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Top News - Oil

OPEC sticks to oil demand view, sees better economic growth

OPEC on Tuesday stuck to its forecast for relatively strong growth in global oil demand in 2024 and 2025 and raised its economic growth forecasts for both years saying there was further upside potential.
The Organization of the Petroleum Exporting Countries, in a monthly report, said world oil demand will rise by 2.25 million barrels per day (bpd) in 2024 and by 1.85 million bpd in 2025. Both forecasts were unchanged from last month.
A further boost to economic growth could give additional tailwind to oil demand. OPEC's 2024 demand growth forecast is already higher than that of other forecasters such as the International Energy Agency, although the wider OPEC+ alliance is still cutting output to support the market.
OPEC said a "positive trend" for economic growth was expected to extend into the first half of 2024 and raised its economic growth forecasts for 2024 and 2025 by 0.1 percentage points.
"Global economic growth remains robust," OPEC said in the report. "Further upside potential could materialise in all major OECD and non-OECD economies."
Oil prices have found support in 2024 from conflict in the Middle East and supply outages, although concerns about continued high interest rates have weighed. Brent crude on Tuesday was trading around $82 a barrel, up 0.5%.
A rise in prices last month stemmed from a range of factors including easing speculative selling pressure, supply disruptions, stronger-than-expected macroeconomic data and signs of robust oil market fundamentals, OPEC said.
OPEC now sees world economic growth of 2.7% this year and 2.9% in 2025, supported by the expectation of a continued easing in general inflation throughout this year and next.
GAP WITH IEA
For this year, OPEC's expectation of oil demand growth is much more than the expansion of 1.24 million bpd so far forecast by the IEA. The IEA, which represents industrialised countries, is scheduled to update its forecasts on Thursday.
OPEC and the IEA have clashed in recent years over issues such as long-term demand and the need for investment in new supply. The IEA sees oil demand peaking by 2030 as the world shifts to cleaner energy, a view OPEC dismisses.
Earlier on Tuesday, OPEC's Secretary General Haitham Al Ghais told Reuters he believed OPEC's long-term demand outlook, which looks to 2045 and sees no peak in demand, is robust.
OPEC and the wider OPEC+ alliance have implemented a series of output cuts since late 2022 to support the market. A new cut for the first quarter took effect last month.
The OPEC report said that OPEC oil production fell by 350,000 bpd to 26.34 million bpd in January as the latest round of voluntary output cuts took effect.

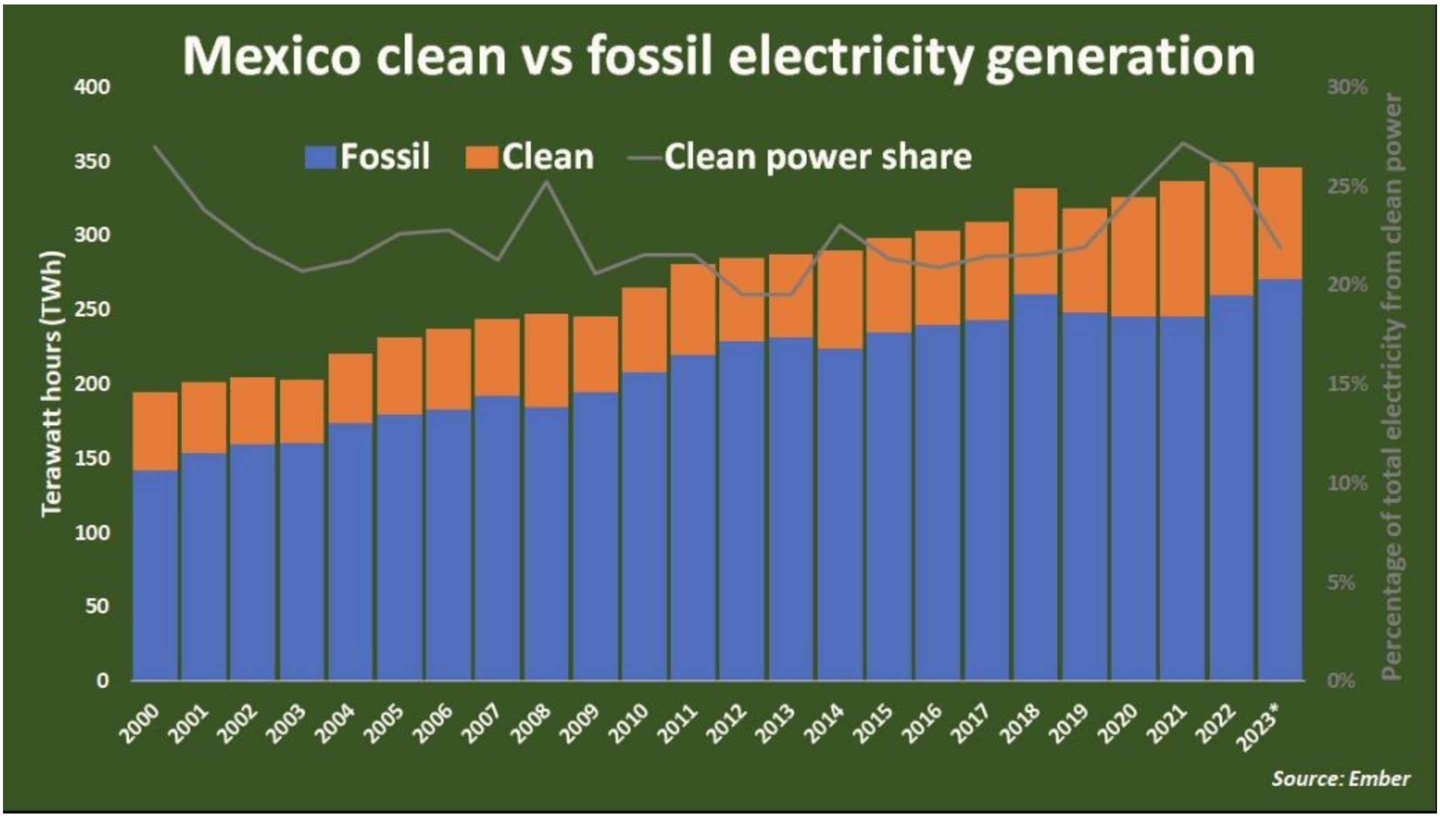
FOCUS: Why Endeavor Energy's founder sold his company after years of rebuffing offers

