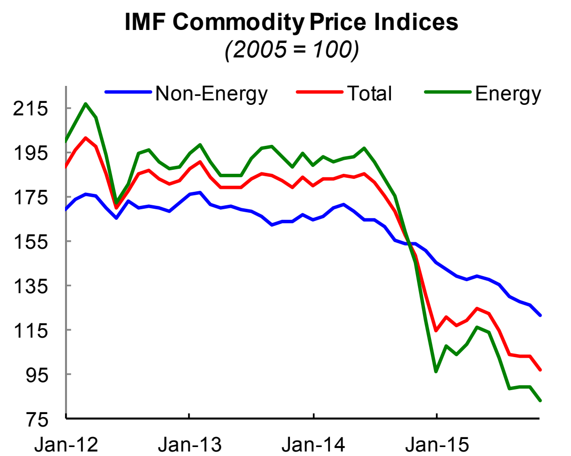
Commodity Market Monthly

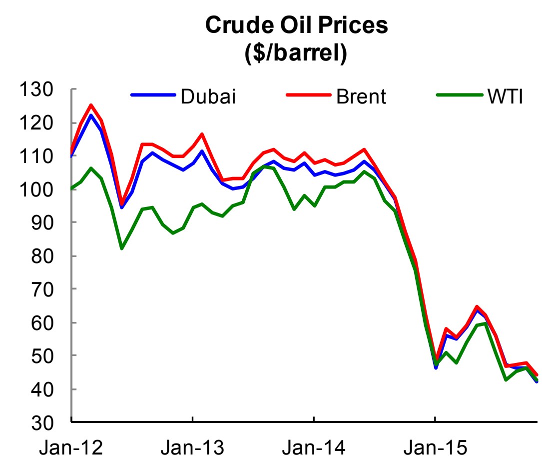
Research Department, Commodities Unit

December 15, 2015 | **www.imf.org/commodities** | **commodities@imf.org**

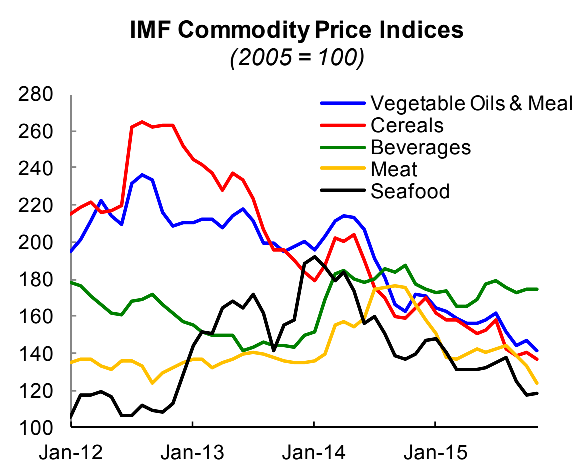
Commodity prices fell 5.5 percent in November, extending losses to six months, with declines in all main indices. The decrease was lead by price drops in energy, specifically from oil, as global supply continues to outpace demand. Metal and agricultural prices continued their declining trend on weaker demand and general ample supply. El Nino event has started to push up some food prices - like sugar.

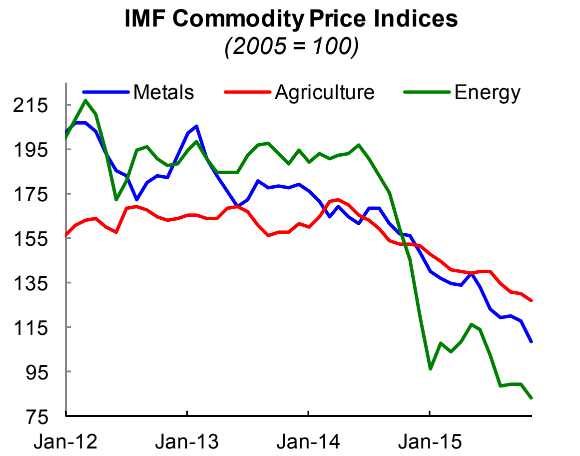


Crude oil prices dropped sharply by 8.1 percent in November, reversing gains from previous months, averaging $43.1/bbl. The fall in oil prices is reflection of sustained oil production growth in OPEC members, and subdued aggregate demand growth. At the end of the month prices rebounded slightly due to the geopolitical tension in Syria between Russia and Turkey, but thereafter resumed their declining trend.



Natural gas price in the U.S. decreased by 10.3 percent in November, averaging $2.08/mmbtu, as soft demand pushed storage to all-time high. **Coal prices (Australia) increased by 0.6 percent** in November, presenting its first increase in 4 months, with stronger demand from China, Japan and South Korea.





Agriculture prices decreased 2.3 percent in November, extending losses from the previous month. Food and agricultural raw material prices fell 2.6 and 2.2 percent, respectively, while beverages prices remained broadly unchanged. Wheat, corn and soybeans prices declined 5, 3 and 3 percent, respectively, due to comfortable supplies, weaker global demand and generally high inventories. Rice prices remained broadly unchanged on steady demand from Asia and marginal cuts in crop prospects. Overall meat prices decrease 7 percent, led by a sharp decline in swine prices reflecting weaker than expected demand and relatively large supplies. Coffee arabica prices dropped 3 percent mainly on favorable crop prospects from Brazil. Partly offsetting these declines, cocoa prices increased 5 percent as supplies from Côte d'Ivoire and Ghana remain under pressure owing to earlier dry weather. Sugar prices as a whole continued increasing, mainly the result of weather related concerns due to an intensifying El Nino event.

