

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

Click on headers to go to that section

Top News - Oil

US EIA raises oil output, price forecasts for 2024

U.S. crude oil output is set to grow slightly more than earlier estimates for this year and next, the U.S. Energy Information Administration said on Tuesday, while also hiking its global and domestic oil price forecasts.

U.S. crude production will rise by around 280,000 barrels per day (bpd) this year to 13.21 million bpd, and by 510,000 bpd to 13.72 million bpd in 2025, the EIA forecast.

It had previously estimated output to rise by 260,000 bpd this year and by 460,000 bpd next year. The agency's view on U.S. consumption was unchanged at a 200,000-bpd increase to 20.4 million bpd in 2024.

The increase in production forecasts was likely due to the assumption of higher prices, UBS analyst Giovanni Staunovo said.

EIA now expects Brent crude oil prices to average \$88.55 a barrel this year, up from its earlier forecast of \$87, while U.S. West Texas Intermediate crude prices are now expected to average \$83.78 a barrel in 2024. In March, the EIA had forecast WTI prices would average \$82.15 a barrel this year.

The hike reflects expectations of strong global oil inventory draws in the current quarter and ongoing geopolitical risks, the EIA said in its monthly short-term energy outlook.

Brent crude futures traded above \$89 a barrel and WTI futures traded north of \$85 on Tuesday, over 16% and 19% higher so far this year.

The EIA also noted that it underestimated global demand for the past two years. The agency now estimates world oil and liquid

fuels consumption at around 99.94 million bpd in 2022, about 790,000 bpd above its prior forecasts.

Estimates for 2023 were raised to 101.96 million bpd from 101 million earlier, the revisions driven by non-OECD countries. For 2024, EIA now expects global consumption at around 102.91 million bpd, 480,000 bpd higher than its previous forecast.

"The sources of growth remain the same; non-OECD Asian countries - particularly China and India - drive global liquid fuels demand growth in our forecast, although we also expect significant growth in the Middle East and United States," the EIA said.

BP expects rise in first-quarter upstream energy output

BP said on Tuesday it expects first-quarter upstream production of both oil and gas as well as low-carbon energy to be higher than the previous three months.

The London-listed oil major also expects strong results in oil and gas trading, along with a \$100 million-\$200 million boost from improved oil refining margins.

Lower realised prices, however, will mean a hit of \$200 million to \$400 million to its gas and low-carbon energy segment, BP said in its first trading outlook for 2024.

For oil, lower realised prices will mean an adverse impact of between \$300 million and \$600 million, it said, due in part to price lags on its production in the U.S. Gulf of Mexico and the UAE. BP is scheduled to report its results on May 7.

Last week, rival Shell said in its first-quarter trading update that it expects significantly lower results from liquefied natural gas trading.

Top News - Agriculture

Brazil's coffee exports jump 37.8% in March, set quarterly record

Brazil's total coffee exports amounted to 4.29 million 60-kg bags in March, a 37.8% increase compared to the same period last year, a record for the month, industry group Cecafe said on Tuesday.

Coffee shipments from the world's largest producer and exporter also hit an all-time high in the first quarter, Cecafe said.

The group credited the boost to exports of robusta coffee, which set a record in March of 846,700 bags, nearly eight times the amount shipped in the same period in 2023. Brazil has been exporting larger volumes of this variety to fill gaps left by a drop in exports from Vietnam and Indonesia, major producers of robusta.

"Brazil has been able to meet international demand, overcoming difficulties caused by climatic issues in Indonesia and Vietnam," Cecafe's president, Marcio Ferreira, said in a statement.

Shipments of arabica coffee, which account for most of the country's exports, also showed significant gains, growing 15.1% year-on-year in March to 3.1 million bags.

Total revenue from Brazilian exports rose 35.2% over the same period to \$913.6 million. Taking into account information from the National Coffee Association's (NCA) annual convention in the United States, Ferreira said that the drop in production in Vietnam is not as significant as expected.

Russia seizes assets of agricultural firm AgroTerra

Russia has seized companies belonging to agricultural firm

AgroTerra and placed them under temporary management, including some backed by Dutch investment firms, a decree signed by President Vladimir Putin showed late on Monday. The move follows similar asset seizures involving Western firms including Carlsberg, Fortum and Uniper in retaliation for steps taken against Russian companies abroad.

Monday's decree listed AgroTerra assets being placed under temporary management of Rosimushchestvo, Russia's federal property management agency.

