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## Top News - Oil

**ANALYSIS- Global oil markets weaken as sluggish demand leaves overhang**

Global physical crude oil markets are weakening because of soft refinery demand and ample supply, traders and analysts told Reuters, in a move that could spell further weakness for benchmark crude futures.

The weakness indicates high interest rates and inflation are depressing consumer and industrial demand, especially in Europe, at a time when supply is rising from non-OPEC producers such as the United States.

This could bolster arguments for OPEC+ to maintain production curbs at a June 1 meeting.

Demand from refiners is soft, even though their crude intake capacity has increased with the end of springtime maintenance.

“Rising refinery capacity has not been met by an expected rise in demand,” Saxo Bank analyst Ole Hansen said. “Consumers are feeling the pressure from high interest rates and inflation, as well as trade wars and a challenging geopolitical environment.” The weakness is exhibited particularly clearly in the North Sea, which produces crude grades that alongside U.S. WTI Midland crude underpin the Brent futures benchmark and help price two thirds of global oil.

The price differential of North Sea Forties crude fell on May 14 to a discount of 97 cents to dated Brent, its widest since January 2023, according to data from S&P Global Commodity Insights, known as Platts. Similarly, Platts on May 13 assessed WTI Midland cargoes pricing in Northwest Europe at dated Brent minus 69 cents, the lowest assessment since WTI joined the North Sea grades that underpin the Brent benchmark last May. "It is seemingly a relatively benign period for demand," said Sparta Commodities analyst Neil Crosby, who added that ample crude inventories could be delaying buying.

"For now, physical pricing is under pressure."

Besides weak refining demand, supply of light, low-sulphur crudes competing with the North Sea such as West Africa or the United States has been rising globally.

Ample supply is also evident in the structure of short-term Brent swaps - when crude for prompt delivery trades at a $1.07 per barrel discount to the July contract as opposed a $1.64 premium a month ago.

The current structure is known as contango and indicates abundant prompt supplies and weak demand.

The opposite structure is known as backwardation.

WEAKNESS ACROSS THE BOARD

In the United States, physical markets have also softened as U.S. refinery processing rates have stayed below regular seasonal levels despite the end of a maintenance season.

Prices for Louisiana Light Sweet crude fell to a three-week low of $2.33 per barrel over WTI on May 16, according to LSEG data.

The four-week average for U.S. refinery utilization was at 88.7% for the week ended May 10, down from 91.2% over the same period a year ago, according to the U.S. Energy Information Administration.

At the same time, the four-week averages for both U.S. gasoline and distillate product-supplied, a proxy for demand, were 4-5% below 2023 levels.

Refinery profit margins around the world have weakened partly because of a global slump in diesel values, a key refined product for the industrial and transport sectors alike.

PVM analyst Tamas Varga said lower margins were a clear sign that refiners were producing too much fuel amid lax consumer and industrial demand.

Lower profit margins have already prompted Asian refiners to process less crude oil in May, with others considering more cuts in coming months, further reducing crude demand.

Asia’s oil refining curtailments "signals a weak oil market," said U.S. oil analyst Paul Sankey.

"The last leg of the refining balance essentially is Asia. It's the first thing that shuts down" when markets are oversupplied, he said, adding that he expects OPEC to roll over its voluntary cuts at the June 1 meeting.

Weaker Asian refining demand has caused a drop-off in Middle East crude prices with Benchmark Dubai touching a near two-month low of $81.24 a barrel on May 8.

It has also left a glut of Nigerian supply, forcing sellers to cut prices for May cargoes to clear an overhang.

Nigerian Qua Iboe crude fell to $2.10 above dated Brent on May 15, the lowest premium since February according to LSEG data.

An Asian crude buyer, who asked not to be named, said he was holding off purchases of West African and WTI crude until values drop further. "They need to find outlets. (There is) too much oil," the buyer said.

**ANALYSIS- US refiners reward shareholders with big returns despite softer Q1 profits**

Major U.S. fuel makers returned billions in capital to shareholders in the first quarter and boosted share repurchase programs, even as refining margins softened from recent records and utilization rates fell.

Three of the biggest U.S. independent oil refiners - Marathon Petroleum, Phillips 66, and Valero Energy - earned combined adjusted profits of $2.93 billion and returned $5.5 billion to shareholders through stock repurchases and dividends in the first quarter, according to Reuters calculations.

