. With diesel autocatalysts falling out of favour, platinum is suffering from a fall in demand.
- Gold failed to gain on the back of rising geopolitical risks, after diplomatic discussions between the UK and Russia broke down following the poisoning of a Russian spy in England. Instead, gold's direction was shaped by monetary conditions. With the US likely to raise rates today, gold faced downward pressure.
- Silver prices declined in line with gold. Although an appreciating US Dollar could hold down its value, rising industrial demand is likely to provide support. The World Silver Institute believes that silver will return to a supply deficit this year. With the gold to silver ratio remaining elevated (indicating silver is cheap relative to historic levels), silver may play catch-up with gold after having been a laggard for most of the past year. There could be upside potential for the metal if elevated shorts are covered.

## Precious Metals - March Returns\*



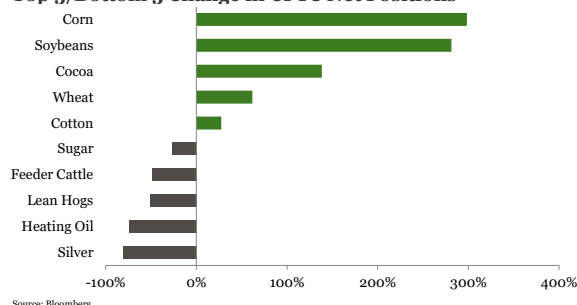
Source: Bloomberg

**\*Note: all returns are based on front month futures prices in the month to Friday 16 March 2018. Historical performance is not an indication of future performance and any investments may go down in value.**

## Positioning

- Positioning across corn, soybean, cocoa, wheat and cotton improved, as short positions eased considerably over the prior month, reflecting growing positive sentiment among investors owing to weather related reasons.
- Positioning in heating oil futures declined back to average levels after having been more than 2 standard deviations above in January 2018 (and more than 1 standard deviation above since August 2017).
- Net speculative positioning in silver fell to the lowest level at the end of February 2018 and has only recovered marginally from that level. Positioning is still 1% below the 5-year average for silver, as the metal appears stuck in the doldrums. Driven mainly by a gain in shorts, the market could be ripe for a short-covering rally should we see a turn in sentiment.

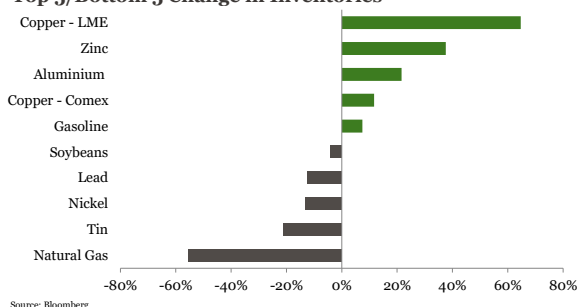
## Top 5/Bottom 5 Change in CFTC Net Positions<sup>1</sup>



## Inventories

- Soybean inventories are down 4% over the prior 3 months owing to reduced soybean stocks in Argentina and Brazil, which have only partially been offset by an increase in the United States.
- Copper production in Chile, the world's largest copper mining producer increased production by 500,000 tons in January, up 6.3% over the prior year. In addition, copper production in China rose by 10% year on year in the first two months of 2018 combined. Consequently, copper inventories have widened by 64.7% on the London Metal Exchange (LME) and 11.7% on the Comex.
- Zinc inventories swelled 37.6% over the period. Contributing to this was a 60% build-up in zinc stocks at the LME. In addition, large quantities of zinc were produced in China. Zinc stocks on the Shanghai Futures Exchange (SHFE) are currently at an eleven-month high.
- Natural gas inventories continued to decline last month and now are 56% below levels 3 months ago. Natural gas inventories have been running lower than seasonal average this year so far, as several cold-weather snaps have drawn on supply.

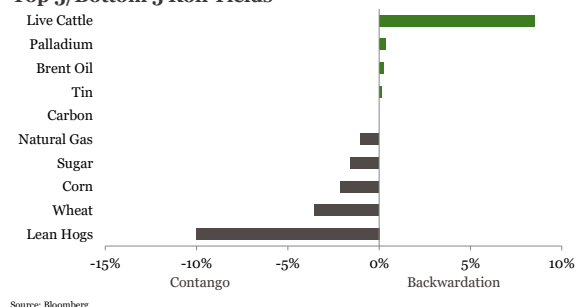
## Top 5/Bottom 5 Change in Inventories<sup>2</sup>



## Curve Dynamics

- Live cattle futures have the steepest backwardation, providing a roll yield of 8.5%. While lean hog futures have the steepest contango, providing a negative roll yield of 10%. While USDA lowered estimates for pork production in the first half of the year owing to a slower pace of slaughter. Higher carcass weights are expected to offset some of the decline. Furthermore, the second half production is expected to be higher.
- Sugar futures have switched from backwardation last month to contango at the front end of the curve, with a negative roll yield of -1.6%, owing to the global sugar supply surplus.
- Backwardation in the front month of the Brent futures curve narrowed to provide only 0.2% roll yield (down from 0.5% last month). The front of the WTI curve exhibits a small (0.1%) contango (down from 0.2% backwardation last month).

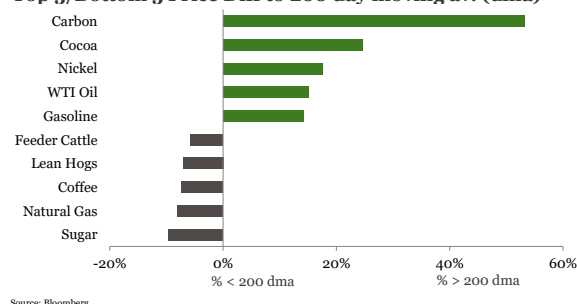
## Top 5/Bottom 5 Roll Yields<sup>3</sup>



## Technical

- Cocoa is currently trading 19% and 24.7% above its 50 and 200 day moving average (dma) respectively, we expect the positive momentum to continue owing to the lower than expected surplus. While sugar prices are trading 9.7% below their 200 dma, we expect the ongoing global sugar surplus to continue to weigh on prices.
- Nickel continued to rally over the past month and is currently trading significantly above its 200-dma, we expect the positive momentum to continue owing to its ongoing supply deficits.
- Carbon is trading 53.3% above its 200-day moving average. There is clearly a strong momentum behind the EU ETS permit system.
- Silver is trading 3.3% below its 200-day-moving average, underscoring the current negative sentiment towards the metal.

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



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

<sup>3</sup> Roll yields calculated as percent change between front month futures price and next month futures price on Mar 16, 2018.

<sup>4</sup> Percent difference between the front month futures price and its 200 day moving average on Mar 16, 2018. Historical performance is not an indication of future performance and any investments may go down in value.

# Summary Tables



PRICES <sup>1</sup>	Current	1 Month	3 Month	6 Month	1 Year
<b>Energy</b>					
WTI Oil	62	1.1%	8.8%	25.0%	27.9%
Brent Oil	66	2.1%	4.7%	19.0%	28.0%
Natural Gas	2.7	5.1%	2.9%	-11.1%	-7.4%
Gasoline	1.9	11.1%	17.6%	17.1%	22.1%
Heating Oil	1.9	0.1%	0.4%	6.3%	27.1%
Carbon	11.2	17.4%	55.3%	60.7%	116.9%
<b>Agriculture</b>					
Wheat	4.7	2.2%	11.8%	4.2%	7.3%
Corn	3.8	4.1%	10.1%	7.9%	4.6%
Soybeans	10.5	2.7%	8.5%	8.3%	4.8%
Sugar	0.1	-5.5%	-7.4%	-13.1%	-30.7%
Cotton	0.8	9.4%	9.1%	18.1%	6.0%
Coffee	1.2	-0.8%	0.0%	-16.5%	-16.3%
Soybean Oil	0.3	1.4%	-3.6%	-7.5%	-0.9%
Cocoa	2,522	18.0%	34.4%	25.5%	24.4%
<b>Industrial Metals</b>					
Aluminum	2,065	-6.9%	0.7%	0.4%	9.0%
Copper	3.1	-4.8%	-0.5%	5.6%	16.0%
Copper (LME)	6,858	-4.6%	0.0%	6.1%	16.2%
Zinc	3,263	-9.3%	1.9%	7.2%	15.6%
Nickel	13,569	-2.2%	17.8%	23.2%	33.3%
Lead	2,384	-8.9%	-6.3%	2.2%	6.5%
Tin	21,080	-3.6%	9.9%	2.0%	4.4%
<b>Precious Metals</b>					
Gold	1,312	-3.0%	4.6%	-0.7%	6.9%
Silver	16.2	-3.1%	1.4%	-8.0%	-6.3%
Platinum	950	-6.1%	6.8%	-2.2%	-0.9%
Palladium	992	-4.2%	-3.5%	7.0%	29.1%
<b>Livestock</b>					
Live Cattle	1.2	-6.8%	2.0%	12.5%	1.7%
Lean Hogs	0.7	-4.0%	-4.5%	7.3%	-6.4%
Feeder Cattle	1.4	-6.5%	-5.3%	-6.8%	7.2%

ROLL YIELDS <sup>2</sup>	Unit	Exchange	16-Mar	1 Week	1 Month	3 Month
<b>Energy</b>						
WTI Oil	USD/bbl.	NYMEX	-0.1%	0.2%	0.2%	-0.1%
Brent Oil	USD/bbl.	ICE	0.2%	0.3%	0.5%	0.8%
Natural Gas	USD/MMBtu	NYMEX	-1.0%	-1.0%	-1.5%	-0.4%
Gasoline	USD/gal.	NYMEX	-0.6%	-0.7%	-9.4%	-0.9%
Heating Oil	USD/gal.	NYMEX	-0.3%	-0.2%	0.1%	-0.1%
Carbon	EUR/MT	ICE	0.0%	0.0%	0.0%	-0.3%
<b>Agriculture</b>						
Wheat	USD/bu.	CBOT	-3.6%	-0.1%	-2.9%	-3.0%
Corn	USD/bu.	CBOT	-2.1%	-1.9%	-2.0%	-2.3%
Soybeans	USD/bu.	CBOT	-1.0%	-1.0%	-1.1%	-1.1%
Sugar	USD/lb.	NYBOT	-1.6%	-1.7%	0.8%	0.9%
Cotton	USD/lb.	NYBOT	-0.2%	0.4%	-1.9%	-0.6%
Coffee	USD/lb.	NYBOT	-0.9%	-1.1%	-2.1%	-2.7%
Soybean Oil	USD/lb.	CBOT	-0.7%	-0.5%	-0.6%	-0.5%
Cocoa	USD/MT	NYBOT	-1.0%	0.5%	0.2%	0.4%
<b>Industrial Metals</b>						
Aluminum	USD/MT	LME	-0.4%	-0.3%	0.5%	-0.3%
Copper	USD/lb.	COMEX	-0.5%	-0.6%	-0.6%	-0.8%
Copper (LME)	USD/MT	LME	-0.1%	-0.1%	-0.2%	-0.1%
Zinc	USD/MT	LME	0.0%	0.0%	0.4%	-0.1%
Nickel	USD/MT	LME	-0.1%	-0.1%	-0.1%	-0.1%
Lead	USD/MT	LME	0.0%	0.1%	0.1%	1.0%
Tin	USD/MT	LME	0.1%	0.1%	0.2%	-0.1%
<b>Precious Metals</b>						
Gold	USD/t oz.	COMEX	-0.4%	-0.4%	-0.2%	-0.3%
Silver	USD/t oz.	COMEX	-0.4%	-0.4%	-0.5%	-0.5%
Platinum	USD/t oz.	NYMEX	-0.5%	-0.5%	-0.5%	-0.4%
Palladium	USD/t oz.	NYMEX	0.4%	0.4%	0.2%	1.3%
<b>Livestock</b>						
Live Cattle	USD/lb.	CME	8.5%	7.7%	1.9%	-0.5%
Lean Hogs	USD/lb.	CME	-10.0%	-5.8%	-9.0%	-6.7%
Feeder Cattle	USD/lb.	CME	-0.2%	-0.4%	-1.8%	1.7%

CFTC NET POSITIONING <sup>3</sup>	Current	5 Yr Average	1 Month	6 Month	1 Year
<b>Energy</b>					
WTI Oil	710,895	387,888	735,608	434,661	500,159
Brent Oil**	363,786	141,616	390,925	301,395	262,669
Natural Gas	-106,867	-124,556	-105,468	-53,681	-36,467
Gasoline	80,249	61,965	87,525	80,179	55,235
Heating Oil	7,326	5,854	28,666	43,234	31,578
<b>Agriculture</b>					
Wheat	-11,206	-49,131	-29,318	-49,745	-72,129
Corn	372,754	69,101	93,544	-42,213	101,097
Soybeans	203,048	72,105	53,241	3,898	119,374
Sugar	-110,752	87,139	-87,313	-47,735	130,210
Cotton	102,911	56,605	80,687	83,262	130,470
Coffee	-42,401	5,171	-36,650	-23,381	20,108
Soybean Oil	28,256	32,299	27,314	111,108	9,400
Cocoa	43,502	35,143	18,247	-36,067	-26,762
<b>Industrial Metals<sup>5</sup></b>					
Copper (COMEX)	39,667	-2,152	43,885	46,556	22,591
Copper (LME)	46,202	44,291	43,681	70,876	52,657
Aluminum	182,824	179,868	169,381	181,820	226,943
Nickel	40,585	21,311	36,920	35,137	35,315
Zinc	85,701	72,483	83,049	80,398	71,568
Lead	38,415	27,433	40,895	31,285	27,772
Tin	2,547	2,122	2,436	1,722	1,320
<b>Precious Metals</b>					
Gold	174,563	138,391	192,450	274,420	97,734
Silver	1,417	37,050	7,449	73,953	83,231
Platinum	33,668	30,425	39,451	38,645	28,129
Palladium	13,113	17,459	15,972	22,395	16,594
<b>Livestock</b>					
Live Cattle	104,924	86,014	115,860	104,496	119,956
Lean Hogs	14,001	55,335	28,514	49,407	47,204
Feeder Cattle	7,532	8,570	14,775	16,863	13,220

INVENTORY LEVELS <sup>4</sup>	Current	5 Yr Average	1 Month	3 Month	6 Month
<b>Energy</b>					
Oil - US	430,928	1%	2%	-1%	-9%
Oil - OECD Europe**	344	4%	-	2%	-5%
Natural Gas - DOE	1,532	-16%	-13%	-56%	-55%
Gasoline - DOE	244,758	5%	-2%	7%	13%
Heating Oil - DOE	10,470	-43%	-17%	3%	2%
<b>Industrial Metals</b>					
<b>Aluminum</b>	<b>2,240,366</b>	<b>-40%</b>	<b>6%</b>	<b>22%</b>	<b>21%</b>
Aluminum - LME	1,306,150	-62%	1%	18%	-1%
Aluminum - SHFE	934,216	184%	15%	27%	74%
<b>Copper</b>	<b>852,119</b>	<b>55%</b>	<b>13%</b>	<b>56%</b>	<b>29%</b>
Copper - LME	321,450	6%	-3%	65%	6%
Copper - SHFE	296,994	73%	50%	109%	78%
Copper - COMEX	233,675	208%	3%	12%	22%
<b>Nickel - LME</b>	<b>324,894</b>	<b>-8%</b>	<b>-4%</b>	<b>-13%</b>	<b>-15%</b>
<b>Zinc</b>	<b>363,673</b>	<b>-52%</b>	<b>43%</b>	<b>38%</b>	<b>9%</b>
Zinc - LME	206,125	-64%	36%	6%	-22%
Zinc - SHFE	157,548	-13%	54%	123%	126%
<b>Lead</b>	<b>164,510</b>	<b>-33%</b>	<b>11%</b>	<b>-13%</b>	<b>-8%</b>
Lead - LME	130,650	-31%	11%	-10%	-20%
Lead - SHFE	33,860	-38%	8%	-22%	104%
<b>Tin</b>	<b>6,708</b>	<b>-37%</b>	<b>-8%</b>	<b>-21%</b>	<b>-47%</b>
Tin - LME	1,660	-77%	-11%	-28%	-15%
Tin - SHFE	5,048	53%	-8%	-19%	-53%
<b>Agriculture</b>					
Wheat - USDA	268,890	37.9%	1.0%	0.2%	2.2%
Corn - USDA	199,170	43%	-1.9%	-2.4%	-1.6%
Soybeans - USDA	94,400	56%	-3.8%	-4.0%	-3%
Sugar - USDA	40,821	14%	-	-	7%
Cotton - USDA	88,850	21%	0.3%	1.0%	-4.0%
Coffee - USDA	29,268	-18%	-	-	-14%
Soybean Oil - USDA	3,140	-22%	2.3%	-4%	-13%

<sup>1</sup>Performance of front month futures from 16 Mar 17 (1 Year), 16 Sep 17 (6 Month), 16 Dec 17 (3 Month) and 16 Feb 18 (1 Month) to 16 Mar 18.

