



Commodities Competence Center

360° Expertise

Rethinking Commodities

Quarterly Report

Q4 2025

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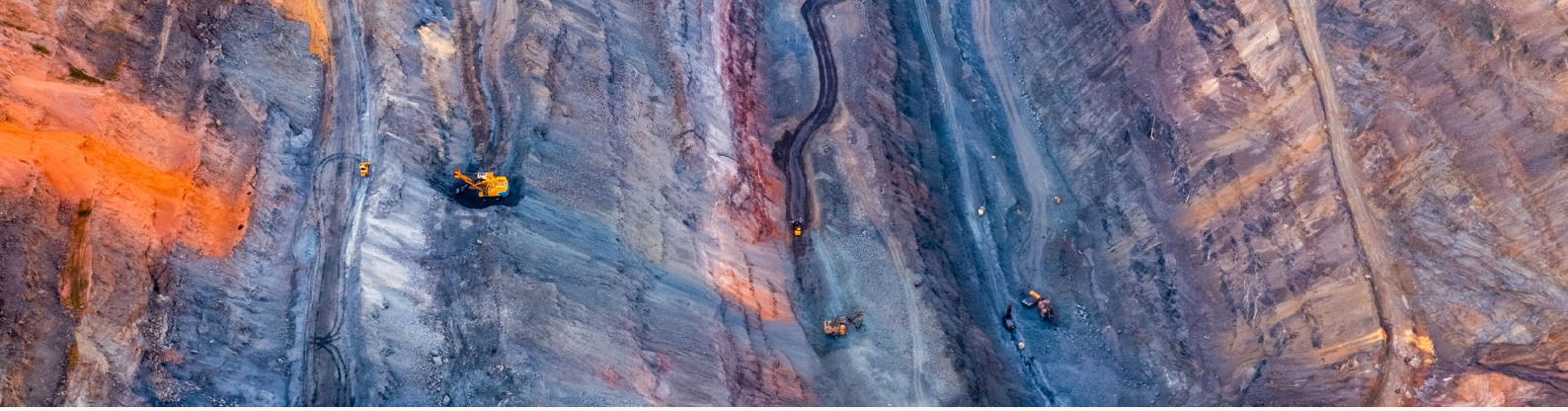
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Video Update

Scan the QR code or [click here](#) to watch our compact investor update video – a quick overview of important developments and market trends.





Welcome

Dear Investors,

We are pleased to introduce you to Picard Angst's Commodities Competence Center, where we bring together our long-standing expertise in global commodity markets. Since 2003, Picard Angst has developed research-driven, systematic, and transparent approaches to investing across energy, metals, and agriculture.

Our Commodities Competence Center combines in-depth research, tailored advisory solutions, and disciplined execution. This enables us to design strategies that meet institutional standards and individual objectives – giving our clients access to innovative products, diversified exposures, and the opportunities arising from the global energy transition and resource transformation.

This quarterly investor letter provides an overview of key developments across global commodity markets during the third quarter of 2025 and into early October. The period was marked by shifting policy expectations, geopolitical realignment, and contrasting dynamics across the energy, metals, and agricultural complexes.

In energy, oil prices remained within a broad range despite record OPEC+ supply and slowing U.S. shale growth, while natural gas and coal softened on ample inventories. Uranium stood out as the top performer, supported by accelerating nuclear investment and tightening supply.

In industrial and precious metals, copper rallied on mine disruptions and energy-transition demand, while gold surged beyond USD 4,000 per ounce amid dovish central banks and record official-sector buying. Aluminium, nickel, and most bulk metals traded largely rangebound, reflecting uneven global growth momentum.

Agricultural markets balanced strong harvests with policy-driven volatility – particularly surrounding U.S.–China trade discussions, which continue to shape sentiment across the grains and oilseeds complex.

In the following pages, you will find a review of market performance, key sector insights, and selected charts highlighting recent trends. Editorial deadline: 17 October 2025.

The commodity universe is vast and complex – too broad to cover every market or company in detail. Our goal is to highlight the most relevant themes and opportunities from our perspective, while continuing to expand coverage in future editions.

We hope you enjoy this first quarterly letter and invite you to share your feedback, questions, or requests for further discussion on commodity-related topics.

With best wishes – and with confidence that this commodity cycle still has much to offer,

Pablo Gonzalez
David Michael Lincke



Commodity Markets Overview

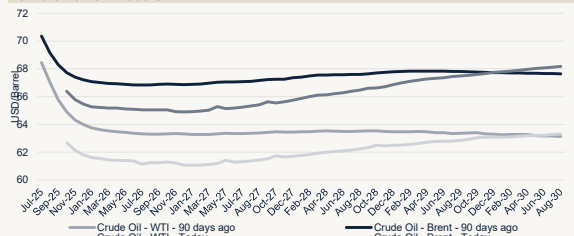
Commodity Indices

Commodity Futures Indices TR	Ticker	Return	QTD	YTD	1 Year	3Y p.a.	5Y p.a.
Picard Angst Commodity	PACITR	TR	6.1%	13.9%	7.9%	6.5%	14.1%
Bloomberg Commodity	BCOMTR	TR	3.6%	11.8%	8.9%	2.8%	11.5%
S&P GSCI	SPGCCITR	TR	4.1%	7.3%	10.1%	4.7%	17.6%
FTSE/CoreCommodity CRB	CRYTR	TR	2.2%	5.2%	10.2%	9.0%	18.6%
Commodity Equity Indices TR	Ticker	Return	QTD	YTD	1 Year	3Y p.a.	5Y p.a.
S&P Global Natural Resources	SPGNRUN	TR	9.4%	21.3%	6.4%	10.0%	13.6%
MSCI World Energy	NDWUENR	TR	6.2%	11.2%	7.9%	11.8%	24.8%
Stoxx Europe 600 Oil&Gas	SKXR	TR	5.4%	36.2%	23.7%	18.0%	19.4%
S&P Oil Gas E&P	SPSIOPTR	TR	5.9%	3.3%	3.4%	4.9%	29.1%
MSCI World Metals & Mining	NDUWMMIN	TR	24.2%	45.6%	16.4%	19.4%	14.6%
Stoxx Europe 600 Basic Resource	SKOPV	TR	19.1%	30.4%	4.5%	11.1%	11.8%
S&P Global NR Metals & Mining	SPGNEUT	TR	5.8%	14.5%	5.5%	11.3%	22.1%
NYSE Arca Exch Gold BUGS	HUINTR	TR	46.4%	133.4%	93.0%	48.2%	14.8%
NYSE Arca Gold Miners	GDMNTR	TR	46.4%	133.5%	93.7%	49.5%	16.1%
FTSE Gold Mines	TFTMIGMI	TR	50.9%	148.0%	99.4%	52.3%	15.7%

Commodity Futures

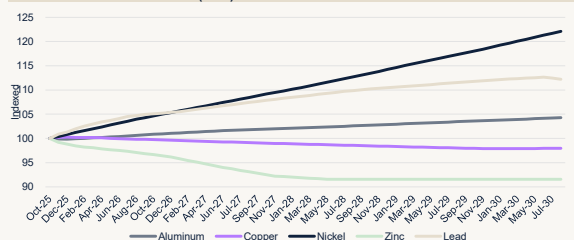
Energy Futures	Closing Price	Unit	Return	QTD	YTD	1 Year	3Y p.a.	5Y p.a.
CO Crude Oil - Brent (ICE)	64.53	USD/bbl	TR	3.0%	-1.0%	5.8%	4.5%	23.8%
CL Crude Oil - WTI (Nymex)	60.88	USD/bbl	TR	0.8%	-2.3%	5.8%	4.5%	21.0%
QS Gasoline - RBOB (Nymex)	186.05	USD/gal	TR	6.5%	2.6%	10.0%	8.9%	28.8%
XB Gas Oil - Low Sulphur (ICE)	671.25	USD/MT	TR	9.7%	12.8%	20.5%	9.3%	36.0%
HO Heating Oil (Nymex)	223.63	USD/gal	TR	5.5%	15.9%	24.5%	9.0%	36.4%
NG Natural Gas - Henry Hub (Nymex)	3.32	USD/MMBtu	TR	-15.1%	-18.4%	-13.6%	-44.2%	-18.0%
FN Natural Gas - UK (ICE)	80.58	GBP/MMBtu	TR	-8.2%	-27.3%	-15.3%	-50.9%	12.1%
TZT Natural Gas - TTF Dutch (ICE)	31.44	EUR/MMBtu	PR	-4.6%	-27.0%	-15.2%	-41.5%	18.8%
JKL LNG - Japan/Korea (Platts)	11.04	USD/MMBtu	PR	-15.8%	-22.4%	-15.8%	-34.2%	17.0%
XA Thermal Coal - API2 Rotterdam	92.05	USD/MT	TR	-12.6%	-17.7%	-21.2%	-34.2%	10.4%
XO Thermal Coal - API4 Richards E	84.05	USD/MT	TR	-10.7%	-19.1%	-23.4%	-33.6%	6.8%
UKA Uranium - UxU U3O8 Swap (CA)	81.00	USD/lb	PR	10.2%	12.3%	0.2%	23.9%	21.5%

Forward Curve - Crude Oil



Metals Futures	Closing Price	Unit	Return	QTD	YTD	1 Year	3Y p.a.	5Y p.a.	
LP Copper (LME)	10,700.48	USD/MT	TR	4.1%	20.2%	7.0%	13.0%	11.0%	
HG Copper (CMX)	510.90	USD/lb	TR	-4.7%	19.0%	5.2%	14.1%	10.8%	
LA Aluminum (LME)	2,710.03	USD/MT	TR	4.1%	7.8%	5.0%	7.4%	8.0%	
LN Nickel (LME)	15,278.68	USD/MT	TR	-0.1%	-1.3%	-14.0%	-10.5%	0.9%	
LX Zinc (LME)	3,073.64	USD/MT	TR	9.5%	1.1%	-2.1%	1.2%	6.3%	
LL Lead (LME)	1,988.95	USD/MT	TR	-3.9%	1.3%	-6.0%	2.9%	2.9%	
LT Tin (LME)	37,560.00	USD/MT	TR	6.0%	25.4%	8.6%	24.4%	22.8%	
CVT Cobalt (Comex)	19.09	USD/lb	TR	19.5%	67.9%	62.3%	-19.3%		
LIC Lithium Carbonate - CIF CJK (C)	9.38	USD/kg	TR	4.0%	-18.3%	-31.1%	-57.9%		
SCO Iron Ore - Singapore (SGX)	104.04	USD/MT	TR	11.4%	11.8%	4.3%	20.3%	14.8%	
KEE Coking Coal - China (DCE)	#N/A	N/A	CHN/MT	PR	20.6%	-7.6%	-19.8%	-17.8%	-5.7%
JBO Steel Scrap - CFR Turkey (Platt)	344.50	USD/MT	PR	-0.6%	-1.6%	-7.8%	-2.3%	2.7%	
RBT Steel - Rebar China (SHF)	#N/A	N/A	CHN/MT	PR	0.7%	-6.7%	-11.1%	-8.7%	-4.6%
GC Gold (CMX)	3,880.80	USD/oz	TR	16.4%	44.8%	44.1%	31.3%	14.4%	
SI Silver (CMX)	47.97	USD/oz	TR	28.6%	68.1%	46.6%	34.0%	13.8%	
PL Platinum (Nymex)	1,619.30	USD/oz	TR	19.6%	77.1%	62.5%	24.6%	12.9%	
PA Palladium (Nymex)	1,293.00	USD/oz	TR	16.0%	40.3%	27.6%	-15.3%	-11.1%	

Forward Curves - Base Metals (LME) - Indexed



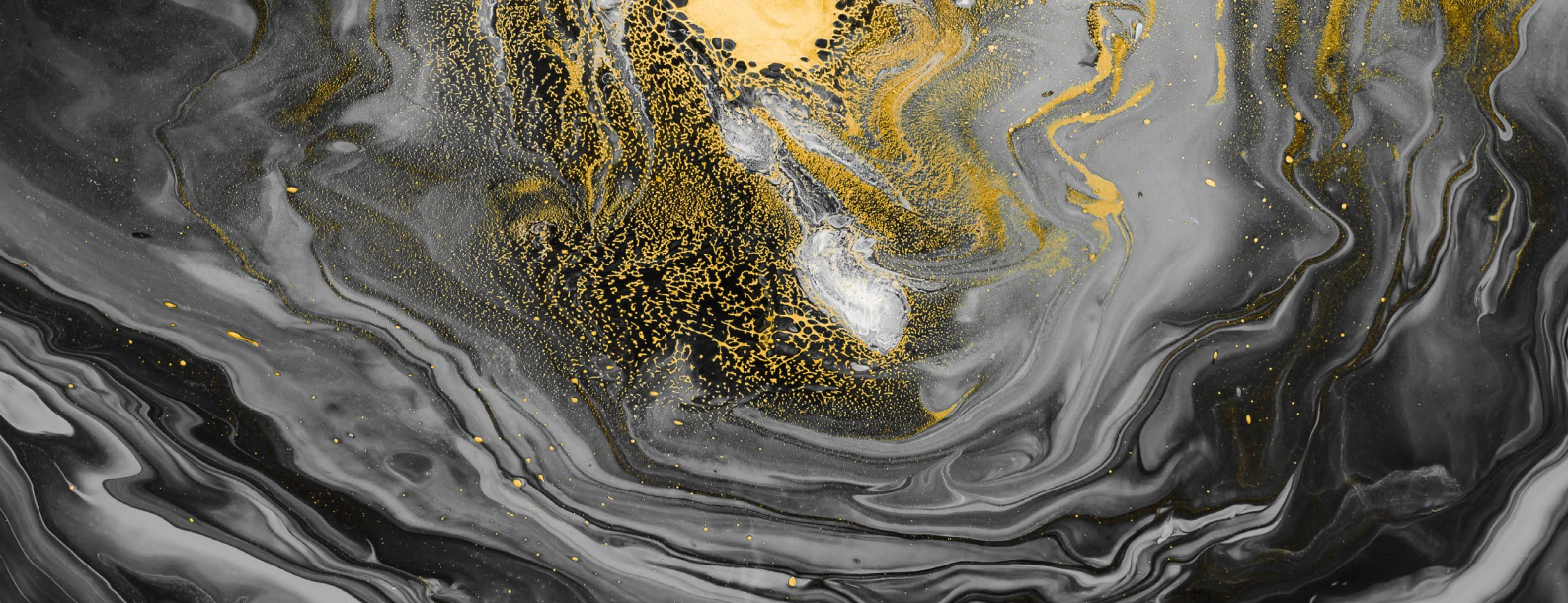
Agricultural Futures	Closing Price	Unit	Return	QTD	YTD	1 Year	3Y p.a.	5Y p.a.
C Corn (CBT)	419.00	USD/bu	TR	-3.2%	-12.9%	-7.5%	-13.8%	5.7%
W Wheat - SRW (CBT)	515.25	USD/bu	TR	-8.3%	-15.3%	-21.3%	-24.7%	-9.3%
KW Wheat - HRW (KCBT)	497.00	USD/bu	TR	-8.0%	-17.2%	-21.7%	-20.9%	-2.3%
S Soybean (CBT)	1,018.00	USD/bu	TR	-1.4%	1.7%	-3.9%	-2.2%	8.3%
KC Coffee - Arabica (ICE)	390.75	USD/lb	TR	29.0%	28.3%	53.8%	32.6%	34.1%
DF Coffee - Robusta (ICE)	4,527.00	USD/MT	TR	19.8%	-6.7%	-12.5%	49.3%	39.4%
CC Cocoa (ICE)	6,190.00	USD/MT	TR	-21.3%	-34.2%	2.9%	76.4%	35.7%
SB Sugar - No. 11 (ICE)	16.47	USD/cb	TR	-0.6%	-8.9%	-21.0%	0.2%	11.8%
JO Orange Juice - FC (ICE)	233.10	USD/b	TR	10.0%	-46.5%	-38.9%	34.4%	31.0%
SM Soybean Meal (CBT)	270.70	USD/MT	TR	-3.2%	-14.1%	-21.1%	-4.7%	2.8%
BO Soybean Oil (CBT)	49.43	USD/b	TR	-5.2%	22.7%	14.8%	-1.8%	16.7%
KO Palm Oil - Malaysia (BMD)	4,400.00	MYR/MT	TR	8.7%	14.9%	36.8%	23.2%	34.1%
LN Rubber - Japan (OSE)	299.00	JPY/kg	TR	-3.1%	-10.9%	-25.1%	7.6%	0.4%
LC Live Cattle (CME)	231.03	USD/lb	TR	11.5%	31.6%	36.8%	21.3%	12.6%
FC Feeder Cattle (CME)	357.18	USD/lb	TR	17.9%	39.1%	52.9%	23.5%	10.2%
LH Lean Hogs (CME)	98.98	USD/lb	TR	5.4%	11.9%	19.5%	7.0%	11.0%

