

Commodities Outlook for December 2023

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

Energy, Materials and Agriculture

		Crude Oil (US\$/bbl)	Natural Gas Henry Hub (US\$/mmbtu)	AECO (US\$/mmbtu)	Lumber (US\$/mbf)	Canola (US\$/t)	Wheat —— (US\$/bu.)	Corn —— (US\$/bu.)	Soybeans ——	Cattle (US\$/cwt)	Hogs (US\$/cwt)
2010		79.43	4.39	3.89	255	429	5.81	4.27	10.48	94.95	75.60
2011		95.08	4.00	3.67	255	566	7.10	6.79	13.18	114.54	90.34
2012		94.20	2.75	2.39	299	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	349	400	5.88	4.16	12.46	151.50	105.83
2015		48.69	2.63	2.12	277	371	5.08	3.77	9.45	146.49	69.40
2016		43.21	2.52	1.64	305	366	4.36	3.58	9.87	118.61	65.60
2017		50.91	2.99	1.67	401	393	4.36	3.59	9.77	117.90	69.87
2018		64.84	3.17	1.19	480	389	4.95	3.68	9.32	114.64	65.26
2019		56.99	2.57	1.36	360	344	4.94	3.83	8.90	115.84	69.92
2020		39.27	2.03	1.67	556	372	5.50	3.63	9.52	105.54	59.83
2021		67.98	3.91	2.90	883	694	7.02	5.82	13.75	122.43	91.74
2022		94.60	6.42	4.18	781	749	9.00	6.94	15.50	141.89	97.75
y-t-d 2023		78.08	2.53	2.01	388	564	6.46	5.71	14.23	172.98	82.15
2022	Dec	76.61	5.53	4.56	357	635	7.48	6.51	14.74	154.71	84.95
2023	Jan	78.16	3.27	2.84	364	621	7.45	6.70	15.10	157.36	78.70
	Feb	76.85	2.38	2.10	433	619	7.52	6.71	15.28	162.55	80.49
	Mar	73.34	2.31	2.22	361	572	6.87	6.37	14.89	164.24	81.01
	Apr	79.44	2.16	1.86	346	569	6.67	6.55	14.88	173.31	75.28
	May	71.59	2.15	1.73	349	540	6.20	6.09	13.86	164.64	79.82
	Jun	70.27	2.18	1.84	380	532	6.60	6.15	14.31	178.27	90.48
	Jul	76.05	2.55	1.87	441	605	6.78	5.49	15.08	178.32	100.72
	Aug	81.37	2.58	2.03	409	589	6.13	4.76	13.88	179.49	89.79
	Sep	89.48	2.64	1.92	407	556	5.76	4.74	13.24	184.59	82.93
	Oct	85.60	2.98	1.76	379	510	5.73	4.88	12.84	183.27	74.23
	Nov	77.46	2.71	1.91	397	504	5.63	4.68	13.45	176.08	70.64
	m-t-d Dec	74.07	n.a.	1.89	408	504	5.77	4.65	13.25	169.28	68.60
Forecast	2023 avg.	77.50 ↓	2.55 ↓	2.00 ↓	390	560 ↓	6.40	5.65 ↓	14.15 ↑	173.50 ↓	81.50 ↓
	2024 avg.	80.00 ↓	3.25	2.25	450	560	6.50	5.40	12.70	175.00	92.00

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

		Gold (US\$/oz)	Silver	Copper	Aluminum (US\$/lb)	Zinc	Nickel	Iron Ore (US\$/t)
2010		1,225	20.16	3.42	0.99	0.98	9.89	147
2011		1,570	35.11	4.00	1.09	0.99	10.38	169
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
y-t-d 2023		1,935	23.32	3.85	1.02	1.21	9.91	118
2022	Dec	1,794	23.23	3.80	1.09	1.42	13.08	110
2023	Jan	1,898	23.80	4.08	1.13	1.49	12.80	121
	Feb	1,858	21.98	4.06	1.10	1.43	12.10	126
	Mar	1,909	21.93	4.01	1.04	1.34	10.56	127
	Apr	1,999	25.01	4.00	1.06	1.26	10.77	117
	May	1,993	24.14	3.73	1.03	1.12	10.08	104
	Jun	1,944	23.43	3.80	0.99	1.07	9.61	112
	Jul	1,950	24.05	3.83	0.98	1.09	9.48	113
	Aug	1,921	23.44	3.79	0.97	1.09	9.29	109
	Sep	1,918	23.21	3.75	0.99	1.13	8.90	120
	Oct	1,913	22.34	3.60	0.99	1.11	8.28	119
	Nov	1,984	23.43	3.71	1.00	1.15	7.70	130
	m-t-d Dec	2,045	25.28	3.84	0.97	1.12	7.55	133
Forecast	2023 avg.	1,940 ↑	23.40 ↑	3.85	1.02	1.20	9.75 ↓	118 ↑
	2024 avg.	1,850 ↑	23.00 ↑	3.75 ↑	1.05	1.20	8.20 ↓	100

