

[Oil](#) | [Agriculture](#) | [Metals](#) | [Carbon & Power](#) | [Dry Freight](#)*Click on headers to go to that section***Top News - Oil****Libya's eastern government says all oilfields to close**

Oilfields in eastern Libya that account for almost all the country's production will be closed and production and exports halted, the eastern-based administration said on Monday, after a flare-up in tension over the leadership of the central bank.

There was no confirmation from the country's internationally recognised government in Tripoli or from the National Oil Corp (NOC), which controls the country's oil resources.

NOC subsidiary Waha Oil Company, however, said it planned to gradually reduce output and warned of a complete halt to Libya's production, citing unspecified "protests and pressures".

Another subsidiary Sirte Oil Company also said it would cut output, calling on authorities to "intervene to maintain production levels".

Nearly all of Libya's oilfields are in the east, which is under the control of Khalifa Haftar who leads the Libyan National Army (LNA).

If eastern production is halted, El Feel in southwestern Libya would be the only functioning oilfield, with a capacity of 130,000 bpd.

Overall oil production was about 1.18 million barrels per day in July, according to the Organization of the Petroleum Exporting Countries, citing secondary sources. The Benghazi government did not specify for how long the oilfields could be closed.

While the Tripoli-based Government of National Unity provided no confirmation, its head Prime Minister Abdulhamid al-Dbeibah said in a statement oilfields should not be allowed to be shut down "under flimsy pretexts".

Two engineers at Messla and Abu Attifel told Reuters on Monday on condition of anonymity that production continued and there had been no orders to halt output.

POWER STRUGGLE

Libya's oil revenues have stoked tension for years in a country that has had little stability since a 2011 NATO-backed uprising. It split in 2014 with eastern and western factions that eventually drew in Russian and Turkish backing.

Tensions have escalated this month after efforts by political factions to oust the Central Bank of Libya (CBL) head Sadiq al-Kabir, with rival armed factions mobilising on each side.

The Tripoli-based CBL said on Monday that it had suspended its services at home and abroad "due to exceptional disturbance".

The central bank is the only internationally recognised depository for Libyan oil revenue, which provides vital economic income for the country.

"The Central Bank of Libya hopes that its ongoing efforts

in cooperation with all relevant authorities will allow it to resume its normal activity without further delay," it said in a statement.

It temporarily shut down all operations last week after a senior bank official was kidnapped but resumed operations the next day after the official was released. Protests have previously disrupted oil output.

The NOC declared force majeure earlier this month at one of the country's largest oilfields, Sharara, located in Libya's southwest with a capacity of 300,000 bpd, due to protests. The force majeure is still in force.

Waha, which operates a joint venture with TotalEnergies and ConocoPhillips, has production capacity of about 300,000 barrels per day (bpd) which is exported through the eastern port of Es Sider.

It operates five main fields in the southeast including Waha which produces more than 100,000 bpd as well as Gallo, Al-Fargh, Al-Samah and Al-Dhahra.

TotalEnergies and ConocoPhillips did not immediately respond to a request for comment.

Woodside profit and dividend beat estimates, flags much interest for Driftwood stake sale

Australia's Woodside Energy reported a 14% decline in half-year profit on Tuesday on lower oil prices but the result and its dividend came in better than market expectations, sending its shares 4% higher.

Chief Executive Meg O'Neill said there had been a flood of interest in the proposed sale of equity in Driftwood, a U.S. liquefied natural gas export project Woodside is set to own when it purchases U.S. LNG developer Tellurian for \$1.2 billion including debt.

"We're looking at companies who can support with upstream gas supply, we're looking at companies that have an interest in offtake and we're looking at companies who might be interested in just the infrastructure elements of the plant," said.

Woodside aims to have firm commitments on equity sales, if not signed deals, before it makes a final investment decision in the first quarter of 2025, she added. It posted underlying net profit after tax of \$1.63 billion for the six-month period ended June 30, handily beating a Visible Alpha consensus estimate of \$1.38 billion. Shares in company surged and were 4.1% higher in afternoon trade.

The profit slump was mainly due to lower oil prices and Woodside's average realized price fell to \$63 per barrel of oil equivalent from \$74 in the same period last year. Woodside also declared an interim dividend of 69 U.S. cents per share, down from 80 U.S. cents a year earlier, representing 80% of underlying net profit after tax. The company had flagged a payout range of 50-80% and the market had expected a payout of 55 cents.



