GALT & TAGGART
CREATING OPPORTUNITIES

Commodities

Quarterly Outlook

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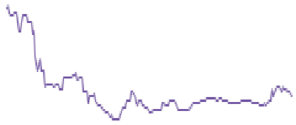
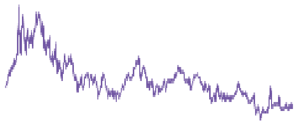
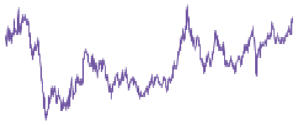
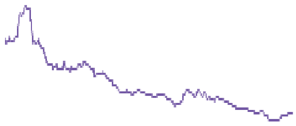
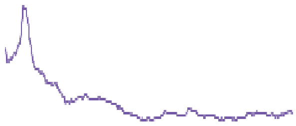
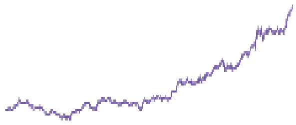
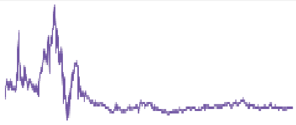
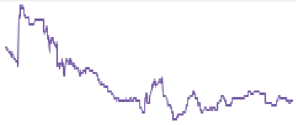
Commodity price dynamics

Commodity	Price	Change, q/q*	Change, YTD	Price change from Jan-2022
Ammonium Nitrate US$/ton	**265.0**	**+15.2%**	**+21.0%**	
Brent Oil US$/bbl	**67.0**	**-0.9%**	**-10.2%**	
Copper US$/ton	**10,225**	**+1.7%**	**+18.2%**	
Ferrosilicon (China) US$/ton	**1,135.0**	**+7.6%**	**-5.8%**	
Ferrosilicon (Europe) US$/ton	**1,495.5**	**-0.3%**	**+11.2%**	
Gold US$/troy oz	**3,859.0**	**+16.8%**	**+47.0%**	
Natural gas US$/mwh	**37.1**	**-0.6%**	**-29.3%**	
Wheat US$/ton	**229.0**	**+4.6%**	**-0.9%**	

Source: Bloomberg
Note: prices as of 30 September, 2025

*q/q prices reflect end of quarter figures

Energy

Brent oil

Brent price was slightly down 0.9% over 3Q25, weighed by rising supply and softening demand signals. Price was fluctuating in a narrow range as supply-demand dynamics more-or-less balanced each other. However, pessimistic forecasts took the center stage by the quarter-end.

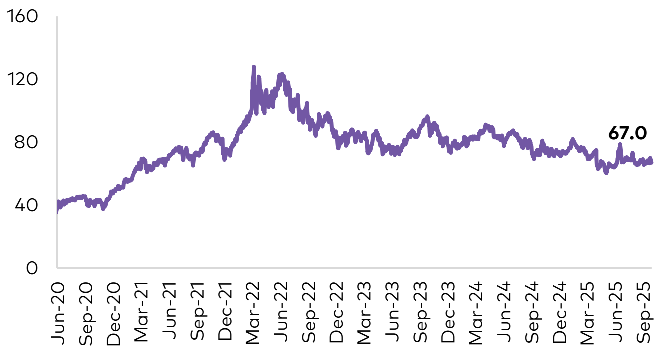
Early in the quarter, oil prices climbed from April's lows (c. $58) to around $68 per barrel by early August amid robust summer fuel demand and a still-tight market. OPEC+ producers continued unwinding past output cuts with phased increases in August and September, though many members struggled to meet higher quotas, keeping near-term supply tighter than expected. Strong power sector demand (for air-conditioning in the Middle East) and China's strategic stockpiling helped absorb these barrels and supporting Brent in the high-$60s. OECD oil inventories also remained comparatively low, a legacy of earlier OPEC+ curbs, lending underlying price support.

By late Q3, however, the market's tone shifted as attention turned to an expected surplus in the coming months. Brent fell back into the mid-$60s, posting its sharpest weekly drop in over three months in late September. Traders grew cautious ahead of an OPEC+ meeting in early October, amid reports the alliance might further boost output into November. Indeed, Saudi Arabia was expected to push for a large production hike to regain market share, though Russia favored a more modest increase. Notably, on October 5 OPEC+ agreed to a smaller-than-expected November supply hike of 137,000 bpd - matching October's - as members balanced market share goals against fears of a looming glut.

