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## Top News - Oil

### **OPEC+ keeps output policy steady as oil nears \$90 a barrel**

A meeting of top OPEC+ ministers kept oil supply policy unchanged and pressed some countries to increase compliance with output cuts, a decision that spurred international crude prices to their highest in five months at nearly \$90 a barrel.

A ministerial committee (JMMC) of the Organization of the Petroleum Exporting Countries and allies led by Russia, known as OPEC+, met online on Wednesday to review the market and members' implementation of output cuts. The JMMC brings together leading OPEC+ producers including Saudi Arabia, Russia and the United Arab Emirates.

Oil has rallied this year, driven by tighter supply, attacks on Russian energy infrastructure and war in the Middle East. Brent crude settled on Wednesday at its highest level since October at \$89.35 a barrel.

"OPEC+ decided to stick with oil supply cuts for the first half of the year, keeping global markets tight and potentially sending prices higher," said Saxo Bank's Ole Hansen. OPEC+ members, led by Saudi Arabia and Russia, last month agreed to extend voluntary output cuts of 2.2 million barrels per day (bpd) until the end of June to support the market.

In a statement following Wednesday's meeting, OPEC+ said some countries had promised to improve their adherence to targets.

The panel welcomed pledges from Iraq and Kazakhstan to achieve full conformity as well as to compensate for overproduction, and Russia's announcement that its cuts in the second quarter will be based on production not exports, the statement said.

"Participating countries with outstanding overproduced volumes for the months of January, February and March 2024 will submit their detailed compensation plans to the OPEC Secretariat by 30 April 2024," the statement said. Russian Deputy Prime Minister Alexander Novak said on Wednesday Russia was in full compliance with its commitments to reduce oil supplies as part of the OPEC+ deal. Data from S&P Commodity Insights, known as Platts, showed the group overproduced by a net 275,000 bpd in January and by 175,000 bpd in February. Platts is one of the secondary sources used by OPEC+ to assess its members' production.

Gabon, Iraq and Kazakhstan were the main members that produced above their quotas for the two months, the survey said. Iraq last month promised to lower exports to

make up for pumping above its OPEC target, a pledge that would cut shipments by 130,000 bpd from February. When the voluntary curbs expire at the end of June, the total cuts by OPEC+ are set to decline to 3.66 million bpd as agreed in earlier steps starting in 2022.

The panel scheduled its next meeting for June 1, the same day as the next full OPEC+ meeting to decide policy.

### **Exxon Mobil signals weaker oil and gas prices to hit first-quarter profit**

Exxon Mobil on Wednesday signaled first-quarter operating results would drop over the prior quarter on weaker oil, gas prices and a big loss in fuel derivatives, a securities filing showed.

The drop follows two years of strong oil and fuel prices that turned the largest U.S. oil company into one of the most profitable energy companies globally. Last year, it posted a record profit for a first quarter at \$11.4 billion. The biggest impact in the latest quarter came from weak natural gas prices and fuel derivatives, which reversed course after run-ups last year.

Overall, the snapshot shows about \$6.65 billion in operating profit for the quarter, compared to \$11.6 billion in the same quarter a year ago and \$7.63 billion in the fourth quarter.

Investors expect the company to post an adjusted per share profit of \$2.21, compared to the year-ago's \$2.83, according to financial firm LSEG's consensus estimate. Natural gas prices fell to multi-year lows during the quarter. Overall weaker oil and gas prices alone cut Exxon's profits by about \$600 million compared to the fourth quarter of 2023.

The company also said fuel derivatives undercut gains in gasoline and diesel margins, costing it about \$1.1 billion compared to the fourth quarter. Refining maintenance costs also jumped last quarter, the filing showed.

Last year's financial gains led Exxon to pursue all-stock deals for U.S. shale oil producer Pioneer Natural Resources and carbon storage firm Denbury. Its shares were up 16.2% during the first quarter and finished at \$119.30 on Wednesday.

