Commodities Treading Carefully

A Publication of BMO Capital Markets Economic Research • Douglas Porter, CFA, Chief Economist, BMO Financial Group

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Quarterly Forecast Update Edition

Macroeconomic Developments:

- Commodity markets have displayed notable resilience to recent geopolitical turmoil and U.S. policy uncertainty. Still, prices are subject to a range of outstanding risks, of which tariffs remain front and centre.
- After an initial price spike, the Israel-Iran war quickly moved to the rearview and the oil market's focus returned to whether OPEC+ will further accelerate the unwinding of production cuts, which would add to oversupply concerns.
- Both precious and base metals have benefitted from the weaker U.S. dollar. China remains a key swing factor, with the potential for disappointment on both stimulus expectations and trade talks.
- BMO Economics forecast for global growth has been revised up a tick to 2.8% in 2025, but remains at 2.9% in 2026, as trade tensions have continued to ease. Both years are a bit below average growth.

Commodity Forecast Highlights: [Quarterly Commentary Starting on Page 2]

- The **BMO Capital Markets Commodity Price Index** popped 4.4% in June due to the brief surge in oil prices.
- **Energy:** We recently nudged up our 2025 forecast for WTI to US$67/bbl (from $63) to account for the Israel-Iran war-related spike in prices, but we have maintained our projection at $65 for 2026. No change in the natural gas forecast.
- **Metals:** Gold and silver price forecasts raised reflecting investor preference for safe havens beyond the U.S. dollar. The weaker dollar and tight inventories are also helping base metals, though tariff risk remains central. Nickel outlook lowered due to persistent oversupply and weak sentiment.
- **Forest Products:** Lumber forecast unchanged. Looking through near-term noise from tariff-related uncertainty and looming increases in U.S. import duties, demand conditions remain relatively weak.
- **Agriculture:** The outlook for crop prices remains weak, with trade risks and elevated supply to remain significant near-term impediments. Livestock forecasts lifted amid continued scarcity in the cattle space.

Commodity Price Outlook

Commodity		2024	2025f	2026f
Crude Oil [a]	US$/bbl	76.10	67.00 ↑	65.00
Natural Gas [b]	US$/mmbtu	2.19	3.75	3.50
Canola	US$/tonne	448	470 ↑	510
Wheat	US$/bushel	5.72	5.60 ↓	6.60 ↓
Corn	US$/bushel	4.24	4.60 ↓	5.20 ↓
Soybeans	US$/bushel	11.02	10.60	12.10
Cattle	US$/cwt	183.68	205.00 ↑	190.00 ↑
Hogs	US$/cwt	84.89	90.00 ↑	95.00

Commodity		2024	2025f	2026f
Gold	US$/oz	2,387	3,150 ↑	3,000 ↑
Silver	US$/oz	28.24	33.50 ↑	31.50 ↑
Aluminum	US$/lb	1.10	1.12	1.15
Copper	US$/lb	4.15	4.25	4.35 ↑
Nickel	US$/lb	7.63	7.00 ↓	7.30 ↓
Zinc	US$/lb	1.26	1.25	1.25
Lumber	US$/mbf	413	470	450

Sources: BMO Economics, Haver Analytics, Bloomberg, Madison's Lumber Reporter

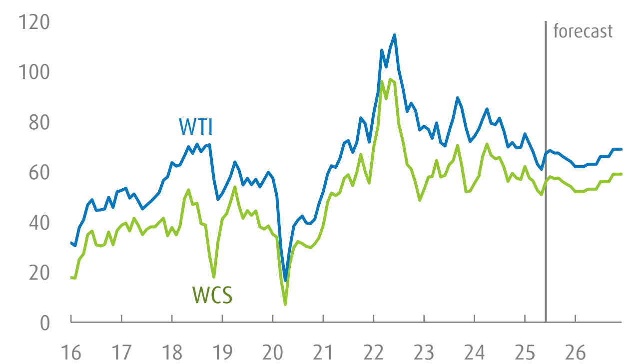
f = forecast; ↑, ↓ = forecast changes from last month; [a] WTI; [b] Henry Hub

Quarterly Forecast Update

Energy: The latest geopolitical-driven roller-coaster ride in crude oil prices demonstrates again that it is one of the most volatile commodities in the world. Overall, the outlook for prices remains quite cloudy given the array of risks facing the oil market, namely a potential re-escalation in hostilities between Israel and Iran, greater OPEC+ production, and ongoing U.S. tariff-related recession fears. Thus, we think that the balance of risks to our current forecast for **West Texas Intermediate (WTI)** crude to average US$67/bbl in 2025 (or $66 in H2/25) and $65 in 2026 remains on the downside.

Chart 1
Crude Oil Prices

(US$/barrel : monthly avg.)