<sup>2</sup>Roll return non-annualised from front month futures into second " month on 18 Dec 17 (3 Month), 16 Feb 18 (1 Month), 09 Mar 18 (1 Week), 16 Mar 18.

<sup>3</sup>Net positions in number of contracts. <sup>4</sup>Current inventories relative to 1, 3, 6 months ago. Under the column "5 yr average" is the current inventory level relative to 5 year average inventory. For energy, 5 yr average is the average of the same month as report month over the past 5 years. SHFE started reporting inventory data from April 2015. <sup>5</sup>All Industrial metals positioning data (excluding copper) is sourced from LME COTR data in Bloomberg from 28th July 14 (first available date). \*\*Brent 5 Yr average of net positions from January 2011 as positions were not reported by CFTC before then and inventory data (OECD) reported with 3 month lag with current = Dec 2017.

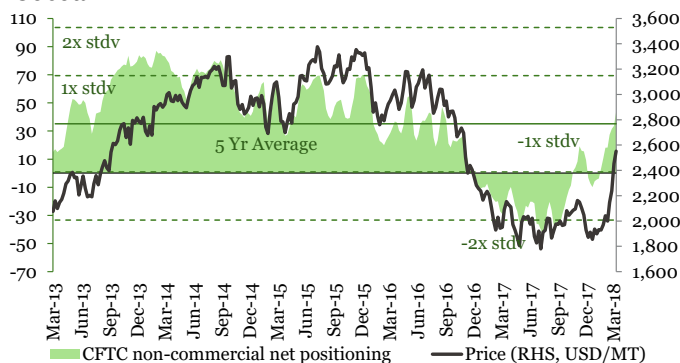
Historical performance is not an indication of future performance and any investments may go down in value.

# CFTC Speculative Net Long Futures Positions

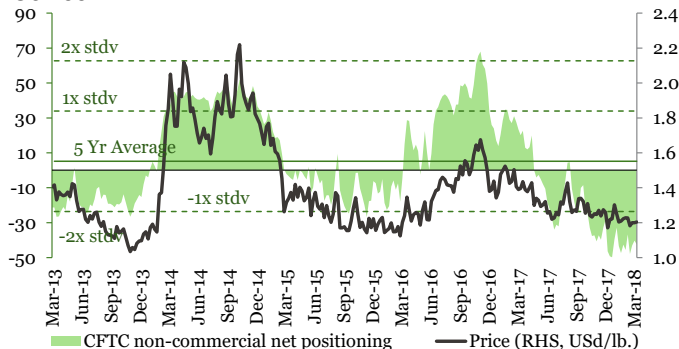


## Agriculture

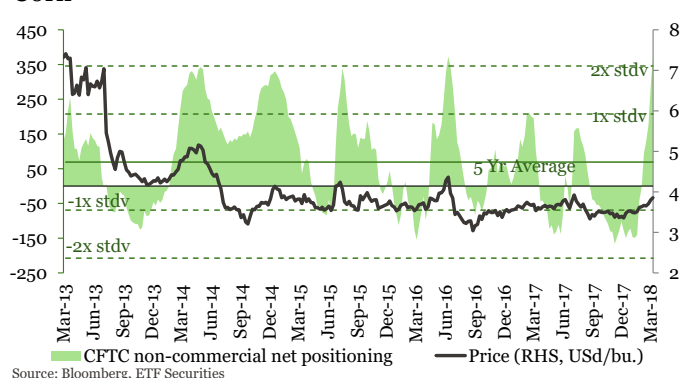
### Cocoa



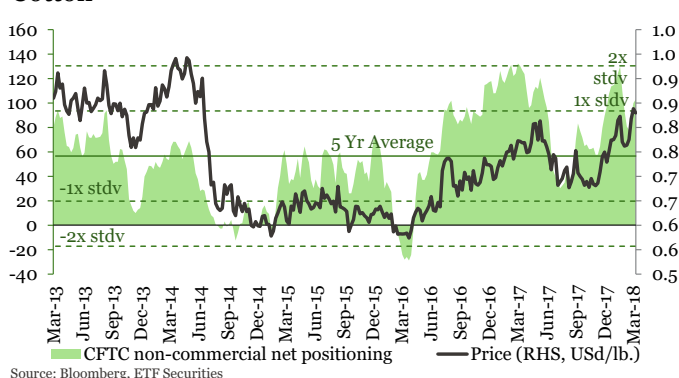
### Coffee



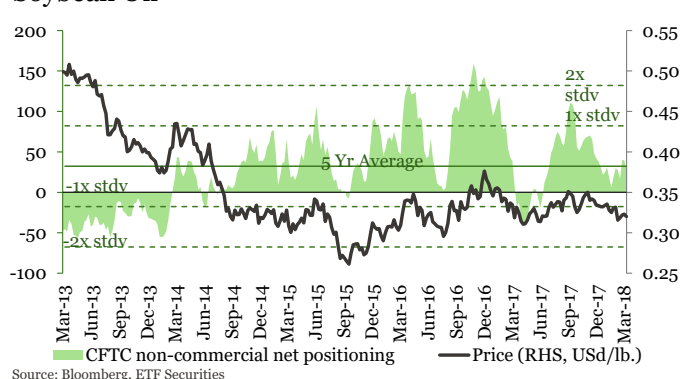
### Corn



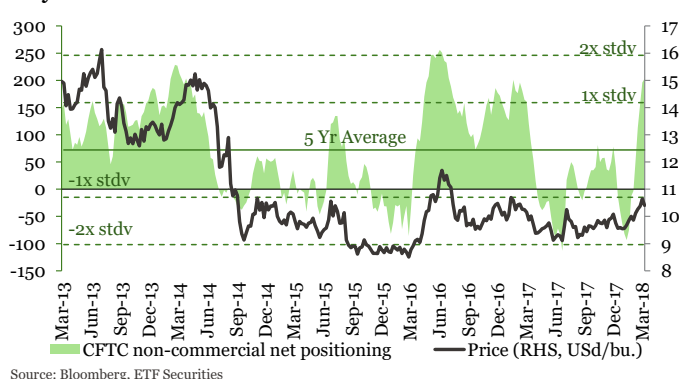
### Cotton



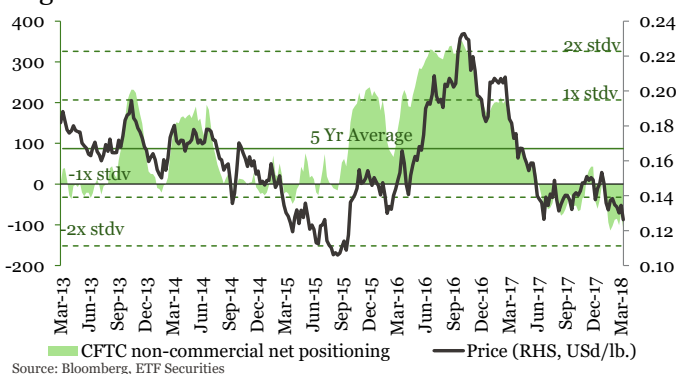
### Soybean Oil



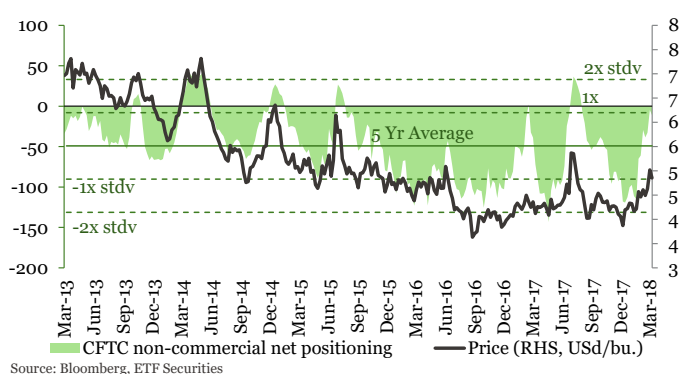
### Soybeans



### Sugar



### Wheat



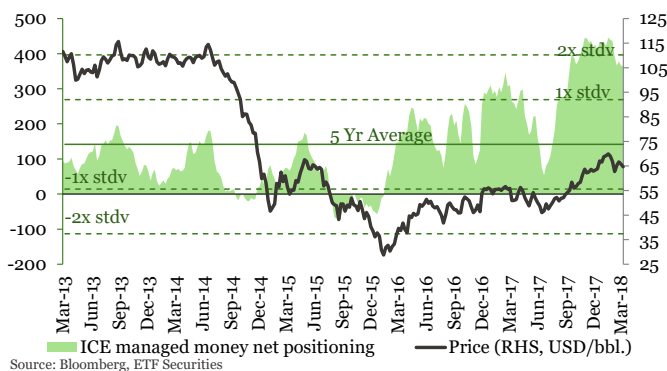
Note: positioning in '000 contracts. Standard deviation based on 5 year average CFTC non-commercial net positioning

All commodity futures price data is denominated in USD unless otherwise indicated.