Commodity Equities

Major Oil & Gas Companies	Market Cap	Industry Group	QTD	YTD	1 Year	3Y p.a.	5Y p.a.	P/CF	P/E
ARAMCO AB	1,605,892	Integrated Oil	2.6%	-8.8%	-3.8%	-3.8%	1.0%	12.3	16.5
XOM US	486,095	Integrated Oil & Gas	5.6%	7.7%	-0.3%	12.7%	32.5%	9.2	16.3
CVX US	314,766	Integrated Oil & Gas	9.7%	11.0%	10.2%	6.9%	21.8%	8.4	25.4
SHEL LN	215,498	Integrated Oil & Gas	2.7%	18.6%	14.3%	17.1%	28.4%	4.8	16.6
857 HK	207,756	Integrated Oil & Gas	9.3%	24.1%	19.6%	40.7%	35.8%	2.8	7.6
TTE FP	131,687	Integrated Oil & Gas	-0.8%	15.0%	-2.6%	14.7%	18.7%	4.9	10.8
883 HK	118,668	E&P - Oil	12.5%	6.8%	5.2%	37.7%	32.7%	3.8	6.4
COP US	117,088	E&P - Oil & Gas	6.3%	-2.2%	-7.2%	0.6%	28.1%	5.8	12.8
BP/LN	91,464	Integrated Oil & Gas	16.0%	21.8%	16.0%	11.5%	20.6%	4.0	157.4
386 HK	85,797	Integrated Oil & Gas	1.7%	-3.6%	-11.3%	14.4%	15.7%	2.6	12.9
PETRA BZ	76,742	Integrated Oil	4.7%	8.9%	4.1%	28.0%	43.2%	1.9	5.1
CNO CN	68,117	E&P - Oil Sands	3.3%	8.0%	1.4%	16.6%	38.8%	6.9	11.7
EQNR NO	63,398	Integrated Oil & Gas	-1.9%	10.9%	5.4%	0.4%	20.0%	3.2	8.2
EOG US	60,332	E&P - Oil & Gas	-5.6%	-6.3%	-5.9%	4.2%	31.8%	5.7	10.1
ENI IM	56,306	Integrated Oil & Gas	9.9%	35.6%	23.1%	26.1%	25.1%	3.8	21.4
SU CN	49,379	Integrated Oil Sands	12.9%	21.2%	18.2%	19.2%	33.5%	4.9	12.3
IMO CN	44,924	Integrated Oil Sands	14.6%	60.3%	32.2%	31.2%	53.9%	10.3	13.8
OXY US	44,339	Integrated Oil & Gas	13.1%	-2.9%	-6.4%	-7.0%	37.8%	3.5	15.8
FANG US	43,154	E&P - Oil	4.9%	-10.8%	-14.8%	10.7%	42.6%	5.4	10.5
EQT US	35,203	E&P - Natural Gas	-6.4%	19.1%	50.5%	11.8%	34.9%	7.7	25.4
ONGC IN	34,556	Integrated Oil & Gas	-4.9%	-1.1%	-20.3%	27.4%	30.6%	3.4	8.5
CVE CN	31,646	Integrated Oil Sands	26.0%	15.2%	5.0%	6.5%	37.1%	5.5	17.9
WDS AU	28,563	E&P - Oil & Gas	2.5%	10.1%	-4.2%	1.2%	14.9%	2.7	9.6
EXE US	25,882	E&P - Natural Gas	-7.7%	9.5%	33.4%	8.7%		7.2	12.4
1605 JP	22,916	E&P - Oil & Gas	28.9%	47.9%	40.0%	29.9%	33.4%		
DVN US	22,199	E&P - Oil & Gas	11.0%	9.4%	-7.9%	-12.6%	36.9%	3.3	8.1
REP SM	19,354	Integrated Oil & Gas	26.0%	58.5%	45.2%	22.9%	29.1%	3.3	24.4
ECOPETL CB	18,603	Integrated Oil	1.6%	3.3%	12.8%	18.2%	12.3%	2.3	5.8
CTRA US	18,491	E&P - Oil & Gas	-6.0%	-4.9%	2.2%	1.0%	12.0%	0.5	12.1
TOU CN	17,208	E&P - Natural Gas	-9.3%	-2.9%	-2.1%	1.3%	38.2%	7.1	10.9
OMV AV	17,194	Integrated Oil & Gas	-1.7%	52.8%	38.7%	27.1%	26.2%	3.0	20.3
AKRBP NO	17,055	E&P - Oil	2.0%	41.0%	31.9%	5.4%	19.1%	2.5	23.4
GALP PL	14,416	Integrated Oil	5.4%	19.8%	5.6%	30.3%	20.8%	7.4	12.7

Major Industrial Metals Companies	Market Cap	Main Exposure	QTD	YTD	1 Year	3Y p.a.	5Y p.a.	P/CF	P/E
BHP AU	144,158	Iron Ore, Copper, Metallurgics	20.2%	22.1%	-6.3%	12.1%	15.3%	7.7	16.0
2899 HK	123,978	Copper, Gold	65.4%	135.9%	68.8%	66.3%	49.0%	16.1	21.8
RIO LN	116,924	Iron Ore, Aluminum, Bauxite	15.8%	18.1%	-1.7%	13.4%	10.6%	7.2	10.8
SCCO US	107,639	Copper, Molybdenum	22.2%	40.1%	11.6%	46.7%	28.4%	23.9	29.1
FCX US	61,523	Copper, Molybdenum	-9.2%	4.2%	-20.3%	14.4%	21.7%	9.4	31.8
GMEXICOB MI	59,992	Copper	45.7%	89.9%	63.1%	43.2%	34.6%	11.9	15.2
GLEN LN	56,557	Trading, Thermal Coal, Copp	19.7%	6.8%	-17.5%	0.0%	23.2%	8.6	
3993 HK	51,209	Trading, Copper, Cobalt, Mt	98.4%	210.4%	113.6%	77.7%	44.9%	11.1	20.9
VALES BZ	50,360	Iron Ore	15.7%	32.0%	0.8%	1.4%	11.2%	5.4	8.7
AAL LN	46,629	Iron Ore, Copper, Metallurgics	27.4%	30.2%	18.4%	11.0%	14.9%	7.6	
FMG AU	39,449	Iron Ore	28.8%	19.5%	-6.0%	17.0%	17.3%	6.1	11.7
CCO CN	37,540	Uranium	12.9%	63.3%	75.9%	47.0%	53.2%	47.9	99.9
ANTO LN	37,310	Copper	50.1%	89.2%	39.6%	46.8%	26.8%	6.1	34.2
MT NA	34,683	Steel	13.7%	56.3%	39.6%	23.0%	23.6%	14.3	12.5
1378 HK	33,960	Aluminum, Alumina	48.2%	139.9%	128.9%	75.0%	53.7%	6.2	9.4
NUE US	31,639	Steel	5.0%	17.8%	-8.3%	9.8%	26.8%	10.3	17.9
TATA IN	24,666	Steel	1.9%	20.4%	-3.4%	18.8%	35.1%	13.7	64.0
5401 JP	21,891	Steel	11.0%	6.4%	-3.6%	19.6%	23.4%		1,063.8
STLD US	21,573	Steel	9.3%	23.6%	12.3%	27.1%	39.5%	14.3	21.0
TECK/B CN	20,982	Copper, Zinc	8.7%	9.0%	-15.4%	14.5%	27.5%	154.9	28.4
2600 HK	20,565	Aluminum, Alumina	57.2%	88.1%	39.1%	51.4%	41.4%	4.3	11.2
FM CN	19,612	Copper	27.4%	75.6%	65.6%	10.2%	20.8%	8.1	170.3
358 HK	18,161	Trading, Copper, Gold	101.9%	187.8%	102.9%	57.1%	33.7%	14.7	16.0
1772 HK	18,065	Lithium	90.9%	115.8%	93.7%	-3.4%	11.7%	54.2	
005490 KS	15,540	Steel	2.6%	17.4%	-31.0%	13.1%	7.2%	3.4	42.5
IRV CN	15,532	Copper	41.2%	-10.8%	-28.8%	18.0%	23.9%		40.3
NHY NO	13,964	Aluminum, Alumina	18.8%	27.8%	8.3%	13.5%	27.5%	6.1	14.6
KAP LT	13,850	Uranium	30.0%	48.8%	53.9%	36.2%	37.4%		
LYC AU	13,645	Rare Earths	68.6%	179.8%	99.9%	31.8%	46.4%	164.5	2,987.8
LUN CN	13,280	Copper, Zinc	42.1%	75.3%	44.6%	47.4%	25.7%	10.6	68.5
CRS US	12,958	Steel	11.1%	45.1%	54.5%	101.0%	71.1%	29.6	34.5
MP US	12,501	Rare Earths	101.6%	329.9%	280.0%	34.9%	37.8%		
BOL SS	12,347	Smelting, Copper, Zinc, Gold	30.9%	44.7%	19.8%	12.9%	10.8%	6.1	14.1
SQM/B CI	12,251	Lithium, Iodine	21.0%	16.9%	3.8%	-19.1%	10.7%	14.2	26.5

Major Precious Metals Companies	Market Cap	Main Exposure	QTD	YTD	1 Year	3Y p.a.</
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Energy Overview

Market Commentary

Moving from Energy Transition to Energy Addition.

Global energy demand continues to expand, driven by economic growth, industrialization, and the accelerating digitalization of society. Despite rapid progress in renewables, fossil fuels still supply nearly 80% of the world's primary energy. A recent McKinsey report highlights that oil, gas, and coal will continue to dominate the global mix well beyond 2050, with electricity demand rising sharply—particularly from data centers, industry, and buildings. In the United States, data-center-related electricity use is projected to grow by nearly 25% per year through 2030, while globally such demand is expected to increase by around 17% annually this decade.

The coming decades, therefore, appear less like an energy transition and more like an energy addition, where hydrocarbons, renewables, and nuclear expand together to meet surging consumption. This evolution is reshaping markets and capital allocation alike. OPEC+ production increases, U.S. shale fatigue, and accelerating decline rates in existing fields highlight a growing investment gap in conventional supply. At the same time, the resurgence of nuclear power and sustained policy support for renewables are creating a more pluralistic and diversified energy landscape.

In the nearer term, 2025 has underscored this dual reality. Oil prices remained range-bound as OPEC+ restored supply ahead of schedule, while refining margins diverged between robust middle distillates and weaker gasoline

cracks. Natural gas and LNG markets softened on ample supply, yet LNG's strategic role deepened as Europe reduced reliance on Russian flows. Coal stayed under pressure globally but saw renewed life in the U.S. amid rising power demand from data centers. Uranium, meanwhile, surged above USD 80/lb on tightening supply and accelerating investment in nuclear infrastructure.

Energy equities outperformed their underlying commodities, led by large-cap majors emphasizing cash generation, disciplined spending, and shareholder returns. Valuations remain low despite strong free-cash-flow yields, while uranium-linked equities advanced on deepening structural tailwinds.

The world is entering an era of energy pluralism – where reliability, affordability, and emissions reduction must co-exist. For investors, this means focusing on quality assets, resilient balance sheets, and exposure to the technologies and commodities underpinning the energy addition era.

*“Nuclear power is
regaining it's place
at the center of the
energy mix.”*



CRUDE OIL prices posted modest gains during the third quarter despite a broadly bearish analyst sentiment. Brent futures traded largely within a narrow USD 65–75 per barrel range since late June, while both Brent and WTI remain slightly negative year-to-date and continued to weaken in early October.

The main drag came from unexpectedly rapid production increases by OPEC+, which restored 2.2 million barrels of oil equivalent per day (mboe/d) earlier in 2025 – more than a year ahead of schedule. Officials defended the decision as a response to “healthy market fundamentals” and historically low inventories, with OECD stocks near the lower end of their five-year range. However, the U.S. Energy Information Administration (EIA) projects steady inventory builds into year-end, tempering optimism.

Many analysts warn that OPEC+’s aggressive move risks oversupplying the market, though traders expect only about half of the targeted increase to reach actual exports. Saudi Aramco reaffirmed its capacity to sustain production at 12 mboe/d, reinforcing its strategic leverage, while the UAE is expected to contribute most of the incremental supply. Other members, constrained by sanctions, aging infrastructure, or limited investment, remain well below their quotas. Strategically, OPEC+ appears to have shifted from defending prices to regaining market share.

