By Global Markets | 31 July 2026

Monthly Commodities Outlook

Month in Review:

- **Gold & Silver:** The near-term outlook may stay somewhat constrained by elevated real yields, a firm USD and lingering Fed hike risks. That said, the substantial upward rates repricing occurred may make further declines in precious metals less one-sided. Medium-term support remains anchored by central-bank diversification for gold and persistent supply deficits and industrial demand for silver.

- **Crude Oil:** Middle East risks have reasserted themselves as the dominant driver of oil markets. With Hormuz disruptions once again in focus and alternative export routes under strain, the balance of risks has shifted higher, leaving crude, refining margins and inflation vulnerable to further supply shocks.

- **CPO:** CPO prices are expected to remain supported and relatively high through year-end, underpinned by Indonesia's B50 biodiesel mandate and firm energy prices, although rising seasonal production and ample inventories are likely to keep prices largely range-bound around our MYR4,400/mt FY2026 forecast.

- **Aluminium**: We maintain our view that aluminium prices will remain supported in the near term before moderating toward ~USD3,050/mt by end-4Q26. Gradual supply restoration in the Middle East and continued Chinese exports should limit another sustained rise, while low exchange inventories provide a firm floor.

- **Copper:** We expect copper prices to remain high but range-bound in the near term before drifting toward ~USD12,500/mt by end-3Q26. Tight ex-US inventories, elevated Chinese premiums and continued mine-supply constraints should provide a firm floor, while the large US stockpile limits the scope for a sustained rally.

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Commodity	Latest Developments and Outlook	Charts

Gold

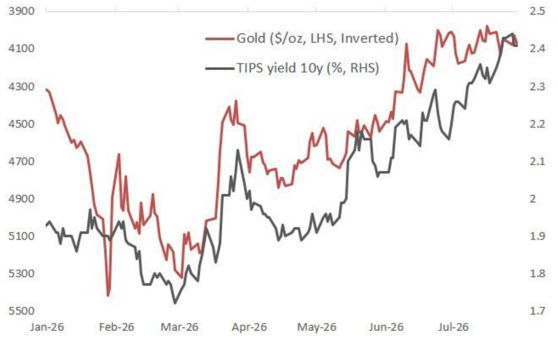
Gold is likely to remain challenged in the near term as markets continue to assess the risk of further Fed tightening. Elevated real yields, a still-firm USD and weak investor flows have raised the opportunity cost of holding gold and may continue to limit the extent of any rebound. While the Fed's decision at the 30 July FOMC meeting to keep rates unchanged provided some relief, it did not close the door to a future hike, leaving incoming inflation and labour-market data important for the direction of gold. Oil prices add another layer of uncertainty: a sustained rise would reinforce inflation concerns, keep market rates elevated and delay a more durable recovery.

We are nevertheless cautious about extrapolating the decline from the January high. A meaningful amount of hawkish repricing has already taken place, real yields are elevated and investor positioning has been reduced. The hurdle for another large and sustained decline is therefore higher, unless the Fed tightens more aggressively than expected, oil prices rise significantly further or gold ETF liquidation deepens. Conversely, a stabilisation in real yields, renewed USD weakness or a recovery in ETF demand could allow gold to regain momentum, particularly as the de-dollarisation and currency-debasement narratives reassert themselves.

Over the medium term, the core supports for gold remain in place. Central-bank accumulation is likely to continue as reserve managers seek diversification, liquidity and protection against sanctions and geopolitical risks. Persistent fiscal deficits, high government debt and uncertainty over the long-term role of traditional reserve currencies should also sustain demand for gold as a strategic reserve asset. These forces may not prevent shorter-term corrections but should reinforce underlying support for gold prices over time. The outlook is therefore cautious near term, but not structurally bearish.

