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Top News - Oil

China April crude oil imports rise 5.45% on previous year

China's crude oil imports rose on the previous year in April, as refiners prepared for a fully recovered Labour Day holiday travel season, official data showed on Thursday.

Crude imports in April totalled 44.72 million metric tons, or about 10.88 million barrels per day (bpd), according to data from the General Administration of Customs.

That represented a 5.45% increase from the relatively low 10.4 million bpd imported in April 2023.

China saw more than 1.3 billion passenger trips over the five day Labour Day holiday that began on May 1, up 2.1% from a year earlier, state media outlet Xinhua reported.

Highway traffic was up 2.1% while air trips surged 8.1%, Xinhua said.

Domestic airline seat capacity in April was up 1.3% on last year, data from consultancy OAG showed.

China's manufacturing sector continued to see muted recovery in April.

Imports slowed by 5.8% from March's level of 11.55 million bpd.

"China’s crude buying slowed down on strengthened crude oil prices and weakened domestic diesel demand," said Lin Ye, an analyst at Rystad Energy in Beijing.

"China’s crude demand is expected to be supported by larger export quota this year and new refinery start-up later this year," she added.

Chinese consultancy JLC said ahead of the data that it forecast sea-borne oil shipments to fall 4.6% in April from March due to tight profit margins and the arrival of maintenance season.

JLC forecast maintenance at state-owned refineries to peak in the second quarter, with a knock-on effect on April refinery throughput.

However, the amount of capacity shutdown for maintenance at state-owned refineries is to be 24% lower than last year, according to data cited by China commodities consultancy MySteel.

Natural gas imports for April rose 14.7% from a year earlier to 10.30 million tons, customs data showed.

Prices of LNG for Asia at the end of April were down 11.3% on the same period last year, and down 43% from last year's peak in October.

Customs data also showed exports of refined oil products, which include diesel, gasoline, aviation fuel and marine fuel, were up 21.46% from a year earlier at 4.55 million tons.

US crude stockpiles fall, products post surprise build, EIA says

U.S. crude oil stockpiles fell as refiners increased production, while fuel inventories rose unexpectedly last week, the Energy Information Administration (EIA) said on Wednesday.

Crude inventories fell by 1.4 million barrels to 459.5 million barrels in the week ending May 3, according to the EIA, slightly more than analysts' expectations in a Reuters poll for a 1.1 million-barrel draw.

The draw came as refinery crude runs rose by 307,000 barrels per day, and refinery utilization rates rose by 1 percentage point to 88.5% of total capacity. That, however, was down from 91% utilization a year ago.

Gasoline stocks rose by over 900,000 barrels in the week to 228 million barrels, the EIA said, compared with forecasts for a 1.3 million-barrel draw.

Distillate stockpiles, which include diesel and heating oil, rose by 600,000 barrels in the week to 116.4 million barrels, versus expectations for a 1.1 million-barrel drop, the EIA data showed. "More distressing, if you're a refiner, is that gasoline inventories built. They are approximately 4% higher than this time last year," said Andy Lipow of Lipow Oil Associates in Houston, Texas.

The market has been closely watching gasoline supply and demand ahead of the summer driving season, when consumption is expected to increase. Both U.S. gasoline and distillate futures fell after the report.

"The gasoline situation was going to be looked at by everybody and it definitely disappointed," said Bob Yawger, director of energy at Mizuho.

"Gasoline demand is still below 9 million barrels (per day) ahead of the start of the summer driving season. That is a pretty grim situation here," he added.

Crude oil prices, pared losses following the report, with U.S. futures up slightly on the day at $78.38 a barrel.

Net U.S. crude imports fell last week by 353,000 bpd, while exports rose by 550,000 bpd to 4.5 million bpd,the EIA said. Crude stocks at the Cushing, Oklahoma, delivery hub rose by 1.9 million barrels, the EIA said.