At the same time, seasonal factors began to soften demand - global refinery runs eased for maintenance and the summer travel peak passed, while US fuel inventories rose in late September on slower consumption.

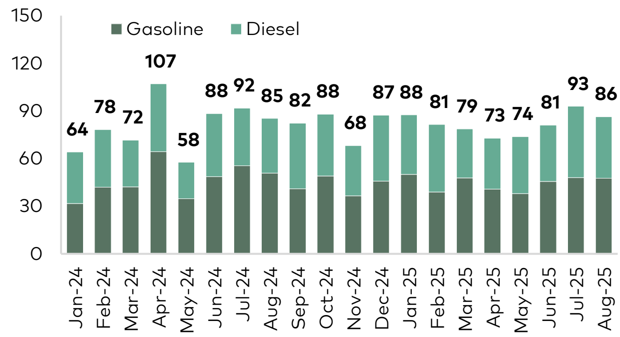
In summary, 3Q25 opened with oil prices rebounding on summer fundamentals but closed with prices under pressure from expanding supply and a weaker demand outlook spanning from 4Q25 well into 2026.

Figure 1: Brent oil Continuous Contract (BRN00), US$/bbl



Source: Bloomberg

Figure 2: Oil products import to Georgia, US$ mn



Source: Geostat

Energy

Natural gas

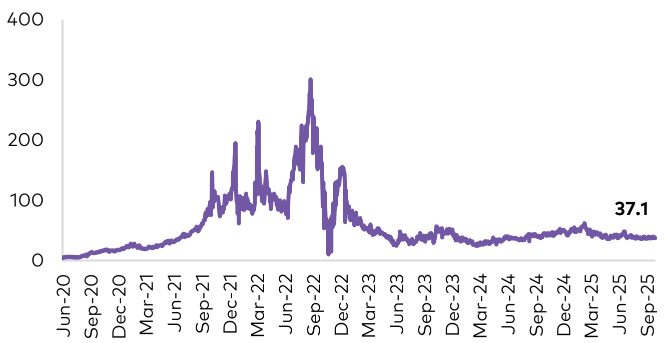
Natural gas price was slightly down 0.6% over 3Q25. Europe's natural gas market remained comparatively well-supplied throughout the quarter, avoiding the frantic storage scramble seen a year earlier. As of late August, EU gas storage stood at 76% of capacity (~85 bcm) - below last year's record levels but on track to reach the 90% target by October with relative ease.

Ample liquefied natural gas (LNG) inflows offset reduced pipeline volumes, thanks in part to weaker Asian LNG demand that freed cargoes for Europe. Asian importers, especially in China, entered Q3 with high inventories, causing their LNG purchases to slow and allowing European buyers to secure supply without bidding up prices. This helped Europe comfortably fill storage ahead of winter, even as maintenance outages at major Norwegian gas fields curtailed some regional output in summer. By early October, EU storage reached 83% of capacity (~944 TWh) - the lowest for the date since 2021, but still robust. Industry data showed storage had drawn down to just 34% at the end of last winter (March 2025), so the refill to over 80% by autumn underscored a manageable injection season.

Europe's gas supply mix has fundamentally shifted. LNG now provides roughly half of EU gas needs by volume, with imports projected at 820 tankers this year (up from 660 last year) to compensate for steep declines in Russian pipeline deliveries and lower North African flows. The United States has become Europe's dominant LNG supplier, accounting for 58% of EU LNG imports so far in 2025. US export capacity growth (e.g. new Gulf Coast terminals) enabled a 22% y/y surge in US LNG volumes in 7M25.

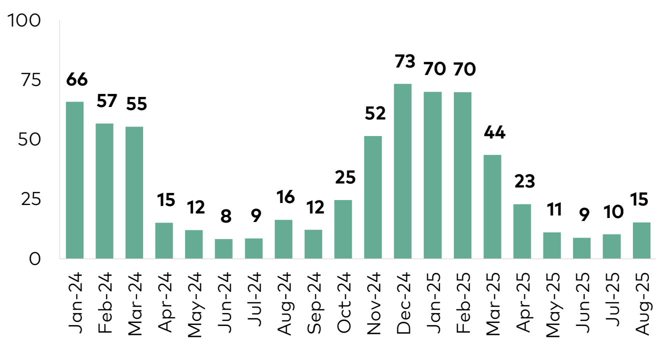
However, this heightened reliance on LNG brings greater price volatility: unlike traditional oil-indexed pipeline contracts, spot LNG prices respond sharply to global demand swings (e.g. from Asian markets). However, throughout 3Q25, European benchmark TTF gas prices remained range-bound at moderate levels (in the €30–40/MWh range), reflecting the comfortable storage and supply situation. Overall, the European gas market was marked by high inventory levels, stable inflows, and decelerating demand - a stark contrast to the crisis conditions of 2022.

