

Strategy Team

Commodity Market Update for MacroVoices March, 2021

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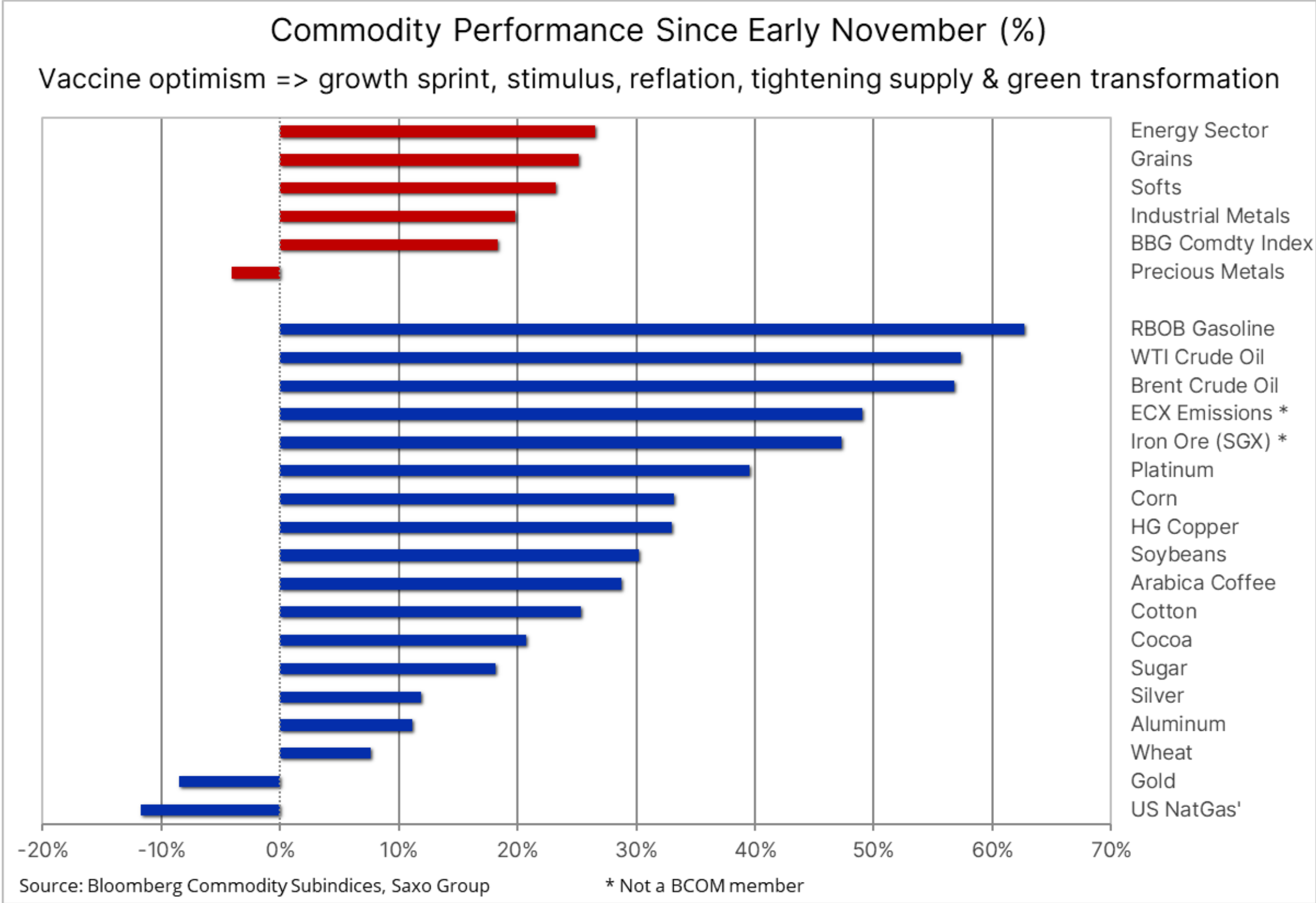
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Commodity sector on a tear since early November

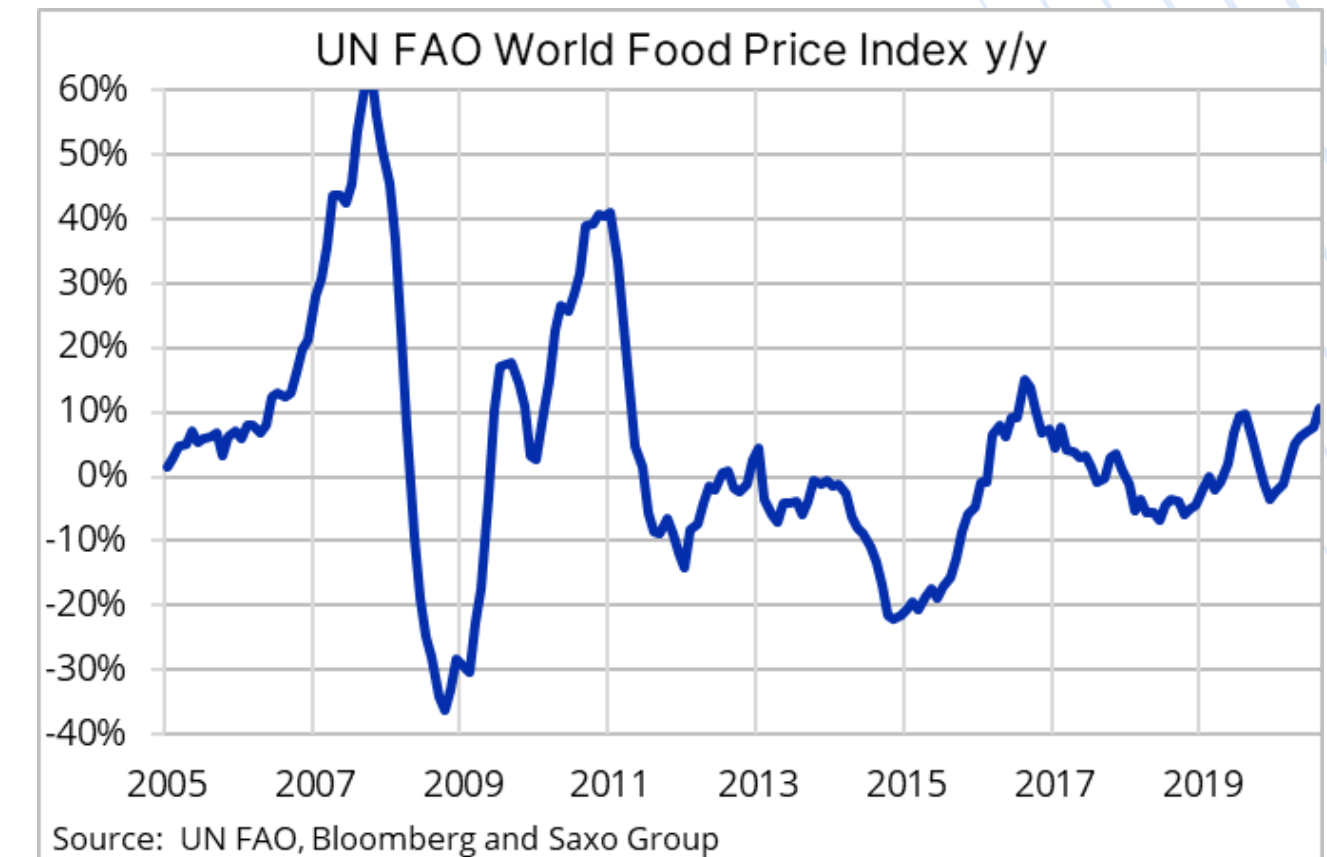
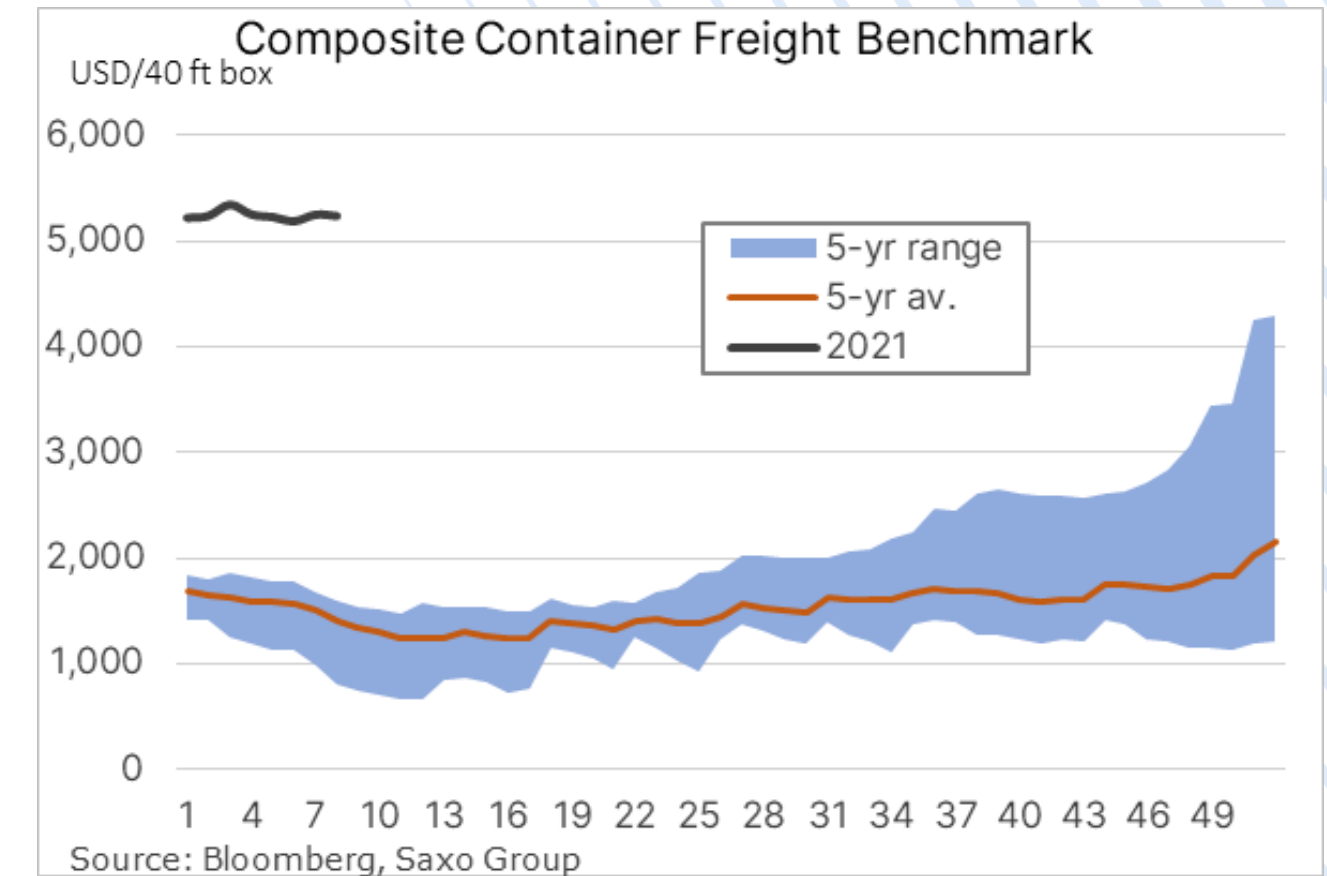
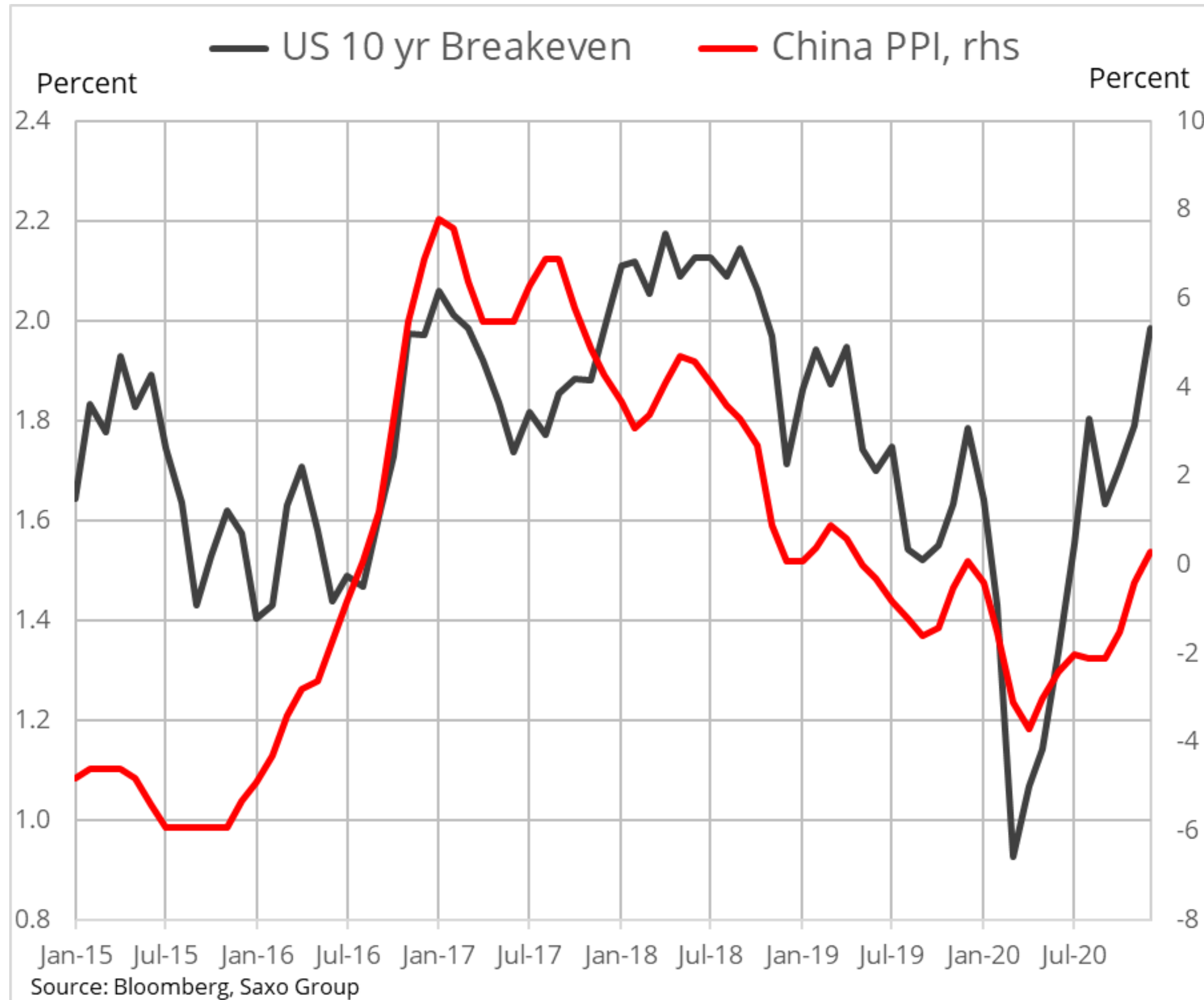


