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

Top News - Oil

US crude stockpiles slump, gasoline builds amid winter storms - EIA
U.S. crude oil stockpiles slumped while gasoline inventories jumped last week after winter weather hit crude production and imports, refining, and demand for fuel, the Energy Information Administration said on Wednesday.
Crude inventories fell by 9.2 million barrels to 420.7 million barrels in the week ending Jan. 19, the EIA said, compared with analysts' expectations in a Reuters poll for a 2.1 million-barrel draw.
The draw was driven by a stark drop in U.S. crude imports of 1.2 million barrels per day (bpd) as the weather shut in refineries and kept motorists off the road.
The winter storms also caused 1 million-bpd drop in crude production to 12.3 million bpd, the biggest drop since September 2021, the EIA estimated. January production data will be reported in the its monthly report at the end of March. Crude output in North Dakota, the third largest oil producing state, was halved last week, falling by as much as 700,000 bpd, due to extreme cold weather and operational challenges, according to the state's pipeline authority. As frigid weather caused power outages and plant malfunctions, refinery crude runs fell by 1.4 million bpd to 15.3 million bpd and utilization rates slumped by 7.1 percentage points to 85.5% of total capacity, their biggest declines since December 2022 during Winter Storm Elliot. "It's a winter weather report all around ... nobody was driving," said Bob Yawger, director of energy futures at Mizuho in New York.
Gasoline stocks rose by 4.9 million barrels to 253 million barrels, their highest since February 2021, the EIA said, compared with forecasts of a 2.3 million-barrel build. Gasoline product supplied, a proxy for demand, fell last week by 390,000 bpd to 7.9 million bpd, its lowest in a year. Distillate stockpiles, which include diesel and heating oil, fell by 1.4 million barrels in the week to 133.3 million barrels, versus expectations for a 300,000-barrel rise, the EIA data showed.
Crude stocks at the Cushing, Oklahoma, delivery hub for U.S crude futures fell by 2 million barrels in the week, the EIA said.
The data lifted U.S. crude futures CLc1 $1.40, or 1.9%, to $75.77 a barrel by 11:59 a.m. ET (1659 GMT).
"Recovery is likely to be slow, with distortions also expected to influence the data next week," said UBS analyst Giovanni Staunovo.
North Dakota regulators last week warned that it could take a month for production there to recover from output cuts from the winter storms.

IEA to expedite 2025 oil demand forecast after OPEC's early move
The International Energy Agency plans to bring forward publication of its first 2025 oil demand forecast in its monthly report by two or three months to April, the agency told Reuters, after OPEC expedited its forecast by six months. The Organization of the Petroleum Exporting Countries and the IEA are the two most closely watched oil forecasters, whose monthly reports can move oil prices and provide insight into the assumptions behind OPEC supply policy.
"We plan to publish the 2025 forecast in April as opposed to June/July previously," Toril Bosoni, head of the IEA's Oil Industry and Markets Division, told Reuters in response to an emailed question.
"The reason for this is that we will publish the Medium Term outlook in June so to avoid the overlap – and get a first detailed view on 2025 before looking out to 2030 - we advanced the date."
The IEA and OPEC disagree on the strength of demand growth in 2024, reflecting their divergent forecasts on how quickly the world will shift from fossil fuels.
OPEC believes oil use will keep rising over the next two decades, while the IEA, which represents industrialised countries, predicts it will peak by 2030.
Their differing views have led the bodies to clash over investment in new oil supply. The IEA says the end of the growth era for fossil fuels undercuts the rationale for investment.
In a break with its tradition of publishing its first forecast for the next year in July, OPEC last week predicted demand will rise by 1.8 million bpd in 2025 and said
it brought publication forward to give "long-term guidance for the market".
On the same day, OPEC Secretary General Haitham Al Ghais published an article disputing that demand was near a peak, and reiterated the group's call for continued oil industry investment.
So far this year, the oil market has been buffeted by uncertainty as doubts about the global economy and demand strength have offset the more bullish impact of possible supply disruption.
OPEC forecasts world oil demand will expand by 2.25 million barrels per day (bpd) in 2024, a mild slowdown from 2.46 million bpd in 2023, with total oil use averaging 104.4 million bpd in 2024, bolstered by air travel and road fuel demand.
The IEA expects oil demand growth in 2024 to halve to 1.24 million bpd, from its figure for growth of 2.3 million bpd in 2023, partly because an increasing global electric vehicle fleet is curbing gasoline demand.
The difference between the OPEC and IEA demand forecasts for this year is about 1% of world demand, almost equivalent to OPEC member Libya's production.
A source with knowledge of the matter did not provide details of what the IEA would forecast for 2025 demand, but said it was expected to show further deceleration towards the 2030 peak demand timeline.

