June 2020 Edition
Bloomberg Commodity Index (BCOM)

Bloomberg Commodity Outlook

Gold vs. Deflation

- Commodities Teetering on the Edge of S&P 500 3,000 Resistance
- WTI Crude Oil Is More Likely to Head for $20 a Barrel, Not $40
- Just Too Much Natural Gas and Slack Demand Mean Lower Prices
- Gold's Enduring Upper Hand vs. Almost Everything, Notably Copper
- Agriculture Price's Path of Least Resistance Remains Downward

Bloomberg Professional Services

Indices

Contents

Data

June 2020 Edition
Bloomberg Commodity Outlook

Data and outlook as of May 29, 2020

Mike McGlone – BI Senior Commodity Strategist

BI COMD (the commodity dashboard)

Commodities Teetering on the Edge of S&P 500 3,000 Resistance

Performance: May +4.3%, 2020 -21.2%, Spot + -16.1%
(Returns are total return (TR) unless noted)

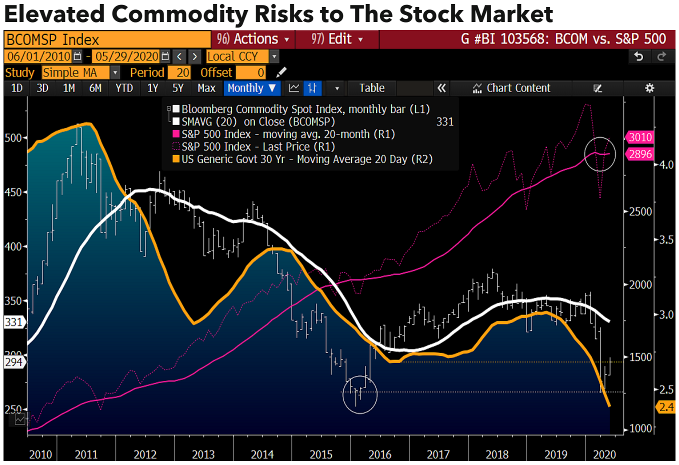
(Bloomberg Intelligence) -- With the exception of gold, commodity prices will stay on a downward path and are at greater risk to a rollover in the stock market, in our view. The sharp recovery in crude oil appears as a bear-market bounce and is particularly vulnerable to similar in equities. If the S&P 500 can't sustain above 3,000, we see little to arrest unfavorable fundamental and technical trends in the main macroeconomically sensitive sectors: energy and base metals.

Unlike crude oil, which is responding to lower prices with reduced supply, agriculture production is booming. Absent a drought, a big 2020 bumper crop in the Corn Belt is likely -- on the back of the same in Brazil -- leaving prices little choice but to decline, notably with a strengthening dollar. Gold stands to be a primary beneficiary of global deflationary forces.

Gold Taking The Metal

Commodity Bear-Market Realism Set to Overpower Recovery Optimism. Enduring U.S.-China trade tension and an unlikely V-shaped global economic recovery keep our price view as unfavorable for broad commodities and favorable for gold. We see little to prevent the metal from reaching all-time highs and the Bloomberg Commodity Spot Index from extending its 2016 low.

Elevated Commodity Risks to The Stock Market

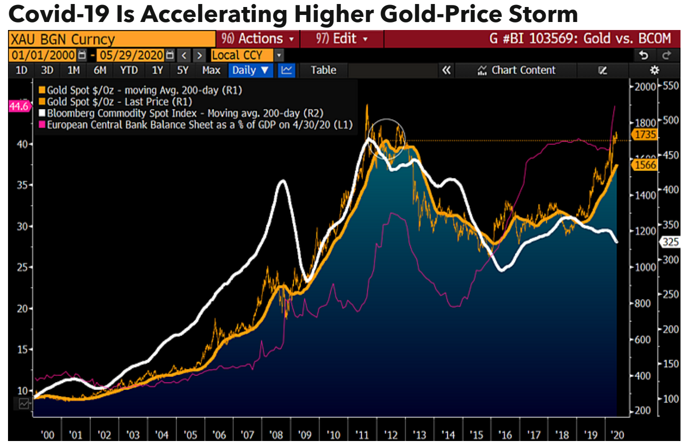


Learn more about Bloomberg Indices

Note - Click on graphics to get to the Bloomberg terminal

Enduring Downtrends: Commodities, Bond Yields. It's unlikely that the commodity bear market since 2011 has reached its nadir, in our view. Divergent weakness in the Bloomberg Commodity Spot Index (BCOM) vs. the S&P 500 for most of the past decade leaves commodities particularly vulnerable if the April-May equity bounce fails. Our graphic depicts the strong BCOM relationship to a leading indicator of global economic demand-pull inflation -- the U.S. 30-year Treasury yield. All-time lows in the long-bond yield, and the high probability of sustaining subdued levels along with German Bunds and Japanese Government Bonds, keep our commodity-price outlook pointing down.
The 20-month averages of the BCOM and long-bond yields resumed declining last year. If the same measure of the S&P 500 rolls over, it would be a green light for the BCOM to extend its 2016 low.

Covid-19 Is Accelerating Higher Gold-Price Storm



Commodity Deflation Fueling Gold Appreciation. The coronavirus is creating almost perfect conditions for commodity price deflation, central-bank easing and rising gold prices, in our view. An elusive end in sight for global quantitative easing should eventually spur commodity inflation, and most end-game scenarios point to gold as a primary beneficiary. Our graphic depicts the enduring bear market in broad commodities vs. resumed bull markets in the precious metal and the European Central Bank Balance Sheet as a percentage of GDP. Declining crude oil and commodities are fueling more easing and elevating gold. At some point in the distant future, inflation will recover, which is typically the top companion of rising commodity and gold prices. We see little to prevent dollar-denominated gold from following the metal in euro terms to new highs.

MACRO PERFORMANCE

Gold Is Unconstrained vs. Bond Yields Near Zero

Security	%YTD	Chg May	1Yr % Chg	2Yr % Chg
Bloomberg Barclays U.S. Treasu	+20.0%	-3.2	+27.9%	39.3%
Gold	+14.2%	+2.7	+35.3%	33.4%
Broad Dollar Index	+6.9%	--	+5.6%	10.3%
Bloomberg Dollar Spot	+3.7%	-1.1	+1.7%	4.4%
S&P 500 Total Return Index	-5.0%	+4.8	+11.6%	17.8%
S&P 500 Index	-5.7%	+4.6	+9.5%	13.2%
Generic 1st 'HG' Future	-12.6%	+4.3	-8.2%	-20.2%
MSCI World ex USA Net Total Re	-13.5%	+5.3	-2.7%	-7.1%
Bloomberg Commodity Spot Index	-16.1%	+5.4	-12.4%	-20.4%
MSCI Emerging Markets Net Tota	-16.4%	+.2	-3.7%	-13.6%
Bloomberg Commodity Index Tota	-21.2%	+4.3	-18.8%	-26.9%
Generic 1st 'CL' Future	-42.4%	+86.8	-40.1%	-47.3%

Gold Gaining Upper Hand vs. Treasury Bonds. With most government bond yields pinned near zero, there's limited price-appreciation upside, but gold isn't similarly hamstrung. Our macro performance dashboard shows No. 2 gold gaining on the 2020 leader, Bloomberg Barclays U.S. Treasury 20+ Year Total Return. Inflation will eventually boost gold relative to bonds, if history is a guide, but entrenched deflationary forces accentuate some of the potential win-win for the metal. Oversold crude oil has bounced and should remain a bottom performer on the back of the potential worst economic slowdown since the Great Depression.

Down only about 5% in 2020 to May 29, the S&P 500 represents the greatest risk to broad commodity prices. If the benchmark index can't stay above 3,000, expect most commodity prices -- except gold -- to keep sinking.

SECTOR PERFORMANCE

Precious Metals Set to Take the Sector Gold. Looking toward the end of 2020, we see the grains atop the risk list to follow energy prices lower, while gold should keep up its rally. Crude oil is adjusting to subdued prices with reduced production, but the potential for a record bumper Corn-Belt crop tilts corn, soybean and wheat prices toward multiyear lows. Brazil's record soybean production and plunging currency add to agriculture sector headwinds. Absent a drought in the Corn Belt, expect piles of corn and price pressure.

Industrial metals and energy are at greater downside risk to a failed bounce in the stock market, which we believe is the more likely scenario. The less likely case of a V-bottom in the global economy would support crude oil and copper, but unfavorable demand vs. supply before the pandemic will limit price recoveries.

Grains at Elevated Risk of Following Energy

Security	%YTD	Chg May	1Yr % Chg	2Yr % Chg
Bloomberg Precious Metals Subi	+11.3%	+6.3%	+32.8%	26.7%
Bloomberg All Metals Total Ret	-3.0%	+3.3%	+7.7%	-3.6%
Bloomberg Grains Subindex Tota	-13.2%	-.5%	-14.2%	-27.1%
Bloomberg Industrial Metals Su	-14.3%	+2.8%	-11.1%	-25.2%
Bloomberg Agriculture Subindex	-15.7%	-.9%	-13.5%	-27.8%
BBG Softs TR	-21.1%	-1.6%	-14.6%	-31.5%
Bloomberg Livestock Subindex T	-28.2%	+5.3%	-32.5%	-27.4%
Bloomberg Energy Subindex Tota	-47.4%	+11.4%	-49.0%	-52.5%

Energy

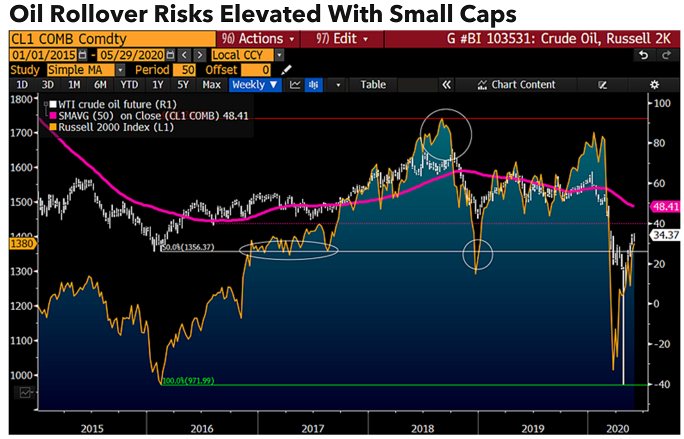
(Index weight: 19% of BCOM)
Performance: May +11.4%, 2020 -47.4% , Spot -34.9%
**Note index weights are March 2020*

Elevated Bear-Market Bounce Risk

WTI Crude Oil Toward $20, Natural Gas Below $2 as Economy Slows. Crude oil and natural gas are enduring bear markets that have bounced along with equities and are at elevated risk of resuming declines, in our view. West Texas Intermediate may fill the gap up toward $40 a barrel but is more likely to gravitate closer to about $20, its most widely traded price in futures history. Natural gas has shown a similar surge, but oversupplied like crude and facing the worst global recession since the Great Depression, we expect prices to hold below $2 per million BTUs.