Russia continues to face operational headwinds. Drone attacks on refineries and decades-old infrastructure have reduced refining throughput and tightened domestic fuel supplies. With war-related budget constraints, maintenance backlogs are emerging as a structural risk. At the same time, the EU is preparing broader sanctions to prohibit European companies – including banks and tanker operators – from engaging with Chinese, Indian, or Turkish terminals that handle the so-called “shadow fleet.” Washington is expected to follow suit, potentially through the proposed SHADOW Fleet Act targeting vessels that evade energy sanctions. The outcome of these measures remains uncertain.

Former President Trump’s proposed secondary sanctions on Russian crude buyers such as India and China could be more disruptive. Russia exports roughly 7 mboe/d, over 7% of global supply. India imports about 1.6 mboe/d of Russian crude, nearly one-third of its total, and has dismissed sanctions as unjustified; switching feedstocks would be technically difficult and costly. China, importing around 1.8 mboe/d via sea and pipeline, is likely to maintain pipeline volumes.



According to JP Morgan, sanctions on Russia’s energy sector may have limited macroeconomic impact, as energy’s share of Russia’s economy has declined in recent years. The country still controls a fleet of at least 250 aging tankers, providing flexibility to expand its shadow operations.

Meanwhile, tentative ceasefire progress in the Middle East – though fragile – has slightly reduced geopolitical risk premiums and could improve production flexibility. A more stable regional environment might also encourage investment and energy demand recovery.

Beyond OPEC+, additional short-term supply pressure stems from the U.S., Brazil, Canada, and Guyana. Yet the U.S. shale boom is clearly losing momentum. Diamondback Energy’s president highlighted stagnating activity in the Permian Basin, where the rig count has fallen nearly 30% over the past three years, although drilling and completion efficiency remain high. BP’s CEO expects non-OPEC supply growth to peak by 2026, while ExxonMobil’s CEO Darren Woods recently warned that global output could fall as much as 15% annually without sustained investment in unconventional resources.



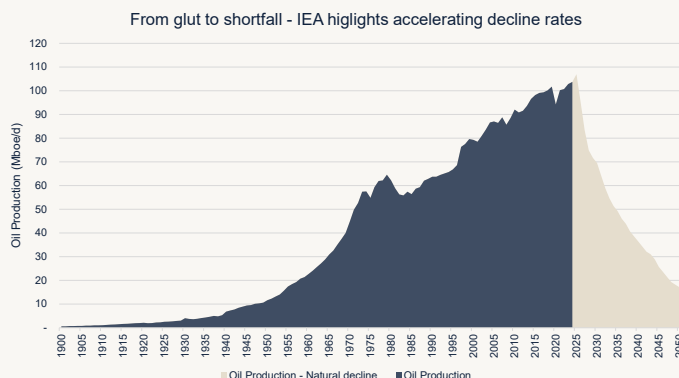
A recent IEA report, *The Implications of Oil and Gas Field Decline Rates*, underscored accelerating natural decline rates and the urgent need for continued investment. Without adequate spending;

“The world could lose production equivalent to Brazil and Norway combined each year.”

Roughly 90% of upstream capital expenditures since 2019 have merely offset declines. The IEA estimates that sustaining global supply will require annual investments of about USD 540 billion through 2050. OPEC criticized the IEA's shift in tone, noting that it has long warned about underinvestment risks. (See Chart 1: Oil Supply)

On the demand side, China's strategic stockpiling has helped absorb surplus crude, supporting prices despite softening seasonal demand. Although the pace of reserve accumulation may slow, overall global demand growth remains close to its 20-year average. Beijing does not disclose official storage levels, but its pattern of buying when prices are low reinforces its long-term, counter-cyclical commodity strategy.

Chart 1: Oil Supply – Natural decline rates

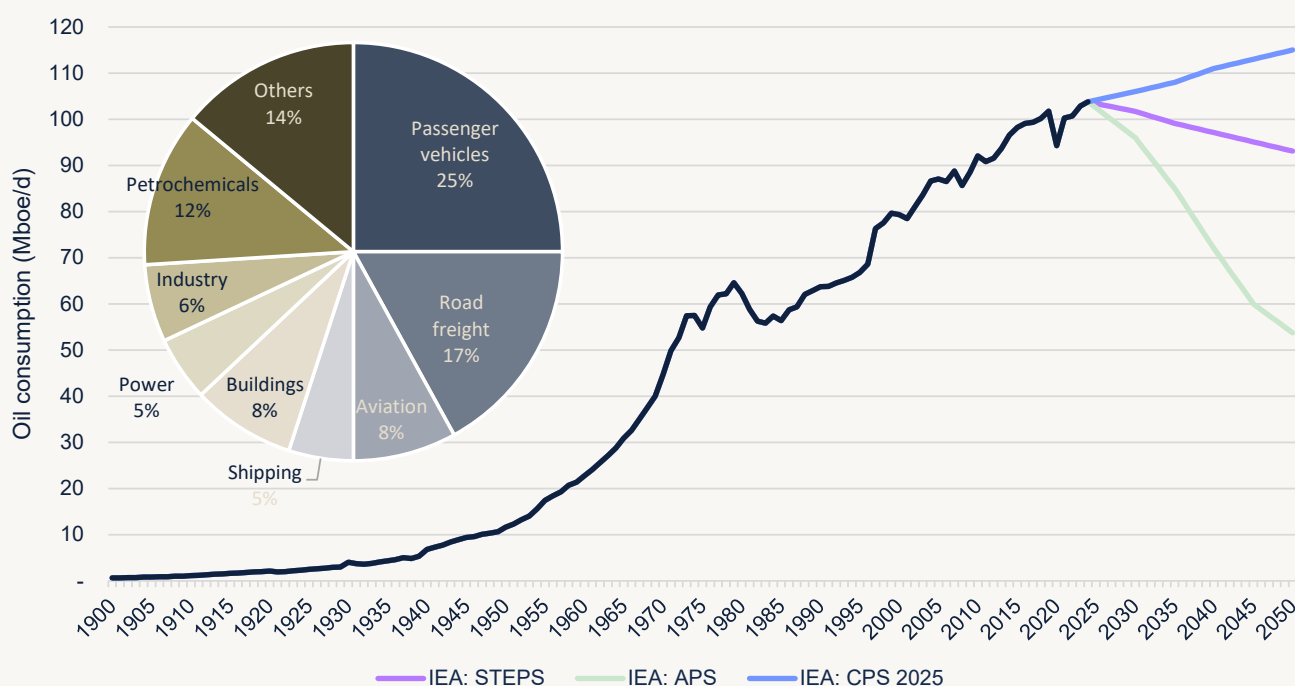


Source: IEA, *The Implications of Oil and Gas Field Decline Rates*

According to Bloomberg, the IEA may reinstate its Current Policies Scenario (CPS), which projects oil demand reaching 114 million barrels per day by 2050 – driven by aviation, shipping, and petrochemical consumption. Meanwhile, electric-vehicle adoption is slowing in regions lacking strong policy incentives. The return of the CPS highlights that oil is likely to remain the world's dominant energy source for decades to come. (See Chart 2: IEA Oil Demand)

Chart 2: IEA Oil Demand

Oil far from peaking, IEA draft warns



Source: Bloomberg Opinion calculations based on scenarios in the IEA WEO 2024 report, and in the IEA WEO 2025 draft report



Looking ahead to the fourth quarter and into 2026, visibility remains limited amid conflicting forecasts. The IEA expects an oversupply of 2.35 mboe/d in 2025 and 4 mboe/d in 2026, implying continued downward price pressure. OPEC, by contrast, projects supply and demand to remain broadly balanced through 2026. The divergence between the two outlooks is striking, with few precedents in the long history of the oil market. What is clear, however, is that – adjusted for inflation – current oil prices remain historically low.

“Natural Gas remains the bridge fuel of the energy transition.”

The **REFINED PRODUCTS** market experienced a nuanced shift in the third quarter of 2025. Refining margins broadly improved, led by diesel and other middle distillates, which benefited from stable crude prices and stronger crack spreads. In contrast, gasoline cracks came under renewed pressure as demand softened, particularly across OECD economies. The divergence among product classes has become increasingly pronounced: jet fuel markets remain resilient, supported by the ongoing recovery in global aviation, and are now emerging as the main pillar of demand strength amid weakening road fuel consumption.

On the policy front, Russia extended its gasoline export ban and introduced a partial diesel export ban in an effort to stabilize domestic fuel supply and curb inflationary pressures. Meanwhile, China issued new export quotas for gasoline, diesel, and jet fuel – reflecting a careful balancing act between domestic supply security and its role as a key product exporter. At a recent energy conference, Gunvor CEO Torbjörn Törnqvist noted that Chinese gasoline and diesel demand has largely plateaued, signaling that the country's post-pandemic recovery in transportation fuels may have reached its maturity phase.

Looking ahead to the fourth quarter and into 2026, several key dynamics will shape product market performance. Trends in gasoline demand, particularly in China and developed markets, will remain critical to refining margins. The strength of jet fuel crack spreads will also serve as a bellwether for broader demand resilience. In addition, ongoing refinery capacity changes – including both new commissioning and selective closures – will influence

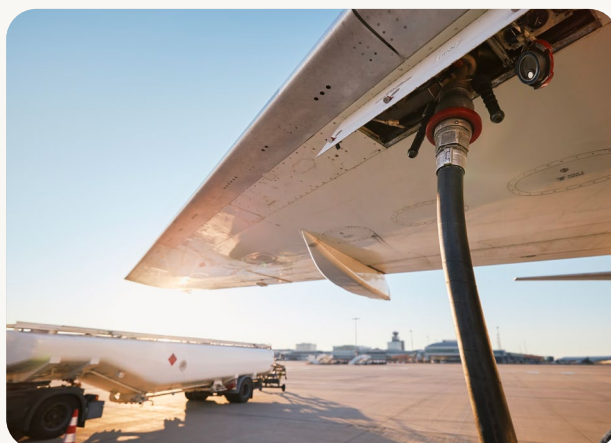
regional balances. Supply disruptions and the persistence of export controls could amplify volatility, especially if geopolitical tensions or logistical constraints intensify.

Scotiabank analysts anticipate that a new multi-year refining upcycle may begin to take shape by late 2026 or early 2027. This cyclical expansion could extend through at least 2028, driven by a sharp slowdown in new refining construction once the current wave of capacity additions subsides. According to their proprietary database, expected light product demand growth may outpace global refining capacity increases during that period, setting the stage for a renewed strengthening of refining margins – potentially as early as the fourth quarter of 2026.

Global **NATURAL GAS** prices declined sharply through the third quarter, extending losses of more than 20% year-to-date. The correction reflects both ample supply and moderating demand, particularly across Asia, after the strong rebound seen in 2024.

According to the IEA's Gas Market Report (Q3 2025), global demand growth has slowed noticeably. China's natural gas consumption fell by roughly 1% year-on-year in the first half of 2025, while India's declined around 7%, reflecting weaker industrial activity and higher hydropower generation. In contrast, European consumption rose by about 6.5%, supported by increased gas-fired power generation amid subdued hydroelectric and renewable output.

European gas storage stood at approximately 83% capacity (85 bcm) at the end of the quarter – below last year's 95% and the five-year seasonal norm of 91%. The U.S. entered autumn with inventories at 3,641 Bcf, roughly 5% above its five-year average, while Japan's LNG storage levels, at 2.55 bcm, remain below long-term averages. The imbalance underscores contrasting regional dynamics: the U.S. faces a comfortable winter buffer, whereas Europe and Japan remain more exposed to potential cold-weather price spikes.



Global **LNG** supply expanded about 4% year-on-year, driven mainly by the ramp-up of the Plaquemines LNG facility in Louisiana. Nevertheless, logistical and infrastructure bottlenecks persist, particularly in shipping and regasification capacity. Europe continues to reduce Russian pipeline imports, deepening its structural dependence on LNG. Global LNG exports averaged roughly 435 Mmtpa in the third quarter – an increase of 16 Mmtpa quarter-on-quarter – marking a return to the strong export momentum seen in early 2024.

North America remains the primary driver of future LNG growth. According to the U.S. EIA, regional export capacity is projected to more than double from 14 bcf/d to around 29 bcf/d by 2029, as new projects in the United States, Canada, and Mexico come online.

Natural gas continues to play a critical role as a transition, or “bridge,” fuel – offering a lower-carbon, dispatchable, and cost-effective complement to renewable generation. Its flexibility in balancing intermittent solar and wind output underscores its strategic importance to global energy security. However, direct investment exposure remains challenging due to persistent contango in futures markets, which tends to erode long-term returns.

Looking ahead, growth in LNG exports, potential policy shifts under new federal energy frameworks, and the rapidly expanding power demand from artificial intelligence and data centers are emerging as key medium-term opportunities for natural gas producers and infrastructure investors alike.



In 2025, international **THERMAL COAL** prices remained under sustained pressure amid persistent oversupply, particularly in China and India. Robust domestic Chinese production continued to weigh on import demand, prompting authorities to introduce production curbs and stricter safety inspections in an effort to stabilize prices. Despite these measures, elevated inventories and subdued European demand resulted in negative price performance for both the third quarter and year-to-date.

Coal continues to play a flexible role in global power systems, balancing intermittent renewable generation despite ongoing decarbonization initiatives. Over the past decade, global thermal coal demand has still grown by approximately 7%, underscoring its status as a low-cost and reliable energy source in emerging economies. While OECD demand remains structurally weak, consumption in India and China has stayed resilient, reflecting their continued dependence on coal-fired generation for baseload stability and economic growth.

However, sustained price weakness and shifting investor sentiment have weighed heavily on producers with significant coal exposure. Glencore, among others, has faced increasing scrutiny and valuation pressure as capital markets continue to pivot toward lower-carbon assets.

Interestingly, the outlook for U.S. thermal coal appears somewhat brighter. According to Jefferies, accelerating power demand – partly driven by the rapid expansion of energy-intensive data centers – is supporting a modest recovery in coal burn for electricity generation. U.S. coal-fired generation rose roughly 15% year-on-year as cheaper domestic coal regained market share from natural gas. For context, annual U.S. coal consumption for power generation exceeded one billion tons between 2003 and 2008 but declined to just under 400 million tons in 2023 and 2024.

