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Top News - Oil

OPEC+ to proceed with planned April oil output hike

OPEC+ has decided to proceed with a planned April oil output increase, the group said on Monday, a move that follows U.S. President Donald Trump renewing pressure on OPEC and Saudi Arabia to bring down prices.
The increase is the first since 2022 from OPEC+, which includes the Organization of the Petroleum Exporting Countries, plus Russia and other allies. Oil was trading 2% lower towards $71 a barrel at 1900 GMT.
Eight OPEC+ members that are making the group's most recent layer of output cuts held a virtual meeting on Monday and agreed to proceed with the April increase, OPEC said. The increase is 138,000 barrels per day according to Reuters calculations.
"This gradual increase may be paused or reversed subject to market conditions," OPEC said in a statement. "This flexibility will allow the group to continue to support oil market stability."
Oil has been trading in a range of $70-$82 a barrel in recent weeks in anticipation of major changes to U.S. sanctions on large oil producers Iran, Russia and Venezuela as well as U.S. tariffs on China that could reduce demand.
Trump has renewed pressure on OPEC to bring down prices, which rallied to multi-month highs above $82 a barrel in January after Trump's predecessor Joe Biden slapped new sanctions on Russia.
Since then prices have fallen on hopes Trump would help clinch a peace deal in the war between Russia and Ukraine and boost Russian oil flows. However, his plans to cut Iran's oil exports to zero and the cancellation last week of a Chevron license to operate in Venezuela prevented prices from falling further.
The combination of those bullish and bearish factors made decision-making for April extremely complex, OPEC+ sources have said. They added that Trump's plans for global tariffs could complicate the outlook even further.
OPEC+ has been cutting output by 5.85 million barrels per day, equal to about 5.7% of global supply, agreed in a series of steps since 2022 to support the market.
In December, OPEC+ extended its latest layer of cuts through the first quarter of 2025, pushing back the plan to begin raising output to April. The extension was the latest of several delays last year.
Based on the plan, the gradual unwinding of 2.2 million bpd of cuts - the most recent layer - begins in April with a monthly rise of 138,000 bpd.

Trump's tariffs threat hits Canada's oil and gas drillers

Canada's oilfield drilling and services sector is already showing signs of slowing due to U.S. President Donald Trump's threatened tariffs, triggering fears that an expected industry rebound could stall if such levies go forward.
Employment levels in the Canadian drilling sector collapsed between 2014 and 2020 due to sustained low oil prices and reduced production during the COVID-19 pandemic. Activity has improved since 2020, but Trump's threat to impose a 10% tariff on the 4 million barrels per day (bpd) of Canadian crude imported into the U.S. could upend that, industry representatives said.
When volatility affects oil markets, oilfield service companies are often the first hit as their oil producer customers look to delay or defer spending.
Precision Drilling, Canada's largest drilling rig operator, saw a steeper-than-expected slowdown in its Canadian well servicing segment in the fourth quarter of 2024.
"It seems that some of the tariff uncertainty slowed down customer decision-making," said CEO Kevin Neveu during a conference call last month.
A TD Cowen report from February predicted Canadian oil producers will "err on the side of conservatism" due to uncertainty over tariffs. Analysts at the bank reduced their 2025 Canadian rig count forecast by about 5% as a result, to average 175 active rigs versus a prior projection of 185.
TD Cowen also downgraded its recommendation for two Canadian drilling stocks — Precision Drilling and Ensign Energy Services — from "buy" to "hold."
"I know that certainly the anxiety level is rising," said Mark Scholz, president of the Canadian Association of Energy Contractors (CAOEC), in an interview. "Any sort of investment reduction will have an immediate and very, very quick effect on our industry."
Scholz emphasized the slowdown thus far has been small, involving "just a handful" of rigs. He attributed it to uncertainty within the broader Canadian oil industry about the timing, duration and market impacts of tariffs.
While a 10% tariff on Canadian oil is not likely to immediately impact most oil producers' plans, at least near-term, smaller companies could get hit, warned Dane Gregoris, managing director with Enverus Intelligence Research.
"A lot of (oil company) budgets are pretty set up at this point and disclosed. They might be hitting the low-end of

