

CYCL_⊙PE

La planète de tous les risques

Spring 2016 : a world in disarray

**Printemps 2016 : bruits de bottes, doutes économiques et
contre chocs**

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European leading research
Institute on commodity
markets

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Spring 2016 :

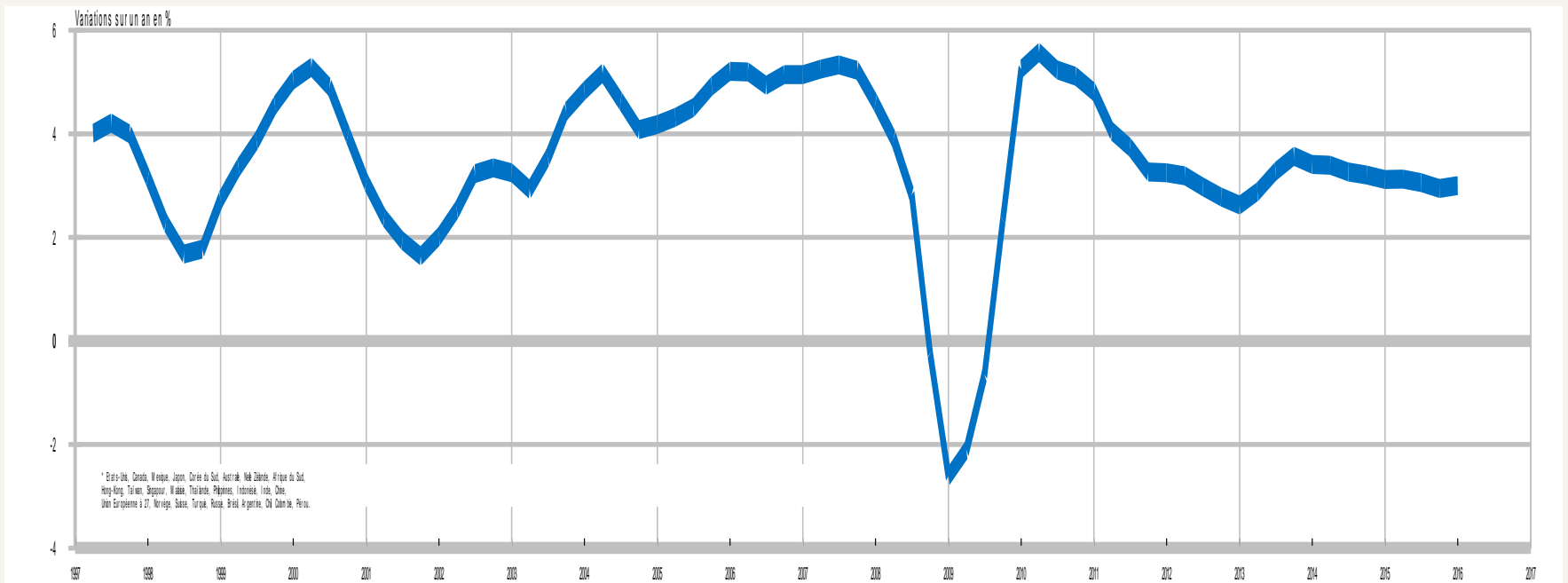
- civil wars in many parts of the world : Syria, Ukraine, Sahel ...
- crisis in « emerging countries » : Brazil, Russia ...
- financial turmoil : debt and negative rates
- commodity countershock from oil to iron ore
- lagging growth almost everywhere
- political stalemate and rise of populist parties from Trump to Le Pen.
- doubts over China

...

Is it so dark ?

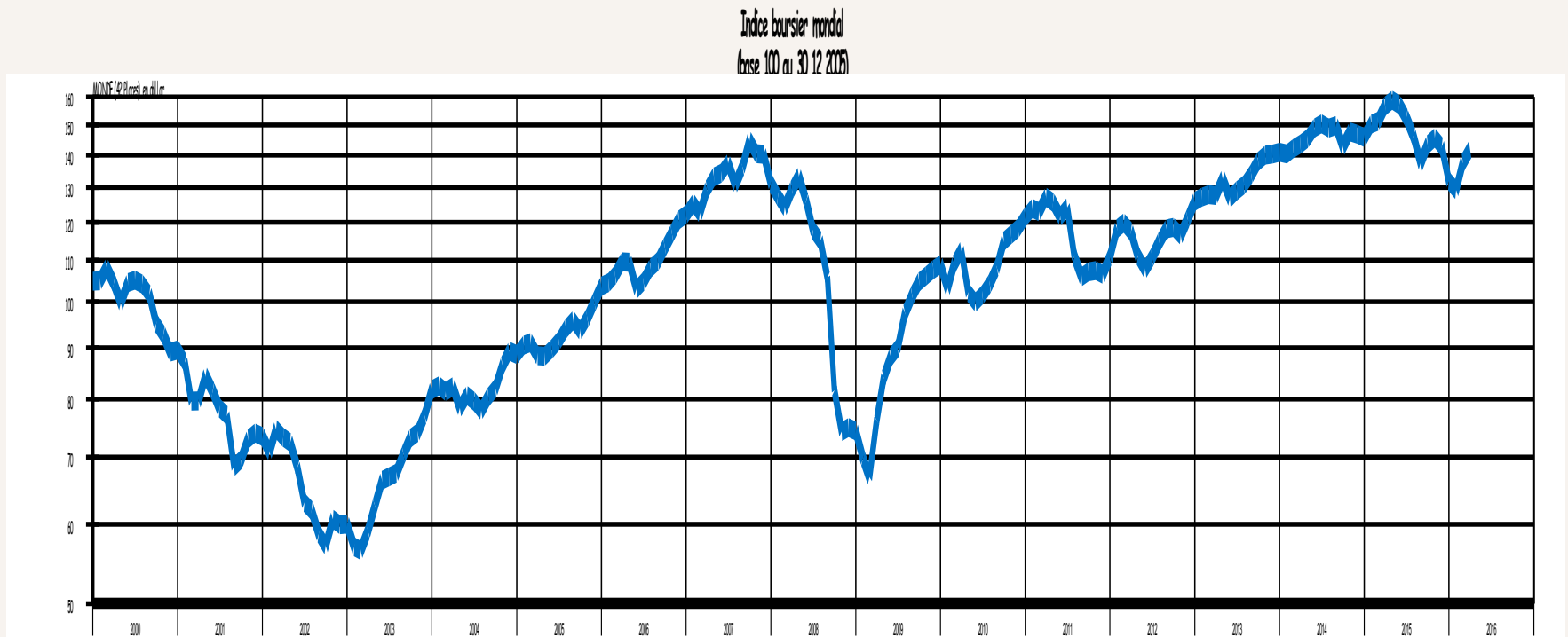
World GDP growth around 3 %

Croissance du PIB mondial* en volume



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World equity markets still near the top

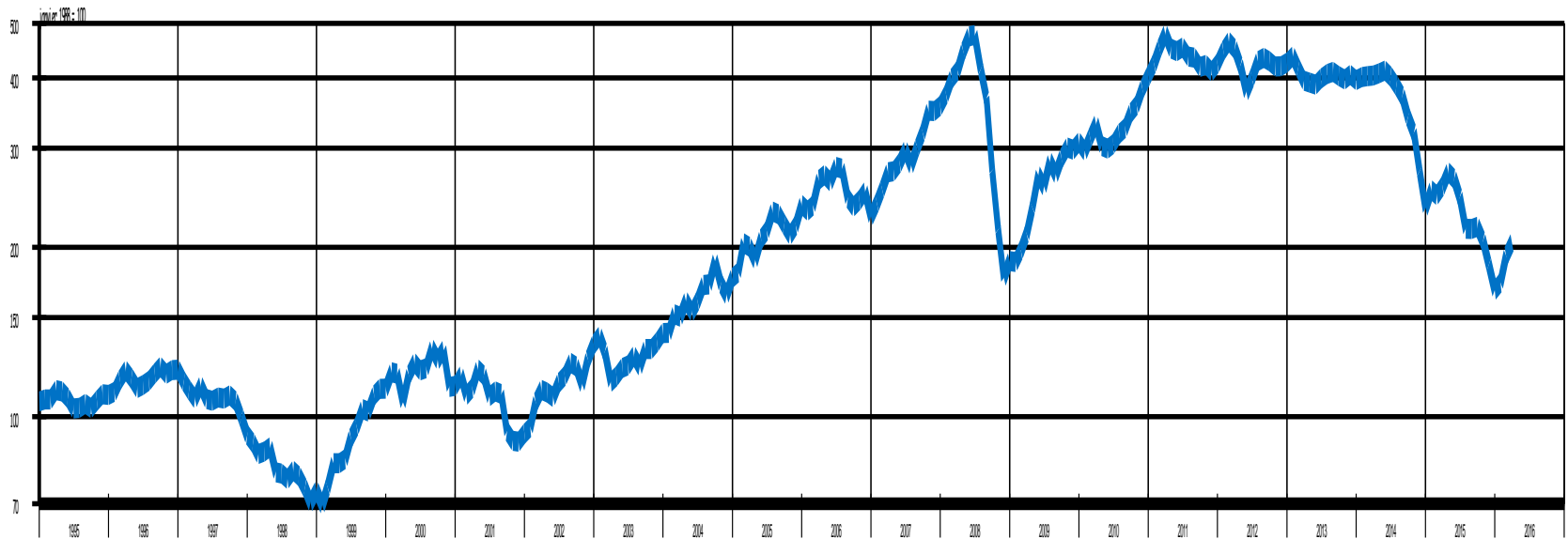


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And the end of the commodity boom

