



COMMODITY PRICE MONITOR

April 2012

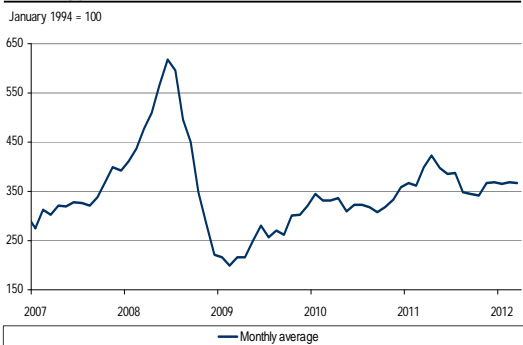
RBC commodity price index



Index excluding energy product prices



Energy products sub-index



RBC's commodity price index is a Fisher chain-weighted index of spot or transaction prices of 24 of the top exported Canadian-produced commodities. The weight of each commodity in the overall index and various sub-indices is determined by its share of export volumes and is updated annually in February.

David Onyett-Jeffries
Economist
416-974-6525
david.onyett-jeffries@rbc.com

Commodity prices retreat slightly in March

The RBC commodity price index posted its first monthly decline of 2012 in March as weakness in energy and metal prices pulled the overall index down 0.4% from February's level. Excluding the impact of energy prices, the index fell by a slightly larger 0.7% in March. The monthly decline pushed the overall index further below its year ago level, down 5.8% compared to March of 2011, the lowest annual rate since October 2009. The index excluding energy was down 4.1% on a year-over-year basis to mark its fourth consecutive decline and largest since September 2009.

- The **energy products sub-index** edged down by 0.2% in March to retrace a portion of the previous month's 0.5% increase. Crude oil prices rose 3.9% in the month to an eleven-month high of US\$106 per barrel, however, this was completely offset by the continued weakness in natural gas prices and a decline in the price of coal. Natural gas prices, which declined by 13.9% in March, have now fallen 38.8% so far through 2012 and sit at their lowest levels since 2001. The sub-index plunged back below its year-ago level after one month above, down 8.0% compared to March 2011.
- The **agricultural products sub-index** increased for the second consecutive month, up 2.2% in March. The price of canola (the sub-index's second most heavily weighted commodity behind wheat) again led the increases among the group, surging 8.4% in the month to bring the price gains to 19% so far year-to-date. Wheat was the only commodity in the grouping to see its price decline, down 1.8% in the month. The sub-index held below the levels seen last year, down 7.3% in on a year-over-year basis in March.
- The **forest products sub-index** rose for the fourth straight month, up 2.9% in March to reach its highest level since July of last year. Lumber prices jumped 6.3% in the month and now are up 22% since November as an improving residential construction backdrop in Canada and the US provide support to demand. Newsprint and pulp prices were unchanged in the month. The sub-index was 6.9% below the level seen in March 2011.
- The **non-precious metals & minerals sub-index** declined by 1.8% in March to reverse most of the previous month's 2.2% increase. Weakness was fairly broad among the prices for the commodities in the grouping, though nickel prices saw a particularly sharp 8.6% drop in the month on rising inventories and expectations that new projects coming on line will further boost supply over the medium-term. The sub-index was below year ago levels in March, down 11.6% on a year-over-year basis.
- The **precious metals sub-index** continued to exhibit volatility on a month-to-month basis, falling 3.7% in March to unwind a portion of February's 5.8% jump. Both gold and silver prices declined reflecting a moderation in investment demand as expectations of further monetary stimulus in the US diminished. The sub-index was up 13.3% compared to March of last year.