Metals prices decreased by 7.5 percent in November, with declines in every individual metal. The largest decrease was for iron ore, down 12 percent, at lowest since July, as major global producers boosted supply and China's steel industry shrank further. Nickel picked up the downward trend and dropped 10 percent in November, sinking to 12-year lows, due to weak demand from China and strong exports from Malaysia. Zinc and copper both fell by 8 percent to new six-year lows, amid signs of ample supply and weak demand from China. Aluminum also dropped by 3 percent, due to ongoing oversupply from China.

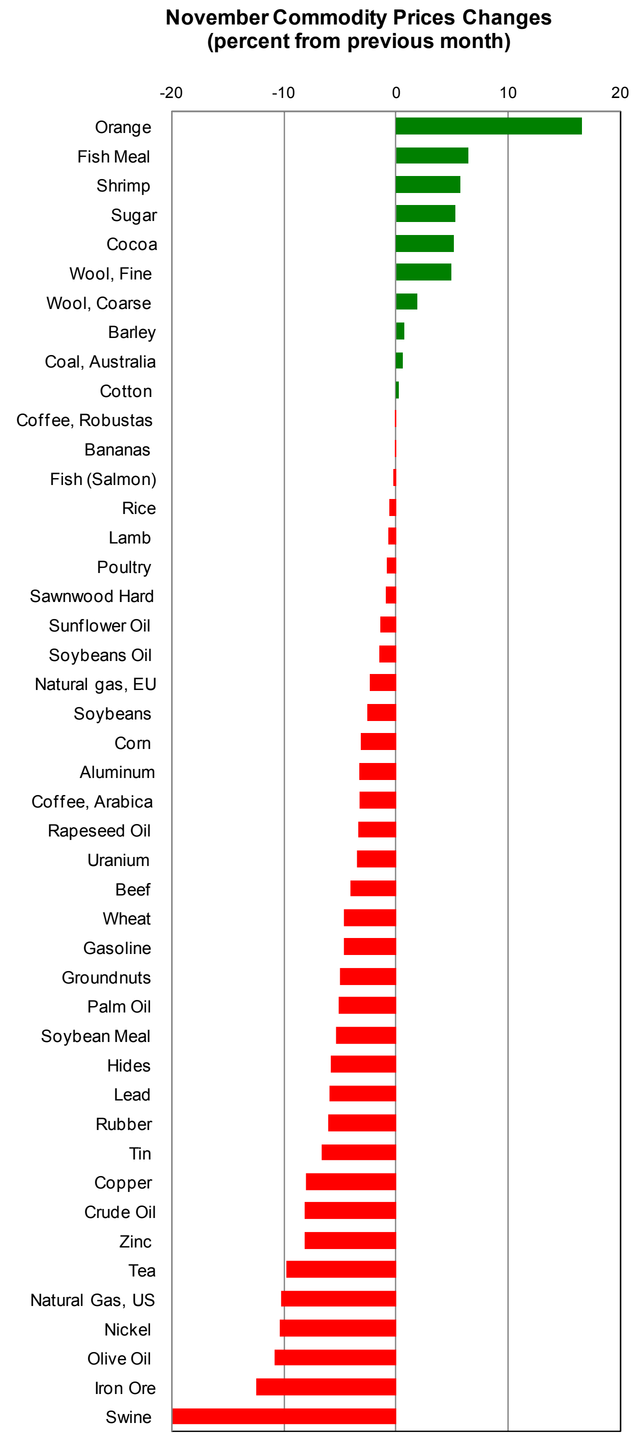


Table 1. Market Prices for Non-Fuel and Fuel Commodities

	Units	2012	2013	2014	2014Q4	2015Q1	2015Q2	2015Q3	Oct-15	Nov-15
Food										
Cereals										
Wheat	$/MT	276.1	265.8	242.5	220.6	205.0	196.3	178.8	165.4	157.7
Maize	$/MT	298.4	259.0	192.9	173.5	174.2	168.4	169.4	171.4	166.0
Rice	$/MT	580.2	518.8	426.5	420.8	406.6	381.8	374.0	360.5	358.4
Barley	$/MT	238.2	206.4	146.1	122.0	132.2	128.1	127.9	123.6	124.5
Vegetable oils and protein meals										
Soybeans	$/MT	537.8	517.2	457.8	370.9	363.9	354.6	347.6	327.4	319.1
Soybean meal	$/MT	473.3	477.3	467.0	406.7	372.7	348.0	369.3	338.2	320.3
Soybean oil	$/MT	1151.8	1011.1	812.7	716.1	696.4	715.4	638.3	623.8	614.7
Palm oil	$/MT	939.8	764.2	739.4	653.3	627.9	599.9	514.6	530.2	503.2
Fish meal	$/MT	1624.3	1710.5	1921.5	2192.7	2031.9	1744.2	1558.9	1647.6	1753.7
Sunflower Oil	$/MT	1489.5	1341.1	1080.3	1054.2	974.0	1062.3	1010.4	1059.1	1045.0
Olive oil	$/MT	3135.7	3816.7	3911.8	4262.5	4568.3	4865.3	5616.4	5171.0	4613.7
Groundnuts	$/MT	1688.2	2314.5	2148.3	1940.1	2016.8	2023.4	2012.9	1821.8	1730.5
Rapeseed oil	$/MT	1239.1	1081.2	904.4	824.4	755.1	772.6	772.7	805.2	778.4
Meat										
Beef	cts/lb	187.9	183.6	224.1	256.0	216.6	202.9	206.3	184.5	177.1
Lamb	cts/lb	100.9	106.7	130.6	130.2	122.5	112.4	101.3	95.5	94.9
Swine Meat	cts/lb	82.8	86.5	102.8	90.3	65.5	71.9	73.8	71.2	57.0
Poultry	cts/lb	94.3	103.8	110.1	113.9	114.0	115.6	115.5	114.3	113.4
Seafood										
Fish	$/kg	4.8	6.8	6.6	5.8	5.6	5.1	5.3	5.0	5.0
Shrimp	$/kg	10.1	14.0	16.6	14.3	15.7	15.7	15.0	9.6	10.1
Sugar										
Free market	cts/lb	21.4	17.7	17.1	15.8	14.1	12.6	11.6	14.1	14.9
United States	cts/lb	28.9	21.2	24.9	25.3	24.8	24.6	24.5	25.0	25.6
EU	cts/lb	26.4	26.0	27.4	26.3	25.2	25.5	25.8	25.5	25.3
Bananas	$/MT	984.3	926.4	931.9	911.9	974.8	978.4	948.9	933.6	932.3