Jefferies projects U.S. power demand to grow at a compound annual rate of 2.4% over the next decade, a sharp increase from the 0.5% CAGR seen in the previous ten years. If realized, this acceleration could lend cyclical support to domestic coal demand, especially if natural gas supply remains constrained and renewable or nuclear capacity additions fail to close the emerging generation gap.

URANIUM prices extended their strong rally through the third quarter, surpassing USD 80 per pound in September 2025. The market remains supported by tightening supply and a durable shift in sentiment toward nuclear energy as part of the global energy transition. Institutional accumulation and renewed confidence in the sector have established a sustainably higher trading range for uranium.

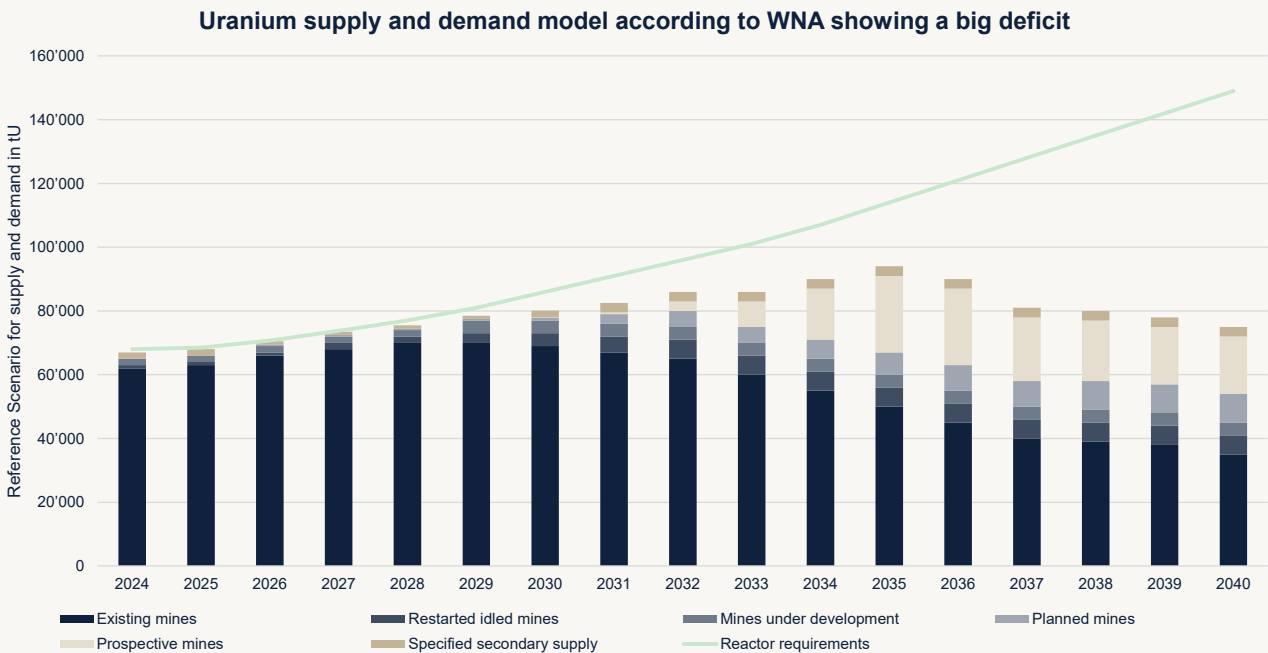
On the supply side, constraints continue to intensify. Kazatomprom, the world's largest producer, announced a 10% cut to its 2026 output target – about 8 million pounds, or roughly 5% of global supply – citing shortages of sulphuric acid and operational bottlenecks. Days later, Cameco reported production issues at its McArthur River mine that will reduce annual output by 3 million pounds, only partly offset by increased production elsewhere. According to



the U.S. EIA, the cumulative global supply gap could reach 184 million pounds over the next decade, equivalent to roughly three years of demand.

The World Nuclear Association’s (WNA) September 2025 report projects global nuclear capacity to expand from roughly 398 GWe in mid-2025 to about 746 GWe by 2040. Demand for uranium is expected to rise by around 28% by 2030 and to more than double by 2040, reaching over 150,000 tons per year under its high-growth scenario. Most of the expansion is concentrated in Asia, where 59 of the world’s 70 reactors under construction are located. (See Chart 3: Uranium Demand Supply)

Chart 3: Uranium Demand Supply



Source: World Nuclear Association

Nuclear energy is increasingly recognized as essential to achieving climate targets, enhancing energy security, and meeting rapidly growing baseload needs – particularly those driven by the surge in artificial intelligence and digital infrastructure. As Meta recently noted, access to reliable power has emerged as the single most important constraint for large-scale AI deployment.

Meanwhile, investment across the nuclear sector continues to accelerate. The EIA estimates a 50% increase in nuclear-related capital expenditure, driven by higher reactor utilization and government policy support. Governments and industry are responding with coordinated action. In the United States, the Department of Energy launched the Speed to Power Initiative to identify and accelerate grid projects capable of supporting future AI and industrial energy demand. In Europe, Poland formally notified the European Commission of its first nuclear project – three

AP1000 units at Lubiatowo-Kopalino – with construction set to begin in 2026. A second site is under strategic review, targeting deployment between 2032 and 2043.

In parallel, the push for next-generation technologies – from small modular reactors (SMRs) to fusion research – continues to gather momentum. These developments mark a decisive shift from short-term supply concerns toward a structurally higher and more diversified nuclear investment cycle, anchoring uranium’s long-term bullish trajectory.

ENERGY EQUITIES delivered a moderately positive performance in the third quarter, broadly outperforming the underlying commodities. Large-cap integrated oil & gas majors led gains, supported by resilient balance sheets and shareholder return programs, while mid- and small-cap oil & gas producers underperformed amid weaker price realizations and rising cost pressures. Year-to-date, the sector remains slightly positive despite softer oil and gas benchmarks.

M&A activity has re-emerged as a defining theme in 2025 in oil & gas, with the industry experiencing one of its most active dealmaking years in recent memory. Consolidation is particularly strong among traditional upstream operators, as companies seek scale, operating synergies, and improved capital efficiency. Transactions are increasingly targeted and strategic – focused on adjacent or core assets rather than speculative expansion. Key deals inclu-



ded Chord Energy's acquisition of Williston Basin assets from ExxonMobil's XTO unit; Crescent Energy's USD 3.1 billion purchase of Vital Energy, creating one of the ten largest independent U.S. E&Ps; and Cenovus Energy's CAD 8.6 billion bid for MEG Energy, offset by the divestment of its WRB Refining stake to Phillips 66 for USD 1.4 billion.

A recent Dallas Fed Energy Survey signaled a slight production decline across key U.S. regions in the third quarter, reflecting cautious drilling activity. The survey placed breakeven prices in the Permian Basin between USD 60 and 65 per barrel – near current market levels. At these prices, cash generation among major shale producers remains insufficient to fully fund capex, dividends, and buybacks, reinforcing the trend toward conservative spending. Analysts expect the upcoming earnings season could mark one of the weakest in several years, with margin compression, muted trading results, and lower realized prices weighing on performance.

Companies have responded by emphasizing capital discipline, balance sheet strength, and shareholder returns over production growth. The investment narrative has clearly shifted from expansion to sustainability – rewarding prudent capital allocation and consistent free cash flow

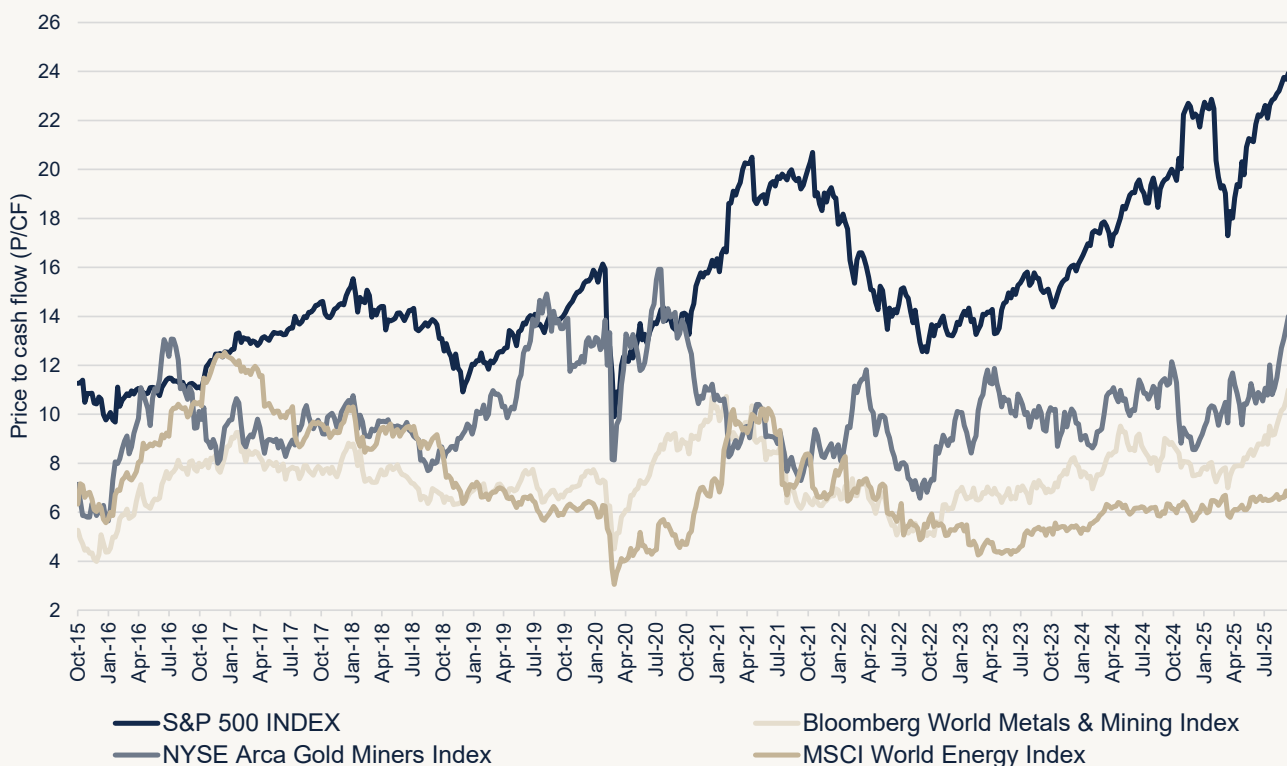
generation. Despite these improvements, sector valuations remain historically low, with many large-cap E&Ps trading at double-digit free cash flow yields and low P/CF metrics (See chart 4: Valuations). Interestingly, at a recent industry conference, executives from ExxonMobil, TotalEnergies, and ConocoPhillips struck a uniformly bullish tone on long-term fundamentals, while cautioning that U.S. shale output is approaching a structural plateau.

Uranium equities continued to outperform strongly through the quarter, propelled by tightening supply, accelerating nuclear investment, and surging interest in advanced reactor technologies. The sector also benefited from investor enthusiasm surrounding the broader AI-driven power demand theme, which has reignited focus on nuclear as a dependable baseload source. In late September, the U.S. Department of Energy selected Oklo, Terrestrial Energy, TRISO-X, and Valar Atomics for its pilot program to develop domestic advanced reactor and fuel manufacturing capacity. The announcement provided a notable boost to sentiment across the nuclear value chain, while uranium miners posted another robust quarter on expectations of deepening supply deficits and sustained policy support.

Sources: Company reports, Bloomberg, Reuters, FT, WSJ, Barron's, IEA, US EIA, Energy Intelligence, Oxford Energy, Scotiabank, Jefferies, JP Morgan, Goldman Sachs, UBS

Chart 4: Valuations

Valuations remained depressed despite strong fundamentals



Source: Bloomberg





Industrial Metals

Market Commentary

Strategic Tightness Amid Structural Shifts

Industrial metals markets in 2025 remain deeply shaped by geopolitics, constrained supply growth, and accelerating demand from the global energy transition. Persistent U.S.–China tensions, expanding tariffs, and trade restrictions have introduced a geopolitical risk premium across many metals, pushing manufacturers and governments to prioritize strategic sourcing, recycling, and supply diversification.

According to the International Energy Agency (IEA), the world faces structural supply shortfalls over the next decade. Without new investment and scaled recycling, demand for key materials such as copper, nickel, lithium, and aluminium could outstrip production by 2030.

In the third quarter, market dynamics diverged sharply. Copper rallied on acute mine disruptions and tightening fundamentals, while aluminium, zinc, and lead remained under pressure from oversupply and subdued industrial demand. Tin stayed firm amid persistent mine constraints. Battery metals like cobalt and lithium continued to struggle with oversupply, reflecting both changing battery chemistries and softer EV demand. Iron ore rebounded on Chinese restocking and policy support, though steel fundamentals remained weak.

Structural underinvestment, slower project approvals, and resource nationalism are reinforcing supply fragility, even as decarbonization policies sustain demand. The materials complex is also seeing new demand vectors emerge from AI-driven infrastructure to rising defense spending—

adding further depth to medium-term consumption trends.

Supported by U.S. rate cuts, a softer dollar, and improving macro sentiment, industrial metals have attracted renewed investor interest. With fundamentals stabilizing and strategic demand accelerating, the outlook is improving: industrial metals are evolving from cyclical commodities into strategic assets underpinning the global transition economy.

COPPER, surged during the third quarter, reaching nearly USD 11,000 per tonne – its highest level since May 2024. The rally was driven by an unexpected wave of supply disruptions across several of the world's largest operations, underscoring the market's vulnerability to concentrated production risk.

In early September, Freeport-McMoRan declared force majeure at its Grasberg mine in Indonesia after a major mudflow incident curtailed output. In Chile, Codelco's El Teniente mine suffered an accident in July that reduced production by roughly 48,000 tonnes. The Kamoakula complex in the Democratic Republic of Congo also faced flooding caused by seismic activity, forcing a temporary shutdown and leading Ivanhoe Mines to cut its 2025 guidance. Teck Resources lowered its 2025 forecast at Quebrada Blanca in Chile due to operational setbacks. Collectively, these incidents pushed global copper disruptions above 6% in 2025 – the highest level in 17 years. With inventories already low and new mine supply constrained, the structural backdrop for copper remains exceptionally tight.

