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Top News - Oil

Indonesia seeks Russian oil for the first time in years, sources say

Indonesian state-controlled refiner Pertamina has added Russian oil grades to its tender lists to buy September crude, three traders said on Monday.

Pertamina has not purchased Russian oil for years, having taken a step back since the start of Russian-Ukraine military conflict in 2022, though Indonesia did not join Western sanctions against Russia.

Pertamina last purchased ESPO Blend and Sokol oil from Russia more than 10 years ago, LSEG data shows.

Western sanctions against the Russian energy sector, including an EU embargo on its oil and a price cap mechanism, have made China, India and Turkey the main buyers of Russian oil.

Pertamina asked for Russian Urals oil along with sour grades Kirkuk, Jubilee, Al Shakheen and others for Sept. 15-17 arrival at its Cilacap refinery.

Pertamina also asked for Sokol oil among sweet oil grades such as Azeri BTC, El Sharara, Qua Iboe and others for arrival at Cilacap over Sept. 18-20. The Sokol is to be supplied under CFR or delivered at port (DAP) terms only, according to the tender.

One of the tenders closed last week and another on Monday, the sources said. The results have yet to be announced.

One of the sources familiar with Pertamina's plans said the company may only buy Russian oil if it was sold under the price cap regulation.

The cap allows Western shippers and insurers to participate in Russian oil trading provided that the oil is sold for less than $60 a barrel.

A spokesperson for Pertamina's refinery unit said on Tuesday the firm would purchase crude oil that was suitable with its refinery specifications, while complying with all relevant regulations.

"If we purchase crude oil from Russia, it will be done under price cap mechanism," spokesperson Hermansyah Nasroen said.

Oil tanker that fled collision site is detained in Malaysia

A tanker that fled the scene of a fiery Friday collision off Singapore entered the area of Malaysia's Bertam floating oil terminal on Monday after being tracked down and intercepted by Malaysian authorities, shipping data from LSEG and Kpler showed.

The Sao Tome and Principe-flagged supertanker Ceres I had left the scene of the collision with the Singapore-flagged tanker Hafnia Nile about 55 km (35 miles) northeast of the Singaporean island of Pedra Branca without explanation.

The Ceres I, which was believed to have turned off its tracking system after the accident, was then found in Malaysian waters with two tugboats towing it, Malaysia's coast guard said.

AIS data on LSEG indicated that the vessel, a very large crude carrier (VLCC) capable of carrying around 2 million barrels of oil, was empty at the time of the collision.

However industry experts say the Ceres I is known to have carried Iranian oil in the past, and LSEG and Kpler data showed the supertanker discharged Iranian crude via ship-to-ship transfers in Malaysia's Linggi transhipment hub in April.

Ceres I last loaded Iranian oil via a transfer with an Iranian tanker in March 2024 off the Iranian terminal of Kharg. It subsequently transferred the cargo to two tankers around the Malacca Strait in Asia between April 7 -9, said Claire Jungman, chief of staff at U.S. advocacy group United Against Nuclear Iran, which tracks Iran-related tanker traffic via satellite data.

Ship-to-ship transfers are often used to mask the origins of sanctioned oil.

Aerial surveys of the scene found minor traces of an oil spill.

"For further action, the two tankers involved will be towed to a safe location to enable further investigation and the cause of the incident will be investigated by the marine department," Kama Azri Kamil, acting maritime director of Johor state, said in a statement, without saying where the ships would be taken.

The exact circumstances leading to the incident are unknown.

All 26 crew members who had remained aboard the Ceres I to fight fires are safe, he added. Fourteen crew previously evacuated from the Ceres I and the Hafnia Nile's 22 crew were safe in Singapore.

The Bertam terminal is located in the South China Sea off the east coast of Peninsular Malaysia.

Shanghai Prosperity Ship Management, which according to LSEG data is the manager of the Ceres I, could not immediately be reached for comment.

