

Commodity Markets Review

April 12, 2011

DECPG, The World Bank

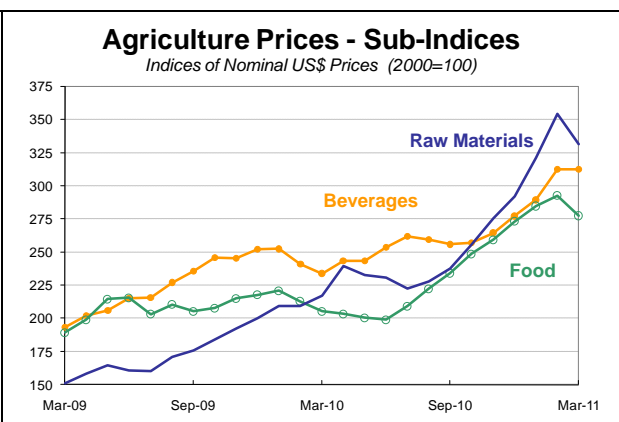
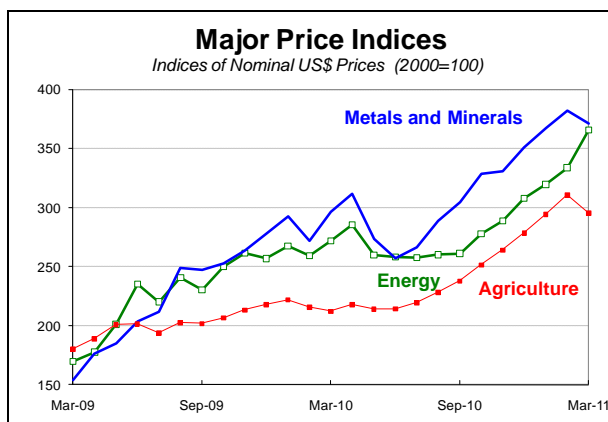
Non-energy commodity prices fell in March for the first time in nine months, down 4.8 percent, despite depreciation of the dollar—down 2.7 percent versus the euro. There were large declines in nearly all main indices.

Crude oil prices surged 11.0 percent in March, up for an eighth straight month, averaging \$108.6/bbl. Prices rose even higher in early April, reaching \$119/bbl (with Brent at \$127/bbl) due to the near total-loss of Libya's 1.6 mb/d in oil production and continued political unrest in North Africa and the Middle East. About 0.1 mb/d was shut in March from unrest and strikes in Yemen, Oman, Gabon and Côte d'Ivoire, but market anxiety attaches the possibility of larger disruptions in major oil producing countries, including Nigeria in the run-up to elections later this month (about 1.0 mb/d was disrupted during the 2007 election campaign).

The response from other OPEC producers to the supply losses has been limited, in part because of the difficulty replacing Libya's light, sweet, and distillate-rich crude. On the other hand, demand has weakened due to the seasonal fall in refining runs and damage to refineries in Japan. However, refinery output is ramping up to meet summer demand, and the focus will be on tightening distillate markets and light/sweet crude supplies, as Libya's oil production and exports are expected to be out for some time.

Agriculture prices dropped 4.9 percent in March, the first decline in ten months, with large decreases in all main indices except beverages and timber. The largest declines were in coconut and palmkernel oil prices, down 14-15 percent, on reduced import demand. Rubber prices declined 13 percent due to concerns of weakening demand in Japan, while sugar prices fell 11 percent on improved supply availability. Wheat prices fell 9 percent on higher planting intentions in the U.S. Partly offsetting these gains was an 8 percent increase in robusta coffee prices due to continued supply tightness in Vietnam from dry weather. Cotton prices rose by 8 percent on low stocks and supply shortfalls.

Metals and minerals prices fell 4.8 percent in March, following seven months of gains, on various macro-economic concerns, higher oil prices, and policy tightening in China. The largest decline was in iron ore, down 10 percent, due to weak Chinese demand, while most other metals fell 3-5 percent. Silver and gold prices continued to climb on strong investment demand. Following the earthquake in Japan March 11th, metals prices rebounded strongly on expectations that reconstruction efforts will boost metal demand in the medium term. Lead prices have jumped 20 percent on expected strong demand for lead batteries in Japan for back-up power generators for infrastructure, utilities and businesses.



Prepared in the Development Economics Prospects Group (DECPG) by Shane Streifel, John Baffes and Betty Dow. Katherine Rollins is task assistant.

