Market Movers

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Though the recent correction – part OPEC-inspired and part Italian 'Risk-Off' – has seen a sharp correction, this has not yet jeopardised our projections from last month of an eventual move to the region of 3100
(3083.0)
(2926.5)
(2684.5)
(2561.4)
(2438.3)
(2196.3)
(2039.8)
Courtesy of Investing.com
May
Jul
Sep
Nov
2018
Mar
May
Jul
Sep

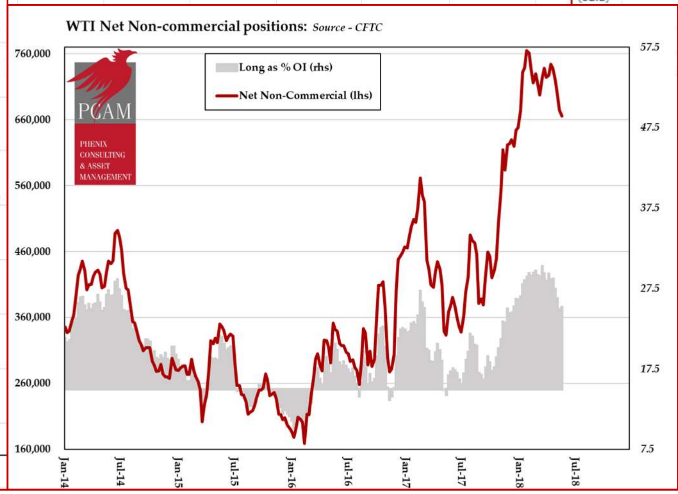
Market Movers

WTI

30th May 2018

A sharp set back but so far, key support has held… $60 the risk; ~$80 the prize

~10% of the Net Spec position has been liquidated, with commercials happy to buy the position & hence themselves near highs only surpassed in the pre-Crisis peak of summer 2007



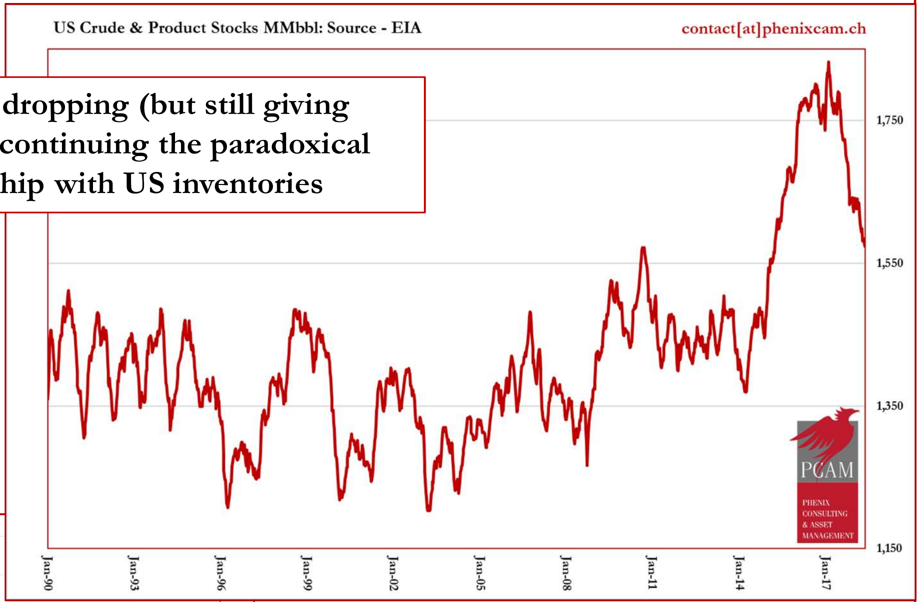
Market Movers

WTI & Brent

30th May 2018

Courtesy of Barchart.com

Backwardations dropping (but still giving useful pick-up), continuing the paradoxical current relationship with US inventories



Brent's latest surge of outperformance looks excessive. Note growing talk that infrastructure is fast-becoming an issue for Permian oilfield delivery. If this starts to bite (though some do not see this happening this year), WTI discount surely has to fall.

Brent - WTI

Courtesy of TradingView

Market Movers

30th May 2018

After the Deripaska panic, Aluminium has settled down again. US sanctions still a wild card in a market with decade-low LME inventories.

