

[Oil](#) | [Agriculture](#) | [Metals](#) | [Carbon & Power](#) | [Dry Freight](#)

*Click on headers to go to that section*

## Top News - Oil

### Indian refiners churn record amounts of crude in January

Crude oil processed by Indian refiners reached record levels in January, provisional government data showed on Wednesday, as the country boosted shipments of lucrative Russian barrels that Western countries shunned. Refinery throughput at 5.39 million barrels per day (22.80 million tonnes) for January was the highest since Reuters records going back to 2009.

"Indian refiners are churning out refined products due to strong demand and on discounted Russian feed stock," said Refinitiv analyst Ehsan Ul-Haq, adding that refinery margins are strong as refiners are getting crude at lower prices and can sell them at higher rates due to a healthy demand.

Data from trade sources last week showed India's oil imports from Moscow were the highest on record in January, as the world's third-biggest oil importer and consumer emerged as Russia's key oil client.

Overall crude oil imports rose to a six-month high last month, while the country's fuel demand is further expected to grow 4.7% in the next fiscal year beginning on April 1, initial government estimates showed last week. "Sooner or later, Middle Eastern refiners might have to revise their official selling price to compete against Russia," Ul-Haq said adding that "with Europe now lacking Russian diesel, Indian refiners are also likely to profit from diesel exports."

Asia's third-biggest economy holds surplus refining capacity and exports refined fuels as well. Refineries' capacity utilisation jumped to 106.91% in January this year from 104.39% the previous month, with India's top refiner, Indian Oil Corp (IOC), operating its directly owned plants at 109.97% capacity, as per the data.

Natural gas output rose close to 4% to 2.97 billion cubic metres year on year, while crude oil production was down 1% year on year to 2.48 million tonnes, the data showed. Meanwhile, India's Hindustan Petroleum Corp (HPCL) announced in February plans to start its 9 million tonne-a-year Barmer refinery and petrochemical project in Rajasthan state by January 2024, in an effort to cut its petrochemical imports.

### EXCLUSIVE-Urals oil supplies to Turkey jump in Feb as STAR refinery resumes Russian crude imports

Supplies of Russian flagship Urals crude oil to Turkey reached a four-month high in February after STAR refinery, owned by Azerbaijan's oil firm SOCAR, resumed purchases of the blend, data showed and four industry sources said on Wednesday.

Sea-borne Russian oil supplies are subject to an embargo by the European Union and the price is capped by the West to \$60 per barrel over Moscow's actions in Ukraine. Increase of Russian oil exports to Turkey, which Russia considers as a friendly country despite Ankara's NATO membership, may hinder the West's attempts aimed at crippling Kremlin's financial might and weakening its military efforts in Ukraine.

Russia's oil exports revenue is set to rise in March as falling freight rates and strong demand push Russian oil prices towards a \$60 per barrel Western price cap. According to Refinitiv Eikon ship tracking data, 860,000 tonnes of Urals crude were shipped to Turkish ports last month, up from 620,000 tonnes in January and 370,000 tonnes in December. Supplies of Russian oil to the 200,000-barrel-per-day STAR refinery resumed in the end of January after a month-long hiatus and reached 100,000 tonnes in January and at least 300,000 tonnes in February, according to the data and industry sources. SOCAR Trading, that manages supply of the refinery, declined to comment. In 2022, when Europe drastically cut energy imports from Moscow, demand for Urals crude in Turkey was robust. Its peak supplies in August-October reached between 1.3 million tonnes and 1.4 million tonnes per month, including 700,000 tonnes a month destined for STAR refinery. Increase in Urals crude supplies to Turkey will likely bolster the price of the Russian blend, making India and China, which already saw record-high oil imports from Russia, compete for the Russian oil volumes with Turkey, traders said. Moscow's oil export revenues fell by 40% year-on-year in January, Russia's finance ministry has said, as Russian crude was sold at discounts of \$15-\$20 per barrel to China, India and Turkey, and shipping it also cost \$15-\$20 per barrel.

**Top - Agriculture**

**Asian buyers step up Indian corn imports as drought cuts Argentine crop**

Feed millers in Asia are boosting corn purchases from India, as a severe drought has reduced production in traditional supplier Argentina, two traders said on Thursday.

Importers in Malaysia and Vietnam are booking around 200,000 tonnes of Indian corn a month, they said.

