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Top News - Oil

Exxon profit set to soar again; White House wants more oil

Wall Street analysts sharply increased their Exxon Mobil Corp second-quarter profit estimates on Tuesday, after the largest U.S. oil producer projected it could almost double its first-quarter earnings.

Exxon's preview, released on Friday, signaled strong results ahead by oil companies and refiners and brought renewed criticism from the White House and fresh calls for a windfall profit tax by U.S. lawmakers under pressure from voters feeling pain at the pump.

The White House repeated its call for oil companies to "use their record profits to expand refining capacity, increase supply, and most urgently reduce costs for the American people."

"This would be one of the strongest quarters in Exxon's history," said Credit Suisse analyst Manav Gupta in a note. The disclosures indicated an operating profit of about $16.8 billion, a historic quarterly peak. Official results are due July 29.

Analysts raised their quarterly profit outlook on Exxon to about $4.02 per share from $2.99 a share prior to the Friday securities filing.

The filing showed Exxon expects oil and gas operating profits of more than $10 billion, $4.5 billion from producing gasoline and diesel, and about $2 billion from chemicals and motor oils. Exxon, like other U.S. oil companies, has been plowing higher profits into debt reduction and plans to buy back up to $30 billion of its shares.

At the same time, spokesperson Casey Norton said Exxon was "investing more than any other U.S. company to grow oil and natural gas production." Its U.S. shale output will rise by 25% this year and oil processing at its biggest Texas refinery will grow 250,000 bpd in the first half of next year, he said.

Exxon shares fell 3% to $84.81 on Tuesday as benchmark oil prices slid $10.73 a barrel on worries a possible global recession could hurt demand.

The largest refiner among the U.S. oil majors, Exxon will be a key beneficiary of a tight refined products market, analysts said. "We think this could drive material earnings upgrades," said Biraj Borkhataria, an oil analyst at RBC Capital Markets.

"With many governments subsidizing oil products usage in the near term, we expect refining margins to improve further into the third quarter," Borkhataria said.

U.S. President Joe Biden and lawmakers pointed to the soaring profits as evidence the oil industry is putting profits ahead of customers, contributing to inflation. Exxon, Biden said last month, was making "more money than God".

"If a company's profits are four times what they were a year ago and it refuses to invest in increased production, the system is broken," said U.S. Senator Ron Wyden, Democrat of Oregon. He called on oil companies to invest in "equipment and more workers, not stock buybacks".

Exxon borrowed heavily during the pandemic and posted a historic $22.4 billion loss in 2020 to finance future production and pay dividends to shareholders.

"High energy prices are largely a result of underinvestment by many in the energy industry over the last several years and especially during the pandemic," said Exxon's Norton.

Oil from U.S. reserves sent overseas as gasoline prices stay high

More than 5 million barrels of oil that were part of a historic U.S. emergency reserves release to lower domestic fuel prices were exported to Europe and Asia last month, according to data and sources, even as U.S. gasoline and diesel prices hit record highs.

The export of crude and fuel is blunting the impact of the moves by U.S. President Joe Biden to lower record pump prices. Biden on Saturday renewed a call for gasoline suppliers to cut their prices, drawing criticism from Amazon founder Jeff Bezos.

About 1 million barrels per day is being released from the Strategic Petroleum Reserve (SPR) through October. The flow is draining the SPR, which last month fell to the lowest since 1986. U.S. crude futures are above $100 per barrel and gasoline and diesel prices above $5 a gallon in one-fifth of the nation. U.S. officials have said oil prices could be higher if the SPR had not been tapped.

"The SPR remains a critical energy security tool to address global crude oil supply disruptions," a Department of Energy spokesperson said, adding that the emergency releases helped ensure stable supply of crude oil.

The fourth-largest U.S. oil refiner, Phillips 66, shipped about 470,000 barrels of sour crude from the Big Hill SPR storage site in Texas to Trieste, Italy, according to U.S. Customs data. Trieste is home to a pipeline that sends oil to refineries in central Europe.

Atlantic Trading & Marketing (ATMI), an arm of French oil major TotalEnergies, exported 2 cargoes of 560,000 barrels each, the data showed.

Phillips 66 declined to comment on trading activity. ATMI did not respond to a request for comment.

