

# Commodity Market Monthly

Research Department, Commodities Unit

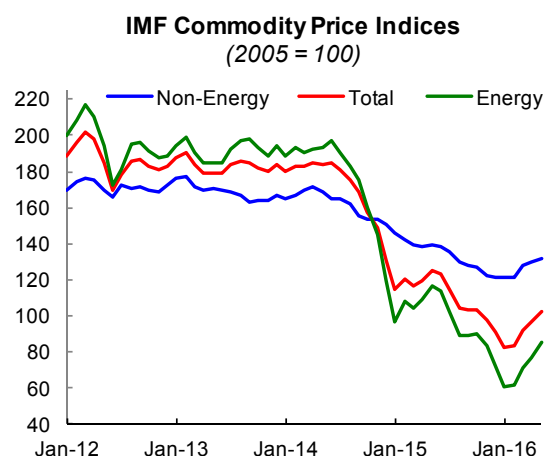


June 10, 2016

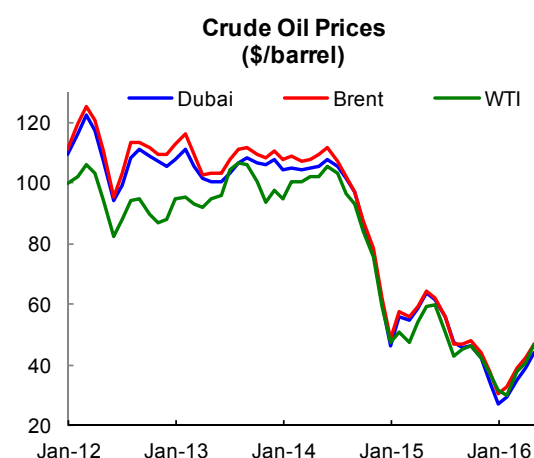
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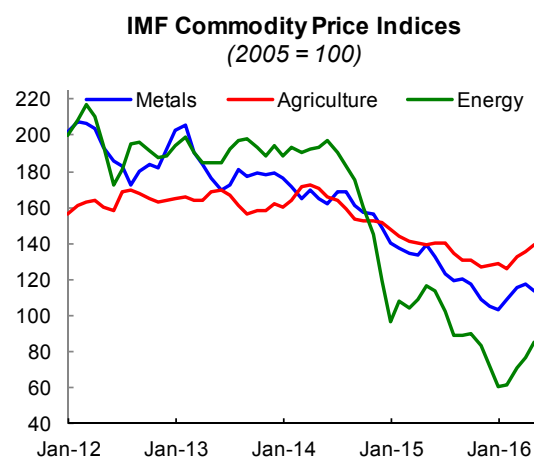
Commodity prices surged 6.0 percent in May, extending gains for fourth consecutive month and mainly driven by a continued increase in oil prices. Non-fuel prices rose 1.1 percent, while metal prices decreased on overcapacity. Most agriculture prices increased on the back of weaker supply; with few exceptions - like wheat and palm oil.

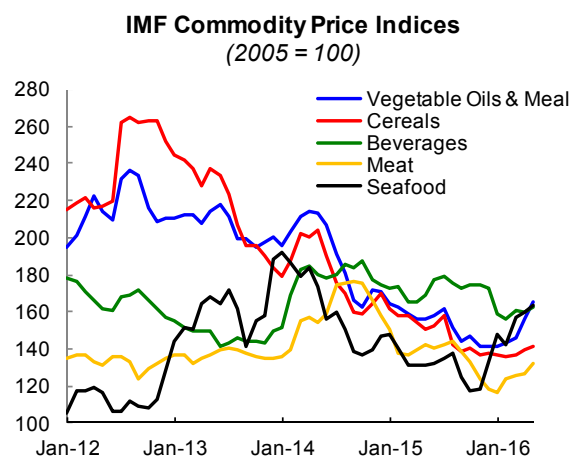


**Crude oil prices rose by 12.8 percent** in May, averaging \$46.0/bbl. The increase in oil prices mainly reflects a decrease in non-OPEC production and various supply outages, namely a wildfire in Canada and labor disputes in Kuwait. However, OPEC production has been increasing and their last meeting, held on June 2, concluded without reaching an agreement on oil production. The U.S. Energy Information Administration still expects U.S. crude oil output to average 8.6 mbd in 2016, a decrease of 0.8 mbd from 2015.



**Natural gas price in the U.S. rose by 0.9 percent** in May, averaging \$1.92/mmbtu, as its storage surplus started to ease. **Coal prices (Australia) increased by 0.8 percent**, lifted by supply disruptions in producing regions, including storms in Australia, and strong demand in India from record heat.

