

Commodity Markets Review

May 11, 2009

DECPG, The World Bank

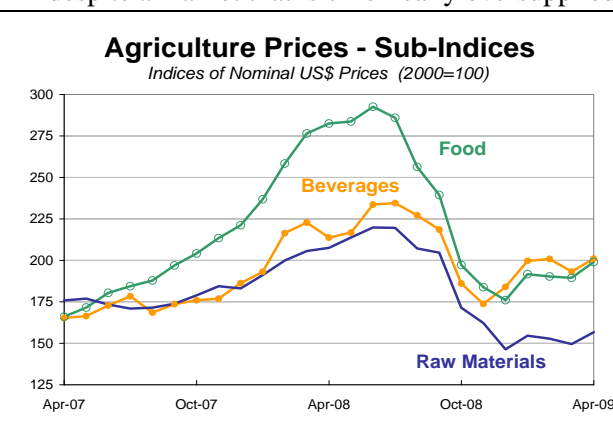
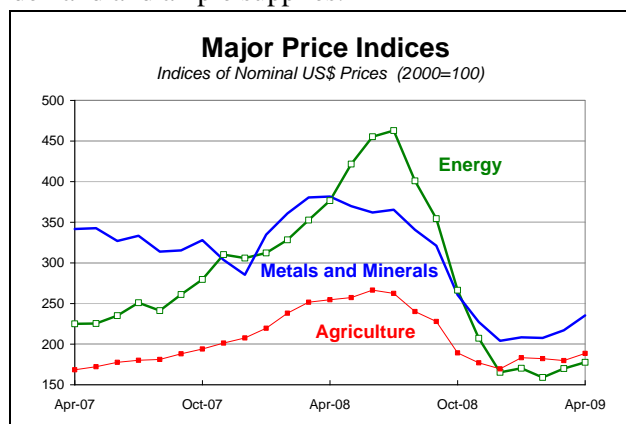
Non-energy commodity prices jumped 5.0 percent in April, with relatively strong gains in most main indices. The increases were due to expectations of improving macroeconomic conditions, strong Chinese import demand, the falling dollar, and weather-related problems in South America. However, most markets remain in surplus, including fertilizers where prices fell by 12.2 percent.

Crude oil prices increased 7.8 percent in April, averaging \$50.3/bbl, and rose above \$57/bbl early May on expectations that demand is bottoming and may start to recover. The price gain also reflects the large volumes of oil that OPEC has taken off the market, as well as renewed disappointment in non-OPEC supply that is expected to decline this year. However, inventories remain high and consumption is still very weak, with preliminary estimates showing U.S. oil demand down nearly 8 percent in April—although the declines in gasoline consumption have moderated. OPEC meets May 28th and is expected to leave quotas unchanged.

Natural gas prices plunged in all regions. European import prices plunged 22 percent on their lagged indexation to oil prices, while LNG prices delivered into Japan dropped 22 percent due to weak power demand and new LNG capacity coming on line. U.S. gas prices fell to their lowest level in nearly 7 years on falling demand and ample supplies.

Agriculture prices rose 4.9 percent in April on strong demand and various supply shortfalls. The largest price gains were in fats and oils, up 12.5 percent, due to strong import demand in China and other newly industrialized countries. Palmkernel and coconut oil prices were up 20-22 percent, in part due to a large drop in Philippines production, while palm oil gained 17 percent on strong demand in India and the EU. The soybean complex was up some 9-13 percent due to the weather-related decline in output in South America, as well as strong Chinese import demand. Rubber prices jumped 13 percent on higher oil prices, while cotton prices rose 10 percent on stronger Chinese demand.

Metals and minerals prices surged 8.4 percent in April, on expectations of a global recovery in demand, but were also supported by large producer cutbacks and stockpiling in China. However, physical demand is still very weak—with the exception of copper—and stocks remain high. Copper prices soared 17.5 percent on record imports of refined metal into China, both for stocking by government and purchases by industry, in part due to the shortage of scrap. Nickel prices jumped 15.2 percent on some pick-up in stainless steel production in China, while zinc and lead prices rose 12 and 13 percent, respectively, on strong net imports into China. Aluminum prices were up 6 percent despite a market that is chronically oversupplied.



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Major Movers April¹

Palmkernel oil and coconut oil (close substitutes) prices rose 21.8 percent and 19.5 percent, respectively, on strengthening demand and a 37% drop in production in the Philippines during the first 4 months of 2009.

