



GLOBAL X INSIGHTS

Monthly Commodities Tracker: May 2025

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The Global X Research Team is pleased to announce the release of its Monthly Commodities Tracker. This commentary covers key takeaways for an array of commodities, from base and precious metals to uranium, copper, precious metals, and disruptive materials that are powering next-generation technologies. Click the banner below to access the chart packs for all the listed commodities.

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Commodities Tracker



Nuclear Energy and Uranium

Policy momentum drove uranium investments in May, with double-barreled U.S. policy actions in the form of a tax bill and multiple executive orders. Meanwhile, Europe pivots away from its anti-nuclear agenda.

Policy tailwinds drove sector performance in May. On May 23rd, the U.S. executive branch signed four executive orders aiming to “re-establish the U.S. as the global leader in the nuclear industry,” with the stated goal to quadruple U.S. nuclear capacity within 25 years.¹ Taken together, the acts collectively have the potential to reform the regulatory burden surrounding the U.S. nuclear industry, codify federal support for experimental reactors, and foster domestic uranium supply chains. The executive actions were received favorably by markets, triggering strong sector momentum through month’s end.

Simultaneously, the U.S. House of Representatives passed the “One Big Beautiful Bill Act” in the prior week by a single vote, progressing the bill to Senate for debate.² While the bill remains subject to revisions, it contains provisions that extend Biden-era tax credits that were particularly beneficial for the U.S. nuclear power industry.³ In general, these provisions revised the phase-out of specific clean energy tax credits through the end of 2031, benefiting names involved in the development of experimental reactors.⁴

In an about face to decades of anti-nuclear policy, European governments are reconsidering nuclear energy’s role in the energy transition, with notable pivots in Italy, Germany, and Belgium.⁵ Most recently, a major power outage in Spain prompted renewed debate over the country’s planned nuclear phase-out. Several Spanish political groups raised concerns on the country’s planned 2035 phase-out timeline, citing concerns over energy security and energy market volatility.⁶ Collectively, we think the Spanish outage, coupled with German grid complications back in November, highlight the reality of shifting attitudes in the Eurozone and underscore nuclear power’s contribution to energy security.⁷

In summary, the nuclear power sector appears to have caught a bid from policy tailwinds, with nuclear technology companies and firms most linked to U.S. uranium supply chains capturing most of the short-term positive price impact. We think there’s potential for uranium miners to drive a next leg of the rally, particularly if uranium prices maintain their positive price trajectory. We’re also optimistic about the sector’s trajectory given recent policy momentum, which we think could expedite the deployment of next generation reactors.

Base Metals and Copper

Copper markets continue to play a balancing game between tariff uncertainty and hope for negotiations; unresolved trade policies continue to feed price arbitrage between global copper exchanges.

Copper markets experienced initial optimism following a May agreement to slash bilateral tariffs to 10% for a period of 90 days.⁸ However, price activity remained volatile, as a continued slowdown in Chinese copper demand counteracted tight physical markets. Chinese manufacturing activity contracted for a second consecutive month while the U.S. and China traded accusations of violating trade agreements, leading to renewed trade tensions.⁹



Tariff front-running persisted through May, depleting copper inventories in Shanghai and at the London Metal Exchange (LME), while COMEX (CME) inventories in the U.S. rose. This catapulted COMEX copper price premiums to near-double digit levels, as traders attempted to get ahead of the expected Section 232 copper tariffs.¹⁰ Copper stocks in LME warehouses have fallen nearly 60% since February while US copper imports have surged to nearly twice their February levels by the third week of May.¹¹ Trade frictions continue to fuel regional mismatches in copper supply, with CME warehouse stocks reaching their highest level since 2018.¹²

Copper positioning grew increasingly bullish in late May, as a doubling of steel and aluminum levies reignited fears of tightening regional supply risks.¹³ Additional trade uncertainty was introduced through the U.S. Court of International Trade's tariff ruling against blanket tariffs in late May, which was subsequently put on hold by a U.S. appeals court.¹⁴ Although the matter remains pending, the judicial uncertainty boosted bets that commodity-specific levies under Section 232 of the Trade Expansion Act of 1962 could become the administration's preferred tariff lever, should other levies be ruled unworkable.¹⁵

