

# A new ingredient in the Bloomberg Commodity Index

Published 29 January 2026

**Tobias Lazar**

Associate Director, Quantitative Research

## Key Takeaways

- Cocoa is added in the 2026 rebalance, becoming a small, production-weighted component of the index.
- Performance-driven overweights from 2025 are reversed, reinforcing the index's rules-based discipline.
- Broad, production-weighted exposure supports inflation sensitivity for investors focused on maintaining purchasing power.
- Implementation choices can influence outcomes, particularly in strong commodity markets and for precious metals, where physical replication is feasible.
- Related Products [WisdomTree Broad Commodities UCITS ETF – USD Acc](#), [WisdomTree Cocoa](#) [Find out more](#)

The average European eats around 6 kilograms of chocolate every year<sup>1</sup>. Recent spikes in cocoa bean prices have fed directly into prices on the shelves around the world, offering a clear example of how agricultural supply shocks translate into consumer inflation.

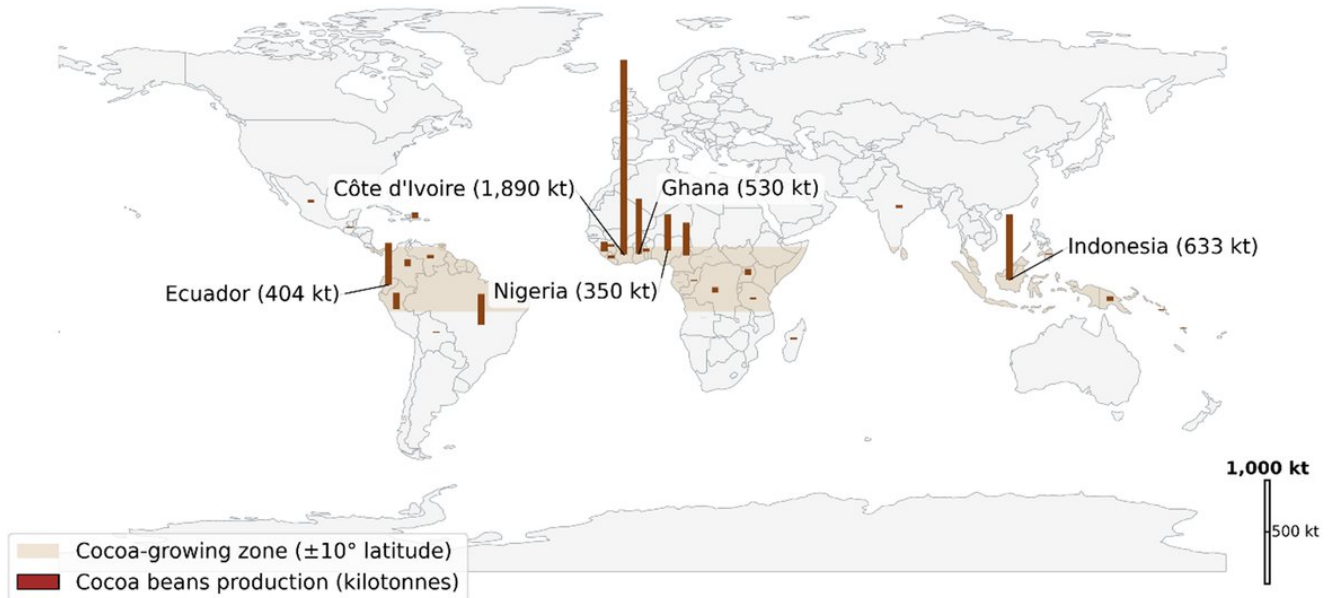
In the 2026 annual rebalancing, Bloomberg has included cocoa bean futures in its widely followed Bloomberg Commodity Index (BCOM). The index's methodology aims to capture commodities that represent key real-economy inputs, with weights determined by global production and futures market liquidity.

Cocoa enters the index with a target weight of approximately 1.7%. At the same time, precious metals weights are being reset following strong relative performance in 2025, with target weights in 2026 close to those of 2025. Similarly, energy commodities, including Brent and WTI crude, return to weight levels seen at the beginning of 2025.

## A bean under pressure

Cocoa production is highly concentrated, with the majority of global supply originating from a small number of countries within a narrow equatorial belt, most notably Côte d'Ivoire and Ghana (Figure 1). The geographic concentration makes global supply particularly sensitive to regional disruptions.

