

Commodity Markets Review

December 10, 2009

DECPG, The World Bank

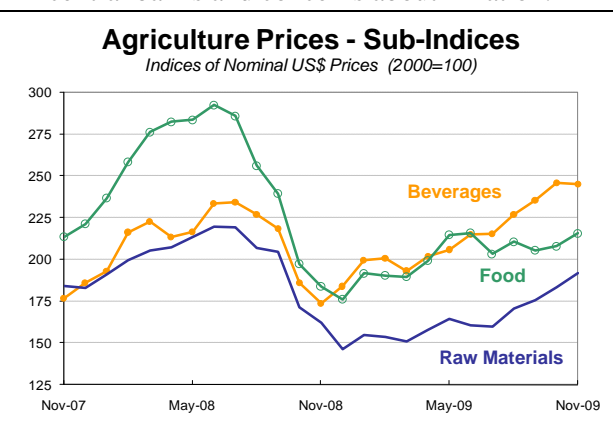
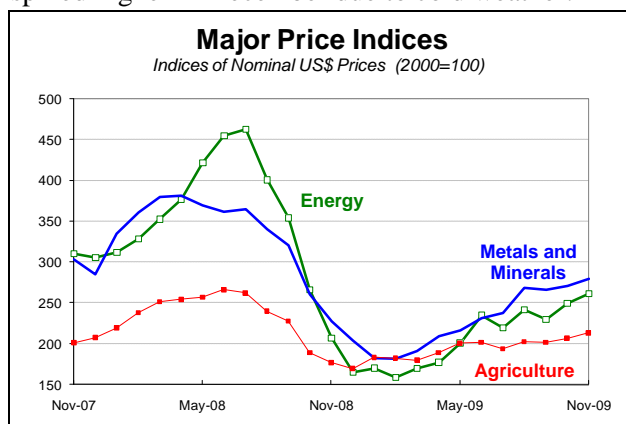
Non-energy commodity prices rose by 3.1 percent in November with all main groups posting relatively strong gains. The increases were partly due to decline of the dollar, which fell 0.7 percent against the euro.

Crude oil prices climbed 4.7 percent in November to average \$77.6/bbl, and approached \$80/bbl during the month before softening below \$72/bbl in early December. Demand is weak in OECD countries, and stocks remain at elevated levels, particularly in the U.S. for both crude and products. Refiners worldwide are cutting back because of poor margins, and more than 150 million barrels of oil are stored at sea, including almost 100 million barrels of gasoil/diesel reflecting the slump in commercial transport. Despite key producers stating they are comfortable with prices around \$75/bbl, OPEC's oil production continues to edge higher. The group is not expected to alter quotas when it meets December 22nd in Angola.

Coal prices surged 10.9 percent in November due to strong import demand from China. A heavy storm in northern China in early November boosted heating demand and also disrupted coal transport. Meanwhile Australia struggled to meet export demand due to maintenance, rail capacity, and coal supply issues. **U.S. natural gas prices fell 8.3 percent** in November on mild temperatures but have spiked higher in December due to cold weather.

Agriculture prices rose 3.3 percent in November, led by a 6.6 percent jump in grains prices partly due to late harvests in the U.S. following delayed spring plantings. Recent snow in the Midwest has left portions of crops on the field, especially corn. The largest increase was in rice prices, up 10 percent, due to weather-related production shortfalls in southeast Asia and higher import demand from the Philippines. Rubber prices rose 8 percent on higher import demand by key tire manufacturers in Asia and the U.S., while cotton prices gained 7 percent on lower production prospects in the Northern Hemisphere. Fats and oils prices rose 4 percent due to strong demand by China and India.

Metals and minerals prices rose 3.2 percent in November with increases in most base metals. The price gains have moderated since summer due to the slowdown in China's imports, rising stocks, and as yet little restocking in industrial countries. Copper prices rose 6 percent partly due to actual and potential labor issues, while zinc prices also rose 6 percent on continued Chinese import demand. Aluminum prices increased 4 percent, despite growing capacity, as a good portion of LME inventories are tied up in financing agreements. Nickel prices fell 8 percent due to the slump in stainless steel output. Among precious metals, gold prices climbed 8 percent, boosted by IMF sales to central banks and concerns about inflation.



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 November¹

Coal prices surged 10.9 percent due to strong demand and supply interruptions in China from a heavy snowstorm in early November, while Australia struggled to meet export demand.

