Oil | Agriculture | Metals | Carbon & Power | Dry Freight
Click on headers to go to that section

Top News - Oil

Saudi Arabia sets up new Aramco share sale that could raise $13.1 billion

Saudi Arabia's government on Thursday filed papers to sell a new stake in state oil giant Aramco that could raise as much as $13.1 billion, a landmark deal to help fund Crown Prince Mohammed bin Salman's plan to diversify the economy.

In the main part of the deal, Saudi Arabia could raise $12 billion by offering about 1.545 billion Aramco shares, equivalent to about 0.64% of the company, if it prices the sale at the top end of a 26.7 ($7.12) to 29 riyals range, according to Aramco's filing on Riyadh's Saudi Exchange. The deal's value could rise to $13.1 billion at the top end under a so-called greenshoe option which would allow the sale of nearly 1.7 billion shares, or a 0.7% stake. That option allows bankers to use shares to stabilize the price of the offering. Investors have long anticipated the share sale as the energy giant has sought to widen its base while generating funds to turbocharge Saudi Arabia's economic diversification programme.

"The offering provides us with an opportunity to broaden the shareholder base amongst both Saudi and international investors," Aramco Chief Executive Amin Nasser told reporters on a call after the announcement. "It also offers us an opportunity to increase liquidity and to increase our global index weighting."

The offering is the culmination of a years-long effort to sell another chunk of one of the world's most valuable companies following its record-setting IPO in 2019 raised $29.4 billion. About 10% of the latest offering will be reserved for retail investors, subject to demand.

Sources told Reuters last week the offering could happen as soon as June.

Since the IPO, Aramco has remained a cash cow for the Saudi government, financing a mammoth economic drive to end the kingdom's "oil addiction", as the crown prince once called it. The latest deal will allow the kingdom to finance large domestic projects tied to that agenda, said Hasan Alhasan, senior fellow at the International Institute for Strategic Studies.

Having missed its target for foreign direct investment and with a budget deficit of up to $21 billion in sight, "the kingdom is resorting to the sale of equity in Aramco and to debt issuances," he said.

"The kingdom is likely to continue redirecting capital to other sectors including renewable energy, technology, tourism, logistics and manufacturing, which Riyadh hopes will constitute sources of long-term economic growth," he added. Aramco shares closed 0.17% lower on Thursday at 29.1 riyals ($7.76), giving the company a market capitalization of about $1.87 trillion. Its IPO price valued it at $1.7 trillion, but shares traded 10% higher on their debut, roughly in line with its current valuation.

The company lifted dividends to almost $98 billion in 2023 from the $75 billion it had been paying annually, despite profit having dropped by nearly a quarter. It expects an outlay of $124.3 billion this year.

Aramco has also invested in refineries and petrochemical projects in China and elsewhere, expanded its retail and trading businesses, and sharpened its focus on gas, making its first foray into liquefied natural gas abroad last year. Morgan Stanley, Citi, Goldman Sachs, HSBC, Saudi National Bank, Bank of America and JPMorgan are acting as joint global coordinators on the deal, with local banks Al Rajhi Capital, Riyad Capital, Saudi Fransi Capital acting as joint bookrunners.

There were roughly half the number of banks on the deal in comparison to Aramco's IPO in 2019.

DIVERSIFICATION DRIVE

Saudi Arabia's de-facto ruler MbS, as the crown prince is known, has poured hundreds of billions of dollars through the kingdom's sovereign wealth fund into mega projects, and everything from electric vehicles to sports and a new airline, to diversify the economy away from hydrocarbons and create jobs. But lower oil prices and production weighed on economic growth last year while spending rose, leading to a fiscal deficit of around 2% of GDP, with a similar deficit expected this year.

Aramco introduced a special performance-based dividend last year, providing cash to the kingdom and helping to lure new investors. The company has also signed up more banks as market-makers to help improve liquidity in the shares. The world's biggest oil exporter trades at a higher price-to-earnings ratio than other global oil companies, including ExxonMobil, BP and Shell.

The stock is down about 12% this year, while shares of ExxonMobil and BP are up around 14% and 4% respectively. Saudi Arabia is the de facto leader of the Organization of the Petroleum Exporting Countries, helping engineer price moves on world oil markets.

Aramco currently produces about 9 million barrels of crude a day, about three quarters of its maximum capacity, to comply with output cuts agreed by OPEC and its allies, known as OPEC+.

