



RBC commodity price index



Source: RBC Economics Research

Index excluding energy product prices



Source: RBC Economics Research

Energy products sub-index



Source: RBC Economics Research

COMMODITY PRICE MONITOR

May 18, 2018

Commodity price index rose in April

The RBC commodity price index rose 3.3% in April to fully reverse the two prior monthly declines. The monthly gain was due primarily to strength in the energy products and forest products sub-indices. The overall index was 18.6% higher than a year earlier. The index ex-energy also rose 1.9% in April and was 15.4% higher than a year ago.

- The **energy products sub-index** surged 4.8% higher in April. The sub-index was pushed higher in April by crude oil and natural gas price gains which rose 5.6% and 3.7%, respectively. Crude oil prices may have been lifted by speculation that Iranian sanctions on oil could be re-established.¹ One interesting stat, shows in the month prior to the sanctions being lifted in the January 2016, crude oil prices fell 12.8%. Natural gas prices climbed in April due to colder than usual weather.² The energy products sub-index was 22.5% higher than a year-ago in April.
- The **agricultural products sub-index** fell 1.0% in April. Preliminary numbers from Statistics Canada reported an increase in the intended total planting area of barley.³ This could be in response to barley's steady price appreciation since the beginning of 2017. Compared to a year-ago the agriculture products sub-index was up 11.7%.
- The **forest products sub-index** continued its ascent, rising 3.9% in April. The sub-index remained at record levels in the month and since January 2016 has climbed 76.8%. Price gains were widespread among all sub-components. Lumber prices reached new records (again) as demand continues to outpace supply leading into the summer home construction season.⁴
- The **non-precious metals & minerals sub-index** rose 2.1% in April. The top performers in the sub-index were aluminum (+8.0%) and nickel (+4.0%). Nickel prices were 44.1% higher than a year-ago. The non-precious metals and minerals sub-index was 12.7% higher than a year earlier.
- The **precious metals sub-index** rose a modest 0.8% in April. The sub-index has remained relatively steady thus far in 2018.

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 exports and is updated annually in February.

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Agricultural products sub-index



Forest products sub-index



Non-precious metals & minerals sub-index



Precious metals sub-index



	Period averages								
	2015	2016	2017	Q3-17	Q4-17	Q1-18	Feb-18	Mar-18	Apr-18
Indices									
RBC commodity price index	180.7	172.8	201.4	200.2	215.0	232.1	230.5	229.3	236.8
<i>Month-over-month/quarter-over-quarter % change</i>				3.1	7.4	8.0	-2.6	-0.5	3.3
<i>Year-over-year % change</i>	-32.7	-4.4	16.5	11.5	14.8	18.3	14.9	18.0	18.6
RBC commodity price index ex. energy	158.3	157.5	178.2	181.5	189.1	198.8	200.3	198.0	201.8
<i>Month-over-month/quarter-over-quarter % change</i>				5.1	4.2	5.2	1.0	-1.2	1.9
<i>Year-over-year % change</i>	-13.9	-0.5	13.1	12.5	17.9	17.4	15.3	15.4	15.4
Sub-indices									
Agricultural products	121.5	112.6	124.9	131.1	128.3	130.0	128.8	130.8	129.4
<i>Month-over-month/quarter-over-quarter % change</i>				7.6	-2.1	1.3	-1.2	1.6	-1.0
<i>Year-over-year % change</i>	-14.5	-7.3	10.9	20.6	13.1	10.1	8.4	12.6	11.7
Energy products	191.1	172.9	206.1	197.7	221.4	247.6	241.8	242.2	253.8
<i>Month-over-month/quarter-over-quarter % change</i>				0.4	12.0	11.9	-6.6	0.2	4.8
<i>Year-over-year % change</i>	-45.8	-9.5	19.2	8.5	9.8	18.9	14.2	21.5	22.5
Forest products	111.8	119.0	146.2	147.5	163.7	177.5	179.6	180.7	187.9
<i>Month-over-month/quarter-over-quarter % change</i>				3.3	11.0	8.4	4.4	0.6	3.9
<i>Year-over-year % change</i>	-14.7	6.4	22.9	19.1	33.7	35.5	30.7	34.3	28.2
Non-precious metals & minerals	185.4	170.7	191.2	193.4	200.8	210.6	213.5	204.7	209.0
<i>Month-over-month/quarter-over-quarter % change</i>				7.4	3.8	4.9	-0.1	-4.1	2.1
<i>Year-over-year % change</i>	-16.1	-7.9	12.0	12.9	13.7	10.6	10.2	6.1	12.7
Precious metals	293.8	316.7	318.6	322.8	321.8	334.1	334.3	332.7	335.3
<i>Month-over-month/quarter-over-quarter % change</i>				1.2	-0.3	3.8	-0.3	-0.5	0.8
<i>Year-over-year % change</i>	-9.2	7.8	0.6	-5.4	3.8	7.4	6.0	6.0	3.9

