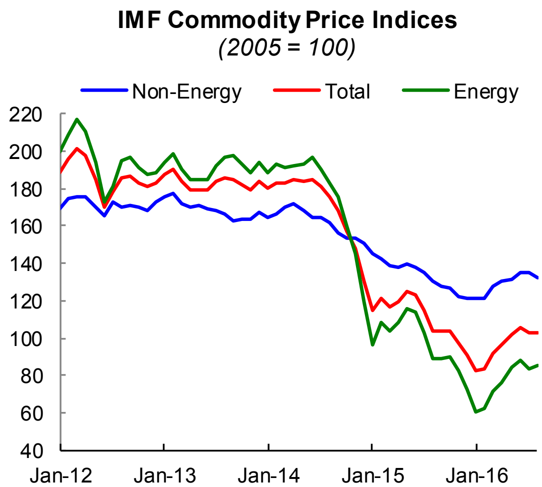
Commodity Market Monthly

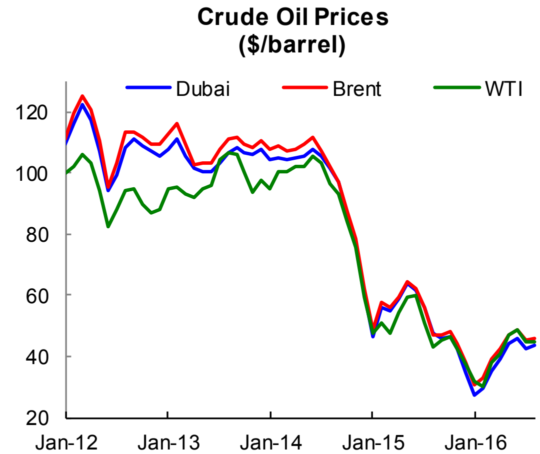
Research Department, Commodities Unit

September 15, 2016 **www.imf.org/commodities** **commodities@imf.org**

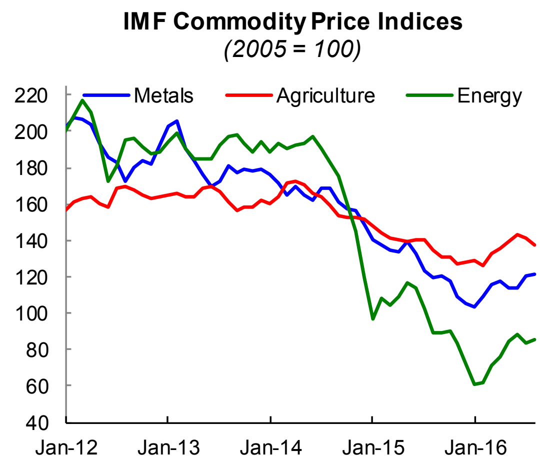
Commodity prices slightly fell by 0.1 percent in August, small gains in energy and metal prices were offset by a decrease in agriculture prices. Metal prices continued their increasing trend following Chinese stimulus measures. Agriculture prices fell for second consecutive month on ample supply and improved production prospects.

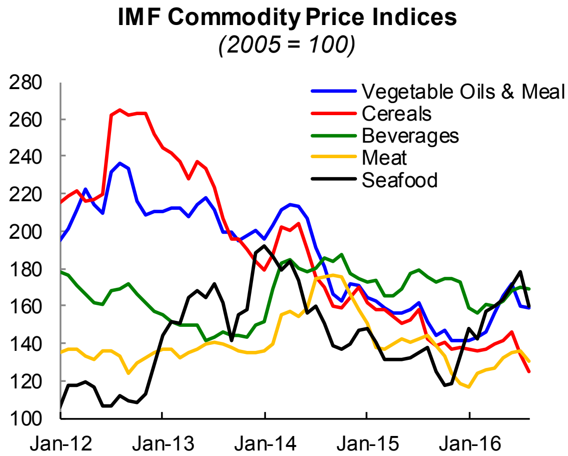


Crude oil prices increased 1.4 percent in August, averaging \$44.8/bbl, partly due to output disruptions. The recent recovery of oil prices increased U.S. drilling activity and will help stabilize U.S. oil production at the current level. The International Energy Agency expects the growth of oil demand to drop to 1.3 mbd in 2016 and 1.2 mbd in 2017. Meanwhile OPEC oil production in August dropped 23 kbd to 33.2 mbd from the previous month, according to the organization's latest report.



Natural gas price in the U.S. increased by 0.1 percent in August, averaging \$2.79/mmbtu, supported by an unusually hot summer. **Coal prices (Australia) surged by 8.2 percent** to a record high in 2 years, on the back of rising Chinese import demand.





Agriculture prices decreased 3.1 percent in August, down for second consecutive month. Food and beverages prices fell 4 and 1 percent, respectively; while agricultural raw material prices remained broadly unchanged. Improved crop prospects in the northern hemisphere, particularly in the US where beneficial weather conditions are expected to enhance yields, contributed to further declines in wheat, corn and soybeans prices. Rice prices fell 9 percent, marking the first decline in five months, on weaker demand and ample export availabilities. Overall meat prices declined 4 percent, led by a sharp decrease in swine prices following a recent recovery in production in the US. Coffee arabica and robusta prices remained broadly unchanged, though weather conditions in South America might harm current and next crop. Palm oil prices increased 14 percent, the rebound was mainly due to lower than expected output in Malaysia, tight global inventories, and strong demand.