Copper prices surged 17.5 percent on strong import demand by China, falling stocks and tight scrap supplies. China's net refined copper imports in 1Q09 were up 97 percent y/y.

Palm oil and soybean oil (close substitutes) prices rose 17.1 percent and 10.0 percent, respectively, on tight soybean oil supplies and strong palm oil demand by India and the EU.

Nickel prices jumped 15.2 percent partly due to stocking by stainless steel traders and concerns of labor disruptions in Canada, but the market remains in surplus.

Rubber prices rose 13.5 percent on higher crude oil prices and stronger tire demand in China.

Zinc prices increased 13.3 percent on large Chinese government stocking and declining LME inventories.

Soybean meal and soybeans prices increased 12.5 percent and 9.0 percent, respectively, due to severe drought in South America. Argentina's soybean crop is expected to drop to a 5-year low, exacerbated by striking farmers demanding removal of export taxes.

Lead prices rose 11.6 percent on strong Chinese imports and expected strong growth in battery demand in China.

Sorghum prices increased 11.2 percent because of poor weather conditions in the US, especially in the state of Texas.

Tea prices rose 10.2 percent on sales of high-priced new-season teas at Kolkata, and also due to crop shortages in Africa and Sri Lanka due to inclement weather.

Cotton prices increased 10.1 percent after touching a 6-year low in March on signs of strengthening demand in China, which accounts for more than 40% of global consumption.

Tin prices rose 10.0 percent partly due to a pick-up in demand from the China's soldering industry, the main consumer of tin.

Crude oil prices rose 7.8 percent on

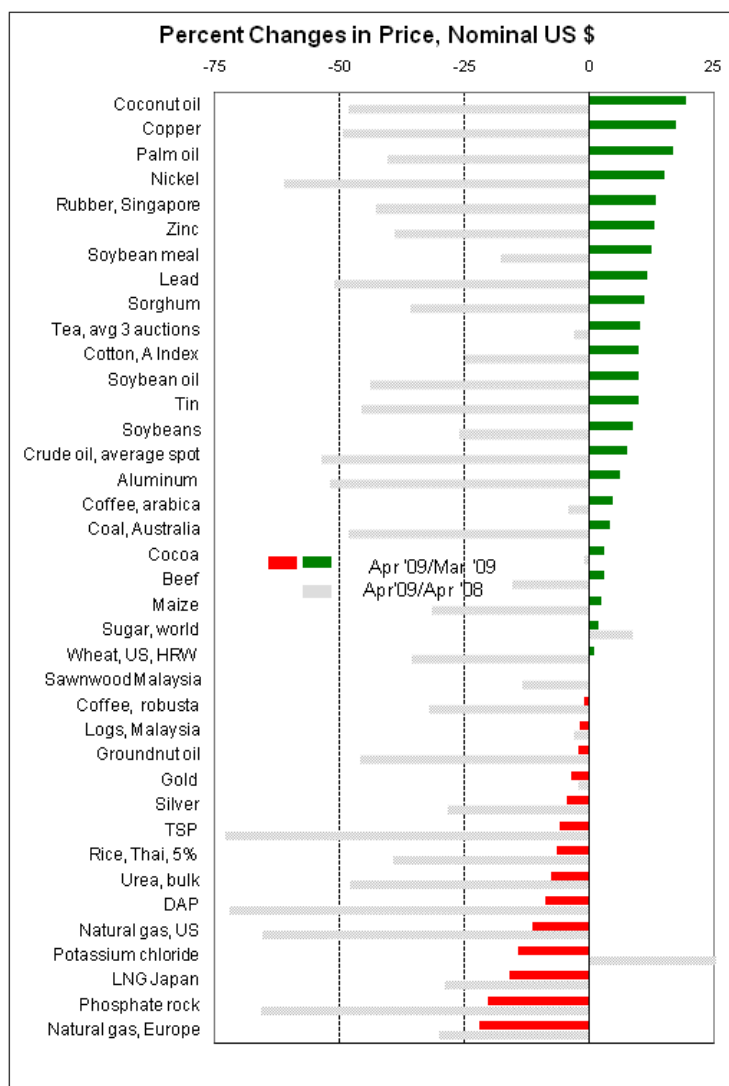
expectations of a tightening market, although at present stocks are high on land and at sea. **Aluminum** prices increased 6.4 percent on the back of gains in other metals, despite the market being heavily oversupplied.

