Key Messages

- A sharp global growth slowdown is weighing on commodity prices. In many economies, however, prices in domestic-currency terms remain elevated because of currency depreciations.

- Energy prices are expected to fall 11 percent in 2023 and 12 percent in 2024. Brent prices are forecast to average $92/bbl in 2023, down from a projected $100/bbl in 2022, before easing to $80/bbl in 2024.

- Agriculture and metal prices are projected to decline 5 and 15 percent, respectively, in 2023 before stabilizing in 2024.

- The outlook is subject to numerous risks.
  - Energy markets face an array of supply concerns as worries about the availability of energy during the upcoming winter intensify in Europe.
  - Higher-than-expected energy prices could pass through to non-energy prices, especially food, prolonging challenges associated with food insecurity.
  - A sharper slowdown in global growth presents a key downside risk, especially for crude oil and metal prices.
Commodity prices are weakening

Note: The shaded area corresponds to March 2020 – October 2022 (last observation).
Oil and Wheat price changes in local currencies

Note: Percentage change in prices in local currency terms between February and September 2022.
Sources: U.S. Energy Information Administration; World Bank.
Note: Monthly data, last observation is October 2022 (Crude Oil, Brent). SPR = Strategic Petroleum Reserves. Last observation is the week of October 14, 2022 (U.S. oil inventories).
Shortfall in OPEC+ production from quota and U.S. rig count


Note: OPEC = Organization of the Petroleum Exporting Countries. Data based on the IEA Oil Market Report October 2022. Last observation is the week of October 21, 2022 for rig count and September 2022 for DUC.
Natural gas prices and European gas inventories

Sources: Gas Infrastructure Europe (AGSI+); World Bank.
Note: Monthly data. Last observation is October 2022 (Natural gas prices). Sample for natural gas inventories includes 20 EU countries and the United Kingdom. Last observation is October 5, 2022.
Coal prices and net new coal plant additions

**Sources:** Global Energy Monitor; World Bank.

**Note:** Monthly data for coal. Last observation is October 2022 (Australian benchmark). Last observation is 2021 (new coal plant additions).
Plunging metals prices and PMI

Global manufacturing PMI index [left]

Metals price index [right]

Base metals index and iron ore

Source: Haver Analytics, World Bank.
Note: Last observation is October 2022. The base metals price index includes aluminum, copper, lead, nickel, tin, and zinc.
China leads metal price weakness

Notes: 12-month-rolling average of China housing starts, which refers to the entire floor space of real estate development during reference times. Last observation is August 2022 (left panel). July 2022 (right panel).
Precious metals prices and gold with interest rates

**Sources** Bloomberg; Federal Reserve Bank of St. Louis; Haver Analytics; International Monetary Fund; World Bank.

**Note:** Interest rate is the 10-year U.S. Treasury inflation-indexed security with constant maturity (not seasonally adjusted); inverted scale. Last observation is October 2022.
Agricultural prices

Note: Shaded area corresponds to February 2020 – September 2022 (last observation).
Food commodity prices retreating

**Source:** World Bank.

**Note:** Last observation is October 2022. Wheat is HRW and rice is Thai 5%.
Tight supply conditions for grains, good edible oil crops

Grain supply growth

Edible oil supply growth

Source: U.S. Department of Agriculture (October 2022 update) and World Bank.
Notes: Years represent crop season (for example, 2021 refers to 2021-22). Supply is the sum of beginning stocks and production. Data updated as of October 12, 2022.
Tighter supply conditions and global food inventories

Source: Food Security Portal; Food and Fertilizer Export Restrictions Tracker; U.S. Department of Agriculture (October 2022 update) and World Bank.

Notes: Years represent crop season (for example, 2021 refers to 2021-22). Data updated as of October 12, 2022. Stocks-to-use ratio is the ratio of ending stocks to domestic consumption. First bar for the trade restriction chart shows peak number of countries implementing food export restrictions during each period. Second bar on the right shows the percentage of global calories impacted by export restrictions during each period.
Tighter supply conditions and global food inventories

Source: Food and Agriculture Organization of the United Nations; World Bank; World Food Program.

Notes: EAP = East Asia and Pacific, ECA = Europe and Central Asia, LAC = Latin America and the Caribbean, MNA = Middle East and North Africa, SAR = South Asia, SSA = Sub-Saharan Africa, EMDEs = emerging markets and developing economies. Food inflation for each country is based on the latest month from January to September 2022 for which the food component of the Consumer Price Index data are available. Index on the right panel measures monthly changes in international prices of a basket of food commodities.
Fertilizer prices and affordability

Source: Bloomberg; World Bank.
Notes: DAP = diammonium phosphate. MOP = muriate of potash. mt = metric ton. Monthly data. Last observation is October 2022 (Fertilizer prices). Affordability is defined as the ratio of World Bank’s fertilizer price index to food price index. A higher ratio represents lower fertilizer affordability, and vice versa.
# Price forecasts

## COMMODITY MARKETS OUTLOOK | OCTOBER 2022

### EXECUTIVE SUMMARY

## TABLE 1 World Bank Commodity Price Forecasts

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Unit</th>
<th>2020</th>
<th>2021</th>
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<td>Precious Metals</td>
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<td>Percent change from previous year</td>
<td>59.1</td>
<td>-11.2</td>
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<td>Differences in levels from April 2022 projections</td>
<td>8.1</td>
<td>8.9</td>
<td>-9.8</td>
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<td>-4.7</td>
<td>-0.3</td>
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</table>
Commodity Markets

A Commodity Markets Outlook report examines the commodity markets and their impact on the global economy.

The Commodity Markets Outlook in nine charts

BLOGS

Pink Sheet — October 2022

Commodity Markets Outlook — April 2023

Pink Sheet (Commodity price data)

November 2, 2022

NEWS RELEASE (10/26/22)

English

Commodity Markets Outlook: April 2023

The Commodity Markets Outlook in nine charts

Most commodity prices declined in September — Pink Sheet (10/19/22)

Commodity Markets Outlook - May 2022

The Commodity Markets Outlook in nine charts (10/24/22)

Commodity Markets Outlook - Spring 2022

Precious metal prices pressured by strong interest rates and weaker economic activity (8/11/22)

Beverage commodity markets: Stalemate ahead to weather volatility (5/12/22)

Energy market developments: Coal and natural gas prices reach record highs (7/11/22)

Raw material commodity prices: Stable with some divergence (7/13/22)

Due to energetic impact of the war in Ukraine on commodity markets (7/12/22)

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CONTACT US

commodities@worldbank.org
Real oil prices: Elevated but lower than 1970s and 2000s

US$/bbl, deflated by U.S. CPI (base is January 2022)

1970-2022 average: $63/bbl


Note: Price represents the average Brent, Dubai, and WTI. Last observation is August 2022.
Real coal prices at record high

Note: Price refers to the Australia benchmark. Last observation is August 2022.

US$/mt, deflated by U.S. CPI (base is January 2022)

1970-2022 average: $90/mt
Real wheat prices: Currently at 1970-2022 average

Note: Price represents the US benchmark. Last observation is August 2022.