

Predicting the Markets

Chapter 11 Charts:

Predicting Commodities

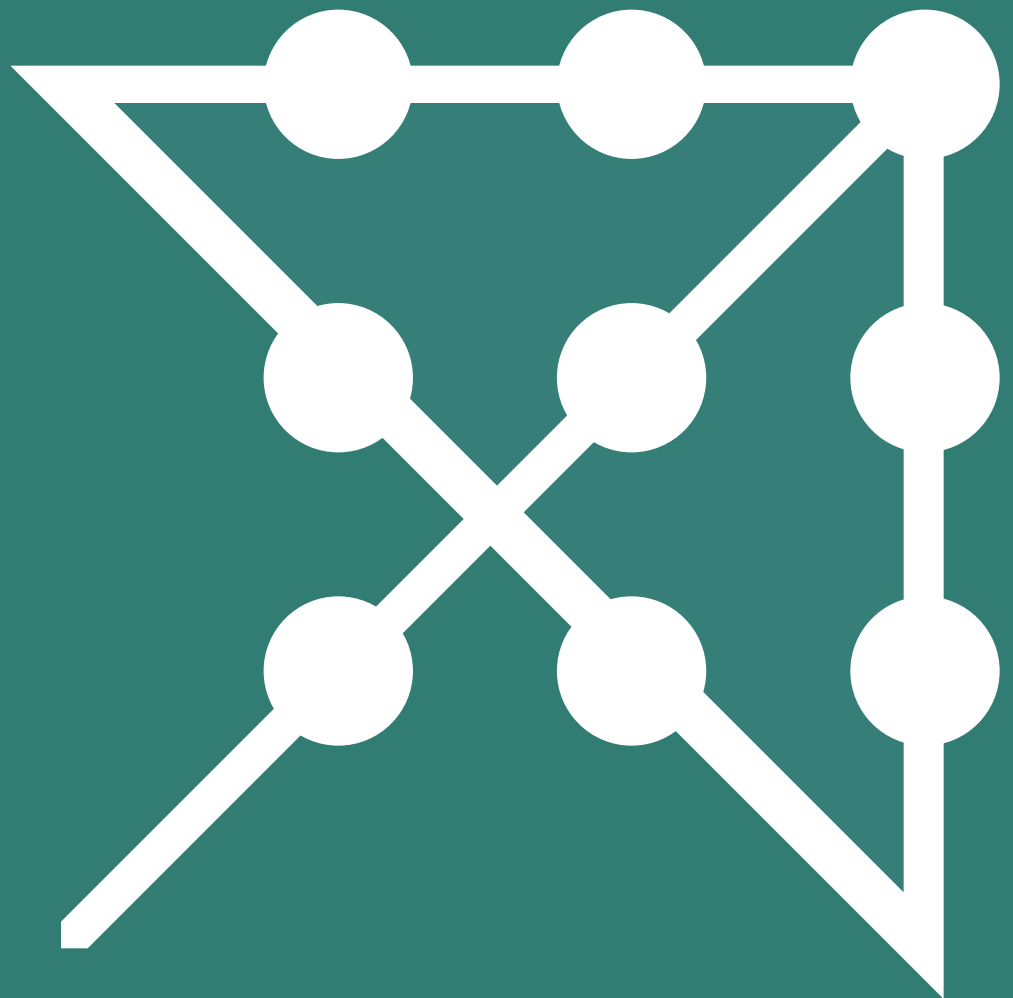
Yardeni Research, Inc.

February 25, 2018

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thinking outside the box

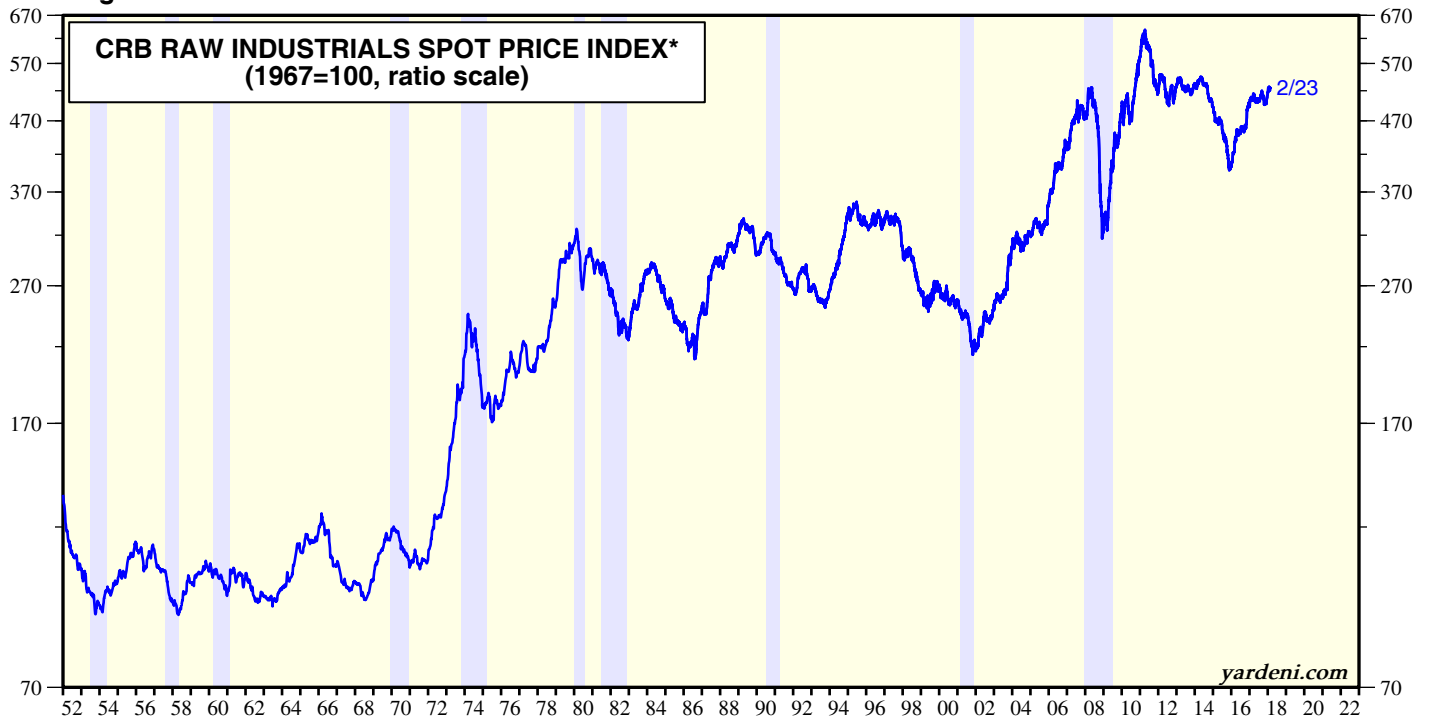
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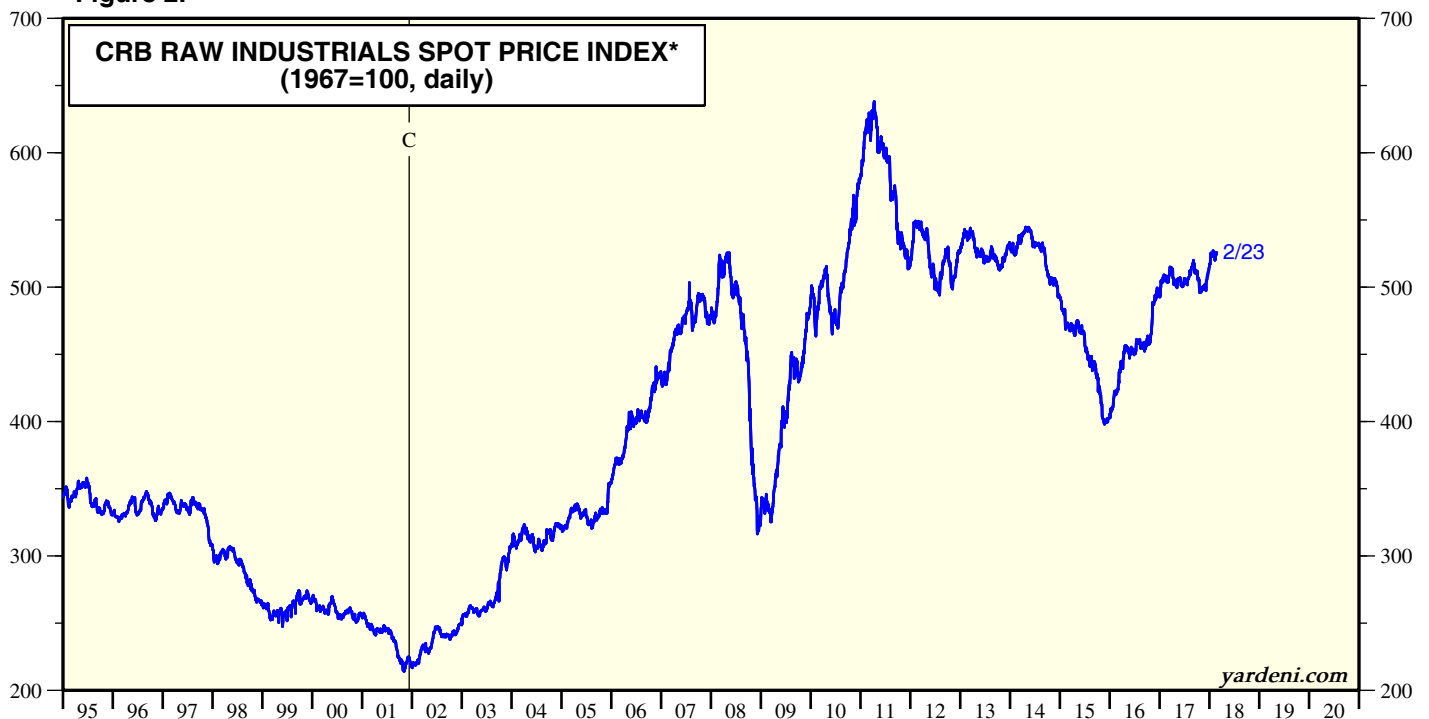
Predicting Commodities

Figure 1.



* Weekly from January 9, 1951 to May 26, 1981, then daily. Includes copper scrap, lead scrap, steel scrap, tin, zinc, burlap, cotton, print cloth, wool tops, hides, rosin, rubber, and tallow.
Note: Shaded areas denote recessions according to the National Bureau of Economic Research.
Source: Commodity Research Bureau.

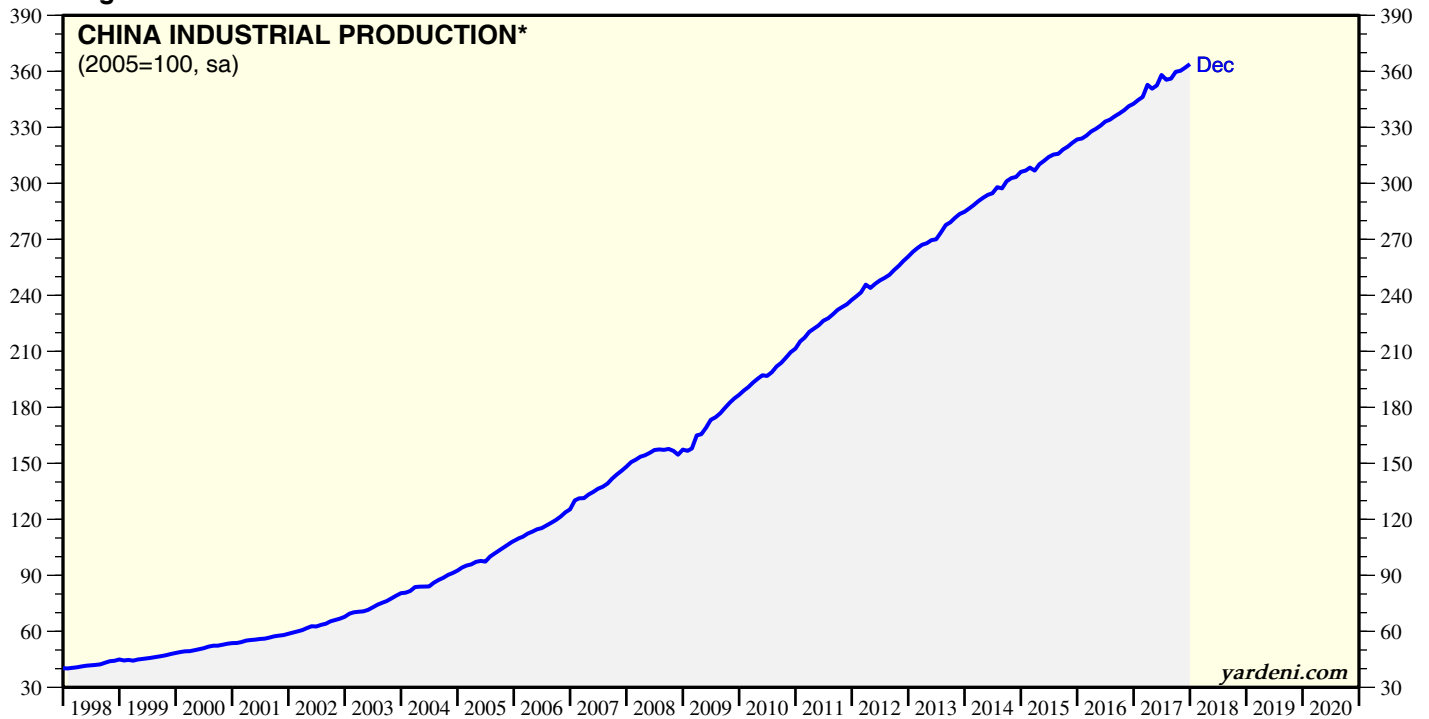
Figure 2.



* Includes copper scrap, lead scrap, steel scrap, tin, zinc, burlap, cotton, print cloth, wool tops, hides, rosin, rubber, and tallow.
Note: C = China joined World Trade Organization on December 11, 2001.
Source: Commodity Research Bureau.

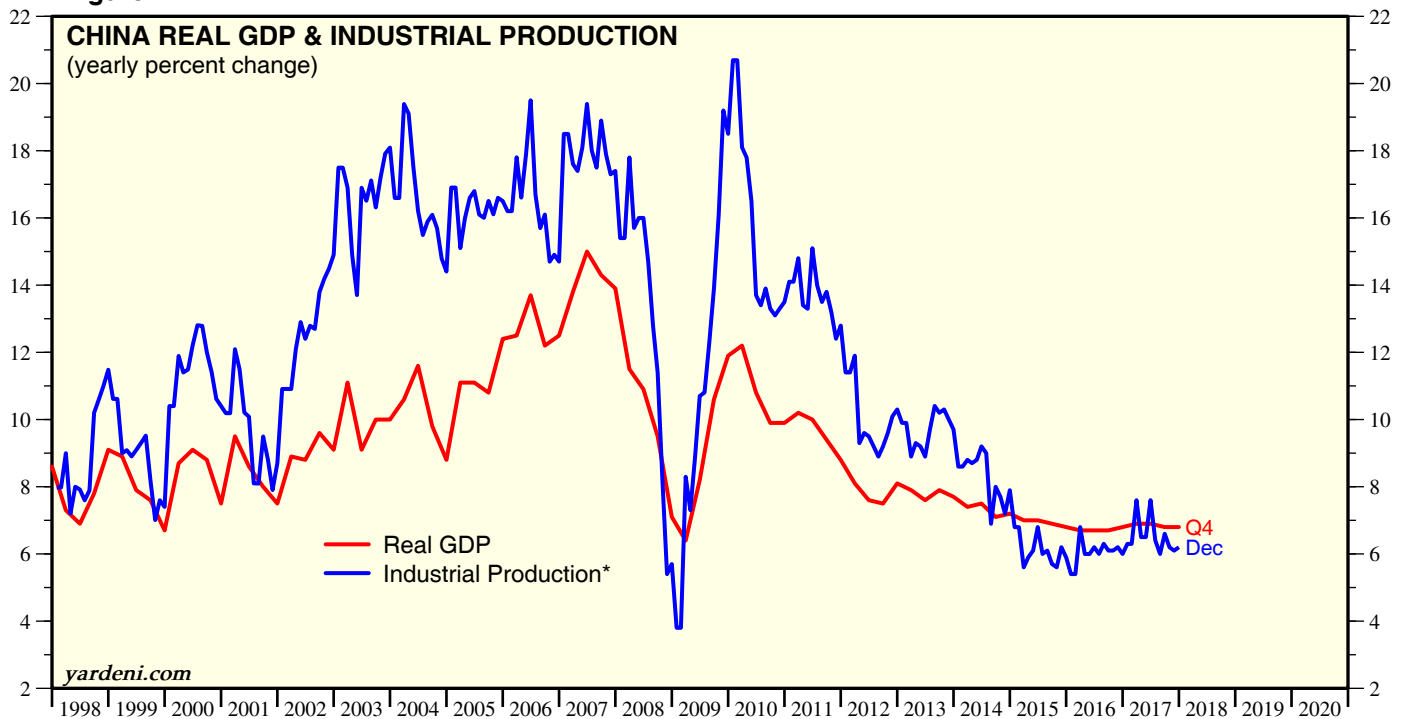
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Figure 3.



* Value added basis.
Source: China National Bureau of Statistics and Haver Analytics.

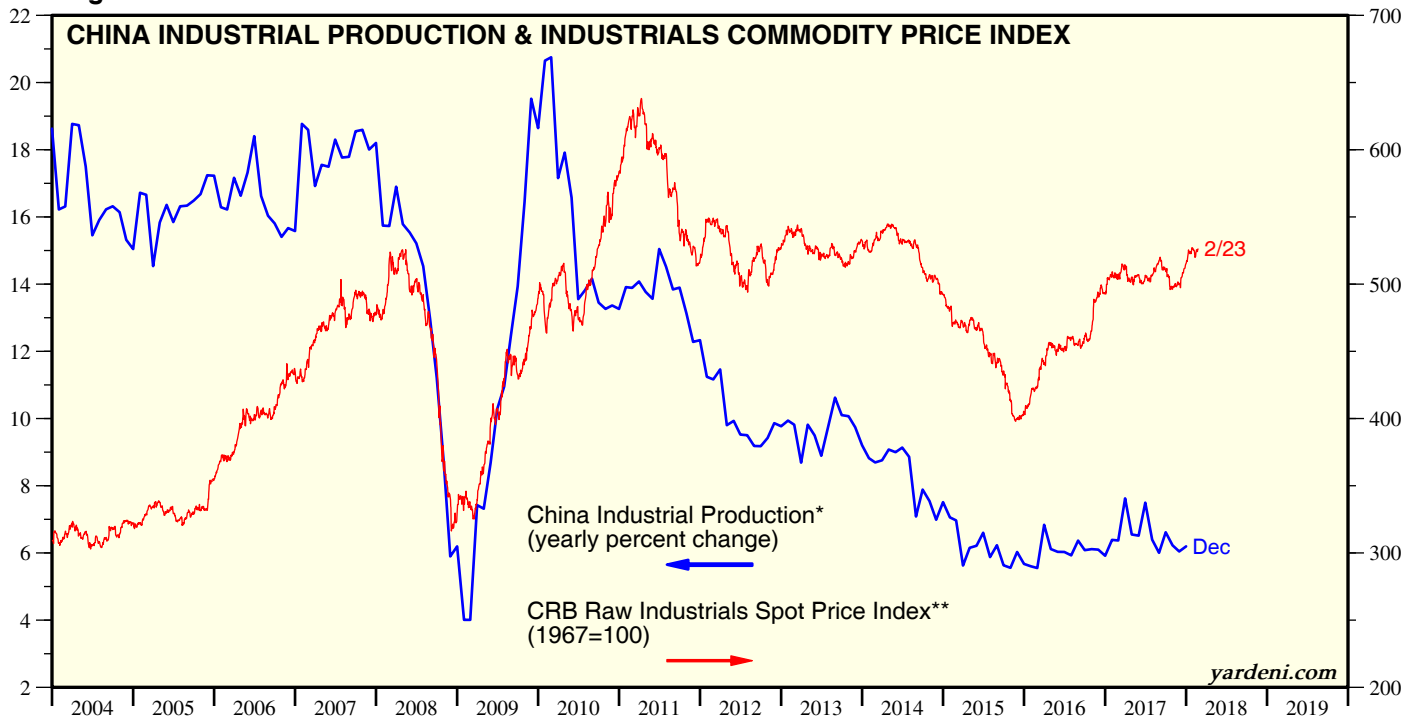
Figure 4.



* Value added basis.
Source: Haver Analytics.

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Figure 5.