Metals prices increased by 1.4 percent in August, reaching its highest level since July 2015. The biggest surge was from iron ore, up 7 percent, as China's imports kept climbing in August. Zinc continued increasing for the seventh consecutive month, with significant reduction in global production and rise in Chinese demand. Nickel, however, cooled down to a less than 1 percent increase due to a sharp rise in supply from Indonesia, in spite of production disruptions in the Philippines for the past few months. Aluminum also stayed flat, supported by lower Chinese exports. Copper retraced by 2 percent, in line with continuous declines in China's imports since April and expected increasing global supply over next year.

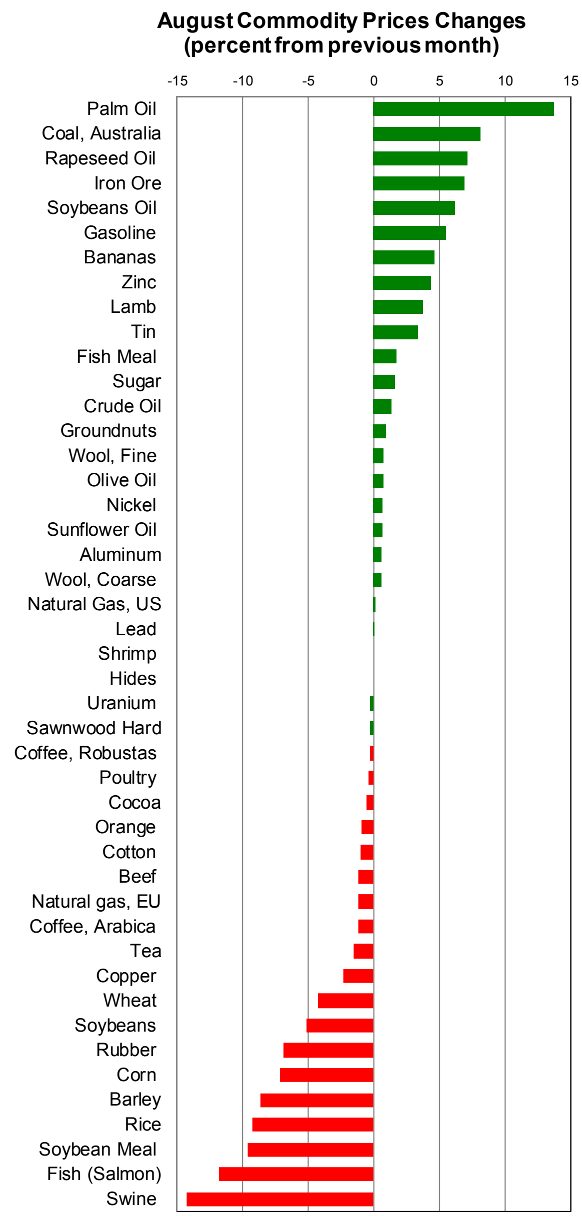


Table 1. Market Prices for Non-Fuel and Fuel Commodities

	Units	2013	2014	2015	2015Q3	2015Q4	2016Q1	2016Q2	Jul-16	Aug-16
Food										
Cereals										
Wheat	$/MT	265.8	242.5	185.6	178.8	162.3	162.6	159.2	133.6	127.9
Maize	$/MT	259.0	192.9	169.8	169.4	167.1	159.9	171.1	161.8	150.2
Rice	$/MT	518.8	426.5	380.0	374.0	357.7	367.7	401.8	456.2	414.2
Barley	$/MT	206.4	146.1	127.9	127.9	123.2	119.7	137.4	140.2	128.1
Vegetable oils and protein meals										
Soybeans	$/MT	517.2	457.8	347.4	347.6	323.3	323.4	387.8	390.4	370.3
Soybean meal	$/MT	477.3	467.0	352.7	369.3	320.8	294.9	392.9	403.3	364.5
Soybean oil	$/MT	1011.1	812.7	672.2	638.3	638.6	686.9	719.7	669.9	711.7
Palm oil	$/MT	764.2	739.4	565.1	514.6	518.0	586.9	647.8	584.2	664.4
Fish meal	$/MT	1710.5	1921.5	1759.2	1558.9	1701.9	1466.4	1511.5	1403.4	1427.4
Sunflower Oil	$/MT	1341.1	1080.3	1022.2	1010.4	1042.1	1024.5	1028.6	975.1	981.9
Olive oil	$/MT	3816.7	3911.8	4927.1	5616.4	4658.3	4418.8	4125.3	3851.1	3879.1
Groundnuts	$/MT	2314.5	2148.3	1946.2	2012.9	1731.8	1821.3	1855.4	1816.1	1832.9
Rapeseed oil	$/MT	1081.2	904.4	774.6	772.7	798.1	774.7	797.7	764.4	818.9
Meat										
Beef	cts/lb	183.6	224.1	200.5	206.3	176.2	168.9	179.3	187.7	185.6
Lamb	cts/lb	106.7	130.6	107.9	101.3	95.3	95.5	100.6	106.8	110.8
Swine Meat	cts/lb	86.5	102.8	67.9	73.8	60.5	60.2	72.6	76.0	65.2
Poultry	cts/lb	103.8	110.1	114.7	115.5	113.6	112.1	111.8	111.5	111.1
Seafood										
Fish	$/kg	6.8	6.6	5.3	5.3	5.3	6.5	7.3	8.0	7.1
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	19.7	20.0
United States	cts/lb	21.2	24.9	24.9	24.5	25.5	25.9	27.5	28.1	28.5
EU	cts/lb	26.0	27.4	25.4	25.8	25.2	23.8	23.9	21.9	21.8
Bananas	$/MT	926.4	931.9	958.7	948.9	932.7	1028.2	993.0	1004.7	1051.5
Oranges	$/MT	967.3	782.5	675.0	652.1	732.6	686.2	784.7	967.8	959.0
Beverages										
Coffee										
Other milds	cts/lb	141.1	202.8	160.5	153.2	150.8	150.7	158.5	172.4	170.3
Robusta	cts/lb	100.5	105.6	94.2	90.9	87.9	82.1	90.4	97.0	96.7
Cocoa Beans	$/MT	2439.1	3062.8	3135.2	3252.8	3301.3	2980.8	3099.8	3050.0	3032.5
Tea	cts/kg	266.0	237.9	340.4	387.2	363.0	290.3	251.4	280.1	275.9
Agricultural raw materials										
Timber										
Hardwood										
Logs 1/	$/M3	305.4	282.0	246.0	243.6	245.2	258.2	275.7	286.0	294.0
Sawnwood 1/	$/M3	852.8	897.9	833.3	844.9	827.1	780.3	782.3	717.1	714.8
Softwood										