Sources: BMO Economics, Haver Analytics

One cannot discount the possibility of the Middle East risk premium reigniting given uncertainty over whether the current ceasefire between Israel and Iran will hold. Nonetheless, the two-week war has demonstrated that the risk of Iran imposing some type of blockade in the Strait of Hormuz (e.g., attacking tankers or deploying naval mines) is very low. First, disrupting the strait would cut off Iran's ability to export its own crude oil and would cut heavily into the government's fiscal revenue. Secondly, doing so would likely draw the U.S. further into the conflict, as a surge in oil prices would upset President Trump given his stated desire for lower energy prices. A sharp, sustained rise in crude oil prices would also increase the risk of a U.S./global recession, a scenario that President Trump would likely feel compelled to thwart.

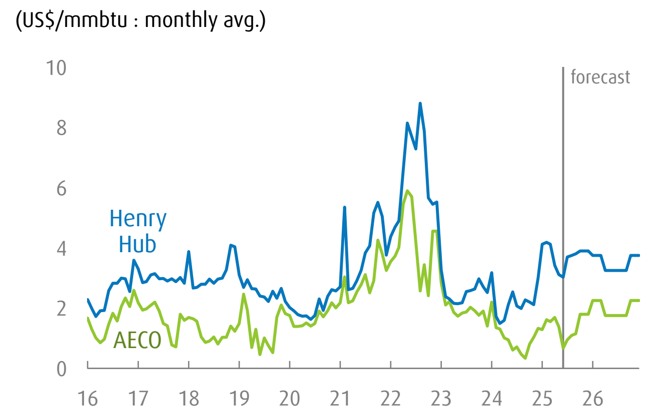
Indeed, recession fears already forced President Trump to hit the pause button on his reciprocal tariff plan on April 9 as global financial markets were tumbling (e.g., bond yields rising and stock prices falling). Now, there is speculation that the three-month pause on reciprocal tariffs could be extended. Nonetheless, the outlook for global oil demand remains sluggish, with the International Energy Agency (IEA) forecasting an average increase of 720 kb/d in 2025 and 740 kb/d in 2026 (vs. 900 kb/d in 2024). We still think risks to these projections are tilted to the downside due to fast-changing developments in China, where demand for crude oil may be close to peaking. Beyond surging electric vehicle demand, the rapid expansion of China's high-speed rail network and greater reliance on LNG-fueled trucks is increasingly curbing demand for motor vehicle gasoline and jet fuel.

The biggest surprise this year has been the big shift in OPEC+ supply strategy. This has resulted in the cartel unexpectedly accelerating the unwinding of the 2.2 mb/d in voluntary cuts of crude output, leading to global oil supply outpacing demand. The reason for the change is not exactly clear, but there are three factors commonly cited to explain it. The first is a purported desire to punish those cartel members that have been repeatedly producing above their quota, namely Iraq and Kazakhstan. The second revolves around Saudi Arabia's aim to regain/defend market share from non-OPEC+ producers. The third is to simply appease President Trump given many cartel members, notably Saudi Arabia and the UAE, rely on America for their defence security. This last factor seems to be having the largest impact as the over-producers continue to over-produce, while lower crude oil prices are offsetting the benefits of greater market share. Another factor adding to oversupply concerns is that new incremental non-OPEC+ supply is rising, notably in Canada, Brazil, Guyana and Norway.

The outlook for **Western Canadian Select (WCS)**—Canada's key heavy oil blend—remains encouraging. The discount of WCS to WTI narrowed to just under US$9.50/bbl in Q2/25, compared to its long-run average of $15. This stands in stark contrast to fears in early February that the discount would widen significantly, when President Trump had indicated that he was considering imposing a 25% tariff on imports of Canadian energy. WCS appears to be benefitting from a confluence of factors that have led to a tightening of global heavy oil supply, particularly in America. First, Mexican crude oil exports to the U.S. have been declining (-30% y/y to 454 kb/d in April) and are expected to continue to do so as domestic production is diverted to the new Olmeca refinery in the state of Tabasco. In addition, U.S. imports from Venezuela, which are also of the heavy oil variety, are set to drop off (-18% y/y to 175 kb/d in April) following Trump's decision to revoke the license for Chevron to produce in the country. Second, tighter U.S. sanctions appear to be having a greater effect on Russia's ability to ship crude oil exports abroad. Although the U.S. doesn't import from Russia, we are hearing that small independent refiners in China (teapots) have become increasingly wary of buying Russian crude. Third, the opening of the Trans Mountain pipeline expansion a year ago has increased export capacity. This is allowing Canadian producers to obtain prices, particularly in shipments to China, that are not much different than exporting to America.

The outlook for natural gas remains constructive in the face of ongoing tariff uncertainties. **Henry Hub**—the North American benchmark—averaged US$3.19/mmbtu in Q2/25, following a cold weather-driven average of $4.15 in Q1. Although it's difficult to confidently predict the weather this summer, the early signs suggest it could be a very hot one across the Northern Hemisphere. Southern Europe, the U.S., China and Japan have already been experiencing punishing heat waves. As a result, we remain comfortable with our annual forecast for Henry Hub of $3.75 in 2025 (or nearly $3.85 in H2/25) and $3.50 in 2026. However, we acknowledge that risks to our forecasts, particularly in 2026, appear to be tilted to the upside.

