

Quarterly Commodity Outlook

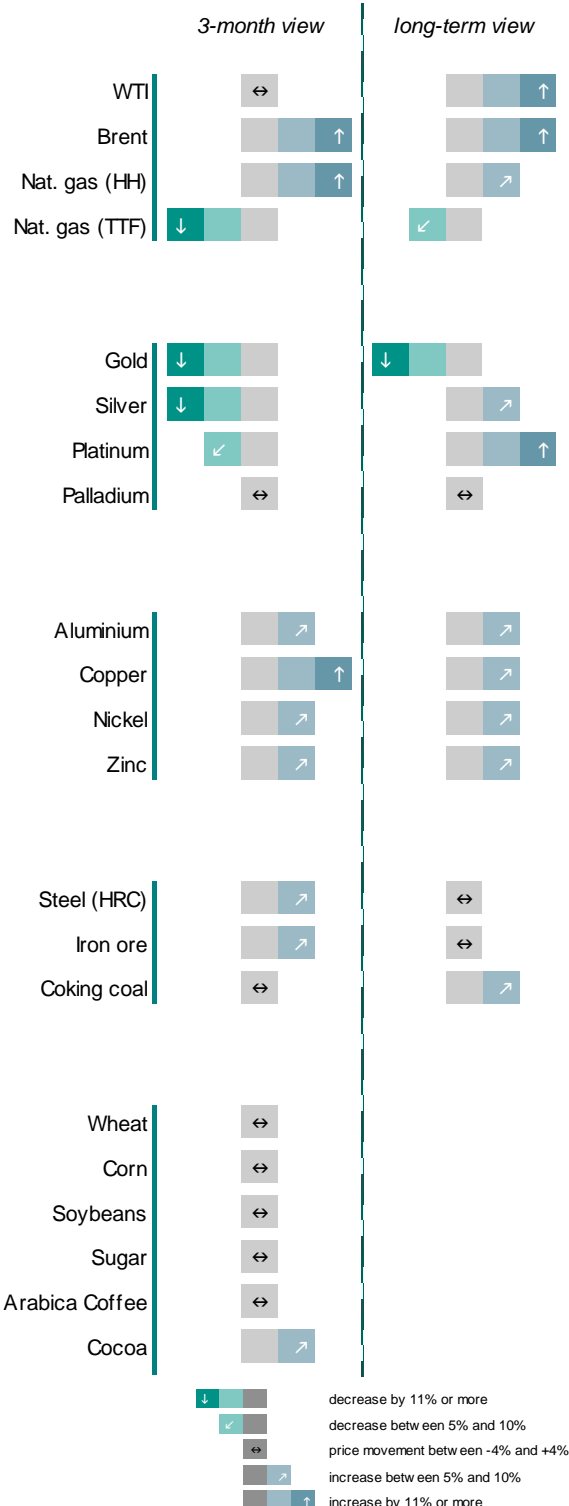
ABN AMRO Group Economics
Commodity Research

January 2015

Economic growth as lubricant for cyclical commodities demand

In our view, the slide in oil prices is fantastic news for the global economy and will provide a considerable tailwind to economic growth in the coming months. Net importers will benefit from a large windfall (see chart). This includes the US, eurozone member states and Asia's largest economies. Lower oil prices will also push up economic growth, which is supportive for commodity demand. We expect fundamentals for cyclical commodities to improve, leading to a recovery in oil as well as most base and precious metal prices (excluding gold). However, an important condition is that investors have cleared a substantial part of their positions. Meanwhile, grain prices will likely remain under pressure in the coming months due to high supply. Meanwhile, coffee and sugar prices will probably continue to receive support in light of the drought in Brazil.

ABN AMRO Price Outlook Q1-2015



Energy: Oil prices fell off a cliff

Oil prices more than halved in just a few months' time. The main reason was a lingering oversupply of oil. We believe that oil prices dropped too far, too fast. The lower price will have an effect on oil production. At the same time, it will give an extra boost to economic growth. The combination will result in a rebalancing of the market, both from a supply/demand as well as a price perspective. Natural gas prices will remain low as high inventories can comfortably meet a possible rise in demand. In fact, oversupply and a decoupling with oil prices will keep European gas prices in a downtrend. US gas prices may see a slight recovery, but the upside is capped.

Precious metals: Weak First half followed by recovery (excl. gold)

Most precious metal prices had a good start of the year. However, for the coming six months, we anticipate price weakness in precious metals. This is mainly because we expect a higher US dollar and higher US interest rate expectations to lead to further investor position liquidation. We also remain negative on gold in 2016 for the same reasons. However, it is likely that fundamentals for the other precious metals will improve in 2015 and 2016. In general, we are less negative on the global economy than current market consensus. This overall positive outlook will support jewellery, car sales and industrial demand for platinum, palladium and silver in 2015 and 2016.

Base metals: Fundamentals support stronger prices

Going forward, base metals price trends will highly depend on economic developments in emerging Asia, especially China. Our base scenario is that the Chinese economy will grow by 7.0% in 2015. We think that China will take supportive measures in the course of the year if economic data disappoints. In addition, the outlook for the main metal consuming sectors in emerging Asia is positive until 2016. However, our view on base metal price developments remains challenged by headwinds, such as a stronger-than-expected slowdown of the Chinese economy, further strengthening of the US dollar and oil price depreciation and a stronger-than-foreseen supply growth.

Ferrous metals: Prices to stay soft in general

In the current challenging conditions, the steel producers' strategy is twofold. They will try to persuade customers to buy more volume, with the prospect of discounts. Meanwhile, other steel mills cut production (or are forced to do so) and/or announce early maintenance programmes to restore balance to the market. Still, abundant supply will push steel and iron ore prices lower in the short term, while coking coal prices are expected to remain somewhat stable on an annual basis. The further softening of prices will not result in an acceleration of defaults among steel mills and in the mining sector because relatively lower oil prices will keep producers competitive.

Agriculturals: The same direction

Agricultural commodities are showing a mixed picture. For grains, the market is dominated by a high level of ending stocks. These high stock levels have led the drop in prices in recent months. At this stage, the market seems to be repositioning with prices stabilising at their current levels. The firm dollar is having a negative effect on grain export markets, which is leading to lower USD prices versus EUR traded grains. For cocoa, the market focus is changing into a global supply deficit from last years' surpluses. Coffee is in the grips of Brazilian weather forecasts. Another dry period could cause a repeat of last year's lower production, which will mean higher coffee prices. Sugar is dominated by high world stocks, a devaluation of Brazil's currency and low energy prices.

- Short term: our three-month outlook versus spot rate on 27 January.
- Long term: 2016 average forecast price versus 2015 forecast price.

ABN AMRO forecasts

ABN AMRO Commodity Price Forecasts

	Spot rate 27 January	Average price Q4- 2014	3m (end of Apr. 2015)	6m (end of Jul. 2015)	12m (end of Jan.16)	2014 (yr avg)	2015f (yr avg)	2016f (yr avg)
Energy:								
- Brent (USD/barrel)	46.79	76.06	55	60	70	98.90	60	75
- WTI (USD/barrel)	45.84	72.95	50	55	65	93.02	55	70
- Gas HH (USD/mmBtu)	2.95	3.74	3.50	3.75	4.00	4.34	3.75	4.00
- Gas TTF (EUR/MWh)	19.92	22.98	17	18	19	21.44	19	18
Precious metals:								
- Gold (USD/oz)	1,293.30	1,200.70	1,150	1,100	1,000	1,265.83	1,100	900
- Silver (USD/oz)	18.11	16.50	15.5	15.0	16.0	19.07	15.6	17.0
- Platinum (USD/oz)	1,262.00	1,227.81	1,150	1,100	1,200	1,383.61	1,150	1,300
- Palladium (USD/oz)	778.00	788.91	750	650	700	803.44	706	725
Base metals:								
- Aluminium (USD/t)	1,848.00	1,964.23	1,890	1,940	2,015	1,867.48	1,950	2,075
(USD/lb)	0.84	0.89	0.86	0.88	0.91		0.88	0.94
- Copper (USD/t)	5,545.00	6,626.01	6,200	6,600	6,800	6,863.26	6,550	6,950
(USD/lb)	2.47	3.01	2.81	2.99	3.08		2.97	3.15
- Nickel (USD/t)	14,730.50	15,841.64	15,500	17,100	17,800	16,897.92	16,500	18,000
(USD/lb)	6.68	7.19	7.03	7.76	8.07		7.48	8.16
- Zinc (USD/t)	2,097.75	2,233.63	2,200	2,285	2,325	2,162.01	2,250	2,400
(USD/lb)	0.95	1.01	1.00	1.04	1.05		1.02	1.09
Ferrous metals:								
- Steel (global) (HRC; USD/t)	485.64	546.51	515	512	520	578.27	525	538
- Iron ore (fines, USD/t)	63.50	74.47	70	71	72	97.06	69	72
- Coking coal (USD/t)	108.00	110.92	111	112	118	114.58	114	120
Agricultural:								
- Wheat (USDC/bu)	524.00	562.74	530	590	-	578.22	575	-
- Corn (USDC/bu)	362.50	375.71	375	395	-	397.77	390	-
- Soybean (USDC/bu)	961.5	1,009.22	950	930	-	1,250.72	945	-
- Sugar (USDC/lb)	15.49	16.11	16.00	16.00	-	16.99	16.50	-
- Arabica coffee (USDC/lb)	170.90	192.30	170	180	-	155.13	180	-
- Cocoa (USD/t)	2,746.00	2,940.42	2,950	2,800	-	3,064.48	2,750	-

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Macro-economics

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Who is afraid of lower oil?

- The drop in oil prices is great news for the economic outlook
- It provides an enormous windfall gain for the world's biggest economies
- The US economy is strong and stimulus is on the way in Europe and Asia

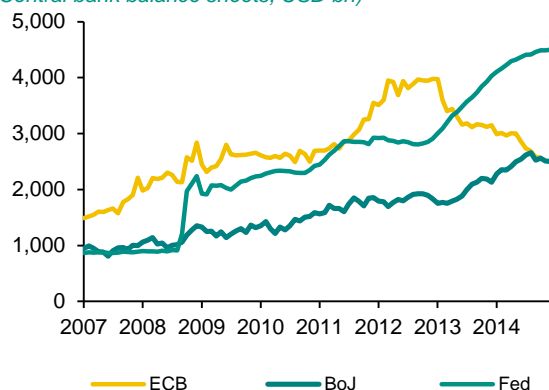
Consumer windfall from USD 50 drop in oil prices (% GDP)



Source: IMF

ECB, BoJ taking the baton from the Fed

(Central bank balance sheets, USD bn)



Source: Thomson Reuters Datastream

ABN AMRO GDP forecasts (% yoy)

	2013	2014	2015	2016
China	7.7	7.4	7.0	7.0
EM Asia	6.1	6.0	6.0	6.1
US	2.2	2.3	3.8	3.0
Eurozone	-0.4	0.9	1.5	1.9
World	3.2	3.2	3.7	3.9

Source: ABN AMRO Group Economics

Oil price collapse from a pessimistic point of view

Not everyone is happy with a huge tax cut apparently. The more than halving of oil prices over recent months has received mixed reviews in some quarters. The negative tilt is that the fall in oil prices may be reflecting a weakness in global demand, while also encouraging deflationary tendencies. There is no pleasing some people. Presumably if oil prices had doubled, they would be throwing a party.

Oil prices likely to support demand

In our view, the slide in oil prices is fantastic news for the global economy and will provide a considerable tailwind to economic growth in the coming months. Net importers will benefit from a large windfall (see chart). This includes the US, eurozone member states and Asia's largest economies. Although it is a zero sum gain – someone's win is someone else's loss – consumers are far more likely to spend the funds in the coming quarters.

US economy has taken off

The US economy is building substantial momentum. Private sector balance sheets have strengthened noticeably, laying the foundation for households to spend and companies to invest and hire. Employment growth has accelerated and unemployment has fallen quickly. GDP in the third quarter was up by 5%, building on a 4.6% gain in Q2. Economic growth will not be quite as strong going forward, but should still be in the 3.5 – 4% range on average. US demand will provide a lift to other economies.

Monetary easing in Europe and Asia

Other big economies that have been performing much less well are taking determined actions to lift economic growth. The ECB surprised financial markets recently with a much bigger than expected QE programme. Asset purchases will amount to at least EUR 1.1 trillion, but could rise significantly beyond that. The BoJ has introduced an even larger programme relative to the size of its economy. Meanwhile, the Chinese authorities have so far succeeded in managing a gradual slowdown in the economy, and we expect them to continue to sustain growth at lower – but still impressive – rates. The PBoC has cut policy rates to this end and will do so again. India's central bank has also shifted to easing mode.

