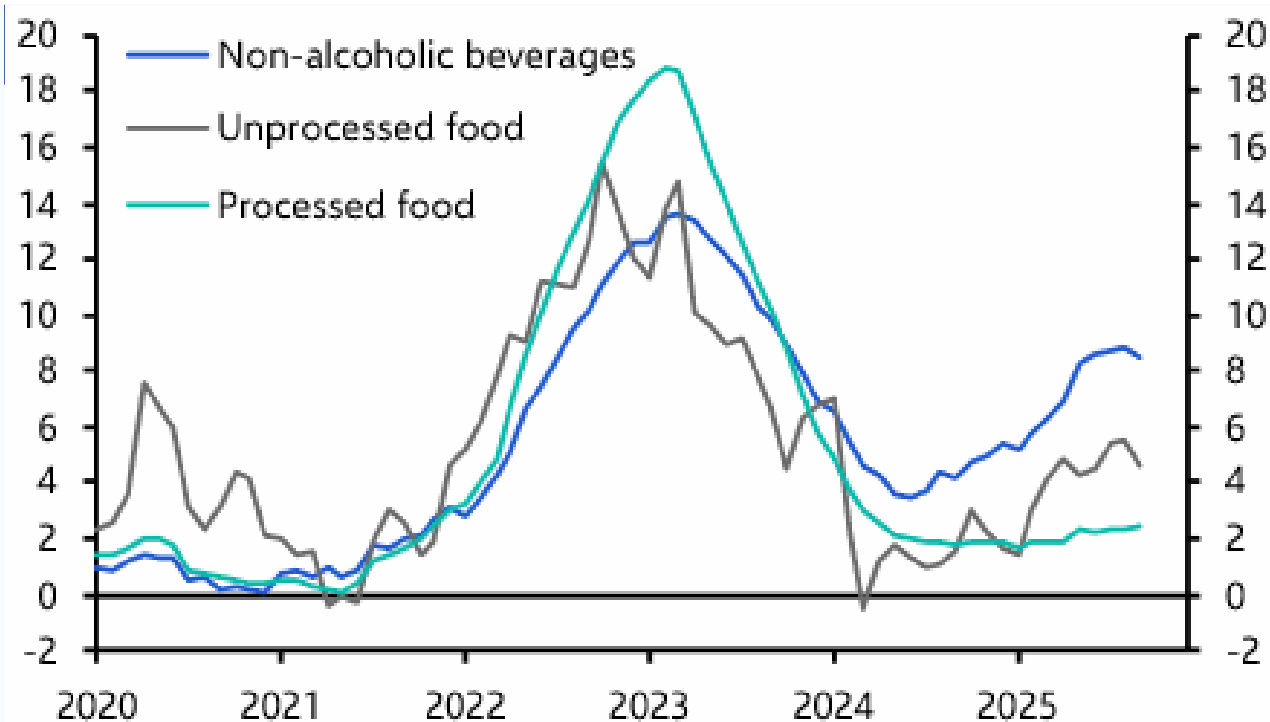


# El Niño – Macro, market and policy impacts

Cyclical warming meets structural global heating

How will the combination of El Niño and human-driven global warming affect commodities and economic performance over the short and long term?

El Niño analysis



#### EUROPE ECONOMICS UPDATE

### Euro-zone food inflation should fall next year

Food inflation in the euro-zone has picked up this year but we think that it will fall back in 2026. This would reinforce the disinflation that we expect from lower energy prices and slower wage...

17th October 2025 · 3 mins read

## El Niño's mixed blessings, Argentina's FX reserves, Pemex

Projections released this week highlight that El Niño-related rainfall will provide some relief to Argentina's key agricultural sector, with bumper corn and soy harvests likely. Higher agricultural...

19th January 2024 · 5 mins read

### **Metals to benefit in 2024 from green transition**

We expect most commodity prices to rise in 2024 as major central banks loosen monetary policy and economic activity starts to pick up. Meanwhile, China's policymakers have taken steps to support the...

