

# How we see the Commodities world right now

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# Commodity performance overview

S&P 500: 8.6%, Nasdaq 12%, EuroStoxx 25%, BBG DXY -8%

Commodities Total Return	YTD %	1 Year %	BCOM Weights *
<b>Energy</b>			
Brent Crude Oil	-2.1	-3.4	8.0%
WTI Crude Oil	-2.5	-2.0	7.0%
US NatGas	-9.2	-0.1	7.8%
Gas Oil (Diesel)	4.7	2.1	2.9%
NY ULSD	10.5	7.4	2.2%
RBOB Gasoline	-1.0	-4.2	2.2%
<b>Industrial Metals</b>			
HG Copper	9.5	11.1	5.4%
LME Aluminum	3.9	16.6	4.2%
LME Nickel	-2.2	-7.5	2.4%
LME Zinc	-4.4	8.6	2.3%
LME Lead	2.1	0.7	0.9%
<b>Precious Metals</b>			
Gold	29.6	40.3	14.3%
Silver	31.9	38.5	4.5%
Platinum **	50.0	44.7	0.0%
Palladium **	28.6	28.7	0.0%

Sectors	YTD %	1 Year %	BCOM Weights *
BCOM TR Index	5.1	11.0	100.0%
Energy incl Natgas	-3.3	-1.2	30.0%
Industrial Metals	3.3	8.5	15.1%
Precious Metals	30.2	39.9	18.8%
Agriculture Sector	-3.9	3.3	36.1%
- Grains & Soy complex	-8.1	-4.2	23.2%
- Softs	-4.3	13.9	7.6%
- Livestock	20.5	34.6	5.3%

Commodities Total Return	YTD %	1 Year %	BCOM Weights *
<b>Grains</b>			
Soybeans	0.3	0.1	6.0%
Corn	-15.2	-3.1	5.6%
Soybeans Meal	-15.5	-15.4	3.5%
Soybeans Oil	0.3	0.1	3.4%
Wheat (CBOT)	-10.6	-12.9	2.8%
Wheat (Kansas)	-10.5	-12.3	1.8%
<b>Softs</b>			
Sugar	-8.3	-4.8	3.0%
Arabica Coffee	-0.2	35.2	3.0%
Cotton	-7.0	-6.7	1.6%
Cocoa **	-19.1	49.0	0.0%
Orange Juice **	-51.0	-40.3	0.0%
<b>Livestock</b>			
Live Cattle	30.3	41.3	3.6%
Lean Hogs	4.2	23.1	1.7%
Feeder Cattle **	34.9	58.5	0.0%