Rice prices increased 10.1 percent due to weather-related production shortfalls in southeast Asia, and an announcement by the Philippines' government of its intent to import 1.8 million tons of rice.

Rubber prices rose 8.5 percent on higher import demand by key tire manufacturers, including China, South Korea, and the US.

Gold prices rose 8.0 percent because of strong investment demand, the falling dollar, concerns about inflation, and sales to central banks—notably 200 tonnes to the Reserve Bank of India.

Cotton prices were up 7.4 percent on lower production prospects in the Northern Hemisphere, implying a prospective gap of 1.2 million tons between global consumption and production.

Palm oil and soybean oil prices rose 7.0 percent and 4.7 percent, respectively, due to strong demand from China and India, the latter assisted by duty free imports and the rupee's 5 percent depreciation against the U.S. dollar.

Copper prices increased 6.2 percent, supported by on-going and prospective labor disputes, but stocks continue to build on weaker demand.

Wheat prices climbed 6.1 percent as a result of a low seasonal harvest in the U.S., while the Ukraine's wheat output was very poor.

Zinc prices gained 5.9 percent as China remains a net importer. However, shipments are slowing and prices have slipped from the recent peak.

Crude oil prices rose 4.7 percent on relatively strong demand in Asia, but stocks remain high and supplies continue to edge higher.

Sorghum prices increased 4.4 percent due to firm demand and harvest delays in the U.S.

Beef prices rose 4.1 percent on rising import demand and supply tightness from Uruguay and New Zealand.

Aluminum prices increased 3.8 percent due to strong demand in China and a tight spot market caused by significant LME inventories being

tied up in longer term financing agreements.

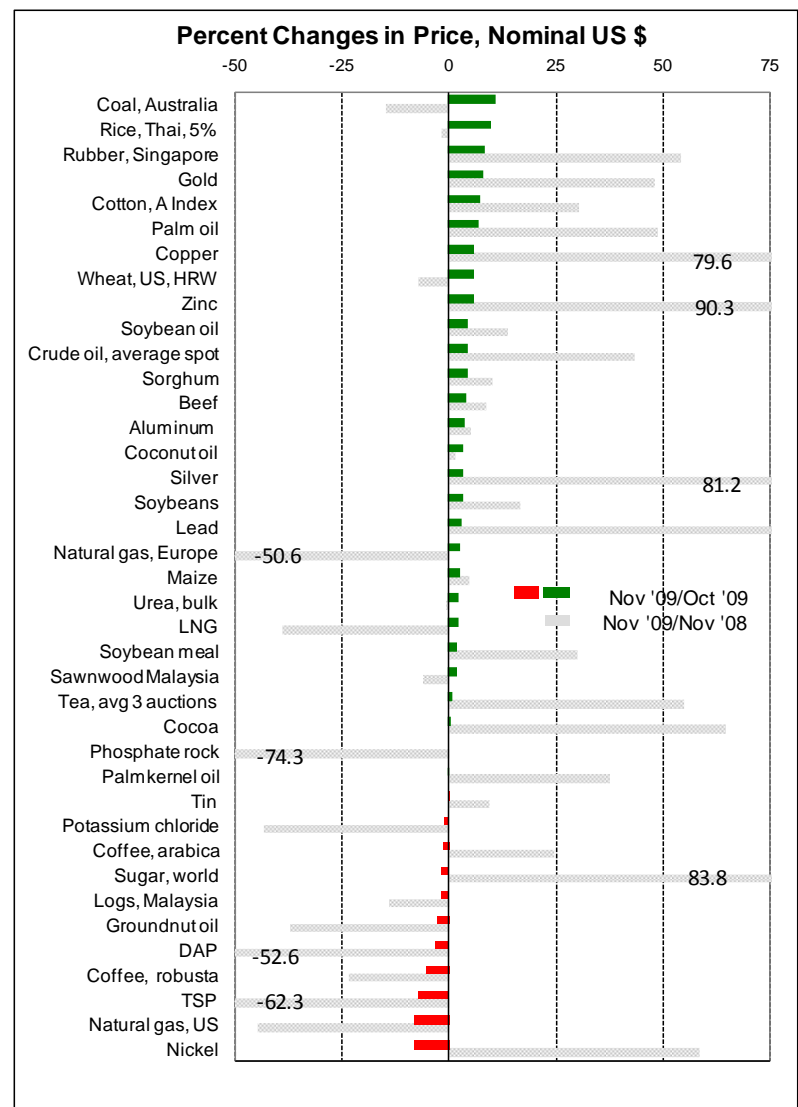
Coconut oil prices rose 3.6 percent due to low stocks and shortfall in supplies from the Philippines, the world's dominant supplier.