Top News - Agriculture

Angry French farmers block roads, spray manure at public building

Protesting farmers blocked several roads across France on Wednesday, set bales of hay alight and sprayed liquid manure at a local prefecture to press the government to loosen regulations and help protect them from cheap imports and rising costs.

Farmers said the protests, with long lines of tractors snarling roads, would continue as long as their demands are not met, posing the first major challenge for new Prime Minister Gabriel Attal.

In the southwestern city of Agen, famous for its dried prunes, angry farmers set fire to bales of hay, old tyres and rubbish they had dumped in front of the wrought-iron gates of the prefecture, which represents the central state locally.

One truck sprayed liquid manure as dozens of police stood by without intervening, footage by BFM TV showed. Moments later, another truck lifted burning tyres and rubbish over the high gates and dumped it in the prefecture courtyard.

This shift in so far largely peaceful protests, which started last week, will be a challenge for a government which does not want to antagonise farmers but has also placed law-and-order as one of its top priorities.

Many farmers in the European Union's biggest agricultural producer struggle financially and say their livelihoods are threatened as food retailers are increasing pressure to bring down prices after a period of high inflation.

"Our costs keep increasing and this is not taken into account in what we are paid," dairy farmer Pascal Le Guern said at a road blockade in Plouisy, in Brittany.

Farmers cite a government tax on tractor fuel, cheap imports, water storage issues, price pressures from retailers and red tape and environmental rules among their grievances.

Arnaud Rousseau, head of the powerful FNSEA farming union, told France 2 TV the group would publish demands by the end of the day.

Fearing a spillover from farmer unrest in Germany, Poland and Romania, the French government has already postponed a draft farming law meant to help more people become farmers, saying it will beef up the measures and ease some regulations.

The government will soon make proposals, its spokeswoman Prisca Thevenot said earlier in the day, without giving details.

President Emmanuel Macron is also wary of farmers' growing support for the far right ahead of the European Parliament elections in June.

