

Global Commodity Markets

COMMODITIES TEAM OF DECPG, WORLD BANK

monthly update

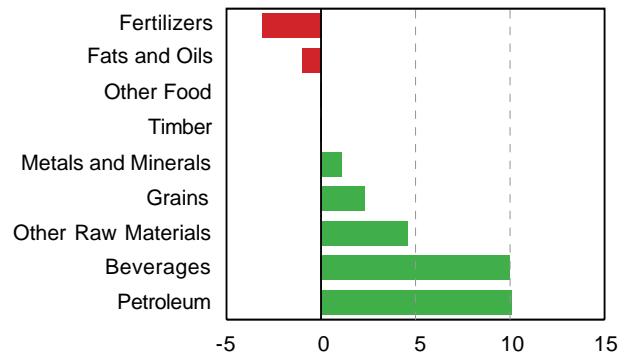
december 1999

Petroleum prices continued their spectacular recovery from the lows following the Asia crisis. Average spot crude oil prices were up an additional 10.1% in November to more than \$24/bbl. This compares with a low of \$10.4/bbl in December 1998 and puts prices at the highest level since 1990. A number of factors pushed prices higher including a halt to Iraqi exports, strong Y2K-related demand, falling inventories, and statements that OPEC will maintain and possibly extend its production agreement. Iraq suspended its crude oil exports on November 22, rejecting a UN offer to temporarily extend the sixth phase of its oil-for-food program while Security Council members discussed a comprehensive resolution on Iraq and considered a seventh 180-day oil export agreement. Next year appears likely to begin amid much uncertainty regarding Iraqi exports, post-Y2K demand, winter weather, and OPEC's production levels.

Metal and minerals prices edged higher, up an additional 1.1%, on the strength of higher nickel and tin prices. However, prices of a number of metals were lower and the overall metals market appears ready for a pause following the steady increase in prices from the lows in March. Precious metals prices were lower, with gold down 5.6% and silver down 4.1%. The declines partly reverse large increases last September following an agreement by European central banks to limit gold sales over the next five years.

Percentage Change in Price Indices

October 1999 - November 1999

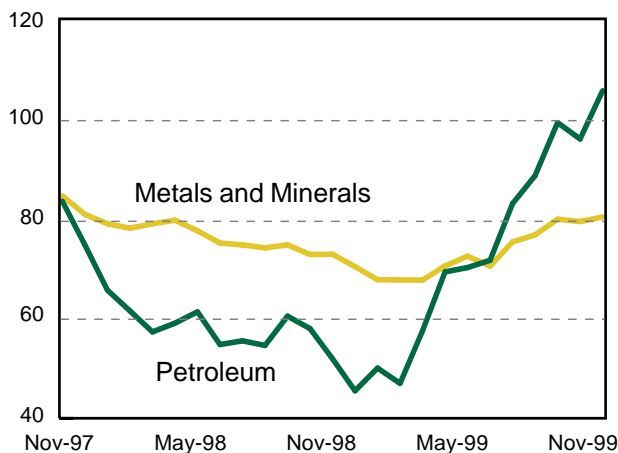


Agricultural commodity prices increased 3.4% in November – the fourth consecutive increase since the low in July. Coffee led the advance, with both arabica and robusta coffee prices higher due to concerns about the next Brazilian crop. Other commodities were mixed, with cocoa lower; cotton, grains, soybeans, and sugar weak; and rubber prices higher.

Fertilizer prices continued weak, with phosphate fertilizer prices sharply lower while other fertilizer prices were unchanged or up slightly. The huge surplus of phosphate fertilizer production capacity, and the scheduled addition of new production facilities next year, suggest further price weakness unless major production cuts are announced by industry leaders.

