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

SPECIAL REPORT - Buffett's Berkshire Hathaway operates the dirtiest set of coal-fired power plants in the US
Berkshire Hathaway's dozen coal-fired power plants cast a pall over the environmental record of a company that touts itself at the vanguard of clean energy. Despite investments to date of more than $41 billion in renewable energies, mostly wind and solar power, Berkshire operates the dirtiest corporate coal fleet in the U.S., a Reuters investigation shows. To read the full report, **click here**

Top News - Oil

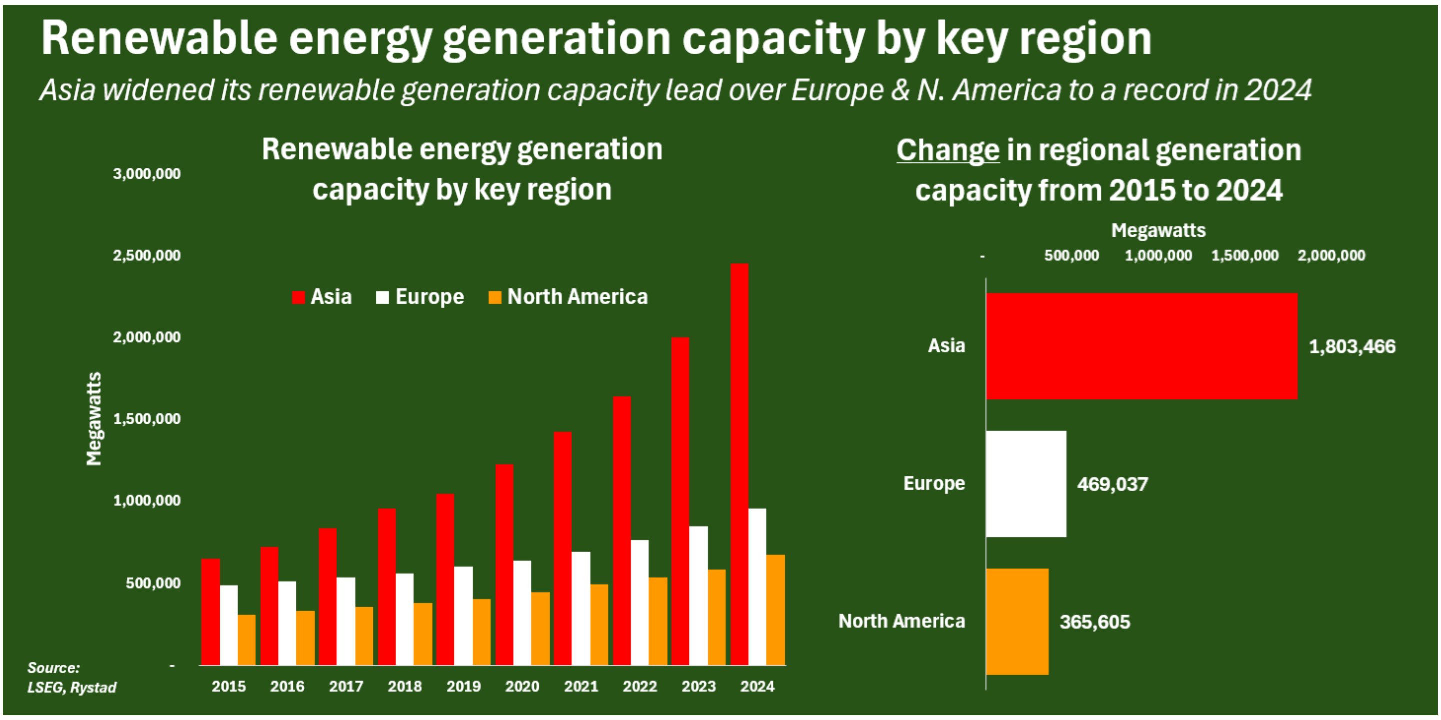
EIA expects oil prices to be under pressure from oversupply in 2025, 2026
Oil prices will be under pressure over the next two years as global production growth outpaces demand, the U.S. Energy Information Administration said on Tuesday in its Short-Term Energy Outlook report.
Many analysts expect an oversupplied oil market this year, after demand growth slowed sharply in 2024 in the biggest energy-consuming countries: the U.S. and China.
The EIA said it expects Brent crude oil prices to fall 8% to average $74 a barrel in 2025, then fall further to $66 a barrel in 2026.
The EIA slightly raisedits estimate for record U.S. oil production this year, to 13.55 million barrels per day, from its prior estimate of 13.52 million bpd.
U.S. crude prices are expected to average $70 per barrel in 2025 and fall to $62 per barrel next year, said the EIA, the first time it is issuing an outlook for 2026.
The share of U.S. supply coming from the Permian Basin of Texas and New Mexico, the world's largest shale oil-producing region, is expected to continue to grow and account for more than half of all of the country's output in 2026, the report said.
Globally, oil and liquid fuel production is now expected to average 104.4 million bpd in 2025, up from the prior forecast of 104.2 million bpd, the EIA said.
The EIA cited a decision by the Organization of Petroleum Exporting Countries and allies to ease supply curtailments and expectations that non-OPEC producers will increase output.
Global demand, meanwhile, is expected to average 104.1 million bpd, down from the prior estimate of 104.3 million bpd, and still lower than pre-pandemic trends, the EIA said.

