

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

Click on headers to go to that section

Top News - Oil

Chevron buys about 5% of Hess stock, says it is confident of merger

Chevron bought about 4.99% of Hess Corp's common shares this year, reflecting its confidence in completing the planned acquisition of Hess, the oil giant said in a regulatory filing on Monday.

The second-largest U.S. oil producer agreed in October 2023 to buy Hess in an all-stock deal valued at \$53 billion to gain a crucial stake in Guyana's oil-rich Stabroek block. U.S. regulators and shareholders have approved the deal, but Exxon Mobil and CNOOC, Hess' partners in Guyana, have challenged it in court. A three-judge arbitration panel is due to consider the case later in May.

Chevron purchased 15,380,000 Hess shares between January and March, worth about \$2.3 billion based on Hess' closing share price of \$150.45 on Monday. Chevron will offer 1.025 of its shares for each Hess share. If the deal closed on Monday, Hess investors would receive \$162.69 for each share, based on Chevron's closing price of \$158.72.

Chevron is saving money by buying at a discount, said Roy Behren, co-president and co-chief investment officer at Westchester Capital Management, which is an investor in Hess.

"It's a smart and savvy move on their part."

Behren said he believes the acquisition will be completed. Even if it cannot, Chevron has a \$2.3 billion indirect interest in the Stabroek field with the 5% Hess stake, he noted.

Venezuela's PDVSA to keep producing, exporting oil previously handled by Chevron, document says

Venezuela's state-run PDVSA has put together three operational scenarios as part of a plan to continue producing and exporting oil at its largest joint venture with Chevron once a license for the U.S. major to operate in the country expires next month, according to a company document seen by Reuters on Monday.

The administration of U.S. President Donald Trump this

month gave Chevron 30 days through early April to wind down all oil operations and exports from Venezuela that are currently going to the United States under a license granted in 2022.

Chevron has a presence in the U.S.-sanctioned South American country through joint ventures where PDVSA is the largest shareholder, with the Petropiar project at the vast Orinoco Belt being the most important partnership. The Venezuelan firm plans to produce between 105,000 and 138,000 barrels per day (bpd) of Hamaca heavy crude at Petropiar once the Chevron license expires, in line with production levels in recent months, the document says.

A portion of the crude output that varies depending on the scenario will be sent to domestic refineries along with some byproducts like vacuum gasoil, while another portion will be exported to markets other than the U.S. The vacuum gasoil allows PDVSA to produce low-octane gasoline for domestic distribution.

PDVSA's main goal with the changes is to maintain Petropiar's output levels and avoid the need to halt the upgrader or shut any of the joint ventures' oilfields, a source close to the company's operations said.

PDVSA and Chevron did not immediately reply to requests for comment.

In order to deal with possible shortages of diluents needed to sustain Petropiar's operations, PDVSA will recycle a larger portion of imported naphtha while supplying other diluents from its largest refining complex, Paraguana, to the project.

A dynamic movement of tankers that is currently allowing Chevron to move Venezuelan crude between domestic ports before exporting would be minimized, according to the document.

Some units of Petropiar's crude upgrader are expected to be taken out of service to produce feedstocks other than crude oil in an arrangement similar to the one PDVSA put in place in 2020 when the Chevron license was restricted by Trump's first administration.

Top News - Agriculture

China renews export registrations for US pork, poultry plants, industry groups say

Beijing has renewed registrations that allow hundreds of U.S. pork and poultry facilities to export to China, industry groups said on Monday, after lapses threatened shipments to the world's largest meat importer.

Chinese customs website showed that registrations were renewed until 2030, but those for hundreds of U.S. beef facilities remain listed as "expired".

The renewals for poultry and pork are a relief to U.S. farmers and meat companies as they navigate trade disputes with major agricultural importers, including China and Canada, under President Donald Trump.

Beijing requires food exporters to register with customs to sell products in China.

Shipments continued to clear customs from facilities with lapsed registrations, but U.S. exporters were unsure how long that would last.

China's customs website earlier showed registrations for more than 1,000 U.S. meat plants granted by China under the 2020 "Phase 1" trade deal lapsed on Sunday. That was roughly two-thirds of all those registered.

