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Top News - Oil

Saudi Arabia says new oil cuts show teamwork with Russia is strong

Russia-Saudi oil cooperation is still going strong as part of the OPEC+ alliance, which will do "whatever necessary" to support the market, Saudi Energy Minister Prince Abdulaziz bin Salman told a conference on Wednesday.
OPEC+, a group comprising the Organization of the Petroleum Exporting Countries and allies including Russia which pumps around 40% of the world's crude, has been cutting oil output since November in the face of flagging prices.
Saudi Arabia and Russia, the world's biggest oil exporters, deepened oil supply cuts on Monday in an effort to send prices higher. Yet the move only briefly lifted the market. On Wednesday, benchmark Brent futures almost flat at $76.30 per barrel as of 1440 GMT, remaining below the $80-$100 per barrel that most OPEC nations need to balance their budgets.
OPEC says it does not have a price target and is seeking to have a balanced oil market to meet the interests of both consumers and producers.
The United States, the biggest oil producer outside OPEC+, has repeatedly called on the group to boost production to help the global economy and has criticised Saudi cooperation with Russia after Moscow's invasion of Ukraine.
But Riyadh has repeatedly rebuffed U.S. calls and Prince Abdulaziz said on Wednesday that new joint oil output cuts agreed by Russia and Saudi Arabia this week have again proven sceptics wrong.
"Part of what we have done (on Monday) with the help of our colleagues from Russia was also to mitigate the cynical side of the spectators on what is going on between Saudi and Russia on that specific matter," Prince Abdulaziz said.
"It is quite telling seeing us on Monday coming out with not only our (oil cut) extension... but also with validation from the Russian side," he told a meeting of oil industry CEOs with ministers from OPEC and allies, known as the OPEC International Seminar. OPEC has withheld media access to reporters from Reuters, Bloomberg and the Wall Street Journal to cover the event, which was partly broadcast online.
After the end of the broadcast, Prince Abdulaziz told the seminar that OPEC+ would do "whatever necessary" to support the market, according to a source who attended the meeting.

