

How price volatility will impact commodity prices and what this means for procurement in 2023



Til  Tom Bundgaard

on 17-02-2021 12:26



COMMODITY PRICE SUPERCYCLES (1).pdf
278 KB

Hello Tom,

I hope you are doing well and safe !

In the light of your PMI webinars and forecasts, I wanted to share this quite disturbing commodity forecast by Reuters that you probably spotted and that is predicting a possibly commodity prices long uptrend starting soon.

Is this something that you also see after 2023 or maybe even before that ?

Kind regards,

From: Tom Bundgaard <tb@kairoscommodities.com>

Sent: 17. veljače 2021. 16:45

Subject: SV: Column: Commodity prices - Supercycle or regular upturn? Kemp

Hi D

Thank you. I'm doing well and staying safe in this weird Corona world we are living in. Hope you manage also!

Do I expect a super cycle in 2023? Yes, before that. We are already in a supercycle now. In my long-term planning I operate with a commodity super cycle from 2016 to at least 2030.
We are already inside the start of this. A few weeks ago I did a webinar on this together with a client. The only problem is that people think "super cycle" = continuous uptrend. That is not the case. The uptrend in commodity prices will not be just one direction, but marred by much volatility and corrections along the way. But prices are likely already inside a super cycle and will continue. Maybe we can have a look at this together some time, but the quickest way would be to look at the copper forecast:



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Column: Commodity prices - Supercycle or regular upturn? Kemp

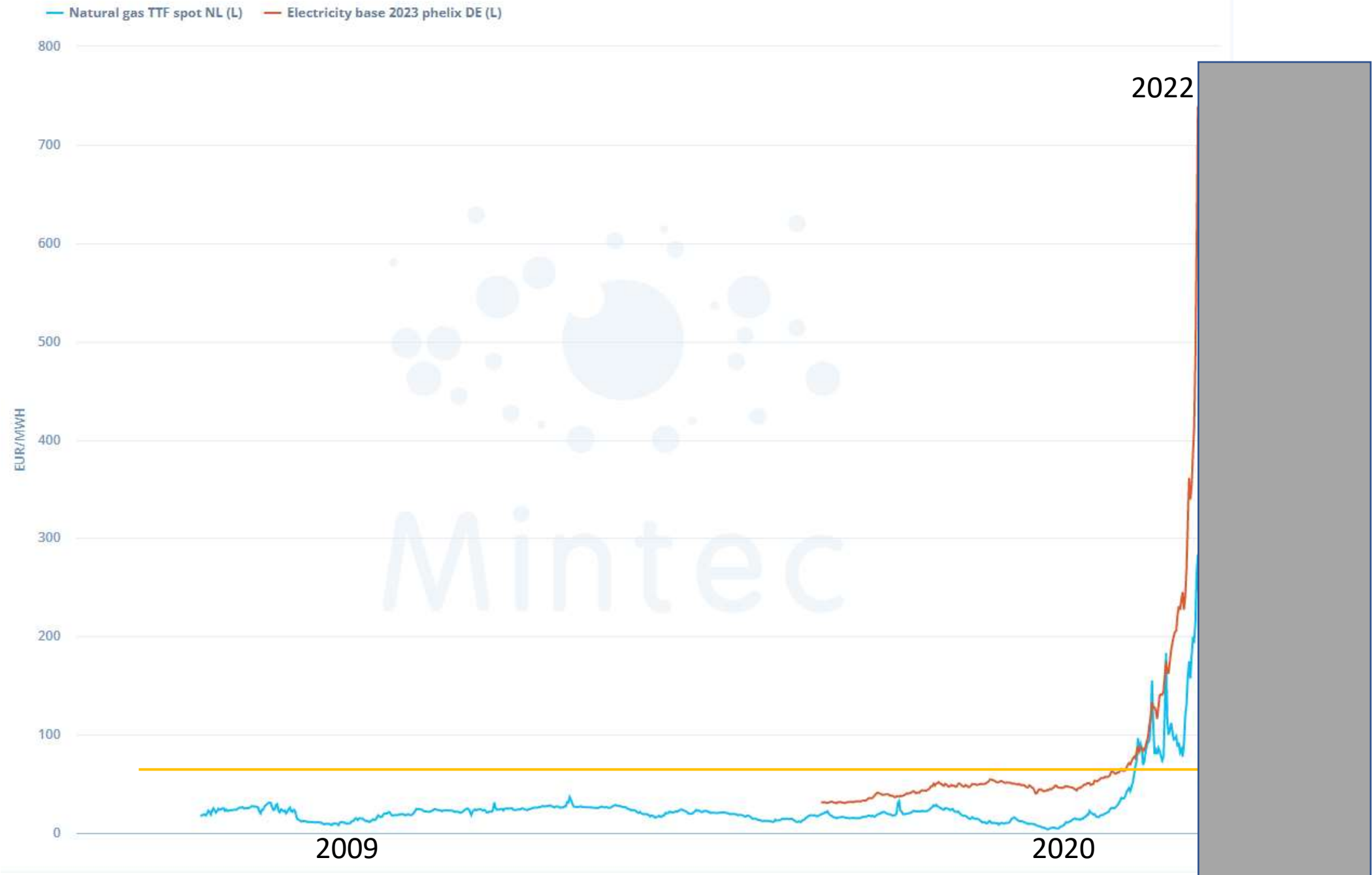
By [John Kemp](#)

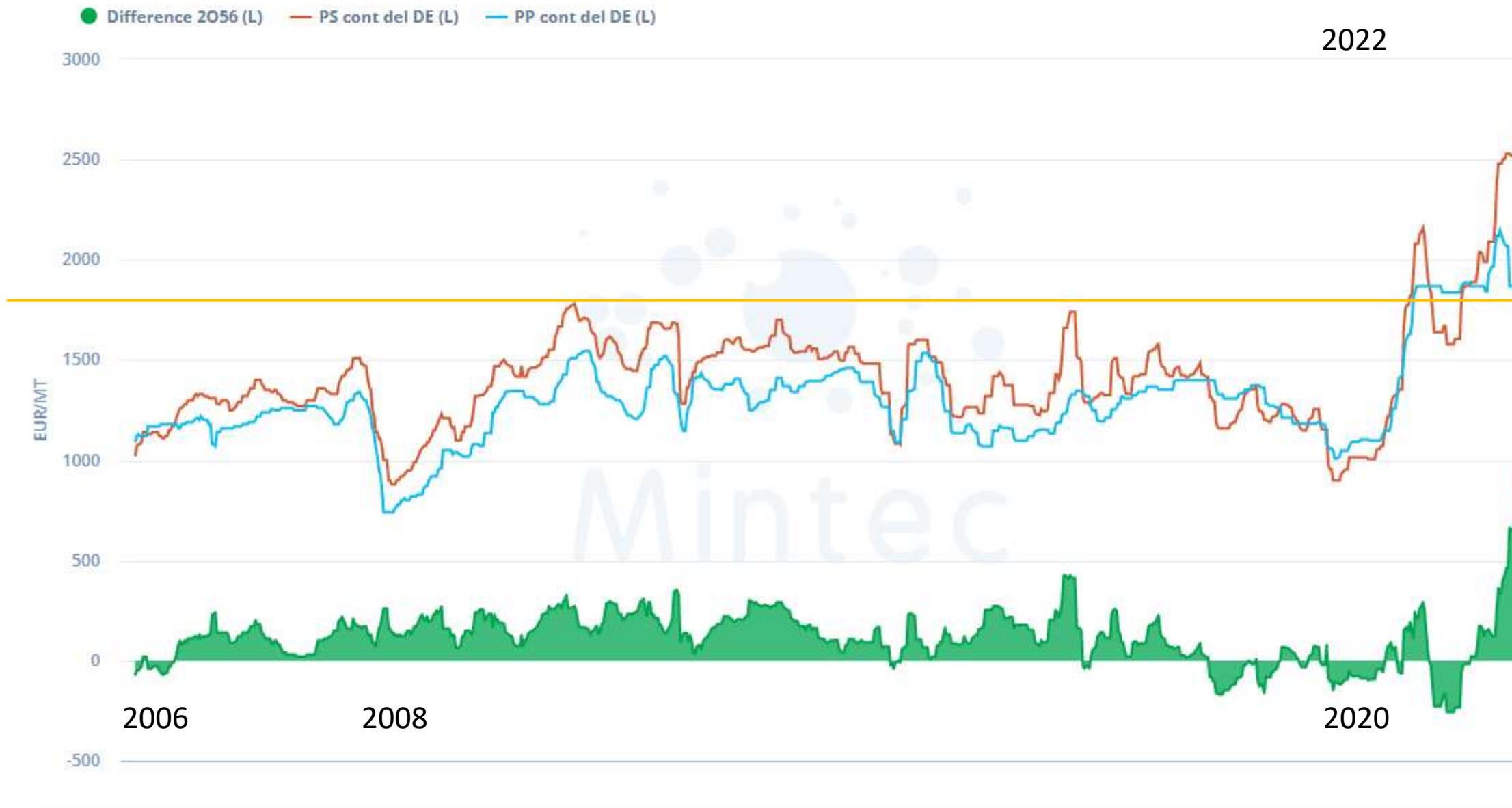
THE NEXT DECADE

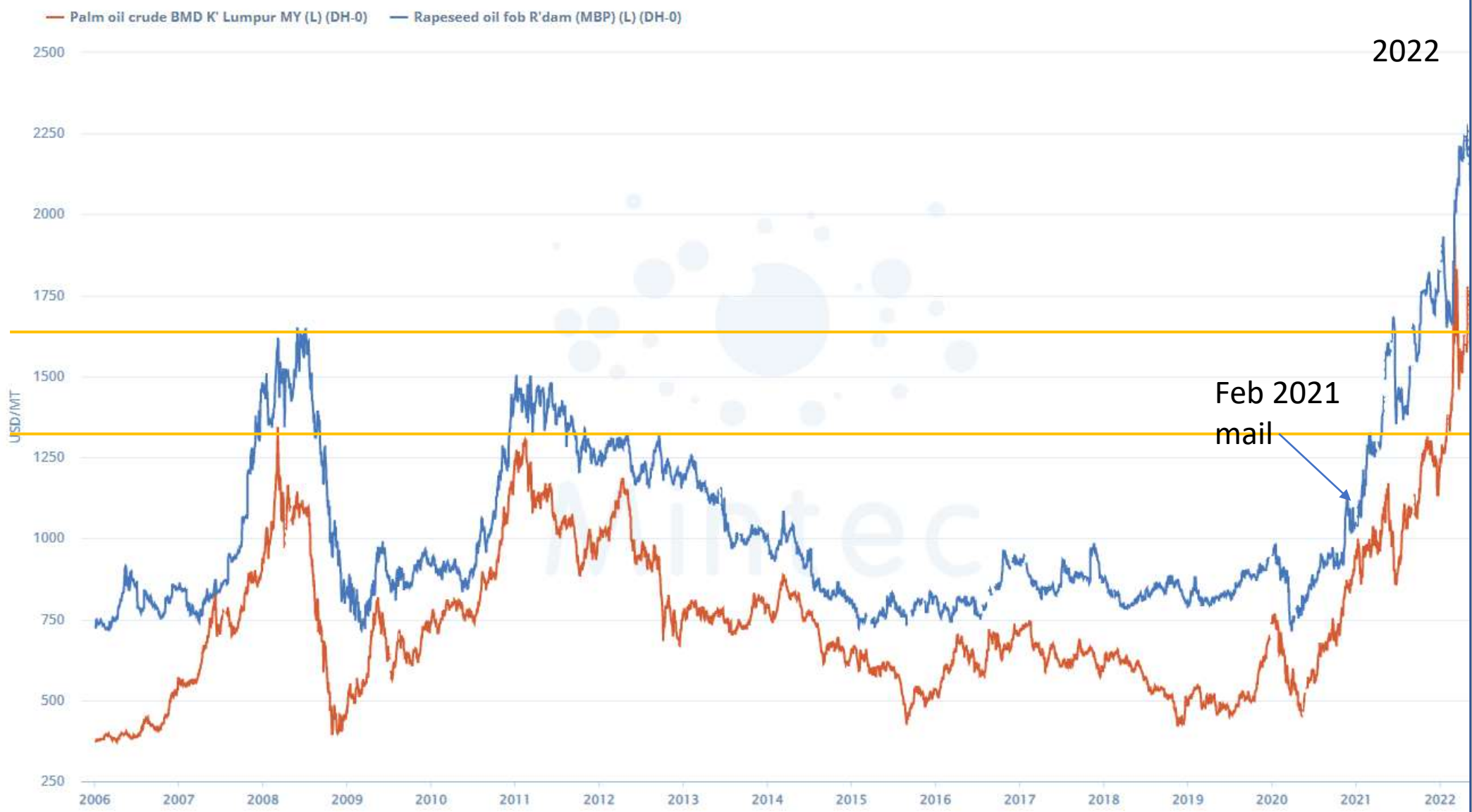
There are multiple potential triggers for a larger-than-normal upswing in the cycle over the course of the next 5-10 years.