The biggest risk to energy prices is a decline in the stock market, which also looks high, except in the unlikely scenario of a V-shaped global economic recovery. Pre-existing unfavorable conditions for energy before the coronavirus, and the recent price bounce, keeps our bias tilted toward lower prices.

Oil Rollover Risks Elevated With Small Caps



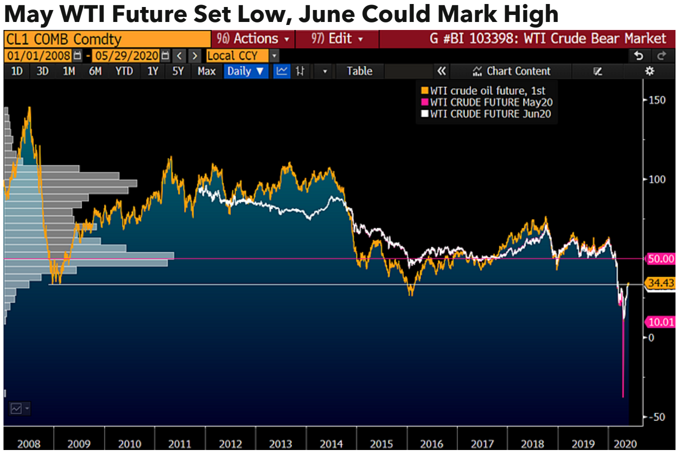
WTI Crude Oil Is More Likely to Head for $20 a Barrel, Not $40. Green on the screen in May elevates the risk of a red-June for energy prices, in our view. A potential paradigm shift toward less liquid-fuel consumption as the world exits lockdowns, is squaring off with the bouncing stock market. The rising crude-oil beta to equities adds to energy-sector vulnerability.

Crude Oil's Responsive Sellers Set to Prevail. Having bounced sharply, the biggest risk to lower crude oil prices is a rollover in the stock market, in our view. Extremely low prices helped choke off supply, but it's unlikely the pre-existing downtrend has ended and the market is bumping into longer-term resistance. Our graphic on the previous page depicts West Texas Intermediate approaching its March price gap of close to $40 a barrel, on the back of the recovering Russell 2000 Index. Fundamentally and technically, crude looks to be in a sustained bear market that has been lifted recently on short-covering and the liquidity-driven stock market

Risk points downward, with little chance for higher oil if the Russell 2000 simply resumes its downtrend since peaking in 2018. The worst global recession since the Great Depression seems a worthy catalyst.

April-May Carving Out the Crude Range. Lessons of overweight crude-oil longs that marked the low-price extreme in April are playing out with a May short-squeeze that we expect will set an opposite price peak. The contract month with elevated long risks on the back of the historic negative-price May expiration -- June West Texas Intermediate -- is doing what futures have a tendency to do in volatile markets: move in the direction of the most position stress. We see crude oil carving out a lower-plateau range and close to setting the upper end.

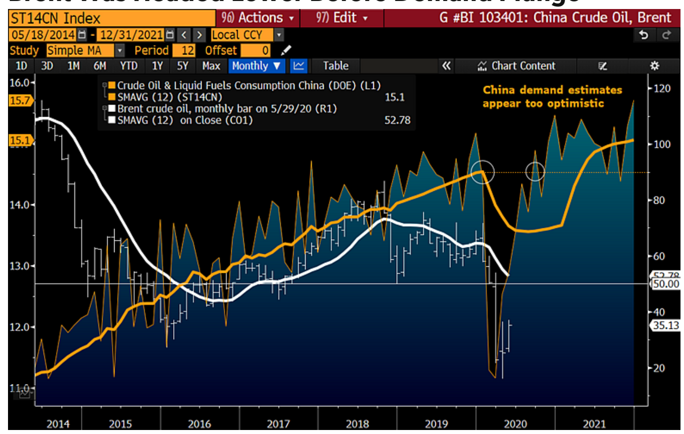
May WTI Future Set Low, June Could Mark High



Back in the low $30s a barrel, the last day of trading for the June WTI futures on May 19 has a high probability of marking a good retracement-resistance level. Layers of responsive selling and producer hedging should be expected at higher levels, if history since the 2008 price peak is a guide.

Realism to Prevail vs. Crude Demand Optimism. Reversing unfavorable crude demand vs. price trends from before the coronavirus outbreak is unlikely, which limits the potential for an oil recovery, in our view. Brent crude resumed its downtrend since the 2008 peak in 2018, despite demand from China remaining on an upward trajectory. Our graphic depicts the Department of Energy estimate for a swift recovery in the world's top marginal demand source. A V-shaped rebound in consumption is improbable, and the fact that Brent was headed downward prior to the Covid-19 demand shock tilts our price bias toward greater headwinds during the recovery stage.

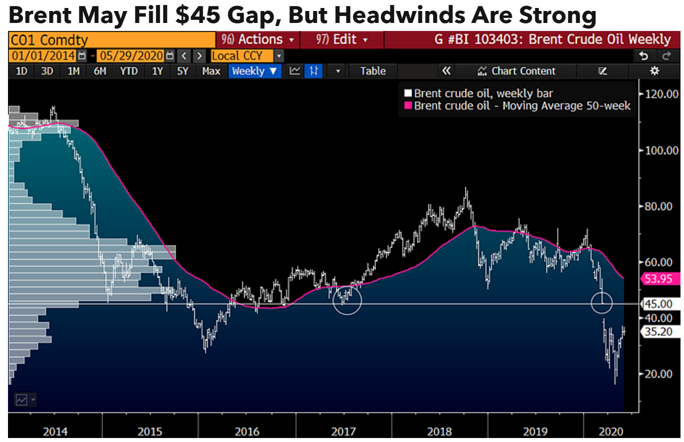
Brent Was Headed Lower Before Demand Plunge



A likely scenario is the initial price bounce giving way to a peak and long-slog at lower levels as global demand remains subdued.

Crude Spikes Should Find Responsive Sellers. Crude oil is about properly assessing the extent of the initial price bounce, which we expect will mark a longer-term peak. In the unlikely event of a V-shaped global economic recovery, if recent history and trends are a guide, oil demand will remain below most optimistic estimates. Our graphic of Brent crude since the decline beginning in 2014, shows key resistance near $45 a barrel. High volatility may result in a price spike towards this level, but sustainability is unlikely.

Brent May Fill $45 Gap, But Headwinds Are Strong



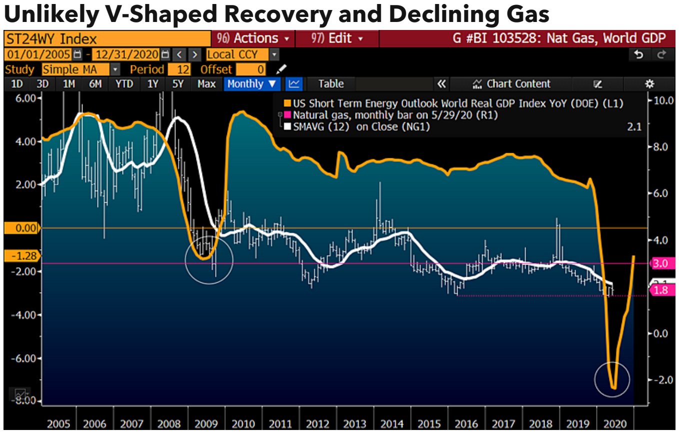
Producers that have rapidly reduced supply will be highly motivated to hedge into rallies. Sluggish demand growth prior to the coronavirus outbreak is unlikely to shift higher due to the extent of the global recession and decarbonization and demographic trends, offsetting the potential for low prices to encourage increased usage.

Natural Gas Leading Commodities Lower

Just Too Much Natural Gas and Slack Demand Mean Lower Prices. Prices for natural gas, a leader among oversupplied commodities due to rapidly increasing technology, should remain under pressure as demand declines, in our view. The unlikeliness of a sharp recovery in consumption, coupled with a supply overhang, should stay the downward course that's been in place for more than a decade.

Extended Hangover for Natural Gas Prices. There is little to stop the stair-step decline in natural gas prices, in our view. A global recession on the back of an already oversupplied market should simply keep the enduring downward trajectory intact. The graphic depicts what we see as an overly optimistic outlook by the Department of Energy for a V-shaped recovery in world real GDP. The less severe and more U.S.-centric economic decline due to the financial crisis was more of a U-shaped bottom. The 2009 trough and concentration of trading since, just below $3/MMBtu, should offer good price resistance on any potential spikes, which are common in natural gas.

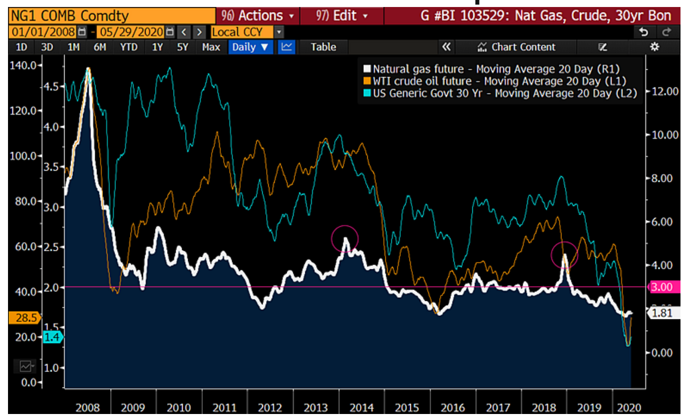
Unlikely V-Shaped Recovery and Declining Gas



Momentum and an unfavorable demand vs. supply balance should keep prices below $2 for an extended period.

