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Top News - Oil

One dead, two seriously injured after fire hit Pemex oil platform in Mexico
At least one contractor was killed after a fire struck an offshore platform operated by Mexico's national oil company Pemex, the firm said in a statement on Sunday, adding that two others were in "grave" condition.
A total of nine workers suffered injuries in the blaze on Saturday afternoon that struck the company's Akal-B platform, located in the southern Gulf of Mexico, where most of Pemex oil output originates.
Five of the nine were Pemex employees while the rest were contractors from local service providers Diavaz and COTER.

A day earlier, Pemex said only two of its employees had been injured, and that none of the injures were serious as the fire had been controlled in 16 minutes.
Pemex infrastructure across Mexico has for years suffered frequent deadly accidents, which analysts often blame on poor maintenance and other operational deficiencies.
The Akal-B platform is part of Pemex's aging but still significant Cantarell complex of shallow water wells. The complex currently produces some 200,000 barrels per day of crude oil, but two decades ago was one of the world's top producing fields with over 2 million bpd of output.
In its statement, Pemex did not detail how oil and gas production from the complex had been affected. It did note that the company continued to investigate the cause of the incident as well as actions needed in order to "reestablish" operations at its processing center.

Russia's Orsk oil refinery suspends work after dam bursts amid flooding -agencies
Russia's Orsk oil refinery suspended work on Sunday, after the city's dam burst on Friday night amid flooding in the surrounding Orenburg region, Russian news agency cited the plant's press service as saying.
The refinery, located around 1800km (1100 miles) east of Moscow, close to Russia's border with Kazakhstan, has an annual capacity of six million tons of oil.
State news agency RIA reported that the suspension of operations was aimed at avoiding ecological risks amid floods that have hit the surrounding Orenburg region, as well as nearby parts of Russia and Kazakhstan.