Rice prices dropped 6.6 percent on easing of quantitative restrictions imposed by several countries during the 2008 summer rally.

Natural gas (U.S.) prices fell 11.4 percent due to weak heating and industrial demand, and large inventories.

Phosphate rock, potassium chloride, DAP, Urea, and TSP fertilizer prices dropped 20.3, 14.4, 8.8, 7.6 and 5.8 percent, respectively, on weak demand amid abundant supplies.

Natural gas (Europe and Japan) prices plunged 21.9 percent and 15.9 percent, respectively, and on declining demand, rising LNG supplies, and contracts lagged to oil prices.



¹ Percent change of average April 2009 prices compared to average March 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-Apr	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Feb	Mar	Apr
		2007	2008	2009	2008	2008	2008	2008	2009	2009	2009	2009
Energy												
Coal, Australia	a/ \$/mt	65.73	127.10	69.84	114.00	138.65	162.80	92.97	71.93	75.38	61.00	63.56
Crude oil, avc. spot	a/ \$/bbl	71.12	96.99	45.66	95.31	120.97	115.68	56.00	44.11	41.84	46.65	50.28
Crude oil, Brent	a/ \$/bbl	72.70	97.64	46.45	96.67	122.39	115.60	55.89	44.98	43.24	46.84	50.85
Crude oil, Dubai	a/ \$/bbl	68.37	93.78	45.97	91.30	116.67	113.47	53.67	44.56	43.14	45.58	50.18
Crude oil, West Texas Int.	a/ \$/bbl	72.28	99.56	44.55	97.94	123.85	117.98	58.45	42.80	39.15	47.52	49.81
Natural gas Index	a/ \$ ²⁰⁰⁰⁼¹⁰⁰	186.5	267.9	184.9	235.3	286.0	284.1	266.2	198.3	187.4	177.7	144.7
Natural gas, Europe	a/ \$/mmbtu	8.56	13.41	11.09	10.86	12.40	14.62	15.75	11.94	11.04	10.90	8.51
Natural gas, US	a/ \$/mmbtu	6.98	8.86	4.30	8.65	11.35	9.03	6.40	4.57	4.52	3.95	3.50
Natural gas LNG, Japan	a/ \$/mmbtu	7.68	12.53	10.24	10.45	11.71	13.33	14.62	10.95	10.52	9.63	8.10
Non Energy Commodities												
Agriculture												
Beverages												
Cocoa	b/ c/ka	195.2	257.7	259.3	247.7	276.4	282.6	224.1	259.7	266.7	250.1	258.1
Coffee, Arabica	b/ c/kg	272.4	308.2	287.3	328.5	315.1	321.2	267.8	283.9	285.5	283.3	297.4
Coffee, robusta	b/ c/kg	190.9	232.1	173.5	247.3	243.6	244.8	192.6	175.8	176.9	168.2	166.5
Tea, auctions (3), average	b/ c/ka	203.6	242.0	223.1	234.6	254.7	272.3	206.6	217.0	213.5	219.0	241.4
Tea, Colombo auctions	b/ c/ka	252.2	278.9	268.1	305.2	298.5	303.2	208.8	261.7	254.3	284.7	287.5
Tea, Kolkata auctions	b/ c/kg	192.1	225.5	184.4	176.6	244.0	260.9	220.2	174.5	174.5	158.4	214.2
Tea, Mombasa auctions	b/ c/ka	166.5	221.8	216.8	221.8	221.6	252.8	190.8	214.9	211.8	213.8	222.5
Food												
Fats and Oils												
Coconut oil	b/ \$/mt	919	1,224	695	1,379	1,499	1,246	772	677	673	625	747
Copra	\$/mt	607	816	460	914	1,013	817	520	447	446	416	499
Groundnut oil	b/ \$/mt	1,352	2,131	1,260	2,007	2,328	2,417	1,773	1,283	1,293	1,214	1,188
Palm oil	b/ \$/mt	780	949	608	1,156	1,198	928	512	577	572	598	700
Palmkernel oil	\$/mt	888	1,130	612	1,375	1,420	1,114	609	577	575	587	715
Soybean meal	b/ \$/mt	308	424	370	443	484	450	320	365	381	344	387
