

[Oil](#) | [Agriculture](#) | [Metals](#) | [Carbon & Power](#) | [Dry Freight](#)*Click on headers to go to that section***Top News - Oil****BP boosts dividend even as profit slumps 70% to \$2.6 bln**

BP's second-quarter profit slumped 70% from a year earlier to \$2.6 billion, missing forecasts, as refining margins and oil trading income fell, but still allowing the energy giant to boost its dividend by 10%.

Rivals Chevron, Exxon Mobil, Shell and TotalEnergies have also reported sharp drops in quarterly earnings, hurt by a drop in energy prices from highs hit following Russia's invasion of Ukraine a year and a half ago.

"Our underlying performance was resilient with good cash delivery - during a period of significant turnaround activity and weaker margins in our refining business," Chief Executive Officer Bernard Looney said in a statement.

BP's underlying replacement cost profit, its definition of net income, missed expectations of \$3.5 billion in a company-provided survey of analysts.

It fell from \$8.5 billion a year earlier and from \$5 billion in the first quarter.

BP increased its dividend by 10% to 7.27 cents per share, the fourth hike since halving it in the wake of the coronavirus pandemic three years ago. It will repurchase \$1.5 billion of its shares over the next three months.

In May, BP slowed down the pace of its quarterly buyback programme to \$1.75 billion from \$2.75 billion in the previous three months, prompting its largest daily share drop in more than three years.

Looney told Reuters that the buyback programme allowed BP to reduce its share count by 9% over the last 4 quarters.

"That means that we can raise the dividend by 10% and not increase the dividend burden on the company," he said.

BP's shares were up around 1.5% by 0935 GMT versus a broader index of European oil and gas companies up 0.44%.

RISING DEBT

BP said the weaker results reflected a significant decline in refining margins, a higher level of maintenance activity and weaker trading results compared with the previous quarter.

It said gas trading results were "exceptional" but lower than in the first quarter.

BP's net cash flow was negative in the quarter at \$269 million, meaning it had to borrow to meet its spending, compared with a surplus of \$2.3 billion in the first quarter. BP's gearing, or debt-to-capital ratio, stood at 21.7% in the second quarter, compared with 19.6% in the first

quarter and 21.9% a year earlier.

RBC analyst Biraj Borkhataria said that "given BP has higher leverage than all of its Super-Major peers, more fundamentally, we would have preferred to see the company focus on net debt reduction, with a dividend increase deferred to later in the year."

For the third quarter, BP expects oil prices to be supported by OPEC supply cuts alongside above-historical-average refining margins helped by lower inventories and U.S. demand.

BP expects the European gas and Asian liquefied natural gas (LNG) markets to be "at risk" from a swift filling of European gas storage sites ahead of winter.

In February, Looney scaled back plans to cut oil output, with BP now aiming to produce 2 million barrels of oil equivalent per day by 2030, down just 25% from 2019 levels compared with previous plans for a 40% cut.

The company still aims to sharply expand its renewables and low-carbon business by the end of the decade.

Low-carbon businesses including biofuels, electric vehicle charging, hydrogen and renewables account for a fraction of BP's earnings.

Last month, BP won the rights to develop two large offshore wind projects in Germany, agreeing to pay 678 million euros upfront, equivalent to 10% of the bid amount.

COLUMN-Short-covering by hedge funds lifted oil prices: Kemp

Benchmark crude oil prices have risen to the highest level for three months after the extension of production cuts by Saudi Arabia and its allies in OPEC sparked a rush to cover bearish short positions by investors.

Hedge funds and other money managers purchased the equivalent of 52 million barrels in the six most important petroleum futures and options contracts over the seven days ending on July 25.

Fund managers had purchased a total of 229 million barrels over the four weeks since June 27, according to reports filed with the U.S. Commodity Futures Trading Commission and ICE Futures Europe.

Most of the buying was in contracts linked to crude oil (+169 million barrels) with a particular emphasis on NYMEX and ICE WTI (+132 million).