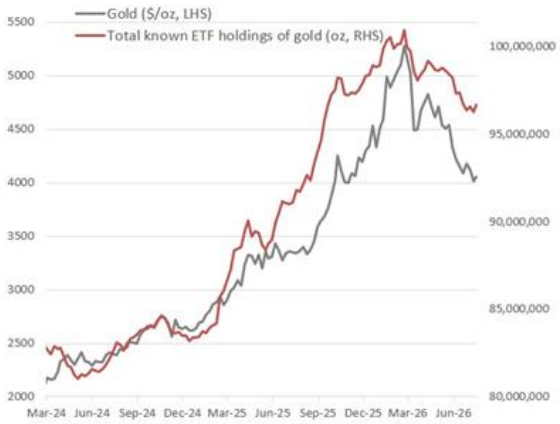
On a technical note, gold last seen at 4075 levels. Mild bullish momentum on daily chart intact while RSI is largely flat. Range-bound trades likely to hold. Resistance at 4150, 4190 levels (50 DMA). Support at 4000, 3960 levels.

YTD 2026: Gold under pressure alongside sharp upward repricing in real yields



Source: Bloomberg, OCBC Group Research.

Drop in investor demand continue to weigh on gold



Source: Bloomberg, OCBC Group Research.

Price forecast (End-period):

USD/oz	30 Jul Close	FC 3Q26	FC 4Q26	FC 1Q27	FC 2Q27	FC 3027
Gold	4,103	4,180	4,360	4,520	4,680	4,820

Note: Last updated on 31 July 2026. Forecasts (FC) are based on OCBC Group Research estimate. These are not meant to serve as point forecast for the quarter-end but meant as trajectory bias of the currency pair. Source: Bloomberg, OCBC Group Research.

Commodity	Latest Developments and Outlook	Charts
Silver		

Silver

Silver struggled to sustain its early-July rebound and is trading near recent lows. The pullback largely reflected the same forces weighing on gold: higher real yields, a firmer USD and persistent expectations that the Fed may still tighten policy. Oil-driven inflation concern does not help the macro backdrop while silver's higher-beta characteristics amplified gold's swings.

Investor positioning also points to persistent cautiousness. In the week to 21 July, managed-money silver longs increased, but shorts rose by slightly more, leaving the net-long position slightly lower. This suggests the market has stabilised after the earlier liquidation, but investors are not yet rebuilding exposure.

We remain cautious in the near term but are not turning structurally bearish. As highlighted in our 2H outlook, silver continues to trade like high-beta gold and needs lower real yields, a softer USD or firmer gold prices before a more durable recovery can develop. The World Silver Survey forecasts a 6th consecutive market deficit in 2026, widening to 46.3mn oz, with mine output broadly flat. However, the demand mix is less uniformly supportive: industrial fabrication is forecast to decline by around 3%, led by weaker photovoltaic demand as manufacturers accelerate thrifting and substitution, while coin and bar investment is expected to rise by 18%.

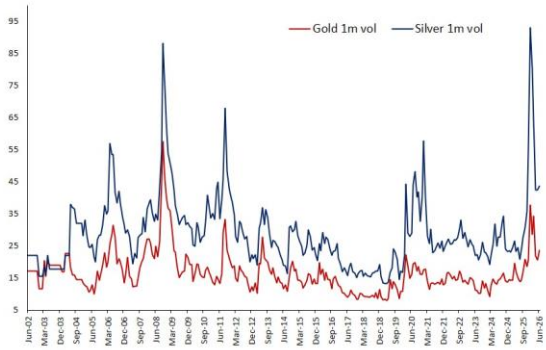
The near-term path is therefore likely to remain two-way. A moderation in US inflation, fading Fed hike expectations and renewed investment flows would allow silver to recover more forcefully. Downside risks include persistent rise in real yields and the USD, further investor liquidation, weaker global industrial activity and faster-than-expected substitution away from silver in solar applications. The structural deficit should help cushion weakness, but as recent price action has shown, it cannot deter valuation resets when the macro backdrop turns against precious metals. We calibrated silver forecasts lower to reflect the interim challenging environment.