Coffee (robusta) prices fell 5.5 percent following reports that Vietnam's 2009/10 crop estimates are higher than initially thought.

TSP prices declined 7.3 percent on relatively weak demand and over-supply, although tenders continue to be awarded in Iran and south Asia.

Natural gas (U.S.) prices fell 8.3 percent due to weak demand, record-high inventories, and atypical stock build caused by mild weather.

Nickel prices dropped 8.3 percent, despite on-going strikes in Canada, due to substantial cuts in stainless steel production, declining Chinese imports, and high stocks that continue to rise.



¹ Percent change of average November 2009 prices compared to average October 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 2007	Jan-Dec 2008	Jan-Nov 2009	Jul-Sep 2008	Oct-Dec 2008	Jan-Mar 2009	Apr-Jun 2009	Jul-Sep 2009	Sep 2009	Oct 2009	Nov 2009
Energy												
Coal, Australia	a/ \$/mt	65.73	127.10	70.82	162.80	92.97	7193	66.48	7131	67.64	7107	78.80
Crude oil, avg, spot	a/ \$/bbl	71.12	96.99	60.56	15.68	56.00	44.11	59.19	68.21	68.35	74.08	77.55
Crude oil, Brent	a/ \$/bbl	72.70	97.64	60.70	15.60	55.89	44.98	59.13	68.37	67.69	73.19	77.04
Crude oil, Dubai	a/ \$/bbl	68.37	93.78	60.51	13.47	53.67	44.56	58.93	68.07	67.91	73.28	77.63
Crude oil, West Texas Int.	a/ \$/bbl	72.28	99.56	60.49	17.98	58.45	42.80	59.52	68.21	69.44	75.77	78.00
Natural gas Index	a/ 2000=100	186.5	267.9	152.5	284.1	266.2	198.2	142.9	123.3	124.0	142.7	141.2
Natural gas, Europe	a/ \$/mmbtu	8.56	13.41	8.77	14.62	15.75	11.94	8.18	6.91	7.13	7.60	7.81
Natural gas, US	a/ \$/mmbtu	6.98	8.86	3.82	9.03	6.40	4.57	3.70	3.17	2.96	4.02	3.69
Natural gas LNG, Japan	a/ \$/mmbtu	7.68	12.53	8.86	13.33	14.62	10.90	7.60	7.91	8.42	9.00	9.20
Non Energy Commodities												
Agriculture												
Beverages												
Cocoa	b/ c/kg	195.2	257.7	283.3	282.6	224.1	259.7	258.7	295.5	313.3	336.0	338.5
Coffee, Arabica	b/ c/kg	272.4	308.2	314.2	321.2	267.8	283.9	320.2	322.7	327.5	340.8	335.6
Coffee, robusta	b/ c/kg	190.9	232.1	165.4	244.8	192.6	175.8	165.3	160.1	162.7	162.1	153.2
Tea, auctions (3), average	b/ c/kg	203.6	242.0	270.1	272.3	206.6	218.0	266.1	303.6	315.7	302.7	305.3
Tea, Colombo auctions	b/ c/kg	252.2	278.9	312.6	303.2	208.8	261.7	299.1	356.1	376.4	352.4	335.3
Tea, Kolkata auctions	b/ c/kg	192.1	225.5	250.4	260.9	220.2	177.4	271.3	273.0	274.2	294.4	294.5
Tea, Mombasa auctions	b/ c/kg	166.5	221.8	247.4	252.8	190.8	214.9	228.0	281.7	296.5	261.3	286.0
Food												
Fats and Oils												
Coconut oil	b/ \$/mt	919	1224	722	1246	772	677	779	711	701	706	731
Copra	\$/mt	607	816	477	817	520	447	513	469	466	470	493
Groundnut oil	b/ \$/mt	1352	2131	1183	2417	1773	1283	1166	1133	1120	1148	1115
Palm oil	b/ \$/mt	780	949	673	928	512	577	743	679	674	680	728
Palmkernel oil	\$/mt	888	1130	688	1114	609	577	763	700	704	728	726
