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Top News - Oil

ANALYSIS: US refinery M&A stalls as buyers shun aging assets, uncertain future

The U.S. oil industry saw nearly $200 billion in upstream deals last year, but the refining sector missed out despite plenty of willing sellers as the energy transition away from fossil fuels accelerates and casts doubt over the long-term value of aging U.S. refineries.

The growing number of operators looking to sell assets reflects the hope that a post-pandemic surge in margins - which for some products nearly quadrupled in 2022 - might have opened up a rare window to exit assets profitably.

"Until very recently margins were fairly high and owners might have begun to fantasize that they could get a very good price," said Garfield Miller, president of downstream-focused investment bank Aegis Energy Advisors.

Those fantasies, however, have not turned into reality. Key industry metrics show plant valuations are down a third since the global financial crisis of 2008 and have not recovered, according to MorningStar analyst Allen Good.

A U.S. refinery has not changed hands since independent refiner Par Pacific completed its $310 million acquisition of Exxon Mobil's barrels per day (bpd) Billings, Montana, plant last year. That deal came after years-long efforts by the oil major to sell the facility and closed at the lower end of the $300 million to $600 million range industry insiders were expecting.Delta Air Lines made multiple failed attempts to offload the nearly 100-year old, 190,000-bpd Trainer, Pennsylvania, refinery since 2018 and is still trying, sources close to the refinery said, requesting anonymity as the discussions are private.

Phillips 66, the third largest independent U.S. refiner, is pursuing a $3 billion divestiture program that will likely include some of its smaller refineries, industry sources said. Venezuelan-owned Citgo [has three refineries in Texas, Louisiana and Illinois with combined capacity of 805,000 bpd up for sale as part of a U.S. court auction in a historic case to settle Venezuelan debts.

Top U.S. refiner Marathon, however, in an October conference call indicated no interest in those plants, while rival PBF Energy this week said it was not planning any deals in the near future.

Phillips 66 and Delta said they do not comment on market rumors or speculation.

ENERGY TRANSITION

The U.S. is the world's top gasoline market and its refineries are mainly geared towards producing the motor fuel. Gasoline consumption, however, likely peaked in 2018 at over 9.3 million bpd and is expected to decline from next year onwards, according to government projections.

Refiners are expected to face new headwinds with the wider adoption of electric vehicles and policies intended to phase out fossil fuels.

West Coast refineries, which typically serve Californian and Latin American drivers, operate in a market where zero-emission vehicle sales are growing the fastest and state governments are accelerating the energy transition by banning sales of new gasoline-only vehicles by 2035.

Growing sales of electric vehicles in recent years have led forecasters to bring forward their projections for when global oil use will peak, as public subsidies and improved technology help lower prices for battery-powered cars.

Transportation is responsible for about 60% of world oil demand, with the U.S. alone accounting for around 12%, according to the International Energy Agency. That share should fall, as the IEA expects EVs to erase some 5 million bpd of world oil demand by 2030.

COSTLY MAINTENANCE

The rising cost of maintenance and workloads to keep aging plants online have also deterred potential refinery buyers, particularly as companies focus on shareholder returns.

Valero, Marathon and Phillips 66 together had the equivalent of 280,000 bpd of capacity offline in 2023 due to planned and unplanned outages, a more than 20% increase from 2019, according to IIR Research.

For some operators, the bill to repair these facilities can be enormous. Phillips 66 spent $786 million on maintenance in 2023, according to company filings.

LyondellBasell's 260,000-bpd Houston refinery, which is scheduled to close next year after two failed attempts to sell, would have required about $1 billion in upgrades to continue operations, according to analyst and corporate estimates.

Shell has already closed its 240,000-bpd Convent, Louisiana, refinery, after failing to find a buyer during the pandemic. Seven other North American refineries have shuttered since capacity peaked at 19 million bpd in 2020, removing about 1 million bpd of capacity.

"Refiners are learning if they don't invest in their facilities before they put their plants up for sale, interest will dwindle," Aegis' Miller said.