Top News - Agriculture

COLUMN-Biggest takeaways on US corn, soy crops after annual crop tour -Braun

Record yields are already predicted for U.S. corn and soybean crops, but some of the estimates, particularly for soybeans, are becoming rather lofty.

Last week's Pro Farmer Crop Tour confirmed massive pod populations in the soybean fields, though overall corn yields were not the best ever measured.

The annual tour sampled more than 1,600 corn and 1,600 soybean fields this year across seven major U.S. producing states, accounting for 70% of corn production and 63% of soybeans.

Scouts count the number of soybean pods in a three-by-three-foot plot and estimate a rough corn yield in each field.

Interestingly, the tour's overall average corn yield was not better than in 2021 when all samples are weighted and combined, and this holds true whether weighting by harvested area, average production levels or number of tour samples.

But average soybean pod counts were up between 4% and 11% over the last four tours after applying weightings.

The 2024 tour corn yield falling short of 2021 may not rule out a record result. August 2021 featured the hottest average Midwestern temperatures for the month since 2010, though this August could be the coolest in several

years. Lower August temperatures can help corn kernels grow fatter, increasing yields.

Each year post-tour, Pro Farmer issues production forecasts which incorporate tour data and other factors such as weather.

Pro Farmer on Friday placed U.S. corn yield at 181.1 bushels per acre, below the U.S. Department of Agriculture's 183.1 bpa and last year's record 177.3.

The advisory firm pegged soybean yield at 54.9 bpa, above USDA's 53.2, last year's 50.6, and 2016's record of 51.9 bpa.

The tour results would appear to validate Pro Farmer's giant soy yield, but the forecast may not. Last week was dry across the Corn Belt and that trend may continue another week or two, potentially limiting seed size.

KEY OBSERVATIONS

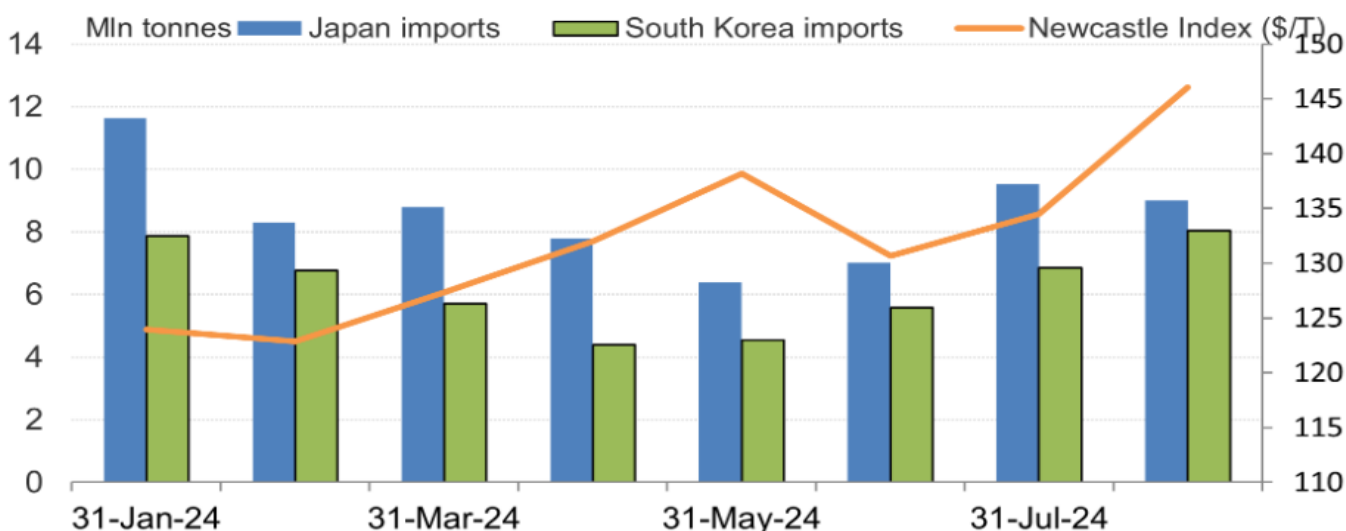
Tour findings supported the huge crop narrative in the I-states, where USDA projects record corn yields and record soy yields for Illinois and Indiana, but not Iowa. The biggest discrepancies were in Minnesota and Ohio. Minnesota corn yields were the tour's worst since 2012, down 9% from last year, though USDA sees yield unchanged on the year. Almost every single corn field in southwestern and south-central Minnesota showed visible wounds from excessive June moisture.

