Midyear, July 2020 Edition
Bloomberg Commodity Index (BCOM)

Bloomberg Commodity Outlook

Commodities and Predominant Deflation

- Plunging Gas, Advancing Gold and Top Commodity Theme: Deflation
- 2H Set for Higher Gold, WTI Crude Oil Toward $30; Copper $5,000
- 2Q Bear-Market-Bounce Risks Set Unfavorable 2H Energy Backdrop
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Data

Data and outlook as of June 30, 2020

Mike McGlone – BI Senior Commodity Strategist

BI COMD (the commodity dashboard)

Learn more about Bloomberg Indices

Note - Click on graphics to get to the Bloomberg terminal

Plunging Gas, Advancing Gold and Top Commodity Theme: Deflation

Performance: June +2.3%, 2020 -19.4%, Spot + -12.8%
(Returns are total return (TR) unless noted)

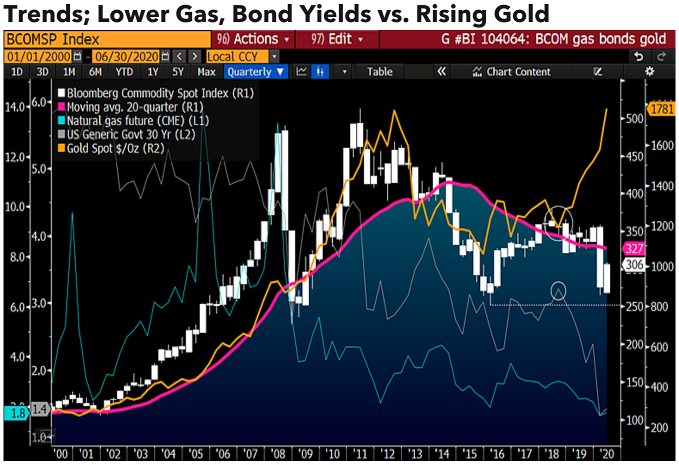
(Bloomberg Intelligence) -- Natural gas reaching a 25-year low in June vs. gold on the cusp of record highs represents the deflationary drift in commodities, which we expect will continue. Absent a higher stock market in 2H, we see little chance for advances in the more macroeconomic commodities -- copper and crude oil. The red metal, near $6,000 a ton, is more likely to approach $5,000 than $7,000. It's similar for crude oil, at about $40 a barrel and inclined to take the bearish path toward $30 than sustain above $50. Dead-cat-bounce risks in 2Q within broader bear markets elevate 2H reversion potential.

In the bucket of oversupplied commodities with energy (due to rapidly advancing technology), agriculture, led by the grains, faces a bumper Corn Belt crop. Unless a drought reduces production, ags should remain under pressure.

Deflationary Broad Commodities

2H Set for Higher Gold, WTI Crude Oil Toward $30; Copper $5,000. Except for gold, commodities are likely to endure further declines in 2H, in our view, with bear-market bounces leaving crude oil and copper particularly vulnerable to a wobbly stock market. Oversupply is a primary theme amid a global recession and should continue to pressure grains and agriculture.

Trends; Lower Gas, Bond Yields vs. Rising Gold

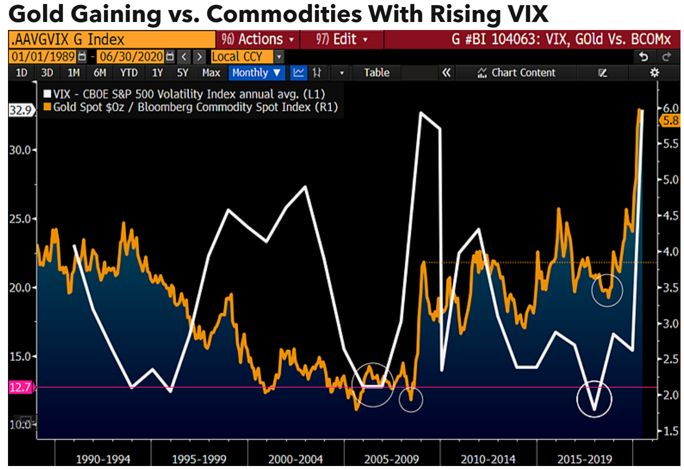


Commodity Risks Still Tilt Downward
The 2Q bounce in the Bloomberg Commodity (BCOM) Spot Index makes the sector conducive to revert to its downtrend since 2011, in our view. Multidecade lows in natural gas and weakening bond yields indicate things are different from the recovery that followed the financial crisis. The spot BCOM is approaching its downward-sloping 20-quarter moving average, while the benchmark natural-gas future has fallen to levels last seen in 1995. The 30-year Treasury yield has plenty of lower-for-longer company from government-debt markets in much of Europe and Japan.

Natural gas has been precedent for deflating energy prices. Along with declining yields, it's a leading indicator of a lack of inflation. We believe BCOM is likelier to take out its 2016 low than sustain above 2019 highs.

Financial Crisis a Gold vs. Commodities Spark. Gold's upper hand vs. broad commodities is more enduring than it was in the aftermath of the 2008-09 financial crisis, in our view. Quantitative easing (QE) fueled by resurgent stock-market volatility in 2008 launched the current trend of gold outperforming commodities. Our graphic depicts the annual average of the CBOE Volatility Index (VIX) recovering from its lifetime low in 2017 and the ratio of gold vs. BCOM launching soon after. In 2008, a similar recovery in equity volatility coincided with the gold vs. BCOM ratio advancing to a level that sustained to year-end 2019.

Gold Gaining vs. Commodities With Rising VIX



We see few technical and fundamental indications at the start of 2H that enduring trends in advancing gold and declining commodities will reverse.

MACRO PERFORMANCE

Macro Performance Tilts Toward Gold vs. Bonds. Price-appreciation potential is diminishing for near-zero bond yields, but not for gold. Something unexpected is needed to reverse the predominant trends of gold and Treasuries outperforming most assets in 2H, as we see it. Our macro-assets performance dashboard shows the benchmark store of value running neck and neck with the Bloomberg Barclays U.S. Treasury 20+ Index on one- and two-year bases.

Commodities Have Little Chance If Equities Decline

Security	%YTD	Chg June	1Yr % Chg	2Yr % Chg
Bloomberg Barclays U.S. Treasu	+22.1%	+.6	+26.5%	42.1%
Gold	+17.4%	+3.0	+28.7%	42.2%
Broad Dollar Index	+5.4%	-.3	+5.6%	6.7%
Bloomberg Dollar Spot	+3.0%	-.6	+2.8%	3.3%
Generic 1st 'HG' Future	-2.4%	+12.5	+.6%	-8.0%
S&P 500 Total Return Index	-3.1%	+2.0	+7.5%	18.7%
S&P 500 Index	-4.0%	+1.8	+5.4%	14.0%
MSCI Emerging Markets Net Tota	-9.9%	+7.2	-3.5%	-2.4%
MSCI World ex USA Net Total Re	-11.8%	+3.0	-5.8%	-4.6%
Bloomberg Commodity Spot Index	-12.8%	+3.9	-9.7%	-14.9%
Russell 2000 Index	-13.6%	+3.4	-8.0%	-12.3%
Bloomberg Commodity Index Tota	-19.4%	+2.3	-17.4%	-23.0%
Generic 1st 'CL' Future	-35.6%	+10.9	-32.7%	-46.9%

A primary 2H wild card will be if the stock market can add to its 2Q bounce. If equities roll over, we see little chance for advancing commodities, and stronger tailwinds for gold. At a minimum, sustained dollar strength and stock-market-volatility weakness are required to knock gold off its rally track, in our view.

SECTOR PERFORMANCE

Gold, Metals Upper Hand vs. Energy, Agriculture. Metals-sector outperformance vs. most commodities should endure in 2H. Gold remains the primary beneficiary of global recession and unparalleled central-bank easing. Industrial metals are at greater risk of following longer-term price pressure in crude oil, but demand driven by rapidly advancing technology gives them the upper hand vs. energy. Crude oil near $40 a barrel at the end of 1H is apt to continue its descent toward $30.

Enduring Strong Precious Metals vs. Weak Energy

Security	%YTD	Chg June	1Yr % Chg	2Yr % Chg
Bloomberg Precious Metals Subi	+13.8%	+2.2%	+24.2%	33.7%
Bloomberg All Metals Total Ret	+2.5%	+4.2%	+8.3%	5.8%
Bloomberg Industrial Metals Su	-8.4%	+6.9%	-6.4%	-16.7%
Bloomberg Grains Subindex Tota	-13.0%	+.2%	-15.8%	-15.9%
Bloomberg Agriculture Subindex	-14.2%	+1.8%	-13.8%	-17.4%
BBG Softs TR	-16.3%	+6.1%	-12.9%	-23.1%
Bloomberg Livestock Subindex T	-34.3%	-8.5%	-33.7%	-36.0%
Bloomberg Energy Subindex Tota	-46.3%	+2.2%	-45.7%	-53.5%

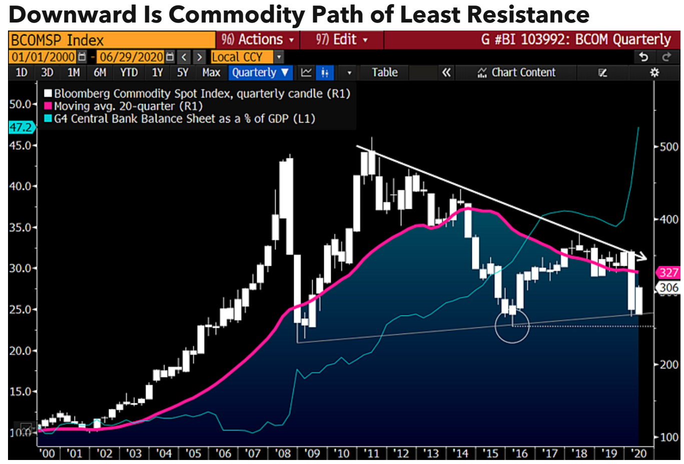
Peak Corn Belt growing season typically boosts agriculture volatility, but unless a drought reduces production, oversupply remains the primary price overhang. Declining energy prices are fuel for central-bank easing and rising gold values.

Technical Outlook

Broad Commodities' Deflationary Trend Set to Stay the Course. Commodity-price declines for most of the past decade have given central banks ample fuel for quantitative easing (QE), and we see little to end the deflationary trend. If history is a guide, steeper price discounts will be necessary to end the commodities' bear market.

Commodity-Price Deflation, QE Are Companions. The enduring commodity bear market is unlikely to reverse, and we believe is at greater risk of acceleration. On a downward trajectory since the 2011 peak, the Bloomberg Commodity Spot Index likely needs to extend below the 2016 low to sufficiently reset unfavorable demand vs. supply conditions. Our graphic depicts the spot BCOM at about 303 on June 24 in a shorter-term retracement toward its declining 20-quarter moving average around 327.

Downward Is Commodity Path of Least Resistance



The upward-sloping trendline since the bottom of the financial crisis seems less secure than the downtrend since 2011. About a decade's worth of commodity-price deflation has given central banks the incentive to increase quantitative easing. That's depicted by the rapidly rising G4 central-bank balance sheet as a percentage of GDP since 2009.