That compares with $6.6 billion returned during the same quarter a year ago, when profits totaled $7.75 billion.
Refiners are tapping into their exiting cash to pay for buybacks and capital returns to shareholders, said Matthew Blair, managing director at TPH&Co.
Many companies are carrying excess cash because spending on growth projects has been limited, he said.
Even with lower year-on-year profits, investors have responded positively to their return of capital strategy, which Wall Street has pushed for in recent years following weak returns in the sector.
Year-to-date, shares of Valero are up more than 21%, while Marathon is up about 18%.
That compares with the S&P 500 energy sector's 11.70% increase so far this year.
"Refining margins were a little softer year-over-year but refiners are still making significant money to the point where they can pay heavy dividends," Brian Kessens, a senior portfolio manager at investment management firm Tortoise, said in an interview.
Refining margins have scaled back from the peaks hit after Russia's invasion of Ukraine in 2022, amid a rise in global refining capacity that has led to a drop in fuel prices.
Marathon paid out $2.5 billion to its shareholders during the quarter and boosted its repurchase authorization by an additional $5 billion despite taking a hit due to weaker margins and heavy turnaround activity at its facilities.
The company has approximately $8.8 billion available under its share buyback authorizations.
Marathon's crude capacity utilization was 82% during the quarter, down 9% from the previous quarter.
"We continue to believe share repurchases make sense at the current share price level," Marathon CEO Michael Hennigan told investors during the company's earnings call in April.
Shares of Marathon are currently around $173 each, down from a high of $219 in April.
Dallas, Texas-based HF Sinclair announced a new $1 billion share buyback program after beating first-quarter earnings expectations, while Valero returned $1.4 billion to shareholders in the first quarter.

DEMAND OUTLOOK

U.S. refiners have a favorable market outlook as they come out of seasonal maintenance and crank out more fuel for the upcoming summer driving season, executives said.
Refinery runs are expected to increase from an average of 15.4 million barrels per day in the first quarter to 16.2 million barrels in the third quarter, the U.S. Energy Information Administration said in its monthly forecast in May.
"Within our own domestic and export business, we are seeing steady demand year-over-year for gasoline and growth for diesel and jet fuel," said Marathon's Hennigan,

## Chart of the Day

Note: Three month futures on the London Metal Exchange in dollars per metric ton
Source: LSEG data | May 2024 | By Eric Onstad

adding that global oil demand is expected to continue to set records for the foreseeable future.
For the year, the EIA is forecasting global oil and liquid fuels consumption will rise by about 1 million bpd this year to 102.9 million bpd.
Profit margins for diesel have been soft in recent months as refineries around the world boost their supplies and mild weather in the northern hemisphere and slow economic activity put a dent in demand.
"Prices for diesel are in contango ... but we are constructive," said Brian Mandell, executive vice president at Phillips 66, referencing a market structure that indicates abundant supply.
"We do think the market will come back," he added.

# Top News - Agriculture

**US winter wheat rating dips; corn and soy seeding tops estimates**
The U.S. Department of Agriculture (USDA) lowered its U.S. winter wheat crop condition rating to 49% good to excellent in a weekly crop progress report on Monday, down 1 point from a week ago and 2 points below the average estimate gathered by Reuters from 14 analysts.
The crop's condition was still the highest for this time of year since 2020, USDA data showed.
Weather problems in Europe and the Black Sea region have raised concerns about global supplies, which lifted benchmark Chicago Board of Trade wheat futures on Monday to their steepest rally in 10 months.
Drought has been a worry for some U.S. Plains wheat growers, although conditions have been improving.
As of May 14, a quarter of the U.S. winter wheat crop was located in an area experiencing drought, the USDA said last week, down from 28% a week earlier.
Midwestern farmers, meanwhile, raced to plant spring crops ahead of rains this week.
The USDA said 70% of the U.S. corn crop was planted as of Sunday, up from 49% a week earlier and 2 points higher than the average trade estimate of 68% complete.
The pace was closer to normal for this time of year but remained the slowest since 2019.
Farmers have also finished planting 52% of their soybean crop, the USDA said, up from 35% done a week ago and 3 points above the average analyst estimate.
U.S. spring wheat seeding was 79% complete, above the average estimate for 76% finished.

