GLOBAL MARKETS RESEARCH

Monthly Commodity Outlook

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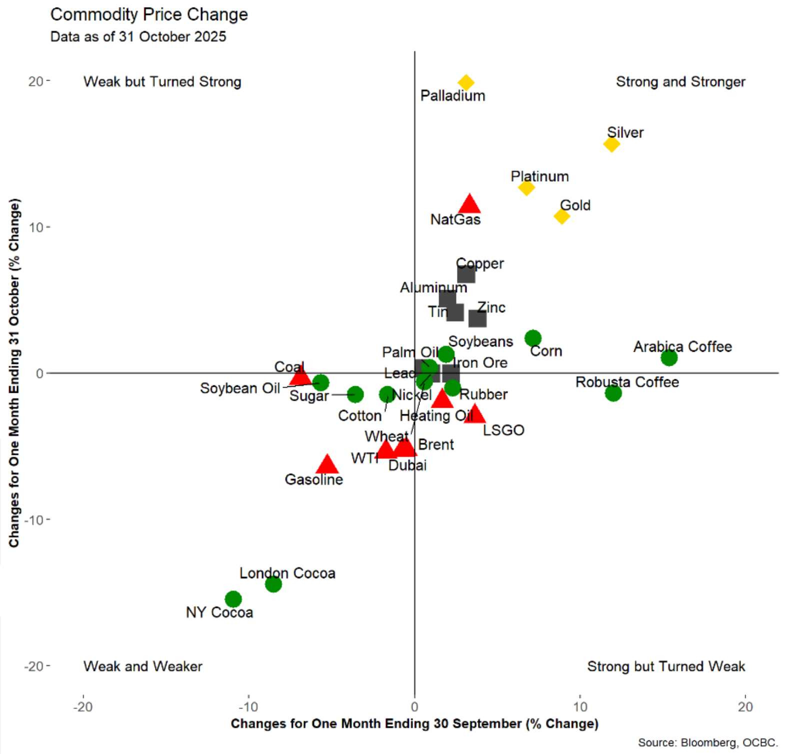
Month in Review:

Commodity prices traded mixed in October, with only 14 out of the 31 commodities on our tracking list showing strong performance. Notably, the *precious metals* market was the sole outlier among the various commodity classes, demonstrating robust gains.

Within the *precious metals* market, gold prices rose to fresh highs of ~USD4,381/oz but briefly corrected back below USD3,900/oz before recovering and hovering closer to ~USD4,000/oz as of the close on 31 October. This retracement reflects both the unwinding of momentum-driven positioning and the re-pricing of macro-optimism as several short-term supports faded. Additionally, the pullback also serves to restore healthier positioning and valuations. Looking ahead, we remain constructive in the medium-term, given that the drivers underpinning our positive outlook remain intact. Similarly, silver largely mirrored gold's fluctuations. In the *energy* market, oil prices closed lower in October. Nonetheless, the price movement was volatile. Specifically, front-month brent futures dropped to an intramonth low of USD60.1/bbl before paring back some of the losses due to concerns over the potential impact of sanctions on major Russian oil companies Rosneft and Lukoil on the global oil market. Meanwhile the *agriculture* sector remains mixed. Prices of beverages such as robusta coffee have weaken, while cocoa prices extended their decline. In the vegetable oil market, CPO prices softened in October. Looking ahead, palm oil fundamentals remain balanced between softening post-festive demand and robust supply growth. We expect CPO prices to hover around MYR4,200–4,400/mt into year-end, with mild upside risks from stronger biodiesel demand or weather-related disruptions.



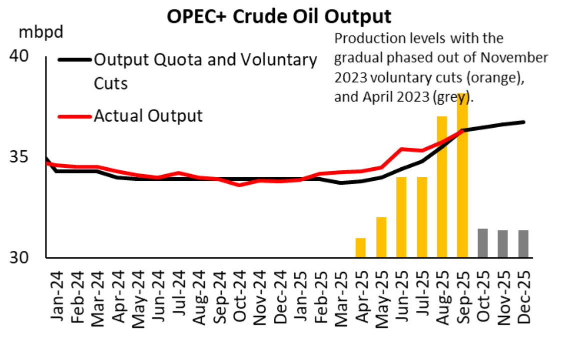
Commodity	Latest Developments and Outlook	Charts