15th December 2023 · 31 mins read

### **Looser monetary policy to support prices in 2024**

We expect most commodity prices to struggle over the rest of this year as developed economies flirt with recession, the US dollar remains strong and investor risk appetite moderates. That said, we...

26th September 2023 · 28 mins read

## Cotton prices to tick up as textile demand strengthens

We expect that the global cotton market will be finely balanced in 2023/24 as demand picks up and supply falls across key producers. We forecast that the US cotton price will rise gradually from here...

18th September 2023 · 4 mins read

## Food inflation threat is far from over

We think vegetable price inflation will have remained elevated last month despite a moderation in prices over the past couple of weeks. What's more, India recorded the driest August in more than a...

1st September 2023 · 3 mins read

## Coffee prices to ease back, but remain elevated

We think that Arabica and Robusta coffee prices will remain historically high over the next 12 months or so, but especially the Robusta price owing to greater El Niño-related supply risks. With that...

15th August 2023 · 4 mins read

## **Lower agriculturals supply will mean higher prices for longer**

The outlook for global agricultural supply has deteriorated since the start of the year as a result of extreme weather, the end of the Black Sea Grain Initiative, the prospect of an El Niño weather...

4th August 2023 · 13 mins read

## The implications of El Niño for global markets

We think El Niño poses downside risks to the prices of emerging market assets, in general. But even if the effect in aggregate wasn't all that large, there are several vulnerable sectors where such an...

3rd August 2023 · 4 mins read

## Thailand: no more rate hikes, El Niño the key risk

2nd August 2023 · 3 mins read

## El Niño + global warming = long-term EM headache

“The Boy” is back Much ink has been spilled – not least by ourselves – on the potential impacts of the return of El Niño conditions on commodities and economies. It’s fair to say that some of the...

27th July 2023 · 6 mins read

## El Niño likely to add to supply woes

The widely-differing impact of El Niño across continents means that the net effect on global mining output is not clear cut. On balance, though, the likelihood is that it will lead to lower ore output...

18th July 2023 · 3 mins read

## El Niño unlikely to fire up the price of all staples

El Niño is coming but the picture is more nuanced than one of doom and gloom for global production of all crop types. For corn, soybeans, wheat and rice, larger harvests in some regions can outweigh...

14th July 2023 · 4 mins read

## El Niño presents mixed risks for Lat Am

The likelihood of an El Niño event over the second half of the year raises the risk that activity is disrupted, inflation falls more slowly than we currently expect, and central banks' monetary easing...

