

APPENDIX B. FIGURES

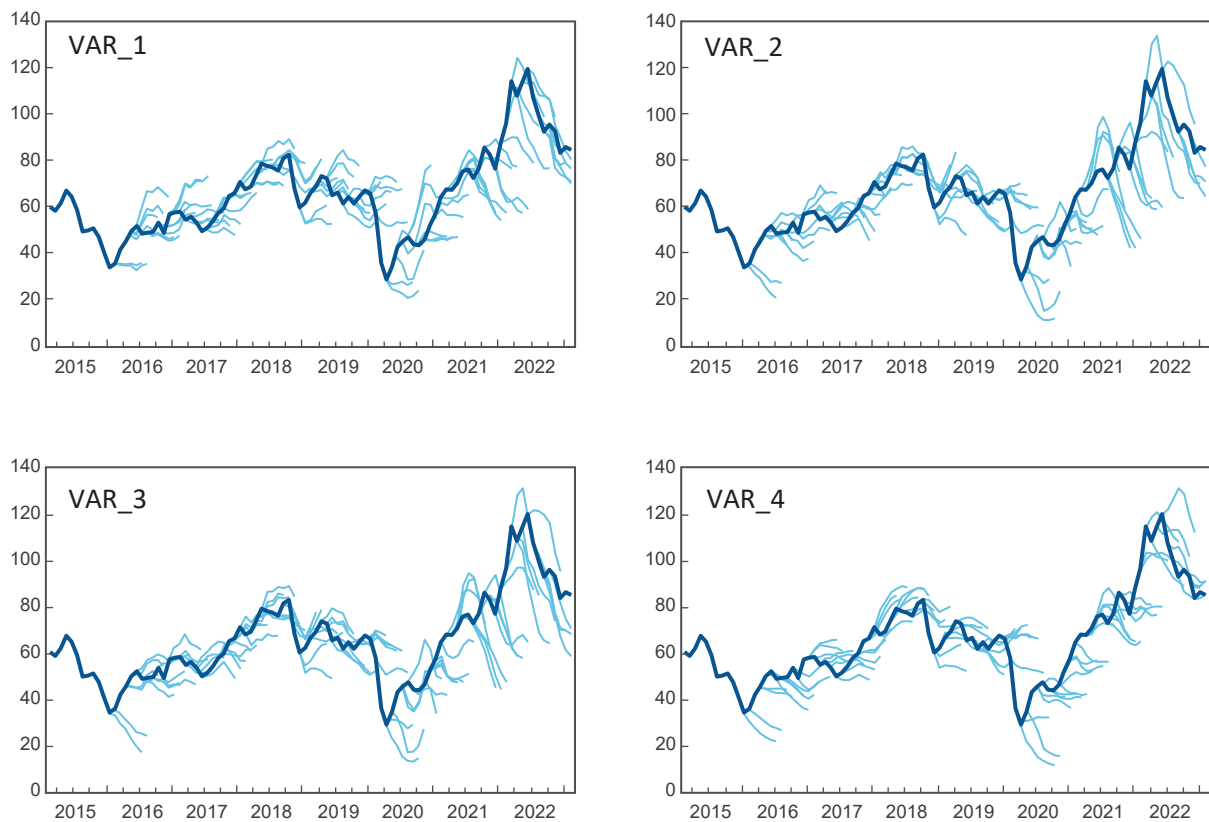


Figure 2. Out-of-sample Forecast Simulations Six Months Ahead – Crude Oil

Note: The figure illustrates the out-of-sample validation of the models' forecast capabilities. The actual sample was divided into two parts, with price data from January 2016 onwards being withheld from the training process and then the models were used to make forecasts for the hold-out data. The solid blue line depicts the actual (historical) nominal price of a commodity, while the short lines show simulated rolling forecasts six months ahead. After each step, one month is added to the training sample and a new six-month-ahead forecast is generated using the respective models. The same is valid for Figures 3-5 (except that the simulations for the iron ore and steel models use January 2018 as the start of their testing period).