Chart 2
Natural Gas Prices



Sources: BMO Economics, Haver Analytics, Bloomberg

Indeed, the U.S. Energy Information Administration's (EIA) latest projection has Henry Hub averaging $4.90 in 2026. Such optimism largely stems from the view that new LNG export terminals will help absorb greater North American natural gas production and, in turn, allow producers to take advantage of higher global natural gas/LNG prices. Title Transfer Facility—Europe's natural gas benchmark—is currently hovering around US$11.50/mmbtu, while LNG cargoes in East Asia are around $13.00. These price levels are generally profitable for North American LNG exporters. Plaquemines LNG Phase 2, Corpus Christi Stage III and Golden Pass LNG are set to ramp up in the coming quarters, with the EIA last estimating U.S. LNG export capacity rising by 19% to 14.2 bcf/d in 2025 and a further 15% to 16.4 bcf/d in 2026. And lest one forget, LNG Canada is also set to ramp up operations, adding around 2.0 bcf/d in export capacity. However, increased access/exposure to the global/overseas LNG market also raises risks, as Henry Hub will become more tied to other prices around the world, which will likely increase price volatility. Indeed, the key factor that makes us more cautious on the outlook for the price of Henry Hub next year is that new global natural gas supply remains robust (e.g., U.S., Canada, Qatar). The EIA reported U.S. dry natural gas production has been growing around 4.5% y/y in recent weeks.

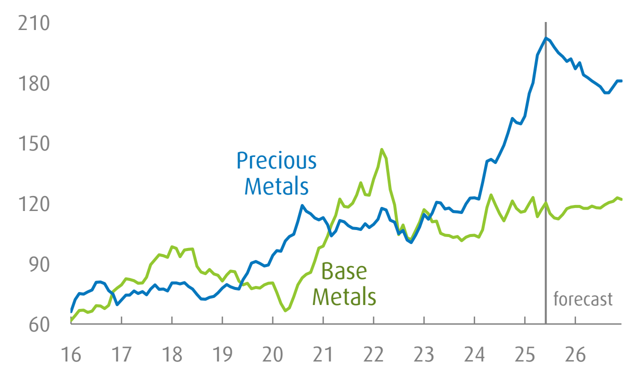
Meanwhile, the price of **AECO**—the natural gas benchmark for Western Canada—has slumped, averaging just below US$0.70/mmbtu over the past month. In tandem, the widely watched Henry Hub-AECO spread has blown out to the $2.50-to-$3.00 range, compared to a historical average of $1.00 (the cost of transportation to Henry Hub in Louisiana). The latest bout of weakness has been mainly driven by temporary transportation system outages. Otherwise, the Western Canada gas market remains flooded with supply, which can be attributed in part to Canadian producers ramping up production ahead of the completion of LNG Canada in Kitimat B.C. (delayed by over two years). The good news is that LNG Canada loaded its first cargo last week, which over time should allow local producers to tap higher prices in Asia. The bad news is that Phase 1 of LNG Canada is only expected to come fully on stream by the end of Q1/26. Thus, the price of AECO is likely to remain quite weak over the coming quarters before it begins to benefit from LNG Canada next year.

Metals: Despite the flood of economic uncertainty and geopolitical turmoil this year, metals prices have held up surprisingly well thus far. With the exception of nickel, most are trading close to or above last year's levels. In large part this reflects the buoyancy of the global economy and financial markets more broadly, with equities soaring to new heights and U.S. Treasury yields declining since the start of the year. Meanwhile, the U.S. dollar has weakened as investors have increasingly sought alternative safe havens, which has provided a lift to commodity prices. Still, one of the more surprising aspects of this resilience is that it comes at a time when China—the world's dominant metals consumer by far—is still struggling with industrial overcapacity, deflation and a chronic real estate crisis. China watchers are holding out hope that another hefty dose of stimulus in the coming months will shore up consumer sentiment and stabilize the property market, while at the same time Beijing and Washington can keep the heat lowered on trade talks.

Nevertheless, it's clear that U.S. trade policy will remain front and centre, carrying downside risks for global growth. As we approach the end of the 90-day pause on U.S. reciprocal tariffs, only two bilateral trade agreements have been inked (with the U.K. and Vietnam), while several commodity- and industry-specific Section 232 investigations are still underway. U.S. Administration officials have asserted that a slew of trading partner deals are imminent and other negotiations may be granted extensions, although President Trump has continued to threaten even higher levies. Ultimately, the baseline scenario still entails a higher level of U.S. tariffs persisting than at any point in the last century, which is net negative for metals demand and pricing.

Chart 3
Metal Prices

(January 2012 = 100 : monthly avg.)



