

The Commodities Feed: European gas surges

Energy prices rose yesterday, with European gas leading the way, while copper tariff concerns continue to push prices higher



Energy – SPR refill noise

Oil prices edged higher yesterday, with ICE Brent settling 0.31% higher on the day. The gains were driven by a recovery in equity markets and a relatively supportive inventory report from the Energy Information Administration (EIA).

The EIA said US crude oil inventories increased by 1.75m barrels over the last week, much less than the 4.59m barrel increase the American Petroleum Institute (API) reported the previous day. Meanwhile, Cushing crude oil inventories fell by 1m barrels, while for refined products, gasoline and distillate stocks fell by 527k barrels and 2.81m barrels, respectively. US gasoline inventories have fallen for three consecutive weeks. They're now the lowest since early January. Gasoline inventories dropped despite implied demand falling over the week and refinery utilisation increasing marginally. Overall, recent data is supportive for the market.

Another supportive factor: the US energy secretary saying current crude oil prices may provide an attractive opportunity to buy oil to refill the Strategic Petroleum Reserve (SPR). The SPR stands at a little under 396m barrels. That's up from a low of 347m barrels in 2023, but still well below the

621m barrels it stood at in mid-2021. Energy Secretary Chris Wright previously said it will take years to fully refill the SPR, requiring \$20bn of funding. Considering the SPR has a capacity of around 700m barrels, this assumes refilling the SPR would cost around \$65/bbl.

European natural gas prices rallied yesterday, with the Title Transfer Facility (TTF) settling almost 6.4% higher, amid fading hopes for a partial resumption in Russian gas flows to Europe. Russia failed to agree to an unconditional ceasefire with Ukraine; it only agreed to stop attacks on Ukrainian energy infrastructure for 30 days. Investment funds, which had been heavily selling TTF in recent weeks, reversed course over the last reporting week, buying 1TWh to leave them with a net long of 127.6TWh.

Metals – Copper nears \$10,000/t

Copper is nearing \$10,000/t on the London Metal Exchange (LME), a level last reached in October last year. Copper prices are up around 14% year-to-date with Donald Trump's tariff threats triggering [a rush of copper flows into the US](#) and tightening supplies elsewhere. Last month, President Trump ordered the US Commerce Department to investigate possible import tariffs on copper.

CME copper stocks have been rising steadily since Trump's election win in November. At the same time, LME stockpiles saw modest declines. The cancellation of copper warrants in the LME has soared since late February. The largest inventory drawdowns are in Asia, followed by Europe. Orders to withdraw metal from LME warehouses in Asia surged to the highest level since August 2017.

Copper prices are likely to remain supported in the near term amid front-loading ahead of tariffs. Another factor is the tightening of the ex-US physical market as Washington's investigation into copper imports continues. And as more metal front runs any potential US levies. The US is reliant on copper imports for its domestic consumption. The US imported around 850,000 tonnes of copper -- excluding scrap -- in 2024, accounting for around 50% of its domestic consumption. It might be challenging to fill that gap with domestic production.

Author

Warren Patterson

Head of Commodities Strategy

Warren.Patterson@ing.com

Ewa Manthey

Commodities Strategist

ewa.manthey@ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial

instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit www.ing.com.