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### Top News - Oil

#### **OPEC says Kazakhstan leads jump in OPEC+ output, holds demand view**

OPEC said on Wednesday that Kazakhstan led a sizeable jump in February crude output by the wider OPEC+, highlighting a challenge for the producer group in enforcing adherence to agreed output targets.

In a monthly report, the Organization of the Petroleum Exporting Countries said OPEC+, which includes OPEC plus Russia and other allies, in February raised output by 363,000 barrels per day to 41.01 million bpd, led by Kazakhstan.

The hike is more than twice as much as a scheduled 138,000 bpd rise in OPEC+ output starting in April as the group phases out its most recent layer of output cuts. The plan for higher output, as well as concern about trade tariffs, have put downward pressure on oil prices.

Kazakhstan, the world's largest landlocked country, has been producing at a record high, and well above its OPEC+ quota, as U.S. oil major Chevron expands output at the largest Kazakh oilfield, Tengiz.

According to the OPEC data, which it compiles from secondary sources, Kazakhstan produced 1.767 million bpd of crude in February, up from 1.570 million bpd in January. Kazakhstan's OPEC+ quota is 1.468 million bpd.

The OPEC data also showed some other OPEC+ nations such as the United Arab Emirates, Nigeria and Gabon pumping above their quotas, but by far smaller amounts. Industry sources told Reuters that record output from Kazakhstan helped sway OPEC+'s decision to proceed with the April hike.

Kazakh officials, speaking at a briefing on Friday, pledged to cut output in March, April and May. Oil was steady after the OPEC report was released with Brent crude maintaining its earlier gains, trading above \$70 a barrel.

#### **DEMAND OUTLOOK STEADY**

Also in the report, OPEC kept its forecasts for the growth in world oil demand steady.

OPEC expects world oil demand to rise by 1.45 million bpd in 2025 and by 1.43 million bpd in 2026. Both forecasts were unchanged from last month.

In the report, OPEC said it expected the world economy to take new trade policies in its stride. President Donald Trump's increased tariffs on all U.S. steel and aluminium imports took effect on Wednesday, stepping up a campaign to reorder global trade in favour of the U.S.

"Trade concerns are expected to contribute to volatility as trade policies continue to be unveiled. However, the global economy is expected to adjust," OPEC said in the report.

OPEC's view on oil demand is relatively high in the industry and, unlike forecasters such as the International Energy Agency, it does not see demand reaching a peak. The IEA sees 2025 demand growth at 1.1 million bpd,

less than OPEC, although the gap between them on 2025 is far less than it was for 2024 when the split reached a record high driven by differences over the pace of the energy transition.

#### **CERAWEEK-Canada could restrict its oil exports to US if Trump trade war escalates**

Canada could impose non-tariff measures such as restricting its oil exports to the United States or levying export duties on products if a trade dispute with the U.S. escalates further, Canada's energy minister Jonathan Wilkinson said on Tuesday.

"When we are talking about non-tariff retaliation, it could be about restricting supply, it could be putting our own export duties on products. It could be energy and minerals, it could be broader than that," Wilkinson said in an interview with Reuters.

He also raised the possibility of using non-tariff measures on critical minerals, which could force the U.S. to rely even more heavily on China.

"Everything is on the table," he said.

Canada is the top supplier of imported oil to the United States, providing around 4 million barrels per day mainly to refineries in the Midwest that are largely engineered to run its grades.

Any attempts to restrict exports would face resistance from the province of Alberta, where most of Canada's oil is produced.

"It's not on the table. Zero," said Alberta Premier Danielle Smith on the sidelines of the CERAWEEK conference in Houston, Texas, on Wednesday.

"Alberta owns the oil and gas and the bulk of it is coming into the United States. We would never do that to our friends and allies," she said.

"The temperature has come down a bit, it has de-escalated," Smith added, referring to the trade war.

U.S. President Donald Trump's increased tariffs on steel and aluminum imports took effect on Wednesday, rising to 25% as exemptions ended. Canada announced 25% retaliatory tariffs on those metals along with computers, sports equipment and other products worth \$20 billion in total.

Canada has already imposed tariffs worth a similar amount on U.S. goods in response to broader tariffs by Trump. Any restrictions on Canada's oil exports to the United States would hurt Canadian producers as Canada is limited in its options to send oil to other markets.

