Commodity Market Monthly

Research Department, Commodities Unit

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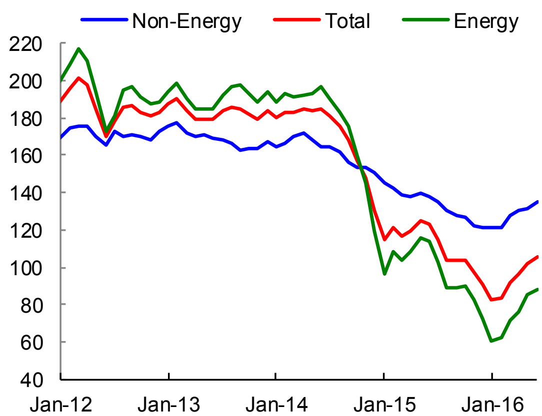
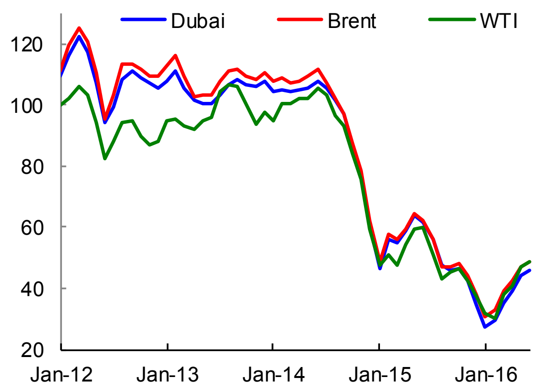
Commodity prices rise 3.1 percent in June, despite a stronger dollar following U.K's decision to leave the European Union. A marginal decrease in metal prices was more than offset by strong increments in energy and agricultural prices. During the first six months (Dec 15 – Jun 16), commodity prices increased by 16 percent, with gains recorded in all main indices, led by 21 percent surge in energy.

IMF Commodity Price Indices
(2005 = 100)



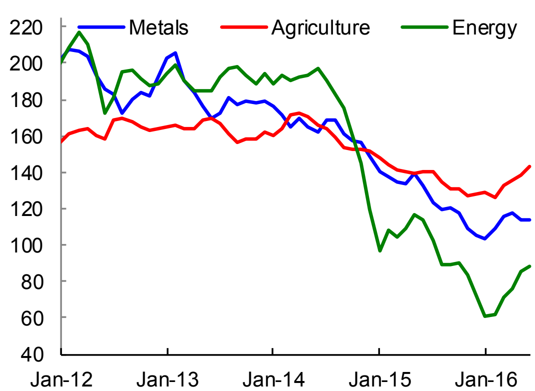
Crude oil prices rose by 3.7 percent in June, averaging $47.7/bbl, due to seasonal increase in demand and various supply outages. However, oil prices have seen an increase in volatility since UK's referendum, which partly reflects macroeconomic concerns and exchange-rate adjustments. In addition, OPEC oil production in June increased 264 kbd to 32.86 mbd from the previous month, according to the organization's latest report.

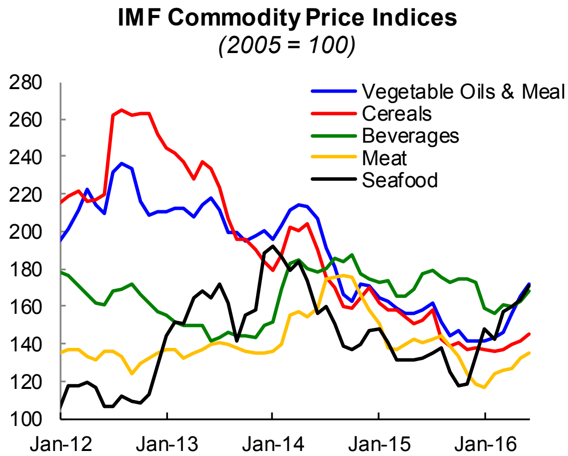
Crude Oil Prices
($/barrel)



Natural gas price in the U.S. surged by 33.5 percent in June, averaging $2.57/mmbtu, due to slow storage refill in the US, and record amount of gas being burned for power generation according to EIA. **Coal prices (Australia) increased by 3.8 percent**, due to rising demand and China's steep production cuts.

IMF Commodity Price Indices
(2005 = 100)





Agriculture prices increased 3.2 percent in June although somewhat retrieved in the second half of the month, extending gains for fourth consecutive month. Food and beverages prices rose 4 and 3 percent, respectively, while agricultural raw material prices remained broadly unchanged. Soybeans and corn prices increased 8 and 6 percent, respectively, on lower than anticipated production in South America and improved global demand. Rice prices were up 2 percent in response to weak supply in Asia. Lamb and swine prices increased 7 percent each, partly due to reduced export supplies from the EU. Coffee arabica and robusta prices increased 7 and 2 percent, respectively, following adverse weather in main growing regions. Sugar prices as a whole rose 13 percent on account of lower output in Brazil following heavy rains. Orange prices sharply increased on lower production, and reached its highest level in almost 3 years. Wheat prices fell to the lowest level in 6 years as production prospects improved, particularly in Europe, United States, Russia and the Black Sea region. Palm oil prices decreased amid subdued demand and seasonal recovery in supply in Indonesia and Malaysia.

