

# Commodity Markets Review

May 14, 2002

EPPG, The World Bank

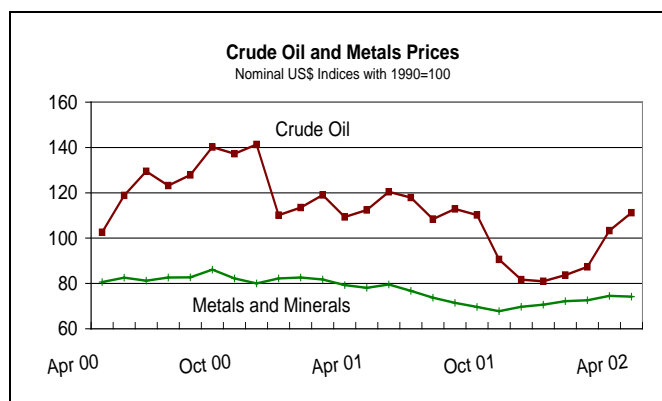
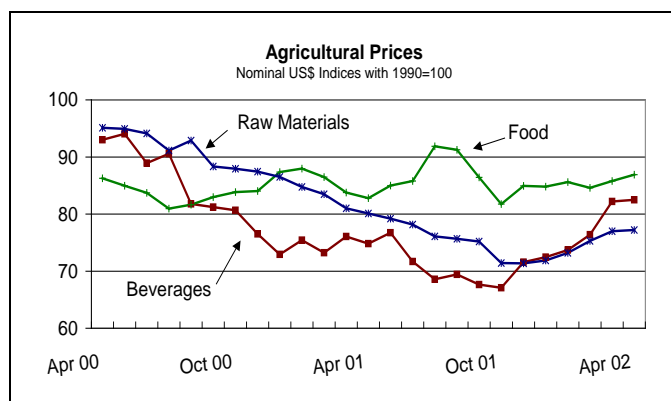
**Non-oil commodity prices increased 0.3 percent in April (versus March) for the sixth consecutive monthly increase since October, while oil prices increased 7.6 percent for the fourth consecutive monthly increase.** Non-oil commodity prices have increased 10 percent and oil prices have increased 37 percent since their lows. Non-oil commodity price increases are showing signs of stalling and are expected to weaken before continuing to increase later in the year. Oil prices could continue higher due to strong summer demand, the recovery in the global economy, and supply restraint by OPEC producers.

**Agricultural prices rose 0.7 percent in April, following a 3.2 percent increase in March,** as vegetable oil price increases offset declines in shrimp, beef, and bananas. Prices have increased 10.4 percent since the October lows, and further increases are expected. However, stocks of some commodities (such as coffee and sugar) remain high and price increases should be small. Prices of other commodities (such as grains) could increase more rapidly because stocks are low and a drought threatens U.S. and Canadian production. The latest reports indicate some easing of the drought along the eastern coast, but not in the wheat growing areas of the mountain states.

**Crude oil prices continued to rise in April,** averaging \$25.4/bbl. Prices briefly slumped at mid-month when it appeared that President Chavez had lost power in Venezuela, but his quick return lifted prices. Tensions in the Middle East and the loss of Iraq's exports raised fears of larger supply disruptions and also supported prices. Although demand has been weak and stocks ample, demand is expected to grow in the second half of the year and additional supply is required to prevent prices from rising further. OPEC meets June 26<sup>th</sup>, but has not indicated whether it will increase production quotas.

**Metals and minerals prices fell 0.4 percent in April,** the first monthly decline since October. The price rally of recent months—on expectations of a strong economic recovery and higher demand for metals—paused in April, as inventories continued to rise for most metals. Strong demand has yet to appear, and there are concerns that higher prices will bring idle capacity back into production.

Gold prices in April averaged \$302.7/toz, the first time in two and half years that prices have exceed \$300/toz, as investors turned to the metal because of heightened tensions in the Middle East, the slide in U.S. equity markets, and a weaker U.S. dollar.



Prepared by a team from the Economic Policy and Prospects Group (EPPG) of Development Economics under the supervision of Hans Timmer and consisting of Donald Mitchell, Shane Streifel, John Baffes and Betty Dow. Katherine Rollins was the task assistant.

## Major Movers in April<sup>1</sup>

**Shrimp** prices fell 15.4 percent following an E.U. ban on shrimp imports from several Asian exports because of health concerns. Displaced shrimp was sold in other markets sending prices lower.

**Natural gas** prices fell 5.4 percent in Europe due to lower oil prices during the winter--which determine imported natural gas prices under long-term contract.

**Beef** prices fell 4.9 percent due to increased U.S. supplies as drought forced U.S. producers to liquidate herds.

**Banana** prices in the U.S. fell 4.8 percent due to seasonal increases in supplies from Ecuador and Colombia, the main suppliers to the U.S.

