Oil | Agriculture | Metals | Carbon & Power | Dry Freight
Click on headers to go to that section

Top News - Oil

Canadian Natural Resources to ramp up production, spending in 2025
Canadian Natural Resources said on Thursday it expects production to increase 12% and capital spending to rise 13.5% in 2025, as it bets on higher demand amid tight oil supplies.
Canadian oil producers have projected higher production for 2025, betting on resilient demand for Canadian crude in the United States and international markets.
Fuel demand in the United States, the biggest destination for Canadian crude, is expected to rise in 2025 as industrial activity is likely to benefit from a cut in borrowing rates, according to the U.S. Energy Information Administration.
Canadian producers are also benefiting from the start-up of the Trans Mountain pipeline expansion earlier last year, which has nearly tripled the flow of oil to Canada's Pacific Coast from landlocked Alberta, boosted the price of Canadian crude and opened up market access to refineries in Asia and the U.S. West Coast.
Canadian Natural Resources said it was aiming to drill 361 net wells across its crude oil and liquids-rich natural gas assets, with a capital budget of C$6.15 billion ($4.28 billion) for the year, higher than the 2024 forecast of C$5.42 billion.
The company aims for annual average production of between 1.510 million and 1.555 million barrels of oil equivalent per day (boepd) in 2025, resulting in production growth of approximately 170,000 boepd or 12% over 2024 levels, based on the mid-point of the forecast.

Caspian Pipeline Consortium further downgrades 2024 oil exports tally
The Caspian Pipeline Consortium (CPC), which exports Kazakhstan's oil via the Black Sea, was seen pumping 64.4 million metric tons of oil in 2024 in a latest estimate, further downgrading its exporting prospects, according to a shareholder.
It had initially planned to export more than 70 million tons (1.5 million barrels per day) of oil in 2024, up from a record high of 63.5 million tons in 2023.
However, the consortium said in May it expected its oil exports to fall 7% short of a preliminary target owing to lower loadings from Tengiz, a key field. The plans might have assumed the export of 65.2 million tons.
Speaking to a December issue of an in-house magazine, Vladimir Kalanda, a vice-president of Russian oil pipeline operator Transneft, said CPC's plans for 2024 called for 64.4 million tons of oil export, up almost a million tons from 2023.
The main CPC shareholders are Transneft (24%), Kazakhstan's KazMunayGas (19%), Chevron Caspian Pipeline Consortium Company (15%), Lukarco B.V (12.5%), Mobil Caspian Pipeline Company (7.5%), CPC Company (7%) and Rosneft-Shell Caspian Ventures Limited, (7.5%).