Something Significant Needed to End This Trend. There's little to derail the spot BCOM from its downward track since a record high in 2011, with reversals in fundamental drivers of the price downturn unlikely, as we see it. Our graphic depicts the vulnerability of the gauge's declining trajectory as it bounces into layers of resistance. A steep discount similar to what bottomed the market in 2016 is the more likely scenario. To prove recovery strength, the commodity index needs to sustain above the downtrend line, at about 340 vs. the June 24 level around 303. This probably isn't in the script.

Steep Discount Likely Necessary for Bottom

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

Name	Current Position	1 Yr Ago	1 Yr Change	YTD Change
1 Year Spread % of First Contract				
BCOM	-10.5	-4.7	-5.8	-8.1
Sector				
Precious Metals	-2.4	-2.3	-0.1	-0.2
Industrial Metals	-2.4	-1.4	-1.1	-1.1
Agriculture	-5.1	-8.3	3.2	0.4
Energy	-15.3	-0.2	-15.1	-18.7
Livestock	-40.0	-13.2	-26.8	-41.5
Single Commodities				
Palladium	0.6	1.5	-0.9	-0.5
Copper (LME)	-0.6	-0.5	0.0	0.2
Soybean	-0.8	-6.1	5.4	3.3
Gold	-1.8	-1.9	0.2	0.3
Nickel	-1.8	-2.2	0.4	0.0
Sugar	-1.8	-9.3	7.5	5.4
Zinc	-1.9	2.8	-4.6	-3.4
Copper (CME)	-1.9	-1.3	-0.6	-0.7
Platinum	-2.4	-1.9	-0.6	-0.6
Cotton	-2.8	-7.6	4.8	-0.3
Silver	-3.0	-2.7	-0.4	-0.7
Crude Oil	-3.4	4.6	-8.1	-12.3
Wheat	-4.6	-3.6	-1.0	0.3
Soybean Meal	-4.7	-5.7	1.0	0.0
Soybean Oil	-5.5	-5.9	0.4	-2.4
Brent Crude	-5.6	4.2	-9.8	-14.3
Aluminum	-6.0	-5.4	-0.6	-1.4
Unleaded Gas	-7.1	6.8	-13.9	-13.7
Coffee	-7.9	-11.3	3.4	0.1
Corn	-9.9	-6.1	-3.8	-3.8
HRW Wheat	-10.8	-15.2	4.3	-2.3
Gas Oil	-11.5	0.7	-12.2	-17.1
Heating Oil	-13.0	1.1	-14.0	-17.3
Live Cattle	-15.4	-4.6	-10.8	-19.4
Thermal Coal	-18.0	-11.0	-7.0	-30.2
Natural Gas	-48.4	-7.7	-40.7	-26.3
Lean Hogs	-64.7	-21.9	-42.8	-63.5

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).

Energy

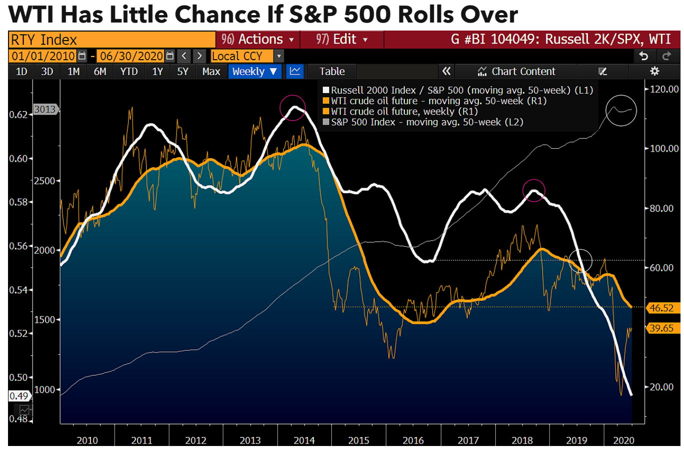
(Index weight: 19% of BCOM)
Performance: June +2.2%, 2020 -46.3% , Spot -31.2%
**Note index weights are March 2020*

Energy Bear-Market Bounce Risks

2Q Bear-Market-Bounce Risks Set Unfavorable 2H Energy Backdrop. Led by crude oil, energy prices are more likely to decline in 2H, in our view. Sharp recoveries from 1H extreme lows leave markets vulnerable to more of the same since the 2008 and 2018 peaks unless embarking on a new bull market, which we deem unlikely. What's more likely is the bear-market bounce reverts for the longer, lower slog with bond yields. Along with central-bank easing and fiscal stimulus, OPEC production cuts are responding to decreased demand to help rebalance markets.

Renewed and sustained consumption is typically required for enduring appreciation in crude-oil prices. Weak demand prior to the pandemic keeps our price bias tilted to the downside with elevated risks to equity prices. Absent an advancing stock market, crude oil has a greater propensity to decline and follow natural gas toward 25-year lows.

WTI Has Little Chance If S&P 500 Rolls Over



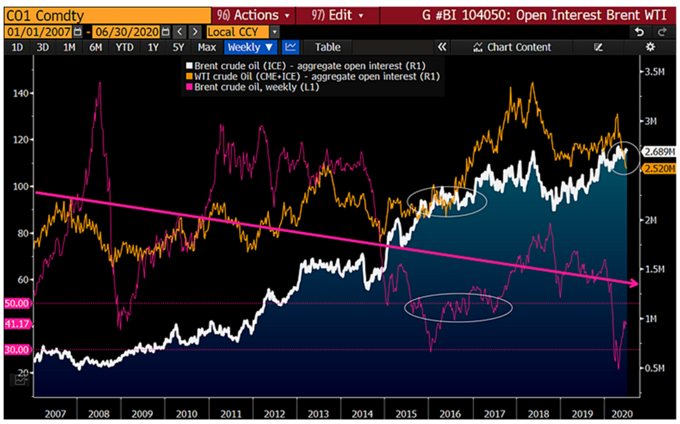
WTI Crude Oil at $30 a Barrel More Likely Than $50 in 2H. Crude oil is a bear market that has bounced to levels that leave prices vulnerable to a longer downtrend, in our view. A rollover in the stock market is a top risk for crude, which we see in an enduring fundamental and technically downward price trajectory.

Crude Oil on Cliff's Edge With Small Caps. The adage to sell rallies in bear markets is more likely to prevail in crude oil, keeping prices under pressure in 2H, in our view. Similar to 1H19, West Texas Intermediate (WTI) has bounced with the stock market, but enduring unfavorable fundamentals and diminishing returns to equities elevate downside risk. Our graphic of 50-week moving averages, focusing on prevailing trends, shows the potential for WTI's gravity pull from the Russell 2000 underperforming the S&P 500.

The declining ratio of small vs. large caps portends a potential lose-lose scenario for WTI. If the S&P 500 rolls over, as the 50-week mean may be doing, the ebbing tide would drag along crude oil, but with an increasing beta. Absent a sustained 2H stock-market rally, oil will be more inclined to resume its 1Q decline.

Gravity Set to Win in Brent Toward $30 a Barrel. A best-case 2H scenario for Brent crude oil is to approach $50 a barrel, though we expect it's most likely to stay the predominant course since the 2011 and 2018 peaks, tilted toward $30. Higher WTI bear-market volatility is shifting futures open interest toward Brent. The 2015-16 bottom was the last time this happened, as prices consolidated around $50 until 4H17. A level near $40 is the new $50, as we see it, but acting as strengthening resistance.

Oil Bear Market Before Covid-19 Set to Prevail



Our graphic depicts the enduring downtrend in Brent crude along with increasing open interest. It would be a sign of strength to sustain above $50 -- unlikely, in the midst of global economic recession and declining demand. That crude oil was in a bear market before the Covid-19 pandemic keeps our price view tilted downward.

Technical Outlook - A Crude Oil Bear Market

Crude Oil Is About Retracement Within an Enduring Bear Market. The trend in crude oil since the financial crisis has been downward, and we see little chance of reversal in the face of recession and amid rapidly advancing technology. High volatility portends wide ranges, and prices are more likely to gravitate toward $20 a barrel vs. sustaining above $50.

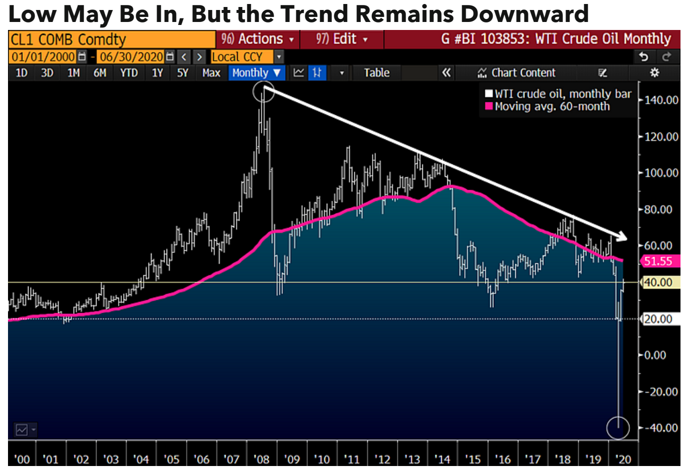
Brent Crude More Likely to Gravitate Toward $20. The trend's-your-friend mantra indicates lower prices for Brent crude oil, particularly with the market nearing good resistance at about $45 a barrel. Our graphic depicts the enduring downtrend since 2008 and the increasing potential for prices to stay lower for longer. The V-shaped bottom in 2009, followed by a W formation in 2015-16, portends more of an L-type pattern this time around. Old support at about $45 is a firming resistance barrier, with the 50-week moving average in decline at about $52 vs. $41 for the front future on June 30.

Bumping Into Layers of Resistance Above $45

The gravity pull toward the most traded price in Brent futures history (about $20) and the March lows should remain the predominant force.

Managing WTI Crude-Oil Bear-Market Retracement. The entrenched downward trajectory in West Texas Intermediate crude oil indicates prices moving toward $20 a barrel as more likely than sustaining above $50, in our view. Similar, but opposite to the 2008 close at the all-time high of $145 -- which didn't initially end the uptrend -- it's likely the 2020 WTI record low of about minus $38 won't arrest the bear market. Our graphic depicts WTI approaching good resistance initially around the 2017-18 lows just above $40 a barrel. Representing the longer-term trend, the 60-month moving average turned lower in 2014 and was about $51 on June 16 vs. the front price of about $38.

Low May Be In, But the Trend Remains Downward



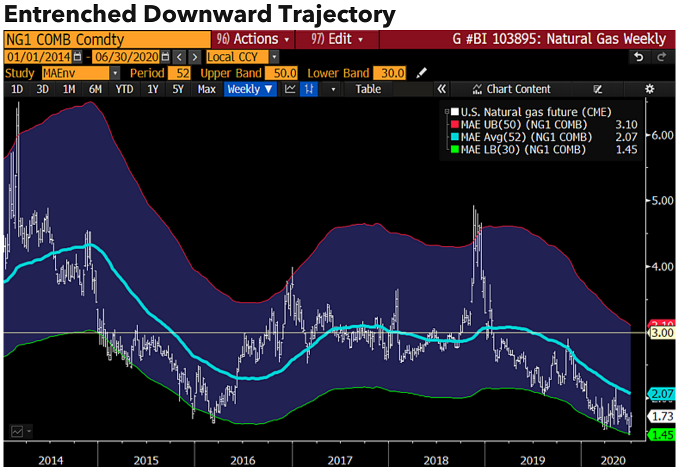
The highest crude-oil futures volatility ever at over 110% (260-day) augurs wide price movements -- we see $20-$50 as the extremes. A turnover in the stock market would add strong headwinds to crude.