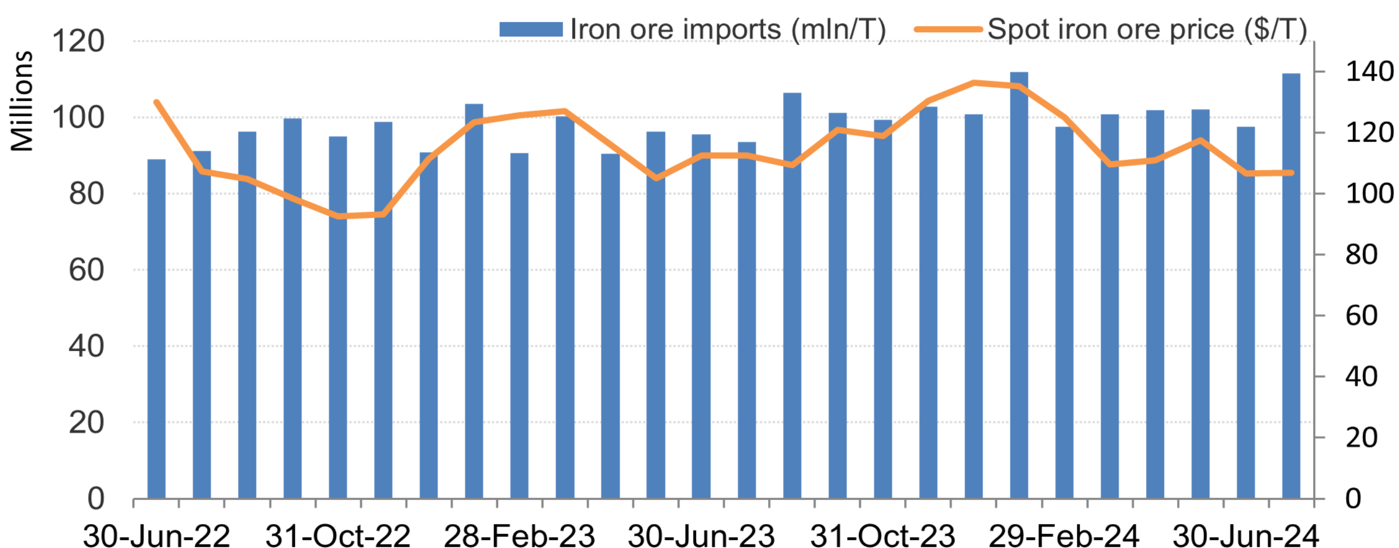
Hafnia, the manager of Hafnia Nile, has said it is in discussions with Malaysian authorities to move its vessel.

"The Hafnia Nile is stable and is being attended by four tugs equipped for oil response and firefighting," Hafnia said in an update on Monday.
"An additional tug with deep-sea towing capacity is expected to join the ship soon. Heat assessments have not revealed any hot spots on the Hafnia Nile's external structure, and there are no visible signs of flames or smoke. Further assessments by experts on site are ongoing."
The Hafnia Nile, a Panamax tanker, was carrying about 300,000 barrels of naphtha for Japan, according to ship-tracking data from Kpler and LSEG. Naphtha is a raw material for making petrochemicals.
Singapore is Asia's biggest oil-trading hub and the world's largest bunkering port. Its waters are among the busiest sea lanes in the world.

Top News - Agriculture

MARS cuts EU 2024 maize outlook after hot weather in southeast
European Union crop monitoring service MARS on Monday cut most of its forecasts for average grain yields in the EU this year, with the sharpest drop for maize and sunflower which suffered from hot and dry weather in the southeastern part of the bloc.
Grain and oilseed crops have faced adverse yet contrasting weather this year with excessive rainfall in the north hurting winter cereals, notably wheat which is on track for its smallest crop since 2020, and drought in the south hurting summer crops.
"In large parts of southern-central and south-eastern Europe, June and July were exceptionally hot, with several days with maximum temperatures above 35°C, negatively affecting summer crops around flowering," MARS said in a monthly report.
A lack of rain in eastern Hungary, eastern Romania and Bulgaria exacerbated these negative impacts, it added.
Nearly 2 million hectares of maize and sunseed crops have been affected by drought in Romania so far this year, causing significant damage, the country's farm minister said last week.
MARS now expects the maize yield at 7.24 metric tons per hectare (t/ha), down from 7.55 t/ha forecast in June and 4% below last year. For sunflower, it cut its yield estimate by 5% from last month, now stable on 2023 at 2.09 t/ha.
An exception to the overall mediocre yield outlook was spring barley for which MARS raised its yield forecast by 1% to 4.44 t/ha, now 9% above the five-year average thanks to favourable conditions in Spain and northern Europe.
In contrast it sharply cut the yield estimate for winter barley to 5.76 t/ha from 5.96 t/ha, now 4% below 2023, due to excessive rainfall.