Top News - Agriculture

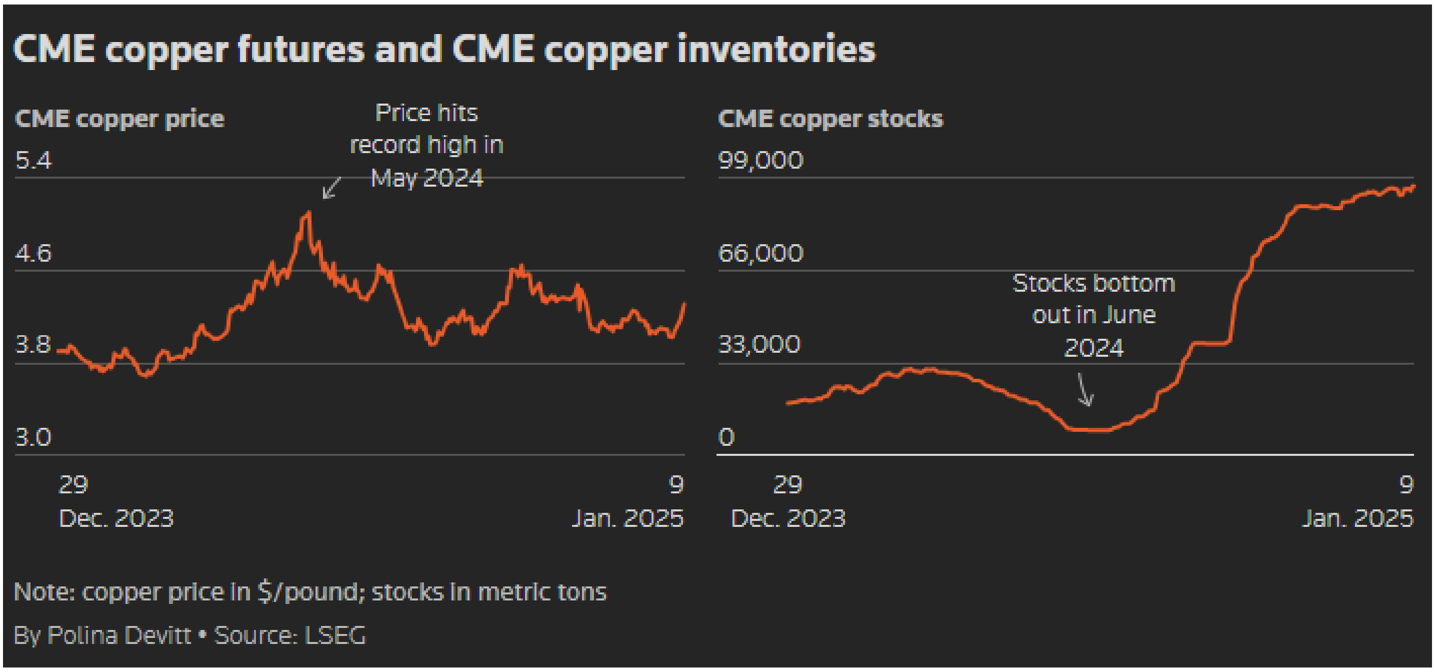
Argentina soy, corn need rains to rebound from hot, dry weather
Rains are needed to refresh Argentina's parched soy and corn crops, the Buenos Aires Grain Exchange said on Thursday, after weeks of hot and dry weather.
Showers should come within the next week, the exchange's weather analyst told Reuters on Wednesday.
Argentina is the world's top exporter of soybean oil and meal, and the No. 3 exporter of corn. However, the nation's farming heartland has received little to no rain since December, affecting the development of the two crops.
"Rain will be needed in the critical period... to sustain potential yield" of the soybean crop, the exchange said, adding nearly 92% of an expected 18.4 million hectares have been planted with soy so far.
The corn crop, meanwhile, is starting to show "water stress and loss of yield potential," according to the exchange. Farmers have also planted around 92% of the crop, expected to cover 6.6 million hectares.
The exchange expects 50-75 millimeters (2-3 inches) of rain to fall on the agricultural region between Jan. 16 and 22.

WHEAT
While the corn and soy crops are growing, wheat harvesting is nearly wrapped up, the exchange said. An estimated 98.2% of wheat fields have been threshed, with output seen at 18.6 million metric tons, according to the exchange.
"Average yield continues to increase as the harvest progresses," the exchange said.

Indonesia suspects virgin palm oil mixed into used cooking oil exports
Indonesia said on Thursday its exports of used cooking oil and palm oil residue in recent years had exceeded production capacity, indicating crude palm oil (CPO) had been mixed in and prompting it to issue regulation curbing shipments this week.

The world's biggest exporter of palm oil on Wednesday issued a ministerial decree clamping down on shipments of used cooking oil and palm oil residue, aimed to avert a potential shortfall of CPO for domestic industries.
Trade ministry data showed exports of palm oil mill effluent (POME) and High Acid Palm Oil Residue (HAPOR) in 2023 and January-October 2024 far exceeded the Indonesian government's estimate of total capacity of around 300,000 metric tons.
POME and HAPOR are palm oil residue products that can be used to make biofuel or fertiliser.
Shipments of both products reached 3.45 million tons in January-October 2024 and 4.87 million tons in 2023. That compares with CPO exports of 2.70 million tons in the first 10 months of 2024 and 3.6 million tons in 2023.
The ministry also said there was a 21% increase in exports of POME and HAPOR between 2019 and 2023, compared with a 20% drop in CPO exports in the same period."This justifies (the view) that the exported POME and HAPOR were not purely from residue or used CPO processing, but were also a mixture of virgin CPO," trade minister Budi Santoso said in a press statement.
Budi said that without regulations to curb exports availability of CPO for domestic use could be at risk.
Authorities have previously alleged that some cooking oil sold under a government programme called "Minyakita" had been mislabelled as used cooking oil and shipped overseas for biodiesel feedstock.Separately, in June 2024, a group of U.S. senators alleged fraudulent used cooking oil had been shipped from China to the United States, including some cargoes that might include virgin palm oil.