Oil

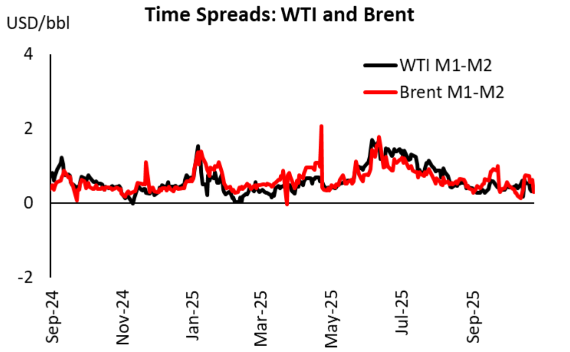
Crude oil benchmarks declined in October, with WTI and Brent averaging USD60.1/bbl and USD64.0/bbl, respectively. Front-month Brent futures were volatile, opening at USD66.2/bbl, reaching an intramonth low of USD60.1/bbl, and finally settling at USD65.1/bbl. WTI futures largely mirrored Brent's fluctuations.

The sell-off in early October following media reports that eight key OPEC+ members was considering higher production output in November after a modest monthly increase for their October production. However, prices briefly recovered after the group officially announced a modest production increase of 137kbpd for November. This decision helped stabilise sentiment in the oil complex, which had been concerned that a higher-than-expected production hike would exacerbate the looming supply glut. The modest output hike also underscored the group's cautious approach to balancing the defense and recovery of its market share without triggering a price collapse. The recovery was short-lived, as prices collapsed again around mid-October due to the re-emergence of US-China trade tensions and easing geopolitical tensions in the Middle East following a ceasefire deal between Israel and Hamas. Prices then rebounded strongly after the US Department of the Treasury announced sanctions on major Russian oil companies Rosneft and Lukoil. The strong rebound in late-October was driven by concerns over potential short-term supply disruptions as buyers of Russian oil reassess their risk tolerance.

Looking ahead, we believe the volatility in price movements have stabilised driven by a delicate balance between increasing OPEC+ production (OPEC+ announced another production hike for December) and concerns over supply disruption from US sanctions against key Russian oil companies. The backwardation in the near-term time spread has narrowed from its peak, with the M1-M2 time spread of WTI and Brent crude narrowing to USD0.4/bbl and USD0.3/bbl, respectively, on 31 October from their intramonth peak of USD0.6/bbl and USD0.7/bbl. We maintain our 2025 forecast for WTI and Brent crude oil prices to average around USD65/bbl and USD68/bbl, respectively, implying further declines in the coming months to ~USD60.5/bbl and ~USD63.5/bbl in 4Q25. For 2026, we expect oil prices to ease further, with WTI and Brent averaging USD59/bbl and USD62/bbl, due to a favourable supply outlook.



Source: BloombergNEF estimates, OPEC, OCBC.



Source: Bloomberg, OCBC.

Price forecast:

USD/bbl	3 November Close	FC 4Q25	FC 1Q26	FC 2Q26	FC 3Q26	2024	FC 2025	FC 2026
Brent	64.9	63.5 ↓	64.0 ↑	62.5 ↓	61.1 ↓	79.9	68 ↓	62 ↓
WTI	61.1	60.5 ↓	61.0 ↑	59.7 ↓	58.3 ↓	75.8	65 ↓	59 ↓

Note: Last updated on 4 November 2025. Forecasts (FC) are based on OCBC estimates. Price arrows are compared to previous period, i.e., 1Q26 average of USD64.0/bbl where ↑, ↓, and →, suggest higher, lower, and flat price from previous period. 2024 price is the average of daily closing prices. Source: EIA, IEA, OPEC, Bloomberg, Reuters, OCBC.