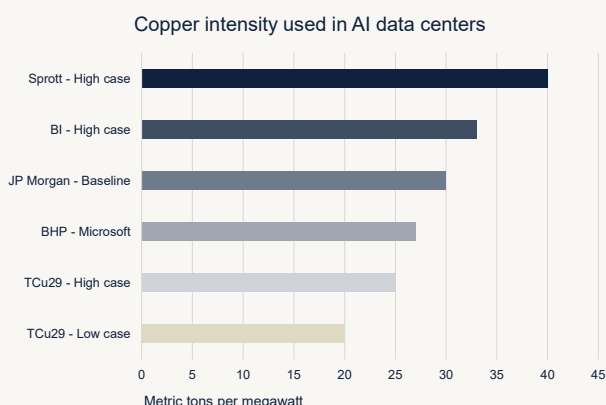


The imbalance appears more like a sustained supply shortfall than a temporary squeeze. The International Copper Study Group (ICSG) now projects a global deficit of 150 kt in 2026. Scotiabank expects a 384 kt shortfall – the largest since 2004 and equal to 1.4% of annual demand – while Morgan Stanley and Goldman Sachs forecast deficits of 230 kt and 55 kt in 2025, widening sharply the following year. Bank of America foresees a structural bull phase, with deficits expanding to 350 kt in 2026 and over 530 kt in 2027. The outlook could tighten further if production at the Cobre Panamá mine (~400 ktpa) fails to restart as expected in the second half of 2026.

On the demand side, the macroeconomic backdrop remains uncertain amid renewed U.S.–China trade tensions, yet copper consumption has held up remarkably well. Chinese refined demand growth is expected to slow to around 2.5% year-on-year in 2026, according to JP Morgan, as higher prices temper industrial uptake. However, stronger demand outside China – particularly from utilities and the power sector – should provide an offset, supported by ongoing grid modernization and surging investment in data center infrastructure.

Structurally, copper remains a cornerstone of the global energy and digital transition. Expanding power grids, renewable installations, and electric vehicle production continue to underpin medium-term demand growth. A recent BloombergNEF study highlights that AI infrastructure alone could add roughly 400 kt per year of copper demand over the next decade, peaking near 570 kt in 2028 and exceeding 4.3 million tonnes cumulatively by 2035. (See Chart 5: Copper Intensity in AI)

Chart 5: Copper Intensity in AI



Source: BloombergNEF, Bloomberg Intelligence (BI), BHP, TCu29, JP Morgan, Spratt

Similarly, McKinsey's Global Materials Perspective 2025 report projects copper demand to grow at a compound annual rate of about 2% over the next decade, supported by electrification, automation, and data-driven industries.

BHP estimates that over the next 25 years, total copper demand could rise by almost 70%. Together, these trends point to a market entering a multi-year structural bull phase, with limited new supply, persistent operational risks, and intensifying competition for critical energy-transition materials.

ALUMINIUM prices weakened through mid-2025 as oversupply and subdued demand weighed on the market. Regional premiums declined across major consuming regions, including Japan, reflecting softer fundamentals and elevated inventories earlier in the year. In China – which accounts for more than half of global production – output is nearing the government-imposed ceiling of 45 million tonnes, leaving little room for further growth. Beijing's 2060 carbon-neutrality goals are increasing the likelihood of stricter supply discipline and lower exports, though barriers to curtailment remain high as power and energy contracts must often be renegotiated.

Earlier spikes in alumina and energy costs further compressed smelter margins, pressuring producers across regions. Russian major Rusal has announced output cuts and operational "optimization" programs to ease financial strain. In higher-cost jurisdictions such as Europe and the United States, many smelters continue to struggle with elevated power prices and input costs, while restarts have been slow despite some stabilization in late-summer prices.

Looking ahead, JP Morgan expects a material ramp-up of new Indonesian capacity, which could shift the global aluminium balance from near-equilibrium to a modest surplus in 2026. However, inventories remain relatively low, and consensus forecasts suggest a gradual tightening from late 2025 onward as constrained supply begins to intersect with recovering demand in packaging, transportation, and renewable infrastructure. Jefferies anticipates the market will move from surplus to deficit around 2027–2028 as the next investment cycle lags demand growth.

JP Morgan also highlights that aluminium often follows copper price trends with a lag due to substitution effects in electrical and manufacturing applications. They expect copper's ongoing strength to lift aluminium prices in early 2026, with the copper-to-aluminium ratio likely converging toward 4 over the course of the year.

Over the longer term, aluminium's strategic role in the global energy transition remains intact. Its unique combination of light weight, durability, and conductivity makes it indispensable across fast-growing sectors such as electric vehicles, solar power, grid and transmission systems, and



increasingly, data-center construction. While the short-term outlook remains mixed, the structural demand base for aluminium continues to broaden, positioning the metal as a key beneficiary of the next industrial and technological growth cycle.

The **NICKEL** market remained under pressure in the third quarter of 2025, weighed down by persistent structural oversupply. Softer demand growth pushed visible inventories up by roughly 27% year-to-date (74 kt), largely due to increased deliveries into LME warehouses.

Some selective strength emerged along the battery supply chain, where Chinese nickel sulphate prices rose about 7% over the quarter as precursor and cathode producers restocked ahead of year-end. However, stainless-steel demand – which still represents the majority of global nickel consumption – remained subdued, limiting upside for the broader complex.

On the supply side, several producers have announced output cuts in response to lower prices, though abundant laterite resources in Southeast Asia continue to anchor global supply. Indonesia remains the key driver, with production still expanding through both traditional nickel pig iron (NPI) and a growing number of high-pressure acid leach (HPAL) projects. Easing cost pressures and normalized ore flows from the Philippines provided temporary support but did little to offset the overall surplus.

Looking forward, global refined nickel production growth is expected to slow to about 3% year-on-year in 2026 as Indonesia reintroduces its annual ore quota system (RKAB). Nonetheless, new capacity continues to emerge: according to Wood Mackenzie, three major projects were commissioned this year – including the QMB and Huaxiang sulphate plants and the Qiangmeibang cathode facility – each expected to ramp up to 30–50 kt per year by 2030.

Despite lower prices, average producer costs have eased modestly thanks to higher by-product credits. Wood Mackenzie notes that combined C1 and sustaining costs have declined year-on-year, but the prevailing price environment still challenges higher-cost operators, particularly outside Asia.

On the demand side, JP Morgan estimates global nickel use in stainless steel will grow about 4% in 2025, decelerating from 7% in 2024 as Chinese infrastructure spending normalizes. Chinese stainless production remains roughly 2% higher year-to-date, though Beijing's emerging anti-involution policies – aimed at curbing overcapacity – could weigh on the sector longer term.

Battery demand remains the key growth driver, supported by China's surging electric-vehicle output, up nearly 50% year-on-year. JP Morgan projects global nickel demand for batteries to grow by around 15% in 2026 and 2027, though risks persist from the rising adoption of lithium iron phosphate (LFP) chemistries, which are less nickel-intensive. Nickel-based batteries currently account for about 55% of global EV battery demand versus 43% for LFP, but JP Morgan expects LFP's share to rise to 47% by 2027, overtaking nickel-based technologies in China. Still, global battery-sector demand is expected to remain robust, offsetting much of the slowdown in stainless.

For now, the market remains comfortably supplied. JP Morgan forecasts a global surplus of roughly 370 kt in 2025, while the International Nickel Study Group (INSG) projects a smaller 198 kt surplus. Most analysts expect oversupply to persist in the near term, though gradual rebalancing is underway as supply growth moderates and battery-sector demand strengthens toward the latter part of the decade.

“Nickel’s future will be shaped by battery chemistry: as LFP gains ground, demand shifts - yet the battery boom shows no signs of slowing.”

The **ZINC and LEAD** markets remain under pressure as persistent surpluses weigh on prices and refining margins. In China, historically low treatment charges have compressed smelter profitability, prompting widespread cost adjustments across the refining sector. The commissioning of new capacity – notably Kunlun Zinc in Xinjiang, with an annual output of roughly 600 kt – is expected to deepen the surplus and further constrain margins through 2026. Despite limited upstream investment, global mine supply continues to edge higher. Ramp-ups at the Kipushi project in the Democratic Republic of Congo and a strong recovery at Antamina in Peru contributed significantly to output growth during the first half of the year. Additional



production increases from projects in China, Russia, and other regions are expected to add nearly 880 kt of new zinc supply in 2025.

Lead mine output has also expanded modestly, though declining ore grades are limiting growth in concentrate production – a dynamic that could push treatment charges even lower in the coming quarters. On the demand side, lead consumption remains muted, weighed down by sluggish industrial activity, softer construction trends, and continued weakness in lead-acid battery markets.

For zinc, the slowdown in China's construction sector continues to cap demand. However, JP Morgan expects a gradual recovery beginning in 2026–2027 as interest rates ease and building and manufacturing activity pick up, particularly across Europe.

According to the International Lead and Zinc Study Group (ILZSG), both markets are expected to remain in surplus next year, with refined market balances showing projected 2025 surpluses of approximately 93 kt for zinc and 82 kt for lead. While this oversupply continues to pressure near-term prices, improving macro conditions and moderate demand recovery over the medium term could begin to restore balance toward the end of the decade.

TIN remained one of the tightest markets within the base metals complex during the third quarter. Prices were supported by persistently constrained mine supply, even as downstream demand from the solder and electronics sectors – especially in China – remained subdued. Weak restocking activity limited upside momentum, but the market continued to find support from exceptionally low global inventories and ongoing production bottlenecks in Southeast Asia.

With few new projects expected in the near term and mine expansions facing logistical and regulatory delays, supply tightness is likely to persist well into 2026.

The **RARE EARTHS** market moved further under Beijing's strategic control during the third quarter of 2025. China expanded its quota regime to cover imported raw materials, tightened export licensing – particularly for magnets and related technologies – and quietly issued new 2025 mining and smelting quotas with limited transparency. These

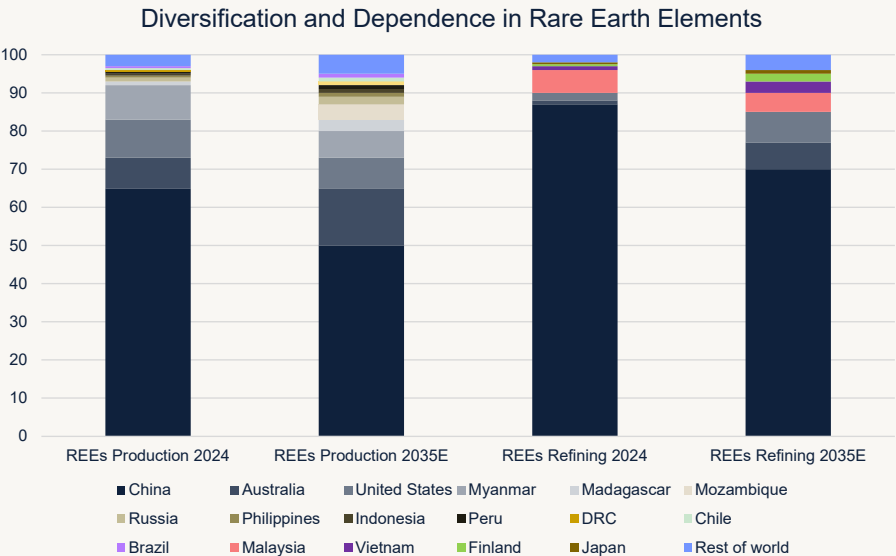
actions reinforced China's dominant influence and heightened global perceptions of supply risk.

In response, Western governments are accelerating efforts to diversify and secure alternative supply chains. The European Union's Critical Raw Materials Act represents a key policy framework for developing domestic and midstream capacity, while the United States continues to incentivize processing and magnet manufacturing through strategic funding and public-private partnerships.

China, however, continues to dominate both extraction and processing, accounting for roughly 60% of global mined supply and more than 90% of refined output – illustrating its deep vertical integration across the REE value chain. By 2035, mining activity is expected to become more geographically distributed, with Australia and the United States expanding production and new entrants such as Myanmar contributing meaningfully to global supply. Yet even with this diversification, China is projected to retain a commanding position in refining, with its share declining only modestly to around 70% of global capacity. This strategic imbalance gained renewed urgency after Beijing announced tighter export controls on rare-earth technologies. Exporters now require dual-use licenses for equipment and processes related to rare-earth mining, smelting, and magnet manufacturing, further constraining Western access to critical inputs for defense and clean-energy industries. (See Chart 6: REE's)

Despite its geopolitical significance, the rare earths market remains relatively small – valued at roughly USD 5 billion according to U.S. Department of Energy estimates. However, its outsized role in enabling advanced technologies – from EV motors and wind turbines to semiconduc-

Chart 6: Rare Earth's Elements



Source: IEA, Bloomberg



tors and military systems – ensures that it remains one of the most strategically sensitive corners of the global commodities landscape.

The **COBALT** market remains under structural pressure from persistent oversupply, largely due to its byproduct nature: approximately 60% of global production originates from copper mining and 38% from nickel operations. This linkage has amplified the effects of abundant base metal output on cobalt availability, keeping prices subdued despite intermittent supply interventions.

The Democratic Republic of Congo (DRC), which accounts for roughly three-quarters of global mined supply, imposed a four-month export ban in early 2025 to counter falling prices and excessive inventories. The measure was later extended to September before being replaced by a quota-based regime permitting up to 18,125 tonnes of exports for the remainder of 2025 and 96,600 tonnes annually in 2026 and 2027. While these quotas sit below recent production levels, prices have responded only modestly, cushioned by sizable stockpiles and restrained purchasing activity along the supply chain.

On the demand side, the rapid adoption of lithium iron phosphate (LFP) battery chemistries has reduced cobalt intensity in the electric-vehicle segment, tempering the growth outlook. Nevertheless, cobalt remains indispensable for high-performance applications in aerospace, defense, and advanced alloys where stability, conductivity, and thermal resilience are critical.

Efforts to diversify supply continue to progress. Indonesia's high-pressure acid leach (HPAL) projects, new late-rite developments in Australia, and expanding recycling capacity across Europe and Asia are expected to gradually lessen the market's dependence on Congolese output. Over time, these structural adjustments – combined with steady demand from specialized industries – should help stabilize the cobalt market, even as its role in mainstream battery production continues to evolve.

LITHIUM carbonate prices declined sharply during the third quarter, hitting a three-year low as persistent oversupply and subdued spot market activity continued to weigh on sentiment. The downturn was particularly evident in the hard-rock segment, where higher-cost spodumene producers faced mounting margin pressure.

By late September, however, prices rebounded roughly 20% from their lows after a series of regulatory and operational disruptions in China, including the suspension of CATL's Yichun mine and the temporary halt of production at Zangge's facilities. These events reintroduced short-

term volatility and underscored how environmental compliance and licensing risks are increasingly shaping supply dynamics across the lithium value chain.

