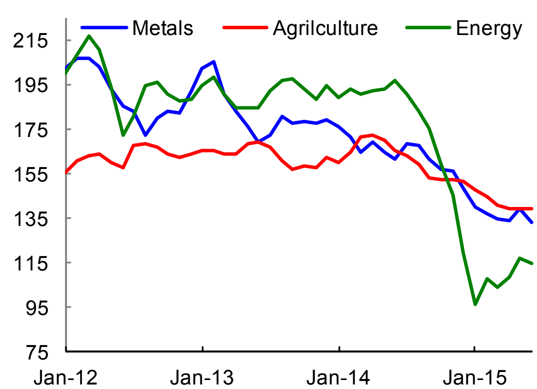
Commodity Market Monthly

Research Department, Commodities Team

July 16, 2015 **www.imf.org/commodities** **commodities@imf.org**

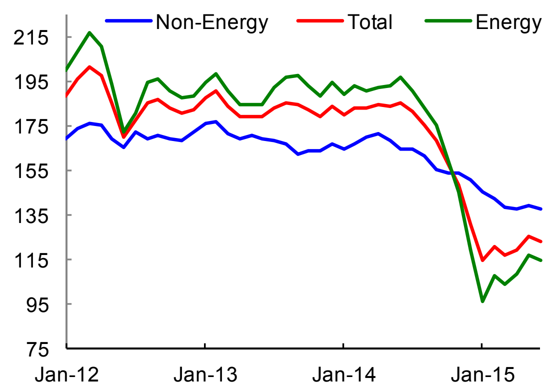
Commodity prices fell by 1.6 percent in June, the first decline in three months, driven by price drops in metals and energy, due to macroeconomic risks in Greece and China. Agricultural prices registered a slight increase, mainly the result of weak supply. During the first six months (Dec 14 – Jun 15), commodity prices fell by 5.8 percent, with declines recorded in all main indices, led by 10 percent drops in both metals and food.

IMF Commodity Price Indices
(2005 = 100)



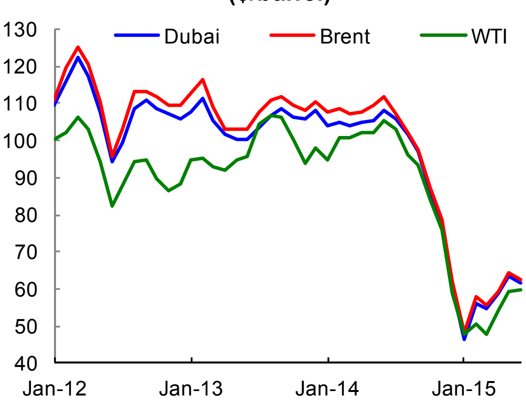
Crude oil prices fell 1.9 percent in June, averaging $61.3/bbl and reversing gains from the previous months, due to strong OPEC production and possible suspension of sanctions against Iran. Global growth in oil consumption had somewhat increased in response to the cold winter; however, relatively low prices have so far stimulated consumption very modestly.

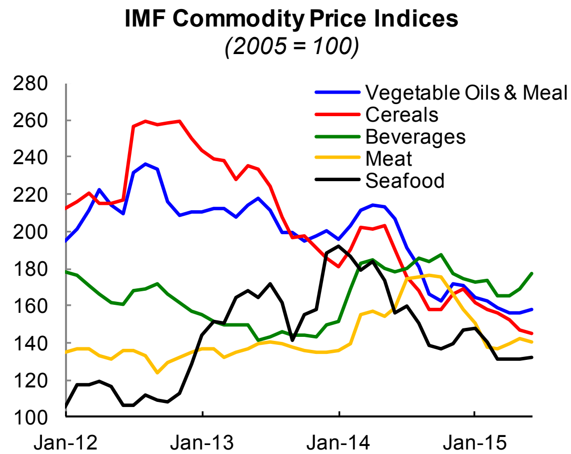
IMF Commodity Price Indices
(2005 = 100)



Natural gas prices in the U.S. declined by 2.4 percent in June, averaging $2.77/mmbtu, due to weak seasonal demand and ample supply. **Coal prices fell 2.9 percent** in June, erasing gains from the last month, due to persistent oversupply.

Crude Oil Prices
($/barrel)





Agriculture prices increased 0.1 percent in June, the first gain in seven months, mainly reflecting supply constraints. The largest increase was for tea prices, which rose 13 percent and to the highest level in over 2 years, on lower production in Kenya due to dry weather. Rapeseed oil price increased 6 percent owing to dryness in Europe and Canada as well as lower production prospects in other major exporters like the Black Sea and Australia. Coarse and fine wool prices rose 5 and 2 percent, respectively, due to higher demand from China and declining Australian production. Cocoa prices increased 5 percent on dry weather conditions in Ghana, although demand remains high. Partly offsetting these increases, sugar prices fell 5 percent and to the lowest level in over 6 years, on persistent abundance of stocks and continued strong supply, particularly in Brazil and India. Fish meal prices declined 5 percent as Peruvian anchovy production continues recovering from shortfalls in 2014 because of high sea temperatures. Rice prices fell 3 percent on steady supply, although there have been concerns over a recent drought in Thailand.

Metals prices fell by 4.6 percent in June, reversing gains in May, due to turmoil in Greece and weak demand in China, as well as continued increases in new supply. The largest decline was for zinc, down 9 percent, followed by lead, down 8 percent. Copper, aluminum, nickel, had all dropped more than 5 percent. Partly offsetting these declines, iron ore rose another 3 percent in June, following the sharp rally in May, as China's port stockpiles fell. Uranium prices also rebound 2 percent, but is still unstable.