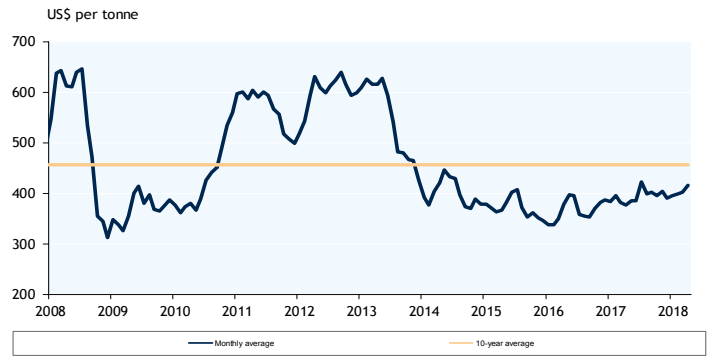
Commodity prices trends

Agricultural products

Barley



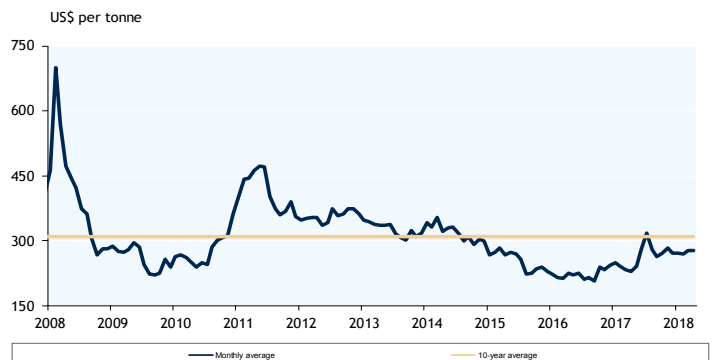
Canola



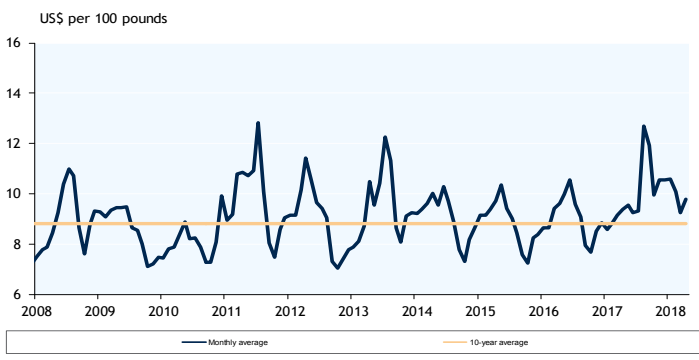
Corn



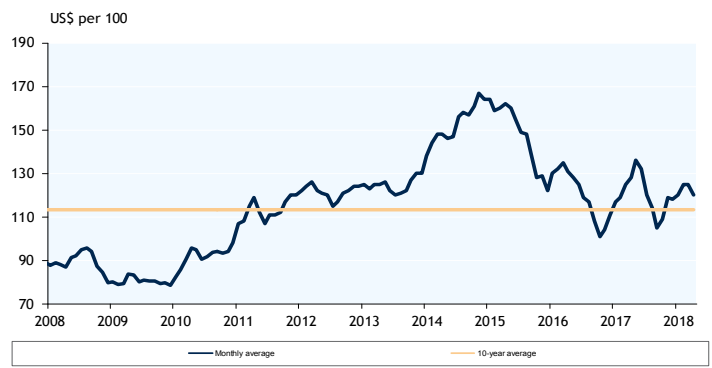
Wheat



Potatoes



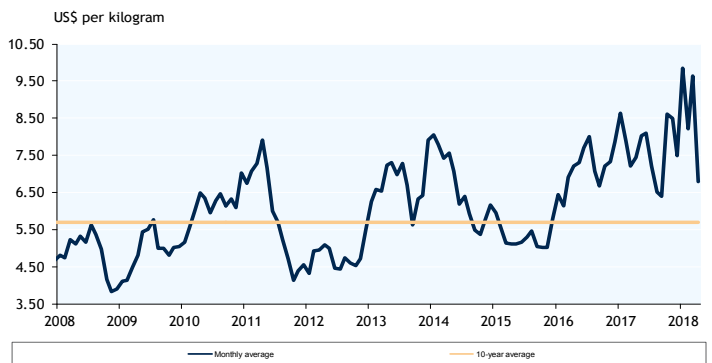
Live cattle



