The Commodities Feed: Gold climbs to a new record high

Gold surged to a fresh record high this morning, while copper has continued its retreat from nine-month highs as trade tensions intensify

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Metals – Gold climbs to a new record high

Gold surged to a fresh record high this morning, surpassing the previous record hit just yesterday, after US President Donald Trump announced "permanent" 25% tariffs on auto imports, intensifying trade tensions. Trump's unpredictable trade policy has been the key driver for gold so far in 2025, with prices up by more than 16% year-to-date, extending its momentum from 2024. We see uncertainty over trade and tariffs, along with central bank buying and inflows into ETF holdings continuing to buoy gold prices.

Meanwhile, copper has continued to retreat from its nine-month high as expectations for the ex-US tightness are retreating following reports earlier this week that US tariffs on copper imports could be imposed within weeks, not months.

Tariffs are bearish for copper and other industrial metals in the context of slowing growth and keeping inflation higher for longer. If US inflation remains persistent or rebounds, it could prompt the Federal Reserve to delay or increase interest rate cuts. With growth in the US likely to slow on the back of tariffs and China already struggling to revive its economy, demand for copper and other industrial metals is likely to weaken looking ahead.

Energy – US natural gas storage rises

US natural gas prices traded under pressure as the US witnessed its second straight week of inventory injection while weather forecasts remained mixed. The weekly inventory report from the Energy Information Administration (EIA) shows that US natural gas storage increased by 37bcf over the last week, above the expected 32bcf increase. However, this was contrary to the five-year average decline of 31 bcf. Meanwhile, total gas stockpiles totalled 1.74tcf as of 21 March, down 24.2% year-on-year and 6.5% below the five-year average.

Oil prices are trading almost flat this morning as the market remains cautious about softer demand and rising supply. The OPEC+ group is scheduled to start reviving its idled production with the first monthly increases of 138k b/d next month, following its decision to gradually unwind the output cuts of 2.2m b/d by 2026. On the other hand, some of the OPEC countries have agreed to further reduce the output (ranging from 189k b/d to 435k b/d until June 2026) to compensate for higher production earlier. The cuts, if implemented, will help offset the production hikes and balance the market in the immediate term.

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