Metals prices slightly fell by 0.3 percent in June, and stayed near recent levels. Iron ore dropped by 6 percent, as shipments from Port Hedland in Australia surged to a record in June, and port inventories in China rose to the highest point since December 2014. In line with China's weak manufacturing data and rising inventories in LME, copper dropped by 1 percent as well. Nickel, on the other hand, rose by 3 percent in June, led by increased global demand and constrained supply from Indonesia. Aluminum also increased by 3 percent, but is still under the pressure of overcapacity, especially from China. Tin increased by 2 percent in June, and zinc surged 8 percent following a reduction in global zinc mine production.

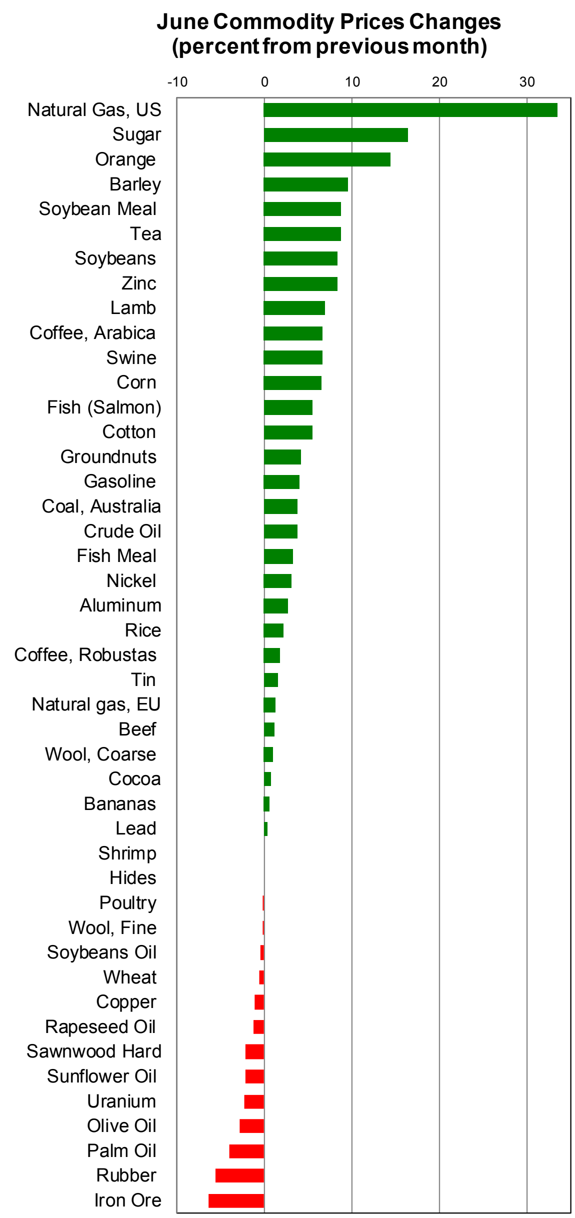


Table 1. Market Prices for Non-Fuel and Fuel Commodities

	Units	2013	2014	2015	2015Q3	2015Q4	2016Q1	2016Q2	May-16	Jun-16
Food										
Cereals										
Wheat	$/MT	265.8	242.5	185.6	178.8	162.3	162.6	159.2	157.5	156.6
Maize	$/MT	259.0	192.9	169.8	169.4	167.1	159.9	171.1	168.9	179.9
Rice	$/MT	518.8	426.5	380.0	374.0	357.7	367.7	400.8	408.8	417.6
Barley	$/MT	206.4	146.1	127.9	127.9	123.2	119.7	137.4	135.1	148.1
Vegetable oils and protein meals										
Soybeans	$/MT	517.2	457.8	347.4	347.6	323.3	323.4	387.8	388.5	421.2
Soybean meal	$/MT	477.3	467.0	352.7	369.3	320.8	294.9	392.9	407.5	443.4
Soybean oil	$/MT	1011.1	812.7	672.2	638.3	638.6	686.9	719.7	707.0	703.6
Palm oil	$/MT	764.2	739.4	565.1	514.6	518.0	586.9	647.8	644.6	618.5
Fish meal	$/MT	1710.5	1921.5	1759.2	1558.9	1701.9	1466.4	1511.5	1528.4	1577.3
Sunflower Oil	$/MT	1341.1	1080.3	1022.2	1010.4	1042.1	1024.5	1028.6	1040.2	1017.3
Olive oil	$/MT	3816.7	3911.8	4927.1	5616.4	4658.3	4418.8	4125.3	4130.0	4014.1
Groundnuts	$/MT	2314.5	2148.3	1946.2	2012.9	1731.8	1821.3	1867.1	1830.2	1905.7
Rapeseed oil	$/MT	1081.2	904.4	774.6	772.7	798.1	774.7	797.7	798.9	788.8
Meat										
Beef	cts/lb	183.6	224.1	200.5	206.3	176.2	168.9	179.3	179.5	181.5
Lamb	cts/lb	106.7	130.6	107.9	101.3	95.3	95.5	100.6	99.6	106.6
Swine Meat	cts/lb	86.5	102.8	67.9	73.8	60.5	60.2	72.6	74.0	78.9
Poultry	cts/lb	103.8	110.1	114.7	115.5	113.6	112.1	111.8	112.0	111.8
Seafood										
Fish	$/kg	6.8	6.6	5.3	5.3	5.3	6.5	7.3	7.3	7.7
Shrimp	$/kg	14.0	16.6	14.1	15.0	10.0	11.0	10.6	10.7	10.7
Sugar										
Free market	cts/lb	17.7	17.1	13.2	11.6	14.7	14.3	17.1	16.7	19.4
United States	cts/lb	21.2	24.9	24.9	24.5	25.5	25.9	27.5	27.3	27.4