## Figure 1: Geographic concentration of cocoa bean production

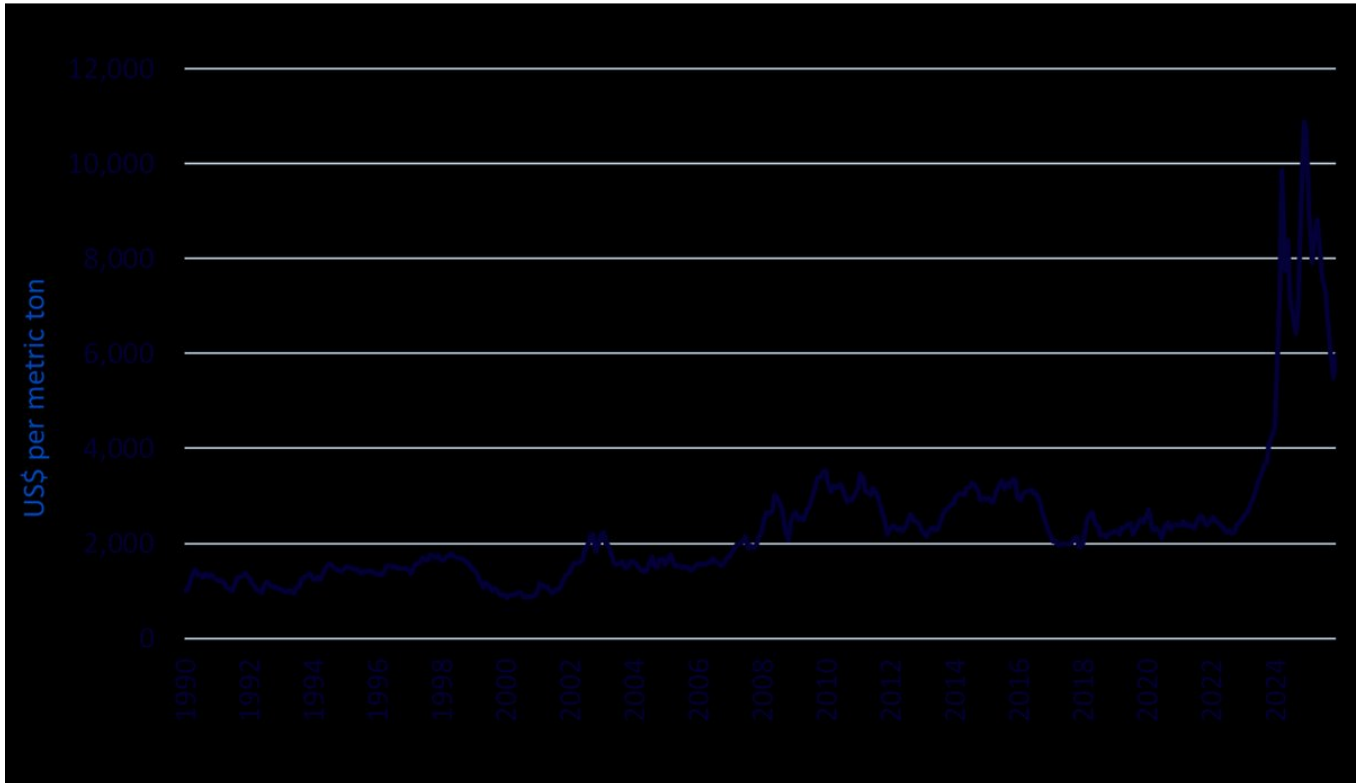


Source: Food and Agriculture Organization of the United Nations, WisdomTree. Production numbers in kilotonnes as of 2024.

In recent years, cocoa yields have come under sustained pressure from adverse weather patterns, the spread of plant disease, ageing tree stock, and prolonged underinvestment at the farm level. These factors have constrained supply growth at a time when demand has remained resilient<sup>2</sup>.

The result has been a sharp increase in price volatility and a series of pronounced price spikes (Figure 3).

## Figure 2: Cocoa prices amid constrained supply conditions



Source: IMF, International Cocoa Organization cash price, CIF US and European ports. From January 1990 to September 2025. **Historical performance is not an indication of future performance and any investments may go down in value.**

## Reversing performance-driven overweights

Alongside the addition of cocoa beans, the most visible impact of the 2026 rebalancing is the reversal of the performance-driven weight concentration that accumulated over 2025 (Table 1). In determining the annual target commodity weights, the index relies on liquidity data and US dollar-weighted production data, rather than recent price performance.

