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Commodity Market
Metals and Oil&Gas

Gold in demand, energy in oversupply, industrial metal surge

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December, 2025

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Key messages

The commodity landscape entering 2026 reflects diverging dynamics across energy, precious metals, and industrial metals. **Oil** prices are projected to remain **under pressure**, driven by persistent global oversupply. Upside risk appears limited absent major geopolitical shocks. **Natural gas** in Europe faces similar headwinds: **abundant LNG capacity, warmer winters, and accelerating renewable** penetration point to prices stabilizing.

Conversely, **precious metals** are set for **continued strength**. Gold could reach 5,000 USD/oz by end-2026, supported by **central bank accumulation and safe-haven flows** amid geopolitical uncertainty. **Silver**, benefiting from **structural deficits and green-tech demand**, is forecast to trade mostly in the 60 – 70 USD/oz range, with potential Q1 spikes to 80 USD.

Industrial metals remain a **growth** story. **Copper and aluminium** prices should extend gains on **strong demand** from electrification, renewables and data centres, compounded by **supply constraints**. Aluminium also benefits from China's production cap and **defense** spending. **Iron ore**, however, faces a **softer outlook**, though infrastructure growth in emerging markets offers partial support.

Overall, **2026** will likely see **energy markets** grappling with **oversupply** and **transition pressures**, while **metals - precious and industrial -** continue to ride **structural demand trends and supply limitations**, reinforcing their role as strategic assets in a volatile macro environment.

Oil

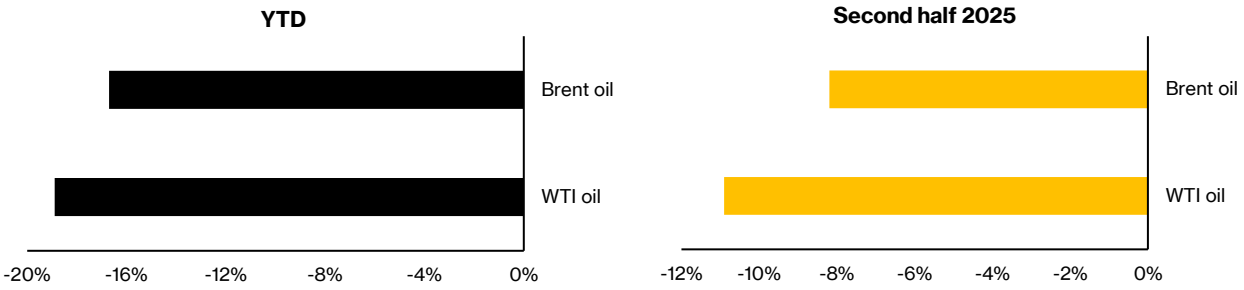
Crude oil prices kept negative sentiment throughout 2025. YTD Brent oil declined 16,7% to 62,1 USD. So far, in 2025, Brent price averaged at 68,4 USD. In the second half of the year, it kept making lower lows, each month, only two spikes were seen in January (82 USD) and June (75 USD), both on geopolitical tensions.

Brent price fell from the $67–70 range over summer to current levels due to robust supply growth and elevated inventories.

As we wrote earlier in 2025, downward pressure came from accelerated substitution of oil with renewable energy use in the transport and power generation. On the supply side the US production continues to be near record highs and OPEC+ output increases created global surplus and weighted on the price decline.

OPEC+ undone much of its voluntary production cuts by September, while non-OPEC+ continued to expand output – driving supply growth above demand. On the demand side initially weak, especially in OECD markets, demand picked up with improved macroeconomic sentiment, but oversupply remained.

