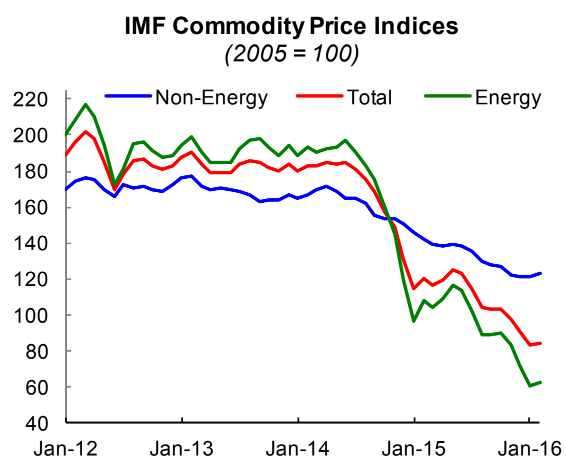
Commodity Market Monthly

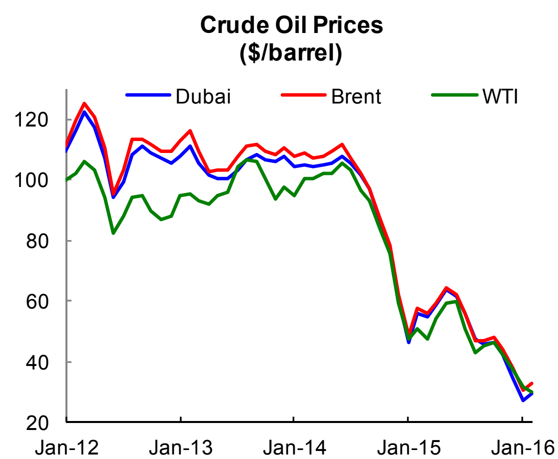
Research Department, Commodities Unit

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

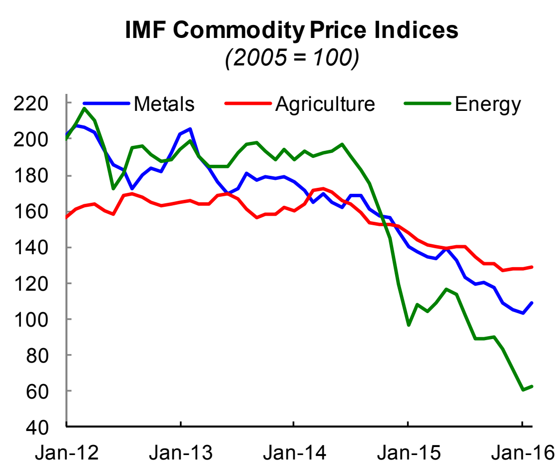
Commodity prices rebound 2.0 percent in February, the first increase in nine months, with gains in all main groups. Metals prices modestly increased on momentary stabilized global markets. Agricultural prices registered another marginal increase, with El Nino event still pushing up some food prices – like palm oil.

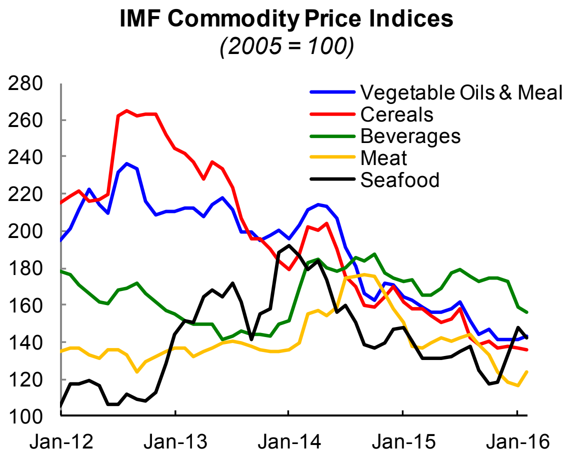


Crude oil prices rose 3.8 percent in February, averaging $31.1/bbl, after three consecutive months of losses. Recent discussions among major oil producers (Russia, Saudi Arabia, Venezuela and Qatar) regarding a potential production freeze, helped oil prices to rebound to some extent. The increase was limited by strong supply from OPEC members and subdued aggregate demand growth. The International Energy Agency expects global demand growth to slow from 1.8 mbd in 2015 to 1.2 mbd in 2016.



Natural gas price in the U.S. fell by 13.9 percent in February, averaging $1.96/mmbtu, under pressures from high inventory levels and warmer than normal temperatures during the winter. **Coal prices (Australia) increased by 2.2 percent** in February, reversing losses from the previous month.





Agriculture prices increased 0.2 percent in February; food and agricultural raw material prices are slightly up, while beverages prices fell 2 percent. Rice prices increased 4 percent in response to lower than expected output from Asia. Palm oil prices rose 12 percent as dry weather, mainly due to El Nino event, continues to affect production in Asia, especially in Indonesia and Malaysia. Beef prices increased 8 percent on tight supplies from Australia and the US. Swine prices sharply increased partly due to stronger demand from China. Overall coffee prices remained broadly unchanged; a marginal decrease in robusta prices was offset by a 2 percent increase in arabica prices. Partly offsetting these increases, wheat and corn prices fell 3 and 1 percent, respectively, on comfortable supply, large inventories and good prospects for the upcoming harvest. Soybean prices decreased 1 percent amid strong supply. Cotton prices dropped 3 percent on ample stocks and sluggish demand. Sugar prices fell 7 percent, down for second consecutive month, owing to better than expected crop conditions in Brazil.