Cargoes of SPR crude were also headed to the Netherlands and to a Reliance refinery in India, an industry source said. A third cargo headed to China, another source said.

At least one cargo of crude from the West Hackberry SPR site in Louisiana was set to be exported in July, a shipping source added.

"Crude and fuel prices would likely be higher if (the SPR releases) hadn't happened, but at the same time, it isn't really having the effect that was assumed," said Matt Smith, lead oil analyst at Kpler.

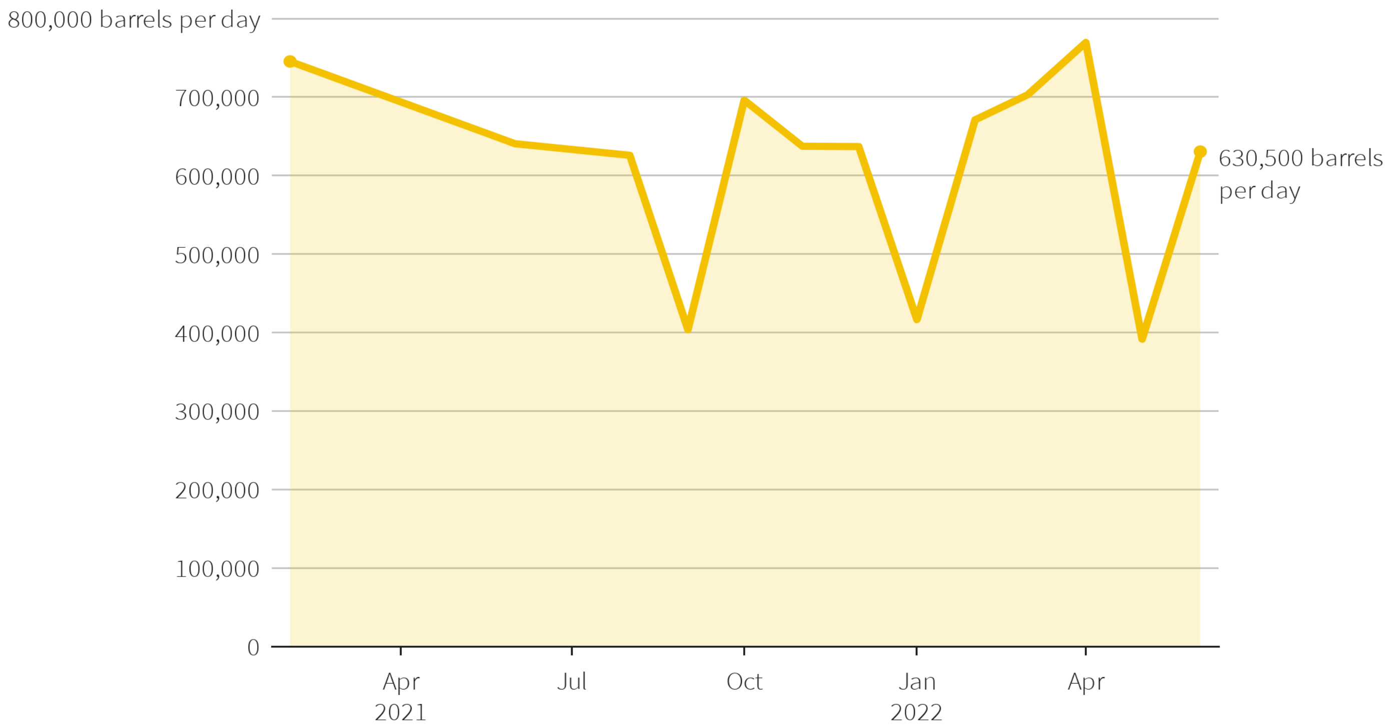
The latest exports follow three vessels that carried SPR crude to Europe in April helping replace Russian crude supplies.

U.S. crude inventories are the lowest since 2004 as refineries run near peak levels. Refineries in the U.S. Gulf coast were at 97.9% utilization, the most in three and a half years.

Chart of the Day

Venezuela boosted oil exports as tankers departed to Europe

The OPEC member's shipments of crude and fuel increased 61% in June from the previous month as sales to Europe resumed after a two-year pause, but PDVSA continued struggling to handle oil stocks.



