**Oil | Agriculture | Metals | Carbon & Power | Dry Freight**

*Click on headers to go to that section*

**SPECIAL REPORT - How Iran moves sanctioned oil around the world**

Reuters published a graphics-led special report on Tuesday based on emails leaked last year showing how Iranian company Sahara Thunder moves sanctioned oil around the world. To read the full report, **click here**.

# Top News - Oil

**OPEC oil output falls in December on UAE and Iran, survey finds**

OPEC oil output fell in December after two months of increases, a Reuters survey found, as a drop from the United Arab Emirates due to field maintenance and from Iran offset a hike from Nigeria and other gains elsewhere in the group.

The Organization of the Petroleum Exporting Countries pumped 26.46 million barrels per day last month, down 50,000 bpd from November, the survey showed on Tuesday, with the UAE providing the biggest drop.

The modest decline in output came as the wider OPEC+ group kept production cuts in place in December due to global demand concerns and rising output outside the group. OPEC+ decided last month to postpone its plan to start raising output until April.

OPEC's biggest drop, of 90,000 bpd, came from the UAE, the survey found. A source said field maintenance was the reason for the decline, and the survey put output at 2.85 million bpd.

Iran's output, which hit the highest since 2018 last year despite U.S. sanctions, fell by 70,000 bpd, the survey found. It may soon be curbed by tighter sanctions from the administration of incoming U.S. President Donald Trump, Goldman Sachs and other analysts have forecast.

OPEC's top two producers, Saudi Arabia and Iraq, kept output steady and the group pumped below its implied target for the nine members covered by supply agreements, the survey found. Nigeria exceeded its target by the largest amount.

While the survey indicates the UAE and Iraq are pumping below their targets and November data provided by OPEC's secondary sources puts them not far above, other estimates such as those of the International Energy Agency suggest they are pumping significantly more.

Among countries boosting output, Nigeria raised production by 50,000 bpd, the survey found, reflecting higher domestic usage in refineries such as Dangote and higher exports. Nigeria said in December it had resumed some operations at its Warri refinery after years of shutdowns. Libyan output also rose by 50,000 bpd, continuing a recovery after the resolution of a dispute over control of the central bank that had led to production cuts. The country is exempt from OPEC+ agreements to limit output. The Reuters survey aims to track supply to the market and is based on flows data from financial group LSEG, information from other companies that track flows such as Kpler, and information provided by sources at oil companies, OPEC and consultants.

**Exxon signals weaker performance across the board to hurt Q4 profits**

Exxon Mobil signaled on Tuesday that sharply lower oil refining profits and weakness across all its businesses would reduce its fourth-quarter earnings by about $1.75 billion from the prior quarter.

The oil major also said in an SEC filing that upstream asset sales would benefit results by about $400 million, but overall impairments would cost about $600 million. The company's filing did not specify a reason for the impairments. Exxon's snapshot is closely watched for clues to how other oil majors will fare when they begin releasing results this month.

Exxon is expected to post a profit of $1.76 a share for the fourth quarter, down from $2.48 a share, in the same quarter last year, according to financial firm LSEG. Exxon's earnings snapshot signaled profits "well below consensus," said Biraj Borkhataria, an oil analyst with RBC Capital Markets, in a note to investors. The forecast showed "significant headwinds" in refining, he added.

The company indicated oil refining margins would cut earnings by between $300 million and $700 million from the third-quarter level. It also signaled timing effects would lop off another $500 million to $900 million.

Demand for gasoline and diesel has lagged expectations globally and the start of new oil refineries in Asia and Africa led to excess supplies in the market. U.S. fuel stockpiles grew in the quarter as refiners keep their utilization rates high and demand was weaker than expected. Oil prices declined about 6% in the quarter ended Dec. 31 from the prior three months, and down nearly 12% from a year-ago, as traders worried about global oil demand. The drop was partially offset by higher U.S. prices for natural gas, which were up about 30% from the prior quarter.

The industry bellwether had posted $8.6 billion in earnings for the third quarter, and an adjusted profit of $9.96 billion in the year-ago fourth quarter. Exxon also said that lower margins in its chemicals business would lower earnings by about $400 million compared to the third quarter. The company will release final results on Jan. 31, the filing said.

# Top News - Agriculture

**China, lower grain prices bolster Brazil beef and chicken export prospects**

Beef and chicken exports from Brazil, the world's largest supplier of both meat types, may break new records in 2025, two industry groups said on Tuesday after the release of annual trade data.

Their optimism reflects the positive effects of lower grain prices and a weak Brazilian currency, which could continue to bolster meat exports and local companies including JBS and BRF.

China remained Brazil's main destination for both beef and chicken exports, according to the trade groups. Beef exports to China alone brought in $6 billion, the data showed.

