

The Commodities Feed: US sanction threats on Iranian oil exports

Crude oil prices recovered slightly in the early trading session today as US President Donald Trump threatened broader sanctions against buyers of Iranian crude. Meanwhile, the above normal average inventory additions have pushed the US natural gas stockpiles back in line with the five-year average



Energy – US sanction threats on Iranian oil exports

Oil trading was volatile this morning as fresh sanctions threats by the US against Iranian flows were partially offset by a potential supply hike from OPEC+. US President Donald Trump said that any country buying oil or petrochemicals from Iran will be subject to secondary sanctions immediately.

Preliminary OPEC production numbers for April are starting to come through. Bloomberg's OPEC survey shows that the group's production fell by 200k b/d month-on-month to 27.24m b/d last month. This reduction was largely driven by Venezuela (accounting for about half of the fall) as major producers such as Chevron Corp. wind down operations while the US administration tightens sanctions. Meanwhile, output in the UAE and Nigeria also decreased by 80k b/d and 60k b/d, respectively. OPEC+ is scheduled to review production levels for June on Monday, with expectations for another supply boost, potentially similar to the 411k b/d surge announced earlier.

Meanwhile, the latest data from Insights Global shows that refined product inventories in the ARA

region decreased by 112kt week-on-week to 5.98mt. The fall was largely driven by gasoline stocks declining by 178kt to 1.2mt, while gasoil stocks also fell by 60kt to 2.1mt for the week ending 1 May 2025. In contrast, naphtha and fuel oil saw stocks grow by 83kt and 16kt, respectively, over the reporting week.

EIA weekly gas storage data shows that US gas storage rose by 107Bcf last week, bringing the total stockpiles back in line with the five-year average. Ahead of the release, the market was expecting a build of around 109Bcf. However, this was well above the five-year average addition of 58Bcf. The bigger-than-average increase was largely due to mild spring weather curbing demand. Gas stockpiles totalled 2.04Tcf as of 25 April, which is 0.2% above the five-year average. The front-month Henry Hub contract declined more than 1.3% to trade around US\$3.4/MMBtu in the early trading session today.

Meanwhile, in Europe, the winter premium surged to the highest level since last year, with summer prices extending their discount to winter contracts, as market participants shift focus to the next heating season. The market is becoming less concerned about summer supplies on speculation that the European Union might ease gas-storage targets, while the storage volume continues to see gradual injections. The latest data from GIE shows that European storage is more than 39% full, compared to the five-year average of 49%.

Metals – Copper gains

LME copper prices rose for a second straight session this morning after settling almost 1% higher yesterday, as China announced it is evaluating trade talks with the US. This has raised hopes for reduced tariffs between the two largest economies. Base metals have been hit by US President Trump's steep tariffs on China, which threaten economic growth and demand for commodities. Meanwhile, supply disruption risks from the top two copper mines in Peru this week have also supported the rally in prices.

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