Source: PDVSA's loading schedules, tanker tracking data, Refinitiv Eikon

Top News - Agriculture

Indonesia raises palm oil export quota as farmers face 'emergency'

Indonesia has raised the palm oil export quota in a bid to cut soaring inventories of the edible oil, a Trade Ministry official said on Tuesday, as a council member in a plantation area warned farmers faced an "emergency" due to tumbling prices.

The world's top palm oil producer has been forced to overhaul its policies after a three-week export ban that ended on May 23 caused a massive build-up of domestic stocks and angered farmers by sending prices of palm fruit lower.

Indonesia has since Monday lifted the export quota to seven times the amount producers sell at home, compared with five times previously, senior official Veri Anggrijono said.

The ministry had as of Monday issued export permits for a total of 2.4 million tonnes of palm oil products under its so-called domestic market obligation (DMO) scheme and its export acceleration programme, he said.

Based on the smaller quota and the acceleration programme, Indonesian companies could export a total of 3.4 million tonnes. Veri did not provide an estimate of volumes expected under the new quota.
"Our objective is to speed up exports so storage would be freed up and the palm fruit of farmers can be absorbed," said Veri, adding there was no time limit on the latest export ratio.
Dozens of mills have halted buying palm fruit from independent farmers after storage tanks had filled up, farmers group APKASINDO said.

"WORSE THAN THE PANDEMIC"
In the Lamandau region on Borneo island, palm oil fruit prices had slumped to between 800 rupiah to 1,100 rupiah per kg on Tuesday, from around 3,600 rupiah ($0.2402) before the export ban, council member Budi Rahmat told Indonesia's parliament.
The price drop had caused an "emergency" for local communities and was "affecting our economy far worse than the pandemic," Budi said, noting thousands of tonnes of palm fruit had also ended up rotting since mills could not process supply.
Farmer Ridho Ikhsan, from Riau province on Sumatra island, said farmers were forced to sell at a loss because if they did not harvest the fruit trees would be damaged.
The harvest had also been large, he said, noting storage tanks at mills and at Dumai port were full.
In a bid to boost local demand, a senior minister said Indonesia may raise the mandatory content of palm oil in biodiesel to 35% or 40% from 30% currently.
The Indonesian policy shifts showed how palm oil inventories had become "highly burdensome" after the export ban in May aimed at capping cooking oil prices, said Anilkumar Bagani, research head of Mumbai-based vegetable oils broker Sunvin Group.
Indonesia's policy reversals have helped push Malaysian palm oil benchmark futures sharply lower, with prices losing more than 11% since Indonesia flagged plan for larger exports at the weekend. The latest fall comes after a 22% drop in prices in June, which was the biggest monthly fall since October, 2008.

U.N.'s FAO receives $17 mln for Ukraine grain storage
The United Nations' food agency said it had received $17 million from Japan to address grain storage problems in Ukraine and increase its exports as global food prices remain near record levels amid war in the country.
The funds would help Ukraine, the world's fourth largest grains exporter, store produce from the current July-August harvest in plastic sleeves and modular storage containers, the U.N. Food and Agriculture Organisation (FAO) said.
Ukraine's Black Sea ports have stopped operating since the Feb. 24 Russian invasion, halting its maritime exports and leaving its silos full with grain. Food prices have soared in response, triggering a global food crisis and protests in developing countries.
"Ukraine's farmers are feeding themselves and millions more people around the world," said Rein Paulsen, Director of the FAO's emergencies and resilience office.
"Ensuring they can continue production, safely store and access alternative markets is vital to strengthen food security within Ukraine and ensure other import-dependent countries have sufficient supply of grain at a manageable cost," he added.
The FAO said Ukraine still had 18 million tonnes of last year's grains and oilseeds harvest stuck in storage, and the country was expecting to harvest another 60 million tonnes in the current season.
Around 30% of its granaries were full with last season's harvest however, the FAO said.
Ukraine, which shipped 44.7 million tonnes of grains in 2020/21, is trying to export its crop via road, river and rail, but logistics difficulties limit volumes to a maximum of around 2 million tonnes a month.
The FAO said it would also use its new funds to help Ukraine operationalise these alternative grains export routes.

