

Energy and commodities

At the beginning of 2024, the price of oil came under pressure, notably due to the particularly unstable situation in the Middle East: it fell sharply at the beginning of June, following the announcement by OPEC+ of an easing of production restrictions from the autumn and then picked up slightly in the following weeks. Geopolitical uncertainties and various large-scale climatic phenomena also increased the volatility of other commodity prices, especially food.

The price of oil (Brent) increased sharply at the beginning of 2024, reaching \$90 in April, before slipping back temporarily below \$80 at the beginning of June. It has nevertheless rebounded since then and stood at around \$85 at the end of June (► [Figure 1](#)). The market remains hampered by the production cuts by OPEC+ countries, although the announcement at the beginning of June of a potential gradual cancellation of reductions in the production quotas of some of their members from the autumn onwards has helped to ease prices. Conversely, persistent tensions in the Middle East and the attacks by Ukrainian drones on Russian oil installations are fuelling fears over supplies and contributing to price volatility. Consequently, despite a slowdown in expected demand (+1.0 million barrels per day in 2024 against +2.3 million barrels per day in 2023) and the dynamism of production by non-OPEC+ countries, including the United States (► [Figure 2](#)), the International Energy Agency (IEA) in its latest forecasts believes that the market is likely to remain in deficit to the tune of 0.3 million barrels per day in 2024. Over the forecasting period (end of 2024), the assumption adopted is that the price of oil will remain constant, at \$85 per barrel (or €79.50 assuming a euro-dollar exchange rate of 1.07 dollars for 1 euro).

In Q1 2024, the price of gas on the European market (TTF) hit its lowest level since Q2 2021 (► [Figure 3](#)), at an average of €27.60/MWh, yet this was almost 90% above the 2019 average. At the end of the winter, inventories in the European Union countries were at their highest level since 2019, the result mainly of a fairly mild winter, on average. The price nevertheless rebounded at the beginning of April following the growing tensions between Israel and Iran, which pose logistical threats to deliveries of liquefied natural gas, especially from Qatar, and now stands at above €30/MWh. This is also significantly higher than the price of gas on the North American market (Henry Hub), which dropped to particularly low levels at the beginning of 2024, around \$6/MWh, due to a historically mild winter in the United States.

The price of carbon dioxide (CO₂) on the European Union Trading Emissions System fell back substantially in Q1 2024 (€59.70 per tonne, after €83.60 in 2023), before rebounding at the beginning of April (► [Figure 4](#)), driven by more favourable economic prospects in the Eurozone. In addition, the price of uranium has increased very significantly in recent months (+89.4% year-on-year in euros in Q1 2024), driven by the sharp increase in demand expected in the years to come and by production constraints in Kazakhstan, one of the world's leading exporters.

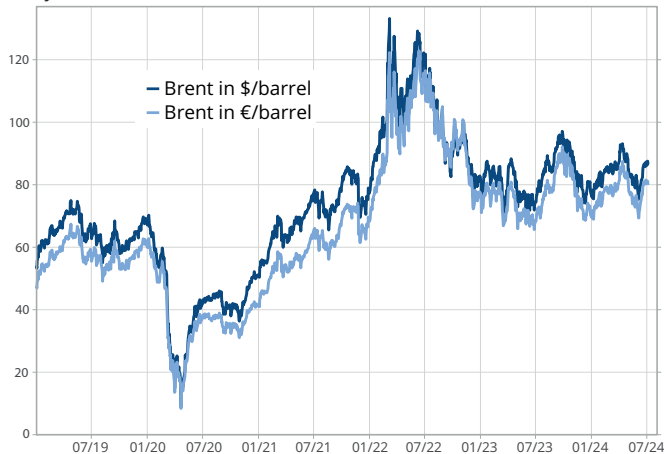
The prices of some industrial commodities, especially minerals, have risen again in 2024 after falling considerably in 2023. This is particularly the case for copper, a strategic metal in the context of energy transition, whose price increased by 17.1% in June compared to January 2024 (► [Figure 5](#)), due to the drop in production of several mining companies, mainly in Latin America, and the introduction in mid-April of US and UK sanctions against certain Russian metals, which also led to a rebound in the price of nickel. An ounce of gold reached record heights on the markets at the beginning of April, at over \$2,400, with this metal acting as a safe haven in times of geopolitical instability. However, the price of iron ore fell by 21.0% in June compared to January, largely due to the sluggishness of steel production in China.