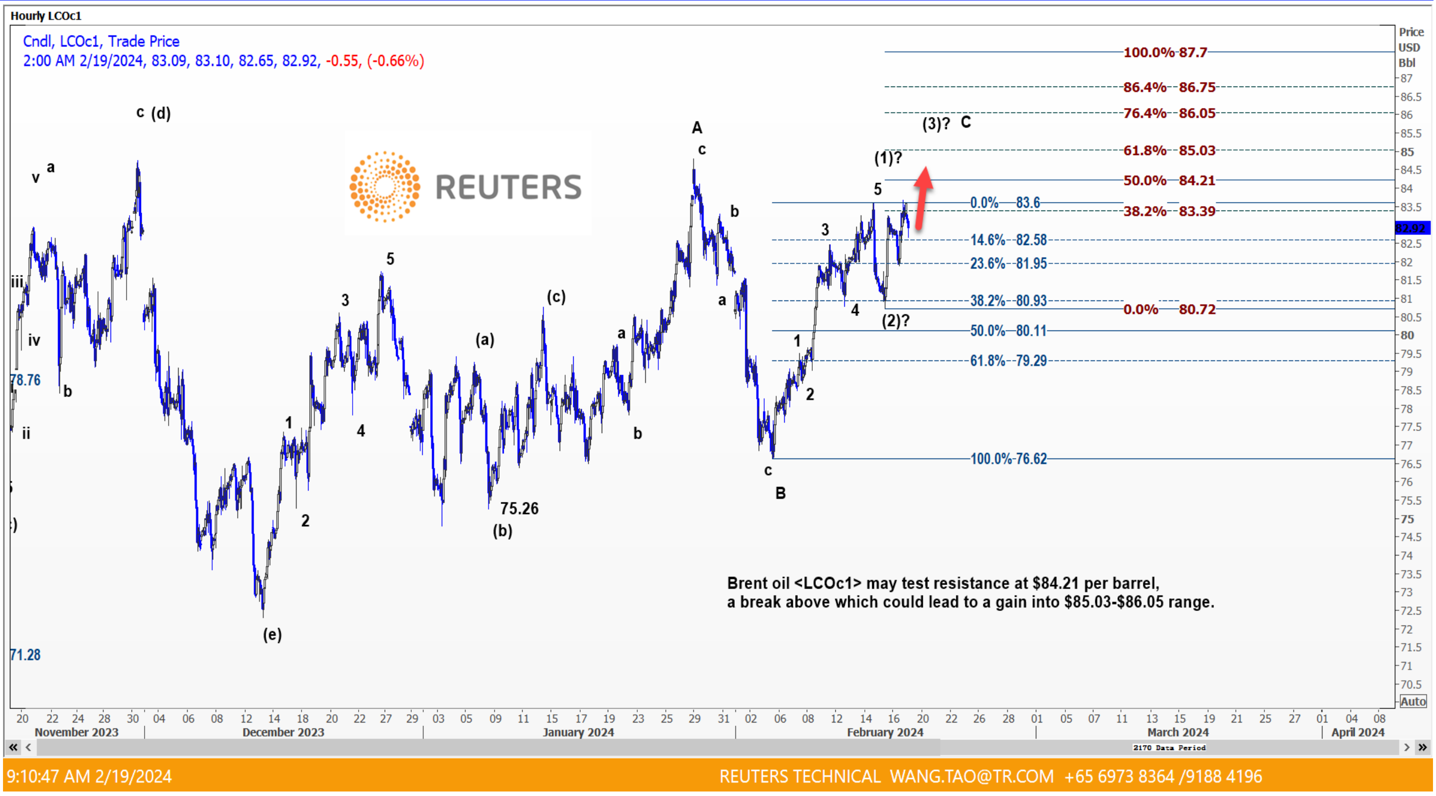
Second Trump presidency would axe Biden climate agenda, gut energy regulators

U.S. President Joe Biden has spent years implementing programs to fight climate change by advancing renewable energy and imposing tougher regulations on fossil fuels. Much of that work could go up in smoke if his likely rival

