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Top News - Oil

Trump reimposes 'maximum pressure' on Iran, aims to drive oil exports to zero

U.S. President Donald Trumpon Tuesday restored his "maximum pressure" campaign on Iran that includes efforts to drive its oil exports down to zero in order to stop Tehran from obtaining a nuclear weapon.

Ahead of his meeting with Israeli Prime Minister Benjamin Netanyahu, Trump signed the presidential memorandum reimposing Washington's tough policy on Iran that was practiced throughout his first term.

As he signed the memo, Trump described it as very tough and said he was torn on whether to make the move. He said he was open to a deal with Iran and expressed a willingness to talk to the Iranian leader.

"With me, it's very simple: Iran cannot have a nuclear weapon," Trump said. Asked how close Tehran is to a weapon, Trump said: "They're too close."

Iran's mission to the United Nations in New York did not immediately respond to a request for comment.

Trump has accused former President Joe Biden of failing to rigorously enforce oil-export sanctions, which Trump says emboldened Tehran by allowing it to sell oil to fund a nuclear weapons program and armed militias in the Middle East.

Iran is "dramatically" accelerating enrichment of uranium to up to 60% purity, close to the roughly 90% weapons-grade level, the U.N. nuclear watchdog chief told Reuters in December. Iran has denied wanting to develop a nuclear weapon.

Trump's memo, among other things, orders the U.S. Treasury secretary to impose "maximum economic pressure" on Iran, including sanctions and enforcement mechanisms on those violating existing sanctions.

It also directs the Treasury and State Department to implement a campaign aimed at "driving Iran's oil exports to zero." U.S. oil prices pared losses on Tuesday on the news that Trump planned to sign the memo, which offset some weakness from the tariff drama between Washington and Beijing.

Tehran's oil exports brought in $53 billion in 2023 and $54 billion a year earlier, according to U.S. Energy Information Administration estimates. Output during 2024 was running at its highest level since 2018, based on OPEC data.

Trump had driven Iran's oil exports to near-zero during part of his first term after re-imposing sanctions. They rose under Biden's tenure as Iran succeeded in evading sanctions.

The Paris-based International Energy Agency believes Saudi Arabia, the United Arab Emirates and other OPEC members have spare capacity to make up for any lost exports from Iran, also an OPEC member.

PUSH FOR SANCTIONS SNAPBACK

China does not recognize U.S. sanctions and Chinese firms buy the most Iranian oil. China and Iran have also built a trading system that uses mostly Chinese yuan and a network of middlemen, avoiding the dollar and exposure to U.S. regulators.

Kevin Book, an analyst at ClearView Energy, said the Trump administration could enforce the 2024 Stop Harboring Iranian Petroleum (SHIP) law to curtail some Iranian barrels.

SHIP, which the Biden administration did not enforce strictly, allows measures on foreign ports and refineries that process petroleum exported from Iran in violation of sanctions.

Book said a move last month by the Shandong Port Group to ban U.S.-sanctioned tankers from calling into its ports in the eastern Chinese province signals the impact SHIP could have.

Trump also directed his U.N. ambassador to work with allies to "complete the snapback of international sanctions and restrictions on Iran," under a 2015 deal between Iran and key world powers that lifted sanctions on Tehran in return for restrictions on its nuclear program.

The U.S. quit the agreement in 2018, during Trump's first term, and Iran began moving away from its nuclear-related commitments under the deal.

The Trump administration had also tried to trigger a snapback of sanctions under the deal in 2020, but the move was dismissed by the U.N. Security Council.

Britain, France and Germany told the United Nations Security Council in December that they are ready - if necessary - to trigger a snapback of all international sanctions on Iran to prevent the country from acquiring a nuclear weapon.

They will lose the ability to take such action on Oct. 18 when a 2015 U.N. resolution expires.

The resolution enshrines Iran's deal with Britain, Germany, France, the United States, Russia and China that lifted sanctions on Tehran in exchange for restrictions on its nuclear program.