The company also claims a preemptive right over Hess Corp's Guyana assets, the prize in Chevron's \$53 billion offer for Hess. That claim is being considered by an international arbitration panel.

The company is expected to post full results for the period on April 26.

## Top News - Agriculture

**Argentina's farm export revenues up 22% in March**  
 Argentine farm exports rose to \$1.5 billion in March, a 22% increase from the same month last year, oilseed industry and grains export chamber CIARA-CEC said on Wednesday.  
 Revenues from grain exports, a key source of foreign currency as the country battles an economic crisis, have been surging since President Javier Milei devalued the local peso currency by more than 50% after taking office in December, in a boost to agricultural shipments. In 2024 so far, according to CIARA-CEC, revenues have jumped 61% on a yearly basis. Argentina is one of the world's top exporters of processed soy, the No.3 for corn and a major supplier of wheat. CIARA-CEC said the March figures reflect "the new foreign exchange regime for exports in place since December 2023, low international prices and macroeconomic measures implemented by the new government that impact the decision to sell grains." Soybean meal is the country's main export product, with a 12% share of total shipments, but the local industry has an elevated idle capacity now close to 70%, according to CIARA-CEC.

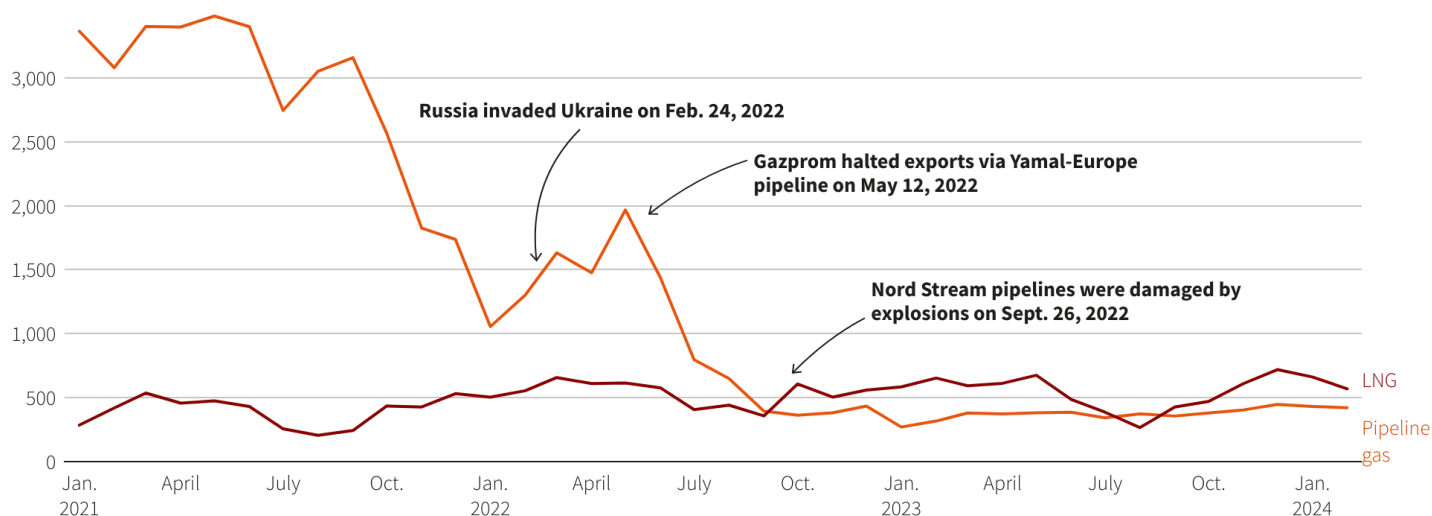
**Ghana to raise cocoa farmgate price by up to 50%, Cocomod says**  
 Ghana will raise the fixed farmgate price paid to cocoa farmers by up to 50% in an effort to share profits from