Top News - Agriculture

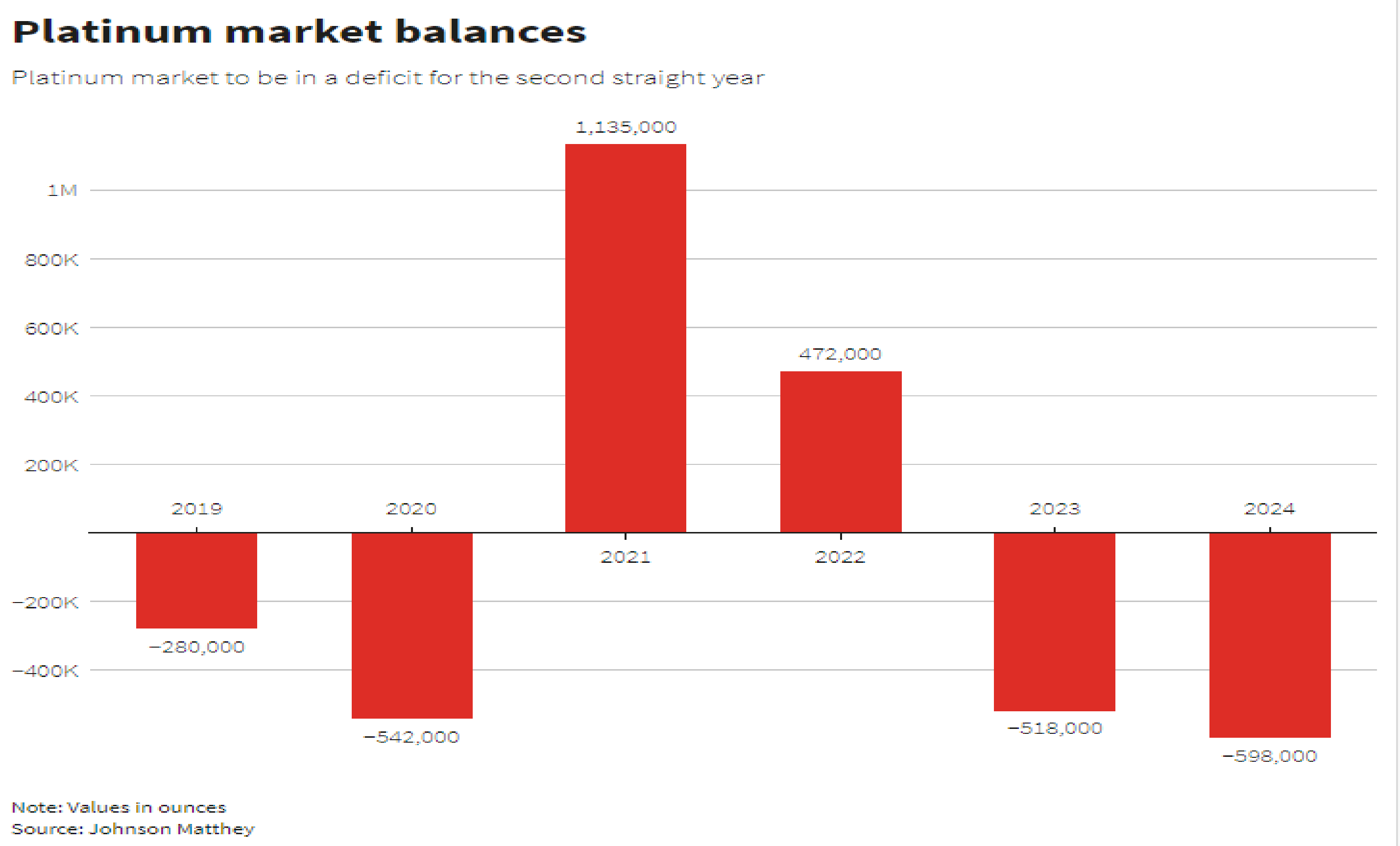
China April soybean imports jump 18% to record high for the month

China's soybean imports in April jumped 18% from a year earlier, data showed on Thursday, as buyers snapped up cheap and plentiful Brazilian beans from the South American producer while it was wrapping up its harvest season.
Total arrivals for the month were 8.57 million metric tons, according to the General Administration of Customs, the highest on record for April.
Soybean arrivals into the world's top buyer during the January-April period were 27.15 million tons, down 2.9% from the same period last year, the data showed.
The rise was driven by stronger soymeal demand for animal feed as profit margins at hog farms improved, said an analyst at a Chinese agricultural trading firm based in Shanghai, who declined to be identified.
In May, soybean arrivals should remain strong, rising to 10.98 million tons, before declining in June from because of rising global soybean prices and weakening Chinese feed demand, LSEG analyst Libin Zhou said in a note on May 7. Recent torrential rainfall and heavy flooding in Brazil's second-largest soybean-growing state Rio Grande do Sul is disrupting the final stages of the harvest and hampering the shipping of grains to port.
The potential crop damage has clouded the supply outlook for the world's largest soybean producer and bolstered Chicago soybean futures prices.
U.S. soybean exports to China, which have been declining for several years as Brazil builds its dominance in the world's biggest oilseed market, face more competition in 2024 from higher supply in Argentina, the world's third-largest producer.
Imports of vegetable oils in April were 494,000 tonnes, down 17.7% from the previous month.