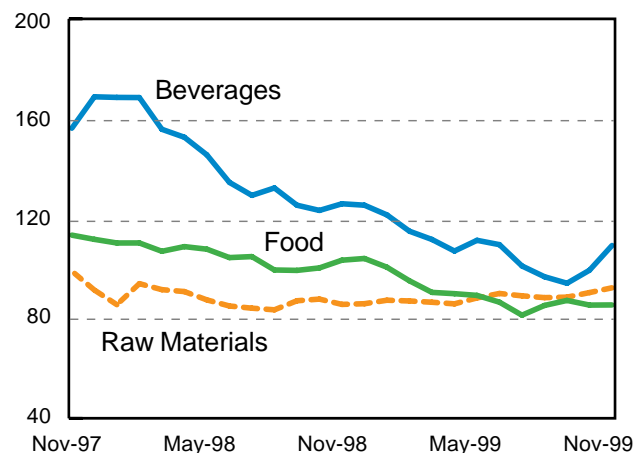
Petroleum and Metals Price Indices

November 1997 - 99 (1990 = 100)



Agriculture Price Indices

November 1997 - 99 (1990 = 100)



Major Movers in November

Arabica and **robusta coffee** prices continued the rally which started last month, gaining an impressive 20.4% and 7.7%, respectively. The rally is in response to dry weather in Brazil and the possibility that coffee trees have been damaged which in turn may reduce the 2000/01 crop.

Cocoa prices continued their slide in November, reaching 92.2¢/kg, the lowest level since June 1993. Global output is expected to increase 7.0% this season, while grindings are expected to grow less than 4.0% – leaving the market in surplus.

Cotton prices declined a further 2.6% in November to a 13-year low. Global production is estimated at 19.3 million tons, while consumption is estimated at just below production, and stocks are expected to increase

another 50,000 tons. A significant price recovery appears unlikely unless the new crop is much lower than expected.

Gold prices fell below \$300/toz, following a brief spike in October, on renewed forward selling and continuing central bank sales. The UK sold 25 tons of gold in late November, its third such sale this year. The central bank of Jordan sold half of its gold reserves in October (about 13 tons), and in early December the Netherlands said it will sell 300 tons of its reserves over the next five years.

Lead prices fell 3.8% due to rising stocks and weak demand for replacement batteries in the Western Hemisphere because of mild weather.

Nickel prices rose 8.6% due partly to the ongoing strike at Inco's plant in Canada, which began in mid-September. Prices have more than doubled since last December.

Orange prices in the EU collapsed – down 30.9% in November – because of weak demand in France and northern Europe and unusually heavy supplies from Brazil.

Phosphate fertilizer prices continued to fall, with DAP down 5.6% and TSP down 4.9% due to weak import demand and continuing surplus production. New capacity, set to begin operation next year in Australia and India, threatens to add to the surplus and force some producers to curtail production.

Rubber prices (Malaysia) averaged 74.1 cents/kg in November, 14.4% higher than during October. Increased buying activity by East Asian consumers along with heavy rains in the producing areas have contributed to the rally.

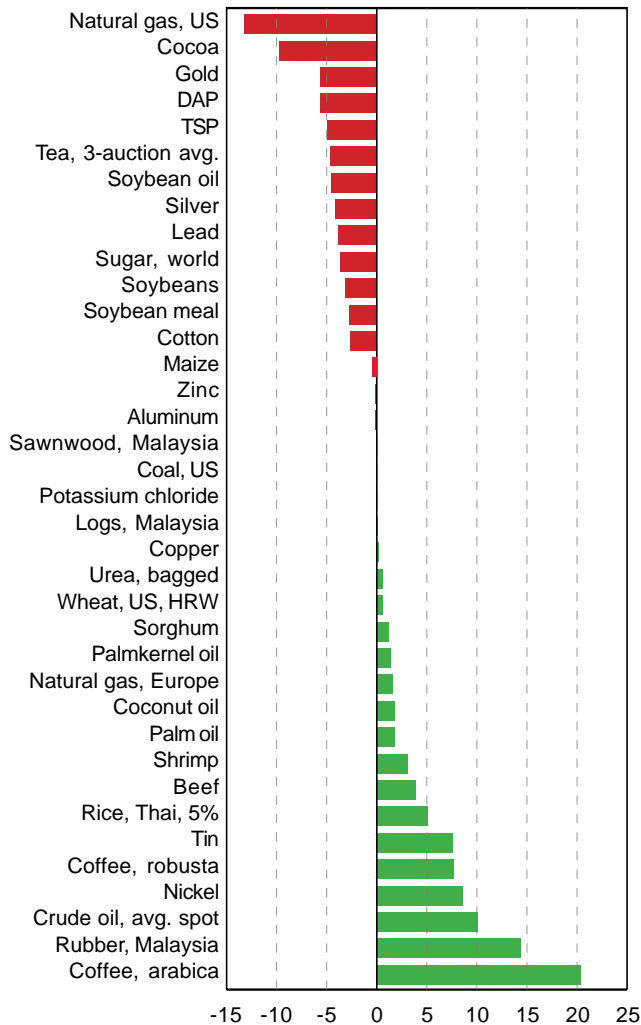
Sapelli log prices rose 14.2% in the wake of Cameroon's ban on log exports and heavy rains in neighboring countries which hampered logging and reduced exports.