There is a risk of overpredicting the occurrence of supercycles. The previous one peaked a decade ago. It is possible another is now underway. But it would be arriving unusually quickly.

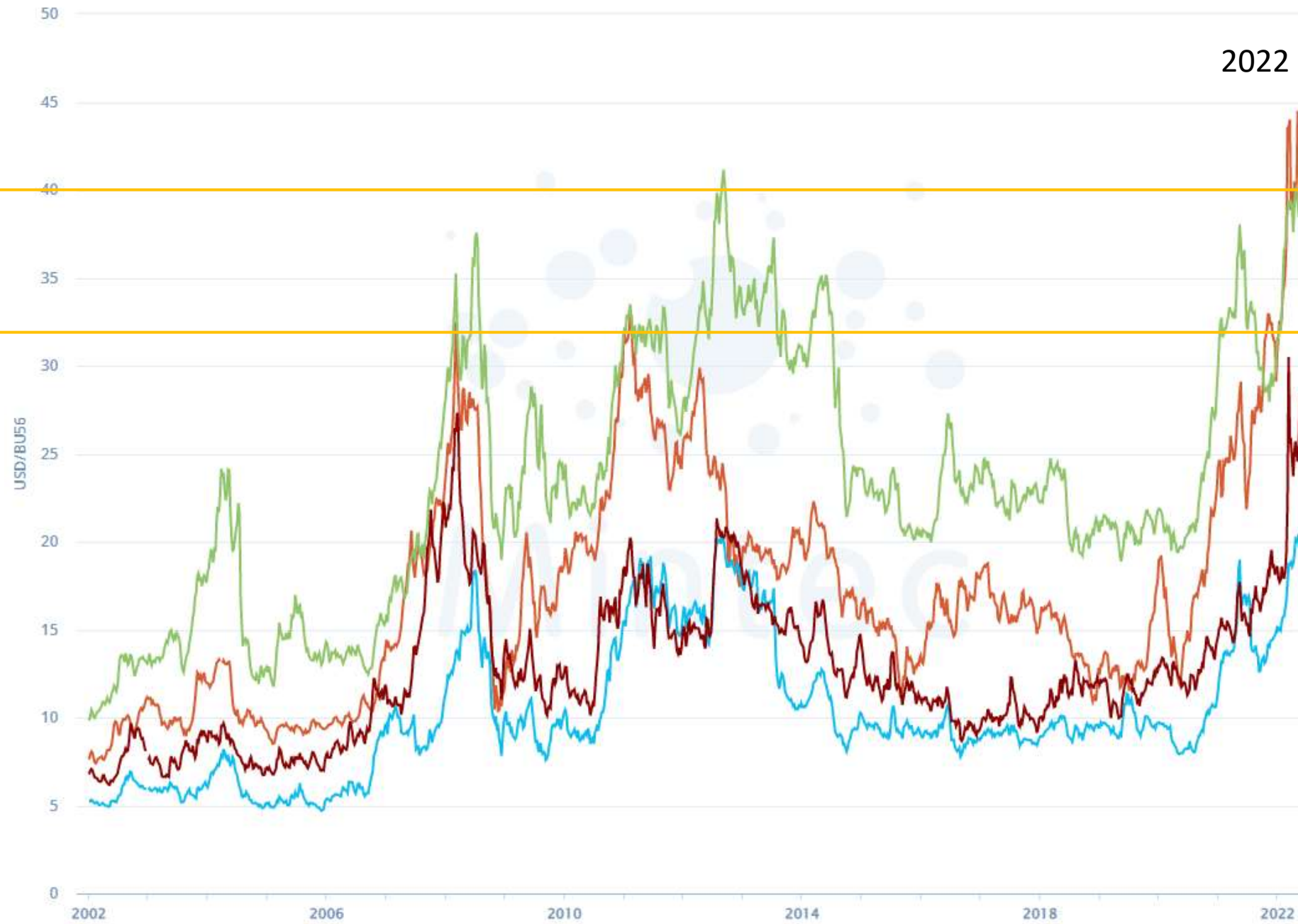








— Palm oil crude BMD K' Lumpur MY (L) (DH-0) — Maize no 2 CME Chic US (R) (DH-0) — Soyabean no 2 CBOT Chic US (R) (DH-0)
— Wheat milling no 2 CME Chic US (R) (DH-0)

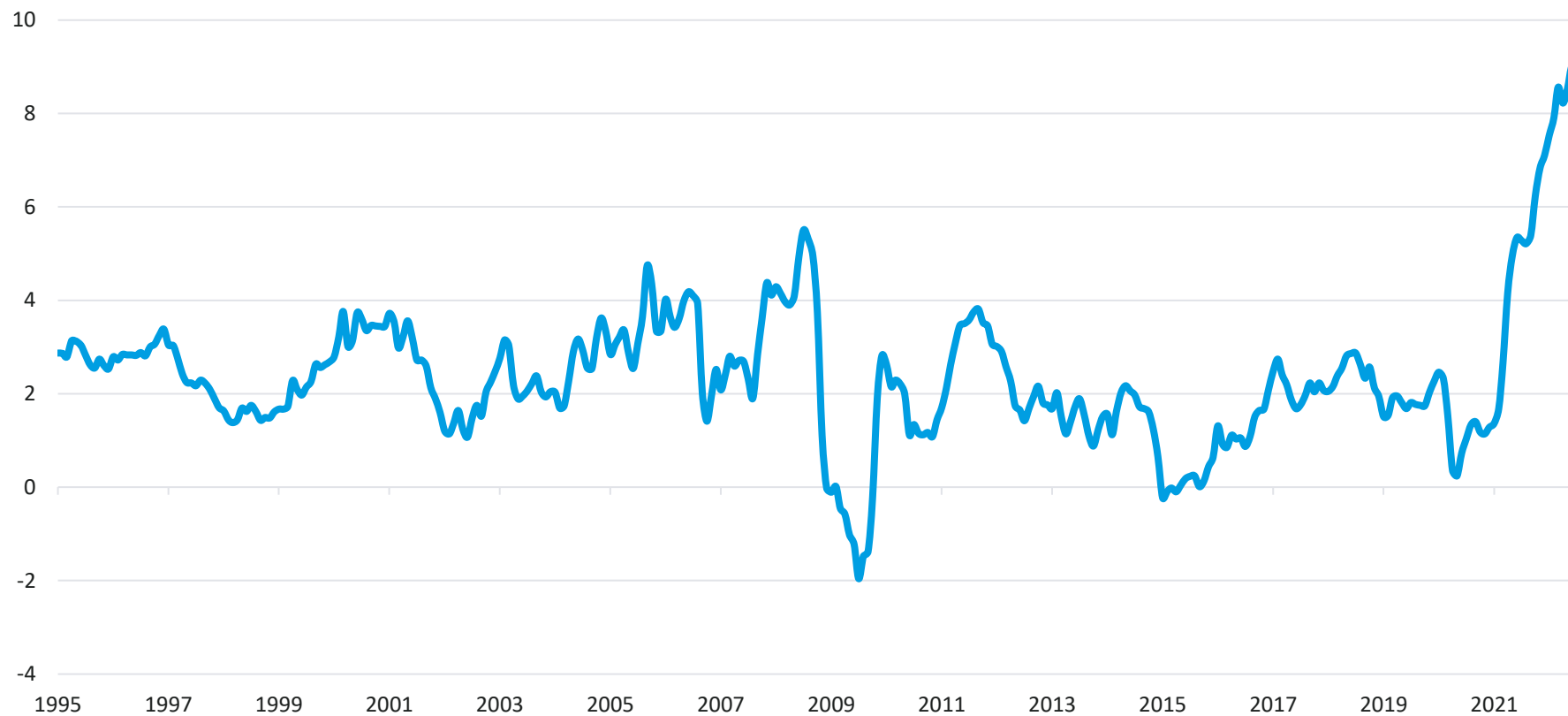


20

2022

CPI - Consumer Price Index

Consumer Price Index



Source: Mintec Analytics

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Private Brands
Summit



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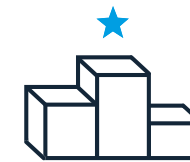
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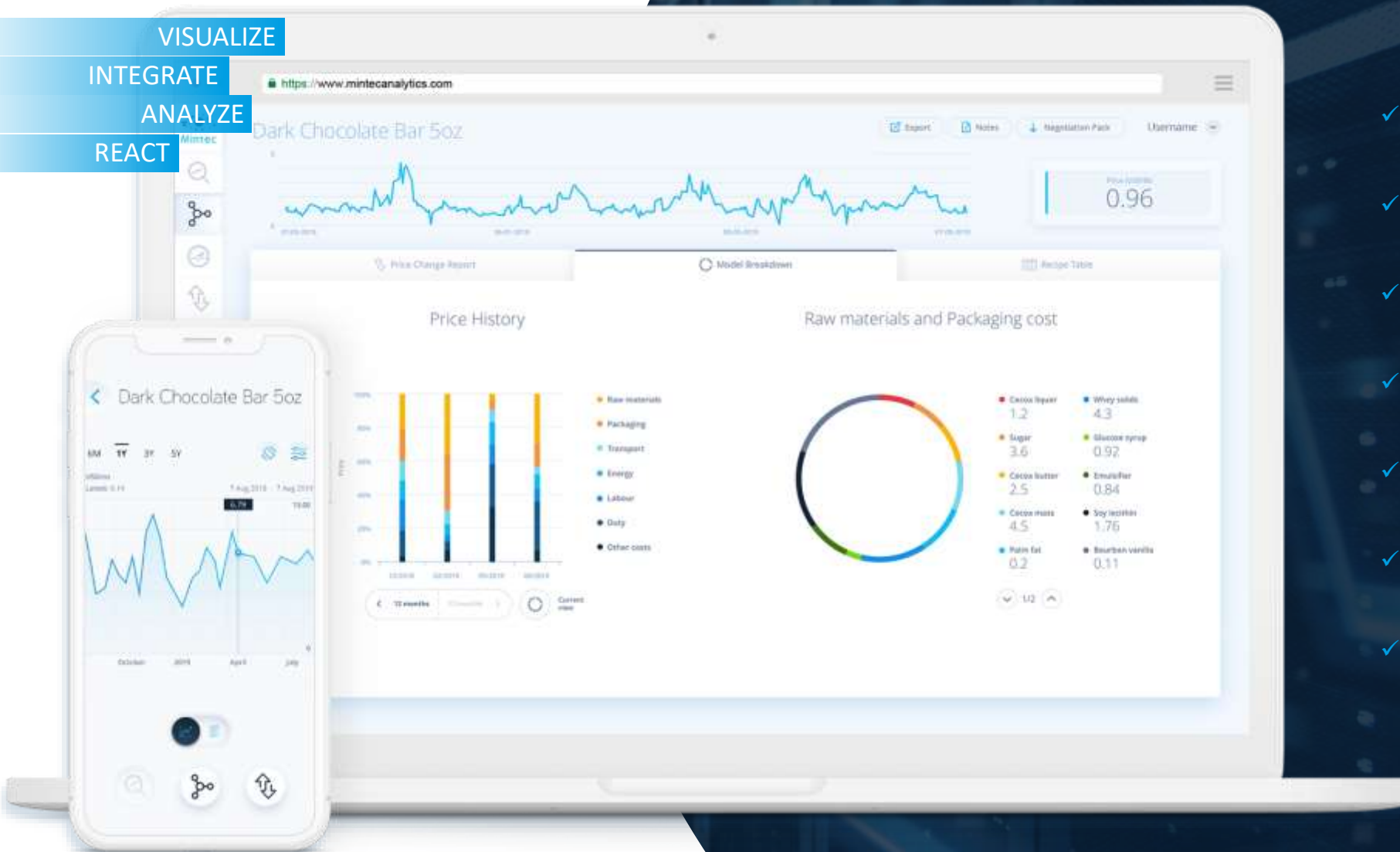