**Fertilizer** prices were broadly lower as Triple Super Phosphate (TSP) prices fell 4.4 percent, Urea prices fell 3.9 percent, and Diammonium Phosphate (DAP) prices fell 3.8 percent. The declines were due to decline in imports by Argentina and India combined with increased competition by major exporters.

**Soybean** prices were up 3.1 percent due to reduced exports from Argentina following exchange rate and export tax uncertainties, and limited export credit.

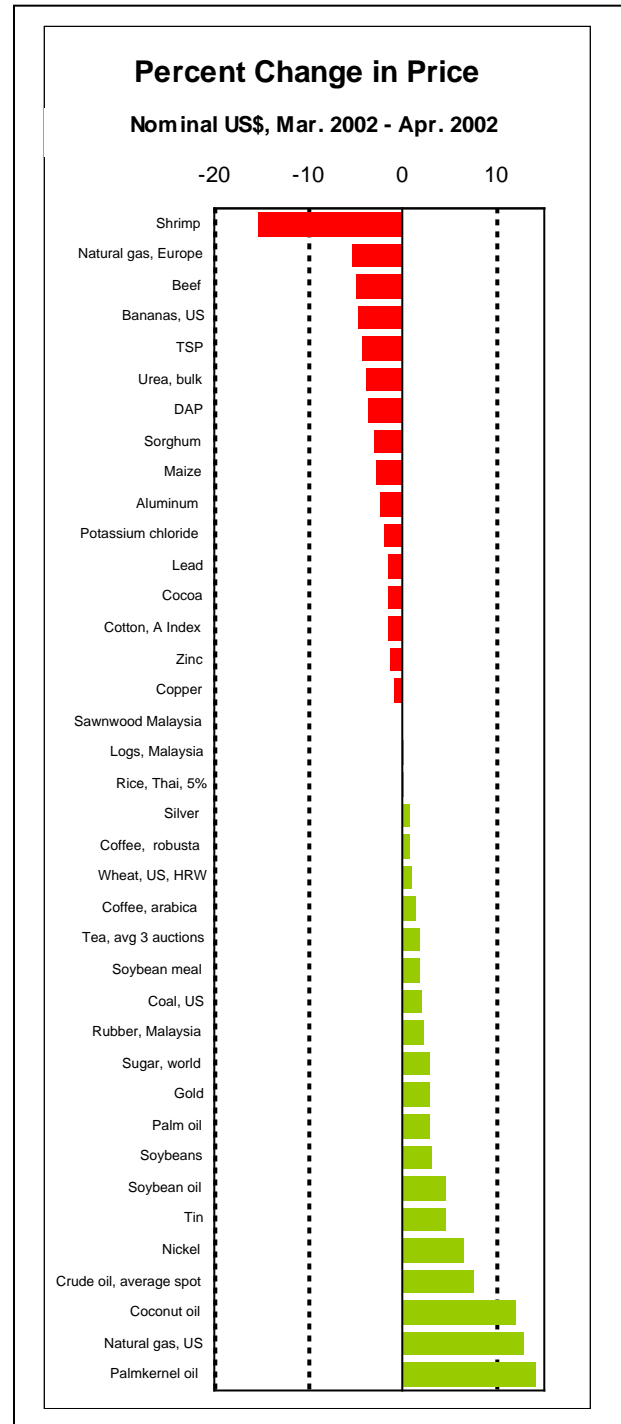
**Vegetable oils** prices were broadly higher, with palmkernel oil up 14.3 percent, coconut oil up 12.0 percent, soybean oil up 4.5 percent, and palm oil up 3.0 percent. The increase was due to reduced exports of soyoil from Argentina and a projected 6 percent decline in global coconut oil production in the coming year due a smaller Philippine crop because of El Niño.

**Tin** prices jumped 4.7 percent on expectations of rising demand and declining supplies in Asia. However, inventories remain very high.

**Nickel** prices rose 6.4 percent, due to low inventories, supply concerns, and rising demand for stainless steel.

**Crude oil** prices rose 7.6 percent on continued fears of oil supply disruption and expectations of a tighter market later in year.

**Natural gas** prices in the U.S. rose 12.9 percent, despite very high inventories, on cooler temperatures, higher oil prices and nervousness about oil and gas supplies.



<sup>1</sup> Based on the percent change of average April compared to average March 2002 prices measured in nominal U.S. dollars.