"By and large, you couldn't displace the 4 million barrels that we send to the United States in pipelines, but I would say it works on the other side of the bucket too,"

Wilkinson said, citing some additional capacity on the Trans Mountain pipeline and rail as alternatives to move some Canadian oil.

"I actually think the oil coming down here (to the United

States) is pretty sticky and I don't think it's displaceable and in that regard I don't think the threat to Canada's producers in the oil sector is as significant as perhaps in other sectors," he added.

Restricting oil exports to the United States would be "an unwise move", said Greg Ebel, CEO of Canadian pipeline operator Enbridge. Wilkinson told Reuters that Canada is considering imposing tariffs on U.S. ethanol as part of a second tranche of trade penalties if Trump continues to escalate the trade war.

U.S. ethanol, a crucial trade product for U.S. farmers, is

"absolutely on the list of things" that could be included if Trump, for example, moves forward with plans to impose 25% tariffs on Canadian goods in April, Wilkinson said. U.S. ethanol exports to Canada hit record highs in recent months to help Canada meet its clean fuel program. It is cheaper than Canadian ethanol, Wilkinson said, due to subsidies in the U.S. Renewable Fuel Standard. U.S. farmers sent a record 1.54 million gallons of ethanol to Canada in September of last year, roughly double the figure three years prior, according to the U.S. Energy Information Administration.

## Top News - Agriculture

### North America coffee industry seeks answers amid trade war

North American coffee market participants are seeking clarity on how the trade war started by the administration of U.S. President Donald Trump impacts their businesses across the region, where operations are highly interconnected.

Companies have roasting, packaging and trading bases in both the United States and Canada in order to better supply clients. Potential U.S. tariffs and any retaliatory ones will now have to be considered when deciding what to make, and where, industry participants said.

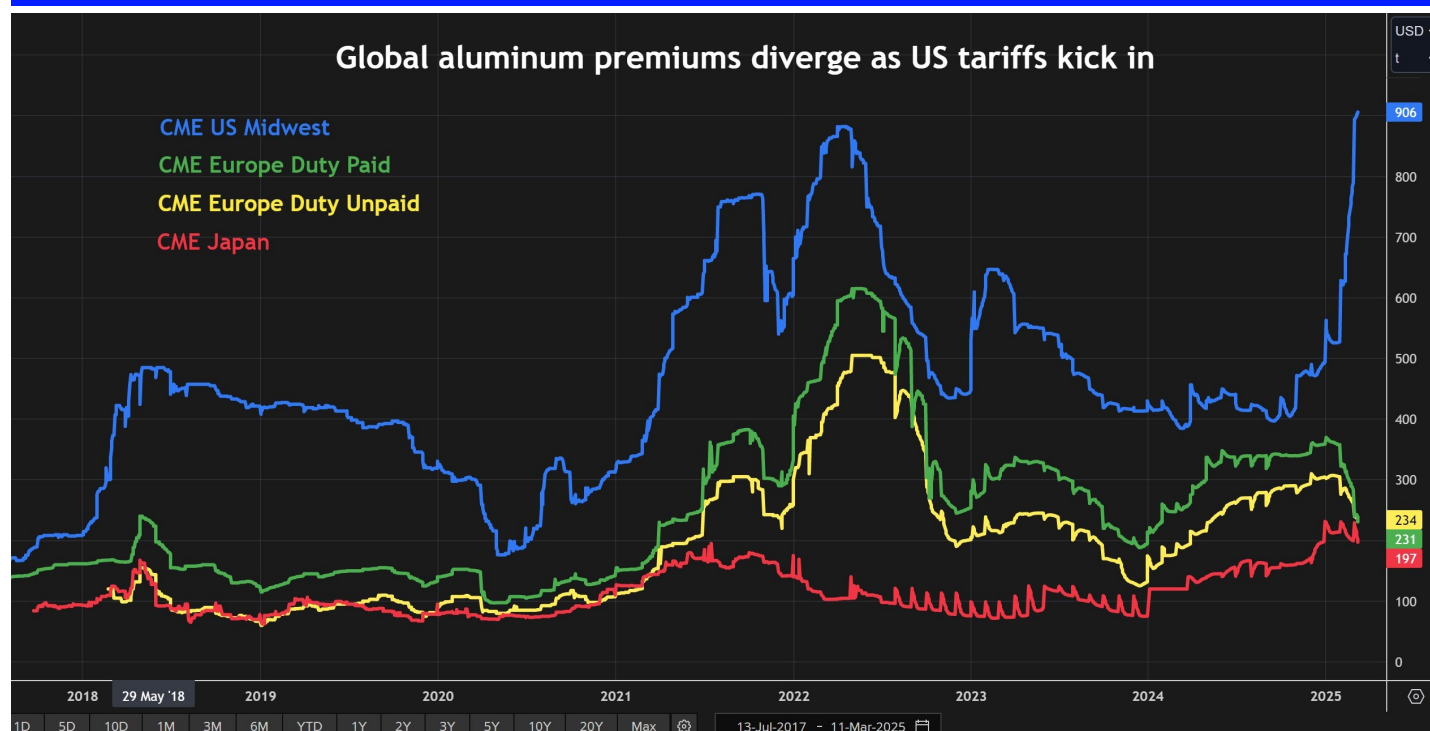
Mexico, meanwhile, is a regular supplier of high-quality green coffee to both the U.S. and Canada, as well as an exporter of instant coffee.