Donald Trump beats him at the polls in November, according to Republican policy advisers.
Former President Trump, who is on track to clinch the Republican nomination, would re-enter the White House with a raft of executive orders to expand oil, gas and coal development, they said. That would include ending a pause on new LNG export permits, scrapping electric vehicle mandates and once again withdrawing the United States from a United Nations pact to fight global warming, they said.
Those short-term actions would be followed by longer-term efforts to shrink environmental regulation and government bureaucracy, and – depending on the makeup of Congress at the time - to unwind provisions of Biden's signature climate law, the Inflation Reduction Act.
Some advisers are also pushing Trump to turn over some federally-owned land, potentially including national forests, to the states, said one person involved in those discussions. Reuters spoke with a dozen Republican policy consultants and former Trump administration officials who are helping lay the groundwork for a second Trump presidency to sketch out the administration's likely approach to energy and environmental issues.
Five of the sources told Reuters they had been in contact with the Trump campaign since it launched its White House bid, while others said they were preparing detailed policy papers and staffing ideas aligned with Trump's campaign rhetoric that they hoped he would use if elected.
The policy blueprint shows how a second Trump presidency would bring about another U-turn in U.S. policies governing how the country produces and uses energy, and how the biggest historical emitter of greenhouse gases deals with the climate threat.
The talking points also tap a deep U.S. political divide between a progressive left pushing for a move away from fossil fuels, and a conservative right incensed by environmental regulations they say kill blue-collar jobs.
"This is a great way to split off working class Americans from the Democrats, especially unionized households," said Stephen Moore, an economist and fellow at the right-wing Heritage Foundation, who has advised Trump's campaign in an unofficial capacity in recent months.
"It's a teed-up political issue for the Republicans. Trump gets that totally." Among the other people Trump speaks with directly to discuss energy issues, according to the sources, are his former National Economic Council Director Larry Kudlow, former Interior Secretary David Bernhardt, former Energy Secretary Rick Perry, former senior adviser Kevin Hassett and oil mogul Harold Hamm.
Those people either did not respond or declined to comment for this article.
Trump's campaign in a statement said that a Trump presidency would "unleash American Energy to lower inflation for all Americans, pay down debt, strengthen national security, and establish the United States as the manufacturing superpower of the world."

PEOPLE MATTER
Energy is already a daily talking point in Trump's campaign: He routinely slams the Biden administration's EV policies and chants "drill, baby, drill" at rallies to rile up

Chart of the Day



his base. The Trump campaign's website has also outlined some of the former president's broad energy priorities, calling for the country to have the cheapest energy prices in the world through expanded drilling, speedy permitting of new energy projects, and regulatory rollbacks.

Trump's campaign website also calls for the removal of the United States from the Paris climate agreement, the international accord to fight global warming. Trump formally withdrew the U.S. during his first term in office but Biden swiftly reversed the move in 2021

George David Banks, former special assistant to Trump on energy, told Reuters he and others, like the former president's daughter Ivanka, had attempted to convince Trump to stay in the agreement, but that Trump declined, saying: "I just wouldn't know how to message that to my base."

One thing that may be different in a second Trump presidency, however, is how he picks his top staff, and whether he will have a Republican-controlled Congress to allow him to defang federal agencies that regulate industries and weaken bedrock environmental laws.

The Heritage Foundation and the America First Policy Institute said they are doing preparatory work to ensure a potential second Trump administration can avoid what was sometimes seen as a chaotic first term – beset by scandals - and which can make policy changes that stand up in court. The Heritage Foundation and a few dozen conservative groups, for example, have created a database of policy experts that they have informally dubbed "a conservative LinkedIn" that can be used to staff a future Republican administration.

"A big lesson that everybody in the first Trump administration learned was that personnel is really important. It took a couple or three years to get the people they wanted to have in place," said Mike McKenna, a lobbyist who was a White House adviser to Trump on energy and climate change.

CLIMATE CASH IN THE CROSSHAIRS

Heritage and the America First Policy Institute, a Trump-aligned think tank, are also looking at ways Trump could scrap the clean energy and vehicle tax breaks in Biden's roughly $400 billion climate legislation, the IRA.

But getting this done will depend on whether Republicans control both the House and Senate after November's elections.

Diana Furchtgott-Roth, a Heritage fellow, said the IRA's credits for EV purchases would likely be among the first parts of the IRA to get targeted by a Republican-controlled Congress, but that other elements could also be considered for reversal, including tax breaks for renewable energy projects and efficient appliances, and funding for environmental justice programs.

The idea of taking a hatchet to the entire IRA could, however, give some oil industry officials and Republican politicians pause, a former Trump administration official said.

That is because some tax credits in the IRA, like those for carbon capture and sequestration projects or for green hydrogen manufacturing have been popular with the oil and gas industry.

The EV and renewable energy tax credits in the IRA have also spurred a surge of new manufacturing investment that has mostly benefited Republican states, suggesting that reversing them could face state-level opposition within the party.

"This is going to be a place where the oil and gas industry and President Trump don't see eye to eye," the former administration official said.

