

Commodity Market Monthly

Research Department, Commodities Unit

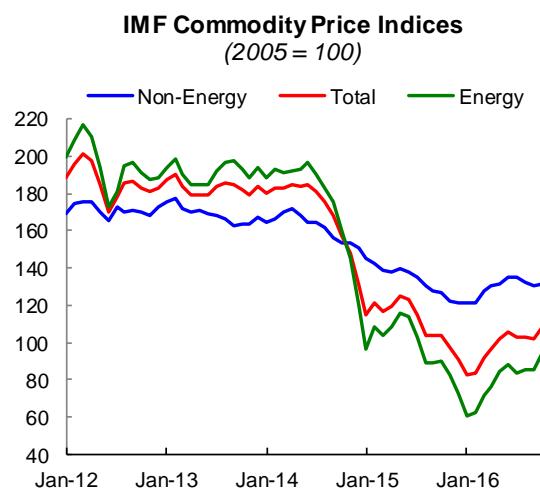


November 8, 2016

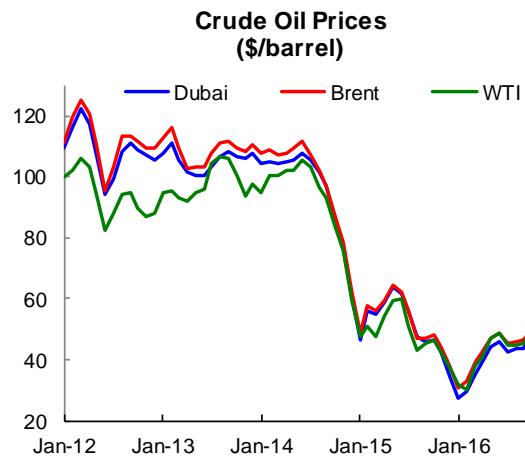
www.imf.org/commodities

commodities@imf.org

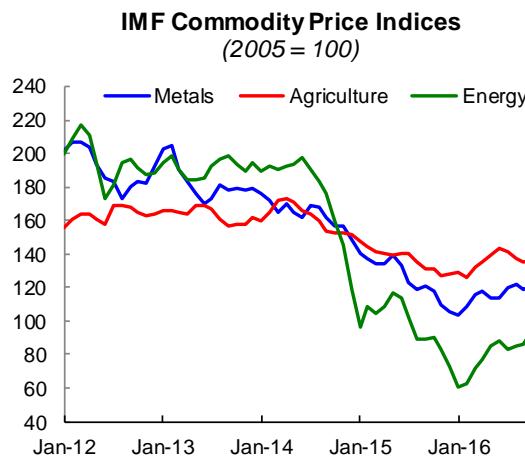
Commodity prices rose by 5.6 percent in October, led by rising energy prices. For the first ten months of 2016 commodity prices climbed 19 percent, led by a 30 percent surge in crude oil prices, followed by increases in metals and agriculture prices of 15 and 6 percent, respectively.

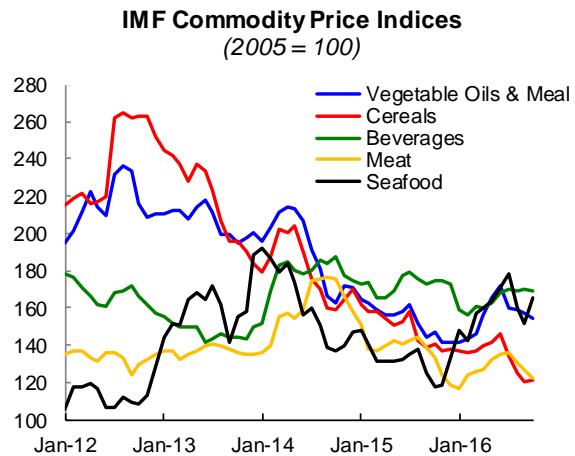


Crude oil prices increased 9.4 percent in October, averaging \$49.29/bbl. On October 28, OPEC officials (and with non-OPEC on Oct. 29) met in Vienna over plans to reduce oil production; in response to the lack of significant progress on reaching an agreement, average spot oil prices fell 2.8%. Meanwhile, the International Energy Agency maintained its 1.2 mbd oil demand projection for 2016, due to market deceleration in China and diminishing growth in OECD.



Natural gas price in the U.S. fell slightly by 0.7 percent in October, averaging \$2.95/MMBtu but ending the month sharply lower due to warm weather. **Coal prices (Australia) surged by 28 percent** to a record high in more than 2 years, driven by supply shortage in China on the back of industry restructuring, and supply disruptions in Australia.





Agriculture prices increased 0.45 percent in October. Food prices increased by 1 percent, while agricultural raw materials prices fell by 0.4 percent. Beverage prices decreased 1 percent. The expectation of exceptional yields in several growing regions, particularly in the United States, continued to weigh on corn and soybeans prices. Rice prices dropped 4 percent, continuing its low trajectory, amid sluggish demand and sustained strong supply from Asia, Africa and North America. Wheat prices declined 1 percent on ample inventories and large production increases in India, Russia and the United States. Overall meat prices fell 4 percent; a moderate increase in lamb prices was offset by declines in both beef and swine prices. Palm oil prices decreased 6 percent owing to weak demand. Coffee arabica and robusta prices were up by 0.3 and 6 percent, respectively. Sugar prices as a whole were up 4.5 percent following adverse weather conditions in Thailand, the world's second largest sugar exporter.