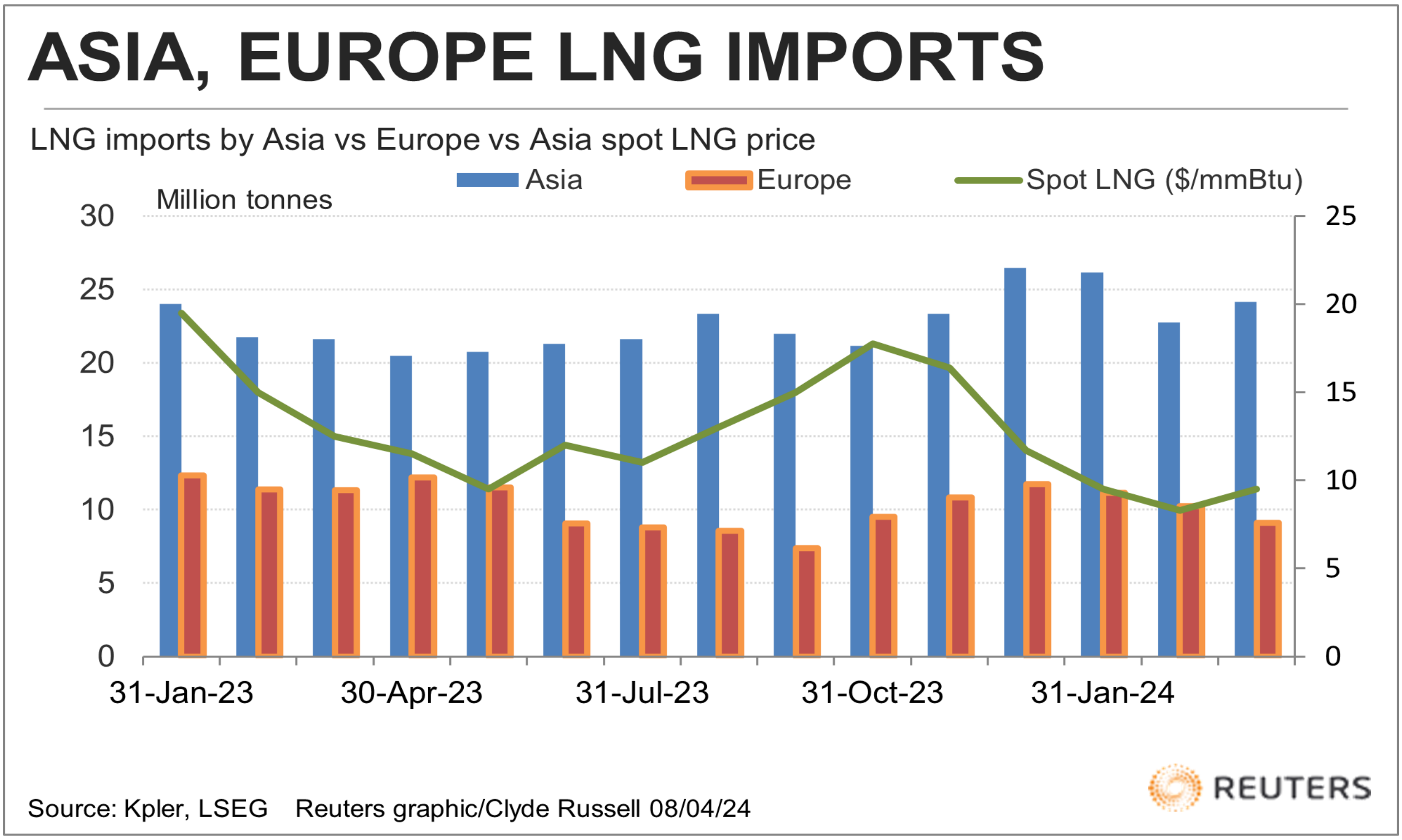
Top News - Agriculture

Biden administration's initial SAF subsidy model to raise climate hurdle for ethanol
The Biden administration will release a preliminary climate model for its sustainable aviation fuel (SAF) subsidy program in the coming weeks that is more restrictive than what the corn-based ethanol industry had expected, two sources familiar with the matter told Reuters.
Under the preliminary model, which could be released by May 15, ethanol is not expected to automatically qualify as a feedstock in the SAF subsidy program unless the corn involved is sourced from farmers using one of just three sustainable agriculture techniques, the sources said.
Those techniques include efficient tilling, use of cover crops and efficient fertilizer application, the sources said.
White House officials, the final arbiter of the model, had considered forcing producers to use all three techniques in a none-or-all approach, but have backed off that plan, the sources said.
The ethanol industry had expected a broader range of agriculture techniques to be included in the model to help the fuel qualify.
The sources said the model could be expanded to include a broader range of options when the administration considers a rule establishing the Clean Fuel Production Credit, or 45Z, later this year.
The White House had been reluctant to immediately expand the options amid intense debate over how to verify that farms are actually doing the practices and whether they deliver the carbon reduction as promised.
The issue has thrust the White House into the complicated politics of ethanol and biofuels in an election year. Subsidies for such products are hugely popular in some Midwestern swing states, but converting farm land to help generate fuel, not food, angers environmentalists.
The White House declined to comment.
To access SAF subsidies, producers must demonstrate their feedstock is 50% lower in emissions than jet fuel.
Ethanol is expected to miss the 50% threshold after environmental penalties for converting land for fuel, something that would force the industry to rely on smart agriculture practices to get back above the credit threshold.
Environmentalists are skeptical of the carbon reduction benefits of the smart agriculture practices and have been pushing the White House to limit their value in the model.

The Biden administration wants SAF to play a key role in decarbonizing the transportation sector, and included a $1.25 per gallon tax credit for its production in the 2022 Inflation Reduction Act. The administration hopes the tax credit will generate 3 billion gallons of production of sustainable aviation fuels by 2030.
Ethanol producers see the nascent SAF industry and its subsidies as the corn-based fuel's top chance for market growth, amid stagnant demand for gasoline.

Rain and Chinese demand to boost Australia's wheat, barley planting
Australian farmers are likely to plant more wheat and barley this year, thanks to Chinese demand and wet weather on the country's east coast, while canola sowing should fall amid lower profit margins and dry conditions in the west, analysts said.
Australia is the world's second largest wheat exporter and a key supplier of barley and canola, with the size of its harvests impacting global supplies and prices.
Wheat and barley production is likely to rise by several million metric tons in the 2024/25 season ending in June next year, while canola output could drop by about a million tons, analysts forecast.
"The east coast is looking really good, with lots of rain," said Ole Houe, director of advisory services at IKON Commodities in Sydney.
With sowing just getting underway, additional planting in eastern Australia should boost wheat area by 1%-3% and barley area by 3%-15%, while canola area could decline by 4%-20% from 2023/24, analysts estimated.
Dryness in Western Australia is likely to hit canola hardest because it is planted earlier and offers a smaller profit margin than wheat or barley.
"Canola area will be the first to get cut ... If dry conditions (in Western Australia) push into May, we will start to see wheat and barley area pared back too," said Rod Baker at Australian Crop Forecasters in Perth.
Western Australia produced around a third of the 26 million tons of wheat and 10.8 million tons of barley harvested nationwide in the 2023/24 season and nearly half the 5.7 million tons of canola, government data show.
Farmers want to plant more barley after China lifted punitive tariffs on Australian barley last year, adding to demand, said Commonwealth Bank analyst Dennis Voznesenski.
Australia's barley exports rose to a record monthly high of 1.3 million tons in December, of which 90% went to China.
China has also boosted purchases of Australian wheat in recent years, though some cargoes have been cancelled in the last few months due to a drop in global prices.
IKON Commodities, Commonwealth Bank and Australian Crop Forecasters predict wheat production of 29.5 million