Tour results also clashed with USDA in Ohio, where

Chart of the Day

JAPAN, S.KOREA UP COAL IMPORTS

Seaborne thermal coal imports by Japan and South Korea, vs Newcastle Index price



Note: August 2024 imports are an estimate as of Aug. 27, price is as of Aug. 23.

Source: Kpler, LSEG Reuters graphic/Clyde Russell 27/08/24



average corn yield samples were slightly off from last year's tour despite USDA pegging yield down 5%. The tour samples the highest-producing portions of each state but not the whole state, and the non-tour portion of Ohio is struggling. Some 12.5% of the state is in extreme D3 drought per the U.S. Drought Monitor, a weekly record in data back to 2000.

In Minnesota, the tour results suggest the upper two-thirds of the state, where yields are generally lower, must have earth-shattering results to achieve a state corn yield anywhere close to last year.

The tour soybean results were less controversial versus USDA, though pod counts in Ohio were down 2% on the year while USDA sees the state's soy yield rising 2% to a new high. Pod counts were up just 1% on the year in Nebraska, though USDA has yield rebounding 15%. Scouts found soil moisture in the western states at the best levels in a few years, which could help the soybeans better cling to yield potential amid the dry summer finish.

PRO FARMER VERSUS USDA

Pro Farmer estimating a lower U.S. corn yield than USDA is hardly a surprise as the advisory firm has done so in all but four of the last 20 Augusts (not 2007, 2009, 2014, 2021).

That is statistically the safer bet since final U.S. corn yield has been lower than USDA's August forecast in 12 of the last 19 years, though record yielding years are often the ones to buck this trend.

Soybeans offer a very interesting scenario. The last five times Pro Farmer's August soy yield was equal to or

above USDA's (2021, 2018, 2016, 2014, 2011), final yield ended at or above whatever USDA had said in August. Additionally, USDA's September yields came in higher versus August in each of those five years. The government still has a slight edge on Pro Farmer. USDA's August corn and soybean yields were closer than Pro Farmer to the finals in six of the last 10 years, but not necessarily the same years for each crop.

Argentina rains still not enough to boost wheat crop

Recent rains in Argentina's agricultural heartland were not enough to lift the wheat crop, which has withered on lack of precipitation, the Rosario Grains Exchange said on Monday.

Argentina is a major wheat exporter worldwide, with an estimated 6.3 million hectares planted for the 2024/25 season. However, winter frosts and a lack of rain in the center and western agricultural areas has hit the crop. "The weekend (...) brought some drizzles to the core agricultural region but it was minimal and not enough" to lift the crop as less than 6 millimeters of rain were recorded, the exchange said in a report.

This coming weekend, storms could quench the crop, though there is some uncertainty about how intense they could be, the exchange said.

"The situation is still delicate, and a little bit more water by the end of August could be crucial," it said.

The wheat crop is currently in key development stages, with harvesting set to kick off in November and last through January.

Top News - Metals

Goldman, BASF, others in \$20 million platinum, palladium price-fixing settlement

Goldman Sachs, German industrial company BASF and two other banks agreed to pay \$20 million to settle a nearly decade-old antitrust lawsuit accusing them of conspiring to suppress platinum and palladium prices. A preliminary settlement of the proposed class action was filed on Friday night and approved by U.S. District Judge Gregory Woods in Manhattan, court records on Monday show.

The defendants also include HSBC and London-based ICBC Standard Bank. All four defendants denied wrongdoing in agreeing to settle.

Platinum and palladium are used in catalytic converters to curb vehicle emissions, and also in dentistry and jewelry. Purchasers of platinum, palladium and futures contracts for the metals accused the defendants of conspiring from Jan. 1, 2008 to Nov. 30, 2014 to rig the twice-daily platinum and palladium "fixings" by sharing customer data, front-running expected price moves, and placing bogus "spoof" orders.

The purchasers said lower metals prices reduced the cost that banks and their clients paid for platinum and palladium, and enabled banks to avoid losses on "short" positions they maintained in futures markets.