Top News - Agriculture

Brazil's biggest farm coop grapples with surging grain inventories

Brazil's largest farm cooperative entered 2024 with grain stocks over 50% higher than in 2023 driven by a bumper crop last season and sluggish farmer selling, Coamo's President Airton Galinari said late on Thursday.

The situation reinforces that supply pressure could continue to weigh on grain prices and dampen farmer sentiment in Brazil, the world's biggest soybean exporter and producer and a major corn exporter.

Coamo, based in Parana state, reported carryover stocks at 3.66 million metric tons, including soy, corn and wheat. The volume represents more than 36% of the total of nearly 10 million tons received by the cooperative last year.

On Friday, Chicago wheat futures touched a 2-1/2-month low while corn and soybeans consolidated near three-year lows, after official forecasts of higher U.S. grain stocks. In addition to having full silos from the previous harvest, Coamo is dealing with advanced soybean deliveries from the 2024 crop, pressuring its own storage capacity, currently at 6 million tons.

Coamo received more than 30% of the total soybeans it had expected from the current crop, which is early, according to Galinari. But the beans keep pouring in.

Farmers can deliver grains to the cooperative without finalizing a sale for up to a year.

But because prices are low, farmers have only settled sales for less than 10% of their new soybeans while in previous years, done deals represented 30% to 40% of the new soy at this time, Galinari noted.

From a Brazilian farmers perspective, the situation may worsen before it gets better.

After a drought destroyed soy fields in competitor and neighbor Argentina, the country will reap twice as much beans as in the last season, replenishing world stocks.

In the meantime in Brazil, farmers may be forced to sell grains to pay up bills due in April and May, generating even more downward price pressure, Coamo's executive said.

Weather damages only 1-2% of Ukraine 2024 winter wheat crop, ministry says

Only 1-2% of the Ukrainian winter wheat crop will not survive the current winter, the agriculture ministry said on Sunday, citing data from scientists.
Winter wheat accounts for more than 95% of Ukraine's overall wheat output. During winter, up to 7% of the winter sowing area usually dies, mainly due to heavy frosts and ice crust on fields, but the winter has been milder this year.
Farmers sowed about 4.2 million hectares of winter wheat for the 2024 harvest. "The results of plant regrowth... showed that the survival rate of winter cereals (wheat, rye) was 98-99%," the ministry said in a statement.
It added that up to 5% of winter barley was also damaged this winter.

MARKET MONITOR as of 07:25 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$78.78 / bbl	-0.52%	9.95%
NYMEX RBOB Gasoline	$2.57 / gallon	-0.43%	21.89%
ICE Gas Oil	$848.75 / tonne	0.12%	13.05%
NYMEX Natural Gas	$1.56 / mmBtu	-2.92%	-37.87%
Spot Gold	$2,021.30 / ounce	0.41%	-2.00%
TRPC coal API 2 / Dec, 24	$89.35 / tonne	-4.23%	-7.89%
Carbon ECX EUA	€56.60 / tonne	-1.00%	-29.58%
Dutch gas day-ahead (Pre. close)	€24.55 / Mwh	-0.20%	-22.92%
Malaysia Palm Oil (3M)	RM3,863 / tonne	1.42%	3.82%
Index	**Close 16 Feb**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	313.66	0.50%	4.06%
Rogers International	26.97	0.13%	2.45%
U.S. Dollar Index	104.15	-0.14%	2.78%
U.S. Bond Index (DJ)	421.85	0.33%	-2.06%

Top News - Metals

Australia's iron ore giants to lean conservative on dividends, analysts say

Australia's iron ore majors are expected to limit dividend payouts in their half-year results this week, keeping cash on hand for large capital spending on energy transition-linked growth, analysts said.
Iron ore prices averaging $120 a tonne and well above historical levels have supported profits this year for BHP, Rio Tinto and Fortescue
Diversified miners BHP and Rio Tinto, which are reporting their half- and full-year results, respectively, are expected to report earnings flat to slightly lower, with Rio Tinto's performance hurt by falling prices for aluminium.
"On average you're looking for payout ratios to be slightly more conservative than in the recent past as their focus shifts from returns to growth," analyst Glyn Lawcock of Barrenjoey said.
BHP's dividend policy is to pay out a minimum of 50% of earnings each half, with analysts expecting the ratio to be closer to the 50% level this half.
"We expect BHP to be more conservative with the dividend payout, as its net debt has lifted towards the upper end of its target range following the OZ Minerals acquisition, capex is set to increase, and it faces the eventual Samarco settlement currently under negotiation," UBS said.
BHP last week flagged $5.7 bln impairments linked to its Brazilian Samarco dam failure and its Western Australia Nickel business. It is also preparing to bring on line its Jansen pot ash project in Canada.
UBS expects BHP's dividend may be "slightly conservative" at $0.66 vs consensus of $0.70