"As of now, the Company has not yet received any further details regarding the decree on the transfer of shares within the authorised capital of the AgroTerra Group to the temporary management of Rosimushchestvo," AgroTerra said.

The company said it was operating as usual and that its primary focus was the ongoing sowing campaign.

AgroTerra was one of Russia's top 20 agricultural landholders as of May 2023, according to the BEFL consultancy, cultivating an area of 265,000 hectares.

The decree listed Dutch-registered firms AgroTerra Investments B.V. and AgroTerra Holdings B.V. as part owners of some of the assets.

AgroTerra was founded in 2008 and is a producer and supplier of mass commodity crops and specialty, value-added crops to top food processors.

NCH, a U.S.-based firm that lists AgroTerra as one of its Agribusinesses, did not immediately respond to a Reuters request for comment.



Top News - Metals

Global steel demand to return to growth in 2024, says World Steel

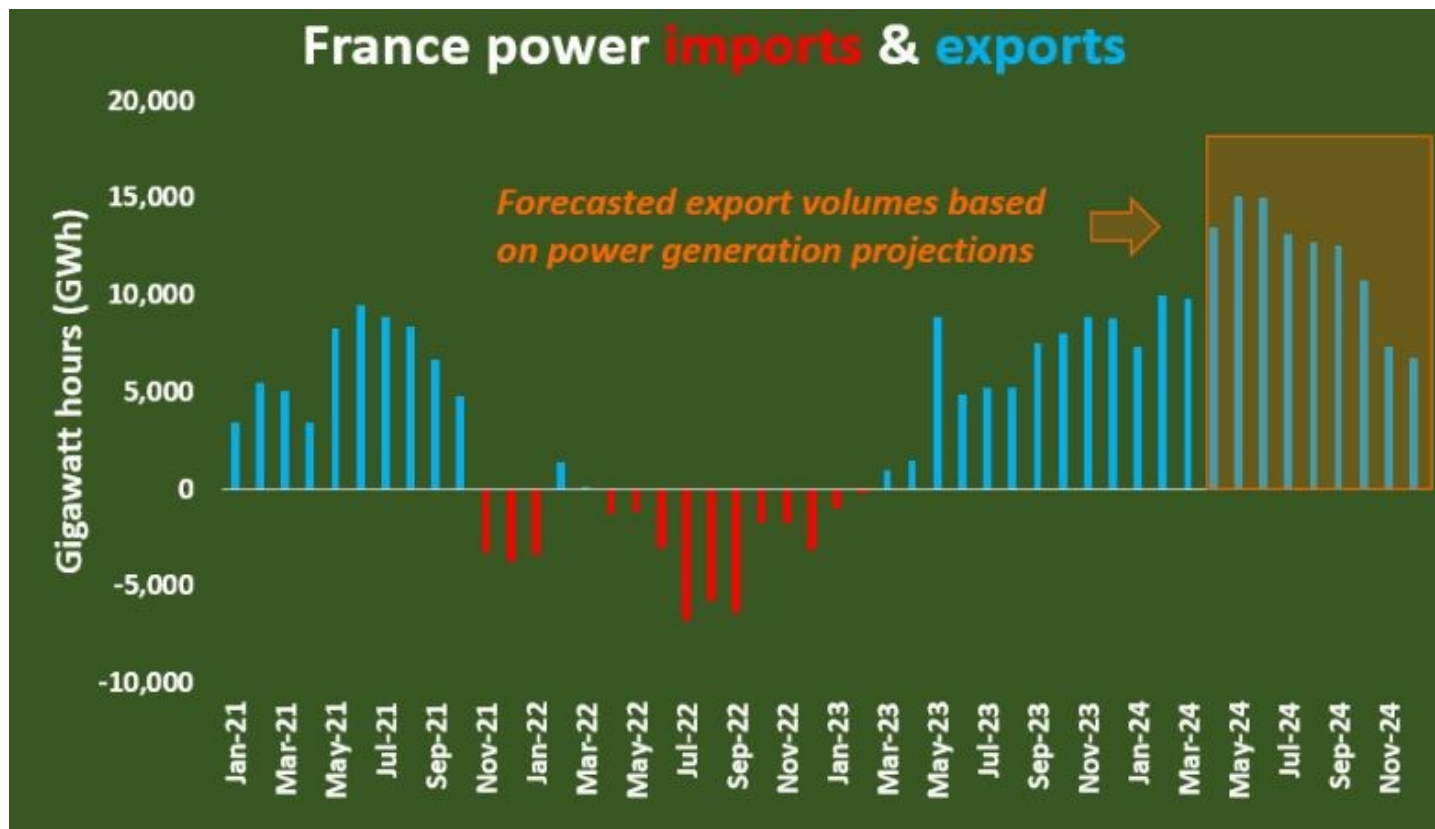
Global steel demand is expected to rise by 1.7% to 1.793 billion metric tons in 2024 and to increase further in 2025, the World Steel Association said on Tuesday. The association expects India to be the main driver of demand growth as Chinese demand continues to decline. After two years of decline and severe post-pandemic market volatility, there are signs of global steel demand "settling in a growth trajectory in 2024 and 2025", the industry group's statement said. Global demand in 2025 is expected to rise by 1.2% to 1.815 billion tons, it said. Apparent steel use in China, the world's top producer and consumer of the metal, fell by 3.3% in 2023 and is expected to be steady in 2024 as a decline in real estate investment is offset by growth from infrastructure investment and manufacturing sectors, the association said. It expects China's steel demand decline by 1% in 2025, remaining significantly lower than its 2020 peak. India, however, has emerged as the strongest driver of steel demand growth since 2021. The association expects Indian demand to grow by 8% over 2024 and 2025. Demand in Europe, which has been challenged by high inflation and tighter monetary policy, is expected to show very modest growth this year before a 5.3% projected gain in 2025. Meanwhile, strong investment activity will bring U.S. demand back to growth this year after a drop caused by a housing market slowdown in 2023, the association said.