Technical Outlook - U.S. Gas Under Pressure

U.S. Natural Gas Enduring Bear Market, With Elevated Spike Risks. A global deflationary leader, natural gas should stay the course near 25-year lows, in our view. Further downside is limited and price spikes are likely, but any bear-market bounces should continue what's been happening for more than a decade -- fail and refresh the downward-price trajectory.

Natural Gas and Bear-Market Bounces. One of the most volatile commodities, natural gas is entering a long slog at subdued levels below $2 per MMBtu, in our view. As-bad-as-it-gets risks may be the primary upside potential for the market's enduring downward trajectory. Our graphic depicts the natural gas 52-week moving average at about $2.10 vs. a $1.60 June 17 front-future price. This downward-sloping mean has marked resistance since the 2018 spike to about $5. A similar bounce in 2014 to just above $6 had a similar outcome, as prices swiftly reversed toward new lows.

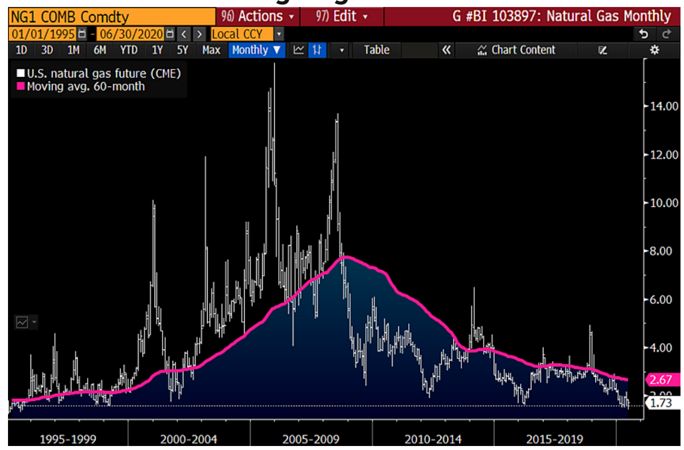
Entrenched Downward Trajectory



There's little to expect beyond a short-cleansing price spike. About $3 would represent similar resistance as the 2014 and 2018 surges. Sustaining above the 52-week mean would be an initial sign of recovery.

Commodity Deflationary Leader - U.S. Natural Gas. The deflationary trend in U.S. natural gas is likely to continue. Our graphic shows prices about as low as they can go on a 25-year chart, but is more indicative of the predominant trajectory in commodities than a bottom. Sharp natural gas spikes are common and particularly from such subdued levels, but the entrenched down-sloping 60-month moving average at about $2.70 a MMBtu should continue to keep the market in check. Expecting further downside from multidecade lows is improbable, leading our outlook for a slog below $2.

Natural Gas Set for Long Slog at Low Prices



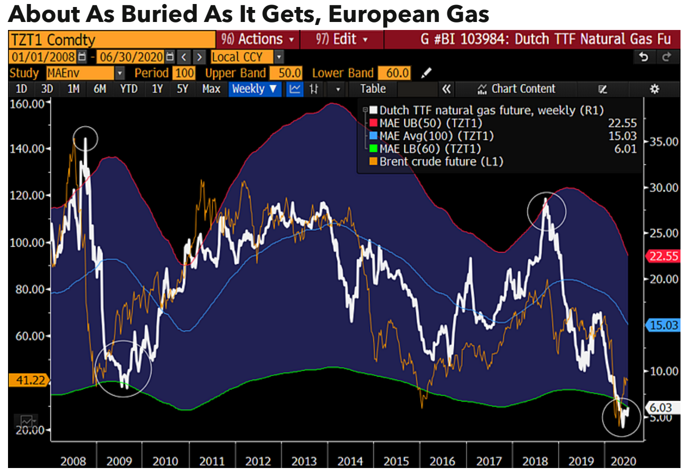
Natural gas has been precedent for rapidly advancing technology boosting commodity supply and pressuring prices. The trend toward cleaner-burning energy is boosting gas demand, but overwhelming supply is representative of similar in global deflationary forces.

Technical Outlook - Floored European Gas

European Natural Gas Prices More Likely to Double Than Halve. Multidecade lows and steep discounts to most means is about as bad as it gets for European natural gas prices, if history is a guide. Appearing similar to the financial-crisis bottom in 2009 and negative crude-oil prices in April, we see gas mean-reversion potential as more likely vs. further downside.

Deep Gas Discount Ripe for Some Reversion. Higher potential for mean reversion in European natural gas prices outweighs further downside risks, our scenario analysis shows. The lowest level since the inception of the Dutch TTF natural gas future in 2005 and steep discount to the 100-week moving average harken back to financial-crisis lows and negative West Texas Intermediate crude oil prices in April. It was the bottom at about 8 euros per MWh in 2009 that the gas price discount to its 100-week mean reached about 60%. In May, the TTF gas trough near 4 dipped about 75% below its 100-week mean.

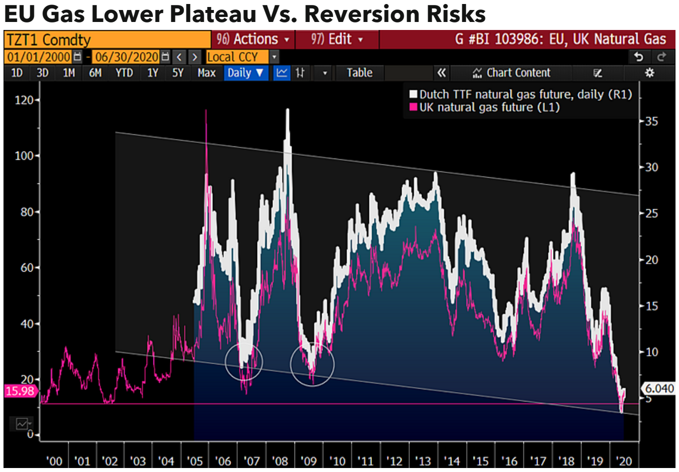
About As Buried As It Gets, European Gas



Our graphic depicts what we see as the greater propensity for the TTF gas price, at about 5.7 euros on June 24, to revert toward its mean of about 15 vs. sustaining further declines. The recovery in Brent crude oil from multidecade lows portends similar for European gas.

It's Hard to Fall From the Floor. The old adage in commodities -- that low prices are the cure for low prices -- could limit further downside in European natural gas, in our view. The swift plunge from multiyear highs in 2018 to uncharted futures-history lows this year is similar to the financial-crisis deluge. Prices indicate supply incentive is the lowest in decades, which tilts our scenario analysis toward either consolidation at the new low-price plateau or recovery. Natural gas is one of the most volatile commodities. The graphic of the downward-sloping wedge pattern in Dutch TTF and U.K. natural gas futures exhibits the steep mean-reversion potential, vs. further downside risks.

EU Gas Lower Plateau Vs. Reversion Risks



Simply getting back to the 2009 low in the Dutch TTF gas future would be about a 40% gain. From the 2009 trough to the 2013 peak, the future advanced about 280%.

PERFORMANCE DRIVERS

Energy Risks More Scoreboard Red in 2H. Down just over 30% on a one-year basis, the Bloomberg Energy Spot Subindex is prone to receding further, in our view. Reaching about negative 50% at its trough in April, the sector is likelier to maintain that trajectory rather than reducing its 2020 decline to much below 30%. Mean-revision potential gives natural gas a potential upper hand vs. crude oil. The lowest levels in about a quarter-century in the U.S. natural gas benchmark are a drag on crude and represent limited further downside in the commodity-deflation leader.

2Q Bear Market Bounce Likely to Revert in 2H

Security	%YTD	Chg June	Chg QTD Pct	1Yr % Chg	2Yr % Chg
BBG Energy Spot	-31.2%	+5.7%	+36.6%	-31.1%	-43.0%
Bloomberg Natural Gas Subindex	-37.8%	-10.8%	-14.2%	-49.4%	-59.8%
Bloomberg Brent Crude Subindex	-42.6%	+8.1%	+31.3%	-37.3%	-46.1%
Bloomberg Unleaded Gasoline Su	-45.9%	+9.1%	+69.5%	-41.4%	-48.4%
Bloomberg Energy Subindex Tota	-46.3%	+2.2%	+9.8%	-45.7%	-53.5%
Bloomberg Heating Oil Subindex	-46.9%	+11.1%	+6.4%	-43.5%	-49.3%
Bloomberg Petroleum Subindex T	-49.8%	+9.6%	+25.8%	-46.1%	-54.2%
Bloomberg WTI Crude Oil Subind	-58.6%	+8.7%	+23.6%	-56.0%	-64.1%

WTI crude oil's sharp recovery from negative in April toward $40 in June smacks of a bear-market bounce. Unless the stock market can keep advancing, energy will be primarily driven by crude oil, which is in the midst of an elongated bear market.

Metals

All *(Index weight: 40% of BCOM)*
Performance: June +4.2%, 2020 +2.5%

Industrial *(Index weight: 19.0% of BCOM.*
Performance: June +6.9%, 2020 -8.4%, Spot -7.1%

Precious *(Index weight: 16.1% of BCOM.*
Performance: June.+2.2%, 2020 +13.8%, Spot +15.1%

Gold Taking the Medal

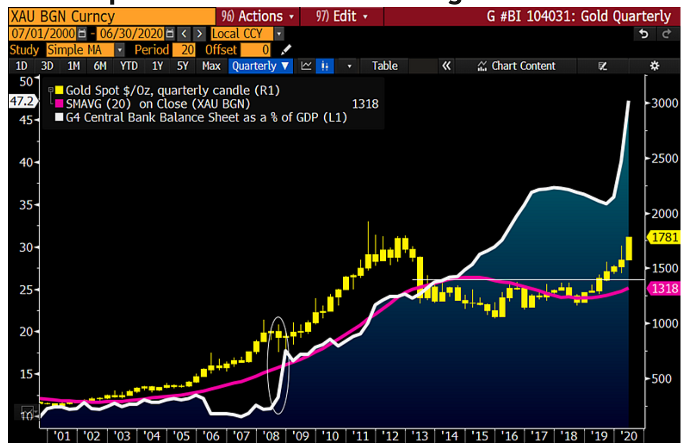
Gold Set to Stay Bull-Market Course, and Copper the Bear Path. The upward trajectory in gold prices vs. downward in copper is more likely to accelerate in 2H than reverse, in our view. A bearish stock tilt should accelerate precious vs. declining base-metals trends. Despite one of the longest equity bull runs ever, copper is prone to elevated risk when stock prices succumb to normalcy and more-sustained mean reversion. Macroeconomic and technical trends remain favorable for gold and precious metals to keep outperforming most assets, including the S&P 500, as we see it. The opposite holds for copper and industrials.

Gold, Precious Metals Bull Market

Gold $3,000? Meh, If Following Financial Crisis and QE Guide. Gold's upward price trajectory is more likely to accelerate, in our view, led by increasingly favorable macroeconomic fundamentals and moving beyond the extended period of disdain for the metal in 2013-18. When bear markets in the dollar and equities arise, gold will gain substantial tailwinds.

Quantitative Easing Is Strong Gold Tailwind. Gold is in the early days of resuming the bull market that started about 20 years ago, in our view. The financial crisis and inception of central-bank quantitative easing (QE) accelerated the metal's upward trajectory then, and we see parallels that are likely more enduring this time. Our graphic depicts the potential upside in spot gold toward $3,000 an ounce vs. about $1,770 on June 26, if simply following the trajectory of the G4 central-bank balance sheet as a percent of GDP. Central banks essentially printing money to spur inflation is a solid foundation for the benchmark store of value.