Sources: BMO Economics, Haver Analytics

At the same time, there is evidence that the rerouting of supply chains is pushing up prices for some metals, even outside the United States. Nowhere is this more apparent than in the **copper** market, where a surge in U.S. imports in anticipation of prospective tariffs has led to dwindling stockpiles elsewhere. Copper is also seeing tighter near-term concentrate supply following disruptions at Ivanhoe's massive Kamoa-Kakula mine in the DRC and subsequent guidance downgrade. Inventory imbalances should ease once there is clarity on the Section 232 investigation (final report is due by November but could come sooner), allowing prices to moderate from current levels. However, the concentrate market is expected to remain tight into next year. As such, we have kept our average copper price forecast at US$4.25/lb in 2025 and raised it to $4.35 in 2026 (from $4.30).

Conversely, we have made downward revisions to our outlook for **nickel**, which has underperformed our bearish expectations for the year and is the only major base metal trading well into the cost curve. Persistent oversupply concerns have been exacerbated by tariff-related uncertainty and the ongoing shift in battery technologies to lower-intensity nickel usage. Spot prices hit five-year lows before President Trump announced the tariff pause in April and have recovered only modestly since then. A number of stainless steel mills in China and Indonesia are cutting production, entailing lower demand for Class II nickel and a wider supply surplus. Meanwhile, sentiment has taken a further hit from the U.S. Senate's amendments to the One Big Beautiful Bill, which accelerated the expiry of tax credits for electric vehicles. We have lowered our average nickel price projections to US$7.00/lb (from $7.10) in 2025 and $7.30 (from $7.50) in 2026. Still, Indonesian government policy is subject to change, with the potential for quota/permit restrictions that support prices.

We have not made any changes to our other base metals forecasts this month. **Aluminum** prices have been supported by U.S. import tariffs—doubled in June to 50%—and ultra low visible inventories. Chinese aluminum consumption (60% of global demand) is expected to take a hit from the slowdown in solar installations (16% of Chinese demand), particularly following the shift from guaranteed fixed rates to market-based pricing for new wind and solar projects. At the same time, Chinese aluminium production growth is also moderating as output (also 60% of world) approaches the government's primary capacity cap. We continue to expect prices to average US$1.12/lb in 2025 and $1.15 in 2026.

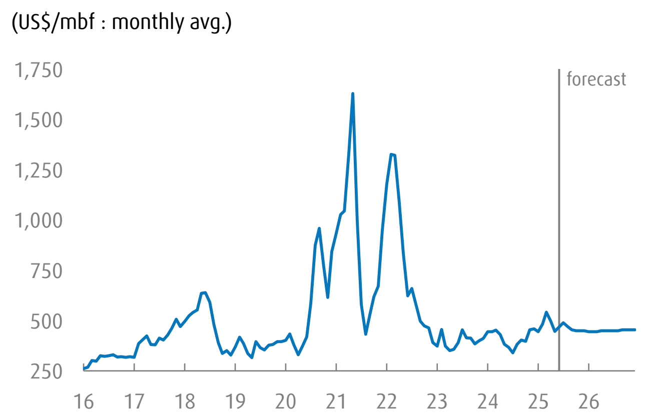
Zinc exchange stocks are also very tight, sitting at roughly half year-ago levels but still above 2022's historic lows. However, mine supply growth is finally resuming (outside China), helping to ease earlier shortages in concentrate availability. While zinc could benefit from the NATO defence spending push, it remains highly exposed to tariffs on autos. Accordingly, our zinc forecasts remain unchanged at US$1.25/lb for both this year and next. **Iron ore** remains under pressure amid weak domestic Chinese steel demand and the start of the usual summer construction lull; however, prices could see a slight bump toward the end of 2025 when mills restock before the New Year. Our iron ore forecasts sit at US$98/t in 2025 and $95 in 2026.

Meanwhile, precious metals have maintained strong appeal in the uncertain global environment, with gold and silver on track to rise roughly 30% and 20%, respectively, in annual average terms this year. Notwithstanding a price-driven slump in jewelry demand (typically 40%-50% of total demand), **gold's** entrenched safe-haven status is sustaining its elevated trajectory. Investors have many reasons to seek safety this year and are increasingly choosing gold over the U.S. dollar, which has been compromised by rising fiscal concerns and policy ambiguity. At the same time, in China the central bank continues to drive a global de-dollarization push and households' appetite for gold remains strong amid struggling real estate/equity markets. We now expect gold to average $3,150/oz in 2025 (previously $3,000) and $3,000 in 2026 (previously $2,800).

As gold goes, so generally goes **silver**. As such, we have lifted our projections for silver, though by a lesser degree, to US$33.50/oz in 2025 (previously $32.50) and $31.50 in 2026 (previously $31.00). More so than aluminum, silver is vulnerable to solar policy headwinds, namely the imposition of U.S. anti-dumping duties (up to 3,500%) on solar imports from Southeast Asia and China's renewable pricing reforms. Solar accounts for roughly 30% of industrial silver demand (more than that in China). Nevertheless, the silver market will remain in a physical deficit over the medium term due to limited mine supply growth, which should limit the downward pressure on prices.