Oranges	$/MT	868.0	967.3	782.5	739.8	698.5	616.9	652.1	660.7	770.0
Beverages										
Coffee										
Other milds	cts/lb	187.6	141.1	202.8	213.5	177.0	161.0	153.2	153.9	148.9
Robusta	cts/lb	110.6	100.5	105.6	106.6	101.4	96.7	90.9	88.7	88.6
Cocoa Beans	$/MT	2377.1	2439.1	3062.8	2985.6	2918.5	3068.1	3252.8	3197.3	3360.8
Tea	cts/kg	348.9	266.0	237.9	247.6	291.2	320.1	387.2	391.8	353.8
Agricultural raw materials										
Timber										
Hardwood										
Logs 1/	$/M3	360.5	305.4	282.0	260.4	249.9	245.4	243.6	248.1	242.9
Sawnwood 1/	$/M3	876.3	852.8	897.9	862.6	826.2	834.8	844.9	835.8	828.6
Softwood										
Logs 1/	$/M3	148.0	164.5	174.3	181.5	169.8	159.1	159.8	172.9	172.9
Sawnwood 1/	$/M3	284.7	301.4	307.3	302.1	306.8	298.0	310.4	312.0	312.0
Cotton	cts/lb	89.2	90.4	83.1	68.7	68.8	72.3	71.0	69.0	69.2
Wool										
Fine	cts/kg	1345.3	1197.7	1074.4	1029.4	947.8	1079.7	999.7	956.1	1003.1
Coarse	cts/kg	1212.6	1128.1	1030.4	954.3	887.7	962.7	942.0	884.9	902.0
Rubber	cts/lb	153.2	126.8	88.8	73.5	78.6	81.2	66.1	59.0	55.4
Hides	cts/lb	83.2	94.7	110.2	112.7	105.8	96.8	76.1	74.8	70.4

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	2014Q4	2015Q1	2015Q2	2015Q3	Oct-15	Nov-15
Metals										
Copper	$/MT	7958.9	7331.5	6863.4	6632.3	5833.2	6056.6	5267.1	5216.1	4799.9
Aluminum	$/MT	2022.8	1846.7	1867.4	1970.4	1802.1	1770.3	1592.4	1516.5	1467.9
Iron Ore	$/MT	128.5	135.4	96.8	74.0	62.3	57.9	54.4	52.7	46.2
Tin	$/MT	21109.4	22281.6	21898.9	19897.9	18370.0	15589.8	15229.5	15794.6	14745.3
Nickel	$/MT	17541.7	15030.0	16893.4	15860.5	14392.8	13055.8	10578.9	10316.8	9244.3
Zinc	$/MT	1950.0	1910.2	2161.0	2235.3	2079.8	2192.2	1842.8	1724.3	1583.3
Lead	$/MT	2063.6	2139.7	2095.5	2000.9	1810.4	1942.2	1717.0	1720.1	1618.3
Uranium	$/lb	48.9	38.6	33.5	37.8	37.9	36.8	36.4	37.0	35.7
Energy										
Spot Crude 2/	$/bbl	105.0	104.1	96.2	74.5	51.7	60.4	48.8	47.0	43.1
U.K. Brent	$/bbl	112.0	108.8	98.9	76.0	54.0	62.1	50.0	48.1	44.4
Dubai	$/bbl	108.9	105.4	96.7	74.6	52.5	61.4	49.9	46.6	42.3
West Texas Intermediate	$/bbl	94.1	97.9	93.1	73.1	48.7	57.8	46.5	46.2	42.7
Natural Gas										
Russian in Germany	$/mmbtu	12.0	11.2	10.5	10.3	9.4	7.4	6.6	6.0	5.9
Indonesian in Japan (LNG)	$/mmbtu	18.1	17.3	17.0	16.1	14.4	9.6	9.8	9.5	9.5
US, domestic market	$/mmbtu	2.8	3.7	4.4	3.8	2.9	2.7	2.7	2.3	2.1
Coal										
Australian, export markets	$/MT	103.2	90.6	75.1	67.4	65.6	63.2	61.6	55.9	56.3