EU	cts/lb	26.0	27.4	25.4	25.8	25.2	23.8	23.9	24.2	23.6
Bananas	$/MT	926.4	931.9	958.7	948.9	932.7	1028.2	993.0	987.6	993.2
Oranges	$/MT	967.3	782.5	675.0	652.1	732.6	686.2	784.7	764.7	875.5
Beverages										
Coffee										
Other milds	cts/lb	141.1	202.8	160.5	153.2	150.8	150.7	158.5	155.4	165.8
Robusta	cts/lb	100.5	105.6	94.2	90.9	87.9	82.1	90.4	91.0	92.6
Cocoa Beans	$/MT	2439.1	3062.8	3135.2	3252.8	3301.3	2980.8	3099.8	3098.4	3122.5
Tea	cts/kg	266.0	237.9	340.4	387.2	363.0	290.3	251.4	247.3	268.9
Agricultural raw materials										
Timber										
Hardwood										
Logs 1/	$/M3	305.4	282.0	246.0	243.6	245.2	258.2	275.7	273.3	282.3
Sawnwood 1/	$/M3	852.8	897.9	833.3	844.9	827.1	780.3	782.3	792.0	774.7
Softwood										
Logs 1/	$/M3	164.5	174.3	162.0	159.8	159.3	168.4	141.5	141.5	141.5
Sawnwood 1/	$/M3	301.4	307.3	308.7	310.4	319.6	267.2	305.7	305.7	305.7
Cotton	cts/lb	90.4	83.1	70.4	71.0	69.5	66.9	71.2	70.3	74.1
Wool										
Fine	cts/kg	1197.7	1074.4	1005.8	999.7	995.8	1023.4	1092.8	1096.3	1094.2
Coarse	cts/kg	1128.1	1030.4	922.8	942.0	898.9	960.1	1000.9	986.6	996.5
Rubber	cts/lb	126.8	88.8	70.7	66.1	57.0	59.3	75.2	75.9	71.7
Hides	cts/lb	94.7	110.2	87.6	76.1	71.7	70.0	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	2015Q3	2015Q4	2016Q1	2016Q2	May-16	Jun-16
Metals										
Copper	$/MT	7331.5	6863.4	5510.5	5267.1	4884.9	4674.7	4736.4	4694.5	4642.0
Aluminum	$/MT	1846.7	1867.4	1664.7	1592.4	1493.9	1514.5	1571.8	1550.6	1593.5
Iron Ore	$/MT	135.4	96.8	55.2	54.4	46.2	47.7	55.3	54.9	51.4
Tin	$/MT	22281.6	21898.9	16066.6	15229.5	15077.2	15438.6	16902.1	16707.0	16966.7
Nickel	$/MT	15030.0	16893.4	11862.6	10578.9	9423.0	8507.7	8822.5	8660.4	8928.4
Zinc	$/MT	1910.2	2161.0	1931.7	1842.8	1611.8	1677.3	1916.9	1869.0	2026.2
Lead	$/MT	2139.7	2095.5	1787.8	1717.0	1681.7	1738.0	1717.6	1707.8	1712.8
Uranium	$/lb	38.6	33.5	36.8	36.4	36.0	32.6	27.5	27.8	27.2
Energy										
Spot Crude 2/	$/bbl	104.1	96.2	50.8	48.8	42.2	32.8	44.8	46.0	47.7
U.K. Brent	$/bbl	108.8	98.9	52.4	50.0	43.4	34.4	46.0	47.1	48.5
Dubai	$/bbl	105.4	96.7	51.2	49.9	41.2	30.7	42.9	44.0	45.8
West Texas Intermediate	$/bbl	97.9	93.1	48.7	46.5	42.0	33.3	45.5	46.8	48.7
Natural Gas										
Russian in Germany	$/mmbtu	11.2	10.5	7.3	6.6	5.9	4.7	4.0	4.0	4.0
Indonesian in Japan (LNG)	$/mmbtu	17.3	17.0	11.0	9.8	10.0	8.2	7.2	7.5	7.5
US, domestic market	$/mmbtu	3.7	4.4	2.6	2.7	2.1	2.0	2.1	1.9	2.6
Coal										
Australian, export markets	$/MT	90.6	75.1	61.6	61.6	56.1	54.5	55.6	55.2	57.2