1-Mar-21	RSI 9d	RSI 14d	RSI 30d	200 DMA *
WTI Crude	65.5	68.1	68.5	28.6%
Brent Crude	67.9	70.3	70.1	27.0%
Gas Oil	69.5	72.6	71.1	25.9%
RBOB Gasoline	80.9	81.5	76.9	31.0%
Ny Harb ULSD	67.5	71.2	71.5	27.5%
Natural Gas	44.9	49.1	51.3	1.7%
Gold	30.7	33.6	39.0	-6.0%
Silver	45.4	49.1	51.5	5.8%
Platinum	49.2	53.4	56.9	17.5%
Palladium	46.8	48.4	49.6	-0.2%
HG Copper	65.3	67.5	67.2	19.2%
CBOT Soybeans	63.4	61.8	62.7	15.4%
CBOT Soymeal	49.4	49.7	53.9	7.1%
CBOT Bean Oil	81.4	78.1	73.2	26.7%
CBOT Corn	53.3	56.8	61.7	17.4%
CBOT Wheat	52.0	52.9	54.1	6.0%
KCB Wheat	49.3	51.5	54.3	7.7%
Paris Wheat	68.3	65.7	62.8	9.1%
Sugar #11	55.1	58.5	60.2	13.2%
Cocoa NY	75.2	67.7	58.7	6.4%
Coffee "C"	70.4	67.5	61.7	13.3%
Coffee Robust	76.8	72.3	63.0	7.2%
Cotton	61.9	63.6	65.1	18.1%
Live Cattle	34.8	41.3	49.0	1.8%
Feeder Cattle	47.1	49.5	51.5	2.3%
Lean Hogs	65.1	68.3	67.8	18.4%

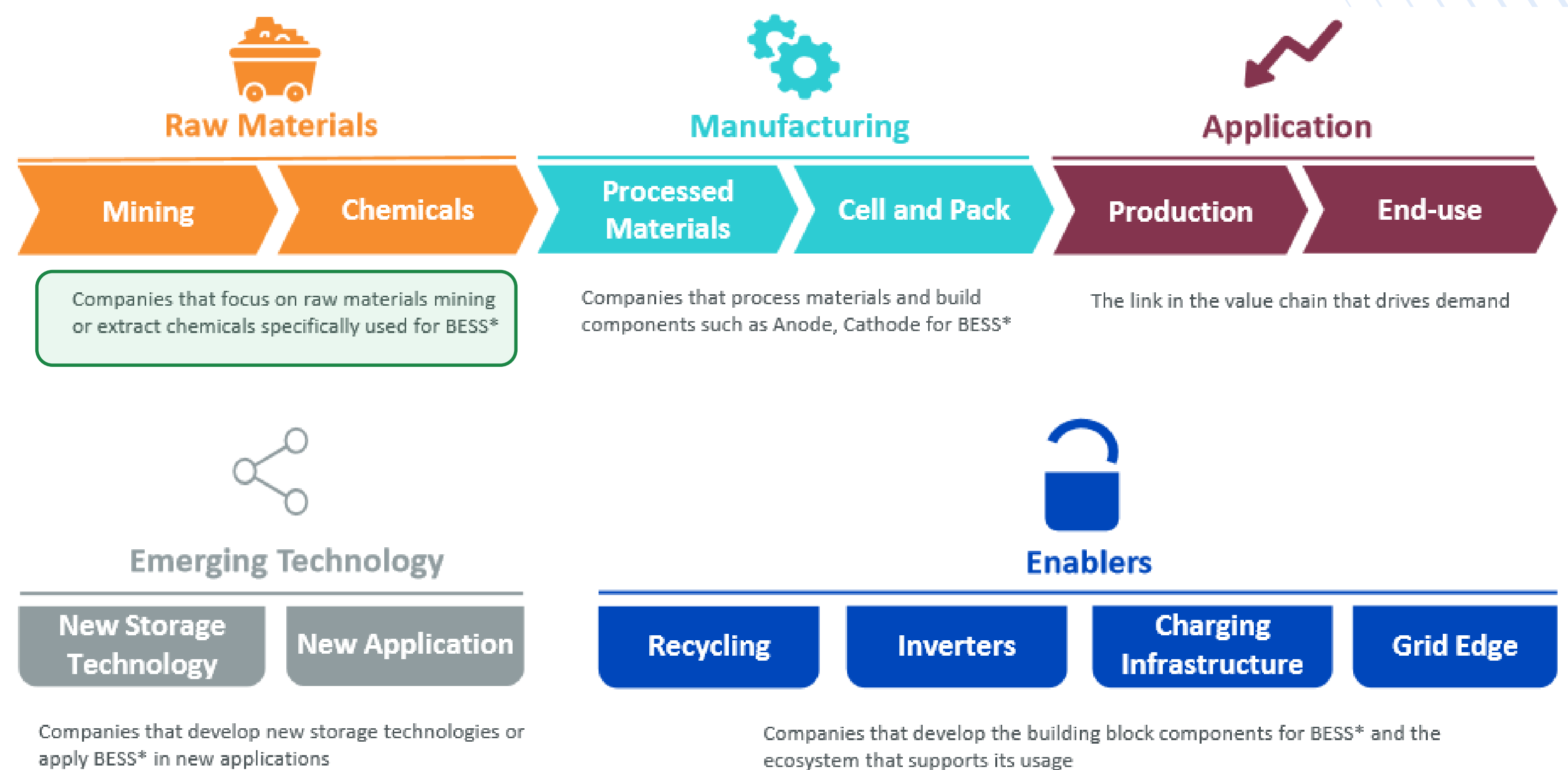
Source: Bloomberg, Saxo Bank

*Last relative to the 200 DMA

1) Increased inflation focus (rising cost of everything)