## COMMODITY PRICE DATA

Commodity	Unit	----- Annual averages -----			----- Quarterly averages -----				----- Monthly averages -----			
		Jan-Dec	Jan-Dec	Jan-Apr	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Feb	Mar	Apr
		2000	2001	2002	2001	2001	2001	2001	2002	2002	2002	2002
<b>Energy</b>												
Coal, Australia	\$/mt	26.25	32.31	29.34	32.27	33.73	33.53	29.72	29.50	29.85	29.55	28.84
Coal, US	\$/mt	33.06	44.86	39.66	36.80	46.88	49.45	46.30	40.31	37.93	36.93	37.70
Crude oil, average spot	a/ \$/bbl	28.23	24.35	22.05	26.07	26.75	25.28	19.31	20.92	19.98	23.64	25.43
Crude oil, Brent	a/ \$/bbl	28.27	24.42	22.28	25.82	27.27	25.26	19.34	21.16	20.29	23.69	25.65
Crude oil, Dubai	a/ \$/bbl	26.08	22.71	21.12	23.62	25.09	23.90	18.24	20.02	18.91	22.85	24.41
Crude oil, West Texas Int.	a/ \$/bbl	30.33	25.92	22.76	28.79	27.86	26.67	20.36	21.60	20.72	24.38	26.24
Natural gas, Europe	\$/mmbtu	3.86	4.06	2.97	4.60	4.39	3.78	3.46	3.02	3.03	2.97	2.81
Natural gas, US	\$/mmbtu	4.31	3.96	2.75	6.32	4.36	2.73	2.41	2.53	2.31	3.03	3.42
<b>Non-Energy Commodities</b>												
<b>Agriculture</b>												
<b>Beverages</b>												
Cocoa	b/ c/kg	90.6	106.9	150.9	100.4	104.5	100.8	121.8	149.0	149.1	159.3	156.8
Coffee, arabica	b/ c/kg	192.0	137.3	136.3	146.7	146.4	129.7	126.4	133.6	130.3	142.1	144.3
Coffee, robusta	b/ c/kg	91.3	60.7	58.2	69.5	64.1	57.0	52.4	56.1	53.7	64.2	64.7
Tea, average 3 auctions	b/ c/kg	187.6	159.8	144.7	170.9	160.0	159.8	148.6	144.8	146.0	142.0	144.5
Tea, Calcutta auctions	b/ c/kg	180.6	166.1	117.7	157.3	183.1	181.5	142.6	115.8	115.7	102.6	123.3
Tea, Colombo auctions	b/ c/kg	179.3	161.7	166.3	179.8	152.9	151.2	162.8	168.6	170.2	170.0	159.2
Tea, Mombasa auctions	b/ c/kg	202.9	151.7	150.3	175.6	144.1	146.6	140.4	150.0	152.0	153.3	151.0
<b>Food</b>												
<b>Fats and Oils</b>												
Coconut oil	b/ \$/mt	450.3	318.1	378.5	297.7	301.7	347.7	325.3	368.0	376.0	366.0	410.0
Copra	\$/mt	304.8	202.1	232.3	193.3	189.3	222.7	203.0	228.3	232.0	232.0	244.0
Groundnut oil	b/ \$/mt	713.7	680.3	664.3	690.3	697.7	665.7	667.3	667.0	665.0	671.0	656.0
Palm oil	b/ \$/mt	310.3	285.7	338.5	249.3	246.7	334.0	312.7	335.3	330.0	338.0	348.0
Palmkernel oil	\$/mt	443.5	308.1	366.3	283.7	295.0	343.7	310.0	352.0	359.0	358.0	409.0
Soybean meal	b/ \$/mt	189.2	181.0	170.5	189.0	171.7	184.3	179.0	171.7	169.0	164.0	167.0
Soybean oil	b/ \$/mt	338.1	354.0	367.3	312.3	310.3	404.3	389.0	366.7	358.0	353.0	369.0
Soybeans	b/ \$/mt	211.8	195.8	190.8	201.7	186.0	207.3	188.3	188.7	187.0	191.0	197.0
<b>Grains</b>												
Maize	b/ \$/mt	88.5	89.6	89.9	92.5	85.1	91.7	89.3	90.8	90.8	89.6	87.1
Rice, Thai, 5%	b/ \$/mt	202.4	172.8	191.3	181.3	165.4	170.2	174.5	192.0	195.3	189.0	189.3