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↑ and ↓ indicate annual forecast changes from last month

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

		All Commodities	Oil & Gas	Metals & Minerals	Forest Products	Agricultural Products	All Commodities (C\$-terms)
	2014	250.6	273.7	265.5	120.0	173.4	197.4
	2015	170.1	143.6	229.3	97.5	150.6	154.8
	2016	164.6	127.9	237.2	109.7	138.9	155.6
	2017	184.7	150.7	255.6	144.1	142.0	171.2
	2018	210.1	190.5	265.8	168.1	147.4	194.2
	2019	196.7	167.0	271.4	122.9	141.5	186.4
	2020	187.4	115.6	301.7	196.9	151.4	178.9
	2021	262.9	201.0	354.1	319.5	224.1	235.2
	2022	328.3	281.9	426.4	276.4	262.6	313.9
Forecast	2023	274.3	225.1	393.7	140.9	205.5	264.6
	2024	266.7	233.7	354.6	163.1	203.9	249.5
	2022 Q1	337.3	277.6	420.8	455.6	272.2	305.4
	Q2	377.4	323.7	492.5	305.7	303.7	343.8
	Q3	358.5	323.2	453.4	257.7	280.9	329.3
	Q4	285.8	246.5	386.5	144.5	236.0	277.2
	2023 Q1	281.1	221.4	415.7	132.7	223.5	271.3
	Q2	264.4	213.7	383.7	127.7	205.9	253.9
	Q3	278.2	238.8	381.4	158.2	206.4	266.5
Forecast	Q4	273.4	226.5	393.9	145.1	186.2	266.6
	2024 Q1	269.0	226.6	374.8	152.0	201.1	257.0
	Q2	265.5	233.7	351.2	161.7	203.9	250.1
	2022 Nov	288.0	250.8	385.5	149.8	237.4	276.7
	Dec	277.5	229.0	394.3	123.5	228.4	269.2
	2023 Jan	284.7	228.5	416.2	125.1	227.3	273.2
	Feb	284.0	222.9	417.6	147.2	229.0	272.5
	Mar	274.6	212.8	413.3	125.7	214.2	268.2
	Apr	278.0	229.8	399.7	121.9	212.1	267.8
	May	259.3	207.5	380.1	125.0	199.3	250.3
	Jun	255.9	203.8	371.3	136.2	206.3	243.6
	Jul	268.8	221.0	375.0	163.5	218.9	253.8
	Aug	275.2	236.1	377.2	156.2	205.2	264.4
	Sep	290.6	259.3	391.9	154.8	195.2	281.1
	Oct	283.6	249.0	391.7	138.9	188.0	277.5
	Nov	275.1	225.3	400.2	146.0	186.3	270.1

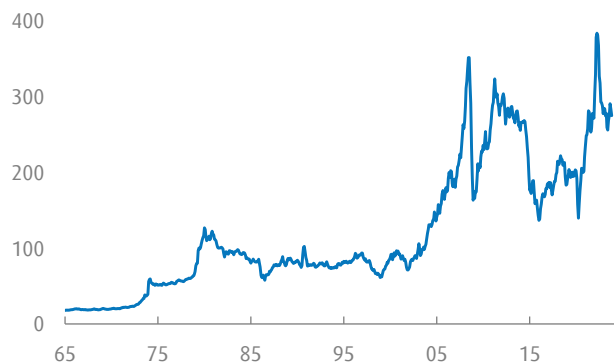
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All-Commodity Index

Nominal US\$-Terms

(2003 = 100)

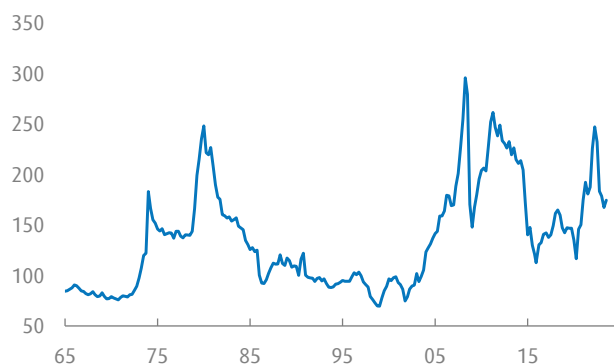


Source: BMO Economics

All-Commodity Index

Real US\$-Terms

(2003 = 100)



Source: BMO Economics

All-Commodity Index

Nominal

(2003 = 100)



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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