Iran's U.N. ambassador, Amir Saeid Iravani, has said that invoking the "snap-back" of sanctions on Tehran would be "unlawful and counterproductive."

European and Iranian diplomats met in November and January to discuss if they could work to defuse regional tensions, including over Tehran's nuclear program, before Trump returned.

Fuel oil rally expected to stall as market shakes off US-Iran policy

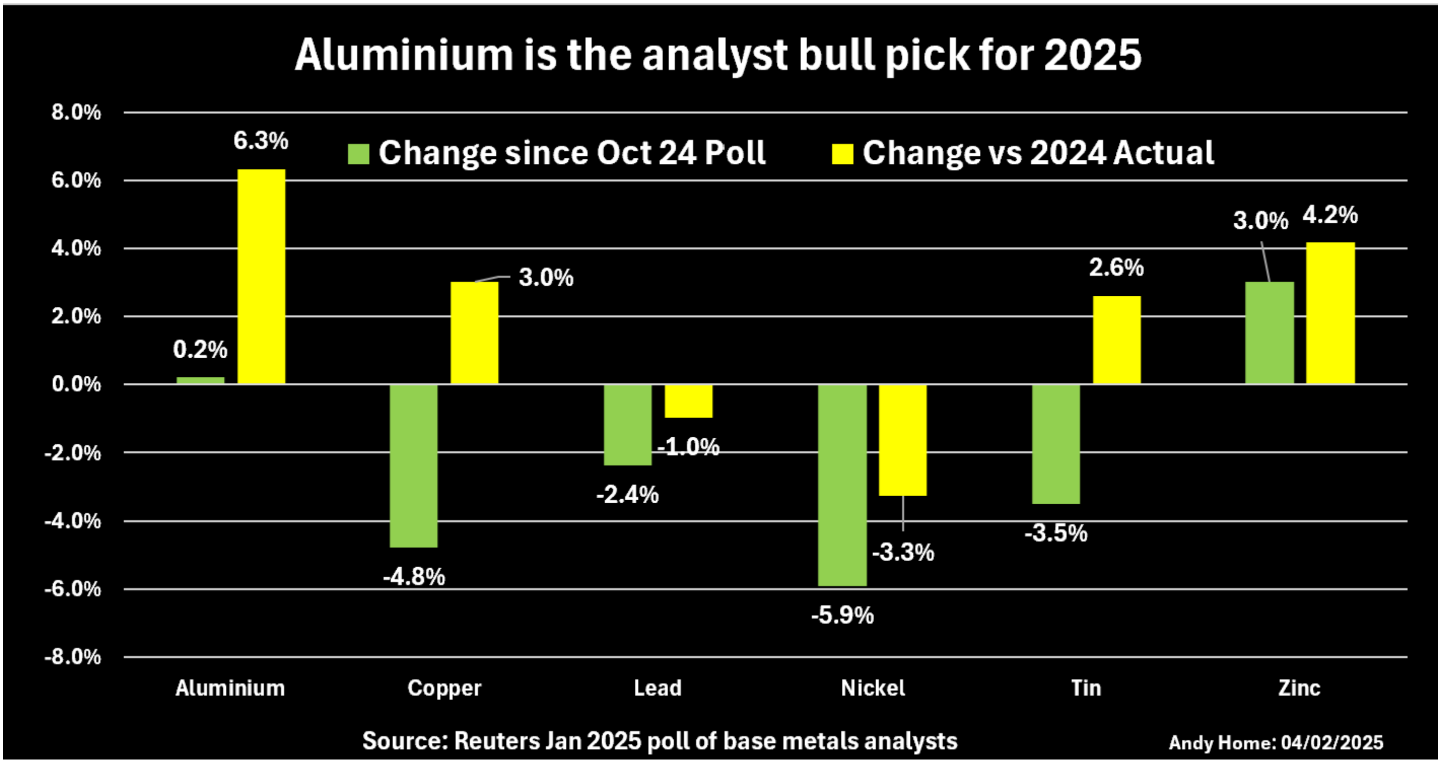
Fuel oil margins climbed after U.S. President Donald

