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### Top News - Oil

#### **CERAWEEK-Global oil supply growth is outstripping demand, Gunvor CEO says**

Global oil supply growth is outstripping demand, the CEO of one of the world's largest oil traders, Gunvor, said on Monday.

Oil prices hit a three-year low last week due to slow demand growth in China and concerns about the impact on global economic growth of U.S. President Donald Trump's protectionist trade policies.

"We still see demand growth in the world, but it's not that big," Gunvor CEO Torbjorn Tornqvist said in an interview with Reuters on the sidelines of an energy industry conference in Houston.

"That's the problem."

Demand for gasoline and diesel has reached a plateau in China, the world's second largest consumer, Tornqvist said. The rapid rollout of electric vehicles in China has eaten into gasoline demand, while a growing number of trucks running on natural gas has hit diesel demand.

The balance of supply and demand was loosening, he said. The Organization of the Petroleum Exporting Countries decided to make small monthly increases in output from April onwards as it seeks to roll back millions of barrels per day of oil production cuts.

That increment was so small it was a "rounding error," Tornqvist said. However, the spare capacity that the group has offline continues to weigh on the market, he added.

"I think the fact that you do have that capacity will always be a damper on prices," Tornqvist said.

Global benchmark Brent crude was trading under \$70 a barrel on Monday, after hitting its lowest level since December 2021 last week at \$68.33.

If crude prices fall another \$5 to \$6, it is unlikely that U.S. shale oil producers would further grow output, Gunvor's CEO added.

Uncertainty over tariffs and sanctions and their impact on the economy and the energy industry were contributing to volatility, he said.

"You create artificial arbitrage. And I don't think that's good in the long run," he said, when asked about tariff policy during a conference panel.

With regards to tariffs on Canadian oil, which have been paused for a month, Tornqvist suggested about two-thirds of the added costs would be paid by U.S. refiners and consumers, and the rest by producers.

However, he does not anticipate tariffs to change oil flows given Canada has few other export alternatives.

Tornqvist said he was unsure how quickly sanctions on Russian oil could be lifted if Russia and Ukraine come to a peace deal over the war.

Europe would likely go back to buying Russian oil and gas if sanctions were lifted, he said, but it was unlikely that all damaged or shutdown gas pipelines would come back

online.

Fuel demand in Southeast Asia is a bright spot, and continues to grow, he said.

#### **COLUMN-Crude oil market share battle may be kicking off in Asia: Russell**

A new scramble for crude oil market share in Asia may be kicking off as top exporters Saudi Arabia and Russia move to boost cargoes to the world's top importing region.

China, the world's biggest oil importer, is emerging as ground zero for the two exporters, who are ostensibly allies in the wider OPEC+ group of producers.

Russia had overtaken Saudi Arabia as the top supplier to China, largely as a result of it being forced to discount its crude after Western sanctions because of its war in Ukraine cut the pool of buyers to mainly China and India, with a small volume heading to minor players such as Myanmar.

But Russia's seaborne shipments to China have stalled in the first two months of this year, partly as the result of new sanctions on shipping introduced by former U.S.

President Joe Biden just prior to leaving office in January.

China's seaborne imports from Russia dropped to 969,000 barrels per day (bpd) in February, down from 1.01 million bpd in January and the lowest on a per day basis since December 2022, according to data compiled by commodity analysts Kpler.

For the first two months of the year, China's seaborne imports from Russia were 990,000 bpd, down 270,000 bpd from the preceding two months.

India, which saw Russia jump to become its top supplier since the sanctions, also saw lower imports from Russia in the first two months of the year.

India's imports from Russia dropped to 1.43 million bpd in February, the lowest on a per day basis since January 2023 and down from 1.63 million bpd in January, according to Kpler data.

For the first two months of 2025, India imported 1.56 million bpd from Russia, down from 1.63 million bpd in the previous two months.

But both China and India are poised for a rebound in imports from Russia in March, as traders and refiners work around the sanctions, continuing a pattern in which the market finds ways around sanctions measures shortly after they are imposed.

India's imports from Russia are expected to rise to 1.92 million bpd in March, which would be the highest since 2.1 million bpd in July last year, according to Kpler data. China is on track to see arrivals of 973,000 bpd in March, above the levels seen in February.

It's also likely that this figure will be revised higher by the end of the month, given that more cargoes are likely to be assessed as they leave Russia's Pacific ports for China,

which is typically only a week-long voyage.