**Argentina soy farmers wait on rising prices to sell rain-drenched crop**
In the fields of Pergamino in Argentina's grain heartland, farmer Adrian Farroni is revving up his soybean harvest late, delayed by rains that along with low prices have led to the country's slowest soy sales in a decade.
The South American country's slow pace selling the oilseed could strainthe region's supply even as rival Brazil's crop is dented by major floods.
Argentina is one of the biggest global exporters of soyoil and meal that are processed from soybeans.
Argentine farmers had by early May sold 31% of an expected soy harvest of 49.7 million metric tons, their slowest pace since at least the 2014/15 campaign, government data show.
"Generally we start harvesting in April, but it was drizzling and drizzling," Farroni said in his fields where two combines were working to resume harvesting during a window of cool, dry weather.
"So each week, we only harvested for two days and for five days we had to stop."
Government data show that until last Wednesday farmers had harvested 61% of planted soybean area, behind even the drought-hit harvest pace last season.
A mix of poor weather and low prices has stalled sales, said Dante Romano, a researcher at the Agribusiness Center of the Austral University in grains hub Rosario.
Farmers often agree to sales before the crop is fully harvested.
"It's been a really slow pace of sales, one of the slowest we've had in history," said Romano, who estimated that deals had been struck for only 12% of the soy crop, about half of the average pace for this time of year.

SOY SALES 'PARALYZED'
Farmers earlier this year were receiving around $270 per ton, Romano said, encouraging them to hold onto their soybean stocks and wait for the market to rebound.
"The producer was making a loss at those prices, which left sales totally paralyzed," Romano said.
Soy prices are now starting to recover as worries about crop losses due to flooding in Brazil and dryness in north Argentina have offset data indicating lower U.S. demand.
On the Argentina Rosario futures market, July soy futures are trading around $315 per ton, down from $350 during planting late last year, but higher than the recent lows, which analysts said was spurring a modest increase in trading.
Farmer Farroni, however, was betting on further soybean price hikes ahead, choosing to sell his wheat and legumes for now to get by financially, while mostly holding onto his soy. "It's still not tempting to sell soy," he said. "Whoever can hold out and delay sales is waiting."

## Top News - Metals

**FOCUS-Copper's record run at risk as US shipments calm speculator frenzy**

Copper's lightning rally to record highs may not be sustainable in the coming weeks, with action concentrated on the shipment of material to cover exposed short positions in the U.S. Comex futures market rather than tepid demand in top consumer China.
Prices on the CME Group's Comex hit a record last week, while benchmark copper on the London Metal Exchange (LME) rocketed on Monday to an all-time peak of $11,104.50 a metric ton, having surged 28% so far this year.
Analysts say copper's long-term fundamentals are strong, with a bullish outlook attached to firm demand in coming years for applications including the global clean energy transition and greater use of artificial intelligence (AI).
That is set against constrained supply, prompting a race among miners for high quality projects.
The current run higher appears to be on shaky ground, motivated by heavy speculative activity and a dash to cover large short positions - which can be bets on lower prices, or producers hedging their output - taken by traders.
At least 100,000 metric tons of copper are en route to the U.S. CME exchange, two sources with direct knowledge told Reuters on Monday, which will go a good way to allow parties to deliver against bearish positions and take the heat out of the market.
"At the moment, it's pure speculative rather than real demand," said Robert Montefusco at broker Sucden Financial.
"It all depends on whether that demand becomes real, because once the specs are out, it'll just fall away."
On Comex, there was a total net short position of 7,525 contracts or 85,334 tons, data showed on Friday.
There was a big difference however between the net long position of speculators at 72,785 contracts (825,382 tons) and the net short position by producers of 91,502 contracts (1.04 million tons).

SHIPMENTS FROM SOUTH AMERICA
Sources have told Reuters that commodity traders including Trafigura and IXM, as well as Chinese copper producers, are among those caught in a short squeeze on Comex.
Many of those shorts have arranged for copper shipments to the U.S., from producers in Chile and Peru, re-directed vessels that had been headed to China on long-term contracts, and some copper withdrawn from LME warehouses.