Trump reimposed a tougher policy on Iran, though trade sources expect a short-lived rally amid unclear supply disruption, while softer China demand and broader tariff concerns weighed on sentiment.
The market, particularly for high-sulphur fuel, has undergone volatile movements this year so far, as trade participants considered mixed drivers and eyed supply uncertainties. The recent strength in traded margin or crack spread was more of a knee-jerk reaction, a fuel oil trader said, adding that Chinese demand remained a bearish factor. Singapore's 380-cst high-sulphur fuel oil (HSFO)/Brent crack for March reached a discount of about 70 cents a barrel in Wednesday morning trade, according to market sources.
Cracks compared over 80% higher versus early 2025 when it was at a discount wider than $5 a barrel, based on LSEG data. The front-month value hit a multi-year high in end-January.
HSFO benchmarks have been supported due to risks of tighter logistics after the U.S. imposed broader sanctions on Russia.
However, the strength will remain capped on weaker demand, market sources said.
China's fuel oil imports are set to soften due to a hike in the product's import tax this year and lower rebates on purchases.
Concerns on broader tariffs are also adding much volatility to the market, another fuel oil trader said.
Meanwhile, Trump restored on Tuesday his "maximum pressure" campaign on Iran that includes efforts to drive its oil exports down to zero, reimposing Washington's tough policy on the country.
Iranian oil typically moves via a shadow fleet of tankers that conceal their activities to skirt sanctions.

Top News - Agriculture

ADM 2025 outlook clouded by trade tensions, biofuel policies
Global grains trader Archer-Daniels-Midland is slashing costs and cutting staff to weather a commodity downturn made more challenging by uncertainty about U.S. biofuels policies and a brewing trade war, the company said on Tuesday.
ADM's difficulties follow an accounting scandal last year that forced the company to twice revise financial statements and triggered an ongoing federal investigation.
ADM on Tuesday posted its weakest fourth-quarter profit in six years and forecast what could be a third-straight annual earnings drop in 2025.
ADM said it is eliminating up to 700 jobs and aiming to cut up to $750 million in costs in the next three to five years, joining agribusiness rival Cargill in tightening its belt.
CEO Juan Luciano said it was difficult to predict how ADM's global trading business would fare if President Donald Trump's orders to raise tariffs on Canada, Mexico

Chart of the Day



and China spark broad retaliation from the top three buyers of U.S. farm goods.
China launched limited tariffs on Tuesday in retaliation against sweeping new U.S. levies on Chinese goods. Beijing's tariffs did not include crops.
Trump suspended the tariffs on Canadian and Mexican goods for one month.
"Tariffs imposed by the U.S. government tend to have a slightly positive benefit to us," Luciano said, adding "the issue is the retaliatory measures."
ADM is on a short list of grain-trading companies that can benefit from such trade turmoil, he said.
If an overseas buyer curbs its imports of U.S. farm products, ADM could still supply that market with crops from other countries such as Brazil, although such disruptions can dent trading margins.
ADM flexed its global grain origination and distribution footprint in 2018 when China slashed its U.S. soybean purchases, prompting the company to tap its Brazilian supply chain to supply that country.
Meanwhile, ADM and other crop processors were awaiting policy guidance from the Trump administration on the size and scope of tax credits for U.S. biofuels producers that could bolster oilseed crushing and biodiesel margins, Luciano said.
An ethanol pioneer and for years the top U.S. producer, ADM's massive corn- and soybean-processing facilities supply biofuels makers including Marathon.

Farmers in southern Ukraine begin 2025 grain sowing
Farmers in southern Ukraine's Mykolaiv and Kherson regions have started spring grain sowing, taking advantage of unusually warm weather, a Ukrainian lawmaker said on Tuesday.
Agricultural committee member Dmytro Solomhuk said on Facebook that farmers had begun sowing spring wheat.
Farmers in the southern Odesa, Mykolaiv and Kherson regions traditionally start sowing in the second half of February if weather conditions are favourable.
Ukraine is a major global grain and oilseed grower but output fell sharply after the Russian invasion in 2022.
The agriculture ministry said last month that it expected that the 2025 planted area could be at the same level as in 2024 at around 23 million hectares, including 11.067 million hectares of grain and 8.892 million hectares of oilseeds.