Soybean meal	b/ \$/mt	308	424	408	450	320	365	424	431	425	413	421
Soybean oil	b/ \$/mt	881	1258	842	1353	830	755	863	856	846	897	939
Soybeans	b/ \$/mt	384	523	436	566	377	394	461	454	430	427	441
Grains												
Barley	b/ \$/mt	172.4	200.5	126.3	216.6	129.5	116.3	129.5	122.0	103.5	130.7	155.3
Maize	b/ \$/mt	163.7	223.1	165.6	244.7	168.4	166.9	176.0	151.3	150.4	167.3	171.6
Rice, Thailand, 5%	b/ \$/mt	326.4	650.2	551.7	703.0	564.4	586.3	552.4	539.0	518.8	493.0	542.8
Rice, Thailand, 25%	\$/mt	306.5	n.a.	453.0	669.5	449.9	469.4	458.7	441.4	428.0	412.8	462.0
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	319.7	478.6	314.1	323.4	326.3	309.7	303.3	298.4	340.0
Sorghum	\$/mt	162.7	207.8	149.7	214.7	151.0	145.3	155.8	139.3	141.8	159.0	166.0
Wheat, Canada	\$/mt	300.4	454.6	301.7	390.2	322.1	321.9	325.6	271.2	259.3	274.1	288.4
Wheat, US, HRW	b/ \$/mt	255.2	326.0	225.7	317.7	228.1	231.6	250.5	208.8	191.1	198.8	211.0
Wheat US SRW	\$/mt	238.6	271.5	184.1	241.5	182.7	187.4	195.6	165.2	158.4	175.6	204.7
Other Food												
Bananas EU	\$/mt	1037	1188	1159	1123	944	1142	1288	1118	1130	1080	1027
Bananas US	b/ \$/mt	676	844	852	775	847	891	858	826	818	810	834
Fishmeal	\$/mt	1177	1133	1193	1198	1023	1013	1097	1276	1348	1427	1533
Meat, beef	b/ c/kg	260.3	313.8	262.2	372.4	268.0	245.2	262.8	273.2	272.7	264.8	275.6
Meat, chicken	b/ c/kg	156.7	169.6	172.3	177.1	174.7	173.5	174.1	173.9	170.1	166.1	164.6
Meat, sheep	c/kg	412.0	458.5	425.8	477.3	410.0	378.5	428.7	453.3	450.1	445.8	457.0
Oranges	b/ \$/mt	957	1107	900	1163	842	799	870	861	1031	1153	1154
Shrimp, Mexico	b/ c/kg	1010	1069	959	1048	1014	976	970	970	970	937	863
Sugar EU domestic	b/ c/kg	68.09	69.69	53.89	74.70	5197	5144	53.76	55.43	54.30	55.25	55.62
Sugar US domestic	b/ c/kg	45.77	46.86	53.19	5152	44.72	43.82	47.89	57.31	63.74	67.78	70.25
Sugar, world	b/ c/kg	22.22	28.21	38.92	3114	26.28	28.85	33.89	46.98	50.84	49.91	49.07
Raw Materials												
Timber												
Logs, Cameroon	\$/cum	3813	526.9	418.6	548.5	473.8	426.8	394.8	414.9	422.3	444.5	451.1
Logs, Malaysia	b/ \$/cum	268.0	292.3	289.2	277.7	315.7	313.6	284.5	279.6	280.8	276.6	272.0
Plywood	c/sheets	640.7	645.5	565.3	648.6	645.5	572.8	565.8	561.5	560.7	559.3	558.6
Sawnwood, Cameroon	\$/cum	760	958	744	974	771	689	721	779	776	790	821
Sawnwood, Malaysia	b/ \$/cum	806.3	889.1	806.4	900.3	859.9	813.7	829.7	771.4	784.3	805.1	821.1
Woodpulp	\$/mt	767.0	820.2	607.0	848.8	711.0	565.1	550.0	627.7	657.6	693.5	755.0
Other Raw Materials												
Cotton A Index	b/ c/kg	139.5	157.4	135.5	168.2	126.9	120.8	132.4	141.9	141.2	147.3	158.1
Cotton Memphis	c/kg	142.9	161.3	141.8	170.0	129.4	122.4	137.5	148.8	153.9	163.7	170.6
Rubber, US	c/kg	248.0	284.1	206.0	329.1	202.8	165.8	187.0	221.0	248.7	264.8	279.3
Rubber, Singapore	b/ c/kg	226.3	258.6	184.1	298.4	159.0	146.0	166.4	199.3	217.2	235.2	255.1

