BERUBE CAPITAL LLC

Daily Commodities Brief

Gold's range, the Hormuz oil shock, copper's structural deficit, El Niño's ag footprint, and silver's paradox — the desk's daily read.

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Research Desk — Commodities & Macro
26 August 2026 · Nairobi / East Africa (UTC+03)

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01 Five Markets This Morning

Good morning. Here is the desk's read on the commodity complex as of this morning. Numbers are snapshots — where our feed is live we say so; where it is still wire-in-progress we label it indicative. Charts are illustrative composites from public sources (full source list on the final page).

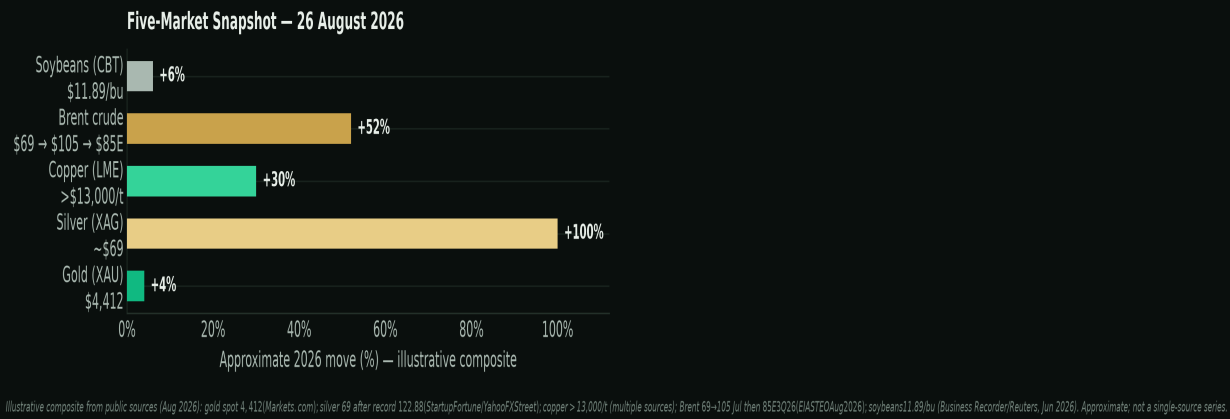

Figure 1 — Five-market snapshot, approximate 2026 move. Illustrative composite from public sources (Aug 2026). Not a single-source series; see caption on previous page and source list.

Live markets (from our data layer): Gold and silver. **Indicative / watchlist:** Oil, copper, natural gas, agriculture. The full data dashboard is on the Live Data page of the website.

02 Gold — Range-Bound at $4,412, Bias Neutral-to-Cautious

Spot gold printed **$4,411.77/oz** at 00:30 GMT on 11 August, after a year that produced a record near $5,595 and then a correction below $4,000. The metal has since recovered into the mid-$4,400s, but the daily RSI near 70 flags overbought conditions and the 50/100/200-day SMAs sit at $4,172 / $4,379 / $4,514 — a cluster gold is testing from below. *(Markets.com, Aug 10, 2026; CME Group Precious Metals Outlook 2026.)*