Brazil losing corn crown but remains large supplier, Cargill says

Brazil will remain a competitive corn supplier in global markets thanks to yet another year of abundant production, Paulo Sousa, chief executive of grain trader Cargill in the country, said on Wednesday during an industry event.
However, the country will not maintain its position as the world's largest exporter, which it won last year after briefly overtaking the United States, he said.
Brazil is currently cultivating the "safrinha" corn, which is planted after soybeans are harvested in the same areas and represents 70%-80% of national output, depending on the year.

Chart of the Day



Sousa said Brazil's safrinha corn was looking very good, naming several large Brazilian growing regions where the crop was developing well.
Brazil's total corn production will fall by nearly 21 million tons this season, though it is still expected to be large compared with what other countries are capable of producing, according to data from national crop agency Conab.
Safrinha corn is mainly exported in the second half and competes directly with U.S. corn on global markets.
According to Conab, Brazil will export 31 million metric tons of corn in the 2023/2024 season, much lower than in the previous one, when exports totaled nearly 55 million tons, setting a record. Last month, Conab pegged total national corn output at 111 million tons for the current cycle, 16% below the previous season as farmers reduced plantings for first corn and safrinha corn.
The USDA forecasts the U.S. will export 53.34 million tons of corn in the 2023/24 cycle. It says Brazil will export 52 million tons of corn in the same period.

Top News - Metals

Platinum set for biggest deficit in a decade in 2024, says Johnson Matthey

The platinum market faces its largest supply shortfall in 10 years in 2024 as shipments from Russia return to normal from last year's highs and industrial demand stays firm, Johnson Matthey said in a report on Thursday.
The autocatalyst maker added that it expected all platinum group metals (PGM) - platinum, palladium, and rhodium - to remain in deficit in 2024.
The three metals are used in autocatalysts that reduce emissions from vehicle engines, with platinum also used in other industry and for jewellery and investment.
Johnson Matthey (JM) said it expected the platinum market's deficit to increase to 598,000 ounces this year from a shortfall of 518,000 ounces in 2023.
It forecast platinum demand would stabilise at around 7.61 million ounces, with small decreases in automotive and jewellery balanced by an uptick in investment.
Auto sector consumption is expected to slip 1.3% in 2024, while primary supply is projected to fall 2% as Russian shipments return to more normal levels following heavy selling of mined stocks in 2023, JM said.
For palladium, JM said use by automakers would fall about 7%, reducing overall demand to 9.73 million ounces and cutting the market deficit to 358,000 ounces from 1.02 million ounces last year. For rhodium, auto consumption is also expected to fall - by about 6% - dragging total demand down 4% to 1.06 million ounces.
The rhodium market is likely to be undersupplied by 65,000 ounces, down from 125,000 ounces in 2023, JM said. "Automotive and industrial users bought more metal than they needed during 2020-2022 to mitigate price and supply risks. Since then, consumers have been using up excess PGM inventory, and some have even sold metal back to the market," Rupen Raithatha, market research director at Johnson Matthey, said. At around $950 an ounce, palladium is trading lower than platinum at $960, pressured by growing demand concerns.
Rhodium is trading around $4,700 an ounce, down about 84% from all-time highs reached in March 2021.