Indices Rebase de descendants des matières premières \$

Ensemble y c. métaux précieux et pétrole



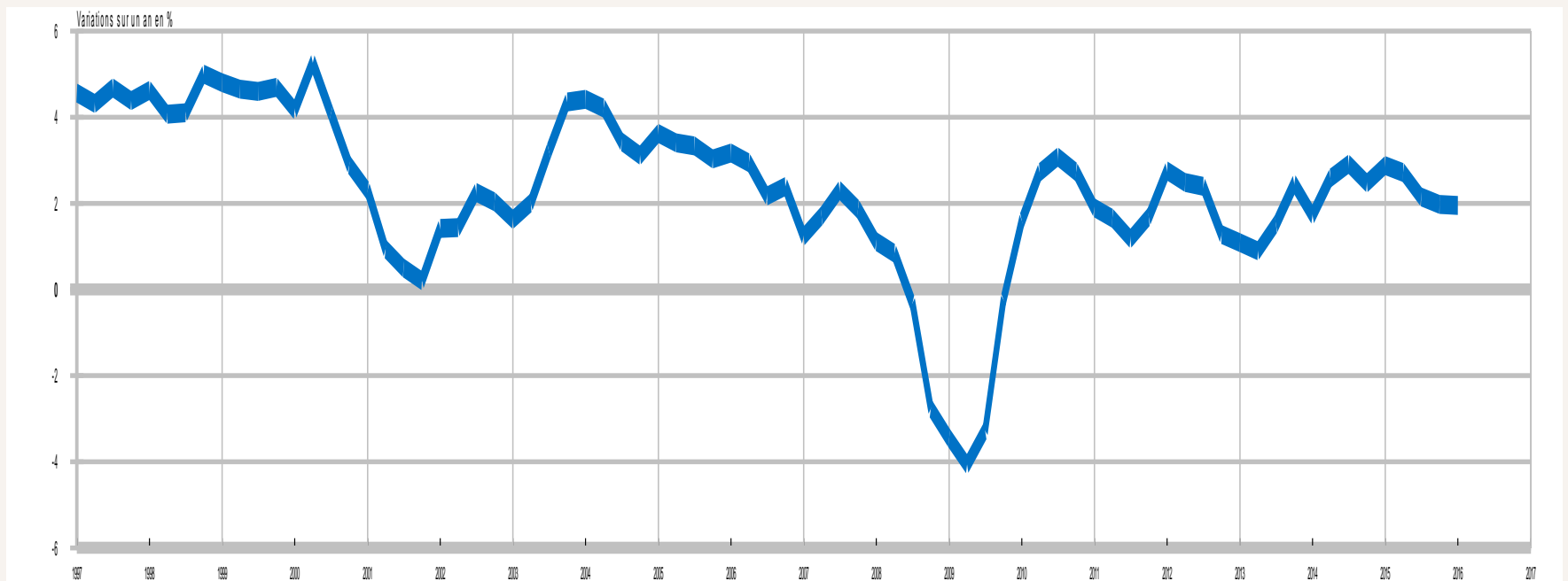
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Let's have a look at the economy :

- US : slightly slowing
- Europe : slightly recovering
- China : soft landing
- Brazil, Russia and many commodity producers : collapsing
- India : emerging

US : slightly slowing and some doubts for the future

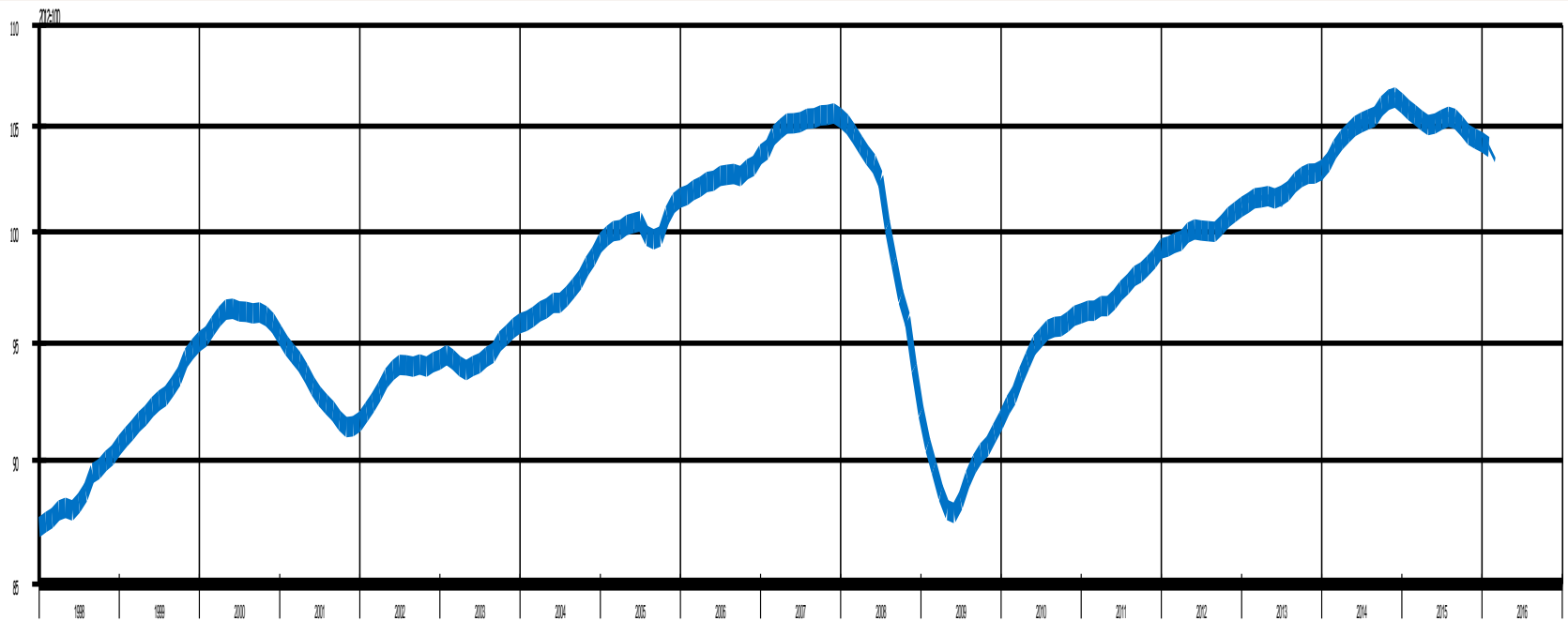
Etats-Unis : croissance du PIB en volume



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Industrial production is declining

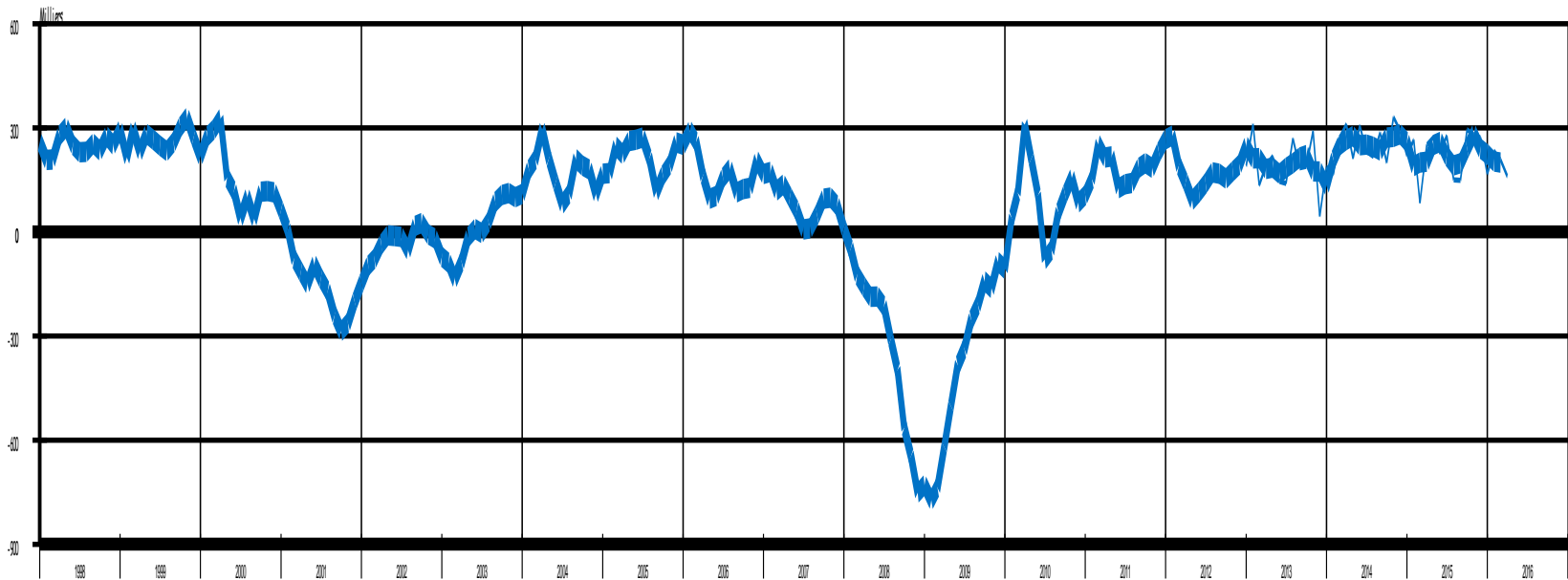
Etats-Unis : production industrielle



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But the economy is creating jobs and unemployment is at its lowest

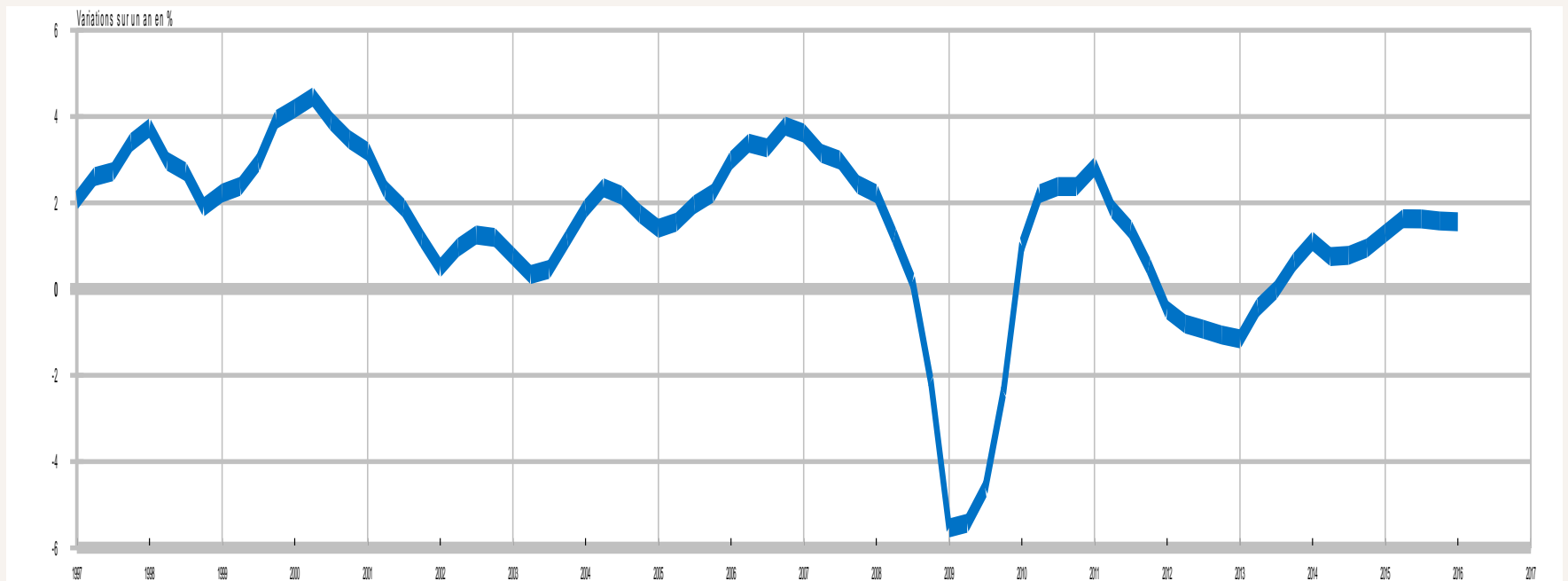
Etats-Unis : créations d'emplois
Salariés du secteur non agricole



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Some kind of European recovery