Figure 3: Natural gas price (ICE Endex Dutch TTF), US$/mwh



Source: Bloomberg

Figure 4: Natural gas import to Georgia, US$ mn



Source: Geostat

Precious metals

Gold

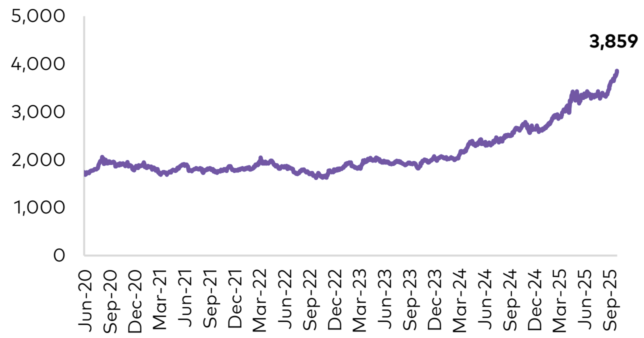
Gold price was up 16.8% over 3Q25, driven by a confluence of safe-haven demand and shifting monetary expectations. Spot gold broke above the $3,800/oz barrier in late September and continued soaring to an all-time high in early October, trading above $4,000 per troy ounce. Currently, gold is up roughly 50% year-to-date - a record-breaking run lasting a few years already.

The recent primary catalyst was mounting anticipation of US Federal Reserve rate cuts. With inflation pressures easing and the Fed signaling concern about employment, markets increasingly bet on a Fed policy reversal. Following a September cut, traders now price in a 25bps cut at the October meeting and another in December, sending the US dollar into a steady decline (the dollar index fell almost 10% since January). A weaker dollar directly boosts gold's appeal for non-US investors, while the prospect of lower interest rates makes the non-yielding metal more attractive relative to treasuries.

Geopolitical and economic uncertainties further fueled gold's ascent. In the US, a government shutdown in early October and high-stakes political tensions (including debates over Federal Reserve independence) spurred safe-haven buying. Political turmoil abroad - such as the collapse of France's government and concerns over Japan's economy - added to investor anxiety. Investors sought refuge in bullion, amplifying an already strong uptrend.

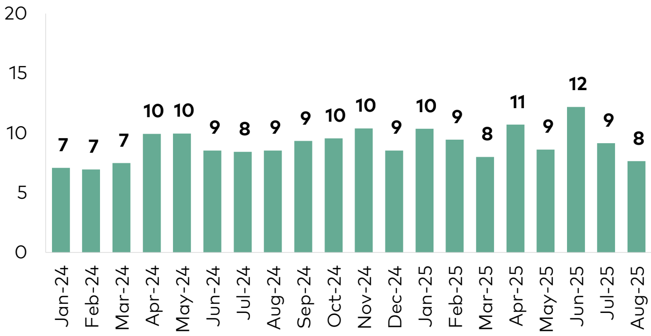
Importantly, central bank demand remained robust. Notably, China's central bank purchased gold for nine consecutive months through July, as emerging-market central banks continued diversifying reserves away from the dollar. According to World Gold Council data, many central banks plan to keep increasing gold's share of reserves in coming years. This official sector buying, alongside hefty inflows into gold-backed ETFs (holdings of the largest gold ETF rose c. 12% in 2025 to their highest since 2022), provided fundamental support beneath gold's rally.

