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Top News - Oil

US issues fresh round of sanctions against Russia ahead of Trump return to White House

The United States on Wednesday imposed hundreds of sanctions targeting Russia, seeking to increase pressure on Moscow in the Biden administration's final days and protect some sanctions previously imposed.

The U.S. State and Treasury departments imposed sanctions on over 250 targets, including some based in China, taking aim at Russia's evasion of U.S. sanctions and its military industrial base.

As part of the action, the Treasury imposed new curbs on almost 100 entities that were already under sanctions, potentially complicating any future efforts to remove the measures. Russia's embassy in Washington did not immediately respond to requests for comment.

The Treasury in a statement said Washington was imposing fresh sanctions on almost 100 critical Russian entities - including Russian banks and companies operating in Russia's energy sector - that were previously sanctioned by the United States. It said the move increases secondary sanctions risk for them.

The new sanctions are issued under an executive order that a senior Treasury official said requires Congress to be notified before any of the actions can be reversed.

Jeremy Paner, a partner at the law firm Hughes Hubbard & Reed, said the actions are "Trump-proofed," preventing reversal of the additional sanctions without congressional approval. "You can't just with the stroke of a pen remove what's being done," he said.

Edward Fishman, a former U.S. official who is now a research scholar at Columbia University, called it a "very significant action."

"It protects these sanctions against sort of any frivolous decision to lift them," he said. "It gives the new Trump administration more leverage with Russia."

Trump's transition team did not immediately respond to a request for comment.

It was unclear how Donald Trump, who succeeds President Joe Biden on Monday, will approach the issue of sanctions on Russia. Trump has been friendly toward Russian President Vladimir Putin in the past and said on Monday that he would aim to meet quickly with him to discuss Ukraine.

When asked about his strategy to end the war, Trump told Newsmax: "Well, there's only one strategy and it's up to Putin and I can't imagine he's too thrilled about the way it's gone because it hasn't gone exactly well for him either."

SANCTIONS EVASION SCHEME

Washington also took action against a sanctions evasion scheme established between actors in Russia and China, targeting regional clearing platforms in the two countries that it said have been working to allow cross-border payments for sensitive goods. The Treasury said several Russian banks under U.S. sanctions were participants.

"China firmly opposes any illegal unilateral sanctions and 'long-arm jurisdiction'," Liu Pengyu, spokesperson for the Chinese embassy in Washington, said in a statement.

"The normal economic and trade exchanges between China and Russia should not be interfered with or disrupted, and should not be used as a tool to smear and contain China."

Also hit with sanctions on Wednesday was Keremet Bank, a Kyrgyzstan-based financial institution the Treasury accused of coordinating with Russian officials and a bank identified by the United States as circumventing sanctions.

Keremet Bank did not immediately respond to a request for comment.

The U.S. State Department also imposed sanctions on Russian-held Zaporizhzhia nuclear power plant, the largest in Europe.

The plant, located in Ukraine's south east, was captured by Russia shortly after it launched the invasion in 2022. It is shut down but needs external power to keep its nuclear material cool and prevent a meltdown.

The sanctions will not affect its operations, Russian news agencies reported on Wednesday, citing the plant's spokeswoman.

The Biden administration has imposed rafts of punitive measures targeting Russia over its February 2022 invasion of Ukraine that has killed or wounded thousands and reduced cities to rubble. Washington has repeatedly sought to counter the evasion of its measures.

Less than a week ago, the administration imposed its broadest package of sanctions so far targeting Russia's oil and gas revenues in an effort to give Kyiv and Trump's incoming team leverage to reach a deal for peace in Ukraine.

In first look at 2026, OPEC predicts ongoing oil demand growth

OPEC forecast on Wednesday world oil demand in 2026 will rise at a similar rate to this year, while reducing its figure for 2024 for a sixth time, following economic weakness in China, the world's biggest importer of oil.

The 2026 forecast is in line with the Organization of the Petroleum Exporting Countries' view oil use will rise for the next two decades, in contrast to the West's International Energy Agency that predicts it will peak this decade as the world shifts to cleaner energy.

OPEC, in a monthly report, said demand will rise by 1.43 million barrels per day in 2026, a similar rate to the

growth of 1.45 million bpd expected this year. The 2026 prediction is OPEC's first in its monthly report.
"Transportation fuels are set to drive 2026 oil demand growth, with air travel expected to see continued expansion, as both international and domestic traffic continues to increase," OPEC said in the report.
A table in the report put 2024 demand growth at 1.5 million bpd, compared with 1.61 million bpd listed in last month's report, amounting to a sixth consecutive cut in the 2024 forecast. In July 2024, OPEC expected world demand would rise by 2.25 million bpd in 2024.
OPEC's view on demand is at the upper end of industry forecasts. Earlier on Wednesday, the IEA forecast slower world oil demand growth in 2025 of 1.05 million bpd.

