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### Top News - Oil

#### **EXCLUSIVE-Russian fuel exports fall in 2024 as drone attacks, bans add to sanctions pressure**

Russian seaborne oil product exports fell by almost 10% in 2024 after Ukrainian drone attacks damaged major refineries and as higher funding costs and a government gasoline export ban added to pressure from Western sanctions, industry sources said.

Russia, one of the world's largest oil and fuel exporters alongside Saudi Arabia and the U.S., has been trying to access new markets in Asia and South America since the West imposed sanctions over Moscow's military move on Ukraine in 2022.

Lower fuel exports mean Russia's oil firms have to boost exports of crude to maintain revenues, but such options are limited to just India, China and Turkey, which still buy Russian crude despite sanctions and have their own big refineries.

Total Russian exports of all fuels including fuel oil, diesel, naphtha and jet kerosene stood at 113.7 million metric tons last year, down 9.1% from 2023, two market sources told Reuters, citing export data.

The 2024 export figure would amount to approximately 2.3 million barrels per day if the 7.33 crude oil conversion ratio of ton to barrel is used. The exact breakdown of products - all of which use a different conversion ratio - was not known.

Russia's overall oil processing fell to around 267 million metric tons (5.4 million bpd) in 2024, its lowest level since 2012, due to unplanned outages and weaker refining margins, Reuters calculations based on data from market sources showed.

#### **DRONE ATTACKS**

Ukraine attacked several Russian refineries and fuel facilities, including Lukoil's Volgograd refinery, Gazprom Neft's Omsk oil refinery in western Siberia, the Slavyansk and Novoshakhtinsk refineries and Rosneft's Black Sea oil refinery in Tuapse.

The refineries also came under pressure due to falling fuel prices, rising interest rates and Russia's ban on gasoline exports, market sources said.

Total oil product exports via the Baltic ports of Primorsk, Vysotsk, St. Petersburg and Ust-Luga fell by 9% in 2024 from the previous year to 61.96 million tons, data showed. Fuel exports via Russia's Black Sea and Azov Sea ports fell to 42.75 million tons, down 10% from 2023. Exports via the Russian Black Sea port of Tuapse fell by a third to 9.1 million tons due to outages after drone attacks, suspended processing and decreased refining at

Rosneft's refinery, market sources told Reuters.

Meanwhile, exports through the Black Sea port of Novorossiisk rose 4% to 19 million tons, data showed. Oil product export supplies from Russia's Arctic ports of Murmansk and Arkhangelsk fell to 1.01 million tons, down 14%, while fuel export loadings at Far East ports fell 3% from 2023 to 7.97 million tons.

Russia's seaborne oil product exports rose 10.8% month on month in December to 10.37 million tons, including 4.17 million tons loaded via Russia's Black Sea and Azov Sea ports, 5.49 million tons through Baltic Sea ports and 637,100 tons via Russia's Far East ports, data from sources and Reuters calculations showed.

#### **Libya needs \$3-4 bln to boost oil production, bidding round expected soon, oil minister says**

Libya needs between \$3 billion and \$4 billion to reach an oil production rate of 1.6 million barrels per day (bpd), the acting oil and gas minister, Khalifa Abdulsadek, told Reuters on Saturday, adding that a new license bidding round is expected to be approved by the cabinet before the end of January.

Abdulsadek said the Libyan economy heavily relies on oil, accounting for more than 95% of its economic output.

"There is momentum in reconstruction and this can only be achieved by increasing the production," Abdulsadek said.

Abdulsadek said the goal is not just to reach 1.6 million bpd but to further increase it to 2 million bpd.

According to National Oil Corporation (NOC), the national oil output reached 1,413,372 bpd on Friday.

The OPEC-member country was producing 1.6 million bpd before the NATO-backed uprising that toppled Muammar Gaddafi in 2011.

Abdulsadek said, on the sidelines of the Libya Energy and Economy Summit held in Tripoli, the bidding round would include three basins and from 15 to 21 blocks.