### SAUDI MOVES

The Saudis appear not to be sitting idly by while Russia's exports to China and India recover, with Kpler tracking 1.64 million bpd of arrivals in China for March.

This is the strongest month since August 2023 and up from the 1.21 million bpd in February and the 1.33 million bpd in January.

India's imports from Saudi Arabia are assessed at 532,000 bpd so far for March, but this figure is likely to rise as more cargoes are assessed prior to end of the month.

India imported 679,000 bpd from Saudi Arabia in February, which was the weakest since August last year. However, it's likely that imports from Saudi Arabia will only show a meaningful increase from April as this is the first month from which OPEC+ agreed to increase output, and also because Saudi Aramco, the kingdom's state-controlled producer, cut the official selling prices (OSPs) for its oil.

Aramco lowered the OSP for its Arab Light grade for Asian refiners to a premium of \$3.50 a barrel above the average of Middle East benchmarks Oman and Dubai for

April-loading cargoes, the first decline in three months and down from a premium of \$3.90 for March.

The lower OSPs had been expected given OPEC+'s decision to start unwinding its output cuts, starting with an increase of 138,000 bpd from April.

That small boost to production isn't really enough to make much difference to global oil prices.

But what is enough is the signal that the Saudis want to boost their market share by lowering the OSPs, while at the same time Russia seems to have largely worked around the latest sanctions.

Russia's oil exporters are also likely to be buoyed by the rapid shift in U.S. policy under new President Donald Trump, who has swung firmly behind Moscow and has virtually abandoned Ukraine in its fight against the Russian invasion.

The March oil flows data to Asia may be early signs of a fight for market share that may add to the current downward pressure on oil prices.

Global benchmark Brent crude futures ended at \$69.28 a barrel on Monday, slightly above the four-year low of \$68.33 hit on March 5.

The views expressed here are those of the author, a columnist for Reuters.

## Top News - Agriculture

### Brazil aims to boost food stocks in bid to fight inflation

Brazilian crop agency Conab, which plans to build up grain stocks in a bid to rein in rising food inflation, is seeking to change rules governing procurement contracts, agency head Edegar Pretto said on Monday.

The current rules were designed to help farmers when prices are low but the government faces new challenges, Pretto said in a statement to Reuters. These days it is

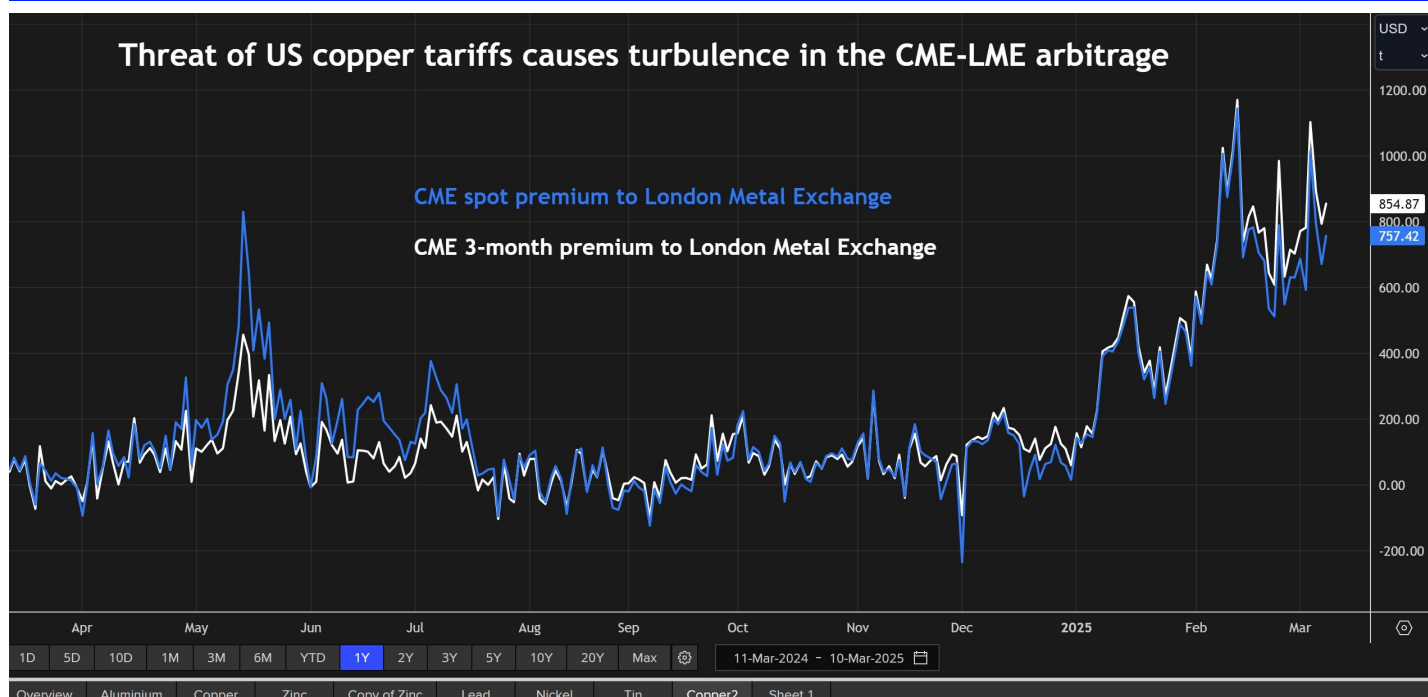
"quite difficult" for grain prices to hit the minimum threshold required by rules of Conab grain procurement contracts, he added.