Chart of the Day



Top News - Metals

EXCLUSIVE-Vitol plans to cut costs by taking aluminium from LME warehouses in Malaysia, sources say
Energy and commodities trader Vitol is attempting to reduce its storage costs with plans to remove significant amounts of aluminium from London Metal Exchange (LME) warehouses in Port Klang, Malaysia, three sources familiar with the matter said.
LME approved warehouses charge 56 U.S. cents per metric ton to store aluminium in Port Klang, about five times more than rent charged for metal outside the LME's warehousing system. Vitol, which declined to comment on its plans, is ramping up its presence in global metals markets after a previous foray into base metals ended in 2014. It maintained a presence in alumina, which is used to produce aluminium, until 2018 and in iron ore until 2017.
LME queue-based rent capping (QBRC) rules stipulate a warehouse company can only charge fees to store metal for up to 80 days after the firm that owns it has given notice of its intention to take delivery. No rent can be charged after 80 days, so companies in the queue for longer pay no charges. Metal earmarked for delivery at LME registered facilities in Port Klang, known as cancelled warrants, jumped more than 40,000 metric tons on Monday. The LME gives only a monthly breakdown of inventories by warehouse firm, but the sources said Vitol accounted for much of the cancelled metal on Monday.

Cancellations by Vitol were at warehouses owned by ISTIM UK, where at the end of November last year there was a wait of 194 days to withdraw the metal.
ISTIM declined to comment.
Sources said the long wait was partly due to other companies deploying the same tactic to cut their storage costs.
Nearly a decade ago, after a consultation on warehousing rules, the LME highlighted market concern about QBRC being used to get free storage at the expense of warehouse firms.
Vitol may also have cancelled the aluminium warrants to take delivery of the metal and fulfil contractual obligations to sell to end-users at some future date, the sources said.
Benchmark aluminium prices rose after the stock data was published on Tuesday. Aluminium is vital for transport, construction and packaging.
Cancelled warrants in LME warehouses in Port Klang amounted to 273,900 tons or 66% of the total 414,675 tons on Wednesday.
Overall, aluminium stock warrants in LME warehouses totalled 619,275 tons on Jan. 8, of which 60.6% is waiting to be delivered out.
The aluminium in LME warehouses in Port Klang is sought after as most of it was produced in India rather than Russia. Many Western consumers have refused to buy metal produced in Russia, after its invasion of Ukraine in February 2022.
The LME banned Russian metal produced on or after April 13, 2024 from its system to comply with Western sanctions. But there is still a lot of Russian metal in the LME system, much of it in the South Korean Port of Gwangyang.

EXCLUSIVE-US lobbied Greenland rare earths developer Tanbreez not to sell to China

U.S. and Danish officials lobbied the developer of Greenland's largest rare earths deposit last year not to sell its project to Chinese-linked firms, its CEO told Reuters, adding it has been in regular talks with Washington as it reviews funding options to develop the island's critical minerals.
The move underscores the long-running economic interest U.S. officials have had in the Danish territory, well before U.S. President-elect Donald Trump began musing in recent weeks about acquiring it.
Rare earths have strong magnetic properties that make them critical to high-tech industries ranging from electric vehicles to missile systems. Their necessity has given rise to intense competition between Chinese and Western interests to ease China's near-total control of their extraction and processing. Greg Barnes, CEO of privately held Tanbreez Mining, said U.S. officials who visited the project in southern Greenland twice last year had repeatedly shared a message with the cash-strapped company: do not sell the large deposit to a Beijing-linked buyer. The U.S. State Department was not immediately available to comment. The White House did not respond to a request for comment. The Danish Foreign Ministry declined to comment. Barnes ultimately sold Tanbreez to New York-based Critical Metals as part of a complex deal that will be complete later this year. Tanbreez aims to mine 500,000 metric tons annually of the crimson rare earths-containing mineral eudialyte as soon as 2026.
"There was a lot of pressure not to sell to China," Tony Sage, CEO of Critical Metals, told Reuters. Barnes accepted payment of $5 million cash and $211 million in Critical Metals stock for Tanbreez, far less than Chinese firms offered, Sage said. Barnes said offers from Chinese and other parties were not relevant because they had not clearly outlined how they could pay.