rising global prices and deter farmers from bean smuggling, a spokesperson at the country's cocoa marketing board Cocomod said on Wednesday. Cocoa prices have more than tripled over the last year as disease and adverse weather in Ghana and neighbouring Ivory Coast pushed the global market to a third successive deficit.  
 The official farmgate price that growers can charge for their beans in Ghana and Ivory Coast, which supply more than 60% of the world's beans, has yet to reflect the price surge.  
 Ghana's state guaranteed cocoa price is currently at 20,943 cedi per tone or around 21 cedi per kilogram. Ivory Coast raised on Tuesday its farmgate price to 1,500 CFA francs per kg for the April-to-September mid crop of the 2023/24 season, up from 1,000 CFA francs last season.  
 Fiifi Bofo, the head of public affairs at Cocomod, said the new price could be announced as soon as this week but declined to comment further. A cocoa exporter who asked not to be named said the Minister of Food and Agriculture would meet cocoa sector stakeholders Wednesday afternoon. "This is a mid-term price and it has nothing to do with next year's price," the exporter said. A source familiar with Cocomod's thinking said Ghana was aiming to "neutralise" the impact of Ivory Coast's price hike, given its potential impact on smuggling. Contacted by

## Chart of the Day

### Russia gas exports to the European Union

in GWh/day



Note: Russian pipeline exports show accumulated flows via three main pipeline systems: Nord Stream, Yamal-Europe and Brotherhood. The graph excludes Russian gas exports via TurkStream pipeline. LNG flows are based on vessel tracking data.  
 Source: LSEG, Kpler, Reuters estimates

Reuters on Wednesday, several of Ghana's licensed cocoa buyers welcomed the proposed increment as long overdue but said it will increase their cost of operations. Cocoa production in Ghana, the world's number two producer, has suffered multiple challenges over the past four years, with output expected to be almost 40% below target in the 2023/24 season due to strong winds, scant rain, smuggling and disease. Cocobod said it lost about

150,000 tonnes of cocoa beans to smuggling and illegal gold mining known locally as galamsey in the 2022/23 season. It now expects even greater losses this season as rising global cocoa prices create a greater incentive. The regulator said cocoa swollen shoot virus, which causes yields to drop and kills cocoa trees, wiped off about 590,000 hectares of farmland between 2018 and February 2024.

## Top News - Metals

### China says it will continue to manage crude steel output in 2024

China, the world's largest steel producer, will continue to manage crude steel output in 2024, its state planner said on Wednesday, without elaborating on the timing or scale of limits.

Beijing mandated zero output growth in its steel sector in 2021 and 2022 to limit carbon emissions from one of its most polluting industries.

That caused output to drop 3% year-on-year in 2021 and 1.7% year-on-year in 2022, contributing to lower imports of key steelmaking ingredient iron ore.

Although it made no publicly available statement on a cap in 2023, China's crude steel output was flat from a year earlier at approximately 1.02 billion metric tons, NBS data showed, defying expectations of an annual rise.

The National Development and Reform Commission (NDRC) said in a statement that it, the National Bureau of Statistics (NBS), and the ministries of Industry and Information Technology (MIIT), Ecology and Environment and Emergency Management will work with relevant parties to manage output this year. It said they would work on promoting the development of the steel industry with a focus on energy conservation and carbon reduction, and would collect information from steelmakers nationwide on equipment. This came after some major Chinese steel rebar producers called on authorities to

restrict steel bar output amid narrowing margins and losses linked to ongoing weakness in China's property and infrastructure sectors.

China made 167.96 million tons of crude steel in January and February, a year-on-year rise of 1.6%, according to NBS data.

Some analysts expect March output to fall by more than 10% from last year's 95.73 million tons, as some domestic steelmakers either delayed restarts or implemented equipment maintenance amid weaker-than-expected demand.