Major Movers March¹

Silver prices surged 16.5 percent on strong investment demand reflecting geopolitical tensions, higher oil prices, and worries about inflation.

Crude oil prices increased 11.0 percent due to the loss of Libya's 1.6 mb/d production, continued unrest in the Middle East and North Africa, and fear of supply disruptions in major OPEC producing countries.

Coffee robusta prices increased 8.0 percent reflecting continued supply tightness—in part because of dry weather in Vietnam—which has pushed stocks to its lowest levels since 1965.

Cotton prices soared 7.7 percent to another all-time high (up almost 2-fold y/y) on low stocks and an expected drop in cotton output in Burkina Faso and India of 100,000 tons.

Sorghum prices (close substitute to corn) increased 5.1 percent on strong demand for feed grains as more corn is diverted to ethanol production in the U.S. due to high oil prices.

Logs (Malaysia) prices rose 5.0 percent owing to strong Asian demand and supply constraints.

Groundnut oil prices dropped 4.6 percent following news of increased global production for the 2010/2011 season.

Zinc prices fell 5.0 percent on strong production growth, rising stocks and slowing demand.

Soybean meal prices fell 5.4 percent as rainfall boosted crop conditions in South America, including Argentina, Brazil, and Paraguay.

Nickel prices decreased 5.5 percent, despite falling stocks, due to expected large supply gains this year and beyond.

Rice prices declined 6.0 percent in light of ample supplies in East Asia producing countries, and expected reduced buying from Indonesia.

Urea fertilizer prices fell 8.5 percent due to global oversupply and limited demand from India.

Palm oil and soybean oil prices declined 8.7 and 4.2 percent, respectively, on expectations of increased palm oil production next season.

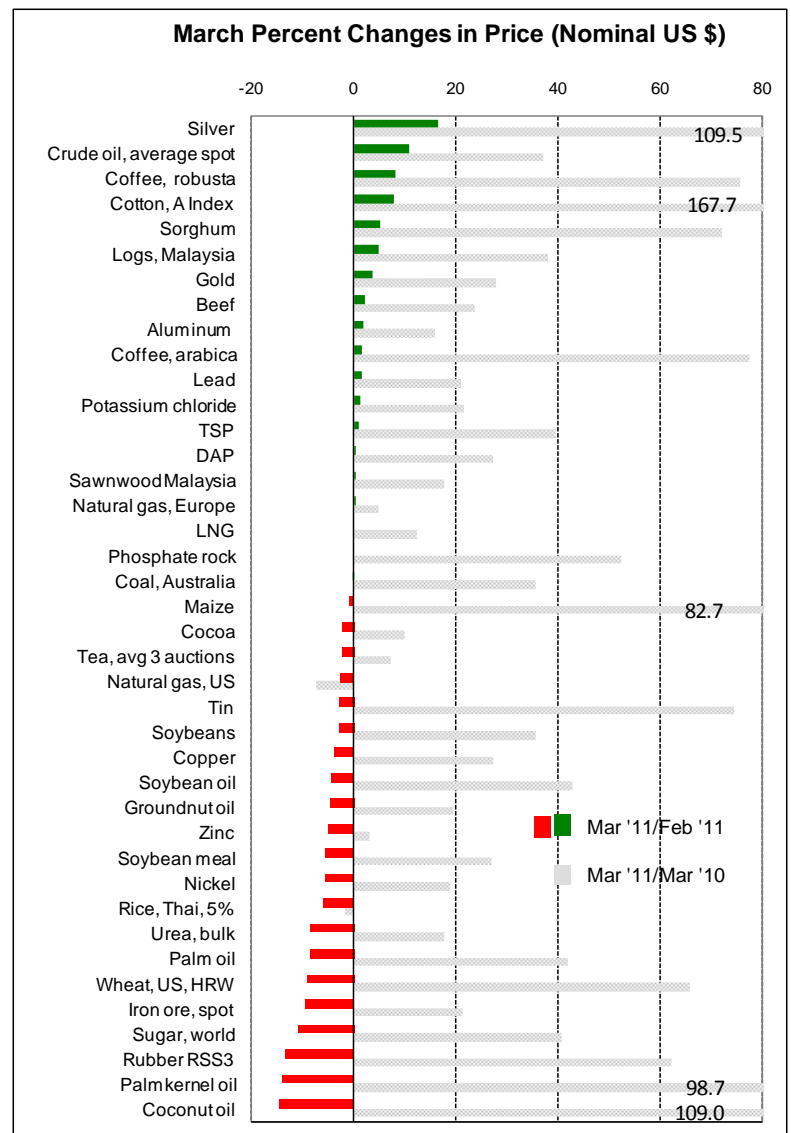
Wheat prices fell 9.0 percent in response to reports indicating a healthy crop for next season, including higher planting intentions in the U.S.