Boosting food stocks marks a policy shift from previous administrations and indicates the government is struggling to keep inflation in check.

Discussions are taking place to update the current guidelines, Pretto said.

"The rules serve to protect farmers' income and not to

## Chart of the Day



build up stocks," he said.

"More flexibility is required and the idea is to have a mechanism that allows the government to buy [grains] at a low price, always at a low price, so as not to make prices rise."

Last week, Brazil slashed import tariffs on certain foodstuffs to bring down rising food prices, a measure which some analysts called ineffective.

The popularity of President Luiz Inacio Lula da Silva has plunged as Brazilians are increasingly worried about creeping consumer prices.

Food and beverage prices rose around 8% in 2024 as a whole, according to statistics agency IBGE, and in January were up by nearly 1%, marking a fifth consecutive month of increase. February data will be released Wednesday.

Conab could use an additional 350 million reais (\$60.4 million) this year to buy 445,000 metric tons of grains such as corn, rice and beans, Pretto said, confirming a report by newspaper Valor Economico.

Some 189 million reais has already been set aside for that purpose, Conab said.

### **India likely to produce record 115.4 million tons of wheat, farm ministry says**

India is likely to produce a record 115.4 million metric tons

of wheat in 2025, the farm ministry said on Monday, as higher state-set guaranteed prices prompted farmers to expand the area planted with high-yielding seed varieties. India, the world's biggest wheat producer after China, produced 113.3 million tons of wheat in 2024, according to the farm ministry. But a leading industry body said the crop was nearly 6.25% lower than the government's estimate.

Indian wheat prices surged to a record high earlier this year due to dwindling supplies and strong demand from flour mills struggling to secure enough grain to operate at full capacity. Although India has so far resisted calls for wheat imports, any drop in this year's output could force authorities to lower or remove the 40% import tax to facilitate overseas shipments by private traders and address potential shortages.

New Delhi was forced to ban wheat exports in 2022 after a sharp rise in temperatures in February and March that year shrivelled the crop.

India will have above-average temperatures in March across most regions following a warmer February, the weather office forecast late last month, conditions that could threaten the wheat crop.

Summer-sown rice output is expected at 120.7 million tons. Rapeseed and chickpea output are expected at 12.9 and 11.5 million tons respectively.

## **Top News - Metals**

### **EXCLUSIVE-Trump seeks minerals refining on Pentagon bases to boost US output, sources say**

U.S. President Donald Trump aims to build metals refining facilities on Pentagon military bases as part of his plan to boost domestic production of critical minerals and offset China's control of the sector, two senior administration officials told Reuters.

The move is one of several planned for an executive order Trump could sign as soon as Wednesday after he told the U.S. Congress last week he would "take historic action to dramatically expand production of critical minerals and rare earths here in the USA."

As part of the order, the Pentagon would work with other federal agencies to install processing facilities on its bases, according to the sources, who were not authorized to publicly discuss the administration's deliberations.

Using military bases for processing would underscore the importance Trump is placing on critical minerals for national security. Fighter jets, submarines, bullets and other weaponry used by the U.S. military are built with minerals processed by Beijing.

Trump also plans to name a critical minerals czar, similar to steps previous presidents have taken to coordinate Washington's focus on other areas, according to one of the sources.