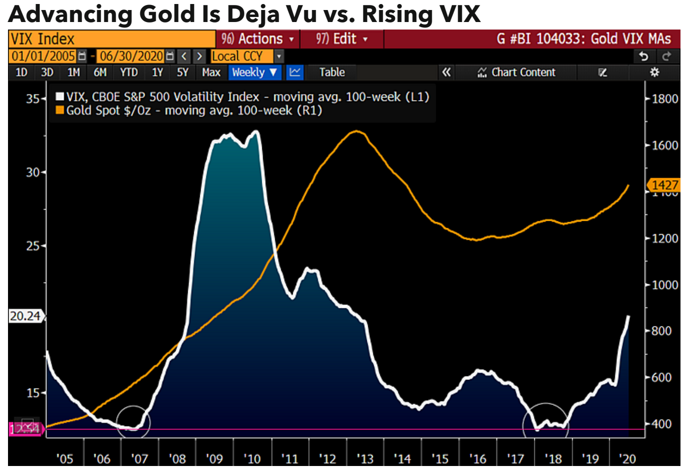
Next Stop For Gold Should Be New Highs



Gold bottomed at about $700 in 2008 and peaked near $1,900 in 2011. A similar-velocity 2.7x advance from this year's low-close near $1,470 would approach $4,000 by 2023.

Rising Stock-Market Volatility a Gold Launchpad. If gold's relationship with equity volatility that's mean-reverting higher and the financial crisis is a guide, the metal has plenty more upside potential vs. downside risks. Our graphic depicts the 100-week moving average of the CBOE Volatility Index (VIX) bottoming from the life-of-index low in 2018, like it did in 2007 before the financial crisis and which accelerated gold's rally. There are potential parallels to about a decade ago. A key difference is the metal has had a substantial correction and appears to be in the early days of resuming a bull market.

Advancing Gold Is Deja Vu vs. Rising VIX



In 2008, gold was in a strong uptrend, which the crisis hastened to the 2011 peak. Far from the too-hot level reached then, by this 100-week measure, the metal may be considered too cold now.

Gold Is Set to Get Exciting Above $1,900. Gold is retracing a previous decline on the way to a new bull market, in our technical assessment. The metal's swift recovery from the dip to its upward sloping 52-week moving average on the back of the March stock-market swoon was a good test of the trend -- it passed. Our chart depicts gold on a trajectory toward its all-time high at about $1,900 an ounce.

Good support comes in around $1,600. Between those points the metal is simply a consolidating bull, which began about 20 years ago.

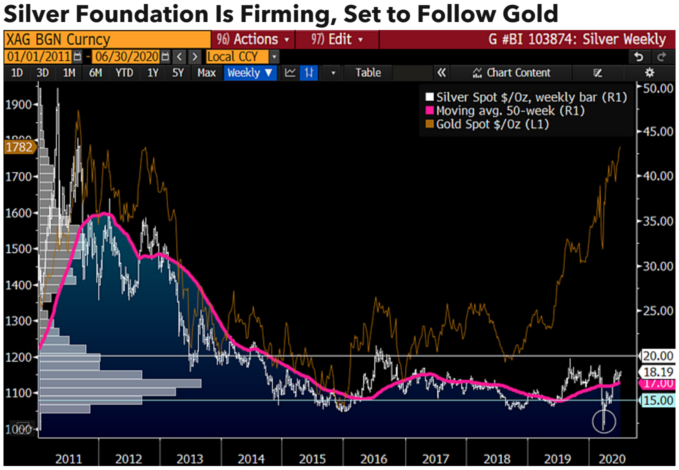
Upward Is Clearly the Gold Trajectory

It should be a matter of time for the benchmark dollar-denominated store-of-value to reach new highs, following records in most other currency terms. Gold would need to sustain below the 52-week mean, just below $1,600, to indicate failure of its upward path.

Technical Outlooks – Silver, Platinum, Palladium,

Silver Needs to Overcome $20 Resistance Level. Entering its sixth year of consolidation at $15-$20 an ounce, silver will eventually follow gold's appreciation. Sustaining above $20 is only a matter of time, in our view, and recent price action tilts that way. After the 50-week moving average turned higher last year, 2020's swoon led by the March equity selloff should be a good springboard, as lower prices were swiftly rejected and weak long positions were cleansed. At about $17.50 on June 17, the longer silver sustains above its 50-week mean near $17, the more likely it will exit its tight range since 2014.

Silver Foundation Is Firming, Set to Follow Gold



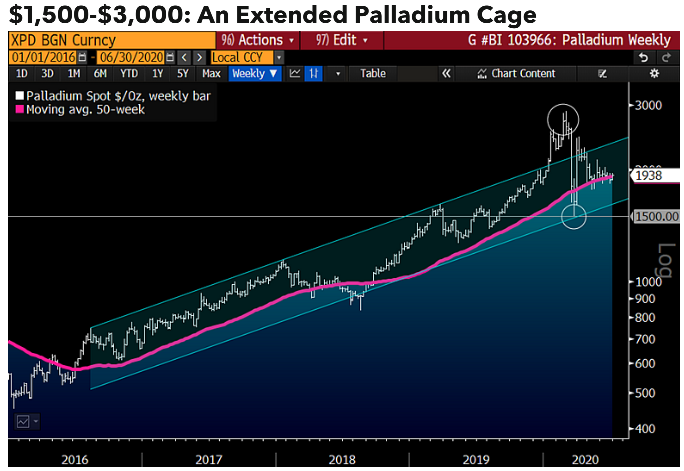
Our graphic depicts plenty of upside mean-reversion potential in the metal since its all-time high, about $50 an ounce in 2011. A base appears to be forming.

Bottom's in, But Platinum Is Still a Bear Market. Similar to crude oil, platinum may have put in a trough at about $600 an ounce, but the price trend remains downward. Essentially caged at $800-$1,000 for about three years, the white metal needs to sustain above the upper end of that range for signs of an enduring recovery. At about $830 on June 23, the platinum wedge is narrowing -- the bottom of the cage is support and the 50-week average just below $900 is good resistance.

About $900 Is Platinum Price Pivot

It was the March ebbing tide and stock-market swoon that pressured platinum to an 18-year low, which may have triggered the commodities mantra of "the cure for low prices is low prices." Initial signs of transition away from a bear market would be sustaining above the 50-week moving average. This mean marked the apex of 2020's initial bear-market bounce.

$1,500-$3,000: An Extended Palladium Cage



Palladium Bull Line-In-the-Sand Is $1,500. Palladium is in a bull market and recent consolidation around its upward-sloping 50-week moving average portends the metal is more likely to stay the course. Our graphic depicts the rising trajectory, but the February spurt toward $3,000 an ounce -- and above the trendline -- is at high risk of marking a blow-off peak. March's swift, almost 50% retracement -- to about

$1,500 -- along with most other risk assets provided palladium a good support pivot to work against, in our view. It should act as a key bull-market stop. Sustaining below $1,500 would indicate failure and a transition toward a bear market.

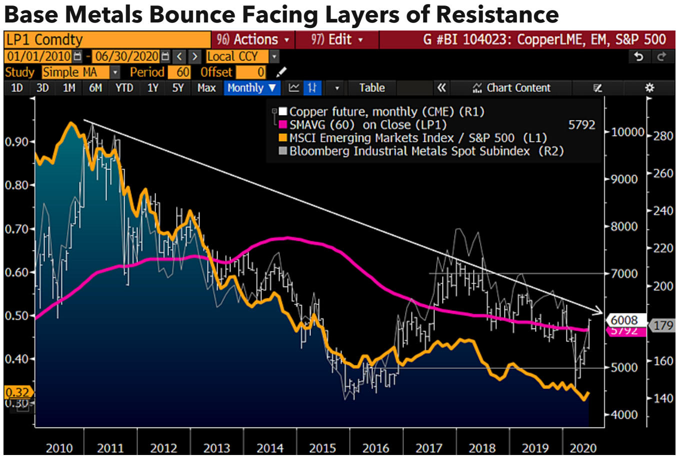
Palladium is famous for extended rallies that get overbought then transition into corresponding retracements.

Copper, Base Metals Enduring Bear

Copper $5,000 More Likely Than $7,000 in Enduring Bear Market. Approaching the upper end of downward trajectories absent substantially improving fundamental drivers at the end of 2H, we see greater risks for copper and industrial metals to stay the course. The pattern of base-metals optimism succumbing to bear-market realism is unlikely to reverse until lower prices provide a cure.

Realism More Likely to Rule Optimistic Copper. Copper and base metals are vulnerable in 2H to the lower-price trajectory since 2011. Typically, more-temporary supply bottlenecks have boosted copper toward $6,000 a ton, precariously above the downward-sloping 60-month moving average and decade-long trend channel. The tilt is toward optimism. Our graphic depicts a primary forward-looking copper-price companion -- the ratio of the MSCI Emerging Markets Index vs. S&P 500 -- showing a more realistic downward path for the metal. Dropping back toward $5,000 and staying the bear-market course in the midst of a global recession is the higher-probability outcome.

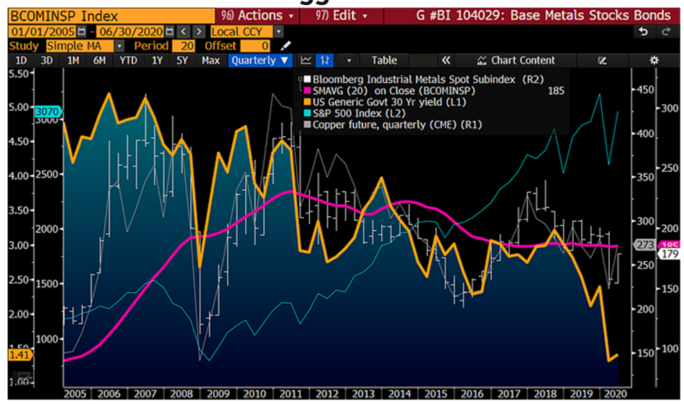
Base Metals Bounce Facing Layers of Resistance



The less-likely scenario is sustaining a recovery toward the 2017-18 highs just above $7,000. The adage that low prices are the cure for low prices hasn't sufficiently played out, as we see it.

Companions - Declining Base Metals, Bond Yields. Industrial metals are more likely to follow bond yields lower than the stock market higher, yet they're particularly vulnerable to mean reversion in equities, in our view. The extended stock market has provided some base-metals buoyancy, notably in 2Q, but a true metals bottom is unlikely until equities move beyond a long overdue bear market. Our graphic depicts the greater propensity for copper and the Bloomberg Industrial Metals Spot Subindex to decline with U.S. Treasury yields, and the diminishing ability for advancing equities to pull along metals.

A Stock Bear Market Is Biggest Base Metals Risk



The predominant deflationary environment in commodity prices and bond yields since the financial crisis is more likely to accelerate than reverse in the face of the pandemic-related global recession.

An Enduring Downward Path for Copper. The copper bear market that began with the 2011 peak and resumed about two years ago is more likely to continue, in our view. Prices are particularly vulnerable toward the end of 1H at around the downward-sloping 50-week moving average. Since the metal's 2018 rollover, which preceded the same for risk-off assets, similar stretches above this mean have failed. CME-traded copper appears more likely to continue gravitating toward its 2016 trough of about $2 a pound than to sustain above the 2019 peak of about $3.

