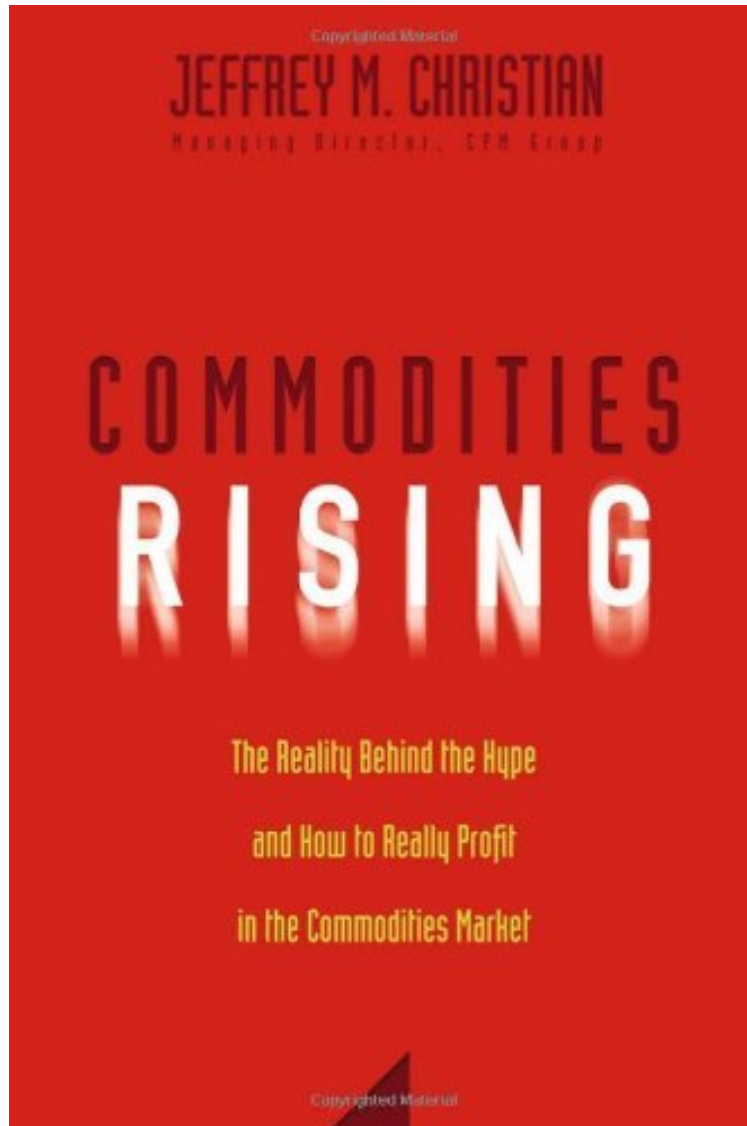


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Commodities Rising: The Reality Behind the Hype and How To Really Profit in the Commodities Market

Jeffrey M. Christian

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Jeffrey M. Christian : Commodities Rising: The Reality Behind the Hype and How To Really Profit in the Commodities Market before purchasing it in order to gage whether or not it would be worth my time, and all praised Commodities Rising: The Reality Behind the Hype and How To Really Profit in the Commodities Market:

2 of 2 people found the following review helpful. A Good Book For Someone Starting With CommoditiesBy Rich JohnsonOver the past few years commodities have earned a reputation as being high flyers for investment portfolios,

mostly due to the belief that developing countries are going to use more and more resources. In this book author Jeffery Christian attempts to dispel the rumors that exist in the commodities markets, as well as offering thoughts on how to make money whether markets are going up or down. Here is a quick walk through *Commodities Rising*:

Chapter 1: The Commodities Rush Is OnThe first chapter sets the stage for the rest of the book, explaining why the author felt a need to write this book. Since 2003 there has been a large run up in the price of commodities, thanks to increased demand from both developing economies and from increased investor demand. Investors have piled into commodities in the past few years for various reasons which are explained in later chapters.

Chapter 2: Myth of the Commodities Super Cycle and the Chinese Consumer GiantThe super cycle theory puts forth that there will be an extended run in commodities, potentially lasting for over a decade thanks to the rapid development of countries like China, India, and Russia. Furthermore, new production of in-demand commodities can't come on fast enough, which will drive prices even higher. The reality, according to the author, is that these countries are not using raw materials nearly as fast as the investment community believes. On top of that, despite the rapid growth in incomes, per-capita incomes in the developing countries is still extremely low. In 2007 China's per-capita GDP was \$5,400 a year, versus over \$45,800 per year in the U.S. These are not the kind of numbers that you would expect to support gold at over \$1k an ounce.