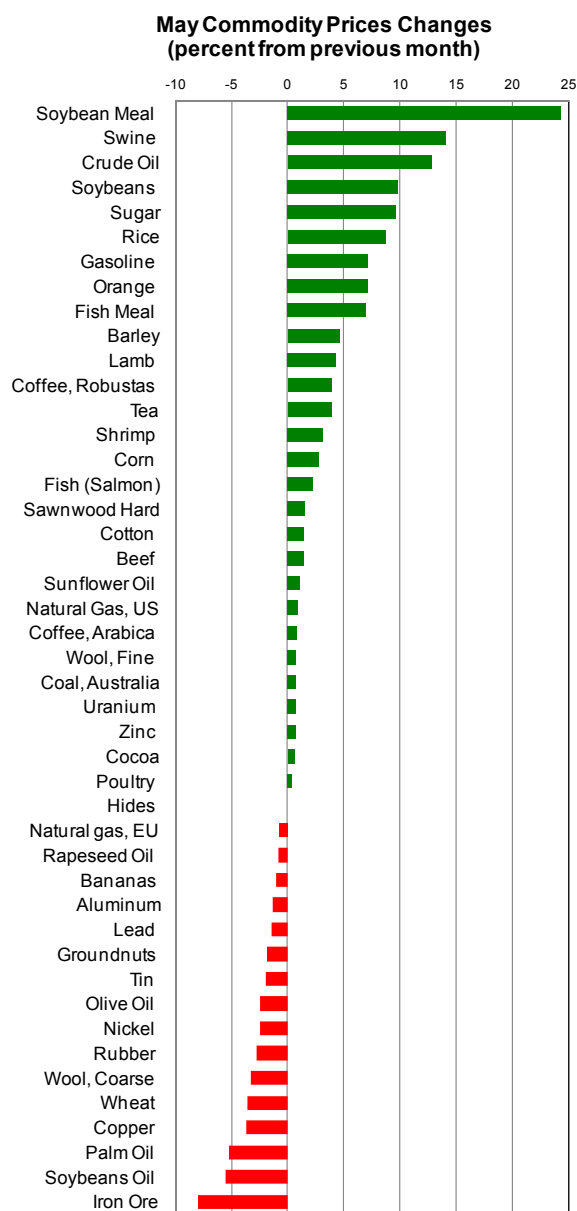




**Agriculture prices increased 2.7 percent** in May, extending gains for third consecutive month. Food and beverages prices rose 4 and 2 percent, respectively, while agricultural raw material prices remained broadly unchanged. Soybean meal and soybeans prices increased 24 and 10 percent, respectively, on severe crop damage in Argentina due to adverse weather. Corn prices rose 3 percent amid dry weather and harvest delays in South America. Rice prices were up 9 percent in response to persistent droughts in Asia. Overall meat prices rose 4 percent, driven by a sharp increase in swine prices partly due to strong import demand from Asia. Coffee arabica and robusta prices increased 1 and 4 percent, respectively, following weather related concerns for crops in Brazil. Sugar prices as a whole rose 8 percent on account of weaker production prospects, especially from India. Partly offsetting these increases, wheat prices declined 4 percent owing to ample supply, high inventories and good production prospects. Palm oil fell 5 percent on relatively weaker demand.

**Metals prices fell by 3.4 percent** in May, after a rally of three months. Iron ore decreased by 8 percent, as China regulators put a damper on the market, and signs emerged of increased supply, including higher port inventories. Following slower stainless production from

China, nickel decreased by 2 percent, reversing gains of the previous two months. Copper fell by 4 percent last month, as Rio Tinto Group approved its copper mine expansion in Mongolia, adding to the already oversupplied market. Aluminum dropped by 1 percent, amid fluctuation in China's production. Lead and tin also joined the loss in May by 1 and 2 percent, respectively. Uranium however, picked up by 1 percent, marking the first increase in seven months.



**Table 1. Market Prices for Non-Fuel and Fuel Commodities**

|                                   | Units  | 2013   | 2014   | 2015   | 2015Q2 | 2015Q3 | 2015Q4 | 2016Q1 | Apr-16 | May-16 |
|-----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Food</b>                       |        |        |        |        |        |        |        |        |        |        |
| Cereals                           |        |        |        |        |        |        |        |        |        |        |
| Wheat                             | \$/MT  | 265.8  | 242.5  | 185.6  | 196.3  | 178.8  | 162.3  | 162.6  | 163.4  | 157.5  |
| Maize                             | \$/MT  | 259.0  | 192.9  | 169.8  | 168.4  | 169.4  | 167.1  | 159.9  | 164.4  | 168.9  |
| Rice                              | \$/MT  | 518.8  | 426.5  | 380.0  | 381.8  | 374.0  | 357.7  | 367.7  | 376.0  | 408.9  |
| Barley                            | \$/MT  | 206.4  | 146.1  | 127.9  | 128.1  | 127.9  | 123.2  | 119.7  | 129.1  | 135.1  |
| Vegetable oils and protein meals  |        |        |        |        |        |        |        |        |        |        |
| Soybeans                          | \$/MT  | 517.2  | 457.8  | 347.4  | 354.6  | 347.6  | 323.3  | 323.4  | 353.8  | 388.5  |
| Soybean meal                      | \$/MT  | 477.3  | 467.0  | 352.7  | 348.0  | 369.3  | 320.8  | 294.9  | 327.7  | 407.5  |
| Soybean oil                       | \$/MT  | 1011.1 | 812.7  | 672.2  | 715.4  | 638.3  | 638.6  | 686.9  | 748.5  | 707.0  |
| Palm oil                          | \$/MT  | 764.2  | 739.4  | 565.1  | 599.9  | 514.6  | 518.0  | 586.9  | 680.4  | 644.6  |
| Fish meal                         | \$/MT  | 1710.5 | 1921.5 | 1759.2 | 1744.2 | 1558.9 | 1701.9 | 1466.4 | 1428.9 | 1528.4 |
| Sunflower Oil                     | \$/MT  | 1341.1 | 1080.3 | 1022.2 | 1062.3 | 1010.4 | 1042.1 | 1024.5 | 1028.4 | 1040.2 |
| Olive oil                         | \$/MT  | 3816.7 | 3911.8 | 4927.1 | 4865.3 | 5616.4 | 4658.3 | 4418.8 | 4231.8 | 4130.0 |
| Groundnuts                        | \$/MT  | 2314.5 | 2148.3 | 1946.2 | 2023.4 | 2012.9 | 1731.8 | 1821.3 | 1865.3 | 1830.2 |
| Rapeseed oil                      | \$/MT  | 1081.2 | 904.4  | 774.6  | 772.6  | 772.7  | 798.1  | 774.7  | 805.6  | 798.9  |
| Meat                              |        |        |        |        |        |        |        |        |        |        |
| Beef                              | cts/lb | 183.6  | 224.1  | 200.5  | 202.9  | 206.3  | 176.2  | 168.9  | 176.9  | 179.5  |
| Lamb                              | cts/lb | 106.7  | 130.6  | 107.9  | 112.4  | 101.3  | 95.3   | 95.5   | 95.5   | 99.6   |
| Swine Meat                        | cts/lb | 86.5   | 102.8  | 67.9   | 71.9   | 73.8   | 60.5   | 60.2   | 64.8   | 74.0   |
| Poultry                           | cts/lb | 103.8  | 110.1  | 114.7  | 115.6  | 115.5  | 113.6  | 112.1  | 111.5  | 112.0  |
| Seafood                           |        |        |        |        |        |        |        |        |        |        |
| Fish                              | \$/kg  | 6.8    | 6.6    | 5.3    | 5.1    | 5.3    | 5.3    | 6.5    | 7.1    | 7.3    |
| Shrimp                            | \$/kg  | 14.0   | 16.6   | 14.1   | 15.7   | 15.0   | 10.0   | 11.0   | 10.4   | 10.7   |
| Sugar                             |        |        |        |        |        |        |        |        |        |        |
| Free market                       | cts/lb | 17.7   | 17.1   | 13.2   | 12.6   | 11.6   | 14.7   | 14.3   | 15.2   | 16.7   |
| United States                     | cts/lb | 21.2   | 24.9   | 24.9   | 24.6   | 24.5   | 25.5   | 25.9   | 27.9   | 27.3   |
| EU                                | cts/lb | 26.0   | 27.4   | 25.4   | 25.5   | 25.8   | 25.2   | 23.8   | 23.8   | 24.2   |
| Bananas                           | \$/MT  | 926.4  | 931.9  | 958.7  | 978.4  | 948.9  | 932.7  | 1028.2 | 998.1  | 987.6  |
| Oranges                           | \$/MT  | 967.3  | 782.5  | 675.0  | 616.9  | 652.1  | 732.6  | 686.2  | 713.8  | 764.7  |
| <b>Beverages</b>                  |        |        |        |        |        |        |        |        |        |        |
| Coffee                            |        |        |        |        |        |        |        |        |        |        |
| Other milds                       | cts/lb | 141.1  | 202.8  | 160.5  | 161.0  | 153.2  | 150.8  | 150.7  | 154.2  | 155.4  |
| Robusta                           | cts/lb | 100.5  | 105.6  | 94.2   | 96.7   | 90.9   | 87.9   | 82.1   | 87.6   | 91.0   |
| Cocoa Beans                       | \$/MT  | 2439.1 | 3062.8 | 3135.2 | 3068.1 | 3252.8 | 3301.3 | 2980.8 | 3078.5 | 3098.4 |
| Tea                               | cts/kg | 266.0  | 237.9  | 340.4  | 320.1  | 387.2  | 363.0  | 290.3  | 238.0  | 247.3  |
| <b>Agricultural raw materials</b> |        |        |        |        |        |        |        |        |        |        |
| Timber                            |        |        |        |        |        |        |        |        |        |        |
| Hardwood                          |        |        |        |        |        |        |        |        |        |        |
| Logs 1/                           | \$/M3  | 305.4  | 282.0  | 246.0  | 245.4  | 243.6  | 245.2  | 258.2  | 271.7  | 273.3  |
| Sawnwood 1/                       | \$/M3  | 852.8  | 897.9  | 833.3  | 834.8  | 844.9  | 827.1  | 780.3  | 780.0  | 792.0  |
| Softwood                          |        |        |        |        |        |        |        |        |        |        |
| Logs 1/                           | \$/M3  | 164.5  | 174.3  | 162.0  | 159.1  | 159.8  | 159.3  | 168.4  | 173.3  | 173.3  |
| Sawnwood 1/                       | \$/M3  | 301.4  | 307.3  | 308.7  | 298.0  | 310.4  | 319.6  | 267.2  | 303.4  | 303.4  |
| Cotton                            | cts/lb | 90.4   | 83.1   | 70.4   | 72.3   | 71.0   | 69.5   | 66.9   | 69.3   | 70.3   |
| Wool                              |        |        |        |        |        |        |        |        |        |        |
| Fine                              | cts/kg | 1197.7 | 1074.4 | 1005.8 | 1079.7 | 999.7  | 995.8  | 1023.4 | 1087.9 | 1096.3 |
| Coarse                            | cts/kg | 1128.1 | 1030.4 | 922.8  | 962.7  | 942.0  | 898.9  | 960.1  | 1019.7 | 986.6  |
| Rubber                            | cts/lb | 126.8  | 88.8   | 70.7   | 81.2   | 66.1   | 57.0   | 59.3   | 78.0   | 75.9   |
| Hides                             | cts/lb | 94.7   | 110.2  | 87.6   | 96.8   | 76.1   | 71.7   | 70.0   | 70.0   | 70.0   |

