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COMMODITIES DAILY RUSSIA UKRAINE

The Commodities Feed: Oil moves higher as Iran-related supply risks grow

The oil market is facing increased supply risks amid intensifying protests in Iran



Energy – Supply risks grow

After a strong end to last week, the oil market has continued to strengthen in early-morning trading today as protests in Iran escalate, raising concerns about supply. The Iranian government warned both the US and Israel not to intervene amid the ongoing unrest. Iran is the fourth-largest OPEC member, producing around 3.2m b/d of crude oil. So, this leaves a fair amount of supply risk hanging over the market.

Meanwhile, Ukraine continues to target Russian energy infrastructure. Over the weekend, forces targeting three platforms owned by Lukoil in the Caspian Sea. Ukraine has been targeting all parts of the Russian oil supply chain -- from **upstream infrastructure** to pipelines to ports to refineries. Russian supply faces risks both from these ongoing attacks and the US appearing to move a step closer towards tougher sanctions on Russian energy. Senator Lindsey Graham said that President Trump “greenlit” the bill he's worked on along with other lawmakers. It would place tariffs and secondary sanctions on countries importing Russian energy. This opens the path for the bill to move to Congress. However, with the White House favouring flexibility on Russia sanctions amid negotiations, it's unclear the legislation would pass.

ExxonMobil's CEO threw cold water on any idea of large investment in the Venezuelan oil

industry, calling the country “uninvestable” without significant change. Other producers have discussed the potential to boost Venezuelan oil output over the next several years. It may be difficult to see oil companies that previously had assets expropriated by the Venezuelan government re-enter without receiving the compensation they were awarded in international courts. Meanwhile, US Treasury Secretary Scott Bessent has said that further sanctions against Venezuela may be lifted as early as this week to facilitate oil sales.

The latest positioning data shows that speculators reduced their net long in ICE Brent by 3,219 lots over the last reporting week to 122,965 lots as of last Tuesday. The market saw an increase in both gross long and gross short, highlighting uncertainty about the implications of events in Venezuela.

Agriculture– WASDE expectations

The USDA is scheduled to release its monthly WASDE report later today. The market expects the agency to increase its US soybean ending stocks by about 4m bushels to 294m bushels, while trimming its US corn ending stocks by 43m bushels to 1,986m bushels. Global ending stocks for corn are projected to increase marginally from 279.2mt to around 280mt. Soybean ending stock estimates are expected to rise from 122.4mt to 123.5mt.

Uganda Coffee Department Authority data shows that Uganda’s coffee shipments rose 60% year on year to 640.3k bags in November 2025. However, it was still 6.4% below than the previous month’s shipments and the lowest since February 2025. The YoY increase in exports was largely driven by a strong harvest in the Central and Eastern regions. Cumulative shipments for the season (Oct’25 – Nov’25) stood at 1.3m bags (60kg bag), up 47.6% YoY.

The latest CFTC data shows that money managers increased their net bearish bets in CBOT wheat by 12,539 lots for a fifth consecutive week to 107,165 lots as of 6 January. In contrast, speculators reduced their net short in corn by 7,158 lots to 16,426 lots. Meanwhile, for soybeans, the net speculative long position fell by 26,845 lots to 57,717 lots. This is the smallest position since October 2025.

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