

Commodity Markets Review

November 11, 2009

DECPG, The World Bank

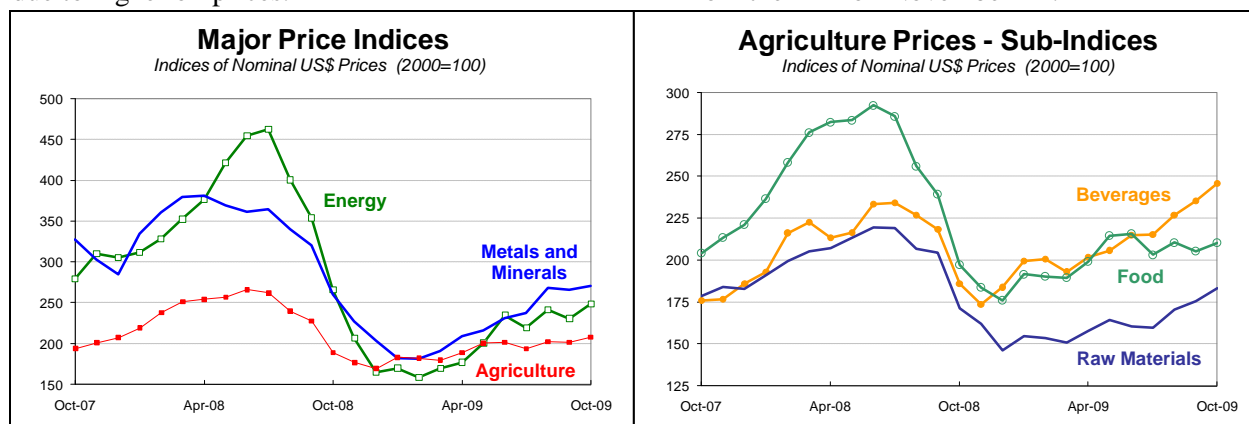
Non-energy commodity prices in U.S. dollars rose by 2.6 percent in October with all main groups posting relatively strong gains. The increases were partly due to decline of the dollar, which fell 1.7 percent against the euro.

Crude oil prices surged 8.4 percent in October to \$74.1/bbl, and approached \$80/bbl in early November on slowly improving fundamentals and expectations of markets tightening next year. U.S. crude oil inventories remain high but they have been falling seasonally since April. Petroleum product stocks, on the other hand remain extremely high, particularly middle distillate, and should result in relatively weak heating oil prices this winter. Oil demand remains weak in the OECD, although y/y declines have moderated. Demand has been quite robust in Asia, and to a lesser degree in the Middle East. China's oil demand grew by more than 9 percent y/y in the third quarter following an 8 percent jump in 2Q09.

Natural gas prices (U.S.) soared 35.8 percent in October—albeit from relatively low levels—due to cooler temperatures that boosted demand, as well as higher oil prices and continued injections into storage. Prices in November have slid nearly 25 percent from the October peak as mild temperatures returned, and inventories are at record highs. European natural gas prices rose 6.6 percent in October mainly due to higher oil prices.

Agriculture prices rose 3.2 percent in October, with the largest increases in grains due to late harvests in the U.S. following late spring plantings, and aggravated by wet fall weather. Sorghum and maize prices were up 11-12 percent, as only 37 percent of the U.S. corn crop was harvested as of November 8th, versus 69 percent a year earlier. Soybean prices jumped 12 percent on drought-related supply problems in South America. Rubber prices climbed 8 percent on supply constraints in Thailand (heavy rains) and Indonesia (earthquake). Cocoa prices rose 7 percent from poor production prospects in Côte d'Ivoire, while cotton prices rose 4 percent on weather-related problems, especially in the U.S.

Metals and minerals prices rose 1.7 percent in October with increases in all base metals although most were relatively small. Metals prices have been range-bound since summer as China's restocking slows, and the anticipated restocking in industrial economies has yet to materialize. Zinc prices rose 10 percent due to falling stocks and rising Chinese import demand. Nickel prices increased 6 percent, despite rising LME stocks, supported by strikes in Canada. Gold and silver prices each rose 5 percent as investors seek a hedge against inflation and the dollar. Gold prices surged above \$1,100/toz in early November following the The Reserve Bank of India's purchase of 200 tonnes of gold from the IMF on November 2nd.



Prepared in the Development Economics Prospects Group (DECPG) by Shane Streifel, John Baffes and Betty Dow. Sarah Crow is task assistant. This report is available on <http://decpg.worldbank.org>.

Major Movers October¹

Natural gas (U.S.) prices soared 35.8 percent due to weather-related demand growth, higher oil prices, and continued injections into storage.