Saudi Arabia's output cut coupled with increased optimism about the prospects for an economic soft landing in the United States lifted some of the pessimism that had depressed WTI positions.

Bearish short positions were cut by 104 million barrels

while bullish long positions increased by 65 million across the NYMEX and ICE WTI contracts.

Short-covering has helped lift front-month WTI futures prices to over \$81 per barrel on Aug. 1 from less than \$68 on June 27.

Across WTI and Brent, the combined position increased to 374 million barrels (24th percentile for all weeks since 2013) on July 25, up from a record low of just 205 million barrels on June 27.

Over the same four weeks, position-building was also evident in contracts tied to the price of refined fuels (+60 million barrels) with a particular focus on middle distillates (+37 million).

Fund managers have become increasingly optimistic about fuel prices given that inventories remain well below normal despite the industrial recession in North America, Europe and China over the last 6-9 months.

In the event of a soft-landing and subsequent return to expansion, increasing fuel consumption could tighten already-depleted fuel supplies quickly.

European gas oil futures and options have experienced an especially rapid increase in positions over the last four weeks (+29 million barrels).

As a result, the net position rose to 41 million barrels (44th percentile) on July 25 from just 12 million barrels (18th percentile) on June 27.

Europe's industrial economy is currently experiencing its worst slowdown since the first wave of the coronavirus

pandemic in 2020 and before that the recession associated with the financial crisis in 2008/09.

But inventories are well below the long-term seasonal average and supplies will tighten rapidly if the U.S. economy expands again soon after a soft landing.

U.S. NATURAL GAS

Portfolio investors are trying to become bullish about U.S. natural gas despite inventories remaining stubbornly above the long-term average and only slight signs of the surplus eroding.

Hedge funds and other money managers purchased futures and options equivalent to 176 billion cubic feet over the seven days ending on July 25.

The net position increased to 723 billion cubic feet (47th percentile for all weeks since 2010) from a net short of 1,061 billion cubic feet (7th percentile) on Jan. 31.

Working gas inventories in underground storage were still +248 billion cubic feet (+9% or +0.72 standard deviations) above the prior 10-year seasonal average on July 21.

But the surplus has narrowed from +299 billion cubic feet (+12% or +0.81 standard deviations) on June 30, which suggests the production-consumption balance may be moving into a small deficit.

The number of rigs drilling for oil and gas fell by more than 100 (-14%) in July 2023 compared with the recent cyclical peak in December 2022. Slower drilling is likely to translate into less production of gas-well and associated

Chart of the Day



gas from the third quarter of 2023 through until at least the first quarter of 2024, which could quickly erode surplus inventories. From a positioning and fundamental perspective the balance of price risks is tilted to the

upside, encouraging investors to start rebuilding a bullish position, albeit cautiously.

John Kemp is a Reuters market analyst. The views expressed are his own.

Top News - Agriculture

Russia could be ready for Black Sea grain deal talks, but no evidence yet -US

The United States has been told that Russia is prepared to return to talks on a deal that had allowed the safe Black Sea export of Ukraine grain, but "we haven't seen any evidence of that yet," the U.S. envoy to the United Nations said on Tuesday.

Russia quit the deal on July 17. U.S. Ambassador to the U.N. Linda Thomas-Greenfield said that if Russia wants to get its own fertilizer to global markets and make agricultural transactions "they're going to have to return to this deal."

"We have seen indications that they might be interested in returning to discussions. So we will wait to see whether that actually happens," she said at a press conference, without giving further details.

Moscow has said that if its demands to improve its own exports of grain and fertilizer were met it would consider resurrecting the Black Sea agreement, brokered in July 2022 by the U.N. and Turkey to help ease a global food crisis following Russia's invasion of Ukraine.

"Moscow is ready to return without delay to the grain deal. But after the conditions for Russia are fulfilled," Kremlin spokesman Dmitry Peskov reiterated to RIA state news agency on Tuesday.

Russia's grain and fertilizer exports are not subject to Western sanctions but Moscow has said restrictions on payments, logistics and insurance have been a barrier to shipments.