ENOUGH FOR NOW

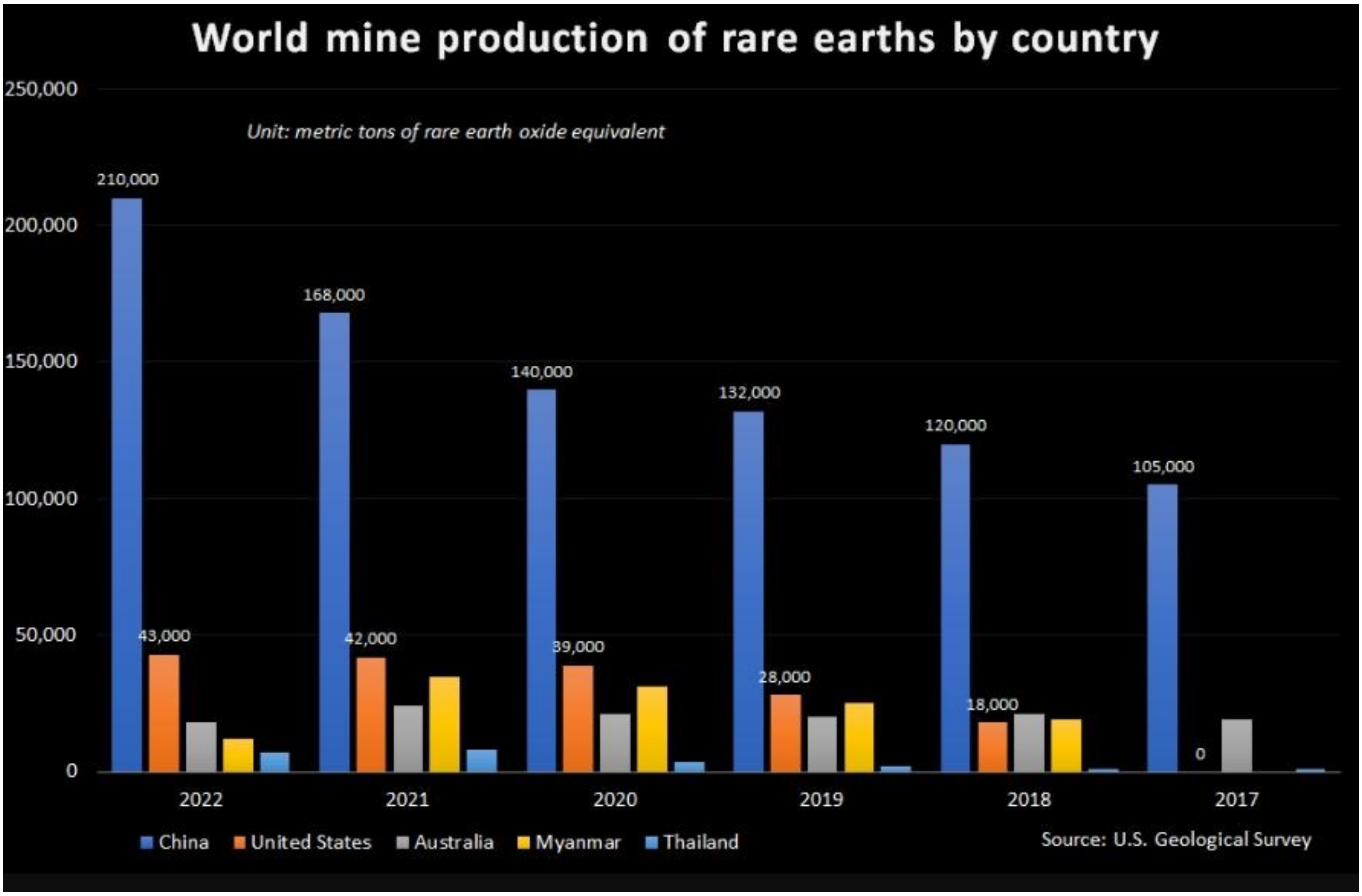
The International Energy Agency has said it expects the oil market to tighten in the second half of 2023, partly because of OPEC+ cuts. Amin Nasser, boss of energy giant Saudi Aramco, said he was optimistic about demand growth in the mid-term as the Chinese economy and global jet fuel consumption were still recovering from their decline during the pandemic. But analysts at Morgan Stanley on Wednesday cut their oil price forecast, saying that while they anticipated a decrease in stocks in 2023 they forecast a surplus in the first half of 2024, with non-OPEC supply growing faster than demand.
Additional oil cuts should be enough to help balance the oil market, United Arab Emirates' energy minister Suhail Al Mazrouei told reporters on Wednesday.
"This (the latest addition output cuts) is enough to assess the market and look at the market balance," Mazrouei told reporters. He said the UAE would not be contributing to fresh cuts as it was already producing well below its capacity.
"There’s a bigger thing… I’m seeing a lack of investments in many countries. We will have to invite maybe newcomers to come and join the group. The more countries we have... the easier the job... to ensure that the world has enough oil in the future," Mazrouei said. "Imagine if we had 60% of the producers or 80% of the producers... We will definitely do a better job."

COLUMN-U.S. oil and gas production set to turn down later in 2023: Kemp

U.S. oil and gas production continued to trend higher through April – a delayed response to very high prices in the middle of 2022 after Russia’s invasion of Ukraine.
But the fall in prices and drilling rates since late 2022 is set to reduce output in the second half of 2023 and tighten markets for both oil and gas later this year and into 2024.
Crude and condensates production from the Lower 48 states excluding federal waters in the Gulf of Mexico increased by 37,000 barrels per day (bpd) in May compared with April.
Production increased by 986,000 bpd (+10%) compared with the same month a year earlier, according to data from the U.S. Energy Information Administration (EIA).
Lower 48 production was running at the second-fastest rate on record and only 70,000 bpd below the previous peak of 10.52 million bpd in November and December 2019.

Experience shows U.S. production responds to a change in prices with an average lag of around 12 months, so near-record output in April 2023 reflects very high prices in the second quarter of 2022.
After adjusting for inflation, U.S. crude futures prices averaged $108 per barrel in April 2022 (74th percentile for all months since 2000) rising to a peak of $120 (82nd percentile) in June 2022.
Since then, front-month futures prices have fallen to $78 in December 2022 (51st percentile) and just $70 in June 2023 (43rd percentile).
In response to the fall in prices, the number of rigs drilling for oil and gas has fallen from an average of 780 in December 2022 to 687 in June 2023, according to data from oilfield services firm Baker Hughes.
The reduced rig count should ensure Lower 48 production turns down in the third quarter of 2023 and continues to fall through at least the first quarter of 2024. Provided there is no global recession, slower or negative growth from the Lower 48 combined with cuts announced by Saudi Arabia and its allies in OPEC+ are likely to reduce global inventories later in 2023 and early 2024.
Ironically, cuts by OPEC+ are likely to stabilise crude prices at a higher level than would otherwise have been the case, relieving some pressure on Lower 48 producers and stabilising their output at a somewhat higher level.
On the gas side, dry production amounted to 3,063 billion cubic feet (bcf) in April 2023, an increase of almost 6% from April 2022.
Total production in the first four months of the year hit a record of 12,239 bcf, up 7% from the same period a year earlier. Like oil, gas production has continued to increase in a lagged response to very high prices during the second and third quarters of 2022.
In real terms, monthly average futures prices peaked at more than $9 per million British thermal units in August 2022 (78th percentile for all months since 2000) but had slumped to less than $2.50 (4th percentile) in June 2023.
Gas production growth is set to slow sharply in the second half of 2023 and into the first half of 2024 which should erode excess inventories during the winter of 2023/24.
U.S. gas stocks were 261 billion cubic feet (+14% or +0.58 standard deviations) above the prior ten-year seasonal average at the end of April 2023.