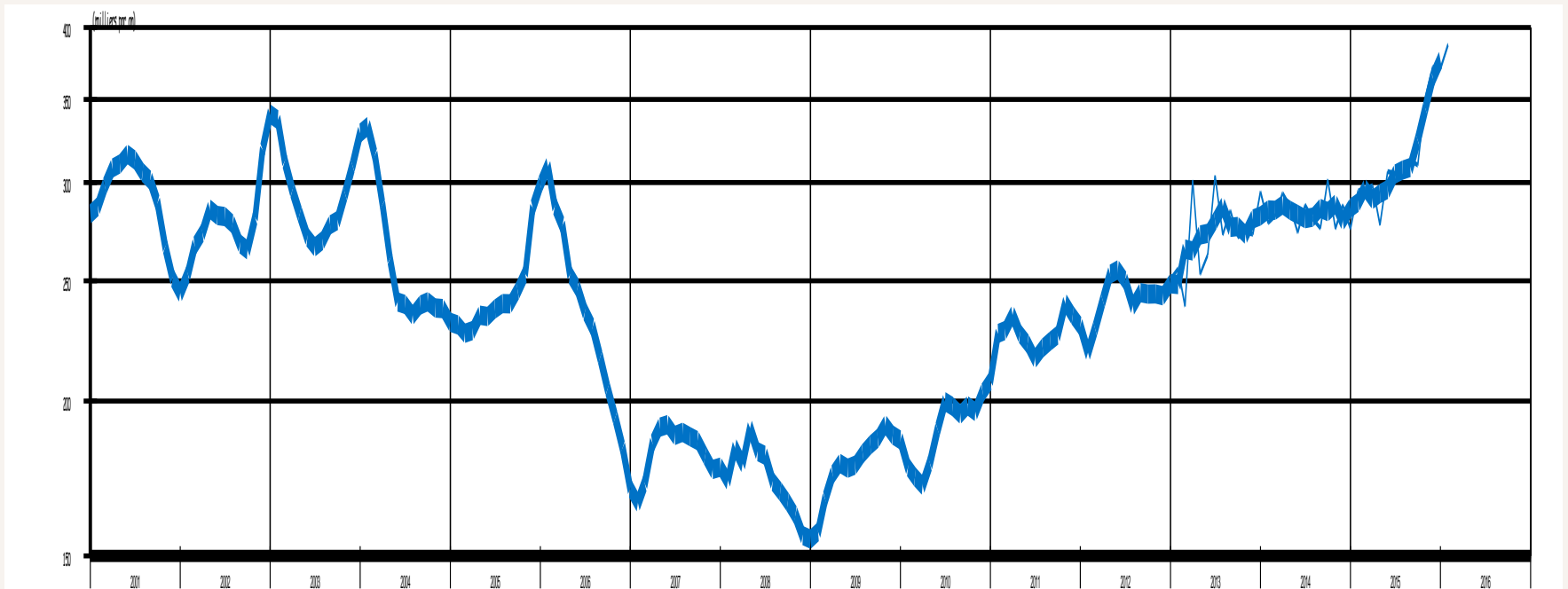
Zone euro : croissance de PIB en volume



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Look at the German housing market

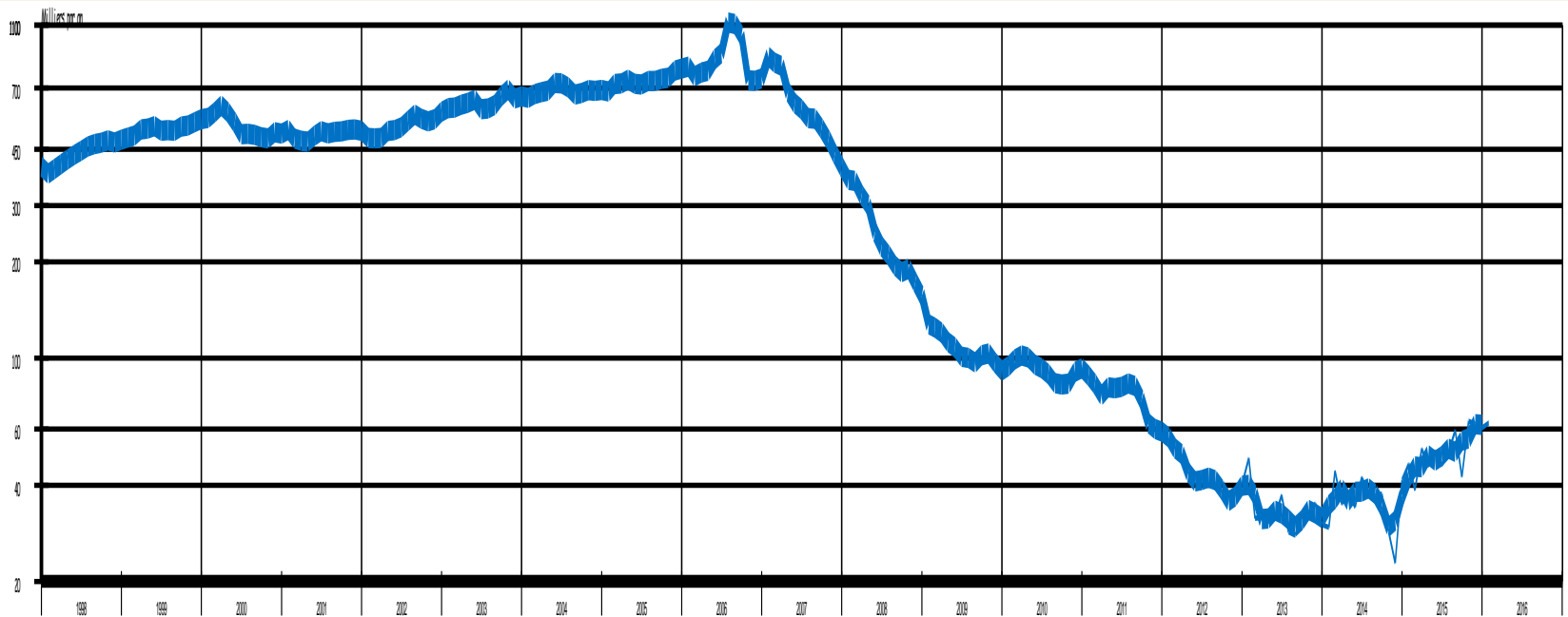
Allemagne : permis de construire de logements



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And forget the Spanish one !

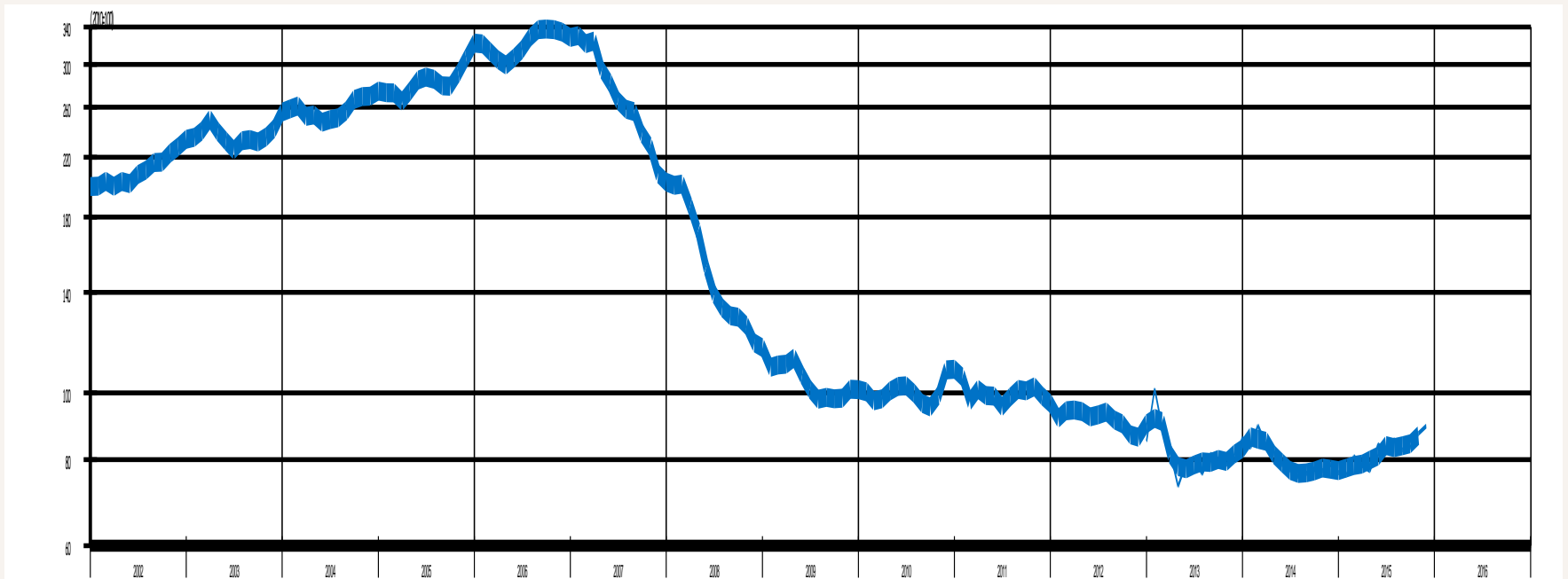
Espagne : logements autorisés



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But the global outlook is still bleak

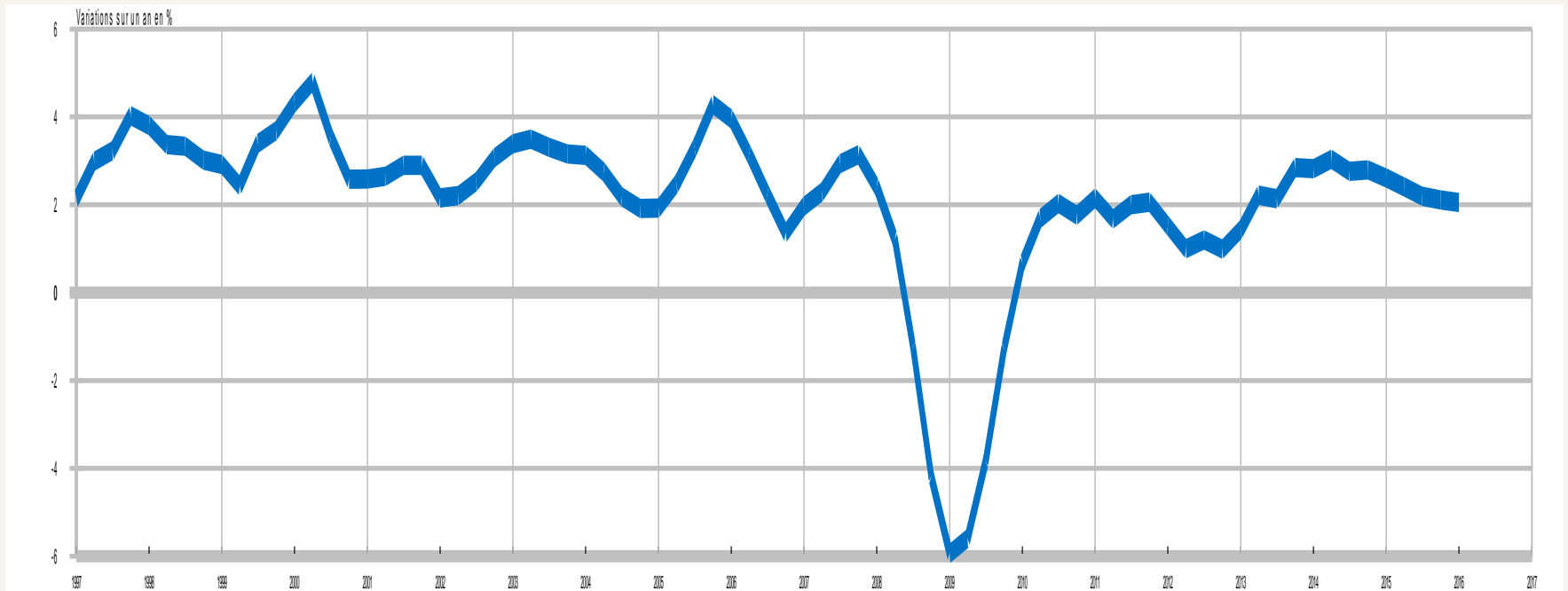
Zone euro : permis de construire résidentiels



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The « Brits » are slightly better : Brexit or not ?