**MARKET MONITOR as of 06:45 GMT**

| Contract | Last | Change | YTD |
|---|---|---|---|
| NYMEX Light Crude | $79.29 / bbl | -0.96% | 10.66% |
| NYMEX RBOB Gasoline | $2.53 / gallon | -1.27% | 19.93% |
| ICE Gas Oil | $759.50 / tonne | -0.39% | 1.17% |
| NYMEX Natural Gas | $2.74 / mmBtu | 4.15% | 8.79% |
| Spot Gold | $2,414.59 / ounce | -0.01% | 17.07% |
| TRPC coal API 2 / Dec, 24 | $117.5 / tonne | 2.17% | 21.13% |
| Carbon ECX EUA | €74.22 / tonne | 4.99% | -7.65% |
| Dutch gas day-ahead (Pre. close) | €31.80 / Mwh | 3.41% | -0.16% |
| CBOT Corn | $4.67 / bushel | 0.86% | -3.62% |
| CBOT Wheat | $7.06 / bushel | 5.06% | 10.40% |
| Malaysia Palm Oil (3M) | RM3,917 / tonne | 0.64% | 5.27% |
| **Index** | **Close 20 May** | **Change** | **YTD** |
| Thomson Reuters/Jefferies CRB | 344.86 | 0.68% | 14.42% |
| Rogers International | 29.62 | 1.33% | 12.50% |
| U.S. Stocks - Dow | 39,806.77 | -0.49% | 5.62% |
| U.S. Dollar Index | 104.57 | 0.01% | 3.20% |
| U.S. Bond Index (DJ) | 424.76 | -0.04% | -1.38% |

More than 20,000 tons from Chile are expected to arrive in the U.S. by the end of May, with bigger volumes lined up to land in June and July, two producer sources said.
The transfer of copper from LME-registered warehouses to Comex however could be limited. Chinese and Russian copper, accounting for 67% of LME stocks, are not eligible for Comex delivery.
There are 17,250 tonnes of copper produced in Chile, Peru and Australia which are U.S. duty-exempt and were in the LME system at the end of April, exchange data showed.

CHINESE CONSUMERS, SMELTERS HOLD BACK
Consumption in China, which accounts for about half of global copper demand, is lacklustre due to a troubled property sector and industrial consumers that are baulking at record prices.
China on Friday announced "historic" steps to stabilise its crisis-hit property sector, but it will take time for a sector that is usually a big consumer of industrial metals to rebound.
For the time being, signals are gloomy, with the Yangshan copper premium, which reflects demand for copper imported into China, hovering at zero after sinking to negative $5 a ton last week, compared with $60 in March.
"Given significant financial length in copper and persisting slack Chinese fundamentals for the time being, we think there remains the risk that investors lose some patience with the story," JPMorgan analysts said in a note on Monday.
"In our view, this could ultimately be a very healthy correction that acts to kick start Chinese demand out of its stupor."
Much potential Chinese demand is on hold and could kick in at lower prices, JPMorgan added.
Investors and analysts are still bullish for the medium and long term due to rising global demand and disruptions to mine supply.

**Anglo shareholder LGIM supports break-up plan as BHP circles**
Anglo American shareholder Legal & General Investment Management (LGIM) supports the break-up plan announced by the company last week, it said on Monday, as the deadline approaches for BHP Group to log a formal takeover offer.
The radical plan to divest Anglo's less profitable coal, nickel, diamond and platinum businesses followed its rejection of two all-share takeover approaches from BHP, the world's biggest listed mining group, which had proposed a $43 billion deal on the condition that Anglo first spins off its South African operations.
"The plan outlined by Anglo American is a radical but attractive strategy to create value for long-term investors," said Nick Stansbury, head of climate solutions at LGIM.
LGIM is among Anglo's biggest investors with a stake of about 2%, LSEG data shows.
"The execution of this plan will be challenging for management to deliver, but we are confident in their ability to do so over time," Stansbury added. Under UK takeover rules, BHP has until 1700 GMT on Wednesday to make a binding bid for Anglo or it will be forced to walk away for at least six months. If the companies find an agreement in the meantime, an extension can be granted.
Anglo American and BHP Group declined to comment.
BHP Chief Executive Mike Henry told investors last week that Anglo shareholders must consider the benefits of a combination of the two companies and which team they think has a better track record of executing projects and delivering returns. Henry also said he was disappointed with the Anglo board's continued refusal to engage.
"Our discussions with Anglo American indicate that their board are acting appropriately with regards to the level of engagement they are having with BHP," Stansbury said in an emailed statement.
LGIM does not see a clear reason for the Anglo board to change stance unless BHP offers a reasonable premium to the underlying fair value of Anglo's assets, he added.

