Oil | Agriculture | Metals | Carbon & Power |Dry Freight

Click on headers to go to that section

Top News - Oil

EXCLUSIVE-Oil exports from Russia's western ports hit 4-yr high in April

Oil loadings from Russia's western ports in April will rise to the highest since 2019, above 2.4 million barrels per day (bpd), despite Moscow's pledge to cut output, trading and shipping sources said.
Russian crude exports and transit from the ports of Primorsk, Ust-Luga and Novorossiisk in April will rise above 10 million tonnes, up from 9.7 million tonnes in March, which is a day longer.
Russia's Deputy Prime Minister Alexander Novak said on Feb. 10 that Russia would reduce production by 500,000 bpd in March, then in early April promised to extend cuts until the end of the year.
Saudi Arabia and other OPEC+ oil producers early in April announced additional cuts of around 1.16 million bpd, joining Russia's initiative to reduce output. It was unclear if Russia's high exports mean it has lowered its output cuts.
Seasonal maintenance on Russian refineries in April could explain the high crude exports as the state's domestic market needs less oil, the sources added.
In April, the amount of primary oil refining capacity offline will rise to 3.132 million tonnes from 1.684 million tonnes in March, data from industry sources and Reuters calculations show.
Urals crude exports from Primorsk in April will reach some 4.4 million tonnes, while Ust-Luga will load 3.0 million tonnes of Russia's Urals and Kazakstan's KEBCO crude oil grades, the three sources told Reuters on condition of anonymity.
Urals, KEBCO and Siberian Light loadings from the Black Sea port of Novorossiisk will total some 2.7 million tonnes, they added.
Russia's Urals oil keeps flowing to Asia in April, while softer freight rates help the grade's sellers to reach far-away costumers, accoding to Reuters souces.
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.
Traders expect the demand for the grade in Asia to remain high next month amid growing competition for the Russian barrels, as China will likely boost Urals seaborne imports in May.
"Urals demand remains solid, the prices for Urals' loadings in May and bound for India are higher compared to April", a source with a trader said.

U.S. crude stockpiles fall as refinery runs, exports rise- EIA

U.S. crude oil inventories last week fell more than forecast as refinery runs and exports rose, while gasoline stockpiles jumped unexpectedly on disappointing demand, Energy Information Administration data showed on Wednesday. Crude inventories fell 4.6 million barrels in the week to April 14 to 466 million barrels, more than quadruple analysts' expectations in a Reuters poll for a 1.1 million-barrel drop.
Crude in the Strategic Petroleum Reserve fell 1.6 million barrels last week to just under 368 million barrels, its lowest since October 1983. Meanwhile, crude stocks at the Cushing, Oklahoma, delivery hub for U.S. crude futures fell by 1.1 million barrels last week, the EIA said.
"The total crude oil inventory draw of over 6 million barrels between the SPR and commercial stocks is supportive of the market even though product inventories were scarcely changed," said Andrew Lipow, president of Lipow Oil Associates LLP in Houston, Texas.
Oil prices pared some losses after the report, with Brent crude futures trading down 1.3% at $83.67 a barrel by 11:24 a.m. EDT (1624 GMT), and West Texas Intermediate crude trading 1.4% lower at $79.73.
Net crude imports fell by 1.74 million barrels per day, EIA said, while exports rose by 1.84 million bpd.
Refinery runs jumped as spring maintenance season wrapped up, rising by 259,000 barrels per day. Refinery utilization rates rose by 1.7 percentage points to 91% of total capacity, its highest rate since late December.
However, implied gasoline demand fell 3.9% from year-ago levels to 8.5 million bpd. "Gasoline demand was rather disappointing for a second week in a row, which is going to weigh on the markets," Lipow added. Weaker demand allowed U.S. gasoline stocks to build unexpectedly by 1.3 million barrels in the week to 223.5 million barrels, the EIA said. Analysts had expected gasoline to draw by 1.3 million barrels.
Distillate stockpiles, which include diesel and heating oil, fell by 400,000 barrels in the week to 112.1 million barrels, versus expectations for a 900,000-barrel drop, the EIA data showed.