"The bidding will be in all the sedimentary basins in Libya, Sirte Basin, Murzuq Basin, Ghadames Basin. Marine areas, pretty much everywhere," Abdulsadek said.

Libya's last bidding round for oil and gas exploration concessions was declared 17 years ago, NOC's former chief Farhat Bengdara said in December. Bengdara added that 70% of Libya's total land area and over 65% of its territorial waters have yet to be explored. Bengdara resigned on Thursday and he was replaced by NOC Board of Directors member Masoud Sulaiman.

Abdulsadek explained that the date to announce the

licensing of the bid round would be declared after the approval by the government of national unity meeting "as both the oil ministry and NOC have finished their work." He said that the government would work with its partners to provide the \$3-4 billion as "not just to increase the

production but to preserve the current production rates." The bidding round has strategic importance, the minister said, adding that "whenever there is production, there is a loss and this loss must be compensated for by exploration.

## Top News - Agriculture

### US soybean market share in China falls in 2024, replaced by Latam

China's soybean imports from the United States dropped 5.7% in 2024 from the previous year and were replaced by Brazilian and Argentine shipments, as fears of a renewed Sino-U.S. trade war further hammered the U.S. market share to under a quarter.

China imported a record 105.03 million metric tons of the oilseed in 2024 ahead of the inauguration of President Donald Trump, whose threats of blanket 60% tariffs on all Chinese goods sparked concerns over disruptions to agriculture trade. Total shipments from the U.S. fell to 22.13 million tons while arrivals from Brazil rose 6.7% to 74.65 million tons, according to data from China's General Administration of Customs on Monday.

U.S. shipments to China, however, have surged since April and accelerated in the past few months as traders prepare for a potential halt to soybean trade between the

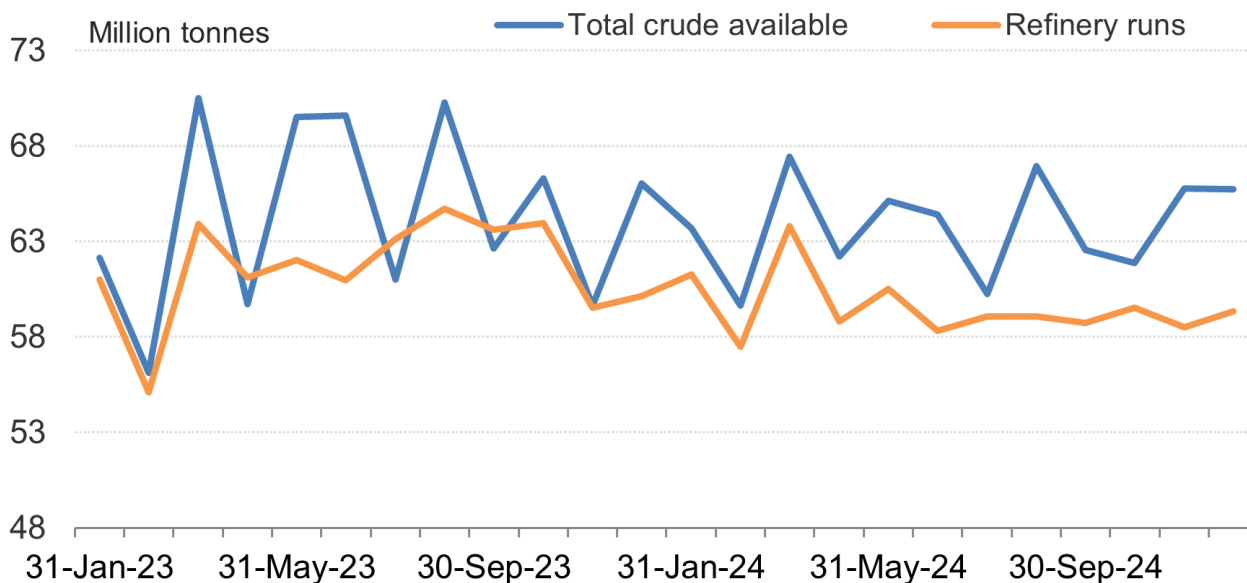
two countries. In December, soybean arrivals from the U.S. were 10.6% higher than a year earlier at 4.25 million tons while imports from Brazil fell 41.1% to 2.94 million tons. But Chinese soybean processors have secured nearly all of their cargoes from competitively priced Brazil for first-quarter shipment instead of U.S. oilseeds, amid fears Trump will impose import tariffs. "There is an expectation of changes in the global soybean trade pattern, which may affect the amount of U.S. soybeans purchased by China in 2025 to a certain extent," said Liu Jinlu, agricultural researcher at Guoyuan Futures. Brazil remained China's top soybean supplier in 2024 as Beijing expanded its effort to reduce its reliance on the U.S. and deepen cooperation with "Belt and Road" countries to ensure food security.

