

Commodity Market Monthly

Research Department, Commodities Unit

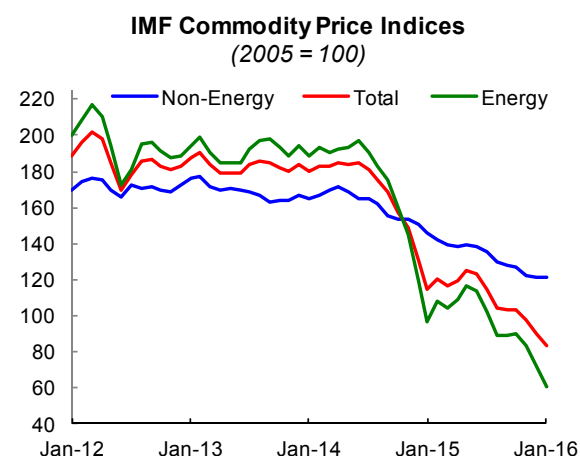


February 11, 2016

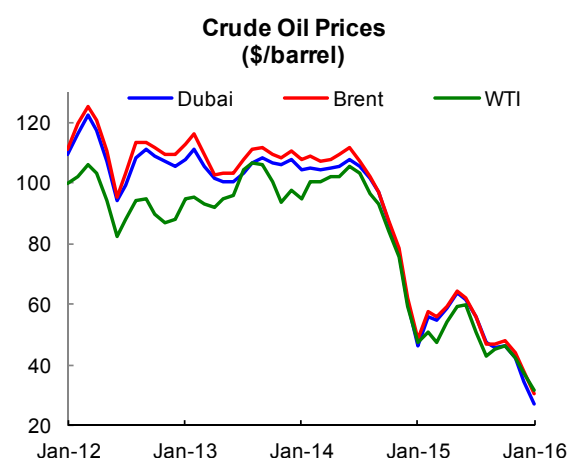
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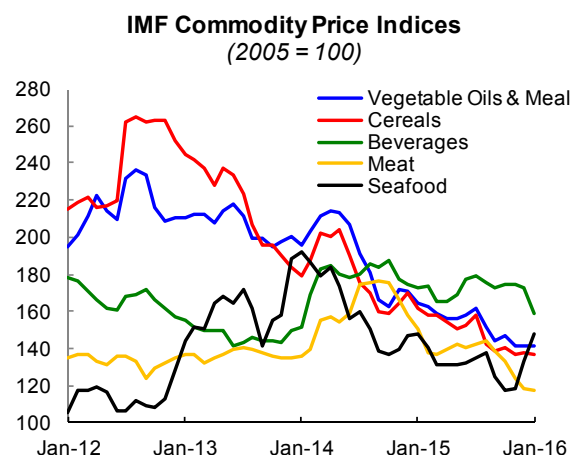
Commodity prices fell 8.1 percent in January, extending losses to eight months, led by sharp decline in oil prices. Metals prices continued to fall, and hit new lows since 2005, amid slowing Chinese economy and ample supply. Agricultural prices registered a marginal increase; with food prices rising modestly for second consecutive month.

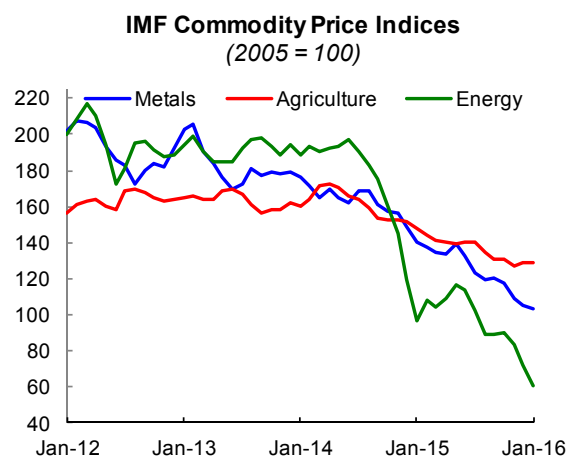


Crude oil prices dropped sharply by 18.2 percent in January, averaging \$29.9/bbl. With this oil prices are almost 40 percent lower compared to January 2015. Factors behind the fall in oil prices include: strong supply from OPEC members (which continue to exceed its 30 million barrels a day target), risk-off behavior in financial markets (which can further reduce oil demand if world growth falters) and subdued aggregate demand growth.



Natural gas price in the U.S. surged by 18.29 percent in January, averaging \$2.27/mmbtu, on the arrival of colder weather in the eastern US, though storage remains at high levels. Coal prices (Australia) decreased by 4.4 percent in January, following a general slowdown in demand.





Agriculture prices increased 0.2 percent in January, up for second consecutive month. Food prices rose 2 percent, while beverages and agricultural raw material prices fell 8 and 1 percent, respectively. Wheat prices remained broadly unchanged as weather concerns, mainly related to El Nino event, were offset by large inventories. Rice prices increased 1 percent due to smaller than expected crops from Thailand. Salmon prices rose 11 percent, on continued strong demand. Partly offsetting these increases, corn prices fell 2 percent amid ample supply and subdued demand. Soybean prices marginally declined on larger production prospects from Argentina. Overall meat prices decreased 1 percent, mainly driven by a 3 percent decline in beef prices. Cotton prices dropped 2 percent on weaker demand from China, Brazil, India and Pakistan. Coffee arabica and robusta prices declined 2 and 5 percent, respectively, in response to favorable crop prospects from Brazil. Cocoa prices sharply declined on weaker demand, particularly from China. Tea prices fell 7 percent following ample supplies from several African producers.

Metals prices decreased by 1.3 percent in January, down a fourth consecutive month, driven in part by a slump in oil prices, no real recovery in Chinese demand and over-capacity worldwide. The largest price decline was for tin,

down 6 percent to record low since May 2009, and then surged in early February, as inventories slid with concerns over potential shortages. Copper also continued to make six-year lows in January with a 4 percent drop, as production cuts failed to offset weak demand. Nickel fell 2 percent to the lowest since 2003, and became the first metal to hit below the lows of the global financial crisis of 2009. Aluminum was relatively stable, fell by only 1 percent, but is still under downward pressure from rising Chinese exports. Iron ore, to the opposite, ended up gaining 4 percent in January, after supply disruptions from Australia and Brazil.

