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Top News - Oil

OPEC+ producers extend oil output cuts to second quarter

OPEC+ members led by Saudi Arabia and Russia agreed on Sunday to extend voluntary oil output cuts of 2.2 million barrels per day into the second quarter, giving extra support to the market amid concerns over global growth and rising output outside the group.
Saudi Arabia, the de facto leader of the Organization of the Petroleum Exporting Countries (OPEC), said it would extend its voluntary cut of 1 million barrels per day (bpd) through the end of June, leaving its output at around 9 million bpd.
Russia, which leads OPEC allies collectively known as OPEC+, will cut oil production and exports by an extra 471,000 bpd in the second quarter. Russian Deputy Prime Minister Alexander Novak gave new figures showing that cuts from production will make up a rising proportion of the measure.
Oil has found support in 2024 from rising geopolitical tensions and Houthi attacks on Red Sea shipping, although concern about economic growth has weighed.
While OPEC+ was widely expected to keep the cuts in place, Russia's announcement could bolster prices further.
"There was a surprise from Russia," said UBS analyst Giovanni Staunovo, who called the developments largely expected.
"If the Russian cuts are fully implemented additional barrels would be removed from the market. So that is a surprise move no one expected and could lift prices," he added.
Brent crude settled $1.64 higher, or 2%, at $83.55 a barrel on Friday, up more than 8% so far this year.
OPEC+ members announced the cuts individually on Sunday and OPEC later issued a statement confirming the 2.2 million bpd total. Saudi state news agency SPA said the cuts would be reversed gradually, according to market conditions.
"The decision sends a message of cohesion and confirms that the group in not in a hurry to return supply volumes, supporting the view that when this finally happens, it will be gradual," analysts at investment bank Jefferies said in a report.

OIL SEEN OPENING HIGHER
OPEC+ in November had agreed to the voluntary cuts totalling about 2.2 million bpd for the first quarter, led by Saudi Arabia rolling over a cut it had first made in July.
"The rollover was anticipated but extending it to the end of the second quarter might come as a surprise," said Tamas Varga of oil broker PVM. "The market is expected to open stronger."
For the second quarter, Iraq will extend its 220,000 bpd output cut, UAE will keep in place its 163,000 bpd output cut and Kuwait will maintain its 135,000 bpd output cut, the three OPEC producers said in separate statements.
Algeria also said it would cut by 51,000 bpd and Oman by 42,000 bpd.
Kazakhstan said it will extend its voluntary cuts of 82,000 bpd through the second quarter.
OPEC+ has implemented a series of output cuts since late 2022 to support the market amid rising output from the United States and other non-member producers and worries over demand as major economies grapple with high interest rates.
The total OPEC+ pledged cuts since 2022 stand at about 5.86 million bpd, equal to about 5.7% of daily world demand, according to Reuters calculations.
Sources told Reuters last week that OPEC+ would consider extending the latest round of output cuts into the second quarter, with one saying it was "likely".
The oil demand outlook is uncertain for this year. OPEC expects another year of relatively strong demand growth of 2.25 million bpd, led by Asia, while the International Energy Agency expects much slower growth of 1.22 million bpd.
In a further headwind for OPEC+, the IEA also expects oil supply to grow to a record high of about 103.8 million bpd this year, almost entirely driven by producers outside OPEC+, including the United States, Brazil and Guyana.

Venezuela's February oil exports rise, but shipping delays persist

Venezuela's oil exports slightly increased in February to some 670,000 barrels per day (bpd), but ongoing shipping delays worsened a bottleneck of tankers waiting to load, according to documents and vessel monitoring data.
State-run oil firm PDVSA's customers have rushed to send tankers to Venezuela in recent months to pick up crude and fuel before the United States potentially reimposes oil sanctions.
Restrictions could resume on April 18 when an existing license expires, the U.S. has said, with PDVSA struggling to deliver cargoes ahead of the deadline.
Deliveries last month to clients including U.S.-based Chevron and India's Reliance Industries increased from January, but weaker output and a lack of diluents to produce exportable grades prevented PDVSA from raising total exports, the data showed.
PDVSA and its joint ventures exported an average 671,140 bpd of crude and fuel, mainly to Asia, a 7.5%