Overall, the global copper market continues to balance structural trends like electrification and infrastructure against manufacturing and policy headwinds. We think copper is likely to experience ongoing volatility tied to global trade policies despite favorable long-term fundamentals. However, we're cautiously optimistic on the medium-term outlook, as copper price forecasts suggest it trades slightly above 2024's average even as supplies of copper concentrate remain constrained and prices have not sufficiently incentivized miners to pursue major new expansions; we think this could provide long-term investors with an interesting setup.

Gold and Silver

Precious metals continue to be supported by an underlying base of continued central bank buying, even as tertiary tailwinds from haven demand and dollar diversification contribute to the next leg up.

Gold experienced choppy trading in May as it retraced some of its positive price momentum from the month prior, with fears of trade-related headwinds subsiding amid announcements of a temporary tariff reprieve. Meanwhile, silver recovered from its April volatility, as electronics received exemptions from tariffs on Chinese imports, although it continues to lag gold due to ongoing slowdown risks.¹⁶ The gold-to-silver ratio remains near 95, arguably signifying a continued relative value opportunity in silver.

Persistent central bank buying of gold, particularly from the People's Bank of China (PBOC), remains the underlying structural theme driving gold prices higher.¹⁷ However, additional demand for safe-haven assets may also provide fodder for the next leg of the rally, particularly if fears of a slowdown are increasingly confirmed by the macro data or we see continued deterioration in diplomatic or trade negotiations. Further questioning of U.S. exceptionalism, which led to outflows from U.S. Treasury bonds, could also result in inflows into gold.

Although the price action remains largely path dependent, we're cautiously optimistic on the trajectory of gold and silver for the second half of the year, given the confluence of political, inflationary, and de-dollarization risks that continue to dominate investor concerns. The recent pause in momentum represents a healthy consolidation period, as a potential easing in U.S.-China trade tensions may have reduced immediate safe-haven interest for gold, even as hopes for the potential return of trade normalcies may boost optimism for silver. We think delayed inflationary effects and latent slowdown risks remain potential catalysts for a continued rally in precious metals.

Oil and Gas

Despite headwinds in the outlook for global crude oil consumption, prices may have entered a new short-term equilibrium. Meanwhile, natural gas maintained its strong momentum, particularly in the United States where rising production is fueled by growing liquified natural gas (LNG) exports.

Fears surrounding global consumption growth for crude oil weighed heavily on sentiment in early April, however tight inventories and a potential easing in trade tensions helped cushion the downside.¹⁸ The U.S. Energy Information Administration reported a drop in U.S. crude production to 13.37 million barrels per day (mb/d) in early May, its lowest level since January, which coincided with a 9% year-over-year decline in rig count, according to Baker Hughes, signaling the supply side response to falling price forecasts. Meanwhile, OPEC+ announced plans to increase production by 411,000 b/d from July, marking its third consecutive agreement to raise output this year, as the organization persists in its efforts to unwind voluntary cuts.¹⁹

Despite the negative outlook for crude, oil prices have maintained a generally stable trading range between \$55-\$65 per barrel (WTI) in the aftermath of April's volatility. Heightened geopolitical risks in Russia, exhibited in late May following Ukraine's surprise offensive against Russian military infrastructure and wildfires in Alberta that effectively shut-in nearly 7% of Canadian national production capacity, added further support to global crude prices.²⁰ We also highlight that crude oil inventories remain near the bottom of their five-year average. Amidst the mix of supply-side impacts, stable near-term price activity suggests that near-term oil demand remains healthier than headlines convey. A recent survey from 28 banks indicated that underlying supply-demand fundamentals are expected to rebalance overtime, potentially reaching a new equilibrium of \$58.30/barrel for the remainder of 2025.²¹