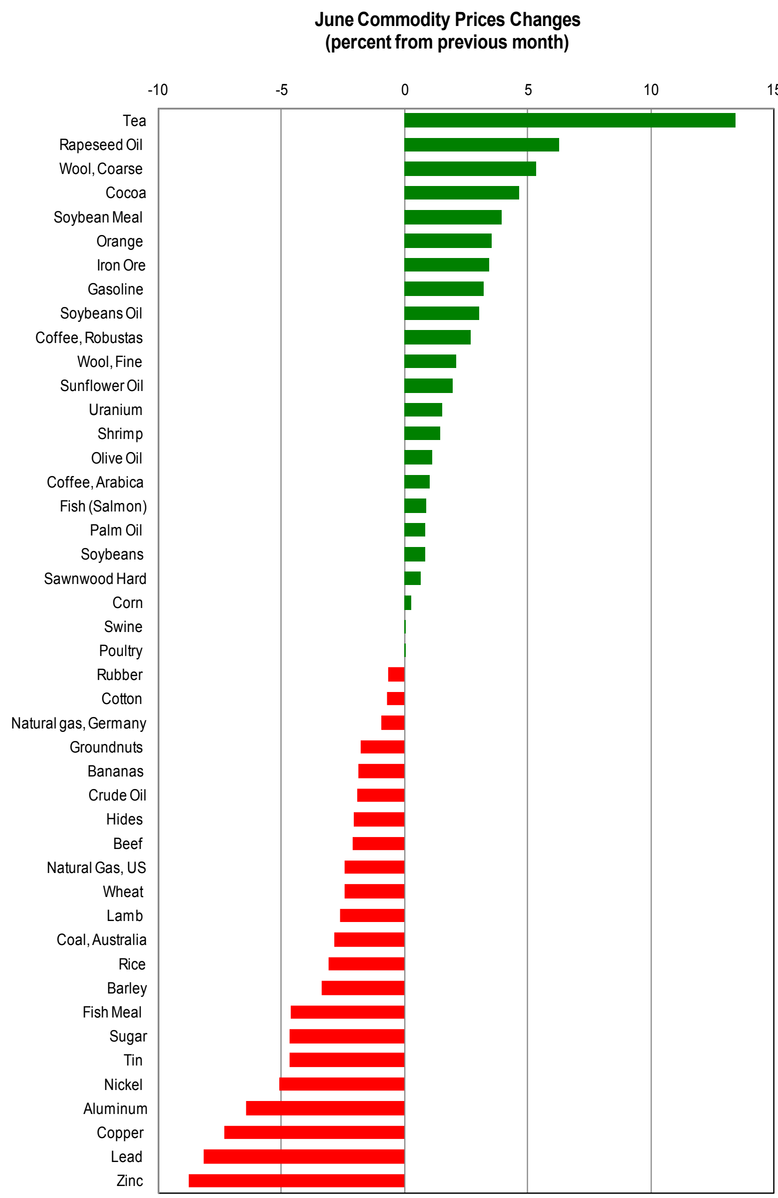


Table 1. Market Prices for Non-Fuel and Fuel Commodities

	Units	2012	2013	2014	2014Q3	2014Q4	2015Q1	2015Q2	May-15	Jun-15
Food										
Cereals										
Wheat	$/MT	313.3	312.2	284.9	262.5	257.9	238.8	216.1	215.1	209.9
Maize	$/MT	298.4	259.0	192.9	173.9	173.5	174.2	168.4	166.3	166.7
Rice	$/MT	580.2	518.8	426.5	435.0	420.8	406.6	381.8	382.4	370.5
Barley	$/MT	238.2	206.4	146.1	132.8	122.0	132.2	128.1	128.8	124.4
Vegetable oils and protein meals										
Soybeans	$/MT	537.8	517.2	457.8	421.7	370.9	363.9	354.6	351.9	354.8
Soybean meal	$/MT	473.3	477.3	467.0	436.0	406.7	372.7	348.0	340.5	353.9
Soybean oil	$/MT	1151.8	1011.1	812.7	757.1	716.1	696.4	715.4	716.5	738.0
Palm oil	$/MT	939.8	764.2	739.4	695.9	653.3	627.9	599.9	601.4	606.4
Fish meal	$/MT	1624.3	1710.5	1921.5	1973.6	2192.7	2031.9	1744.2	1728.8	1649.2
Sunflower Oil	$/MT	1489.5	1341.1	1080.3	1012.5	1054.2	974.0	1062.3	1081.9	1102.9
Olive oil	$/MT	3135.7	3816.7	3911.8	4122.1	4262.5	4568.3	4865.3	4967.3	5023.0
Groundnuts	$/MT	1688.2	2314.5	2148.3	2046.8	1940.1	2016.8	2023.4	2044.8	2008.1
Rapeseed oil	$/MT	1239.1	1081.2	904.4	849.6	824.4	755.1	772.6	763.8	811.7
Meat										
Beef	cts/lb	187.9	183.6	224.1	252.9	256.0	216.6	202.9	199.2	195.0
Lamb	cts/lb	100.9	106.7	130.6	132.8	130.2	122.5	112.4	112.5	109.6
Swine Meat	cts/lb	82.8	86.5	102.8	112.8	90.3	65.5	71.9	77.3	77.4
Poultry	cts/lb	94.3	103.8	110.1	113.0	113.9	114.0	115.6	116.0	116.0
Seafood										
Fish	$/kg	4.8	6.8	6.6	5.9	5.8	5.6	5.1	5.1	5.2
Shrimp	$/kg	10.1	14.0	16.6	17.0	14.3	15.7	15.7	15.7	15.9
Sugar										
Free market	cts/lb	21.4	17.7	17.1	17.7	15.8	14.1	12.6	12.7	12.1
United States	cts/lb	28.9	21.2	24.9	26.5	25.3	24.8	24.6	24.7	24.8
EU	cts/lb	26.4	26.0	27.4	27.8	26.3	25.2	25.5	25.7	25.9
Bananas	$/MT	984.3	926.4	931.9	939.3	911.9	974.8	978.4	946.8	929.2
Oranges	$/MT	868.0	967.3	782.5	774.1	739.8	698.5	616.9	608.6	629.9
Beverages										
Coffee										
Other milds	cts/lb	187.6	141.1	202.8	208.4	213.5	177.0	161.0	158.2	159.8
Robusta	cts/lb	110.6	100.5	105.6	106.0	106.6	101.4	96.7	94.4	96.9
Cocoa Beans	$/MT	2377.1	2439.1	3062.8	3229.2	2985.6	2918.5	3068.1	3096.0	3239.9