On a technical note, silver was last seen at 57 levels. Mild bullish momentum on daily chart intact while RSI is flat. Sideways trade likely for now. Support at 54/55 levels (2026 low) before bigger support at 50 and 45 levels. Resistance at 58.60 (21 DMA), 63/64 levels (50 DMA, 76.4% fibo retracement of Oct low to 2026 peak) and 70 (100, 200 DMAs).

Some stabilization in sentiment but investors have yet to rebuild exposure meaningfully

Source: *CFTC COT, Bloomberg, OCBC Group Research*.

High vol can amplify swings



Source: Bloomberg, OCBC Group Research.

Price forecast (End-period):

USD/oz	30 Jul Close	FC 3Q26	FC 4Q26	FC 1Q27	FC 2Q27	FC 3Q27
Silver	59	60	62	65	67	69

Note: Last updated on 31 July 2026. Forecasts (FC) are based on OCBC Group Research estimate. These are not meant to serve as point forecast for the quarter-end but meant as trajectory bias of the currency pair. Source: Bloomberg, OCBC Group Research.

Commodity	Latest Developments and Outlook	Charts
Crude Oil	See below	See below

Crude Oil

Renewed escalation in the Middle East, marked by a resumption of tit-for-tat strikes between the US and Iran, has driven oil prices sharply higher after briefly retreating toward pre-conflict levels near USD70/bbl in June. As disruptions threaten regional supply chains, the oil market is becoming increasingly reliant on commercial inventories and strategic stockpiles to maintain supply. Risks are also spreading beyond Hormuz to Saudi Arabia's critical Red Sea export corridor, raising questions about the resilience of alternative trade routes.

The Brent futures curve is now trading above our forecasts of USD75/bbl for 4Q26 and USD71/bbl by mid-2027. This has supported stronger crude time spreads, elevated refining margins and firmer outright prices, leaving the market exposed to further upside if supply disruptions intensify.

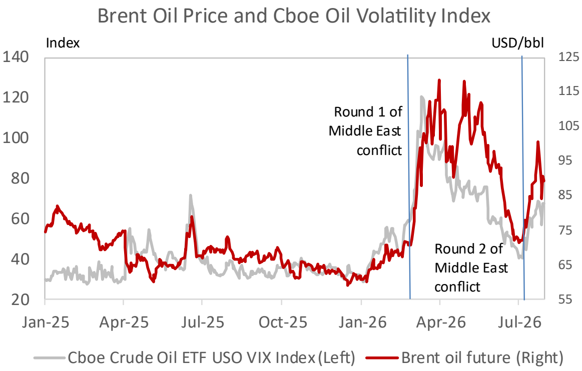
While risks to our price outlook remain two-sided, the skew is to the upside. The sharp increase in oil flows following the US-Iran memorandum of understanding, before the latest escalation, highlights how quickly prices could reverse if diplomacy restores safe passage through Hormuz. Conversely, further attacks on tankers or regional energy infrastructure could push Brent back above USD100/bbl, rivalling levels reached during the peak of the March-April conflict.

Refined products, particularly gasoline and diesel, have outperformed crude. These price increases have greater direct implications for consumers and inflation. Reduced flows through Hormuz, coupled with disruptions at Russian refineries, have tightened diesel markets and widened product cracks.

We expect Gulf Cooperation Council countries to accelerate investment in export infrastructure that bypasses Hormuz, building on Saudi Arabia's East-West Pipeline and the UAE's ADCOP pipeline. Recent reports indicate that a second ADCOP line could begin operations by mid-2027, while Saudi Arabia has initiated discussions on expanding East-West Pipeline capacity. These routes have enabled Saudi Arabia and the UAE to redirect part of their exports during previous Hormuz disruptions. In contrast, Kuwait, Qatar and Bahrain lack meaningful alternative export routes, leaving their crude exports highly vulnerable in the event of a prolonged closure.

