



GLOBAL X INSIGHTS

Monthly Commodities Tracker: April 2025

Global X Research Team

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Topic: **Commodities**

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, lithium, and other 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

A global convergence of tech giants, state policy, and small modular reactor (SMR) development is reshaping the uranium narrative, even as geopolitical friction and domestic policy shifts add layers of complexity.

Momentum behind nuclear energy continues to build as policymakers, companies, and research institutions coalesce around the sector's central role in energy security and decarbonization. A landmark pledge by Google, Amazon, and Meta to triple global nuclear capacity by 2050 signals growing alignment between technological ambition and energy policy.¹ This corporate-led initiative underlines a broader shift, one where private capital and strategic interests are increasingly entwined with the future of nuclear energy.

In Asia, China's nuclear program advances steadily. The successful testing and delivery of the primary pump for the ACP100 SMR demonstration project at Hainan marks tangible progress in the country's SMR roadmap.² Meanwhile, India appears to be preparing for a broader opening of its nuclear sector. Recent parliamentary remarks by India's Minister of State suggest that amendments to both the Atomic Energy Act and the Civil Liability for Nuclear Damage Act are on the table, which could facilitate private sector participation in nuclear infrastructure in India, a potentially transformative policy shift.³

Cross-border collaboration is also gaining ground. The U.S. Department of Energy's approval of technology transfers to India for Holtec's SMR-300 reactor demonstrates Washington's intent to deepen nuclear ties with emerging partners while counterbalancing geopolitical risk.⁴ Poland has also advanced decisively, with President Andrzej Duda signing legislation to allocate PLN60.2 billion (USD15.5 billion) towards the country's first nuclear power station.⁵ A new engineering agreement between Poland's national nuclear company and the Westinghouse-Bechtel consortium further cements the project's trajectory.⁶

Canada, too, has made significant strides. Regulatory approval for Ontario Power Generation to construct a BWRX-300 SMR reinforces Canada's commitment to first-of-a-kind deployment. In the U.S., research initiatives are picking up pace. NANO Nuclear Energy's partnership with the University of Illinois Urbana-Champaign to deploy the KRONOS micro modular reactor could be a bellwether for commercializing microreactors in institutional and campus environments.

However, headwinds appear likely to remain in the short term. In North America, procurement hesitancy by U.S. utilities—prompted by trade tensions and uncertainty over potential uranium tariffs—has dampened activity.⁷ President Trump's broader executive order to boost domestic uranium output aims to address supply-side vulnerability but may further complicate market expectations in the near term.⁸ The Energy Information Administration noted a surge in U.S. uranium production in late 2024 which, while positive for supply security, could soften spot pricing depending on contracting behavior.⁹

Elsewhere, tech sector developments have raised questions. Reports of Microsoft cancelling data center projects in several countries, including the U.S. and U.K., have raised questions around the demand for data centers.¹⁰ Still, overall, the uranium market continues to appear driven by supportive long-term policy alignment and capital formation—both public and private.

Base Metals and Copper

Trade tensions and U.S. tariffs present risks to copper's near-term stability, but the long-term outlook for the copper market remains resilient

Copper's outlook remains generally positive, driven by expected fundamental tightness, though U.S. tariffs may present potential challenges.¹¹ These tariffs could be seen as part of a broader strategy to counter China's dominance in global commodities markets.¹²



Ongoing global trade tensions and weaker growth expectations might weigh on copper demand, particularly as the U.S. tariff increase could diminish China's ability to import copper and other dollar-denominated raw materials.¹³

As China is the world's largest copper consumer, its potentially reduced purchasing power could lead to a dip in demand.¹⁴ However, the U.S. has recently excluded key metals, including copper and gold, from new reciprocal tariffs, which may help reduce some of the price dislocation seen in the copper markets, for example, between LME and COMEX.¹⁵ This move could provide some relief for U.S. buyers and signals a more cautious approach toward commodities crucial for the U.S., such as copper.¹⁶