Tea	cts/kg	348.9	266.0	237.9	233.7	247.6	291.2	320.1	313.8	355.9
Agricultural raw materials										
Timber										
Hardwood										
Logs 1/	$/M3	360.5	305.4	282.0	286.5	260.4	249.4	249.4	249.4	249.4
Sawnwood 1/	$/M3	876.3	852.8	897.9	910.0	862.6	826.2	834.8	842.5	847.7
Softwood										
Logs 1/	$/M3	148.0	164.5	174.3	167.4	181.5	169.8	169.0	169.0	169.0
Sawnwood 1/	$/M3	284.7	301.4	307.3	308.3	302.1	306.8	305.2	305.2	305.2
Cotton	cts/lb	89.2	90.4	83.1	77.1	68.7	68.8	72.3	72.9	72.4
Wool										
Fine	cts/kg	1345.3	1197.7	1074.4	1068.1	1029.4	947.8	1079.7	1114.6	1137.8
Coarse	cts/kg	1212.6	1128.1	1030.4	1025.0	954.3	887.7	962.7	976.3	1028.6
Rubber	cts/lb	153.2	126.8	88.8	83.4	73.5	78.6	81.2	83.5	83.0
Hides	cts/lb	83.2	94.7	110.2	110.8	112.7	105.8	96.8	96.0	94.0

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	2012	2013	2014	2014Q3	2014Q4	2015Q1	2015Q2	May-15	Jun-15
Metals										
Copper	$/MT	7958.9	7331.5	6863.4	6995.8	6632.3	5833.2	6056.6	6294.8	5833.0
Aluminum	$/MT	2022.8	1846.7	1867.4	1989.7	1970.4	1802.1	1770.3	1804.0	1687.7
Iron Ore	$/MT	128.5	135.4	96.8	90.3	74.0	62.3	57.9	60.2	62.3
Tin	$/MT	21109.4	22281.6	21898.9	21915.2	19897.9	18370.0	15589.8	15803.6	15064.9
Nickel	$/MT	17541.7	15030.0	16893.4	18584.2	15860.5	14392.8	13055.8	13511.3	12825.2
Zinc	$/MT	1950.0	1910.2	2161.0	2310.7	2235.3	2079.8	2192.2	2281.8	2082.1
Lead	$/MT	2063.6	2139.7	2095.5	2182.4	2000.9	1810.4	1942.2	1991.8	1829.5
Uranium	$/lb	48.9	38.5	33.5	31.1	37.7	37.8	36.8	35.6	36.1
Energy										
Spot Crude 2/	$/bbl	105.0	104.1	96.2	100.4	74.5	51.7	60.4	62.5	61.3
U.K. Brent	$/bbl	112.0	108.8	98.9	102.1	76.0	54.0	62.1	64.6	62.3
Dubai	$/bbl	108.9	105.4	96.7	101.5	74.6	52.5	61.4	63.7	61.8
West Texas Intermediate	$/bbl	94.1	97.9	93.1	97.6	73.1	48.7	57.8	59.3	59.8
Natural Gas										
Russian in Germany	$/mmbtu	12.0	11.2	10.5	10.1	10.3	9.4	7.4	7.4	7.3
Indonesian in Japan (LNG)	$/mmbtu	18.1	17.3	17.0	16.5	16.1	14.4	11.0	11.0	11.0
US, domestic market	$/mmbtu	2.8	3.7	4.4	3.9	3.8	2.9	2.7	2.8	2.8
Coal										
Australian, export markets	$/MT	103.2	90.6	75.1	72.7	67.4	65.6	63.2	64.7	62.9

