

# Energy and commodities

As 2021 came to an end, the global economic recovery continued to be affected by a substantial increase in energy prices. Gas and coal prices in particular rose sharply, reaching a peak in October (+540% and +320% respectively year-on-year). The price of coal has since fallen back, however, gas prices are still very high. These increases have contributed to bringing even more tension to the global oil market, where there is still a supply deficit and stocks are now below their five-year average. In Q3 2021, the price of oil averaged \$73.5 per barrel, up 71% year-on-year. In October, it exceeded \$85 for the first time since 2018 (► [Figure 1](#)). Prices fell back in late November, however, hit by the uncertainties associated with the health situation. In addition, the price of coal on the European market reached a record level, at over €80 per tonne for the first time in 16 years (► [Figure 2](#)). This is mainly related to the new direction taken by the European Union on this subject and, more recently, following the latest coalition agreement in Germany.

Meanwhile, the world commodities market was also still very strained at the end of 2021, although some prices have fallen back in recent months. In France, prices of imported industrial commodities remained high (+23.1% year-on-year in November 2021), although they were down after a historic high point in H1 2021 (► [Figure 3](#)). The prices of mineral commodities also contracted recently (-11.5% between July and November) due to the strong downturn in the price of iron, affected by the slowdown in steel production in China. Finally, prices of imported food commodities remained very high year-on-year (+33.8% in November).

For several months, the effect of the price hikes in energy and other commodities has been passed on to production prices. As a result, production prices in French industry and agriculture picked up vigorously in October year-on-year (+14.0% and +14.5% respectively). Meanwhile, consumer prices of energy products increased by 20.2% year-on-year in October.

Over the forecasting period, the conventional assumption is that energy prices remain constant, with notably the price of a barrel of Brent fixed at \$75.<sup>1</sup> However, in a health context that is once again precarious, uncertainties remain as to the future direction of OPEC production. ●

1 i.e. €66.4 assuming a euro-dollar exchange rate of 1.13 dollars for 1 euro.

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

daily values



Last point: 9 December 2021

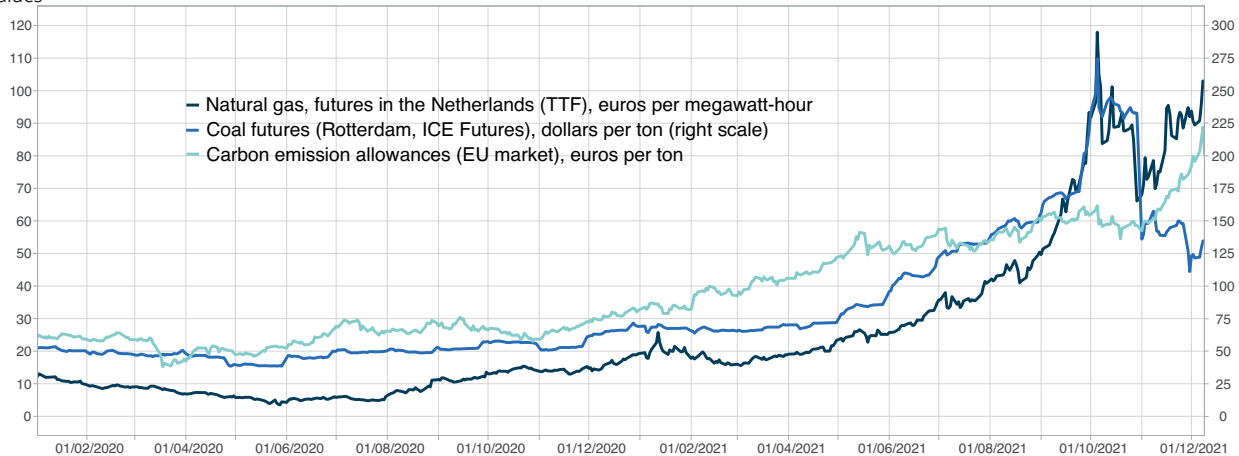
How to read it: on 9 December 2021, the price of a barrel of Brent was \$74

Source: Commodity Research Bureau

# International economic outlook

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

daily values



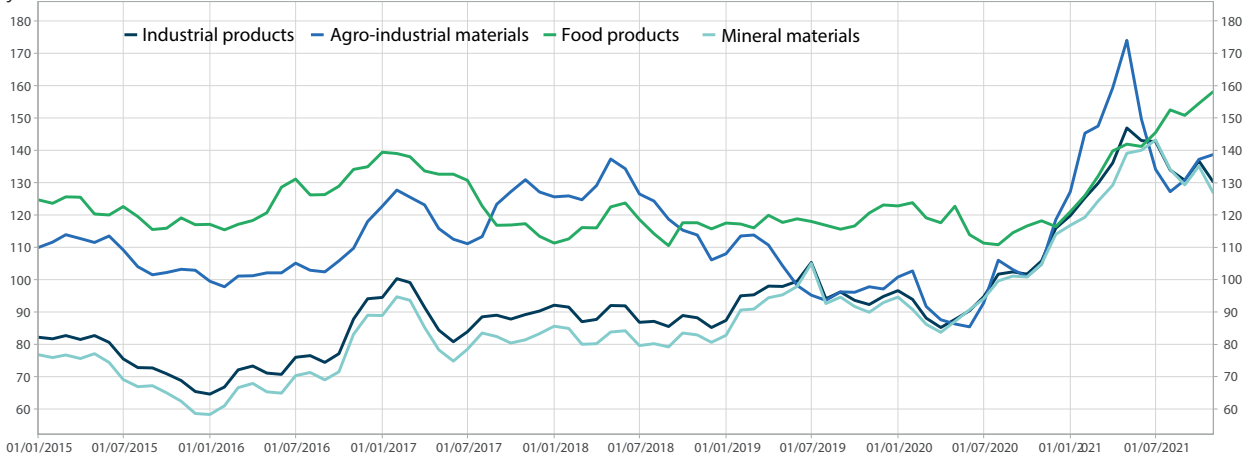
Last point: 9 December 2021

How to read it: on 9 December 2021, the value of natural gas contracts at the next expiry date in the Netherlands (TTF) is €101.7 per megawatt hour.

Source: ICE Futures Europe

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

monthly index - in euros - base 100=2010



Last point: November 2021

How to read it: on November 2021, the price index in euros of industrial products was 130.1.

Source: INSEE