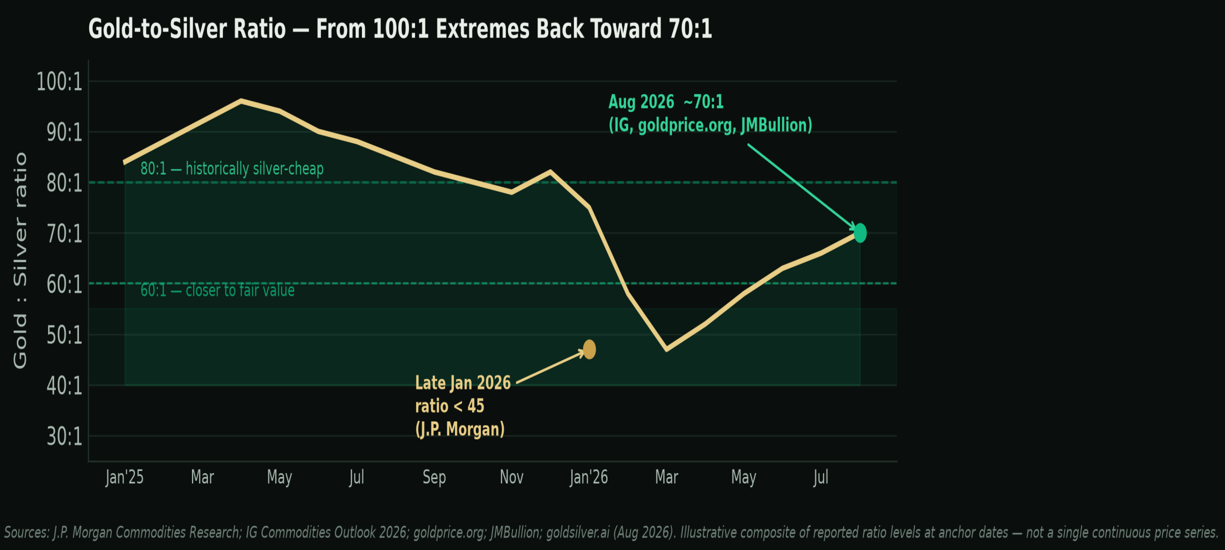

Figure 2 — Gold-to-silver ratio. Late January 2026 dipped below 45:1 (J.P. Morgan); as of late August 2026 it is ~70:1 (IG, goldprice.org, JMBullion, goldsilver.ai). Still low historically but elevated versus the 40–60 long-term average.

The structural story is intact. Central banks bought a net **244 tonnes** in Q1 2026, up 3% year-on-year and the fastest quarterly pace in over a year; **43%** of central banks now plan to increase gold reserves in 2026, up from 29% two years ago. *(World Gold Council Gold Demand Trends Q1 2026; J.P. Morgan projects ~800 t for 2026.)*

The dollar slid to three-month lows in late August and gold briefly broke above **$4,600**, its highest since mid-May, on falling confidence in US debt markets and a big change in yields. *(edgen.tech / Exchange Rates UK, Aug 2026.)*

The LBMA 28-analyst consensus puts the **2026 average near $4,742/oz**, with the survey range spanning roughly $3,450 to $6,300 — a $2,000+ spread that reflects genuine uncertainty. Major bank year-end targets cluster $4,500–$4,900: JPMorgan $4,500 (Q4 avg), Bank of America $4,360 (annual avg), HSBC $4,750 (year-end), Goldman Sachs $4,900 (Dec target), Reuters poll median $4,509. *(LBMA 2026 Forecast Survey; Markets.com; Reuters.)*

> **Desk view:** gold is in a consolidation phase within a secular bull market. The range $4,000–$4,600 is the current battlefield; mean-reversion entries work inside it but the stop structure matters. A close above $4,600 extends the bullish case toward $5,000; a break below $4,000 would reprice the entire outlook — the late-June dip below that level showed the drawdown risk is real. *(FORECAST — analyst survey means, not guarantees.)*

03 Oil — The Strait of Hormuz Shock, $85 Brent in 3Q26

This is the single biggest supply story in the complex right now. Following the June US–Iran memorandum, Brent fell as low as **$69/barrel** on 2 July. Renewed attacks on tankers transiting the Strait of Hormuz in late July reversed that — Brent reached **$105/b** on 23 July. The EIA's August STEO assumes severe Hormuz constraints through August with flows slowly increasing in September, raising shut-in production estimates further. *(EIA Short-Term Energy Outlook, Aug 11, 2026.)*