U.N. Secretary-General Antonio Guterres met a week ago with Russia's Deputy Foreign Minister Sergei Vershinin - who led Moscow's negotiations to agree the Black Sea deal - on the sidelines of a U.N. food systems summit in Rome.

"Had there been a breakthrough, I think it would have been shared with you," U.N. spokesman Stephane Dujarric said on Friday.

After withdrawing from the Black Sea pact Russia began targeting Ukrainian ports and grain infrastructure on the Black Sea and Danube River and global grain prices spiked.

Russia has also threatened to target Ukraine-bound civilian vessels, prompting Kyiv to respond by announcing similar measures against vessels bound for Russia or Russian-occupied Ukrainian territory.

Nearly 33 million tonnes of Ukraine grain was exported under the Black Sea deal. Ukraine and Russia are both leading grain exporters.

"The Secretary-General is continuing his efforts to find a path forward to bring the Russians back into the deal,"

Thomas-Greenfield said, noting that part of the deal was "to provide some support for Russia's fertilizer to get to the market."

"If they're not in the deal, that part of the deal is no longer working," she said.

The accord allowed for the export of Russian ammonia - a main ingredient in nitrate fertilizer - via a pipeline to the Ukrainian port of Odesa. But the pipeline has lain idle since the start of the war and was then damaged in June.

EXCLUSIVE-Thai, Vietnamese exporters renegotiate 500,000 T of rice deals

Rice exporters in Thailand and Vietnam are re-negotiating prices on sales contracts for around half a million metric tons for August shipments, two trade sources said, as India's ban has tightened global supplies.

Exporters are rushing to cover rice supplies from farmers who have raised prices following a surge in the world market, putting millions of dollars worth of deals at risk. Rice farmers and exporters who had bought shipments in advance are set to gain from tightening world supplies, while buyers are likely to lose despite booking cargoes before India's announcement of ban as sellers renegotiate contracts to get higher prices.

Rice importers have no choice but to pay higher rates as sellers will default on contracts, given the substantial increase in prices of the staple, traders said.

India late last month banned white rice exports amid uncertainty over domestic production, heightening food supply worries among importers of the staple in Asia and Africa.

"Prices have gone up since India banned exports and it is difficult for suppliers to fulfil contracts signed at lower prices," said one Singapore-based trader, with direct knowledge of talks.

Thailand and Vietnam, the world's No. 2 and 3 exporters respectively, are estimated to ship more than one million metric tons of rice in August. India is the world's biggest rice exporter accounting for around 40% of global supplies.

Global prices of key rice varieties shipped worldwide have climbed by about \$80 per metric ton since India imposed the ban on July 20, they said.

Thailand's 5% broken rice prices climbed to \$625 per metric ton, versus \$545 around two weeks ago, while similar variety from Vietnam has risen to \$590 a metric tone as compared with \$515-\$525.

"The current prices are way higher than the contracted prices," said one trader in Ho Chi Minh City. "The export price surge has resulted in a sharp rise in domestic paddy

prices. Several traders are now rushing to speed up their purchases from farmers."

While large exporting houses are likely to fulfil contracts, smaller trading companies are expected to default on shipments, traders said.

Importers, including the Philippines, are likely to seek

direct deals with governments of exporting countries to ensure critical food supplies.

The Philippines will boost its inventory of rice, including imports, with the government encouraging private traders to ramp up their purchases, a senior agriculture official said on Tuesday.

Top News - Metals

Japan buyers agree to pay Q3 aluminium premium of \$127.5/T -sources

The premium for aluminium shipments to Japanese buyers for July to September was set at \$127.5 per metric ton, near the previous quarter's levels, as local demand remained sluggish with ample stocks, five sources directly involved in pricing talks said.

The figure is the middle of the \$125-\$130 per metric ton range in the April-June quarter but lower than the initial offers of \$165-\$180 per metric ton made by producers.

Japan is Asia's biggest importer of the light metal and the premiums for primary shipments it agrees to pay each quarter over the London Metal Exchange (LME) cash price set the benchmark for the region.