Metals prices rose by 5.0 percent in February, first increase in five months, boosted by production cuts and renewed demand, as well as rising oil prices. Iron ore increased by 12 percent, as Chinese steel mills restock ahead of the summer construction season, while the long-term slowdown of Chinese demand has not changed. Tin and Zinc also surged by more than 10 percent in February. Aluminum modestly recovered by 3 percent, driven by a combination of lower China's exports and production. Copper also registered a slight increase of 3 percent amid a weaker U.S. dollar and momentary stabilization in global markets. Nickel, however, continued to fall by 2 percent to the lowest since 2003, pressured by both weak demand and potential ease of the ban on nickel exports from Indonesia.

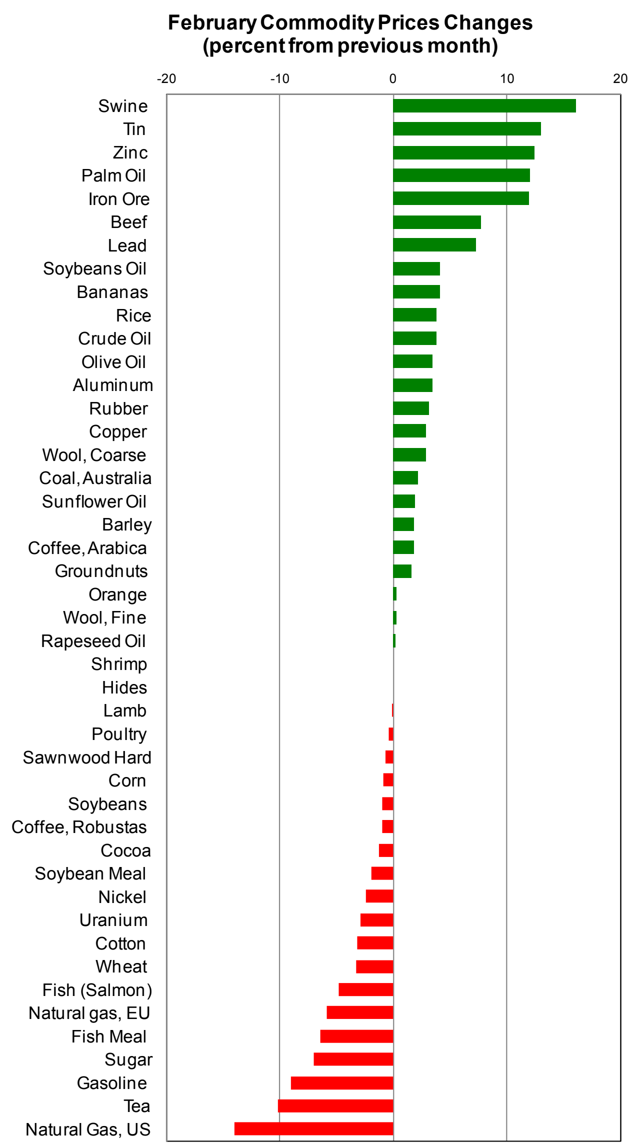


Table 1. Market Prices for Non-Fuel and Fuel Commodities

	Units	2013	2014	2015	2015Q1	2015Q2	2015Q3	2015Q4	Jan-16	Feb-16
Food										
Cereals										
Wheat	$/MT	265.8	242.5	185.6	205.0	196.3	178.8	162.3	164.6	159.3
Maize	$/MT	259.0	192.9	169.8	174.2	168.4	169.4	167.1	161.0	159.7
Rice	$/MT	518.8	426.5	380.0	406.6	381.8	374.0	357.7	359.5	373.3
Barley	$/MT	206.4	146.1	127.9	132.2	128.1	127.9	123.2	118.0	120.1
Vegetable oils and protein meals										
Soybeans	$/MT	517.2	457.8	347.4	363.9	354.6	347.6	323.3	323.2	320.1
Soybean meal	$/MT	477.3	467.0	352.7	372.7	348.0	369.3	320.8	297.2	291.4
Soybean oil	$/MT	1011.1	812.7	672.2	696.4	715.4	638.3	638.6	659.9	686.9
Palm oil	$/MT	764.2	739.4	565.1	627.9	599.9	514.6	518.0	531.6	595.9
Fish meal	$/MT	1710.5	1921.5	1759.2	2031.9	1744.2	1558.9	1701.9	1555.3	1455.9
Sunflower Oil	$/MT	1341.1	1080.3	1022.2	974.0	1062.3	1010.4	1042.1	1020.1	1039.6
Olive oil	$/MT	3816.7	3911.8	4927.1	4568.3	4865.3	5616.4	4658.3	4395.3	4545.7
Groundnuts	$/MT	2314.5	2148.3	1946.2	2016.8	2023.4	2012.9	1731.8	1800.5	1829.9
Rapeseed oil	$/MT	1081.2	904.4	774.6	755.1	772.6	772.7	798.1	777.9	778.9
Meat										
Beef	cts/lb	183.6	224.1	200.5	216.6	202.9	206.3	176.2	159.1	171.3
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	54.3	62.9
Poultry	cts/lb	103.8	110.1	114.7	114.0	115.6	115.5	113.6	112.5	112.1
Seafood										
Fish	$/kg	6.8	6.6	5.3	5.6	5.1	5.3	5.3	6.5	6.1
Shrimp	$/kg	14.0	16.6	14.1	15.7	15.7	15.0	10.0	11.0	11.0
Sugar										
Free market	cts/lb	17.7	17.1	13.2	14.1	12.6	11.6	14.7	14.3	13.3
United States	cts/lb	21.2	24.9	24.9	24.8	24.6	24.5	25.5	25.8	25.5