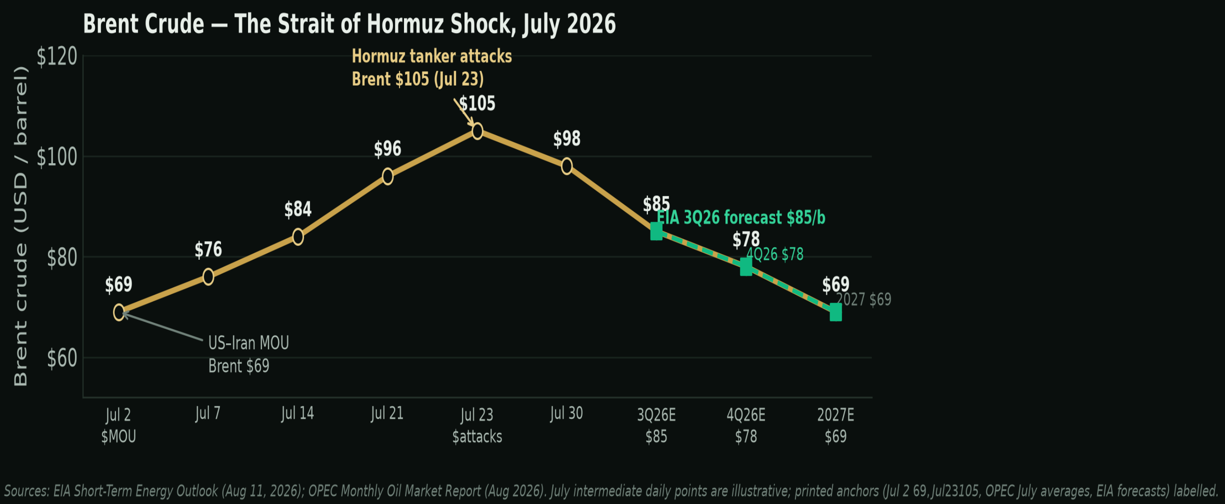

Figure 3 — Brent crude, July 2026. Intermediate daily points are illustrative; printed anchors (Jul 2 $69, Jul 23 $105) and EIA forecasts labelled. Source: EIA STEO (Aug 11, 2026); OPEC MOMR (Aug 2026).

The numbers: global oil inventories fell an average of **4.2 million b/d** in 2Q26 and are expected to fall an additional **3.8 million b/d** in 3Q26. The EIA forecasts Brent averaging **$85/b in 3Q26** ($11 higher than last month's forecast), falling to $78/b by 4Q26 and $69/b in 2027 as production recovers and inventories rebuild. Production shut-ins averaged **5.5 million b/d** in July. *(EIA STEO, Aug 2026.)*

The IEA is stancher: global oil supply is projected to fall by **4.3 million b/d** on average in 2026, with **8.3 million b/d** of Gulf output still shut in, and global observed oil inventories plunged 69 million barrels in July alone to below 7.9 billion barrels for the first time since April 2025. The projected 3Q26 deficit is **1.8 million b/d**, more than double the prior estimate. *(IEA Oil Market Report, Aug 2026.)*

OPEC's August MOMR shows the OPEC Reference Basket averaged **$82.99/b** in July, down $6.76/b month-on-month, with ICE Brent averaging $83.97/b and NYMEX WTI $79.22/b. OPEC forecasts global oil demand growth of **0.6 mb/d** in 2026 (revised slightly down) and **2.2 mb/d** in 2027. *(OPEC Monthly Oil Market Report, Aug 2026.)*

> **Desk view:** oil is supply-shock driven, not demand driven — and the inventory buffer is depleting fast. The EIA and IEA both see a deficit through 3Q26. The risk is asymmetric: if Hormuz reopens, prices fall sharply; if it stays closed or worsens, the inventory cushion is gone and prices go higher. Watch daily, not weekly. *(FORECAST — EIA/IEA scenario assumptions; if the Hormuz assumption changes, every oil number changes with it.)*

