

Commodity Markets Review

May 9, 2008

DECPG, The World Bank

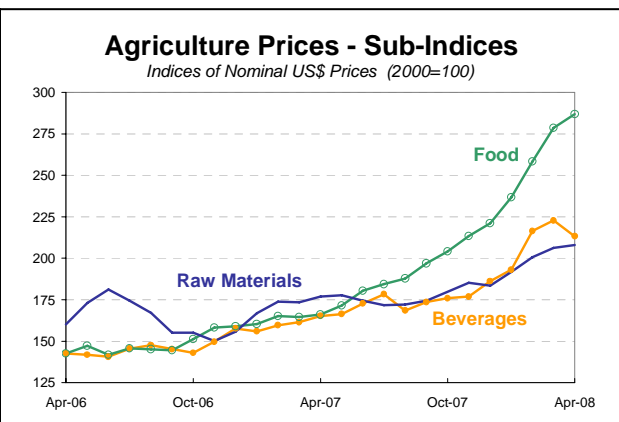
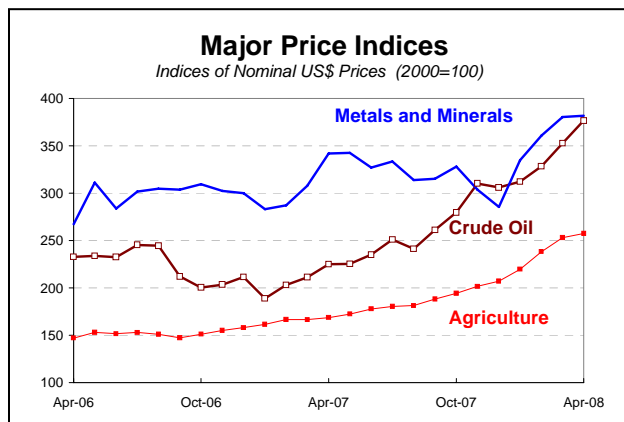
Non-energy commodity prices rose 2.1 percent in April, with much of the increase in grains prices, particularly for rice which has soared due to strong import demand and a number of export cutbacks. Fertilizer prices also rose sharply due to higher crop plantings in the northern hemisphere, capacity constraints, and export taxes in Russia and China.

Crude oil prices jumped 6.8 percent in April, to average \$108.8/bbl, and hit record highs of more than \$120/bbl in early May. Prices have been driven higher mainly by expectations of supply tightness amidst robust non-OECD demand, particularly in Asia and in oil exporting countries. There were further supply disruptions in Nigeria due to strikes and rebel attacks, and a strike at a refinery in Scotland threatened to shut the North Sea Forties pipeline system (these strikes have ended). Non-OPEC production growth continues to disappoint, with Russia (which has provided sizeable output growth in recent years) joining the ranks of those with falling production. In the first quarter, Russian output fell for the first time in nine years.

OPEC oil production fell 0.3 mb/d in April mainly due to declines in Nigeria. OPEC continues to show no signs of increasing output and letting stocks build, and this is partly fueling financial investment flows into oil futures. OPEC has not scheduled another meeting until September 9th.

Agriculture prices climbed 1.7 percent in April, led by a 12 percent gain in grains prices. Rice prices soared 53 percent and are up three-fold from last year due to export restrictions in a number of countries—and more recently cyclone devastation in Myanmar—as well as factors that have driven up other grains prices, namely rising costs for energy and fertilizer and sharp increases in biofuel demand (indirectly affects rice). Sorghum and corn prices rose 7 and 5 percent, respectively, partly due to rain-delayed U.S. plantings. Wheat prices plunged 18 percent on expectations of higher global production. Coffee robusta and arabica prices fell on expected higher production from Brazil.

Metals and minerals prices rose 0.3 percent in April, with most metals declining on rising stocks and concerns about global demand. The main exception was tin which surged 9 percent due to sharply declining stocks and production constraints in Indonesia and China. Copper prices rose 3 percent on lower stocks, strike actions in Chile, and possible labor disruption in Peru. Zinc prices dropped 10 percent due to weak demand and a rebound in Chinese production. Nickel prices fell 8 percent on weak stainless steel demand and rising supply and stocks, while lead prices fell 6 percent on weak seasonal demand. Gold and silver prices fell on a shift of financial assets due to the strengthening dollar in the second half of April.



Prepared in the Development Economics Prospects Group (DECPG) by Shane Streifel, Donald Mitchell, John Baffes and Betty Dow. Katherine Rollins is task assistant. This report is available on <http://decpg.worldbank.org>.