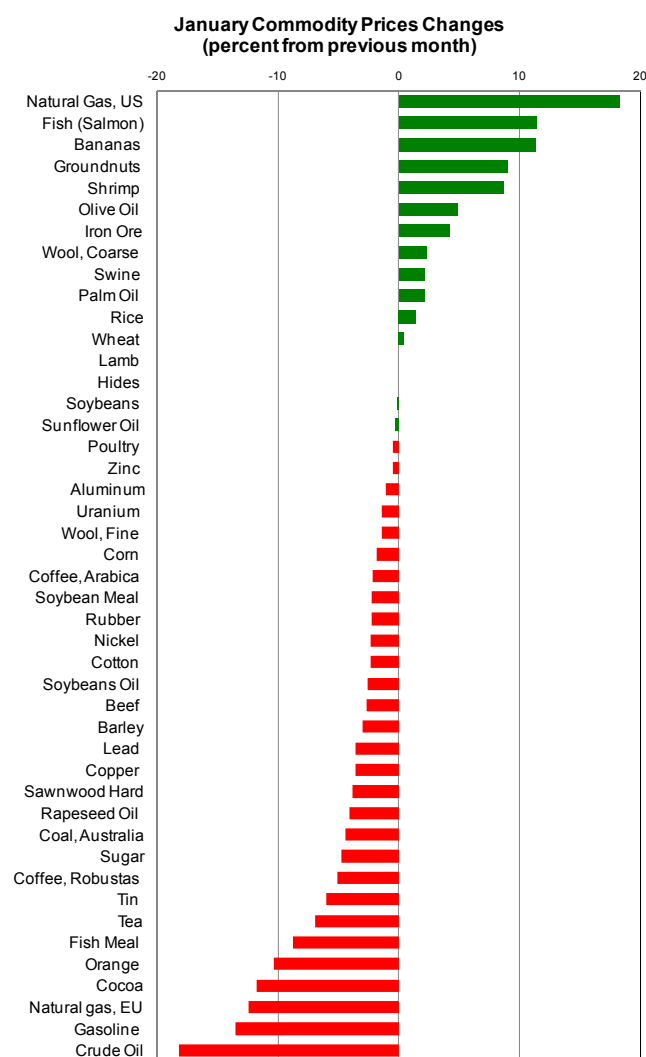


Table 1. Market Prices for Non-Fuel and Fuel Commodities

	Units	2013	2014	2015	2015Q1	2015Q2	2015Q3	2015Q4	Dec-15	Jan-16
Food										
Cereals										
Wheat	\$/MT	265.8	242.5	185.6	205.0	196.3	178.8	162.3	163.8	164.6
Maize	\$/MT	259.0	192.9	169.8	174.2	168.4	169.4	167.1	164.0	161.0
Rice	\$/MT	518.8	426.5	380.0	406.6	381.8	374.0	357.7	354.3	359.5
Barley	\$/MT	206.4	146.1	127.9	132.2	128.1	127.9	123.2	121.6	118.0
Vegetable oils and protein meals										
Soybeans	\$/MT	517.2	457.8	347.4	363.9	354.6	347.6	323.3	323.3	323.2
Soybean meal	\$/MT	477.3	467.0	352.7	372.7	348.0	369.3	320.8	303.9	297.2
Soybean oil	\$/MT	1011.1	812.7	672.2	696.4	715.4	638.3	638.6	677.2	659.9
Palm oil	\$/MT	764.2	739.4	565.1	627.9	599.9	514.6	518.0	520.6	531.6
Fish meal	\$/MT	1710.5	1921.5	1759.2	2031.9	1744.2	1558.9	1701.9	1704.4	1555.3
Sunflower Oil	\$/MT	1341.1	1080.3	1022.2	974.0	1062.3	1010.4	1042.1	1022.1	1020.1
Olive oil	\$/MT	3816.7	3911.8	4927.1	4568.3	4865.3	5616.4	4658.3	4190.2	4395.3
Groundnuts	\$/MT	2314.5	2148.3	1946.2	2016.8	2023.4	2012.9	1731.8	1656.9	1806.9
Rapeseed oil	\$/MT	1081.2	904.4	774.6	755.1	772.6	772.7	798.1	810.7	777.9
Meat										
Beef	cts/lb	183.6	224.1	200.5	216.6	202.9	206.3	176.2	167.1	162.6
Lamb	cts/lb	106.7	130.6	107.9	122.5	112.4	101.3	95.3	95.5	95.5
Swine Meat	cts/lb	86.5	102.8	67.9	65.5	71.9	73.8	60.5	53.1	54.3
Poultry	cts/lb	103.8	110.1	114.7	114.0	115.6	115.5	113.6	113.1	112.5
Seafood										
Fish	\$/kg	6.8	6.6	5.3	5.6	5.1	5.3	5.3	5.8	6.5
Shrimp	\$/kg	14.0	16.6	14.1	15.7	15.7	15.0	10.0	10.1	11.0
Sugar										
Free market	cts/lb	17.7	17.1	13.2	14.1	12.6	11.6	14.7	15.0	14.3
United States	cts/lb	21.2	24.9	24.9	24.8	24.6	24.5	25.5	25.8	25.8
EU	cts/lb	26.0	27.4	25.4	25.2	25.5	25.8	25.2	24.9	23.9
Bananas	\$/MT	926.4	931.9	958.7	974.8	978.4	948.9	932.7	932.3	1037.6
Oranges	\$/MT	967.3	782.5	675.0	698.5	616.9	652.1	732.6	768.7	689.4
Beverages										
Coffee										
Other milds	cts/lb	141.1	202.8	160.5	177.0	161.0	153.2	150.8	149.5	146.3
Robusta	cts/lb	100.5	105.6	94.2	101.4	96.7	90.9	87.9	86.3	82.0
Cocoa Beans	\$/MT	2439.1	3062.8	3135.2	2918.5	3068.1	3252.8	3301.3	3345.7	2952.4
Tea	cts/kg	266.0	237.9	340.4	291.2	320.1	387.2	363.0	343.5	319.8
Agricultural raw materials										
Timber										
Hardwood										
Logs 1/	\$/M3	305.4	282.0	246.0	249.9	245.4	243.6	245.2	244.6	251.8
Sawnwood 1/	\$/M3	852.8	897.9	833.3	826.2	834.8	844.9	827.1	816.8	785.6
Softwood										
Logs 1/	\$/M3	164.5	174.3	160.6	169.8	159.1	159.8	153.8	151.1	151.1
Sawnwood 1/	\$/M3	301.4	307.3	309.5	306.8	298.0	310.4	322.6	319.4	319.4
Cotton	cts/lb	90.4	83.1	70.4	68.8	72.3	71.0	69.5	70.4	68.8
Wool										
Fine	cts/kg	1197.7	1074.4	1005.8	947.8	1079.7	999.7	995.8	1028.3	1014.2
Coarse	cts/kg	1128.1	1030.4	922.8	887.7	962.7	942.0	898.9	909.9	930.9
