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Top News - Oil

COLUMN-Crude oil bears run rampant as bullish news ignored: Russell

The response of crude oil markets to a series of developments this week shows how the bearish mindset is dominating the narrative.

News that should be positive for oil prices is largely discounted and ignored, while factors that add to negative sentiment are embraced and reflected in price movements.

Global benchmark Brent futures show this dynamic, with the front-month contract dropping 4.9% on Tuesday to end the session at $73.75 a barrel.

This was the lowest close in nine months and extends a downtrend that has been in place since July 5, when Brent ended at $86.54 a barrel.

The immediate catalyst for the sharp fall on Tuesday were reports that the various parties vying for control in Libya have reached an agreement that may lead to the resumption of crude exports from the North African producer.

Libya's legislative bodies have agreed to appoint a new central bank governor within 30 days after U.N.-sponsored talks, a statement signed by representatives of those bodies said on Tuesday.

Libya's crude exports at major ports were halted on Monday and production curtailed across the country, the latest moves in an ongoing standoff between rival political factions over control of the central bank and oil revenue.

The Libyan National Oil Company has confirmed that actual production has slumped, dropping to little more than 591,000 barrels per day (bpd) as of Aug. 28 from nearly 959,000 bpd on Aug. 26, and as much as 1.28 million bpd on July 20. This is a real cut to the volume of oil available to global markets, but the price reaction to the news on Monday was at best muted, with Brent actually ending the day slightly lower than the previous close.

But news of a potential deal that is several weeks away, and doesn't restart oil output immediately, is enough to send oil prices down by almost 5%.

That alone shows that the market is currently seizing on bearish news and amplifying it, while discounting any bullish developments.

TANKER ATTACKS

At the same time the market was choosing to focus on hopes for a deal in Libya rather the reality of lower output, it was also ignoring missile attacks on two crude tankers in the Red Sea, carried out by the Iranian-aligned Houthi group in Yemen. There is some uncertainty over whether both vessels were targeted and damaged, with the U.S. military saying missiles struck the Saudi-flagged Amjad and the Panama-flagged Blue Lagoon I.

However, the Saudi owners of the Amjad, which is carrying two million barrels of oil, said it was unscathed and continuing its voyage.

Even if the latest attack on shipping was limited in the amount of damage inflicted, it still highlights the ongoing risk the Houthis pose to vessels in the Red Sea, and the potential for more serious incidents definitely exists.

A further development on Monday was news that output by the Organization of the Petroleum Exporting Countries (OPEC) dropped to the lowest since January.

OPEC members produced 26.36 million barrels per day last month, down 340,000 bpd from July, according to a Reuters survey. Libya was the main factor behind the lower output, declining by 290,000 bpd.

But the lower OPEC production in August, coupled with news that Russia, the main exporter in the wider OPEC+ group, also lowered its output, had zero impact on crude prices.

It's clear that supply concerns aren't a factor in current pricing dynamics, with investors more focused on demand issues, such as weakness in China, the world's biggest oil importer and the country OPEC had expected to deliver the bulk of global demand growth in 2024.

China's August imports are estimated by LSEG Oil Research at 11.02 million bpd, up from July's official customs number of 9.97 million bpd, which was the lowest on a daily basis since September 2022. But even with the rebound in August imports, it's likely that China's arrivals will remain in negative territory for the first eight months of the year, compared to the same period in 2023.

The question for the crude oil market is whether the focus on bearish news has swung too far. Certainly it sets up the risk of a short squeeze should something unexpected happen, such as OPEC+ deciding to abandon the planned increases in output from October onwards.

ANALYSIS-Trans Mountain oil pipeline expansion pushes rivals to cut rates, for now

Pipelines that historically carry Canadian crude to the U.S. are cutting rates and looking to ship different grades of crude oil due to rising competition from the newly expanded Trans Mountain pipeline.