Commodity	Latest Developments and Outlook	Charts

Palm Oil

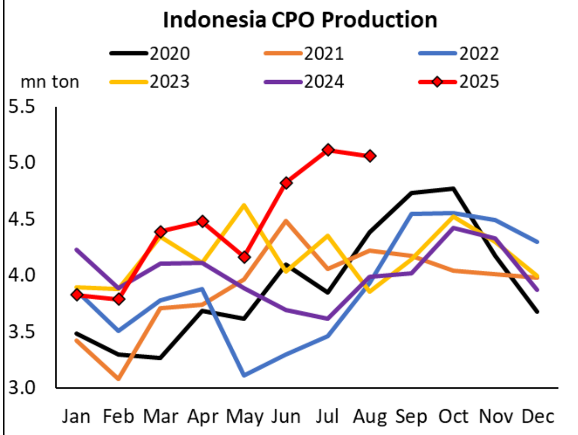
Benchmark CPO prices fell 2.8% in October to close at MYR4,185/mt, though monthly fluctuations were notable. Spot prices briefly hit a six-month high of MYR4,506/mt on 9 October before easing on improved supply prospects and normalization of demand from key importers. Prices averaged MYR4,374 in October and MYR4,330 in the first ten months of 2025. We expect prices to fluctuate around current levels in the remaining months, bringing the 4Q25 average to around MYR4,200/mt, while our full year forecast remains at MYR4,300/mt.

The recent correction has widened CPO's discount to soybean oil, but the price spread remains relatively narrow, shrinking from an average of ~USD245/mt in July to ~USD70/mt in October. Markets are also awaiting clarity on China's planned additional soybean purchases from the US following the recent meeting between President Trump and President Xi, which could influence global edible oil prices ahead.

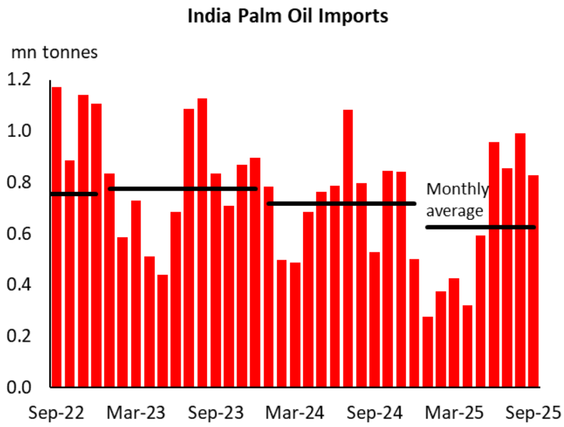
Demand trends diverged across major buyers. India's palm oil imports rose 57.2% YoY to 829k tonnes in September, driven by festive demand, bringing cumulative imports to 2.7mn tonnes (+11.2% YoY) in 3Q25. However, buying momentum is expected to ease post-festivities. Meanwhile, China's imports fell 24.1% YoY to 855k tonnes in 3Q25, reflecting subdued consumption and elevated vegetable oil inventories. Indonesia's domestic usage remained resilient, rising 5.8% YoY to 16.4mn tonnes in January–August, supported by a 12.4% increase in biodiesel consumption. Any move to accelerate the B45 or B50 mandate could tighten exportable supply and support prices.

On the supply side, production momentum strengthened in both Malaysia and Indonesia. Malaysia's CPO output grew 1.1% YoY to 1.8mn tonnes in September, while Indonesia's surged 27.0% YoY to 5.1mn tonnes in August. Year-to-date, production reached 14.5mn tonnes (+0.3% YoY) in Malaysia and 35.7mn tonnes (+13.1% YoY) in Indonesia. While Malaysia heads into a seasonally lower output period, Indonesia's outlook is firmer, with GAPKI projecting 56–57mn tonnes in 2025, implying 6–8% YoY growth.

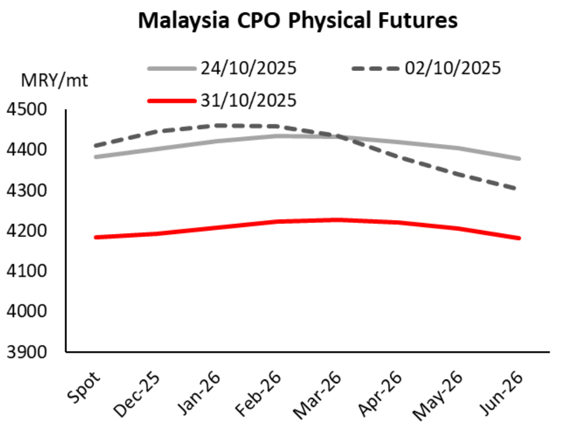
Overall, palm oil fundamentals remain balanced between softening post-festive demand and robust supply growth. Prices are likely to hover around MYR4,200–4,400/mt into year-end, with mild upside risks from stronger biodiesel demand or weather-related disruptions.



