

Monthly Commodities Outlook

Key Highlights:

- **Gold & Silver:** Gold came under renewed pressure in September as the macro backdrop turned challenging. Overall, we retain a constructive medium-term bias, but a more durable recovery likely requires some moderation in the current rates/oil impulse.
- **Crude Oil:** Oil prices should still trend lower, but persistent geopolitical risks, thinning inventories and tight diesel markets point to a slower decline. We raise our end-2026 Brent forecast to USD85/bbl as Middle East supply uncertainty remains elevated.
- **CPO:** Prices edged lower in September but remained relatively elevated, last seen at MYR4,433/mt. Prices are likely to remain supported in the near term by firm crude oil prices, stronger festive demand and rising weather risk, although elevated Malaysian inventories may cap the upside.
- **Aluminium:** Benchmark aluminium prices traded lower in September, last seen at USD3214/mt. Looking ahead, we are raising our forecast curve higher and now expect aluminium to ease to ~USD3,150/mt by end-4Q26 (previous: ~USD3,050/mt). Despite this revision, our view that prices will moderate has not changed. Robust Chinese output should continue to offset the Gulf shortfall while supply there is gradually restored.
- **Copper:** We maintain our copper price forecasts, as we believe the current price levels are unsustainable. First, much of the price strength in September was driven by temporary factors. Second, the macroeconomic backdrop is turning less supportive. Therefore, we expect copper prices to drift toward USD13,000/mt by end-4Q26 before stabilising around USD13,100-13,300/mt through 2027, as persistent concentrate scarcity provides a floor for prices.

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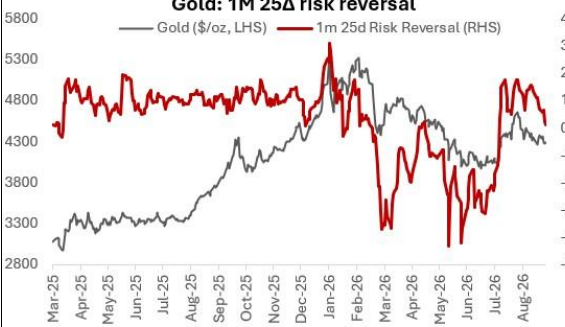
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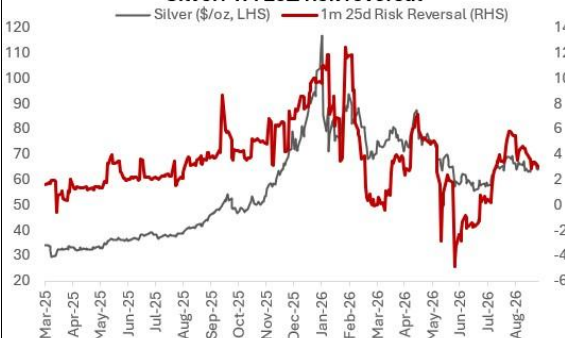
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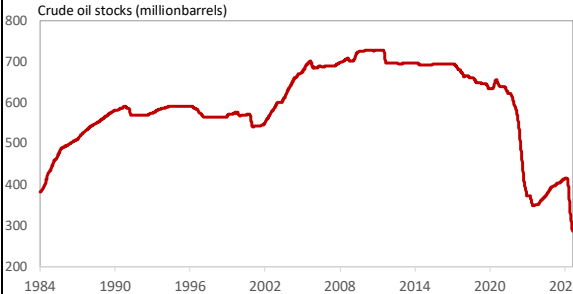
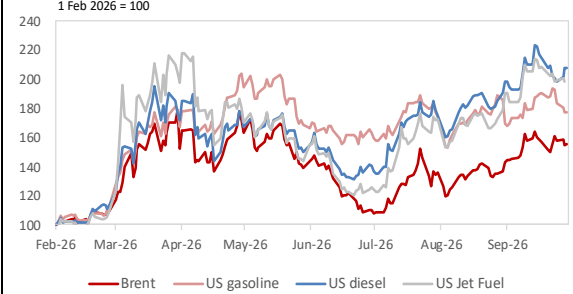
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Price forecast summary	29 Sep Closing	4Q26	1Q27	2Q27	3Q27	4Q27
Gold (USD/oz)	4,182	4,600	4,720	4,850	4,960	5,050
Silver (USD/oz)	61.48	70	72	73	75	78
Brent (USD/bbl)	102.59	85	83	81	78	75
WTI (USD/bbl)	89.38	81	79	77	74	71
CPO (MYR/mt)	4,433	4,450	4,450	4,500	4,500	4,550
Aluminium (USD/mt)	3,214	3,150	3,150	3,175	3,175	3,200
Copper (USD/mt)	14,439	13,000	13,100	13,300	13,300	13,300

