

Energy and commodities

After reaching historically high levels in H1 2022, global commodity prices fell back sharply in H2, in a context of darkening prospects for growth. They are still on a downward trend generally at the start of 2023 but both macroeconomic and geopolitical uncertainties are keeping them well above their pre-health crisis levels.

In Q4 2022, the price of oil (Brent) stood at \$88.6 per barrel (after \$100.6 in Q3), then around \$83 in January and February 2023 (► [Figure 1](#)). When expressed in euros, the price of a barrel fell more than in dollars, because the euro has appreciated since November. The markets have remained uncertain at the start of 2023, with the price of a barrel of Brent fluctuating between \$80 and \$87 since mid-January. On the one hand, there is still excess supply globally: Russian exports are holding up better than expected and the reduction in OPEC output targets, decided in October, had a limited effect on quantities actually produced. In addition, the tightening of monetary policies is affecting demand and has been exerting downward pressure on prices since the end of 2022. On the other hand, the gradual reopening of the Chinese economy and the resistance of activity in the western economies in Q4 2022 may suggest a rebound in demand in the next few months.

The price of gas on the European market (TTF) was divided by 4.5 between August 2022 and February 2023 (► [Figure 2](#)), with notably a sharp fall in mid-December – in the context of a mild winter and inventories back to their early 2020 levels (► [Figure 3](#)). The price came down again in February to €52.5/MWh, a threshold that had not been reached since September 2021. It is still well above its 2019 average, however, and above the price of gas on the North American market (Henry Hub). While this hub experienced increases in 2022 due to a greater European demand, these were a far cry from those experienced by the TTF and at the beginning of 2023, it was back to its pre-health crisis level.

Finally, the price of carbon dioxide (CO₂) on the European Union Emissions Trading System (► [Figure 4](#)) remained above €80 per tonne at the beginning of 2023 (compared to €25 on average in 2019), after the announcement at the end of December that this market was to be reformed by the European Union. This would include a gradual end to free emissions allowances for industrialists by 2034 and the extension of the carbon market to new sectors.

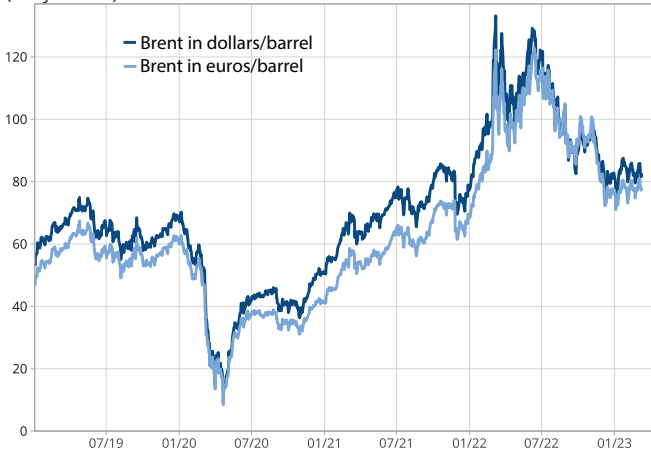
At the same time, global commodity prices (excluding energy) fell back after peaking following the invasion of Ukraine (► [Figure 5](#)). They nevertheless remain well above pre-health crisis levels, in a context where geopolitical tensions and climate risks seem to be constantly weighing on the markets (► [Figure 6](#)). In January 2023, the prices of food commodities imported into France were around 52.9% above their 2019 average. Prices of agro-industrial and mineral commodities were up by 29.1% and 45.0% respectively over the same period.

In France, the repercussions of these changes in world prices are gradually being felt: agricultural production prices have fallen slightly since they peaked in May 2022 (-5% between May 2022 and January 2023) but remain 30% above their January 2020 level. Industrial production prices (excluding the energy sector) seemed to have plateaued at the end of 2022, but started to rise again in January 2023, reaching 22% above their level of January 2020.

Over the forecasting period (mid-2023), the assumption is that of constant oil prices, set at \$83 per barrel (or €78 assuming a euro-dollar exchange rate of 1.06 dollars for 1 euro). The markets seem to remain cautious and sensitive to changes in the various economic indicators – particularly those from China – and to announcements from the central banks. ●

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

(daily values)

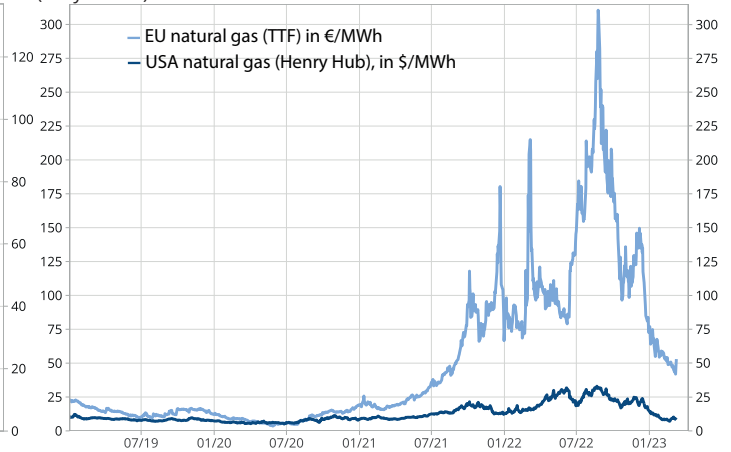


Last point: 10 March 2023.

