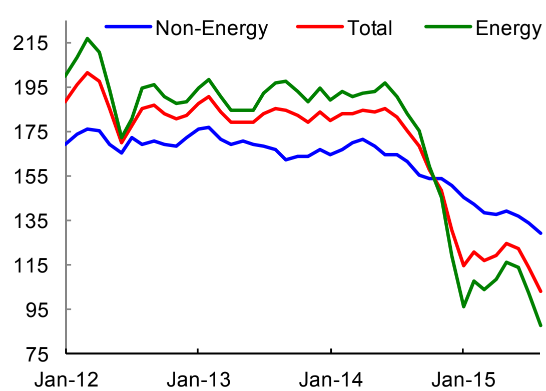
Commodity Market Monthly

Research Department, Commodities Unit

September 10, 2015 **www.imf.org/commodities** **commodities@imf.org**

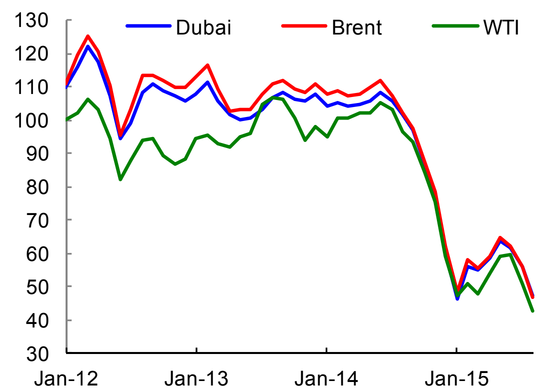
Commodity prices fell 9.4 percent in August, extending losses to three months, with declines in all main indices. The decrease was mostly driven by price drops in energy, especially from oil, due to sustained oil production growth and financial market volatility. Most metal and agricultural prices continued to fall amid weak global growth and generally ample supply conditions.

IMF Commodity Price Indices
(2005 = 100)



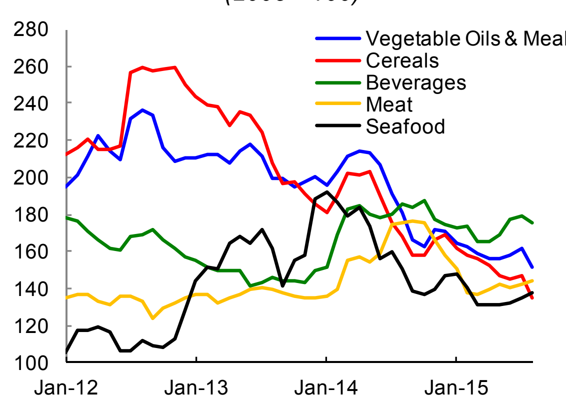
Crude oil prices fell by 16.0 percent in August, averaging $45.7/bb, down for the third month in a row. The decline reflects strong OPEC production exceeding their target and resilient Russian production, and the announcement of Iran's nuclear deal. Financial factors have also tended to move investors out of risky assets, putting downward pressure on oil prices.

Crude Oil Prices
($/barrel)

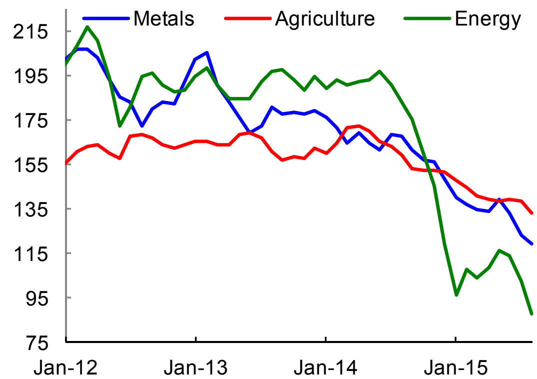


Natural gas prices in the U.S. decreased by 2.4 percent in August, averaging $2.76/mmbtu, in response to soft demand and emerging new supply. **Coal prices fell 2.5 percent** in August, due to persistent oversupply and weak demand.

IMF Commodity Price Indices
(2005 = 100)



IMF Commodity Price Indices
(2005 = 100)



Agriculture prices decreased 3.7 percent in August, down for the second month in a row. Food and beverages prices fell 3 and 2 percent, respectively, while agricultural raw material prices decreased 6 percent. Corn and soybeans prices declined 9 and 7 percent, respectively, owing to favorable production prospects for the United States, and concerns regarding future demand from China. Wheat prices dropped 9 percent on stronger supply, particularly from Europe and the Black Sea region. Rice prices fell 3 percent due to relatively weaker demand from Asia. Cocoa prices dropped 5 percent on higher supply and weaker demand. Palm oil prices decreased 16 percent owing to weak import demand, mainly from India and China. In contrast, coffee prices as a whole rose 2 percent in response to a continued recovery in Brazil's production. Olive oil prices increased for the fifth consecutive month on lower production from Spain and Italy. Overall meat prices remained broadly unchanged; declines in lamb, swine and poultry were offset by a 4 percent increase in beef prices.

Metals prices fell by 3.3 percent in August, down for the third month in a row, and continued to hit fresh record lows since 2010. The decline was mostly due to further volatility in China stock market, as well as continued increases in new supply. The largest decline was for zinc and nickel, down 10 percent and 9 percent respectively, both with LME inventories at high levels. Copper and aluminum also fell 6 percent each on worries over the outlook for the world's largest importer. Iron Ore, on the other hand, registered significant increase of 8 percent, as a reflection of lower Chinese inventory and a recovery in futures markets.