"There are operations across the (U.S.-Canada) border for roasting and supplying retail channels, on both sides," said the CEO of one of the largest coffee companies in the region, who asked not to be named due to the sensitivity of the issue.

Starbucks, for example, roasts the coffee used in its hundreds of Canadian stores in the United States. "As the political environment moves or the tariff markets move, we will figure out how to navigate that effectively given those conditions in the regulatory environments," said Starbucks Chief Executive Brian Niccol in a meeting with shareholders on Wednesday.

The postponement of U.S. tariffs of 25% on the majority of goods from Canada and Mexico does not seem to have included most of the forms of coffee traded, according to documentation seen by Reuters, because the product is mostly absent from the USMCA, the free trade agreement between the U.S., Mexico and Canada. "We have added a clause in our contracts saying the buyer would pay the additional 25% tariff if it is considered due. Most traders are doing that," said Jeff Bernstein, managing director of coffee trader RGC, based in Quebec, Canada. "We are exporting some coffee from Mexico to a client in Oakland (California), and he agreed with the clause," he said.

## Chart of the Day



Switzerland's Nestle has invested heavily in instant coffee operations in Mexico in recent years, including a program with thousands of farmers to boost production of robusta coffee, the main raw material.

Nestle did not immediately respond to a request for comment.

Bill Murray, president of the U.S. National Coffee Association, said coffee should be exempt from additional tariffs.

"Tariffs on coffee would impact three in four Americans. Many think exports, not imports, are good for America, but unfortunately we cannot grow coffee in the U.S."

There is also fear in the industry about possible U.S. tariffs on South American countries, where most imported coffee comes from.

"Trump, in one of his speeches about tariffs, mentioned Brazil, although superficially. Brazil is on the radar," said Andre Acosta, director of Commodity Solutions Latam for broker Marex.

Brazil is the world's largest coffee producer and exporter. Brazilian Vice President Geraldo Alckmin and U.S.

Secretary of Commerce Howard Lutnick met last week and officials have started consultations on trade policy.

#### **Canadian farmers to boost wheat and cut canola, Statistics Canada says**

Canadian farmers intend to plant more wheat, corn, oats and peas in 2025 than they did last year and cut canola, soybeans, barley and lentils, Statistics Canada reported on Wednesday.

However, farmers' commitment to those planting plans is more up-in-the-air than ever before, say some farmers and analysts, because of the tariff threats being aimed at Canada by major trading partners.

"If it's not the U.S., it's China," said Starbuck, Manitoba farmer Chuck Fossay.

"We're going to wait and see, and if we're going to take acres out of canola it'll be closer to May 1."

The survey was conducted between December 13, 2024 and January 17, 2025, before Trump's tariff talk heated

up and roughly two months before China announced tariffs on over \$2.6 billion worth of Canadian agricultural and food products on Saturday.

StatsCan predicted farmers will plant 21.6 million acres of canola, 27.5 million acres of wheat, 6.4 million acres of durum, 3.0 million acres of oats, 6.3 million acres of barley, 4.2 million acres of lentils and 3.5 million acres of peas.