Rubber	cts/lb	126.8	88.8	70.7	78.6	81.2	66.1	57.0	56.6	55.3
Hides	cts/lb	94.7	110.2	87.6	105.8	96.8	76.1	71.7	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	2015Q1	2015Q2	2015Q3	2015Q4	Dec-15	Jan-16
Metals										
Copper	\$/MT	7331.5	6863.4	5510.5	5833.2	6056.6	5267.1	4884.9	4638.8	4471.8
Aluminum	\$/MT	1846.7	1867.4	1664.7	1802.1	1770.3	1592.4	1493.9	1497.2	1481.1
Iron Ore	\$/MT	135.4	96.8	55.2	62.3	57.9	54.4	46.2	39.6	41.3
Tin	\$/MT	22281.6	21898.9	16066.6	18370.0	15589.8	15229.5	15077.2	14691.7	13808.1
Nickel	\$/MT	15030.0	16893.4	11862.6	14392.8	13055.8	10578.9	9423.0	8707.8	8507.3
Zinc	\$/MT	1910.2	2161.0	1931.7	2079.8	2192.2	1842.8	1611.8	1527.8	1520.4
Lead	\$/MT	2139.7	2095.5	1787.8	1810.4	1942.2	1717.0	1681.7	1706.6	1646.2
Uranium	\$/lb	38.6	33.5	36.8	37.9	36.8	36.4	36.0	35.1	34.6
Energy										
Spot Crude 2/	\$/bbl	104.1	96.2	50.8	51.7	60.4	48.8	42.2	36.6	29.9
U.K. Brent	\$/bbl	108.8	98.9	52.4	54.0	62.1	50.0	43.4	37.7	30.8
Dubai	\$/bbl	105.4	96.7	51.2	52.5	61.4	49.9	41.2	34.7	27.2
West Texas Intermediate	\$/bbl	97.9	93.1	48.7	48.7	57.8	46.5	42.0	37.2	31.7
Natural Gas										
Russian in Germany	\$/mmbtu	11.2	10.5	7.3	9.4	7.4	6.6	5.9	5.8	5.1
Indonesian in Japan (LNG)	\$/mmbtu	17.3	17.0	10.9	14.4	9.6	9.8	9.6	9.0	8.5
US, domestic market	\$/mmbtu	3.7	4.4	2.6	2.9	2.7	2.7	2.1	1.9	2.3
Coal										
Australian, export markets	\$/MT	90.6	75.1	61.6	65.6	63.2	61.6	56.1	55.9	53.4

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/	2013	2014	2015	2015Q1	2015Q2	2015Q3	2015Q4	Dec-15	Jan-16
All Primary Commodities 2/	100.0	183.3	171.8	111.2	117.6	122.4	107.5	97.1	90.4	83.1
Non-Fuel Commodities	36.9	169.0	162.3	133.9	142.4	138.6	131.1	123.6	121.7	121.5
Agriculture	26.2	163.3	161.5	137.1	144.4	139.9	135.2	128.8	128.5	128.7
Food	16.7	177.5	170.2	141.0	148.4	143.0	140.5	132.2	132.4	134.6
Cereals	3.6	218.2	180.2	149.0	159.1	152.5	146.1	138.2	137.5	136.9
Vegetable oils and protein meals	4.4	206.4	190.7	153.6	161.9	156.9	152.4	143.3	141.6	141.1
Meat	3.7	136.8	160.5	137.4	142.1	140.5	141.9	125.2	118.8	117.7
Seafood	3.2	160.1	162.0	131.7	139.8	131.6	132.5	123.0	133.5	148.2
Beverages	1.8	147.4	178.0	172.6	170.4	170.4	175.9	173.7	172.5	159.0
Agricultural raw materials 3/	7.7	136.2	138.8	120.0	129.6	125.9	114.0	110.7	109.6	109.0
Timber	3.4	107.3	109.3	104.5	104.6	102.6	104.9	105.9	104.8	104.0
Metals	10.7	182.9	164.1	126.2	137.4	135.5	121.0	110.7	105.1	103.7
Edibles 4/	18.5	174.6	171.0	144.1	150.6	145.7	144.0	136.3	136.3	137.0
Industrial Inputs 5/	18.4	163.3	153.5	123.6	134.1	131.5	118.1	110.7	107.0	105.9
Energy 6/	63.1	191.7	177.4	97.8	103.1	113.0	93.7	81.7	72.2	60.6
Petroleum 7/	53.6	195.9	181.1	95.6	97.4	113.7	91.9	79.3	68.6	56.0
Natural Gas	6.9	164.9	159.9	106.5	136.9	102.4	97.5	89.1	85.6	79.1
Coal	2.6	176.8	149.1	121.3	129.7	125.4	120.1	110.0	109.2	105.3

