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All industrial metals are slowing, and oil is going to follow.

Copper's down 20% on the year and with the global economic strain, I fully expect we're heading to a global economic recession. The war in Ukraine, coupled with the aftermath of the biggest pump in liquidity that's being dumped. The Fed is tightening and the rest of the central banks of the world, except China, are catching up. The dollar is a complete lose-lose recipe for commodities. You have the world's largest energy producer and net exporter, the largest agricultural exporter and producer, and the country with the world's strongest currency, raising rates aggressively, tilting its economy into a recession. Europe's already in it. It's a classic recipe for what happened in 2008 but this is going to be more enduring. I expect WTI to hit a ceiling of around $100 and then head to $75 by year end. The question I ask myself if what stops this? It is certainly not going to be the Fed.

US economic outlook doesn't look too bad despite Fed action?

The trajectory we're heading for in the US is a recession and the key thing that's more significant is that there needs to be a decline in risk asset prices much more than we have already. The only thing that's going to stop the Fed more in real-time is if and when the stock market goes down at a higher velocity. The S&P is down almost 20% but it's got to go down at least a third, if not more. That will slow down the Fed tightening. That is what we need to reduce this inflation situation. This is the big reset. Inflation is always a monetary phenomenon and after the biggest pump in liquidity ever last year, it's now dumping at the greatest pace ever. And then we have the 'Invisible Hand' – that is showing up in demand destruction and elasticity of supply in commodities. What is abnormal is to sustain commodity prices at the levels they were at just six months ago. ■

**Paraphrased Comments*