Lawyers for the purchasers called the settlement an

"excellent" result that was fair, reasonable and adequate. They plan to seek up to one-third of the settlement, or \$6.67 million, in legal fees, plus up to \$600,000 for expenses.

Final settlement approval is possible in January. The lawsuit is one of several in the Manhattan court accusing big banks of colluding in various markets including interest rate benchmarks, U.S. Treasuries, currencies and commodities.

The case is In re: Platinum and Palladium Antitrust Litigation, U.S. District Court, Southern District of New York, No. 14-09391.

China's gold demand expected to rebound as economic jitters spur buying

Gold demand in China is expected to improve in coming months as consumers adjust to higher prices, industry officials said, with economic uncertainty and concerns about currency weakness driving investment flows.

A revival of demand in the world's top consumer of the precious metal could further support the rally in global gold prices, which hit a record high last week.

"Chinese buyers are adjusting to the higher prices," said a Singapore based dealer with a leading bullion supplying bank.

"In July, they stayed on the sidelines, but recently,

investment demand has picked up again. Discounts are narrowing as demand improves," he said on the sidelines of the India Gold Conference.

Gold has surged 22% so far this year, hitting a peak of \$2,531.60 per ounce and marking its best year since 2020.

The rise has been fuelled by a number of factors, including the prospect of interest rate cuts in the United States, global geopolitical tension and increased buying by investors.

"We will have to see how the prices behave, how quickly consumers and investors can adjust to those prices, and how the economy in China performs as well," said Philip Newman, managing director of Metals Focus.

"But overall, we are fairly positive about the second half of the year."

The People's Bank of China (PBOC) paused gold

purchases in May, with July marking the third consecutive month it held off buying for its reserves.

However, new quotas issued to several Chinese banks in August are intended to help regulate the flow of bullion into the country.

Seasonal demand is expected to pick up later in the year in China, with strong investment interest in gold persisting due to economic uncertainty, concerns about currency weakness and its appeal as an alternative asset given the protracted downturn in the country's property sector, according to UBS strategist Joni Teves.

"If prices continue to make new highs, you will get a bit of headwind on the jewellery side, but this will be offset by investment interest."

The PBOC was the world's largest single buyer of gold in 2023, with net purchases of 7.23 million ounces according to the World Gold Council (WGC).

Top News - Carbon & Power

Chevron-led group to update offshore gas plan as Cyprus sets deadline

A Chevron-led consortium that holds licensing rights over a gas field off Cyprus will present an updated development plan within days, one of the partners said on Monday, after Cyprus gave them a three-month deadline to comply.

There have been protracted talks on the future development of the Aphrodite field south-east of Cyprus since Chevron attempted to introduce changes to a 2019 field development plan. That plan had been agreed between Cyprus and licence-holder Noble, an independent energy operator Chevron acquired in 2020.

MARKET MONITOR as of 06:45 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	\$77.34 / bbl	-0.10%	7.94%
NYMEX RBOB Gasoline	\$2.14 / gallon	0.46%	1.82%
ICE Gas Oil	\$726.75 / tonne	0.07%	-3.20%
NYMEX Natural Gas	\$1.94 / mmBtu	-0.72%	-22.75%
Spot Gold	\$2,513.59 / ounce	-0.13%	21.87%
TRPC coal API 2 / Dec, 24	\$127.5 / tonne	2.82%	31.44%
Carbon ECX EUA	€70.38 / tonne	-0.16%	-12.43%
Dutch gas day-ahead (Pre. close)	€36.55 / Mwh	1.53%	14.76%
CBOT Corn	\$3.88 / bushel	0.26%	-19.94%
CBOT Wheat	\$5.25 / bushel	-0.05%	-17.94%
Malaysia Palm Oil (3M)	RM3,970 / tonne	1.17%	6.69%
Index	Close 26 Aug	Change	YTD
Thomson Reuters/Jefferies CRB	333.67	1.21%	10.70%
Rogers International	26.71	0.87%	1.46%
U.S. Stocks - Dow	41,240.52	0.16%	9.42%
U.S. Dollar Index	100.84	-0.01%	-0.49%
U.S. Bond Index (DJ)	447.33	-0.05%	3.86%

In a stock filing to the Tel Aviv bourse on Monday, NewMed Energy, a partner in the consortium, said the partners planned to submit an updated plan for the development of Aphrodite in the coming days. It said Cyprus's Minister of Energy sent a "notice of breach" on Aug. 25, giving the partners three months to begin the Front-End Engineering Design (FEED) process, a step that allows the costs and engineering detail of a project to be assessed.

