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Top News - Oil

OPEC oil output falls on Saudi cut and Nigerian outage, Reuters survey finds
OPEC oil output has fallen in July after Saudi Arabia made an additional voluntary cut as part of the OPEC+ producer group's latest agreement to support the market and an outage curbed Nigerian supply, a Reuters survey found on Monday.
The Organization of the Petroleum Exporting Countries has pumped 27.34 million barrels per day (bpd) this month, the survey found, down 840,000 bpd from June. That's the lowest since September 2021 according to Reuters surveys.
Saudi Arabia pledged to cut output by 1 million bpd in July as part of OPEC+'s deal in June which limits supply into 2024. Oil has begun to rally in response, with Brent crude LCOc1 trading above $85 a barrel, up from near $71 in late June.
The Saudi move, which Energy Minister Prince Abdulaziz bin Salman called a "Saudi lollipop," came on to top of earlier voluntary cuts that Riyadh and several other members of OPEC+ had announced, and added to reductions made under a late 2022 OPEC+ agreement.
Increases in Angola and Iraq due to higher exports limited the decline in OPEC output in July, the survey found.
OPEC's output is still undershooting the targeted amount by almost 1 million bpd partly because Nigeria and Angola lack the capacity to pump as much as their agreed level.
Saudi Arabia lowered output by 860,000 bpd month-on-month, the survey found.
Figures from Kpler show crude exports down over 600,000 bpd month-on-month, although another tanker tracker found a smaller export decline.
The second-biggest decline was in Nigeria where Shell suspended loadings of Forcados crude due to a potential leak at the export terminal. Libyan output edged lower due to a brief stoppage at some fields due to a protest.
The Reuters survey aims to track supply to the market. It is based on shipping data provided by external sources, Refinitiv Eikon flows data, information from companies that track flows such as Petro-Logistics and Kpler, and information provided by sources at oil companies, OPEC and consultants.

POLL-Oil to drift lower as slower growth offsets OPEC+ cuts
Oil prices will stall this year as weak economic growth is expected to curb demand and offset the impact of OPEC+ production cuts on supply, a Reuters poll showed on Monday.
A survey of 37 economists and analysts forecast Brent crude would average $81.95 a barrel in 2023, down from June's $83.03 consensus and current levels of around $85. Brent was forecast to average $83.67 next year.
The global benchmark has averaged around $80 so far this year.
U.S. crude was seen averaging $77.20 a barrel in 2023, down from the previous month's $78.38 forecast, and $78.25 in 2024.
"We expect the impact of high interest rate levels to start curbing economic growth more strongly over H2 2023," data and analytics firm Kpler said, maintaining "a comparatively bearish view on the market".
Central banks, the U.S. Federal Reserve and the ECB, raised interest rates to historic highs this month.
Sluggish growth in top crude importer China has also weighed on oil prices so far in 2023.
However, Chinese stimulus measures and a pick-up in air travel could buoy prices later this year, analysts said.
Global oil demand was expected to increase by about 1-2.1 million barrels per day (bpd) in 2023, led by China.
"China's economic outlook may continue to disappoint but upside in oil demand is still possible with jet demand recovery from international flights later this year," said Ajay Parmar, associate director of global oil markets research at HSBC.
Some of the analysts expected supplies to tighten and support oil prices in the latter part of this year after Saudi Arabia and Russia deepened output cuts in July.
"We're forecasting that the oil market will be in deficit in Q3 and Q4 2023 because of the cuts by OPEC+, which will not be offset by non-OPEC producers," said John Paisie, president of Stratas Advisors.

Top News - Agriculture

India basmati rice exporters get requests for early shipments
Indian rice exporters have been receiving requests from buyers to advance shipments of basmati rice after New Delhi banned exports of non-basmati white rice to dampen local prices, industry officials told Reuters.
The world's biggest exporter of rice surprised buyers earlier this month by imposing a ban on exports of non-basmati white rice after retail rice prices climbed 3% in a month after late but heavy monsoon rains caused significant damage to crops.
"Buyers are requesting early shipments because they fear that the government might put restrictions on exports of basmati rice as well," said Atul Garg, managing director at GRM Overseas GRMO.NS, a leading exporter of basmati rice.