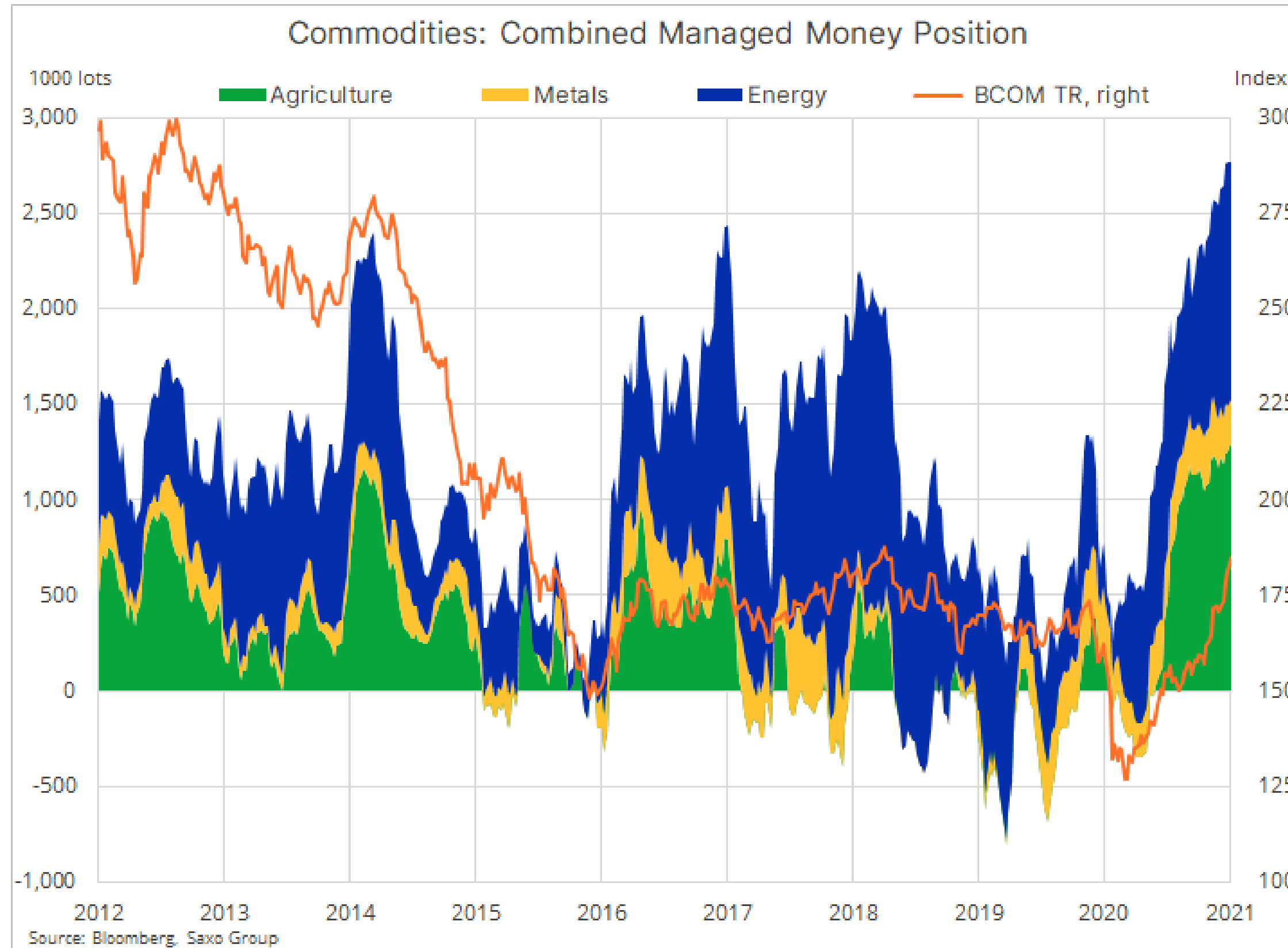
2) Green transformation all starts with the raw materials



Source: Wood Mackenzie, WisdomTree.

*BESS is Battery and Energy Storage Solutions.

3a) Hedge funds have accumulated a record long exposure

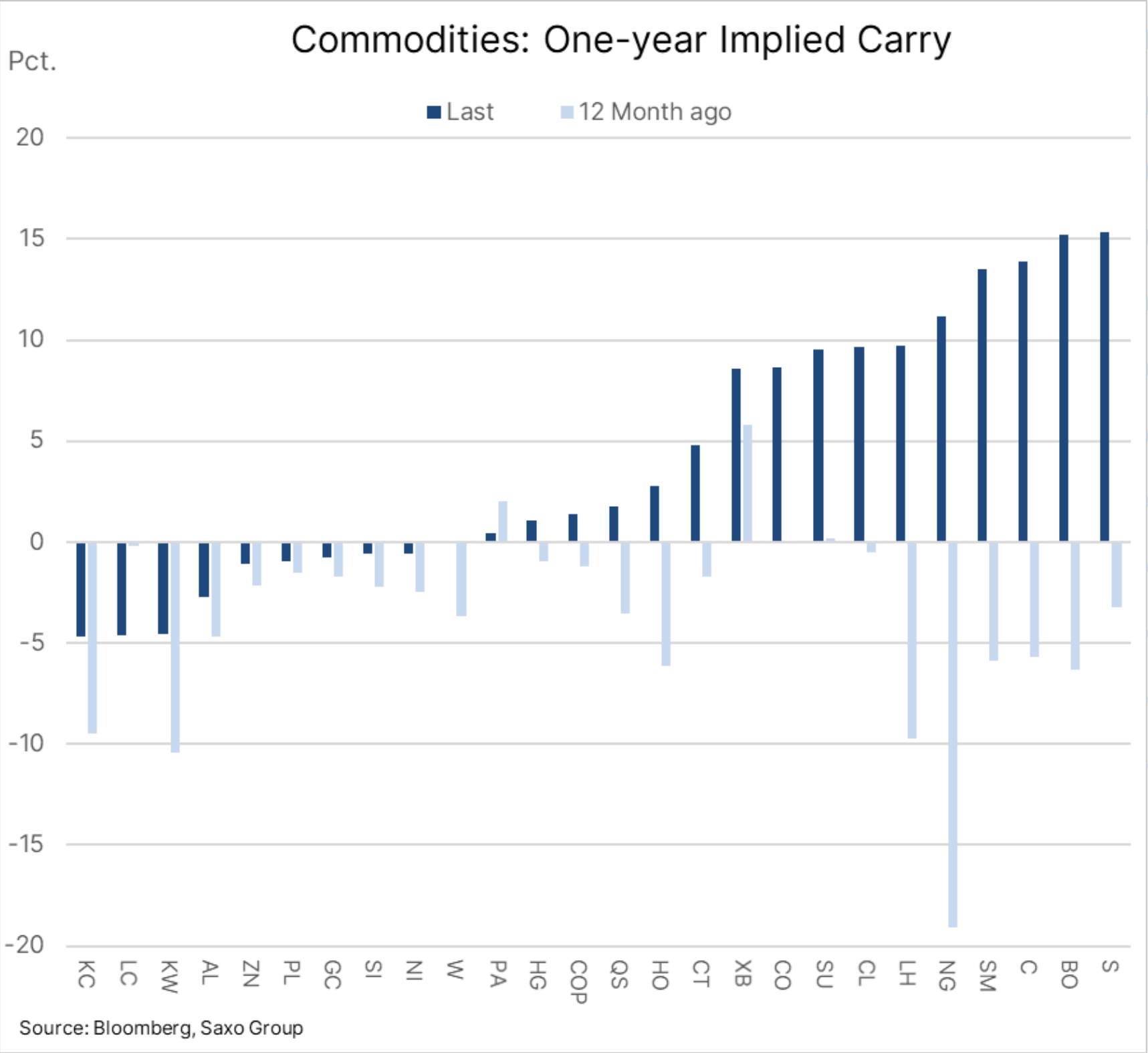
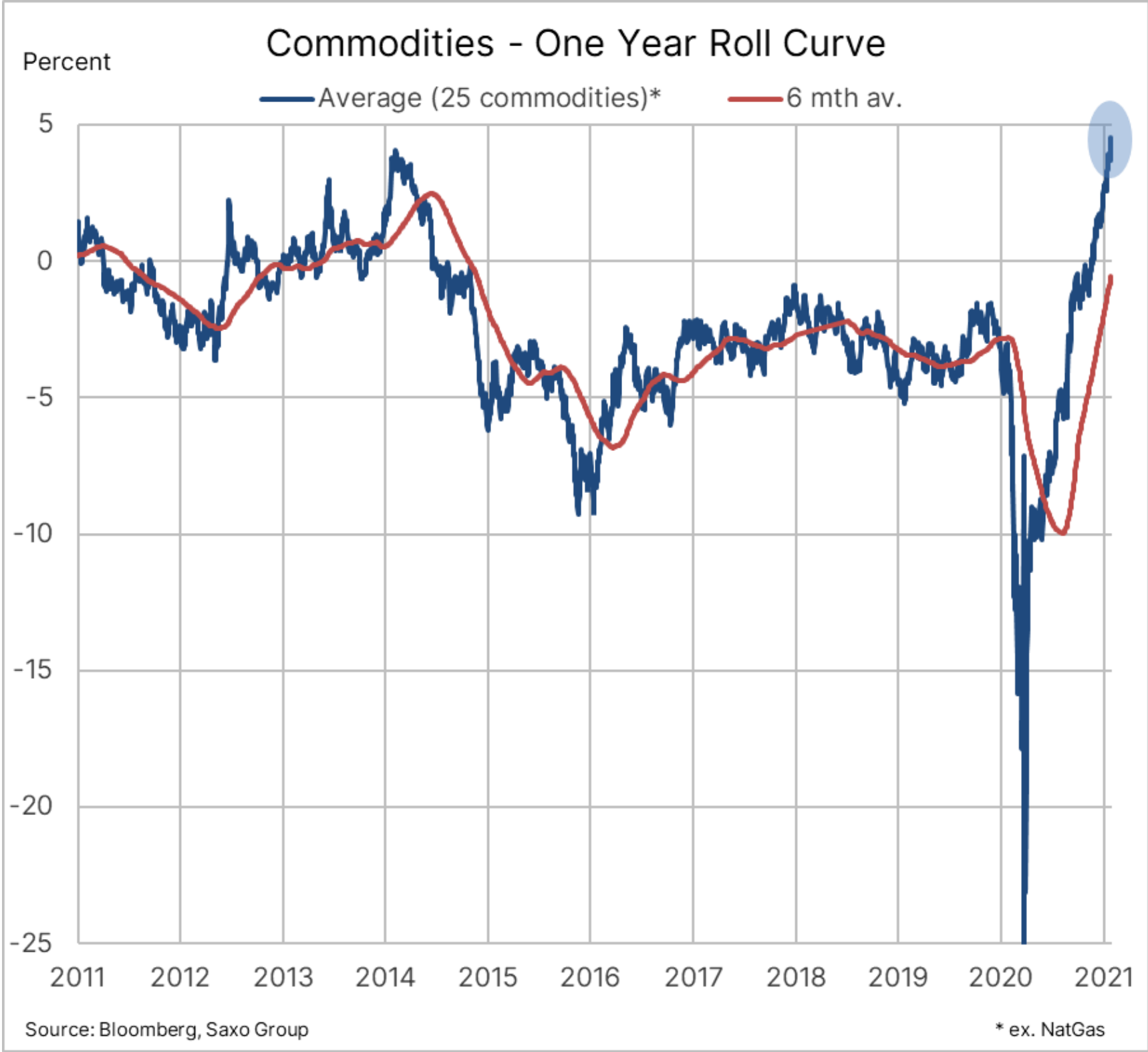