Sorghum and maize prices jumped 12.1 percent and 11.3 percent, respectively, because of delayed harvests in the U.S.

Soybeans and soybean oil prices climbed 11.7 percent and 6.5 percent, respectively, due to weather-related supply disruptions in South America, especially dry weather conditions in Argentina and Brazil.

Zinc prices gained 10.0 percent from falling inventories and rising import demand of refined zinc into China.

TSP prices increased 9.6 percent due to rising demand from south Asia.

Crude oil prices rose 8.4 percent on declining stocks and robust demand in Asia—although demand elsewhere remains weak.

Rubber prices increased 8.3 percent because of heavy rains in Thailand, the earthquake in Indonesian at end-September, and the effects of higher crude oil prices.

Cocoa prices rose 7.2 percent, flirting with a 30-year high, as the Côte d'Ivoire's current crop is only slightly higher than last season's disappointing output.

Natural gas (Europe) prices rose 6.6 percent due to higher oil prices, as contracted import gas is indexed to petroleum prices with a lag.

Nickel prices rose 6.0 percent, despite rising inventories and falling stainless steel production, supported by ongoing strikes in Canada.

Coal prices rose 5.1 percent on low stocks and strong demand from China's power sector.

Silver prices increased 4.7 percent, in tandem with gold, as a hedge against inflation.

Gold prices rose 4.7 percent due to strong investment demand, the falling dollar, and concerns about inflation.

Cotton prices rose 4.3 percent on various weather-related problems, especially in the US.

Wheat prices increased 4.2 percent as a result of a low seasonal harvest in the U.S., while the Ukraine's wheat output was very poor.

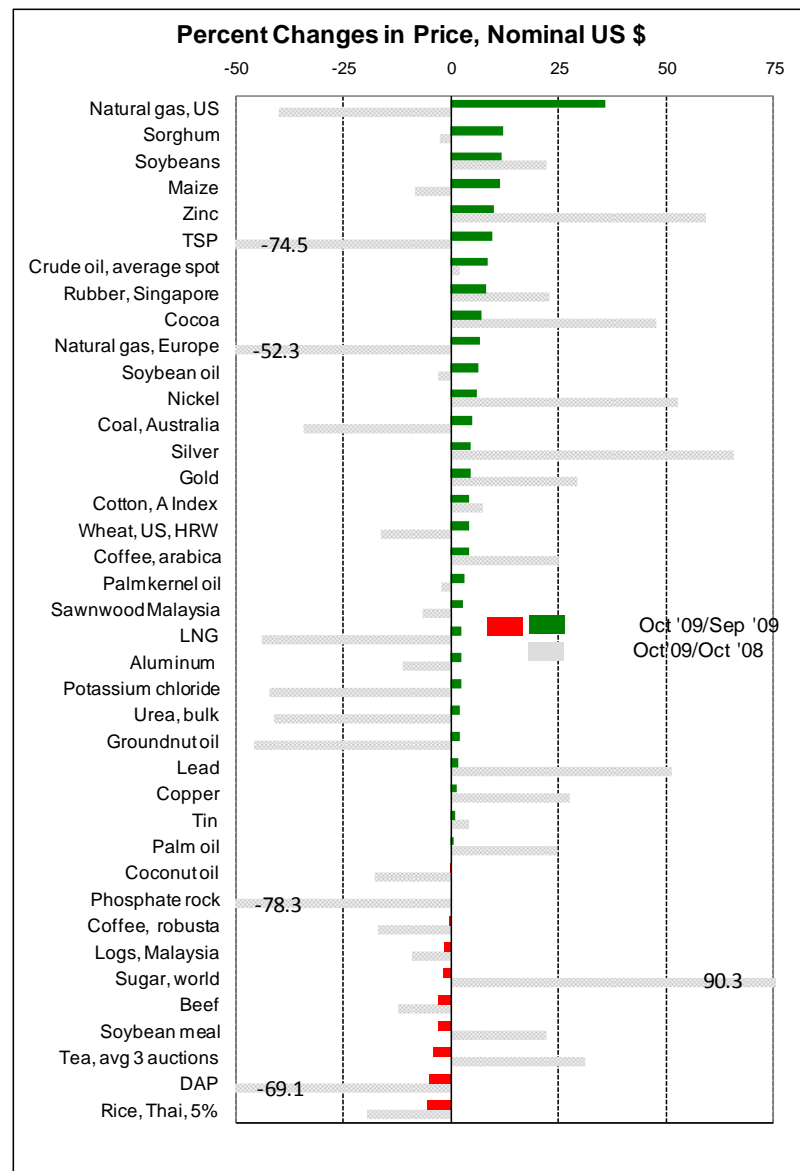
Coffee arabica prices rose 4.1 percent due to

production shortfalls in Brazil and Colombia, causing a deficit of 2.3 million bags in the arabica market.

