



US Trade Gap at its Lowest in Nearly Three Years

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MARKET MOVING HEADLINES

- Initial jobless claims in the US remain close to a 7-month low.
- US trade gap at its lowest in nearly three years.
- US 10-year note eases off of a 16-year high.
- US Natgas prices top \$3-MMBtu.
- US crude oil stocks down for 3rd consecutive week.
- Euro remains below \$1.05.
- US factory orders increased more than expected.
- US ISM Services PMI remains strong.
- Oil prices extend decline to a 3-week low.
- Private businesses in the US hired 89K workers in September 2023. The least since January 2021.

INTEREST RATES



Interest Rates

US TREASURY MARKET

MATURITY	YIELD	7-DAY CHANGE
3M	5.50%	0.55%
2Y	5.03%	-1.18%
5Y	4.69%	0.64%
10Y	4.73%	2.83%
30Y	4.89%	3.38%

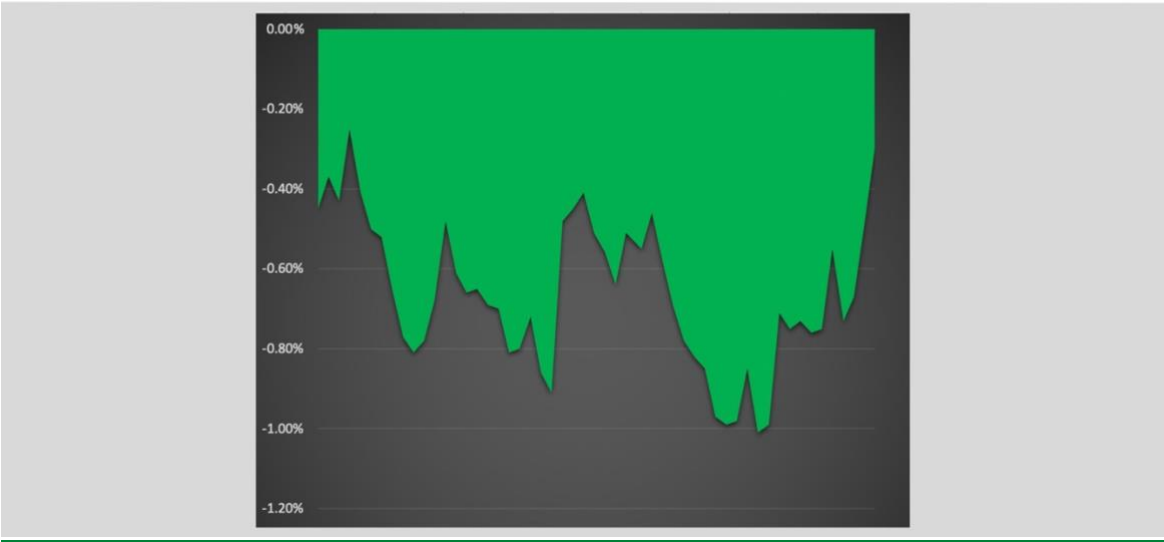


Interest Rates

2Y - 10Y SPREAD

DATE	SPREAD
8/17/23	-0.73%
8/24/23	-0.76%
8/31/23	-0.75%
9/7/23	-0.55%
9/14/23	-0.73%
9/21/23	-0.67%
9/28/23	-0.49%
10/5/23	-0.30%

2Y-10Y SPREAD - PAST 12 MONTHS



CURRENCIES

Currencies

CURRENCY PAIR	PRICE	7-DAY CHANGE
EUR/USD	1.053	-0.19%
USD/JPY	148.550	-0.46%
GBP/USD	1.216	-0.25%
AUD/USD	0.635	-1.09%
USD/CAD	1.374	1.78%
USD/CNY	7.313	0.25%
USD/CHF	0.914	-0.22%
USD/HKD	7.830	0.03%
USD/MXN	18.273	3.76%
USD/KRW	1350.700	0.06%

COMMODITIES



Commodities

COMMODITY	PRICE	7-DAY CHANGE
Brent Crude Oil	84.555	-10.73%
WTI Crude Oil	83.061	-9.09%
Natural Gas	3.148	8.14%
Gold	1817.300	-2.39%
Silver	20.817	-7.45%
Copper	3.561	-3.31%
Steel	3670.000	3.00%
Coffee	146.150	-0.41%
Sugar	26.120	-2.14%
Cocoa	3405.000	-1.50%
Cotton	85.400	0.22%

CONCEPT OF THE WEEK: MEASURING COMMODITY PRICE RISK

Measuring commodity price risk involves assessing the potential impact of changes in commodity prices on a company's financial performance. There are various ways to measure commodity price risk, including:

1. **Sensitivity Analysis:** This involves analyzing the impact of changes in commodity prices on a company's financial performance, such as revenue, cost of goods sold, and profit margins. By examining the sensitivity of financial performance to commodity price changes, companies can better understand the potential impact of commodity price fluctuations on their operations.
2. **Value at Risk (VaR) Analysis:** This involves calculating the potential loss in the value of a company's commodity portfolio over a specified time period based on a certain level of confidence. VaR analysis provides a quantitative measure of the potential downside risk of commodity price changes.
3. **Stress Testing:** This involves simulating extreme scenarios of commodity price changes and assessing the potential impact on a company's financial performance. By stress testing different scenarios, companies can identify potential vulnerabilities and develop contingency plans to manage commodity price risk.
4. **Scenario Analysis:** This involves analyzing the impact of different scenarios of commodity price changes on a company's financial performance. Scenario analysis helps companies better understand the potential impact of different commodity price scenarios and develop strategies to manage commodity price risk.

These are just a few ways to measure commodity price risk. The specific approach will depend on the type of commodity, the nature of the company's operations, and the level of risk exposure. It is important for companies to regularly monitor and assess commodity price risk to effectively manage their exposures and protect their financial performance.

QUOTE OF THE WEEK

“Certainty is the mother of confidence, and confidence is the key to success.” – Arthur Ashe

Author: John Trefethen, Director and Co-Founder

Mobile: [612-868-6013](tel:612-868-6013)

Office: [952-746-6040](tel:952-746-6040)

Email: jtrefethen@hedgestar.com

HedgeStar Media Contact:

Megan Roth, Marketing Manager

Office: 952-746-6056

Email: mroth@hedgestar.com

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