Grain traders surveyed by Reuters estimated fewer acres than StatsCan of canola, peas, wheat and durum, about the same as the agency of corn and spring wheat, and more barley and oats.

Canada's canola markets are being hammered by tariff threats and impositions by both U.S. and Chinese governments, undermining confidence in farmers, exporters and processors that crops grown or processed in Canada will be able to reach their number one and two markets.

China said it plans to impose 100% tariffs on Canadian canola oil and meal, as well as Canadian peas, on March 20. The U.S. Trump administration has imposed 25% tariffs on Canadian products and then postponed some of them.

On March 12, Saskatchewan Premier Scott Moe told reporters the combination of U.S. and Chinese tariffs on canola "will decimate the industry in Saskatchewan immediately, in a matter of a number of weeks not months."

He said the price impact of tariffs is "shutting down the opportunity for Saskatchewan agricultural producers to grow the most profitable crop we've had access to growing."

The Statistics Canada seeding intentions results suggest farmers might be looking to grow cheaper crops because of the market risks.

Analyst Lawrence Klusa of Seges Markets has been questioning how farmers might change their planting plans due to tariff risks.

"Trying to guess what the tariff situation will be six months from now is pretty difficult," said Klusa.

## **Top News - Metals**

#### **US aluminium, steel prices hover near peaks as tariffs kick in**

The cost of aluminium and steel in the United States hovered near recent peaks on Wednesday after U.S. tariffs of 25% took effect and sparked retaliation from Canada and Europe.

Traders have been ratcheting up U.S. prices of the widely used industrial metals since U.S. President Donald Trump took office after a campaign vowing a wide range of duties.

Trump aims to protect American steel and aluminium producers by restoring effective tariffs of 25% on all imports of the metals and extending duties to hundreds of downstream products.

U.S. metals prices spiked on Tuesday when tempers flared between U.S. and Canadian officials.

Trump vowed to double tariffs on its northern neighbour to 50% after Ontario province retaliated by slapping duties on electricity exports to the U.S.

Both sides later retreated, withdrawing the 50% metals duties and electricity duties, leading to some prices paring their gains.

The U.S. Midwest duty-paid aluminium premium for physical metal soared to a record of 45 U.S. cents per lb on Tuesday, or more than \$990 a metric ton, a jump of nearly 20% from the previous session. It later pulled back to close at 41 cents. It has climbed more than 70% since the start of 2025.

The April contract had not traded yet on Wednesday, but May was up 1.3%, in line with a previous record.

Consumers buying aluminium on the physical market typically pay the London Metal Exchange benchmark aluminium price plus a premium that covers taxes, transport and handling costs.

On the steel market, prices have also surged, with hot rolled coil (HRC) prices in the Midwest jumping to \$945 per short ton on Wednesday, up by 37% since the end of January and the highest since February 2024.

While costs for U.S. aluminium buyers have spiked, they have declined elsewhere as metal is likely to be diverted to other countries.

In Europe, the duty-paid physical market premium for aluminium has dropped to \$230 a metric ton, the lowest since January last year. It has fallen more than 35% since the start of 2025.

#### **COLUMN-Bad news for American beer drinkers as aluminium tariffs kick in: Andy Home**

First some good news for U.S. aluminium buyers.

President Donald Trump has backed off from his threat to hit imports of Canadian metal with a huge 50% tariff.

Now for the bad news. As of today they will be paying a 25% import tariff, not just for Canadian metal but for all aluminium products from all countries.

Market pricing has already shifted to reflect the Trump administration's doubling-down on tariffs as a way of reviving domestic smelting capacity.

The CME Midwest premium, reflecting the cost of unwrought aluminium delivered to a U.S. fabricator over and above the international London Metal Exchange basis price, is trading at record highs.

The high premium will flow down the aluminium product chain until it hits the last-stage user, whether it be Ford Motor, Lockheed Martin or one of the country's many independent brewers.

That's how tariffs have worked to date and things won't change while the United States remains so dependent on imports.

#### **TARIFF HANGOVER**

Trump's original 2018 tariffs on aluminium were set at

10% and within a year the Beer Institute, which represents the nearly 8,000 brewers in the United States, estimated they had already cost the industry an extra \$250 million. A report by consultancy Harbor Aluminum found that \$50 million had gone to the U.S. Treasury, \$27 million to domestic smelters and \$173 million to the fabricators who convert metal to aluminium sheet for beer cans.