Top News - Agriculture

EU plans farmer support, import curbs on Ukraine grain

The European Union is preparing 100 million euros ($109.32 million) in compensation for farmers in five countries bordering Ukraine and plans to introduce restrictions on imports of Ukrainian grains.

Pressure has mounted on Brussels to work out a European Union-wide solution after Poland and Hungary banned some imports from Ukraine last weekend and other eastern European countries said they were considering similar action.

The countries became transit routes for Ukrainian grain that could not be exported through Ukraine's Black Sea ports because of Russia's invasion in February 2022.

Bottlenecks then trapped millions of tons of grains in countries bordering Ukraine, forcing local farmers to compete with an influx of cheap Ukrainian imports which they said distorted prices and demand.

The European Commission said on Wednesday it would take emergency "preventive measures" for wheat, maize, sunflower seeds and rape seed after a joint complaint from Bulgaria, Hungary, Poland, Romania and Slovakia at the end of March.

An EU official said this would only allow the grains to enter the five countries from Ukraine if they were set for export to other EU members or to the rest of the world. This measure would last until the end of June.

Separately, the European Commission, which oversees trade policy for the 27-nation EU, plans an investigation into whether measures are required for other sensitive products.

While the emergency measures can enter force within days, an EU investigation typically lasts six months.

European Trade Commissioner Valdis Dombrovskis discussed the plans on Wednesday with ministers from Bulgaria, Hungary, Poland, Romania and Slovakia, as well as with Ukrainian counterparts.

Romanian Farm Minister Petre Daea said Dombrovskis asked Bulgaria, Hungary, Poland and Slovakia to withdraw their individual import bans and that the Commission could approve a general ban of Ukrainian grain and oilseeds to the five countries affected until June 5.

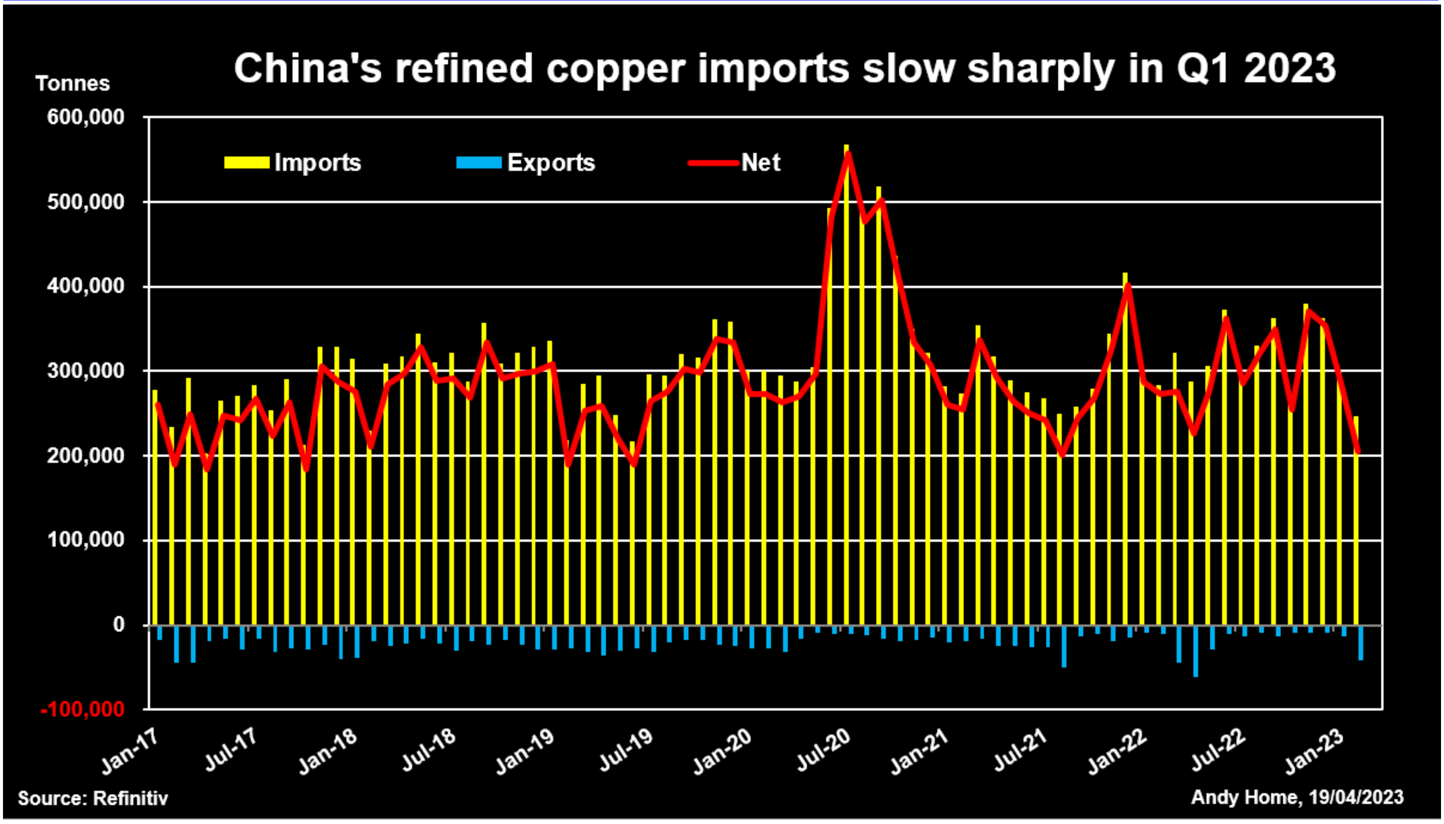
Romania is the only country of the five affected that has not enforced a ban.

