

The Commodities Feed: Oil under pressure despite API reporting oil inventory draws

The oil market is under pressure in the European morning, even as the American Petroleum Institute (API) reports a drop in US crude oil inventory



Energy – API reports oil inventory draws

After rallying for three days, ICE Brent and NYMEX WTI were seen trading lower in the early trading session today, even as the American Petroleum Institute (API) reported large crude oil inventory withdrawals in the US. Latest data shows that those inventories decreased by 3.4m barrels over the last week, in contrast to the average market expectations of a build of 1.07m barrels. Changes in refined products were mixed, with gasoline inventories falling by 700k barrels, while distillate stocks increased by 1.9m barrels. The rise in distillate stocks provided mixed signals over energy consumption in the country. The more widely followed EIA weekly inventory report will be released later today.

Meanwhile, recent claims by Ukraine that it attacked the Saratov refinery in its latest strike on Russian energy facilities might help create a floor for oil prices at lower levels. The Saratov refinery

(located in the Volga region) has a design processing capacity of about 140k barrels of crude a day. It is also one of the major suppliers of gasoline and diesel to the European part of Russia.

Metals – LME aluminium tom-next spread rises

LME aluminium prices extended the upward rally for an eighth consecutive session, with prices closing well above US\$2,700/t (the highest level since 20 February 2025) yesterday, driven by expectations of a US Federal Reserve rate cut this week and a weaker dollar index (the lowest level since 2022). The aluminium tom-next spread traded at a premium of US\$13.25/t (the highest since August 2024) yesterday, after remaining in contango for several weeks, indicating rising physical demand and tightening LME inventories.

Recent LME data shows that aluminium exchange stocks fell by 1,500 tonnes to 483,375 tonnes, while on-warrant inventories continued to hover at lower levels and stood at 375,025 tonnes (the lowest since 7 July 2025) as of yesterday. Turning to the speculative bets, the latest COTR report shows that net bullish bets in aluminium rose by 4,562 lots for a fourth straight week to 131,922 lots for the week ending 12 September, the most bullish bets since the week ending on 7 June 2024.

In other metals, money managers increased their net long position in copper by 2,597 lots for a third consecutive week to 56,390 lots at the end of last week. In contrast, speculators decreased their net long position in zinc by 1,654 lots to 33,066 lots as of last Friday.

Agriculture – France raises soft wheat production estimates

The latest data from France's Agriculture Ministry shows that soft-wheat production in the country could rise to 33.3mt for the 2025/26 harvest season, up 30% YoY and 4.7% above the five-year average. The increase is driven by expectations for a stronger harvest area. In contrast, corn production projections stood at 13.4mt for the period mentioned above, down from its previous estimate of 13.7mt, largely due to heat waves and drought conditions during the summer weighing on yields (-8% YoY). Meanwhile, durum wheat production forecast stood at 1.3mt, in line with earlier estimates.

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