Top News - Metals

Russia's Potanin weighs $60 bln metals merger as defence against sanctions
Russian businessman Vladimir Potanin has said he is ready to discuss a possible merger between his mining group Nornickel and aluminium producer Rusal, a move that could strengthen their defences against any possible Western sanctions against them.
Potanin told RBC TV he had sent a letter on Monday confirming his agreement to start merger discussions, citing the desirability of creating a "national champion" and building up "extra stability against sanctions".
The initial proposal, which would create a company with a combined value of about $60 billion - similar to Glencore, came from Rusal management, he added.
Rusal, the world's largest aluminium producer outside China, did not reply to a Reuters request for comment. The Kremlin, which closely monitors tie-ups between strategic Russian companies, said it was unaware of merger plans.
Hong-Kong listed shares at Rusal rose by 11.35%, while Nornickel, the world's largest producer of palladium and refined nickel, was down 3.8% in Moscow.
Neither company has been directly targeted by Western sanctions imposed on Russia over the war in Ukraine, though Potanin himself was hit by British sanctions last week.

A tie-up would create a global base metals giant with combined revenue of $30 billion. Nornickel's palladium and nickel account for 40% and 7% of global mine production of these metals, respectively. Rusal produced 6% of global aluminium output in 2021.

Analysts said their combined clout could deter the West from imposing sanctions for fear of sending prices soaring for metals that are critical to its own industries.

The combined company would be "practically invulnerable to sanctions, as global markets are critically dependent on their products. Especially with the green agenda in mind," said Evgeny Kogan, professor at the Higher School of Economics in Russia.

'TOO BIG TO SANCTION'

"The argument 'too big to sanction' sounds plausible," said Maria Shagina, sanctions expert at the International Institute for Strategic Studies.

"I still think that the United States and the European Union are not ready for the repetition of the April 2018 sanctions on Rusal."

Rusal was subject to U.S. sanctions between April 2018 and early 2019 that caused a jump in global aluminium prices. Washington removed Rusal from the sanctions list when its founder Oleg Deripaska agreed to relinquish control of it.

Deripaska, still on the U.S. sanctions list, remains a powerful tycoon in Russia. His relations with Potanin are chilly.

Potanin and Rusal own 36% and 26% respectively of Nornickel, which had a market value of $49 billion at Monday's closing prices, according to Refinitiv Eikon data, compared with Rusal's market capitalisation of $15 billion.

DEAL MAKER

Potanin has swooped aggressively to grab new opportunities since Russia sent troops into Ukraine and the ensuing sanctions transformed the business environment.

His Interros group snapped up Rosbank from Societe Generale when the French lender exited the Russian market, before buying a 35% in TCS finance group at what its founder, Oleg Tinkov, said was a knockdown price.The tycoon's public statement was unusual because he typically maintains silence until his deals are clinched.

His comments came less than a week after Britain slapped sanctions on Potanin and six months before the expiry of Nornickel's 10-year shareholder agreement that made him president of the miner - signals that the move was driven by multiple factors.

"Instead of leaving the company, as many other big businessmen have done recently [after Western sanctions on them], a more elegant solution may be found - to merge with Rusal," Kogan said on social media.

Interros Holding, which manages Potanin's assets, did not reply to a Reuters' request for additional comment.

MARKET MONITOR as of 06:33 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$100.16 / bbl	0.66%	33.17%
NYMEX RBOB Gasoline	$3.32 / gallon	-0.27%	48.98%
ICE Gas Oil	$1,125.50 / tonne	-2.45%	68.74%
NYMEX Natural Gas	$5.59 / mmBtu	1.21%	49.87%
Spot Gold	$1,766.09 / ounce	0.10%	-3.41%
TRPC coal API 2 / Dec, 22	$270 / tonne	3.45%	119.51%
Carbon ECX EUA / Dec, 22	€83.19 / tonne	-1.61%	3.15%
Dutch gas day-ahead	€178.05 / Mwh	9.50%	167.74%
CBOT Corn	$7.47 / bushel	1.49%	25.92%
CBOT Wheat	$7.94 / bushel	-0.35%	2.98%
Malaysia Palm Oil (3M)	RM3,757 / tonne	-9.99%	-20.01%
Index (Total Return)	**Close 05 Jul**	**Change**	**YTD Change**
Thomson Reuters/Jefferies CRB	296.79	-	-
Rogers International	30.55	-	-
U.S. Stocks - Dow	30,967.82	-0.42%	-14.78%
U.S. Dollar Index	106.54	0.01%	11.02%
U.S. Bond Index (DJ)	402.42	-	-14.74%