continued on next page

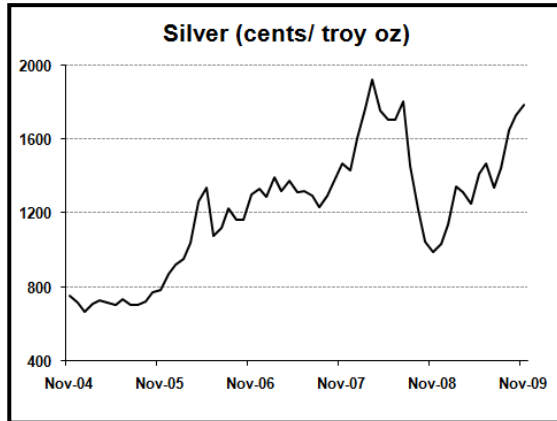
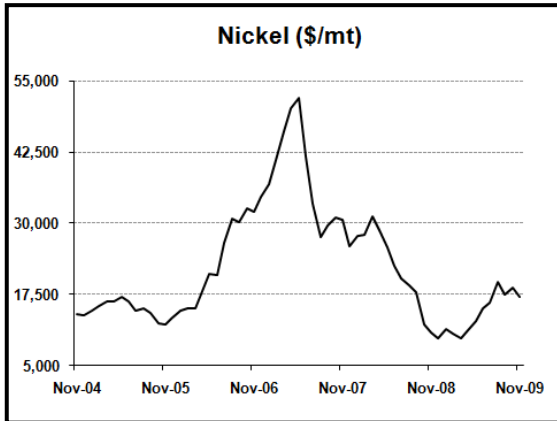
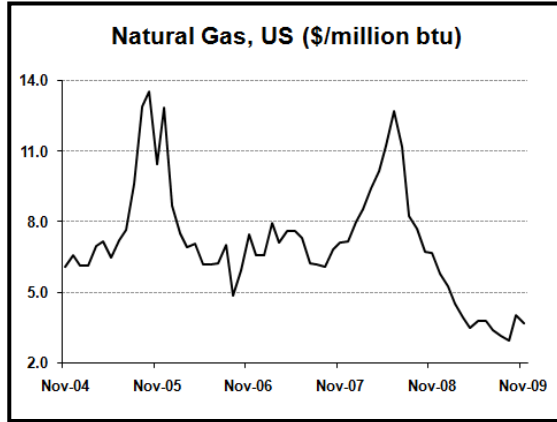
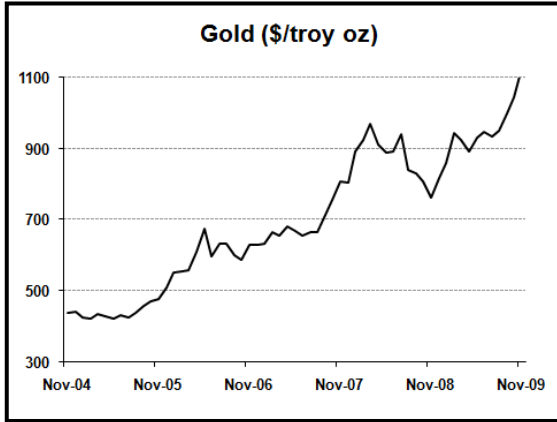
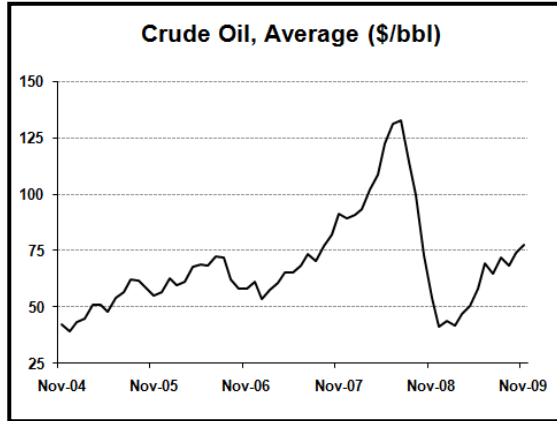
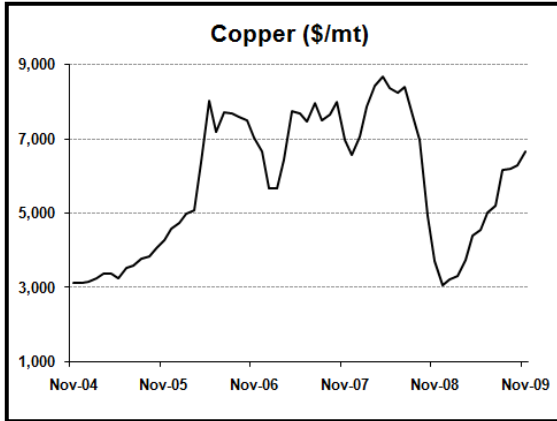
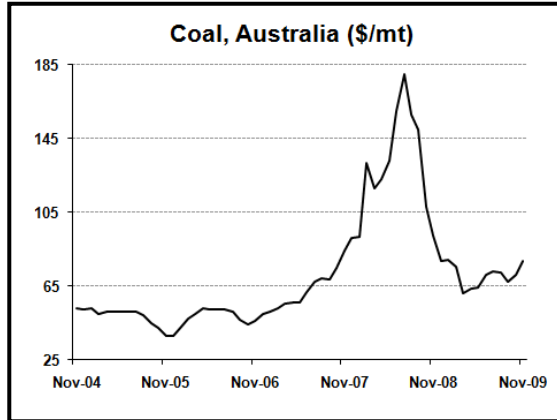
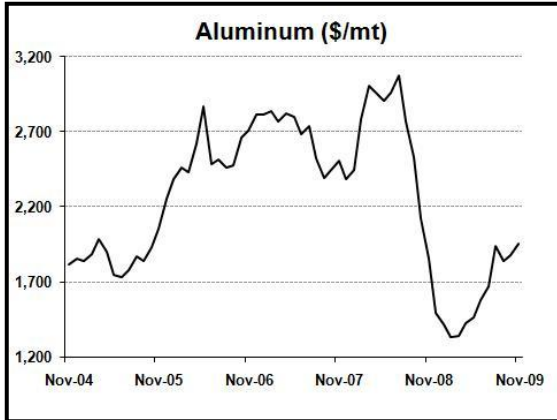
a/ Included in the energy index (2000=100) b/ Included in the non-energy index (2000=100) c/ Steel not included in the non-energy index
 \$ = US dollar ¢ = US cent bbl = barrel cum = cubic meter dmtu = Dry Metric Ton Unit kg = kilogram mmbtu = million British thermal units
 mt = metric ton toz = troy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

