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Top News - Oil

OPEC+ yet to react to Trump call for lower oil prices
OPEC+ has yet to react to a call from U.S. President Donald Trump for lower oil prices, with delegates from the group pointing to a plan already in place to start raising oil output from April.
Trump said on Thursday that he would ask Saudi Arabia and the Organization of the Petroleum Exporting Countries to bring down the cost of oil - a call he often made during his first term in the White House.
Asked about Trump's comments, Saudi Economy Minister Faisal al-Ibrahim told a panel at the World Economic Forum in Davos on Friday that Saudi Arabia and OPEC were seeking long-term oil market stability.
"The kingdom's position, OPEC's position, is all about long-term market stability to make sure that there's enough supply for the growing demand," he said.
The OPEC+ group of producers comprising OPEC, Russia and other allies says it does not target oil prices and already has a plan to begin raising output from April 2025, having delayed the increase several times because of weak demand.
"I think this is already in line with OPEC's easing policy in April," one delegate from the group said with reference to the U.S. president's comments.
OPEC and the Saudi government communications office did not immediately reply to a request for comment.
Several OPEC members, including the United Arab Emirates and Iraq, have been pressing the group to raise output faster, arguing that they had invested a lot in expanding their capacity.
Trump’s return to the White House could mean tougher enforcement of U.S. oil sanctions against OPEC member Iran, analysts have said, potentially cutting its oil exports, which stand at more than 1.5 million barrels per day (bpd).
OPEC+ members are currently holding back 5.86 million bpd of output, or about 5.7% of global demand, in a series of steps agreed since 2022 to support the market.
Should Iranian supply drop because of new sanctions, OPEC's spare capacity would become a useful cushion to offset the decline. Oil prices have risen this year, with Brent crude reaching almost $83 a barrel on Jan. 15, the highest since August, supported by concern about the supply impact of U.S. sanctions on Russia. Prices have since eased to less than $79 on Friday. Most OPEC members depend heavily on oil revenue and have their budgets balanced at prices of $80 a barrel or more.
Trump also said that if prices came down, the Russia-Ukraine war would end immediately. Kremlin spokesman Dmitry Peskov, reacting to those comments on Friday, said the conflict is about national security, not oil.
In his first term, Trump often urged OPEC and Saudi Arabia to lower prices and make up for a shortfall in exports from Iran, with his comments on OPEC sometimes having a bigger impact on prices than OPEC's own.
OPEC+ has a chance to review its policy when its Joint Ministerial Monitoring Committee meets on Feb. 3.
Based on previous OPEC+ practice, a decision to go ahead with the April increase is expected around early March.

India says sanctioned Russian oil tankers can discharge before Feb 27
The United States has clarified to India that tankers loaded with Russian oil have to discharge by Feb. 27 under the latest sanctions targeting Moscow's oil revenue, India's oil secretary Pankaj Jain told reporters at an event.
Washington this month imposed sweeping sanctions targeting Russian producers and tankers, disrupting supply from the world's No. 2 producer and tightening ship availability.
"There was a round of clarification by OFAC (the U.S. Office of Foreign Assets Control). Formally they did clarify that Feb. 27 is the deadline," Jain said, in response to a question on the last date for discharging oil from sanctioned vessels.
He said the deadline for completing financial transactions was March 12.
India follows United Nations sanctions, rather than those imposed by individual countries, but fears of secondary sanctions by the United States create operational challenges in securing Russian oil as Indian banks and companies have significant exposure to the U.S. financial system.
India became the top buyer of Russian sea-borne oil sold at a discount after Western nations imposed sanctions on Moscow and curtailed their energy purchases in response to Russia's invasion of Ukraine.
Jain said India would continue to buy Russian oil if it was priced below the $60 per barrel cap set by the Western nations and was sold without the involvement of sanctioned Russian entities and ships.
Oil minister Hardeep Singh Puri said Russian oil accounted for about 0.2% of India's overall crude imports prior to the Ukraine war. Russian oil now accounts for over a third of Indian oil imports.
Indian state refiners are struggling to get Russian oil for