Chart of the Day



-29.9 million tons in 2024/25, with brokers StoneX expecting around 26 million tons and consultants Episode 3 around 27 million-27.5 million tons.
For barley, Commonwealth Bank raised its forecast by around 100,000 tons to 12.8 million tons and Episode 3 predicts a 11.5 million-12 million ton harvest.
For canola, Commonwealth Bank cut its forecast by around 750,000 tons to 5 million tons and IKON said the harvest could be as low as 4.6 million tons.
Most Australian canola is shipped to Europe to be made into biofuel.
Below average rainfall is expected across most cropping areas in coming months but if a La Nina weather phenomenon forms later in 2024 this could bring wetter conditions to eastern Australia.
"The success of crops is largely about what happens with the weather in June-to-September," said Episode 3 analyst Andrew Whitelaw.
"The prospect of La Nina gives us more confidence," he said.

Top News - Metals

Australia's Westgold to buy Karora Resources in $808 mln deal
Australia's Westgold Resources said on Monday it had agreed to acquire Toronto-listed Karora Resources in a cash-and-stock deal worth about A$1.23 billion ($808.36 million), seeking its gold assets in Western Australia.
The deal will propel the combined group to become a mid-tier gold miner producing around 400,000 troy ounces of gold a year in the state and with a market capitalisation of around A$2.2 billion.
Karora shareholders will receive 2.524 Westgold shares, with A$0.68 in cash and 0.30 of a share in a new company to be spun off from Karora, which will include its shareholding in lithium explorer Kali Metals and a 1% lithium royalty on certain mining interests.
The deal implies an offer price of A$6.60 per Karora share, or C$5.90 a share, based on Westgold's last closing price and the Australian dollar to Canadian dollar exchange rate on April 5, representing a 10.1% premium to Karora's closing share price.
Karora Resources is focused on increasing gold production at its Beta Hunt gold mine and Higginsville gold operations in Western Australia and earlier ended buyout talks with another Australian gold miner, Ramelius Resources.
"The prize here is Beta Hunt's gold potential. Rarely do you find a gold asset of the quality and potential of Beta Hunt hiding in a nickel belt and drilling is expected to further unlock value at this mine," Westgold CEO Wayne Bramwell said.
Upon completion of the deal, Westgold shareholders will own 50.1% of the combined company.
Karora Chairman and CEO Paul Huet said the transaction could yield an estimated A$490 million in corporate and operational savings and offered a "compelling opportunity" with gold prices at a record high.
He highlighted that Karora shareholders would become "proud owners of the largest unhedged gold producer in Australia at completion of the transaction", and stood to gain from the stronger balance sheet and more exploration opportunities.
Shares in Westgold rose as much as 4.4% to A$2.380 a share. Karora closed on Friday at C$5.36.

Mining magnate Andrew Forrest urges China to demand greener nickel, FT reports
Australian mining magnate Andrew Forrest has called on China to demand higher environmental standards from its global supply chain, particularly its companies conducting nickel processing in Indonesia, the Financial Times said on Sunday.
Forrest, the chairman of Fortescue Metals Group, said in an interview to the FT that electric vehicle manufacturers should be wary of Indonesian nickel, adding that it was being extracted at immense cost to the environment.
"China will need to enforce its own environmental standards on its global supply chains," Forrest is quoted as saying by the newspaper during a visit to Boao, China.
He further added that every buyer of nickel "needs to be really careful if they're buying from that (Indonesian) source."
Nickel is a key ingredient that is used in electric vehicle batteries.
Indonesia in February had launched a revised "taxonomy", or green investment rulebook, categorising coal-fired power plants used in nickel facilities as part of the global transition to a green economy.
Environmentalists criticised the notion of categorising the financing of new coal power plants as sustainable, pointing out that such plants are a significant source of carbon emissions.
Indonesia has rapidly emerged as the new powerhouse of global nickel production but until now has not produced the metal in the high-purity form traded on either the LME or the Shanghai Futures Exchange.
China has become Indonesia's top trading partner during the last decade, as its natural resources such as coal and nickel help to power the world's second-largest economy.