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, 2012-2015

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

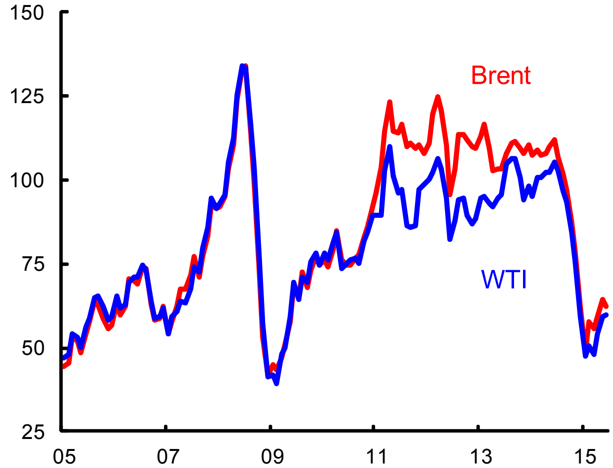
	(weights) 1/	2012	2013	2014	2014Q3	2014Q4	2015Q1	2015Q2	May-15	Jun-15
All Primary Commodities 2/	100.0	186.3	183.3	171.8	174.9	145.6	117.6	122.7	125.3	123.3
Non-Fuel Commodities	36.9	171.0	169.0	162.3	160.9	152.7	142.3	138.4	139.4	137.7
Agriculture	26.2	162.8	163.3	161.5	158.7	152.2	144.3	139.5	139.4	139.6
Food	16.7	175.6	177.6	170.2	165.8	157.5	148.3	142.0	141.8	141.5
Cereals	3.6	236.4	218.3	180.3	167.5	164.3	158.6	148.2	147.4	144.8
Vegetable oils and protein meals	4.4	215.9	206.4	190.7	179.5	168.5	161.9	156.9	156.1	158.3
Meat	3.7	133.3	136.8	160.5	175.4	166.4	142.1	140.5	141.9	140.4
Seafood	3.2	113.3	160.1	162.0	150.0	141.0	139.8	131.6	131.1	132.4
Beverages	1.8	167.4	147.4	178.0	183.3	180.0	170.4	170.4	169.1	176.9
Agricultural raw materials 3/	7.7	134.0	136.2	138.8	137.7	134.2	129.6	126.8	127.1	126.5
Timber	3.4	107.4	107.3	109.3	109.8	106.4	104.5	104.5	104.8	105.0
Metals	10.7	191.0	182.9	164.1	166.1	154.0	137.4	135.5	139.6	133.2
Edibles 4/	18.5	174.8	174.6	171.0	167.5	159.7	150.5	144.8	144.5	145.0
Industrial Inputs 5/	18.4	167.1	163.3	153.5	154.2	145.7	134.1	131.9	134.3	130.4
Energy 6/	63.1	195.2	191.7	177.4	183.2	141.4	103.1	113.5	117.1	114.9
Petroleum 7/	53.6	197.9	195.9	181.1	188.9	140.2	97.4	113.7	117.7	115.3
Natural Gas	6.9	171.2	164.9	159.9	153.4	153.6	136.9	107.8	108.2	107.4
Coal	2.6	202.1	176.8	149.1	144.4	134.2	129.7	125.4	128.2	125.0

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 (Continued)

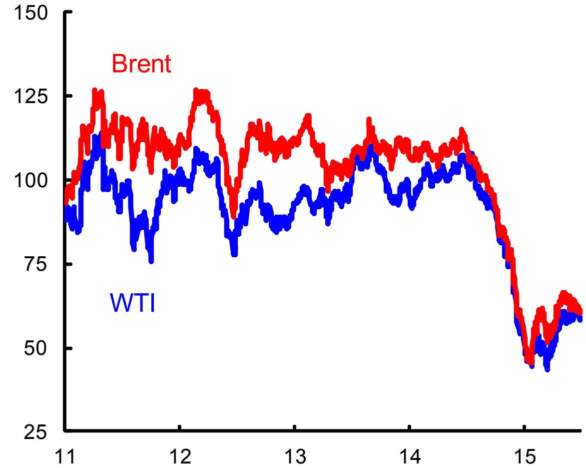
Monthly (from 2005)

Crude oil ($/bbl)

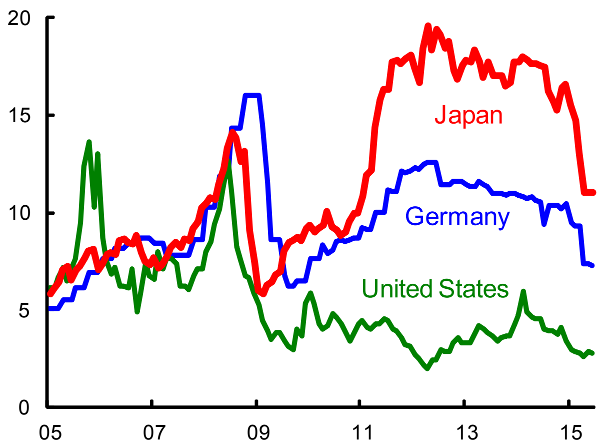


Daily (from 2011)

Crude oil ($/bbl)

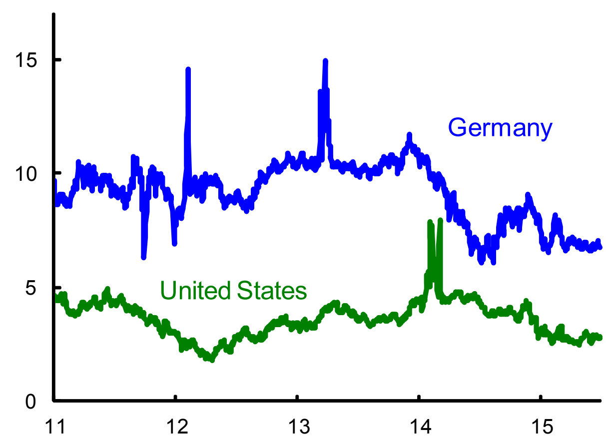


Natural Gas ($/mmbtu)