Live hogs

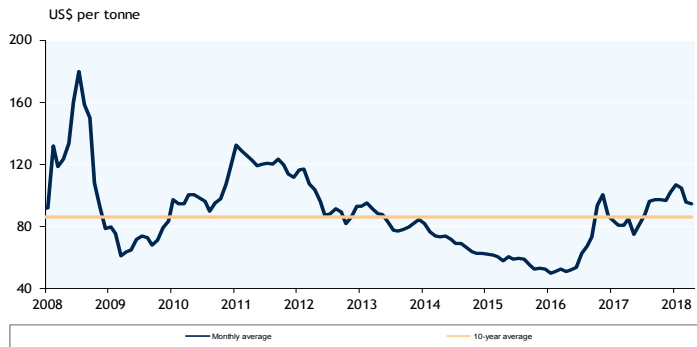


Fresh salmon



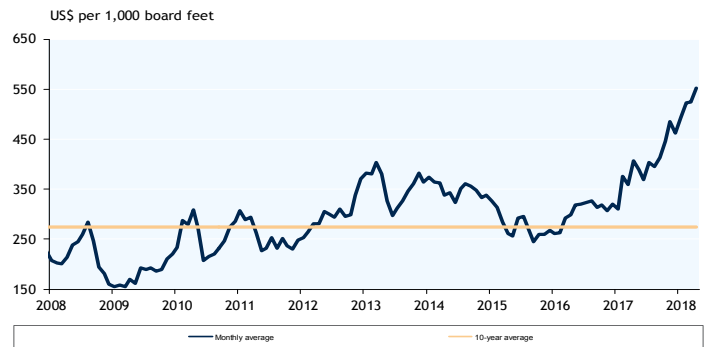
Energy products

Coal

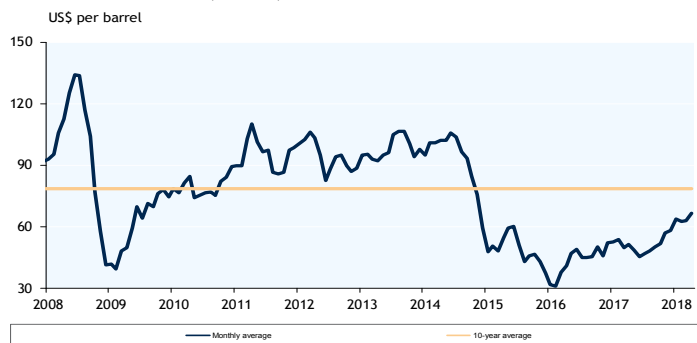


Forest products

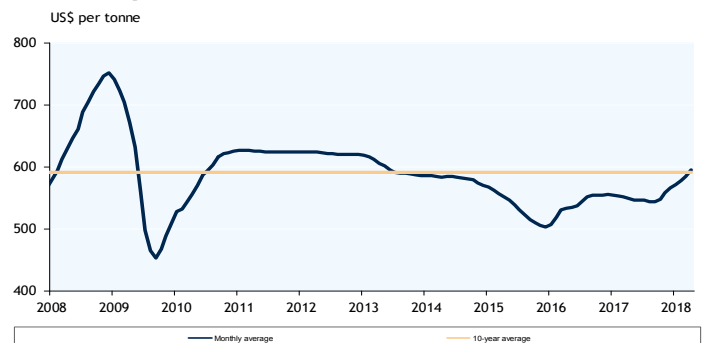
Lumber



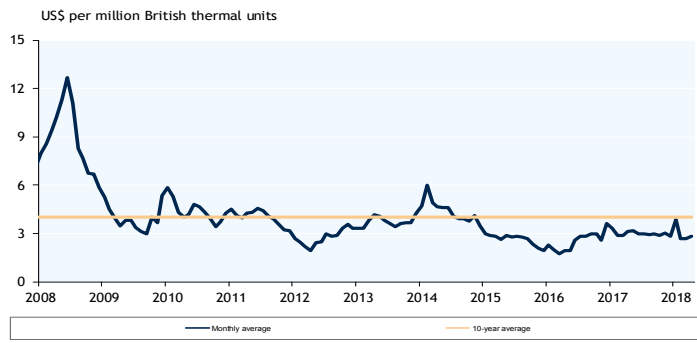
Crude oil (WTI)