their (forecast) ranges, but I can't imagine massive changes to capital budgets," he said. Still, there are other concerns among producers, including the possibility of retaliatory tariffs by Canada, which would raise the prices of inputs and drilling rig equipment imported from the U.S., said Gurpreet Lail, president of industry group Enserva. Sand, for example, is among the items the Canadian government has identified on its list of proposed counter-tariffs. Sand is used heavily by the oil and gas industry in the hydraulic fracturing, or fracking, process. If tariffs do come into effect, said Lail, it will likely mean job losses in a sector that still has not recovered to where it was a decade ago. Last year, total employment in Canada's drilling sector was approximately half what it was in 2014. CAOEC's November 2024 forecast had projected 2025 would see the sector's highest level of employment in ten years, but Lail said that is now in doubt. "We thought we had finally seen a light coming at the end of the tunnel here, and people were getting back to work," she said. "But this is not good news."

Top News - Agriculture

US soybean price for crop insurance hits 5-year low, corn up from 2024

Crop insurance price projections that can be used to determine indemnities for the 2025 growing season are the lowest for soybeans since 2020 but up a few cents per bushel for corn compared to last year, data from the U.S. Department of Agriculture showed on Monday.

The USDA's Risk Management Agency set crop insurance base prices at $4.70 per bushel for corn and $10.54 a bushel for soybeans across most of the U.S. crop belt. The prices reflect the average closing price of Chicago Board of Trade December corn and November soybean futures during the month of February.

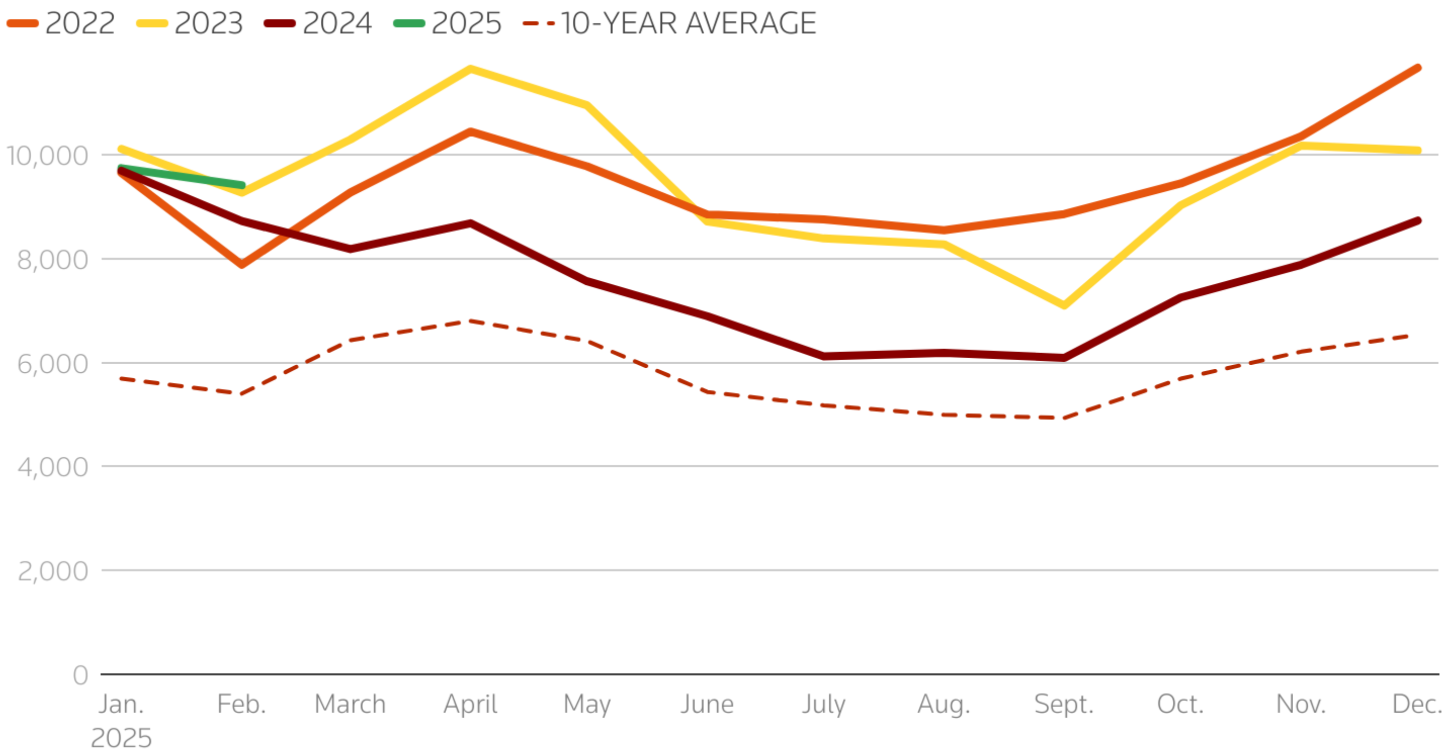
For farmers who insure their crops against disaster, these base prices can be used to assess the value of lost bushels.