What really irked the Beer Institute was that the import tariff was being passed through even though U.S. cansheet typically contains around 70% recycled metal sourced domestically. But that's how tariffs tend to work. Just ask European aluminium buyers. The European Union also imposes import tariffs ranging from 3% on primary aluminium to 6% on some alloys.

Researchers from the LUISS University of Rome studied the impact on consumers and in a 2019 paper found that even though duty-exempt metal accounted for around half of all European Union imports, everyone ended up paying 6% anyway.

Producers are incentivised to "align their prices to the highest possible level - that is, the duty-paid price," the researchers wrote.

The Beer Institute's follow-on research in 2022 confirmed this harsh economic reality, finding that even with exemptions for key suppliers such as Canada, beer makers were still paying the full import tariff for their can metal. The cost at that stage had risen to \$1.4 billion.

#### **IMPORT DEPENDENCY**

Harbor Aluminum's finding that the main beneficiaries of tariffs to date have been first-stage processors reflects the imbalanced nature of the domestic U.S. supply chain.

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

Contract	Last	Change	YTD
NYMEX Light Crude	\$67.71 / bbl	0.04%	-5.59%
NYMEX RBOB Gasoline	\$2.16 / gallon	0.17%	7.41%
ICE Gas Oil	\$657.25 / tonne	-1.79%	-5.47%
NYMEX Natural Gas	\$4.06 / mmBtu	-0.49%	11.86%
Spot Gold	\$2,934.32 / ounce	0.08%	11.83%
TRPC coal API 2 / Mar, 25	\$95.7 / tonne	-0.57%	-15.31%
Carbon ECX EUA	€68.83 / tonne	-1.13%	-5.71%
Dutch gas day-ahead (Pre. close)	€42.30 / Mwh	-2.49%	-12.87%
CBOT Corn	\$4.63 / bushel	0.38%	-0.70%
CBOT Wheat	\$5.59 / bushel	0.81%	-0.71%
Malaysia Palm Oil (3M)	RM4,534 / tonne	1.05%	1.93%
Index	Close 12 Mar	Change	YTD
Thomson Reuters/Jefferies CRB	368.35	0.28%	3.23%
Rogers International	28.74	0.23%	-1.61%
U.S. Stocks - Dow	41,350.93	-0.20%	-2.80%
U.S. Dollar Index	103.66	0.05%	-4.45%
U.S. Bond Index (DJ)	444.26	-0.30%	1.89%



The country has a large base of semi-manufactured product makers but only four operating primary metal smelters to supply them.

The aluminium sector directly employs more than 164,000 workers but only 4,000 are engaged in upstream metal production, according to the U.S. Aluminum Association. Those four smelters produced 670,000 metric tons of metal in 2024, compared with U.S. consumption of around 4.9 million tons.

Imports of primary metal totaled almost 4.0 million tons, of which 70% came from Canadian smelters. It's hard to see how that dynamic is going to change any time soon. Even if all the currently idled smelting capacity of around one million tons per year returned to production - a big "if" given the age and cost structure of the four mothballed plants - it would still leave a big import dependency gap. Century Aluminum's proposed new smelter is years away and the company hasn't yet found a source of competitively priced power to feed the plant's electrolysis process. There is much more potential to lift domestic production from domestic scrap but as long as even one ton of extra imported metal is needed to meet domestic consumption, you can be sure that the tariffs will continue to determine the end price for American buyers.

#### TRADING UNCERTAINTY

Moreover, as the markets learned on Tuesday, Trump is

quite capable of raising tariffs on a presidential whim.

The changeable tariff rhetoric is causing volatility in the CME U.S. premium, which briefly jumped to almost \$1,000 per ton over the LME price on the threat of 50% tariffs on Canadian metal before retreating on news of the truce with Ontario Premier Doug Ford. But it may also be about to generate a major realignment of global trading patterns.

Previous spikes in the U.S. aluminium premium have pulled European premiums higher. This is logical given that Europe, which is also dependent on primary metal imports, must compete for spare units in the global market-place.