OPEC+ is set to decide its next production policies on Sunday, and several sources and analysts expect the meeting to roll over existing cuts into the second half of 2024. Should OPEC+ surprise the market and cut production further, oil prices could rise from the current roughly $82 a barrel, but Aramco would have to reduce output and face even lower revenues.

OPEC+ working on complex production cut deal for 2024-2025, sources say

OPEC+ is working on a complex deal to be agreed at its meeting on Sunday that will allow the group to extend some of its deep oil production cuts into 2025, three sources familiar with OPEC+ discussions said on Thursday.

OPEC+ has made a series of cuts since late 2022 amid rising output from the United States and other non-members, and worries over demand as major economies grapple with high interest rates.

The Organization of the Petroleum Exporting Countries led by Saudi Arabia and allies led by Russia, known as OPEC+, is currently cutting output by a total of 5.86 million barrels per day, equal to about 5.7% of global demand.

The cuts include 3.66 million bpd by OPEC+ members valid through to the end of 2024, and 2.2 million bpd of voluntary cuts by some members which expire at the end of June.

OPEC+ will begin a series of online meetings at 1100 GMT on Sunday.

The deal on Sunday could include extending some or all of the cuts of 3.66 million bpd into 2025 and some or all of the voluntary cuts of 2.2 million bpd into the third or fourth quarter of 2024, three sources familiar with the discussions said on Thursday.

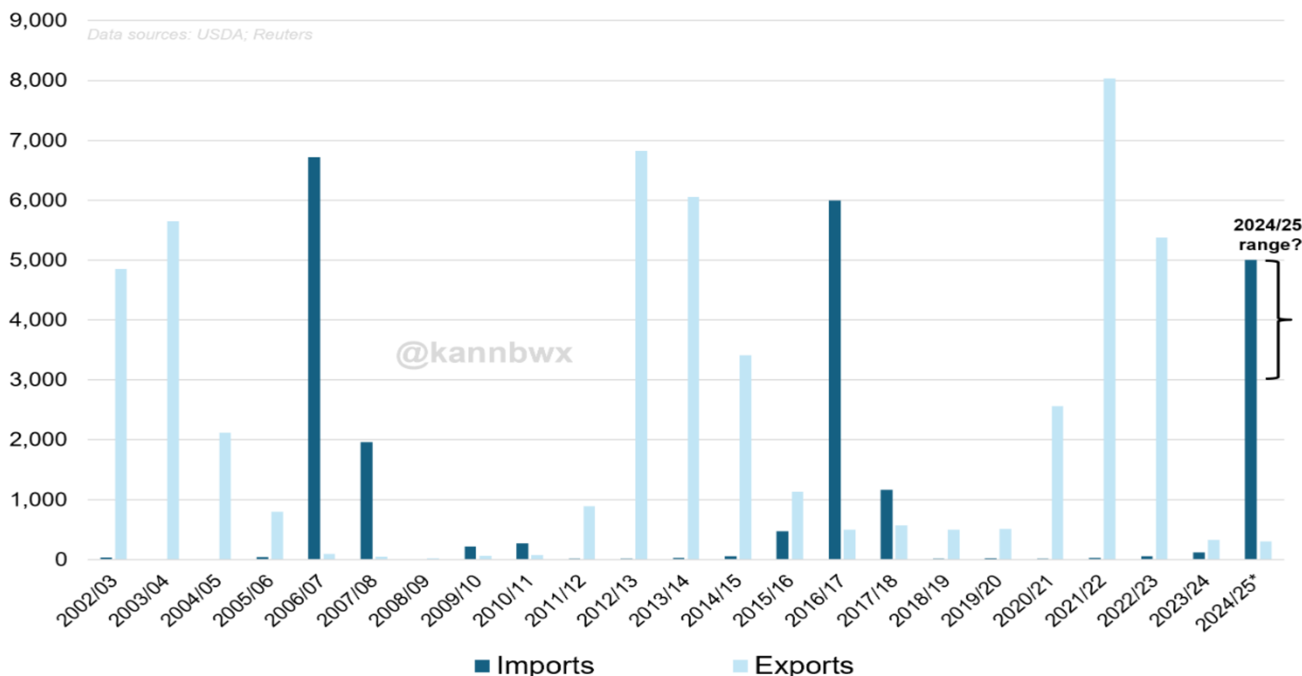
The extension of some cuts into 2025 will likely be made conditional on OPEC+ agreeing new individual member output capacity figures later in 2024, two of the sources said. OPEC+ is trying to agree new oil production capacity for its member countries by the end of 2024, an issue that has created tensions in the past because each nation's output target is calculated from its notional capacity.