Logs 1/	$/M3	164.5	174.3	162.0	159.8	159.3	168.4	143.5	146.4	146.4
Sawnwood 1/	$/M3	301.4	307.3	308.7	310.4	319.6	267.2	309.2	310.8	310.8
Cotton	cts/lb	90.4	83.1	70.4	71.0	69.5	66.9	71.2	81.1	80.3
Wool										
Fine	cts/kg	1197.7	1074.4	1005.8	999.7	995.8	1023.4	1092.8	1133.6	1142.1
Coarse	cts/kg	1128.1	1030.4	922.8	942.0	898.9	960.1	1000.9	1088.6	1094.9
Rubber	cts/lb	126.8	88.8	70.7	66.1	57.0	59.3	75.2	80.5	75.0
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	Jul-16	Aug-16
Metals										
Copper	$/MT	7331.5	6863.4	5510.5	5267.1	4884.9	4674.7	4736.4	4864.9	4751.7
Aluminum	$/MT	1846.7	1867.4	1664.7	1592.4	1493.9	1514.5	1571.8	1629.0	1639.3
Iron Ore	$/MT	135.4	96.8	55.2	54.4	46.2	47.7	55.3	56.6	60.5
Tin	$/MT	22281.6	21898.9	16066.6	15229.5	15077.2	15438.6	16902.1	17826.2	18427.0
Nickel	$/MT	15030.0	16893.4	11862.6	10578.9	9423.0	8507.7	8822.5	10262.9	10336.0
Zinc	$/MT	1910.2	2161.0	1931.7	1842.8	1611.8	1677.3	1916.9	2183.3	2279.1
Lead	$/MT	2139.7	2095.5	1787.8	1717.0	1681.7	1738.0	1717.6	1834.8	1835.5
Uranium	$/lb	38.6	33.5	36.8	36.4	36.0	32.6	27.5	25.9	25.9
Energy										
Spot Crude 2/	$/bbl	104.1	96.2	50.8	48.8	42.2	32.8	44.8	44.2	44.8
U.K. Brent	$/bbl	108.8	98.9	52.4	50.0	43.4	34.4	46.0	45.1	46.1
Dubai	$/bbl	105.4	96.7	51.2	49.9	41.2	30.7	42.9	42.7	43.6
West Texas Intermediate	$/bbl	97.9	93.1	48.7	46.5	42.0	33.3	45.5	44.9	44.7
Natural Gas										
Russian in Germany	$/mmbtu	11.2	10.5	7.3	6.6	5.9	4.7	4.0	4.3	4.3
Indonesian in Japan (LNG)	$/mmbtu	17.3	17.0	11.0	9.8	10.0	8.2	6.9	7.3	7.4
US, domestic market	$/mmbtu	3.7	4.4	2.6	2.7	2.1	2.0	2.1	2.8	2.8
Coal										
Australian, export markets	$/MT	90.6	75.1	61.6	61.6	56.1	54.5	55.6	66.7	72.2

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/

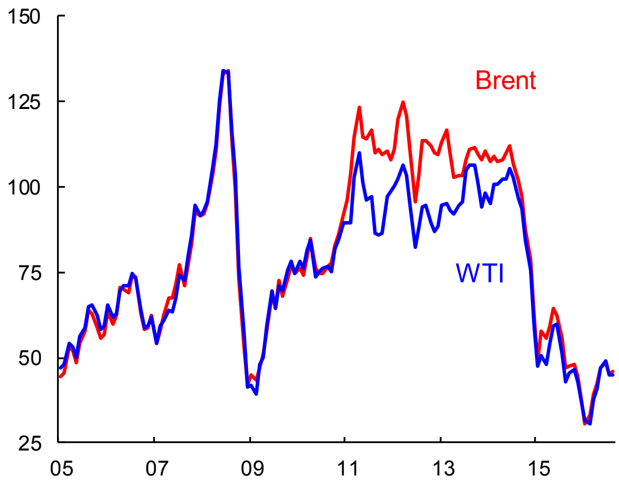
	(weights) 1/	2013	2014	2015	2015Q3	2015Q4	2016Q1	2016Q2	Jul-16	Aug-16
All Primary Commodities 2/	100.0	183.3	171.8	111.2	107.5	97.2	86.4	101.2	102.7	102.6
Non-Fuel Commodities	36.9	169.0	162.3	133.9	131.1	123.5	123.4	132.2	135.4	132.7
Agriculture	26.2	163.3	161.5	137.1	135.2	128.7	129.0	139.2	141.6	137.2
Food	16.7	177.5	170.2	141.0	140.5	132.2	136.3	149.2	151.3	144.7
Cereals	3.6	218.2	180.2	149.0	146.1	138.2	136.5	142.0	133.8	124.8
Vegetable oils and protein meals	4.4	206.4	190.7	153.6	152.4	143.3	143.5	164.1	159.9	159.0
Meat	3.7	136.8	160.5	137.4	141.9	125.2	122.2	131.4	135.9	130.3
Seafood	3.2	160.1	162.0	131.7	132.5	123.0	149.1	164.8	177.9	159.4
Beverages	1.8	147.4	178.0	172.6	175.9	173.7	158.7	163.5	170.1	168.8
Agricultural raw materials 3/	7.7	136.2	138.8	120.0	114.0	110.6	106.1	111.8	114.0	113.6
Timber	3.4	107.3	109.3	104.5	104.9	105.8	96.7	103.0	101.6	101.9
Metals	10.7	182.9	164.1	126.2	121.0	110.7	109.5	115.1	120.0	121.7
Edibles 4/	18.5	174.6	171.0	144.1	144.0	136.3	138.5	150.6	153.1	147.0
Industrial Inputs 5/	18.4	163.3	153.5	123.6	118.1	110.7	108.1	113.7	117.5	118.3
Energy 6/	63.1	191.7	177.4	97.9	93.7	81.8	64.7	83.0	83.6	85.1
Petroleum 7/	53.6	195.9	181.1	95.6	91.9	79.3	61.5	84.1	83.0	84.2
Natural Gas	6.9	164.9	159.9	106.8	97.5	90.6	73.5	64.1	69.8	69.8
Coal	2.6	176.8	149.1	121.3	120.1	110.0	107.8	110.8	131.7	141.7

