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Top News - Oil

Russia's fuel supplies to Asia around Africa hit record high in July, LSEG data shows

Russia's seaborne exports of oil products to Asia via the Cape of Good Hope almost doubled month-on-month in July to a record high of 1.1 million metric tons, as more vessels take the route around Africa to avoid the Suez Canal shortcut, LSEG shipping data showed.

The bulk of the exports were naphtha, at 0.83 million tons, according to market sources and shipping data.

Also taking the route were fuel oil cargoes loaded at the Russian Baltic ports of Ust-Luga and Vysotsk and low-sulphur diesel from Primorsk port. The oil products exports were destined for Singapore, Taiwan, India and China, LSEG data shows. Traders have been diverting Russian oil products cargoes around Africa since December to avoid the Red Sea due to a heightened risk of attacks by Yemen's Iran-aligned Houthi group.

In 2024, at least three vessels with Russian oil products were hit by Yemen's Houthis, including Panamanian-flagged M/T Wind in May and Liberia-flagged Chios Lion loaded in July at the Russian Black Sea port of Tuapse with about 90,000 tons of fuel oil. The Chios Lion is still drifting in Suez Canal, shipping data showed.

Asia is the main market for Russian fuel oil and naphtha exports since the European Union embargo on import oil products from Russia went into effect in February, 2023.

Meanwhile, most vessels with Russian oil products still choose the shorter and faster route to Asia via the Suez Canal.

In March, Yemen's Houthis have provided assurances to both China and Russia that their vessels will pass safely through the Red Sea. Some ships signal "Russian crew onboard" or "Russian origin cargo onboard".

Total oil products loadings from Russian western and southern ports totalled around 9 million tons in July, according to the LSEG and market sources data.

North Dakota oil production falls for second straight month in June

North Dakota's oil production fell by 22,500 barrels per day (bpd) in June to an estimated 1.176 million bpd, the state's Pipeline Authority said on Thursday, marking a second straight monthly decline.

Production in the third top oil-producing U.S. state has slipped since climbing to 1.29 million bpd last September, according to figures from its Pipeline Authority. September's level was the highest since March 2020, according to Energy Information Administration data.

The state would likely have a difficult time hitting 1.3 million bpd of production by the end of the year, regulators said on Thursday, but added they anticipated well completions to increase from June levels.

Separately, Marathon Petroleum's 71,000-bpd Mandan refinery in North Dakota came out of a turnaround in late July, the pipeline regulator said in a presentation.

The state experienced some natural gas plant outages during the summer, regulators also said.

Top News - Agriculture

IGC cuts global wheat crop outlook on poor French harvest

The International Grains Council (IGC) has trimmed its forecast for 2024/25 global wheat production driven largely by a downward revision for France which has just endured one of the worst wheat harvests in decades.

The inter-governmental body, in its monthly update on Thursday, forecast global wheat output at 799 million metric tons, down from a previous projection of 801 million although still above the prior season's 794 million.

France's wheat crop was put at 27.5 million tons, down from 31.0 million seen previously and sharply below the prior season's 36.3 million.

The impact was partially offset by an upward revision for Ukraine's wheat crop to 25.4 million tons from 23.4 million although it remains down on the prior season's 28.4 million.

The IGC also marginally increased its 2024/25 world corn crop outlook by 1 million tons to 1.226 billion tons.

The United States, the world's top producer, was seen harvesting 384.7 million tons, up from 379.2 million previously projected, although smaller crops were expected in Romania (8.5 million versus a prior forecast of 10.9 million) and Russia (13.7 million versus 15.0 million).

Global soybean production raised to 419 million tons, up from a previous forecast of 415 million and sharply above the prior season's 392 million.

"A record global (soybean) outturn is expected in 2024/25, with sizeable crops likely in all leading producers," the IGC said in a report.

Dry weather to hamper Argentina wheat crop in coming days

Dry weather will continue to weigh on Argentina's wheat crop over the next few days, the Buenos Aires grains exchange said on Thursday, warning the crop in the country's western farm regions had already been bit by recent cold, dry weather.

Argentina is a major world exporter of wheat, with the exchange estimating some 6.3 million hectares (15.6 million acres) planted for the 2024/25 season. Planting of the crop has been completed.

While the eastern farming areas have received sufficient rain, farmers in the west are waiting for rains to come. It will likely not come in the next week, the exchange said.