increase from January. Venezuela also shipped 197,000 metric tons of oil byproducts and petrochemicals, below the 286,000 tons in January.
Chevron's shipments of Venezuelan crude to the U.S. jumped to 184,000 bpd from 107,000 bpd the previous month. Venezuela's shipments to political ally Cuba remained around 34,000 bpd, while deliveries to other Caribbean islands slightly increased.
Insufficient inventories of flagship Merey 16 crude and a lack of imported diluents at Venezuela's main oil port, Jose, prevented PDVSA from further boosting exports to fulfill spot supply deals, internal company documents showed. Some large tankers bound for Asia have left Venezuelan ports without loading in recent days after waiting for weeks, according to LSEG vessel monitoring data.
The Jose terminal has recovered from power outages and slow oil blending that affected loadings in January, the documents showed. Four out of five crude upgraders and blending stations were in service last month, which could lead to higher exports in March.
As of Feb. 29, at least 18 supertankers were waiting to load near Venezuela's Jose and Amuay ports, which handle most of PDVSA's exports, up from about a dozen at the end of November, according to the data.
Venezuela's fuel imports rose to 144,000 bpd from 122,000 bpd in January.

Chart of the Day

Venezuela's oil exports bounced slightly in Feb

Crude and fuel exports from Venezuelan ports increased 7.5% in February to some 670,000 bpd, but shipping delays extended, worsening a swirl of tankers waiting to load ahead of a possible reimposition of U.S. sanctions.

Figures in barrels per day (bpd)
Source: PDVSA's loading schedules, tanker tracking data, LSEG's Eikon

Top News - Agriculture

Brazil soy crop view revised twice in a day showing opposing trends, consultancies say

An agribusiness consultancy on Friday raised the forecast for Brazil's 2023/2024 soybean crop while another cut its projection, indicating how different methodologies and unpredictable weather events have made it difficult to estimate the country's output this season.
StoneX raised its soy forecast to 151.5 million metric tons, citing improved climate conditions in a season marked by excessive heat and dryness in top producer Mato Grosso state when the season kicked off.
Previously, StoneX had said local farmers would reap a 150.35 million-ton soy crop, but now it sees improving yields in six states, including Goias, at the heart of Brazil's farm country. "Over the last few weeks, good amounts of precipitation have been observed in most soybean producing regions, which have benefited crop conditions, especially fields planted later," StoneX said.
Consultancy AgResource, on the other hand, released a more pessimistic review of Brazil's current soy crop, saying it will total 143.92 million tons, 5.5 million tons below last month's prediction, citing falling yields.
A sizeable portion of Brazil's soy crop still needs to be harvested and, therefore, new crop estimates are likely, StoneX said. AgResource did not elaborate on its new soybean output forecast.
StoneX has kept its estimated Brazilian soy export demand at 93 million tons, while domestic consumption was maintained at 57.5 million tons. For AgResource, however, Brazil won't export its 90 million tons export potential.
StoneX also lowered its total Brazilian corn crop forecast to 124.44 million tons, citing smaller sowings of the country's second corn crop. AgResource pegged Brazil's corn production at 114.94 million tons, 3.27% below a previous projection, citing lower productivity.
StoneX believes Brazil will not export as much corn as in the previous season, when it became the world's top supplier and sold 54.6 million tons, surpassing the United States.
Brazilian corn exports in the season are forecast at 45 million tons, while domestic consumption was maintained at 84 million tons, StoneX said. AgResource sees Brazil's corn export potential at 39 million tons this season.