The base price for corn is up from $4.66 in 2024, while the soybean base price is down from $11.55 in 2024 and the lowest since $9.17 in 2020. The USDA will calculate crop prices again during the month of October, and the

Chart of the Day

European LNG imports

LNG imports in February 2025 hit an all-time high



Note: LNG imports for EU-27 and Britain in thousands of metric tons

By Ron Bousso • Source: Kpler

LSEG DATA & ANALYTICS

amount of insurance protection is based on the greater of the base price or the October harvest price.
For spring wheat, grown in the northern Plains, the base price for 2025 is $6.55, down from $6.84 a year ago and the lowest since 2021. The price reflects the average price of Minneapolis September spring wheat futures during the month of February.
Crop insurance policies can influence which crops farmers choose to plant in the spring. The USDA last week projected that U.S. farmers would plant 94 million acres (38.04 million hectares) of corn in 2025, up from 90.6 million acres in 2024, and 84 million acres of soybeans, down from 87.1 million last year.

Brazil's coffee stockpiles dwindle as prices hit record highs

In a Brazilian coffee warehouse usually stuffed with a quarter of a million bags of the aromatic bean, voices echo in the largely empty space at a large producers' cooperative.
Reeling from one of the worst droughts on record, Brazil's coffee farmers have sold almost all their beans months before the new crop as global prices have nearly doubled to all-time highs in the past 14 months.
Consumers waking up to smell the coffee were jolted last year as Starbucks hiked the price of a large cup of fresh brew about 16% to as much as $3.85.
Nespresso coffee-pod subscribers will soon pay up to $1.45 per basic pod, up from $1.30.
Prices for arabica, the most popular bean, used in most ground roasted coffee, soared 70% in 2024 and nearly 20% this year to an all-time high above $4.30 per pound on February 11. Robusta, the second-most popular bean, often used in instant coffee, surged 72% in 2024 and peaked at $5,847 per metric ton on February 12.
Yet caffeine connoisseurs cannot kick the habit. They may again drink more coffee than is produced globally in 2025 - for the fourth time in the past six years.
Farmers in Brazil, the world's largest coffee grower, raided their stockpiles to cash in with record exports in 2024.
But exports by Vietnam fell 17.2% from 2023 as the top robusta supplier battled bad weather last year.
"We never had such low stocks in February, a period that is still distant from the new crop," said Willian Cesar Freiria, sales manager at Cocapec, Brazil's third largest coffee co-op, in the town of Franca in Sao Paulo state.
Cocapec received 1.1 million bags from associated farmers in 2024, down from 1.5 million bags in 2023, due to smaller production in the region, after another year of below-average rains.
"Until the start of the next harvest we won't have much coffee to sell," said Freiria.
"And it is not only us; it is the same everywhere."
Supplies only seem larger at Cooxupe, the world's largest coffee co-op, in Brazil's top-producing state of Minas Gerais.
"You see a lot of coffee in the warehouses, but nearly all is coffee already sold to final clients.
They are only here waiting to be shipped," said Andre Silva Pinto, Cooxupe's storage coordinator.
Coffee farmers have already sold 90% of the 2024 crop, added Luiz Fernando dos Reis, sales superintendent for Cooxupe. "What they have left is the lowest amount we ever saw in our records."
Big one-ton bags of arabica are taking around 70% of the space at Cooxupe's Japy storage complex, while half of the other 45 bulk silos are filled.
The complex can hold 2.6 million 60-kg bags, the equivalent of one month's consumption in the United States, the world's largest coffee drinking nation.