Rare earths prices in China hit 7-week high on post-holiday restocking

Rare earths prices in top producer China jumped to their highest in more than seven weeks on Monday on a wave of post-holiday

restocking among buyers, before easing slightly on Tuesday. China accounts for 70% of rare earths mining and 90% of refined output, according to the United States Geological Survey. The price of praseodymium oxide, one of the most widely used light rare earth elements, climbed by 9.7% week-on-week and 9.1% month-on-month, respectively, to 395,000 yuan a ton on Monday, the highest since Feb. 21, data from information provider Shanghai Metals Market (SMM) showed. Meanwhile, the price of terbium oxide, one of the most widely used heavy rare earth elements, jumped by over 14% both on the week and on the month to 6,150 yuan a kilogramme, the highest since Jan. 9, according to SMM data. Rare earths are a group of 17 elements used in products from lasers and military equipment to magnets found in electric vehicles and consumer electronics. Some magnetic materials producers returned to the spot market to replenish raw material supplies after China's Tomb Sweeping Day having almost run out of in-plant stocks, said analysts. Available spot cargoes were also somewhat reduced after some ore cargo holders used resources at hand as collateral to raise capital from banks to ease their financial strain, contributing to price increases, said SMM analyst Yang Jiawen. There are also expectations of a seasonal reduction in ore from major supplier Myanmar after its rainy season starts. Several Chinese magnetic materials producers chose to stop signing long-term contracts and depend more on the spot market for rare earth materials this year, SMM's Yang said. But this may increase price volatility of rare earth, especially during the peak demand season, Yang added. Share prices in China Northern Rare Earth (Group) High-Tech Co., a major rare earth producer, rose about 4.3% to 21.6 yuan on Tuesday.

Chart of the Day



Top News - Carbon & Power

EU to investigate Chinese wind turbine suppliers

The EU will investigate subsidies received by Chinese suppliers of wind turbines destined for Europe, in the bloc's latest move to shield domestic firms from cheap clean tech products.

The European Commission will look into conditions for the development of wind parks in Spain, Greece, France, Romania and Bulgaria, the EU's anti-trust commissioner Margrethe Vestager said on Tuesday.

Vestager did not name the Chinese companies which will be investigated by the European Union's executive during a speech delivered at Princeton University in the United States.

A group representing Chinese business interests in Brussels expressed its "profound dissatisfaction" over what it called protectionism and a lack of transparency from the EU as it rolls out its new rules to counter state aid from foreign actors.

"This action sends a detrimental signal to the world, suggesting discrimination against Chinese enterprises and endorsing protectionism," the China Chamber of Commerce to the EU said in a statement.

While local producers like Siemens Energy and Vestas still supply the bulk of wind turbines to Europe's wind parks, they are increasingly facing Chinese competition on the world market - potentially threatening their positions in a global race to develop more efficient, and cheaper, turbines.