EU	cts/lb	26.0	27.4	25.4	25.2	25.5	25.8	25.2	23.9	23.8
Bananas	$/MT	926.4	931.9	958.7	974.8	978.4	948.9	932.7	1011.2	1052.4
Oranges	$/MT	967.3	782.5	675.0	698.5	616.9	652.1	732.6	689.4	691.4
Beverages										
Coffee										
Other milds	cts/lb	141.1	202.8	160.5	177.0	161.0	153.2	150.8	146.3	148.9
Robusta	cts/lb	100.5	105.6	94.2	101.4	96.7	90.9	87.9	82.0	81.2
Cocoa Beans	$/MT	2439.1	3062.8	3135.2	2918.5	3068.1	3252.8	3301.3	2952.4	2916.4
Tea	cts/kg	266.0	237.9	340.4	291.2	320.1	387.2	363.0	319.8	287.3
Agricultural raw materials										
Timber										
Hardwood										
Logs 1/	$/M3	305.4	282.0	246.0	249.9	245.4	243.6	245.2	251.8	259.3
Sawnwood 1/	$/M3	852.8	897.9	833.3	826.2	834.8	844.9	827.1	785.6	780.1
Softwood										
Logs 1/	$/M3	164.5	174.3	162.0	169.8	159.1	159.8	159.3	167.4	167.4
Sawnwood 1/	$/M3	301.4	307.3	308.7	306.8	298.0	310.4	319.6	310.6	310.6
Cotton	cts/lb	90.4	83.1	70.4	68.8	72.3	71.0	69.5	68.8	66.6
Wool										
Fine	cts/kg	1197.7	1074.4	1005.8	947.8	1079.7	999.7	995.8	1014.2	1017.1
Coarse	cts/kg	1128.1	1030.4	922.8	887.7	962.7	942.0	898.9	930.9	957.3
Rubber	cts/lb	126.8	88.8	70.7	78.6	81.2	66.1	57.0	55.3	57.0
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	Jan-16	Feb-16
Metals										
Copper	$/MT	7331.5	6863.4	5510.5	5833.2	6056.6	5267.1	4884.9	4471.8	4598.6
Aluminum	$/MT	1846.7	1867.4	1664.7	1802.1	1770.3	1592.4	1493.9	1481.1	1531.3
Iron Ore	$/MT	135.4	96.8	55.2	62.3	57.9	54.4	46.2	41.3	46.2
Tin	$/MT	22281.6	21898.9	16066.6	18370.0	15589.8	15229.5	15077.2	13808.1	15610.1
Nickel	$/MT	15030.0	16893.4	11862.6	14392.8	13055.8	10578.9	9423.0	8507.3	8298.5
Zinc	$/MT	1910.2	2161.0	1931.7	2079.8	2192.2	1842.8	1611.8	1520.4	1709.8
Lead	$/MT	2139.7	2095.5	1787.8	1810.4	1942.2	1717.0	1681.7	1646.2	1765.8
Uranium	$/lb	38.6	33.5	36.8	37.9	36.8	36.4	36.0	34.6	33.6
Energy										
Spot Crude 2/	$/bbl	104.1	96.2	50.8	51.7	60.4	48.8	42.2	29.9	31.1
U.K. Brent	$/bbl	108.8	98.9	52.4	54.0	62.1	50.0	43.4	30.8	33.2
Dubai	$/bbl	105.4	96.7	51.2	52.5	61.4	49.9	41.2	27.2	29.6
West Texas Intermediate	$/bbl	97.9	93.1	48.7	48.7	57.8	46.5	42.0	31.7	30.3
Natural Gas										
Russian in Germany	$/mmbtu	11.2	10.5	7.3	9.4	7.4	6.6	5.9	5.1	4.8
Indonesian in Japan (LNG)	$/mmbtu	17.3	17.0	11.0	14.4	9.6	9.8	10.0	9.0	9.0
US, domestic market	$/mmbtu	3.7	4.4	2.6	2.9	2.7	2.7	2.1	2.3	2.0
Coal										
Australian, export markets	$/MT	90.6	75.1	61.6	65.6	63.2	61.6	56.1	53.4	54.5