Metals prices increased by 1.6 percent in October, mostly offset by a sharp decrease in uranium. The biggest increase came from aluminum, which rose 4.6 percent, followed by

lead and tin, which grew by 4 percent and 3 percent, respectively. Uranium fell by 14 percent, extending loss to a fifth consecutive month. Nickel grew by 1 percent, as Indonesian production recovered, together with a reduction in operating costs. Copper increased by a small 0.2 percent, in line with reduced China imports and large stockpiles.

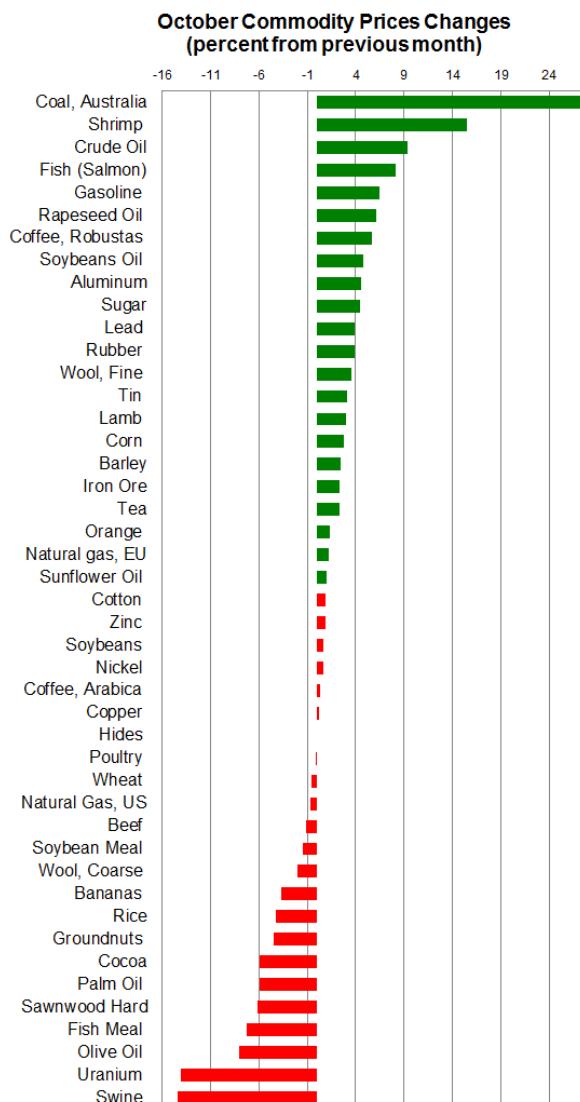


Table 1. Market Prices for Non-Fuel and Fuel Commodities

	Units	2013	2014	2015	2015Q4	2016Q1	2016Q2	2016Q3	Sep-16	Oct-16
Food										
Cereals										
Wheat	\$/MT	265.8	242.5	185.6	162.3	162.6	159.2	128.2	123.2	122.5
Maize	\$/MT	259.0	192.9	169.8	167.1	159.9	171.1	153.4	148.4	152.6
Rice	\$/MT	518.8	426.5	380.0	357.7	367.7	401.8	418.2	384.0	367.7
Barley	\$/MT	206.4	146.1	127.9	123.2	119.7	137.4	131.1	125.1	128.1
Vegetable oils and protein meals										
Soybeans	\$/MT	517.2	457.8	347.4	323.3	323.4	387.8	372.2	355.9	358.4
Soybean meal	\$/MT	477.3	467.0	352.7	320.8	294.9	392.9	370.0	342.2	337.1
Soybean oil	\$/MT	1011.1	812.7	672.2	638.6	686.9	719.7	701.4	722.6	757.3
Palm oil	\$/MT	764.2	739.4	565.1	518.0	586.9	647.8	647.0	692.4	651.4
Fish meal	\$/MT	1710.5	1921.5	1759.2	1701.9	1466.4	1511.5	1409.7	1398.3	1296.3
Sunflower Oil	\$/MT	1341.1	1080.3	1022.2	1042.1	1024.5	1028.6	982.0	989.1	998.4
Olive oil	\$/MT	3816.7	3911.8	4927.1	4658.3	4418.8	4125.3	3903.4	3980.1	3660.6
Groundnuts	\$/MT	2314.5	2148.3	1946.2	1731.8	1821.3	1855.4	1804.7	1808.7	1727.3
Rapeseed oil	\$/MT	1081.2	904.4	774.6	798.1	774.7	797.7	810.6	848.6	900.4
Meat										
Beef	cts/lb	183.6	224.1	200.5	176.2	168.9	179.3	185.4	182.9	180.8
Lamb	cts/lb	106.7	130.6	107.9	95.3	95.5	100.6	110.8	114.8	118.2
Swine Meat	cts/lb	86.5	102.8	67.9	60.5	60.2	72.6	66.6	58.7	50.2
Poultry	cts/lb	103.8	110.1	114.7	113.6	112.1	111.8	110.9	110.3	110.2
Seafood										
Fish	\$/kg	6.8	6.6	5.3	5.3	6.5	7.3	7.2	6.7	7.2
Shrimp	\$/kg	14.0	16.6	14.1	10.0	11.0	10.6	10.7	10.7	12.3
Sugar										
Free market	cts/lb	17.7	17.1	13.2	14.7	14.3	17.1	20.5	21.9	22.9
United States	cts/lb	21.2	24.9	24.9	25.5	25.9	27.5	28.2	28.0	28.2
EU	cts/lb	26.0	27.4	25.4	25.2	23.8	23.9	21.8	21.9	20.5
Bananas	\$/MT	926.4	931.9	958.7	932.7	1028.2	993.0	1023.2	1013.3	976.4
Oranges	\$/MT	967.3	782.5	675.0	732.6	686.2	784.7	992.5	1050.6	1064.7
Beverages										
Coffee										
Other milds	cts/lb	141.1	202.8	160.5	150.8	150.7	158.5	173.6	178.1	178.6
Robusta	cts/lb	100.5	105.6	94.2	87.9	82.1	90.4	98.5	101.8	107.5
Cocoa Beans	\$/MT	2439.1	3062.8	3135.2	3301.3	2980.8	3099.8	2987.9	2881.2	2711.4
Tea	cts/kg	266.0	237.9	340.4	363.0	290.3	251.4	284.7	298.0	304.9
Agricultural raw materials										
Timber										
Hardwood										
Logs 1/	\$/M3	305.4	282.0	246.0	245.2	258.2	275.7	290.7	292.2	286.9
Sawnwood 1/	\$/M3	852.8	897.9	833.3	827.1	780.3	782.3	716.2	716.6	672.9
Softwood										
Logs 1/	\$/M3	164.5	174.3	162.0	159.3	168.4	143.5	151.7	155.0	155.0
