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CANADA

# The Commodities Feed: Geopolitical events have oil gyrating, gold rising

Oil prices had a choppy session yesterday amid uncertainty over developments in Venezuela. Meanwhile, heightened geopolitical turmoil is providing a further boost to gold



## Energy- Venezuela supply uncertainty

Oil prices had a choppy session yesterday with the market trying to digest the [impact of the arrest of President Nicolas Maduro by the US](#). ICE Brent fell below US\$60/bbl at one point during the trading session but settled 1.66% higher on the day at US\$61.76/bbl. Developments over the weekend pose further downside risk to Venezuelan oil supply in the short term – and leave the potential for upside in the longer term. This would require significant investment in the domestic energy sector, which foreign companies may be reluctant to undertake unless there is a more attractive investment environment or some form of guarantee for investors.

The potential for an increase in Venezuelan heavy crude oil supply is weighing on the West Canada Select differential, which fell to its lowest level since August yesterday. An increase in Venezuelan supply would likely result in larger flows to US Gulf Coast refiners. This would weigh on US demand for heavy crude from Canada.

Meanwhile, amid an oil market surplus, Saudi Arabia cut its official selling price (OSP) for all grades and regions for February loadings. Aramco's flagship Arab light into Asia was cut by US\$0.30/bbl MoM to US\$0.30/bbl, which is the third straight month of cuts. It leaves the OSP at its lowest level since January 2021.

European natural gas prices came under significant pressure yesterday, with TTF falling more than 5.5% over the day. While the weather in Europe has been colder than usual recently, forecasts indicate milder conditions later in the month. LNG send-outs have been seasonally strong, which will help ease any supply concerns in the market. However, gas storage has now fallen below 60%, well below the 5-year average of 73% full, which should limit further downside in the short term.

### **Metals – Copper hits record \$13,000/t**

Copper surged to a fresh record high on the LME amid ongoing concerns over tightening supplies, with tariff policy uncertainty and stockpiling intensifying the squeeze on available metal. Prices touched \$13,000/t for the first time during Monday's trading.

Copper's rally continues to be fuelled by mine supply disruptions and distortions to trade flows amid US President Trump's tariffs. Copper surged 42% in 2025 in its best year since 2009, making it the best performer of the six industrial metals on the LME.

The risk of reinstated tariffs, with a potential 15% tariff increase under review in June 2026, continues to support the arbitrage trade, as traders ramping up shipments of the metal to the US in recent weeks. Until there's clarity on the tariff front, tariff risk will keep ex-US supply tight and global prices elevated. The downside risk to copper is a reversal of flows to the US if the refined metal is again exempt from tariffs, which could push inventory into global markets.

Meanwhile, the start of a strike at the Mantoverde mine in Chile has added to concerns about copper supply. Low inventories across major exchanges leave little room to absorb further supply shocks. At current rates, the Mantoverde mine accounts for around 0.5% of global mined copper.

The cash-to-three-month spread in London remains in backwardation, pointing to near-term tightness.

In precious metals, gold and silver continue to move higher as geopolitical risk and macro uncertainty boost demand for safe havens. A fresh focus on Venezuela following the US arrest of Maduro has added to the bid for precious metals, which is likely to persist until the situation stabilises or policy clarity emerges.

Gold climbed more than 2.5% to trade above \$4,455/oz while silver was up more than 5% in Monday's trading above \$77/oz.

At the same time, continued central bank buying and expectations of easier monetary policy later this year are underpinning gold. Silver is benefitting from both its safe haven appeal and resilient industrial demand linked to electrification and solar.

### **Agriculture– Robusta coffee drops as Vietnam exports surge**

Robusta coffee came under pressure yesterday as an estimated surge in Vietnamese exports boosted supply expectations. Recent estimates from Vietnam's General Statistics Office indicated that December coffee exports totalled 180kt, up 40.8% year on year. For the full year, coffee exports are expected to rise by 17.5% YoY to 1.58mt, reflecting strong overseas sales demand. Improved weather has lifted crop flows after heavy early-season rains disrupted harvesting and tightened supplies.

Cocoa prices in the US and London ended higher yesterday, as market participants weighed concerns over a smaller mid-crop harvest in Nigeria. In parts of Southwest Cameroon, cocoa plants are exhibiting signs of stress due to persistent intense sunshine. This is prompting farmers to apply fertilisers and insecticides, while dry conditions favour certain pests. In top producer Ivory Coast, cocoa arrivals to ports so far this season total 1.07m tonnes, down from 1.11m tonnes at the same stage last year.

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