The Commodities Feed: US-Iran talks continue

The noise around the US-Iran discussions continues to drive sentiment in the oil market. Latest reports indicate positive progress towards a deal that weighed on energy and precious metals prices yesterday. Meanwhile, European natural gas prices continue to come under pressure, with TTF futures down 3.5% as of yesterday

Oil prices remain under pressure in early trade today

Energy – Oil edges lower

Oil prices remain under pressure in early trade today after settling lower yesterday. The decline was largely driven by reports that Iran has reached a "general agreement" with the US on the terms of a potential deal. ICE Brent fell nearly 2% to settle below $68/bbl, while NYMEX WTI ended the session around 1% lower. Recent market reports suggest the two sides could resume negotiations on a new proposal within the next two weeks.

European natural gas prices extended losses for a third consecutive session, with TTF settling below EUR 30/MWh yesterday. Milder weather forecasts, including the potential for warmer and windier conditions in the coming days, have offset concerns around low inventories. In addition, slower Asian demand amid ongoing holidays and stronger LNG imports into northwest Europe this month have weighed further on prices. Gas storage levels stand at 33% of capacity as of 16 February, well below the five year average of 49% and last year's level of 44% at this point in the season.

Metals – Gold bounces back above $4,900/oz

Gold moved back above $4,900/oz this morning as dip buyers stepped in after two days of declines.

The earlier pullback had come as the US dollar strengthened and risk off sentiment spread across broader markets. Moves were amplified by thin liquidity, with much of Asia closed for the Lunar New Year, leaving prices more sensitive to macro and FX dynamics.

While near term price action remains sensitive to dollar dynamics and risk sentiment, the recent setback appears corrective. With Asian liquidity set to normalise and macro uncertainty persisting, gold should find stronger underlying support, with constructive fundamentals suggesting further dips are likely to be met by renewed buying interest.

Agriculture – Coffee falls on expectations of rising stockpiles

Arabica coffee extended losses, with prices falling to multi month lows yesterday as increased bean deliveries into exchange monitored warehouses eased near term supply concerns. Data show that supplies awaiting grading rose by 7.5k bags for a third consecutive session to 131.4k bags as of Monday – the highest level since 30 May 2025 – and are expected to continue increasing through the week. If all pending bags pass grading, total exchange inventories could rise to 566.2k bags, representing a roughly 30% increase from current levels.

Adding to the bearish backdrop, Brazil's agriculture agency CONAB has previously forecast a 23.3% year-on-year increase in Arabica production to 44.1m bags in the 2026/27 season, supported by favourable weather conditions. Speculative positioning has also softened, with net longs falling by 7,052 lots for a second consecutive week to 16,824 lots as of 10 February – the least bullish stance since November 2023 – reflecting fresh selling pressure.

The USDA is scheduled to release its first 2026/27 planting outlook tomorrow. A Bloomberg survey suggests US corn acreage could fall by 3.8m acres from last season's 95m, potentially reducing 2026 production to 15.9bn bushels from 17bn in 2025. Wheat plantings are also expected to edge lower, with acreage seen at 44.7m, down 0.6m acres year-on-year. In contrast, soybean acreage is projected to rise to 85m acres from 81.2m as farmers switch out of corn. Soybean production could increase to 4,430m bushels from 4,262m in 2025, driven largely by expectations linked to the US China trade agreement, under which China has pledged to purchase at least 25mt of US soybeans annually through 2028.

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