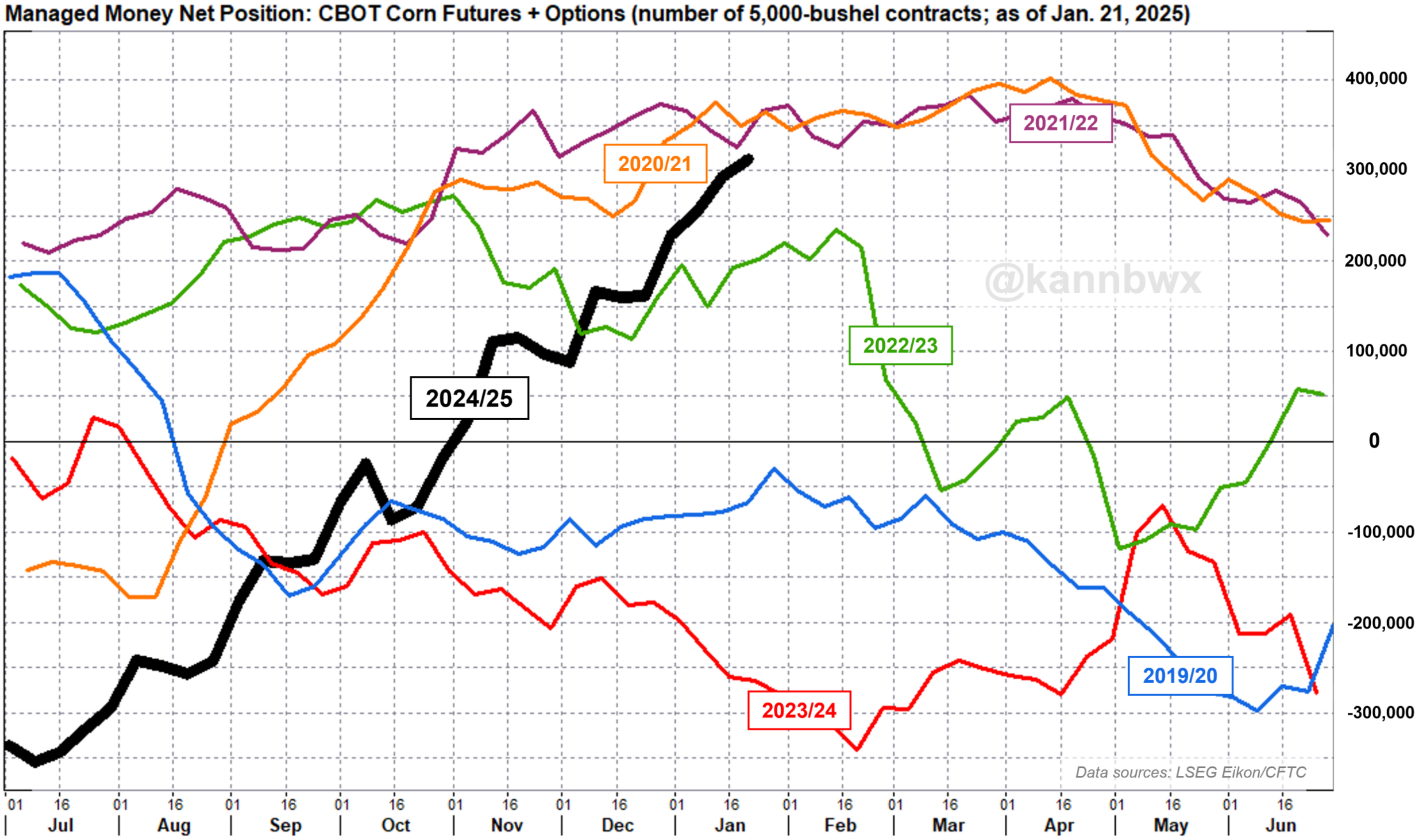
March deliver as traders have stopped offering cargoes after the Jan. 10 sanctions from Washington.
Puri said there was no shortage of oil in the market as countries such as Guyana, Brazil, Canada and Suriname were increasing output despite cutbacks by some major producers.
"If Russian oil is available at good discounts we will buy, if it is available elsewhere we will buy from them," he added.
Separately, Puri said Indian oil refiners were looking at setting up three refineries of 400,000 barrels per day (bpd) each, instead of a single 1.2 million bpd refinery in western Maharashtra state, as there were challenges in procuring land.