Sawnwood 1/	\$/M3	301.4	307.3	308.7	319.6	267.2	309.2	307.6	315.3	315.3
Cotton	cts/lb	90.4	83.1	70.4	69.5	66.9	71.2	79.7	77.9	78.5
Wool										
Fine	cts/kg	1197.7	1074.4	1005.8	995.8	1023.4	1092.8	1141.0	1147.4	1188.1
Coarse	cts/kg	1128.1	1030.4	922.8	898.9	960.1	1000.9	1080.9	1059.2	1037.3
Rubber	cts/lb	126.8	88.8	70.7	57.0	59.3	75.2	76.1	72.8	75.6
Hides	cts/lb	94.7	110.2	87.6	71.7	70.0	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	2015Q4	2016Q1	2016Q2	2016Q3	Sep-16	Oct-16
Metals										
Copper	\$/MT	7331.5	6863.4	5510.5	4884.9	4674.7	4736.4	4779.6	4722.2	4731.3
Aluminum	\$/MT	1846.7	1867.4	1664.7	1493.9	1514.5	1571.8	1620.2	1592.4	1665.9
Iron Ore	\$/MT	135.4	96.8	55.2	46.2	47.7	55.3	57.9	56.7	58.0
Tin	\$/MT	22281.6	21898.9	16066.6	15077.2	15438.6	16902.1	18584.3	19499.5	20099.8
Nickel	\$/MT	15030.0	16893.4	11862.6	9423.0	8507.7	8822.5	10263.5	10191.8	10259.7
Zinc	\$/MT	1910.2	2161.0	1931.7	1611.8	1677.3	1916.9	2251.6	2292.3	2311.5
Lead	\$/MT	2139.7	2095.5	1787.8	1681.7	1738.0	1717.6	1872.7	1947.6	2024.5
Uranium	\$/lb	38.6	33.5	36.8	36.0	32.6	27.5	25.5	24.7	21.2
Energy										
Spot Crude 2/	\$/bbl	104.1	96.2	50.8	42.2	32.8	44.8	44.7	45.1	49.3
U.K. Brent	\$/bbl	108.8	98.9	52.4	43.4	34.4	46.0	45.8	46.2	49.7
Dubai	\$/bbl	105.4	96.7	51.2	41.2	30.7	42.9	43.4	43.8	48.3
West Texas Intermediate	\$/bbl	97.9	93.1	48.7	42.0	33.3	45.5	44.9	45.2	49.9
Natural Gas										
Russian in Germany	\$/mmbtu	11.2	10.5	7.3	5.9	4.7	4.0	4.2	4.0	4.0
Indonesian in Japan (LNG)	\$/mmbtu	17.3	17.0	11.0	10.0	8.2	6.9	7.3	7.5	7.5
US, domestic market	\$/mmbtu	3.7	4.4	2.6	2.1	2.0	2.1	2.8	3.0	2.9
Coal										
Australian, export markets	\$/MT	90.6	75.1	61.6	56.1	54.5	55.6	72.3	78.1	99.8

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	2015Q4	2016Q1	2016Q2	2016Q3	Sep-16	Oct-16
All Primary Commodities 2/	100.0	183.3	171.8	111.2	97.2	86.4	101.2	102.5	102.3	108.0
Non-Fuel Commodities	36.9	169.0	162.3	133.9	123.5	123.4	132.2	132.8	130.6	131.6
Agriculture	26.2	163.3	161.5	137.1	128.7	129.0	139.2	137.9	135.3	135.9
Food	16.7	177.5	170.2	141.0	132.2	136.3	149.2	145.8	141.6	142.9
Cereals	3.6	218.2	180.2	149.0	138.2	136.5	142.0	126.4	120.6	120.8
Vegetable oils and protein meals	4.4	206.4	190.7	153.6	143.3	143.5	164.1	158.5	156.8	154.6
Meat	3.7	136.8	160.5	137.4	125.2	122.2	131.4	130.9	126.4	122.0
Seafood	3.2	160.1	162.0	131.7	123.0	149.1	164.8	163.0	151.7	165.6
Beverages	1.8	147.4	178.0	172.6	173.7	158.7	163.5	169.8	170.4	168.8
Agricultural raw materials 3/	7.7	136.2	138.8	120.0	110.6	106.1	111.8	113.3	113.3	112.9
Timber	3.4	107.3	109.3	104.5	105.8	96.7	103.0	101.6	103.1	101.2
Metals	10.7	182.9	164.1	126.2	110.7	109.5	115.1	120.3	119.1	121.0
Edibles 4/	18.5	174.6	171.0	144.1	136.3	138.5	150.6	148.2	144.4	145.5
Industrial Inputs 5/	18.4	163.3	153.5	123.6	110.7	108.1	113.7	117.4	116.7	117.6
Energy 6/	63.1	191.7	177.4	97.9	81.8	64.7	83.0	84.7	85.7	94.2
Petroleum 7/	53.6	195.9	181.1	95.6	79.3	61.5	84.1	84.0	84.6	92.6
Natural Gas	6.9	164.9	159.9	106.8	90.6	73.5	64.1	69.0	68.6	69.0
Coal	2.6	176.8	149.1	121.3	110.0	107.8	110.8	141.7	151.6	192.7