Overall, Brazil exported a total of 2.89 million tons of beef last year, up more than 26% compared with the previous year, according to government data compiled by the domestic beef lobby Abiec. Sales totaled $12.8 billion, 22% more than in 2023.

"It was a historic year for the national beef industry, for the livestock sector and for Brazil," said Abiec President Roberto Perosa in a statement. "Even though it is still early to make a prediction, I believe that 2025 has everything we need to break the record by volume and also by revenue."

Abiec said the Brazilian government is in talks to open up key markets like Japan, Vietnam, Turkey and South Korea.

Chicken meat exports, in turn, rose 3% to 5.294 million tons in 2024, according to chicken and pork lobby ABPA.

Chicken export revenue was also a record $9.928 billion, up 1.3% compared with 2023.

"The year's trade balance confirms ABPA's expectations and also points to new levels of average shipment volumes exceeding 440,000 tons per month," said ABPA President Ricardo Santin. "The indicators remain positive for 2025, with potential new monthly increases and expectation of numbers relatively higher than in the previous year."

**COLUMN-Argentina's soy belt may be in for an alarmingly dry January -Braun**

It seems that Argentine farmers simply cannot catch a break.

Despite much-needed rainfall during planting, bone-dry conditions are set to grip the country's farmland through at least mid-January, greatly increasing odds that soybean yields will disappoint for a sixth consecutive season.

The dryness is not terribly surprising given the presence of La Nina, the cool phase of the equatorial Pacific Ocean. La Nina-induced dry spells have recently damaged multiple Argentine soybean harvests, most notably in 2023.

November rainfall across Argentina's grain belt was 30% above normal, seemingly bucking the La Nina doom. But December totals fell right in line with the typical pattern at just 79% of normal.

Risks have already been flagged. Both Argentine grains exchanges said last week that the recently hot and dry weather has started to damage crops.

# Chart of the Day

Unfortunately, current forecasts suggest the situation could get worse. At best, monthly rainfall across Argentina's grain belt after the third week in January may amount to only a third of normal levels.

If that outlook is realized and no relief is seen by the end of the month, crop prospects could quickly turn grim. Argentina's very worst soybean yields also coincided with its driest Januarys.

However, only one of Argentina's exceptionally dry Januarys occurred within the last decade (2018). If Argentine soybeans are better at resisting dry conditions now versus ten-plus years ago, this would weaken the relationship between dry Januarys and poor yields.

In theory, strong February rains may be able to rescue the soy crop from a bad January, but that may come down to timing.For now, the newly planted soybeans are in decent shape. Exchange data last week showed 53% of the crop in good or excellent condition, a five-year high for the week. Only 4% is in poor condition, more than the year-ago 2% but well below the double-digit readings from the prior three years.

However, satellite data shows that vegetation health was in worse shape at the end of December versus a year ago across much of the core grain belt. Soybean yields last year were disappointing despite the normally favorable El Nino pattern, though the crop was nearly twice as large as the prior year, the catastrophic 2022-23 season.

SWEATING BEARS?

Global soybean and soybean meal prices were already historically high and rising throughout late 2022, so the early 2023 Argentine crop disaster did not significantly shift already-very-bullish market sentiment.

Soybean meal prices spiked more than 20% between early December 2022 and mid-February 2023 given Argentina's role as top exporter, and gains for soybeans topped out around 9%.

However, speculators late last month forged a record net short position in Chicago soybean meal futures and options, and they have held bearish views in soybeans for a year now. CBOT soybean meal has recently flirted with some of the lowest prices of the last decade.

While Argentina's current soybean crop is extremely unlikely to suffer a fate as bad as two years ago, the dry forecast is plenty reason to make soybean and especially soymeal bears a little uncomfortable for now.

## Top News - Metals

**LME activity up 18% in 2024, nickel volumes at pre-crisis level**

Average daily volumes at the London Metal Exchange (LME), the world's largest and oldest metals forum, gained 18% to 664,698 lots in 2024 with nickel volumes surging by 59%, the exchange said on Tuesday.

Nickel trading volumes at the LME, owned by the Hong Kong Exchanges and Clearing Ltd, rose after languishing since a March 2022 price spike that caused the LME to suspend trading.

"Nickel has rebounded back to levels seen in 2021 and our ferrous products continue to perform well as more firms manage their risk exposures through LME contracts," Matthew Chamberlain, LME chief executive, said in a statement.

LME tin volumes jumped by 26%, the exchange added.

**China becomes world's second-largest holder of lithium reserves, Xinhua reports**

China's lithium reserves have risen from 6% to 16.5% of the global total, making it the world's second-largest holder of lithium reserves, state media reported.