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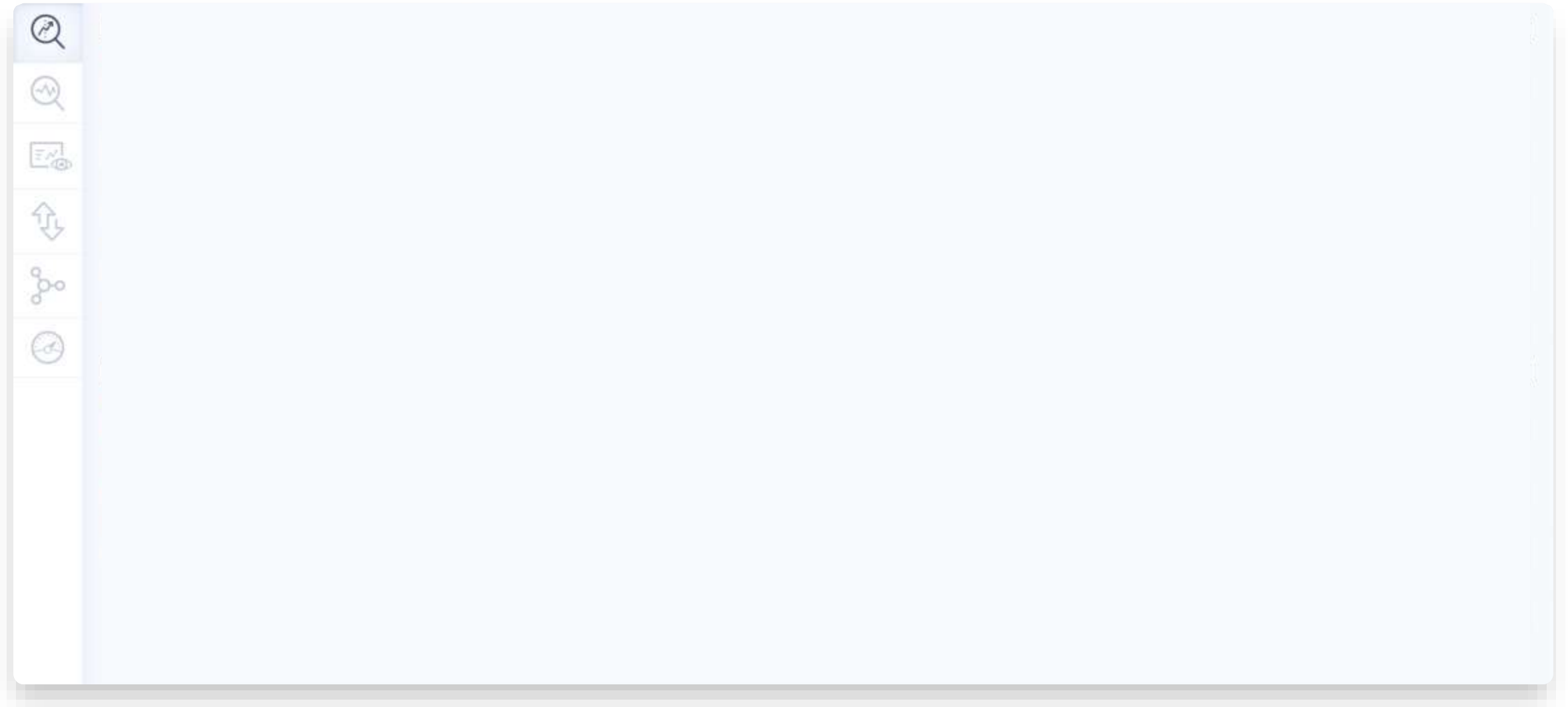
Others



Mintec are providing services in the market that nobody else is able to offer



A Growing coverage of 60+ commodities



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Hi D

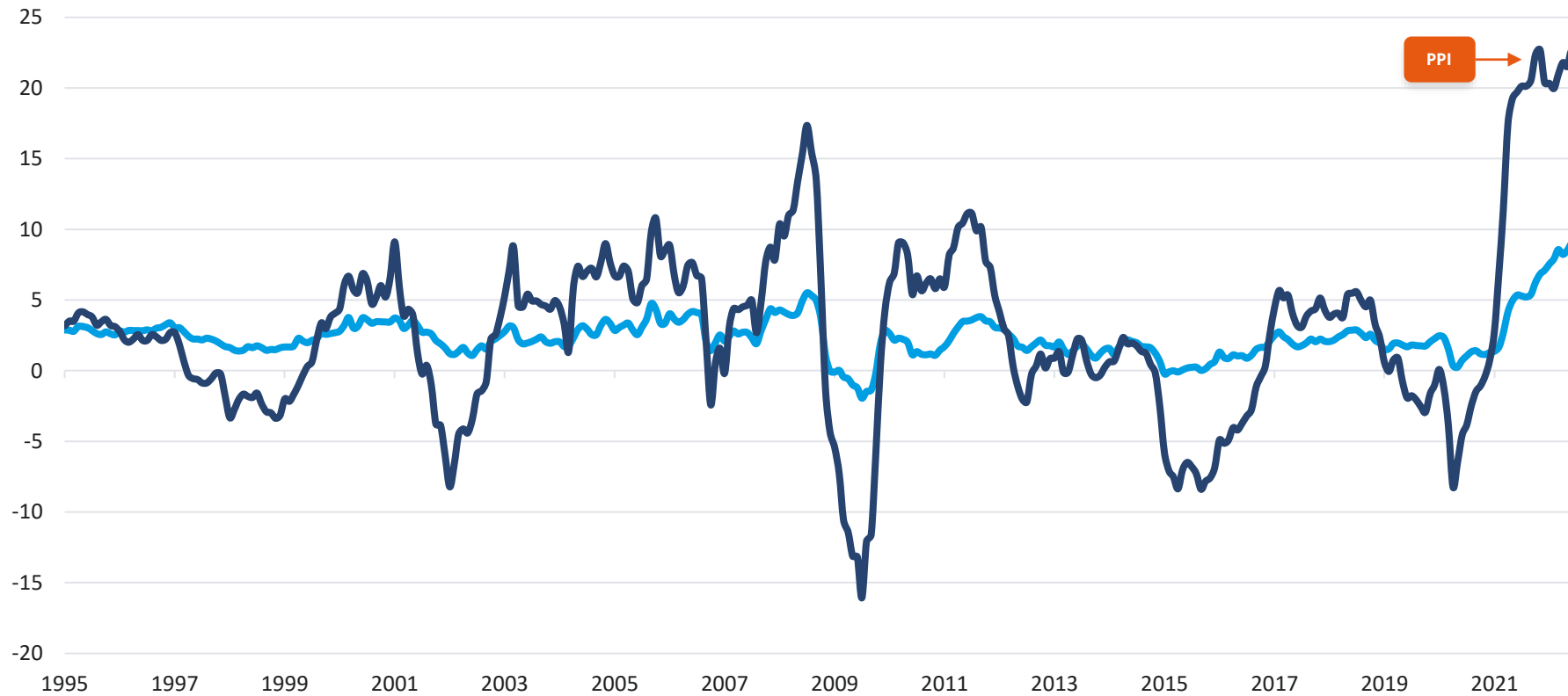
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PPI vs CPI

Producer Price Index

Consumer Price Index

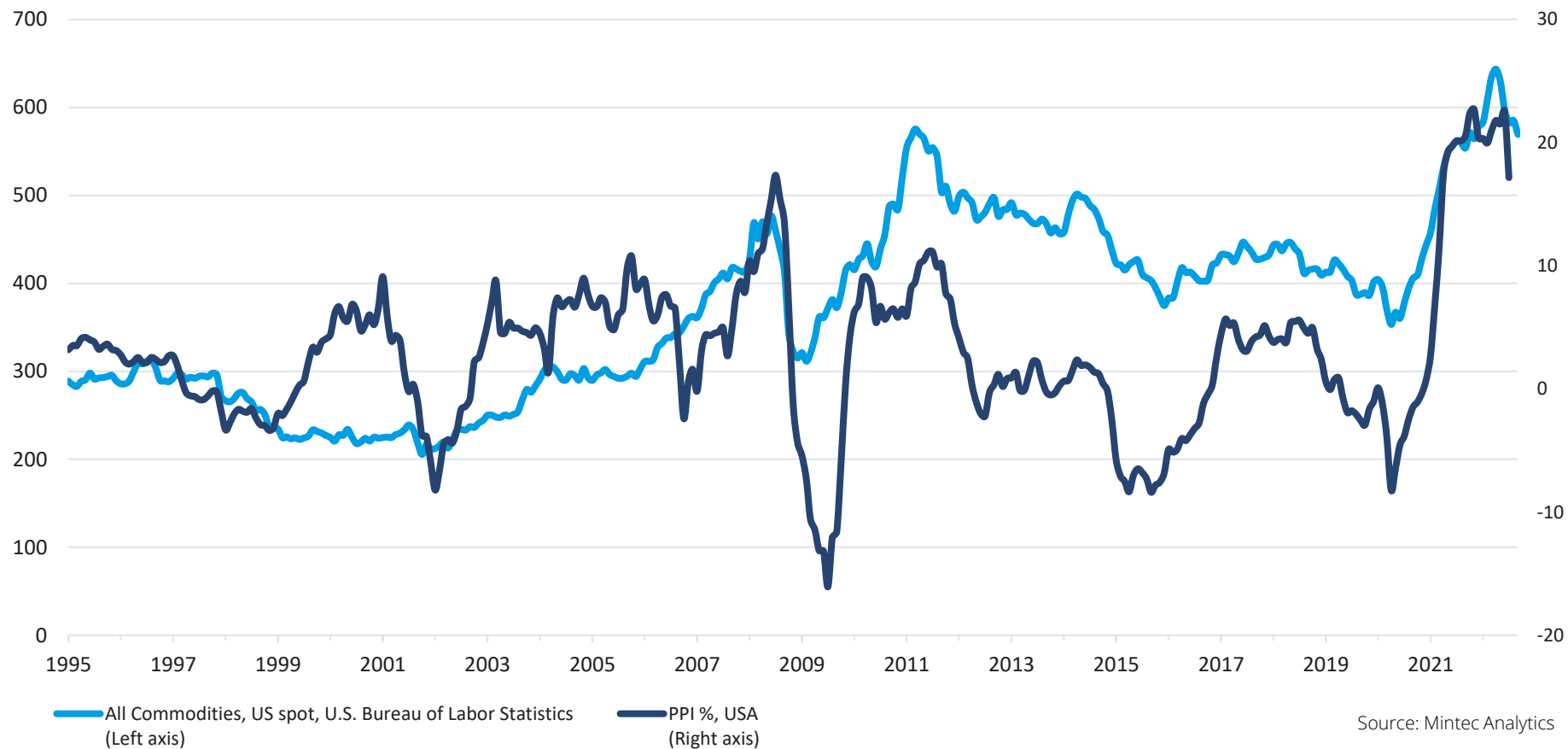


— CPI %, US (Left axis)
— PPI %, USA (Right axis)

