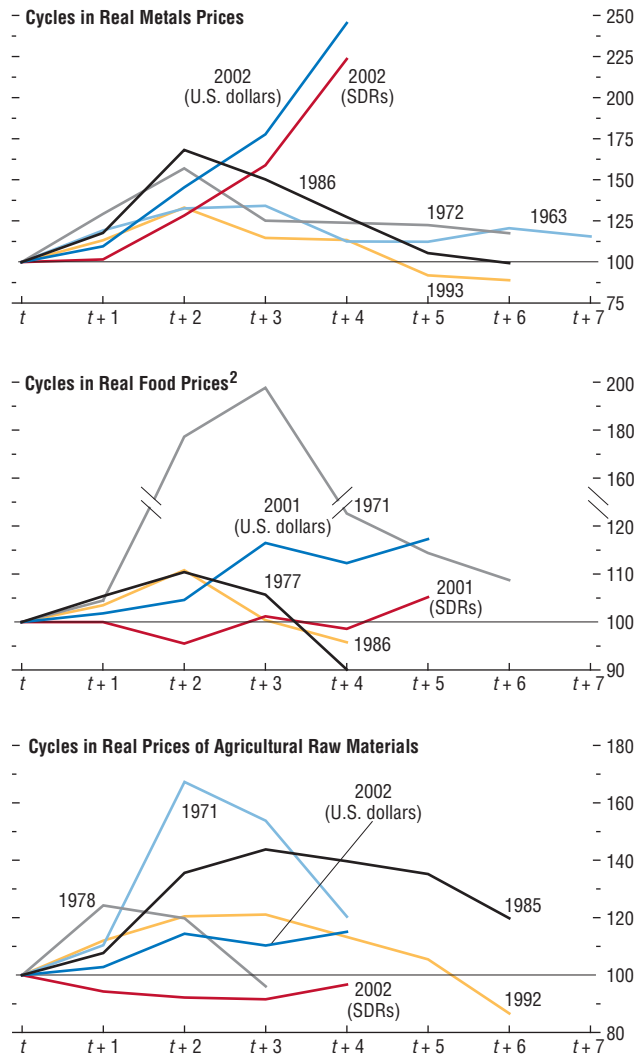


Figure 5.6. Perspective on the Recent Price Developments, 1957–2006¹

(Bottom of the cycle at time $t = 100$)

The current dynamics of real food and agricultural raw materials prices expressed in U.S. dollars are similar to earlier cyclical episodes. After accounting for exchange rate changes, both food and raw materials prices are very close to their levels from four years ago. Until recently, metals prices have also tracked historical patterns, but the continued run-up in metals prices this year has made the cumulative price increase significantly larger than usual.



Sources: IMF, Commodity Price System database; and IMF staff calculations

¹Commodity prices are expressed in constant U.S. dollars and are indexed such that cyclical troughs have a value of 100. The most recent episode of rising commodity prices is also expressed in constant special drawing rights (SDRs). Price data for 2006 are based on the average of January–June.

²Double slash denotes a break in the scale of the vertical axis.