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Top News - Oil

India and China snap up Russian oil in April above 'price cap'
India and China have snapped up the vast majority of Russian oil so far in April at prices above the Western price cap of $60 per barrel, according to traders and Reuters calculations.
That means the Kremlin is enjoying stronger revenues despite the West's attempts to curb funds for Russia's military operations in Ukraine.
A G7 source told Reuters on Monday the Western price cap would remain unchanged for now, despite pressure from some European Union countries, such as Poland, to lower the cap to increase pressure on Moscow.
The advocates of the cap say it reduces revenues for Russia while allowing oil to flow, but its opponents say it is too soft to force Russia to backtrack on its activities in Ukraine.
The latest data from Refinitiv Eikon suggest Russian Urals oil cargoes that loaded in the first half of April are mostly heading to India's and China's ports.
India accounts for more than 70% of the seaborne supplies of the grade so far this month and China for about 20%, Reuters calculations show.
Meanwhile, lower freight rates and smaller discounts for Urals against global benchmarks nudged the daily price of the grade back above the cap earlier in April from a period of trading below.
India and China have not agreed to abide by the price cap, but the West had hoped the threat of sanctions might deter traders from helping those countries buy oil above the cap.
A G7 price cap coalition official said the system was working. "We recognize that as markets evolve there will be fluctuations of the discounts that Russia receives relative to global market prices," the official said on condition of anonymity. "But the prices Russia receives for its oil remain well below those earned by other producers, which reflects the effects of the global sanctions regime."
Average discounts for Urals were at $13 per barrel to dated Brent on a DES (delivered ex-ship) basis in Indian ports and $9 to ICE Brent in Chinese ports, according to traders, while shipping costs were $10.5 a barrel and $14 a barrel respectively for loadings from Baltic ports to India and China.
That means the Urals price on a free on board (FOB) basis in Baltic ports, allowing about $2 per barrel of additional transport costs, has been slightly above $60 per barrel so far in April, Reuters calculations show.
Shipping costs have come down significantly in recent weeks as Russian port ice conditions eased and more tankers became available.
Freight rates for Urals cargoes loading in Baltic ports for delivery to India have eased to $7.5-$7.6 million from $8-$8.1 million two weeks ago, two traders said.
The cost of tanker shipment from Baltic ports to China was $10 million, down from nearly $11 million a couple of weeks ago, they added.
During winter, freight costs for Urals cargoes jumped above $12 million for both India and China.
Lower freight costs suggest Russian oil suppliers have secured enough vessels even given long distances, the traders said.
Meanwhile, output cuts announced by the OPEC+ group of oil producers at the start of April have also boosted values for various grades around the world, including Urals.
Urals prices in Indian ports had traded at a discount of $14-$17 per barrel to dated Brent on a DES basis in March, while the price at Chinese ports was around $11 per barrel against ICE Brent.

ANALYSIS - Norway crude mops up in Europe as Russia's Urals heads east
The clear winner in the race to replace Russian oil at Europe's refineries is Norway's Johan Sverdrup crude, according to Refinitiv Eikon data and traders.
Johan Sverdrup was launched in 2019, making it a relative newcomer compared to Russia's Urals grade.
Initially sold mostly to Asia, an EU ban on Russian seaborne oil imports imposed in December has opened up the European market where the medium sour grade has become a primary feedstock for refiners in countries such as Germany, Poland and Finland.
It is now the Russians who have to pay for the longer voyages to Asia, where India and China continue to buy, while Johan Sverdrup has become one of the most desirable crudes in northwest Europe.
Johan Sverdrup and Urals are both medium-sour grades with high diesel yields, with the Norwegian grade very close in quality to its Russian competitor and a lower sulphur content.
European refiners import a wide variety of grades from around the world including sweet crude from Kazakhstan, Azerbaijan and Africa, for example, for producing naphtha and gasoline.
"Johan Sverdrup has become a key element in Europe's oil industry, effectively replacing Urals as the medium sour grade of reference," said Viktor Katona, lead crude analyst in Kpler.
Poland's imports of Johan Sverdrup via the port of Gdansk in March jumped to record of more than 8 million barrels, Refinitiv Eikon data showed.
Poland stopped receiving Russian oil in February, with top refiner PKN Orlen ending its only remaining supply contract with Tatneft.
PKN Orlen's Mazeikiu refinery in Lithuania is also ramping up Johan Sverdrup purchases, taking at least two cargoes this month totalling about 1.2 million barrels.