SOLD OUT

Cooxupe's estimate of farmers' sales is in line with recent data showing historically low inventory levels.
Consultancy Safras & Mercado estimated farmers have sold 88% of the 2024 crop.
Broker Pine Agronegocios said only 8% remained.
Silva Pinto said the Japy complex will be 80% empty by May, as most coffee would have been shipped and the co-op prepares to receive the new harvest which starts around May or June.
The co-op does not expect new-crop coffee to be ready for shipping before July.
Osmar Junior, a Cooxupe member who grows arabica in Piumhi municipality in southern Minas Gerais, said neither he nor his neighbors have any coffee left to sell.
He will only start to harvest the new crop around late May.
Paulo Armelin, who farms near Patrocinio in the Cerrado Mineiro region, is an exception, keeping 40% of his 2024 crop as a precaution.
"I will have a smaller production this year, so I decided to hold on to some coffee from last year as a reserve in case of need," he said.
Armelin, who sells high-quality beans directly to four U.S. clients, is negotiating with a San Francisco-based roaster.
He is waiting for an answer after asking for $4.50 a pound, up from $3.05 last year.
"It is very good coffee and I'm actually cutting the premium I used to have over the futures," he said, referring to contracts to sell at a predetermined price on a future date.
Luis Norberto Pascoal, owner of Daterra Coffees, a large, high-quality arabica grower, is happy that smaller farmers are making more profits, but doubts current prices can be sustained.
Many roasters will lack the means to buy beans and look for ways to cut costs, he said. "Quality is going to go down."

Top News - Metals

JPMorgan sees copper prices at $11,000/mt in 2026, 10% tariffs by late 3Q25

JPMorgan expects the global deficit in refined copper to grow to 160,000 metric tons in 2026 and continues to forecast copper prices averaging around $11,000 per metric ton next year, the bank said in a note dated Friday. Following U.S. President Donald Trump's decision to order a national security probe into potential new tariffs on copper imports, the bank said it expects a tariff rate of at least 10% on refined copper and copper product imports to be enacted by late in the third quarter, with a significant risk of a higher tariff rate of 25%. "Likely excess inventory builds in the U.S. in the coming months ahead of a tariff on copper sets up the potential to leave the rest of the world shorter of copper ... setting the stage for our forecast bullish push higher over 2H25 towards $10,400/mt," JP Morgan noted. The bank also forecast China's demand growth would slow from 4% last year to 2.5% this year, and added "this remains the greatest downside risk to our forecasted tightening in copper markets". However, the bank predicted only a modest deceleration in global copper demand growth from 3.2% in 2024 to 2.9% in 2025. The global refined copper market showed a 22,000 metric ton deficit in December, compared with a 124,000 metric ton deficit in November, the International Copper Study Group (ICSG) report showed. Meanwhile, Citi last week said in a note it anticipated the eventual implementation of a 25% copper-specific tariff by the fourth quarter of 2025 following Trump's executive order. London copper rose on Monday, supported by a weaker dollar and improving manufacturing activity in top metals consumer China.