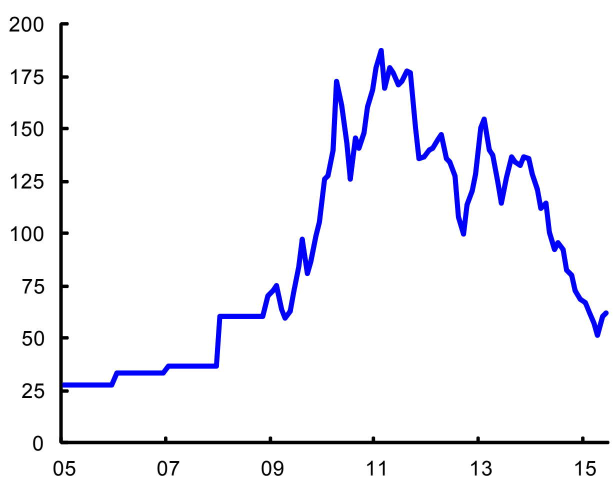
Sources: Energy Intelligence; Bloomberg, L.P.

Natural Gas ($/mmbtu)



Source: Bloomberg, L.P.

Iron Ore ($/ton)



Iron Ore ($/ton)

Commodity Prices Movements (Continued)

Monthly (from 2005)

Copper ($/ton)

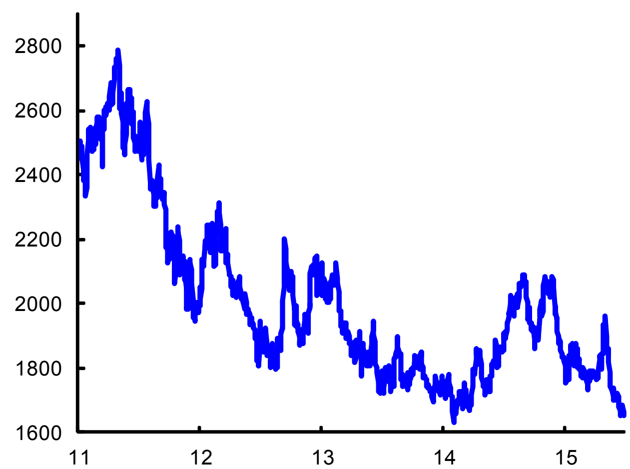
Aluminium ($/ton)

Nickel ($/ton)

Daily (from 2011)

Copper ($/ton)

Aluminium ($/ton)



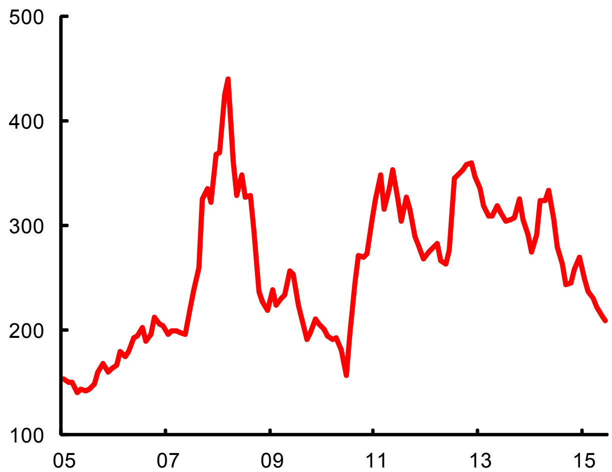
Nickel ($/ton)

Commodity Prices Movements (Continued)

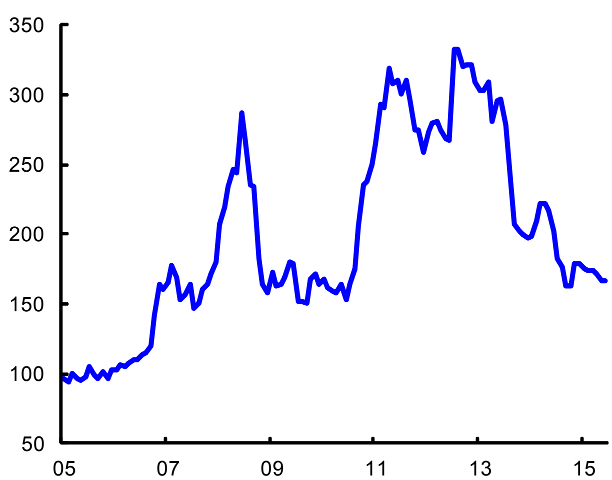
Monthly (from 2005)

Tin ($/ton)

Wheat ($/ton)

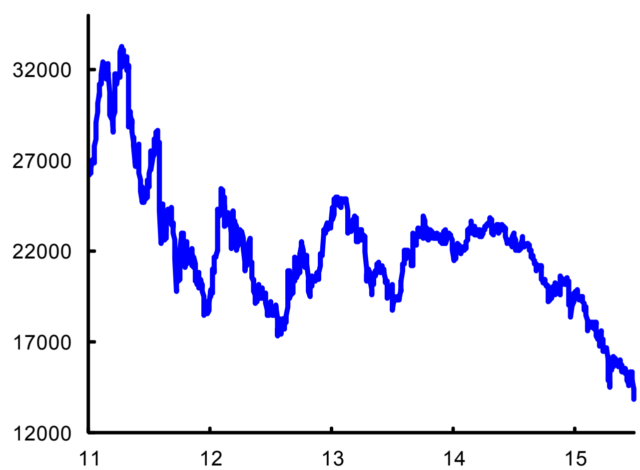


Corn ($/ton)



