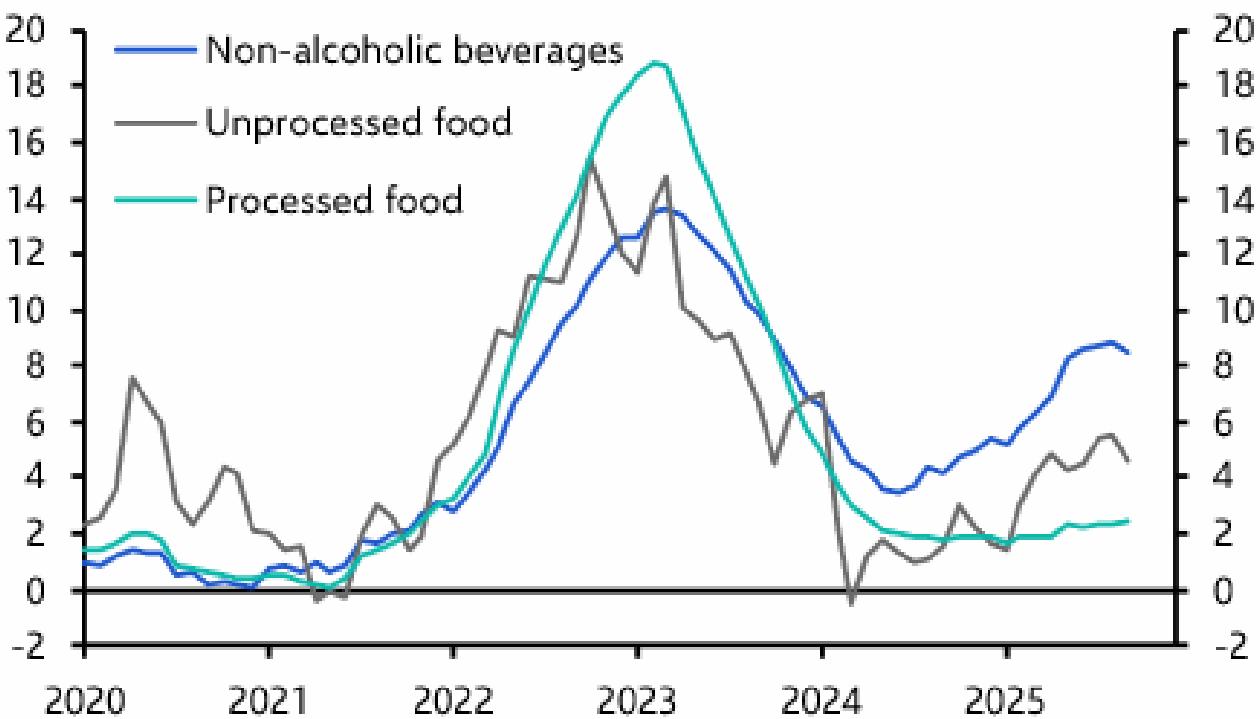


El Niño – Macro, market and policy impacts

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...

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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...

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COMMODITIES OUTLOOK

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...

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COMMODITIES OUTLOOK

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...

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COMMODITIES UPDATE

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...

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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...

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COMMODITIES UPDATE

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...

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COMMODITIES FOCUS

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...

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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...

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

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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...

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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...

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COMMODITIES UPDATE

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...

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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...

