Oil | Agriculture | Metals | Carbon & Power | Dry Freight
Click on headers to go to that section

Top News - Oil

China's Aug daily crude imports rise to 1-year high on lower prices
China's daily crude oil imports rose last month to their highest in a year, customs data and Reuters records showed, as shipments staged a tentative recovery on lower crude oil prices and improving refining margins.
Daily crude oil imports stood at 11.56 million barrels per day (bpd) last month, the highest since August a year earlier, according to General Administration of Customs data, which can sometimes be revised later.
Total shipments for the month stood at 49.10 million metric tons, down 7% on the year as low fuel consumption continued to keep demand capped. That was, however, up from 42.34 million tons in July, the lowest level since September 2022.
"Independent runs have been on the rise for six consecutive weeks since late July, echoing the decline of crude prices. State-owned refinery runs have also been on a mild upward trajectory since late July, even against the backdrop of the autumn maintenance season that began in late August," said Lin Ye, senior analyst for oil trading and downstream at Rystad Energy.
Futures prices for Brent, the global crude benchmark, have fallen more than 17% since early July as worries about weak demand in China have taken hold.
China's annual oil demand growth has slowed from around 500,000-600,000 barrels per day (bpd) in the five years before the COVID-19 pandemic to 200,000 bpd now, Goldman Sachs oil research head Daan Struyven told the APPEC conference in Singapore on Monday.
"The seasonal refinery runs increase for September and October will not be as strong as last year, owing to the weak road fuel transport demand on the back of greener substitutions," forecast Ye of Rystad.
Analysts estimate that the increasing use of liquefied natural gas (LNG) in trucks in China will displace around 110,000-140,000 barrels per day of diesel in 2024 and 2025.
Imports for the January-August period fell 3.1% on the year to 367 million tons, the data showed.

Exxon withdraws from race to buy stake in Namibia oil block from Galp, sources say
Exxon Mobil has pulled out of the race to buy half of Galp Energia's stake in a large oil discovery in Namibia that has attracted interest from top energy companies, sources with knowledge of the matter said.
More than 12 oil companies including Exxon, Shell and Brazil's national oil company Petrobras had expressed interest in Galp's 40% stake in the offshore Mopane discovery, sources had previously said.
Galp is also proposing the buyer operate the field.
The reasons for Exxon's withdrawal from the process were unclear. Other companies have continued to engage with Galp on the sale, the sources said.
Exxon and Galp declined to comment.
Mopane is estimated to hold at least 10 billion barrels of oil and gas equivalent and could be valued at more than $10 billion, according to some estimates.
The sale process follows a string of promising offshore discoveries by Shell and TotalEnergies in recent years, which raised the prospect of the south African country becoming a major oil producing nation.