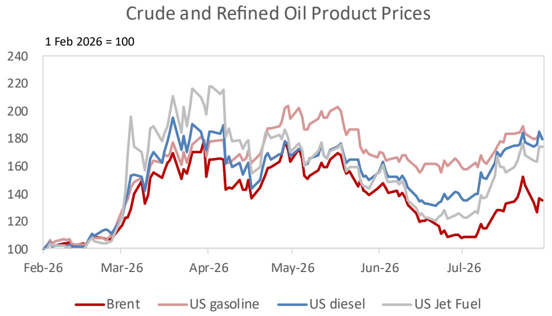
Charts

Renewed escalation in the Middle East lifts oil price



Source: Bloomberg, OCBC Group Research.

Oil product prices rally amid renewed tightness



Source: Bloomberg, OCBC Group Research.

Price forecast:

USD/bbl	30 Jul Close	FC 3Q26	FC 4Q26	FC 1Q27	FC 2Q27	FC 3Q27
Brent	89	80	75	73	71	69
WTI	84	76	71	69	67	65

Note: Last updated on 31 July 2026. Forecasts (FC) are based on OCBC Group Research estimate. Quarterly figures in the forecast table represent end-period forecasts. Source: Bloomberg, Energy Institute Statistical Review of World Energy, OCBC Group Research.

Commodity	Latest Developments and Outlook	Charts

Palm Oil

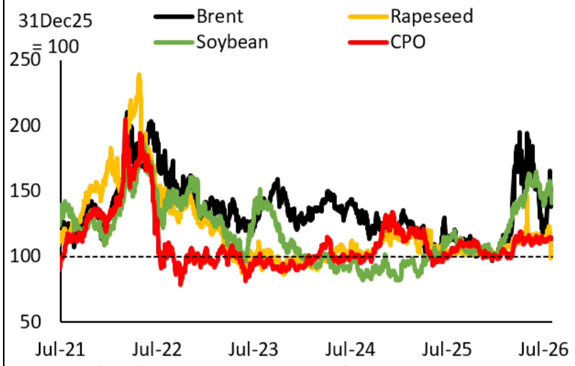
CPO prices remained firm but volatile in July, rising around 1.8% over the month to MYR4,554/mt as of 30 July. Much of the movement reflected changes in crude oil prices. Escalating Middle East tensions and disruptions to regional shipping pushed Brent above USD100/bbl, improving palm oil's competitiveness against gasoil and strengthening its appeal as a biodiesel feedstock. CPO subsequently retreated as crude oil prices eased on hopes of de-escalation.

Indonesia's B50 biodiesel mandate, launched on 1 July, should provide more durable demand support by increasing domestic palm oil absorption as implementation progresses. Together with still-firm energy prices, this should help underpin CPO prices in the near term. External demand remains less consistent. India's palm oil imports declined by around 11.2% MoM (-49.0% YoY) in June, although restocking ahead of the festival season could support a recovery in purchases.

Supply conditions may nevertheless limit further gains. Malaysia's palm oil inventories increased by 4.8% MoM (25.2% YoY) to 2.5mn tonnes in June, the highest since February, as an 8.1% MoM (-3.2% YoY) rise in production outpaced export growth. Seasonally stronger production in Malaysia and Indonesia could keep regional stockpiles high through August.

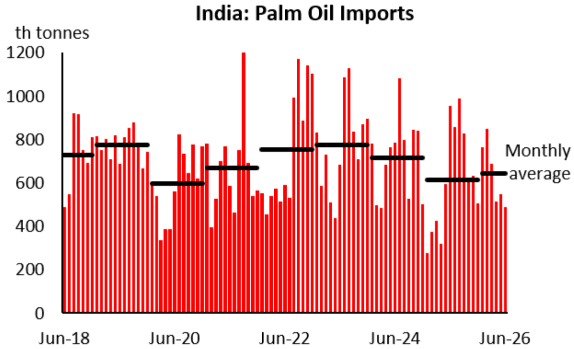
Overall, we expect CPO prices to remain supported but range-bound. Firm energy prices and B50 should provide a price floor, while improving seasonal supply and price-sensitive demand may cap the upside. El Niño remains an upside risk, although any material impact on production is more likely to emerge with a lag. With prices averaging MYR4,340/mt in 1H26, our MYR4,400/mt full-year forecast implies that prices should remain relatively high through year-end.

