Engine No. 1 extends gains with a third seat on Exxon board

Exxon Mobil Corp shareholders elected a third director nominated by hedge fund Engine No. 1 to the oil company's board, the company said on Wednesday, extending the firm's upset victory at one of America's top energy corporations.

The election was a shock to an energy industry struggling to address growing investor concerns about global warming and a warning to Exxon managers that years of weak returns were no longer acceptable.

Engine No. 1 nominee Alexander Karsner, a strategist at Google owner Alphabet Inc, won the fund's third seat out of its 12-member board, according to a regulatory filing. Exxon board member and former Caterpillar CEO Douglas Oberhelman also was elected, the company said.

"We look forward to working with all of our directors to build on the progress we've made to grow long-term shareholder value and succeed in a lower-carbon future," said Exxon Chief Executive Darren Woods in a statement. He was unavailable for further comment.

The activist campaign's success is part of a "tidal wave" of investor concerns on environmental, social and corporate governance (ESG) issues, said Exxon Director Ursula Burns, who spoke Wednesday evening at a Federal Reserve Bank of Dallas virtual event.

The company's response to environmental criticisms "has not been well done," Burns said, adding: "that's one of the thing we have to work on," noting its investments in carbon capture and storage technologies. Burns was one of the directors who secured a seat last week.

Woods, who campaigned against the challenger, was re-elected by 94.1%, a larger margin than a year ago. A non-binding shareholder proposal asking the company to split the CEO and chairman's roles was supported by 22.1% compared to 32.7% last year, according to preliminary numbers released on Wednesday.

Directors Steven Kandarian, Samuel Palmisano and Wan Zulkiflee will exit the 12-person board, the filing said. Former Malaysian state oil company chief Zulkiflee was appointed in February after Exxon received blunt criticism its directors lacked energy experience. Former IBM CEO Palmisano was the board's longest serving director with 15 years.

Engine No. 1 nominees Kaisa Hietala, a former executive at Finish refiner Neste Oyj, and Gregory Goff, a former top executive at Marathon Petroleum and Andeavor, were the ninth and tenth largest vote recipients, respectively.

"We hope the existing board directors will work with the new non-executive directors and benefit from their significant experience with transition plans and in renewable energy," said Bess Joffe, at the Church Commissioners for England, which invests for the Church of England.

The tallies remain preliminary as the counting continues a week after Exxon's annual meeting, where the company delayed proceedings by taking a recess, a move criticized by Engine No. 1 as a pretext to continue to solicit votes.

"People who are expecting substantive changes soon at (Exxon) will likely be sorely disappointed," said Mark Stoeckle, senior portfolio manager at Adams Funds.

"Repositioning XOM from a company focused on oil to one focused on climate change issues will take a long, long time."

EXCLUSIVE-Brazil probes U.S. oil trader Freepoint in alleged bribery scheme

Authorities in Brazil are investigating senior employees at Connecticut-based trading house Freepoint Commodities for their alleged role in a bribery scheme involving state-run oil company Petrobras, Reuters has learned.

Federal police here suspect Freepoint, through an intermediary, routed bribes to Petrobras employees for a roughly seven-year period ending in 2018. Reuters pieced together the purported kickback operation from three people close to the investigation, who spoke on the condition of anonymity, and hundreds of pages of previously unreported court documents filed by Brazilian investigators.

At least two high-ranking Freepoint employees, including Robert Peck, head of the company's global oil business, are suspected to have participated in the purported scam, according to the sources and court documents reviewed by Reuters, which Brazilian police submitted last year to a federal judge overseeing the probe. Those documents include bank records, invoices, e-mails and WhatsApp messages exchanged between alleged co-conspirators, including Peck. In Brazil, judges routinely are involved in criminal cases from the early stages of an investigation to the sentencing phase.

The Brazilian investigation hasn’t been previously reported. No charges have been filed, and it remains unclear whether any will be. As part of the probe, authorities are investigating Freepoint itself, which could lead to potential fines or other civil penalties if the company is found to have engaged in wrongdoing.

In response to questions about the Brazil probe from Reuters, a Freepoint spokesperson said in an email the company "is strongly committed to following the laws everywhere we do business." It declined further comment.