"We agreed today that we will continue these talks ... The next meeting will be at the beginning of next week - Monday, Tuesday," Polish Agriculture Minister Robert Telus told state-controlled broadcaster TVP Info.

"We, as frontline countries, will want to convince the European Union that we also want to protect other products," he said, without providing further details.

Under the EU-Ukraine free trade agreement of 2016, imports of the most sensitive farm products from Ukraine were subject to tariffs and quotas. After Russia invaded Ukraine, the EU agreed to suspend all tariffs until June 2023 and the Commission has proposed extending this suspension for another year.

Chart of the Day



REFINITIV®
An LSEG Business

Poland, which is especially under pressure from its agricultural lobby in an election year, banned all grain imports, but agreed to allow grain to transit after discussions with Ukraine.

Russian grain harvest seen at 123 million tonnes in 2023 - agriculture minister
Russia will have a good grain harvest this year of about 123 million tonnes, including 78 million tonnes of wheat, its agriculture minister said on Wednesday, indicating the harvest will be about a fifth less than the record achieved last year.
Russia had a record grain harvest of 153.8 million tonnes in 2022, including over 100 million tonnes of wheat, due to higher yields and an increase in the area sown.
Agriculture Minister Dmitry Patrushev told a meeting chaired by President Vladimir Putin that the record harvest of last year had combined with global issues to lead to lower prices on the domestic market for farmers.
This year's figures include the territories of Ukraine which Putin has claimed as Russia, Patrushev said.
"We are counting on a decent and, very importantly, balanced harvest: We expect that in 2023 the volume of grain, taking into account the new regions, will be about 123 million tonnes, of which about 78 million tonnes is wheat," he said. "This will allow us to fully ensure national food security and continue to supply products to our foreign partners in the required, declared volume." Earlier this year, Russia's agriculture ministry set its 2023 grain harvest plan at around 120 million tonnes.
China is the world's biggest wheat producer but Russia is usually the top exporter of wheat.
Russia and Ukraine are two of the world's key agricultural producers, and major players in the wheat, barley, maize, rapeseed, rapeseed oil, sunflower seed and sunflower oil markets.
Russia is also dominant in the fertiliser market. The conflict in Ukraine has significantly changed the flow of Ukrainian exports. Both Ukraine and Russia say the Black Sea grain deal, which allowed Ukrainian exports via the Black Sea, is in danger of collapsing.