Agricultural products sub-index



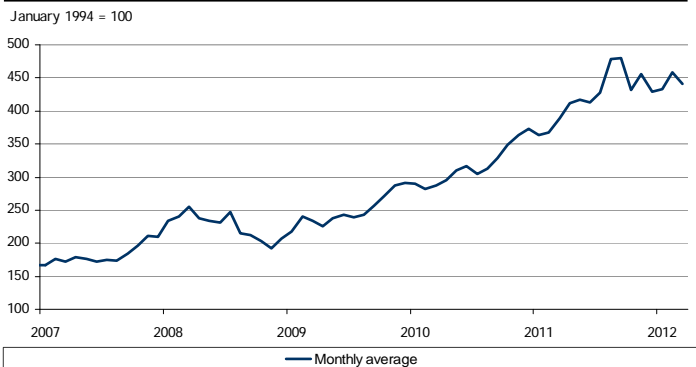
Forest products sub-index



Non-precious metals & minerals sub-index



Precious metals sub-index



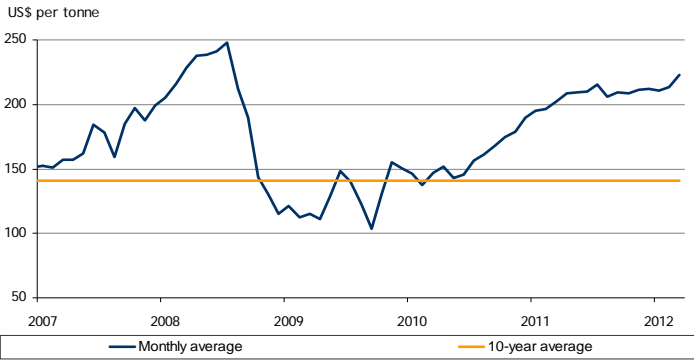
	Period averages								
	2009	2010	2011	Q3-11	Q4-11	Q1-12	Jan-12	Feb-12	Mar-12
Indices									
RBC commodity price index	200.7	252.9	295.1	293.2	281.7	288.9	286.1	290.9	289.7
<i>Month-over-month/quarter-over-quarter % change</i>				-5.1	-3.9	2.5	0.7	1.7	-0.4
<i>Year-over-year % change</i>	-33.1	26.1	16.7	19.0	4.5	-2.6	-1.6	-0.1	-5.8
RBC commodity price index ex. energy	146.6	180.5	213.4	218.8	201.6	207.3	203.9	209.8	208.4
<i>Month-over-month/quarter-over-quarter % change</i>				0.4	-7.9	2.8	2.1	2.9	-0.7
<i>Year-over-year % change</i>	-19.9	23.2	18.2	23.3	1.4	-3.6	-3.8	-2.9	-4.1
Sub-indices									
Agricultural products	115.0	124.4	164.2	163.3	150.2	151.1	148.1	150.9	154.3
<i>Month-over-month/quarter-over-quarter % change</i>				-7.1	-8.0	0.6	-0.2	1.9	2.2
<i>Year-over-year % change</i>	-26.7	8.2	32.0	27.2	3.3	-9.8	-9.8	-12.2	-7.3
Energy products	257.7	327.6	374.3	360.0	359.5	367.1	366.0	368.0	367.4
<i>Month-over-month/quarter-over-quarter % change</i>				-10.4	-0.2	2.1	-0.7	0.5	-0.2
<i>Year-over-year % change</i>	-42.9	27.1	14.3	14.1	6.9	-2.3	-0.2	1.8	-8.0
Forest products	83.3	109.3	111.4	110.2	105.5	108.7	106.4	108.3	111.4
<i>Month-over-month/quarter-over-quarter % change</i>				-0.2	-4.3	3.0	0.2	1.8	2.9
<i>Year-over-year % change</i>	-16.1	31.3	1.9	4.8	-7.4	-8.9	-12.0	-7.8	-6.9
Non-precious metals & minerals	222.0	270.1	309.2	313.4	276.5	288.0	285.6	291.9	286.5
<i>Month-over-month/quarter-over-quarter % change</i>				-2.9	-11.8	4.2	4.6	2.2	-1.8
<i>Year-over-year % change</i>	-27.1	21.7	14.5	19.7	-5.9	-11.2	-10.1	-11.8	-11.6
Precious metals	249.1	317.8	422.1	461.9	438.8	444.1	433.2	458.1	441.1
<i>Month-over-month/quarter-over-quarter % change</i>				11.5	-5.0	1.2	0.9	5.8	-3.7
<i>Year-over-year % change</i>	10.3	27.6	32.8	46.4	21.2	18.9	19.2	24.6	13.3



Commodity prices trends

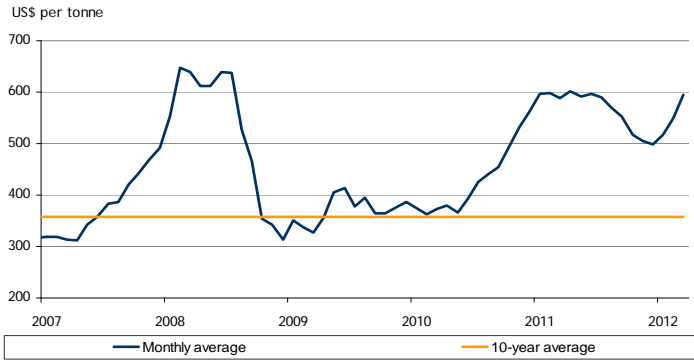
Agricultural products

Barley



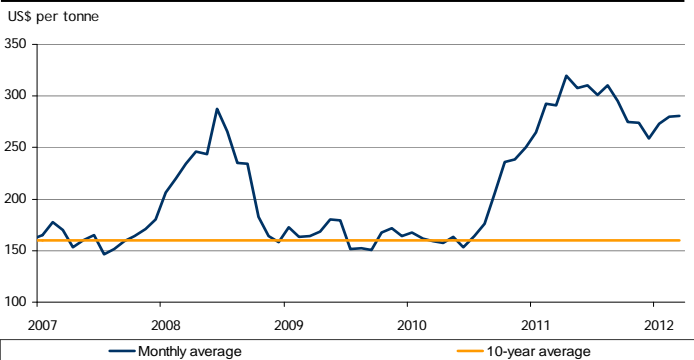
Source: Haver Analytics, RBC Economics Research