Source: Indonesia Palm Oil Association, CEIC, OCBC.



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



Source: Bloomberg, OCBC.

Price forecast:

MYR/mt	3 November Close	FC 4Q25	FC 1Q26	FC 2Q26	FC 3Q26	2024	FC 2025	FC 2026
MY CPO	4,089	4,200 ↑	4,200 →	4,100 ↓	4,200 ↑	4,218	4,300 ↑	4200 ↓

Note: Last updated on 4 November 2025. Forecasts (FC) are based on OCBC estimates. Price arrows are compared to previous period, i.e., 1Q26 average of MYR4,200/mt where ↑, ↓, and →, suggest higher, lower, and flat price from previous period (i.e. MYR4,200/mt in 4Q25). 2024 price is the average of daily closing prices. Source: MPOB, GAPKI, Intertek Testing Services, The Solvent Extractor's Association, CEIC, Bloomberg, OCBC.

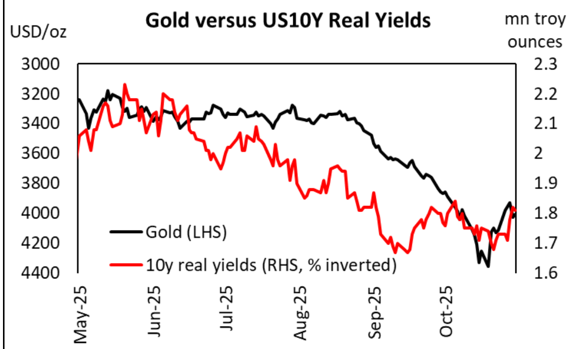
Commodity	Latest Developments and Outlook	Charts
Gold		

After a vertical run that saw prices surge over 30% from mid-August to above 4,300 (21 Oct) in record pace, gold has corrected back below 3,900 briefly and is hovering closer to 4,000. The retracement reflects both the unwinding of momentum-driven positioning and the re-pricing of macro-optimism as several short-term supports faded. The near-term pullback is consistent with what we highlighted in our 21 Oct FX Weekly — that *speculative sentiment and RSI readings were flashing overbought signals, while a double-top formation on the tick chart hinted at potential reversal risk. The confluence of stretched technicals and complacent positioning left gold vulnerable to profit-taking once catalysts turned less supportive*.

Indeed, several factors have surfaced to trigger this adjustment. First, optimism over renewed trade diplomacy between the US and key partners — China, Brazil, Japan — has tempered geopolitical risk premia, in turn reducing demand for safe-haven hedges. Second, US treasury yields have also edged higher in the lead-up to FOMC (30 Oct) while Fed Chair Powell subsequently struck a cautious tone - *a further reduction in the policy rate at the December meeting is not a foregone conclusion, far from it*. A firmer USD and rising nominal yields mechanically weigh on the opportunity cost of holding non-yielding assets such as gold.

Recent correction in prices of gold may have been sharp, but this also corresponds to the equally sharp rally we've seen. Nevertheless, the sharp pullback serves to restore healthier positioning and valuations. The medium-term drivers that underpin our constructive bias remain intact: Fed to continue to ease policy into 2026 with yields likely to trend lower overall, and central bank as well as institutional diversification demand continues. Gold's role as a portfolio hedge against fiscal and policy uncertainty remains undiminished, though short-term exuberance has clearly given way to consolidation. Given the breach of several key supports, we prefer to respect price action. If gold manages to consolidate in this range of 3,920 – 4,020, then it may set the stage for base-building before the next leg higher. But failure to hold here, could see another flush out of longs in the interim.

XAU last seen at 4,002 levels as of the 31 October close. Bearish momentum on daily chart intact though there are tentative signs of it fading while decline in RSI slowed. 2-way trades likely to take hold in the interim. Support at 3,970 (38.2% fibo), 3,820/45 levels (50 DMA, 50% fibo retracement of Aug low to Oct high). Resistance at 4,077 (21 DMA), 4,127 (23.6% fibo) and 4,200 levels.