Rice, Thai, 25%	\$/mt	172.8	153.1	172.0	153.6	143.1	155.5	160.2	172.4	172.3	171.5	170.8
Rice, Thai, 35%	\$/mt	167.2	149.1	167.2	148.8	139.1	151.5	157.0	167.9	168.3	165.8	165.3
Rice, Thai, A1.Special	\$/mt	143.5	134.1	146.5	131.3	124.4	142.1	138.5	145.8	143.7	151.3	148.5
Sorghum	b/ \$/mt	88.0	95.2	92.2	98.1	92.9	94.7	95.2	93.3	92.9	91.7	88.9
Wheat, Canada	\$/mt	147.1	151.5	146.2	156.9	152.4	148.0	148.5	147.4	147.7	144.6	142.5
Wheat, US, HRW	b/ \$/mt	114.1	126.8	123.7	130.4	130.6	122.6	123.7	123.7	123.7	122.5	123.7
Wheat, US, SRW	\$/mt	98.9	107.7	116.2	106.9	100.4	107.2	116.5	117.2	113.4	116.6	113.0
<b>Other Food</b>												
Bananas, EU	\$/mt	712.4	777.2	849.5	910.2	834.9	686.0	677.8	844.9	869.1	911.1	863.5
Bananas, US	b/ \$/mt	424.0	583.3	515.3	587.6	599.2	650.9	495.4	505.7	516.7	571.8	544.3
Beef	b/ c/kg	193.2	212.9	229.7	196.0	203.0	226.1	226.7	230.0	227.1	240.4	228.7
Fishmeal	\$/mt	413.0	486.7	594.3	462.3	443.7	499.0	541.7	589.3	590.0	593.0	609.0
Lamb	c/kg	261.9	291.2	312.0	285.8	291.3	283.9	303.7	311.1	311.0	310.4	314.8
Oranges	b/ \$/mt	363.2	609.2	719.4	437.0	729.4	768.9	501.4	670.0	649.8	750.6	867.5
Shrimp	c/kg	1,513	1,517	1,114	1,627	1,653	1,559	1,230	1,162	1,157	1,146	970
Sugar, EU, domestic	b/ c/kg	55.52	52.86	52.28	53.00	53.12	52.57	52.77	52.14	52.01	52.01	52.69
Sugar, US, domestic	b/ c/kg	42.76	47.04	45.20	47.44	46.96	46.78	46.97	45.78	46.04	44.56	43.44
Sugar, world	b/ c/kg	18.04	19.04	15.36	21.65	20.15	17.96	16.40	15.42	14.37	14.77	15.19
<b>Raw Materials</b>												
<b>Timber</b>												
Logs, Cameroon	\$/cum	275.4	266.1	n.a.	273.8	259.5	264.7	266.2	n.a.	n.a.	n.a.	n.a.
Logs, Malaysia	b/ \$/cum	190.0	159.1	138.9	170.5	164.1	158.2	143.4	137.2	134.6	143.8	143.9
Plywood	c/sheet	448.2	409.8	370.9	429.2	410.4	402.6	397.0	369.9	367.0	373.5	373.8
Sawnwood, Cameroon	\$/cum	489.1	471.9	448.3	493.9	459.1	475.2	459.6	447.1	443.7	446.6	451.7
Sawnwood, Malaysia	b/ \$/cum	594.7	481.4	481.6	498.8	486.0	476.7	463.9	480.2	486.0	486.0	486.0
Woodpulp	\$/mt	664.3	517.3	430.8	648.3	544.1	432.9	444.0	431.4	424.9	429.2	429.2
<b>Other Raw Materilas</b>												
Cotton, "A Index"	b/ c/kg	130.2	105.8	93.5	131.7	109.2	95.6	86.8	94.2	94.4	92.7	91.3
Cotton, Memphis	c/kg	146.2	116.6	98.6	146.7	117.5	108.5	93.6	98.5	96.0	101.4	98.7
Jute	\$/mt	277.4	329.4	350.0	295.8	339.6	347.0	335.0	350.0	350.0	350.0	n.a.
Rubber, Malaysia	b/ c/kg	69.1	60.0	65.6	62.8	62.8	59.5	54.9	63.6	63.0	69.9	71.4
Rubber, US	c/kg	83.2	74.7	77.0	78.2	76.7	75.2	68.7	75.9	76.0	80.4	80.2
Rubber, Singapore	c/kg	66.7	57.5	63.4	59.5	60.2	59.0	51.3	62.1	62.4	67.1	67.4
Sisal	\$/mt	631.8	699.2	670.0	723.8	732.9	676.6	663.3	670.0	670.0	670.0	670.0
Wool	c/kg	437.0	418.7	456.5	449.7	430.7	407.0	387.3	455.7	473.0	492.0	459.0