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/

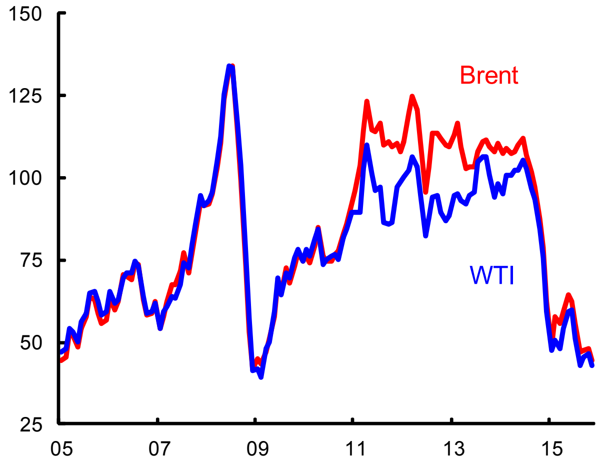
	(weights) 1/	2012	2013	2014	2014Q4	2015Q1	2015Q2	2015Q3	Oct-15	Nov-15
All Primary Commodities 2/	100.0	186.4	183.3	171.8	145.6	117.6	122.4	107.5	103.2	97.5
Non-Fuel Commodities	36.9	171.3	169.0	162.3	152.7	142.4	138.6	131.1	126.7	122.0
Agriculture	26.2	163.3	163.3	161.5	152.2	144.4	139.9	135.2	130.3	127.3
Food	16.7	176.3	177.5	170.2	157.5	148.4	143.0	140.5	133.9	130.4
Cereals	3.6	239.6	218.2	180.2	164.6	159.1	152.5	146.1	140.7	136.4
Vegetable oils and protein meals	4.4	215.9	206.4	190.7	168.5	161.9	156.9	152.4	146.7	141.7
Meat	3.7	133.3	136.8	160.5	166.4	142.1	140.5	141.9	133.1	123.9
Seafood	3.2	113.3	160.1	162.0	141.0	139.8	131.6	132.5	117.3	118.3
Beverages	1.8	167.4	147.4	178.0	180.0	170.4	170.4	175.9	174.3	174.2
Agricultural raw materials 3/	7.7	134.0	136.2	138.8	134.2	129.6	125.9	114.0	112.1	109.6
Timber	3.4	107.4	107.3	109.3	106.4	104.6	102.6	104.9	105.9	105.3
Metals	10.7	191.0	182.9	164.1	154.0	137.4	135.5	121.0	118.0	109.1
Edibles 4/	18.5	175.4	174.6	171.0	159.7	150.6	145.7	144.0	137.9	134.7
Industrial Inputs 5/	18.4	167.1	163.3	153.5	145.7	134.1	131.5	118.1	115.5	109.3
Energy 6/	63.1	195.2	191.7	177.4	141.4	103.1	113.0	93.7	89.4	83.1
Petroleum 7/	53.6	197.9	195.9	181.1	140.2	97.4	113.7	91.9	88.3	81.1
Natural Gas	6.9	171.2	164.9	159.9	153.6	136.9	102.4	97.5	90.3	88.5
Coal	2.6	202.1	176.8	149.1	134.2	129.7	125.4	120.1	109.2	111.3

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.

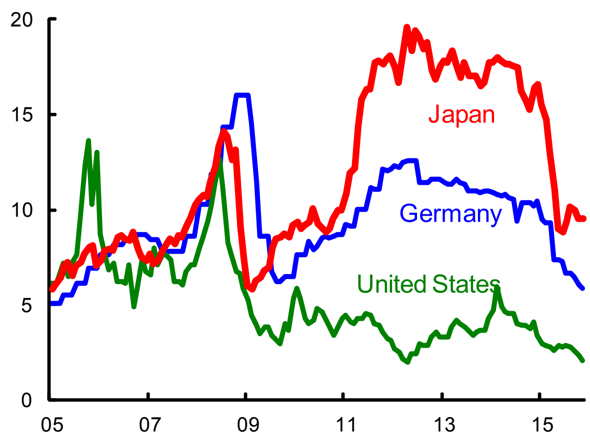
Commodity Prices Movements

Monthly (from 2005)

Crude oil ($/bbl)



Natural Gas ($/mmbtu)

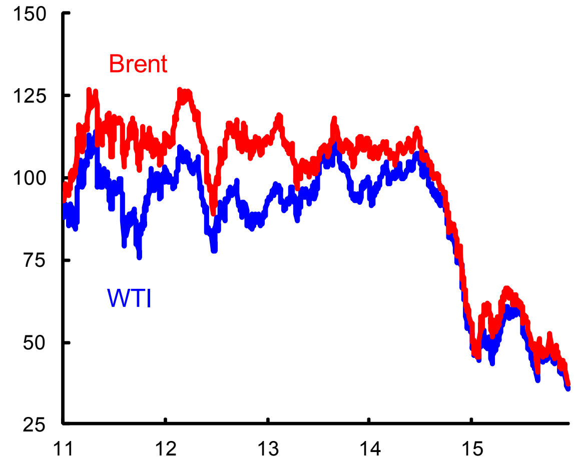


Sources: Energy Intelligence; Bloomberg, L.P.