The trade deal ended the previous U.S.-China trade war with a pledge from Beijing to boost its purchases of U.S. goods and services, including meat, by \$200 billion over two years. China did not reach the target, which was

agreed shortly before the COVID-19 pandemic hit. The U.S. Department of Agriculture did not immediately respond to a request for comment. The agency previously said China did not respond to repeated requests to renew plant registrations, potentially violating the Phase 1 agreement. "We're pleased to see progress on the pork facilities and hoping for similar news on beef as soon as possible," said Joe Schuele, spokesman for the U.S. Meat Export Federation.

The non-renewal for beef plants comes amid Beijing's attempt to rein in beef imports as it grapples with an oversupplied market.

Beijing imposed retaliatory tariffs on some \$21 billion worth of American farm goods this month, including 10% duties on U.S. pork, beef and dairy. In 2024, the U.S. was China's third-largest meat supplier by volume, trailing Brazil and Argentina and accounting for 9% of China's total meat imports. U.S. meat shipments to China reached \$2.5 billion last year, making it the second largest exporter by value.

Exports of U.S. poultry products have suffered due to outbreaks of bird flu, but China remains an important market, Tyler said. "We needed that market to stay open and these renewals were very important to that," he said.

US reports first outbreak of deadly H7N9 bird flu since 2017

The United States reported the first outbreak of the deadly H7N9 bird flu on a poultry farm since 2017, as the country continues to grapple with another bird flu strain that has

infected humans and caused egg prices to hit record highs. The spread of avian influenza, commonly called bird flu, has ravaged flocks around the world, disrupting supply and fuelling higher food prices.

Its spread to mammals, including dairy cows in the U.S., has raised concerns among governments about a risk of a new pandemic. The strain that has caused most damage to poultry in recent years and the death of one person in the U.S. is the H5N1.

The H7N9 bird flu virus has proved to have a high death rate for humans worldwide killing 616 people, or 39%, of the 1,568 people infected worldwide since it was first detected in 2013 in China, the World Health Organisation said.

The WHO has said that both forms of the bird flu virus do not appear to transmit easily from person to person.

The latest outbreak of H7N9 in the U.S., detected on a farm of 47,654 commercial broiler breeder chickens in Noxubee, Mississippi, was confirmed on March 13, the Paris-based World Animal Health Organisation said in a report on Monday, citing U.S. Authorities.

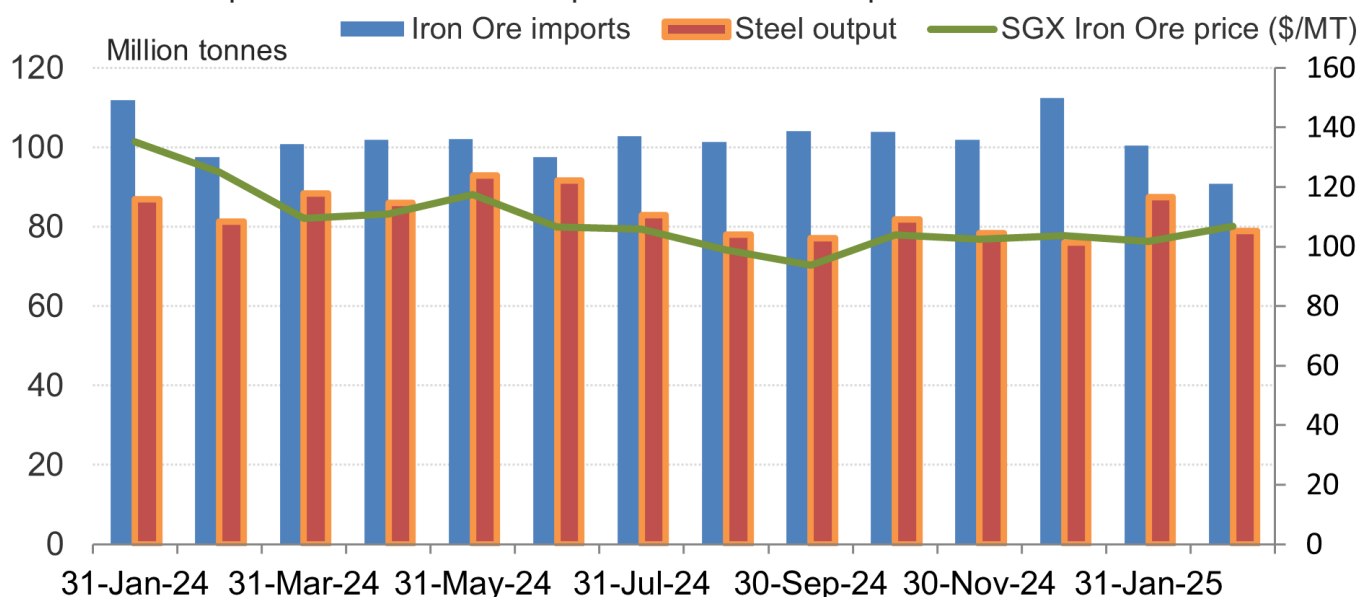
The Mississippi departments of agriculture and health did not immediately respond to requests for comment.