The plans are under discussion and could change before Trump signs the order, the sources added.

Some Trump administration officials were spooked by initial signs that China might restrict critical minerals exports as part of its retaliation for Trump's tariffs or for other reasons, according to a person familiar with their thinking.

The U.S. National Security Council did not respond to

requests for comment.

With the Pentagon controlling about 30 million acres of land, the plan would ensure there is available land for the refining facilities, avoiding the controversy that sometimes occurs in host local communities. It would also avoid the need to buy land and avoid using land controlled by other federal departments.

A plan that prioritizes metals processing - rather than an overhaul of U.S. mine permitting - could irk U.S. miners but address a longstanding concern from manufacturers that China controls too much of the global metals processing sector.

China is a top global producer of 30 of the 50 minerals considered critical by the U.S. Geological Survey, for example.

It's not clear how Trump's plan for processing facilities on Pentagon bases could work from a regulatory perspective, as the U.S. Clean Air Act and Clean Water Act would still apply to Pentagon bases and those regulations have hindered private development of processing projects in the past.

Trump previously signaled a willingness for alternative uses of lands controlled by Washington. As a presidential candidate, he pledged to open up portions of federal land for large-scale housing construction, with zones that would be "ultra-low tax and ultra-low regulation."

Trump does not plan in the order to establish a U.S. critical minerals stockpile that would mimic the Strategic Petroleum Reserve, the sources said, a step that some in the administration and mining industry had sought. China stockpiles some critical minerals, including cobalt, and the U.S. government last year considered stockpiling the metal, which is used in missiles, aerospace parts,

magnets for communication, and radar and guidance systems.

Trump also does not plan to order the Pentagon or other U.S. agencies to require vendors to use only U.S. minerals, what is known as a "Buy American" mandate, and one that junior miners especially have said is needed to offset China's market manipulations.

Nor would the order try to alter the federal mine permitting process, which was set by the 1970 National Environmental Policy Act, largely because such a move would require an act of Congress.

However, it would aim to expand the FAST-41 permitting process for mines, building on a step Trump took in his first term, according to the sources.

South32's Hermosa zinc-manganese project in Arizona was fast-tracked by former President Joe Biden, the first mine to receive that treatment.

The order would also seek to reclassify mine waste on federal land, mimicking a step that Rio Tinto, Freeport-McMoRan and others have taken to tap piles of old waste rock at U.S. mines previously thought to be worthless. Such a reclassification could help produce copper and other minerals cheaper and faster than building new mines.

It was not immediately clear if Trump plans to declare copper as a strategic mineral, which would allow U.S. miners of the widely used metal tap into a 10% production tax credit. Phoenix-based Freeport, the largest U.S. copper miner, told Reuters on Monday it hopes Trump takes that step, which would save it \$500 million annually.

### COLUMN-US tariff threat brings boom time for physical copper traders: Andy Home

While financial markets gyrate to the uncertain beat of U.S. President Donald Trump's unpredictable tariffs, physical copper traders are reaping the rewards of the turmoil.

The threat of U.S. tariffs on copper imports has opened up a once-in-a-lifetime opportunity for those in the business of shifting physical metal around the globe.

The CME copper contract is now trading at a significant premium to the London Metal Exchange (LME) contract, opening up a massive import arbitrage opportunity.

There is an ongoing scramble to ship physical copper to the United States to beat the tariff deadline with knock-on impacts on global trading patterns.

While physical metal merchants make hay, investors are uncommitted, fearing the chilling effect of a tariff war on the future copper price.

### TARIFF TURMOIL

Copper traders have been trying to price in the likelihood of U.S. tariffs since Trump ordered an investigation into copper imports on national security grounds.

The tariff trade comes in the form of the premium commanded by the CME price, which is a U.S. customs-cleared price, over the international LME price.

And it's proving to be a highly volatile trade, reflecting the White House's contradictory rhetoric.