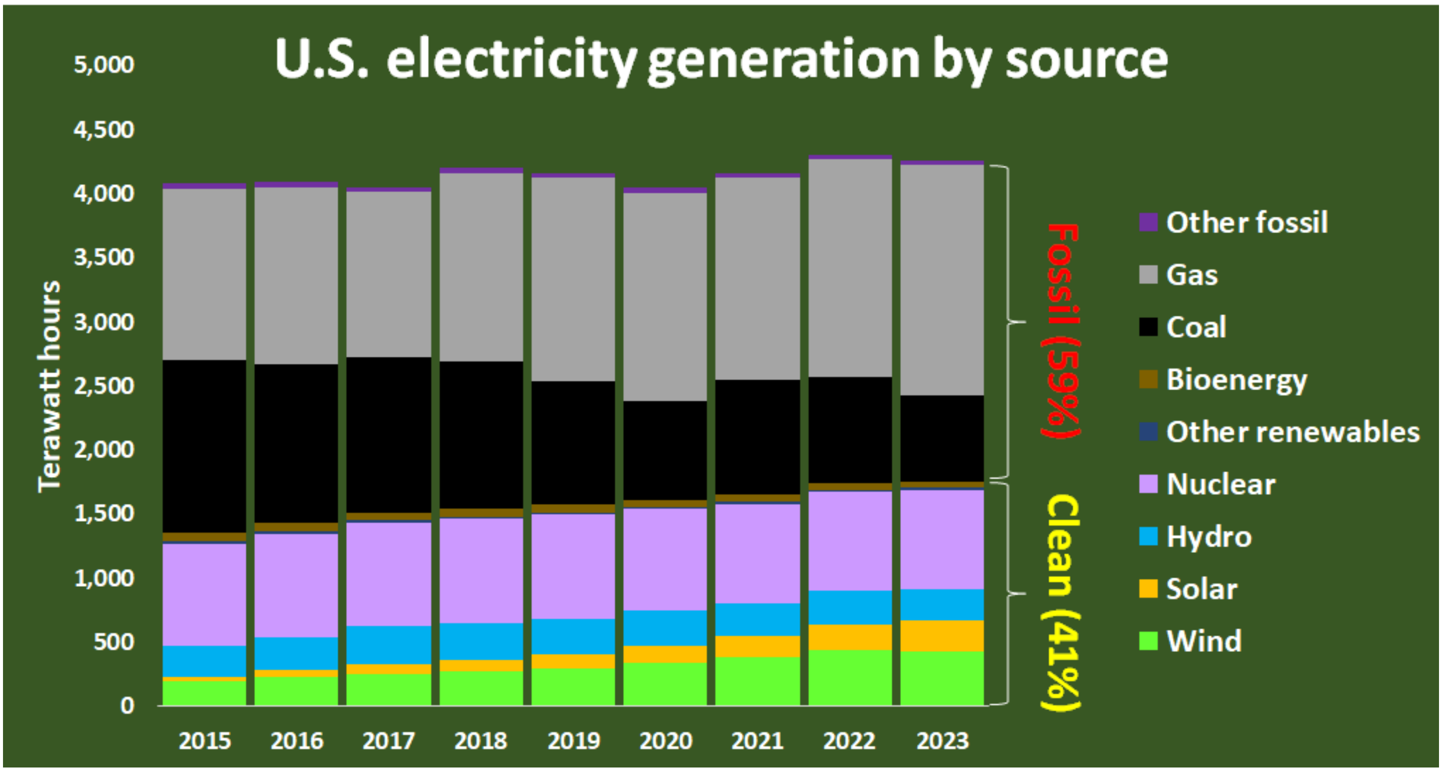
'UNFAIR COMPETITION'

"We won't stop (the protests) until our demands are met," 24-year old Pierre-Marie Henry, who works on a poultry farm, said at the same Plouisy rally. The EU elections would give farmers some leverage, he said.

"If they want to stay in power... they need to give us some answers," he said, taking issue with what he said was unfair competition from cheap Ukrainian poultry.

A small group of French farmers also protested near the headquarters of the European Parliament in Brussels.

Chart of the Day



As the EU's Green Deal of environmental policies is rolled out, farmers' increased work and costs need to be reflected in product prices, said Thomas Waitz, a Green EU lawmaker from Austria, who is also a farmer and beekeeper.
He urged the 27-member EU to make sure imported goods meet high environmental standards to avoid unfair competition.
In France, farmer discontent over price levels is particularly acute in the dairy sector, where producers say the government's anti-inflation push has undermined legislation known as EGALIM designed to safeguard farmgate prices.
Dairy producers are currently in dispute with Lactalis, the world's largest dairy group, over prices, and talks with an arbitrator are due on Thursday.

India's corn supplies tightening on strong local demand - Louis Dreyfus exec
Strong domestic demand is tightening India's corn supplies, with the country's consumption of the animal feed ingredient seen growing by up to 2 million metric tons a year, a senior executive of global trading firm Louis Dreyfus said.
India has been a key corn exporter in Asia, supplying buyers in Southeast Asia, but shipments have dwindled in recent years amid rising local consumption.
"The corn balance sheet in India is very tight," Garima Jain, deputy CEO and head of grains for India at Louis Dreyfus Company, told Reuters. "To meet domestic demand of poultry, starch and now ethanol, Indian corn production needs to increase at least 6-8% per annum, which is around 1.5 to 2 million tons per year. Considering an average yield of around 3 tons per hectare, either we need to increase yields or acreage under production."
India's corn exports have almost ground to a halt since December due to a rally in local prices on strong demand from the poultry and ethanol industry, making shipments from the country more expensive than those from rivals, according to four exporters last week.
For India's wheat supplies, Jain said the country's stocks are above the government's buffer norms, even though inventories have dropped in recent years.
India has banned wheat exports since 2022 and there has been market talk about the country turning to imports to meet domestic demand.
However, India's trade minister said earlier this monththe country is not planning to import wheat.
Wheat stocks at state warehouses stood at 16.47 million metric tons as of Jan. 1, the lowest since 2017.
"The food Minister is estimating and they have said that the wheat crop of India is going to be 114 million tonnes. So, keeping that in mind, we are at a very comfortable position," she said on the sidelines of a commodities conference.