Soybean oil	b/ \$/mt	881	1,258	766	1,384	1,466	1,353	830	755	748	727	800
Sovbeans	b/ \$/mt	384	523	399	563	585	566	377	394	390	379	413
Grains												
Barley	b/ \$/mt	172.4	200.5	114.9	216.8	239.1	216.6	129.5	116.3	112.5	114.8	110.9
Maize	b/ \$/mt	163.7	223.1	167.3	220.4	259.0	244.7	168.4	166.9	163.4	164.6	168.5
Rice, Thailand, 5%	b/ \$/mt	326.4	650.2	577.2	478.1	855.3	703.0	564.4	586.3	590.8	588.3	549.7
Rice, Thailand, 25%	\$/mt	306.5	n.a.	463.6	182.2	n.a.	669.5	449.9	469.4	472.8	471.5	446.0
Rice, Thailand, 35%	\$/mt	300.1	n.a.	n.a.	181.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
* Rice, Thai, A1, Special / Super	\$/mt	272.3	482.3	326.4	442.8	693.7	478.6	314.1	323.4	319.5	332.0	335.7
Sorghum	\$/mt	162.7	207.8	147.5	218.7	246.9	214.7	151.0	145.3	144.1	138.6	154.1
Wheat, Canada	\$/mt	300.4	454.6	320.2	621.7	484.4	390.2	322.1	321.9	318.5	306.9	315.2
Wheat, US, HRW	b/ \$/mt	255.2	326.0	232.1	411.8	346.5	317.7	228.1	231.6	224.7	230.9	233.6
Wheat US SRW	\$/mt	238.6	271.5	186.2	384.1	277.8	241.5	182.7	187.4	183.4	183.7	182.6
Other Food												
Bananas EU	\$/mt	1,037	1,188	1,180	1,421	1,263	1,123	944	1,142	1,067	1,331	1,294
Bananas US	b/ \$/mt	676	844	891	836	920	775	847	891	944	909	890
Fishmeal	\$/mt	1,177	1,133	1,020	1,126	1,185	1,198	1,023	1,013	1,001	1,030	1,038
Meat, beef	b/ c/ka	260.3	313.8	247.8	282.1	332.7	372.4	268.0	245.2	236.2	247.7	255.5
Meat, chicken	b/ c/ka	156.7	169.6	172.9	158.8	167.9	177.1	174.7	173.5	173.8	171.9	171.1
Meat, sheep	c/kg	412.0	458.5	382.9	453.6	493.2	477.3	410.0	378.5	380.3	374.6	396.1
Oranges	b/ \$/mt	957	1,107	826	1,103	1,322	1,163	842	799	767	847	907
Shrimp, Mexico	b/ c/ka	1,010	1,069	974	1,103	1,109	1,048	1,014	976	970	970	970
Sugar EU domestic	b/ c/ka	68.09	69.69	53.09	74.51	77.59	74.70	51.97	51.44	50.49	51.53	58.04
Sugar US domestic	b/ c/kg	45.77	46.86	44.57	44.85	46.34	51.52	44.72	43.82	43.49	43.55	46.83
Sugar, world	b/ c/kg	22.22	28.21	29.16	28.42	27.01	31.14	26.28	28.85	29.26	29.54	30.09
Raw Materials												
Timber												
Logs, Cameroon	\$/cum	381.3	526.9	415.7	530.8	554.4	548.5	473.8	426.8	421.9	388.2	382.5
Logs, Malaysia	b/ \$/cum	268.0	292.3	306.0	293.4	282.3	277.7	315.7	313.6	322.5	288.6	283.1
Plywood	c/sheets	640.7	645.5	571.5	640.4	647.3	648.6	645.5	572.8	573.0	570.8	567.7
Sawnwood, Cameroon	\$/cum	760	958	688	1,036	1,052	974	771	689	690	680	684
Sawnwood, Malaysia	b/ \$/cum	806.3	889.1	814.2	860.3	935.8	900.3	859.9	813.7	806.7	815.9	815.7
Woodbulo	\$/mt	767.0	820.2	555.1	850.2	870.7	848.8	711.0	565.1	549.8	537.7	525.0
Other Raw Materials												
Cotton A Index	b/ c/ka	139.5	157.4	121.8	167.9	166.5	168.2	126.9	120.8	121.7	113.5	125.0
Cotton Memphis	c/kg	142.9	161.5	131.3	174.2	171.6	170.0	130.1	129.8	131.4	123.3	135.6
Rubber, US	c/kg	248.0	284.1	170.3	292.6	311.7	329.1	202.8	165.8	165.8	161.8	183.6
Rubber, Singapore	b/ c/ka	226.3	258.6	150.1	273.5	303.5	298.4	159.0	146.0	146.3	143.1	162.4