August Commodity Prices Changes
(percent from previous month)

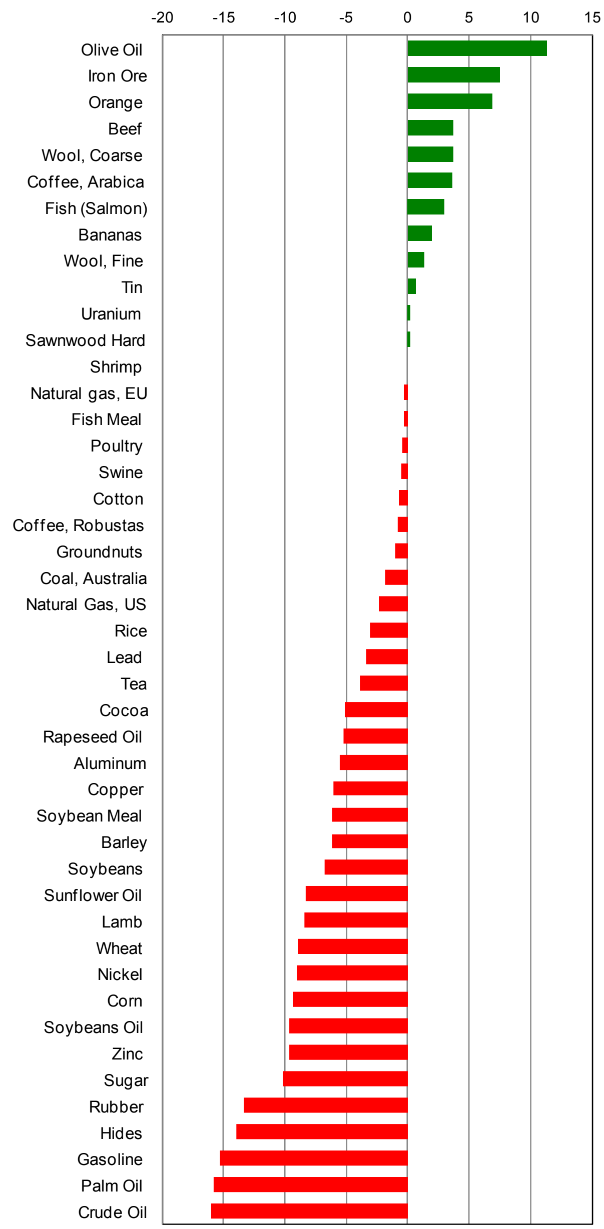


Table 1. Market Prices for Non-Fuel and Fuel Commodities

	Units	2012	2013	2014	2014Q3	2014Q4	2015Q1	2015Q2	Jul-15	Aug-15
Food										
Cereals										
Wheat	$/MT	313.3	312.2	284.9	262.5	257.9	238.8	216.1	197.4	179.8
Maize	$/MT	298.4	259.0	192.9	173.9	173.5	174.2	168.4	179.6	162.7
Rice	$/MT	580.2	518.8	426.5	435.0	420.8	406.6	381.8	387.7	375.7
Barley	$/MT	238.2	206.4	146.1	132.8	122.0	132.2	128.1	134.7	126.4
Vegetable oils and protein meals										
Soybeans	$/MT	537.8	517.2	457.8	421.7	370.9	363.9	354.6	372.3	347.0
Soybean meal	$/MT	473.3	477.3	467.0	436.0	406.7	372.7	348.0	394.6	370.4
Soybean oil	$/MT	1151.8	1011.1	812.7	757.1	716.1	696.4	715.4	695.8	628.7
Palm oil	$/MT	939.8	764.2	739.4	695.9	653.3	627.9	599.9	575.7	484.7
Fish meal	$/MT	1624.3	1710.5	1921.5	1973.6	2192.7	2031.9	1744.2	1557.0	1552.0
Sunflower Oil	$/MT	1489.5	1341.1	1080.3	1012.5	1054.2	974.0	1062.3	1069.3	980.3
Olive oil	$/MT	3135.7	3816.7	3911.8	4122.1	4262.5	4568.3	4865.3	5289.7	5886.2
Groundnuts	$/MT	1688.2	2314.5	2148.3	2046.8	1940.1	2016.8	2023.4	2063.6	2042.5
Rapeseed oil	$/MT	1239.1	1081.2	904.4	849.6	824.4	755.1	772.6	796.5	754.4
Meat										
Beef	cts/lb	187.9	183.6	224.1	252.9	256.0	216.6	202.9	204.4	212.0
Lamb	cts/lb	100.9	106.7	130.6	132.8	130.2	122.5	112.4	108.4	99.3
Swine Meat	cts/lb	82.8	86.5	102.8	112.8	90.3	65.5	71.9	75.9	75.6
Poultry	cts/lb	94.3	103.8	110.1	113.0	113.9	114.0	115.6	115.9	115.5
Seafood										
Fish	$/kg	4.8	6.8	6.6	5.9	5.8	5.6	5.1	5.3	5.4
Shrimp	$/kg	10.1	14.0	16.6	17.0	14.3	15.7	15.7	15.9	15.9
Sugar										
Free market	cts/lb	21.4	17.7	17.1	17.7	15.8	14.1	12.6	11.9	10.7
United States	cts/lb	28.9	21.2	24.9	26.5	25.3	24.8	24.6	24.7	24.5
EU	cts/lb	26.4	26.0	27.4	27.8	26.3	25.2	25.5	25.9	25.9
Bananas	$/MT	984.3	926.4	931.9	939.3	911.9	974.8	978.4	938.3	956.7
Oranges	$/MT	868.0	967.3	782.5	774.1	739.8	698.5	616.9	640.1	684.3
Beverages										
Coffee										
Other milds	cts/lb	187.6	141.1	202.8	208.4	213.5	177.0	161.0	153.3	158.8
Robusta	cts/lb	110.6	100.5	105.6	106.0	106.6	101.4	96.7	92.7	91.9
Cocoa Beans	$/MT	2377.1	2439.1	3062.8	3229.2	2985.6	2918.5	3068.1	3326.0	3154.0
Tea	cts/kg	348.9	266.0	237.9	233.7	247.6	291.2	320.1	403.0	387.3
Agricultural raw materials										
Timber										
Hardwood										
Logs 1/	$/M3	360.5	305.4	282.0	286.5	260.4	249.9	245.4	241.3	241.7
Sawnwood 1/	$/M3	876.3	852.8	897.9	910.0	862.6	826.2	834.8	848.1	850.0
Softwood										
Logs 1/	$/M3	148.0	164.5	174.3	167.4	181.5	169.8	159.1	149.1	149.1
Sawnwood 1/	$/M3	284.7	301.4	307.3	308.3	302.1	306.8	298.0	295.6	295.6
Cotton	cts/lb	89.2	90.4	83.1	77.1	68.7	68.8	72.3	72.3	71.8
Wool										
Fine	cts/kg	1345.3	1197.7	1074.4	1068.1	1029.4	947.8	1079.7	1009.7	1022.7
Coarse	cts/kg	1212.6	1128.1	1030.4	1025.0	954.3	887.7	962.7	944.3	979.3
Rubber	cts/lb	153.2	126.8	88.8	83.4	73.5	78.6	81.2	74.4	64.4
Hides	cts/lb	83.2	94.7	110.2	110.8	112.7	105.8	96.8	82.5	71.0