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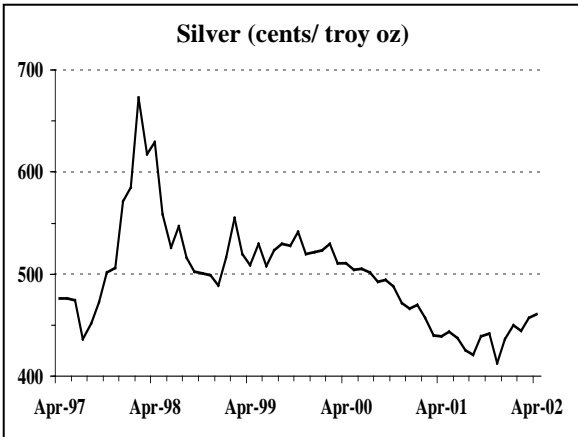
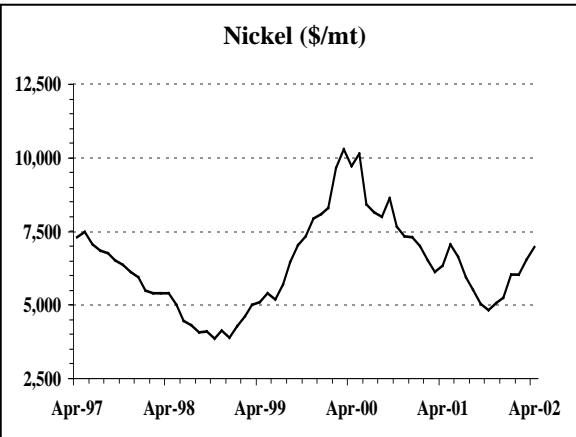
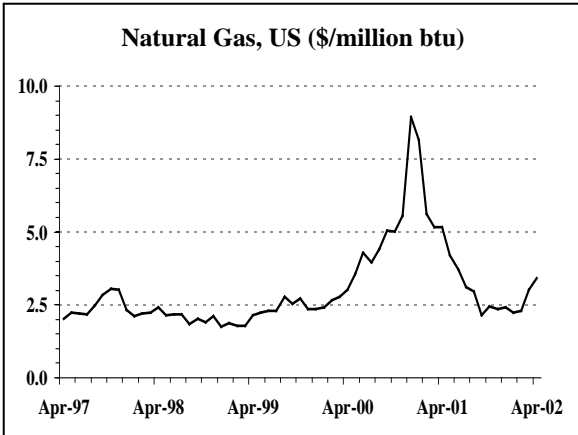
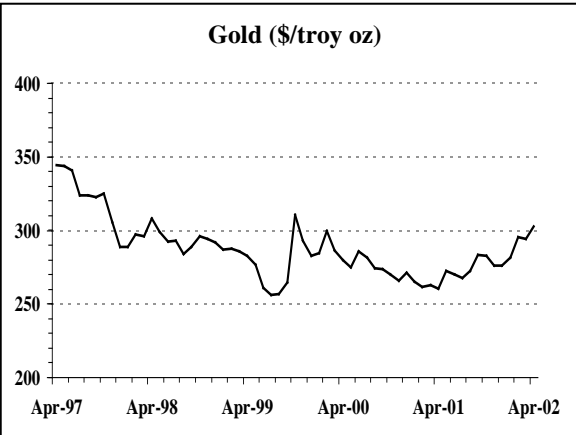
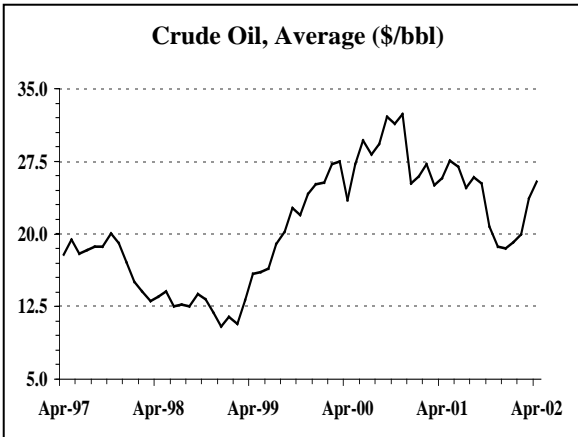
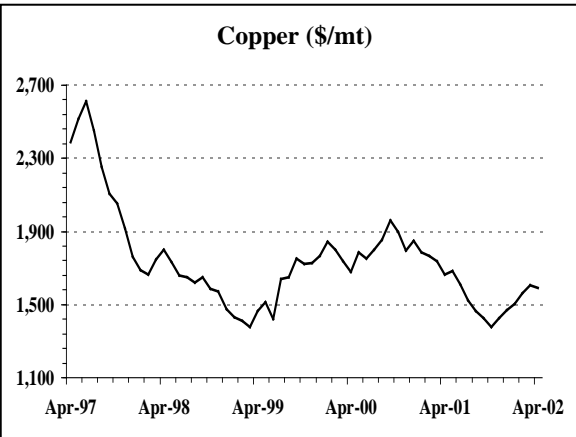
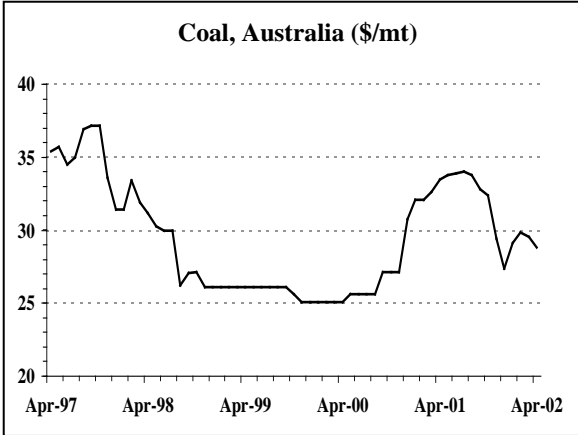
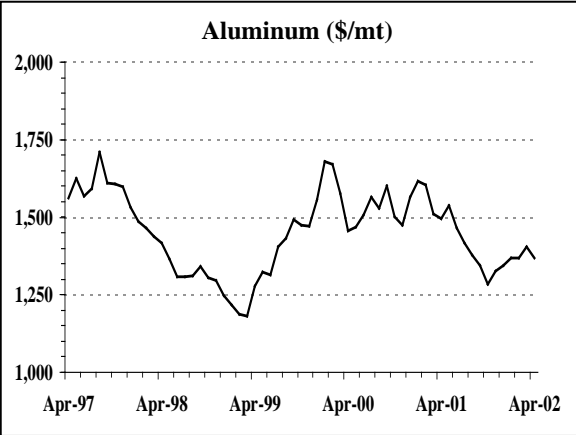
a/ Included in the petroleum ind      b/ Included in the non-energy index      c/ Steel not included in the non-energy index  
 \$ = U.S. dollar    c = U.S. cent    bbl = barrel    cum = cubic meter    dmtu = Dry Metric Ton Unit    kg = kilogram    mmbtu = million British thermal  
 mt = metric ton    toz = troy oz    n.a. = not available    n.q. = not quotation