Failing that, the Cypriot government would be entitled to give notice to terminate the contract, NewMed said in its filing.

Aphrodite was discovered in 2011 and is Cyprus's first offshore discovery, holding an estimated 3.5 trillion cubic feet (tcf) of gas. Cyprus has since discovered gas deposits in another four areas, all untapped to date. Chevron is a partner in the field with Israel's NewMed and BG Cyprus Ltd., part of Shell.

A spokesperson at Cyprus's Energy Ministry said: "The primary concern of the government is the implementation of Cyprus's energy programme within the framework set by the contract signed by the parties.

"The notification provided to the consortium was in accordance with the provisions of the contract. Based on the notification the consortium has three months to remedy."

Manager of Canada's public pension plan bullish on Brazil power and water sector, CEO says

After nearly two decades in Latin America, the Canada Pension Plan's managers still see room to expand in the region and especially Brazil, where they believe a booming clean energy sector and water concessions offer long-term opportunity.

CPP Investments, the public pension plan's asset manager, has about C\$36 billion (\$26.71 billion) under management in Latin America, or about 5% of its global portfolio, in sectors from electric utilities and sanitation to real estate, telecoms and logistics.

Although the world's seventh largest pension fund has no geographical targets, Chief Executive John Graham told Reuters in a rare interview he expects the region's share of the portfolio to hold steady or even rise.

"We look for markets where we believe we can scale assets, develop relationships and partnerships," Graham said at CPP Investments' offices in the Sao Paulo

financial district on Friday.

Brazil accounts for nearly half of the fund's investments in Latin America. Among the key assets is Auren Energia, a top power generator and a major player in energy trading that CPP formed in partnership with Brazilian investment holding company Votorantim.

"I would say, globally, the energy transition is probably one of the trends for the past three or four years that we've been most excited about," Graham said.

Abundant hydroelectric resources and wind and solar power potential have made Brazil a regional leader for renewable energy, despite growing pains in some areas where generation has outstripped the national grid's capacity.

Brazil is also advancing toward universal water and sewage treatment, with many state governments opening public utilities to private investment and control, attracting attention from CPP and others.

"This is a sector that is going through an important transformation, from being state owned to going to the hands of sophisticated private operators," said Ricardo Szlejf, head of Latin America infrastructure at CPP Investments.

The fund is majority shareholder of water and sewage operator Igua Saneamento and has a stake in Equatorial Energia, the lead investor in the privatization of Sao Paulo's Sabesp, one of the largest water and sewage utilities in the world.

CPP Investments also made a direct investment in Sabesp, underscoring its interest in the sector, which offers stable and predictable cash flows, crucial for pension funds aiming to generate sustainable returns over decades.

As part of its rapid expansion, the fund has diversified across the globe, motivating its 2006 entry into Latin America, which Graham says has paid off.

CPP Investments recently reported a 10-year annualized net return of 9.1%, and Latin America has performed nearly in line with the global portfolio, in Canadian dollars, he said.

"I think what has gone well is being patient, having flexible capital and a long-term perspective," Graham said, adding that the fund has also leaned heavily on its local team, currently 36 employees in Sao Paulo.

Top News - Dry Freight

Ghana temporarily halts grain exports as lack of rain hits crops

Ghana on Monday temporarily banned the export of grains including maize, rice and soybean to ensure domestic supply as the West African nation grapples with near-drought conditions that have disrupted crop production, the agriculture ministry said on Monday. Rainfall in north Ghana has been erratic over the past two months and low compared to last year.

The dry weather has hindered crop production in the world's second cocoa producer after Ivory Coast. Around 1.8 million hectares (4.45 million acres) of land are at risk,

with farmers growing food on around half that area already impacted. Maize, rice, groundnut, soybean, sorghum, millet and yam are the worst hit.

The affected regions account for around 62% of Ghana's annual grain supply, raising concern about a nationwide food shortage, the ministry said in a presentation.

The export ban was implemented with immediate effect and will remain in place until the situation normalises.