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.

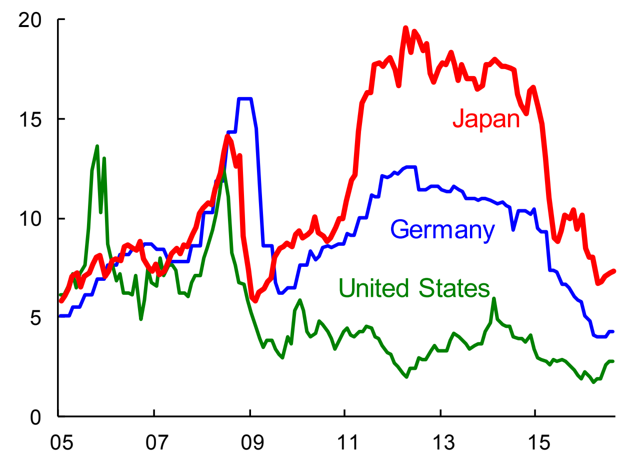
Commodity Prices Movements

Monthly (from 2005)

Crude oil ($/bbl)

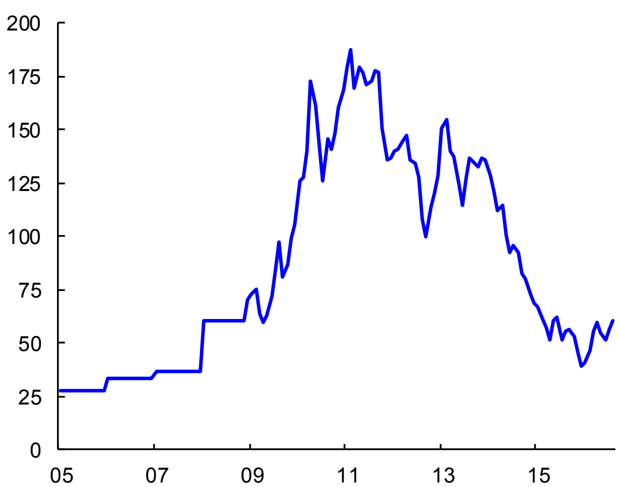


Natural Gas ($/mmbtu)



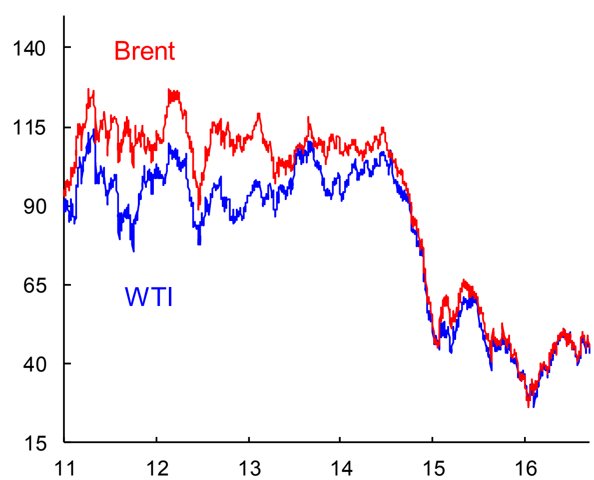
Sources: Energy Intelligence; Bloomberg, L.P.

Iron Ore ($/ton)

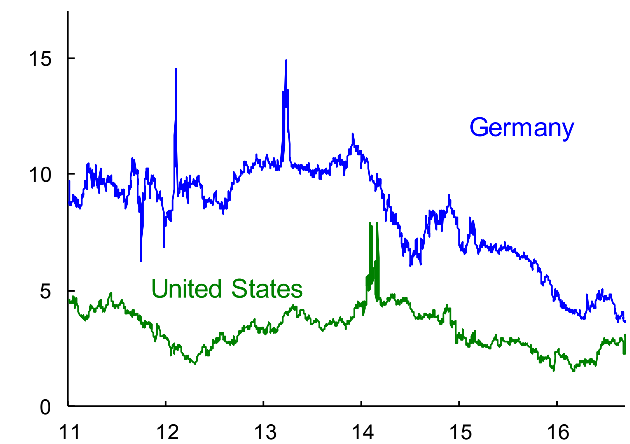


Daily (from 2011)

Crude oil ($/bbl)



Natural Gas ($/mmbtu)



Source: Bloomberg, L.P.