Chart of the Day



It also cut the rapeseed yield this year to 3.10 t/ha, from 3.16 t/ha forecast last month. It also cited below-average yields in France where harvest is underway.
For soft wheat, the most produced cereal in the bloc, MARS kept its yield estimate nearly unchanged at 5.87 t/ha, against 5.86 t/ha in June and 5.81 t/ha last year.
For sugar beet, the EU yield was projected at 73.4 t/ha, down from 74.4 t/ha expected in June and now in line with the five-year average.

Brazil sugar production estimate cut by 300,000 tons, says broker
Brazil's sugar production in 2024/25 (April-March) was revised down by 300,000 metric tons on Monday to 41.3 million tons due to lower-than-expected cane allocation to produce sugar and poor cane quality, broker Hedgepoint Global Markets said.
Hedgepoint's sugar analyst Livia Coda said in a note that mills are earmarking less cane to sugar production than initially estimated, due mainly to the lower quality of the crop compared to last season as well as to the quick pace of harvesting.
The broker cut its view for cane allocation to sugar, the so-called sugar mix, to 50.3% of the crop from 51.2% previously.
Brazilian mills have a certain flexibility to change cane allocation to produce sugar and ethanol depending on market prices. When sugar gives better financial returns, they increase the amount of cane they earmark to that product, at the expense of ethanol production.
Analysts and traders were expecting a record cane allocation to sugar this year after several mills made investments in their plants to allow more sugar production, but data from industry group UNICA have shown the sugar mix rising less than expected.
"We had overestimated the sugar mix. It now seems reasonable to revise downward our projection," said the analyst.
She said the crop is showing lower quality in terms of sugar content than last year after unfavorable weather during crop development.
The brokerage, however, raised slightly its view for the amount of sugarcane to be crushed this season to 620 million tons from 613 million tons previously, noting the high crushing volumes in the first months of the new season.

Top News - Metals

COLUMN-China's rate cuts fail to revive iron ore and copper: Russell
China's first cut to major short- and long-term interest rates in 11 months drew a distinctly ho-hum reaction from the commodities that usually would be expected to be the biggest beneficiaries.
The People's Bank of China said on Monday it would cut the seven-day reverse repo rate to 1.7% from 1.8%, and minutes after that announcement benchmark lending rates were lowered by the same margin at the monthly fixing.
But the first broad reduction in interest rates since last August sparked little buying interest in iron ore and copper, the two commodities viewed as having the biggest exposure to the major parts of China's economy, namely construction and manufacturing.
Benchmark iron ore futures on the Singapore Exchange dipped 0.4% to end at $106.79 a metric ton, while China's main domestic contract on the Dalian Commodity Exchange ended daytime trade 0.3% lower at 798.5 yuan ($109.79) a ton.
London-traded copper futures closed down 1.0% at $9,216.50 a ton, the weakest finish since April 8, while Shanghai copper contracts ended at 76,220 yuan, down 0.86% and also the lowest close since April 8.
The lacklustre price response to the interest rate cuts follows the prevailing view that China's policymakers aren't really pulling out all the stops to boost the world's second-biggest economy.
The twice a decade political event known as the plenum, held last week failed to inspire confidence that Beijing is on track to lift flagging economic growth by sparking a recovery in the residential property sector.
The risk that Donald Trump wins the U.S. presidential election in November and delivers on his promise to increase trade tariffs on China and others is also leading market watchers to be cautious about China's economic prospects. However, the worries over China are largely limited to sentiment where commodities are concerned, with both iron ore and copper showing trade patterns more related to pricing dynamics.

