September 2020 Edition
Bloomberg Commodity Index (BCOM)

Bloomberg Commodity Outlook

Broad Commodity Market Minions

- Commodities Are Following Higher Equities, Need Peak Greenback
- Crude Oil, Energy Are Resting Bears Buoyed by the Stock Market
- Inflation or Deflation, Metals May Be Gaining the Upper Hand
- Copper, Industrial Metals at Impasse With the Dollar, Equities
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Data and outlook as of August 31, 2020

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BI COMD (the commodity dashboard)

Note - Click on graphics to get to the Bloomberg terminal

Crude Oil, Broad Commodity Market: Minions vs. Equities, Dollar

Performance: August +6.8%, 2020 -9.0%, Spot +1.4%
(Returns are total return (TR) unless noted)

(Bloomberg Intelligence) -- Precedent for deflationary forces for about a decade, broad commodities are being buoyed by the rising stock market and are at elevated risk to an ebbing tide, in our view. For commodities to transition toward price-appreciation leadership, sustained dollar weakness is a typical prerequisite, in addition to demand-pull factors -- notably in energy. The greenback may have peaked, but key supportive forces since 2011 -- the U.S. stock market outperforming the world and relatively high Treasury yields -- are intact. Our focus for the highest potential sustained commodity appreciation remains the metals sector, especially gold.

Rapidly advancing technology is a tailwind for equities and metals, but pressures energy and agriculture. The enduring nature of quantitative easing should keep gold a performance leader, in our view.

Broad Commodities Following Equities

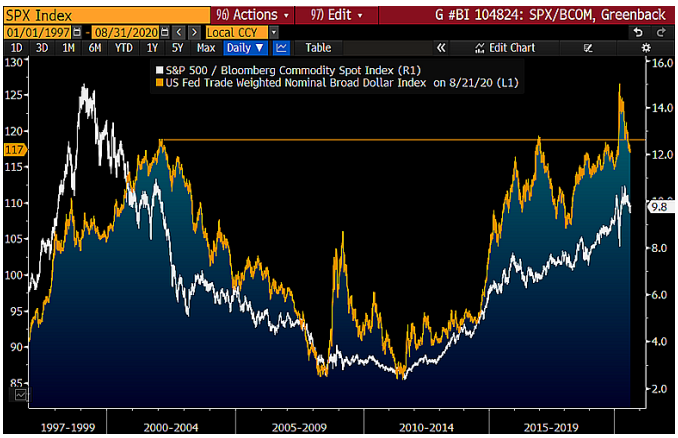
Commodities Are Following Higher Equities, Need Peak Greenback. The broad commodity market has been bolstered by advancing equities and is at high risk of a letdown, in our view. Relatively elevated recent levels in many commodities -- particularly copper and crude oil -- reflect optimism but need the reality of demand-pull forces and a peak dollar for sustainability.

What's Buoying Commodities - Rising Equities

Deflation Dominoes the Greater Commodity Risk
Risks remain tilted toward broad commodities declining with an increasing beta vs. the stock market, rather than leading a rising inflationary tide, in our view. The highest 24-month correlation between the Bloomberg Commodity Spot Index (BCOM) and S&P 500 indicates what matters most for commodities. Compared with the annual relationship between the two benchmarks of about minus 0.10 since 1960, the more recent reading around positive 0.80 emphasizes the dependency commodity prices have on rising equities.
This companionship kicked in with the financial crisis and advent of global central-bank quantitative easing. We expect it will persist until some combination of commodity prices reaching a low-enough plateau to spur demand, a peak dollar or getting past an equity-market reset.

Commodity Outperformance Needs Peak Dollar. The Bloomberg Commodity Spot Index (BCOM) will begin surpassing the S&P 500 when the greenback declines, if history is a guide, yet the primary dollar drivers of the past decade are intact. Our graphic depicts what appear as enduring uptrends since 2011 in the ratio of the BCOM vs. S&P 500 and trade-weighted broad dollar. We're concerned that if the primary dollar pillar -- the U.S. stock market -- simply stops advancing or sustains a more normal mean-reversion-type bear-market, commodities may outperform, but with both on the way down. It's this conundrum that maintains our bearish outlook on broad commodities, notably as prices appear elevated vs. decade-long downtrends into the end of August.

Dollar Decline Favors BCOM vs. S&P 500



Relatively high U.S. bond yields are another dollar support that remains solid, albeit vs. a receding global tide.

MACRO PERFORMANCE

Macroeconomics Point to Vulnerable Oil, Advancing Gold
Analysis of our macroeconomic scorecard shows risks tilted toward crude oil declining vs. gold advancing into year-end, with the stock market a key driver. Unless the S&P 500 can sustain its upward trajectory since March, we see West Texas Intermediate adding to its roughly 30% decline in 2020 to Aug. 31. WTI has had a substantial bounce from its April lows and is vulnerable to staying the more-enduring bear-market course. Gold should keep advancing in most scenarios, but it's more inclined to accelerate with further quantitative easing. A primary potential catalyst for this would be a roll-over in the stock market.

Risks Remain With the Trends: Gold Up, Oil Down

Security	%YTD	Chg Aug.	1Yr % Chg	2Yr % Chg
Gold	+29.8%	-.3	+28.7%	63.9%
Bloomberg Barclays U.S. Treasu	+19.9%	-5.6	+11.9%	39.4%
S&P 500 Total Return Index	+9.7%	+7.2	+21.9%	25.5%
Generic 1st 'HG' Future	+9.2%	+6.5	+19.7%	14.3%
S&P 500 Index	+8.7%	+7.4	+20.0%	21.1%
Broad Dollar Index	+2.4%	-.1	+.2%	3.2%
MSCI Emerging Markets Net Tota	+2.3%	+4.1	+16.6%	11.5%
Bloomberg Commodity Spot Index	+1.4%	+9.5	+8.4%	3.3%
Bloomberg Dollar Spot	-2.0%	-1.5	-4.6%	-1.8%
MSCI World ex USA Net Total Re	-4.4%	+5.2	+6.0%	3.0%
Russell 2000 Index	-5.9%	+6.1	+5.0%	-9.8%
Bloomberg Commodity Index Tota	-9.0%	+6.8	-3.9%	-9.6%
Generic 1st 'CL' Future	-30.0%	+6.2	-22.4%	-38.7%

We see greater downside risks in most commodity sectors, notably energy and base metals, due to increasing dependency on the rising stock market.

SECTOR PERFORMANCE

The Dominoes Are Increasingly Wobbly. If crude oil can remain buoyant, so should corn, soybeans and most commodities, which highlights what we see as vulnerability to the downside into year-end. Crude was leaning bearish before the pandemic and is being propped up by temporary OPEC cuts and the rising stock market. "Temporary" must be emphasized, as OPEC producers -- akin to most countries in this global recession -- need revenue. Precious metals advancing by about the same measure as the energy sector is declining in 2020 to Aug. 31 is a trend we expect to continue.

As with most other commodities, copper has bounced from extreme lows and is bumping into layers of resistance amid a longer-term downward trajectory. Probabilities don't favor new longs from such levels, particularly if the stock market stops gaining.

Trends: Precious Metals Higher, Energy Lower

Security	%YTD	Chg Aug.	1Yr % Chg	2Yr % Chg
Bloomberg Precious Metals Subi	+32.8%	+3.6%	+31.7%	65.6%
Bloomberg All Metals Total Ret	+17.8%	+4.3%	+17.4%	31.2%
Bloomberg Industrial Metals Su	+4.8%	+6.9%	+5.0%	4.5%
BBG Softs TR	-5.3%	+3.4%	+12.5%	-2.5%
Bloomberg Agriculture Subindex	-7.2%	+5.5%	+3.5%	-7.5%
Bloomberg Grains Subindex Tota	-8.1%	+6.3%	+.1%	-11.2%
Bloomberg Livestock Subindex T	-30.4%	+.4%	-25.1%	-28.9%
Bloomberg Energy Subindex Tota	-38.0%	+13.1%	-33.7%	-45.9%

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

Name	Current Position	1 Yr Ago	1 Yr Change	YTD Change
1 Year Spread % of First Contract				
BCOM	-8.5	-4.2	-4.3	-6.1
Sector				
Industrial Metals	-1.9	-1.8	-0.1	-0.5
Precious Metals	-3.3	-2.4	-0.9	-1.0
Agriculture	-3.6	-8.9	5.3	1.9
Energy	-15.9	-0.6	-15.3	-19.3
Livestock	-24.5	-6.0	-18.5	-26.0
Single Commodities				
Sugar	0.9	-12.0	12.9	8.0
Copper (LME)	0.3	-0.9	1.2	1.1
Palladium	0.0	1.0	-1.0	-1.1
Soybean Oil	-0.9	-6.4	5.5	2.2
Soybean	-0.9	-8.3	7.3	3.1
Cotton	-1.1	-3.2	2.1	1.4
Platinum	-1.2	-1.7	0.5	0.6
Zinc	-1.5	0.5	-2.0	-3.0
Nickel	-1.5	-1.6	0.1	0.3
Copper (CME)	-1.9	-1.8	-0.1	-0.7
Gold	-2.8	-2.3	-0.5	-0.7
Silver	-3.8	-2.6	-1.2	-1.4
Soybean Meal	-4.0	-7.1	3.0	0.6
Wheat	-4.3	-7.0	2.7	0.6
Aluminum	-4.9	-5.0	0.1	-0.4
Coffee	-5.2	-14.0	8.8	2.8
Crude Oil	-6.9	4.6	-11.5	-15.7
Live Cattle	-6.9	-4.2	-2.7	-11.0
Brent Crude	-7.0	5.5	-12.5	-15.7
Unleaded Gas	-9.0	6.8	-15.8	-15.6
HRW Wheat	-9.9	-15.2	5.3	-1.3
Gas Oil	-10.3	2.8	-13.1	-15.9
Heating Oil	-11.8	2.4	-14.1	-16.1
Corn	-12.5	-3.9	-8.6	-6.4
Thermal Coal	-20.5	-17.3	-3.3	-32.7
Lean Hogs	-42.2	-7.8	-34.4	-41.0
Natural Gas	-45.6	-8.8	-36.8	-23.4