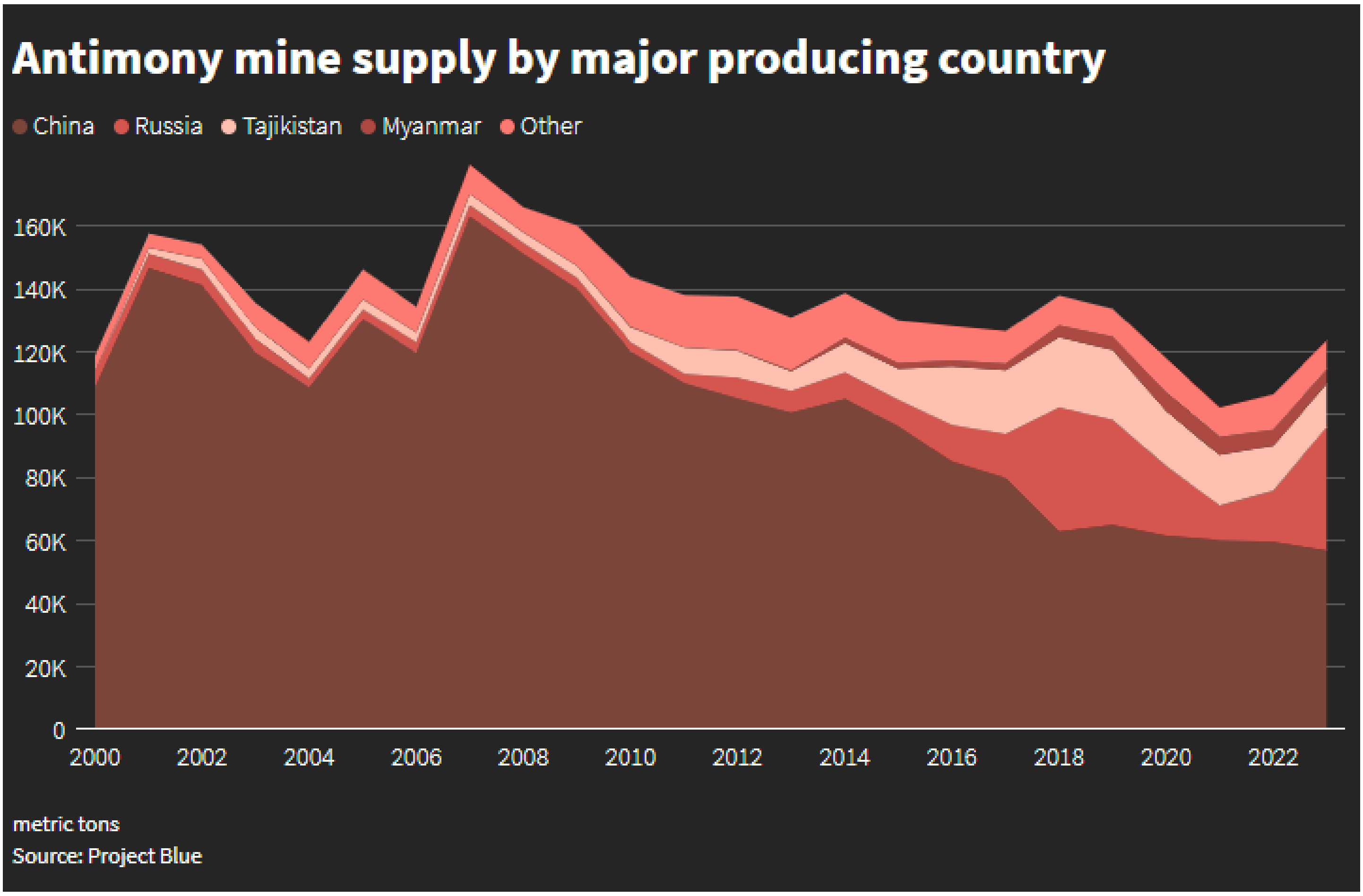
"Most of the Argentine agricultural area... will see little to no rainfall, with pockets of moderate (amounts)," the exchange said in its weekly weather report.

In a separate report on Thursday, the exchange said that the lack of water supply was causing stress on the more-advanced wheat crop.

On a national level, just over half of the crop is in "normal" condition, while another third is in "good-to-excellent" condition and the rest in "regular-to-poor" condition, the exchange said.

Rains are also needed to boost 2024/25 corn planting, which is set to start in September. On Wednesday, the exchange forecast the corn crop at 49 million tons, steady from the previous harvest.

Chart of the Day



Top News - Metals

Antimony prices gear up for new records on China export curbs

China's decision to restrict exports of antimony from Sept. 15 is likely to drive prices of the metal used in ammunition and batteries to new records, as buyers seek more material to stockpile, analysts and traders said on Thursday.

