

Article | 17 December 2025

COMMODITIES DAILY

The Commodities Feed: Trump's Venezuelan oil tanker blockade

The oil surplus environment saw Brent trade down to its lowest level since February 2021 yesterday. However, prices are finding better support in early morning trading today, with Venezuelan supply risks growing



Energy - Venezuelan oil supply risks

The oil market sell-off accelerated yesterday. ICE Brent is settling 2.7% lower, breaking below US\$60/bbl to its lowest level since February 2021. This pressure comes from a growing surplus outlook. Hopes for a Russia-Ukraine ceasefire will undoubtedly add to the downward pressure. As our [oil balance shows](#), the peak of the surplus is expected in the first quarter of 2026. However, with every quarter of next year in surplus, inventories should grow throughout 2026, putting further pressure on oil prices.

There are clear supply risks to our view. Russian risks are well telegraphed, but there are clear risks to the Venezuelan oil supply. Oil prices have bounced higher in early-morning trading today (WTI up around 1.3% at the time of writing), after President Trump ordered a blockade of sanctioned oil tankers entering and leaving Venezuela. This follows the US seizing an oil tanker off the coast of Venezuela last week. Venezuela exported around 600k b/d of oil in November. It's likely that these volumes will fall given the latest developments. The bulk of this oil is shipped to China.

American Petroleum Institute (API) inventory numbers released overnight were also supportive of the market. US crude oil inventories are reported to have fallen by 9.3m barrels over the last week. Meanwhile, refined product inventory changes were more bearish, with gasoline and distillate fuel oil stocks increasing by 4.8m barrels and 2.5m barrels, respectively.

European natural gas prices continued to come under pressure yesterday, with the Title Transfer Facility (TTF) settling 2.4% lower. Milder weather weighed on the market. However, forecasts show that weather is set to turn colder than usual later in the month, which should provide some support to prices. Particularly when you consider that EU gas storage is below average, at 69% full at the moment vs. a 5-year average of 78%. The record-large gross short that investment funds hold in TTF continues to pose a risk.

Metals – South32’s Mozal aluminium smelter to shut

South32 will shut its Mozal aluminium smelter in Mozambique after failing to secure a long-term electricity supply, adding to an already tight market. This should keep global inventories low, while prices are expected to see further upside next year. Mozal will be placed on care and maintenance in March, when the current contract ends. South32 said it has not procured the raw materials required to sustain operations beyond that period. The Mozal smelter, in which South32 holds a 64% stake, is Mozambique’s largest industrial employer. It accounted for around 29% of South32’s total aluminium production in 2025. Aluminium is Mozambique’s third-biggest export.

Producing aluminium is highly energy-intensive, and smelters globally have been [struggling to secure long-power contracts at viable prices](#).

This means our global aluminium deficit will now increase to around 600kt. This also assumes Century’s 12-month Iceland outage and China’s capacity cap will remain at 45 million tonnes. Still, a faster-than-expected ramp-up in new Indonesian capacity could narrow that deficit and put downward pressure on prices.

Mozal has been a significant source of aluminium exports to Europe. The smelter’s closure will directly impact the EU’s aluminium industry. Europe is unlikely to restart enough idled smelting capacity to fill the Mozal gap, with power price volatility capping any meaningful domestic recovery. This means higher premiums and tighter supply, particularly for low-carbon aluminium. Mozal’s aluminium, produced using hydropower, is considered low-carbon. It has helped European buyers meet decarbonization targets and limit CBAM exposure.

Agriculture – Wheat declines on ceasefire hopes

CBOT wheat prices extended losses for a third consecutive session yesterday. They reached their lowest level since October 2025 amid expectations of abundant South American supply and renewed efforts to end the war in Ukraine. The nation is estimated to have produced

around 23m tonnes of wheat in 2025/26, about 10m tonnes below 2021/22, largely due to reduced area. A ceasefire could ultimately lead to a recovery in both planted area and production.

Recent estimates from France's Agriculture Ministry show that the domestic winter grain plantings for 2026 will reach 6.4m hectares, thanks to better weather conditions, up 2.3% from last year. Similarly, the soft winter wheat harvest is expected to increase by 2.3% year-on-year to 4.6m hectares, roughly in line with the five-year average. The corn harvest is complete, with production (excluding seeds) estimated at 13.4mt, slightly higher than last month's forecast of 13.2mt. However, this was 8% below last season's output, largely due to heat waves and drought conditions during the summer weighing on yields.

Author

Warren Patterson

Head of Commodities Strategy

Warren.Patterson@asia.ing.com

Ewa Manthey

Commodities Strategist

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.

THINK economic and financial analysis

Additional information is available on request. For more information about ING Group, please visit www.ing.com.