Major Movers April¹

Rice prices soared 52.7 percent due to strong import demand, export restrictions in a number of countries, and concern over global food price increases.

Fertilizer prices surged, with Urea, TSP, DAP, Phosphate Rock and Potassium Chloride up 25, 18, 15, 14 and 7 percent, respectively, due to strong demand for crop plantings in the northern hemisphere, capacity constraints, and export taxes in Russia and China.

Soybean meal prices increased 6.1 percent due to strong demand, concerns about acreage planting, and continued unrest among farmers in Argentina over higher export taxes on soybeans.

Natural gas (Europe) prices rose 10.4 percent due to rising oil prices, as imported gas contracts are indexed to oil and petroleum products.

Tin prices increased 9.4 percent due to falling stocks and supply problems in Indonesia and China.

Tea prices rose 7.9 percent due mainly to the seasonal surge in Kolkata auction prices with the arrival of new premium Darjeeling teas.

Natural gas (U.S.) prices rose 7.8 percent on late-season cold weather, production problems in the Gulf of Mexico, and limited LNG imports.

Sorghum and maize prices rose 6.8 percent and 5.2 percent, respectively, due to expected reductions and weather-related delays in maize plantings, and mandated increases in U.S. ethanol production.

Palm oil prices fell 6.0 percent on expectations of higher production and exports in Asia.

Cotton prices decreased 6.0 percent due to weak demand, but there remains some concern about lower plantings to competing food crops.

Gold prices fell 6.1 percent, and are well off its more than \$1000/toz peak in early March, due to asset rotation in favor of equities and treasuries, and the stronger dollar in late April.

Lead prices declined 6.2 percent due to sharply higher stocks, weak seasonal demand, and easing of weather-related supply tightness in China.

Nickel prices dropped 7.9 percent due to rising stocks and rather anemic recovery in stainless

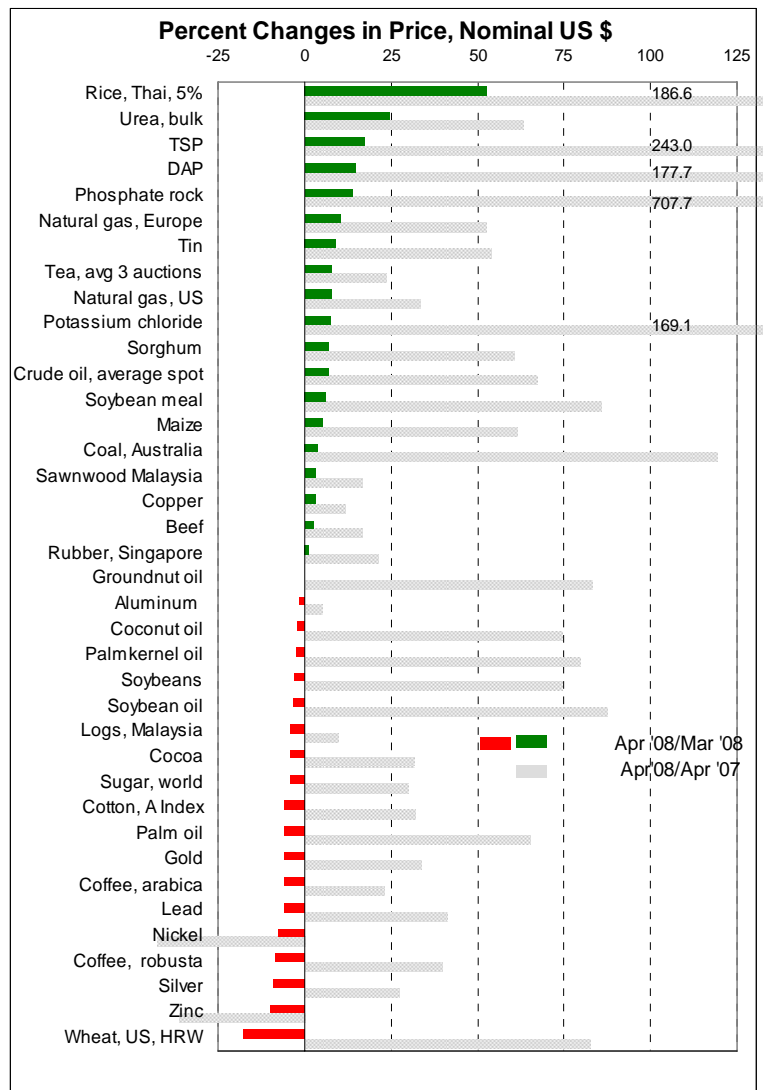
steel production.