Copper Bear Started in 2011, Resumed in 2018

The metal has strong companions in crude oil and the stock market, both appearing vulnerable after bouncing substantially and swiftly from March-April lows. Akin to crude, copper is unlikely to simply shift to a bull market absent a common commodity cure for lower prices: lower prices.

Aluminum Is on the Way to Multiyear Lows. Stuck between the 2015 low and the downward-sloping 50-week moving average, aluminum support is more likely to surrender, in our view. In decline for most of the past decade, the metal's recent recovery from five-year lows appears more as a bear-market bounce. Our graphic depicts LME-traded aluminum approaching its 50-week mean at about $1,700 a ton vs. the front futures price of about $1,600 on June 18. Momentum and the trend indicate it's improbable that aluminum can sustain above this resistance, which held advances in check last year.

More Likely to Extend the Bottom Than Recover

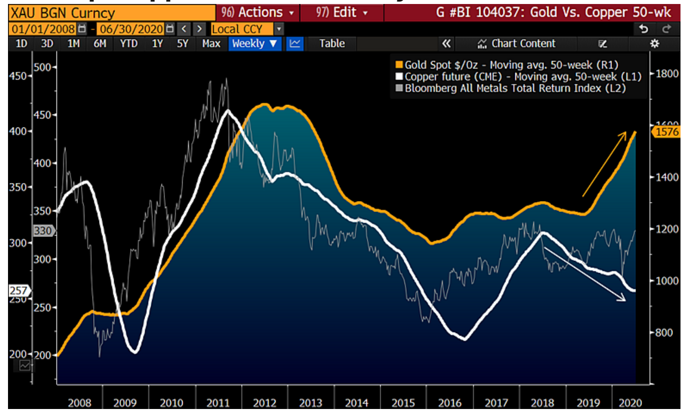
In the midst of a global recession, the metal should keep sliding downward and head toward 2009's financial-crisis lows of about $1,300.

All Metals vs. Broad Commodities

A Tale of Two Metals - The Enduring Gold Bull vs. Copper Bear. The metals sector is about the recovering gold bull vs. the enduring copper bear, and we expect precious metals to keep the upper hand in 2H. Copper risks are elevated approaching downtrend resistance amid economic-recovery optimism. Gold below $1,900 an ounce is simply retracing a past decline. Both metals are maintaining relative sector stability.

Increasing Risks; Rising Gold, Declining Copper. Barring something unusual, the past few years' primary drivers of higher gold and lower copper will prevail in 2H, in our view, with greater potential for the trend to accelerate. Our graphic of 50-week averages (to focus on the annual trends) depicts the upward trajectory in gold vs. downward in copper. The precious metal appears to be resuming its bull market from the financial crisis. Copper is waffling within a range over the same period, but in decline since 2011.

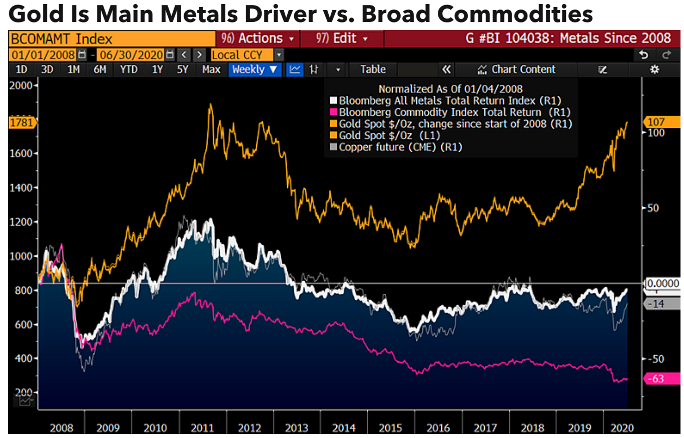
Gold Up, Copper Down Set to Stay the Course



Unprecedented central-bank easing will keep gold prices supported. Copper is missing a key element in the face of a global recession -- much lower prices. We expect the red metal to follow the example of the plunge in crude oil -- its cure for low prices, as the mantra goes.

Higher Gold, Lower Copper, Stable Metals Sector. The metals sector should maintain its upper hand vs. most commodities beyond 2H. The Bloomberg All Metals Total Return Index is nearing resistance (about unchanged from the start of 2008). That compares with a 64% decline in the Bloomberg Commodity Index Total Return. When commodities eventually sustain a recovery, we expect the superior-performing metals to have the advantage in total-return terms.

Gold Is Main Metals Driver vs. Broad Commodities



Less subject to the nuances of rolling futures and contango, yet benefiting from increasing demand due to rapidly advancing technology, the all-metals index appears poised to accelerate its outperformance of broad commodities. Strong gold is being offset by weak copper and base metals, keeping the sector relatively stable.

PERFORMANCE DRIVERS

Metals Performance and Gold's Divergent Strength. There little to suggest gold will lose its top spot on our metals-sector performance dashboard. What's notable as 1H wraps up is that the benchmark precious metal is up almost 16% in 2020 despite an advance of about 5% in the trade-weighted broad dollar. This indicates divergent strength in gold. It's gaining vs. virtually all assets, and most currencies are declining in value vs. the metal. This makes sense in an environment of unparalleled global central-bank quantitative easing.

Precious Momentum vs. More Base-Metal Risks

Security	%YTD	Chg June	Chg QTD Pct	1Yr % Chg	2Yr % Chg
Bloomberg Gold Subindex Total	+17.1%	+2.8%	+12.1%	+25.7%	40.8%
Bloomberg Precious Metals Subi	+13.8%	+2.2%	+15.0%	+24.2%	33.7%
Broad Dollar Index	+5.4%	-.3%	-1.5%	+5.6%	6.7%
Bloomberg Silver Subindex Tota	+1.9%	-.3%	+29.2%	+18.1%	10.9%
Bloomberg All Metals Total Ret	+1.4%	+3.1%	+12.6%	+7.1%	4.6%
Bloomberg Copper Subindex Tota	-3.5%	+11.9%	+21.2%	-.3%	-8.4%
Bloomberg Industrial Metals Su	-8.4%	+6.9%	+12.3%	-6.4%	-16.7%
Bloomberg Nickel Subindex Tota	-9.6%	+3.7%	+10.8%	+.9%	-14.1%
Bloomberg Zinc Subindex Total	-10.6%	+2.6%	+6.8%	-16.8%	-20.2%
Bloomberg Aluminum Subindex To	-13.5%	+4.0%	+4.0%	-13.5%	-27.7%

In 2H, we believe copper and most base metals are at elevated risk of reverting their sharp 2Q rallies and resuming more enduring downtrends, as reflected in one- and two-year losses.

Agriculture

(Index weight: 35% of BCOM)
Performance: June +1.8%, 2020 -14.2, Spot -11.3%

Grains *(Index Weight: 24% of BCOM)*
Performance: June +0.2% 2020 -13.0%, Spot -10.2%

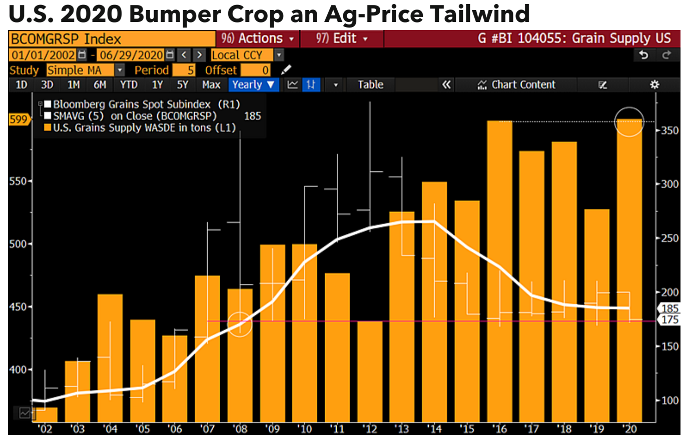
Softs *(Weight: 6% of BCOM)*
Performance: June +6.1%, 2020 -16.3%, Spot -15.5%

Agriculture Supply, Price Pressure

Absent Poor Weather, Corn Piles to Pressure Agriculture Prices. The Corn Belt scenario we envision this fall includes piles of corn after a bumper crop, keeping a lid on agriculture prices. Similar to energy, declining ag prices are a primary consequence of rapidly advancing technology and ample supply, with additional headwinds from a strong dollar and global recession.

Corn Supply a Top Driver of Declining Ags. The potential for the largest-ever U.S. grain crop in 2020 and propensity for estimates to be revised upward, absent poor weather, will continue to weigh on agriculture prices, in our view. Unlike crude oil, where lower prices are reducing supply, corn output is expected to leap the most on a percentage basis since after the 2012 drought. Throw in declining demand for ethanol and the strong dollar, and something significant needs to change, or agricultural-commodity prices should simply follow energy toward multiyear lows.

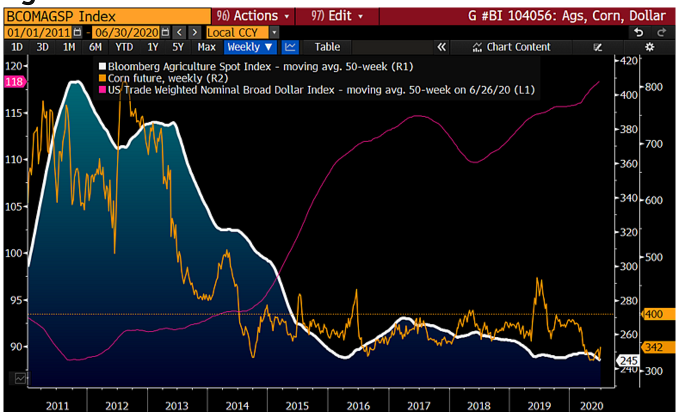
U.S. 2020 Bumper Crop an Ag-Price Tailwind



Our graphic depicts the Bloomberg Grains Spot Subindex approaching the 2007-08 bottom, with a likely 600 million tons of corn, soybeans and wheat production on track to surpass the 2016 peak. Corn is the world's most significant agricultural commodity, and the U.S. is the largest producer.

Weaker Greenback Needed for Ags to Rise. Plenty of supply, notably from South America, and at lower prices due to declining currency values are trends that need to reverse for sustained gains in agriculture prices. U.S. grain exports as a percentage of production have been declining since 2018. The strong dollar is a primary reason, along with U.S.-China trade tension. Our graphic of 50-week moving averages to focus on the trends shows the strong-greenback headwind for the Bloomberg Agriculture Spot Index.

Agriculture Peaked in 2011 With Dollar Bottom



The value of the Brazilian real -- down about 30% on a one-year basis -- is a top companion of ag prices. Until the currency gets its legs and/or rapidly increasing Brazil grain production subsides, ags should remain under pressure. Grains are the majority of the Bloomberg Agriculture Subindex, and the futures are primary traded and delivered in the U.S.

PERFORMANCE DRIVERS

Sustained Summer Rallies Typically Need Drought. Entering the peak of North American growing season, poor weather would be the catalyst to boost agriculture prices, but that's becoming less likely. We see greater risk of more red on our scorecard, due to favorable Corn Belt weather the past few years. Ample moisture is the key, and the 2019 spring deluge was a reminder of how climate change has been favorable for U.S. grain production. Corn yields are a primary determinant of supply. The average, near 179 bushels per acre expected in 2020, is just a minor upward revision from all-time highs.