The agreement came after protracted negotiations in which producers sought to raise premiums from the previous quarter while buyers wanted to cut levels, the sources said.

One of the sources, at a Japanese aluminium rolling manufacturer, said the buyers were looking for a price of

\$100-\$110 per ton but ran out of time in negotiations.

Producers initially predicted the market would tighten because of Japan's declining imports of ingots and higher premiums overseas, but lowered their offers amid weak demand in construction and automobiles with high inventories, the sources said.

Aluminium stocks at three major Japanese ports were at 357,490 metric tons at the end of June, according to Marubeni, above the 250,000-300,000 tons that are considered appropriate.

Japan's imports of aluminium ingot in January-June fell by 32% from a year earlier, with those from Russia plunging by 59%, the trade data shows.

Many Japanese companies have reduced purchases of Russian supply after Moscow's invasion of Ukraine, which Russia calls a "special operation".

The sources declined to be identified because of the sensitivity of the discussions.

The quarterly pricing talks began in late May between Japanese buyers and global suppliers, including Rio

MARKET MONITOR as of 06:32 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	\$82.18 / bbl	1.00%	2.39%
NYMEX RBOB Gasoline	\$2.63 / gallon	0.55%	6.04%
ICE Gas Oil	\$909.00 / tonne	-0.27%	-1.30%
NYMEX Natural Gas	\$2.57 / mmBtu	0.20%	-42.68%
Spot Gold	\$1,948.89 / ounce	0.25%	6.82%
TRPC coal API 2 / Dec, 23	\$120 / tonne	1.27%	-35.05%
Carbon ECX EUA / Dec, 23	€84.27 / tonne	-0.98%	0.36%
Dutch gas day-ahead (Pre. close)	€26.15 / Mwh	-2.06%	-65.40%
CBOT Corn	\$5.22 / bushel	2.91%	-23.01%
CBOT Wheat	\$7.08 / bushel	4.39%	-15.09%
Malaysia Palm Oil (3M)	RM3,931 / tonne	1.52%	-5.82%
Index (Total Return)	Close 01 Aug	Change	YTD Change
Thomson Reuters/Jefferies CRB	313.79	-0.46%	4.14%
Rogers International	27.73	0.07%	-3.26%
U.S. Stocks - Dow	35,630.68	0.20%	7.49%
U.S. Dollar Index	102.3	0.44%	-1.18%
U.S. Bond Index (DJ)	407.53	-0.71%	4.58%

Tinto and South32.

The negotiations are supposed to end before the start of the new quarter, but they have dragged on for three consecutive rounds because of a wide gap in the two sides' market outlooks.

Mine safety law could cover non-mining businesses, split US court rules

A divided U.S. appeals court on Tuesday ruled the federal law regulating mine safety may apply to contractors such as trucking companies even when they are not working at a mine, but the court said the U.S. Department of Labor must clarify its scope.

The U.S. Court of Appeals for the D.C. Circuit in a 2-1 ruling threw out a federal review board's decision holding that the U.S. Mine Safety and Health Administration (MSHA) had no authority over a West Virginia facility where KC Transport Inc maintained trucks used to haul various loads, including coal from a mine four miles away. MSHA, a part of the Labor Department, had fined KC \$8,200 for violating a rule requiring trucks involved in mining to be "blocked against motion" while undergoing repairs.

The D.C. Circuit said federal mine safety law is ambiguous as to when it applies to equipment, such as trucks and other vehicles, that is not permanently located at a mine, and ordered the Labor Department to flesh out its views on the issue.

U.S. Circuit Judge Robert Wilkins, writing for the majority, said that because the law is unclear, the department's position should be afforded deference by the review board and courts as long as it is reasonable.

The department and lawyers for KC Transport did not immediately respond to a request for comment.

MSHA cited KC in 2019 after an inspector visited a site in Emmett, West Virginia, where the company maintained a fleet of trucks. The site was a few miles from a coal mine operated by Ramaco Resources, which contracted with KC to transport coal to a nearby processing plant. The Federal Mine Safety and Health Review Commission, an independent agency that reviews MSHA citations, ruled last year that the mine safety law only applies at extraction sites or on roads immediately connected to them.