COMMODITY PRICE DATA

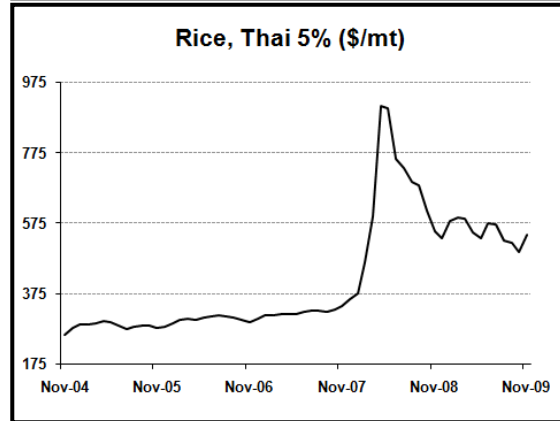
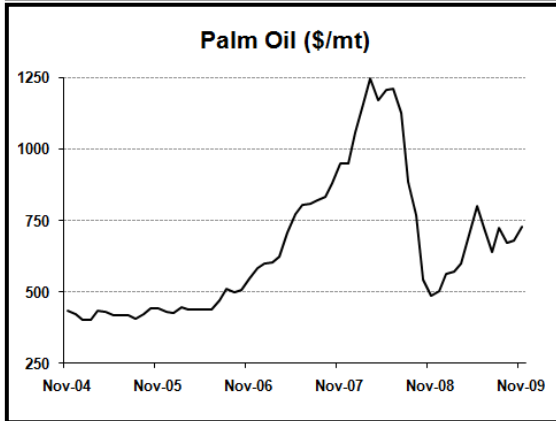
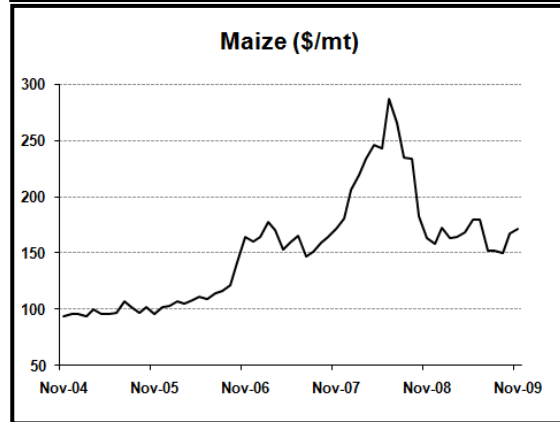
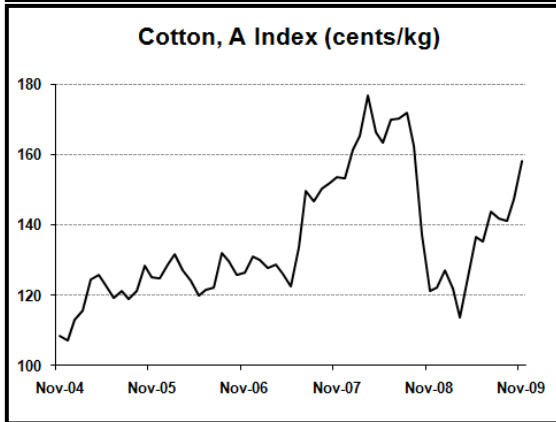
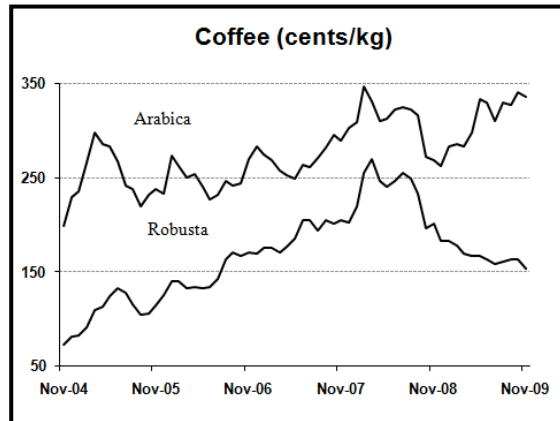
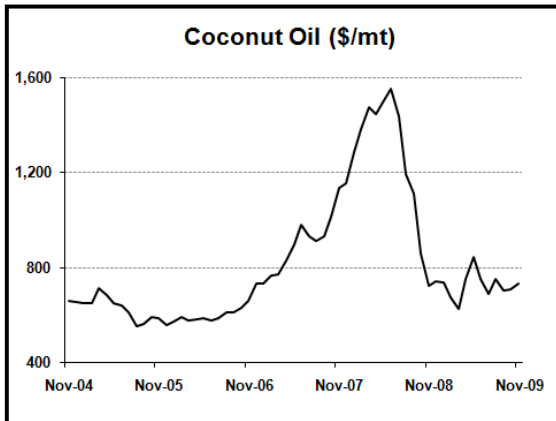
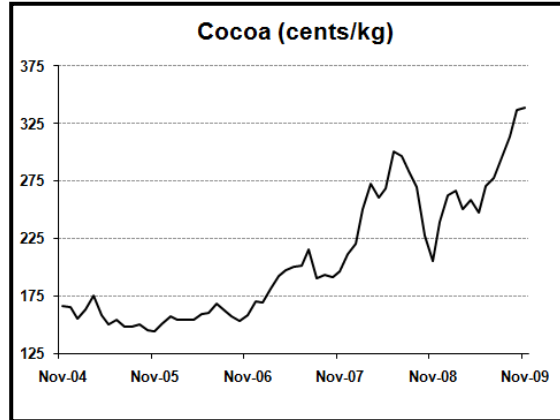
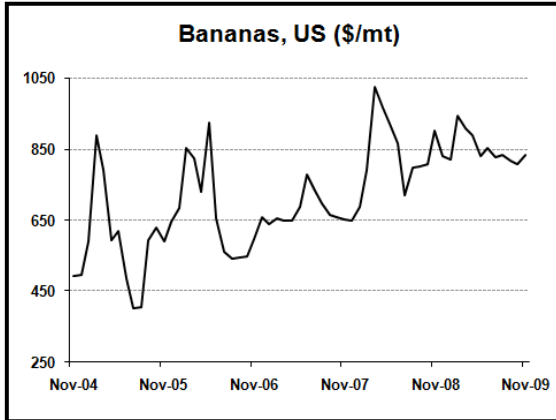
		Annual averages			Quarterly averages				Monthly averages			
		Jan-Dec	Jan-Dec	Jan-Nov	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Sep	Oct	Nov
		2007	2008	2009	2008	2008	2009	2009	2009	2009	2009	2009
Fertilizers												
DAP	b/ \$/mt	433	967	320	1,154	663	362	304	310	317	300	290
Phosphate rock	b/ \$/mt	70.9	345.6	124.5	409.2	371.3	193.3	113.3	90.0	90.0	90.0	90.0
Potassium chloride	b/ \$/mt	200.2	570.1	651.5	635.0	766.7	865.2	726.7	505.6	428.9	438.9	435.0
TSP	b/ \$/mt	339	879	260	1,108	659	322	248	225	225	247	229
Urea, E. Europe, bulk	b/ \$/mt	309.4	492.7	248.5	745.4	292.2	267.3	241.1	241.6	233.9	239.0	244.8
Metals and Minerals												
Aluminum	b/ \$/mt	2,638	2,573	1,618	2,787	1,821	1,360	1,485	1,812	1,834	1,879	1,949
Copper	b/ \$/mt	7,118	6,956	4,983	7,680	3,905	3,428	4,663	5,859	6,196	6,288	6,676
Gold	\$/toz	696.7	871.7	958.3	869.6	794.5	908.7	921.5	960.1	996.6	1,043.2	1,127.0
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	166.4	191.2	124.5	115.7	149.9	192.8	220.5	224.1	230.9
Nickel	b/ \$/mt	37,230	21,111	14,435	18,961	10,843	10,471	12,920	17,700	17,473	18,525	16,991
Silver	c/toz	1,341	1,500	1,443	1,495	1,020	1,265	1,376	1,477	1,648	1,726	1,788
** Steel products index, Japan F c/ 2000=100		182.0	289.3	229.1	338.2	310.4	274.5	215.5	210.8	210.8	210.4	206.8
Steel cr coilsheet, Japan, Reins c/ \$/mt		650.0	965.6	790.9	1,100.0	1,100.0	1,033.3	700.0	700.0	700.0	700.0	700.0