The grade also now accounts for at least a half of Finland's monthly oil imports, the Refinitiv Eikon data showed.
Demand has supported Johan Sverdrup differentials on a free on board (FOB) basis which firmed shortly after the EU embargo on seaborne Urals, and jumped to a premium to dated Brent for a while in February, traders said.

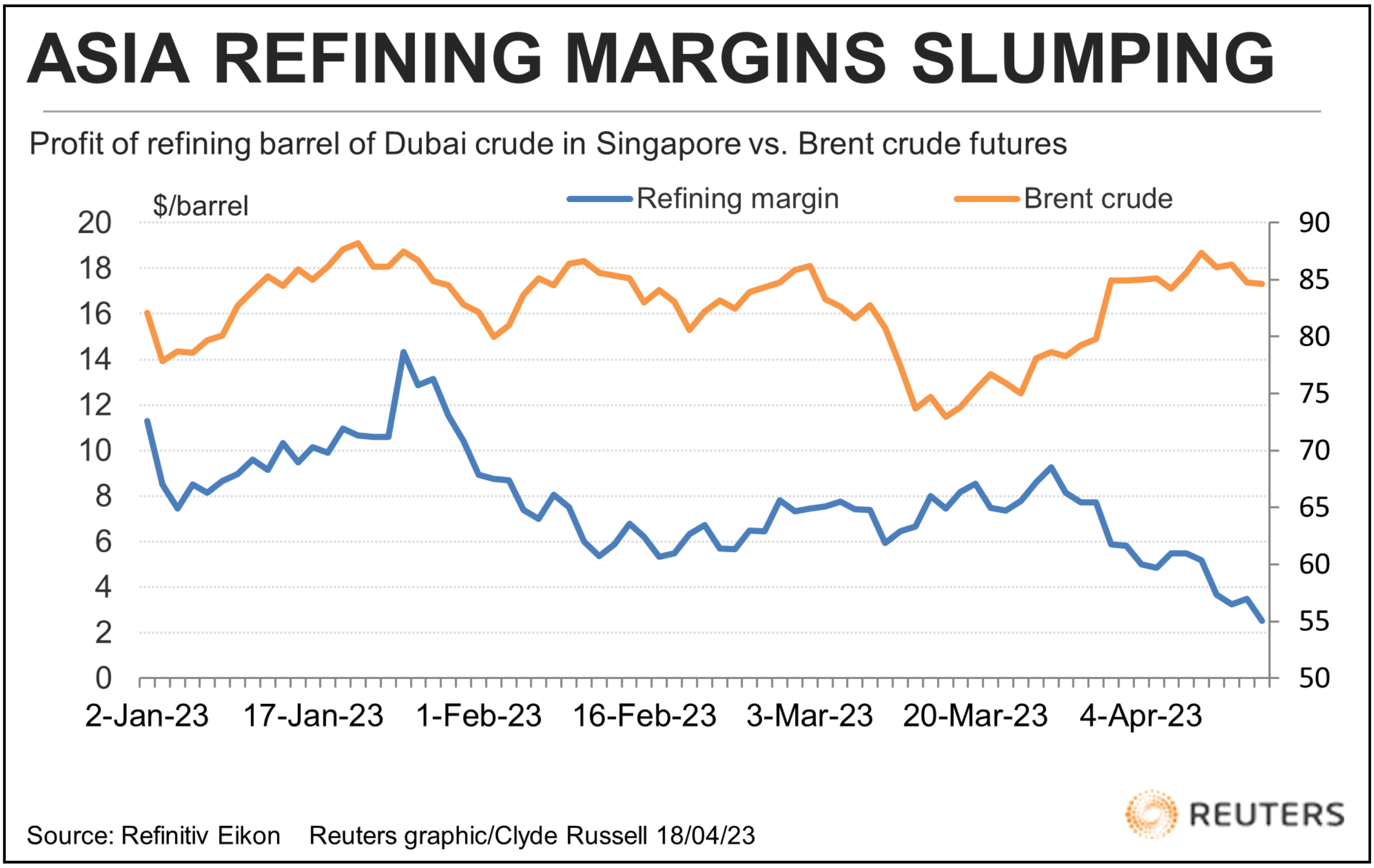
PRODUCTION LIMIT
Norway's Equinor can currently produce 720,000 barrels per day (bpd) of Johan Sverdrup but has said it would explore the possibility of raising output to 755,000 bpd.