The Labor Department appealed, claiming federal law unambiguously gave MSHA authority over facilities "used in" mining activity, such as KC's maintenance area. Tuesday's panel majority concluded that the law was not as clear as the department had claimed, requiring the agency to more thoroughly analyze where MSHA's jurisdiction ends.

"Certain equipment — like a truck — is mobile, and without a clear locational limit, it is impossible to ensure MSHA could monitor the equipment's location and complete the statutorily mandated inspection requirements," Wilkins wrote.

Wilkins, an appointee of Democratic former President Barack Obama, was joined by U.S. Circuit Judge Florence Pan, who was appointed by Democratic President Joe Biden.

Circuit Judge Justin Walker, an appointee of Republican former President Donald Trump, dissented, saying that treating any site not located at a mine or a processing plant as a "mine" would lead to absurd results never contemplated by Congress.

"If the act has no geographic limit, the agency could inspect contractors anywhere they go — including at their homes," Walker wrote.

Top News - Carbon & Power

US LNG exports rise in July as maintenance works completed

Liquefied natural gas (LNG) exports from the United States rebounded in July with a 9% jump from the previous month, as plants resumed operations after planned maintenance, preliminary data from Refinitiv Eikon showed on Tuesday.

At the end of June, Cheniere Energy's Sabine Pass facility in Louisiana returned to full production after undergoing maintenance for several weeks.

Cheniere's Corpus Christi facility in Texas had resumed full operations weeks before after scheduled maintenance, which allowed higher gas processing and exports.

In July, U.S. producers exported a total of 7.44 million tonnes (MT) of LNG, of which 43% went to Europe, 36% to Asia, 10% to Latin America and 2% to the Middle East, the Refinitiv data showed.

The United States is the world's second largest exporter of LNG, supplying the super-chilled product to global

markets.

While Europe remained the main destination for U.S. exports, shipments to the continent declined to 43% of total in July from 52% in June, while Asia received 36% last month, up from 20% the previous month, the data showed.

Asia's imports from the United States hit an 18-month high in July, with commodity analysis firm Kpler recording arrivals of 2.34 MT that month, up from 1.43 MT in June and 1.91 MT in July last year.

However, high LNG storage levels have so far been sufficient for strengthened demand, leading to some Asian importers taking a wait-and-see approach for additional spot LNG purchases, consultancy Rystad Energy said in a report last week.

U.S. LNG exports to Latin America and the Middle East fell to 10% and 2% of total in July, respectively, compared with 23% and 3% the previous month, according to the data.

U.S. liquefaction facilities are expected to run near full

utilization for the rest of the summer as the scheduled maintenance season is ending, unless unexpected issues occur, according to Rystad.

The high inventories, muted demand and weak economic growth are expected to limit LNG price recovery globally, Rystad's Senior Analyst Masanori Odaka said in the report.

"Europe is continuing to inject gas into storage, with storage levels for this time of the year well above 2021 and 2022", Odaka said.

FOCUS-For investors, green companies still hard to find with new emissions reporting rules

Is Ford doing a better job of cutting emissions than rival Toyota? Is BP greener than Shell?

For investors looking to weed out climate laggards from portfolios, these are vital questions but existing guidelines on emissions reporting and new rules due to come in for the United States and Europe are unlikely to provide hard answers.

Most major Western companies use the Greenhouse Gas Protocol Corporate Standard for reporting emissions and the guidelines will form part of the framework for compulsory EU standards set to take effect next year.

The United States is on track to announce similar rules this year and the corporate standard, first launched in 2001 and revised in 2004, is also embedded in other international emissions reporting standards.

But the guidelines, which are overseen by the World Business Council for Sustainable Development and World Resources Institute, define the three main categories of emissions companies should report broadly, leaving plenty of room for interpretation.

Half a dozen investors interviewed by Reuters said while the GHGP has been crucial in shining a light on corporate emissions, it can be hard to compare companies given the potential for differences in disclosures, and this will remain the case to some extent even with new mandatory norms.

