

Commodity Markets:
Cyclical weakness vs structural strength

November 2026

Disclaimer
The slides presented herein may occasionally mention financial instruments that are not tradable for all retail clients, depending on the relevant appropriateness test. Financial instruments mentioned can range from low to high risk, and our thoughts on the market should not be viewed as investment recommendations, but inspiration and information to gain a better understanding of current market dynamics.

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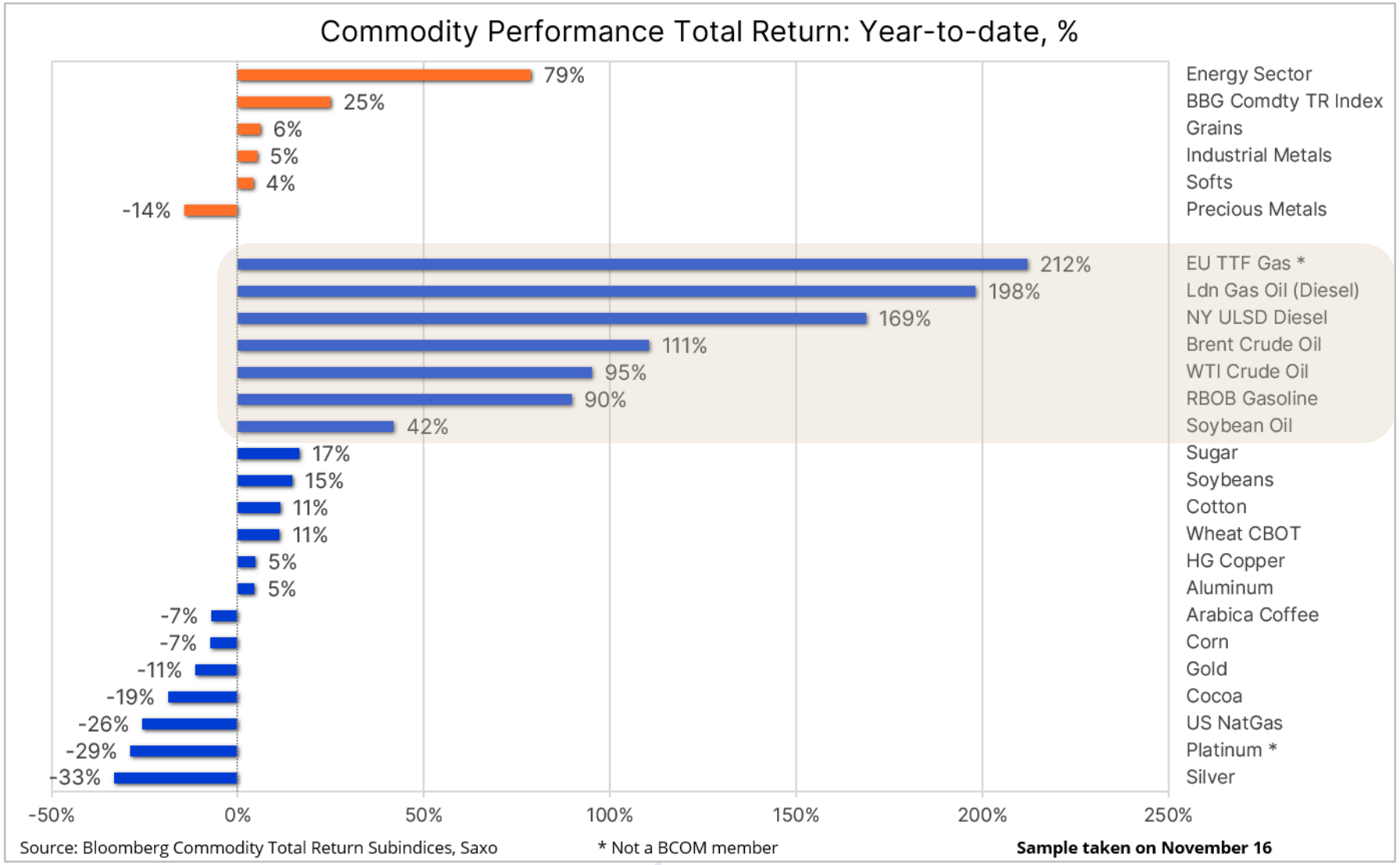
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Investing in financial products involves risk, including risk of loss. As a general rule, you should only invest in financial products if you understand the risks associated with them.

Past performance is no guarantee of future results.

Before investing, you should consider your investment objectives, time horizon and risk appetite.

Commodity performance overview



Key Market ETFs *	YTD %
S&P 500 (SPY)	10.6
S&P 500 Equal Weighted	15.3
Nasdaq (QQQ)	10.7
Tech Software (IGV)	-4.3
Semiconductor (SOXX)	48.7
Magnificent 7 (MAGS)	4.1
Euro Stoxx 50 (EUR)	10.2
MSCI All World (ACWI)	10.3
MSCI Core EM Mkts (IEMG)	10.3
Dollar Index	5.3
iShares 20+ Bonds (TLT)	-8.9
iShares Bitcoin (IBIT)	-21.6
BCOM TR ETF (CMOD)	23.7
S&P GSCI TR (GSG)	48.0
MSCI World Energy (XDW0)	42.7
Gold Miners (GDX)	-6.2
Silver Miners (SILV)	-15.7
Copper Miners (COPX)	-5.4
Uranium Miners (URA)	-25.5
WT SM & RE Miners (RARE)	-19.3
Rare Earth Miners (REMX)	-32.3

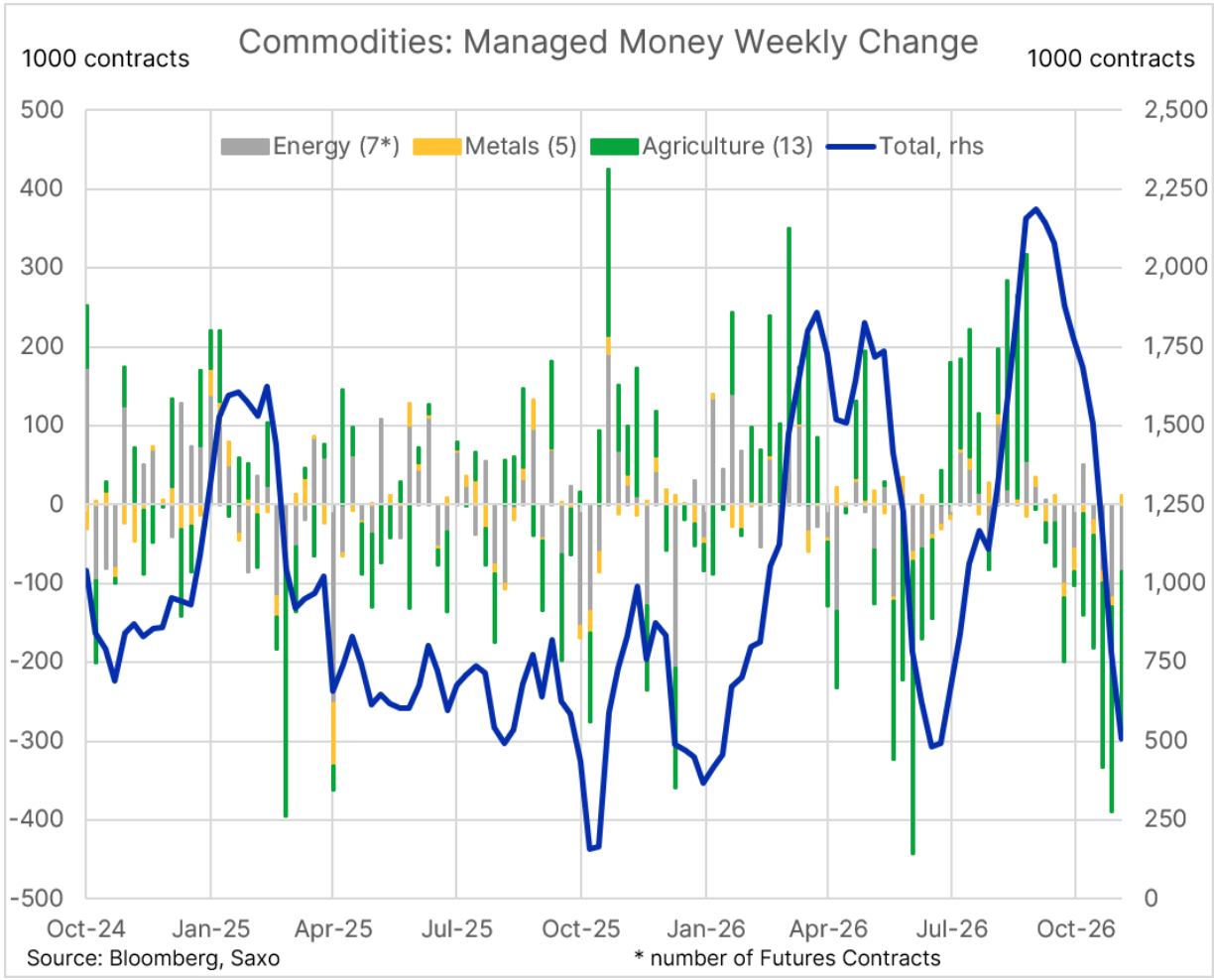
Source: Bloomberg, Saxo

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Positioning: Fading momentum triggers broad spec. selling