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/

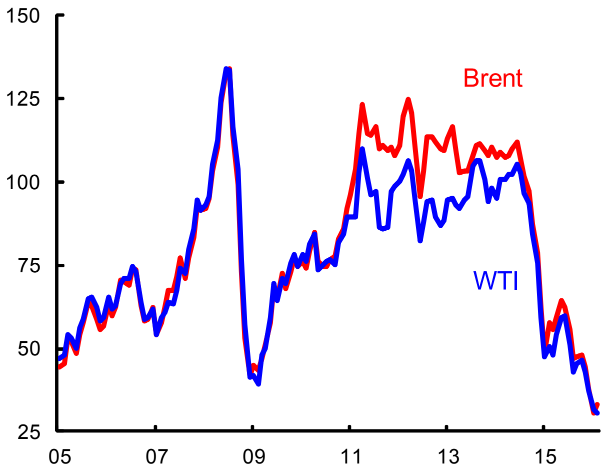
	(weights) 1/	2013	2014	2015	2015Q1	2015Q2	2015Q3	2015Q4	Jan-16	Feb-16
All Primary Commodities 2/	100.0	183.3	171.8	111.2	117.6	122.4	107.5	97.2	83.2	84.8
Non-Fuel Commodities	36.9	169.0	162.3	133.9	142.4	138.6	131.1	123.5	121.3	123.0
Agriculture	26.2	163.3	161.5	137.1	144.4	139.9	135.2	128.7	128.4	128.7
Food	16.7	177.5	170.2	141.0	148.4	143.0	140.5	132.2	134.2	134.9
Cereals	3.6	218.2	180.2	149.0	159.1	152.5	146.1	138.2	136.9	135.6
Vegetable oils and protein meals	4.4	206.4	190.7	153.6	161.9	156.9	152.4	143.3	141.1	143.4
Meat	3.7	136.8	160.5	137.4	142.1	140.5	141.9	125.2	116.5	124.3
Seafood	3.2	160.1	162.0	131.7	139.8	131.6	132.5	123.0	148.2	142.0
Beverages	1.8	147.4	178.0	172.6	170.4	170.4	175.9	173.7	159.0	156.2
Agricultural raw materials 3/	7.7	136.2	138.8	120.0	129.6	125.9	114.0	110.6	108.8	108.9
Timber	3.4	107.3	109.3	104.5	104.6	102.6	104.9	105.8	103.6	103.8
Metals	10.7	182.9	164.1	126.2	137.4	135.5	121.0	110.7	103.7	108.9
Edibles 4/	18.5	174.6	171.0	144.1	150.6	145.7	144.0	136.3	136.6	137.0
Industrial Inputs 5/	18.4	163.3	153.5	123.6	134.1	131.5	118.1	110.7	105.8	108.9
Energy 6/	63.1	191.7	177.4	97.9	103.1	113.0	93.7	81.8	60.8	62.5
Petroleum 7/	53.6	195.9	181.1	95.6	97.4	113.7	91.9	79.3	56.0	58.3
Natural Gas	6.9	164.9	159.9	106.8	136.9	102.4	97.5	90.6	81.1	77.8
Coal	2.6	176.8	149.1	121.3	129.7	125.4	120.1	110.0	105.3	107.7

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.

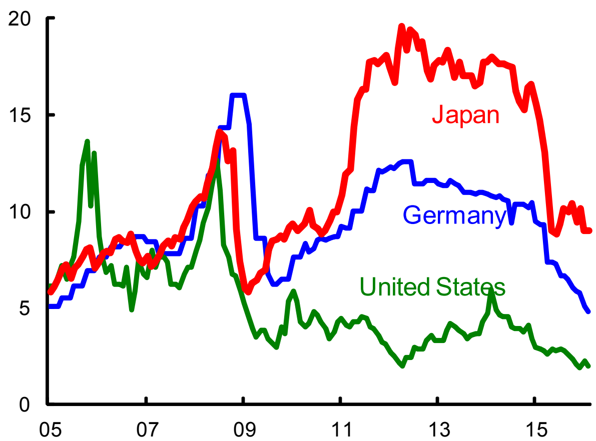
Commodity Prices Movements

Monthly (from 2005)

Crude oil ($/bbl)



Natural Gas ($/mmbtu)

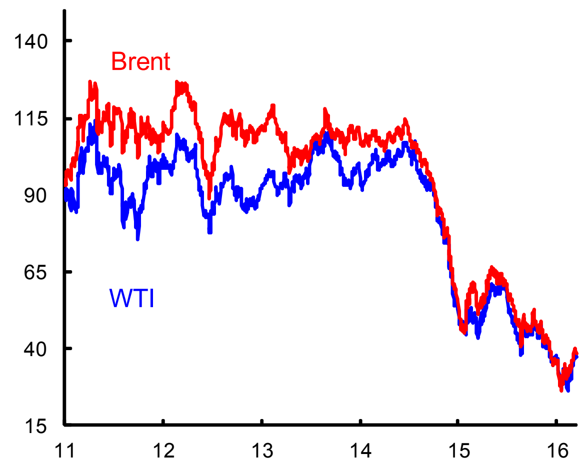


Sources: Energy Intelligence; Bloomberg, L.P.