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

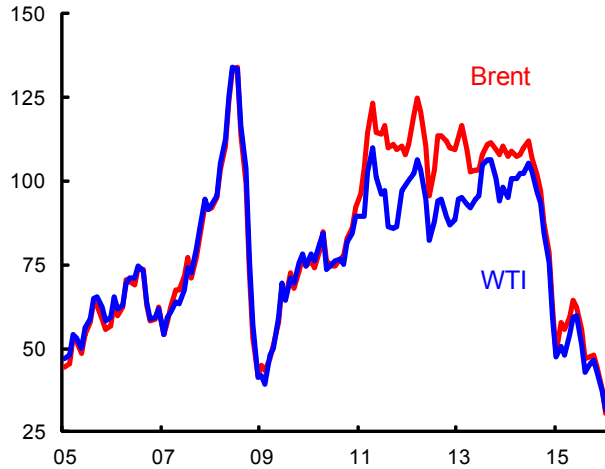
6/ Includes Petroleum, Natural Gas and Coal

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

Commodity Prices Movements

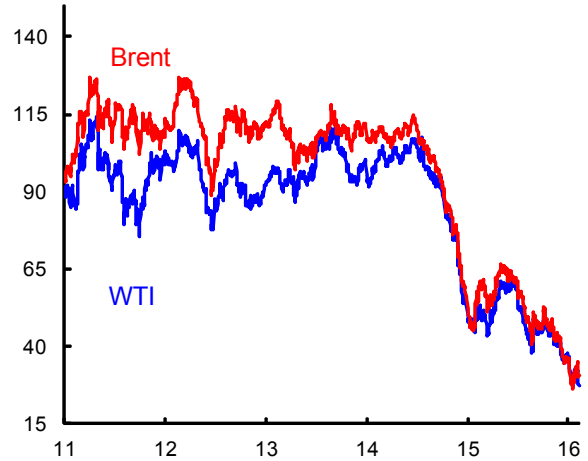
Monthly (from 2005)

Crude oil (\$/bbl)

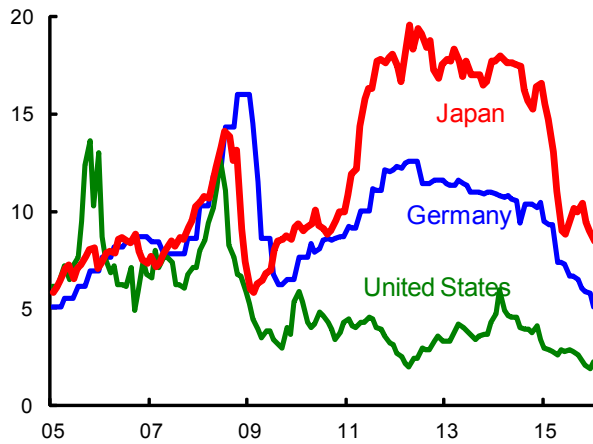


Daily (from 2011)

Crude oil (\$/bbl)

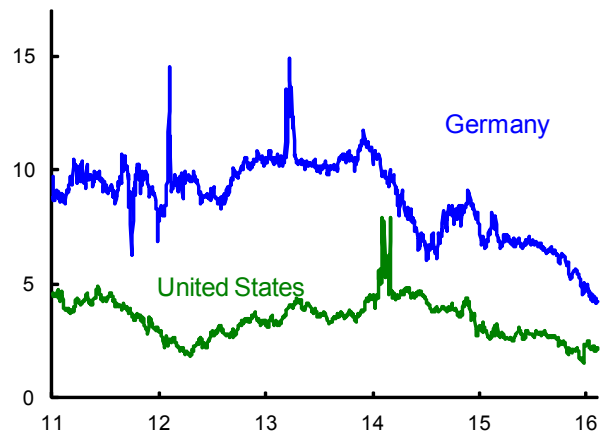


Natural Gas (\$/mmbtu)



Sources: Energy Intelligence; Bloomberg, L.P.

Natural Gas (\$/mmbtu)



Source: Bloomberg, L.P.

Iron Ore (\$/ton)



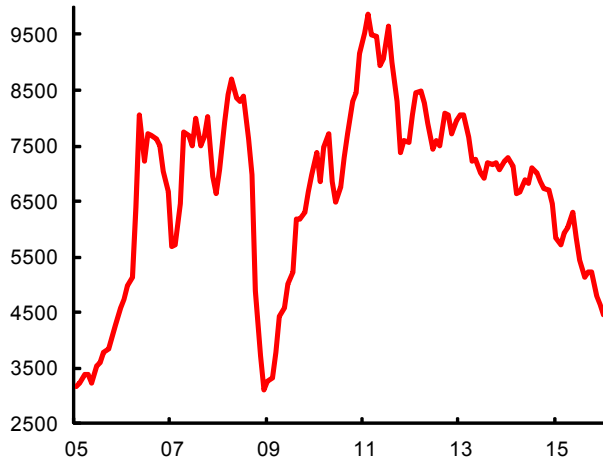
Iron Ore (\$/ton)



Commodity Prices Movements (Continued)

Monthly (from 2005)

Copper (\$/ton)



Aluminium (\$/ton)



Nickel (\$/ton)

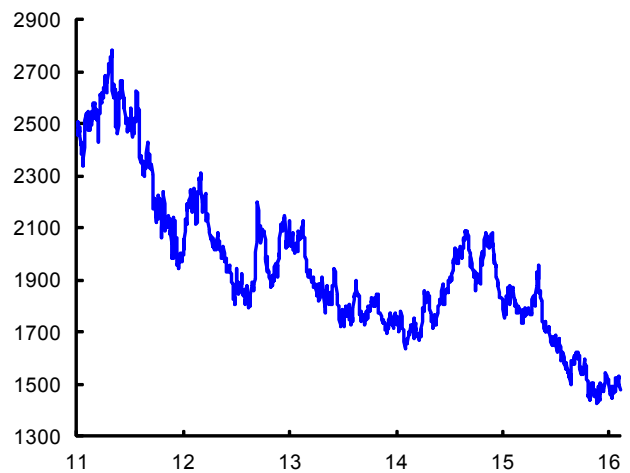


Daily (from 2011)

Copper (\$/ton)