Prices of the minor metal, also used in fire-retardants, photovoltaic solar cells and military equipment, are already trading at all-time highs above $22,000 a metric ton, having roughly doubled since the start of the year due to a global deficit of the metal.

"Given we are still at record prices, it's likely that prices will go even higher with this announcement," said Chetan Soni at consultancy CRU, adding that prices could reach $30,000 as buyers would be looking to secure material for future production or stockpiling.

China is the world's largest antimony producer, accounting for 48% of global supplies at 83,000 tons last year, according to the U.S. Geological Survey (USGS).

It will impose export limits on antimony and related elements in the name of national security, China's commerce ministry said, its latest move to restrict shipments of critical minerals where it is the dominant supplier.

This could widen the deficit in the antimony market, which consultancy Project Blue estimated at 10,000 tons in May.

"China has already been cutting down on metal exports as they are consuming it all domestically," said Jack Bedder, co-founder of Project Blue.

European refineries of antimony trioxide have increased supply from Tajikistan, Vietnam and Myanmar to diversify from the Chinese feed, while India increased antimony ingot supplies to the United States, he said.

Another upsurge in antimony prices will reinforce the western world's reliance on China for critical minerals, which also include rare earths, gallium and germanium, exports of which are also restricted since last year.

In those cases, exports quickly flatlined after export licence requirements were introduced, before rising again, a trend which could be seen with antimony exporters now needing to apply for a licence, CRU's Soni said.

Other major producers of antimony include Myanmar, which accounted for 4,600 tons last year, Turkey for 6,000 tons and Tajikstan for 21,000 tons, according to USGS.

"The prospects of a small but antimony-rich country, Tajikistan, look good now," said Alexey Kabanov, CEO at Swiss-based trading firm Voyager Group.

The tight market conditions are partly because of disruptions in supply from Russia due to sanctions imposed after Moscow invaded Ukraine in February 2022 and Russia's lower domestic production.

Russia produced 4,300 tons in 2023, data from USGS showed.

"There is no pipeline of supply to turn on," said Christopher Ecclestone, a principal and mining strategist at Hallgarten & Company in London, adding that prices could easily climb above $30,000 this year.

Proposal to ban open-pit mining advances in Mexican Congress

A committee in Mexico's lower house of Congress approved two constitutional reforms that would prohibit open-pit mining and fracking, as well as restrict the use of genetically modified corn.

The proposals, passed on Wednesday, will be taken up for discussion by the full lower house after lawmakers return to session in September.

The changes would also prevent the exploitation of water in areas with water scarcity, with the exception of extraction in populated areas for domestic use, according to a statement released Wednesday night.

The changes are part of a package of constitutional reforms presented in February by President Andres Manuel Lopez Obrador, which contains other proposals, including one to restructure the judiciary.

In Mexico, constitutional changes must be approved by a two-thirds vote in the plenary session of the both the lower house and the Senate, and by the majority of local congresses.

In the June elections, Lopez Obrador's ruling Morena party and its allies achieved a qualified majority in the lower house and were just two seats short in the Senate.

Lopez Obrador has criticized the mining contracts with private companies signed by his predecessors and says that his administration has not granted any new private concessions in the sector.

The Mexican Mining Chamber (Camimex) opposes the ban on open-pit mining, saying such a prohibition would cause a 1% contraction in the country's GDP and threaten some 200,000 jobs.

Regarding the genetically modified corn, the proposal comes as Mexico and the United States have an ongoing dispute at a panel of the U.S.-Mexico-Canada Agreement. The lower house committee's reform would allow for the entry of genetically modified corn into Mexico only for non-human consumption and only if the grain dos not have the capacity to germinate.

Top News - Carbon & Power

US solar group seeks retroactive duties on surge of panel imports from Vietnam, Thailand

A group of U.S. solar panel makers asked the Commerce Department on Thursday to consider imposing duties retroactively on Vietnam and Thailand due to a surge in imports, as those countries face probes for alleged unfair practices in the multi-billion-dollar trade.

In May, the Commerce Department started investigations over silicon solar cells and panels made in Vietnam, Thailand, Malaysia and Cambodia. A group of domestic manufacturers alleges the products were sold in the U.S. at excessively low prices and benefited from subsidies from China, home to many manufacturers with factories in the region.

The four Southeast Asian countries accounted for nearly 80% of U.S. imports last year in dollar terms, according to U.S. trade data reviewed by Reuters.