Lower Gas Prices Have Plenty of Company. Natural gas has close companions for sustained lower prices, in our view, with government bond yields and crude oil on similar downward trajectories. Our graphic of 20-day moving averages -- to focus on the trends -- shows gas prices a bit elevated vs. the plunge in U.S. Treasury bond yields and West Texas Intermediate. The extent of the coronavirus-related global recession leads us to expect recent recoveries in WTI and bond yields are bounces within bear markets.

Natural Gas Headwinds With Close Companions



Gas Storage Dangerously Close to Filling Up

Contributing Analysts Vincent G Piazza (Energy)

The base-case analysis suggests U.S. natural-gas storage will be startlingly close to filling its working capacity by the start of the next heating season unless injections ease more forcefully on softer associated production from oil wells. Excluding demand degradation from a slowing domestic economy because of social distancing and other initiatives to protect against the coronavirus, injections of 1.62 tcf of gas -- the average level in the last five years -- may be added to storage, pushing stockpiles well beyond the five-year maximum. While there's flexibility relative to the system's design capacity, we prefer observing demonstrated peak capacity to assess the likelihood of maxing out storage.

We didn't consider lower gas volume as a likely tailwind, but output is expected to drop a modest 2.3 bcfpd this year.

U.S. Gas-Storage Highlights, Projections & Ests

Bloomberg Intelligence

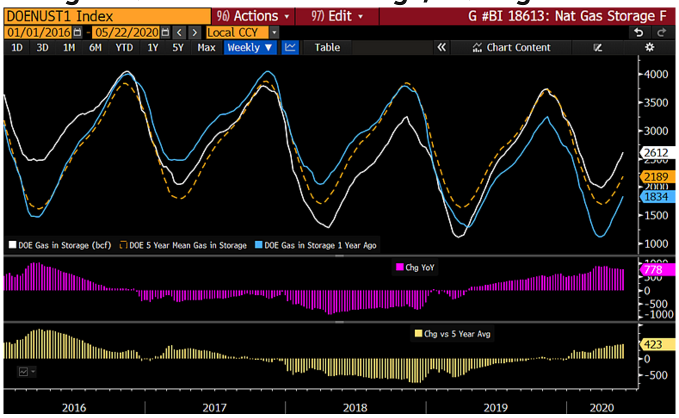
	Bcf	Timing/Notes
Gas Storage	2,503.0	As of 5/15/2020
Build/Injections	1,622.0	Injections or additions from 5/15/2020 through 10/30/2020
Possible Storage	4,125.0	Gas storage level ahead of Winter 2020/2021 which starts Nov 1
Five Year Max	3,978.0	Five year high in gas storage via EIA
Five Year Average	3,718.0	Five year norm via EIA
Possible - 5 Yr Avg	407.0	Potential storage level relative to long term average
Possible - Max	147.0	Potential storage level relative to long term maximium
Peak Capacity	4,263.0	Demonstrated capacity or working gas volume over the past five years
Excess Available	138.0	Available gas storage space
Design Capacity	4,712.0	Physical gas capacity
Excess vs Design	587.0	Available space using design capacity

After Dismal Winter, Covid-19 Adds to Gas Glut

Contributing Analysts Vincent G Piazza (Energy)

Natural-gas inventories in the U.S. will be severely inflated through the shoulder season, in our view, after weak winter draws, even after unusually cooler temperatures through May have little effect on sentiment. In comparing the last U.S. recession (4Q07-2Q09) with this downturn, gas demand may fall by more than 4 bcfpd vs. 2019, with Covid-19 severely eroding consumption. Industrial gas use plunged 7% in 2009, while flows to Mexico dropped about 4%. With low prices vs. coal, gas gained share in the power stack to one-third by 2020 from 21% in 2008, yet a similar pop isn't likely near term since gas is now a sizable component of power generation.

Storage 45% Above 5-Year Average; 19% Higher YoY



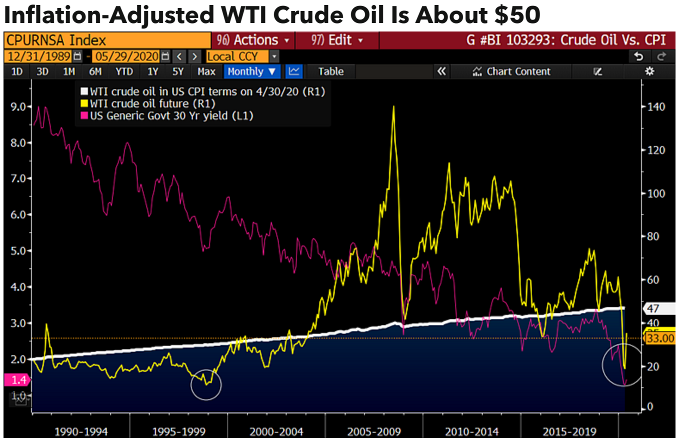
Storage at the end of winter surpassed 2 trillion cubic feet and should easily breach 4 trillion, while a severe economic slowdown would threaten peak capacity of 4.26 trillion.

Indexing/Investment Outlook - Low For Longer

Crude Oil a Steady Deflation Indicator, With Elevated Spike Risk. The rapidly evolving crude oil market is a far cry from just a decade ago, which entails more intuitive analysis, and our outlook is for a long slog at low levels. A sustained demand-driven recovery is unlikely, and price spikes will find plenty of responsive hedgers. Indexes that track further-out futures should keep outperforming.

Crude Oil, Negative Rates and Deflationary Trends. The prevailing crude-oil theme of the past few years -- OPEC's need to cut production -- is an upshot of what will keep prices under pressure for an extended period, in our view: Supply exceeds demand. Rapidly advancing technology, demographic shifts and decarbonization will continue to lower production costs and squash incremental demand. These are the more predictable trends, likely to accelerate. Our graphic depicts the steep discount of West Texas Intermediate vs. the inflation-adjusted price, which increases upside risks in the case of an unforeseen supply shock.

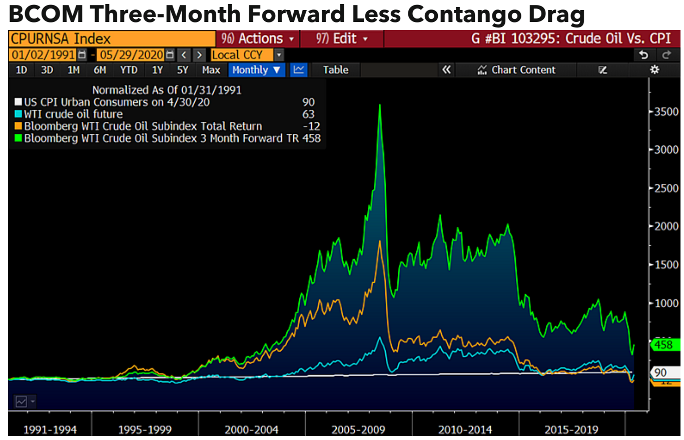
Inflation-Adjusted WTI Crude Oil Is About $50



Based on unfavorable fundamental leanings prior to the coronavirus outbreak, our view that demand will continue to trail most estimates and the trajectory of government bond yields, we expect WTI to pivot at about $20 a barrel.

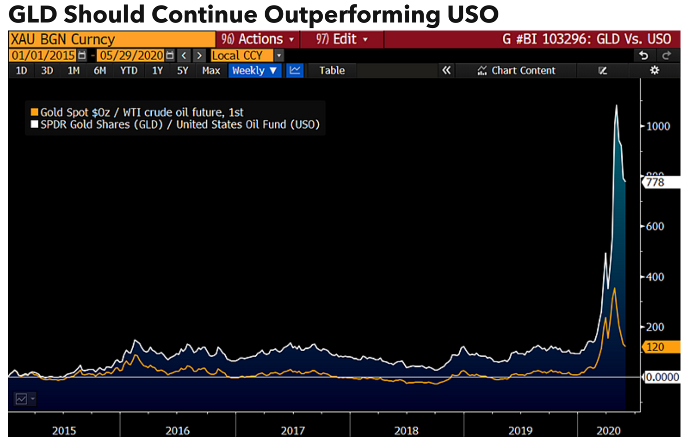
Crude-Oil Forward Indexes Outperform. Indexes that reside further out on the crude-futures curve have outperformed, and we see little to reverse this longer-term trend. The Bloomberg WTI Crude Oil Subindex 3-Month Forward Total Return, up about 450% since the start of 1991, compares with about 60% for spot crude oil and minus 10% for the regular rolling index. Futures' back-months typically lag the rate of change of the fronts when markets move rapidly, but our graphic shows how the further-out contracts alleviate much of the roll expense in the fronts, in addition to moving with lower volatility.

BCOM Three-Month Forward Less Contango Drag



Gold Set to Maintain Upper Hand vs. Crude Oil. A bull market vs. a stuck-in-the mud bear is our takeaway on gold vs. crude oil, and actual investment performance will continue favoring the metal, if history is a guide. The ratio of the gold vs. crude price belies the extreme variance in investment performance of the store-of-value asset vs. consumed commodity. Our graphic depicts the wide disparity of performance in the ratio of the top gold exchange-traded fund vs. crude-oil ETF compared with the underlying price ratio. ETFs that track the metal are typically physically backed, and the primary difference from the spot price is the expense ratio.

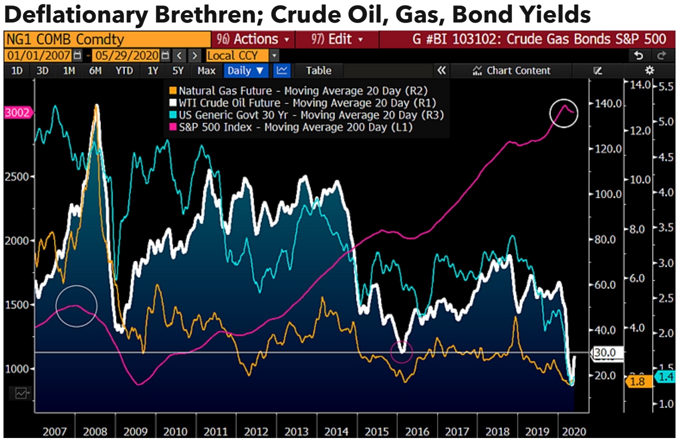
GLD Should Continue Outperforming USO



ETFs that track virtually all commodities -- except precious metals -- have to roll futures. Our graphic shows how much the United States Oil Fund (USO) has underperformed the SPDR Gold Shares (GLD).