ANALYSIS-Russia's Arctic oil feels the chill from U.S. sanctions
Russia's vast Arctic oil business is facing major disruption from U.S. sanctions on its tankers and depots, stranding crude supplies previously snapped up by Asian buyers in storage, according to three sources familiar with its logistics. The sanctions unveiled on Friday are the toughest yet on Russia's oil sector, targeting major producers Gazprom Neft and Surgutneftegas as well as 183 vessels that have shipped Russian oil.
Three sources who spoke to Reuters on condition of anonymity said all three of Russia's Arctic oil grades - Novy Port, ARCO and Varandey, with about 300,000 barrels of output per day - face disruption.
The vessels and infrastructure needed by Russia's Arctic oil business, which accounts for a tenth of its seaborne oil exports, are unique, two of the sources said.
Novy Port crude from Gazprom Neft's Novoportovskoye field, where temperatures can hit -55 C, ARCO, from the Prirazlomnaya offshore platform, and Varandey, from Lukoil's Timan-Pechora fields, are shuttled by a special type of ice-class vessel to the Umba and Kola floating storage facilities near Murmansk.
It is then offloaded to larger vessels - Aframax or Suezmax that can carry 100,000-140,000 tons, compared to the smaller vessels' 30,000 tons - for shipment to the international market.
The United States has now sanctioned both Umba and Kola, and more than a dozen small tankers used as shuttle suppliers of oil from the fields.
According to LSEG data, at least 15 of the tankers sanctioned by the U.S. on Friday, including the Shturman Scherbinin, Mikhail Ulyanov and Aulis, have been actively involved in shipping Russian Arctic grades during the last two months.
The smaller shuttle tankers were designed to operate in northern seas and have a specific design allowing them to load more oil without compromising keel clearance.
"There is no option to replace those quickly. Nothing like this to buy elsewhere. The vessels were specifically built for the projects," one of the sources said.
That could leave Russia with millions of barrels of unsold oil in storage, the sources said. According to one, the limited storage capacities at all three projects mean a couple of weeks of loading disruptions might lead to cuts in output.
Lukoil did not respond to Reuters' requests for comment, while Gazprom Neft declined to comment.
Gazprom Neft, which produces ARCO and Novy Port, was also added to the U.S. sanction package directly, although Lukoil, which produces Varandey, was not.

ASIA BOUND
Novy Port and Varandey are favoured by refiners worldwide for their high quality - both are light, with 0.1-0.4% sulphur.
The Arctic grades, which prior to a 2022 EU embargo had been purchased by refineries in northwest Europe, have more recently been snapped up by refiners in India and China.
"Light Arctic oil grades from Russia were priced above the (G7) price cap due to their premium quality," one of the sources familiar with dealings in the Indian oil market said.
India and China have shown however that they are not ready to accept oil coming from sanctioned tankers, and have started to look for replacements for Russian oil.
The absence of Russian Arctic oil grades in the market will likely push up prices of the U.S. flagship WTI oil grade, which is also light, one of the traders in the Asian oil market said. India reduced U.S. oil buying after it started to snap up cheap Russian barrels from the market a couple of years ago, but a source at one Indian refiner said his company is looking at buying more U.S. oil.