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EVENT

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

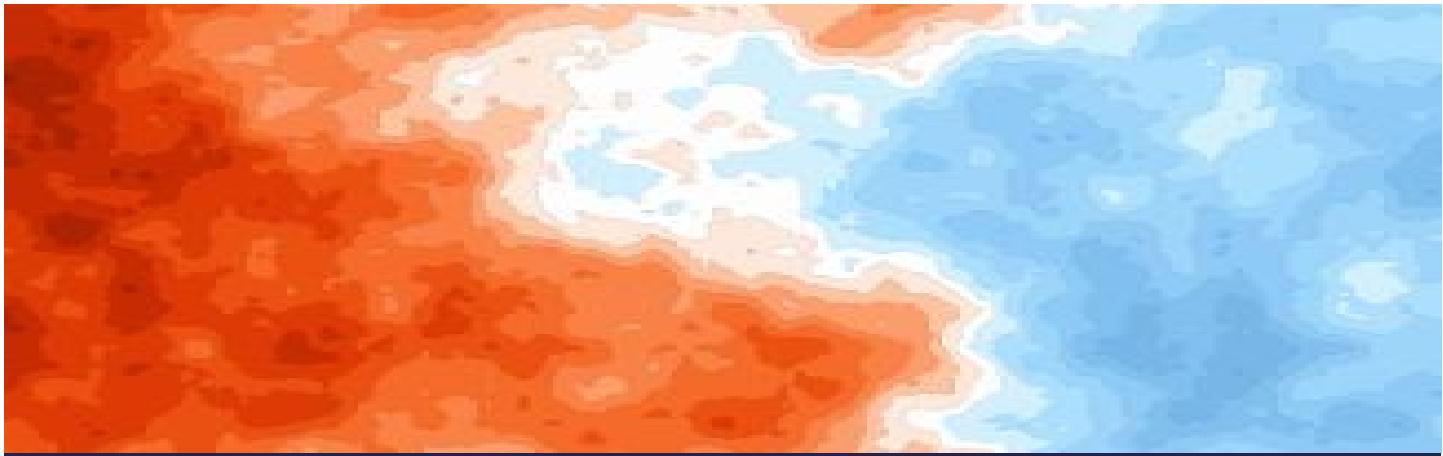
19th July 2023, 3:00PM BST

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...

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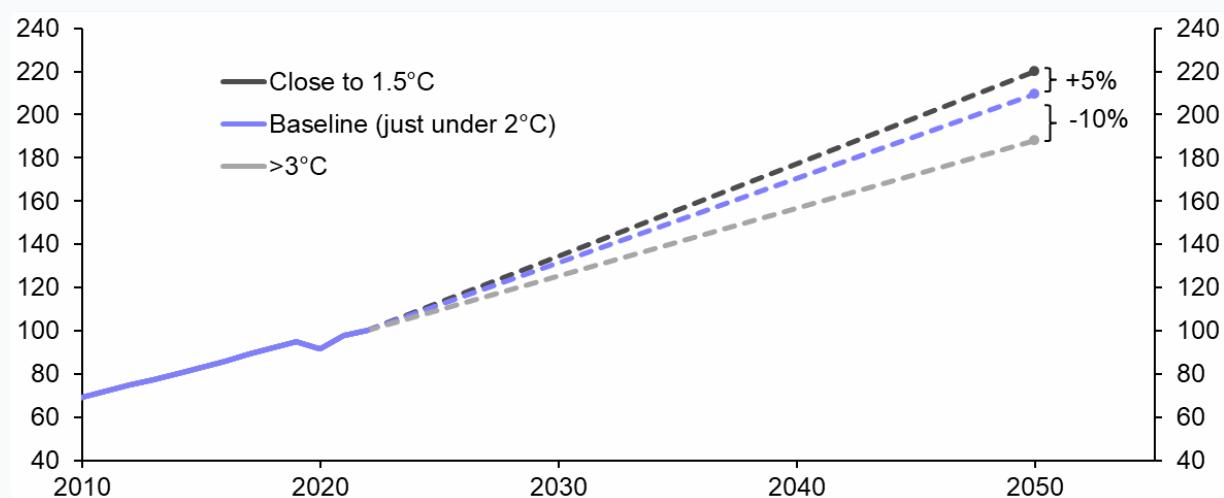


Explore our featured dashboard
El Niño Tracker

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

[Access the dashboard](#)

More analysis of climate change and mitigation



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Quantifying the economic hit from climate change

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