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### Top News - Oil

#### Trump axes Chevron's Venezuela oil license, citing lack of electoral reforms

U.S. President Donald Trump on Wednesday said he was reversing a license given to Chevron to operate in Venezuela by his predecessor Joe Biden more than two years ago, accusing President Nicolas Maduro of not making progress on electoral reforms and migrant returns. In a post on Truth Social, Trump said he was "reversing the concessions" of the "oil transaction agreement, dated November 26, 2022."

Trump did not name Chevron in his comments, but Washington granted Chevron a license to operate in Venezuela's oil sector on November 26, 2022. It was the only license the administration issued for Venezuela that day.

"The U.S. government has made a damaging and inexplicable decision by announcing sanctions against the U.S. company Chevron," Venezuelan Vice President Delcy Rodriguez said in a statement posted on Telegram. She said "these kinds of failed decisions" had prompted migration out of Venezuela.

The White House did not immediately respond to requests for further detail on Trump's comments.

U.S. Secretary of State Marco Rubio later said on X he will provide foreign policy guidance to terminate all Biden-era oil and gas licenses "that have shamefully bankrolled the illegitimate Maduro regime."

It was not immediately clear which, if any, other companies that would affect, but the U.S. State and Treasury Departments have granted a number of licenses and authorizations in recent years, including to foreign firms.

Chevron said it was aware of Trump's post and was considering its implications.

Chevron exports about 240,000 barrels per day of crude from its Venezuela operations, over a quarter of the country's entire oil output.

Ending the license means Chevron will no longer be able to export Venezuelan crude. And if Venezuela's state oil company PDVSA exports oil previously exported by Chevron, U.S. refineries will be unable to buy it due to U.S. sanctions.

Since his return to office in January, Trump has repeatedly said the U.S. does not need Venezuelan oil and left open the possibility of revoking Chevron's operating license.

During his first term, Trump pursued a "maximum pressure" sanctions policy against Maduro's government, especially targeting Venezuela's energy business.

After initially easing sanctions to encourage fair and democratic elections, Biden in April reinstated broad oil

sanctions, saying Maduro failed to keep his electoral promises. But Biden had left the Chevron license intact, along with U.S. authorizations granted to several other foreign oil companies.

Tax and royalty payments resulting from Chevron's license have provided a steady source of revenue to Maduro's administration since early 2023, a source familiar with Venezuela's oil industry said. The money has lifted Venezuela's economy, especially its oil-and-banking sectors, which expanded last year.

The government take from oil activities covered by all U.S. licenses, to Chevron and a handful of European companies, is estimated between \$2.1 billion and \$3.2 billion annually, only considering royalties and taxes, said Jose Ignacio Hernandez from consultancy Aurora Macro Strategies.

U.S. Energy Secretary Chris Wright said on Wednesday after Trump's comments that the U.S. is the world's largest oil producer and "small interruptions from other nations" will not affect global supply.

#### ELECTORAL CONDITIONS 'NOT BEEN MET'

In early February, Trump said Caracas had agreed to receive all Venezuelan migrants in the United States illegally and provide for their transportation back.

That came a day after U.S. envoy Richard Grenell met with Maduro in Caracas and brought six U.S. detainees back.

Trump said in Wednesday's post Maduro had not met "electoral conditions" and that he was not transporting Venezuelans back to the United States at a pace that had been agreed to.

Trump did not detail what he meant by "electoral conditions." Maduro's last two election wins were both disputed by Washington, with Venezuela's opposition saying it won the July 2024 presidential election by a landslide, an assertion backed by the U.S. and other Western countries.

The cancellation of the license proves Trump is on the side of Venezuelans, opposition leader Maria Corina Machado told Trump's son Donald Trump Jr. during an interview on the latter's video and podcast interview show.

"What you just mentioned is proof for me that President Trump is on the side of the Venezuelan people, of democracy, and prosperity of the U.S. and for Venezuela as well," Machado said, adding the question from Trump Jr. was the first she had heard of his father's decision. "This is exactly the path ahead."

The oil concession agreement would be terminated as of the March 1 option to renew, Trump said.

It was not immediately clear what would happen with cargoes of Venezuelan crude currently navigating to U.S. ports or about to depart from Venezuela through the end of the month.

Maduro and his government have always rejected sanctions by the United States and others, saying they are illegitimate measures that amount to an "economic war" designed to cripple Venezuela.

Maduro and his allies have cheered what they say is the country's resilience despite the measures, though they have historically blamed some economic hardships and shortages on sanctions.

When the license was first issued, Chevron was owed about \$3 billion by Venezuela. According to the company's debt recovery plan, explained by sources, by the end of 2024 it should have recouped some \$1.7 billion as oil output approached an average of 200,000 barrels per day as expected.