Chart of the Day



The surplus had grown to 290 billion cubic feet (+12% or +0.76 standard deviations) by late June 2023, according to data from the EIA.

But provided winter temperatures are roughly in line with the recent average, the slowdown in production growth should eliminate the surplus over the course of winter 2023/24.

Top News - Agriculture

Kremlin yet to decide on Black Sea grain deal as UN calls for extension

Russia said on Wednesday that it has not taken a final decision on whether to extend the Black Sea grain deal, while the United Nations pledged to make every effort to prolong the pact before it expires on July 17.

"We have not yet officially announced the decision, we will announce it in a timely manner," Kremlin spokesman Dmitry Peskov said of the deal, which allows for the safe export of grain from Ukraine despite the conflict now in its 17th month.

Russia has consistently said it sees no grounds to renew the agreement beyond July 17 because of obstacles to its own exports of grain and fertilisers. But Peskov said there was still time for the West to address those issues.

"There is still time to fulfil that part of the agreements that concerns our country. Until now, this part has not been completed, and, accordingly, at the moment, unfortunately, there are no particular grounds for extending this deal," he said.

Under the Black Sea grain deal, Russia guaranteed the safety of grain ships heading to and from Ukrainian ports through waters it controls.

When it was signed in July 2022, the United Nations and Russia also signed a memorandum of understanding committing the U.N. to facilitate unimpeded access of Russian fertilisers and other products to global markets.

Speaking to reporters in Geneva, top U.N. trade official Rebeca Grynspan said both agreements were crucial.

"We need both to continue bringing down prices and have stable markets of food and fertilisers in the world," Grynspan said. "The United Nations remains committed to making every effort for the continuation of the agreements."

Grynspan said she may travel to Moscow to meet with officials before the deal expires.

To fulfil the memorandum, Russia says several conditions must be met, including the readmission of the Russian Agricultural Bank (Rosselkhozbank) to the Belgian-based international banking payment system, SWIFT.

The Financial Times reported on Monday that the European Union was considering a proposal for the bank to set up a subsidiary to reconnect to the global financial network, as an incentive for Moscow to extend the deal.

Russian Foreign Ministry spokeswoman Maria Zakharova rejected that idea on Tuesday, saying there was no substitute for restoring Rosselkhozbank's full access to SWIFT.

ANALYSIS-Rice to get costlier as weather, India's farm perks threaten supply

Global rice prices, now at their highest in 11 years, are set to rally further after India moved to boost payments to farmers, just as El Nino threatens yields in key producers and alternative staples get costlier for poor Asians and Africans.

India accounts for more than 40% of world rice exports, which were 56 million tonnes in 2022, but low inventories mean any cut in shipments will fuel food prices driven up by Russia's invasion of Ukraine last year and erratic weather.

"India was the cheapest supplier of rice," B.V. Krishna Rao, president of the Rice Exporters Association (REA), told Reuters. "As Indian prices moved up because of the new minimum support price, other suppliers also started raising prices."

Rice is a staple for more than 3 billion people and nearly 90% of the water-intensive crop is produced in Asia, where the El Nino weather pattern usually brings lower rainfall.

Yet even before the weather phenomenon can disrupt production, the global rice price index of the Food and Agriculture Organization hovers above an 11-year high.

That comes despite a forecast by the U.S. Department of Agriculture (USDA) for near-record output in all top six global producers — Bangladesh, China, India, Indonesia, Thailand and Vietnam.

"The impact of El Nino is not restricted to any single country; it affects rice output in almost all producing countries," said Nitin Gupta, vice president of Olam India's rice business.

The price of Indian rice exports has jumped 9% to a five-year high, following a hike of 7% last month in the price the government pays farmers for new-season common rice.