Iron Ore ($/ton)

Commodity Prices Movements (Continued)

Monthly (from 2005)

Copper ($/ton)

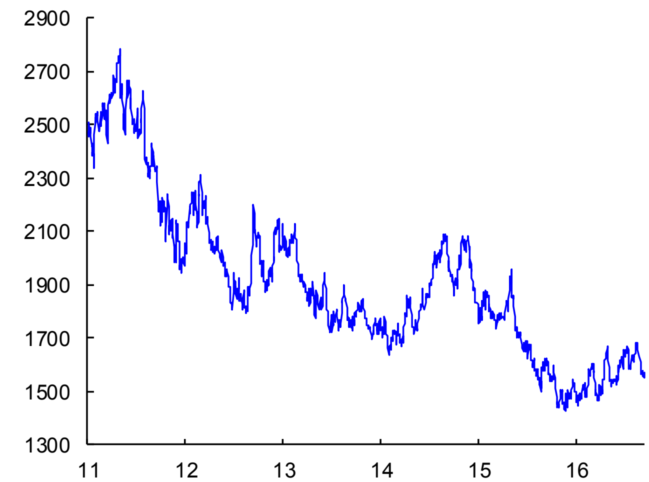
Aluminium ($/ton)

Nickel ($/ton)

Daily (from 2011)

Copper ($/ton)

Aluminium ($/ton)

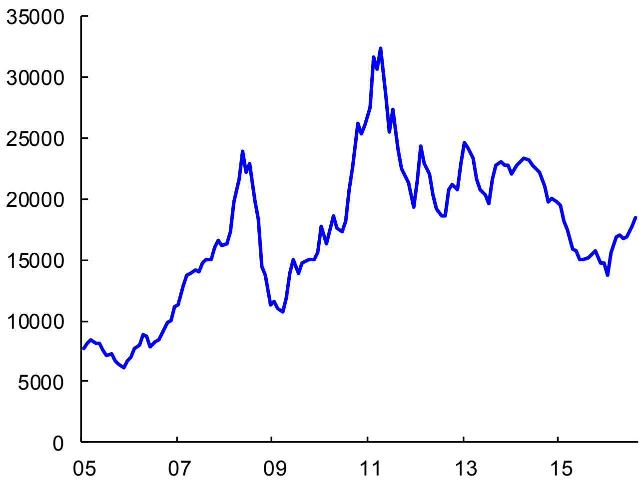


Nickel ($/ton)

Commodity Prices Movements (Continued)

Monthly (from 2005)

Tin ($/ton)

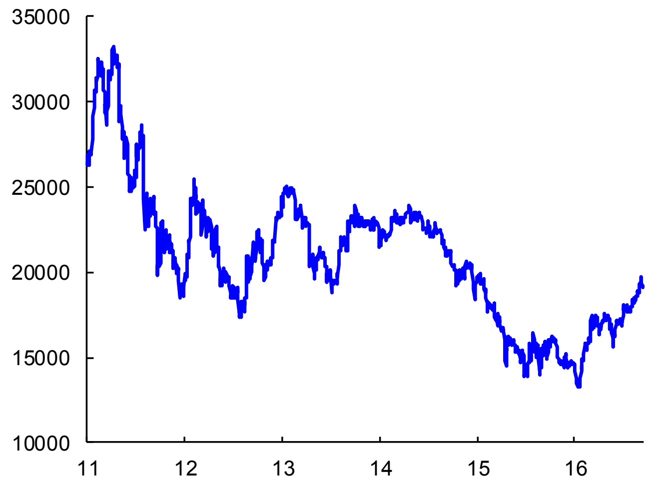


Wheat ($/ton)

Corn ($/ton)

Daily (from 2011)

Tin ($/ton)



Wheat ($/ton)

Corn ($/ton)

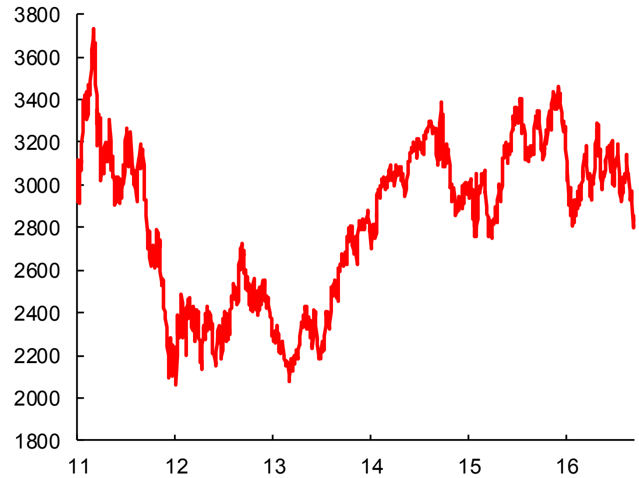
Commodity Prices Movements (Continued)

Monthly (from 2005)

Daily (from 2011)

