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The Commodities Feed: Tariff developments roil commodity markets

Oil prices strengthened further after President Trump threatened penalties on India for importing Russian energy. Meanwhile, Comex copper prices plunged after the US provided new details about its 50% import tariffs, which for now only apply to semi-finished copper products



Energy - Secondary tariff concerns grow with Indian threat

Oil prices firmed further yesterday, driven by a shortened deadline for Russia to come to a peace deal with Ukraine and threats of secondary tariffs on countries importing Russian oil. ICE Brent settled a little more than 1% higher on the day, taking total gains so far this week to around 7%.

These concerns only grew yesterday as President Trump threatened that India would be penalised for importing Russian energy. This comes on top of the 25% tariff that the US is set to impose from 1 August on imports from India. The US and India have struggled to come to a trade deal before Friday's deadline. It's still unclear how big a penalty India faces (the original threat was for a secondary tariff of 100%). This is causing plenty of uncertainty for Indian refiners, as well as the broader market, as to whether they can continue to import Russian oil. We've already seen the Brent-Dubai spread moving into deeper discount recently. These developments are likely to put further downward pressure on the spread, as buyers potentially

look for alternative crude oil from the Middle East.

Weekly data from the Energy Information Administration was fairly bearish. US crude oil inventories increased by 7.7m barrels over the last week. This was driven by weaker crude oil exports, which declined by 1.16m b/d week on week to the second lowest level since August 2023. For refined products, gasoline inventories fell by 2.72m barrels, while distillate fuel stocks increased by 3.64m barrels. This will help ease concerns over tightness in the middle distillate market with stocks now above levels seen at the same stage in 2022. Overall, the release was negative for the market, with total crude and product stocks rising to their highest levels since October 2024.

The latest positioning data shows that investment funds cut their net long in TTF natural gas by 32.8TWh to 127.5TWh over the last reporting week. However, given the strength seen in European gas prices so far this week amid secondary tariffs concerns about Russian energy, the current fund position is likely somewhat larger.

Metals – Comex copper prices plunge on tariff details

Comex copper prices are under significant pressure, falling almost 19% after the [White House provided further details on copper tariffs](#) set to take effect on 1 August. The 50% tariff will only apply to semi-finished copper products; refined and concentrate imports will be excluded. Until the announcement, copper prices in the US had been trading at a 28% premium over the LME price, with the market front-running expected tariffs. However, the strong flow of refined copper into the US will come to an end with the Comex-LME arb collapsing. However, there is still the risk of tariffs on refined copper at a later stage, with the US Secretary of Commerce recommending a phased universal tariff on refined copper of 15% in 2027 and 30% in 2028.

Agriculture– Indian sugar output falls

National Federation of Cooperative Sugar Factories Ltd. data shows that sugar production in India fell by 18% year on year to 25.8mt between 1 Oct 2025 and 30 July 2025. The decline in production was largely due to rising sugar diversion to ethanol production. This helped India achieve a 20% ethanol blend with petrol in 2025, five years ahead of its original 2030 target. Meanwhile, Indian gross sugar production projections remain unchanged at 35mt (including sugar diverted for ethanol production) for the 2025/26 season, amid favourable weather conditions and higher cane acreage in key growing areas.

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