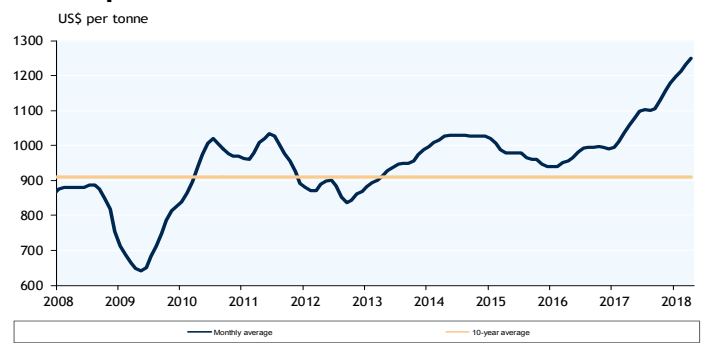
Newsprint



Natural gas

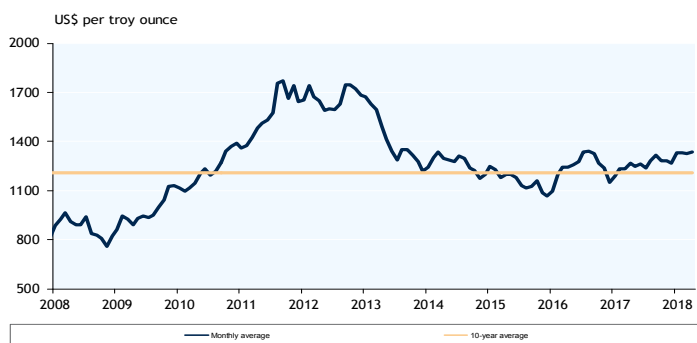


Pulp



Precious metals

Gold



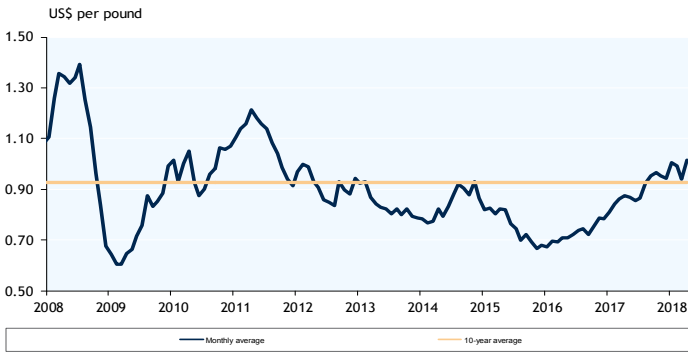
Silver



Commodity price trends

Non-precious metals & minerals

Aluminum



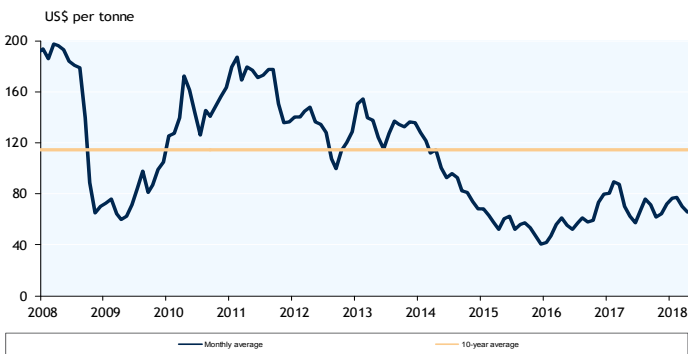
Source: Haver Analytics, RBC Economics Research

Copper