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/

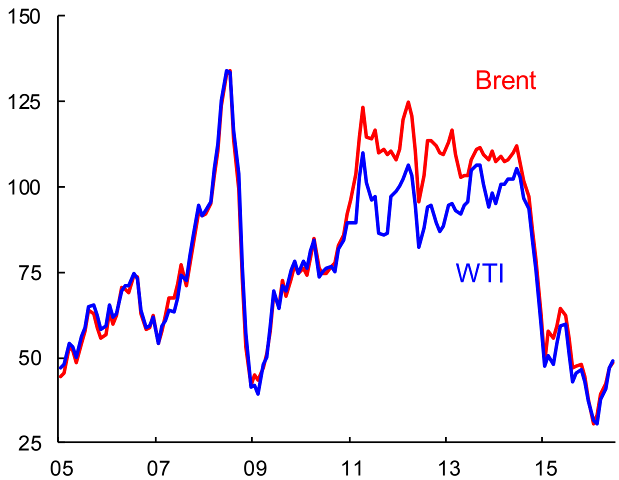
	(weights) 1/	2013	2014	2015	2015Q3	2015Q4	2016Q1	2016Q2	May-16	Jun-16
All Primary Commodities 2/	100.0	183.3	171.8	111.2	107.5	97.2	86.4	101.3	102.2	105.4
Non-Fuel Commodities	36.9	169.0	162.3	133.9	131.1	123.5	123.4	132.2	131.6	134.7
Agriculture	26.2	163.3	161.5	137.1	135.2	128.7	129.0	139.1	138.8	143.2
Food	16.7	177.5	170.2	141.0	140.5	132.2	136.3	149.2	148.9	155.1
Cereals	3.6	218.2	180.2	149.0	146.1	138.2	136.5	142.0	141.1	145.5
Vegetable oils and protein meals	4.4	206.4	190.7	153.6	152.4	143.3	143.5	164.2	165.2	171.7
Meat	3.7	136.8	160.5	137.4	141.9	125.2	122.2	131.4	132.1	135.2
Seafood	3.2	160.1	162.0	131.7	132.5	123.0	149.1	164.8	163.4	171.3
Beverages	1.8	147.4	178.0	172.6	175.9	173.7	158.7	163.5	162.5	167.9
Agricultural raw materials 3/	7.7	136.2	138.8	120.0	114.0	110.6	106.1	111.5	111.4	111.6
Timber	3.4	107.3	109.3	104.5	104.9	105.8	96.7	102.4	102.6	102.4
Metals	10.7	182.9	164.1	126.2	121.0	110.7	109.5	115.1	113.9	113.6
Edibles 4/	18.5	174.6	171.0	144.1	144.0	136.3	138.5	150.6	150.2	156.4
Industrial Inputs 5/	18.4	163.3	153.5	123.6	118.1	110.7	108.1	113.6	112.8	112.7
Energy 6/	63.1	191.7	177.4	97.9	93.7	81.8	64.7	83.2	85.0	88.2
Petroleum 7/	53.6	195.9	181.1	95.6	91.9	79.3	61.5	84.1	86.3	89.5
Natural Gas	6.9	164.9	159.9	106.8	97.5	90.6	73.5	65.5	65.7	68.0
Coal	2.6	176.8	149.1	121.3	120.1	110.0	107.8	110.8	109.8	114.5

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.

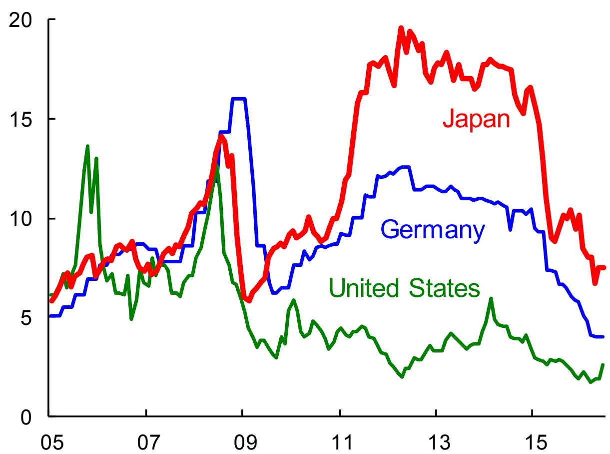
Commodity Prices Movements

Monthly (from 2005)

Crude oil ($/bbl)

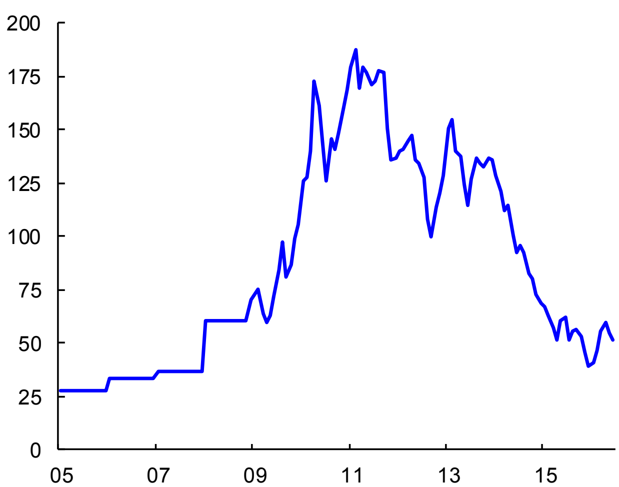


Natural Gas ($/mmbtu)



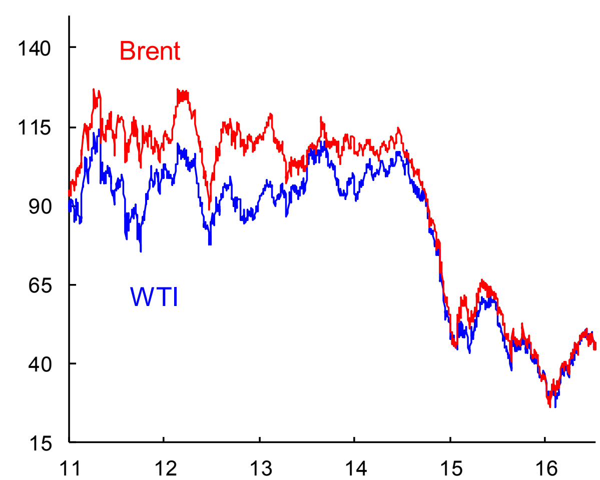
Sources: Energy Intelligence; Bloomberg, L.P.