Chapter 3: Commodities and the Global EconomyChapter 3 examines the relationship between commodity prices and economic indicators. Commodities are often used as an indicator of inflation expectations and economic activity levels, whether those relationships are valid or not. The author jokes that gold has forecasted 13 of the past 3 bouts of inflation, and that commodity prices have a complex relationship with economic output levels that go beyond a simple ratio or formula.

Chapter 4: Commodities as an Asset ClassEver since David Swensen revealed the secret to his returns on the Yale endowment portfolio, commodities have become known as an acceptable asset class for a well-diversified portfolio. Commodities have a low correlation with other assets like stocks and bonds, which has the potential to smooth out returns in a portfolio.

Chapter 5: Commodity Investment VehiclesThere are many ways to invest in commodities, including forwards and futures, ETFs, mutual funds, and hedge funds. Chapter 5 briefly covers these investment vehicles, and gives some of the pros and cons of using them. For example an investor can gain more leverage using futures, or they may prefer to hold the physical asset if they are investing in precious metals.

Chapter 6: Commodity StrategiesOnce you've learned what tools you can use for investing, you will need to learn some techniques for applying them. A few ideas are covered, including using the Commitment of Traders Report to get market insight, using principal protected accounts and structured products, and why you shouldn't use ratios as a trading tool.

Chapters 7 - 11The next 5 chapters describe the different types of commodities that are typically invested in, including precious metals, base metals, energy commodities, and agriculture. Each section contains a brief history of the commodity, historical price movements, a look at the supply and demand factors, and the common ways people invest. Precious metals, for instance, are often held by investors in physical form. Natural gas traders on the other hand will probably not want to store a highly explosive gas in their backyard, and thus futures, options, and equity investments tend to be a more practical route. These chapters could be very useful for someone just getting started in commodities but is unsure where exactly they should start.

Chapter 12: The Fundamentals Still ApplyNo matter what hype you hear on the news or in the financial press, prices are still driven by basic supply and demand. There may be short term swings one way or another due to speculation, but in the end understanding market dynamics is the key to long term success. This chapter attempts to help you clarify what you should think about when looking at supply and demand. For instance, does a particular supply number include recycled materials?

Recommendation:If you're considering adding commodities to your investment portfolio then *Commodities Rising* should be on your reading list. Taking a few hours to read this book could save you thousands of dollars, no matter what side of the trade you decide to take. Once you've become familiar with the basic hedging strategies suggested in this book you will likely want to find out more from another more advanced book. That is why I am giving this book 4 stars instead of 5. But this book should get you going in the right direction.

4 of 9 people found the following review helpful. He knows commodities!

By Chris JaronskyOne of the strong points of this book was the authors obviously deep understanding of the commodities markets. He talks quite a bit about the metals markets, mainly because he has spent a lot of time researching and trading those markets, but he also goes into detail about other markets too. I have heard a lot of hype about how China is going to cause a commodities boom cycle. I thought it was strange because a lot of commodities markets are actually going down. Where's the boom cycle? Mr Christian explains why it is probably a myth. He details how the markets actually work and what happens when commodity prices go up or down. I also learned a lot from the authors discussions on what the specific uses for the individual commodities are. Like platinum which is mainly used for auto catalytic converters and jewelry. Makes sense now why platinum is linked to auto production, which I never knew. This book is very informative and gives you a macro understanding of the commodities markets.

12 of 18 people found the following review helpful. This is one of the best.

By Richard M. RossoI've read quite a few books and periodicals on commodities; Jeffrey Christian's book is the most comprehensive I've seen on the subject and it's written in a manner which makes it easy to understand. He has some terrific insight as to how commodities enhance your asset allocation or stock and bond plan, the "myth" behind the superheated growth in China and also made quite a solid prediction how some of the speculative excess would come off the commodities markets in 2006! Overall, a solid,

educational read and I recommend it.