Those critical of China's expansive trade policies cite similar tensions in Europe's solar market, which is stuck in a serious crisis that has pushed some local manufacturers to the brink of collapse.

"China's competitiveness as a manufacturing location, the Chinese government's push to develop the entire wind supply chain, and ambitious renewable energy targets have all played a significant role", said market intelligence provider Enerdata. Chinese vendors profit from a booming domestic market, where local developers last year ordered wind turbines capable of generating around 100 gigawatt (GW).

This is roughly the equivalent of 100 average-sized European nuclear plants with two reactors, research firm Wood Mackenzie said. It compares to an annual average of 29 GW set by the EU to meet its 2024 climate and energy targets.

'OPEN COMPETITION'

The Commission is already investigating whether to impose tariffs on Chinese electric vehicle imports, saying it has evidence showing they benefit from subsidies.

Vestager said the EU needed to adopt a more systematic approach rather than case-by-case investigations, adding: "We can't afford to see what happened on solar panels happening again on electric vehicles, wind or essential chips".

Wind industry lobby group WindEurope, whose members include major turbine makers Vestas, Siemens Energy and Nordex, welcomed the probe.

"It is only natural that the (EU Commission) use the tools at its disposal to restore fair and open competition on the market," said WindEurope Chief Policy Officer Pierre Tardieu.

European manufacturers were banned from using state-backed financing to shore up their bids by offering cheaper prices or deferring payments under OECD free trade rules, Tardieu added on a conference call.

The wind power investigation will be under new EU powers which have allowed the Commission since July 2023 to assess whether foreign subsidies allow companies to submit overly advantageous offers in public tenders.

Shares in Vestas, which declined to comment, closed 0.7% higher.

A Siemens Energy spokesperson also declined to comment on the EU investigation, but said that all market participants needed a level playing field.

COLUMN-France on track to smash clean electricity export record in 2024: Maguire

France has boosted electricity exports by 500% during the first quarter of 2024 from the same period in 2023, and is forecast to lift net electricity exports to a new record for the full year, according to data from Energy Charts and LSEG.

As Europe's largest net exporter of electricity and one of the largest European clean power producers, France is a crucial supplier of low-carbon electricity throughout the continent.

In 2023, France's electricity flows to key economies such as Germany and Italy helped offset domestic power generation reductions in those countries caused by shortages of natural gas since Russia's invasion of Ukraine in early 2022.

In 2024, France's higher export flows will add to the growing electricity supplies expected to be generated throughout the rest of Europe, and could help spur a recovery in regional business activity by further reducing regional power prices.

Wholesale power costs around western Europe during the first quarter of 2024 were roughly 30% lower than during the same period in 2023, and the lowest since mid-2021, data from LSEG shows.

STRONG START

Fuelling the climb in French electricity exports has been a steady rise in France's domestic power generation.

Nuclear power output - which accounts for around 65% of total electricity generation in France - has climbed by 11.6% during the first quarter of 2024 from the same period in 2023 to the highest since early 2021, data from LSEG shows.

Output increases have also emerged from wind, solar and natural gas sites to help lift total electricity output by 11% during the first quarter from Q1 2023. This higher level of power generation has in turn spurred a sharp climb in electricity exports.

Total electricity exports from France during the first three months of 2024 was 19,684 gigawatt hours (GWh), according to Energy Charts, a website that tracks regional electricity generation and trade flows.

That total compares to just 3,292 GWh of exports during the same period in 2023, when France's power producers grappled with below-normal nuclear power output due to maintenance work on key reactors and protracted energy sector labour negotiations.

For 2024 as a whole, LSEG forecasts total France electricity net trade to amount to 133.6 TWh, up from 58.5 TWh in 2023.

REGIONAL SQUEEZE

France's aggressive rise in electricity exports has served to squeeze out supplies from rival exporters in the region.

After France's 50.3 terawatt hours (TWh) of full year exports in 2023, the next largest European electricity exporters were Sweden (28.5 TWh), Norway (19.9 TWh), Spain (11.8 TWh), Czechia (9.2 TWh) and the Netherlands (5.6 TWh), Energy Charts data shows.

So far in 2024, only the Netherlands has managed a year-on-year increase in export volumes, which are up by just under 6%. Combined exports from Norway, Sweden, Spain and Czechia were down 23% during the first quarter from the same period in 2023, highlighting the impact of France's export surge on regional flows.

However, total electricity generation during the first quarter was above year-ago levels in Norway, Sweden and the Netherlands, data from Ember shows.