COLUMN: Oversized US corn crop responsible for swell in global supplies -Braun

Global corn stockpiles are set to reach five-year highs later in 2024, undergoing their largest annual expansion in seven years. But the United States' contribution to that growth is much larger than normal after a record harvest last summer.
That would usually spur a bit more U.S. demand than is currently projected for 2023-24, though ample supplies in rival exporters have cut into U.S. market dominance, suggesting last year's huge U.S. corn acreage was excessive.
However, this anomaly should correct in 2024-25, which starts Sept. 1 for the United States.
U.S. Department of Agriculture estimates suggest 2023-24 global corn ending stocks will rise 7% on the year, but U.S. stocks are set for a 60% surge. That is the most lopsided, U.S.-heavy growth since 2004-05, when U.S. corn supplies exploded by 120% and global ones rose a more modest 25%.
Overproduction of U.S. corn in 2004 and 2023 is the most logical explanation, because excluding U.S. supplies, global corn stocks in 2004-05 fell more than 3%, and they are seen rising fractionally in 2023-24.
The only other recent outlier in global versus U.S. corn stocks is 2012-13, when a historic U.S. drought sent domestic corn ending stocks 17% lower on the year. However, global corn carryout rose 17% that year after nearly two years of record high prices stimulated production growth in other corn exporting countries.
USDA tentatively expects 2024-25 U.S. corn ending stocks will hit 37-year highs and rise another 17% from this year, even with a smaller crop. But at that rate, global corn stocks in 2024-25 could be flat on the year and still align with "normal" trends, so a second straight anomalous year for U.S. stockpiles is unlikely.

19 YEARS APART

There are similarities between 2004-05 and 2023-24, especially when it comes to production. In 2004, U.S. corn plantings rose by 3% to a 19-year high of 80.9 million acres. Last year's acres were a 10-year high of 94.6 million, up 7% from 2022.
The biggest factor in 2004 was the earth-shattering yield of 160.3 bushels per acre, some 18.1 bpa above the previous high set the year before. USDA's trend line yield was 145 bpa that year, which would have also secured a record.
The 2023 yield of 177.3 bpa was also a record, topping the prior high of 176.7 from 2021. But USDA's initial 2023 trend yield was 181.5, so last year's record was significantly less impressive than in 2004.
Corn use for ethanol is the biggest difference between the current and 2004-05 balance sheets, as the latter was just before establishment of the Renewable Fuel Standard (RFS) that mandated corn-based ethanol blending in the U.S. fuel supply.
Ethanol production accounted for 12% of total U.S. corn use in 2004-05 compared with 37% today. The export share of 14% in 2023-24 compares with 17% in 2004-05, and total corn use is more than a third higher today.
That major shift in domestic corn use is why many analysts start from 2007 when evaluating potential corn supply and especially demand outcomes, meaning there

are no post-RFS scenarios with which to compare the current situation.
The United States accounted for more than 60% of global corn exports in the mid-2000s and Brazil averaged about 6%. They are both slated for shares around 27% in 2023-24.
U.S. corn prices began 2005 at multi-year lows then underwent a typical summer rally that peaked in mid-July. Prices faded back to lower levels to finish out 2005, and it was not until September 2006 that corn began its upward shift into the RFS-era prices. Most-active Chicago corn futures last displayed a $2-per-bushel handle on Oct. 13, 2006.

Top News - Metals

Rio Tinto CEO bullish on lithium but not eyeing big acquisitions
Demand for key-battery mineral lithium will continue to grow, underpinned by strong adoption of electric vehicles but the price of the metal is expected to be volatile, Rio Tinto CEO Jakob Stausholm said on Sunday.
Still, Stausholm said Rio will steer clear of making any big ticket acquisitions to grow its lithium business and instead look at ways to improve the lithium extraction technology.
Rio Tinto, the world's biggest iron ore producer, is one of the few large mining companies betting on lithium even as counterparts such as BHP stay away from investing in the metal, which is used in developing EV batteries.
Softening EV demand has knocked down lithium prices, with a basket tracked by Benchmark Mineral Intelligence plunging more than 80% in the past 12 months. That has forced many producers to shutter production and cut jobs.
"We have taken a consistent view that prices of battery materials will be volatile," Stausholm told Reuters on the sidelines of the annual Prospectors and Developers Association of Canada (PDAC) conference in Toronto.
PDAC, which runs Sunday to Wednesday, is one of the world's largest gatherings of mining companies and their financiers.
"Ideally, you will need more battery capacity, so it's not just batteries for EVs but also stationary batteries. So the world will have more batteries, I have no doubt about that. And therefore you need more lithium," Stausholm added.
Rio Tinto is developing the Rincon project, a lithium-brine mine in Argentina where it plans to develop a battery-grade lithium carbonate plant with an annual capacity of 3,000 tonnes. Production is expected to start by the end of 2024. Argentina has the world's largest share of salt lake lithium resources.