Top News - Agriculture

China's suspension of five Brazilian soy exporters to last 2 months, says Brazilian official
China's suspension earlier this month of Brazilian soybean exports from five companies after cargoes did not meet plant health requirements will last two months, a top Brazilian agriculture official told Reuters on Friday.
Brazil is the top soybean exporter to China, which is the world's top importer. Brazilian farmers and exporters compete with counterparts in the United States for the Chinese market.
China suspended imports from the five companies on Jan. 8 and Jan. 14 after cargoes failed to meet Chinese import standards. The five suspended units are part of operations that accounted for more than 30% of the more than 73 million metric tons of soybeans that Brazil exported to China in 2024. However, other units of the same companies have not been suspended.
The agriculture ministry is investigating the issue and would send clarifications to China in due course, Luis Rua, agriculture ministry's commerce and international relations secretary, told Reuters on Friday.
Rua was unaware of the number of cargoes involved, or their origin, but said only a small volume was involved.
The five units were only a fraction of the 1,700 Brazilian outfits authorized to export soybeans to China, he said.
Brazilian soybean exports are due to surge over the coming weeks as more of the harvested crop is moved to market. Brazil sells about three-quarters of its soy exports to China.
The companies affected by the suspensions had a meeting with government officials in Brasilia on Thursday, according to Anec, a Brazilian association representing global grain traders. Anec declined to name the companies or give more details.

Chart of the Day

Managed Money Net Position: CBOT Corn Futures + Options (number of 5,000-bushel contracts; as of Jan. 21, 2025)



The five companies with units suspended were global merchants Cargill, ADM and Olam, and Brazilian outfits C.Vale and Terra Roxa. Cargill and ADM gave no immediate comment on the meeting. Terra Roxa declined to comment.
The temporary suspension affected only one of C.Vale's units, a C.Vale spokesman said, adding that other units could continue exporting.
The soybeans were likely exported from the port of Paranagua given the shippers involved, one grain trader said.
The Paranagua port authority said it had not received any official communication indicating that any ship that has departed from Paranagua was under suspicion in Chinese ports.

Frigid weather likely damaged US winter wheat crop, meteorologist says

Frigid temperatures this week likely killed as much as 15% of the winter wheat crop in parts of the U.S. Plains and Midwest, the Commodity Weather Group said on Friday, in an ominous sign for U.S. wheat production.
A blast of Arctic air covered much of the United States earlier this week, sending temperatures plunging across key wheat areas that have seen limited snowfall this winter.
Without that protective layer of snow, winter wheat was vulnerable to freeze damage or "winterkill" as temperatures fell to or below minus 5 degrees Fahrenheit (minus 21 Celsius), said Joe Woznicki, an agricultural meteorologist with the Commodity Weather Group.
Those conditions impacted about 65% of the nation's total hard red winter wheat belt on Tuesday from Montana down through northern Texas, including parts of top producer Kansas.
This week's polar vortex may also have affected about 35% of the soft red winter wheat belt, including Illinois, Indiana, southern Michigan and Ohio.
Hard red winter wheat is grown in the Plains and used to make bread. Soft red winter wheat is produced in the Midwest and used in cookies and snack foods.
"If all the wheat was well-established, you would expect losses of about 10% in spots that saw winterkill," Woznicki said, cautioning that "these are very rough estimates."
Losses might be closer to 15% in areas where wheat crops were poorly established or where dry soils left plants more vulnerable to the cold, he said.
How much crop ultimately will be lost is not yet known. Freeze injury to winter wheat is notoriously difficult to assess until dormant crops resume growth in the spring.
But using last year's production figures for wheat harvested in 2024 as an estimate, a 10% loss on 65% of the hard red winter acreage works out to 52 million bushels, or 6.7% of the crop, CWG said.
A 10% loss on 35% of the soft red wheat acreage would be 12 million bushels, or 3.5% of production.
U.S. farmers planted 34.1 million acres of winter wheat for harvest in 2025, up 2% from the prior year. The United States is the world's No. 5 wheat exporter.