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

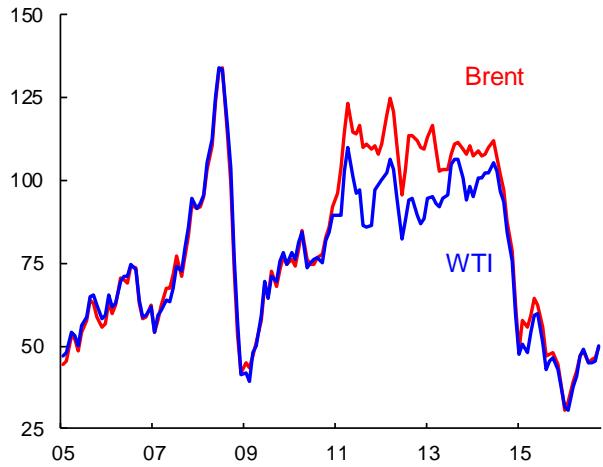
6/ Includes Petroleum, Natural Gas and Coal

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

Commodity Prices Movements

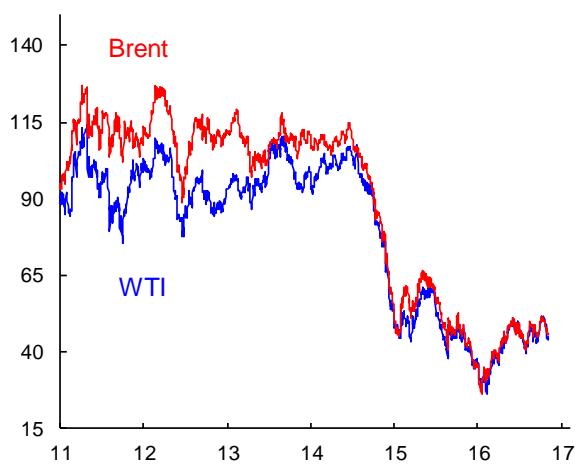
Monthly (from 2005)

Crude oil (\$/bbl)

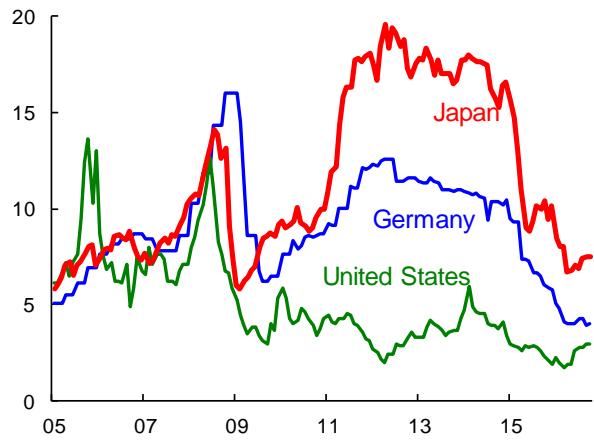


Daily (from 2011)

Crude oil (\$/bbl)



Natural Gas (\$/mmbtu)



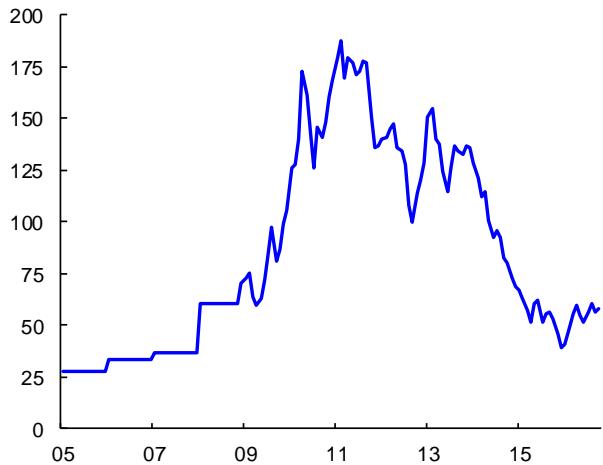
Sources: Energy Intelligence; Bloomberg, L.P.

Natural Gas (\$/mmbtu)



Source: Bloomberg, L.P.