Following the strong 2025 returns for gold (+62.46%) and silver (+138.63%), the weight of precious metals increased from approximately 19% to 29% over the course of the year. As the target weights for 2026 do not materially differ from those of 2025, the index's rules-based rebalancing process reduces precious metals exposure back to its production-based allocation.

Energy commodities, which broadly declined in 2025 (-10.41%), see the opposite effect. In line with the same methodology, allocations to Brent and WTI crude increase relative to year-end weightings, reflecting their underlying economic footprint rather than recent returns.

## Table 1: The 2026 target weights of the Bloomberg Commodity Index

Group	Commodity	2025 Target Weight	2025 Total Return	Weight 31 December 2025	2026 Target Weight	2026 target weight vs year-end weight
Energy	Brent Crude Oil	8.03%	6.79%	5.53%	8.36%	2.83%
Energy	Natural Gas	7.78%	23.86%	7.00%	7.20%	0.20%
Energy	WTI Crude Oil	6.97%	7.93%	4.73%	6.64%	1.91%
Energy	Low Sulphur Gas Oil	2.86%	3.98%	2.20%	2.89%	0.69%
Energy	ULS Diesel	2.20%	7.83%	1.72%	2.19%	0.47%
Energy	RBOB Gasoline	2.17%	4.32%	1.60%	2.15%	0.55%
Grains	Corn	5.62%	9.82%	4.72%	5.53%	0.81%
Grains	Soybeans	5.97%	4.71%	5.47%	5.36%	-0.11%
Grains	Soybean Meal	3.53%	12.74%	3.04%	2.93%	-0.11%
Grains	Soybean Oil	3.36%	9.55%	3.45%	2.82%	-0.63%
Grains	Wheat	2.83%	17.03%	2.30%	2.72%	0.42%
Grains	HRW Wheat	1.84%	15.89%	1.49%	1.79%	0.30%
Industrial Metals	Copper	5.37%	38.67%	6.35%	6.36%	0.01%
Industrial Metals	Aluminum	4.16%	9.72%	4.31%	3.97%	-0.34%
Industrial Metals	Zinc	2.27%	9.19%	2.15%	2.25%	0.10%
Industrial Metals	Nickel	2.40%	7.38%	2.27%	2.23%	-0.04%
Industrial Metals	Lead	0.92%	1.00%	0.83%	0.95%	0.12%
Precious Metals	Gold	14.29%	62.46%	20.30%	14.90%	-5.40%
Precious Metals	Silver	4.49%	138.63%	9.01%	3.94%	-5.07%
Softs	Sugar	3.00%	16.81%	2.02%	2.95%	0.93%
Softs	Coffee	3.01%	28.18%	2.85%	2.91%	0.06%
Softs	Cocoa		41.58%		1.71%	1.71%
Softs	Cotton	1.61%	10.29%	1.32%	1.59%	0.27%
Livestock	Live Cattle	3.59%	11.53%	3.71%	3.86%	0.15%
Livestock	Lean Hogs	1.73%	7.67%	1.63%	1.78%	0.15%
<b>Energy</b>		<b>30.01%</b>	<b>-10.41%</b>	<b>22.79%</b>	<b>29.43%</b>	<b>6.64%</b>
<b>Grains</b>		<b>23.15%</b>	<b>6.51%</b>	<b>20.47%</b>	<b>21.15%</b>	<b>0.68%</b>
<b>Industrial Metals</b>		<b>15.12%</b>	<b>21.37%</b>	<b>15.91%</b>	<b>15.76%</b>	<b>-0.15%</b>
<b>Precious Metals</b>		<b>18.78%</b>	<b>80.15%</b>	<b>29.32%</b>	<b>18.84%</b>	<b>-10.48%</b>
<b>Softs</b>		<b>7.61%</b>	<b>2.80%</b>	<b>6.19%</b>	<b>9.16%</b>	<b>2.97%</b>
<b>Livestock</b>		<b>5.33%</b>	<b>22.66%</b>	<b>5.34%</b>	<b>5.64%</b>	<b>0.30%</b>

Source: Bloomberg. Total return from 31 December 2024 to 31 December 2025. The annual rebalancing has been implemented from the 9-15 of January 2026. **Historical performance is not an indication of future performance and any investments may go down in value.**