Top News - Metals

COLUMN-Aluminium is base metals analysts' bull pick for 2025: Andy Home
Aluminium is expected to be the top performer among the London Metal Exchange (LME) base metals pack in 2025, with analysts forecasting a supply shortfall of the light metal this year.
Analysts participating in the Reuters January base metals poll also see higher average cash prices for zinc, copper and tin this year relative to 2024.
Nickel is the conviction bear call even after the average LME cash price fell by almost 22% last year.
No-one expects anything other than continued nickel oversupply both this year and next.
Supply dynamics are top of analysts' minds in terms of likely winners and losers this year but a troubled macro picture hangs over the industrial metals complex.
Median forecasts for copper, tin, nickel and lead have all been cut since Reuters' last quarterly poll in October, reflecting concern about the demand impact from a tariff trade war.

ALUMINIUM BULLS
The average LME cash aluminium price rose by 4.9% year-on-year in 2024 and is set to climb another 6.3% to $2,573.50 per metric ton in 2025, according to the median forecast of 33 analysts participating in the January poll.
The outcome was little changed from the October poll, suggesting a hardening conviction in the metal's bullish prospects.
Underpinning the higher price forecast is an expected shift in market dynamics to a supply shortfall. Analysts swung their consensus to a market deficit of 8,000 tons in 2025 from oversupply of 100,000 tons in the previous poll.
The deficit is expected to grow to 365,000 tons in 2026 with the average price lifting further to $2,626 per ton.
Tightness in the alumina market has recently buoyed the aluminium price but the bigger structural supply constraint is China's smelter capacity cap.
China's national output was running at an annualised 43.9 million tons at the end of 2024, close to the 45.0 million cap.
If the world's largest producer has run out of expansion potential, it's far from clear how the rest of the world is going to fill the output gap.

ZINC PRICE RALLY SEEN FADING
Zinc is forecast to be the second-best performer this year with the average cash price expected to increase by 4.2% to $2,895 per ton.
Moreover, analysts lifted their zinc price expectations from the October poll against the broader trend.
This tells you how much the zinc narrative has changed in the last three months.
A market expected to register massive oversupply has turned out to be surprisingly tight as a shortfall of mined concentrates drags down global metal production.
However, that should change this year as mine supply recovers and analysts expect zinc prices to weaken over 2025 and 2026. Indeed, zinc is the only LME base metal

projected to fall in price next year.
Zinc's premium over sister metal lead will also ease since the consensus is for lead prices to average a steady $2,050 both this year and next.

DIALING BACK ON COPPER

Analysts are dialing back expectations for copper's potential upside.
While the average cash price is expected to rise by 3% to $9,425 per ton this year, the median forecast is 4.8% lower than the October poll.
This should be no great surprise since copper is the LME metal most sensitive to shifts in macro sentiment.
And right now the macro outlook is looking ever more stormy after U.S. president Donald Trump imposed a 10% tariff on imports of Chinese goods.
The carefully calibrated Chinese response offers some hope that trade talks could avert a full trade war but copper is particularly sensitive to any negative consequences for China, the world's largest buyer of the red metal.
The market spent much of last year looking for signs of revival in China's giant manufacturing sector and this year is shaping up to be no different. Tariffs and the threat of more to come muddy the waters.

THINGS CAN ONLY GET BETTER FOR NICKEL

The median nickel forecast for 2025 has also been downgraded by a hefty 5.9% to $16,265 per ton since October as market oversupply becomes increasingly visible in the form of rising LME stocks.
But having already fallen so heavily over the last year, analysts don't think there's much further downside.
The consensus is for LME cash nickel to bottom out at an average $15,550 per ton in the current quarter before edging steadily higher to $16,750 in the fourth quarter.
The price recovery is expected to continue into 2026 with a median cash price forecast of $17,637 per ton.
The betting seems to be that Indonesia, the world's dominant producer, will put the brakes on its runaway production growth to shore up prices.