Chevron's automatically renewing license allowed it to expand crude output at joint ventures with PDVSA and send some 240,000 bpd to its own refineries and other customers.

Chevron said earlier in February it will lay off up to 20% of its global staff by the end of 2026 as part of an effort to cut costs and simplify the business. Chevron told its employees the company was falling behind competitors and struggled to quickly make decisions.

**ANALYSIS-Canada wants new oil pipelines to avoid Trump tariffs; nobody wants to build them**

The Canadian government would have to play a significant role in any project to build new oil pipelines in Canada to overcome regulatory, financial and political hurdles and activist opposition, industry experts said. With U.S. President Donald Trump threatening tariffs on Canadian oil exports, several Canadian politicians have called for new pipelines to coastal export terminals to

reduce dependency on the U.S. market.

Oil is the most valuable export of Canada, which is the world's fourth-largest oil exporter, pumping 4 million barrels per day (bpd) over the border to U.S. refiners. That is about 90% of Canadian oil exports.

Canada's Liberal Energy Minister, the Conservative opposition leader and several provincial premiers have all said Canada must diversify oil exports.

Some politicians have called for new pipelines to take crude to Canada's west, east and north coasts. Yet no private company has expressed recent interest in taking on such a multibillion-dollar project, which experts say could take a decade to complete.

Two big east-west projects have been canceled in the last decade, and a Canadian company also lost billions when former U.S. President Joe Biden revoked permits for the Keystone XL pipeline project to the U.S. in 2021.

Trump on Monday said he wanted Keystone XL built and pledged easy regulatory approvals. But on the same day, he said tariffs on U.S. imports from Canada and Mexico would proceed in March.

Tariffs would make Canadian crude more expensive for U.S. refiners or cut margins for Canadian producers, hurting demand for the pipeline.

Even without tariffs, building pipelines poses too many risks for Canadian companies, said Dennis McConaghy, a former executive with TransCanada Corp., now TC Energy. He worked on that company's ill-fated Keystone XL project.

"If I were on the board (of a pipeline company), I would find these risks very difficult to rationalize taking on," McConaghy said in an interview.

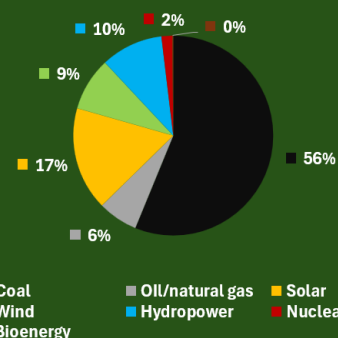
Canada's current option to bypass the U.S. is the Trans Mountain pipeline system, running from the oil-producing province of Alberta to the British Columbia west coast. Crude can then be shipped to overseas markets.

An expansion of the line was completed last year, seven

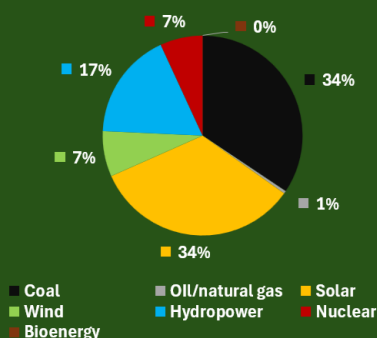
**Chart of the Day**

**India's power sector to remain heavily coal-based even after current construction boom**

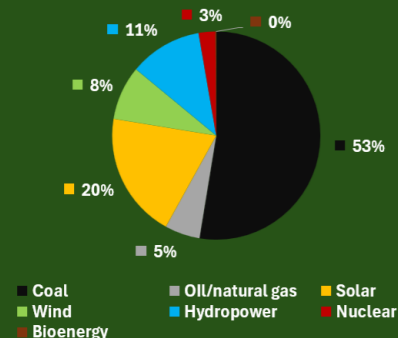
Currently operating power capacity



Power capacity under construction



Power capacity after construction



Source: Global Energy Monitor (GEM)

years after Kinder Morgan threatened to cancel it due to heavy environmental and Indigenous opposition. Ottawa bought the Trans Mountain system for C\$4.5 billion (US \$3.15 billion) in 2018 to finish the expansion. Construction delays and budget overruns pushed its price tag to C\$34 billion over four years.

"The fact that the cost overruns were so massive, that's a really strong signal to the private sector," said Kent Fellows, an energy economist at the University of Calgary's School of Public Policy.

Canada's energy sector has long complained of lengthy permitting times and regulatory uncertainty slowing projects and scaring potential investors.