Aluminium (\$/ton)



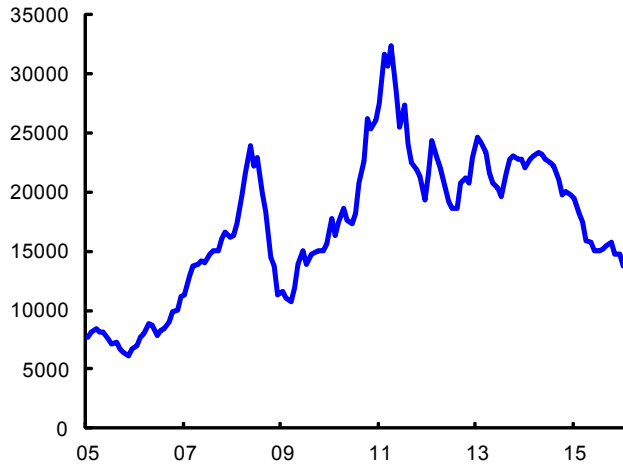
Nickel (\$/ton)



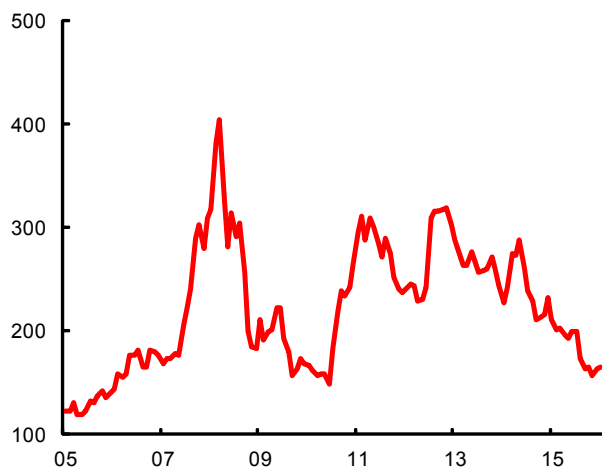
Commodity Prices Movements (Continued)

Monthly (from 2005)

Tin (\$/ton)



Wheat (\$/ton)

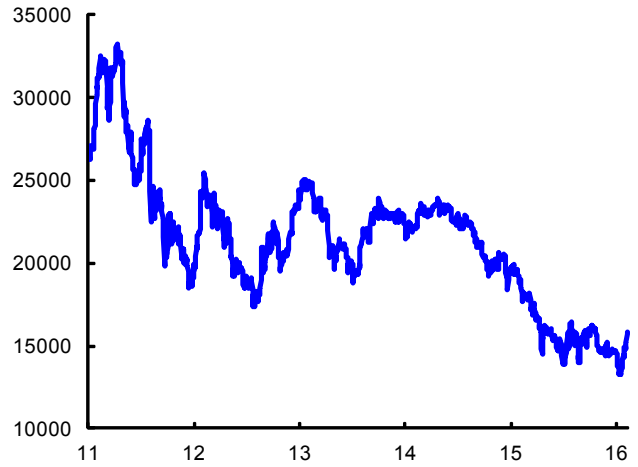


Corn (\$/ton)



Daily (from 2011)

Tin (\$/ton)



Wheat (\$/ton)



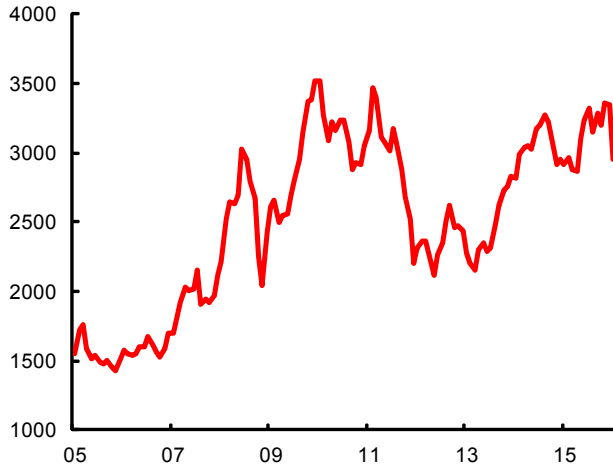
Corn (\$/ton)



Commodity Prices Movements (Continued)

Monthly (from 2005)

Cocoa (\$/ton)



Coffee (cents/lb)

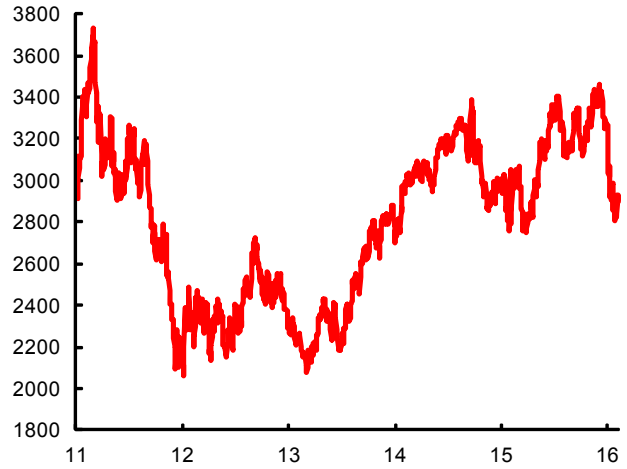


Swine (cents/lb)

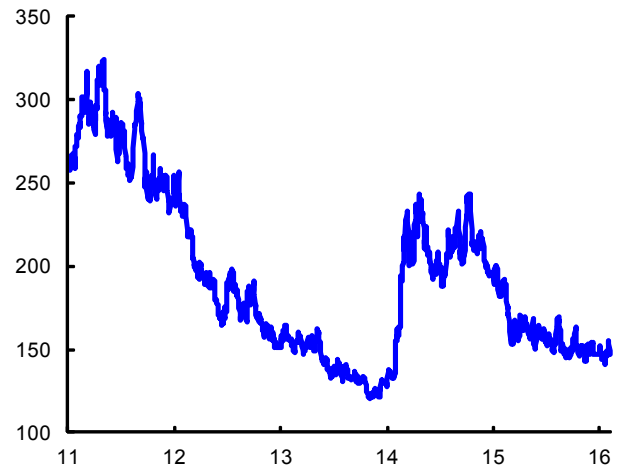


Daily (from 2011)