While Europe boosts its buying, Johan Sverdrup shipments to Asia have fallen off sharply.
In 2021 Asian demand topped 100 million barrels versus just 2 million barrels shipped so far this year, Refinitiv Eikon data showed. Urals crude is taking up the slack in Asia, with sales increasing 10 fold in 2022 and further this year. Urals sales in Asia have already matched half of last year's volume, pointing to record shipments in 2023, the data showed. Some Russian crude still reaches Europe, as well. Bulgaria received an EU waiver to continue imports of Urals crude while Slovakia, Hungary and Czech Republic continue to import via the Druzhba pipeline.

Top News - Agriculture

Ukraine agrees with Poland on grain transit, but Black Sea deal in doubt
Poland agreed on Tuesday to lift a ban on the transit of Ukrainian grain and food products, but Ukraine said a wartime deal allowing it to safely ship grain from Black Sea ports was still under threat.
Failure to resume exports into eastern European countries or secure an extension of the Black Sea grain deal would trap large amounts of grain in Ukraine, hitting its exports and causing further economic problems for Kyiv as it battles Russian troops.
European Union member states Poland, Hungary and Slovakia have imposed import bans to protect their markets from an influx of cheaper supply following the Russian invasion of Ukraine, and Warsaw banned their transit through Poland at the weekend.
But Polish Agriculture Minister Robert Telus said a second day of talks in Warsaw had produced a breakthrough, with transit to be monitored and sealed. The deal will go into force at midnight on Friday, Development Minister Waldemar Buda said.

Chart of the Day



"We were forced to close the border because the EU had its eyes closed on large amounts of grain flowing into Poland, but at the same time we continued talks with Ukraine on how to enable transits, but with a guarantee grains would not be stuck in Poland, and we managed to find a solution," Telus told a news conference in Warsaw.
Ukrainian First Deputy Prime Minister Yulia Svyrydenko told the news conference she was confident Ukrainian exporters would respect the terms of the deal agreed with Poland.
It was not immediately clear how the other countries that have imposed import bans on Ukraine would react after the agreement in Warsaw, with Romania looking likely earlier on Tuesday to impose a similar ban.
Large quantities of Ukrainian grain have been trapped by bottlenecks in eastern and central Europe as low global prices and demand mean grain cannot easily be sold on. The bottlenecks have reduced prices and hurt sales by local farmers, putting political pressure on governments in the region, particularly the Polish government before an election.
The EU has criticised member states for putting individual bans in place, and EU envoys are set to discuss the measures on Wednesday, a senior EU official said.
Bulgaria has also been considering a ban. The Czech Republic has said it will not impose a ban on its own but wants an EU solution.