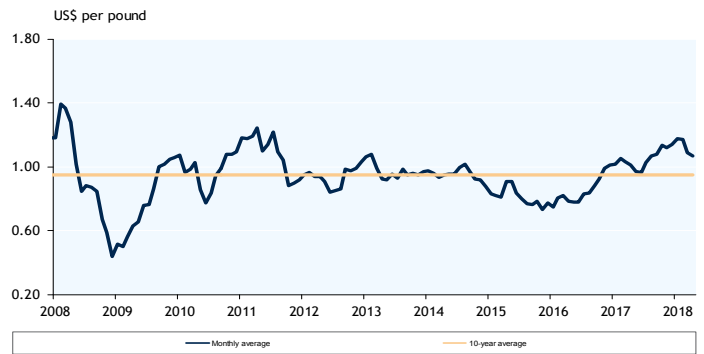
Source: Haver Analytics, RBC Economics Research

Iron ore



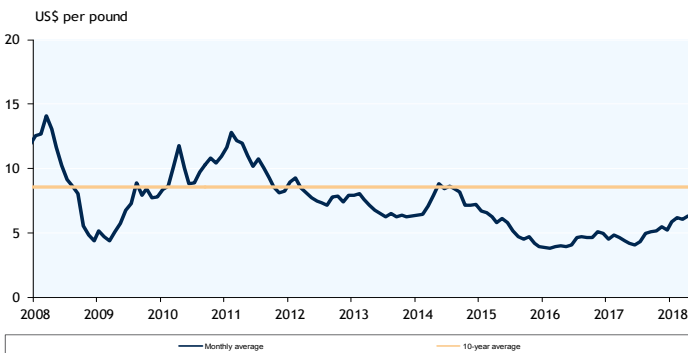
Source: Haver Analytics, RBC Economics Research

Lead



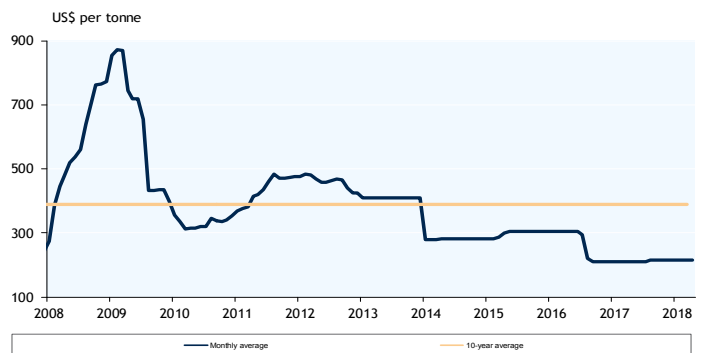
Source: Haver Analytics, RBC Economics Research

Nickel



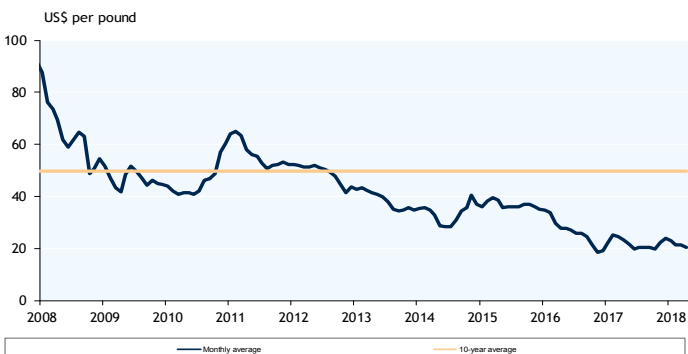
Source: Haver Analytics, RBC Economics Research