Tea prices declined 4.1 percent from the onset of seasonal rain in Kenya, as well as heavy rain in Sri Lanka that has improved its crop level.

DAP prices dropped 5.3 percent because of weak demand, although Chinese demand re-emerged at month's end.

Rice prices fell 5.5 percent on expectations that the Thai government may release 6-7 million tons of stocks accumulated under its domestic purchase program.



¹ Percent change of average October 2009 prices compared to average September 2009 prices in nominal U.S. dollars (graph also includes 12-month changes in grey).

COMMODITY PRICE DATA

Commodity	Unit	Annual averages			Quarterly averages					Monthly averages		
		Jan-Dec	Jan-Dec	Jan-Oct	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Aug	Sep	Oct
		2007	2008	2009	2008	2008	2009	2009	2009	2009	2009	2009
Energy												
Coal, Australia	a/ \$/mt	65.73	127.10	70.02	162.80	92.97	7193	66.48	7131	72.50	67.64	7107
Crude oil, avg, spot	a/ \$/bbl	71.12	96.99	58.86	115.68	56.00	44.11	59.19	68.21	71.63	68.35	74.08
Crude oil, Brent	a/ \$/bbl	72.70	97.64	59.06	115.60	55.89	44.98	59.13	68.37	72.50	67.69	73.19
Crude oil, Dubai	a/ \$/bbl	68.37	93.78	58.79	113.47	53.67	44.56	58.93	68.07	71.32	67.91	73.28
Crude oil, West Texas Int.	a/ \$/bbl	72.28	99.56	58.74	117.98	58.45	42.80	59.52	68.21	71.06	69.44	75.77
Natural gas Index	a/ 2000=100	186.5	267.9	153.5	284.1	266.2	198.2	142.9	123.2	123.0	123.7	141.8
Natural gas, Europe	a/ \$/mmbtu	8.56	13.41	8.87	14.62	15.75	11.94	8.18	6.91	6.92	7.13	7.60
Natural gas, US	a/ \$/mmbtu	6.98	8.86	3.83	9.03	6.40	4.57	3.70	3.17	3.15	2.96	4.02
Natural gas LNG, Japan	a/ \$/mmbtu	7.68	12.53	8.74	13.33	14.62	10.90	7.60	7.84	7.76	8.20	8.40
Non Energy Commodities												
Agriculture												
Beverages												
Cocoa	b/ c/kg	195.2	257.7	277.8	282.6	224.1	259.7	258.7	295.5	295.7	313.3	336.0
Coffee, Arabica	b/ c/kg	272.4	308.2	312.1	321.2	267.8	283.9	320.2	322.7	330.2	327.5	340.8
Coffee, robusta	b/ c/kg	190.9	232.1	166.6	244.8	192.6	175.8	165.3	160.1	159.5	162.7	162.1
Tea, auctions (3), average	b/ c/kg	203.6	242.0	266.6	272.3	206.6	218.0	266.1	303.6	299.2	315.7	302.6
Tea, Colombo auctions	b/ c/kg	252.2	278.9	310.4	303.2	208.8	261.7	299.1	356.1	345.8	376.4	353.4
Tea, Kolkata auctions	b/ c/kg	192.1	225.5	245.8	260.9	220.2	177.4	271.3	273.0	270.5	274.2	293.1
Tea, Mombasa auctions	b/ c/kg	166.5	221.8	243.5	252.8	190.8	214.9	228.0	281.7	281.4	296.5	261.3
Food												
Fats and Oils												
Coconut oil	b/ \$/mt	919	1224	721	1246	772	677	779	711	747	701	704
Copra	\$/mt	607	816	475	817	520	447	513	469	492	466	469
Groundnut oil	b/ \$/mt	1352	2131	1189	2417	1773	1283	1166	1133	1131	1120	1144
Palm oil	b/ \$/mt	780	949	668	928	512	577	743	679	723	674	679
Palmkernel oil	\$/mt	888	1130	685	1114	609	577	763	700	729	704	728
Soybean meal	b/ \$/mt	308	424	407	450	320	365	424	431	438	425	413