Top News - Metals

Record demand pushes silver into new era of deficits, Silver Institute says
Global demand for silver rose by 18% last year to a record high of 1.24 billion ounces, creating a huge supply deficit, the Silver Institute said on Wednesday, predicting more shortages in the years to come.
The silver market was undersupplied by 237.7 million ounces in 2022, the institute said in its latest World Silver Survey, calling this "possibly the most significant deficit on record".
It said 2022's undersupply and a 51.1 million ounce shortfall in 2021 had wiped out cumulative surpluses from the previous decade and predicted further undersupply of 142.1 million ounces this year.
"We are moving into a different paradigm for the market, one of ongoing deficits," said Philip Newman at consultants Metals Focus, which prepared the Silver Institute's data.
But he said this wouldn't necessarily cause prices to shoot higher because while visible silver inventories are falling, huge amounts of metal held by individuals and investors can still fill supply gaps.
Silver prices have drifted mostly lower since 2020 as interest rates rose, discouraging investment in precious metals, which don't offer interest.
Silver should average $21.30 an ounce this year, below last year's average of $21.73, the institute said.
Demand for silver rose to record highs from all major users -- jewellers, industry and buyers of silver bars and coins, according to the institute.
Silver is used in many industries including electronics and solar panels, and demand is expanding as the world moves away from fossil fuels.
India also imported huge amounts of silver last year, though demand there should cool somewhat in 2023, according to Newman.
Over the longer term, Newman said, "there is not a great deal of movement (in silver supply), whereas on the demand side we generally have that doing quite well ... industrial demand in particular."

Rio Tinto reports record Q1 Pilbara iron ore shipments, sees inflation risk
Rio Tinto reported a better than expected 15.4% jump in first-quarter iron ore shipments from Western Australia, a record for the quarter, as it ramped up production at its Gudai-Darri mine.
The world's biggest iron ore producer, however, warned of "persistently high" inflation in the U.S. and a tightening of credit conditions in the aftermath of the collapse of two U.S. regional lenders in March, which it expects to weigh on economic activity across the board.
The strong quarterly shipments are a positive harbinger for Rio Tinto's financial results, since it derives around 70% of its profits from the iron ore division.
"Iron ore in a stand out beat," said analyst Glyn Lawcock of investment bank Barrenjoey in Sydney. "With prices up and volume going well that's going to bode well for the rest of the year....What was a bit disappointing was that they cut their copper guidance and they have flagged some operational issues."
Rio Tinto shipped 82.5 million tonnes (MT) of the steelmaking ingredient from Pilbara operations in the three months ended March 31. That compared with 71.5 MT a year earlier and to a 79.8 MT forecast according to a consensus of analysts compiled by Vuma Financial.
Rio's $3.1 billion Gudai-Darri greenfield mine, which opened in 2022, is expected to reach its annual capacity of 43 MT in 2023.
Iron ore prices have rebounded due to lifting of the zero-COVID policy in top metals consumer China and the country's measures to support its struggling property sector.
Rio reaffirmed its annual iron ore shipments forecast of between 320 and 335 MT and unit cost estimate of $21 to $22.5 per tonne of Pilbara iron ore.

The company cut its forecast for mined copper to a range of 590,000 to 640,000 tonnes from 650,000 to 710,000 tonnes, citing the impact of a conveyor belt outage at Kennecott mine in Alaska and geotechnical challenges at its Escondida mine in Chile.

It also flagged the impact of wet weather on its Australian bauxite operations, which analysts pointed out could mean production forecasts may be downgraded later in the year.

Top News - Carbon & Power

German cabinet approves bill to phase out oil and gas heating systems

The German cabinet on Wednesday approved a bill that bans most new oil and gas heating systems from 2024, the economy minister said, a policy designed to cut greenhouse gas emissions but that critics warned could be costly for poorer households.

Berlin's ruling coalition last month agreed that almost all newly installed heating systems in Germany should run on 65% renewable energy from 2024, both in new and old buildings.

The plan is part of Germany's ambition to become climate neutral by 2045 as the construction sector was responsible for 112 million tonnes of greenhouse emissions last year or 15% of the country's emissions.