3b) Exposure more broad based than during previous buildups

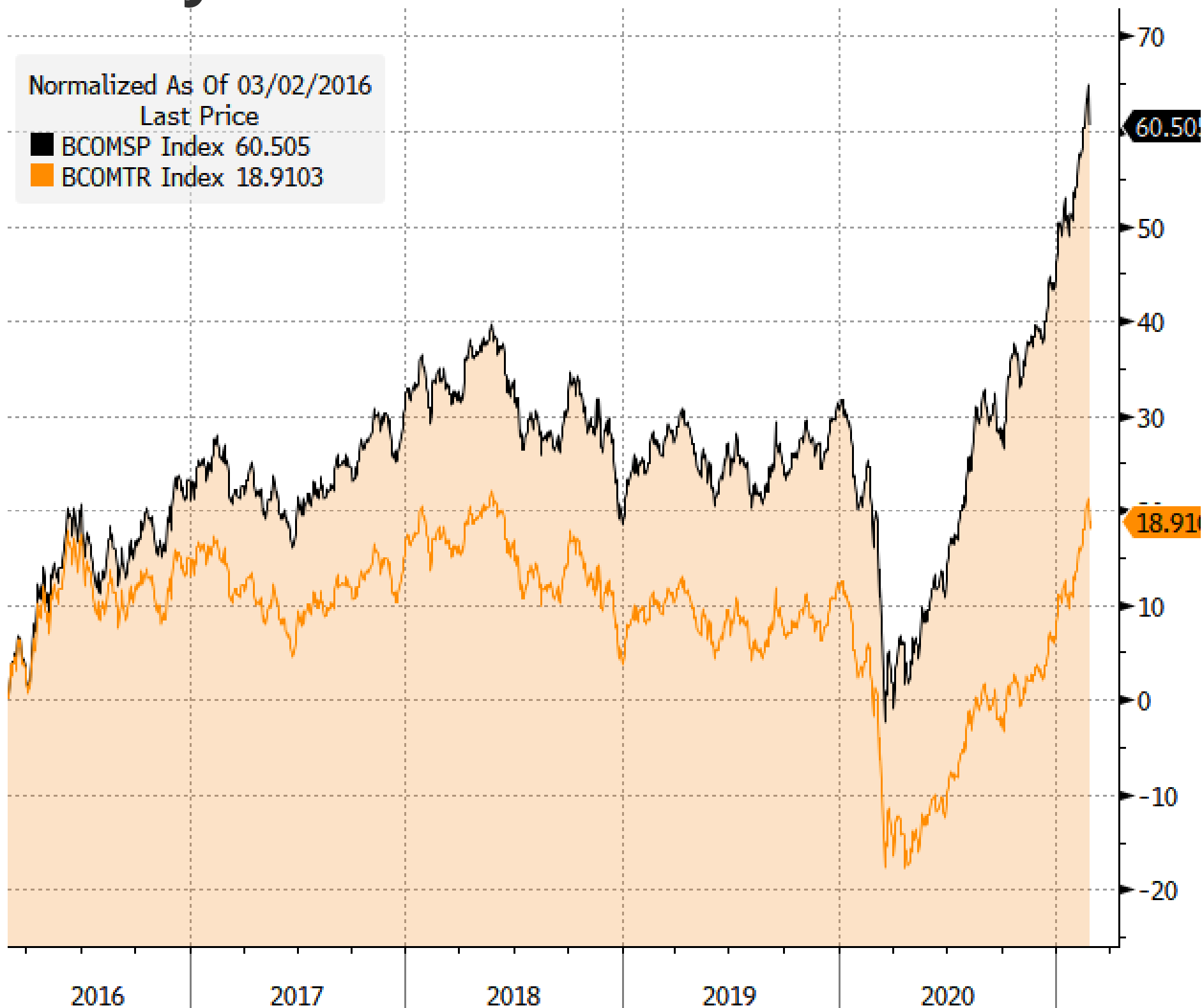
Week to Tuesday: 23-Feb-21	Leveraged Fund Positions								52-weeks Position Extremes			Price	Long /	1st - 2nd	Change	Total Val.
	Long	Change	Short	Change	Net	Change	Change Pct	Trend	High	Low	Relative to max	change Pct	short ratio	month	Bn. USD	Bn. USD
WTI Crude (CME)	431,756	419	44,901	3,456	386,855	-3,037	-1%		389,892	96,567	99%	2.6%	9.6	0.3%	-0.2	23.9
Brent Crude (ICE)	414,238	1,678	65,454	426	348,784	1,252	0%		348,784	56,369	100%	2.7%	6.3	1.1%	0.1	22.5
Gas Oil (ICE)	110,191	-3,692	9,080	-978	101,111	-2,714	-3%		103,825	-1,674	97%	1.0%	12.1	-0.2%	-0.1	5.4
RBOB Gasoline	75,757	-4,438	18,766	-289	56,991	-4,149	-7%		85,593	22,114	67%	4.2%	4.0	-2.4%	-0.3	4.5
NY Harbor ULSD	42,777	-3,426	30,806	2,873	11,971	-6,299	-34%		18,538	-28,917	65%	3.3%	1.4	2.8%	-0.5	0.9
NatGas (4 contr.)	473,734	-8,685	130,248	4,128	343,486	-12,813	-4%		359,000	-268,000	96%	-4.2%	3.6	-1.4%	-0.4	9.8
Gold	140,353	-543	56,958	-357	83,395	-186	0%		268,676	83,395	31%	0.4%	2.5	0.0%	-0.0	15.1
Silver	63,771	-1,074	24,350	495	39,421	-1,569	-4%		48,680	10,127	81%	1.4%	2.6	-0.2%	-0.2	5.5
Platinum	32,133	-2,975	6,202	-488	25,931	-2,487	-9%		28,881	-2,225	90%	-3.1%	5.2	-0.4%	-0.2	1.6
Palladium	3,801	-44	2,590	399	1,211	-443	-27%		4,297	465	28%	-2.2%	1.5	-0.4%	-0.1	0.3
HG Copper	100,941	-17,522	30,410	-741	70,531	-16,781	-19%		91,578	-43,147	77%	9.2%	3.3	0.0%	-1.8	7.4
Soybeans	182,231	10,367	9,867	-587	172,364	10,954	7%		238,394	-35,768	72%	1.6%	18.5	0.6%	0.8	12.1
Soybean Meal	76,460	-457	6,973	-522	69,487	65	0%		89,487	-52,986	78%	-0.7%	11.0	0.5%	0.0	3.0
Soybean Oil	121,662	1,431	9,017	-818	112,645	2,249	2%		112,989	-11,906	100%	3.8%	13.5	2.1%	0.1	3.3
Corn	388,302	-6,773	27,151	-2,139	361,151	-4,634	-1%		374,714	-297,312	96%	0.5%	14.3	1.9%	-0.1	10.0
Wheat (CBOT)	92,589	4,025	65,679	-1,600	26,910	5,625	26%		49,728	-48,213	54%	1.3%	1.4	1.2%	0.2	0.9
Wheat (KCBT)	64,772	-2,962	11,564	963	53,208	-3,925	-7%		60,239	-37,292	88%	0.6%	5.6	-0.9%	-0.1	1.7
Sugar	243,112	8,800	24,562	-12,626	218,550	21,426	11%		263,050	-70,800	83%	6.8%	9.9	3.1%	0.4	4.2
Cocoa	46,180	-1,172	30,059	-2,450	16,121	1,278	9%		70,675	-28,189	23%	2.9%	1.5	0.3%	0.0	0.4
Coffee	49,683	8,086	14,500	-6,038	35,183	14,124	67%		51,831	-27,565	68%	9.6%	3.4	-1.5%	0.7	1.8
Cotton	75,931	3,505	3,477	-381	72,454	3,886	6%		72,454	-25,490	100%	3.4%	21.8	-1.0%	0.2	3.4
Live Cattle	101,058	-3,506	12,894	418	88,164	-3,924	-4%		92,088	-3,055	96%	-3.7%	7.8	1.4%	-0.2	4.3
Feeder Cattle	12,636	884	10,902	666	1,734	218	14%		7,706	-8,895	23%	-1.4%	1.2	-2.8%	0.0	0.1
Lean Hogs	81,109	2,847	8,329	-2,746	72,780	5,593	8%		72,780	4,698	100%	0.3%	9.7	-2.1%	0.2	2.5
Total	3,425,177		654,739		2,770,438	3,709	0%		2,770,438	266,756	100%				-1.6	144.4

Source: CFTC, ICE, Bloomberg and Saxo Group

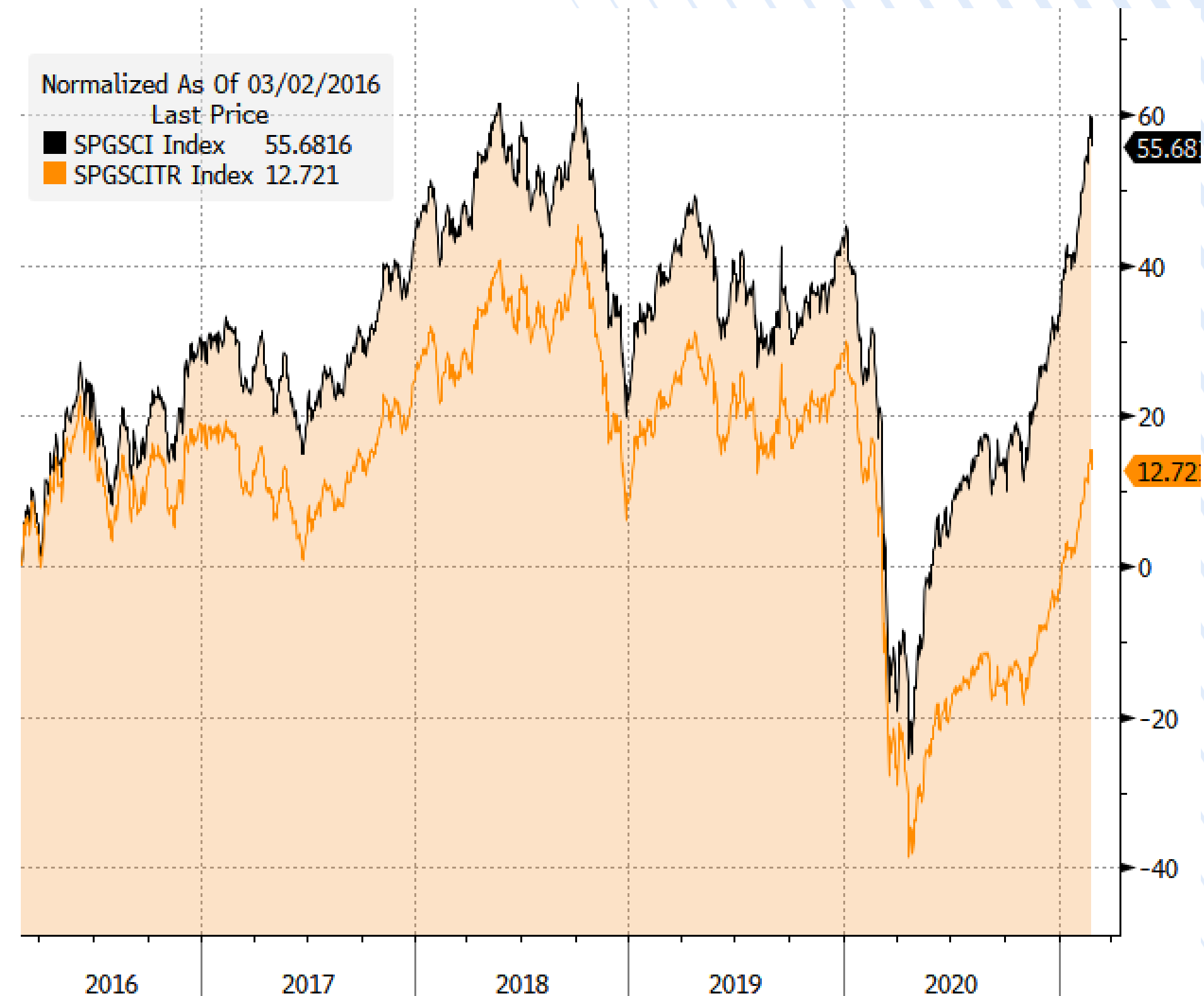
4) Tightening conditions support passive long investments