RIO TINTO
Rio Tinto is expected to declare a strong final dividend, but hold back on additional shareholder returns as it readies its joint Simandou iron ore project in Guinea and an expansion at its Oyu Tolgoi copper mine in Mongolia.
UBS expects Rio Tinto to announce a dividend of around $2.74, well ahead of consensus of $2.43, with a payout

ratio of 69% given strong operational performance and realised prices, and low net debt.
Morgan Stanley expects Rio Tinto to hold back on special dividends.
"Despite Rio's strong balance sheet ... we do not see potential for further capital management from Rio given increasing growth capex plans, especially at Simandou and Oyu Tolgoi," it said.

FORTESCUE
Analysts expect Fortescue to pay out between 60-70% of underlying net profit on strong iron ore prices and narrow discounts for its low grade 58% iron ore, as Chinese steel makers turn to cheaper ore to preserve margins.
Fortescue's policy is of paying out 50-80% of underlying net profit after tax. Analysts see risks to the payout rate as the miner spends on its energy division.
Consensus estimate for Fortescue's dividend is 67.8 cents, 63% of its payout ratio.
BHP reports on Feb. 20, Rio Tinto on Feb. 21 and Fortescue on Feb 22.

COLUMN-Australia gives nickel a quick fix, but surgery of global industry needed: Russell
Australia is throwing a lifeline to its under pressure nickel mining sector, but the solution on offer is more of a band aid than the needed major surgery, the carving of the global nickel industry into green and dirty.
Resources Minister Madeleine King placed nickel on the critical minerals list, a move that allows the industry to access some of the A$4 billion of federal government funding aimed at promoting minerals vital to energy transition.
"The international nickel price is forecast to stay relatively low through 2024, and likely for several years to come until the surplus of nickel in the market is corrected," King said in a Feb. 16 statement.
"In the meantime, this puts further Australian nickel operations at risk," she said, adding that six operating nickel facilities in the country have either announced cuts to output or gone into care and maintenance since December.
Australia is the world's fifth-largest producer of nickel ore and the recent decline in prices has rendered much of the industry unprofitable. BHP Group, the world's largest mining company, said on Feb. 15 it will record a $2.5 billion non-cash impairment charge on its nickel business in Western Australia state.
The global benchmark nickel price on the London Metal Exchange (LME) ended at $16,356 a metric ton on Feb. 16, up 3.2% from the low so far this year of $15,850 on Feb. 7.
That low was the weakest price since April 2021 and LME nickel has been in a sustained downtrend since reaching $33,575 a ton on Dec. 8, 2022.
An increase in supply from Indonesia has cratered prices, as the South East Asian nation successfully boosted production of refined and semi-refined nickel, largely on the back of an export ban on raw ore, which in turn led to massive investment from China in new processing plants.
It's here where the nickel problem lies.

HOW TO SPLIT THE MARKET
Currently about 65% of nickel is used to make stainless steel, but this percentage is expected to decline in coming years as more of the metal is used in batteries needed to drive the switch to electric vehicles and renewable power generation with storage back up.
Much of the nickel produced in Indonesia is emissions intensive, with coal-fired power the mainstay of the energy-hungry smelting process.
What Australia needs is a bifurcation of the global nickel industry, with a split between nickel that is produced with low climate impact and that which is not.
In other words, the greener nickel will need to command a price premium over the dirtier metal produced in Indonesia and turned into products like batteries in China.
The problem is how to bring about what effectively will be a two-tier market, and who will pay the inevitable price premium?
The LME shows no hurry to implement a two-tier system for nickel, or indeed for other metals.
End users of energy transition metals such as car manufacturers also seem reluctant to go down this path.
This is understandable from their point of view. It would likely be a very hard sell on a showroom floor to convince a potential customer to pay several thousand dollars extra for an identical car made with "green" metals.
This means that governments, particularly those in developed Western countries, will likely have to drive the change.
Australia's moves to support its nickel miners is a short-term fix, and a longer-term solution is needed.
This is something King is aware of, and she said Australia is "progressing important discussions with international counterparts in the U.S., Canada and the E.U. to ensure the high standards applied in Australian mining and production of nickel and other critical minerals are reflected in future pricing on international markets".
The above quote is government-speak for setting up a system of regulation, taxation and carbon costs to drive up costs for Australia's dirtier mining competitors and blunt China's manufacturing heft.
In some ways, the Western world has to decide if it really does want to build an energy transition supply chain that has a low climate impact and largely cuts China out.
If it does make that decision, then it has to work out how it is paid for.
Ultimately it will fall on consumers one way or another.
The trick is to either convince the public that this is a good thing, or do it in such a way that they don't notice.