Canola



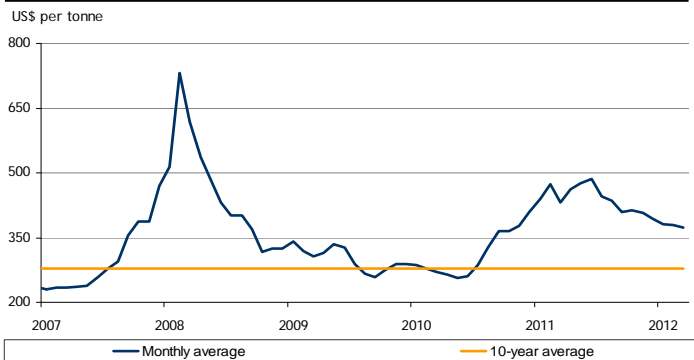
Source: Haver Analytics, RBC Economics Research

Corn



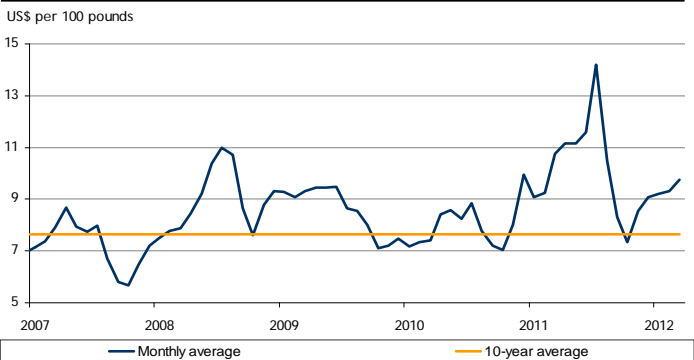
Source: Haver Analytics, RBC Economics Research

Wheat



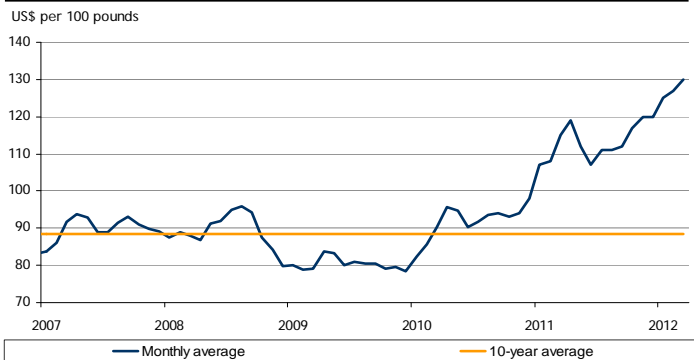
Source: Haver Analytics, RBC Economics Research

Potatoes



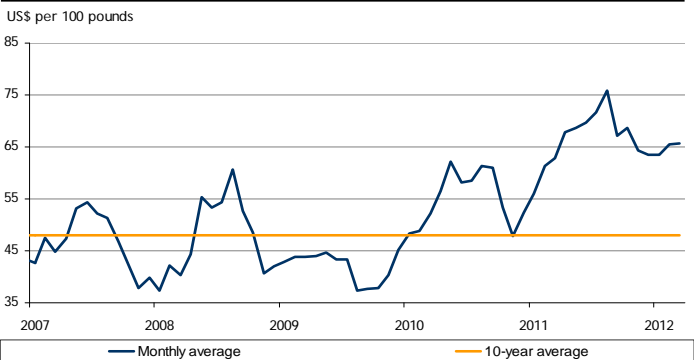
Source: Haver Analytics, RBC Economics Research

Live cattle



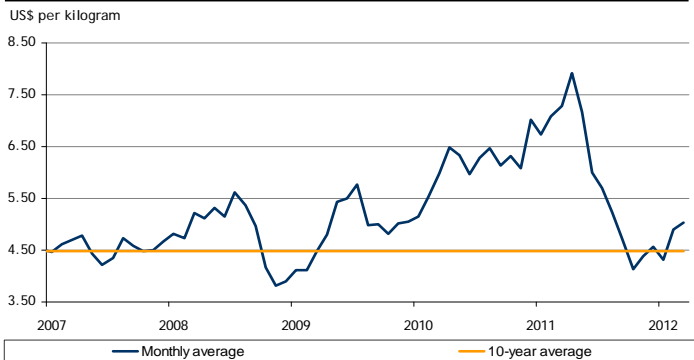
Source: Haver Analytics, RBC Economics Research