Oil percentage price change



As of Dec 23, 2025.
Source: BBA Analytics, Bloomberg

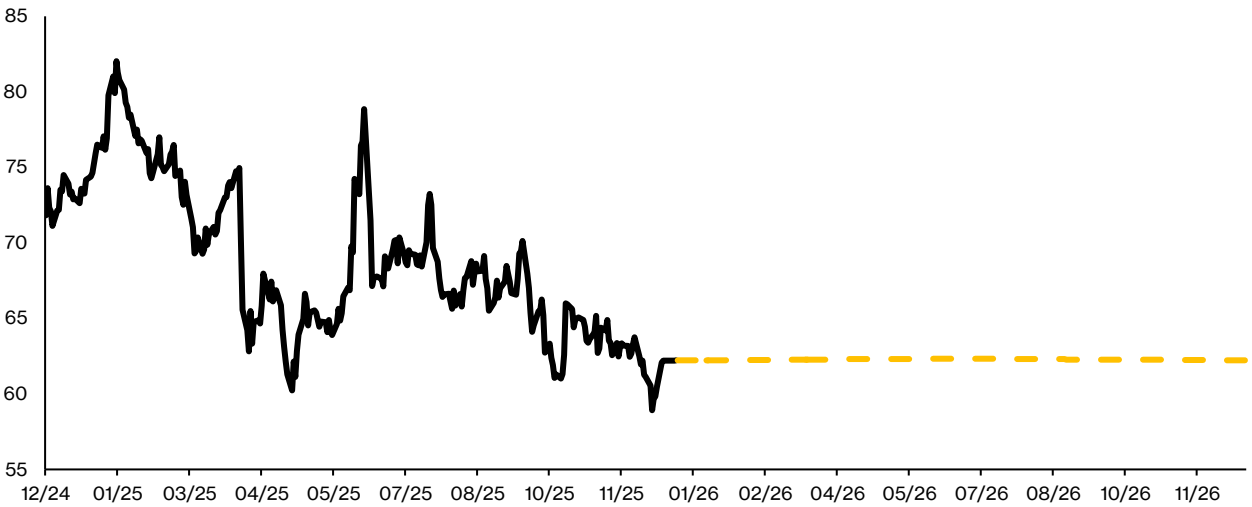
Outlook

The outlook for **2026** points to a **lower price range** for oil compared to 2025, we expect Brent oil to move in the range of 60 to 65 USD per barrel. The oil market is facing prospects of a **growing surplus in global supply**. As OPEC+ ceased production increase for the 1Q2026, we don't see upside potential for oil, pointing out that the American administration as well is favouring a lower price at the gasoline stations.

As well, on the supply side non-OPEC+ expansion (US, Brazil, Guyana, Argentina) expected to continue at prior pace.

Absence of the strong economic growth from China doesn't send additional positive signals for oil either, so, **unless major geopolitical instability** rattles the World, we don't see significant risk for the upside. These projections reflect a market with continued **oversupply** but moderated gluts, **stable demand growth**, and **downward price pressure** – tempered by interim geopolitical and policy factors.

Brent Oil price (per barrel) in USD



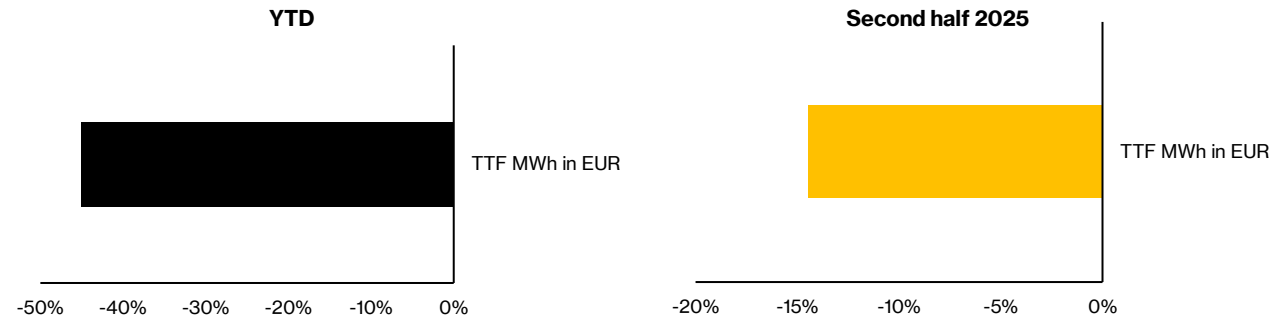
As of Dec 23, 2025.
Source: BBA Analytics, Bloomberg