1/ Provisional.

2/ Average Petroleum Spot Price (APSP). Average of U.K. Brent, Dubai, and West Texas Intermediate, equally weighted.

**Table 1. Market Prices for Non-Fuel and Fuel Commodities (Continued)**

|                            | Units    | 2013    | 2014    | 2015    | 2015Q2  | 2015Q3  | 2015Q4  | 2016Q1  | Apr-16  | May-16  |
|----------------------------|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>Metals</b>              |          |         |         |         |         |         |         |         |         |         |
| Copper                     | \$/MT    | 7331.5  | 6863.4  | 5510.5  | 6056.6  | 5267.1  | 4884.9  | 4674.7  | 4872.7  | 4694.5  |
| Aluminum                   | \$/MT    | 1846.7  | 1867.4  | 1664.7  | 1770.3  | 1592.4  | 1493.9  | 1514.5  | 1571.2  | 1550.6  |
| Iron Ore                   | \$/MT    | 135.4   | 96.8    | 55.2    | 57.9    | 54.4    | 46.2    | 47.7    | 59.6    | 54.9    |
| Tin                        | \$/MT    | 22281.6 | 21898.9 | 16066.6 | 15589.8 | 15229.5 | 15077.2 | 15438.6 | 17032.7 | 16707.0 |
| Nickel                     | \$/MT    | 15030.0 | 16893.4 | 11862.6 | 13055.8 | 10578.9 | 9423.0  | 8507.7  | 8878.9  | 8660.4  |
| Zinc                       | \$/MT    | 1910.2  | 2161.0  | 1931.7  | 2192.2  | 1842.8  | 1611.8  | 1677.3  | 1855.4  | 1869.0  |
| Lead                       | \$/MT    | 2139.7  | 2095.5  | 1787.8  | 1942.2  | 1717.0  | 1681.7  | 1738.0  | 1732.3  | 1707.8  |
| Uranium                    | \$/lb    | 38.6    | 33.5    | 36.8    | 36.8    | 36.4    | 36.0    | 32.6    | 27.6    | 27.8    |
| <b>Energy</b>              |          |         |         |         |         |         |         |         |         |         |
| Spot Crude 2/              | \$/bbl   | 104.1   | 96.2    | 50.8    | 60.4    | 48.8    | 42.2    | 32.8    | 40.7    | 46.0    |
| U.K. Brent                 | \$/bbl   | 108.8   | 98.9    | 52.4    | 62.1    | 50.0    | 43.4    | 34.4    | 42.2    | 47.1    |
| Dubai                      | \$/bbl   | 105.4   | 96.7    | 51.2    | 61.4    | 49.9    | 41.2    | 30.7    | 39.0    | 44.0    |
| West Texas Intermediate    | \$/bbl   | 97.9    | 93.1    | 48.7    | 57.8    | 46.5    | 42.0    | 33.3    | 41.0    | 46.8    |
| Natural Gas                |          |         |         |         |         |         |         |         |         |         |
| Russian in Germany         | \$/mmbtu | 11.2    | 10.5    | 7.3     | 7.4     | 6.6     | 5.9     | 4.7     | 4.0     | 4.0     |
| Indonesian in Japan (LNG)  | \$/mmbtu | 17.3    | 17.0    | 11.0    | 9.6     | 9.8     | 10.0    | 8.2     | 7.5     | 7.5     |
| US, domestic market        | \$/mmbtu | 3.7     | 4.4     | 2.6     | 2.7     | 2.7     | 2.1     | 2.0     | 1.9     | 1.9     |
| Coal                       |          |         |         |         |         |         |         |         |         |         |
| Australian, export markets | \$/MT    | 90.6    | 75.1    | 61.6    | 63.2    | 61.6    | 56.1    | 54.5    | 54.4    | 54.8    |