The shareholder agreement, which expires on Jan. 1, covers the size of dividends at Nornickel which has been the main reason for on-and-off rows between shareholders at Nornickel and Rusal over the last 14 years.
The potential deal is a risk for Nornickel's future dividend payments and would provide limited financial synergies, analysts at BCS said in a note.
Potanin told RBC TV that the size of dividends to which investors at Nornickel have become accustomed in recent years will certainly not be available in 2022 nor presumably in 2023.
While Western sanctions have not directly targeted Nornickel, they have caused problems with trade finance and logistics.
"Potanin is flagging that they are under pressure from sanctions," said Tom Price, head of commodities strategy at Liberum in London. "Big miners always seek low-cost funding. But the ability of Russia's miners to do that has been severely restricted."

Congo administrator orders China's CMOC to stop exports from Tenke cobalt mine
A temporary administrator appointed by a Congolese court to run the world's second-largest cobalt mine ordered majority Chinese owner CMOC to suspend marketing and export of its production, letters seen by Reuters showed.
CMOC spokesman Vincent Zhou said the company had not received the letters and that production and exports were continuing as normal. CMOC says the mine remains under its control despite the February court order, whose implementation Congo's justice minister lifted a stay on last month.
The letters, dated June 29 and July 1, mark the latest escalation in a dispute between CMOC, which owns 80% of TFM, and Democratic Republic of Congo's state mining company Gecamines, which holds the remaining 20%.Congo's government says it suspects CMOC understated reserve levels to reduce the amount of royalties it pays to Gecamines. CMOC, which was previously known as China Molybdenum, denies having done so.
Gecamines and Congo's mines ministry were not immediately reachable for comment.
In the June 29 letter, addressed to CMOC's board, the provisional administrator wrote that the terms for the marketing of TFM's production in 2022 had not been met. It ordered CMOC to share all the information regarding its marketing and exports since Jan. 1 within 24 hours.
The letter ordered CMOC to stop marketing and exporting product from TFM in the interim.
In the July 1 letter, the provisional administrator ordered Congo's customs authority to implement suspension of TFM's exports.
TFM produced 18,501 tonnes of cobalt and 209,120 tonnes of copper in 2021.
In an interview with the China Global South Project's French-language publication on Monday, China's ambassador to Congo said the Chinese government is closely following the dispute between Gecamines and CMOC and "making sure the rights of Chinese companies are respected".
"We must encourage the two companies to maintain a dialogue... without using the apparatus of the state or resorting to brutal methods," Ambassador Zhu Jing said.

Top News - Carbon & Power

EU Parliament to vote on 'green' gas and nuclear rules
The European Parliament will decide on Wednesday whether to block or accept an EU law labelling investments in gas and nuclear power plants as climate-friendly, which has exposed deep rifts between countries over how to fight climate change.
The parliament will decide whether to veto the European Commission's proposal to add gas and nuclear power plants to the European Union "taxonomy", a list of economic activities that investors can label and market as green in the EU.
EU officials expect a tight vote. A total of 353 lawmakers - just over half of the 705 in the full parliament - would need to reject the EU rules. Voting must be done in person, so the handful of lawmakers off sick with COVID-19 has further tightened the ballot.
The parliament will vote at midday.
With its taxonomy, the EU aims to clear up the murky world of sustainable investing, by ensuring that any financial products making eco-friendly claims adhere to strict standards.
"There will be no greenwashing," EU financial services chief Mairead McGuinness said on Tuesday.
But the debate over gas and nuclear rules - which Brussels delayed by a year and redrafted multiple times amid lobbying by governments and industries - has put politicians at loggerheads over which fuels to incentivise, as Europe strives to hit climate goals and wean itself off Russian gas at the same time.
"We cannot let this happen, otherwise we will be tied to fossil energy long after we should have phased it out," said lawmaker Linea Sogaard-Lidell of the centrist Renew political group and an opponent of the rules.
Nuclear energy is free from CO2 emissions, but produces radioactive waste. Gas is a fossil fuel that produces planet-warming emissions, but is viewed by some EU countries as a route out of dirtier coal.
Conservative lawmaker Pernille Weiss, a supporter, warned that failure to incentivise gas and nuclear invest-