Brazil's soybean market share rose to 71%, while the U.S. share shrank to 21%, according to Reuters calculations based on the data.

## Chart of the Day

# CHINA CRUDE VS. REFINERY RUNS

Total crude oil available from imports and domestic output vs. refinery throughput



Note: January-February data has been calculated proportionally on a daily basis.

Source: LSEG Reuters graphic/Clyde Russell 20/01/25



Imports from smaller supplier Argentina more than doubled to 4.1 million tons in 2024 from 1.95 million tons in 2023.

The large import volumes last year means China's first-quarter soybean imports are likely to fall to 17.3-18.0 million tons, from 18.58 million tons a year ago, according to a Reuters survey. Weak crush margins in China and ample inventory levels suggest that crushers will likely be more cautious in purchasing soybeans, as lower profitability from crushing operations deters aggressive buying, said Matthew Biggin, Commodities Analyst at BMI.

### **India set to allow 1 million tons of sugar exports this year**

India is set to allow exports of 1 million metric tons of sugar during the current season, government and industry sources said, to help mills export surplus stocks from the world's second biggest producer of the sweetener and help prop up local prices. The permission to let mills sell 1 million tons of sugar on the world market could put further downward pressure on global sugar prices.

The government is expected to soon issue an official order allowing exports of 1 million tons of sugar, said the sources who did not wish to be named as they were not authorised to speak to the media.

The decision to allow exports, which had been speculated

for the past few weeks, comes as a surprise to a section of traders, as this year's production is expected to fall below consumption for the first time in eight years.

Maharashtra, Karnataka, and Uttar Pradesh account for more than 80% of the country's total sugar production, with lower cane yields in these states prompting trade houses to reduce their output estimates for the current 2024-25 season.

The production could fall to around 27 million tons from last year's 32 million tons and below annual consumption of more than 29 million tons, according to leading trade houses. India, whose sugar export markets include Indonesia, Bangladesh and the United Arab Emirates, was the world's No. 2 exporter during the five years to 2022-23, with volumes averaging 6.8 million tons annually. India did not allow exports in the 2023-24 marketing year.

The Indian Sugar and Bio-energy Manufacturers Association, a producers' body, said the permission to export 1 million tons of sugar would help sugar mills reeling from low local prices.

Sugar prices in India are hovering around their lowest level in 1-1/2 years. "Next year's production is likely to be quite strong, so allowing limited exports of 1 million tons is good news for the sugar industry," said Deepak Ballani, director general of the Indian Sugar and Bio-energy Manufacturers Association.

## **Top News - Metals**

### **Biden boosts loan for ioneer's Nevada lithium mine to nearly \$1 billion**

The U.S. Department of Energy has finalized a \$996 million loan for ioneer's Rhyolite Ridge lithium project, according to documents reviewed by Reuters, an increase of \$296 million from a preliminary funding offer and a move aimed at boosting President Joe Biden's green energy legacy.