Source: Mintec Analytics

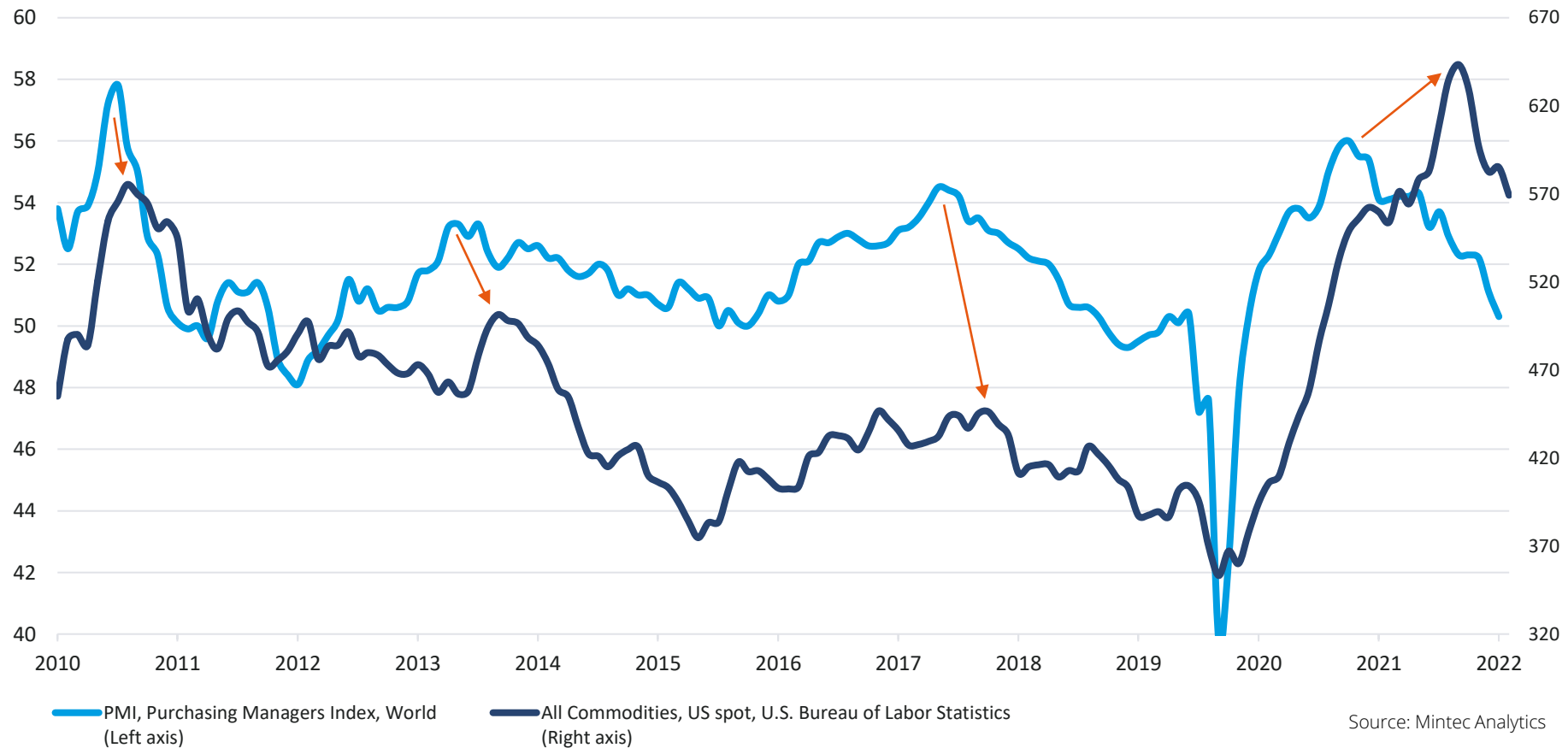
Commodities affect PPI

Producer Price Index, US vs All Commodities, US

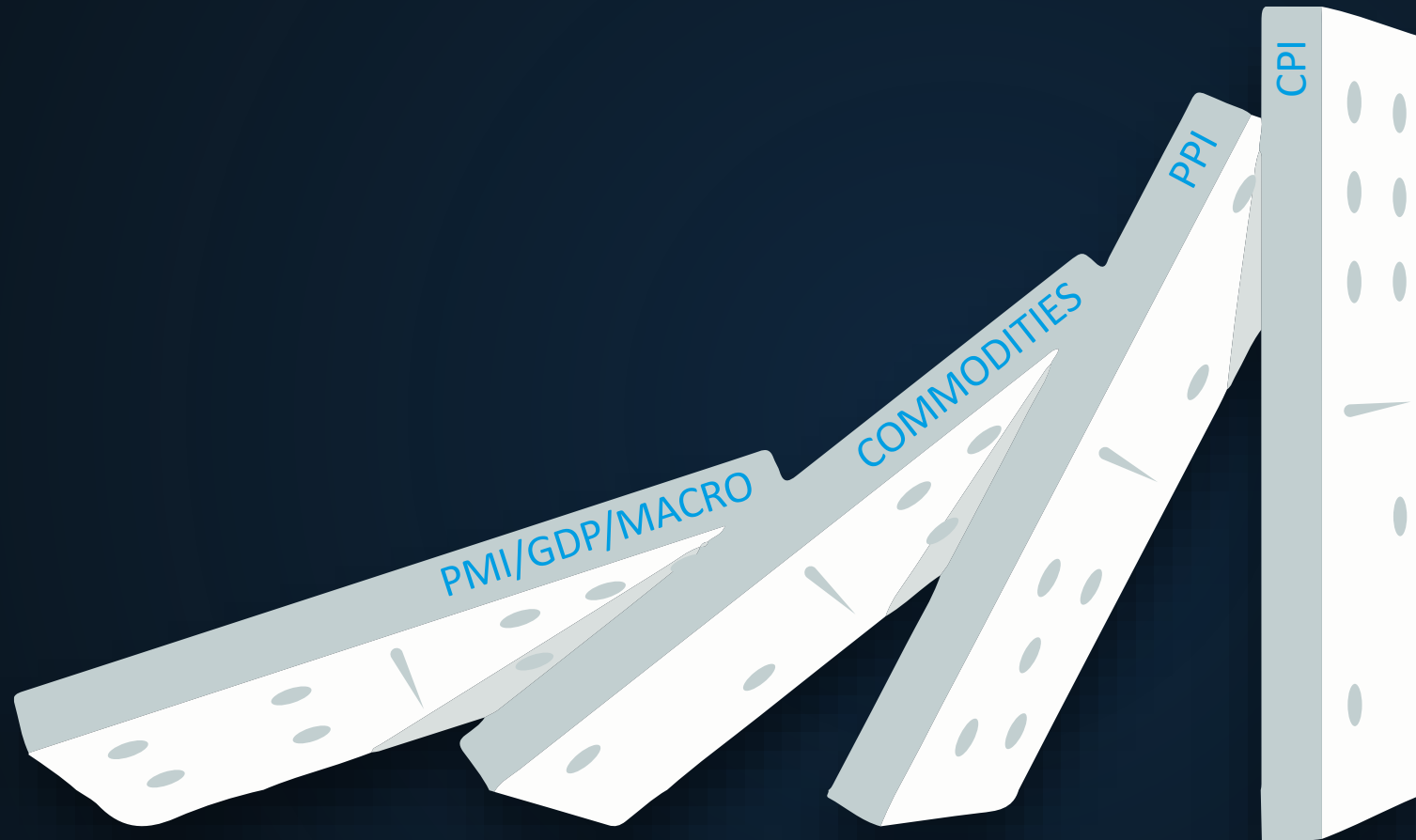


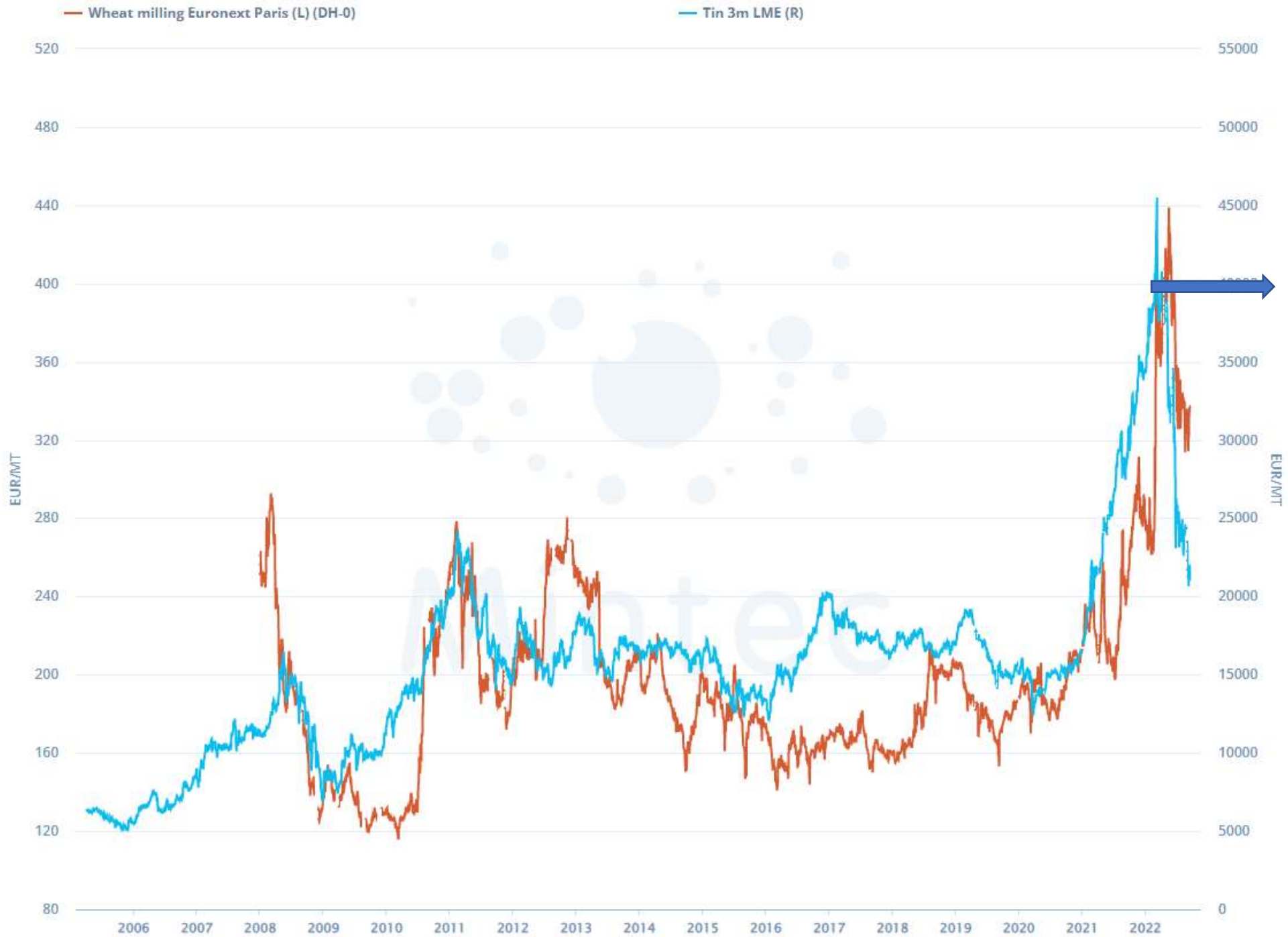
PMI leads commodities

All commodities, US vs PMI, Purchasing Managers Index



Domino effect





A hand holding a crystal ball containing a miniature landscape with plants and a tree.