Upside risks to our forecast:

- Fed keeps rates on hold longer than anticipated
- Upside growth surprises following fall in oil prices
- Stronger return of confidence

Downside risks to our forecast:

- Increased risk aversion due to abrupt Fed exit
- Weaker-than-expected Chinese economic growth
- Deflation and political risks in Europe

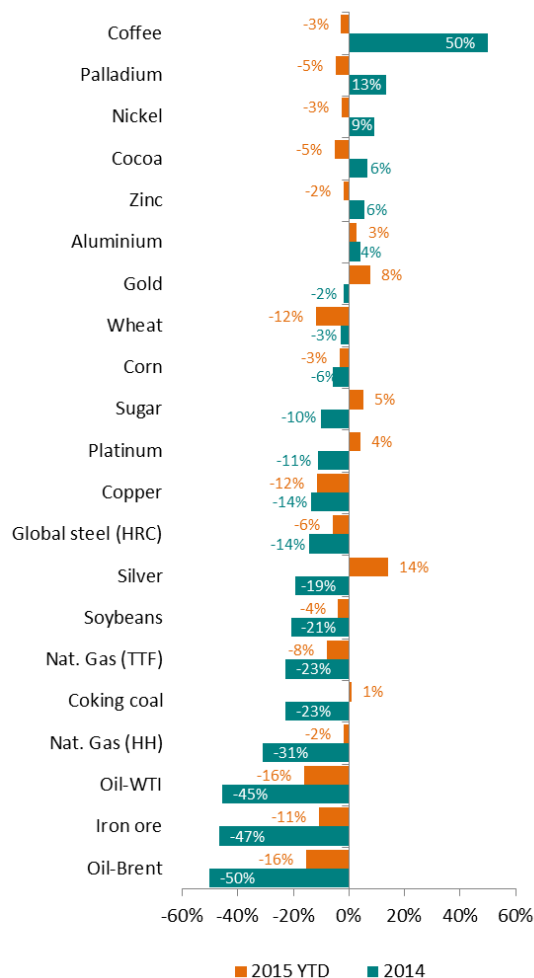
Commodity top down

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Higher growth to support cyclical

- Since the peak in June 2014 the CRB index has declined by 30%
- Lower oil prices have put other commodity prices under pressure...
- ...but economic growth to prevail and to trigger a recovery in prices going forward

Performance individual commodities 2014 and 2015 YTD



Source: Thomson Reuters Datastream

Commodity indices

	2011	2012	2013	2014	27 Jan 2015
CRB:					
- index	305.30	295.01	280.17	229.96	217.91
RICI:					
- index	3,627	3,700	3,534	2,749	2,588

Source: Bloomberg

Since the peak in June 2014 the CRB index lost 30%

Since the peak in June 2014, commodity prices have fallen sharply. The CRB has declined by 30% since the peak set in June 2014. The massive drop in oil prices was mainly responsible for this, because it has the largest share in the CRB index. An outlook of oversupply, lower risk premium and fears about energy demand pushed crude oil prices lower. In addition, weakness in copper, gold and soybean prices also contributed to the negative performance of the CRB index. Fears about weaker global demand growth for industrial metals, lower oil prices and a higher US dollar weighed on base metals and most precious metals. Price rallies in wheat and corn and coffee dampened the downside somewhat. These rallies were mainly the result of lower than expected supply.

Past oil price declines filtering through...

We expect oil prices to recover in the coming months, because supply and demand start to adjust. We expect oil producers to lower supply, while demand is set to pick up because of stronger growth. However, oil prices will remain relatively low compared to 2013 and 2014 in our view. Past declines and relatively low oil prices going forward will continue to filter through commodity markets. First, the production process for base and precious metals is energy intensive. So relatively low oil prices lower the cost base. As a result, this also puts pressure on prices. Second, lower oil prices result in lower inflation expectations. In turn, this hurt assets that are used as inflation hedge such as gold. In the case of grains and sugar, lower oil prices has spurred an active debate about the use of grains in biofuels. In addition lower oil prices will stimulate farmers to sell their crops at lower prices because of lower transportation costs.

... but growth outlook to prevail

Lower oil prices will also push up economic growth and this is supportive for commodity demand. We expect fundamentals for cyclical commodities to improve leading to a recovery in oil, and most base and precious metal prices (excluding gold). However, an important condition is that investors have cleared a substantial part of their positions. Grain prices will likely remain under pressure in the coming months, because of high supply. Meanwhile, coffee and sugar prices will probably continue to receive support in light of the drought in Brazil.

Upside risks to our forecast:

- Stronger global economic growth
- Supply disruptions/(geo) political risks
- Adverse weather conditions

Downside risks to our forecast:

- Hard landing in China and/or weaker global growth
- More aggressive rate hikes by the Fed
- An even stronger US dollar rally.

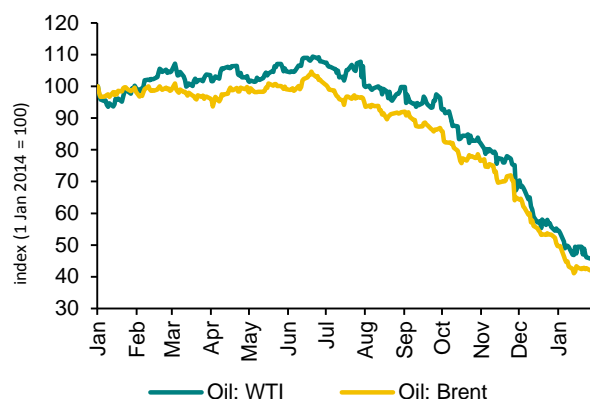
Energy: Brent, WTI, Henry Hub, TTF

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Oil prices fell off a cliff

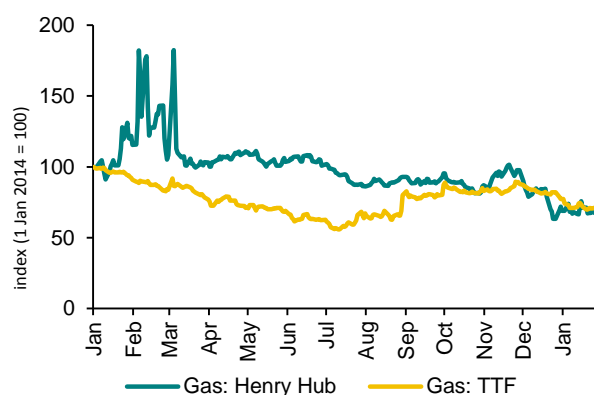
- Oil prices dropped too far, too fast
- Near-term downward risks remain, but price recovery is expected in the course of 2015
- Natural gas prices remain at low levels, with downside potential in Europe and slight recovery in US

Price index oil 2014 and 2015 ytd



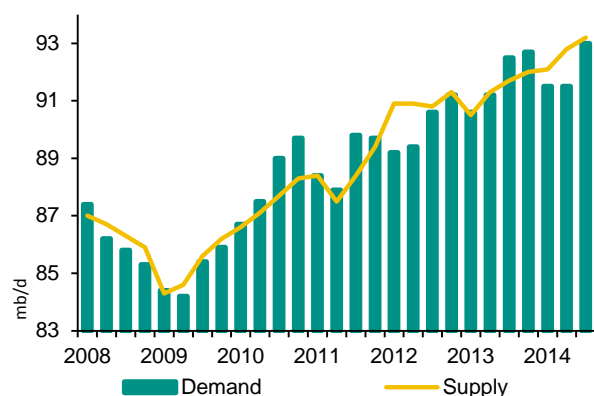
Source: Thomson Reuters Datastream

Price index gas 2014 and 2015 ytd



Source: Thomson Reuters Datastream

World oil supply and demand



Source: IEA

Oil oversupply hurt

After reaching a high in June (USD 115.71/bbl), oil prices came under pressure. The market started to focus more and more on the existing oil production oversupply, which had persisted since 2012. In addition, the stronger US dollar and the fact that demand expectations were revised downwards both weighed on prices. In our previous Quarterly Commodity Outlook, we already warned that the lower band of the three-year trading range of USD 80-120/bbl would be seriously tested. This was indeed the case until the OPEC meeting on 27 November, during which the oil producing countries made it clear they were not willing to cut production in order to support the oil price. Realising that oversupply will remain intact for the coming months, investors started to sell off oil. And, as a result, oil prices fell off a cliff, dropping below USD 50/bbl.

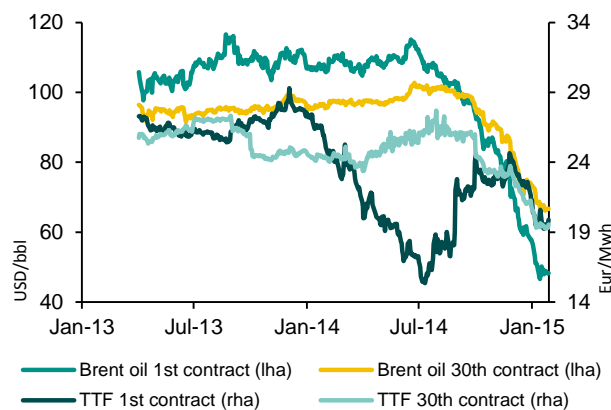
Near-term risks remain, but recovery is expected

From a fundamental perspective, we believe that oil prices dropped too far, too fast. Although the situation of oversupply will remain in the coming months, a price recovery could be triggered by expectations of a dampening of this oversupply in due course. For a price recovery, the market should start to focus on other drivers and not just on the negative arguments. The first signals are already starting to emerge. The number of US oil rigs has already dropped by more than 10%. This is a direct result of the lower oil prices. In mid-October, the number of rigs reached a record high of 1,609 according to Baker Hughes data. But by mid-January, that number already dropped to 1,366, the lowest level since October 2013. New oil projects are also increasingly either being delayed, or actually cancelled. And the risk of financial problems among oil-related companies needing to refinance their CAPEX has increased. This may result in defaults, or more M&A activity. Finally, OPEC oil production has started to ease. Libyan oil production dropped due to renewed unrest, leading to lower exports. And OPEC data will be closely monitored to see whether the organisation did, or did not, lower its overall oil production to a level closer to its own quota of 30 million barrels per day (mb/d) as indicated at its last meeting. In October, OPEC production was closer to 31 mb/d, adding to market concerns that the global oversupply will continue.

However, the longer-term effect of the low oil prices should trigger a shift in market expectations. The lack of investments in the oil sector will build to the case of higher oil prices for the longer term. After all, it may already be

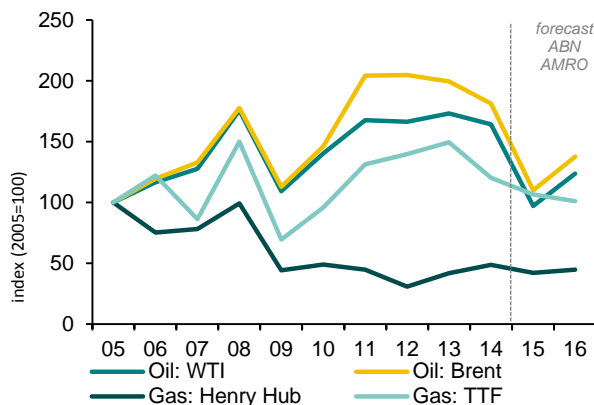
Energy: Brent, WTI, Henry Hub, TTF

Spread TTF gas and Brent oil 1st vs 30th contract futures



Source: Thomson Reuters Datastream

ABN AMRO price forecast (Index)



Source: Thomson Reuters Datastream, ABN AMRO

ABN AMRO price forecast table

	3m (end of Apr. '15)	6m (end of Jul. '15)	12m (end of Jan. '16)	2015 avg	2016 avg
Brent:					
- USD/barrel	55	60	70	60	75
WTI:					
- USD/barrel	50	55	65	55	70
Gas HH:					
- USD/mmBtu	3.50	3.75	4.00	3.75	4.00
Gas TTF:					
- EUR/MWh	17	18	19	19	18

Source: ABN AMRO Group Economics

challenging to keep oil production at current levels, while an increase will be needed to meet the rise in global oil demand in 2020 and beyond. Meanwhile, we expect the low oil prices to provide an extra boost to economic growth. As a result, we have an above-market-consensus forecast for growth in the US, Europe and China. If we are right, the rise in demand will lower the oil oversupply.