Source: Bloomberg, Saxo

\* Bloomberg Commodities Index 2025 Target Weights

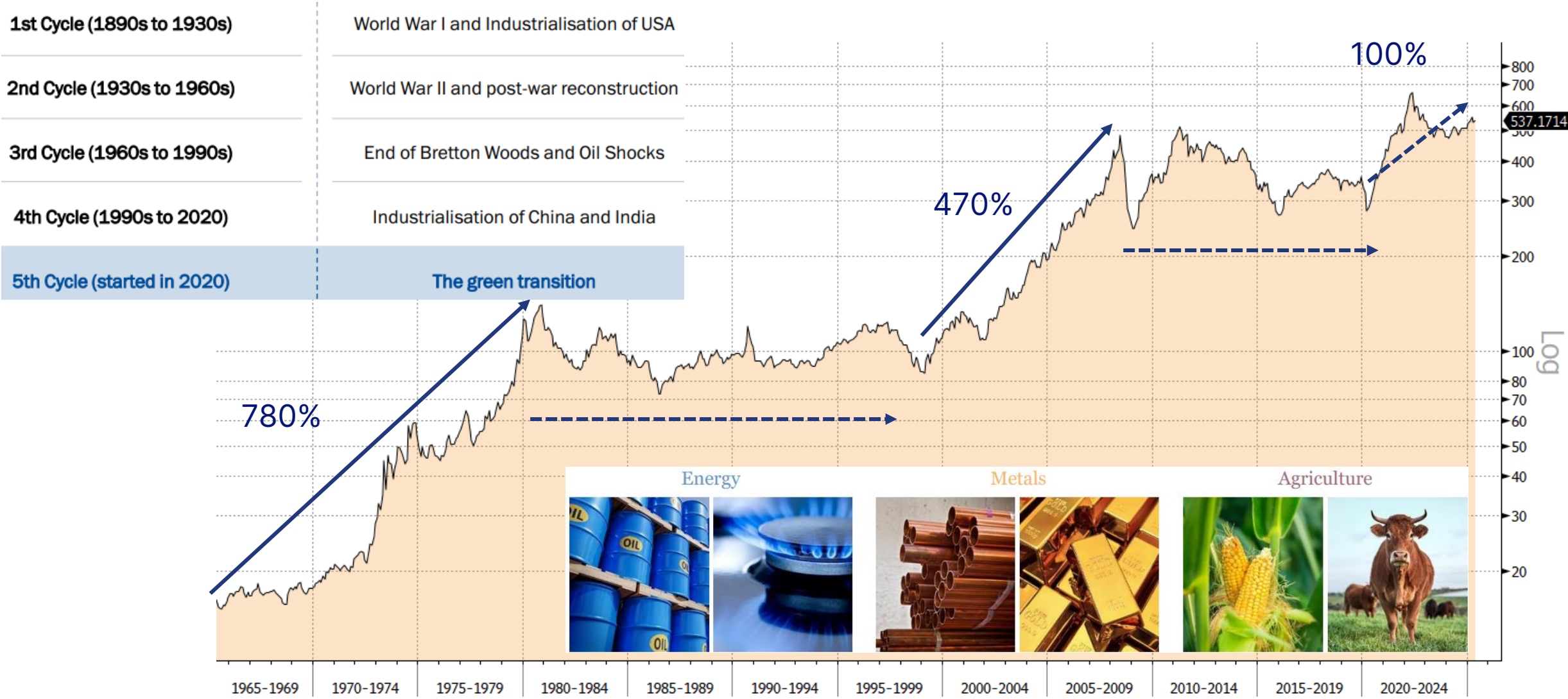
\*\* Not a BCOM component

# Medium-term performance



Source: Saxo

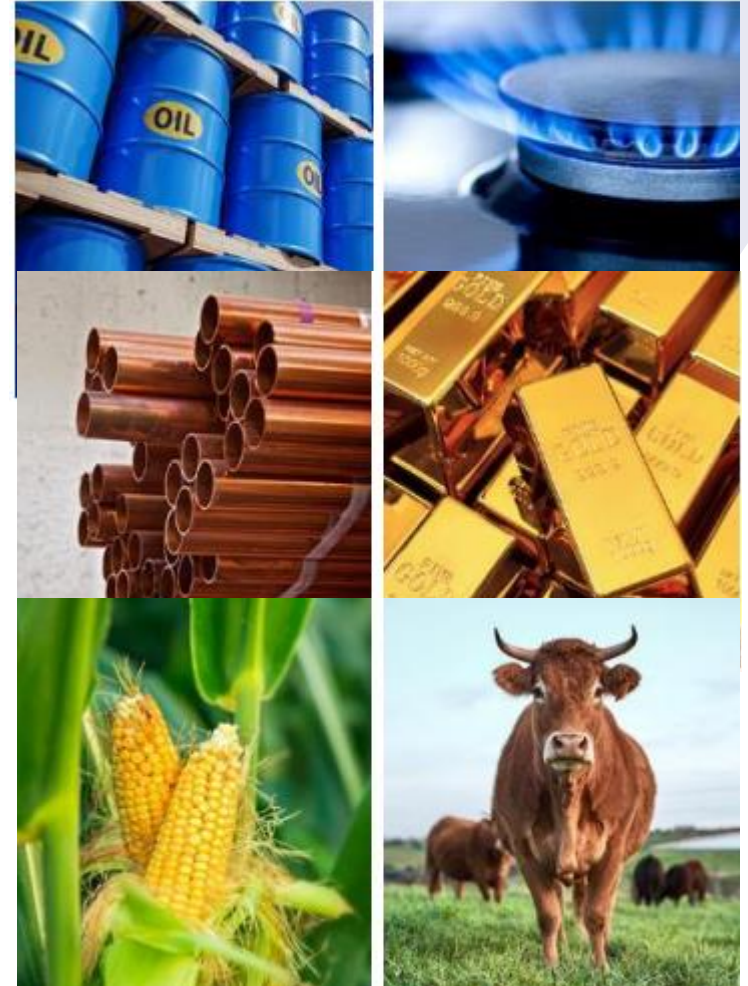
# Commodity price evolve in “super-cycles”



# Energy transition is just one of many bullish drivers

## Various global trends underpinning commodities

- Deglobalisation and geopolitics: sanctions, trade wars, export restrictions, reshoring supply chains
- Defence spending: NATO breakdown and Russian aggression
- Decarbonisation: Renewable energy infrastructure, EV's and energy-efficient technologies
- Surging power demand to underpin demand for copper, aluminum, and natural gas
- De-dollarization, debt and fiscal stability: Rising investor and central bank demand for tangible asset such as gold
- Demographics and urbanisation: Fewer workers supporting rising retirees group
- World population and emerging countries growth
- Climate change: power demand towards cooling, food nationalism and protectionism
- Ongoing underinvestment in long-cycle projects after decade of low prices



# Going green requires a lot more materials

One 100MW gas turbine



Twenty 5MW wind turbines



Iron ore	700 tonnes	X 42	30,000 tonnes
Concrete	3,500 tonnes	X 14	50,000 tonnes
Specialty metals	100 tonnes	X 15	1,500 tonnes

 Switching 75,000 homes from natural gas to wind

Source: J. Safra Sarasin

# Electrification needs (many) metals and infrastructure

## Batteries:

Copper, Graphite, Silicon, Titanium, Aluminum, Niobium, Cobalt, Lithium, Manganese, Nickel

## Electrical traction motors:

Boron, Dysprosium, Neodymium, Praseodymium, Iron, Silicon, Aluminum, Copper, Chromium, Molybdenum

## Solar PV Technologies:

Aluminum, Iron, Lead, Nickel, Zinc, Boron, Germanium, Silicon, Silver, Cadmium, Copper, Gallium, Indium, Molybdenum, Selenium, Tin, Tellurium.

## Wind turbines:

Iron, Chromium, Manganese, Molybdenum, Nickel, Niobium, Aluminum, Copper, Lead, Boron, Dysprosium, Neodymium, Praseodymium