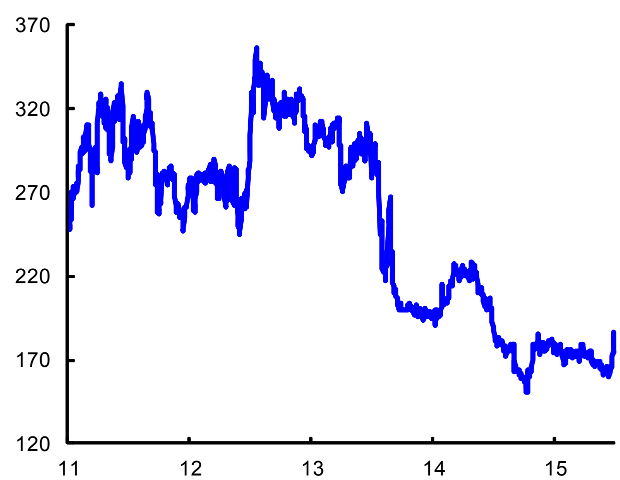
Daily (from 2011)

Tin ($/ton)



Wheat ($/ton)

Corn ($/ton)



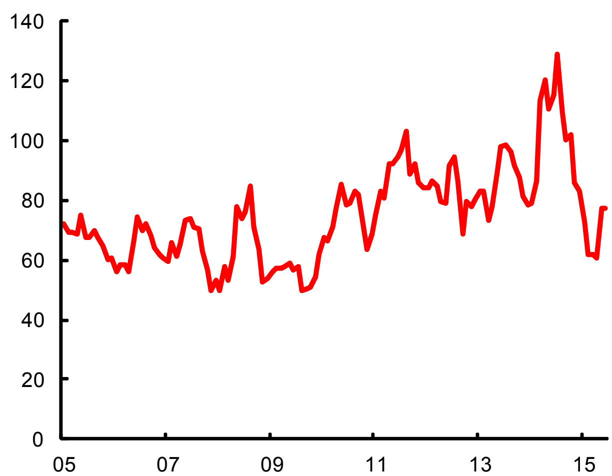
Commodity Prices Movements (Continued)

Monthly (from 2005)

Cocoa ($/ton)

Coffee (cents/lb)

Swine (cents/lb)



Daily (from 2011)

Cocoa ($/ton)

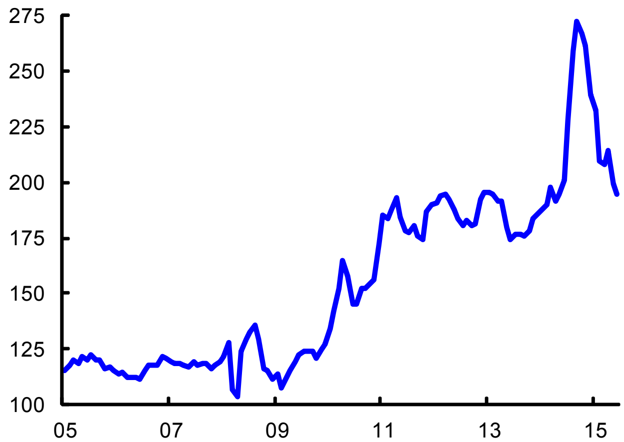
Coffee (cents/lb)

Swine (cents/lb)

Commodity Prices Movements (Continued)

Monthly (from 2005)

Beef (cents/pound)



Source: Meat & Livestock Australia.

Daily (from 2011)

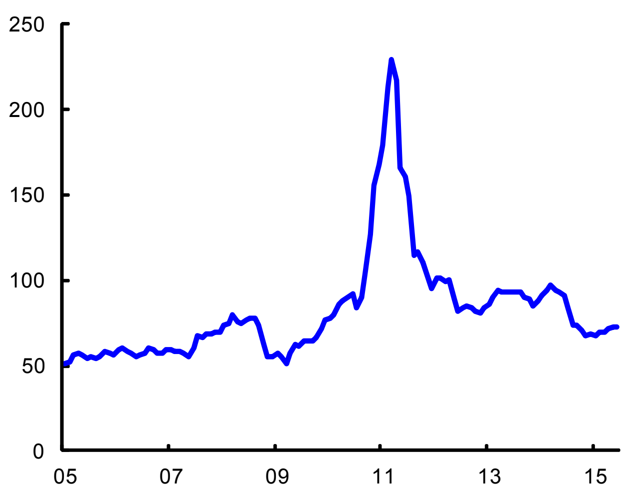
Beef (cents/lb)

Source: Bloomberg, L.P.

Soybeans ($/ton)

Soybeans ($/ton)

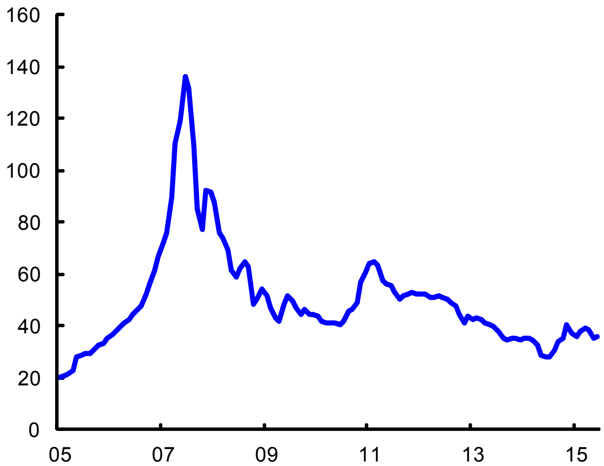
Cotton (cents/pound)