Companies would be unwilling to consider a new pipeline proposal unless the federal government quickly amends the Impact Assessment Act, said Martha Hall Findlay, a former Liberal Member of Parliament and Suncor Energy Inc. executive, now director of the University of Calgary's School of Public Policy.

The act, effective in 2019, required social and cultural assessments of pipelines as well as environmental impacts. Since then, only one project — the Cedar LNG project — has successfully completed the process, and that took 3-1/2 years.

"Working collaboratively with the provinces will be key — and will take some serious political leadership," Hall Findlay said.

Canadian pipeline operator Enbridge would not consider a Canadian pipeline project absent a reversal in Ottawa's policy toward energy infrastructure, CEO Greg Ebel said on a recent conference call.

He said the country needs permitting reforms, elimination of the proposed cap on emissions from oil and gas production, and expansion of federal and provincial loan guarantee programs allowing Indigenous communities to become equity investors in pipeline projects.

"We would need to see real legislative change at the federal and provincial government level that specifically identifies major infrastructure projects ... as being in the national interest," Ebel said.

Companies also need confidence that Canada's oil sands industry could increase output to fill a new pipeline. Oil sands producers took years to ramp up to hit record production last year to fill the Trans Mountain expansion. A report last year by S&P Global Commodity Insights said Canadian oil sands output rose by 1.3 million barrels per day in the last decade, and could rise an additional half-

million bpd by 2030.

#### OIL SANDS GROWTH UNCERTAIN

Canada has committed to reach net-zero greenhouse gas emissions by 2050, a goal at odds with any dramatic increase in oil output.

A 2023 forecast from the Canada Energy Regulator suggested that to reach the country's net-zero target, oil sands output would likely decline by 30% by 2050.

The S&P Global report predicts declines in production beginning as early as 2035.

For now, threatened tariffs have tilted the scales away from climate and toward building pipelines, said Hall Findlay.

"I do think in Canada, this has caused some reflection on whether, perhaps in some areas, we are too dependent on infrastructure in particular that flows only through the United States," Energy Minister Jonathan Wilkinson said this month at an event in Washington, D.C.

Wilkinson has not called for any new pipelines, a representative said on Wednesday. He has noted that other people are bringing up pipelines and it will be discussed, the representative said.

Alberta Premier Danielle Smith has called for federal and provincial governments to build multiple oil and gas pipelines to the "east, west and north coasts of Canada." Hall Findlay said that if federal and provincial governments were to support a pipeline through a public-private partnership or some form of financial backstop, that might attract private capital.

A change in government could also boost confidence in Canada's energy sector, said Kevin Birn, chief Canadian oil market analyst for S&P Global.

Opposition leader Pierre Poilievre told reporters this month that a Conservative government would "repeal anti-energy laws" and "build pipelines."

Even then, there would be no long-term guarantee, Birn said. He noted that the Keystone XL project was rejected by former U.S. President Barack Obama's administration. It was revived by Trump during his first term before being revoked by Biden and now is being encouraged again by Trump. "Part of the problem is that the development of infrastructure now has to be thought of in terms of political cycles," Birn said in an interview.

"If you're looking to build large infrastructure in North America, you now need to ask, 'Can I get this done in one term of office?'"

## Top News - Agriculture

### ANALYSIS-American farmers to plant more corn, seeking best chance at profits

Farmers in the U.S. plan to plant more corn and fewer soybeans this spring than they did last year, hoping to eke out a profit and shield themselves from U.S. President Donald Trump's threatened tariffs, growers and analysts

said.

"When you look at relative profitability, corn is winning the acreage battle," said Frayne Olson, an agricultural economist with North Dakota State University.

Some farmers may be able to earn "a nickel or two" on every bushel of corn, Iowa State University economist

Chad Hart said. But for soybeans and other crops, prices have fallen below the cost of production. "Right now, given what cost structures look like," Hart said, "corn has the best pathway to make a little profit in 2025."

Planting decisions that are usually finalized in winter help determine the production of corn and soybeans, the top two U.S. cash crops. The grains are primarily used for animal feed, cooking oils and renewable fuels. The U.S. is the world's largest corn exporter and the No. 2 soybean supplier after Brazil.

Global corn stockpiles are projected to hit a decade low this year, so a big U.S. crop would help replenish inventories, making more grain available to world buyers. Still, more U.S. corn stays in the country than soybeans, making corn a better hedge against tariffs.

A Reuters poll of analysts forecast this week that corn plantings would rise to 93.6 million acres, while soybean plantings would fall to 84.4 million acres.

Growers face a third straight year of dwindling crop revenues, making decisions about what and how much to plant much tougher. Farmers are expected to turn a slight profit in 2025, largely because of government disaster relief, even as income from crops is expected to fall for a third straight year, the USDA forecast this month.