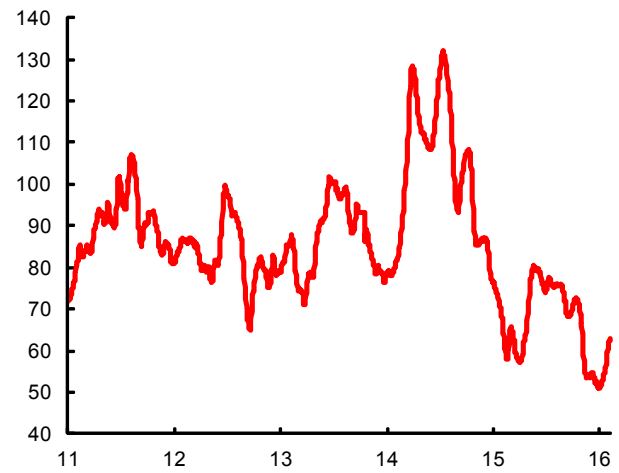
Cocoa (\$/ton)



Coffee (cents/lb)



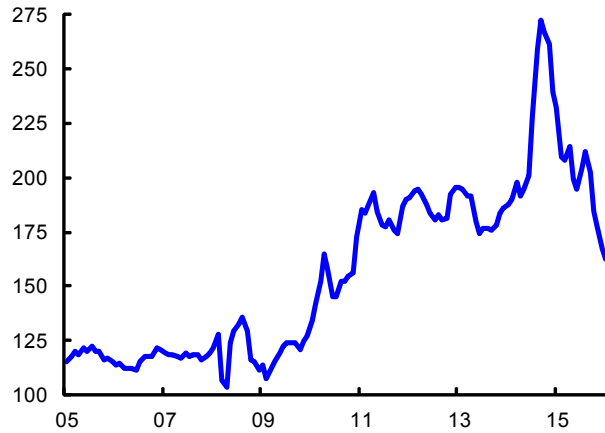
Swine (cents/lb)



Commodity Prices Movements (Continued)

Monthly (from 2005)

Beef (cents/pound)



Source: Meat & Livestock Australia.

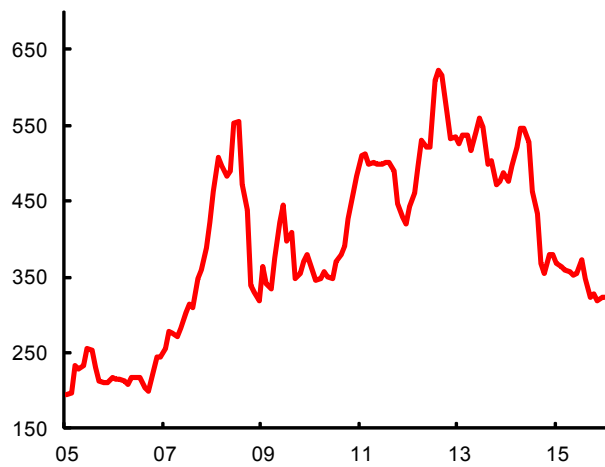
Daily (from 2011)

Beef (cents/lb)



Source: Bloomberg, L.P.

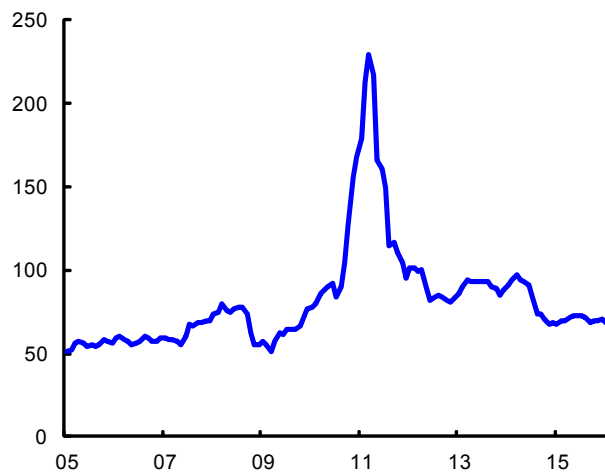
Soybeans (\$/ton)



Soybeans (\$/ton)



Cotton (cents/pound)