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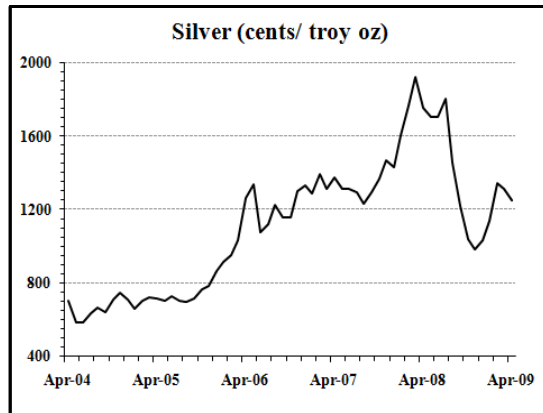
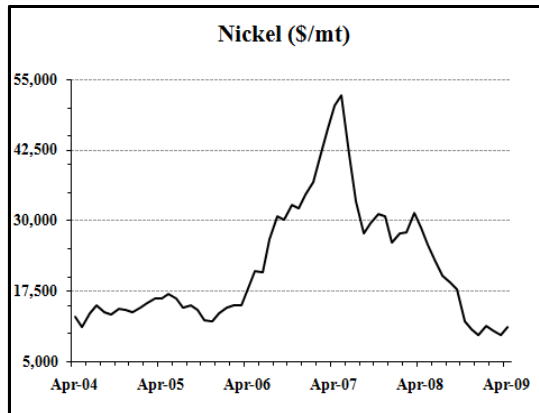
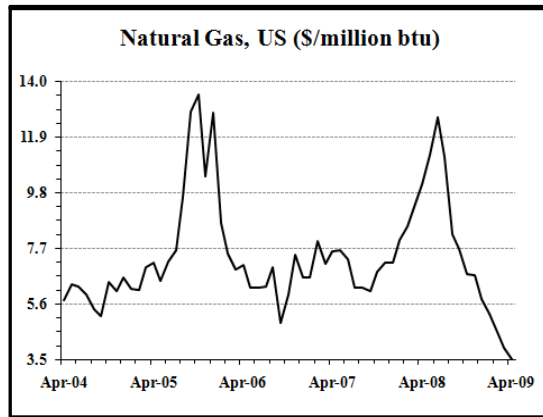
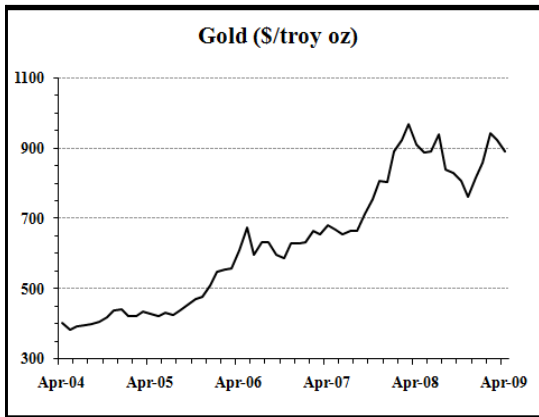
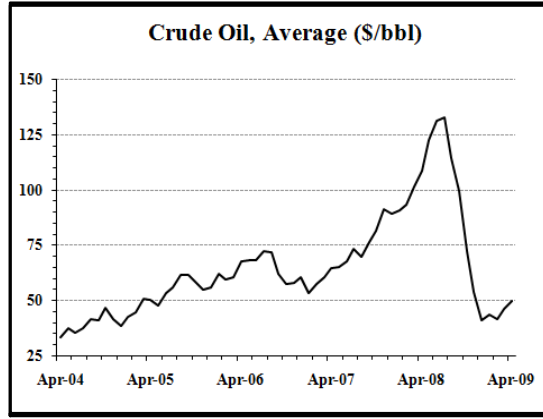
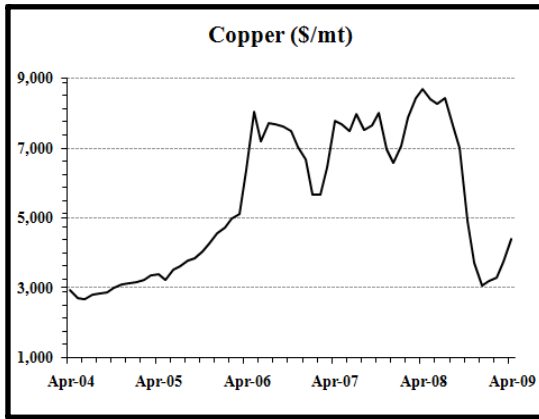
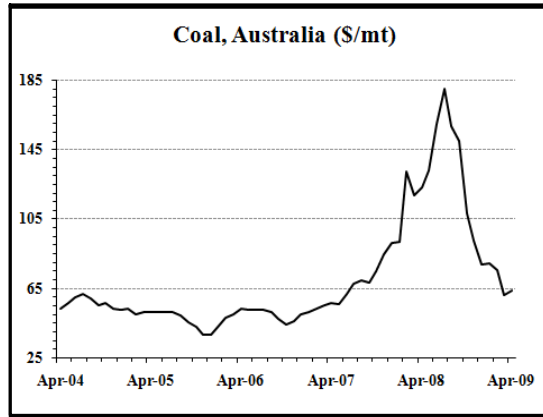
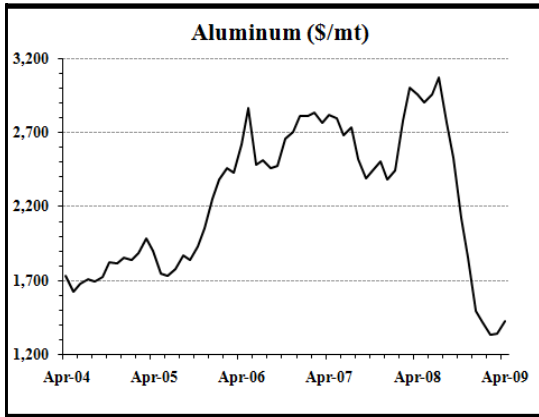
a/ Included in the energy index (2000=100) b/ Included in the non-energy index (2000=100) c/ Steel not included in the non-energy index
 \$ = US dollar ¢ = US cent bbl = barrel cum = cubic meter dmt u = Drv Metric Ton Unit ka = kilogram mmbtu = million British thermal units
 mt = metric ton toz = troy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