Most cathode and battery manufacturers remained focused on long-term contracted volumes, limiting spot activity. Elevated inventories, especially within China, continued to dampen restocking incentives. While sentiment has stabilized somewhat following the rebound, the underlying market remains oversupplied, and – absent significant project delays or capacity closures – most analysts expect this imbalance to persist through the end of the decade.



IRON ORE prices rebounded late in the third quarter after a period of weakness earlier in the year, supported by easing expectations for production curbs and more constructive policy signals from Beijing. China's iron ore imports reached a record 116.3 million tonnes in September, up 10.6% month-on-month and marking the fourth consecutive month above 100 million tonnes. The surge largely reflected restocking activity rather than a genuine rebound in end-use demand, as domestic steel consumption remains constrained by the continued downturn in the property sector.

Nevertheless, infrastructure investment and stronger steel exports have helped cushion the drag from real estate weakness. Beijing's ongoing efforts to streamline industrial capacity and phase out outdated furnaces are gradually improving profitability for surviving mills, providing a firmer demand floor for imported ore. Outside China, demand remains more dynamic, with India and Southeast Asia both recording growth rates above 5% annually. However, China's steel demand is expected to contract moderately in the medium term as the economy continues to rebalan-



ce toward services and technology-driven growth. Overall, iron ore fundamentals have been tighter than expected through 2025, with demand holding steady and supply growth moderating. This relative balance may persist into next year, though the medium-term outlook points to softening as new high-grade supply enters the market. In particular, the ramp-up of Guinea's Simandou project – expected to add around 120 million tonnes annually – could exert additional downward pressure on prices beyond 2026, especially if Chinese demand continues to plateau.

The global **STEEL** market remained subdued during the third quarter, pressured by weak end-use demand, persistent overcapacity, and rising trade tensions. In China, authorities are enforcing stricter production controls under the 2025–2026 Steel Industry Growth Plan, which prioritizes efficiency and environmental upgrades over volume expansion. This policy framework is expected to reduce crude steel output by 10–20 million tonnes, bringing total production below 980 million tonnes in 2025 – down from roughly one billion tonnes in 2024. Domestic consumption across construction, real estate, and manufacturing remains soft, keeping mill margins and utilization rates under sustained pressure.

“Steel remains indispensable – from wind turbines to electric vehicles, it is the skeleton of the energy transition.”

Globally, industrial growth and capital spending remain lackluster. Trade restrictions are tightening supply channels, while smaller producers, particularly in India, have begun scaling back operations. In Europe, the European Commission has proposed a significant reduction of steel import quotas – down 47% from 2024 levels to 18.3 million tonnes annually – a measure now pending approval by the European Parliament and Council.

In the United States, flat-rolled steel prices declined over the quarter as domestic capacity ramped up and demand from auto and construction sectors softened under higher interest rates. Imports, though initially resilient despite 50% tariffs, have begun to decline sharply and now hover near post-pandemic lows. While seasonal factors and shorter lead times present near-term risks, lower import inflows should help stabilize U.S. steel prices as domestic production continues to expand.

The industry's recovery path hinges on continued structural reform, capacity rationalization, and consolidation. Over the long term, steel remains one of the world's most indispensable materials, with global consumption averaging around 1.6 billion tonnes annually. Its role in the energy transition – from wind turbines and transmission grids to electric vehicle chassis and hydrogen infrastructure – reinforces its strategic importance. Moreover, rising defense spending worldwide is providing incremental demand support, partly offsetting weakness in construction and automotive sectors across developed markets.

The **METALLURGICAL COAL** market softened further through the third quarter as sluggish steel demand met rising supply. Prices declined toward USD 180 per tonne – close to cost support levels – as margins compressed across the industry. Bank of America now forecasts a potential surplus emerging in 2025, marking a notable shift from the tight market balance of the previous few years. Producers such as Whitehaven Coal acknowledged that while long-term structural constraints persist, current market conditions remain challenging amid subdued prices and elevated inventories.

India remains the key pillar of demand growth as its expanding steelmaking capacity continues to drive higher coking coal import requirements. However, elsewhere the outlook is more cautious. Supply has normalized in Australia after three years of weather-related disruptions and elevated prices, while new projects across Australia, Canada, the United States, and Russia are adding incremental tonnage. UBS expects the global market to remain in surplus through at least 2029.

In the near term, moderate consumption growth and abundant supply are likely to keep prices capped. However, with benchmark prices now hovering near cost-support levels, a period of supply rationalization and project deferrals could emerge, providing potential stabilization into 2026 and beyond.



MINING EQUITIES performed strongly in the third quarter, supported by a softer U.S. dollar, firmer commodity prices in select segments, and renewed investor appetite for real assets. Copper miners led the gains, reflecting both tightening supply fundamentals and rising long-term demand visibility. The proposed merger between Anglo American and Teck Resources underscored accelerating consolidation within the copper sector, with investors broadly endorsing the strategic rationale despite Teck's downward guidance revision. Rio Tinto also emphasized copper's growing contribution within its diversified portfolio, offsetting weaker iron ore performance. Among the top fifteen global mining producers, only a few expect year-on-year output growth in 2025 – underscoring that production delivery, cost control, and project execution remain key equity differentiators.



Battery materials producers, by contrast, faced headwinds from price declines and cautious corporate guidance, particularly in lithium and nickel. Companies have tempered capex plans and focused on capital discipline amid falling margins. Aluminium and steel producers continued to trade in a narrow range, with earnings shaped by shifting trade measures, tariff adjustments, and regional policy uncertainty.

Rare earth equities were notable outperformers. Australia's Lynas Rare Earths, operating in Malaysia and Australia, benefited from its status as one of the few major non-Chinese producers of NdPr (neodymium and praseodymium) oxides. In the United States, a defining shift occurred as MP Materials entered into a landmark public-private partnership with the Department of Defense. Under the agreement, the DoD acquired a ~15% stake in the company, committed to a ten-year magnet offtake contract, and established price floor protections for NdPr products. The partnership also includes funding to expand heavy rare-earth separation and build a new magnet facility ("10X Facility"). The arrangement effectively elevates MP Materials from a private producer to a strategic industrial asset central to U.S. supply-chain sovereignty.

Policy momentum also intensified around critical minerals. BHP's CEO praised the "breathtaking level of ambition and urgency" in the U.S. effort to secure domestic supply, citing Trump-era policy incentives that encouraged BHP to restart exploration and consider reprocessing tailings in Arizona's Globe-Miami region. Meanwhile, the U.S. Department of Energy announced the acquisition of a 5% equity stake in Lithium Americas and its Thacker Pass project – the country's largest lithium deposit – alongside a USD 2.23 billion loan package to support construction of a 40,000-tonne-per-year lithium carbonate plant. Following the announcement, Lithium Americas' shares surged more than 30%, reflecting investor enthusiasm for the re-shoring of battery raw materials.

Broader capital markets are now increasingly aligned with national resource strategies. JPMorgan Chase launched its Security and Resiliency Initiative, committing up to USD 1.5 trillion over the next decade to strengthen U.S. supply chains. The plan, which expands a prior USD 1 trillion goal, includes a USD 10 billion investment pool for equity and venture funding in domestic firms across 27 sub-sectors – from mining and refining to nuclear energy, battery storage, and defense manufacturing. Chairman Jamie Dimon emphasized the critical role of strategic minerals in national security, marking a rare convergence between Wall Street capital and industrial policy priorities.



Structurally, renewable technologies remain profoundly metal-intensive, underpinning multi-decade demand for critical raw materials. Solar PV requires roughly seven times more metals per megawatt than natural gas; onshore wind, more than ten times; and offshore wind, over fourteen times. This translates into growing long-term demand for copper (wiring and grid connections), nickel and zinc (alloys and storage systems), and rare earths (high-efficiency turbine magnets). (See Chart 7: Renewables Industrial Metals intensity)

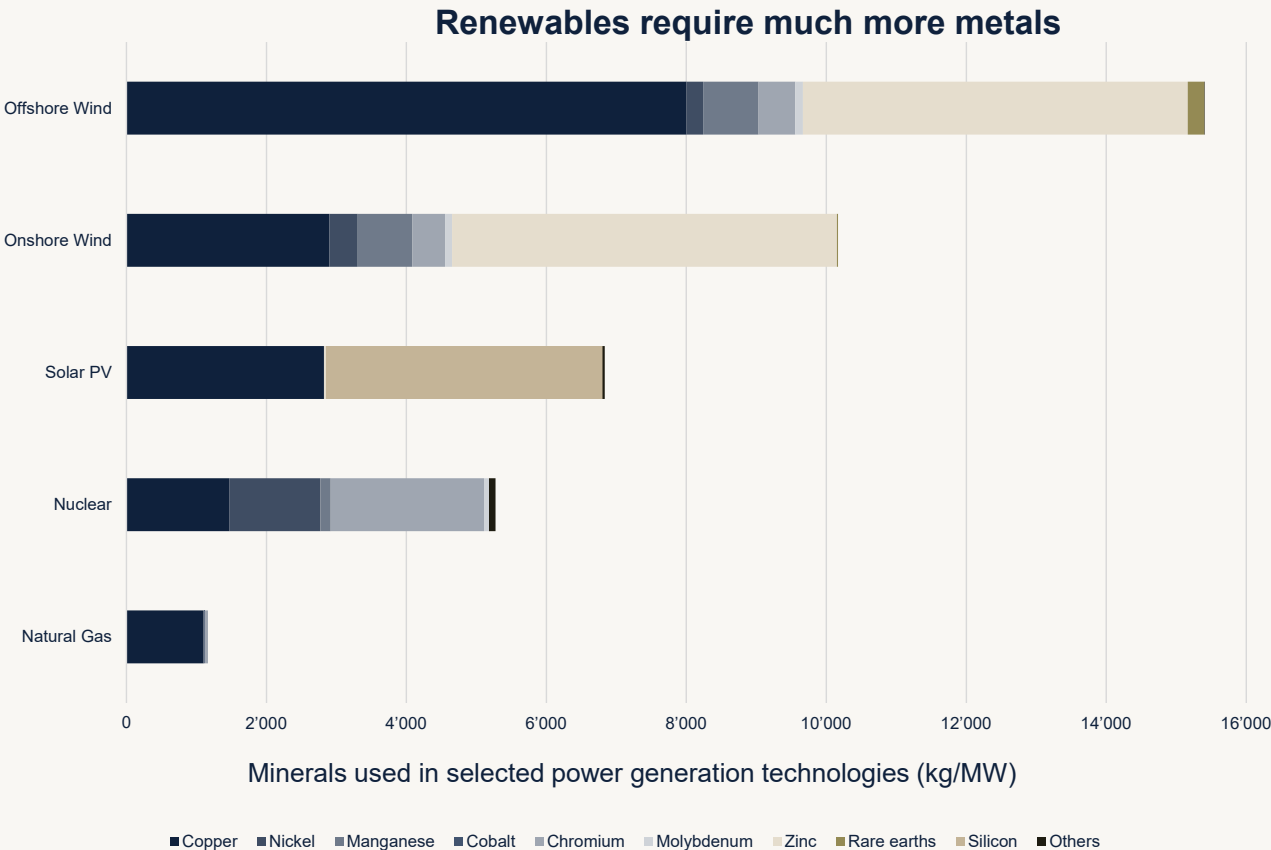
While the overall outlook for mining equities remains constructive, margin compression and cost inflation continue to act as near-term headwinds. Investors are focusing on companies with operational reliability, strong balance sheets, and exposure to structurally constrained commodities such as copper and select battery materials. Encou-

ragingly, total market capitalization for the world's largest mining companies reached USD 1.97 trillion in 2025 – up nearly USD 700 billion year-to-date and surpassing its previous record from over three years ago. Much of this rebound has been driven by surging precious metals, rare earth producers, and copper-linked miners. After several difficult years, investor attention is clearly returning to the mining sector.

As ever, “Dr. Copper” remains the key sentiment barometer: while iron ore, coal, and steel play crucial roles, it is copper’s price that continues to set the tone for the broader industrial metals complex.

Sources: Company Reports, Bloomberg, Reuters, FT, WSJ, Barron's, ICSG, ILZSG, CRU Group, Metal News, CME, SMM, S&P Global, Wood Mackenzie, IEA, Jefferies, UBS, JP Morgan, Goldman Sachs

Chart 7: Renewables Industrial Metals intensity



Source: IEA - The Role of Critical Minerals in Clean Energy Transitions





Precious Metals

Market Commentary

From Hedge to Core Asset

Precious metals have regained prominence in 2025 as core strategic assets rather than mere hedges. Gold's surge above USD 4,000/oz reflects the perfect mix of falling real yields, a weaker dollar, and record central bank buying. For the first time since 1996, central banks now hold more gold than U.S. Treasuries – underscoring a global shift toward reserve diversification and de-dollarization.

Silver continues to benefit from both investment flows and industrial demand in solar and electronics, while platinum group metals remain supported by persistent supply deficits and growing relevance in hydrogen and clean-tech applications.

Amid policy uncertainty, geopolitical tension, and deglobalization, precious metals offer both protection and participation – transitioning from safe havens to essential anchors of financial resilience.

GOLD has surged to historic highs, breaking above USD 4,000 per ounce and briefly exceeding USD 4,300 this month – a gain of more than 60% year-to-date. The rally has been propelled by expectations of a more dovish U.S. monetary stance, falling real yields, and renewed rate-cut speculation. A weakening dollar has further enhanced gold's appeal as both a store of value and a hedge against macro and geopolitical uncertainty.

Investor positioning has strengthened markedly. Gold ETFs have seen substantial inflows, with total holdings up 17% this year to 97.5 million ounces – the highest level since September 2022. Assets under management in gold have reached record levels, reflecting renewed institutional engagement, while private investors have joined the rally more recently, accelerating purchases since August.

