

Commodities Outlook for January 2020

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

Energy, Materials and Agriculture

		Natural Gas		Lumber (US\$/mbf)	Wheat (US\$/bushel)	Canola (US\$/tonne)	Cattle (US\$/cwt)	Hogs	
		Crude Oil (US\$/bbl)	Henry Hub (US\$/mmbtu)						AECO
2007		72.36	6.98	6.02	245	6.38	378	93.92	65.56
2008		99.57	8.86	7.78	215	7.98	527	93.60	66.05
2009		61.69	3.95	3.51	177	5.30	371	83.85	58.11
2010		79.43	4.39	3.89	255	5.81	429	94.95	75.60
2011		95.08	4.00	3.67	255	7.10	566	114.54	90.34
2012		94.20	2.75	2.39	299	7.50	601	122.65	84.93
2013		97.93	3.73	3.08	356	6.84	545	126.40	89.33
2014		93.26	4.39	4.08	349	5.88	400	151.50	105.83
2015		48.69	2.63	2.12	277	5.08	371	146.49	69.40
2016		43.21	2.52	1.64	305	4.36	366	118.61	65.60
2017		50.91	2.99	1.67	401	4.36	393	117.90	69.87
2018		64.84	3.17	1.19	480	4.95	389	114.64	65.26
2019		56.99	2.57	1.36	360	4.94	344	115.84	69.92
y-t-d 2020		59.03	2.04	1.78	394	5.65	363	126.21	68.00
2019	Jan	51.45	3.11	1.49	347	5.17	362	125.31	60.78
	Feb	54.96	2.69	2.46	401	4.99	361	127.44	55.71
	Mar	58.14	2.95	1.93	369	4.53	342	128.22	68.57
	Apr	63.86	2.65	0.69	326	4.51	337	126.27	83.66
	May	60.85	2.64	1.30	312	4.58	328	111.32	86.39
	Jun	54.65	2.40	0.46	360	5.25	341	108.57	78.25
	Jul	57.44	2.37	1.01	356	5.06	341	107.55	78.22
	Aug	54.82	2.22	0.76	340	4.75	339	104.56	69.98
	Sep	56.96	2.56	0.53	373	4.79	338	99.66	63.58
	Oct	53.98	2.33	1.71	367	5.08	346	109.98	64.88
	Nov	56.95	2.65	2.11	384	5.16	346	119.49	62.92
	Dec	59.81	2.22	1.82	390	5.42	350	121.72	66.08
2020	m-t-d Jan	59.03	2.04	1.80	394	5.65	363	126.21	68.00
Forecast	2020 avg.	57.00	2.25 ↓	1.60 ↓	360 ↑	5.50	375 ↑	120.00	75.00
	2021 avg.	57.00	2.50	1.70	355 ↑	5.50	400	122.00	80.00

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

Base and Precious Metals

		Copper	Aluminum (US\$/lb)	Zinc	Nickel	Gold (US\$/oz)	Silver
2007		3.23	1.20	1.47	16.89	697	13.40
2008		3.15	1.17	0.85	9.57	872	15.01
2009		2.34	0.75	0.75	6.64	973	14.67
2010		3.42	0.99	0.98	9.89	1225	20.16
2011		4.00	1.09	0.99	10.38	1570	35.11
2012		3.61	0.92	0.88	7.96	1668	31.15
2013		3.32	0.84	0.87	6.81	1411	23.83
2014		3.11	0.85	0.98	7.65	1266	19.08
2015		2.50	0.75	0.88	5.37	1160	15.70
2016		2.21	0.73	0.95	4.35	1248	17.10
2017		2.80	0.89	1.31	4.72	1258	17.06
2018		2.96	0.96	1.33	5.95	1270	15.71
2019		2.72	0.81	1.16	6.31	1393	16.20
y-t-d 2020		2.79	0.81	1.08	6.27	1555	18.00
2019	Jan	2.69	0.84	1.16	5.19	1292	15.61
	Feb	2.85	0.84	1.23	5.74	1320	15.81
	Mar	2.93	0.85	1.29	5.92	1302	15.32
	Apr	2.92	0.84	1.33	5.81	1288	15.03
	May	2.73	0.81	1.25	5.44	1283	14.62
	Jun	2.66	0.80	1.18	5.43	1358	14.99
	Jul	2.69	0.81	1.11	6.10	1415	15.75
	Aug	2.59	0.79	1.03	7.11	1497	17.15
	Sep	2.61	0.79	1.05	8.01	1510	18.18
	Oct	2.60	0.78	1.11	7.76	1495	17.66
	Nov	2.66	0.80	1.10	6.89	1472	17.18
	Dec	2.75	0.80	1.03	6.26	1480	17.10
2020	m-t-d Jan	2.79	0.81	1.08	6.27	1555	18.00
Forecast	2020 avg.	2.85 ↓	0.83 ↓	1.00 ↓	6.70 ↓	1500	18.00
	2021 avg.	2.90	0.87	1.05	7.10	1450	17.50

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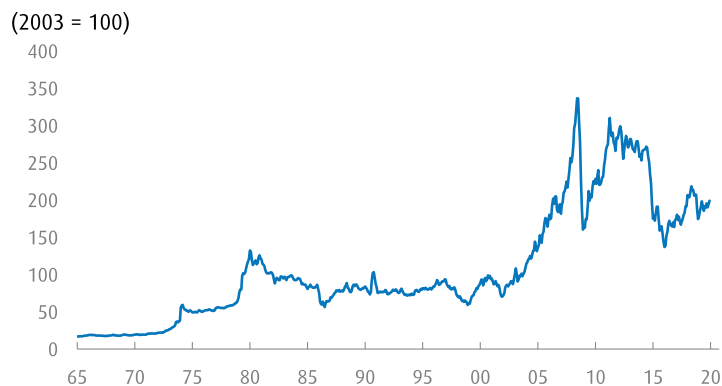
Commodity Indices and Forecasts (US\$-terms : 2003 = 100)