MARKET MONITOR as of 07:51 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$80.11 / bbl	0.18%	11.81%
NYMEX RBOB Gasoline	$2.61 / gallon	0.21%	23.93%
ICE Gas Oil	$844.75 / tonne	-0.85%	12.52%
NYMEX Natural Gas	$1.89 / mmBtu	2.72%	-25.02%
Spot Gold	$2,087.41 / ounce	0.19%	1.20%
TRPC coal API 2 / Dec, 24	$104 / tonne	4.00%	7.22%
Carbon ECX EUA	€55.25 / tonne	-1.99%	-31.26%
Dutch gas day-ahead (Pre. close)	€25.50 / Mwh	2.49%	-19.94%
CBOT Corn	$4.30 / bushel	1.12%	-11.26%
CBOT Wheat	$5.59 / bushel	0.22%	-12.59%
Malaysia Palm Oil (3M)	RM3,973 / tonne	0.18%	6.77%
Index	**Close 01 Mar**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	319.51	0.75%	6.01%
Rogers International	27.21	0.22%	3.34%
U.S. Stocks - Dow	39,087.38	0.23%	3.71%
U.S. Dollar Index	103.83	-0.03%	2.47%
U.S. Bond Index (DJ)	422.28	0.20%	-1.96%

The company also owns the Jadar lithium project in Serbia, which is currently under dispute after Serbia in 2022 revoked the license for the project over environmental issues. Earlier, Stausholm told the PDAC conference that inflation in Western countries will moderate this year, which should help companies to stabilize costs.

INSIGHT: Inside a copper output plunge at No. 1 global producer Codelco

Beneath the world's largest open-pit copper mine in Chile lies a tunnel complex filled with dust so dense that machines frequently break down and workers can't operate without spacesuit-like helmets.
Conveyer belts often stall and have caused at least one fire. Construction mistakes have led to collapses and two large electromagnets designed to clear damaging objects haven't been functional in four years.
This, according to over a dozen workers interviewed by Reuters, is the situation at Chuquicamata Subterranea (PMCHS), a $5 billion dollar flagship project of Chile's state copper miner Coldelco that was meant to transform the open-pit mine into an underground operation.
Codelco Chairman Maximo Pacheco, asked by Reuters about the workers' complaints, did not dispute their accounts and said the company had learned from its past mistakes.
PMCHS is one of four mega projects Codelco has launched, called structural projects, designed to extend the life of its key mines and compensate for a drop in ore grades.
As the world races towards cleaner energy, demand for copper - used as a conductor in everything from wind farms to solar panels - is skyrocketing. The average electric car uses four times as much copper wiring as an internal combustion car.
Chile is the world's largest supplier of the red metal and Codelco accounts for just over a quarter of the country's output.
The overhaul at PMCHS should extend the mine's lifespan by 50 years but the underground mine has been dogged by delays, collapses and construction difficulties.
After it was inaugurated in 2019, PMCHS was expected to produce 385,000 metric tons in 2023. Instead, it produced 268,000 in 2022 and just 178,000 in the first nine months of 2023 due to the slower rollout of the project.
Reuters spoke to more than a dozen Codelco employees at key mines, headquarters and unions, and reviewed hundreds of pages of internal company reports, financial statements and regulatory documents and investigations to assess the causes behind the delays.
The employees, who asked not to be identified due to confidentiality agreements, said there had been no accountability for the management team and top-level executives despite financial troubles, worker injuries and even deaths.
Chile's Sernageomin mining regulator told Reuters that Codelco had been sanctioned 29 times since 2021 and has had seven fatal accidents. Most of the incidents were in project construction and not routine mining operations, it said. "While the accidents have different causes, there are certain common factors related to breaches in control mechanisms," the agency told Reuters.
In an interview at Codelco headquarters in Santiago, Pacheco said there had been a lack of maintenance partly due to supply chain and staffing issues during the COVID-19 pandemic. This caused a series of delays and equipment failures that are still being felt, he said.
"We didn't do programmed maintenance during COVID because we focused all our efforts on maintaining production," said Pacheco, appointed in March 2022. "Now we're paying for that."
Delays in structural projects also affected maintenance since the company was forced to keep using machinery it had planned on retiring after new projects came online.
Pacheco said a drop in ore grade, extreme weather events such as a drought and then heavy floods in 2023, combined with accidents at mines also hurt production.
Overall production fell to 1.325 million metric tons last year from 1.62 million in 2021.
Pacheco and other executives said they expect the slump to revert in 2024 as more projects come online and Codelco's Ministro Hales mine normalizes operations after a massive landslide in 2022.
On Jan. 18, Codelco said it would invest an additional $720 million in PMCHS. The project, originally launched with several others in 2008, was supposed to see construction finished by 2017, but that's now delayed until 2025.
Pacheco said the company would dedicate more resources to maintenance and put a strict monitoring process in place. "We make mistakes here," Pacheco said, refering to the workers' complaints about executive impunity. "I understand people want every mistake to be paid with blood. I prefer that mistakes are paid with lessons learned."

