

MUTUAL FUNDS CORNER

13 Mar 2012

Commodities still have upside potential

Major commodities have rallied substantially in 2012 as few major outstanding issues like European sovereign crisis, global economic growth are gradually resolved and/ or developing better than expected. Market pessimism fades together with abundant liquidity pushing the risky asset value higher in short span of time.

Year-to-date (till 6 Mar), S&P GSCI Commodity Index total return is 8.42% while individual commodities like silver, Brent crude oil, aluminum, copper and soybeans even outperform the Index by 2% to 12%. Among those outperforming commodities, many of base metals (such as copper and aluminum) and precious metal (such as silver) are closely correlated to the global economic growth and thus benefit from the change of economic expectation. Crude oil prices are well supported not only by global economic growth but also geopolitical risk in Middle East. Iran's nuclear program threatens Western countries and its neighbors like Israeli as they concern over Iran development of nuclear weapons. Iran also warns to close the Straits of Hormuz if the West imposes further sanctions. In terms of supply & demand, analysts forecasted that OPEC excess production capacity is limited while demand from emerging countries is more than offsetting the surplus from developed countries. Oil prices are therefore well supported with room of further upside.

Agriculture commodity is relatively resilient and trades broadly in range in 2012. Nevertheless, there is major fundamental change of this sector. The return of La Nina weather conditions in South America leaves grain prices skewed to the upside. In addition, the high oil price together with tight US inventories and resilient US feed and fuel demand, will keep corn prices buoyant over the first half of 2012. Near term outlook of agriculture is getting more attractive.

Under the low interest rate and moderate economic growth scenario, commodity as an asset class can add value to investors' portfolio. In addition to the conviction call on crude oil and gold, the rest of commodities also find good fundamental support and have potential upside. However, direct investment in commodity is not easy due to storage and delivery concern. Investors should therefore consider investing commodity via mutual fund which invests principally in commodity futures and/or derivatives. Schroder AS – Commodity Fund A is a well diversified commodity fund which invests in all commodity sectors and actively allocates the weighting in each sector in order to enhance return and to lower the risk.

商品市場仍具投資價值

主要商品踏進 2012 年以來已錄得不錯升幅。數個現存的主要問題如歐債危機，環球經濟增長等正慢慢化解或較預期佳。市場悲觀情緒逐漸舒緩，再加上充裕的市場資金，風險資產價格於短時間內便被推升。

從年初至今（3 月 6 日），標普高盛商品指數的總回報為 8.42%。而個別商品如白銀，布蘭特期油，鋁，銅及大豆等更超越指數 2%至 12%不等。在這些突出表現的商品之中。大部份基本金屬（如銅及鋁）及貴金屬（如白銀）也跟全球經濟息息相關，使到它們的價格能享有經濟預期的改變。至於原油價格則受全球經濟長及中東地緣政治所影響。伊朗的核計劃威脅到西方國家及鄰國如以色列等安全，擔心伊朗會發展核武器。伊朗曾恐嚇西方國家如採取更多制裁行動，他們便會關閉霍爾木茲海峽。另外，從供求來看，分析員估計產油國的額外產油能力不大，而新興市場對油的需求已抵銷發達國家所減小的需求。油價於現水平應獲得不錯的支持。

農產品在 2012 年的表現相對平靜，價格只在窄幅上落。但整個農產品正出現基本的改變。拉莉娜天文現象在南美再次出現，使到糧食價格有較大的上升空間。除此，高油價加上美國的低玉米庫存，平穩的食物及燃料需求等因素可使玉米價格於今年上半年維持較高水平。農產品的短期展望應較樂觀。

近日的低息環境及溫和的經濟增長應有利商品價格，對投資者整體組合有增值作用。除原油及黃金一致看好外，其他的商品也有不錯潛在升幅。可惜直接投資商品市場通常遇到儲存及運輸的問題。投資者可考慮投資商品基金，這些基金主要投資於商品期貨及其衍生工具。施羅德商品基金可投資不同的商品行業，可因應情況調配行業比重以爭取更高回報及減低風險。

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