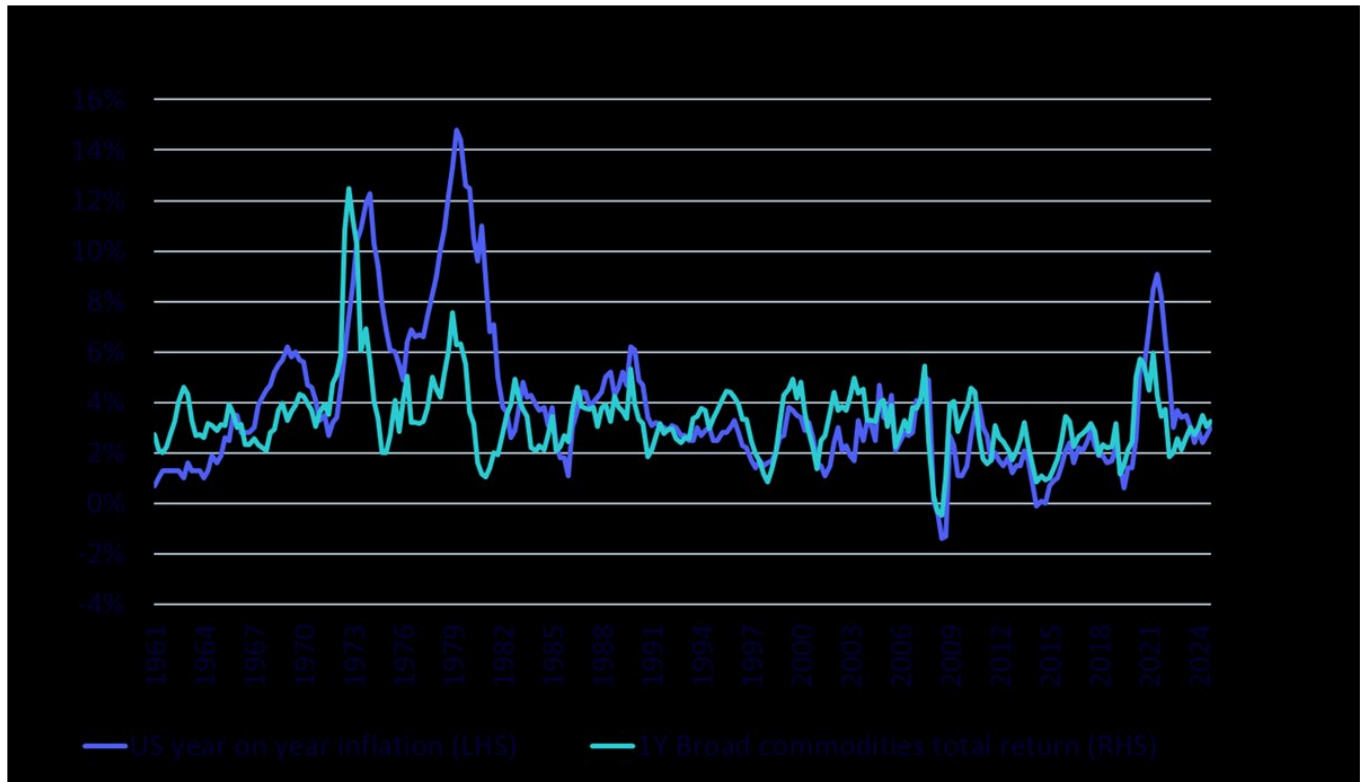
## Benchmark composition matters for inflation hedging

Commodities have historically exhibited a high sensitivity to inflation, reflecting their role as direct inputs into food, energy, and manufactured goods (Figure 3). As such, broad commodity benchmarks are commonly used within multi-asset portfolios seeking to preserve purchasing power.

However, the effectiveness of a commodity allocation as an inflation hedge depends not only on asset class exposure, but also on the representation of different commodities. Concentration in a small number of commodities or sectors can reduce alignment with the sources of inflation consumers experience.

By maintaining diversified exposure across energy, metals and agricultural commodities, and by systematically rebalancing weights based on economic production rather than price performance, broad benchmarks such as the Bloomberg Commodity Index are designed to remain aligned with inflation pressures as they emerge across the real economy.