BLACK SEA GRAIN DEAL IN DOUBT
Ukraine, which relies on grain and food sales for a significant slice of its gross domestic product, also has concerns about the Black Sea Grain Initiative brokered between Moscow and Kyiv by Turkey and the United Nations last July.
The initiative, intended to alleviate global food shortages by allowing exports to resume from three ports that had been blockaded in Ukraine, is set to expire on May 18.
It is unclear whether it will be extended because Russia says a separate deal meant to ease its own agricultural and fertilizer exports has not been upheld.
"It is under threat of being halted and Russia has again blocked the inspection of ships," Svyrydenko told the news conference in Warsaw.
"It is extremely important for us to unblock transit, otherwise Ukraine will remain blocked. We cannot together with our partners give Russia the opportunity to take advantage of this situation," she said.
Russian news agency RIA said on Tuesday the inspections had restarted but a senior Ukrainian official told Reuters: "Nothing has been resolved."
U.N. spokesman Stephane Dujarric said there had been no ship inspections on Monday or Tuesday.
Russian Foreign Minister Sergei Lavrov will discuss the Ukraine Black Sea grain export deal with U.N. Secretary-General Antonio Guterres in New York next week, Russia's U.N. envoy said on Tuesday.

COLUMN-Crop Watch: Producers ease planting amid cold spell; soil conditions good -Braun
U.S. farmers got a good head start on corn and soybean planting last week amid unseasonably warm weather, but cooler temperatures along with some rains have slowed efforts this week.
So far, the Crop Watch producers are on pace to plant their corn and soybeans at a faster rate than last year, and many hope to resume next week after pausing or reducing activity this week.
Crop Watch follows 11 corn and 11 soybean fields across nine U.S. states, including two each in Iowa and Illinois. This is the sixth consecutive year for the project, which gathers weekly updates, photos and crop ratings from each location throughout the growing season. Weekly reports will start after the subject fields have emerged.
As of Tuesday, four Crop Watch fields had been planted and a fifth, the Indiana soybeans, was in progress. Corn fields in Kansas, western Iowa and western Illinois were planted on April 12, and the southeastern Illinois soybeans were finished on Monday.
Last year, only four of the 22 fields were planted in April, though nine were planted between May 7 and May 11 as weather improved. Progress was quick in 2021 with 13 of 22 fields planted in April and six completed in the first week of May.
At least six more fields could be planted before May begins, but those would likely be started mid-next week at the earliest.

CONDITIONS
Weather forecasts as of Tuesday show that the U.S. Corn Belt is likely to be cooler than average for at least the next two weeks, though some Crop Watch producers from Nebraska to Ohio hope to be moving again in a week. Cool temperatures, especially if accompanied by rain, can be harmful for newly seeded, un-emerged corn, causing hesitation among many growers. That is less of a concern with soybeans, but soybeans generally have a wider planting window versus corn.
Most of the Crop Watchers in the core Corn Belt say soil conditions are good or even excellent for planting because of the optimal amount of moisture, though the ground remains too cold in some areas. Heavy snow piles have nearly melted in South Dakota, and the producer says the ground is in ideal shape for now.
The Western Iowa grower says planting conditions could be the best he has ever seen, but the lack of subsoil moisture is a potential concern for later. Very dry conditions are still worrying for the producer in Nebraska, where drought clipped crop yields in 2022.
In North Dakota, last week’s snow is melting, but any kind of field work might be two weeks away at the earliest. However, the producer is not yet worried and targets mid-May for corn planting and late May or early June for soybeans. He says others in the area have not yet discussed changing their acreage mix.
The Kansas producer notes that winter wheat yields in his area could be at best 50% of normal after severe drought this season. The Crop Watch corn field caught 1.2 inches (30.5 mm) of rain two days after planting, an amount that has been rarely seen since last summer.

U.S. PROGRESS
On Monday, the U.S. Department of Agriculture’s statistics service estimated U.S. corn planting at 8% complete, up from 3% the prior week and ahead of the five-year average of 5%. Analysts were expecting 10%, with estimates ranging from 6% to 17%.

