

HWWI commodity price index continues to fall

Significant decrease in gas and coal prices

- **HWWI overall index falls by 13.1% (US dollar basis)**
- **Natural gas price falls by 27.6%**
- **Crude oil price rises slightly by 2%**

(Hamburg, November 11, 2022) In October, the HWWI commodity price index fell by a total of 13.1% compared to September. All three sub-indices (food and beverages, industrial raw materials and energy raw materials) declined. The index for energy raw materials decreased most significantly. The other two indices fell only slightly: the industrial raw materials index by 2.6% and the food and beverages index by 2.3%.

Index for energy raw materials: Price decline for gas and coal

The moderate temperatures, the filled storage facilities and the subdued economic outlook initially continued to have a dampening effect on the gas price. After a slight decrease in September, the gas price fell by 27.6% in October. This means that it is currently only 0.6% above the price in October 2021.

The price of coal also declined. It fell by -12.7% compared to the previous month but is still 56.1% higher than the price in the previous year.

The price of crude oil rose slightly by 2.0% in October and was thus 9.7% higher than in the month of the previous year.

"After the index for energy raw materials had weakened a little from the beginning of October, it is rising again at the current margin, driven mainly by the rise in the oil price.

There are no signs of a real easing on the energy markets at the moment", says Marina Eurich, raw materials and economic expert at the HWWI.

Overall, the energy raw materials sub-index fell by 14.4% in October (euro basis: -13.7%) to 335.9 points (euro basis: 392.0 points).

Industrial raw materials index: Prices continue to fall

All three sub-indices of the industrial raw materials index (agricultural raw materials index, non-ferrous metals, iron ore and steel scrap index) also fell in October. In total industrial raw materials index fell by 2.6%. This continues the downward trend in industrial raw material prices that has been going on for several months.



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Prices for agricultural raw materials fell by 4.9%. The continuing fall in the price of cotton is striking. As in the previous month, the price of cotton is in a significant fall, which intensified in October. Demand in the spinning mills continues to decline due to the economic situation. The background is falling demand for textiles due to weaker consumer behavior and higher prices in other areas, such as energy.

The downward trend from September is also continuing for the timber price. One important reason is probably the cooling of the construction sector, which is caused by the economic situation and higher interest rates.

Prices for iron ore and steel scrap fell by 4.1% in October, and prices for non-ferrous metals by 0.9%. Overall, the industrial raw materials index was 20.2% lower in October than in the previous month. 20.2% lower than in the same month of the previous year.

The industrial raw materials index fell in October by 2.6% (euro basis: 1.9%) to 117.2 points (euro basis: 136.5 points).

Index for food and beverages falls slightly

The sub-index for food and beverages fell in October – after a very slight increase in September – by 2.3 %. This was a continuation of the downward trend since the middle of the year. In October, the index was 10.4 % above the previous year's value of October 2021.

After the price of coffee had risen in the previous months due to bad weather conditions in Brazil, the most important coffee exporting country, a slight decline was recorded in October. Brazil recently experienced the worst drought in 90 years. This was followed by the worst frost in decades.

Overall, the index for food and beverages rose by an average of 2.3% for the month (euro basis: 1.5%) and stood at 155.5 points (euro basis: 180.9 points).

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Please note that the base year of the HWWI Commodity Price Index has been changed from 2015 to 2020. In addition, the weights by which the various prices are included in the index have been updated using new trade data. Information on the new weightings can be found here: <https://www.hwwi-rohindex.de/ueber-den-index/>.

The HWWI Commodity Price Index is a comprehensive, weekly calculated indicator for the price developments on the world commodity markets, which contains the important internationally traded commodities. Since 1960, the HWWI Commodity Price Index has been measuring the price changes in the raw material import accounting of the industrialized countries. It is thus an indicator for the cost development of imported raw materials and serves, among others, central banks, research institutes and international institutions for their analyses.