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The Ceasefire That Broke & the Great Commodity Reversal

Commodities Edition - How a 48-hour US naval mission and a rejected Iran offer crushed the commodity longs while rescuing the multi-strats - and why Hormuz is still functionally closed

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1 Commodity Market Performance - May 1-12, 2026

2 The Commodity Landscape - Project Freedom, OPEC-UAE Exit & Copper Crunch

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COMMODITY MARKET PERFORMANCE



The first twelve days of May delivered the violent unwind nobody had on their bingo card. The April 8 Trump ceasefire that crashed Brent 15% never actually held. **Project Freedom** - the US naval mission to escort merchant ships through Hormuz - was announced May 4, paused inside 48 hours after Iranian strikes on UAE port infrastructure, and abandoned by May 6. Brent traded a $20 range: **$114.40 on May 4** to **$100.06 on May 7**, settling near **$104.97 on May 12** after Trump rejected Iran's phased peace proposal as "garbage." The ceasefire, per Trump himself, is "on massive life support." But the damage to commodity longs was already done: the funds that owned the Iran trade got annihilated, and the multi-strats that hedged the macro book posted the best month since 2020.

CRUDE OIL (BRENT)

$100–$114

May 1-12 range. Peaked $114.40 May 4 on Project Freedom; crashed to $100.06 May 7; closed $104.97 May 12. Brent-WTI $12.88 - still elevated vs $3-5 norm.

GOLD ▼

$4,725

May 12 close (-0.88%). Consolidating $4,380–$5,100 range below the Jan 28 ATH of $5,602.22. JPMorgan target: $6,300 year-end.

COPPER (LME) ▲

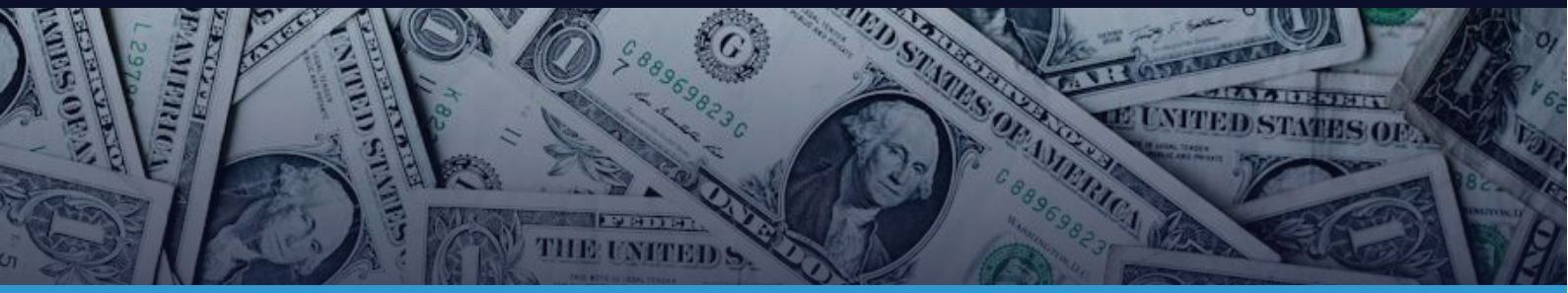
$14,127

Per tonne, May 12 (+7.3% MoM, +37.3% YoY). China sulphuric acid export ban + Chilean strikes. ING: 600kt 2026 deficit. Re-approaching Jan ATH.

FUND	APRIL 2026	YTD	SIGNAL
Andurand Capital	~-52% (1H)	~-37% YTD	Q1 +31.1% obliterated. "No formal risk limits." Worst commodity reversal of 2026.
Citadel Tactical Trading	+2.8%	+8.3%	Best multi-strat YTD in the survey. Clean rebound from March -2%.
ExodusPoint	~+4.0%	~Flat	Recovered from March -4.5%. Largest single-month swing in cohort.
Balyasny	+3.1%	~-0.8%	First positive print after worst quarter on record.
Millennium	+2.7%	+3.6%	Recovered the single-week $1.5B March drawdown.
Schonfeld Partners	+2.5%	-	Strong April. Suing Millennium over "gazumping" $11M PM dispute.
Citadel Wellington	+1.4%	+2.4%	Recovered from March -$1B drawdown.
HFRI Composite	+4.8%	-	Strongest single month for hedge funds since 2020.
HFRI Macro: CTA	+2.3%	~+10%	Systematic Diversified leading. SG Trend +2.01%, SG CTA +2.25%.
Stockpickers (LS Eq)	+5.43%	-	Strongest monthly print since February 2000.