"We expect OPEC+ could announce on Sunday a framework for 2025 and how to phase back some of the cuts," said Amrita Sen, co-founder of Energy Aspects think-tank. The countries which have made voluntary cuts that are deeper than those agreed with the wider group are Algeria, Iraq, Kazakhstan, Kuwait, Oman, Russia, Saudi Arabia and the United Arab Emirates.

"We would not entirely rule out a plot twist - in the form of a deeper cut - given (Saudi energy minister) Prince Abdulaziz's (bin Salman) penchants for Hollywood twist endings," said Helima Croft from RBC Capital Markets. Prince Abdulaziz has repeatedly said he likes keeping the oil market on its toes and promised to punish speculators.

The OPEC+ meeting may coincide with a secondary share offering in oil giant Aramco on Riyadh's Saudi Exchange - the culmination of a years-long effort to sell another chunk in one of the world's most valuable companies after its record-setting IPO in 2019 raised $29.4 billion.

Chart of the Day



Top News - Agriculture

EU 2024/25 wheat crop forecast held at 4-year low, stocks outlook raised

The European Commission on Thursday kept unchanged its monthly forecast of the European Union's main wheat crop in 2024/25 at a four-year low, but raised its stocks outlook on bigger than expected supplies left over from this season. As in April, the Commission pegged EU usable production of common wheat, or soft wheat, in 2024/25 at 120.2 million metric tons. That was 4% below this season's level and the smallest since 2020/21 when the crop was also affected by heavy rain.

However, it increased its forecast of EU soft wheat stocks at the end of 2024/25 to 13.5 million tons from 12.2 million tons last month due to an higher projection of supplies this season. Soft wheat stocks at the end of the current 2023/24 season were now expected at 21.4 million tons, against 20.4 million forecast last month.

That in turn reflected an upward revision to expected EU imports in 2023/24, now seen at 9.5 million tons compared with 7.5 million previously.

Expected soft wheat imports, which have become a flashpoint in the EU due to an influx of Ukrainian grain, were also revised up by 0.5 million tons for 2024/25 but were seen well below this year's level at 5.0 million tons.

The increased imports outweighed upward adjustments to soft wheat export forecasts.

The Commission upped its export outlook by 0.5 million tons to 31.5 million for 2023/24 and by 0.1 million to 31.1 million for 2024/25.

In other cereals, the Commission increased its forecast of 2024/25 usable barley production in the EU to 53.9 million tons from 53.6 million last month, and trimmed its EU maize crop forecast to 68.6 million from 69 million tons.

In oilseeds, projected EU rapeseed production in 2024/25 was cut to 19.1 million tons from 19.4 million previously.

India's key monsoon rains arrive early, promising respite from heat

Monsoon rains hit the coast of India's southernmost state of Kerala on Thursday, two days sooner than expected, weather officials said, offering respite from a gruelling heat wave while boosting prospects for bumper harvests.

Summer rains, critical to spur economic growth in Asia's third-largest economy, usually begin to lash Kerala around June 1 before spreading nationwide by mid-July, allowing farmers to plant crops such as rice, corn, cotton, soybeans and sugarcane.

The monsoon has covered nearly all of Kerala and most northeastern states, the state-run India Meteorological Department (IMD) said in a statement. Conditions favoured its spread to the neighbouring states of Tamil Nadu, Karnataka, and the northeastern state of Assam during the next two to three days, it added.

That spells relief from a stifling heat wave that has driven maximum temperatures above 50 degrees Celsius (122 degrees Fahrenheit) in some northern and western regions. The monsoon, the lifeblood of the nearly $3.5-trillion economy, brings nearly 70% of the rain India needs to water farms and recharge reservoirs and aquifers.

In the absence of irrigation, nearly half the farmland in the world's second-biggest producer of rice, wheat and sugar depends on the annual rains that usually run from June to September. India is likely to receive an average amount of rain in June, although maximum temperatures are likely to stay above normal, the IMD said, with the monsoon this year expected to be 106% of the long-term average.

In 2023, below-average rainfall depleted reservoirs, hitting food output, prompting government curbs on exports of commodities such as rice, wheat, sugar and onions.

Resumption of exports depends on how quickly production recovers in 2024, which hinges on a plentiful monsoon.

That in turn could help rein in food inflation, which is still too high for the central bank's comfort.

The La Nina weather phenomenon, which increases rainfall in India, is expected to set in during July and September.