Source: Bloomberg, OCBC.

Consolidation

Price forecast (End-period):

USD/oz	3 November Close	FC 4Q25	FC 1Q26	FC 2Q26	FC 3Q26	2024	FC 2025	FC 2026
Gold	4,001	4,060 ↑	4,110 ↑	4,170 ↑	4,210 ↑	2,625	4,060 ↑	4,230↑

Note: Last updated on 4 November 2025. Forecasts (FC) are based on OCBC estimates. Price arrows are compared to previous period, i.e., 1Q26 (end-period) of USD4,110/oz where ↑, ↓, and →, suggest higher, lower, and flat price from previous period. 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.

Commodity	Latest Developments and Outlook	Charts

Silver

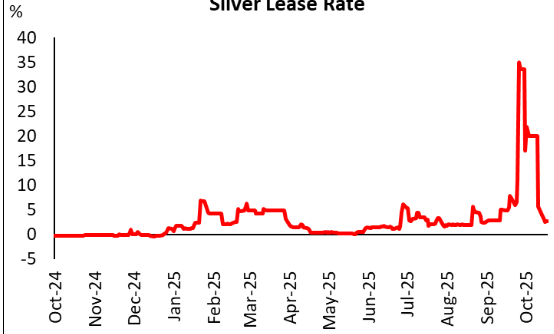
Silver surged to a high of near 55 at one point (17 Oct) before the sharp correction to below 46 briefly (28 Oct). The sharp run-up reflected a confluence of structural tightness, macro tailwinds, technical breakout momentum and spillover effect from gold prices. Market tightness had become severe. Silver lease rates have surged to near 35%, reflecting scarcity of deliverable metal and heightened competition for physical supply. Spot–futures spreads had flipped into steep backwardation, while London vault inventories was drawn down. ETF inflows have turned positive, while futures positioning shows speculative longs climbing to multi-month highs. The renewed participation has magnified price moves in a market already constrained by tight supply.

The subsequent 15% corrective pullback lower follows the sharp retreat in leasing rates, turnaround in market sentiment, and in part also due to the spillover effect from the sharp pullback seen in gold prices. Silver lease rates retreated sharply from historic high of near 35% to about 2.6% (end-Oct) as physical squeeze eased. According to various reports, *exchange and industry statistics show that the shortage of silver in London has been alleviated through cross-border shipments (with China and the US sending silver to London), leading to a decline in spot premiums and borrowing costs.*

We believe the correction helps to ease exuberance and restore better risk-reward valuations. We believe the fundamental backdrop remains constructive. Silver sits uniquely between the dual characteristics of precious and industrial demand dynamics. On one hand, its safe-haven appeal benefits from the same drivers lifting gold and on the other, sustained industrial demand from solar, EV and electronics sectors continues to underpin real consumption. With global growth still holding up and Fed easing expectations intact, the combination of tight supply, solid industrial usage and macro tailwinds places silver in a sweet spot within the commodities complex.

XAG last seen at 48.70 as of the 31 October close. Bearish momentum intact though there are signs of it fading while the rise in RSI moderated. Some consolidation in price action may take hold. Resistance at 49.60 (21 DMA), 50.22 (23.6% fibo retracement of Jul's run-up to Oct peak). Support at 47.60 (38.2% fibo), 45.50 (50 DMA, 50% fibo).

Silver Lease Rate



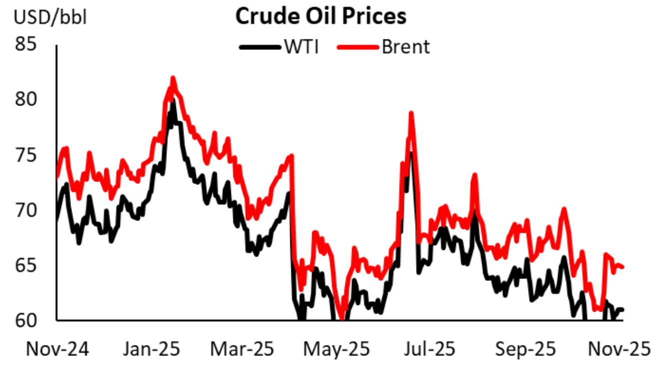
Source: Bloomberg, OCBC.