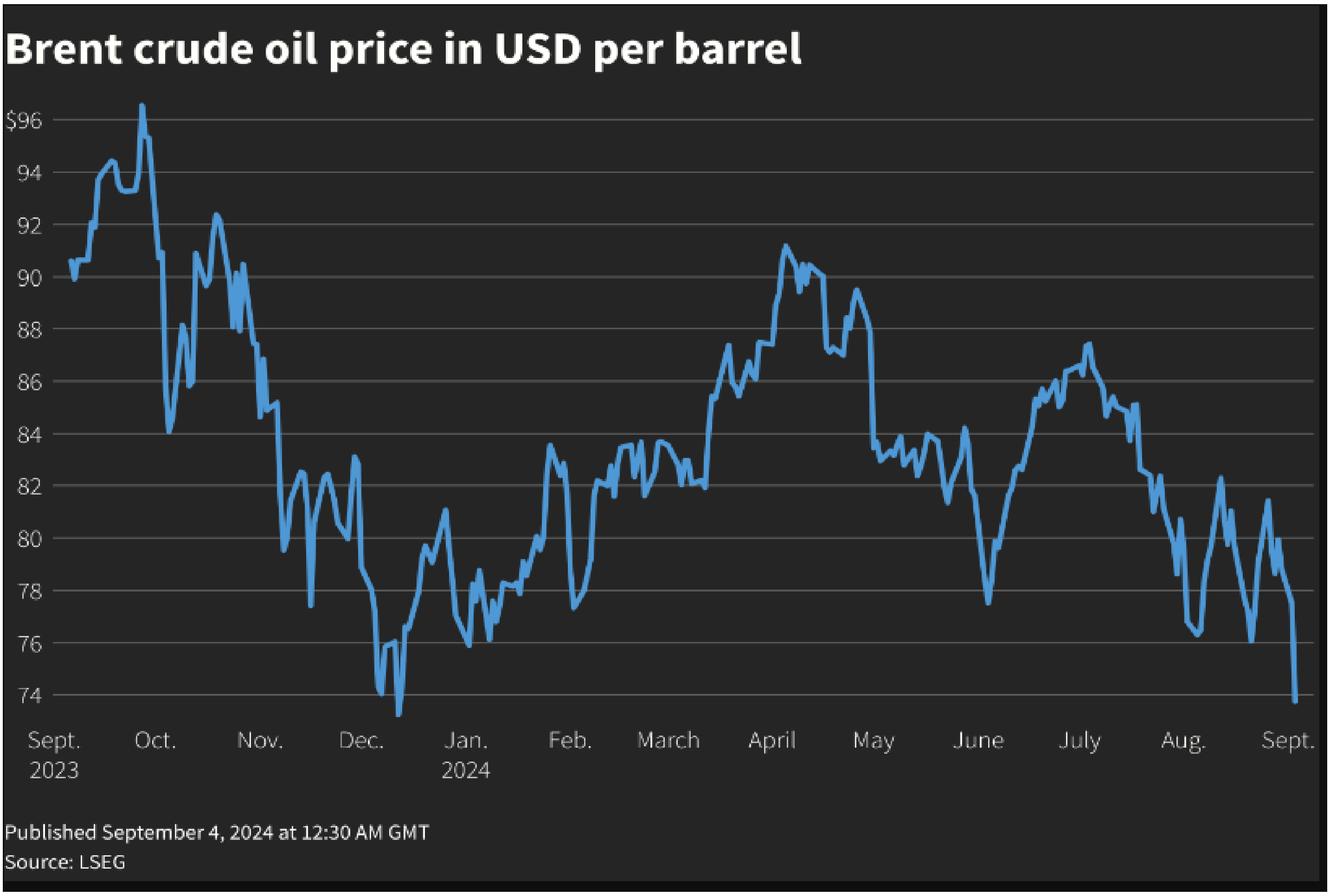
The moves will temporarily cut the cost of transporting some of Canada's heavy crude to the U.S. Midwest and Gulf Coast next month. U.S. imports of Canadian crude hit a record in July as Trans Mountain expansion (TMX) volumes grew. Shipments on TMX started in May, sending up to 890,000 barrels per day (bpd) to Canada's Pacific Coast. About 80% of the volumes are contracted, leaving 20% available for spot shipments.

With more oil moving on TMX, Canadian pipeline operator Enbridge said in August it will cut its tariffs for September by 11% per barrel on heavy crude moving on its Mainline system. The 3 million-bpd system ships the