For years, Endeavor Energy founder Autry Stephens' refusal to entertain acquisition offers for one of the most lucrative producers in the U.S. oil patch vexed some of his peers.
"It's not for sale, it hasn't been for sale, it's probably not going to ever sell," Pioneer Natural Resources' former CEO Scott Sheffield, a contemporary of Stephens, told a Barclays energy conference in 2021 about his interest in buying Endeavor.
On Monday, Stephens agreed to sell the company for $26 billion in cash and stock to Diamondback Energy, another oil and gas producer which, like Endeavor, hails from Midland, Texas, and operates in the Permian basin, the most productive U.S. oilfield.
Stephens, who launched Endeavor in 1979 and grew it by snapping up tough-to-drill wells that oil majors snubbed, rebuffed several offers over the years for the company, arguing there was still room to grow it, according to industry executives and investment bankers familiar with the approaches.
The 85-year-old wildcatter's decision to sell came after he was diagnosed with cancer, according to three people who discussed his health with him. One of them, Texas oil businessman Javaid Anwar, said he uses his private plane to fly Stephens to Houston for treatment.
With the wealth of his wife and his two children tied to Endeavor, Stephens moved to settle the company's future rather than let his estate decide on a sale after his death, according to three investment banking sources. In a discussion that one of his friends conveyed to Reuters, Stephens expressed satisfaction with the deal's financial outcome but regret that he could not carry on because of his health.
A spokesperson for Endeavor declined to comment on Stephens' health or make Stephens available for an interview.

Stephens had hoped for a wide auction process that would attract major players including Exxon Mobil, Chevron Corp and Occidental Petroleum, according to the three banking sources. He went ahead even though those three companies were in the midst of completing major acquisitions inked in the last three months, the sources said.
A spokesperson for Occidental declined to comment, while spokespeople for Exxon and Chevron could not be immediately reached for comment.
A source close to Diamondback said it approached Stephens shortly after Reuters reported on Dec. 8 that Endeavor was preparing to launch a sale process with help from JPMorgan Chase bankers.

FRUGAL AND DRIVEN
Interviews with over 15 oil and gas executives, investment bankers and friends of Stephens paint a picture of an entrepreneur whose relentless work ethic and frugality have changed little since he became one of the richest people in Texas.
He regularly works weekends, has stuck with a decades-old car, and usually travels economy on commercial flights. One of his favorite restaurants is El Banquete, a low key Mexican restaurant on the south side of Midland where a breakfast burrito costs about $5, one of his friends said.
Those who know Stephens say he was shaped by years of austerity in the 1980s and 1990s, when he went through tough spells to get Endeavor off the ground.
"He bootstraps his way," said investor Dan Pickering of financial services firm Pickering Energy Partners, who has done business with Stephens.
Born in 1938, Stephens grew up on a farm in DeLeon, Texas, where his family grew peanuts and produce. He studied engineering, despite coming into college behind in math, according to a profile on the University of Texas' engineering school website.
Stephens drilled his first well in 1979 in Midland county. He would pick up leaseholds for acreage that oil majors found too expensive to drill and would lower production costs by handling most of the operations. He created and used his own fracking, construction and trucking companies.
"He is the hardest worker probably in our industry," said Bryan Sheffield, son of Scott Sheffield and founder of shale firm Parsley Energy.
Chuck Meloy, a former Anadarko Petroleum executive who Stephens tapped to serve as Endeavor CEO between 2016 and 2020, helped modernize Endeavor, convincing Stephens to spend more on salaries and bonuses, two of the people who know them said.
Stephens' wife Linda and his daughter Lyndal are in the family business. LinkedIn lists Linda Stephens as an owner of Endeavor, though two people - a friend and a fellow Midland businessman - said she is not involved in day-to-day operations. Lyndal Stephens Greth, an attorney, serves as vice chair of Endeavor's board.