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

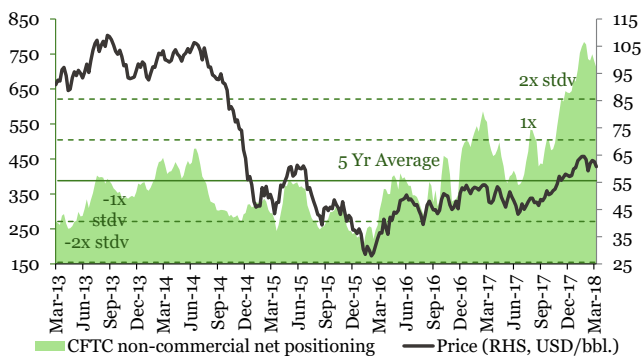
## Energy

### Brent Oil



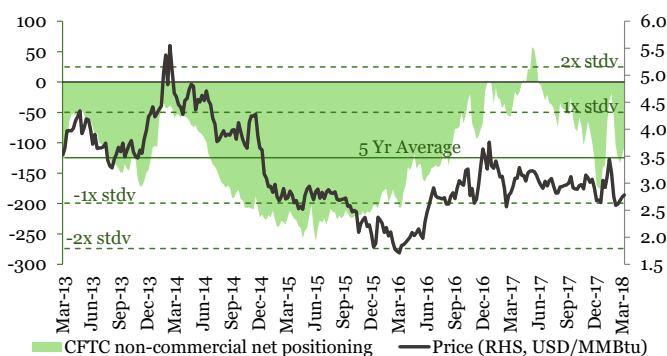
Source: Bloomberg, ETF Securities

### WTI Oil



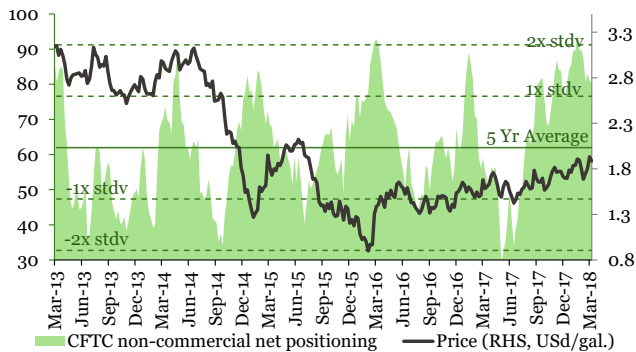
Source: Bloomberg, ETF Securities

### Natural Gas



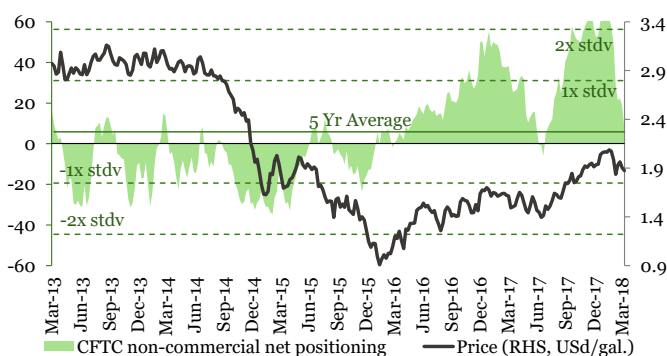
Source: Bloomberg, ETF Securities

### Gasoline



Source: Bloomberg, ETF Securities

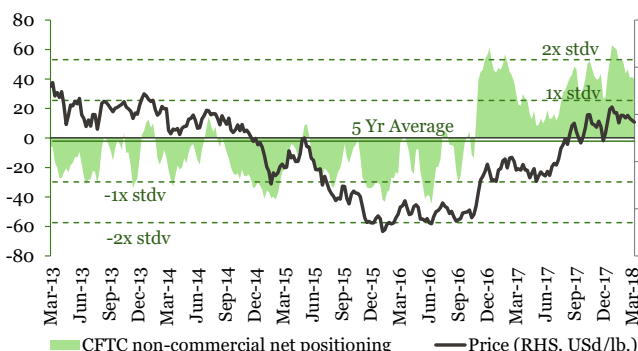
### Heating Oil



Source: Bloomberg, ETF Securities

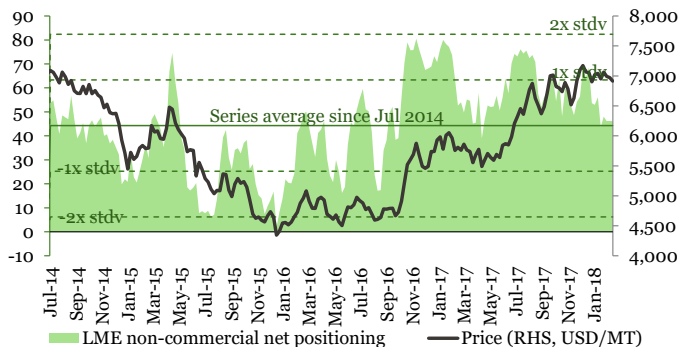
## Industrial Metals

### Copper (COMEX)



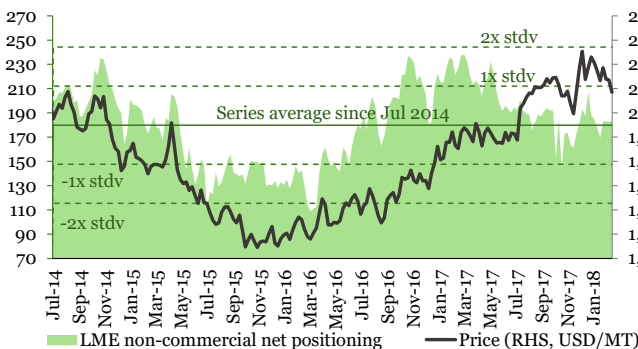
Source: Bloomberg, ETF Securities

### Copper (LME)



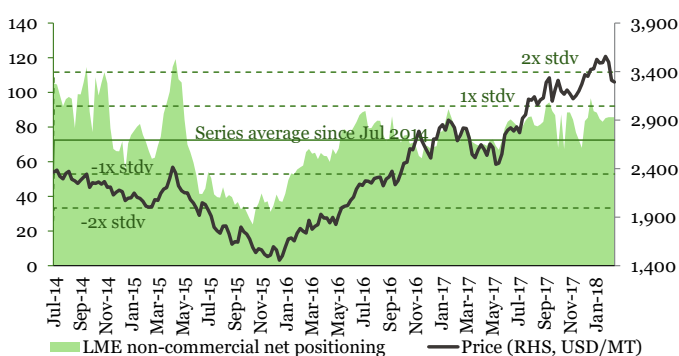
Source: Bloomberg, ETF Securities

### Aluminum



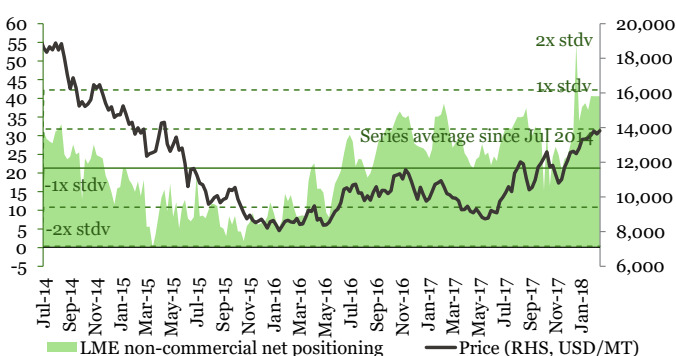
Source: Bloomberg, ETF Securities

### Zinc



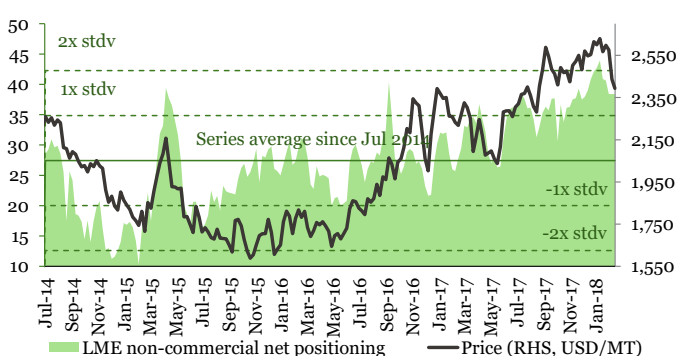
Source: Bloomberg, ETF Securities

### Nickel



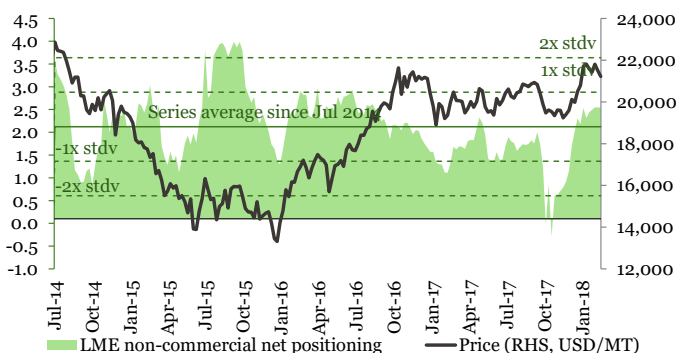
Source: Bloomberg, ETF Securities

### Lead



Source: Bloomberg, ETF Securities

### Tin

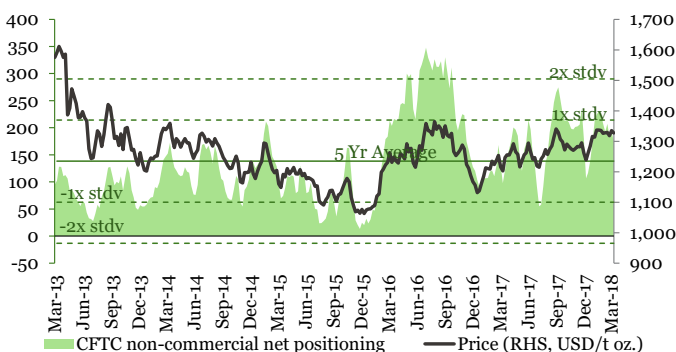


Source: Bloomberg, ETF Securities

Note: positioning in '000 contracts. Standard deviation based on 5 year average CFTC non-commercial net positioning. LME non-commercial net positions averaged from 28<sup>th</sup> July 14 and respective graphs represent daily data. All commodity futures price data is denominated in USD unless otherwise indicated.  
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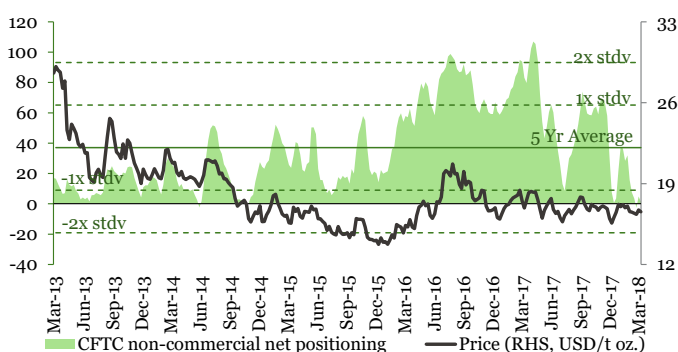
## Precious Metals

### Gold



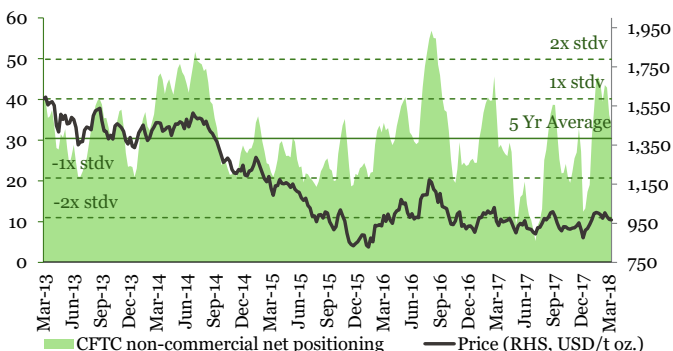
Source: Bloomberg, ETF Securities

### Silver



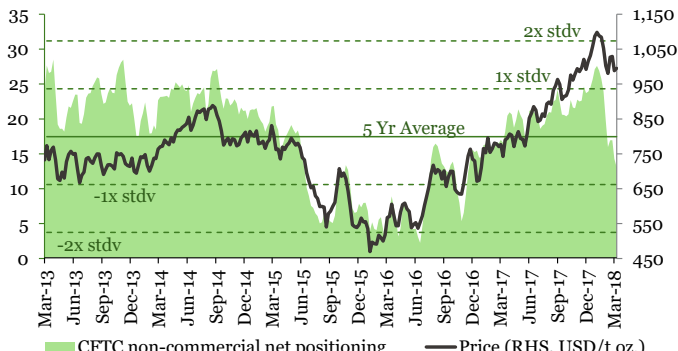
Source: Bloomberg, ETF Securities

### Platinum



Source: Bloomberg, ETF Securities

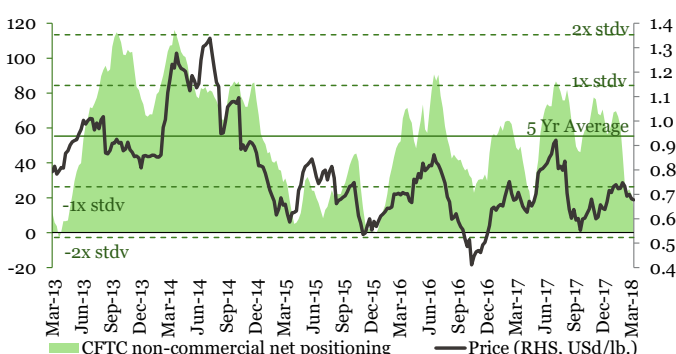
### Palladium



Source: Bloomberg, ETF Securities

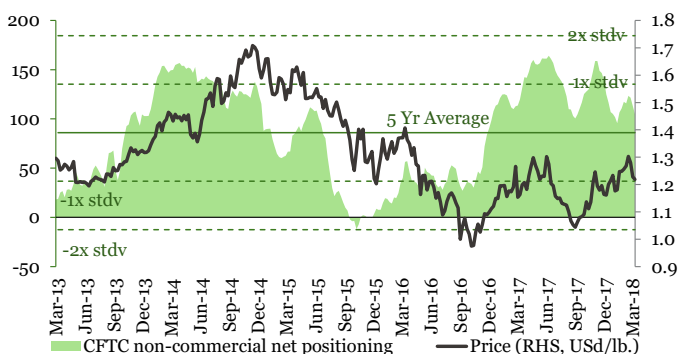
## Livestock

### Lean Hogs



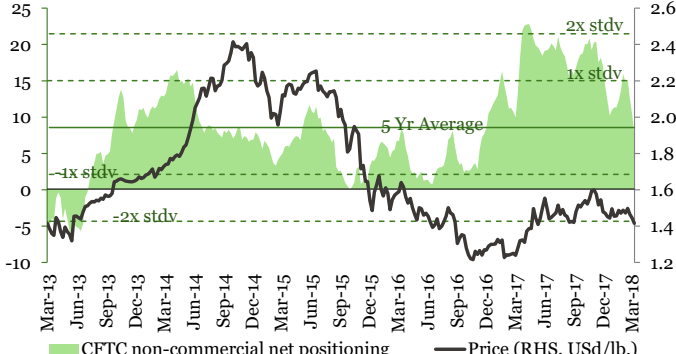
Source: Bloomberg, ETF Securities

### Live Cattle



Source: Bloomberg, ETF Securities

### Feeder Cattle



Source: Bloomberg, ETF Securities

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

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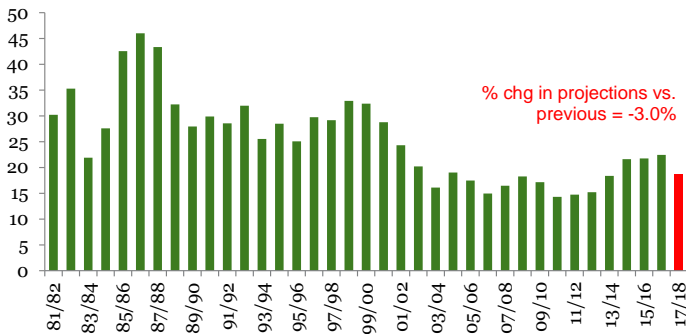
# Inventories



## Agriculture

### Corn - Stock to Use

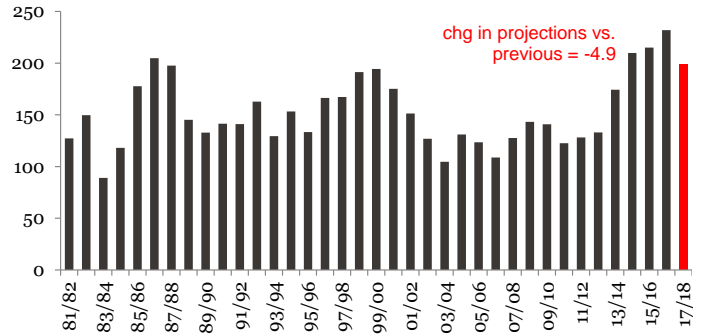
Annual data in %, from 1980 to 2017



Source: USDA, Bloomberg, ETF Securities

### Corn - Ending Stocks

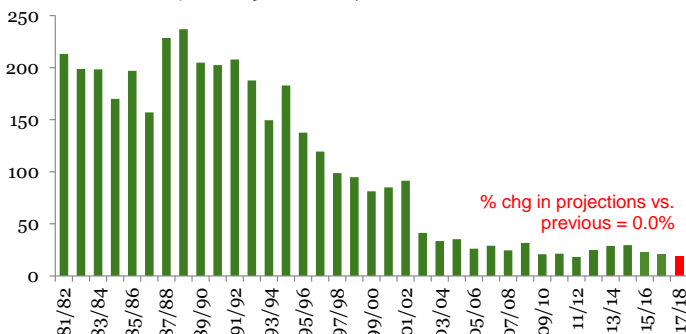
Annual data in mln tons, from 1980 to 2017



Source: USDA, Bloomberg, ETF Securities

### Coffee - Stock to Use

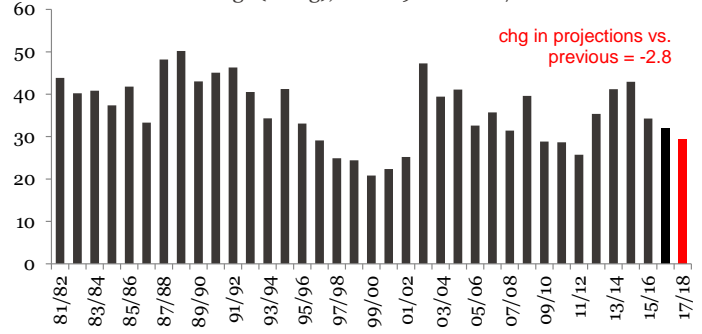
Annual data in %, from 1980 to 2017



Source: USDA, Bloomberg, ETF Securities

### Coffee - Ending Stocks

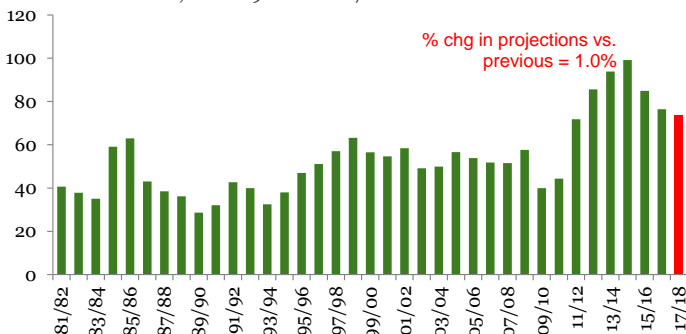
Annual data in mln bags (60 kg), from 1980 to 2017