UNPREDICTABLE TIN

Tin has been a particularly volatile market over the last couple of years and there's little consensus as to what is next in store for the soldering metal.
The median forecast is for a modest 2.6% lift in average price this year relative to 2024.
But that masks a very wide range of expectations, stretching from a low of $23,750 to a high of $33,000 per ton.
The spectrum of outcomes is an even wider range of $21,000 and $37,000 for 2026. Which says much about how difficult it is to read this small but profoundly opaque market.

(The opinions expressed here are those of the author, a columnist for Reuters.)

MARKET MONITOR as of 07:35 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$72.44 / bbl	-0.36%	1.00%
NYMEX RBOB Gasoline	$2.32 / gallon	-0.33%	15.48%
ICE Gas Oil	$712.50 / tonne	0.00%	2.48%
NYMEX Natural Gas	$3.19 / mmBtu	-1.84%	-12.11%
Spot Gold	$2,858.02 / ounce	0.57%	8.93%
TRPC coal API 2 / Dec, 25	$115.25 / tonne	-3.56%	3.50%
Carbon ECX EUA	€81.05 / tonne	0.21%	11.03%
Dutch gas day-ahead (Pre. close)	€52.28 / Mwh	-3.33%	7.68%
CBOT Corn	$5.07 / bushel	0.50%	8.91%
CBOT Wheat	$5.92 / bushel	0.47%	5.16%
Malaysia Palm Oil (3M)	RM4,355 / tonne	1.09%	-2.09%
Index	**Close 04 Feb**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	373.47	0.14%	4.67%
Rogers International	30.60	-0.21%	4.76%
U.S. Stocks - Dow	44,556.04	0.30%	4.73%
U.S. Dollar Index	107.75	-0.19%	-0.68%
U.S. Bond Index (DJ)	438.62	0.27%	0.59%

Gold demand up 1% in 2024, to remain supported by economic uncertainty, World Gold Council says

Global gold demand including over-the-counter (OTC) trading rose by 1% to a record high of 4,974.5 metric tons in 2024 as investment increased, the World Gold Council (WGC) said on Wednesday, adding that central banks sped up buying in the fourth quarter.

Spot gold prices rose by 27% last year, the most since 2010, as investors chose the metal to hedge against global risks and as the U.S. Federal Reserve slashed interest rates. Prices hit another all-time high on Tuesday, driven by safe-haven demand after China retaliated with tariffs on the United States in response to President Donald Trump's trade levies.

Central banks, a major source of gold demand, bought more than 1,000 tons of the metal for the third year in a row in 2024. The National Bank of Poland was the largest such buyer, adding 90 tons to its reserves, the WGC, an industry body whose members are global gold miners, said in a quarterly report.

In the final quarter of 2024, when Trump won the U.S. election, buying by central banks accelerated by 54% year on year to 333 tons, the WGC calculated, based on reported purchases and an estimate of unreported buying.

Last year's investment demand for gold rose 25% to a four-year high of 1,180 tons, mainly because outflows from physically-backed gold exchange-traded funds (ETFs) dried up for the first time in four years.

Indicating a major shift in appetite for different products, investment demand for bars rose 10%, while coin buying fell 31%.

"In 2025, we expect central banks to remain in the driving seat and gold ETF investors to join the fray, especially if we see lower, albeit volatile interest rates," WGC senior markets analyst Louise Street, said.

"Geopolitical and macroeconomic uncertainty should be prevalent themes this year, supporting demand for gold as a store of wealth and hedge against risk."

Total gold demand, excluding opaque OTC trading, rose 1% to 4,553.7 tons last year, the highest since 2022, the WGC said. It estimates that OTC demand fell 7% due to a slump in the final quarter of the year as profit-taking offset persistent demand from high-net-worth investors.