Coffee robusta and arabica prices fell 8.7 percent and 6.1 percent, respectively, on expectations of higher production in Brazil, the world's largest coffee producer.

Silver prices fell 8.9 percent due to the stronger dollar late in the second half of the month and a shift to other financial assets.

Zinc prices dropped 9.9 percent due to rising stocks, relatively weak demand, and strong recovery in Chinese production from weather-related losses in February.

Wheat prices plummeted 17.6 percent due to expectations of higher global production, including good crops in Australia which were ravaged by drought last year.



¹ Percent change of average April 2008 prices compared to average March 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 2006	Jan-Dec 2007	Jan-Apr 2008	Jan-Mar 2007	Apr-Jun 2007	Jul-Sep 2007	Oct-Dec 2007	Jan-Mar 2008	Feb 2008	Mar 2008	Apr 2008
Energy												
Coal, Australia	a/ \$/mt	49.09	65.73	116.25	53.19	57.91	68.37	83.47	114.00	132.00	118.25	123.00
Crude oil, avg, spot	a/ \$/bbl	64.29	71.12	98.67	57.23	66.13	73.50	87.61	95.31	93.39	101.84	108.76
Crude oil, Brent	a/ \$/bbl	65.39	72.70	100.05	58.07	68.73	75.04	88.95	96.67	94.82	103.28	110.19
Crude oil, Dubai	a/ \$/bbl	61.43	68.37	94.35	55.58	64.71	69.97	83.21	91.30	89.96	96.78	103.47
Crude oil, West Texas Int.	a/ \$/bbl	66.04	72.28	101.61	58.03	64.96	75.48	90.67	97.94	95.38	105.47	112.62
Natural gas Index	a/ 2000=100	181.6	186.5	243.4	187.9	186.1	174.4	197.7	235.0	233.9	246.3	268.5
Natural gas, Europe	a/ \$/mmbtu	8.47	8.56	11.19	8.51	8.00	8.34	9.37	10.86	10.84	11.04	12.19
Natural gas, US	a/ \$/mmbtu	6.72	6.98	9.02	7.23	7.50	6.17	7.03	8.65	8.55	9.40	10.13
Natural gas LNG, Japan	a/ \$/mmbtu	7.08	7.68	10.55	6.95	7.14	7.68	8.96	10.30	10.46	10.50	11.30
Non Energy Commodities												
Agriculture												
Beverages												
Cocoa	b/ c/kg	159.2	195.2	251.0	181.3	200.0	199.9	199.7	247.7	250.4	272.6	260.8
Coffee, Arabica	b/ c/kg	252.2	272.4	323.9	267.2	255.1	271.1	296.1	328.5	346.8	330.5	310.2
Coffee, robusta	b/ c/kg	148.9	190.9	246.8	172.8	188.3	200.4	202.1	247.3	254.5	268.8	245.4
Tea, auctions (3), average	b/ c/kg	187.2	203.6	237.0	178.0	199.9	211.0	225.6	234.6	239.7	226.3	244.2
Tea, Colombo auctions	b/ c/kg	191.0	252.2	301.8	226.4	231.1	254.7	296.7	305.2	304.3	306.1	291.6
Tea, Kolkata auctions	b/ c/kg	175.4	192.1	187.8	141.5	208.7	211.3	207.1	176.6	173.1	163.2	221.4
Tea, Mombasa auctions	b/ c/kg	195.2	166.5	221.2	166.0	159.8	167.1	173.0	221.8	241.7	209.5	219.5
Food												
Fats and Oils												
Coconut oil	b/ \$/mt	607	919	1,395	754	900	923	1,098	1,379	1,382	1,471	1,443
Copra	\$/mt	403	607	926	499	599	607	724	914	921	972	963
Groundnut oil	b/ \$/mt	970	1,352	2,056	1,170	1,190	1,397	1,651	2,007	1,958	2,203	2,200
Palm oil	b/ \$/mt	478	780	1,161	609	762	822	928	1,156	1,160	1,249	1,174
Palmkernel oil	\$/mt	581	888	1,388	678	876	917	1,084	1,375	1,386	1,462	1,428
Soybean meal	b/ \$/mt	209	307	450	256	260	309	402	443	453	443	470