"The drought has reduced production in Argentina and we have the ongoing issue with supplies from Ukraine due to the war," one Kuala Lumpur-based trader said on the sidelines of a grains conference in Singapore.

"India is offering competitive prices, so there is more interest in buying Indian corn."

Argentina's 2022/23 corn production is estimated to drop to 41 million tonnes, compared with 44.5 million tonnes previously estimated, the Buenos Aires grains exchange said.

Early frosts could further hurt the country's already beleaguered soybean and corn crops.

Indian corn is quoted around \$310-\$315 a tonne, including cost and freight (C&F), to Southeast Asia, compared with South American corn being offered around \$330 a tonne, traders said.

India is expected to continue corn shipments to Southeast

Asia in the coming months amid ample supplies from crops in southern parts of the country, said one of the traders.

"We are getting good supplies from Karnataka, Tamil Nadu and Andhra Pradesh (states)," said one India-based trader.

**India plans to buy about 34 mln tonnes of wheat from local farmers**

The Indian government plans to buy about 34 million tonnes of new-season wheat from local farmers to shore up state reserves after purchases dropped last year because of a poor harvest, two government sources said. State purchases of wheat fell by 53% last year to 18.8 million tonnes, pushing up local rates and forcing the government-backed Food Corporation of India (FCI) to release 5 million tonnes of the grain from its reserves to cool prices.

FCI buys rice and wheat from farmers at state-set prices to run the world's biggest food welfare programme.

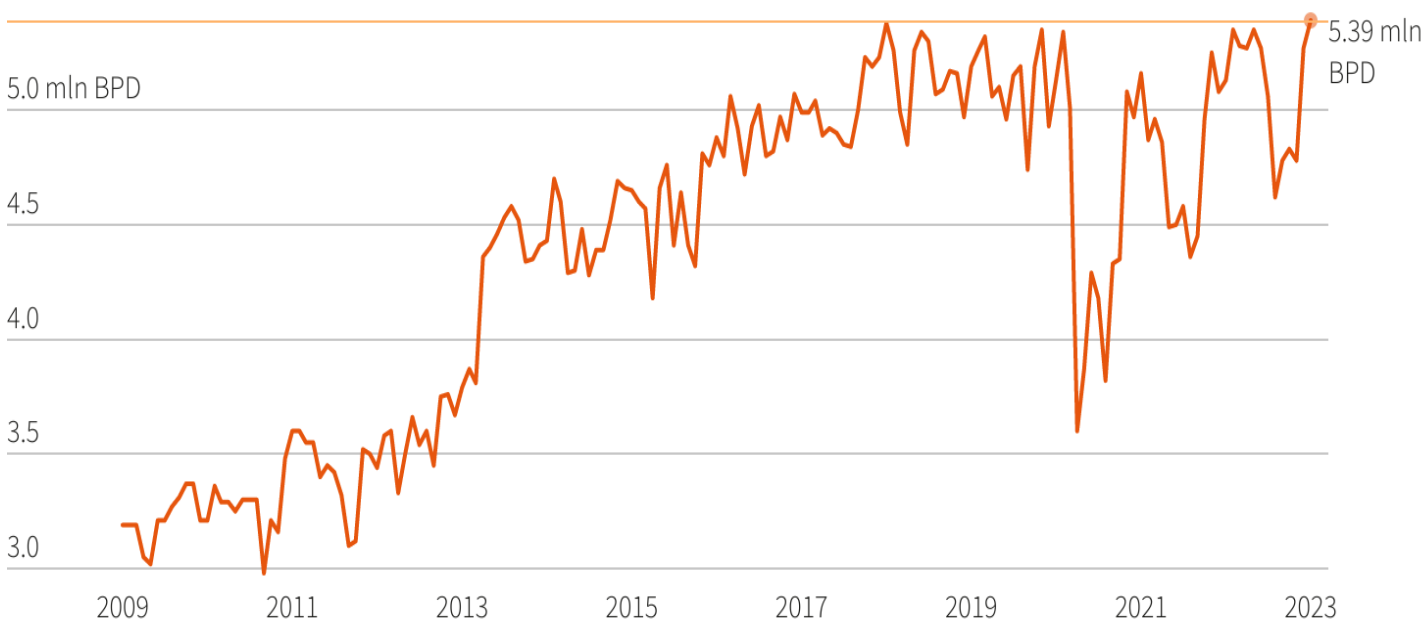
"After seeking inputs from the main wheat-producing states, we're of the view that FCI will buy around 34 million tonnes of wheat this year," one of the sources said.