Potash



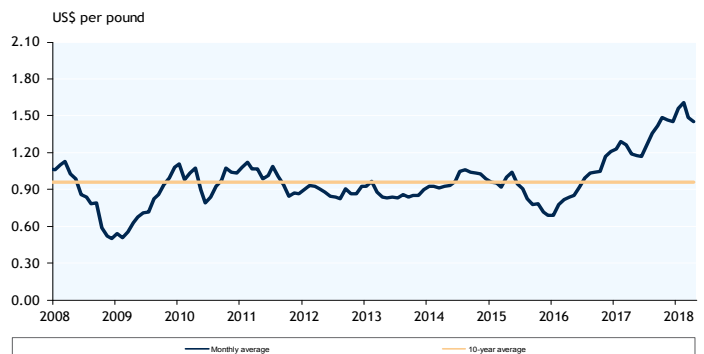
Source: Haver Analytics, RBC Economics Research

Uranium



Source: Haver Analytics, RBC Economics Research

Zinc



Source: Haver Analytics, RBC Economics Research

	Period averages								
	2015	2016	2017	Q3-17	Q4-17	Q1-18	Feb-18	Mar-18	Apr-18
Agricultural products									
Barley (US \$/tonne)	213.6	189.0	186.7	199.3	214.5	226.5	222.9	236.4	236.4
Year-over-year % change	16.2	-11.5	-1.2	16.0	28.2	41.9	41.9	49.9	45.7
Canola (US \$/tonne)	370.7	366.0	393.2	407.6	396.4	398.2	398.4	401.5	415.9
Year-over-year % change	-7.3	-1.3	7.4	14.8	4.6	2.9	0.8	5.2	10.5
Corn (US \$/tonne)	169.8	159.2	154.5	151.1	148.8	163.7	163.4	172.0	175.6
Year-over-year % change	-12.0	-6.2	-2.9	-1.5	-2.2	1.9	0.3	8.2	12.2
Wheat (US \$/tonne)	252.7	221.9	262.8	286.8	274.8	272.6	268.4	277.7	277.4
Year-over-year % change	-20.8	-12.2	18.4	36.4	15.5	13.6	11.6	19.9	21.0
Potatoes (US \$/cwt)*	8.84	9.04	9.97	11.30	10.35	9.95	10.07	9.24	9.79
Year-over-year % change	-2.3	2.3	10.3	20.4	-8.4	-3.9	14.2	1.2	4.4
Live cattle (US \$/cwt)	147.9	120.1	120.2	113.0	115.3	123.3	125.0	125.0	120.0
Year-over-year % change	-3.2	-18.8	0.1	-1.5	9.5	2.5	5.0	0.0	-6.3
Live hogs (US \$/cwt)	53.5	49.6	53.6	59.2	48.6	52.4	54.6	50.0	45.3
Year-over-year % change	-30.6	-7.3	8.0	11.2	17.9	1.0	0.4	-5.7	-6.4
Fresh salmon (US \$/kg)*	5.31	7.15	7.67	6.70	8.20	9.23	8.21	9.63	6.79
Year-over-year % change	-19.6	34.8	7.2	-7.5	9.9	16.6	4.1	33.8	-8.7
Energy									
Coal (US \$/tonne)	57.5	65.9	88.4	93.4	98.6	102.4	104.7	95.7	94.2
Year-over-year % change	-18.0	14.5	34.2	38.4	5.9	25.6	30.2	18.8	11.3
Crude Oil (US \$/barrel)	48.7	43.2	50.9	48.2	55.4	62.9	62.2	62.8	66.3
Year-over-year % change	-47.7	-11.3	17.8	7.3	12.6	21.3	16.4	26.8	29.7
Natural Gas (US \$/mmbtu)	2.61	2.49	2.96	2.95	2.90	3.08	2.67	2.69	2.80
Year-over-year % change	-40.2	-4.6	18.8	2.7	-4.5	2.3	-6.3	-6.6	-9.7
Forest products									
Lumber (US \$/1000 board ft)	277.3	305.0	400.9	403.8	464.2	513.3	523.2	524.2	552.0
Year-over-year % change	-20.6	10.0	31.4	25.8	47.4	47.6	39.6	45.9	35.8
Newsprint (US \$/tonne)	533.9	539.4	550.3	544.4	557.0	577.8	577.5	584.4	595.1
Year-over-year % change	-8.1	1.0	2.0	-0.9	0.5	4.5	4.5	6.0	8.5
Pulp (US \$/tonne)	975.2	974.9	1087.6	1102.4	1155.7	1213.5	1212.7	1230.1	1248.4
Year-over-year % change	-4.7	0.0	11.6	10.9	16.2	19.7	20.0	18.8	18.0