Commodity Outlook

Future outlook for commodities

White paper

H1 2022

Global Food Commodity Review

Market Update & Price Outlook

- 1 Grains Market Update and Price Outlook for Wheat
- 2 Meat Market Update and Price Outlook for Beef
- 3 Dairy Market Update and Price Outlook for Butter
- 4 Vegetables Market Update and Price outlook for Potatoes

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- ✓ Public warning about a coming top in Q2/22 and a bigger decline to 2024.

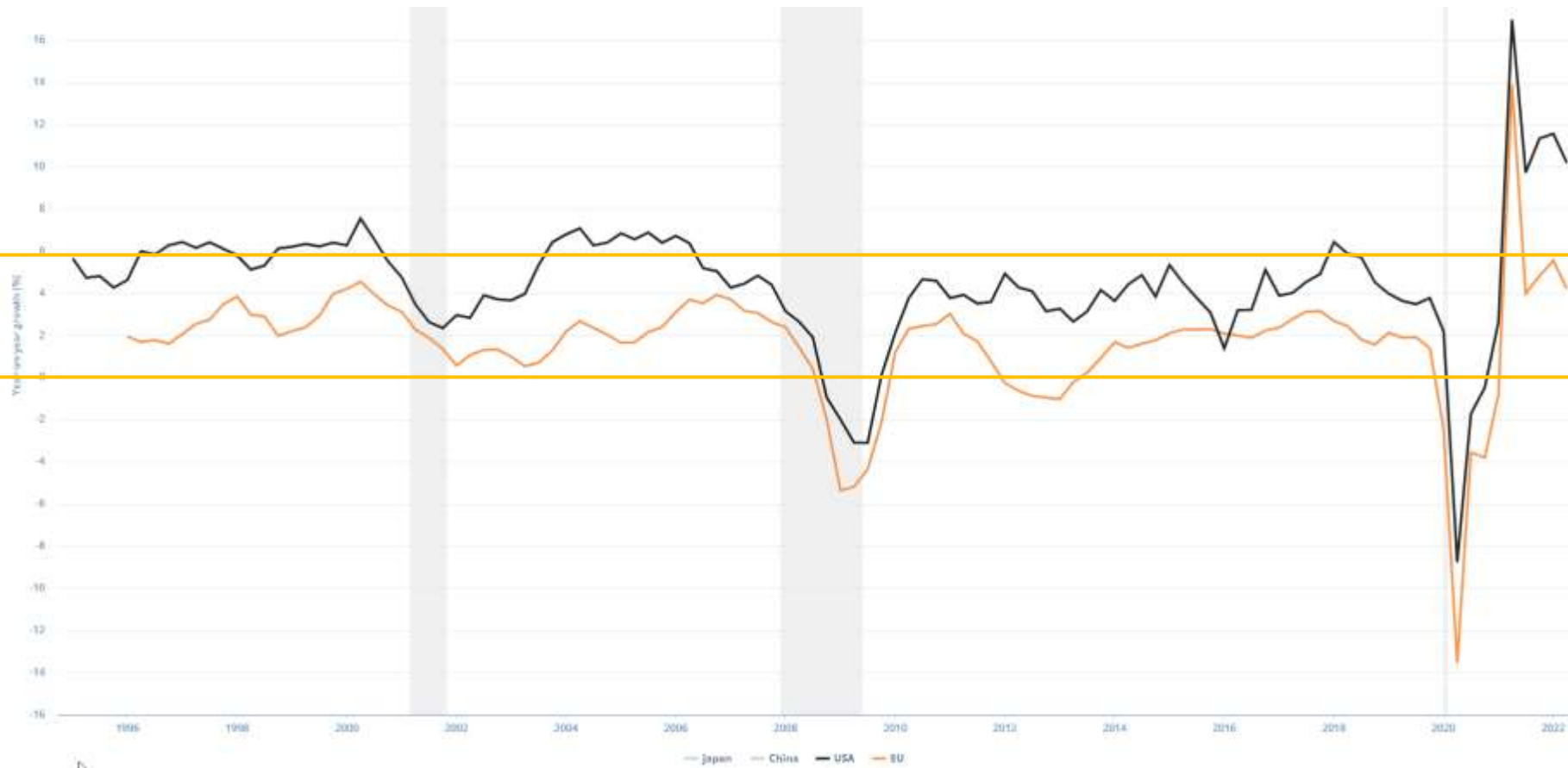
Buyers Beware: Commodity prices are likely to decrease in 2022