Top News - Metals

Japan Q1 aluminium premium hits 10-year high on stronger overseas prices

The premium for aluminium shipments to Japanese buyers for January to March was set at $228 a metric ton, the highest in about 10 years, driven by supply fears amid stronger overseas premiums, five sources directly involved in pricing talks said.
The figure is higher than the $175 per ton paid in the October-to-December quarter and marks a fourth consecutive quarterly increase and the highest since April-June quarter in 2015.
Still, it is below initial offers of $230 to $260 per ton made by global producers.
Japan is a major importer of the light metal in Asia and the premiums for primary metal shipments it agrees to pay each quarter over the benchmark London Metal Exchange (LME) cash price sets the benchmark for the region.
Japan's domestic demand remained sluggish, but concerns over tighter supply amid higher U.S. premiums, tied to a potential tariff increase on aluminium imports from Canada and Mexico by U.S. President Donald Trump, have pushed premiums higher in Asia as buyers move to secure the metal, a trading house source said.
Higher premiums were also supported by worries over China's removal of a 13% export tax refund for aluminium semi-manufactured products from Dec. 1. This could boost ingot demand from Asian rolling mills outside China to produce semi-finished products, another source at a global producer said.
"We have already received some inquiries for additional supply from Asian customers," the source added.
Meanwhile, aluminium stocks at three major Japanese ports rose to 323,600 tons by the end of December, up about 13% from the previous month, according to Marubeni. The increase reflected slow domestic demand from automakers and construction segment, the first source said.
Quarterly pricing talks began in late November between Japanese buyers and global suppliers including Rio Tinto, and South32.
The negotiations took about a month longer than usual to conclude, with some producers and buyers settling at $228 in mid-December, while another producer pushed for a higher level, according to the sources.
The sources declined to be identified due to the sensitivity of the matter.

India's finished steel imports from China hit 7-year high in April-Dec

India's finished steel imports from China touched their highest levels in at least seven years during the first nine months of the financial year that began in April, according to provisional government data reviewed by Reuters.
China, the world's top steel producer, shipped 2.1 million metric tons of finished steel to India during April-December, up 13.3% year-on-year, the data showed.
Beijing was the top exporter of finished steel to India during the period.
Shipments from China, South Korea and Japan accounted for 79% of India's overall finished steel imports during the period.
South Korea's finished steel exports to India during April-December touched a five-year high at 2.1 million metric tons, up 7.2% year-on-year, the data showed.
Japan's finished steel exports to India touched an at least seven-year high, nearly doubling year-on-year to 1.6 million metric tons, according to the data.
India's overall finished steel imports reached a six-year high during April-December, as previously reported by Reuters.
India, the world's second-biggest crude steel producer, had turned a net importer of finished steel in the previous financial year. The trend has since continued, with shipments from China rising steadily.
India is conducting a probe to determine the need for imposition of a safeguard duty or a temporary tax to curtail unbridled steel imports.
During April-December, hot-rolled coils or strips were the most imported product during the period, the data showed.
Imports of non-flat products also rose 13.8% from last year, led by bars and rods.
Finished steel exports slumped 24.6% to 3.6 million metric tons, their lowest point in at least six years, the data showed.
Italy was the biggest exports market for India's finished steel products, although shipments fell 38.8% from levels seen last year.
Exports to Belgium, Spain and Nepal also fell.
However, exports to the United Kingdom were up nearly 20% year-on-year, the data showed.