bulk of Canada's crude exports from Edmonton to the U.S. and is one of the main competitors to TMX.
The company is not rationing pipeline space for September for the first time in over a year, with sufficient capacity available to cover all nominated barrels.
Enbridge said it anticipates Mainline will be well utilized for the remainder of the year, attributing the decrease in volumes to routine oil producer and refiner maintenance.
"We are starting to see the TMX impact play out for the Mainline, and therefore for systems that carry Canadian barrels to the U.S. Gulf Coast," said Dylan White, a North American crude markets analyst with researcher Wood Mackenzie.
Enbridge's 190,000-bpd Spearhead and 720,000-bpd Flanagan South pipelines that deliver crude from the Mainline to Cushing storage hub in Oklahoma could likely lose volumes, analysts said. The 950,000-bpd Seaway, jointly owned by Enbridge and Enterprise Products Partners, which ships oil from Cushing to the U.S. Gulf Coast, could also see lower flows. Seaway and Flanagan pipelines remain well utilized, Enbridge said.
Pipelines like MPLX's Capline, a key conduit for Canadian heavy crude, will likely transport more light crude from the Bakken oilfield in North Dakota to offset the loss of Canadian heavy grades, analysts said. The 1.5 million-bpd pipeline was once the largest crude oil pipeline in the U.S. before it was reversed in 2021 to carry crude oil from north to south. MPLX declined to comment on Capline product movements.

SHORT-LIVED IMPACT
Delays in TMX's completion provided ample time for Canadian producers to ramp up supply, and volumes on rival pipelines are likely to pick up as Canadian oil output is expected to grow rapidly.
"A combination of TMX coming online later than expected and Canadian supply ticking higher ... has elevated overall utilization on broader Canadian outbound pipelines, even as TMX has expanded overall capacity," Wood Mackenzie's White said. Output will rise about 500,000 bpd in 2025 from 2023, offsetting the additional capacity added by TMX, according to analysts from energy infrastructure firm East Daley Analytics.
Excess pipeline space will be filled relatively soon, said Kristy Oleszek, director of energy analytics at East Daley.

Chart of the Day



Top News - Agriculture

ANALYSIS-Ethanol push turns India into corn importer, shaking up global market

A push by India to make more corn-based ethanol has turned Asia's top corn exporter into a net importer for the first time in decades, squeezing local poultry producers and scrambling global supply chains.

The jump in import demand comes after India in January hiked the procurement price of ethanol made from corn to drive a shift away from sugarcane-based ethanol for blending in gasoline.

With the government promoting ethanol in gasoline to reduce carbon emissions and trying to ensure ample supply of cheap sugar in the world's biggest market for the sweetener, India appears set to become a permanent net importer of corn. The prospect of India ramping up corn imports is likely to support global prices which are trading near four-year lows. Crushed by soaring feed costs as local corn prices rise far above global benchmarks, India's poultry producers want the government to remove duties on imports and lift its ban on genetically modified (GM) corn. The prohibition severely limits their buying options.

India usually exports 2 million to 4 million metric tons of corn, but in 2024, exports are expected to drop to 450,000 tons while the country is set to import a record 1 million tons, mainly from Myanmar and Ukraine, which grow non-GM corn, traders estimate.

Traditionally, the poultry and starch industries absorbed most of India's corn production of around 36 million tons. Last year, however, ethanol distilleries started using corn, and their demand grew this year after the government abruptly curbed the use of sugarcane for fuel following a drought. That led to a shortfall of 5 million tons, an official with the All India Poultry Breeders Association said.

"Now, the poultry and starch industries are battling with distilleries to get their share of supplies, and this fight is keeping prices high," said Nitin Gupta, senior vice president of Olam Agri India.

Olam estimates ethanol distilleries will need 6 million to 7 million tons of corn annually, demand that Gupta said can only be met with imports.

Traditional export markets such as Vietnam, Bangladesh, Nepal, and Malaysia, which bought corn from India because of its prompt availability, are now compelled to source supplies from South America and the United States. "Vietnam has cut down its imports of corn from India recently because India's prices are too high," said a Ho Chi Minh City-based trader.

ETHANOL FOR CLIMATE FIGHT

Looking to curb carbon emissions, India aims to increase the share of ethanol in gasoline to 20% by 2025-26, from 13% now. To achieve its 20% blending target, India will need more than 10 billion litres of ethanol, government estimates show, which is double the volume the country produced in the marketing year ended October 2023.

This year, around 3.5 million tons of corn has been used to make 1.35 billion litres of ethanol, about four times more than a year earlier, government data shows.

"Sugarcane can start contributing more from the next season, but it cannot contribute more than 5 billion litres. The government's priority is to fulfil domestic sugar consumption," said a senior government official.

That would mean an increase in corn-based ethanol production to 3 billion litres, requiring nearly 8 million tons of corn, said the official, declining to be named as he was not authorised to speak with media.