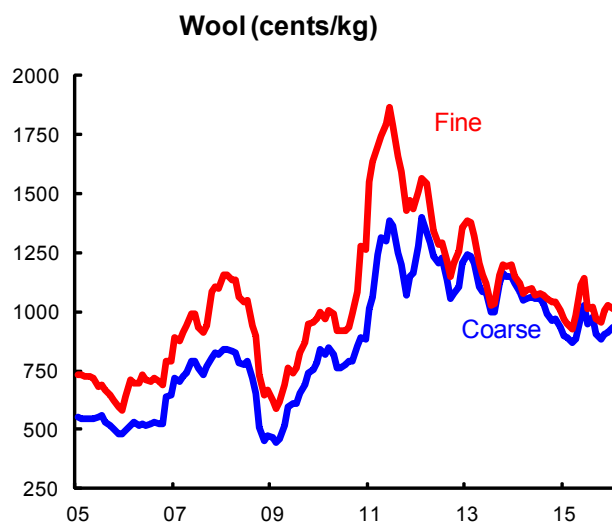
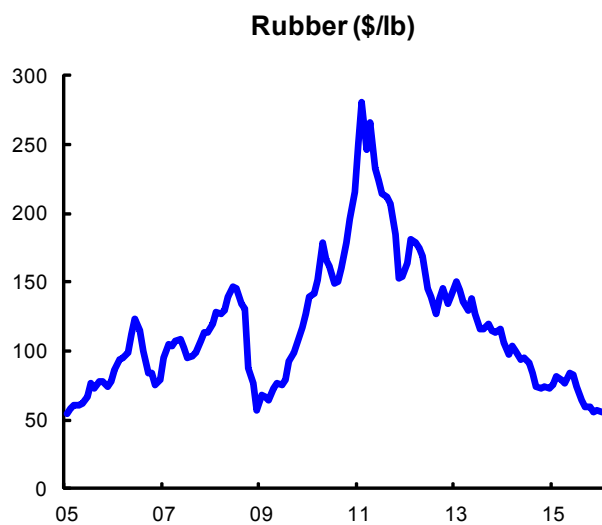
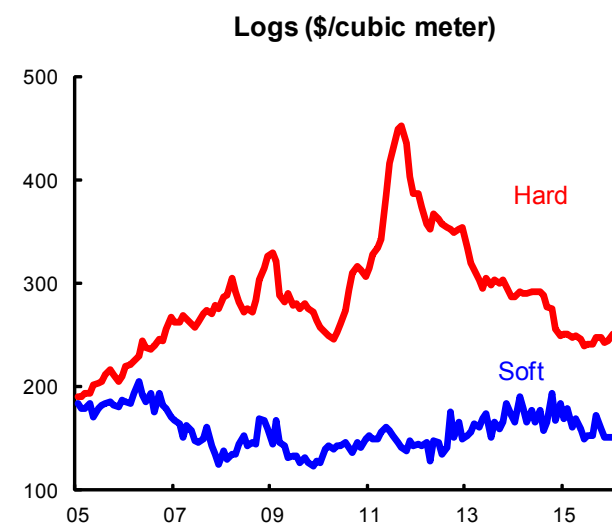
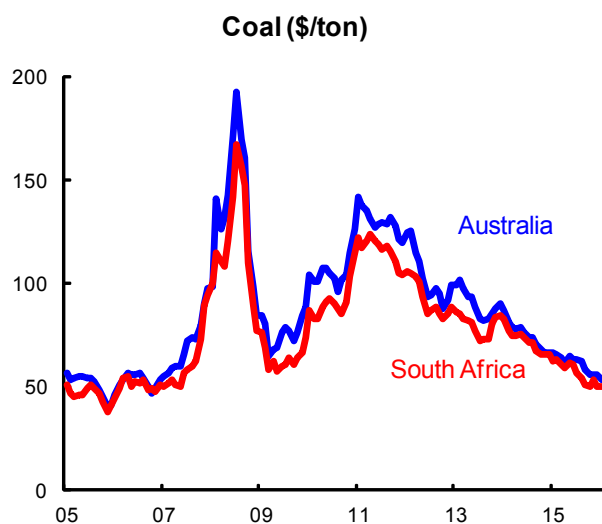
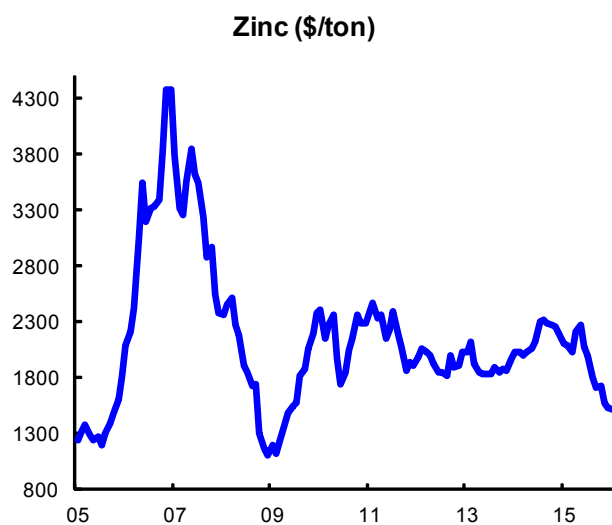
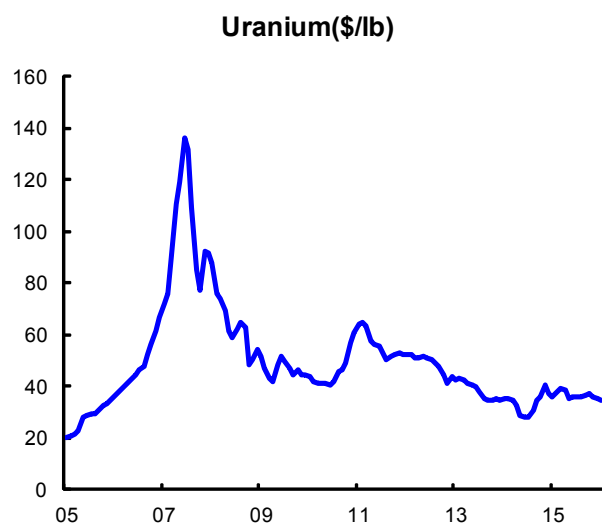


Cotton (cents/lb)