Top News - Metals

INSIGHT-How a rattled South Africa became Anglo's best defence against BHP bid

Days after miner BHP launched its takeover bid for rival Anglo American in April, the CEOs of both headed for South Africa, where a condition to divest Anglo's local platinum and iron ore assets was causing a political storm.

More than 20% of Anglo shares are held by South African investors, and the London-listed group's presence is deemed of national value in the country, where it was founded in 1917 and employs more than 40,000 people.

While Anglo CEO Duncan Wanblad appears to have so far succeeded in enlisting support for his new turnaround strategy, the trip did not work out as well for BHP, which had been caught on the back foot by details of the offer being leaked.

After it bowed out of the deal on Wednesday, more than half a dozen people, including investors and ex-mining executives, told Reuters that Anglo was able to rebuff BHP's approaches because the bigger group could not persuade key shareholders including South Africa's Public Investment Corporation to back it.

"It's a combination of a structure that would have been extremely challenging to implement, which has significant risk embedded in it, and a lack of sensitivity to the environment in South Africa," said one source familiar with Anglo's defence strategy.
"All of which, by the way, (could have been) anticipated."
In his first public comments on the takeover bid, BHP CEO Mike Henry told investors at a mining conference in Miami that "our strong preference was to be able to hold these discussions with Anglo in private".
"Rather unfortunately, it got leaked," he added. "So the first thing I did was jump on a plane."
Henry flew to South Africa with his London banking advisors on May 1, hoping to calm investors after the April 24 leak. He also hoped to meet the government to fully communicate the strategy, a source familiar with matter said.
South Africa's government had been caught off-guard a month before an election by a takeover offer for a company deeply entrenched in the national economy, and mines minister Gwede Mantashe sharply criticised the plan to buy Anglo and spin off its South African assets.
The source said the Australian miner had no intention of announcing the approach while South Africa was going through an election.
"It should have been played out between the companies," they added.
Henry has made no secret of his drive to get Anglo's giant copper mines in Latin America, where BHP also owns assets.
A former director of AngloGold Ashanti, once listed in Johannesburg, said Anglo had known BHP's demands that Anglo Platinum and Kumba Iron Ore be unbundled immediately if a deal went through would face opposition.
BHP's calculations underestimated the company's deep ties to South Africa, said Mandi Dungwa, a portfolio manager at Camissa Asset Management in Cape Town.
"There is just a certain way these deals are done, particularly in South Africa, with the sensitivities government has - especially when it seems you want to take something away."

PLAY ON LEGACY
Anglo CEO Duncan Wanblad was meanwhile able to enlist support for his new strategy, unveiled two weeks later, which includes a spin-off of the same platinum mines in South Africa and the sale of coal and diamond assets.
At around the same time Henry was flying into South Africa, Wanblad headed to Pretoria, where he had secured a meeting with Mantashe, who also chairs the governing African National Congress party.
Anglo, which rejected all of BHP's proposals, including an increased $49 billion one, focused its defence strategy on

MARKET MONITOR as of 06:45 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$77.90 / bbl	-1.68%	8.72%
NYMEX RBOB Gasoline	$2.40 / gallon	-2.48%	13.89%
ICE Gas Oil	$734.25 / tonne	-2.30%	-2.20%
NYMEX Natural Gas	$2.56 / mmBtu	2.81%	1.95%
Spot Gold	$2,344.89 / ounce	0.26%	13.69%
TRPC coal API 2 / Dec, 24	$126.75 / tonne	3.47%	30.67%
Carbon ECX EUA	€75.48 / tonne	2.19%	-6.08%
Dutch gas day-ahead (Pre. close)	€35.10 / Mwh	2.24%	10.20%
CBOT Corn	$4.60 / bushel	-1.18%	-5.06%
CBOT Wheat	$7.09 / bushel	-0.63%	10.91%
Malaysia Palm Oil (3M)	RM4,060 / tonne	0.64%	9.11%
Index	**Close 30 May**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	342.31	-1.54%	13.57%
Rogers International	29.20	-1.96%	10.92%
U.S. Stocks - Dow	38,111.48	-0.86%	1.12%
U.S. Dollar Index	104.85	0.13%	3.47%
U.S. Bond Index (DJ)	421.97	0.63%	-2.03%

the value of the deal, playing up how the costs of untangling its South African units would be borne by investors.
Wanblad's offer to retain iron ore assets in South Africa was seen as being sensitive to its legacy there, said EMEA head of corporate intelligence at S-RM Ian Massey. Despite his opposition to BHP's plan to break up Anglo, Mantashe rallied to the CEO's new strategy even though it meant spinning off the platinum unit.
"I'm happy that they (Anglo) rejected the BHP proposal, and I hope that they will continue resisting BHP," Mantashe told Reuters after Anglo rejected BHP's second approach.
"But it is also important for Anglo to restructure itself to get optimal performance of every portfolio in their stable."