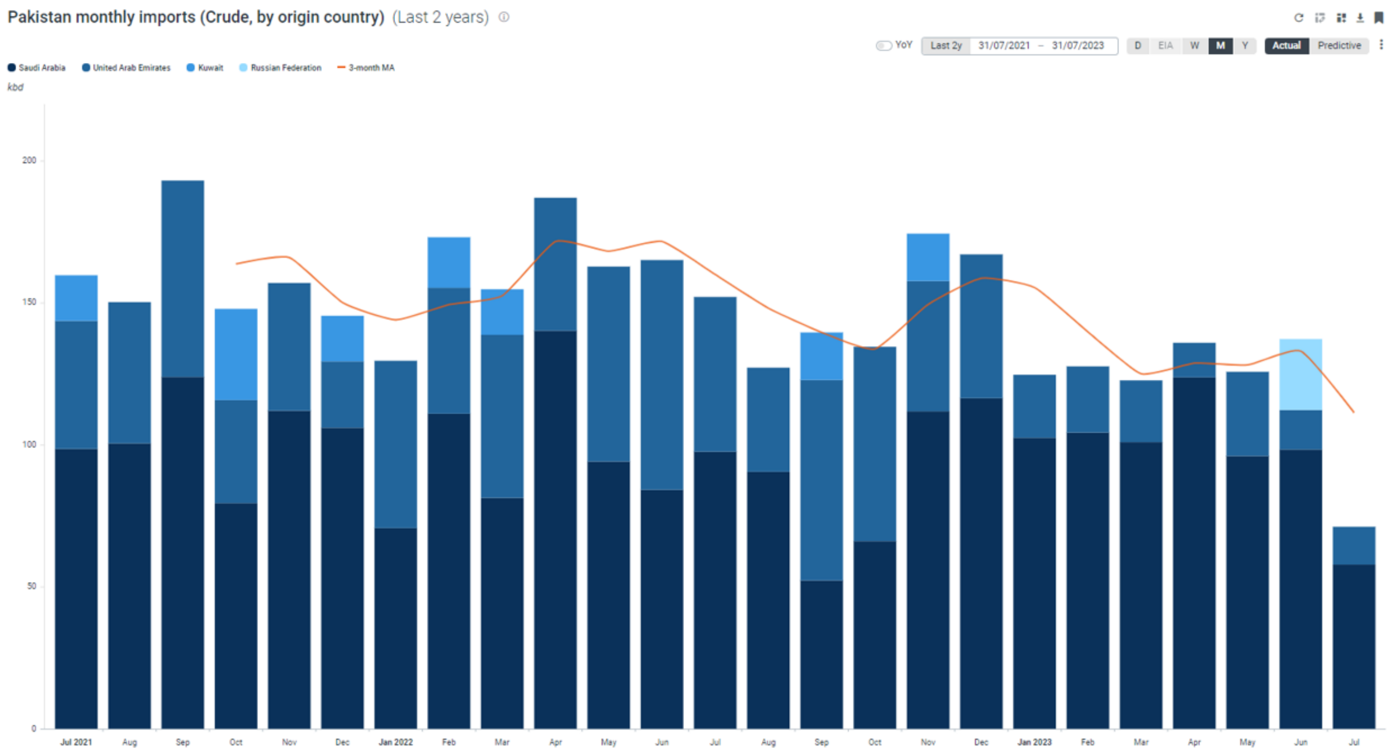
Buyers usually sign long-term contracts with the assurance of dispatching a certain quantity every month. However, some of the buyers are now requesting to ship in August what was supposed to be shipped in September and October, he said.
India exported around 4.5 million metric tons of basmati rice in 2022/23, with Saudi Arabia, Iran, Iraq, United Arab Emirates, Yemen and the United States among the top buyers. Non-basmati white rice, which India has banned for export, is mainly purchased by Senegal, Benin, Togo, Bangladesh, and Cote d'Ivoire.
India never banned exports of basmati rice in the past but did impose export taxes in 2008.
"We are assuring buyers that there is no possibility of a ban on basmati rice exports but some buyers are afraid due to the government's recent decisions," said another exporter based in New-Delhi.
India banned wheat exports in a surprise move in 2022 and later imposed restrictions on exports of sugar and rice.
Basmati rice is mainly produced in northern states of Punjab, Haryana, Uttar Pradesh, and Himachal Pradesh, which were flooded earlier this year because of extremely heavy rainfall.
But basmati rice growing areas have increased in 2023 and production is likely to be higher than last year, said Vijay Setia, an exporter.
"Many farmers in Uttar Pradesh are shifting to basmati rice from non-basmati because of higher prices," Setia said.