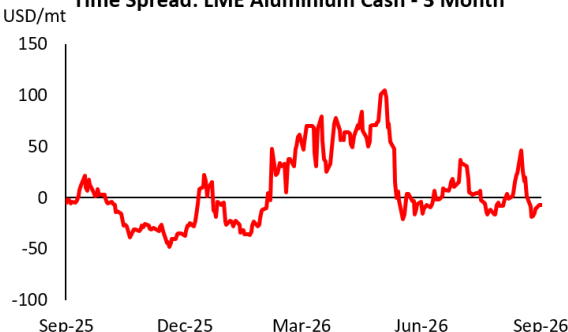
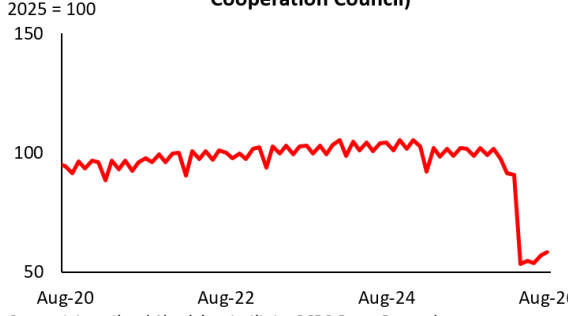
Note: Last updated on 30 September 2026. Forecasts (FC) are based on estimates by OCBC Group Research. They are not intended to serve as quarter-end point forecasts, but rather as trajectory bias of the commodity prices. For CPO, the quarterly figures presented in the forecast table represent average-period forecasts. Source: Bloomberg, OCBC Group Research.

