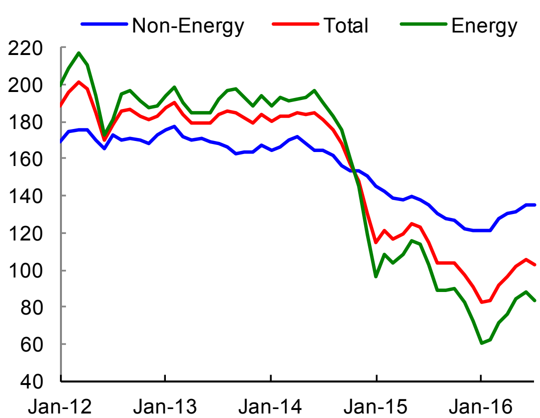
Commodity Market Monthly

Research Department, Commodities Unit

August 12, 2016 **www.imf.org/commodities** **commodities@imf.org**

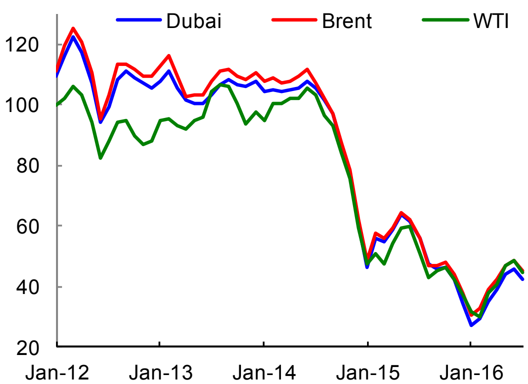
Commodity prices fell by 2.4 percent in July, marking its first decrease since January; declines in energy and agriculture offset gains in metals. Oil prices reversed gains from previous months following weak demand and ample supply, while the decline in agriculture prices was mainly the result of better than expected weather conditions in key producing regions. Metal prices rose on supply cuts amid low prices and rising demand from China.

IMF Commodity Price Indices
(2005 = 100)



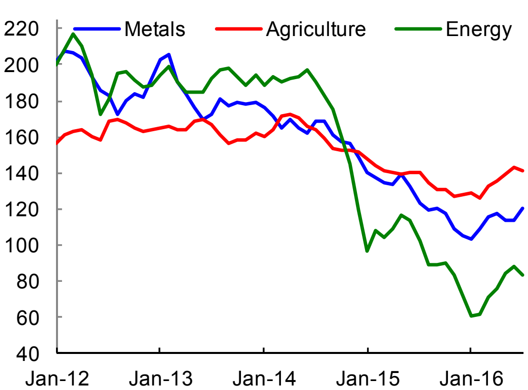
Crude oil prices dropped 7.3 percent in July, averaging $44.2/bbl, due to subdued demand, temporary output disruptions, and a moderate rebound in the number of operational rigs in the United States. The International Energy Agency is expecting the growth of oil demand to drop to 1.4 mbd in 2016 and 1.2 mbd in 2017, while OPEC oil production in July continued to rise 46 kbd to 33.1 mbd from the previous month, according to the organization's latest report.

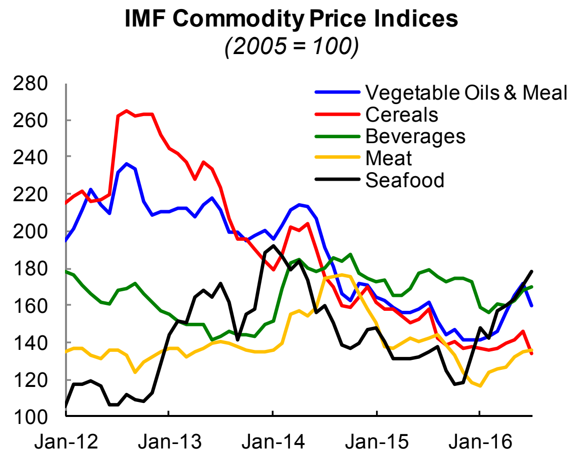
Crude Oil Prices
($/barrel)



Natural gas price in the U.S. increased by 8.6 percent in July, averaging $2.79/mmbtu, due to warmer than normal temperatures, which increased demand from the electric power sector. **Coal prices (Australia) surged by 18.6 percent** to 20-month high, on strong demand, especially from China.

IMF Commodity Price Indices
(2005 = 100)





Agriculture prices decreased 1.2 percent in July, down for the first time in five months. Food prices fell 3 percent; while beverages and agricultural raw material prices rose 1 and 2 percent, respectively. Wheat prices decreased 15 percent mainly due to improved production prospects, particularly in the Black Sea region. Corn and soybeans prices fell 10 and 7 percent, respectively, on better than expected weather conditions in the main growing regions of the U.S. Palm oil prices declined 6 percent following subdued demand and seasonal production recovery in Southeast Asia. Partly offsetting these declines, rice prices were up 8 percent amid supply concerns resulting from tighter availabilities in Thailand. Coffee arabica and robusta prices increased 4 and 5 percent, respectively, due to continued adverse weather in Brazil and Indonesia. Cotton prices increased for fourth consecutive month in line with lower output in top producing countries and higher than expected demand. Overall meat prices remained broadly unchanged, an increase in beef and lamb prices was offset by a decline in swine and poultry prices.

