

Great Western Consortium Inc.: Commodity recovery seen continuing in 2017 - 2018

BEIJING, CHINA, September 13, 2017 /EINPresswire.com/ -- Commodity prices are expected to continue to improve in 2017, driven by supply constraints and greater demand from China's "One Belt, One Road" initiative, according to Great Western Consortium. "China consumes about half of the annual global output of copper, steel, nickel and aluminium."

The company upped its price forecasts for the year for gold, silver, platinum, aluminium, zinc, iron ore, nickel and steel by 12 – 48%. Commodity prices have indeed performed well in the past six months.



US economic growth has accelerated again from the second quarter after showing signs of moderation in the first quarter, which would benefit commodity prices.

Also, economic growth momentum in Asia, particularly China, remains robust. The region has been the engine of global economic recovery since the second half last year.

For example, Caterpillar, the world's largest construction and mining equipment maker, witnessed Asia as the first region to have recovered from the previous downturn.

The pick-up of Keqiang Index, which measures electricity use, rail cargo volume and bank loans, usually goes in tandem with improving commodity prices.

"We believe most commodities are moving up the recovery curve," the report said. "Certainly, a few may have overshot in 2017, so we expect some prices to fade from spot, but the overly bearish sentiment that plagued the entire commodity complex in late 2016 and early 2017 is behind us."

Supply constraints couple with a stronger demand from China will be the key driver of the recovery, it added.

Great Western Consortium raised share price targets for 47% of global base and bulk commodities producers by an average of 39% in light of expected price improvements.

"The regrown strength in commodities is reinforcing the case for a rising third-quarter results," stated Ben Miller, CEO Great Western Consortium in the report.

The most significant rises were for US gold producers, silver miners and large cap global diversified miners, it added.

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