Roll yields matter

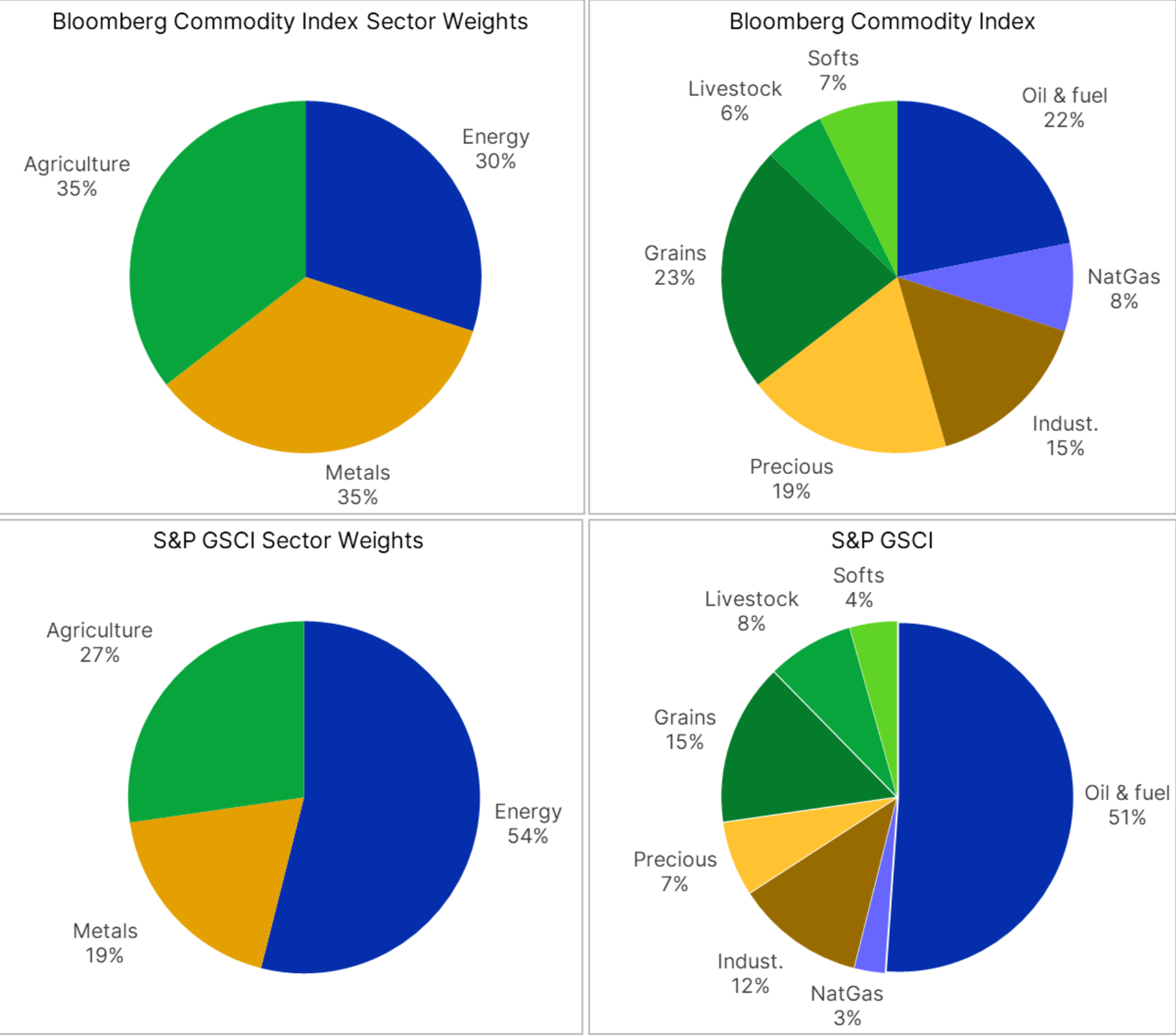


Source: Bloomberg

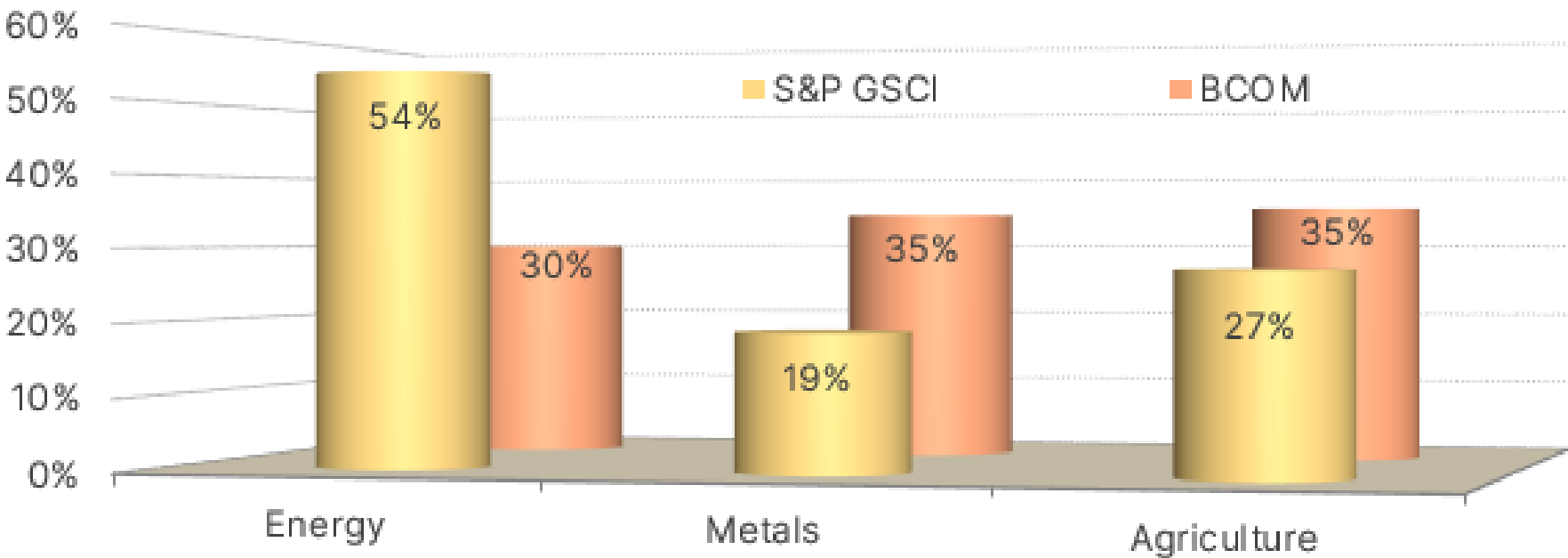


Source: Bloomberg

Which index (ETF) to pick?