Metals prices increased by 5.7 percent in July, and reaching highest level since last September, due to supply cuts and Chinese growing demand for industrial metals. The largest increase was for Nickel, jumping by 15 percent, biggest monthly increase in 6 years, thanks to expectations of production cut and lower exports from Philippines. Iron ore also surged by 10 percent, as China's imports climbed to second-highest monthly record, in line with a stronger steel market. Lead and Zinc also increased by 7 and 8 percent respectively, both hitting one-year high. In addition, Copper picked up by 5 percent in July, due to a global production deficit caused by stronger China's demand. Aluminum also increased by 2 percent, as China's production began to fall, but is still under the pressure of overcapacity.

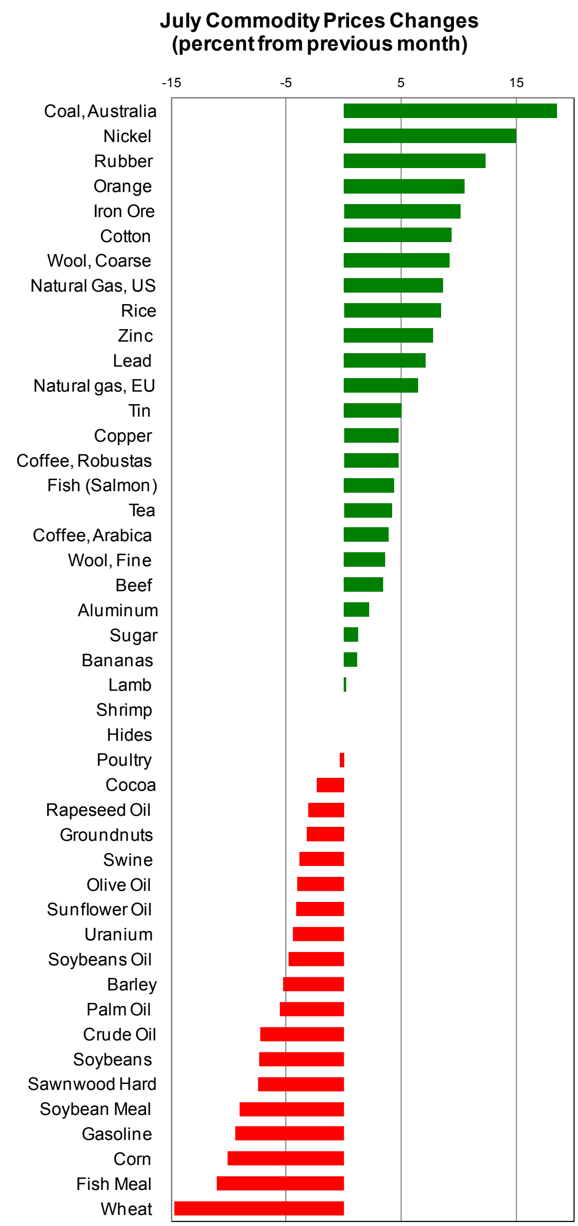


Table 1. Market Prices for Non-Fuel and Fuel Commodities

	Units	2013	2014	2015	2015Q3	2015Q4	2016Q1	2016Q2	Jun-16	Jul-16
Food										
Cereals										
Wheat	$/MT	265.8	242.5	185.6	178.8	162.3	162.6	159.2	156.6	133.6
Maize	$/MT	259.0	192.9	169.8	169.4	167.1	159.9	171.1	179.9	161.8
Rice	$/MT	518.8	426.5	380.0	374.0	357.7	367.7	401.8	420.7	456.2
Barley	$/MT	206.4	146.1	127.9	127.9	123.2	119.7	137.4	148.1	140.2
Vegetable oils and protein meals										
Soybeans	$/MT	517.2	457.8	347.4	347.6	323.3	323.4	387.8	421.2	390.4
Soybean meal	$/MT	477.3	467.0	352.7	369.3	320.8	294.9	392.9	443.4	403.3
Soybean oil	$/MT	1011.1	812.7	672.2	638.3	638.6	686.9	719.7	703.6	669.9
Palm oil	$/MT	764.2	739.4	565.1	514.6	518.0	586.9	647.8	618.5	584.2
Fish meal	$/MT	1710.5	1921.5	1759.2	1558.9	1701.9	1466.4	1511.5	1577.3	1403.4
Sunflower Oil	$/MT	1341.1	1080.3	1022.2	1010.4	1042.1	1024.5	1028.6	1017.3	975.1
Olive oil	$/MT	3816.7	3911.8	4927.1	5616.4	4658.3	4418.8	4125.3	4014.1	3851.1
Groundnuts	$/MT	2314.5	2148.3	1946.2	2012.9	1731.8	1821.3	1855.4	1870.6	1811.5
Rapeseed oil	$/MT	1081.2	904.4	774.6	772.7	798.1	774.7	797.7	788.8	764.4
Meat										
Beef	cts/lb	183.6	224.1	200.5	206.3	176.2	168.9	179.3	181.5	187.7
Lamb	cts/lb	106.7	130.6	107.9	101.3	95.3	95.5	100.6	106.6	106.8
Swine Meat	cts/lb	86.5	102.8	67.9	73.8	60.5	60.2	72.6	79.1	76.0
Poultry	cts/lb	103.8	110.1	114.7	115.5	113.6	112.1	111.8	111.8	111.5
Seafood										
Fish	$/kg	6.8	6.6	5.3	5.3	5.3	6.5	7.3	7.7	8.0
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	19.4	19.7
United States	cts/lb	21.2	24.9	24.9	24.5	25.5	25.9	27.5	27.4	28.1
EU	cts/lb	26.0	27.4	25.4	25.8	25.2	23.8	23.9	23.6	21.9
Bananas	$/MT	926.4	931.9	958.7	948.9	932.7	1028.2	993.0	993.2	1004.7
Oranges	$/MT	967.3	782.5	675.0	652.1	732.6	686.2	784.7	875.5	967.8
Beverages										
Coffee										
Other milds	cts/lb	141.1	202.8	160.5	153.2	150.8	150.7	158.5	165.8	172.4
Robusta	cts/lb	100.5	105.6	94.2	90.9	87.9	82.1	90.4	92.6	97.0
Cocoa Beans	$/MT	2439.1	3062.8	3135.2	3252.8	3301.3	2980.8	3099.8	3122.5	3050.0
Tea	cts/kg	266.0	237.9	340.4	387.2	363.0	290.3	251.4	268.9	280.1
Agricultural raw materials										
Timber										
Hardwood										
Logs 1/	$/M3	305.4	282.0	246.0	243.6	245.2	258.2	275.7	282.3	286.0