Strategie Grains cuts EU oilseed crop estimates after dry weather

Crop consultancy Strategie Grains lowered its forecast for this year's oilseed harvests in the European Union by a total of over 1 million metric tons, mainly to take account of damage caused by scorching weather in several parts the bloc.
Brutally high temperatures in many EU member states and excessive rains elsewhere over the past few months have prompted several forecasters to reduce their outlook for the bloc's grain and oilseed crops this week.
In its latest monthly forecasts, Strategie Grains estimated the production of rapeseed, the EU's main oilseed crop, mainly used to make biodiesel and table oil, at 19.3 million metric tons this year, down from 19.8 million tons forecast early July and 20.4 million in early June.
This now put this year's rapeseed crop 0.7% below the 19.4 million tons harvested last year. "Rapeseed yields are below expectations, especially in France and Germany," the French consultancy said in a monthly report.
"In Poland, the harvest was just starting at the end of July but here too, expected yields are revised lower this month in response to persistently dry conditions across much of the country, especially the north," it said.
Meanwhile, bad weather was disrupting harvest and affecting rapeseed yield potentials in Denmark, it said.

Chart of the Day

Pakistan imports its first crude oil cargo from Russia in June



Source: Kpler data

In sunflower, a summer crop still to be harvested, Strategie Grains cut its outlook for this year's harvest to 10.5 million tons from 10.9 million tons earlier, still 13% above 2022.
"For soybean and sunseed, the risks of drought stress are high and have already affected crops, notably in Bulgaria, eastern Romania, Slovakia, and Italy," it said.
The consultancy lowered its monthly soybean production forecast by 140,000 tons to 2.9 million tons, still 15.5% above 2022.

Top News - Metals

Ecuadorean votes could bar oil output in Amazon reserve, mining near Quito

Ecuadoreans will decide in two August referendums whether oil and mining projects in key regions of the country can continue, weighing Indigenous and environmental concerns against billions in potential lost income.
The South American country could lose about 12% of its 480,000-barrel-per-day (bpd) crude oil output if voters approve shuttering the 43-ITT block in the megadiverse Yasuni nature reserve in the Amazon, while a local referendum in Quito would bar mining in the Choco Andino forest, scuppering six gold concessions.
Environmental activists and communities near the sites say the bans are necessary to protect nature, fight climate change and, in the case of the Yasuni vote, safeguard some Indigenous Waorani people who are voluntarily isolated.
But oil and mining guilds say their industries are needed to shore up Ecuador's battered economy and that bans would expose the areas to illegal mining and deforestation.
Outgoing President Guillermo Lasso, who moved ahead elections after lawmakers attempted to oust him, has failed to raise oil production or attract more mining investment as violence and social problems have worsened.
A "yes" vote in both referendums could complicate finances for his successor.
"We want to keep our territory safe and healthy. They say when they take crude they bring health, education, but we don't see anything, there's no development," Ene Nenquimo, a national Waorani leader, told Reuters during a visit to Yasuni communities. "The government, from its desk, just sees trees. ... But we live here."
A single hectare (2.5 acres) of the Yasuni has 650 species of trees, more than the whole of North America, as well as hundreds of species of birds, mammals, reptiles and fish, according to the environment ministry.
Voters seem to be leaning toward yes votes in both referendums, said Santiago Pérez, head of pollster Clima Social, who has conducted surveys for his clients.
"I think as the population gets better informed and learns more about Yasuni and the Choco Andino that will favor the yes options," he said.
State oil company Petroecuador says a "yes" on the Yasuni referendum would cost the country $13.8 billion in income over the next two decades.
Platforms in the ITT have up to 39 wells each to minimize the space they occupy, Petroecuador head Ramon Correa told journalists in mid-July.
"The park has had the best protection practices," Correa said.
Two other Petroecuador blocks in the area would be unaffected by the vote.