Live hogs



Source: Haver Analytics, RBC Economics Research

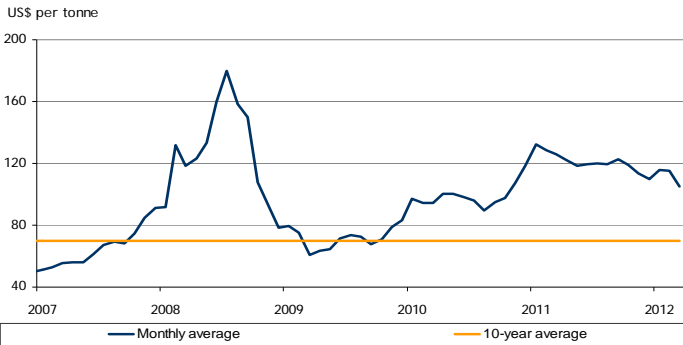
Fresh salmon



Source: Haver Analytics, RBC Economics Research

Energy products

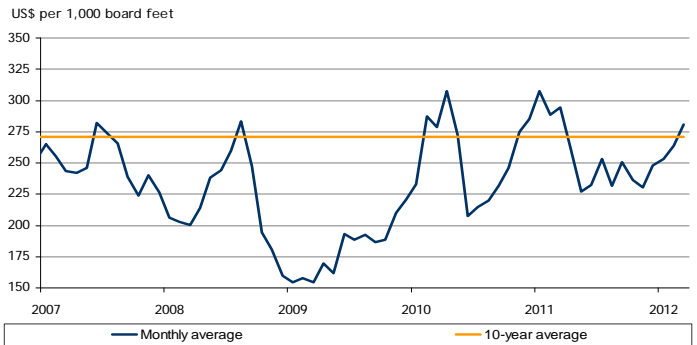
Coal



Source: Haver Analytics, RBC Economics Research

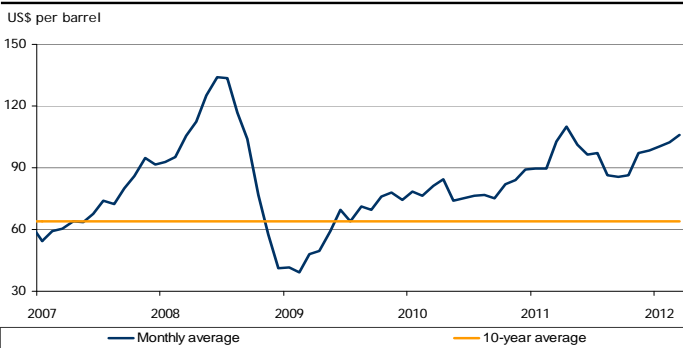
Forest products

Lumber



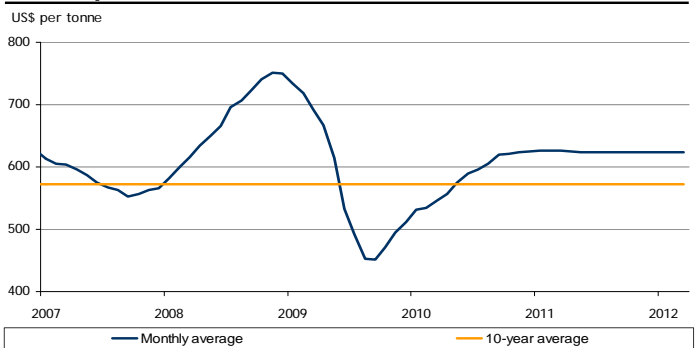
Source: Haver Analytics, RBC Economics Research

Crude oil



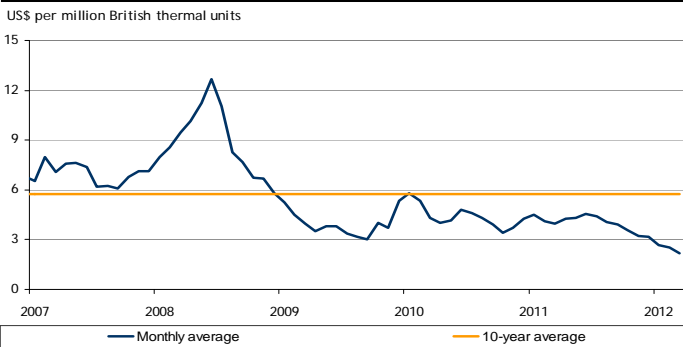
Source: Haver Analytics, RBC Economics Research