China April copper imports fall as price rally saps demand

China's unwrought copper imports in April fell 7.6% from the prior month, customs data showed on Thursday, as a surge in global prices dampened buying appetite.
Imports of unwrought copper and products in China, the world's biggest consumer of the metal, were 438,000 metric tons in April, compared with 474,000 tons in March, data from the General Administration of Customs showed.
Imports were 7.5% higher than a year ago.
The data includes anode, refined, alloy and semi-finished copper products.
Copper surged in April, boosted by raw material shortages, demand optimism driven by new energy and AI sectors, and speculative buying.
Benchmark copper on the London Metal Exchange (LME) advanced 13% in April, surpassing $10,000 a ton on April 29, the most since April 2022.
Copper prices on the Shanghai Futures Exchange also gained 13% last month, hitting a record high.
Some copper users refrained from buying after prices surged, Higher global prices also prompted China's copper producers to lift their exports of metal.
As purchases fell, the premium Chinese buyers were willing to pay above LME prices for metal imported through the port of Yangshan fell to zero on April 23 for the first time ever.
Overall though, year-on-year imports rose because of improving demand for home appliances, machinery, new energy devices and power grids, according to He Tianyu, a copper analyst at commodity research house CRU.
China imported 1.81 million tons of unwrought copper and products in the first four months, up 7% from the same period in 2023.
Imports of copper concentrate were 2.35 million tons for April, up 11.9% from a year earlier, customs data showed.
Imports totalled 9.34 million tons in the first four months of 2024, up 6.9% from a year earlier.

Top News - Carbon & Power

China April coal imports rise as power generators stock up for summer

China's coal imports rose in April, customs data showed on Thursday, as power generators boosted their buying to raise their stockpiles ahead of the peak summer demand season.

Shipments of coal into China, the world's largest consumer of the fuel, were 45.25 million metric tons last month, up 11% from40.68 million tons a year earlier, the General Administration of Customs data showed.

That was up by 9.4% from March and 2 million tons less than December's record of 47.3 million tons.

"We have entered a stocking period ahead of the summer peak," Xu Dongkun, an analyst with industry group the China Coal Transportation and Distribution Association, said on Wednesday.

The Northern Hemisphere summer months are typically a high demand period for power generation in China to meet air conditioning consumption.

Chinese imports of coking coal for the steel industry were also likely higher because of tighter domestic supply of the fuel, said a China-based trader who asked to remain anonymous because he was not authorised to speak to the media.

China's coal imports in the first four months of 2024 were 161.15 million tons, up 13% year-on-year, the data showed. China's main coal suppliers are Indonesia, Russia, Mongolia and Australia.

Australia backs long-term gas drilling despite 2050 climate goals

Australia's Labor government on Thursday laid out a strategy to boost natural gas development even as it remains committed to net zero carbon emissions by 2050, highlighting demand from key Asian trade partners.

Australia is one of the world's largest exporters of liquefied natural gas (LNG), and Resources Minister Madeline King said gas would be needed "through to 2050 and beyond" in the global shift to cleaner energy. "It is clear we will need continued exploration, investment and development in the sector to support the path to net zero for Australia and for our export partners, and to avoid a shortfall in gas supplies," she said, launching the government's Future Gas Strategy.

Australia supplied around a fifth of global LNG shipped last year, with the largest projects run by Chevron and Woodside Energy Group in Western Australia, with its biggest customers in China, Japan and South Korea.

MARKET MONITOR as of 06:45 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$79.39 / bbl	1.29%	10.80%
NYMEX RBOB Gasoline	$2.52 / gallon	-0.11%	19.43%
ICE Gas Oil	$760.75 / tonne	1.40%	1.33%
NYMEX Natural Gas	$2.19 / mmBtu	-0.59%	-12.73%
Spot Gold	$2,314.27 / ounce	0.02%	12.20%
TRPC coal API 2 / Dec, 24	$112.45 / tonne	-0.93%	15.93%
Carbon ECX EUA	€71.69 / tonne	1.00%	-10.80%
Dutch gas day-ahead (Pre. close)	€30.30 / Mwh	-3.50%	-4.87%
CBOT Corn	$4.61 / bushel	-1.28%	-4.75%
CBOT Wheat	$6.38 / bushel	-0.74%	-0.23%
Malaysia Palm Oil (3M)	RM3,871 / tonne	-1.50%	4.03%
Index	**Close 08 May**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	336.57	-0.18%	11.67%
Rogers International	28.80	-0.09%	9.40%
U.S. Stocks - Dow	39,056.39	0.44%	3.63%
U.S. Dollar Index	105.60	0.05%	4.21%
U.S. Bond Index (DJ)	423.81	-0.40%	-1.60%