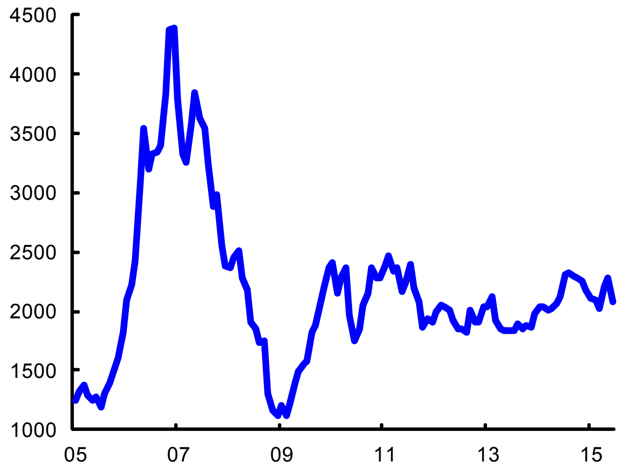
Cotton (cents/lb)

Commodity Prices Movements (Continued)
Monthly (from 2005)

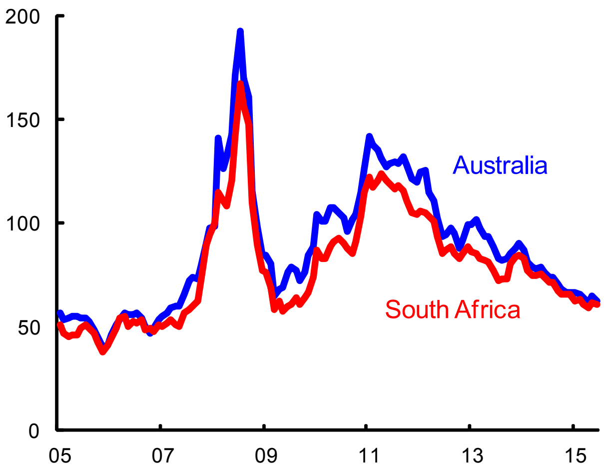
Uranium($/lb)



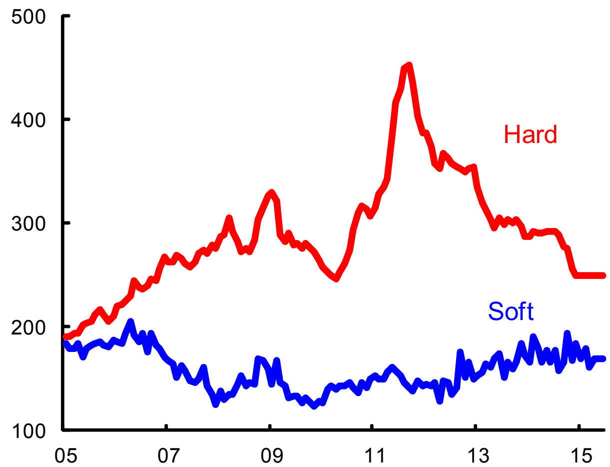
Zinc ($/ton)



Coal ($/ton)

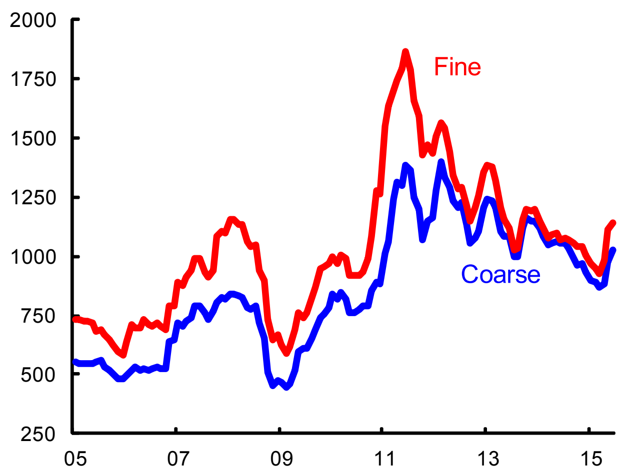


Logs ($/cubic meter)



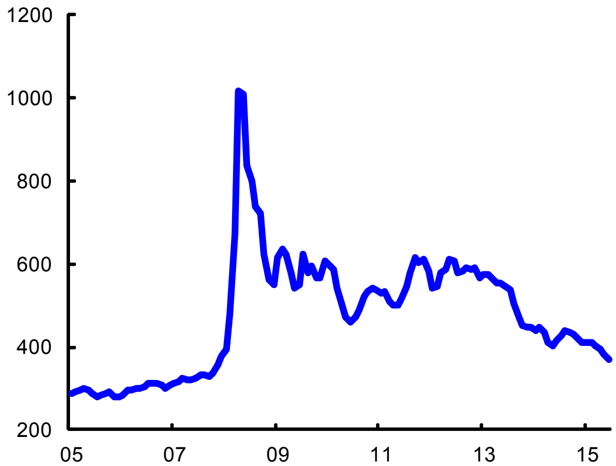
Rubber ($/lb)

Wool (cents/kg)

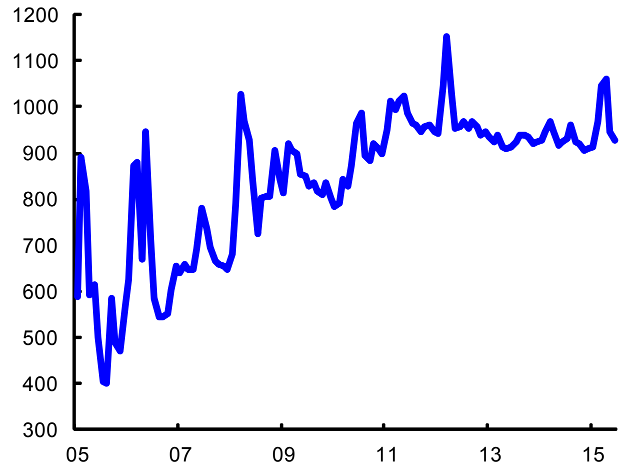


Commodity Prices Movements (Continued)
Monthly (from 2005)