1/ Provisional.

2/ Average Petroleum Spot Price (APSP). Average of U.K. Brent, Dubai, and West Texas Intermediate, equally weighted.

**Table 2. Indices of Market Prices for Non-Fuel and Fuel Commodities, 2013-2016**

(2005=100, in terms of U.S. dollars) 1/

|                                   | (weights) 1/ | 2013  | 2014  | 2015  | 2015Q2 | 2015Q3 | 2015Q4 | 2016Q1 | Apr-16 | May-16 |
|-----------------------------------|--------------|-------|-------|-------|--------|--------|--------|--------|--------|--------|
| <b>All Primary Commodities 2/</b> | 100.0        | 183.3 | 171.8 | 111.2 | 122.4  | 107.5  | 97.2   | 86.4   | 96.5   | 102.3  |
| <b>Non-Fuel Commodities</b>       | 36.9         | 169.0 | 162.3 | 133.9 | 138.6  | 131.1  | 123.5  | 123.4  | 130.3  | 131.8  |
| <b>Agriculture</b>                | 26.2         | 163.3 | 161.5 | 137.1 | 139.9  | 135.2  | 128.7  | 129.0  | 135.4  | 139.0  |
| Food                              | 16.7         | 177.5 | 170.2 | 141.0 | 143.0  | 140.5  | 132.2  | 136.3  | 143.4  | 148.9  |
| Cereals                           | 3.6          | 218.2 | 180.2 | 149.0 | 152.5  | 146.1  | 138.2  | 136.5  | 139.3  | 141.1  |
| Vegetable oils and protein meals  | 4.4          | 206.4 | 190.7 | 153.6 | 156.9  | 152.4  | 143.3  | 143.5  | 155.7  | 165.2  |
| Meat                              | 3.7          | 136.8 | 160.5 | 137.4 | 140.5  | 141.9  | 125.2  | 122.2  | 126.8  | 132.1  |
| Seafood                           | 3.2          | 160.1 | 162.0 | 131.7 | 131.6  | 132.5  | 123.0  | 149.1  | 159.6  | 163.4  |
| Beverages                         | 1.8          | 147.4 | 178.0 | 172.6 | 170.4  | 175.9  | 173.7  | 158.7  | 159.9  | 162.5  |
| Agricultural raw materials 3/     | 7.7          | 136.2 | 138.8 | 120.0 | 125.9  | 114.0  | 110.6  | 106.1  | 112.1  | 112.1  |
| Timber                            | 3.4          | 107.3 | 109.3 | 104.5 | 102.6  | 104.9  | 105.8  | 96.7   | 103.6  | 104.2  |
| <b>Metals</b>                     | 10.7         | 182.9 | 164.1 | 126.2 | 135.5  | 121.0  | 110.7  | 109.5  | 117.8  | 113.9  |
| <b>Edibles 4/</b>                 | 18.5         | 174.6 | 171.0 | 144.1 | 145.7  | 144.0  | 136.3  | 138.5  | 145.1  | 150.2  |
| <b>Industrial Inputs 5/</b>       | 18.4         | 163.3 | 153.5 | 123.6 | 131.5  | 118.1  | 110.7  | 108.1  | 115.4  | 113.1  |
| <b>Energy 6/</b>                  | 63.1         | 191.7 | 177.4 | 97.9  | 113.0  | 93.7   | 81.8   | 64.7   | 76.7   | 85.0   |
| Petroleum 7/                      | 53.6         | 195.9 | 181.1 | 95.6  | 113.7  | 91.9   | 79.3   | 61.5   | 76.5   | 86.3   |
| Natural Gas                       | 6.9          | 164.9 | 159.9 | 106.8 | 102.4  | 97.5   | 90.6   | 73.5   | 65.9   | 65.7   |
| Coal                              | 2.6          | 176.8 | 149.1 | 121.3 | 125.4  | 120.1  | 110.0  | 107.8  | 108.1  | 109.2  |

1/ Weights based on 2002-2004 average world export earnings.

2/ Non-Fuel Primary Commodities and Energy Index.

3/ Includes Forestry Products.

4/ Edibles comprised of Food and Beverages

5/ Industrial (Non-Fuel) Inputs comprised of Agriculture and Metals

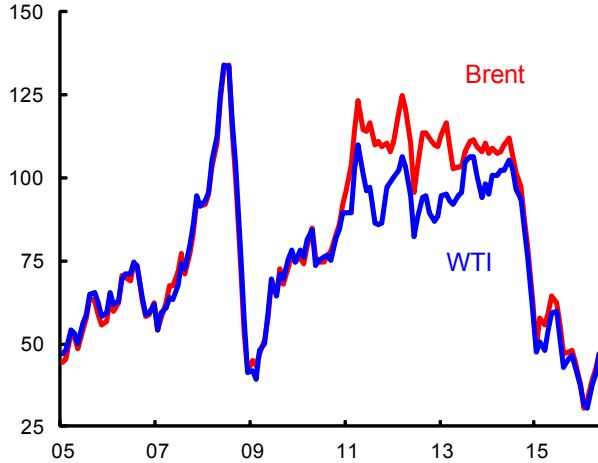
6/ Includes Petroleum, Natural Gas and Coal

7/ Average Petroleum Spot Price (APSP). Average of U.K. Brent, Dubai, and West Texas Intermediate, equally weighted.