Source: USDA, Bloomberg, ETF Securities

### Cotton - Stock to Use

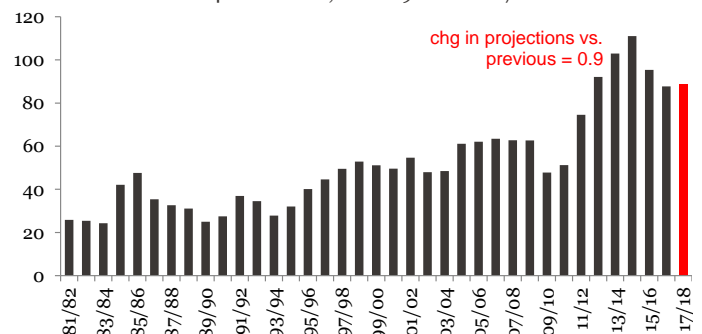
Annual data in %, from 1980 to 2017



Source: USDA, Bloomberg, ETF Securities

### Cotton - Ending Stocks

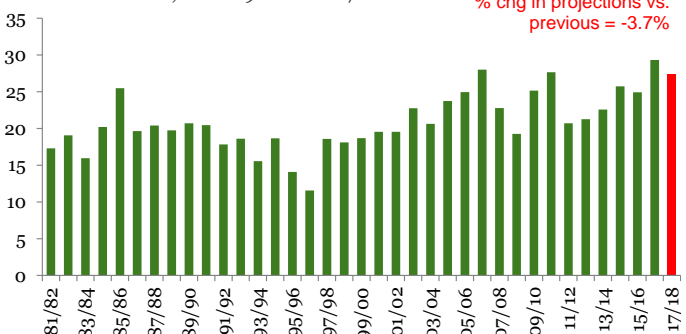
Annual data in mln 480 lb Bales, from 1980 to 2017



Source: USDA, Bloomberg, ETF Securities

### Soybeans - Stock to Use

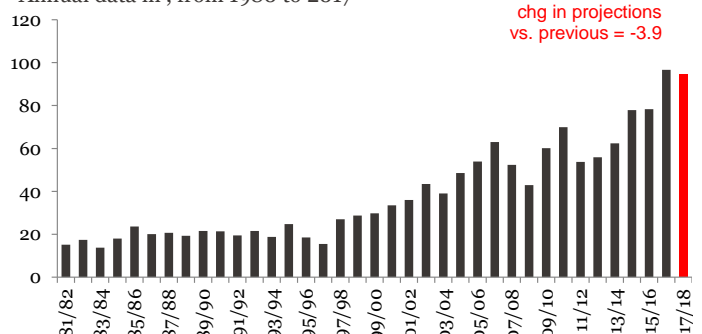
Annual data in %, from 1980 to 2017



Source: USDA, Bloomberg, ETF Securities

### Soybeans - Ending Stocks

Annual data in , from 1980 to 2017

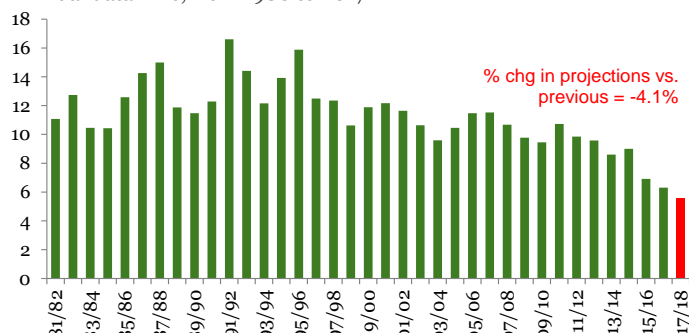


Source: USDA, Bloomberg, ETF Securities

Note: Ending stocks, inventories and stock to use data from the USDA are annual with monthly update of 2017/2018 estimates.  
**Historical performance is not an indication of future performance and any investments may go down in value.**

## Soybean Oil - Stock to Use

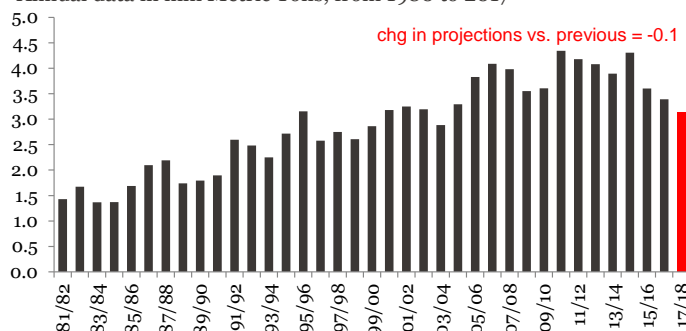
Annual data in %, from 1980 to 2017



Source: USDA, Bloomberg, ETF Securities

## Soybean Oil - Ending Stocks

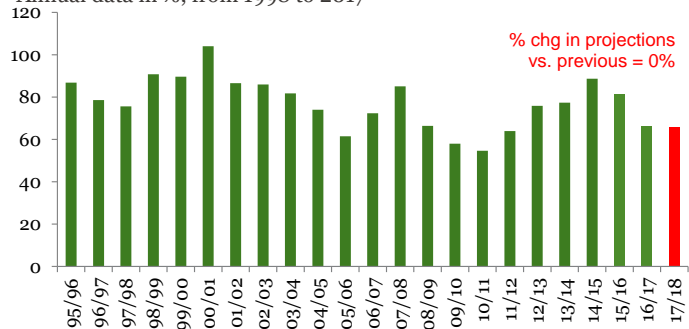
Annual data in mln Metric Tons, from 1980 to 2017



Source: USDA, Bloomberg, ETF Securities

## Sugar - Stock to Use

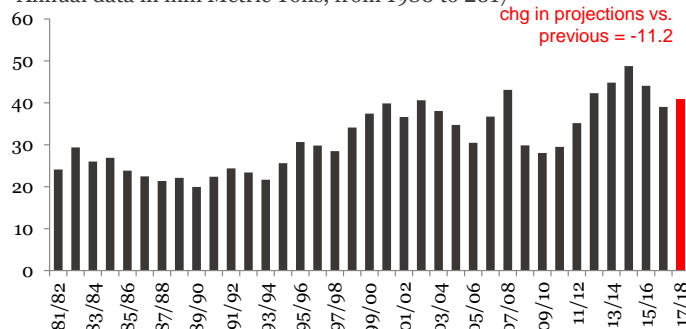
Annual data in %, from 1998 to 2017



Source: USDA, Bloomberg, ETF Securities

## Sugar - Ending Stocks

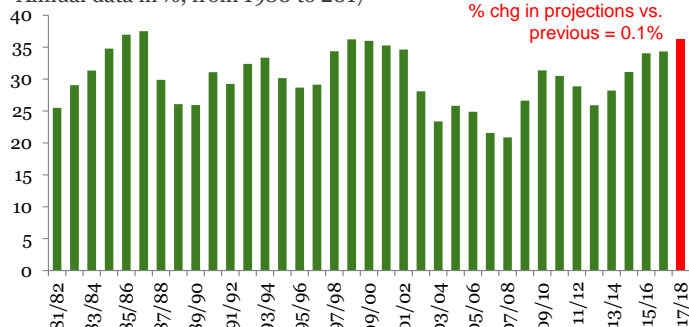
Annual data in mln Metric Tons, from 1980 to 2017



Source: USDA, Bloomberg, ETF Securities

## Wheat - Stock to Use

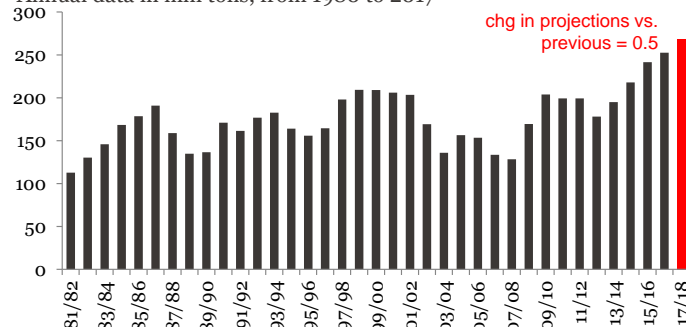
Annual data in %, from 1980 to 2017



Source: USDA, Bloomberg, ETF Securities

## Wheat - Ending Stocks

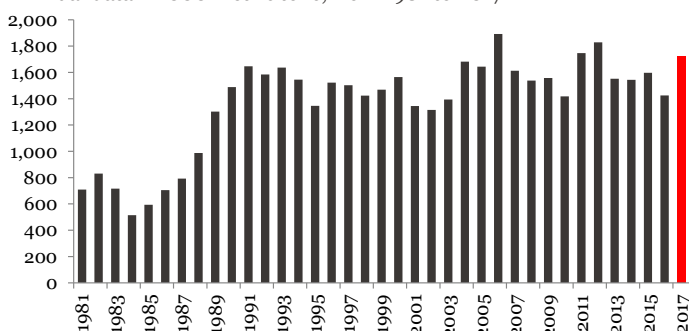
Annual data in mln tons, from 1980 to 2017



Source: USDA, Bloomberg, ETF Securities

## Cocoa - Inventory

Annual data in '000 metric tons, from 1981 to 2017

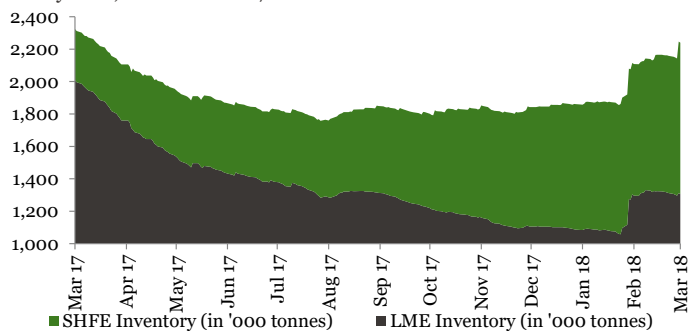


Source: International Cocoa Organisation, Bloomberg, ETF Securities

## Industrial Metals

### Aluminum Inventory

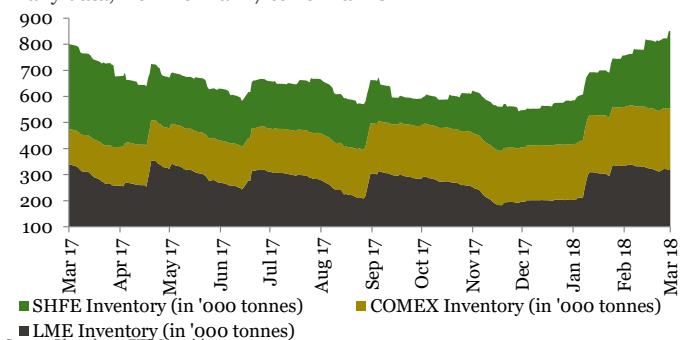
Daily data, from 16 Mar 17 to 16 Mar 18



Source: Bloomberg, ETF Securities

### Copper Inventory

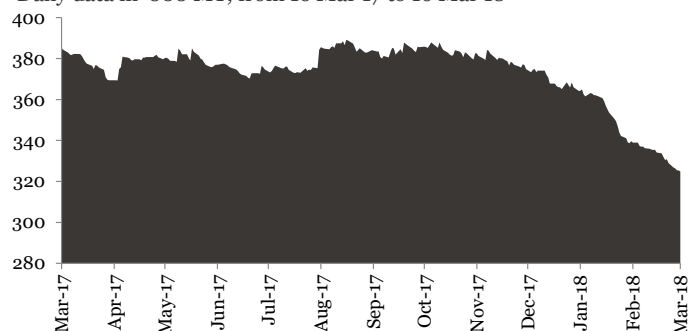
Daily data, from 16 Mar 17 to 16 Mar 18



Source: Bloomberg, ETF Securities

### Nickel Inventory

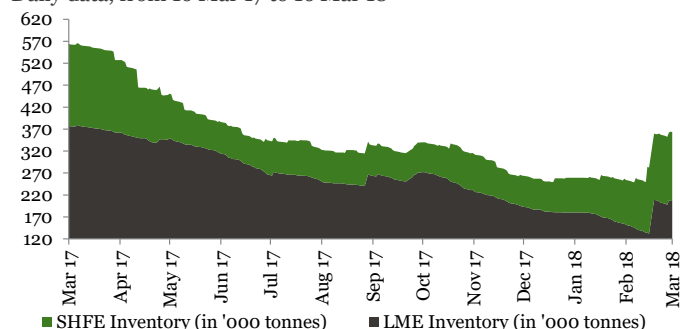
Daily data in '000 MT, from 16 Mar 17 to 16 Mar 18