Sawnwood 1/	$/M3	852.8	897.9	833.3	844.9	827.1	780.3	782.3	774.7	717.1
Softwood										
Logs 1/	$/M3	164.5	174.3	162.0	159.8	159.3	168.4	140.8	140.5	140.5
Sawnwood 1/	$/M3	301.4	307.3	308.7	310.4	319.6	267.2	308.9	310.5	310.5
Cotton	cts/lb	90.4	83.1	70.4	71.0	69.5	66.9	71.2	74.1	81.1
Wool										
Fine	cts/kg	1197.7	1074.4	1005.8	999.7	995.8	1023.4	1092.8	1094.2	1133.6
Coarse	cts/kg	1128.1	1030.4	922.8	942.0	898.9	960.1	1000.9	996.5	1088.6
Rubber	cts/lb	126.8	88.8	70.7	66.1	57.0	59.3	75.2	71.7	80.5
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	Jun-16	Jul-16
Metals										
Copper	$/MT	7331.5	6863.4	5510.5	5267.1	4884.9	4674.7	4736.4	4642.0	4864.9
Aluminum	$/MT	1846.7	1867.4	1664.7	1592.4	1493.9	1514.5	1571.8	1593.5	1629.0
Iron Ore	$/MT	135.4	96.8	55.2	54.4	46.2	47.7	55.3	51.4	56.6
Tin	$/MT	22281.6	21898.9	16066.6	15229.5	15077.2	15438.6	16902.1	16966.7	17826.2
Nickel	$/MT	15030.0	16893.4	11862.6	10578.9	9423.0	8507.7	8822.5	8928.4	10262.9
Zinc	$/MT	1910.2	2161.0	1931.7	1842.8	1611.8	1677.3	1916.9	2026.2	2183.3
Lead	$/MT	2139.7	2095.5	1787.8	1717.0	1681.7	1738.0	1717.6	1712.8	1834.8
Uranium	$/lb	38.6	33.5	36.8	36.4	36.0	32.6	27.5	27.2	25.9
Energy										
Spot Crude 2/	$/bbl	104.1	96.2	50.8	48.8	42.2	32.8	44.8	47.7	44.2
U.K. Brent	$/bbl	108.8	98.9	52.4	50.0	43.4	34.4	46.0	48.5	45.1
Dubai	$/bbl	105.4	96.7	51.2	49.9	41.2	30.7	42.9	45.8	42.7
West Texas Intermediate	$/bbl	97.9	93.1	48.7	46.5	42.0	33.3	45.5	48.7	44.9
Natural Gas										
Russian in Germany	$/mmbtu	11.2	10.5	7.3	6.6	5.9	4.7	4.0	4.0	4.3
Indonesian in Japan (LNG)	$/mmbtu	17.3	17.0	11.0	9.8	10.0	8.2	6.9	7.3	7.3
US, domestic market	$/mmbtu	3.7	4.4	2.6	2.7	2.1	2.0	2.1	2.6	2.8
Coal										
Australian, export markets	$/MT	90.6	75.1	61.6	61.6	56.1	54.5	55.6	57.0	67.6

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	Jun-16	Jul-16
All Primary Commodities 2/	100.0	183.3	171.8	111.2	107.5	97.2	86.4	101.2	105.3	102.8
Non-Fuel Commodities	36.9	169.0	162.3	133.9	131.1	123.5	123.4	132.2	134.7	135.4
Agriculture	26.2	163.3	161.5	137.1	135.2	128.7	129.0	139.2	143.3	141.6
Food	16.7	177.5	170.2	141.0	140.5	132.2	136.3	149.2	155.1	151.3
Cereals	3.6	218.2	180.2	149.0	146.1	138.2	136.5	142.0	145.7	133.8
Vegetable oils and protein meals	4.4	206.4	190.7	153.6	152.4	143.3	143.5	164.1	171.5	159.9
Meat	3.7	136.8	160.5	137.4	141.9	125.2	122.2	131.4	135.3	135.9
Seafood	3.2	160.1	162.0	131.7	132.5	123.0	149.1	164.8	171.3	177.9
Beverages	1.8	147.4	178.0	172.6	175.9	173.7	158.7	163.5	167.9	170.1
Agricultural raw materials 3/	7.7	136.2	138.8	120.0	114.0	110.6	106.1	111.7	111.9	113.9
Timber	3.4	107.3	109.3	104.5	104.9	105.8	96.7	102.8	103.1	101.2
Metals	10.7	182.9	164.1	126.2	121.0	110.7	109.5	115.1	113.6	120.0
Edibles 4/	18.5	174.6	171.0	144.1	144.0	136.3	138.5	150.6	156.4	153.1
Industrial Inputs 5/	18.4	163.3	153.5	123.6	118.1	110.7	108.1	113.7	112.9	117.4
Energy 6/	63.1	191.7	177.4	97.9	93.7	81.8	64.7	83.1	88.1	83.7
Petroleum 7/	53.6	195.9	181.1	95.6	91.9	79.3	61.5	84.1	89.5	83.0
Natural Gas	6.9	164.9	159.9	106.8	97.5	90.6	73.5	64.3	67.1	69.8
Coal	2.6	176.8	149.1	121.3	120.1	110.0	107.8	110.8	114.2	133.2