Houses could also use heat pumps that run on renewable electricity, district heating, electric heating or solar thermal systems as acceptable alternatives to fossil fuel heating, according to the bill, which was seen by Reuters.

The policy has met resistance from within Chancellor Olaf Scholz's coalition, with critics calling it too costly and a burden on low- and medium-income households and tenants.

Such a shift could cost Germans around 9.16 billion euros ($10 billion) annually until 2028, the draft bill showed. The costs would fall to 5 billion from 2029 as Berlin expects renewable energy expansion and a ramp up of heating pumps production to make the switch cheaper.

The government will offer a subsidy of 30% for residential properties occupied by owners and 10% extra if the owners opt for an earlier climate-friendly heating switch than required by law, regardless of the household income.

Homeowners who receive income-related welfare benefits could get 20% extra subsidy for the switch.

The money will come from the Climate and Transformation Fund, a supplementary budget to push green investments, with some 180 billion euros earmarked for 2023 to 2026.

"The financing is secured," Economy Minister Robert

MARKET MONITOR as of 06:40 GMT			
Contract	**Last**	**Change**	**YTD**
NYMEX Light Crude	$78.21 / bbl	-1.20%	-2.55%
NYMEX RBOB Gasoline	$2.59 / gallon	-1.08%	4.31%
ICE Gas Oil	$733.75 / tonne	-1.44%	-20.33%
NYMEX Natural Gas	$2.21 / mmBtu	-0.68%	-50.68%
Spot Gold	$1,996.54 / ounce	0.16%	9.44%
TRPC coal API 2 / Dec, 23	$125 / tonne	1.21%	-32.34%
Carbon ECX EUA / Dec, 24	€99.07 / tonne	0.07%	12.58%
Dutch gas day-ahead (Pre. close)	€40.00 / Mwh	0.00%	-47.07%
CBOT Corn	$6.73 / bushel	0.11%	-0.81%
CBOT Wheat	$6.88 / bushel	-0.76%	-13.27%
Malaysia Palm Oil (3M)	RM3,709 / tonne	-0.70%	-11.14%
Index (Total Return)	**Close 19 Apr**	**Change**	**YTD Change**
Thomson Reuters/Jefferies CRB	302.69	-1.39%	0.45%
Rogers International	27.41	-0.90%	-4.40%
U.S. Stocks - Dow	33,897.01	-0.23%	2.26%
U.S. Dollar Index	101.97	0.22%	-1.50%
U.S. Bond Index (DJ)	408.70	-0.17%	4.32%

Habeck told journalists in a news conference presenting the bill. Habeck declined to give a figure of how much this would cost the government but the sum would be "moderate".
The bill gives some exemptions, for instance for homeowners who are over 80 years old and living in hardship.
Those who violate the new rules face a fine of 5,000 euros, said the draft law, which will be now debated in parliament.
Germany's push to phase out gas in heating became more urgent after Moscow's invasion of Ukraine prompted Berlin to halt Russian fossil fuel imports.
Heating uses up more than 40% of Germany's annual gas consumption as almost half of the country's 41 million households heat with natural gas while almost 25% use heating oil.
"We're starting comparatively late with this. Other countries have done this earlier," Habeck said, citing the heating sector in Scandinavian countries that are much less reliant on fossil fuel to keep their homes warm.
The bill means Germany would have to shut down more than 90% of its 500,000-km (310,685-mile) gas distribution network in the next 20 years, a study by Agora think-tank showed on Tuesday.
Around 78% of Germans are against the planned law, a survey by Forsa pollster published by ntv and RTL broadcasters showed on Wednesday. About 62% of those surveyed expect heating bills to rise after a switch to renewables, the poll showed.
Germany's association of local utilities, VKU, said the law was an "emotional roller coaster" as the time given for the changes it required was too short.
"The deadlines should therefore be extended. At least transitional periods are urgently needed," VKU said in a statement. Environmental group Greenpeace called the bill a "milestone" for climate protection in Germany, and was long "overdue".
"In this way, Germany can achieve the climate protection goals in the future, which the building sector has exceeded for three years," it said.