! The split is the story. **Andurand -52% in two weeks of April** vs **HFRI Composite +4.8%, the best month since 2020**. The funds running concentrated commodity longs got annihilated by the ceasefire; the platforms with diversified macro exposure caught the relief rally in equities, rates, and credit. RCMA, Statar, Saber and PIMCO Commodity Alpha April numbers expected later in May. China Caixin Mfg PMI printed **52.2 - strongest since Dec 2020**, bidding industrial metals.

THE COMMODITY LANDSCAPE



What's Moving Markets – Four Forces Defining the Post-Ceasefire Tape

17	+188k	$7B
HORMUZ TRANSITS MAY 10 VS 20M BPD PRE-WAR FLOW	OPEC+ JUNE OUTPUT FIRST MEETING WITHOUT UAE	RUSSIAN REFINERY DAMAGE YTD PER ZELENSKY

PROJECT FREEDOM & THE FAILED CEASEFIRE

US Defense Sec Hegseth launched Project Freedom May 4 – two destroyers, 100+ aircraft to escort merchant vessels through Hormuz. Iran responded with drone/missile strikes on UAE oil port infrastructure. Mission paused inside 48 hours. May 11: Trump rejects Iran's phased proposal as "garbage", calls ceasefire "on massive life support." Zero Hormuz transits after May 4. Eurasia Group: "Project Freedom will not substantially raise shipping volume."

OPEC+ MINUS UAE

May 3 meeting was the first without the UAE, which has formally exited the cartel. "The Eight" approved a symbolic +188k bpd for June: Saudi 10.291 / Russia 9.762 / Iraq 4.352 mb/d. Far below the 9.1M bpd Hormuz disruption. Next ministerial June 7. The cartel is structurally smaller and producing into a market the IEA says is short ~100M barrels per week.

THE COPPER SQUEEZE

LME copper $14,127/t (May 12) approaching Jan ATH. China halted sulphuric acid exports May-Dec (a critical refining input) – spot acid prices doubled. Contractor strikes at Escondida and Zaldivar. ING forecasts a **600,000-tonne refined copper deficit** for 2026. Aluminium $3,503/t. Section 232 50% tariff now applied to full customs value, not just metal content.

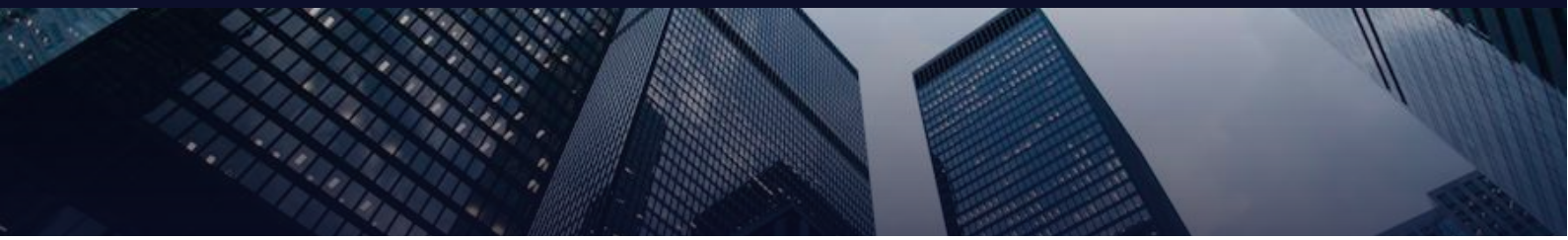
THE QATARI LNG TRICKLE

May 10: First Qatari LNG tanker (Al Kharaitiyat) transited Hormuz since Feb 28 – government-to-government deal to Pakistan, with Iran's permission. May 11: Second vessel (Mihzem) approached, turned back. Reopening is vessel-by-vessel, not blanket. Asian JKM rebounded to low-$18s. HH-to-JKM still ~6.5x. IEA: 2 bcm/week of gas supply lost since March 1.

! **Russian energy infrastructure under accelerated attack.** Ukrainian SBU "Alpha" unit hit Lukoil-Permnefteorgsintez refinery on May 8 – third strike in two weeks, 1,500+ km from the border. Zelensky publicly puts YTD damage at **$7 billion**. Russian refinery runs hit multi-year lows in April. SPR drawing: DOE executed first tranche of an IEA-coordinated **400 million barrel release** – the largest ever. SPR fell from 415 mb to 397.9 mb.

