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Top News - Oil

OPEC oil output rises in August as Iran hits 2018 high -Reuters survey

OPEC oil output rose in August as Iranian supply rose to its highest since 2018, a Reuters survey found on Thursday, despite ongoing cuts by Saudi Arabia and other members of the wider OPEC+ alliance to support the market.

The Organization of the Petroleum Exporting Countries has pumped 27.56 million barrels per day (bpd) this month, the survey found, up 220,000 bpd from July. That's the first rise since February, according to Reuters surveys. Iran is exempt from OPEC cuts and its exports have been rising in 2023 despite U.S. sanctions, although views differ as to the exact scale. The overall development, some analysts say, is adding to OPEC+'s challenge in managing the market.

"Iran's output and export data are not transparent and major decision-makers like OPEC+ that adjust their production to balance the market can't be assured of Iran's supplies in the months to come," said Sara Vakhshouri of consultant SVB International.

Output from the 10 OPEC members that are subject to OPEC+ supply cut agreements edged lower by 10,000 bpd, the survey found. Saudi Arabia and other Gulf members maintained strong compliance with agreed cutbacks and extra voluntary reductions.

Top exporter Saudi Arabia kept August output within a whisker of 9 million bpd, the survey found, as the country extended a voluntary 1 million bpd output cut for a second month to provide extra support for the market.

Iranian oil output hit 3.10 million bpd in August, the survey found. This is the highest since 2018, the year Washington re-imposed sanctions on Iran, according to Reuters surveys and separate figures from OPEC.

Analysts have said the higher exports appear to be the result of Iran's success in evading U.S. sanctions and Washington's discretion in enforcing them as the two countries seek better relations.

The second-largest increase in OPEC output this month came from Nigeria, where exports resumed from the Forcados terminal after a shutdown, the survey found.

OPEC's output is still undershooting the targeted amount by almost 800,000 bpd mainly because Nigeria and Angola lack the capacity to pump as much as their agreed level.

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.

Russia promises to unveil new OPEC+ supply cut deal next week

Russia has agreed with OPEC+ partners to reduce the export of oil and will announce the new main parameters next week, Deputy Prime Minister Alexander Novak told President Vladimir Putin on Thursday.

Russia, the world's second largest oil exporter, has been cutting output and exports in tandem with Saudi Arabia on top of existing OPEC+ reductions so the signal from Moscow indicates both nations may extend those voluntary cuts into October. Putin asked Novak, his point man on oil, at a televised government meeting if he had agreed with OPEC+ partners to reduce the supply of oil to world markets.

Novak replied: "We have agreed, but we will announce the main parameters next week, publicly."

It was not immediately clear which parameters could be revealed and Novak's office declined additional comment.

The Organization of the Petroleum Exporting Countries (OPEC) and its allies, led by Russia, began limiting supplies in late-2022 to bolster the market and in June extended supply curbs into 2024.

Russia has said separately that it would cut oil exports by 500,000 barrels per day, or around 5% of its output, in August and by 300,000 bpd in September.

Novak said on Wednesday that Russia may extend the cuts into October, though it was too early to say definitively. Analysts also expect that Saudi Arabia will likely roll over a voluntary oil cut of 1 million barrels per day for a third consecutive month into October.

Earlier this month, Riyadh extended the voluntary cut into September, with the energy ministry saying that it could be "extended, or extended and deepened".

Brent oil prices in July were up 14% on the previous month, the biggest monthly increase since January 2022. The price have increased by around 1% on the day so far on Wednesday to $86.7 per barrel.