CHUQUICAMATA'S MAINTENANCE WOES

Five of the workers Reuters spoke to said many of the problems stemmed from when management from Codelco's El Teniente mine, the world's largest underground copper deposit, took over the PMCHS project in 2019 but failed to adjust for Chuquicamata's geology compared to the rocky mountains of El Teniente.
Located in Chile's northern desert region, Chuquicamata's underground operation has sandier and finer soil than El Teniente.
A high-level executive, who asked not to be identified, said the PMCHS management team had made mistakes due to overconfidence in their experience of underground mining at El Teniente.
Reuters' request to interview the local mine manager was denied.

The workers told the news agency that maintenance had been "completely abandoned" in the mine. They described a dearth of spare parts and a lack of back-up systems, meaning many malfunctions completely halt operations.
One worker told Reuters during a December trip to Calama in northern Chile, where the mine is based, that some machines that were supposed to be retired in 2019 were still in use. The worker said only four of the mine's 10 large mining trucks are operational due to failure or maintenance and machinery frequently breaks down due to the abundance of fine material.
The worker said two belts should be moving 11,000 metric tons of material a day but haven't been able to move more than 6,000 tons. Reuters could not verify this information independently.
A previously unreported 2023 sanction by government regulator Sernageomin, reviewed by Reuters, said a serious tunnel collapse in Chuqui was caused by major construction changes that weren't submitted for approval by the regulator.
The report says the company used fewer, weaker rebars that were spaced further apart than originally planned. It also replaced steel frames with insufficiently stable retaining walls. The report pointed to five previous "collapses or landslides" in 2020 that showed changes made by the company were major and inefficient.
Pacheco did not comment on the specifics of the report and the company did not reply to further questions on the investigations.

STRUCTURAL PROJECTS: FROM SAVIOR TO BURDEN
All four of Codelco's megaprojects have been delayed by years, faced cost overruns totaling billions and suffered accidents and operational problems while failing to deliver the promised boost in production, according to the company's own projections.
Codelco hands over its profits to the state and the company has often complained that this has hampered its investment abilities and led to its debt problems.
Juan Carlos Guajardo, head of the consultancy Plusmining in Santiago, said that while mining projects are rarely finished on time and on budget, Codelco "has had some significant strategic errors," especially attempting simultaneous projects.
One of the other megaprojects is expanding El Teniente. An 8-kilometer tunnel that aims to expand the mine's life by 50 years was supposed to go live in 2017. It was advancing at about half a meter a day with 500 meters of tunnel left to go, then-CEO Andre Sougarret said in August. The expansion, done with explosives, generated unexpected seismic events due to built-up pressure from rock blasts.
A 2021 report by regulator Sernageomin, reviewed by Reuters, showed that the tunnel fortification wasn't strong enough to withstand blasts it was designed for.
The previously unreported document says the tunnel was designed to withstand a 1.9 Magnitude (Mw) event, but a tunnel roof and sidewall collapsed during a 1.7Mw event on Sept. 26, 2020.
The report noted there's a high chance such events would continue happening.
In July, a seismic event caused by a rock blast led to a collapse that left one worker temporarily trapped. Twelve others were evaluated at health centers but with no serious injuries.
In response, Codelco said it was preparing a report by the end of the year investigating the cause and analyzing measures to improve fortification systems. The report has yet to be published. "If it's complex to do one megaproject, it's a lot more complex to do four simultaneously," Pacheco said, adding that the projects were already well underway by the time he took over. "We would have preferred to do them successively."