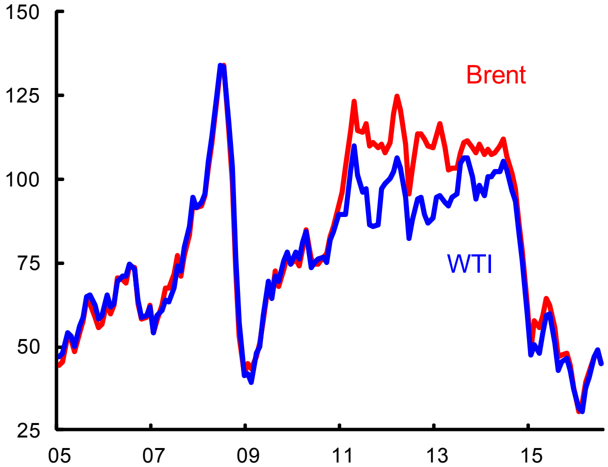
1/ Weights based on 2002-2004 average world export earnings.
2/ Non-Fuel Primary Commodities and Energy Index.
3/ Includes Forestry Products.
4/ Edibles comprised of Food and Beverages
5/ Industrial (Non-Fuel) Inputs comprised of Agriculture and Metals
6/ Includes Petroleum, Natural Gas and Coal
7/ Average Petroleum Spot Price (APSP). Average of U.K. Brent, Dubai, and West Texas Intermediate, equally weighted.

Commodity Prices Movements

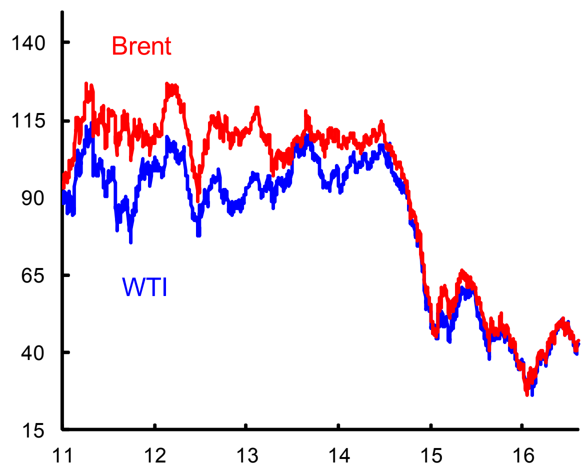
Monthly (from 2005)

Daily (from 2011)

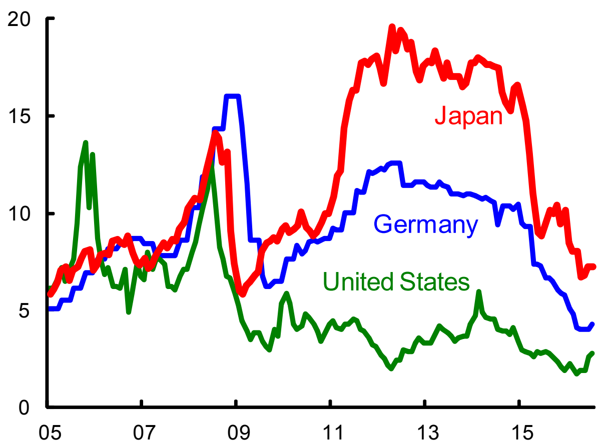
Crude oil ($/bbl)



Crude oil ($/bbl)

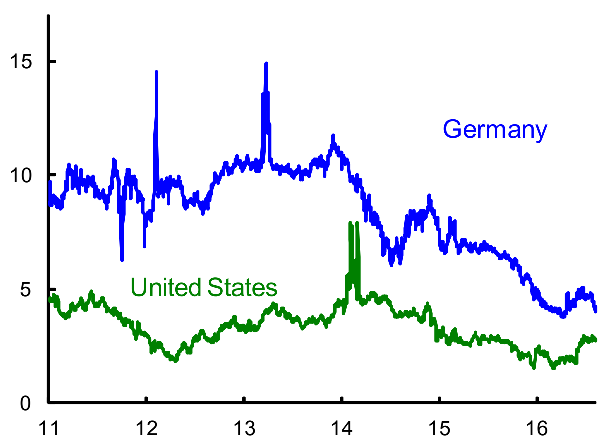


Natural Gas ($/mmbtu)



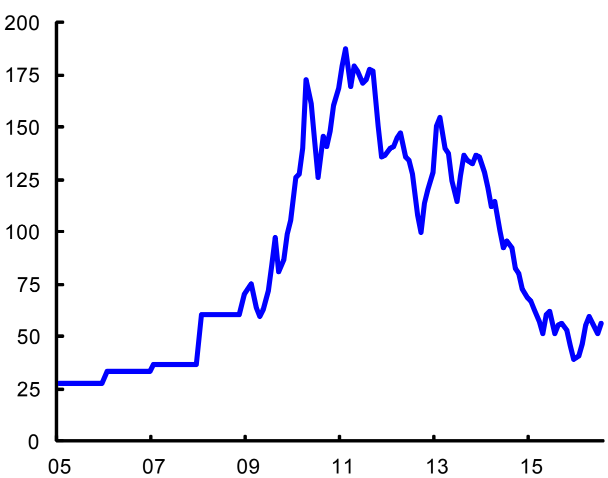
Sources: Energy Intelligence; Bloomberg, L.P.