STRONG IRON ORE IMPORTS
China's iron ore imports are expected to remain robust in July, with commodity analysts Kpler tracking arrivals of around 111 million tons.
If the customs number comes in close to the Kpler estimate, it would represent a strong gain on the official 97.61 million tons reported in June.
China's iron ore imports have been fairly strong so far this year, with customs data showing arrivals of 611.18 million tons in the first half, up 35.05 million, or 6.2% from the same period in 2023.
But much of the increase has ended up going toward rebuilding stockpiles, with port inventories monitored by consultants SteelHome rising 35.1 million tons since the end of last year to 149.6 million in the week to July 24.
Steel mills and traders have been taking advantage of the declining trend in iron ore prices so far this year to boost inventory levels, which had dropped to a seven-year low in October of last year.
Copper imports and exports also appear to be responding to market dynamics, with China's arrivals of unwrought metal dropping sharply in June to 436,000 tons, a 15.6% slide from May's 514,000.
This was in response to copper prices rising sharply, with London contracts reaching a record high of $11,104.50 a ton on May 20.
The higher prices effectively closed the arbitrage window for China's traders, and instead of buying copper to add to inventories as they did earlier this year, they have started selling into the global market.
China's exports of refined copper surged to a record high of 157,751 tons in June, more than double May's level

and 55% higher than the previous high from 12 years ago.
Copper stockpiles monitored by the Shanghai Futures Exchange have started easing from four-year highs, dropping to 309,182 tons in the week to July 19, having declined from the 51-month high of 339,964 in the week to June 7.
The overall message from China's iron ore and copper markets is that traders are more responsive to global pricing and market dynamics than policy moves.
While lower interest rates and other stimulus measures may eventually translate into higher physical demand, for now China's demand for iron ore and copper is better explained by price moves.

INSIGHT-Western miners push for higher metals prices to ward off Chinese rivals
The only U.S. cobalt mine sits fallow in the northern Idaho woods, a mothballed hunk of steel and dirt that is too expensive for its owner to operate because Chinese rivals have flooded global markets with cheap supplies of the bluish metal used in electric vehicle batteries and electronics.
Jervois Global, which dug the mine into the side of a nearly 8,000-foot (2,400-meter) mountain, watched helplessly last year as cobalt prices plunged after China's CMOC Group opened the Kisanfu mine in the Democratic Republic of Congo, pushing global production of the metal to an all-time high.
The Idaho site, which Jervois bought in 2019, was idled in June 2023 just weeks before it was set to open. More than 250 workers lost their jobs. A skeleton crew now rotates unused rock crushing equipment weekly to keep it from flattening under its own weight.
"We were straightforward with our staff and told them: 'This is all about the price of cobalt,'" site manager Matthew Lengerich told Reuters during a visit to the facility. Jervois says cobalt prices need to reach at least $20 per pound for the site to open. But prices sat near $12.17 in July.
A similar quandary faces BHP, Albemarle and other Western mining companies trying to compete with metals produced by Chinese-linked companies, some of which use coal-generated electricity, child labor or other practices not meeting the standards set by many governments and manufacturers.
Western miners say their competitors have inherent cost advantages that enable rapid production expansions even as prices for cobalt, lithium and nickel have plunged more than a third in the past 18 months. Operational costs for many of these Western companies have, as a result, been exceeding what market prices will cover.
That has fueled growing calls from some policymakers and miners, including Jervois and Albemarle, for a two-tier pricing system with a premium for sustainably produced metals, according to interviews with more than three dozen traders, investors, executives, purchasing agents, and pricing agencies.
The plan is to charge more for a metal that is produced sustainably, whether that is through direct transactions or

MARKET MONITOR as of 06:40 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$78.38 / bbl	-1.75%	9.39%
NYMEX RBOB Gasoline	$2.43 / gallon	-0.06%	15.24%
ICE Gas Oil	$751.50 / tonne	0.97%	0.10%
NYMEX Natural Gas	$2.24 / mmBtu	-0.31%	-10.74%
Spot Gold	$2,392.70 / ounce	-0.21%	16.00%
TRPC coal API 2 / Dec, 24	$112.25 / tonne	-1.10%	15.72%
Carbon ECX EUA	€64.52 / tonne	-0.31%	-19.72%
Dutch gas day-ahead (Pre. close)	€31.75 / Mwh	0.38%	-0.31%
CBOT Corn	$4.13 / bushel	-0.54%	-14.72%
CBOT Wheat	$5.72 / bushel	-0.26%	-99.11%
Malaysia Palm Oil (3M)	RM3,987 / tonne	0.05%	7.15%
Index	**Last**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	333.32	1.02%	10.59%
Rogers International	27.88	0.45%	5.89%
U.S. Stocks - Dow	40,415.44	0.32%	7.23%
U.S. Dollar Index	104.33	0.01%	2.96%
U.S. Bond Index (DJ)	432.34	-0.02%	0.38%

via multiple prices for a metal listed through futures exchanges, depending on production methods. For example, there would be one price for standard nickel and another for green nickel.
"Western miners simply can't compete with China, and China has shown the willingness to drive market prices way, way down," said Morgan Bazilian, director of the Payne Institute for Public Policy at the Colorado School of Mines.
Two-tier pricing could radically shift how metals needed for energy transition have been bought and sold for centuries yet also reduce market transparency as miners could bypass metals exchanges to negotiate directly with customers.
It could also, two analysts told Reuters, lead to multiple definitions of what exactly constitutes "green metal."