Tea prices fell (Calcutta down 2.6%, Colombo down 2.6%, and Mombasa down 8.6%) as demand at all tea auctions were weak due especially to lower than expected buying from Russia. Kenyan production is also expected to rise in the coming weeks, and that may have contributed to price declines in Mombassa.

Tin prices were up 7.6% because of a slowdown in exports from China, the world's largest producer. The slowdown is attributed to a shortage of export licenses.

US natural gas prices dropped 13.2% because of ample stocks and weak demand in the two largest heating markets – the Northeast and North Central – because of mild weather.

Percentage Change in Price October 1999 - November 1999



COMMODITY PRICE DATA

Commodity	Unit	Quarterly Averages					Monthly Averages			Changes (%)			
		Jul-Sep 1998	Oct-Dec 1998	Jan-Mar 1999	Apr-Jun 1999	Jul-Sep 1999	Sep 1999	Oct 1999	Nov 1999	Q3 '99/ Q3 '98	Q3 '99/ Q2 '99	Nov '99/ Oct '99	Nov '99/ Nov '98
Energy													
Coal, Australia	\$/mt	27.76	26.43	26.10	26.10	26.10	26.10	25.60	25.50	-6.0	0.0	-0.4	-2.3
Coal, US	\$/mt	34.04	33.50	33.50	33.17	33.00	33.00	33.00	33.00	-3.1	-0.5	0.0	-1.5
Crude oil, avg. spot*	\$/bbl	13.01	11.85	11.79	16.10	20.65	22.70	21.95	24.16	58.7	28.3	10.1	103.4
Crude oil, Brent*	\$/bbl	12.42	11.09	11.24	15.40	20.54	22.40	21.95	24.59	65.4	33.4	12.0	125.2
Crude oil, Dubai*	\$/bbl	12.41	11.56	11.07	15.26	19.69	21.84	21.26	23.05	58.7	29.0	8.4	96.0
Crude oil, W. TX Int'l*	\$/bbl	14.16	12.90	13.05	17.66	21.73	23.86	22.64	24.85	53.5	23.0	9.8	91.7
Natural gas, Europe	\$/mmbtu	2.37	2.15	1.99	1.89	2.09	2.20	2.47	2.51	-11.8	10.6	1.6	16.7
Natural gas, US	\$/mmbtu	2.01	1.91	1.81	2.23	2.55	2.54	2.72	2.36	26.9	14.3	-13.2	12.4
Non-Energy Commodities													
Agriculture													
Beverages													
Cocoa**	¢/kg	169.5	159.1	139.4	113.6	105.7	106.1	102.2	92.2	-37.6	-6.9	-9.7	-42.4
Coffee, arabica**	¢/kg	259.2	252.4	238.0	235.5	198.8	185.9	207.7	250.0	-23.3	-15.6	20.4	-2.6
Coffee, robusta**	¢/kg	173.5	179.7	172.7	149.1	135.4	131.3	129.0	139.0	-22.0	-9.2	7.7	-21.3
Tea, Calcutta auctions**	¢/kg	214.5	190.0	162.3	223.4	224.9	221.0	230.6	224.6	4.9	0.7	-2.6	16.4
Tea, Colombo auctions**	¢/kg	197.3	181.4	160.3	145.9	170.7	183.9	186.6	181.8	-13.5	17.0	-2.6	-3.1
Tea, Mombasa auctions**	¢/kg	171.2	164.6	180.3	175.1	176.9	197.8	199.5	182.3	3.3	1.0	-8.6	14.8
Food													
Fats and Oils													
Coconut oil**	\$/mt	662.0	740.3	736.0	832.3	681.3	704.0	690.0	702.5	2.9	-18.1	1.8	-6.6
Copra	\$/mt	404.7	459.3	457.7	521.3	433.7	421.0	430.0	436.3	7.2	-16.8	1.5	-6.2
Groundnut meal	\$/mt	108.0	105.0	102.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Groundnut oil**	\$/mt	862.7	857.7	808.0	755.7	781.7	797.0	804.0	797.0	-9.4	3.4	-0.9	-7.5