## COMMODITY PRICE DATA

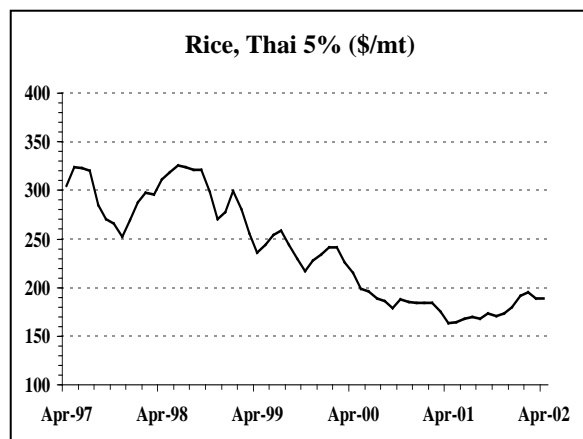
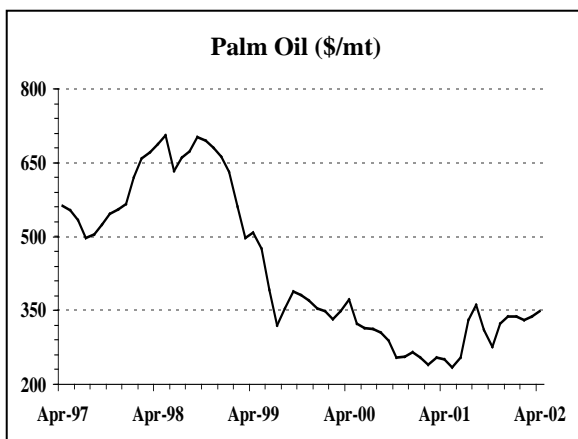
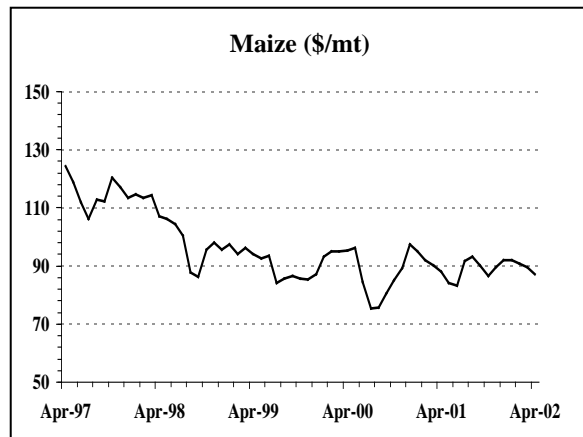
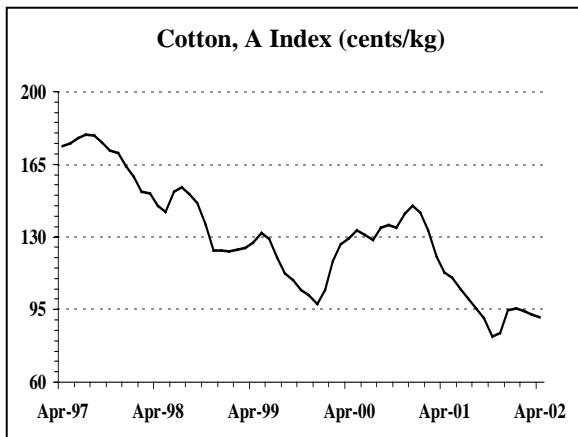
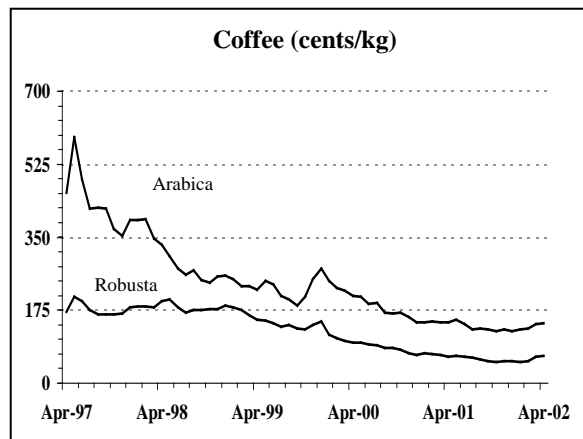
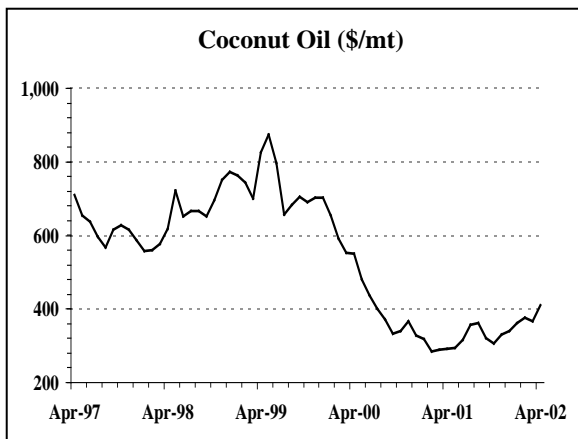
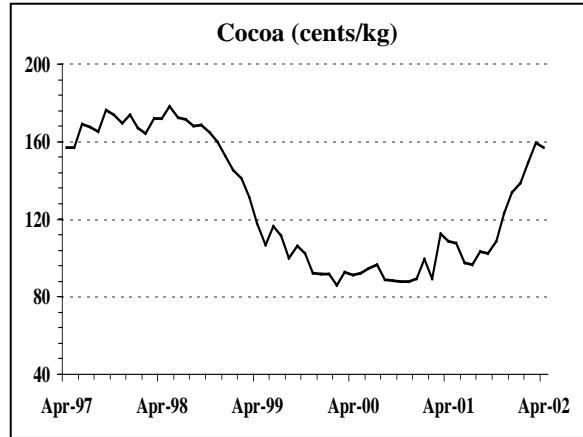
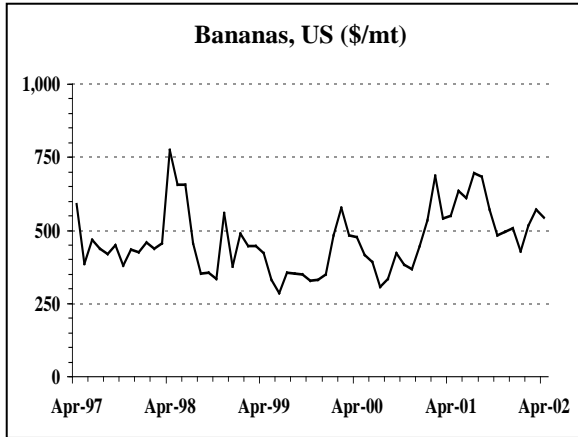
Commodity	Unit	----- Annual averages-----			-----Quarterly averages-----				-----Monthly averages-----			
		Jan-Dec 2000	Jan-Dec 2001	Jan-Apr 2002	Jan-Mar 2001	Apr-Jun 2001	Jul-Sep 2001	Oct-Dec 2001	Jan-Mar 2002	Feb 2002	Mar 2002	Apr 2002
<b>Fertilizers</b>												
DAP	\$/mt	154.2	147.7	153.8	163.1	143.0	139.1	145.8	155.0	156.2	156.0	150.1
Phosphate rock	b/ \$/mt	43.8	41.8	41.0	43.0	42.1	41.0	41.0	41.0	41.0	41.0	41.0
Potassium chloride	\$/mt	122.5	118.1	114.9	121.5	117.5	117.5	115.8	115.3	115.0	116.0	113.8
TSP	b/ \$/mt	137.7	126.9	134.8	129.0	125.7	124.4	128.5	135.7	138.0	138.0	132.0
Urea, Black Sea, bagged	\$/mt	112.1	105.3	n.a.	118.4	95.9	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Urea, Ukrain, bulk	\$/mt	101.1	95.3	93.3	106.7	84.4	90.3	99.9	96.4	95.6	87.5	84.1
<b>Metals and Minerals</b>												
Aluminum	b/ \$/mt	1,549	1,444	1,378	1,576	1,501	1,379	1,318	1,381	1,369	1,405	1,370
Copper	b/ \$/mt	1,813	1,578	1,565	1,764	1,652	1,472	1,426	1,557	1,562	1,605	1,590