## Figure 3: Commodity prices and inflation



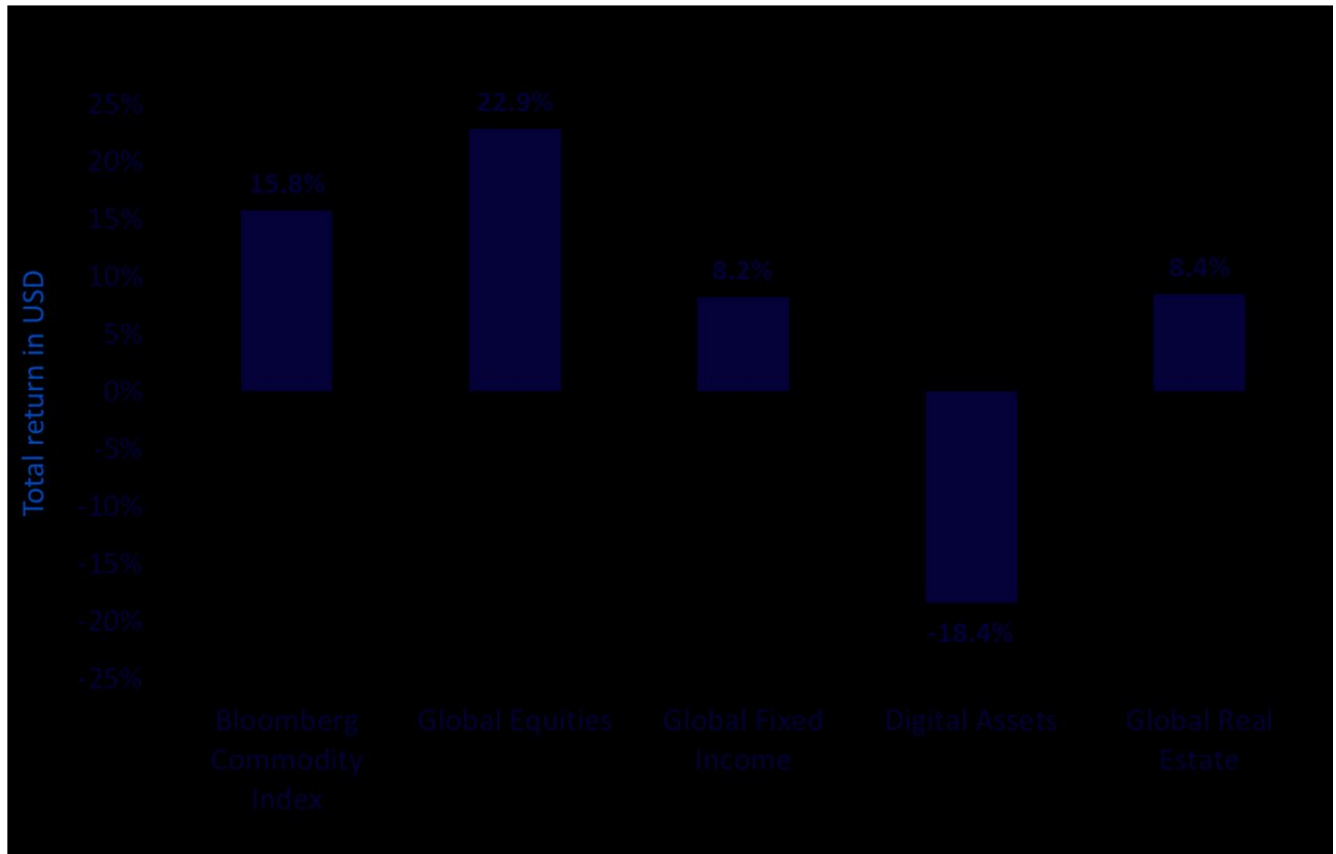
Source: Bloomberg, from December 1960 to September 2025. Historical performance is not an indication of future performance, and any investments may go down in value. **Forecasts are not an indicator of future performance and any investments are subject to risks and uncertainties.**

The addition of cocoa futures marginally broadens the index's exposure to food-related price pressures. Food and beverages account for a meaningful share of consumer inflation baskets, making agricultural commodities an important, though often smaller, component of inflation-sensitive portfolios.

## Implementation choices in strong commodity markets

2025 was a strong year for commodities, outperforming many traditional and alternative assets (Figure 4). Precious metals were among the strongest-performing commodity segments, supported by falling real yields, sustained central bank demand for gold and periods of heightened policy and geopolitical uncertainty.