Iron Ore ($/ton)

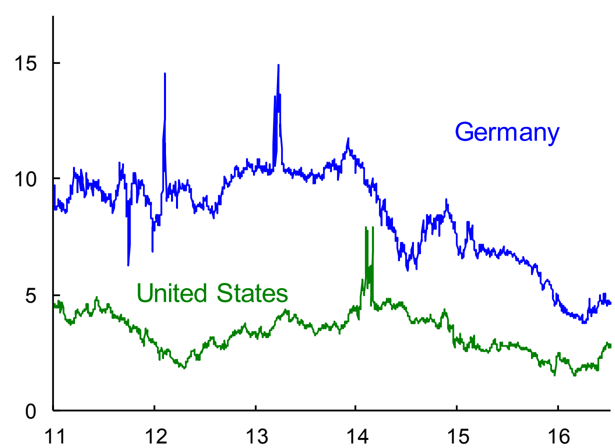


Daily (from 2011)

Crude oil ($/bbl)



Natural Gas ($/mmbtu)



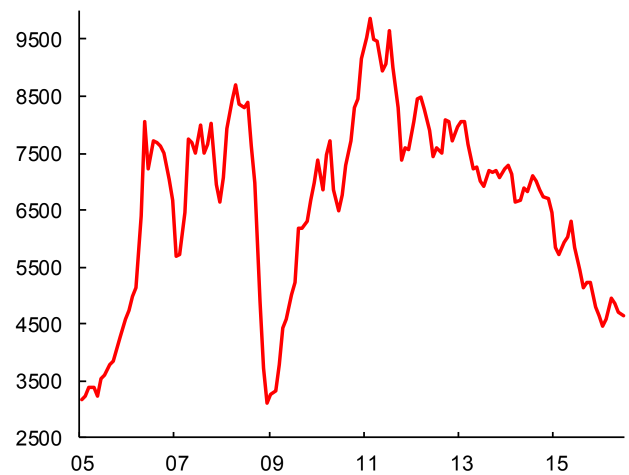
Source: Bloomberg, L.P.

Iron Ore ($/ton)

Commodity Prices Movements (Continued)

Monthly (from 2005)

Copper ($/ton)

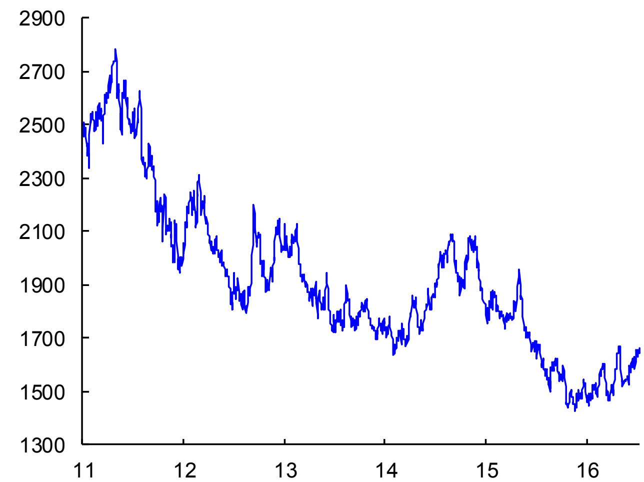


Daily (from 2011)

Copper ($/ton)

Aluminium ($/ton)

Aluminium ($/ton)



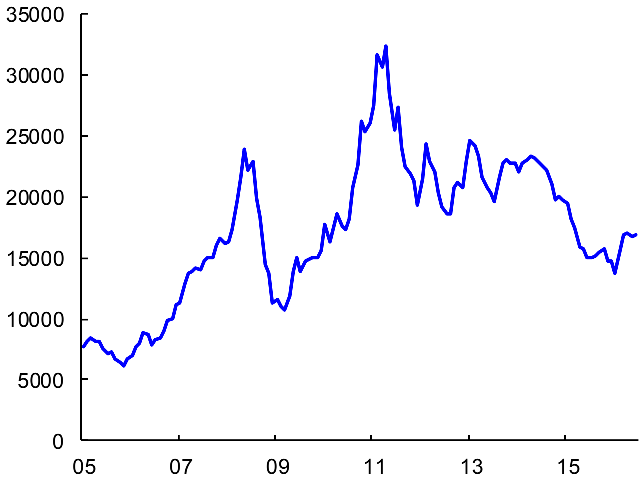
Nickel ($/ton)

Nickel ($/ton)

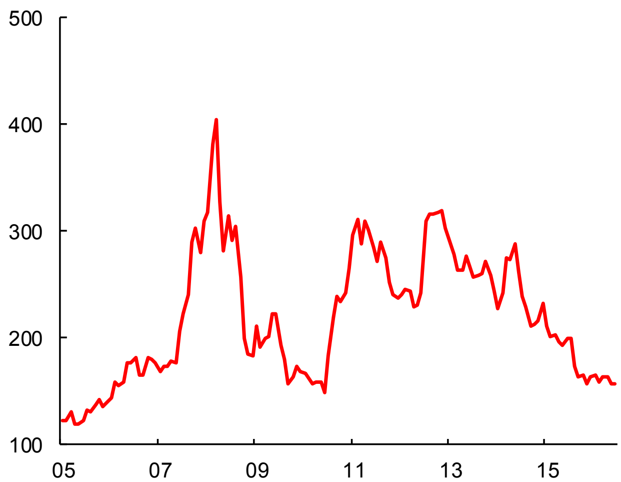
Commodity Prices Movements (Continued)