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

Energy

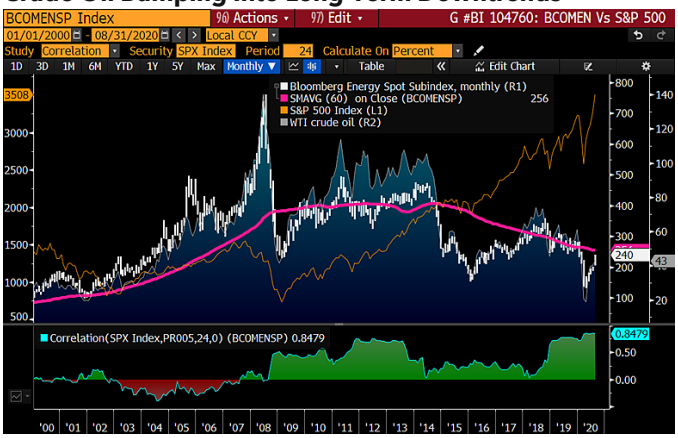
(Index weight: 19% of BCOM)
Performance: August +13.1%, 2020 -38.0% , Spot -13.6%

A Resting Bear

Crude Oil, Energy Are Resting Bears Buoyed by the Stock Market. Time decay is working against energy prices that increasingly rely on advancing equities to stay afloat, in our view. Optimism for sustained OPEC production cuts and a recovery in demand are more likely to succumb to the realism of an enduring bear market. A rollover in the stock market is a top energy-price downside risk.

Energy Price Risks Remain Tilted Downward. Crude oil will be stable as long as the stock market stays lofty, in our view. Having bounced from 1H lows, crude is at elevated risk of resuming the downward trajectory in place since the Great Recession. At just over 0.80, the 24-month correlation between the Bloomberg Energy Spot Subindex and the S&P 500 is the highest ever, indicating what really matters for most commodities: equities. We view the nuances of OPEC production cuts and optimistic estimates for demand as noise within a market in the midst of a paradigm shift, which is unfavorable for prices.

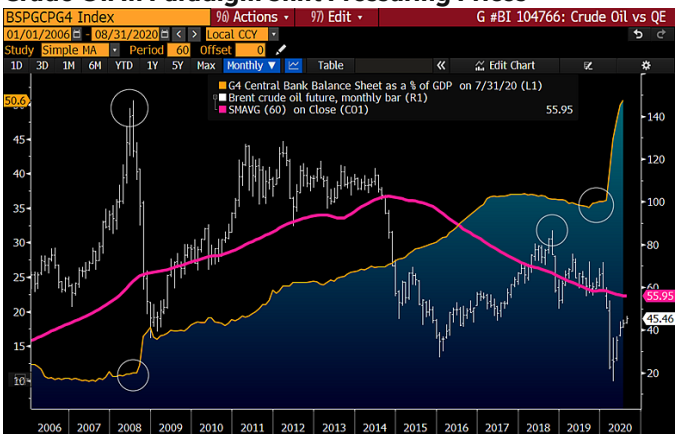
Crude Oil Bumping Into Long-Term Downtrends



OPEC needs to sustain cuts to balance the market, and the need for revenue is more likely to keep supply ample. Risks are tilted toward accelerating the downtrend in demand-estimate revisions, on the back of rapidly advancing technology and demographic shifts.

Declining Crude-Oil Prices Encourage More QE. Rapidly advancing technology has a history of pressuring commodity prices, and crude oil is a bear market related to that phenomenon, in our view. The declining price of the world's most significant commodity since the financial crisis is adding fuel to the rapid rise in the G4 central-bank balance sheet as a percentage of GDP. If hefty resource inflation was an issue, central banks would be less inclined to provide more quantitative easing (QE). Crude-oil price deflation remains the predominant trend and we view Brent as more likely to stay that course, particularly as the pandemic pressures global economic growth.

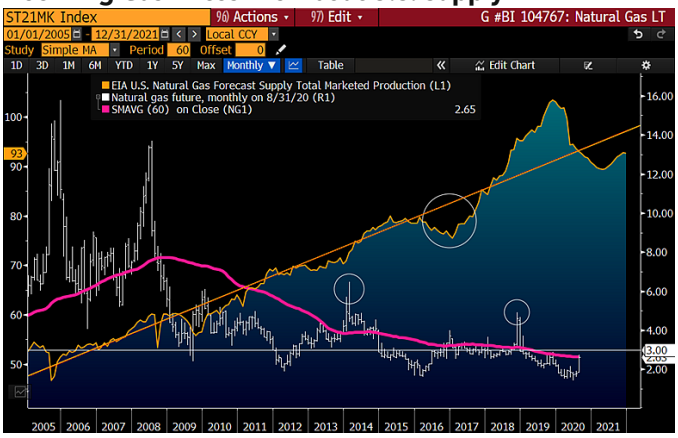
Crude Oil In Paradigm Shift Pressuring Prices



Supply cuts are the result of lower prices, but production should come back stronger with recovering prices and advancing technology. Our graphic depicts Brent crude bouncing into good downtrend resistance.

Natural Gas Bouncing Into Layers of Resistance. Precedent for deflationary forces in commodities for over a decade, we see limited further upside for the bouncing natural gas price. Global warming is reducing the need for gas for heating and increasing electricity-related demand, with rapid technology developments altering the landscape. Sharply increasing U.S. supply has been the primary gas-price hurdle, and we see a key force maintaining the upward production trajectory -- rebounding prices. Our graphic depicts the benchmark natural-gas future rebounding from multi-decade lows in June and expectations for a sharp reduction in supply from the EIA.

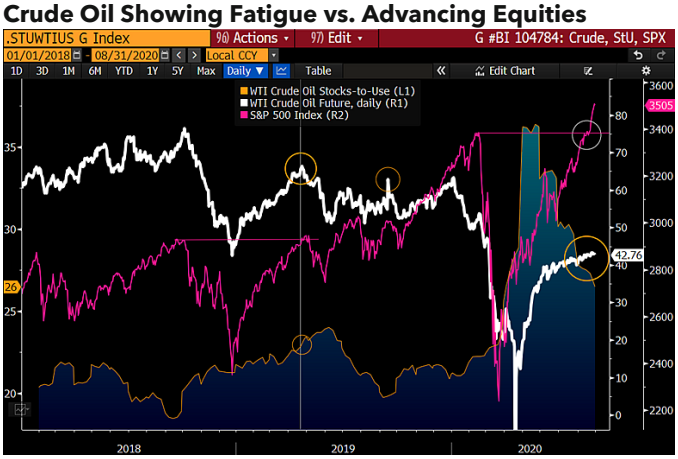
Declining Gas Prices Are About U.S. Supply



If past trends repeat, gas will keep doing what it has been for most of the past decade -- declining on the back of increasing U.S. supply. Good resistance is about $3 per million BTUs, vs. the Aug. 26 price around $2.50.

Crude Oil Deja Vu From 2019 Indicates a Market on Cliff's Edge. The familiar example from 2019 of crude oil recovering with the stock market until it just can't anymore is at high risk of a repeat, in our view. Akin to 2018-19, when crude and equities dropped and recovered concurrently, the West Texas Intermediate price rebound is showing similar signs of fatigue as when it peaked in 2Q19 at about $66 a barrel. Our graphic depicts a big difference from that period last year -- WTI stocks-to-use is much higher, indicating greater price headwinds.

Crude Oil Showing Fatigue vs. Advancing Equities



With 30-day WTI volatility dipping to the lowest since January, just before the price plunge, our radar is elevated for some volatility mean reversion. Crude oil is at a higher risk of peaking soon and may no longer gain buoyancy from the rising stock market. The lack of a bid in WTI related to Hurricane Laura is a sign of relative weakness.

PERFORMANCE DRIVERS

Energy Prices on Cliff's Edge vs. Rising Equities. If stocks can keep rocking, crude oil will remain stable, but declining energy prices remain the predominant trend, in our view. At about $46 a barrel on Aug. 26, Brent crude appears fairly priced for an optimistic rebound in global demand and sustained cuts from OPEC. There are elevated risks of a dose of the realism -- slack demand and more supply, notably from North America -- that's driven prices lower since the 2008 peak. West Texas Intermediate appears to be heading back to its old quality premium vs. Brent, so both benchmarks should eventually be defined by good resistance around $50.