POULTRY GROWERS CRY FOUL

Rising corn prices are pushing poultry growers into the red, with feed accounting for three-fourths of production costs.

Uddhav Ahire, chairman of Anand Agro Group in the western city of Nashik, said the farm gate price of a broiler is about 75 rupees, but production costs have risen to 90 rupees.

"The poultry industry cannot sustain such losses for a prolonged period," he said.

The All India Poultry Breeders Association and the Compound Livestock Feed Manufacturers Association to demand 5 million tons of duty-free corn imports.

A government spokesman did not respond to a request for comment. "Since there is a shortage, more corn imports should be allowed at zero duty," Ahire said. "The government should allow GM corn for feed purposes."

Corn imports attract a 50% import duty, while India allowed imports of around 500,000 tons at a concessional duty of 15%. Lured by higher prices, farmers such as Krishna Shedge in Jalna district reduced soybean planting to expand the area under summer-sown corn, which has risen 7% from a year ago to 8.7 million hectares, farm ministry data showed.

"Corn is giving good returns due to higher prices," he said. But until prices decline with the arrival of new season supply, small poultry farmers like Vijay Patil have limited options including scaling back production and trimming the proportion of corn in feed.

"I'm substituting a small portion of corn with broken rice and wheat stalk waste to reduce feed costs," Patil said.

TRADE REVERSAL

Booming Indian demand has lifted corn prices in Myanmar to around $270 per metric ton, free on board (FOB), from around $220, encouraging farmers to plant more.

"Exporters, farmers and other stakeholders in the supply chain have benefited from the rally in prices," said Murali Chakravarthy, country head for Singapore-based trading company Agrocorp in Yangon.

Imports from Myanmar are not subject to tax as it is categorised by India as a least developed country.

Meanwhile, starch makers are bringing in duty-free corn from Ukraine through India's Advance License Scheme, under which an equal amount of finished goods must be exported. Ukraine's exports to India started rising from January and totalled around 400,000 tons by the end of August, estimates ASAP agricultural consultancy.

In the first half of this calendar year 2024 India's corn imports surged to 531,703 tons from just 4,981 tons a

year earlier, while exports fell 87% from 1.8 million tons to 241,889 tons, trade ministry data showed.
"Every year, we will have to import corn, as production can't be increased as quickly as demand is rising," said Hemant Jain, an exporter in Indore.

China hits Canada with anti-dumping probe on canola imports, Ottawa deeply concerned
China said on Tuesday it planned to start an anti-dumping investigation into canola imports from Canada, after Ottawa moved to impose tariffs on Chinese electric vehicles, lifting prices of domestic rapeseed oil futures to a one-month peak. Canadian Farm Minister Lawrence MacAulay said the move was "deeply concerning".
In a post on the X social media network, he said Ottawa was closely following the case and would defend and support the farm sector. Canada, following the lead of the United States and European Union, announced last week a 100% tariff on imports of Chinese electric vehicles and a 25% tariff on imported steel and aluminium from China.
"China strongly deplores and firmly opposes the discriminatory unilateral restrictive measures taken by Canada against its imports from China despite the opposition and dissuasion of many parties," a commerce ministry spokesperson said in a statement.
The ministry said China will also initiate an anti-dumping investigation into some Canadian chemical products.
More than half of canola produced in Canada makes its way to China, the world's biggest oilseed importer.
Canola, also called rapeseed for certain variants, is used as a cooking oil and in a wide range of products including renewable fuels.
The Canola Council of Canada said it was confident that China's probe would show that Canadian producers were playing by the rules. In a statement, it said Canadian exports of canola to China last year totaled C$5.0 billion ($3.7 billion). China's rapeseed meal futures on the Zhengzhou Commodity Exchange jumped 6% to 2,375 yuan ($333.56) per metric ton following the announcement, hitting its highest since Aug. 6.
The ICE canola contract for November delivery dropped to its daily limit of $45, or 7%, to $569.7 per metric ton.
"Canada's canola exports to China have increased significantly and are suspected of dumping, reaching US$3.47 billion in 2023, with a 170% year-on-year increase in volume and a continuous decline in prices," the ministry said.
"Affected by the unfair competition of the Canadian side, China's domestic rapeseed-related industries continued to suffer losses," it said.
China's rapeseed meal prices have plunged 22% so far this year amid abundant oilseed supply and rising domestic production.
"The current (edible oil) domestic consumption is not strong, and there is an abundant supply of domestic stocks," said Ma Wenfeng, senior analyst at Beijing-based agriculture consultancy Beijing Orient Agribusiness Consultancy.
China imports its canola predominantly from Canada, followed by Russia and Mongolia.
"Arrivals from Canada have been growing at a fast rate," Ma said.
The world's second largest economy imported 5.5 million tons of canola in 2023, valued at $3.72 billion. Imports from Canada acconted for 94% of the total.
Comparatively, the bulk of China's electric vehicle exports to Canada is from Tesla's Shanghai factory and local Chinese firms have no big exposure to that export market yet.
Canadian imports of automobiles from China to its largest port, Vancouver, jumped 460% year over year to 44,356 in 2023, when Tesla started shipping Shanghai-made EVs to Canada.
The Chinese spokesperson said it intends to resort to the World Trade Organization dispute settlement mechanism for Canada's relevant practices.
China has also initiated trade investigations on imports of pork, brandy and dairy from the European Union in response to curbs on its electric vehicle exports.