Prices for corn and soybeans, as well as other major crops such as wheat and cotton, are low enough that American farmers will struggle to turn much of a profit

with any of them, economists said.

"This year, it's all about what crop is going to lose the least amount of money," said Eric Kroupa, a farmer in central South Dakota who raises corn, soybeans, wheat and cattle.

#### TRADE TENSIONS

Trump's tariffs against major buyers of U.S. grain may add to corn's advantage while discouraging soybean plantings. The U.S. exports about 40% of its soybean crop each year but only about 15% of its corn harvest, leaving soybean prices more sensitive to trade disruptions.

China is by far the world's top soy buyer, booking more than half of U.S. soybean exports annually, while the customer base for U.S. corn is more varied.

Trade tensions with China flared this month after the Trump administration slapped 10% tariffs on all Chinese imports, and Beijing responded by imposing limited tariffs on a smaller set of U.S. goods, excluding agriculture products. Duties against Mexico, another major buyer of U.S. grains, and Canada, a buyer of U.S. grains, meats and food products, are set to take effect on March 4.

The skirmishes echoed a trade war with China in 2018, during Trump's first term in office, after which China shifted more of its purchases of soybeans and corn to Brazil. For the current marketing year, the USDA

#### MARKET MONITOR as of 07:35 GMT

| Contract                         | Last               | Change | YTD     |
|----------------------------------|--------------------|--------|---------|
| NYMEX Light Crude                | \$68.65 / bbl      | 0.04%  | -4.28%  |
| NYMEX RBOB Gasoline              | \$2.19 / gallon    | -0.08% | 9.02%   |
| ICE Gas Oil                      | \$684.00 / tonne   | 0.26%  | -1.62%  |
| NYMEX Natural Gas                | \$3.92 / mmBtu     | 0.44%  | 7.98%   |
| Spot Gold                        | \$2,892.59 / ounce | -0.81% | 10.24%  |
| Carbon ECX EUA                   | €71.32 / tonne     | 0.42%  | -2.30%  |
| Dutch gas day-ahead (Pre. close) | €41.30 / Mwh       | -5.49% | -14.93% |
| CBOT Corn                        | \$4.94 / bushel    | 0.05%  | 6.01%   |
| CBOT Wheat                       | \$5.77 / bushel    | -0.47% | 2.58%   |
| Malaysia Palm Oil (3M)           | RM4,503 / tonne    | -2.34% | 1.24%   |
| Index                            | Close 26 Feb       | Change | YTD     |
| Thomson Reuters/Jefferies CRB    | 369.45             | -0.42% | 3.54%   |
| Rogers International             | 29.76              | -1.18% | 1.88%   |
| U.S. Stocks - Dow                | 43,433.12          | -0.43% | 2.09%   |
| U.S. Dollar Index                | 106.64             | 0.21%  | -1.71%  |
| U.S. Bond Index (DJ)             | 447.47             | 0.24%  | 2.62%   |

estimates that Brazil will supply 58% of world soybean exports, compared to just 27% for the United States. Farmers often book seed and fertilizer purchases over the winter, well ahead of planting season in April and May. But this year, low prices and uncertainty surrounding trade have prompted at least some growers to delay planting decisions until spring.

"A lot of people won't make final decisions right now," said Nancy Johnson, executive director of the North Dakota Soybean Growers Association. "The tweaking you do on those last acres will be at the last possible moment, based on what's happening at that moment."

#### CORN PRICE RALLY

Corn futures have rallied in recent weeks, signaling profitability for growers. Benchmark Chicago Board of Trade (CBOT) corn futures fell to a four-year low below \$4 a bushel in August but climbed back above \$5 this month, rising about 9% since January 1.

Soybeans, which produce smaller yields, hit a four-year low below \$10 a bushel in December, followed by a more modest rebound.

David Justison, who grows corn, soybeans and wheat on 9,000 acres in south-central Illinois, scaled back his winter wheat acreage last autumn, freeing up about 300 acres where he will probably plant corn rather than soybeans. "It just looks like it might be a little bit better economics," Justison said.

#### Slowing demand to pressure palm oil prices as alternatives gain market share

A recovery in palm oil production and lower imports by price-sensitive consumers are expected to drive prices lower, chipping away the premium of the tropical oil over rivals, even as top producer Indonesia boosts biodiesel production.

Benchmark palm oil futures, which jumped 20% in 2024 to a two-year high, have already lost market share as top importers like India shift to cheaper alternatives such as soybean and sunflower oils.