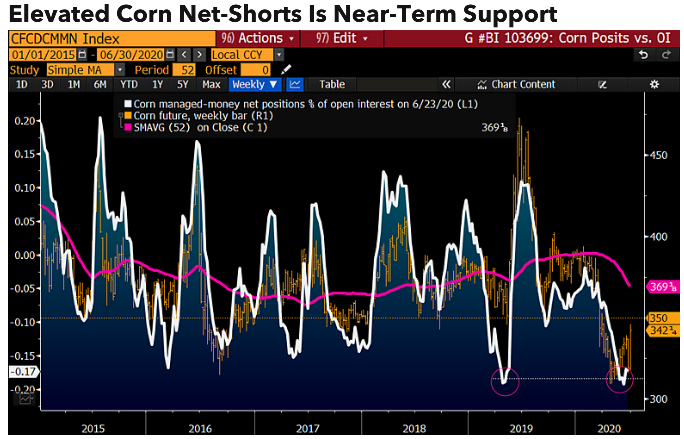
Pressure Likely Absent Poor July-August Weather

Security	%YTD	Chg June	Chg QTD Pct	1Yr % Chg	2Yr % Chg
BBG Soybean Meal TR	-9.1%	+1.1%	-14.6%	-17.3%	-22.4%
Bloomberg Sugar Subindex Total	-9.8%	+8.5%	+12.8%	-11.6%	-14.7%
Bloomberg Grains Spot Subindex	-10.2%	+1.6%	-6.3%	-12.9%	-5.3%
Bloomberg Soybeans Subindex To	-10.6%	+3.5%	-2.6%	-9.5%	-11.3%
Bloomberg Cotton Subindex Tota	-12.0%	+6.6%	+19.5%	-9.7%	-30.0%
Bloomberg Wheat Subindex Total	-12.7%	-6.6%	-14.5%	-8.1%	-8.6%
Bloomberg Grains Subindex Tota	-13.0%	+.2%	-6.3%	-15.8%	-15.9%
Bloomberg Kansas Wheat Subinde	-13.3%	-8.2%	-14.3%	-13.8%	-27.9%
Bloomberg Agriculture Subindex	-14.2%	+1.8%	-4.8%	-13.8%	-17.4%
Bloomberg Corn Subindex Total	-15.4%	+3.3%	-2.8%	-25.5%	-20.9%
BBG Softs TR	-16.3%	+6.1%	+.6%	-12.9%	-23.1%
Bloomberg Soybean Oil Subindex	-21.5%	+1.9%	+1.9%	-6.0%	-12.3%
Bloomberg Live Cattle Subindex	-23.1%	-3.3%	-.6%	-16.5%	-16.6%
Bloomberg Coffee Subindex Tota	-25.5%	+3.0%	-17.8%	-16.6%	-29.6%
BRAZIL REAL	-25.9%	-1.9%	-4.0%	-29.2%	-28.5%
Bloomberg Livestock Subindex T	-34.3%	-8.5%	-8.6%	-33.7%	-36.0%
Generic 1st 'CL' Future	-35.5%	+10.9%	+92.2%	-32.7%	-46.9%
Bloomberg Lean Hogs Subindex T	-51.9%	-19.1%	-23.9%	-57.7%	-62.3%

Unless in the unlikely event that production trails expectations, corn for December delivery (about $3.30 a bushel on June 29) will have a greater propensity to gravitate toward $3.

Corn May Pop, But Trend Is Toward $2, Not $4. Near-record managed-money short positions in corn elevate covering risks, but the more enduring bear market is set to prevail in our view. At about 20% of open interest net-short, last year's extreme just before the big covering rally is the only similar example in the database (since 2006). The 2019 bounce swiftly reversed to the downward price trajectory as the predominant issue -- oversupply -- returned to the forefront. Absent a poorer-than-normal Corn-Belt growing season, 2020 should see the largest crop ever. This is a strong headwind for prices, particularly in a strengthening dollar environment and with motor fuel (ethanol) demand in decline, on the back of the recession and shift toward working from home.

Elevated Corn Net-Shorts Is Near-Term Support

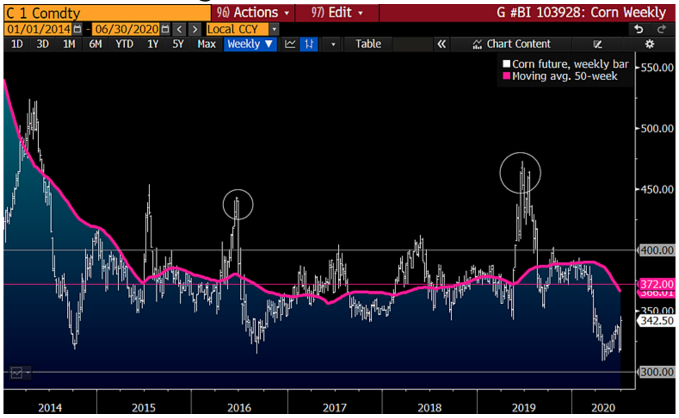


Short-covering risks may pop corn to near $3.50 a bushel, yet we expect plenty of resistance on rallies.

Technical Outlooks – Corn, Soybeans, Wheat, Sugar & Cocoa

Corn Price May Get Comfortable at Ground Level. Five years of consolidation leave plenty of resistance above the declining price of corn. A drop in May to the lowest levels since the financial crisis should provide some support, but our graphic depicts the world's most significant agricultural commodity at greater risk of sustaining below the lower end of its cage since 2015, not recovering. The average corn price since the start of 2015, $3.72 a bushel, is now key resistance vs. the front future of about $3.40 on June 19. About the same as the five-year mean is the 50-week moving average, which has turned downward.

Corn Risks Exiting Extended Consolidation Lower



Corn is likely in the process of adjusting its consolidation range lower toward $3 a bushel. It should take some unexpected production cut, such as a severe drought in the Corn Belt, to sustain prices back above $4.

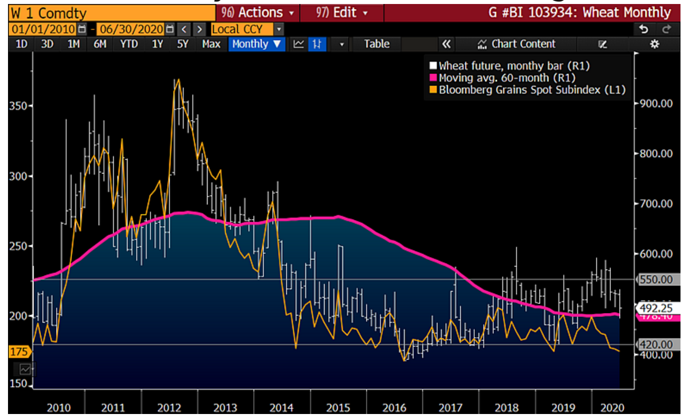
Soybean Prices Lean Toward $8 a Bushel. Soybean prices are headed in the direction of $8 a bushel. In decline for years -- notably since 2016, as seen in our graphic -- the oilseed's 50-week moving average has turned downward. Unlike corn, which is well below its mean, soybean prices of about $8.80 on June 19 and the average price over the past year are at greater risk of continuing to slide. A Corn Belt drought would likely be necessary to hold prices above $9.

Something Needs to Change to End Soybean Trend

The almost-two-year soybean high that traded on the first day of 2020 smacks of the potential for a common outcome among many commodities: price spikes simply cleansing shorts and resulting in more-enduring downturns.

Wheat Risks Tilting Downward With Grains. Essentially at its average price of the past five years, wheat is more likely to follow its brethren -- corn and soybeans -- toward lower levels, in our view. The least significant of the three on a dollar value global-production basis, the grain's low last year in the benchmark wheat future at about $4.20 a bushel appears more as a gravitational pull level than support. Our graphic depicts the front future at about $4.85 on June 19 appearing a bit lofty vs. the declining Bloomberg Grains Subindex.

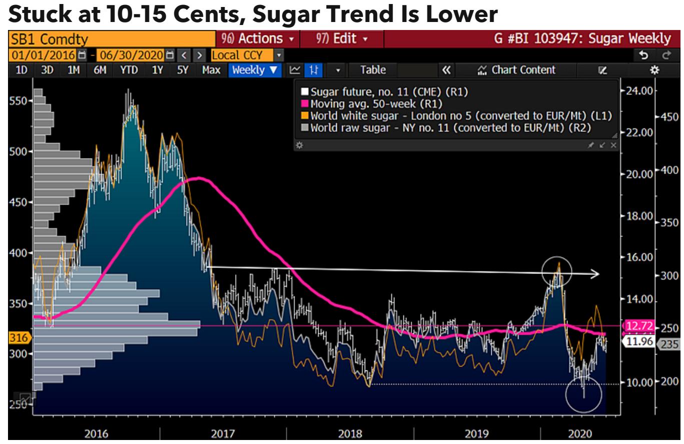
Wheat More Likely to Revisit Lower End of Range



Some form of supply shock, like drought, should be necessary for wheat to sustain above the upper end of its range since 2015 of about $5.50.

Bear-Market Bounce Risks Elevated in Sugar. Sugar has been confined to 10-15 cents a pound since 2017, but "trend is your friend" rules point toward the low end, in our view. Still licking its wounds from the 2017-18 downdraft, the CME-traded benchmark future seems vulnerable, returning to its declining 50-week moving average after reaching 13-year lows in May. Bear-market bounce risks are high, yet there's limited downside under multiyear lows. The commodity famous for high volatility, sugar was mired at 12.20 cents a pound on June 22.

Stuck at 10-15 Cents, Sugar Trend Is Lower



For price reference, our graphic depicts the world-benchmark No. 11 sugar contract and London-traded No. 5 future in euro-denominated metric tons.

Cocoa Inclined to Take Downward Path. After starting February near the upper end of its three-year range, cocoa prices are likely to retreat in 2020. Our graphic depicts the essentially range-bound benchmark future at greater risk of heeding resistance developing around its 50-week moving average and heading toward the 2017-18 low near $1,800 a metric ton. The double-top highs from 2018 and February near $2,900 appear to be more-formidable longer-term resistance. This area is also the approximate most-traded price since the start of 2014.

About $2,500 Is Cocoa Price Pivot

Cocoa was about $2,270 on June 22 and would need to show strength above its 50-week mean ($2,500) to avoid the gravitational pull of the nadir of its four-year range.