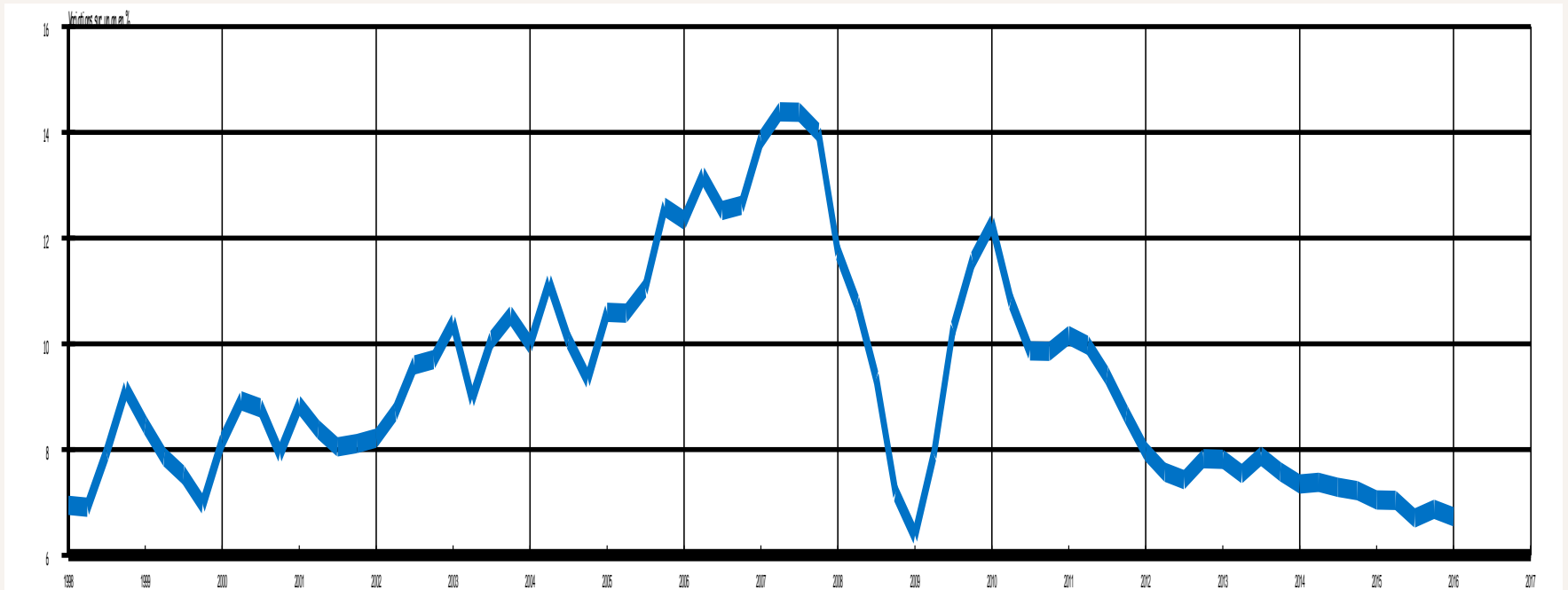
Royaume-Uni : croissance du PIB en volume



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A Chinese soft landing

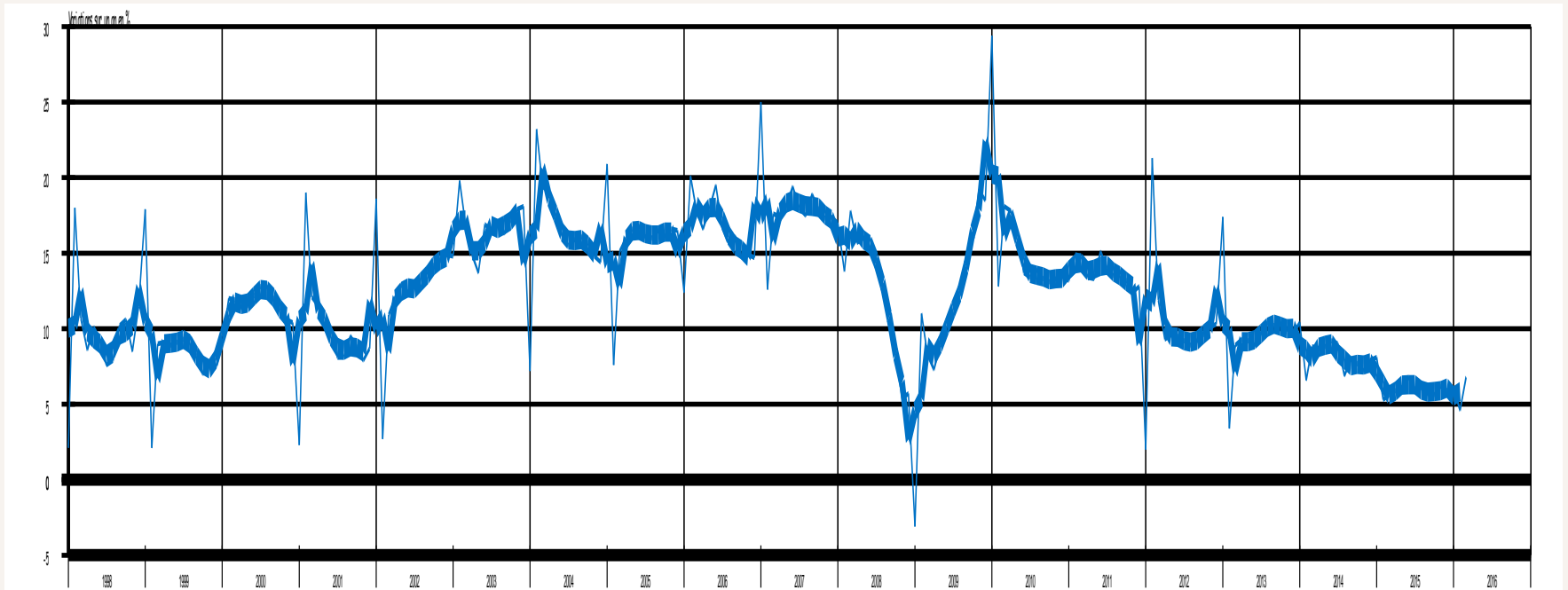
Chine : croissance du PIB en volume



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Even deeper for industrial production

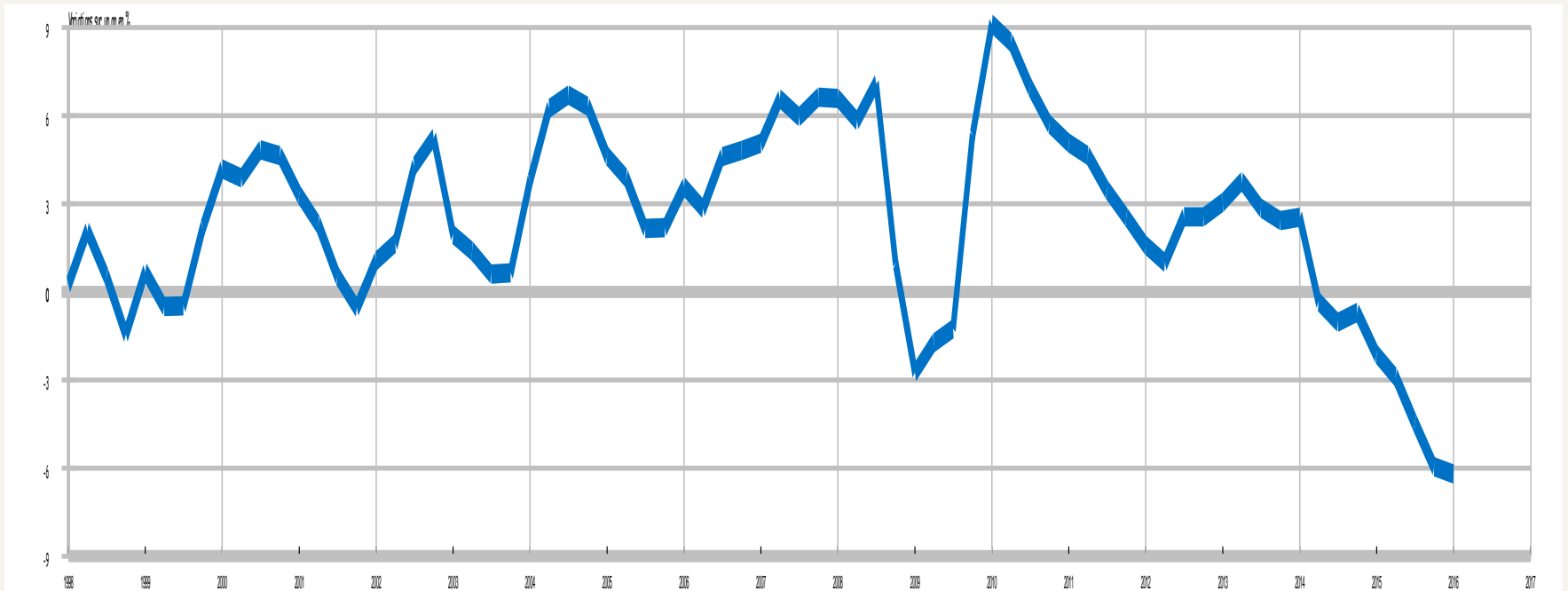
Chine : croissance de la production industrielle