Gold jewellery consumption, the biggest category of physical demand, fell 11% in 2024, while mine production was steady and recycling rose 15%.

The WGC expects jewellery demand to remain under pressure and recycling to rise further this year due to high prices.

Top News - Carbon & Power

ANALYSIS-Trade war with China casts dark cloud over new US LNG projects

President Donald Trump's emerging trade war with Beijing poses a new threat to billions of dollars in planned U.S. liquefied natural gas export projects, many of which rely on China as a key buyer, according to analysts, industry sources, and company filings.

The threat reflects the double-edged nature of Trump's protectionist policies, which are intended to boost U.S. business and force action to stop drug trafficking and illegal immigration, but could also inadvertently undermine his hopes of vastly expanding U.S. energy output.

"The tariffs may impact long-term contracting and offtake agreements...and make it more difficult for new US LNG projects to progress toward Final Investment Decisions," analysts at energy consulting firm EBW Analytics told customers in a note on Tuesday, referring to Beijing's decision to impose retaliatory levies on U.S. energy imports. Trump over the weekend announced a 10% tariff on Chinese imports as part of a broad plan to improve the U.S. trade balance, triggering retaliation from Beijing which slapped a 15% tariff on U.S. LNG and coal, and a 10% tariff on U.S. oil. The U.S. is the world's largest exporter of LNG and China has been a major buyer of the super-chilled gas, importing nearly 6%, or about 4.3 million metric tonnes, of total U.S. LNG exports last year, according to LSEG data.

Chinese state-owned companies have signed LNG supply deals for over 20 million metric tonnes per annum (MTPA) from both existing and future U.S. export terminals, according to Reuters calculations.

The two largest U.S. LNG exporters, Venture Global LNG and Cheniere, have 14 million MTPA in agreed long-term contracts with Chinese companies, according to their public announcements. Venture Global declined to respond to requests for comment, while Cheniere and rival Energy Transfer, which has a long-term sales and purchase agreement with China, were not immediately available for comment. Freeport LNG, the third-largest U.S. LNG exporter, also declined to comment. There are eight LNG export terminals operating in the U.S., three under construction and almost 20 more at various stages of development. Companies are pushing ahead with projects for new or expanded LNG export capacity after the Trump administration in January lifted a moratorium on new LNG export permits, imposed by former President Joe Biden over concerns about the projects' environmental and economic impacts. But Charlie Riedl, the Executive Director of the Center for LNG, a trade group representing many U.S. LNG exporters and developers, said China’s decision to impose tariffs injects uncertainty into the industry and weakens America’s competitive position in global energy markets. "These tariffs on U.S. LNG directly undermine the Trump administration’s efforts to expand American energy exports and strengthen our geopolitical influence," Riedl said. A White House official told Reuters that Chinese tariffs on U.S. LNG could have limited economic impact, but said the risk is worthwhile. "There is not a dollar value you can put on saving American lives from fentanyl deaths," the official said, reflecting U.S. concerns that China is a major source of the drug and chemicals used to make it. Trump wants to expand the export markets for LNG to other nations as well, creating less risk from any Chinese actions, the official said.

BIG CONTRACTS

LNG developers use long-term contracts or sales and purchase agreements to help secure funding for their projects from banks. They are a key element in moving projects from the development stage to a final investment decision.

Venture Global, the most valuable U.S. LNG exporter with two plants operating in Louisiana and three more under development, has signed 9.5 MTPA in supply deals with Chinese companies so far, according to company filings. Cheniere Energy, the second-most valuable U.S. LNG company and currently the largest exporter, has more than 4.5 MTPA in long-term Chinese deals, according to its announcements. As part of the prospectus for its blockbuster initial public offering in January, Venture Global warned investors of its exposure to a possible trade war between the world's two largest economies. "These factors could adversely affect our ability to market the remaining production capacity of our projects, which could have a material adverse effect on the viability of our projects and on our business," Venture Global told investors at the time. Its stock was down almost 5% in afternoon trading on Tuesday, while Cheniere was down less than 1%.