Shares of ioneer jumped 15% to \$4.96 during Friday afternoon trading in New York. Scant U.S. production of lithium, an ultralight metal used to make batteries for electric vehicles and many consumer electronics, has left the country reliant on supplies from market leader China, an imbalance Biden has tried to offset during his four years in office.

The loan, details of which have not been reported, is nearly 50% larger than a conditional funding commitment made two years ago and cannot be reversed by incoming President Donald Trump. Funds will be used to build a lithium processing facility in rural Nevada that will supply Ford and other EV manufacturers by 2028.

The increased funding was due to post-pandemic inflation and new geological studies showing the Rhyolite Ridge deposit, located roughly 225 miles (362 km) north of Las Vegas, contains more lithium than estimated two years ago, a senior Energy Department official told Reuters. "That gave everyone more comfort that this was a far

better resource than originally imagined," said the official. The Energy Department also doubled the loan's repayment timeline to 20 years.

In 2020, Australia-based ioneer estimated the mine's cost at roughly \$785 million. Company officials have acknowledged that figure is now much higher but they declined to provide an updated estimate. James Calaway, ioneer's chairman, called the loan closing an important milestone for increasing U.S. lithium output. Calaway said the company would now work to close a \$490 million equity investment that South Africa-based Sibanye Stillwater agreed to in 2021. A Sibanye spokesperson said the company was in final due diligence related to ioneer's project. The government loan for ioneer comes less than three days before Biden leaves office, one of the last actions taken by Biden-appointed Energy Department staff who return government-issued laptops and cell phones on Friday.

Last August, Reuters reported that U.S. mining projects were rushing to close government loans out of concern that Trump could block funding if reelected.

### **LOAN DETAILS**

The Rhyolite Ridge project aims to produce 22,000 metric tons of lithium annually, enough to produce 370,000 EVs, as well as boron, a chemical used to make soaps. That would give the project two sources of revenue, a key

appeal to Energy Department loan officials. The U.S. produces less than 5,000 metric tons of lithium annually. The ioneer loan had been in review since 2021 and approval required the project to receive its federal permit, which Biden granted last October. Still, more paperwork and negotiation was needed before the loan could close. The company will be able to access the funds in tranches once it raises additional equity, per Energy Department guidelines. Calaway said ioneer is talking with other potential financiers. Construction is slated to begin this year. The loan includes \$968 million of principal and \$28 million of capitalized interest.

Biden officials in the past month have also finalized a \$2.26 billion loan for Lithium Americas and announced a \$1.36 billion conditional funding commitment for a direct lithium extraction project in California.

The Biden administration is "fully confident" the three projects should be able to meet U.S. lithium needs by the early 2030s, said the Energy Department official.

### South32 beats manganese output estimates as Australian operations restart

South32 posted a smaller-than-expected fall in second-quarter manganese ore output on Monday, as the diversified miner restarted production in Australia after a cyclone in March disrupted operations.

The company maintained its fiscal 2025 production guidance for all operations, except Mozal Aluminium in

Mozambique. It had withdrawn its guidance for Mozal Aluminium in December following civil unrest in the country.

South32 has rebuilt alumina stocks at the Mozal smelter after implementing contingency plans and civil unrest eased.

Any escalation in civil unrest can impact the company's critical trucking activity and operations, South32 said in a statement.

"The civil unrest... is one challenge expected to be faced in FY25, while volatile commodity prices will also likely fuel headwinds for any company in the mining sector, not just South32," said Grady Wulff, a market analyst at Bell Direct.

South32 has undertaken a phased restart of manganese mining activities at its Groote Eylandt Mining Co (GEMCO) project and production has resumed from the primary concentrator, South32 said.