Trend Signals DMA crossover	Short-term 10 vs 100	Medium-term 20 vs 200	Long-term 50 vs 200
Energy			
Brent Crude Oil	0.6%	9.5%	9.3%
WTI Crude Oil	1.8%	8.7%	8.6%
US NatGas	5.6%	-0.1%	1.4%
Gas Oil (Diesel)	0.6%	13.8%	16.0%
NY ULSD	-1.4%	14.2%	17.1%
RBOB Gasoline	-17.8%	-2.7%	5.0%
Industrial Metals			
HG Copper	-4.0%	2.3%	4.4%
LME Aluminum	-4.2%	-7.9%	-5.1%
LME Nickel	-2.3%	-8.2%	-7.6%
LME Zinc	-0.1%	5.4%	6.2%
LME Lead	-0.4%	-1.5%	-1.6%
Precious Metals			
Gold	-5.2%	-11.0%	-7.3%
Silver	-18.6%	-30.6%	-17.1%
Platinum	-11.2%	-20.6%	-11.5%
Palladium	-21.9%	-34.4%	-19.8%
Grains			
Corn	-6.8%	-2.5%	5.4%
Soybeans	-1.9%	2.1%	5.5%
Soybeans Meal	-3.1%	1.6%	6.4%
Soybeans Oil	-8.3%	-5.8%	-2.4%
Wheat (CBOT)	-11.9%	-4.2%	4.7%
Wheat (Kansas)	-13.7%	-4.0%	5.8%
Softs			
Sugar	4.8%	16.3%	16.3%
Arabica Coffee	-10.2%	-2.5%	-2.4%
Cocoa	-10.2%	13.1%	16.3%
Cotton	-3.1%	2.9%	4.1%
Orange Juice	-3.1%	-15.5%	-11.6%
Livestock			
Live Cattle	-3.0%	-4.7%	-5.5%
Lean Hogs	-45.3%	-46.2%	-23.9%
Feeder Cattle	-3.0%	-3.9%	-4.4%

Source: Bloomberg, Saxo



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Commodity prices evolve in “super-cycles”

Recent super-cycles:

1960s to 1990s:
End of Bretton Woods and oil shocks

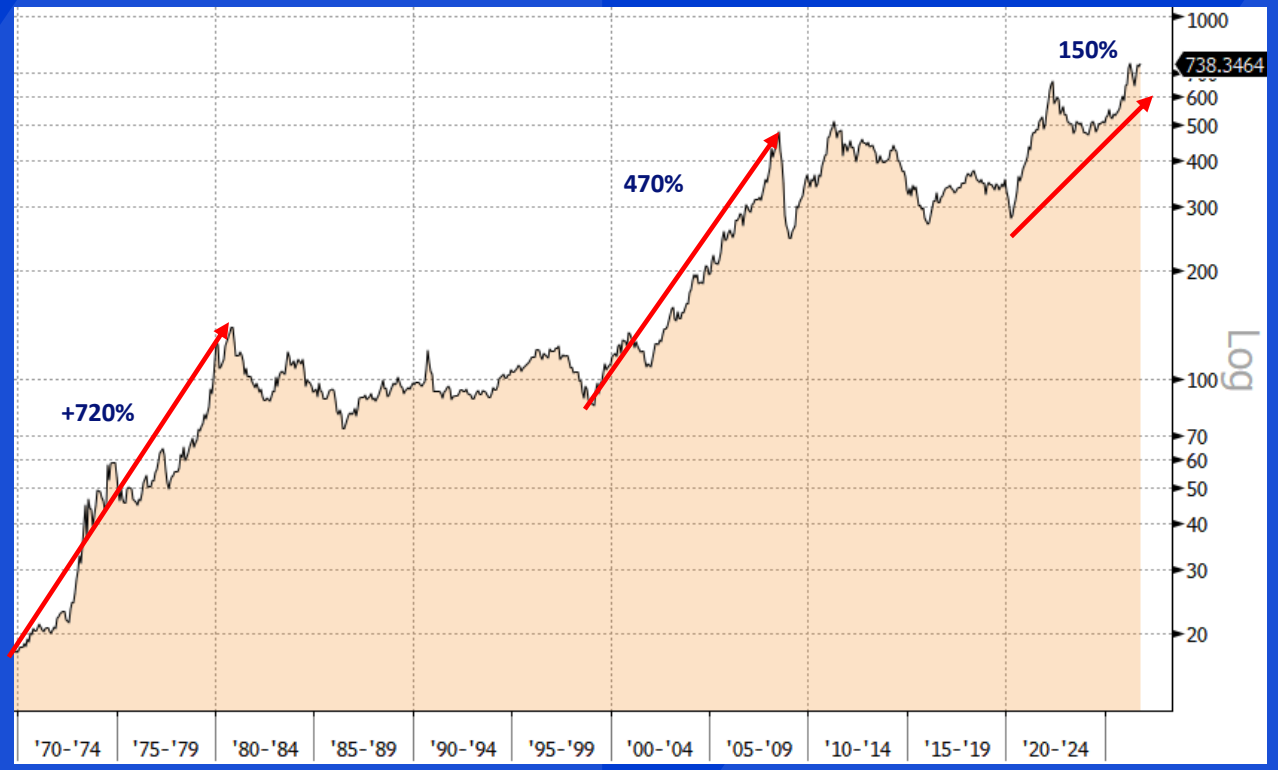
1990s to 2020:
Industrialisation and rise of China and India

Next: The energy transition (electrification)?

Commodities in diversified portfolios provide insurance against:

- *Rising supply concentration*
- *US-China competition in AI and geopolitics*
- *Broader geopolitical fragmentation*
- *Currency debasement*

Moving from a just-in-time to a just-in-case world economy will drive higher demand and prices for raw materials IF supply fails to keep up



Bloomberg Commodity Spot Index (Log Scale) Source: Bloomberg

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Structural forces support the commodity outlook

- Population growth / urbanisation
- Rising power consumption / energy storage
- AI / Datacenters
- Defence priorities
- Currency debasement