Palm oil has been trading at an unusual premium over other oils in recent months due to supply disruptions from top producers Indonesia and Malaysia, caused by floods. But palm oil inventories could start rising in the coming

months as demand drops, industry officials and analysts said at a conference in Kuala Lumpur this week.

"I expect that stocks will continue to rise if demand is not picking up at these prices," said Thomas Mielke, executive director of Hamburg-based forecaster Oil World.

#### DEMAND DESTRUCTION & HIGHER OUTPUT

Elevated palm oil prices have been prompting buyers to switch to soybean oil and this could lead to stock build-up once production starts picking up, Mielke said.

India's palm oil imports in the 2024/25 marketing year ending in October 2025 could fall to 7.5 million metric tons, the lowest in five years, said Sanjeev Asthana, president of the Solvent Extractors' Association of India (SEA).

"The downward production in Indonesia is over; the period of recovery has already begun. After Ramadan I expect a significant pickup in production," analyst Dorab Mistry said.

The production recovery and lower demand could bring down prices and palm oil will likely trade between 3,600 ringgit and 4,100 ringgit (\$814.5 and \$927.6) per metric ton from April to November, Mistry said.

Palm oil's premium over soy oil is already narrowing. It was offered at a premium of \$50 per metric ton in India this week, as compared with more than \$100 a month ago.

Indonesia's crude palm oil production is likely to rise to 50 million metric tons in 2025 from 48.16 million metric tons a year ago, while Malaysia's output is likely to rise marginally to 19.5 million metric tons, analysts said.

Despite higher production, Indonesia's 2025 palm oil exports are likely to drop 7.3% from a year ago to 27.35 million metric tons as Jakarta boosts biodiesel output, said Fadhil Hasan at the Indonesian Palm Oil Association. Indonesia expects its B40 biodiesel programme, aimed at reducing its reliance on imported diesel fuel, will reach full implementation next month after delays at the start of the year. Indonesia's 2025 palm oil use for biodiesel is likely to climb 13.6 million metric tons, up from 11.44 million tons a year ago, Fadhil said. "Rising biodiesel mandate is reducing surplus for the exports and this trend will continue," he said.

## Top News - Metals

#### Potential US copper tariffs seen costing domestic industry dearly

The U.S. industrial sector will have the most to lose from potential U.S. tariffs on copper, analysts say, with costs seen rising significantly during what would be a lengthy process of reviving domestic mining and refining of the metal.

President Donald Trump on Tuesday launched a probe into potential new tariffs on copper imports, saying they would help rebuild U.S. production.

U.S. prices of the metal used in power, construction and electric vehicles have already shot up on the U.S.

COMEX exchange and a sustained period of buoyant prices may dampen industrial activity, curb consumption and force companies to use aluminium instead, analysts said.

The U.S. imports nearly half of its copper needs, according to the U.S. Geological Survey, and its copper mine output has fallen 11% since 2021 as miners struggle to expand existing mines and develop new projects.

The largest suppliers are Chile, Canada and Mexico. "The U.S. has no chance of beefing up their own production and refining capacity anytime soon, so this looks like another own goal," said Ole Hansen, head of commodity strategy at Saxo Bank in Copenhagen. The premium of prices on COMEX over benchmark international copper on the London Metal Exchange (LME) surged to \$816 per metric ton on Wednesday from \$580 a day earlier, although this is still below a record peak of \$1,153 seen on February 13. There are only two operating U.S. copper smelters. Asarco, controlled by industrial conglomerate Grupo Mexico, said in May last year it was planning to restart its mothballed copper smelter in the U.S. "But there has been no news since and there aren't any other recently mothballed smelters, while constructing a new one would take more than two years," Amy Gower, an analyst at Morgan Stanley, said in a note. "New copper mines would take much longer, with many facing permitting challenges," she added. Development of Rio Tinto and BHP's massive Resolution Copper mine in Arizona is on hold, having faced opposition from Native Americans.

#### **Workers seek collective bargaining at Rio Tinto Pilbara mine**

Australia's Mining and Energy Union said on Thursday it

would launch a petition at Rio Tinto's Paraburdoo mine in the Pilbara region that would allow workers to initiate bargaining for a collective agreement for the first time in over 20 years.

Workers are voting on making an agreement that would guarantee annual pay increases as living costs rise, the union added, with additional demands for pay equity and fair and detailed classification to normalise conditions and career progression.

A collective agreement must be in place for workers to utilise "same job, same pay" legislation, which is likely to be the union's next step.

The step comes as Australian unions test out this legislation, which unions say equalises pay among labour-hire workers doing similar jobs to company workers, but which companies say blunts the ability for them to pay higher wages for better performance.

Unionised workers filed for "same job same pay" orders covering 1,700 labour-hire workers at three large BHP coal mines in Queensland in June last year.