## Commodity Prices Movements

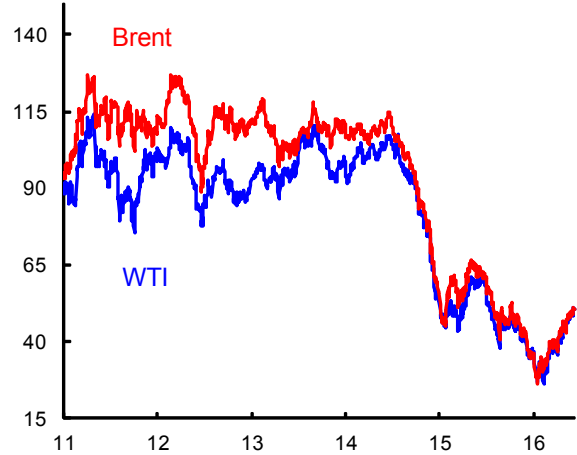
**Monthly (from 2005)**

Crude oil (\$/bbl)

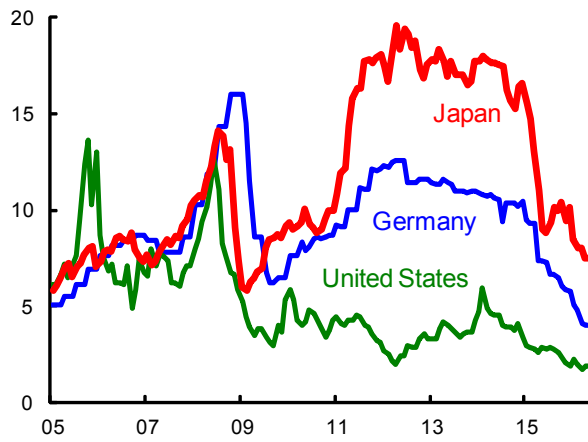


**Daily (from 2011)**

Crude oil (\$/bbl)



**Natural Gas (\$/mmbtu)**



Sources: Energy Intelligence; Bloomberg, L.P.

**Natural Gas (\$/mmbtu)**



Source: Bloomberg, L.P.

**Iron Ore (\$/ton)**



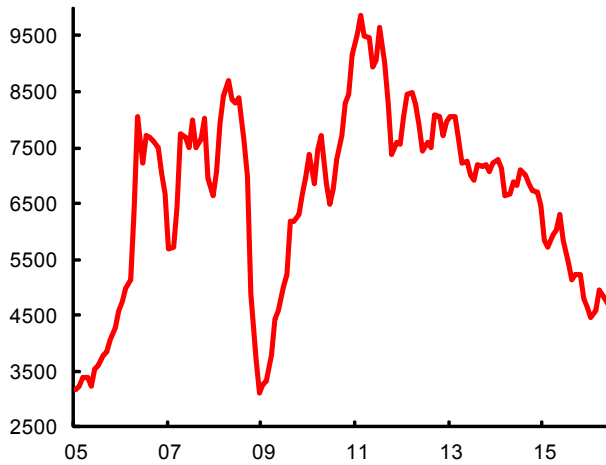
**Iron Ore (\$/ton)**



## Commodity Prices Movements (Continued)

Monthly (from 2005)

Copper (\$/ton)

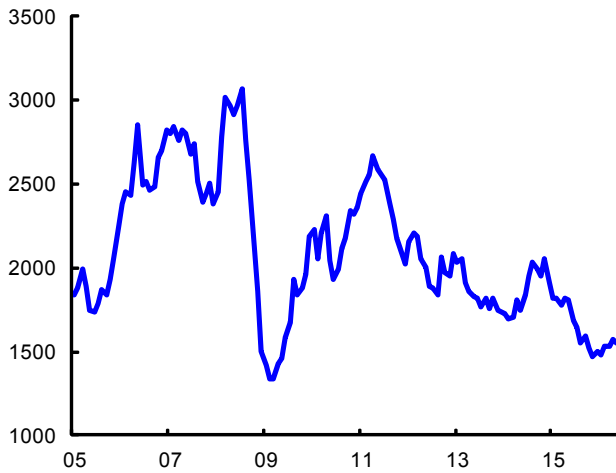


Daily (from 2011)

Copper (\$/ton)



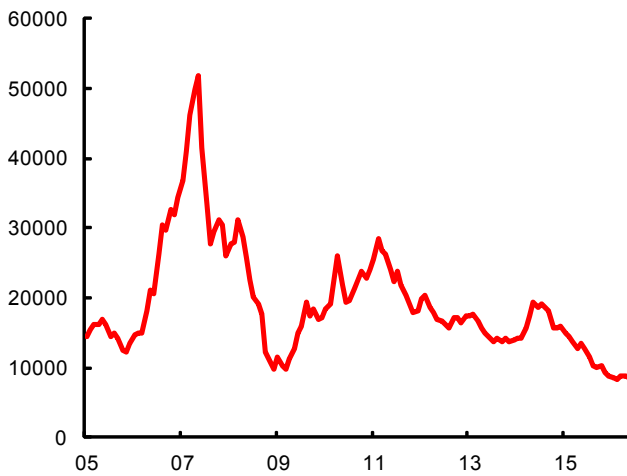
Aluminium (\$/ton)



Aluminium (\$/ton)



Nickel (\$/ton)



Nickel (\$/ton)



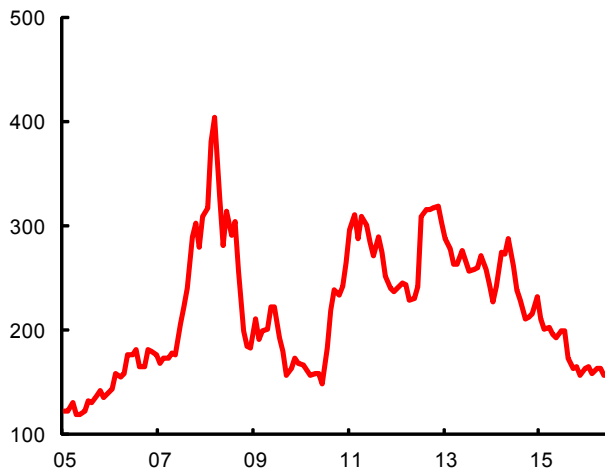
## Commodity Prices Movements (Continued)

