The Commodities Feed: Trump sets a deadline for Iranian deal

Oil prices remain well supported amid ongoing uncertainty over Iran, while US inventory declines would have only provided further tailwinds to the market

US President Donald Trump has given Iran 10-15 days to agree to a deal before military action is potentially taken

Energy – US oil inventory declines add to bullish sentiment

“We’re either going to get a deal, or it’s going to be unfortunate for them,” were the words of US President Donald Trump as he put pressure on Iran to come to a nuclear deal. The escalation we have seen in recent days with the build-up of US military assets in the region makes it increasingly difficult to find a path to de-escalation. However, President Trump has given Iran 10-15 days to agree to a deal. Failure to do so would likely lead to US military action against Iran. The key question is then how prolonged any action would be and what the ultimate aim of the US is. A short and targeted campaign with limited retaliation from Iran (similar to what was seen in June 2025) is starting to look like the best-case scenario. This would likely only lead to a short-term spike in oil prices.

However, prolonged action from the US and less measured retaliation from Iran would be more concerning for oil markets, increasingly posing a risk to Iranian and broader Persian Gulf energy infrastructure. In addition, if Iran feels that the aim of any action is more about regime change, we could see a much more aggressive response. The heightened uncertainty that the market faces over the next two weeks suggests that oil prices are likely to continue to price in a large risk premium.

US oil inventory data from the Energy Information Administration (EIA) yesterday would have only provided further support to the oil market, with a bullish release. US crude oil inventories fell by a little more than 9m barrels over the last week, with exports jumping 851k b/d week-on-week, while imports fell 281k b/d WoW. Meanwhile, refined products also saw inventory declines, with gasoline and distillate stocks falling 3.21m barrels and 4.57m barrels, respectively. The fall in refined product stocks comes despite strong refinery utilisation rates over the week. An increase in implied demand offset the stronger refinery activity.

European natural gas prices rallied further yesterday amid the growing tension in the Middle East. TTF settled 6.5% higher on the day at EUR33.52/MWh. Escalation in the Middle East would leave a sizeable amount of global LNG trade at risk, and at a time when the EU holds lower than usual gas inventories. EU gas storage is less than 32% full at the moment, well below the five-year average of 49% full.

For US natural gas, inventories fell by 144bcf over the week, slightly less than the 149bcf the market was expecting. This leaves total US natural gas storage at 2.07tcf, which is 2.8% below year-ago levels and also 5.6% below the five-year average.

Metals – Gold edges higher towards $5,000/oz

Gold is trading around the $5,000/oz mark, recovering from recent volatility as investors reassess geopolitical risks and the broader macro backdrop.

Markets remain sensitive to US-Iran talks, with lingering uncertainty helping to keep gold well-supported near record levels.

The underlying outlook for gold remains constructive. Geopolitical risks, expectations of lower interest rates later this year, and continued investor and central bank demand are underpinning prices. While volatility is likely to stay elevated around geopolitical headlines, risks remain skewed to the upside, even if gains from here are likely to be more measured than the sharp rally seen previously.

Agriculture – USDA 2026 planting estimates

In its first planting outlook for 2026, the USDA estimates soybean plantings will rise, while corn and wheat acreage will decline. The agency projects 2026 soybean acreage at 85m acres, higher than the 81.2m acres planted in 2025 and largely in line with the average market expectations of 85m acres. In contrast, the USDA projects 2026 corn plantings at 94m acres, below the 98.8m acres planted in 2025 and the average market expectation of 95m acres. Wheat planting estimates are expected to fall slightly to 45m acres, lower than the 45.3m acres planted last year, but higher than the average market expectation of 44.7m acres.

Turning to the ending stocks, the agency projects US soybean ending stocks could rise 1.4% year-on-year to 355m bushels for the 2026/27 season, below the average market expectations of 361m bushels. Similarly, the USDA projects 2026/27 wheat ending stocks to reach 933m bushels, slightly higher than the 931m bushels at the end of the 2025/26 season. The market was expecting a number closer to 887m bushels. Corn ending stock estimates are expected to fall from 2,127m bushels in 2025/26 to 1,837m bushels in 2026/27, reflecting the impact of lower acreage.

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