Top News - Carbon & Power

Energy firms boost gas exploration in Southeast Asia to meet growing demand
Energy companies are ramping up exploration activities in Southeast Asia to boost natural gas output and meet long -term demand growth, drawn by recent discoveries and improved investment policies, company executives and analysts said.
Malaysia and Indonesia have recently seen successful upstream discoveries, including a major discovery by Mubadala Energy in the South Andaman Block, following years of underinvestment in the sector since the 2015 oil price crash.
As economic and population growth will spur continued gas demand growth in the region, which is expected to peak before 2040, "there is an important window of opportunity for investments in gas and LNG (liquefied natural gas)," said Stefano Raciti, Mubadala Energy's chief operating officer at an industry conference in Kuala Lumpur this week.
"In Southeast Asia, we believe this means continuing investing in exploration and expanding in gas production," he added.
Mubadala is working on expanding output at its Pegaga gas field in Malaysia where two energy majors will be involved for the first time through recent acquisitions.
France's TotalEnergies announced last month it bought a 50% stake in Malaysian-headquartered SapuraOMV and Chevron is acquiring Hess which has assets in Malaysia.

Separately, Indonesia's Pertamina and Malaysia's Petronas acquired Shell's 35% stake in the Inpex-operated Masela natural gas block.
In January, Malaysian state energy firm Petronas awarded production sharing contracts for six exploration blocks under a 2023 bidding round, and launched a fresh bid round this year for the exploration of ten blocks and clusters to potential investors.
Indonesia also plans to offer more oil and gas blocks in North Sumatra basin this year following a major discovery by Mubadala Energy in South Andaman Block and is reviewing its fiscal regime to attract investments for unconventional resources.
"In the last two to three years, Indonesia and Malaysia have witnessed a good size of discoveries, which added on to the momentum overall. That pushes for more interest in exploration," said Rystad Energy analyst Prateek Pandey.
Malaysia will likely drill around 30 exploration wells this year and 35 wells in 2025, up from 8 in 2021, he said, while Indonesia will see around 40 wells this year, versus 20 wells during the COVID pandemic.
While the number of exploration wells in Indonesia will slightly decrease in the second half of the decade, Malaysia's will be consistent through to 2028 due to successful bidding rounds seen in the last three to four years, added Pandey.
Increased flexibility in production sharing contracts and better fiscal terms have also attracted more investments into the region. Indonesia said in September it had made improvements in its oil and gas terms allowing contractors to have equity shares of over 50% in some new blocks.
"As an investor coming from outside of the country, we need to have certainty in terms of investment policies and regulation in upstream activities. And we see that happening for the last five years," said Yuzaini Yusoff, Indonesia country head for Malaysia's national upstream company Petronas Carigali.
"For upstream, we are focusing on expansion in exploration... Eastern Indonesia is where a lot of unexplored basins are situated at."