Gold	\$/toz	279.0	271.0	293.4	263.5	267.7	274.5	278.4	290.4	295.5	294.1	302.7
Iron ore	¢/dmtu	28.79	30.03	30.03	30.03	30.03	30.03	30.03	30.03	30.03	30.03	30.03
Lead	b/ ¢/kg	45.4	47.6	48.6	49.3	46.3	47.0	47.9	49.1	48.0	48.0	47.2
Nickel	b/ \$/mt	8,638	5,945	6,392	6,551	6,677	5,495	5,056	6,203	6,029	6,538	6,958
Silver	¢/toz	499.9	438.6	453.1	455.8	439.9	428.5	430.3	450.7	444.8	457.0	460.5
Steel products (8) index	c/ 1990=100	76.4	66.8	64.2	70.9	67.2	65.2	63.7	63.7	63.7	63.7	65.7
Steel, cold rolled coilsheet	\$/mt	385.8	299.2	285.0	319.6	302.0	295.0	280.0	280.0	280.0	280.0	300.0
Steel, hot rolled coilsheet	\$/mt	295.8	216.5	207.5	231.3	224.0	210.8	200.0	200.0	200.0	200.0	230.0
Steel, rebar	\$/mt	244.2	221.5	200.0	249.2	226.7	210.0	200.0	200.0	200.0	200.0	200.0
Steel, wire rod	\$/mt	291.7	302.3	300.0	309.2	300.0	300.0	300.0	300.0	300.0	300.0	300.0
Tin	b/ ¢/kg	543.6	448.4	386.5	511.3	490.8	398.0	393.7	381.2	373.1	384.3	402.4
Zinc	b/ ¢/kg	112.8	88.6	79.8	102.0	93.4	82.6	76.3	79.5	77.1	81.9	80.8
<b>World Bank commodity price indexes for low and middle income countries( 1990 =100 )</b>												
Petroleum		123.4	106.4	96.4	114.0	116.9	110.5	84.4	91.5	87.3	103.3	111.2
Non-Energy Commodities		86.9	79.0	79.2	82.5	80.2	78.1	75.1	78.7	78.2	80.5	80.7