ALTERNATIVE SUPPLIES
China had targeted Canadian canola in previous trade tensions. In 2019, it suspended two Canadian canola exporters before removing the restrictions three years later.
Analysts said China could turn to Australia and Ukraine for alternative supplies, especially as Australia's canola production is ample.
Canola production in Europe has been hit by poor weather while China's agriculture trade with Ukraine is limited.
"We expect China to buy larger volumes from Australia if restrictions on Australian canola are eased," said Ole Houe, director of advisory services at IKON Commodities in Sydney.
"As of now Australia's canola exports to China are negligible, just about 500 tons since the beginning of 2024," Houe said.
China's imports of Australian canola have been restricted due to concerns about blackleg disease.

Top News - Metals

China's Sinomine says its Tsumeb smelter contains over 700 metric tons of germanium

China's Sinomine Resource Group said its Tsumeb Smelter (Pty) in Namibia contains 746 metric tons of germanium, a critical mineral used in chipmaking, infrared technology, fibre optic cables and solar cells. "We plan to conduct a feasibility study on revamping the existing copper smelting production line at the smelter to add germanium and zinc smelting production lines and achieve commercial production as soon as possible," the company said in a filing to the Shenzhen Stock Exchange dated on Monday. Sinomine owns the smelter through its wholly owned subsidiary Sinomine (Hong Kong) Rare Metals Resources, which has a 98% stake in Tsumeb. Tailings at the smelter also contain around 410 tons of gallium metal, 209,459 tons of zinc metal, respectively, according to a technical report in line with the NI 43-101 standards, the company added. National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101) is a securities regulatory instrument. China, the world's largest germanium producer, has imposed controls on exports of the strategic metal since Aug. 1. Spot prices of germanium ingot have surged by 80% from Aug. 1, 2023 to a record high of 17,250 yuan a kilogram (kg) on Sept. 2, data from information provider Shanghai Metals Market (SMM) showed.

US Steel core management, majority of board members will be US citizens, Nippon Steel says

Japan's biggest steelmaker Nippon Steel, which is seeking to acquire U.S. Steel, said on Wednesday if its purchase goes ahead core senior management as well as a majority of board members at the U.S. company would be U.S. citizens. The announcement follows Democratic presidential candidate Kamala Harris this week echoing President Joe Biden's concern over the $15 billion deal, saying that U.S. Steel "should remain American-owned and American-operated". Nippon Steel said on Wednesday that U.S. citizens would make up the majority of the board of directors of U.S. Steel which will also include three independent directors who would be U.S. citizens as well. Core senior management members would be U.S. citizens too, the Japanese firm said. U.S. Steel would be owned by Nippon Steel North America, a New York-based unit of the Japanese steelmaker which has been operating in the U.S. for over 50 years, Nippon Steel said. To gain support from politicians and labour unions, Nippon Steel hired former U.S. Secretary of State Mike Pompeo as an advisor and unveiled a plan last week to invest an additional $1.3 billion in U.S. Steel's mills. Nippon Steel said its Vice Chairman Takahiro Mori, a key negotiator on the deal, plans to visit the United States this month to continue deal-related meetings but declined to specify dates or disclose the names of those Mori is set to meet. Both companies aim to close the deal by the end of the year depending on regulatory approvals.