US LNG exports fall in February on outage and fewer calendar days

A month-long closure at Freeport LNG plant in Texas and fewer days in the month pushed February U.S. liquefied natural gas exports 7% lower than in January, preliminary date from financial firm LSEG showed on Friday.
The drop followed record shipments last year that propelled the U.S. to the world's largest exporter, above Qatar and Australia, a rank it is expected to retain this year.
U.S. exports of the superchilled gas fell to 7.73 million metric tons (MT)in February, down from 8.3 MT in January and a record 8.6 MT shipped in December.
The February decline resulted primarily from the outage at one of Freeport LNG's three liquefaction units at its Quintana Island, Texas, plant. The unit has been out of service for more than a month due to problems with an electric motor.
The company said this week it expected the unit to be offline for about two more weeks while it completes repairs, which likely will affect March LNG exports.
Deliveries of U.S. gas to LNG plants last week fell to 13.9 billion cubic feet per day (bcfd), according to financial firm Tudor Pickering & Holt. U.S. plants were running at about 95% of utilization, compared with about 97% at the end of January.
Europe again took the largest share of U.S. exports, followed by Asia and Latin America, the LSEG shipping data showed.
The U.S. last year accounted for nearly half of LNG imports to Europe, which cut its imports of pipeline gas from Russia following Russia's invasion of Ukraine in 2022.
Europe took 4.62 MT, or 60.5% of all the cargoes shipped last month. That was down from 5.5 MT, or 67%, of January exports.
Asia's shares of exports jumped to 1.96 MT, or 25% of cargoes compared with 1.42 MT, or 17%, in January, while Latin America's took 0.49 MT, or 6% in February, from an 8.1% share in the prior month, and was equal to December share, the LSEG data showed.
Exports rose to India, which took five cargoes, and Thailand, which took two cargoes last month, the data showed.
The continued security risk in the Red Sea and the drought in the Panama Canal has resulted in more U.S. cargoes taking the long route to Asia via the Cape of Good Hope, the data showed.
The Latin American cargoes went to Brazil, the Dominican Republic, Colombia and Jamaica, according to LSEG data.

Top News - Dry Freight

Only grain ships from Black Sea and for Iran still crossing Red Sea, analysts say

Grain ships originating from the Black Sea or bound for Iran are about the only ones still sailing through the Red Sea as Houthi militants continue to attack vessels in the area, analysts said on Friday.

The attacks by the Iran-aligned Houthis have disrupted global shipping since November and forced firms to re-route to longer and more expensive journeys around southern Africa.

"Just about all (dry bulk grain) vessels going from the Americas and western Europe are avoiding the Red Sea, the only exception is vessels going to Iran, they're still taking the Red Sea route when shorter," said Ishan Bhanu, lead agricultural commodities analyst at data provider and analysts Kpler.

"All vessels we are tracking going from the Black Sea to Asia are going through the Red Sea, almost without exception," he added.

Grain transit through the Suez Canal hit a low of 2.6 million metric tons in February, down from 5.3 million tons in February 2023, Bhanu estimated.

The United States and other countries have sent naval vessels to protect civilian ships while the U.S. and UK have launched air strikes against Houthi forces, who say they are acting in solidarity with Palestinians against Israel's military actions in Gaza.

"The Red Sea naval operation and air strikes have been going on for weeks now and it is pretty obvious that the Houthi attacks cannot be stopped easily by military means or that commercial ships can be given blanket protection," said one grain trader booking vessels to export cargoes from Europe.

"Many ship owners are still willing to accept the danger to their ships and vessels still can be booked for Red Sea sailings. Chinese purchases of Ukrainian corn recently are expected to transit the Red Sea."

China buys more than 20 cargoes of foreign grain, Bloomberg reports

China snapped up more than 20 cargoes of feed grain on the international market in the past two weeks, Bloomberg News reported on Monday.

The country secured shipments of corn, sorghum and barley from suppliers including Ukraine and the United States, the report said, citing people familiar with the transactions.

The purchases amount to more than 1.2 million tons of grain on the basis of each cargo being 60,000 tons, Bloomberg said.

Picture of the Day

Sacks of Lithium Carbonate sit in a warehouse of the Lithium Conversion plant of U.S. lithium producer Albemarle during the visit of U.S. Treasury Secretary Janet Yellen, in La Negra, Antofagasta, Chile, March 2, 2024. REUTERS/Cristian Rudolffi

(Inside Commodities is compiled by Rohit James in Bengaluru)

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

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