Top News - Metals

Freeport-McMoRan's profit beats estimates on strong copper production
Copper miner Freeport-McMoRan beat Wall Street estimates for fourth-quarter profit on Wednesday, helped by strong production and higher prices for the red metal, sending its shares up about 6% in morning trading.
Demand for copper, which is used in nearly every electronic device as well as in construction and many other industries, remains tight due in part to strong demand in the United States and Canada, executives said.
Prices of copper rose in the quarter despite macroeconomic concerns, including regional conflicts, thanks in part to a weaker dollar, lower inventories and China's moves to boost its struggling housing and stock markets. Executives said they expect prices to rise further still in order to incentivize further production.
"We're optimistic about future prices," Freeport CEO Richard Adkerson told investors on a conference call to discuss the results.
Freeport's quarterly copper sales gained 7.1% year-over-year to 1.1 billion recoverable pounds, while average realized price per pound rose 1.1% to $3.81.
Its quarterly gold sales also rose, gaining 19.9% to 549,000 recoverable ounces with the average realized price per ounce up 13.7% at $2,034.
Average spot gold prices rose more than 13% in the quarter on a softer dollar and hopes that the U.S. Federal Reserve would cut interest rates, helping gold miners such as Freeport.
On an adjusted basis, the company earned 27 cents per share for the three months ended on Dec. 31, compared with analysts' average estimate of 22 cents, according to LSEG data.
The company reported revenue of $5.91 billion in the quarter, beating estimates of $5.86 billion.
Adkerson reiterated that the company would focus more on internal growth, saying that Freeport has not found an attractive buyout possibility. The company has been investing heavily in copper leaching operations.
In Indonesia, Freeport expects to open a new copper smelter later this year that was required as part of a deal with government officials.

GRAPHIC-Tin shackled by surplus, but green industry demand poised to mop up supplies
The potential for a build-up of tin supplies this year is likely to put pressure on prices, but accelerating demand from the energy transition sector, including solar panels and electric vehicles, should support prices in the future.
Tin is used in circuit-board soldering for products like mobile phones and in electric cars and also in the manufacture of solar panels. Solder currently accounts for about half of global tin consumption.
Sluggish demand particularly from the semiconductor industry pushed the market into surplus for the past two years. This was despite a ban imposed last August on tin mining in Myanmar's Wa region, which exports to China, the top producer of refined tin and also the biggest consumer.
The Wa state authorised a partial resumption of mining from January 3 "with the notable exception of the Man Maw mine area, which accounts for almost all tin production in the autonomous region", according to the

International Tin Association. Tin prices on the London Metal Exchange (LME) have dropped 20% to around $26,500 a metric ton, since hitting a six-month high at $32,680 in January last year.
"The market may ease in 2024, especially if more supply comes through from Myanmar," said Bank of America strategist Danica Averion.
"Against near-term headwinds, fundamentals look robust longer term on solar and electric vehicles."
Bank of America estimates the tin market surplus at 5,800 tons last year and global consumption at 360,400 tons.
Myanmar accounted for 72% of China's total imports of tin ores and concentrates last year, amounting to more than 180,000 tons, compared with a number above 187,000 tons or nearly 77% in 2022, according to Trade Data Monitor (TDM). Short-term support for tin prices could come from Indonesia, the world's second largest producer of refined tin after China.
"Over the last few years, we have seen Indonesian tin exports slump in the early months of the year due to export licence renewals," Citi analysts said in a December note. Longer term, investment in and sales of electric vehicles and solar panels will see tin consumption pick up pace. "Tin demand from the green sector could more than double by 2030, potentially topping 70,000 tons per annum equivalent to a fifth of current consumption," Averion said. "This suggests that fundamentals are set to remain strong and the focus will be on the supply side and the extent to which producers will be able to meet this additional demand."