Source: Haver Analytics, Bloomberg, RBC Economics Research; * latest potato & salmon price based on percent change in BLS PPI index

Commodity price trends

Period averages

	2015	2016	2017	Q3-17	Q4-17	Q1-18	Feb-18	Mar-18	Apr-18
Non-precious metals & minerals									
Aluminum (US \$/lb)	0.75	0.73	0.89	0.91	0.95	0.98	0.99	0.94	1.02
Year-over-year % change	-11.0	-3.4	22.7	24.2	22.9	16.6	17.7	9.2	16.3
Copper (US \$/lb)	2.49	2.21	2.80	2.88	3.09	3.16	3.18	3.08	3.10
Year-over-year % change	-19.9	-11.5	26.8	33.0	29.0	19.4	17.8	16.7	20.0
Iron Ore (US \$/tonne)	55.9	58.4	71.8	71.8	66.1	74.7	77.5	70.4	65.8
Year-over-year % change	-42.4	4.6	22.8	22.4	-6.6	-13.0	-13.4	-19.7	-6.4
Lead (US \$/lb)	0.81	0.85	1.05	1.06	1.13	1.14	1.17	1.09	1.07
Year-over-year % change	-14.8	4.7	23.9	24.7	16.0	10.7	11.2	5.3	5.7
Nickel (US \$/lb)	5.35	4.36	4.72	4.77	5.25	6.02	6.16	6.08	6.32
Year-over-year % change	-30.0	-18.6	8.4	2.6	7.2	29.3	27.9	31.0	44.1
Zinc (US \$/lb)	0.87	0.95	1.31	1.34	1.47	1.55	1.61	1.49	1.45
Year-over-year % change	-10.9	8.6	38.3	31.4	28.6	23.1	24.3	17.9	21.2
Potash (US \$/tonne)	299.1	264.9	212.1	214.3	216.0	216.0	216.0	216.0	216.0
Year-over-year % change	6.2	-11.4	-19.9	-10.9	3.3	3.3	3.3	3.3	3.3
Uranium (US \$/lb)	36.8	26.3	21.9	20.3	21.9	21.9	21.4	21.4	20.5
Year-over-year % change	9.8	-28.4	-16.7	-5.4	8.0	-0.1	-14.5	-12.8	-11.5
Precious metals									
Gold (US \$/ounce)	1158.8	1250.1	1257.8	1278.2	1275.5	1328.8	1330.7	1324.6	1334.8
Year-over-year % change	-8.5	7.9	0.6	-4.2	4.6	9.0	7.8	7.6	5.4
Silver (US \$/ounce)	15.7	17.2	17.1	16.9	16.7	16.7	16.6	16.5	16.6
Year-over-year % change	-17.7	9.4	-0.7	-14.2	-2.7	-4.3	-7.5	-6.5	-7.7

Source: Haver Analytics, Bloomberg, RBC Economics Research

^{1,2} U.S. Energy Information Administration, *Short-Term Energy Outlook*, May 2018.

³ Statistics Canada, *Principal field crop areas, March 2018*, April 27, 2018.

⁴ RBC Capital Markets, *Paper, Packaging and Forest Products*, April 29, 2018.

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