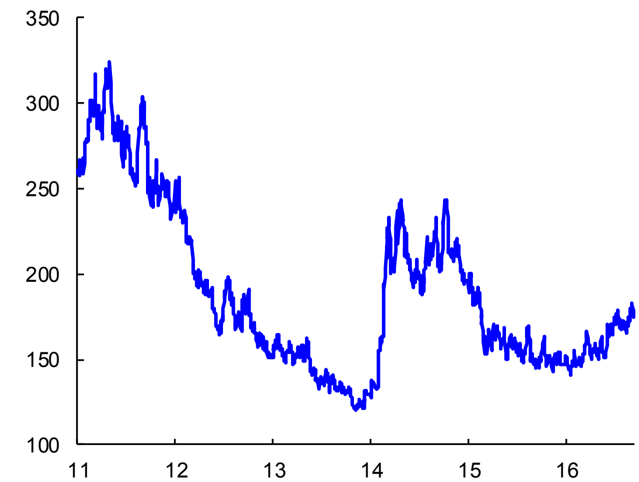
Cocoa ($/ton)

Cocoa ($/ton)

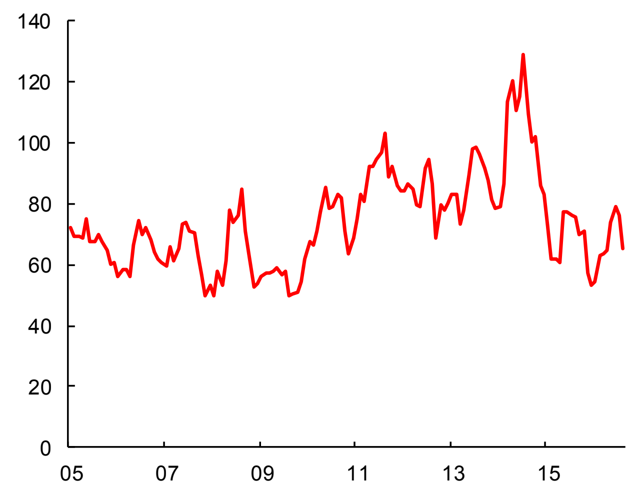


Coffee (cents/lb)

Coffee (cents/lb)



Swine (cents/lb)

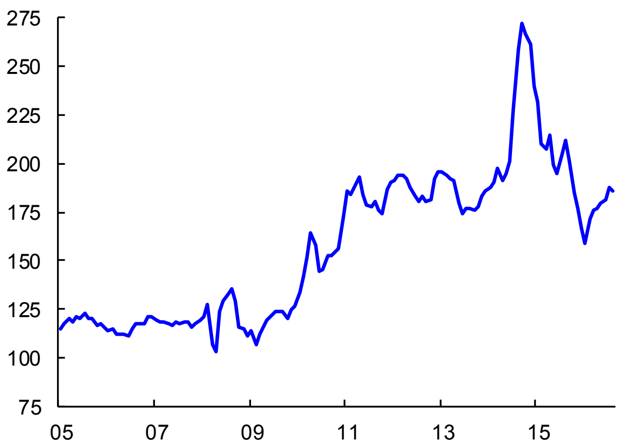


Swine (cents/lb)

Commodity Prices Movements (Continued)

Monthly (from 2005)

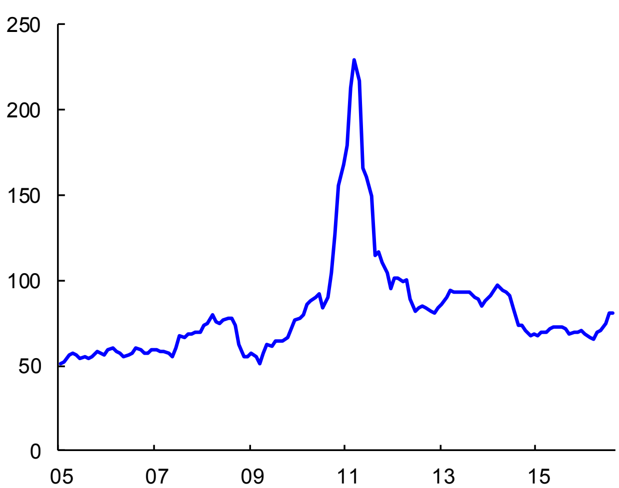
Beef (cents/pound)



Source: Meat & Livestock Australia.

Soybeans ($/ton)

Cotton (cents/pound)



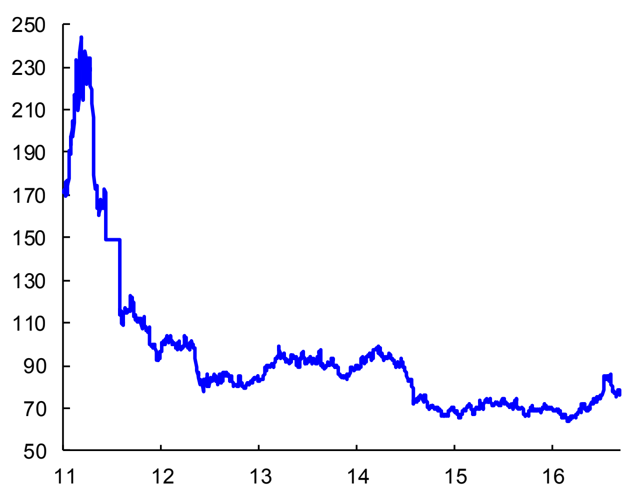
Daily (from 2011)

Beef (cents/lb)

Source: Bloomberg, L.P.