Natural gas prices comfortably low

Although the drop in oil prices drew most attention, prices of other fossil fuels – like gas and coal – also declined significantly. US Henry Hub natural gas prices dropped to their lowest level since September 2012 and are currently trading below USD 3/mmBtu. In Europe, too, Dutch TTF prices are at remarkably low levels this winter season. In fact, TTF would have been trading at the lowest levels in four years if it weren't for last summer's huge price decline triggered by mild weather conditions and high inventories. This decline was followed by a price recovery based on tensions between Russia and Europe, boosting fears of possible gas supply disruptions. Now that these fears have evaporated, while the mild winter so far is dampening demand and inventories remain high, European gas prices have once again dropped below EUR 20/MWh. The pressure on TTF prices was also supported by the drop in Asian LNG prices. LNG exporters now have a choice as to where to send their LNG, as Asian prices are approaching European gas prices which is resulting in increased competition. Therefore, the gas supply in Europe may even increase, adding further pressure to prices.

Seasonal demand could trigger recovery...

With several weeks of winter still to go, seasonal demand could trigger a rise in demand. However, a period of cold weather should not immediately lead to shortages and we therefore do not expect the price peaks we have seen in recent years. Only if cold weather lingers, or tensions between Russia and Europe re-emerge, worries of possible shortages possibly trigger a more significant price appreciation.

...but overall trend remains negative (in Europe)

A further decoupling of the oil price, as well as ample supply and substitution effects, could keep the lid on European gas prices. Geopolitical risks continue to form a risk for shortages, and the lack of investments may result in shortages in the longer term. However, the direction for European gas prices in the forecast period seems to remain downward. In the US, natural gas prices could see some support if production rigs are hurt by the low prices, and demand increases as a result of strong economic growth. Nevertheless, Henry Hub gas prices seem to be capped around USD 4.50/mmBtu for 2015 and 2016.

Upside risks to our forecast:

- Geopolitical risks escalate, resulting in supply disruptions among major oil producing countries
- Weather-related events lead to lower supply
- Faster-than-expected economic recovery boosts demand

Downside risks to our forecast:

- Continued OPEC price war as a result of an uncontrolled rise in oil production
- USD rallies and/or yields rise faster/more than expected
- Economic growth (demand) fails market expectations

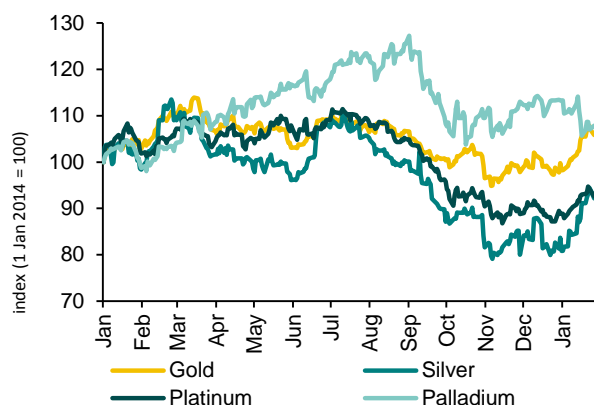
Precious metals: gold, silver, platinum, palladium

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Impact of lower oil prices

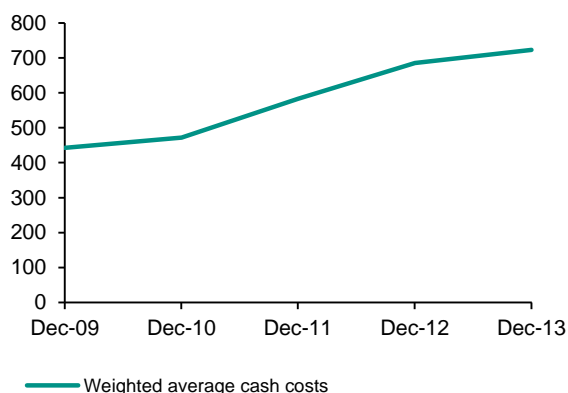
- 2014: Strong first half and sell-off second half
- Lower oil prices pushed down cash costs and resulted in lower inflation expectations
- Expectations of Fed rate hikes in 2015 to push precious metals lower in H1 2015

Price index precious metals 2014 and 2015 ytd



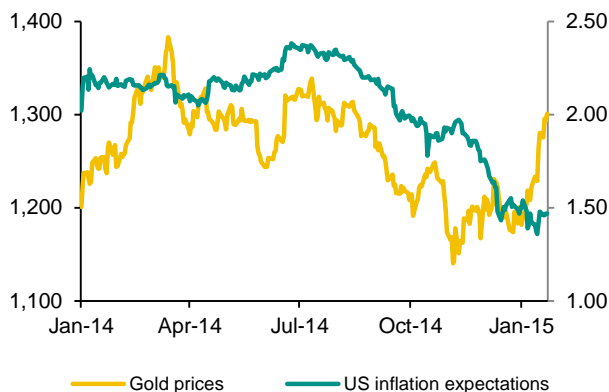
Source: Thomson Reuters Datastream

Weighted average cash costs



Source: Bloomberg, ABN AMRO

Inflation expectations and gold prices



Source: Bloomberg, ABN AMRO

2014: strong first half and sell-off second half

In 2014, silver prices lost more than 19%, while platinum prices were down by more than 11%. Meanwhile, palladium prices rose by around 11%, while gold prices lost only 1.4%. This sharp divergence is rather surprising, especially if we take into account the strong start of the year. The first half of 2014 showed strength of precious metal prices across the board with increases of 7 to 17%. This was in an environment of a neutral US dollar and strong demand expectations. Since July of 2014, the picture has changed completely. In the second half of 2014, precious metals lost between 5 (palladium) and 25% (silver) and this had a dramatic impact on the year's overall performance. The main reason for weakness in the second half of 2014 was US dollar strength. Silver, gold and platinum had a strong start to 2015.

Lower oil prices pushes down cash costs...

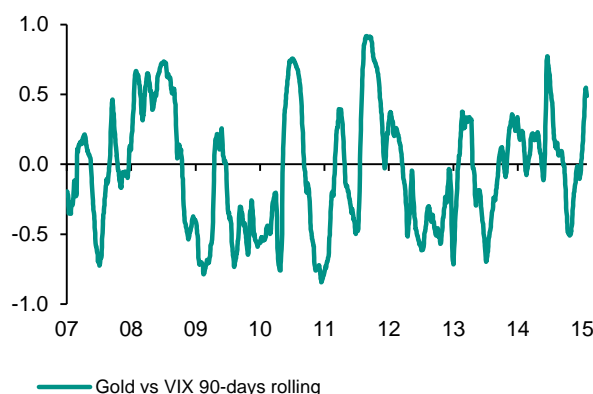
Mining precious metals is very energy intensive. The large drop in oil prices will push total cash costs to mine precious metals lower. It is likely that this will more than offset the upward pressure seen in total cash costs over the recent years (see graph). The data for 2014 are not available yet, but we expect the trend to turn lower. This is positive for the mining companies as energy costs dropped at a faster pace than precious metal prices. Most of them have been in the middle of a restructuring and/or efficiency wave. Also our energy outlook for this year and next year signals that total cash costs will trend lower. However, the sharp sell-off in prices we expect in the near term will keep the pressure on mining companies to improve efficiency.

...and lower inflation expectations hurt gold initially

The large drop in oil prices since July has dramatically altered inflation expectations. The market has adjusted these downwards. In a general positive investor climate, lower inflation expectations is negative for gold prices, because investors have less urgency to hedge inflation. While if sentiment deteriorates because of fears of a general slowdown in the global economy, as recently has happened, lower inflation expectations are supportive for gold prices. This is mainly because of safe haven demand rather than demand related to inflation worries.

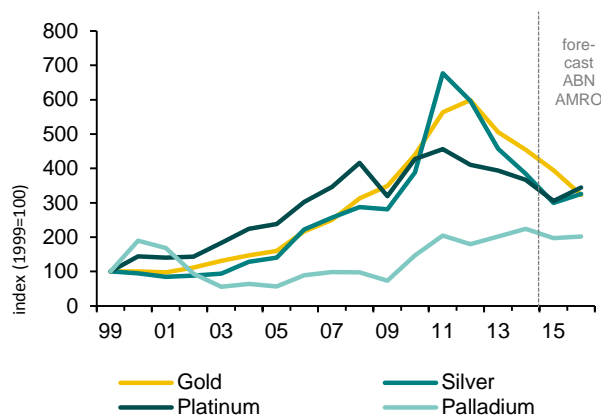
Precious metals: gold, silver, platinum, palladium

Gold prices and the VIX (90-day rolling)



Source: Bloomberg

ABN AMRO price forecast (index)



Source: Thomson Reuters Datastream, ABN AMRO

ABN AMRO price forecast table

	3m (end of Apr. '15)	6m (end of Jul. '15)	12m (end of Jan. '16)	2015 avg	2016 avg
Gold:					
- USD/oz	1,150	1,100	1,000	1,100	900
Silver:					
- USD/oz	15.5	15.0	16.0	15.6	17.0
Platinum:					
- USD/oz	1,150	1,100	1,200	1,150	1,300
Palladium:					
- USD/oz	750	650	700	706	725

Source: ABN AMRO Group Economics

...but extreme situations give support to gold

Gold prices not only do well in an environment of high inflation (especially if central banks are behind the curve), but also if inflation expectations are extremely low. Currently the latter is playing out. Central banks are directly competing in easy monetary policy because of deflation risks. As a result, more central banks will likely opt for negative rates or quantitative easing. For example, the Swiss National Bank recently cut rates to -0.75% when it discontinued the floor in EUR/CHF and the Danish central bank cut to -0.2%. The central bank of Sweden is on the verge of QE or negative rates to fight deflation. Meanwhile, the ECB and BoJ continue aggressive quantitative easing. These actions are positive for gold prices because at least the interest rate on gold is not negative. Especially if the market has adjusted its view downwards about possible rate hikes by the Fed this year.

Don't underestimate the impact of Fed rate hikes ...

Despite all the actions by other central banks, the outlook for the Fed this year remains the crucial force for the near term outlook for precious metals. Since the start of 2015, financial markets have considerably reduced expectations of upcoming rate hikes by the Fed. Meanwhile, Fed officials have continued their rhetoric of rate hikes to start in June despite core inflation being below 2%. It is likely that the Fed will start normalising monetary policy in June, in our view, and hiking rates by 25bp once every other meeting bringing the Fed funds rate at the end of 2015 to 1%. Financial markets currently anticipate Fed funds to be at only 0.43% at the end of 2015. So financial markets need to do quite some catch-up. This will be positive for the US dollar and negative for precious metals because investors will unwind positions.

...but demand outlook remain supportive longer-term

We expect an increase in jewellery demand for precious metals in the coming years because of a modest rise in Indian and Chinese demand. It is likely that strengthening of the global economy will go hand in hand with an increase in demand for precious metals for industrial uses. In addition, the recovery of the eurozone economy, strong US demand and more Chinese demand for cars should also result in an increase in demand for precious metals. Therefore, we have pencilled in increases in both industrial and car sales demand for the coming years. These drivers should lead to a rise in silver, platinum and palladium prices once investors have lightened their positions.