Forest Products: Lumber prices remained volatile in the second quarter, caught in the crosswinds of shifting U.S. trade policy, weak underlying demand, and an inflation backdrop that has so far prevented the Federal Reserve from loosening monetary policy. While the quarter started with benchmark **Western Spruce-Pine-Fir** (WSPF) near its highest levels since 2022, a sharp correction ensued following "Liberation Day" as the tariff front-running rally quickly reversed course. With the focus shifting back to weak demand (via U.S. housing), WSPF faded further into early May, pulling prices down to a six-month low of US$430/mbf before finding support in June.

Chart 4
Spruce-Pine-Fir Prices



Sources: BMO Economics, Haver Analytics, Madison's Lumber Reporter

Lumber demand remains under pressure amid persistent weakness in the U.S. housing market and still-elevated mortgage rates. The 30-year fixed mortgage rate averaged close to 7% in Q2/25, remaining well above the 2021 lows (~3%) and the 4.2% average for the 10 years prior to the pandemic. Meantime, U.S. housing starts declined to just 1.256 million units (annualized) in May, marking the lowest level since July 2019, outside of the deep pandemic plunge. While we do expect housing starts to eventually find some support from loosening monetary policy, any upside is likely to remain constrained by the gradual pace of rate relief and weak affordability, with the latter near multi-decade lows.

Demand aside, the other big question for lumber continues to revolve around the outlook for U.S. import tariffs and other duties. While Canadian lumber has so far avoided new levies, the annually reviewed anti-dumping and countervailing duties are set to jump significantly later this year, to 34% from about 14%, which could cause significant disruption, particularly for Canadian producers. In addition, there's still the very real possibility that sectoral tariffs could be imposed on Canadian exports to the U.S., stemming from the ongoing Section 232 investigation, which is expected to be wrapped up by late November.

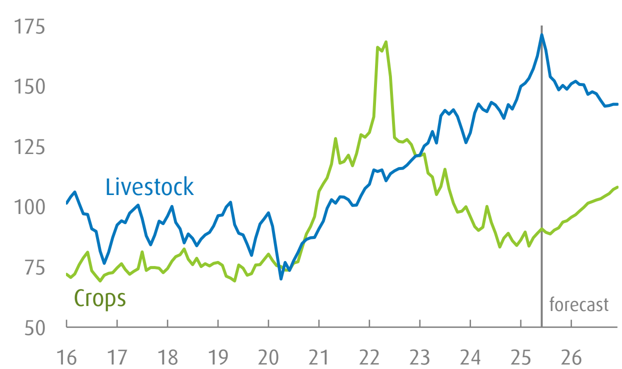
While there is a chance we could see another tariff/duty front-running rally this summer, sustained upside for lumber prices will likely require two key ingredients: (1) a lessening of broader economic uncertainty; and (2) a strengthening in the U.S. housing market. Thus, WSPF is expected to average US$480/mbf in 2025, close to current levels, before settling down to $450 in 2026 when a softer labour market adds another headwind to demand.

Agriculture: Corn prices have lost ground over the past few months and, like those of most other crops, are well below longer run norms. The recent sell-off has been driven primarily by trade tensions, albeit indirectly, as farmers in the Midwest have shifted acreage away from soybeans (which are exported intensively) and toward corn (which is widely used as feedstock for domestic biofuel production). On a national basis, the U.S. Department of Agriculture (USDA) estimates that corn acreage is more than 5% higher this year, while soybean acreage is 4% lower. At the same time, growing conditions across the Midwest are shaping up well, with 95% of the U.S. corn crop reported to be in "fair" or better condition. Absent a major turn in the weather, the stage has been set for a record U.S. and global corn crop this year. With abundant supply, corn is now expected to average just US$4.60/bushel in 2025, though prices should improve to around $5.20 in 2026 assuming trend crop yields, better trade relations, and lower acreage.

Soybeans have posted moderate gains due to the easing of trade tensions (at least temporarily) and rotation of U.S. acreage into corn. Soybeans are one of the most trade-sensitive crops, with around 50% of U.S. production exported and more than 25% sold to China. Perhaps unsurprisingly, export demand has been a weak spot, with year-to-date exports to China down almost 40% in volume terms. Still, with lower U.S. acreage and strong domestic consumption, the USDA actually expects a slight drawdown in soybean stocks this year, despite prospects for a strong yield. Lower inventories are a clear positive for prices, though further gains will likely be capped until there is greater clarity on trade. Overall, soybean prices are expected to average US$10.60/bushel in 2025 before rising to around $12.10 in 2026 as export demand (hopefully) normalizes.

Chart 5
Agricultural Prices

(January 2012 = 100 : monthly avg.)



Sources: BMO Economics, Haver Analytics

Wheat prices have remained volatile but, overall, have moved roughly sideways through the spring. As in the soybean space, around 50% of U.S. wheat production is typically destined for export, making the crop vulnerable to trade hostilities. However, wheat production is located primarily on the U.S. plains, where there is no large, domestically oriented alternative to act as an outlet for acreage (as corn has in the Midwest). As a result, acreage has declined only modestly this year, and growing conditions, while not perfect, have been good enough to keep supply elevated. For the winter wheat crop, which is now being harvested, producers report that a respectable 80% of acreage is in "fair" or better condition. For spring wheat, which is planted in the spring and harvested in the fall, 86% is rated "fair" or better. Growing conditions across the Canadian prairies and the rest of the Northern Hemisphere are also broadly supportive. In this environment, wheat prices are expected to average just US$5.60/bushel this year before rising to around $6.60 in 2026.