04 Copper — Structural Deficit, $12,075/t Base Case

Copper has transitioned from a cyclical industrial commodity to a strategic asset. Prices have exceeded **$13,000/tonne**, driven by electrification, AI data-center buildout, and a structural supply deficit. S&P; Global's January 2026 study calls the emerging copper supply gap a '*systemic risk for global industries, technological advancement and economic growth.*' *(S&P; Global, Jan 8, 2026.)*

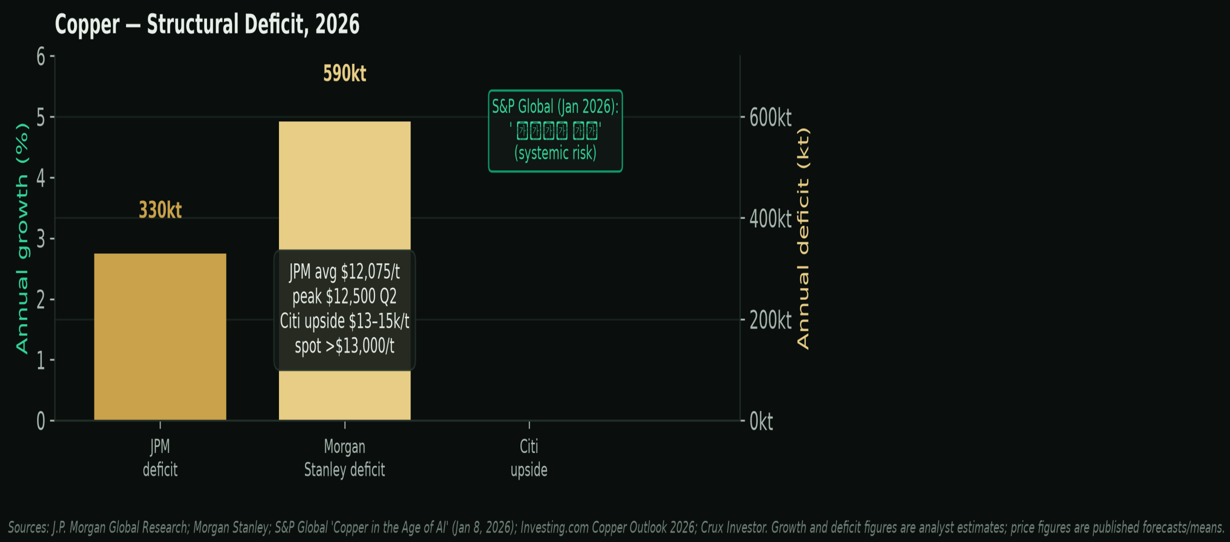

Figure 4 — Copper, 2026. Left: mine supply growth vs growth needed. Right: analyst deficit estimates (kt) and price signals. Sources: J.P. Morgan Global Research; Morgan Stanley; S&P; Global (Jan 8, 2026); Investing.com; Crux Investor. Growth and deficit figures are analyst estimates; price figures are published forecasts / means.

J.P. Morgan forecasts a refined copper deficit of around **330,000 tonnes** in 2026, with an average price near **$12,075/tonne** and a peak around **$12,500/tonne** in Q2. Citigroup sees copper potentially exceeding **$13,000/tonne** and approaching **$15,000/tonne** if supply shortages and low inventories persist. The global EV fleet is set to reach roughly **116 million** in 2026 — around 30% growth — and EVs use 3–4× more copper than traditional vehicles. Morgan Stanley forecasts a roughly **590,000-tonne** copper deficit in 2026, one of the largest in decades. *(J.P. Morgan, Citigroup, Morgan Stanley, Investing.com, Jan–Aug 2026.)*

The supply side is the binding constraint: mine supply growth is running around **2.3%** against **4–5%** needed, ore grades are declining, and new mine timelines run 15–16 years. Big-money institutional rotation into copper is accelerating — analysts describe it as 'the Energy Transition Engine in real-time.' *(Investing.com Copper Outlook 2026; multiple sell-side notes.)*

