

# The Commodities Feed: Further pressure on OPEC+ laggards

Your daily roundup of commodity news and ING views



The market is expected to be in peak surplus through the first quarter of 2026, so a pause makes sense, though its size remains uncertain

## Energy

Oil strengthened yesterday, with ICE Brent breaking back above US\$43/bbl, following the OPEC+ Joint Ministerial Monitoring Committee (JMMC). The Saudis put renewed pressure on members who are falling short of the deal, to hit compliance, as well as compensate for their lack of compliance so far. The JMMC supported the request of several of these laggards to extend the period for compensatory cuts through until the end of December 2020. The UAE, which has produced above its quota for the last 2 months, has said that it will not exceed its quota in September, and will make up for its shortfall over October and November. The JMMC also said that member countries should be willing to take further action if necessary, particularly in the current environment. But as of now, the OPEC+ deal will continue in its current form, with the group cutting by 7.7MMbbls/d.

Finally, in the US, as of yesterday 30.69% of US Gulf of Mexico (GOM) production was shut-in as a result of Hurricane Sally, according to the Bureau of Safety and Environment Enforcement. However, now the storm has passed, we should start to see this production coming back online, following inspections. 24.73% of US GOM natural gas production is also shut in.

## Metals

The latest data from China's National Bureau of Statistics (NBS) released yesterday show that China's monthly refined output for copper, zinc and lead reached YTD highs last month as domestic smelters continue to boost production levels, with the expectation of recovering metals demand. Refined copper production jumped 9.8% MoM to reach 894kt in August, and compares to 800kt in August 2019. Among other metals, lead output rose by 17% YoY to total 564kt, whilst zinc production increased by 2.1% YoY to total 539kt in August.

### Author

#### Warren Patterson

Head of Commodities Strategy

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