Natural Gas ($/mmbtu)



Source: Bloomberg, L.P.

Iron Ore ($/ton)

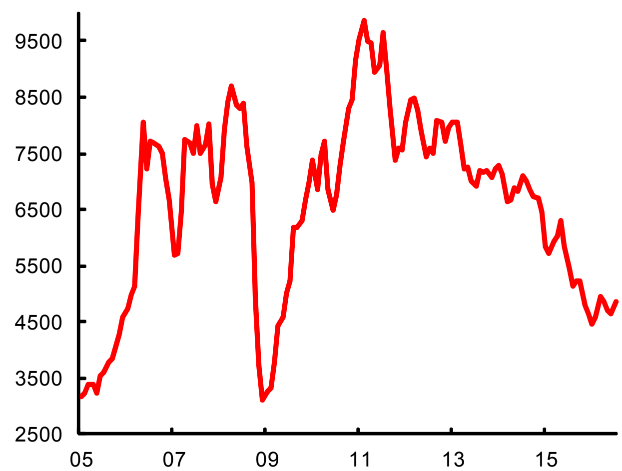


Iron Ore ($/ton)

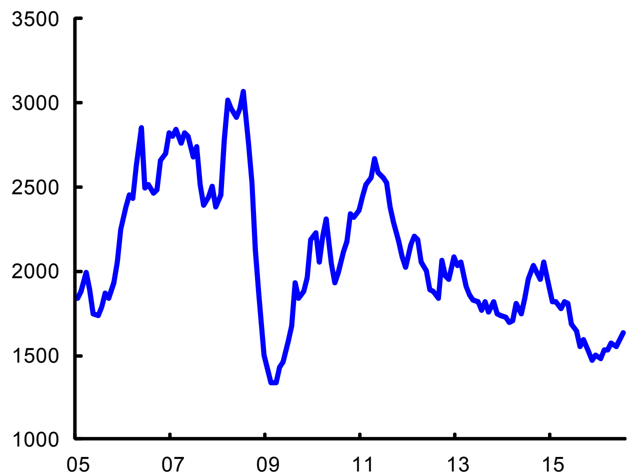
Commodity Prices Movements (Continued)

Monthly (from 2005)

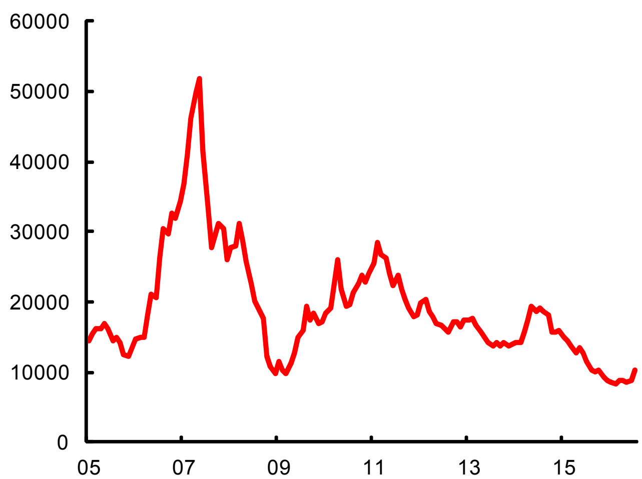
Copper ($/ton)



Aluminium ($/ton)



Nickel ($/ton)



Daily (from 2011)

Copper ($/ton)

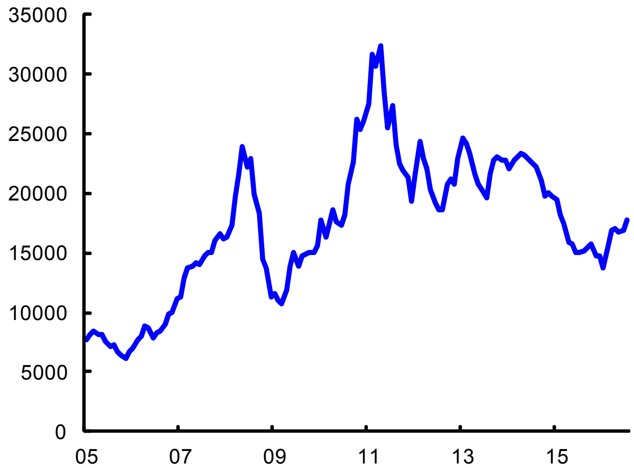
Aluminium ($/ton)

Nickel ($/ton)

Commodity Prices Movements (Continued)