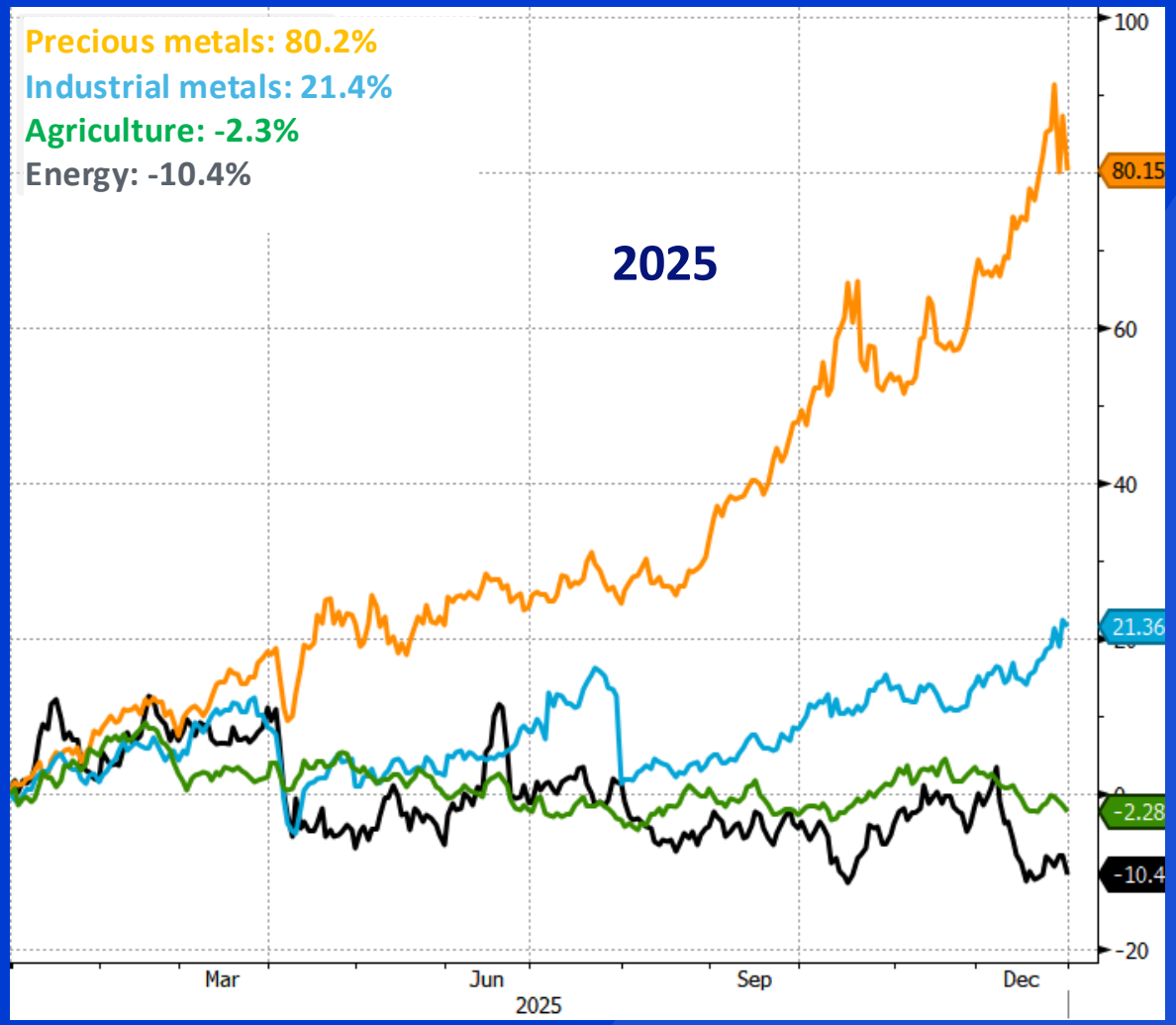


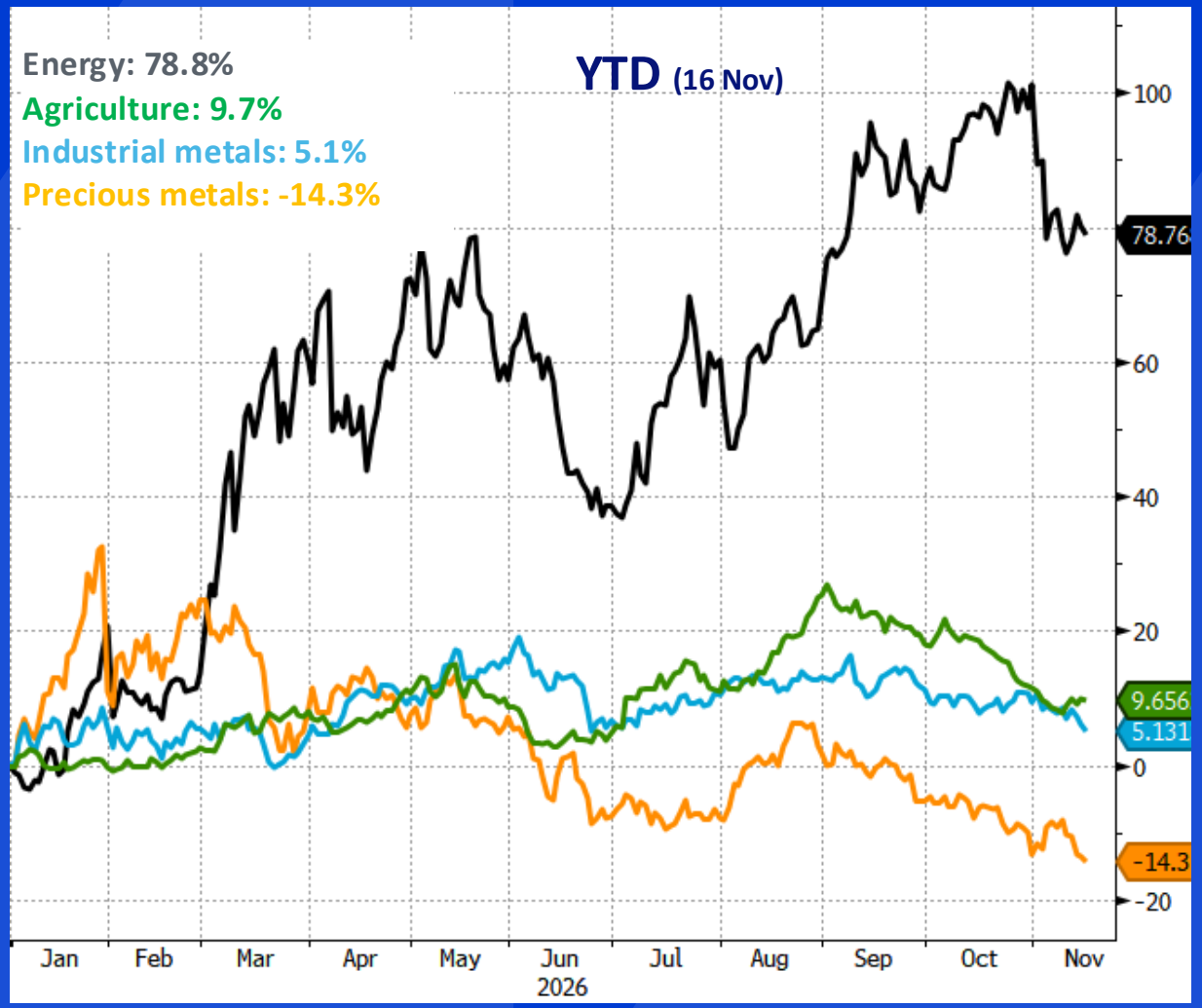
- Persistent underinvestment
- Climate change
- Decarbonisation
- Deglobalisation
- Resource nationalism / security of supply

We are moving from a world optimised for efficiency towards one increasingly focused on resilience and security.

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2025: Precious metals. 2026: Energy. What will drive 2027?

