

Article | 15 July 2025

COMMODITIES DAILY CHINA

# The Commodities Feed: Oil shrugs off Trump's Russia tariff threat

Oil prices fell yesterday despite President Trump threatening 100% secondary tariffs on Russia, a clear sign that the market isn't buying his threats



## Energy – The oil market doesn't buy the secondary tariff threat

ICE Brent settled a little more than 1.6% lower yesterday, taking prices back below US\$70/bbl, despite President Trump's "major statement" on Russia. Trump threatened to impose secondary tariffs of 100% on Russia if President Putin didn't make a deal within 50 days to end the war in Ukraine. The lack of any immediate action and the belief that these threats won't be carried out help to explain the market reaction.

However, if Trump does follow through, and the tariff is implemented effectively, it would drastically change the outlook for the oil market. Russia exports more than 7m b/d of crude oil and refined products. China, India and Turkey are the largest buyers of Russian crude oil. They would need to weigh the benefits of buying discounted Russian crude oil against the cost of their exports to the US facing prohibitively high tariffs. If effectively enforced, the global market would be pushed into a large deficit. OPEC's spare production capacity would not be able to fill the entire shortfall. This would present significant upside to oil prices. Given Trump's desire for low oil prices, we don't believe Trump would be keen to follow through with this threat.

Trade data from China for June showed a rebound in crude oil imports. Crude oil flows increased by a little more than 7% year on year to 12.2m b/d, which was also up more than

10% month on month. This leaves cumulative imports so far this year 1.4% higher YoY. The stronger imports in June were likely a result of more refineries returning to operation following spring maintenance.

OPEC will release its latest monthly oil market report later today. Last week, the International Energy Agency's (IEA) revised lower its demand growth estimates for this year. OPEC has held a more bullish demand outlook. So, it will be interesting to see if the group makes any downward revisions.

### **Metals – LME copper falls as cancelled warrants drop most since 2019**

LME copper prices fell below \$9,600/t yesterday as requests to withdraw copper from the LME warehouses dropped by 25,100 tonnes to 15,875 tonnes. This is the biggest decline since March 2019, driven by the re-warranting of metal in South Korea's Gwanyang port and Taiwan.

The drop comes ahead of a 50% tariff on US copper imports from 1 August. This is the first time copper will face tariffs in the US. In anticipation, traders have shifted metal from global warehouses to the US, with copper holdings in Comex-registered warehouses more than doubling in the second quarter. [The US is reliant on copper imports for its domestic consumption.](#) Imminent tariffs mean this race to ship metal to the US is now coming to an end. This will be bearish for LME prices, with US buyers now likely to start working through their inventories.

### **Agriculture– UNICA reports lower sugarcane crush**

The latest fortnightly report from the Brazilian Sugarcane and Bioenergy Industry Association (UNICA) shows that sugar cane crushing in Central-South Brazil stood at 42.7mt over the second half of June, down 12.9% from a year ago. This leaves the cumulative sugar cane crush for the season at 206.2mt, down 14.1% YoY. Meanwhile, sugar production fell 13% YoY to 2.8mt over the second half of June. Around 53.1% of cane was allocated to sugar production over the fortnight, higher than the 49.9% allocated in the same period last year. Cumulative sugar production so far this season stands at 12.2mt, down 14.3% YoY.

Recent data from China Customs show that China's soybean imports rose 10.4% YoY to 12.3mt in June, although down 12% MoM. The year-on-year rise in imports was largely attributed to an increase in shipments from Brazil. Cumulative soybean imports increased 1.8% YoY to 49.4mt in the first half of the year.

## Author

### Warren Patterson

Head of Commodities Strategy

[Warren.Patterson@ing.com](mailto:Warren.Patterson@ing.com)

### Ewa Manthey

Commodities Strategist

[ewa.manthey@ing.com](mailto:ewa.manthey@ing.com)

## Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. (“ING”) solely for information purposes without regard to any particular user’s investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit [www.ing.com](http://www.ing.com).