

—Center of Competence—

Commodity Club Switzerland

Driving the transition to a more responsible resource sector



The Commodity Club Switzerland: Foundation & Journey

Key data of the Commodity Club Initiative





"Responsible solutions is our commodity."

Peter Sigg

Founder and President, Commodity Club Switzerland







- Foster education and research on natural resource markets
- Drive transition towards a more responsible resource sector

- Reaches more than 420 commodity experts along commodity value-chain
- Founded in 2011 as a center of competence

- Goals are achieved through education, multistakeholder dialogue and engaged experts
- Generates impact through evolved standards on investment sector

Our journey and thematic focus



Dialogue

"Agricultural Commodity Investing – A Controversy", panel discussion

Research

Start of Academic Research Project on Agricultural Commodities

Publication

Contribution to Handbook on Sustainable Investments (CFA Institute)

Standards

Education

Renewable

Energy Tour in

Oslo in 2019

Contribution to
OECD-FAO 2020
Guidance for
Responsible
Agricultural
Supply Chains

Education

Webinar series with CME; physical events on responsible gold, human rights and food security

2013 | Responsibility as strategic pillar

Energy transition and food security

2012 | Regulation and market dynamics as strategic pillars

2011 | Foundation of the Commodity Club Switzerland

Stable base of members and strategic partners













2023 review: Main activities & Events

Activities highlights

Webinars

The Role of Cobalt and Lithium in Energy Transition

October 2023

CME Group, WisdomTree, Fastmarkets, Commodity Club Switzerland Alexander Peters, Club Board Member on panel

Physical events

Global Food (In)security: Insights from a Leading Agricultural Scientist and a Global Grain Trader

Zurich, November 2023 Commodity Club Switzerland, sponsored by CME Group

TXF Geneva 2023: Commodity Finance and Natural Resources

Geneva, November 2023

Alexander Peters, Club board member on panel

Educational Trip on Responsible Gold

Mendrisio/Lugano, September 2023 Visit to a gold refinery and gold panning in Ticino riverbanks

Media coverage

"Wheat price volatility regimes over 140 years: An analysis of daily price ranges" Sept. 2023 <u>Link here</u>

Haase M., Zimmermann H., Huss M., *Journal of Commodity Markets*, Vol. 31, Sept. 2023

Dr. Marco Haase is a long-standing Board Member of the Commodity Club







Educational trip to Ticino | Sept. 23



Discovering responsible gold practices

Visiting a gold refinery: learn about responsible sourcing





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Tasting wine & local produces



Education

Networking

Purpose

Latest publication | Sept. 2023



«Wheat price volatility regimes over 140 years: An analysis of daily price ranges» Journal of Commodity Markets, September 2023

Marco Haase Heinz Zimmermann

Matthias Huss





- ✓ Analysis of a novel dataset of daily Chicago wheat prices from 1877 onwards
- ✓ Five long-term volatility regimes were identified, with a duration ranging from 22 and 37 years
- ✓ The erratic regime changes can't be explained by business cycle, inflation and scarcity
- Two breaks coincide with shifts in the monetary policy

Contents lists available at ScienceDirect



Journal of Commodity Markets



We analyze Chicago based daily wheat price volatility over more than 140 years using a novel data set of daily high and low futures prices starting in 1877. We identify five long-run

regimes and find that volatility shifts between regimes are statistically more pronounced than fluctuations within regimes, even when conditioning on economic states. Historical volatility estimates derived from average commodity price data, a common practice in empirical studies exhibit a regime-dependent upward bias between 0% and 22%. The magnitude of the bias and

the importance of regimes potentially explain contradictory findings on volatility patterns i



Wheat price volatility regimes over 140 years: An analysis of daily

Marco Haase1, Heinz Zimmermann1,*, Matthias Huss

University of Basel, Switzerland

ARTICLE INFO

Commodity futures volatility Wheat futures Historical price analysis Structural volatility brea

This paper takes an innovative look at commodity price volatility by exploring a new data set based on daily high and low price data of nearby and second nearby wheat futures prices covering a time span of more than 140 years. The long data history allows us to compare the magnitude of typical short-run shifts in volatility within long-run volatility regimes to volatility shifts between regimes. Using Bai-Perron structural break tests applied to range based volatility estimates, a total of five volatility regimes can be

Commodity price volatility is largely undiversifiable for many economic agents. It is directly related to aggregate welfare effects and economic costs as discussed by Gilbert and Morgan (2010) or Jacks et al. (2011). Is therefore not surprising that the study of commodity price volatility has a long historical tradition, with early papers dating back to the beginning of the 20th century

Further, it is well established that volatility is time-varying and clustered, meaning that occurrence of high volatility is likely to be followed by subsequent periods of above-average volatility. Commodity price volatility makes no exception from this observation Extended periods of high food price volatility are particularly concerning given their immediate effects on the food security and livelihoods of large parts of the world's population. These periods recurringly spark public interest in the topic, and trigger political debates on the implementation of regulatory frameworks designed to counteract "abnormally high" volatilities. A prominent example

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^{*} Correspondence to: Department of Finance, Faculty of Business and Economics, University of Basel, Peter Merian Weg 6, CH-4002 Basel, Switzerland
E-mail addresses: marco.haase@unibas.ch (M. Haase), heinz.zimmermann@unibas.ch (H. Zimmermann), matthias.huss@unibas.ch (M. Huss). Department of Finance, Faculty of Business and Economics, University of Basel, Peter Merian Weg 6, CH-4002 Basel, Switzerland.



2024 Outlook: Next steps

Outlook 2024: What are our priorities?





Sharpening of positioning

- Mission statement
- Rebranding



Capacity building for responsible sourcing standards

- Transition metals
- Responsible gold sourcing



Further education on investable environmental markets

- Nature-based solutions
- Carbon markets



Next yearly educational trip abroad

- Renewable energy
- Food security



Main activities in the last 12 years

Main activities over the last 12 years

CREDENDO









Educational events & webinars

- Best practices (ESG-) standards
- Energy transition and food security
- Geopolitics & investment implications

Panel discussions

- Role of carbon credit markets
- Responsible gold: investable products
- Controversy on agricultural investing

Workshops

- Responsible Business Conduct
- Trade finance sanctions compliance
- Responsible standards in agriculture

Research and publications

- Functioning of markets and dynamics
- Responsible investment standards
- Insights on recent investment trends
- Price volatility regimes in food markets

Educational trips





Ukraine: Breadbasket of the World Kiev, 19.-21. May 2017

- Ukrainian macro trends & reform agenda
- On-site visit of a large-scale integrated farm
- Guided city-tour in the center of Kiev



Alternative Energy Tour Oslo, 12.-14. September 2019

- Dynamics of wind power markets
- On-site visit of waste management facility
- Green mobility and green city management



Investment opportunities in farming Rural Alentejo (Portugal), 1.-3. June 2018

- Cork farming and tree stripping
- Visit of olive grove and olive oil mill
- Guided tour at large dairy farm



Responsible Gold Sourcing Mendrisio/Lugano, 8.-9. September 2023

- On-site visit to a gold refinery
- Responsible supply chain: traceability and transparency
- Finding gold in Ticino riverbanks

More details at this link

Contact persons





Biancamaria Coriglione
Strategy and Communication Officer

biancamaria.coriglione@commodityclub.ch



Peter Sigg Founder and President

peter.sigg@commodityclub.ch





www.commodityclub.ch



contact@commodityclub.ch