More Red-on-the-Screen Risks Into Year End

Security	%YTD	Chg Aug.	Chg QTD Pct	1Yr % Chg	2Yr % Chg
BBG Energy Spot	-13.6%	+22.7%	+26.3%	-7.6%	-25.3%
Bloomberg Natural Gas Subindex	-17.4%	+32.1%	+28.5%	-33.5%	-48.6%
Bloomberg Brent Crude Subindex	-37.6%	+3.3%	+10.2%	-25.4%	-39.8%
Bloomberg Energy Subindex Tota	-38.0%	+13.1%	+14.6%	-34.1%	-46.3%
Bloomberg Unleaded Gasoline Su	-42.6%	+7.6%	+7.5%	-31.2%	-44.4%
Bloomberg Petroleum Subindex T	-46.6%	+3.4%	+7.6%	-38.0%	-50.2%
Bloomberg Heating Oil Subindex	-47.1%	-2.1%	+.5%	-39.8%	-49.8%
Bloomberg WTI Crude Oil Subind	-55.5%	+5.1%	+8.8%	-49.4%	-60.0%

Unless the stock market can keep advancing, we see greater risks of crude oil resuming the more enduring bear-market course and heading toward $30.

Market Flows - Commitment of Traders

Name	Current	5 Day Change	1 Mth Change	3 Mth Change	YTD Change	1 Yr Change	2 Yr Change
Net - Managed Money Total/Disagg							
Single Commodities							
Sugar	188,193	17,230	108,664	224,310	165,921	344,043	338,534
Natural Gas	132,269	9,876	108,091	120,457	373,444	338,145	-51,306
Soybeans	109,288	2,230	33,479	97,224	112,447	181,720	149,337
Copper (CME)	62,753	1,779	8,279	72,455	52,415	124,902	90,773
WTI Crude	326,896	-7,503	-35,604	-21,562	43,173	120,054	-846
Cotton	48,723	7,824	18,350	58,407	27,837	89,922	-21,927
Coffee	35,031	7,249	57,344	23,049	-6,076	82,336	139,367
Aluminum (Post- MiFID II)	204,916	0	-7,642	-1,225	27,038	76,087	
Soybean Oil	67,690	10,166	30,793	65,009	-44,493	64,708	162,899
Live Cattle	62,102	4,335	32,429	48,898	-21,193	60,081	-2,724
Copper (LME) (Post MiFID II)	65,286	0	4,061	30,193	23,804	55,448	
Zinc (Post MiFID II)	70,510	0	6,528	18,624	16,667	42,310	
Soybean Meal	3,560	-7,419	32,738	32,964	28,970	39,722	-49,173
HRW Wheat	-21,116	5,889	-2,957	-6,078	-22,400	15,840	-85,489
Platinum	12,088	-2,642	-109	291	-35,574	8,604	40,793
Nickel	42,230	-664	-1,792	12,113	13,772	5,041	22,602
Wheat	1,517	13,991	1,043	17,993	-25,753	2,766	-59,295
Gasoline	63,267	9,449	24,607	29,326	-42,590	2,295	-17,246
Heating Oil	1,619	-3,121	7,840	9,939	-19,418	-3,527	-48,983
Lean Hogs	27,202	7,275	16,690	17,832	15,968	-4,411	26,643
Corn	-61,489	49,010	76,281	183,897	20,967	-5,048	-46,665
Palladium	3,159	-137	132	2,295	-9,362	-7,221	3,357
Zinc (Pre MiFID II)	79,906	-1,121	-6,682	3,640	-471	-8,898	44,606
Silver	37,578	5,963	-10,069	16,461	-22,787	-10,389	62,951
Aluminum (Pre- MiFID II)	163,475	6,307	-3,292	21,105	3,315	-10,481	115,362
Brent Crude	207,948	4,132	-4,576	49,509	-202,582	-12,251	-116,483
Copper (LME) (Pre MiFID II)	37,448	-917	-16,651	-27,111	-31,597	-34,385	25,052
Gold	138,339	-16,935	-45,788	-34,938	-124,831	-146,751	216,918

Metals

All *(Index weight: 40% of BCOM)*
Performance: August +5.1%, 2020 +18.6%

Industrial *(Index weight: 19.0% of BCOM.*
Performance: August +6.9%, 2020 +4.8%, Spot +7.0%

Precious *(Index weight: 16.1% of BCOM.*
Performance: August.+3.6%, 2020 +32.8%, Spot +36.4%

Inflation or Deflation Edge

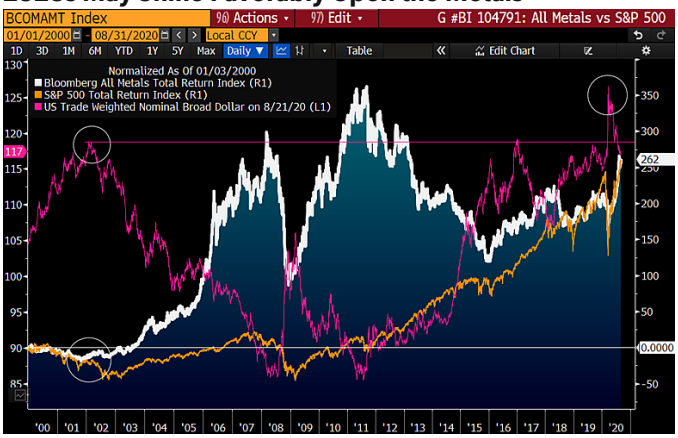
Inflation or Deflation, Metals May Be Gaining the Upper Hand. Metals are all about the gold bull-market vs. a copper bear that may be in transition, and we see the sector gaining outperformance advantages in most scenarios. A primary prerequisite is a peak dollar, if previous trends repeat. The Federal Reserve's renewed focus on letting inflation run should help. We remain skeptical, as deflation has been the principal theme in commodities for about a decade, which keeps the main bullish bias focused on gold. Fundamentals for the store-of-value are quite favorable, but prices are a bit extended in the near term.

Copper and base metals' price recoveries increasingly rely on sustaining the record-setting equities rally. Optimistically priced for a V-shaped global recovery and pickup in demand at the end of August, risks tilt toward the pendulum swinging back some.

Metals Sector Is Gaining Favor

Metals Poised to Take 2020s From Equities, If Dollar Has Peaked. Up about the same 260% as the S&P 500 Index since the start of the millennium, the Bloomberg All Metals Total Return Index is gaining the advantage, particularly if the dollar has peaked. Metals have underperformed most of the past decade, supporting mean reversion in the 2020s. The Fed's new inflation approach should shine on metals.

2020s May Shine Favorably Upon the Metals

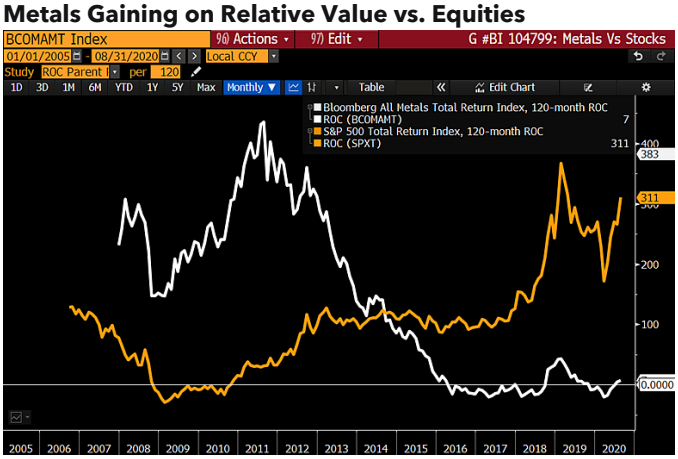


Metals May Be Near Inflection vs. Equities. The metals sector is gaining the upper hand vs. equities on the back of a long period of underperformance and improving fundamentals, in our view. Metals typically have the highest negative correlation to the dollar, and a primary force supporting the greenback most of the past decade has been the U.S. stock market outperforming the world. Our graphic depicts a potential peak and limited further upside in the trade-weighted broad dollar, and the propensity for the Bloomberg All Metals Index to outperform the S&P 500 when the buck is beaten down. The strong greenback since 2011 has allowed equities to catch up to metals.

Looking ahead to the next decade, we see metals regaining the edge on the back of the Federal Reserve's new framework -- allowing inflation to overshoot the 2% target for a period of time.

Risk High That Equities, Metals Trade Places. The adage that low prices are the cure for low prices is set to shine on the metals, in our view. On a 120-month basis, the Bloomberg All Metals Total Return Index is unchanged vs. the over-300% total return for the S&P 500. This performance disparity tilts relative-value favor toward the metals, with inflection catalysts possibly in the early days. A primary spark would be some simple mean-reversion in the stock market. U.S. equities' outperformance vs. the world has been a primary companion of the rising dollar for most of the past decade. Metals typically outperform when the greenback is weak.

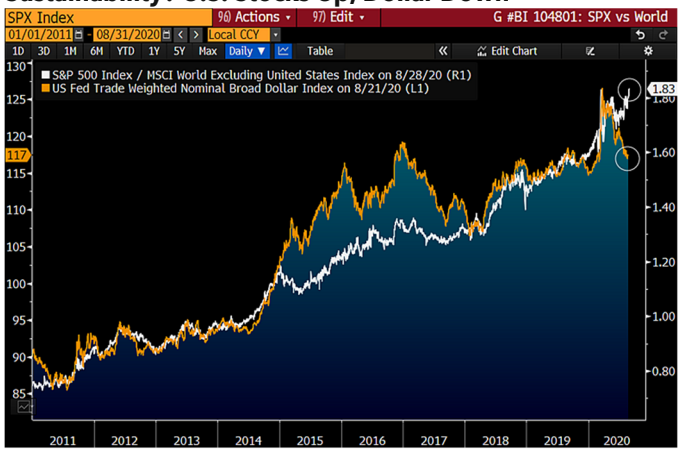
Metals Gaining on Relative Value vs. Equities



The Fed's new focus on allowing inflation to overshoot 2% should be a tailwind for metals' prices and a headwind for the dollar. Subdued prices over the past decade are limiting mine investment, which is reducing production.