## Top News - Carbon & Power

**Australia gas producers endorse government strategy, warn of shortages this decade**
Australia's energy producers endorsed a government strategy to boost natural gas development, but warned the country still faces new gas supply shortfalls this decade while markets remain volatile due to global conflicts.
Meg O'Neill, chair of the Australian Energy Producers, said the group welcomed the Future Gas Strategy released by the government earlier this month, which highlighted that new gas sources will be needed to meet both domestic and export demand during the energy transition.
This comes amid volatility in the oil and gas market due to the conflicts in Ukraine and the Middle East, she told an Australian gas industry conference on Tuesday.
"This is a challenge Australia faces this decade. As the Future Gas Strategy points out, without action, the east coast of Australia faces projected shortfalls by 2028 and the west coast by 2030," O'Neill, who is also the CEO of Woodside Petroleum, said, adding that this could increase volatility and drive up prices for households and businesses. "The best solution to a shortage is always supply, supply, supply... And we welcome acknowledgment in the Strategy that we'll need the right regulatory settings to do so."

The Future Gas Strategy from Australia, last year's second-largest exporter of liquefied natural gas (LNG), came after the government faced criticism for its range of short-term measures to boost domestic gas supply and lower soaring energy prices, such as price caps and export limits from the country's three east coast projects.
The measures prompted concern from the industry that they would hurt long-term energy investments.
O'Neill also discussed changes the government made to the country's the Petroleum Resource Rent Tax (PRRT).
The tax reforms helps the gas industry make future investment decisions, but it does not address the ambiguity in the consultation process for offshore approvals, O'Neill said.
"Leaving this issue unresolved makes the timely development of new energy supply more difficult."
The government has extended a review on the environmental management regime for offshore petroleum and greenhouse gas storage activities which includes a focus on clarifying consultation requirements for offshore activities.
"Legislation to complement outcomes of review did not pass the senate last week, as we prioritized worker safety provisions and ensuring certainty of petroleum resources and tax reforms," Australia's Minister for Resources Madeleine King told the conference.
The government is looking at ways to provide clarity and certainty for all stakeholders, she said, adding that it wanted to ensure genuine consultation is undertaken before any offshore activity commences.
"I want the offshore regulatory regime to remain fit for decarbonising the economy," King said.
Australia produces more gas than it needs to meet its domestic demands, but most supply is contracted for export. The country shipped out 80.9 million metric tons of LNG in 2023, according to data and analytics group Kpler. Its biggest customers are China, Japan and South Korea, which are also the world's top three importers of the super-chilled fuel.
Australia's energy market operator, however, said in March that the country's southeast region faces the risk of gas shortages during next year's winter months as demand may exceed supply, and called for urgent new investment to prevent any potential shortfall.

**COLUMN-Turkey becomes Europe's largest coal-fired electricity producer: Maguire**

Turkey overtook Germany to become Europe's largest producer of coal-fired electricity over the first four months of 2024, data from energy think tank Ember shows.
Turkey's 36 terawatt hours (TWh) of coal-fired electricity output through April exceeded the 34.6 TWh produced by Germany's utilities over the same period, as well as the 31.3 TWh of coal-fired electricity in Europe's third-largest coal user, Poland.
The main driver of Turkey's ascendance in regional coal rankings was a steep drop in Germany's coal use during the January-April window, which was 32% lower than the same period in 2023 and the lowest for that time frame on record.
Turkey's coal-fired output total was roughly 3% less than during the same months in 2023, but was the second-highest tally for that period on record and marked a roughly 6% climb from the first four months of 2019.
In contrast, German and Polish coal-fired generation through April was down 42% and 19.4%, respectively, from the same months in 2019, indicating a sustained drive within major northern European economies to trim coal use in power generation over the past five years.
If utilities in Germany and Poland make further cuts to coal use this year, 2024 may mark a turning point in Europe's energy transition efforts by shifting emissions focus away from established industrial economies to regional emerging markets where coal remains a key power fuel.

