

Commodities pricing update April/May 2024

Dominating cost drivers:

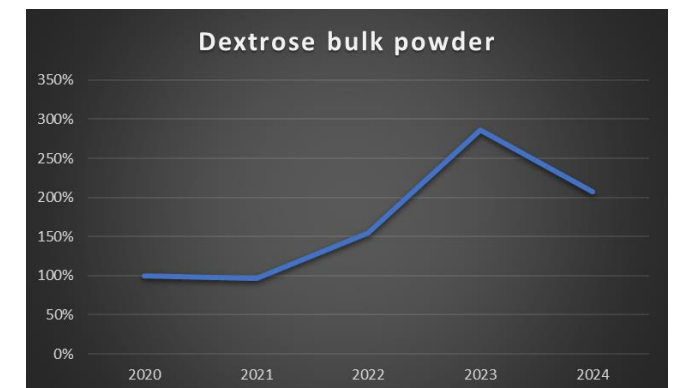
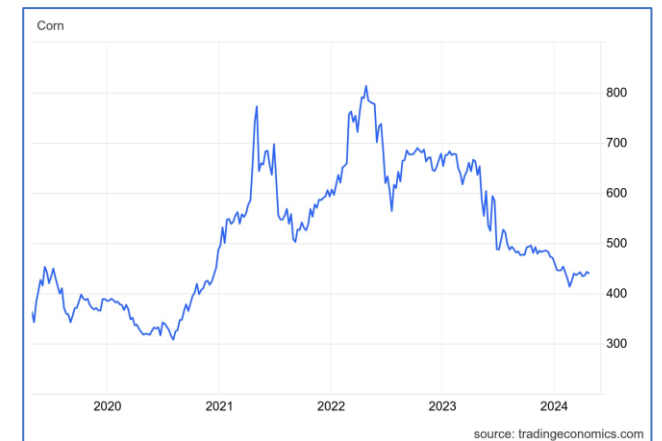
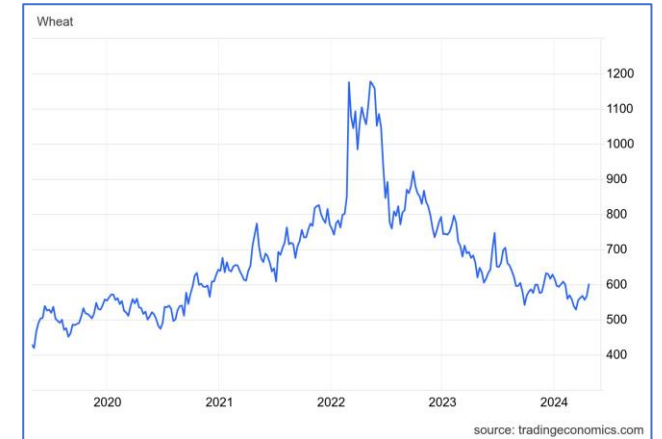
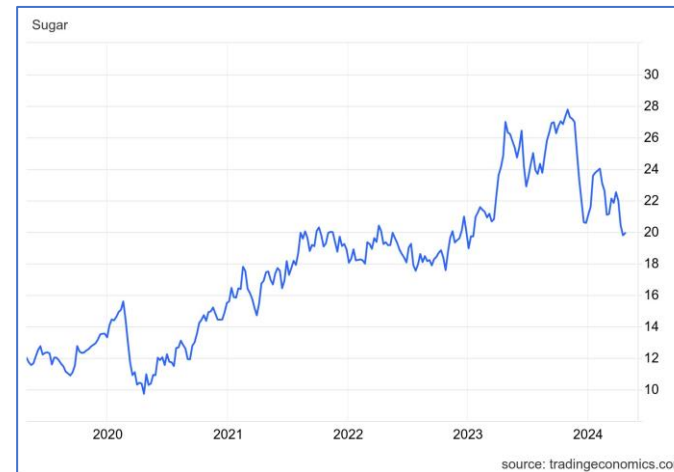
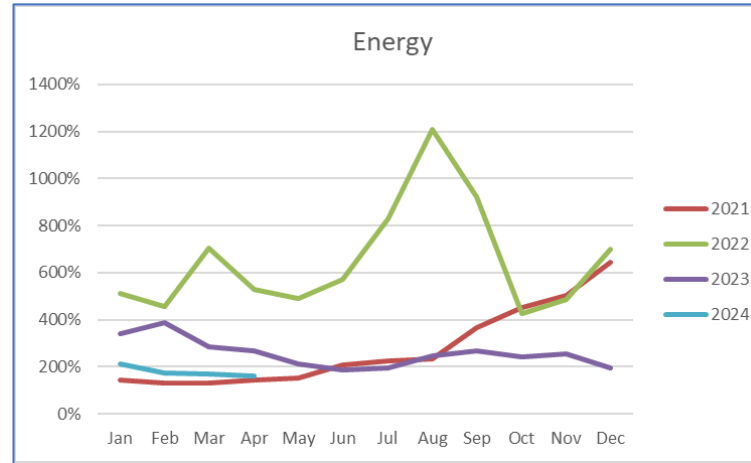
- Inflation tending toward desired level of 2% in EU, but not in USA. Weakening indications of FED / ECB to lower interest rates in June.
- Continuing Russia –Ukraine war outflanked by Israel-Hamas conflict after Iran involvement
- Easing energy prices due to relative mild winter weather and comfortable stock levels in Europe.

Specifics

Wheat prices seem to settle around 600USD/Bu mark as global production outlook indicates record crops around the globe. Looking forward, even lower price level possible in 12 months time.

Corn price retreated after profit taking took place. The overall outlook remained bearish based on the situation in Argentina, Brasil and USA. Room for even lower prices in 12 months time.

Sugar price is pushing back from its lowest point in over 14 months. Still concerns over the impact of dry conditions on Brazil's Centre-South cane crop. But tempered by currency weakness of real and rupee. Estimated to trade lower in 12 months time.



- **Packaging materials:** Paper prices go up. Mainly recycled fibers; not virgin. Plastics prices are on their way up as well.

- **Road transport** Fuel prices up >5% since start of 2024 in synch with oil price.

- **Silver price:** Silver price hit its' 5 year high point in April. Q1 consumer price increase and tight labor market reduced the chance of an interest rate cut by the Fed. Silver is very much wanted as a hedge against inflation. The expected price trajectory is up until the end of the quarter and for the next 12 months.

- **Sea container freight**
No changes in the situation for shippers moving cargo between Europe and Asia. The major global carriers are navigating south of Africa. Several Asian niche carriers continue to service the Asia to Red Sea route. The crisis has even deepend after the involvement of Iran.

Fundamentally the market is relatively well-balanced, as was also the case before the pandemic.