Top News - Carbon & Power

COLUMN- El Niño pushes real US gas prices to multi-decade low: Kemp

Inflation-adjusted U.S. gas prices have fallen to the lowest level for over 30 years as a mild winter and continued production growth leave the market carrying a growing surplus of inventories.

Front-month futures for gas delivered at Henry Hub in Louisiana slumped to $1.58 per million British thermal units on Feb. 15, the lowest in real terms since the futures contract was launched in 1990.

Working gas stocks stood at 2,535 billion cubic feet (bcf) on Feb. 9, the highest for the time of year since 2016 and before that 2012, according to data from the U.S. Energy Information Administration (EIA).

Inventories were 346 bcf (+16% or +1.04 standard deviations) above the prior ten-year average, swelling from 64 bcf (+2% or +0.24 standard deviations) above at the start of the heating season on Oct. 1.

Apart from a brief period of intense cold in the middle of January, the winter of 2023/24 has mostly been warmer than average, depressing direct gas consumption as well as gas-fired power generation.

The Lower 48 states experienced a total of 2,603 population-weighted heating degree days between July 1, 2023, and Feb. 14, 2024, which was 11% below the long-term seasonal average of 2,935. Lower 48 population-weighted heating degree days were below the long-term average on 98 of 137 days between Oct. 1 and Feb. 14.

December was especially mild, causing inventories to deplete by only 300 bcf, the smallest seasonal draw since December 2015, and compared with a ten-year average draw of 478 bcf.

EL NINO IMPACT

Strong El Niño conditions in the central-eastern Pacific this winter directed warmer air into the northern United States and ensured temperatures have been much milder than usual.

Sea surface temperatures in the central-eastern Pacific were almost 2 degrees Celsius warmer than average in December, the warmest since 2015 and before that 1997, both exceptionally strong El Niño episodes.

A strong El Niño is generally associated with warmer-than-average winter temperatures across the United States, especially in the northern tier of states stretching from Washington through Illinois to Maine.

Since 1950, there have been six strong El Niño episodes during the northern hemisphere winter (1957/58, 1965/66, 1982/83, 1991/92, 1997/98 and 2015/16) and one borderline case (2009/10).

Since 1973, during winters with a strong episode, the number of U.S. heating degree days was 7% lower on average compared with years without (or 10% lower if the borderline case is excluded).

The reduction in heating demand of 11% so far during winter 2023/24 is therefore consistent with previous strong El Niño episodes.

TOO MUCH GAS

Ultra-low futures prices are sending the strongest possible signal about the need for a slowdown in drilling and production to help rebalance the market.

The number of rigs drilling for gas averaged just 119 in January 2024, down from 162 in September 2022 - a delayed response to the fall in prices after they spiked following Russia’s invasion of Ukraine in February 2022.

But the rig count has been broadly constant for the last five months and well productivity has continued to increase as companies focus on the most prospective locations and drill longer horizontal well sections.

In addition, more gas is being produced and captured from wells drilled primarily to extract oil, adding to production growth.

Dry gas production amounted to 3,178 bcf in November 2023 (the latest month for which data is available) which was 111 bcf (+4%) higher than in the same month a year earlier.

Production in the first eleven months of 2023 was up by 1,339 bcf (+4%) compared with the same period in 2022. Total exports of pipeline and liquefied gas also increased but only by 594 bcf, according to data compiled by the EIA.

The slump in real prices to multi-decade lows is signalling the urgent need for a further slowdown in well drilling and completions. In recent days, several gas producers have announced plans to cut capital expenditure and reduce the number of active rigs and completion crews.

In the months ahead, exceptionally cheap gas should also maximise more gas-fired generation at the expense of coal, eroding some more of the excess stocks.

PURGING STOCKS

Prices for gas delivered in March (the last winter month) have already slipped 7 cents below April (the first spring-summer month) having begun the winter at a premium of 21 cents.