PRESSURE ON DELIVERY
If Anglo's market valuation stays depressed despite Wanblad's plan, the company could still be vulnerable to a takeover, Old Mutual portfolio manager Ian Woodley said.
Anglo's shares cratered in November after it announced deeper cost cuts and scaled down its copper growth projections.
Those challenges have led analysts to question whether the CEO will be able to improve operational efficiencies.
"Duncan's track record hasn't been great, he hasn't demonstrated the ability to be a great performer," Camissa's Dungwa said.
"So there is not going to be patience, because you said you can do better compared to what's on the table (from BHP)... that's going to be a tough challenge for him and his team."
Anglo needs to meet its targets to sell coal assets, and spin off platinum mines, Woodley added.
"If not, the company's vulnerable to all the usual suspects.
As a shareholder that should mean a win either way."

Tight supply, solar demand drive antimony prices to record high
Prices of antimony, a strategic metal used in flame-retardants, batteries and munitions, are rising to record highs as solar sector demand outstrips supply, causing a wide deficit with little sign of easing, smelters and analysts say.
The surge in prices, which industry participants expect to persist, underscores the West's vulnerability in relying on top producer China for key minerals and could also force end-users to find alternatives for some applications.
Antimony ingot in China climbed to a record 127,500 yuan ($17,588.88) per metric ton on May 29, up 56% in 2024, data from the Shanghai Metals Exchange showed.
European prices have also climbed to a record $21,000 a ton, up 75% this year, Fastmarkets data showed.
Globally, declining ore grades and depleting mines are squeezing antimony supply, Chinese investment bank CICC said in a report.
"The surge has been almost entirely supply driven. It is not clear when the supply constraints will improve," said CRU analyst Chetan Soni, citing various supply disruptions in Myanmar, Oman, Tajikistan and Vietnam.
China, one of the world's top antimony producers and users for more than a century, accounted for 48% of global antimony mine production last year, U.S. Geological Survey data showed, although its reserves fell to 640,000 tons, down from 950,000 tons in 2012.
Antimony supplies from Russia, the world's fifth-largest producer, have been disrupted by Western sanctions over Moscow's invasion of Ukraine, producers, traders and analysts said.
Russia accounted for 24% of China's antimony supply last year, but Chinese customs data shows there were no shipments in March and April.
A sales manager at Chinese smelter who declined to be identified said that producers of finished atimony who don't have their own ore supplies and must procure from elsewhere are operating at just 25% capacity.
"The problem is there is not sufficient ore", said a sales manager at a second Chinese smelter.
Increasing demand for arms and ammunition due to wars and geopolitical tensions is likely to see tightening control and stockpiling of antimony ore, analysts at China Securities said in a note.
Christopher Ecclestone, principal and mining strategist at Hallgarten & Co, said "clandestine" western military buying is also driving antimony demand.
"The supply crisis is not going away and the military have bottomless pockets," he said.
China Merchants Securities forecasts antimony demand from the photovoltaic sector, where the metal is used to improve the performance of solar cells, will increase to 68,000 tons in 2026 from 16,000 tons in 2021, with the sector's share in total consumption rising to 39% from 11%. It expects the supply gap will expand to 21,000 tons by 2026 from 8,000 tons last year.
"It's basically difficult to see a quick ramp up in supply, but the market at the moment probably needs in excess of 10,000 tons of material to cut the deficits," said Nils Backeberg, an analyst at consultancy Project Blue, who expects prices to be at $20,000 per ton over the longer term.
"At the current prices, we will see impacts to the demand market," he said.
"There will be substitutions, there will be alternatives being used, but there will be some time in getting those alternatives."
Rising antimony prices have pushed the share prices of Chinese producers including Hunan Gold, Tibet Huayu Mining and Guangxi Huaxi Non-Ferrous up between 66% and 95% in 2024.
More supply takes years to reach fruition, though governments are making efforts to find new sources.
In April, Perpetua Resources Corp received a letter of interest from the U.S. Export-Import Bank for a loan up to $1.8 billion to develop an antimony and gold mine in

Idaho, part of Washington's efforts to offset China's critical minerals dominance. Perpetua's Stibnite mine would be the only U.S. antimony source and according to the company could meet 35% of U.S. demand in its first six years.