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The Brazilian drama

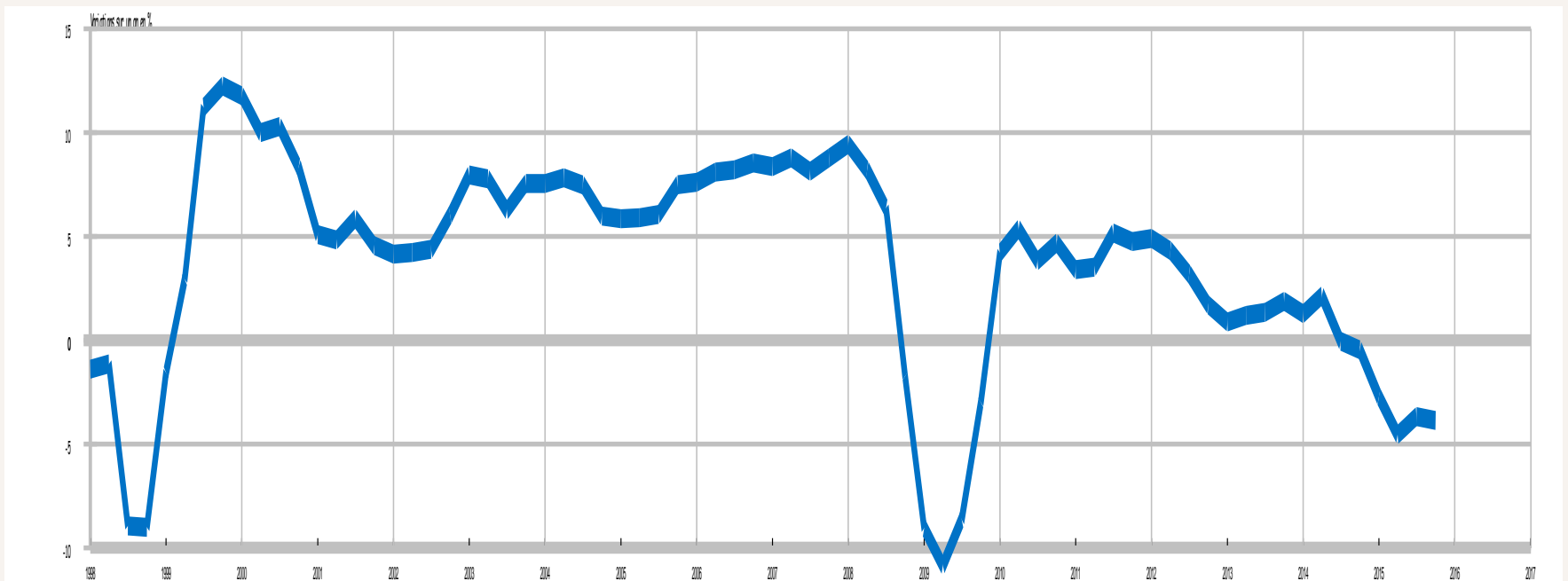
Brazil : croissance du PIB en volume



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And the Russian one

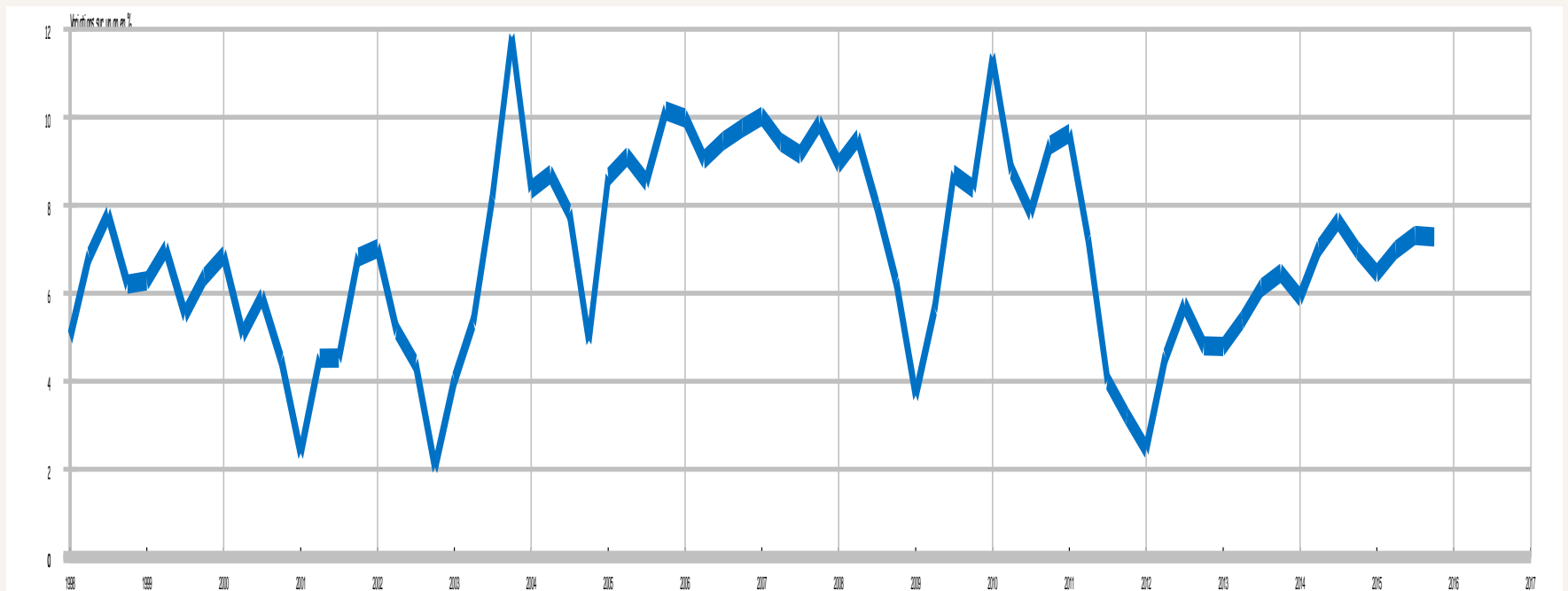
Russie : croissance du PIB en volume



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The Indian exception

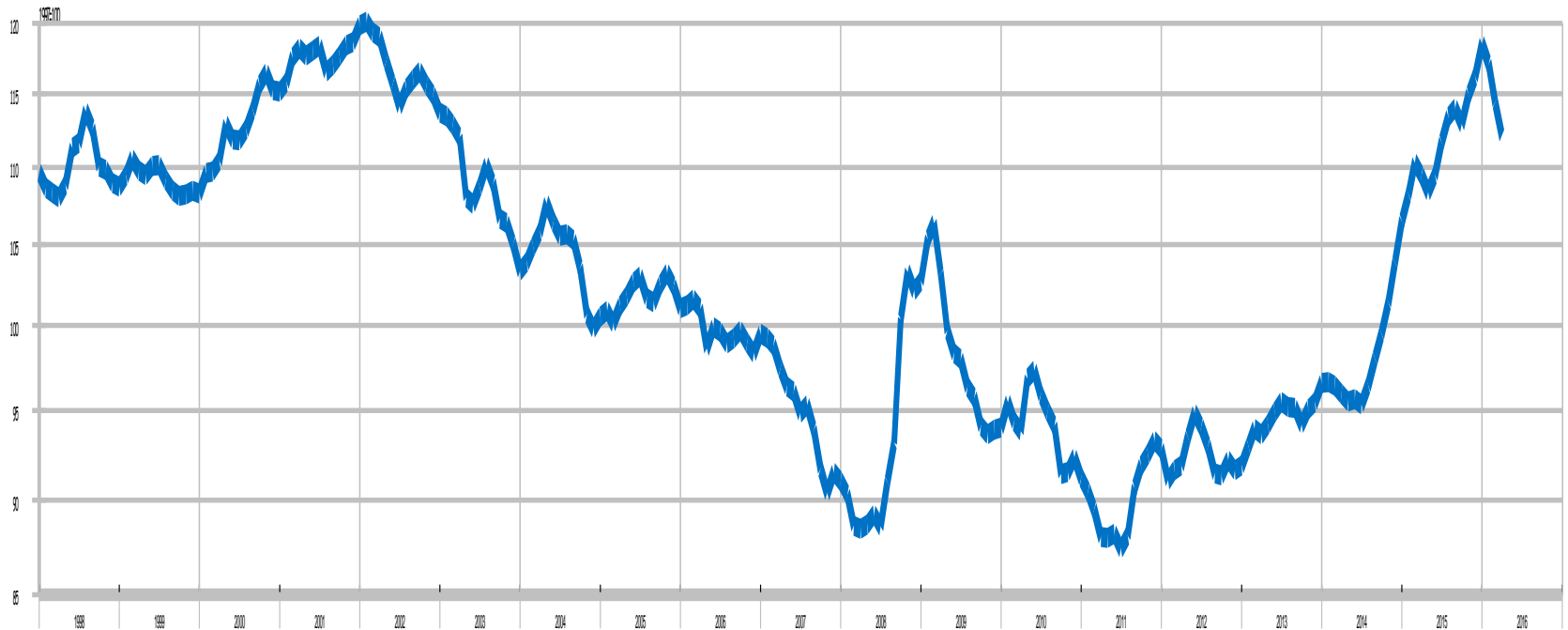
Inde : croissance du PIB en volume



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Negative rates and a rising dollar

Taux de change effectif nominal du dollar



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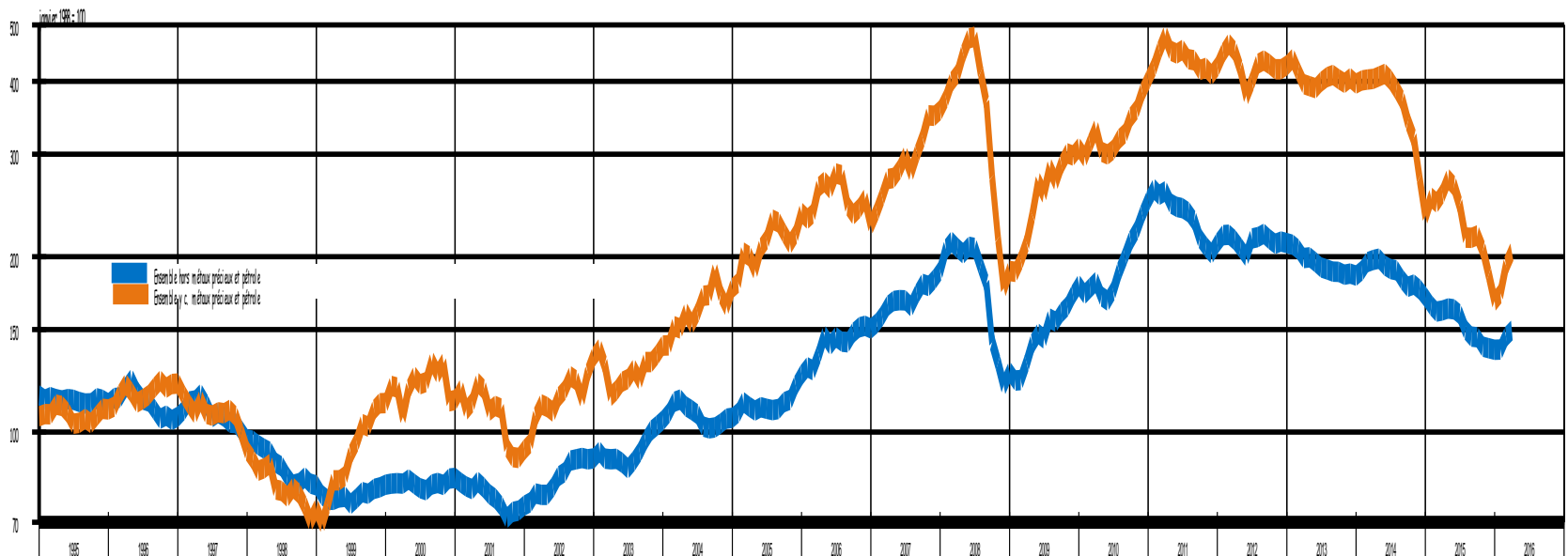
Our forecasts are not really upbeat :