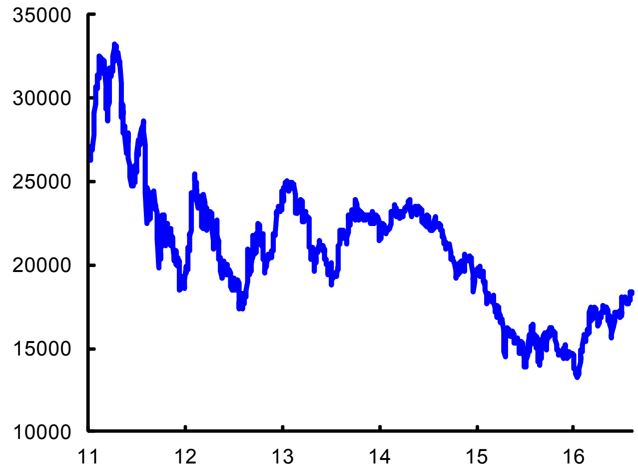
Monthly (from 2005)

Tin ($/ton)

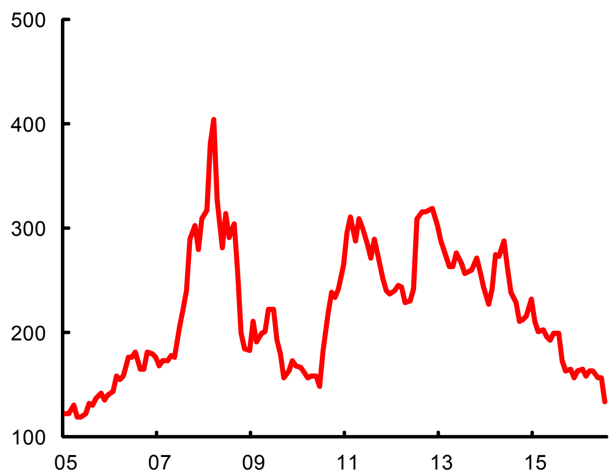


Daily (from 2011)

Tin ($/ton)



Wheat ($/ton)



Wheat ($/ton)

Corn ($/ton)

Corn ($/ton)

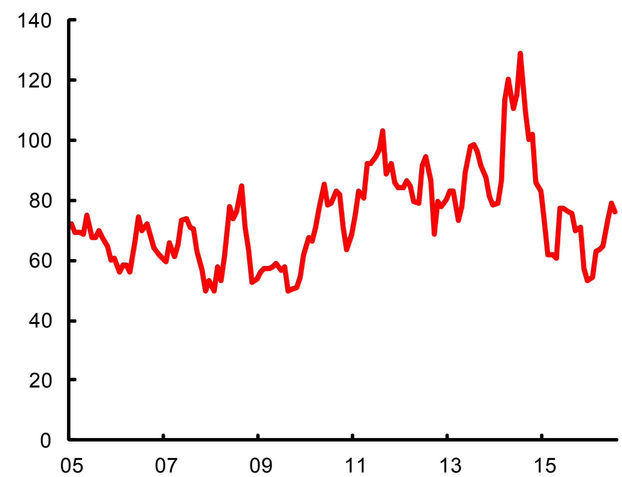
Commodity Prices Movements (Continued)

Monthly (from 2005)

Cocoa ($/ton)

Coffee (cents/lb)

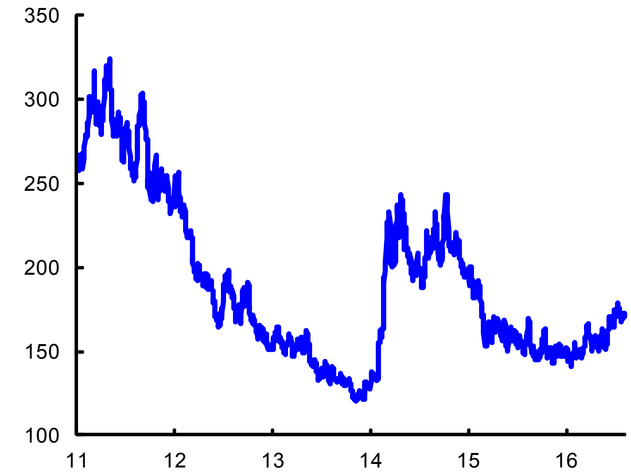
Swine (cents/lb)



Daily (from 2011)

Cocoa ($/ton)

Coffee (cents/lb)

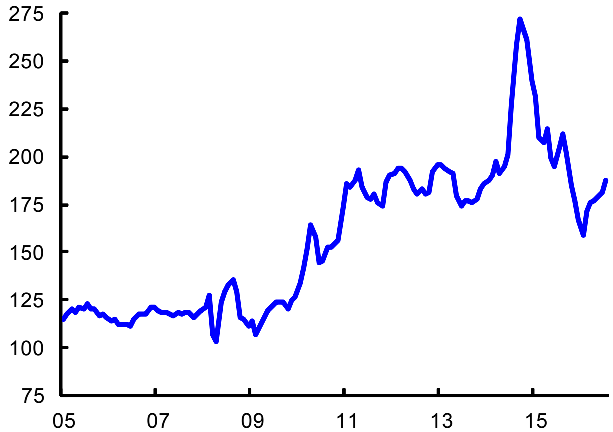


Swine (cents/lb)

Commodity Prices Movements (Continued)

Monthly (from 2005)

Beef (cents/pound)



Source: Meat & Livestock Australia.