Lastly, the prices of some food commodities were pushed up as a result of extreme weather events. This especially applied to cocoa, whose price in mid-April was three and a half times higher than in 2023 (► [Figure 6](#)). Torrential rains in West Africa in the summer of 2023 promoted the growth of disease on the cocoa trees, severely affecting production by the world's two largest producers, Côte d'Ivoire and Ghana. Furthermore, due to prolonged episodes of drought in Spain, the price of olive oil also remains more than three times higher than in 2019, although it has recently declined. Conversely, the prices of wheat and of sunflower oil were almost at their pre-health crisis levels at the beginning of the year, with the consequences of the war in Ukraine now having less of a detrimental effect on global supply. However, the price of wheat rebounded strongly in mid-April, over major fears about Russia's future production, as the country's cereal-growing regions had suffered from some particularly difficult weather conditions at the start of spring. Finally, the price of sugar eased at the end of 2023, due to record Brazilian production. ●

International economic outlook

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

(daily values)



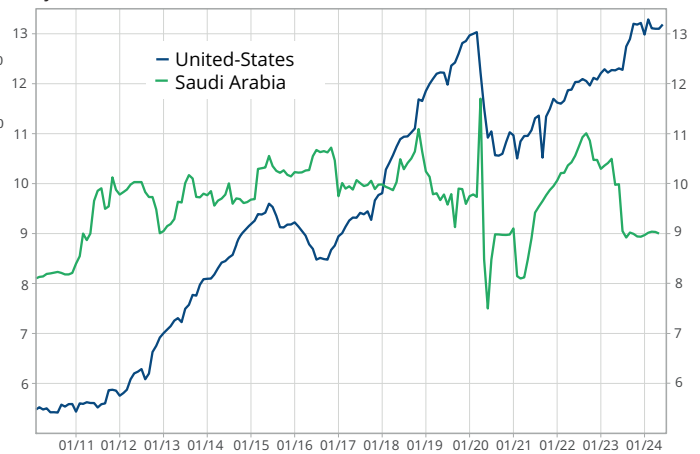
Last point: 5 July 2024.

How to read it: on 5 July 2024, the price of a barrel of Brent was 86,6 \$.

Source : Commodity Research Bureau.

► 2. Crude oil output in the United States and Saudi Arabia

(daily values)



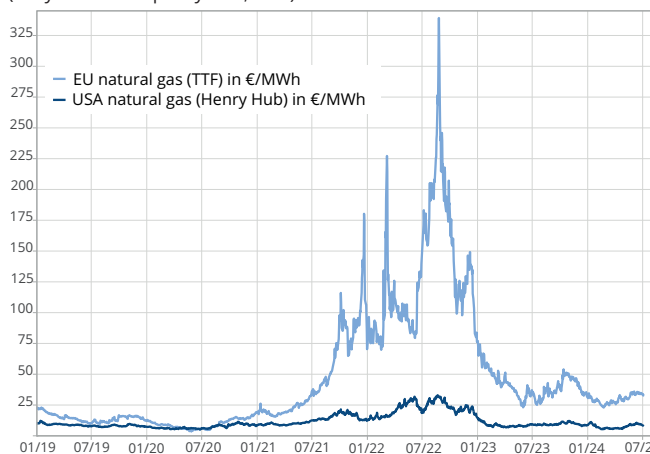
Last point: May 2024.

How to read it: on May 2024, crude oil output in the United States was 13.1 million barrels per day (incomplete data).

Source: Energy Information Administration (EIA), OPEP.