***“For the first time
in nearly three decades,
central banks collectively
hold more gold than
U.S. Treasuries – a powerful
symbol of shifting global
confidence.”***

One of the most durable pillars of demand remains central bank accumulation. Official-sector purchases in 2025 are projected to approach 900 tonnes, extending an unprecedented three-year run of buying exceeding 1,000 tonnes annually. This accumulation – led by emerging markets – reflects a strategic shift toward diversification away from the U.S. dollar. China, in particular, continues to add to reserves for the 11th consecutive month, while simulta-

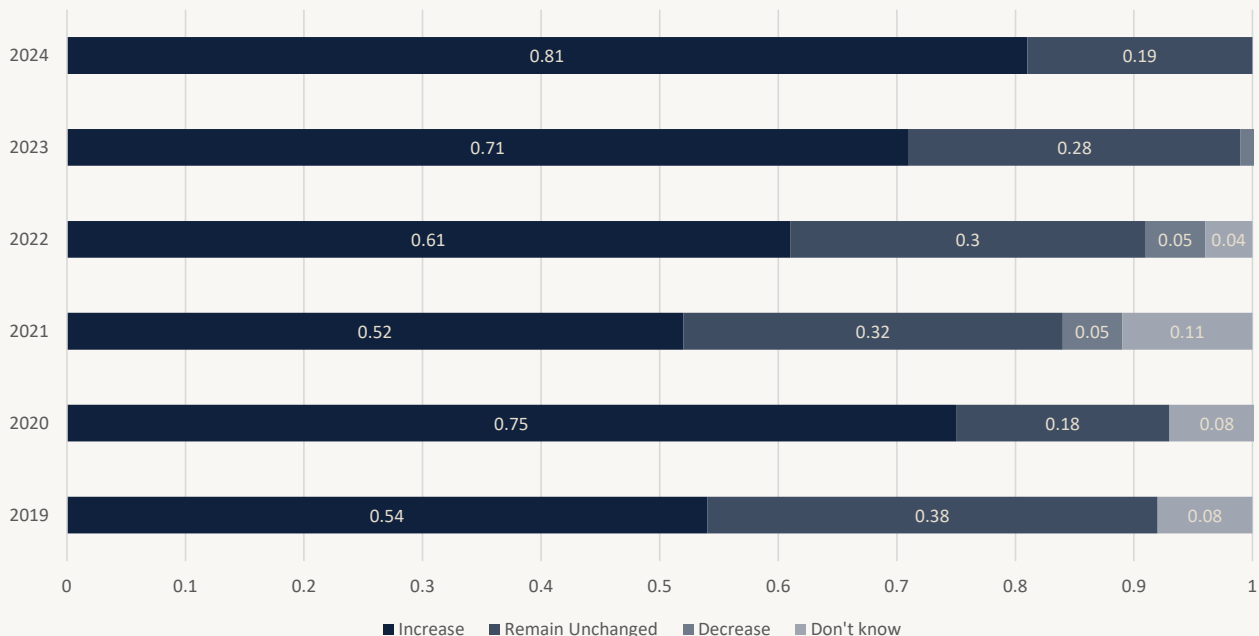


neously reducing its U.S. Treasury holdings, now down 41% from end-2015 levels. This sustained trend highlights Beijing's intent to leverage the gold rally to reduce financial dependence on U.S.-centric systems and enhance geopolitical autonomy. (See Chart 8: WGC Survey)

tainty endures, gold's dual role as a store of value and a systemic hedge makes its medium-term outlook decidedly more positive than negative.

Chart 8: WGC Survey

WGC Survey: Expected changes to global gold reserves over the next 12 months



Source: World Gold Council

In developed markets, gold already represents a higher share of central bank reserves, and while occasional speculation about selling re-emerges at these price levels, major Western central banks have not actively traded gold for decades. In an environment where even developed economies seek protection from potential dollar weaponization, large-scale selling appears unlikely. Indeed, for the first time since 1996, global central banks collectively hold more gold than U.S. Treasuries – a symbolic milestone underscoring gold's enduring monetary relevance.

Jewellery demand has softened, as is typical during price spikes, but this has been more than offset by strong official and investment flows. According to UBS's Global Family Office Report, gold represents only about 2% of strategic asset allocations, with commodities overall below 1%, suggesting that institutional exposure remains well below historical norms – and implying further potential upside.

While short-term corrections are inevitable after such a sharp rally, the structural case for gold remains strong. A combination of dovish monetary expectations, persistent geopolitical tension, and ongoing central bank diversification provides a robust foundation. As long as policy uncer-

SILVER continued to ride the broader precious metals rally through the third quarter, supported by the same macro forces propelling gold – falling real yields, a weaker U.S. dollar, and rising concerns over fiscal sustainability.

Yet silver's distinctive appeal lies in its dual identity: part monetary asset, part industrial metal. This hybrid character gives it a more cyclical and volatile demand profile, linking its performance both to investor sentiment and the pace of global manufacturing.

In recent weeks, the London silver market experienced exceptional turbulence. A massive short squeeze drove prices above USD 50 per ounce – only the second time in history – as liquidity evaporated and borrowing costs for short positions soared above 100% annually. Some traders resorted to physically airlifting silver bars across the Atlantic to arbitrage London's elevated premiums. The surge reflected a confluence of factors: fears over mounting debt and currency debasement, U.S. fiscal gridlock, surging Indian demand, and rapidly shrinking inventories. London silver stocks have fallen by one-third since mid-2021, while freely available holdings at banks have dropped 75% since 2019 to roughly 200 million ounces.



Although market tensions have since eased, the episode highlights the fragility of silver liquidity when physical inventories are concentrated in passive vehicles and industrial demand is rising.

Structurally, silver remains anchored by its expanding role in renewable energy. The metal is a key component in photovoltaic (PV) technology, used in conductive pastes for solar panels. As global solar installations accelerate, demand from this sector continues to grow, reinforcing a durable industrial underpinning. However, should prices remain elevated for an extended period, substitution risks could emerge as manufacturers seek lower-cost materials.

Investment demand has also strengthened, with ETF inflows and speculative positioning following the momentum of the broader precious metals complex. On the supply side, production remains relatively constrained, given silver's byproduct nature – primarily mined alongside gold, copper, zinc, and lead. Consequently, disruptions or output cuts in base metals have a direct tightening effect on the silver balance.

The global silver market is now in its fifth consecutive year of structural deficit, with demand consistently outpacing mine supply. While a short-term correction is plausible after such a dramatic rally, the underlying fundamentals remain solid: constrained supply, rising industrial use, and resurgent investor interest continue to point toward a structurally supportive long-term outlook.



PLATINUM distinguished itself within the precious metals complex in the third quarter, supported by tightening fundamentals, renewed industrial demand, and a revival in jewelry consumption. Investor interest has also increased as the market shifts deeper into deficit, reinforcing platinum's reputation as both an industrial and strategic precious metal.

Supply constraints remain the defining feature of the market. South Africa – the source of more than two-thirds of global platinum output – continues to face structural challenges, including power shortages, operational disruptions, and limited new investment. Recycling rates have fallen sharply, further tightening supply and accelerating the drawdown of above-ground inventories. Global stocks have declined by roughly 46% since the end of 2022, reaching their lowest levels in over a decade.

On the demand side, automotive applications continue to dominate. Platinum's use in catalytic converters for emissions control remains essential, particularly as hybrid and hydrogen fuel technologies sustain near-term demand despite the longer-term shift toward electric vehicles. Beyond transport, industrial demand from chemical and glass manufacturing remains robust, while jewelry consumption in China has rebounded after several soft years.

According to the World Platinum Investment Council (WPIC) and Metals Focus, the market is set to record its third consecutive annual deficit in 2025, estimated between 850,000 and 966,000 ounces – equivalent to roughly 8–12% of global demand. The WPIC projects that deficits will persist through at least 2028, averaging around 550,000 ounces per year (approximately 7% of total demand), underscoring platinum's tightening structural outlook and its growing strategic importance across the decarbonization and hydrogen value chains.

PALLADIUM regained upward momentum in the third quarter of 2025, supported by renewed ETF inflows, short covering, and technical buying. Prices advanced even as debate persists over the metal's long-term fundamentals and its role in a rapidly evolving automotive landscape.

Demand remains heavily concentrated in gasoline vehicle catalytic converters, where palladium serves as a critical emissions-control metal. However, this segment faces structural headwinds as the global transition toward electric vehicles accelerates and automakers increasingly substitute palladium with platinum to reduce costs. Many manufacturers have already begun lowering palladium loadings or shifting to hybrid metal formulations, gradually eroding the metal's share of autocatalyst demand.



On the supply side, concentration risk continues to define market dynamics. Russia and South Africa together account for the vast majority of global production, leaving the market vulnerable to disruptions stemming from geopolitical tension, energy constraints, or labor unrest. Even modest interruptions in these regions can swiftly tighten physical balances and trigger sharp price reactions.

In the near term, speculative positioning and trading flows remain key price drivers, amplifying short-term volatility. Analysts expect the market to remain in modest deficit through 2025, before higher recycling rates and continued substitution trends gradually push it toward surplus conditions from 2026 onward. Despite these headwinds, palladium remains strategically important as an essential component of the global emissions-control system, ensuring its continued relevance through the industry's transition phase.

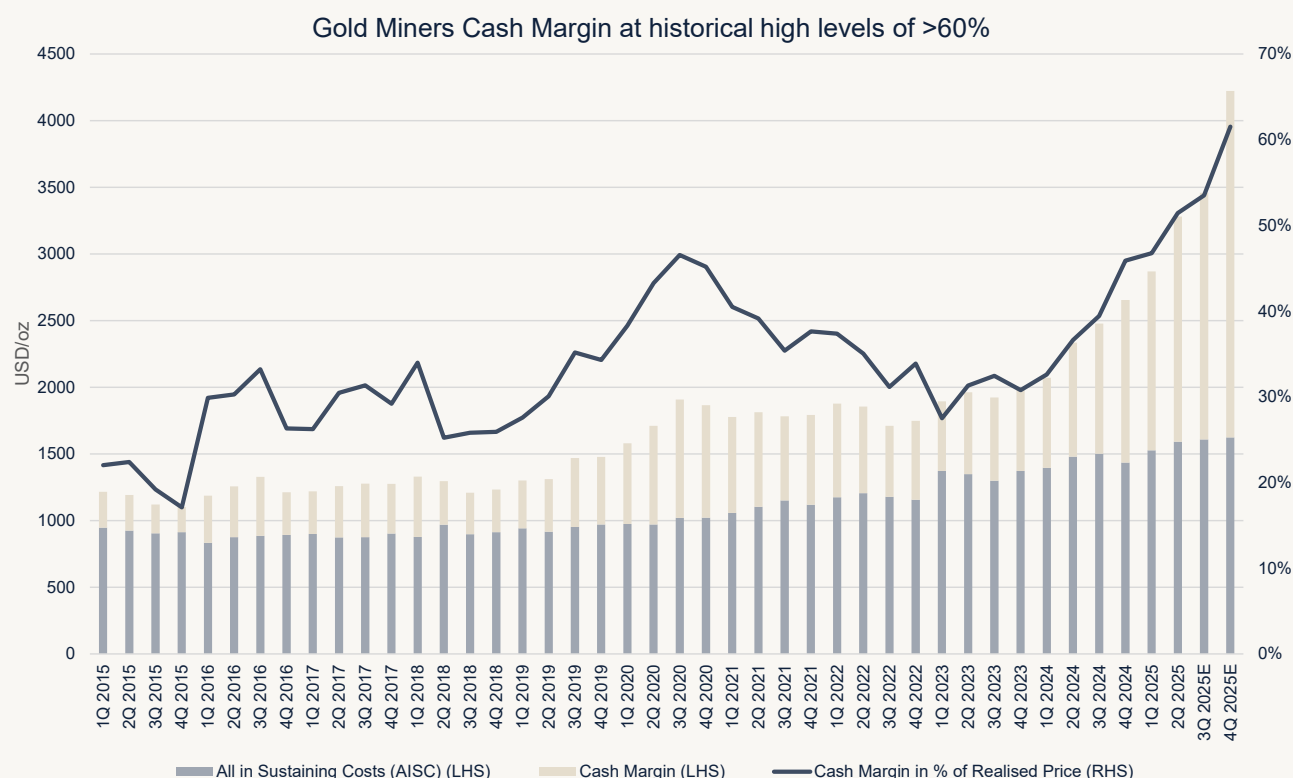
Gold's record rally has propelled **PRECIOUS METALS EQUITIES** to multi-month highs and reignited investor enthusiasm across the sector. The equity beta to bullion remains elevated heading into third-quarter results, with most companies expected to deliver a continuation of strong second-quarter trends – solid cost control, wide margins, and record free cash flow. A few producers have guided to slightly lower quarter-on-quarter volumes, but higher realized prices should more than offset this.

Investors remain focused on all-in sustaining cost (AISC) trajectories and operational reliability as potential margin pressures emerge from labor and contractor renegotiations, though lower oil prices are providing an offset on energy inputs.

Balance sheets across the sector are now among the strongest in decades, with many producers in net cash positions and little to no debt. This raises a key question: what will companies do with their growing cash piles? Dividend yields remain modest compared to diversified miners, suggesting room for more aggressive capital returns or renewed M&A activity. So far, dealmaking has been limited to smaller portfolio bolt-ons, but the strength of free cash generation may encourage broader consolidation as valuations remain attractive.

Fundamentally, the sector is in one of its healthiest positions in decades. Even with all-in sustaining costs rising from around USD 1,000 per ounce five years ago to roughly USD 1,500 today, elevated gold prices are sustaining record profitability. If bullion remains above USD 4,000 per ounce into year-end, margins near 60% could mark an all-time high – reinforcing a constructive long-term outlook for precious metals equities. (See chart 9: Gold Cash Margins)

Chart 9: Gold Cash Margins



Source: Company Reports, Bloomberg



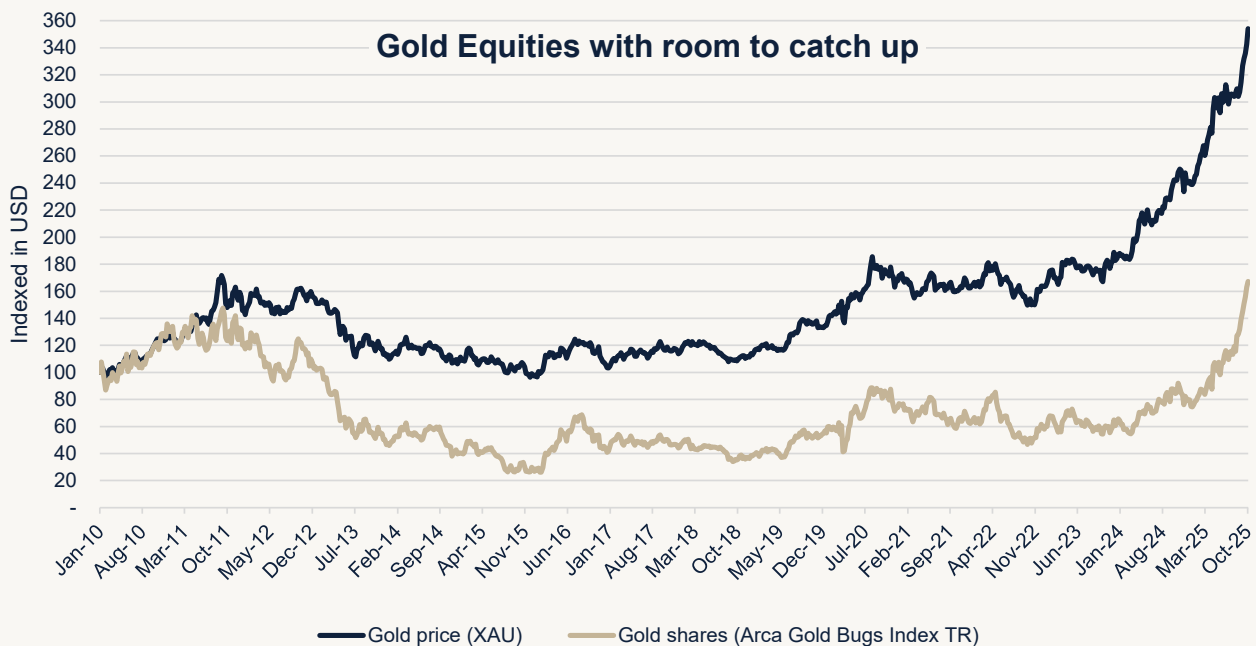
Valuations, however, are still far from stretched. Most large-cap gold miners trade around 0.7–0.8x price-to-net-asset value (P/NAV), below the long-term average near 1.0x. This leaves meaningful upside potential should gold prices stabilize near current levels.