> **Desk view:** copper is a growth beta and a long-duration energy-transition play, not a hedge. Size it as you would an industrial-equity exposure. The base case is a structural deficit; the risk is China slowdown or faster-than-expected mine ramp. *(FORECAST — JPM avg $12,075/t, Citi upside $13–15k/t are analyst survey means, not realized prices.)*

05 Agriculture — Super El Niño, Citi Raises Corn/Soy/Wheat

A strengthening **Super El Niño** is the highest-conviction agricultural market risk heading into late 2026. Citi has raised its price forecasts for corn, soybeans and wheat specifically on this basis. *(Citi via Yahoo Finance, 2026.)* The historical pattern is clear: every strong El Niño in the past 55 years has reduced global cocoa production, and soft commodities have consistently been the strongest performers during El Niño episodes. *(IFA Magazine; WisdomTree, Jun 2026.)*

The regional map is asymmetric. South and Southeast Asia face hotter, drier conditions and weaker monsoons — negative for rice, sugar, palm oil, and coffee. **Australia** is expected to see planted wheat area fall sharply, with production potentially down approximately **9 million tonnes** in 2026/27. Southern Africa faces drought risk to livestock and maize. West Africa's variable rainfall and heat stress hits cocoa and coffee. **Argentina** is one of the few structural beneficiaries, with above-average rainfall typically supporting soybeans, corn and wheat. *(IFA Magazine; USDA; WisdomTree, 2026.)*

What makes 2026 different is the baseline: a warming climate that amplifies weather impacts, a geopolitical disruption that has already weakened the fertiliser supply chain, and biofuel demand competing more aggressively with food uses for the same underlying commodities. Soybeans and corn have been rising in step with higher oil prices as countries divert more agricultural commodities into biofuel production. India forecast an El Niño-weakened monsoon in 2026 that will bring the **lowest rainfall in 11 years**. *(Business Recorder/Reuters, Jun 1, 2026; AgroLatam, 2026.)*

Desk view: the investment case is not that every agricultural market rises — it is that the distribution of outcomes has shifted, and some risks may not yet be fully priced. Perennial crop deficits in cocoa and coffee appear increasingly structural rather than cyclical. Wheat and corn carry more resilient global inventory positions, but regional disruptions remain capable of generating significant volatility. *(Qualitative call — not a price forecast.)*

Yesterday's print (1 June 2026, CBOT):

Contract	Price	Change	Note
Soybeans (CBOT)	11.89 USD/bu	+0.2%	Higher oil supporting biofuel diversion
Corn (CBOT)	4.47 USD/bu	+0.1%	Tight energy supplies lifting feed demand
Wheat (CBOT)	6.12 USD/bu	+0.3%	Northern Hemisphere harvest pressure

Source: Business Recorder / Reuters, 1 June 2026. Print is historical; current futures prices on the Live Data dashboard are indicative.

06 Silver — The Paradox: Using Less, Still Falling Short

Silver is up roughly **100% in 2026** even after crashing from a record **$122.88/oz**, and closed near **$69/oz** recently — its third straight weekly gain, up about 6.5% over seven days and roughly 15% over the past month. *(Startup Fortune / Yahoo Finance / FXStreet, Aug 2026.)* J.P. Morgan forecasts silver reaching **$63/oz in Q4 2026**, averaging **$70/oz for the year** and $63/oz in 2027. *(J.P. Morgan Commodities Research.)*

Here is the paradox that defines the silver setup: solar-panel makers are **cutting silver out of their own products** to escape high prices. Silver now makes up an estimated **17–29% of the per-watt cost** of a photovoltaic module, up sharply from just 3% in 2023. PV-driven silver demand is forecast to fall **19% in 2026** to around **151 million ounces**, down from 186.6 million ounces in 2025. *(Metals Focus World Silver Survey 2026, via PV Magazine, Apr 15, 2026.)* Jewelry demand fell about 8% to 189.3 million ounces as fabricators rationed silver content. *(Startup Fortune / Silver Institute.)*