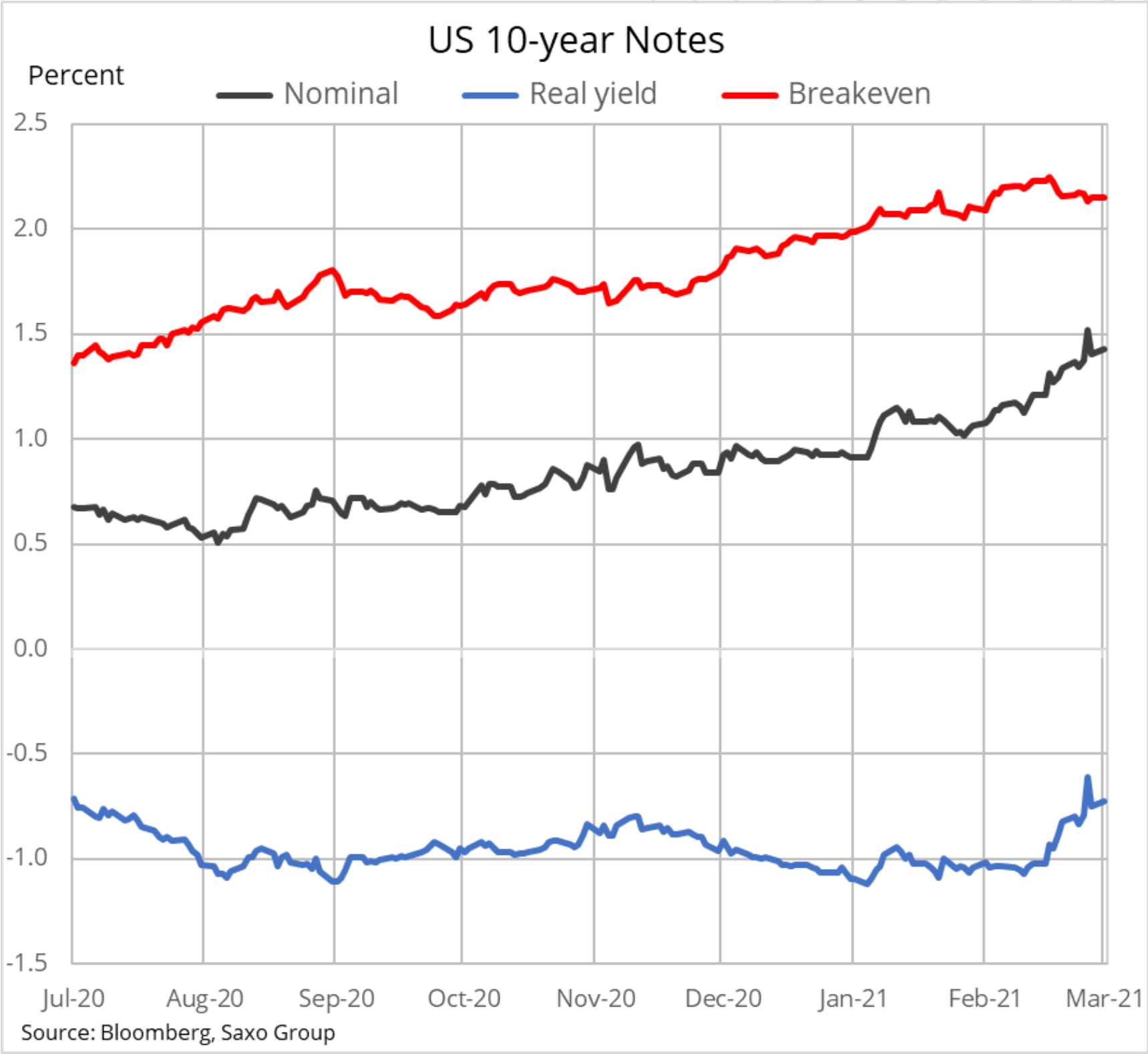
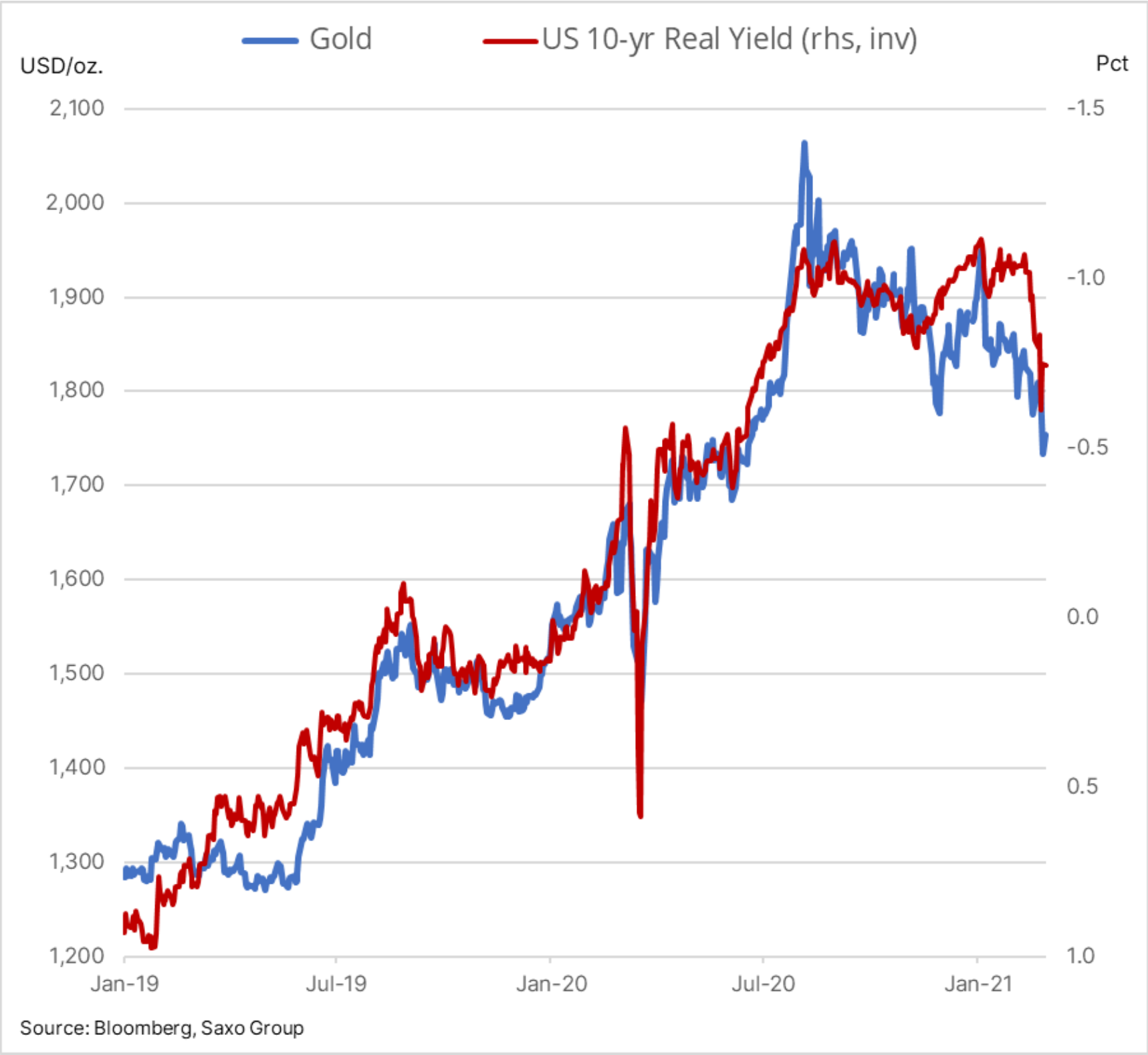


Source: Bloomberg, Saxo Group

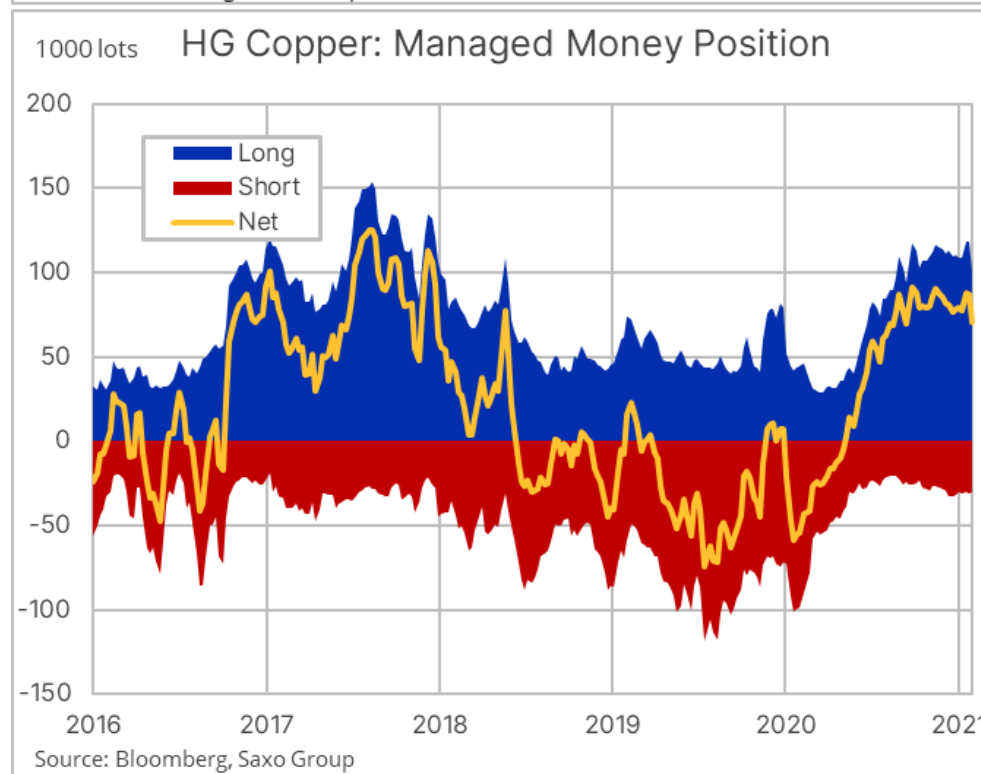
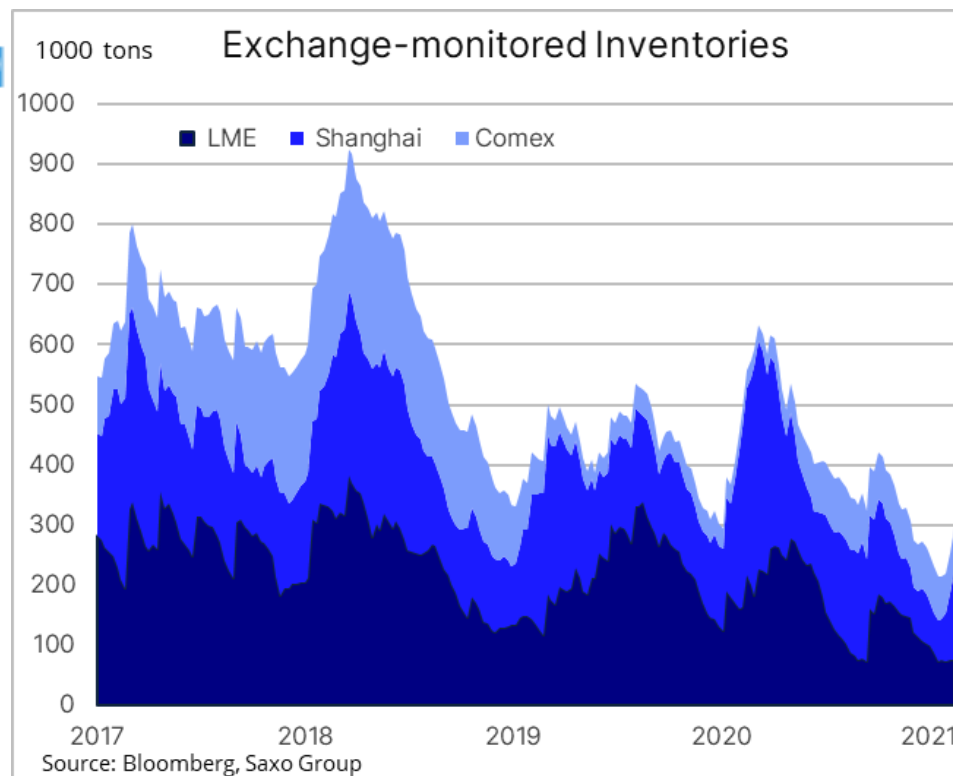