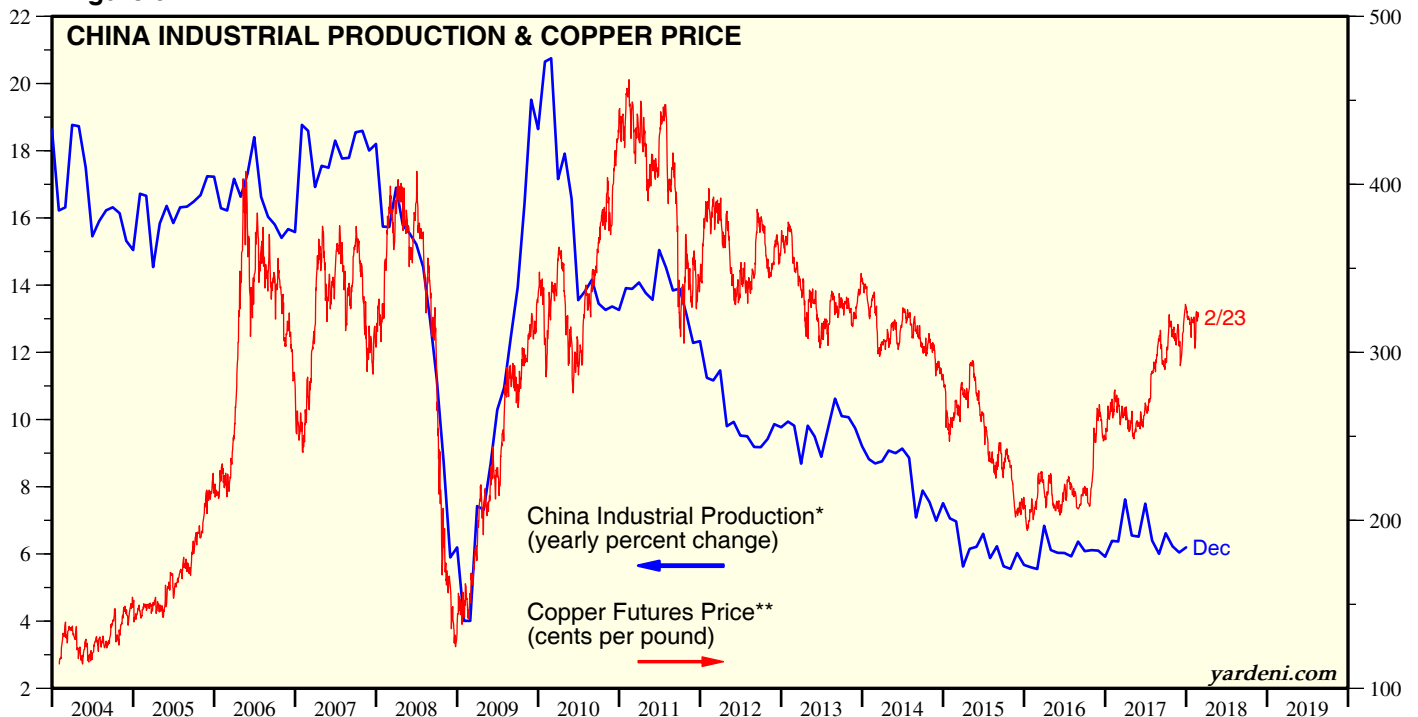


* Value added basis.

** Includes hides, tallow, copper scrap, lead scrap, steel scrap, zinc, tin, burlap, cotton, print cloth, wool tops, rosin, rubber, hogs, steers, lard, butter, soybean oil, cocoa, corn, Kansas City wheat, Minneapolis wheat, and sugar.

Source: Commodity Research Bureau and Haver Analytics.

Figure 6.



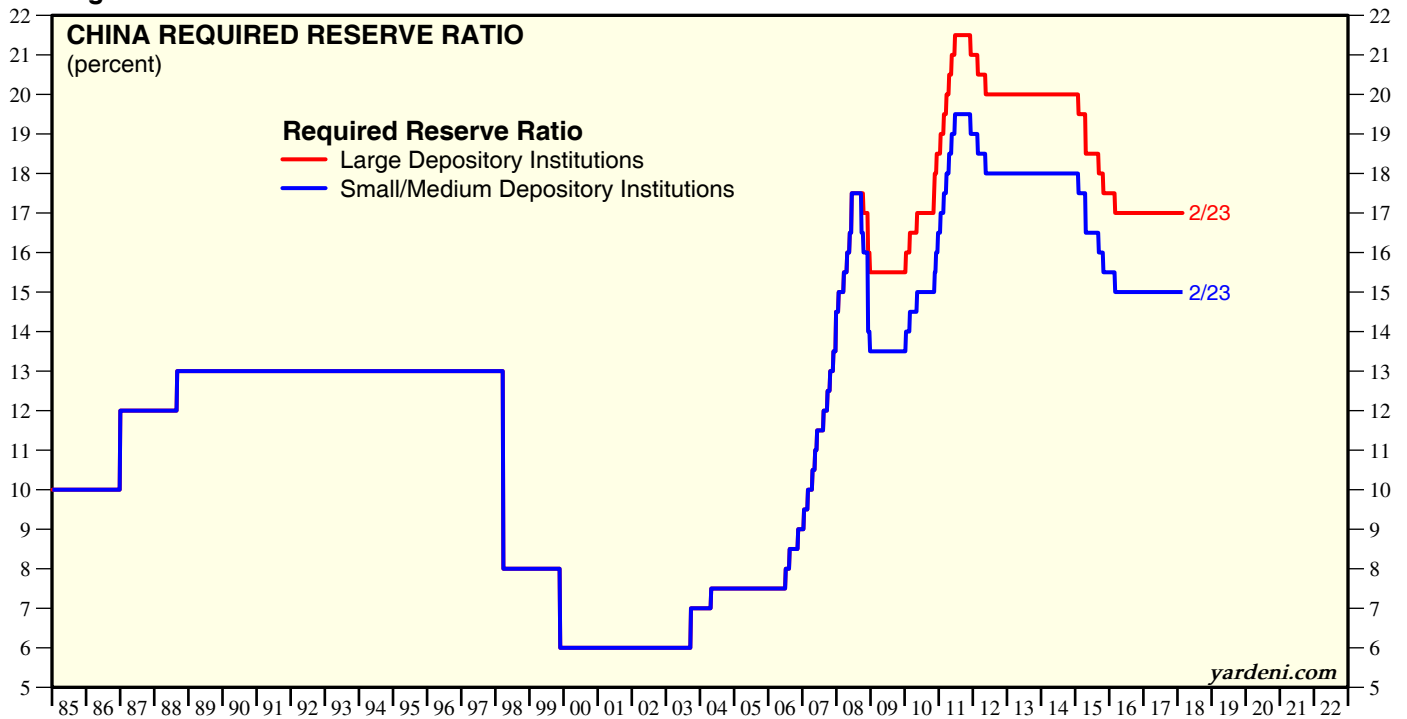
* Value added basis.

** Nearby futures contract.

Source: Haver Analytics.

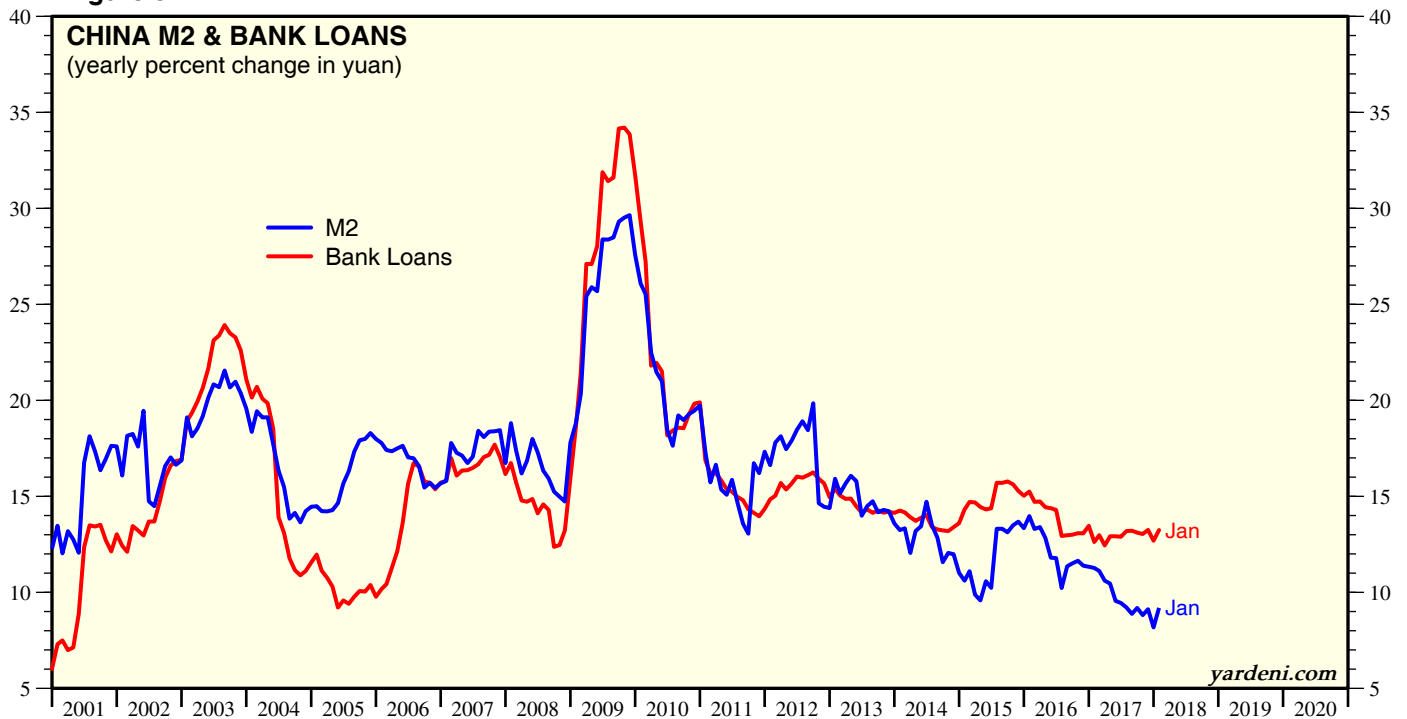
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Figure 7.



Source: People's Bank of China.

Figure 8.



Source: People's Bank of China.

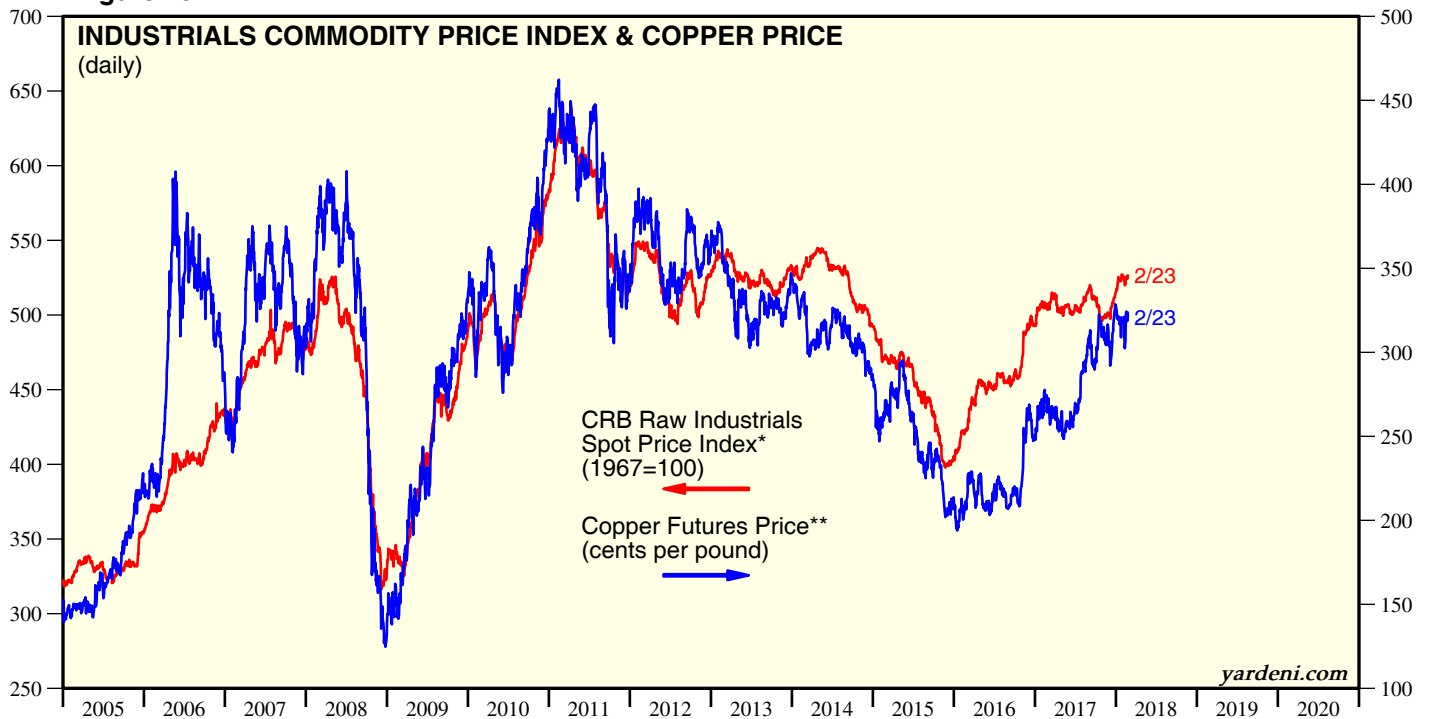
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Figure 9.



Source: The Baltic Exchange.

Figure 10.



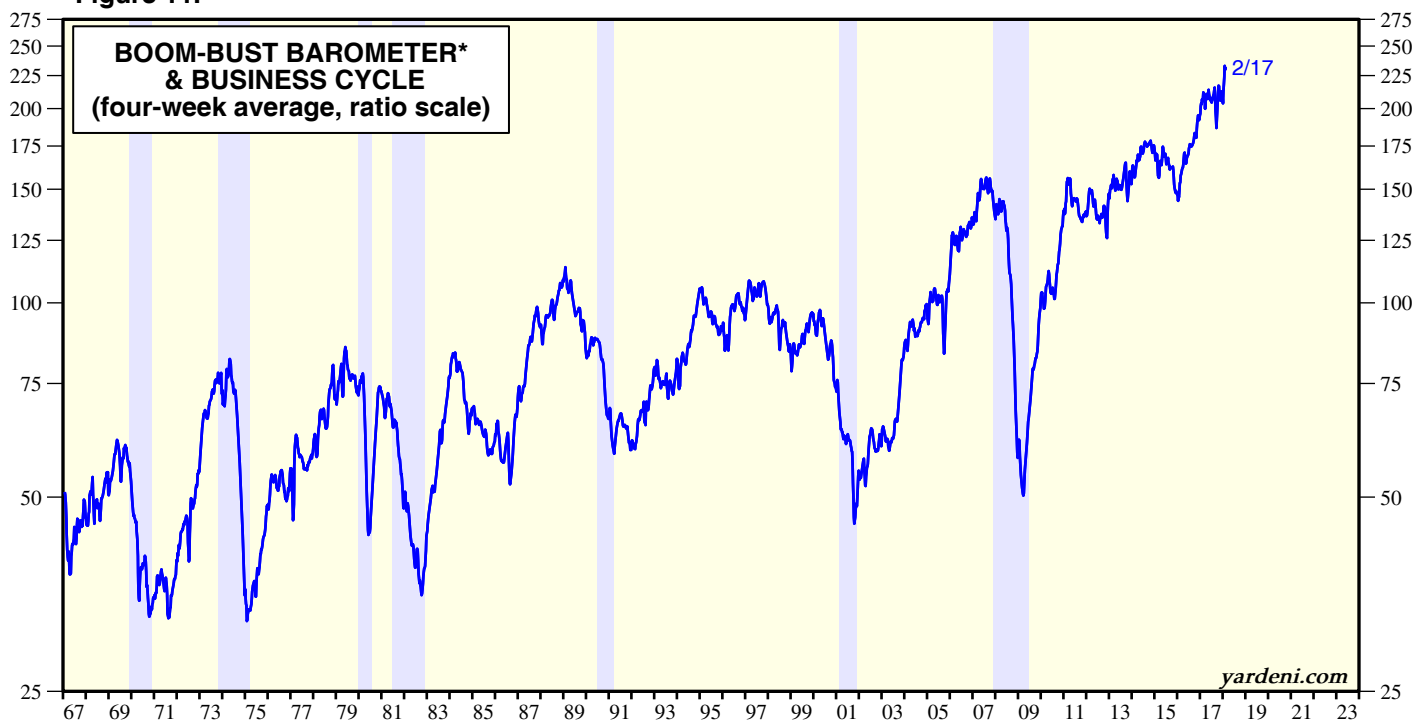
* Includes copper scrap, lead scrap, steel scrap, tin, zinc, burlap, cotton, print cloth, wool tops, hides, rosin, rubber, and tallow.

** Nearby futures contract.

Source: Commodity Research Bureau and Haver Analytics.

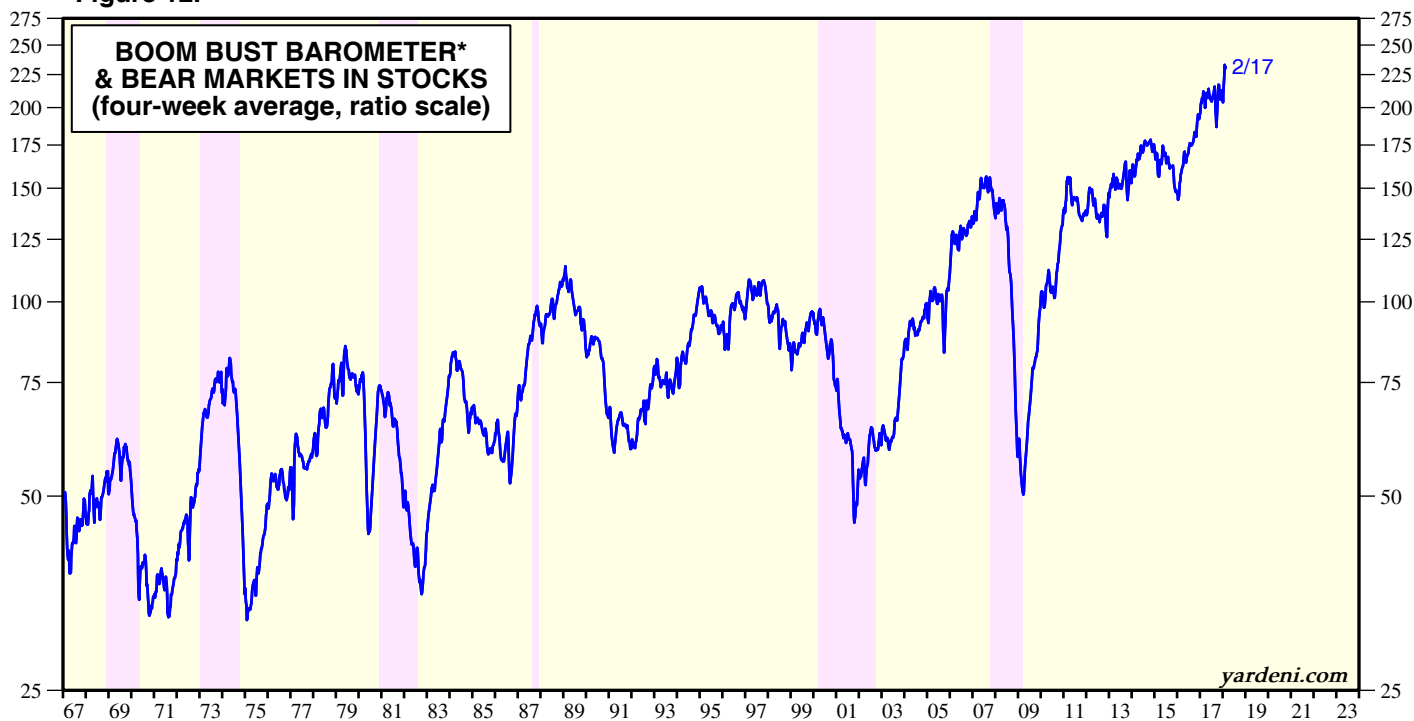
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Figure 11.



* Weekly average of CRB raw industrials spot price index divided by initial unemployment claims, showing four-week average.
 Note: Shaded areas denote recessions according to the National Bureau of Economic Research.
 Source: Commodity Research Bureau and Bureau of Labor Statistics.