Iron ore prices fell 9.5 percent on weak demand, mainly the reluctance of Chinese steelmakers to rebuild inventory, and expected higher scrap supplies from Japan.

Sugar prices decreased 11.0 percent on improved supplies, with Thailand and India both increasing their export availability.

Rubber prices fell 13.4 percent on fears of weakening demand from Japan; the country accounts for more than 7 percent of global consumption.

Coconut oil and palmkernel oil prices (close substitutes) fell 14.7 and 13.9 percent, respectively, following sharp declines in import demand, as users switch to less expensive oils.



¹ Percent change of average March 2011 prices compared to average February 2011 prices in nominal U.S. dollars (graph includes 12-month changes in grey).

COMMODITY PRICE DATA

Commodity	Unit	Annual averages			Quarterly averages					Monthly averages		
		Jan-Dec 2009	Jan-Dec 2010	Jan-Mar 2011	Jan-Mar 2010	Apr-Jun 2010	Jul-Sep 2010	Oct-Dec 2010	Jan-Mar 2011	Jan 2011	Feb 2011	Mar 2011
Energy												
Coal, Australia	dz \$/mt	7184	98.97	129.61	95.19	99.49	93.55	107.63	129.61	132.48	128.36	128.00
Crude oil, avg, spot	dz \$/bbl	6176	79.04	99.75	77.06	78.18	75.51	85.42	99.75	92.69	97.91	108.65
Crude oil, Brent	dz \$/bbl	6186	79.64	104.90	76.65	78.69	76.41	86.79	104.90	96.29	103.96	114.44
Crude oil, Dubai	dz \$/bbl	6175	78.06	100.40	75.86	77.98	74.04	84.37	100.40	92.37	100.25	108.58
Crude oil, West Texas Int.	dz \$/bbl	6165	79.43	93.95	78.67	77.85	76.08	85.09	93.95	89.41	89.53	102.92
Natural gas Index	dz 2000=100	153.5	156.1	165.6	170.3	147.5	155.1	151.6	165.6	170.2	162.8	161.7
Natural gas, Europe	dz \$/mmbtu	8.71	8.29	9.45	8.84	7.51	8.26	8.54	9.45	9.61	9.36	9.37
Natural gas, US	dz \$/mmbtu	3.95	4.39	4.18	5.15	4.32	4.28	3.80	4.18	4.49	4.07	3.97
Natural gas LNG, Japan	dz \$/mmbtu	8.94	10.85	12.05	10.32	10.95	11.22	10.91	12.05	11.45	11.70	11.70
Non Energy Commodities												
Agriculture												
Beverages												
Cocoa	bl c/kg	288.9	313.3	334.3	329.7	321.0	305.9	296.6	334.3	316.5	347.2	339.3
Coffee, Arabica	bl c/kg	317.1	432.0	620.0	353.7	392.0	468.5	513.9	620.0	581.5	634.7	643.9
Coffee, robusta	bl c/kg	164.4	173.6	241.5	150.8	161.0	183.2	199.4	241.5	222.9	241.1	260.4
Tea, auctions (3), average	bl c/kg	272.4	288.5	290.5	279.0	276.4	295.1	303.5	290.5	302.1	288.2	281.2
Tea, Colombo auctions	bl c/kg	313.7	329.0	356.9	335.1	316.2	322.1	342.4	356.9	355.9	355.9	359.0
Tea, Kolkata auctions	bl c/kg	251.5	280.5	234.0	215.8	274.0	320.6	311.7	234.0	261.2	229.9	210.9
Tea, Mombasa auctions	bl c/kg	252.0	256.0	280.6	286.1	238.9	242.7	256.3	280.6	289.2	278.8	273.8
Food												
Fats and Oils												
Coconut oil	bl \$/mt	725	1124	2,073	834	955	1,159	1546	2,073	2,038	2,256	1925
Copra	\$/mt	480	750	1,379	557	634	769	1,038	1,379	1,354	1,503	1,280
Groundnut oil	bl \$/mt	1,184	1,404	1,723	1,359	1,352	1,301	1,604	1,723	1,788	1,730	1,650
Palm oil	bl \$/mt	683	901	1,251	808	813	875	1,108	1,251	1,281	1,292	1,180