COMMODITY PRICE DATA

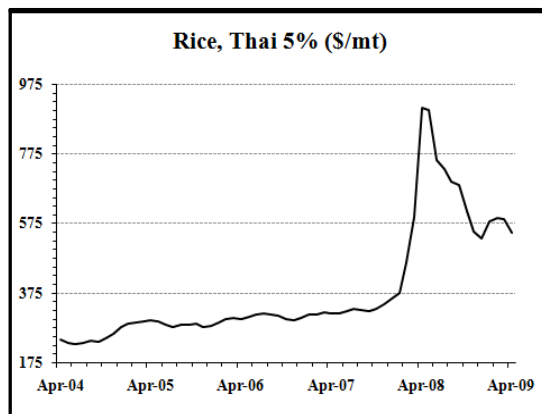
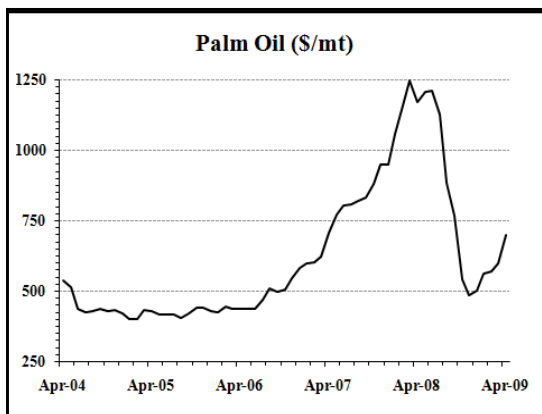
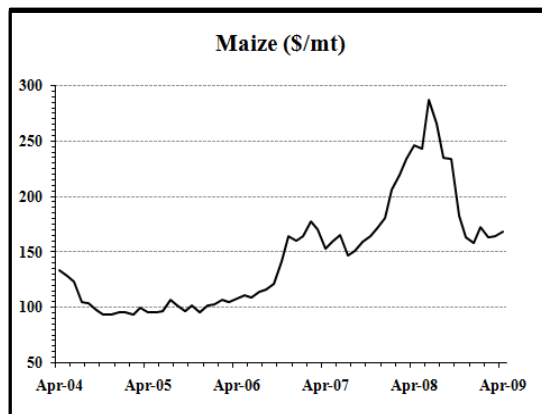
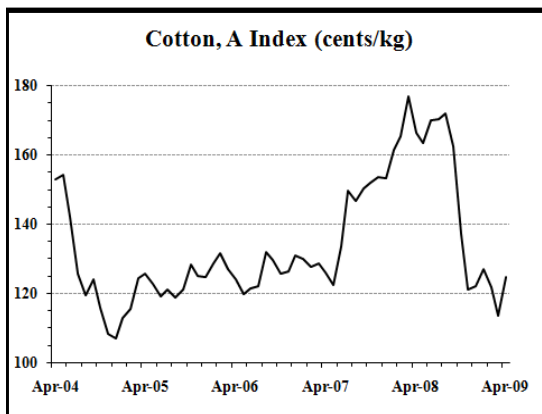
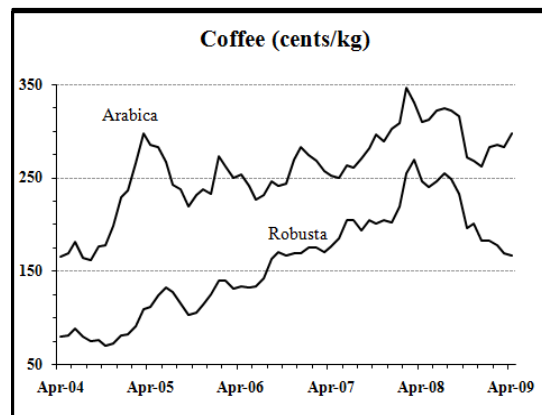
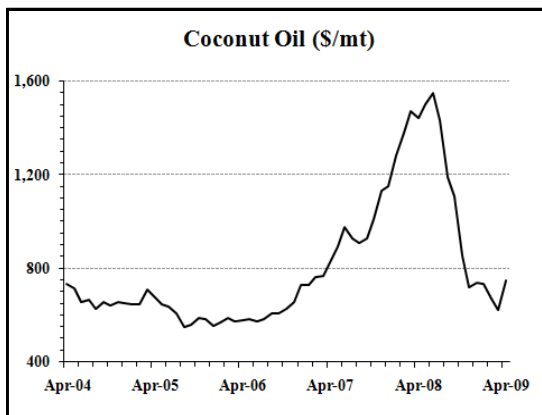
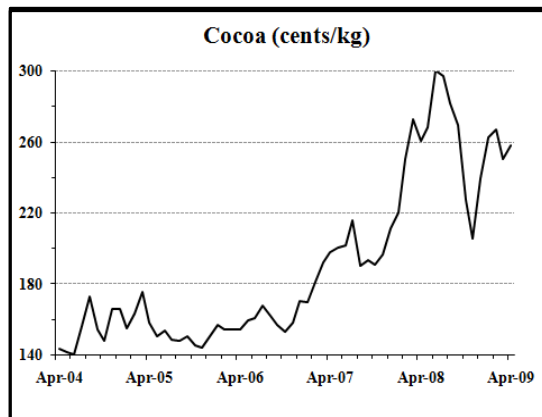
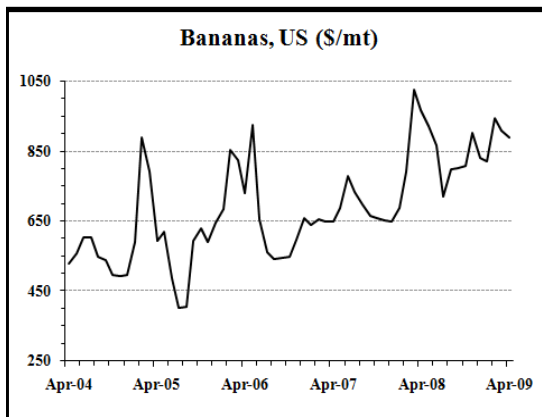
		Annual averages			Quarterly averages				Monthly averages			
		Jan-Dec	Jan-Dec	Jan-Apr	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Feb	Mar	Apr
		2007	2008	2009	2008	2008	2008	2008	2009	2009	2009	2009
Fertilizers												
DAP	b/ \$/mt	433	967	355	860	1,192	1,154	663	362	368	368	335
Phosphate rock	b/ \$/mt	70.9	345.6	176.4	234.4	367.5	409.2	371.3	193.3	157.5	157.5	125.5
Potassium chloride	b/ \$/mt	200.2	570.1	835.2	367.7	511.1	635.0	766.7	865.2	872.5	870.0	745.0
TSP	b/ \$/mt	339	879	311	715	1,036	1,108	659	322	320	295	278
Urea, E. Europe, bulk	b/ \$/mt	309.4	492.7	261.8	357.6	575.7	745.4	292.2	267.3	273.3	265.4	245.2
Metals and Minerals												
Aluminum	b/ \$/mt	2,638	2,573	1,375	2,743	2,940	2,787	1,821	1,360	1,330	1,336	1,421
Copper	b/ \$/mt	7,118	6,956	3,673	7,796	8,443	7,680	3,905	3,428	3,315	3,750	4,407