Still, uncertainty appears to remain in copper markets amid U.S. tariff announcements and, particularly, regarding China's reaction function to further increased and more aggressive-than-expected tariffs on its exports to the U.S.¹⁷ While these factors put near-term pressure on copper prices, broader economic actions, such as potential Fed interest rate cuts and China and European easing, might soften the blow and eventually help stabilize growth and demand.¹⁸

Moreover, China's refined copper imports rose 2.7% month-over-month and 14.4% year-over-year in February 2025, signaling a rebound in demand after a previous slowdown.¹⁹ These positive demand signals are also supported by the International Copper Study Group, which reported a supply deficit of 19,900 metric tons in January 2025, slightly narrowing from the prior month's 22,000 metric ton deficit.²⁰

Gold and Silver

Despite short-term headwinds, precious metals' role as a hedge against economic and geopolitical uncertainty should continue to support their value in the long run.

Markets continue to favor haven assets such as gold and silver amid geopolitical tensions, particularly with U.S. tariffs, which have contributed to a significant weakening of the dollar and increased concerns about global instability. This is further evidenced by record gold investments in China, with retail investors pouring billions into gold-backed exchange-traded funds (ETFs) amid rising trade tensions.²¹ Additionally, fears of stagflation in the U.S., where inflation risks are rising while economic growth slows, have made gold and silver more attractive as inflation hedges.²² Central banks, including China, Russia, and the Czech Republic, have also been accumulating gold, signaling confidence in its long-term value as a store of wealth.^{23,24,25} In particular, the People's Bank of China continued its five-month streak of adding gold to reserves in March, bolstering its position in the precious metal as a safe haven asset.²⁶

However, in times of financial stress, investors may sell gold to meet margin calls or to fill gaps in their equity portfolios, especially after its significant gains earlier this year.²⁷ This could explain short-term pullbacks in gold prices. Additionally, after a historic rally, gold's vulnerability to profit-taking is high.

At the same time, along with gold being exempt from U.S. tariffs, recent increases in the amount of gold stored in London vaults suggest some stabilization in demand amid the unwinding of a large arbitrage trade where gold had been moved to the U.S.^{29,30}

Oil and Gas

Oil market fundamentals continue to signal a more bearish outlook, as tariffs, subdued demand, geopolitical uncertainty, and rising OPEC+ supply weigh on global prices. Natural gas markets are also impacted from the ongoing trade escalations driven by concerns about global economic growth.

Worries of a global economic slowdown and that demand for oil and other commodities could be throttled by the trade turmoil appear to continue.

On the supply side, OPEC, the key player in balancing global oil supply, continues to impact the market. In a surprise announcement on April 3rd, the group said that it would add more than 400,000 barrels per day back into the global market by next month, a supply boost three times larger than previously signaled.³¹ The extra output from May will come on top of an increase from OPEC this month as it begins to unwind some of its production curbs imposed in 2022.³² It also plans additional small increments in coming months. Just days after this announcement, Saudi Arabia's state producer, Saudi Aramco, announced it will lower its Arab Light crude prices to its biggest buyers in Asia by \$2.30 a barrel for May, adding additional price pressures.³³ The increasing output and pricing cuts could continue to put further downward pressure on oil prices, combined with potential global demand softening.

Trump administration policies continue to inject uncertainty into the oil market. On one hand, U.S. Treasury Secretary Scott Bessent announced the administration's goal to increase domestic oil and gas production by three million barrels per day by 2028, potentially contributing to an oil surplus.³⁴ On the other hand, some measures could tighten the markets. One such move was the imposition of a 25% secondary tariff on countries purchasing oil or gas from Venezuela.³⁵ Additionally, the administration has sanctioned Iran's oil minister and expanded measures against companies and vessels linked to Tehran's so-called "shadow fleet" used to bypass existing sanctions.³⁶

Natural gas markets are also impacted by ongoing trade escalations, driven by concerns about global economic growth. However, with increasing LNG exports and competition for physical gas storage during the summer, natural gas markets are likely to remain tight.³⁷