That suggests those countries have the potential to raise export flows, but have likely been dissuaded from doing so by the aggressive volumes shipped by France and the decline in power prices across Europe.

Total electricity generation in Czechia and Spain was down 7.5% and 3.9% respectively during the first quarter from the same period in 2023, but is expected to increase over the coming months from solar sites during the northern hemisphere summer.

As that additional power flows through local grids, utilities may be forced to lift exports as a means of dispersing surplus

electricity and averting additional local power price declines. But if that surplus power hits export markets alongside the projected volumes shipped from France and elsewhere, regional power prices will likely come under fresh pressure. That could be a boon for businesses and other large energy consumers across Europe following the recent stretch of economic weakness that has curbed spending and investment.

Top News - Dry Freight

Russia's RIF halts agricultural goods handling at Azov terminal, owner says

One of Russia's largest grain exporters RIF has halted the handling of agricultural goods at an Azov terminal, its owner told Reuters on Tuesday, amid a row with authorities which has slowed grain exports.

The river terminal, which leads to the Azov Sea, handles around 15,000 metric tons of grains per day, or some 4 million tons annually.

"(Our) operations are blocked, we can't ship. RIF's TD Terminal in Azov has stopped receiving and shipping agricultural products," Petr Khodykin said.

Rosselkhoznadzor, Russian agricultural watchdog, said last month 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.

The agency has suggested oversight proposals, including tightening control over phytosanitary conditions for grain intended for export.

Last month Khodykin told Reuters that ships loaded with RIF's grains were unable to leave Russian ports since March 18 because they did not receive phytosanitary certificates.

Since then, Rosselkhoznadzor has issued certificates to several vessels, including one following a request from Egypt's General Authority of Supply Commodities (GASC).

On Monday, another vessel loaded with RIF's grain left the port with 50,000 tons of wheat on board. Now, seven ships remain anchored at the ports, Khodykin said, one of which, Wadi Almoulouk, was loaded for delivery to GASC.

Two more ships for GASC are already on their way to Russia for loading, Khodykin said, confirming what industry sources earlier told Reuters.

Japan offers to buy 121,485 tons food wheat via tender

Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF) is seeking to buy a total of 121,485 metric tons of food-quality wheat from the United States, Canada and Australia in a regular tender that will close late on Thursday.

Japan, the world's sixth-biggest wheat importer, keeps a tight grip on imports of the country's second most important staple after rice and buys the majority of the grain for milling via tenders typically issued three times a month.

MARKET MONITOR as of 06:35 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	\$85.47 / bbl	-1.11%	19.29%
NYMEX RBOB Gasoline	\$2.73 / gallon	-0.05%	29.52%
ICE Gas Oil	\$835.50 / tonne	-1.82%	11.29%
NYMEX Natural Gas	\$1.91 / mmBtu	3.31%	-24.22%
Spot Gold	\$2,358.77 / ounce	0.85%	14.36%
TRPC coal API 2 / Dec, 24	\$117.25 / tonne	-0.21%	20.88%
Carbon ECX EUA	€64.07 / tonne	0.88%	-20.28%
Dutch gas day-ahead (Pre. close)	€27.55 / Mwh	-0.18%	-13.50%
CBOT Corn	\$4.44 / bushel	-0.89%	-8.37%
CBOT Wheat	\$5.75 / bushel	-0.99%	-10.13%
Malaysia Palm Oil (3M)	RM4,320 / tonne	0.58%	16.10%
Index	Close 09 Apr	Change	YTD
Thomson Reuters/Jefferies CRB	344.09	-0.24%	14.16%
Rogers International	28.83	-0.05%	9.52%
U.S. Stocks - Dow	38,883.67	-0.02%	3.17%
U.S. Dollar Index	104.13	-0.02%	2.76%
U.S. Bond Index (DJ)	422.14	0.51%	-1.99%

Picture of the Day

A fisherman casts his line on the shore of the Gulf of Finland on a sunny day in Saint Petersburg, Russia, April 9. REUTERS/Anton Vaganov

(Inside Commodities is compiled by Sreshtha Uniyal in Bengaluru)

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

To subscribe to Inside Commodities newsletter, [click here](#).

© 2024 London Stock Exchange Group plc. All rights reserved.

LSEG
10 Paternoster Square, London, EC4M 7LS, United Kingdom

Please visit: [LSEG](#) for more information

[Privacy statement](#)