Not this time, though. Even as the U.S. premium has surged to all-time highs, European premiums have been falling. This is counter-intuitive, particularly since European consumers are set to lose Russian supply over the next year as part of the bloc's latest sanctions package. If anything, the European premium should be even more sensitive to what is happening in the North American market.

The divergence suggests that some suppliers to the United States are already looking to avoid Trump's tariff tantrums by re-directing sales to Europe. If so, it will be good news for European beer drinkers, who may raise an aluminium can to their less fortunate American counterparts.

## Top News - Carbon & Power

### CERAWEEK-AI, LNG demand to keep US natgas use at record highs but bottlenecks threaten

U.S. natural gas use is set to continue hitting record highs due to soaring liquefied natural gas (LNG) demand and power consumption from data centers, executives said at a conference this week, while also warning a lack of infrastructure could hurt the industry.

The U.S. is the world's largest gas producer and is expected to produce some 105.2 billion cubic feet per day (bcfd) this year, according to U.S. government data.

Demand has already hit a record nearly each year since 2010, but some markets in the U.S. have been hampered by lack of available pipeline space.

Pipeline capacity has not caught up with production after a series of project cancellations over the last eight years, according to Toby Rice, CEO of EQT, the No. 2 U.S. gas producer.

This has contributed to a 35% rise in electricity costs for U.S. consumers in the last four years, he said.

"We have the gas, we just don't have the pipelines to get it to places, so now you see a situation where it doesn't matter how much we produce," Rice said in an interview on the sidelines of the conference.

"Energy bills are still going up as political forces have overridden market forces."

EQT's 300-mile (483-km) Mountain Valley pipeline, which transports up to 2 bcfd of gas from West Virginia to Virginia, ran at full capacity last winter, Rice said.

The project was slated to cost \$3.5 billion, but ultimately costs totaled \$8 billion following eight years of delays, Rice said.

Moving gas from the Permian basin in Texas and New

Mexico and other shale regions in the Northeast U.S. or Midcontinent for LNG exports requires significant pipeline investment, said Pierce Norton, president and CEO of pipeline company, ONEOK.

"That requires a lot of pipe to get it down here," he said, referring to the U.S. Gulf Coast.

### LNG DEMAND, DATA CENTERS

The U.S. Energy Information Administration (EIA) projected total gas consumption, including exports, would rise from a record 102.3 bcfd in 2024 to 105.5 bcfd in 2025, and 107.6 bcfd in 2026.

Booming LNG exports should remain the biggest source of gas demand growth in coming years, according to a federal energy outlook. U.S. LNG exports have hit record highs every year since 2016 when the first major LNG export facility in the U.S. lower 48 states came online. Freeport LNG's plant in Texas is running its pipe infrastructure at full capacity, its CEO, Michael Smith, said at the conference.

The U.S. became the world's biggest LNG supplier in 2023, surpassing Australia and Qatar.

With plants currently under construction, U.S. LNG capacity will almost double from around 13.8 bcfd in 2024 to 24.7 bcfd in 2028.

The industry has also received a boost from U.S. President Donald Trump, who in January lifted a moratorium on new LNG export plant permits imposed by his predecessor.

Surging demand from power-hungry data centers that are fueling a boom in artificial intelligence is also expected to push up demand for natural gas.

The world's largest renewable energy producer NextEra Energy expects a 55% jump in power demand over the next 20 years versus the prior two decades, CEO John Ketchum said, with some 17% of that demand growth expected to come from the boom in AI. Benchmark Henry Hub natural gas futures hit their highest since December 2022 at \$4.49 per million British thermal units on Monday, having settled below \$4 per million British thermal units every day last year and most of 2023, according to data from LSEG.

### **CERAWEEK-ANALYSIS-AI to fuel bumper year for M&A in US power sector**

Dealmakers expect 2025 to be a bumper year for mergers and acquisitions in the U.S. power industry, with a voracious appetite for assets as the sector gears up to meet massive demand growth from data centers for artificial intelligence.

Record power demand and dizzying projections for electricity consumption for AI have made power generation and infrastructure assets, and companies which own them, attractive to energy companies, private equity and other institutional investors.

The biggest growth in the sector in generations has already fueled a deal bonanza in the first months of the year, according to a dozen industry and financial sources who spoke to Reuters. The sources included several attendees at the annual CERAWEEK energy conference in Houston.

