

# International Commodity Trading

A global commodity trading desk engaged ECRI for its unique insights into sensitive industrial materials price inflation, both to manage cycle risk and to generate trade ideas.

## Anticipating Commodity Price Cycles with ECRI's Leading Indexes

### Objective

Anticipate peaks and troughs in industrial commodity price inflation — including energy, metals, textiles, chemicals and building materials — helping to generate unique trade ideas.

### Approach

We used our signature cycle risk management approach to set up a cyclical framework for traders to monitor that generated long lead times over cycle turns in commodity price inflation.

We then worked with the client to translate insights from our objective, proprietary leading indexes that identify turning points for commodity- and energy-related industries, especially when those diverged from the consensus view.

Finally, we also provided custom cyclical research for specific commodity business segments to facilitate trade ideas.

### Results

Using a curated ECRI index dashboard to highlight relevant cycles and key outlooks, we provide the fund manager with a repeatable process to anticipating relevant commodity price cycle turns.

And, leveraging our turning point forecasts, the desk stays ahead of the consensus at key energy, metals and other price cycle turning points, affording superior risk-adjusted performance.