In his Address to Congress last week, Trump said he had imposed "a 25 percent tariff on foreign aluminium,

### MARKET MONITOR as of 07:45 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	\$66.15 / bbl	0.18%	-7.77%
NYMEX RBOB Gasoline	\$2.10 / gallon	-0.01%	4.45%
ICE Gas Oil	\$661.00 / tonne	-0.23%	-4.93%
NYMEX Natural Gas	\$4.48 / mmBtu	-0.20%	23.37%
Spot Gold	\$2,900.09 / ounce	0.37%	10.53%
TRPC coal API 2 / Mar, 25	\$95.7 / tonne	-0.57%	-15.31%
Carbon ECX EUA	€69.23 / tonne	0.32%	-5.16%
Dutch gas day-ahead (Pre. close)	€41.35 / Mwh	5.22%	-14.83%
CBOT Corn	\$4.72 / bushel	0.05%	1.40%
CBOT Wheat	\$5.58 / bushel	-0.80%	-0.80%
Malaysia Palm Oil (3M)	RM4,460 / tonne	-0.87%	0.27%
Index	Close 10 Mar	Change	YTD
Thomson Reuters/Jefferies CRB	366.51	-0.20%	2.72%
Rogers International	28.85	0.42%	-1.23%
U.S. Stocks - Dow	41,911.71	-2.08%	-1.49%
U.S. Dollar Index	103.63	-0.33%	-4.48%
U.S. Bond Index (DJ)	444.70	0.45%	1.99%



copper, lumber, and steel". That came as something of a shock to the copper market, given the Section 232 investigation into imports was only announced last month. The CME premium to London briefly flared out to over \$1,000 per metric ton on the comment before retreating on the collective assessment that Trump's mention of copper was probably only a slip of the tariff tongue.

#### COPPER RUSH

Those who make their money by profiting from regional differentials in pricing don't need to worry too much about the volatile arbitrage between CME and LME copper prices.

The CME premium over London, basis May, closed last week around \$800 per ton, meaning the shipment of physical metal to the U.S. is already a very profitable business.

It will become even more profitable if tariffs are implemented. The challenge is simply to get possession of as much physical metal as possible and clear it through U.S. customs before any change in import duty.

The copper rush has spread to the LME, where 115,800 tons of registered metal have been cancelled in preparation for physical load-out in the last two weeks.

The volume of on-warrant copper stocks in the LME warehouse system has fallen to a nine-month low of 147,875 tons.

It's unlikely that this metal is going directly to the United States, given the low ratio of LME stocks that constitutes good delivery against the CME contract.

Rather, what is being grabbed in LME warehouses is more likely going to be swapped with producers and users against CME-deliverable brands from Chile, Mexico and Peru.

#### DISLOCATIONS

But it's a sign that availability is tightening as physical copper is either directly shipped or re-routed to the United States. Unsurprisingly, LME time-spreads have contracted as available stocks have fallen. The cash-to-three-months

period was last week flirting with backwardation for the first time since June last year.

That in turn has shifted the arbitrage between London and Shanghai markets, offering Chinese smelters an opportunity to export profitably.

Such is the ripple effect of potential U.S. tariffs through the global physical copper market.

The regional dislocations spell a bonanza for those trade houses with the physical market heft to capitalise on the supply-chain shifts.

#### FUND MANAGERS FEAR TO TREAD

While physical traders are busy scouring the globe for the right sort of copper to ship to the United States, the investment community is largely side-lined.

Fund positioning on the CME copper contract is almost evenly split between bulls and bears, resulting in a marginal collective net long of just 8,721 contracts.

There is not just a transatlantic gap in copper pricing but also a commitment gap between physical and futures markets.

The investor community tends to play "Doctor Copper" as a macro trade, using the metal as a proxy to bet on global industrial growth.

However, the bigger economic picture is darkening as the U.S. administration ups tariffs on Chinese goods and threatens just about every trading partner with reciprocal tariffs.

The risk of recession is rising, according to a Reuters poll of North American economists.

That's what keeping fund managers cautious on the prospect of higher copper prices over the rest of this year, even while they're reluctant to go short a market that is also showing signs of tightness, albeit highly regionalised tightness.

But while Trump's tariff turbulence confuses the futures market, the physical copper trade is wasting no time to make money in the here and now.

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

## Top News - Carbon & Power

### EXCLUSIVE-After US move on Iraq-Iran power trade, Baghdad looks to replace Iranian gas

After the U.S. moved to block Iraq's imports of electricity from Iran, Baghdad is looking to Qatar and Oman as possible options should Washington do the same regarding their trade in gas, the boss of Iraq's South Gas Company said on Monday.

U.S. President Donald Trump's administration on Saturday rescinded a sanctions waiver that since 2018 has allowed Iraq to pay Iran for electricity as it presses on with its "maximum pressure" campaign against Tehran, a State Department spokesperson said.