Soybean oil	b/ \$/mt	599	881	1,394	710	794	917	1,105	1,384	1,400	1,476	1,425
Soybeans	b/ \$/mt	269	384	562	318	338	396	485	563	572	575	558
Grains												
Barley	b/ \$/mt	116.6	172.4	222.1	153.4	167.8	173.8	194.6	216.8	216.4	228.6	237.8
Maize	b/ \$/mt	121.9	163.7	226.9	170.9	159.4	152.5	171.9	220.4	220.1	234.4	246.6
Rice, Thailand, 5%	b/ \$/mt	304.9	326.4	585.3	315.6	319.1	327.1	344.0	478.1	464.8	594.0	907.0
Rice, Thailand, 25%	\$/mt	277.1	306.5	n.a.	292.6	297.4	306.5	329.5	n.a.	n.a.	n.a.	n.a.
Rice, Thailand, 35%	\$/mt	272.0	300.1	n.a.	285.8	288.8	298.0	327.7	n.a.	n.a.	n.a.	n.a.
* Rice, Thai, A1.Special / Super	\$/mt	219.5	272.3	522.8	254.5	257.0	265.7	312.0	522.8	432.8	537.6	762.7
Sorghum	\$/mt	122.9	162.7	224.1	175.2	151.4	150.7	173.4	218.7	218.5	224.9	240.3
Wheat, Canada	\$/mt	216.8	300.4	600.5	232.4	244.7	309.0	415.3	621.7	732.4	618.8	537.1
Wheat, US, HRW	b/ \$/mt	192.0	255.2	399.4	198.4	205.7	274.9	341.9	411.8	425.0	439.7	362.2
Wheat US SRW	\$/mt	159.0	238.6	375.1	173.7	187.0	267.5	326.2	384.1	388.7	419.6	348.2
Other Food												
Bananas EU	\$/mt	897	1,037	1,426	1,036	1,045	999	1,068	1,421	1,451	1,643	1,440
Bananas US	b/ \$/mt	677	676	869	647	705	699	652	836	792	1,027	967
Fishmeal	\$/mt	1,166	1,177	1,137	1,251	1,260	1,123	1,075	1,126	1,114	1,161	1,168
Meat, beef	b/ c/kg	254.7	260.3	287.1	261.2	259.9	260.3	259.8	282.1	283.6	294.0	302.3
Meat, chicken	b/ c/kg	138.8	156.7	160.2	147.9	159.3	163.0	156.7	158.8	158.7	162.8	164.5
Meat, sheep	c/kg	403.6	412.0	462.5	394.2	399.3	416.5	437.9	453.6	451.9	479.4	489.3
Oranges	b/ \$/mt	829	957	1,136	817	893	1,135	982	1,103	1,049	1,231	1,234
Shrimp, Mexico	b/ c/kg	1,024	1,010	1,106	988	1,003	1,003	1,045	1,103	1,105	1,113	1,113
Sugar EU domestic	b/ c/kg	64.56	68.09	75.44	65.10	66.98	68.28	72.00	74.51	73.27	77.14	78.22
Sugar US domestic	b/ c/kg	48.76	45.77	44.93	45.17	46.47	46.98	44.48	44.85	44.40	45.53	45.16
Sugar, world	b/ c/kg	32.59	22.22	28.27	23.49	20.90	21.86	22.61	28.42	29.78	29.10	27.82
Raw Materials												
Timber												
Logs, Cameroon	\$/cum	318.5	381.3	537.8	371.3	372.8	371.6	409.6	530.8	545.7	562.8	558.9
Logs, Malaysia	b/ \$/cum	239.4	268.0	293.0	264.8	262.0	269.6	275.5	293.4	288.4	304.9	291.8
Plywood	c/sheets	595.6	640.7	641.9	629.5	639.6	646.7	647.0	640.4	639.2	640.9	646.6
Sawnwood, Cameroon	\$/cum	623	760	1,032	720	725	756	838	1,036	1,083	1,069	1,021
Sawnwood, Malaysia	b/ \$/cum	749.3	806.3	880.5	794.4	807.4	820.9	802.5	860.3	855.8	912.5	941.0
Woodpulp	\$/mt	698.6	767.0	851.4	727.4	751.3	769.8	819.4	850.2	849.4	856.0	855.0
Other Raw Materials												
Cotton A Index	b/ c/kg	126.7	139.5	167.5	128.8	127.4	148.9	153.0	167.9	165.5	176.8	166.3
Cotton Memphis	c/kg	133.5	142.9	174.3	135.9	130.0	150.3	155.5	174.3	170.0	187.3	174.3
Rubber, US	c/kg	231.3	248.0	294.5	241.6	251.6	234.2	264.8	292.6	297.4	298.5	300.3
Rubber, Singapore	b/ c/kg	210.8	229.0	277.9	223.3	233.9	213.8	245.1	275.5	281.3	280.9	285.3