NO DOMESTIC LINK
As all the oil volumes from the Arctic projects are bound for export, there is no logistical system in place for them to be fed into the Russian domestic oil pipeline system.
This means that if there are no buyers for those oil grades, volumes will have to be kept in floating storage, or Gazprom Neft will need to curb output on both projects, the sources said.
One of the sources said that while there is a possibility for some supplies of the grades to be shipped via sea to some refineries in the south of Russia, that might be costly and limited in volumes.
Lukoil's Varandey oil supplies could technically be loaded directly from its Varandey terminal straight to international markets. However, the cost of such shipments will be higher, and the company needs time to fetch replacement tankers to the region, one of the sources said.

Chart of the Day



Top News - Agriculture

Brazil's Conab raises soybean output view to 166.32 mln T
Brazilian crop agency Conab on Tuesday raised its forecast for domestic soy production in the 2024/2025 season to 166.32 million metric tons, from 166.21 tons previously, citing good weather and a minor adjustment in the growth of the oilseed's planted area.
The new forecast for soy production in Brazil, the world's biggest producer and exporter, is 12.6% higher than the 2023/24 harvest and a record. However, it is lower than some private consultancies' estimates, which see the crop at between 167 million tons and 173 million tons.
This season, Conab sees the soy cultivated area at 47.4 million hectares (117.1 million acres), an increase of 2.7% compared to the previous period. In December, Brazil's soy area growth was pegged at 2.6%.
Brazil is poised to export more than 105 million tons of soybeans in the season, a larger volume than the 98.6

million tons of last year, on ample supplies, Conab said. Most of Brazil's exports go to China.
In the new report, Conab also slightly lowered its total corn production forecast to 119.55 million metric tons, reflecting in part a reduction of the country's first-corn area and dryer conditions in the south of the nation, which is already causing yield losses.
Brazil plants three corn crops each year.
Conab said the second corn crop, the biggest of the three, would be planted slightly later than desired because of delays in the soy cycle.
Second corn is planted after soy in the same fields, and represents 70-75% of production in a given year.
Second corn planting was expected to begin at the end of December, mainly in irrigated areas in Mato Grosso and Parana state. In other regions, it should gather pace at the end of January and intensify throughout February, Conab noted.
A later planting schedule for second corn exposes the crop to bigger climate risk.

NOPA December US soybean crush seen at record 205.498 million bushels
The U.S. soy crush likely swelled to a record high in December, boosted by ample crushing supplies and expanded processing capacity as several new plants have recently come online, according to analysts polled ahead of a National Oilseed Processors Association report due on Wednesday.
The report will include crush data from two facilities that opened last year in Cherryvale, Kansas, and Casselton, North Dakota, for the first time, NOPA told Reuters.
NOPA members, who handle at least 95% of all soybeans processed in the United States, were estimated to have crushed a record 205.498 million bushels last month, according to the average of estimates from eight analysts surveyed by Reuters.
If realized, it would be up 6.4% from the 193.185 million bushels crushed in November and up 5.2% from December 2023 when processors crushed a then-record 195.328 million bushels.
U.S. soy crush capacity has expanded in recent years to meet growing demand for vegetable oils as a biofuel feedstock.
Crush estimates for December ranged from 202.000 million to 209.500 million bushels, with a median of 205.500 million bushels.
The NOPA report is scheduled for release at 11 a.m. CST (1700 GMT) on Wednesday.
Soyoil stocks held by NOPA members as of Dec. 31 were projected to rise to 1.253 billion pounds, based on estimates from five analysts.
If the estimate is realized, it would be up 15.6% from 1.084 billion lbs at the end of November but down 7.9% from the 1.360 billion lbs held by NOPA members a year ago.
Oil stocks estimates ranged from 1.178 billion to 1.298 billion lbs, with a median of 1.250 billion lbs.
NOTE: Crush figures listed in millions of bushels and soyoil stocks are in billions of pounds.