Consolidation: Buy on Dips

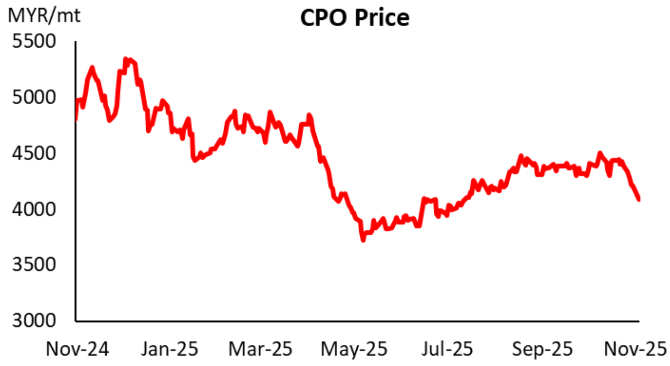
Price forecast (End-period):

USD/oz	3 November Close	FC 4Q25	FC 1Q26	FC 2Q26	FC 3Q26	2024	FC 2025	FC 2026
Silver	48.08	49.51 ↑	50.12 ↑	50.85 ↑	51.98 ↑	28.90	49.51 ↑	52.88 ↑

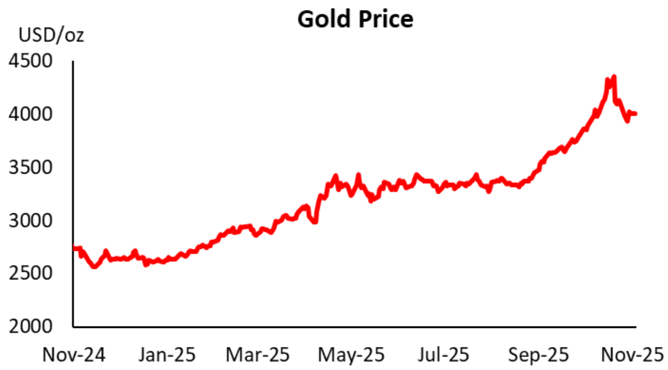
Note: Last updated on 4 November 2025. Forecasts (FC) are based on OCBC estimates. Price arrows are compared to previous period, i.e., 1Q26 (end-period) of USD50.12/oz where ↑, ↓, and →, suggest higher, lower, and flat price from previous period. These are not meant to serve as point forecast for the quarter-end but meant as trajectory bias of the currency pair. Source: Bloomberg, OCBC.



Source: Bloomberg.



Source: Bloomberg.



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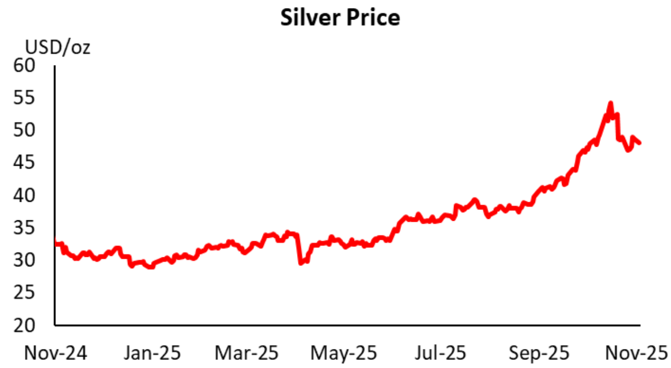

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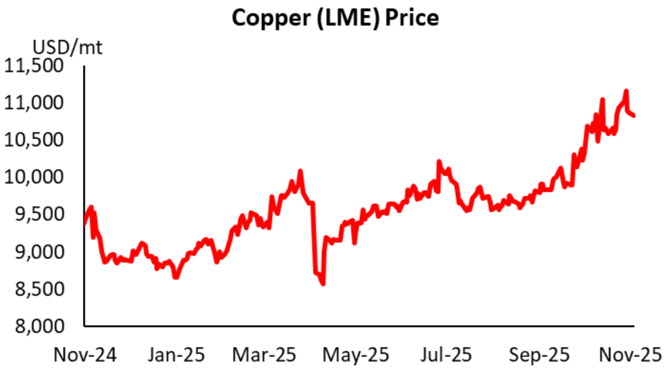