Monthly (from 2005)

Tin (\$/ton)



Wheat (\$/ton)

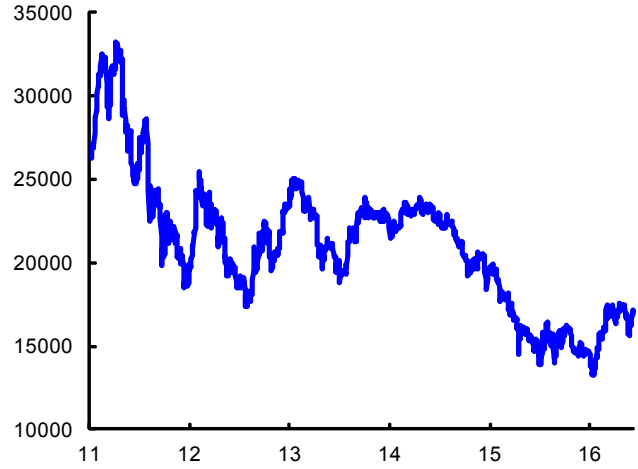


Corn (\$/ton)



Daily (from 2011)

Tin (\$/ton)



Wheat (\$/ton)



Corn (\$/ton)



## Commodity Prices Movements (Continued)

Monthly (from 2005)

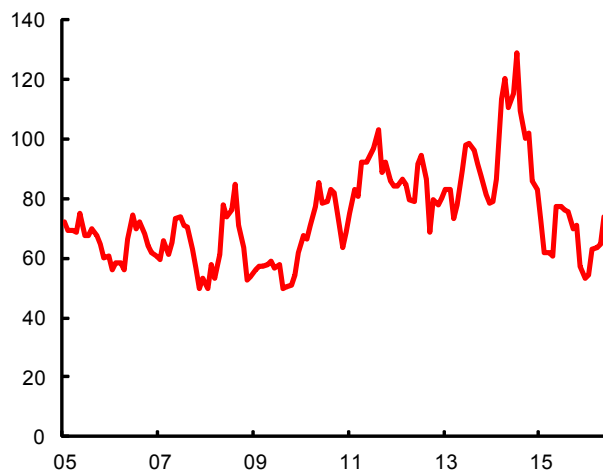
Cocoa (\$/ton)



Coffee (cents/lb)

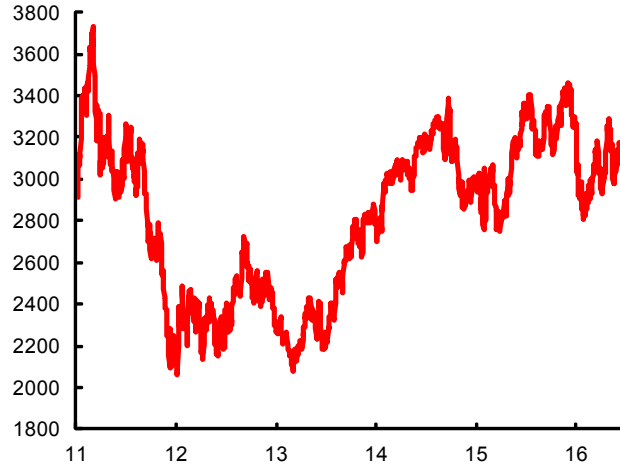


Swine (cents/lb)



Daily (from 2011)

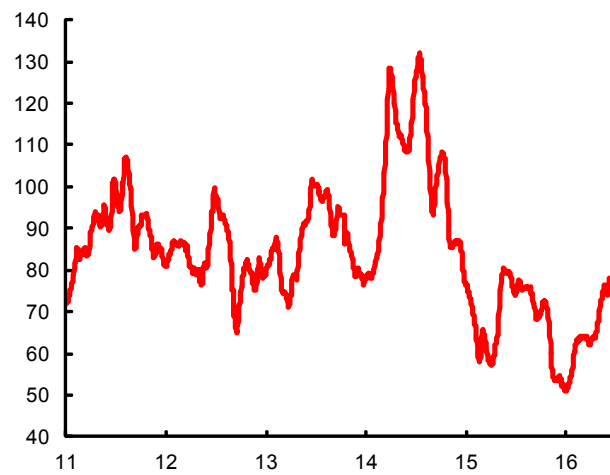
Cocoa (\$/ton)



Coffee (cents/lb)



Swine (cents/lb)

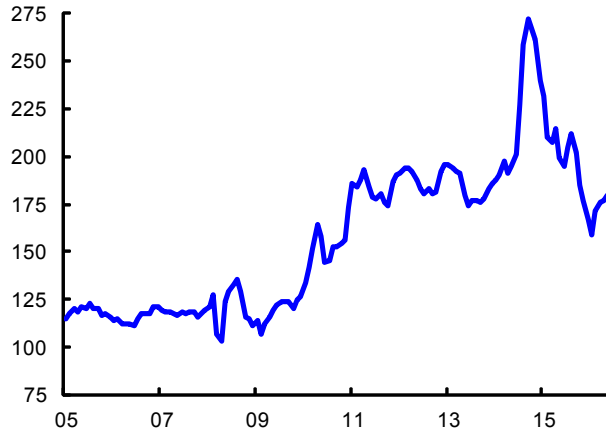




## Commodity Prices Movements (Continued)

**Monthly (from 2005)**

**Beef (cents/pound)**



Source: Meat & Livestock Australia.

**Daily (from 2011)**

**Beef (cents/lb)**



Source: Bloomberg, L.P.