Export prices in Thailand and Vietnam have risen to more than two-year highs since that incentive, aimed at luring the votes of farmers in key Indian state elections this year and a general election next year.

In recent months, the prices of sugar, meat and eggs have jumped to multi-year highs worldwide, after producers cut exports to rein in domestic costs.

Despite the forecast for a strong Asian crop, some global trading houses expect El Nino to crimp the output of all key rice producers.

"Rice prices have already been rising due to limited supplies," added Olam's Gupta. "If production decreases, there will be a rally in prices."

Global inventories of rice are set to drop to a six-year low of 170.2 million tonnes by the end of 2023/24, as stocks fall in top producers China and India, the USDA says, after the rising demand of recent years.

PRICES COULD RISE BY A FIFTH

Prices could rise a fifth or more if yields drop sharply, as El Nino means the second rice crop in almost all Asian nations will be lower than normal, said a New Delhi-based grains dealer with a global trading house.
No. 2 exporter Thailand has urged farmers to plant only one rice crop after May rainfall was 26% below normal.
In India, which plants its second crop in November, planting of summer-sown rice was down 26% from a year ago by Friday, as the monsoon brought 8% less rain than normal, government data show.
Weather in China, the top producer of the grain, has not been conducive for the early season crop but high stockpiles will balance supply and demand, said Rosa Wang, an analyst with Shanghai JC Intelligence.
Food inflation is always a concern for India's ruling party, which banned wheat exports last year and curbed those of rice and sugar to bring down prices.
As elections near, the slow start of planting amid rising domestic prices is a concern for Prime Minister Narendra Modi's Bharatiya Janata Party (BJP), raising the prospect that it could further curb exports.
"The Modi government is grappling with the task of containing the price rise in wheat, which is why it would not hesitate to impose restrictions," said the dealer based in New Delhi, the Indian capital.
Indian curbs would leave other countries struggling to make up supplies, industry officials say.
"The supply situation is extremely tight, and decrease in Indian exports could potentially cause global prices to surge," said a Singapore-based dealer with a global trading house.
Taken together, Myanmar, Pakistan, Thailand and Vietnam could raise exports by 3 million to 4 million metric tons, the dealer added.
The price surge also complicates the task of building up stockpiles.
Demand from price-sensitive African countries has slowed, said Himanshu Agarwal, executive director at Satyam Balajee, an Indian exporter.
But some Asian buyers, such as Indonesia and the Philippines, have been building stocks and increasing purchases from traditional supplier Vietnam.
Last month Indonesia signed a rare pact with India to import 1 million tons if El Nino disrupts domestic supply. Indonesia usually buys rice from nearby Thailand and Vietnam.
"Rice has been a buyers' market for the past few years, but it could become a sellers' market if El Nino cuts production," said the Singapore-based dealer.

MARKET MONITOR as of 06:33 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$71.72 / bbl	-0.10%	-10.64%
NYMEX RBOB Gasoline	$2.44 / gallon	-0.18%	-1.48%
ICE Gas Oil	$736.50 / tonne	-0.34%	-20.03%
NYMEX Natural Gas	$2.64 / mmBtu	-0.49%	-40.92%
Spot Gold	$1,920.78 / ounce	0.18%	5.28%
TRPC coal API 2 / Dec, 23	$125.5 / tonne	4.58%	-32.07%
Carbon ECX EUA / Dec, 23	€85.72 / tonne	-0.10%	2.08%
Dutch gas day-ahead (Pre. close)	€34.90 / Mwh	2.35%	-53.82%
CBOT Corn	$4.86 / bushel	0.21%	-28.28%
CBOT Wheat	$6.65 / bushel	-1.33%	-15.59%
Malaysia Palm Oil (3M)	RM3,878 / tonne	0.41%	-7.09%
Index (Total Return)	**Close 05 Jul**	**Change**	**YTD Change**
Thomson Reuters/Jefferies CRB	292.47	0.76%	-2.94%
Rogers International	26.29	0.42%	-8.29%
U.S. Stocks - Dow	34,288.64	-0.38%	3.44%
U.S. Dollar Index	103.37	0.32%	-0.14%
U.S. Bond Index (DJ)	407.25	-0.43%	4.21%

Top News - Metals

China's chipmaking export curbs 'just a start', Beijing adviser warns before Yellen visit