Freepoint declined requests to make Peck available for an interview. Peck did not respond to questions sent to him by Reuters via LinkedIn. A woman who answered the...
companies were not revealed as part of the plea. Berkowitz, who still lives in Houston, is awaiting sentencing.

He is now collaborating with U.S. and Brazilian authorities in ongoing investigations into the commodities trading industry, according to his lawyer Jorge Camara, who declined further comment.

Berkowitz described the alleged Freepoint kickback scheme in the presence of both U.S. and Brazilian investigators in December 2019, according to court filings summarizing his testimony that were submitted by Brazilian police in March 2020 and October 2020 to the judge overseeing the probe.

Petrobras, the world's seventh-largest oil producer, routinely auctions large shipments of various fuels to ensure it gets the best price possible for its products. According to Berkowitz's testimony, the former fuel trader tipped off Freepoint about the amounts competitors bid in those auctions. That knowledge allowed Freepoint to edge out competitors, while still allowing Freepoint to pay less than it otherwise might have bid, Berkowitz said.

In exchange for that information, according to Berkowitz's plea bargain testimony and invoices obtained by Brazilian police and seen by Reuters, the fuel trader received bribes from Freepoint through a middleman - a businessman named Eduardo Innecco. Innecco performed consulting work for Freepoint from roughly 2012 until late 2018, when he abruptly left South America over concerns that investigators were closing in, Brazilian police allege in the court filings reviewed by Reuters.

Innecco, through a representative, declined to comment. He has not been charged with a crime. Innecco currently resides in southern Europe, the representative said.

Freepoint allegedly compensated Innecco with commissions that were inflated to cover the cost of the bribes, according to Berkowitz’s testimony, bank records obtained by police and seen by Reuters, and the people familiar with the investigation. Innecco, in turn, passed those kickbacks to Petrobras employees, including Berkowitz, according to the people and documents.

Freepoint funneled nearly $500,000 in bribes through Innecco between August 2017 and November 2018 alone, Berkowitz said in his testimony.

Innecco's principal contact at Freepoint was Glenn Oztemel, according to hundreds of WhatsApp messages exchanged between the men obtained by police and seen by Reuters. According to publicly listed business intelligence platform ZoomInfo, Oztemel held the title of Fuel Oil Book Head for Freepoint's U.S. operations. Oztemel didn't respond to multiple requests for comment. Freepoint said Oztemel retired in late 2020. He has not been charged with a crime.

He and Peck, head of Freepoint's global oil business, knew of the illicit nature of Innecco's dealings with Petrobras, Brazilian police allege in the court filings.

In WhatsApp messages exchanged between the three men obtained by law enforcement and viewed by Reuters, Innecco frequently told Oztemel and Peck precise details of competitors' bids on Petrobras fuel and said the telephone at his home declined to comment. Petrobras said in an e-mail it has "zero tolerance in relation to fraud and corruption" and that employees involved in wrongdoing in its trading unit "were immediately fired for just cause in 2018." It added that it has aided Brazilian authorities extensively with various corruption-related probes.

Brazil's federal police force did not respond to requests for comment. The U.S. Department of Justice declined to comment on whether it is investigating the Freepoint matter.

The Freepoint investigation comes amid a broader law enforcement crackdown on commodity trading firms engaged in alleged corruption, particularly in resource-rich Latin America.

In December, a U.S. subsidiary of Switzerland's Vitol SA, the world's top independent oil trader, agreed to pay $164 million to resolve allegations by U.S. and Brazilian authorities that it paid bribes in Brazil and other Latin American countries between 2005 and 2020 to boost its trading business. In November, Brazilian prosecutors filed a civil lawsuit against Trafigura AG, alleging the Geneva-based trader and at least two subsidiaries paid Petrobras employees more than $1.5 million in bribes in 2012 and 2013.

A spokeswoman for Vitol wrote in an e-mail that the company is "pleased the matter has been resolved." Trafigura, in an emailed statement, said it "strongly denies" the allegations leveled by Brazilian authorities and that it has a zero-tolerance policy on bribery and corruption. The company said outside counsel it hired to investigate "found no basis to conclude that Trafigura's current management were involved in, or had knowledge of, alleged improper payments to Petrobras.