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	2012	2013	2014	2014Q3	2014Q4	2015Q1	2015Q2	Jul-15	Aug-15
Metals										
Copper	$/MT	7958.9	7331.5	6863.4	6995.8	6632.3	5833.2	6056.6	5456.8	5127.3
Aluminum	$/MT	2022.8	1846.7	1867.4	1989.7	1970.4	1802.1	1770.3	1639.5	1548.1
Iron Ore	$/MT	128.5	135.4	96.8	90.3	74.0	62.3	57.9	51.5	55.4
Tin	$/MT	21109.4	22281.6	21898.9	21915.2	19897.9	18370.0	15589.8	15071.5	15163.8
Nickel	$/MT	17541.7	15030.0	16893.4	18584.2	15860.5	14392.8	13055.8	11413.1	10386.0
Zinc	$/MT	1950.0	1910.2	2161.0	2310.7	2235.3	2079.8	2192.2	2000.7	1807.6
Lead	$/MT	2063.6	2139.7	2095.5	2182.4	2000.9	1810.4	1942.2	1763.0	1703.6
Uranium	$/lb	48.9	38.5	33.5	31.1	37.7	37.8	36.8	36.0	36.1
Energy										
Spot Crude 2/	$/bbl	105.0	104.1	96.2	100.4	74.5	51.7	60.4	54.4	45.7
U.K. Brent	$/bbl	112.0	108.8	98.9	102.1	76.0	54.0	62.1	55.9	47.0
Dubai	$/bbl	108.9	105.4	96.7	101.5	74.6	52.5	61.4	56.3	47.3
West Texas Intermediate	$/bbl	94.1	97.9	93.1	97.6	73.1	48.7	57.8	51.2	42.9
Natural Gas										
Russian in Germany	$/mmbtu	12.0	11.2	10.5	10.1	10.3	9.4	7.4	6.7	6.7
Indonesian in Japan (LNG)	$/mmbtu	18.1	17.3	17.0	16.5	16.1	14.4	9.6	8.5	8.4
US, domestic market	$/mmbtu	2.8	3.7	4.4	3.9	3.8	2.9	2.7	2.8	2.8
Coal										
Australian, export markets	$/MT	103.2	90.6	75.1	72.7	67.4	65.6	63.2	63.4	62.2

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/

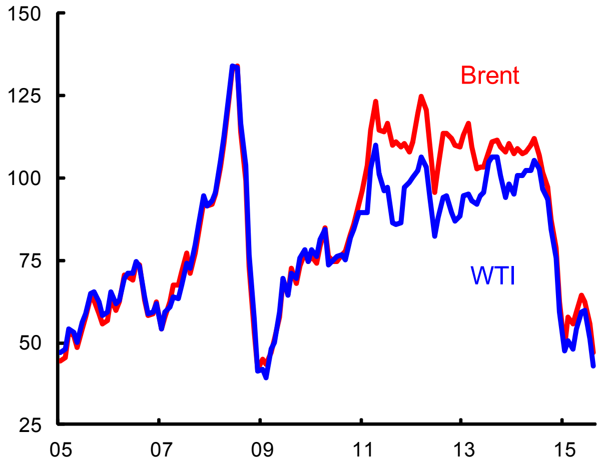
	(weights) 1/	2012	2013	2014	2014Q3	2014Q4	2015Q1	2015Q2	Jul-15	Aug-15
All Primary Commodities 2/	100.0	186.3	183.3	171.8	174.9	145.6	117.6	122.3	114.1	103.4
Non-Fuel Commodities	36.9	171.0	169.0	162.3	160.9	152.7	142.3	138.2	134.1	129.2
Agriculture	26.2	162.8	163.3	161.5	158.7	152.2	144.4	139.3	138.5	133.3
Food	16.7	175.6	177.6	170.2	165.8	157.5	148.3	142.0	143.9	139.3
Cereals	3.6	236.4	218.3	180.3	167.5	164.3	158.6	148.2	146.7	135.0
Vegetable oils and protein meals	4.4	215.9	206.4	190.7	179.5	168.5	161.9	156.9	161.9	151.1
Meat	3.7	133.3	136.8	160.5	175.4	166.4	142.1	140.5	142.8	144.5
Seafood	3.2	113.3	160.1	162.0	150.0	141.0	139.8	131.6	134.9	138.0
Beverages	1.8	167.4	147.4	178.0	183.3	180.0	170.4	170.4	179.4	175.3
Agricultural raw materials 3/	7.7	134.0	136.2	138.8	137.7	134.2	129.6	125.9	117.1	110.4
Timber	3.4	107.4	107.3	109.3	109.8	106.4	104.6	102.6	101.9	102.0
Metals	10.7	191.0	182.9	164.1	166.1	154.0	137.4	135.5	123.2	119.2
Edibles 4/	18.5	174.8	174.6	171.0	167.5	159.7	150.5	144.8	147.3	142.8
Industrial Inputs 5/	18.4	167.1	163.3	153.5	154.2	145.7	134.1	131.5	120.7	115.5
Energy 6/	63.1	195.2	191.7	177.4	183.2	141.4	103.1	113.0	102.4	88.3
Petroleum 7/	53.6	197.9	195.9	181.1	188.9	140.2	97.4	113.7	102.5	86.1
Natural Gas	6.9	171.2	164.9	159.9	153.4	153.6	136.9	102.4	93.2	92.5
Coal	2.6	202.1	176.8	149.1	144.4	134.2	129.7	125.4	124.0	120.9