Canola has staged an impressive rally over the past few months, with prices up more than 25%. The gain has been supported by the rising price of soybeans, a key substitute, but the size of the jump mainly reflects how depressed canola prices had been previously. Earlier this year, inflation-adjusted canola prices fell to lows seen only a handful of times over the past two decades, reflecting elevated supply and parallel trade disputes between the U.S. and everyone (with major implications for soybeans) and Canada and China (with the latter specifically targeting processed canola products). As a result, canola prices remain well below longer-run norms even with the recent upswing. The market has also come back under pressure in recent weeks, reflecting generally bearish supply and demand fundamentals. In top-producer Canada, acreage, yields, and stockpiles are all on track to increase somewhat this year, while China's 100% tariff on Canadian canola oil and meal remains in place. Canola prices are therefore expected to average just US$470/tonne this year and improve only modestly to $510 in 2026.

Hog prices have staged a better-than-seasonal advance through the spring, as the onset of grilling season has coincided with record high cattle and beef prices. In this environment, U.S. pork consumption has remained strong, while export demand has benefitted from cooling trade tensions between the U.S. and Mexico, the product's top export destination. Meantime, on the supply side, producers have continued to manage capacity carefully, with the headcount of the North American hog herd on track for a modest decline this year. With demand and supply conditions broadly supportive, hog prices are now slightly above longer-run norms and are expected to average around US$90/cwt this year. Even with a return to moderate herd expansion, continued scarcity in beef should sustain hog prices around $95 in 2026.

The bull market in **cattle** remains intact after an impressive string of records during the first half of the year. The primary driver has been a continued dearth of supply. Between 2018 and 2024, the headcount of the North American cattle herd declined more than 6% amid bouts of exceptionally dry pasture conditions and large fluctuations in crop and feed prices. This year, the USDA expects yet another contraction, as producers are opting to take profits at today's high prices rather than holding animals back for expansion. Conditions have also remained dry in parts of Texas, by far the top producing state. However, the current situation is clearly untenable, as the herd cannot shrink indefinitely and rising prices, past some point, will cause producers to resume expansion. That will set the stage for an eventual increase in supply and more moderate pricing, but could also cause prices to pop temporarily higher as animals are retained for breeding. Overall, cattle prices are now expected to average US$205/cwta in 2025 and will likely ease only modestly to $190 in 2026.

Energy, Materials and Agriculture

	Crude Oil	Natural Gas Henry Hub	Natural Gas AECO	Lumber	Canola	Wheat	Corn	Soybeans	Cattle	Hogs
	(US$/bbl)	(US$/mmbtu)		(US$/mbf)	(US$/t)	(US$/bu.)			(US$/cwt)	
2012	94.20	2.75	2.39	300	601	7.50	6.94	14.64	122.65	84.93
2013	97.93	3.73	3.08	356	545	6.84	5.80	14.08	126.40	89.33
2014	93.26	4.39	4.08	352	400	5.88	4.16	12.46	151.50	105.83
2015	48.69	2.63	2.12	280	371	5.08	3.77	9.45	146.49	69.40
2016	43.21	2.52	1.64	309	366	4.36	3.58	9.87	118.61	65.60
2017	50.91	2.99	1.67	415	393	4.36	3.59	9.77	117.90	69.87
2018	64.84	3.17	1.19	489	389	4.95	3.68	9.32	114.64	65.26
2019	56.99	2.57	1.36	374	344	4.94	3.83	8.90	115.84	69.92
2020	39.27	2.03	1.67	582	372	5.50	3.63	9.52	105.54	59.83
2021	67.98	3.91	2.90	895	694	7.02	5.82	13.75	122.43	91.74
2022	94.60	6.42	4.18	786	749	9.00	6.94	15.50	141.89	97.75
2023	77.63	2.54	1.96	398	559	6.45	5.65	14.16	172.54	81.09
2024	76.10	2.19	1.01	413	448	5.72	4.24	11.02	183.68	84.89
y-t-d 2025	67.50	3.66	1.37	479	469	5.44	4.61	10.34	207.98	91.46
2024 Jul	81.33	2.08	0.71	339	459	5.44	3.98	11.16	184.83	90.88
Aug	76.19	1.99	0.47	382	431	5.27	3.77	9.85	183.33	84.45
Sep	69.89	2.28	0.34	404	431	5.70	4.01	10.14	179.74	81.01
Oct	71.59	2.20	0.81	397	453	5.85	4.16	10.03	188.07	81.59
Nov	69.54	2.12	1.04	454	442	5.52	4.24	9.95	185.37	81.50
Dec	69.70	3.01	1.33	458	426	5.41	4.39	9.84	190.84	83.40
2025 Jan	75.10	4.13	1.28	445	442	5.45	4.75	10.30	199.45	82.12
Feb	71.21	4.19	1.61	483	458	5.77	4.87	10.40	199.63	87.59
Mar	67.94	4.12	1.55	541	410	5.43	4.54	10.05	203.09	86.32
Apr	62.96	3.42	1.69	498	472	5.35	4.73	10.29	208.07	89.29
May	60.94	3.12	1.39	446	509	5.25	4.49	10.51	213.90	95.79
Jun	67.33	3.02	0.68	468	522	5.41	4.31	10.50	223.54	107.19
m-t-d Jul	65.45	n.a.	n.a.	n.a.	n.a.	5.37	4.20	10.25	210.75	109.00
Forecast 2025 avg.	67.00 ↑	3.75	1.40 ↓	470	470 ↑	5.60 ↓	4.60 ↓	10.60	205.00 ↑	90.00 ↑
2026 avg.	65.00	3.50	2.00 ↓	450	510	6.60 ↓	5.20 ↓	12.10	190.00 ↑	95.00