Upside risks to our forecast:

- (Geo) political events trigger risk-aversion
- Fed on hold for longer, supporting precious metals
- Further supply disruption in platinum and palladium

Downside risks to our forecast:

- More aggressive rate hikes by the Fed
- Weaker global economy hurts platinum and palladium
- Larger-than-expected mine supply

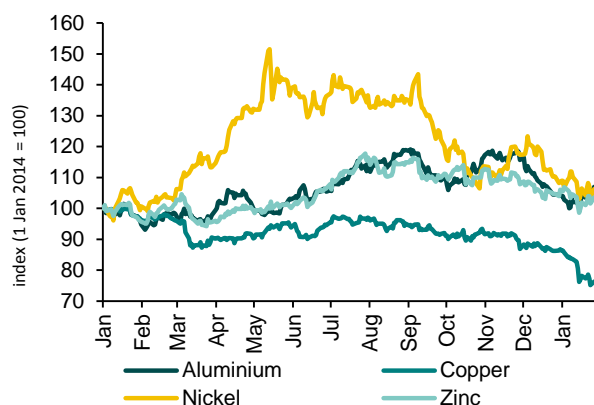
Base metals: aluminium, copper, nickel, zinc

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Non-fundamentals weigh on prices

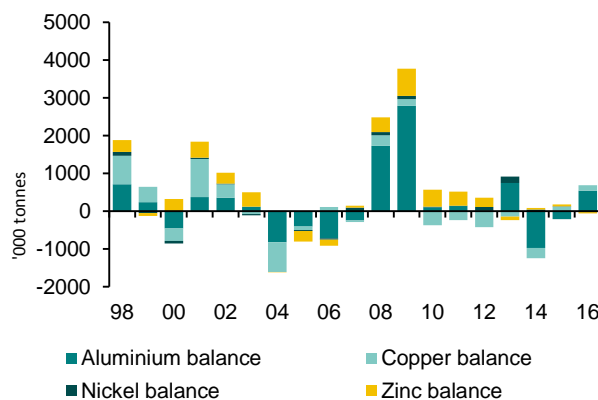
- Base metals prices softened on plummeting oil prices, stronger dollar and demand worries
- Still, long-term fundamental outlook for base metals markets remains favourable
- We expect prices to strengthen and demand to remain resilient during 2015

Price index base metals 2014-2015



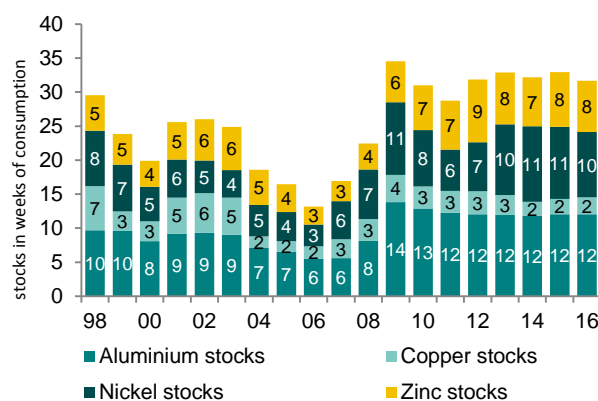
Source: Thomson Reuters Datastream

Base metals balance until 2016



Source: Metal Bulletin

Base metals stocks in weeks of consumption until 2016



Source: Metal Bulletin

Base metals prices dragged down by oil and US dollar

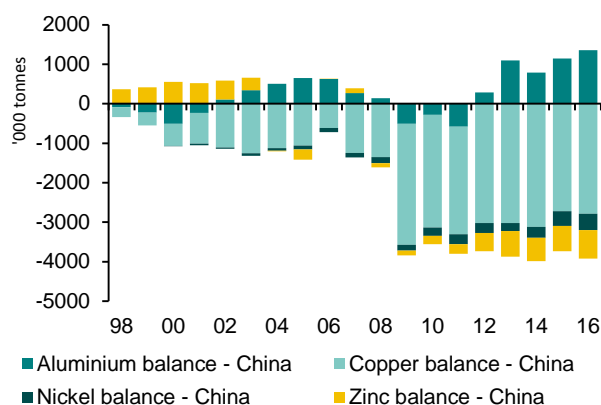
The drop in oil prices and the stronger US dollar both left their mark on the base metals price performance. The oil price reached its 2014 peak on 19 June (USD 115.43), after which it started to decrease. At first, the downward price trend in oil had a negligible effect on most base metal prices. At this early stage, only a softening in the copper price could be traced back to oil price developments in some instances. But from 24 November 2014 onward, the pace of the oil price decline began to further accelerate. Prices for all base metals fell almost immediately and copper prices suffered the most. The correlation between base metals and oil is twofold. Firstly, the base metal production process is energy intensive, and thus the cost base is relatively lower when oil prices drop. And secondly, the link between investing in oil and other commodities (such as base metals) through indices is high. This means that when investors want to pull back positions from oil, they also simultaneously lower their positions in base metals. Besides the (perfect) storm in the oil market, the strengthening of the US dollar also played a role. Normally, the USD rate is inversely related to base metals prices. Since all base metals are traded in USD on the world market, a stronger dollar depresses demand for copper as this translates into higher costs in the buyer's currency, thus adversely affecting demand. And lastly, another interfering factor was the ongoing concern over the economic slowdown in China the effect this would have on the level of base metals demand going forward.

Most indicators point towards sound fundamentals

Worries this year over demand growth for base metals from China are well-founded. Economic growth is set to slow in 2015 on a yearly basis (by 0.5%-points), which will most likely lead to a downward effect on the level of base metals demand. In fact, a slowdown in industrial metals demand already surfaced due to import data during H2 2014. However, despite the slowdown, growth in Chinese metal demand is still on the table and we think that demand for base metals will remain resilient going forward, even in a lower macro-economic growth scenario. Meanwhile, we think market reactions to oversupplied metal markets are overstated in 2015. Numbers and forecasts show that aluminium and copper will be oversupplied in 2015. In itself, this is a negative development. However, relative to total metal consumption, the level of oversupply remains negligible. The base metals balance for China is seen continuing in negative territory until 2016 for most base metals. The odd one out is the Chinese aluminium market, which will remain oversupplied until 2016. But for the other

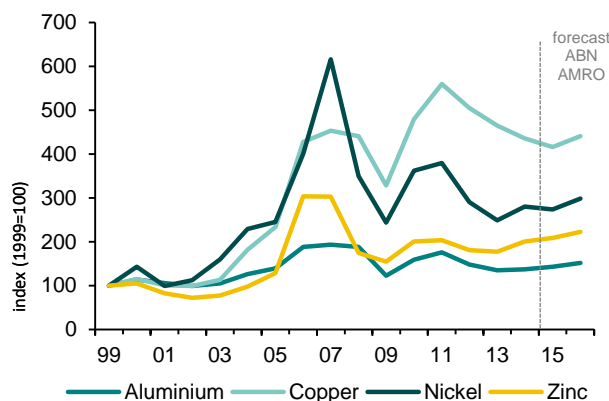
Base metals: aluminium, copper, nickel, zinc

China base metal balance until 2016



Source: Metal Bulletin

ABN AMRO price forecast (index)



Source: Thomson Reuters Datastream, ABN AMRO

ABN AMRO price forecast (actual)

	3m (end of Apr. '15)	6m (end of Jul. '15)	12m (end of Jan. '16)	2015 avg	2016 avg
Aluminium:					
- USD/tonne	1,890	1,940	2,015	1,950	2,075
- USD/lb	0.86	0.88	0.91	0.88	0.94
Copper:					
- USD/tonne	6,200	6,600	6,800	6,550	6,950
- USD/lb	2.81	2.99	3.08	2.97	3.15
Nickel:					
- USD/tonne	15,500	17,100	17,800	16,500	18,000
- USD/lb	7.03	7.76	8.07	7.48	8.16
Zinc:					
- USD/tonne	2,200	2,285	2,325	2,250	2,400
- USD/lb	1.00	1.04	1.05	1.02	1.09

Source: ABN AMRO Group Economics

base metals, Chinese import demand for industrial materials will probably grow further. Still, projections for base metal inventories continue to be relatively high, with significant aluminium inventory and strong increases in nickel inventory (both in weeks of consumption). On the other hand, the global recovery appears to remain on track. Enough indicators still point towards a moderate economic recovery scenario, which should also support future demand for base metals.

Base metals prices should improve from current levels

Going forward, base metals price trends will highly depend on economic developments in emerging Asia, especially China. Our base scenario is that the Chinese economy will grow by 7.0% in 2015. We think that, in the course of the year, China will take supportive measures if economic data disappoints. In addition, the outlook for the main metal consuming sectors in emerging Asia is positive until 2016. Metals demand is primarily driven by consumption of vehicles, electrical devices, industrial machinery and construction. Moreover, urban development and projections on urbanisation for the coming years remain favourable for metals demand. However, our view on base metal price developments remains challenged by headwinds, such as a stronger than expected slowdown of the Chinese economy, further strengthening of the US dollar and oil price depreciation and a stronger than foreseen supply growth.

Oversupply in aluminium

In any case, overcapacity in the aluminium sector in China is expected to remain persistent. The oversupply in this market during 2015 will find its way into the international market and, as a result, this will limit any significant price increase. However, the continuing decrease in inventories will positively affect sentiment. Meanwhile, prospects for aluminium demand will remain relatively good in the forecast period, with an increase in demand from major end-using sectors. Aluminium prices are therefore expected to increase modestly in 2015. Zinc and nickel prices are also projected to increase further. In both metals markets, supply issues will be the main drivers in the forecast period. Demand in these markets is also expected to remain robust, with expected increases in output for the global automotive, construction and manufacturing sectors. In light of this, we also think demand for copper will remain solid. Copper prices decreased strongly on lower oil prices and a stronger US dollar and, as long as this situation persists, copper prices will probably stay soft. Import demand will not likely pick up immediately in Q1 2015 because China is currently well-stocked. Chinese copper concentrates imports rose strongly in 2014, up 18%. We forecast an increase in copper prices through 2015 from their current relatively low level, albeit at a slow pace. All in all, we think long-term demand prospects will keep prices afloat while end-user demand will pick up in the forecast period.

Upside risks to our forecast:

- An increase in geopolitical tensions
- A stronger-than-forecast Chinese economic performance
- Significant cutbacks in capacity (China)

Downside risks to our forecast:

- Weaker-than-expected growth in Chinese economy
- Funds scale back interest in base metals
- Limited producer discipline: oversupply in markets

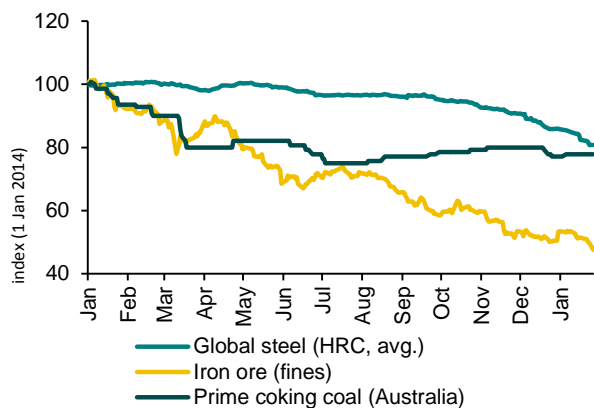
Ferrous metals: steel (global, HRC), iron ore, coking coal

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Ferrous prices soften across the board

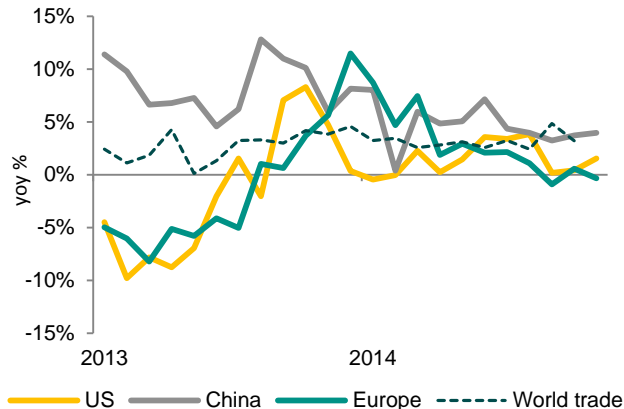
- Limited steel purchasing activity in most regions is dragging on prices
- Going forward, steel market conditions will remain challenging, with no signs of a swift recovery
- Iron ore prices are expected to remain soft, while coking coal prices are seen holding steady

Price index ferrous metals 2014-2015



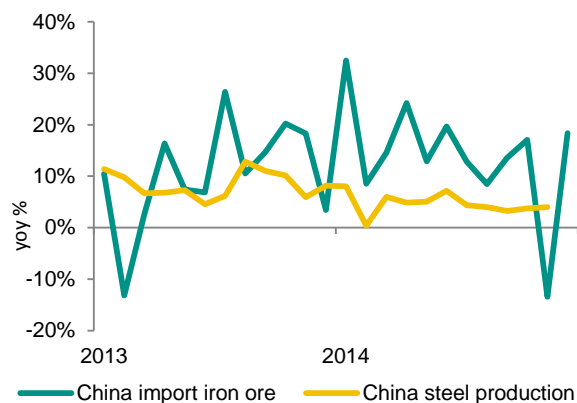
Source: Thomson Reuters Datastream

Regional steel production growth & world trade



Source: Thomson Reuters Datastream, CPB, WSA

Chinese imports iron ore & steel production



Source: Thomson Reuters Datastream, WSA

Regional steel prices dropped in 2014

Over the course of 2014, global steel prices decreased by 14%, with steep declines in Europe, CIS and China. Mill demand was generally weak, buying activity among traders was low, while input costs weakened. Steelmaking raw material prices fell sharply during the year. Iron ore prices dropped by 47%, while coking coal prices declined by 23%. The global ferrous industry is still depressed. So far, buying activity has been subdued, with little interest among customers worldwide. And due to limited business bookings, producers were not able to increase prices at the beginning of the year, which is traditionally the procedure during Q4 into Q1. Indeed, in the first four weeks of January, the average global steel price decreased by 4.5%. In all major steel-producing regions, steel prices softened, with strong price drops in China and Latin America. By contrast, steel prices in the US only softened by 2% since the start of 2015.