Steel hr coilsheet, Japan, Reins c/ \$/mt		550.0	883.3	690.9	1,000.0	1,000.0	933.3	600.0	600.0	600.0	600.0	600.0
Steel, rebar, Japan, Reinstated c/ \$/mt		521.5	760.2	485.7	934.2	629.6	472.5	450.0	500.0	500.0	580.0	495.0
Steel wire rod, Japan, Reinstated c/ \$/mt		533.3	1,009.8	987.7	1,135.0	1,200.0	1,200.0	1,006.7	856.7	850.0	850.0	825.0
Tin	b/ c/kg	1,454	1,851	1,339	2,051	1,310	1,103	1,351	1,459	1,487	1,501	1,494
Zinc	b/ c/kg	324.2	187.5	159.0	177.0	118.5	117.2	147.3	176.1	188.4	207.2	219.3
NEW World Bank commodity price indices for low and middle income countries(2000 =100)												
Energy		244.8	342.0	210.4	406.0	212.9	166.3	204.5	230.3	230.1	249.9	261.5
Non Energy Commodities		224.7	272.0	210.6	292.6	206.3	189.9	207.8	219.7	223.5	228.4	235.5
Agriculture		180.3	229.5	196.0	243.5	178.6	181.9	197.2	199.4	201.8	206.7	213.5
Beverages		169.9	210.0	217.0	226.8	181.2	198.0	207.7	226.1	235.6	246.0	245.4
Food		184.7	247.4	204.0	260.5	185.7	190.4	209.8	206.4	205.5	207.9	215.7
Fats and Oils		209.0	277.3	214.9	288.9	182.4	191.4	227.9	220.9	216.4	217.0	226.1
Grains		189.0	281.7	214.7	298.5	218.6	221.3	225.3	202.3	194.0	201.0	214.3
Other Food		149.0	177.1	179.9	188.9	160.2	161.3	172.1	191.2	201.4	202.3	203.1
Raw Materials		174.9	195.7	165.9	210.4	160.0	153.1	161.1	168.9	175.9	183.6	192.1
Timber		136.8	150.5	139.3	150.2	149.4	143.1	141.8	133.6	135.4	137.6	139.2
Other Raw Materials		216.6	245.3	195.0	276.3	171.6	164.0	182.2	207.5	220.1	233.9	249.9
Fertilizers		240.1	566.7	297.5	741.1	492.2	376.6	300.6	251.9	236.2	243.3	242.2
Metals and Minerals		314.0	325.7	230.6	342.4	230.6	185.0	219.0	257.6	266.6	271.2	279.8

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 = troyoz 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

