

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.

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