Soybean oil	b/ \$/mt	881	1258	832	1353	830	755	863	856	886	846	901
Soybeans	b/ \$/mt	384	523	441	566	377	394	461	454	470	430	481
Grains												
Barley	b/ \$/mt	172.4	200.5	123.4	216.6	129.5	116.3	129.5	122.0	122.2	103.5	130.7
Maize	b/ \$/mt	163.7	223.1	165.0	244.7	168.4	166.9	176.0	151.3	152.0	150.4	167.3
Rice, Thailand, 5%	b/ \$/mt	326.4	650.2	552.3	703.0	564.4	586.3	552.4	539.0	526.3	518.8	490.3
Rice, Thailand, 25%	\$/mt	306.5	n.a.	451.9	669.5	449.9	469.4	458.7	441.4	432.8	428.0	410.3
Rice, Thailand, 35%	\$/mt	300.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
* Rice, Thai, A1Special / Super	\$/mt	272.3	482.3	317.4	478.6	314.1	323.4	326.3	309.7	305.5	303.3	295.8
Sorghum	\$/mt	162.7	207.8	148.0	214.7	151.0	145.3	155.8	139.3	142.4	141.8	159.0
Wheat, Canada	\$/mt	300.4	454.6	303.0	390.2	322.1	321.9	325.6	271.2	266.0	259.3	274.1
Wheat, US, HRW	b/ \$/mt	255.2	326.0	227.1	317.7	228.1	231.6	250.5	208.6	210.1	190.8	198.8
Wheat US SRW	\$/mt	238.6	271.5	182.0	241.5	182.7	187.4	195.6	165.2	161.7	158.4	175.6
Other Food												
Bananas EU	\$/mt	1037	1188	1172	1123	944	1142	1288	1118	1076	1130	1080
Bananas US	b/ \$/mt	676	844	854	775	847	891	858	826	834	818	810
Fishmeal	\$/mt	1177	1133	1160	1198	1023	1013	1097	1276	1272	1348	1443
Meat, beef	b/ c/kg	260.3	313.8	260.8	372.4	268.0	245.2	262.8	273.2	273.4	272.7	264.8
Meat, chicken	b/ c/kg	156.7	169.6	173.1	177.1	174.7	173.5	174.1	173.9	173.9	170.1	166.1
Meat, sheep	c/kg	412.0	458.5	422.7	477.3	410.0	378.5	428.7	453.3	456.0	450.1	445.8
Oranges	b/ \$/mt	957	1107	875	1163	842	799	870	861	836	1031	1163
Shrimp, Mexico	b/ c/kg	1010	1069	972	1048	1014	976	970	970	970	970	970
Sugar EU domestic	b/ c/kg	68.09	69.69	53.71	74.70	51.97	51.44	53.76	55.43	56.34	54.30	55.25
Sugar US domestic	b/ c/kg	45.77	46.86	51.48	51.52	44.72	43.82	47.89	57.31	57.46	63.74	67.78
Sugar, world	b/ c/kg	22.22	28.21	37.91	31.14	26.28	28.85	33.89	46.98	49.47	50.84	49.91
Raw Materials												
Timber												
Logs, Cameroon	\$/cum	3813	526.9	415.4	548.5	473.8	426.8	394.8	444.9	413.8	422.3	444.5
Logs, Malaysia	b/ \$/cum	268.0	292.3	291.0	277.7	315.7	313.6	284.5	279.6	276.6	280.8	276.6
Plywood	c/sheets	640.7	645.5	566.0	648.6	645.5	572.8	565.8	561.5	562.0	560.7	559.3
Sawnwood, Cameroon	\$/cum	760	958	736	974	771	689	721	779	786	776	790
Sawnwood, Malaysia	b/ \$/cum	806.3	889.1	804.9	900.3	859.9	813.7	829.7	771.4	769.7	784.3	805.1
Woodpulp	\$/mt	767.0	820.2	590.8	848.8	711.0	565.1	550.0	627.7	629.2	657.6	680.0
Other Raw Materials												
Cotton A Index	b/ c/kg	139.5	157.4	133.3	168.2	126.9	120.8	132.4	141.9	141.6	141.2	147.3
Cotton Memphis	c/kg	142.9	161.3	137.7	170.0	129.4	122.4	137.5	148.8	152.5	153.9	151.4
Rubber, US	c/kg	248.0	284.1	198.6	329.1	202.8	165.8	187.0	221.0	223.1	248.7	264.8
Rubber, Singapore	b/ c/kg	226.3	258.6	177.1	298.4	159.0	146.0	166.4	199.3	205.9	217.2	235.2