"Commodities Rising, part memoir and part investment guide, provides a unique and practical perspective that is based on a rare combination of professional experiences." -Donald F. Larson, Senior Economist, World Bank "Jeffrey Christian brings twenty-five years of commodity market experience to his thoughtful and insightful new book. A keen analyst, Christian debunks many commodity market myths. There has been a substantial underinvestment in commodity research of late. His book is a 'must-read' for any investor wishing to avoid the pitfalls present in physical commodity investments." -Terrence F. Martell, PhD, Saxe Distinguished Professor of Finance, Director, Weissman Center for International Business, Baruch College, CUNY; Public Governor, New York Board of Trade "If you've read one of the recent 'commodity craze' books, you'll appreciate the more careful, thorough account Christian provides here. His anecdotes and analysis will convince you that this is truly an insider's assessment." -Peter A. Biebel, Vice President, Director of Futures Research, A.G. Edwards Sons, Inc. "In addition to its depth, Christian's book is extremely reader-friendly, presenting commodity issues from various angles. I strongly recommend to anyone interested in commodities that they read this book; and to those still unfamiliar with the subject, I recommend that they take a look. The rewards will be significant, intellectually and possibly financially." -Takamasa Akiyama, Professor of Development Economics, Nihon University, Mishima, Japan, and Senior Advisor, Foundation for Advanced Studies on International Development (FASID), Tokyo, Japan Analyze the current commodity environment and look out over the next few years to identify potential profit situations in Commodities Rising. You'll learn how commodities can be used to reduce risk and increase returns in a balanced investment portfolio. Author and commodities expert Jeffrey Christian debunks much of the misinformation currently circulating about commodities and provides a reasoned reality-check you can use to evaluate the claims and promises of various publications and brokerages in the commodity field. Specific issues addressed throughout this book include: the variety of commodity investments?exchange traded funds, stocks, futures, and options; commodities in the global economy; commodity trading/investing strategies. Filled with in-depth insights and engaging anecdotes gleaned from the author's 30 years in the commodity markets, this is an invaluable resource for the serious investor or trader.

"one of the most brilliant and independent-minded analysts. . . ." (Barron's, December 18, 2006) hellip;you would definitely look like you did your homework with that in your man-bag.' (City Wealth, November 2006) From the Inside FlapCommodities markets are a fascinating part of the world economy and financial markets. Besides being the building blocks of the real economy, commodities provide investors with superior long-term investment performance results and offer traders tremendous short-term opportunities. Over his thirty-year career, commodities expert Jeffrey Christian has gained broad firsthand knowledge about how these markets work; how commodities are monetized and traded around the world; and how these various transactions are executed. Now, in Commodities Rising, he wants to share those experiences with you. Written in a straightforward and accessible style, Commodities Rising analyzes the current commodity environment and looks out over the next few years to identify potential profit situations for investors and traders. More importantly, it will show you how commodities can be used to reduce risk and increase returns in a balanced investment portfolio. You'll be introduced to a variety of ways in which you can gain exposure to commodities—through both direct and indirect means—as well as discover some specific strategies that will allow you to use the instruments you choose effectively and manage your positions with confidence. Commodities Rising also works hard to debunk much of the misinformation currently circulating about this market, and provides a reasoned and authoritative reality check. Some of the more widely circulated myths are addressed, including the concept of a long-lasting supercycle in rising commodity prices and the idea that China will be a massive consumer of commodities whose actions will drive prices even higher. The second half of this book takes a deeper look at sixteen specific commodities grouped under the following headings: Precious metals: gold, silver, platinum, and palladium Energy: petroleum, natural gas, and uranium Tropical agriculturals: cocoa, coffee, and cotton Grains: corn, soybeans, and wheat Base metals: copper, lead, and zinc Each chapter includes critical background information needed to assess the attractiveness of these individual commodities as investments. Filled with in-depth insights, practical examples, and a number of engaging anecdotes, Commodities Rising is an invaluable informational resource for today's serious investor or trader. From the Back Cover Praise for Commodities Rising "Commodities Rising, part memoir and part investment guide, provides a unique and practical perspective that is based on a rare combination of professional experiences." —Donald F. Larson, Senior Economist, World Bank "Jeffrey Christian brings twenty-five years of commodity market experience to his thoughtful and insightful new book. A keen analyst, Christian debunks many commodity market myths. There has been a substantial underinvestment in commodity research of late. His book is a 'must-read' for any investor wishing to avoid the pitfalls present in physical commodity investments." —Terrence F. Martell, PhD, Saxe Distinguished Professor of Finance, Director, Weissman Center for International Business, Baruch College, CUNY; Public Governor, New York Board of Trade "If you've read one of the recent 'commodity craze' books, you'll appreciate the more careful, thorough account Christian provides here. His anecdotes and analysis will convince you that this is truly an insider's assessment." —Peter A. Biebel, Vice President, Director of Futures

Research, A.G. Edwards Sons, Inc. "In addition to its depth, Christian's book is extremely reader-friendly, presenting commodity issues from various angles. I strongly recommend to anyone interested in commodities that they read this book; and to those still unfamiliar with the subject, I recommend that they take a look. The rewards will be significant, intellectually and possibly financially." —Takamasa Akiyama, Professor of Development Economics, Nihon University, Mishima, Japan, and Senior Advisor, Foundation for Advanced Studies on International Development (FASID), Tokyo, Japan