Tin back to the middle of its long, slow trading range. Best avoided

Market Movers

30th May 2018

Copper

30th May 2018

Courtesy of Investing.com

Copper is at a critical juncture, compressing into the nose of a pennon after a several months' consolidation. This could be the mid point of the Trump Reflation trade and hence a pointer to $4.10/lb. Conversely, a break lower looks back to last year's congestion ca. $2.60

Nickel

Despite the sharp rejection of the Norilsk sanctions price-spike, Nickel continues to improve with inventory declining all year to touch a 4-year low

AGRI

After a very good start to the year, the first signs of fatigue have set in without yet violating the rather wide and choppy pattern of ascent.
Low conviction here at present

CORN

30th May 2018

The USDA crop report has 79% of corn crop as good to excellent – a status last matched in 1994 and the second highest rating ever behind 1991.
News has helped corn break the up-channel in place since the start of the year. Potential for a slippage back to the range mid at $3.70

SOY

The USDA crop said both planting and emergence were well ahead of recent averages. Conversely, news of a trucking strike in Brazil gave some cheer, but fears of further trade friction v-a-v China immediately tempered the impact.
Caught between these conflicting influences, beans continue to wash between ~$9.90 and $10.90

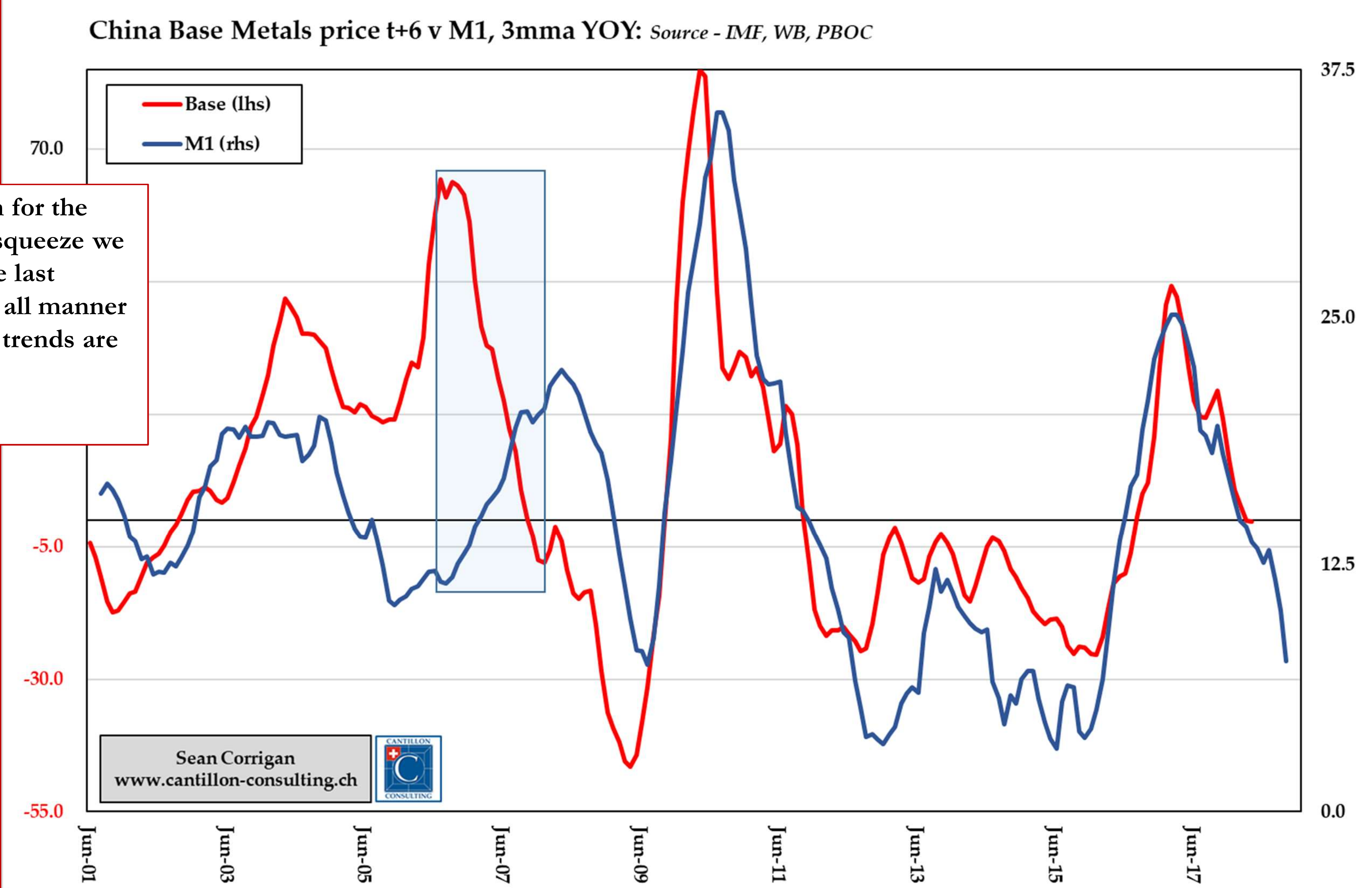
Wheat

Specs are as long as they have been since late 2012, leaving the market vulnerable to exhaustion. The $5.50 area has again held the bulls in check. $5.00 should hold the rotation for now but watch for signs liquidation is picking up.

Gold

Not even the Italian contretemps could shake gold out of its torpor. $1375 seems inviolable above and even the $1300 level is proving tough to regain. Spec longs are their lowest since last July. Play the range

Perhaps THE biggest concern for the bulls. The Chinese monetary squeeze we have been warning about since last summer is still under way and all manner of industrial and raw material trends are duly tracking liquidity lower



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