Source: LME, Bloomberg, ETF Securities

### Zinc Inventory

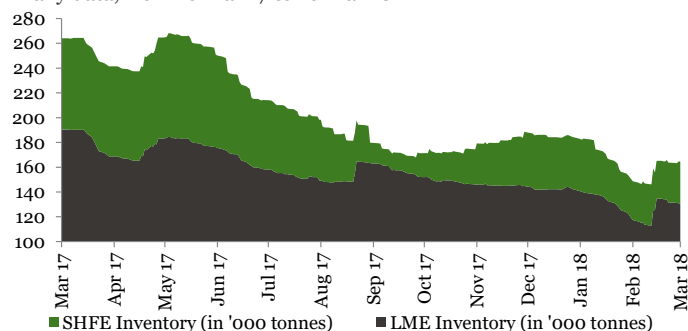
Daily data, from 16 Mar 17 to 16 Mar 18



Source: Bloomberg, ETF Securities

### Lead Inventory

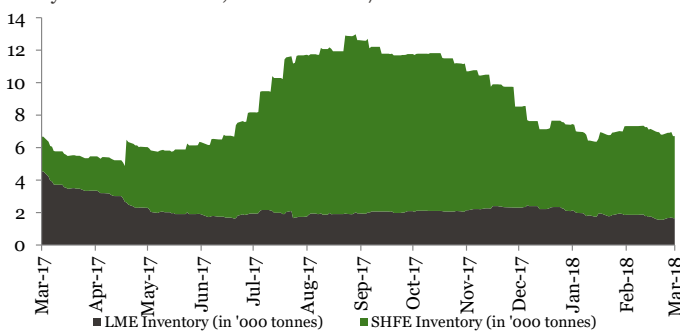
Daily data, from 16 Mar 17 to 16 Mar 18



Source: Bloomberg, ETF Securities

### Tin Inventory

Daily data in '000 MT, from 16 Mar 17 to 16 Mar 18

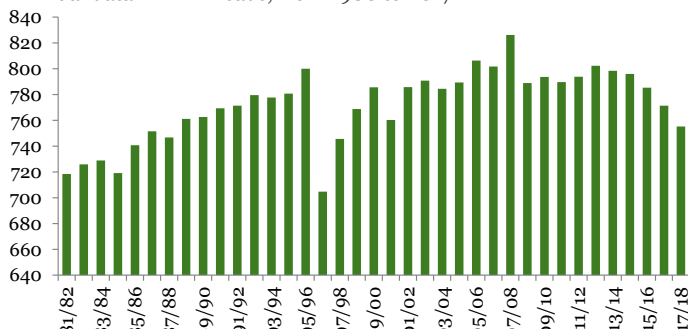


Source: LME, Bloomberg, ETF Securities

## Livestock

### Lean Hogs Inventory

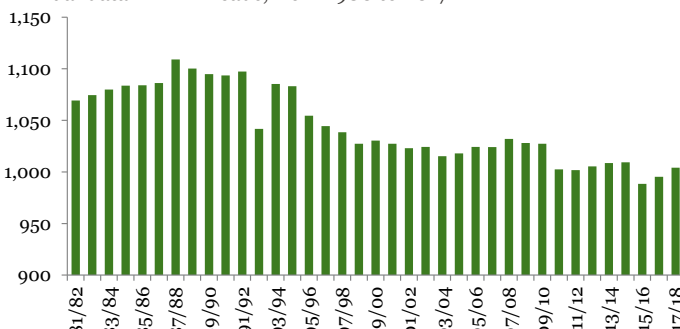
Annual data in mln Heads, from 1980 to 2017



Source: USDA, Bloomberg, ETF Securities

### Live Cattle Inventory

Annual data in mln Heads, from 1980 to 2017

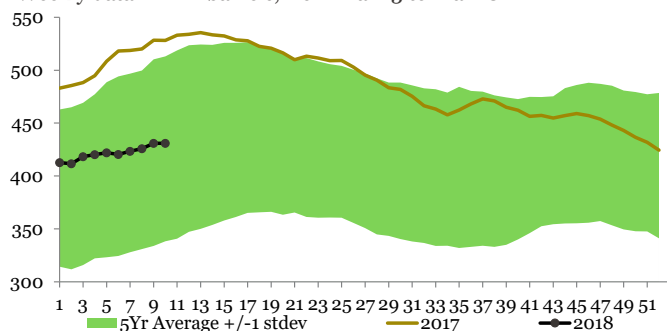


Source: USDA, Bloomberg, ETF Securities

## Energy

### US Oil Inventory

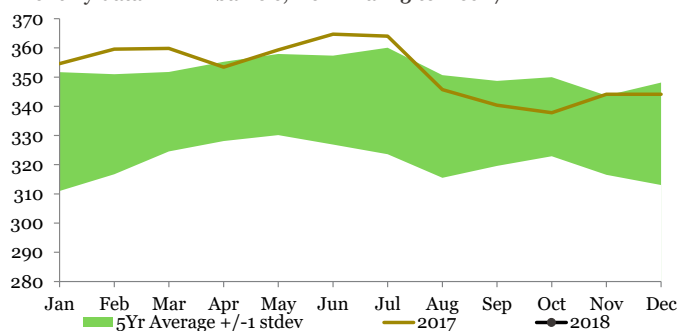
Weekly data in mln barrels, from Mar 13 to Mar 18



Source: DOE, Bloomberg, ETF Securities

### OECD Europe Oil Industry Inventory

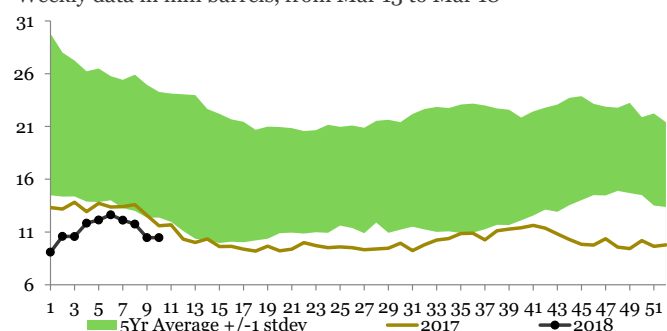
Monthly data in mln barrels, from Mar 13 to Dec 17



Source: DOE, Bloomberg, ETF Securities

### Heating Oil Inventory

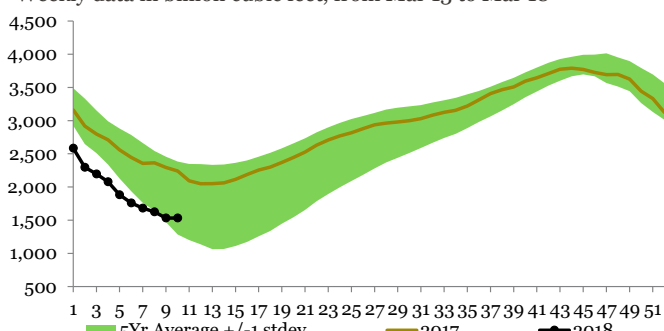
Weekly data in mln barrels, from Mar 13 to Mar 18



Source: DOE, Bloomberg, ETF Securities

### Natural Gas Inventory

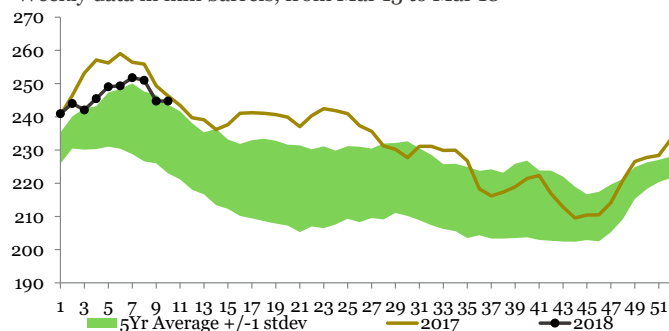
Weekly data in billion cubic feet, from Mar 13 to Mar 18



Source: DOE, Bloomberg, ETF Securities

### Gasoline Inventory

Weekly data in mln barrels, from Mar 13 to Mar 18



Source: DOE, Bloomberg, ETF Securities

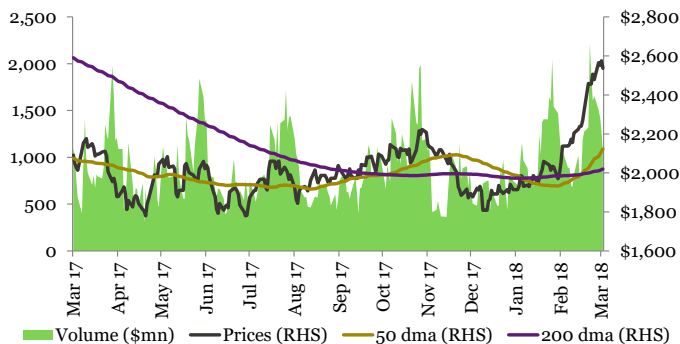
# Commodities Front Month Futures and Trading Volumes



## Agriculture

### Cocoa Front Month Futures Price

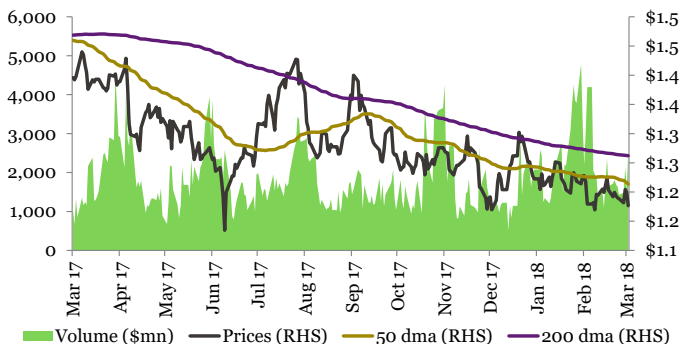
Daily data in USD/MT, from 16 Mar 17 to 16 Mar 18



Source: Bloomberg, ETF Securities

### Coffee Front Month Futures Price

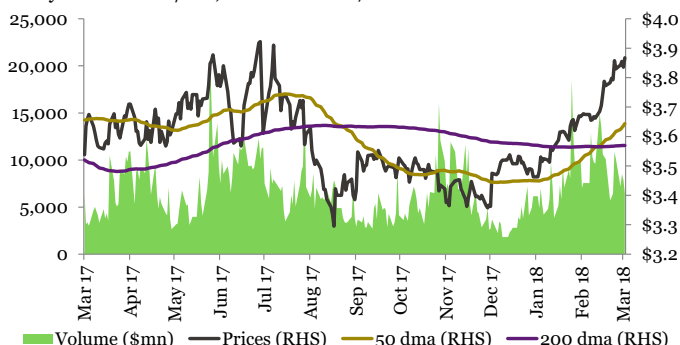
Daily data in USD/lb., from 16 Mar 17 to 16 Mar 18



Source: Bloomberg, ETF Securities

### Corn Front Month Futures Price

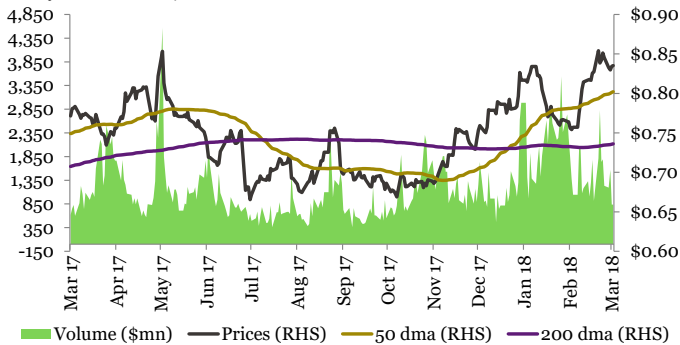
Daily data in USD/bu., from 16 Mar 17 to 16 Mar 18



Source: Bloomberg, ETF Securities

### Cotton Front Month Futures Price

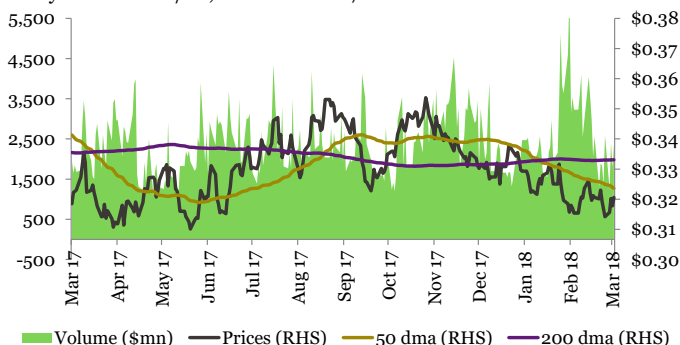
Daily data in USD/lb., from 16 Mar 17 to 16 Mar 18



Source: Bloomberg, ETF Securities

### Soybean Oil Front Month Futures Price

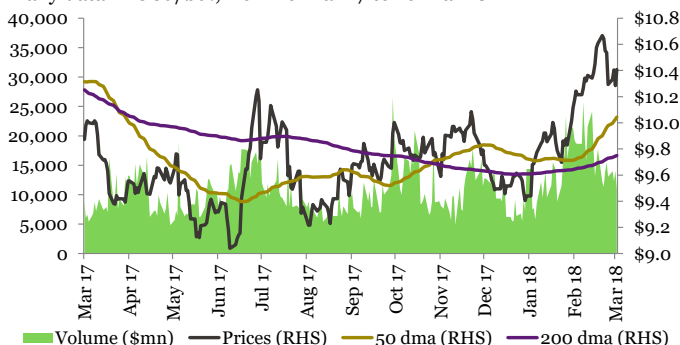
Daily data in USD/lb., from 16 Mar 17 to 16 Mar 18



Source: Bloomberg, ETF Securities

### Soybeans Front Month Futures Price

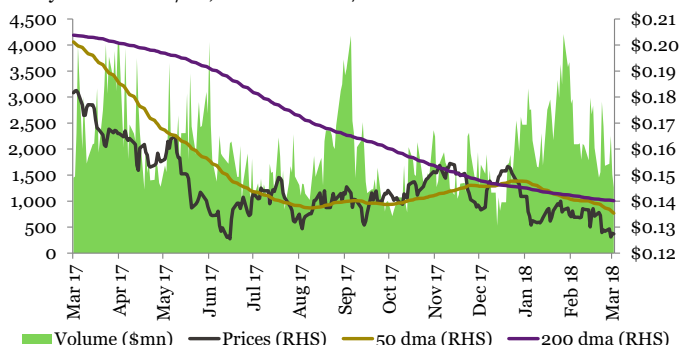
Daily data in USD/bu., from 16 Mar 17 to 16 Mar 18



Source: Bloomberg, ETF Securities

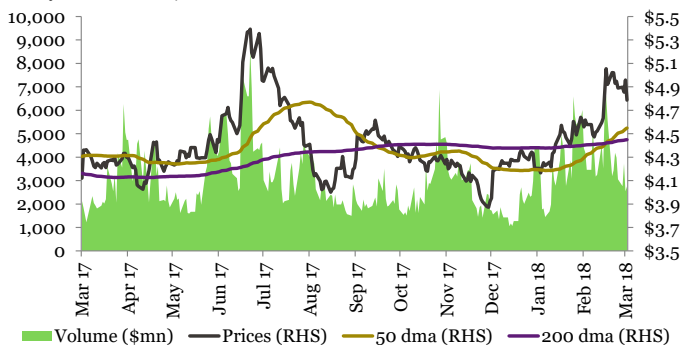
### Sugar Front Month Futures Price

Daily data in USD/lb., from 16 Mar 17 to 16 Mar 18



### Wheat Front Month Futures Price

Daily data in USD/bu., from 16 Mar 17 to 16 Mar 18



Source: Bloomberg, ETF Securities

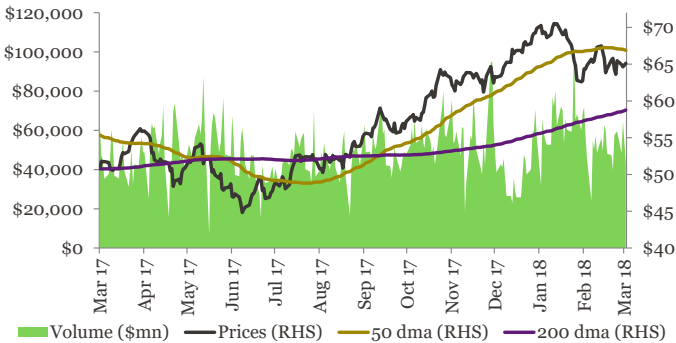
Note: all commodity futures trading volume and price data is denominated in USD unless otherwise indicated.