Top News - Carbon & Power

Shell, Aramco in final stage of Pavilion Energy talks-sources

Shell and Saudi Aramco, which are competing to buy the assets of Temasek-owned liquefied natural gas (LNG) trading firm Pavilion Energy, are now locked in price negotiations after completing the due diligence process, three sources with knowledge of the matter said.

The potential sale comes a decade after the Singapore state investment firm set up Pavilion Energy to focus on LNG-related investments. The assets could fetch more than $2 billion, two of the sources said.

Pavilion Energy, Temasek, Shell and Barclays, which is advising Temasek, all declined to comment. Saudi Aramco, whose gas unit is overseeing its negotiations, did not respond to a request for comment.

Aramco believes the deal would position it as a global LNG player. It is accelerating its gas exploration and aims to boost production by more than 60% from 2021 levels by 2030. It is also looking at investing in liquefied natural gas (LNG) projects abroad, after last year buying a minority stake in MidOcean Energy for $500 million.

LNG trading accounted for nearly a third of Shell's profit in the fourth quarter of last year, The company, the world's largest LNG trader, has operations worldwide that allow it to benefit from regional shifts in demand and pricing.

Shell has said it believes gas and LNG will play a critical role in the energy transition by replacing more polluting coal in power plants.

As one of four firms appointed by Singapore's Energy Market Authority to import LNG, Pavilion Energy supplies one-third of the city state's power and industrial gas demand with LNG and piped natural gas, according to its website. It also supplies LNG to ships in Singapore, the world's top bunkering port.

The company invested about $1.3 billion in three gas blocks in Tanzania in 2013, soon after it was set up, and gained access to Europe with its 2019 purchase of Iberdrola's LNG assets, including regasification capacity in the United Kingdom and Spain.

The unlisted company posted profit after tax of $438 million for the year to March 2023, reversing a year earlier loss of $666 million, Temasek's website showed, while revenue rose 38% to $9.09 billion. Shareholder equity value was $3.63 billion as of March 2023, the website showed.

MARKET MONITOR as of 06:35 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$85.59 / bbl	-1.15%	19.46%
NYMEX RBOB Gasoline	$2.73 / gallon	-1.52%	29.40%
ICE Gas Oil	$850.25 / tonne	-0.15%	13.25%
NYMEX Natural Gas	$1.76 / mmBtu	-0.62%	-29.87%
Spot Gold	$2,340.42 / ounce	2.23%	13.47%
TRPC coal API 2 / Dec, 24	$116.5 / tonne	0.22%	20.10%
Carbon ECX EUA	€60.58 / tonne	3.56%	-24.62%
Dutch gas day-ahead (Pre. close)	€26.30 / Mwh	0.80%	-17.43%
CBOT Corn	$4.45 / bushel	-0.67%	-8.16%
CBOT Wheat	$5.80 / bushel	1.40%	-9.38%
Malaysia Palm Oil (3M)	RM4,310 / tonne	-2.05%	15.83%
Index	**Close 05 Apr**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	344.88	0.43%	14.42%
Rogers International	28.91	1.14%	9.80%
U.S. Stocks - Dow	38,904.04	0.80%	3.22%
U.S. Dollar Index	104.36	0.06%	2.99%
U.S. Bond Index (DJ)	424.98	0.35%	-1.33%

COLUMN-Asia takes LNG that Europe doesn't need as spot price stays muted: Russell

