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COMMODITIES DAILY

The Commodities Feed: Gold extends record rally

Gold prices reached another record in the early Thursday trading session amid surging bets over a Federal Reserve rate cut and rising trade tensions between the US and China



Metals - Gold touches another record

Gold rose to another record high with spot prices reaching intraday highs of \$4,242/oz this morning, driven by rising US-China tensions and expectations of two more Fed rate cuts this year. Silver prices also rose by more than 3% to close above \$53/oz yesterday, amid tight supply in London. US Treasury yields fell to a multi-month low after Fed Chair Powell signalled a likely quarter-point rate cut this month.

As for China, President Trump issued a fresh trade threat against the country, obviously heightening trade tensions, with Beijing vowing retaliation over Washington's proposed 100% tariff hike. Additionally, traders remain cautious ahead of the Section 232 probe outcome on critical minerals – including silver, platinum and palladium – amid renewed fears of potential tariffs, despite their earlier exemption in April.

Gold and silver are two of the best-performing commodities this year, with prices up by more than 55% and 80% YTD, respectively, supported by central bank purchases and inflows into

ETF holdings. Safe-haven demand has been fuelled by persistent US-China trade tensions, threats to Fed independence, and the ongoing US government shutdown.

Energy - API reports a large build of oil inventory

Oil prices recovered some of the losses this Thursday morning as President Trump said India vowed to halt purchases of Russian barrels soon. India's foreign ministry said it will diversify its sourcing while ensuring stable energy prices and secure supplies. Meanwhile, a bearish report from the American Petroleum Institute (API) restricted any major upside for oil prices.

Numbers overnight from the API show that crude oil inventories increased for a third straight week by 7.36m barrels over the last week, in contrast to the average market expectation of a draw of 136k barrels. Looking at refined products, gasoline inventories rose by 3m barrels, while distillate stocks declined by 4.8m barrels. The decline in distillate inventories provided mixed signals on energy consumption in the country. The more widely followed EIA weekly inventory report will be released later today.

Agriculture - Cocoa drops on weaker demand

Cocoa prices in the US and London came under pressure yesterday, following lower grindings from Malaysia and Brazil. Recent data from the Malaysian Cocoa Board and Manufacturers Group shows that cocoa grindings decreased 35% YoY (-13% QoQ) to 60.8kt in the third quarter of the year. Similarly, data released by the industry group APIC shows that Brazil's cocoa grindings fell 17% YoY to 46.1kt in the third quarter. Additional grinding data for Asia, Europe and North America will be released later today. This could put further pressure on prices if the data follows a similar downward trend.

France's Agriculture Ministry estimates that French soft-wheat exports for the 2025/26 season could rise to 15mt, higher than the previous estimate of 14.7mt. This was also 44% higher than the previous season. The rise in exports could be largely attributed to exports to EU nations being raised from 6.7mt to 7mt for the 2025/26 season. Soft wheat inventories decreased to 2.8mt compared to earlier projections of 3.6mt, due to a rise in exports. Similarly, corn export forecasts rose to 5.1mt from 4.8mt projected earlier, while inventory estimates were revised lower from 2.2mt to 1.9mt.

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