Chart of the Day

Top News - Agriculture

NOPA December US soy crush soars to record 206.604 million bushels
The monthly U.S. soybean crush jumped to the highest on record in December as several new processing plants have come online in recent months, according to National Oilseed Processors Association (NOPA) data released on Wednesday.
NOPA members, which account for at least 95% of U.S.-processed soybeans, crushed 206.604 million bushels of the oilseed last month, up 6.9% from the 193.185 million bushels crushed in November and up 5.8% from the December 2023 crush of 195.328 million bushels.
Last month's crush was above the average estimate of 205.498 million bushels in a Reuters poll of eight analysts. Estimates ranged from 202.000 million to 209.500 million bushels, with a median of 205.500 million bushels.
The December crush also eclipsed the previous record monthly crush of 199.943 million bushels in October. Data from two recently opened processing plants in Kansas and North Dakota was included in Wednesday's report, according to NOPA.
U.S. soy processing capacity has swelled over recent years as crushers built new plants and expanded existing ones to supply biofuels makers with vegetable oil feedstock.
NOPA members crushed 2.215 billion bushels in 2024, up 4.4% from the prior year.
Soyoil stocks among NOPA members as of Dec. 31 rose to 1.236 billion pounds, up 14.0% from 1.084 billion pounds at the end of November and the largest since July.
Analysts, on average, had expected stocks to rise to 1.253 billion pounds, according to estimates from five analysts.
Soyoil stocks estimates ranged from 1.178 billion to 1.298 billion lbs, with a median of 1.250 billion lbs.

Sun to beat down on Argentine farmland before rains bring relief
Argentina's soy and corn crops will likely endure high temperatures for the next two days before heavy rains bring respite, according to a forecast by the Buenos Aires Grains Exchange released on Wednesday.

The heatwave, which began earlier this week as the Southern Hemisphere summer intensifies, will ripple across the agricultural heartland with temperatures above 40 degrees Celsius (104 Fahrenheit).
The hot weather is expected to wither crops, which have not received rainfall since late December, a climate expert told Reuters on Monday. Argentina is the top global exporter of processed soybeans, and the No. 3 corn exporter. Most of the South American agricultural powerhouse's main growing region should see "abundant" rains beginning on Friday, ranging from 25 millimeters (mm) to more than 100 mm, the exchange said.
The precipitation will likely mark a normalization in the amount of rain the crops receive, representing a "ray of hope" for the sector, according to meteorologist German Heinzenknecht.
Argentine farmers are wrapping up soy and corn planting for the current 2024/25 season. The Buenos Aires exchange estimates the soy crop's area at 18.4 million hectares, and the corn area at 6.6 million hectares.

Top News - Metals

Chile to lift copper output 6% in next decade, with peak in 2027
Chile, the world's No. 1 copper producer, will boost its output of the red metal to 5.54 million metric tons in 2034, representing a 5.6% increase from 2023, state-run copper commission Cochilco said on Wednesday.
The Latin American nation produced 23.6% of the world's copper in 2024, Cochilco said. That amount is expected to increase, with Chile's hold over the industry representing a 27.3% share by 2034, it added.
Cochilco said it expected Chile to reach a peak production level in 2027, mining 6.07 million tons of copper that year. From there, annual output is expected to fluctuate at lower levels. The lowest point expected is in 2034, Cochilco said.
Cochilco previously had said it expected production of 6.43 million tons in 2034. The new forecast is due to an adjusted methodology that allowed for a more realistic estimate, Cochilco said.
Cochilco analyst Sergio Verdugo told a press conference that the dip would be due to aging mines. He also noted that, in a best case scenario, production could reach a maximum of about 7 million tons in 2034. While Chile is expected to hold its spot as the top copper producer globally, Cochilco forecast that by 2034 the nation will be followed by the Democratic Republic of the Congo with a 13.6% share of the market, and Peru with a 10.2% share. The Democratic Republic of the Congo overtook Peru as No. 2 producer in 2023.