Crude Oil Is Settling Into Lower Plateau. Crude oil is in an adjustment process to sustained low levels, and we expect energy prices have reached an inflection point where they are no longer buoyed by the liquidity-driven stock market. Our graphic depicts 20-day averages of West Texas Intermediate, natural gas and U.S. Treasury 30-year bond yields simply extending long, entrenched downtrends. Negative $38-a-barrel WTI crude oil on April 20 will likely mark the bottom, the way $145 did the peak in 2008, but macroeconomic deflationary forces should prevail. A primary risk for more downside in energy prices is the potential for a rollover in the extended stock market rally.

Deflationary Brethren; Crude Oil, Gas, Bond Yields



Energy prices and bond yields reflect the extent of Covid-19-related global demand destruction. Preexisting conditions tilt our bias toward less optimism for a recovery in energy demand.

PERFORMANCE DRIVERS

May Green on the Screen Risks a June Swoon. Having relieved much of the oversold condition from April, energy prices are at greater risk of resuming the downward trajectory, in our view. Crude-oil and natural gas inventories are ballooning, and optimism for a V-shaped recovery in global GDP and energy demand should face the realism of a significantly changed world. Sustained high unemployment translates into slack demand, in addition to the societal shift toward working from home.

June Risks the Opposite of the May Bounce

Security	Ticker	%YTD	Chg May	Chg QTD Pct	1Yr % Chg	2Yr % Chg
Bloomberg Natural Gas Subindex	BCOMNGTR	-30.3%	-14.8%	-3.9%	-50.2%	-54.5%
BBG Energy Spot	BCOMENSP	-34.9%	+14.8%	+29.3%	-37.7%	-44.2%
Bloomberg Brent Crude Subindex	BCOMCOT	-46.9%	+36.0%	+21.4%	-43.8%	-47.5%
Bloomberg Energy Subindex Tota	BCOMENTR	-47.4%	+11.4%	+7.5%	-49.0%	-52.5%
Bloomberg Unleaded Gasoline Su	BCOMRBTR	-50.4%	+33.5%	+55.4%	-46.2%	-52.1%
Bloomberg Heating Oil Subindex	BCOMHOTR	-52.2%	+17.2%	-4.3%	-50.0%	-53.8%
Bloomberg Petroleum Subindex T	BCOMPETR	-54.2%	+34.9%	+14.8%	-51.7%	-55.9%
Bloomberg WTI Crude Oil Subind	BCOMCLTR	-61.9%	+49.6%	+13.7%	-60.0%	-63.9%

Producers should be motivated to keep doing what they've been doing (and more aggressively since the 2018 price peak): selling rallies. What was the old $50 breakeven for U.S. shale producers is likely declining toward $40, unless advancing technology is reversing.

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

Name	Current Position	1 Yr Ago	1 Yr Change	YTD Change
1 Year Spread % of First Contract				
BCOM	-10.0	-3.5	-6.5	-7.6
Sector				
Precious Metals	-1.9	-2.8	0.9	0.3
Industrial Metals	-2.7	-0.7	-2.0	-1.3
Agriculture	-6.1	-8.6	2.6	-0.5
Energy	-19.5	2.3	-21.8	-22.9
Livestock	-20.5	-5.7	-14.8	-21.9
Single Commodities				
Platinum	0.0	-2.0	2.0	1.8
Copper (LME)	-1.5	-1.2	-0.2	-0.7
Zinc	-1.6	7.0	-8.6	-3.1
Palladium	-1.7	1.4	-3.1	-2.8
Silver	-1.7	-3.0	1.3	0.6
Gold	-2.1	-2.5	0.5	0.0
Nickel	-2.1	-2.0	-0.1	-0.3
Copper (CME)	-2.4	-1.4	-1.0	-1.2
Soybean	-2.6	-7.0	4.4	1.4
Wheat	-3.5	-8.1	4.6	1.4
Soybean Meal	-3.9	-3.4	-0.6	0.7
Cotton	-4.4	-1.5	-3.0	-1.9
Sugar	-5.0	-13.6	8.5	2.1
Soybean Oil	-5.3	-6.4	1.1	-2.2
Aluminum	-5.7	-5.7	-0.1	-1.1
HRW Wheat	-7.7	-15.4	7.7	0.9
Crude Oil	-9.0	3.0	-12.1	-17.9
Coffee	-9.8	-13.0	3.3	-1.8
Live Cattle	-10.9	-5.8	-5.1	-14.9
Corn	-11.3	-7.2	-4.1	-5.2
Brent Crude	-12.0	7.8	-19.8	-20.7
Unleaded Gas	-12.1	6.1	-18.2	-18.8
Thermal Coal	-17.3	-3.2	-14.1	-29.5
Heating Oil	-21.1	0.5	-21.6	-25.4
Gas Oil	-25.6	1.1	-26.7	-31.1
Lean Hogs	-30.2	-5.6	-24.5	-29.0
Natural Gas	-39.2	1.0	-40.1	-17.0

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

Metals

All *(Index weight: 40% of BCOM)*
Performance: May +4.7%, 2020 -1.6%

Industrial *(Index weight: 19.0% of BCOM.*
Performance: May +2.8%, 2020 -14.3%, Spot -13.6%

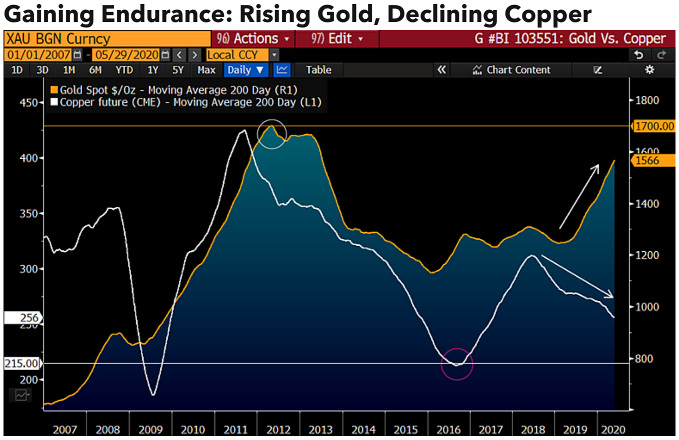
Precious *(Index weight: 16.1% of BCOM.*
Performance: May.+6.3%, 2020 +11.3%, Spot +12.4%

Gold Upper Hand vs. Everything

Gold's Enduring Upper Hand vs. Almost Everything, Notably Copper. It's logical to expect gold to outperform most assets in an environment of unparalleled central-bank easing, and we foresee the precious metal maintaining the upper hand in most scenarios. There's little to stop the gold-up, copper-down trajectories, in place well before the coronavirus struck.

Gold Up, Copper Down Set to Stay the Course. Far from what are typically extreme overbought levels in gold and oversold in copper, we see little to reverse these trends. Gold breached key $1,400-an-ounce resistance last year and copper turned lower in 2018. The global pandemic has accelerated these trajectories. Our graphic of 200-day moving averages -- to focus on the trends -- shows appreciating gold and depreciating copper. Negative crude oil prices in April may have set an example of the extent of extremes we should expect to arrest enduring trends.

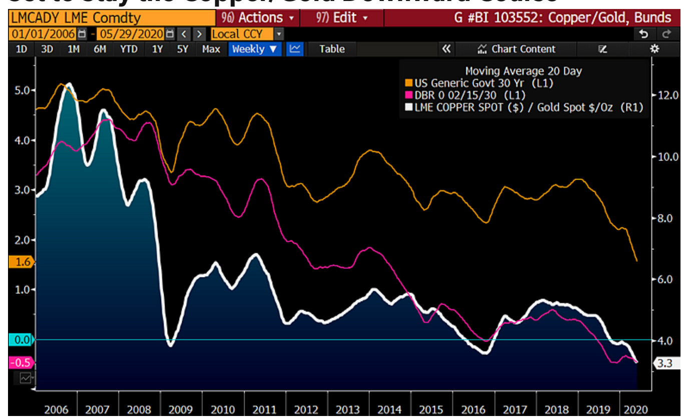
Gaining Endurance: Rising Gold, Declining Copper



Gold remains well below its 2011 peak of about $1,900 and copper above its 2016 trough of around $1.94 a pound. The potential for the worst global downturn since the Great Depression, and China in decline on the back of increasing trade tensions, underpin gold and copper to simply stay the course.

Declining Bond Yields and Copper vs. Gold. Some form of unlikely disruption to the trend-is-your-friend rule will be needed to halt copper declining vs. gold, in our view. Greater risks appear tilted toward acceleration as bond yields continue to fall. Our graphic depicts enduring trends in declining German 10-year and the U.S. Treasury 30-year yields and the strong companionship with the ratio of copper vs. gold. The U.S. long bond is a high-duration measure of the world's largest debt market, and a good leading indicator for global demand-pull inflation forces.

Set to Stay the Copper/Gold Downward Course



Rising bond yields are required for copper prices to outperform gold on a sustained basis, if history is a guide. Overoptimism for a global economic recovery -- typical for advancing copper prices -- on the back of U.S.-China trade detente appears to be shifting toward more-enduring realism.

PERFORMANCE DRIVERS

What's to Stop Precious Beating Industrials? The unlikeliness of a sharp and sustained global economic rebound following the pandemic shutdown keeps our bias toward precious metals continuing to outperform industrials. One- and two-year returns on our scoreboard portray what appear to be entrenched trends. Dollar-denominated gold appreciating despite the strong greenback is a sign of divergent strength in the metal. Silver is the May stalwart, but will have limited further upside, notably vs. gold, absent a weaker dollar and/or rising U.S. bond yields, if history tells us anything. Both appear unlikely.

