

The Commodities Feed: Oil edges higher despite demand cuts

Oil prices rose yesterday despite OPEC making some small downward revisions to demand growth estimates



Energy – OPEC lowers demand estimates

Oil prices rose marginally higher yesterday despite OPEC trimming demand estimates. ICE Brent settled just below US\$65/bbl. The market is digesting fast-moving policy developments on the tariff front, while balancing them with nuclear talks between the US and Iran. Clearly, the market is more focused on tariffs and what they mean for oil demand.

Chinese trade data released yesterday was fairly strong when it comes to oil. Crude oil imports averaged almost 12.2m b/d in March, up 4.8% year on year and nearly 9% higher month on month. Yet cumulative crude imports are still down 1.5% YoY so far this year. Meanwhile, refined product exports rose almost 40% MoM in March to 5.24mt. Year-to-date, though, exports are still down 15.9% YoY. Refined exports were weaker due to lower export margins. Meanwhile, China has so far issued two batches of 2025 export quotas for refined products totalling 31.8mt, down 4% YoY.

OPEC released its monthly oil market report yesterday, taking the opportunity to reduce demand growth estimates for this year and next. Given recent tariff developments, OPEC reduced its 2025

oil demand growth estimate by 150k b/d to 1.3m b/d YoY. Demand for 2026 saw a similar reduction; it's now expected to grow by 1.28m b/d. [As we mentioned last week, the broader weakness in prices suggest the market is pricing in a much larger demand hit due to tariffs.](#) In addition, OPEC continues to maintain more bullish demand estimates than other agencies. Last month, the International Energy Agency (IEA) forecasted that oil demand will grow by just over 1m b/d this year. Later today, we will find out if the IEA lowered demand estimates amid an escalation in tariffs when the agency releases its monthly oil report.

Metals – China's copper imports drop

China's preliminary trade data for metals, released yesterday, showed imports of unwrought copper fell 1.4% YoY to 467kt in March. Cumulative imports fell 5.2% YoY to 1.3mt in the first three months of the year. The widening in the COMEX/LME arb likely drew more copper shipments into the US rather than China. Meanwhile, copper concentrate imports increased 2.7% YoY (+9.8% MoM) to 2.39mt in March, while year-to-date imports rose 1.8% YoY to total 7.1mt.

On the export side, China's unwrought aluminium and aluminium product shipments fell 1% YoY to 504.7kt last month. Cumulative shipments decreased 7.6% YoY to 1.4mt in the first three months of the year. Steel product exports increased 5.7% YoY to 10.46mt in March. This left cumulative steel product exports at 27.4mt (+6.3% YoY) over the first three months of the year, amid increased global trade tensions.

There are reports that the People's Bank of China issued new gold import quotas to commercial banks amid strong haven demand from investors as trade tensions increased. The central bank usually restricts physical bullion imports. Meanwhile, COMEX gold inventories, which surged earlier this year on tariff concerns, are now starting to decline. This follows the Trump administration excluding gold from tariffs.

Agriculture–Cocoa drops on weaker demand

Cocoa prices in the US and London ended lower yesterday due to reduced grindings in Malaysia and Brazil. This indicates weaker demand amid high global prices. Recent data from the Malaysian Cocoa Board and Cocoa Manufacturers Group showed that cocoa grindings decreased 15.3% YoY (-1.3% QoQ) to 84.2kt in the first quarter of the year. Similarly, data released by the industry group APIC shows that Brazil's cocoa grindings fell 13% YoY to 52.1kt in the first quarter.

China Customs reported that soybean imports declined by 40% MoM and 36.8% YoY to 3.5mt in March. This reflects tariff-weary processors avoiding US soybeans and delays in Brazil's harvest reduced shipments. It marked the lowest monthly imports of soybeans since February 2013 and takes year-to-date imports of soybeans to 17.1m t, down 7.9% YoY. Imports should pick up in the months ahead as Brazilian supply ramps up.

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