Chart of the Day



Stephens' son, Joseph Martin, is not involved in Endeavor.
He was pardoned by former U.S. President Donald Trump in 2020 for a felony gun charge that he pleaded guilty to in 2008, according to a White House statement and criminal records.
Linda Stephens, Lyndal and Joseph did not immediately respond to requests for comment.

Top News - Agriculture

France cuts winter grain area estimates after rain-hit planting
France's farm ministry on Tuesday reduced its estimates of winter grain sowing, with the soft wheat area seen at its second lowest in 30 years, after heavy rain disrupted field work in the European Union's biggest crop producer.
Difficult sowing conditions in France and other parts of western Europe have raised early doubts about this year's harvest, though large stocks in Europe and Russia have kept grain prices under pressure.
The area sown with winter soft wheat, France's main cereal crop, for the 2024 harvest was pegged at 4.36 million hectares, down from an initial forecast of 4.49 million in December and 7.7% below last year's area, the farm ministry said.
The revised estimate was the second lowest since 1994, after 2020, when planting was also slashed by torrential rain, it said in a crop report. "Excess moisture will lead to some fields being dug up and some planting being postponed in favour of spring crops," the ministry said of winter grain sowing.
Production zones along France's Atlantic coast, particularly affected by persistent rain, were expected to see double-digit percentage declines in soft wheat sowing compared with last year, while key production belts in northern France would also see an area fall, the ministry said.
Some analysts see the soft wheat area falling more sharply to nearer 4.2 million hectares.
The ministry cut its winter barley area estimate to 1.27 million hectares from 1.31 million previously. That is now down 6.6% from 2023 but in line with the average of the past five years.
For winter rapeseed, France's main oilseed crop, the 2024 area was trimmed to 1.34 million hectares from 1.35 million expected in December, now 0.6% below last year's level but nearly 16% above the five-year average.
Wheat and rapeseed are almost exclusively winter crops in France whereas barley production includes a large amount of spring-sown crop.
For durum wheat, used in pasta, the planted area was pegged at 210,000 hectares, up from 205,000 hectares forecast in December but nearly 14% below the five-year average.
Analysts see scope for durum to regain some area as it can be planted up to the end of winter, though sowing is expected to remain around its lowest this century as the sector faces a longer-term decline.

EXCLUSIVE: Ukraine's 2024 corn area seen down 9% y/y – survey
Farmers in Ukraine, a major global corn grower and exporter, are expected to reduce the area sown with corn by 9% year-on-year in 2024, a survey compiled by the country's agriculture ministry showed on Tuesday.
The survey, released to Reuters before its official publication by the ministry, said the overall spring sowing area could fall by about 500,000 hectares this year, or by 3.7%.
The survey showed the fall in corn area could be partly offset by an increase in the area sown with sugar beet, rapeseed and soybeans.
"70% of respondents said they plan to increase the area under soybeans. As for sugar beet, 60% of those who planted the crop last season are going to expand the area slightly, by 17% in Ukraine as a whole," the survey said.
Producers are still considering the area to sow with sunflowers.
Ukraine has harvested 28.15 million metric tons of corn from the 2023 crop, but about 2 million tons remain in an unharvested 320,000 hectares in several Ukrainian regions.
Agriculture minister Mykola Solsky told Reuters last week the ministry expected the 2024 spring sowing area would be the same as last year, though it could see a slight decrease in the worst case scenario.
Ukraine is a major global grain and oilseeds producer but its harvests have decreased since Russia invaded and occupied significant swathes of territory. The war, now in its 24th month and with no end in sight, has driven up global grain prices and disrupted supplies, especially to poorer countries.
Ukrainian farmers sowed a total of 12.75 million hectares of spring crops for the 2023 harvest, including 5.7 million hectares of various grains.