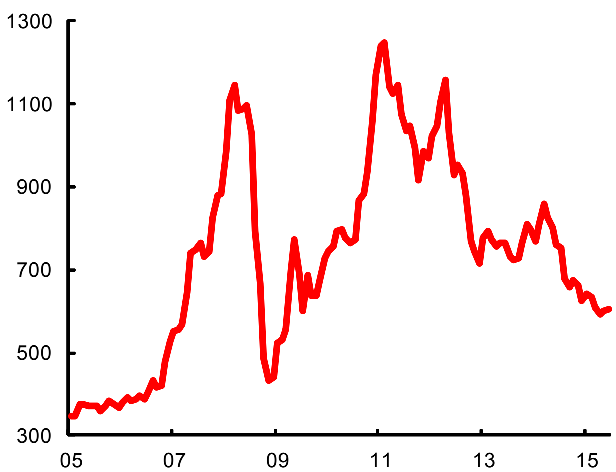
Rice ($/ton)



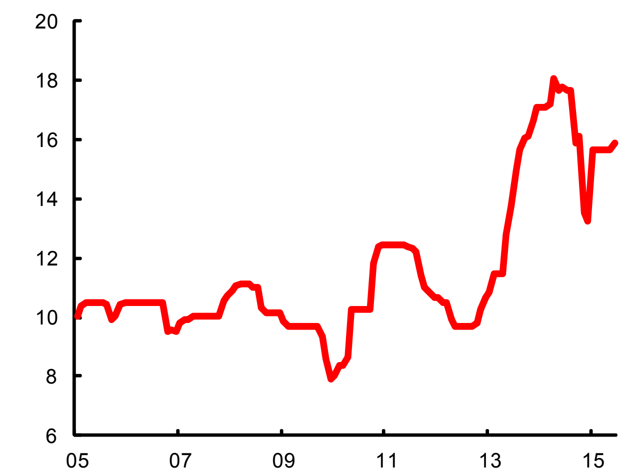
Bananas ($/ton)



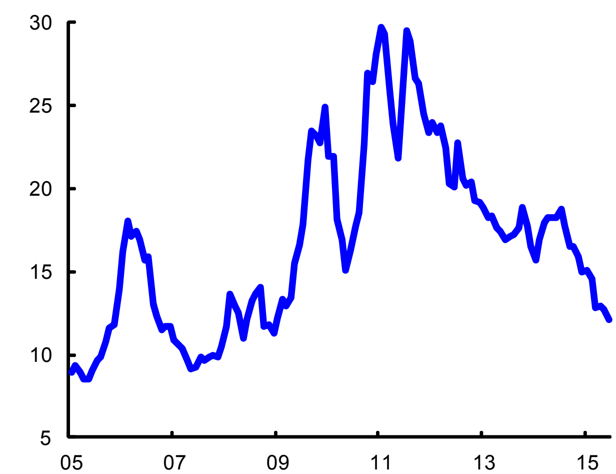
Palm Oil ($/ton)



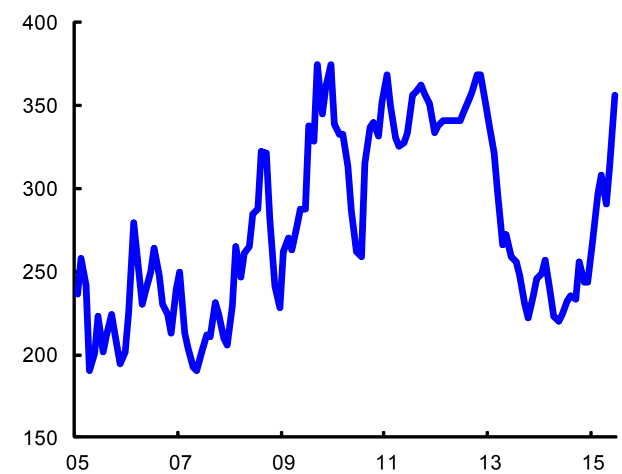
Shrimp ($/kg)



Sugar (cents/pound)



Tea (cents/kg)

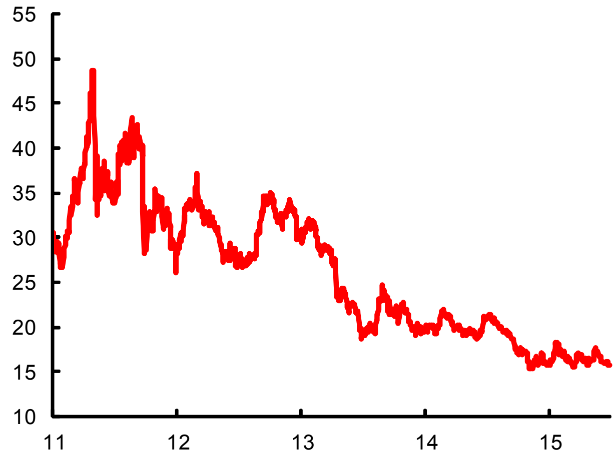


Commodity Prices Movements (Continued)

Daily (from 2011)

Gold ($/troy ounce)

Silver ($/troy ounce)



Platinum ($/ounce)

Palladium ($/ounce)