'COMMITMENTS HAVE A COST'

Industry leaders have pushed for two pricing structures for several years, but the call for change started gaining more attention from investors, policymakers and customers last fall as Western governments grew more concerned about Chinese competition.
In meetings across Washington and Brussels, mining executives have been pleading with governments for some kind of intervention until two-tiered pricing is more widely embraced, suggesting that tariffs, supply chain transparency requirements, or government insurance for mines could be potential remedies, three industry sources said.
U.S. and E.U. officials have privately expressed sympathy with the mining industry, according to two of the sources, but have so far been loath to inject themselves into the mechanics of how prices are set by exchanges and others.
"I don't want to say what the markets should or shouldn't do to ensure strong ESG practices," said the U.S. State Department's Jose Fernandez, who oversees a program designed to facilitate metals supply deals. "But it is true that all of those commitments have a cost."
As a result, mining industry customers such as automakers are in the uncomfortable position of trying to keep their costs low while maintaining secure and diverse metals supplies. Some deals are taking shape, prodded in part by regulations tied to emissions.
The European Union by 2027 will require EV manufacturers to show where they procure metals and the carbon footprint for their production. Refusal to comply would mean an EV can't be sold in the region, a step not yet taken by the United States but one widely seen as the most aggressive globally to boost supply chain transparency and likely to fuel premium metals contracts.
In Canada last year, Northern Graphite started successfully demanding a premium from customers wanting guaranteed North American supplies of the battery metal.
Teck Resources earlier this year started selling a lightly processed type of copper known as concentrate to Aurubis, a source with direct knowledge said. The transaction does not rely on exchange pricing and guarantees Aurubis a steady supply of ESG-compliant concentrate that it turns into copper for sale to the auto industry.
Teck declined to comment. Aurubis said it sees "the way to a green-friendly copper industry as a joint task for the entire value chain, which needs to be honored from the raw material supplier to the end consumer."
Customers for now do not face a penalty if they do not source sustainable metals, but they increasingly face a reputational risk. "The question is really for car companies: Are you OK with something that might be priced lower or are you willing to pay premiums knowing that this is sourced sustainably in the correct way?" said Michael Scherb, CEO of Appian Capital Advisory, a private equity firm that invests in mining companies.

'WEATHER THE STORM'

BHP, the world's largest mining company, said this month it would suspend operations at its Australia nickel mines due to "the substantial economic challenges driven by a global oversupply of nickel."
The move was a blow to a company that had unsuccessfully bet its customers would be willing to pay a premium for nickel produced in a country that mines sustainably. BHP warned that nearly two-thirds of Australia's nickel market is in danger of closing amid low market prices fueled by a 153% increase in Indonesia's nickel from 2020 through the end of last year due to Huayou Cobalt and others - production that environmentalists say has partly come by tearing up the country's vast rainforests.
U.S. officials are encouraging Jakarta to improve the country's mining standards. Huayou Cobalt did not respond to a request for comment.
Australia's nickel industry is among the cleanest in the world largely due to how it handles carbon emissions, according to data from ESG consultancy Skarn Associates. Nickel processed in Indonesia emits more than five times the amount of carbon as production in Australia, the data show, with emissions from China's nickel industry nearly seven times worse than Australia.
Albemarle, the top global producer of lithium, laid off staff in January amid low prices caused in part by ramped up production from Yongxing Special Materials Technology and others in China. "If there isn't an incentive above current prices, you're not going to get the investment you need to build the domestic (U.S.) supply chain," said Eric Norris, who oversees Albemarle's lithium operations.
Fernandez, the U.S. State official, expects rising minerals demand to offset current "global oversupplies," but acknowledged that miners, for now, are in a bind.
"We have to find ways to weather the storm," Fernandez said.