So the two industries that are supposed to be driving the shortage are actually shrinking their silver use. What fills the gap instead is **retail money** — investors are buying coins, bars, and silver-backed exchange-traded products in volumes large enough to overwhelm the pullback from solar and jewelry combined. The gold-to-silver ratio fell below 45 in late January but has since returned to around **70** — still low historically, but considerably higher than earlier in 2026. J.P. Morgan sees further normalization toward 70 over 2H 2026 and around 75 over 2027. *(J.P. Morgan; Startup Fortune.)*

The structural math underneath has not changed: global silver demand has climbed about **16% since 2017** while mine supply has grown only about **6%**, leaving a widening gap that six straight years of deficits have not closed. Silver carries an industrial demand story gold does not have — it is baked into circuit boards, EV components, and solar wiring — which makes it move harder in both directions when sentiment shifts. BlackRock notes that solar photovoltaic technology accounted for nearly **29% of total silver industrial demand in 2024**, up from about 11% in 2014. *(Startup Fortune; BlackRock Gold & Silver Volatility report; Silver Institute; Metals Focus.)*

> **Desk view:** silver remains a high-beta play on gold with a structural deficit and a dual monetary/industrial DNA. The ratio at 70:1 is closer to fair value than the 80–102 extremes of 2025, but it is still elevated versus the 40–60 long-term average. The risk is that copper substitution and thrifting arrive faster than expected; the offset is that the physical deficit is so tight the market stays short even as PV demand falls. *(FORECAST — JPM $63–70/oz are analyst survey means; the ratio level is a snapshot.)*

07 Where the Asymmetry Sits — Today's Desk Call

Mapping the research to action. Vehicles noted are illustrative instrument types, not product recommendations; size to risk tolerance and use the relative-value expressions where available.

Market	Direction	Why	How to express	Timeframe
Gold (XAU)	Neutral / range-play	$4,412, RSI ~70, testing 50/100/200 SMA cluster; secular bull intact but near-term overbought.[3][5]	Mean-reversion entries inside $4,000–$4,600; watch $4,600 close for bullish extension	Days–weeks
Oil (Brent)	Elevated / supply-shock long bias	Hormuz closed through Aug; inventories drawing 3.8 mb/d in 3Q26; EIA $85/b, IEA deficit 1.8 mb/d.[7][8]	Long bias with tight stops; asymmetric — Hormuz reopen = sharp fall, stay closed = higher	Days–weeks; reassess on Hormuz news
Copper (LME)	Structural long	330k–590k t deficit 2026; EV fleet +30%; S&P; Global 'systemic risk'.[10][11]	Long, sized as industrial-equity beta; base case $12,075/t, Citi $13–15k/t upside.[10]	Months–years
Agriculture	Selective long / volatility	Super El Niño; Citi raised corn/soy/wheat; Australia wheat –9mt; India monsoon lowest in 11 yrs.[12][13][14]	Long soft commodities (coffee/cocoa/sugar) on structural deficit; grains on regional disruption risk	Weeks–months
Silver (XAG)	Constructive / ratio watch	Structural deficit; PV demand –19% but retail filling gap; ratio 70:1 vs 40–60 avg.[15][16][17]	Long silver vs gold when ratio >75; watch copper substitution risk	Months

How to express (instrument map)

- **Futures (CME/COMEX):** GC, SI, CL, HG — deep liquidity; short side is frictionless (no borrow fee).
- **ETFs:** GLD/IAU, SLV, CFTC-regulated oil/energy ETFs, copper via CPER or miners (FCX).
- **Ratio / spread trades:** execute as paired futures (e.g. long SI / short GC) to isolate the relative-value view and cut directional beta.