In January and February, there were 27 U.S. power deals worth a combined \$36.4 billion, headlined by Constellation Energy's \$16.4 billion acquisition of Calpine. This surpasses, both by value and volume, the first two months of every year barring one during the last 20 years, according to data from LSEG.

Busy power sector deal-making is in contrast to the overall market for M&A, which recorded its weakest start since the global financial crisis, amid market volatility and uncertainty over the Trump administration's policies and what they mean for the economy.

U.S. President Donald Trump has declared an energy emergency to facilitate the build out in the power sector, calling it "an immediate and pressing priority for the protection of the United States' national and economic security."

Opportunities are significant and stretch across the power sector, said Kathleen Lawler, managing director at investment firm KKR.

"I don't think we have ever been busier," said Lawler. KKR and Canadian pension fund PSP Investments agreed in January to buy a 20% stake in some of American Electric Power's transmission network for \$2.8 billion.

### **DEMAND**

Strong price increases have boosted power companies' shares, meaning they can do bigger transactions or give up less of the company to clinch a stock-fueled deal. Even with stock market falls in recent days, independent power producers Vistra, Constellation and NRG Energy are trading between 82% and 220% higher than the start of 2024.

Potential acquirers may be emboldened too by the

reaction of Constellation investors to the Calpine deal. Constellation's share price rallied 25% on the day of the announcement - when typically buyers trade lower when announcing a large deal funded by the issuance of shares to the seller. That is because the share issuance dilutes existing shareholder positions.

Private equity firms, pension and infrastructure funds have in recent years raised huge sums for energy investments. The total capital raised but still waiting to be deployed, known as dry powder, into infrastructure investments at the end of 2024 was \$334 billion, according to data provider Preqin.

Ways this cash could be invested include buying stakes in companies pioneering developing technology, and acquiring businesses that service existing energy infrastructure.

David Foley, global head of Blackstone Energy Transition Partners, told a panel discussion at CERAWEEK the booming power market has created "opportunities for investment in equipment manufacturing, the picks-and-shovels types of companies."

It could also be used to take listed power companies private. The year has already seen Altus Power, one of the largest owners of U.S. commercial-scale solar plants, agree a \$2.2 billion sale to TPG's climate investment arm. Reasons to go private differ, depending on the type of power company. Smaller utilities may struggle to compete for contracts with technology companies building and operating data centers, so being owned by a large investment firm could help challenge larger peers. Long-term institutional investors could offer higher valuations than public markets, especially for renewable power companies. These firms have seen their share prices slump since the election of Trump, who has called for fossil fuels to be prioritized at the expense of green energy.

"The market could see more (utility) take-privates over the next few years as there is significant infrastructure capital that has been formed in recent years that is highly focused on this asset class," said Greg Hort, managing director at Lazard.

Another source of deal flow will be utilities continuing to offload business units, or stakes in them, to help fund huge expansion of power infrastructure to support heightened demand, the people said.

On top of the AEP deal with KKR and PSP, Eversource Energy said January 27 it had agreed to divest its Aquarion Water unit for \$2.4 billion, and National Grid announced on February 24 it would offload its U.S. renewables business to Brookfield Asset Management. The deal fervor is also allowing buyout firms who own power assets to exit profitably. This includes small portfolios of power generation, or individual power plants, which in recent years saw limited buyer attention due to their size.

Particularly sought-after are natural gas plants constructed in the last decade, which are more efficient and were built when U.S. power demand was in its 20-year plateau. Relative scarcity was part of the rationale behind the purchase in January by Blackstone's energy transition arm of Potomac Energy Center from Ares Management.

"Many private equity firms, which took ownership of their assets three to five years ago, will be seeking liquidity

events," said Hill Vaden, executive director of energy capital insights at S&P Global.

#### OVERCOMING HURDLES

The momentum behind power dealmaking will endure despite market ructions, as the uncertainty only makes existing assets more prized, the sources said. While Trump's economic agenda is expected to make it easier for energy projects to secure necessary permits, key components are still hard to source, with the wait for turbines for a natural gas power plant stretching out towards the end of the decade.

The president's tariffs on materials critical to the power sector will likely push up costs. This includes steel and

aluminum, and potentially copper, whose conductivity makes it essential in a host of products.

Uncertainty around whether tax credits for renewable projects, including those introduced in the Inflation Reduction Act, will be scrapped is also casting a shadow on new clean energy generation.