Newsprint



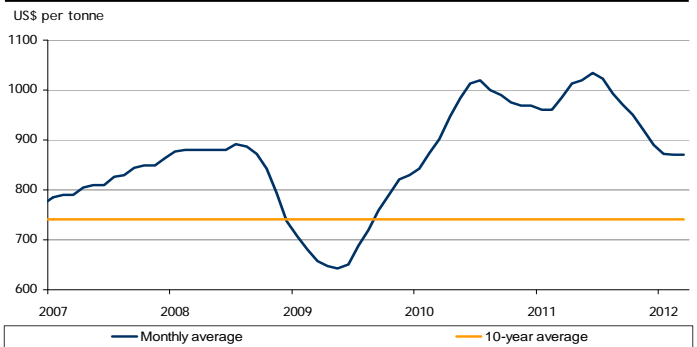
Source: Bloomberg, RBC Economics Research

Natural gas



Source: Haver Analytics, RBC Economics Research

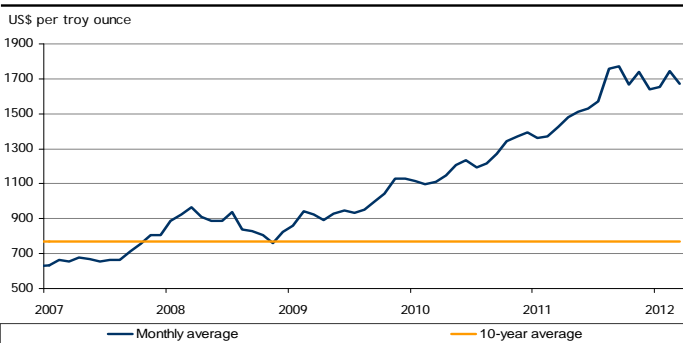
Pulp



Source: Bloomberg, RBC Economics Research

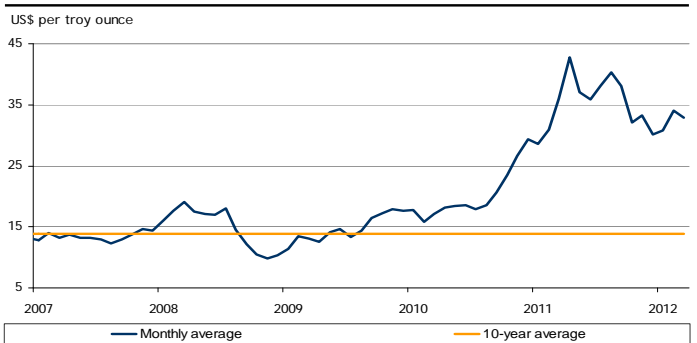
Precious metals

Gold



Source: Haver Analytics, RBC Economics Research

Silver

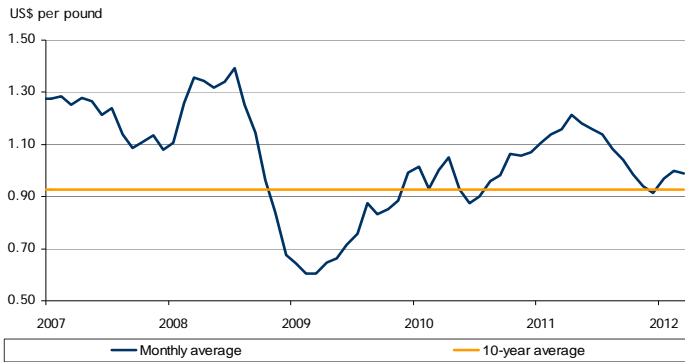


Source: Haver Analytics, RBC Economics Research

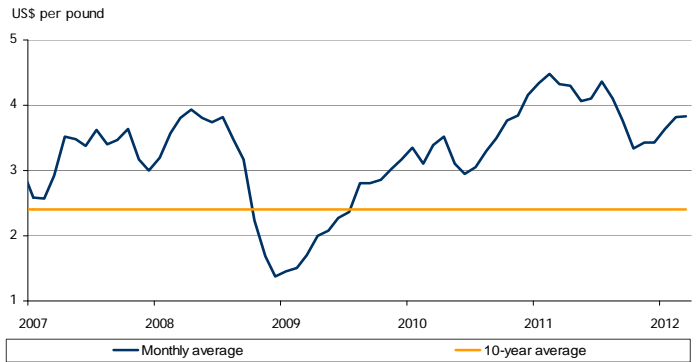
Commodity price trends

Non-precious metals & minerals

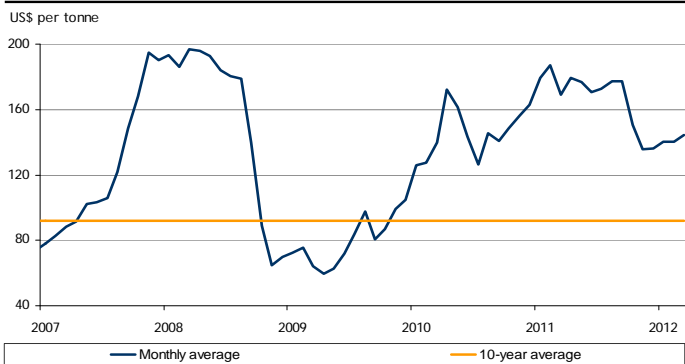
Aluminum



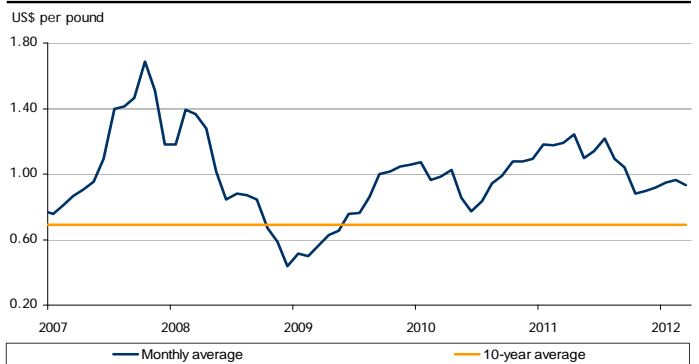
Copper



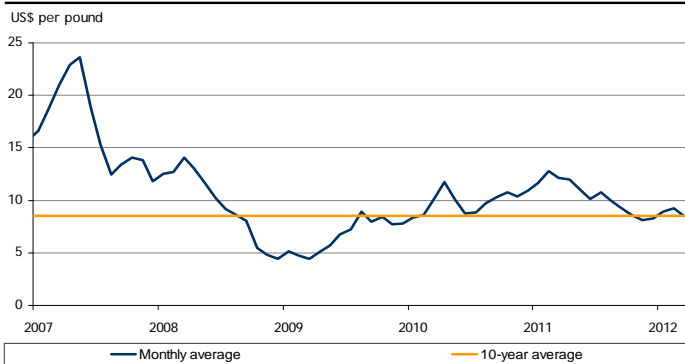
Iron ore



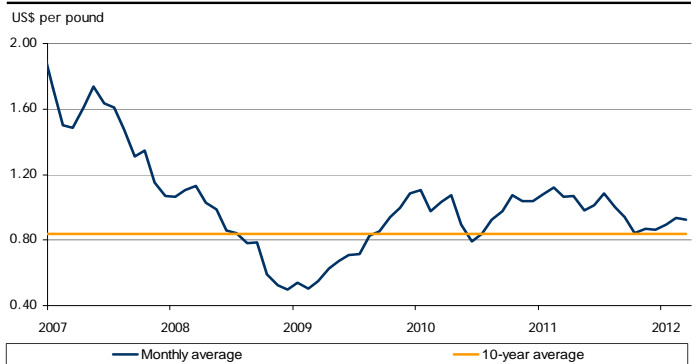
Lead



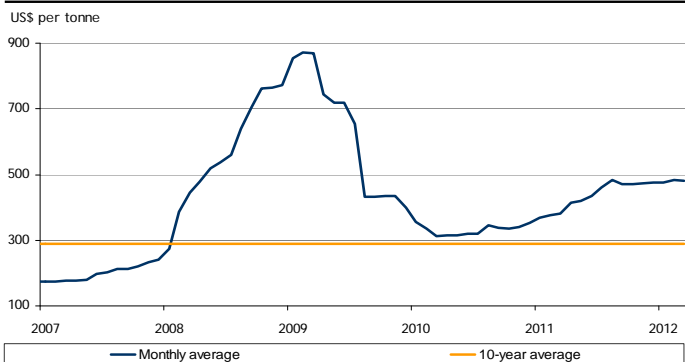
Nickel



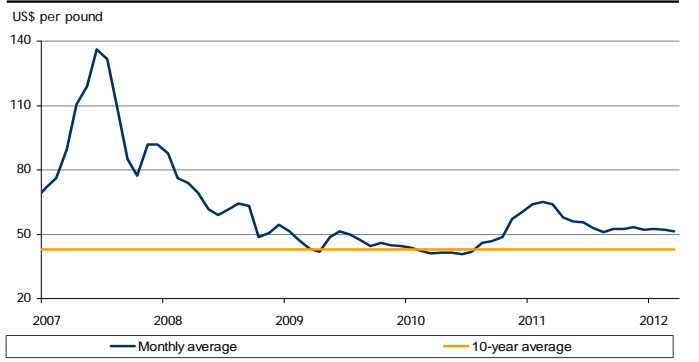
Zinc



Potash



Uranium



Commodity price trends

	Period averages								
	2009	2010	2011	Q3-11	Q4-11	Q1-12	Jan-12	Feb-12	Mar-12
Agricultural products									
Barley (US \$/tonne)	128.3	158.4	207.2	210.4	210.9	215.6	210.6	213.4	222.8
<i>Year-over-year % change</i>	<i>-36.0</i>	<i>23.4</i>	<i>30.8</i>	<i>30.0</i>	<i>16.5</i>	<i>8.8</i>	<i>7.9</i>	<i>8.6</i>	<i>10.0</i>
Canola (US \$/tonne)	371.0	429.5	567.1	570.4	506.9	554.1	517.1	549.5	595.8