China's export controls on metals used in semiconductors are "just a start", an influential Chinese trade policy adviser said on Wednesday, as Beijing ramps up a tech fight with Washington days before a visit from U.S. Treasury Secretary Janet Yellen. Shares in some Chinese metals companies rallied for a second session as investors bet that higher prices for gallium and germanium, which Beijing's export restrictions target, could boost revenues. Germanium is used in high-speed computer chips, plastics and in military applications such as night-vision devices, as well as satellite imagery sensors. Gallium is used in radar and radio communication devices, satellites and LEDs. China's abrupt announcement of controls from Aug. 1 on exports of some gallium and germanium products, also used in electric vehicles (EVs) and fibre optic cables, has sent companies scrambling to secure supplies and bumped up prices. On Wednesday, former Vice Commerce Minister Wei Jianguo told the China Daily newspaper that countries should brace for more should they continue to pressure China, describing the controls as a "well-thought -out heavy punch" and "just a start".

"If restrictions targeting China's high-technology sector continue then countermeasures will escalate," added Wei, vice commerce minister 2003-2008 and now vice chairman of China Center for International Economic Exchanges, a state-backed think tank. Announced on the eve of U.S. Independence Day and just before Yellen visits Beijing from Thursday, analysts said the controls were clearly timed to send a message to the Biden administration, which has been targeting China's chip sector and pushing allies such as Japan and the Netherlands to follow suit. China's move has also raised concerns that restrictions on rare earth exports could follow, with analysts pointing to a curb on shipments imposed 12 years ago in a dispute with Japan.

China is the world's biggest producer of rare earths, a group of metals used in EVs and military equipment. Analysts have described Monday's move as China's second - and bigger - countermeasure in the long-running U.S.-China tech fight, coming after it banned some key domestic industries from purchasing from U.S. memory chipmaker Micron in May.

The Global Times state media tabloid, in a separate editorial published late on Tuesday, said it was a "practical way" of telling the United States and its allies that their efforts to stop China procuring more advanced technology was a "miscalculation".

The Chinese commerce ministry did not respond to a request for further comment.

Asked about the metals export curbs, Chinese foreign ministry spokesman Wang Wenbin said on Wednesday the government's actions were reasonable and lawful. He told a regular press briefing that some European Union states also curb exports of some related goods.

"Our action is not targeted at any specific country," Wang said.

WARNING SHOT

Some larger chip manufacturers view China's export controls on gallium as more of a warning shot about what economic pain the country could inflict.

Others have warned in the past that if China really wanted to hit global automakers it could, for example, control exports of graphite. China produces 61% of global natural graphite and 98% of the final processed material to make EV battery anodes, according to Benchmark Mineral Intelligence.

A source at a major western chip maker, who spoke on condition of anonymity, said China's gallium move seems more like a "message that they can hit back rather than intending a real punch".

Chipmaker NXP Semiconductors said it was examining how the measures will affect its business.

Concerns about tightening supplies hurt some companies' shares, including Swiss sensor maker AMS Osram.

Shares in Teck Resources, North America's biggest germanium producer, were boosted by expectations of higher demand while rare earth miner MP Materials also rose.

Producers have already begun responding to the news. Democratic Republic of Congo state miner Gecamines said its new plant opening in September could help fill the gap in germanium production, while Russia said it was ready to boost output to meet domestic demand.

Belgium's Umicore said it was confident it could maintain supplies to customers.

Washington is considering new restrictions on microchip shipments to China, following a series of curbsin recent years. The United States and the Netherlands are also expected to further restrict sales of chipmaking equipment to China, part of efforts to prevent their technology from being used by the Chinese military. A day after China unveiled the curbs, President Xi Jinping called on nations to spurn decoupling and avoid severing supply chains in a virtual address to leaders attending the Shanghai Cooperation Organisation summit, state media reported.

Shares in Chinese metals companies such as Yunnan Lincang Xinyuan Germanium Industry Co and Yunnan Chihong Zinc & Germanium Co surged for a second session on Wednesday, with local media reporting that a rise in germanium prices would boost revenue growth for the firms.Gallium at 99.99% purity in China was trading at 1,775 yuan ($245) a kg on Tuesday, unchanged from the day before, but up 6% week-on-week and 4% year-on-year, respectively, Shanghai Metal Exchange Market data on Refinitiv Eikon showed. It was, however, 46% lower from the same period a year earlier. China's germanium ingot was priced at 9,150 yuan per kg on Tuesday, also flat on the day and on the week, Refinitiv data showed. It was down 4% month-on-month and up 4.6% year-on-year, respectively.