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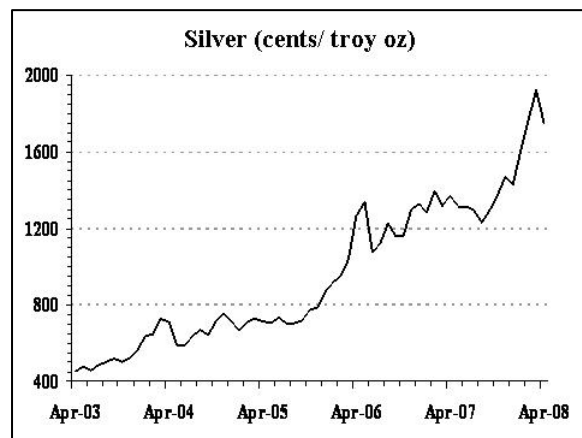
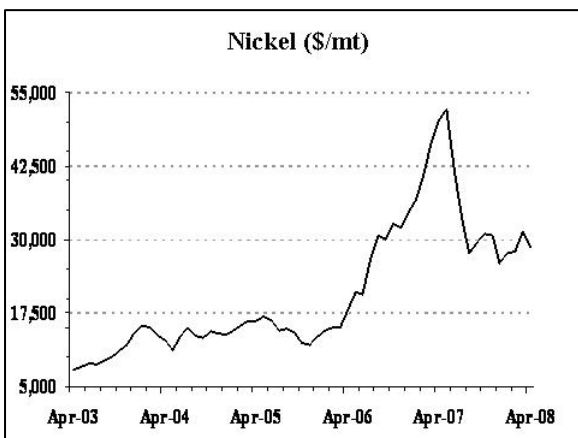
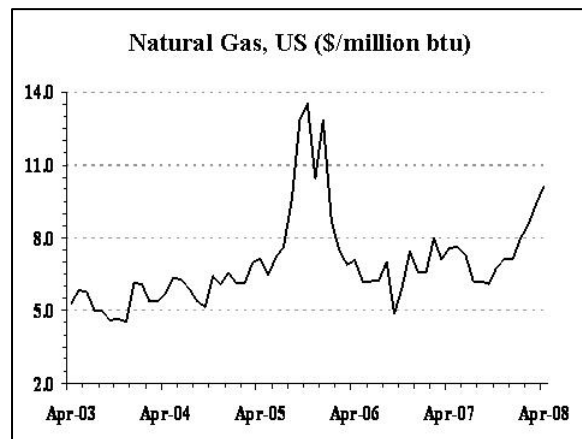
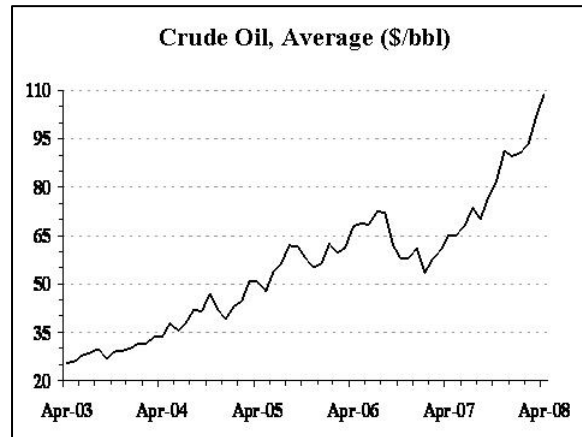
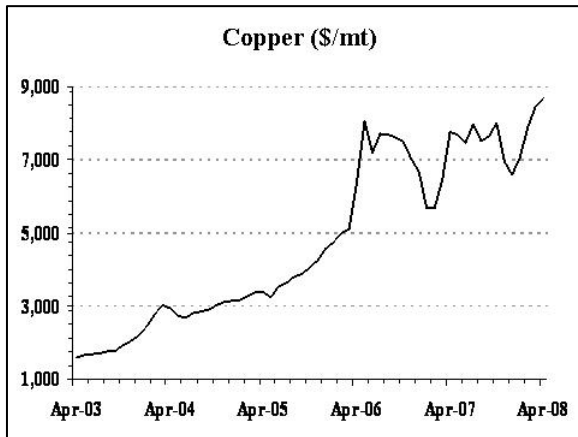
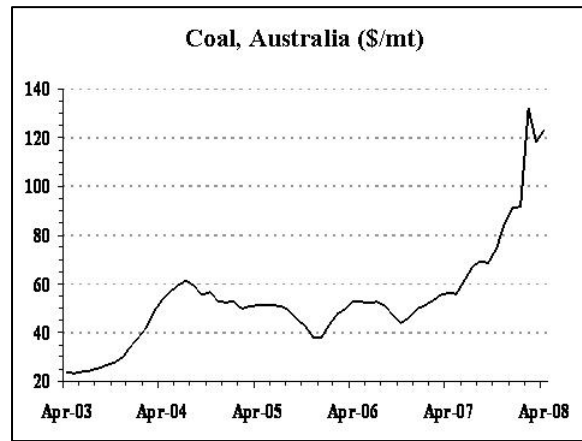
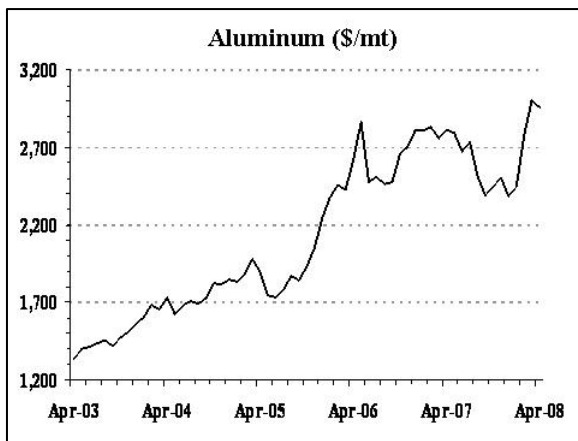
a/ Included in the energy index (2000=100) b/ Included in the non-energy index (2000=100) c/ Steel not included in the non-energy index
 \$ = US dollar ¢ = US cent bbl = barrel cum = cubic meter dmtu = Dry Metric Ton Unit kg = kilogram mmbtu = million British thermal units
 mt = metric ton toz = troy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