Neither executive disclosed which officials they met with or identified the Chinese companies that made offers.
U.S. interests appear to be changing the game for rare earths projects that had previously not been seen as attractive investments, analysts said.
"While the size of the Tanbreez is significant, the grade and the mineralogy are nothing to be shouted about," said David Merriman, research director at minerals consultancy Project Blue, which considers the chance of the project reaching commercial production as low, given its complex mineralogy.
The Tanbreez sale to Critical Metals shows that U.S. officials have had more success in Greenland than they have in Africa, where they have been working to offset China's grip on the mineral-rich central African copper belt.
"While Greenland is not for sale, it is open for business," Dwayne Menezes, head of London-based think tank Polar Research and Policy Initiative. "It would welcome greater investment from the U.S."
A rival Greenland rare earths project from Energy Transition Minerals - which counts China's Shenghe as its largest shareholder - has stalled amid protracted legal disputes.

WASHINGTON TALKS

Donald Trump's eldest son, Donald Jr., arrived in Nuuk on a private visit on Tuesday, a day after the president-elect reiterated his interest in taking control of the island. Denmark has repeatedly said Greenland, a self-governing part of its kingdom, is not for sale.
That visit came two months after a State Department official spent four days in the island's capital in a push from the outgoing Biden administration to encourage Western mining investment there.
Critical Metals applied for funding to develop a rare earths processing facility from the U.S. Department of Defense last year, but the review process has stalled ahead of Trump taking office on Jan. 20. Sage said he expects talks to resume after Trump's inauguration and that Trump's transition team has already contacted him.
"We're already in discussions with the U.S. to sell (rare earths) to the U.S. and build the processing plant in the U.S.," he said.

Critical Metals' third-largest investor is brokerage firm Cantor Fitzgerald, led by Howard Lutnick, who Trump nominated to run the U.S. Commerce Department. Sage said he has never met or talked to Lutnick, but acknowledged Cantor's investment is a positive for his company.
The Tanbreez deposit is about 30% heavy rare earths, which are used widely in defense applications. The site also contains gallium, which China imposed export restrictions on last year.
Critical Metals has held supply talks with defense contractor Lockheed Martin and has upcoming talks with RTX and Boeing, Sage said.
Lockheed said it continuously assesses the rare earth supply chain to ensure access to critical materials. RTX and Boeing did not respond to requests for comment.
GreenRoc has applied for an exploitation license to develop a Greenland graphite project and has held funding talks with U.S. officials in the past year, CEO Stefan Bernstein told Reuters.
Neo Performance Materials and Anglo American are also exploring on the island.

MARKET MONITOR as of 07:35 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$74.57 / bbl	0.88%	3.97%
NYMEX RBOB Gasoline	$2.08 / gallon	0.96%	3.30%
ICE Gas Oil	$712.75 / tonne	0.53%	2.52%
NYMEX Natural Gas	$3.82 / mmBtu	3.08%	5.01%
Spot Gold	$2,676.17 / ounce	0.22%	2.00%
TRPC coal API 2 / Dec, 25	$105 / tonne	-4.98%	-5.70%
Carbon ECX EUA	€72.89 / tonne	-0.78%	-0.15%
Dutch gas day-ahead (Pre. close)	€45.50 / Mwh	-0.66%	-6.28%
CBOT Corn	$4.65 / bushel	0.05%	-0.21%
CBOT Wheat	$5.45 / bushel	-0.18%	-3.11%
Malaysia Palm Oil (3M)	RM4,371 / tonne	1.75%	-1.73%
Index	**Close 08 Jan**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	361.73	1.06%	1.38%
Rogers International	30.11	0.82%	3.06%
U.S. Stocks - Dow	42,635.20	0.25%	0.21%
U.S. Dollar Index	109.31	0.12%	0.76%
U.S. Bond Index (DJ)	432.81	0.17%	-0.74%