Tanker rates remain elevated: VLCC TD3C (Middle East-China) at **$112,394/day TCE** on WS126.5. Suezmax TD20 at $66,725/day. Baltic Dry Index closed May 11 at 3,034 (+43), Capesize 5,139 (+65). Singapore Jet Kerosene $83.40/bbl with Asian jet premiums persisting on the loss of Middle East exports. Iron ore Singapore IODEX $111.42/t, Dalian Sep ¥817/t (~$120/t) on Chinese mill restocking.

TRANSFER WINDOW



May 1-12 was the quietest fortnight for named commodity-PM transitions since the Hormuz crisis broke. The April exodus from Millennium has stabilised into execution mode at Echion, Moreton, Verition and Point72. But the macro talent market just rewrote its compensation reference points - and commodity desks will feel it in June's bonus cycle.

Citadel "Gazumps" Millennium - Again

Pablo Duran Steinman, Senior Macro PM ← ExodusPoint - May 8, 2026

The defining hedge fund hire of the fortnight. **Pablo Duran Steinman** - having agreed for the SECOND time in his career to join Millennium - reneged again, this time to join Citadel as a senior macro PM in New York where he is expected to build out a new team. The backstory is the cleanest worked example yet of PM compensation inflation: Duran Steinman quit Soros in 2021 for Millennium, defected to ExodusPoint before trading a position, completed gardening leave, re-agreed to Millennium, and now defects to Ken Griffin's shop. Macro, not commodities - but the read-through for the commodity desks is direct: with multi-managers paying 9-figure signing packages, no contract is binding until a trader is on risk. The Schonfeld $11M "gazumping" lawsuit against Millennium's Grunfeld is the same dynamic one rung down.

Citadel's Physical Gas Land-Grab Continues

El Paso Pipeline Capacity +37% ← Kinder Morgan - Active Through March 2031

Reported April 28 and still the talk of the Houston desks. **Citadel Energy Marketing** (Sebastian Barrack) has expanded gas pipeline transport on Kinder Morgan's El Paso Natural Gas from ~73 mmcf/day at the start of 2026 to roughly **100 mmcf/day** as of April 1, locked through March 2031. A 37% capacity increase on a single Piceance-to-Arizona corridor, positioning Citadel to monetise Southwest gas demand (data centres, LNG rerouting). Combined with Paloma Natural Gas, FlexPower (1,700MW German power) and Energy Grid Japan, Citadel is now the most "physical" of the multi-managers by a wide margin - moving past Trafigura/Vitol/Glencore on producer-trader-hedger optionality.

BREVAN HOWARD - TOKYO OFFICE

Active Trader Hiring

Announced April 21. Active recruiting through May. Brevan's biggest Asia footprint expansion since Abu Dhabi. Expected to include commodity/macro pods given the firm's Japan rates and Asia commodity exposure ambitions.

FULCRUM ASSET MANAGEMENT

Sadrian Scales to $359M

Luke Sadrian's commodities fund (ex-Rokos, ex-Brevan) now $359M AUM ($250M external) after Q4 2025 launch. Q4 2025 +17.1%, ITD +30.5%. Battery metals sub-PM Andreas Munz hired. Directional metals/energy. 90-95% portfolio in major energy.

SCHONFELD VS MILLENNIUM

$11M Lawsuit Active

The Grunfeld "gazumping" feud has gone fully public. Schonfeld sues Millennium over the alleged re-poach. Commodity-adjacent in that it sets case law for PM-bidding behaviour across multi-strats. The first lawsuit of its kind to reach pleading.

QRT - HOUSTON BUILD-OUT

Desk Launches This Quarter

Headcount adds continuing through May. No named commodity PM hires inside the May 1-12 window but the desk is expected to formally begin trading later this quarter. $38B systematic. The QRT physical pivot remains a defining storyline.

CITADEL - BRISBANE

Handbury Scaling Out

Keith Handbury (ex-Shell, hired Q3 2025) continues scaling the Brisbane desk. Analyst-level hires continuing through May. APAC physical gas/power coverage in build phase.

JAIN GLOBAL — INTERNAL PIVOT

External Capital Returned

April 27: Bobby Jain's $6B fund returns outside money to convert to an exclusive Millennium mandate. Effective ramp into May. The highest-profile pod-style "wind-down to internal" of 2026. Reshapes the commodity-PM market for direct fund mandates.

FEATURE ANALYSIS

How the Iran Ceasefire Killed the Commodity Trade and Saved the Multi-Strats

Andurand -52% in two weeks. HFRI Composite +4.8% - best month since 2020. Three concentrated commodity longs that paid in Q1 became three of the most painful trades in hedge fund history once Trump announced the April 8 ceasefire.