Freepoint is the first major U.S. energy trader to come under recent scrutiny in Brazil. The Stamford-headquartered firm buys and sells all types of fuel through operations on three continents and employs more than 500 people worldwide.

THE ALLEGED SCHEME

The Freepoint probe is part of a larger investigation by Brazilian authorities known as Operation Car Wash. Begun in 2014, Car Wash centered on contracting graft at Petrobras, formally known as Petroleo Brasileiro SA. Car Wash officially ended in February, but some remaining investigations in advanced stages - including that of Freepoint - have continued, according to two people with knowledge of the probes.

At the center of the Freepoint investigation is an ex-Petrobras employee named Rodrigo Berkowitz, who formerly worked as a fuel trader for the Brazilian oil giant in Houston.

In February 2019, Berkowitz agreed to plead guilty to U.S. charges of conspiracy to commit money laundering for accepting kickbacks from fuel trading firms doing business with Petrobras. The identities of those companies were not revealed as part of the plea.
information came from Berkowitz. According to Berkowitz's testimony, he met with Peck and Innecco in London in February 2015 to pass sensitive commercial information about Petrobras' fuel business to Peck.

THE DOWNFALL
Those involved in the suspected Freepoint scam were aware of the risks they were taking as the Car Wash dragnet widened, police allege. On Sept. 1, 2018, Innecco sent a WhatsApp message to Berkowitz, suggesting the fuel trader transfer his wealth offshore to shield it from authorities in the event their scheme was discovered, according to Berkowitz's testimony and a copy of the message reviewed by Reuters.

Innecco later expressed contrition for stoking panic. "I want to apologize for perhaps for going too far with my suggestions about how to proceed in case things get complicated," Innecco wrote to Berkowitz via WhatsApp on Sept. 11, 2018. "It's just that I got very worried."

Three months later, on Dec. 5, 2018, Brazilian authorities issued an arrest warrant for Berkowitz for accepting bribes from commodity trading firms. He would plead guilty to parallel charges in the United States in February 2019. Freepoint was not mentioned by Brazilian authorities in that warrant or by U.S. authorities in Berkowitz's plea agreement.

On Dec. 6, 2018 Innecco flew from his home in Uruguay to Madrid, according to travel records obtained by Brazilian police and seen by Reuters. No arrest warrant was issued for Innecco. Still, Brazilian investigators believe he fled out of fear that his arrest was imminent, according to filings they submitted in October 2020 to the federal judge overseeing the Freepoint investigation. Police allege Innecco dispatched an associate to purchase him a burner phone, made hurried arrangements to sell his real estate holdings in Uruguay, and applied for Italian passports for himself and his family. Brazilian authorities now consider him a fugitive, the filings show.

Top News - Agriculture

JBS meat plants reopen as White House blames Russia-linked group over hack
JBS SA employees started returning to U.S. meat plants on Wednesday, a day after the company's beef operations stopped following a ransomware attack, disrupting meat production in North America and Australia.

A notorious Russia-linked hacking group is behind the cyberattack against JBS, a source familiar with the matter said. Brazil's JBS controls about 20% of the slaughtering capacity for U.S. cattle and hogs, so the plants' reopening should prevent a severe supply-chain disruption.

JBS, the world's largest meatpacker, said most operations resumed on Wednesday, "including all of our pork, poultry and prepared foods facilities around the world and the majority of our beef facilities in the U.S. and Australia."

"We anticipate operating at close to full capacity across our global operations tomorrow," JBS USA Chief Executive Andre Nogueira said in a statement. The cyberattack followed one last month by a group with ties to Russia on Colonial Pipeline, the largest fuel pipeline in the United States, which crippled fuel delivery for several days in the U.S. Southeast.

It is the third major attack this year tied to Russia, and White House press secretary Jen Psaki said on Wednesday the JBS hack was expected to be discussed at President Joe Biden's mid-June summit with Russian President Vladimir Putin.

"We're not taking any options off the table in terms of how we may respond, but of course there's an internal policy review process to consider that. We're in direct touch with the Russians, as well, to convey our concerns about these reports," Psaki added.