Top News - Metals

INTERVIEW: Aurubis to work with Codelco on sustainable copper mining
Aurubis AG, Europe's largest copper producer, on Tuesday said it has agreed to work with giant Chilean mining group Codelco on environmentally responsible copper mining practices to improve its supply chain's green credentials.
Aurubis CEO Roland Harings told Reuters Aurubis will seek to provide Codelco, the world's top copper producer,

with technology and know-how to achieve more environmentally-friendly operations in Chile, including at its copper smelters.

The two companies plan more than 15 joint projects. Aurubis will provide Codelco with technical expertise including methods and equipment to reduce air and water emissions, measure and analyse pollution, and address health and safety.

For example, Aurubis could share technology from its main Hamburg smelter, where it has achieved low pollution enabling it to work in a city-centre site.

"Aurubis has a great volume of expertise and experience in reducing the environmental impact of copper production in Germany and elsewhere in Europe," Harings said in an interview.

"We can make this available to Codelco which in turn will enable us to achieve a greater level of sustainability in our supply chain and offer the potential for more copper for Europe’s green energy transition."

Aurubis did not disclose the costs of any of the planned projects.

Its collaboration with Codelco comes as the copper industry increasingly pushes to ensure copper is responsibly produced from mine to end products.

However, European Union countries last Friday postponed a decision on a proposed law requiring large companies to determine if their supply chains cause environmental damage.

"I think we will show that industry can achieve sustainable supply chains without the bureaucracy associated with legislation," Harings said. On Feb. 6, Aurubis reported earnings partly hit by high costs following metal theft in Hamburg.

Harings said he is quite confident that Aurubis has put the impact of the criminal activity behind it, but Aurubis must step up its guard against crime, including cybercrime.

"Aurubis is very well positioned in expanding markets and is staying on a course for profitability," he said.

COLUMN: LME back in the dock, this time over 'dirty metals'

Just three months after winning its legal case over the handling of the 2022 nickel crisis, the London Metal Exchange (LME) is set for a return visit to London's High Court.

Last time it was U.S. hedge funds seeking damages for cancelled nickel trades. This time it's environmental activists targeting Indonesian copper.

Two pressure groups, London Mining Network (LMN) and Global Legal Action Network (GLAN), accuse the LME of facilitating the sale of "dirty metals", thereby breaching British anti-money laundering laws.

The metal in question is copper produced at the giant Grasberg mine in Indonesia. What GLAN describes as "a landmark case" is designed to highlight alleged environmental damage at the mine.

It's something of a legal curveball for the 147-year old industrial metals exchange, which described the action as "misconceived".

The timing is also ironic, since the LME is in the process

MARKET MONITOR as of 07:31 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$77.90 / bbl	0.04%	8.72%
NYMEX RBOB Gasoline	$2.63 / gallon	0.31%	24.75%
ICE Gas Oil	$871.25 / tonne	-0.40%	16.05%
NYMEX Natural Gas	$1.68 / mmBtu	-0.83%	-33.37%
Spot Gold	$1,991.59 / ounce	-0.03%	-3.44%
TRPC coal API 2 / Dec, 24	$93.3 / tonne	-2.56%	-3.81%
Carbon ECX EUA	€56.17 / tonne	-0.46%	-30.11%
Dutch gas day-ahead (Pre. close)	€25.35 / Mwh	-2.87%	-20.41%
CBOT Corn	$4.42 / bushel	-0.34%	-8.73%
CBOT Wheat	$5.88 / bushel	-1.55%	-8.09%
Malaysia Palm Oil (3M)	RM3,946 / tonne	1.15%	6.05%
Index	**Close 13 Feb**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	314.04	-0.08%	4.19%
Rogers International	27.13	0.57%	3.06%
U.S. Stocks - Dow	38,272.75	-1.35%	1.55%
U.S. Dollar Index	104.82	-0.13%	3.44%
U.S. Bond Index (DJ)	422.69	-0.92%	-1.86%

of suspending around 10% of its listed brands for failing to meet a deadline for submitting responsible sourcing documentation.

GLOBAL REACH

The case against the LME doesn't seek damages. Nor is it against Freeport McMoRan, which is part owner and operator of Grasberg.

Rather, its aim appears to be to use the LME's status as a UK-regulated investment exchange to amplify allegations of "environmental crime" at Grasberg.

The specific lever is the LME's "GRESIK" brand of copper produced by PT Smelting, which processes Grasberg concentrates.

The immediate goal, according to LMN, is to "force the LME to revisit the rules under which it lists metal for trading on its Exchange".

The ultimate target is Grasberg's tailings management system in the rainforest of Indonesia's Papua province, which it and GLAN allege is contaminating local water supplies.