How to read it: on 10 March 2023, the price of a barrel of Brent was 82.7 \$.
Source : Commodity Research Bureau.

► 2. Prices of natural gas in Europe and in the United States

(daily values)

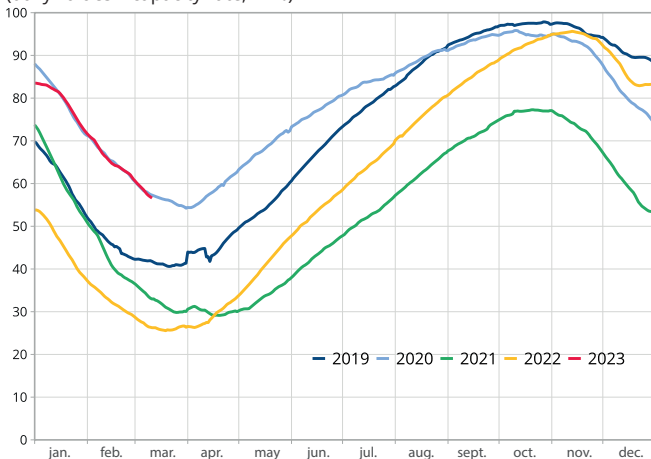


Last point: 10 March 2023.

How to read it: on 10 March 2023, the value of natural gas futures contracts at the next expiry date in the Netherlands (TTF) is €53.0 per megawatt-hour.
Source: ICE Futures Europe, New York Mercantile Exchange.

► 3. Natural gas inventory in the European Union

(daily values - capacity rate, in %)



Last point: 11 March 2023.

How to read it: on 11 March 2023, natural gas inventory in the European Union countries stood at 56.6% of total inventory capacity.
Source: Gas Infrastructure Europe - AGSI+.

► 4. Price of a tonne of CO₂ on the European Union Emissions Trading System

(daily values, in euros)

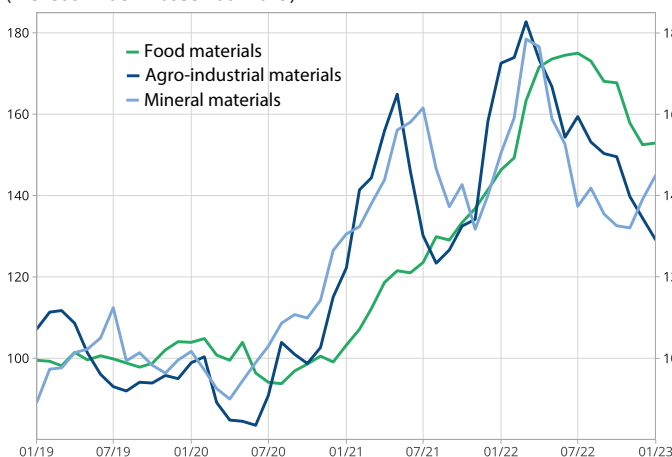


Last point: 10 March 2023.

How to read it: on 10 March 2023, the price of a tonne of CO₂ on the European Union Emissions Trading System was €96.7.
Source: ICE Futures Europe.

► 5. Prices indices for imported commodities in France

(mensual index - base 100=2019)



Last point: January 2023.

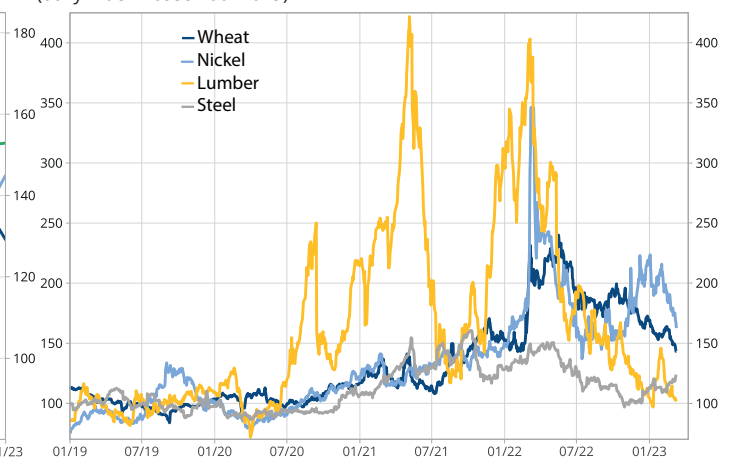
Note: the indices measure price changes in euros.

How to read it: in January 2023, prices in euros of imported food commodities were 52.9% above their 2019 average.

Source: INSEE.

► 6. Prices of wheat, nickel, lumber and steel

(daily index - base 100=2019)



Last point: 10 March 2023.

Note: the indices measure price changes in euros.

How to read it: on 10 March 2023, the price of wheat in euros was 43.2% above its 2019 average.

Source: Euronext Paris, London Metal Exchange, Chicago Mercantile Exchange, Shanghai Futures Exchange.