Zijin Gold International's landmark IPO in Hong Kong illustrated renewed investor appetite: the HKD 25 billion (USD 3.2 billion) offering was met with overwhelming demand, with shares soaring 92% in the first two trading days and pushing enterprise value to USD 47.3 billion.

Notably, despite strong share price gains, price-to-earnings ratios have contracted as earnings have risen faster than valuations. The Philadelphia Gold & Silver Index has seen earnings per share more than quadruple over the past five years, yet gold equities have only just surpassed their 2011 highs – despite bullion prices having more than tripled. This divergence suggests room for continued rerating as investor interest broadens beyond physical gold. (See chart 10: Gold Shares, vs Gold Price)

Sources: Company Reports, Bloomberg, Reuters, FT, WSJ, Barron's, WGC, Jefferies, UBS, JP Morgan, Goldman Sachs

Chart 9: Gold Shares, vs Gold Price



Source: Bloomberg





Agricultural Overview

Market Commentary

Abundant Supply, Uneven Demand

Agricultural markets in 2025 remain shaped by abundant supply, shifting trade policies, and intensifying geopolitical influence. While favorable growing conditions have supported large harvests, policy intervention and weather uncertainty continue to drive volatility.

Grains and oilseeds highlight this tension: strong U.S. exports contrast with ample domestic stocks and subdued Chinese demand. Agri markets also remain in the crosshairs of President Trump's trade agenda – his upcoming meeting with President Xi could reopen limited soybean trade between December and February, though South American flows are expected to dominate China's sourcing thereafter.

Across softs and livestock, divergent trends persist: coffee has rebounded, sugar and cocoa remain pressured, and cattle prices stay firm on tight supply. Overall, agriculture sits at the intersection of abundance, policy risk, and geopolitical realignment.

The grains and oilseeds complex spent much of the third quarter navigating the crosscurrents of strong export flows, robust yields, and shifting trade policies.

CORN markets balanced record U.S. export commitments – more than double recent averages – against lingering domestic oversupply concerns. Exports benefited from reduced competition from Brazil and Argentina, though softer feed demand and high yield expectations kept sentiment cautious. The USDA Quarterly Grain Stocks Report

was a decisive moment, revealing old-crop stocks of 1.53 billion bushels, about 16% above the previous WASDE forecast. With 18% of the U.S. crop harvested by late September and conditions still rated 66% good-to-excellent, prices remain rangebound. Analysts suggest the seasonal low may already be in place, contingent on sustained export momentum and Brazilian harvest dynamics through year-end.

WHEAT markets faced a similarly complex backdrop. Strong harvests in Russia, the EU, and Canada outweighed reduced U.S. acreage, lifting global supply and suppressing price potential. The USDA Small Grains Report raised U.S. production by 3% to 1.985 billion bushels, with total stocks at 2.12 billion – roughly 3% above expectations. Russia's removal of its export tax improved competitiveness and reshaped global trade flows, pressuring Western exporters. CBOT futures have since stabilized, but weather outcomes and shipment pace will remain key into the fourth quarter.

In **SOYBEANS**, tightening U.S. acreage and lower carryout were offset by historically weak export demand. New-crop export sales reached a 20-year low as China – by far the largest importer – remained largely absent from the market. President Trump's comments that soybeans will be a "major topic" in forthcoming trade talks with President Xi have introduced the prospect of goodwill purchases, though any recovery in shipments may come too late to alter 2025/26 outcomes. Domestically, renewable fuel mandates (RVOs) continue to stimulate crush demand, offering partial support.



NOAA's forecast for mild La Niña conditions could bring warm, dry weather to Argentina through its summer season, posing risks to Southern Hemisphere supply. For the U.S., the key watchpoints heading into year-end remain final yield outcomes, Chinese demand signals, and the scale of biofuel policy support – all of which will determine whether prices can stabilize from current subdued levels.

The soft commodities complex displayed stark contrasts in the third quarter, with coffee rebounding sharply while sugar and cocoa remained under pressure from supply growth and weak demand.

COFFEE prices surged more than 30% after the United States imposed a 50% tariff on Brazilian imports, upending traditional trade routes and prompting roasters to adjust sourcing and blending strategies. Brazil's 2025 crop forecast was revised up to 55.7 million bags, with robusta output expanding even as arabica production declined by 13.6%. Vietnam's favorable weather outlook has helped stabilize global supply, though the market continues to price in tariff-related disruptions. The shift toward greater use of robusta beans in blends has become more pronounced as roasters adapt to higher input costs. As Q4 unfolds, attention will center on weather in Brazil and Vietnam and the impact of new tariffs on export logistics and consumer prices.

SUGAR markets softened throughout the quarter as global production surged. Strong crops in India, Thailand, and Brazil pushed prices to multi-year lows, with only minor harvest delays in Brazil offering limited relief. In the United States, the USDA trimmed domestic supply projections due to reduced imports from Mexico, while India's drought conditions and ethanol diversion further tightened domestic balances. In Europe, producers such as Südzucker reported significant margin compression amid falling prices, higher energy costs, and rising competition from Ukrainian imports. Barring major weather events or intervention, the surplus-driven environment is expected to persist into Q4.

COCOA prices fluctuated sharply amid competing supply and demand narratives. Early-quarter gains driven by quality concerns and logistics bottlenecks gave way to weakness as processors reduced activity to manage higher costs. Ghana's 2024/25 output is projected at around 700,000 tonnes – a notable recovery – though weather volatility and infrastructure constraints in Côte d'Ivoire remain key risks. Processing activity in Asia dropped roughly 16% year-on-year, while global chocolate manufacturers

cut production to protect margins. With West African port arrivals improving, the market's near-term focus remains on demand recovery and grind data heading into the final quarter.

LIVESTOCK markets continued to diverge sharply. Cattle prices reached new contract highs on tightening supply fundamentals. Slaughter rates slowed, feedlot inventories fell, and the temporary closure of the Mexican border to live cattle imports – following a screwworm detection – further constrained availability. U.S. cattle inventories remain at multi-decade lows, supporting a bullish outlook through 2026, though high retail prices may begin to weigh on consumer demand.

LEAN HOG prices, by contrast, remained rangebound. Wholesale pork values improved modestly, but production is expected to increase later in the year as heavier hog weights and herd recovery offset earlier weakness. The sector continues to face volatility from feed costs, disease risk, and export fluctuations – factors that define its cyclical nature.

Sources: Bloomberg, Reuters, FT, WSJ, Barron's, Jefferies, UBS, JP Morgan, Goldman Sachs, USDA, NOAA



Conclusion & Outlook

Market Commentary

Early stages of a new Commodity Supercycle

Energy remains the foundation of modern civilization, and fossil fuels continue to play a critical role in supporting growth, trade, and prosperity. Yet, the world's accelerating electrification is dramatically reshaping demand across the commodity spectrum. Rising global electricity consumption will require vast quantities of metals – many of which are yet to be discovered, developed, or produced at scale.

At the same time, limited capital expenditure despite elevated prices points to a potential chronic commodity deficit. Years of underinvestment, regulatory inertia, and supply-chain constraints have created conditions reminiscent of past turning points in commodity history. This imbalance – where structural demand meets constrained supply – marks what we believe are the early stages of a new supercycle.

The coming decade will not be defined by an energy transition alone, but by energy addition: the coexistence of traditional and renewable sources as the world's total

energy and materials needs expand. The electrification of transport, digital infrastructure, and industry will require not less, but more energy, metals, and resources – extending demand across oil, gas, uranium, and critical minerals alike.

Commodities once again demonstrate their dual role as both diversifiers and beneficiaries of global transformation. As supply tightens, investment lags, and policy ambitions collide with physical limits, real assets are poised to enter a new era – one driven by scarcity, necessity, and the relentless momentum of the energy transition.

The Bloomberg Commodity Index despite a strong year, remains very low on absolute levels – around the same as during the financial crisis low.

We think, for investors, this remains an underappreciated opportunity.

Chart 11: Commodities Facing Chronic Deficits



Sources: Bloomberg, Picard Angst CCC



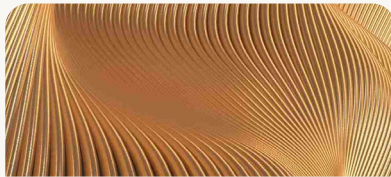
Picard Angst

Commodity Investment Solutions



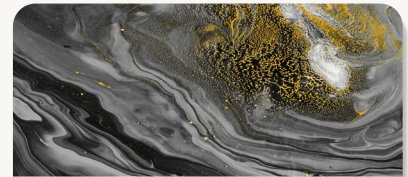
All Commodity Plus Fund

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Metals AMC

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Energy Champions Fund

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Industrial Metals Champions Fund

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Precious Metals Champions Fund

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Crucial Minerals Certificate

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Performance Overview

Commodity Solutions	September	YTD	1 year	2 years	3 years	4 years	5 years	10 years
Commodity Direct Investments								
All Commodity Plus Fund – P	2.7%	9.9%	5.3%	7.9%	13.3%	22.9%	64.6%	54.1%
Metals AMC	7.4%	16.7%						
Commodity Equities								
Energy Champions Fund – I2	-3.1%	1.6%	-2.1%	-13.0%	2.1%	22.0%	176.7%	20.5%
Scoring to Peers	14%	10%	5%	5%	19%	48%	78%	13%
Industrial Metals Champions Fund – A	16.3%	56.7%	31.6%	47.3%	68.7%	39.8%	128.7%	
Scoring to Peers	62%	58%	62%	55%	57%	50%	100%	
Precious Metals Champions Fund – A	20.6%	115.0%	98.1%	207.5%	243.2%	176.8%	122.8%	
Scoring to Peers	92%	36%	49%	61%	79%		73%	
Crucial Minerals AMC	12.9%	64.5%	34.6%	47.6%	65.1%	46.4%		

Notes: Performance figures in USD per 31.09.2025 and based on Energy Champions Fund – Class I2, Industrial Metals Champions Fund – Class C & A (5 years), Precious Metals Champions Fund – Class A, All Commodity Tracker Plus Fund – Class P. Scoring to Peers: Percentile scoring relative to peers reflects the Investment Strategy's performance in comparison to its sector peers. A higher percentile indicates better Investment Strategy's relative performance to its sector peers. Full list of peers available upon request.



Picard Angst

Road Show Events

Lunch Event

19

November, 2025

Widder Hotel
Rennweg 7,
8001 Zürich

12pm – 13.30pm

With Special Guests:
**Equinox Gold &
Aya Gold & Silver**

[Register Now →](#)

12.00 PM / ZÜRICH

The Commodity Supercycle – Miners’ Perspectives on Gold and Silver

In 2025, precious metals have re-emerged as core strategic assets rather than mere hedges. During this Investor Lunch, the **Commodities Competence Center of Picard Angst** will highlight how institutional investors can benefit from the global resource transformation.

We are pleased to welcome Ryan King, EVP Capital Markets of **Equinox Gold** (Market Cap USD 8.5 bn), a leading Canadian gold producer with multiple operations across the Americas, and Benoit La Salle, President & CEO of **Aya Gold & Silver** (Market Cap USD 2.5 bn), a dynamic mining company focused on silver production in Morocco. They will share exclusive insights from the perspective of two exciting mining ventures shaping the future of precious metals.



Pablo Gonzalez

Senior Portfolio Manager Commodities



David-Michael Lincke

Head of Asset & Portfolio Management



Equinox Gold

Ryan King, EVP Capital Markets

Canadian gold producer with several operating gold mines in the Americas, aiming to become a leading gold producer in North and South America.

Market cap \$8.5 billion



Aya Gold & Silver

Benoit La Salle, President & CEO

Canadian mining company focused on silver mining in Morocco, with the high-grade Zgounder mine as its core project.

Market cap \$1.8 billion

Lunch Event

21

November, 2025

Hotel Mövempick
Lenggraben 25,
4051 Basel

12pm – 13.30pm
Lunch & Keynote

14pm – 16pm
Guided tour of the
Schweizerhalle plant of
Swiss Saltworks & Apéro

[Register Now →](#)

12.00 PM / BASEL

The Commodity Supercycle – Energy, Resources and White Gold

The coming decade will not be defined by an energy transition alone, but by energy addition – the coexistence of traditional and renewable sources as the world’s total demand for energy and materials continues to grow.

The electrification of transport, digital infrastructure, and industry will require not less, but more energy, metals, and natural resources – extending demand across oil, gas, uranium, and critical minerals alike.

At this Investor Lunch, the **Commodities Competence Center of Picard Angst** will discuss how institutional investors can take advantage of this underappreciated opportunity.

Following the lunch, participants are invited to visit the **Schweizer Salinen** in Pratteln for an exclusive tour of the saltworks to discover the “white gold.” Transfers will be organized.



Pablo Gonzalez

Senior Portfolio Manager Commodities



David-Michael Lincke

Head of Asset & Portfolio Management



Schweizer Salinen

Swiss salt producer supplying domestically-sourced salt for food, de-icing and industrial uses across Switzerland. Focused on sustainability, regional supply and a diversified brand portfolio including JuraSel, Sel des Alpes and Agrisal.



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