Freeport's 2022 sustainability report claims "the controlled riverine tailings system" at Grasberg is the best site-specific option, and "poses the lowest risk to people and the environment".

CLEAN BRANDS

PT Indonesia and every other metal producer with a listed brand is required to provide to the LME proof of compliance with the OECD principles of responsible mineral supply chains and, from the end of last year, ISO certification of environmental and health and safety standards.

Several producers missed the Dec. 31 deadline for the latter and the LME is now in the process of suspending around 10% of its 435 registered metal brands for non-compliance.

The exchange said it "fully expects that a proportion of these brands will be able to re-list in due course, once they have completed the work to address the requirements of the Policy".

The LME's latest brand list includes 59 with a suspension date. Some of the suspensions precede the end 2023 cut-off deadline and likely denote a cessation of production at the designated facilities. Most, however, have been announced since the start of January, with a heavy bias towards metal listed against the LME's two aluminium alloy contracts.

Liquidity has drained from both contracts in recent years and registered stocks have dwindled to minimal levels.

Many alloy producers have probably simply chosen to avoid the extra paperwork for a product they aren't trading.

But the current spate of brand suspensions is a sign of how serious the LME is about ensuring producers meet its responsible sourcing requirements in exchange for the seal of LME good delivery approval.

The LME's 2018 Position Paper on Responsible Sourcing noted that its brand listings "are seen as the standard for metals producers", and "it is now appropriate for the LME to leverage the importance of its brand lists to give further momentum to he global responsible sourcing initiative".

The exchange has since spent considerable time and resource on evolving its green credentials.

ESCALATION

The LME, however, can't itself set the rules governing the mining sector's environmental, social and governance standards (ESG).

"The LME does not consider itself to lead the market in a particular direction (but rather) its role is to provide a service and to adapt that service as the needs of the market evolve," it said in the position paper.

Which is why its current policy maps onto existing accepted standards such as the OECD guidance on responsible mining and the ISO codes on environmental management and work safety.

Nor does the LME seek to push ESG compliance upstream from the plants that produce the metal to the mines that generate the raw material.

This understandably conservative approach is too slow for activist groups such as LMN, which aims to "hold London-based mining companies to account by working closely with mining-affected communities" around the world.

The group has already targeted the likes of Glencore, Anglo American and Rio Tinto over their environmental and social impact.

Setting their legal sights on the LME marks an escalation of that campaign from metal producers to financial institutions and other service providers such as exchanges. Just as was the case with the LME's High Court nickel drama, there will be plenty of others watching with interest its latest courtroom challenge.

Top News - Carbon & Power

COLUMN: Europe’s swollen gas stocks drive prices lower

Northwest Europe is roughly two-thirds of the way through the heating season, with a record volume of gas in storage for the time of year, which is putting downward pressure on gas prices.

Gas inventories across the European Union and the United Kingdom stood at 771 terawatt-hours (TWh) on Feb. 10, according to data compiled by Gas Infrastructure Europe (GIE).

Inventories were 238 TWh (+45% or +1.95 standard deviations) above the prior 10-year seasonal average and the surplus had swelled from 167 TWh (+18% or +1.70 standard deviations) at the start of October.

As a result, storage facilities were still 67% full compared with a ten-year seasonal average of 49% (“Aggregated gas storage inventory”, GIE, Feb. 13).
Futures prices have already fallen sharply, especially for nearby months, to encourage more consumption before winter ends and flush out some of the excess stocks.

MILD WINTER
At Frankfurt in Germany, two-thirds of the heating degree days each winter occur on average on or before Feb. 10. With the heating season entering its final third, it is very likely stocks will end the depletion season at or close to a record high.
Based on the behaviour of inventories over the last 10 years, stocks are on course to end winter 2023/24 at 628 TWh, which would be the second highest on record after 629 TWh at the end of winter 2022/23.
The projected carryout has increased from 554 TWh on Oct. 1, as a result of warmer than average temperatures and the continued impact of high prices suppressing consumption by industry and households.
Temperatures at Frankfurt were above the long-term average on 94 out of 133 days between Oct. 1 and Feb. 10.
Temperatures have been above average every month so far this winter but especially in October (2.5 Celsius) higher than normal) and December (+2.8 C).
The total number of heating degree days since the start of the heating year has been 21% lower than usual at 1,133 compared with a long-term average of 1,441.
Offshore winds were stronger than the seasonal average in both December and January, boosting electricity production from wind farms.
The mostly mild and windy weather has cut direct gas consumption by households and in other buildings as well as by power generators.
At the same time, industrial consumption has been curbed by a combination of plant shutdowns caused by high fuel prices and a downturn in the business cycle.
Germany’s energy-intensive industries (including iron and steel, ceramics, glass, chemicals and fertilisers) reported production was down by more than 22% in December 2023 compared with the same month two years earlier.
The European Union’s seven largest gas-consuming countries (Germany, Italy, France, Netherlands, Spain, Belgium and Poland) reported below-average usage every month in 2023.
For the year as a whole, total consumption in the seven major consuming countries was down by 7% compared with 2022 and 19% compared with 2021.