MARKET MONITOR as of 06:45 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$69.98 / bbl	-0.51%	-2.33%
NYMEX RBOB Gasoline	$1.95 / gallon	-0.38%	-7.52%
ICE Gas Oil	$673.75 / tonne	-0.70%	-10.26%
NYMEX Natural Gas	$2.20 / mmBtu	-0.09%	-12.45%
Spot Gold	$2,487.36 / ounce	-0.22%	20.59%
TRPC coal API 2 / Dec, 24	$122.65 / tonne	-3.23%	26.44%
Carbon ECX EUA	€67.91 / tonne	-0.37%	-15.50%
Dutch gas day-ahead (Pre. close)	€37.10 / Mwh	-3.96%	16.48%
CBOT Corn	$4.08 / bushel	-0.31%	-15.70%
CBOT Wheat	$5.68 / bushel	0.13%	-11.26%
Malaysia Palm Oil (3M)	RM3,890 / tonne	-1.04%	4.54%
Index	**Close 03 Sep**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	323.18	-1.47%	7.22%
Rogers International	26.31	-1.37%	-0.08%
U.S. Stocks - Dow	40,936.93	-1.51%	8.62%
U.S. Dollar Index	101.69	-0.13%	0.35%
U.S. Bond Index (DJ)	444.00	0.44%	3.08%

Top News - Carbon & Power

US LNG exports rebound in August on higher output from Freeport LNG

Exports of U.S. liquefied natural gas bounced higher in August as output from the country's second-largest export facility rose following an outage and maintenance activities at other plants wound down, preliminary data from financial firm LSEG showed on Tuesday.

Exports of the superchilled gas rose to 7.48 million metric tons (MT) in August, up from the 6.69 MT in July, which marked the second-lowest monthly exports of the year, the LSEG data showed.

The U.S. last year was the world's largest LNG exporter. In August, Freeport LNG at times operated above nameplate capacity as it began to benefit from its debottlenecking work to add output beyond the plant's 15.3 MTPA capacity following an outage in July.

The Texas company's operations were offline for a time last month after a shutdown ahead of Hurricane Beryl, which hit the Texas coast near Freeport as a Category 1 hurricane on July 8. The plant remained down for eight days and resumed operations on a phased basis.

U.S LNG producers continued to favor exports to Asia. A heat wave was driving Asian LNG prices while a well-supplied Europe was putting downward pressure on prices on the continent, Masanori Odaka, senior analyst at Rystad Energy, said last month.

In August, 3.19 MT, or just under 43%, was supplied to Asia, a similar percentage but a slightly higher volume compared to the 2.9 MT shipped in July, LSEG ship tracking data showed. Europe remained the second-favored destination for U.S. exports, with 2.92 MT, or 39%, sold to the continent, surpassing the 36% supplied to the continent in July. Egypt, which continues to face a hot summer, imported 0.7 MT from the U.S. and Jordan imported 0.08 MT of the superchilled gas in August, LSEG data showed.

Sales of LNG to Latin America were 1.08 MT, or just over 14%. The share was higher than the 11% sold to the region in July, LSEG data show.

There were two cargoes that were out for orders with a total volume of 0.14 MT, shiptracking data showed.

In August, Venture Global LNG's 20 MTPA Plaquemines LNG facility signaled it was close to startup with the importation of LNG to cool its facility.

When the Louisiana plant is fully operating, it will become the second-largest U.S. export facility and further cement the U.S. as the world's largest exporter of the superchilled gas.

Record UK renewables auction gives boost to offshore wind

Britain's offshore wind sector got a boost on Tuesday from the best-funded renewables auction yet, with Orsted and Iberdrola emerging among the winners, after a sale last year failed to secure any offshore wind projects.

The Labour government's plans to decarbonise the electricity sector by 2030 require a big increase in renewable power capacity such as wind and solar.

Energy Secretary Ed Miliband issued a statement saying the Labour administration, in power since July, had "inherited a broken energy policy" and the auction on Tuesday, which awarded a record number of projects, marked progress it would build on.

The auction supported a total of 131 wind, solar and tidal projects capable of generating almost 10 gigawatts (GW) of capacity, which would be enough to power around 11 million homes, Miliband said.

The auction's budget was the biggest yet at 1.5 billion pounds ($1.97 billion), which the government increased from 1 billion pounds after calls from industry.

Previous auctions have secured more capacity, hitting a peak of 11 GW in 2022, however, and analysts said Tuesday's result was not enough to meet the country's target of expanding offshore wind capacity to 60 GW by 2030 from around 15 GW now.