Top News - Metals

US aluminium premium shows market sanguine over threat of Trump tariffs on Canada
Although aluminium prices for U.S. consumers have risen since Donald Trump's election win, the rise has been muted, signalling the industry is not expecting the President-elect to carry out his threat to impose hefty tariffs on Canadian imports.
Prices of primary aluminium in the United States, a net importer of the metal used in transport, construction and packaging, are based on the London Metal Exchange benchmark plus the Midwest premium.
This premium, which covers taxes, transport and handling costs, has only gained about 12% to 24 cents a lb or $530 a metric ton, since Trump won in November, a subdued move compared to 2018 when his first administration introduced tariffs of 10%.
Trump is threatening levies of 25% on aluminium shipments from Canada and Mexico and the Canadian share of U.S. primary aluminium imports is large enough for tariffs to be fully reflected in the premium.
"Markets seem to be sceptical about the actual imposition of tariffs. The theoretical impact of a 25% tariff on Canada would be a 33 cents a lb premium spike to 50 cents plus levels," said Jorge Vazquez, founder of U.S. consultancy Harbor Aluminum.
In 2018, the premium jumped 90% to $407 a ton between January, when the market started to discount the levies, and early March when the tariffs became a reality.
This time, Trump is using the threat of tariffs on Canada and Mexico as a bargaining chip to resolve border security and illegal immigration, analysts said.
For U.S. consumers, the problem would be tariffs on Canada, the largest source of aluminium shipments to the United States, which Trade Data Monitor (TDM) estimates were nearly 1.6 million tons, or 79% of U.S. imports, in January to November last year.
Primary aluminium exports to the United States in the period totalled more than two million metric tons, TDM's data showed, of which Mexico accounted for only 20 tons.
"Trump has a pretty free rein, he wants Canada and Mexico to play ball on immigration," Dmitri Ceres at U.S.-based aluminium trader PerenniAL. "Most likely tariffs will result in higher prices for metal in the U.S. versus the rest of the world."

EU to propose ban on Russian aluminium imports in new sanctions package, EU diplomats say
The European Commission intends to propose a ban on imports of Russian primary aluminium in its 16th package of sanctions against Russia over its invasion of Ukraine,

European Union diplomats said on Tuesday.
EU countries hope to pass a 16th package of restrictions in February to mark the third anniversary of the war.
The Commission held informal meetings with EU countries on Tuesday to discuss details of the forthcoming package, the sources said. One source added that the ban would be phased in.
In a letter late last year, 10 EU countries proposed further sanctions on Russian trade, including its output of metals such as aluminium.
So far the 27-member bloc has banned aluminium products including wire, tubes and foil. These amount to less than 15% of EU imports of the metal used in the transport, packaging and construction industries.
Significantly lighter than steel, aluminium is now the metal of choice in a wide range of parts for electric vehicles.
The United States and Britain banned the import of metals produced in Russia in 2024, but the EU declined to follow suit owing to opposition from some member states.
LME benchmark aluminium touched its highest in nearly a month at $2,602 a ton after the news but later gave up gains and was down 0.1% at $2,576.50 by 1715 GMT.
The EU's imports of Russian primary aluminium have fallen over the past two years. Between January and October last year, the EU imported more than 130,000 metric tons of primary aluminium from Russia, or about 6% of the 2.2 million ton total, according to information provider Trade Data Monitor.
That compares with 11% and 19% in the corresponding periods of 2023 and 2022 respectively.
EU and U.S. companies could trigger a race for alternative Middle Eastern supplies, including from the United Arab Emirates and Bahrain. The region produced nearly 9% of global supply in 2024, the International Aluminium Institute says.