FCI would start buying wheat from domestic farmers from

**Chart of the Day**

**Indian refiners' crude oil processing hits record high in January**

— million BPD



Source: Ministry of Petroleum and Natural Gas, Govt. of India/Harshit Verma

March 20, the sources said. The sources didn't wish to be identified in line with official rules. India, the world's second biggest wheat producer, was forced to order a ban on exports last year following a

surge in overseas shipments after Russia's invasion of Ukraine pushed up local wheat prices. India expects to keep a lid on wheat exports as New Delhi seeks to replenish state inventories and bring down domestic prices.

## Top News - Metals

### Trafigura says Gupta sought to pass off Russian metal as Indian - court docs

An Indian businessman accused by Trafigura of fraud told the commodity trader he imported Russian nickel and had it processed before rebranding it as Indian to get around financing restrictions, a former Trafigura executive said in an affidavit to a London court.

The document suggests possible ways Russian metal has continued to flow onto global markets despite a host of companies and banks refusing to deal with Russian commodities following the invasion of Ukraine.

The affidavit forms part of a case Trafigura is bringing against Prateek Gupta in London's High Court, alleging "systematic fraud" by Gupta's companies in substituting other materials for nickel Trafigura had bought.

Trafigura said on Feb. 9 that it had booked a \$577 million charge relating to the substitutions. The court imposed a \$625 million global freezing order on Gupta and his firms on Feb. 8, which Gupta plans to challenge.

A spokesperson for Gupta said: "We have not yet responded to Trafigura's allegations. We are preparing a robust response and that will be made available soon."

Trafigura's then head of nickel trading Socrates Oikonomou said in the affidavit the firm had been buying nickel from Gupta and several of his companies since 2015, but after the conflict in Ukraine erupted in February last year Citi said it would no longer finance deals with Russian metal.

"Citi stipulated that it would only continue to finance the trades if the nickel which was being traded was not of Russian origin," Oikonomou said in his affidavit. Citi declined to comment.

"Mr Gupta indicated in a telephone call that he intended to comply with this requirement."

Gupta later told Oikonomou that he had got around the restriction by having an unnamed partner process nickel imported from Russia into an alloy, the affidavit said.

"The supposed objective behind this was to change the origin of the metal from Russian origin to an Indian (or at least non-Russian) retreated alloy," Oikonomou said in the affidavit.

This was a time when "Russian origin material was becoming hard to sell in the market and difficult to obtain financing in respect from banks", he added.

Gupta blamed the unnamed partner for substituting nickel alloy for the high-grade nickel in the Trafigura cargoes, Oikonomou said.

The documents do not make clear the volumes of Russian nickel that was being smelted and rebranded as Indian metal.

After Trafigura began to suspect in October last year that around 25,000 tonnes of metal sold by Gupta's firms may not be high-grade nickel, it scrambled to inspect over 1,000 shipping containers, court documents showed.

Cargoes that Trafigura inspected contained other materials, including carbon steel, worth a fraction of the value of nickel, the documents said.

While there have been scant restrictions imposed by Western governments on Russian metal, banks like Citi and some consumers have said they are no longer dealing with Russian metal.

That does not seem to have impeded however the flow of metal from Russia.

The world's biggest refined nickel producer, Russia's Nor Nickel, increased nickel production last year by 13.5% to 218,970 tonnes, while overall metal sales revenue dipped 6% to \$16.1 billion.

Indian imports of unwrought, non-alloyed nickel from Russia fell 11% last year from 2021 levels to 2,617 tonnes, according to Trade Data Monitor, worth about \$65 million based on current prices.

### Harmony Gold CEO says gold sector consolidation 'inevitable'

Gold mining sector mergers and acquisitions are inevitable due to the need to replace depleting mineral reserves, Harmony Gold Chief Executive Peter Steenkamp said on Wednesday.

U.S.-based Newmont Corp, the world's top gold producer, last month tabled a \$16.9 billion bid for Australia's Newcrest Mining, igniting speculation of a new wave of M&A activity in the gold industry.

Although other gold majors Barrick, Gold Fields and Sibanye Stillwater have sought to cool down talk of imminent big M&A activity, Harmony's Steenkamp said there was more to come.

"I think it's going to be inevitable that there will be some sort of consolidation because exploration has been lacking for such a long time and for people to replace assets they will have to look at what their neighbours have and what the opportunities will be," Steenkamp told Reuters in an interview.