COMMODITY PRICE DATA

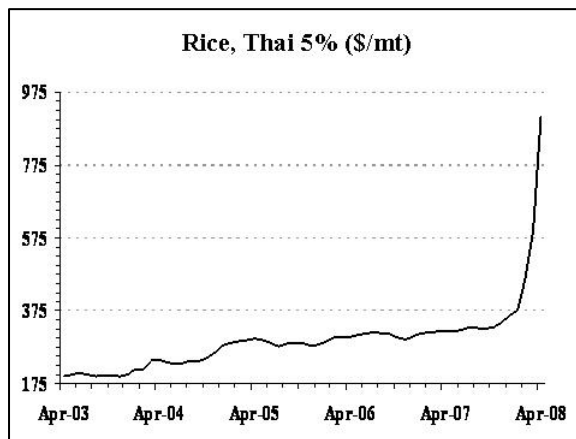
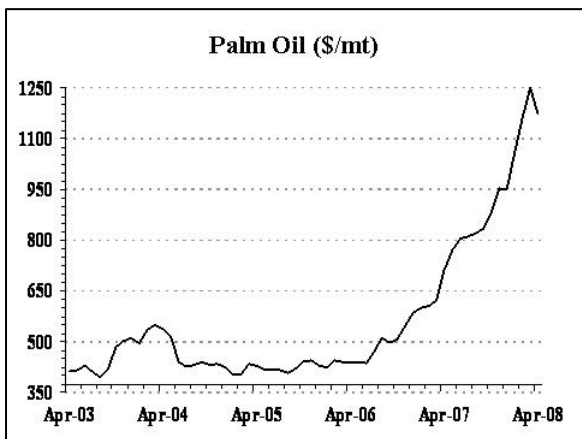
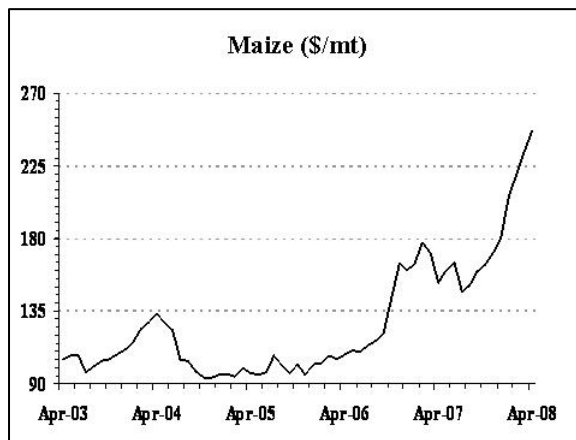
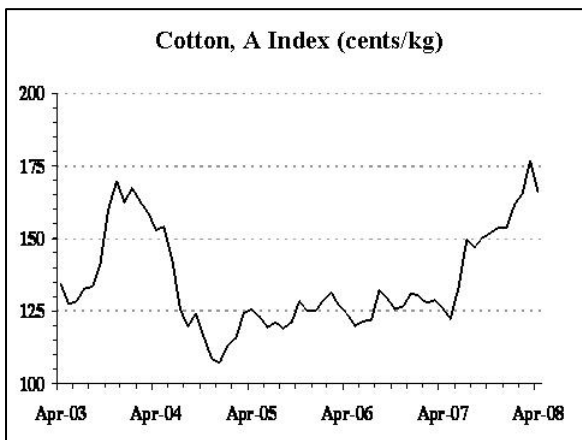
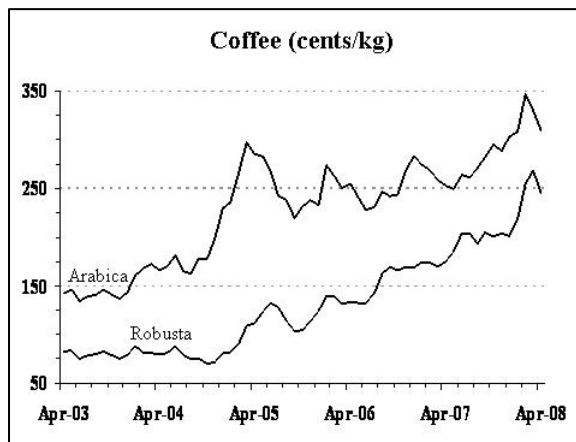
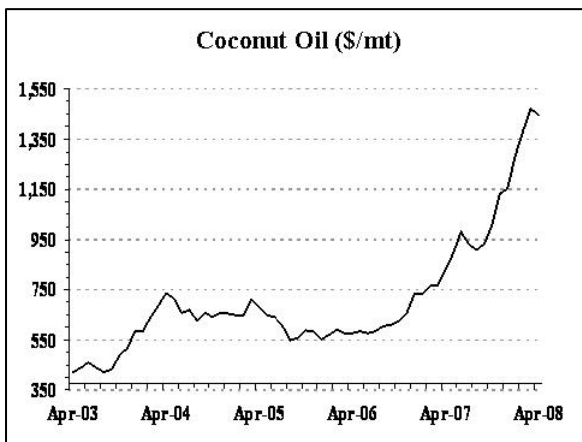
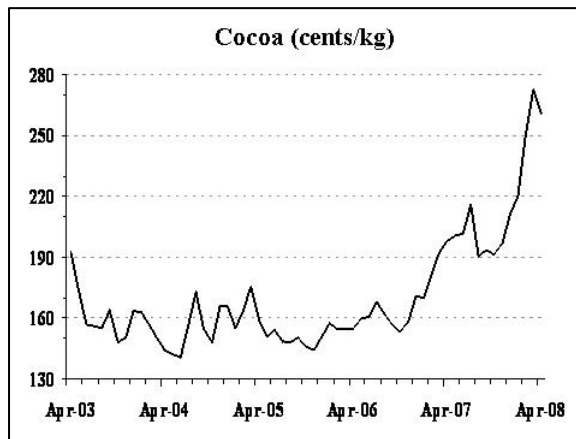
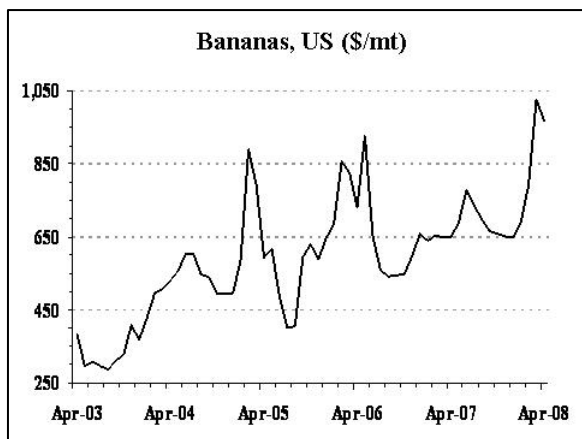
		Annual averages			Quarterly averages				Monthly averages			
		Jan-Dec	Jan-Dec	Jan-Apr	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Feb	Mar	Apr
		2006	2007	2008	2007	2007	2007	2007	2008	2008	2008	2008
Fertilizers												
DAP	b/ \$/mt	260	433	945	344	431	433	522	860	828	1,045	1,201
Phosphate rock	b/ \$/mt	44.2	70.9	267.7	45.5	59.9	80.0	98.3	234.4	190.0	323.1	367.5
Potassium chloride	b/ \$/mt	174.5	200.2	395.2	175.6	184.8	209.4	230.8	367.7	385.0	445.0	477.6
TSP	b/ \$/mt	202	339	793	226	331	375	425	715	729	876	1,029
Urea, E. Europe, bulk	b/ \$/mt	222.9	309.4	386.0	297.4	291.3	283.6	365.4	357.6	325.3	377.8	471.3
Metals and Minerals												
Aluminum	b/ \$/mt	2,570	2,638	2,797	2,801	2,761	2,546	2,444	2,743	2,777	3,005	2,959
Copper	b/ \$/mt	6,722	7,118	8,018	5,933	7,641	7,712	7,188	7,796	7,888	8,439	8,685
Gold	\$/toz	604.3	696.7	922.5	650.3	667.4	681.1	788.0	926.8	922.3	968.4	909.7
