

# Energy and commodities

Global commodity prices fell overall in H2, in a climate where growth prospects were less favourable. On the European markets, prices fell back after reaching historically high levels, but the uncertainties associated with the war in Ukraine remain significant.

In Q3, the price of oil (Brent) stood at \$100.6 per barrel (after \$113.6 in Q2), but still well above its average level in 2019 (+56.4%). In euros, the price per barrel in Q3 2022 was 73.9% above its 2019 level, taking into account the depreciation of the euro against the dollar over that period. After fluctuating between \$85 and \$100 since the start of Q4 (► [Figure 1](#)), the price fell back to below \$80 at the beginning of December, in line with concerns over world demand and despite the entry into force of new Russian oil sanctions.

Meanwhile, after soaring in the summer (€204.9/MWh on average in Q3), the price of gas on the European market (TTF) has fallen back significantly since September (► [Figure 2](#)) –given that autumn was particularly mild and gas inventory in the European countries is virtually full (► [Figure 3](#)). It remains above €100/MWh, however. The market for futures contracts remains tense at the onset of the winter period with prospects for the reconstitution of European inventory already looking to winter 2023-2024.

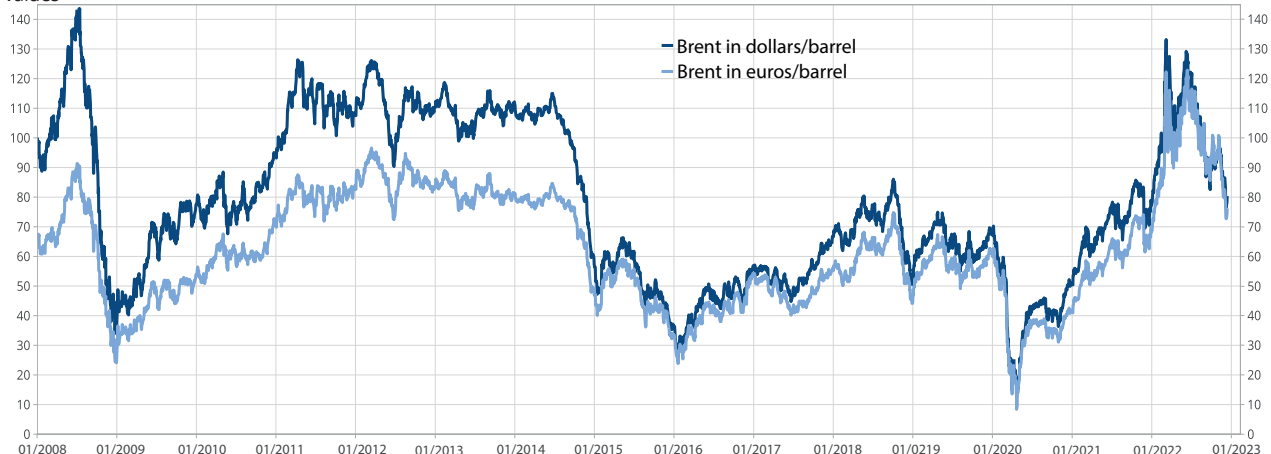
The price of coal, of which Russia is one of the world's main exporters, also increased very significantly on the European market in the summer, reaching €357 per tonne in Q3 (6.5 times its 2019 average). Although the price has fallen since the start of Q4, its level is still almost four times higher than in the pre-health crisis period. Finally, after dropping below €70 per tonne at the close of the summer, the price of carbon dioxide (CO<sub>2</sub>) on the European Union Emissions Trading System rebounded at the end of October –supported mainly by the switch to nuclear electricity production and the EU's target for reductions in greenhouse gas emissions– and it is now once again around €80 per tonne.

At the same time, prices of industrial commodities (excluding energy) fell back after a peak following the invasion of Ukraine and linked to the downturn in prospects for world growth. In October, prices of imported agro-industrial and mineral commodities stood at 18.2% and 25.7% respectively below their March level (► [Figure 4](#)). The decline is less marked in the price of imported food commodities, buoyed up mainly by high production costs, a particularly dry summer and the fragile nature of the Black Sea Grain Initiative on Ukrainian cereal exports (► [Figure 5](#)). Despite a relative easing of the prices of energy and of other commodities, production prices in western economies are still at particularly high levels. In France, prices of agricultural and industrial products in October were above their 2019 average, at 35.3% and 35.4% respectively (+20.8%, however, for industrial products excluding energy).