Gas

The price of natural gas kept negative sentiment throughout 2025. YTD price of natural gas in Europe dropped 45% to 27,5 euros. So far, in 2025, TTF price averaged at 36,6 EUR. In the second half of the year, it kept making lower lows, each month, only spike we seen in February (58,4 EUR) during heating season, before dropping 41% by mid-July. On an annual basis, the average price has risen as a remainder of growing geopolitical tensions in 2025. EU gas storage at the end of 2025 is at 70% capacity, below the five-year average, but massive LNG capacity additions from the USD, Canada and Qatar kept on pushing global gas markets into oversupply.

Strong LNG inflows, consistent pipeline deliveries from Norway, and favourable weather conditions that boosted wind power generation. European LNG imports totalled 101,4 million metric tons in the ten months of 2025, up 16,8 million tons YoY. Warmer weather in China has also played a role, freeing up additional cargoes for European buyers and reinforcing supply-side dynamics.

Natural Gas for Europe TTF/MWh in EUR price change

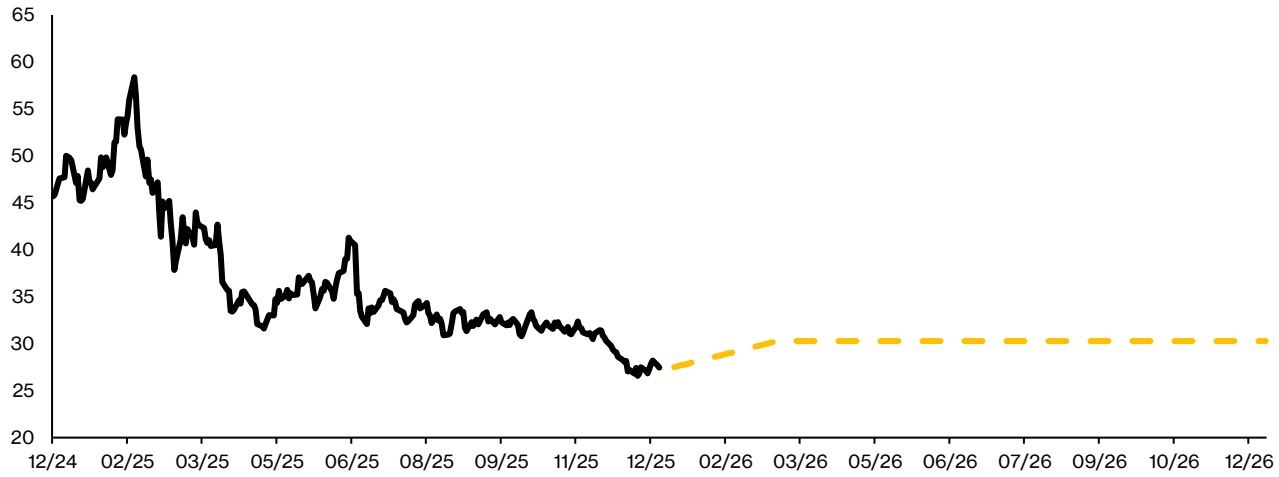


As of Dec 23, 2025.
Source: BBA Analytics, Bloomberg

Outlook

The outlook for **2026** points to a **lower price range** for natural gas. Increase number of LNG terminals world wide creates demand large enough to meet all energy needs. **Global warming** increased temperatures in the north hemisphere, and therefore **energy for heating has been reduced**. As well, in Europe, electricity is to the greater extent produced from wind compared to gas power plants in recent years. We expect gas prices in the European market to be in the range of 30 to 35 EUR/MWh in 2026, due to **weakening demand** as the **transition to renewables** continues, and global warming reduces the need for heating energy. Although economic momentum remains positive, there are **no significant increases expected in industrial consumption**. Risks will remain to come from geopolitical tensions that could disrupt supply routes and increase price volatility.