Reverberations from immigration reform, which threatens to deport millions of non-citizens, will also weigh on constructing new projects.

"I've even told members of the Trump team that we're going to run out of electricians as we build out data centers," BlackRock CEO Larry Fink said at the CERAWEEK conference, when asked about the impact of deportations on the U.S. economy.

## Top News - Dry Freight

### French wheat exports forecast at new century-low after sluggish sales

Farm office FranceAgriMer on Wednesday cut its forecast of French soft wheat exports outside the European Union in 2024/25 to 3.2 million metric tons, down 69% on the previous season and marking a new low this century after a rain-hit crop.

The office's forecast was down from 3.4 million projected in February, which was already the News Story volume for French non-EU soft wheat shipments in the office's records going back to 1996/97.

The change was mainly to take account of a slow pace in exports outside the bloc, with forecasts likely to drop further in the coming months, Habasse Diagouraga, grain analyst at the office, said.

A disastrous French harvest, stiff competition from Russia and a dearth of demand from Algeria and China have contributed to the plunge in French wheat exports.

In a monthly supply and demand outlook, the office kept nearly unchanged its forecast for French soft wheat shipments within the EU this season, at 6.28 million tons versus 6.24 million expected in February, now 0.3% below the 2023/24 volume.

Soft wheat stocks at the end of the season were projected at 2.91 million tons compared with 2.81 million forecast last month and now 8.8% below last season's level. The fall in non-EU exports was partly compensated by a rise in projected use in animal feed.

For barley, FranceAgriMer again trimmed the projected end of season stocks to 1.33 million tons from 1.56 million last month. FranceAgriMer raised its outlook for barley exports outside the EU in 2024/25 to 2.2 million tons from 2.0 million.

"We see departures of barley exports to Jordan, which imports quite irregularly from France, as well as to the Maghreb countries (Tunisia, Libya and Morocco)," Diagouraga said.

In contrast, the office raised its forecast of maize stocks in 2024/25 to 3.08 million tons from 2.77 million last month, mostly due to a rise in expected harvest supply.

### Indian mills sign contracts to export 600,000 metric tons of sugar

Indian mills have contracts to export 600,000 metric tons

of sugar in the 2024/25 marketing year ending in September, but are reluctant to sign further export deals as local prices have increased, five industry officials told Reuters.

The slower pace of shipments from India, the world's second biggest sugar producer, will support global prices, which are trading near their lowest level in three years. After halting exports last year to calm domestic prices, India in January allowed exports of 1 million tons of sugar during the current season to help mills to export surplus stocks.

But as domestic sugar prices strengthen and are expected to rise further because of lower production and anticipated summer season demand, a Mumbai-based dealer with a global trading firm said, exports had slowed this month after picking up last month.

All the sources declined to be named because they were not authorised to speak to the press.

India's sugar output for the 2024/25 marketing year is expected to fall to 25.8 million tons compared to annual consumption of 29 million tons.

Consumption of cold drinks and ice cream rises in India during the summer months, roughly from mid-March to mid-June, boosting demand for sugar to sweeten them. Mills have dispatched around 250,000 tons of the 600,000 tons in export contracts signed since January, another New-Delhi based dealer said.

Indian prices of low-quality white sugar are hovering nearly \$20 per ton above London futures, prompting buyers to source better-quality Brazilian sugar that is available at the same price, said another Mumbai-based dealer with a trade house.

India, which sells sugar to countries including Afghanistan, Bangladesh, Indonesia, Sri Lanka and the United Arab Emirates, was the world's No. 2 exporter during the five years to 2022-23, with volumes averaging 6.8 million tons annually.

Despite the current slowdown, mills will be able to export the entire quota of 1 million tons, said Prakash Naiknavare, managing director of the National Federation of Cooperative Sugar Factories Ltd.

"Mills have plenty of time. They can export sugar anytime they find a good price until the end of September," Naiknavare said.



## Picture of the Day



Canada's Prime Minister-designate Mark Carney prepares to speak to workers while he visits the ArcelorMittal Dofasco steel mill in Hamilton, Ontario, Canada March 12. REUTERS/Carlos Osorio

(Inside Commodities is compiled by Vaishali Puthran in Bengaluru)

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