The centre-left government came up with the new strategy after facing criticism for a range of short term measures it took to boost domestic gas supply and drive down soaring energy prices in 2022 in the wake of Russia's war on Ukraine.
The plan lays out ways to reduce Australia's emissions, such as leasing more offshore acreage for carbon capture and storage, while encouraging development of new gas fields, including tightening "use it or lose it" provisions on existing leases.
It comes as Woodside and Santos battle environmentalists opposing gas projects they are developing off northwestern Australia, while smaller companies face opponents to shale gas drilling in the Northern Territory.
"The strategy also makes it clear that we can't rely on past investments to get us through the next decades, as existing fields deplete," King said in a column in the Australian Financial Review on Thursday.
"That will mean a continued commitment to exploration, and an openness to the kinds of foreign investment that have helped build the industry into the powerhouse it is today." The announcement was welcomed by energy producers but criticised by renewable energy advocates and environmentalists.
"The Future Gas Strategy announced today promotes a reckless plan to open up new industrial gas basins that will damage land, water and communities," Carmel Flint, national coordinator at environmental group Lock the Gate, said in a statement.

Top News - Dry Freight

China's April iron ore imports stay high as lower prices draw buyers
China's April iron ore imports ticked up 1.1% from the previous month, customs data showed on Thursday, as lower prices in March encouraged some buyers to place orders for more volumes betting demand and prices will pick up later.
The world's largest iron ore consumer imported 101.82 million metric tons of the key steelmaking ingredient last month, data from the General Administration of Customs showed. That was higher than 100.72 million tons in March and 90.44 million tons in April 2023.
"The obvious annual increase is mainly due to a low base effect, the volume last April was relatively low, but since there is no big change in the daily consumption of iron ore among domestic steelmakers, imports in April remained high," said Pei Hao, a Shanghai-based analyst at international brokerage Freight Investor Services.
"Actually, the second quarter will probably also see comparatively higher imports versus year-ago levels following an annual increase in the first quarter."
A slower-than-expected recovery in hot metal output in March put downward pressure on ore prices.
Seaborne iron ore prices averaged $109.7 a ton in March, down 12% from February and down 14.6% from the average in March 2023, respectively, data from consultancy Steelhome showed.
Higher shipments in late March to catch up with quarterly targets also contributed to a relatively high import volume in April, said analysts.
China's iron ore imports in the first four months of 2024 totalled 411.82 million tons, up 7.2% from the same period in 2023, the data showed. Both ore demand and prices will be better in the second half of the year, benefiting from a quicker issuance of special bonds in the second quarter, stimulus including equipment upgrade and robust steel exports, said Jiang Mengtian, an analyst.
China's steel exports in April jumped by 16.3% from the year earlier to 9.22 million tons. April's shipments brought the total for January to April to 35.02 million tons, the highest for the period since 2016, a rise of 27% year-on-year, the data showed. China's steel imports last month stood at 658,000 tons, with the total for January-April sliding 3.7% on the year to 2.41 million tons.

Taiwan’s MFIG buys about 65,000 T corn, expected from Brazil
Taiwan's MFIG purchasing group bought about 65,000 metric tons of animal feed corn expected to be sourced from Brazil in an international tender on Wednesday, European traders said.
The yellow corn was purchased at an estimated premium of 159.66 U.S. cents a bushel c&f over the Chicago September 2024 corn contract, they said.
It was believed to have been sold by trading house Pan Ocean. The tender sought shipment between July 6-25 if the corn is sourced from the U.S. Gulf, Brazil or Argentina, traders said.
If sourced from the U.S. Pacific Northwest coast or South Africa, shipment was sought between July 21 and Aug. 9.
Five trading houses each offered 65,000 tons of Brazilian corn in the tender with the next lowest offer from Brazil at a premium of 161.15 cents c&f over Chicago September, they said.
Traders said only one offer for 65,000 tons of U.S. corn was made at 182.50 cents a bushel c&f over the Chicago September, submitted by trading house CHS.
Five trading houses also each offered 65,000 tons of Argentine corn, the lowest at 158.80 cents over Chicago September.
Because of concerns about low quality, Argentine corn would only be accepted if it is the lowest price offered and at least 4 cents per bushel below the next cheapest offer from other origins, traders said. Reports reflect assessments from traders and further estimates of prices and volumes are still possible later. In its last reported corn tender on April 2, the MFIG group bought about 65,000 tons expected to be sourced from Argentina.

Picture of the Day

A resident walks past downed electrical lines after a tornado hit the area of Portage, Michigan, U.S., May 8. REUTERS/ Emily Elconin

(Inside Commodities is compiled by Nandu Krishnan in Bengaluru)

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