TRANSPARENCY

Since January, world leaders have taken a range of steps to offset China's market control.
President Joe Biden imposed tariffs in May on critical minerals produced in China, saying "(metals) prices are unfairly low because Chinese companies don't need to worry about a profit."
Jim Chalmers, Australia's treasurer, in February said governments should consider support for "a differentiated international trading market for resources produced to higher ESG standards."
Chrystia Freeland, Canada's deputy prime minister, in

April said Ottawa would fight the dumping of critical minerals by China, Indonesia and others.
The Chinese mission to the United Nations did not respond to a request for comment. China has in the last year banned exports of graphite and other metals.
Multiple U.S. senators from both parties have said they are considering legislation to offer price insurance for metals, similar to a government insurance program for crops, according to Senate aides. Such a move would guarantee miners a price for their metals, regardless of market conditions.
Automakers have been moving cautiously as this trend for green pricing premiums evolves, conscious that consumers are reluctant to pay more for EVs.
General Motors, the largest U.S. automaker, believes critical minerals should be produced sustainably but does not want to pay a premium out of concern that it will be unable to compete with Chinese rivals, according to a source directly involved in the company's minerals procurement. GM told Reuters it requires suppliers to comply with high standards, a stance echoed by Volkswagen, BMW and Stellantis.
Tesla and Ford, which is building an Indonesian nickel processing plant with Huayou Cobalt and PT Vale Indonesia, did not respond to requests for comment.
EXCHANGES
The London Metal Exchange (LME) said it has received "positive market feedback" regarding its move to price sustainable nickel. Its partner Metalshub, a German online metals auction platform, sold 144 metric tons of low-carbon nickel in May and plans to publish a corresponding price when there are more transactions.
Benchmark Mineral Intelligence, a UK-based provider of critical minerals pricing and data, has launched green metals pricing contracts, with each price derived from how a mining company adheres to 79 criterion that Benchmark said reflect high production standards.
"You will not be able to guarantee by any stretch of the imagination a non-China supply of certain metals unless you're willing to pay some degree of a premium for that product," said Benchmark's Daniel Fletcher-Manuel.
That's the message that Jervois has been pushing, unsuccessfully. "Ultimately, ESG has a cost," said Bryce Crocker, the company's CEO. "It's a worthwhile cost."

Top News - Carbon & Power

US senators introduce bill to speed approvals of energy projects
The top two lawmakers on the Senate energy committee on Monday introduced long-awaited legislation to speed permitting of power transmission, mining and liquefied natural gas export projects.
Senators Joe Manchin, an independent who caucuses with Democrats, and John Barrasso, a Republican, said their bill would strengthen the power grid and help keep power prices low.

WHY IT'S IMPORTANT
Building transmission capacity would help get electricity to cities from renewable power projects, many of which have gotten financial support from the 2022 Inflation Reduction Act. Nearly 2,000 MW of clean energy is awaiting grid connection. The bill could help speed the Biden administration's goal to decarbonize the U.S. power sector by 2035.
The bill gives companies more chances to bid on offshore oil and gas leasing between 2025 and 2029. In addition, the legislation sets a 90-day deadline for a secretary of energy to approve or deny liquefied natural gas export applications, which Barrasso said would "permanently end" President Joe Biden's pause on such approvals.

KEY QUOTES
"For far too long, Washington’s disastrous permitting system has shackled American energy production and punished families in Wyoming and across our country," said Barrasso, of Wyoming, the nation's top coal producing state. "Congress must step in and fix this process."
Manchin, called it a "commonsense, bipartisan piece of legislation that will speed up permitting and provide more certainty for all types of energy and mineral projects without bypassing important protections for our environment and impacted communities."
The National Mining Association said the bill could help unlock mining for important minerals used in transmission, renewable energy and energy storage, such as copper.

WHAT HURDLES DOES THE BILL FACE?
Prospects for the bill to advance are uncertain given election-year politics and potential opposition to its measures supporting fossil fuel.