continued on next page

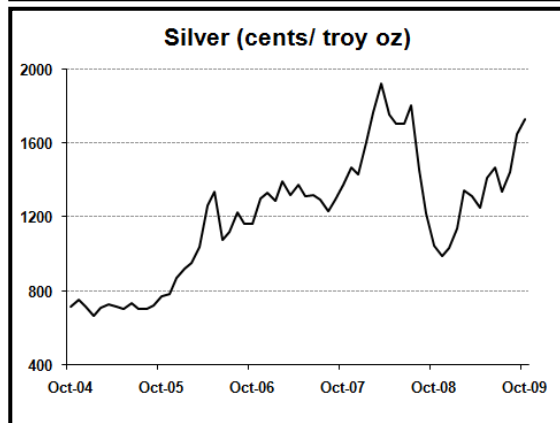
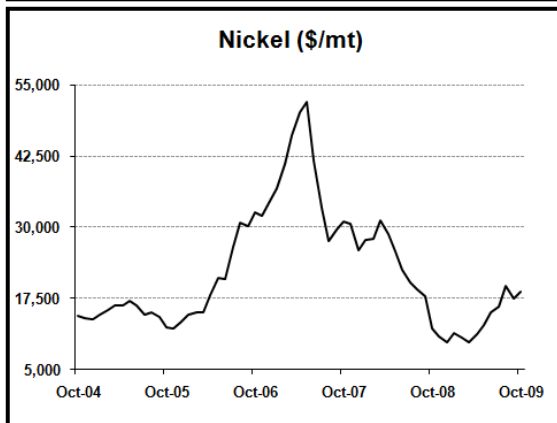
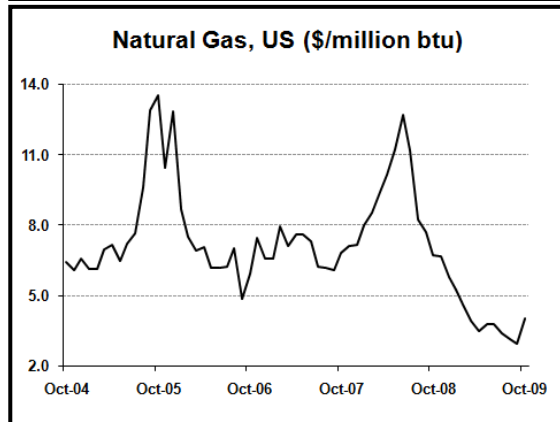
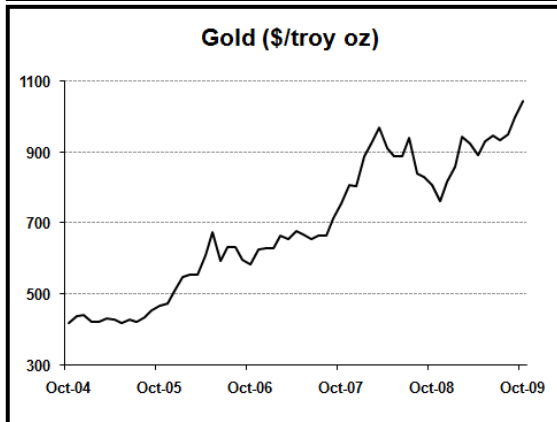
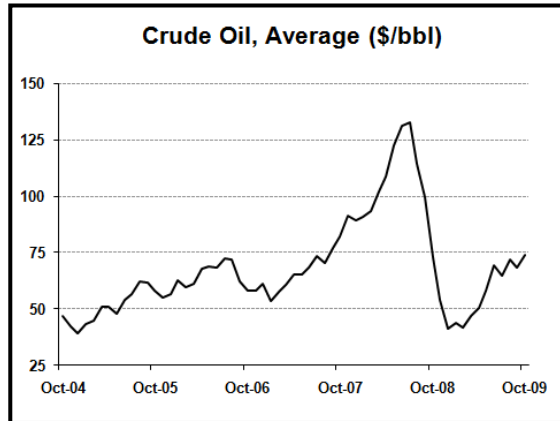
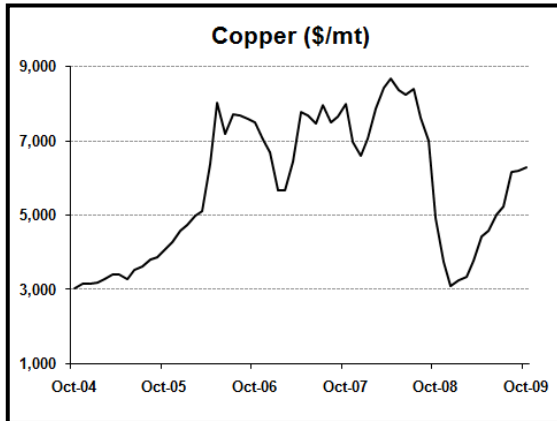
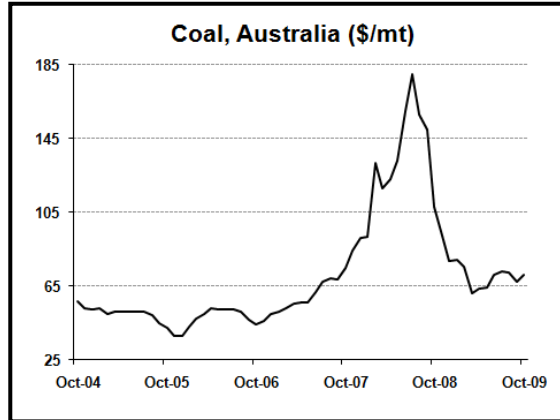
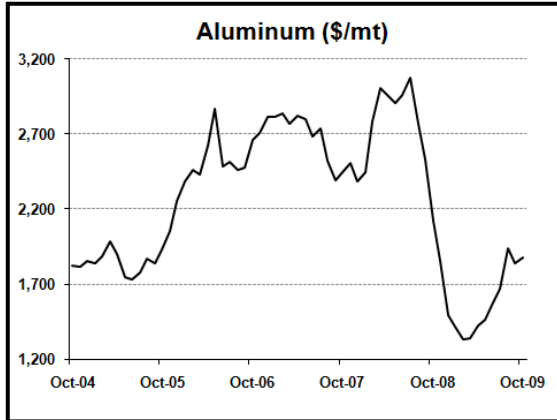
a/ Included in the energy index (2000=100) b/ Included in the non-energy index (2000=100) c/ Steel not included in the non-energy index
 \$ = US dollar ¢ = US cent bbl = barrel cum = cubic meter dmtu = Dry Metric Ton Unit kg = kilogram mmbtu = million British thermal units
 mt = metric ton toz = troy oz n.a. = not available n.q. = no quotation