Dollar-to-U.S. Equities Divergence Is Rare. The recent disparity in dollar weakness vs. stock-market strength is the most extreme in a decade, with strong implications for metals, in our view. A declining greenback and rising stock market are strong tailwinds for base-metal prices, but it has historically been a question of sustainability. A primary companion of the rising dollar since 2011 has been the U.S. stock market outperforming the world. Our graphic depicts the S&P 500 vs. the MSCI World Ex-U.S. Index near a record high, and the recent divergent weakness in the dollar.

Sustainability? U.S. Stocks Up, Dollar Down



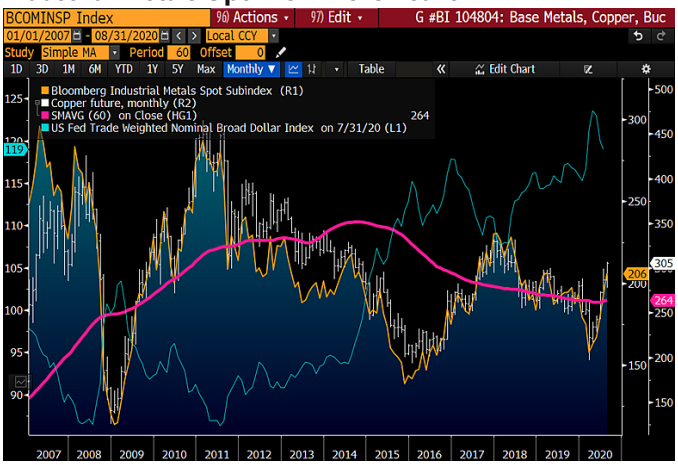
It could be election jitters adding pressure, but the bottom line is if the buck has peaked, metals should outperform the broad stock market.

Base Metals Leaning Optimistic

Copper, Industrial Metals at Impasse With the Dollar, Equities. Industrial metals appear overheated within a bear market that may be in transition, but probabilities remain tilted unfavorably for prices, in our view. Optimism for V-shaped recoveries in the stock market and economy -- along with a peak greenback -- is more likely to succumb to some realism, at least in the near term.

Base Metals Look Stretched in a Bear Market. Greater risks for industrial-metal prices lean lower, in our view. If the dollar has peaked, history tells us copper and base metals should outperform most assets -- notably the stock market -- but the primary drivers of dollar strength over the past decade are mostly intact. U.S. bond yields remain relatively high and equities continue to outperform the world. Optimism for a global economic recovery, along with record stock market levels and the bouncing Bloomberg Industrial Metals Spot Subindex, is likely to surrender to the reality of an enduring pandemic-related recession.

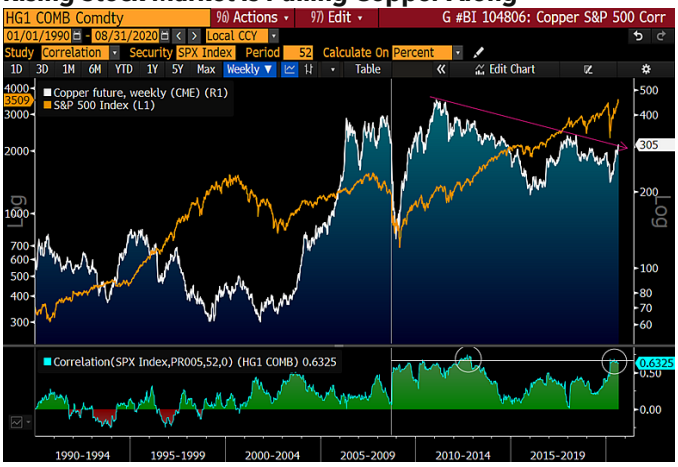
Industrial Metals Optimism Risks Realism



Our graphic depicts industrial metals appearing vulnerable above the downward-sloping 60-month moving average, potentially expecting a lasting decline in the dollar.

Copper at High Risk If Equities Cool Off. The tightenting relationship between the copper price and stock market elevates the metal's beta risks to an equity-price decline. Our graphic depicts the 52-week correlation between copper and the S&P 500 approaching an all-time high (in the database since 1988), reached following the financial crisis. Quantitative easing contributed to a shift in the traditional drivers of copper's price toward the rising stock market and away from demand-supply fundamentals. Equities appear to be propping up the red metal.

Rising Stock Market Is Pulling Copper Along



What's striking about the growing correlation is that despite the S&P 500's upward trajectory, copper has been in a bear market since 2011. If the U.S. stock market rolls over, the metal will lose a pillar of support, but weaker equities will pressure the dollar and help copper form a base, albeit from lower levels.

PERFORMANCE DRIVERS

Silver, Base Metals' Optimism Risks Realism. If the dollar has peaked and bond yields rise, silver should remain a top metals performer, but we view that as unlikely. The white metal leading most performance measures on our scoreboard is a more recent catch-up and likely a bit more speculative, notably vs. gold. Optimism for a demand-pull global recovery is supporting copper, base metals and silver into the end of August, elevating risks of a dose of reality, in our view. Gold looks overheated within a bull market; copper and industrial metals appear extended within bear markets.

Peak Dollar, Strong Economy Needed for Base Metals

Security	%YTD	Chg Aug.	Chg QTD Pct	1Yr % Chg	2Yr % Chg
Bloomberg Silver Subindex Tota	+55.1%	+17.2%	+52.2%	+51.1%	88.3%
Bloomberg Precious Metals Subi	+32.8%	+3.6%	+16.8%	+31.7%	65.6%
Bloomberg Gold Subindex Total	+26.7%	-.4%	+8.2%	+26.3%	59.2%
Bloomberg All Metals Total Ret	+17.8%	+4.3%	+14.9%	+17.4%	31.2%
Bloomberg Zinc Subindex Total	+9.5%	+8.2%	+22.5%	+14.9%	12.3%
Bloomberg Nickel Subindex Tota	+8.3%	+11.4%	+19.8%	-14.8%	19.9%
Bloomberg Copper Subindex Tota	+7.5%	+5.9%	+11.4%	+18.0%	13.7%
Bloomberg Industrial Metals Su	+4.8%	+6.9%	+14.4%	+5.0%	4.5%
Broad Dollar Index	+2.4%	-.1%	-2.8%	+.2%	3.2%
Bloomberg Aluminum Subindex To	-4.9%	+4.7%	+9.9%	-1.7%	-20.5%

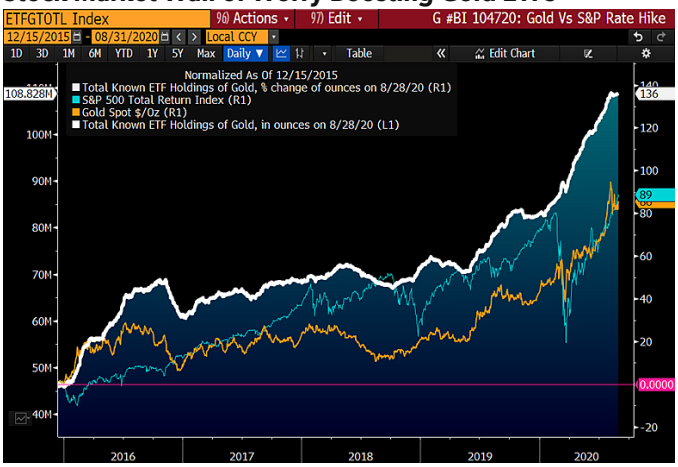
Low probabilities of a new base-metals bull market leave prices vulnerable at levels that are elevated at the end of August. We see time decay working for gold and against copper. If the red metal can sustain above $3 a pound into year-end, it would be a significant sign of strength.

Most Scenarios Are Good for Gold

In Up or Down Stock Market, Gold Has Support to Extend Climb. Gold should continue to advance in most equity-market scenarios, in our view, as the rising stock tide is increasing diversification demand and declining equity prices would encourage more quantitative easing, the primary force supporting the metal. In 2020, gold exchange-traded funds (ETFs) are on pace to absorb almost 30% of mine supply.

Gold's Dual Rising Tides: Wall of Worry and QE. Gold is in a potential win-win situation with a rising or declining stock market, in our view. The graphic depicts the bull market in the metal resuming with the initial Federal Reserve interest-rate hike in December 2015 and the price of gold advancing about 80%, similar to the S&P 500's total return to Aug. 24. What's notable is known ETF holdings of gold have increased almost double that, about 140% in the same period. Our take is that rising stock-market wealth is boosting diversification demand and, if equities keep to the upward trajectory, they will continue buoying the price of the benchmark diversifier and store of value.