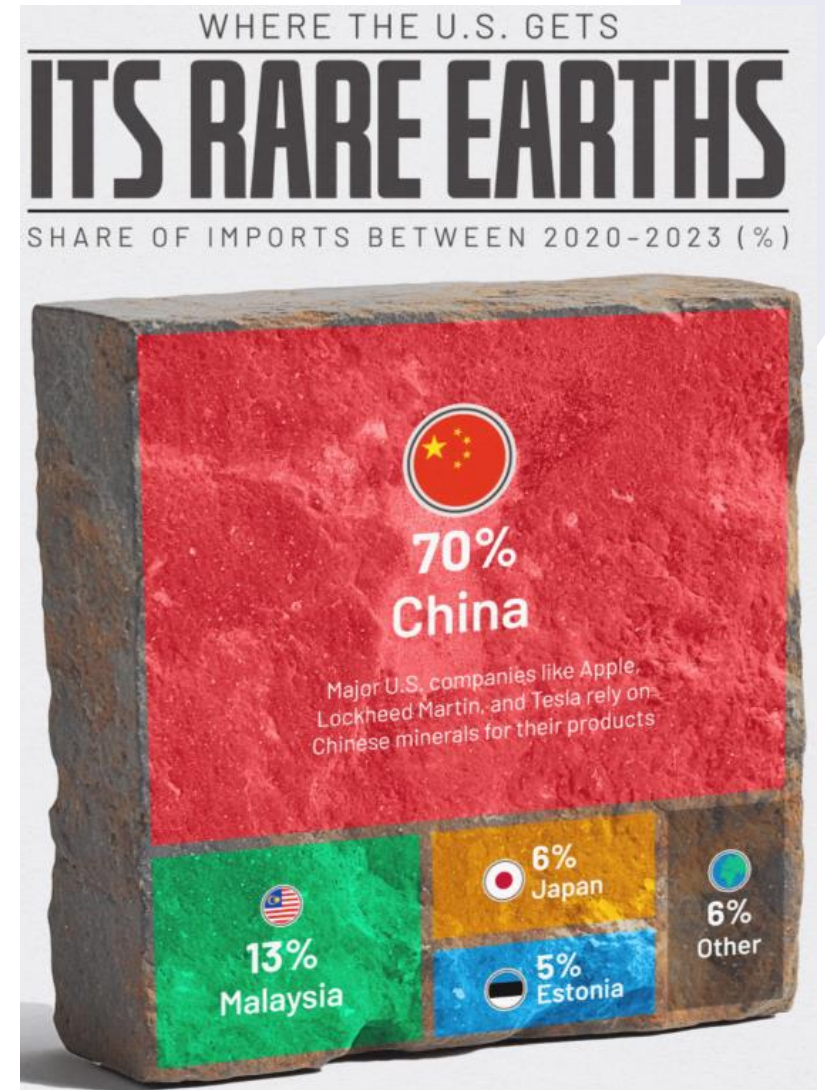
## The Hydrogen economy: Electrolysis and Fuel cells

Cobalt, Palladium, Platinum, Graphite, Aluminum, Copper, Nickel, Strontium, Titanium

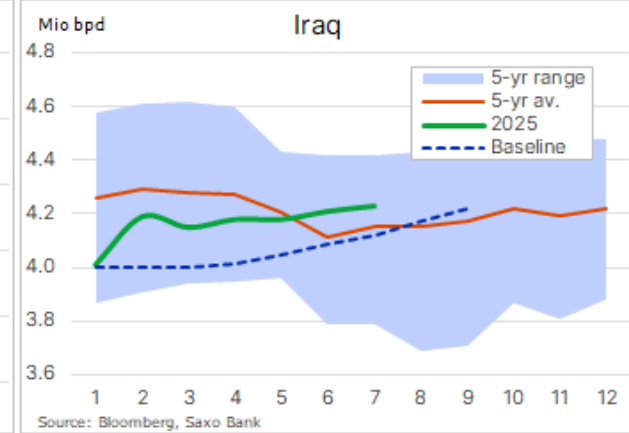