Figure 5: Gold price, US$/troy ounce



Source: Bloomberg

Figure 6: Gold export from Georgia, US$ mn



Source: Geostat

Agriculture

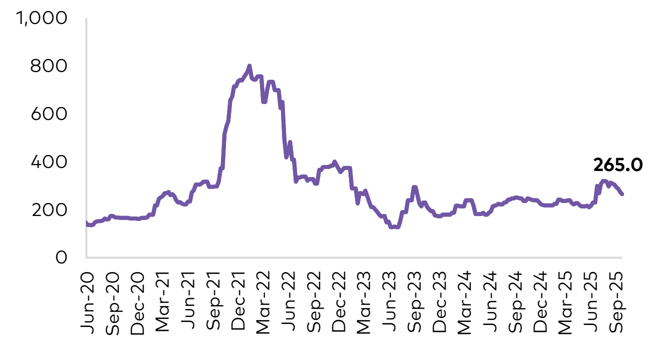
Ammonium nitrate

Ammonium nitrate price was up 15.2% over 3Q25. On July 1, the European Union enacted new tariffs on imports of Russian nitrogen fertilizers – including ammonium nitrate. The tariffs, initially €40/ton, will ramp up to €315/ton by 2028. In the near term, this move immediately raised fertilizer costs in Europe. Russia - the world's largest fertilizer exporter - signaled it would pivot sales to alternative markets (notably BRICS countries) to maintain volumes. Within Europe, the new tariffs introduced significant uncertainty. The European Commission said it would monitor the impact closely and indicated the duties could be suspended if fertilizer prices spiked excessively.

Wheat

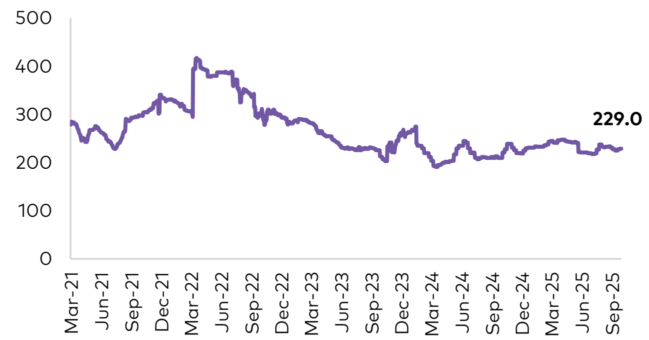
Wheat price was up 4.6% over 3Q25. Despite the slight gain, in a longer-term picture price remains subdued, reflecting abundant global supplies and lackluster demand. Harvest outcomes in 2025 have been robust across key producers, including India and Russia (who has been integrating grain from Ukrainian territories it occupies into its export pool). In its October report, FAO raised its 2025 global cereal production forecast to 2.97 billion tons - up nearly 4% y/y - citing better-than-expected wheat, corn, and rice outputs. For wheat specifically, 2025 output is on track to be a record or near-record.