Source: Bloomberg, Saxo Group

Gold challenged by its close inverse correlation with real rates

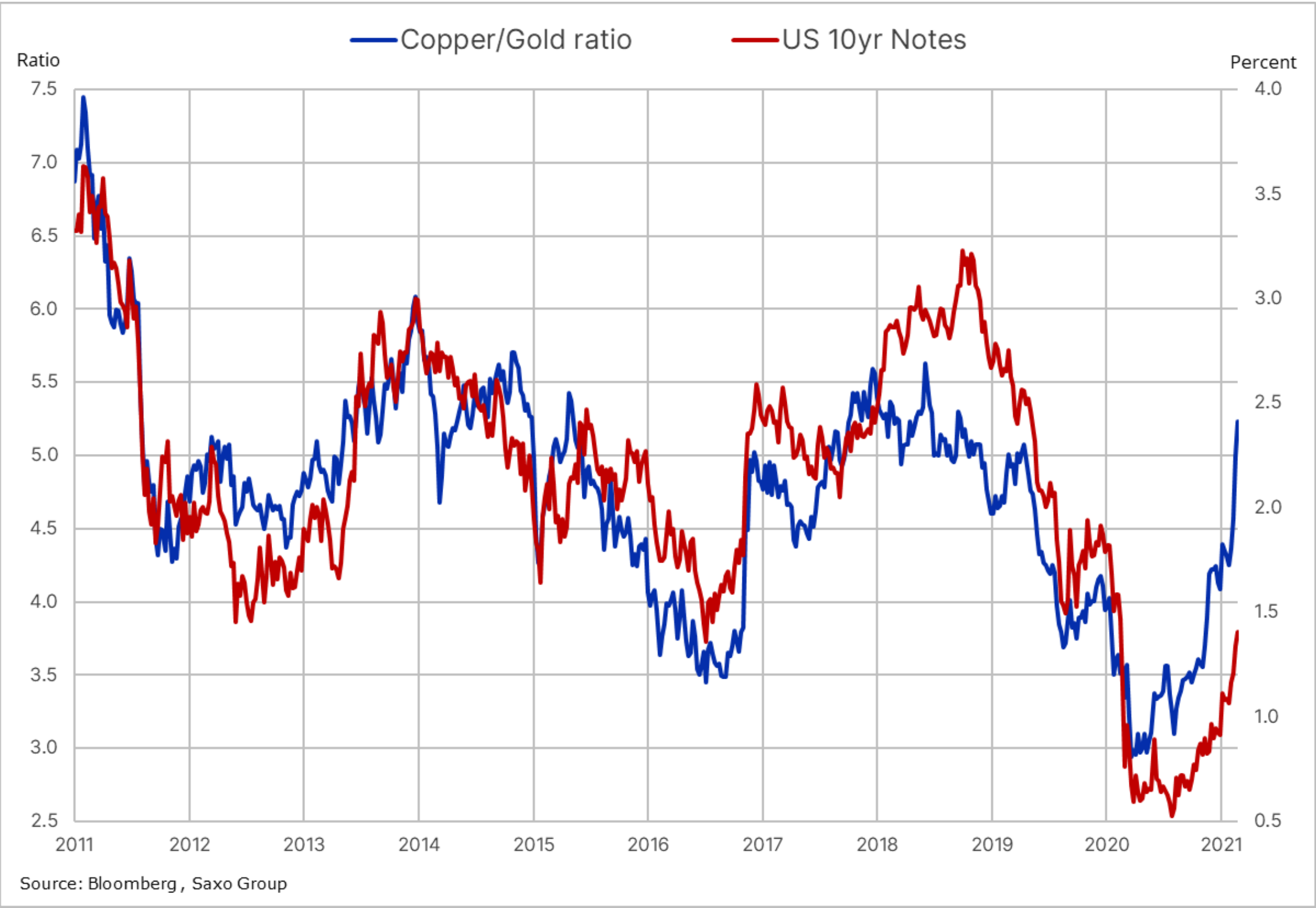


Copper surge driven by reflation and tighter supply/demand fundamentals



Source: Saxo Group

Has the green transformation reduced established correlations?

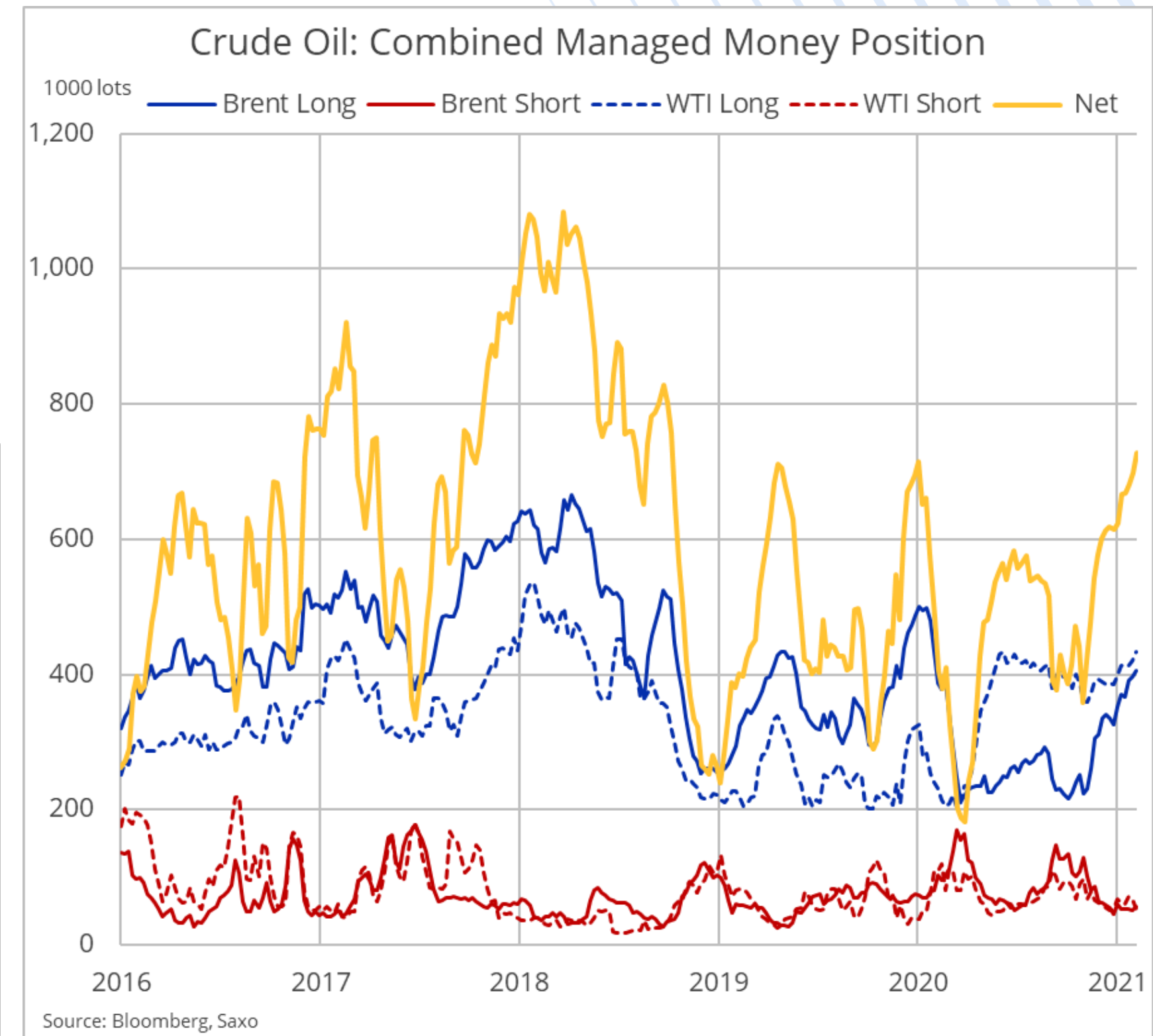
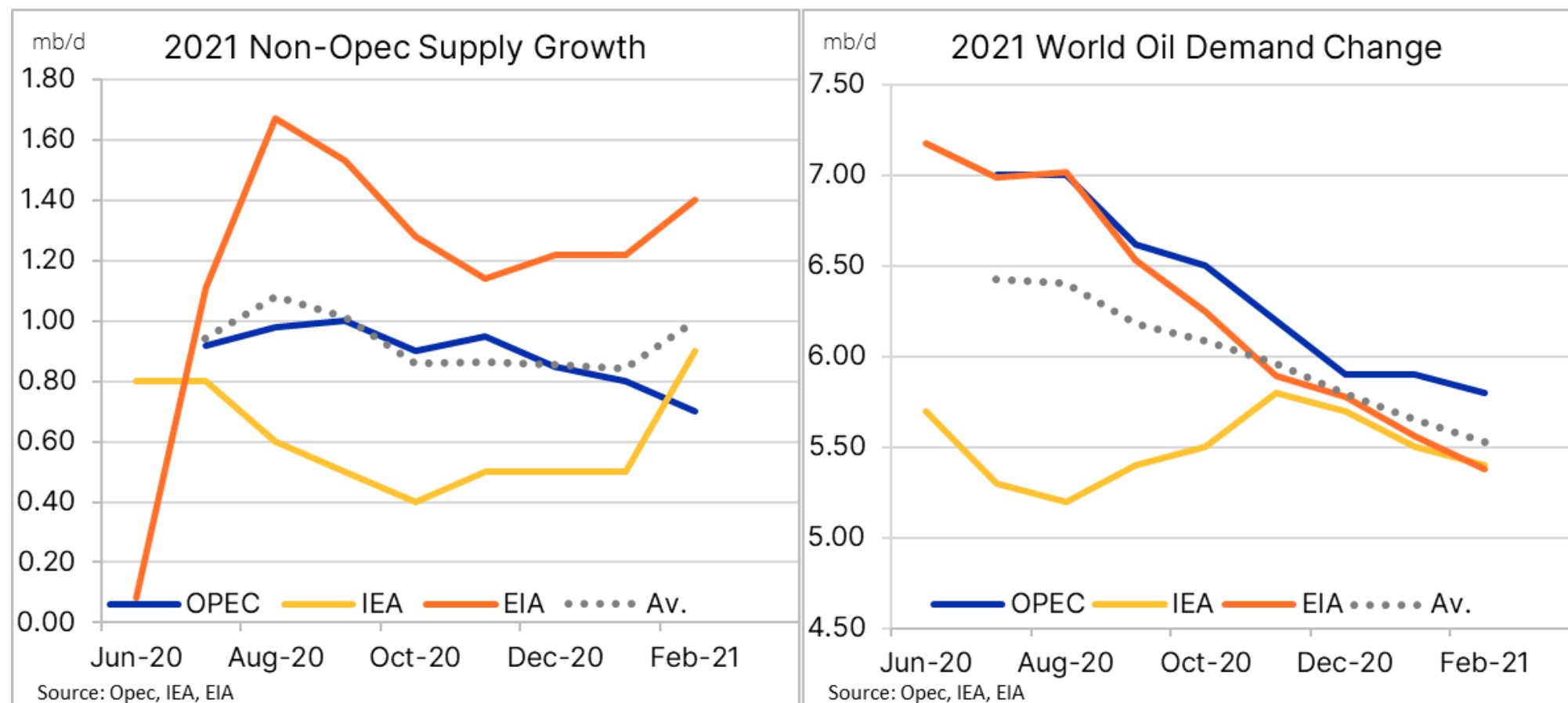