### Figure 4: 2025 returns of major asset classes

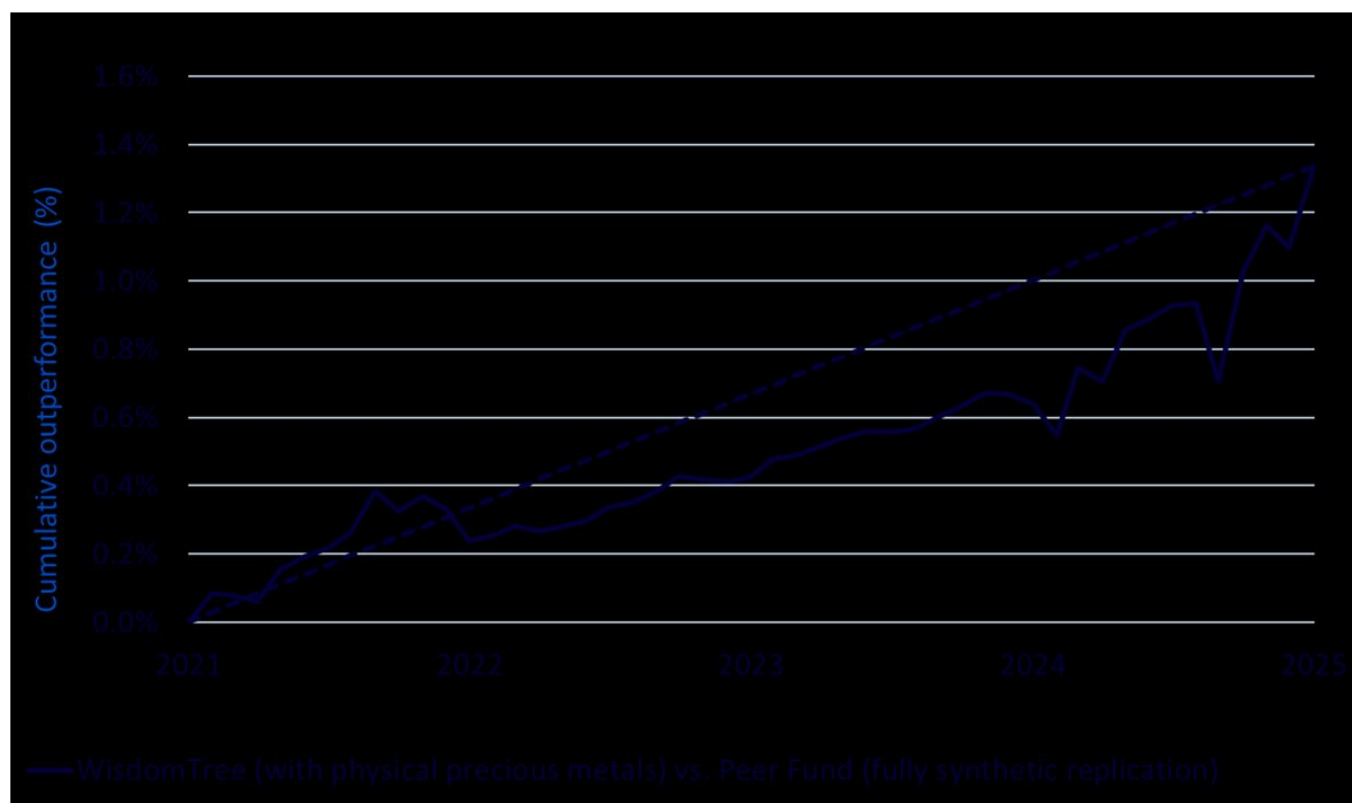


Source: Bloomberg, from 31 December 2024 to 31 December 2025 in USD, as total return. 'Global Equities' is the MSCI ACWI Gross Total Return USD Index, 'Global Fixed Income' is the Bloomberg Global-Aggregate Total Return Index Value Unhedged USD, 'Digital Assets' is the CoinDesk 20 Index, and 'Global Real Estate' is the FTSE EPRA Nareit Global REITs TR Index. **Historical performance is not an indication of future performance, and any investments may go down in value.**

Strong performance can amplify differences between benchmark exposure and implementation. While indices define economic exposure, the way that exposure is delivered can influence outcomes. Broad commodity ETFs typically rely on futures-based replication, which is often the only feasible approach for bulky or perishable commodities, but can introduce roll costs over time.

Where physical replication is possible, such as for precious metals like gold and silver, holding the underlying metal in physical form can affect performance (Figure 5). The WisdomTree Bloomberg Commodity UCITS ETF (PCOM) combines futures-based exposure with physically backed precious metals, reflecting how many investors access gold and silver individually. Over time, this implementation approach has contributed to performance differences relative to fully synthetic peers.

## Figure 5: Performance comparison of PCOM and a fully synthetic broad commodity ETF



Source: WisdomTree, Bloomberg, from 31 December 2021 to 31 December 2025. The timeseries shows the difference in cumulative return of net asset values of the WisdomTree Broad Commodities UCITS ETF and a peer ETF tracking the same index in US Dollar. The dashed line visualises the historical trend as a linear function. **Historical performance is not an indication of future performance, and any investments may go down in value.**

## Key takeaways

The 2026 rebalancing of the Bloomberg Commodity Index demonstrates how a rules-based benchmark adjusts to changing market conditions through a consistent and transparent process. The inclusion of cocoa futures reflects observable developments in agricultural markets, while the reduction of performance-driven overweights shows the index's focus on economically grounded exposures.