Top News - Agriculture

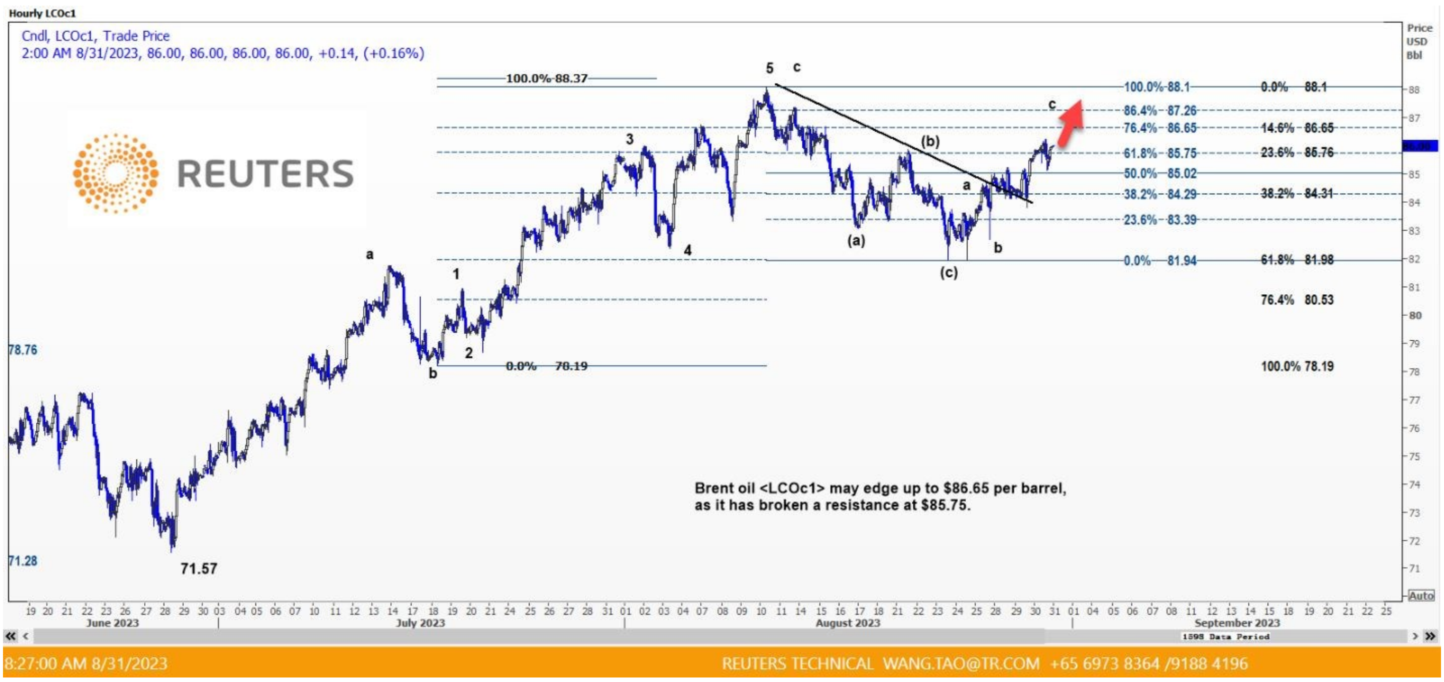
Philippines curbs rice prices as inflation worry mounts

The Philippines announced price ceilings for rice on Friday to protect consumers, as the rising cost of the national staple probably caused August inflation to accelerate for the first time in seven months. One of the world's biggest rice importers, the Southeast Asian nation is cracking down on domestic price manipulation at a time of rising pressure from events such as the Russia-Ukraine conflict, India's export ban, and unpredictable oil prices. President Ferdinand Marcos Jr. has approved a maximum price of 41 pesos ($0.72) a kg for regular-milled rice, below the 42 pesos to 55 pesos that prevailed on Wednesday in markets in and around the capital, Manila. The maximum price for well-milled rice was set at 45 pesos a kg, below the range of 47 pesos to 56 pesos

offered by retailers based on government data. The ceilings will stay until Marcos lifts them, his office said in a statement. Despite a steady supply of rice, authorities have reported a "widespread practice of alleged illegal price manipulation, such as hoarding by opportunistic traders and collusion among industry cartels in light of the lean season," it added.
A farmers' group welcomed the move. "There is no reason for any price increase these past weeks as there is no rice shortage in the country," the group, SINAG, said in a statement. Philippine rice inflation hit 4.2% in July, the highest since 2019.
The central bank expects headline inflation in August to settle within a range of 4.8% to 5.6%, accelerating after hitting a 16-month low of 4.7% in July, partly due to spikes in rice prices. Philippine inflation has remained well above the bank's target range of 2% to 4%, keeping it on its toes even as it held the policy rate steady for three straight policy meetings, after a series of hikes totalling 425 basis points. "Monetary policy has little ability to control food inflation, but the Bangko Sentral ng Pilipinas may need to act if second-round effects become prominent and inflation expectations are de-anchored," ANZ economists said in an Aug. 25 note, using the official name of the central bank.