Despite steel demand glut, output increases

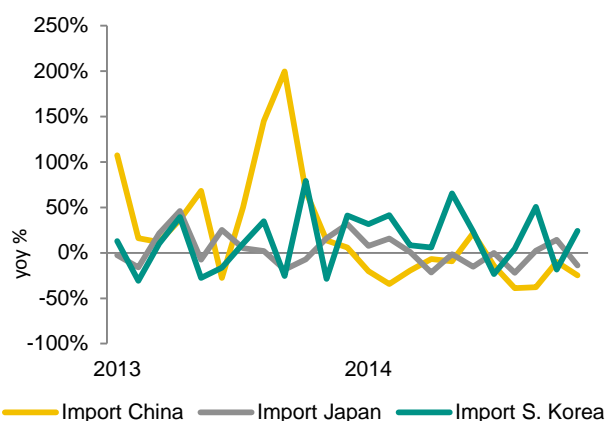
For the last couple of years, overcapacity has been the biggest concern for the global steel industry, resulting in continued price weakness. Demand has been lacklustre, while production increased further. And despite this imbalance, we witnessed little producer discipline last year. In 2014, global steel production rose by 1.2% yoy, with the further production increases in China (1.5%). In these challenging conditions, the producers' strategy is twofold. In some instances they try to persuade customers to buy more volume, with the prospect of certain discounts. Other steel mills cut production (or are forced to do so) and/or announce early maintenance programmes. This strategy is an attempt to restore balance to the market, boost sentiment and thus keep prices afloat.

Limited buying in iron ore markets

At this stage, iron ore market sentiment is still weak. Iron ore prices are expected to stay soft during 2015, but seasonal factors could dampen strong price drops in Q1. This is based on several assumptions. Firstly, ahead of the upcoming holiday period in China (the New Year celebration, with seven consecutive days of holiday), Q1 buying activity in China could increase. The rationale behind this is that steel mills will likely want to lock in sufficient supplies and secure deliveries for the period after the holiday season. However, given the tight credit situation, limited steel buying activity and current high iron ore stocks in Chinese ports, a significant increase in buying

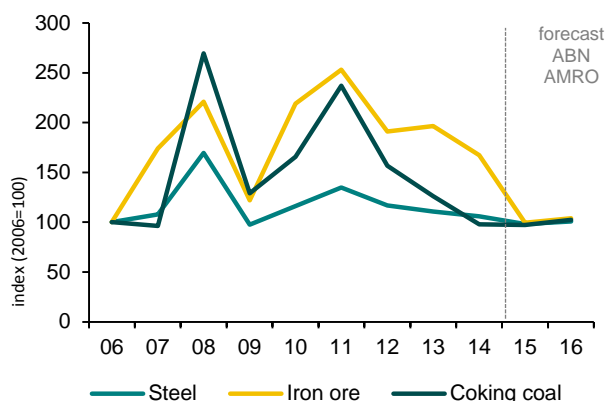
Ferrous metals: steel (global, HRC), iron ore, coking coal

Coking coal import by country



Source: Thomson Reuters Datastream, Clarksons

ABN AMRO price forecast (index)



Source: Thomson Reuters Datastream, ABN AMRO

ABN AMRO price forecast (actual)

	3m (end of Apr. '15)	6m (end of Jul. '15)	12m (end of Jan. '16)	2015 avg	2016 avg
Steel (global, HRC):	515	512	520	525	538
- USD/tonne					
Iron ore:	70	71	72	69	72
- USD/tonne					
Coking coal:	111	112	118	114	120
- USD/tonne					

Source: ABN AMRO Group Economics

activity – by mills and traders – is not expected. Secondly, during the first few months of each year, top iron ore suppliers – such as Australia and Brazil – enter a 'wet season', which can negatively affect export volumes. In the past, weather has severely limited output among mining operations and dampened the number of shipments. When lower export volumes from major suppliers become a reality, iron ore prices tend to lift somewhat.

Coking coal market remains stable

Conditions are relatively better for coking coal, although the short-term outlook does not appear favourable. At the moment, supply continues to outpace underlying demand, which has thus far caused weakness in coking coal prices. And going forward, buying activity will be depressed in Q1 in light of weak steel demand, high coking coal stock levels at steel mills and the expectation among market participants that coal prices will decline. On the positive side, the recent drop in the oil price has been beneficial for margins. With the lower oil prices, diesel costs also fell, reducing the total cost base. Long-term prospects are somewhat better, and we expect that the market will be fairly balanced two years from now, which should push prices up during 2016.

We anticipate ferrous prices to generally remain soft

Overall, ferrous markets face varying global economic conditions. The economic climate in the US is positive. With the expanding US economy, buying activity from steel end-users is expected to increase. In any case, the US outlook for car sales and the construction sector – two major steel-consuming sectors – is still good. However, the steel suppliers to the car manufacturing sector are facing increased pressure from aluminium substitution. Meanwhile, in China and Europe, market participants are concerned about the economy. Hopes are up for meaningful economic stimulus measures in China aimed at boosting infrastructural and construction projects, which will mean a significant steel demand revival. But even if such measures are announced, we still expect structural issues to weigh heavily on prices. Abundant supply will push prices lower for steel and iron ore in the short term, while coking coal prices are expected to remain somewhat stable on an annual basis. We think global steel prices and steelmaking raw material prices will move in tandem for some time. The further softening of prices will not result in an acceleration of defaults among steel mills and in the mining sector, because relatively lower oil prices will keep producers competitive. Chances are, however, that a portion of the high-cost suppliers in China will be forced to stop production and/or that projects will be mothballed. State-owned mines (in most cases highly integrated with domestic, state-owned steel mills) will continue to operate.

Upside risks to our forecast:

- Stronger-than-expected Chinese economic growth
- Severe supply disruptions due to unfavourable weather
- Stockpiling strategies by governments

Downside risks to our forecast:

- Weaker-than-expected Chinese economic growth
- New capacity entering the market
- Limited producer discipline and lingering oversupply

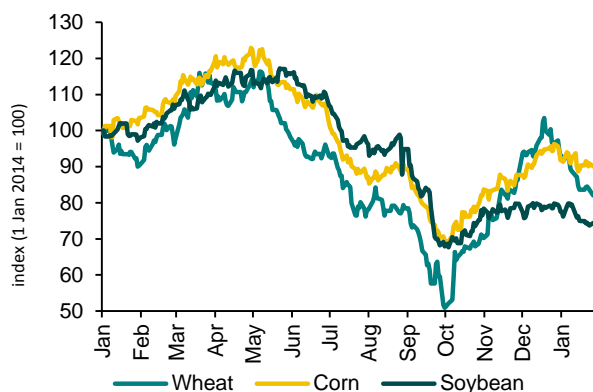
Agriculturals: wheat, corn, soybeans

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The same story for 2015

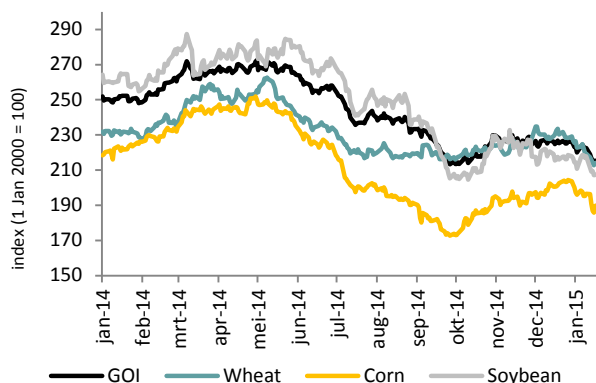
- 2014/2015 bumper crops and high stocks determine prices in the coming months
- Lower demand for bioethanol due to lower crude oil prices
- Soybeans sees fastest growth in consumption and production

Price index agriculturals 2014



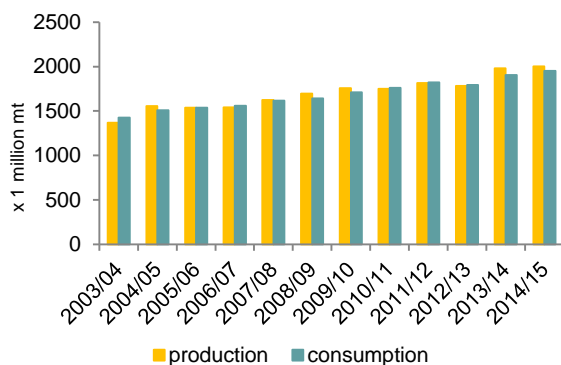
Source: Thomson Reuters Datastream

GOI index



Source: IGC

Total grains: production versus consumption



Source: IGC

Record high ending stocks

2014 was the year of the bumper crops in agricultural grains. Above-average production improved grain stocks, with lower prices as the key result. Soybeans saw the most impressive growth in ending stocks, with an annual growth of 38%. Meanwhile, corn and wheat stocks rose for the second year in a row. Corn stocks increased 10% and wheat grew nearly 6%, according to the USDA January report.

In addition to the record ending stocks, the average price of grains has fallen 13% since the beginning of 2014, according to the International Grain Council's Grain and Oilseeds Index (GOI). The underlying sub-indices show that world corn prices (-14%) and soybean prices (-20%) fell particularly sharply since the start of the season. World wheat prices dropped by 7% during this period. The price decline was also supported by the stronger dollar, which means lower US export grain prices.

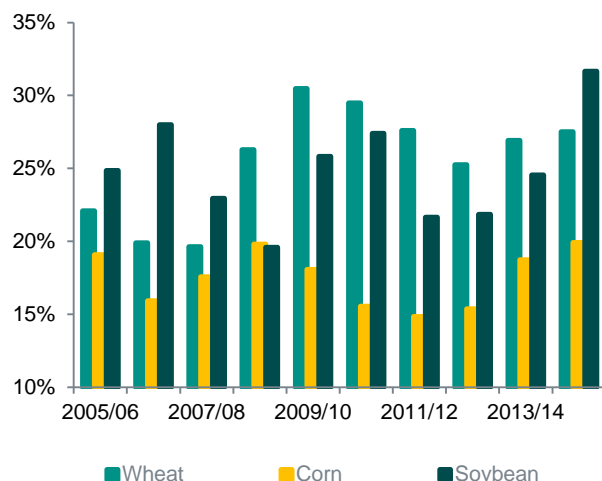
Does a lower oil price lead to less use of bioethanol?

Another interesting factor that is potentially influencing grain prices is the price of crude oil. The drop in oil prices has spurred an active debate over the impact on the price of agricultural commodities, many of which are used to make biofuels. There seems to be a strong correlation between grain and oil prices. The prices of corn and soybeans in particular are strongly correlated with crude oil price movements. This is not surprising given the increasing use of bioethanol. The world Food and Agricultural Organisation (FAO) already warned that weaker oil prices spelled "bearish trends". In light of the lower crude prices, it may seem a bit surprising that in its latest market report, the USDA lifted the output projection for corn used to produce ethanol by 25 million bushels to 5,175 million bushels (against 5,150 million bushels a month earlier). The reason for this lift in US production used for ethanol is explained by the aim of the United States to become less dependent on crude oil and the mandate that ethanol must account for 10% of fuel.

We also believe that lower crude oil prices will stimulate farmers to sell their crops because of lower fuel costs for transport. All by all, we expect that the lower crude oil prices will have a bearish influence on 2015 grain prices, also in terms of costs.