Since 1980, U.S. corn planting progress has matched or exceeded 10% by April 16 only five times, most recently in 2016. The date's fastest is 19% in 2012.
Soybeans were 4% planted as of April 16, ahead of the trade guess of 2% and the average of 1%. That is the earliest date for which U.S. soybean planting data has been reported, implying a record or near-record pace for now. The five-year average soy planting pace by April 30 is 11%.
Some notable corn planting progress by state as of Sunday include Illinois at 10%, Iowa 7%, Kansas 17% and Missouri 30%. Those compare with respective five-year averages of 3%, 1%, 10% and 8%.
Fast soybean planting was supported by southern states including Arkansas at 19% seeded as of Sunday, Louisiana 30% and Mississippi 23%.
The respective averages for the date are 8%, 16% and 14%.
Although this week's planting progress is likely to be slower than last week, it is too early to assume planting will be delayed since some producers remain optimistic on returning to fields next week.
The five-year average corn planting is 11% for April 23 and 26% for April 30.
The slowest April 30 corn pace in recent years was 13% in 2022. The April 23 soy average is 4%.

Top News - Metals

GRAPHIC-Hefty shortages to help buoy aluminium prices this year
Supply disruptions in top producer China due to problems with hydro power mean hefty shortages of aluminium this year, which are likely to offset slow demand growth and help bolster prices.
Smelter shutdowns in Europe due to high energy prices over the past couple of years and consumers there shunning Russian metal after Moscow invaded Ukraine last year make the problem particularly acute in the region.
Despite expectations of tight supplies, aluminium prices on the London Metal Exchange (LME) have come under pressure due to interest rate hikes in the United States and sluggish demand in top consumer China.
At $2,400 a tonne, they have dropped 10% since mid-January. However, in recent weeks deficits have emerged, as seen in sliding inventories of aluminium used in the transport, construction and packaging industries.
In warehouses monitored by the Shanghai Futures Exchanges, aluminium stocks at 274,347 tonnes have dropped 12% over the last month. In LME approved warehouses, stocks have fallen 5% since mid-February.
Chinese production should rise, but at a slower pace than previously forecast due to power rationing and disruptions

MARKET MONITOR as of 06:45 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$80.44 / bbl	-0.52%	0.22%
NYMEX RBOB Gasoline	$2.69 / gallon	-0.76%	8.45%
ICE Gas Oil	$751.25 / tonne	-1.02%	-18.43%
NYMEX Natural Gas	$2.35 / mmBtu	-0.59%	-47.44%
Spot Gold	$1,991.92 / ounce	-0.65%	9.18%
TRPC coal API 2 / Dec, 23	$123.5 / tonne	-0.60%	-33.15%
Carbon ECX EUA / Dec, 24	€99.89 / tonne	1.96%	13.51%
Dutch gas day-ahead (Pre. close)	€42.80 / Mwh	0.82%	-43.36%
CBOT Corn	$6.76 / bushel	-0.26%	-0.41%
CBOT Wheat	$7.06 / bushel	-0.46%	-11.17%
Malaysia Palm Oil (3M)	RM3,788 / tonne	-0.03%	-9.25%
Index (Total Return)	**Close 18 Apr**	**Change**	**YTD Change**
Thomson Reuters/Jefferies CRB	306.94	0.78%	1.86%
Rogers International	27.66	0.67%	-3.52%
U.S. Stocks - Dow	33,976.63	-0.03%	2.50%
U.S. Dollar Index	101.75	-0.35%	-1.72%
U.S. Bond Index (DJ)	409.41	0.30%	4.01%

in provinces such as Yunnan where aluminium is mostly smelted using hydro electricity.
"China's smelters remain under pressure because of hydro power shortages. At the same time, demand should pick up, so exports will likely remain capped," said Bank of America analyst Michael Widmer. "We expect rising deficits going forward."
Widmer expects an aluminium market deficit of 1.53 million tonnes this year and a shortage of 1.93 million tonnes next.
Meanwhile, in Europe lower power prices have helped to reduce production costs, but smelter restarts are limited.
A scramble for supplies has since mid-January fuelled a 20% jump in the duty-paid aluminium premiums buyers in Europe pay in the physical market - above the LME price - to $330 a tonne.
"Physical premiums managed to hold up in Europe where supply constraints remain following the large smelter cuts last year and Russian metal being diverted to Asia," Macquarie analysts said in a note.
"Given more Russian metal is expected to flow to China, there should be fundamental support for physical premiums."
Macquarie forecasts an aluminium market deficit of 670,000 tonnes this year and global consumption at 70.8 million tonnes.