COMMODITY PRICE DATA

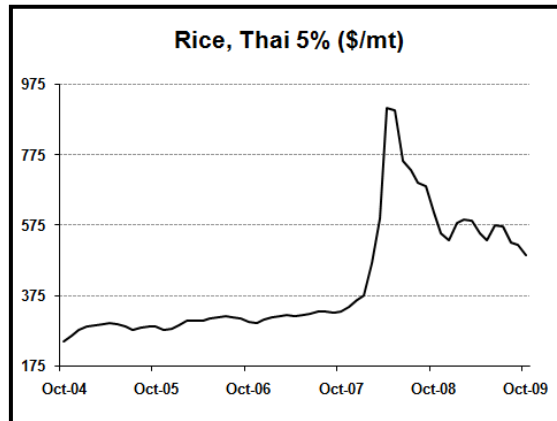
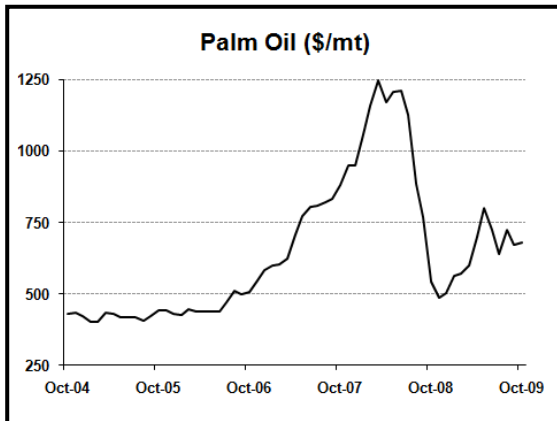
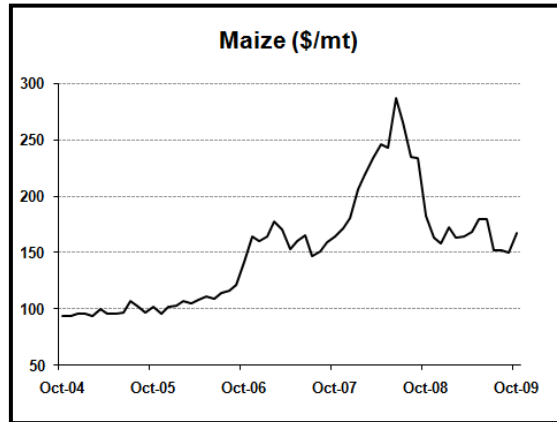
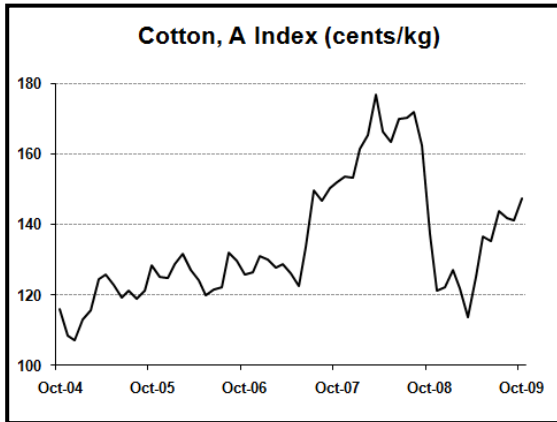
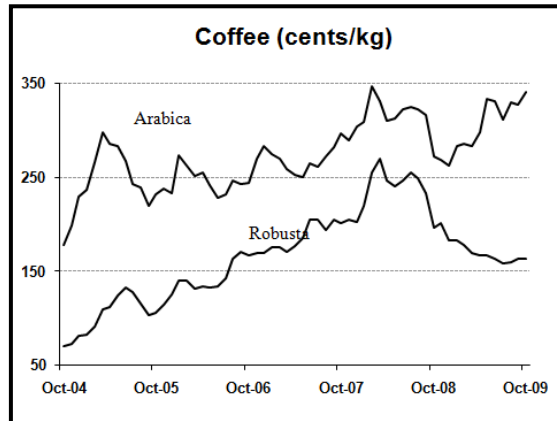
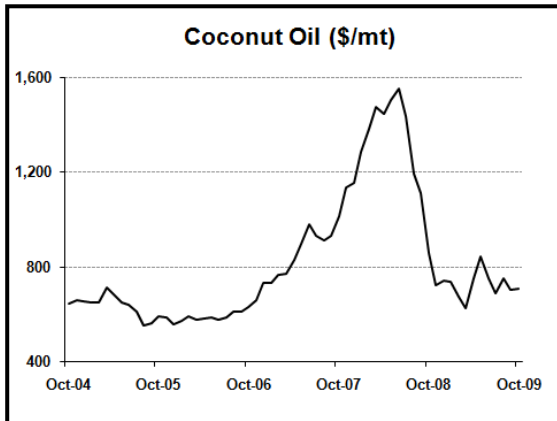
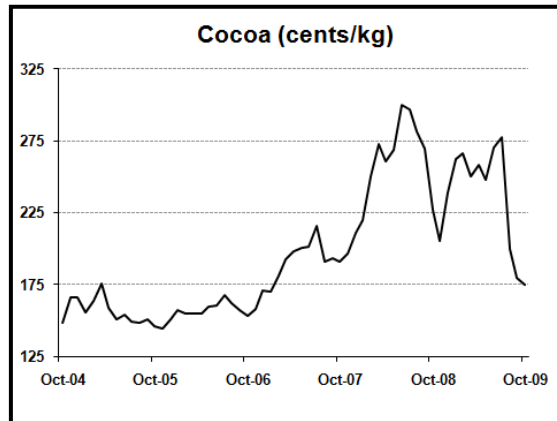
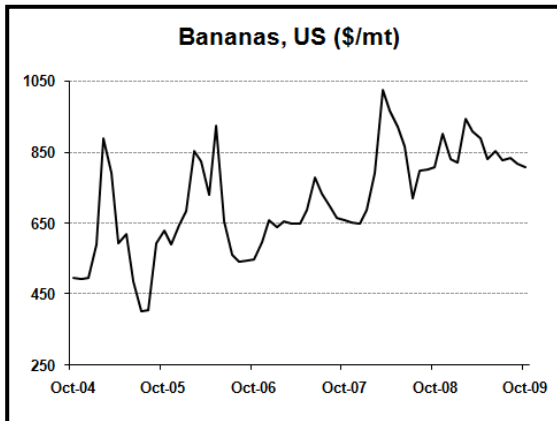
		Annual averages			Quarterly averages				Monthly averages			
		Jan-Dec	Jan-Dec	Jan-Oct	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Aug	Sep	Oct
		2007	2008	2009	2008	2008	2009	2009	2009	2009	2009	2009
Fertilizers												
DAP	b/ \$/mt	433	967	323	1,154	663	362	304	310	319	317	300
Phosphate rock	b/ \$/mt	70.9	345.6	128.0	409.2	371.3	193.3	113.3	90.0	90.0	90.0	90.0
Potassium chloride	b/ \$/mt	200.2	570.1	673.1	635.0	766.7	865.2	726.7	505.6	432.5	428.9	438.9
TSP	b/ \$/mt	339	879	263	1,108	659	322	248	225	225	225	247
Urea, E. Europe, bulk	b/ \$/mt	309.4	492.7	248.9	745.4	292.2	267.3	241.1	241.6	247.1	233.9	239.0
Metals and Minerals												
Aluminum	b/ \$/mt	2,638	2,573	1,585	2,787	1,821	1,360	1,485	1,812	1,934	1,834	1,879
Copper	b/ \$/mt	7,118	6,956	4,814	7,680	3,905	3,428	4,663	5,859	6,165	6,196	6,288
Gold	\$/toz	696.7	871.7	941.4	869.6	794.5	908.7	921.5	960.1	949.4	996.6	1,043.2
Iron ore	b/ c/dmtu	84.7	140.6	101.0	140.6	140.6	101.0	101.0	101.0	101.0	101.0	101.0