Natural Gas prices for Europe TTF/MWh in EUR



As of Dec 23, 2025.
Source: BBA Analytics, Bloomberg

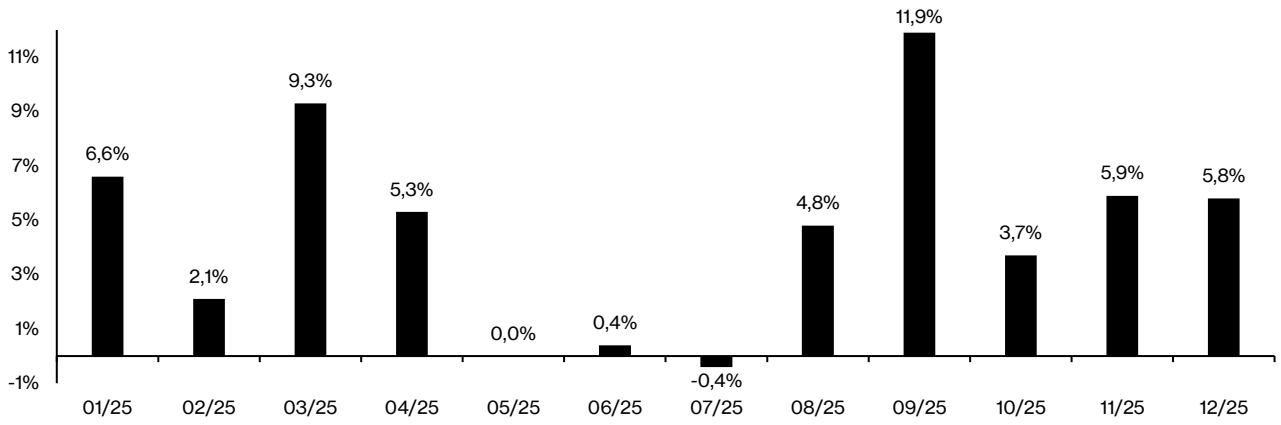
Gold

A convergence of dovish FED policy, dollar weakness, geopolitical instability, central bank accumulation, inflation concerns, and defensive investment strategies fueled gold's spectacular rally in 2025. Gold has climbed over 70%, marking its strongest annual performance since 1979.

Central banks, especially in emerging economies, purchased record volumes of gold to diversify reserves away from US dollar. Gold-backed ETFs saw historic inflows, further amplifying demand. With tech valuations rising, some investors have turned to gold as a hedge against a potential "AI bubble".

Gold price movement showed periods of volatility, monthly volatility saw an 8–9% rise, but it posted consistent gains throughout 2025, marking overturning all time highs in 50 trading session. December alone showed a 5.8% monthly uptick marking new price records, instability caused by questioning independence of FED in September gave final push to this year price rally.

Gold price monthly change (percentage for USD per ounce)