EXCESS STOCKS
Storage sites across the European Union and United Kingdom are on track to be almost 55% full at the end of winter 2023/24 (with a maximum likely range from 44% to 61%).
Temperatures are projected to remain above normal across the European Union and United Kingdom through the end of February according to the European Centre for Medium Range Weather Forecasts.
The seasonal gas storage surplus is likely to continue swelling with storage very likely to finish the winter almost 60% full. With so much gas carried over there will not be much less storage space than usual to absorb more during the summer refill season in 2024.

PRICE SLIDE
Prices for gas to be delivered in March 2024 have fallen to an average of 30 euros ($32.15) per megawatt-hour so far in February from 52 euros in October.
Prices for March 2024 (the last full winter month) are trading below prices for April 2024 (the first spring month) to encourage more consumption and purge some excess stocks.
As a result, the end-of-winter calendar spread from March to April 2024 is in an average contango of 0.22 euro cents so far in February down from an average backwardation of 1.44 euros in October.
Front-month prices of 28 euros in February are in the 55th percentile for all months since the start of the century, once adjusted for inflation.
Real front-month futures prices have retreated from 47 euros (88th percentile) in October 2023 and a record 251 euros in August 2022.
Most energy-intensive industrial consumers buy gas on the forward market but here too prices have retreated to encourage more usage.
The calendar strip for the year-ahead (in this instance purchases over the course of 2025) has averaged 33 euros so far in 2024 down from 52 euros in 2023 and 121 euros in 2022.
After adjusting for inflation, year-ahead prices are just 5 euros (21%) above the average for the 10 years before Russia’s invasion of Ukraine in 2022.
Spot and forward prices are likely to remain under downward pressure until the storage surplus stabilises and leaves enough room to absorb excess seasonal gas production over the summer of 2024.

COLUMN: Asia's thermal coal imports slip from record as winter demand eases
Asia's imports of seaborne thermal coal eased from record highs in January as top buyers China and India saw arrivals ease. However, there was strength in Japan and South Korea, which helped drive some divergence in prices between the high-energy coal preferred by the third - and fourth-biggest importers in Asia, and the lower quality fuel sought by China and India.
Asia seaborne imports of thermal coal, used mainly to generate electricity, dropped to 77.65 million metric tons in January, according to data compiled by commodity analysts Kpler.
This was 5% below the record high of 81.8 million tons imported in December, which was largely driven by strong demand in China and India.
It's also worth noting that despite the drop in arrivals in

January, it was still fourth-highest ever month for Asia, the top-importing region of thermal coal.
China's January imports of seaborne thermal coal slipped to 27.92 million tons from December's all-time peak of 31.59 million, but were still 34% above the 20.86 million from January 2023.
China's appetite for imported coal has been fuelled by strong demand for thermal generation amid lower output from hydropower, as well as by a price advantage compared to domestic coal prices.
The main grades imported by China are lower-energy coal from Indonesia and mid-rank fuel from Australia.
Indonesian coal with an energy content of 4,200 kilocalories per kilogram (kcal/kg), as assessed by commodity price reporting agency Argus, ended at $56.53 per metric ton in the week to Feb. 9, down from its pre-winter peak of $61.70 reached in late October.
Australian coal with an energy content of 5,500 kcal/kg finished last week at $94.44a ton, down slightly from $95.02 the previous week, but still locked within a tight $2 range anchored around $94 that has persisted since the start of November.
India's seaborne thermal coal imports dropped to 13.42 million tons in January, the third-straight decline and the weakest since August last year, according to Kpler.
Similar to China, India's imports remain significantly stronger on a year-on-year basis, rising 27.2% from the 10.55 million tons in January 2023.

JAPAN'S INCREASE

Japan's imports of seaborne thermal coal climbed to 11.24 million tons in January, up from December's 9.99 million, and the strongest month since January 2023's 11.54 million.
Japan's imports usually peak in December and January each year amid winter demand, and the pattern and volumes over the current colder period are largely the same as the prior winter.
The price of Australian 6,000 kcal/kg coal, the grade preferred by both Japan and South Korea, ended at $120.16 a ton in the week to Feb. 9, up slightly from the previous close of $117.28.
The price peaked this winter at $149.12 a ton in the week to Dec. 15, which fits with the data showing stronger imports in January.
Similar to Japan, South Korea's seaborne thermal coal imports also peaked in January, with arrivals of 7.92 million tons, up from December's 7.32 million and the strongest month since July last year.
Initial vessel-tracking for February suggests that Asia's big four importers will see lower arrivals.
Given that supply from top exporters Indonesia and Australia appears to be holding up, this makes it likely that prices will come under downward pressure.