Beyond benchmark construction, the way commodity exposure is implemented can also matter, particularly during periods of strong market performance. Differences between futures-based and physical replication, especially in precious metals, can influence realised outcomes over time.

Taken together, these considerations highlight the importance of both index design and implementation in maintaining representative exposure to real-economy inputs and managing concentration across market cycles.

1 Association of Swiss Chocolate Manufacturers

2 Government of Netherlands' Centre for the Promotion of Imports from developing countries (CBI), "What

is the demand for cocoa on the European market?”

3 Source: Bloomberg, from 31/12/2024 – 31/12/2025 based on the respective Bloomberg Commodity Total Return Subindex. **Historical performance is not an indication of future performance and any investments may go down in value.**

## Important Risks Related to this Article

### IMPORTANT INFORMATION

**Marketing communications issued in the European Economic Area (“EEA”):** This document has been issued and approved by WisdomTree Ireland Limited, which is authorised and regulated by the Central Bank of Ireland.

**Marketing communications issued in jurisdictions outside of the EEA:** This document has been issued and approved by WisdomTree UK Limited, which is authorised and regulated by the United Kingdom Financial Conduct Authority.

WisdomTree Ireland Limited and WisdomTree UK Limited are each referred to as “WisdomTree” (as applicable). Our Conflicts of Interest Policy and Inventory are available on request.

This marketing communication has been prepared for professional investors, but the WisdomTree products set out in this document may be available in some jurisdictions to any investors, subject to applicable laws and regulations. As the product may not be authorised or its offering may be restricted in your jurisdiction, it is the responsibility of every person or entity to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction. Prior to any application investors are advised to take all necessary legal, regulatory, tax and investment advice on the suitability and consequences of an investment in the products. Past performance is not a reliable indicator of future performance. Any historical performance included in this document may be based on back testing. Back testing is the process of evaluating an investment strategy by applying it to historical data to simulate what the performance of such strategy would have been. Back tested performance is purely hypothetical and is provided in this document solely for informational purposes. Back tested data does not represent actual performance and should not be interpreted as an indication of actual or future performance. The value of any investment may be affected by exchange rate movements. Any decision to invest should be based on the information contained in the appropriate prospectus and after seeking independent investment, tax and legal advice. These products may not be available in your market or suitable for you. The content of this document does not constitute investment advice nor an offer for sale nor a solicitation of an offer to buy any product or make any investment.

An investment in exchange-traded products (“ETPs”) is dependent on the performance of the underlying index, less costs, but it is not expected to match that performance precisely. ETPs involve numerous risks including among others, general market risks relating to the relevant underlying index, credit risks on the provider of index swaps utilised in the ETP, exchange rate risks, interest rate risks, inflationary risks, liquidity risks and legal and regulatory risks.

The information contained in this document is not, and under no circumstances is to be construed as, an advertisement or any other step in furtherance of a public offering of shares in the United States or any province or territory thereof, where none of the issuers or their products are authorised or registered for distribution and where no prospectus of any of the issuers has been filed with any securities commission or regulatory authority. No document or information in this document should be taken, transmitted or

distributed (directly or indirectly) into the United States. None of the issuers, nor any securities issued by them, have been or will be registered under the United States Securities Act of 1933 or the Investment Company Act of 1940 or qualified under any applicable state securities statutes.

This document may contain independent market commentary prepared by WisdomTree based on publicly available information. Although WisdomTree endeavours to ensure the accuracy of the content in this document, WisdomTree does not warrant or guarantee its accuracy or correctness. Any third party data providers used to source the information in this document make no warranties or representation of any kind relating to such data. Where WisdomTree has expressed its own opinions related to product or market activity, these views may change. Neither WisdomTree, nor any affiliate, nor any of their respective officers, directors, partners, or employees accepts any liability whatsoever for any direct or consequential loss arising from any use of this document or its contents.

This document may contain forward looking statements including statements regarding our belief or current expectations with regards to the performance of certain assets classes and/or sectors. Forward looking statements are subject to certain risks, uncertainties and assumptions. There can be no assurance that such statements will be accurate and actual results could differ materially from those anticipated in such statements. WisdomTree strongly recommends that you do not place undue reliance on these forward-looking statements.