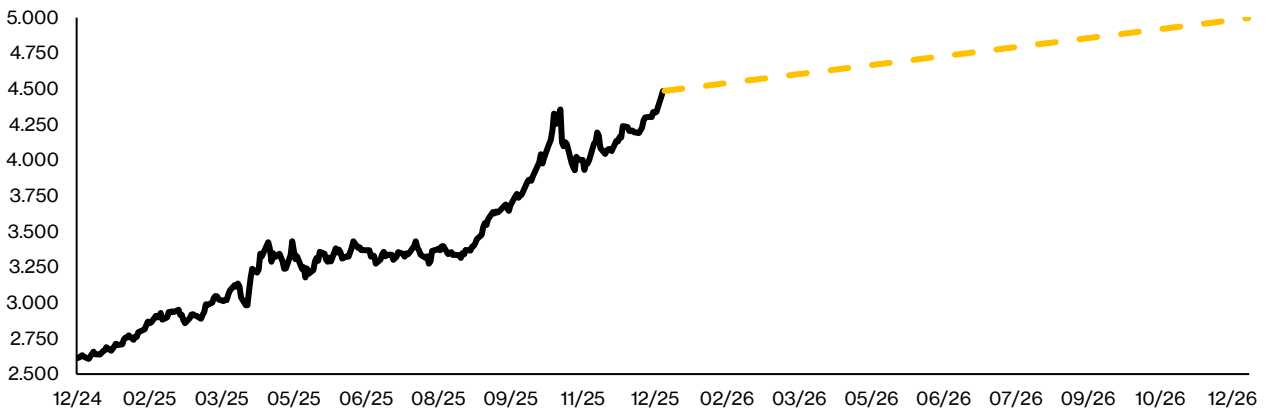


As of Dec 23, 2025.
Source: BBA Analytics, Bloomberg

Outlook

Gold is projected **to reach** 5,000 USD by the end of 2026 **driven by central bank buying and investor diversification**, Continued Fed easing, geopolitical uncertainty, and persistent inflation risks are expected to underpin **safe-haven demand**, while **constrained mine supply** and strong ETF inflows could amplify upward price pressure.
Forecasters projects central bank purchases averaging 585 tonnes per quarter in 2026, compared to purchases that added nearly 900 tonnes of gold from 2023 to 2025.

Gold price in USD per ounce



As of Dec 23, 2025.
Source: BBA Analytics, Bloomberg

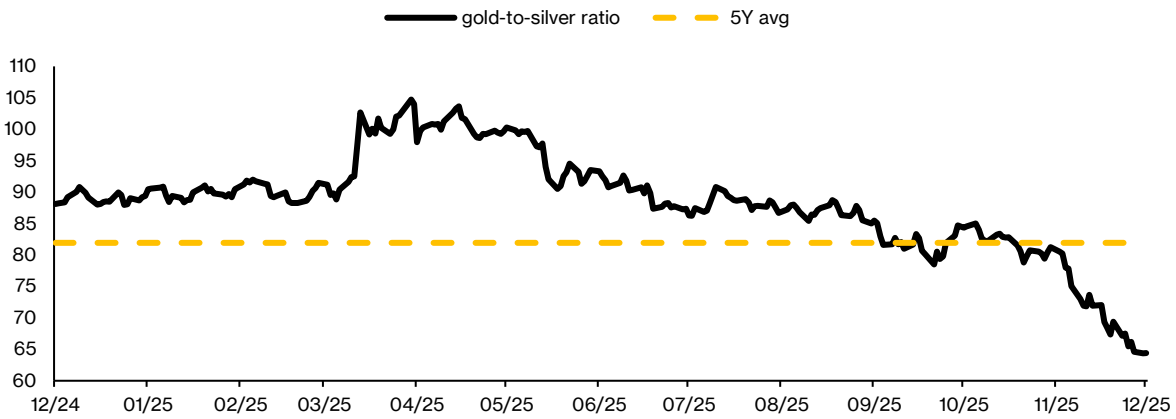
Silver

Silver continued its upward trend from the previous year, with some fluctuation, gaining over 140% YTD.

In April, the gold-to-silver ratio rose to 105, the highest level since 2020, showing that gold was much stronger than silver at that point. During the year, the ratio stayed well above its five-year average of around 80, meaning silver remained relatively undervalued. All has change in the second half of the year as supply became short to meet demand requirements.

The robust industrial demand for silver remains steady, as economise kept the pace globally. More than half of global silver demand comes from industrial use. Silver is essential in sectors such as solar energy, electric vehicles, and advanced electronics.