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

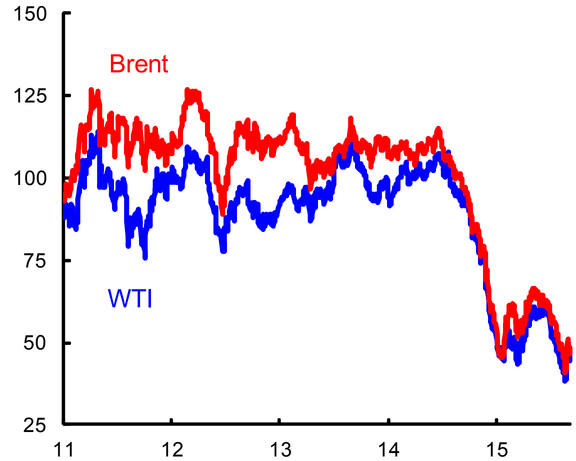
Monthly (from 2005)

Crude oil ($/bbl)

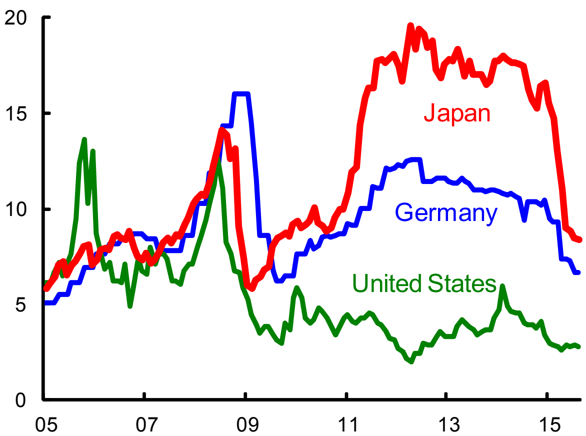


Daily (from 2011)

Crude oil ($/bbl)

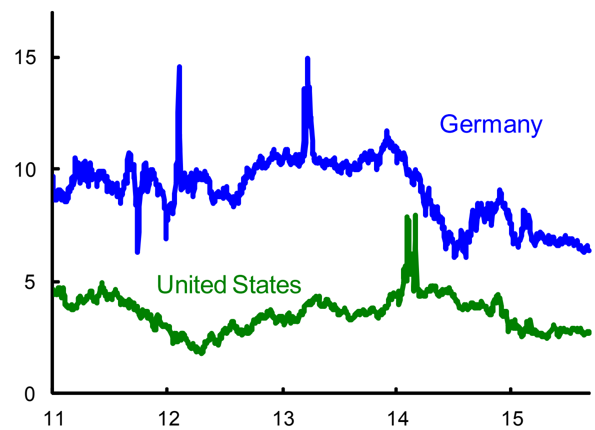


Natural Gas ($/mmbtu)



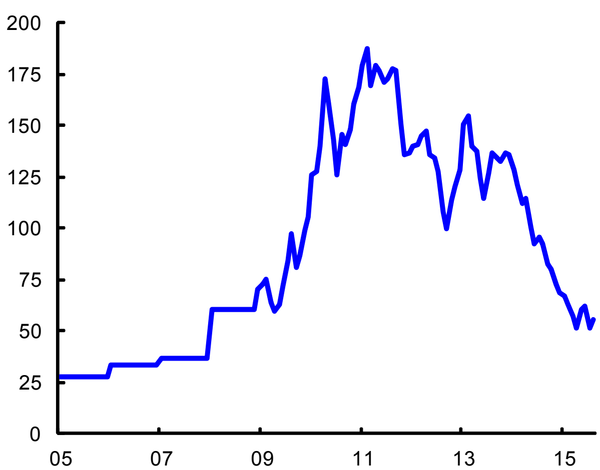
Sources: Energy Intelligence; Bloomberg, L.P.

Natural Gas ($/mmbtu)



Source: Bloomberg, L.P.