Prices will have to fall low enough for long enough to purge excess inventory inherited from winter 2023/24 from storage and make room for more to be added this summer ahead of winter 2024/25.

Prices have fallen so low and sentiment is so bearish that from a purely positioning perspective the balance of risks must be to the upside.

But portfolio investors have tried (and failed) three times already in the last twelve months to identify the turning point, causing a temporarily rise then retreat in prices.

Hedge funds and other managers purchased futures and options between February and July 2023 (+1,943 bcf), then again in September-October 2023 (+1,216 bcf) and between December 2023 and January 2024 (+1,409 bcf).

Each time they have been beaten back by the continued rise in stocks and a further slide in prices.

Japanese utilities would see impact if U.S. pause of LNG export permits becomes long term

Japanese electric utilities won't be affected in the short term by the United States' recent decision to pause liquefied natural gas export permits but if the move becomes long term it could affect global LNG supply, the head of their industry body said on Friday.

U.S. President Joe Biden last month paused approvals for applications to export from new LNG projects to review the climate change and economic impact of such projects. Japan is the world's second-biggest LNG importer after China.

"The move will likely have limited impact on LNG procurement by Japanese companies as projects that have already obtained permits will not be affected," Kazuhiro Ikebe, chairman of Japan's federation of electric utilities, told a news conference.

But he also raised concerns, saying the U.S. move would have a major impact on global LNG supply and demand if it continues over the long term.

"The U.S. is the world's largest exporter of LNG and we expect the U.S. will maintain a responsible position in stabilizing the global energy supply and demand," he said, adding that the group has no plan to lobby the U.S. government.

However, Ikebe, who is also president of Kyushu Electric Power Co Inc, said the abrupt move would not dent Japanese utilities' confidence in the United States or change their investment stance toward the country.

Top News - Dry Freight

UK-registered cargo ship reported under attack in Bab al-Mandab Strait, says Ambrey

A UK-registered cargo ship reported being under attack in the Bab al-Mandab Strait off Yemen on Sunday, said British maritime security firm Ambrey, while UK Maritime Trade Operations agency reported crew abandoning a ship off Yemen after an explosion.

Ambrey said on Sunday that a Belize-flagged, UK-registered and Lebanese-operated open hatch general cargo ship had reported being under attack in Bab al-Mandab Strait.

The ship was heading north during its journey from Khor Fakkan in the United Arab Emirates to Varna, Bulgaria, when the attack occurred, Ambrey said.

"The partially laden vessel briefly slowed from 10 to six knots and deviated course, and contacted the Djiboutian Navy, before returning to her previous course and speed," it said.

The United Kingdom Maritime Trade Operations (UKMTO) said it had received a report of an incident 35 nautical miles south of Yemen's Al Mukha, and that an explosion in close proximity to a vessel had resulted in damage, the agency said in an advisory note. It did not identify the ship.

"Military authorities report crew have abandoned the vessel", UKMTO added in an updated advisory note early on Monday, adding that the vessel was at anchor and all crew were safe.

Yemen's Houthi group has launched repeated drone and missile attacks against international commercial shipping in the Red Sea and the Bab al-Mandab Strait since mid-November, saying it is acting in solidarity with Palestinians as Israel wages war on Hamas in the Gaza Strip.

The attacks have prompted several companies to halt Red Sea journeys and opt for a longer and more expensive route around Africa, and U.S. and British warplanes have carried out retaliatory strikes across Yemen.

There was no immediate comment in Houthi-run media on the incident.

South Korea’s KFA buys 66,000 metric tons corn, traders say

The Korea Feed Association (KFA) in South Korea purchased about 66,000 metric tons of animal feed corn expected to be sourced from South America or South Africa on Friday, European traders said on Saturday.

It was purchased by the KFA’s Busan section from trading house ADM at an estimated $239.49 a ton c&f plus a $1.50 a ton surcharge for additional port unloading.

The corn is for shipment if sourced from South America between April 2 and May 1, if from South Africa shipment is between April 12 and May 11.

If sourced from South Africa, only 50,000 tons need be supplied.

Picture of the Day

A farmer carries harvested tomatoes with Mount Semeru in the background in Lumajang, East Java province, Indonesia, February 16, 2024, in this photo taken by Antara Foto. Antara Foto/Irfan Sumanjaya/via REUTERS

(Inside Commodities is compiled by Anjana J. Nair in Bengaluru)

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