13th July 2023 · 3 mins read

## EVENT

### **Drop-In: El Niño – Gauging the risks to economies and markets**

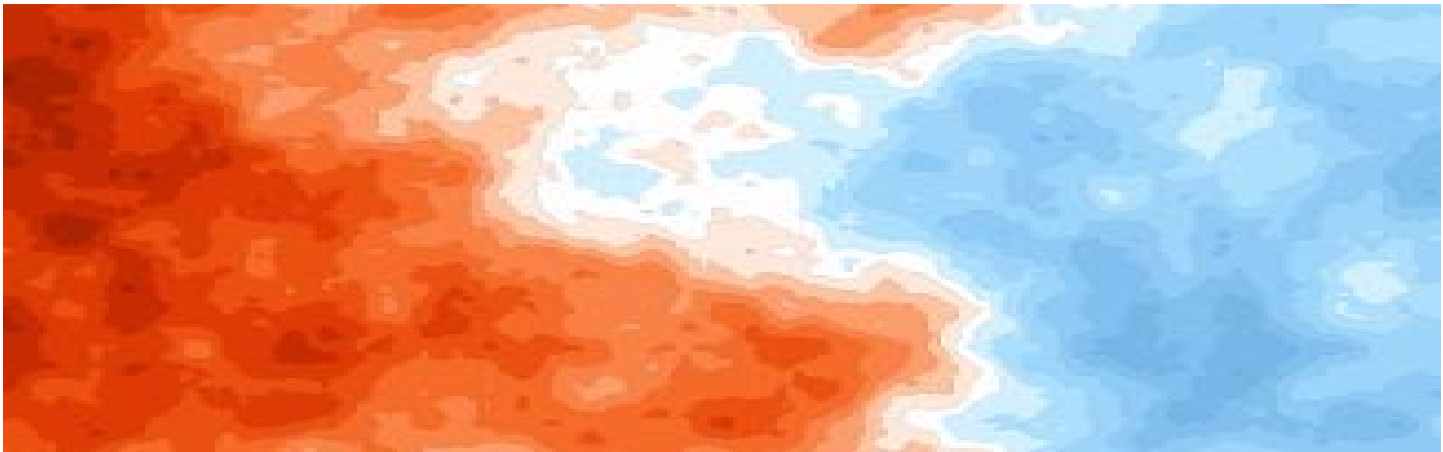
19th July 2023, 3:00PM BST

The World Meteorological Organisation has announced a 90% probability of an El Niño event in the second half of the year, threatening more extreme climate events.

## El Niño risks concentrated in EMs

The likelihood of an El Niño event in the second half of this year adds to upside risks to global inflation and downside risks to activity. For the advanced economies, higher prices of agricultural...

12th July 2023 · 5 mins read



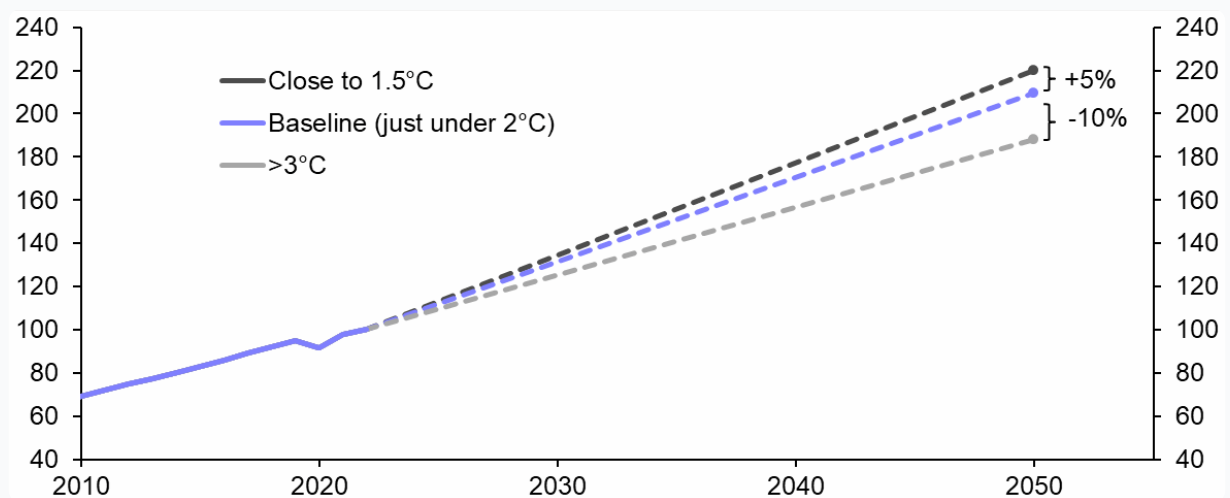
Explore our featured dashboard

El Niño Tracker

Your guide to the macro and market implications of this El Niño event

[Access the dashboard](#)

More analysis of climate change and mitigation



CLIMATE ECONOMICS FOCUS

## Quantifying the economic hit from climate change

Many academic studies underplay the extent to which higher temperatures could affect economic activity over the long run. Nonetheless, even in a scenario in which the global average temperature rose...

16th May 2023 · 14 mins read



## CLIMATE ECONOMICS FOCUS

### **Green transition ? fiscal free lunch**

Getting serious about decarbonisation would be more costly for governments than many fiscal scenarios would have you believe. Of course, the net impact on the public finances would depend on how...

26th June 2023 · 15 mins read