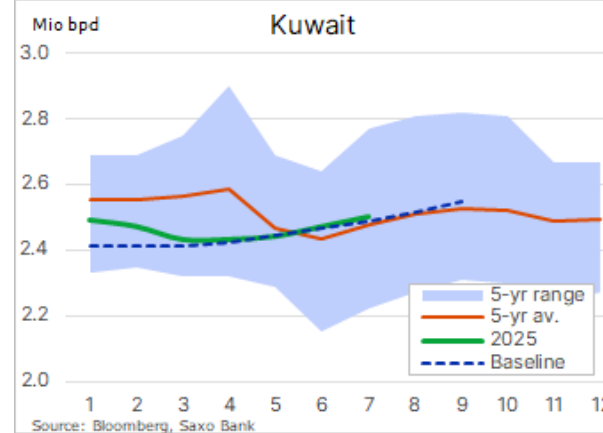
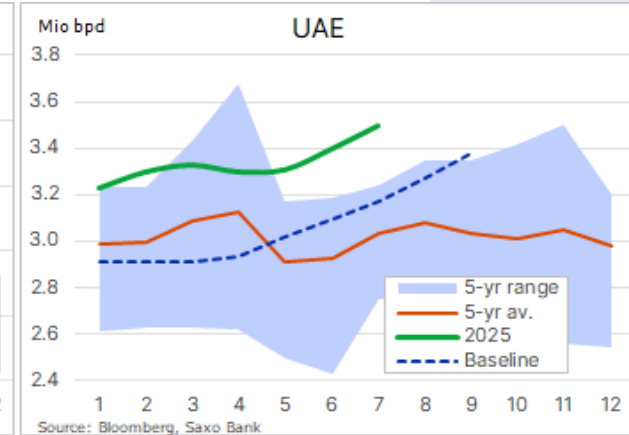
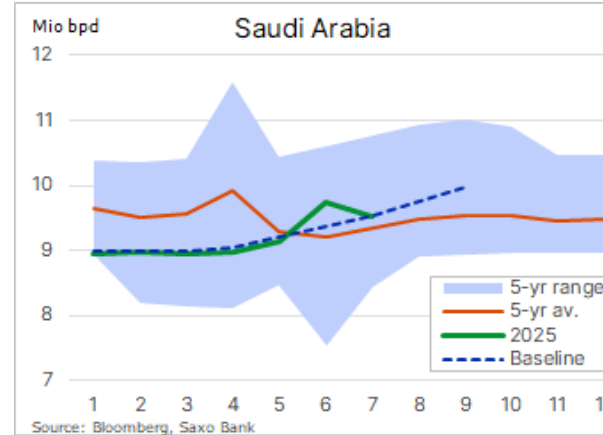
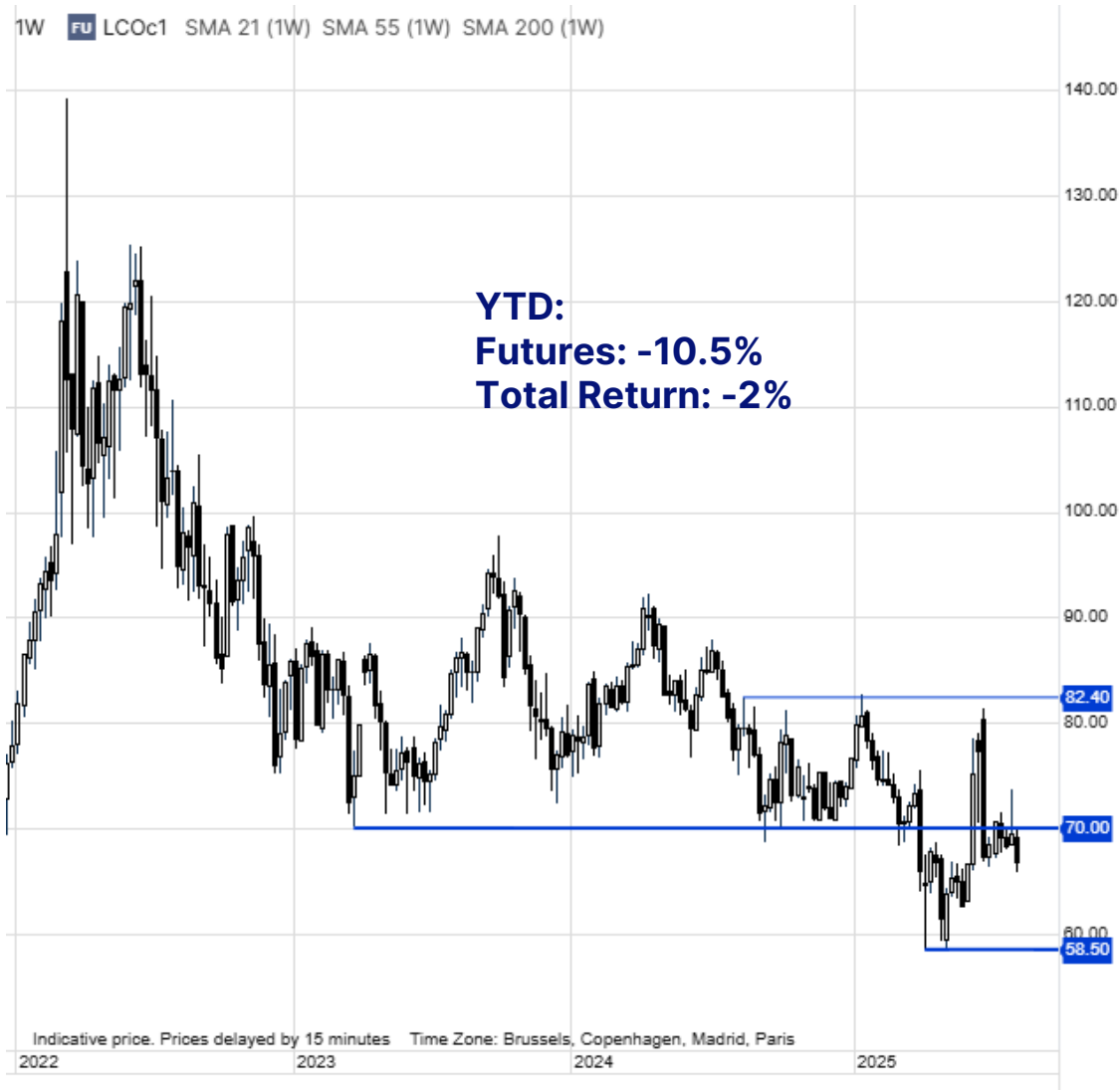
## Nuclear Power