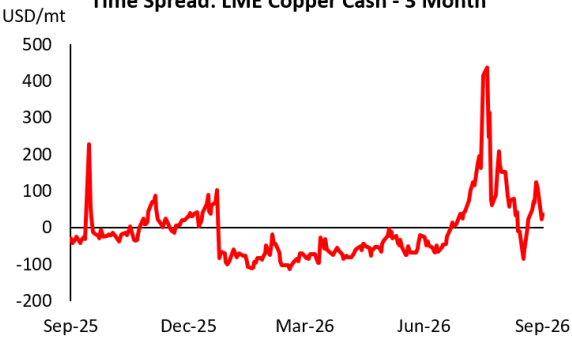
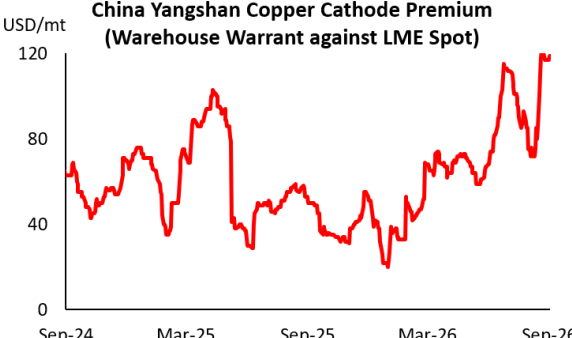
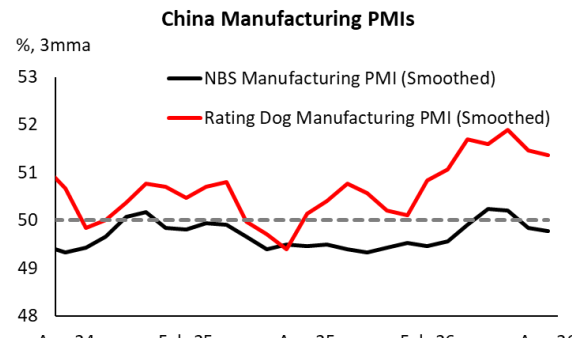
Commodity	Latest Developments and Outlook	Charts
Gold	Gold came under renewed pressure in September as the macro backdrop turned challenging. The Fed raised rates by 25bp during the month and maintained a tightening bias, while renewed Middle East tensions pushed oil back above \$100/bbl, adding to inflation concerns and contributed to a further rise in UST yields. A firmer USD compounded the pressure. With long-end yields elevated and markets continuing to price further Fed tightening, the opportunity-cost backdrop remains unfavorable for gold in the interim. Despite the gold price weakness, investment demand has been more resilient than price action. Bloomberg-tracked gold ETF holdings continued to rise even as gold traded sideways-to-lower, pointing to relatively sticky investment demand. In contrast, managed-money positioning became less stretched and demand for upside optionality moderated. Taken together, ETF demand remains firm even as leveraged positioning and options demand have cooled, suggesting the market is not becoming progressively more crowded as prices consolidate. Near term, we would remain cautious given elevated oil prices, yields and the renewed probability of further Fed tightening. However, a significant amount of hawkish repricing has already occurred. The next test comes from US labour and inflation data, including PCE and payrolls. Softer readings could quickly temper hike expectations and relieve some of the pressure from yields and USD. One potential offset as we move through October is seasonal demand from India. Diwali falls on 8 November this year, with Dhanteras traditionally an important gold-buying occasion. Overall, we retain a constructive medium-term bias, but a more durable recovery likely requires some moderation in the current rates/oil impulse. Resilient ETF and official-sector demand should continue to provide a cushion on corrections. On a technical note, gold was last seen near multi-week low at 4140 levels. Failure to reclaim back above 4300 – 4350 (21, 50, 100 DMAs) may see bearish pressure continue. Next support at 4100, 4000 and 3944 (previous low). Resistance at 4300/50, 4460 levels.	Demand for upside optionality moderated  Source: Bloomberg, OCBC Group Research. Gold: Bearish momentum; RSI near oversold  Source: Bloomberg, OCBC Group Research.