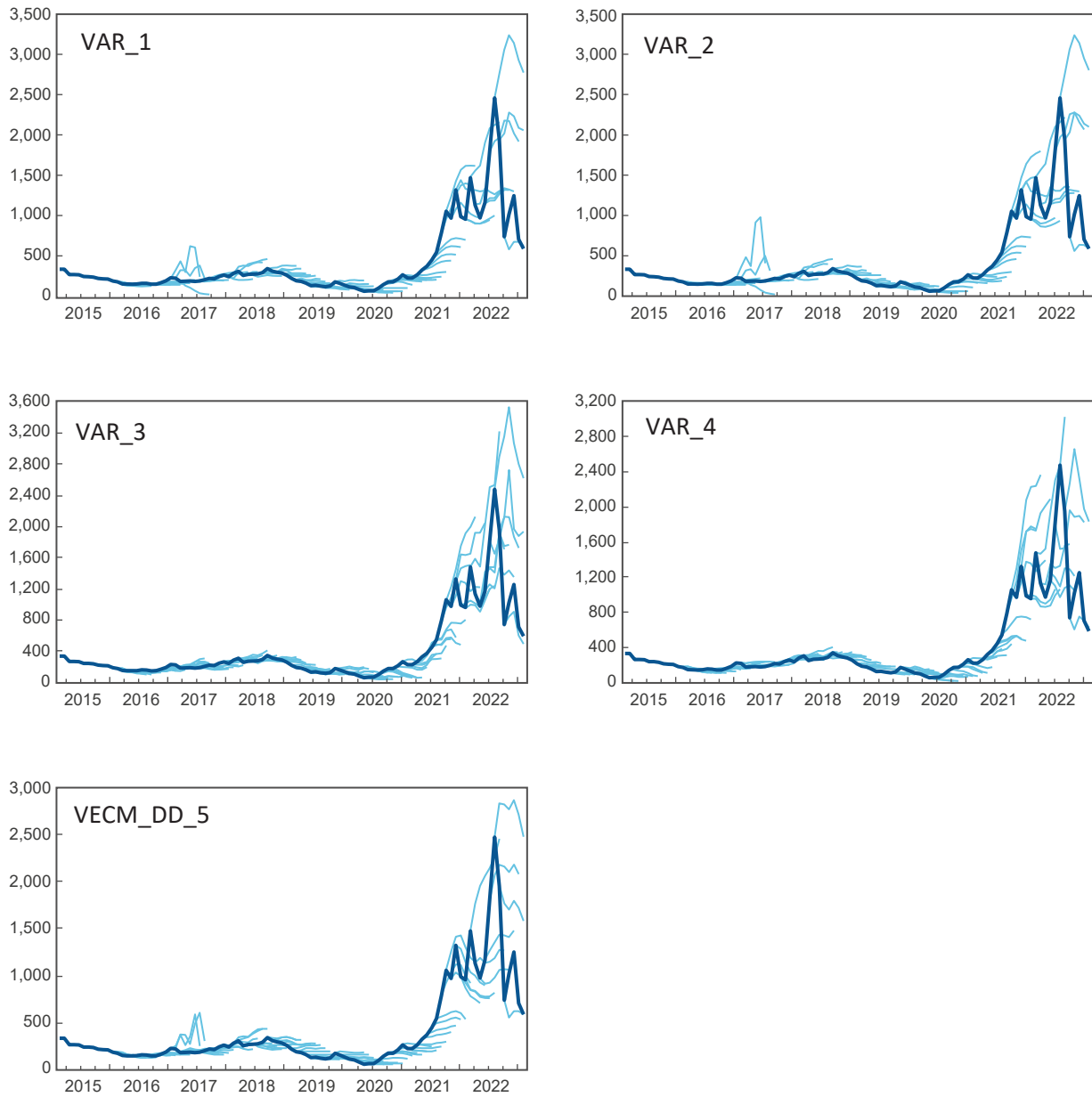


Figure 3. Out-of-sample Forecast Simulations Six Months Ahead – Natural Gas

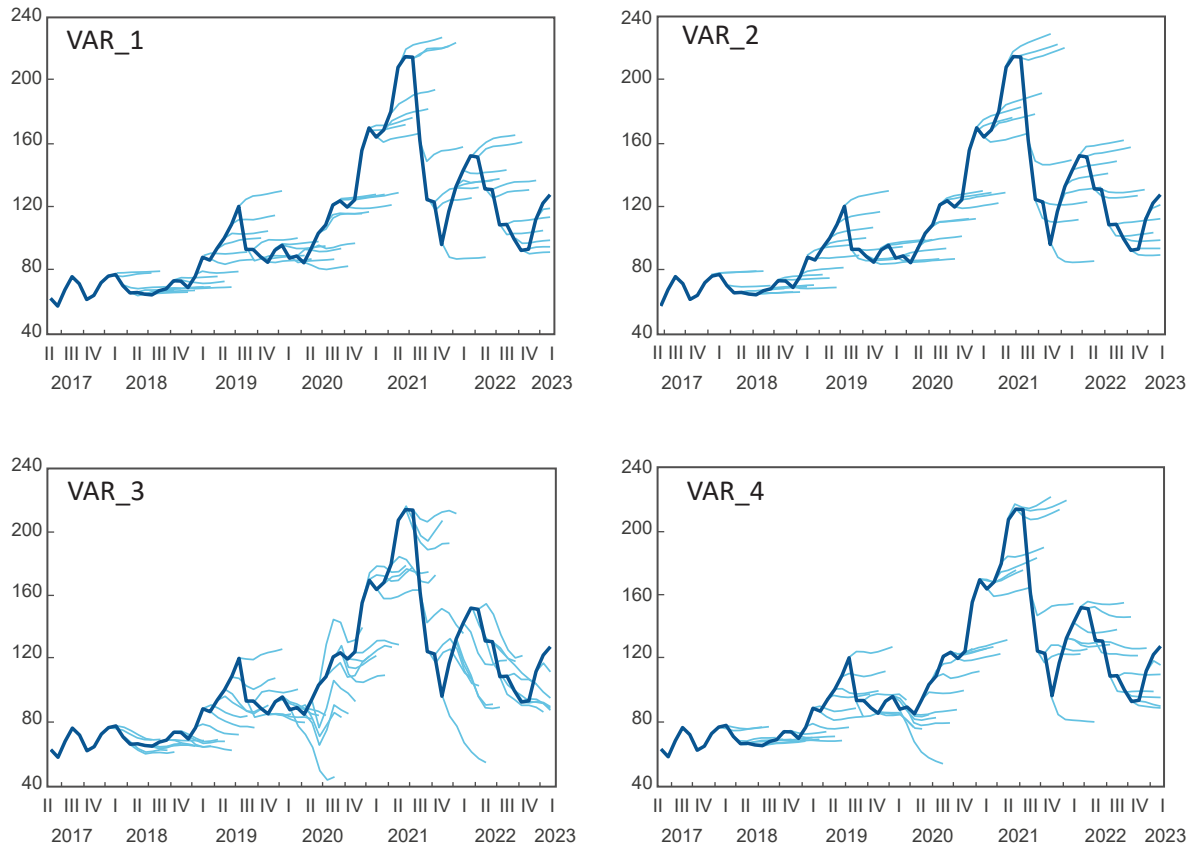