Commodity price forecasts are by BMO Economics and are independent of those used by BMO Capital Markets Equity Research

↑ and ↓ indicate annual forecast changes from last month

Lumber data provided by Madison's Lumber Reporter

Base and Precious Metals

		Gold	Silver	Copper	Aluminum	Zinc	Nickel	Iron Ore
		(US$/oz)		(US$/lb)				(US$/t)
	2012	1,668	31.15	3.61	0.92	0.88	7.96	130
	2013	1,411	23.83	3.32	0.84	0.87	6.81	135
	2014	1,266	19.08	3.11	0.85	0.98	7.65	97
	2015	1,160	15.70	2.50	0.75	0.88	5.37	56
	2016	1,248	17.10	2.21	0.73	0.95	4.35	58
	2017	1,258	17.06	2.80	0.89	1.31	4.72	71
	2018	1,270	15.71	2.96	0.96	1.33	5.95	69
	2019	1,393	16.20	2.72	0.81	1.16	6.31	93
	2020	1,770	20.51	2.80	0.77	1.03	6.25	108
	2021	1,800	25.16	4.23	1.12	1.36	8.38	159
	2022	1,802	21.75	4.00	1.23	1.58	11.71	120
	2023	1,943	23.40	3.85	1.02	1.20	9.75	120
	2024	2,387	28.24	4.15	1.10	1.26	7.63	110
	y-t-d 2025	3,070	32.81	4.28	1.15	1.24	6.97	101
2024	Jul	2,390	29.72	4.26	1.07	1.26	7.44	102
	Aug	2,468	28.55	4.07	1.06	1.23	7.37	101
	Sep	2,568	30.01	4.20	1.11	1.29	7.31	110
	Oct	2,690	32.38	4.33	1.18	1.41	7.62	102
	Nov	2,656	31.14	4.12	1.17	1.36	7.14	103
	Dec	2,644	30.42	4.05	1.15	1.38	7.02	100
2025	Jan	2,708	30.39	4.07	1.17	1.28	6.97	104
	Feb	2,897	32.23	4.23	1.20	1.27	6.93	103
	Mar	2,982	33.21	4.41	1.21	1.31	7.28	101
	Apr	3,212	32.27	4.17	1.08	1.19	6.90	96
	May	3,281	32.70	4.32	1.11	1.20	6.95	94
	Jun	3,352	35.97	4.46	1.14	1.20	6.80	92
	m-t-d Jul	3,343	36.43	4.56	1.18	1.23	6.79	94
Forecast	2025 avg.	3,150 ↑	33.50 ↑	4.25	1.12	1.25	7.00 ↓	98
	2026 avg.	3,000 ↑	31.50 ↑	4.35 ↑	1.15	1.25	7.30 ↓	95

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Commodity Indices and Forecasts (US$-terms : 2003 = 100)