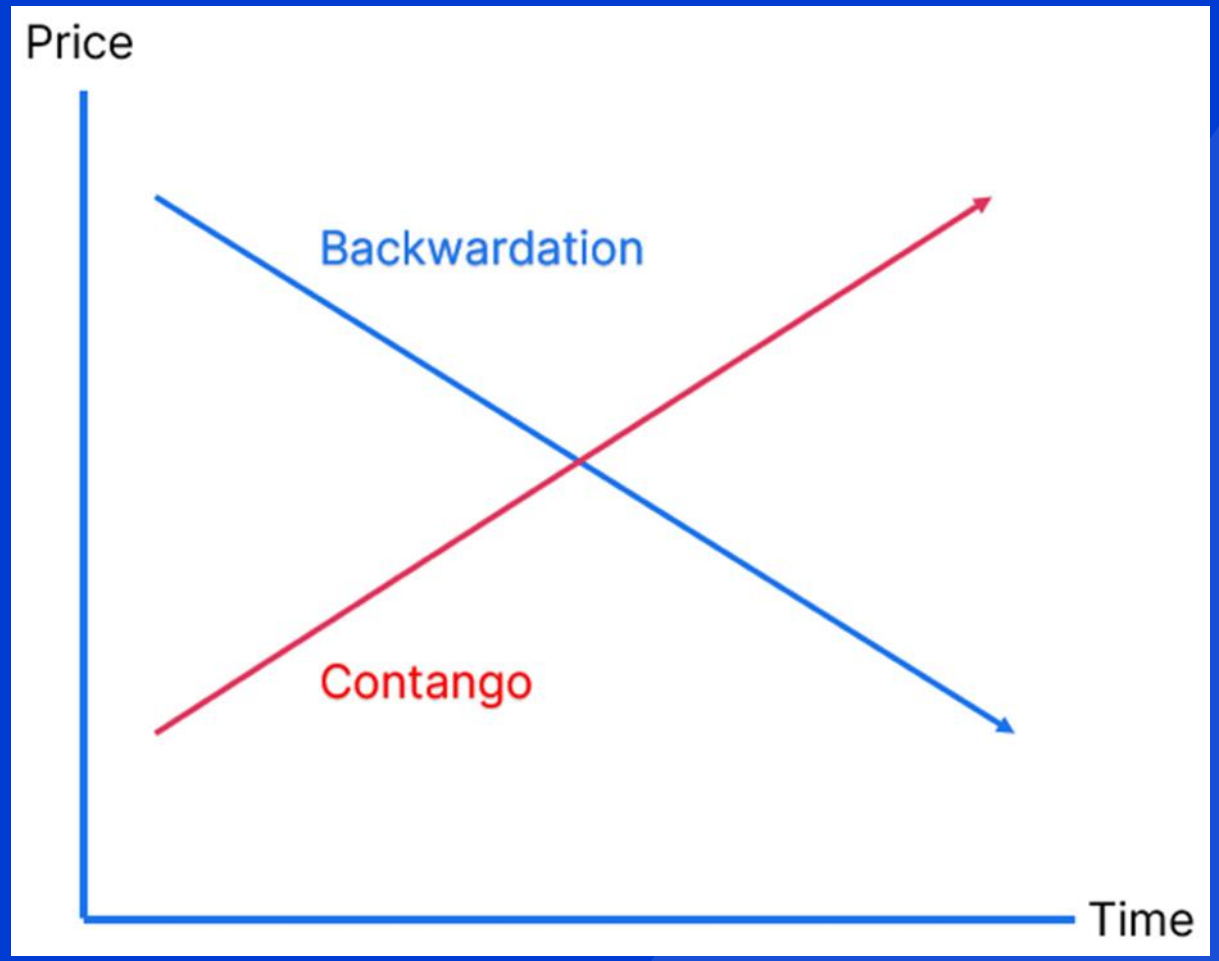


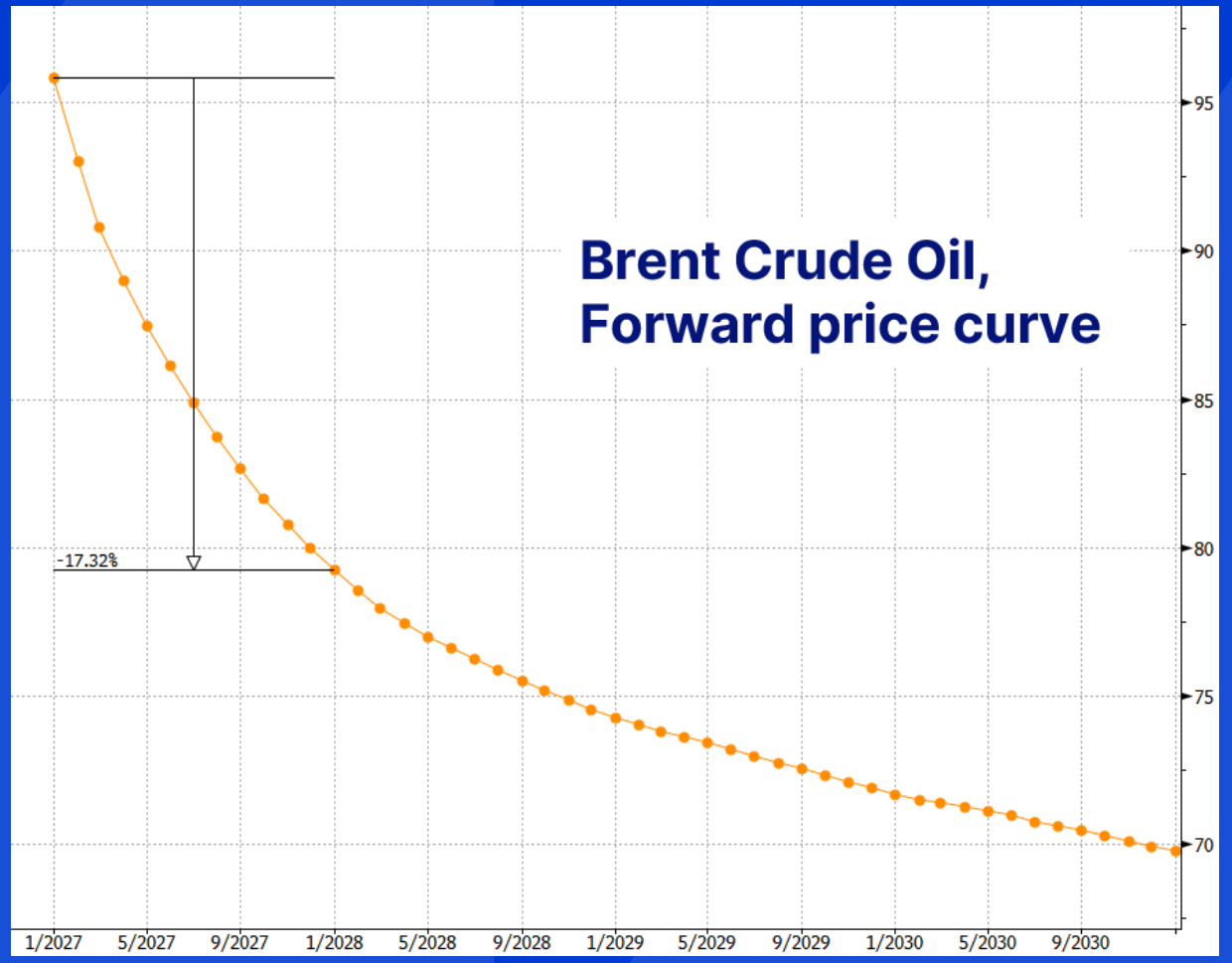


Source: Saxo & Bloomberg Commodity Sub Indices

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Contango (ample supply) vs backwardation (tight)

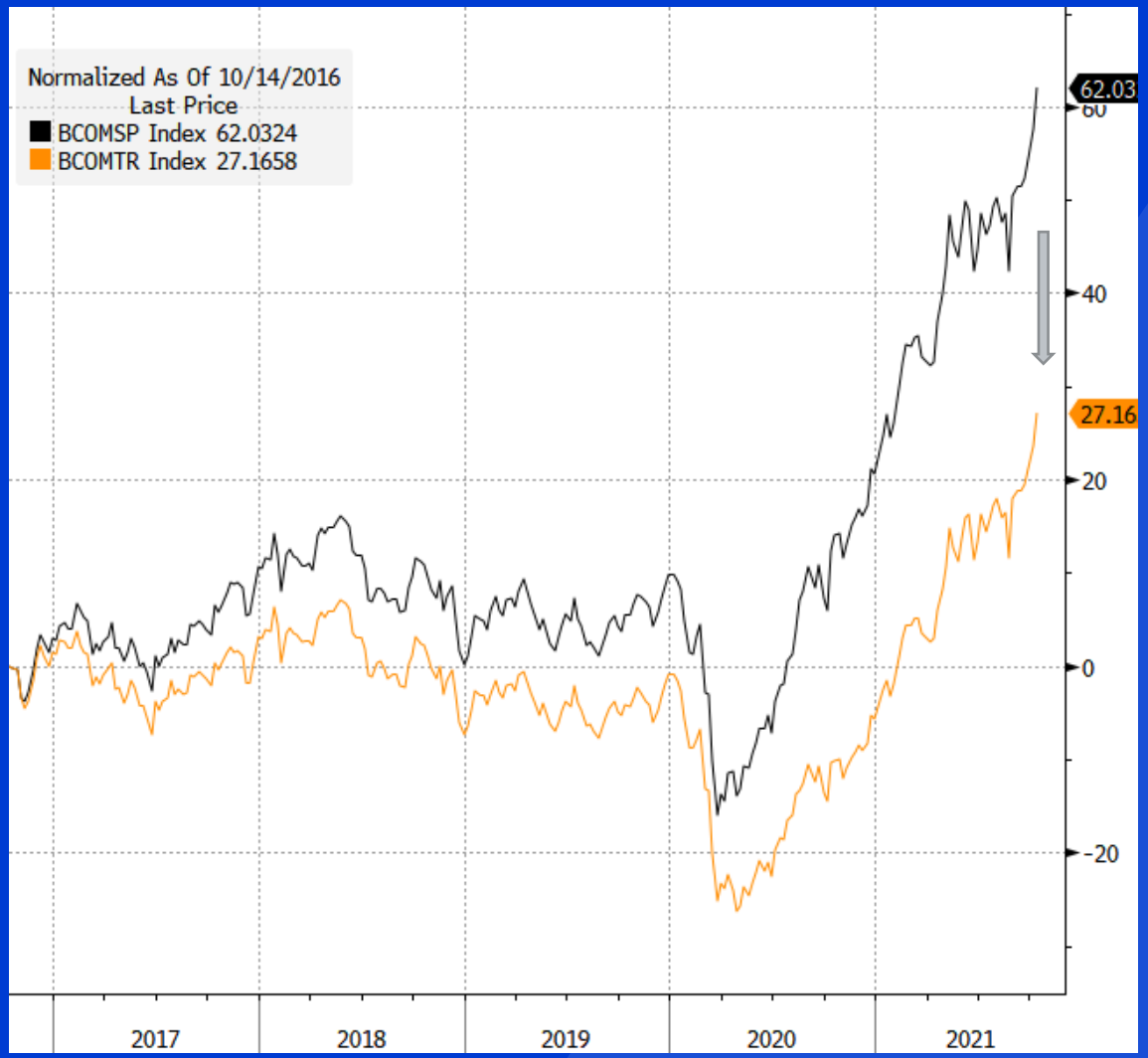




Source: Bloomberg

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The “power” of backwardation on returns