Australia announces new offshore gas exploration permits to plug supply gaps
Australia on Tuesday announced new offshore gas exploration permits for its east and west coast markets in a bid to ease concerns over long-term supply gaps as the country moves rapidly away from its dependence on coal-fired power stations.
Australia considers gas a critical element in its transition to cleaner energy with the centre-left Labor government in May backing long-term gas drilling despite its plans to reach net-zero carbon emissions by 2050.
"As ageing coal generation comes offline in coming years, gas will continue to be needed to firm renewable energy generation and as a backup during peak energy use periods," Resources Minister Madeleine King said in a statement.
Intermittent weather-dependent sources, such as solar and wind, are considered to have been firmed when backed up by stable sources, such as energy storage or gas-fired plants.
A total of 10 permits will be provided for assessing carbon capture and storage (CCS), drawing criticism from Greenpeace Australia, which called it a "step backwards" on emission cuts.
Environmental groups say CCS has yet to work effectively and will prolong the use of fossil fuels.

The government's move comes after Australia's competition regulator earlier this month warned the east coast could face gas shortages from 2027, a year earlier than initially forecast.
Australia produces more gas than it needs to meet its domestic demands, but most supply is contracted for export.
King said exploration permits will be finalised for Exxon Mobil's Esso and Beach Energy in the Otway and Sorrell basins, respectively, in the east coast, while permits will be provided for Chevron, Japan's Inpex Corp, Melbana and Woodside in the west.
Any discovered gas will be supplied to the domestic market.
King said the permits do not automatically allow new production to occur, and that safety and environment approvals must be given by the industry regulator.
No new seismic surveying will be permitted and companies will instead be required to use existing data, King said.

Top News - Dry Freight

Anglo's Kumba iron ore unit stockpiles swell as rail, port constraints persist
Anglo American's South African iron ore unit said on Tuesday it continues to build stockpiles at its mines due to persistent rail and port constraints.
Kumba Iron Ore said iron ore stockpiles at its mines swelled to 8.2 million metric tons in the first half of this year from 7.1 million during the same period last year as rail and port challenges worsen.
The persistent logistics constraints will likely weigh on parent Anglo, which is restructuring its businesses after fighting off a $49 billion attempted takeover by the world's No. 1 miner, BHP Group.
Anglo has said it wants to retain the South African iron ore business even as it unbundles its platinum unit in the country, and also plans to divest or sell its De Beers diamond business and its Australian steelmaking coal assets.
Africa's top producer of iron ore hauls the product on an 861 km (535 mile) rail line that runs from its giant Sishen mine in South Africa's Northern Cape province to Saldanha port.
The line, managed by South Africa's state-owned Transnet "continued to be constrained by a number of derailments and equipment failures" in the first-half, said Kumba CEO Mpumi Zikalala.
The company has been forced to curb mining production and cut some jobs to save costs as it struggles to move the iron ore to ports for export to markets including China and Europe.
Kumba's headline earnings per share in the six months ended June 30 slumped 26% to 22.27 rand, hit by softer iron ore prices and the logistics challenges.
The miner declared an interim dividend of 18.77 rand per share.

Ukraine grain exports via Romania's Constanta port drop 43.5% in first half
Ukraine's grain exports through the Romanian Black Sea port of Constanta fell by 43.5% on the year in the first half to 4.24 million metric tons, the port authority said, as Kyiv has been able to rely on its own ports this year.
Constanta port had been Ukraine's main alternative route for grain since Russia's full-scale invasion in 2022 and the port has seen an influx of European Union investment funds aimed at increasing its capacity.
Grain arrives in Romania by road, rail and barge across the Danube river and the port remains an important alternative route.
But a shipping corridor Ukraine created in August 2023 from Odesa, that hugs the western Black Sea coast near Romania and Bulgaria after Russia withdrew from a U.N.-brokered safe grain export deal, means Kyiv relies less on Constanta.
Romania is one of the EU's biggest grain exporters. The port of Constanta also handles shipments for the EU state’s landlocked neighbours including Serbia, Hungary and Moldova.
Earlier this month, Ukrainian producers said the combined export of grain and oilseed is seen at around 60 million tons for 2024/25, almost the same as in 2023/24.
Constanta Port data, which does not include volumes handled through smaller Romanian Danube ports and rail and road exports to southern European states, showed that 740,000 tons of Ukrainian grain left port in June.
Overall grain exports through Constanta amounted to 15 million tons by June 30, virtually unchanged from the same period of last year.

Picture of the Day

Farmers harvest peppers during the heat wave in the village of Bishtazhin, Kosovo, July 16. REUTERS/Valdrin Xhemaj

(Inside Commodities is compiled by Mohammed Nihaal T S in Bengaluru)

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

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