US	2 / 2,5
Euroland	1 / 1,5
Japan	0 / 1
UK	1,5 / 2
China	6 / 6,5
rest of Asia	4 / 7
Brazil	-2 / -4
and the world	3 / 3,5

A commodity counter shock : the end of the 2006/2014 boom

Indices Coe-Revecode des cours des matières premières en \$

Indices globaux

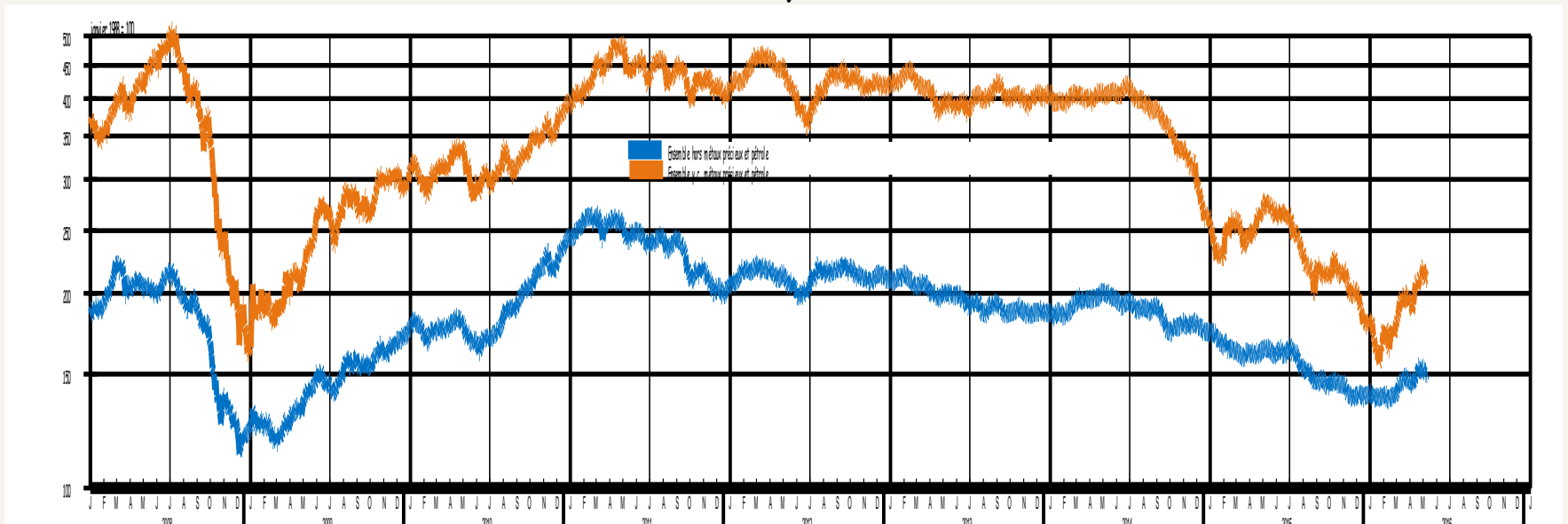


© Coe-Revecode

But we may have reached the « peak bear »

Indices Coe-Revecode des cours des matières premières en \$

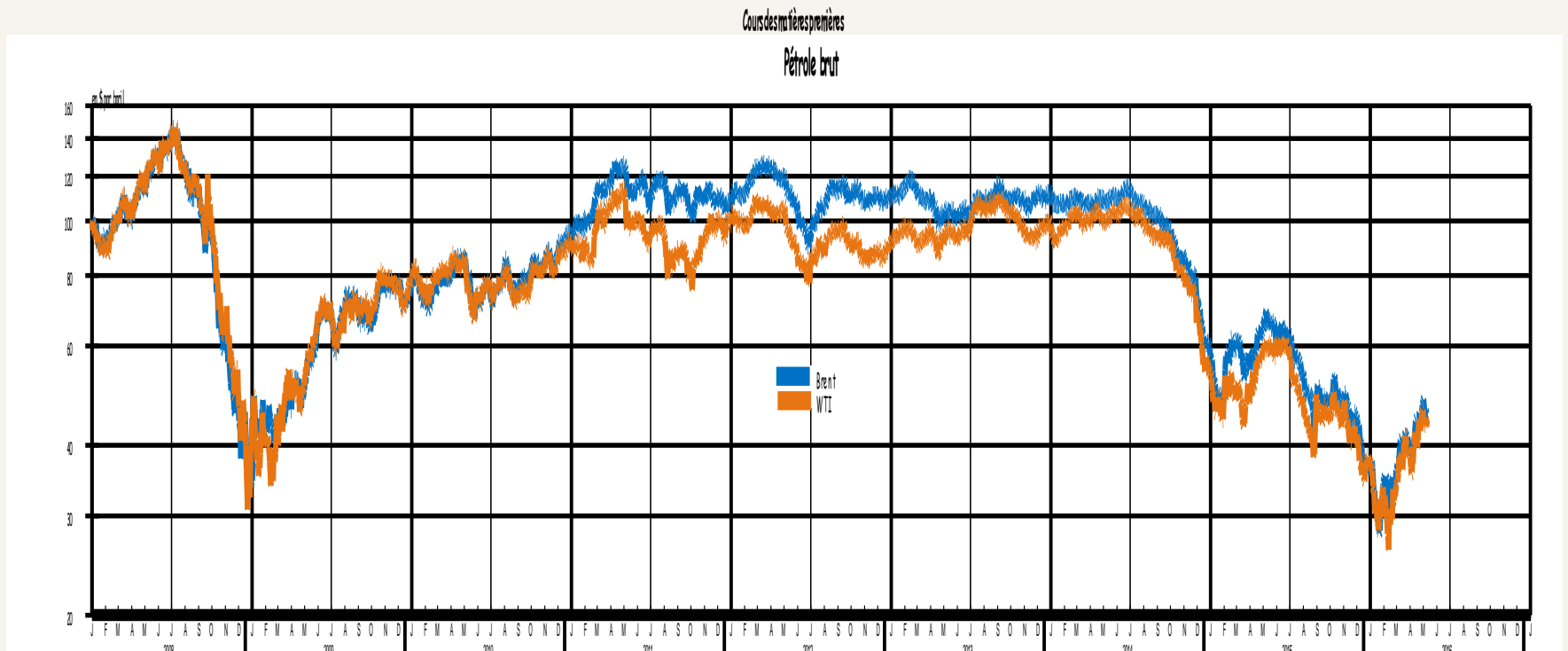
Indices globaux



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A story of oil of course

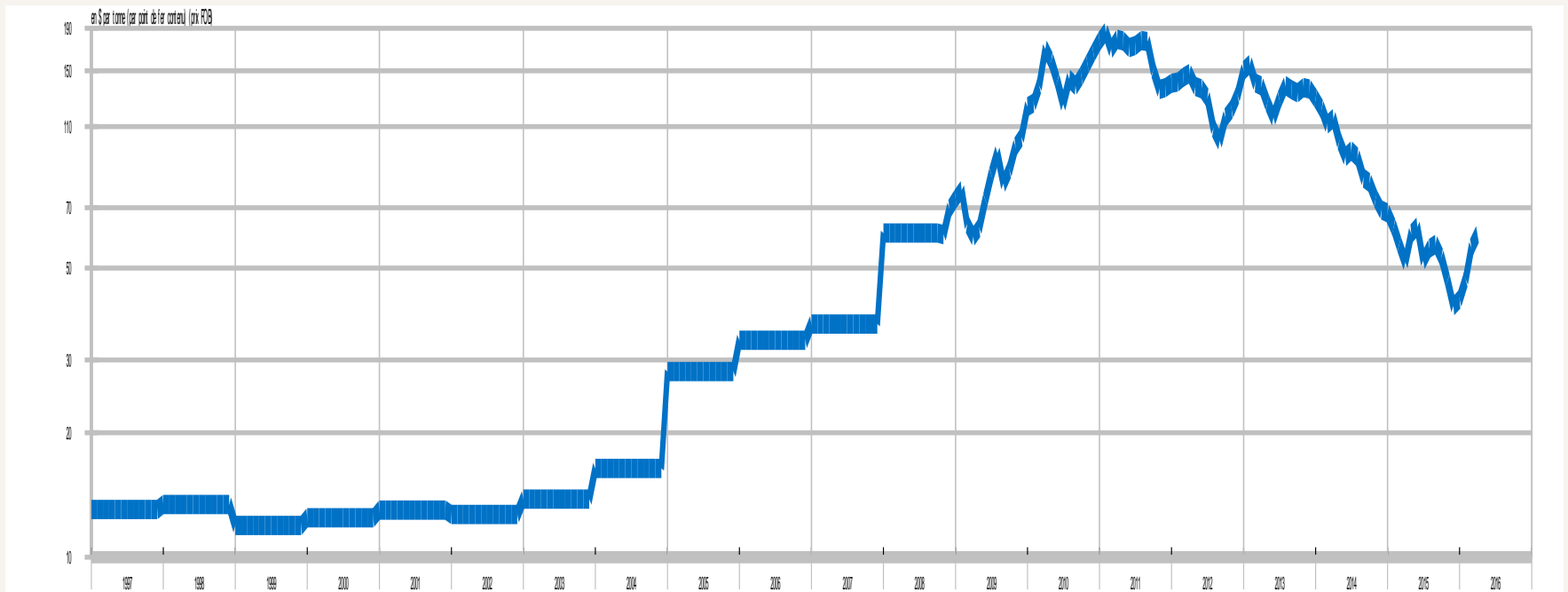
But don't forget natural gas and coal : an energy counter shock indeed



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But the story is the same for iron ore