What Happened

On April 8, 2026, Trump announced a two-week ceasefire with Iran. Brent crude collapsed 15% in a single session, from $111.04 to $93.76. The Q1 trades that had returned generational P&L - long oil, long gold, long copper, long Asian LNG - reversed within hours. The funds that were concentrated lost catastrophically. The platforms that ran diversified macro books inhaled the relief rally in equities, rates and credit.

By May 4, the ceasefire was already breaking. **Project Freedom** - Hegseth's US naval mission to escort merchant ships through Hormuz - launched and collapsed within 48 hours under Iranian missile retaliation against UAE port infrastructure. By May 11, Trump publicly rejected Iran's phased peace proposal as "garbage" and "totally unacceptable", declaring the ceasefire on "massive life support." Brent settled $104.97 May 12. But by then, the damage was done.

> *The market is losing roughly 100 million barrels of supply each week. Prolonged disruptions could push any market normalization into next year.*
>
> Amin Nasser, CEO Saudi Aramco - May 11, 2026

The Losers

Andurand Commodities Discretionary Enhanced (~-52% first-half April; ~-37% YTD through April 17). Pierre Andurand's +31.1% Q1 was the highest-conviction long-oil expression on the street. The ceasefire obliterated it. Bloomberg April 23: "no formal risk limits." A redemption quarter became a redemption-watch quarter inside three weeks.

The pod-shop attribution problem. The funds that paid PMs against concentrated commodity P&L in Q1 are now writing-down those books. Expect commodity-PM bonus cuts disproportionate to platform-level numbers.

The Winners

HFRI Fund Weighted Composite +4.8% in April - the best single month since 2020. The macro reversal that crushed Andurand lifted everything else. Citadel Tactical Trading **+2.8% / +8.3% YTD** - the cleanest YTD print in the multi-strat survey. ExodusPoint **+4.0%**. Balyasny **+3.1%**, the first positive month after its worst quarter on record.

Stockpickers +5.43% - the strongest equity LS month since February 2000. Equity-focused hedge funds rode the relief rally that commodity-only specialists couldn't capture.

Trend-following held up. SG Trend Index +2.01%, SG CTA Index +2.25%. Diversified systematic strategies caught the rotation. HFRI Macro: Systematic Diversified ~+10% YTD through April.

The Structural Read

The April ceasefire collapse, Project Freedom failure, and the OPEC+ minus UAE meeting are creating a new market regime: **perpetually-priced geopolitical risk with no clearing event in sight.** Hormuz is functionally closed - only 17 vessels transited May 10 against 20mb/d of pre-war flow. The first Qatari LNG vessel since Feb 28 cleared May 10 (to Pakistan, with Iranian permission); the second turned back May 11.

The funds rebuilding from April's wreckage are the ones with physical infrastructure: Citadel's El Paso pipeline expansion, Jain's Anahau Energy, Squarepoint's physical metals. Pure financial commodity longs face a market where prices can move 15% in a day on a single Trump tweet. The case for physical optionality has never been clearer.

LAUNCHES & CLOSURES

$6B	$1.4B	$359M
JAIN GLOBAL EXTERNAL CAPITAL RETURNED	BREVAN FG FUND WIND-DOWN TO JUNE	FULCRUM COMMODITIES +30.5% ITD

No "first-trading-day" commodity hedge fund launches were independently confirmed inside the May 1-12 window. Instead, the news is structural: **Jain Global returning external capital** to convert to a Millennium-only mandate, the **Brevan FG Fund** winding down by end-June, and the prior wave of Millennium-spinout launches (Echion, Moreton, Nexus, Crucible) now in execution mode. Fulcrum's quiet commodities fund is also scaling.



Fulcrum Commodities Fund

LUKE SADRIAN — SCALING

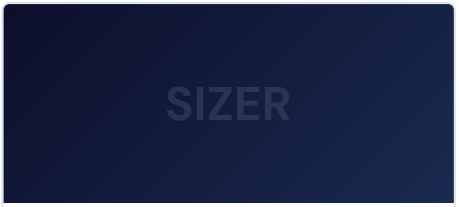
Luke Sadrian (ex-Rokos, ex-Brevan). $250M external. Q4 2025 +17.1%, ITD **+30.5%**. Directional metals/energy. **Andreas Munz** hired as battery metals sub-PM. 90-95% portfolio in major energy.