CLEAN DIVERGENCE

Rapid recent expansions to clean energy generation capacity in Germany, Poland and other wealthy economies in northern and western Europe have been instrumental to coal's reduced status in those power systems.
Between 2022 and 2023, clean generation capacity expanded by 9% in Germany, 21.4% in Poland, 21% in the Netherlands, 9.6% in Italy and by 8% in Spain, according to Ember, thanks in part to large government subsidies designed to aid energy transition efforts away from fossil fuels.
In contrast, clean generation capacity in Turkey expanded by 4.5% from 2022 to 2023, where a widening government budget deficit has constrained subsidy spending. Clean generation capacity growth in 2023 was also limited in Czechia (1.1%), Romania (1.4%) and Serbia (3.6%), highlighting a widening clean power development gap between wealthy and developing nations in the European region.

COAL RELIANCE

In addition to sluggish clean energy generation capacity growth, Turkey, Czechia and Serbia, along with Bulgaria, are home to some of Europe's most coal-reliant power systems.
Over the first four months of 2024, coal accounted for an average of 34% of total electricity generation in Turkey, 35% in Czechia, around 30% in Bulgaria, and 59% in Serbia. Those averages compare to 21% in Germany and around 13% for Europe as a whole.
Turkey's coal reliance is strengthened by the country's pace of economic growth, which is one of the fastest in Europe. Turkey's real gross domestic product expanded by an average of 4.5% a year from 2019 through 2024, according to data and estimates from the International Monetary Fund. That growth pace is 3.5 times faster that the European average, and around 1.6 times faster than the global average, and means that the country's total energy requirements have expanded by a similar degree.

Turkey's utilities have struggled to keep up with such a strong expansion in energy demand, and have been forced to maintain a heavy reliance on coal plants to generate a major share of total electricity.
Recent shortfalls in local output from hydropower dams due to drought have also heightened the need for coal power.
To meet sustained high levels of coal use, Turkey has had to boost coal imports, which in 2023 totalled 24.2 million metric tons, according to ship-tracking firm Kpler.
That total was the country's second-highest on record, made Turkey the ninth-largest importer globally, and by far the largest importer in Europe.

EMISSIONS TOLL
As a result of sustained high coal-fired generation, total emissions of carbon dioxide ($CO_2$) from Turkey's coal-fired plants were just over 36 million metric tons during the January to April window, Ember data shows.
That total surpassed the 35.8 million tons emitted by German plants and 32.2 million tons by Poland's coal plants.
Along with the steady emissions from the nearby coal plants of Bulgaria and Serbia, Turkey's roughly 10 million tons of coal emissions a month means that Southern Europe is now a major source of coal emissions on the continent.
And if that high emissions pace is sustained while power systems elsewhere in Europe continue to cut back on coal use, Turkey could quickly emerge as a key contrarian in regional coal cutting efforts which may impede the entire region's energy transition efforts.
*(The opinions expressed here are those of the author, a columnist for Reuters.)*

## Top News - Dry Freight

**Ukraine grain exports at 44.4 mln T so far in 2023/24**
Ukraine's grain exports in the 2023/24 July-June marketing season had reached 44.4 million metric tons by May 20, compared with 44.6 million as of May 24 last year, agriculture ministry data showed on Monday.
This season's exports included 3 million tons so far in May, the data showed, including 16.6 million tons of wheat, almost 25 million tons of corn and 2.3 million tons of barley.
Ukraine typically sends about 95% of its grain exports via its Black Sea ports. The Ukrainian government expects a harvest of 81.3 million tons of grain and oilseeds this season, with a 2023/24 exportable surplus of about 50 million tons. The ministry has said the 2024 combined grain and oilseed crop could fall to 74 million tons, including 52.4 million tons of grain.

**Egypt's GASC seeks raw cane sugar in tender**
Egypt's General Authority for Supply Commodities (GASC) on Monday announced a tender to import at least 50,000 metric tons of raw cane sugar from any origin on behalf of the Egyptian Sugar & Integrated Industries Company.
Offers should be submitted for arrival Sept. 1-15 and/or Sept. 15-30 and/or Oct. 1-15 and/or Oct. 15-31 for at sight payment. Offers should be in Egyptian pounds or U.S. dollars on a CIF free out basis. The deadline for offers is May 25.

## Picture of the Day

*A local irrigates a plantation, at a Chinampa, or floating garden, in San Gregorio Atlapulco, one of the original towns of the borough of Xochimilco, in Mexico City, Mexico, May 17. REUTERS/Raquel Cunha*

(Inside Commodities is compiled by Nandu Krishnan in Bengaluru)

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

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