

The Commodities Feed: Oil volatile as ceasefire talks stall

Oil prices are up around 2% this morning as conflicting US Iran signals on a potential ceasefire keep the geopolitical risk premium elevated



Energy – Oil volatile as ceasefire talks stall

NYMEX WTI and ICE Brent rose around 2% this morning amid conflicting statements from the US and Iran on the prospects of a ceasefire.

Oil prices were volatile on Wednesday, trading on either side of \$100/bbl, as markets weighed mixed signals around potential US Iran talks. Iran rejected a 15 point US truce proposal, which included limits on its nuclear and missile programmes, and set out its own conditions for ending the war, including security guarantees, compensation for damages and recognition of its authority over the Strait of Hormuz.

Tehran has continued its attacks on Israel and Arab Gulf states, while vessels seeking to transit the Strait under Iranian protection are reportedly being asked to provide details of their crew and cargo. Meanwhile, Iran's Bushehr nuclear power plant was reportedly attacked again, following an earlier strike in mid March that the IAEA said caused no damage to the reactor.

Separately, US Vice President JD Vance may reportedly travel to Pakistan for Iran talks this

weekend.

Any credible de escalation could trigger a renewed risk on move, but for now uncertainty remains elevated.

US oil inventories continued to build, with EIA data showing crude stocks rising by 6.9m barrels last week – marking a fifth consecutive increase and well above the 2.3m barrel build flagged by the API. Total crude stocks climbed to 456.2m barrels, the highest since June 2024, while Cushing inventories surged by 3.4m barrels to 30.9m barrels, the biggest weekly gain since January 2023. Crude imports fell to 6.5m b/d, while exports dropped sharply to 3.3m b/d, the lowest since November 2025.

Product balances were mixed, with gasoline inventories falling by 2.6m barrels – slightly more than expected, while distillate stocks unexpectedly rose by 3m barrels. Refinery utilisation increased by 1.5pp week-on-week to a robust 92.9%.

European gas prices remained volatile, with TTF briefly falling nearly 10% below EUR50/MWh yesterday before recovering most losses to settle 2.7% lower on the day. Prices remain elevated as Iran rejected a US-backed ceasefire proposal, keeping tensions high at a time when European gas storage levels are below 30% ahead of the refill season.

Middle East disruptions continue to ripple through energy markets, with gas prices still more than 60% higher since the conflict began due to the effective closure of the Strait of Hormuz and reduced LNG availability following damage at Qatar's Ras Laffan facility.

Saudi Aramco is reportedly set to supply around 40m barrels of crude to China in April, while deliveries to India are expected to total roughly 23m barrels, slightly below last month. The decline reflects disruptions in the Strait of Hormuz, forcing Aramco to reroute volumes via the Yanbu pipeline on the Red Sea, where export capacity of around 5m bbls/d remains well below pre conflict Gulf shipments. While the rerouting offers partial relief, it fails to fully offset lost capacity, pushing up costs for Asian importers and highlighting the conflict's growing economic impact.

Metals – Nickel jumps on Indonesia export tax plans

Nickel prices jumped on the LME by almost 3% on Wednesday after Indonesia agreed to introduce taxes on outbound shipments of the metal. President Prabowo Subianto approved tariffs on coal and nickel exports on Wednesday, with discussions still ongoing around the specific tax rates.

Indonesia accounts for more than half of global nickel production, meaning any policy shift has significant implications for global supply and pricing. The move comes as Jakarta faces mounting fiscal pressure from higher oil prices linked to the Iran war, with Indonesia a net importer of crude and refined fuels.

Indonesia has long pushed to move up the value chain by curbing raw material exports. For the global market, it reinforces supply side uncertainty and adds upside risk to nickel prices.

Agriculture - Sugar softens as lower oil prices weigh on ethanol demand

Sugar prices retreated by more than 2% from a five month high as easing geopolitical tensions

between the US and Iran pressured crude oil prices, reducing the incentive to divert sugar into ethanol production. With volatility persisting and strong output from key producers such as Brazil and India underscoring ample supply, the recent rally appears to have run ahead of fundamentals, limiting scope for further gains as oil linked support fades.

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