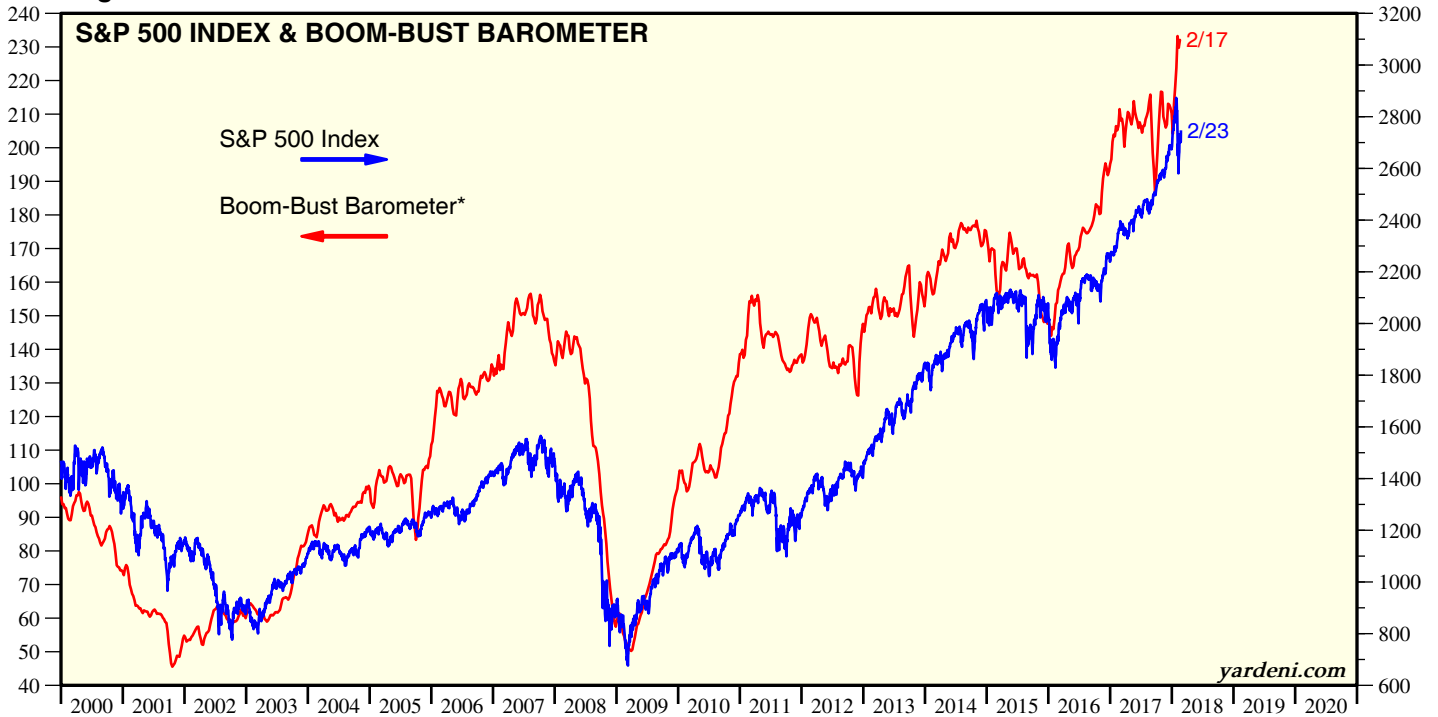
Figure 12.



* Weekly average of CRB raw industrials spot price index divided by initial unemployment claims, four-week average, showing four-week average.
 Note: Shaded red areas denote S&P 500 bear market declines of 20% or more. Yellow areas show bull markets.
 Source: Commodity Research Bureau and Bureau of Labor Statistics.

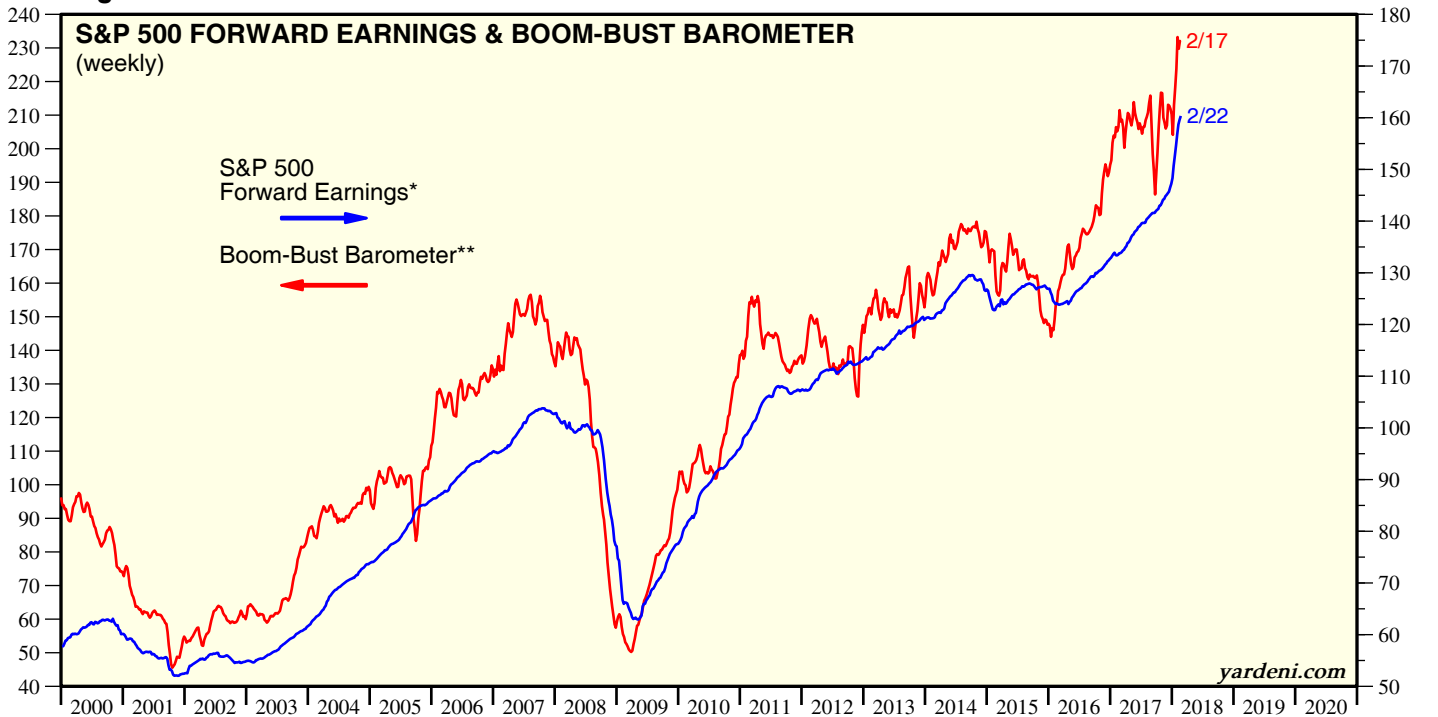
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Figure 13.



* CRB raw industrials spot price index (weekly average) divided by weekly initial unemployment claims, showing four-week moving average. Source: Commodity Research Bureau, Bureau of Labor Statistics, and Standard & Poor's.

Figure 14.

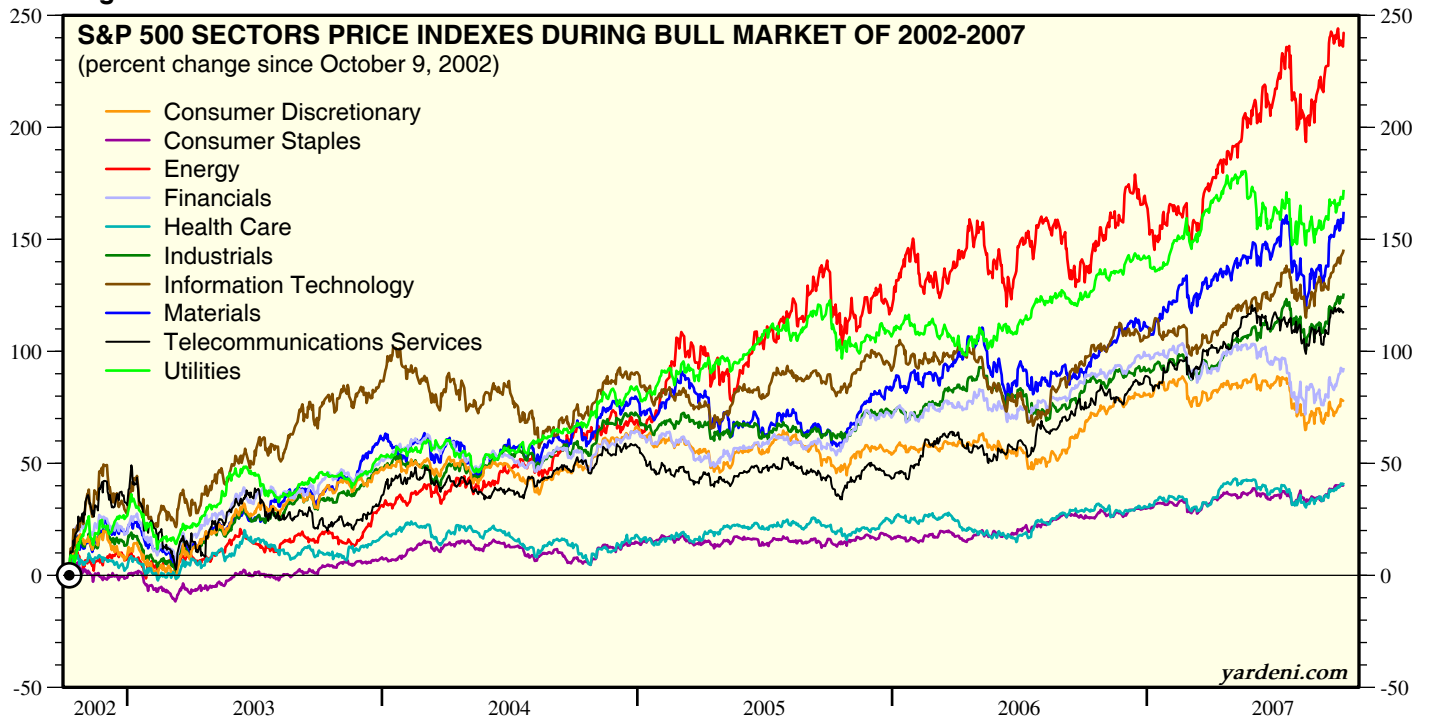


* Time-weighted average of consensus estimates for the current year and next year.

** CRB raw industrials spot price index (weekly average) divided by weekly initial unemployment claims, showing four-week moving average. Source: Commodity Research Bureau, Bureau of Labor Statistics, and Thomson Reuters I/B/E/S.

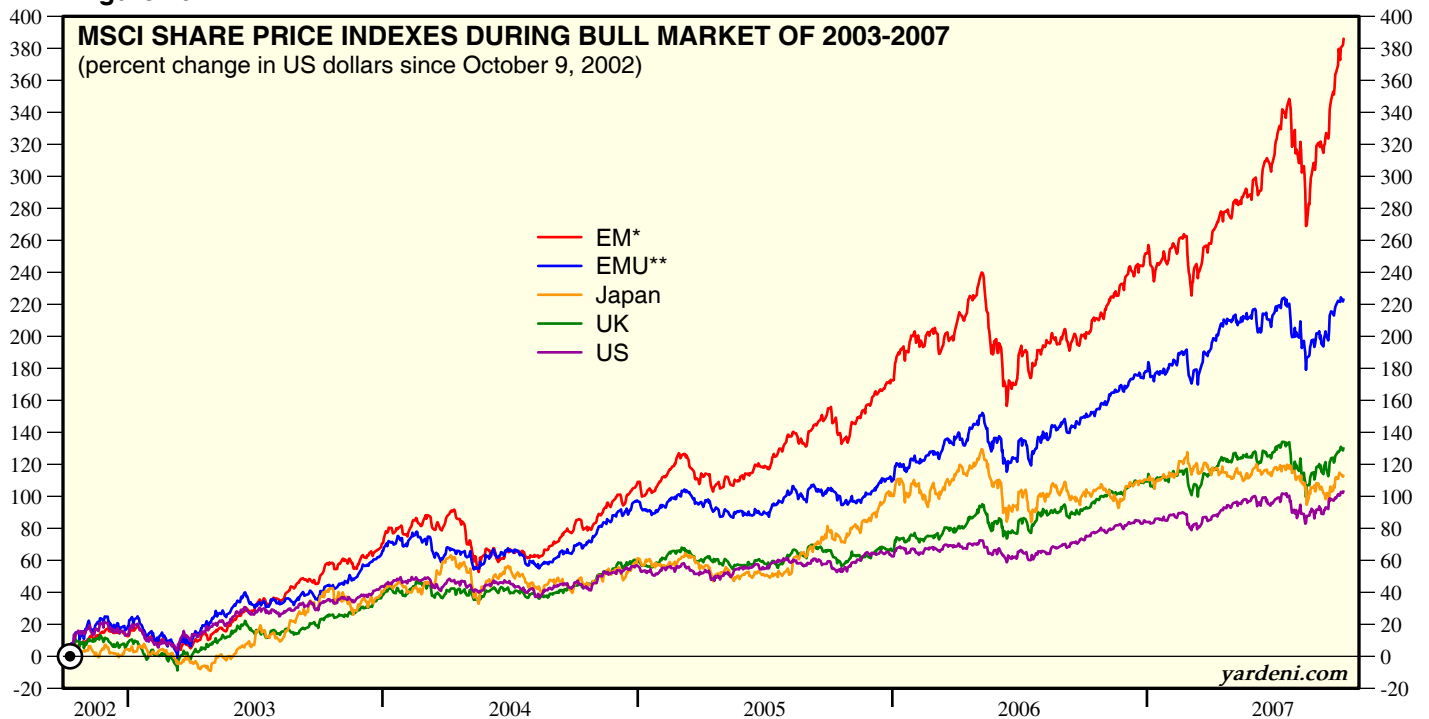
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Figure 15.



Source: Standard & Poor's.

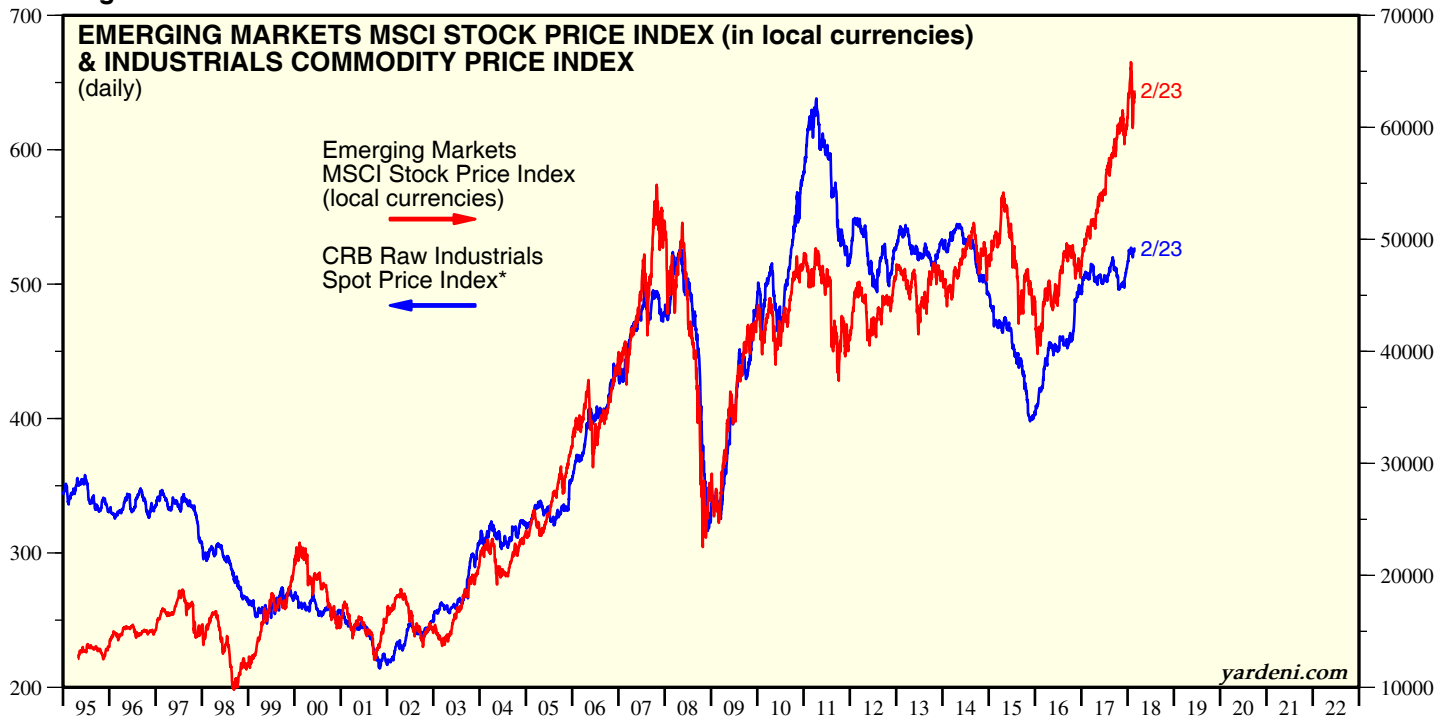
Figure 16.



* EM = Emerging Markets. ** EMU = European Monetary Union.
Source: MSCI.

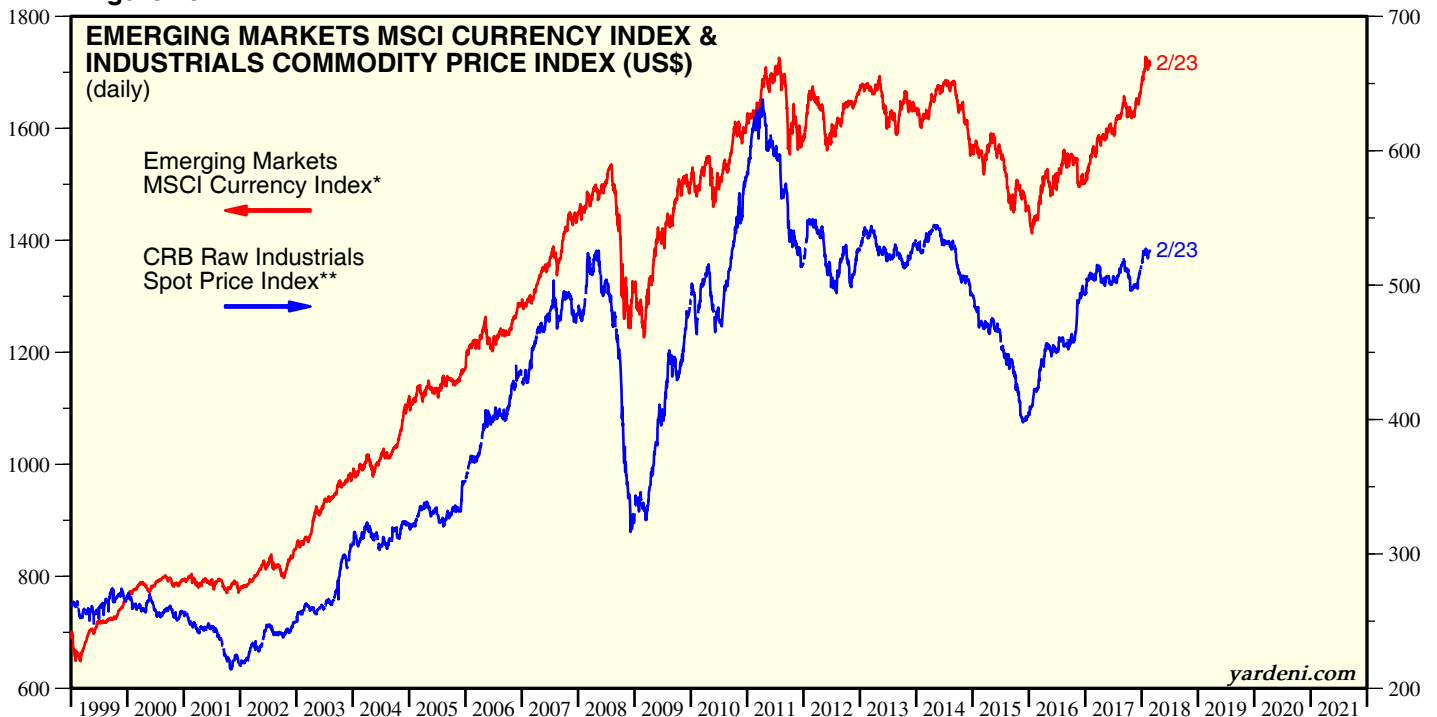
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Figure 17.



* Includes copper scrap, lead scrap, steel scrap, tin, zinc, burlap, cotton, print cloth, wool tops, hides, rosin, rubber, and tallow.
Source: MSCI and Commodity Research Bureau.

Figure 18.