The U.S. response to bird flu was disrupted in the early weeks of the Trump administration, when federal agencies cancelled congressional briefings and meetings with state animal health officials, according to Reuters reporting. Some of that coordination has since resumed and the USDA says it will spend \$1 billion to tackle the spread of the virus.

Chart of the Day

CHINA'S IRON ORE AND STEEL

China iron ore imports vs crude steel output vs SGX iron ore price



Note: January and February data has been calculated from a daily average

Source: LSEG Reuters graphic/Clyde Russell 18/03/25



Top News - Metals

EXCLUSIVE-Cobalt produced by China's Lygend in Indonesia skirts Trump tariffs

U.S. firms are buying cobalt metal produced in Indonesia by China's Lygend Resources that does not incur the tariffs placed by the Trump administration on imports direct from China, three sources with direct knowledge of the matter said.

U.S. President Donald Trump has imposed extra import tariffs on Chinese goods since taking office in January, as well as placing levies on key trading partner Canada, another key source of cobalt, used in aerospace, for the U.S. Lygend's cobalt metal production in Indonesia pre-dates the latest tariffs, industry sources say, with cobalt produced by the group in the country first exported to the U.S. last year by traders with U.S. customers.

But the traders shipping its cobalt are using Indonesia's tariff-free status to sell metal more cheaply to U.S. customers facing levies on Chinese and Canadian supply, the sources said.

"U.S. consumers can get cheaper cobalt from Lygend - the metal comes from Indonesia and not China," a cobalt industry source said. "Now there are tariffs on Canadian imports, more U.S. buyers will look to Indonesia."

Lygend did not respond to requests for comment.

Chinese companies dominate cobalt production in Indonesia, where it is a byproduct of nickel.

Though still small, cobalt metal sales had more than doubled by January from first deliveries in November, rising to 121 from 58 metric tons, with a three-month total of 290 tons worth \$9.6 million, data from information provider Trade Data Monitor (TDM) showed.

Cobalt shipments to the U.S. directly from China, the world's top producer, fell after U.S. President Trump in his first term imposed a 10% levy on Chinese imports in 2018 and raised it to 25% in 2019.

With the latest 10% hike, U.S. importers would have to pay 35% tariffs on shipments of Chinese-origin cobalt, which is used in electric vehicle batteries and in defense equipment.

Darton Commodities, a specialist supplier of cobalt metal, estimates Indonesia's mined cobalt production totalled 30,920 tons or 11% of global supplies last year, compared with 18,900 tons or 8% respectively in 2023.

Canadian cobalt metal exports last year at more than 1,700 tons amounted to 18% of the total shipped to the U.S., according to TDM, making it the fourth largest source of the metal for U.S. consumers.

Mounting supplies from Indonesia and the Democratic Republic of Congo (DRC) have contributed to global oversupply of cobalt, which pushed prices down to nine-year lows around \$10 a lb or \$22,000 a metric ton in February.

Prices have since recovered due to Congo's government suspending cobalt exports for four months to rein in oversupply. However industry sources say this will make little difference to a market in which supplies are significantly greater than demand.

Top cobalt producing companies in Congo, where it is a byproduct of copper, include London-listed miner Glencore and China's CMOC Group.

Norway, Japan and Madagascar were the top three cobalt metal exporters to the U.S. last year.