Iron Ore (\$/ton)

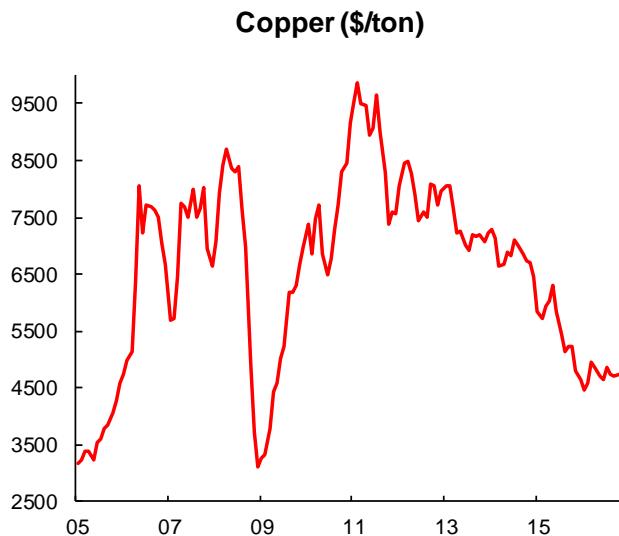


Iron Ore (\$/ton)

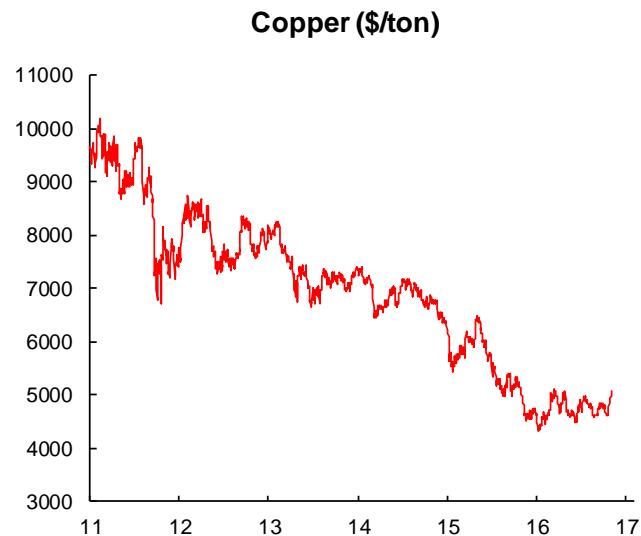


Commodity Prices Movements (Continued)

Monthly (from 2005)



Daily (from 2011)



Aluminium (\$/ton)



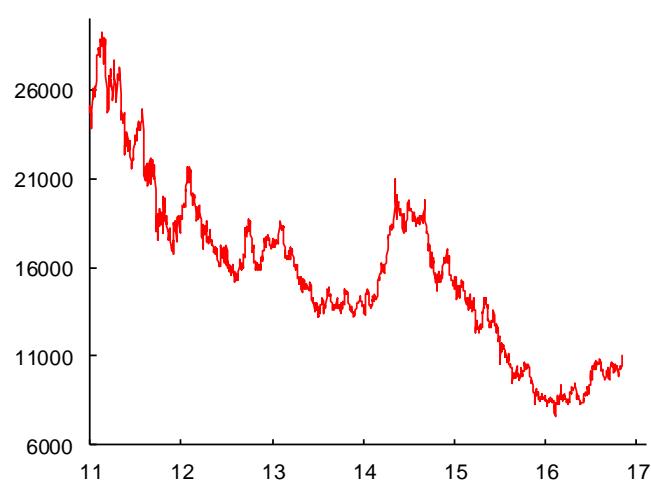
Aluminium (\$/ton)



Nickel (\$/ton)



Nickel (\$/ton)



Monthly (from 2005)

Tin (\$/ton)



Daily (from 2011)

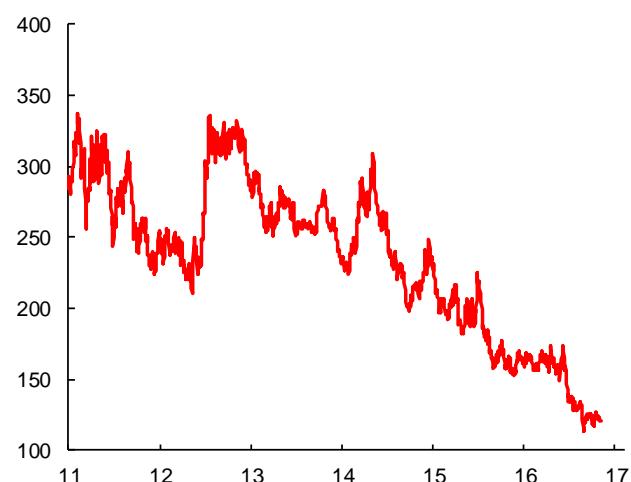
Tin (\$/ton)



Wheat (\$/ton)



Wheat (\$/ton)



Corn (\$/ton)



Corn (\$/ton)



Commodity Prices Movements (Continued)

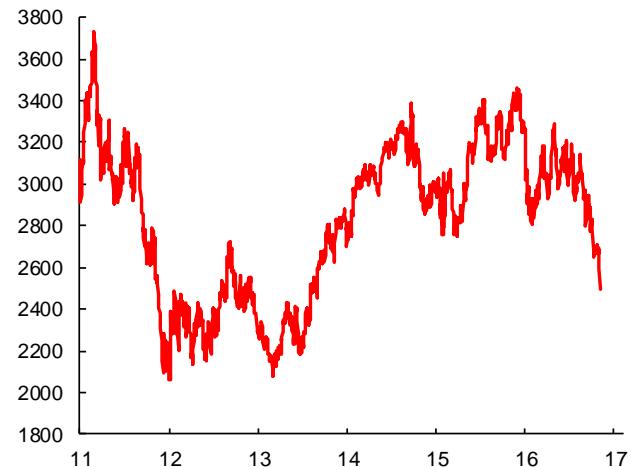
Monthly (from 2005)

Cocoa (\$/ton)



Daily (from 2011)

Cocoa (\$/ton)