COLUMN-Europe's strong gas use pace may wilt as coal-switching kicks in: Maguire

Many of northern Europe's largest economies have sharply boosted gas-fired power generation so far in 2025, helping to lift regional gas prices to their highest since early 2023.

Gas-fired output during January in Germany, the United Kingdom, the Netherlands and Poland all jumped by well over 10% from January 2024's levels to their highest for that month since at least 2022, according to data from LSEG. But the pace of gas consumption going forward may start to slow as regional gas prices have now climbed above the price of coal-fired generation, which may spur some power firms to cut gas output and raise coal-fired generation instead. This switch-out of gas for coal is especially likely in Germany and Poland where coal-fired power holds a larger share than natural gas of national generation systems. Reduced gas consumption by those countries could help cap the recent rally in European gas prices, which are up by roughly 60% from where they were trading a year ago. However, reduced gas use and more coal-fired generation will have significant emissions repercussions, as nearly twice as much carbon dioxide is discharged per unit of generated power from coal as from gas.

GAS BOOM

Gas-fired power output scaled historic highs in Germany and the United Kingdom in January, registering the highest monthly tallies in both countries since before Russia's invasion of Ukraine in early 2022 snarled regional gas markets. The January 2025 gas-fired total was also the second-highest monthly tally on record since 2022 in both the Netherlands and Poland, underscoring the broad sweep of gas use seen across Europe in recent months. Europe's main gas pricing hub - the TTF facility in the Netherlands - has reflected the robust consumption pace, with prices in January averaging 48.36 euros per megawatt hour, according to LSEG. That average is 40% above the TTF average for 2024 and 60% higher than where TTF averaged in January 2024, and is the highest price the region has registered since February 2023.

SWITCHING OUT

The steep ascent in TTF gas values has squeezed margins for power producers, who are under pressure to limit price increases for consumers.

Consumer energy costs across Europe climbed more steeply than in the United States and Asia in 2022 and 2023, and as a result European power suppliers are under intense governmental and societal pressure to avert any further cost increases. One means of doing so is to switch out pricey gas for cheaper generation sources wherever possible. In Germany and Poland, coal has become the cheaper power generation source compared to natural gas following the steep rise in gas costs over the past year. Indeed, gas prices have been consistently above the so-called coal-switching price since August 2024. The coal-switching price marks the point at which a power supplier can more economically generate power from coal than from gas, assuming that both fuel sources are available. From August through the end of 2024, TTF gas prices averaged around 6.20 euros per megawatt hour (MWh), or 18%, above the coal-switching price, according to LSEG data. So far in 2025, that differential has widened to nearly 13 euros/MWh - or 36% - above the coal-switching price. For managers of complex power networks that feature coal and gas power plants, both the spot and forward prices of locally available natural gas and thermal coal factor into the coal-switching equation. And the current forward curve for TTF natural gas indicates that gas costs will remain above the coal-switching price until well into 2026, by which point gas costs are projected to head lower again. LSEG forward curve data indicates that TTF prices will average around 14.70 euros/MWh above the coal switching price for 2025, although the forward curves for both gas and coal will remain dynamic.

For power producers in continental Europe, this price outlook suggests that firms which can boost output from coal and cut gas use may be able to reduce operating costs, and potentially limit further rises in consumer energy bills. However, any sharp climbs in coal-fired output will undermine efforts to reduce regional emissions, and may generate criticism from regional emissions watchdogs. Power firms in the United Kingdom have no option to revert to coal-fired output following the closure of Britain's last coal plant in 2024, but may see a sustained rise in wind power generation over the coming months that may limit the amount of gas-fired generation required. In all, power firms across Europe look set to try to boost output from non-gas sources going forward following the steep climb in local gas costs, although gas-fired plants will remain a key part of the overall generation mix.

(The opinions expressed here are those of the author, a market analyst for Reuters.)