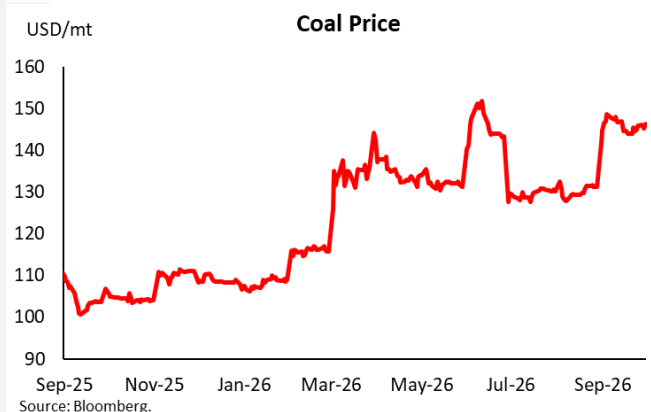
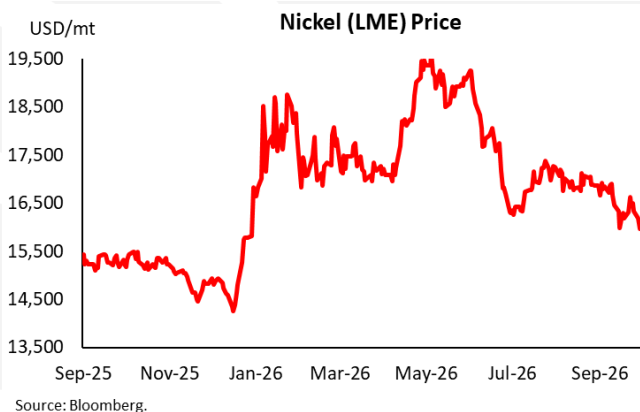
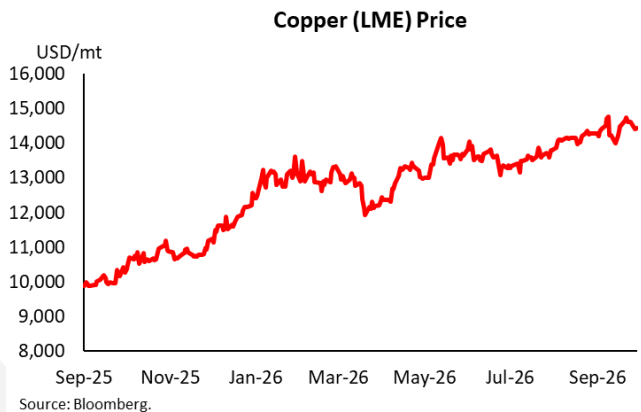
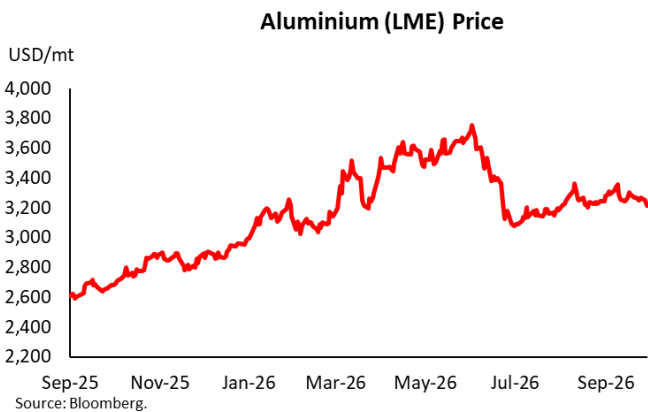
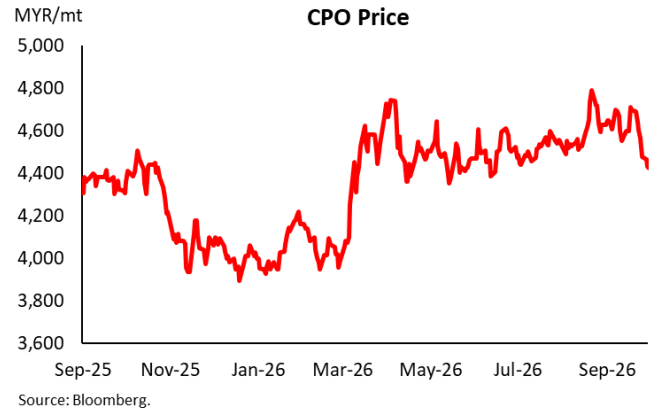
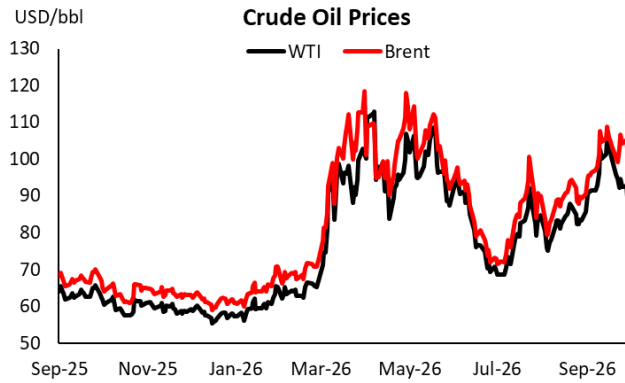
Commodity	Latest Developments and Outlook	Charts
Silver	Silver also weakened in September, with the sell-off accelerating as long-end yields and the USD rose. At around \$60/oz, silver is down more than gold over the month, consistent with its higher-beta characteristics. Elevated rates remain an important drag, while softer risk sentiment and an uneven China growth backdrop provide an additional constraint relative to gold. In contrast to gold, silver ETF holdings have drifted lower rather than showing the persistent accumulation evident in gold, while managed-money positioning remains relatively light. Upside options skew has also eased from earlier highs. This suggests that the correction has removed some speculative excess, but there is not yet clear evidence of renewed broad-based investment accumulation. That said, lighter positioning leaves considerable room for silver to respond if the macro backdrop turns conducive. A pullback in yields or USD following softer US data would likely see silver participate with greater amplitude than gold. Conversely, a continuation of the current oil/rates shock could see silver remain the more vulnerable metal. From a broader time horizon, we stay constructive but tactical on silver. A more convincing upside move would require not only a friendlier rates/USD backdrop but also renewed ETF accumulation to confirm that investment demand is broadening again. On a technical note, silver last seen at 60.60 levels. Mild bearish momentum on daily chart intact while RSI is near oversold conditions. Support at 55/56 levels. Resistance at 64/66 levels before 70.	Demand for upside optionality eases Silver: 1M 25Δ risk reversal  Source: Bloomberg, OCBC Group Research. Silver: Needs to reclaim back 66/70 resistance  Source: Bloomberg, OCBC Group Research.