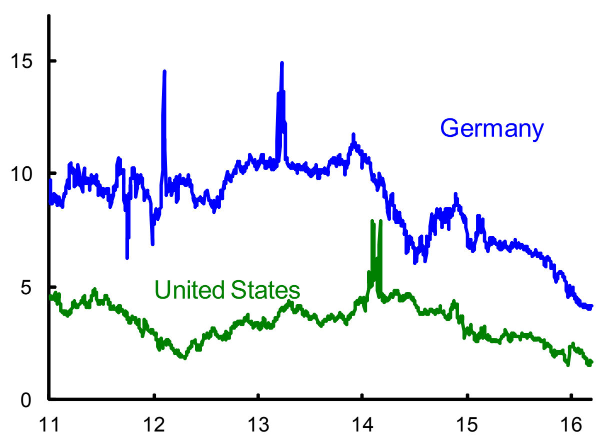
Iron Ore ($/ton)

Daily (from 2011)

Crude oil ($/bbl)



Natural Gas ($/mmbtu)



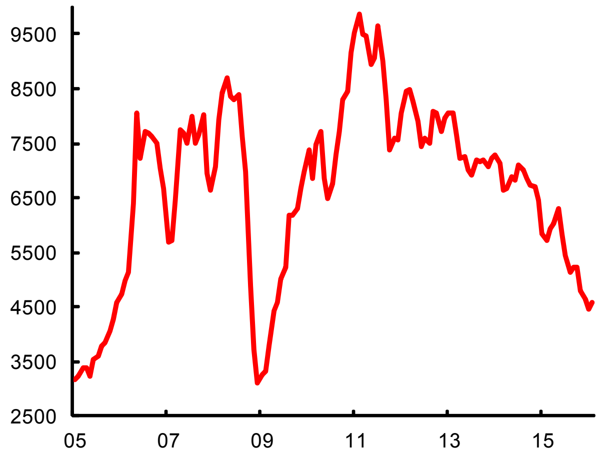
Source: Bloomberg, L.P.

Iron Ore ($/ton)

Commodity Prices Movements (Continued)

Monthly (from 2005)

Copper ($/ton)



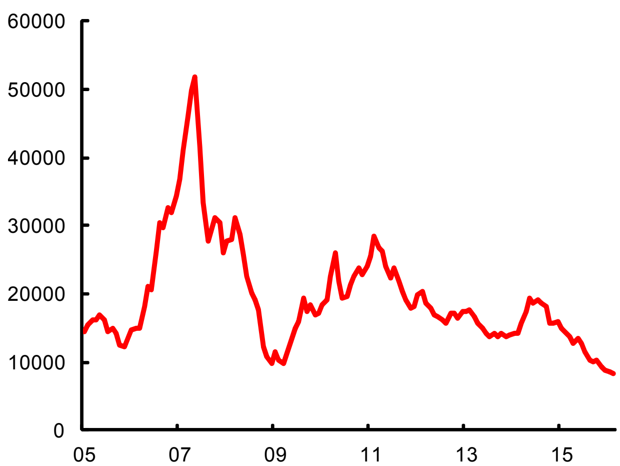
Daily (from 2011)

Copper ($/ton)

Aluminium ($/ton)

Aluminium ($/ton)

Nickel ($/ton)



Nickel ($/ton)

Commodity Prices Movements (Continued)

Monthly (from 2005)

Daily (from 2011)

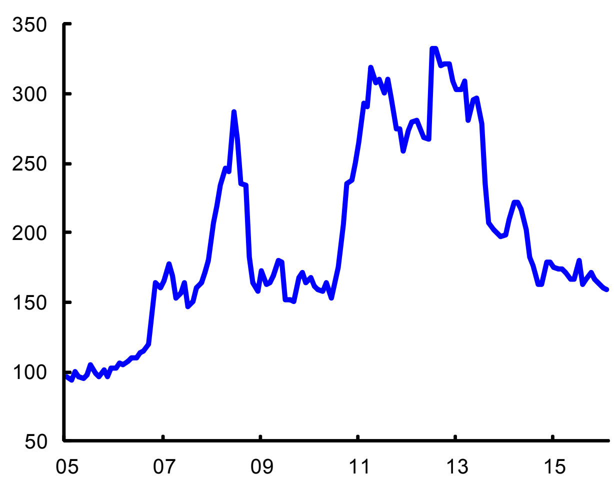
Tin ($/ton)

Tin ($/ton)

Wheat ($/ton)

Wheat ($/ton)

Corn ($/ton)



Corn ($/ton)

Commodity Prices Movements (Continued)

Monthly (from 2005)

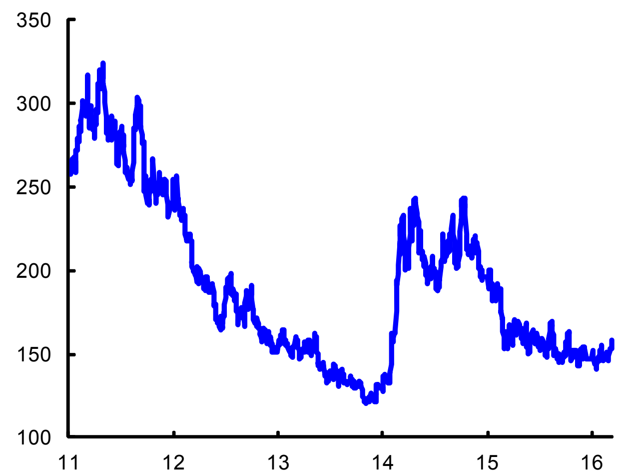
Cocoa ($/ton)