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## Energy

### Brent Oil Front Month Futures Price

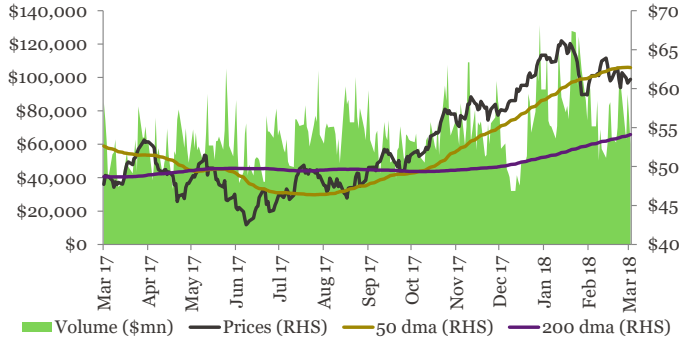
Daily data in USD/bbl., from 16 Mar 17 to 16 Mar 18



Source: Bloomberg, ETF Securities

### WTI Oil Front Month Futures Price

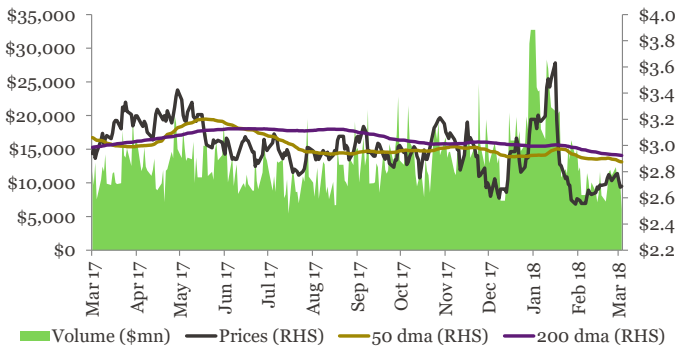
Daily data in USD/bbl., from 16 Mar 17 to 16 Mar 18



Source: Bloomberg, ETF Securities

### Natural Gas Front Month Futures Price

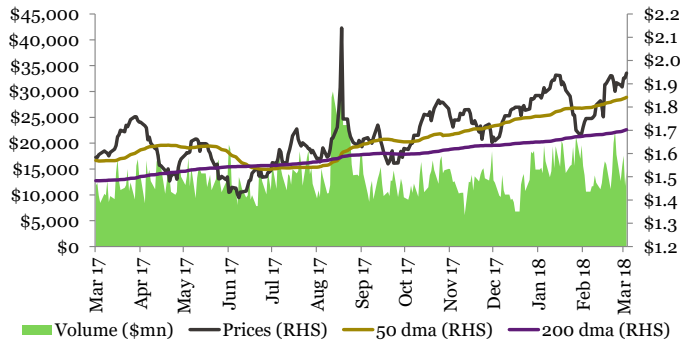
Daily data in USD/MMBtu, from 16 Mar 17 to 16 Mar 18



Source: Bloomberg, ETF Securities

### Gasoline Front Month Futures Price

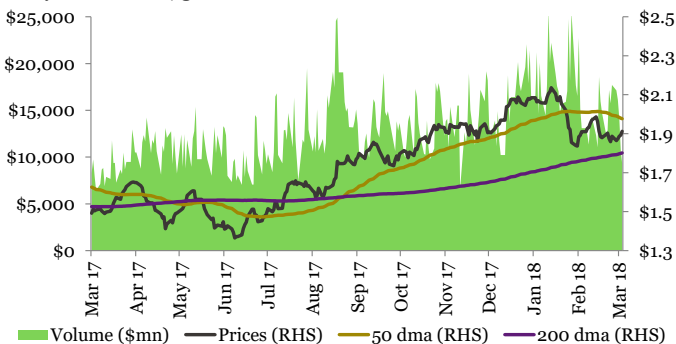
Daily data in USD/gal., from 16 Mar 17 to 16 Mar 18



Source: Bloomberg, ETF Securities

### Heating Oil Front Month Futures Price

Daily data in USD/gal., from 16 Mar 17 to 16 Mar 18

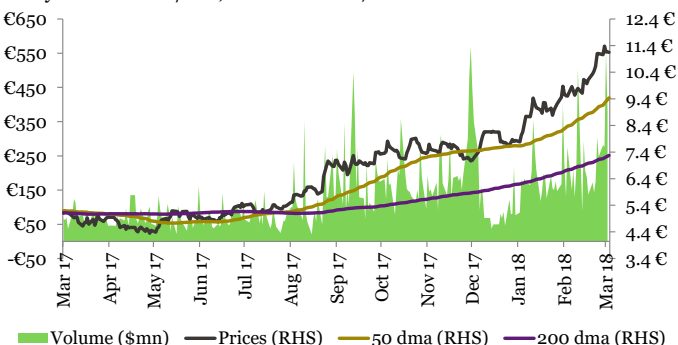


Source: Bloomberg, ETF Securities

## Carbon

### Carbon Front Month Futures Price

Daily data in EUR/MT, from 16 Mar 17 to 16 Mar 18



Source: Bloomberg, ETF Securities

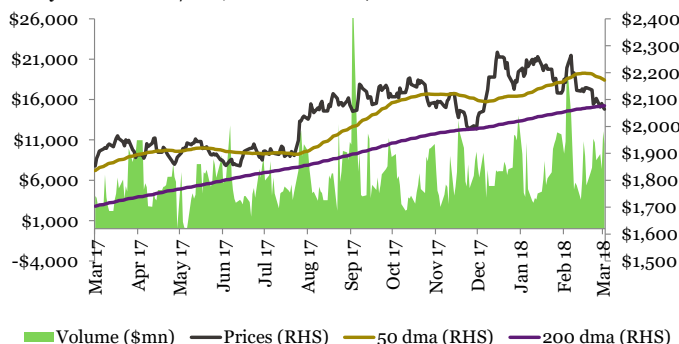
Note: all commodity futures trading volume and price data is denominated in USD unless otherwise indicated.

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## Industrial Metals

### Aluminum Front Month Futures Price

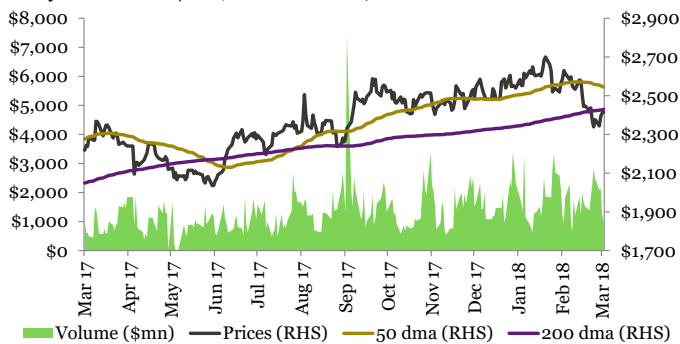
Daily data in USD/MT, from 16 Mar 17 to 16 Mar 18



Source: Bloomberg, ETF Securities

### Lead Front Month Futures Price

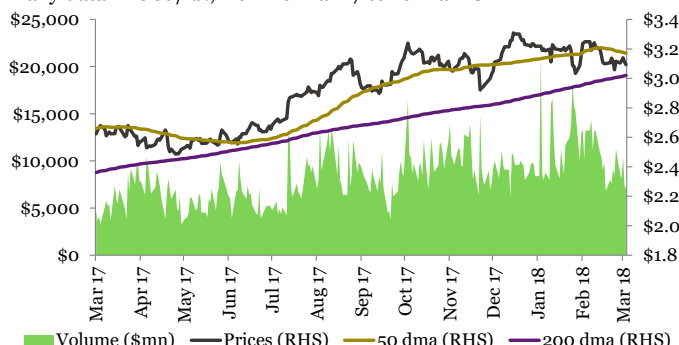
Daily data in USD/MT, from 16 Mar 17 to 16 Mar 18



Source: Bloomberg, ETF Securities

### Copper (COMEX) Front Month Futures Price

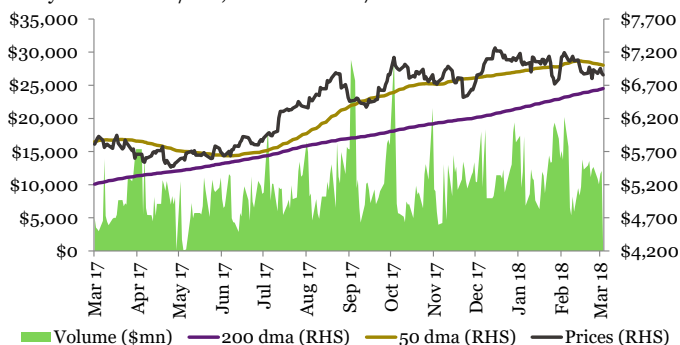
Daily data in USD/lb., from 16 Mar 17 to 16 Mar 18



Source: Bloomberg, ETF Securities

### Copper (LME) Front Month Futures Price

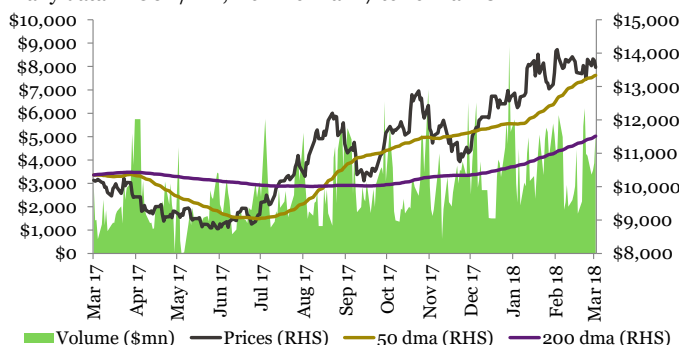
Daily data in USD/MT, from 16 Mar 17 to 16 Mar 18



Source: Bloomberg, ETF Securities

### Nickel Front Month Futures Price

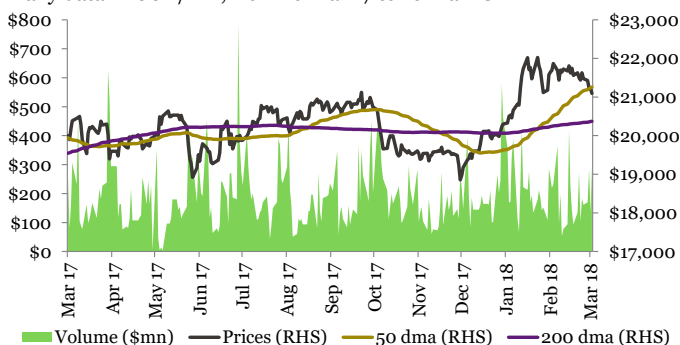
Daily data in USD/MT, from 16 Mar 17 to 16 Mar 18



Source: Bloomberg, ETF Securities

### Tin Front Month Futures Price

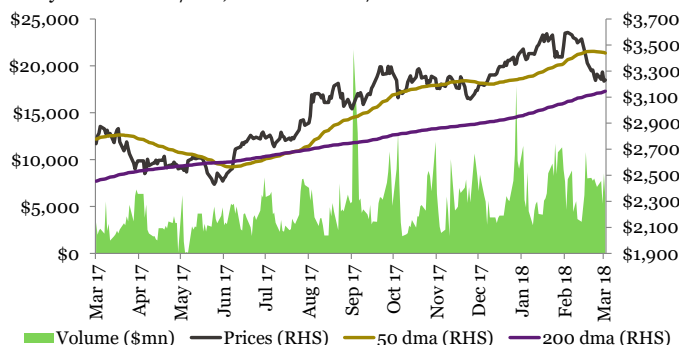
Daily data in USD/MT, from 16 Mar 17 to 16 Mar 18



Source: Bloomberg, ETF Securities

### Zinc Front Month Futures Price

Daily data in USD/MT, from 16 Mar 17 to 16 Mar 18



Source: Bloomberg, ETF Securities

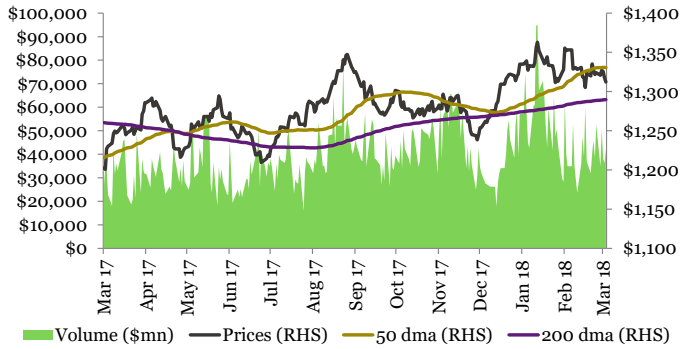
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## Precious Metals

### Gold Front Month Futures Price

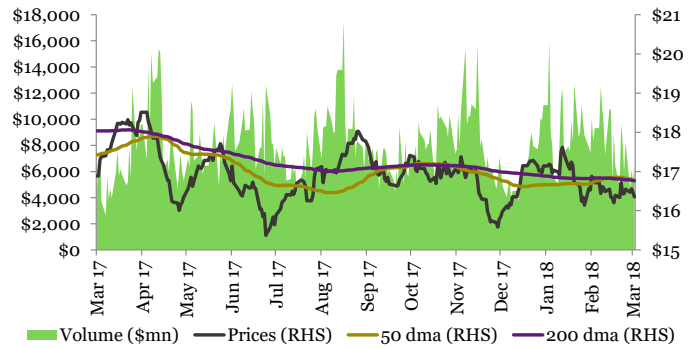
Daily data in USD/t oz., from 16 Mar 17 to 16 Mar 18



Source: Bloomberg, ETF Securities

### Silver Front Month Futures Price

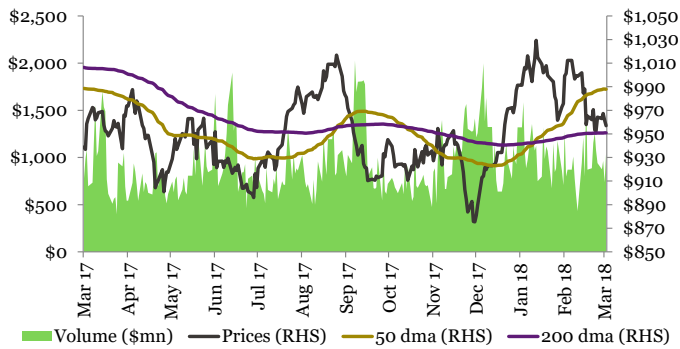
Daily data in USD/t oz., from 16 Mar 17 to 16 Mar 18