U.S. President Joe Biden has pledged to revitalize American manufacturing by providing incentives for domestic production of goods to help fight climate change, including solar panels and electric-vehicle batteries that are mainly made in China. Some in the small U.S. solar-manufacturing sector say the industry is struggling to compete with low-priced imports.

As speculation about the trade probes began circulating this year, exports from Vietnam and Thailand surged, the American Alliance for Solar Manufacturing Trade Committee said in a complaint filed with Commerce, which followed its earlier petition in April to start the trade investigations. The group represents domestic producers including Hanwha Qcells and First Solar.

That investigation could lead to high tariffs from as early as July, if U.S. federal officials confirm unfair trading practices in preliminary determinations scheduled in early October, and uphold retroactive duties applicable 90 days before their decisions.

The trade ministries of Vietnam and Thailand did not reply to requests for comment.

MARKET MONITOR as of 06:42 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$77.78 / bbl	-0.49%	8.56%
NYMEX RBOB Gasoline	$2.18 / gallon	-0.28%	3.49%
ICE Gas Oil	$729.50 / tonne	-1.05%	-2.83%
NYMEX Natural Gas	$2.21 / mmBtu	0.36%	-12.29%
Spot Gold	$2,455.90 / ounce	-0.01%	19.07%
TRPC coal API 2 / Dec, 24	$130.13 / tonne	0.49%	34.15%
Carbon ECX EUA	€72.47 / tonne	0.50%	-9.83%
Dutch gas day-ahead (Pre. close)	€38.80 / Mwh	1.44%	21.82%
CBOT Corn	$3.95 / bushel	-0.50%	-18.39%
CBOT Wheat	$5.47 / bushel	-0.64%	-14.50%
Malaysia Palm Oil (3M)	RM3,711 / tonne	-1.15%	-0.27%
Index	**Close 15 Aug**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	327.68	0.69%	8.72%
Rogers International	27.03	1.08%	2.68%
U.S. Stocks - Dow	40,563.06	1.39%	7.62%
U.S. Dollar Index	102.89	-0.09%	1.53%
U.S. Bond Index (DJ)	443.71	-0.21%	3.02%

LSEG DATA & ANALYTICS

The new tariffs could be particularly harmful to Vietnam, which risks the highest duties as it is deemed by the United States a non-market economy.

That status usually leads to harsher sanctions because domestic pricing is not considered reliable, according to trade experts.

Vietnam's estimated gap between domestic and export prices, known as dumping margins, were estimated by the U.S. at over 270% using Indonesia as benchmark, more than three times higher than Thailand's.

Larger margins are likely to result in higher tariffs, if approved, experts said.

In their latest complaint, the U.S. manufacturers said the volume of solar imports from Vietnam and Thailand rose 39% and 17% respectively in the second quarter compared with the first quarter, as the two countries allegedly increased shipments to the United States ahead of potential duties.

Such moves could be considered "critical circumstances," U.S. producers said. Both the Commerce Department and the International Trade Commission must find that critical circumstances exist for duties to be imposed retroactively. In dollar terms, sales from Vietnam to the U.S. surged in recent months.

U.S. trade data shows that in April, imports rose to a record high of more than $680 million - over half the total for that month - and remained far above monthly averages in May and June.

At the same time, exports in dollar terms from Thailand, Malaysia and Cambodia have slowed, the data showed.

In the first six months of the year, Vietnam supplied the U.S. with solar panels and modules worth $3.3 billion, equal to 45% of all U.S. imports, up from less than 30% last year when full-year Vietnamese exports to the U.S. amounted to $4 billion.

COLUMN-Europe's savvy new clean energy champion: Maguire

Utilities in Portugal have cut the proportion of electricity production from fossil fuels to just 10% so far in 2024, leap-frogging neighbour Spain to emerge as western Europe's second-cleanest large power sector behind France. Total clean electricity generation through the first seven months of 2024 jumped 32% from the same months in 2023 to a record 21.76 terawatt hours (TWh), data from energy think tank Ember shows.

Record output from solar and wind farms plus the highest hydro generation total since 2016 have been the main drivers of the clean power surge, which allowed generators to slash natural gas-fired output by 60% from the January to July period in 2023.

Portugal's power firms have also lifted total electricity generation by 7% to the highest since 2021, demonstrating that a multi-pronged approach to boosting clean generation can trigger rapid progress against energy transition targets.

TURNAROUND

The deployment of some of Europe's largest new hydro dams and solar parks this year has been instrumental in accelerating the cuts to fossil fuel use in Portugal's generation mix.