Operations were suspended in mid-March after category two tropical cyclone Megan severely damaged infrastructure at the site. The project is co-owned by Anglo American and South32, and the Australian miner had earlier said it was open to buying Anglo American's 40% stake in GEMCO. South32, the world's biggest producer of manganese, logged an output of 1.1 million wet metric tonnes (wmt) of the steel additive for the quarter ended Dec. 31, beating a Visible Alpha consensus estimate of about 602,000 wmt, but down from

## MARKET MONITOR as of 07:35 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	\$77.88 / bbl	0.00%	8.59%
NYMEX RBOB Gasoline	\$2.14 / gallon	-0.07%	6.63%
ICE Gas Oil	\$758.75 / tonne	0.70%	9.13%
NYMEX Natural Gas	\$3.80 / mmBtu	-3.67%	4.68%
Spot Gold	\$2,704.29 / ounce	0.10%	3.07%
TRPC coal API 2 / Dec, 25	\$114.25 / tonne	1.78%	2.60%
Carbon ECX EUA	€79.30 / tonne	0.05%	8.63%
Dutch gas day-ahead (Pre. close)	€48.38 / Mwh	3.60%	-0.35%
Malaysia Palm Oil (3M)	RM4,210 / tonne	0.48%	-5.35%
Index	Close 17 Jan	Change	YTD
Thomson Reuters/Jefferies CRB	374.82	-0.08%	5.05%
Rogers International	31.15	0.52%	6.62%
U.S. Stocks - Dow	43,487.83	0.78%	2.22%
U.S. Dollar Index	109.03	-0.29%	0.50%
U.S. Bond Index (DJ)	435.67	-0.02%	-0.08%



the 1.3 million wmt produced in the year-earlier period. "Manganese is essential for iron and steel production, thus with China finally showing signs of material growth post-pandemic, we will likely see S32 benefit from

increased steel production and commodity demand in 2025," Wulff said.

Shares of South32 rose 1.2% to A\$3.52 in early trade, while the benchmark stock index was up 0.3%.

## Top News - Carbon & Power

### Biden protects 84% of IRA clean energy grants from being clawed back

U.S. President Joe Biden's administration has protected about 84%, or \$96.7 billion in clean energy grants created by its signature climate law from any clawback by the next administration, a White House official said on Friday.

#### WHY IT'S IMPORTANT

The 84% of the grants from the Inflation Reduction Act have been "obligated", meaning contracts have been signed between U.S. agencies and recipients. The outgoing administration hopes this will help to continue the deployment of clean energy even after Monday's inauguration of President-elect Donald Trump, a climate change skeptic who has pledged to rescind all unspent IRA funds.

#### BY THE NUMBERS

Here are examples of programs that have been obligated. About 94% of Department of Energy funding for state energy efficiency rebate programs for home retrofits and appliances, or about \$8.8 billion, has been obligated. A U.S. Department of Agriculture program to help electric co-ops to procure more clean energy has been 97% obligated, or about \$9.45 billion. At the Environmental Protection Agency, some \$38 billion has been obligated, with 100% in a greenhouse gas reduction fund obligated and about 94% of all of its IRA grant programs obligated. Some \$11 billion has been announced but not obligated. Much of that is for upcoming fiscal years and for USDA programs.

#### KEY QUOTES

"This is all big progress and ensures that these investments should actually flow to communities and

recipients as intended," Kristina Costa, a deputy assistant to Biden and director of the clean energy office at the White House, told Reuters.

Even though some \$11 billion in funds are not obligated, the fact that they have been announced publicly "creates some political pressure to not rescind those commitments, particularly in areas where those programs are going to Republican states and districts in rural areas and otherwise," Costa said.

### China's LNG imports reach three-year high in 2024, narrowly missing record

Shipments of liquefied natural gas (LNG) to China, the world's largest buyer of the chilled fuel, rose to a three-year high in 2024 but defied predictions that imports could reach a new record, official data showed on Saturday. China's LNG imports rose 7.7% to 76.65 million metric tons, according to the General Administration of Customs. That missed forecasts for over 80 million tons, which would have topped the current record of 78.89 million tons in 2021.