Palmkernel oil	\$/mt	700	1,184	2,131	922	1,034	1,161	1,619	2,131	2,120	2,296	1,977
Soybean meal	bl \$/mt	408	378	437	369	342	378	424	437	451	442	418
Soybean oil	bl \$/mt	849	1,005	1,349	917	876	984	1,242	1,349	1,374	1,365	1,307
Soybeans	bl \$/mt	437	450	565	417	409	452	522	565	572	570	553
Grains												
Barley	bl \$/mt	128.3	158.4	198.1	143.6	146.9	161.9	181.1	198.1	195.2	196.5	202.6
Maize	bl \$/mt	165.5	185.9	282.8	162.7	157.7	181.7	241.5	282.8	264.9	292.9	290.5
Rice, Thailand, 5%	bl \$/mt	555.0	488.9	511.2	535.3	452.4	457.0	510.8	511.2	516.8	524.0	492.8
Rice, Thailand, 25%	\$/mt	458.1	441.5	465.4	477.0	399.1	418.5	471.4	465.4	467.6	473.0	455.5
Rice, Thai, A.1	\$/mt	326.4	383.7	411.3	400.7	333.8	376.9	423.1	411.3	405.0	420.5	408.3
Rice, Vietnam 5%	\$/mt	n.a.	428.8	477.9	433.2	366.1	411.1	504.7	477.9	496.8	478.6	458.3
Sorghum	\$/mt	151.1	165.4	255.2	156.9	142.6	153.6	208.6	255.2	246.3	253.2	266.1
Wheat, Canada	\$/mt	300.5	312.4	449.0	279.0	260.9	326.1	383.6	449.0	440.5	474.1	432.5
Wheat, US, HRW	bl \$/mt	224.1	223.6	330.5	195.4	177.4	237.9	283.6	330.5	326.6	348.1	316.7
Wheat US SRW	\$/mt	186.0	229.7	320.8	193.5	186.9	253.4	284.9	320.8	320.4	338.8	303.1
Other Food												
Bananas EU	\$/mt	1,145	1,002	1,251	1,014	1,029	933	1,033	1,251	1,197	1,311	1,246
Bananas US	bl \$/mt	847	868	964	781	862	922	909	964	892	1,002	996
Fishmeal	\$/mt	1,230	1,687	1,740	1,660	1,814	1,663	1,613	1,740	1,631	1,793	1,796
Meat, beef	bl c/kg	263.6	335.1	409.5	314.2	342.4	330.9	353.2	409.5	409.7	404.8	414.0
Meat, chicken (Revised)	bl c/kg	188.8	189.2	188.2	183.9	190.2	193.6	189.3	188.2	187.4	187.5	189.8
Meat, sheep	c/kg	427.6	531.4	637.1	447.6	486.8	572.5	618.7	637.1	627.6	641.4	642.4
Oranges	bl \$/mt	909	1,033	823	1,009	1,084	1,163	878	823	735	885	850
Shrimp, Mexico	bl c/kg	945	1,004	1,246	827	945	n.a.	1,217	1,246	1,246	1,246	1,246
Sugar EU domestic	bl c/kg	52.44	44.18	44.69	46.38	42.66	43.29	44.38	44.69	43.67	44.61	45.78
Sugar US domestic	bl c/kg	54.88	79.25	86.56	84.31	69.62	78.20	84.86	86.56	84.79	87.39	87.51
Sugar, world	bl c/kg	40.00	46.93	62.70	51.82	34.93	42.98	58.01	62.70	65.28	64.97	57.85
Raw Materials												
Timber												
Logs, Cameroon	\$/cum	421.5	428.6	446.1	431.4	408.0	426.3	448.5	446.1	441.3	450.8	n.a.
Logs, Malaysia	bl \$/cum	287.2	278.2	329.6	253.6	253.5	293.5	312.1	329.6	315.3	328.6	345.0
Plywood	c/sheets	564.6	569.1	586.6	557.2	566.3	572.3	580.5	586.6	584.5	588.7	n.a.
Sawnwood, Cameroon	\$/cum	748.9	812.7	829.7	804.1	787.1	811.8	847.8	829.7	827.8	831.5	n.a.
Sawnwood, Malaysia	bl \$/cum	805.5	848.3	921.6	787.8	832.6	879.8	892.9	921.6	907.8	927.8	929.2
Woodpulp	\$/mt	614.6	866.8	883.3	780.9	875.5	912.9	897.8	883.3	879.1	885.8	885.0
Other Raw Materials												
Cotton A Index	bl c/kg	138.2	228.3	456.9	178.8	199.3	205.2	330.1	456.9	394.5	470.0	506.3
Rubber, Singapore, RSS3	bl c/kg	192.1	365.4	573.2	318.6	372.7	337.5	432.8	573.2	552.0	625.9	541.9
Rubber, Singapore, TSR20	c/kg	180.0	338.1	525.1	309.8	302.3	314.4	425.9	525.1	533.2	558.1	483.9