MARKET MONITOR as of 07:34 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$78.10 / bbl	0.77%	8.90%
NYMEX RBOB Gasoline	$2.16 / gallon	0.96%	7.26%
ICE Gas Oil	$746.75 / tonne	0.71%	7.41%
NYMEX Natural Gas	$3.98 / mmBtu	0.30%	9.55%
Spot Gold	$2,682.28 / ounce	0.19%	2.23%
TRPC coal API 2 / Dec, 25	$113.75 / tonne	6.31%	2.16%
Carbon ECX EUA	€78.03 / tonne	1.39%	6.89%
Dutch gas day-ahead (Pre. close)	€47.40 / Mwh	-3.81%	-2.37%
CBOT Corn	$4.86 / bushel	0.26%	4.35%
CBOT Wheat	$5.56 / bushel	-0.40%	-1.16%
Malaysia Palm Oil (3M)	RM4,348 / tonne	-2.01%	-2.25%
Index	**Close 14 Jan**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	370.17	-0.54%	3.74%
Rogers International	30.92	-0.82%	5.85%
U.S. Stocks - Dow	42,518.28	0.52%	-0.06%
U.S. Dollar Index	109.26	-0.01%	0.71%
U.S. Bond Index (DJ)	429.86	-0.01%	-1.41%

Top News - Carbon & Power

US natgas output and demand to hit record highs in 2025, EIA says

U.S. natural gas output and demand will both rise to record highs in 2025, the U.S. Energy Information Administration (EIA) said in its Short Term Energy Outlook (STEO) on Tuesday.
EIA projected dry gas production will rise from 103.1 billion cubic feet per day (bcfd) in 2024 to 104.5 bcfd in 2025 and 107.2 bcfd in 2026. That compares with a record 103.6 bcfd in 2023.
The agency also projected domestic gas consumption would rise from a record 90.3 bcfd in 2024 to 90.6 bcfd in 2025 before easing to 90.4 bcfd in 2026.
If correct, 2026 would be the first time demand declines since 2020 when the COVID-19 pandemic cut usage for the fuel.

The latest projections for 2025 were higher than EIA's 103.7 bcfd supply and 90.2 bcfd demand forecasts in December.
The agency forecast average U.S. liquefied natural gas (LNG) exports would reach 14.1 bcfd in 2025 and 16.2 bcfd in 2026, up from a record 12.0 bcfd in 2024.
As renewable sources of power displace coal-fired plants, the agency projected U.S. coal production would fall from a 60-year low of 511.7 million short tons in 2024 to 476.2 million tons in 2025, which would be the lowest since 1962, before edging up to 476.6 million tons in 2026.
EIA projected carbon dioxide (CO_2) emissions from fossil fuels would rise from a four-year low of 4.767 billion metric tons in 2024 to 4.791 billion metric tons in 2025 as coal and petroleum use increases, before easing to 4.782 billion metric tons in 2026 as oil and gas use declines.

COLUMN-Asia's yawning renewables lead may only grow from here: Maguire

Asia has widened its renewable energy capacity lead over all other regions, adding a record 450,000 megawatts (MW) of new renewable capacity in 2024, according to data compiled by LSEG.
That capacity addition dwarfs the roughly 109,000 MW added in Europe and the 93,000 MW added in North America last year, and cements Asia's position as the main global hub for renewable energy generation.
Asia's total installed renewables generation footprint is now roughly 2,500,000 MW, compared to around 1,000,000 MW in Europe and 700,000 MW in North America, and means Asia is now home to just over half of all renewable generation capacity.
And Asia's capacity lead looks set to widen going forward as diminished political cohesion in Europe and a swing to a climate-sceptic administration in the United States potentially slows the pace of renewables growth in those markets. Trade spats between China - the world's top producer of renewable power production components - and Europe and the United States may also accelerate Asia's renewables build-out, by forcing China to focus more on local markets for growth.

POWER PRICE IMPACT

Sustained renewables capacity growth in Asia just as capacity expansions slow in Europe and North America could spark a divergence in power price trends between those regions.
If Asian power systems steadily increase the share of renewables within generation mixes, local power prices could be driven lower by the resulting increases in output from solar and wind farms that can produce power more cheaply than fossil fuel power plants.
At the same time, continued high reliance on natural gas for power generation in Europe and North America could keep power costs in those markets on a potentially rising trajectory. This is especially likely in Europe, where gas plants that previously ran on pipelined supplies from Russia must now be fed by imported liquefied natural gas (LNG), which can cost sharply more than pipelined gas.
Gas prices in North America could also trend higher, especially if the United States ramps up gas exports in the form of LNG to feed the gas demand in other regions, and tightens domestic gas supplies as a result.
The legacy networks of gas pipelines, power plants and ancillary industries that use gas as a feedstock are also powerful forces within Europe and North America, and are effective at thwarting policies that may undermine their status. These industries are also major local employers and so could spur broad societal disruption if they come under threat. In contrast, several major economies throughout Asia are intent on reducing their dependence on imported fossil fuels for energy production, and are committed to expanding home-grown power production that is enabled by renewable sources.