MARKET MONITOR as of 07:35 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$74.27 / bbl	-0.52%	3.56%
NYMEX RBOB Gasoline	$2.07 / gallon	-0.33%	3.01%
ICE Gas Oil	$714.25 / tonne	-1.04%	2.73%
NYMEX Natural Gas	$3.77 / mmBtu	-6.46%	3.69%
Spot Gold	$2,750.18 / ounce	-0.76%	4.82%
TRPC coal API 2 / Dec, 25	$118.9 / tonne	1.73%	6.78%
Carbon ECX EUA	€80.80 / tonne	-1.07%	10.68%
Dutch gas day-ahead (Pre. close)	€49.40 / Mwh	1.44%	1.75%
CBOT Corn	$4.92 / bushel	-0.86%	5.69%
CBOT Wheat	$5.54 / bushel	-0.89%	-1.56%
Malaysia Palm Oil (3M)	RM4,240 / tonne	0.57%	-4.68%
Index	**Close 24 Jan**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	373.63	0.17%	4.71%
Rogers International	30.21	-1.00%	3.42%
U.S. Stocks - Dow	44,424.25	-0.32%	4.42%
U.S. Dollar Index	107.71	0.25%	-0.71%
U.S. Bond Index (DJ)	435.90	0.23%	-0.03%

Top News - Carbon & Power

ANALYSIS-Trump's high-wire act to transform US power grid won't be easy

President Donald Trump's oversight of an increasingly unreliable U.S. power grid requires swift action, he said this week, but there is no easy fix for one of the grid's most complex and troubled areas: long-distance transmission lines.

Trump's National Energy Emergency declaration and executive orders detail a long list of interconnected problems dogging an electric grid vulnerable to fuel shortages, soaring demand, and an increasing number of wild weather events.

"There's clearly a recognition of the need to increase energy production broadly in the United States and do it with whatever resources necessary," said Spencer Pederson, a top executive at the National Electrical Manufacturers Association.

Trump's initial moves could help to some degree: The emergency declaration directs agencies to scour their books for laws and regulations that could be used to speed approval and permitting for projects like transmission, and overcome regulatory obstacles that have long hampered big projects.

The executive orders, part of a slew of actions Trump signed his first day in office to accelerate broader energy production, seek to streamline permitting procedures that historically have taken years or even decades.

Morgan Stanley, in a note this week to investors, said Trump's actions "could improve the speed of transmission infrastructure permitting and environmental reviews."

Big obstacles remain. Pederson noted a shortage of large electrical transformers and skilled workers, and added that the U.S. grid's overseas supply chain is still adjusting to being reoriented away from China, a move that began during the first Trump administration.

Also, some doubt that Trump's executive actions can penetrate an entrenched web of local, state and regional regulators who have strong political incentives to hold down spending for electric customers, said Kent Chandler, a former chairman of Kentucky's Public Service Commission who teaches a class on public utility regulation at YaleLaw School.

Power lines spanning multiple states have been repeatedly blocked due to broad local resistance to what some view as unsightly or environmentally worrisome infrastructure projects.

Shon Hiatt, Director of USC Marshall's Business of Energy Transition initiative, said Trump's emergency declaration could prove useful for speeding up transmission projects on public lands, but that overcoming local and state actors could require an Act of Congress.

"It's not like there's public lands going across the entire country where this needs to happen," Hiatt said.

DATACENTER BOOM

The grid's vulnerability has intensified since Trump's first term, with booming power demand from datacenters for artificial intelligence and cryptocurrency along with manufacturing and EV adoption, utility executives, regulators and trade groups say.

The grid's capacity of long-distance transmission lines would need to quintuple over the next decade to handle that big surge in power demand outlined in the U.S. Energy Department's latest state of the grid report.

"The clear message from (Trump) is that it's time to really put a heavier foot on the gas pedal and get things moving," said Larry Gasteiger, executive director of WIRES, a trade association for transmission line companies.

Making that happen would be good news not just for fossil fuel-fired power, but also for hundreds of renewable energy projects - like solar and wind farms - that have struggled for access to the grid.

Christina Hayes, executive director of Americans for a Clean Energy Grid, said one of the most promising parts of Trump's executive order, titled Unleashing American Energy, is a directive to develop recommendations for Congress for interstate energy infrastructure.