Requires ten times less steel and concrete compared with similar output generated by wind & hydro (US DOE)

**Critical raw materials: Minor metals that play an outsized roll given their importance**



# Brent struggling above \$70 on OPEC+ supply & tariff risks



# Copper at the heart of the global energy transition

Tightening supply and support from copper intensive technologies like EV's, wind/solar, grid upgrades to cope with digital data boom and cooling in hot climates



Source: Saxo

## Miners are facing rising cash costs driven among others by:

- Higher input prices and lower ore grades
- Rising regulatory costs and government intervention
- Climate change: Disruptions from flooding to lack of water (A returning El Niño could trigger heavy rains in Chile, restricting access to mines)
- First discovery to first metal has risen from 8 to 12 years

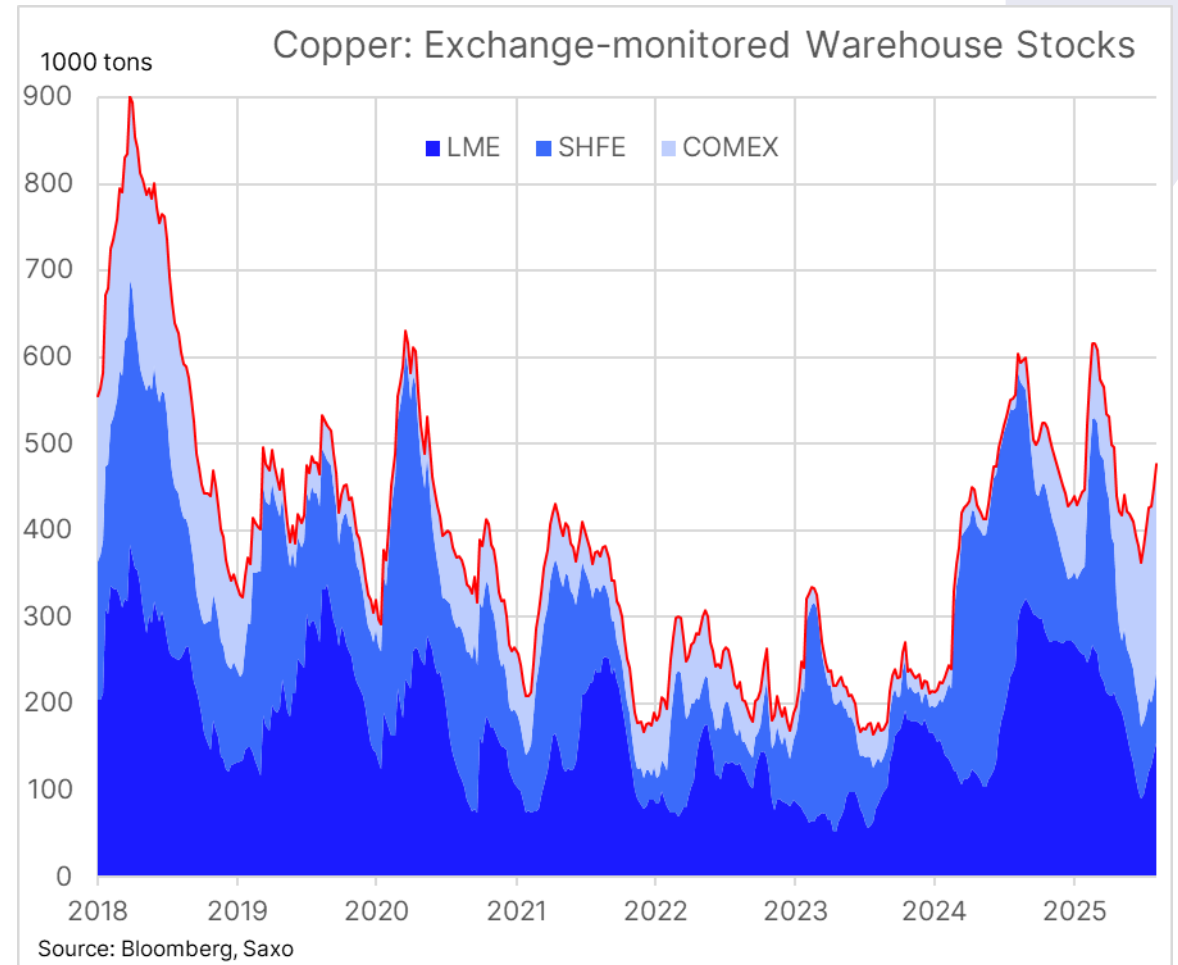
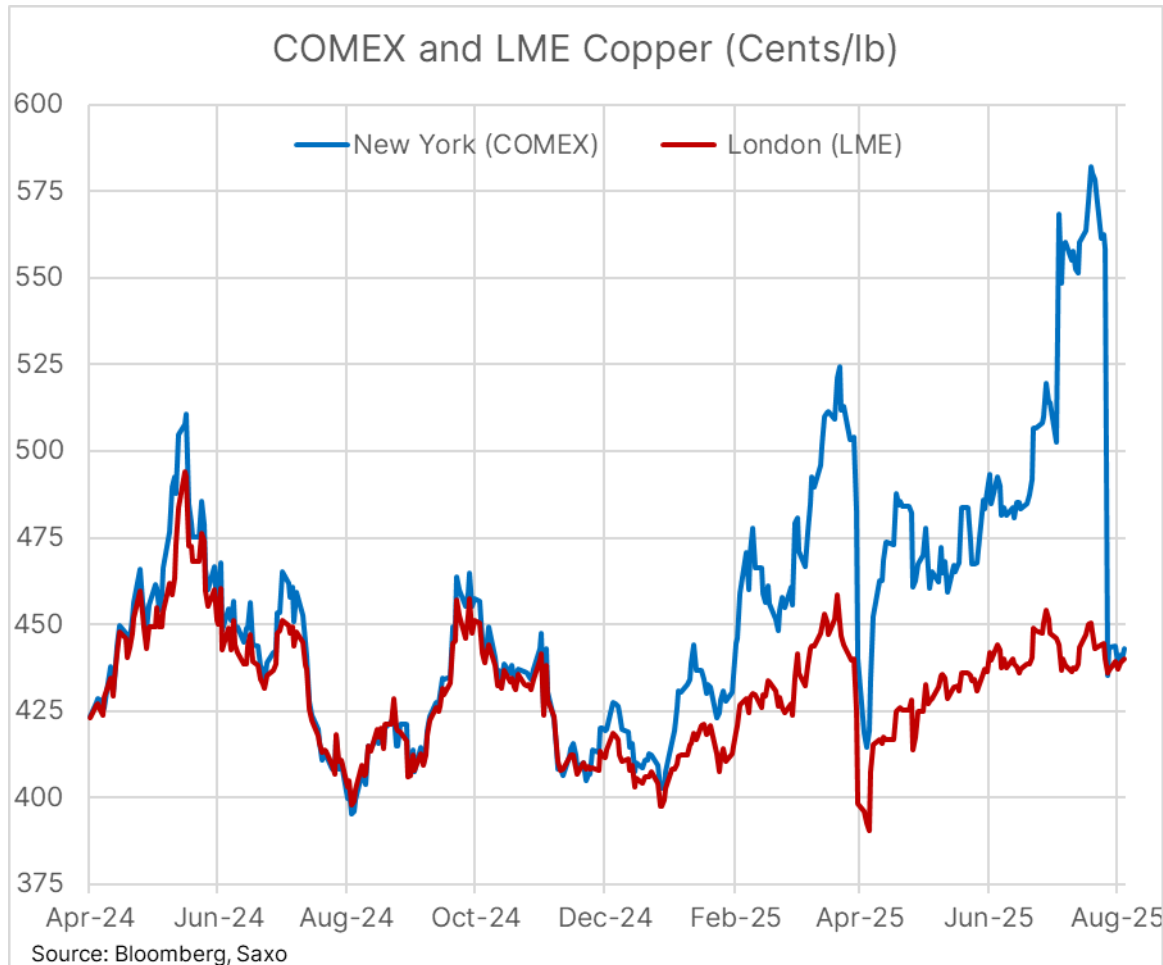
**Meeting the world's electrification goals will require 115% more copper to be mined over the next 30 years than has been mined in all of history (International Energy Forum)**