Echion Capital

MIAMI & LONDON - LIVE

Chaitanya Mehra (ex-Millennium Diversified Commodities). $1.5B Millennium backing - one of the largest commodity launches ever. External capital from 2027. Currently in execution mode.



Sizer Commodities Investments

ZUG, SWITZERLAND — ENERGY

Freddie Sizer (CIO, ex-Freepoint), **Peter Leoni** (CEO), **Sohail Malik** (MD). $300M target. Gas/power/emissions/LNG long-short. Tracking toward going-live.

CLOSURES & WIND-DOWNS

Jain Global - External Capital Returned

April 27, 2026 - Executing Through May

Bobby Jain's **$6B fund returning outside money** to convert to an exclusive Millennium mandate. The highest-profile pod-style structural change of 2026. Bloomberg called it "showing why multistrategy funds are tough to run." Reshapes the commodity-PM market: a major direct-allocation pathway just closed. Ramping into May.

Brevan Howard FG Fund - Wind-Down

Cease External Capital by End-June 2026

Confirmed wind-down of the **$1.4B fund run by Fash Golchin**. Active wind-down period through the May window. Follows the firm's broader restructuring after two largest funds posted negative March returns. The most visible commodity/macro-adjacent fund closure of Q2 2026.

Millennium / Engineers Gate Partnership

March 26 Announcement - Active Through May

Millennium clawing back capital from the three-year-old Engineers Gate SMA arrangement. Executing through May. Part of the broader pattern of Millennium consolidating internal capital and reducing external pod and SMA mandates.

! **The Millennium effect, May edition:** Millennium remains the centre of gravity. The April commodity exodus (Mehra, Finemore, Fullerton, Pedersen, Nietschmann, Gibbard) is now stabilised. The platform is simultaneously: (1) backing $1.5B and $1B+ spin-outs from its alumni, (2) absorbing Jain Global's $6B back into its capital base, and (3) clawing back from Engineers Gate. Net effect: more PMs working Millennium money than ever, but across a more fragmented structure.

TOP COMMODITY HEDGE FUNDS



The ten funds shaping the global commodity trading landscape mid-May 2026. The April ceasefire reversal has split the field into three camps: concentrated commodity longs nursing wounds, multi-strats that caught the macro relief rally, and physical players insulated from financial-only volatility.

FUND	AUM / SCALE	STRATEGY	FOCUS	LATEST SIGNAL
Citadel Commodities	~$8-12B (vertical)	Multi-PM / Physical	Energy, power, gas	**+1.4% Apr**
Millennium	~$80B (platform)	Multi-manager pods	Cross-commodity	**+2.7% Apr**
Andurand Capital	~$2B	Discretionary macro	Oil, metals, carbon	**~-52% (1H Apr)**
Balyasny	~$23B	Multi-PM	Cross-commodity	**+3.1% Apr**
Statar Capital	~$3.5B+	Macro / Nat gas	Natural gas, energy	Apr TBR
QRT	~$38B	Systematic / Physical	Energy, metals, power	Houston launching Q2
Echion Capital	$1.5B (live)	Diversified energy	Energy, commodities	In execution
Nexus Commodities	$1B+ (live)	Physical / Financial	Cross-commodity	Singapore live
Fulcrum Commodities	$359M	Discretionary	Metals, energy	**+30.5% ITD**
RCMA / Saber / PIMCO CA	Various	Macro / Sys	Broad commodity	Apr numbers TBR

KEY THEME: THE GAZUMPING ERA

Citadel's Pablo Duran Steinman win on May 8 - reneging on Millennium for the second time - sets a new compensation reference point. Schonfeld's $11M lawsuit against Millennium over Grunfeld is the same dynamic. With multi-managers paying 9-figure signing packages, the only binding contract is the trading P&L. Commodity PMs with Q1 2026 carry from Iran-driven oil and cocoa volatility will be the next bidding battlefield in the June bonus cycle.

KEY THEME: PHYSICAL OR BUST

The April ceasefire reversal exposed the fragility of pure financial commodity longs - prices can move 15% in a session on a Trump tweet. The funds with physical optionality are the ones still standing: Citadel (El Paso pipeline +37%, Paloma gas, FlexPower power, Energy Grid Japan), Jain Global (Anahau Energy), Squarepoint (physical metals). The financial-only era of commodity hedge funds may be ending.

✉ To discuss commodity trading recruitment across hedge fund platforms, contact Paragon Alpha at **info@paragonalpha.com** or **+44 20 3582 1407**

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