

The Commodities Feed: Secondary tariffs on Venezuelan oil boost prices

Risk assets rose amid suggestions the Trump administration will take a more measured approach with tariffs. Oil got an additional boost after the US announced secondary tariffs on buyers of Venezuelan oil



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Energy – Secondary tariffs on Venezuelan oil buyers

Oil prices rose yesterday after President Trump announced 25% US tariffs on any country buying Venezuelan oil. The news helped ICE Brent break above US\$73/bbl, settling at its highest since late February. Oil, along with broader risk assets, also benefited from suggestions the Trump administration may take a more targeted approach with reciprocal tariffs.

In recent years, Venezuela increased oil production and exports as the Biden administration eased sanctions, providing a waiver to Chevron to operate in the country. Venezuela produced 918k b/d of crude oil in February, up from 760k b/d in 2023, while it exports around 750k b/d. As such, this move could mean a fairly sizeable tightening in the global oil balance.

The largest buyers of Venezuelan crude oil are China, the US and India. However, the volumes to the US should stop as Chevron's sanction waiver to operate in Venezuela expires on 27 May. Also, tariffs will start on 2 April, the same day broader reciprocal levies may be introduced. This should

be supportive for heavier crude oil grades, of which Venezuela is a key exporter.

Metals – Sentiment over tariffs improves

Hopes Donald Trump's next round of tariffs, due to be announced on 2 April, could be more measured supported industrial metals prices at the start of the new week. On Friday, Trump signalled "flexibility" in his plan for reciprocal tariffs. Reports over the weekend suggest tariffs could be narrower in scope and potentially exempt some industries. Copper is trading just below \$10,000/t after advancing above this key level late last week. In February, Trump instructed the US Commerce Department to mull [potential copper import tariffs](#). That triggered a sharp rally in copper prices and has traders shifting metal from global London Metal Exchange (LME) warehouses to the US. Copper is likely to remain supported amid the front-running of tariffs. And tightening of the ex-US physical market as more metal makes its way to the US ahead of any potential levies.

Agriculture – Favourable weather for cocoa crops

Weather conditions in most of the cocoa-producing regions in West Africa continue to support prices. Recent reports suggest that the weather has become favourable in some regions -- including Ivory Coast, Ghana, and Cameroon -- with decent rains helping cocoa pod development. Meanwhile, cocoa arrivals at Ivorian ports totalled 13,161 tonnes over the last week, which takes cumulative arrivals so far this season to 1.43m tonnes, up around 12% year on year.

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