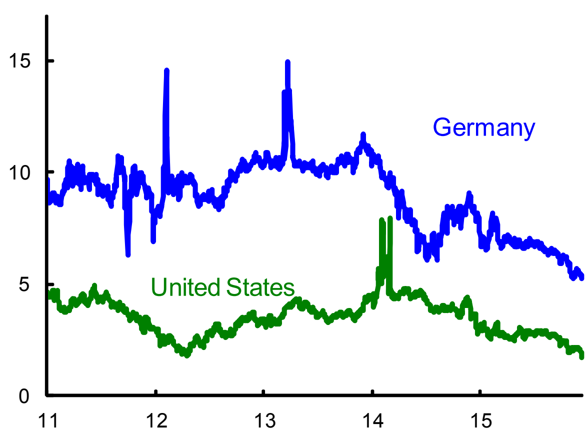
Iron Ore ($/ton)

Daily (from 2011)

Crude oil ($/bbl)



Natural Gas ($/mmbtu)



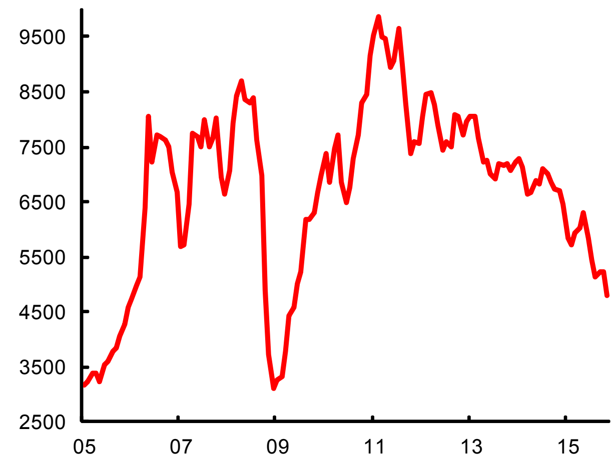
Source: Bloomberg, L.P.

Iron Ore ($/ton)

Commodity Prices Movements (Continued)

Monthly (from 2005)

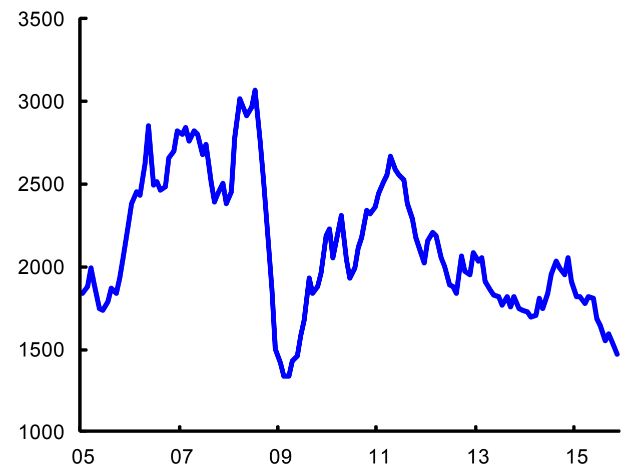
Copper ($/ton)



Daily (from 2011)

Copper ($/ton)

Aluminium ($/ton)



Aluminium ($/ton)

Nickel ($/ton)

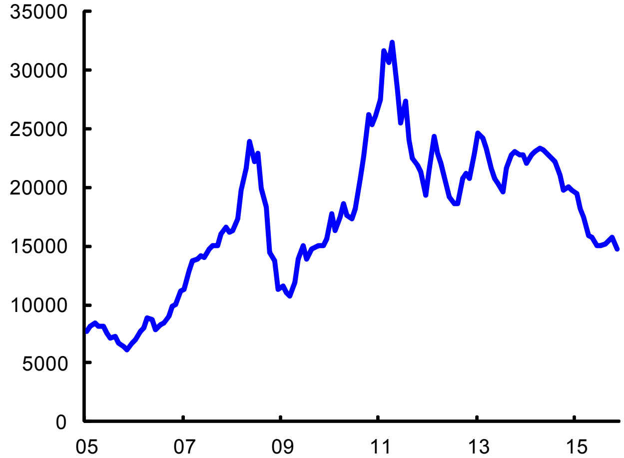
Nickel ($/ton)

Commodity Prices Movements (Continued)

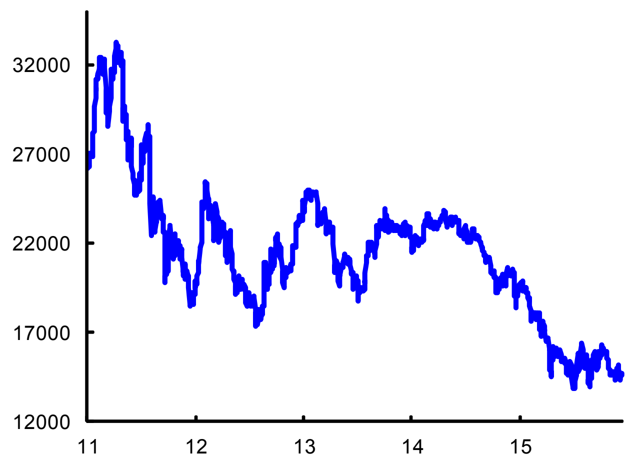
Monthly (from 2005)

Daily (from 2011)

Tin ($/ton)