### Some Japan buyers agree to pay Q2 aluminium premium of \$148/T, up 64% from Q1

Some Japanese aluminium buyers have agreed to pay a global producer a premium of \$148 per ton over the benchmark price for shipments in April to June, up 64% from the prior quarter, two sources directly involved in the pricing talks said. The move comes after some Japanese buyers agreed last month to pay another global producer a premium of \$145 per ton. The negotiations are still continuing, one of the sources said.

Japan is an Asia's major importer of the light metal and the premiums for primary metal shipments it agrees to pay each quarter over the benchmark London Metal Exchange (LME) cash price set the benchmark for the region.

## Top News - Carbon & Power

### EU carbon market emissions fall record 15.5% as renewable power soars

Carbon dioxide emissions regulated under the European Union's emissions trading system (ETS) fell by a record 15.5% in 2023 as renewable power output soared, the European Commission said on Wednesday.

Around 45% of the European Union's output of greenhouse gases is regulated by the EU ETS, which is the 27-nation bloc's flagship scheme to tackle global warming by charging for the right to emit carbon dioxide (CO<sub>2</sub>).

"Last year's emissions under the EU's Emission Trading System (ETS) show the most significant annual emissions

reductions since the ETS was launched in 2005," the EU Commission said in a statement.

The largest fall was in the power sector, which saw a 24% drop in emissions compared with 2022 levels.

"This decrease is due to a substantial increase in renewable electricity production (primarily wind and solar), at the expense of both coal and gas," the commission said. Emissions from industry fell around 7% due to a combination of reduced output and energy efficiency gains. Following a rebound from a collapse in traffic during the COVID-19 pandemic, emissions from the aviation industry increased by around 10%, the commission said.

### Majority of CO2 emissions linked to 57 producers and countries, report says

The vast majority of planet-warming carbon dioxide emissions since 2016 can be traced to a group of 57 fossil fuel and cement producers, researchers said on Thursday.

From 2016 to 2022, the 57 entities including nation-states, state-owned firms and investor-owned companies produced 80% of the world's CO2 emissions from fossil fuels and cement production, said the Carbon Majors report by non-profit think tank InfluenceMap.

The world's top three CO2-emitting companies in the period were state-owned oil firm Saudi Aramco, Russia's state-owned energy giant Gazprom and state-owned producer Coal India, the report said.

Saudi Aramco declined to comment. Coal India and Gazprom did not immediately respond to requests for comment.

The report found most companies had expanded their fossil fuel production since 2015, the year when nearly all countries signed the U.N. Paris Agreement, committing to take action to curb climate change. Since then, while many governments and companies have set tougher emissions targets and rapidly expanded renewable energy, they have also produced and burned more fossil fuels, causing emissions to rise.

Global energy-related CO2 emissions hit a record high last year, the International Energy Agency has said.

InfluenceMap said its findings showed that a relatively small group of emitters were responsible for the bulk of ongoing CO2 emissions, and it aimed to increase transparency around which governments and companies were causing climate change.

"It can be used in a variety of cases, ranging from legal processes seeking to hold these producers to account for climate damages, or it can be used by academics in quantifying their contributions, or by campaign groups, or even by investors," InfluenceMap Program Manager Daan Van Acker said of the report.

A previous edition of the Carbon Majors database was cited last month in a legal case brought by a Belgian farmer against French oil and gas company TotalEnergies. The farmer argued that as one of the world's top 20 CO2-emitting companies, TotalEnergies was partly responsible for damage to his operations from extreme weather.

The database was first launched in 2013 by the non-profit research organisation Climate Accountability Institute. It combines companies' self-reported data on coal, oil and gas production with sources like the U.S. Energy Information Administration, national mining associations and other industry data.

Carroll Muffett, CEO of the non-profit Center for International Environmental Law said the database would improve investors' and litigators' ability to track companies' actions over time.