Iron Ore ($/ton)



Iron Ore ($/ton)

Commodity Prices Movements (Continued)

Monthly (from 2005)

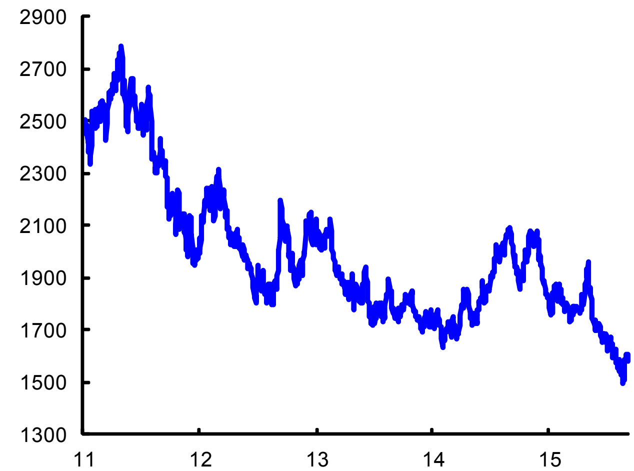
Copper ($/ton)

Daily (from 2011)

Copper ($/ton)

Aluminium ($/ton)

Aluminium ($/ton)



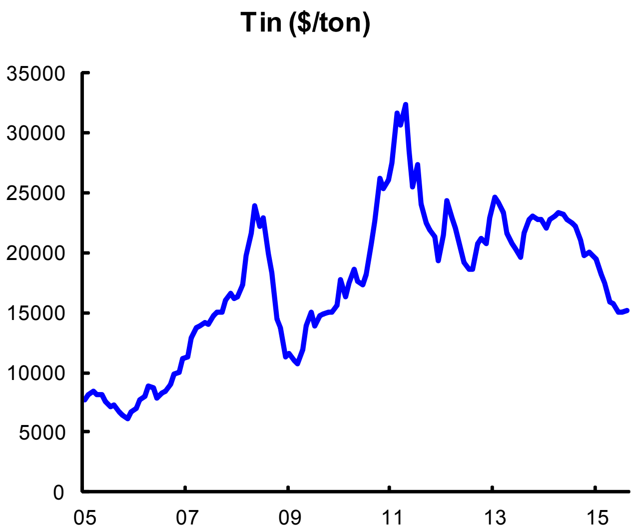
Nickel ($/ton)

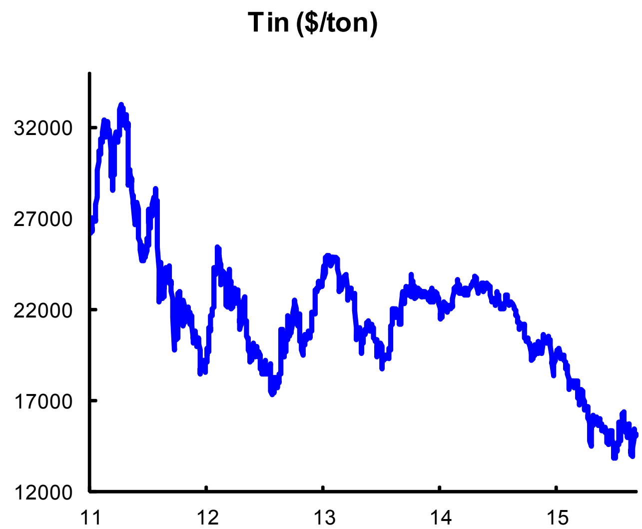
Nickel ($/ton)

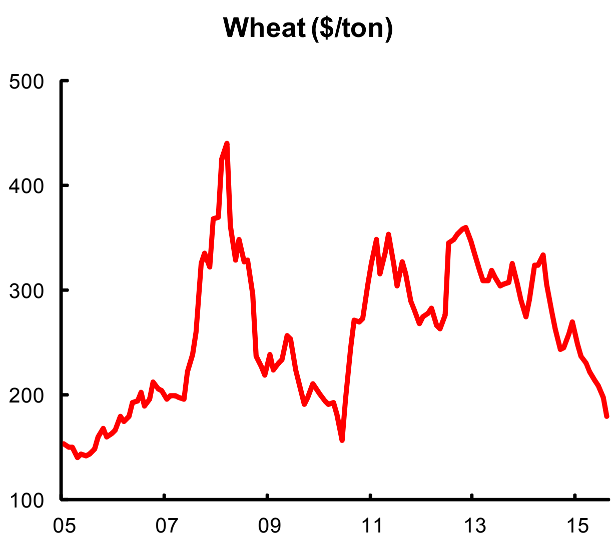
Commodity Prices Movements (Continued)

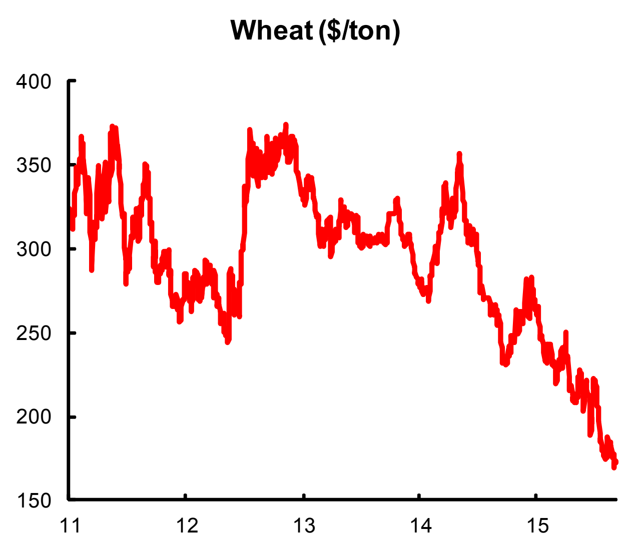
Monthly (from 2005)

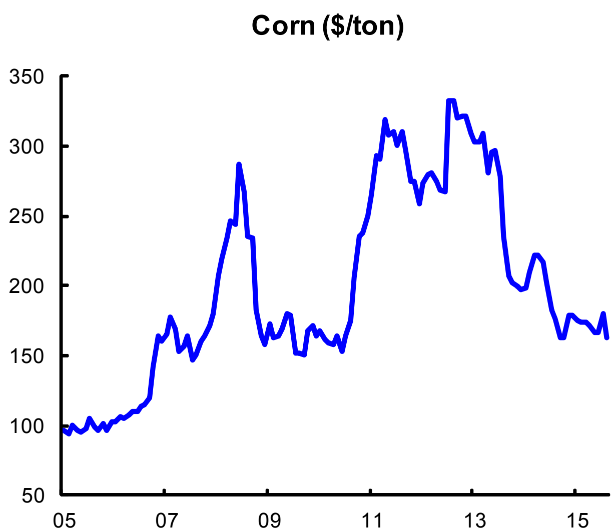
Daily (from 2011)