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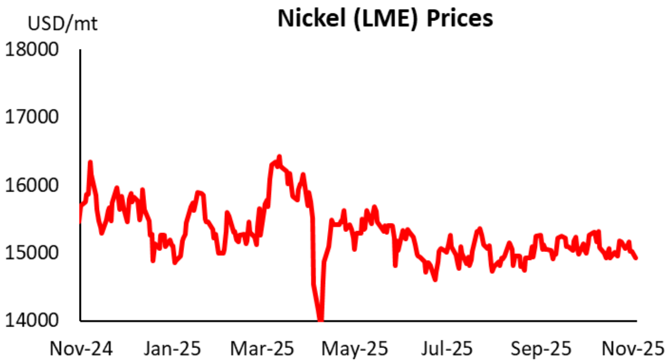

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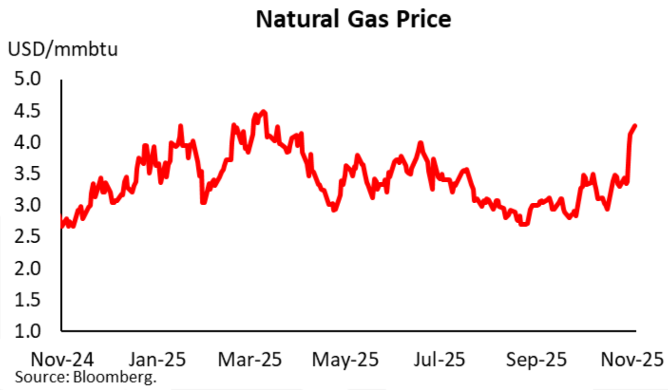

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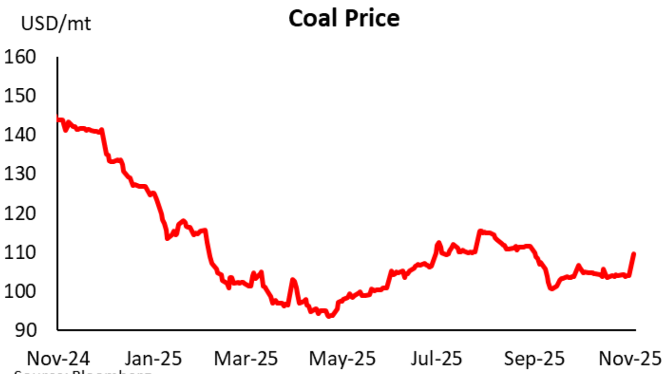

Source: Bloomberg.

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Last Updated: 4 November 2025

	Level (As of 4 Nov 25)	Δ 1W (%)	Δ 1M (%)	Δ YTD (%)	Bloomberg Ticker
Gold (USD/oz)	3984.2	0.8	0.6	51.8	*XAU Curncy*
Silver (USD/oz)	48.0	1.9	-1.2	65.9	*XAG Curncy*
US Dollar Index	99.9	1.1	2.2	-7.9	*DXY Curncy*
Brent (USD/bbl)	64.9	-1.1	0.6	-13.1	*CO1 Comdty*
WTI (USD/bbl)	61.0	1.3	0.1	-15.0	*CL1 Comdty*
Natural Gas (USD/MMBtu)	4.2	26.5	27.3	16.5	*NG1 Comdty*
Palm Oil (MYR/mt)	4090.0	-4.5	-7.0	-15.9	*KO1 Comdty*
Soybean Oil (USD/lb)	49.8	-1.8	0.8	25.3	*BO1 Comdty*
Rapeseed Oil (EUR/mt)	479.5	0.9	4.7	-6.2	*IJ1 Comdty*
Copper (USD/mt)	10829.3	-1.6	1.3	25.2	*LMCADY Comdty*
Nickel (USD/mt)	14930.5	-0.9	-2.1	-1.2	*LMNIDY Comdty*
Aluminium (USD/mt)	2897.9	0.7	7.1	14.7	*LMAHDY Comdty*
Coal (USD/mt)	109.6	5.1	4.4	-12.5	*XW1 Comdty*
Dry Baltic Index	1966.0	-0.5	3.4	97.2	*BDIY Index*

Source: Bloomberg. *Last Updated: 4 November 2025*

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