CREDIT SUISSE

**CREDIT SUISSE ASSET MANAGEMENT, LLC**
1 Madison Avenue Telephone +1 212-325-2000
New York, NY 10010 Fax +1 212-325-7924

## Media Release

# Commodities Increased in September due to Supply Fundamentals in Agriculture and Energy

New York, October 11, 2016 **Commodities increased in September, broadly due to supply fundamental factors, according to Credit Suisse Asset Management.**

The Bloomberg Commodity Index Total Return performance was positive for the month, with 18 out of 22 Index constituents posting gains.

Credit Suisse Asset Management observed the following:

- Industrial Metals was the best performing sector, up 5.21%, led by Nickel amid reports that the Philippines may suspend additional mines for failing to meet environmental standards as a result of the government's audit.
- Agriculture ended 4.25% higher. Sugar gained the most as UNICA, the Brazilian Sugarcane Industry Association, reported lower-than-expected domestic cane yields. In addition, the International Sugar Organization forecasted a global sugar deficit for the 2016-2017 season.
- Energy gained 4.17%, led by Gasoline, due to tightening supplies in the US. The US Energy Information Administration reported much larger-than-expected decreases in gasoline inventories at the beginning of the month.
- Precious Metals increased 1.13%, led by Silver, as the US Federal Reserve (Fed) kept interest rates unchanged while reducing their outlook for future rate hikes.
- Livestock declined the most, down 13.24%, as higher supply expectations weighed on the sector broadly.

Nelson Louie, Global Head of Commodities for Credit Suisse Asset Management, said: "September was generally a strong month for commodities. Adverse weather impacted softs, particularly sugar, as frosts in Brazil and lower-than-average monsoon rain in India led to concerns over cane yields. The potential for future disruptive weather remains uncertain as expectations for a La Niña vary. Within Energy, OPEC's tentative agreement for modest production cuts boosted market sentiment. The details of the deal are not expected to be released until OPEC's meeting in November, and significant uncertainty remains. However, the provisional deal indicates that the group is once again willing to play a key role in managing global supplies and influencing prices. Saudi Arabia's actual production cuts will likely be integral to the agreement's impact in terms of bringing global supply and demand into balance more quickly."

Christopher Burton, Senior Portfolio Manager for the Credit Suisse Total Commodity Return Strategy, added: "Global central bank policy may influence commodity returns through year-end. While the European Central Bank left its monetary policy unchanged in September, the Bank of Japan introduced a new stimulus tool that will set a target for 10-year interest rates. The ramifications of Japan's measures are unknown. Labor markets continue to show signs of improvement, and hawkish language after the FOMC's September meeting increased expectations for a December interest rate hike. If future economic data comes in below expectations or if the upcoming US presidential election leads to heightened risks, the US Federal Reserve may refrain from raising rates this year. Both US and non-US central banks seem committed to improving global growth and driving up inflation, each of which may prove supportive for commodities."

## About the Credit Suisse Total Commodity Return Strategy

Credit Suisse's Total Commodity Return Strategy is managed by a team with over 29 years of experience, and seeks to outperform the return of a commodities index, such as the Bloomberg Commodity Index Total Return or the S&P GSCI Total Return Index, using both a quantitative and qualitative commodity research process. Commodity index total returns are achieved through:

- Spot Return: price return on specified commodity futures contracts;
- Roll Yield: impact due to migration of futures positions from near to far contracts; and
- Collateral Yield: return earned on collateral for the futures.

As of September 30, 2016, the Team managed approximately USD 8.9 billion in assets globally.

## Press Contact

Thomas Baer, Corporate Communications, +1 (212) 325-9414, thomas.baer@credit-suisse.com

**Credit Suisse AG**

Credit Suisse AG is one of the world's leading financial services providers and is part of the Credit Suisse group of companies (referred to here as 'Credit Suisse'). As an integrated bank, Credit Suisse offers clients its combined expertise in the areas of private banking, investment banking and asset management. Credit Suisse provides advisory services, comprehensive solutions and innovative products to companies, institutional clients and high-net-worth private clients globally, as well as to retail clients in Switzerland. Credit Suisse is headquartered in Zurich and operates in over 50 countries worldwide. The group employs approximately 47,180 people. The registered shares (CSGN) of Credit Suisse's parent company, Credit Suisse Group AG, are listed in Switzerland and, in the form of American Depositary Shares (CS), in New York. Further information about Credit Suisse can be found at www.credit-suisse.com.

**Asset Management**

In its Asset Management business, Credit Suisse offers products across a broad spectrum of investment classes, including hedge funds, credit, index, real estate, commodities and private equity products, as well as multi-asset class solutions, which include equities and fixed income products. Credit Suisse's Asset Management business manages portfolios, mutual funds and other investment vehicles for a broad spectrum of clients ranging from governments, institutions and corporations to private individuals. With offices focused on asset management in 19 countries, Credit Suisse's Asset Management business is operated as a globally integrated network to deliver the bank's best investment ideas and capabilities to clients around the world.

All businesses of Credit Suisse are subject to distinct regulatory requirements; certain products and services may not be available in all jurisdictions or to all client types.

**Important Legal Information**

This document was produced by and the opinions expressed are those of Credit Suisse as of the date of writing and are subject to change without obligation to update. It has been prepared solely for information purposes and for the use of the recipient. It does not constitute an offer or an invitation by or on behalf of Credit Suisse to any person to buy or sell any security. Any reference to past performance is not a guide to future performance. The information and analysis contained in this publication have been compiled or arrived at from sources believed to be reliable but Credit Suisse does not make any representation as to their accuracy or completeness and does not accept liability for any loss arising from the use hereof.
Certain information contained in this document constitutes "Forward-Looking Statements" (including observations about markets and industry and regulatory trends as of the original date of this document), which can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "target", "project", "estimate", "intend", "continue" or "believe", or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties beyond our control, actual events, results or performance may differ materially from those reflected or contemplated in such forward-looking statements. Readers are cautioned not to place undue reliance on such statements. Credit Suisse has no obligation to update any of the forward-looking statements in this document.

**Certain risks relating to investing in Commodities and Commodity-Linked Investments:** Exposure to commodity markets should only form a small part of a diversified portfolio. Investment in commodity markets may not be suitable for all investors. Commodity investments will be affected by changes in overall market movements, commodity volatility, exchange-rate movements, changes in interest rates, and factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. Commodity markets are highly volatile. The risk of loss in commodities and commodity-linked investments can be substantial. There is generally a high degree of leverage in commodity investing that can significantly magnify losses. Gains or losses from speculative derivative positions may be much greater than the derivative's original cost. An investment in commodities is not a complete investment program and should represent only a portion of an investor's portfolio management strategy.