EU cut winter gas use 18%, surpassing energy crisis goal

European Union countries slashed their gas consumption this winter, beating a target to cut gas use 15% in the coldest months as they attempted to tame Europe's energy crisis.
Overall gas use in the 27-country EU dropped by 17.7% from August to March, compared with the five-year average for the same period, according to data published on Wednesday by EU statistics office Eurostat.
EU countries set a voluntary target last year to cut their gas consumption 15% from August to March. The goal was one of numerous emergency EU measures passed after Russia slashed gas deliveries following its February 2022 invasion of Ukraine - triggering a European energy crisis of scarce supplies and record-high prices.
Most EU countries met the 15% target, and all but one - Malta - reduced their gas use in the period. Finland had the biggest reduction, with demand down by 56%, while Spain cut gas use 11% and in Malta, an island country and Europe's smallest gas user, consumption increased by 13%.
Europe experienced unusually warm winter weather, including spells of record-breaking temperatures that helped curb demand for gas in home heating.
Analysts have said Europe's lower winter gas use was driven by a combination of weather, policies to tackle the energy crisis, and industries curbing production in response to high gas costs. Lower gas consumption has helped EU countries end winter with their storage caverns unusually full. Europe's gas caverns are currently filled to 57% of capacity, more than double the level at the same time last year, according to industry body Gas Infrastructure Europe.
European gas prices have tumbled since December amid relatively full storage, mild weather and reduced demand, and in recent weeks prices have retreated to levels not seen since before Russia's invasion of Ukraine.

Top News - Dry Freight

Argentina permits wheat export delays again in bid to boost domestic supply

Argentina's government said on Wednesday grain exporting firms have again been allowed more time to reschedule wheat shipments without penalty, as it seeks to prioritize local supply after a historic drought shrunk the crop.
The temporary extension, authorized by the agriculture secretariat, was published in the government's official gazette. It is set to impact supply from Argentina to global markets.
Potential exports have been allowed a 360-day extension "with the start of shipment between December 1, 2022 and July 31, 2023."
Argentina's 2022/2023 wheat harvest reached just 12.6 million tonnes, down 43% compared to the 22.1 million tonnes farmers produced during the previous harvest.
The drought, which ran from May 2022 to March 2023, hit the country's major farm exports, including wheat, corn and processed soybeans, which are all key sources of foreign reserves for its cash-strapped central bank.
The government's previous extension, which was granted in November, covered sales with shipments beginning in the first two months of the year.

Ukraine 2022/23 grain exports at 40 mln T as of April 19, says ministry

Ukraine's grain exports for the 2022/23 season were at 40 million tonnes as of April 19, Agriculture Ministry data showed on Wednesday.
The ministry gave no exact comparative data for the same date a year ago but said Ukraine had exported 45.5 million tonnes of grain as of April 22, 2022.
The volume so far in the current July-to-June season included about 13.7 million tonnes of wheat, 23.6 million tonnes of corn and 2.4 million tonnes of barley.
The ministry said grain exports during April were 2.1 million tonnes as of April 19.

REFINITIV®
An LSEG Business

After an almost six-month blockade caused by Russia's invasion, access to three Ukrainian Black Sea ports was cleared at the end of July under a deal between Moscow and Kyiv brokered by the United Nations and Turkey.
A major grain grower and exporter, Ukraine's grain output is likely to have dropped to about 53 million tonnes in clean weight in the 2022 calendar year from a record 86 million tonnes in 2021. Officials have blamed the fall on hostilities in the country's eastern, northern and southern regions. The government has said Ukraine can harvest 44.3 million tonnes of grain, including 16.6 million tonnes of wheat, in 2023.

Picture of the Day

A load of corn is poured into a truck, at a grain storage facility in the village of Bilohiria, Khmelnytskyi region, Ukraine April 19. REUTERS/Gleb Garanich

(Inside Commodities is compiled by Vaishali Puthran in Bengaluru)

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

To subscribe to Inside Commodities newsletter, **click here**.

© 2023 Refinitiv. All rights reserved.

Refinitiv
28 Liberty Street, New York, NY 10005

Please visit: **Refinitiv** for more information.

Privacy statement

REFINITIV®
An LSEG Business