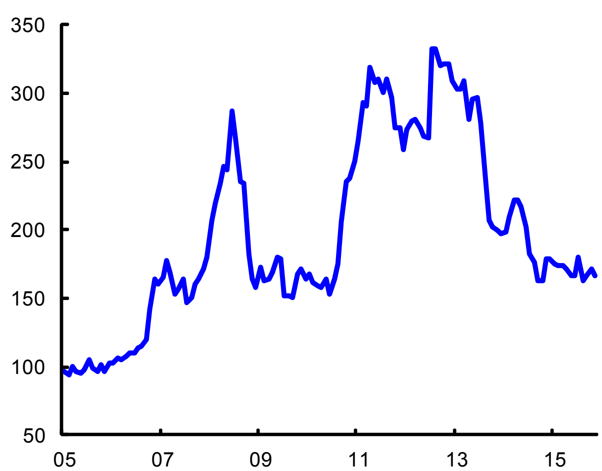
Tin ($/ton)



Wheat ($/ton)

Wheat ($/ton)

Corn ($/ton)



Corn ($/ton)

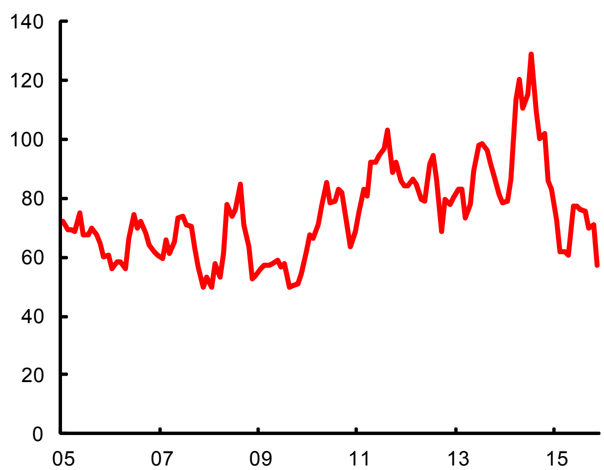
Commodity Prices Movements (Continued)

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)

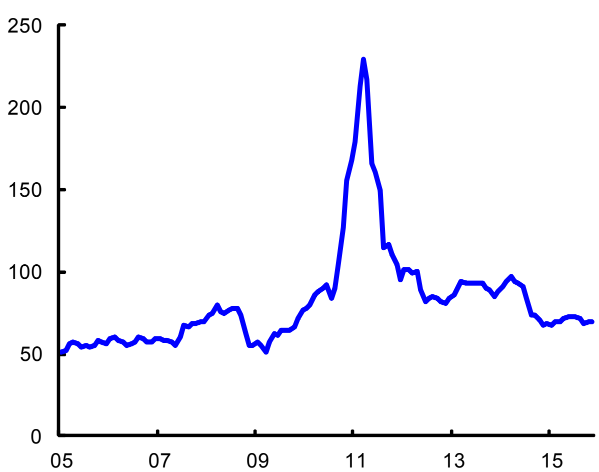
Beef (cents/lb)

Source: Bloomberg, L.P.

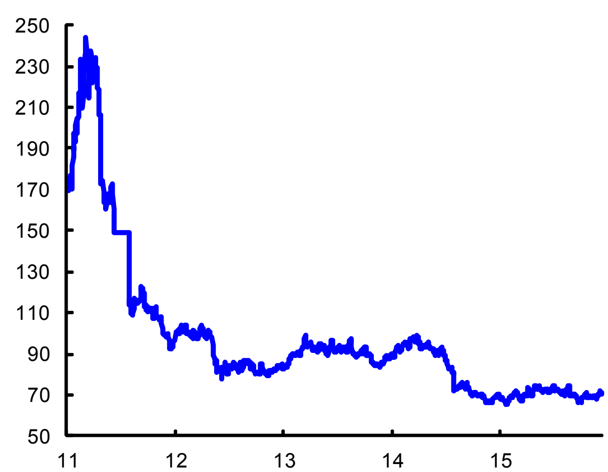
Soybeans ($/ton)

Soybeans ($/ton)

Cotton (cents/pound)



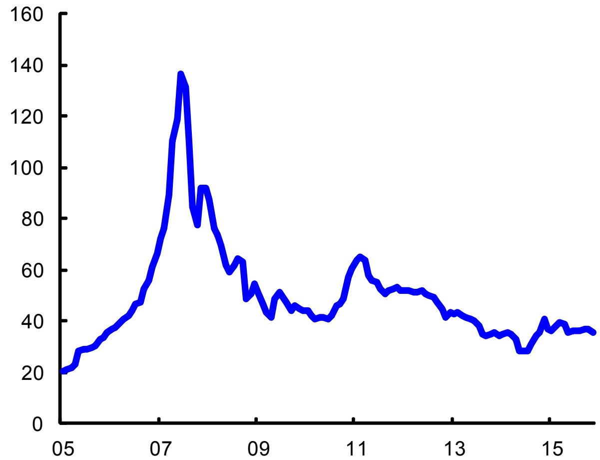
Cotton (cents/lb)