ments would "tie down the European Union to coal and oil" and make it harder to cut planet-warming emissions.
Lawmakers also disagree on how the law will impact financial markets, with some warning that gas and nuclear projects could face higher capital costs if they are denied "green" status.
Others suggest the taxonomy's political symbolism far outweighs the impact it will have on investors, since the law does not prohibit investments in activities without the green label.
Nuclear-reliant France has strongly supported the proposal, alongside pro-gas states like Poland. Opponents include anti-nuclear Germany, and those such as Denmark that say it is not credible to label CO2-emitting gas as climate-friendly.
Some EU lawmakers, the governments of Austria and Luxembourg and climate campaigners have threatened to take legal action if the EU proposal becomes law.

Renewables provide 49% of power used in Germany in first half of 2022
Renewable energy accounted for 49% of German power consumption in the first half of 2022, up 6% percentage points from a year earlier thanks to favourable weather conditions, industry groups said on Tuesday.
Both higher sunshine intensity and wind speeds were behind the trend, utility industry association BDEW and the Centre for Solar Energy and Hydrogen Research (ZSW) said in a statement.
The preliminary figures were calculated under European Union requirements that base market share of individual electricity sources on usage rather than production, a basis also adopted by Berlin for its climate target definitions, they said. The share of renewables in German power consumption hit 50.2% in the first half of 2020.
Germany's power consumption overall declined by 0.8% to 281 billion kilowatt-hours (kWh) in the first six months of 2022.
Domestic electricity production, meanwhile, rose 1.7% to 298 billion kWh, boosting Germany's role as a net exporter of power, the data showed.
Renewable generation, which along with wind includes solar, hydro, biomass, waste and geothermal energy, contributed 139 billion kWh to the total, up 13.5% from a year earlier.
That included onshore wind at 59 billion kWh, up 23.0%, photovoltaic at 33 billion, up 17.3%, biomass at 24 billion, up 3.7%, and offshore wind 12 billion, up 5%.
Conventional electricity production from nuclear fuel, coal and gas delivered 159 billion kWh in the six months, 6.7% less than in the same period of 2021.
Germany last year reduced carbon dioxide (CO_2) emissions by 39% compared with 1990 but aims to reach a 65% reduction by 2030, for which it needs to roll out more zero-carbon renewables. Kerstin Andreae, managing director of BDEW, urged the government to provide suitable sites and specify the legal framework faster.
Frithjof Staiss, managing board member of ZSW, said Germany needed to lessen its dependency on Chinese photovoltaic hardware by producing more of its own

Top News - Dry Freight

EXCLUSIVE-Kyiv asks Turkey to probe three more Russian ships it alleges transported stolen grain
Ukraine has asked Turkey to help investigate three Russian-flagged ships as part of Kyiv’s efforts to probe what it alleges is the theft of grain from Russian-occupied territory, according to official documents.
In a June 13 letter, which hasn’t previously been reported, the Ukrainian prosecutor general’s office asked Turkey’s justice ministry to investigate and provide evidence on the three named ships it suspects have been involved in transporting grain allegedly stolen from recently occupied Ukrainian territories, such as Kherson.
The letter, which Reuters reviewed, said the ships travelled from Crimea’s main grain terminal in Sevastopol in April and May and pressed Ankara to obtain documentation about their cargo and arrival at Turkish ports. Russia annexed Crimea in 2014.
All three large dry bulk carriers - Mikhail Nenashev, Matros Pozynich and Matros Koshka - are owned by a subsidiary of a Western-sanctioned Russian state-owned company called United Shipbuilding Corporation, according to Equasis, a shipping database. The Russian company didn’t respond to a request for comment.
If it is established that United Shipbuilding Corporation transported grain from recently-occupied Ukrainian territory, it would add to emerging evidence of the involvement by Russian-state owned entities in exporting what Kyiv alleges is stolen goods. Ukraine has publicly accused Moscow of stealing grain since the February invasion; Russia has repeatedly denied it has stolen any Ukrainian grain.
The conflict in Ukraine has heightened concerns about food security both in Ukraine and around the globe, driving up world food prices to record levels this year. Ukraine is one of the world’s largest grain exporters but has struggled to export goods with war raging along its southern coast and many of its ports blocked. Grain accounts for nearly a fifth of all the country’s exports, according to official data.
Reuters was unable to determine the origin or end destination of the grain in the ships named by Kyiv in the letter.
The Kremlin didn’t respond to requests for comment. Kirill Stremousov, deputy head of the Russian-installed administration in Kherson, said grain from the region was going to Crimea and that local farmers were responsible for

transporting it there. He said he had no knowledge of any shipments to Turkey or the Middle East.