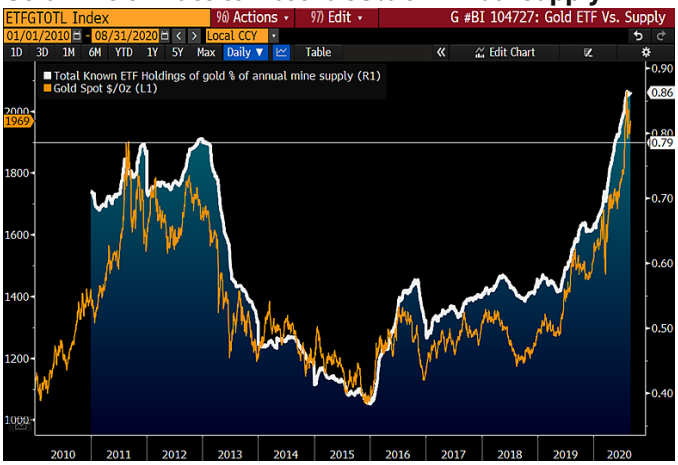
Stock Market Wall of Worry Boosting Gold ETFs



If equities decline, more quantitative easing is likely, which is the top support factor for gold prices. We don't see the metal peaking until close to the nadir of the next equity bear market.

Gold ETFs Absorbing Plenty of Supply. Gold ETF holdings are mopping up supply, representing almost 90% of annual mine production of the metal, and will continue buoying prices, in our view. Starting from zero in 2004, gold ETFs are a relatively nascent investment vehicle with plenty of room for maturation. The graphic depicts total known ETF holdings of gold recently about 86% of the previous year's mine production, the highest level in our database since 2010. This year through Aug. 24, the new record for annual gold ETF inflows is about 26 million ounces, just over 20% of 2019 mine production, as estimated by Metals Focus.

Gold ETFs on Pace to Absorb 30% of Annual Supply



The previous inflow record was about 20.7 million in 2009, which absorbed about 24% of 2008 mine supply. If the 2020 pace remains the same -- almost double that of 11 years ago -- ETF inflows will soak up closer to 30% of production.

What Does the Gold Bull Market Need? More R&R If History a Guide. Despite stronger fundamental underpinnings, gold is overheated by most technical measures and is likely to further consolidate gains awhile, in our view. There's no historical precedent for the extreme nature and potential duration of global central banks' rate easing -- the primary force behind gold-price appreciation. Our graphic depicts how rare it is for the benchmark store of value to stay more than 20% above its 50-week moving average. At the Aug. 6 record-high close of $2,064 an ounce, gold reached about 26% above its annual mean, an extreme last matched at the 2011 summit of an extended uptrend.

Overbought Gold in Midst of New Bull Market

Gold is in a new bull market, as we see it, with a strong foundation from an elongated period of disdain. History supports the notion of a potentially overbought condition.

Gold on the Rise vs. S&P 500 in Early Days, If History a Guide. Primary drivers that launched the gold price vs. S&P 500 index ratio to more than 1.6x in 2011 from about 0.5x in 2007 are in place. Our graphic puts the ratio of the metal to the index on an upward trajectory similar to the one at the outset of the financial crisis, spurred by a reversion to higher stock market volatility and unprecedented central-bank easing. At the start of 2018, the 200-day average of the CBOE S&P 500 Volatility Index (VIX) bottomed from life-of-index lows, as it did in 2007. Conditions for similar are in place. The gold vs. S&P 500 index ratio bottomed later in 2018 and, like in 2008, quantitative easing has ratcheted up this year.

Gold Appears Low vs. Equities, Volatility & QE

A record high in the G4 central-bank balance sheet as a percentage of GDP is a strong tailwind for gold, which is less dependent on fiscal stimulus than the equity market.

Agriculture

(Index weight: 35% of BCOM)
Performance: August +5.5%, 2020 -7.2, Spot -2.9%

Grains *(Index Weight: 24% of BCOM)*
Performance: August +6.3% 2020 -8.1%, Spot -3.3%

Softs *(Weight: 6% of BCOM)*
Performance: August +3.4%, 2020 -5.3%, Spot -3.7%

The Worst May Be Over

Corn, Soybeans, Agriculture Green Shoots; Peak Dollar Needed. Improving demand vs. supply indicators portend bottoming agriculture prices, but history suggests a greenback peak is needed for a sustained recovery. U.S. exports on the rise, despite the strong dollar, show prices have reached a downside inflection. Prices appear too low vs. favorable trends in futures curves.

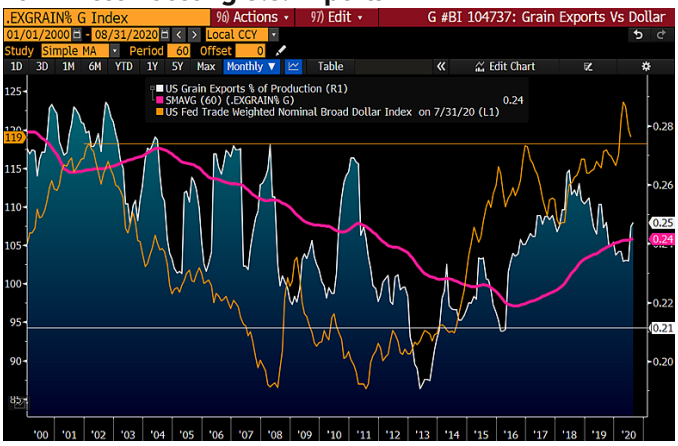
$3-$4 Corn to Keep Agriculture Prices Caged. Limited downside from the 10-year lows of 2019, and layers of resistance from the past five years, will keep agriculture prices tightly bound, in our view. Dominated by Corn Belt grains, to sustain gains, the Bloomberg Agriculture Spot Index will need the dollar to enter a bear market, if history is a guide. Price indications are about as bad as they get, notably with the currency of the world's largest soybean producer -- Brazil -- reaching record lows vs. the dollar in 2020 and down almost 30%.

Peak Greenback Needed for Ag-Price Bull-Market

Our graphic depicts about $4 a bushel in corn as the key agriculture-market resistance level. We see limited upside to that price, and good support coming in toward $3, as net negative producer revenue should start curtailing supply.

Rising U.S. Grain Exports-to-Production. Despite a strong dollar, rising U.S. grain exports indicate that subdued prices have reached an inflection point to encourage demand. Our graphic depicts the upward trajectory of grain exports (60-month average) as a percentage of production and the most recent reading around 25%. The 27% peak in 2018, before U.S.-China trade tension, appears to be attainable. This measure of exports, highly correlated to price, is notable for its upward trajectory at the same time the greenback is increasing in value.

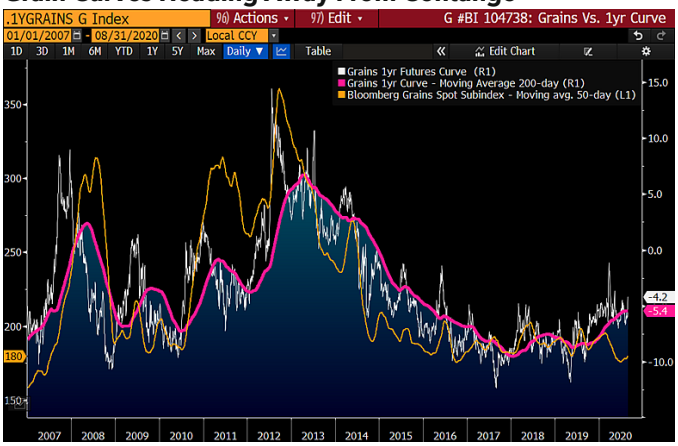
Low Prices Boosting U.S. Exports



Divergent strength in exports-to-production, fueled by low prices, is our takeaway. The likelihood is increasing that exports accelerate once the dollar peaks. The U.S. exports about 50% of its soybean and wheat production, and 14% of corn.

Flattening Futures Curves Indicate Rising Demand. The futures curve, one of the most robust leading indicators of demand vs. supply, tilts toward higher grain prices. Our graphic depicts the recovering average of the one-year curves of the Bloomberg Grains Spot Subindex components, and an index that appears to be too low. The 200-day moving average of the futures spreads turned upward at the start of 2018, and the 50-day average of the grain index looks to be in early recovery days from the four-year low to start July.

Grain Curves Heading Away From Contango



The 2020 USDA U.S. corn-yield estimate this month of 182 bushels an acre, the highest ever, is at elevated risk of mean reversion, with Corn Belt weather less than favorable since the Aug. 12 report.

PERFORMANCE DRIVERS

Ebbing Commodity Tide Is Key Agriculture Risk. Rollover risk in crude oil, increasingly linked to energy via biofuel, is a top potential headwind for agriculture prices into year-end. Crude is a consolidating bear market, as we see it, that's been propped up by record equity prices. In an era of unprecedented global central-bank quantitative easing, we would be remiss to not draw the tighter connection between mean-reversion risks in equities and headwinds for commodity prices.