China's metal export curbs reignites global companies' hunt for stable suppliers

China's decision this week to restrict exports of some strategic metals has prompted more companies to re-think their reliance on the world's No. 2 economy at a time when mounting geopolitical tensions have fed fears that more curbs could be coming. In a move that a top Chinese trade advisor warned was "just a start," Beijing said on Monday it would limit exports of products made from the minor metals of gallium and germanium to protect national security. That followed the U.S. decision to impose export restrictions to curb China's access to key technologies used for artificial intelligence (AI).

The products China cited are used in semiconductors, defense technology and other high-tech industries. While the chipmaking metals account for relatively modest levels of export, China's move reignited calls across the globe for "de-risking," or finding other countries besides China for processing and sourcing key components used in a wider range of goods such as electric vehicle batteries.

"These actions underscore the need to diversify supply chains," a U.S. Department of Commerce spokesperson said in a statement. "The United States will engage with our allies and partners to address this and to build resilience in critical supply chains." In a separate but related industry, China has about one-third of the world's rare earth reserves, key to production of EV batteries and electronics. It has at least 85% of the world's capacity to process rare earths into material manufacturers can use, a capability other countries want to develop.

"China produces most of these raw materials but I'd argue blocking exports would also mean they will lose revenue and force the rest of the world to find alternative sources," said Stewart Randall, who tracks China's semiconductor sector at Shanghai-based consultancy Intralink. China has been the go-to for companies because it is able to export processed minerals at a lower cost than other countries. If prices rise as restrictions take hold, however, companies would have another reason to shift supply chains. Netherlands-based Nyrstar, majority owned by trading and logistics company Trafigura, said it was looking at germanium and gallium projects in Australia, Europe and the United States to help ease shortages created by China's curbs. Sweden's Ericsson said it always aims to have a diversified supplier base and "as a next step we will make an in-depth analysis of the effect of these measures, and the implications on Ericsson." China's announcement came just ahead of a visit to Beijing by U.S. Treasury Secretary Janet Yellen. The metal curbs are likely to further strain U.S.-China relations as the countries vie for dominance in key sectors of semiconductors and defense technology. In Taiwan, a senior government official said China's restrictions on exports of gallium and germanium marked "a new wave of retaliation" in a "tit-for-tat approach."

"Export controls accelerate, or are an accelerator, for countries including Taiwan, South Korea and Japan to reduce our dependence on China's supply of those critical materials," said Taiwan deputy foreign minister Roy Lee. Japan, which starts restrictions on chipmaking tool exports to China from July 23, said it was still examining the impact of Beijing's controls. South Korea said the short-term impact would be limited. Both countries are leading chipmakers. Some industry watchers believed China's metals restrictions could trigger short-term supply snags and higher prices. Others said China would feel more pain from Washington's restrictions.

"The effect of restriction would yes be an increase in price, but not at all as painful for the rest of the world as chip restrictions are for China," said John Strand, from Copenhagen-based Strand Consult. But Navitas Semiconductor Corp, which makes chips that use a substance called gallium nitride, on Wednesday said it expects no adverse effects to its business from China's export controls.

"Significant sources of gallium are available worldwide, as it is a natural by-product in the production of other metals such as aluminum," the company said in a statement.

Top News - Carbon & Power

Mexico Pacific signs 20-year LNG supply deal with China's Zhejiang Energy

Mexico Pacific Ltd has struck a 20-year deal to sell a million metric tonnes of liquefied natural gas (LNG) a year from its Saguaro Energia export plant in Sonora state to China's Zhejiang Energy, it said on Wednesday.

The contract is the latest in a series signed by Chinese LNG importers with producers including Qatar and the U.S. after market volatility last year pushed Asian spot LNG prices to record highs. Mexico Pacific CEO Ivan Van der Walt said in a statement the new agreement would allow Mexico Pacific to "further support the growing energy requirements" of Zhejiang province, one of the largest provincial economies in China. Mexico Pacific did not specify when the contract would start, or the pricing of the deal, but said its Saguaro Energia plant offers the lowest landed price of North American LNG into Asia by leveraging low-cost gas from the Permian Basin, and a significantly shorter shipping route avoiding the Panama Canal.

Zhejiang Provincial Energy Group is one of China's second-tier LNG players, which are local government-backed city gas distributors that have joined the global gas market alongside the country's dominant state traders, including PetroChina and CNOOC.
Its Deputy General Manager Chai Xiqiang said the agreement with Mexico Pacific was an "important step" in further diversifying its energy supply portfolio. Among other long-term contracts, China's ENN Natural Gas last month signed a more than 20-year deal with Cheniere Energy that will supply it with 1.8 million tonnes of LNG a year from mid-2026 onwards. China Gas Holdings, one of China's largest independent gas distributors, agreed to two 20-year LNG supply contracts with U.S. exporter Venture Global for a total offtake of 2 million tonnes of the fuel per year. State-run Sinopec and China National Petroleum Corporation (CNPC) also signed deals with QatarEnergy to take 4 million tonnes a year of LNG for 27 years, the longest LNG agreements to date.