UN chief sends Russia bid to revive Black Sea grain deal
United Nations Secretary-General António Guterres said on Thursday that he had sent Russian Foreign Minister Sergei Lavrov "a set of concrete proposals" aimed at reviving a deal that allowed the safe export of Ukrainian grain via the Black Sea. Russia quit the deal in July - a year after it was brokered by the United Nations and Turkey - complaining that its own food and fertilizer exports faced obstacles and that not enough Ukrainian grain was going to countries in need.
Guterres' letter comes ahead of a meeting between Russian President Vladimir Putin and his Turkish counterpart Tayyip Erdogan.
Two Turkish sources told Reuters the pair will meet on Monday and primarily discuss Black Sea grain exports.
The Black Sea grain deal was intended to combat a global food crisis that the United Nations said had been worsened by Russia's February 2022 invasion of Ukraine. Russia and Ukraine are both leading grain exporters.
"I believe we presented a proposal that could be the basis for a renewal, but a renewal that must be stable," Guterres told reporters, without elaborating on details of the proposal.
"We cannot have a Black Sea initiative that moves from crisis to crisis, from suspension to suspension. We need to have something that works and that works to the benefit of everyone," he said.
A Russian diplomat, speaking on condition of anonymity, told Reuters earlier on Thursday "there are no revelations" in Guterres' letter to Lavrov and that it just "sums up of previous U.N. ideas, which didn't fly."
Lavrov said earlier on Thursday, after meeting with Turkish Foreign Minister Hakan Fidan in Moscow, that Russia sees no sign that it will receive the guarantees that will allow it to resume the Black Sea grain deal.
Russia has said that if demands to improve its own exports of grain and fertilizer were met, it would consider resurrecting the Black Sea agreement.
One of Moscow's main demands is for the Russian Agricultural Bank to be reconnected to the SWIFT international payments system. The EU cut it off in June 2022. While Russian exports of food and fertilizer are not subject to Western sanctions imposed after Russia's invasion of Ukraine, Moscow has said restrictions on payments, logistics and insurance have hindered shipments.

Chart of the Day



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"We have some concrete solutions ... allowing for more effective access of Russian food and fertilizers to global markets at adequate prices," Guterres said.

"I believe that, working seriously, we can have a positive solution for everybody."

Top News - Metals

Fortescue executive rout continues as Debelle quits green unit

Guy Debelle, the former Reserve Bank of Australia deputy governor, resigned from the board of Fortescue Metals Group's green energy unit, media reports said, continuing the run of abrupt departures by executives at the world's fourth largest miner.

Debelle has stepped down as a non-executive director from the board of Fortescue Future Industries (FFI), the green energy arm of Fortescue Metals Group, the Australian Financial Review reported.

In an exchange filing, critical minerals firm Tivan said Debelle will be joining its board as a non-executive director, but did not mention if he would leave FFI's board. Fortescue did not respond to a Reuters request for comment. This is the third senior executive departure from Fortescue just this week.

Shares of the miner were trading 3.7% lower in early trade at A$20.64 as at 0012 GMT.

Debelle's exit comes days after Fortescue's metals division's CEO Fiona Hick announced her departure after just six months in the role, and on Thursday the division's finance chief Christine Morris stepped down after taking on the job three months ago.

Overseen by founder Andrew Forrest as executive chairman, Fortescue has struggled to keep senior management as it sets out to transform itself into a green energy superpower with a global footprint. The iron ore giant logged a pretax impairment of $1 billion to its flagship Iron Bridge growth project in Western Australia and reported its lowest annual profit since 2020.

"Shareholders are going to be concerned about what and why all these people are leaving, and we're not really getting the answers," said Damian Rooney, Director of Equity Sales at Argonaut said.

"It's all good to wave your arms around and talk about going green, but at the end of the day, you still need to look after your shareholders who are investing money for growth, dividends and alike," Rooney said. Executive chairman Andrew Forrest, who spoke to local media earlier this week, said CEO Hick stepped aside following differences of opinion over the firm’s green transition.

"What we have now is a literally galloping herd of people who want to see this company go green,” he said, according to The Australian.

"So if you want to step outside that, you’re given a choice. You’re not fired, there’s no disagreement, you’re just given a choice: step back in, or you call it," Forrest was quoted as saying. Hick had joined Fortescue in February, after a year-long search for a replacement for former chief executive Elizabeth Gaines.

Ian Wells, Fortescue's former chief financial officer, left in January, and acting chief financial officer of the energy division, Felicity Gooding, stepped down last month.

"We view the uncertainty created by multiple changes at the executive levels over the past several years as credit negative,” Sean Williams, analyst at Moody’s Investors Service said in a note earlier in the week.