The ministry said it would plug the shortage with the grain reserves of West Africa's political and economic bloc ECOWAS, grain imports and private sector partnerships. It also listed a series of interventions to support

vulnerable farmers. Finance Minister Mohammed Amin Adam said on X that the government plans to raise \$500 million to fund its food security interventions. Africa is heating up at a faster rate than the rest of the planet and enduring more severe climate and weather disasters such as droughts, according to the United Nations and the African Union. Governments on the continent -- many of which, like Ghana, are struggling with debt -- are striving to secure a much bigger share of global climate financing this year to help deal with the increased threats from climate change.

COLUMN-Rising Asian thermal coal imports driven by Japan, S.Korea: Russell

Asia's imports of seaborne thermal coal ticked up in August to the highest in eight months, but the strength was largely driven by North Asia's developed economies rather than the usual heavyweights of China and India. A total of 79.87 million metric tons of the fuel predominantly used to generate electricity will arrive at Asian ports in August, according to data compiled by commodity analysts Kpler. This is up from 77.1 million tons in July and is the highest since December's 80.54 million. Asia's demand for thermal coal has accelerated in recent months amid warmer-than-usual summer weather, which has boosted demand for air conditioning. The increased demand for coal used in power generation has been most keenly felt in the developed economies of North Asia, namely Japan, South Korea and Taiwan. Japan, Asia's third-biggest coal importer behind China and India, is on track for imports of 9.09 million tons of thermal coal in August, down from July's 9.53 million, according to Kpler. But July and August are Japan's two strongest months for thermal coal imports since the peak winter month of January, and August's arrivals are also higher than the 8.91 million in the same month last year. South Korea, Asia's fourth-ranked coal importer, is on track for imports of 8.27 million tons in August, the highest since July 2022 and up from 6.58 million in July. Taiwan's imports are estimated at 4.13 million tons in August, down slightly from July's 4.46 million, but these two months are the strongest since September last year. A common factor between Japan, South Korea and Taiwan is they prefer higher grade thermal coal, with the benchmark being Australian coal loaded at Newcastle port with an energy content of 6,000 kilocalories per kilogram (kcal/kg). The index for this grade, as assessed

by commodity price reporting agency Argus, reached the highest since late December in the week to Aug. 23, ending at \$146.03 a ton. This was up marginally from \$145.92 a ton the previous week, although the index has rallied 11.7% from its mid-year low of \$130.68 reached in the week to June 28.

CHINA, INDIA

While the price of higher quality Australian coal has been driven by rising demand in North Asia, the same cannot be said for lower-grade fuel, which is favoured by China and India, as well as buyers in Southeast Asia such as Vietnam and Malaysia. Australian coal with an energy content of 5,500 kcal/kg dropped to \$86.41 a ton last week, its fourth straight weekly decline and it's now at the weakest since April. Indonesian coal with an energy content of 4,200 kcal/kg fell to a one-year low \$50.64 a ton in the week to Aug. 23, its fifth straight losing week. Indonesia is the world's biggest exporter of thermal coal and Australia ranks second, while China and India are the biggest buyers of Indonesia cargoes and of lower-grade Australian fuel. China's imports of seaborne thermal coal edged higher in August to 29.97 million tons, up from 28.52 million July. However, for the past four months China's thermal coal imports have been effectively flat, anchored in a narrow range around 30 million tons, indicating the strong growth in demand over the past two years appears to be levelling out. India is on track for imports of 13.45 million tons of seaborne thermal coal imports in August, down a touch from July's 13.67 million. Similar to China, India's imports for the past three months have been effectively flat around 13.5 million tons. The steady picture for China and India goes some way to explain the recent gentle downtrend in the prices of lower grade coal, while the rising imports in North Asia's developed economies justify the move up for higher quality coal. However, North Asia's demand tends to be more seasonal and is about to enter the slack period between the summer and winter peaks, which may put some downward pressure on the Newcastle Index price. But much will depend on whether utilities in those countries want to keep ample stockpiles ahead of the winter peak, which may lead to stronger-than-usual demand in the shoulder season.

Picture of the Day

A security guard stands near disused oil pump jacks at the Airankol oil field operated by Caspiy Neft in the Atyrau Region, Kazakhstan August 22. REUTERS/Pavel Mikheyev

(Inside Commodities is compiled by Indrisha Bose in Bengaluru)

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

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