"President Biden certainly thinks that President Putin and the Russian government has a role to play in stopping and preventing these attacks." The Russia-linked cyber gang goes by the name REvil and Sodinokibi, the source said.

Cybersecurity investigators have said they believe some members of the REvil ransomware team are based in Russia. The prolific ransomware group, which is perhaps best known for attacking an Apple Inc supplier named Quanta Computer Inc earlier this year, previously posted in Russian on cyber-crime forums, marketing stolen data. In the Quanta Computer case, the hackers sent extortion threats and demanded a payment of $50 million for the company to regain access to its systems.

Over the past few years, ransomware has evolved into a pressing national security issue. A number of gangs, many of them Russian speakers, develop the software that encrypts files and then demand payment in cryptocurrency for keys that allow the owners to decipher and use them again.

SCRAMBLING FOR BEEF
With North American operations headquartered in Greeley, Colorado, JBS sells beef and pork under the Swift brand, with retailers like Costco Wholesale Corp carrying its pork loins and tenderloins.

U.S. beef and pork prices are already rising as China increases imports, animal feed costs rise and slaughterhouses have confronted a labor shortage since...
COVID-19 outbreaks shut down many U.S. meat plants. "It's probably going to be pretty tight for the next few days because even though they (JBS) are going to start opening ... who knows how they are going to run," said Altin Kalo, economist at Steiner Consulting Group. "There's a fair amount of people that are scrambling (for beef supplies)."

U.S. meatpackers on Wednesday slaughtered 12.5% fewer cattle than a week earlier and 8% less than a year earlier, although slaughtering was up about 12% from Tuesday, according to estimates from the U.S. Department of Agriculture. Plants are expected to return to full capacity in the next couple days, said officials with the United Food and Commercial Workers (UFCW) International Union, which represents over 25,000 JBS meatpacking workers. JBS also owns most of chicken processor Pilgrim's Pride Co, which sells organic chicken under the Just Bare brand.

The company's operations in Brazil, Mexico and the UK were not affected by the attack, JBS said. Chicago Mercantile Exchange (CME) cattle futures rose on Wednesday after tumbling on Tuesday as the JBS plant shutdowns prevented farmers from delivering their cattle to slaughter plants. The attack drew attention to the concentrated beef production in the U.S.
sector in the United States, where four companies including JBS slaughter over 80% of fed cattle and shutdowns of slaughtering plants have a severe impact on prices that ranchers are paid for their cattle.

"The Justice Department needs to take a serious look into the meatpacking industry, and if they cannot, Congress needs to pass reforms that protect a fair and open cattle market," U.S. senators led by Republican Mike Rounds of South Dakota and Democrat Tina Smith of Minnesota wrote in a letter to Attorney General Merrick Garland.

COLUMN-Strong U.S. corn conditions give promising start to pivotal harvest - Braun
After two consecutive disappointing corn harvests, U.S. farmers are hoping for better luck in 2021, particularly with high profitability prospects. Things are off to a good start and if the weather cooperates this summer, U.S. corn stockpiles next year could recover from seven-year lows. The U.S. Department of Agriculture’s statistics branch placed 76% of the U.S. corn crop in good or excellent condition as of Sunday, well above the trade guess of 70%.

Within the past decade, the initial corn rating came in at 76% one other time (2014) and above it twice: 79% in 2018 and 77% in 2012. The initial scores in those three years were the highest of the season, though 76% appeared a couple other times in 2014.

USDA publishes national conditions when a certain portion of the crop has emerged, and the scores reflect only that emerged share. As of Sunday, some 81% of the U.S. corn crop had emerged, the largest percentage coinciding with the initial rating since 2004. This means more of the crop than usual was available for the first evaluation. Last year only 64% of the corn had emerged when USDA initially pegged conditions at 70%, but that score rose to 74% in the following week on 78% emergence, the latter of which is above average for the date.

Not all market participants are fans of crop conditions given the subjective nature, but there are some identifiable trends. There is not a lot of downside to yield potential when early corn condition scores top 70%. The only major exception was in 2012 when a massive drought followed the initially promising start.