Price trends: Vegetable oils and crude oil



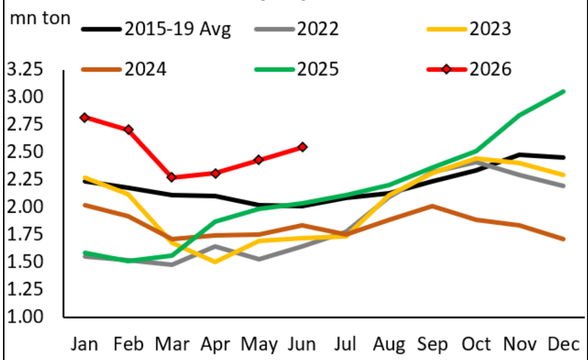
Source: Bloomberg, OCBC Group Research.

India: Palm Oil Imports



Source: The Solvent Extractor's Association of India, Bloomberg, OCBC Group Research.

Malaysia palm oil stock



Source: MPOB, CEIC, OCBC Group Research.

Price forecast:

MYR/mt	30 Jul Close	FC 3Q26	FC 4Q26	FC 1Q27	FC 2Q27	3Q27
MY CPO	4,554	4,400	4,450	4,450	4,500	4,500

Note: Last updated on 31 July 2026. Forecasts (FC) are based on OCBC Group Research estimates. Quarterly figures in the forecast table represent average-period forecasts. Source: MPOB, GAPKI, The Solvent Extractor's Association, CEIC, Bloomberg, OCBC Group Research.

Commodity	Latest Developments and Outlook	Charts

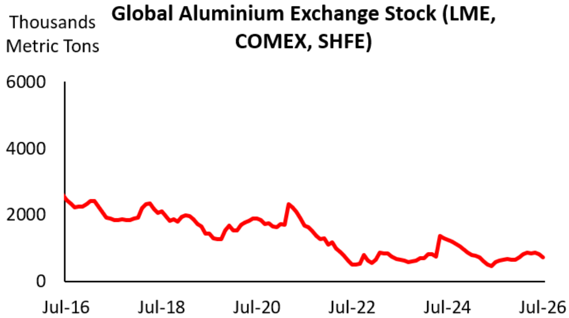
Aluminium

Benchmark aluminium prices recovered modestly in July, with three-month LME aluminium rising by 3.1% to USD3,180/mt as of the close on 29 July. However, this modest advance concealed a shift in the market's pricing of Gulf supply risk. Prices edged lower early in the month as US–Iran tensions eased, but rebounded later as renewed threats to the Strait of Hormuz coincided with an exceptionally thin inventory buffer. Still, much of June's disruption premium had unwound, although the market had not yet returned to normal.

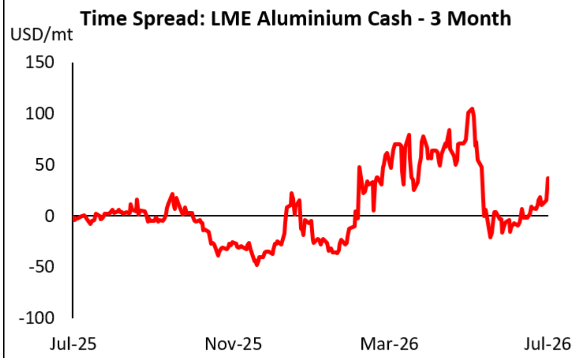
Improving supply prospects were the main reason prices remained below their June highs. Repairs at EGA's Al Taweelah smelter, along with additional Chinese and Indonesian supply, reduced fears of a severe shortage and removed part of the disruption premium. However, renewed threats to the Strait of Hormuz and exceptionally low inventories prompted a partial rebound later in July.

According to the International Aluminium Institute, global primary aluminium production fell by 1.5% YoY to 5.98mn metric tonnes in June, reflecting the ongoing Gulf outage even as Chinese production increased. The tension between improving supply expectations and tight immediate availability was most evident in inventories and spreads: total global aluminium exchange inventories fell by 11.5% to ~0.7mn metric tonnes in July, while Cash–3M spread moved into a USD36.5/mt backwardation, as of the close on 29 July (June: -USD15.6/mt), signalling immediate scarcity despite the modest rise in the three-month price.