Commodity	Latest Developments and Outlook	Charts
Crude Oil	We continue to expect oil prices to ease as Middle East export flows recover. Saudi Arabia's East-West pipeline has resumed operations and tankers are still transiting the Strait of Hormuz despite ongoing security concerns. However, the decline is likely to be more gradual as the endgame of the US-Iran conflict becomes increasingly uncertain. Risks of renewed escalation remain elevated, particularly if further attacks damage energy infrastructure or disrupt regional supply routes. As a result, we raise our end-2026 Brent forecast to USD85/bbl from USD80/bbl. Washington continues to tighten sanctions on Iran while maintaining pressure on Iranian exports. In response, Tehran has threatened further retaliation and is demanding stricter conditions for any reopening of the Strait of Hormuz. Shipping activity through Hormuz remains subdued, although actual export volumes may be higher than official estimates suggest as more vessels operate with restricted or disabled tracking systems. This makes it increasingly difficult to gauge the true extent of supply disruptions. Rising dark fleet activity does not signal improving security. Instead, it highlights the industry's growing ability to operate under persistent geopolitical risk. The market has been supported by inventory drawdowns, which have helped offset supply disruptions and cap further gains in crude prices. However, this cushion is shrinking as stockpiles decline, leaving the market more exposed to fresh supply shocks. Refined product markets remain particularly tight. Global spare refining capacity is limited after attacks on Middle Eastern facilities and shipping restrictions through Hormuz reduced refinery runs, while Ukrainian strikes damaged Russian refining infrastructure. The only meaningful spare capacity sits in China, where authorities have restrained fuel exports to safeguard domestic supply. As a result, diesel prices are likely to stay elevated into the peak-demand season, reinforcing the energy-driven inflation pressures seen this year. The US may face growing pressure to prioritise domestic fuel availability. While a US export ban could temporarily ease domestic diesel prices, it would further tighten global fuel markets.	Oil stocks in US strategic petroleum reserve fall to lowest level since 1982 US Strategic Petroleum Reserve  Source: Bloomberg, OCBC Group Research. Diesel, not crude, is the real energy stress point Crude and Refined Oil Product Prices  Source: Bloomberg, OCBC Group Research.