She said that "could potentially lead to meaningful reforms in siting and permitting procedures."

"Western states are likely to see the most immediate impact from these changes, given the concentration of federal lands in the region," Hayes said.

Catie Hausman, a University of Michigan economics professor, has studied how some public utilities have blocked transmission buildout for renewables to protect the economic viability of their incumbent gas and coal power plants. She does not expect Trump's executive actions to make those turf battles disappear.

"There have been so many impediments to building long-distance transmission lines," Hausman said. "It's hard to even know where to start."

Venture Global valued at $58 billion as stock dips in NYSE debut

Venture Global's shares opened nearly 4% below their initial public offering price in a subdued NYSE debut on Friday, giving the LNG exporter a valuation of $58.2 billion and reinforcing the cautious approach of investors to new listings.

The IPO was expected to be the first blockbuster listing of 2025, as well as a litmus test for the appetite for energy companies under the Trump administration.

Arlington, Virginia-based Venture Global had already sharply lowered its valuation when it sold shares in the IPO on Thursday, settling for a price tag nearly 45% lower than the $110 billion it had aimed for earlier.

It sold 70 million shares to raise $1.75 billion, much lower than its initial plan to raise as much as $2.3 billion.

Investors and analysts said the initial target was 'lofty' and expressed concerns over its estimates for long-term profit and ongoing legal battles.

The company's stock began trading at $24.05, compared with the IPO price of $25.

"I don't think the investors were fully convinced that it commanded a multiple double that of its closest competitor," said Aakarsh Rattan Ramchandani, chief analyst and strategy officer at research firm Bigdata.com.

Still, Venture Global will be one of the largest energy companies listed in the U.S., having surpassed rival Cheniere Energy and high-profile players such as Occidental Petroleum and Marathon Petroleum.

"Venture operates in a complex business that might appeal to a smaller subset of investors than some large IPOs," said Nicholas Einhorn, director of research at IPO-focused Renaissance Capital.

Global LNG demand has risen in recent years amid a shift toward cleaner energy, with the U.S. emerging as a major supplier to both European and Asian countries.

After his inauguration earlier this week, President Donald Trump issued an order to resume processing export permit applications for new LNG projects.

"We will drill baby, drill," he said, outlining a plan to maximize U.S. oil and gas production by declaring a national energy emergency, removing excessive regulations and withdrawing the U.S. from a global climate change agreement.

LARGEST LNG IPO IN HISTORY

Venture Global's share sale marks the biggest IPO ever by an LNG company globally, according to Dealogic data.

It is the third-largest energy and utility sector listing in the U.S. since 1995.

"The high market cap reflects the company's ambitious development plans," Einhorn of Renaissance Capital said. "The company will definitely need to raise more capital over time, both equity and debt, to finance its growth plans."

Rising commodity prices and optimism for pro-energy sector policies under the new Republican administration are also expected to drive a recovery in energy sector IPOs in 2025. The capital-intensive sector was among the slowest in U.S. IPO activity last year.

There were only six energy sector IPOs in 2024, raising nearly $800 million—a small fraction of the broader market where 150 companies collectively raised $29.6 billion, according to data from Renaissance Capital.

"For energy and LNG companies, as we are seeing with Venture Global, achieving those very high premiums at IPO is proving more challenging, particularly when measured against established public market peers," said Josef Schuster, CEO of IPO-focused investment indexes, IPOX.

Venture Global began generating revenue in 2022 when its first facility, Calcasieu Pass, started producing superchilled gas.

But it is locked in contract disputes with customers such as BP, Shell and Edison over non-receipt of cargoes due to lengthy testing and optimizing process before commercial operation.

Venture Global has said that since the Calcasieu facility was still in the commissioning phase, the company is not yet obliged to fulfill the long-term contracts.

In addition to Cheniere, the company also competes with Freeport LNG, TotalEnergies, Chevron, ExxonMobil and Petronas, among others for a share of the lucrative market.

