FLASH NEWS COMMODITIES

Back-to-School Blues for Commodities

Japan, October 6th, 2026 : The summer period saw a broad-based surge across commodity markets, with no exception. Escalating tensions in the Middle East, the return of El Niño, climate disruptions, and growing needs linked to the energy transition are driving simultaneous increases in energy, agricultural, and industrial metal prices.

"No commodity now appears immune to rising prices. Energy, metals, and agricultural products are all bearing the full brunt of geoeconomic disruptions and climate-related shocks. For now, there is little indication of a trend reversal before year-end... at the very least."

An Energy Crisis with a Sense of *Déjà Vu*

Following a relatively calm start to the summer, renewed U.S. and Iranian strikes, combined with Houthi attacks on Saudi Arabia, have reignited concerns over energy supply flows. Against a backdrop of low inventories, oil prices quickly resumed their upward trajectory (**Figure 1**). Brent crude has once again moved above USD 100 per barrel, a first since May 22. Refined products have posted even sharper increases (**+30%** for diesel and **+35%** for jet fuel compared with June), largely due to disruptions to refining capacity in the Black Sea, the Gulf, and Russia. **Coface is maintaining its forecast of an USD 85 per barrel oil price in 2026 for now.** However, the recent escalation has clearly shifted risks to the upside.

Figure 1. Energy commodities prices

(€/Mwh, $/b)

Source: Macrobond, ICE, EIA, Coface, Macrobond

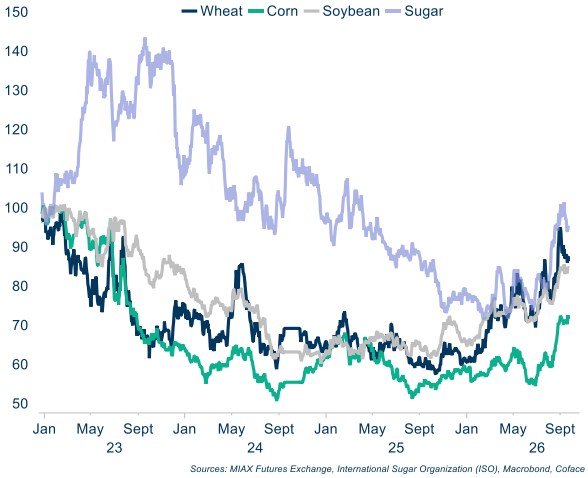
The same applies to natural gas. In Europe, prices have risen by **12%**, reaching their highest level since 2023 amid low inventories and intensifying competition for liquefied natural gas (LNG) cargoes. Summer heatwaves boosted cooling demand across Europe and Asia, while at the same time, low water levels in both regions significantly constrained hydroelectric and nuclear power generation.

Climate Pressure Mounts on Agricultural Markets

Agricultural commodities are also contributing to this broad-based price rally (**Figure 2**), driven by lower global harvests (**-2%** year-on-year) for major grains (wheat, corn, and rice), repeated heatwaves across Europe, and increasingly alarming prospects for 2027 as El Niño gains strength.

On a monthly basis, corn prices surged **20%**, followed by wheat (**+18%**) and sugar (**+11%**). Wheat prices are now up **50%** year-on-year, reflecting poor harvests across several major producing countries, including Argentina, the United States, and Australia. The situation is also concerning in Western Europe, which has been hit by successive heatwaves. In France, corn production could fall by **50%** this year, according to the latest figures from the Ministry of Agriculture.

Figure 2. Grains & soft commodities prices
(index, 100=01/2019)



Sources: MIAX Futures Exchange, International Sugar Organization (ISO), Macrobond, Coface

Over the longer term, the main risk lies in the intensification of El Niño, which could have a dual impact on global agriculture. It may weigh on harvests across a wide range of commodities, from rice and soybeans to palm oil and sugar. Pressure on grain markets could also gradually spread across the entire food value chain, particularly livestock sectors.

The Rally in Industrial Metals Looks Set to Continue

Copper, whose price recently reached a record high above **USD 14,000 per ton**, is leading to the rise in industrial metal prices. As highlighted in a recent Coface study, beyond short-term tensions, the market continues to be supported by strong structural fundamentals: inventory rebuilding in China, the electrification of the global economy, the rollout of energy infrastructure, and the expansion of data centers. The S&P Industrial Metals Index has risen by more than **3%** over the past month, supported by zinc (**+2%**) and copper (**+0.8%**). This is yet another signal that the current bullish cycle may prove long-lasting.

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