			All Commodities	Oil & Gas	Metals & Minerals	Forest Products	Agricultural Products	All Commodities (C$-terms)
	2016		164.6	127.9	237.2	109.7	138.9	155.6
	2017		185.0	150.7	255.6	147.7	142.0	171.5
	2018		210.2	190.5	265.8	168.9	147.4	194.3
	2019		196.9	167.0	271.4	125.4	141.5	186.6
	2020		187.9	115.6	301.7	205.3	151.4	179.5
	2021		263.4	201.0	354.1	327.8	224.1	235.8
	2022		328.2	281.9	426.4	275.2	262.6	313.8
	2023		275.1	225.5	395.1	142.7	205.9	265.3
	2024		279.1	220.4	421.9	149.2	176.4	273.1
Forecast	**2025**		**287.2**	**197.9**	**475.8**	**160.4**	**179.3**	**284.9**
	2026		**282.2**	**191.7**	**465.2**	**155.7**	**199.2**	**275.7**
	2023	Q4	276.2	227.9	399.7	144.1	187.8	268.9
	2024	Q1	275.1	223.6	402.1	161.3	178.8	265.0
		Q2	288.2	234.2	426.4	148.1	184.5	281.7
		Q3	277.2	219.4	422.5	133.1	170.5	270.0
		Q4	276.0	204.4	436.6	154.2	171.8	275.5
	2025	Q1	285.0	211.3	449.8	168.5	173.4	292.1
		Q2	284.7	187.5	483.7	159.3	180.6	281.7
Forecast		**Q3**	**291.0**	**200.3**	**483.6**	**159.7**	**179.8**	**284.3**
		Q4	**288.0**	**192.6**	**486.2**	**154.2**	**183.4**	**281.4**
	2026	**Q1**	**281.2**	**183.7**	**477.1**	**153.8**	**190.4**	**274.7**
	2024	Jun	282.7	228.7	421.4	135.9	182.0	276.8
		Jul	283.1	235.0	417.7	123.7	174.6	276.8
		Aug	274.9	220.2	415.7	134.5	165.6	268.6
		Sep	273.5	203.0	434.1	141.0	171.4	264.7
		Oct	279.3	207.6	443.1	140.0	176.6	273.6
		Nov	274.8	201.6	436.0	161.1	170.8	274.2
		Dec	274.0	204.0	430.8	161.7	167.9	278.8
	2025	Jan	284.4	221.7	435.5	154.8	172.7	292.3
		Feb	286.2	210.8	452.8	167.0	179.2	292.3
		Mar	284.4	201.4	461.1	183.8	168.4	291.8
		Apr	280.8	185.8	473.9	169.0	176.1	281.3
		May	280.6	179.4	484.9	151.6	180.5	277.7
		Jun	292.8	197.3	492.3	157.2	185.4	286.0

Commodity price indices and forecasts are by BMO Capital Markets Economics
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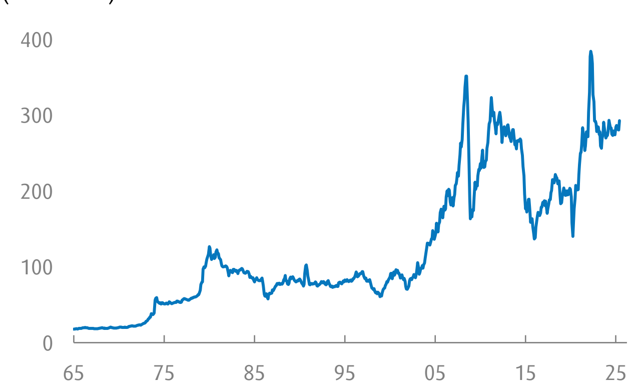
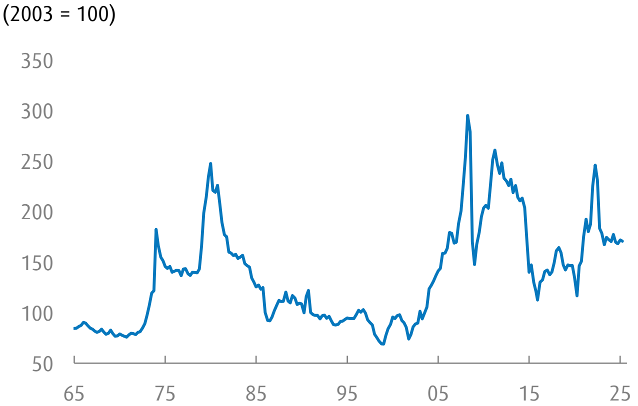
Lumber data provided by Madison's Lumber Reporter

All-Commodity Index
Nominal US$-Terms



Source: BMO Economics

All-Commodity Index
Real US$-Terms



Source: BMO Economics

All-Commodity Index
Nominal

Source: BMO Economics

Technical Note

The BMO Capital Markets Commodity Price Index is a fixed-weight, export-based index that encompasses the price movement of 20 commodities key to Canadian exports. Weights are each commodity's average share of the total value of exports of the 20 commodities during the period 2012-21. Similarly, weights of sub-index components reflect the relative importance of commodities within their respective product group.

The all-commodities index and sub-indices consist of the following:

(percent)	Weight in All-Commodities Index	Weight in Sub-Index
Metals & Minerals	33.7	100.0
Gold	9.9	29.5
Silver	0.9	2.8
Aluminum	6.3	18.7
Copper	2.3	6.7
Nickel	2.6	7.6
Zinc	0.9	2.8
Iron Ore	3.0	9.0
Metallurgical Coal	3.2	9.6
Uranium	1.1	3.2
Potash	3.4	10.1
Oil and Gas	49.7	100.0
Crude Oil	43.8	88.3
Cdn. Natural Gas	5.8	11.7
Forest Products	6.8	100.0
Lumber	5.5	81.7
OSB	1.2	18.3
Agricultural Products	9.9	100.0
Wheat	4.1	41.7
Canola	3.1	31.6
Corn	0.2	2.4
Soybeans	1.4	14.0
Hogs	0.3	2.6
Beef Cattle	0.8	7.8
All Commodities	100.0	—

Source: BMO Economics

Unless otherwise specified, all indices reported in this publication correspond to prices in U.S. dollars.

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