COLUMN-China's steel and iron ore swing between hopeful outlook and grim reality: Russell

China's iron ore and steel sectors are caught between expectations that conditions are about to improve and the reality that much of the current data is fairly soft.

The raft of data on Monday underscored this dynamic, with the National Bureau of Statistics reporting declines in China's property prices, investment and sales.

January–February data showed property investment and sales fell 9.8% and 5.1% year-on-year, respectively, while new construction starts plummeted 29.6% following a 23.0% drop in 2024.

New home prices fell 4.8% in February from a year earlier, adding to the data that underlined that the key property sector has so far failed to respond to Beijing's stimulus efforts.

The weak data weighed on iron ore prices, with futures on the Singapore Exchange dropping 1.1% to close at \$102.65 a metric ton on Monday. This is still up from this year's low of \$97.31 hit on Jan. 6, but also down almost 5% from the peak of \$107.81 reached on Feb. 12.

China's main domestic iron ore contract on the Dalian Commodity Exchange also eased on Monday, ending at 781.50 yuan (\$108.09) a ton, down from 787.50 on March 14 and some 6.6% below this year's high of 839 yuan from Feb. 21.

The Dalian contract has traded in a fairly narrow range since October, anchored at 800 yuan a ton, as the market awaits clear signals about the state of China's economy, producer of just over half of the world's steel.

The problem is that every time the market starts believing that Beijing's efforts to increase growth are bearing fruit, a reality check is delivered in the form of soft data.

The weak property numbers came at the same time that the government ramped up efforts to stimulate consumer demand, with Beijing announcing at the weekend that it aims to "vigorously boost consumption".

While the announcement lacked details, one area that was fleshed out was the expansion of the trade-in scheme, whereby consumers can upgrade appliances and vehicles using government subsidies.

At the margin this should be positive for steel demand as many appliances such as fridges and dishwashers are made from the metal, as are vehicles.

But cars and durable goods account for only about 17% of China's steel demand, according to data from iron ore miner BHP Group, while building construction accounts for 24% and infrastructure a further 17%. This means that even if the manufacturing side of the steel equation performs well, it won't be enough to stimulate demand unless construction also starts to pick up.

STEADY STEEL

Steel output in the first two months of 2025 was somewhat mixed, with official data showing production of 166.3 million tons of crude steel, down 1.5% from the January-February period in 2024.

Daily output was about 2.82 million tons, which was up from the 2.45 million in December and also above the 2.75 million average for 2024 as a whole.

The question is whether steel output in the first two months should have been even higher than it was given the 6.7% jump in exports to 16.7 million tons.

Steel makers boosted outbound shipments as part of efforts to cash in ahead of the imposition of a 25% tariff on all steel and aluminium imports to the United States, one of new President Donald Trump's signature tariff policies. The start of the U.S. tariff on March 8 may lead to lower

imports, but the impact may be not as bad as feared for steel exporters as U.S. steel makers are limited in how quickly they can increase production, meaning that steel consumers will be forced to continue importing and paying the tariffs.

For now, the level of uncertainty is high in the steel sector as it waits to see if Beijing can spark some growth momentum and also how Trump's tariffs will play out over the next few months.

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

Top News - Carbon & Power

Alaskan officials to seek investors in Asia as Trump touts LNG

Alaska's governor and state representatives will visit Japan and three other Asian countries starting this week to court investors for a natural gas project that President Donald Trump says could pump trillions of dollars into the U.S., although Japanese energy firms remain sceptical. Officials from the state-run Alaska Gasline Development Corporation (AGDC) and development partner Glenfarne Group will visit allied Asian countries "to update industry leaders on Alaska LNG's economic and strategic competitive advantages, and discuss opportunities for participation", said AGDC spokesperson Tim Fitzpatrick. The officials want to transport gas south from Alaska's remote north via a \$44 billion 1,300-km (800-mile) pipeline, to be shipped as liquefied natural gas to Japan, South Korea and Taiwan.

The trip, which Alaska Governor Mike Dunleavy will also

be taking, runs from March 19 to March 30 with visits to Taiwan, Thailand, South Korea and Japan.

"He's going to be going over there to hold high-level discussions with the leaders in all those countries and corporate executives to talk about the pipeline," said Jeff Turner, Dunleavy's spokesperson. "If we can get a pipeline project going, we can certainly be a steady supplier of LNG to the Pacific Rim."