Rio Tinto's iron ore shipments slip, miner sees global economic resilience
Rio Tinto reported its lowest annual iron ore shipments in two years, partly as heavy rains in Western Australia impacted output in the December quarter, but said the global economy was showing signs of strength.
Its fourth-quarter iron ore shipments declined 1%, falling slightly short of market expectations.
For the calendar year, Rio Tinto shipped 328.6 million metric tons of iron ore from Pilbara, the lowest since 2022. It is under threat of Brazilian rival Vale potentially retaking its crown as the world's biggest producer. Vale expects to produce 323-330 million tonnes for 2024.
"The global economy is showing resilience with inflation moderating and growth stabilising, although risks of geopolitical tensions and persistent labour shortages remain," Rio Tinto said in a statement.
Rio is contending with the depletion of some of its main mines and has been maintaining production with higher levels of its lowgrade SP10 product, which accounted for a quarter of its shipments in the fourth quarter.
Elevated levels are expected to be sustained until its replacement projects come online towards the end of the decade.
"We are reviewing our future product strategy, having regard to customer requirements and available ore grades," Rio Tinto said.
Steel consumption in China, its primary market, has eased due to a slowdown in the country's property sector.
The company expects iron ore production costs in the Pilbara region to be towards the higher end of its 2024 guidance of $21.75 to $23.50 per tonne, mainly because of increasing input expenses and lower production.
For the quarter, Rio shipped out 85.7 Mt of the steel-making commodity in the three months ended Dec. 31, down from 86.3 Mt in the same period last year. That missed a Visible Alpha consensus estimate of 87.5 Mt.
Rio forecast shipments between 323 Mt and 338 Mt for 2025.
The company said it remained on track for first production from its Simandou high-grade iron ore project in Guinea this year.
Rio Tinto's mined copper production grew 13% to 697,000 metric tons in 2024, thanks to increased output from the Oyu Tolgoi underground mine and higher-grade ore processing at Escondida.

Top News - Carbon & Power

Trump to make it easier for LNG export permit renewals, sources say

U.S. President-elect Donald Trump plans to make it easier for some producers of liquefied natural gas (LNG) to seek export permit renewals, according to two sources with knowledge of the plan.

Trump will likely include the change in an executive order on LNG that he will issue on his first day in office, the sources said. Trump, who takes office on Monday, has said he would issue an LNG order on day one that would end the pause on approvals for new LNG projects that outgoing President Joe Biden put in place in January last year.

Several companies have permits to export LNG to countries that are not part of free trade agreements with the U.S. and have yet to build their plants.

The companies run the risk of their permits not being renewed, which can endanger their projects. Companies developing LNG plants use preliminary export deals to buyers around the world - and related permits for export - to seek financing for projects.

"The move will give them greater certainty and a longer timetable to sell their volumes and raise financing for the project," said Jason Feer, Poten and Partners Global head of business intelligence.

The U.S. is the world's largest exporter of the superchilled gas, driven by the shale revolution, and played a key role in providing energy in the wake of Russia's invasion of Europe.

In April 2023 the U.S. Department of Energy (DOE) refused to grant export permit extensions to LNG developers that failed to meet a construction deadline.

The DOE said it would no longer consider new applications for extensions to seven-year commencement permits, unless companies prove they have physically started construction on an LNG export facility, or faced extenuating circumstances.

The decision was made after pipeline company Energy Transfer applied for a three-year extension of its permit to construct an LNG export facility in Lake Charles, Louisiana.

The company argued it wanted a second extension due to a variation in the design of the project to include a major carbon capture and sequestration component.

European nuclear projects need de-risking for investors, says IEA chief

Private investors, major banks and tech companies are showing interest in the European nuclear industry, but governments need to lower risks to encourage investment by guaranteeing contracts and cutting regulation, the head of the International Energy Agency (IEA) Fatih Birol told Reuters.

The private sector started to invest more in nuclear in

MARKET MONITOR as of 07:33 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$80.33 / bbl	0.36%	12.01%
NYMEX RBOB Gasoline	$2.19 / gallon	0.25%	9.08%
ICE Gas Oil	$765.00 / tonne	0.72%	10.03%
NYMEX Natural Gas	$4.07 / mmBtu	-0.24%	12.11%
Spot Gold	$2,697.27 / ounce	0.05%	2.80%
TRPC coal API 2 / Dec, 25	$109.63 / tonne	-3.62%	-1.54%
Carbon ECX EUA	€77.76 / tonne	-0.28%	6.52%
Dutch gas day-ahead (Pre. close)	€47.28 / Mwh	-0.25%	-2.62%
CBOT Corn	$4.86 / bushel	-0.46%	4.29%
CBOT Wheat	$5.57 / bushel	-0.40%	-1.07%
Malaysia Palm Oil (3M)	RM4,190 / tonne	-4.05%	-5.80%
Index	**Close 15 Jan**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	376.04	1.59%	5.39%
Rogers International	31.21	0.92%	6.83%
U.S. Stocks - Dow	43,221.55	1.65%	1.59%
U.S. Dollar Index	109.06	-0.03%	0.53%
U.S. Bond Index (DJ)	429.80	1.07%	-1.43%