Palm oil**	\$/mt	679.3	679.3	563.3	458.7	353.7	388.0	381.0	388.0	-47.9	-22.9	1.8	-43.0
Palmkernel oil	\$/mt	694.3	741.0	704.7	729.0	656.7	710.0	684.0	693.8	-5.4	-9.9	1.4	-7.0
Soybean meal**	\$/mt	149.0	160.7	145.7	140.0	152.3	167.0	173.0	168.3	2.2	8.8	-2.7	3.2
Soybean oil**	\$/mt	606.3	606.3	492.3	426.7	406.3	414.0	401.0	383.0	-33.0	-4.8	-4.5	-37.6
Soybeans**	\$/mt	224.3	229.0	210.3	200.0	196.3	207.0	203.0	196.8	-12.5	-1.8	-3.1	-15.9
Grains													
Maize**	\$/mt	91.6	96.5	95.9	93.4	85.4	86.5	85.8	85.4	-6.8	-8.6	-0.4	-12.9
Rice, Thai, 5%**	\$/mt	322.3	282.2	278.7	244.5	244.3	229.3	217.0	228.0	-24.2	-0.1	5.1	-15.6
Rice, Thai, 25%	\$/mt	273.7	257.7	239.6	211.6	217.9	202.5	190.3	199.2	-20.4	3.0	4.7	-20.5
Rice, Thai, 35%	\$/mt	262.1	251.6	232.9	205.9	212.7	197.8	186.0	194.0	-18.8	3.3	4.3	-21.0
Rice, Thai, A1.Special	\$/mt	225.6	238.5	214.2	189.5	201.1	184.5	169.8	172.0	-10.9	6.1	1.3	-25.5
Sorghum**	\$/mt	90.5	90.0	90.9	87.6	79.5	80.0	78.4	79.4	-12.1	-9.2	1.2	-13.9
Wheat, Canada	\$/mt	153.0	164.7	160.7	148.2	148.2	150.1	147.6	149.5	-3.2	-0.1	1.3	-9.9
Wheat, US, HRW**	\$/mt	111.6	127.7	119.9	112.8	109.2	113.2	108.1	108.8	-2.2	-3.2	0.6	-16.4
Wheat, US, SRW	\$/mt	95.3	109.0	99.5	96.4	93.4	102.1	98.7	96.9	-2.0	-3.1	-1.8	-15.9
Other Food													
Bananas**	\$/mt	456.5	520.1	479.3	444.0	406.4	395.5	299.0	395.3	-11.0	-8.5	32.2	-27.2
Beef**	¢/kg	166.7	166.2	177.1	175.6	192.5	190.7	186.6	193.9	15.5	9.7	3.9	16.4
Fishmeal	\$/mt	670.3	601.3	453.3	343.3	369.3	382.0	399.0	401.0	-44.9	7.6	0.5	-33.3
Lamb	¢/kg	251.1	264.2	247.0	263.2	267.1	268.0	272.2	266.6	6.4	1.5	-2.1	1.2
Oranges**	\$/mt	516.3	415.1	420.3	458.6	474.8	471.9	518.0	358.1	-8.0	3.5	-30.9	-16.4
Shrimp	¢/kg	1574	1427	1413	1470	1485	1452	1444	1488	-5.6	1.0	3.1	3.8
Sugar, EU, domestic**	¢/kg	58.59	60.88	59.72	58.78	58.55	59.35	60.61	59.35	-0.1	-0.4	-2.1	-2.3
Sugar, US, domestic**	¢/kg	49.10	48.27	49.45	49.88	47.01	44.36	42.84	38.36	-4.3	-5.8	-10.5	-20.3
Sugar, world**	¢/kg	17.92	17.34	15.40	12.63	13.06	14.70	14.88	14.35	-27.1	3.4	-3.6	-19.2
Raw Materials													
Timber													
Logs, Cameroon	\$/cum	279.4	295.9	282.3	255.3	247.2	n.a.	269.3	307.5	-11.5	-3.2	14.2	5.1
Logs, Malaysia**	\$/cum	140.7	162.0	175.3	178.4	195.9	202.8	198.4	198.6	39.2	9.8	0.1	24.5
Plywood	¢/sheet	344.3	395.2	426.4	429.9	440.3	455.5	462.4	458.0	27.9	2.4	-0.9	17.5
Sawnwood, Cameroon	\$/cum	519.2	532.0	461.5	424.4	441.8	456.2	481.4	504.6	-14.9	4.1	4.8	-3.6
Sawnwood, Malaysia**	\$/cum	465.5	519.8	544.3	582.8	632.9	643.4	643.4	643.4	35.9	8.6	0.0	25.2
Woodpulp	\$/mt	507.5	458.3	447.6	491.5	521.2	544.6	548.7	548.7	2.7	6.0	0.0	19.9