Both the 1,158 megawatt (MW) capacity Tamega dam and the 202 MW capacity Cerca solar farm commenced operations this year, which allowed power firms to cut total fossil fuel-generated electricity to just 2.53 TWh so far this year through July.

That fossil-fired total is down 59% from the same period in 2023, and is the lowest on record.

Total power sector emissions have dropped sharply as a result, to 2.12 million metric tons of carbon dioxide for the first seven months, which is 45% less than the same months in 2023 and a new record.

HYDRO HELP

Both the new Tamega facility plus higher precipitation levels have helped steer Portugal's hydro generation higher this year.

Through the first seven months of 2024, pumped storage output was up 67% to 172,758 megawatt hours (MWh), while run-of-river generation was 70% higher at 259,415 MWh, according to LSEG. Reservoir-based hydro generation was 76% up at 117,024 MWh.

All told, the cumulative gains in Portugal's hydro generation allowed hydropower's share of the electricity generation mix to average 35.3% so far this year, compared to 20.7% during the same period in 2023, Ember's data shows. Solar and wind assets have also seen their shares of the utility generation mix climb.

Solar power generated an average share of 13.3% of Portugal's electricity so far this year, up from 10.6% in 2023, while wind farms accounted for an average share of 33.1%, up from 32.6% in January-July 2023.

And clean power's share of the generation mix looks set to keep growing, following new proposals by Portugal's government to increase the weight of renewables in power production.

As part of goals to become carbon neutral by 2045, renewables will generate 51% of the country's final energy needs by 2030, the government said last month.

Innovative deployments of renewable assets on existing energy projects look set to help achieve those goals.

The award-winning Alqueva floating solar park integrates hydro power, floating solar and battery storage that can generate 7.5 gigawatt hours (GWh) of clean energy annually.

And a planned 274 MW capacity wind farm incorporated into the Tamega dam project will generate enough clean power to meet the annual energy needs of 128,000 homes, according to developer Iberdrola.

Further expansions in Portugal's solar capacity is also expected following a planned project with The Nature Conservancy to identify optimal solar farm sites, and the country is also exploring offshore wind site suitability alongside upgrades at existing onshore farms.

In combination, this mix of current momentum and planned growth looks set to push Portugal even higher up the list of Europe's clean power champions, and help the country establish itself as a global energy transition leader.

Top News - Dry Freight

Canada rejects CN Rail's request for binding arbitration in labor dispute

Canadian Labour Minister Steven MacKinnon has rejected a request by Canadian National Railway to initiate binding arbitration in a labor dispute with the Teamsters union, a spokesman for the minister said on Thursday.

In a letter to CN Rail's lawyers, MacKinnon said it was the shared responsibility of the company and the union to negotiate in good faith. The letter, sent on Wednesday, was released by the Teamsters.

Talks between CN Railway and Canadian Pacific Kansas City - the country's two largest rail companies - and the Teamsters are deadlocked, with each side blaming the other.

CN Rail said it was disappointed by MacKinnon's decision, saying he would have to reconsider if the union did not "get serious and engage meaningfully at the negotiating table".

The companies say they will start locking out workers on Aug. 22 if they cannot reach a labor deal, while the union says it is ready to call a strike for that date.

A simultaneous stoppage at both companies could inflict billions of dollars' worth of economic damage.

Algeria buys about 500,000 T durum wheat in tender, traders say

Algeria’s state grains agency OAIC is believed to have purchased about 500,000 metric tons of durum wheat in an international tender that closed on Wednesday, European traders said on Thursday.

The volume bought was initially unclear but afternoon trader estimates were generally about 500,000 tons.

This included up to 275,000 tons from Canada and 225,000 tons from other origins believed to include Turkey, they said.

The tender had sought a nominal 50,000 tons for shipment in four periods: Oct. 1-15, Oct. 16-31, Nov. 1-15 and Nov. 16-30. Algeria frequently buys more than the nominal volume sought in its tenders.

Initial price estimates were around $328 and $332 per ton cost and freight (c&f) included for larger Panamax shipments and around $340 a ton c&f for smaller Handymax shipments.

Algeria does not disclose the results of its tenders and results reported are based on trader assessments.

More detailed estimates of prices and volume are possible later.

Picture of the Day

A drone view shows workers on strike from BHP's Escondida copper mine, camping close to 'Coloso' port owned by the copper company, in Antofagasta, Chile, August 15. REUTERS/Cristian Rudolffi

(Inside Commodities is compiled by Haritha K P in Bengaluru)

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