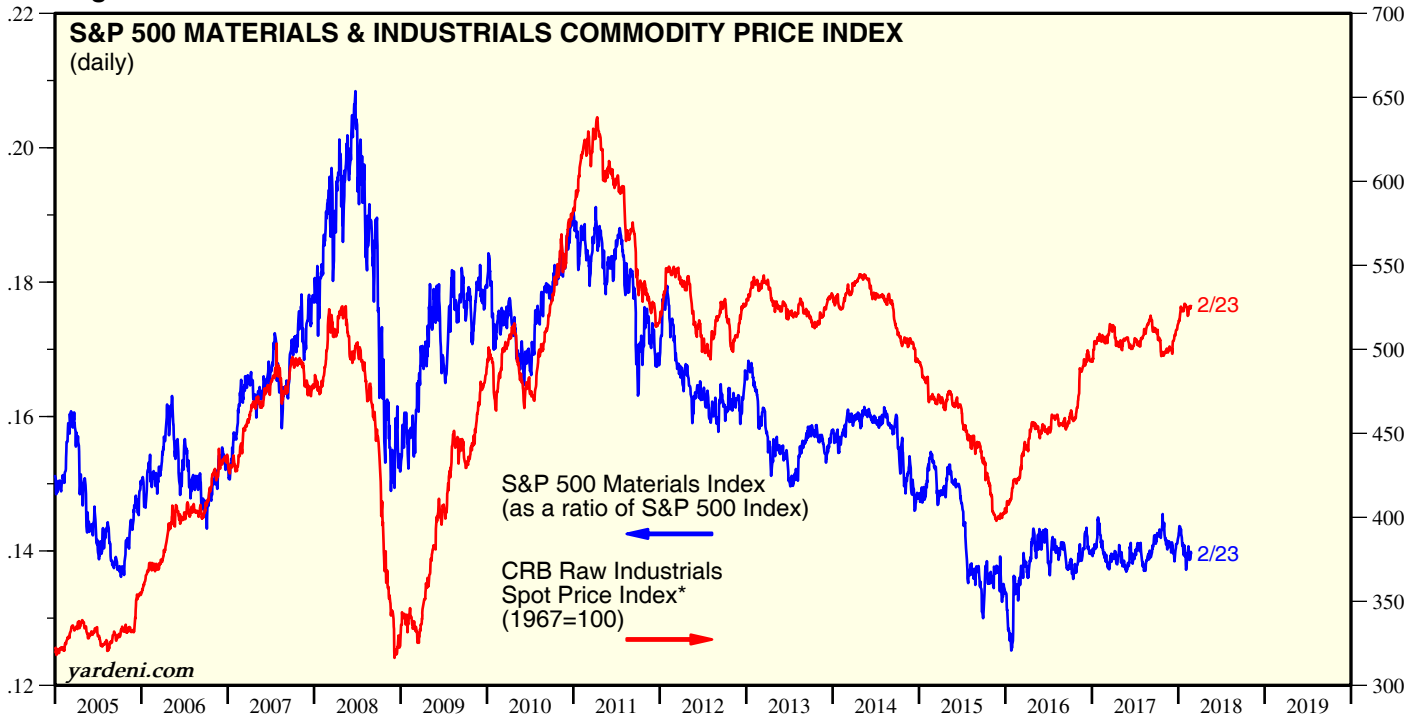


* Includes Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey, and United Arab Emirates.

** Includes copper scrap, lead scrap, steel scrap, tin, zinc, burlap, cotton, print cloth, wool tops, hides, rosin, rubber, and tallow.
Source: MSCI and Commodity Research Bureau.

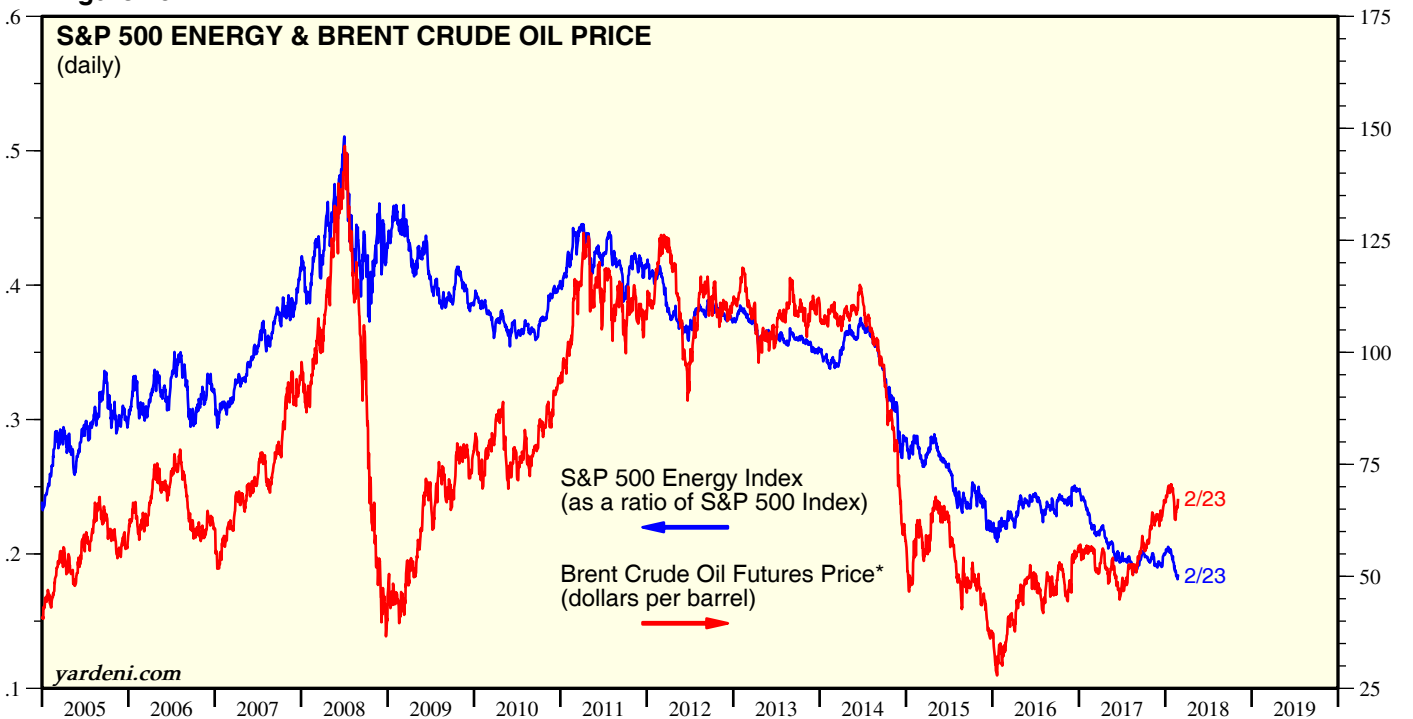
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Figure 19.



* Includes copper scrap, lead scrap, steel scrap, tin, zinc, burlap, cotton, print cloth, wool tops, hides, rosin, rubber, and tallow.
 Source: Standard & Poor's and Commodity Research Bureau.

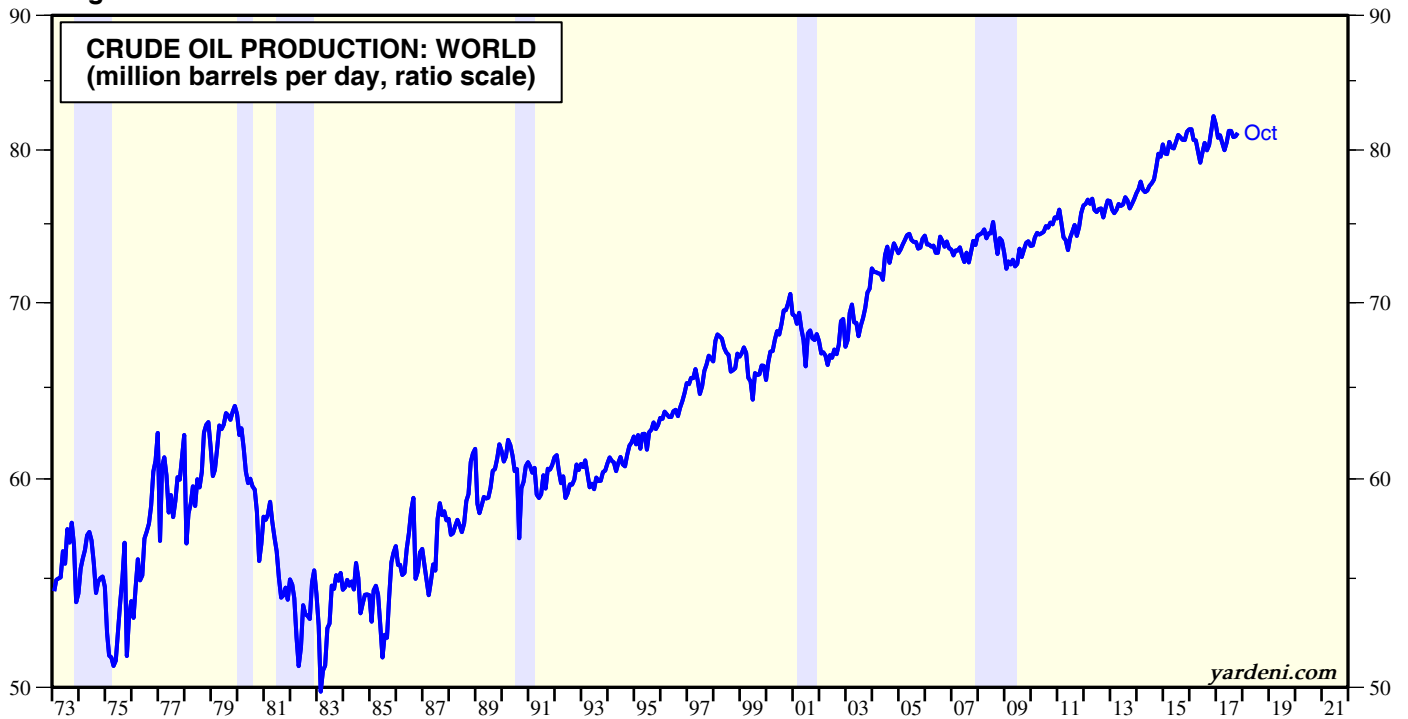
Figure 20.



* Nearby futures price.
 Source: Standard & Poor's and the Financial Times.

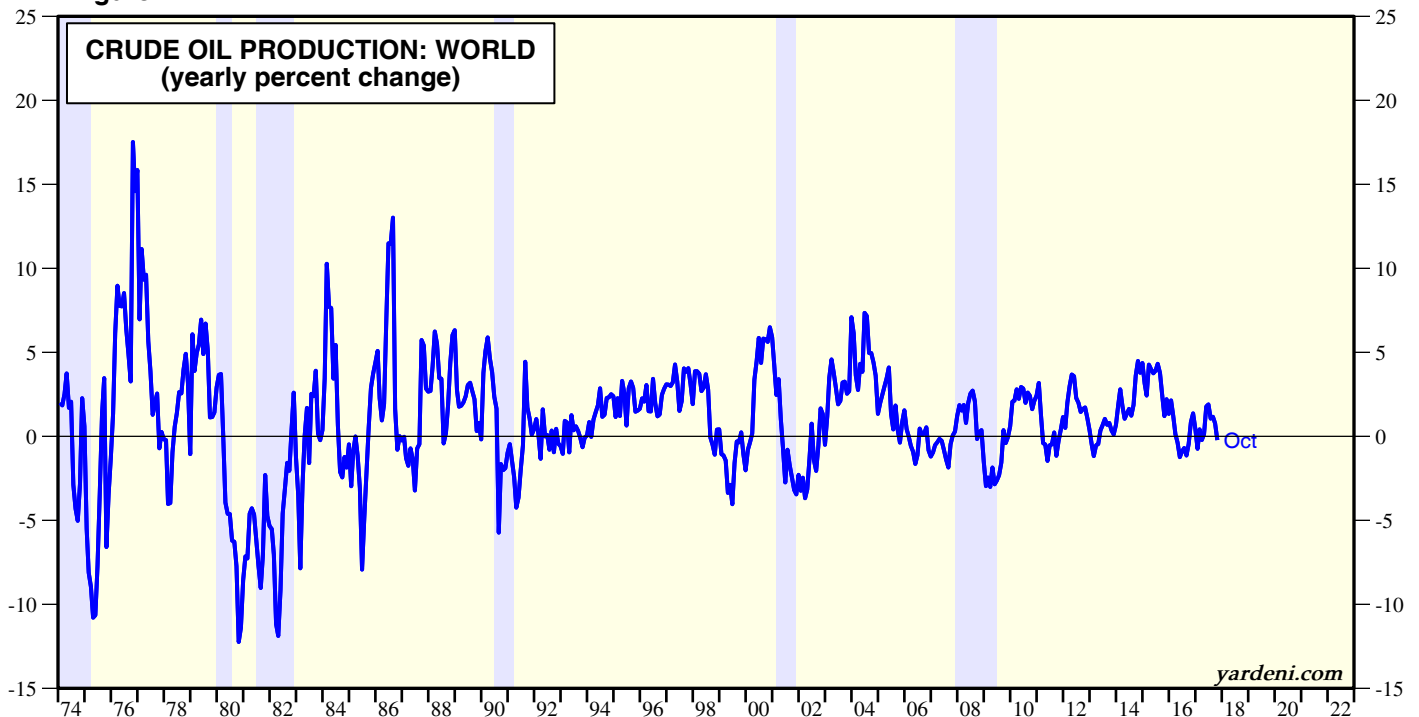
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Figure 21.



Note: Shaded areas denote recessions according to the National Bureau of Economic Research.
Source: Energy Information Administration.

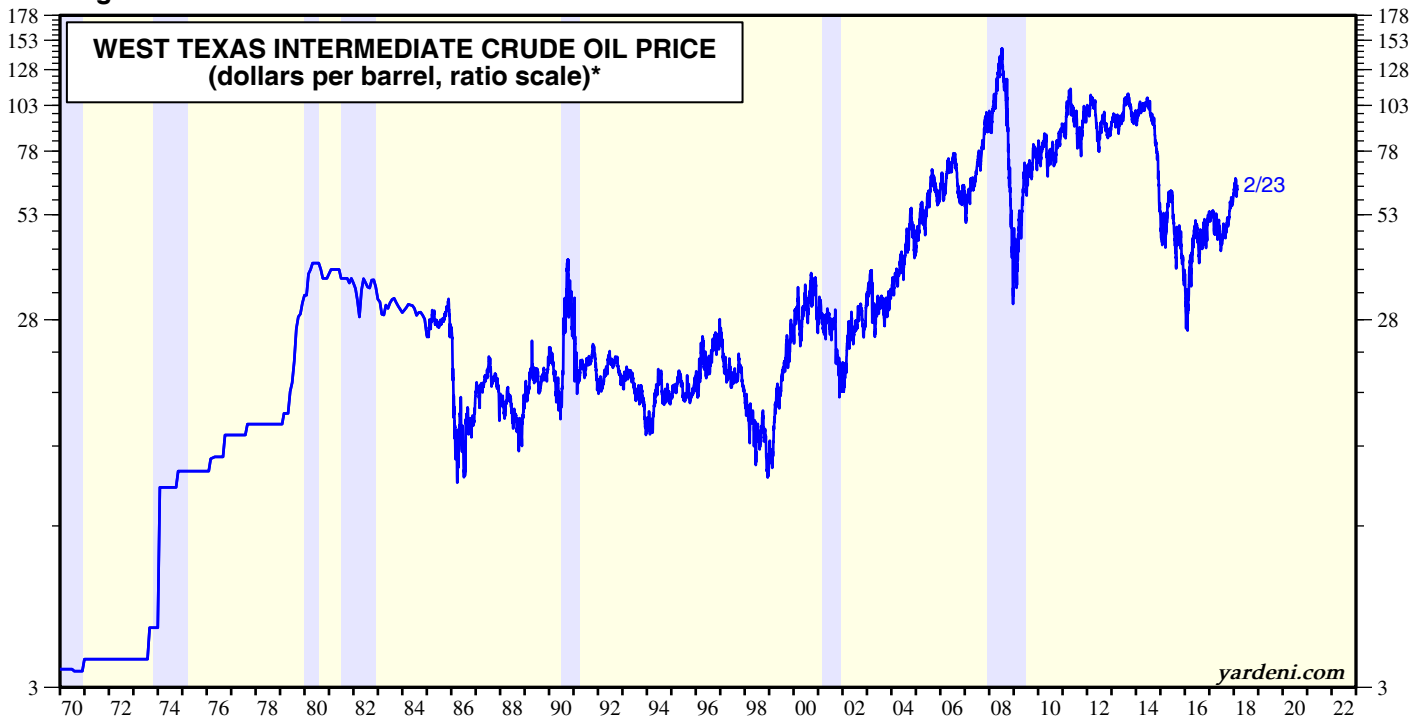
Figure 22.



Note: Shaded areas denote recessions according to the National Bureau of Economic Research.
Source: Energy Information Administration.

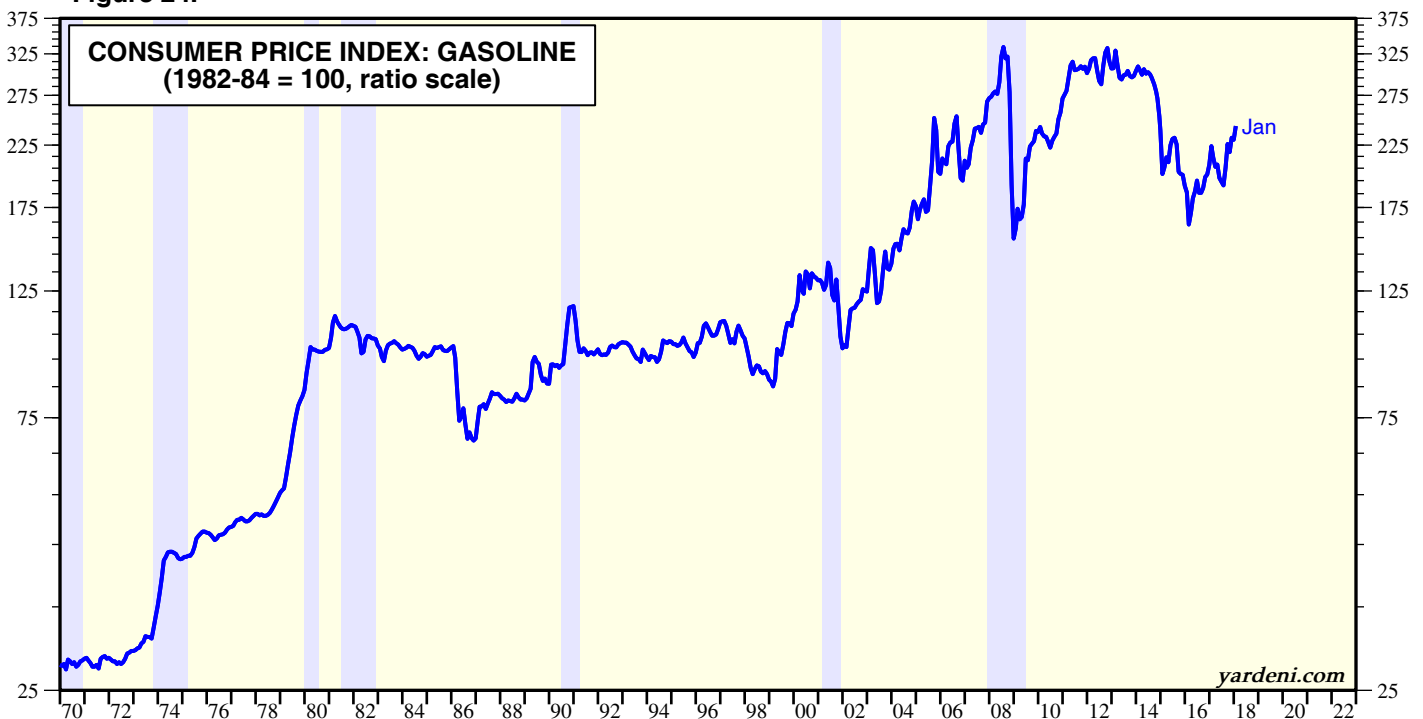
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Figure 23.



* Monthly from 1946 to 1984, then daily.
Note: Shaded areas denote recessions according to the National Bureau of Economic Research.
Source: Haver Analytics.

Figure 24.



Note: Shaded areas denote recessions according to the National Bureau of Economic Research.
Source: Bureau of Labor Statistics.

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Figure 25.