Top News - Dry Freight

Ukraine on track to export all 2023 grain, says Britain

Ukraine is on track to export all grain from its 2023 harvest despite Russian attacks on Ukrainian ports and infrastructure, according to Britain's foreign office, but the United Nations warns that the Black Sea export situation remains fragile.
Ukraine harvested about 80 million tons of grain and oilseeds in 2023, including an exportable surplus of about 50 million tons in the 2023/24 July-June season, the country's government has said.
Ukrainian grain exports reached 25.2 million metric tons as of Feb. 9, analyst APK-Inform said last week.
Ukraine's agriculture ministry did not provide export data as its website was hacked last month and is now unavailable.
British government officials said that if Ukraine continues to ship 6 million tonnes a month by land and sea it would be on track to export all of its 2023-24 harvest by May.
"Despite repeated Russian attacks on Ukrainian ports and infrastructure, Ukraine has succeeded in pushing back much of the Russian navy from Crimea, securing a globally important export route in the Black Sea," British Foreign Secretary David Cameron said in a statement to Reuters.
Cameron described the export forecast as "great news" for Ukraine. It comes as Kyiv faces ammunition shortages and uncertainty over the future of U.S. military aid, which has been on hold for months due to Republican opposition, even as Russian forces begin to gain the upper hand on the battlefield.
Ukraine launched a shipping corridor hugging its western Black Sea coast near Romania and Bulgaria in August, a month after Russia quit a year-long landmark deal - brokered by the United Nations and Turkey - that had allowed the safe Black Sea export of nearly 33 million metric tons of Ukraine grain.
"Exports through the Ukrainian maritime corridor from the Odesa ports have been steadily increasing, which is good news not only for the Ukrainian economy but for global food security. The situation though remains fragile," a U.N. spokesperson told Reuters.

UN, TURKEY 'ACTIVELY' ENGAGED

Russia, which invaded Ukraine in February 2022, quit the Black Sea grain deal over complaints that its own food and fertilizer exports faced obstacles and that not enough Ukrainian grain was going to countries in need.
Since then the U.N. says there have been dozens of attacks on Ukraine's grain production and export facilities. Russia says it targets military infrastructure, not civilian infrastructure.
"We strongly support Ukraine's right to export its goods and will work with all our international partners to support freedom of commercial shipping in the Black Sea. Russia

must respect Ukraine's right to export its goods," Cameron said.

The United Nations blamed Russia's invasion of Ukraine for worsening a global food crisis. Ukraine and Russia are both major grain exporters.

The United Nations said that while volumes of exports from both Russia and Ukraine "remain strong, security concerns continue to affect port operations, costs and private sector engagement." Security incidents involving commercial ships have caused sudden price spikes, said the U.N. spokesperson.

U.N. Secretary-General Antonio Guterres said in November that it would be difficult to revive the Black Sea grain deal.

"The secretary-general continues his efforts to ensure that safe navigation in the Black Sea allows food exports to reach safely and efficiently global supply chains," said the U.N. spokesperson. The U.N. and Turkey are "actively engaging" with Ukraine and Russia to discuss ways to achieve that goal.

"The disruption of other sea routes key to food transportation such as the Red Sea and the Panama Canal make those efforts even more pertinent," the U.N. spokesperson said.

Passage through the Red Sea is also very important for Ukraine, as almost a third of its exports via the alternative Black Sea corridor are sent to China. Attacks by Iran-allied Houthi militia in Yemen on vessels in the region since November have slowed trade between Asia and Europe.

Port of Antwerp disrupted by Belgian farmers' protests

Operations at the port of Antwerp, one of Europe's biggest container ports, were seriously impacted on Tuesday as hundreds of farmers on tractors blocked the roads around the port to demand better pay and working conditions, officials said.

The protest follows a large number of similar actions by angry farmers in France, Belgium, the Netherlands and beyond, as farmers also demand looser environmental rules and better protection against cheap imports.

"Operations are heavily disrupted," Stephan Van Fraechem, the director of the association of port companies Alfaport VOKA, told Reuters. "No freight can be delivered or picked up, as trucks are halted, while employees are only being allowed in after a long wait."

Van Fraechem said this was costing companies working in the port millions of euros "for a conflict they play no part in."