BHP had earlier opposed the legislation, saying it produces inflationary wage pressures while putting Australian jobs at risk. The Albanese Labor government enforced the 'same job, same pay' changes in November 2024, delivering pay hikes for "more than 3,000 workers". Rio Tinto did not immediately respond to a Reuters request for comment on the petition.

## **Top News - Carbon & Power**

### **Europe launches plan to bolster clean tech sector, aid ailing industries**

The European Commission plans to loosen its rules on corporate sustainability reporting and supply chain transparency, it said on Wednesday, in a bid to make Europe more competitive with the United States and China.

The plans - or "Simplification Omnibus" - are part of a wider package of reforms aimed at helping Europe's companies, and they also include incentives to encourage industry to decarbonise and measures to lower energy costs.

European businesses may cheer after long complaining that tight regulations and bureaucracy hampered their ability to compete globally, but opponents of the new deregulation drive said it "guts corporate accountability". In the U.S., President Donald Trump has been rolling back regulation to spur growth.

But even as it loosens its reporting rules around green policies, the EU executive said the European Union would stand firm on its net zero emission targets and other climate goals.

"EU companies will benefit from streamlined rules," European Commission President Ursula von der Leyen said in a statement.

"This will make life easier for our businesses while

ensuring we stay firmly on course toward our decarbonisation goals. And more simplification is on the way."

The European Commission, the bloc's executive arm, aims to reduce reporting burdens by 25% in an initial wave of measures in the first half of 2025 - which it said would translate into savings of 40 billion euros (\$42 billion) for European companies.

Businesses and industry lobby groups frequently complain that bureaucratic processes in the EU hold back the bloc compared with the U.S. and China, which have faster-growing economies.

"It's a machine we have created in Brussels - I don't know if we need a DOGE programme - plenty of civil servants, which are in fact there to create regulations. That's a problem," TotalEnergies boss Patrick Pouyanne said this month, referring to the U.S. Department of Government Efficiency, which is overseeing a sweeping government cost-cutting programme.

"It's a question, can Europeans really re-think their own model?" he added.

The Commission also set out a "Clean Industrial Deal", a second pillar of the competitiveness plan, designed to support energy-intensive industries facing high costs and heavy bureaucracy as they fight for market share with global rivals.

It also aims to boost the clean tech sector.

The EU targets net zero greenhouse gas emissions by 2050.

The Clean Industrial Deal proposes making 100 billion euros (\$105 billion) available to support EU-made clean manufacturing and streamlining public procurement processes for clean tech.

It was not immediately clear how much of the 100 billion euros was new, additional capital.

The Clean Industrial Deal would take time to pass legislative procedures but it "reflects an important signal of the EU's intent to accelerate and fiscally support decarbonisation of its industry," analysts at Jefferies said.

#### LIGHTER-TOUCH BUREAUCRACY

The 'omnibus' proposes easing the rules on how businesses report the environmental and social impact (CSRD) of their activities as well as supply chain due diligence rules (CSDDD).

The plans exempt any company with fewer than 1,000 employees from the CSRD rules: roughly 80% of the companies currently covered by the directive.

The due diligence law, meanwhile, will be delayed by a year until 2028 and will only require companies to make environmental and human rights checks on their direct suppliers rather than along their entire supply chain.

Critics said the Commission's plans threw Europe into reverse and threatened to erase years of hard-fought gains in sustainability and green transition leadership. "This will risk creating a disastrous lack of ESG data across the region: a nightmare for responsible investors and consumers. This new package guts corporate accountability," said Giorgia Ranzato, sustainable finance manager at environmental campaign group T&E.

The Commission also announced plans it said would exempt about 90% of importers from its planned carbon border tariff on the grounds that their imports accounted for only 1% of emissions covered by the policy.

The walk-back on ESG rules has met sharp resistance from environmental campaigners, some investors and EU lawmakers.

The proposed changes must win support from the European Parliament and a reinforced majority of the 27 EU member states, meaning there may still be changes.

#### COLUMN-King coal to stay top in India despite big clean power pipeline: Maguire

India has the second-largest clean power capacity development pipeline globally after China, with nearly 56,000 megawatts of new renewables, hydro and nuclear capacity under construction.

Clean energy sources account for two-thirds of the all the new power capacity under development in India, according to Global Energy Monitor (GEM) data, and will result in a 35% jump in total clean power supply potential once complete.

However, the country is also building 30,000 MW of new coal-fired capacity, which will preserve coal's status as

India's primary power source even after the construction boom.

The enduring heavy dependence on coal within India's power system underscores the challenge facing fast-growing economies that need to increase energy supplies to households and businesses as cheaply and quickly as possible.