Teck CEO sees split plan as 'most strategic' option for shareholders
Teck Resources Ltd's chief executive said on Tuesday he believes the plan to split his company's coal and copper businesses will be safer and more-lucrative for shareholders than Glencore Plc's $22.5 billion takeover attempt.
"A shareholder vote against the split is a vote for status quo and far fewer paths to create value," CEO Jonathan Price told investors on a hastily arranged Tuesday evening conference call.
Price added that he believed Teck's plan to split would immediately benefit shareholders, but that Glencore's proposal would not pay off for at least two years. Teck management also estimated that post split, shares of Teck Metals could trade at C$100 ($74.67) or higher, about 55% above Tuesday's close.
Glencore's unsolicited bid for Teck earlier this month was the latest in a wave of mining industry buyout offers fueled in part by rising global opposition to new mine construction and growing demand for copper, a metal critical to the green energy transition.
Teck's leadership has repeatedly rejected Glencore's offer as too low and one that would unnecessarily expose its shareholders to Glencore's large thermal coal business and an unwanted oil trading business.
Vancouver-based Teck has scheduled a shareholder vote for April 26 on its split plan.
"We're excited about the decision that we put to our shareholders," Teck Chief Operating Officer Harry Conger said during a panel presentation at the World Copper Conference in Santiago, Chile on Tuesday .
Conger, who declined to elaborate when approached after his panel presentation, was a last-minute replacement for Price at the conference, which the company is sponsoring.
Teck, which has said it would explore a corporate transaction or partnership if it splits, has been approached by Anglo American Plc and five other miners interested in its base metals business, sources told Reuters earlier this week. Anglo CEO Duncan Wanblad declined on Tuesday to comment on Teck's takeover approaches. He did say he would be open to a partnership between Teck's Quebrada Blanca Phase 2 (QB2) copper project and Glencore and Anglo's jointly-owned Collahuasi mine, both in Chile. A banker close to the situation said a joint venture between the two assets could be valued at around $25 billion. "I do absolutely see that there is a Collahuasi/QB2 approach and independently of what happens to Teck, there is an opportunity there that we will all go after," Wanblad said on Tuesday during Anglo's Sustainability Performance Review.
Separately, Robert Friedland, CEO of Canadian miner Ivanhoe Mines Ltd, said in a series of tweets on Monday night that Canada's government should not "lightly sacrifice" Teck to Switzerland-based Glencore at a time when Ottawa wants to position itself as an important global supplier of green energy transition minerals. "It is short-sighted to sell to Glencore without exploring Teck's valuable opportunities across the industry," Friedland said.

Top News - Carbon & Power

EU Parliament backs overhaul of Europe's biggest climate policy
The European Parliament on Tuesday approved sweeping reforms to make EU climate change policies more ambitious, including an upgrade of the bloc's carbon market that is set to hike the cost of polluting in Europe.
Europe's carbon market forces power plants and factories to buy CO_2 permits when they pollute. It has slashed those sectors' emissions by 43% since 2005, but is facing a revamp to hit more ambitious EU climate change targets.
Parliament voted to approve, with a large majority, a deal agreed last year by negotiators from EU countries and Parliament, to reform the carbon market to cut emissions by 62% from 2005 levels by 2030.
Under the upgrade, factories will lose the free CO_2 permits they currently receive by 2034, and shipping emissions will be added to the CO_2 market from 2024.
Lawmakers also backed the EU's world-first plan to phase in a levy on imports of high-carbon goods from 2026, targeting imports of steel, cement, aluminium, fertilisers, electricity and hydrogen.
The carbon border levy aims to prevent EU industries being undercut by more-polluting foreign competitors, removing the temptation for EU firms to relocate to regions with lax environmental rules.
The laws still need final approval from EU countries, who will assess them in the next few weeks.
That approval is usually a formality that waves through pre-agreed deals - but the process was upended last