"More companies are disclosing, but at what quality are they actually going to disclose?" said Vanessa Bingle, director at Alpha Financial Markets Consulting, which advises asset managers on sustainable investing.

LIFETIME EMISSIONS

Take the autos sector.

Although 20 of the top 30 automakers report emissions linked to their supply chains – known as Scope 3 under the protocol - analysis by research firm Signal Climate Analytics (SCA) seen by Reuters showed a range of approaches in how they disclose the data and for the assumptions underpinning their calculations.

For example, as of March 2023, only five carmakers have disclosed their assumptions for the average life of their vehicles and grams of carbon dioxide equivalent emitted per kilometre driven.

That makes comparisons problematic. An unrealistically low lifetime figure could make cars appear less polluting

than they really are, SCA Executive Chairman David Lubin said.

In its 2021 public submission to CDP – a non-profit that runs the global disclosure system on environmental impacts for investors, companies and governments - Japanese carmaker Subaru said its cars run for 130,000 km (80,000 miles) over their lifetime. In 2022, it did not disclose a figure.

A search of the British version of second-hand car site AutoTrader on July 31 showed 988 Subarus for sale, of which 263, or a quarter, had done at least 80,000 miles. Subaru told Reuters the 130,000 km figure referred to vehicles sold in Japan. For the EU, it used 162,500 km and for North America, where it books most of its sales, 228,800 km, information it has not previously made public.

A spokesperson said Subaru did not include a lifetime number in its 2022 disclosure because it wanted to avoid confusion with an incomplete description.

"We now believe it's better to disclose the lifetime distance assumptions by region in our next disclosure (2023)."

APPLES AND ORANGES

Experts said Scope 3 emissions were the hardest of the three areas to assess as companies have to rely on data from customers and suppliers for their calculations.

SCA's Lubin said Scope 3 data was quite limited in its usefulness without researching how firms come up with their numbers and how reasonable the assumptions underpinning their data are.

Nonetheless, many investors scrutinise carbon emissions data to gauge how polluting a company is, how it compares with rivals and how this might affect its bottom line and share price.

For Laura Kane, head of ESG research at Voya Investment Management, which is part of Voya Financial and oversees about \$323 billion in assets, in many cases, it's like comparing apples to oranges.

Kane said her firm buys third-party data from ratings providers, which aim to normalise and score the data, making it more comparable across sectors, yet this brings its own challenges. She declined to name the providers.

"There is quite a bit of variation among providers ... due to inconsistent reporting from companies, as well as different estimation and aggregation methodologies." Only big investors have deep enough pockets to pay for such data and employ teams to assess it, leaving smaller investors at a disadvantage, experts say.

PATCHWORK OF RULES

The EU has made carbon disclosures mandatory for about 50,000 companies operating in the bloc from next year while new U.S. rules should come this year as governments look to replace a patchwork of private sector norms with binding rules, making it easier to crack down on greenwashing or exaggerated climate-friendly claims by companies.

The International Sustainability Standards Board (ISSB), a standards-setter established by the IFRS Foundation that produces international accounting norms, has also approved rules any country can adopt. Some countries, including Britain, have said those guidelines will become mandatory.

Jimmy Jia, researcher at the Oxford Smith School of Enterprise and the Environment, said as well as differences in defining what should be counted under existing GHGP guidelines, companies may use different calculation processes or present data in different ways. "Investors need to understand if a difference is due to an operational difference, or because the entities applied different accounting methodologies," said Jia said, co-author of a study on emissions data comparability. Another area of investor concern is how companies account for their own energy use, or Scope 2 emissions. The GHGP allows companies to buy green energy to offset their emissions, using contractual instruments such as renewable energy certificates, and reflect this in their reporting.

But the protocol also allows different accounting methods - market-based or location-based - to be used when companies calculate Scope 2 numbers.

The market-based approach, however, may not accurately reflect how used energy was generated, potentially resulting in investors concluding a company is less polluting than it is, some investors said. "Market-based methods open up the door to creative accounting," British asset manager abrdn said in its response to a GHGP consultation that closed on March 14.