### MARKET MONITOR as of 06:35 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	\$85.62 / bbl	0.55%	19.50%
NYMEX RBOB Gasoline	\$2.73 / gallon	0.24%	29.75%
ICE Gas Oil	\$856.25 / tonne	1.27%	14.05%
NYMEX Natural Gas	\$1.85 / mmBtu	-0.81%	-26.53%
Spot Gold	\$2,295.58 / ounce	0.68%	11.30%
TRPC coal API 2 / Dec, 24	\$117.5 / tonne	-0.72%	21.13%
Carbon ECX EUA	€57.41 / tonne	-2.23%	-28.57%
Dutch gas day-ahead (Pre. close)	€25.92 / Mwh	-1.82%	-18.62%
CBOT Corn	\$4.47 / bushel	1.30%	-7.70%
CBOT Wheat	\$5.76 / bushel	2.58%	-9.89%
Malaysia Palm Oil (3M)	RM4,398 / tonne	1.99%	18.19%
Index	Close 03 Apr	Change	YTD
Thomson Reuters/Jefferies CRB	342.02	0.34%	13.48%
Rogers International	28.68	0.79%	8.95%
U.S. Stocks - Dow	39,127.14	-0.11%	3.81%
U.S. Dollar Index	104.20	-0.05%	2.83%
U.S. Bond Index (DJ)	422.92	0.14%	-1.81%

## Top News - Dry Freight

### **Russia widens grain export curbs, halts some Aston ships, sources say**

Russian authorities have halted grain exports on some ships belonging to Aston, one of the biggest local grain trading houses, two industry sources said, widening a quality probe which has already curbed the exports of another major trader.

As the world's top wheat exporter, any disruption to Russian shipments can drive up global prices.

According to the sources, Russia's agricultural watchdog Rosselkhozadzor has not provided some of the company's vessels with phytosanitary certificates. One of the sources said two Aston vessels were not given the clearance. According to data cited by the newspaper Kommersant, Aston exported more than 2.7 million metric tons of grain in the first half of the 2023/24 marketing season, the third-largest volume after Grain Gates and TD RIF. Aston did not reply to request for comment.

Rosselkhozadzor said in late March that there had been an increase in complaints from importing countries about the non-compliance of Russian grain quality with quarantine requirements, including supplies from TD RIF.

"No appeals from other grain exporting companies regarding problems with obtaining a phytosanitary certificate for grain products have been received by Rosselkhozadzor," the agency said in response to a Reuters request on Wednesday.

Petr Khodykin, owner of TD RIF, said last week his company's loaded ships could not leave port, estimating the total volume of frozen shipments at 400,000 tons. The agency has recently put forward oversight proposals,

including tightening control over phytosanitary conditions for grain intended for export.

Russia expects record grain exports of 65 million tons this season on the back of a strong harvest and stocks.

### **Panama Canal drought could threaten supply chain, S&P says**

The severe drought which has forced the Panama Canal, one of the world's busiest trade passages, to limit daily crossings could impact global supply chains during a period of high demand, S&P Global said on Wednesday. The canal has imposed several restrictions since 2023, though last month the Panama Canal Authority bumped up daily crossings to 27, from 24, as water levels rose at the man-made Gatun Lake which feeds into the canal.

"Capacity pressures at the Panama Canal are starting to have an effect on supply chains," S&P Global said in an analyst report on transportation of cargo and raw materials. "Container ships have yet to feel the impact in light of their priority status, although the situation is changing." Container ships have priority to pass through the Panama Canal, but transit restrictions have hurt other categories, particularly bulk carriers. If rains return in May as expected, the canal authority plans to ramp daily slots back up to about 36 per day, the average during rainy season. The need to maintain water levels at the reservoirs feeding into the canal has prevented it from absorbing demand from shippers seeking alternative routes away from the Red Sea, where Houthi attackers have blocked the passage of ships in the Suez Canal, the world's busiest waterway.



## Picture of the Day



Soldiers stand near the site where a building collapsed, following an earthquake, in Hualien, Taiwan April 3. REUTERS/Walid Berrazeg

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