Reuters on Friday reported that Kyiv in a separate letter, dated June 30, asked Turkey's justice ministry to detain and arrest another Russian-flagged ship carrying what it said was Ukrainian grain from the occupied port of Berdyansk. On Monday, a senior Turkish official said Turkey had halted the cargo ship and is investigating Ukraine's claim.

NATO member Turkey, which has good ties with both Moscow and Kyiv, has criticised the invasion but also rejected Western sanctions on Russia. Ankara has agreed with Ukraine to block commercial shipments between Crimea and Turkey since 2014.

At the same time, Turkey has played a key role in discussions between the United Nations, Russia and Ukraine on a potential Black Sea corridor to export grain from Ukraine.

Turkey's justice ministry declined to comment on Kyiv's two letters and referred to recent comments by the Turkish foreign ministry that it had investigated Ukraine's public claims that grain stolen by Russia had made its way to Turkey and determined there was no issue.

"We saw that the ships' port of departure and the origin of the goods is Russia on the records," Foreign Minister Mevlut Cavusoglu told reporters on June 23, without identifying which ships. "We are against Ukrainian grains or other goods being taken by Russia … and we will not allow these goods to come to us." The foreign ministry did not respond to requests for comment on the ship from Berdyansk that arrived in Turkey late last week.

A Turkish diplomatic source added that Kyiv had shared with Ankara its claims about allegedly stolen grain being brought to Turkey via Russian ships and that cooperation with Ukrainian officials was ongoing.

The Ukrainian prosecutor general's office didn't respond to requests for comment. Taras Vysotskiy, the first deputy to Ukraine's agriculture minister, told Reuters that Kyiv estimates about 400,000 tonnes of stolen grain has been exported. Ukraine's ambassador to Turkey, Vasyl Bodnar, told Reuters Ukraine believes most of that has gone to Turkey and Kyiv has sent what it considered to be evidence on the involvement of 13 ships to Turkish authorities.

The June 13 letter said at least two of the ships switched off tracking systems that openly broadcast before entering Sevastopol port.

It also said Kyiv suspected grain was being taken from recently occupied territory, particularly Kherson, where it said there were several grain elevators that the owners don't have access to due to the occupation. It didn't identify the owners. Kyiv, in the letter, added that it is investigating criminal violations of Ukraine's rules and customs of war, without naming individuals.

Ukraine's embassy in Beirut told Reuters that at least seven companies who own storage units in newly-occupied territory have registered criminal cases with Ukrainian authorities alleging Russia stole their wheat. Two of the companies, Ukrlandfarming and State Food and Grain Corporation of Ukraine, confirmed to Reuters they had submitted a document to Ukrainian authorities but declined to provide details. The others didn't respond to requests for comment.

Ukraine has also said Russia has sent its ally Syria wheat allegedly stolen from Ukraine since invading in February. Ukraine's embassy in Beirut told Reuters that at least 150,000 tonnes of what it said was "stolen" wheat have made it to Syria since February, mostly on Russian ships, without specifying how it knew.

Neither Syria's port authority, which is part of the transport ministry, nor the Syrian information ministry responded to requests for comment.

TURKISH TRIPS

One of the vessels Kyiv named in the June 13 letter, the 169-metre long Mikhail Nenashev, was at Sevastopol's Avlita grain terminal from June 14 to 16, according to satellite imagery captured by Planet Labs PBC, a private satellite operator, which show the ship docked beside grain silos with cranes towering above.

The vessel arrived eight days later at Iskenderun, Turkey, according to Refinitiv Eikon ship-tracking data. Photos and videos supplied by Yoruk Isik, an Istanbul-based geopolitical analyst and head of the Bosphorus Observer consultancy, show port cranes lifting what appears from the images to be a golden, grain-like cargo from the Mikhail Nenashev into trucks on June 27 at nearby Dortyol port.