Top News - Dry Freight

Argentina grains tax cuts should speed up soy, corn sales

Argentina's unexpected cuts to grains export taxes will likely trigger a surge in shipments from the sector, analysts said, while longer-term it could boost production in the South American country, a major supplier of soy, corn and wheat.

The government announced on Thursday afternoon a temporary tax reduction on grains exports until the end of June, delivering on a campaign promise by libertarian President Javier Milei and giving a boost to farmers hit by a recent drought.

The country is the world's top exporter of processed soy oil and meal, the No. 3 for corn and a major producer of wheat and barley. However, farmers have long called for lower taxation on exports which they say have held back expansion of the sector.

Buenos Aires-based agricultural analyst Salvador Vitelli said the fact there was a time-limit on the tax cuts would incentivize farmers to sell quickly rather than hoard grains as can happen at times of low prices.

"There is a stipulated deadline that acts as a 'bottleneck' for selling before that, so the rate of sales will accelerate," he said.

BTG Pactual said in a research note on Friday that the move could end up being made permanent, but would both boost short-term exports and potentially longer-term could increase the amount of land used for growing crops like soy.

"In the short term, this temporary measure is likely to prompt farmers to accelerate soy bean sales, which may exert some pressure on prices," it said, adding that longer-term it could add 10 million metric tons of annual soy production.

"Farmers will have greater incentives to expand crop production into areas currently used for cattle ranching."

The tax cuts - a key plank of Milei's election campaign - are a bold move for the government, which badly needs dollar revenues to rebuild depleted central bank reserves.

The cuts will dent tax revenues from the key farm export

engine, but Milei argues less red tape and tariffs will spur growth.
Farmers have also been having a tough time, with the powerful farm lobby pushing for state support for the sector which they say is facing a "critical" situation due to a recent drought and low international grain prices.
"The agricultural sector is clearly facing a difficult time due to a combination of increasingly dry crop conditions and rising input costs putting pressure on margins," said local financial group Adcap.

Indian sugar mills seek higher prices; export contracts remain elusive

Indian traders are struggling to sign export contracts even after New Delhi allowed the export of 1 million metric tons as mills are seeking a hefty premium over London prices, which overseas buyers are unwilling to pay, four trade sources told Reuters.
The slower pace of shipments from India, the world's second biggest sugar producer, will support global prices, which this week fell to their lowest in three years.
India on Monday allowed exports of 1 million tons of sugar during the current season to September 2025 to help mills export surplus stocks and prop up local prices.
"After exports were allowed, local prices jumped nearly 10%. Mills are now seeking hefty premiums over global prices to export their allocated quotas," said a Mumbai-based dealer with a global trade house.
The Food Ministry has allocated mills a uniform export quota of 3.174% of their three-year average production, which they can export directly or via merchant exporters.
Traders this week contracted 20,000 tonnes of white and refined sugar for shipments in February between $490 and $510 per ton on a free-on-board (FOB) basis, or nearly $10 to $25 per ton above benchmark London futures, four dealers with trade houses said.
Before export approval, Indian prices were at a big discount to global prices, making exports profitable.
However, post-approval, Indian prices surged while global prices declined, reducing the export incentive for mills, said a New Delhi-based dealer with a trade house.
"Mills need to export their allocated quota before September 2025, so they are not in a hurry to sign deals. Instead, they are waiting for global prices to rise," the dealer said.
India, which sells sugar to Indonesia, Bangladesh and the United Arab Emirates among others, was the world's No. 2 exporter during the five years to 2022-23, with volumes averaging 6.8 million tons annually.
Sugar mills in the northern state of Uttar Pradesh, which were allocated 274,184 tons of sugar for export, have sold around 100,000 tons of their quota to merchant exporters, dealers said.
These exporters will secure supplies from the coastal states of Maharashtra and neighbouring Karnataka as less freight is required to move sugar from mills to ports in these two states.

Picture of the Day

A Sudan's army soldier stands on a vehicle after the army's liberation of an oil refinery, in North Bahri, Sudan, January 25. REUTERS/El Tayeb Siddig

(Inside Commodities is compiled by Nachiket Tekawade in Bengaluru)

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