The best corn harvests are not associated with early corn conditions below 70% good-to-excellent. One exception to that might be 2017 when the initial 65% score somewhat masked the strong potential, and the crop went on to a record 176.6 bushels per acre.

BY STATE
Although the 76% good-to-excellent rating is similar to the year-ago 74%, there are a few notable differences by state. The corn in No. 2 producer Illinois was rated 80% good-to-excellent on Sunday, well above the year-ago 56% and among the best early ratings in the last decade. Ohio’s score at 79% topped last year’s 62%, and the crops in both Ohio and Illinois have emerged ahead of typical pace. Colorado’s corn is behind normal development pace due to cool and wet weather last month, but the 78% good-to-excellent towers over the year-ago 53% that coincided with drought.

Severe drought still plagues North Dakota, where corn conditions came in at 48%, far below last year’s 73%. However, emergence was super slow in 2020 versus this year’s more advanced pace of 63% emerged by Sunday. North Dakota is likely to remain a sore spot in the crop condition mix, especially with the stretch of very hot and dry weather expected for the next several days.

At the state level, low early corn ratings are not always a bad omen as favorable summer weather can provide recovery. For example, only 52% of Illinois’ corn was in good or excellent condition at the end of May 2017, but the state eventually produced a record yield that year.

SOYBEANS UPCOMING
USDA will publish the first national soybean ratings on Monday, June 7. It is not certain why, but early soybean conditions on average tend to be a couple points lower than those for corn.

The 2020 soybean crop was initially rated at 70% good-to-excellent, a bit above the longer-term average for the week. Yields ended up close to trend last year due to late-season dryness, though expectations had been higher earlier in the season.

The best initial soybean rating in recent years was 75% in 2018, and that led to the second-best national yield on record after 2016, when the first condition score was 72%.

There is not as strong a relationship between initial soybean conditions and final yield outcomes, possibly because of the high dependence on timely rainfall later in the season. Some of the better crops had initial ratings below 65%, but the lowest early scores tend to be associated with below-trend yields.

Low ratings should probably not be a consideration for this year’s crop, which seems to be in good health so far.

Condition ratings for the U.S. Crop Watch soybeans are stronger than they have ever been, and this is the fourth year of the project. That excludes North Dakota where the crop has not sufficiently emerged for evaluation. Some 62% of U.S. soybeans were emerged as of Sunday, ahead of the five-year average of 42% and behind only 71% in 2000 and 69% in 2012.
EXCLUSIVE-Mexico now ready to welcome private lithium miners
Mexico's leftist ruling party has dropped plans to nationalize lithium production and is now pushing to welcome private investors to help develop the country's potential in the metal used to make batteries, the senior lawmaker behind the proposal told Reuters. Mexico, a major copper and silver producer, is home to large potential reserves of lithium, used in electric vehicle (EV) batteries. Most of it is in hard-to-tap clay deposits that are costly and technically difficult to mine. After touting the possibility of a state-run lithium monopoly late last year, Sen. Alejandro Armenta, chairman of the upper chamber's finance committee and a key ally of President Andres Manuel Lopez Obrador, said he will instead author a bill to promote a regulated marketplace in the nascent sector. "We're convinced that we need private investment and we're allies of domestic investors and also foreign investors who respect us," said Armenta, attributing his new posture to having studied regulatory frameworks for lithium in other countries. Armenta said a market-friendly lithium bill will be introduced in September with the start of a new legislative session, following June 6 mid-term elections. Mexico's nationalistic president, who favors state-centric oil and power markets, said in March that his government was analyzing the possibility of taking a larger stake in lithium. He did not go into detail. In recent weeks, a friendlier message to business has emerged from officials and candidates from the ruling National Regeneration Movement (MORENA) after Lopez Obrador's clashes with business elites. Economy Minister Tatiana Clouthier told local radio last month that the government was considering a public-private partnership to develop lithium. She suggested the state might have a 51% stake, a blueprint Armenta says he also now backs. In the energy sector, private oil majors have mostly balked at joint ventures with national oil giant Pemex if the state-run company runs operations and it was unclear if lithium investors would react similarly.