Ags Are Fine Into Year-End Unless Oil Declines

Security	%YTD	Chg Aug.	Chg QTD Pct	1Yr % Chg	2Yr % Chg
Bloomberg Soybeans Subindex To	-3.4%	+6.8%	+8.1%	+3.6%	-.3%
Bloomberg Grains Spot Subindex	-3.4%	+8.3%	+7.5%	+7.1%	2.0%
Bloomberg Wheat Subindex Total	-3.7%	+2.1%	+10.4%	+16.0%	-4.0%
Bloomberg Sugar Subindex Total	-4.5%	+.2%	+5.9%	+5.6%	4.1%
BBG Soybean Meal TR	-4.9%	+4.2%	+4.7%	-4.7%	-10.1%
BBG Softs TR	-5.3%	+3.4%	+13.2%	+12.5%	-2.5%
Bloomberg Cotton Subindex Tota	-5.8%	+4.0%	+7.1%	+8.2%	-23.7%
Bloomberg Coffee Subindex Tota	-6.7%	+6.3%	+25.3%	+21.9%	2.2%
Bloomberg Agriculture Subindex	-7.2%	+5.5%	+8.2%	+3.5%	-7.5%
Bloomberg Grains Subindex Tota	-8.1%	+6.3%	+5.6%	+.1%	-11.2%
Bloomberg Kansas Wheat Subinde	-9.3%	+3.9%	+4.5%	+9.5%	-30.1%
Bloomberg Soybean Oil Subindex	-10.4%	+6.8%	+14.1%	+6.9%	3.0%
Bloomberg Corn Subindex Total	-14.8%	+8.8%	+.7%	-12.2%	-18.9%
Bloomberg Live Cattle Subindex	-19.5%	-2.4%	+4.7%	-7.0%	-12.6%
BRAZIL REAL	-26.5%	-4.8%	-.3%	-23.6%	-26.1%
Generic 1st 'CL' Future	-29.8%	+6.4%	+9.1%	-22.3%	-38.6%
Bloomberg Livestock Subindex T	-30.4%	+.4%	+6.0%	-25.1%	-28.9%
Bloomberg Lean Hogs Subindex T	-47.4%	+8.0%	+9.3%	-50.4%	-52.2%

Absent a decline in crude oil, the primary energy-sensitive agriculture commodities -- corn and sugar -- should stabilize above recent multiyear lows. Demand vs. supply conditions are improving for soybeans, notably on declining U.S. production and increasing exports. (08/26/20)

Corn Likely Settling In for Long Slog at About $3: BI Commodity.
Research Note: Corn Commodity Research

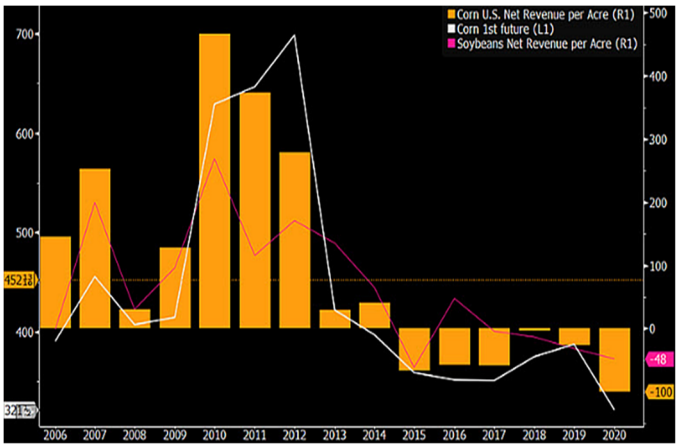
Similarly oversupplied as U.S. companions natural gas and crude oil -- and subject to declining demand -- we expect corn prices to get cozy for an extended stretch at about $3 a bushel. A reduction in Corn Belt production is likely needed to definitively reverse the downward trajectory in prices and sustain above $4. Favorable weather patterns, improving technology and the U.S. paying farmers to produce are keeping the bins full. Biofuel demand is likely to plunge the farthest in its nascent relationship with the grain.

Last year's relatively good crop despite challenging weather proved as unlikely the chances of a supply decline, as the trend in production-estimate revisions remains upward. Trade detente is supportive, but only a small percentage of U.S. corn relative to soybeans is exported.

Low Corn Prices Should Reduce Production. Following the money would suggest U.S. farmers have little incentive to increase corn production until prices rise, which should keep a lid on supply. Our graphic depicts the steepest losses per acre in 2020 in our database (since 2006). The front future price of about $3.25 a bushel on Aug. 11 translated to an average loss of almost $100 an acre. Corn Belt farmers haven't seen net revenue since 2014, based on USDA data, yet total output kept rising. The last year of profitability beyond $40 an acre was 2012, when prices averaged $6.92 a bushel.

Most producers stick to annual rotations with soybeans and hope for increasing yields to offset lower prices. The extent of negative net revenue facing farmers in 2020 should reduce the incentive to plant.

Least Production Incentive on Record



Enduring Soybean Bear in Early Recovery Transition: BI Commodity
Research Note: Soybeans Commodity Research

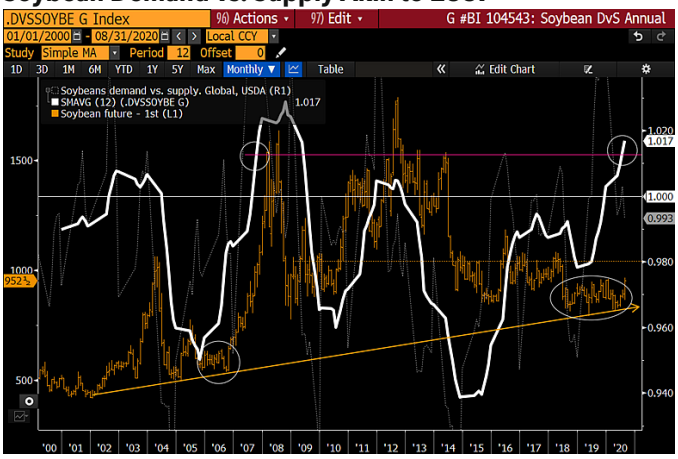
The soybean bear market is nearing an inflection point toward price recovery, with a peak dollar a primary catalyst, as we see it. The adage that low prices are their own cure is at play in reduced U.S. supply and increasing global demand. Strong production in Brazil and Argentina, and their weakening currencies, are primary headwinds. Traded and delivered in the U.S., the benchmark soybean future is set to follow the upward trajectory in U.S. exports-to-production, once it gets past the usual heavy seasonal period, until October.

A rollover in crude oil and/or recovery in the greenback are key risks to our call that the bear market is about to transition. About $8 a bushel is good support, and $9.50 marks good resistance. Our more-recent analysis shows support is strengthening.

Demand vs. Supply Shifting Favorably for Prices. Global soybean demand vs. supply hasn't tilted this favorably for higher prices in over a decade. Our graphic depicts the 12-month average of USDA consumption vs. production being

akin to the rapid 2006-07 increase, and we believe it's unlikely to subside until tempered by higher prices. It was the pullback from the 2004 peak, followed by subdued prices until 2007, that preceded demand increasing vs. supply, also driven by the biofuel mandate. Conditions appear to be similar now.

Soybean Demand vs. Supply Akin to 2007



Last year's U.S. soybean crop dropped about 23%, the most since 1984, based on USDA estimates. Low prices, unfavorable weather and U.S.-China trade tensions were the culprits. Declining prices curb farmers' incentive to plant soybeans vs. corn and wheat. The drought-induced supply reduction and price spike in 2012 curtailed surging demand.

Index Performance *(as of August 31)*

Name	1 Mth % Change	3 Mth % Change	YTD % Change	1 Yr % Change	2 Yr % Change
Commodities					
BCOM Index TR	6.8	15.5	-9.0	-3.9	-9.6
Energy Index	13.1	19.5	-38.0	-33.7	-45.9
All Metals Index	5.1	20.6	18.6	18.3	32.1
Industrial Metals Index	6.9	20.7	4.8	5.0	4.5
Precious Metals Index	3.6	19.0	32.8	31.7	65.6
Ags & Livestock Index	4.8	8.2	-11.2	-1.6	-11.1
Livestock Index	0.4	-1.6	-30.4	-25.1	-28.9
Agriculture Index	5.5	9.9	-7.2	3.5	-7.5
Grains Index	6.3	6.5	-8.1	0.1	-11.2
Softs Index	3.4	20.1	-5.3	12.5	-2.5
BCOM EX Indices TR					
BCOM Index Roll Select TR	5.7	14.7	-4.8	0.5	-7.3
BCOM Index Forwards TR					
BCOM Index ER	6.8	15.4	-9.4	-4.8	-12.4
BCOM Index Spot	9.5	20.9	1.4	8.4	3.3
Stocks					
S&P 500 Index TR	7.2	15.0	9.7	21.9	25.5
Bonds					
Barclays U.S. Aggregate	-1.0	1.1	6.6	6.2	17.0
Currencies					
Bloomberg U.S. Dollar Spot Index	-1.5	-4.8	-2.0	-4.6	-1.8
US Dollar Index	-1.3	-6.3	-4.4	-6.8	-3.1
US Trade Weighted Broad Dollar	-2.0	-2.6	0.0	0.0	7.5