Continued

COMMODITY PRICE DATA (continued)

Commodity	Unit	Quarterly Averages					Monthly Averages			Changes (%)			
		Jul-Sep 1998	Oct-Dec 1998	Jan-Mar 1999	Apr-Jun 1999	Jul-Sep 1999	Sep 1999	Oct 1999	Nov 1999	Q3 '99/ Q3 '98	Q3 '99/ Q2 '99	Nov '99/ Oct '99	Nov '99/ Nov '98
Non-Energy Commodities (continued)													
Agriculture (continued)													
Other Raw Materials													
Cotton**	¢/kg	150.2	127.5	123.9	129.4	113.8	109.1	104.6	101.9	-24.2	-12.1	-2.6	-17.6
Jute	\$/mt	260.0	270.0	250.0	260.0	295.0	305.0	301.0	300.0	13.5	13.5	-0.3	7.1
Rubber, Malaysia**	¢/kg	68.0	70.6	68.0	59.7	55.6	54.2	64.7	74.1	-18.1	-6.9	14.4	3.0
Rubber, NY	¢/kg	86.1	87.0	83.7	77.5	74.6	75.7	83.3	94.0	-13.4	-3.7	12.9	6.6
Rubber, Singapore	¢/kg	68.3	69.0	65.5	59.9	55.9	56.9	64.7	70.9	-18.2	-6.7	9.7	2.3
Sisal	\$/mt	850.0	850.0	779.2	731.7	647.5	612.5	628.0	635.0	-23.8	-11.5	1.1	-25.3
Wool	¢/kg	313.0	307.2	301.4	307.8	309.0	300.6	300.6	295.0	-1.3	0.4	-1.9	-5.6
Fertilizers													
DAP	\$/mt	209.5	204.4	199.3	189.7	173.9	164.5	152.9	144.3	-17.0	-8.3	-5.6	-29.4
Phosphate rock**	\$/mt	43.0	43.0	44.0	44.0	44.0	44.0	44.0	44.0	2.3	0.0	0.0	2.3
Potassium chloride	\$/mt	116.5	118.1	119.1	122.5	122.5	122.5	122.5	122.5	5.2	0.0	0.0	3.4
TSP**	\$/mt	175.0	168.9	164.1	162.6	150.9	147.5	145.1	138.0	-13.8	-7.2	-4.9	-17.6
Urea, E. Europe, bagged	\$/mt	102.3	88.0	79.5	75.9	77.4	78.4	77.5	78.0	-24.4	1.9	0.6	-12.7
Urea, E. Europe, bulk	\$/mt	84.8	68.3	67.6	64.6	66.1	66.7	66.3	67.1	-22.1	2.3	1.2	-3.5
Metals and Minerals													
Aluminum**	\$/mt	1321	1283	1196	1306	1443	1492	1474	1473	9.2	10.5	-0.1	13.7
Copper**	\$/mt	1640	1545	1407	1467	1679	1750	1724	1728	2.4	14.5	0.2	9.8
Gold	\$/toz	288.7	293.9	286.8	273.5	259.2	264.7	310.7	293.2	-10.2	-5.2	-5.6	-0.3
Iron ore**	¢/dmtu	29.69	29.69	26.96	26.96	26.96	26.96	26.96	26.96	-9.2	0.0	0.0	-9.2
Lead**	¢/kg	53.4	49.6	50.5	51.9	50.2	50.7	49.7	47.8	-6.0	-3.3	-3.8	-3.2
Nickel**	\$/mt	4169	3961	4635	5232	6392	7028	7321	7950	53.3	22.2	8.6	92.4
Silver	¢/toz	522.0	495.8	530.2	515.6	526.7	527.9	541.7	519.2	0.9	2.2	-4.1	4.2