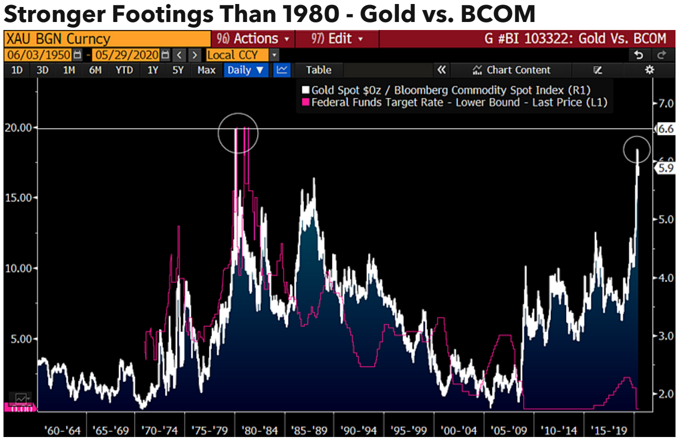
Enduring Trends - Precious Up, Industrials Down

Security	%YTD	Chg May	Chg QTD Pct	1Yr % Chg	2Yr % Chg
Bloomberg Gold Subindex Total	+13.9%	+2.7%	+9.0%	+34.6%	32.0%
Bloomberg Precious Metals Subi	+11.3%	+6.3%	+12.6%	+32.8%	26.7%
Broad Dollar Index	+6.9%	--	-.1%	+5.6%	10.3%
Bloomberg Silver Subindex Tota	+2.2%	+23.6%	+29.5%	+25.7%	9.7%
Bloomberg All Metals Total Ret	-1.6%	+4.7%	+9.2%	+9.2%	-2.2%
Bloomberg Nickel Subindex Tota	-12.8%	+.9%	+6.8%	+2.5%	-17.2%
Bloomberg Zinc Subindex Total	-12.9%	+2.5%	+4.1%	-19.8%	-27.7%
Bloomberg Copper Subindex Tota	-13.7%	+3.5%	+8.3%	-9.1%	-21.0%
Bloomberg Industrial Metals Su	-14.3%	+2.8%	+5.1%	-11.1%	-25.2%
Bloomberg Aluminum Subindex To	-16.8%	+3.1%	--	-16.7%	-34.6%

A V-shaped global economic recovery reflected by the liquidity-driven stock market is the lower-probability occurrence, in our view. Risks of an equity market rollover are elevated, which would add fuel to appreciating precious vs. depreciating industrial metals.

Gold to Top Carter-Era High vs. Commodities. There is little to stop gold from extending its peak vs. broad commodities from 40 years ago, in our view. Trends in the advancing metal and declining commodity prices appear entrenched, with added momentum from the coronavirus. Our graphic depicts the sharp spike in the ratio of gold vs. the BCOM Spot Index that topped in 1980 as the Consumer Price Index (CPI) reached almost 15%. About 0.3% now and headed down, the potential light at the end of the tunnel appears far off for declining CPI, the Fed funds rate and advancing gold vs. commodities.

Stronger Footings Than 1980 - Gold vs. BCOM



It took about 27 years for gold to overtake its 1980 peak as disinflation prevailed. Deflation is the signal now from broad commodities, and increasing evidence of diminishing stock-market returns from Federal Reserve easing supports gold pushing toward a sustained higher plateau.

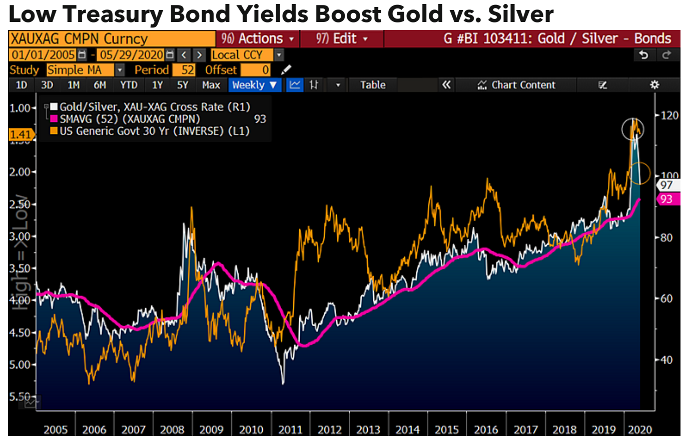
Base-Building Supports $1,700 Gold and $9,000 Bitcoin. Among the few assets up in this tumultuous year, gold and Bitcoin are building foundations for further price appreciation, in our view. The metal and the crypto remain our top candidates to advance in 2020, with added rally fuel from Covid-19. Our graphic depicts gold consolidating above what had been key resistance of $1,700 an ounce before the March swoon. Every day that passes above this level builds a firmer base for the metal to make the next move in its stair-step rally.

Bitcoin is in a similar consolidation between $9,000-$10,000. We view the benchmark crypto as a resting bull that likely needs something to change significantly in its 10-or-so-year history to not just resume doing what it was doing: appreciating. If the stock market rolls over, gold and Bitcoin should gain buoyancy.

Resting Bull-Market Partners: Gold & Bitcoin

Bonds Indicate Gold Upper Hand vs. Silver. The gold outperformance trend vs. silver will fluctuate, but we expect the benchmark quasi-currency to maintain the upper hand. Pulling back some from the highest gold-to-silver ratio in history is typical trend-retracement, as fundamental underpinnings remain solidly in favor of gold. Our graphic depicts the gold-silver ratio overlaid with a primary companion -- U.S. Treasury bond yields in inverse. Unlike the swift 2008 yield decline and reversal, low-yield endurance is more likely this time as U.S. Treasury bonds are simply catching up to longer-term trends in Japan and Europe.

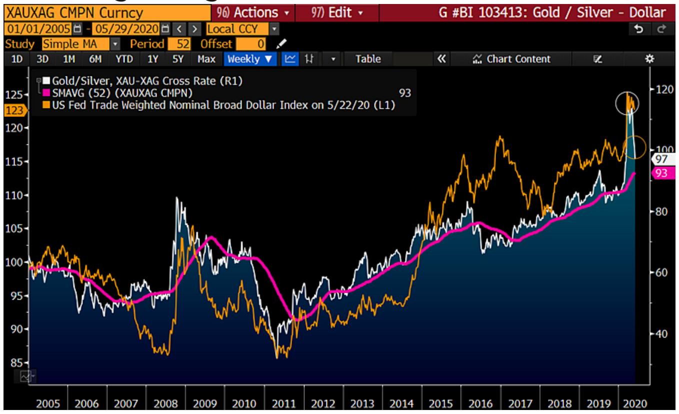
Low Treasury Bond Yields Boost Gold vs. Silver



Government bond yields are a good leading indicator of demand-pull economic and inflationary forces, to which silver typically has a high beta sensitivity. Until central banks can boost economic growth, gold should outperform silver.

Higher Silver Needs a Lower Greenback. The most aggressive Federal Reserve stimulus in history, accompanied by a strengthening dollar, portends gold continuing to outperform silver, if history is a guide. It typically takes a declining greenback for the metal -- sometimes referred to as leveraged gold -- to outperform the other precious metals. Our graphic depicts the gold-to-silver ratio on a similar upward trajectory as the Trade-Weighted Broad Dollar Index. Unless the greenback can sustain a retreat from record highs, the recent dip in the gold-silver ratio should prove a fleeting correction within the more enduring uptrend.

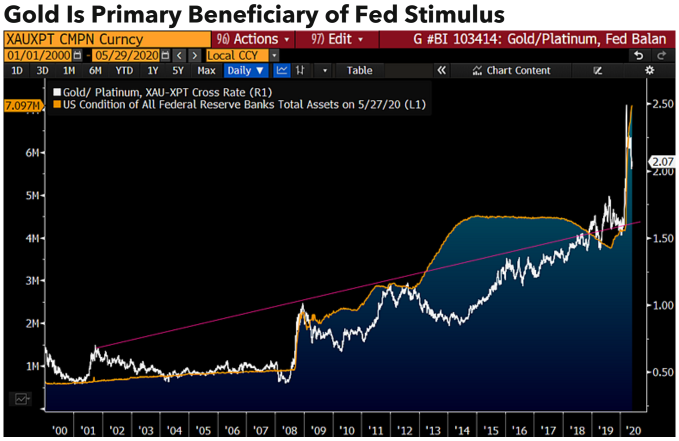
The Strengthening Dollar Boosts Gold vs. Silver



If the greenback rally can correct a bit, the gold-silver ratio could slip into good longer-term support at about its 52-week mean of 93 vs. around 100 on May 29.

Platinum Set to Remain Low vs. Gold. Platinum is quite cold by most measures, but these unprecedented times should continue to favor the performance of gold vs. the white metal, in our view. The forces that limited platinum appreciation vs. advancing gold, before the coronavirus, are unlikely to reverse abruptly, meaning continued relative headwinds for the industrial-based precious metal. Our graphic depicts how different things are now as reflected by the sharp increase in the Federal Reserve balance sheet and recent record highs in the gold-to-platinum ratio.

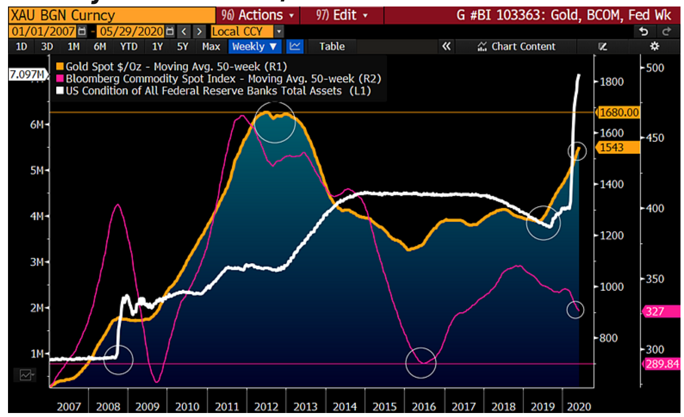
Gold Is Primary Beneficiary of Fed Stimulus



Absent a supply constraint like that in palladium, platinum should require increasing industrial demand, notably for auto emission controls. Fed stimulus is a more direct tailwind for gold and the stock market, but less-so for demand-pull economic forces that typically boost platinum.

Little to Stop Rising Gold vs. Declining Commodities. Gold should be a primary beneficiary of more aggressive fiscal and monetary stimulus needed to arrest commodity-price deflation. The 50-week moving averages depict a predominant downward theme in the Bloomberg Commodity Index (BCOM) since the 2011 peak, which resumed in 2018, well before the coronavirus. Depression-like global conditions should press the BCOM below the 2016 trough and gold above its all-time high, about $1,900 an ounce.