Commodity	Latest Developments and Outlook	Charts
Palm Oil	CPO prices edged lower in September, with spot prices down ~4% to MYR4,433/mt as of 29 September, but remained relatively elevated. We expect prices to stay supported around current levels in the near term, underpinned by firm crude oil prices, improving demand prospects from India ahead of the festive season and rising supply concerns as El Niño intensifies across the region. However, elevated Malaysian inventories and weak export momentum could cap the upside. Malaysia's CPO production rose 1.4% MoM to 1.82mn tonnes in August, although output remained 2.0% lower YoY. This brought Jan–Aug production to 12.6mn tonnes, broadly unchanged from a year earlier. Production should remain seasonally firm through September and October before easing towards year-end, and we continue to expect full-year output at around last year's 20mn tonnes. Inventories, however, rose 7.5% MoM and 28.3% YoY to 2.82mn tonnes, the highest level this year, while exports fell 7.5% MoM. Early September data continue to point to weak export momentum. Supply risks are more pronounced in Indonesia. Persistent dry weather and forest fires across key palm-growing regions may disrupt harvesting and transportation, while intensifying El Niño conditions raise the risk of weaker yields next year. Given the lagged impact of weather conditions on oil-palm productivity, the more meaningful production impact is likely to emerge from 2Q27 onwards. Demand signals remain mixed. India's palm oil imports rose 6.8% MoM to 783k tonnes in August, although volumes remained around 21% lower YoY. India's decision to lower import duties on crude and refined palm oil from late September should encourage additional restocking ahead of Diwali, although similar duty reductions for competing edible oils may limit switching towards palm oil. Meanwhile, Indonesia's B50 mandate has been in place since 1 July, providing a more structural source of domestic demand. Higher crude oil prices have also improved biodiesel economics, with the POGO spread falling to around -USD367/mt from an average of around -USD126/mt in August. Overall, we expect CPO prices to remain supported in the near term, while stronger biodiesel demand and the lagged impact of El Niño point to a potentially tighter supply-demand balance in 2027.	Malaysia CPO production mn ton Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Source: MPOB, CEIC, OCBC Group Research. Malaysia palm oil stock mn ton Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Source: MPOB, CEIC, OCBC Group Research. India: Palm oil imports th tonnes Aug-18 Aug-20 Aug-22 Aug-24 Aug-26 Source: The Solvent Extractor's Association of India, Bloomberg, OCBC Group Research.

Commodity	Latest Developments and Outlook	Charts
Aluminium	Benchmark aluminium prices traded lower in September, with three-month LME aluminium declining by 0.9% month-to-date to USD3,214/mt at the close on 29 September. This leaves the closing price 2.0% above our FC3Q26 of USD3,150/mt. The cash–3-month spread remained broadly unchanged at a contango of USD7.4/mt, compared with USD7.6/mt at end-August, suggesting little urgency for prompt metal even as global aluminium exchange stock continued to decline. On supply, the recovery in GCC output appears to have lost momentum, with output growth slowed to 2.0% MoM in August from 6.2% in July amid ongoing disruptions linked to the conflict in the Middle East, suggesting the earlier restart optimism may have been premature. Nonetheless, China continues to fill the gap, with production running at near-record levels. Output rose by 4.7% YoY in August (July: 3.1%), while exports of unwrought aluminium and aluminium products remained broadly stable at 17.3% YoY (July: 18.7%). Looking ahead, we are raising our forecast curve higher and now expect aluminium to ease to ~USD3,150/mt by end-4Q26 (previous: ~USD3,050/mt). Despite this revision, our view that prices will moderate has not changed. Robust Chinese output should continue to offset the Gulf shortfall while supply there is gradually restored. EGA reported in late August that 25% of Al Taweelah's reduction cells had been restored, with full output targeted by 1Q27. We see no strong catalyst either way through 1Q27. The key upside risk is a further deterioration in Gulf output, or a slower restart, without an offsetting rise in Chinese production. Conversely, a faster Gulf restart or weaker global demand would accelerate the moderation.	Time Spread: LME Aluminium Cash - 3 Month  Source: Bloomberg, OCBC Group Research. Primary Aluminium Production (Gulf Cooperation Council)  Source: International Aluminium Institute, OCBC Group Research.