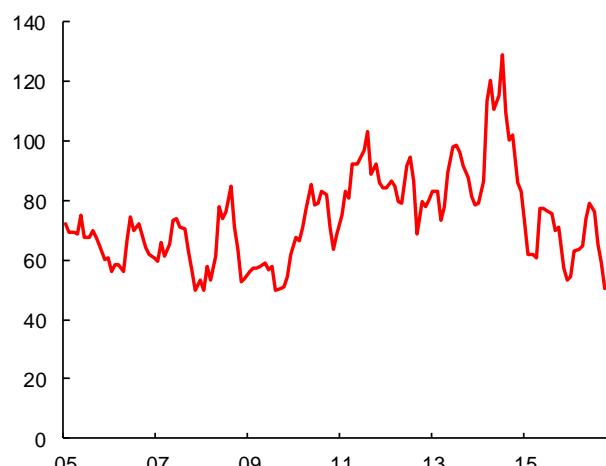
Coffee (cents/lb)



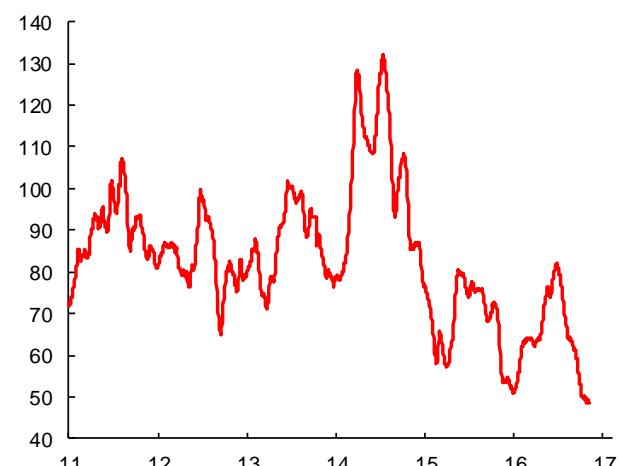
Coffee (cents/lb)



Swine (cents/lb)



Swine (cents/lb)



Commodity Prices Movements (Continued)

Monthly (from 2005)

Beef (cents/pound)



Source: Meat & Livestock Australia.

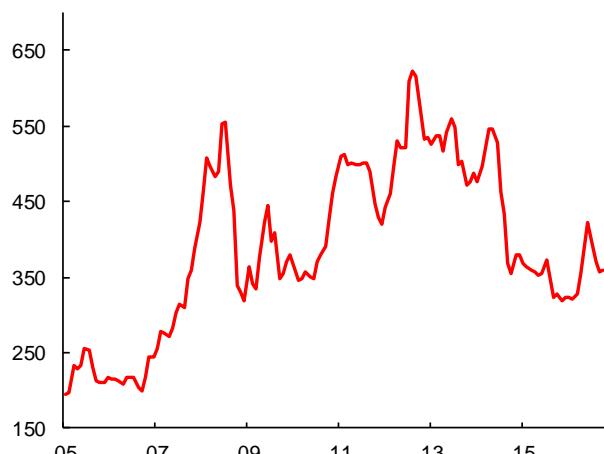
Daily (from 2011)

Beef (cents/lb)

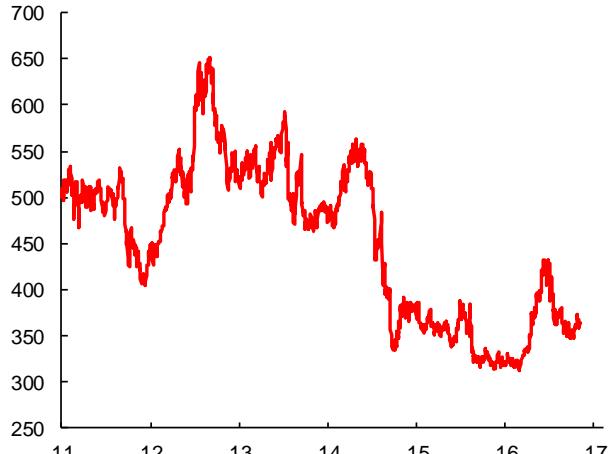


Source: Bloomberg, L.P.

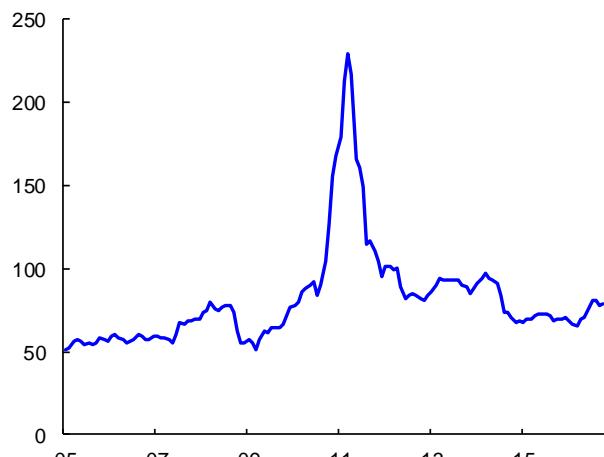
Soybeans (\$/ton)



Soybeans (\$/ton)



Cotton (cents/pound)



Cotton (cents/lb)



Commodity Prices Movements (Continued)

Monthly (from 2005)