Iron ore	b/ c/dmtu	77.4	84.7	140.6	84.7	84.7	84.7	84.7	140.6	140.6	140.6	140.6
Lead	b/ c/kg	129.0	258.0	288.0	178.7	217.6	314.3	321.5	289.9	308.0	300.9	282.3
Nickel	b/ \$/mt	24,254	37,230	28,908	41,440	48,055	30,205	29,219	28,957	27,955	31,225	28,763
Silver	c/toz	1,157	1,341	1,761	1,332	1,336	1,273	1,424	1,765	1,767	1,922	1,751
* * Steel products index, Japar	c/ 2000=10	177.6	178.1	226.6	173.8	175.6	176.2	186.7	221.7	226.6	239.6	241.1
Steel cr coilsheet, Japan, Rein	c/ \$/mt	693.8	650.0	771.9	650.0	650.0	650.0	650.0	762.5	800.0	800.0	800.0
Steel hr coilsheet, Japan, Reir	c/ \$/mt	600.0	550.0	712.5	550.0	550.0	550.0	550.0	700.0	750.0	750.0	750.0
Steel, rebar, Japan, Reinstater	c/ \$/mt	443.8	521.5	677.1	484.2	540.8	504.2	556.8	639.4	598.5	745.0	790.0
Steel wire rod, Japan, Reinsta	c/ \$/mt	581.3	533.3	785.5	500.0	530.0	550.0	553.3	754.0	725.0	857.0	880.0
Tin	b/ c/kg	878	1,454	1,875	1,273	1,410	1,498	1,634	1,778	1,721	1,980	2,166
Zinc	b/ c/kg	327.5	324.2	238.8	345.6	366.4	322.7	262.3	243.0	243.8	251.1	226.4
NEW World Bank commodity price indices for low and middle income countries(2000 =100)												
Energy		220.9	244.8	342.4	201.1	228.5	251.1	298.6	331.1	328.4	352.6	376.6