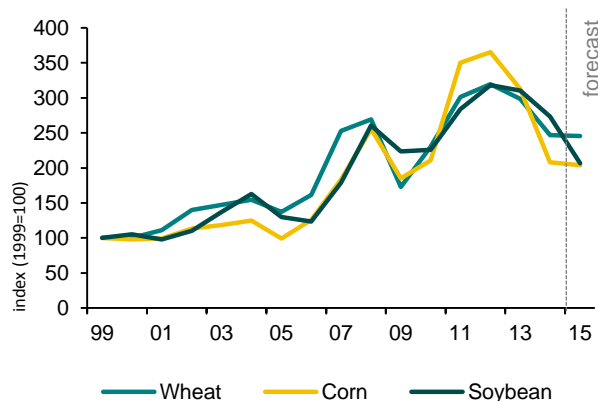
Agriculturals: wheat, corn, soybeans

Stocks-to-use-ratio



Source: USDA/IGC, ABN AMRO Group Economics

ABN AMRO price forecast (index)



Source: Thomson Reuters Datastream, ABN AMRO

ABN AMRO price forecast

	3m (end of April)	6m (end of July)	2015 avg
Wheat:			
- USDc/bu	530	590	575
Corn:			
- USDc/bu	375	395	390
Soybeans:			
- USDc/bu	950	930	945

Source: ABN AMRO Group Economics

The high production saga continues

The high production level of all grains in the 2014/2015 season remains on track. In its latest market report, the USDA revised grain production upwards to 2,025 metric tonnes (mt). While this is only a slight increase of 2 mt compared to the last quarter, it is 8.5% above the five-year average. Soybean production rose the most this season, with an annual growth of 11%. Both corn and wheat increased slightly on an annual basis (around 1%) but compared to the five-year average, growth was 9% for corn and 5.4% for wheat. The International Grains Council (IGC) reports an annual production growth of 32 mt in its latest January report.

Grains consumption increased by 2.1% to 1,971 mt in the 2014/2015 season, according to the USDA's latest market report. This means that growth in consumption growth slightly outpaced the growth rate in production. However the total annual production level heavily outreach the consumption this effects the prices negatively. Soybeans saw the biggest increase in consumption, with an annual growth rate of 5.1% to 286 mt. Corn and wheat consumption increased by 1.8% and 1.2% this season. The demand for food grains increased particularly markedly last year, outweighing the demand for feed grains or grains with alternative purposes.

Price forecasts

Global supply and demand, planting decisions, weather conditions and geopolitical tensions will remain the key drivers through 2015, along with the development of the oil price and the US Dollar exchange rate against several currencies. Assuming normal crop growing conditions and a normal – i.e. moderate - increase in demand, grain prices will stay at the current relatively low levels, with some differences among the crops. With the market anticipating a further increase in soybean production, according to the latest WASDE report, prices of this crop will tumble over the next three months. We expect soybean prices to reach levels of USDc 950/bushel at the end of April. Because of the high end stock levels and good projections we decided to cut our 2015 forecast average price to a level of USDc 945/bushel. With a decline in planted area for corn, together with the low oil price and the record high world stocks, our 2015 price forecast remains neutral. Within three months, the price will end on a level of USDc 375/bushel. The average annual price for corn will be around USDc 390/bushel. Our outlook for wheat is equally neutral. Good stocks will keep prices for 2015 at current levels, with a price forecast of USDc 530/bushel at the end of April and an average 2015 price of USDc 575/bushel.

Upside risks to our forecast:

- Production risks due to adverse weather in production areas
- Geopolitical tensions in the Black Sea region will affect crop exports

Downside risks to our forecast:

- Decline in demand, due to lower economic growth worldwide
- Decrease in the use of biofuels
- More favourable weather conditions in production areas

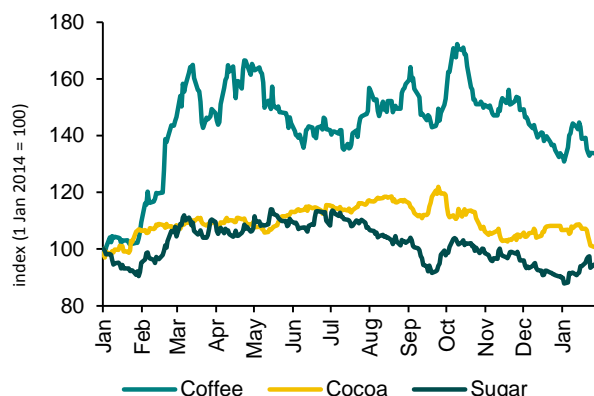
Agriculturals: sugar, coffee, cocoa

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Same dynamics in place at start of 2015

- Coffee once again dominated by Brazilian drought
- European cocoa grinding figures lag far behind the annual average
- Decline in oil prices puts pressure on sugar

Price index agriculturals 2014



Source: Thomson Reuters Datastream

2014 was a mixed bag

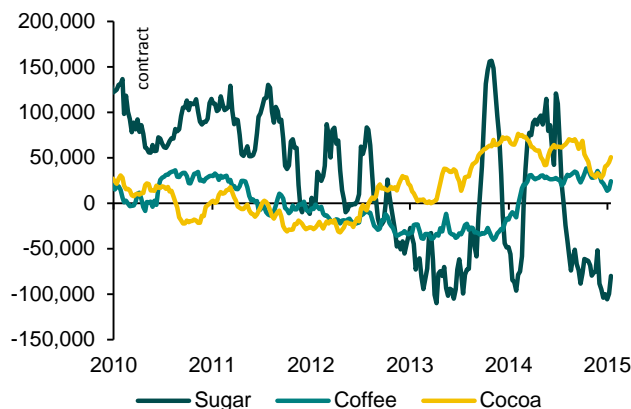
Weather-related issues, political turmoil deficits and surpluses in production and even human health were headliners in the 2014 softs price developments.

Last year started with concerns about dry conditions in Brazil, which hurts sugar and, particularly, the coffee crop outlook. As a result, coffee prices rose more than 80% within the first three months. After this huge price gain, coffee prices remained volatile, ranging between USDc 160/lb at the lowest and USDc 225/lb at their peak. The volatility was mainly caused by changes in weather projections, but also, to a lesser degree, by the exchange rate of the Brazilian Real versus the USD.

For sugar, the effect of the Brazilian drought was short-lived. After increasing 23% to a peak of USDc 19.28/lb, ICE Sugar11 prices rapidly started to decrease and even hit a four-year low under the of USDc 14/lb due to surpluses in supply that had been building in recent years.

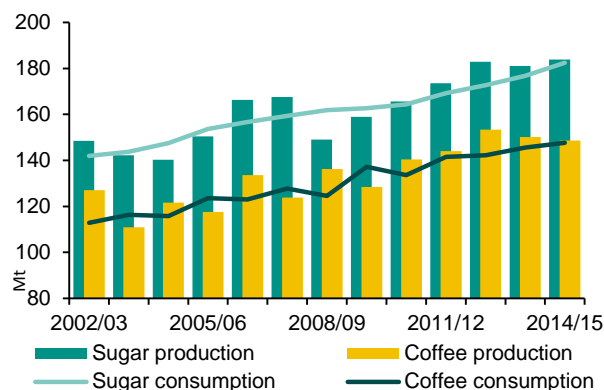
For cocoa it was a year of bad news that had a “bullish” impact on prices. Basically, the production figures were good, marked by oversupply and stock building. But it wasn't the auspicious production forecast that dominated prices. First, there was the threat of an El Nino that prompted price increases and, in the last quarter of 2014, fears of an Ebola virus outbreak in Ghana or Ivory coast. These factors drove prices up to the highest levels in four years. Still, the year ended with price decreases as the threat of Ebola increasing faded to the background.

CFTC non-commercial net positions (supplementary)



Source: Thomson Reuters Datastream

Coffee and sugar production vs consumption



The weather determines what's going on in coffee

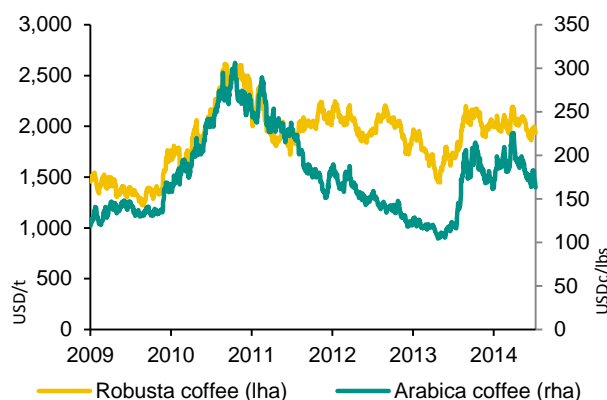
As mentioned above, the Brazilian drought was one of the main topics in softs over the last year and now, 2015 is starting with the same weather-related uncertainties. November and December brought some good rainfall to the Brazilian crop areas, but the weather factor is back on the radar. This resulted in new price gains at the start of 2015 due to further potential losses in production. The drought last year primarily impacted the production of Arabica coffee, the current situation of dryness could also have an impact on the Conilon crop (Robusta). Overall still a hefty volume of Robusta's could partially compensate a further loss in Arabica output..

There are fewer uncertainties in Vietnamese coffee output. The latest 2014/2015 production estimate shows a steady

Agriculturals: sugar, coffee, cocoa

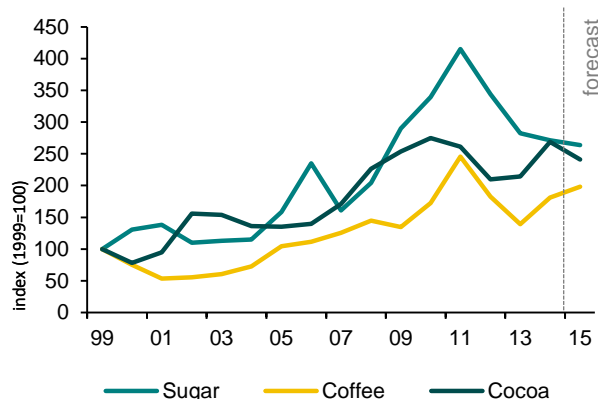
Source: ISO, USDA

Robusta vs Arabica coffee price (2nd contract)



Source: Thomson Reuters Datastream

ABN AMRO price forecast (index)



Source: Thomson Reuters Datastream, ABN AMRO

ABN AMRO price forecast

	3m (end of Apr. '15)	6m (end of Jul. '15)	2015 avg
Sugar:			
- USDc/lb	16.00	16.00	16.50
Arabica Coffee:			
- USDc/lb	170	180	180
Robusta Coffee:			
- USD/tonne	1,900	2,050	2,000
Cocoa:			
- USD/tonne	2,950	2,800	2,750

Source: ABN AMRO Group Economics

1.6 million mt. However, this represents a decrease of 4.9% from last year's production the forecasts are good.

Cocoa grinding figures less rosy than predicted

Cocoa prices declined over 10% in the last three months. Although the Ebola virus is still spreading in Western Africa, the direct threat of an outbreak in the most important cacao producing countries has receded to the background. So far, the virus has not affected crop production nor transport of the beans to the ports.

Heading into 2015, we see declines in Western Africa's main crop production. This suggests that supply will not be able to meet demand, resulting in global deficits instead of last year's surpluses. At the same time, we note that the European cocoa grind fell by 7.4% in the last quarter, according to the European Cocoa Association (ECA). This decline is explained by a combination of lower economic growth in Europe along with more storage and grinding capacity at origin due to investments made in cocoa producing countries.

Sugar in the grip of high stocks and low energy prices

Sugar continues to suffer from the large accumulated surpluses of the previous four seasons. The level of ending stocks has grown over 25% since the 2010/2011 season to 68 mt, according to ISO data. The stocks-to-use ratio is at a level above 38%. The current 2014/15 season shows a small deficit of around 1.7 mt (around 1% of global consumption) but the large stock levels at both origin and end buyers continues to postpone physical tightness.

Meanwhile, lower oil prices lead to lower profit margins and add pressure to ethanol prices and the sugarcane sector. The relationship between sugar and ethanol is important, as is Brazil's government policy which can affect the balance between gas usage and ethanol. The Brazilian government has already renewed the fuel tax to ensure ethanol's competitiveness. The depreciation of the Brazilian real, is weakening demand for Brazilian sugarcane. Besides that it will increase the import costs for gasoline.

Last season's sugarcane crop was affected by the Brazilian drought. At this time of year, rainfall is welcome in the production areas as it gives a boost to the new yields. With the current dryness in Brazil, producers are waiting for rainfall. For the longer term outlook, the market is also curious about how the production levels of sugar in the European Union will increase. In 2017, the EU will remove sugar quotas and open its borders to global sugar trade. This will lead to extra European sugar supplies and larger carry stocks.

