

Commodity Prices Up Sharply In Q2'16

Bloomberg Commodity Total Return Index (Quarterly Returns)

Q3'06	-6.50%	Q1'09	-6.31%	Q3'11	-11.33%	Q1'14	6.99%
Q4'06	5.40%	Q2'09	11.67%	Q4'11	0.35%	Q2'14	0.08%
Q1'07	4.59%	Q3'09	4.25%	Q1'12	0.89%	Q3'14	-11.83%
Q2'07	-0.13%	Q4'09	9.03%	Q2'12	-4.55%	Q4'14	-12.10%
Q3'07	6.24%	Q1'10	-5.03%	Q3'12	9.69%	Q1'15	-5.94%
Q4'07	4.73%	Q2'10	-4.81%	Q4'12	-6.33%	Q2'15	4.66%
Q1'08	9.60%	Q3'10	11.61%	Q1'13	-1.13%	Q3'15	-14.47%
Q2'08	16.08%	Q4'10	15.79%	Q2'13	-9.45%	Q4'15	-10.52%
Q3'08	-27.70%	Q1'11	4.45%	Q3'13	2.13%	Q1'16	0.42%
Q4'08	-30.04%	Q2'11	-6.73%	Q4'13	-1.05%	Q2'16	12.78%

Source: Bloomberg. Past performance is no guarantee of future results.

View from the Observation Deck

1. Commodity prices posted their third best quarterly showing in the past 40 quarters (10 Years) in Q2'16, as measured by the Bloomberg Commodity Total Return Index. It was the best quarter for gains since Q4'10.
2. The Bloomberg Commodity Total Return Index was up in 21 of the past 40 quarters, or 52.5% of the time. The index, however, has posted four quarters of double-digit losses since Q2'14 (see chart).
3. For the 10-Year period ended 6/30/16, the Bloomberg Commodity Total Return Index was down 43.73%.
4. It is important to note that prices rose throughout Q2'16. The rise in commodity prices was not a byproduct of the Brexit vote in the U.K. on 6/23/16.
5. Commodity prices rose despite a bump in the U.S. dollar. The U.S. Dollar Index (DXY) posted a gain of 1.64% in Q2'16, according to Bloomberg.
6. Investors funneled an estimated net \$3.0 billion into Commodities Broad Basket mutual funds and exchange-traded funds in the first five months of 2016, according to Morningstar.

This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions or other expenses incurred when investing. Investors cannot invest directly in an index. The Bloomberg Commodity Index is calculated on an excess return basis and reflects commodity futures price movements.