But their far larger cross-border trade is in gas.

Baghdad currently receives up to 50 million cubic metres of gas per day from Iran depending on its needs under a five-year deal extension signed in March 2024.

Iraq pays \$4-5 billion per year to Iran for gas imports, according to Iraqi energy officials.

Iraq's electricity minister said the potential loss of gas

imports from Iran would reduce Iraq's daily electricity output of 27,000 megawatts by a third.

To mitigate the impact of a potential loss of Iranian gas imports, Iraq will lease a floating liquefied natural gas (LNG) terminal, Hamza Abdul Baqi, head of the state-owned SGC, told Reuters.

"This measure was taken due to the (potential) cut-off of Iranian gas. The government has tasked the Ministry of Oil with finding alternatives," Abdul Baqi said.

A deal for the LNG terminal will be signed with UAE-based Breeze Investment (BI) at the end of March, he said, adding he expected it to be operational by mid-year to handle gas from Qatar and Oman.

He said the terminal would be based at the port of Khor al-Zubair on the Gulf and the gas piped via a 45-kilometre (28-mile) pipeline already under construction to a supply point near the southern city of Basra, where Iraq drills much of its oil.

It will be able to supply at least 500 million cubic feet (14

million cubic metres) of gas per day, he added, or about a third of Iran's current supply.

### **CERAWEEK-US LNG exporters seek to renegotiate deals to cover rising costs**

Several U.S. LNG producers are trying to renegotiate higher prices with buyers as a result of rising construction, labor and borrowing costs, according to sources and company statements reviewed by Reuters.

Higher prices would eat into the competitive advantage of U.S. liquefied natural gas on the global market, at a time U.S. President Donald Trump is seeking to expand the industry – already the world's largest.

"The competitiveness of U.S. LNG could face a double whammy," said Alex Munton, director of global gas and LNG research at consulting firm Rapidan Energy Group. Rising liquefaction costs, a tighter domestic gas market, and falling prices for rival supplies indexed to oil could all impact U.S. LNG competitiveness, said Munton.

Four sources said Mexico Pacific and Venture Global are seeking to renegotiate their supply purchase agreements with buyers, while Energy Transfer's co-CEO told an earnings call that negotiations were underway.

Mexico Pacific, which is developing a 15 million metric tonnes per annum (MTPA) facility in Western Mexico to market U.S. natural gas, has been trying to renegotiate higher liquefaction fees with Chinese buyers Zhejiang Energy and Guangzhou Gas, according to two Chinese industry officials with knowledge of the matter.

Mexico Pacific wants to renegotiate the prices because U.S. engineering firm Bechtel, the company building the plant, wants a construction price that has made the project too expensive, the sources said.

Mexico Pacific and Bechtel declined comment.

Zhejiang and Guangzhou have so far rejected Mexico Pacific's proposal, the sources said. They did not provide details of Mexico Pacific's liquefaction costs or how much the company wanted to lift them.

Guangzhou, meanwhile, has asked to cut its take from the project from 1 MTPA to 700,000 tons per annum, one of the two sources, who has direct knowledge of the matter, told Reuters.

Zhejiang Energy didn't respond to emailed requests for comment. Guangzhou Development Group, parent of Guangzhou Gas, did not immediately comment.

Venture Global, the second-largest U.S. LNG exporter, has also been trying to renegotiate higher prices for supply and purchase agreements for its CP2 project in Louisiana, even though the plant is yet to start construction and has not gotten the financial go-ahead, according to two separate sources.

Venture Global did not reply to a request for comment. In January the firm told investors that liquefaction fees could rise above \$4 per million British thermal unit (mmBtu) from around \$2.25 today.

Energy Transfer, which is developing a 16.5 MTPA LNG export facility in Louisiana, said on earnings call in February that it has also been renegotiating liquefaction fees with customers as it tries to align higher construction costs with offtake agreements.

"Everybody understands how costs have risen. And we are in continued negotiations with those to renegotiate their fees," said Marshall McCrea, Energy Transfer's Co-Chief Executive Officer.

McCrea said customers had stuck with the project despite the demand for higher fees. The largest U.S. LNG exporter, Cheniere Energy, meanwhile, said in February it was not increasing fees, in part because its prices are already linked to inflation and its projects are built on brownfield sites that have cost advantages.