Figure 4. Out-of-sample Forecast Simulations Six Months Ahead – Iron Ore

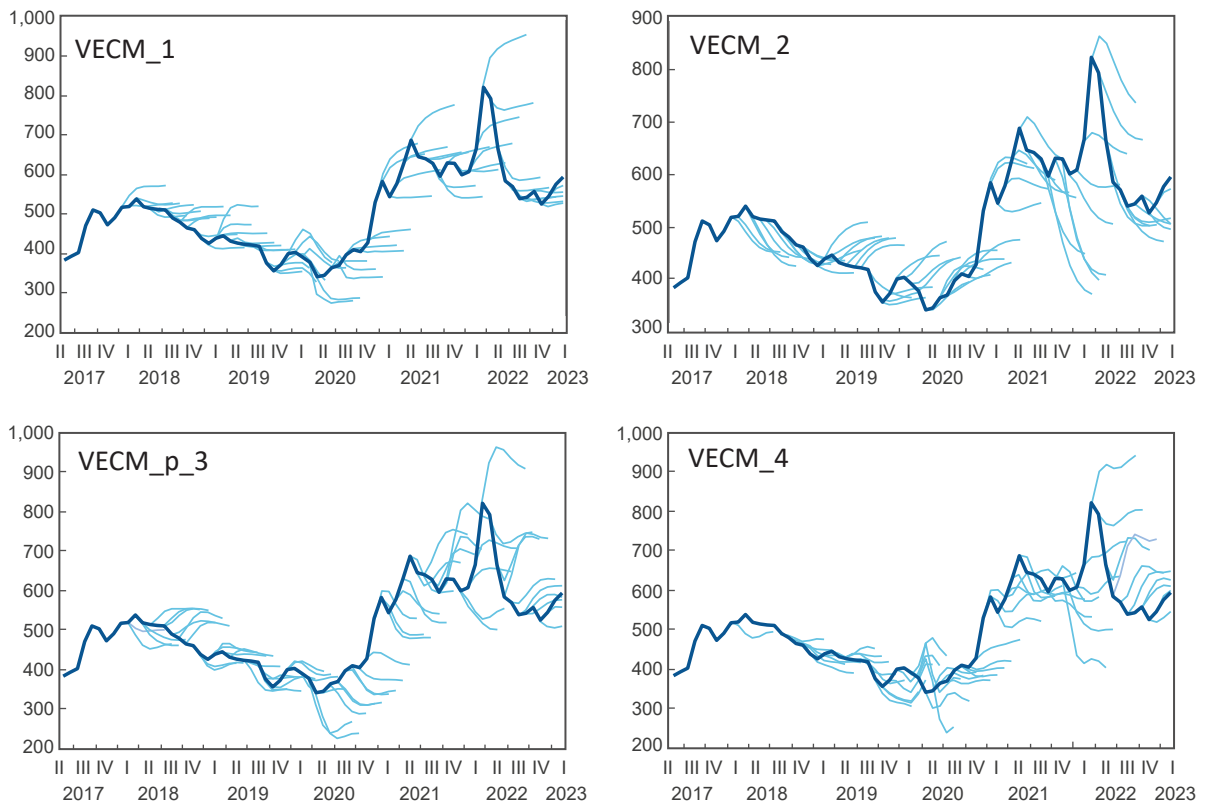


Figure 5. Out-of-sample Forecast Simulations Six Months Ahead – Steel