Gold	\$/toz	696.7	871.7	904.0	926.8	896.0	869.6	794.5	908.7	943.0	924.3	890.2
Iron ore	b/ c/dmtu	84.7	140.6	140.6	140.6	140.6	140.6	140.6	140.6	140.6	140.6	140.6
Lead	b/ c/kg	258.0	209.1	121.4	289.9	230.7	191.2	124.5	115.7	110.1	123.9	138.3
Nickel	b/ \$/mt	37,230	21,111	10,645	28,957	25,682	18,961	10,843	10,471	10,409	9,696	11,166
Silver	c/toz	1,341	1,500	1,262	1,765	1,720	1,495	1,020	1,265	1,344	1,312	1,252
* * Steel products index, Japan	c/ 2000=100	182.0	289.3	260.6	229.6	279.2	338.2	310.4	274.5	284.4	255.4	219.0
Steel cr coilsheet, Japan, Rein c/	\$/mt	650.0	965.6	950.0	762.5	900.0	1100.0	1100.0	1033.3	1100.0	900.0	700.0
Steel hr coilsheet, Japan, Rein c/	\$/mt	550.0	883.3	850.0	700.0	833.3	1000.0	1000.0	933.3	1000.0	800.0	600.0
Steel rebar, Japan, Reinstater c/	\$/mt	521.5	760.2	460.6	639.4	837.5	934.2	629.6	472.5	485.0	470.0	425.0
Steel wire rod, Japan, Reinstater c/	\$/mt	533.3	1009.8	1175.0	754.0	950.0	1135.0	1200.0	1200.0	1200.0	1200.0	1100.0
Tin	b/ c/kg	1,454	1,851	1,121	1,778	2,265	2,051	1,310	1,103	1,104	1,068	1,174
Zinc	b/ c/kg	324.2	187.5	122.4	243.0	211.3	177.0	118.5	117.2	111.2	121.7	137.9