Index Performance

Name	1 Mth % Change	3 Mth % Change	YTD % Change	1 Yr % Change	2 Yr % Change
▾ Commodities					
▾ BCOM Index TR	2.3	7.8	-19.4	-16.8	-23.0
▸ Energy Index	3.5	14.5	-46.3	-45.9	-53.5
▾ All Metals Index	4.2	13.8	2.5	8.3	5.8
▸ Industrial Metals Index	5.6	14.7	-8.4	-5.3	-16.7
▸ Precious Metals Index	1.9	15.6	13.8	26.2	33.7
▾ Ags & Livestock Index	0.3	-2.4	-17.7	-16.4	-20.6
▸ Livestock Index	-7.1	-3.9	-34.3	-34.6	-36.0
▾ Agriculture Index	1.6	-2.1	-14.2	-12.5	-17.4
▸ Grains Index	0.9	-3.8	-13.0	-13.9	-15.9
▸ Softs Index	6.1	0.6	-16.3	-12.9	-23.1
▸ BCOM EX Indices TR					
▸ BCOM Index Roll Select TR	2.6	8.3	-14.9	-12.4	-20.2
▸ BCOM Index Forwards TR					
▸ BCOM Index ER	2.3	7.8	-19.7	-17.8	-25.7
▸ BCOM Index Spot	3.9	15.0	-12.8	-9.0	-14.9
▾ Stocks					
▸ S&P 500 Index TR	1.6	26.1	-3.1	6.7	18.7
▾ Bonds					
▸ Barclays U.S. Aggregate	0.7	2.8	6.1	8.9	17.3
▾ Currencies					
▸ Bloomberg U.S. Dollar Spot Index	0.1	-2.8	3.0	2.4	3.3
US Dollar Index	-0.5	-2.3	1.0	0.6	3.1
US Trade Weighted Broad Dollar	-2.0	-2.6	0.0	0.0	7.5

Individual Commodities Front Future Change

Name	MTD % Change	3 Mth % Change	YTD % Change	1 Yr % Change	2 Yr % Change
▾ BCOM Single Commodity Price					
Gold	2.8	13.1	18.2	29.6	43.5
Palladium	-1.2	-9.0	2.1	26.2	105.0
Silver	0.5	33.0	3.8	22.4	14.8
Platinum	-2.5	18.8	-12.8	1.9	-0.6
Copper (CME)	12.5	25.5	-2.4	1.5	-8.0
Nickel	4.0	11.5	-8.6	1.0	-14.0
Copper (LME)	12.1	21.5	-2.4	0.3	-9.5
Soybean Oil	5.2	6.7	-17.1	-0.1	-3.1
Soybeans	4.9	-0.4	-7.7	-4.4	0.3
HRW Wheat	-6.5	-10.8	-9.5	-4.7	-10.0
Sugar	9.6	14.8	-10.9	-5.2	-2.4
Wheat	-5.6	-13.5	-12.0	-6.7	-1.9
Coffee	4.9	-15.5	-22.1	-7.7	-12.3
Live Cattle	-3.3	4.6	-23.5	-7.7	-9.8
Cotton	5.7	19.1	-11.8	-7.9	-27.5
Soybean Meal	4.5	-8.0	-2.9	-8.4	-10.3
Aluminum	3.8	6.1	-10.9	-10.6	-26.4
Zinc	2.4	7.4	-10.6	-19.9	-29.5
Corn	4.8	0.2	-11.9	-20.9	-8.0
Natural Gas	-6.9	8.5	-21.3	-24.0	-41.1
WTI Crude	11.7	95.2	-35.1	-32.9	-46.5
Lean Hogs	-14.0	-18.7	-31.4	-35.5	-35.9
Gasoline	18.6	122.6	-28.3	-37.0	-44.2
Brent Crude	16.8	81.5	-37.5	-38.0	-48.0
Heating Oil	23.6	27.9	-41.2	-39.0	-46.0
Gas Oil	24.1	20.3	-42.6	-40.8	-47.9

Market Flows – Commitment of Traders

Name	Current	1 Mth Change	3 Mth Change	YTD Change	1 Yr Change
▾ Net - Managed Money Total/Disagg					
▾ Single Commodities					
WTI Crude	365,022	16,564	241,977	81,299	218,284
Natural Gas	-30,352	-42,164	98,482	210,823	119,274
Sugar	53,121	89,238	49,531	30,849	110,640
Soybeans	44,285	32,221	74,931	47,444	99,592
Copper (CME)	17,426	27,128	58,769	7,088	61,485
Soybean Oil	-721	-3,402	-2,433	-112,904	42,025
Cotton	4,942	14,626	17,407	-15,944	35,327
Aluminum (Post- MiFID II)	164,678	-41,463	-7,506	-13,200	31,140
Platinum	9,168	-2,629	-2,605	-38,494	30,227
Copper (LME) (Post MiFID II)	41,505	6,412	17,970	24	24,453
Silver	29,173	8,056	6,213	-31,192	24,425
Coffee	-27,565	-39,547	-30,212	-68,672	7,805
Zinc (Post MiFID II)	46,923	-4,964	7,919	-6,920	7,487
Nickel	42,230	-1,792	12,113	13,772	5,041
Heating Oil	-11,927	-3,607	-9,176	-32,964	2,332
Zinc (Pre MiFID II)	79,906	-6,682	3,640	-471	-8,898
Palladium	716	-148	-199	-11,805	-10,294
Aluminum (Pre- MiFID II)	163,475	-3,292	21,105	3,315	-10,481
Gold	175,664	2,387	-1,806	-87,506	-14,017
HRW Wheat	-37,292	-22,254	-23,986	-38,576	-16,548
Live Cattle	17,567	4,363	16,204	-65,728	-19,153
Lean Hogs	8,989	-381	-13,037	-2,245	-26,122
Copper (LME) (Pre MiFID II)	37,448	-16,651	-27,111	-31,597	-34,385
Soybean Meal	-46,012	-16,608	-62,112	-20,602	-46,030
Gasoline	27,076	-6,865	-28,672	-78,781	-48,583
Brent Crude	201,669	43,230	123,164	-208,861	-69,837
Wheat	-48,213	-31,737	-42,554	-75,483	-70,926
Corn	-277,479	-32,093	-185,633	-195,023	-420,994

PERFORMANCE: Bloomberg Commodity Indices

Composite Indices

*** Click hyperlinks to open in Bloomberg**

Index Name	Ticker	2020									
		Jun	YTD	1-Year	3-Year	5-Year	10-Year	20-Year	30-Year	40-Year	50-Year
Bloomberg Commodity ER	BCOM	2.27%	-19.67%	-18.43%	-21.34%	-36.73%	-48.33%	-37.98%	-28.80%	-53.85%	269.86%
Bloomberg Commodity TR	BCOMTR	2.28%	-19.40%	-17.38%	-17.30%	-32.97%	-45.09%	-15.42%	57.81%	148.45%	3789.09%
Bloomberg Commodity Spot	BCOMSP	3.91%	-12.81%	-9.74%	-5.62%	-8.68%	-9.67%	149.40%	224.47%	152.48%	1508.42%
Bloomberg Roll Select	BCOMRST	2.56%	-14.85%	-13.03%	-14.42%	-25.85%	-33.92%	92.84%			
1 Month Forward	BCOMF1T	2.60%	-16.85%	-14.34%	-13.39%	-27.89%	-36.79%	49.68%			
2 Month Forward	BCOMF2T	2.85%	-15.60%	-13.33%	-9.76%	-23.52%	-34.16%	87.33%			
3 Month Forward	BCOMF3T	2.98%	-14.43%	-11.59%	-9.02%	-22.27%	-31.14%	97.22%			
4 Month Forward	BCOMF4T	2.90%	-13.28%	-10.77%	-8.24%	-18.33%	-25.04%				
5 Month Forward	BCOMF5T	2.89%	-12.06%	-9.22%	-5.46%	-15.79%	-22.96%				
6 Month Forward	BCOMF6T	2.87%	-11.38%	-9.06%	-4.91%	-14.34%	-21.39%				
Energy	BCOMENTR	2.18%	-46.29%	-45.74%	-37.32%	-65.00%	-82.00%	-84.10%	-31.75%		
Petroleum	BCOMPETR	9.61%	-49.80%	-46.09%	-27.36%	-59.55%	-69.82%	-44.97%			
Agriculture	BCOMAGTR	1.79%	-14.23%	-13.78%	-28.36%	-39.58%	-33.69%	-29.70%	-35.02%	-5.59%	1069.88%
Grains	BCOMGRTR	0.19%	-13.02%	-15.77%	-29.99%	-45.97%	-35.03%	-38.54%	-55.32%	-38.10%	283.79%
Industrial Metals	BCOMINTR	6.86%	-8.41%	-6.40%	-4.03%	-0.19%	-25.69%	86.92%			
Precious Metals	BCOMPRTR	2.18%	13.77%	24.23%	32.63%	38.45%	23.92%	384.39%	358.84%	103.82%	
All Metals	BCOMAMT	4.24%	2.53%	8.30%	13.88%	19.95%	-1.78%	222.72%			
Softs	BCOMSOTR	6.07%	-16.35%	-12.89%	-29.20%	-32.80%	-48.52%	-55.32%	-45.95%	-21.31%	2428.14%
Livestock	BCOMLITR	-8.49%	-34.33%	-33.73%	-42.04%	-44.36%	-46.79%	-68.62%	-59.14%		
Ex-Energy	BCOMXETR	2.33%	-7.86%	-4.98%	-10.68%	-15.04%	-19.02%	37.99%			
Ex-Petroleum	BCOMXPET	1.02%	-11.32%	-10.35%	-18.07%	-26.48%	-41.11%				
Ex-Natural Gas	BCOMXNGT	3.50%	-17.50%	-14.07%	-11.60%	-25.83%	-30.28%				
Ex-Agriculture	BCOMXAGT	2.50%	-21.70%	-19.12%	-12.69%	-30.86%	-51.18%				
Ex-Grains	BCOMXGRT	2.72%	-20.69%	-17.82%	-14.37%	-30.29%	-48.40%				
Ex-Industrial Metals	BCOMXIMT	1.28%	-21.63%	-19.63%	-20.38%	-38.69%	-49.05%				
Ex-Precious Metals	BCOMXPMT	2.33%	-26.10%	-25.25%	-26.09%	-43.18%	-54.57%				
Ex-Softs	BCOMXSOT	2.00%	-19.65%	-17.77%	-16.46%	-33.38%	-45.52%				
Ex-Livestock	BCOMXLIT	2.92%	-18.39%	-16.28%	-15.49%	-32.29%	-45.10%				
Ex-Agriculture & Livestock	BCOMXALT	3.46%	-20.45%	-17.70%	-9.48%	-29.67%	-51.82%				
Bloomberg Dollar Spot	BBDXY	-0.68%	2.95%	2.77%	3.04%	3.30%	15.19%				
Bloomberg US Large Cap TR	B500T	2.20%	-1.61%	9.12%	38.00%	68.84%	277.46%				
US Aggregate	LBUSTRUU	0.63%	6.14%	8.74%	16.83%	23.45%	45.55%	172.38%	478.18%	1669.05%	
US Treasury	LUATTRUU	0.09%	8.71%	10.45%	17.67%	22.10%	39.78%	155.13%	439.49%	1495.53%	
US Corporate	LUACTRUU	1.96%	5.02%	9.50%	20.24%	32.74%	70.29%	231.78%	628.06%	2246.80%	
US High Yield	LF98TRUU	0.98%	-3.80%	0.03%	10.33%	26.35%	90.97%	286.96%	932.28%		