Source: Bloomberg, ETF Securities

### Platinum Front Month Futures Price

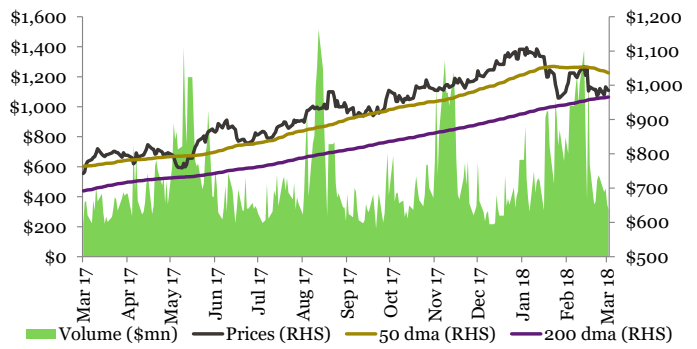
Daily data in USD/t oz., from 16 Mar 17 to 16 Mar 18



Source: Bloomberg, ETF Securities

### Palladium Front Month Futures Price

Daily data in USD/t oz., from 16 Mar 17 to 16 Mar 18

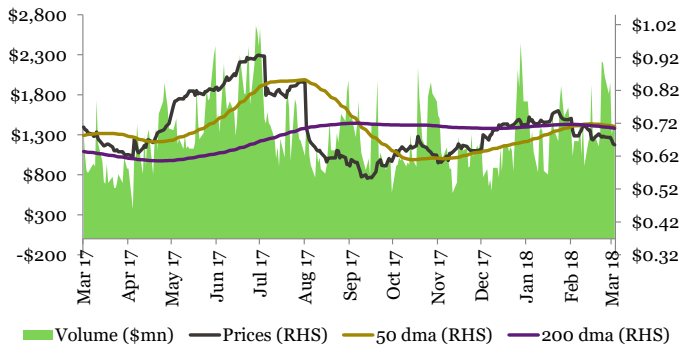


Source: Bloomberg, ETF Securities

## Livestock

### Lean Hogs Front Month Futures Price

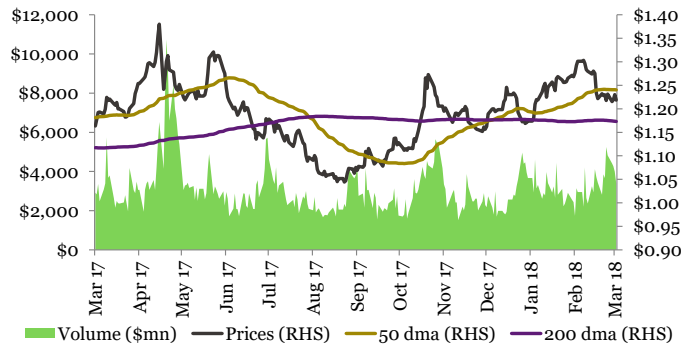
Daily data in USD/lb., from 16 Mar 17 to 16 Mar 18



Source: Bloomberg, ETF Securities

### Live Cattle Front Month Futures Price

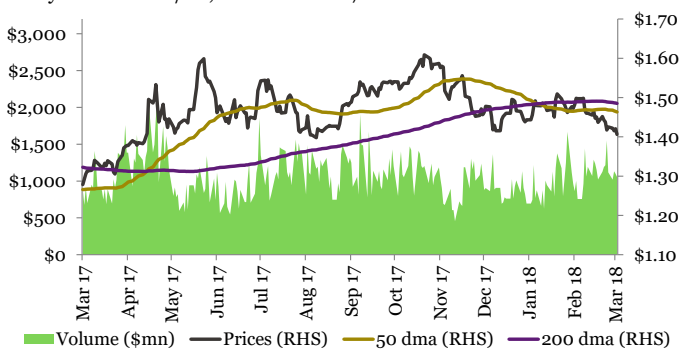
Daily data in USD/lb., from 16 Mar 17 to 16 Mar 18



Source: Bloomberg, ETF Securities

### Feeder Cattle Front Month Futures Price

Daily data in USD/lb., from 16 Mar 17 to 16 Mar 18



Source: Bloomberg, ETF Securities

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

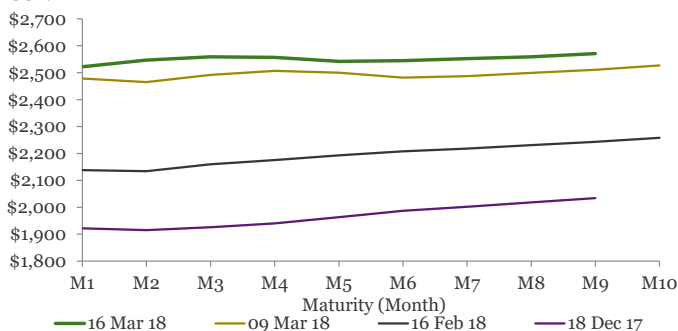
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# Futures Curves

## Agriculture

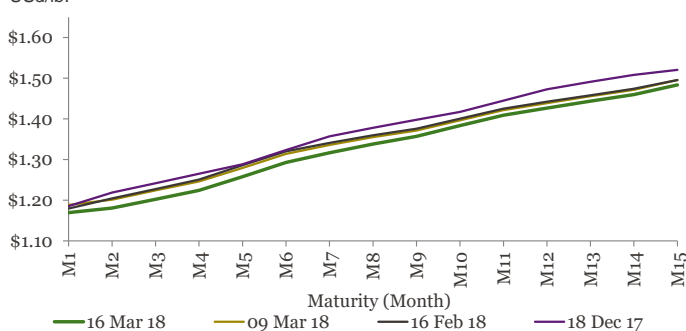
### Cocoa Futures

USD/MT



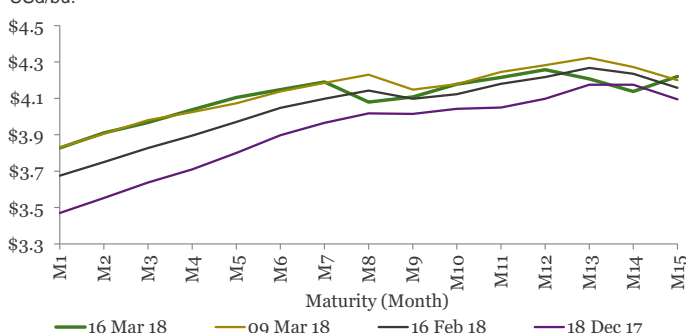
### Coffee Futures

USD/lb.



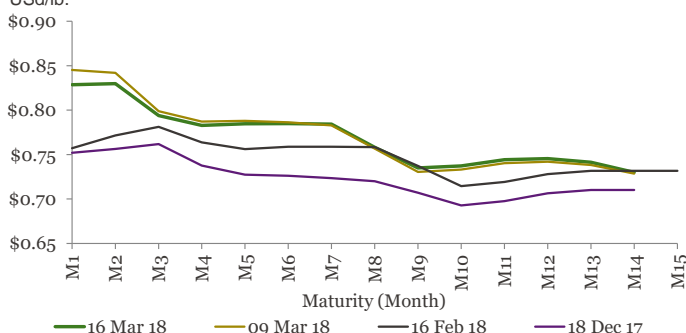
### Corn Futures

USD/bu.



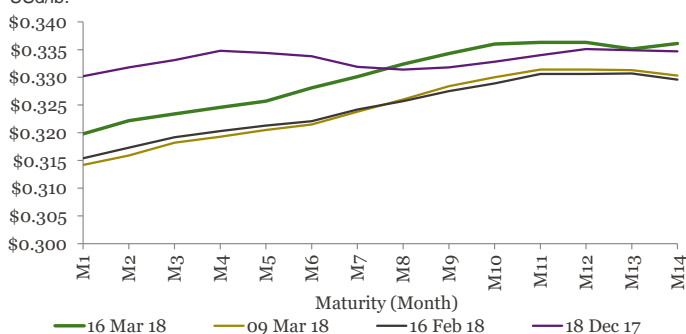
### Cotton Futures

USD/lb.



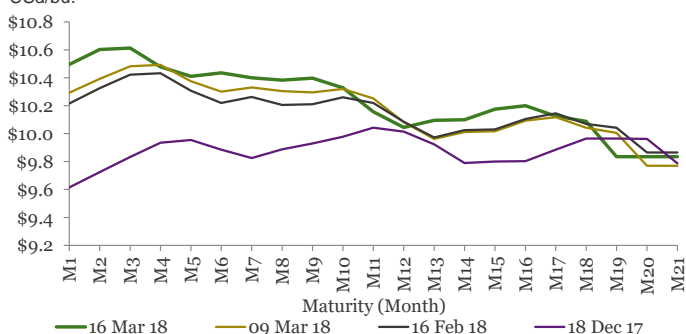
### Soybean Oil Futures

USD/lb.



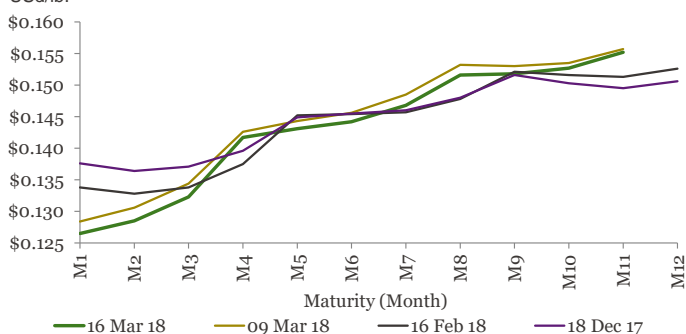
### Soybeans Futures

USD/bu.



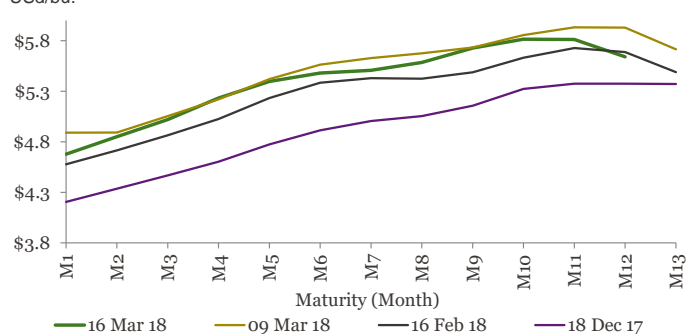
### Sugar Futures

USD/lb.



### Wheat Futures

USD/bu.

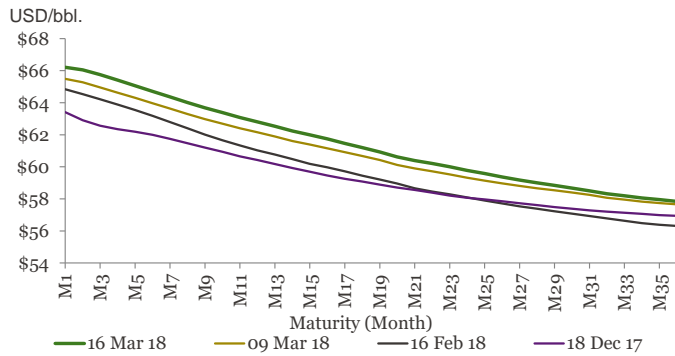


Note: all commodity futures price data is denominated in USD unless otherwise indicated.

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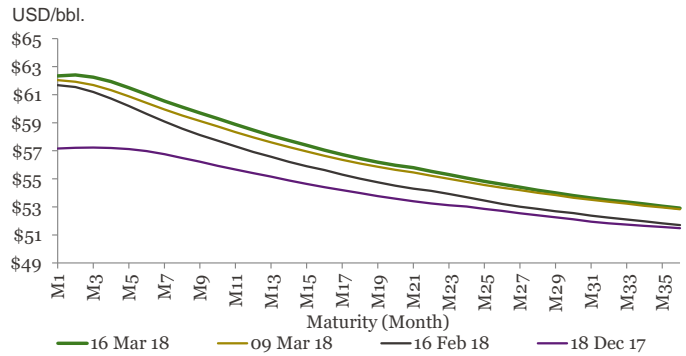
## Energy

### Brent Oil Futures



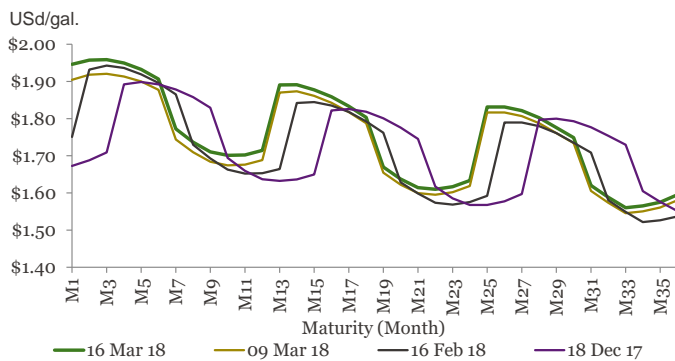
Source: Bloomberg, ETF Securities

### WTI Oil Futures



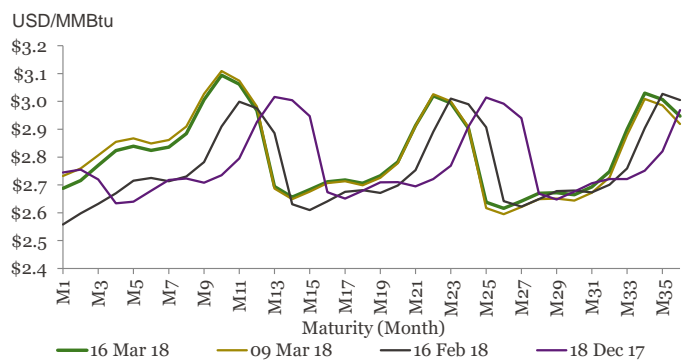
Source: Bloomberg, ETF Securities

### Gasoline Futures



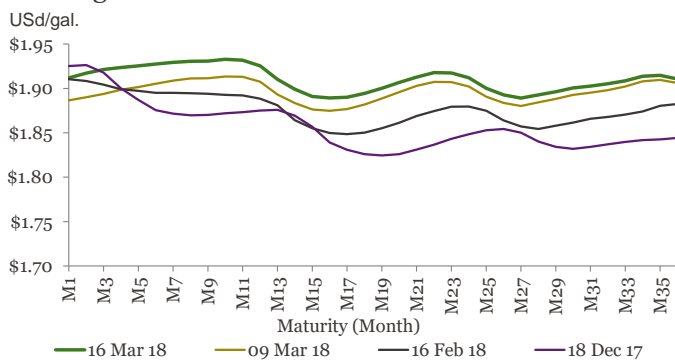
Source: Bloomberg, ETF Securities

### Natural Gas Futures



Source: Bloomberg, ETF Securities

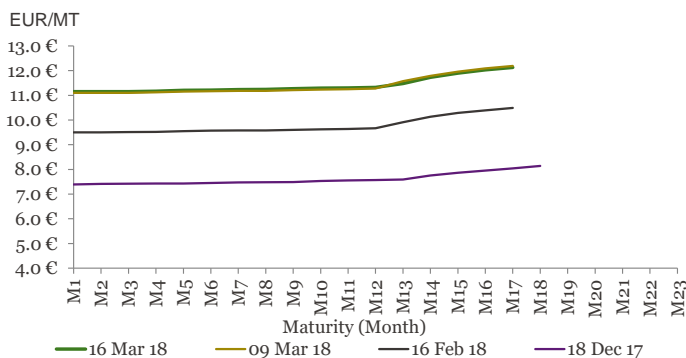
### Heating Oil Futures



Source: Bloomberg, ETF Securities

## Carbon

### Carbon Futures



Source: Bloomberg, ETF Securities

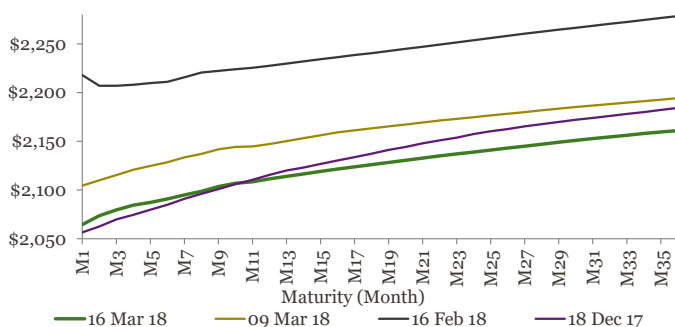
Note: all commodity futures price data is denominated in USD unless otherwise indicated.

