

Hot Chili Limited ACN 130 955 725
First Floor, 768 Canning Highway, Applecross, Western Australia 6153
PO Box 1725, Applecross, Western Australia 6953
P: +61 8 9315 9009 F: +61 8 9315 5004
www.hotchili.net.au



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Recent Bloomberg Article

Hot Chili Limited (ASX code: HCH) is pleased to provide a copy of a Bloomberg media article **“Goldman's Most Bullish on Commodities Since Supercycle Ended”** first published on the 1st of February 2018 and updated today.

The article comments that Goldman Sachs Group Inc. is more bullish on commodities than any time since the end of the supercycle in 2008.

Goldman sees copper rising in the next 12 months even after it racked up the biggest gains in eight years over the course of 2017. The metal, seen as a barometer of the world's economic health, will jump about 12% to \$8,000 a metric ton, according to the analysts, a level not seen since 2013.

The article is attached below.

For more information please contact:
Christian Easterday
Managing Director

Phone: +61 8 9315 9009
Email: christian@hotchili.net.au

or visit Hot Chili's website at www.hotchili.net.au





Goldman's Most Bullish on Commodities Since Supercycle Ended

By

Mark Burton

@mburtonmetals More stories by Mark Burton 1 February 2018 10:27 PM Updated on 2 February 2018 2:02 AM

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- **Copper seen hitting highest since 2013 as global demand grows**
 - **Demand will create virtuous circle that reinforces economies**
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Goldman Sachs Group Inc. is more bullish on commodities than any time since the end of the supercycle in 2008.

As economies around the world pick up, factories are humming, eating into stockpiles of raw materials and driving demand at miners and oil producers already facing limits on output. Copper, iron ore and crude prices will extend gains this year, Goldman analysts Jeffrey Currie and Michael Hinds said.

“The environment for investing in commodities is the best since 2004-2008,” they wrote in a research note.

Rising commodity prices will create a virtuous circle, improving the balance sheets of producers and lenders, and expanding credit in emerging markets that will, in turn, reinforce global economic growth, according to the bank.



Goldman sees copper rising in the next 12 months even after it racked up the biggest gains in eight years over the course of 2017. The metal, seen as a barometer of the world's economic health, will jump about 12 percent to \$8,000 a metric ton, according to the analysts, a level not seen since 2013.

The forecast establishes Goldman as one of the most bullish Wall Street banks. Citigroup Inc. sees copper averaging \$7,125 a ton this year and Deutsche Bank AG at \$7,175, according to data compiled by Bloomberg.

Brent crude will also rise above \$80 a barrel within six months as demand outpaces supply that's been overtightened by producers, Goldman said, in comments that spurred a price rally on Thursday.

Iron ore will gain almost a fifth by the start of May, it said. The bank sees more modest gains for coal on the grounds that consumers are starting to ration use in response to higher prices.



Don't Stop Now
 Goldman Sachs says commodities will rally further as demand outpaces supply

	Spot (US dollars)	Old forecast	New forecast
Copper	7,100	7,050	8,000
Iron ore	72.88	55	85
Met coal	215	165	220
Oil	69	62	82.5

Source: LME, Platts, Metal Bulletin, ICE
 Note: 12-month forecast for copper; 6-month forecast for oil; 3-month forecasts for iron ore and met coal

Bloomberg

The bullish outlook for commodities comes as European factories boost output to near-record levels and Goldman says its gauge of U.S. financial conditions is the strongest ever. With emerging markets also on a tear, global growth will run at an annualized rate of 5.1 percent, it said.

Last month, the bank said it favored copper over metals like aluminum as long lead times to bring new mines online will hamper producers efforts to bring supply to market as prices rise. Zinc producers are also being hamstrung by China's crackdown on pollution, lending support to prices that are already trading near their highest in more than a decade.



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Qualifying Statements

Forward Looking Statements

The Announcement contains “forward-looking statements”. All statements other than those of historical facts included in the Announcement are forward-looking statements including estimates of Mineral Resources. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, copper and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade ore recovery rates from those assumed in mining plans, as well as political and operational risks and governmental regulation and judicial outcomes. The Company does not undertake any obligation to release publicly any revisions to any “forward-looking statement” to reflect events or circumstances after the date of the Announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws. All persons should consider seeking appropriate professional advice in reviewing the Announcement and all other information with respect to the Company and evaluating the business, financial performance and operations of the Company. Neither the provision of the Announcement nor any information contained in the Announcement or subsequently communicated to any person in connection with the Announcement is, or should be taken as, constituting the giving of investment advice to any person.