<i>Year-over-year % change</i>	<i>-29.8</i>	<i>15.8</i>	<i>32.0</i>	<i>29.5</i>	<i>-4.1</i>	<i>-6.8</i>	<i>-13.4</i>	<i>-8.1</i>	<i>1.3</i>
Corn (US \$/tonne)	165.5	185.9	291.7	302.1	269.3	277.7	272.8	279.5	280.7
<i>Year-over-year % change</i>	<i>-25.8</i>	<i>12.3</i>	<i>56.9</i>	<i>66.2</i>	<i>11.5</i>	<i>-1.8</i>	<i>2.9</i>	<i>-4.6</i>	<i>-3.4</i>
Wheat (US \$/tonne)	300.5	312.4	439.6	429.8	405.2	378.1	381.6	379.9	372.9
<i>Year-over-year % change</i>	<i>-33.9</i>	<i>3.9</i>	<i>40.7</i>	<i>31.8</i>	<i>5.6</i>	<i>-15.8</i>	<i>-13.4</i>	<i>-19.9</i>	<i>-13.8</i>
Potatoes (US \$/cwt)	8.59	8.00	10.08	10.99	8.32	9.43	9.23	9.31	9.74
<i>Year-over-year % change</i>	<i>-3.9</i>	<i>-6.8</i>	<i>26.0</i>	<i>38.3</i>	<i>-0.1</i>	<i>-2.8</i>	<i>1.7</i>	<i>0.5</i>	<i>-9.3</i>
Live cattle (US \$/cwt)	80.4	92.0	113.3	111.3	119.0	127.3	125.0	127.0	130.0
<i>Year-over-year % change</i>	<i>-9.9</i>	<i>14.4</i>	<i>23.1</i>	<i>19.6</i>	<i>25.2</i>	<i>15.8</i>	<i>16.8</i>	<i>17.6</i>	<i>13.0</i>
Live hogs (US \$/cwt)	42.0	55.1	66.5	71.5	65.5	64.9	63.5	65.5	65.7
<i>Year-over-year % change</i>	<i>-11.9</i>	<i>31.1</i>	<i>20.7</i>	<i>18.7</i>	<i>28.1</i>	<i>8.0</i>	<i>13.4</i>	<i>6.7</i>	<i>4.5</i>
Fresh salmon (US \$/kg)	4.92	6.15	5.91	5.21	4.36	4.75	4.31	4.90	5.03
<i>Year-over-year % change</i>	<i>1.5</i>	<i>24.9</i>	<i>-3.9</i>	<i>-17.2</i>	<i>-32.7</i>	<i>-32.5</i>	<i>-36.1</i>	<i>-30.8</i>	<i>-30.9</i>