The world's top consumer of the battery metal relies heavily on lithium imports, and Beijing has pushed for more domestic exploration in recent years.

Lithium is widely used in rechargeable batteries for electronic devices, electric vehicles, and renewable energy storage systems, as well as in ceramics, glass, and pharmaceutical applications.

The newly discovered mines include a 2,800-km-long spodumene mine in the Xikunsong-Pan-Ganzi region in Tibet, and some lithium salt lakes in the Qinghai-Tibet Plateau, Xinhua News Agency said in the report.

With the discovered salt lakes, China now also hosts the world's third-largest salt lake resources, after the lithium triangle in South America and western America, the report said.

Salt lake is a low-cost lithium source.

The most active lithium carbonate contract on the Guangzhou Futures Exchange in China stood at 77,420 yuan ($10,559.91) per ton on Wednesday, up by 0.4% week-on-week.

## Top News - Carbon & Power

**Trump promised swift action on LNG exports, but advisers preaching patience**
Advisers to U.S. President-elect Donald Trump are urging him to take a patient approach to restarting approvals for liquefied natural gas export licenses, fearing rapid approvals will only get overturned in court, according to two sources familiar with the discussions.
The recommendations offer a preview of the challenges Trump will face as his bold campaign promises to slash regulation and unfetter industry crash into the reality of governing an unwieldy bureaucracy.
In an election-year move, current President Joe Biden halted new LNG export licenses and ordered his administration to conduct a review of the U.S. LNG industry last January after pressure from environmentalists concerned about greenhouse gas emissions.
The moratorium delayed projects including Venture Global's CP2 project, the Commonwealth LNG plant, and Energy Transfer's Lake Charles complex, all in Louisiana.
Trump vowed on the presidential campaign trail to undo Biden's pause and swiftly approve the projects awaiting an LNG export license.
He plans on issuing an LNG-specific executive order on his first day in office later this month, but the details of the order remain a matter of debate, as advisers balance political urgency with protecting the export projects from protracted legal battles, the sources told Reuters.
The Biden administration's study on LNG was released in December and found that unconstrained LNG exports could exacerbate climate change if the supplies replace lower carbon energy sources instead of coal in the places where it is shipped. The U.S. became the world's largest LNG exporter in 2023, as companies sought to help Europe break its dependence on Russian energy following the invasion of Ukraine.
The findings are supposed to help guide future decision-making around approving new projects and can be used by environmental groups to challenge new approvals.
Instead of ignoring the study, advisers are urging Trump to take it head-on, using a public comment period to discredit some of its key findings and argue that previous studies on LNG should take priority.
The comment period for the Biden study ends on Feb. 18. Trump's advisers are even considering the merits of extending the deadline to allow for more time to challenge the study and thwart any potential lawsuits when they approve the pending export permits.
Fred Hutchison, president and CEO of LNG Allies, an industry advocacy group, added that any such recommendations to Trump would "largely track what the companies that have been caught up in the Biden administration's pause on LNG prefer."
"The industry wants to see a balance struck between durability of approvals in the courts and speed of those ap-

**MARKET MONITOR as of 07:34 GMT**

| Contract | Last | Change | YTD |
|---|---|---|---|
| NYMEX Light Crude | $74.68 / bbl | 0.58% | 4.13% |
| NYMEX RBOB Gasoline | $2.06 / gallon | 0.16% | 2.41% |
| ICE Gas Oil | $706.75 / tonne | 0.60% | 1.65% |
| NYMEX Natural Gas | $3.60 / mmBtu | 4.35% | -0.94% |
| Spot Gold | $2,652.67 / ounce | 0.12% | 1.10% |
| TRPC coal API 2 / Dec, 25 | $108.75 / tonne | -5.02% | -2.33% |
| Carbon ECX EUA | €73.85 / tonne | -0.26% | 1.16% |
| Dutch gas day-ahead (Pre. close) | €47.58 / Mwh | 1.49% | -2.00% |
| CBOT Corn | $4.65 / bushel | -0.11% | -0.11% |
| CBOT Wheat | $5.53 / bushel | -0.23% | -1.64% |
| Malaysia Palm Oil (3M) | RM4,321 / tonne | -1.01% | -2.86% |
| **Index** | **Close 07 Jan** | **Change** | **YTD** |
| Thomson Reuters/Jefferies CRB | 360.18 | 0.13% | 0.95% |
| Rogers International | 29.74 | 0.52% | 1.81% |
| U.S. Stocks - Dow | 42,528.36 | -0.42% | -0.04% |
| U.S. Dollar Index | 108.64 | 0.09% | 0.14% |
| U.S. Bond Index (DJ) | 434.32 | -0.52% | -0.39% |

provals," he said.
The Trump transition team did not comment on whether they are considering a more deliberate approach to the LNG issue.
"Voters re-elected President Trump by a resounding margin giving him a mandate to implement the promises he made on the campaign trail, including lowering energy costs for consumers," said Trump transition spokeswoman Karoline Leavitt.