Daily (from 2011)

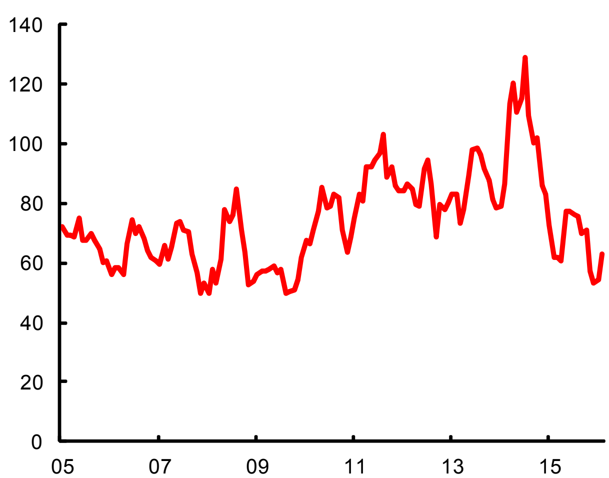
Cocoa ($/ton)

Coffee (cents/lb)

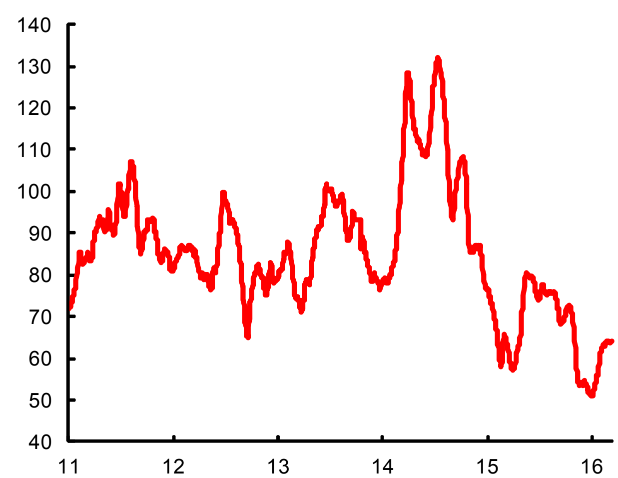
Coffee (cents/lb)



Swine (cents/lb)



Swine (cents/lb)



Commodity Prices Movements (Continued)

Monthly (from 2005)

Daily (from 2011)

Beef (cents/pound)

Source: Meat & Livestock Australia.

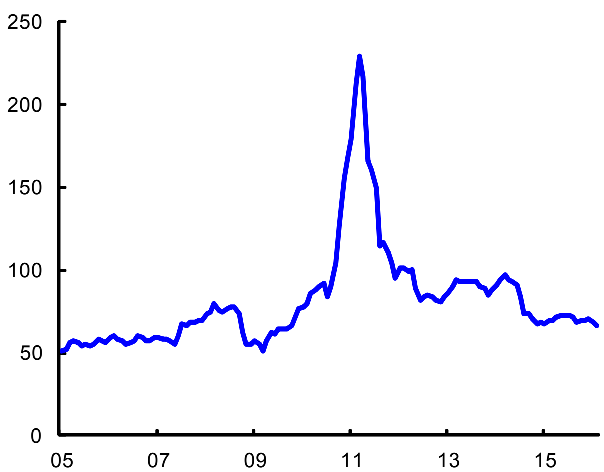
Beef (cents/lb)

Source: Bloomberg, L.P.

Soybeans ($/ton)

Soybeans ($/ton)

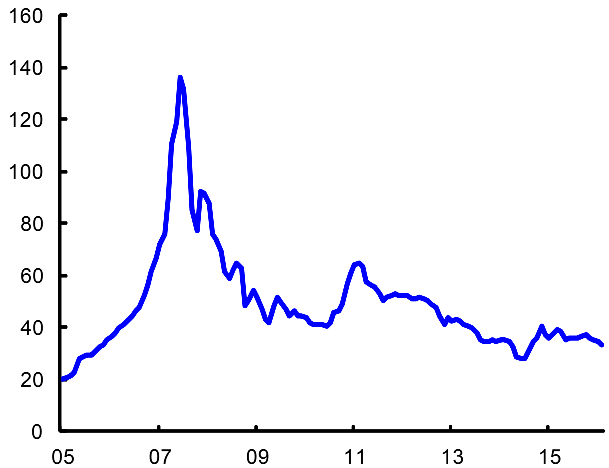
Cotton (cents/pound)



Cotton (cents/lb)