Harmony is transforming into a gold-copper producer, having acquired Australia's Eva copper project for \$170

million in December 2022, to add to its Wafi-Golpu gold-copper project in Papua New Guinea, a joint venture with Newcrest.

The company is also exploring opportunities to acquire more assets in Africa, Australia and Papua New Guinea, Steenkamp added. Harmony's shares slid 2% on Wednesday after it posted an 18% increase in half-year profit but refrained from declaring an interim dividend, citing the need to allocate capital to growth projects.

Its headline earnings per share (HEPS) - the most common profit measure in South Africa - were 2.93 rand (\$0.1603) in the six-month period ended Dec. 31,

compared with 2.48 rand a year ago.

The miner reported a 5% decline in gold production to 740,655 ounces from 778,879 ounces in the previous year, following the closure of its Bambanani mine at the end of June 2022.

The lower output was offset by a 12% increase in the average rand gold price Harmony received during the six months - attributable to a stronger dollar - as well as a 5% improvement in average grades in the South African underground mines. Harmony expects to produce between 1.4 and 1.5 million ounces in the year to June 2023.

## Top News - Carbon & Power

### Pipeline operator Enbridge to invest \$2.4 bln in infrastructure, renewable energy

Canada's Enbridge Inc on Wednesday set out plans to invest C\$3.3 billion (\$2.4 billion) in natural gas and liquids infrastructure and renewable power this year, and said there were better investment opportunities in the U.S. due to green energy subsidies.

The Calgary-based company said the Biden administration's Inflation Reduction Act, a \$430-billion clean energy subsidy package, made the U.S. more competitive in attracting capital.

"Right now in the United States there are some more attractive elements when it comes to covering capital costs, and then operating costs on an ongoing basis," Chief Executive Greg Ebel said at a new conference following Enbridge's investor day.

"They've really put a lot of carrots on the table in terms of promoting people to invest there."

Enbridge, which moves about 20% of all gas consumed in the United States, will put C\$2.4 billion towards gas transmission modernization and announced plans to acquire U.S. Gulf Coast gas storage assets for \$335

## MARKET MONITOR as of 07:26 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	\$77.52 / bbl	-0.22%	-3.41%
NYMEX RBOB Gasoline	\$2.66 / gallon	-0.33%	7.15%
ICE Gas Oil	\$843.00 / tonne	0.45%	-8.47%
NYMEX Natural Gas	\$2.78 / mmBtu	-1.25%	-37.97%
Spot Gold	\$1,831.28 / ounce	-0.30%	0.38%
TRPC coal API 2 / Dec, 23	\$156.75 / tonne	0.48%	-15.16%
Carbon ECX EUA / Dec, 24	€101.95 / tonne	-2.58%	15.85%
Dutch gas day-ahead (Pre. close)	€48.75 / Mwh	2.74%	-35.49%
CBOT Corn	\$6.46 / bushel	0.82%	-4.83%
CBOT Wheat	\$.00 / bushel	-100.00%	-11.99%
Malaysia Palm Oil (3M)	RM4,258 / tonne	1.82%	2.01%
Index (Total Return)	Close 01 Mar	Change	YTD Change
Thomson Reuters/Jefferies CRB	298.30	1.12%	-1.01%
Rogers International	27.72	-0.48%	-3.31%
U.S. Stocks - Dow	32,661.84	0.02%	-1.46%
U.S. Dollar Index	104.48	-0.37%	0.93%
U.S. Bond Index (DJ)	394.63	-0.59%	1.15%



million to strengthen its liquefied natural gas (LNG) export business.

The assets, known as Tres Palacios, comprise of 35 billion cubic feet of gas storage and the deal looks to tap into high demand for North American LNG exports after Russia's invasion of Ukraine upended global gas supplies.

Enbridge will spend \$240 million constructing the 2.5 million barrel Enbridge Houston Oil Terminal, and will launch a binding open season in March to secure shipper commitments to pump an extra 95,000 barrels per day of oil on its Flanagan South system. The company also invested \$80 million to purchase a 10% equity stake in Divert Inc, a U.S.-based company that converts food waste to energy, the latest in a string of investments by major energy companies in biogas, which can replace traditional natural gas but is more costly to produce. The agreement includes further investment opportunities to develop wasted-food-to-RNG projects across the U.S., which Enbridge said will lead to more than \$1 billion of new capital growth underpinned by long-term contracts. Enbridge expects its renewable portfolio to grow over 400% by 2028. The company also forecast an annual core earnings growth rate of 4%-6% through 2025. Enbridge shares closed up 1% on the Toronto Stock Exchange at C\$51.70.