Soybeans ($/ton)

Cotton (cents/lb)

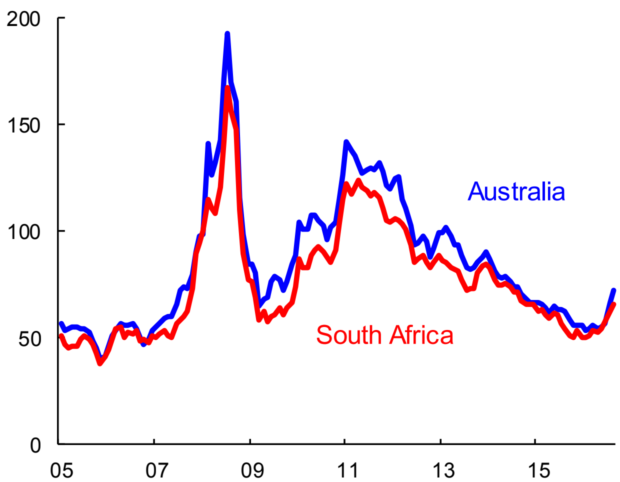


Commodity Prices Movements (Continued)
Monthly (from 2005)

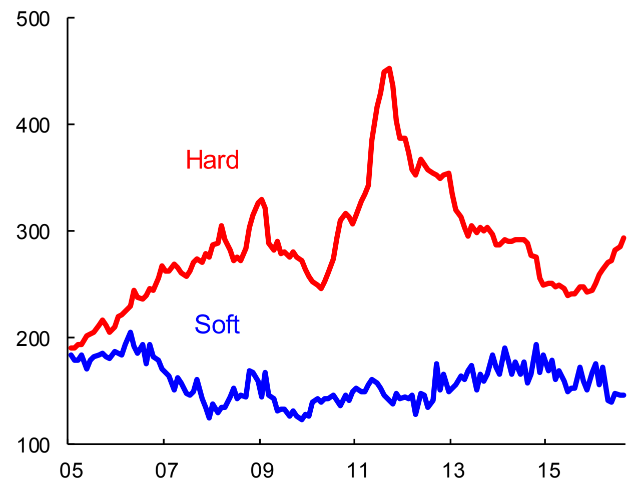
Uranium($/lb)

Zinc ($/ton)

Coal ($/ton)

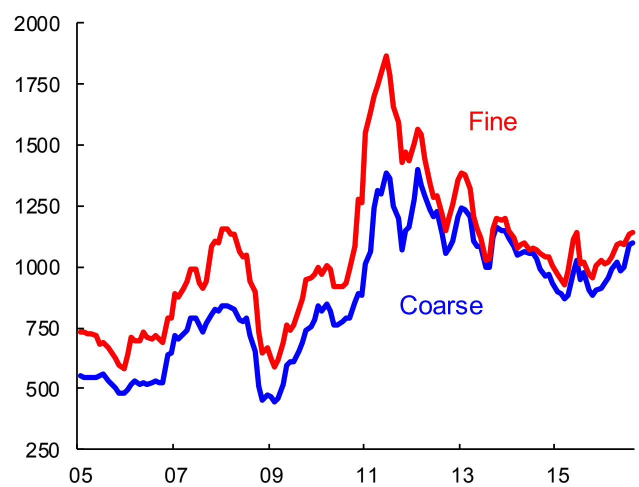


Logs ($/cubic meter)

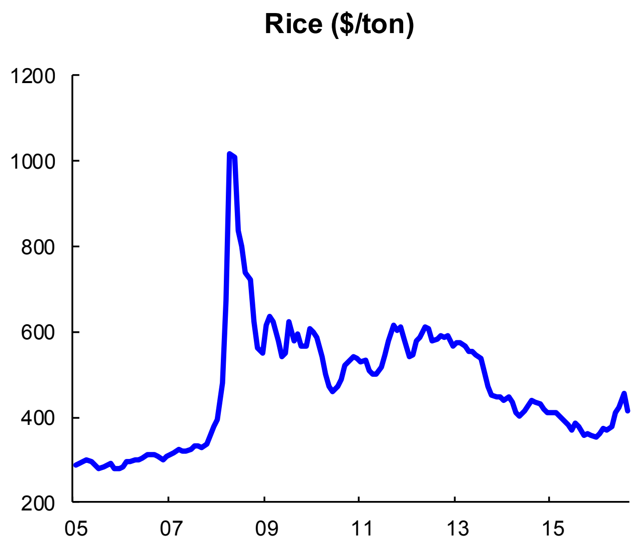


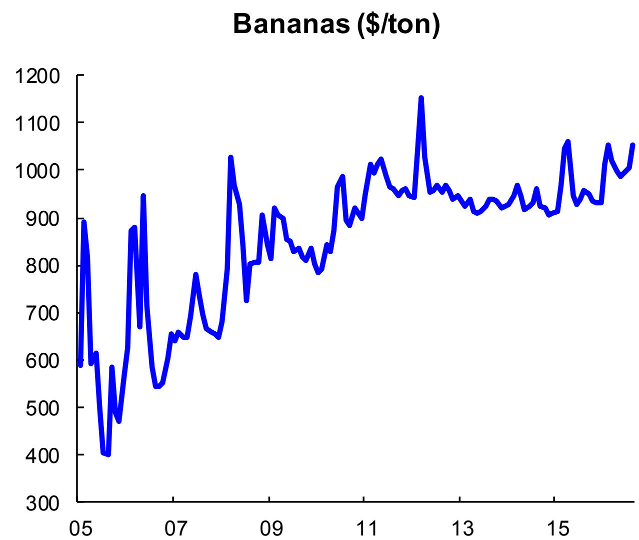
Rubber ($/lb)