Crude oil in 2021: Four factors to look out for

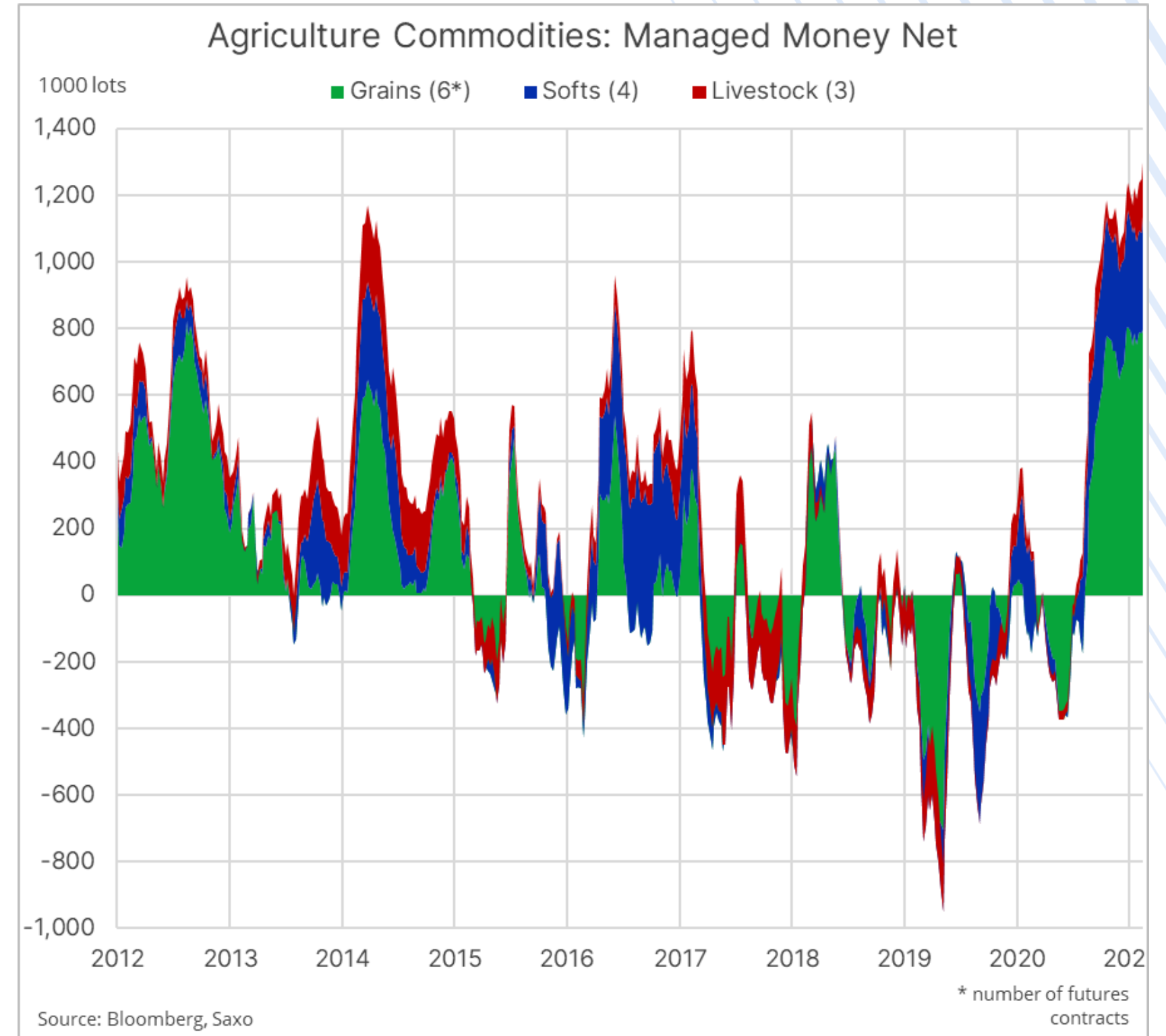
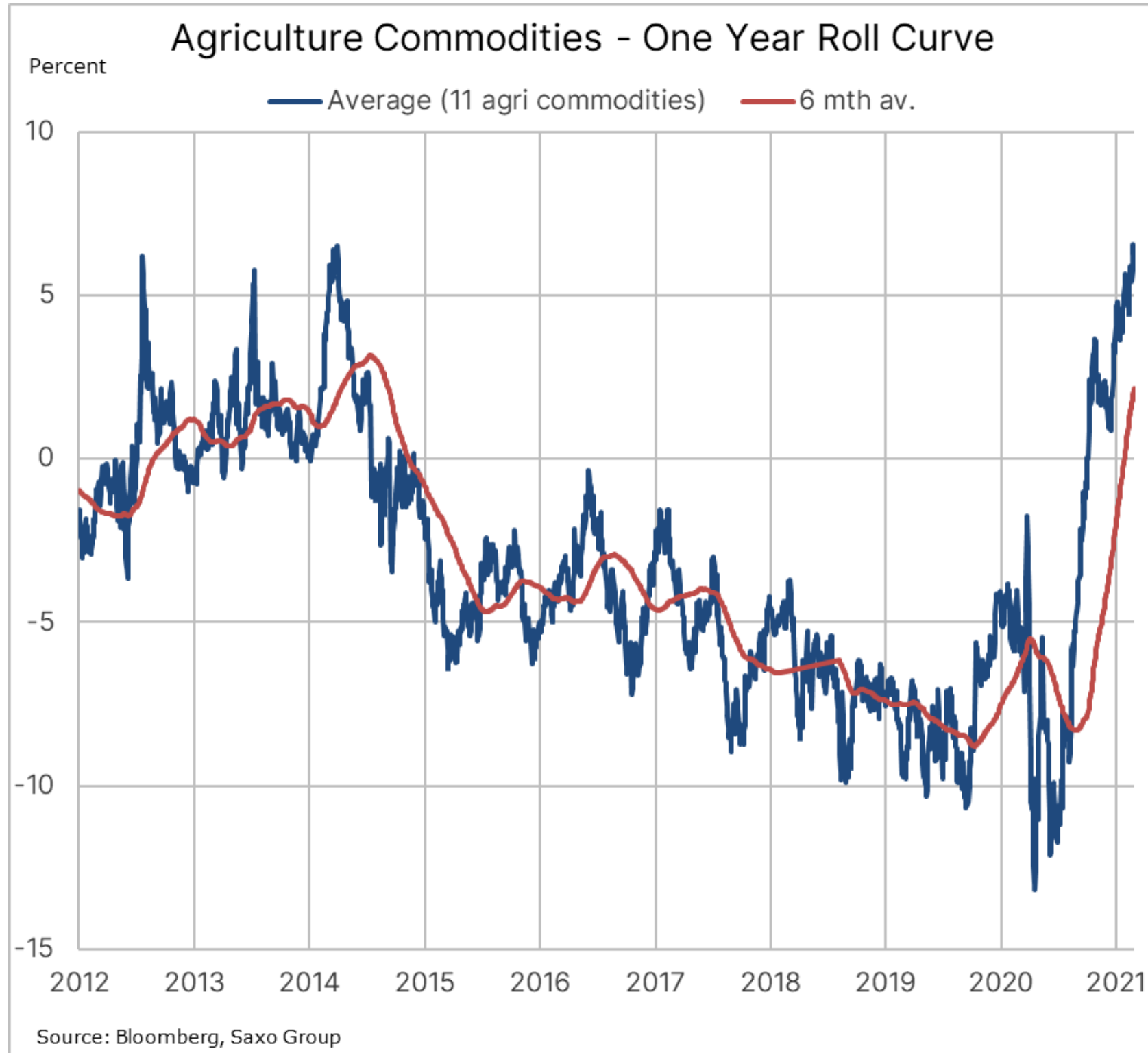
A continued recovery depending on four factors:

1. Demand growth returning towards trend
2. OPEC+ keeping tight control / staying together
3. The effects of 'under-investment', especially US shale
4. Weak dollar and reflation themes

Conclusion: One more upcycle driven by demand recovery and much tighter supply due to lack of capex



Agriculture: From years of plenty to tightening supply



Uranium remains the only way towards a less carbon intensive energy supply

Uranium Market Monitor					
	Saxo Ticker	Country	Market Cap (Mio USD)	6 Mth %	YTD %
NAC KAZATOMPROM JSC-GDR	KAP:xlon	KZ	7179	46.5	27.8
CAMECO CORP	CCO:xtse	CA	6300	33.2	17.9
NEXGEN ENERGY LTD	NXE:xtse	CA	1303	76.9	24.5
URANIUM PARTICIPATION CORP	U:xtse	CA	541	7.5	1.6
DENISON MINES CORP	DML:xtse	CA	755	82.4	60.7
ENERGY FUELS INC	EFR:xtse	CA	710	170.2	24.1
PALADIN ENERGY LTD	PDN:xasx	AU	671	162.5	68.0
URANIUM ENERGY CORP	UEC:xase	US	431	88.3	23.0
CENTRUS ENERGY CORP-CLASS A	LEU:xase	US	290	126.1	4.0
FISSION URANIUM CORP	FCU:xtse	CA	246	15.8	32.5
BERKELEY ENERGIA LTD	BKY:xasx	AU	129	-31.4	-9.8
BOSS ENERGY LTD	BOE:xasx	AU	215	80.7	53.1
GLOBAL ATOMIC CORP	GLO:xtse	CA	260	181.6	34.6
UR-ENERGY INC	URE:xtse	CA	214	89.5	38.5
Exchange Traded Funds					
GLOBAL X URANIUM ETF	URA:arcx	US	426	42.9	16.8
NORTHSHORE GLOBAL URANIUM MI	URNM:arcx	US	119	60.3	27.6


Source: Bloomberg, Saxo Group



Source: Saxo Group

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15 FEB 2021


Two opposing forces accelerate


Today's slide deck: <https://bit.ly/3pnR1bs> -Today we discuss the further ramping of US equity prices to new record highs for the cycle on Friday, as US long treasuries sold off steeply and even added to their losses overnight, sending long US yields to new highs for the cycle. This represents a tight


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COMMODITIES | 15-Feb-2021 08:50
COT: Commodity fund long hits new high



COMMODITIES | 11-Feb-2021 11:40 | 5
Minutes to read
Oil rally slows as fundamentals play catch-up



COMMODITIES | 11-Feb-2021 08:50
Silver takes the gold in our Outrageous Predictions vote



COMMODITIES | 10-Feb-2021 12:45 | 5
Minutes to read
Copper and platinum enjoy green transformation tailwind

– or on analysis.saxo



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Customer deposits

31.9% total capital ratio
as of H1 2019

35,000+
tradable products

2,100+ employees across
60+ nationalities

Clients in **170+** countries

250+ asset managers
globally

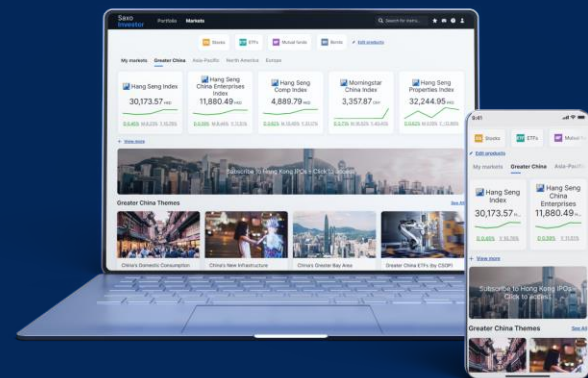
120+ white label
partners globally

300+ financial
intermediaries



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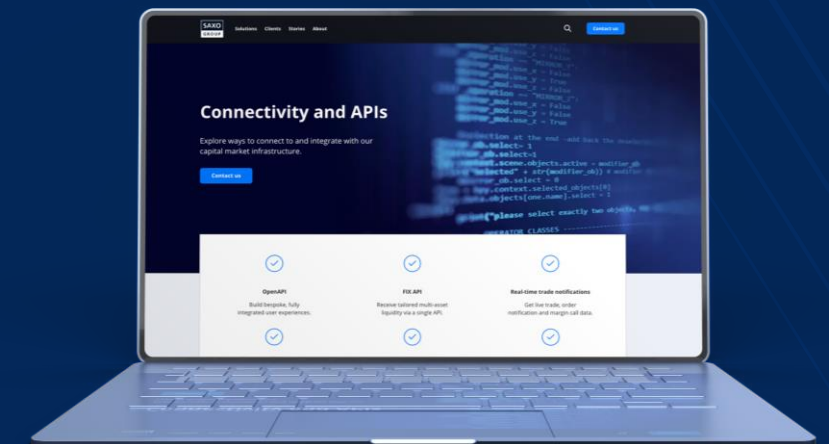
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FIX API allows our partners to receive tailored multi-asset liquidity via a single API. 4