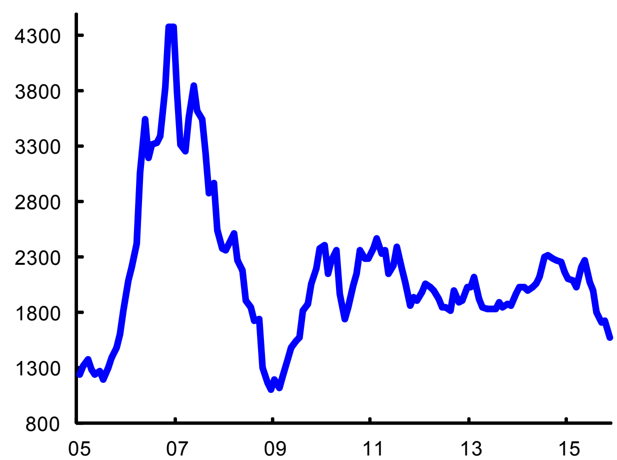
Commodity Prices Movements (Continued)

Monthly (from 2005)

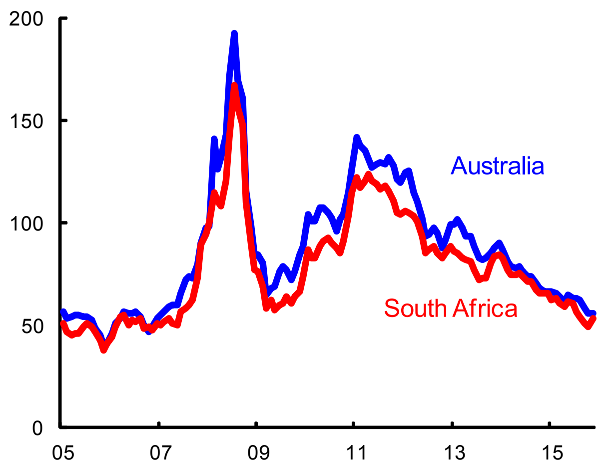
Uranium($/lb)



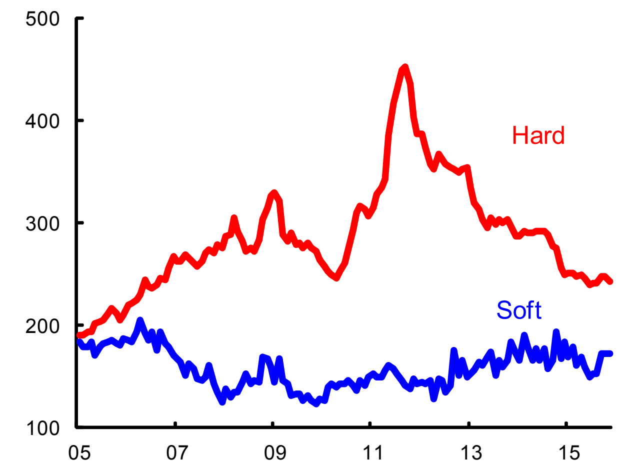
Zinc ($/ton)



Coal ($/ton)

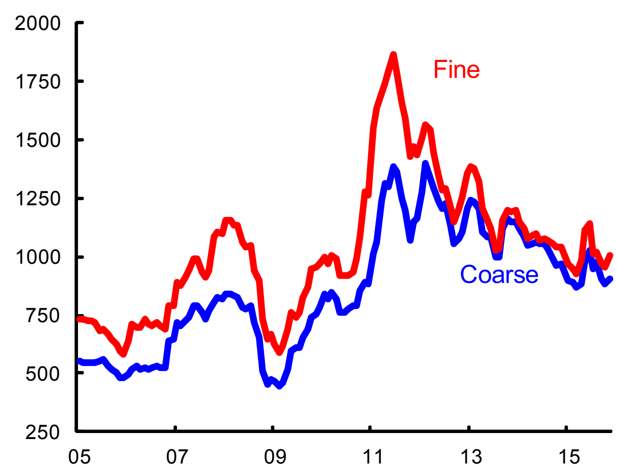


Logs ($/cubic meter)



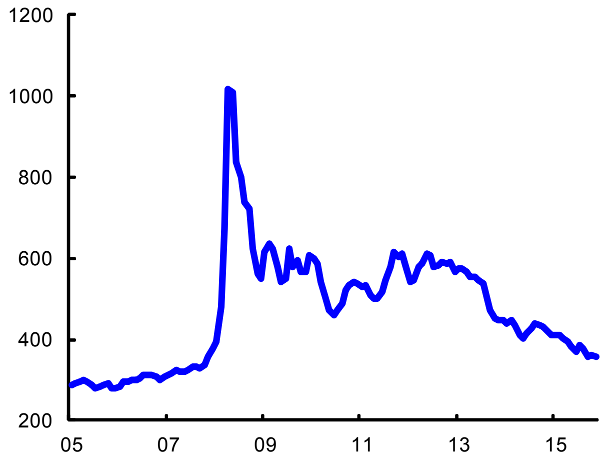
Rubber ($/lb)

Wool (cents/kg)

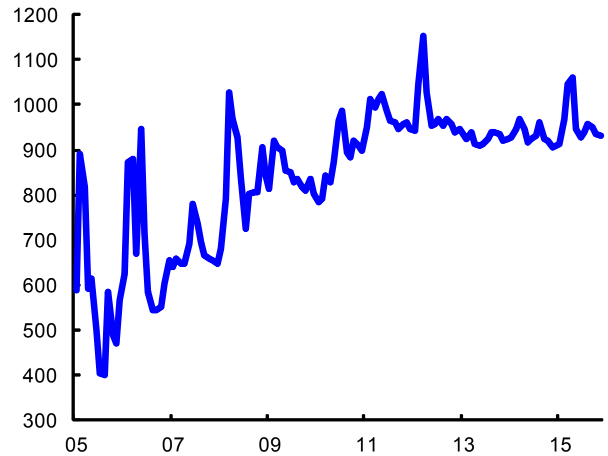


Commodity Prices Movements (Continued)
Monthly (from 2005)