Over the forecasting period (mid-2023), the assumption is that oil prices will remain constant, fixed at \$90 per barrel (i.e. €85.7 assuming a euro-dollar exchange rate of 1.05 dollars for 1 euro). Despite the slowdown in the global economy, tensions surrounding supply are expected to remain predominant. The cut in OPEC production targets by 2 million barrels per day from November, and the entry into force at the end of 2022 of the European Union embargo on Russian petroleum products are likely to keep the markets under pressure. ●

### ► 1. Price of oil (Brent) in dollars and euros

daily values

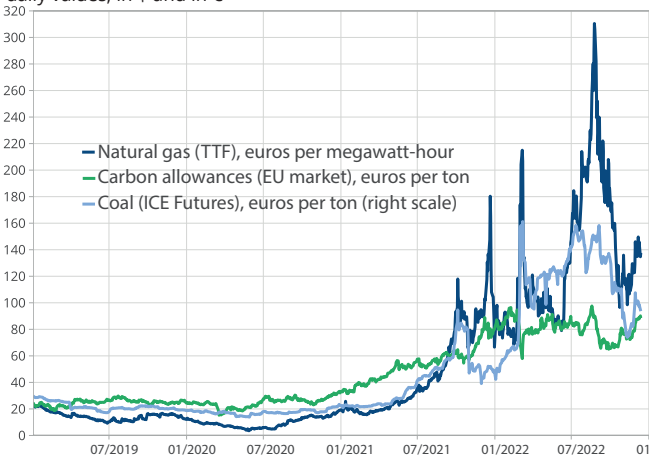


Last point: 13 December 2022.

How to read it: on 13 December 2022, the price of a barrel of Brent was \$80.3.

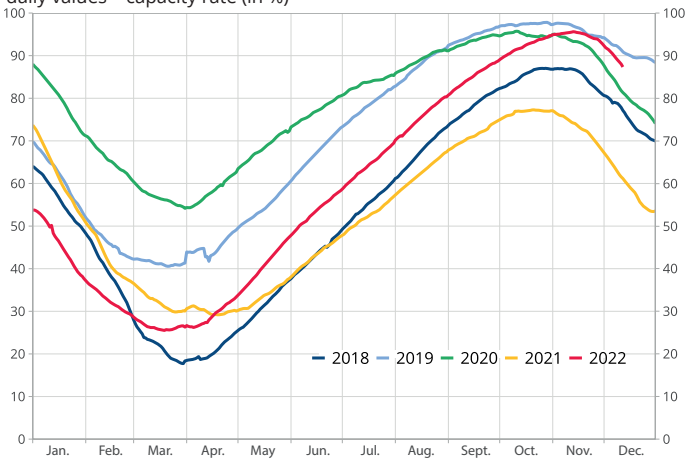
Source: Commodity Research Bureau

## ► 2. Prices of natural gas, coal and tonnes of CO<sub>2</sub>



Last point: 13 December 2022.  
How to read it: on 13 December 2022, the value of natural gas futures contracts at the next expiry date in the Netherlands (TTF) is €137.6 per megawatt-hour.  
Source: ICE Futures Europe