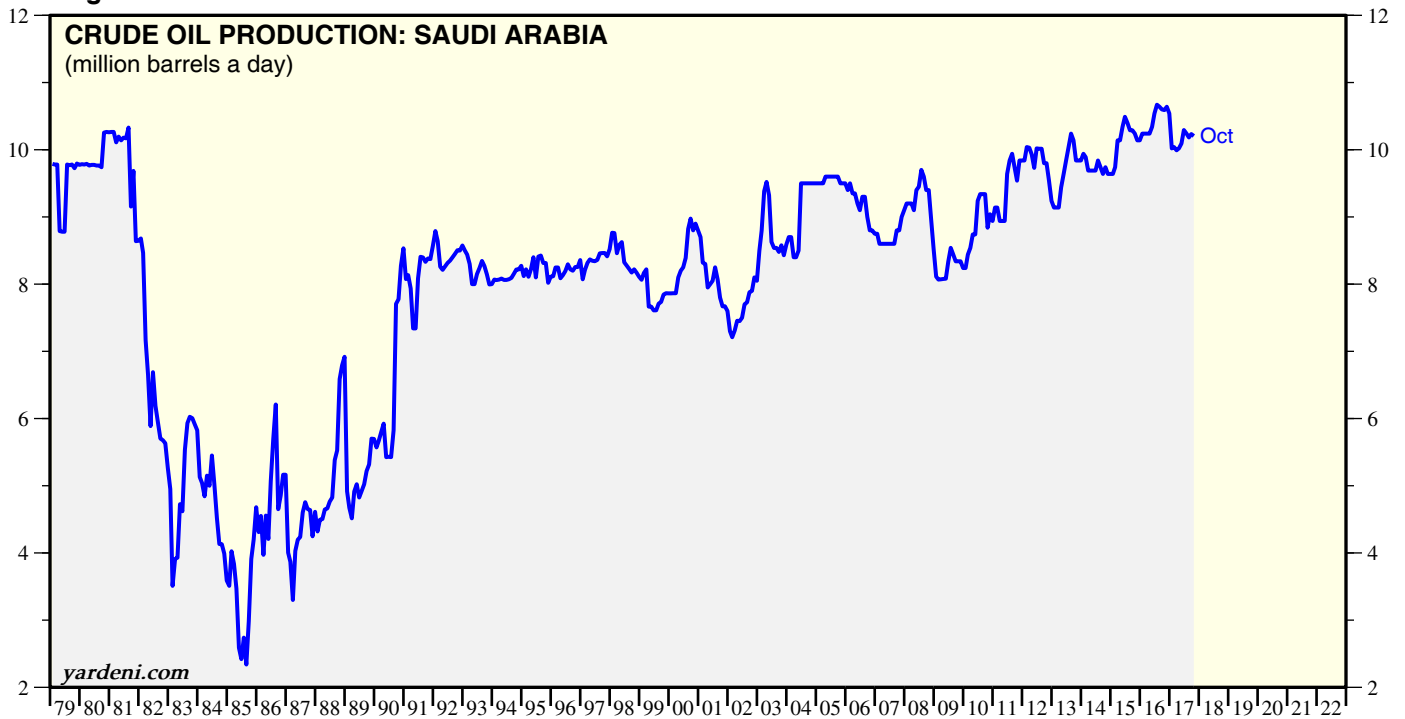
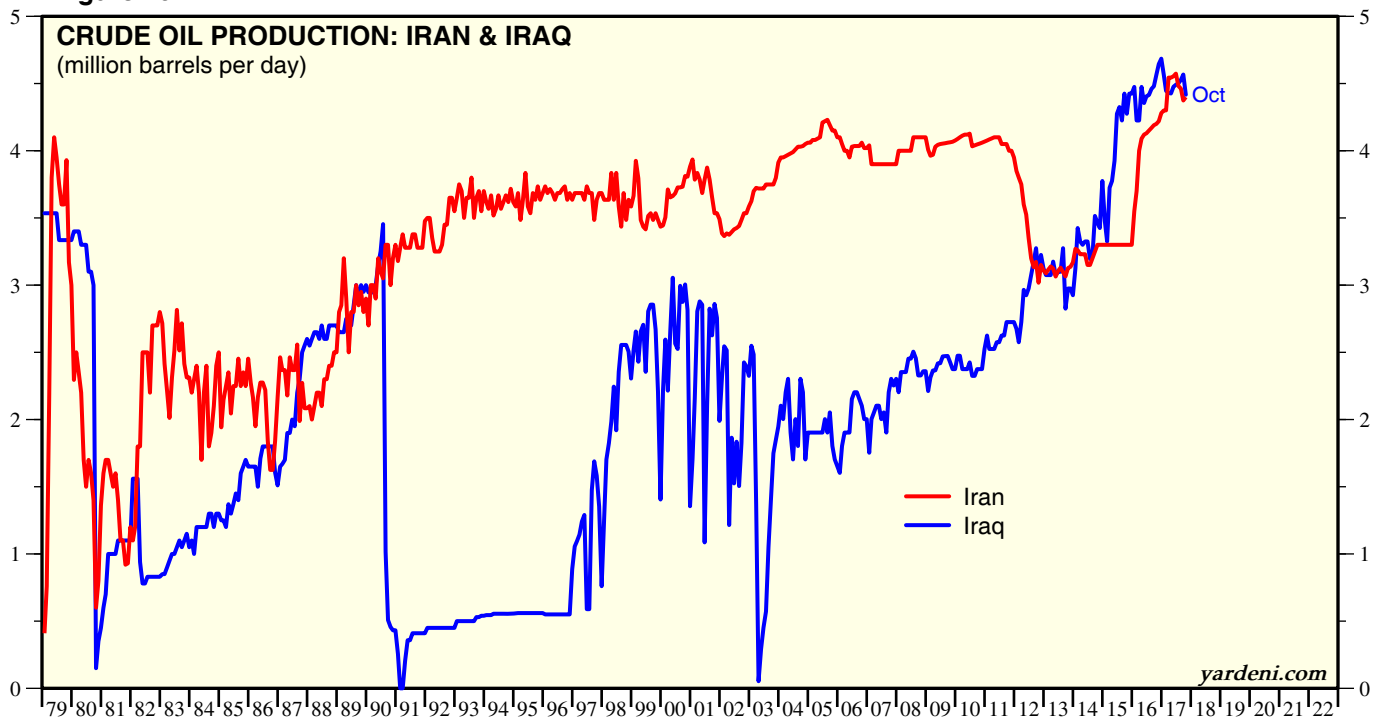


Figure 26.



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Figure 27.

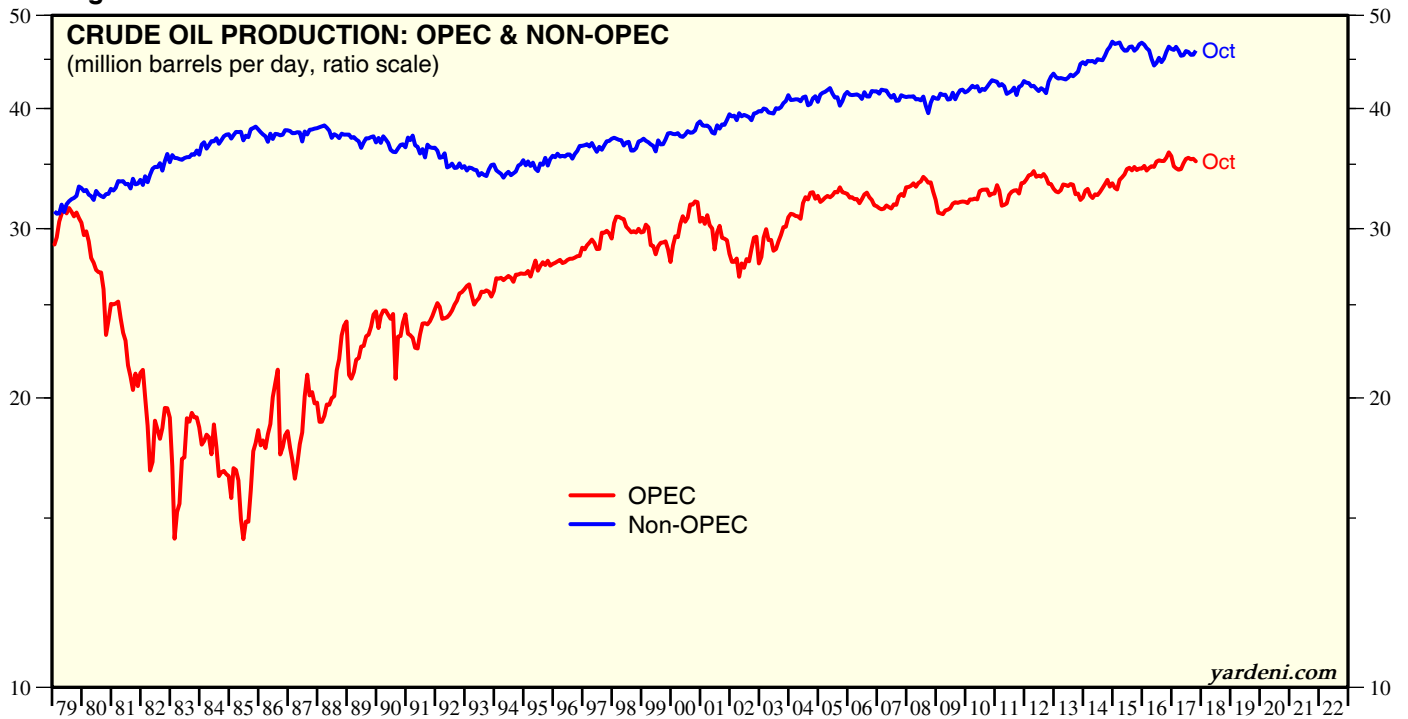
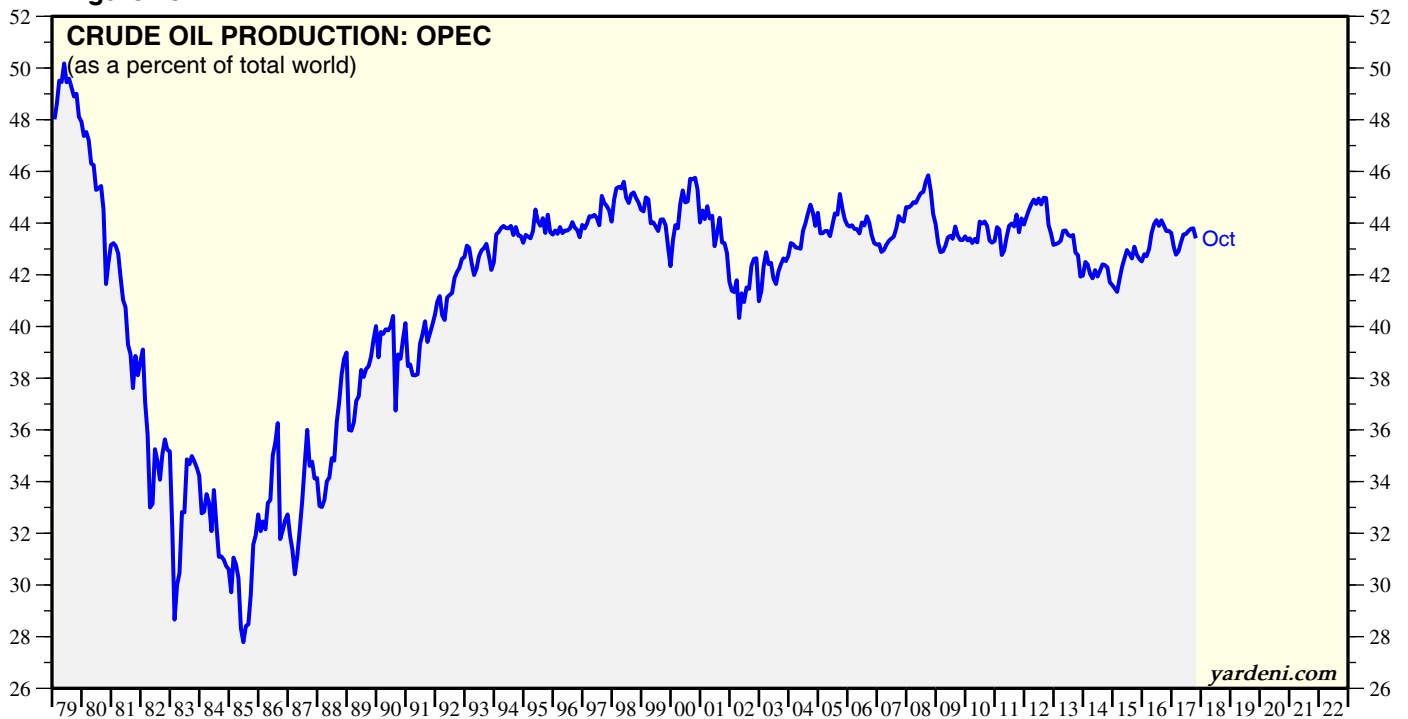


Figure 28.



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Figure 29.

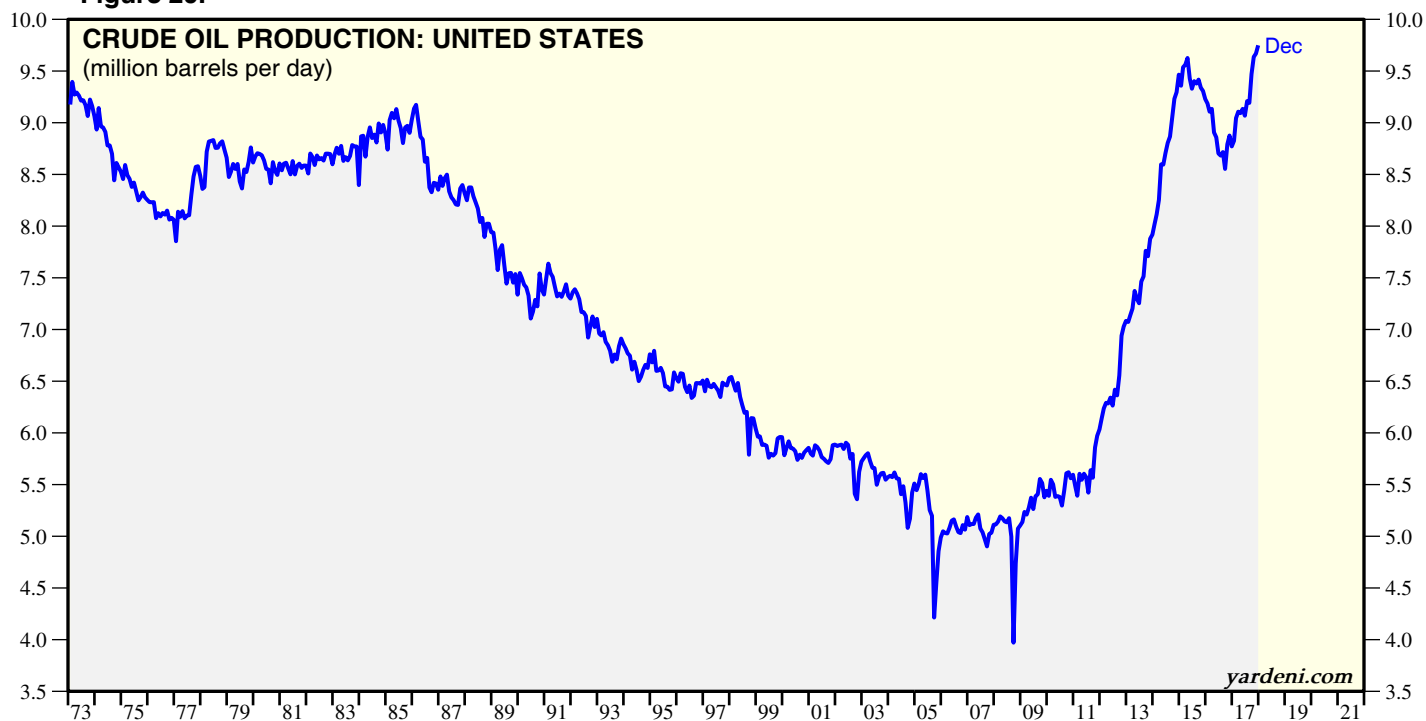
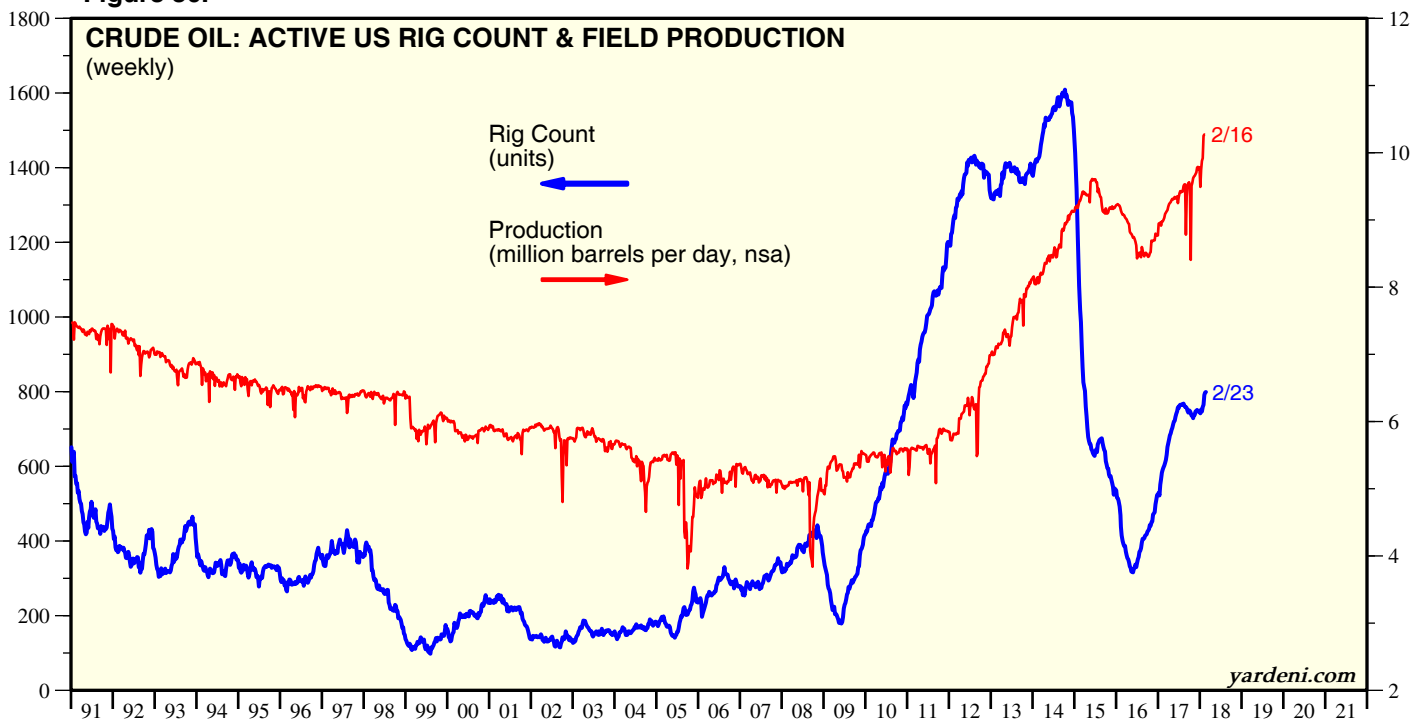
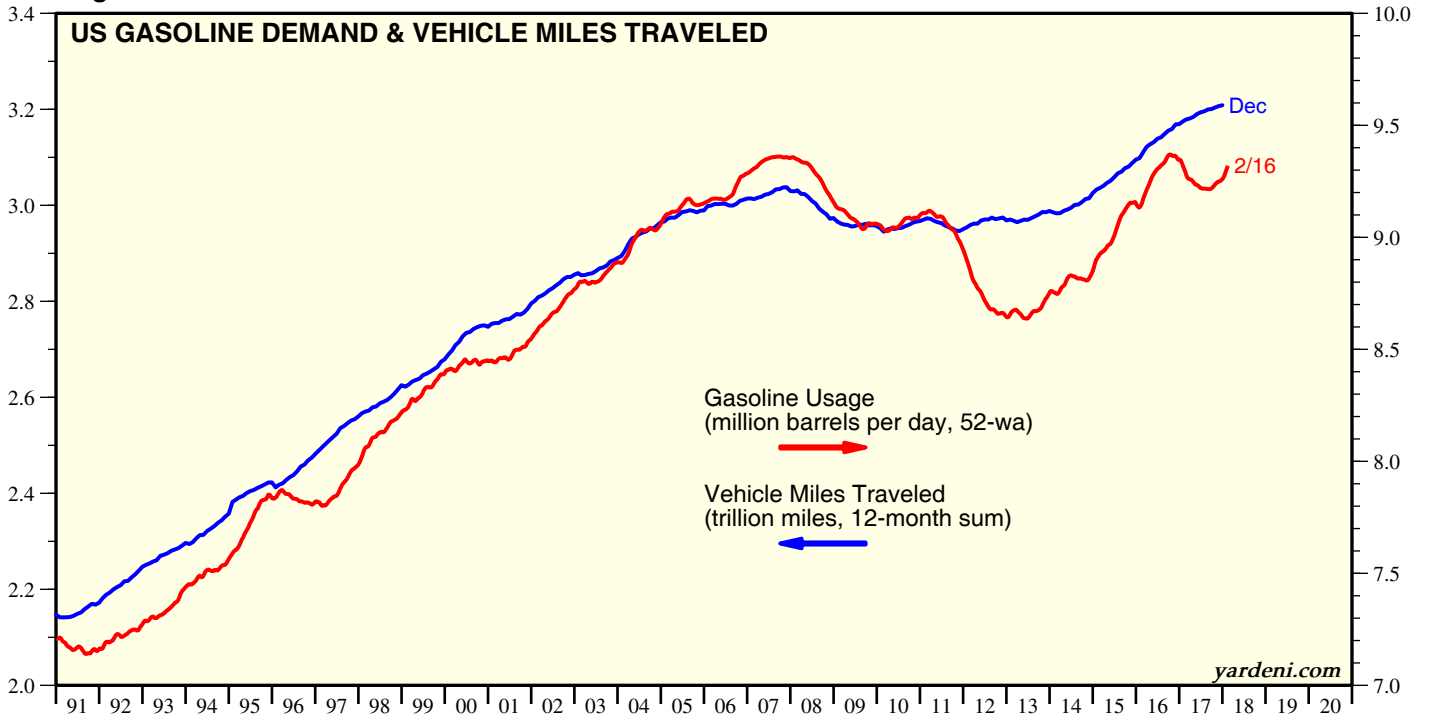


Figure 30.