CHINA'S SKEW

China accounts for roughly two-thirds of Asia's renewables capacity footprint and looks set to remain the world's fastest developer of renewable power generation.
China's mammoth manufacturing base also looks set to remain the largest producer of solar parts and other key components tied to renewables generation, which China plans to export throughout the world.
Local Asian markets are likely to be willing buyers of those China-made parts and products, as several economies in Asia are experiencing rapid growth in energy consumption that can be supplied relatively cheaply and quickly by renewables sources.
In contrast, Europe and the United States are liable to slow their uptake of China-made energy products due to ongoing trade disputes, even if those products are among the lowest cost available and are effective in lifting power supplies. That discrepancy in appetite for China-made renewable energy parts and systems may further accelerate the divergence in clean power capacity trends between Asia and other regions, and amplify the resulting power price trends.
The re-routing of global manufacturing supply chains away from China - in response to ongoing trade disputes with Beijing - may also serve to accelerate Asia's renewables adoption.
Many of the alternative factory locations are likely to be in low-cost Asian nations that have large workforces, while many of the products and parts they assemble will remain tied to the energy transition due to the widespread appeal of clean energy production systems.
Emerging economies across Asia are also keen to wean their energy systems off high-cost and high-polluting fossil fuels, and so are expected to undertake major investments in building out clean energy generation that helps to create jobs and spur economic growth. In sum, these trends may serve to speed up Asia's collective adoption of renewable energy production over the coming years, just as Europe and North America are poised to potentially reduce the pace of renewables adoption due to their own political and industrial priorities.

Top News - Dry Freight

EU 2024/25 soft wheat exports down 35% by Jan 12
Soft wheat exports from the European Union since the start of the 2024/25 season in July had reached 11.49 million metric tons by Jan. 12, down 35% from a year earlier, data published by the European Commission showed on Tuesday.
EU barley exports totalled 2.26 million tons, down 32% year on year.
However, the Commission said export data for Italy has not been complete for the past seven weeks. Export data for France has not been complete since the beginning of 2024 while data for Bulgaria and Ireland has not been complete since the beginning of the 2023/24 marketing year. Competition from Black Sea supplies and a poor harvest in France have curbed EU exports this season, though the trend has been amplified by the missing data.
A breakdown of this season's volumes showed Romania was still the largest EU soft wheat exporter, with 3.3 million tons so far, followed by Lithuania with 1.53 million tons, Latvia on 1.45 million tons, France with 1.34 million tons and Germany on 1.29 million tons.
The main destinations for EU soft wheat exports for 2024/25 so far were given as follows: In imports, the volume of maize shipped into the EU so far this season had reached 10.58 million tons, up 5% from a year earlier.
EU soft wheat imports were at 4.5 million tons, down 12%.

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 $267.60 a ton cost and freight (c&f) for shipment in the second half of March, they said.
Reports reflect assessments from traders and further estimates of prices and volumes are possible later.
Traders reported these estimated offers from some other trading houses participating in Tuesday’s tender, all per ton c&f: Cargill $275.50, Viterra $286, Al Dahra $276, Aston $280, Buildcom $273.27, Olam $275.50, Ameropa $269.94 and Cereal Crops $300.
Traders said they received indications that Jordan will issue a new tender in the coming days to buy 120,000 tons of wheat. Offers are expected to be submitted on Jan. 21, with shipment in the full month of April and full month of May.A separate tender from Jordan seeking 120,000 tons of animal feed barley closes on Wednesday.

Picture of the Day

An Aer Lingus passenger plane flies in front of the first full moon of the year known as the Wolf Moon, as it makes its landing approach to Heathrow Airport in London, Britain, January 14. REUTERS/Toby Melville

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

For questions or comments about this report, contact: **commodity.briefs@thomsonreuters.com**

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