### **WisdomTree Issuer ICAV**

The products discussed in this document are issued by WisdomTree Issuer ICAV ("WT Issuer"). WT Issuer is an umbrella investment company with variable capital having segregated liability between its funds organised under the laws of Ireland as an Irish Collective Asset-management Vehicle and authorised by the Central Bank of Ireland ("CBI"). WT Issuer is organised as an Undertaking for Collective Investment in Transferable Securities ("UCITS") under the laws of Ireland and shall issue a separate class of shares ("Shares") representing each fund.

The Fund is described in a Key Information Document (KID) or Key Investor Information Document (KIID) for UK investors, and the prospectus of WT Issuer ("WT Prospectus"). A copy of the WT Prospectus and the KID / KIID is available, for EEA/UK only, in English at [www.wisdomtree.eu](http://www.wisdomtree.eu). Where required under national rules, the KID will also be available in the local language of the relevant EEA Member State. Investors should read the WT Prospectus before investing and should refer to the section of the WT Prospectus entitled »Risk Factors¼ for further details of risks associated with an investment in the Shares.

The [summary of investor rights](#) associated with an investment in the fund is available in English on WisdomTree Europe's website. WisdomTree Management Limited may decide to terminate the arrangements made for the marketing of its collective investment undertakings. In such circumstances, shareholders in the affected EEA Member State will be notified of this decision and will be provided with the opportunity to redeem their shareholding in the fund free of any charges or deductions for at least 30 working days from the date of such notification.

## WisdomTree Broad Commodities UCITS ETF

“Bloomberg®” and the Bloomberg Commodity Index(es)<sup>SM</sup> referenced herein are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited (“BISL”), the administrator of the indices (collectively, “Bloomberg”) and have been licensed for use for certain purposes by WisdomTree UK Limited and its permitted affiliates including WisdomTree Management Limited and WisdomTree Issuer ICAV (together, WisdomTree). Bloomberg is not affiliated with WisdomTree, and Bloomberg does not approve, endorse, review, or recommend the WisdomTree Broad Commodities UCITS ETF. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the index(es).

### Notice to Investors in Switzerland – Qualified Investors

This document constitutes an advertisement of the financial product(s) mentioned herein.

The prospectus and the key investor information documents (KIID) are available from WisdomTree’s website: <https://www.wisdomtree.eu/en-ch/resource-library/prospectus-and-regulatory-reports>

Some of the sub-funds referred to in this document may not have been registered with the Swiss Financial Market Supervisory Authority (“FINMA”). In Switzerland, such sub-funds that have not been registered with FINMA shall be distributed exclusively to qualified investors, as defined in the Swiss Federal Act on Collective Investment Schemes or its implementing ordinance (each, as amended from time to time). The representative and paying agent of the sub-funds in Switzerland is Société Générale Paris, Zurich Branch, Talacker 50, PO Box 5070, 8021 Zurich, Switzerland. The prospectus, the key investor information documents (KIID), the articles of association and the annual and semi-annual reports of the sub-funds are available free of charge from the representative and paying agent. As regards distribution in Switzerland, the place of jurisdiction and performance is at the registered seat of the representative and paying agent.

### For Investors in France:

The information in this document is intended exclusively for professional investors (as defined under the MiFID) investing for their own account and this material may not in any way be distributed to the public. The distribution of the Prospectus and the offering, sale and delivery of Shares in other jurisdictions may be restricted by law. WT Issuer is a UCITS governed by Irish legislation, and approved by the Financial Regulatory as UCITS compliant with European regulations although may not have to comply with the same rules as those applicable to a similar product approved in France. The Fund has been registered for marketing in France by the Financial Markets Authority (Autorité des Marchés Financiers) and may be distributed to investors in France. Copies of all documents (i.e. the Prospectus, the Key Investor Information Document, any supplements or addenda thereto, the latest annual reports and the memorandum of incorporation and articles of association) are available in France, free of charge at the French centralizing agent, Societe Generale at 29, Boulevard Haussmann, 75009, Paris, France. Any subscription for Shares of the Fund will be made on the basis of the terms of the prospectus and any supplements or addenda thereto.

**For Investors in Malta:** This document does not constitute or form part of any offer or invitation to the public to subscribe for or purchase shares in the Fund and shall not be construed as such and no person other than the person to whom this document has been addressed or delivered shall be eligible to subscribe for or purchase shares in the Fund. Shares in the Fund will not in any event be marketed to the public in Malta without the prior authorisation of the Maltese Financial Services Authority.