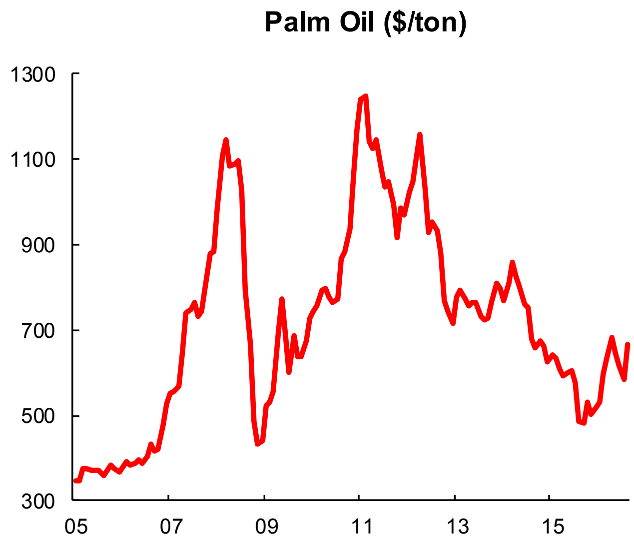
Wool (cents/kg)

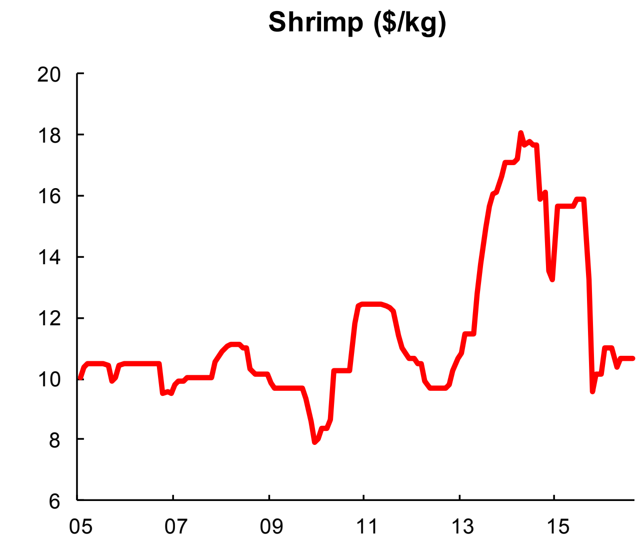


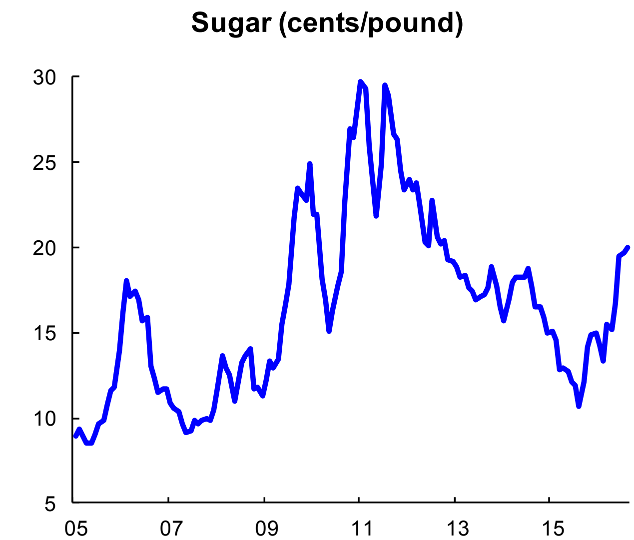
Commodity Prices Movements (Continued)
Monthly (from 2005)

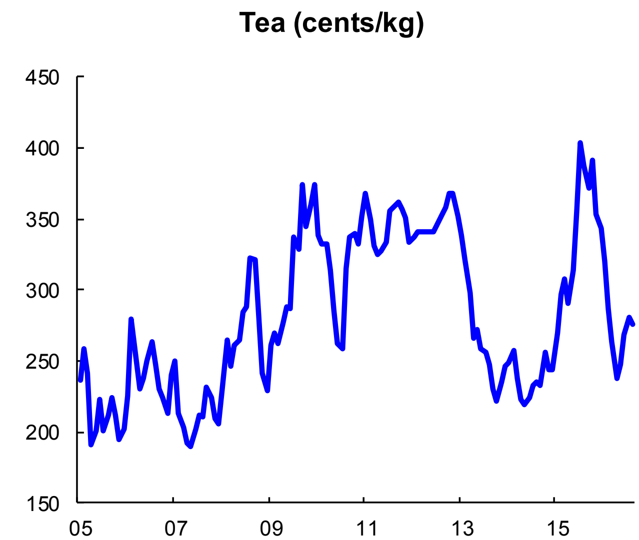












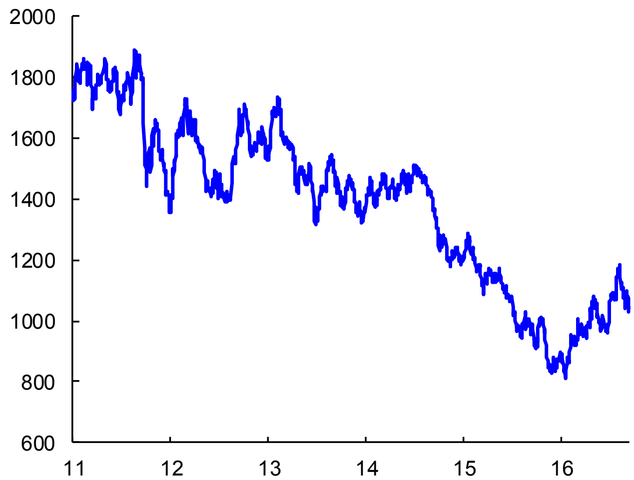
Commodity Prices Movements (Continued)

Daily (from 2011)

Gold ($/troy ounce)

Silver ($/troy ounce)

Platinum ($/ounce)



Palladium ($/ounce)