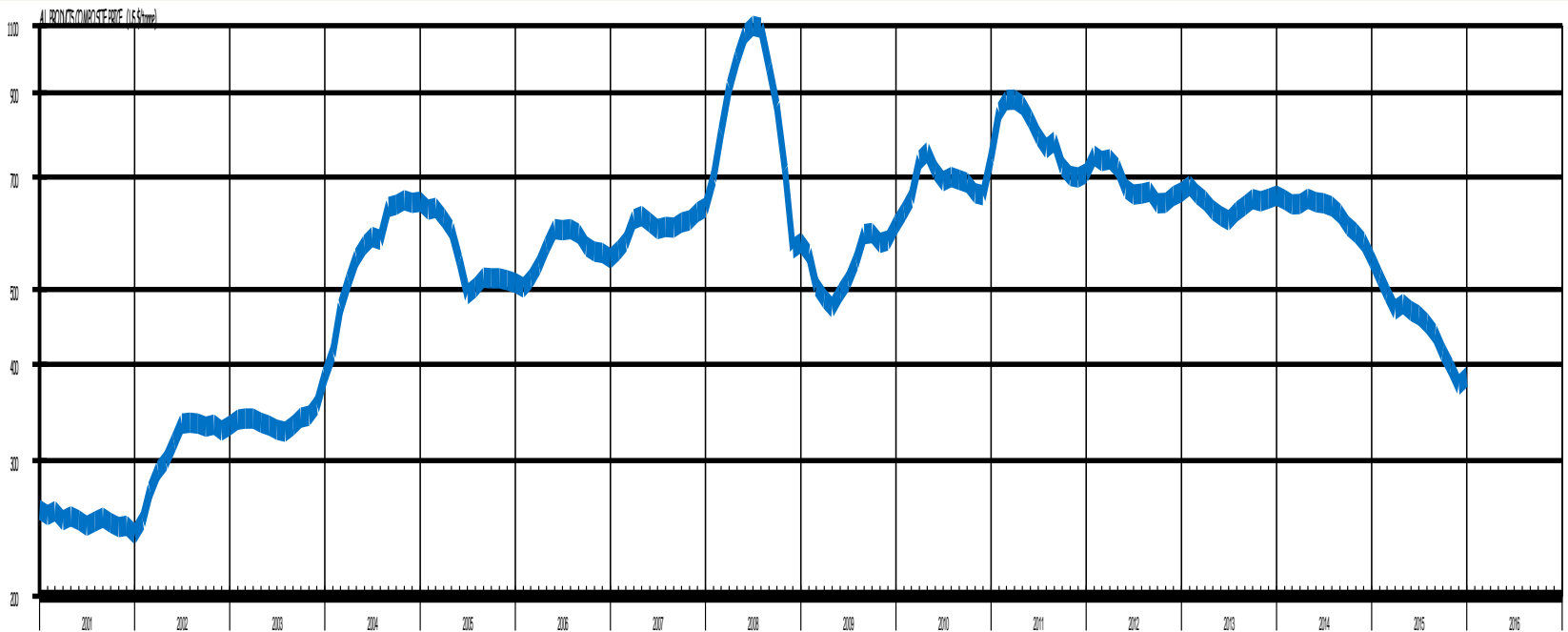
Mineraie de fier



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And the collapse of steel

Marchés mondiaux : prix de l'acier

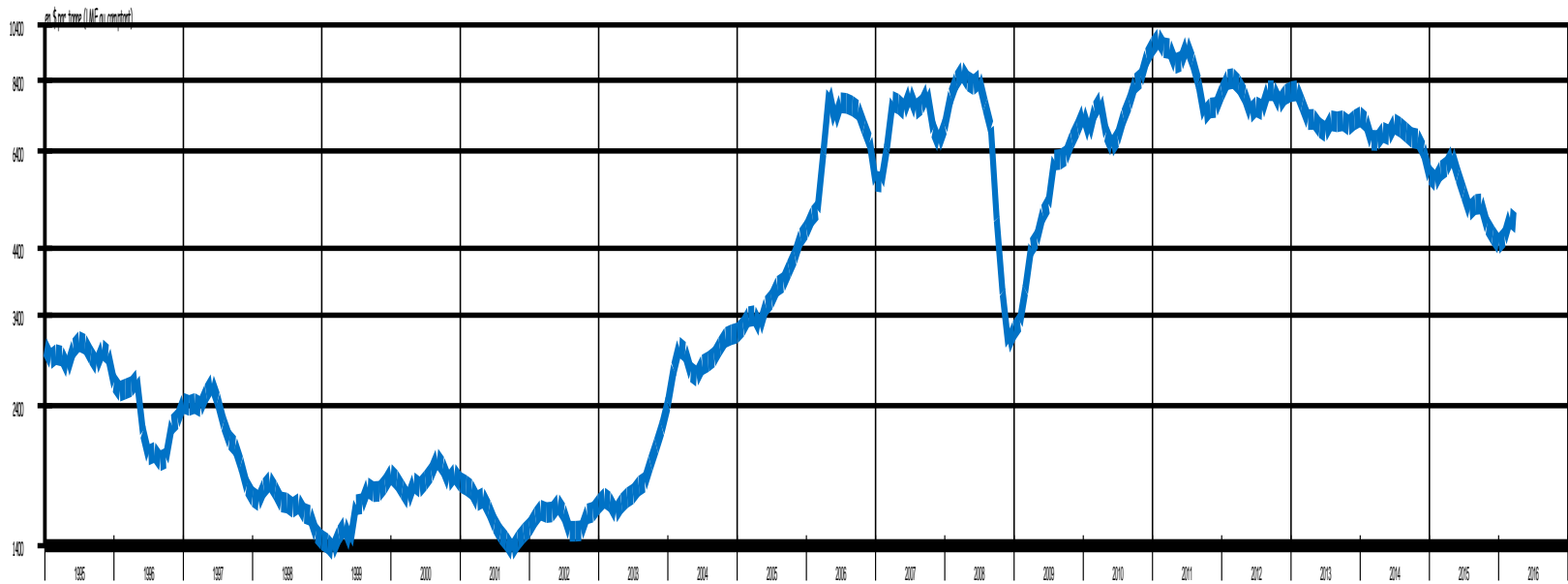


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For copper ...

Cours des matières premières

Métaux communs : cuivre

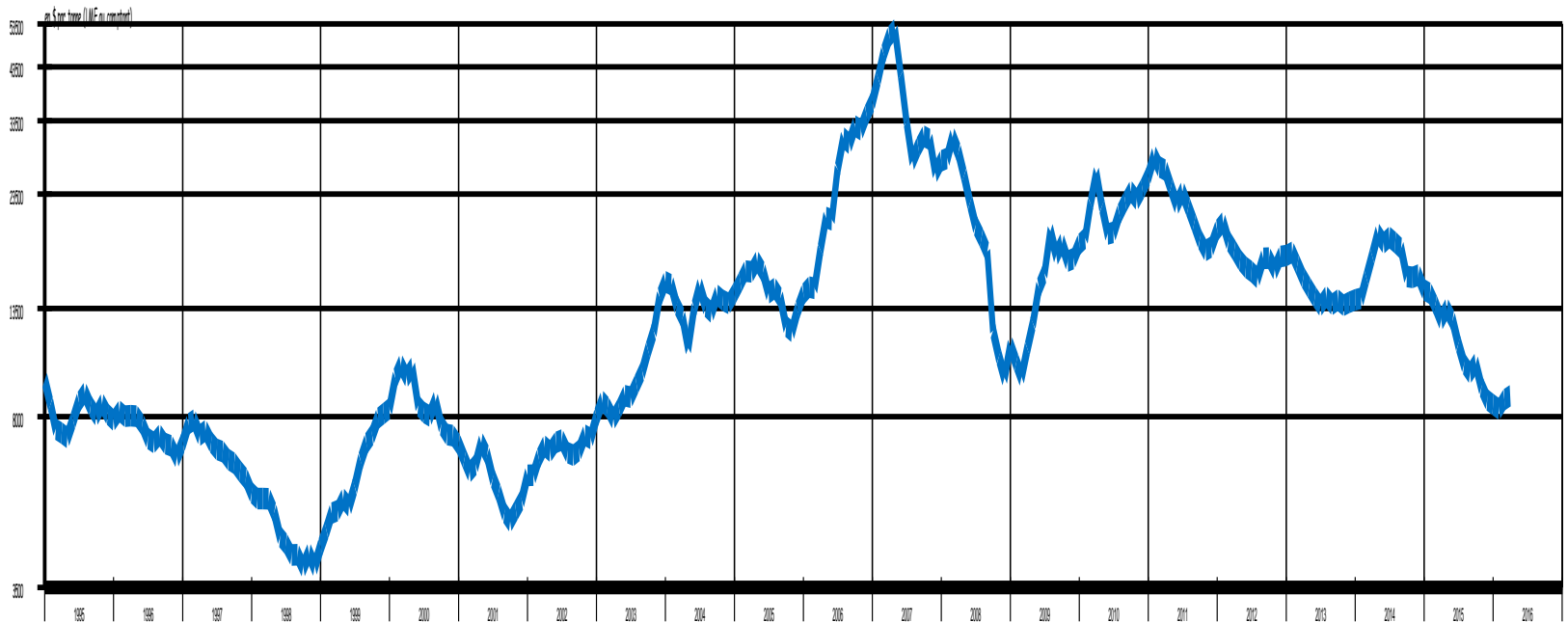


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... or nickel

Cours des matières premières

Métaux communs : nickel

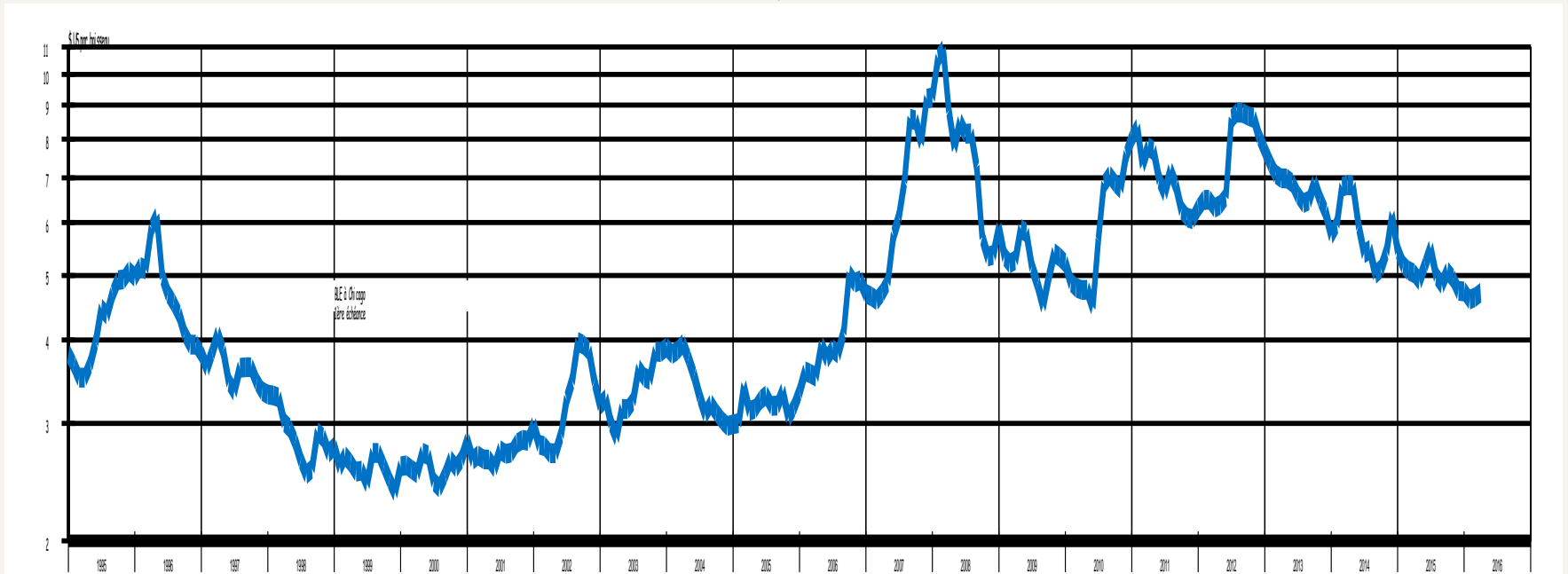


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Among agricultural products : wheat