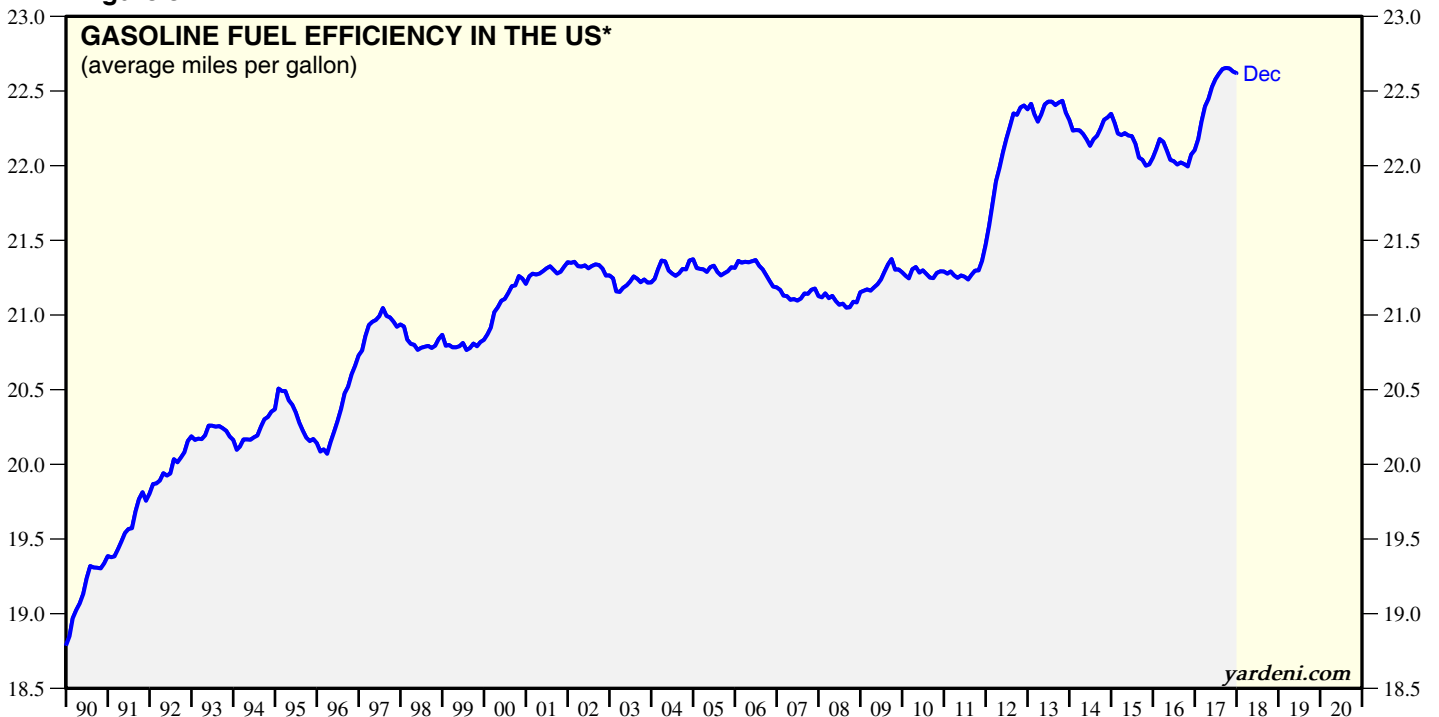
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Figure 31.



Source: US Department of Energy.

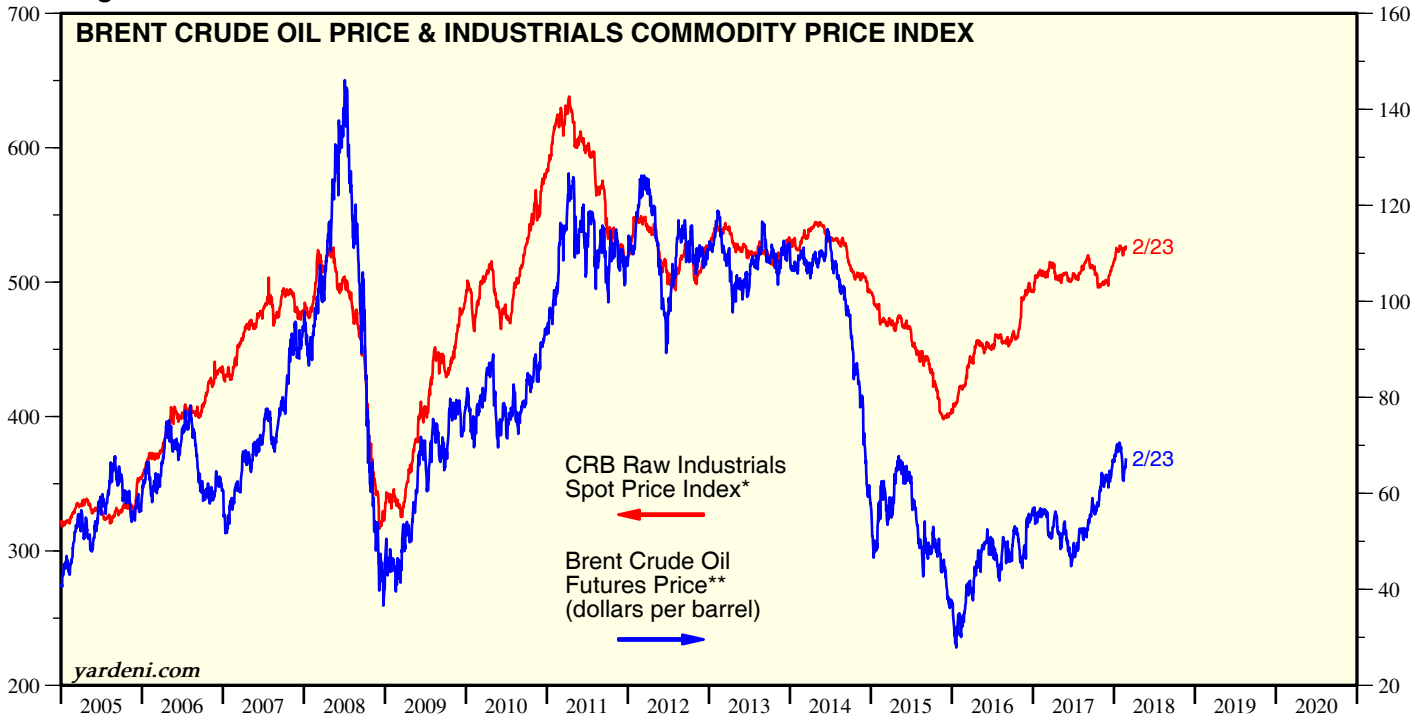
Figure 32.



* Vehicle miles traveled (billion miles, 12-month sum) divided by Gasoline usage (billion barrels per day, 52-wa)
Source: US Department of Energy.

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Figure 33.

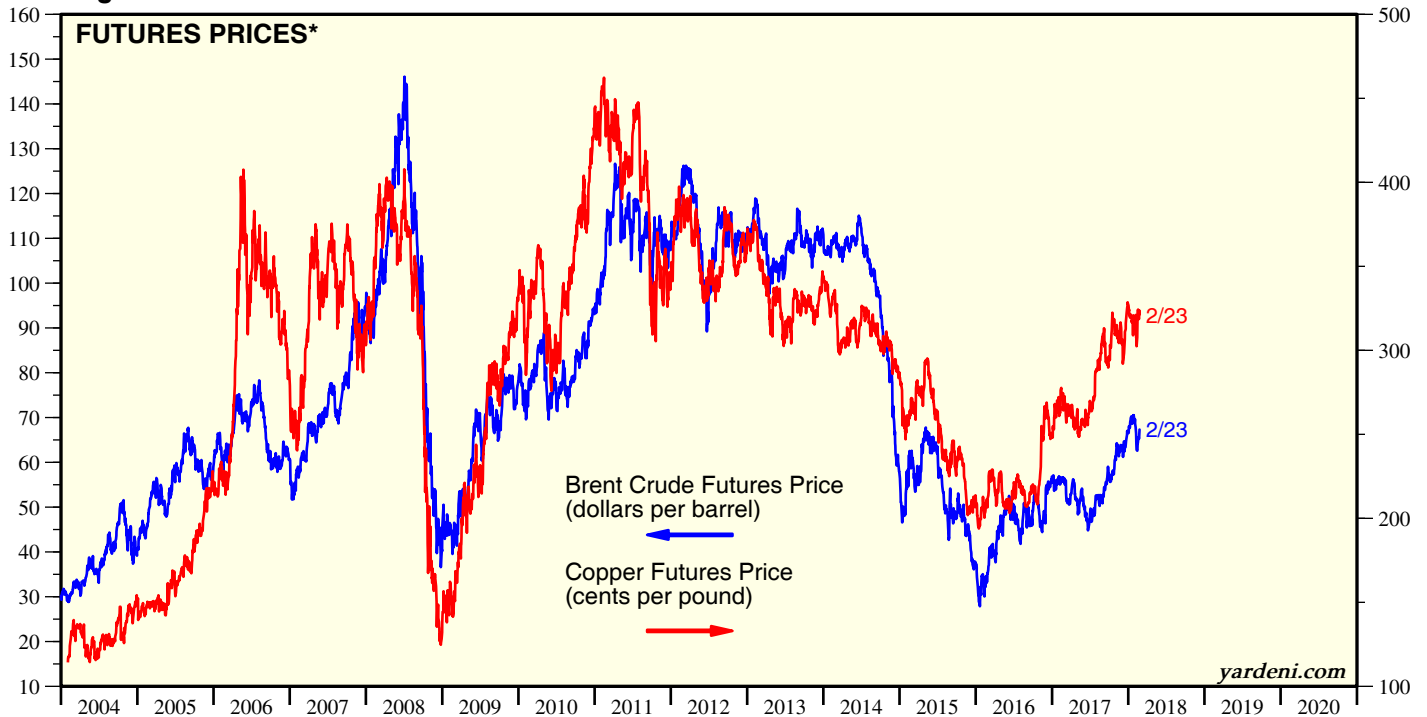


* Includes copper scrap, lead scrap, steel scrap, tin, zinc, burlap, cotton, print cloth, wool tops, hides, rosin, rubber, and tallow.

** Nearby futures price.

Source: Commodity Research Bureau and Haver Analytics.

Figure 34.

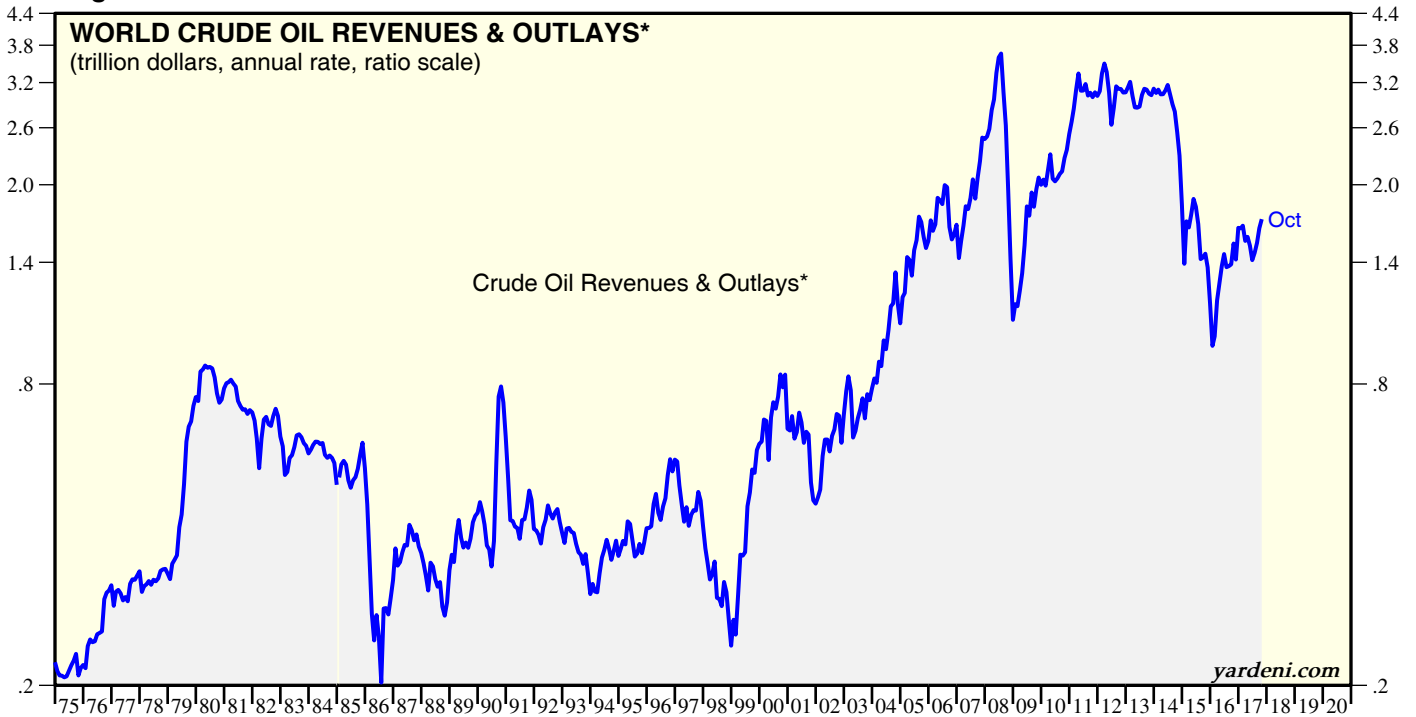


* Nearby futures price.

Source: Haver Analytics.

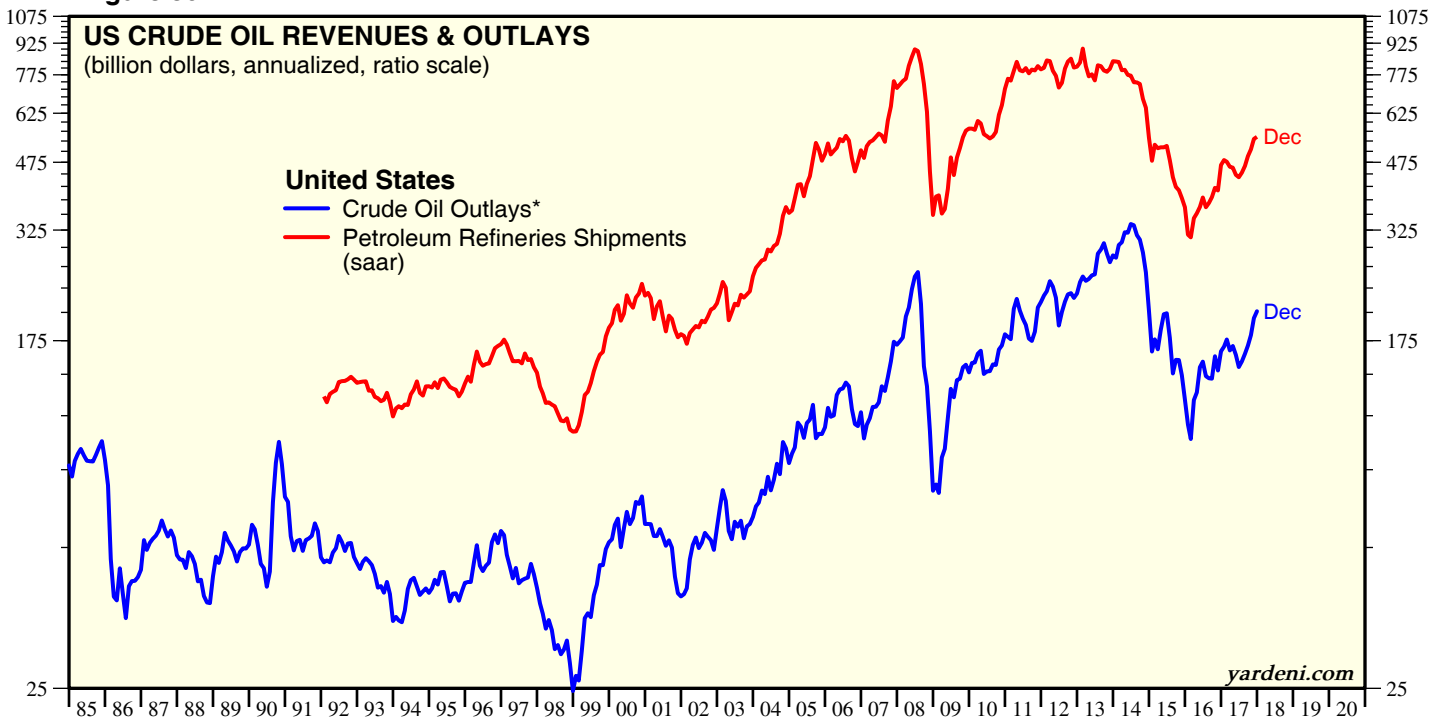
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Figure 35.



* Monthly crude oil production (in mbd) times 365 days times dollar price of a barrel of Brent crude oil.
Note: West Texas Intermediate Spot Price from 1975 TO 1984, Brent Crude oil price thereafter.
Source: Energy Intelligence Administration.

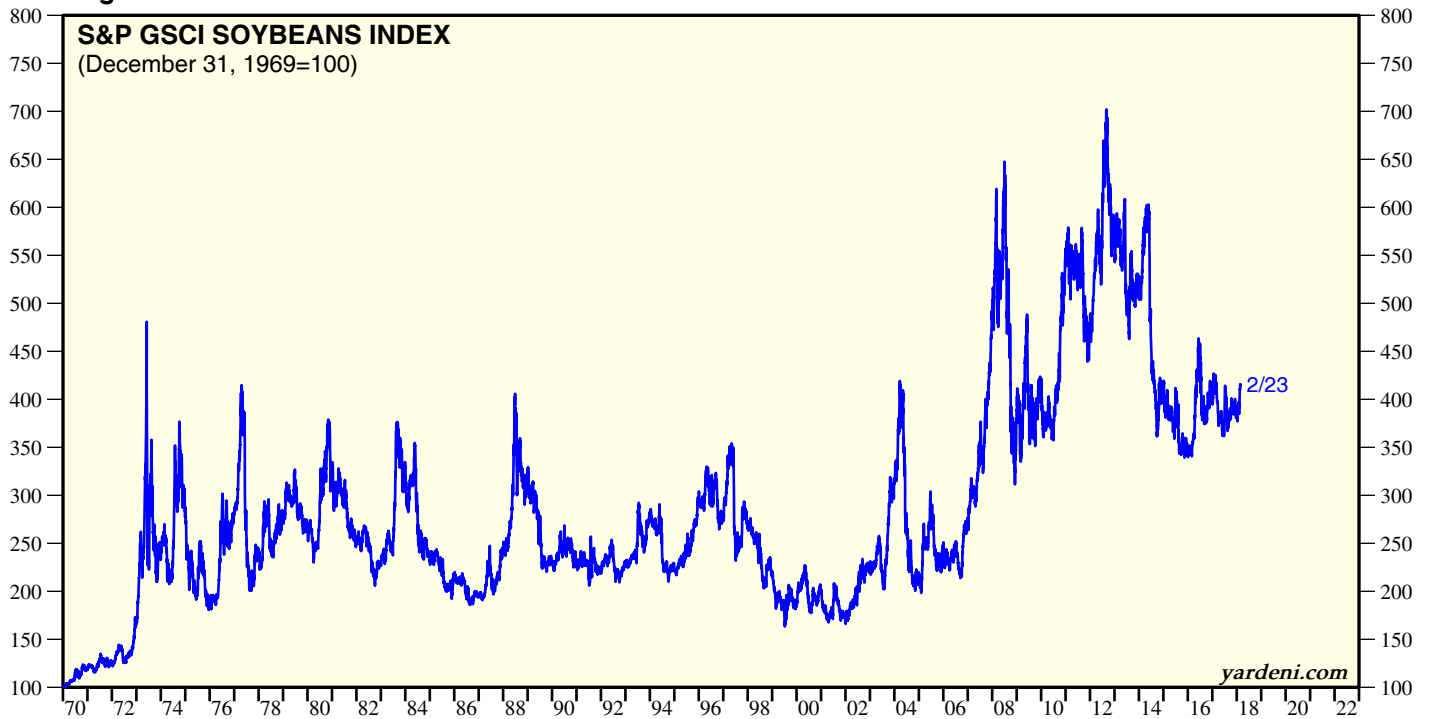
Figure 36.