Indeed, under Trump's leadership, the U.S. LNG export capacity, already the world's largest, is expected to grow 60%.³⁸ The U.S. Energy Information Administration projects a 15% increase in LNG exports in 2025, reaching nearly 14 billion cubic feet per day as new liquefaction facilities in Louisiana and Texas come online.³⁹

Europe is grappling with its own challenges. A power outage on April 3rd at Equinor's Kollsnes gas processing plant in Norway led to a reduction of 39 million cubic meters in gas processing, disrupting natural gas exports to Europe and underscoring vulnerabilities in the region's supply infrastructure.⁴⁰ European storage levels are currently at 35% full, well below the five-year average of 45% for this time of year.⁴¹ Indeed, Europe may need an additional 250 LNG cargoes, at a cost of approximately \$11 billion, to replenish its gas reserves before winter.⁴²



Critical Minerals, Battery Tech, and Lithium

China's strategic stockpiling, surging EV sales, and rising state control over cobalt exports underscore the mounting urgency to secure critical mineral flows amid expanding global competition.

The strategic significance of battery metals continues to intensify, with China asserting its influence. Plans to add cobalt, copper, nickel, and lithium to its national reserves represent a calculated move to buffer its industrial economy against global volatility.⁴³ By doing so, Beijing underscores its long-term focus on securing upstream material supply in the face of growing geopolitical fragmentation and energy transition demands.

Chinese electric vehicle (EV) manufacturers are also moving at pace. BYD, now a global bellwether in EV production, posted a 39% year-on-year jump in Q1 sales, reaching more than 416,000 units.⁴⁴ Xiaomi could also expand its second EV factory in Beijing to support its 350,000-unit annual delivery goal, evidence of China's accelerating vertical integration across technology and transport.⁴⁵

Battery innovation continues to be a focal point for infrastructure growth. Nio and CATL's deepening collaboration reflect a maturing ecosystem in China's EV market. CATL's Choco-swap technology will now be embedded into new Firefly-branded Nio models, and the battery giant will invest up to US\$345.6 million in Nio's operations.⁴⁶ Given the involvement of CATL, the largest battery manufacturer in the world, battery swapping could emerge as a solution to range anxiety and ultimately increase demand for EVs and consequently batteries.

At the same time, supply-side discipline is tightening. The Democratic Republic of Congo, home to roughly 70% of the world's cobalt production, may extend its four-month export ban in response to recent price declines.⁴⁷ While framed as a response to market volatility, the move likely serves dual purposes—propping up prices while asserting national control over strategic exports.

Europe and the U.S. are reacting in kind. The EU has launched the OPTIMINER project in Chile, a move that deepens bilateral ties with a critical lithium supplier and supports the region's critical raw minerals (CRM) strategy. Yet, such initiatives remain nascent. Meanwhile, President Trump's executive order to boost domestic mineral output reflects a broader "resource nationalism" agenda.⁴⁸ Though ambitious, its real impact depends on whether permitting reform can keep pace with exploration and development needs.

On the institutional front, financial infrastructure is adapting. The London Metal Exchange's nearly £9.2 million fine over its handling of the 2022 nickel crisis highlights the continued scrutiny facing metal markets.⁴⁹ The Intercontinental Exchange's upcoming launch of battery metals derivatives in London later this year, could help provide much-needed hedging tools and transparency.⁵⁰

At the same time, risks of oversupply appear to remain for lithium. Russia's plan to produce 60,000 metric tons of lithium by 2030 signals its intention to reduce dependency on Western mineral supply chains.⁵¹ Meanwhile, renewed U.S. engagement in Congo, led by Trump's Africa adviser, adds yet another variable to an already complex geopolitical equation.⁵²

As governments and corporations race to secure critical minerals, market participants will need to navigate overlapping priorities—strategic autonomy, technological innovation, and sustainable extraction.

Footnotes

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