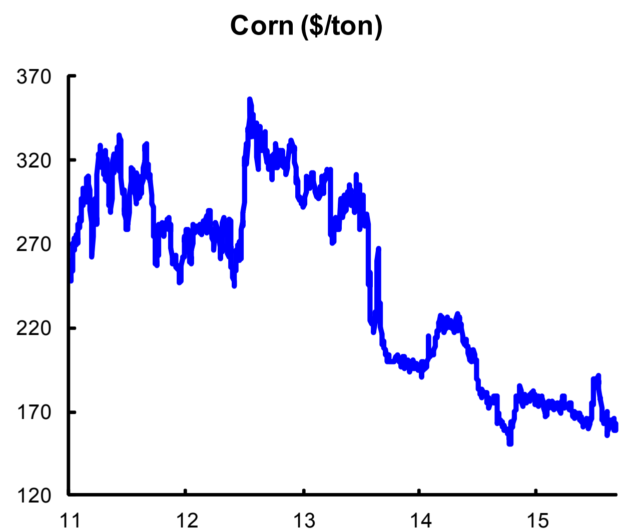












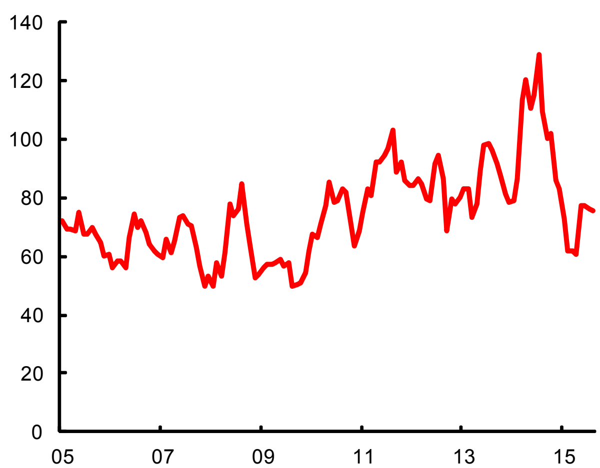
Commodity Prices Movements (Continued)

Monthly (from 2005)

Cocoa ($/ton)

Coffee (cents/lb)

Swine (cents/lb)



Daily (from 2011)

Cocoa ($/ton)

Coffee (cents/lb)

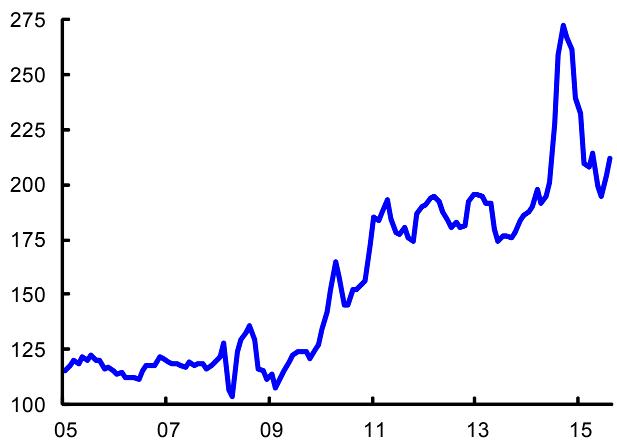
Swine (cents/lb)

Commodity Prices Movements (Continued)

Monthly (from 2005)

Daily (from 2011)

Beef (cents/pound)



Source: Meat & Livestock Australia.

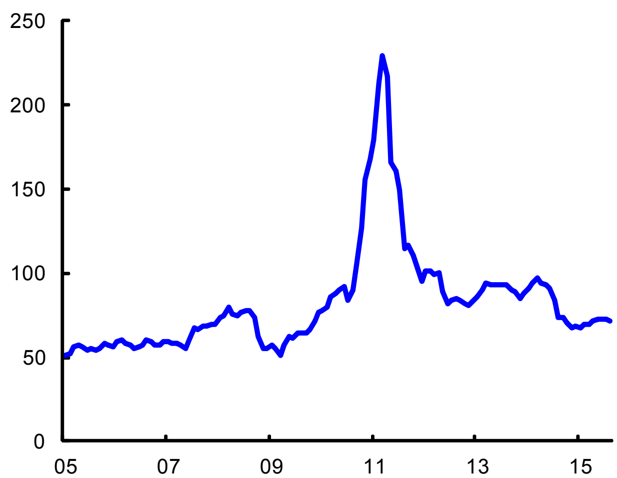
Beef (cents/lb)

Source: Bloomberg, L.P.