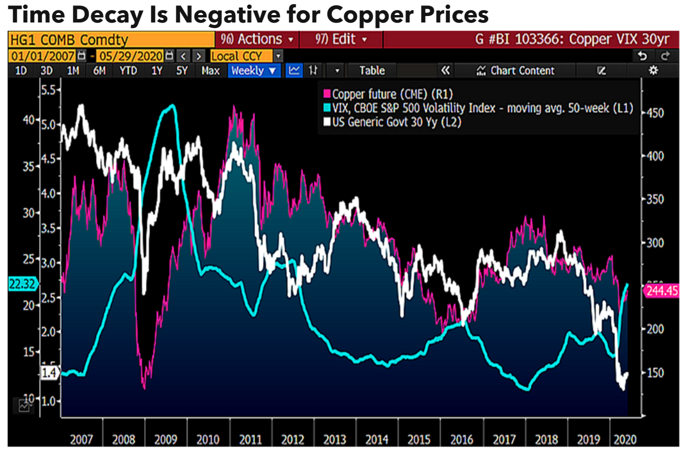
Friendly Trends in Gold, But Not Elsewhere



Indicating the resumption of a bull market, but still in the process of retracing a past correction, gold's annual mean is well below its 2012 peak of about $1,700 an ounce. BCOM's mean is well above the low from about four years ago.

Unlikely Different This Time for Lower Copper. Reversals in declining bond yields and rising equity volatility are needed to stop copper prices from depreciating, yet improbable, if history is a guide. The primary issue with the metal is the lack of a cure for lower prices that occurred in crude oil. Our graphic shows copper above its 2016 trough, despite all-time lows in the 30-year Treasury yield, and a rising VIX volatility gauge, which is well below the 2008 peak. These top copper-price macroeconomic companions indicate time decay is a headwind for the metal.

Time Decay Is Negative for Copper Prices



Accelerating trade tension with the U.S. raises risks that China will follow a similar trajectory as the then-Soviet Union and/or Japan when their markets peaked about three decades ago. China is the largest demand source for copper.

Agriculture

(Index weight: 35% of BCOM)
Performance: May -0.9%, 2020 -15.7, Spot -14.4%

Grains *(Index Weight: 24% of BCOM)*
Performance: May -0.5% 2020 -13.2%, Spot -11.6%

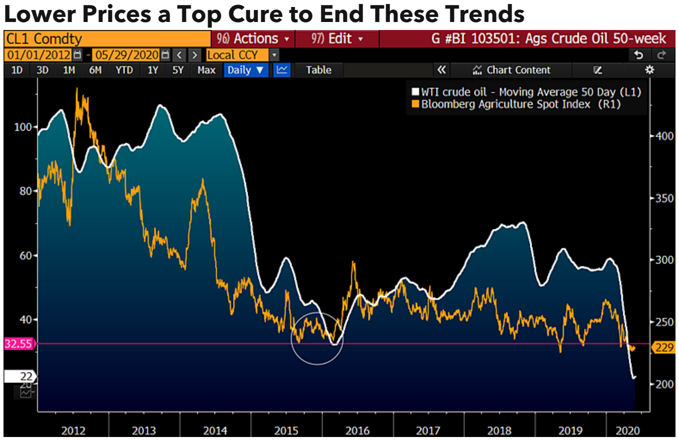
Softs *(Weight: 6% of BCOM)*
Performance: May -1.6%, 2020 -21.1%, Spot -21.1%

The Trend Is Downward

Agriculture Price's Path of Least Resistance Remains Downward. A likely bumper crop of U.S. grains against a poor macroeconomic backdrop will keep agriculture prices under pressure, in our view. Unlike the sharp cutbacks in crude-oil production, oversupply remains a primary headwind for grains. Absent a drought in the Corn Belt to reduce 2020 production, multiyear lows should be expected.

Agriculture Price Trends to Stay Unfriendly. It's a matter of time before agriculture prices drop to multiyear lows, as we see it. June is typically one of the worst months for the Bloomberg Agriculture Spot Index, and despite subdued prices, the U.S. 2020 grain crop is on track to be the largest ever. This leaves drought as a top contender to reduce supply and support the market. Climate change appears to be improving Corn Belt growing conditions with added moisture that's reducing drought frequency. Our graphic depicts the sharp plunge in crude-oil prices overlaid with a slumping agriculture index.

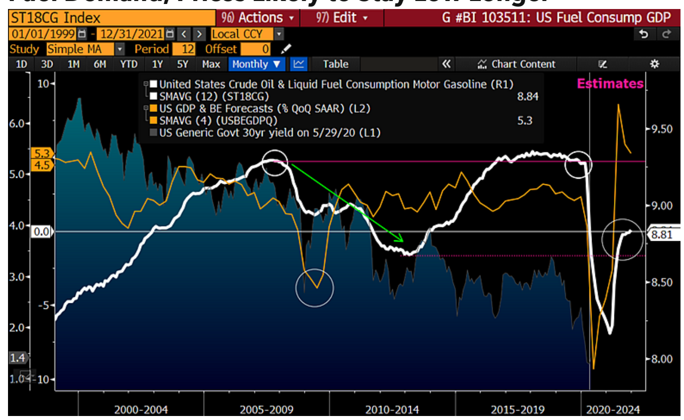
Lower Prices a Top Cure to End These Trends



Bounce risks are elevated from such low levels, but the primary forces of oversupply (notably from the U.S. and Brazil), declining demand on the back of energy -- especially biofuel -- and the strong dollar will remain roadblocks for agriculture prices.

Energy, Biofuel Demand Appear Too Optimistic. Rosy expectations of a V-shaped recovery in U.S. fuel demand will succumb to realism and pre-existing adverse trends for higher gasoline and corn prices, in our view. Peaking liquid-fuel demand before the coronavirus outbreak is reminiscent of the financial crisis in 2008. Our graphic depicts demand bottoming about five years after the economic collapse. Despite the worst shock since the Great Depression, the Department of Energy expects U.S. fuel demand to bottom and recover sharply in a few months.

Fuel Demand, Prices Likely to Stay Low Longer



Expectations of swift rebounds in GDP and fuel demand appear too positive due to the potential demand drop from more people working at home. Despite the longest economic expansion in history, fuel use at the start of 2020 was flat vs. the 2007 peak. About 20% of the corn crop was used for ethanol in 2007 vs. closer to 40% now.

Ag Price Trends Likely to Remain Unfavorable

Security	%YTD	Chg May	Chg QTD Pct	1Yr % Chg	2Yr % Chg
Bloomberg Kansas Wheat Subinde	-5.5%	-3.6%	-5.9%	-6.1%	-32.5%
Bloomberg Wheat Subindex Total	-6.6%	-.7%	-8.5%	+5.2%	-11.2%
BBG Soybean Meal TR	-10.2%	-4.0%	-13.4%	-17.2%	-32.3%
Bloomberg Grains Spot Subindex	-11.6%	-.5%	-5.5%	-8.6%	-15.0%
Bloomberg Grains Subindex Tota	-13.2%	-.5%	-6.4%	-14.2%	-27.1%
Bloomberg Soybeans Subindex To	-13.6%	-1.7%	-5.9%	-10.1%	-28.2%
Bloomberg Agriculture Subindex	-15.7%	-.9%	-6.5%	-13.5%	-27.8%
Bloomberg Sugar Subindex Total	-16.9%	+5.2%	+3.9%	-15.0%	-24.3%
Bloomberg Cotton Subindex Tota	-17.5%	+.5%	+12.1%	-18.2%	-39.5%
Bloomberg Corn Subindex Total	-18.1%	+1.8%	-5.9%	-28.0%	-32.7%
Bloomberg Live Cattle Subindex	-20.4%	+10.1%	+2.8%	-16.3%	-9.1%
BBG Softs TR	-21.1%	-1.6%	-5.2%	-14.6%	-31.5%
Bloomberg Soybean Oil Subindex	-23.0%	+2.9%	+.1%	-6.1%	-19.8%
BRAZIL REAL	-24.6%	+2.7%	-2.6%	-25.6%	-30.3%
Bloomberg Coffee Subindex Tota	-27.7%	-9.4%	-20.2%	-12.9%	-35.7%
Bloomberg Livestock Subindex T	-28.2%	+5.3%	-.1%	-32.5%	-27.4%
Bloomberg Lean Hogs Subindex T	-40.5%	-3.7%	-5.8%	-53.9%	-52.7%
Generic 1st 'CL' Future	-42.0%	+87.8%	+72.8%	-39.8%	-47.0%

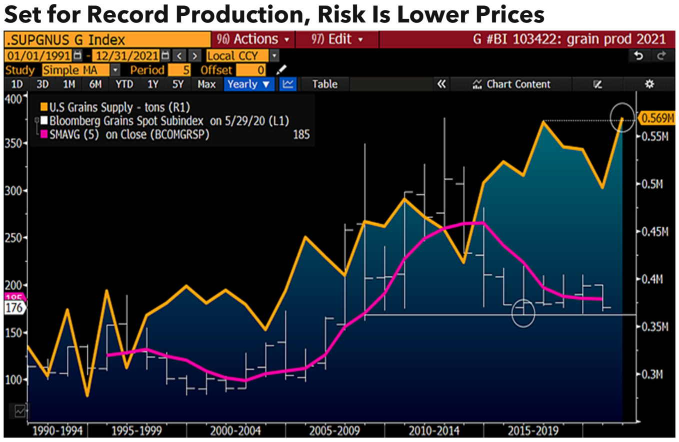
Favorable weather will provide even more supply, which leaves only a low probability of agriculture prices recovering until production is substantially reduced.

PERFORMANCE DRIVERS

To Recover, Agriculture Needs the Unexpected. Absent sustained recoveries in crude oil and the value of the Brazilian real, agriculture prices will stay on their downward trajectory, in our view. With massive supply from South America and subdued prices for the world's most significant commodity, the indication is that the Corn Belt needs to cut production to stabilize prices. Extremely low prices were the cure for excessive crude-oil output, but the grains are doing the opposite. A near-record number of acres planted of agriculture's most important constituent -- corn -- and trend-line yields should result in the largest crop in U.S. history.

Low Prices Aren't Reducing Grain Supply. Absent a reduction in USDA U.S. production estimates, grain prices risk breaching 2016 lows and heading toward support levels last seen in 2006. Something has to give in a marketplace under pressure from many sides. Despite declining demand (notably from ethanol, the rising dollar and unfavorable macroeconomic conditions), a record U.S. crop is likely. In crude oil, the cure for lower prices is playing out via slashed output, but our chart depicts the opposite in U.S. grain supply.