LME updates trading rules ahead of platform launch on March 24

The London Metal Exchange has announced updates to its electronic trading policies ahead of the rollout of "LMEselect v10," its new trading platform, scheduled to go live on March 24. The LME, owned by Hong Kong Exchanges and Clearing Ltd, said on its website the new platform is designed to enhance its electronic markets and better serve the evolving needs of both the physical metals and financial trading communities. The updates, detailed in an LME notice on Monday, aim to reflect new functionalities in the trading platform and enhance clarity in existing documentation. The exchange, the world's oldest and largest market for industrial metals, said algorithm certification is a requirement ahead of the transition and members using trading algorithms, whether for in-house or client-based strategies, must certify them

MARKET MONITOR as of 07:45 GMT			
Contract	**Last**	**Change**	**YTD**
NYMEX Light Crude	$67.82 / bbl	-0.80%	-5.44%
NYMEX RBOB Gasoline	$2.19 / gallon	-0.22%	8.90%
ICE Gas Oil	$675.75 / tonne	-1.06%	-2.80%
NYMEX Natural Gas	$4.07 / mmBtu	-1.33%	11.95%
Spot Gold	$2,898.23 / ounce	0.16%	10.46%
TRPC coal API 2 / Mar, 25	$96.5 / tonne	-8.23%	-14.60%
Carbon ECX EUA	€70.38 / tonne	-1.64%	-3.59%
Dutch gas day-ahead (Pre. close)	€45.30 / Mwh	1.68%	-6.69%
CBOT Corn	$4.53 / bushel	-0.82%	-2.84%
CBOT Wheat	$5.45 / bushel	-0.50%	-3.11%
Malaysia Palm Oil (3M)	RM4,370 / tonne	-2.54%	-1.75%
Index	**Close 03 Mar**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	363.73	-0.48%	1.94%
Rogers International	29.80	-0.38%	2.00%
U.S. Stocks - Dow	43,191.24	-1.48%	1.52%
U.S. Dollar Index	106.55	-0.19%	-1.79%
U.S. Bond Index (DJ)	449.95	0.26%	3.19%

for LMEselect v10.
For those offering Direct Electronic Access (DEA), it is their responsibility to ensure that clients comply with the regulatory framework and complete the certification process, the LME added. The updated policies take effect from "the Go-Live date", while DEA and algorithm certification requirements are effective immediately, LME said.

Top News - Carbon & Power

Most U.S. LNG exports head to Europe amidst cold weather and strong prices
Europe soaked up most U.S. liquefied natural gas (LNG) exports for the second straight month in February, as cold weather and strong prices pushed up demand for the superchilled gas across the Atlantic, according to preliminary data from financial firm LSEG. The U.S. is the world's largest exporter of LNG and continues to play a major role in supplying Europe since Russia's invasion of Ukraine significantly reduced the amount of Russian gas piped to Europe. In February the U.S. exported 8.35 million metric tonnes (MT) of LNG, shy of the monthly record of 8.6 MT hit in December 2023 and just short of the 8.46 MT exported in January, LSEG data showed. There were three fewer production days in February due to the shorter month. Of the 8.35 MT exported from U.S. plants in February, 6.82 MT, or 82%, went to Europe, short of the 7.25 MT, or 86%, exported to the continent in January, according to LSEG data. The Dutch Title Transfer Facility (TTF) benchmark in Europe averaged $15.28 per million British thermal units (mmBtu) in February. That compares with $8.12 per mmBtu in February 2024 and an average of $10.95 per mmBtu for 2024. The Japan Korea Marker (JKM) benchmark in Asia averaged $14.40 per mmBtu in February. That compares with $8.93 per mmBtu in February 2024 and an average of $11.89 per mmBtu last year. Shipping cost to Europe are cheaper than those to Asia because of the shorter distance. The U.S. increased its LNG exports to Latin America, with 560,000 tonnes heading to the region. This was more than double to 210,000 tonnes sold to the region in January, according to LSEG data. Egypt and Jordan bought two cargoes each from the U.S. in February, for a combined total of 280,000 tonnes, LSEG data showed. The first two months of 2025 have seen U.S. LNG production at high levels amid the partial startup of Venture Global Inc's 27.2 million tonnes Plaquemines LNG export plant in Louisiana. At the end of February, Plaquemines hit a record high of 1.8 billion cubic feet of gas per day (bcfd) on two separately days. In January, the facility exported more than half a million tonnes of LNG, all to Europe, LSEG, ship tracking data showed.