Power & Utility	YTD %	1 Year %
GE VERNOVA INC	96.4	264.5
SIEMENS ENERGY A	91.9	296.3
MITSUBISHI HEAVY	74.2	127.6
NRG ENERGY	69.8	96.5
CONSTELLATION EN	50.4	79.9
VISTRA CORP	49.1	160.0
LEGRAND SA	38.6	40.6

Source: Bloomberg & Saxo

# LME traded steady while HG went on a wild tariff ride

U.S. market has been flooded with unwanted copper now s/t weighing on global prices



# Gold pauses but remains the ultimate safe haven



Source: Saxo

## Precious metals are:

- Political neutral, unlike sovereign bonds or foreign currencies
- Universally recognized,
- Not linked to any country's creditworthiness
- A core part of central bank reserves

## Key developments supporting gold

- Central Banks demand in order to diversify and de-dollarize
- Rising stagflation risks with lower growth and upside inflation surprise => US rate cuts
- Geopolitical tensions, sanctions, trade wars
- Asian demand, especially from China
- Rising debt-to-GDP ratios as governments continue to spend money they don't have

# Gold pause allowed white metals to shine

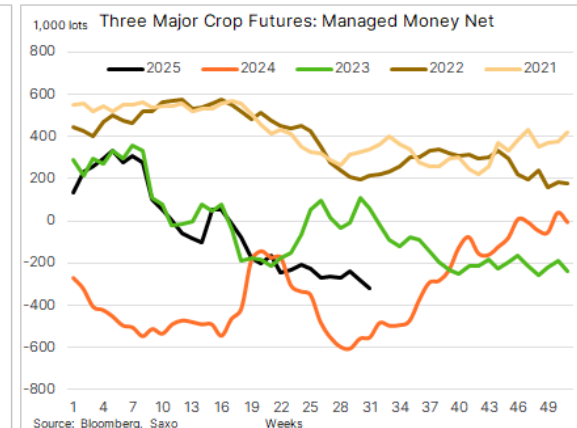
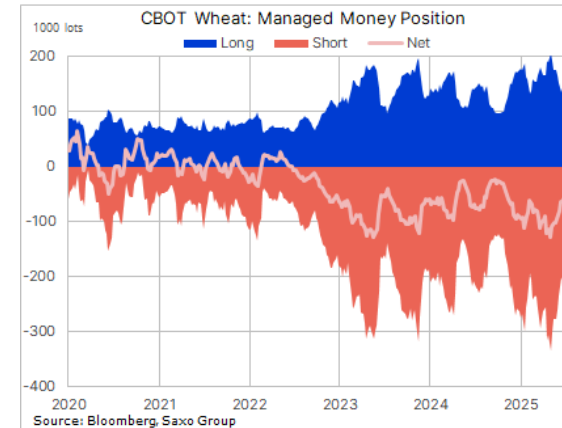
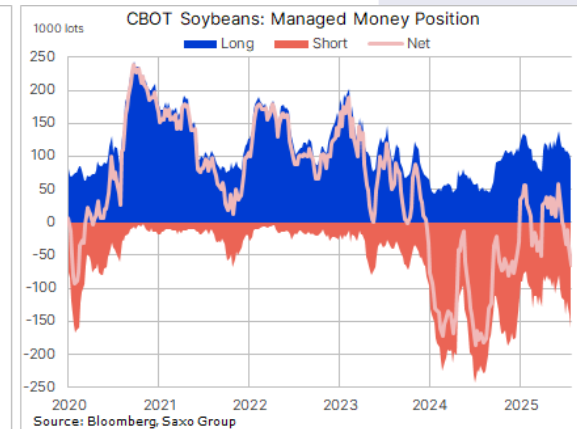
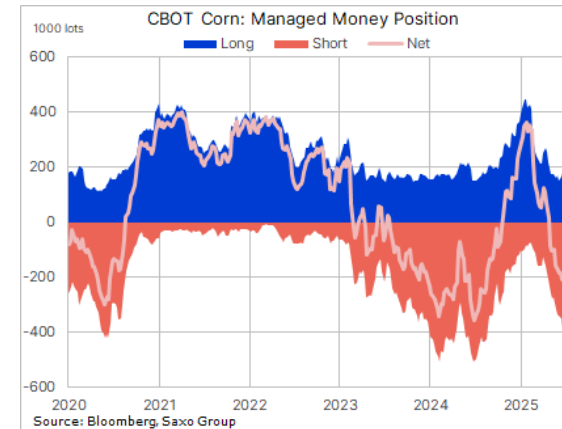
Silver and platinum supported by energy transition demand, and low stocks



