Commodity Essentials: Bloomberg

What are commodities?

Commodities are the raw materials humans use on a day-to-day basis. For instance, humans use energy for warmth/car fuel, metals to build weapons/tools, and agricultural products to feed themselves. These categories are classes of commodities which build up the world of commodities.

Examples of commodities: grains, gold, beef, oil and natural gas.

The sale and purchase of commodities is usually done on futures and contracts either through a standardized exchange or an over the market platform (OTC). For instance, the Chicago Board of Trade (an exchange) will specify how much a wheat contract will cost you whether it be priced at spot (current price) or in the future (future price).

1st Step is pressing on the CMDTY yellow key on the keyboard and Enter (GO). Doing so will open up a black dashboard. In this dashboard you will have multiple options to choose from. Let us begin.

SECF <GO>: This function allows you find and search for all the securities listed in the commodity segment in Bloomberg. For instance, click on ticker CL1 (Generic 1st Crude Oil, WTI) and search this.
Now once you click CL1, you will be able to analyze the ticker in depth. You will find that the CL1 represents different contracts that you may analyze (or purchase in an institutional setting). It will provide the last price, bid, ask, and volume for this specific ticker.

**FDM <GO>:** FDM represents the commodity fundamentals which display the physical supply and demand statistics of commodities in different categories. These statistics include the inventory levels, movements, volumes etc. As mentioned in the introduction, commodities have different sectors in which they operate in. FDM exemplifies the different sectors. For instance, we can click on Agriculture and search what commodities are listed in this category.

For example, here you can click on farming and search the different commodities listed under this category.
BMAP <GO>: BMAP, to me, is one of the most fascinating and fun functions in Bloomberg. Here, you can search the globe for things such as mines, oil vessels, earthquakes, oil pipes that are spread all over the world. As an investor, remaining up to date with global events is crucial. Thus, if you are an energy investor, it would be important for you to know how many vessels and pipelines BP has across the globe. By doing so, you can track the geopolitical tensions that are present where the company you hold has assets in. For instance, if we know BP has pipes running across Russia, it would be wise to track what political events are happening in Russia and whether or not they would affect the demand/supply of oil.

In the above picture, we can see that BP p.l.c. UK has oil pipes that supply crude oil, natural gas, petrochemicals, and refined products running across the U.S. In detail, we can see that BP has most of its crude oil concentrated in the southern region of the U.S., mainly in Texas, Oklahoma, and Louisiana.
GLCO <GO>: GLCO represents the global commodity prices. This is an important monitor to keep track of on a daily basis if you are a commodity investor or have interest in following this market. In this screen we can see the changes in prices of energy, metals, and agriculture contracts.

N <GO>: As with any investment, checking the news on a regular basis is crucial. In the N function, you can filter the search for only commodities and read up on the latest news!