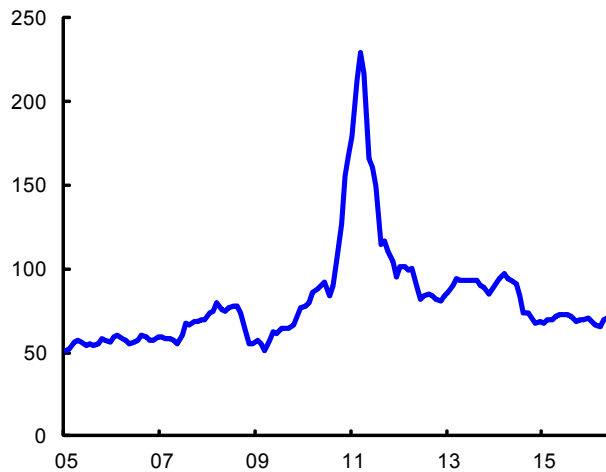
**Soybeans (\$/ton)**



**Soybeans (\$/ton)**



**Cotton (cents/pound)**

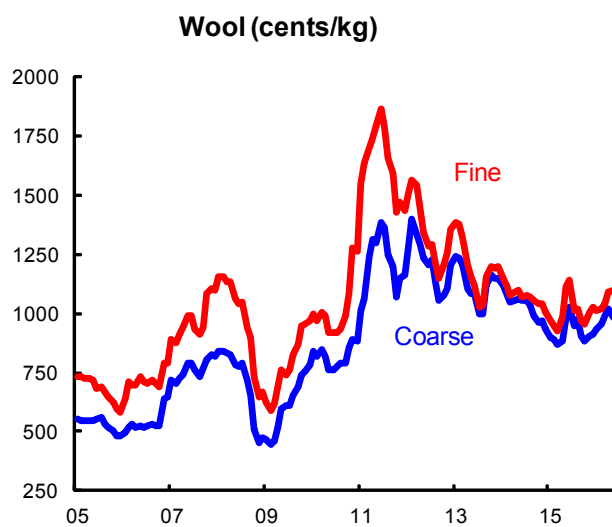
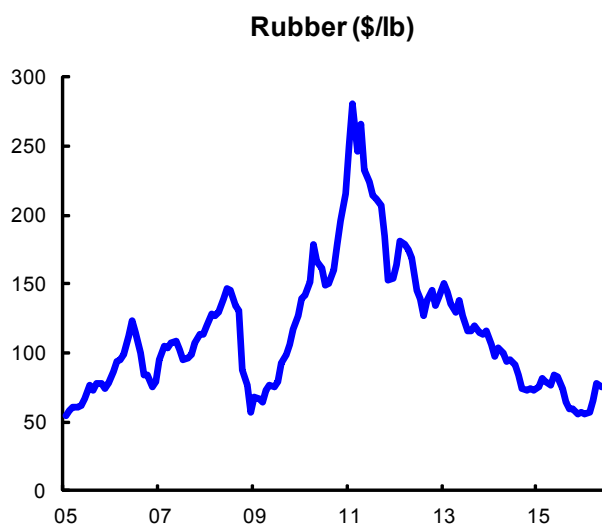
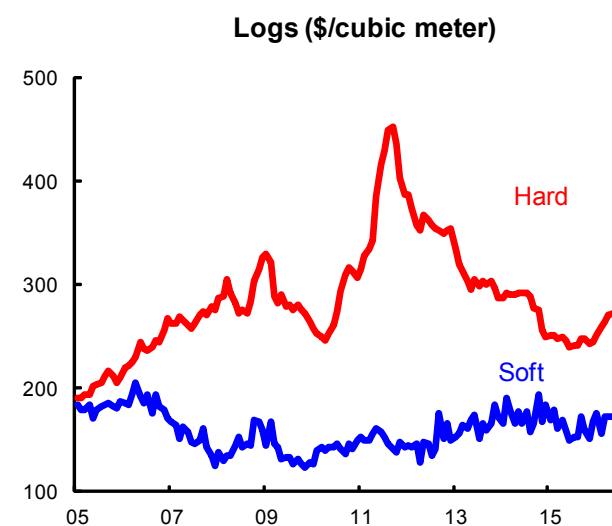
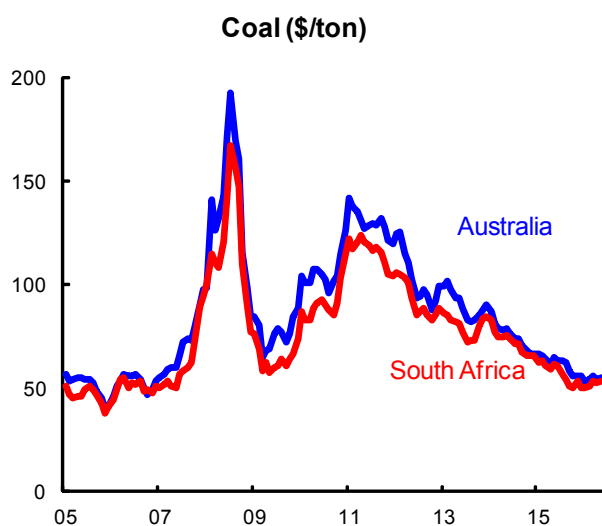
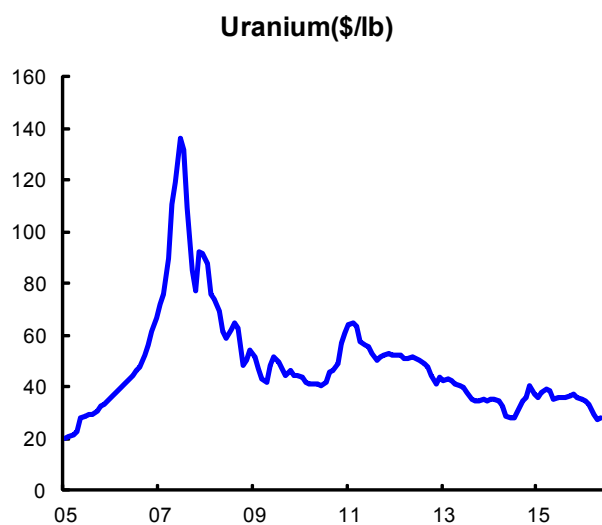