Total natural gas imports, which also include pipeline supply, rose 9.9% to 131.69 million tons, the highest since at least 2013.

The customs data also showed that China's diesel exports sank 42.1% in 2024 to 8 million tons. December shipments dragged down the total, falling 89% on-year to 70,000 tons, the lowest level since January 2015, because of weak export margins following a decrease in the value-added tax rebate.

Gasoline exports for the year fell 20.8% to 9.74 million tons, while aviation fuel exports rose 19.6% to 18.92 million tons.

Total refined fuel exports, which also include marine bunker fuel, fell 7.2% to 58.14 million tons in 2024.

## Top News - Dry Freight

### Tropical cyclone prompts closure of ports in Western Australia's Pilbara region

Western Australia's ports of Dampier, Ashburton, Varanus Island, and Cape Preston West were shut, the ports' operator said on Sunday, as tropical cyclone Sean developed off the state's vast Pilbara iron ore region. Pilbara Ports said on its website that it closed the ports at 8 p.m. local time on Saturday on concerns about weather off the coast of the Pilbara, an iron-ore rich area twice the size of the United Kingdom.

"The system is expected to continue to intensify during Monday and is forecast to intensify into a category 3

cyclone," the port operator said. The nation's weather forecaster categorises a category 3 cyclone as one of mid-severity.

The weather forecaster on Sunday issued a tropical cyclone alert for the Pilbara coast, warning of wind gusts to 120 kmh (75 mph) in the region from Sean, currently a category one cyclone.

"From Monday onwards, the cyclone is forecast to turn towards the southwest, while remaining over open waters. By this time, the cyclone is forecast to begin moving away from the coast," it said.

the region's iron ore hub of Port Hedland on cyclone concerns, ordering "all port inner anchorages" to leave by 6 p.m. local time.

Port Hedland, located about 1,301 km (808 miles) north of state capital Perth, is the world's biggest export point for iron ore and is used by miners including BHP Group Fortescue and billionaire Gina Rinehart's Hancock Prospecting. Pilbara Ports did not immediately respond to a request for comment on whether Port Hedland remained closed on Sunday.

#### **Argentina likely back as No. 2 barley exporter with current harvest**

Argentina will likely regain its status as the second-biggest barley exporter as the current harvest wraps up, the Rosario grains exchange said on Friday, as the area sown with the crop expanded and other key exporters like Russia expect to ship less.

Barley is widely used for livestock feed, as well as to make malt for beer and other alcoholic drinks.

Argentina's 2024/25 barley crop is forecast to yield 4.9 million metric tons with exports for the cycle seen

reaching 3.4 million tons, according to a report by the exchange. Australia is seen holding on to its status as the world's top barley exporter, with France likely to take the No. 3 spot.

Argentine farmland planted with barley this season is forecast at 1.6 million hectares, according to official data, which would mark an increase of nearly 9% compared to the previous season.

The current crop's expected yield is based on a national production estimate of 3,420 kilograms per hectare, the exchange added. Harvesting is seen wrapping up later this month.

The South American nation is also a major global supplier of processed soybeans, corn and wheat, with proceeds from sales providing central bank coffers with much-needed hard currency. The top destination in recent years for Argentine barley used for beer has been neighboring Brazil, while China has been its largest export market for barley used to fatten livestock.

The Rosario grains exchange highlighted a recent expansion of Brazil's malt-producing capacity, which should bolster its expectation for the growth in exports.

**Picture of the Day**

*A view of farmers' grain storage bins in a field near Claresholm, Alberta, Canada, January 18. REUTERS/Todd Korol*

(Inside Commodities is compiled by Arya Sinha in Bengaluru)

For questions or comments about this report, contact: [commodity.briefs@thomsonreuters.com](mailto:commodity.briefs@thomsonreuters.com)

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LSEG  
10 Paternoster Square, London, EC4M 7LS, United Kingdom

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