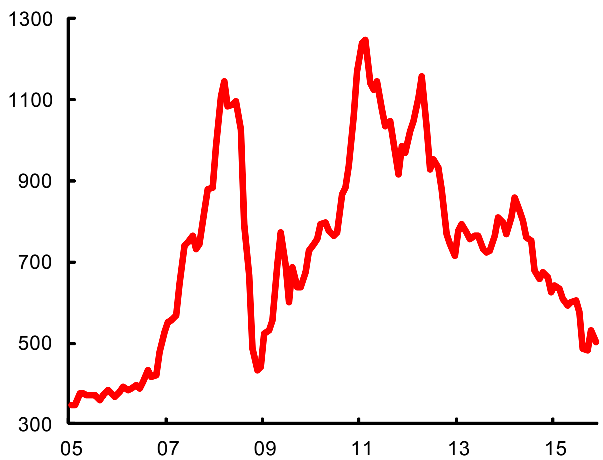
Rice ($/ton)



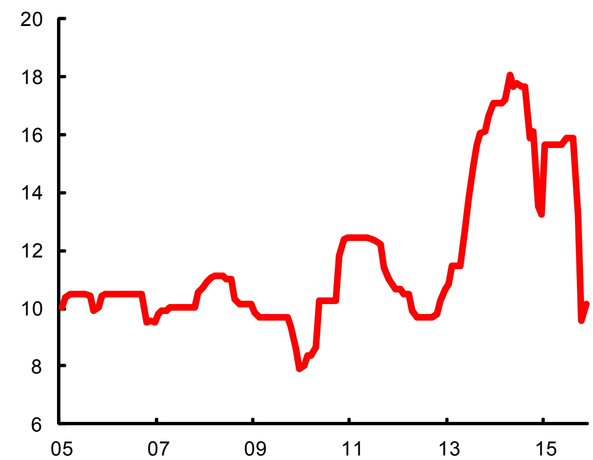
Bananas ($/ton)



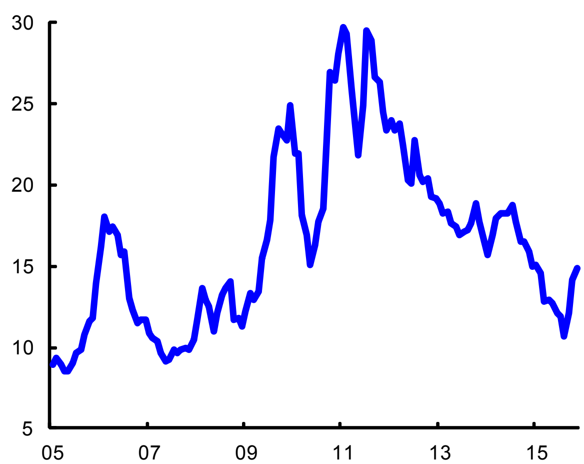
Palm Oil ($/ton)



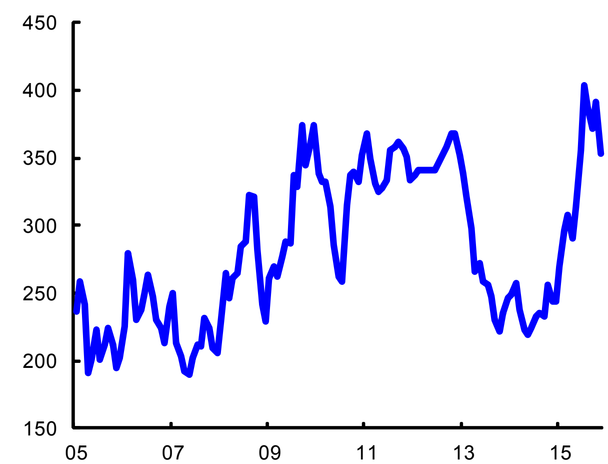
Shrimp ($/kg)



Sugar (cents/pound)



Tea (cents/kg)

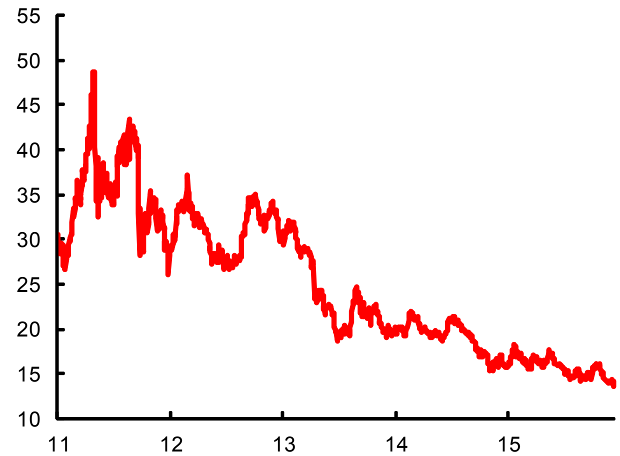


Commodity Prices Movements (Continued)

Daily (from 2011)

Gold ($/troy ounce)

Silver ($/troy ounce)



Platinum ($/ounce)

Palladium ($/ounce)