continued on next page

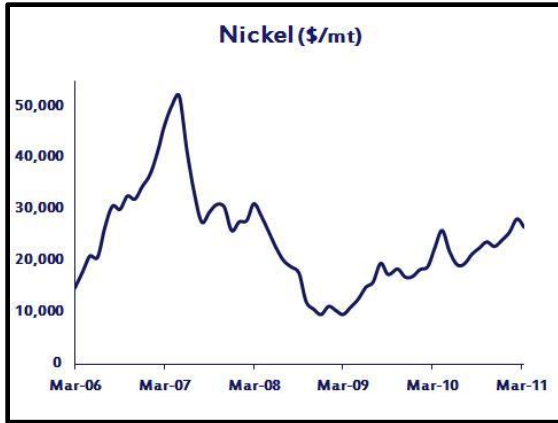
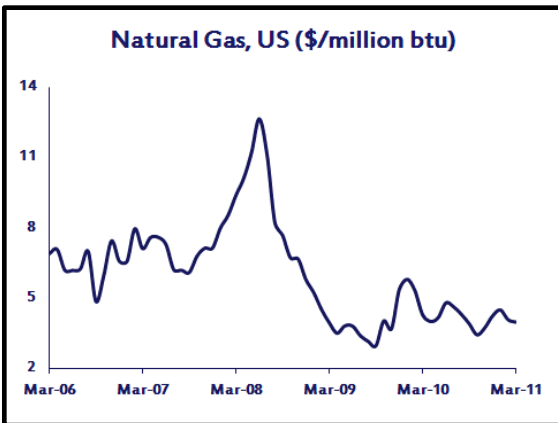
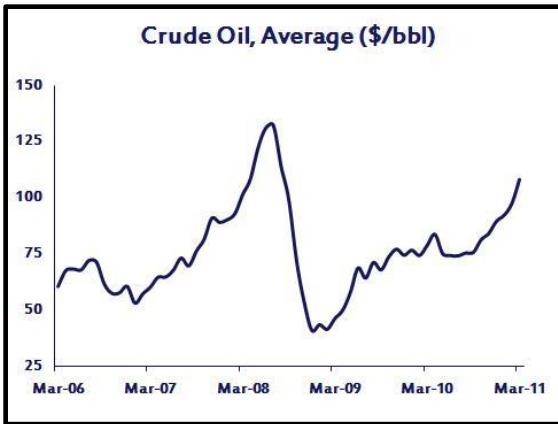
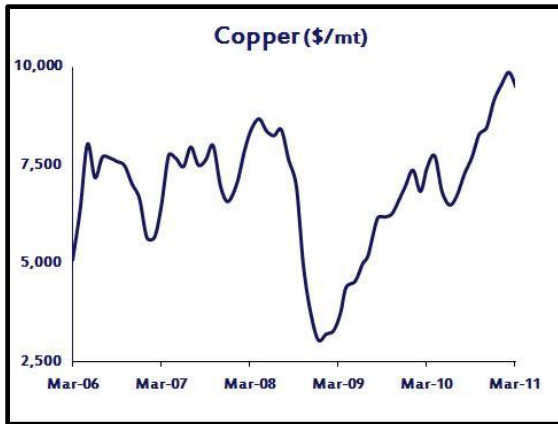
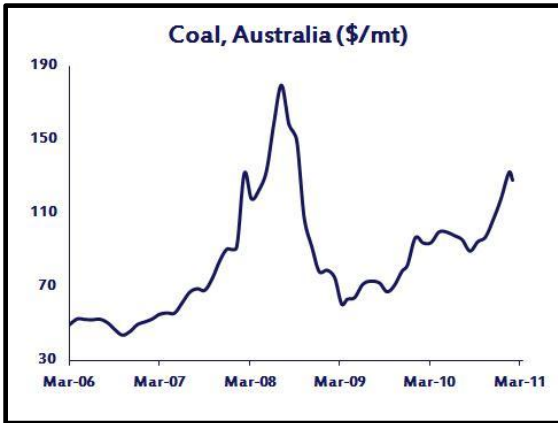
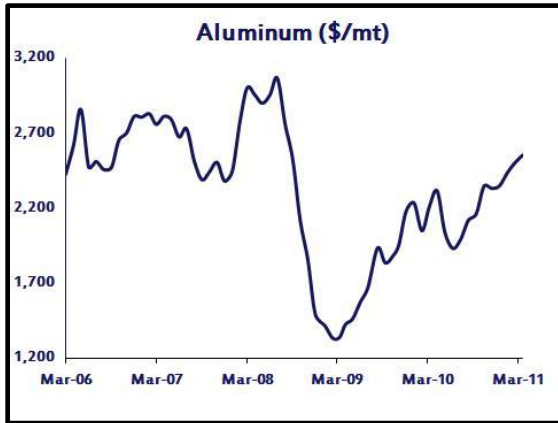
a/ Included in the energy index (2000=100) b/ Included in the non-energy index (2000=100) c/ Steel not included in the non-energy index
d/ base metals plus iron ore e/ Includes aluminum, copper, lead, nickel, tin and zinc
\$ = US dollar ¢ = US cent bbl = barrel cum = cubic meter dmtu = Dry Metric Ton 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