COLUMN-Europe's LNG summer buying binge puts market on razor edge: Bousso
The European gas market is bracing for further volatility as it enters the crucial summer restocking season facing tighter global supplies of the liquefied natural gas on which it is now heavily dependent.Gas demand in Europe rose significantly this winter compared to the previous two years due to colder temperatures, a sharp drop in wind power generation and a recovery in industrial activity. Consumption in northwest Europe, which includes Germany, France, the Netherlands and Belgium, averaged 7,059 gigawatt hours per day between November 2024 and February 2025, the highest for the period since 2020-2021, according to LSEG data. This is also 11% above the same period in 2021-2022, when demand collapsed as gas prices rallied in the run up to Russia's invasion of Ukraine. Combined with the end of imports through the last major Russian gas pipeline, the recovery in demand has led to a rapid drawdown of gas inventories. EU storage is at around 39% of capacity, compared to 63% at the same point last year and 61.5% in 2023 after relatively mild winters. The end of Russian pipeline supplies, which accounted for 40% of European gas imports until 2022, leaves the region largely dependent on LNG imports, in direct competition with other importers, particularly in Asia. A steady rise in Europe's benchmark TTF gas price to a two-year high on February 10 from the start of the year outpaced Asian prices and created a significant arbitrage opportunity, with LNG deliveries into Europe and Britain reaching 9.4 million metric tons in February, the highest-ever for the month, according to data from analytics firm Kpler. However, forecasts for warmer weather in Europe, weak Asian demand and signals from the European Commission that it may loosen rigid gas storage regulations have since seen TTF prices drop sharply.

SUMMER TIGHTNESS
This winter's rapid depletion of supplies should remain a cause for concern, especially because any change in the requirement for traders to fill storage to 90% of capacity by November is unlikely in the coming months. Assuming the requirement holds and storage levels drop to a low of 35% of capacity by the end of March, Europe would need 55 billion cubic metres (bcm) of gas to restock, according to Reuters calculations, around 25 bcm more than last year. That equates to an additional 250 cargoes, or roughly 20 million metric tons, of LNG at a time when global supply appears to be tightening. Shell, in its latest LNG outlook published in February, said it expects supply to grow by 17 million to 26 million tons this year as new projects come online, mostly in the second half of the year, in the United States, Canada and elsewhere. However, it also expects global demand to grow at a similar rate. That would leave Europe in a precarious position. Slower-than-expected project ramp-

ups, unplanned plant outages or stronger Asian LNG demand would all tighten the market and require Europe to pay more to secure supplies.
In the short term, warmer weather could see prices fall further in the coming weeks, with any removal or lowering of storage requirements extending downward pressure.
Market pricing for now reflects expectations of difficult times ahead.
European gas prices for the summer months have traded at a premium to next winter's price since November, giving buyers no incentive to store gas.
Ultimately, Europe's dependence on LNG imports means its gas market is now more vulnerable to the vagaries of the international market than it was in the past, meaning greater price volatility may be the new norm.