Monthly (from 2005)

Tin ($/ton)



Wheat ($/ton)



Corn ($/ton)

Daily (from 2011)

Tin ($/ton)

Wheat ($/ton)

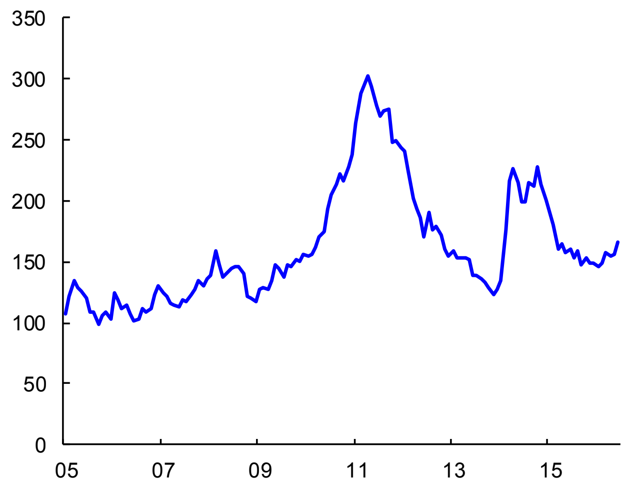
Corn ($/ton)

Commodity Prices Movements (Continued)

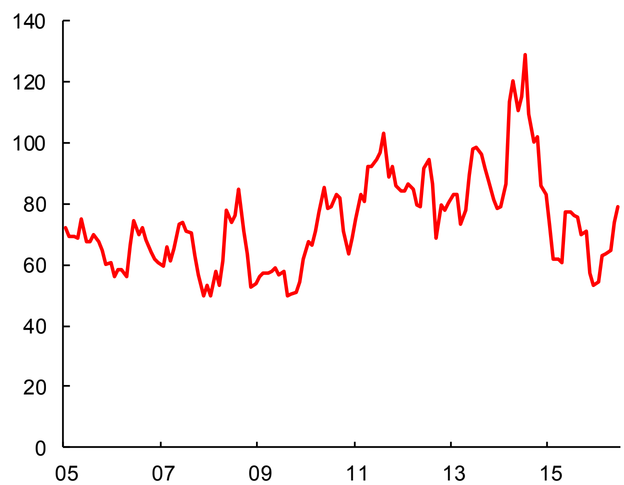
Monthly (from 2005)

Cocoa ($/ton)

Coffee (cents/lb)



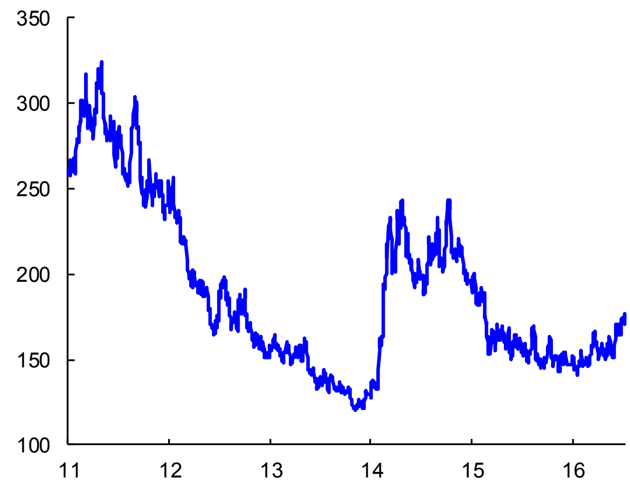
Swine (cents/lb)



Daily (from 2011)

Cocoa ($/ton)

Coffee (cents/lb)

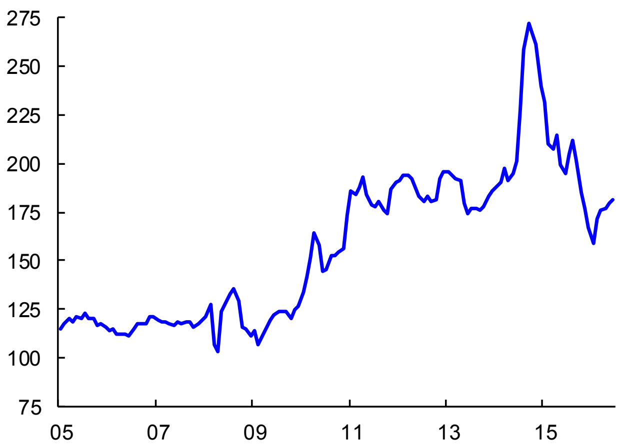


Swine (cents/lb)

Commodity Prices Movements (Continued)

Monthly (from 2005)

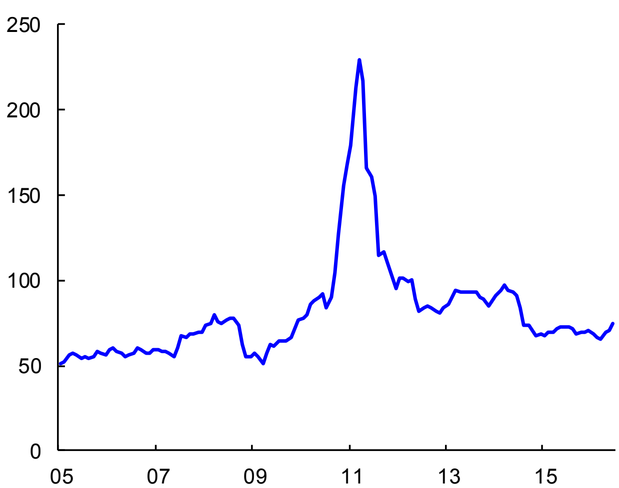
Beef (cents/pound)



Source: Meat & Livestock Australia.