Energy									
Coal (US \$/tonne)	71.8	99.0	120.9	120.6	114.2	112.0	115.9	115.2	105.1
<i>Year-over-year % change</i>	<i>-43.5</i>	<i>37.8</i>	<i>22.2</i>	<i>28.9</i>	<i>6.1</i>	<i>-13.1</i>	<i>-12.5</i>	<i>-10.3</i>	<i>-16.7</i>
Crude Oil (US \$/barrel)	61.7	79.4	95.1	89.7	94.1	102.9	100.2	102.3	106.2
<i>Year-over-year % change</i>	<i>-38.0</i>	<i>28.7</i>	<i>19.7</i>	<i>17.8</i>	<i>10.6</i>	<i>9.5</i>	<i>12.1</i>	<i>14.1</i>	<i>3.2</i>
Natural Gas (US \$/mmbtu)	3.95	4.39	4.00	4.12	3.32	2.45	2.67	2.51	2.16
<i>Year-over-year % change</i>	<i>-55.4</i>	<i>11.0</i>	<i>-8.9</i>	<i>-3.7</i>	<i>-12.5</i>	<i>-41.5</i>	<i>-40.5</i>	<i>-38.6</i>	<i>-45.6</i>
Forest products									
Lumber (US \$/1000 board ft)	181.5	254.9	255.3	245.2	238.2	265.9	253.5	263.8	280.4
<i>Year-over-year % change</i>	<i>-17.2</i>	<i>40.4</i>	<i>0.1</i>	<i>10.4</i>	<i>-11.3</i>	<i>-10.4</i>	<i>-17.5</i>	<i>-8.7</i>	<i>-4.7</i>
Newsprint (US \$/tonne)	569.4	585.6	624.5	623.3	623.8	623.2	623.3	623.1	623.1
<i>Year-over-year % change</i>	<i>-15.8</i>	<i>2.8</i>	<i>6.7</i>	<i>2.7</i>	<i>0.0</i>	<i>-0.5</i>	<i>-0.4</i>	<i>-0.6</i>	<i>-0.6</i>
Pulp (US \$/tonne)	715.9	957.0	976.8	995.6	920.2	870.6	871.9	870.0	870.0
<i>Year-over-year % change</i>	<i>-16.6</i>	<i>33.7</i>	<i>2.1</i>	<i>-0.8</i>	<i>-5.2</i>	<i>-10.1</i>	<i>-9.2</i>	<i>-9.4</i>	<i>-11.7</i>