Non Energy Commodities		192.1	224.8	287.6	206.6	226.7	228.8	237.3	281.4	282.2	301.0	306.3
Agriculture		150.4	180.5	241.1	164.8	173.0	183.3	200.9	236.6	238.3	251.8	254.7
Beverages		145.4	169.9	211.3	158.9	167.9	173.3	179.4	210.7	216.4	222.8	213.3
Food		147.0	184.7	263.5	163.4	172.6	189.7	212.9	257.2	258.3	276.5	282.5
Fats and Oils		137.9	208.8	312.1	168.8	191.1	216.2	259.1	310.2	313.4	325.5	317.8
Grains		149.8	189.0	291.1	177.2	174.7	188.3	215.6	274.6	275.3	305.0	340.7
Other Food		156.4	149.0	174.8	143.8	146.5	156.1	149.7	171.9	170.5	186.2	183.5
Raw Materials		161.4	175.8	201.7	171.4	176.4	172.8	182.8	199.6	200.6	206.4	208.0
Timber		126.0	136.8	149.4	134.9	136.2	138.9	137.2	146.8	145.7	155.0	157.2
Other Raw Materials		200.0	218.5	258.9	211.3	220.3	209.8	232.7	257.3	260.7	262.6	263.6
Fertilizers		168.6	240.1	450.7	203.5	224.6	240.2	292.0	409.4	384.2	489.9	574.7
Metals and Minerals		280.3	314.0	364.4	292.6	337.1	320.8	305.7	358.7	360.8	380.5	381.7

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
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Selected Commodity Prices, Nominal US dollars, 2001-2007



Selected Commodity Prices, Nominal US dollars, 2001-2007 cont'd



Selected Commodity Prices, Nominal US dollars, 2001-2007 cont'd