Peru's Minsur to invest at least $2 bln as it expands copper, tin operations

Peruvian miner Minsur has announced an investment of at least $2 billion in five years as it expands its copper and tin operations, an executive told Reuters on Thursday.

Minsur is set to invest around $543 million in an underground project in Justa mine, which is owned by the firm and Chilean mining company Copec, Minsur corporate affairs executive Gonzalo Quijandria said in a phone interview with Reuters.

Another $381 million will be invested to expand the processing plant and to improve the Justa mine camp, which began operations in 2021, Quijandria said.

The mine produced 126,036 fine metric tons of copper last year and was the world's seventh most productive copper mine, according to official data.

Peru is the world's No. 2 copper producer.

Minsur also operates the only mine in Peru for tin, a relatively rare element, and produces about 9% of this metal globally, according to the company.

Regarding such a production, Quijandria said Minsur plans to invest $462 million in its tin production line and another $100 million in tin exploration projects in the country.

"They are sustaining investments that include new tailings dams in the San Rafael mine and improvements in the Pisco smelter," he said.

Minsur also plans to invest some $342 million in the modernization of its polymetallic producer Minera Raura.

Earlier on Thursday, Peru's ministry provided a different breakdown of figures from the company, and Reuters did not receive an immediate response to a query about the discrepancy.

The announcement followed a meeting between Minsur CEO Juan Luis Kruger and Peru's energy and mines minister, Oscar Vera.

The Mina Justa Subterranea project will be the second largest and most modern underground mine in Peru," the ministry said in a statement, adding that Minsur expects to present the first permits for the project in the first months of next year, with production expected to start in 2027.

Top News - Carbon & Power

Equinor, BP seek 54% hike in US offshore wind power price, filings show

Norway's Equinor and its partner BP are seeking a 54% increase for the price of power produced at three planned offshore U.S. wind farms, according to a filing made by a New York state regulatory authority.

The two partners in recent years won the rights to build the Empire Wind 1, Empire Wind 2 and Beacon Wind wind farms off the New York coast, which have a combined capacity of 3,300 megawatts, capable of powering millions of homes.

However, in a petition filed with the New York State Public Service Commission in June this year, they requested enhanced offshore renewable energy credits compared with terms originally agreed.

"Application of Empire/Beacon's request would result in a 54% increase on average across its portfolio of projects," a document filed by the New York State Energy Research and Development Authority (NYSERDA) now showed.

Norwegian business daily Dagens Naeringsliv first reported the figures filed to the commission. According to NYSERDA, the so-called strike price for Empire Wind 1 would rise from $118.38 per megawatt hour (MWh) to $159.64/MWh and for Empire Wind 2 from $107.50/MWh to $177.84/MWh. Beacon Wind would see the strike price rise from 118.00/MWh to 190.82/MWh.

Equinor and BP argued that "rampant inflation, global supply chain disruptions and soaring interest rates associated with the COVID-19 pandemic, the Russia-Ukraine conflict and the increasing pace of the energy transition", drove up costs.

Citing similar pressures, Denmark's Orsted, said on Wednesday it may book impairments of 16 billion Danish crowns ($2.3 billion) on its U.S. portfolio, sending its shares plummeting.

Equinor has not announced any impairments for its U.S. offshore wind business.

"Our starting point is we need a basic level of economics in the projects that we are sanctioning and that is also the case for Empire wind and Beacon Wind," an Equinor spokesperson said.

He declined to comment on the specific price calculations published by the New York regulator.

Meanwhile, a group representing New York's largest energy consumers responding to the petition, said the proposed price amendments would increase consumer costs for the three projects by $14.8 billion over a 30-year contract tenure.

The group asked the commission to decline the request, arguing "there are reasons to be skeptical of the suggestion" the project may be abandoned otherwise.

MARKET MONITOR as of 06:30 GMT			
Contract	**Last**	**Change**	**YTD**
NYMEX Light Crude	$83.88 / bbl	0.30%	4.51%
NYMEX RBOB Gasoline	$2.50 / gallon	-2.62%	0.82%
ICE Gas Oil	$920.00 / tonne	2.74%	-0.11%
NYMEX Natural Gas	$2.76 / mmBtu	-0.36%	-38.37%
Spot Gold	$1,938.26 / ounce	-0.08%	6.24%
TRPC coal API 2 / Dec, 23	$126.5 / tonne	-0.78%	-31.53%
Carbon ECX EUA / Dec, 24	€90.50 / tonne	0.54%	2.84%
Dutch gas day-ahead (Pre. close)	€31.75 / Mwh	-13.01%	-57.99%
CBOT Corn	$4.81 / bushel	0.47%	-29.13%
CBOT Wheat	$6.04 / bushel	0.37%	-24.63%
Malaysia Palm Oil (3M)	RM4,041 / tonne	0.77%	-3.19%
Index (Total Return)	**Close 31 Aug**	**Change**	**YTD Change**
Thomson Reuters/Jefferies CRB	316.38	0.28%	4.99%
Rogers International	28.29	1.38%	-1.31%
U.S. Stocks - Dow	34,721.91	-0.48%	4.75%
U.S. Dollar Index	103.62	0.45%	0.09%
U.S. Bond Index (DJ)	406.65	0.19%	3.42%