**Shareholders' climate resolution challenges 'disconnect' in Shell's LNG strategy**
Shell's plans to increase sales of liquefied natural gas (LNG) have been called into question by a by major group of shareholders that has filed a resolution asking whether the strategy is compatible with a goal to cut carbon emissions.
Shell is the world's largest LNG trader and CEO Wael Sawan is betting on growing demand, but analysts and climate activists have raised concerns about the implications for climate targets.
Shareholders, including Brunel Pension Partnership, Greater Manchester Pension Fund and Merseyside Pension Fund, with combined assets of $86 billion, have asked Shell to provide more information on how its growth assumptions are compatible with global energy demand and its plans to be net zero by 2050.
Shell's demand outlook is higher than all scenarios published by the International Energy Agency and has not been materially revised despite major changes in the global energy market, the investor group said.
LNG is projected to account for 30% of Shell's upstream hydrocarbon production in 2030, while its demand outlook is 301% higher than the IEA's Net Zero Emissions by 2050 scenario.
This raises governance questions and financial risks for investors, said Sarah Brewin, company strategist at the Australasian Centre for Corporate Responsibility, a co-filer of the resolution.
Vaishnavi Ravishankar, head of stewardship at Brunel Pension Partnership, said the group is "deeply concerned about the apparent disconnect" between Shell's LNG and climate strategies.
"We need to see further transparency to assess Shell's alignment with climate goals, particularly in the context of the recent removal of its interim 2035 climate target," Ravishankar said.
In March, Shell weakened its 2030 carbon reduction target, citing expectations for strong gas demand and retired a previous target to reduce its carbon intensity by 2035, following a similar decision by peer BP.
A Shell spokesperson said the company's shareholders have "strongly backed our strategy to deliver more value with less emissions at successive AGMs, with the growing role of LNG at the heart of this strategy".
"We are confident in the future role of LNG in our strategy," the spokesperson said.
The resolution was also supported by 100 independent shareholders represented by UK-based responsible investment NGO ShareAction.

## Top News - Dry Freight

**Jordan buys estimated 60,000 T wheat in tender, traders say**
Jordan's state grains buyer purchased about 60,000 metric tons of hard milling wheat to be sourced from optional origins in an international tender on Tuesday, traders said.
It was believed to have been bought from trading house CHS at an estimated $268.90 per ton, cost and freight included (c&f), for shipment in the first half of March, they said.
Traders reported these estimated offers from other trading houses under the same terms: Cargill $270.50, Buildcom $272.77, Ameropa $274.90, Aston $278, Viterra $282 and Al Dahra $283.
Traders said they received indications Jordan will issue a new tender in the coming days for 120,000 tons of wheat. Offers are expected to be submitted on Jan. 14, with
shipment in the second half of March, full month of April and first half of May.
A separate tender from Jordan seeking 120,000 tons of animal feed barley closes on Wednesday.
Reports reflect assessments from traders and further estimates of prices and volumes are possible later.

**EU 2024/25 soft wheat exports down 34% by Jan 5**
Soft wheat exports from the European Union since the start of the 2024/25 season in July had reached 11.16 million metric tons by Jan. 5, down 34% from 16.89 million tons a year earlier, data published by the European Commission showed on Tuesday.EU barley exports totalled 2.24 million tons, down 32% from 3.31 million tons in the corresponding period of 2023/24. However, export data for Italy has been incomplete for the past six weeks, export data for France has been incomplete since the beginning of 2024 and export data for Bulgaria and Ireland has been incomplete since the start of the 2023/24 marketing year.Competition from Black Sea supplies and a poor harvest in western Europe have curbed EU exports this season, though the trend has been amplified to some extent by the missing data. A breakdown of this season's volumes showed Romania remained the leading EU soft wheat exporter by a distance, with 3.27 million tons so far, followed by Lithuania with 1.44 million tons, Latvia on 1.42 million tons, France with 1.28 million tons and Germany on 1.24 million tons. In imports, the volume of maize shipped into the EU so far this season had reached 10.11 million tons, up 5% from 9.62 million tons a year earlier.EU soft wheat imports were at 4.40 million tons, down 11%.

## Picture of the Day

*Volleyball nets are seen at Ginger Roger Beach as smoke raises from a wildfire in the Pacific Palisades neighborhood of west Los Angeles, California, January 7. REUTERS/Daniel Cole*

(Inside Commodities is compiled by Anjana J Nair in Bengaluru)

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