Gold/silver ratio in 2025 (price of gold in units of silver)

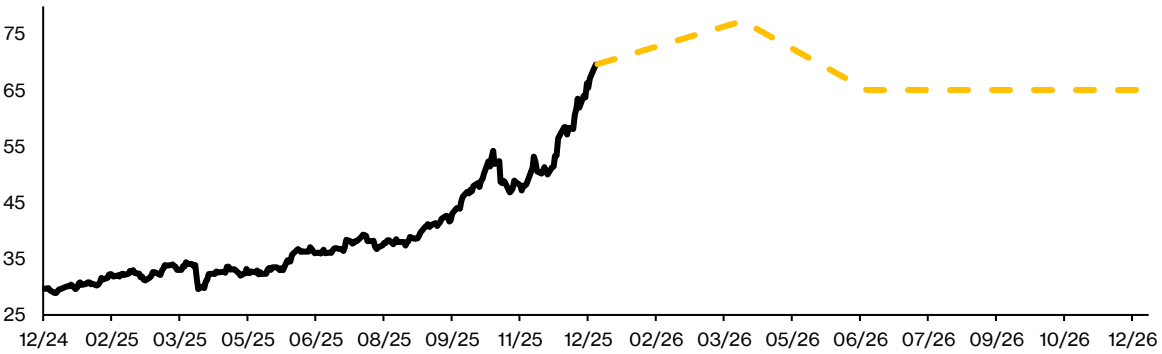


As of Dec 23, 2025.
Source: BBA Analytics, Bloomberg

Outlook

Silver's dual-function narrative, as both an industrial metal and inflation hedge is cementing a **bullish setup for 202**6. **Structural under-supply**, robust usage in green technologies, and macroeconomic conditions provide a strong foundation.
We expect the silver price range of 60 to 70 USD the most, through 2026. Due to current situation of shortages in the first quarter price of silver may reach range of 70 - 80 USD. Further down the 2026 we believe price is going to level down to 60 - 70 USD range.
For the fifth consecutive year, **demand outpaced mine production**, leading to cumulative deficits of 95–206 million ounces in 2025 alone. Silver-backed ETFs recorded strong inflows in late 2025, as well.
Silver price may experience even **higher volatility going into 2026**, due to high sensitivity to policy changes, inventory shifts, and risk sentiment.

Silver price in USD per ounce



As of Dec 23, 2025.
Source: BBA Analytics, Bloomberg

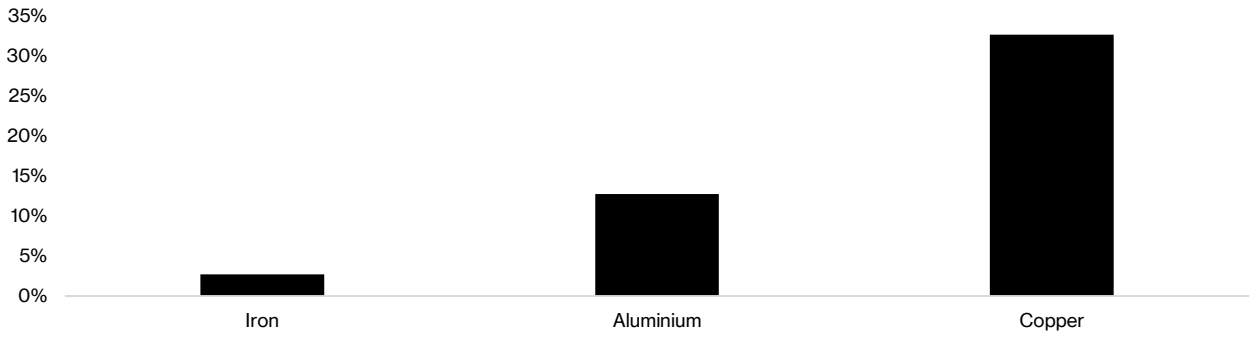
Industrial metals – Copper, Aluminium and Iron

Copper prices have been on a **strong upward trend** since the beginning of 2025, driven by **rising demand** from **renewable energy, electric vehicles, and data centres**, which require significant quantities of the metal. This robust demand, combined with **constrained supply** and additional disruptions at major mines such as Grasberg (Indonesia) and Quebrada Blanca (Chile), as well as **slower production growth**, pushed LME copper prices up by more than **30% YTD**, reaching levels above historical highs.