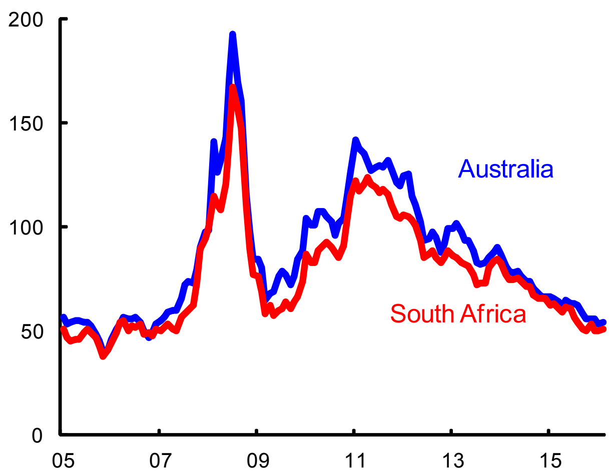
Commodity Prices Movements (Continued)
Monthly (from 2005)

Uranium($/lb)

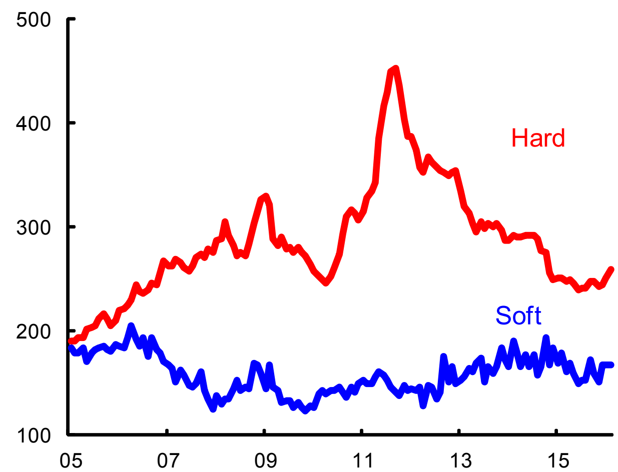


Zinc ($/ton)

Coal ($/ton)

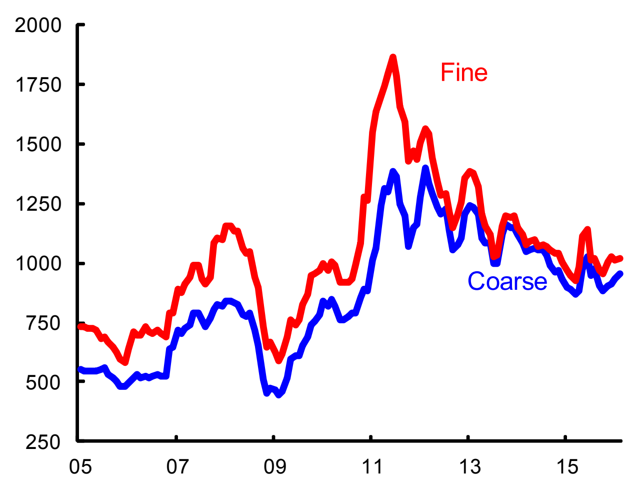


Logs ($/cubic meter)



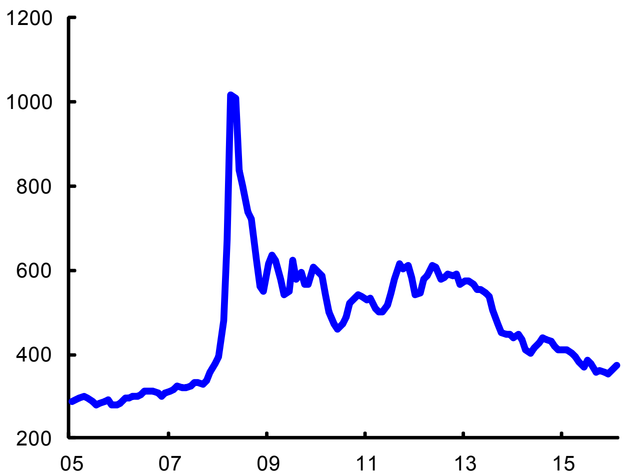
Rubber ($/lb)

Wool (cents/kg)

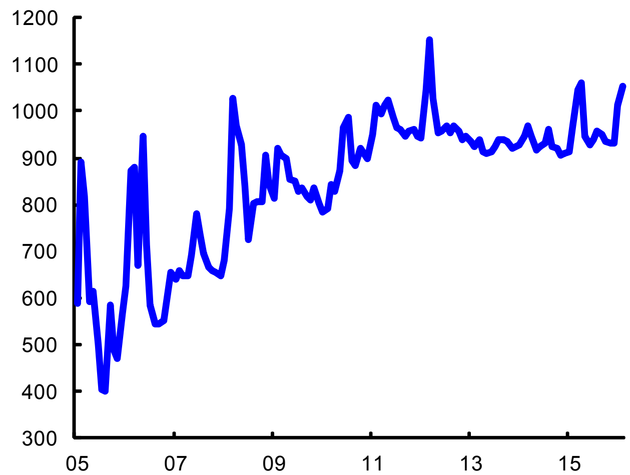


Commodity Prices Movements (Continued)
Monthly (from 2005)