**Cotton (cents/lb)**

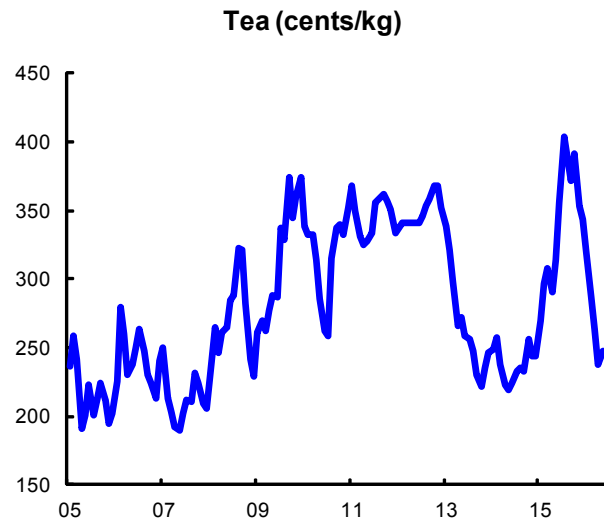
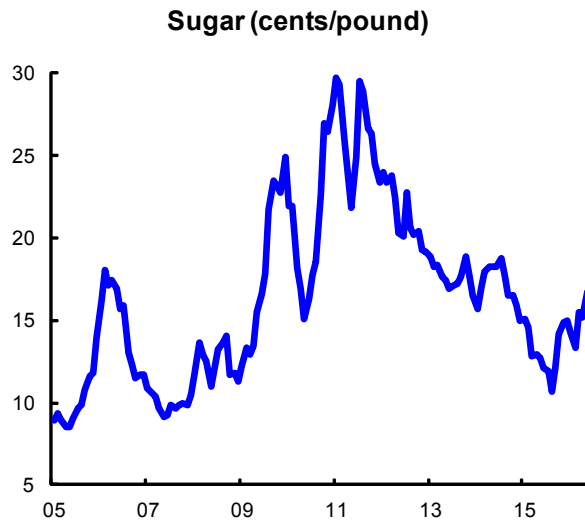
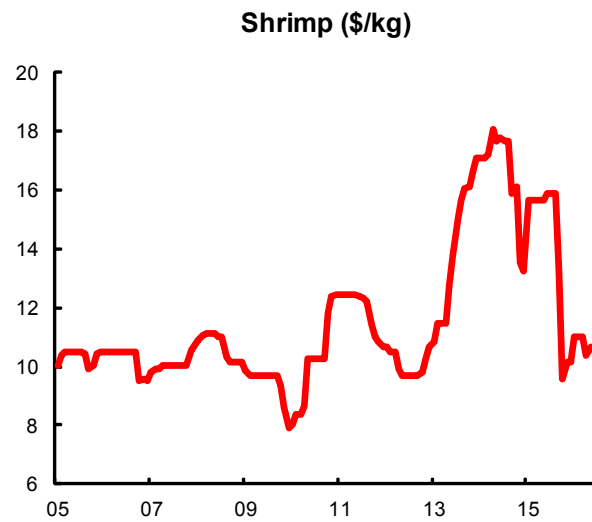
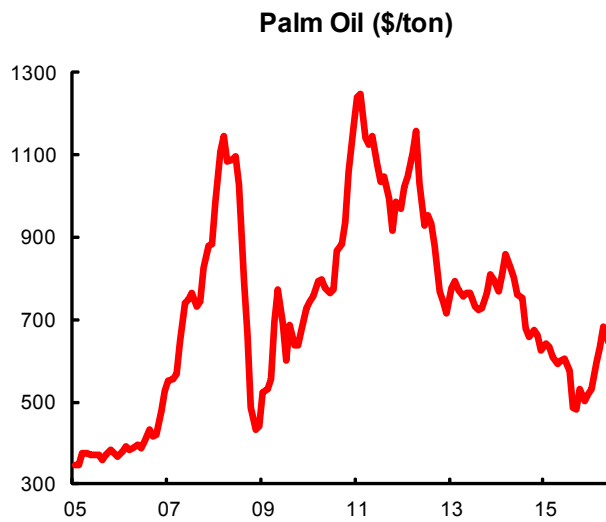
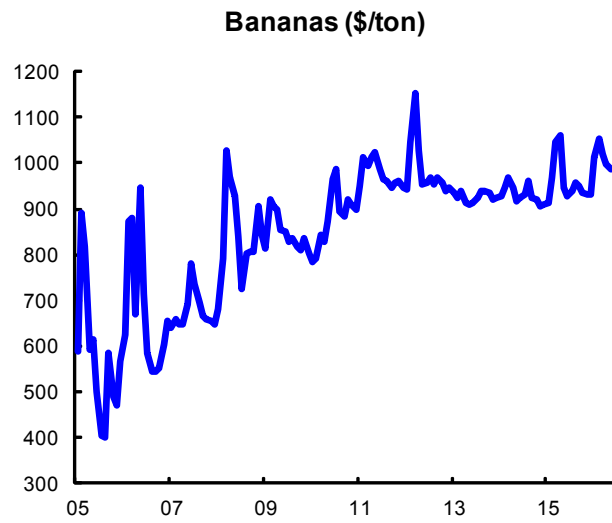
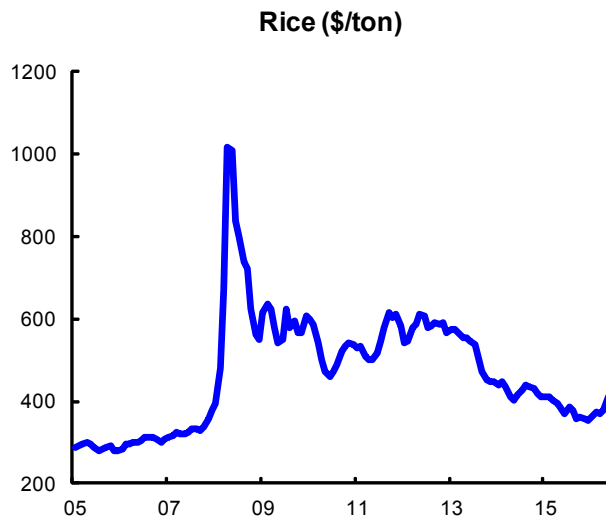


## Commodity Prices Movements (Continued)

### Monthly (from 2005)



**Commodity Prices Movements (Continued)**  
**Monthly (from 2005)**



## Commodity Prices Movements (Continued)

Daily (from 2011)

Gold (\$/troy ounce)



Silver (\$/troy ounce)



Platinum (\$/ounce)



Palladium (\$/ounce)