Top News - Dry Freight

China has delayed or redirected 600,000 tons of wheat imports, sources say

China has delayed imports of up to 600,000 metric tons of mostly Australian wheat and offered some of these cargoes to other buyers as ample domestic supplies reduce demand in the world's top buyer of the grain, two trade sources with direct knowledge of the matter said. China accounted for 6% of global wheat imports in the year to June 2024, according to U.S. Department of Agriculture data. With its outsized role in the market, the country's lower intake may pressure benchmark Chicago wheat prices, which remain below $6 a bushel after falling to a four-year low of $5.14 in July.

The country is well-stocked after plentiful corn and wheat harvests and to support local prices that have fallen as a result it does not want new wheat to arrive until as late as April, the sources said. One of the sources, a Singapore-based trader at an international company that sells U.S. and Australian wheat into Asia, said he had direct knowledge of four shipments carrying around 240,000 metric tons, three from Australia and one from Canada, that Chinese buyers were trying to resell in Southeast Asia. The trader said he had heard from other traders that around 10 ships in total from Australia and Canada were being delayed resold, each carrying around 60,000 tons of wheat. "China has postponed the delivery time of several wheat cargoes that were to be shipped from Australia and Canada," he said.

"There are ample supplies in the Chinese market and their local prices have fallen." A source at a major grain trader in Australia said he had direct knowledge of two wheat shipments booked for delivery to China in February, one of which has been delayed to April.

"The other is sailing, but the buyer plans to divert a chunk (of the grain onboard) to Thailand." China has delayed or redirected a total of eight to 10 Australian shipments that were booked for delivery in January or February and has booked no shipments for March, he said. "China just doesn't want anything showing up until April," he said. Early last year, Chinese wheat importers cancelled or postponed about 1 million metric tons of Australian wheat cargoes as growing world stockpiles dragged down prices. Still, in the first three months of 2024, China imported 1.7 million tons of wheat from Australia, down from 2.5 million tons in the same period a year earlier, and 923,000 tons from Canada, up from 783,000 tons a year earlier, according to Chinese trade data accessed using Trade Data Monitor. Australia begins each year with freshly harvested wheat and has been China's main first-quarter supplier in recent years. China's state-run COFCO, which is the importer of most of these delayed or redirected cargoes, is paying the costs of delaying shipments, including charges to hold back grain, and will take any gain or loss from reselling grain, the source in Australia said. COFCO did not immediately reply to an email from Reuters requesting comment. "China wants to protect its farmers. After a good corn crop, they have more than enough corn for feed. So now all of a sudden the wheat they were importing for feed and flour has been wound back to just flour," the trader in Australia said. China's state stockpiler Sinograin said on Monday it plans to add new stockpiling sites in northeast China to expand purchases of domestic corn harvested in 2024.

EU 2024/25 soft wheat exports down 37% at Feb 2

European Union soft wheat exports since the start of the 2024/25 season in July had reached 12.51 million metric tons by Feb. 2, compared with 12.18 million tons the previous week and down 37% from a year earlier, European Commission data showed on Tuesday.

EU barley exports totalled 2.59 million tons, against 2.47 million tons a week earlier and down 27% from the corresponding period of 2023/24. However, the Commission said grain export data for France has been missing since the beginning of 2024 and that export data for Bulgaria and Ireland has been incomplete since the start of the 2023/24 marketing year. Export data for Italy has been incomplete for the past eight weeks, it added. A breakdown of this season's volumes showed Romania was still the largest EU soft wheat exporter so far with 3.57 million tons, followed by Lithuania's 1.82 million tons, Latvia with 1.58 million tons, Germany with 1.42 million tons and France with 1.35 million tons. Competition from Black Sea supplies and a poor harvest in France have curbed EU exports this season, though the trend has been amplified by the missing data. In imports, the volume of maize shipped into the EU so far this season had reached 11.92 million tons, up 518,137 tons from the previous week and 5% more than a year earlier.

Picture of the Day

A drone view shows a cut in the trees marking the border between Canada and the U.S. in Champlain, New York, U.S., February 4. REUTERS/Brian Snyder

(Inside Commodities is compiled by Nachiket Tekawade in Bengaluru)

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

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