INCOME VERSUS ENVIRONMENT
Former President Rafael Correa authorized the ITT fields after an unsuccessful effort to raise funds from the international community in exchange for barring development.
Despite improving technology and care, oil development in the Yasuni has hurt the environment and is threatening residents, including those who are voluntarily isolated, said Pedro Bermeo of advocacy group Yasunidos, which has been pushing for the referendum for a decade.
"They told us there wouldn't be roads, that there wouldn't be electricity generation, nor flares, and there is a huge impact," Bermeo said.
Suspension of eventual full production in the ITT block would avoid the emission of 400 tonnes of carbon dioxide, says Yasunidos, though the group did not provide a time frame for the figure.
Petroecuador says there are no flares at the block, that it occupies 0.01% of the reserve's 1 million hectares (2.5 million acres) and that roads are environmentally-friendly.
Meanwhile, opposition to mining is blocking some $1 billion in potential investment for the next two years, says Ecuador's Chamber of Mining, though a major project by Australia's SolGold is moving ahead.
Mining was Ecuador's fourth-largest source of income last year, behind sales of oil, bananas and shrimp, bringing in $2.8 billion.
"It's not moral that we stop an industry which could create many opportunities over untrue fears," said Maria Eulalia Silva, the Chamber's president, adding that barring legal production is unlikely to stop animal trafficking, illegal mining or illicit logging.
But residents say mining will threaten high altitude wetlands, water and animals like the spectacled bear.
"Mining will create water pollution, exploitation of the earth and destruction," said Morelia Fuentes, a resident of a small agricultural community inside the forest. "We are fighting to have a healthy life."

Chile's Codelco to explore copper deposit with Rio Tinto

Chilean state copper company Codelco said on Monday it would partner with Anglo-Australian miner Rio Tinto to explore a copper deposit in northern Chile.
As part of the agreement, Rio Tinto will buy Pan

American Silver's 57.74% stake in the Agua de la Falda project, located in the Diego de Almagro commune, said Codelco. The Chilean company already owns 42.26% of the project.
"Evaluations by both Codelco and Rio Tinto... indicate that there is interesting exploration potential to discover copper deposits (in the area)," Codelco said in a release.
Rio Tinto currently partners with BHP, another Australian miner, at Chile's Escondida mine, the largest copper deposit in the world.
Chile's Codelco, the world's largest copper producer, posted last week an 86% year-on-year drop in its pre-tax profit for the first half of 2023.
Copper's recent fall has pressured smaller miners to raise funds, sparking bets of more consolidation in the industry.
The new partnership comes as Glencore agreed to buy Pan American Silver Corp's majority stake in an Argentine copper project for $475 million on Monday.

Top News - Carbon & Power

US LNG feed gas at record high in first half as Freeport restarts
U.S. liquefied natural gas (LNG) export facilities brought in a record amount of natural gas in the first six months of this year after the Freeport LNG terminal returned to service, the U.S. Energy Information Administration (EIA) said on Monday.
Natural gas delivered by pipeline to LNG export facilities, called LNG feed gas, averaged 12.8 billion cubic feet per day (bcfd) in the first half of 2023, 4% more than the same six-month period in 2022 and 8% higher than the full 2022 average.
Freeport LNG's export plant in Texas was back at full power in late-March, ramping up feed gas intake after an eight-month outage, the result of a fire in June 2022, ended in February.
LNG feed gas also set a monthly record in April 2023 at 14.0 bcfd, supported by high international demand for U.S. LNG exports, particularly in Europe, the EIA said, citing data by S&P Global Commodity Insights.
"Limited growth in global LNG export capacity in the next two years may increase the need for destination-flexible LNG supplies, mainly from the United States," the EIA said.
It forecasts U.S. LNG exports to average 12 bcfd this year and 13.3 bcfd in 2024, with two new LNG liquefaction projects, Golden Pass and Plaquemines, expected to come online.