Source: Haver Analytics, Bloomberg, RBC Economics Research

Commodity price trends

	Period averages								
	2009	2010	2011	Q3-11	Q4-11	Q1-12	Jan-12	Feb-12	Mar-12
Non-precious metals & minerals									
Aluminum (US \$/lb)	0.76	0.99	1.09	1.09	0.95	0.99	0.97	1.00	0.99
<i>Year-over-year % change</i>	-35.2	30.3	10.2	14.8	-10.8	-13.0	-12.1	-12.1	-14.5
Copper (US \$/lb)	2.34	3.42	4.00	4.07	3.40	3.77	3.65	3.82	3.84
<i>Year-over-year % change</i>	-25.7	46.0	16.9	24.0	-13.3	-13.8	-15.8	-14.6	-11.3
Iron Ore (US \$/tonne)	80.0	145.9	167.8	175.9	140.8	141.8	140.3	140.4	144.7
<i>Year-over-year % change</i>	-48.7	82.4	15.0	28.0	-9.7	-20.6	-21.7	-25.0	-14.6
Lead (US \$/lb)	0.78	0.97	1.09	1.12	0.90	0.95	0.95	0.96	0.93
<i>Year-over-year % change</i>	-17.7	25.0	11.8	21.2	-17.0	-19.6	-19.5	-17.8	-21.4
Nickel (US \$/lb)	6.67	9.89	10.35	10.00	8.30	8.91	8.99	9.28	8.48
<i>Year-over-year % change</i>	-30.1	48.4	4.7	4.0	-22.4	-27.0	-22.7	-27.6	-30.2
Zinc (US \$/lb)	0.75	0.98	0.99	1.01	0.86	0.92	0.90	0.93	0.92
<i>Year-over-year % change</i>	-11.3	30.1	1.5	10.5	-18.0	-15.4	-16.5	-16.5	-13.4
Potash (US \$/tonne)	630.4	331.9	435.3	471.3	473.0	479.8	476.3	483.0	480.0
<i>Year-over-year % change</i>	10.6	-47.4	31.2	41.0	37.8	28.2	29.6	28.8	26.3
Uranium (US \$/lb)	46.7	46.0	56.3	52.0	52.6	51.9	52.5	52.0	51.3
<i>Year-over-year % change</i>	-27.3	-1.5	22.6	15.8	-5.2	-19.1	-17.8	-20.0	-19.5
Precious metals									
Gold (US \$/ounce)	972.3	1224.3	1570.5	1702.3	1683.3	1690.7	1656.9	1743.1	1673.8
<i>Year-over-year % change</i>	11.5	25.9	28.3	38.8	23.1	21.9	21.9	27.1	17.5
Silver (US \$/ounce)	14.7	20.2	35.3	38.9	31.9	32.6	30.9	34.1	32.9
<i>Year-over-year % change</i>	-2.3	37.1	75.4	104.7	20.9	2.0	8.1	10.5	-8.4

Source: Haver Analytics, Bloomberg, RBC Economics Research

The material contained in this report is the property of Royal Bank of Canada and may not be reproduced in any way, in whole or in part, without express authorization of the copyright holder in writing. The statements and statistics contained herein have been prepared by RBC Economics Research based on information from sources considered to be reliable. We make no representation or warranty, express or implied, as to its accuracy or completeness. This publication is for the information of investors and business persons and does not constitute an offer to sell or a solicitation to buy securities.

