

Commodity slide boosts returns



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Nashville, Tennessee-based Covenant Capital recorded its best ever month for its high octane Optimal program with an 84.7% return.

Short positions in commodities, led by metals, energies and grains, were the largest contributors for the month alongside currency shorts, according to a performance report.

The fledgling fund, which debuted in February, surged to 150% YTD, with investor interest said to be accelerating over the past few months.

At the Memphis Cotton Exchange Building, Jack Marshall's Paramount Capital Management had its best month in over two years.

The veteran CTA's discretionary commodity trading strategy gained 28.1%, returning to the black YTD, up 24.1%.

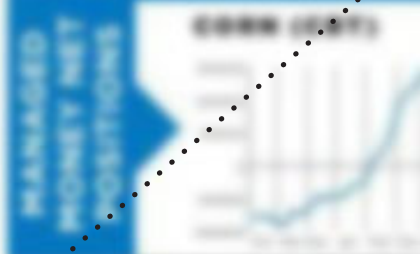
Chicago-based Red Rocks' Commodity Long-Short strategy jumped 17.1% in its best month since it launched in September 2013.

"The strategy capitalised on a short position in silver that saw the precious metal's volatility increase in a highly desirable fashion as it shed 12.5% during the month," explained CIO Tom Rollinger.

"A short position in gold proved very beneficial as the shiny metal broke out of a short-term equilibrium price range to drop almost 6% during the month.

"A long position in cocoa and other short positions in wheat, Brent, and cotton also contributed to profits."

Red Rock's shorter term program was up 37.6% YTD.



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Commodity 'dead'

Commodity markets have been in a state of 'dead' for some time, with prices flat and volatility low. This has led to a loss of interest from investors and a decline in trading volumes. However, recent market movements suggest a potential resurgence in activity, particularly in the energy and metals sectors. Analysts are watching for signs of a 'dead' market turning into a more active one.

'spoofing'

'Spoofing' is a trading strategy where a trader places large orders to create a false impression of market demand or supply, then quickly cancels them before they can be executed. This is often used to manipulate prices and profit from the volatility it creates. Regulatory bodies are increasingly scrutinizing such practices to protect market integrity.