India in talks to supply green hydrogen to EU, Singapore -sources
India has discussed a possible deal to supply more than 11 million metric tons a year of green hydrogen to the European Union and Singapore, who in turn would invest in these Indian clean energy projects, three government officials and one industry source said.
Reuters reported on Tuesday that New Delhi will consider bilateral agreements which would allow countries to use carbon credits linked to producing so-called green hydrogen, which is made using renewable energy.
India and the EU explored green hydrogen agreements for 10 million metric tons per annum under which businesses in the bloc could invest in projects in India and claim carbon credits, one of the officials, who attended a meeting on Wednesday in New Delhi, told Reuters. Singapore is looking to get 5 million metric tons per annum of green ammonia through similar bilateral agreements, which is equivalent to another 1-1.5 million metric tons a year of green hydrogen, another official said. The officials did not give details on the length or the starting year of such contracts. Green ammonia, generally the preferred form in which the fuel is transported, is a green hydrogen derivative. None of the officials wanted to be named as talks are ongoing. India's renewable energy ministry, an Indian government spokesperson and a communications officer at the EU office in New Delhi did not immediately reply to requests for comment. The meetings hosted by the Indian government on Wednesday were also attended by Indian renewable companies including Avaada Group, Renew Power and ACME Group.
"The bilateral agreements being discussed with the EU and Singapore present a significant business opportunity for Indian Green Hydrogen manufacturers," Avaada Chairman Vineet Mittal said. Indian companies such as Reliance Industries, Indian Oil and Adani Enterprises have big plans for green hydrogen.
Countries around the globe are turning to hydrogen to drive a transition away from fossil fuels to address global warming. India last year sought to further its ambitions to become a major green hydrogen exporter through the approval of a 174.9 billion rupees ($2.13 billion) incentive plan and a target to produce 5 million tonnes of green hydrogen by 2030.