Dunleavy said last week that exports could begin by 2030 and deliver about 3.5 billion cubic feet of gas per day.

Trump is pushing energy sales to Asian allies while threatening trade tariffs, reviving Alaska's stalled LNG ambitions. On February 7, he asked Japanese Prime Minister Shigeru Ishiba for support and on March 4 South Korea agreed to discuss the project. The same day Trump told Congress that Japan and South Korea wanted to partner on Alaskan LNG.

The "project has tremendous support and momentum.

MARKET MONITOR as of 07:35 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	\$68.00 / bbl	0.62%	-5.19%
NYMEX RBOB Gasoline	\$2.19 / gallon	0.49%	9.13%
ICE Gas Oil	\$658.75 / tonne	0.80%	-5.25%
NYMEX Natural Gas	\$3.99 / mmBtu	-0.67%	9.85%
Spot Gold	\$3,017.23 / ounce	0.53%	14.99%
TRPC coal API 2 / Mar, 25	\$95.7 / tonne	-0.57%	-15.31%
Carbon ECX EUA	€70.55 / tonne	0.63%	-3.36%
Dutch gas day-ahead (Pre. close)	€41.00 / Mwh	-2.84%	-15.55%
CBOT Corn	\$4.68 / bushel	-0.43%	0.48%
CBOT Wheat	\$5.88 / bushel	0.43%	4.44%
Malaysia Palm Oil (3M)	RM4,371 / tonne	-4.48%	-1.73%
Index	Close 17 Mar	Change	YTD
Thomson Reuters/Jefferies CRB	369.63	0.69%	3.59%
Rogers International	28.76	0.28%	-1.54%
U.S. Stocks - Dow	41,841.63	0.85%	-1.65%
U.S. Dollar Index	103.50	0.12%	-4.60%
U.S. Bond Index (DJ)	443.38	0.35%	1.69%

We expect commitments from Japan, South Korea, Taiwan and other countries across Asia will be announced in the near future," Glenfarne said in an email. South Korea's industry ministry said AGDC had asked for a meeting, but that nothing has been decided.

RESERVATIONS

Despite Trump's claim that Japan wants in, Japanese energy firms have yet to commit.

"Companies are interested in it, but still have a lot of reservations," said Hiroshi Hashimoto, a senior analyst at the government-affiliated Institute of Energy Economics, adding that the project's higher costs had been a focal point for years.

Potential investors include Japan's biggest oil and gas explorer Inpex Corp, trading firms Mitsubishi Corp and Mitsui & Co, top LNG buyer JERA, and the government's Japan Organization for Metals and Energy Security (JOGMEC) and the Japan Bank of International Cooperation, which finance overseas energy projects, two sources familiar with AGDC's outreach said on condition of anonymity.

"The question is whether it can be economically sustainable," Inpex CEO Takayuki Ueda said at a briefing last month. Alaska's extreme cold and the pipeline's scale had hindered progress, he added.

The government, Inpex's largest shareholder, has not given any guidance on Alaska, a company spokesperson said.

The companies, including Inpex, and the banks declined to say whether they will meet the Alaskan representatives in Tokyo.

Fitzpatrick said the natural gas feedstock is inexpensive in Alaska which means the project can compete with projects on the U.S. Gulf Coast, despite the initial costs. Meanwhile, diplomatic pressure on Ishiba to ease trade frictions with U.S. gas imports looks set to intensify.

"Japan has committed to reduce the trade deficit with us and its reliance on Russia by purchasing U.S. liquefied natural gas. I will hold them to that promise," George Glass, Trump's pick for Japan ambassador, said at his Senate confirmation hearing on Thursday.

German minister warns Nord Stream pipeline revival would be 'wrong direction'

Talks to revive the Nord Stream gas pipelines to relaunch Russian gas flows to Germany would be "completely the wrong direction" to go, Germany's economy and energy

minister said on Monday.

The Nord Stream pipelines are by far the biggest potential route for Russian gas to flow to Europe. The Nord Stream 1 pipeline supplied gas from 2011 to 2022. The \$11 billion Nord Stream 2 project was completed in 2021 but never launched as Germany halted the plan ahead of Russia's war in Ukraine.