The Department of Defense has committed nearly $60 million to fund its permitting process, which has lasted eight years, to boost U.S. production for bullets and other weaponry.

Top News - Carbon & Power

INSIGHT-Britain's creaking power grid leaves green energy revolution adrift

British ferry operator Wightlink wants to order a $60 million, state-of-the-art electric ferry to make its crossings cleaner and greener. But it can't commission the vessel until it gets a power upgrade.

The company carries 4 million islanders, holidaymakers and festival goers every year on a five nautical mile crossing between England's picturesque southern coast and the Isle of Wight. The strait, known as the Solent, is popular with yachts and leisure craft, while much of the coastline is protected.

Wightlink has funding in place for a electric-powered car ferry that would reduce emissions both at sea and in port, following in the path of pioneer Norway, which introduced the world's first in 2015.

The government has said decarbonising maritime transport is essential to achieving Britain's net zero target by 2050.

Domestic maritime vessels represented around 5% of Britain's greenhouse gas emissions from transport in 2020, more than rail and buses combined, the government said in a 2022 report.

And the long average lifespan of vessels means that greener ships must start being deployed by next year to achieve a green fleet by the 2050 deadline.

But interviews with 22 people - including investors, power company employees, government officials, Wightlink staff and countryside campaigners - revealed that long waits for grid connections combined with planning obstacles are putting millions of pounds of green transport investment at risk.

"We want to go electric. We think it's the right thing," Wightlink Chief Executive Keith Greenfield told Reuters onboard a hybrid ferry, which uses diesel to charge electric batteries, saving around 20% in emissions. "We're held back by a lack of shore power."

Wightlink needs to order its next ship within 12-18 months to replace an ageing vessel, but cannot commit to go solely electric without a legally binding power contract, Greenfield said.

Regional network operator Scottish & Southern Electricity Networks (SSEN) told Wightlink two years ago that a new connection at its Portsmouth terminal would require infrastructure upgrades, including at a nearby substation on the national high-voltage network, according to a document reviewed by Reuters and ferry company executives.

The substation improvements by National Grid were not scheduled to be completed until 2037.

After Reuters interviewed Wightlink executives, SSEN said this month enough power may be available without the National Grid work, and it would hold new talks with the ferry company.

If Wightlink accepts a new quote from SSEN, it will be able to guarantee the capacity and confirm its place in the connections queue.

"We look forward to meeting them early next month to progress proposals," a SSEN spokesperson told Reuters, adding that there could be more network capacity available than previously forecast so the company had "potential to progress" with Wightlink's request.

Britain will hold a general election on July 4 with polls predicting a victory for the opposition Labour party after 14 years of Conservative rule.

Wightlink's dilemma underscores the challenge Britain's next government will face in delivering the renewable energy and grid infrastructure needed to power a shift to electric ferries, cars and domestic heating in Europe's second-largest economy.

Britain was the first major economy to create a legally binding 2050 net zero target.

It's a leader in offshore wind and it has halved emissions since 1990 after closing coal power plants.

Central to the net zero target is a plan to decarbonise the electricity system by 2035.

But the state adviser, the Climate Change Committee, said in a progress report in June 2023 that the government lacked a full strategy to get there.

CHANGING DATES

How to achieve net zero, and at what cost, has become a battleground both nationally and locally.

Britons support the policy of net zero but they often baulk at the costs and infrastructure that may be required to get there, surveys show.

Prime Minister Rishi Sunak scrapped some targets last year, saying he needed to retain public support in the face of "unacceptable costs".

Labour has pledged to decarbonise the electricity grid by 2030, five years ahead of the Conservatives' target of 2035.

Reforming grid connections is one part of its ambitious plan. To hit net zero, Britain needs to expand the high-voltage network in England and Wales carried overhead on large pylons, which then connect to regional distribution networks.
The grid, owned and operated by London-listed National Grid Plc, was built to transmit power generated from coalfields in areas like Yorkshire and Nottinghamshire across the country.
Today more electricity is coming from wind farms in Scotland and off Britain's east coast, and new infrastructure is needed to transmit it to London and the south. Currently wind farms are being paid to switch off in strong winds, when the grid cannot absorb all the generated power, data from the country's electricity system operator shows.
The government has said reinforcements needed to increase capacity, including new substations, power lines or supergrid transformers, could take up to 13 years to complete, in part due to regulatory and planning approval. It wants to halve that time, and is working with the regulator, Ofgem, network operators and the industry to accelerate connections.
National Grid said in May it would spend more than 30 billion pounds ($38 billion) on the grid over the next five years. "We're driving forward the biggest reforms to our electricity grid since the 1950s," the Department for Energy Security & Net Zero told Reuters.
It set a target in November to cut the average delay faced by viable net zero-aligned projects like Wightlink for connections from around five years to six months, saying a faster system needed to be in place by 2025.