Commodity	Latest Developments and Outlook	Charts
Copper	LME copper traded higher again in September, with three-month LME copper rising by 1.0% month-to-date to ~USD14,439/mt at the close on 29 September. The LME Cash-3M spread swung from a backwardation of ~USD131/mt on 1 September to a brief contango of ~USD86/mt on 14 September, as copper arrivals at LME warehouses lifted headline stocks to 255,100mt on 18 September 2026 from 234,475mt on 11 September. Nonetheless, the contango proved short-lived, with the spread reverting to a backwardation of ~USD36/mt by the close on 29 September. Elsewhere, uncertainty over US copper tariffs persisted. Reuters reported that the White House had delayed a decision on tariffs on refined copper amid concerns over affordability ahead of the November midterm elections. Meanwhile, physical demand strengthened in China, with the Yangshan Cathode premium rising to an intra-month high of USD124/mt on 18 September (end-August: USD75/mt), as Chinese buyers paid premiums to secure metal ahead of the Mid-Autumn Festival holiday. Separately, BHP suspended operations at Escondida, the world's largest copper mine, on 23 September following a workplace accident. Escondida's management subsequently announced that operations were progressively resuming. Together, stronger Chinese physical demand and renewed concerns over disruption to Chilean mine supply likely contributed to the LME Cash-3M spread's return to backwardation. Looking ahead, we maintain our copper price forecasts, as we believe the current price levels are unsustainable. First, much of the price strength in September was driven by temporary factors: Chinese restocking ahead of the festive period is seasonal and should ease in October, while the Yangshan premium has already edged down from its intramonth peak. Second, the macroeconomic backdrop is turning less supportive. The FOMC raised its target range by 25bps to 3.75%-4.00%, marking its first hike since 2023 and tightening financial conditions. Given the risks of renewed inflationary pressure, a more hawkish policy reaction function and the continued resilience of the labour market, our house view now anticipates another 25bp increase in the Fed funds rate by year-end. The prospect of further monetary tightening could weigh on risk sentiment, creating additional headwinds for copper prices. Meanwhile, China's NBS manufacturing PMI remained in contraction territory in August for the second consecutive month, pointing to continued weakness in underlying industrial activity. Therefore, we expect copper prices to drift towards USD13,000/mt by end-4Q26, before stabilising around USD13,100-13,300/mt through 2027, as persistent concentrate scarcity provides a floor for prices.	Time Spread: LME Copper Cash - 3 Month  Source: London Metal Exchange, Bloomberg, OCBC Group Research. China Yangshan Copper Cathode Premium (Warehouse Warrant against LME Spot)  Source: SMM International, Bloomberg, OCBC Group Research. China Manufacturing PMIs  Source: NBS, RatingDog, OCBC Group Research.



Source: Bloomberg.

Last Updated: 30 September 2026

	Level (As of 30 Sep 26)	Δ 1W (%)	Δ 1M (%)	Δ YTD (%)	Bloomberg Ticker
Gold (USD/oz)	4185.2	-2.4	-5.7	-3.1	<i>XAU Curncy</i>
Silver (USD/oz)	60.8	-5.6	-8.7	-15.2	<i>XAG Curncy</i>
US Dollar Index	101.2	0.1	1.8	3.0	<i>DXY Curncy</i>
Brent (USD/bbl)	103.3	0.2	14.2	69.8	<i>CO1 Comdty</i>
WTI (USD/bbl)	90.3	-2.1	5.2	57.2	<i>CL1 Comdty</i>
Natural Gas (USD/MMBtu)	3.0	0.7	3.7	-17.4	<i>NG1 Comdty</i>
Palm Oil (MYR/mt)	4424.0	-3.8	-4.4	10.7	<i>KO1 Comdty</i>
Soybean Oil (USD/lb)	67.9	0.7	-3.9	41.1	<i>BO1 Comdty</i>
Rapeseed Oil (EUR/mt)	541.5	-2.3	-0.5	19.5	<i>IJ1 Comdty</i>
Aluminium (USD/mt)	3214.0	-1.6	-0.9	7.3	<i>LMAHDS03 Comdty</i>
Copper (USD/mt)	14438.5	-2.1	1.0	16.2	<i>LMCADS03 Comdty</i>
Nickel (USD/mt)	15958.0	-4.1	-5.4	-4.1	<i>LMNIDS03 Comdty</i>
Coal (USD/mt)	146.3	1.1	3.2	36.0	<i>XW1 Comdty</i>
Dry Baltic Index	3178.0	-7.4	-0.3	69.3	<i>BDIY Index</i>

Source: Bloomberg.

Last Updated: 30 September 2026

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