Steel products (8) index*** 1990=100		73.4	69.0	64.1	66.4	70.4	72.1	72.5	73.0	-4.0	6.1	0.6	4.8
Steel-cold rolled coilsheet	\$/mt	360.0	320.0	306.7	328.3	350.0	360.0	370.0	380.0	-2.8	6.6	2.7	18.8
Steel-hot rolled coilsheet	\$/mt	270.0	236.7	206.7	223.3	263.3	280.0	280.0	280.0	-2.5	17.9	0.0	16.7
Steel, rebar	\$/mt	233.3	240.0	230.0	230.0	240.0	240.0	240.0	240.0	2.9	4.3	0.0	0.0
Steel, wire rod	\$/mt	336.7	326.7	293.3	290.0	290.0	290.0	290.0	290.0	-13.9	0.0	0.0	-12.1
Tin**	¢/kg	561.0	538.9	524.6	543.6	526.8	534.3	543.1	584.2	-6.1	-3.1	7.6	6.6
Zinc**	¢/kg	102.3	95.6	99.3	102.0	113.2	119.4	114.9	114.7	10.6	11.0	-0.1	18.6
World Bank Commodity Price Indices for Low and Middle Income Countries (1990 = 100)													
Petroleum		56.9	51.8	51.5	70.4	90.3	99.2	95.9	105.6	58.8	28.3	10.1	103.4
Non-Energy Commodities		95.2	94.5	89.8	87.8	86.4	87.2	87.8	90.1	-9.3	-1.7	2.6	-5.1
Agriculture		102.6	102.7	97.6	93.4	89.0	89.3	90.4	93.5	-13.2	-4.7	3.4	-9.2
Beverages		129.0	124.9	116.0	109.3	97.3	94.1	99.3	109.2	-24.6	-11.0	10.0	-13.3
Food		101.1	102.6	95.3	88.6	84.6	87.2	85.3	85.4	-16.4	-4.5	0.1	-17.4
Fats and Oils		127.2	131.5	115.6	106.0	96.7	103.9	103.7	102.7	-24.0	-8.7	-1.0	-22.7
Grains		98.3	96.5	94.3	86.8	83.8	82.6	79.4	81.2	-14.8	-3.5	2.3	-14.9
Other Food		81.4	82.4	79.3	75.3	75.1	76.2	73.6	73.6	-7.7	-0.3	0.0	-12.1
Raw Materials		84.9	86.4	86.9	88.0	88.6	88.5	90.4	92.3	4.4	0.7	2.1	7.8
Timber		86.3	96.7	101.7	108.2	117.7	119.9	119.6	119.6	36.3	8.8	0.0	25.1
Other Raw Materials		83.9	79.4	76.8	74.2	68.8	67.1	70.4	73.6	-18.0	-7.3	4.6	-6.6
Fertilizers		123.0	120.1	118.7	118.0	112.3	110.7	109.6	106.1	-8.7	-4.8	-3.1	-11.1
Metals and Minerals		74.5	72.0	67.7	71.2	77.3	79.9	79.4	80.3	3.7	8.6	1.1	10.3

*Included in the petroleum index. **Included in the non-energy index. ***Steel not included in the non-energy index.

\$ = U.S. dollar ¢ = U.S. cent bbl = barrel cum = cubic meter dmtu = dry metric ton kg = kilogram
 mmbtu = million British thermal units mt = metric ton toz = troy ounce