While acknowledging the weaker medium-term outlook for crude oil markets, the fundamental setup for natural gas remains positive and clearer. The United States continues to grow its exports to meet global demand, having increased natural gas exports in every year since 2016, and accounting for over half of all EU and British LNG imports in 2025.²² On the supply side, the U.S. Department of Energy issued non-FTA (Free Trade Agreement) export authorization to Port Arthur LNG Phase 2, paving the way for another ~13.5 million tons per annum (Mtpa) of additional liquefaction capacity over the coming years.²³ Meanwhile, both Plaquemines Phase 2 and Train 1 of Golden Pass LNG remain on deck and may be on track for start-up as early as yearend.²⁴



Critical Minerals, Battery Tech & Lithium

Although federal policy incentives for electric vehicles (EVs) have weakened in the United States, the energy transition continues largely unabated overseas. Global EV sales are forecast to remain robust through the long term, contributing to continued policy focus on critical minerals.

The ongoing electrification of the transport sector remained a growing demand source for lithium, nickel, and other critical minerals over the month. While federal EV tax credits continued to face an uncertain future within the United States, EV momentum remained relatively strong overseas. In particular, China posted strong domestic sales numbers in April, selling 905,000 battery electric and plug-in hybrid EVs, up 32% YoY.²⁵ China also exported as many as 200,000 units, a marked 76% surge YoY.²⁶ Major European auto markets including Germany, the UK, Sweden, and the Netherlands also recorded double-digit YoY growth for April EV sales.²⁷ China also continued to differentiate its advances in battery technology, with battery giant CATL unveiling its second generation Shenxing Superfast Charging Battery in April, capable of reaching an 80% charge within 15 minutes.²⁸

Focusing in on lithium, weakened sentiment throughout the EV value chain, resulting from global trade uncertainties and ongoing EV policy shifts within the U.S., continued to impact short-term lithium demand outlooks and led to further price declines. The Benchmark Lithium Price Index declined 3.7% in May, driven by a decrease in chemicals prices across all regions.²⁹ However, the pullback in production and expansion plans from many major miners over the past several quarters continued to create longer-term supply risks.³⁰ Forecasts suggest that annual lithium mining output will need to increase from just over 1 million tonnes in 2024 to between 2.5 and 3.3 million tonnes by 2030.^{31,32} By the mid-2030s, the lithium market could face a shortfall of 572,000 tonnes.³³ This means that a lithium shortage could return by the start of the next decade, which could support higher lithium prices and potentially lead to another lithium price rally.

Given the long-term outlook, governments continued to demonstrate urgency in securing supply chains for critical battery inputs. In May, the U.S. and Ukraine agreed to a Reconstruction Investment Fund that channels royalties into the joint development of natural resource projects.³⁴ Previously in April, Australia announced its formation of a \$1.2 billion Critical Minerals Strategic Reserve, expected to be operational in the second half of 2026.³⁵ Taken together, we think such actions may signal increasing stockpiling and diversification efforts for critical mineral supply chains on a global scale, particularly as geopolitical risks continue to compound.

At the company level, Rio Tinto, which snapped up U.S. lithium producer Arcadium for \$6.7 billion earlier this year, partnered with Chilean state entities on two projects in May. Both of these actions were largely "consistent with the firm's belief in the long-term outlook for lithium," and we think illustrate the opportunities rife in this market as prime assets become available at substantial discounts.³⁶

Footnotes

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Glossary

Gold-to-Silver Ratio: The gold-to-silver ratio measures the price of gold divided by the price of silver, providing a relative value of the two precious metals. An elevated reading may indicate a potential undervaluation of silver relative to gold.

LNG: Liquefied Natural Gas. Natural gas that has been cooled to liquid form for ease of storage and transport.

Tariff front-running: A trading strategy where investors position themselves in anticipation of expected tariff implementations, attempting to profit from price movements that may occur when new trade policies take effect. COMEX copper price premiums refer to the price differences or spreads between copper prices on the COMEX exchange compared to other commodity exchanges. Section 232 copper tariffs refer to trade restrictions imposed under Section 232 of the Trade Expansion Act of 1962, which allows the U.S. government to impose tariffs on imports deemed to threaten national security.

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