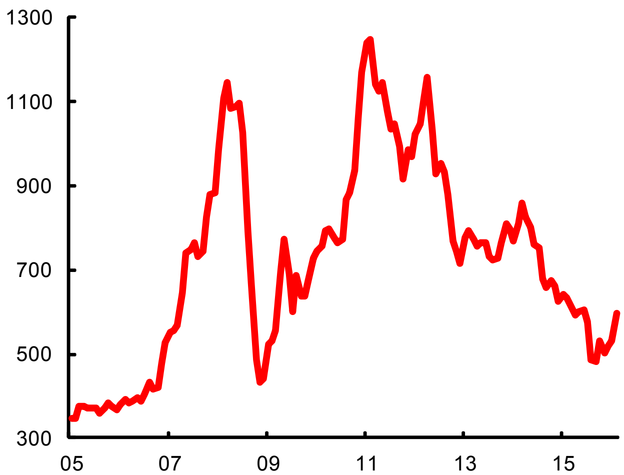
Rice ($/ton)



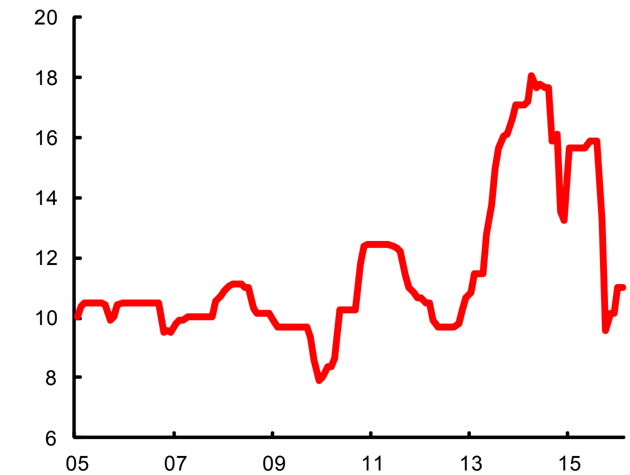
Bananas ($/ton)



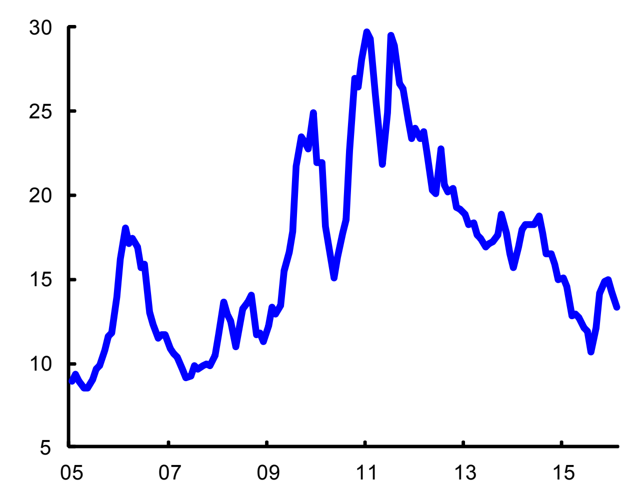
Palm Oil ($/ton)



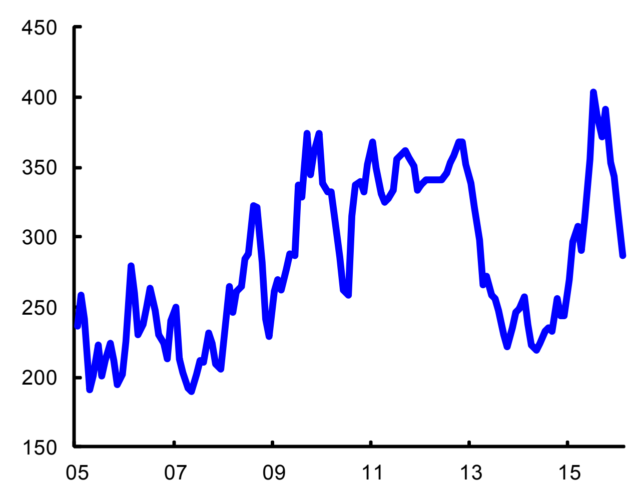
Shrimp ($/kg)



Sugar (cents/pound)



Tea (cents/kg)

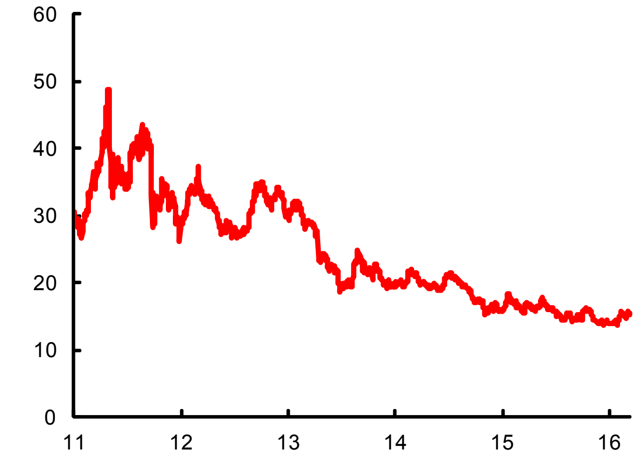


Commodity Prices Movements (Continued)

Daily (from 2011)

Gold ($/troy ounce)

Silver ($/troy ounce)



Platinum ($/ounce)

Palladium ($/ounce)