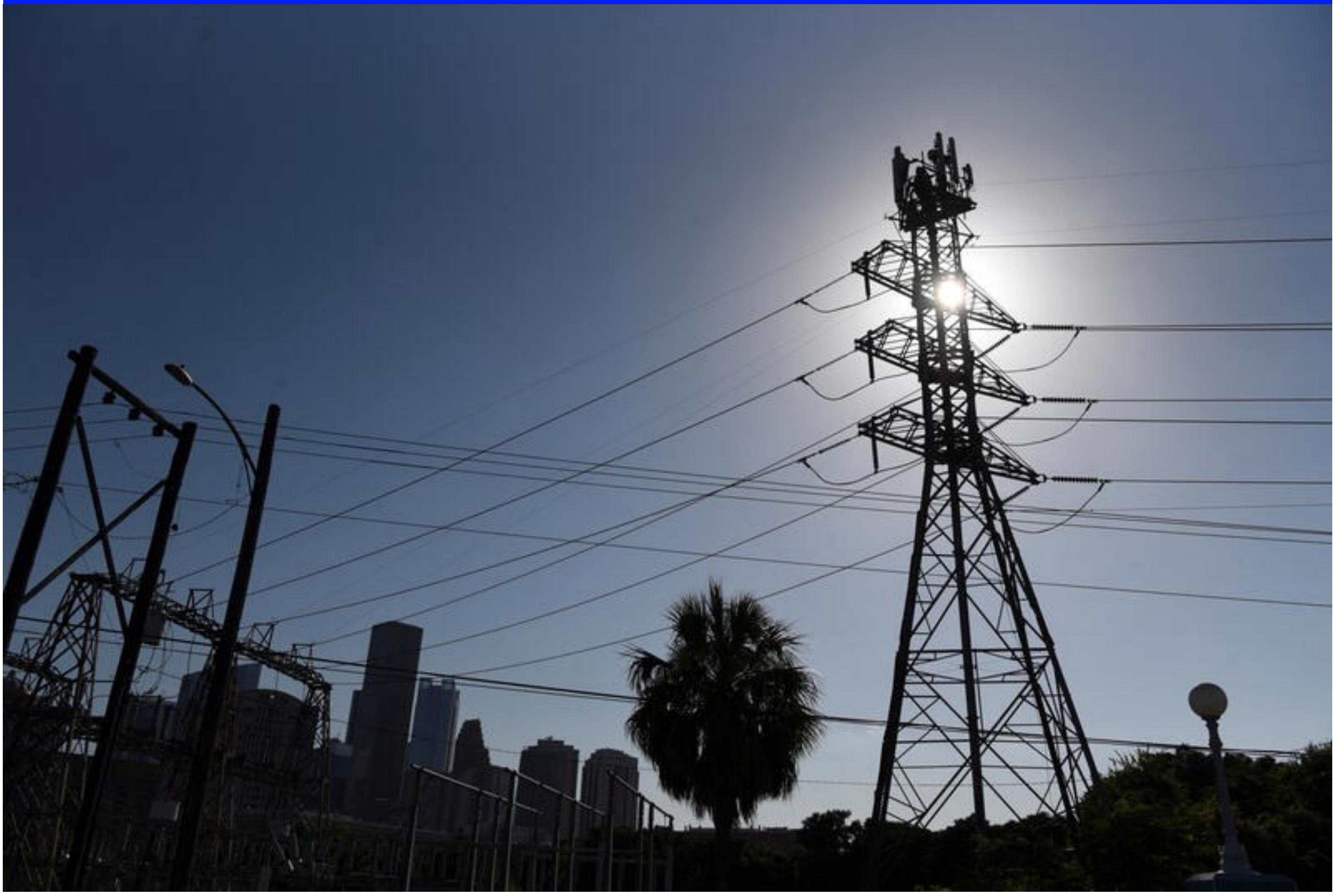
Top News - Dry Freight

Japan's biggest port plans to resume operations on Thursday after cyberattack
Japan's biggest port, the Port of Nagoya, plans to resume cargo operations on Thursday afternoon after a cyberattack caused a system glitch and stalled operations, the port operator said. The port in central Japan was hit by a ransomware attack on Tuesday and remains unable to load and unload containers from trailers. The computer system had fully been recovered by Thursday morning, but that was later than expected and the resumption of terminal operations has been pushed back by half a day, the Nagoya Harbor Transportation Authority said.

Canada's federal govt urges renewed talks to end Pacific dock workers' strike
The Canadian government is urging striking Pacific coast dock workers who run two of the countries busiest ports to resume contract talks as a walkout, disrupting C$500 million ($376.7 million) in trade per day, entered its fifth day on Wednesday.
Some 7,500 dock workers representing the International Longshore and Warehouse Union (ILWU) went on strike on Saturday after they failed to reach an agreement with the British Columbia Maritime Employers Association (BCMEA).
The workers are seeking an 11% wage increase in the first year and 6% in the second year, as well as an C$8,000 ($6,028) signing bonus as an "inflation adjustment allowance," the Globe and Mail newspaper reported on Tuesday, citing unnamed sources. The union declined to comment on the newspaper report for confidentiality reasons. The strike has upended operations at two of Canada's three busiest ports, the Port of Vancouver and Port of Prince Rupert. They are key gateways for exporting the country's natural resources and commodities and bringing in raw materials. The talks had stalled on Tuesday and the two sides broke off negotiations.
"We encourage both parties to immediately return to the bargaining table and remain there until a deal is reached," Labour Minister Seamus O'Regan said on

Twitter. While the two parties are not speaking directly, they are both still speaking to mediators, a spokesperson for O'Regan said on Wednesday. The Canadian Manufacturers & Exporters (CM&E) industry body said the strike is disrupting C$500 million in trade every day, according to a statement.
"All manufacturing sectors are affected by the strike, from automotive to energy, to parts manufacturers, to consumer goods," CM&E said, calling for an immediate end to the walkout. Pulse crops - dried seeds of legume plants like peas and lentils - about one-third of which are exported in containers rather than in bulk, have also been impacted.
"We're seeing the slowdown you would expect," said Jeff English, vice president at industry group Pulse Canada. "Canada's just-in-time delivery system requires everything to be running on all cylinders. Each day of significantly disrupted logistics generally requires a week to catch up, English said. July is a slow month for Canadian crop exports, but the disruption hurts Canada's reputation as a reliable supplier with customers in top pulse markets India, Turkey and China, English said. The Mining Association of Canada too has called for action from the federal government to minimize what it said were the strike's "serious negative effects" on the economy.

Picture of the Day



A file photo shows a general view of electric lines as demand for power surges during a period of hot weather in Houston, Texas, U.S. June 27, 2023. REUTERS/Callaghan O'Hare

(Inside Commodities is compiled by Sreshtha Uniyal in Bengaluru)

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