Asked on Monday if there was any possibility of the pipelines across the Baltic Sea being revived, Robert Habeck said that at the moment there was not.

"The Ukrainians are still under the aggression of Russia. So I think talking about the potential of Nord Stream 2 or Nord Stream 1, if it's going to be repaired, is completely the wrong direction of discussion," Habeck told reporters in Brussels.

In September 2022, one of the two lines of Nord Stream 2 was damaged by mysterious blasts, along with both lines of Nord Stream 1. No one has taken responsibility for causing the damage.

Germany for decades relied heavily on Russian gas, but Norway has become its biggest supplier since the Ukraine war. Moscow slashed gas supplies to Europe in 2022, plunging the continent into an energy crisis of record-high gas prices.

Habeck said he was concerned Germany's likely incoming government would forget the lessons learned from Europe's past heavy reliance on Russian energy.

"The Social Democrats and the Conservative party in Germany, they built the German energy dependency from Russia, and they did it willingly," he said.

"I'm concerned that the lecture we learned in 2022... can be forgotten."

The conservative CDU/CSU and Social Democrats have started coalition talks to form Germany's next government.

The return of Donald Trump to the White House has helped Russian gas giant Gazprom's share price recover on hopes a swift Ukrainian peace deal would lead to the restoration of gas exports to Europe, Alpha Bank said in a note last month.

However, there are few signs the continent will rush to again tie itself to Russian gas.

The Financial Times reported this month that a long-time ally of Putin was lobbying the U.S. to allow investors to restart Nord Stream 2. The German government has said it remains committed to independence from Russian energy.

Top News - Dry Freight

EU to look at import limits for aluminium sector, draft document shows

Concerns that the Trump administration's metals tariffs could divert a wave of aluminium to Europe have prompted the European Commission to consider possible curbs on imports, a draft EU plan shows.

The EU is also considering duties on its own exports of scrap metals to shore up the industry, according to the plan.

U.S. President Donald Trump increased tariffs on steel and aluminium imports to 25% last week, prompting the EU to announce tariffs on up to \$28 billion worth of

American goods.

The EU already has safeguards in place, which include import limits, for steel and it launched a probe for alloys in December. However, the steel and aluminium industries have been calling for more action to protect them from a global glut, notably coming from China, which is set to worsen for Europe as metal is diverted away from the United States.

"EU producers lost substantial market share over the last decade and, in addition, around 50% of primary production capacity remains curtailed since 2021," the draft document said.

"The recently announced US tariffs on aluminium are likely to worsen the situation further with a significant threat of trade diversion from multiple destinations." The Commission will also make a new proposal by the third quarter this year for a trade measure for steel "based on tariff rate quotas" to replace the existing ones expiring on July 1, 2026.

To further boost its existing trade defence measures, the Commission will implement a "melted and poured rule". The rule would stop importers from changing the metal's origin "by performing minimal transformation."

The Commission plans to propose export duties and restrictions on scrap metal exports in the third quarter this year.

People familiar with the matter said the Commission was weighing export duties of up to 25% on scrap metal.

The steel and metals action plan is one of the key pillars of the EU's plan to revive its industries with the Clean Industrial Deal and stay competitive with Chinese and U.S. rivals. The plan is due to be announced on

Wednesday and may still be amended before then.

Freeport Indonesia says has export permit for 1.27 million tons of copper concentrate

Freeport Indonesia has obtained a permit to export 1.27 million metric tons of copper concentrate, its spokesperson said.

The Indonesian government had said on Monday it would issue Freeport a six-month export permit while a damaged smelter is repaired, which would also ensure that the state continued to receive royalty payments.

"We have received an export permit from the Trade Ministry for 1.27 million metric tons," said spokesperson Katri Krisnati.

Freeport sought the permit after it was forced to stop copper cathode production at its new smelter in Gresik, in East Java province, after a fire damaged the plant last October.

The company has not exported copper concentrate since its previous permit expired at the end of 2024.

Picture of the Day

Spanish utilities company Iberdrola wind turbines operate above Basque farmhouses, at Mt. Oiz, near Durango, Spain, March 17. REUTERS/Vincent West

(Inside Commodities is compiled by Vaishali Puthran in Bengaluru)

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

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