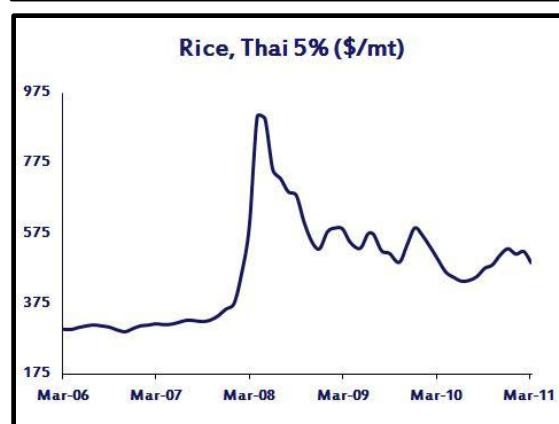
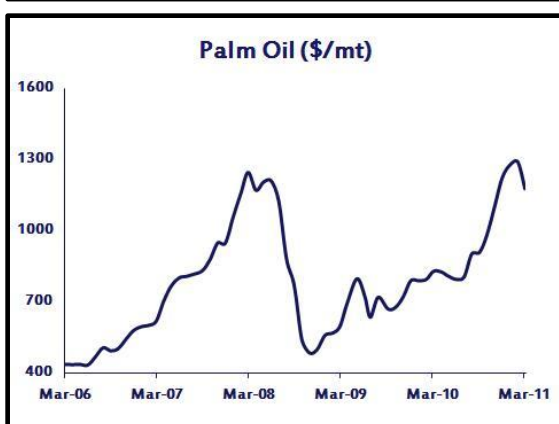
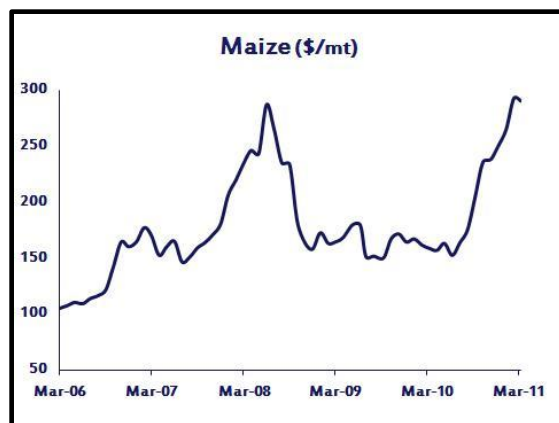
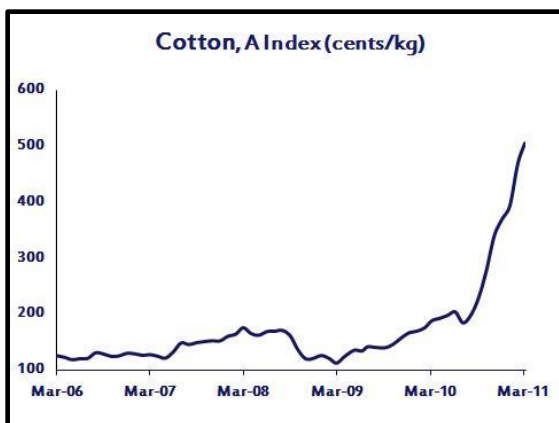
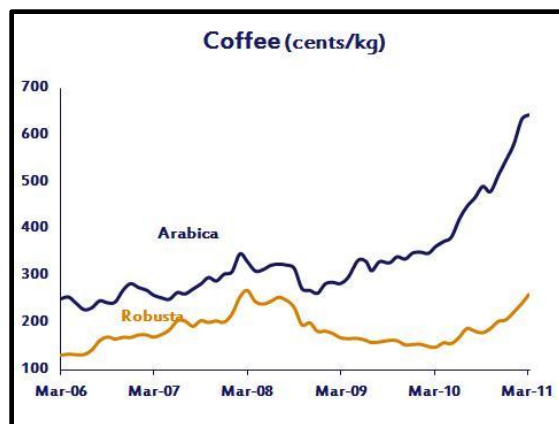
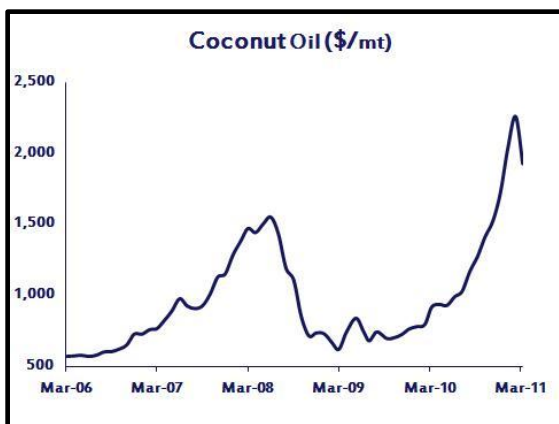
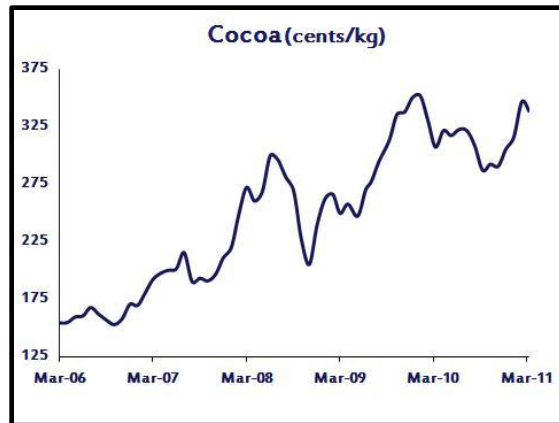
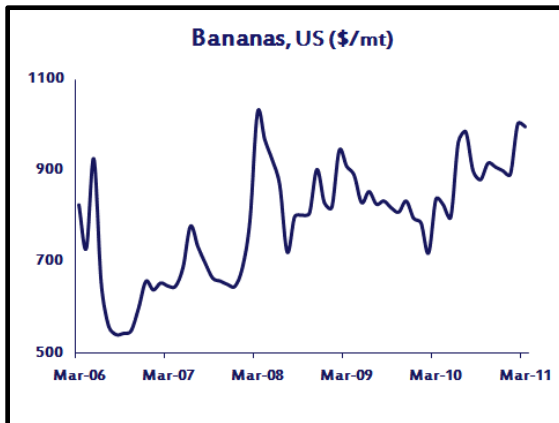
		Annual averages				Quarterly averages				Monthly averages		
		Jan-Dec	Jan-Dec	Jan-Mar	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Jan	Feb	Mar
		2009	2010	2011	2010	2010	2010	2010	2011	2011	2011	2011
Fertilizers												
DAP	b/ \$/mt	323.1	500.7	601.7	464.8	458.2	494.1	585.6	601.7	595.8	603.8	605.5
Phosphate rock	b/ \$/mt	121.7	123.0	158.3	102.1	125.0	140.0	158.3	155.0	160.0	160.0	
Potassium chloride	b/ \$/mt	630.4	331.9	374.2	334.0	316.1	334.2	343.2	374.2	367.5	375.0	380.0
TSP	b/ \$/mt	257.4	381.9	486.3	316.9	357.4	389.6	463.8	486.3	475.0	490.0	494.0
Urea, E. Europe, bulk	b/ \$/mt	249.6	288.6	353.4	281.0	237.2	279.2	357.0	353.4	374.1	358.1	327.8
Metals and Minerals												
Aluminum	b/ \$/mt	1665	2,173	2,501	2,163	2,096	2,090	2,343	2,501	2,440	2,508	2,556
Copper	b/ \$/mt	5,150	7,535	9,642	7,232	7,027	7,243	8,637	9,642	9,556	9,868	9,503
Gold	\$/toz	973	1,225	1,384	1,109	1,196	1,227	1,367	1,384	1,356	1,373	1,424