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

Top News - Dry Freight

Argentina's grains export revenue jumps 45% in February
Argentina's farm sector brought in a total $2.18 billion through exports in February, a 45% increase compared to the same month a year earlier, the CIARA-CEC chamber of oilseed and grains crushers and exporters said on Monday. The boost in export revenue was thanks to a presidential decree in late January that temporarily reduced grain export taxes, CIARA-CEC said.
Major agricultural associations had been expecting the decree due to low grains prices internationally and a drought. Revenues from farm exports grew 5.2% in February from the month before, the chamber said.
The South American country is the world's top exporter of processed soy and a major producer of wheat and corn. Exports are Argentina's top source of foreign currency, and the nation depends on them to boost its international reserves.

Trump trade threats compound global ocean shipping uncertainty
The global ocean shipping industry that handles 80% of world trade is navigating a sea of unknowns as U.S. President Donald Trump stokes trade and geopolitical tensions with historical foes as well as neighbors and allies.
That is the backdrop for this week's S&P Global TPM container shipping and supply chain conference in Long Beach, California, an annual event that marks the start of container shipping contract negotiating season.
Attendees this year include industry heavyweights like container carriers MSC, Maersk and Hapag-Lloyd, marquee customers including Walmart, and major logistics firms including DSV and DHL.
These companies will be grappling with the ripple effects of increased protectionism, which could reduce international trade while weakening the negotiating position of massive container ship owners that have drawn robust profits and for years held the upper hand in pricing. Trump has already slapped an additional 10% tariff on goods from China, the world's largest exporter, and has proposed million-dollar port entry fees for Chinese-built ships. As early as Tuesday, the U.S. could impose 25% tariffs on familiar goods like avocados and tequila from Mexico, and beef, lumber and oil from Canada. Trump has threatened to levy an additional 10% tariff on Chinese goods. His administration also plans new or higher tariffs on steel and aluminum and has floated 25% duties on products from the European Union.
"Unprecedented uncertainty is all around," said Peter Sand, chief analyst at transportation pricing platform Xeneta. The world's biggest importer's shift away from free trade hits as global supply chains are managing higher costs from global warming-fueled severe weather and routing ships away from the Suez Canal to avoid attacks by Iran-backed Houthi militants in support of Palestinians in Gaza. U.S. container imports of everything from plastic toys to machine parts have surged, in part due to early purchases to avoid tariffs. But trade experts warn that a pullback is likely once new import taxes kick in, targeted nations retaliate, and inflation-weary shoppers absorb the brunt of tariff-related cost increases - something that could pressure shipping demand and prices. The Drewry World Container Index's spot rate for a 40-foot container was $2,629 as of Thursday, 75% below the pandemic peak of $10,377 in September 2021 and lowest since May 2024. "The geopolitical landscape has of course become more complex which could lead to wild swings for freight rates in either direction, but our base case is for a moderation throughout 2025," Jefferies analysts said in a recent note. In another move that has set off alarms around the globe, the U.S. Trade Representative on Feb. 21 proposed hefty fees on Chinese-built vessels entering U.S. ports under a union-supported plan to spur U.S. shipbuilding. Under the proposal, a vessel owned by Chinese maritime transport operators including state-owned COSCO would pay a port entrance fee of up to $1 million per vessel. The fee for other operators using Chinese-built ships could top out at $1.5 million. The change could benefit Taiwanese and South Korean liner operators. Still, experts warn it will have a major impact on container carriers and could translate into steeper consumer prices for goods from toys and clothing to food and fuel. "The economic burden on U.S. exporters and importers will be huge," container shipping expert Lars Jensen said on LinkedIn.
"The actions taken by the U.S. administration over the past four weeks are unprecedented in scope and scale."

Picture of the Day

Sheep graze on a solar panel farm, which reached full capacity in July 2021, in Haskell, Texas, U.S. December 2, 2024. REUTERS/ Annie Rice

(Inside Commodities is compiled by Nachiket Tekawade in Bengaluru)

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

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