INFRASTRUCTURE V CONSERVATION
One issue that stands in the way of developing the grid and the renewable energy projects needed to power it are Britain's planning laws.
Approval times have ballooned in recent years, as local councils struggle to process applications and rural communities bring legal challenges to oppose major works. The time it takes to secure consent for large-scale projects like wind farms has increased by 65% since 2012, stretching to 4.2 years, according to a government-requested report by the National Infrastructure Commission in 2023.
The rate of schemes subject to lengthy judicial reviews has leapt to 58%, from a long-term average of 10%, it said. That pushes up project costs, threatening investment. Fiera Infrastructure, the Canadian co-owner of Wightlink, warned that investors can always spend their capital elsewhere. "Global investors are not yet at the point of turning their backs on UK infrastructure, but missteps around policy have eroded investor confidence," President Alina Osorio told Reuters.
The sentiment was echoed by other infrastructure investors, including one of the biggest in Britain, which has backed a company building electric vehicle chargers at motorways.
The fund manager, who asked not to be named, said a lack of new power had forced the company to adapt some of its projects.
Minal Patel, a partner at Schroders Greencoat, a renewable investment manager, said strong investor demand for renewable assets showed Britain remained attractive, but slow grid connections were a challenge.

CONNECTION
For Wightlink, the hunt for a connection has been fraught. In 2022, SSEN quoted Wightlink 4.6 million pounds for 12MW connections to power the chargers it needs to install in Portsmouth and Fishbourne, according to documents seen by Reuters.
The units must charge the electric ferry in the 20 minutes it has between sailings.
Work could be completed in around 12 months in Fishbourne - one of Wightlink's terminals on the Isle of Wight - but there was no timeline given for the Portsmouth connection.
Under the rules, a project like Wightlink's must accept a quote from the distribution network provider to secure a place in the connections queue. But Wightlink's Greenfield said it could not order a 50 million pound ferry without a guarantee of power.
In the last week, SSEN said there could be enough capacity to deliver more than the power Wightlink initially wanted.
Wightlink's Head of Engineering & Estates Charlie Field is hoping that a contract can finally be agreed.
"A few weeks ago, all deals were off as far as we were concerned. We had to wait until 2037," said.
"Now that might not be the case."

Trinidad court recognizes ConocoPhillips' $1.3 bln claim against Venezuela
A Trinidad and Tobago court order has granted ConocoPhillips the right to enforce a $1.33 billion claim against Venezuela for past expropriations, a decision that could complicate proposed offshore gas ventures between Trinidad and Venezuela.
The decision on Wednesday gave the U.S. oil company the right to seize any compensation to Venezuela from joint gas projects with Trinidad.
The countries and energy companies NGC, Shell and BP are looking to develop major offshore gas fields.
Since winning arbitration awards against Venezuela and its state oil company PDVSA, Conoco has sought to enforce the rulings in different courts, including in the U.S. and the Caribbean.
"The order gives to the claimant a green light to be able to enforce the judgment in Trinidad if they can establish there are assets held by the defendants or there is money which is owed to the defendant by entities in Trinidad and Tobago," High Court Judge Frank Seepersad told Reuters in an phone interview.
Conoco declined to comment. PDVSA, Shell and BP did not immediately reply to requests for comment.