"With next year's (seventh auction) being the last chance to procure capacity for delivery before 2030, an additional 31 GW of offshore wind capacity is needed to meet the target," Pranav Menon, a research associate at Aurora Energy Research, said.

Orsted's giant offshore wind project Hornsea 4 secured the largest contract by capacity at 2.4 GW.

Iberdrola also won contracts for its East Anglia Two and East Anglia Three offshore wind projects.

RWE UK Country Chair Tom Glover told Reuters it was positive to see offshore wind projects in the auction, but he was disappointed two thirds of "the eligible pipeline" had been omitted when the government has said it wants to accelerate the sector. RWE is developing the Norfolk Vanguard West and East offshore wind projects it bought from Vattenfall last year that have a combined capacity of 2.8 GW.

The company did not confirm whether it had entered them into the latest auction.

RWE won contracts for a total of 218 megawatts of capacity across five onshore wind and solar projects.

Through the auctions, held annually, the government invites renewable project developers to bid for government-backed price guarantees for the electricity produced, called Contracts for Difference (CfDs).

When wholesale electricity prices are lower than the minimum, the government covers the difference, if they go above, producers pay back the difference to the government.

The fifth auction held in 2023 failed to attract any offshore wind projects as developers deemed the incentives offered too low. In Tuesday's sixth auction result, the electricity price contracts for offshore wind were 54.20 pounds to 58.90 pounds per megawatt hour (MWh) in 2012 prices, government data showed.

This was significantly higher than the 44 pounds per MWh offered in for offshore wind in last years auction.

Analysts at Jefferies estimated the price awarded on Tuesday would be worth between 82.60 and 89.70 pounds/MWh in 2027 prices - when the first projects would be expected online - when including inflation.

Spot electricity prices in Britain are volatile but the day-ahead contract currently trades around 92 pounds/MWh.

Top News - Dry Freight

Ukraine 2024/25 wheat exports to be capped at 16.2 mln T

Ukraine's farm ministry has agreed with traders and agriculture associations to limit wheat exports in the 2024/25 July-June season to 16.2 million metric tons, the ministry said on Tuesday.

The government and traders annually sign a memorandum in which officials promise to maintain the existing terms of trade and not restrict exports within the agreed volume while traders undertake not to exceed this volume.

The ministry has said the wheat is the only agricultural commodities export that will be restricted.

"The parties agreed to further monitor the volume of grain exports on a monthly basis and, if necessary, to adjust the export ceiling in January 2025," a ministry statement said.

Ukraine exported 18.3 million tons of wheat in the 2023/24 season after harvesting more than 22 million tons.

This year, the ministry says, the wheat crop could shrink to 21.8 million tons because of a heatwave this summer.

Wheat exports had reached 3.59 million tons as of Aug. 30, the ministry said last week, up from 1.06 million tons by the same date in 2023.

Singapore permits night movement of containers at Pasir Panjang Terminal

Singapore will allow for night movement of line-towed container barges to and from Pasir Panjang Terminal, following a four-month trial, the Maritime and Port Authority of Singapore (MPA) said in a statement on Wednesday.

The latest measure came after a period of longer waiting times for vessels for container berths earlier in May and June, when congestion at Singapore, the world's second-largest container port, hit its worst since the COVID-19 pandemic.

Night movement was previously allowed only at the Brani and Keppel Terminals, where navigational traffic is less complex than around Pasir Panjang.

This measure aims to improve connectivity with regional ports, enhance port efficiency, reduce the time container and feeder vessels spend at berth and the need for containers to be transported between land terminals, MPA said.

Additional safety measures will also be implemented, including mandatory pilotage for the barges, restrictions on the length of towing lines and close monitoring of barge movements by MPA's vessel traffic management system, it said.

Each line-towed barge can carry an average of 300 twenty-foot equivalent units (TEUs).

Singapore port handled 23.82 million TEUs of containers from January to July this year, up 6.1% from the same period last year.

The average wait time for container berths at the port has been reduced to less than one day in July, after several measures were introduced, MPA said.

These included adding new berths at Tuas port, reactivating berths and yard spaces at Keppel, increasing manpower and collaborating with liners in scheduling operations.

Picture of the Day

A buyer checks the quality of wheat before the auction of the crop at a wholesale grain market in Mathura, in the northern state of Uttar Pradesh, India, April 25. REUTERS/Priyanshu Singh

(Inside Commodities is compiled by Indrishka Bose in Bengaluru)

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