Mintec Commodity Price Forecast 2022

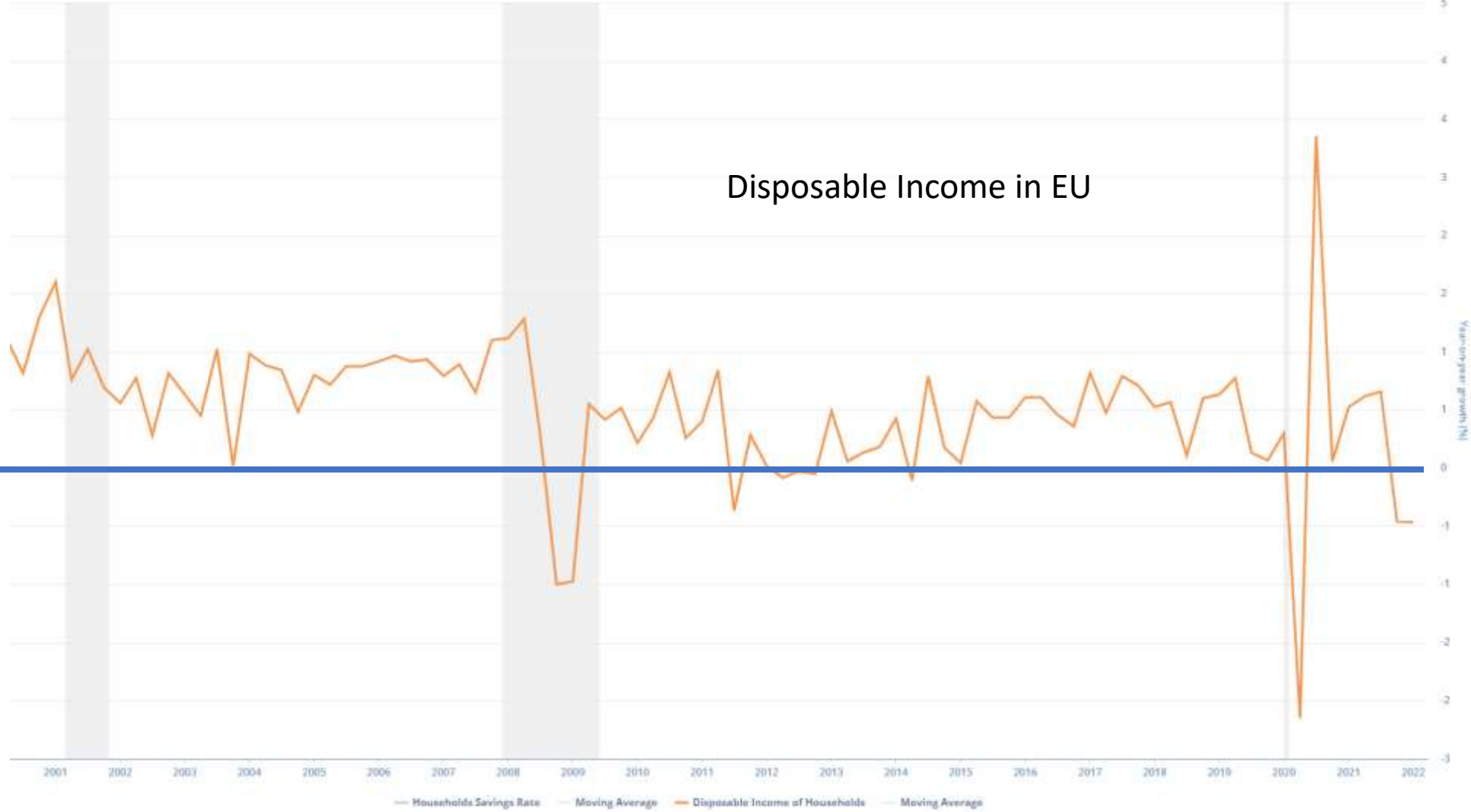
Forecast 2022-2033



GDP – EU and US

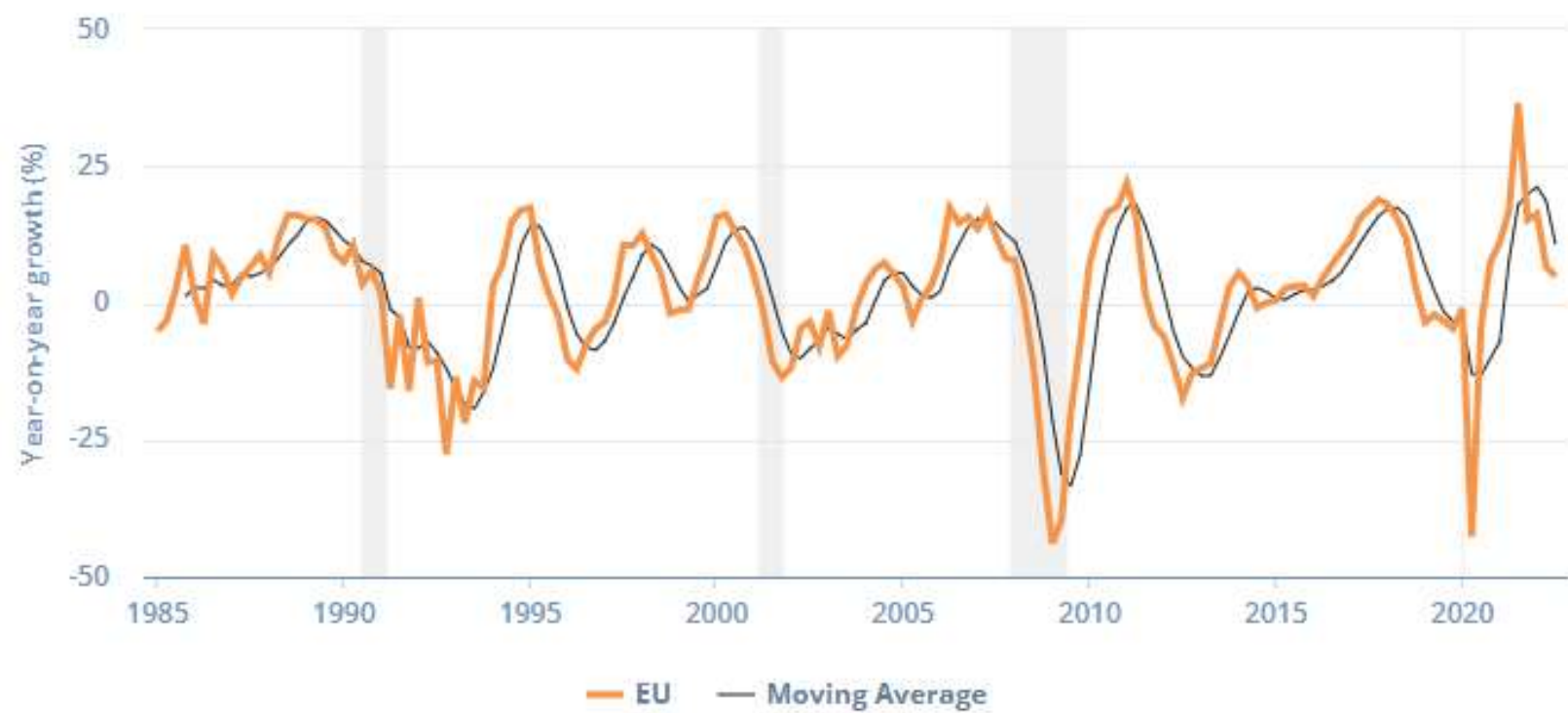


Disposable Income in EU



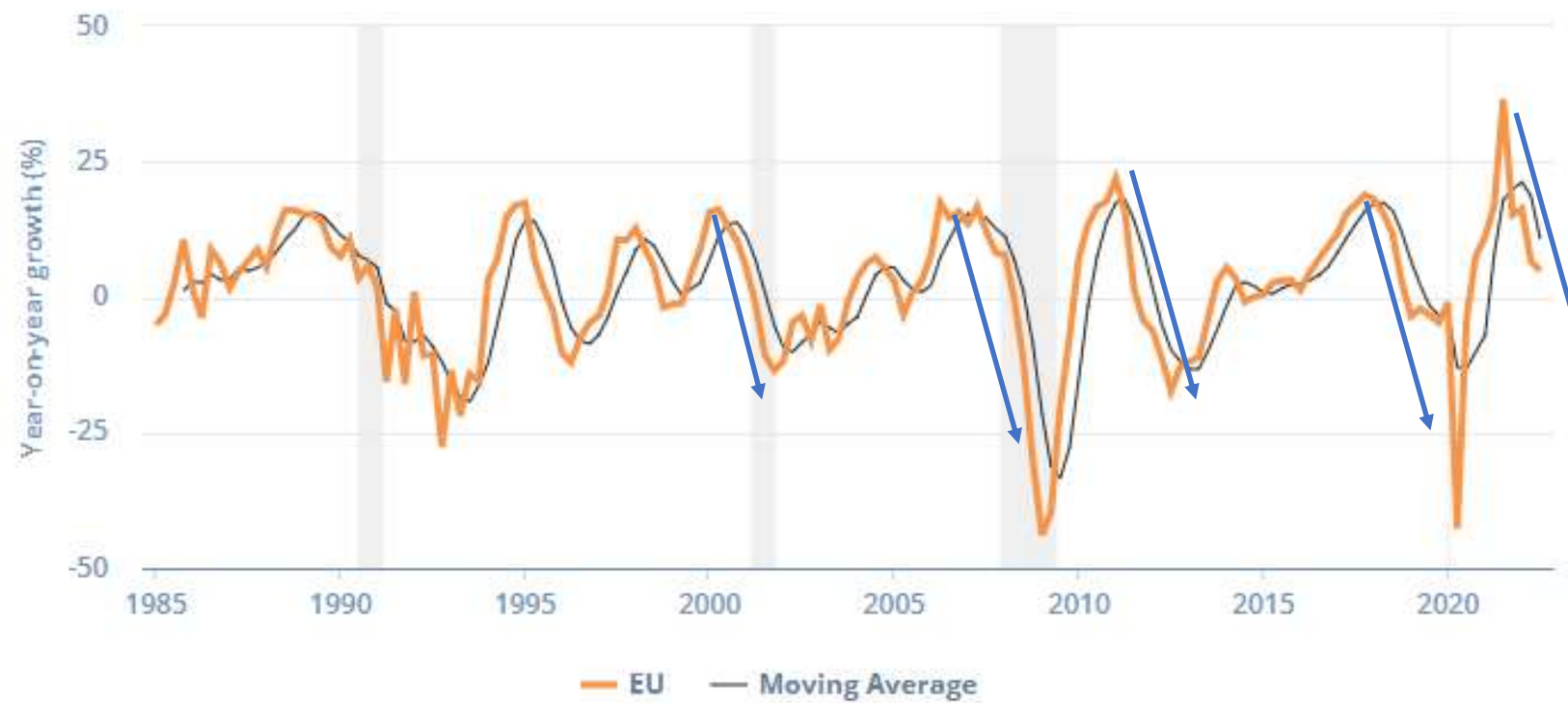
EU New Orders

Fig. 5 Quarterly



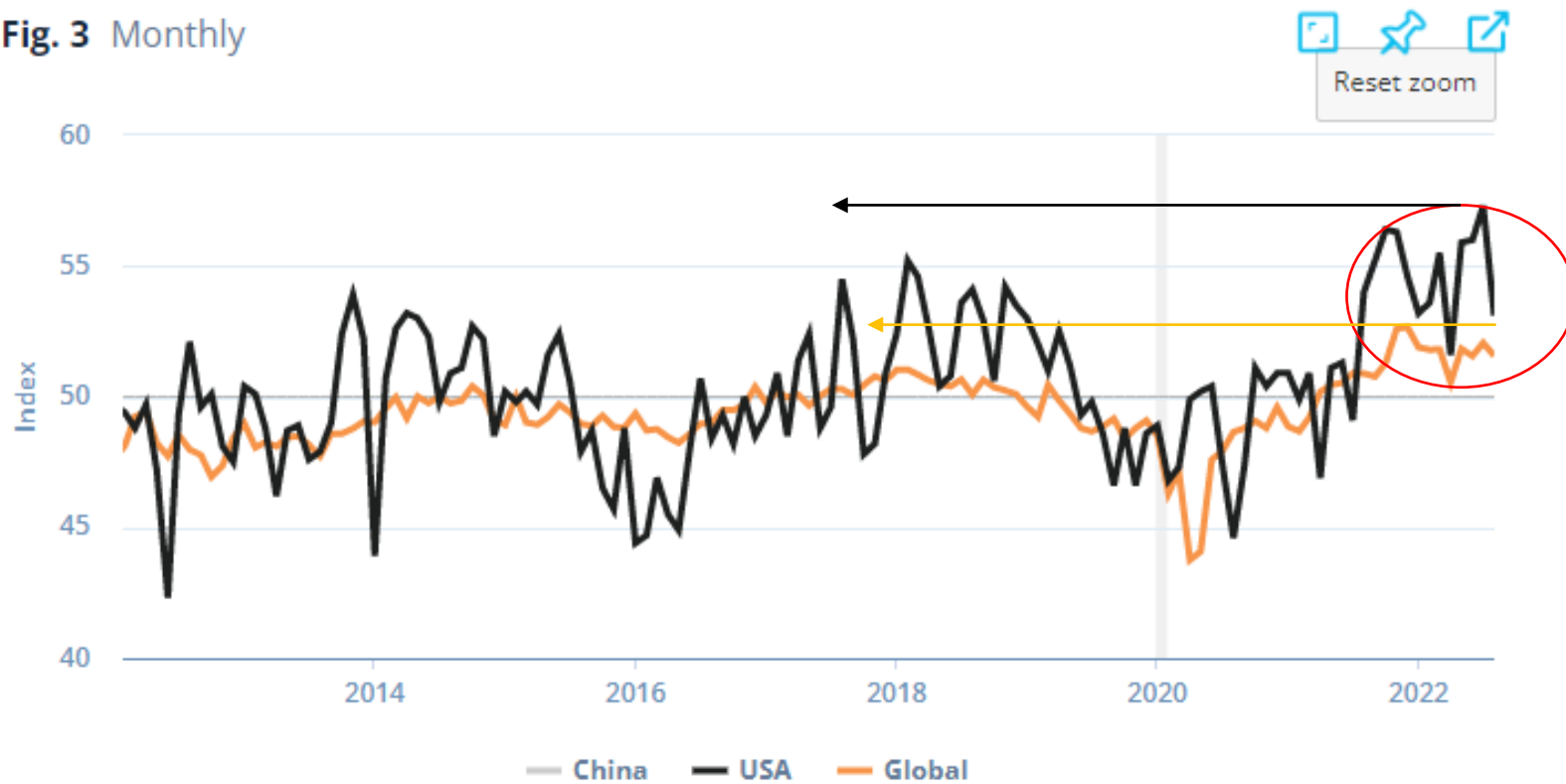
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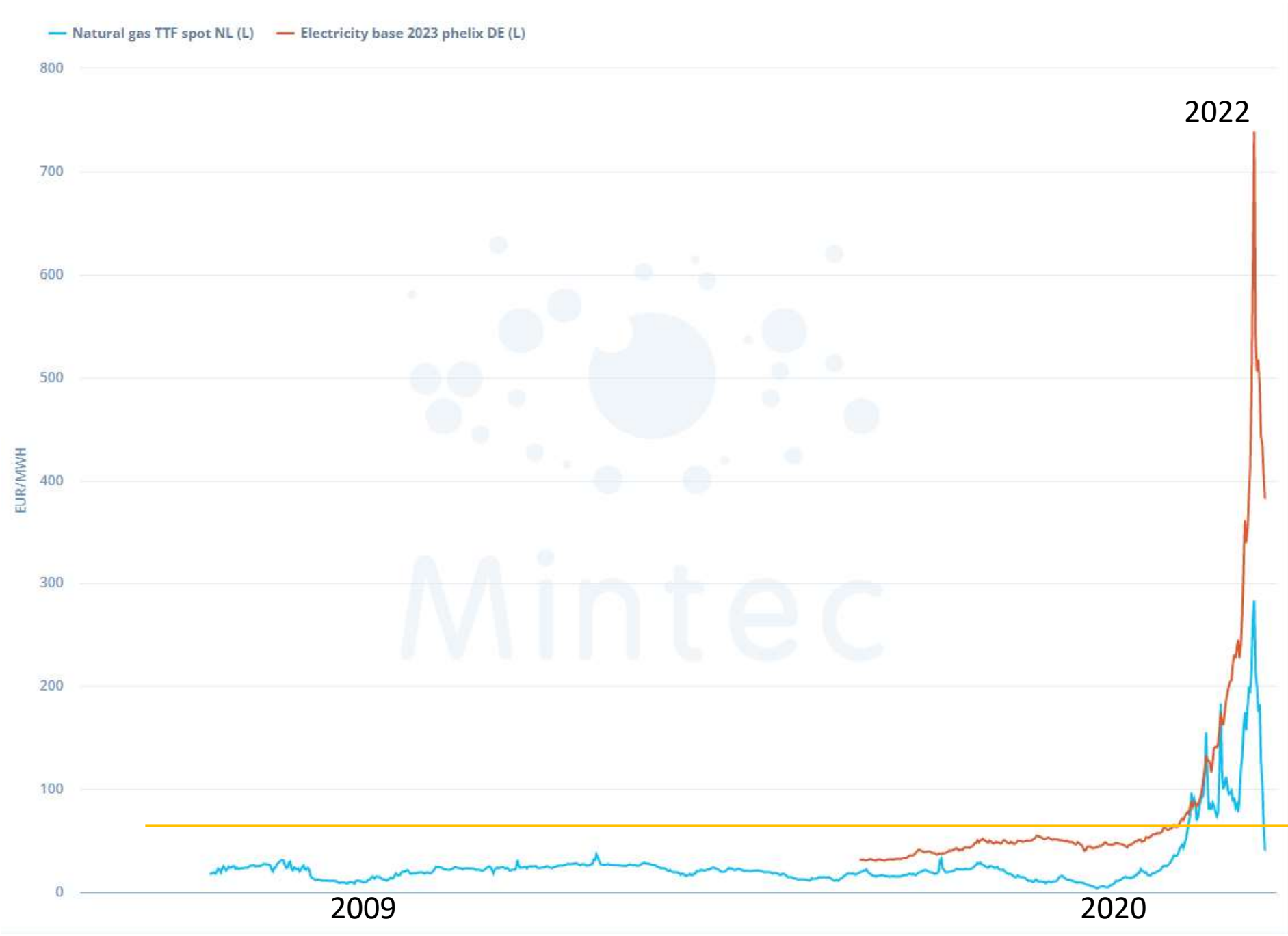