Individual Commodities Front Future Change

Name	% Change o... Day	WTD % Change	MTD % Change	3 Mth % Change	YTD % Change	1 Yr % Change	2 Yr % Change
BCOM Single Commodity Price							
Silver	-0.7	2.1	17.2	50.7	58.4	54.7	95.0
Palladium	-0.7	1.5	5.5	13.9	18.6	47.1	133.4
Coffee	2.1	2.1	6.1	34.0	-0.5	33.2	26.8
Gold	-0.3	-0.1	-0.7	12.7	29.5	29.0	63.5
HRW Wheat	0.6	0.6	7.4	1.0	-2.2	19.6	-14.1
Copper (CME)	-0.3	1.0	6.4	23.5	9.1	19.6	14.2
Wheat	0.6	0.6	4.0	6.0	-1.2	19.4	1.2
Copper (LME)	0.7	0.0	4.0	25.7	8.5	17.5	8.8
Natural Gas	0.0	-1.1	46.1	48.2	20.1	15.1	-9.8
Soybean Oil	-1.1	-1.1	6.8	20.0	-5.5	14.1	14.2
Sugar	0.5	0.5	0.2	16.0	-5.7	13.6	19.4
Cotton	0.1	0.1	4.0	13.1	-5.6	10.8	-20.7
Zinc	1.2	0.0	8.1	29.0	9.5	10.4	-2.1
Soybeans	0.3	0.3	6.8	13.4	-0.2	9.7	13.0
Live Cattle	0.4	0.4	-2.4	5.7	-16.4	6.4	-3.2
Soybean Meal	0.9	0.9	5.1	10.3	2.6	5.8	1.7
Aluminum	1.2	0.0	5.2	16.2	-1.0	2.7	-16.4
Platinum	-0.2	-0.4	1.9	3.9	-4.3	0.5	18.9
Corn	-0.4	-0.4	9.4	9.8	-7.7	-3.2	-2.0
Nickel	1.2	0.0	11.6	25.9	9.9	-5.1	12.8
Lean Hogs	-0.1	-0.1	8.0	-6.0	-25.0	-15.6	6.3
WTI Crude	0.5	-0.3	6.4	20.9	-29.8	-22.3	-38.6
Gasoline	0.6	-7.2	2.8	14.4	-28.1	-24.3	-43.1
Brent Crude	-1.2	0.5	4.6	28.2	-31.4	-25.1	-41.5
Heating Oil	0.6	0.6	0.6	19.0	-39.7	-33.0	-45.4
Gas Oil	-1.0	-1.0	-0.8	27.6	-41.0	-35.5	-47.7

PERFORMANCE: Bloomberg Commodity Indices

Composite Indices

*** Click hyperlinks to open in Bloomberg**

Index Name	Ticker	2020 Aug	2020 YTD	1-Year	3-Year	5-Year	10-Year	20-Year	30-Year	40-Year	50-Year
Bloomberg Commodity ER	BCOM	6.75%	-9.36%	-4.79%	-13.40%	-19.37%	-43.95%	-32.22%	-28.64%	-50.56%	301.62%
Bloomberg Commodity TR	BCOMTR	6.76%	-9.04%	-3.90%	-9.10%	-14.59%	-40.44%	-8.51%	56.09%	162.47%	4077.01%
Bloomberg Commodity Spot	BCOMSP	9.50%	1.41%	8.44%	6.54%	19.43%	-0.34%	181.31%	240.10%	175.79%	1713.50%
Bloomberg Roll Select	BCOMRST	5.67%	-4.84%	0.50%	-7.09%	-7.14%	-29.52%	106.77%			
1 Month Forward	BCOMF1T	6.29%	-6.00%	-0.04%	-4.80%	-8.00%	-31.27%	61.40%			
2 Month Forward	BCOMF2T	6.28%	-4.63%	1.31%	-0.80%	-2.67%	-28.89%	102.01%			
3 Month Forward	BCOMF3T	5.83%	-3.87%	2.61%	-0.64%	-1.59%	-25.91%	111.73%			
4 Month Forward	BCOMF4T	5.77%	-2.90%	3.32%	-0.22%	2.59%	-19.77%				
5 Month Forward	BCOMF5T	5.61%	-1.65%	4.87%	2.49%	5.50%	-17.60%				
6 Month Forward	BCOMF6T	5.21%	-1.14%	4.93%	2.96%	6.72%	-16.39%				
Energy	BCOMENTR	13.12%	-37.99%	-33.66%	-31.78%	-53.11%	-77.29%	-83.27%	-50.65%		
Petroleum	BCOMPETR	3.45%	-46.63%	-38.70%	-28.96%	-48.97%	-66.24%	-46.73%			
Agriculture	BCOMAGTR	5.50%	-7.22%	3.54%	-17.50%	-23.53%	-38.44%	-25.71%	-24.84%	-7.48%	1087.64%
Grains	BCOMGRTR	6.33%	-8.13%	0.12%	-17.25%	-31.97%	-42.58%	-34.84%	-46.86%	-44.46%	282.65%
Industrial Metals	BCOMINTR	6.94%	4.76%	5.04%	-3.84%	26.70%	-22.10%	102.06%			
Precious Metals	BCOMPRTR	3.58%	32.84%	31.71%	46.33%	69.01%	43.35%	485.01%	414.26%	143.10%	
All Metals	BCOMAMT	5.06%	18.63%	18.28%	19.48%	49.41%	7.84%	267.42%			
Softs	BCOMSOTR	3.38%	-5.32%	12.46%	-22.00%	-14.48%	-48.24%	-53.35%	-39.68%	-9.18%	2492.15%
Livestock	BCOMLITR	0.44%	-30.41%	-25.08%	-31.20%	-40.40%	-45.49%	-64.69%	-56.46%		
Ex-Energy	BCOMXETR	4.93%	3.28%	8.45%	-1.26%	5.93%	-17.46%	53.01%			
Ex-Petroleum	BCOMXPET	7.34%	1.14%	4.13%	-7.63%	-7.07%	-36.96%				
Ex-Natural Gas	BCOMXNGT	4.69%	-8.33%	-1.52%	-4.62%	-6.54%	-27.17%				
Ex-Agriculture	BCOMXAGT	7.32%	-10.01%	-6.98%	-5.90%	-11.58%	-43.28%				
Ex-Grains	BCOMXGRT	6.85%	-9.33%	-4.75%	-7.59%	-11.03%	-41.30%				
Ex-Industrial Metals	BCOMXIMT	6.73%	-11.82%	-5.81%	-10.45%	-21.87%	-44.33%				
Ex-Precious Metals	BCOMXPMT	7.74%	-17.47%	-11.57%	-19.12%	-27.31%	-51.50%				
Ex-Softs	BCOMXSOT	7.03%	-9.34%	-5.04%	-8.19%	-15.09%	-40.54%				
Ex-Livestock	BCOMXLIT	7.10%	-7.61%	-2.49%	-7.64%	-12.94%	-40.29%				
Ex-Agriculture & Livestock	BCOMXALT	7.84%	-8.02%	-5.25%	-3.47%	-8.88%	-43.41%				
Bloomberg Dollar Spot	BBDXY	-1.52%	-2.00%	-4.56%	0.71%	-3.79%	12.74%				
Bloomberg US Large Cap TR	B500T	7.63%	12.00%	24.18%	53.47%	100.38%	320.43%				
US Aggregate	LBUSTRUU	-0.81%	6.85%	6.47%	16.07%	23.60%	43.14%	167.87%	481.90%	1786.10%	
US Treasury	LUATTRUU	-1.10%	8.75%	6.98%	16.26%	21.08%	36.15%	148.96%	440.71%	1565.61%	
US Corporate	LUACTRUU	-1.38%	6.94%	7.50%	20.61%	35.06%	66.76%	229.67%	644.93%	2459.67%	
US High Yield	LF98TRUU	0.95%	1.67%	4.71%	15.37%	36.69%	94.83%	303.10%	1026.44%		

Single Commodity Indices

Index Name	Ticker	2020 Aug	2020 YTD	1-Year	3-Year	5-Year	10-Year	20-Year	30-Year	40-Year	50-Year
Natural Gas	BCOMNGTR	32.10%	-17.37%	-31.32%	-55.66%	-74.07%	-94.68%	-99.76%			
Low Sulfer Gas Oil	BCOMGOT	-0.67%	-47.39%	-40.61%	-28.59%	-41.61%	-55.98%	1.62%			
WTI Crude	BCOMCLTR	5.05%	-55.51%	-50.02%	-40.50%	-62.97%	-80.78%	-72.62%	-4.86%		
Brent Crude	BCOMCOT	3.27%	-37.60%	-26.47%	-7.46%	-33.73%	-50.76%	30.58%			
ULS Diesel	BCOMHOTR	-2.09%	-47.08%	-40.30%	-33.33%	-47.40%	-56.90%	-26.73%	46.66%		
Unleaded Gasoline	BCOMRBTR	7.63%	-42.59%	-32.03%	-32.92%	-44.85%	-38.44%	12.87%	205.87%		
Corn	BCOMCNTR	8.80%	-14.83%	-12.23%	-26.96%	-42.87%	-49.76%	-75.96%	-86.73%	-86.27%	-58.45%
Soybeans	BCOMSYTR	6.84%	-3.38%	3.55%	-15.30%	-13.58%	13.17%	211.02%	223.93%	221.22%	2888.75%
Wheat	BCOMWHTR	2.14%	-3.71%	15.96%	3.37%	-30.21%	-70.44%	-81.76%	-87.48%	-88.19%	-38.06%
Soybean Oil	BCOMBOTR	6.84%	-10.45%	6.93%	-18.23%	-7.33%	-45.96%	-4.31%	-39.22%	-20.78%	1453.65%
Soybean Meal	BCOMSMT	5.12%	-4.03%	-2.43%	-10.57%	-17.97%	62.53%	712.14%			
HRW Wheat	BCOMKWT	4.53%	-8.75%	10.20%	-24.38%	-52.66%	-76.70%	-73.95%			
Copper	BCOMHGTR	5.93%	7.47%	18.04%	-3.55%	23.47%	-19.10%	266.99%	495.17%		
Alumnium	BCOMALTR	4.69%	-4.90%	-1.66%	-19.18%	0.96%	-42.29%	-33.83%			
Zinc	BCOMZSTR	8.22%	9.53%	14.90%	-9.04%	52.48%	11.47%	56.01%			
Nickel	BCOMNITR	11.40%	8.35%	-14.77%	29.33%	47.16%	-33.10%	173.75%			
Gold	BCOMGCTR	-0.36%	26.69%	26.29%	43.98%	65.27%	45.72%	511.61%	379.86%	181.04%	
Silver	BCOMSITR	17.15%	55.08%	51.09%	54.46%	80.54%	28.72%	358.26%	381.99%	23.59%	
Sugar	BCOMSBTR	0.17%	-4.53%	5.64%	-26.73%	-12.96%	-54.91%	-44.49%	31.37%	-85.53%	66.80%
Coffee	BCOMKCTR	6.34%	-6.67%	21.89%	-26.57%	-36.83%	-71.13%	-85.58%	-84.47%	-63.29%	
Cotton	BCOMCTTR	4.00%	-5.84%	8.17%	-9.41%	1.80%	6.86%	-70.31%	-54.06%	60.30%	1081.33%
Live Cattle	BCOMLCTR	-2.38%	-19.50%	-7.04%	-12.09%	-21.62%	-16.80%	-13.66%	30.33%	539.97%	2734.61%
Lean Hogs	BCOMLHTR	8.02%	-47.35%	-50.38%	-58.17%	-65.51%	-75.89%	-92.56%	-94.52%		