* Monthly crude oil production (in mbd) multiplied by 365 days and the price of a barrel of West Texas Intermediate crude oil.
Source: Energy Intelligence Administration.

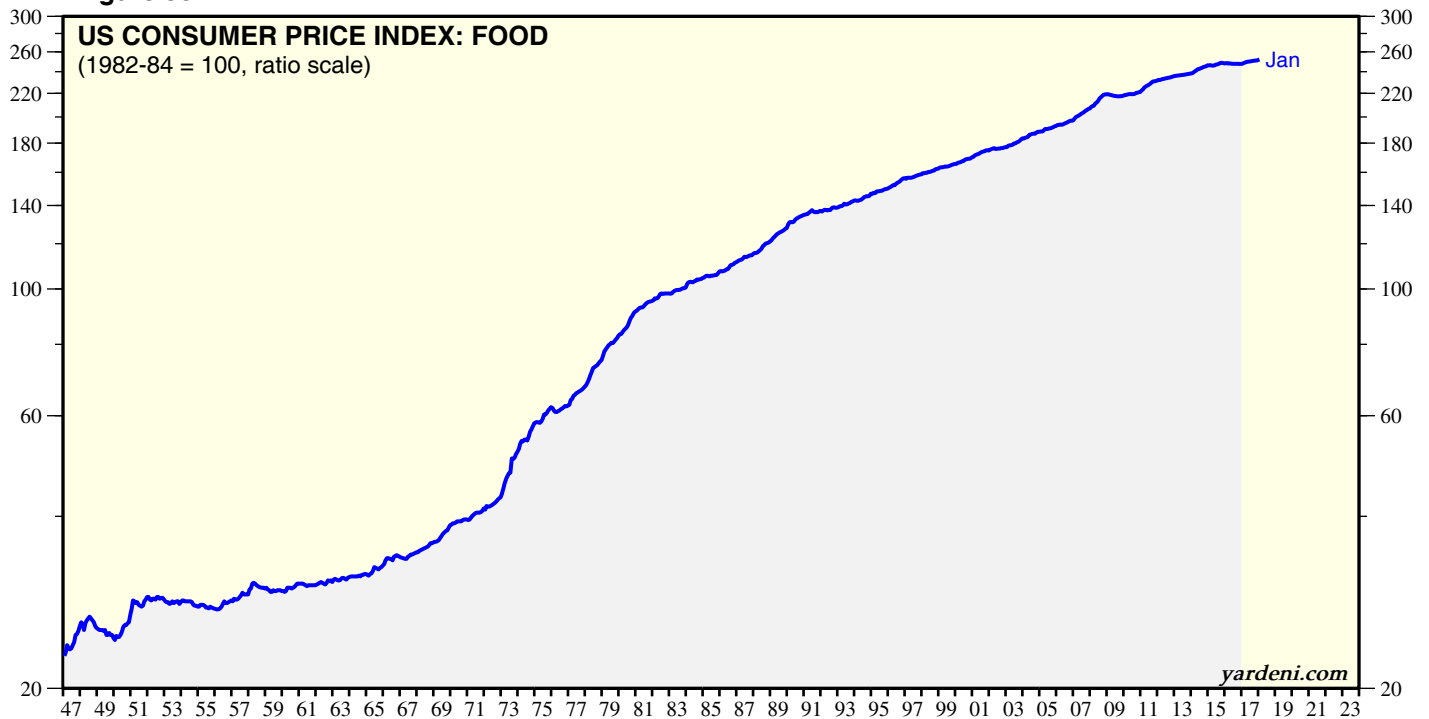
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Figure 37.



Source: Standard & Poor's.

Figure 38.



Source: Bureau of Labor Statistics.

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Figure 39.

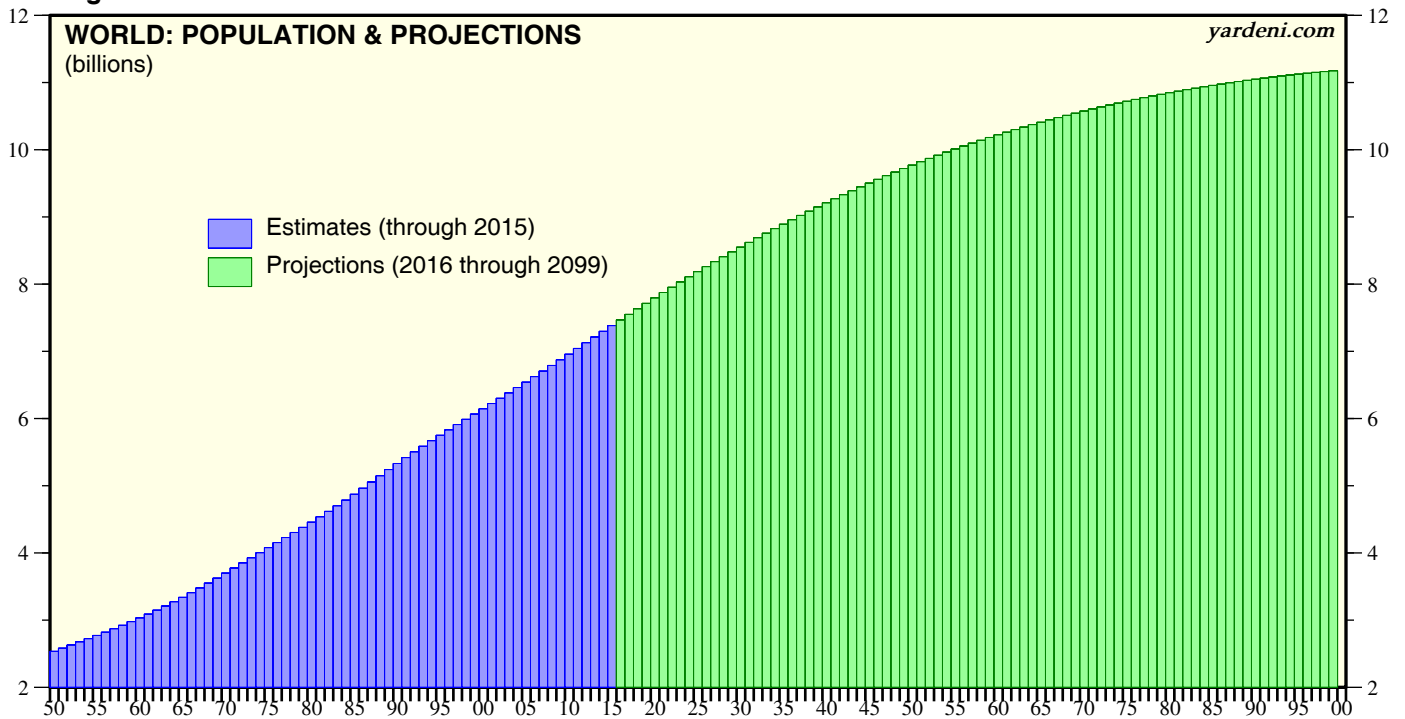
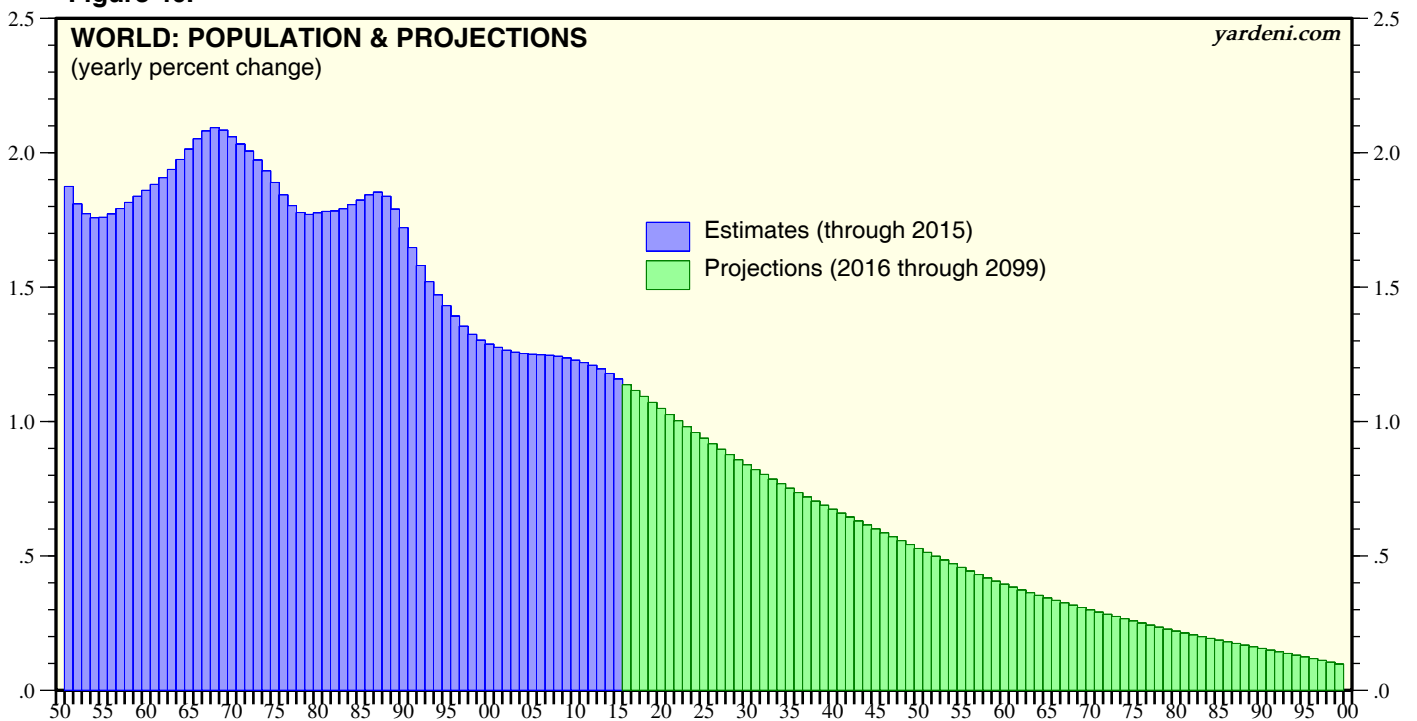
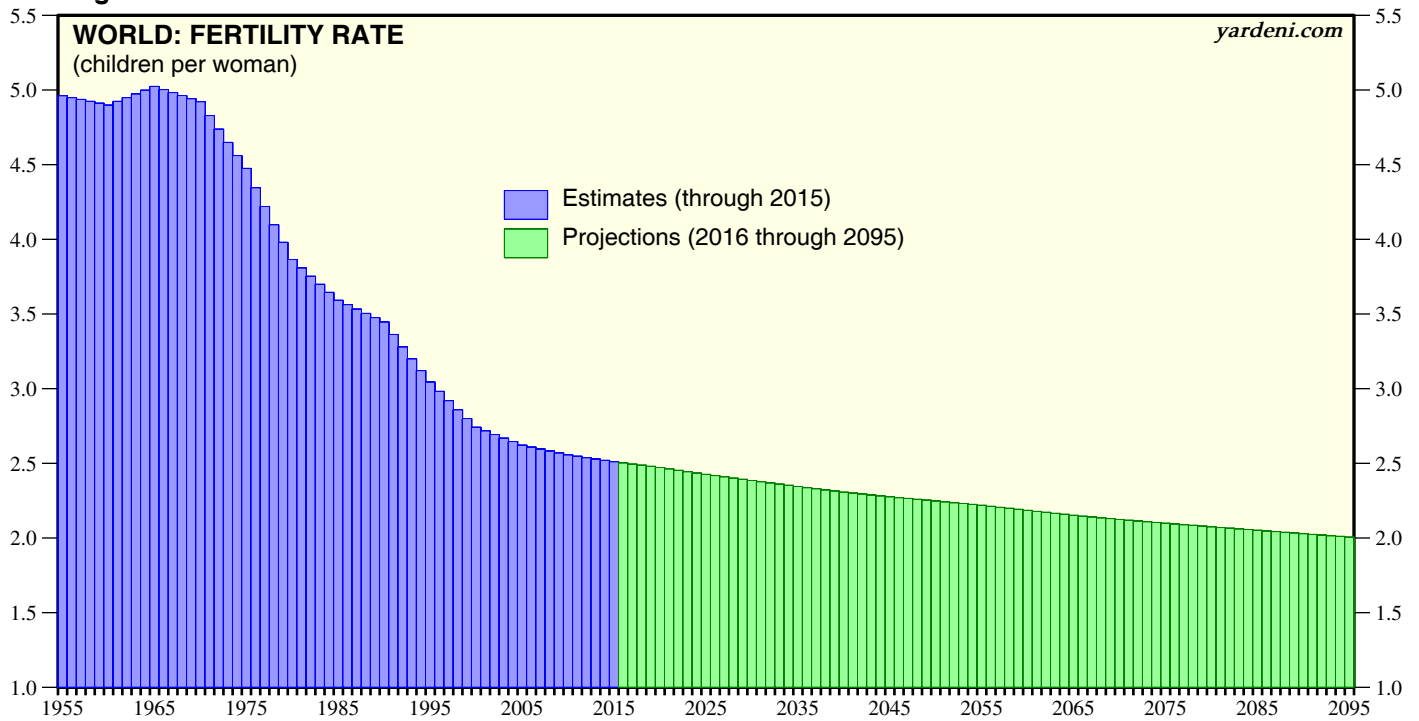


Figure 40.



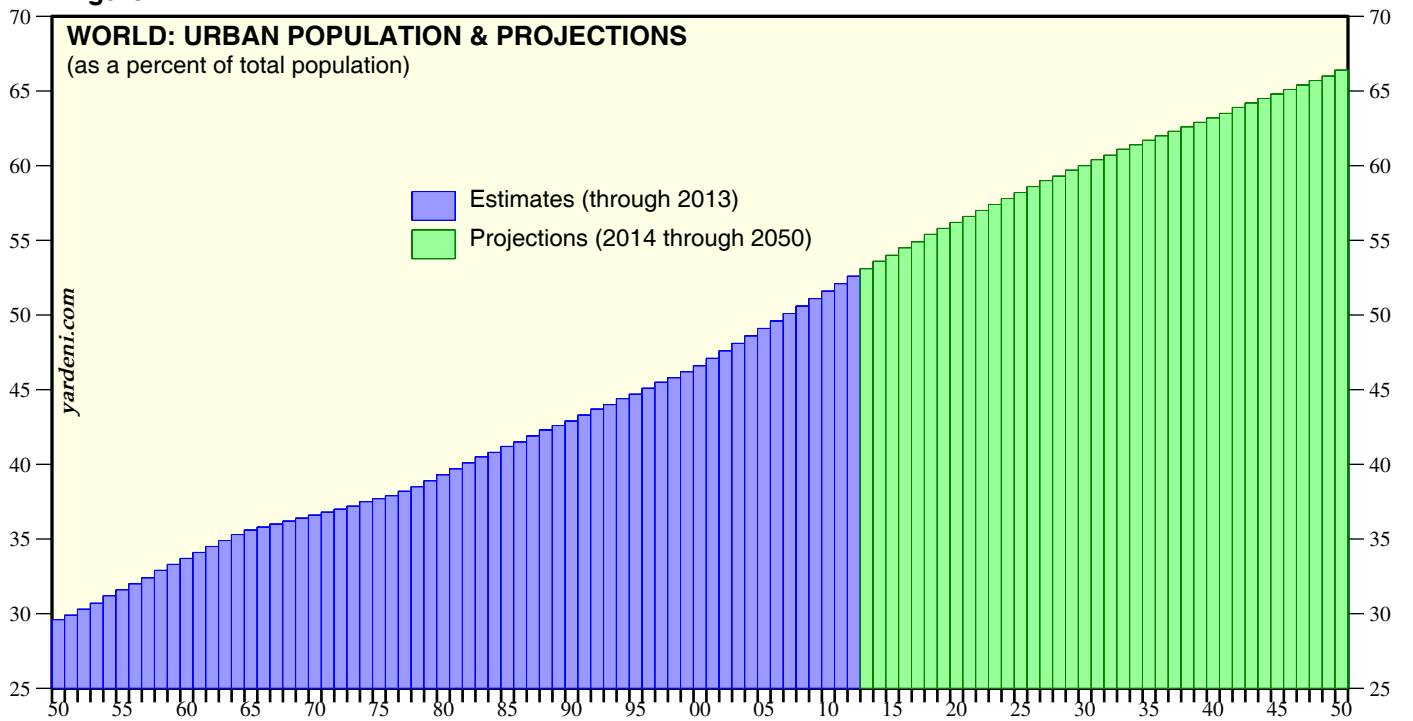
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Figure 41.



Source: United Nations.

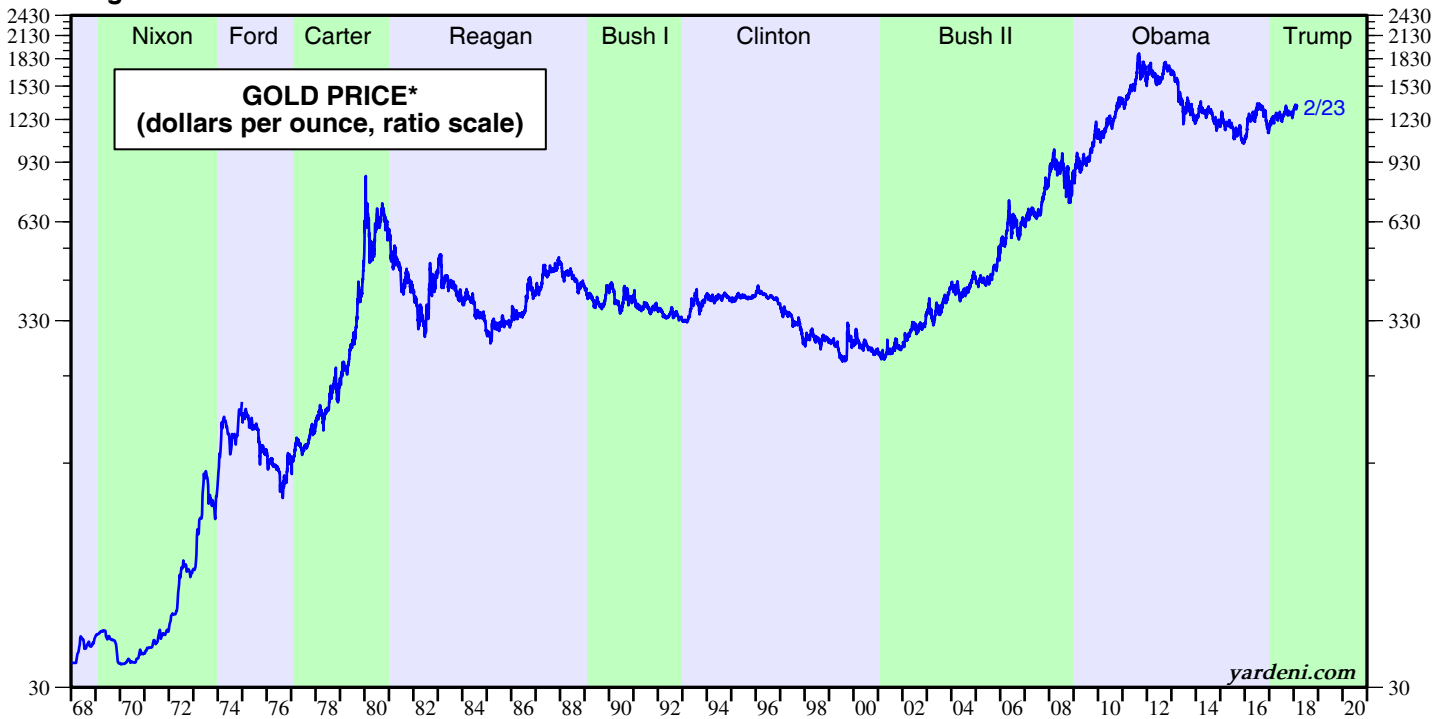
Figure 42.



Source: United Nations.