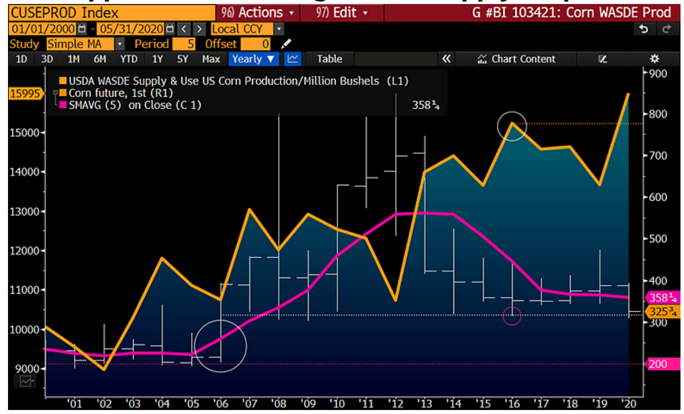
Set for Record Production, Risk Is Lower Prices



With expected planted-corn acres near the highest ever and yields likely to rebound toward upward-sloping trendlines, record supply in 2020 risks pressuring grain prices, initially toward levels last seen in the depths of the financial crisis of 2008.

Corn Risks Tilted Toward $2 a Bushel. Absent poor growing weather, corn is likely to descend toward 2006 prices. After a subpar 2019 yield, about 97 million acres is expected to be planted and the largest crop ever. Our graphic depicts the USDA estimate for about 16 billion bushels in 2020, surpassing the 2016 peak by about 5%. There's added risk that yields may exceed the USDA estimate of about 178 bushels an acre.

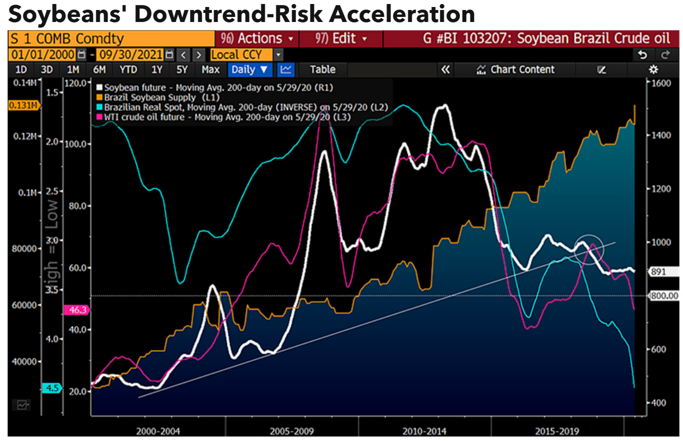
Corn Appears on Cliff's Edge Unless Supply Drops



The May 19 front corn future was about $3.21 a bushel, six cents above the 2016 low. U.S. production likely needs to trail expectations to sustain above that level. Since 2000, the December USDA corn-production estimate has topped the May reading about 1%, with a 10% standard deviation.

Soybeans Have a Brazil and China Problem. Rapidly increasing South American supply at declining prices, and the 2020 decline in crude oil, portend cheaper soybeans, in our view. Resumed U.S.-China trade tensions are another headwind for the oilseed. Our graphic depicts the 200-day moving average price on the cusp of rolling over, following the same measure of crude oil and the value of the Brazilian real. Record lows in the country's currency and a bumper soybean crop bode poorly for the U.S. benchmark future.

Soybeans' Downtrend-Risk Acceleration



Absent a Corn Belt drought to reduce U.S. supply, prices are likely to breach last year's bottom just below $8 a bushel, and are at elevated risk of revisiting the 2008 trough of $7.76. Brazil surpassed the U.S. about five years ago as the world's largest producer and exporter of soybeans.

PERFORMANCE: Bloomberg Commodity Indices

Composite Indices

*** Click hyperlinks to open in Bloomberg**

Index Name	Ticker	2020									
		May	YTD	1-Year	3-Year	5-Year	10-Year	20-Year	30-Year	40-Year	50-Year
Bloomberg Commodity ER	BCOM	4.33%	-21.45%	-18.23%	-23.29%	-37.06%	-48.75%	-38.22%	-30.98%	-52.37%	283.51%
Bloomberg Commodity TR	BCOMTR	4.34%	-21.20%	-17.06%	-19.30%	-33.34%	-45.53%	-15.36%	53.91%	157.98%	3957.25%
Bloomberg Commodity Spot	BCOMSP	5.37%	-16.09%	-10.47%	-8.85%	-10.37%	-10.94%	142.92%	209.82%	162.52%	1521.22%
Bloomberg Roll Select	BCOMRST	2.65%	-16.97%	-13.18%	-16.56%	-26.43%	-34.99%	90.47%			
1 Month Forward	BCOMF1T	4.10%	-18.96%	-14.31%	-15.67%	-28.38%	-37.63%	48.93%			
2 Month Forward	BCOMF2T	3.41%	-17.94%	-13.65%	-12.33%	-24.35%	-35.37%	84.95%			
3 Month Forward	BCOMF3T	3.27%	-16.91%	-11.96%	-11.69%	-23.19%	-32.72%	93.71%			
4 Month Forward	BCOMF4T	3.19%	-15.72%	-11.14%	-10.79%	-19.24%	-26.73%				
5 Month Forward	BCOMF5T	3.32%	-14.53%	-9.47%	-8.05%	-16.77%	-24.84%				
6 Month Forward	BCOMF6T	3.36%	-13.86%	-9.35%	-7.52%	-15.41%	-23.28%				
Energy	BCOMENTR	11.35%	-47.43%	-44.79%	-40.95%	-65.89%	-81.73%	-82.77%	-35.64%		
Petroleum	BCOMPETR	34.89%	-54.20%	-47.43%	-36.68%	-63.92%	-71.89%	-43.05%			
Agriculture	BCOMAGTR	-0.90%	-15.74%	-14.86%	-27.45%	-33.04%	-33.04%	-36.33%	-35.41%	-5.05%	1124.86%
Grains	BCOMGRTR	-0.50%	-13.18%	-15.69%	-25.80%	-36.09%	-34.47%	-44.85%	-53.57%	-34.67%	318.86%
Industrial Metals	BCOMINTR	2.76%	-14.29%	-10.61%	-7.16%	-11.12%	-32.69%	78.14%			
Precious Metals	BCOMPRTR	6.32%	11.34%	30.49%	25.76%	31.46%	22.88%	398.86%	338.41%	136.82%	
All Metals	BCOMAMT	4.72%	-1.65%	8.62%	9.51%	10.56%	-6.90%	219.97%			
Softs	BCOMSOTR	-1.63%	-21.13%	-16.65%	-37.69%	-35.13%	-46.27%	-59.79%	-52.01%	-28.79%	2299.74%
Livestock	BCOMLITR	5.26%	-28.23%	-30.08%	-37.85%	-42.48%	-42.48%	-65.54%	-55.49%		
Ex-Energy	BCOMXETR	2.43%	-9.96%	-5.17%	-11.66%	-14.51%	-20.48%	31.59%			
Ex-Petroleum	BCOMXPET	0.47%	-12.21%	-10.03%	-18.14%	-24.82%	-40.96%				
Ex-Natural Gas	BCOMXNGT	6.49%	-20.29%	-14.20%	-14.65%	-27.36%	-32.06%				
Ex-Agriculture	BCOMXAGT	6.85%	-23.61%	-18.24%	-16.16%	-34.09%	-51.93%				
Ex-Grains	BCOMXGRT	5.41%	-22.78%	-17.46%	-17.97%	-32.98%	-48.99%				
Ex-Industrial Metals	BCOMXIMT	4.70%	-22.62%	-18.41%	-22.16%	-37.66%	-48.43%				
Ex-Precious Metals	BCOMXPMT	3.77%	-27.79%	-25.63%	-27.49%	-43.02%	-54.96%				
Ex-Softs	BCOMXSOT	4.82%	-21.22%	-17.14%	-17.91%	-33.59%	-46.17%				
Ex-Livestock	BCOMXLIT	4.30%	-20.71%	-16.16%	-17.94%	-32.82%	-45.78%				
Ex-Agriculture & Livestock	BCOMXALT	7.00%	-23.11%	-17.06%	-13.86%	-33.43%	-52.90%				
Bloomberg Dollar Spot	BBDXY	-1.16%	3.65%	1.82%	2.45%	3.03%	14.82%				
Bloomberg US Large Cap TR	B500T	5.19%	-3.73%	14.19%	35.85%	62.07%	256.14%				
US Aggregate	LBUSTRUU	0.47%	5.47%	9.42%	15.98%	21.34%	46.84%	176.31%	483.78%	1691.12%	
US Treasury	LUATTRUU	-0.25%	8.61%	11.36%	17.37%	20.91%	42.19%	159.19%	447.53%	1516.77%	
US Corporate	LUACTRUU	1.56%	3.00%	10.03%	18.29%	27.80%	70.53%	233.57%	626.26%	2258.94%	
US High Yield	LF98TRUU	4.41%	-4.73%	1.32%	9.41%	23.26%	91.74%	291.02%	946.97%		