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## Industrial Metals

### Aluminum Futures

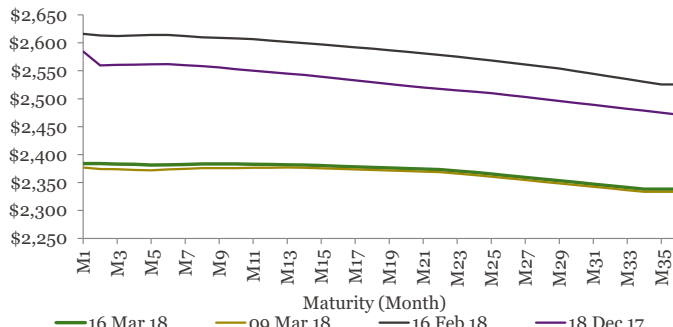
USD/MT



Source: Bloomberg, ETF Securities

### Lead Futures

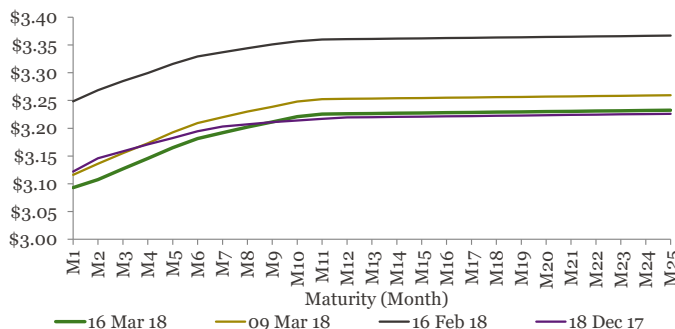
USD/MT



Source: Bloomberg, ETF Securities

### Copper (COMEX) Futures

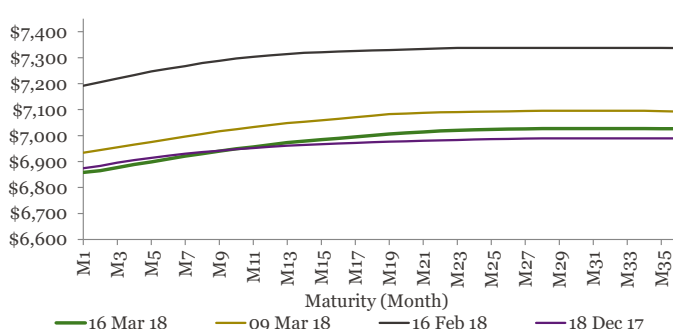
USD/lb.



Source: Bloomberg, ETF Securities

### Copper (LME) Futures

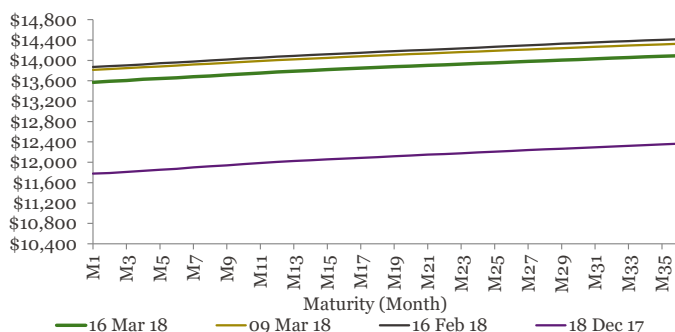
USD/MT



Source: Bloomberg, ETF Securities

### Nickel Futures

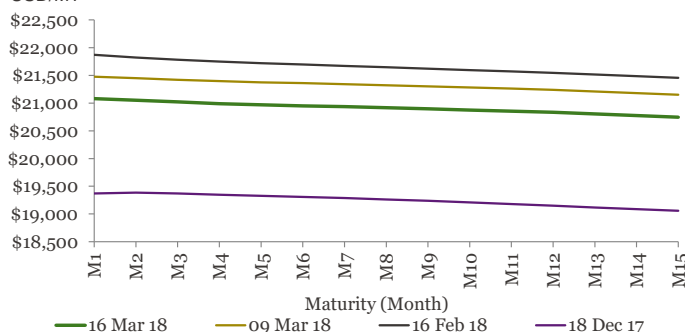
USD/MT



Source: Bloomberg, ETF Securities

### Tin Futures

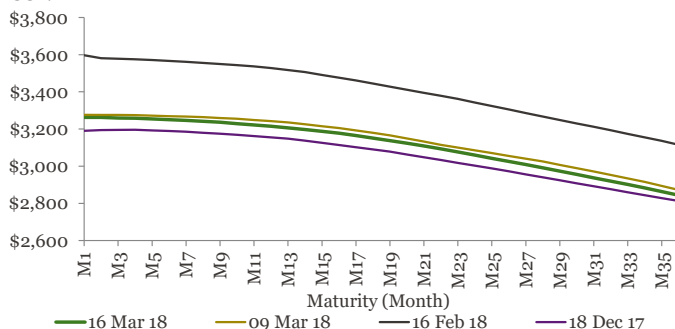
USD/MT



Source: Bloomberg, ETF Securities

### Zinc Futures

USD/MT



Source: Bloomberg, ETF Securities

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

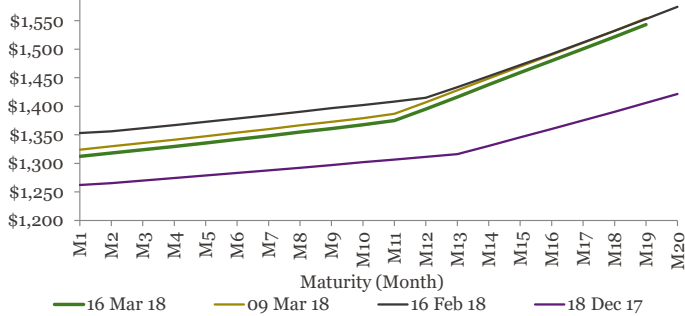
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## Precious Metals

### Gold Futures

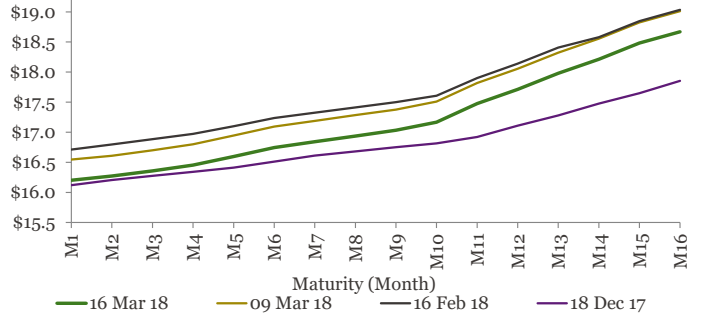
USD/t oz.



Source: Bloomberg, ETF Securities

### Silver Futures

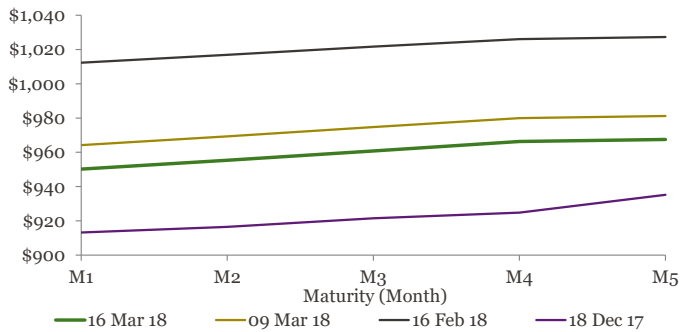
USD/t oz.



Source: Bloomberg, ETF Securities

### Platinum Futures

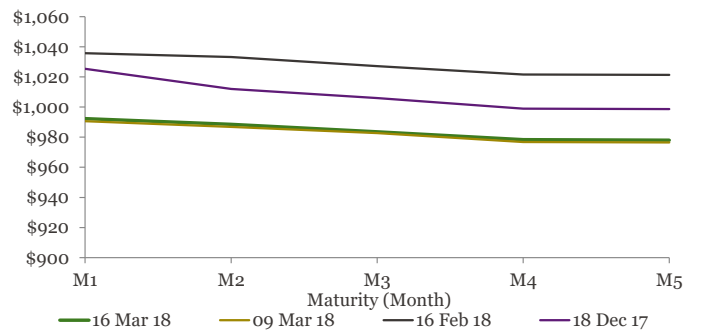
USD/t oz.



Source: Bloomberg, ETF Securities

### Palladium Futures

USD/t oz.

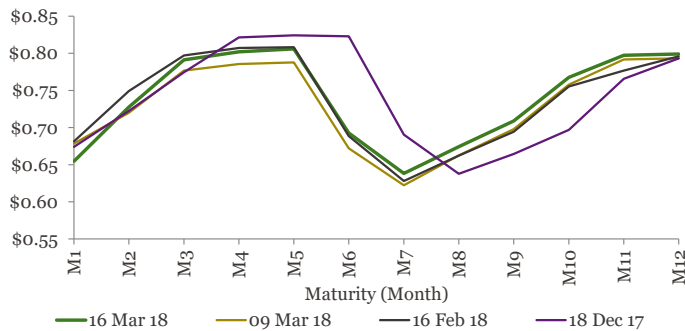


Source: Bloomberg, ETF Securities

## Livestock

### Lean Hogs Futures

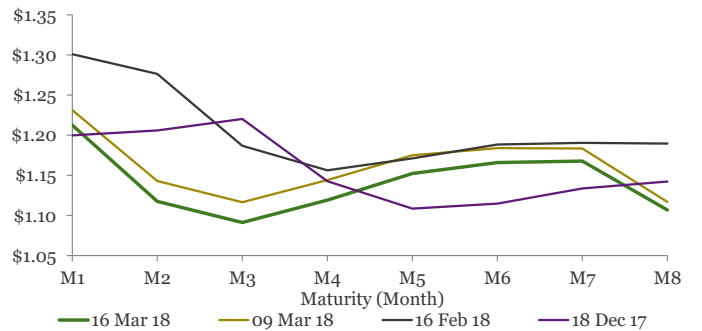
USd/lb.



Source: Bloomberg, ETF Securities

### Live Cattle Futures

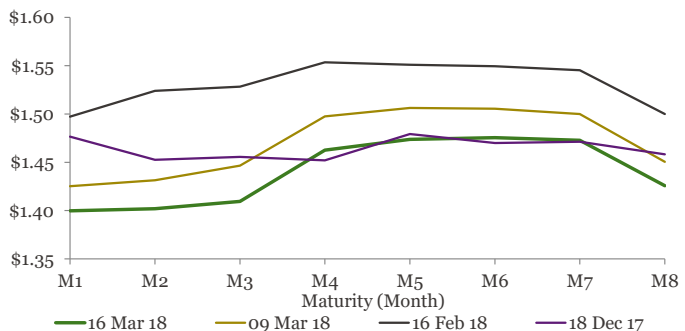
USd/lb.



Source: Bloomberg, ETF Securities

### Feeder Cattle Futures

USd/lb.



Source: Bloomberg, ETF Securities

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

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## Commodity Monthly Matrix Explained

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

The four fundamental/technical measures are as follow:

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

## CALENDAR

ETF Securities - Recent Research Notes		
19-Sep-17	Nitesh Shah	<a href="#">A short-term pull-back in industrial metals likely to open new entry points</a>
26-Sep-17	Morgane Delledone	<a href="#">Open-ended debate over US debt ceiling</a>
03-Oct-17	Edith Southammakosane	<a href="#">Underweight bonds on rising interest rates and inflation expectations</a>
10-Oct-17	Nitesh Shah	<a href="#">Coffee offers upside potential in a depressed soft commodity market</a>
05-Dec-17	Research team	<a href="#">Disruptors going mainstream in 2018</a>
29-Nov-17	Aneeka Gupta	<a href="#">The rebalancing of the Australian economy is the cornerstone of its resilience</a>
12-Dec-17	Edith Southammakosane	<a href="#">A closer look at emerging market equities</a>
16-Jan-18	Nitesh Shah	<a href="#">Silver may benefit from upturn in industrial cycle</a>
23-Jan-18	Martin Arnold	<a href="#">Can the Euro sustain the 2017 rally?</a>
30-Jan-18	Aneeka Gupta	<a href="#">Macro outlook supports the mining sector but further upside remains muted</a>
06-Feb-18	Edith Southammakosane	<a href="#">The potential benefits of real assets in a portfolio</a>
20-Feb-18	Nitesh Shah	<a href="#">Nickel : electrification may boost demand</a>
08-Mar-18	Aneeka Gupta	<a href="#">Europe is near to closing the gap with the US</a>

ETF Securities - Past Issues of Commodity Monthly Monitor		
Aug-Sep 2017	Research Team	<a href="#">Global economic upswing is fertile ground for metals</a>
Sep-Oct 2017	Research Team	<a href="#">Investors cautious as commodities continue to rally</a>
Oct-Nov 2017	Research Team	<a href="#">Rising US dollar likely to be a weight for commodities</a>
Jan-Feb 2018	Research Team	<a href="#">US dollar gives transitory boost to commodities</a>
Feb - Mar 2018	Research Team	<a href="#">Commodities buck cyclical shakedown</a>

The research notes are for qualified investors only.

Key Reports			
Current	Next release		
<b>08-Feb-18</b>	<b>08-Mar-18</b>	USDA	<a href="#">World Agricultural Supply and Demand Estimates</a>
<b>06-Feb-18</b>	<b>06-Mar-18</b>	EIA	<a href="#">Short-Term Energy Outlook</a>
<b>12-Feb-18</b>	<b>14-Mar-18</b>	OPEC	<a href="#">OPEC Oil Market Report</a>
<b>13-Feb-18</b>	<b>15-Mar-18</b>	IEA	<a href="#">IEA Oil Market Report</a>

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### Important Information

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