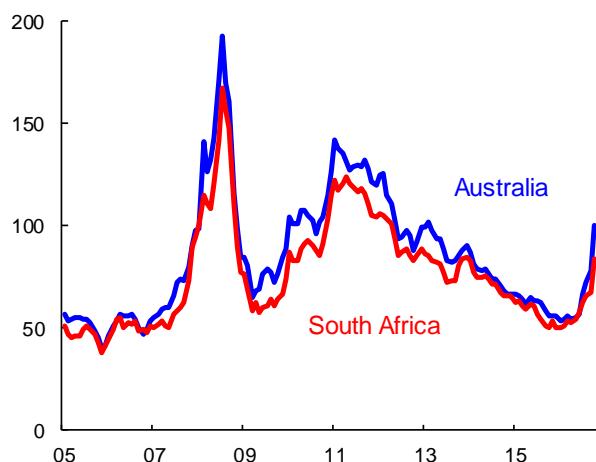
Uranium(\$/lb)



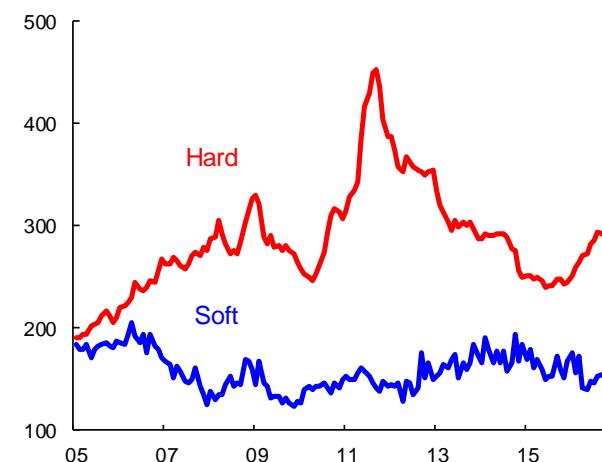
Zinc (\$/ton)



Coal (\$/ton)



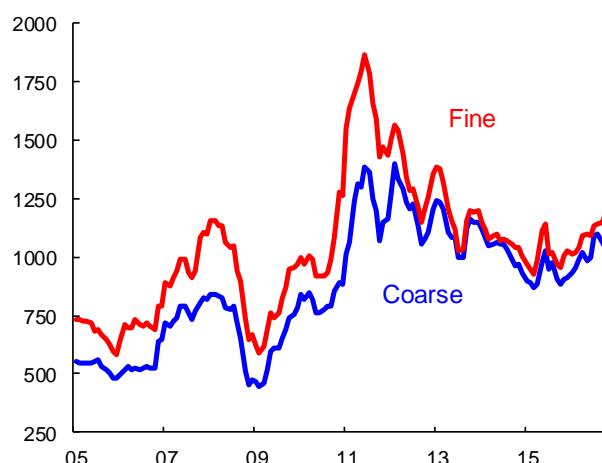
Logs (\$/cubic meter)