Top News - Carbon & Power

Wind power tops nuclear in Sweden for first time, trade group says
Electricity output from wind hit a record high in Sweden in 2024, with wind exceeding nuclear power for the first three-month period ever in the last quarter, the Swedish Wind Energy Association (SWEA) said in a statement.
In December, wind was the largest source of electricity for the first time, ahead of hydro and nuclear power, making up 35% of production, with record monthly output, the SWEA said.
"The December outcome gives hope. Wind power can account for a large part of the electricity production needed for electrification not to lose momentum, to enable a climate transition, and to achieve Sweden's climate goals," it said.
For all of last year, wind accounted for 25% of generation, up from 22% in 2023, after hydro and nuclear power.
Still, the Swedish government in November rejected applications to build 13 offshore wind farms, citing Baltic Sea security concerns. It also removed subsidies for connecting offshore wind projects to Sweden's power grid.
The government believes Sweden needs to double electricity output in the next two decades to around 300 TWh to meet higher demand and reach climate targets, and it plans to build out nuclear power.
"2024 offered normal winds, but thanks to the expansion of wind power, the annual production was 40.8 TWh, the highest annual production ever," SWEA said, citing official data.

An SWEA spokesperson said that, assuming similar wind strengths and electricity prices, output from wind power should be at least as big in 2025 as in 2024.

COLUMN -Texas tops US states for renewable energy and battery capacity: Maguire

Texas is dominating the development of renewable energy generation and battery capacity within the United States, and is estimated to have installed nearly 80% more combined solar, wind and battery capacity than the next largest state.

The Lone Star state has 42,000 megawatts (MW) of wind power, 22,000 MW of solar farms and 6,500 MW of utility-scale battery capacity in place as of the end of 2024, data from Cleanview and the U.S. Energy Information Administration (EIA) shows.

California has the next largest network of renewable generation and battery capacity, while Florida, Arizona and Colorado round out the top 5 list of U.S. states that are deploying renewables and batteries to boost power supplies.

THE BIG 3

Texas's emergence as the country's clean energy leader has been fuelled by rapid capacity growth on multiple fronts.

Since 2019, Texas power firms have boosted solar generation capacity by 800%, wind capacity by 50% and battery storage capacity by an eye-popping 5,500%, according to energy data portal Cleanview, using EIA and state-level data. In absolute terms, Texas has installed around 19,000 MW of solar, 14,000 MW of wind and 6,200 MW of battery capacity within the past five years.

Those installations have resulted in wind and solar farms generating roughly 30% of the state's electricity in 2024, according to Ember, which is up from a combined solar and wind share of around 18% in 2019.

California gets around 40% of its electricity from wind and solar sources, up from around 25% in 2019, thanks mainly to an aggressive climb in solar generation.

Around 9,000 MW of solar capacity has been added to California's power system since 2019, to bring the state's total solar capacity footprint to around 21,500 MW in 2024.

Over the same period, California's utility-scale battery network has grown from around 240 MW in 2019 to over 11,000 MW last year - the largest in the country.

California's wind generation footprint has held largely steady at around 6,430 MW in recent years, resulting in a combined solar, wind and battery storage capacity of around 40,000 MW, EIA data shows.

Florida has the third-largest footprint of renewables and battery capacity, but has no wind power capacity and so trails the top states in terms of cumulative solar, wind and battery capacity which is a combined 11,500 MW.

That said, the state has boosted its solar footprint from less than 50 MW in 2019 to over 10,500 MW in 2024, which indicates strong current momentum for renewables output.

Florida's battery capacity is currently around 575 MW, according to EIA, which places the state fifth overall in that category.

However, the U.S. Department of Energy recently announced nearly $30 million in investments in battery storage capacity in the state to boost power sector resilience, which should boost overall battery capacity further.

GROWTH MARKETS

Arizona, Colorado, New Mexico and Nevada are the next largest states in terms of combined grid-scale renewables generation and battery storage capacity.

Each of those states has roughly 7,500-8,300 MW of combined solar, wind and battery capacity, and each state's power sector looks set to add to both solar and battery capacity in the coming years.