Asia's imports of liquefied natural gas (LNG) rose sharply in March as the top-buying region took advantage of lower spot prices to draw cargoes away from Europe.
A total of 24.16 million metric tons of the super-chilled fuel landed in Asia in March, up from February's 22.73 million and also up 11.5% from the 21.67 million in March 2023, according to data compiled by commodity analysts Kpler.
The strength in imports came as spot prices for LNG for delivery to North Asia remained muted in February and early March, when the bulk of cargoes would have been arranged.
The spot price LNG-AS hit the lowest in nearly three years in late February, when it dipped to $8.30 per million British thermal units (mmBtu) in the week to Feb. 23.
This was down from the northern winter peak of $17.90 per mmBtu in the week to Oct. 20.
The spot price has shifted slightly higher in recent weeks, ending at $9.50 per mmBtu in the seven days to April 5, up from $9.40 the prior week.
The small lift in prices is probably not enough yet to deter the price-sensitive buyers of LNG in Asia, which include India and South Asian neighbours Pakistan and Bangladesh, but also increasingly China.
China's imports of LNG rose to 6.61 million tons in March, up from February's 5.82 million and 5.43 million in March 2023, according to Kpler.
China is the world's largest LNG importer and it tends to buy more spot cargoes when the price is below $10 mmBtu as this allows the fuel to remain competitive in some areas of China's partially regulated natural gas market.
India's LNG imports rose to a 40-month high of 2.29 million tons in March, up from 1.98 million February and 1.84 million in March last year.
Bangladesh's arrivals were 470,000 tons in March, the highest since August last year and up from 400,000 tons in February.
LNG demand in developed Asian nations such as Japan and South Korea was steadier, which is not unusual given their reliance more on long-term contracts.
Japan, the world's second-biggest LNG buyer, had imports of 5.96 million tons in March, down slightly from 6.1 million in February, but up from 5.51 million in March last year.
South Korea's imports were 3.95 million tons in March, up from February's 3.82 million but down from 4.38 million in March last year.

EUROPE EASES

The robust demand for LNG in Asia stands in contrast to the softening in Europe, with Kpler data showing arrivals of 9.10 million tons in March, the lowest since September and down from February's 10.23 million and 11.34 million in March last year.
A mild winter in Europe and elevated natural gas inventories have dampened demand for LNG, which in turn has allowed cargoes to flow east.
This can be shown by exports from the United States, which is a major swing supplier between regions.
U.S. exports to Europe were 4.23 million tons in March, down from 4.75 million in February and the lowest since September last year.
In contrast, U.S. shipments to Asia were 2.21 million tons in March, the highest since September and up from 2.0 million in February.
The question for the market is whether Asian LNG demand is enough to keep pushing the spot price higher, or will the usual slack period between the northern winter and summer peaks lead to lower demand and prices.
It's still too early to be definitive about Asia's imports in April, with Kpler's current estimate for arrivals of 20.12 million tons this month, in line with the 20.46 million in April 2023.
However, it's likely that more cargoes will be assessed in coming weeks, meaning Asia's demand for LNG in April may well exceed the same month a year earlier.
It will most likely take an increase in the spot price to levels above $10 per mmBtu before spot buying may ease in countries like China and India.
The opinions expressed here are those of the author, a columnist for Reuters.

Top News - Dry Freight

Indonesian tender seeks 300,000 T of rice for May arrival, traders say

The international tender issued on Thursday by Indonesian state purchasing agency Bulog to buy 300,000 metric tons of rice seeks rapid arrival of the grain in Indonesia by May 31, European traders said on Friday.
Bulog gave little information when issuing the tender saying more information would be given after traders had registered to participate on Friday.
Traders said on Friday the deadline for submission of price offers was April 16. Negotiations with Bulog will then follow with a decision on the purchase expected by April 18.
The tender continues efforts by Indonesia’s government to boost rice imports to cool prices after a poor local crop.
Prices for rice, the staple for most of Indonesia's 270 million people, have risen about 20% since last year as the El Nino weather phenomenon cut rainfall across large parts of Asia in 2023, reducing output and sparking food inflation pressure.
Indonesia's government has responded with a major import programme seeking fast arrival of new supplies.

The new tender seeks long grain white rice of 5% broken grade sourced from Thailand, Vietnam, Myanmar, Pakistan and Cambodia, the traders said.
The rice should come from the 2023/2024 crop year and should have been milled no longer than six months ago. It should be packed in 50 kg bags.
Shipment is only in breakbulk vessels, with delivery in shipping containers not allowed.
In its last reported international rice tender on March 27, Bulog is believed to have purchased about 300,000 tons also for arrival by May 31.

Ukraine grain exports at 36 mln T so far in 2023/24, ministry says

Ukraine's grain exports in the 2023/24 July-June marketing season have fallen to around 36 million metric tons as of April 5 from 38.5 million a year earlier, agriculture ministry data showed on Friday. Exports so far this season have included 14.2 million tons of wheat, 19.5 million tons of corn and 1.97 million tons of barley.

Picture of the Day

A view of Cambodian flags at the annual ox cart race by farmers, a centuries-old tradition marking the upcoming Khmer New Year and the end of the rice-harvesting season in mid-April, at Prey Romduol village in Kampong Speu province, Cambodia April 7, 2024.

(Inside Commodities is compiled by Indrishka Bose in Bengaluru)

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

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