Soybeans ($/ton)

Soybeans ($/ton)

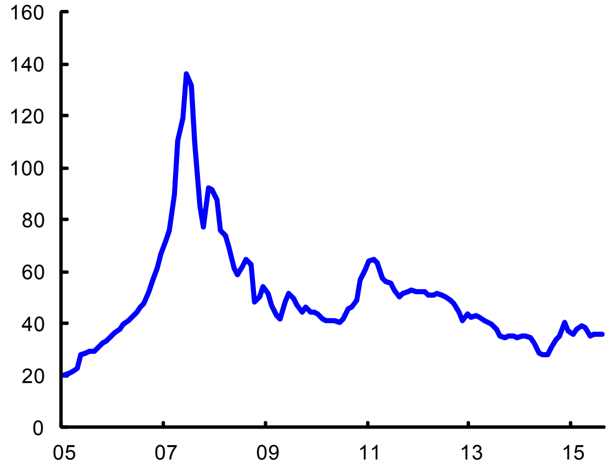
Cotton (cents/pound)



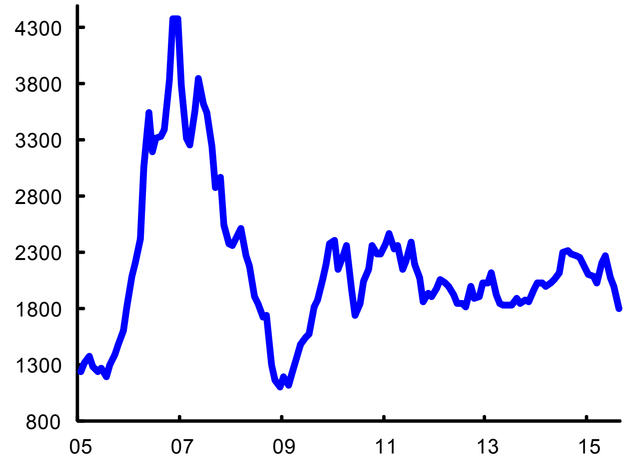
Cotton (cents/lb)

Commodity Prices Movements (Continued)
Monthly (from 2005)

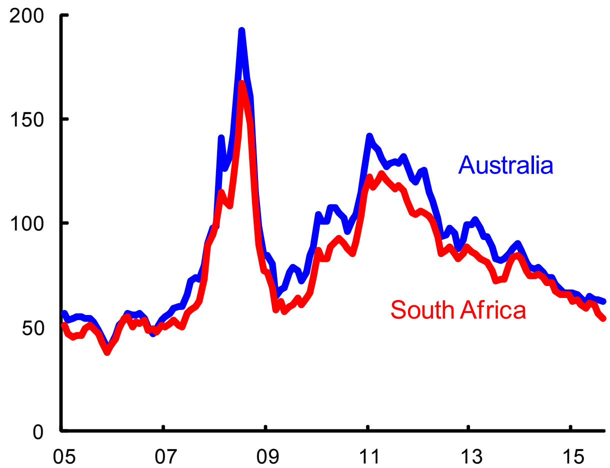
Uranium($/lb)



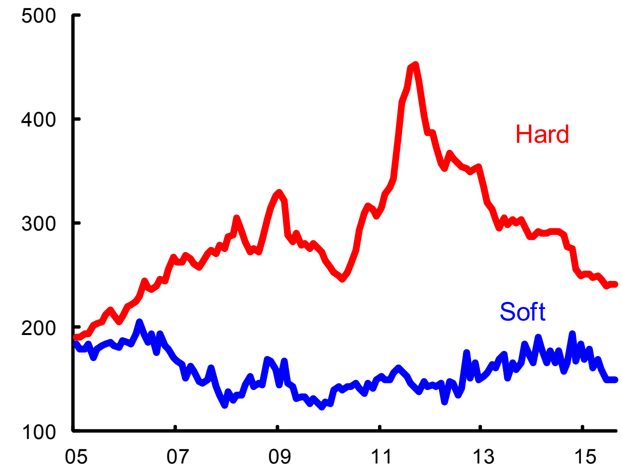
Zinc ($/ton)



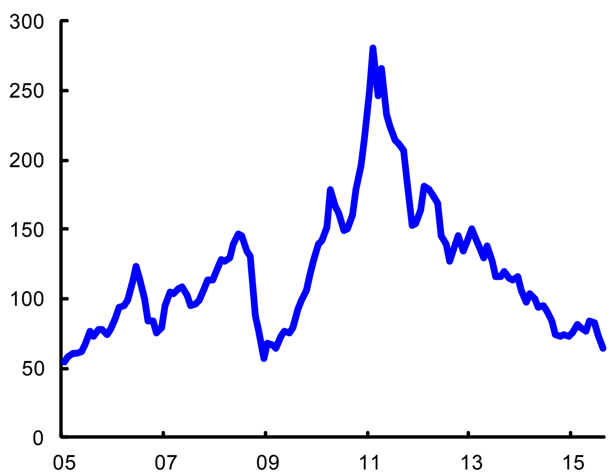
Coal ($/ton)



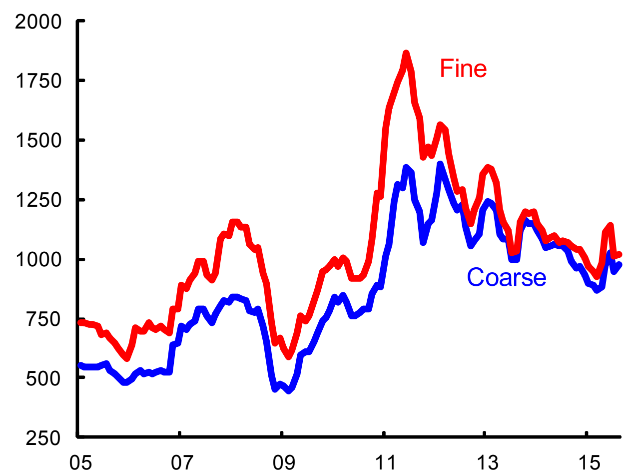
Logs ($/cubic meter)



Rubber ($/lb)