The expanded coal capacity will also further lift India's coal power emissions, which hit a new high in 2024 of over 1.2 billion metric tons of carbon dioxide (CO<sub>2</sub>), according to Ember.

#### GROWTH SPURT

The main driver of India's heavy coal reliance is the country's rapid energy demand growth, which has accelerated in line with its overall economy.

Since 2021, India's primary energy consumption has grown by an average of 7% a year, according to the Energy Institute.

That growth rate exceeded China's 5% pace and was more than twice the global average over the same period - resulting in regular bouts of strained power grids.

To fend off further power shortages, India's utilities and government have made massive investments in expanding total power supply capacity, with emphasis on growing clean energy production.

Indian power firms are currently constructing nearly 29,000 MW of solar, 6,300 MW of wind, 15,000 MW of hydro and nearly 6,000 MW of nuclear power capacity, GEM data shows.

In addition, the country has a further 35,000 MW of solar, 6,000 MW of wind, 45,000 MW of hydro and 26,000 MW of nuclear in so-called pre-construction, which is where project permits are being lined up ahead of groundbreaking.

All told, that is nearly 167,000 MW of clean power capacity in advanced planning stages in India, which exceeds the 166,000 MW of clean capacity at the same developmental stage in the United States, according to GEM.

What's more, once all current and pre-construction clean energy projects are completed, India's total clean power capacity could rise by more than 100% from current levels, to nearly 330,000 MW.

#### RISING TIDE LIFTS COAL TOO

While clean power capacity is set to grow sharply, India's larger fossil fuel power base is also set to expand.

In addition to the 30,000 MW of coal capacity under construction, Indian power firms have nearly 55,000 MW of coal capacity in pre-construction.

That cumulative development load stands to increase India's total coal-fired capacity to nearly 355,000 MW, which means that coal power will continue to account for over half of India's total power capacity even after planned projects are complete.

The larger overall coal footprint will in turn trigger even greater volumes of coal consumption by Indian power

firms, which rely on locally-mined coal for around 75% of coal supplies. The remaining coal volume requirements are fulfilled by imports, mainly from Indonesia. Demand for both domestic supplies and imports looks set to swell sharply once current coal power projects are complete.

More than 20,000 MW of new coal power capacity is located within inland areas that are serviced mainly by local miners, while over 6,000 MW of new coal capacity is

located on India's south and southeast coasts, which can be fed via imports.

That means that even though India's power firms can expect a large jump in clean power supplies over the coming years, coal will remain their main source of power generation for the foreseeable future.

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

## Top News - Dry Freight

### **Brazil judge rejects traders' request to halt grain export tax**

A Brazilian judge has thrown out a request by global grain traders to halt enforcement of a law that imposes a 1.8% tax on the export of grains such as soybeans and corn from the state of Maranhao, according to the decision seen by Reuters. Above, a lobby group representing grains exporters, which hoped to get an injunction against the charge, argued the state law was unconstitutional in a case filed last week. Judge Osmar dos Santos in Maranhao's court of justice, however, disagreed. He wrote the unconstitutionality "is not immediately evident" and that the claim would require further analysis, according to the decision handed down on Tuesday. The Maranhao export tax affects shipments of grains such as soybeans, corn, sorghum, and millet. Critics of the new measure say it deals a blow to farmers and grain handlers operating in Brazil, potentially making the country less competitive against rivals like the United States and Argentina in world markets. But state authorities have defended the levy, which was slated to be enforced from February 23, saying the revenue tied to the new tax will go towards investments in logistics, benefiting the entire agribusiness sector. Aprosoja Maranhao, a group representing the state's soy and corn growers, is also legally challenging provisions of the law. On Tuesday, the group filed a class-action suit against the new tax, according to court filings seen by Reuters. The farmers argue the levy breaches the Constitution because exports should not be taxed, the filings showed.

### **South Korea's FLC buys up to 68,000 T corn from United States**

South Korea's Feed Leaders Committee (FLC) purchased about 65,000 to 68,000 metric tons of animal feed corn expected to be sourced from the United States in an international tender on Wednesday, European traders said.

The corn was purchased partly at an estimated outright price of \$257.69 a ton cost and freight (c&f) plus a \$1.50 a ton surcharge for additional port unloading, and partly at a premium of 162.50 U.S. cents a bushel c&f over Chicago May corn futures, they said.

The seller was said to be trading house Mitsui.

The tender sought corn for arrival in South Korea around May 30.

Reports reflect assessments from traders and further estimates of prices and volumes are still possible later.

The seller has until March 7 to declare which volume in the purchase range will be supplied, traders said.