► 3. Natural gas prices in Europe and in the United States

(daily values – capacity rate, in %)



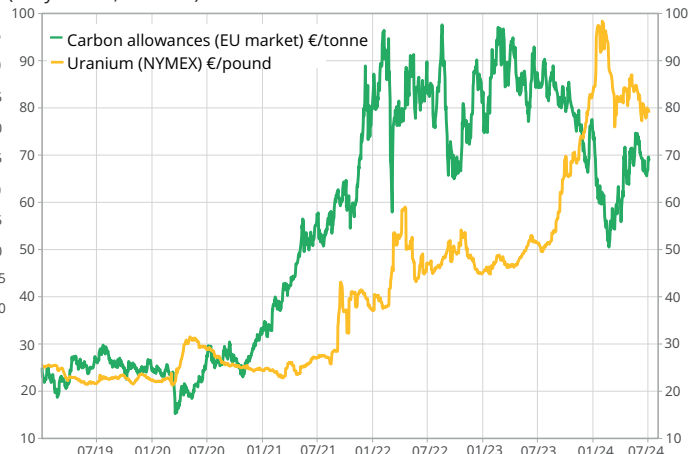
Last point: 5 July 2024.

How to read it: on 5 July 2024, the value of natural gas futures contracts at the next expiry date in the Netherlands (TTF) was €33.1 per megawatt-hour.

Source: ICE Futures Europe, New York Mercantile Exchange.

► 4. Price of a tonne of CO₂ on the European market and uranium prices

(daily values, in euros)



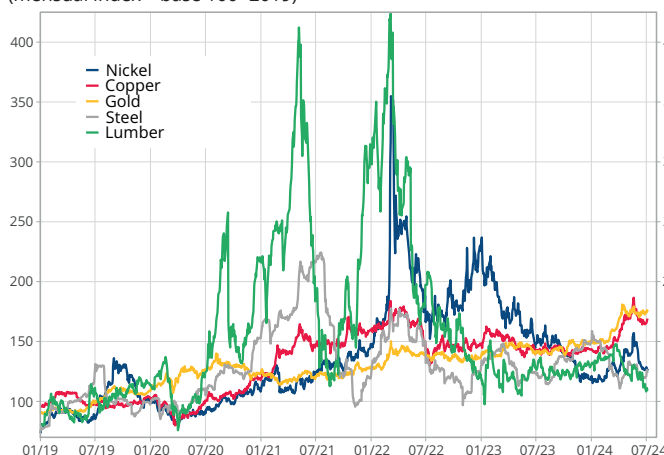
Last point: 5 July 2024.

How to read it: on 5 July 2024, the price of a tonne of CO₂ on the European Union Emissions Trading System was €69.2.

Source: ICE Futures Europe, New York Mercantile Exchange.

► 5. Prices of nickel, copper, steel and lumber

(mensual index – base 100=2019)



Last point: 5 July 2024.

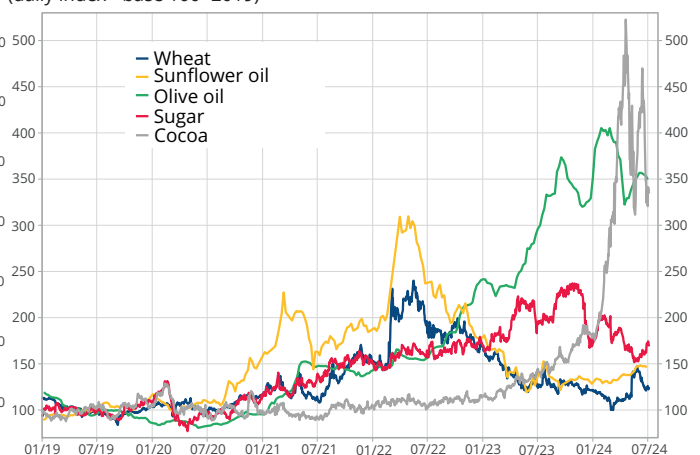
Note: the indices measure price changes in euros.

How to read it: in 5 July 2024, the price of copper in euros was 69.2% above its 2019 average.

Source: London Metal Exchange, Chicago Mercantile Exchange, New York Mercantile Exchange.

► 6. Prices of wheat, sunflower oil, olive oil, sugar and cocoa

(daily index - base 100=2019)



Last point: 5 July 2024.

Note: the indices measure price changes in euros.

How to read it: on 5 July 2024, the price of wheat in euros was 25.0% above its 2019 average.

Source: Euronext Paris, APK-Inform, Ministère de l'Agriculture espagnol, ICE Futures US.