



## What's Next for Commodity Prices?

### How are the Russian sanctions affecting raw materials?

The war in Eastern Europe has been shocking us on a human level for many weeks - but it also makes us increasingly aware of how dependent the West is on Russian and Ukrainian raw materials. Many experts fear famine in Africa if the grain shortage comes true in the coming months - which will undoubtedly be the greatest concern. However, European industry has also been complaining for weeks about **rising metal prices and energy costs**, which poses existential challenges for medium-sized companies in manufacturing sectors in particular these days. The tough sanctions imposed by the West on the Russian economy are hitting the **raw materials** nation hard and have caused the ruble to crash.

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But even if the sanctions are having an effect, they are a double-edged sword for the rest of the world. This is because many Russian commodity companies are of great importance to the global supply chains of industry. For example, **titanium exports from Russia** (world market share of at least 30%) cannot simply be substituted overnight, a fact that could cause problems for the major aircraft manufacturers in the medium term. **Price explosions** such as those recently seen for **aluminium** and **nickel** mean that commodity-dependent industrial and craft companies are more dependent than ever on functional price hedging on the futures market - but **rising trading volumes** are now also presenting commodity exchanges with greater challenges, as can currently be seen on the London Metal Exchange. **Highly volatile commodity** prices are the result of such market distortions. These were evident last week, for example, for the commodity nickel and its volatile price development:

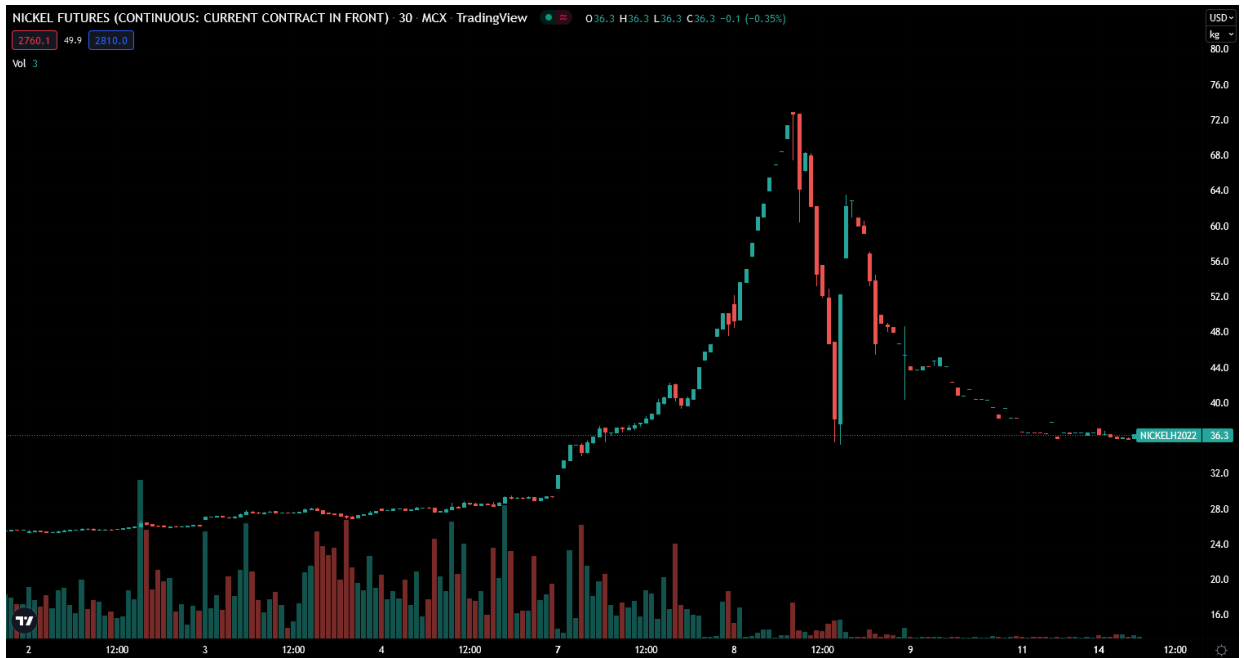


Image source: TradingView

As long as the war continues, companies should continue to **prepare for persistently high energy and commodity prices** for the time being. Refuelling at prices well below €2 per litre remains a dream for the time being.

**Markus Polz**  
Head of Asset Management

# About Liquidity Services



Trading



Corporate



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Newsflow

**Liquidity refers to how easy it is to sell a product or how easy it is to buy that same product. In short, liquidity means how easy it is to convert your product into cash without affecting its market price.**

- If someone wants to **sell** a product quickly at your shop and you **buy** the product from them without affecting the intrinsic price value of the product.
- If someone wants to **buy** a product quickly and you **sell** them the product at that instant without affecting the intrinsic price value of the product.

This ease of **buying** and **selling** of products is called liquidity. But it all depends on whether you have enough cash \$\$ and enough products to provide liquidity.

You, the shopkeeper in our example, is called a **“Market Maker”**.

A *Market Maker* is similar to a shopkeeper (in our example above), who will buy a product from you (if you want to sell) for \$10 and will later sell the same product to another person (if they want to buy) for \$10.50.

The 50 cents profit is what the market maker makes, this difference in selling price and buying price is called **“bid-ask-spread”**.

At CM-Equity, we have a group of dedicated in-house traders who trade the stocks in European time zones and in Euros. This creates a comfortable environment for European investors who wish to participate in international companies. The traders aim to keep a minimal **bid-ask spread** for the stocks which makes it more lucrative for investors.

## Latest News from Liquidity Services



22 Mar. '22

### G2 Technologies Provides Corporate Update

The company (CSE:GTOO, OTCQB:GTGEF, FWB:1NZ.F) announced the results of its annual meeting of shareholders held Monday, March 14, 2022. The shareholders approved a change of the Company's business from an energy issuer involved in production of residential and commercial wood pellets in Europe to an oil & gas issuer.

[Read the full press release](#)



14 Mar. '22

### Clean Air Metals Announces Executive Appointments and Provides Corporate Update

The company (TSXV: AIR) (OTCQB: CLRMF) (FRA: CKU) announced the appointment of Mr. Kris Tuuttila as Director of Sustainability, Permitting and Community Relations for the Company. In addition, Dr. Geoff Heggie has been promoted to VP-Exploration for the Company.

[Read the full press release](#)



### Newrange Gold Corp.

09 Mar. '22

### Newrange Confirms Structural Interpretation With First Drill Hole at North Birch Project

The company (TSXV: NRG, US: NRGOF, Frankfurt: X6C) announced that the first diamond drill hole on the Primary Target Horizon ("PTH") at the 100% owned North Birch Project has confirmed the presence of a strong deformation zone, well in excess of 100 metres wide, as originally interpreted from the geophysics.

[Read the full press release](#)

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