Single Commodity Indices

Index Name	Ticker	2020									
		Jun	YTD	1-Year	3-Year	5-Year	10-Year	20-Year	30-Year	40-Year	50-Year
Natural Gas	BCOMNGTR	-10.76%	-37.79%	-49.40%	-66.99%	-81.85%	-96.63%	-99.81%			
Low Sulfer Gas Oil	BCOMGOT	16.84%	-48.26%	-45.34%	-19.59%	-51.82%	-57.58%	21.46%			
WTI Crude	BCOMCLTR	8.69%	-58.63%	-56.03%	-42.95%	-72.31%	-82.97%	-72.61%	41.06%		
Brent Crude	BCOMCOT	8.14%	-42.56%	-37.26%	-8.64%	-48.54%	-55.39%	33.24%			
ULS Diesel	BCOMHOTR	11.14%	-46.86%	-43.47%	-22.87%	-53.06%	-58.53%	-12.89%	128.36%		
Unleaded Gasoline	BCOMRBTR	9.10%	-45.92%	-41.35%	-26.85%	-55.06%	-45.94%	13.59%	376.91%		
Corn	BCOMCNTR	3.28%	-15.42%	-25.50%	-34.28%	-50.99%	-41.79%	-77.35%	-89.03%	-82.96%	-52.46%
Soybeans	BCOMSYTR	3.50%	-10.62%	-9.48%	-22.28%	-31.59%	17.20%	207.96%	186.54%	249.78%	2583.09%
Wheat	BCOMWHTR	-6.61%	-12.75%	-8.06%	-26.93%	-50.68%	-63.36%	-84.71%	-90.87%	-88.55%	-36.51%
Soybean Oil	BCOMBOTR	1.90%	-21.50%	-6.00%	-24.49%	-32.64%	-48.95%	-17.47%	-46.89%	-23.28%	1266.06%
Soybean Meal	BCOMSMT	1.12%	-9.14%	-15.22%	-18.38%	-30.00%	75.15%	763.25%			
HRW Wheat	BCOMKWT	-8.20%	-13.26%	-13.11%	-44.04%	-65.52%	-69.27%	-76.47%			
Copper	BCOMHGTR	11.88%	-3.48%	-0.26%	-1.53%	-1.17%	-17.53%	258.89%	533.63%		
Alumnium	BCOMALTR	3.99%	-13.50%	-13.46%	-19.19%	-13.68%	-45.75%	-39.12%			
Zinc	BCOMZSTR	2.63%	-10.56%	-16.77%	-15.37%	12.38%	3.94%	33.25%			
Nickel	BCOMNITR	3.73%	-9.55%	0.91%	35.39%	2.94%	-41.55%	148.22%			
Gold	BCOMGCTR	2.80%	17.13%	25.67%	41.11%	47.40%	34.80%	441.35%	374.71%	154.30%	
Silver	BCOMSITR	-0.29%	1.87%	18.14%	6.88%	10.65%	-12.43%	198.18%	208.00%	-20.31%	
Sugar	BCOMSBTR	8.51%	-9.83%	-11.61%	-27.71%	-29.52%	-47.62%	-34.03%	1.73%	-87.29%	65.34%
Coffee	BCOMKCTR	3.01%	-25.49%	-16.55%	-41.03%	-53.77%	-75.43%	-90.00%	-85.49%	-78.54%	
Cotton	BCOMCTTR	6.59%	-12.04%	-9.72%	-12.33%	-11.78%	12.69%	-67.74%	-57.91%	97.60%	1016.76%
Live Cattle	BCOMLCTR	-3.32%	-23.09%	-16.54%	-23.89%	-29.10%	-15.23%	-19.27%	28.64%	541.68%	2540.57%
Lean Hogs	BCOMLHTR	-19.15%	-51.85%	-57.71%	-66.64%	-66.18%	-78.27%	-93.91%	-95.34%		

PERFORMANCE: Bloomberg Commodity Roll Select Indices

Composite Roll Select Indices

*** Click hyperlinks to open in Bloomberg**

Index Name	Ticker	2020		1-Year	3-Year	5-Year	10-Year	20-Year	30-Year	40-Year	50-Year
		Jun	YTD								
BCOM Roll Select	BCOMRST	2.56%	-14.85%	#VALUE!	-14.42%	-25.85%		92.84%			
Roll Select Agriculture	BCOMRAGT	1.87%	-14.41%	-14.15%	-27.17%	-37.15%	-25.94%	24.60%			
Roll Select Ex-Ags & Livestock	BBURXALT	3.32%	-14.03%	-11.05%	-5.15%	-18.58%	-39.12%				
Roll Select Grains	BCOMRGRT	0.19%	-13.08%	-16.13%	-27.97%	-43.02%	-28.17%	15.05%			
Roll Select Softs	BCOMRSOT	6.38%	-17.77%	-14.81%	-33.24%	-35.26%	-43.50%	-25.03%			
Roll Select Livestock	BCOMRLIT	-3.29%	-26.95%	-30.11%	-41.70%	-49.58%	-42.38%	-3.91%			
Roll Select Energy	BCOMRENT	2.13%	-33.28%	-32.38%	-26.01%	-48.75%	-68.77%	-13.93%			
Roll Select Ex-Energy	BCOMRXET	2.79%	-7.05%	-4.71%	-10.37%	-14.28%	-13.68%	127.68%			
Roll Select Petroleum	BCOMRPET	7.00%	-37.47%	-33.25%	-13.06%	-41.34%	-51.21%	110.80%			
Roll Select Industrial Metals	BCOMRINT	6.74%	-8.80%	-7.20%	-6.06%	-1.43%	-23.92%	168.60%			
Roll Select Precious Metals	BCOMRPRT	2.33%	14.68%	25.49%	33.88%	40.19%	26.11%	403.59%			

Single Commodity Roll Select Indices

Index Name	Ticker	2020		1-Year	3-Year	5-Year	10-Year	20-Year	30-Year	40-Year	50-Year
		Jun	YTD								
Natural Gas RS	BCOMRNGT	-5.42%	-24.07%	-36.44%	-60.27%	-71.48%	-91.90%	-95.92%			
Low Sulfer Gas Oil RS	BCOMRGOT	10.86%	-44.18%	-42.37%	-17.16%	-48.90%	-54.63%	44.87%			
WTI Crude RS	BCOMRCLT	6.79%	-32.04%	-27.92%	-7.05%	-37.14%	-54.12%	122.18%			
Brent Crude RS	BCOMRCOT	5.54%	-38.57%	-32.89%	-7.70%	-41.24%	-47.08%	143.44%			
ULS Diesel RS	BCOMRHOT	6.70%	-48.81%	-46.66%	-31.57%	-55.37%	-61.85%	43.31%			
Unleaded Gasoline RS	BCOMRRBT	8.53%	-31.79%	-26.19%	-9.33%	-31.19%	-20.21%	157.00%			
Corn RS	BCOMRCNT	3.28%	-14.67%	-25.72%	-31.80%	-47.89%	-38.15%	-58.46%			
Soybeans RS	BCOMRSYT	3.50%	-11.16%	-9.17%	-15.31%	-21.10%	44.49%	361.23%			
Wheat RS	BCOMRWHT	-6.61%	-13.11%	-8.87%	-31.06%	-54.92%	-62.50%	-53.40%			
Soybean Oil RS	BCOMRBOT	1.90%	-21.37%	-5.84%	-24.88%	-32.10%	-44.31%	17.66%			
Soybean Meal RS	BCOMRSMT	1.18%	-7.53%	-13.16%	-8.61%	-20.93%	114.02%	1140.59%			
HRW Wheat RS	BCOMRKWT	-8.20%	-13.60%	-16.20%	-45.43%	-65.24%	-67.21%	-47.61%			
Copper RS	BCOMRHGT	11.83%	-3.97%	-0.67%	-2.25%	-1.54%	-16.64%	403.01%			
Alumnium RS	BCOMRALT	3.76%	-13.98%	-15.27%	-22.83%	-16.49%	-43.55%	-14.03%			
Zinc RS	BCOMRZST	2.54%	-10.90%	-17.90%	-18.61%	9.57%	3.64%	94.44%			
Nickel RS	BCOMRNIT	3.66%	-9.71%	0.98%	34.82%	3.55%	-38.89%	293.23%			
Gold RS	BCOMRGCT	3.05%	18.27%	27.15%	42.77%	49.75%	37.07%	451.38%			
Silver RS	BCOMRSIT	-0.56%	2.14%	18.70%	7.08%	11.04%	-10.50%	229.00%			
Sugar RS	BCOMRSBT	9.04%	-13.01%	-14.44%	-37.50%	-36.49%	-48.18%	30.35%			
Coffee RS	BCOMRKCT	3.17%	-25.02%	-17.61%	-41.86%	-54.05%	-72.55%	-84.37%			
Cotton RS	BCOMRCTT	6.59%	-12.75%	-10.52%	-9.13%	-8.34%	32.76%	-50.61%			
Live Cattle RS	BCOMRLCT	-2.22%	-23.22%	-20.89%	-30.35%	-35.57%	-18.65%	28.36%			
Lean Hogs RS	BCOMRLHT	-5.67%	-34.17%	-44.64%	-58.87%	-67.87%	-70.14%	-52.18%			

BCOM Constituent Weights

BCOM Index MEMB <GO> *** Click hyperlinks to open in Bloomberg**

Group	Commodity	Ticker	Jun 2020 Contrib to Return %	Jun 30 2020 Weight %	May 29 2020 Weight %	Jun 2020 Weight% Change	2020 Target Weight
Energy	Natural Gas	NG	-0.93	7.65	8.22	↓ (0.57)	7.96%
	Low Sulfer Gas Oil	QS	0.25	1.75	1.49	↑ 0.26	2.60%
	WTI Crude	CL	0.49	5.82	5.56	↑ 0.25	7.99%
	Brent Crude	CO	0.39	4.90	4.71	↑ 0.19	7.01%
	ULS Diesel	HO	0.15	1.45	1.30	↑ 0.15	2.11%
	Gasoline	XB	0.15	1.79	1.69	↑ 0.10	2.26%
	Subtotal		**0.50**	**23.35**	**22.96**	↑ **0.39**	**29.93%**
Grains	Corn	C	0.19	5.99	5.94	↑ 0.05	5.83%
	Soybeans	S	0.21	6.09	6.03	↑ 0.06	5.64%
	Wheat	W	-0.23	3.14	3.46	↓ (0.32)	3.04%
	Soybean Oil	BO	0.05	2.78	2.75	↑ 0.03	2.90%
	Soybean Meal	SM	0.04	3.74	3.72	↑ 0.02	3.30%
	HRW Wheat	KW	-0.15	1.59	1.77	↓ (0.18)	1.49%
	Subtotal		**0.12**	**23.35**	**23.67**	↓ **(0.33)**	**22.19%**
Industrial Metals	Copper	HG	0.86	7.86	7.26	↑ 0.60	6.96%
	Aluminum	LA	0.18	4.46	4.41	↑ 0.06	4.33%
	Zinc	LX	0.09	3.45	3.48	↓ (0.03)	3.43%
	Nickel	LN	0.11	2.92	2.92	↑ 0.01	2.75%
	Subtotal		**1.24**	**18.70**	**18.07**	↑ **0.63**	**17.46%**
Precious Metals	Gold	GC	0.49	18.02	18.22	↓ (0.20)	13.62%
	Silver	SI	-0.02	4.43	4.57	↓ (0.14)	3.78%
	Subtotal		**0.47**	**22.45**	**22.79**	↓ **(0.34)**	**17.40%**
Softs	Sugar	SB	0.25	3.06	2.90	↑ 0.16	3.01%
	Coffee	KC	0.08	2.59	2.56	↑ 0.02	2.71%
	Cotton	CT	0.10	1.50	1.48	↑ 0.03	1.49%
	Subtotal		**0.42**	**7.16**	**6.95**	↑ **0.21**	**7.21%**
Livestock	Live Cattle	LC	-0.13	3.54	3.80	↓ (0.27)	4.02%
	Lean Hogs	LH	-0.35	1.46	1.76	↓ (0.30)	1.78%
	Subtotal		**-0.48**	**4.99**	**5.56**	↓ **(0.57)**	**5.80%**
Total			**2.27**	**100.00**	**100.00**		**100.00%**

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