NEW World Bank commodity price indices for low and middle income countries(2000 =100)												
Energy		244.8	342.0	169.2	331.1	417.8	406.0	212.9	166.4	159.0	169.9	177.6
Non Energy Commodities		224.7	272.0	200.5	281.2	307.8	292.6	206.3	198.0	196.8	198.0	207.9
Agriculture		180.3	229.5	183.4	236.4	259.4	243.5	178.6	181.7	182.1	179.8	188.5
Beverages		169.9	210.0	198.7	210.7	221.4	226.8	181.2	197.9	200.8	193.2	201.0
Food		184.7	247.4	192.6	257.2	286.3	260.5	185.7	190.4	190.3	189.4	199.0
Fats and Oils		209.0	277.3	196.2	310.2	327.7	288.9	182.4	191.4	192.4	187.1	210.5
Grains		189.0	281.7	220.2	274.6	335.2	298.5	218.6	221.3	218.6	220.3	216.8
Other Food		149.0	177.1	162.9	171.9	187.4	188.9	160.2	161.3	161.7	164.5	167.9
Raw Materials		174.9	195.7	153.5	198.9	213.7	210.4	160.0	152.4	152.8	149.5	156.7
Timber		136.8	150.5	142.2	146.8	155.4	150.2	149.4	143.1	143.2	140.4	139.8
Other Raw Materials		216.6	245.3	165.7	255.8	277.4	276.3	171.6	162.6	163.3	159.4	175.1
Fertilizers		240.1	566.7	361.1	409.4	624.1	741.1	492.2	376.6	366.1	358.6	314.8
Metals and Minerals		314.0	325.7	217.1	358.7	371.1	342.4	230.6	211.0	207.6	217.0	235.4

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