Soybeans ($/ton)

Cotton (cents/pound)



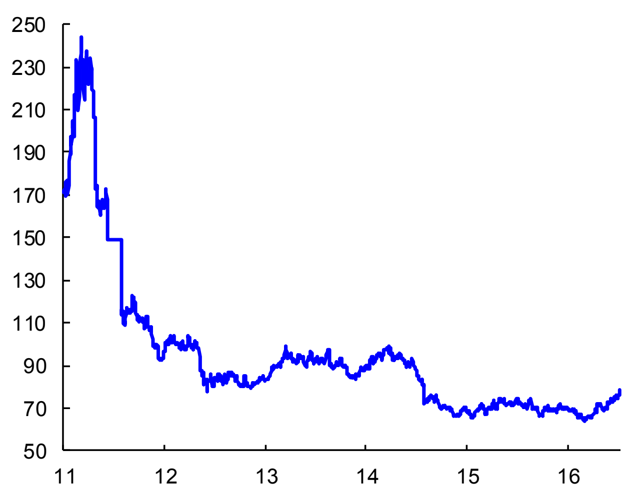
Daily (from 2011)

Beef (cents/lb)

Source: Bloomberg, L.P.

Soybeans ($/ton)

Cotton (cents/lb)

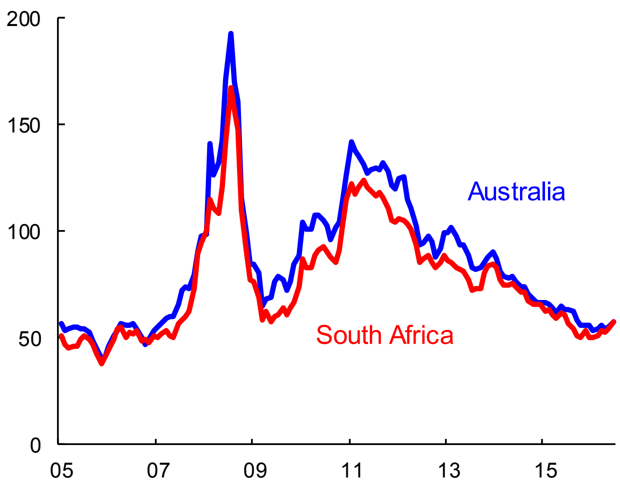


Commodity Prices Movements (Continued)
Monthly (from 2005)

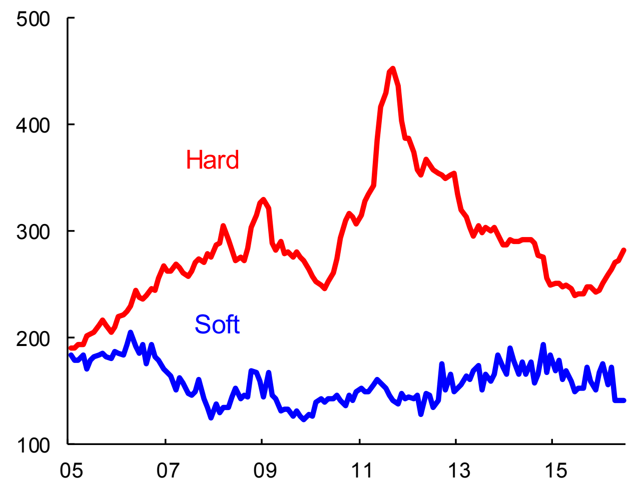
Uranium($/lb)

Zinc ($/ton)

Coal ($/ton)

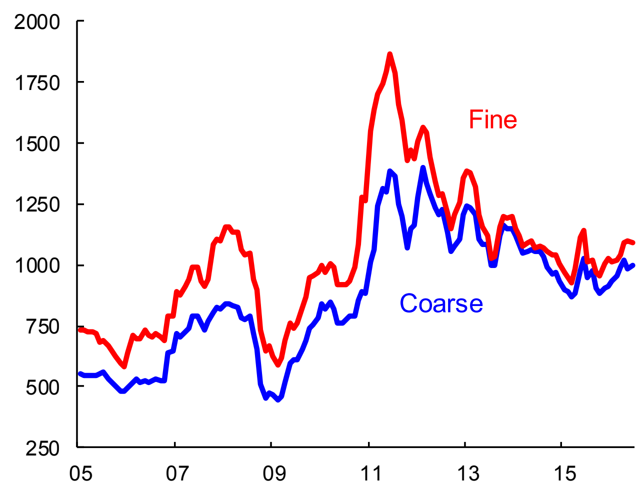


Logs ($/cubic meter)