Figure 7: Black Sea ammonium nitrate spot price, US$/ton



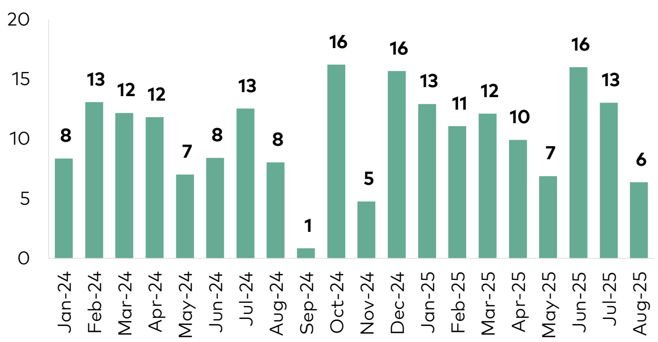
Source: Bloomberg

Figure 8: Black Sea Wheat Financially Settled (Platts) Futures, US$/ton



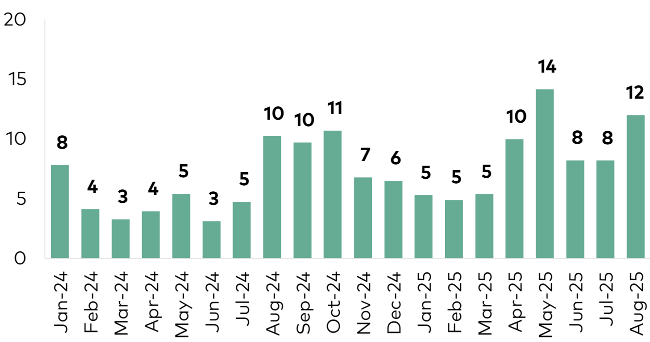
Source: Bloomberg

Figure 9: Nitrogenous fertilizers export from Georgia, US$ mn



Source: Geostat

Figure 10: Wheat import to Georgia, US$ mn



Source: Geostat

Metals & ores

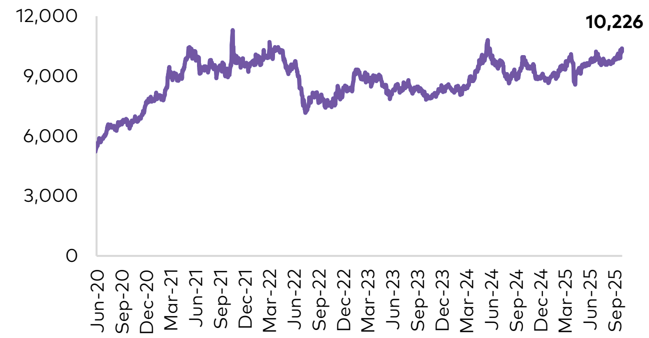
Copper ores and concentrates

Copper price was up 1.7% over 3Q25. In September, a major accident at the giant Grasberg mine in Indonesia – the world's second-largest copper mine – forced a suspension of operations, dramatically altering the supply outlook. Analysts estimate the Grasberg outage will remove roughly 590,000 tons of copper output from Sept 2025 through end-2026. This alone represents about 2.6% of annual global mine production. On the demand side, China remained pivotal. Despite a sluggish property sector, China's appetite for copper stayed firm thanks to robust investments in power infrastructure and a surge in copper-intensive manufacturing.

Ferrosilicon

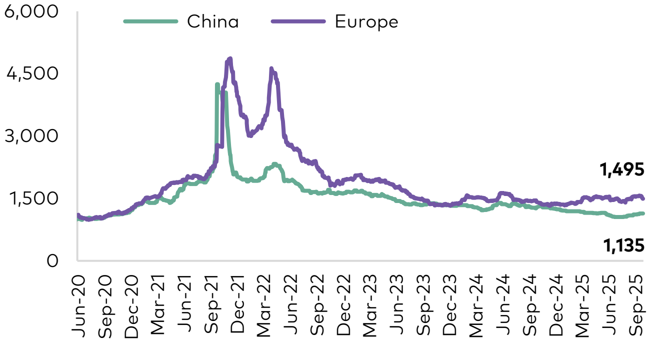
European ferrosilicon price was flat at -0.3% over 3Q25, while its Chinese counterpart gained 7.6%. This helped narrow the larger-than-usual gap created in the previous quarter. Europe's steel sector saw continued output weakness, with EU crude steel production staying below 2024 levels. Meanwhile, China's steel output softened while exports and raw material demand stayed strong. July exports reached 9.8 tons (+1.7% m/m), bringing the 7M25 total to 68.0 tons - the highest on record for that period. At this pace, full-year exports could surpass the previous annual record set in 2015.

Figure 11: LME copper spot price, US$/ton



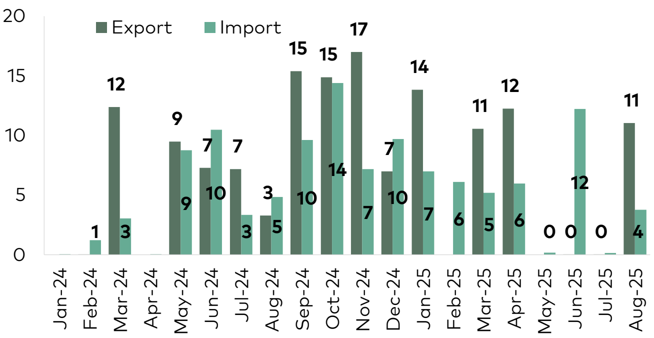
Source: Bloomberg

Figure 12: Ferrosilicon (75% grade) price, US$/ton



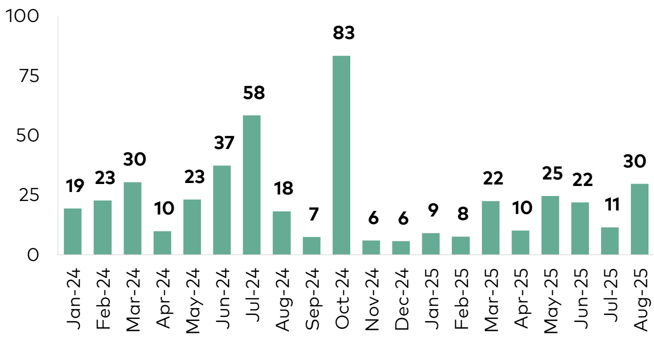
Source: Bloomberg

Figure 13: Copper (including ores) external trade of Georgia, US$ mn



Source: Geostat

Figure 14: Ferroalloy export from Georgia, US$ mn



Source: Geostat

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