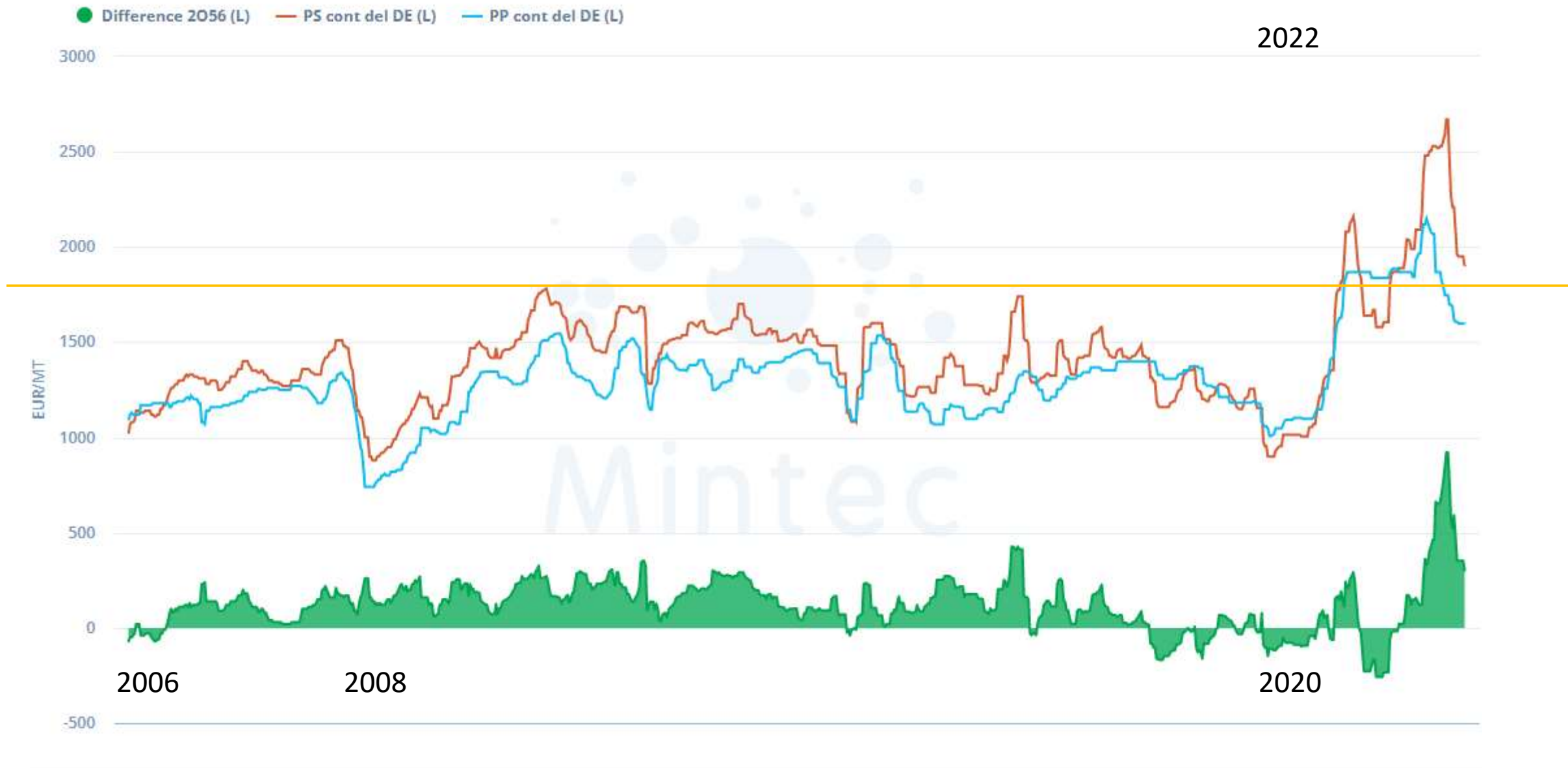
Regional PMI Inventories

Fig. 3 Monthly



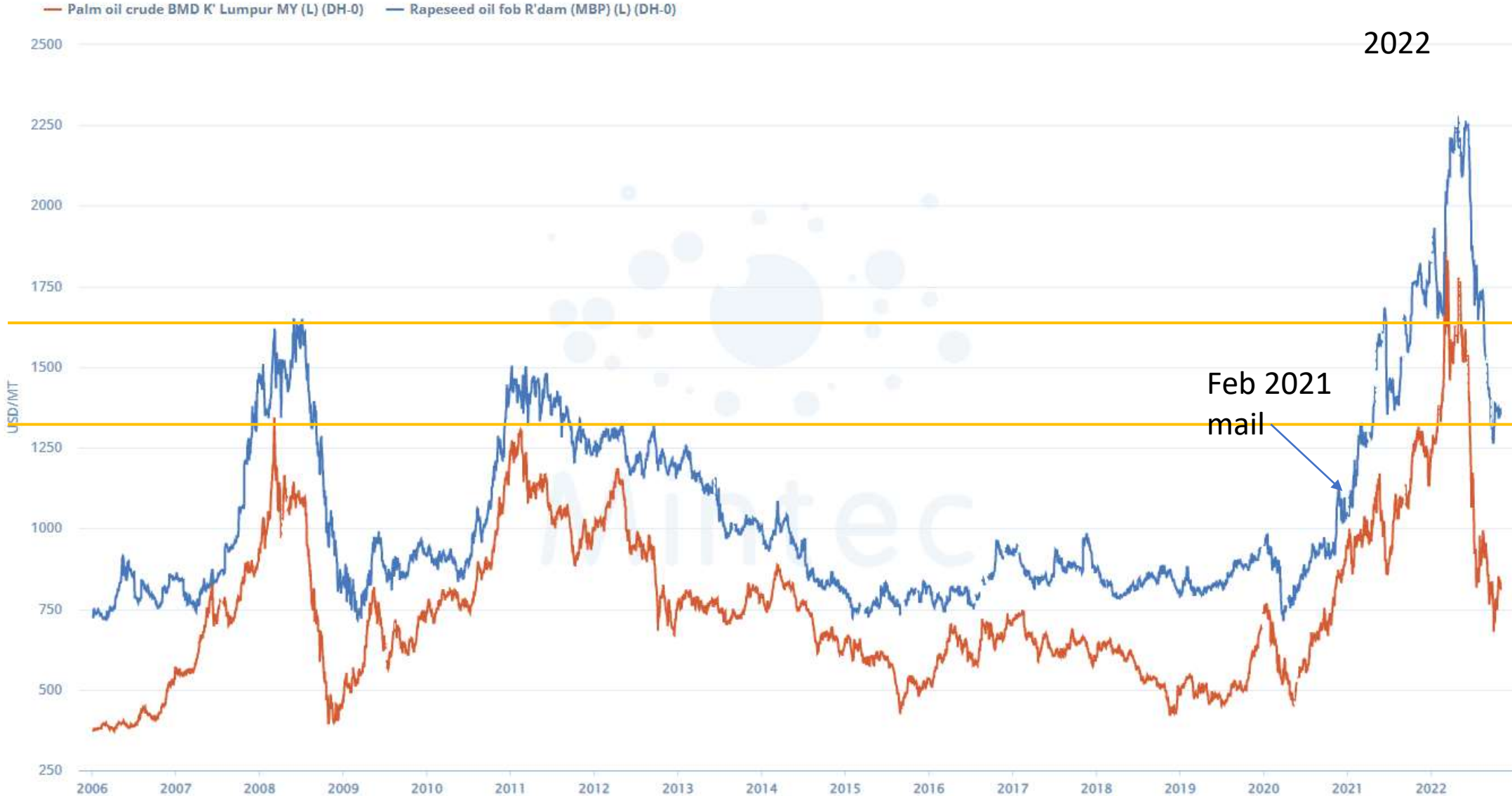
Source: Markit, ISM, GFLP, NBER © Mintec Limited. Last update: Sep 5, 2022