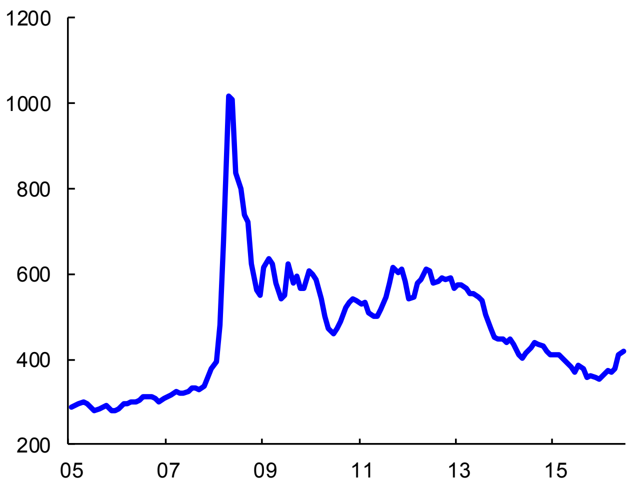
Rubber ($/lb)

Wool (cents/kg)

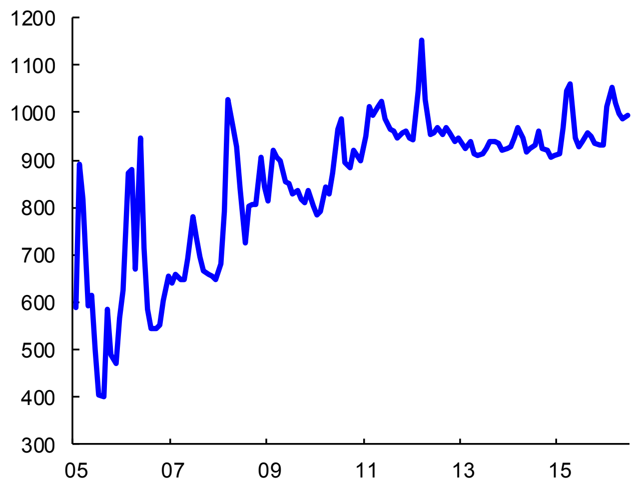


Commodity Prices Movements (Continued)
Monthly (from 2005)

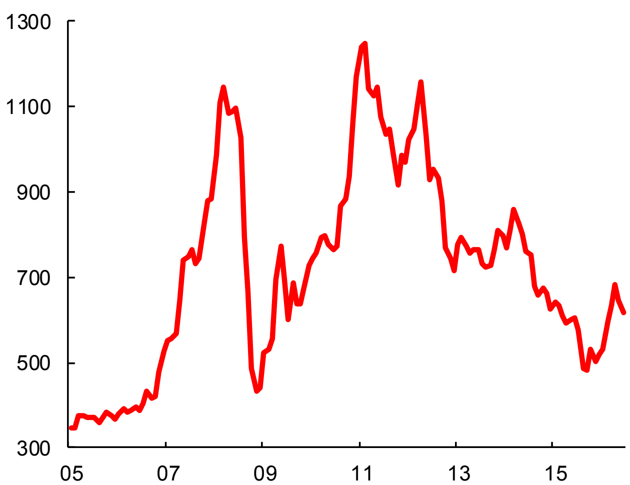
Rice ($/ton)



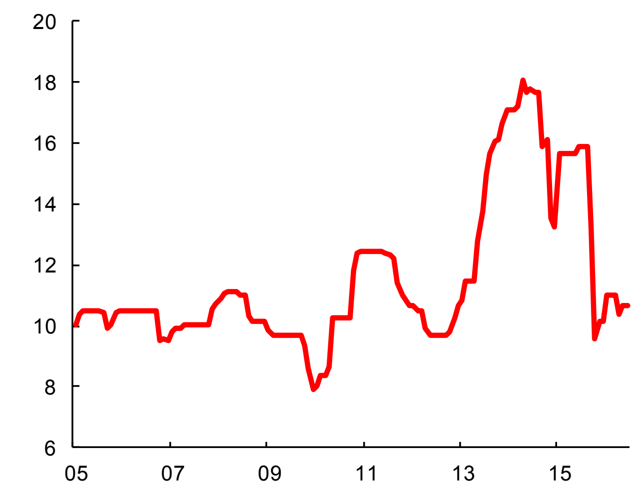
Bananas ($/ton)



Palm Oil ($/ton)

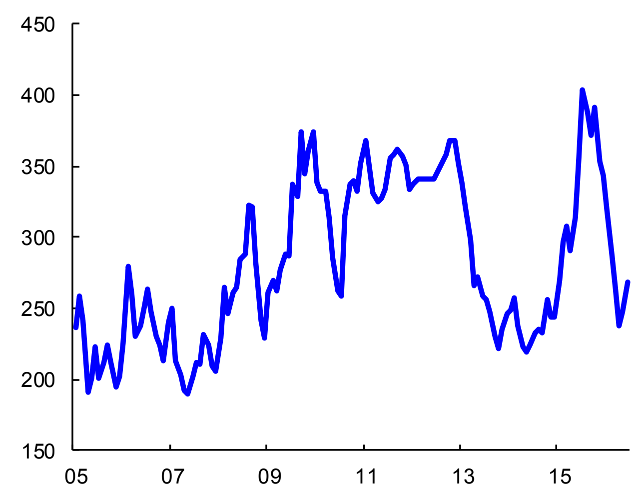


Shrimp ($/kg)



Sugar (cents/pound)

Tea (cents/kg)



Commodity Prices Movements (Continued)

Daily (from 2011)

Gold ($/troy ounce)

Silver ($/troy ounce)

Platinum ($/ounce)

Palladium ($/ounce)