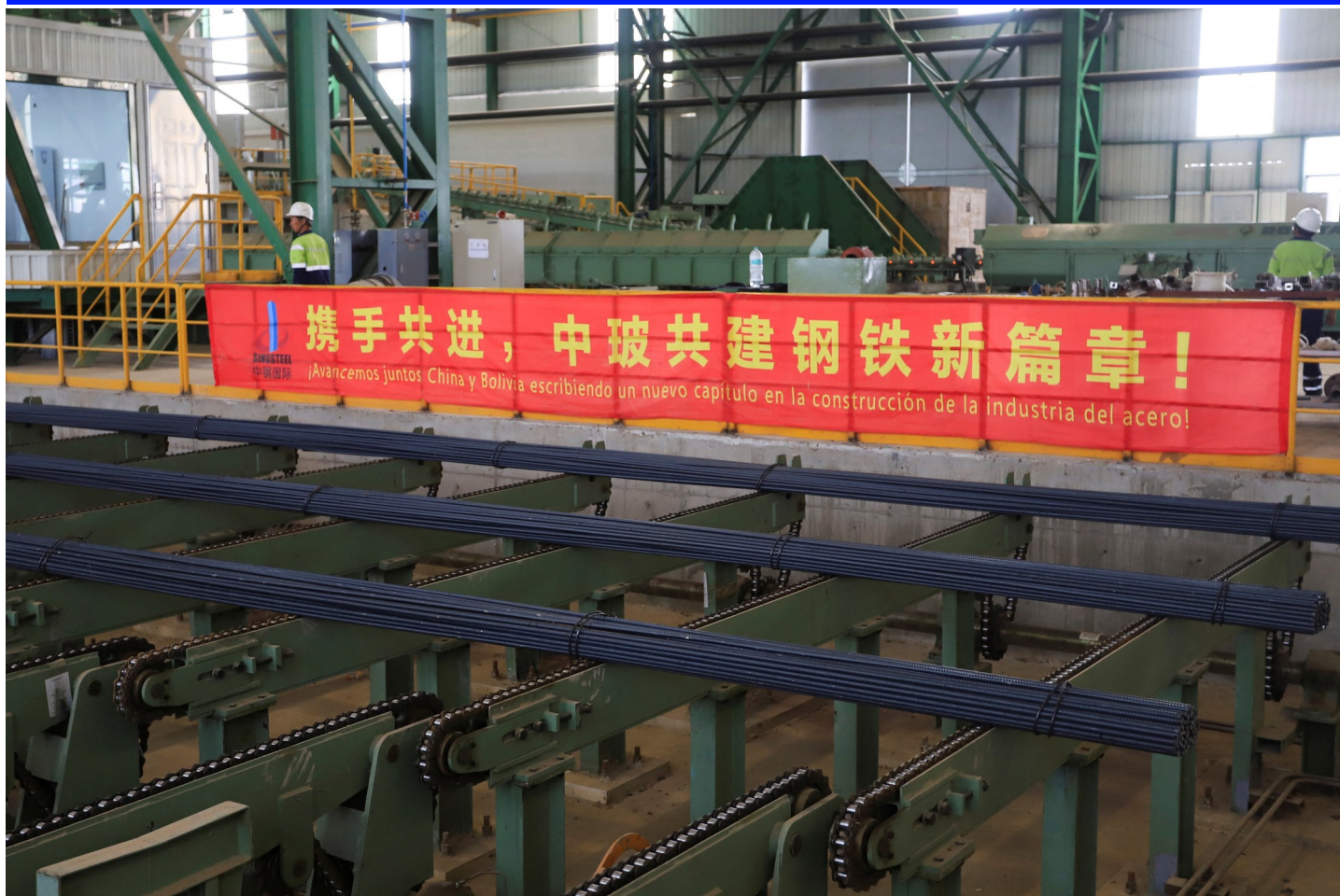
Shipment is between April 16 and May 15 from the U.S. Pacific Northwest coast.

Traders said Asian buying interest was sparked after Chicago corn futures fell to three-week lows on Tuesday on U.S. tariff tensions and improving weather outlooks for South American crop regions.

Separately, the Korea Feed Association purchased an estimated 65,000 tons of feed corn also expected to be sourced from the United States in a private deal on Tuesday without issuing an international tender, European traders said.



## Picture of the Day



*A banner reading 'Let's advance together, China and Bolivia, writing a new chapter in the construction of the steel industry' is displayed at the China-funded Mutun steel plant, which will process raw materials from Cerro Mutun, a deposit that Bolivian officials say holds one of the world's biggest iron ore reserves, on the day of its inauguration, in Puerto Suarez, Bolivia, February 24. REUTERS/lpa Ibanez*

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