Top News - Carbon & Power

New Jersey approves two giant offshore wind power projects
New Jersey's utility regulator on Wednesday approved two offshore wind power projects with a combined capacity of 3,742-megawatts (MW) and whose backers include Invenergy and TotalEnergies.
"Today's action moves New Jersey closer to achieving Governor Phil Murphy’s goal of reaching 100 percent clean energy by 2035," the New Jersey Board of Public Utilities (BPU) said. The board said the two projects would bring about $6.8 billion in economic benefits to the state and provide enough energy to power around 1.8 million homes.
The offshore wind industry is expected to play a major role in helping several states and U.S. President Joe Biden meet goals to decarbonize the power grid and combat climate change.
But progress was slow last year after offshore developers canceled contracts to sell power in Massachusetts, Connecticut and New Jersey, and threatened to cancel agreements in other states, as soaring inflation, interest rate hikes and supply-chain problems increased project

MARKET MONITOR as of 07:45 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$75.52 / bbl	0.57%	5.40%
NYMEX RBOB Gasoline	$2.25 / gallon	0.58%	6.91%
ICE Gas Oil	$811.75 / tonne	0.19%	8.13%
NYMEX Natural Gas	$2.79 / mmBtu	5.49%	10.82%
Spot Gold	$2,016.03 / ounce	0.17%	-2.26%
TRPC coal API 2 / Dec, 24	$94 / tonne	0.27%	-3.09%
Carbon ECX EUA	€65.56 / tonne	-0.40%	-18.43%
Dutch gas day-ahead (Pre. close)	€28.55 / Mwh	6.73%	-10.36%
CBOT Corn	$4.62 / bushel	-0.16%	-4.60%
CBOT Wheat	$6.23 / bushel	0.48%	-2.54%
Malaysia Palm Oil (3M)	RM3,992 / tonne	1.11%	7.28%
Index	**Close 24 Jan**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	310.76	1.05%	3.11%
Rogers International	26.91	0.39%	2.20%
U.S. Stocks - Dow	37,806.39	-0.26%	0.31%
U.S. Dollar Index	103.26	0.03%	1.90%
U.S. Bond Index (DJ)	423.97	0.00%	-1.57%

costs. The latest approvals were part of New Jersey's third solicitation for offshore wind, which sought 1,200 to 4,000 megawatts (MW) of power capacity. In total, the state wants about 11,000 MW of offshore wind power by 2040.
Specifically, the BPU approved the 1,342-MW Attentive Energy Two project and the 2,400-MW Leading Light project as qualified offshore wind projects to receive offshore wind renewable energy certificates, or ORECs.
Attentive Energy Two is a joint venture between units of French oil major TotalEnergies and wind developer Corio Generation.
Leading Light, which is expected to start producing power in 2031, is a partnership between U.S. energy firms Invenergy and energyRe.
"The industry hasn't disappeared, the industry is moving forward," Invenergy CEO Michael Polsky said in an interview, noting that Leading Light is the first U.S. offshore wind project backed by American companies to be awarded a competitive contract.
The total electrical bill impact of the two projects for residential customers will be $6.84 per month, beginning once these offshore wind facilities are operational and delivering clean electricity to the New Jersey grid, the BPU said in a statement.
Last October, Danish energy firm Orsted, the world's biggest offshore wind firm, canceled two offshore wind farms off New Jersey - the 1,100-MW Ocean Winds 1 and 1,148-MW Ocean Winds 2 - due to soaring inflation, rising interest rates and delays in securing ships needed to build the projects.
Orsted announced write-offs of up to $5.6 billion due in large part to the Ocean Winds cancellations.
Following Orsted's decision, the New Jersey governor, Murphy, last November directed the BPU to accelerate the state’s fourth offshore wind solicitation, with project awards anticipated in early 2025.