Britain commits to hundreds of North Sea oil and gas licences
Britain on Monday committed to granting hundreds of licences for North Sea oil and gas extraction as part of efforts to become more energy independent, drawing criticism from environmental campaigners.

MARKET MONITOR as of 06:38 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$81.52 / bbl	-0.34%	1.57%
NYMEX RBOB Gasoline	$2.62 / gallon	-9.53%	5.71%
ICE Gas Oil	$885.25 / tonne	0.91%	-3.88%
NYMEX Natural Gas	$2.66 / mmBtu	1.03%	-40.54%
Spot Gold	$1,957.79 / ounce	-0.33%	7.31%
TRPC coal API 2 / Dec, 23	$118.5 / tonne	-0.84%	-35.86%
Carbon ECX EUA / Dec, 23	€87.09 / tonne	0.48%	3.72%
Dutch gas day-ahead (Pre. close)	€26.70 / Mwh	2.69%	-64.67%
CBOT Corn	$5.14 / bushel	0.10%	-24.26%
CBOT Wheat	$6.93 / bushel	0.22%	-13.40%
Malaysia Palm Oil (3M)	RM3,885 / tonne	0.18%	-6.92%
Index (Total Return)	**Close 31 Jul**	**Change**	**YTD Change**
Thomson Reuters/Jefferies CRB	315.23	0.65%	4.61%
Rogers International	27.71	0.00%	-3.33%
U.S. Stocks - Dow	35,559.53	0.28%	7.28%
U.S. Dollar Index	101.86	0.23%	-1.61%
U.S. Bond Index (DJ)	410.43	0.19%	4.38%

Prime Minister Rishi Sunak confirmed plans for more than 100 such licences, which attracted bids earlier this year and said hundreds of future licenses could also be granted.
He also announced fresh support for two carbon capture and storage (CCS) clusters in Scotland and northern England.
Britain has a target to reach net-zero emissions by 2050, but Prime Minister Rishi Sunak said even by this date the country is expected to get more than a quarter of its energy from oil and gas.
He said new domestic fossil fuels would help to improve energy security and reduce reliance on states such as Russia.
"We have all witnessed how (Russia's President) Putin has manipulated and weaponised energy... Now more than ever, it's vital that we bolster our energy security," he said in a statement.
British efforts to reach the net-zero target have become a sharp dividing line between the governing Conservatives and the opposition Labour Party ahead of an election expected next year, with Sunak saying it should be met in a "pragmatic" way that does not add to household bills.
The government argues that stemming the decline in domestic supply would reduce the carbon footprint when compared with an alternative option of importing liquefied natural gas, however it is facing legal challenges from climate activists and green groups who warn increasing fossil output is at odds with the goal.
Sunak said the new licences were compliant with the government's environmental targets.
The North Sea Transition Authority (NSTA) regulator expects the first of the new licences to be awarded in the autumn. It is still evaluating 115 bids from producers for fields in the ongoing licensing round which closed in January.
Sunak, who will visit an energy infrastructure site in Scotland on Monday, said the new CCS clusters would also help support thousands of jobs.
The plans were welcomed by energy companies, including Shell and Harbour Energy, who are among the partners in the Acorn CCS project which will gain so-called Track 2 status and can now enter into commercial negotiations with the government.
Harbour's Viking CCS project to store CO_2 in the depleted gas fields has also been awarded Track 2 status.
Britain aims to use CCS technology, which involves capturing planet-warming carbon from industrial smokestacks before it hits the atmosphere and storing it underground, to hold 20 million to 30 million tonnes of CO_2 by 2030.
There currently is no large-scale or commercial CCS project operating in Britain, and the government has faced criticism for slow progress on its deployment.
Mike Childs, head of policy at Friends of the Earth said the CCS announcement was an attempt to put a green gloss on the new licenses.
"CCS won't capture all the climate pollution caused by burning fossil fuels," he said.
The government also on Monday launched a call for evidence to collect views on taxes in the oil and gas sector "to design a long-term fiscal regime which delivers predictability and certainty".
A windfall tax, introduced last year as energy prices soared, bringing the total tax on oil and gas producers to 75%, prompted producers such as TotalEnergies and Harbour to cut investment in the basin, or shun the ongoing licensing round.
The government recently tweaked the tax saying it will be scrapped if prices fall to normal levels for a sustained period.