Single Commodity Indices

Index Name	Ticker	2020									
		May	YTD	1-Year	3-Year	5-Year	10-Year	20-Year	30-Year	40-Year	50-Year
Natural Gas	BCOMNGTR	-14.79%	-30.28%	-46.74%	-63.67%	-78.46%	-95.95%	-99.78%			
Low Sulfer Gas Oil	BCOMGOT	9.38%	-55.72%	-51.70%	-33.23%	-60.15%	-63.67%	17.32%			
WTI Crude	BCOMCLTR	49.60%	-61.94%	-55.98%	-50.19%	-75.05%	-84.04%	-71.13%	25.27%		
Brent Crude	BCOMCOT	35.99%	-46.88%	-38.47%	-19.28%	-54.18%	-58.21%	38.14%			
ULS Diesel	BCOMHOTR	17.21%	-52.18%	-46.54%	-32.71%	-59.25%	-62.14%	-9.68%	99.66%		
Unleaded Gasoline	BCOMRBTR	33.51%	-50.43%	-41.70%	-36.07%	-58.39%	-48.56%	13.41%	317.42%		
Corn	BCOMCNTR	1.81%	-18.11%	-29.43%	-36.06%	-44.13%	-43.75%	-81.60%	-88.74%	-83.07%	-50.30%
Soybeans	BCOMSYTR	-1.69%	-13.65%	-10.69%	-22.19%	-24.47%	14.44%	172.70%	190.29%	265.79%	2809.55%
Wheat	BCOMWHTR	-0.66%	-6.57%	2.55%	-7.04%	-32.65%	-59.74%	-84.46%	-90.40%	-87.14%	-28.85%
Soybean Oil	BCOMBOTR	2.94%	-22.96%	-5.66%	-22.27%	-32.89%	-51.76%	-19.18%	-43.07%	-16.52%	1241.60%
Soybean Meal	BCOMSMT	-4.02%	-10.15%	-17.77%	-16.90%	-17.52%	86.62%	679.10%			
HRW Wheat	BCOMKWT	-3.58%	-5.51%	-10.03%	-27.96%	-54.95%	-66.13%	-74.70%			
Copper	BCOMHGTR	3.49%	-13.73%	-8.25%	-7.84%	-15.47%	-29.47%	223.72%	503.74%		
Alumnium	BCOMALTR	3.06%	-16.82%	-16.77%	-22.72%	-19.87%	-48.41%	-36.92%			
Zinc	BCOMZSTR	2.47%	-12.85%	-19.36%	-12.58%	-0.11%	-2.59%	31.45%			
Nickel	BCOMNITR	0.91%	-12.80%	2.81%	36.46%	-5.88%	-45.77%	120.85%			
Gold	BCOMGCTR	2.72%	13.94%	32.04%	33.82%	41.22%	33.17%	461.30%	353.73%	193.25%	
Silver	BCOMSITR	23.56%	2.16%	24.37%	2.04%	3.25%	-11.63%	204.92%	197.05%	-4.31%	
Sugar	BCOMSBTR	5.22%	-16.90%	-16.58%	-38.94%	-34.39%	-46.83%	-32.01%	-10.58%	-88.73%	58.60%
Coffee	BCOMKCTR	-9.40%	-27.66%	-17.19%	-45.31%	-53.67%	-71.33%	-91.15%	-87.39%	-81.47%	
Cotton	BCOMCTTR	0.46%	-17.48%	-17.01%	-23.61%	-13.63%	5.56%	-74.24%	-58.43%	91.16%	961.36%
Live Cattle	BCOMLCTR	10.10%	-20.44%	-12.45%	-24.70%	-28.22%	-11.92%	-16.75%	33.86%	601.73%	2832.67%
Lean Hogs	BCOMLHTR	-3.66%	-40.45%	-52.94%	-57.91%	-62.48%	-74.00%	-92.35%	-94.34%		

PERFORMANCE: Bloomberg Commodity Roll Select Indices

Composite Roll Select Indices

*** Click hyperlinks to open in Bloomberg**

Index Name	Ticker	2020 May	2020 YTD	1-Year	3-Year	5-Year	10-Year	20-Year	30-Year	40-Year	50-Year
BCOM Roll Select	BCOMRST	2.65%	-16.97%	-13.18%	-16.56%	-26.43%	-34.99%	90.47%			
Roll Select Agriculture	BCOMRAGT	-0.81%	-15.98%	-15.44%	-26.38%	-30.29%	-25.82%	13.47%			
Roll Select Ex-Ags & Livestock	BBURXALT	4.43%	-16.79%	-10.56%	-9.35%	-22.85%	-40.78%				
Roll Select Grains	BCOMRGRT	-0.58%	-13.24%	-16.27%	-23.77%	-32.53%	-28.00%	3.70%			
Roll Select Softs	BCOMRSOT	-2.22%	-22.70%	-18.88%	-41.50%	-37.52%	-42.01%	-31.98%			
Roll Select Livestock	BCOMRLIT	2.07%	-24.46%	-30.50%	-40.80%	-50.31%	-40.34%	-1.29%			
Roll Select Energy	BCOMRENT	3.73%	-34.68%	-31.69%	-29.82%	-50.11%	-68.70%	-9.12%			
Roll Select Ex-Energy	BCOMRXET	2.31%	-9.58%	-5.44%	-11.74%	-13.98%	-15.76%	116.47%			
Roll Select Petroleum	BCOMRPET	18.42%	-41.56%	-33.49%	-21.55%	-46.34%	-54.22%	118.60%			
Roll Select Industrial Metals	BCOMRINT	2.61%	-14.56%	-11.33%	-9.02%	-12.02%	-30.91%	155.85%			
Roll Select Precious Metals	BCOMRPRT	6.70%	12.07%	31.60%	26.74%	32.93%	24.88%	417.58%			

Single Commodity Roll Select Indices

Index Name	Ticker	2020 May	2020 YTD	1-Year	3-Year	5-Year	10-Year	20-Year	30-Year	40-Year	50-Year
Natural Gas RS	BCOMRNGT	-14.71%	-19.73%	-37.64%	-58.89%	-68.46%	-90.84%	-95.70%			
Low Sulfer Gas Oil RS	BCOMRGOT	7.65%	-49.65%	-46.49%	-27.80%	-55.40%	-59.10%	43.35%			
WTI Crude RS	BCOMRCLT	22.33%	-36.37%	-26.95%	-16.08%	-41.91%	-57.11%	133.33%			
Brent Crude RS	BCOMRCOT	17.29%	-41.79%	-32.58%	-15.28%	-45.88%	-50.03%	155.88%			
ULS Diesel RS	BCOMRHOT	11.02%	-52.02%	-47.64%	-38.62%	-59.64%	-63.77%	47.42%			
Unleaded Gasoline RS	BCOMRRBT	29.29%	-37.15%	-26.16%	-19.04%	-37.43%	-25.14%	157.96%			
Corn RS	BCOMRCNT	1.30%	-17.38%	-29.94%	-33.74%	-40.59%	-40.39%	-66.04%			
Soybeans RS	BCOMRSYT	-1.43%	-14.17%	-10.32%	-14.85%	-12.71%	39.58%	307.40%			
Wheat RS	BCOMRWHT	-0.66%	-6.96%	1.11%	-13.17%	-38.44%	-58.80%	-52.06%			
Soybean Oil RS	BCOMRBOT	3.05%	-22.83%	-5.73%	-22.67%	-32.01%	-47.38%	15.27%			
Soybean Meal RS	BCOMRSMT	-1.90%	-8.61%	-15.40%	-7.15%	-6.87%	120.22%	1017.99%			
HRW Wheat RS	BCOMRKWT	-3.58%	-5.88%	-13.22%	-30.17%	-54.59%	-63.95%	-43.46%			
Copper RS	BCOMRHGT	3.52%	-14.13%	-8.58%	-8.46%	-15.75%	-28.52%	352.62%			
Alumnium RS	BCOMRALT	2.50%	-17.10%	-18.37%	-25.92%	-22.02%	-46.26%	-11.71%			
Zinc RS	BCOMRZST	2.25%	-13.11%	-20.38%	-16.00%	-2.54%	-2.36%	93.51%			
Nickel RS	BCOMRNIT	0.90%	-12.90%	2.63%	36.01%	-5.17%	-43.18%	253.34%			
Gold RS	BCOMRGCT	3.25%	14.76%	33.26%	35.04%	43.12%	35.08%	469.67%			
Silver RS	BCOMRSIT	23.21%	2.71%	25.25%	2.52%	3.92%	-9.43%	237.61%			
Sugar RS	BCOMRSBT	3.69%	-20.22%	-20.20%	-47.64%	-40.85%	-48.77%	33.57%			
Coffee RS	BCOMRKCT	-9.55%	-27.32%	-18.71%	-46.16%	-53.93%	-68.31%	-86.03%			
Cotton RS	BCOMRCTT	0.46%	-18.15%	-17.15%	-20.82%	-10.27%	22.59%	-59.36%			
Live Cattle RS	BCOMRLCT	8.29%	-21.47%	-17.95%	-31.87%	-35.50%	-16.42%	30.89%			
Lean Hogs RS	BCOMRLHT	-9.46%	-30.21%	-47.97%	-55.06%	-69.04%	-68.45%	-49.91%			

BCOM Constituent Weights

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

Group	Commodity	Ticker	May 2020 Contrib to Return %	May 29 2020 Weight %	Apr 30 2020 Weight %	May 2020 Weight% Change	2020 Target Weight
Energy	Natural Gas	NG	-1.50	8.22	10.16	(1.94)	7.96%
	Low Sulfer Gas Oil	QS	0.13	1.49	1.44	0.05	2.60%
	WTI Crude	CL	1.87	5.56	3.54	2.02	7.99%
	Brent Crude	CO	1.28	4.71	3.44	1.27	7.01%
	ULS Diesel	HO	0.20	1.30	1.16	0.13	2.11%
	Gasoline	XB	0.45	1.69	1.33	0.36	2.26%
	Subtotal		**2.43**	**22.96**	**21.07**	**1.89**	**29.93%**
Grains	Corn	C	0.11	5.94	6.15	(0.21)	5.83%
	Soybeans	S	-0.11	6.03	6.47	(0.43)	5.64%
	Wheat	W	-0.03	3.46	3.67	(0.21)	3.04%
	Soybean Oil	BO	0.08	2.75	2.81	(0.06)	2.90%
	Soybean Meal	SM	-0.17	3.72	4.09	(0.36)	3.30%
	HRW Wheat	KW	-0.07	1.77	1.93	(0.16)	1.49%
	Subtotal		**-0.19**	**23.67**	**25.12**	**(1.45)**	**22.19%**
Industrial Metals	Copper	HG	0.25	7.26	7.40	(0.13)	6.96%
	Aluminum	LA	0.13	4.41	4.50	(0.10)	4.33%
	Zinc	LX	0.09	3.48	3.58	(0.10)	3.43%
	Nickel	LN	0.02	2.92	3.05	(0.13)	2.75%
	Subtotal		**0.49**	**18.07**	**18.53**	**(0.46)**	**17.46%**
Precious Metals	Gold	GC	0.52	18.22	18.57	(0.35)	13.62%
	Silver	SI	0.91	4.57	3.90	0.67	3.78%
	Subtotal		**1.43**	**22.79**	**22.46**	**0.32**	**17.40%**
Softs	Sugar	SB	0.15	2.90	2.91	(0.00)	3.01%
	Coffee	KC	-0.27	2.56	2.98	(0.42)	2.71%
	Cotton	CT	0.01	1.48	1.55	(0.07)	1.49%
	Subtotal		**-0.12**	**6.95**	**7.44**	**(0.50)**	**7.21%**
Livestock	Live Cattle	LC	0.35	3.80	3.46	0.35	4.02%
	Lean Hogs	LH	-0.07	1.76	1.92	(0.16)	1.78%
	Subtotal		**0.28**	**5.56**	**5.38**	**0.19**	**5.80%**
Total			**4.33**	**100.00**	**100.00**		**100.00%**