Baker Hughes, one of the largest equipment providers to the U.S. LNG sector, has been able to contain its cost inflation but there have been increases for LNG developers, said Lorenzo Simonelli, the company's CEO. "It's the EPCs that we see that more, it's the labor content that we see that more," Simonelli said, referring to engineers, procurement, and construction firms. "If we look at the external environment we would say there is some inflation taking place."

Overall, liquefaction fees for U.S. LNG projects are on a path to rise above \$2.50/mmBtu due to a tight labor market, rising construction costs and stubbornly elevated interest rates, brokerage Poten and Partners said in a recent report to clients.

Higher liquefaction fees could hurt the cost-competitiveness of U.S. LNG projects, especially if coupled with an increase in U.S. natural gas prices and or a drop in Brent crude oil prices, Poten warned. "On top of a labor shortage, inflation is driving up the price of equipment and materials," Poten said.

## **Top News - Dry Freight**

### **Outflows of Indian aluminium boost share of Russian metal in LME warehouses**

The share of available aluminium stocks of Russian origin in warehouses registered with the London Metal Exchange rose to 75% in February from 67% in January, while the share for Indian origin fell to 24% from 31%, LME data showed on Monday.

The aluminium stored in LME-registered warehouses in Port Klang, Malaysia, is mostly of Indian origin, according to traders, and is wanted by Western consumers, many of which have refused to buy metal produced in Russia since it invaded Ukraine nearly three years ago.

Available aluminium stocks of Russian origin or those that are on warrant were at 155,125 metric tons at the end of

February compared with 164,475 tons at the end of January.

The remainder of Russian aluminium warrants, title documents that confer ownership, have been cancelled, meaning they have been earmarked to leave the LME system.

The LME banned metal produced in Russia after April 13, 2024, from its warehousing system, but metal made before that date can still be traded.

Many companies holding Russian aluminium before April 13 deposited their stocks in LME warehouses, much of it in the South Korean port of Gwangyang.

Cancelled warrants or metal marked for delivery out at ISTIM UK's LME-approved warehouses in Port Klang

stood at 217,250 tons, LME data showed, while the queue to take delivery of that metal remained at 166 days at end-February.

At ISTIM's warehouses in Gwangyang, the load-out queue got shorter - to 59 days at end-February from 81 days, the LME data showed.

Indian-origin aluminium, at 49,400 tons at end-February, comprised 24% of on-warrant stocks in the LME system, down from 75,225 tons.

Copper and nickel from China represented about one half of available LME stocks at the end of last month.

#### **Russian wheat export prices fall for a second week**

Russian wheat export prices continued to decline for the second week in a row, but they have yet to regain competitiveness against European grains, analysts said. The price for Russian wheat with 12.5% protein content for free-on-board (FOB) delivery in early April dropped by \$1 to \$247 a metric ton, said Dmitry Rylko, head of consultancy IKAR.

The Sovecon consultancy placed prices for Russian wheat with the same protein content between \$246 and \$250 a ton FOB, down from between \$248 and \$252 the previous week, "tracking global declines and approaching Romanian/Bulgarian offers".

Weekly wheat exports were estimated last week at 0.31

million tons, up from 0.28 million tons the previous week, Sovecon said.

The first Sovecon estimate for March wheat exports stands at between 1.4 million and 1.8 million tons, down from 4.8 million tons a year earlier. This would be the lowest March total since the 1.2 million tons in 2020, the agency said.

"Negative margins and less competitive Russian wheat are slowing shipments," Sovecon said in a weekly note. IKAR estimates wheat exports in March at between 1.1 million and 1.3 million tons.

Rail freight operator Rusagrotrans estimates wheat exports in March at 1.4 million to 1.6 million tons. If the current pace continues, it could reduce exports for the season to between 40 million and 41 million tons, and no more than 7 million tons, or 66% of the quota, could be exported between mid-February and June 2025.

Russia last week announced the start of the spring sowing campaign.

Agriculture Minister Oksana Lut said that 87% of winter crops are now in good or satisfactory shape, up from 82% in late January.

Russia's meteorological centre said that the country's winter crops had emerged in much better condition at the end of winter than at the start, but a lack of precipitation may yet have an impact.

**Picture of the Day**

*Fire and rescue service crews respond to a collision between oil tanker and a cargo ship off the northeastern coast of England in this picture obtained by Reuters on March 10. BARTOSZ SMIALEK/via REUTERS*

(Inside Commodities is compiled by Vaishali Puthran in Bengaluru)

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

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