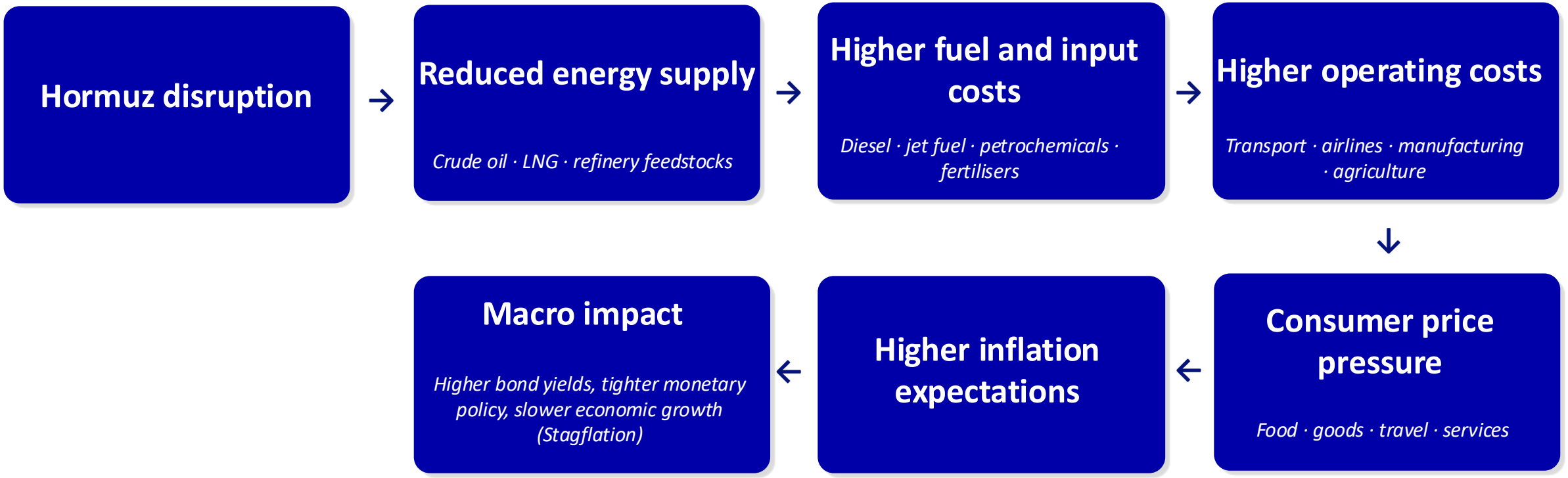




Source: Bloomberg

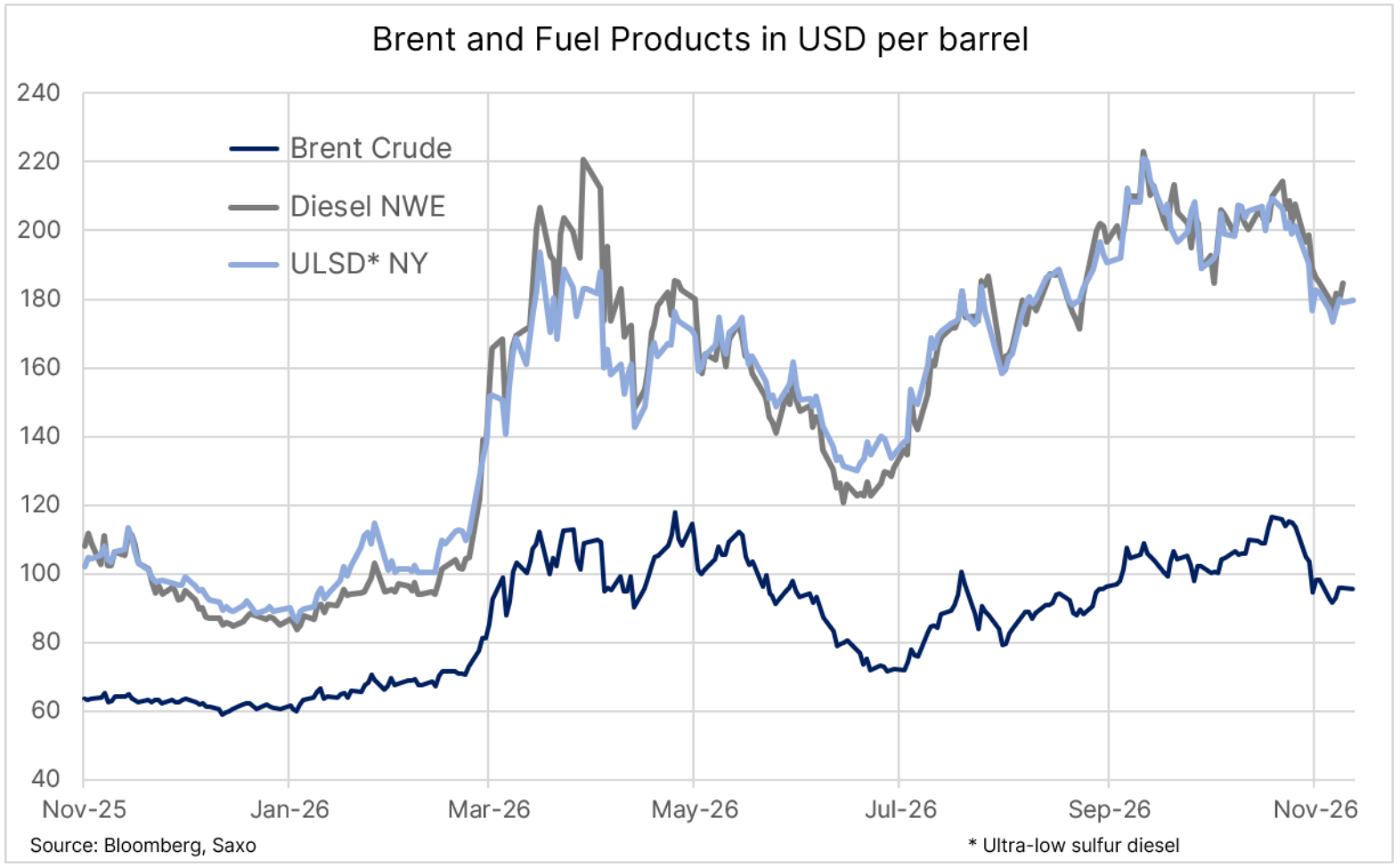
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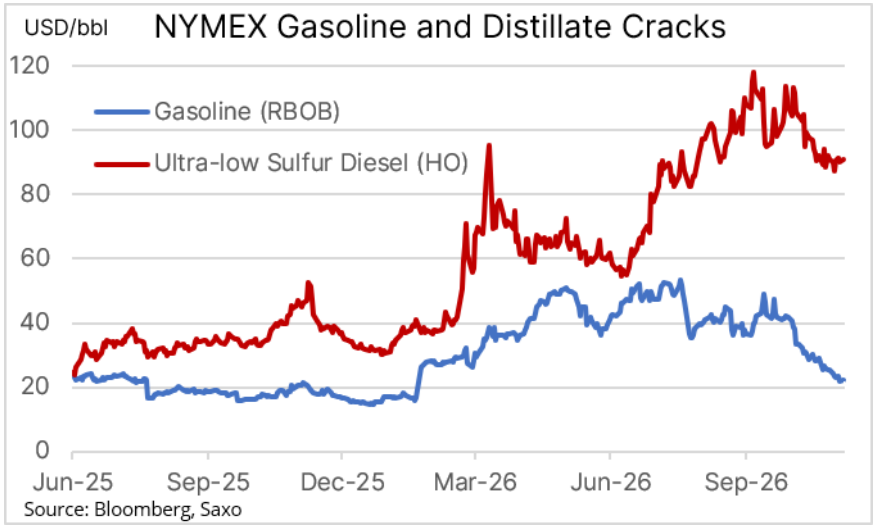
From Hormuz to the consumer

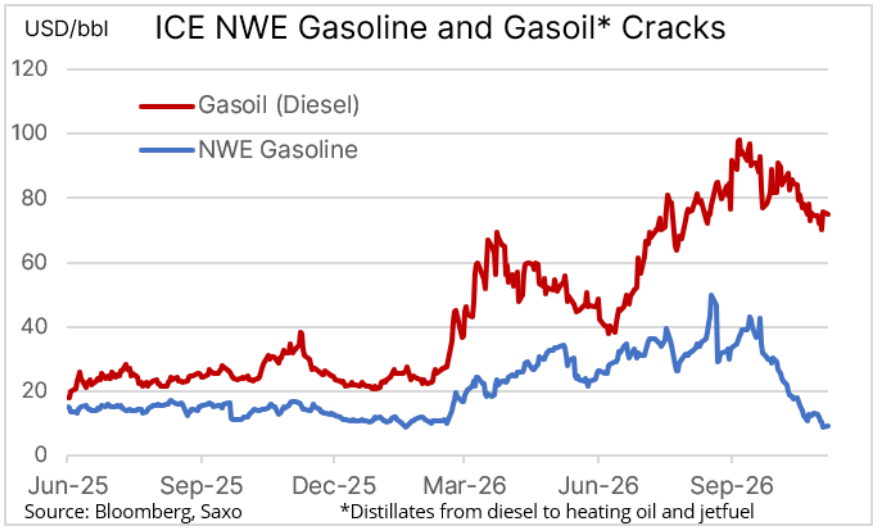


The longer the disruption lasts, the greater the risk that an inflation shock develops into a broader growth shock.