Cours des matières premières

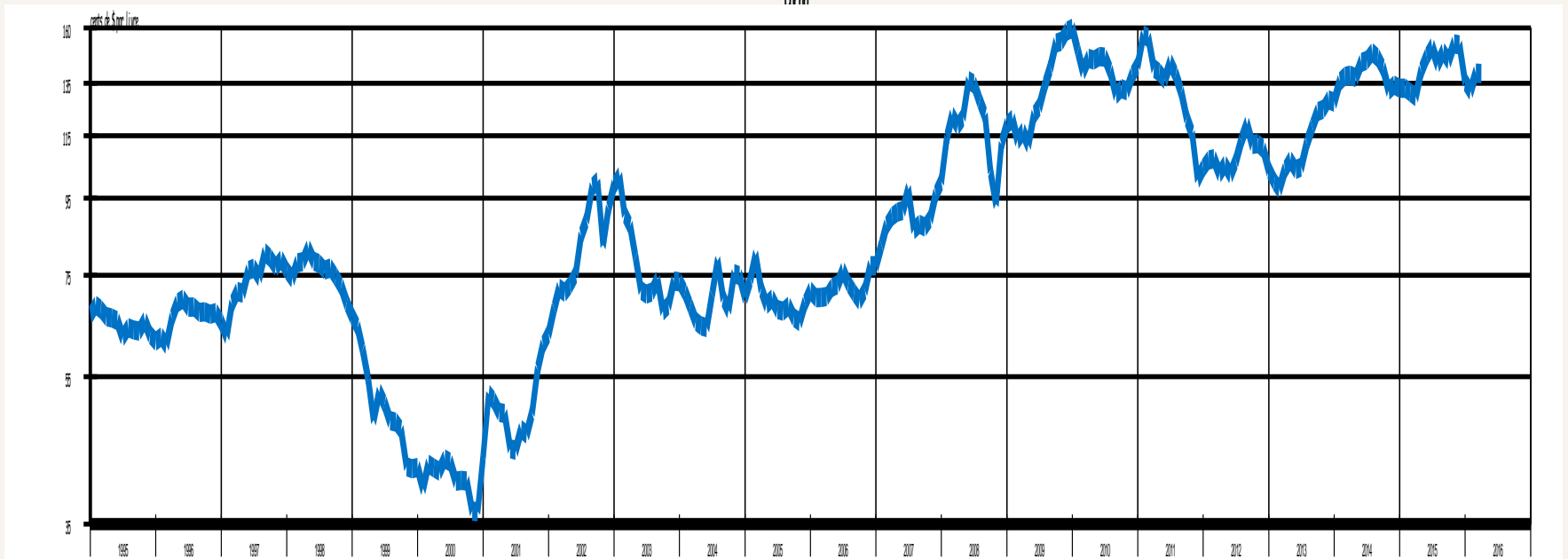
Blé



And in fact cocoa is the only exception among
all commodity markets

Cours des matières premières

Cocoa

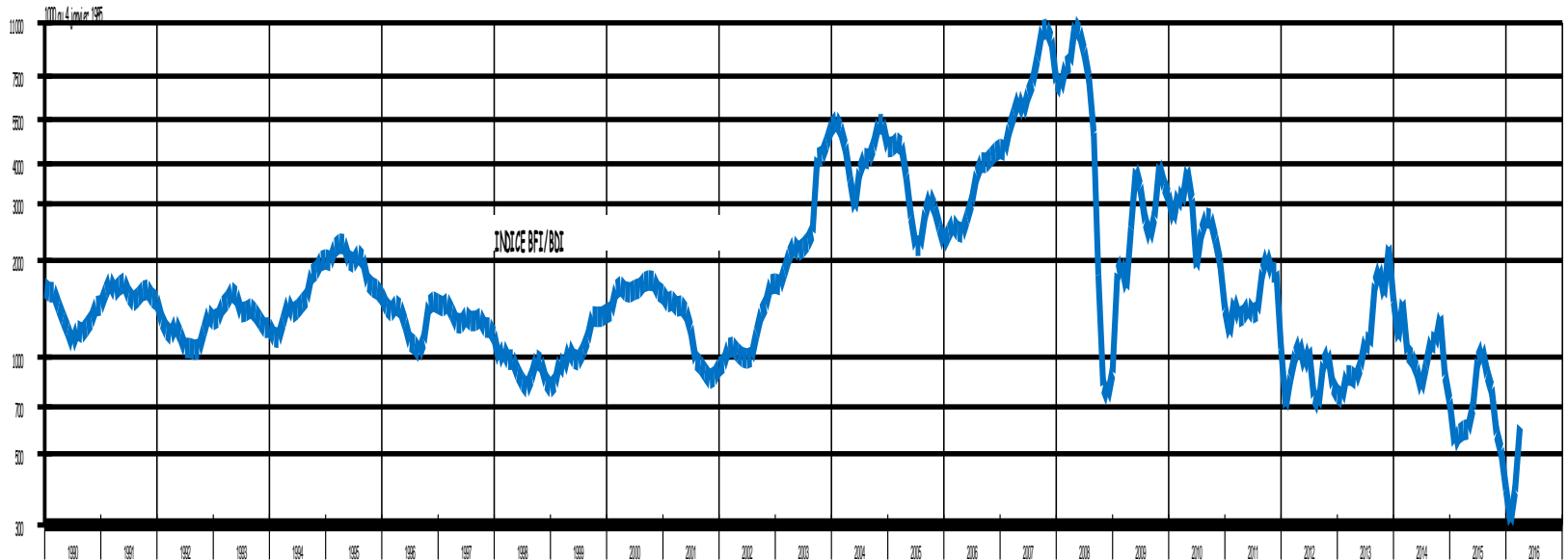


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And again the worst is for dry bulk freight (and more or less the same for containers, tankers being the exception)

Cours des matières premières

Frêts maritimes (caraisons sèches)

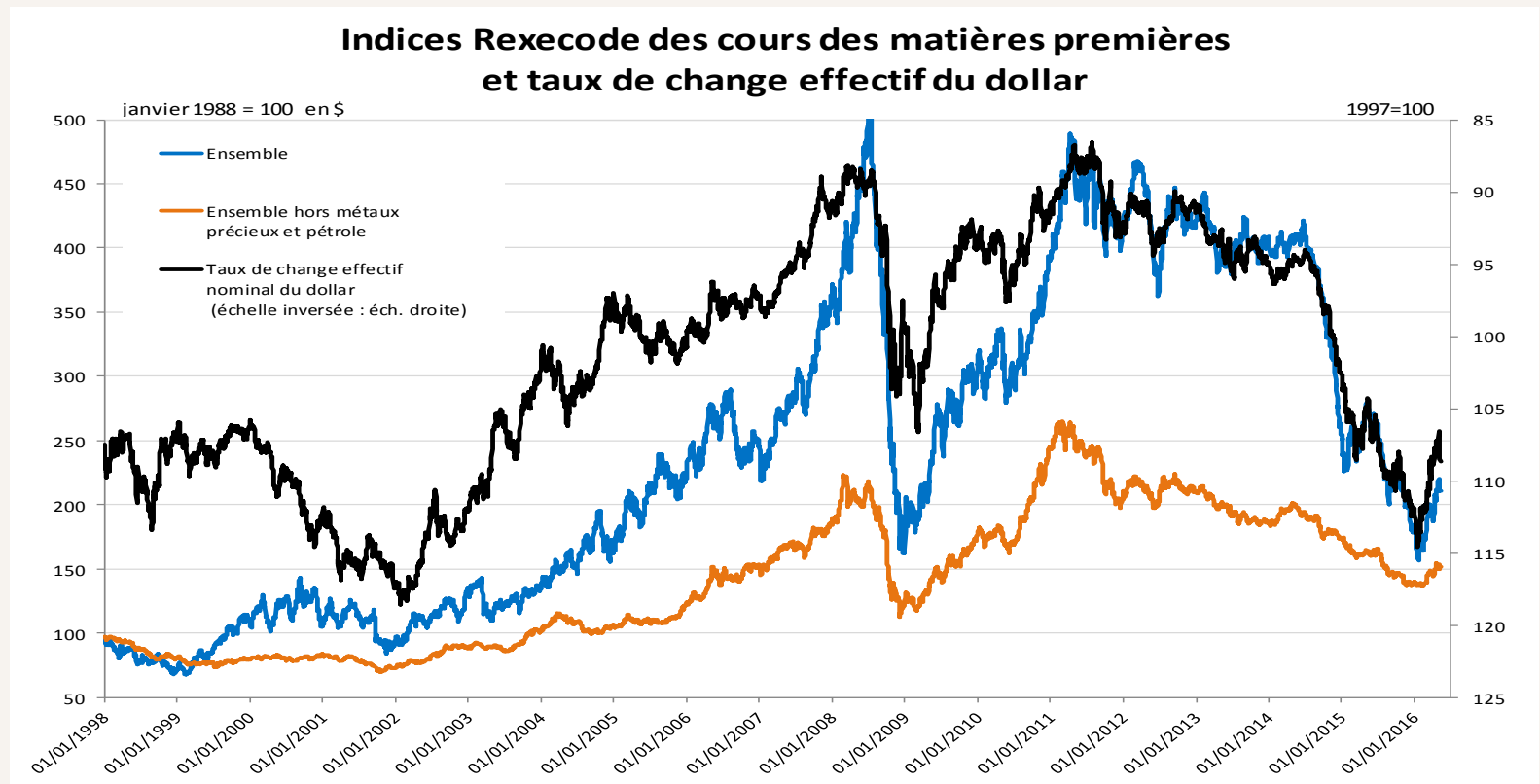


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The end of the 2006/2014 commodity boom :

- markets over supplied
 - . producers stratégies : Saudi Arabia for oil, Australian miners for iron ore, China for aluminium ...
 - . new technologies and rising productivity
 - . Investments
- lagging demand and the Chinese interrogation
- dollar and the currency markets

The correlation between dollar and commodity prices



And now ?

- a world full of liquidity ... and debts
- the strange world of negative rates
- no inflation
- a long time of depressed commodity prices
- the « commodity curse »
- cheap energy and climatic problems

Indeed « La planète de tous les risques »
and ... still not the end of history !