Arizona and Nevada have the largest battery storage networks of the lower-tier states - at around 2,000 MW and 1,125 MW respectively - which should allow local utilities to store surplus solar power for later distribution.

In total across the United States, around 62,000 MW of grid-scale battery storage is expected to be deployed between 2024 and 2028, according to a report by consultancy Wood Mackenzie.

An additional 10,000 MW of residential storage capacity and around 2,500 MW of commercial and industrial storage is also expected to emerge before the end of the decade.

Top News - Dry Freight

Brazil freight lobby sees grain shipping disruptions after new toll rule

A freight lobby has warned of the risk of "logistical collapse" after Brazilian transport agency ANTT changed payment system rules for trucks moving millions of tons of agricultural commodities and other cargo, according to a statement on Thursday.

The introduction of electronic tags as the only accepted means of payment comes as Brazil begins harvesting a massive soybean crop of nearly 170 million tons, said Carley Welter, executive director at ANATC, an association of freight firms. ANATC, whose members move a combined 150 million tons of cargo including soybeans, corn and soybean meal and have 2.2 million registered truck drivers, said firms supplying the tags have been unable to meet high demand. On one day this week, Welter estimates some 50,000 truckers were affected. "Without sufficient time to adapt, thousands of truck drivers and shippers are left without alternatives, facing logistical bottlenecks that can result in ANTT fines

of 3,000 real ($490.87) per vehicle for each trip," Welter said in the statement.
NTC&Logística, another transport lobby, praised the new payment scheme to speed up truck flows at toll booths. Its members have reported no disruptions related to the electronic tags, according to Gil Menezes, the group's legal adviser, who said that the shippers have the obligation to provide them and all had time to adapt.
The transport agency said companies hadample time to adapt, and said there are 20 accredited suppliers of the mandatory tags. It said the technology aims to boost toll collection oversight and truck traffic efficiency.
ANEC, a grains exporter group speaking for firms like Cargill and Bunge, said trucks are vital to move grains to ports.
"If we intend to export something close to 180 million tons of grain, this would involve making 5.1 million truck trips," said Sergio Mendes, director at ANEC. "Any problem with the trucks will certainly result in losses for the farmer, the exporter and the trade balance."

Taiwan buys estimated 114,650 T wheat of U.S.-origin, traders say

The Taiwan Flour Millers' Association purchased an estimated 114,650 metric tons of milling wheat sourced from the United States in a tender on Thursday, European traders said.
The purchase involved various wheat types in two consignments for shipment from the U.S. Pacific Northwest coast.
The first consignment for shipment for March 8-22 involved 38,300 tons of U.S. dark northern spring wheat of a minimum 14.5% protein content bought at an estimated $285.66 a ton free on board (fob) equating to $314.91 per ton cost and freight (c&f) including ocean shipping costs to Taiwan, they said.
It also involved 12,475 tons of hard red winter wheat of a minimum 12.5% protein content bought at $259.41 a ton fob/$288.66 a ton c&f and 6,925 tons of soft white wheat of a minimum 8.5% and maximum 10% protein bought at $228.54 a ton fob/$257.79 c&f.
Trading house Viterra sold the dark northern in the first consignment while CHS sold the hard red and soft white, traders said.
The second consignment for March 26-April 9 shipment involved 38,100 tons of dark northern spring wheat of a minimum 14.5% protein content bought at an estimated $285.66 a ton fob/$316.46 a ton c&f, they said.
It also involved 12,450 tons of hard red winter wheat of a minimum 12.5% protein content bought at $256.47 a ton fob/$287.27 c&f and 6,400 tons of soft white wheat of a minimum 8.5% and maximum 10% protein bought at $229.81 a ton fob/$260.61 c&f.
Viterra was believed to have sold the dark northern and soft white in the second consignment and CHS sold the soft red winter.
Reports reflect assessments from traders and further estimates of prices and volumes are possible later.
The association’s tenders provide a snapshot of U.S. wheat export prices in Asian markets.

Picture of the Day

Volunteers work to clear spilled oil on the coastline following an incident involving two tankers damaged in a storm in the Kerch Strait, in the area of Cape Fiolent in Sevastopol, Crimea, January 9. REUTERS/Alexey Pavlisha

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

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