Iron ore, contract, fob Brazil	b/ \$/dmtu	101.0	n.a.	n.a.	131.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Iron ore, spot, cfr China	\$/dmt	80.0	145.9	178.6	131.0	159.2	137.4	155.9	178.6	179.2	187.2	169.4
Lead	b/ c/kg	171.9	214.8	260.4	222.1	195.0	203.2	239.0	260.4	260.2	258.7	262.4
Nickel	b/ \$/mt	14,655	21,809	26,870	19,959	22,476	21,191	23,609	26,870	25,646	28,252	26,710
Silver	c/toz	1,469	2,020	3,179	1,693	1,838	1,901	2,647	3,179	2,855	3,086	3,595
Steel products index	c/ 2000=100	227	230	251	211	241	232	234	251	241	246	265
Steel cr coilsheet, Japan, Reins	c/ \$/mt	783	816	867	725	838	850	850	867	850	850	900
Steel hr coilsheet, Japan, Reins	c/ \$/mt	683	716	767	625	738	750	750	767	750	750	800
Steel, rebar, Japan, Reinstated	c/ \$/mt	486	563	600	546	621	533	550	600	600	600	600
Steel wire rod, Japan, Reinstated	c/ \$/mt	969	712	684	751	767	678	653	684	663	690	700
Tin	b/ c/kg	1,357	2,041	2,986	1,721	1,786	2,055	2,601	2,986	2,747	3,153	3,059
Zinc	b/ c/kg	165.5	216.1	239.3	228.9	202.6	201.3	231.5	239.3	237.2	246.5	234.1
NEW World Bank commodity price indices for low and middle income countries (2000 = 100)												
Energy		214.3	271.2	339.6	266.1	267.7	259.5	291.3	339.6	319.5	333.6	365.6
Non Energy Commodities		208.8	266.5	339.7	250.4	253.7	260.1	302.0	339.7	334.6	350.7	333.9
Agriculture		197.8	231.3	300.4	216.6	215.4	228.6	264.7	300.4	294.6	310.9	295.7