Looking ahead, we maintain our view that aluminium prices will remain supported in the near term before moderating toward ~USD3,050/mt by end-4Q26. Gradual supply restoration in the Middle East and continued Chinese exports should limit another sustained rise, while low exchange inventories provide a firm floor. The risks to our price forecast stem principally from the pace of the Gulf restart and the security of the Strait of Hormuz: renewed disruption would quickly restore the supply-risk premium, whereas faster repairs and weaker global demand would accelerate the expected moderation.



Source: London Metal Exchange, The Commodity Exchange, Shanghai Futures Exchange, Bloomberg, OCBC Group Research.



Source: Bloomberg, OCBC Group Research.

Price forecast:

USD/mt	30 Jul Close	FC 3Q26	FC 4Q26	FC 1Q27	FC 2Q27	FC 3Q27
Aluminium	3,196	3,150	3,050	3,075	3,100	3,100

Note: Last updated on 31 July 2026. Forecasts (FC) are based on OCBC Group Research estimates. Quarterly figures in the forecast table represent end-period forecasts. Source: Bloomberg, Reuters, OCBC Group Research.

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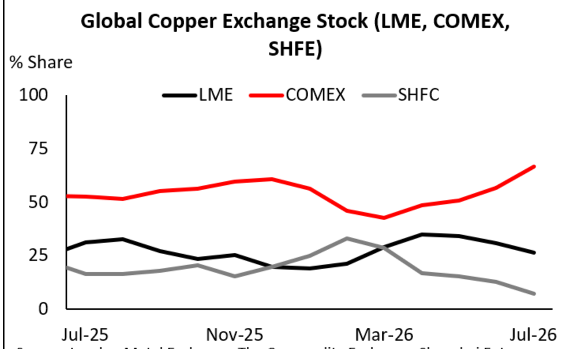
Commodity	Latest Developments and Outlook	Charts

Copper

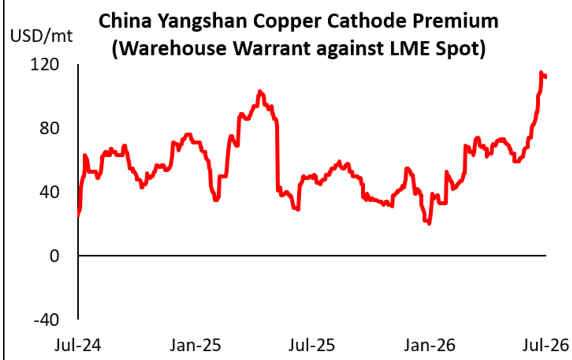
Benchmark copper prices edged higher in July, with three-month LME copper rising by 1.5% to USD13,581/mt as of the close on 29 July. Uncertainty over potential US import tariffs on refined copper continued to draw metal into COMEX warehouses, even as inventories available to consumers outside the US declined.

Although copper supply was not scarce in aggregate, an increasing share of visible supply was held in the US. This imbalance was most evident in inventories, spreads and physical premiums. COMEX held close to two-thirds of the copper stored across the three major exchanges in July, while LME and SHFE stocks continued to fall. As of 29 July, the LME Cash–3M spread moved into a USD24/mt backwardation, compared with a USD26.1/mt contango at the end of June, signalling tighter immediate availability. Meanwhile, the Yangshan premium rose to USD112/mt — almost double its June level — as Chinese buyers paid more to secure imported metal. Elsewhere, delayed recoveries at Grasberg and Kamoa-Kakula, together with lower expected output from several major mines, kept feedstock availability constrained.

Looking ahead, we expect copper prices to remain high but range-bound in the near term before drifting toward ~USD12,500/mt by end-3Q26. Tight ex-US inventories, elevated Chinese premiums and continued mine-supply constraints should provide a firm floor, while the large US stockpile limits the scope for a sustained rally. The main uncertainty is whether July's tightness proves mainly to be a temporary consequence of tariff-driven stock relocation. Conversely, a release of US inventories and stronger mine recoveries would accelerate the expected moderation in copper prices.