Top News - Dry Freight

Canada dock workers' union, employers reach tentative deal, avert strike
A dock workers' union on Canada's West Coast and port employers have provisionally agreed to a new labour contract, averting an immediate strike, but the agreement needs to be approved by workers who rejected a previous deal.
Ottawa intervened in the labour dispute in an effort to keep two of Canada's three busiest ports, the ports of Vancouver and Prince Rupert, open after a nearly two-week strike disrupted more than C$6 billion ($4.6 billion) in trade.
The International Longshore and Warehouse Canada Union (ILWU) and the British Columbia Maritime Employers Association (BCMEA) are recommending ratification of the new deal, they said in a joint statement late on Sunday. Terms were not disclosed.
The union, representing about 7,500 dock workers, has agreed not to call a strike until a ratification vote, the Canada Industrial Relations Board said on Monday, adding that the vote must be held no later than Friday.
The parties have been negotiating a new contract for months, and disagreements over pay and a proposal to expand the union's jurisdiction to regular maintenance work on terminals led to a 13-day strike in July.
The CIRB said it met with the two parties on Sunday and helped them reach agreement.
That was two days after workers voted to reject an earlier tentative deal, leading Labour Minister Seamus O'Regan to direct the CIRB to resolve the dispute.
"We are hoping that this new offer, a solution that's on the table, will be accepted," Prime Minister Justin Trudeau told reporters in Hamilton, Ontario, on Monday.
While the terms of Sunday's agreement are not expected be made public until after the ratification vote, the rejected deal had provided a compounded wage increase of 19.2% and increased retirement payouts in 2026 to C$96,250 for eligible retiring employees, over and above

employees' pension entitlements, according to the employers' association.

Argentina grain inspectors end hours-long strike after government steps in
Grain shipments in the Argentine transport hub of Rosario normalized on Monday afternoon after inspectors suspended their hours-long protest following an order from the government, the local chamber of Port and Maritime Activities (CAPyM) and the union said.
The mandatory conciliation order from the government forces the grains inspectors, who had been calling for higher wages, to pause their protest in order to enter negotiations with the companies grain buyers contract to control the quality of shipments. The parties have 15 days to reach an agreement, the labor ministry said.
The strike had started at midnight local time by workers' union URGARA, which represents the grain technicians who analyze grains held in storehouses and loaded on ships, making the inspectors major players in the South American nation's vital grain trade. The workers had gone on strike without giving an official notice, CAPyM official Guillermo Wade said. "The grain inspectors have been notified (of the government order) and are returning to their tasks, loading and unloading is normalizing," Wade said. Argentina is the world's leading exporter of soybean oil and meal and the third-largest exporter of corn, as well as an important global wheat producer.
With annual inflation above 100%, salary negotiations are a frequent source of tension in Argentina, which depends on agricultural exports for much-needed foreign currency as it fights to keep the official peso rate stable and meet the terms of a $44 billion loan program with the International Monetary Fund.

Picture of the Day

A crane of Enercon lifts a full hub consisting of three blades and the rotor for a wind turbine for Romande Energie in Ste-Croix, Switzerland, July 31, 2023. REUTERS/Denis Balibouse

(Inside Commodities is compiled by Dhanya Hegade in Bengaluru)

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