Beverages		219.9	253.8	305.0	242.5	246.9	259.2	266.4	305.0	289.6	312.7	312.6
Food		205.1	224.1	284.9	213.1	201.0	222.0	260.4	284.9	284.6	292.6	277.4
Fats and Oils		216.2	244.4	321.0	224.7	219.7	241.1	292.1	321.0	327.7	328.2	307.2
Grains		214.9	215.8	289.4	205.1	186.6	212.5	259.1	289.4	281.0	299.8	287.4
Other Food		181.6	204.9	233.2	205.1	189.4	205.3	219.7	233.2	231.2	239.3	229.0
Raw Materials		168.7	237.5	335.8	211.9	234.4	229.2	274.4	335.8	321.3	354.5	331.6
Timber		138.9	143.5	159.1	132.7	138.6	149.4	153.3	159.1	155.6	159.8	161.8
Other Raw Materials		201.4	340.3	529.1	298.6	339.1	316.5	406.9	529.1	502.5	567.5	517.2
Fertilizers		293.0	280.0	343.5	259.0	253.3	278.5	329.3	343.5	347.8	346.8	335.9
Metals and Minerals d/		221.9	337.2	419.9	318.6	332.2	322.5	375.4	419.9	415.3	432.6	411.9
Base Metals e/		208.9	297.8	373.4	287.0	280.9	286.5	336.8	373.4	367.2	382.0	370.9

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
d/ base metals plus iron ore e/ Includes aluminum, copper, lead, nickel, tin and zinc
\$ = US dollar ¢ = US cent bbl = barrel cum = cubic meter dmt = dry metric ton 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, 2006-2011



Selected Commodity Prices, Nominal US dollars, 2006-2011 Cont'd



Selected Commodity Prices, Nominal US dollars, 2006-2011 Cont'd

