

# The Commodities Feed: Oil slumps on nuclear deal talk

Oil sold off yesterday amid rising hopes for an Iranian nuclear deal after comments from President Trump



## Energy – Iran nuclear deal hopes

The oil market sold off yesterday following comments from President Trump that the US and Iran were moving closer towards a nuclear deal. A nuclear deal that lifts sanctions will obviously remove a lot of the supply risk hanging over the market for some time now. In addition, it would allow Iran to increase oil output with more willing buyers for its oil. This could result in additional supply in the neighborhood of 400k b/d.

Concerns over the potential for additional Iranian supply come as OPEC+ are also ramping up supply. In addition, there are plenty of concerns over the demand outlook for the market. This was evident in the International Energy Agency's (IEA) monthly oil market report, released yesterday. The IEA estimates that global oil demand growth will slow from 990k b/d in the first quarter to 650k b/d for the remainder of the year. This sees 2025 demand growing by 740k b/d. Slowing growth reflects economic headwinds and strong EV sales. For 2026, the agency expects demand to grow by 760k b/d. The IEA expects supply to grow by 1.6m b/d in 2025 and 970k b/d in 2026. Lower oil prices prodded the IEA to lower its US supply growth estimates for this year and next.

US natural gas futures sold off yesterday, with Henry Hub settling 3.7% lower on the day. Energy Information Administration (EIA) storage data shows that gas storage increased by 110bcf over

the last week. This is in line with expectations, but higher than the 5-year average for an 83bcf increase. Total US natural gas storage stands at 2.255tcf, down 14.3% year-on-year, but 2.4% above the 5-year average.

## Agriculture – Argentina soybean crop revised higher

The Rosario Board of Trade estimates soybean production in Argentina will rise to 48.5mt for the 2024/25 season, above the previous estimate of 45.5mt. The upward revision was largely due to higher yields in the Pampas region. Argentina's corn output projections remained unchanged at 48.5mt. Meanwhile, the 2025/26 wheat planting area could rise 4% YoY to 7.2m hectares (the largest in the last 15 years), thanks to improving soil moisture since late February. If yields match the historical average, production could reach 21mt for the 2025/26 season.

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