Source: London Metal Exchange, The Commodity Exchange, Shanghai Futures Exchange, Bloomberg, OCBC Group Research.

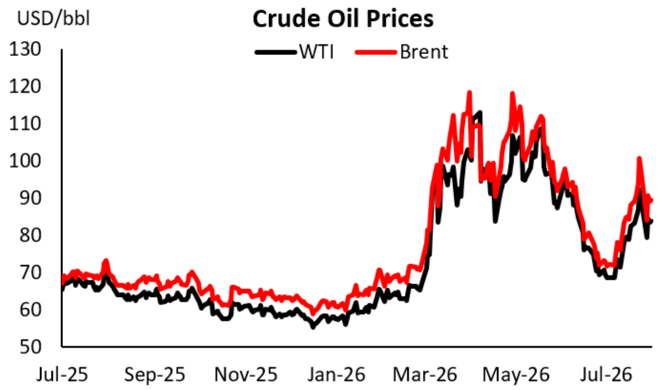


Source: SMM International, Bloomberg, OCBC Group Research.

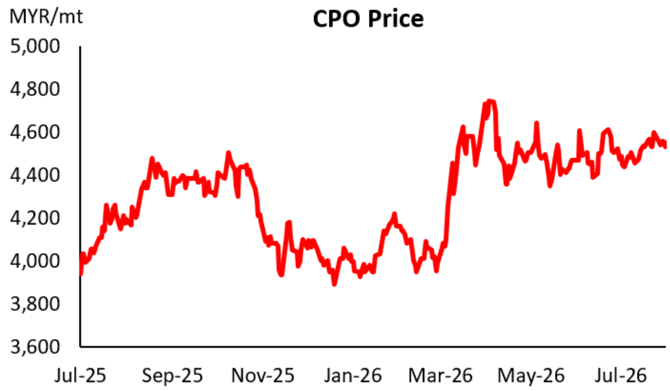
Price forecast:

USD/mt	30 Jul Close	FC 3Q26	FC 4Q26	FC 1Q27	FC 2Q27	FC 3Q27
Copper	13,803	12,500	12,500	12,600	12,800	12,800

Note: Last updated on 31 July 2026. Forecasts (FC) are based on OCBC Group Research estimates. Quarterly figures in the forecast table represent end-period forecasts. Source: Bloomberg, Reuters, OCBC Group Research.



Source: Bloomberg.



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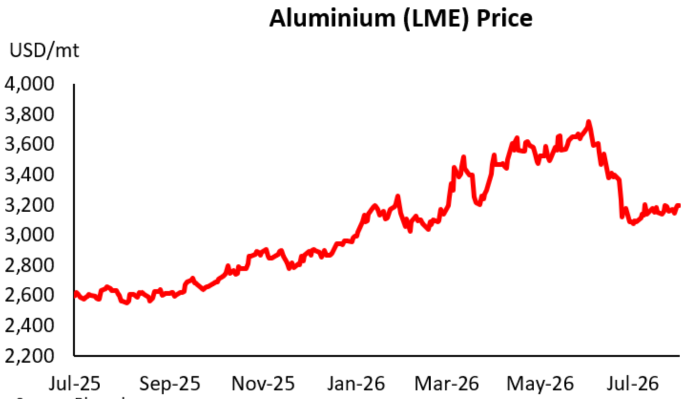