Daily (from 2011)

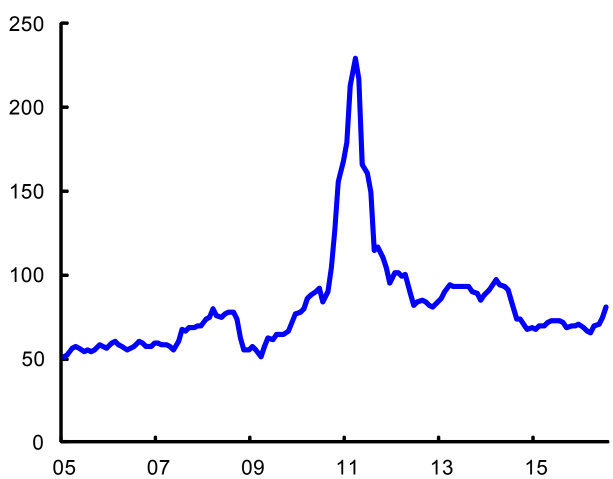
Beef (cents/lb)

Source: Bloomberg, L.P.

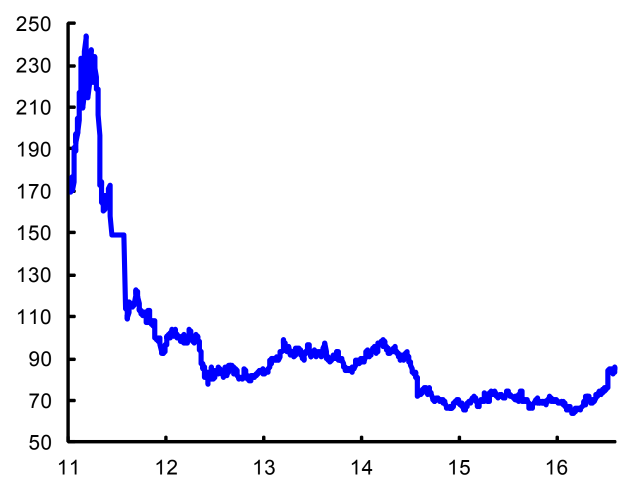
Soybeans ($/ton)

Soybeans ($/ton)

Cotton (cents/pound)



Cotton (cents/lb)

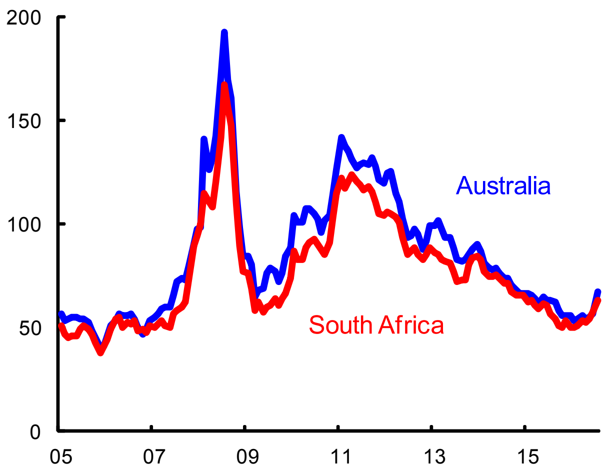


Commodity Prices Movements (Continued)
Monthly (from 2005)

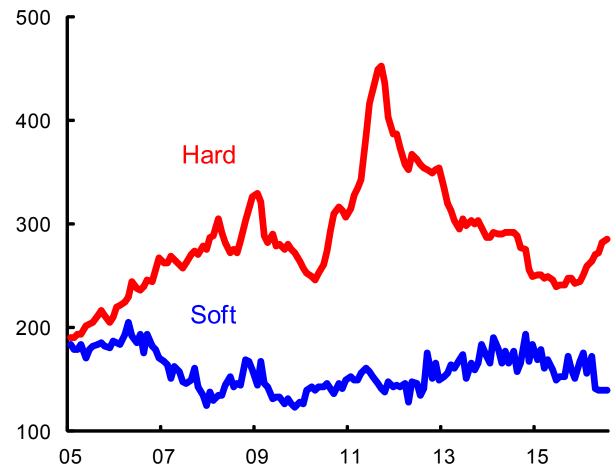
Uranium($/lb)

Zinc ($/ton)

Coal ($/ton)

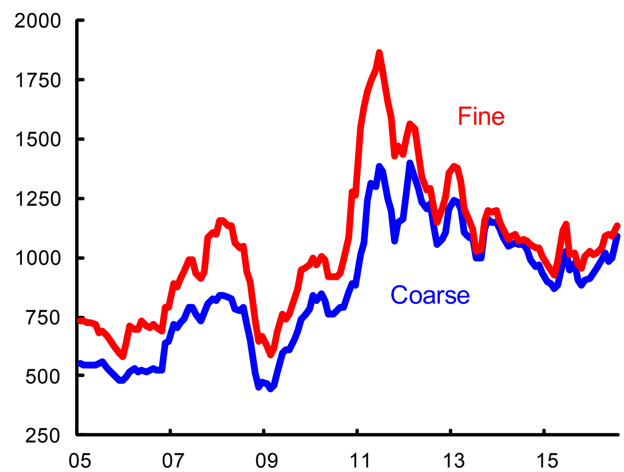


Logs ($/cubic meter)



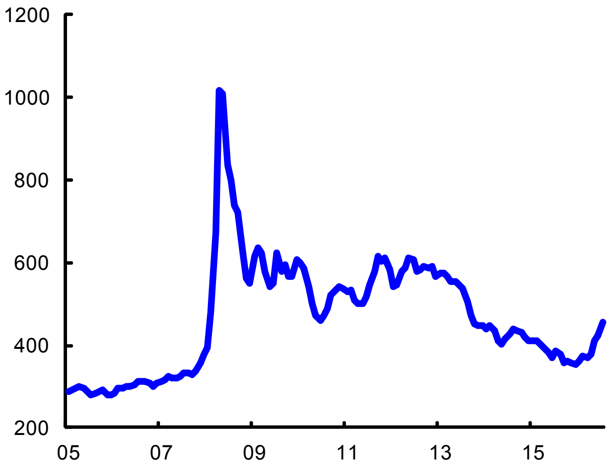
Rubber ($/lb)