		All Commodities	Oil & Gas	Metals & Minerals	Forest Products	Agricultural Products	All Commodities (C\$-terms)
	2011	283.7	275.6	364.8	90.1	205.3	200.3
	2012	279.7	270.2	353.8	108.4	216.9	199.5
	2013	271.7	283.0	304.1	128.6	200.1	199.6
	2014	252.1	271.4	270.5	121.3	170.0	198.4
	2015	170.9	142.5	244.8	98.3	151.3	155.5
	2016	160.7	126.9	241.1	110.3	135.9	151.8
	2017	178.1	149.6	249.4	144.8	139.8	165.0
	2018	204.3	189.0	257.5	169.5	147.2	188.8
	2019	191.0	165.6	267.4	124.4	141.3	180.9
Forecast	2020	197.0	164.9	284.5	125.0	154.7	183.9
	2021	198.0	165.5	285.9	123.5	158.8	183.0
	2018 Q2	214.2	196.7	266.8	210.7	150.1	197.2
	Q3	208.8	202.1	247.8	170.9	148.3	194.9
	Q4	189.4	173.8	247.3	115.6	146.3	178.4
	2019 Q1	185.4	160.4	256.6	128.3	143.2	176.0
	Q2	191.7	173.4	258.3	114.5	138.3	182.9
	Q3	192.3	163.5	276.8	123.5	137.9	181.2
	Q4	194.7	165.0	278.0	131.3	145.7	183.5
Forecast 2020	Q1	197.6	166.1	282.6	131.8	155.1	185.3
	Q2	197.4	164.9	284.7	124.6	158.8	184.6
	Q3	197.1	164.9	286.4	121.7	152.4	183.7
	2018 Dec	174.5	146.5	248.0	111.7	146.5	167.4
	2019 Jan	178.9	151.3	251.5	120.3	147.9	170.4
	Feb	186.5	160.2	257.9	137.3	145.2	175.9
	Mar	190.9	169.7	260.4	127.2	136.6	181.8
	Apr	198.2	185.0	260.1	112.5	136.0	189.2
	May	191.4	176.6	254.3	108.1	134.0	183.8
	Jun	185.4	158.7	260.4	122.8	144.8	175.8
	Jul	191.9	166.4	268.9	123.1	142.0	179.3
	Aug	189.7	158.7	278.3	118.4	136.2	179.6
	Sep	195.5	165.5	283.3	128.8	135.5	184.7
	Oct	190.3	156.6	280.4	126.9	142.4	179.4
	Nov	194.8	165.7	277.0	132.7	144.9	183.8
	Dec	199.1	172.7	276.6	134.4	149.9	187.3

Commodity price indices and forecasts are by BMO Capital Markets Economics

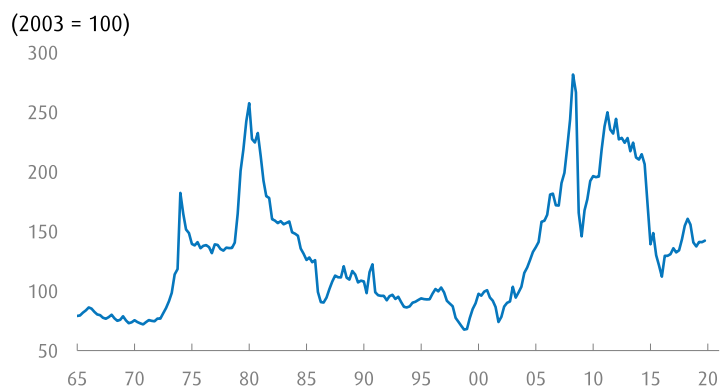
Forecasts are independent of those used by BMO Capital Markets Equity Research

All-Commodity Index — Nominal US\$-Terms



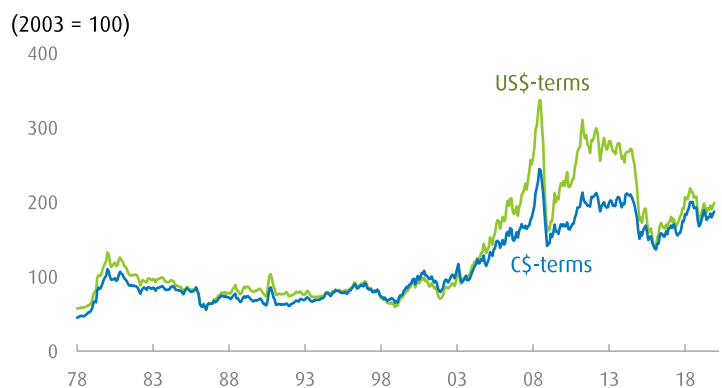
Source: BMO Economics

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 16 commodities key to Canadian exports. Weights are each commodity's average share of the total value of exports of the 16 commodities during the period 2012-16. 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	29.8	100.0
Gold	10.6	35.4
Silver	1.4	4.6
Aluminum	6.4	21.4
Copper	2.3	7.8
Nickel	3.2	10.8
Zinc	0.9	3.0
Uranium	1.3	4.4
Potash	3.8	12.6
Oil and Gas	54.6	100.0
Crude Oil	47.6	87.2
Canadian Natural Gas	7.0	12.8
Forest Products	6.5	100.0
Lumber	5.5	84.1
OSB	1.0	15.9
Agricultural Products	9.1	100.0
Wheat	4.5	49.5
Canola	3.3	36.6
Hogs	0.3	3.0
Beef Cattle	1.0	10.9
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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