Trinidad's NGC gas company has not been served with documents related to this matter, and continues with its partners and stakeholders to progress work on a gas project, spokesperson Lisa Burkett said.
PDVSA paid Conoco about $700 million through a settlement agreement, but ceased payments in late 2019. Conoco is the largest claimant in a Delaware case that will auction shares in the parent of Venezuela-owned refiner Citgo Petroleum to pay creditors seeking more than $20 billion in compensations.
Ryan Lance, Conoco's CEO, this month told Wall Street analysts the company is involved in the Citgo court case "to get the money that they owe us for the judgments that we have against the Venezuelan government for the expropriation of our assets."
This week, the U.S. Treasury Department granted a license to BP and NGC to develop the Cocuina-Manakin gas fields in the maritime border between the two countries.
Another license for a larger gas project, called Dragon, which lies in Venezuela's waters, was issued by Washington last year. None of the projects have declared financial viability or started operations, but negotiations between the two nations have progressed to compensate PDVSA for pasts investment in the fields.
Conoco, whose arbitration case against PDVSA before the International Chamber of Commerce gave the company the right to recoup up to $1.89 billion plus interest for the expropriation of its oil assets in Venezuela, said in its request to Trinidad's High Court that it would try to attach any reimbursement paid to PDVSA.
"By this application, the claimants seek... recognition of the award; judgment in the terms of the award set forth in the draft order accompanying the application; and permission to enforce the award," the document said.
The court order provides PDVSA seven days to challenge the decision favoring Conoco, according to the court documents.

Top News - Dry Freight

EU sets prohibitive tariffs on Russian, Belarusian grain from July

European Union trade ministers agreed on Thursday to impose prohibitive tariffs on cereals, oilseeds and derived products from Russia and Belarus from July 1, a move the bloc said would halt imports of these products.
The tariffs will be 95 euros ($102.76) per ton for cereals and 50% for oilseeds. Tariffs will also apply to beet-pulp pellets and dried peas. The ministers' decision follows a proposal from the European Commission on March 22.
The measure quickly drew Russian disapproval.
"The new messages from the EU will yet have to be analysed. But their ideology is clear - they want to squeeze Russia out of everything," Russian Foreign Ministry spokeswoman Maria Zakharova told reporters at a weekly briefing. Vincent Van Peteghem, the finance minister of Belgium, which holds the rotating presidency of the EU, said the new tariffs were intended to stop imports of grain from Russia and Belarus into the EU "in practice".
"These measures will therefore prevent the destabilisation of the EU’s grain market, halt Russian exports of illegally appropriated grain produced in the territories of Ukraine and prevent Russia from using revenues from exports to the EU to fund its war of aggression against Ukraine," he said.
Russia exported 4.2 million metric tons of cereals, oilseeds and derived products to the EU in 2023, worth 1.3 billion euros. This represented about 1% of the EU market. The Commission has said there was a risk that imports could increase, given Russian overall wheat exports had risen to 50 million tons from the usual 35 million tons. EU ministers said the increase in customs duties would not harm global food security as it would not affect the transit of the products through EU territory to third countries.

Taiwan buys estimated 96,850 T wheat of U.S.-origin

The Taiwan Flour Millers' Association purchased an estimated 96,850 metric tons of milling wheat to be sourced from the United States in a tender on Thursday, European traders said.
The purchase was made in two consignments.
The first consignment of 48,175 tons was sought for shipment between July 20 and Aug. 3 and involved 31,375 tons of U.S. dark northern spring wheat of a minimum 14.5% protein content bought at an estimated $319.30 a ton free on board (fob), they said.
It also involved 11,000 tons of hard red winter wheat of a minimum 12.5% protein content bought at $291.36 a ton fob and 5,800 tons of soft white wheat of a minimum 8.5% and maximum 10% protein bought at $273.37 a ton fob.
The dark northern and soft white in first consignment was believed to have been sold by trading house CHS and the hard red winter by ADM, traders said.
The second consignment of 48,657 tons for shipment between Aug. 7 and Aug. 21 involved 31,200 tons of U.S. dark northern spring wheat of a minimum 14.5% protein content bought at an estimated $325.18 a ton fob, they said.
It also involved 11,325 tons of hard red winter wheat of a minimum 12.5% protein content bought at $297.57 a ton fob and 6,150 tons of soft white wheat of a minimum 8.5% and maximum 10% protein bought at $274.51 a ton fob. CHS was believed to have sold the dark northern spring in the second consignment and ADM sold the soft red winter and soft white.
Both consignments have an additional $40.25 a ton freight charge for ocean shipping from the U.S. Pacific Northwest coast to Taiwan.
Reports reflect assessments from traders and further estimates of prices and volumes are still possible later.

Picture of the Day

Women wash their feet from a leaked valve of a water pipe laid across a canal in Kendrapara district in the eastern state of Odisha, India, May 30. REUTERS/Stringer

(Inside Commodities is compiled by Nandu Krishnan in Bengaluru)

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

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

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

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

Please visit: **LSEG** for more information

Privacy statement

LSEG DATA & ANALYTICS