Source: Saxo

# Grain sector trades near five-year low on ample supply

Speculators have held a net short in CBOT wheat for a record three years

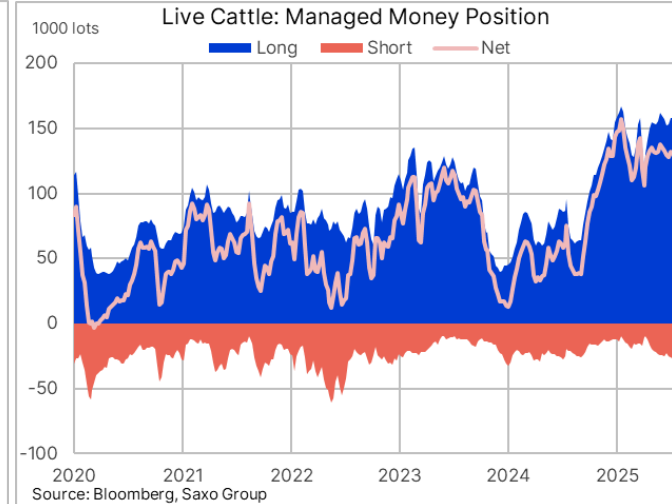
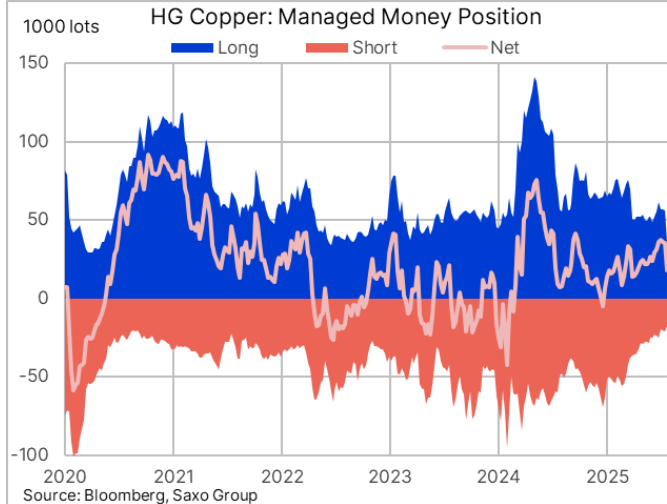
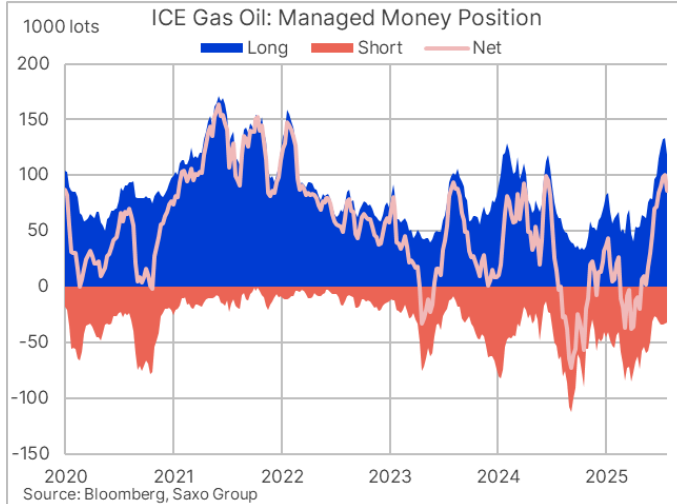
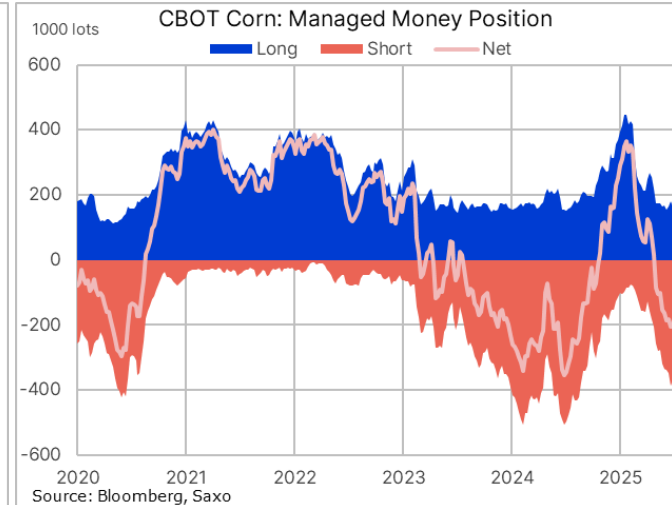
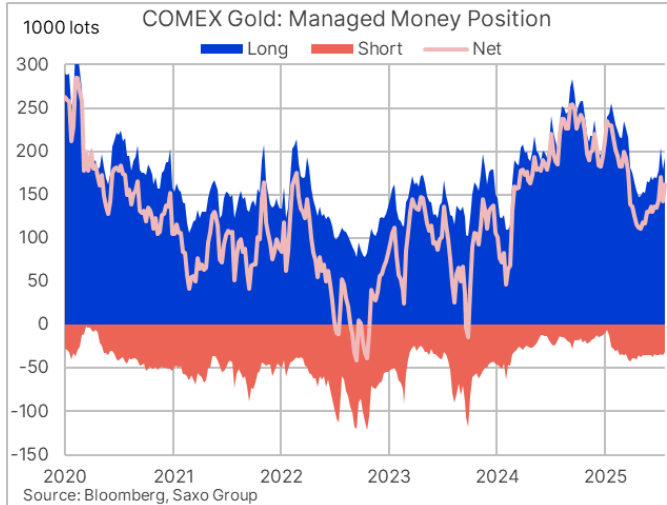
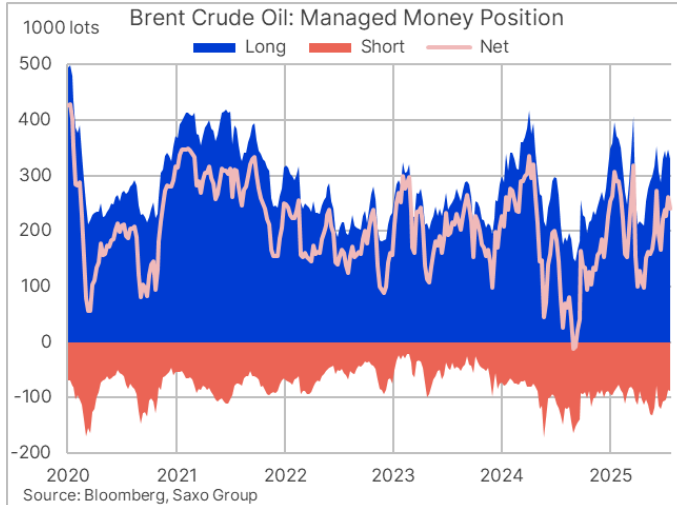