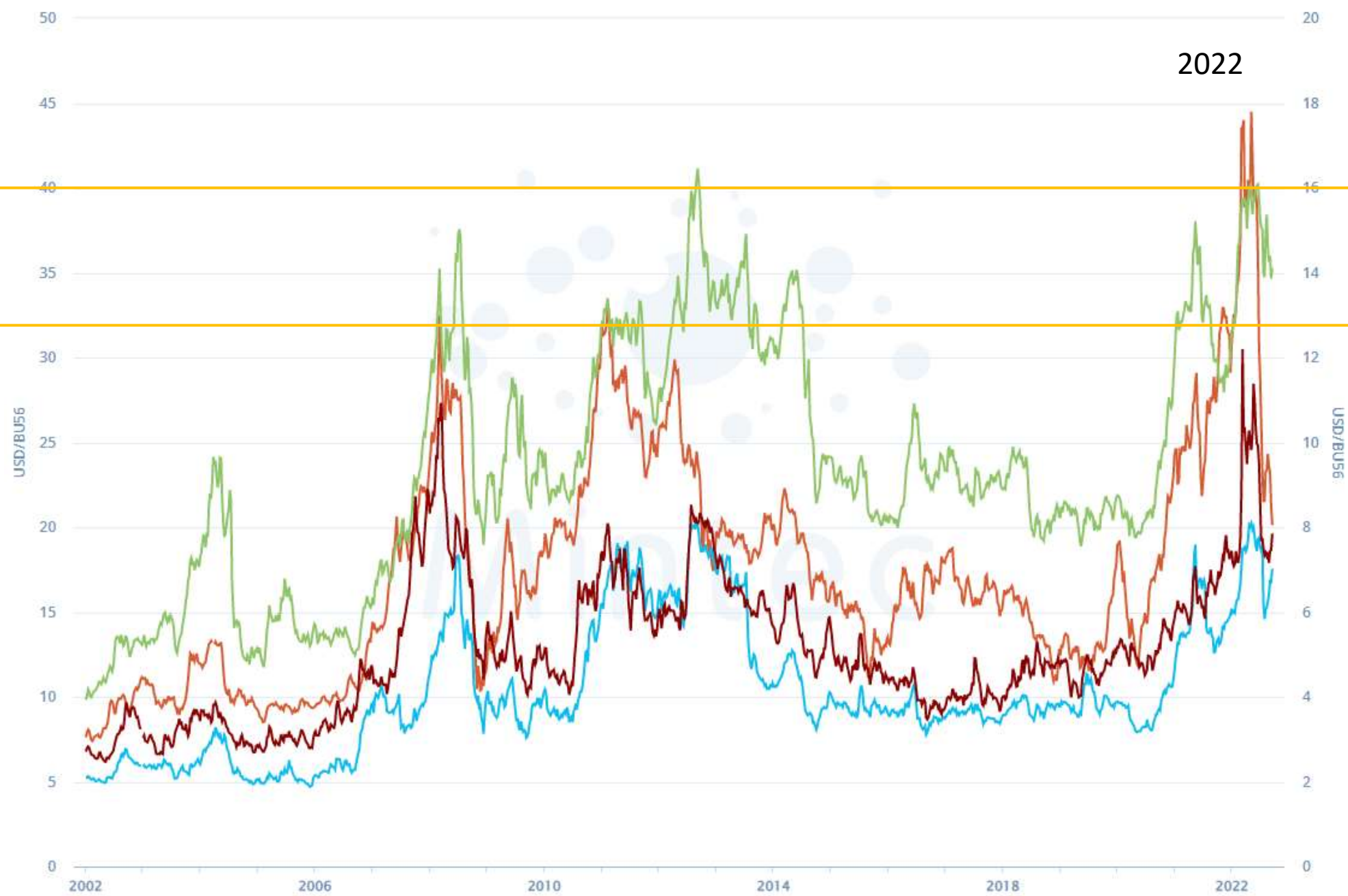


2022



Feb 2021
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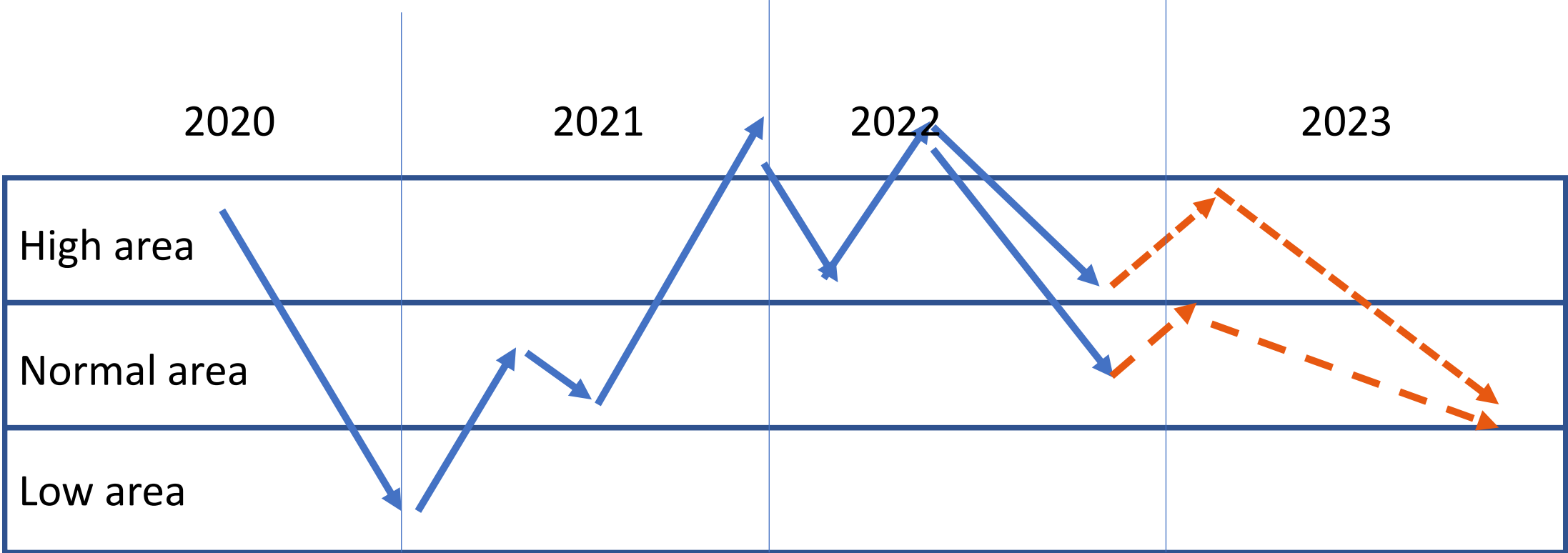
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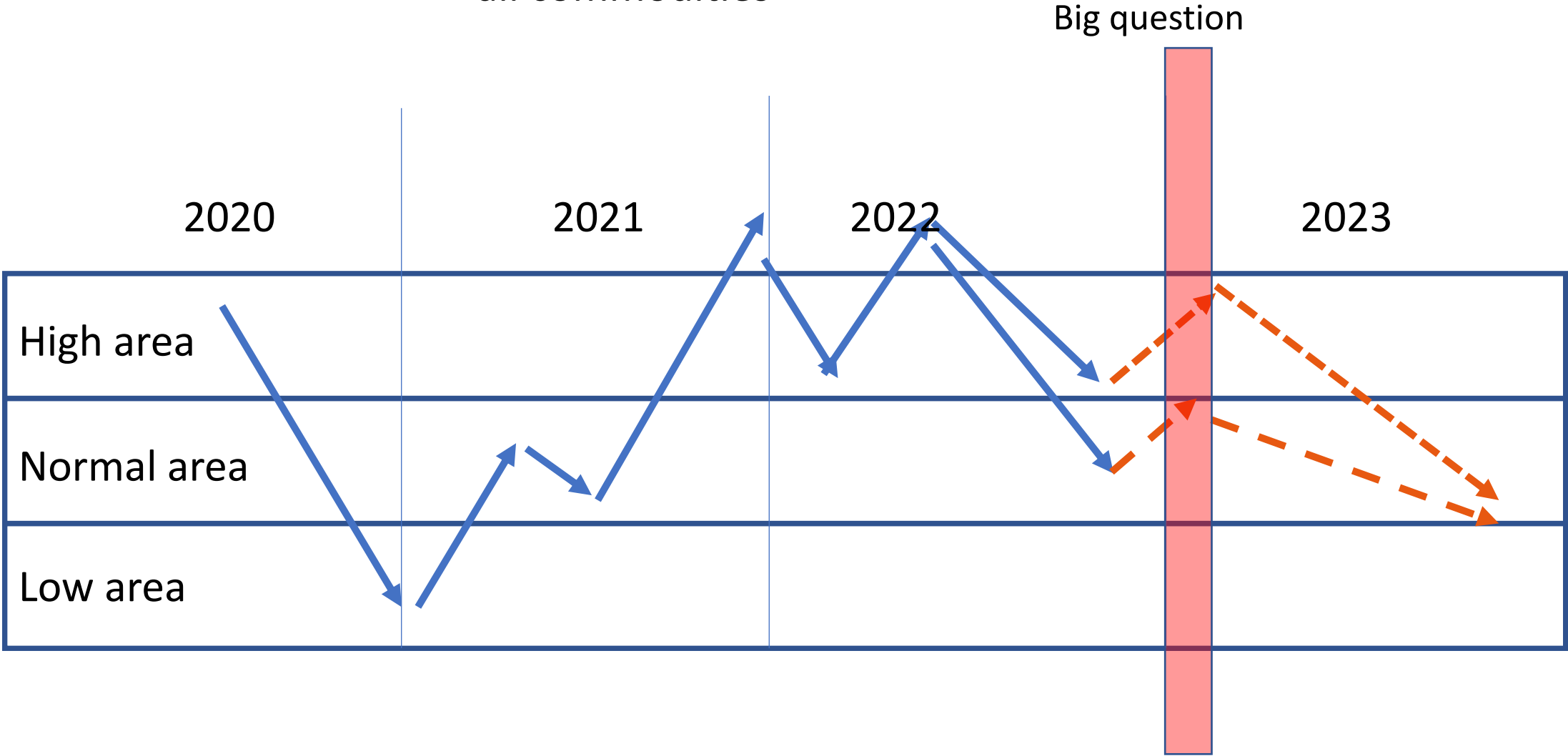
Masterplan

-all commodities



Masterplan

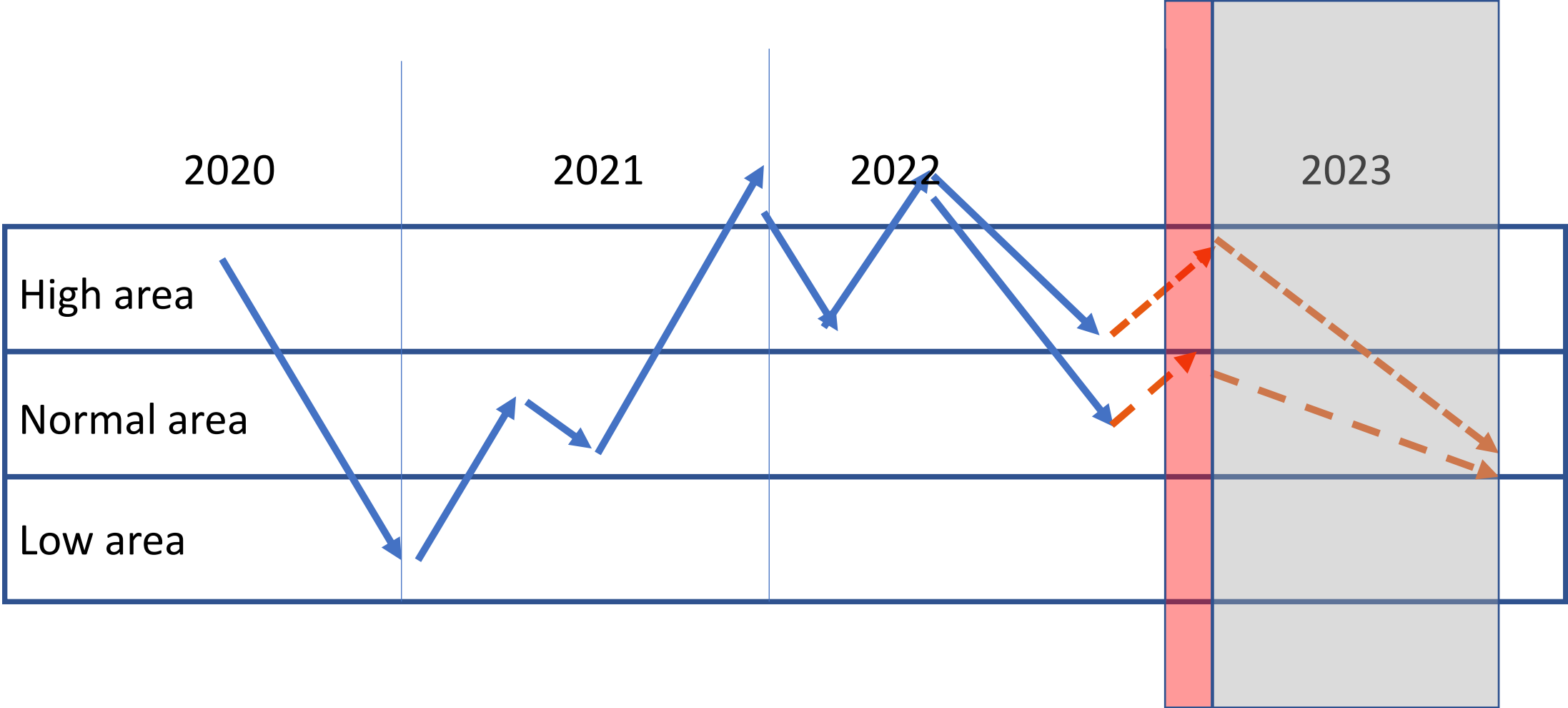
-all commodities



Masterplan

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Big question





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Thank you