The real crisis: elevated distillates (diesel, jet fuel, and fuel oil)







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Gold: Western macro pressure vs Asian physical demand



Source: Saxo

Precious metals are:

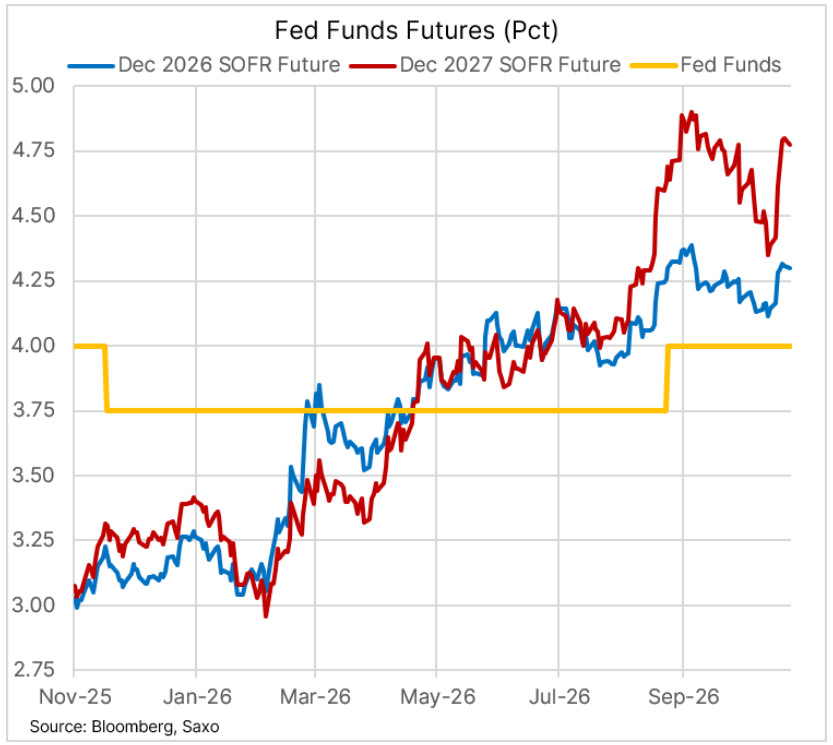
- Universally recognised and politically neutral, unlike sovereign bonds or foreign currencies
- Not linked to any country's creditworthiness (FIAT debasement worries)
- A core part of central bank reserves
- Increasingly viewed as a long-term strategic asset and a core part of asset allocation
- At times uncorrelated or negatively correlated with key financial assets

Structural drivers supporting gold

- Geopolitical tensions and sanctions risk
  - Central bank demand (de-dollarization)
  - Reduced sensitivity to real yields and USD
- Hedge against US fiscal and monetary policies
- Asian demand, especially from China
- Gold remains under-owned relative to other assets
- **Inflation, rising yields and a stronger USD the current headwinds**

The traditional macro drivers of gold

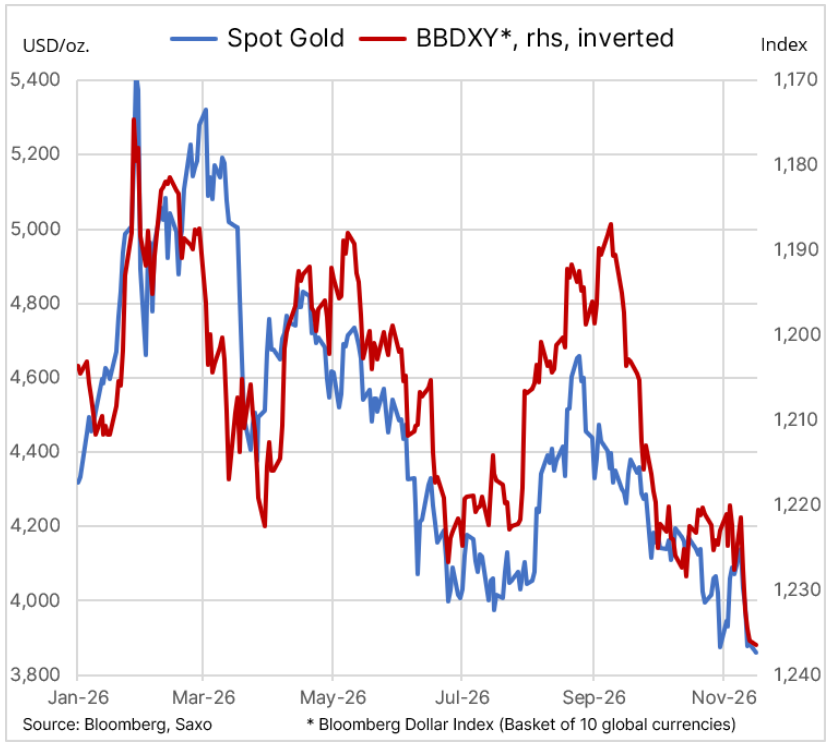
Funding cost



Opportunity cost



USD strength



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Silver and platinum: Tight supply, but volatility and growth concerns weigh



Silver TR:

YTD: -33%
Five-year ann: +13%

Silver's parabolic surge:
42 days from $50 to $60
22 days from $60 to $80
23 days from $80 to $120

6 days to almost halve



Platinum TR:

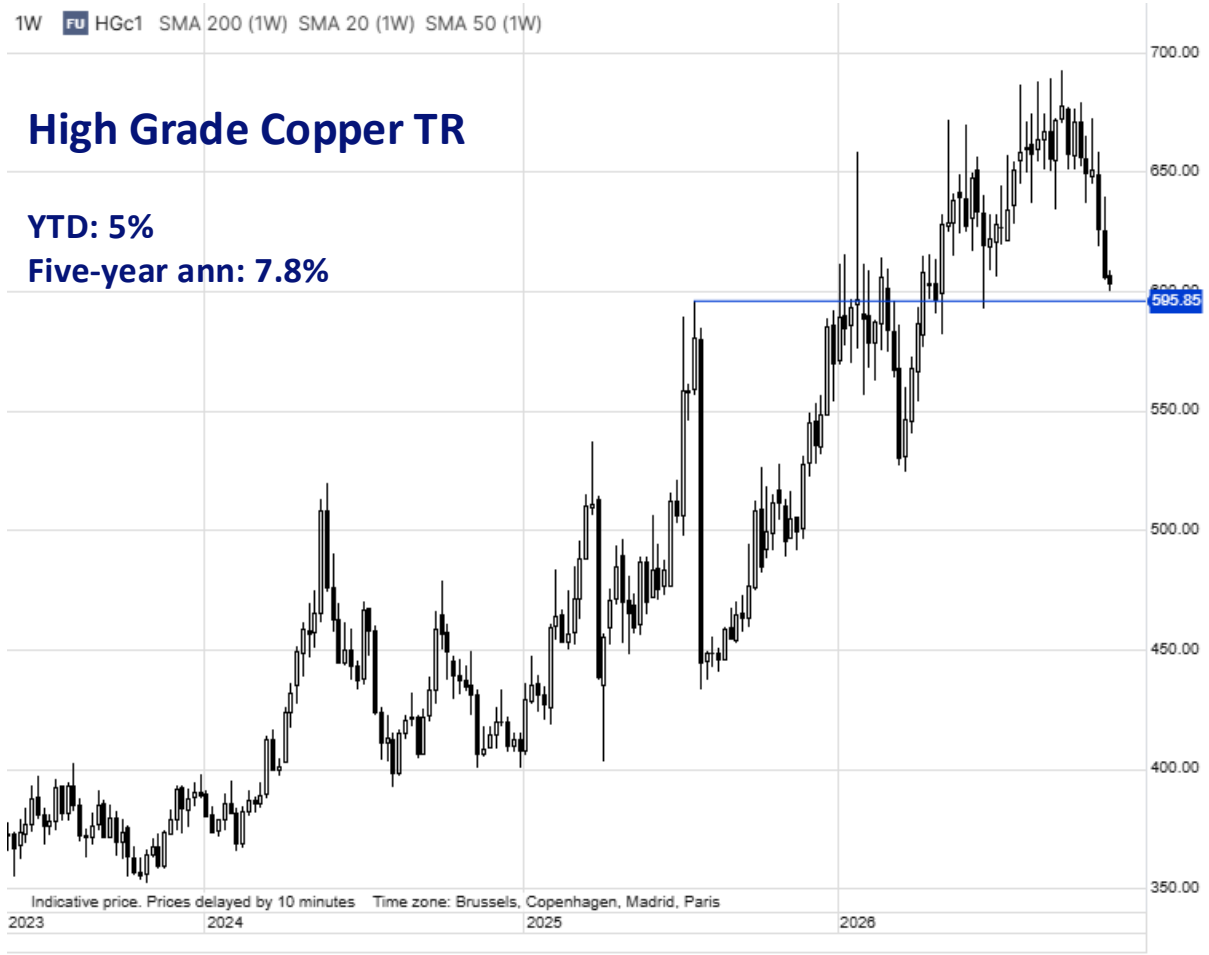
YTD: -29%
Five-year ann: +15.5%

Source: Saxo

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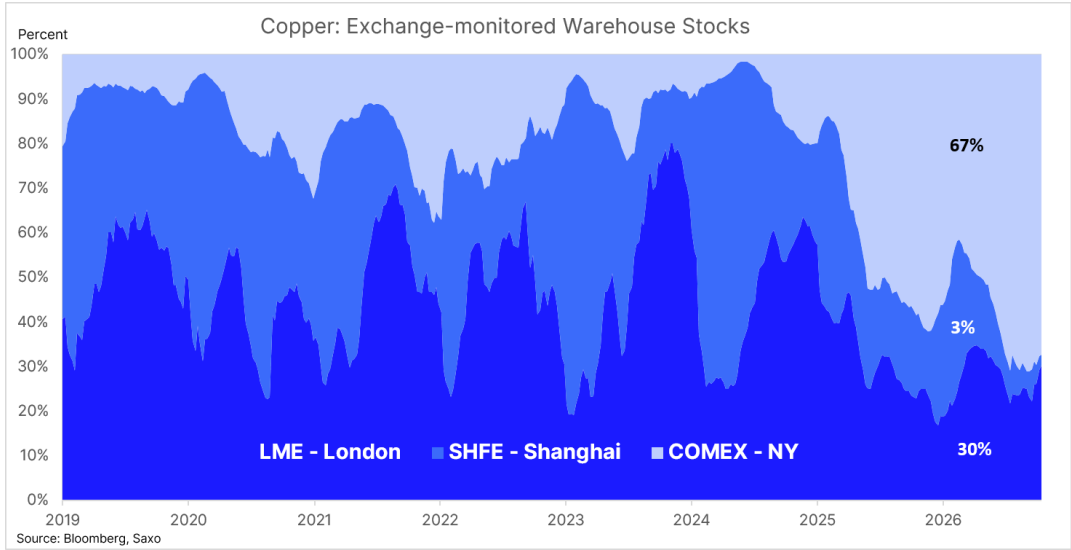
Copper: Short-term AI and China headwinds vs. long-term electrification demand

Tightening supply and support from copper intensive technologies like EVs, wind/solar, grid upgrades to cope with digital infrastructure boom and cooling in hot climates



Miners are facing increased challenges:

- Lower ore grades -> more crushing and grinding -> more energy -> more water -> higher operating costs
- Huge difference between geological resource and available supply: Ore body + water + power + roads + equipment + processing + logistics + permits´+ capital = commercially available copper
- The time from first discovery to first metal now often exceeds decade