Agriculture		87.7	79.8	80.7	82.4	80.3	80.0	76.5	80.1	79.5	82.0	82.6
Beverages		88.4	72.1	78.7	74.9	74.4	68.6	70.4	77.4	76.4	82.2	82.5
Food		84.5	86.1	85.7	86.1	84.5	89.9	83.8	85.3	84.6	85.8	86.9
Fats and Oils		96.2	89.0	92.0	87.1	82.2	95.9	90.9	91.6	90.5	90.1	93.1
Grains		79.5	78.2	80.3	81.0	76.7	77.3	77.7	80.7	81.1	79.6	79.2
Other Food		77.7	88.1	83.7	88.0	90.8	92.0	81.5	82.8	81.7	85.8	86.2
Raw Materials		91.4	77.4	75.7	83.1	79.2	75.7	71.6	75.2	75.3	77.0	77.2
Timber		111.0	90.2	88.8	93.9	91.4	89.4	86.2	88.4	89.2	89.9	89.9
Other Raw Materials		78.0	68.6	66.7	75.7	70.8	66.3	61.6	66.1	65.8	68.2	68.5
Fertilizers		105.8	98.8	101.9	100.9	98.5	96.9	98.8	102.3	103.4	103.4	100.6
Metals and Minerals		83.0	75.1	73.4	81.2	78.1	71.6	69.4	73.1	72.6	74.5	74.2

a/ Included in the petroleum index      b/ Included in the non-energy index      c/ Steel not included in the non-energy index  
 \$ = U.S. dollar    ¢ = U.S. cent    bbl = barrel    cum = cubic meter    dmtu = Dry Metric Ton Unit    kg = kilogram    mmbtu = million British thermal  
 mt = metric ton    toz = troy oz    n.a. = not available    n.q. = not quotation

# Selected Commodity Prices, Nominal US dollars, 1997-2002



# Selected Commodity Prices, Nominal US dollars, 1997-2002 cont'd



# Selected Commodity Prices, Nominal US dollars, 1997-2002 cont'd