Japan's 2023 preliminary LNG imports down 8% to lowest in 14 years
Japan's liquefied natural gas (LNG) imports fell by 8% to 66.2 million metric tons last year to the lowest since 2009, preliminary data from the Ministry of Finance showed, following nuclear power restarts and increased use of renewable energy.
As a result, last year Japan was no longer the world's biggest LNG importer and was overtaken by China.
After shutting down its 54 nuclear reactors following the 2011 Fukushima nuclear disaster, Japan started to gradually restart nuclear power plants in 2015.
Eleven nuclear reactors with a total capacity of 10.7 gigawatts are in operation, of 12 that have been cleared to generate electricity.
Together with increased solar and wind generation, the nuclear power allowed a further reduction in LNG imports, which reached a peak of 88.5 million tones in 2014.
According to the Ministry of Finance's preliminary data, Japan spent 6.5 trillion yen ($44 billion) on LNG purchases last year, a drop of almost 23% from a year ago, with LNG accounting for 6% of total country imports in value terms.
Although the preliminary data did not provide the full country breakdown, it showed LNG imports from the United States rose by 34% to 5.5 million tons from a year ago. Purchases from the Middle East and Russia were down by 12% and 11% to 6 million tons and 6.1 million tons, respectively.
Separately, LNG inventories held by Japanese electric utilities, an indicator of the size of stockpiles, were down to 2.49 million tons as of Jan. 21, data released by the Ministry of Economy, Trade and Industry (METI) showed.
Although below the year-end level of 2.70 million tons, stockpiles were above 2.39 million tons held as of end-January last year and higher than the 1.91 million-ton 5-year average for the month, according to METI.
In its statement, METI did not explain the LNG stockpile figures.
Japan was hit by a powerful earthquake on New Year's Day causing water spillover from spent nuclear fuel pools and oil leaks at an idled nuclear power station in the Hokuriku region, reviving concern about the industry's safety.

Top News - Dry Freight

Ukraine's Black Sea grain export success tested by Red Sea crisis - Reuters News
Ukraine has managed to boost its Black Sea grain exports to a level not seen since before Russia's invasion, although the Red Sea shipping crisis poses a new challenge to its crucial agricultural trade.
Kyiv's success in replacing a UN-backed Black Sea export deal with its own shipping scheme has brought relief for Ukrainian farmers and importing countries while representing a naval breakthrough for Ukraine's military as a land counteroffensive has stalled.
The export turnaround helped Ukraine's economy to steady last year and further tamed global food prices after Russia's invasion in February 2022 drove them to record highs.
Kyiv shipped around 4.8 million metric tons of foodstuffs in December, mostly grain, from its Black Sea ports, surpassing for the first time volumes achieved under the previous UN-sponsored corridor. Moscow quit that deal last July saying commitments to safeguard its own exports were not being respected.
Before Russia's invasion, Ukraine exported about 6 million tons of food monthly via the Black Sea.
"The alternative Black Sea export corridor from Ukraine has definitely been a positive signal for the agricultural industry," Svetlana Malysh, senior Black Sea agriculture analyst at LSEG, said, adding: "There are lot of concerns related to the situation in the Red Sea."
Ukrainian grain exports by sea in January could drop by around 20% compared with last month, a senior Ukrainian official said last week, mostly because of the Red Sea crisis.
Strikes on shipping in the Red Sea by the Iran-aligned Houthis who control much of Yemen have stymied trade between Europe and Asia. The Houthis say they are acting in solidarity with Palestinians as Israel strikes Gaza. Their actions have prompted U.S. and British air strikes against Houthi targets.

Passage through the Red Sea is very important for Ukraine as almost a third of its exports via the Black Sea corridor are sent to China.
Under its new export scheme, Ukraine is also supplying grain to Pakistan for the first time since Russia's invasion, said Alexander Karavaytsev, senior economist at the International Grains Council.
Grain ships are increasingly being diverted away from the Suez Canal-Red Sea route, according to analysts and traders. "The Red Sea situation is likely to hamper long-haul shipments from Ukraine," Karavaytsev said.