Of 8,400 companies to report data globally to CDP, 70% reported Scope 2 data, with 31% giving both market and location-based figures, 33% only a location-based number and 6% just market-based, CDP data shared with Reuters showed.

CONSULTATION ON CHANGES

European and U.S. regulators and officials at the ISSB interviewed by Reuters acknowledge the criticisms of GHGP but argue that the new EU, U.S. and global standards are just the start of a journey to more accurate reporting.

Best-practice, pressure from markets, and peers, along with bespoke sector disclosures, will emerge over the next five years or so to improve accuracy, as will countries requiring disclosures to be independently audited, as they do for financial reports, regulators say. A spokesperson for the U.S. Securities and Exchange Commission declined to comment.

Pedro Faria, environmental leader at EFRAG, the EU body that drafted the bloc's disclosure standards, said the priority was to make disclosures mandatory before improving the quality, and that they are just one piece of the puzzle.

"Ultimately, the thing that you need from (companies) is the big chunk of emissions and yes, there are methodological issues there, but also their investments, their transition plans, changes in strategy, and some of those aspects are even more important than precise carbon numbers," Faria said.

The GHGP's consultation on possible changes to its framework drew over 230 proposals, of which 150 were made public while the others requested privacy. Any changes would likely take effect from 2025, at the earliest, according to GHGP.

"All feedback shared during that process will be reviewed by GHG Protocol including its Technical Working Groups and will inform the scope and potential approaches to make updates to existing standards or development of additional guidance," said Pankaj Bhatia, director of GHG Protocol.

Top News - Dry Freight

Russia hits port, grain storage in Ukraine's Odesa region -official

Russian drones attacked port and grain storage facilities in the south of Ukraine's coastal Odesa region in the early hours of Wednesday, setting some of them on fire, regional governor Oleh Kiper wrote on the Telegram messaging app.

There have been no reports of casualties, he said. Russia has stepped up attacks on Ukrainian agricultural and port infrastructure after refusing to extend the Black Sea grain deal that had allowed for exports of Ukrainian grain.

Ukrainian media reported the drones arrived from the Black Sea and then moved west along the Danube river towards Izmail, a key port from which Ukrainian grain is taken by barge to the Romanian Black Sea port of Constanta for shipment onwards.

Also, for the first time since the expiration of the grain

deal, several foreign cargo ships arrived in the Izmail port via the Black Sea on Sunday, Ukrainian media reported.

Another Russian attack in late July targeted the Izmail port terminal on the Danube delta, destroying a grain warehouses.

Canada dock workers to vote on latest offer on Thursday, Friday

Dock workers on Canada's West Coast will vote on Thursday and Friday to ratify the latest offer from employers, the workers' union said in a statement on Tuesday.

The union provisionally agreed to a new labor contract late on Sunday, averting an immediate strike, but the agreement needs to be approved by workers, who rejected a previous deal.

Disagreements in contract negotiations have disrupted

billions of dollars in trade, raised concerns about fueling inflation, and forced the federal government to intervene in an effort to keep two of Canada's three busiest ports, the ports of Vancouver and Prince Rupert, open.

The International Longshore and Warehouse Canada Union (ILWU), which represents about 7,500 dock workers, said in a statement that it will convene a special meeting with members on Wednesday to recommend they accept the latest offer from employers, the British Columbia Maritime Employers Association (BCMEA). 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 Canada Industrial Relations Board met with the two parties on Sunday and helped them reach an agreement. That was two days after workers voted to reject an earlier tentative deal, leading Labor Minister Seamus O'Regan to direct the CIRB to resolve the dispute. While the terms of Sunday's agreement are not expected to 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.

Picture of the Day



A general view of houses submerged in floodwaters due to monsoon rains enhanced by a recent typhoon in Calumpit, Bulacan Province, Philippines, August 1, 2023. REUTERS/Adrian Portugal

(Inside Commodities is compiled by Dhanya Hegade in Bengaluru)

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

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