TRAPPED IN CLAY
Surging demand for the ultra-light metal has fueled a global scramble to secure supplies, spurred by a planned wave of new electric autos by mid-decade from the likes of General Motors and Ford. Developing Mexico's lithium riches could help diversify global sources currently concentrated in a few countries, led by Australia and Chile. Lithium producers have been seeking to aggressively ramp up output. Top producer Albemarle this year eyes doubling capacity, and No. 2 SQM expects to grow volumes of lithium carbonate by more than 70% in 2021.

Lithium is produced either from brine, commonly found in South America, or spodumene hard rock, usually in Australia, with proven extraction technologies largely limited to saline evaporation ponds and traditional ore processing. Lithium-rich saline brines account for about three-quarters of global output, with rock mining making up the rest. Mexican deposits found to date, however, are mostly trapped in clay soils. That distribution is why Fernando Alanis, former chief executive of top silver miner Peñoles, is downbeat on Mexico's potential to become a new lithium hot spot. "Unfortunately, Mexico's potential doesn't really exist because there isn't a commercial process to remove lithium from clays," said Alanis, who in his role as a president of Mexico's mining chamber is normally an industry cheerleader. Several lithium clay projects are under development elsewhere including Lithium Americas Corp.'s Nevada project. The company has said it is confident it will be able to extract lithium from clay through a process that involves acid leaching Top Mexico prospector Bacanora Lithium, which holds four concessions in the northern state of Sonora, has claimed to be closest to launching production. In 2018, it forecast output of 17,500 tonnes of lithium carbonate by 2020. The target has been pushed back, and the firm's current guidance is production will begin in 2023 and ramp up to 35,000 tonnes annually. If achieved, its one project would catapult Mexico to major producer status. Global production stood at about 82,000 tonnes last year, according to the U.S. Geological Survey. Bacanora's delays have not slowed bets on the firm which saw its London-listed shares surge 30% in early May (May 6)after China's Ganfeng Lithium, a major battery maker and Tesla supplier, offered to take over the company. Bacanora declined comment on how it aims to process the clay-based lithium deposit in Sonora or its view of Armenta's new legislative proposal.

BHP to spend up to $93 mln under Chilean environmental court agreement
Mining group BHP will spend up to $93 million in environmental repairs and reparations after a Chilean court brokered an agreement in a lawsuit from the state over water use and related damage to a sensitive salt flat in the north of the country. The lawsuit related to BHP's Escondida copper mine, the world's biggest, and the agreement involves the payment of compensation for environmental damage due to overdrawing water from the Punta Negra salt flat. The lawsuit had been brought last year by the Chilean state which claimed Escondida had between 1990 and...
2017 caused a severe decline in levels of the salt flat’s aquifer, partially or totally caused the loss of wetlands and vegetation and compromised the survival of its fauna. The First Environmental Court, based in the northern Chilean city of Antofagasta, said on Wednesday it had rubber-stamped what it described as an “unprecedented” agreement that included a total of 19 measures to be taken by the miner. These measures including technical studies of the salt flat and the drawing up of a management plan to repair damage that will require fresh approval from the environment ministry. The plan should include measures to restore and maintain the fragile ecosystems of the salt flat, 170 kilometers southeast of Antofagasta, the court said, and protection of microorganisms capable of living in the dry, hot conditions. The court said the eventual price tag for BHP of the measures would amount to up to $93 million. BHP said a joint monitoring group would be put together to oversee the implementation of the plan, made up of state, company and community representatives. Water is a hot topic in drought-hit Chile, with both copper and lithium miners having faced legal challenges from local communities over their thirsty operations. The Escondida mine now draws 100% of its water from the sea and passes it through a desalination plant.

Top News - Carbon & Power

World’s coal producers now planning more than 400 new mines - research
The world’s coal producers are currently planning as many as 432 new mine projects with 2.28 billion tonnes of annual output capacity, research published on Thursday showed, putting targets for slowing global climate change at risk. China, Australia, India and Russia account for more than three quarters of the new projects, according to a study by U.S. think-tank Global Energy Monitor. China alone is now building another 452 million tonnes of annual production capacity, it said. "While the IEA (International Energy Agency) has just called for a giant leap toward net zero emissions, coal producers’ plans to expand capacity 30% by 2030 would be a leap backward," said Ryan Driskell Tate, Global Energy Monitor research analyst and lead author of the report.