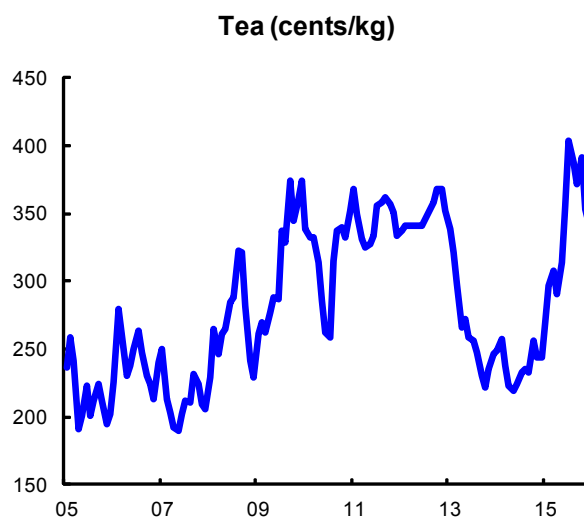
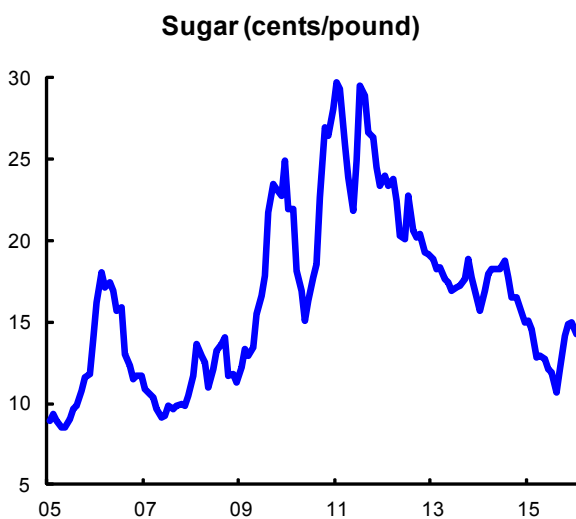
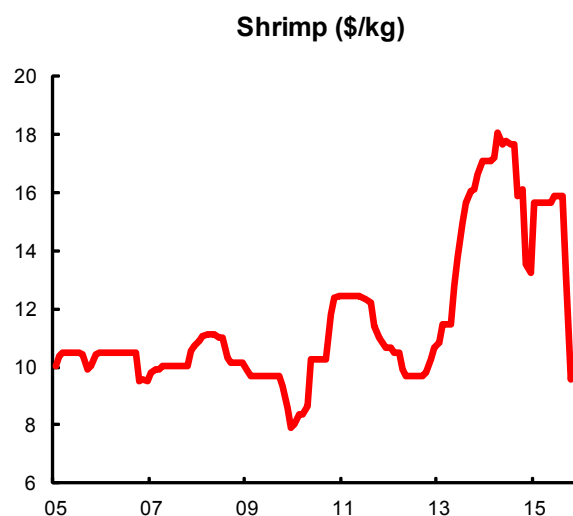
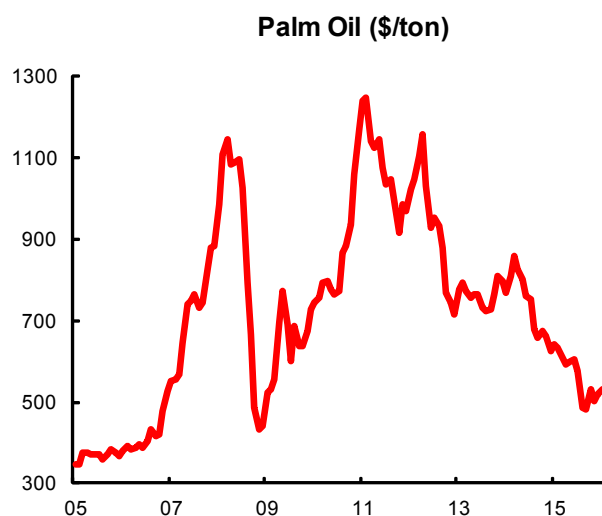
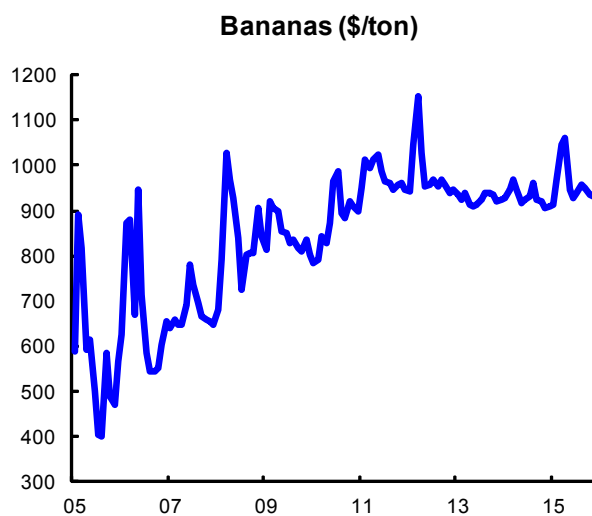
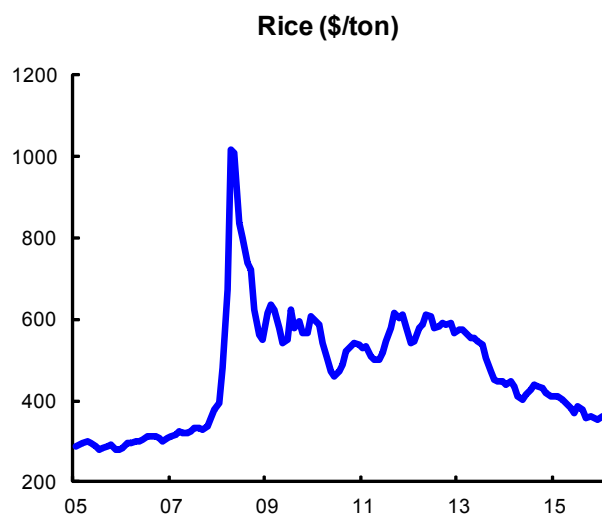
Commodity Prices Movements (Continued)

Monthly (from 2005)



Commodity Prices Movements (Continued)

Monthly (from 2005)



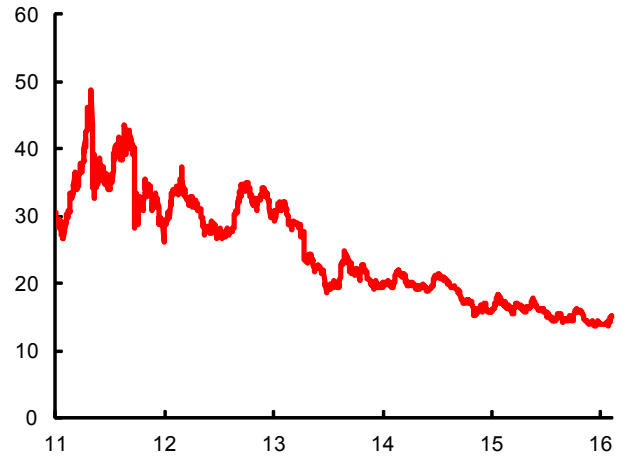
Commodity Prices Movements (Continued)

Daily (from 2011)

Gold (\$/troy ounce)



Silver (\$/troy ounce)



Platinum (\$/ounce)



Palladium (\$/ounce)