Upside risks to our forecast:

- Harmattan wind will damage crops
- Ebola confirmed in either Ivory Coast or Ghana
- Further devaluation of Brazilian real

Downside risks to our forecast:

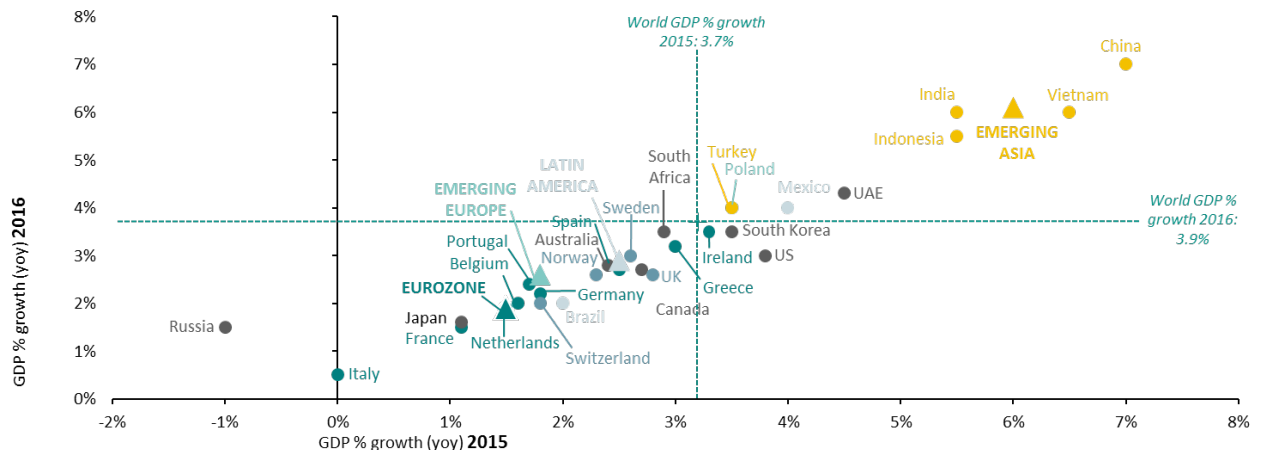
- Rainfall dampens supply fears
- Currency movements are less smooth than expected
- Funds scale back interest in cocoa and sugar

Macro-economic indicators

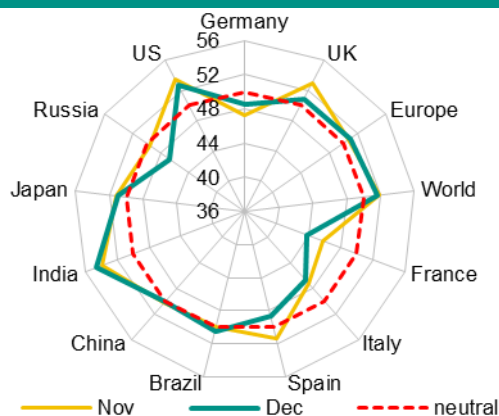
Macro-economic Forecasts ABN AMRO Group Economics (per 18 December 2014)

	GDP growth (% y-o-y)				Inflation (CPI, % y-o-y avg)				GDP per cap USD
	2013	2014e	2015e	2016e	2013	2014e	2015e	2016e	2013
US	2.2%	2.3%	3.8%	3.0%	1.5%	1.6%	1.4%	1.4%	53,101
China	7.7%	7.4%	7.0%	7.0%	2.6%	2.0%	2.0%	2.5%	9,844
Japan	1.6%	0.3%	1.1%	1.6%	0.3%	2.5%	1.7%	2.0%	36,899
EU	-0.4%	0.9%	1.5%	1.9%	1.3%	0.5%	0.5%	1.5%	31,571*
UK	1.7%	3.0%	2.8%	2.6%	2.6%	1.4%	1.1%	1.9%	37,307
Germany	0.2%	1.5%	1.8%	2.2%	1.5%	1.0%	1.0%	1.8%	40,007
World	3.2%	3.2%	3.7%	3.9%	4.4%	4.0%	3.8%	3.8%	11,964*

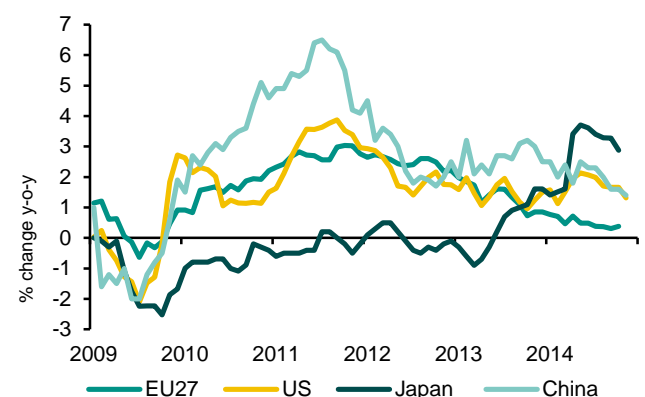
* = 2012



Regional Manufacturing PMIs



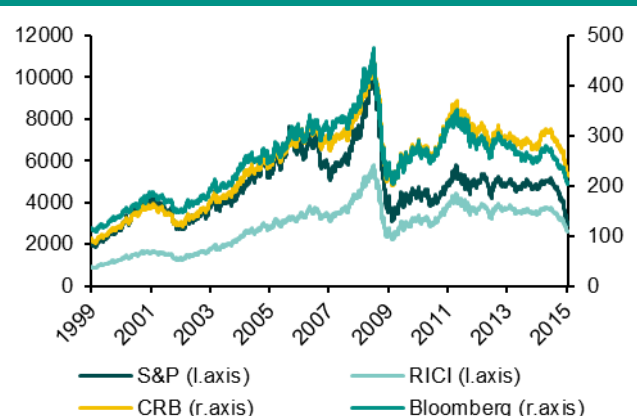
Consumer prices per region (CPI, % yoy)



World trade (volume index) and yoy % change



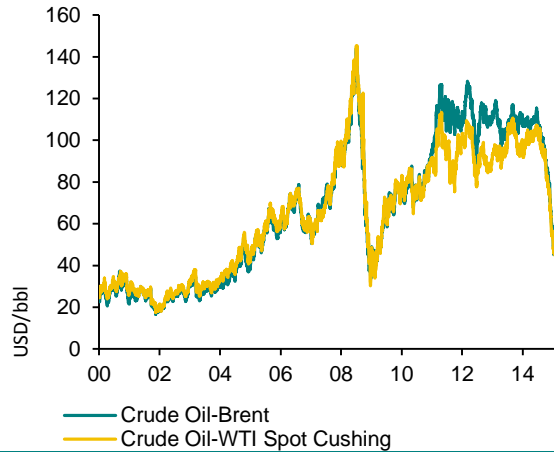
Commodity Indices



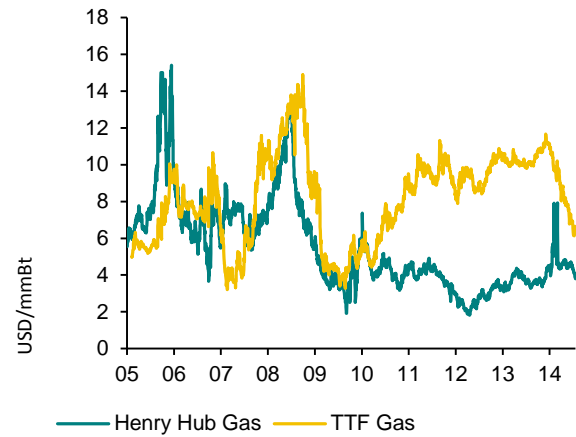
Consulted sources for this publication: Economic forecasts & insights from ABN AMRO Group Economics, Metal Bulletin, CRU, Mining Journal, Bloomberg, IGC, WSA (IISI), ISSB, NBS, IGC, IEA, Baker Hughes, ICCO, ICO, USDA, China Mining, Clarkson Research Services, ABARE, AME, Thomson Reuters Datastream, Thomson Reuters Eikon, World bank, ECB, Eurostat, IMF, CPB

Historical commodity price developments

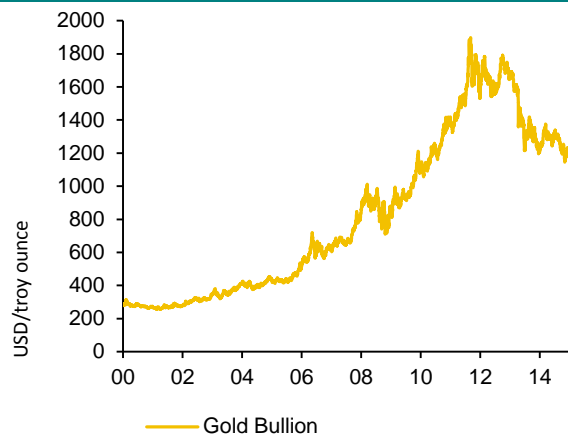
Oil: Brent and WTI



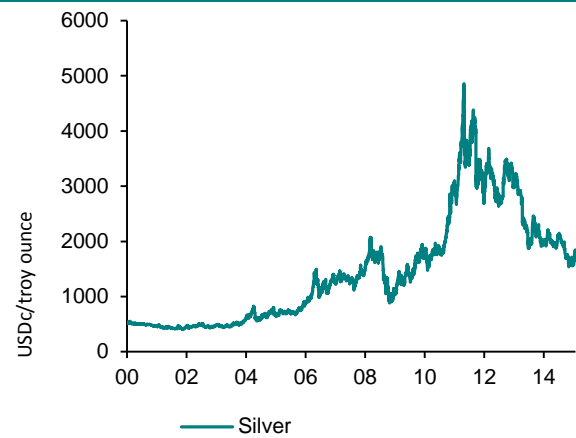
Gas: Henry Hub & Title Transfer Facility