Lead	b/ c/kg	258.0	209.1	159.9	191.2	124.5	115.7	149.9	192.8	190.0	220.5	224.1
Nickel	b/ \$/mt	37,230	21,111	14,180	18,961	10,843	10,471	12,920	17,700	19,642	17,473	18,525
Silver	c/toz	1,341	1,500	1,408	1,495	1,020	1,265	1,376	1,477	1,443	1,648	1,726
** Steel products index, Japan F	2000=100	182.0	289.3	231.3	338.2	310.4	274.5	215.5	210.8	210.3	210.8	210.4
Steel cr coilsheet, Japan, Reins	\$/mt	650.0	965.6	800.0	1,100.0	1,100.0	1,033.3	700.0	700.0	700.0	700.0	700.0
Steel hr coilsheet, Japan, Reins	\$/mt	550.0	883.3	700.0	1,000.0	1,000.0	933.3	600.0	600.0	600.0	600.0	600.0
Steel, rebar, Japan, Reinstated	\$/mt	521.5	760.2	484.8	934.2	629.6	472.5	450.0	500.0	500.0	500.0	580.0
Steel wire rod, Japan, Reinstated	\$/mt	533.3	1,009.8	1,004.0	1,135.0	1,200.0	1,200.0	1,006.7	856.7	850.0	850.0	850.0
Tin	b/ c/kg	1,454	1,851	1,324	2,051	1,310	1,103	1,351	1,459	1,487	1,487	1,501
Zinc	b/ c/kg	324.2	187.5	152.9	177.0	118.5	117.2	147.3	176.1	182.2	188.4	207.2
NEW World Bank commodity price indices for low and middle income countries (2000 =100)												
Energy		244.8	342.0	205.4	406.0	212.9	166.3	204.5	230.9	241.8	231.1	248.9
Non Energy Commodities		224.7	272.0	208.2	292.6	206.3	189.9	207.8	219.7	224.8	223.5	229.4
Agriculture		180.3	229.5	194.4	243.5	178.6	181.9	197.2	199.4	202.6	201.8	208.2