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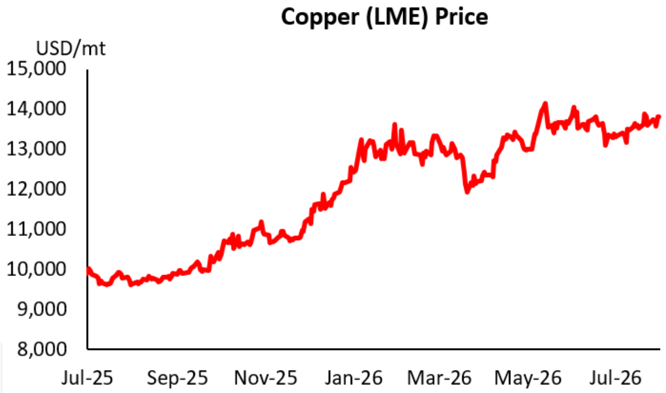

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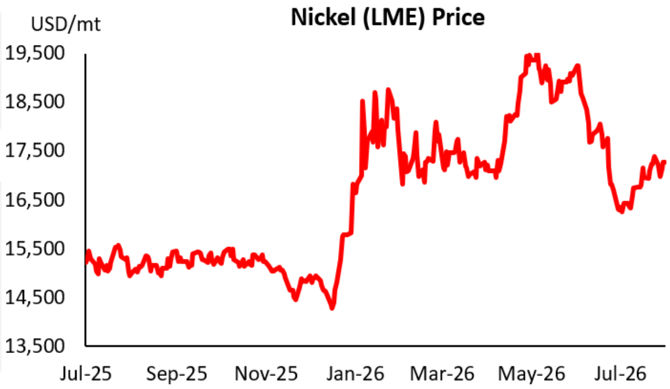
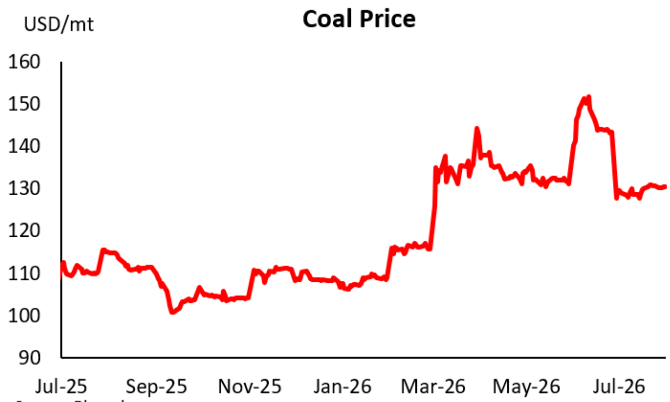


Source: Bloomberg.



Source: Bloomberg.

Source: Bloomberg.

Last Updated: 31 July 2026

	Level (As of 31 Jul 26)	Δ 1W (%)	Δ 1M (%)	Δ YTD (%)	Bloomberg Ticker
Gold (USD/oz)	4097.8	1.1	2.2	-5.1	*XAU Curncy*
Silver (USD/oz)	59.0	1.4	0.7	-17.7	*XAG Curncy*
US Dollar Index	100.1	-1.3	-1.1	1.8	*DXY Curncy*
Brent (USD/bbl)	89.4	-7.6	22.6	46.9	*CO1 Comdty*
WTI (USD/bbl)	83.8	-6.2	20.5	45.9	*CL1 Comdty*
Natural Gas (USD/MMBtu)	2.8	-3.8	-15.7	-25.1	*NG1 Comdty*
Palm Oil (MYR/mt)	4531.0	-1.3	1.3	13.3	*KO1 Comdty*
Soybean Oil (USD/lb)	67.5	-9.2	1.1	40.4	*BO1 Comdty*
Rapeseed Oil (EUR/mt)	486.8	-10.5	-3.7	7.4	*IJ1 Comdty*
Aluminium (USD/mt)	3195.5	0.2	3.6	6.7	*LMAHDS03 Comdty*
Copper (USD/mt)	13803.0	1.5	3.2	11.1	*LMCADS03 Comdty*
Nickel (USD/mt)	17270.0	0.2	6.0	3.7	*LMNIDS03 Comdty*
Coal (USD/mt)	130.5	-0.2	0.7	21.4	*XW1 Comdty*
Dry Baltic Index	2673.0	-1.9	6.9	42.4	*BDIY Index*

Source: Bloomberg. *Last Updated: 31 July 2026*

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