# COT: Managed Money long at 11-month low

Week to Tuesday: 5-Aug-25	Managed Money Positions							Trend	One-year Position Extremes			Price change Pct	Long / short ratio	Forward Curve	
	Long	Change	Short	Change	Net	Change	Change Pct		High	Low	Relative to max			1st-2nd	1 Year
WTI Crude (CME)	158,016	-11,288	79,190	-2,274	78,826	-9,014	-10%		250,887	67,578	31%	-5.9%	2.0	1.3%	4.2%
WTI Crude (ICE)	6,133	2,094	61,832	3,323	-55,699	-1,229	2%		-13,784	-63,037	-88%				
Brent Crude (ICE)	329,552	-17,940	88,575	2,435	240,977	-20,375	-8%		318,182	-12,680	76%	-5.6%	3.7	1.0%	2.8%
Gas Oil (ICE)	118,377	-15,303	32,370	-666	86,007	-14,637	-15%		100,644	-72,683	85%	-5.4%	3.7	0.7%	7.4%
RBOB Gasoline	51,393	-4,201	31,153	230	20,240	-4,431	-18%		73,037	5,193	28%	-3.9%	1.6	7.5%	5.8%
NY Harbor ULSD	44,974	-10,522	18,075	3,785	26,899	-14,307	-35%		41,206	-46,823	65%	-8.1%	2.5	0.3%	5.2%
NatGas (4 contr.)	506,114	-968	262,916	11,973	243,198	-12,941	-5%		362,037	-41,386	67%	-4.2%	1.9	-3.1%	-29.0%
Gold	192,973	14,538	31,162	-4,427	161,811	18,965	13%		254,841	110,874	63%	1.6%	6.2	-0.9%	-4.1%
Silver	46,387	-11,657	15,766	1,355	30,621	-13,012	-30%		50,034	16,824	61%	-1.2%	2.9	-1.3%	-4.9%
Platinum	32,473	-4,648	20,287	-177	12,186	-4,471	-27%		30,841	-14,778	40%	-6.3%	1.6	-0.7%	-1.1%
HG Copper	35,447	-20,957	17,415	-3,463	18,032	-17,494	-49%		41,127	-4,638	44%	-22.0%	2.0	-1.4%	-0.9%
Soybeans	94,783	-8,414	160,713	21,205	-65,930	-29,619	82%		59,165	-182,758	-36%	-1.9%	0.6	-1.9%	-8.3%
Soybean Meal	47,250	-2,610	180,842	-2,376	-133,592	-234	0%		103,209	-133,592	-100%	3.0%	0.3	-0.7%	-12.3%
Soybean Oil	98,413	-7,956	43,474	3,705	54,939	-11,661	-18%		75,144	-84,388	73%	-5.9%	2.3	0.4%	2.4%
Corn	192,384	5,014	366,134	-2,421	-173,750	7,435	-4%		364,217	-257,896	-67%	-2.2%	0.5	-5.9%	-14.6%
Wheat (CBOT)	90,927	1,573	171,696	17,018	-80,769	-15,445	24%		-22,953	-126,895	-64%	-4.1%	0.5	-3.8%	-14.7%
Wheat (KCBT)	33,078	-8,271	90,141	1,512	-57,063	-9,783	21%		-5,647	-80,799	-71%	-2.7%	0.4	-3.6%	-13.9%
Sugar	118,625	-4,787	229,651	8,344	-111,026	-13,131	13%		140,016	-112,765	-98%	-3.0%	0.5	-4.0%	-3.3%
Cocoa NYBOT	18,282	447	7,497	276	10,785	171	2%		40,390	8,988	27%	3.2%	2.4	5.8%	
Coffee Arabica	34,523	-212	13,064	-258	21,459	46	0%		65,717	20,087	33%	0.4%	2.6	2.2%	10.8%
Cotton	32,056	1,863	87,208	16,654	-55,152	-14,791	37%		-6,194	-79,957	-69%	-0.8%	0.4	-2.3%	-6.1%
Live Cattle	154,719	-1,716	29,154	1,228	125,565	-2,944	-2%		156,909	38,014	80%	0.3%	5.3	-0.9%	5.0%
Feeder Cattle	41,885	2,666	4,806	713	37,079	1,953	6%		37,806	-3,780	98%	0.7%	8.7	-0.3%	
Lean Hogs	118,939	-1,061	9,653	-2,761	109,286	1,700	2%		134,567	-2,269	81%	4.6%	12.3	16.7%	10.6%
<b>Total</b>	<b>2,597,703</b>	<b>-104,316</b>	<b>2,052,774</b>	<b>74,933</b>	<b>544,929</b>	<b>-179,249</b>	<b>-25%</b>		<b>1,685,950</b>	<b>-10,977</b>	<b>32%</b>				

Source: CFTC, ICE, Bloomberg and Saxo

# COT: Gold remains dominant



Week to Tuesday: 5-Aug-25	Value Bn. USD
WTI Crude (CME)	5.1
WTI Crude (ICE)	-3.6
Brent Crude (ICE)	16.3
Gas Oil (ICE)	5.8
RBOB Gasoline	1.8
NY Harbor ULSD	2.5
NatGas (4 contr.)	7.3
<b>Gold</b>	<b>55.6</b>
Silver	5.8
Platinum	0.8
Palladium	-0.3
HG Copper	2.0
Soybeans	-3.3
Soybean Meal	-3.8
Soybean Oil	1.8
Corn	-3.5
Wheat (CBOT)	-2.1
Wheat (KCBT)	-1.4
Sugar	-2.0
Cocoa NYBOT	0.8
Coffee Arabica	2.3
Cotton	-1.9
Live Cattle	11.4
Feeder Cattle	6.2
Lean Hogs	4.1
<b>Total</b>	<b>107.9</b>



Daily podcast, hosted  
by @JohnJHardy



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