Gazprom accounts for more than half of increase in China's gas imports - CEO
Alexei Miller, the chief executive of Russian gas giant Gazprom, said on Thursday that the company accounts for more than half the increase in China's gas imports this year, without providing figures.
Gazprom's natural gas exports, mainly to Europe, almost halved last year after the West responded with economic sanctions to Moscow calls a "special military operation" in Ukraine, and unexplained blasts on the Nord Stream gas pipelines under the Baltic Sea.
Russia, whose economy is heavily reliant on commodity sales, has diverted exports of oil from Europe to Asia and other regions.
Miller also said, in a statement posted on Gazprom's Telegram channel, that natural gas consumption in Europe was declining for the second year running. He said demand had declined in 2022 by 56 billion cubic metres, while for the first eight months of this year it had fallen by another 26 bcm.
"At the same time, we see that the Chinese gas market is growing. China's gas imports have increased over the eight months of this year. And more than half of the increase in these supplies imported to the Chinese market was provided by Gazprom," he said.
Russia supplies gas to China via the Power of Siberia pipeline. Exports through the route reached 15 bcm last year, and it is planned that this will rise to 22 bcm in 2023.

Top News - Dry Freight

South Korea's NOFI buys estimated 135,000 T corn in tender
Leading South Korean animal feed maker Nonghyup Feed Inc. (NOFI) has bought an estimated 135,000 metric tons of animal feed corn in an international tender for up to 138,000 tons on Thursday, European traders said.
It was expected to be sourced from either South America or South Africa.
The tender had sought arrival in South Korea in December 2023 and January 2024.
One consignment of 67,000 tons for arrival around Dec. 17 was bought at an estimated premium of 184.10 U.S. cents a bushel c&f over the Chicago December corn contract plus a surcharge of $1.68 a ton for additional port unloading.
The seller was believed to be trading house CJ International.
The corn was expected to be sourced from South America with shipment between Oct. 19-Nov. 7.
A second consignment of 68,000 tons was bought in the combination of an estimated outright price of US$260.90 a ton c&f for 34,000 tons and with the rest at a premium of 167.00
U.S. cents a bushel c&f over the Chicago December corn contract. Both have an extra surcharge of $1.25 a ton for additional port unloading. The seller was believed to be trading house Cargill. The second consignment was for arrival around Jan. 2, 2024, and is expected to be sourced either from South America or South Africa.
Shipment from South America is between Nov. 4-Nov. 23 or from South Africa between Nov. 14-Dec. 3.
Asian corn purchase interest was sparked by a fall in Chicago corn futures this week, pressured partly by lacklustre U.S. export demand, traders said.
The Korea Feed Association (KFA) has also issued an international tender to purchase up to 68,000 metric tons of animal feed corn closing on Thursday.

Algeria said to buy durum wheat in tender – traders
Algeria's state grains agency OAIC is believed to have purchased durum wheat in an international tender which closed on Thursday, European traders said.
Initial volumes were estimated at between 550,000 to 600,000 metric tons.
Traders initially estimated prices at around $465 to $490 a ton c&f.
The purchase was technically optional origin but said to largely involve durum from Mexico and Turkey with a limited volume from Canada.
Shipment was sought in four periods in 2023 between Oct. 1-15, Oct. 16-31, Nov. 1-15, Nov. 16-30, Dec. 1-15 and Dec. 16-31.
Algeria does not disclose the results of its tenders and results reported are based on trader assessments.
More detailed estimates of prices and tonnages are still possible later.

Picture of the Day

A file photo shows vegetation on cracked land at Khabour River during drought in the town of Tel Tamer, in northeast Syria, August 15. REUTERS/Orhan Qereman

(Inside Commodities is compiled by Sreshtha Uniyal in Bengaluru)

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

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