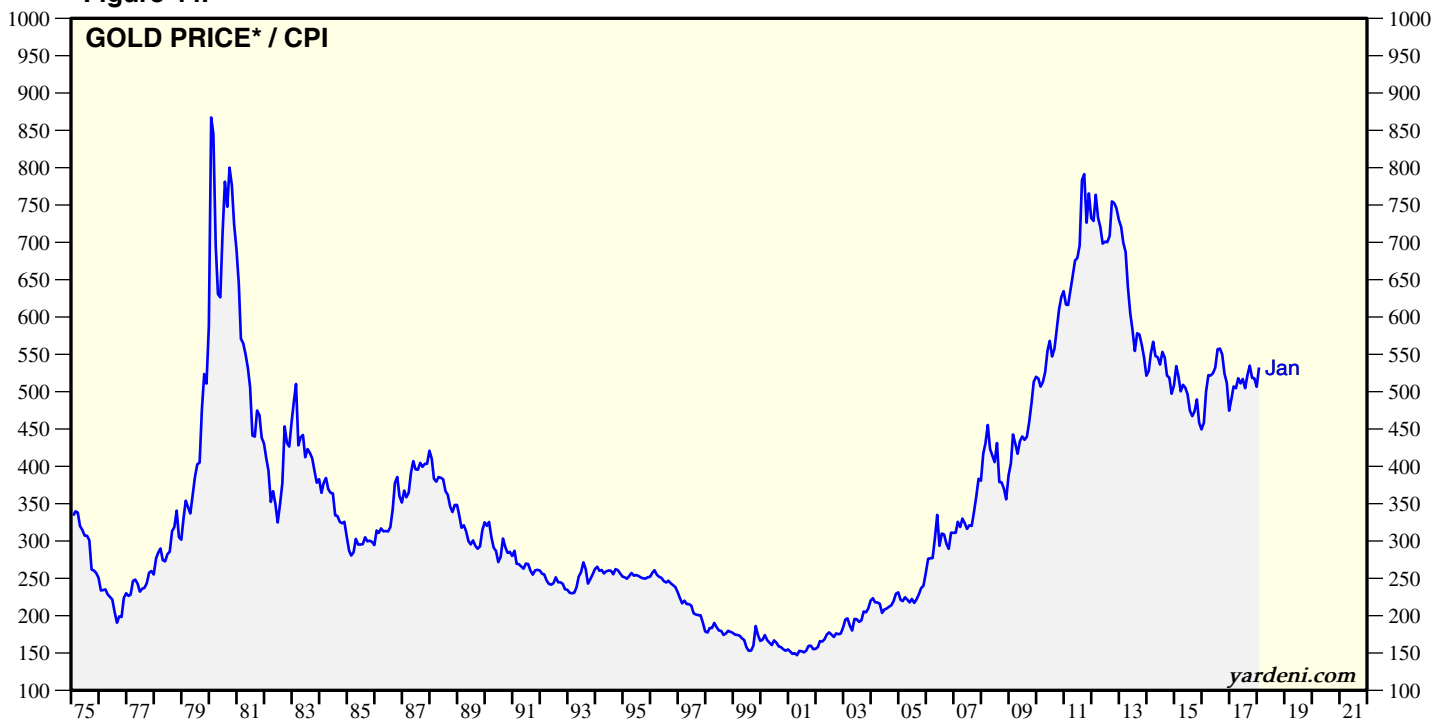
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Figure 43.



* Cash price, London gold bullion, PM Fix. Monthly from 1968 through 1974, then daily.
Source: The Wall Street Journal and Haver Analytics.

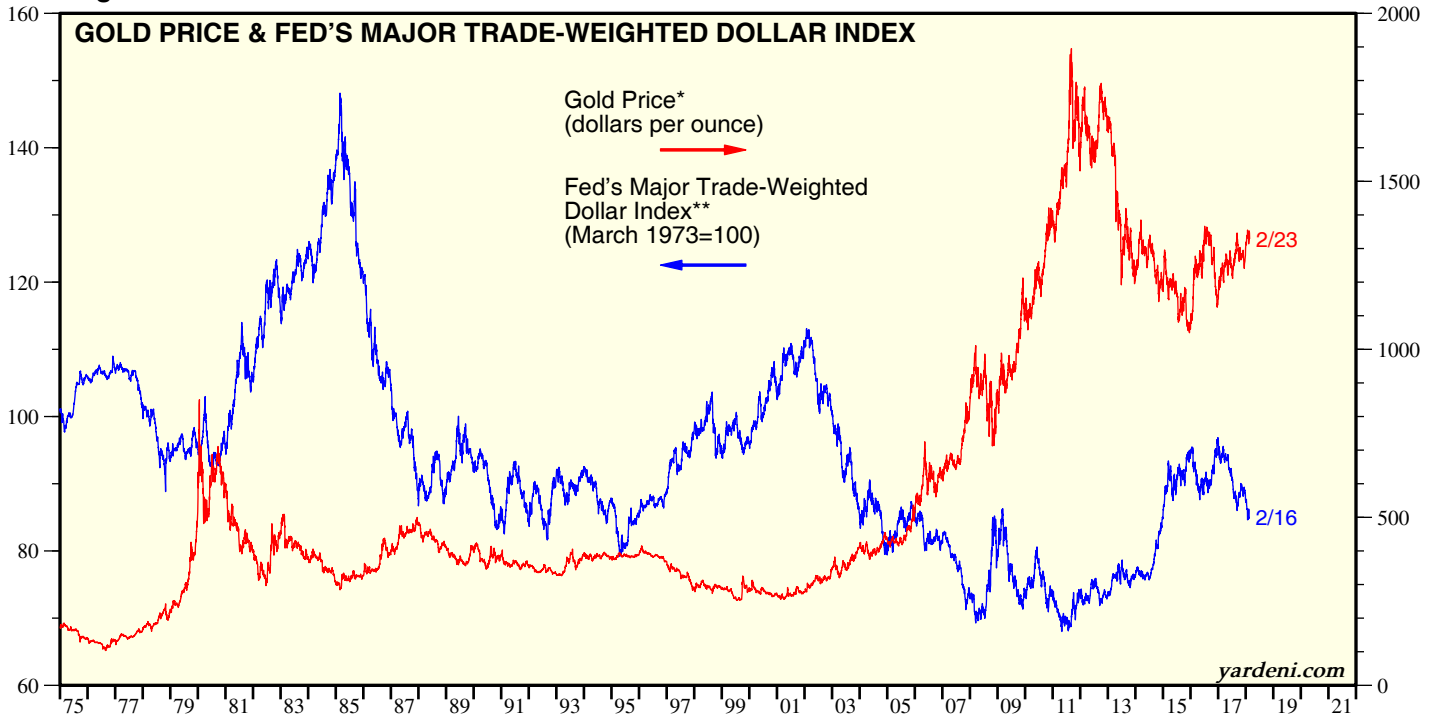
Figure 44.



* Cash price. London gold bullion, PM Fix.
Source: Bureau of Labor Statistics, The Wall Street Journal, and Haver Analytics.

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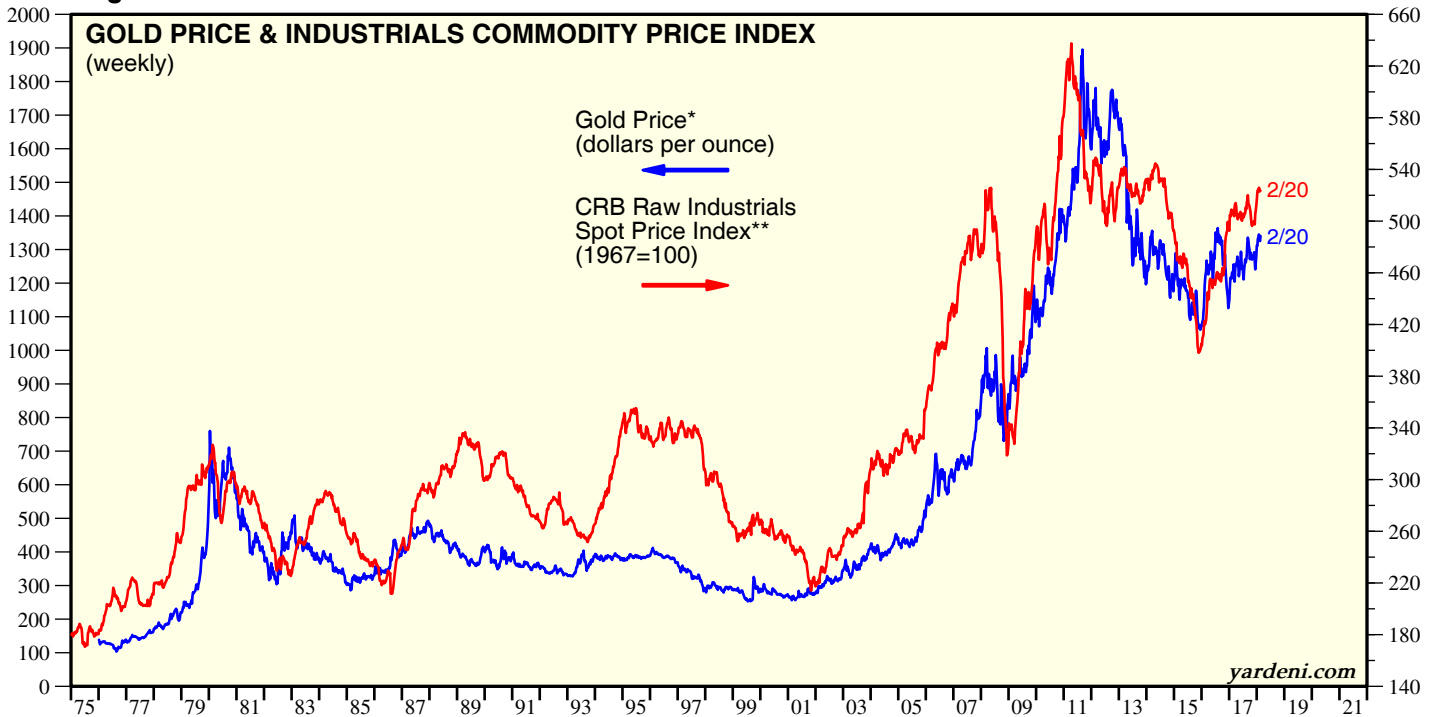
Figure 45.



* Cash price, London gold bullion, PM Fix.

** Index is the weighted average of the foreign exchange rates of the US dollar against the Euro Area, Canada, Japan, United Kingdom, Switzerland, Australia, and Sweden. The Euro Area includes Germany, France, Italy, Netherlands, Belgium/Luxembourg, Ireland, Spain, Austria, Finland, Portugal, & Greece. Source: Federal Reserve Board, The Wall Street Journal, and Haver Analytics.

Figure 46.



* Cash price London gold bullion, PM Fix.

** Includes copper scrap, lead scrap, steel scrap, tin, zinc, burlap, cotton, print cloth, wool tops, hides, rosin, rubber, and tallow. Source: Commodity Research Bureau, The Wall Street Journal, and Haver Analytics..

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Figure 47.

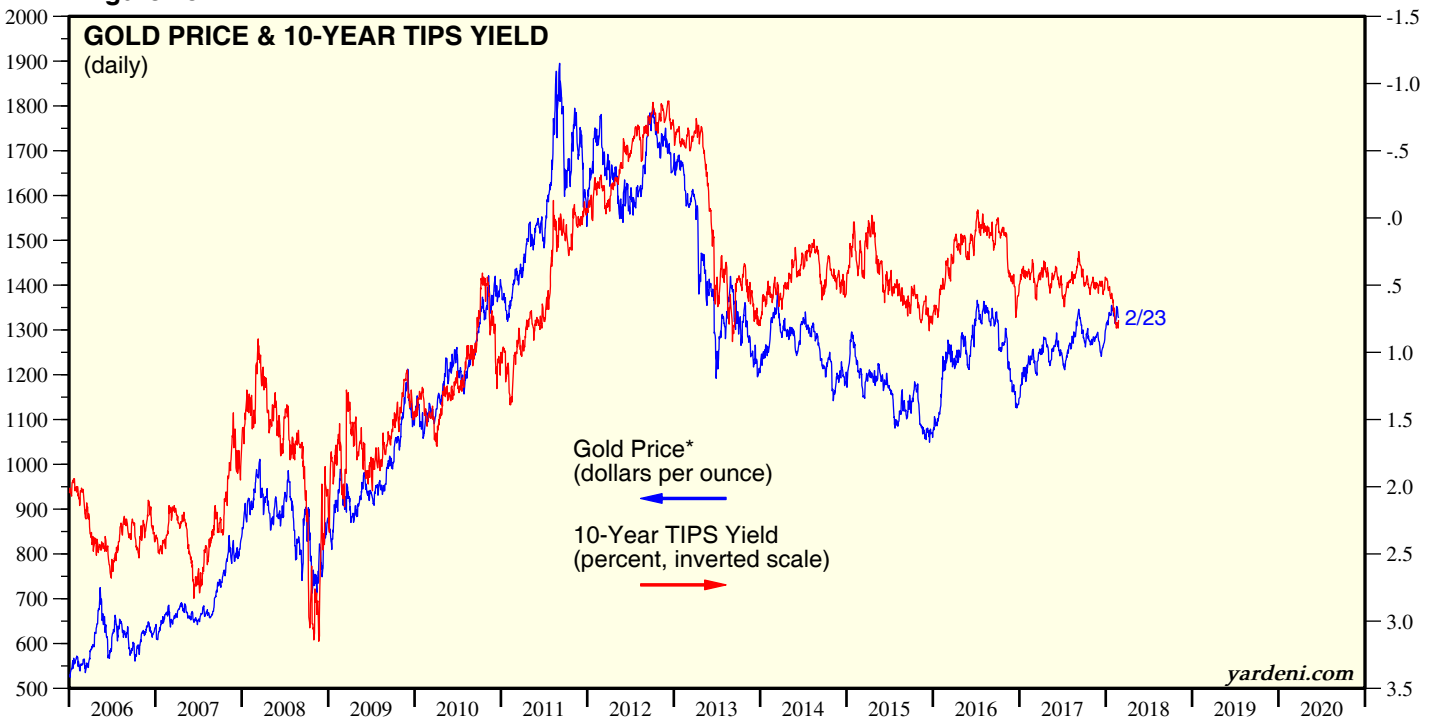


— 200-day moving average

Note: D = On July 26, 2012, ECB President Mario Draghi pledged to do "whatever it takes" to defend the euro. A = On April 4, 2013, Bank of Japan implemented "Abenomics" monetary policy.

Source: The Wall Street Journal and Haver Analytics.

Figure 48.



Gold Price*
(dollars per ounce)

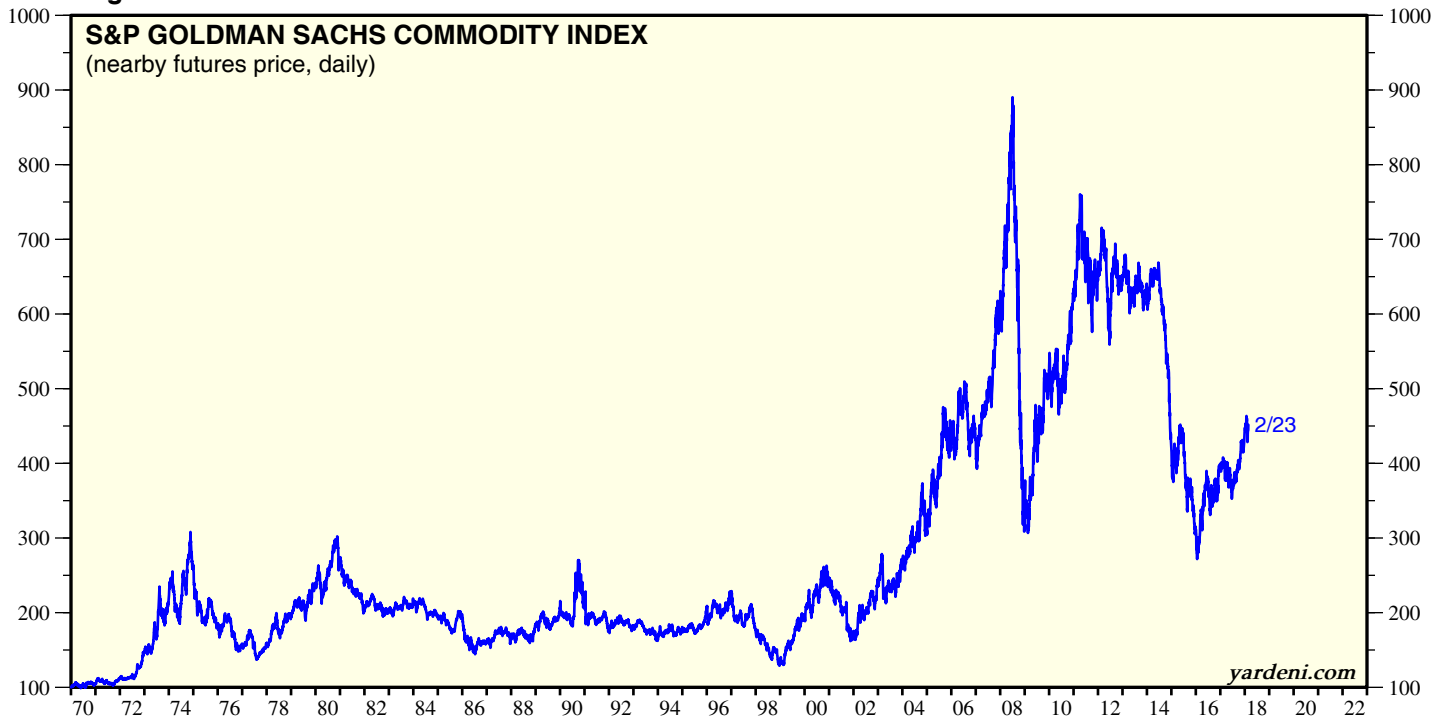
10-Year TIPS Yield
(percent, inverted scale)

* Cash price. London gold bullion, PM Fix.

Source: Federal Reserve Board, The Wall Street Journal, and Haver Analytics.

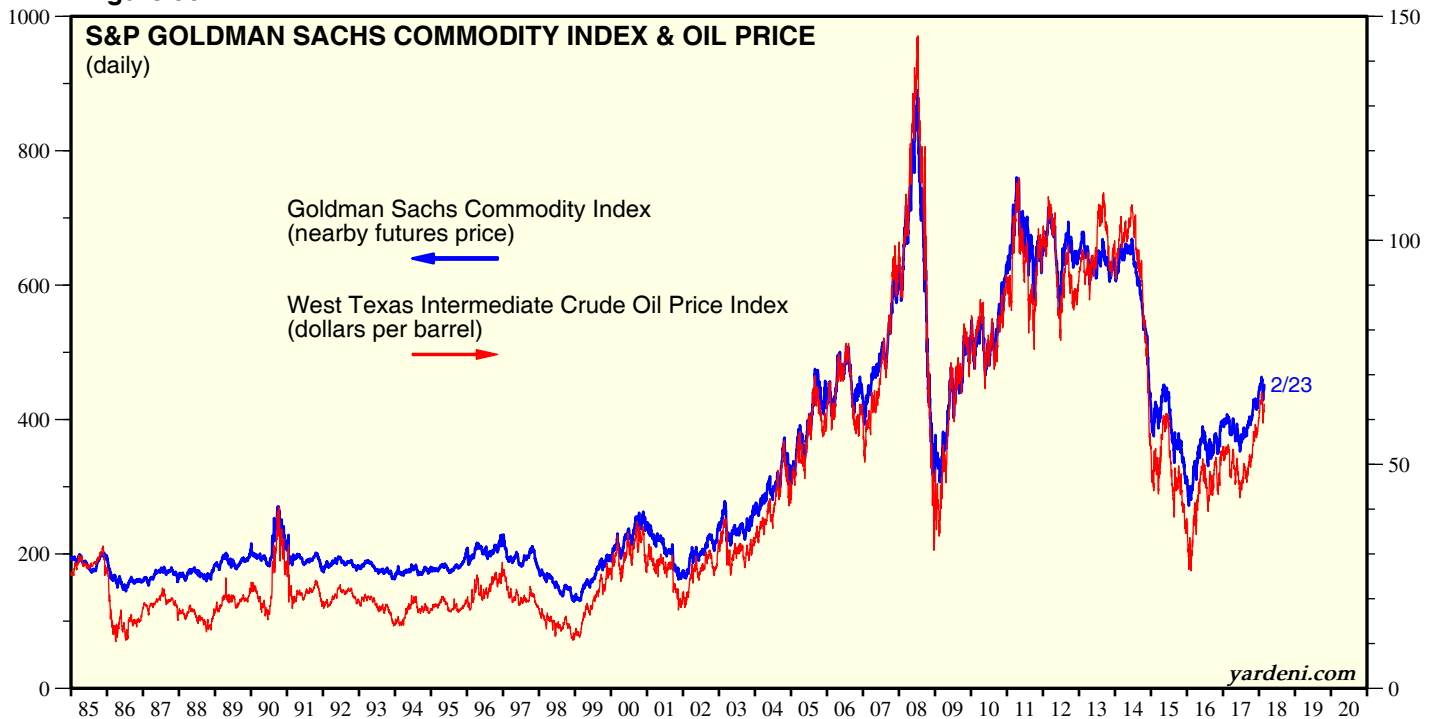
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Figure 49.



Source: Standard & Poor's and Haver Analytics.

Figure 50.



Source: Standard & Poor's and Haver Analytics.

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