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08 Risks, Caveats & Sources

Key risk notes

- **Forecast dispersion.** LBMA 2026 gold forecasts span ~$3,450 to $6,300 — a $2,000+ range. All forward figures here are analyst-survey means or scenarios, not point estimates. *[5]*
- **Oil is a news-driven market this week.** The EIA/IEA forecasts assume Hormuz constraints persist through August with gradual reopening — if that assumption changes, every oil number changes with it.
- **Indicative data.** Copper, oil, natural gas and agriculture prices are from public sources and the desk's indicative feed — labelled as such. Gold and silver are live from our data layer.
- **Silver paradox.** The bull case rests on the structural deficit, not on PV demand growth — PV demand is actually falling. If copper substitution accelerates, the deficit narrows. *[17]*
- **Not advice.** This brief is general commentary and does not constitute investment, legal or tax advice. Views reflect the desk's opinion at the time of writing and may change without notice. Past performance is not indicative of future results.

Sources

EIA Short-Term Energy Outlook (Aug 11, 2026, https://www.eia.gov/outlooks/steo/report/global_oil.php); IEA Oil Market Report (Aug 2026, https://www.iea.org/reports/oil-market-report-august-2026); OPEC Monthly Oil Market Report (Aug 2026, https://publications.opec.org/momr); Markets.com — Gold Price Forecast 2026 (Aug 10, 2026, https://markets.com/analysis/gold-price-forecast-2026); World Gold Council — Gold Demand Trends Q1 2026 (https://www.gold.org/goldhub/research/gold-demand-trends/gold-demand-trends-q1-2026); CME Group — Precious Metals Outlook 2026 (https://www.cmegroup.com/articles/2026/precious-metals-outlook-2026-market-dynamics-following-a-record-breaking-year.html); IG — Commodities Outlook 2026 (https://www.ig.com/en/news-and-trade-ideas/commodities-market-outlook-for-2026-251212); Metals Focus — World Silver Survey 2026 (via PV Magazine, Apr 15, 2026, https://now.solar/2026/04/15/silver-demand-from-pv-industry-expected-to-drop-19-this-year-pv-magazine-international); J.P. Morgan — Silver Price Forecast for 2026 and 2027 (https://jpmorgan.com/insights/global-research/commodities/silver-prices); BlackRock — Gold & Silver: Prices, Volatility, What's Next (https://www.blackrock.com/us/financial-professionals/insights/gold-silver-prices-volatility); S&P; Global — 'Substantial Shortfall in Copper Supply Widens…' (Jan 8, 2026, https://press.spglobal.com/2026-01-08-Substantial-Shortfall-in-Copper-Supply-Widens-as-the-Race-for-AI-and-Growing-Defense-Spending-Add-to-Accelerating-Demand,-New-S-P-Global-Study-Finds); Investing.com — Copper Outlook 2026 (https://www.investing.com/analysis/copper-outlook-2026-institutional-rotation-supply-deficits-technical-analysis-200673451); Startup Fortune — Silver Doubles in 2026 as Solar Makers Cut It Out and Retail Buyers Pile In (https://startupfortune.com/silver-doubles-in-2026-as-solar-makers-cut-it-out-and-retail-buyers-pile-in); IFA Magazine — What El Niño Means for Agricultural Commodities in 2026 (https://ifamagazine.com/what-el-nino-means-for-agricultural-commodities-in-2026); Citi — raises corn, soybean and wheat price targets (via Yahoo Finance, 2026); Business Recorder / Reuters — Soybeans, corn rise in step with higher oil prices (Jun 1, 2026, https://www.brecorder.com/news/40423410).

Prices are published averages, analyst survey means, or spot prints as noted; returns are calendar-year totals or period changes as stated by each source. Figures labelled FORECAST are consensus survey means or scenario assumptions, not realized prices. The desk's own live and indicative prices are on the website Live Data page.

BERUBE CAPITAL LLC — Commodities & Macro Research · Nairobi · 26 August 2026