Beverages		169.9	210.0	244.1	226.8	181.2	198.0	207.7	226.1	227.1	235.6	246.0
Food		184.7	247.4	203.1	260.5	185.7	190.4	209.8	206.4	210.6	205.4	210.5
Fats and Oils		209.0	277.3	214.4	288.9	182.4	191.4	227.9	220.9	229.5	216.4	223.2
Grains		189.0	281.7	214.7	298.5	218.6	221.3	225.3	202.2	201.0	194.0	200.6
Other Food		149.0	177.1	177.6	188.9	160.2	161.3	172.1	191.2	194.4	201.4	202.6
Raw Materials		174.9	195.7	163.2	210.4	160.0	153.1	161.1	168.8	170.8	175.7	183.5
Timber		136.8	150.5	139.3	150.2	149.4	143.1	141.8	133.6	133.0	135.4	137.6
Other Raw Materials		216.6	245.3	189.4	276.3	171.6	164.0	182.2	207.4	212.0	219.9	233.6
Fertilizers		240.1	566.7	303.1	741.1	492.2	376.6	300.6	251.9	242.2	236.2	243.3
Metals and Minerals		314.0	325.7	225.6	342.4	230.6	185.0	219.0	257.6	268.3	266.6	271.2

a/ Included in the energy index (2000=100) b/ Included in the non-energy index (2000=100) c/ Steel not included in the non-energy index
 \$ = US dollar ¢ = US cent bbl = barrel cum = cubic meter dmtu = Dry Metric Ton Unit kg = kilogram mmbtu = million British thermal units
 mt = metric ton toz = troy oz n.a. = not available n.q. = no quotation

Selected Commodity Prices. Nominal US dollars. 2004-2009



Selected Commodity Prices, Nominal US dollars, 2004-2009 cont'd



Selected Commodity Prices, Nominal US dollars, 2004-2009 cont'd