### Japan's Marubeni, Saudi's PIF weighing clean hydrogen production in kingdom

Marubeni Corp has agreed to study clean hydrogen production in Saudi Arabia together with the kingdom's sovereign wealth fund, the Japanese trading house said on Thursday, as Riyadh is exploring cleaner energy to cut its reliance on oil.

Saudi Arabia, a leading oil-producing nation and a key player in the Organization of the Petroleum Exporting Countries, is looking to add other types of energy sources, including cleaner fuels and renewables, to diversify its economy.

Marubeni and the Saudi sovereign Public Investment Fund (PIF), central to the kingdom's goal to cut reliance on oil, agreed to conduct a feasibility study for producing clean hydrogen for both domestic and international markets, the Japanese firm said.

PIF, which manages more than \$600 billion in assets, plans to invest more than \$10 billion in eligible green projects by 2026, including in renewable energy, clean transport and sustainable water management, it said last year.

Saudi Arabia, which plans to reach net zero emission by 2060, also by developing carbon capture and storage hubs, may bring the target forward if the technology allows.

## Top News - Dry Freight

### Ukraine says grain exports reached 5.2 million tonnes in February

Ukrainian grain exports reached 5.2 million tonnes in February, exceeding last year's level of 5.05 million tonnes, agriculture ministry data showed on Wednesday. The data showed that overall grain exports so far for the 2022/23 season were down almost 26% at 32.3 million tonnes, hit by a smaller harvest and logistical difficulties caused by the Russian invasion.

The volume so far in the July to June season included more than 11.3 million tonnes of wheat, 18.6 million tonnes of corn and about 2 million tonnes of barley. Exports at the same stage of the previous season were almost 43.5 million tonnes.

After an almost six-month blockade caused by Russia's invasion of Ukraine, three Ukrainian Black Sea ports were unblocked at the end of July under a deal between Moscow and Kyiv brokered by the United Nations and Turkey. In February, Ukraine appealed to the United Nations and Turkey to press Russia to stop hindering Ukrainian grain shipments that supply millions of people and not to use food as a weapon.

A major global grain grower and exporter, Ukraine's grain output is likely to have dropped to about 54 million tonnes in clean weight in the 2022 calendar year, down from a record 86 million tonnes in 2021. Officials have blamed

the fall on hostilities in the country's eastern, northern and southern regions.

### Russia says it will only renew grain deal if its own exports are unblocked

Russia said on Wednesday it would only agree to extend the Black Sea grain deal, which allows grain to be safely exported from Ukrainian ports, if the interests of its own agricultural producers are taken into account.

The Black Sea Grain Initiative, brokered by the United Nations and Turkey last year, expires on March 18 and cannot be extended unless all parties agree. Russia has already signalled it is unhappy with aspects of the deal. Russia's agricultural exports have not been explicitly targeted by Western sanctions, but Moscow says restrictions on its payments, logistics and insurance industries are a "barrier" to it being able to export its own grains and fertilisers. Moscow's foreign ministry said on Wednesday that Foreign Minister Sergei Lavrov had discussed the prospects for renewing the deal at a meeting with his Turkish counterpart on the sidelines of the G20 in New Delhi. "(The) Russian side stressed that continuing the package agreement on grain is possible only if the interests of Russian agricultural and fertiliser producers in terms of unhindered access to world markets are taken into account," the ministry said in a statement.

**Picture of the Day**

*A vehicle makes its way through a snowy landscape along the Red Rock Canyon National Conservation Area's scenic loop drive in Clark County near Las Vegas, Nevada, U.S., March 1. REUTERS/Ronda Churchill*

(Inside Commodities is compiled by Soumya Chatterjee in Bengaluru)

For questions or comments about this report, contact: [commodity.briefs@thomsonreuters.com](mailto:commodity.briefs@thomsonreuters.com)

To subscribe to Inside Commodities newsletter, [click here](#).

© 2023 Refinitiv. All rights reserved.

Refinitiv  
28 Liberty Street, New York, NY 10005

Please visit: [Refinitiv](#) for more information.

[Privacy statement](#)

**REFINITIV** 

An LSEG Business