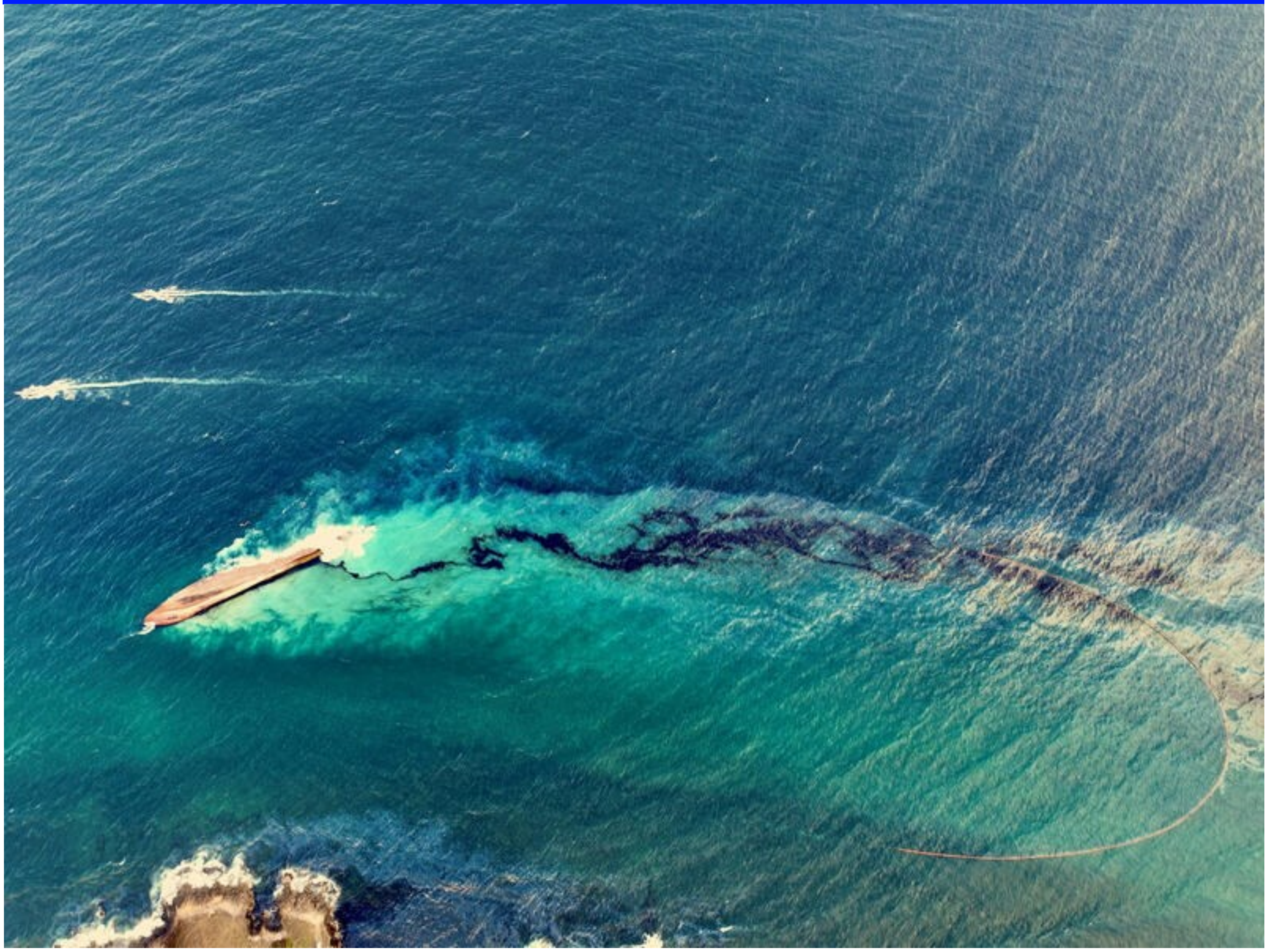
The delays this is causing for freight handling come on top of the problems that port companies are already experiencing as attacks on vessels in the Red Sea force shipping companies to stay away from the Suez Canal and opt for longer routes instead.

"Supply chains are already disrupted," Van Fraechem said. "Now ships that are already working outside their usual schedule arrive in a port where they can't unload. This is a cause of great concern."

A spokesperson for the port said roads were blocked at various places, disrupting traffic and causing long lines of trucks.

In France, the head of the country's biggest farming union, FNSEA, said on Tuesday that protests that hit the sector last month - blocking highways across the country - could resume if the government does not do more to meet their demands for better pay and working conditions.

Picture of the Day



An oil spill in Tobago Island, Trinidad and Tobago, is seen in this handout photo released on February 10, 2024. Office of the Chief Secretary

(Inside Commodities is compiled by Rohit James in Bengaluru)

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

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