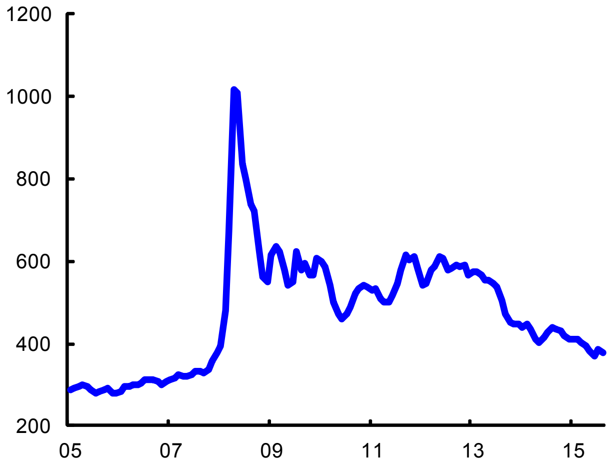


Wool (cents/kg)

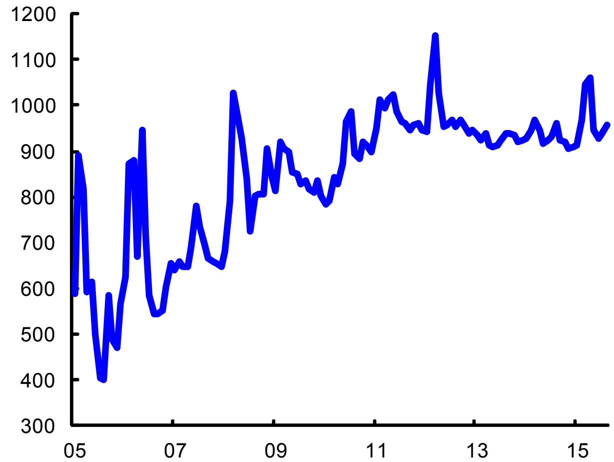


Commodity Prices Movements (Continued)
Monthly (from 2005)

Rice ($/ton)

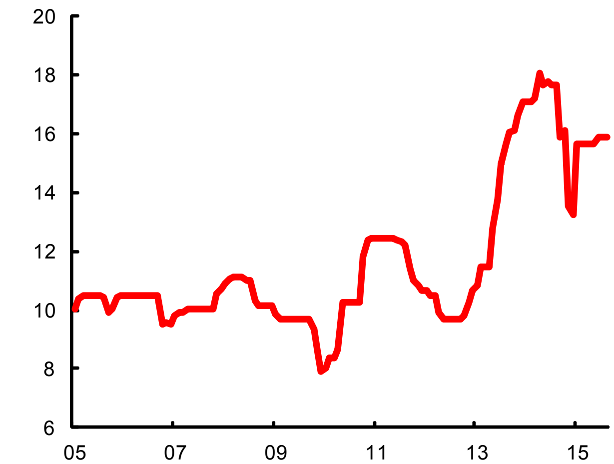


Bananas ($/ton)

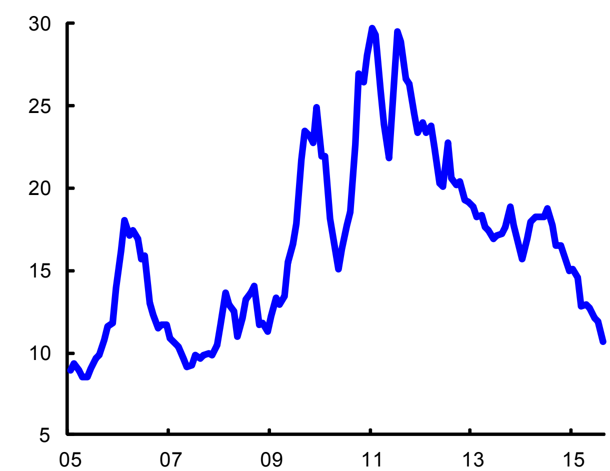


Palm Oil ($/ton)

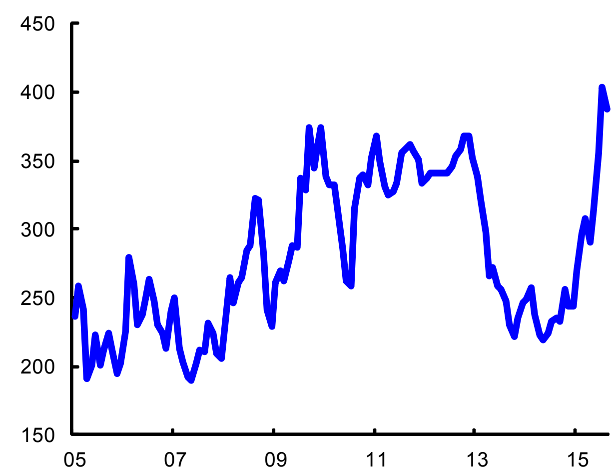
Shrimp ($/kg)



Sugar (cents/pound)



Tea (cents/kg)



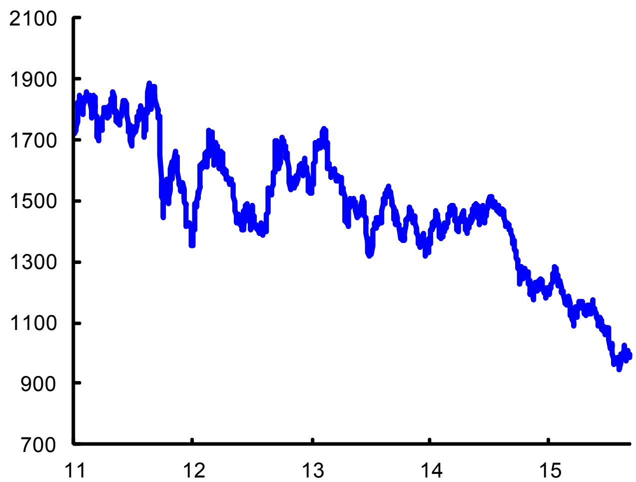
Commodity Prices Movements (Continued)

Daily (from 2011)

Gold ($/troy ounce)

Silver ($/troy ounce)

Platinum ($/ounce)



Palladium ($/ounce)