PERFORMANCE: Bloomberg Commodity Roll Select Indices

Composite Roll Select Indices

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Index Name	Ticker	2020									
		Aug	YTD	1-Year	3-Year	5-Year	10-Year	20-Year	30-Year	40-Year	50-Year
BCOM Roll Select	BCOMRST	5.67%	-4.84%	0.50%	-7.09%	-7.14%	-29.52%	106.77%			
Roll Select Agriculture	BCOMRAGT	5.56%	-7.51%	2.53%	-17.25%	-20.83%	-31.42%	31.59%			
Roll Select Ex-Ags & Livestock	BBURXALT	6.12%	-2.10%	1.39%	-0.31%	2.72%	-30.38%				
Roll Select Grains	BCOMRGRT	6.16%	-8.31%	-0.95%	-16.74%	-28.87%	-37.02%	21.40%			
Roll Select Softs	BCOMRSOT	3.80%	-7.20%	8.85%	-26.03%	-17.58%	-42.70%	-21.36%			
Roll Select Livestock	BCOMRLIT	0.33%	-22.90%	-20.23%	-31.19%	-45.41%	-41.37%	6.19%			
Roll Select Energy	BCOMRENT	7.99%	-26.08%	-19.89%	-22.50%	-35.49%	-63.25%	-12.76%			
Roll Select Ex-Energy	BCOMRXET	4.88%	4.19%	8.80%	-1.37%	6.84%	-12.02%	151.92%			
Roll Select Petroleum	BCOMRPET	3.97%	-32.90%	-22.95%	-13.55%	-26.99%	-46.70%	107.31%			
Roll Select Industrial Metals	BCOMRINT	7.03%	4.46%	4.47%	-5.90%	25.04%	-19.87%	189.33%			
Roll Select Precious Metals	BCOMRPRT	3.35%	34.25%	33.36%	48.12%	71.59%	46.27%	509.14%			

Single Commodity Roll Select Indices

Index Name	Ticker	2020									
		Aug	YTD	1-Year	3-Year	5-Year	10-Year	20-Year	30-Year	40-Year	50-Year
Natural Gas RS	BCOMRNGT	13.60%	-12.19%	-22.93%	-54.29%	-64.60%	-89.17%	-95.71%			
Low Sulfer Gas Oil RS	BCOMRGOT	0.36%	-42.61%	-36.03%	-24.74%	-37.77%	-52.40%	29.35%			
WTI Crude RS	BCOMRCLT	5.22%	-26.30%	-16.61%	-4.45%	-20.26%	-49.76%	123.95%			
Brent Crude RS	BCOMRCOT	3.66%	-32.71%	-20.72%	-4.61%	-25.89%	-41.80%	144.87%			
ULS Diesel RS	BCOMRHOT	0.52%	-47.37%	-41.46%	-35.34%	-48.68%	-59.48%	27.00%			
Unleaded Gasoline RS	BCOMRRBT	7.63%	-27.74%	-14.38%	-17.13%	-12.61%	-12.31%	154.85%			
Corn RS	BCOMRCNT	7.92%	-14.77%	-13.73%	-26.29%	-40.46%	-47.35%	-56.25%			
Soybeans RS	BCOMRSYT	7.18%	-3.58%	3.73%	-8.40%	-0.52%	40.09%	367.68%			
Wheat RS	BCOMRWHT	2.14%	-4.11%	14.93%	-6.47%	-36.18%	-70.32%	-45.51%			
Soybean Oil RS	BCOMRBOT	6.68%	-10.90%	6.45%	-19.45%	-7.36%	-41.36%	35.42%			
Soybean Meal RS	BCOMRSMT	5.55%	-1.94%	0.33%	-0.71%	-6.90%	98.56%	1069.77%			
HRW Wheat RS	BCOMRKWT	4.53%	-9.11%	6.11%	-28.17%	-52.90%	-75.09%	-43.02%			
Copper RS	BCOMRHGT	5.93%	7.40%	17.93%	-3.98%	23.54%	-17.58%	411.40%			
Alumnium RS	BCOMRALT	4.86%	-5.60%	-3.25%	-23.20%	-3.17%	-39.77%	-7.42%			
Zinc RS	BCOMRZST	8.51%	9.24%	13.76%	-12.47%	48.92%	11.63%	133.06%			
Nickel RS	BCOMRNIT	11.31%	8.04%	-14.65%	28.64%	48.02%	-30.10%	330.88%			
Gold RS	BCOMRGCT	-0.63%	28.35%	28.20%	46.19%	68.48%	48.68%	524.20%			
Silver RS	BCOMRSIT	17.15%	55.56%	51.84%	54.83%	81.25%	31.61%	405.52%			
Sugar RS	BCOMRSBT	1.21%	-8.46%	-0.06%	-35.90%	-22.15%	-52.95%	10.31%			
Coffee RS	BCOMRKCT	6.34%	-5.88%	20.29%	-27.35%	-37.06%	-67.99%	-77.51%			
Cotton RS	BCOMRCTT	3.98%	-6.61%	8.05%	-5.40%	6.43%	25.88%	-54.03%			
Live Cattle RS	BCOMRLCT	-2.37%	-19.77%	-12.04%	-19.69%	-28.82%	-20.12%	36.38%			
Lean Hogs RS	BCOMRLHT	8.02%	-28.48%	-33.17%	-48.82%	-66.14%	-67.37%	-42.81%			

BCOM Constituent Weights

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

Group	Commodity	Ticker	Aug 2020 Contrib to Return %	Aug 31 2020 Weight %	Jul 31 2020 Weight %	Aug 2020 Weight% Change	2020 Target Weight
Energy	Natural Gas	NG	2.50	10.74	7.24	3.49	7.96%
	Low Sulfer Gas Oil	QS	-0.01	1.56	1.68	(0.12)	2.60%
	WTI Crude	CL	0.29	5.45	5.61	(0.15)	7.99%
	Brent Crude	CO	0.17	4.62	4.90	(0.28)	7.01%
	ULS Diesel	HO	-0.03	1.28	1.39	(0.10)	2.11%
	Gasoline	XB	0.13	1.54	1.66	(0.12)	2.26%
	Subtotal		**3.04**	**25.20**	**22.48**	**2.72**	**29.93%**
Grains	Corn	C	0.46	5.40	5.22	0.18	5.83%
	Soybeans	S	0.38	5.66	5.80	(0.14)	5.64%
	Wheat	W	0.06	3.04	3.20	(0.16)	3.04%
	Soybean Oil	BO	0.19	2.73	2.79	(0.07)	2.90%
	Soybean Meal	SM	0.17	3.40	3.54	(0.14)	3.30%
	HRW Wheat	KW	0.07	1.48	1.51	(0.03)	1.49%
	Subtotal		**1.33**	**21.70**	**22.06**	**(0.36)**	**22.19%**
Industrial Metals	Copper	HG	0.44	7.59	7.78	(0.20)	6.96%
	Aluminum	LA	0.21	4.27	4.41	(0.14)	4.33%
	Zinc	LX	0.29	3.64	3.67	(0.03)	3.43%
	Nickel	LN	0.33	3.02	2.96	0.06	2.75%
	Subtotal		**1.27**	**18.52**	**18.83**	**(0.31)**	**17.46%**
Precious Metals	Gold	GC	-0.07	17.03	18.71	(1.69)	13.62%
	Silver	SI	0.92	5.84	5.42	0.42	3.78%
	Subtotal		**0.84**	**22.87**	**24.13**	**(1.26)**	**17.40%**
Softs	Sugar	SB	0.01	2.79	3.05	(0.26)	3.01%
	Coffee	KC	0.17	2.84	2.87	(0.03)	2.71%
	Cotton	CT	0.06	1.38	1.46	(0.07)	1.49%
	Subtotal		**0.24**	**7.02**	**7.38**	**(0.36)**	**7.21%**
Livestock	Live Cattle	LC	-0.08	3.33	3.73	(0.41)	4.02%
	Lean Hogs	LH	0.11	1.37	1.39	(0.02)	1.78%
	Subtotal		**0.03**	**4.70**	**5.12**	**(0.42)**	**5.80%**
Total			**6.75**	**100.00**	**100.00**		**100.00%**