Since March, the Mikhail Nenashev has visited the Sevastopol grain terminal on at least three other occasions before arriving in Turkey between 5 and 15 days later, according to satellite imagery and ship-tracking data.

In one instance, it unloaded 27,000 tonnes of wheat in the Turkish seaport of Derince on April 22, according to data from Refinitiv Eikon, which shows the cargo was loaded in Sevastopol, Crimea. Ukraine, in its June 13 letter, said the Mikhail Nenashev loaded 27,500 tonnes of grain at Sevastopol's Avlita grain terminal in April, without specifying which day.

Dortyol Port did not respond to Reuters' queries about the shipments or precautions taken in light of Ukrainian claims. Derince Port confirmed it received "Russian ships carrying grains" but did not comment on screening processes. There was no answer at Avlita's head office and a person at the Sevastopol office who answered the phone denied all knowledge of Ukrainian grain at the port and put down the phone.

Another one of the ships, the Matros Pozynich, docked in Syria on at least three occasions within a week or two of visiting Sevastopol's Avlita grain terminal, according to satellite imagery and ship-tracking data. The third ship, Matros Koshka, has on at least three occasions left Sevastopol's grain terminal before turning off ship transponders, according to satellite imagery and tracking data. On one of those occasions, it docked in Syria 10 days later, according to a Planet Labs satellite image.

All three ships are owned and managed by Russian-based company Crane Marine Contractor LLC and were purchased in either December or February, according to ownership records from Equasis. The company is a subsidiary of United Shipbuilding Corporation (USC), according to a copy of Crane Marine’s charter currently on its website. USC’s website also lists Crane Marine as one of its companies. Russian company records show Crane Marine is owned by Caspian Energy group, which is part of USC, according to USC company press releases dated in 2018.

Crane Marine didn’t respond to a request for comment.

The United States sanctioned USC in 2014 in response to Russia’s efforts “to destabilize eastern Ukraine” saying the state-owned defence technology firm manufactured arms and built ships for the Russian navy. In April, Washington renewed and expanded its sanctions relating to the company. Britain sanctioned USC in February.

U.S. urges G20 to press Russia to reopen sea lanes for grain delivery

Food and energy security will figure prominently in a meeting of G20 foreign minister in Bali this week and the group's members should insist Russia support U.N. efforts to reopen sea lanes blocked by Moscow's war in Ukraine, a senior U.S. official said on Tuesday.

Ramin Toloui, assistant secretary of state for economic and business affairs, told reporters Secretary of State Antony Blinken would raise energy security in the main G20 ministers' session on Friday and in bilateral meetings in Bali.

"G20 countries should hold Russia accountable and insist that it support ongoing U.N. efforts to reopen the sea lanes for grain delivery," he said, referring to an initiative to try to get Ukrainian and Russian foodstuffs and fertilizer to global markets.

"Whether that happens at the level of the G20, or the level of individual G20 countries, that's an important point that Secretary Blinken will make," he said.

The top U.S. diplomat for East Asia, Daniel Kritenbrink, told the same briefing he expected a "candid" exchange on Ukraine when Blinken meets China's Foreign Minister Wang Yi on the G20 sidelines.

"This will be another opportunity ... to convey our expectations about what we would expect China to do and not to do in the context of Ukraine," he said.

Shortly before Russia's Feb. 24 invasion of Ukraine, China and Russia announced a "no limits" partnership. But U.S. officials have said they have not seen China evade U.S.-led sanctions on Moscow or provide military equipment to Russia. China has though refused to condemn Russia's actions and has criticized the sweeping Western sanctions. U.S. officials have warned of consequences, including sanctions, should China start offering material support for Russia's war effort.

Washington calls China its main strategic rival and its concerned it might one day attempt to take over the self-ruled democratic island of Taiwan by force, just as Russia attacked Ukraine.

Kritenbrink said it was "absolutely critical" to maintain open lines of communication with America's Chinese counterparts "to ensure that we prevent any miscalculation that could lead to inadvertently to conflict and confrontation."

Picture of the Day

Steam rises from cooling towers of the Electricite de France (EDF) nuclear power plant in Belleville-sur-Loire. REUTERS/Benoit Tessier

The Financial and Risk business of Thomson Reuters is now Refinitiv.

(Inside Commodities is compiled by Anjana J. Nair in Bengaluru)

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