

The Commodities Feed: Oil supported by ongoing supply risks

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Energy – Oil supported by ongoing supply risks

Oil extended gains for a second session amid fresh Middle East supply concerns. Saudi Arabia reportedly saw production capacity reduced by around 600k b/d following attacks on its energy infrastructure, equivalent to roughly 10% of typical crude exports. As well, strikes on a pumping station serving the East-West pipeline, which Saudi Arabia has been using to export crude via the Red Sea, restricted daily output by 700,000 barrels this week. Kuwait also said it intercepted drone attacks targeting key energy facilities.

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Attention is now turning to talks between a US delegation and Iranian officials scheduled for the weekend. While US President Donald Trump struck an optimistic tone on resolving the six-week conflict, he later threatened Tehran over charging fees in the Strait of Hormuz, keeping geopolitical risk premium elevated.

Even if transit through the Strait of Hormuz resumes, the return of energy supplies is unlikely to be

immediate. Output has already been reduced at oil and gas fields, while refinery operations have been curtailed or temporarily shut, suggesting that some supply disruptions may take weeks, or longer, to fully reverse.

US natural gas prices slid to their lowest levels since late August 2025, with the Henry Hub front-month contract settling almost 2% lower. Prices were pressured by a larger-than-expected storage build and mild weather forecasts. EIA data showed inventories rose by 50Bcf last week, above expectations for a 47Bcf build and well above the five-year average increase of 13Bcf. Total stocks reached 1.91Tcf as of 3 April, 4.8% above the five-year average.

Refined product inventories continued to tighten. In the Amsterdam-Rotterdam-Antwerp (ARA) hub, stocks fell by 386kt WoW to 4.9mt in the week to 9 April, the lowest since June 2022. Gasoline and fuel oil inventories declined by 141kt and 138kt, respectively, while gasoil stocks fell 65kt and jet-kerosene inventories dropped 56kt to their lowest since March 2023.

In Singapore, onshore refined product stocks fell by almost 3mb for a second consecutive week to 47.1mb, the lowest since January. Middle and light distillate inventories declined by 1.04mb and 0.2mb, respectively, while residual fuel inventories fell by 1.74mb in the week to 8 April.

Metals – Gold trades higher

Gold has edged higher, on track for a third consecutive weekly gain and up nearly 2% at the time of writing. Prices were supported by diplomatic optimism around Iran, continued central-bank demand and rising inflation expectations, although price action remains highly headline driven.

Geopolitical risks are still unresolved, and the ceasefire appears fragile, keeping near term volatility elevated. Since the conflict began, gold has fallen around 10%, underscoring how macro headwinds, notably higher real yields and a firmer US dollar have outweighed safe haven demand. Looking ahead, gold is likely to remain volatile in the near term, but the longer term outlook remains constructive, supported by sustained central bank buying, ongoing reserve diversification and the likelihood that real rates will not remain restrictive indefinitely.

Meanwhile, Poland reiterated plans to increase gold reserves to 700 tonnes, while China added around 5 tonnes in March, marking its largest monthly purchase in more than a year.

Agriculture – WASDE bearish for corn and wheat

In its latest WASDE report, the USDA left the US corn balance sheet unchanged for 2025/26, with ending stocks held at 2,127m bushels, slightly below market expectations of around 2,131m bushels. However, the global outlook turned more bearish, with 2025/26 ending stocks revised up to 294.8mt from 292.8mt, above expectations of c.293.2mt. Global production was raised by 3.6mt to 1,301.1mt, driven by higher output in India, South Africa (+0.8mt), Indonesia and Russia (+0.3mt), partly offset by a 2mt upward revision to demand.

For soybeans, US 2025/26 ending stocks were left unchanged at 350m bushels, marginally above expectations. Export estimates were cut by 35m bushels to 1,540m bushels amid ongoing trade tensions with China and strong South American competition. Globally, production and demand estimates were revised higher to 427.4mt and 425.9mt, respectively, with larger output in Paraguay (+0.5mt) and South Africa offsetting losses in Uruguay. Despite stronger demand, global ending stocks edged lower to 124.8mt, below both the prior estimate and market expectations.

Wheat also weighed on sentiment. The USDA raised US 2025/26 ending stocks to 938m bushels from 931m, above market expectations of around 923m, reflecting slightly weaker domestic use and higher imports. On the global side, 2025/26 ending stocks were revised sharply higher to 283.1mt from 277mt, well above expectations, as production was lifted to 844.2mt on higher output from the EU (+1.1mt) and Russia (+0.8mt), while consumption estimates were cut to 820.1mt.

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