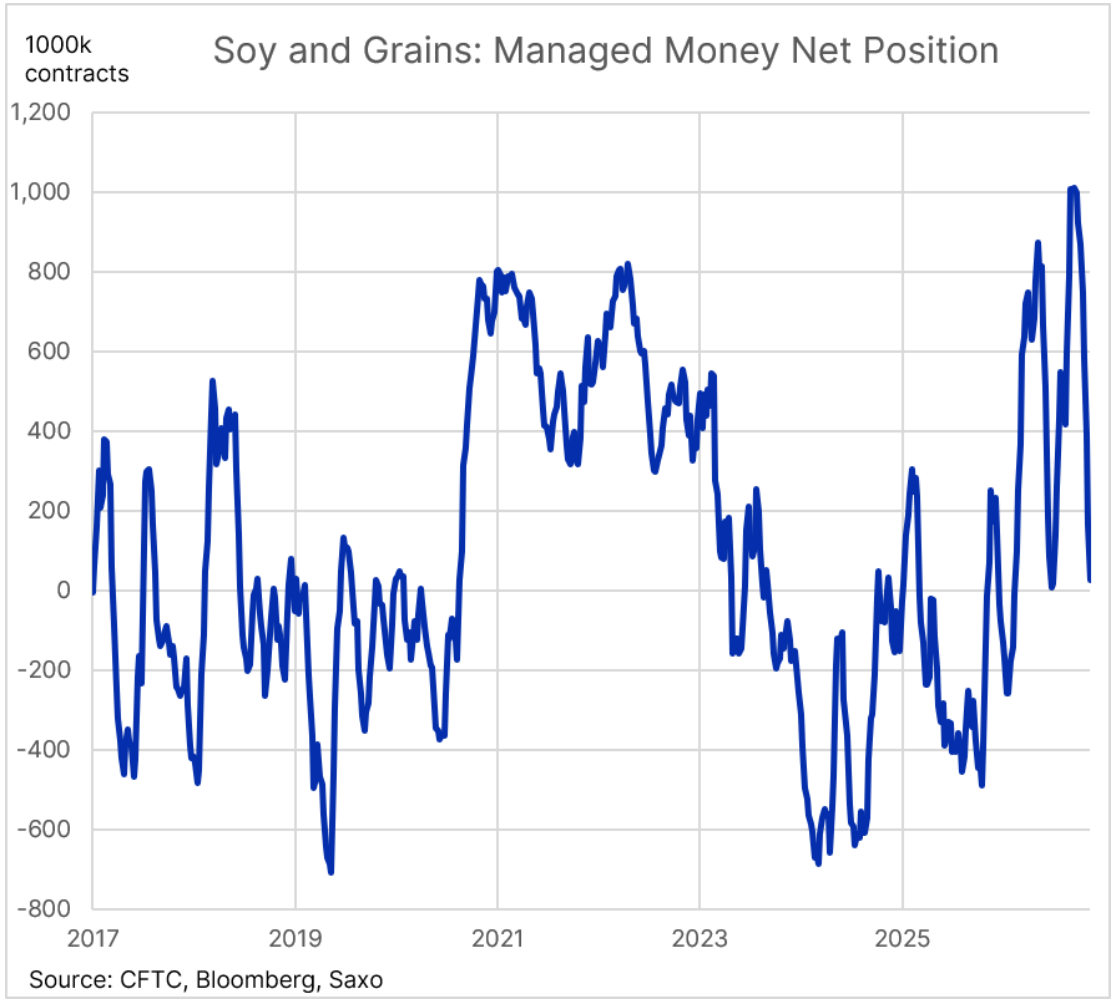


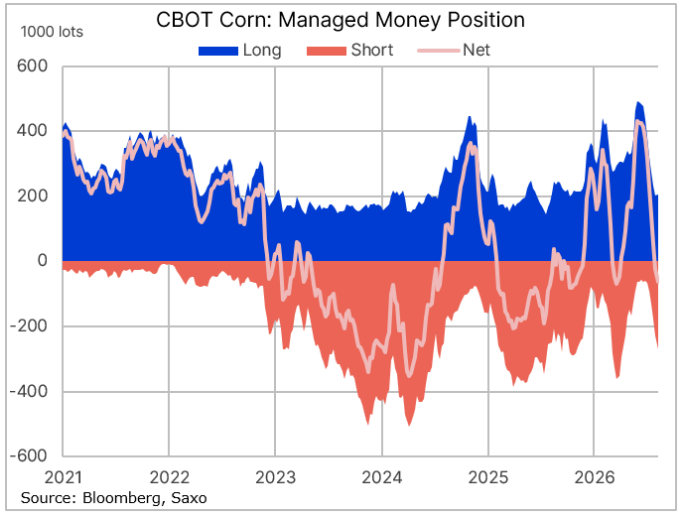
Source: Saxo

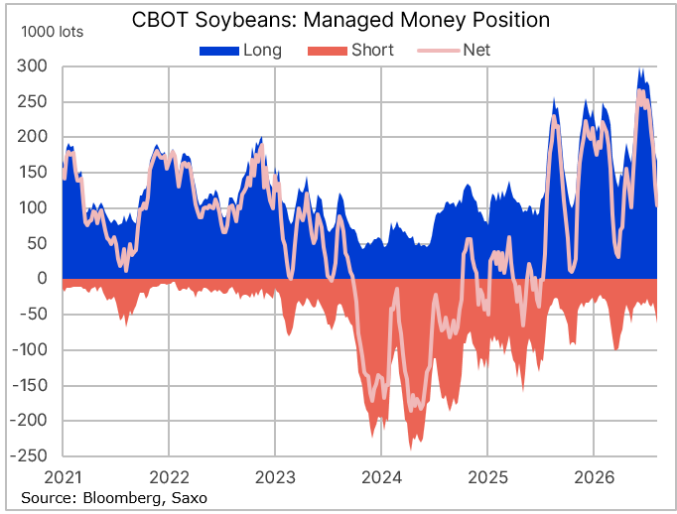
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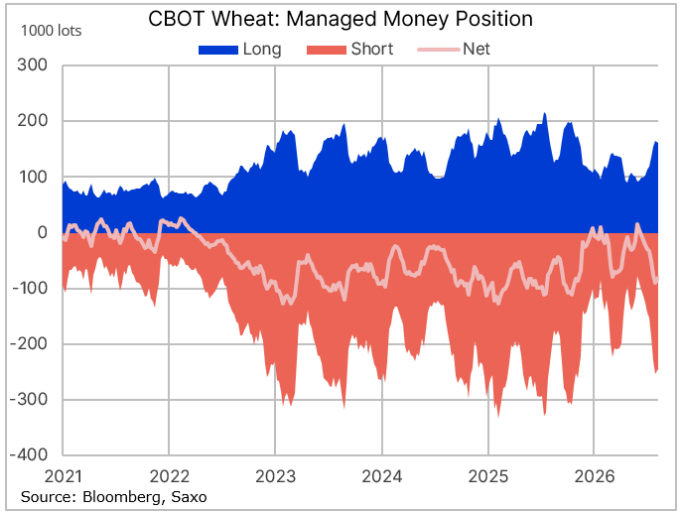
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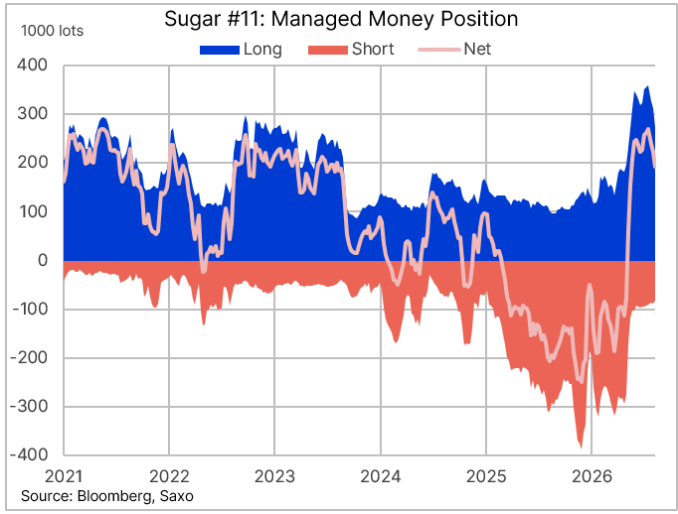
Agriculture: War and weather drive spec. rollercoaster











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El Niño: Regional risks across agriculture, mining & energy markets

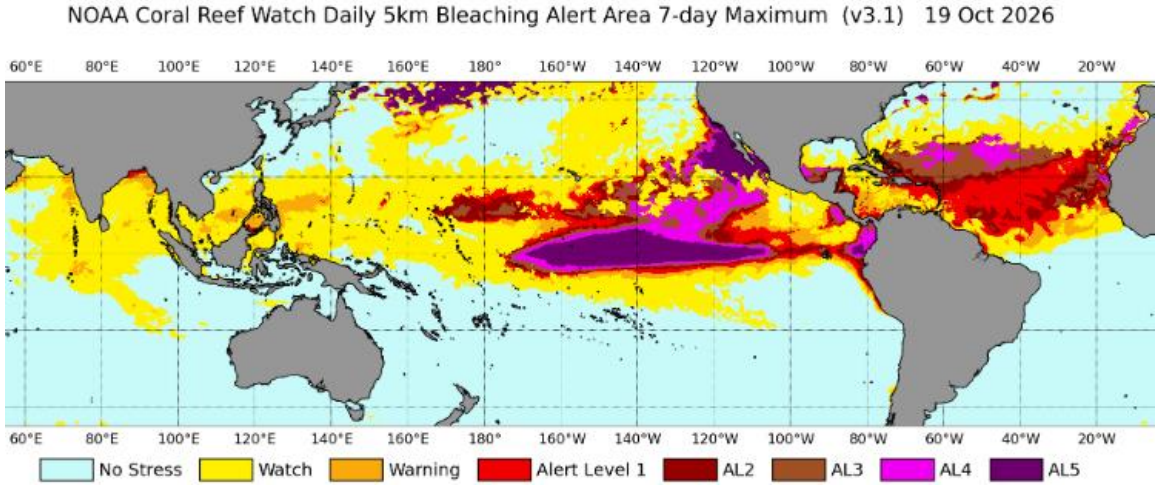
Southeast Asia: Hotter, drier conditions threaten palm oil, rice, sugar and coffee production, while potential hydropower shortfalls could increase coal and LNG demand.

South Asia: Increased weather volatility from flooding in Pakistan and Bangladesh to extreme heat in India (wheat, rice & sugar)

Australia: Hotter, drier conditions and increased drought risk (wheat, barley and livestock)

North America: Drought and hot weather from California to Texas (cotton & grains)

South America: Wetter conditions to parts of Argentina and southern Brazil while northern Brazil faces greater drought risks. (soybeans, corn, coffee, sugar & mining)



Commodity	Weather transmission and key market indicator
Palm oil	Indonesia and Malaysia: rainfall deficits, yield lags and CPO production
Rice	India, Thailand and Vietnam: monsoon changes, irrigation availability and export restrictions
Sugar	India and Thailand: rainfall and cane yields, with additional influence from Brazilian production
Coffee	Vietnam and Indonesia: flowering, rainfall and harvest quality
Coal and electricity	Indonesia and regional electricity systems: mining logistics, hydropower generation and cooling demand

Commodities in 2027: What could change the narrative?

Macro: Will inflation and interest rates ease sufficiently to support demand and investor appetite?

Energy: Will recovering Middle East supply overwhelm demand, or will refined product tightness persist?

Metals: Can physical demand and structural supply constraints offset cyclical weakness and speculative selling?

Agriculture: Will a strengthening El Niño disrupt global crop production and trade flows, potentially reversing the recent weakness in agricultural commodity prices?

Positioning: Will speculative selling create the conditions for a recovery, or signal further fundamental deterioration?

Ole S Hansen

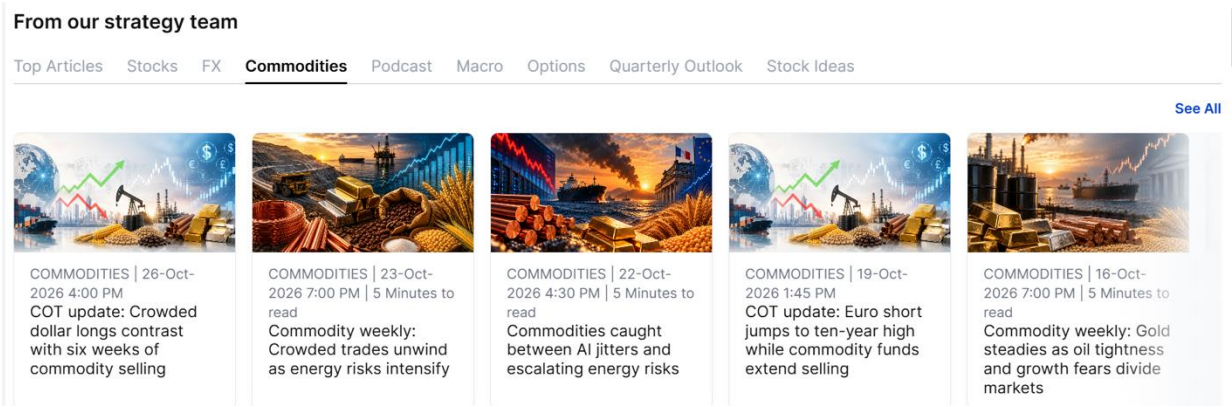
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