BETTER THAN BEFORE
Ukrainian Black Sea food exports remain substantial. Over January 1-19, about 1.9 million tons were shipped via sea ports and another 1.7 million tons are still scheduled for January, said Spike Brokers, which tracks and publishes export statistics.
Ukrainian producers have welcomed the sea route as an improvement on both makeshift routes via the European Union and the UN-sponsored corridor, under which protracted cargo inspections with Russia drove up vessel charges.
"Since the invasion, now is the best time for farmers in terms of logistics," said Dmitry Skornyakov, CEO of Ukrainian farm operator HarvEast.
Easing shipping costs have allowed depressed domestic prices in Ukraine to rise. Corn export prices have gained around $30 per ton since the start of the new corridor, while the cost of a medium-sized bulk vessel from Odesa to Spain has fallen by a similar amount, according to LSEG data.
Ukraine hopes to cement the role of its Black Sea corridor, which currently serves three ports in the Odesa region, by winning recognition from the UN's International Maritime Organisation, which could send a mission in February.
That could help ease worries about Russia's military threat at sea.

EXPORT ROUTES
Ukrainian officials cite effective use of drones against Russian navy ships and the recapturing of an island near the Danube delta as allowing Kyiv to establish the route that hugs the Black Sea coast from Odesa down through Romanian and Bulgarian waters.
Kyiv now wants to re-open the port of Mykolaiv further east while maintaining transhipment via the Danube, Deputy Infrastructure Minister Yuriy Vaskov told Reuters.
Ukraine sees potential to raise total cargo shipments, including metallurgical products, from Black Sea and Danube ports to 8 million tons per month, against more than 7 million in December, he said. Security for Ukrainian exports remains fragile as Russia intermittently strikes ports while the Black Sea is littered with mines. If disruption to the Red Sea route to Asia persists, a fresh influx of cheaper Ukrainian grain in the EU may also deepen discontent among farmers in eastern member states such as Poland who have been staging protests.
But with Russia seen unlikely to actively target a food supply route serving countries that have not taken sides in the war, and with buyers lured by competitive Ukrainian prices, the sea corridor is expected to retain a sizeable role in global grain trade.
"In my view overall shipments by sea from Ukraine will continue to expand," a European trader said, noting Ukrainian corn was sold to China last week despite Red Sea risks.

South Korea's NOFI buys estimated 136,000 T corn in tender
Leading South Korean animal feed maker Nonghyup Feed Inc. (NOFI) bought an estimated 136,000 metric tons of animal feed corn in an international tender on Wednesday, European traders said.
The corn was expected to be sourced optionally from the United States, South America or South Africa.
It was bought in two 68,000 ton consignments, both at the estimated outright price of $246.79 a ton cost and freight (c&f) included with an extra $1.50 a ton surcharge for additional port unloading.
The seller was believed to be trading house Viterra.
Reports reflect assessments from traders and further estimates of prices and volumes are still possible later.
Traders said Asian buying interest was sparked as Chicago corn remains close to three-year lows hit last week as expectations of plentiful global supplies and favourable crop weather in major producer Brazil hang over markets.
The first corn consignment in NOFI's tender was sought for arrival in South Korea around May 25.
If sourced from the U.S. Pacific Northwest coast, shipment is between April 24-May 10, if from the U.S. Gulf between April 1-April 20, from South America between March 27-April 15 or from South Africa between April 6-April 25.
The second consignment was sought for arrival in South Korea around June 5. If sourced from the U.S. Pacific Northwest coast, shipment is between May 2-May 21, from the U.S. Gulf between April 12-May 1, from South America between April 7-April 26 or from South Africa between April 17-May 6.

Picture of the Day

A crane moves the debris after the explosion of a truck carrying liquefied natural gas, in Ulaanbaatar, Mongolia, January 24. REUTERS/B. Rentsendorj

(Inside Commodities is compiled by Jerin Tom Joshy in Bengaluru)

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