Aluminium prices in 2025 recorded **solid growth**, supported by **strong demand** from the **renewable energy, transportation, and packaging sectors**, alongside a gradual tightening of global supply. An additional factor was **China's production capacity limit**, which reached approximately 45 million tonnes, constraining further export growth. At the same time, rising copper prices provided additional support for aluminium, as both metals share similar demand sources, particularly in the renewable energy industry. **Increased military and defence spending** in 2025 further supported aluminium demand, given its critical role in aerospace, armoured vehicles, and other defence technologies.

Iron ore prices rose from around USD 107 per metric tonne at the start of 2025 to approximately USD 110 per metric tonne by December, representing a **modest YTD increase of around 3%**, while the market remained surprisingly stable despite global tensions. However, demand continues to be **under pressure** as **China's steel industry stagnates** due to **weakness in the real estate sector**, which traditionally accounts for over **50% of iron ore consumption**. Large infrastructure projects in India, certain Asian and Middle Eastern countries, along with **increased defence-related demand**, were key drivers of iron ore consumption in 2025. On the supply side, Africa's largest iron ore project – Simandou – with first shipments expected in 2026, could significantly increase global iron ore supply and impact market balance, although the pace of implementation depends on political and regulatory conditions in Guinea.

YTD price change (USD)



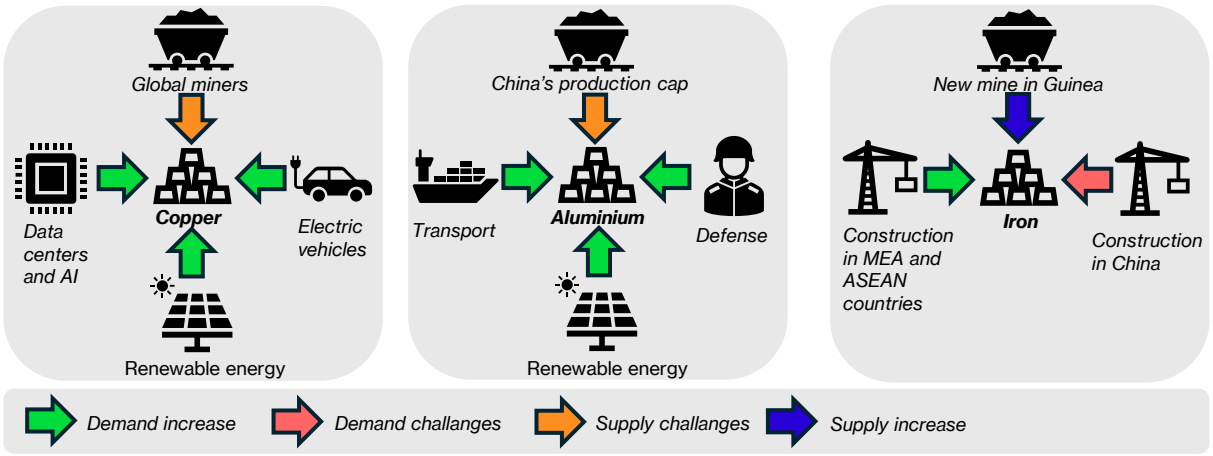
Source: BBA Analytics, Bloomberg

Outlook

The outlook for 2026 points to a continuation of **positive trends** for both **copper** and **aluminium**, supported by their critical role in the **energy transition, electrification and the expansion of renewable energy infrastructure**. Demand is expected to remain strong, while **supply constraints** are likely to persist, maintaining upward pressure on prices, although periods of increased volatility cannot be ruled out following the strong performance in 2025.

While **iron ore** is expected to face a s**ofter outlook in 2026**, driven by **increasing supply** from new projects and a **muted recovery in Chinese demand**, while infrastructure growth in emerging markets provides only partial support.

Most impactful sectors and drivers for industrial metals in 2026



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