

The Commodities Feed: Precious metals surge

Gold and silver prices edged higher yesterday, driven by uncertainty surrounding Russia-Nato relations following recent airspace violations, which has kept the risk premium elevated. Continued inflow into precious metal ETFs has provided further support to the complex



Gold prices continue to rise

Metals – Gold continues to attract investment flows

Gold edged closer to previous record highs yesterday, while silver prices broke above \$45/oz (the highest since May 2011). The rally was driven by the broad weakness across financial markets amid growing geopolitical concerns and the outlook for the economy. Traders are also closely watching Friday's release of the US personal consumption expenditures price index – the Federal Reserve's preferred inflation gauge. A tame inflation reading could strengthen the case for interest rate cuts and would further support the precious metals complex.

Gold has gained almost 43% so far this year, supported by a weaker dollar, central bank buying, inflows into ETF holdings and geopolitical tensions. Total known gold ETF holdings have increased by more than 12.8moz this year to stand at 96.2moz as of yesterday (the highest since October 2022) amid rising demand for safe haven assets.

The China Nonferrous Metals Industry Association has urged the government to impose strict controls on new copper smelting projects. This was largely due to strict competition that has pushed processing fees to record lows, putting severe pressure on the industry. In response, relevant Chinese government departments are accelerating efforts to draft new regulations aimed at having better control over copper smelting capacity. Additionally, ore supply is tightening, worsened by recent disruptions like the shutdown of Freeport-McMoRan's Indonesian mine after a fatal accident.

Meanwhile, recent reports suggest that Peru's massive Antamina mine is set to increase copper production by around 20% to 450kt in 2026 and aims at around 400kt annually in the following years. If achieved, Antamina could overtake Freeport-McMoran's Cerro Verde and MMG Ltd's Los Bambas, positioning itself as one of the country's top copper producers. The projected increase is largely driven by a planned expansion to replenish ore at the current pit. Meanwhile, copper output from the mine for the year is expected to reach around 380kt.

Energy – US natural gas storage rises

There are suggestions that the Caspian Pipeline Consortium terminal and Transneft PJSC's Sheskhari facility, two key oil ports on Russia's Black Sea coast, resumed the loading of tankers overnight after Ukrainian aerial and marine drone attacks disrupted operations earlier in the week. These two ports export well over 2m b/d of Russian and Kazakh oil into the global markets.

Insights Global data shows that refined product inventories in the Amsterdam-Rotterdam-Antwerp (ARA) region increased by 68kt week-on-week to 5.98mt for the week ending 25 September 2025. The addition was largely driven by gasoline and gasoil inventories rising by 35kt and 27kt to 1.2mt and 2.2mt, respectively. However, fuel oil stocks declined by 22kt WoW to 964kt, while naphtha stocks fell by 15kt WoW to 532kt over the reporting week.

In Singapore, onshore refined product stocks fell by 2.6m barrels for a third straight week to 46.9m barrels for the week ending on 24 September 2025. The fall was dominated by the residual fuel inventories falling by 2.6m barrels to 22.8m barrels over the reporting week. Meanwhile, light distillate stocks increased by 250k barrels to 14.6m barrels. However, middle distillate stocks fell marginally by 240k barrels to 9.5m barrels.

In natural gas, EIA weekly gas storage data shows that US gas inventory rose by 75Bcf last week, slightly higher than the average market expectations of a build of around 74Bcf. However, this is marginally below the five-year average addition of 76Bcf for this time of the year. Total gas stockpiles totalled 3.51Tcf as of 19 September, which is 6.1% above the five-year average. The front-month Henry Hub contract traded almost flat this morning, as the weekly storage addition was slightly higher than the average market estimates, while weather forecasts remained mixed for early October.

Agriculture – EU raises 2025/26 grain output forecasts

The European Commission's latest cereals market situation report projects a potential rise in grain production within the EU, reaching 284.2mt for the 2025/26 season. This is up from its previous estimate of 276.9mt and significantly higher than the previous year's production of 255.2mt. A key contributor to the increase is the anticipated growth in soft wheat production, with estimates rising from 128.1mt to 132.6mt, marking an approximate increase of 19% year-on-year. In contrast, corn production forecasts were adjusted downwards to 56.8mt (-4.7% YoY) compared to

prior estimates of 57.6mt.

Arabica coffee extended gains for a second consecutive session with prices rising more than 3% at one point yesterday, on the prospect of declining stockpiles at the exchange. The latest data shows that total coffee stocks at the US port warehouse monitored by the ICE exchange declined by 21.8k bags for a seventh straight session to 580k bags (the lowest since 25 March 2024) as of yesterday. Earlier, CONAB revised down its Brazil arabica coffee production estimates from 37m bags to 35.2m bags.

The latest data from the US weekly export sales shows that domestic corn shipments surged to 1,923.4kt for the week ending 18 September, higher than the 1,231.6kt a week ago and 535kt for the same period last year. This was also higher than the average market expectation of 1.383kt. Similarly, wheat shipments rose to 539.8kt, higher than the 387.5kt reported in the previous week and 169kt reported a year ago. The market expected these exports to be around 417kt. Meanwhile, US soybean shipments stood at 724.5kt, lower than the 925.2kt reported a week ago and 1,574.7kt a year ago. The market expected these exports to be around 950kt.

The latest numbers from the Institute for Agriculture Market Studies (IKAR) show that Russia's wheat production could rise to 87.5mt for the 2025 harvest, higher than the previous estimate of 87mt. The rise in production estimates is primarily due to better supply prospects in the Urals and Western Siberia area. Meanwhile, the group also increased wheat export projections slightly by 0.1mt to 44.1mt for the 2025/26 season.

Author

Ewa Manthey

Commodities Strategist

ewa.manthey@ing.com

Warren Patterson

Head of Commodities Strategy

Warren.Patterson@ing.com

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