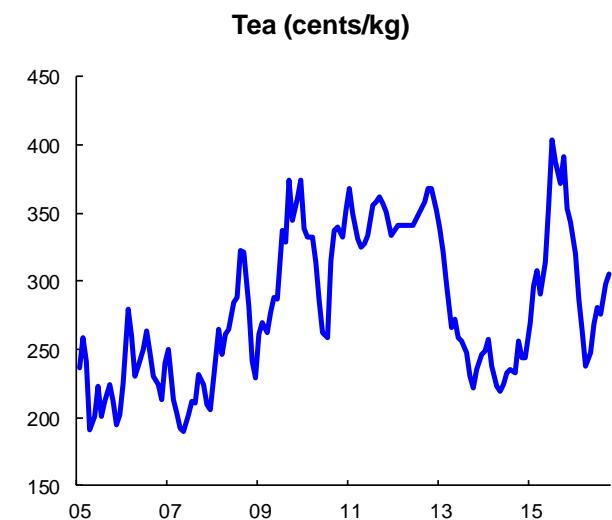
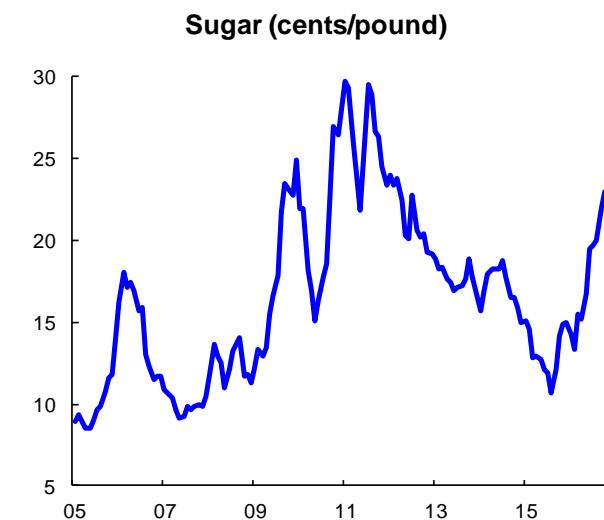
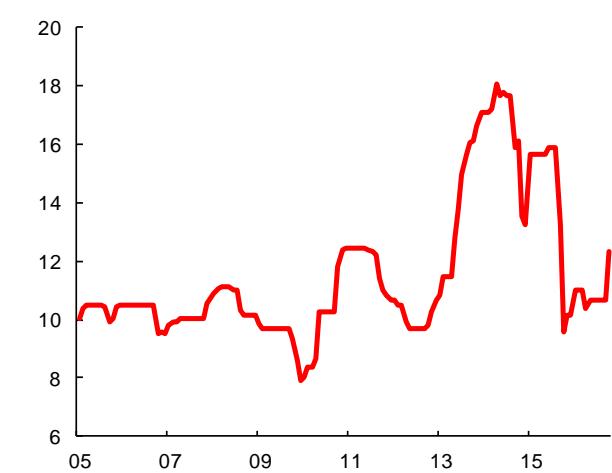
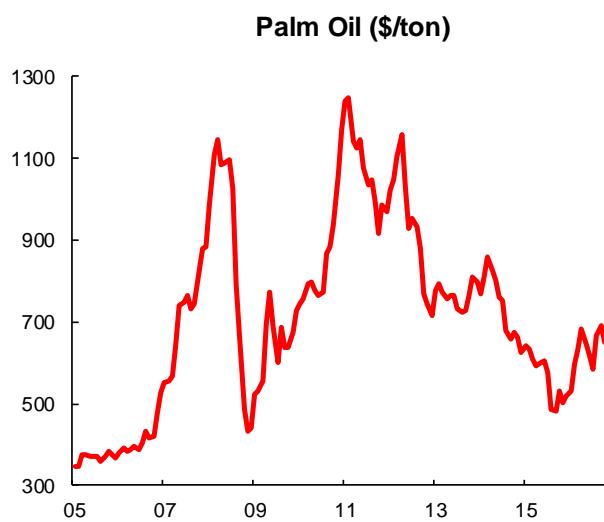
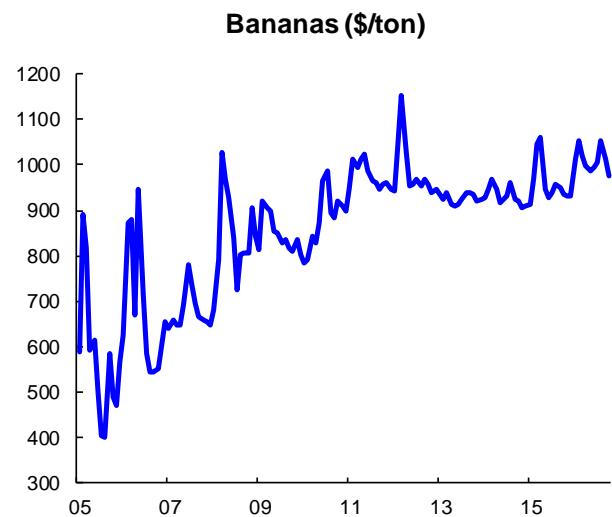
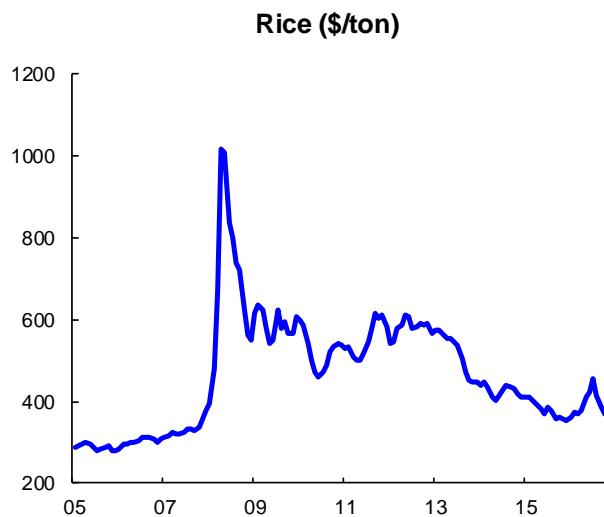
Rubber (\$/lb)



Wool (cents/kg)

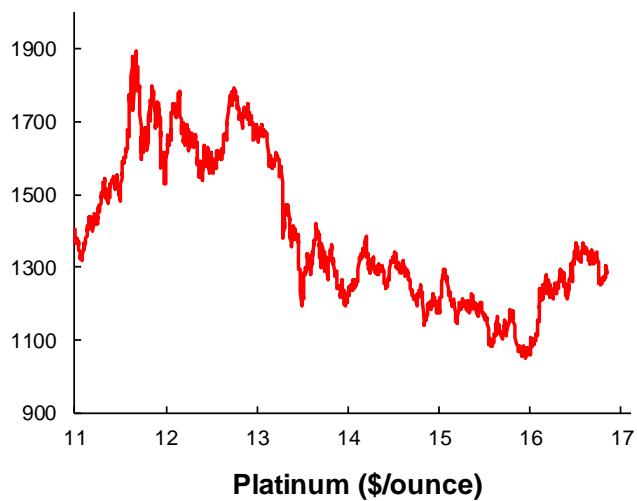


Commodity Prices Movements (Continued)
Monthly (from 2005)

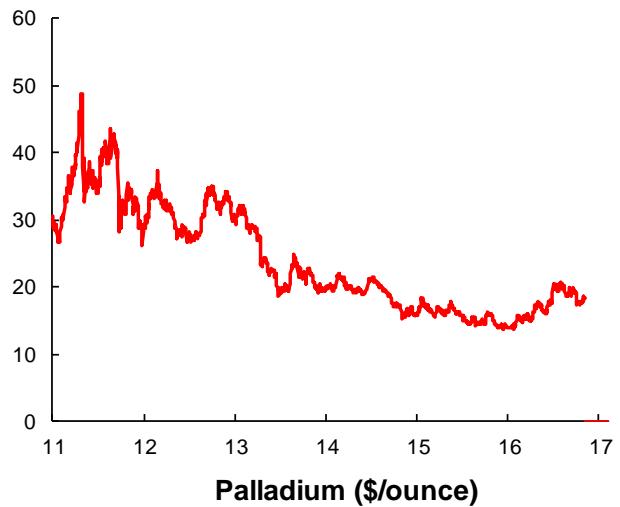


Daily (from 2011)

Gold (\$/troy ounce)



Silver (\$/troy ounce)



Platinum (\$/ounce)



Palladium (\$/ounce)