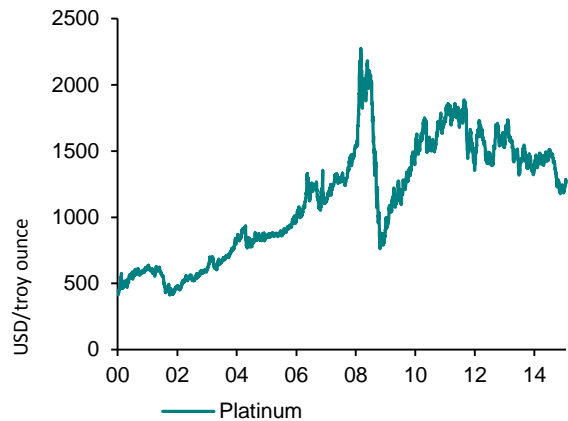
Precious metals: Gold



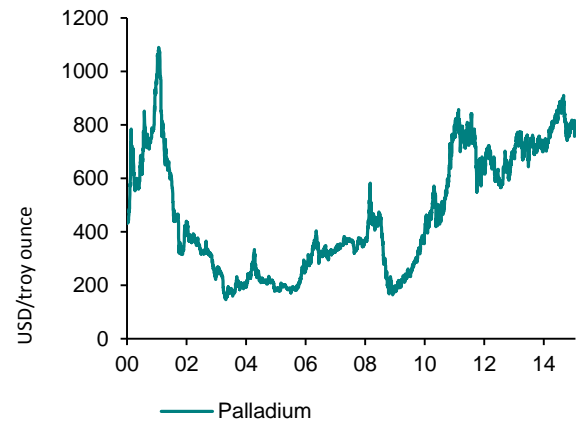
Precious metals: Silver



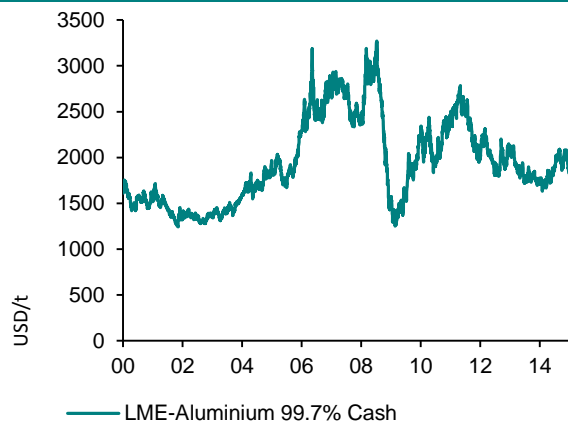
Precious metals: Platinum



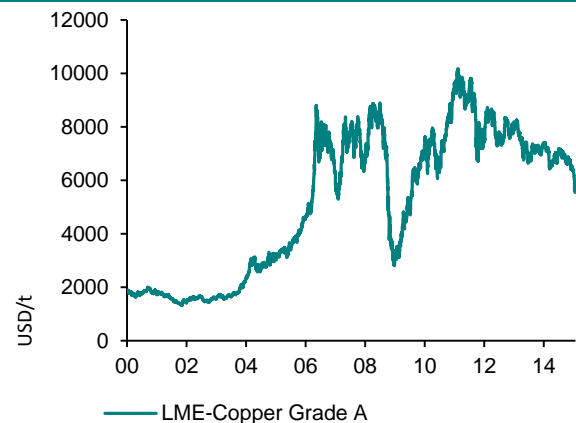
Precious metals: Palladium



Base metals: Aluminium

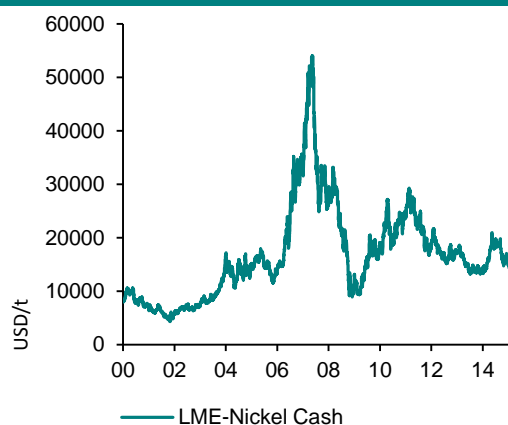


Base metals: Copper

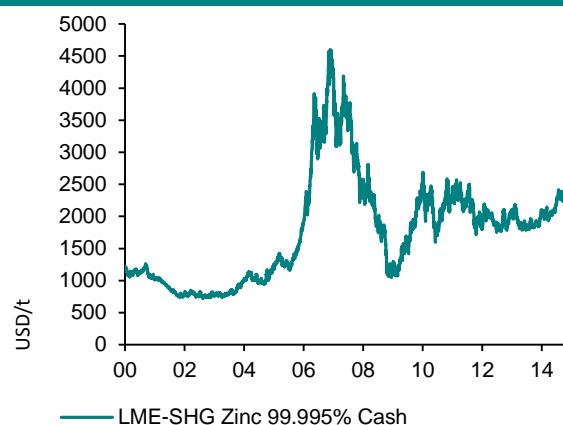


Historical commodity price developments

Base metals: Nickel



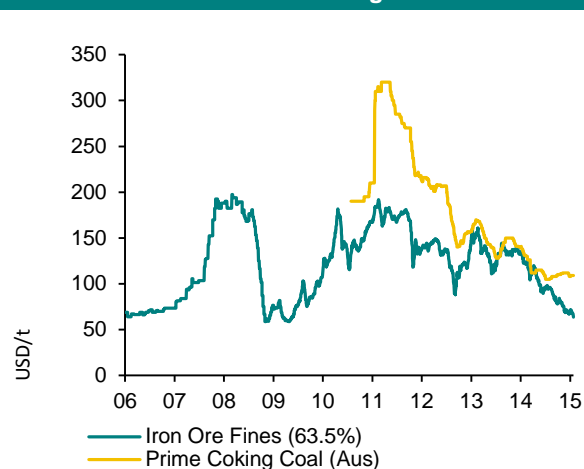
Base metals: Zinc



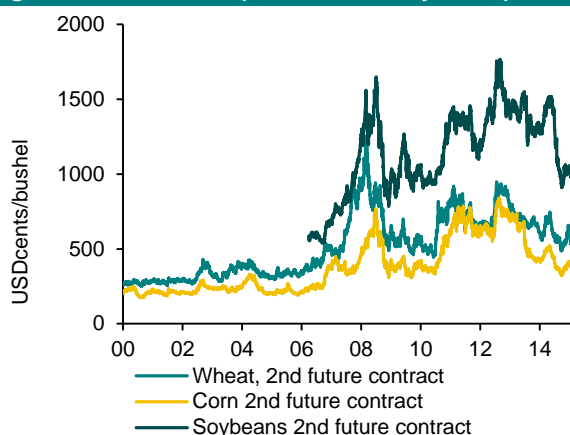
Ferrous metals: Global steel prices (HRC)



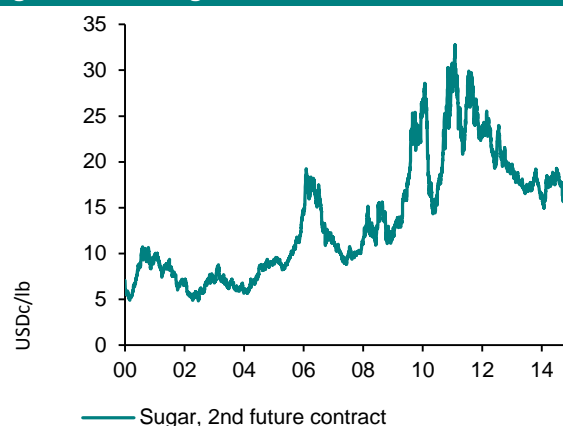
Ferrous metals: Iron ore & Coking coal



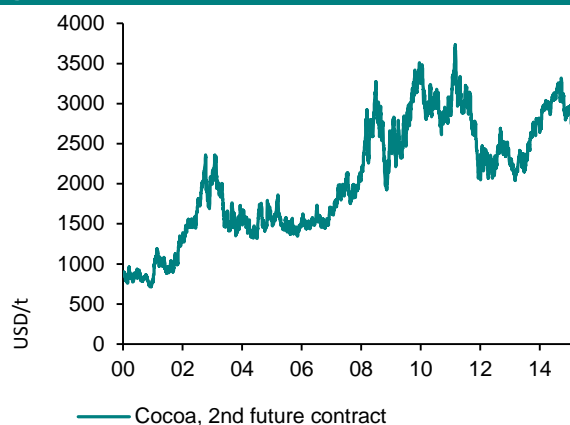
Agriculturals: Grains (wheat, corn, soybeans)



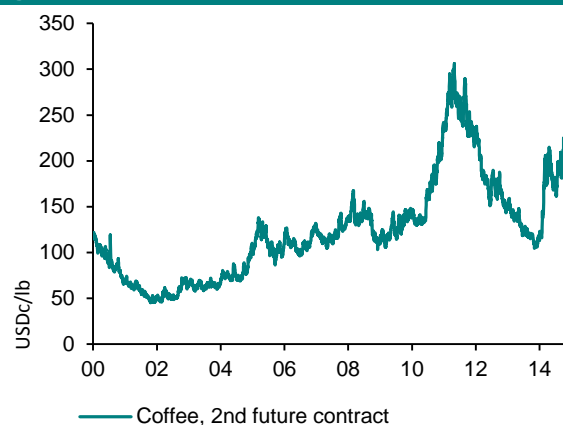
Agriculturals: Sugar



Agriculturals: Cocoa



Agriculturals: Coffee



Contributors & Disclaimer

All text and forecasts in this document have been finalised on 28 January 2015.

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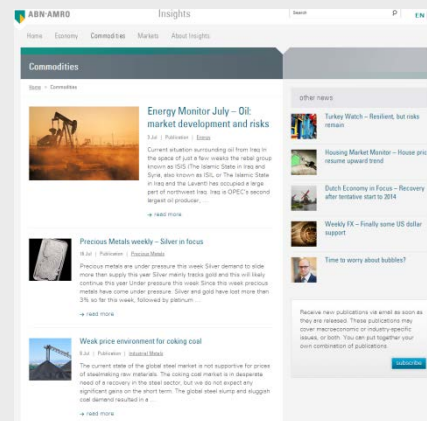
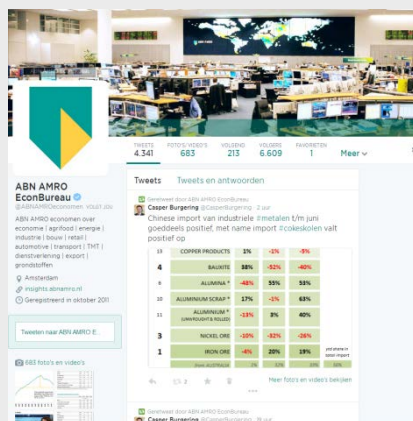
Websites Group Economics

- Internet Group Economics (Macro Research and theme reports, including commodities):

English: insights.abnamro.nl/en/

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Other commodity research products of ABN AMRO Group Economics:



Key takeaways

- Key takeaways have limited impact on oil prices
- Stable to moderate decline in oil prices expected
- No for risk of higher oil prices increased

Figure 1: Price of Brent crude oil (WTI) (USD/bbl)

Current situation concerning oil from Iraq

Figure 2: Oil production of selected OPEC countries (mmbbl/d)

Figure 3: Oil production of selected OPEC countries (mmbbl/d)

Figure 4: Oil production of selected OPEC countries (mmbbl/d)

Figure 5: Oil production of selected OPEC countries (mmbbl/d)

Figure 6: Oil production of selected OPEC countries (mmbbl/d)

Figure 7: Oil production of selected OPEC countries (mmbbl/d)

Figure 8: Oil production of selected OPEC countries (mmbbl/d)

Figure 9: Oil production of selected OPEC countries (mmbbl/d)

Figure 10: Oil production of selected OPEC countries (mmbbl/d)

Figure 11: Oil production of selected OPEC countries (mmbbl/d)

Figure 12: Oil production of selected OPEC countries (mmbbl/d)

Figure 13: Oil production of selected OPEC countries (mmbbl/d)

Figure 14: Oil production of selected OPEC countries (mmbbl/d)

Figure 15: Oil production of selected OPEC countries (mmbbl/d)

Figure 16: Oil production of selected OPEC countries (mmbbl/d)

Figure 17: Oil production of selected OPEC countries (mmbbl/d)

Figure 18: Oil production of selected OPEC countries (mmbbl/d)

Figure 19: Oil production of selected OPEC countries (mmbbl/d)

Figure 20: Oil production of selected OPEC countries (mmbbl/d)

Figure 21: Oil production of selected OPEC countries (mmbbl/d)

Figure 22: Oil production of selected OPEC countries (mmbbl/d)



Key takeaways

- Paths of the individual industrial metal prices have diverged significantly recently
- Basic metal market conditions will improve in the next three months
- Changes are also for any short-term recovery in the global steel sector

Table 1: Industrial Metals Monitor - Key takeaways

Table 2: Industrial Metals Monitor - Key takeaways

Table 3: Industrial Metals Monitor - Key takeaways

Table 4: Industrial Metals Monitor - Key takeaways

Table 5: Industrial Metals Monitor - Key takeaways

Table 6: Industrial Metals Monitor - Key takeaways

Table 7: Industrial Metals Monitor - Key takeaways

Table 8: Industrial Metals Monitor - Key takeaways

Table 9: Industrial Metals Monitor - Key takeaways

Table 10: Industrial Metals Monitor - Key takeaways

Table 11: Industrial Metals Monitor - Key takeaways

Table 12: Industrial Metals Monitor - Key takeaways

Table 13: Industrial Metals Monitor - Key takeaways

Table 14: Industrial Metals Monitor - Key takeaways

Table 15: Industrial Metals Monitor - Key takeaways

Table 16: Industrial Metals Monitor - Key takeaways

Table 17: Industrial Metals Monitor - Key takeaways

Table 18: Industrial Metals Monitor - Key takeaways

Table 19: Industrial Metals Monitor - Key takeaways

Table 20: Industrial Metals Monitor - Key takeaways

Table 21: Industrial Metals Monitor - Key takeaways

Table 22: Industrial Metals Monitor - Key takeaways

Table 23: Industrial Metals Monitor - Key takeaways



Key takeaways

- Gold had a strong performance in the first half of the year, but it is unlikely that this will continue
- Demand for gold is strong, but it is unlikely that this will continue
- Demand for gold is strong, but it is unlikely that this will continue

Table 1: Precious Metals Monthly - Key takeaways

Table 2: Precious Metals Monthly - Key takeaways

Table 3: Precious Metals Monthly - Key takeaways

Table 4: Precious Metals Monthly - Key takeaways

Table 5: Precious Metals Monthly - Key takeaways

Table 6: Precious Metals Monthly - Key takeaways

Table 7: Precious Metals Monthly - Key takeaways

Table 8: Precious Metals Monthly - Key takeaways

Table 9: Precious Metals Monthly - Key takeaways

Table 10: Precious Metals Monthly - Key takeaways

Table 11: Precious Metals Monthly - Key takeaways

Table 12: Precious Metals Monthly - Key takeaways

Table 13: Precious Metals Monthly - Key takeaways

Table 14: Precious Metals Monthly - Key takeaways

Table 15: Precious Metals Monthly - Key takeaways

Table 16: Precious Metals Monthly - Key takeaways

Table 17: Precious Metals Monthly - Key takeaways

Table 18: Precious Metals Monthly - Key takeaways

Table 19: Precious Metals Monthly - Key takeaways

Table 20: Precious Metals Monthly - Key takeaways

Table 21: Precious Metals Monthly - Key takeaways

Table 22: Precious Metals Monthly - Key takeaways

Table 23: Precious Metals Monthly - Key takeaways

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