Wool (cents/kg)

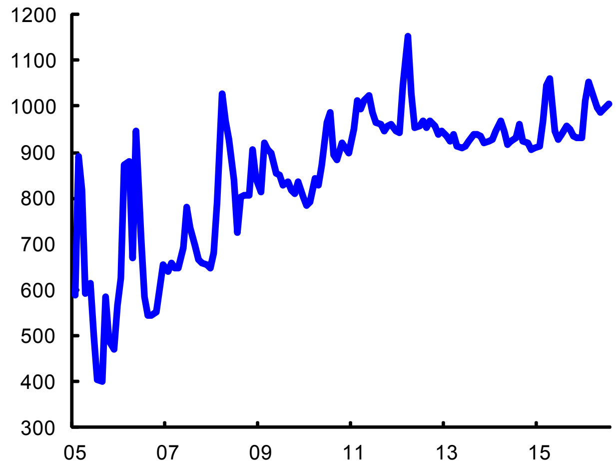


Commodity Prices Movements (Continued)
Monthly (from 2005)

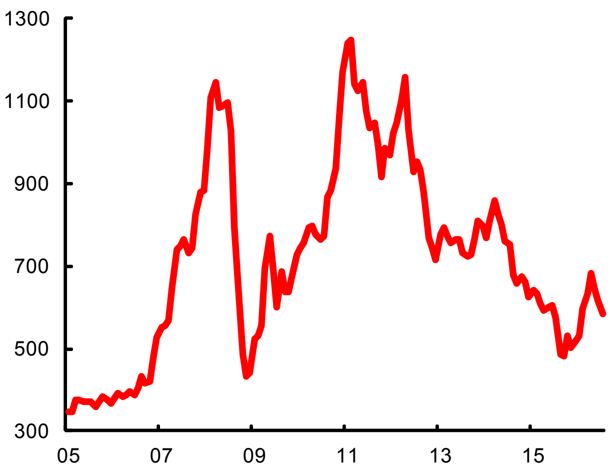
Rice ($/ton)



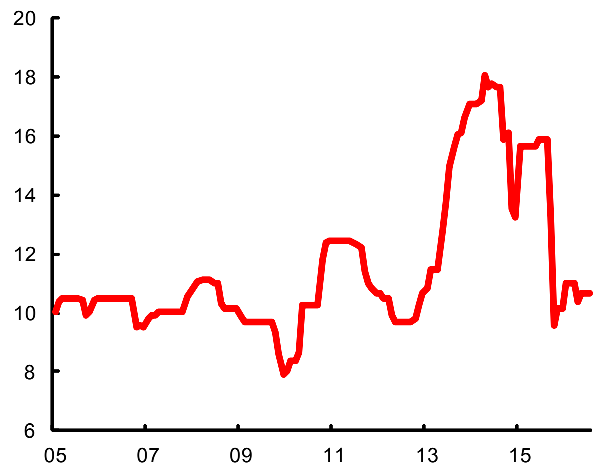
Bananas ($/ton)



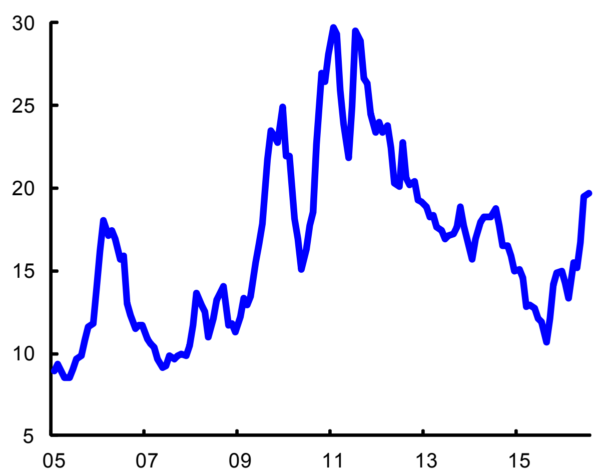
Palm Oil ($/ton)



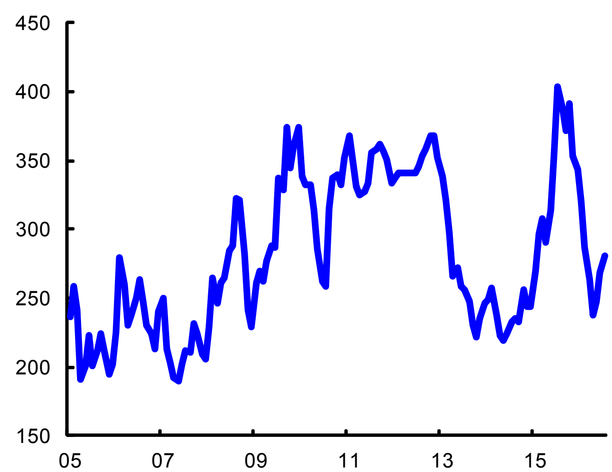
Shrimp ($/kg)



Sugar (cents/pound)



Tea (cents/kg)



Commodity Prices Movements (Continued)

Daily (from 2011)