2024 to cover growing electricity demand for data centres and artificial intelligence, but long delays and cost overruns for recent projects have hurt European competitiveness.
Political uncertainties and poor performance by utilities have hindered growth in Europe as nuclear power production has fallen to less than 25% of total energy production and in 10 years' time it should be less than 15%, Birol said.
"It is important that the governments take some measures in terms of showing their long-term commitment and creating some derisking mechanisms for the investment, including at least partially guaranteeing contracts and streamlining the regulatory process," Birol said in an interview.
He declined to name specific investors that were interested in European nuclear power.
China has risen to be a top player in the nuclear industry due to a decades-long commitment by the government and the development of a strong supply chain, which Europe will need to emulate to meet its development goals, Birol said.
The growth in installed nuclear power capacity in China is set to eclipse the United States and the European Union by 2030 as more projects come online, an IEA report released on Thursday said.
The 63 nuclear reactors under construction globally represent more than 70 gigawatts (GW) of capacity, with half based in China, while annual investment has increased by nearly 50% in the three years since 2020, the report said.
The development of small modular reactors could lead to Europe, the United States and Japan retaking the nuclear technology lead in the next decade, and with strong investment some 80 GW could be installed by 2040, the report said. However, to get to these levels the industry will need to cut costs to levels similar to large-scale hydropower and offshore wind projects. Investment would need to increase five-fold to $25 billion (24.32 billion euros) by the end of the decade, the report said.

Top News - Dry Freight

French wheat export forecast held at lowest this century, barley cut
Farm office FranceAgriMer on Wednesday kept its monthly forecast for 2024/25 French soft wheat exports outside the European Union unchanged at the lowest this century, as a dearth of demand from Algeria and China continued to weigh.
A drying up in sales to the countries, two of France's main overseas markets in recent years, has come on top of a poor French harvest and competition from cheaper Black Sea supplies.
FranceAgriMer maintained its projection of French soft wheat exports to non-EU destinations this season at 3.5 million metric tons, down 66% from 2023/24.
The office said the volume marked the lowest since at least 1996/97 in its records, after initially indicating last month it would be the smallest haul since at least 2000/01.
FranceAgriMer officials told reporters there were still no French exports to Algeria amidst diplomatic tensions between Paris and Algiers, while a lull in Chinese buying was continuing.
Among minor changes to the rest of FranceAgriMer's soft wheat outlook, expected French soft wheat shipments within the EU were trimmed to 6.14 million tons from 6.16 million expected in December, now 2.5% below the 2023/24 volume.
Soft wheat stocks at the end of the season were projected at 2.90 million tons compared with 2.87 million forecast last month, 9.1% below last season's level.
For barley, the office sharply cut its outlook for French exports outside the EU in 2024/25 to 1.9 million tons from 2.1 million in December, also reflecting a slowdown in Chinese demand.
The new forecast was down 50% from the 2023/24 level.
Forecast barley stocks at the end of the season were raised to 1.61 million tons from 1.38 million previously, now 25% above 2023/24 and a 16-year high, mainly due to the reduced forecast for non-EU exports.
For maize, expected 2024/25 stocks were increased to 2.80 million tons from 2.68 million to remain at a 10-year peak.
The increased forecast, now 40% above the 2023/24 level, factored in several adjustments including cuts to intra-EU exports and domestic feed demand.
For durum wheat, the office lowered sharply its 2024/25 stocks forecast to 106,000 tons from 143,000 tons, noting that quality problems in the French harvest were leading to some crop being offloaded domestically for feed use.

Brazil coffee exports hit record in 2024
Brazil exported a record of 50.4 million 60-kg bags of coffee in 2024, industry group Cecafe said on Wednesday, with both arabica and robusta variety shipments at historic highs and amid supply issues from other major producers such as Vietnam.
Brazil's total coffee exports, which include industrialized coffee, rose 28.5% last year from 2023, Cecafe said, beating a previous record in 2020, when the country shipped 44.7 million bags.
Cecafe head Marcio Ferreira said in a statement that coffee shipmentsfrom Brazil, the world's largest coffee producer and exporter, were helped by a global market outlook of lower supply and higher prices.
Green coffee shipments, which do not include industrialized coffee, rose 30.2% year-on-year to 46.3 million bags, even after a 10.5% decline in December, Cecafe data showed.

Picture of the Day

Edna dos Anjos Nascimento, known as Bezinha, holds acai berries during harvest and production of acai, organized exclusively by women on Jussara Island, Para state, Brazil, December 29, 2024. REUTERS/Anderson Coelho

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

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