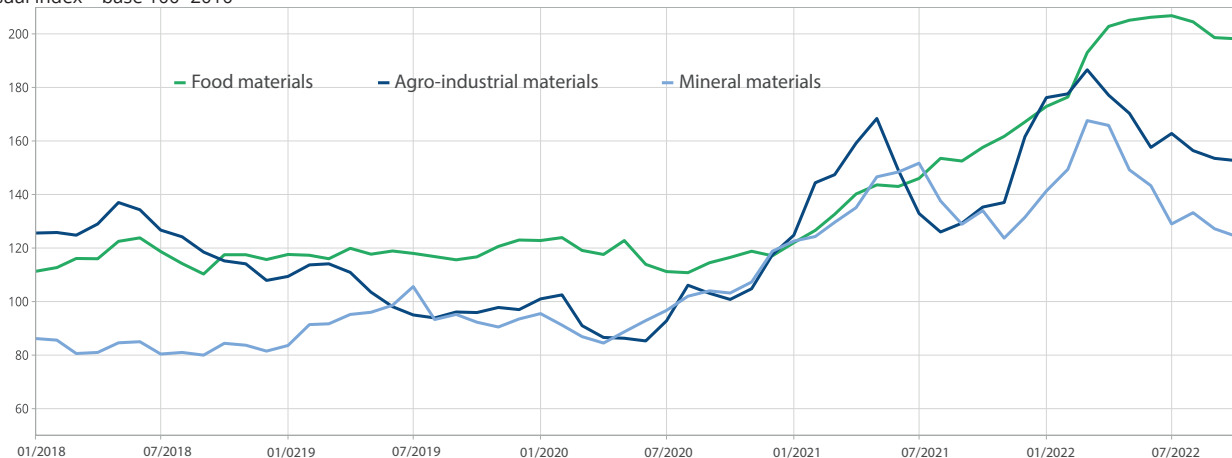
## ► 3. Natural gas inventory in the European Union



Last point: 12 December 2022.  
How to read it: on 12 December 2022, natural gas inventory in the European Union countries stood at 87.3% of total inventory capacity.  
Source: Gas Infrastructure Europe - AGSI+

## ► 4. Price indices for imported commodities in France

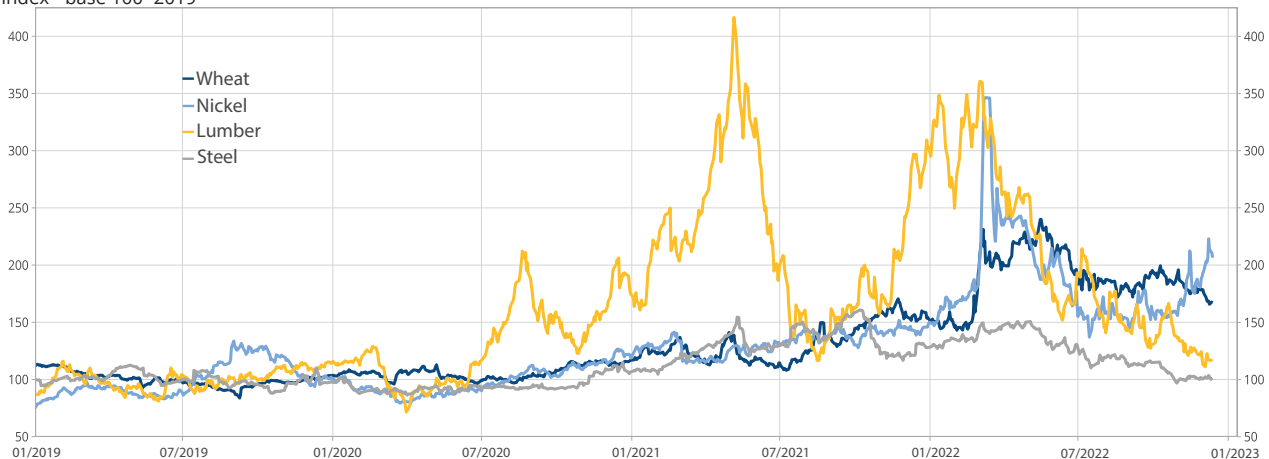
mensual index – base 100=2010



Last point: October 2022.  
How to read it: in October 2022, the price index in euros for foodstuffs reached 198.2.  
Note: indices measure price variations in euros.  
Source: INSEE

## ► 5. Prices of wheat, nickel, lumber and steel

daily index - base 100=2019



Last point: 13 December 2022.  
How to read it: on 13 December 2022, the wheat price index in euros – expressed as base 100 in 2019 – stood at 167.3.  
Note: indices measure price variations in euros.  
Source: Euronext Paris, London Metal Exchange, Chicago Mercantile Exchange, Shanghai Futures Exchange