month when Germany lodged last-minute opposition to another policy to phase out fossil fuel-powered cars.
Peter Liese, Parliament's lead negotiator on the emissions trading system (ETS) reform, said the success of the carbon market would make or break Europe's CO2-cutting goals.
"For the climate, the ETS alone is more important than all the other files together," he told Reuters.
The price of EU carbon permits has soared in recent years, boosted by anticipation of the reforms - hiking costs for polluters, but raising billions of euros that are returned to EU country governments to invest in climate measures.
EU carbon permits were trading at around 94 euros per tonne on Tuesday, having nearly quadrupled in value since the start of 2020. The price hit 100 euros for the first time in February.
Lawmakers also backed plans to launch a new EU carbon market covering emissions from fuels used in cars and buildings in 2027, plus a 86.7 billion-euro EU fund to support consumers affected by the costs.

Edison not for sale, reviewing options on gas storage, CEO says
Energy group Edison is not for sale, the chief executive of the Italian unit of French utility EDF said on Tuesday, adding the value of the unit could be well above 7-8 billion euros ($7.9-$8.8 billion) calculated by analysts.
Answering a question over the potential sale of the company's gas storage business, Edison CEO Nicola Monti said the Italian group was considering strategic options for it.
"I think the intrinsic value (of Edison) goes far beyond these figures of 7-8 billion," Monti said at a presentation of the group's business plan for its retail unit, adding Edison had invested significantly to boost its growth.
"We have sown a lot in the past on renewables, gas supply... With this year's budget, after the pandemic, I think we will see interesting numbers on the income statement that will represent the true value of the company". On the plan for its retail unit Edison Energia, the Italian group said it aims to double its customers for gas and electricity to 4 million by 2030.
"The 4 million contract target will mainly be reached through organic growth, but also with potential acquisition of large and small companies," the group said in a statement.
Edison, which is Italy's second-largest gas supplier with 6.6 billion cubic metres (bcm) sales recorded last year, also intends to consolidate its role in electric mobility.
Edison Energia plans to install more than 100,000 recharging points by 2030 and supply 8% of the electricity used for electric cars in Italy.
It will also offer liquefied natural gas (LNG), methane and progressively more biomethane for clients who want to switch from fossil fuels.

Top News - Dry Freight

EU 2022/23 soft wheat exports at 24.37 mln tonnes by April 16
Soft wheat exports from the European Union in the 2022/23 season that started in July had reached 24.37 million tonnes by April 16, compared with 22.47 million a year earlier, data published by the European Commission showed on Tuesday.
EU barley exports so far in 2022/23 totalled 5.05 million tonnes, against 6.59 million a year ago, while EU maize imports were at 22.35 million tonnes, against a year-earlier 12.79 million.
A breakdown of the EU data showed France remained by far the biggest EU soft wheat exporter this season, with 9.11 million tonnes shipped, followed by Romania with 3.27 million, Germany with 2.88 million and Poland with 2.23 million.
Spain remained the leading EU maize importer so far in 2022/23 with 7.34 million tonnes, ahead of the Netherlands with 2.57 million, Italy with 2.30 million, Portugal with 1.71 million and Hungary with 1.60 million, the data showed.
In soft wheat, Spain had also recorded by far the largest volume of imports by April 16 with 2.98 million tonnes, followed by Romania with 852,000 tonnes and Poland with 813,000 tonnes.

Jordan buys about 50,000 tonnes wheat in tender
Jordan's state grains buyer purchased about 50,000 tonnes of hard milling wheat to be sourced from optional origins in an international tender on Tuesday, traders said.
It was bought from trading house Farm Sense at an estimated $303 a tonne c&f for shipment in the second half of October, they said.
Traders said these other trading houses participated in the tender with their estimated offers in dollars a tonne c&f: Viterra $333.15, Agro Chirnogi $326, Ameropa $325.90, Buildcom $322.77 and Grain Flower $309.

Picture of the Day

Aerial photo shows farmers planting corn in the Kunjang rice fields, Kediri, East Java province, Indonesia, April 10. Antara Foto/ Muhammad Mada/via REUTERS

(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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