MARKET MONITOR as of 06:56 GMT

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Index (Total Return) Close 2 Jun  Change  YTD Change
Rogers International     19.488  0.65%     -
U.S. Stocks               34600.38| 0.07%  13.05%
U.S. Dollar Index         90.075  0.09%  -0.03%
U.S. Bond Index (DJ)      461.1789| 0.14%  -3.61%
The report said four Chinese provinces and regions alone - Inner Mongolia, Xinjiang, Shaanxi and Shanxi - account for nearly a quarter of all the proposed new coal mine capacity. China has pledged to bring its emissions to a peak by 2030 and to net zero by 2060. President Xi Jinping said earlier this year that the country would start to cut coal production, but not until 2026.

Global Energy Monitor said the new projects not only jeopardise efforts to combat global warming, but could risk saddling companies with as much as $91 billion in stranded assets.

"Demand for coal is plummeting and financing for new coal projects is drying up," said Driskell Tate. "New mines and expansions of existing mines will be producing coal for a world in which coal is unviable economically, and untenable for the environment."

**Orsted plans $57 bln drive to be No.1 in green energy**

Orsted, the world's largest offshore wind farm developer, is ramping up its investment in renewables to $57 billion by 2027, seeking to become a global leader in green energy and fend off growing competition.

The Danish firm, which sold its oil and gas business in 2017, has benefited hugely from policies to implement the 2015 Paris Agreement, a collective shot at limiting global warming. But competition is heating up as utilities and energy firms, including oil majors such as Total, BP and Shell, accelerate spending on renewables. Europe's biggest wind power generator Iberdrola earlier this year pledged

**Russia to maintain grain export taxes while global food demand high -Deputy PM**

Russia's new formula-based grain export taxes will remain in place as long as there is increased global demand for food, Deputy Prime Minister Victoria Abramchenko told Reuters.

As one of the world's largest wheat exporters, Russia launched the taxes on Wednesday as part of measures Moscow hopes will help to stabilise domestic food inflation.

"Lower supply in the global food market will result in large consumers having to summon food from all over the world. We must be ready for this and protect our domestic market ... We have to maintain a certain amount of grain in the country," she said.

The government plans to update the taxes each week which, traders have said, will complicate forward sales to major customers such as Egypt. Russia competes with the European Union for the rank of the world's largest wheat exporter. Egypt, Turkey and Bangladesh are the largest buyers of its wheat.

World food prices increased for a 11th consecutive month in April, hitting their highest level since May 2014, the United Nations food agency has said.

"As long as there are risks for the global food market, a rush in demand that leads to shortages in the domestic market and rising prices, the state decision to impose the duty will be maintained," Abramchenko added.

The formula employed for Russia's grain export taxes will help the government to change their size in case of a sharp growth in global prices, deputy economy minister, Vladimir Ilyichev said on Wednesday.

The government is playing the long game and sees the rush in demand that leads to shortages in the domestic market and rising prices, the state decision to impose the duty will be maintained," Abramchenko added.

The formula employed for Russia's grain export taxes will help the government to change their size in case of a sharp growth in global prices, deputy economy minister, Vladimir Ilyichev said on Wednesday.

The government is playing the long game and sees the rush in demand that leads to shortages in the domestic market and rising prices, the state decision to impose the duty will be maintained," Abramchenko added.
and arrive in Japan by Nov. 25. Japan buys and sells its feed wheat and barley via so-called SBS auctions in which end-users and importers specify the origin, price and quantity of grain, allowing millers to meet their varied needs for the feed grain.

**Picture of the Day**

Prospectors pan for gold at a new gold mine found in a cocoa farm near the town of Bouafle in western Ivory Coast. REUTERS/Luc Gnago

Want to keep updated on factors impacting coal prices, production and consumption points?
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The Financial and Risk business of Thomson Reuters is now Refinitiv.

(Inside Commodities is compiled by Jesse Vinay in Bengaluru)

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