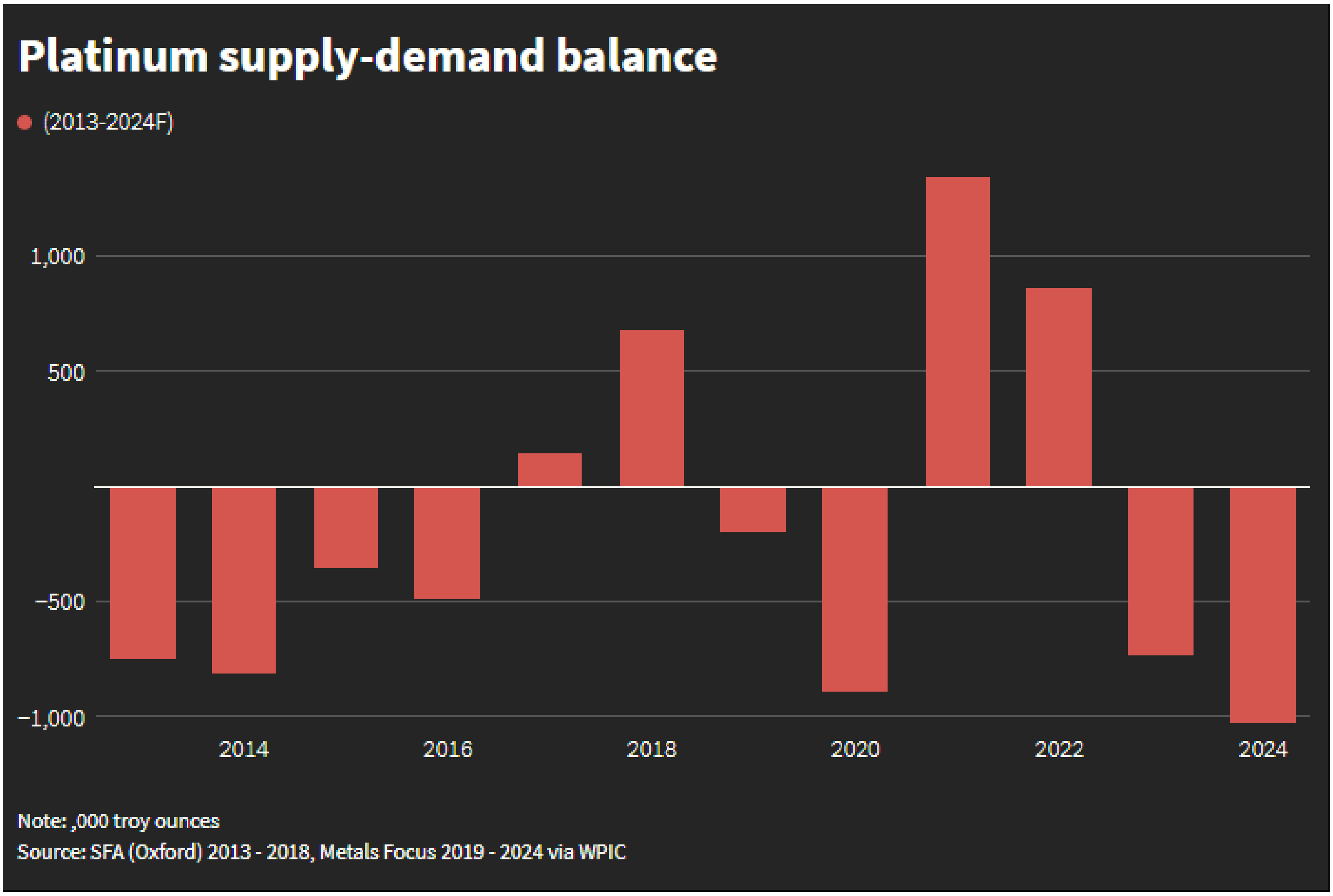
Top News - Agriculture

China Aug soybean imports at record 12.14 mln tons
China brought in a record 12.14 million metric tons of soybeans in August, as traders took advantage of lower prices to stock up amid concerns that trade tension with the United States could intensify if Donald Trump returned as president.
Last month's imports were a jump of 29% from 9.43 million tons a year ago, according to Reuters' calculations based on customs data.
"The increase was because the ships that were delayed from customs clearance last month finally got cleared this month," Rosa Wang, analyst at Shanghai-based agro-consultancy JCI said.
"Low Chicago soybean prices have provided a good chance for large purchases in recent months, while also some say buyers are making preparations for any possible high tariffs that Donald Trump might impose if he wins the U.S. elections," Wang said.
Total soy arrivals in the first eight months of the year stood at 70.48 million tons, up 2.8% on the year, the data from the General Administration of Customs showed.
The large arrivals swell an oversupply of soybeans in the world's top buyer of the commodity as a struggling economy weakens consumption of meat and dairy.
Soybeans are crushed into meal for animal feed and oil for cooking.
Domestic soybean and soybean meal inventories have declined slightly but inventories remain high, agriculture consultancy MySteel said.
"It will take time to ease the contradiction between

soybean meal supply and demand, and the bottom cycle of soybean meal prices will be prolonged," it said in a note.
Rising costs of imported soybean have lifted September crush margins in China's key processing hub of Rizhao to their highest since July, although crushers are still losing about 300 yuan for each ton processed.
In Brazil, soybean farmers could produce 14% more in the 2024/2025 season than the previous one, a Reuters poll of 10 analysts and market institutions showed, as expectations grow for more rain in the year's last quarter.

Brazil's first corn planting 15% done, soy not started, AgRural says
Brazilian farmers in the country's key center-south region had planted 15% of the expected area for the 2024/25 first corn crop as of last Thursday, consultancy AgRural said on Monday, up from 8% a week earlier but short of the previous season's 17%.
Brazil plants corn all year round and the first crop usually represents about 20% of national output, while the second crop - which is planted later, after soybeans are harvested on the same fields - accounts for some 75%.
According to AgRural, Brazil's soybean planting for the 2024/25 season has not yet started due to low soil moisture and dry and hot weather.
"With little rain on the radar and very high temperatures, planting equipment tends to remain in the sheds until more consistent signs of rain appear," the consultancy said in a statement.
Last week, AgRural said it expected the area planted with soybeans in Brazil to grow at its slowest pace in almost two decades in the 2024/25 season.
Brazil is the world's largest soybean producer and exporter.

Chart of the Day



Top News - Metals

China Aug copper imports fall to 16-month low
China's imports of unwrought copper slid in August to a 16-month low, customs data showed on Tuesday, as weaker demand for the metal hit arrivals.
Imports of unwrought copper and products stood at 415,000 metric tons last month, down 12.3% from the year-earlier figure of 473,330 tons and the lowest since last April, data from the General Administration of Customs showed.
The figure marked a decline of 5.3% from July's imports. The data includes anode, refined, alloy and semi-finished copper products.
Demand for the metal used for power, construction and transportation sectors was hit by manufacturing weakness in the world's second largest economy.
Amid a protracted property crisis, China's manufacturing activity sank to a six-month low in August as factory gate prices tumbled and owners struggled for orders, an official survey showed. Its car sales also fell for a fifth straight month in August, industry data showed.
The reduced demand in the world's top consumer of the metal has kept inventories stubbornly high, reining in global copper prices.
For the first eight months of the year, copper imports were up 3% at 3.62 million tons, the data showed.
That was in line with analysts' expectations for yearly growth of less than 3% in China's copper consumption in 2024, slowing from last year's rate of more than 5%.
Strong production also weighed down imports.
Despite a marginal monthly decline, China's refined copper output kept above a million tons in August, beating expectations in a survey by information provider Shanghai Metals Market.
In the wake of strong output, imports of copper concentrate last month stood at 2.57 million tons, the highest figure since last August, customs data showed.
Copper concentrate imports totalled 18.64 million tons for the first eight months, up 3.2% from a year earlier.

Platinum market faces million-ounce deficit in 2024, WPIC says
The global platinum deficit in 2024 will be twice as high as previously expected due to inflows to exchange-traded funds and purchases of large bars in China, the World Platinum Investment Council said.
Investment demand will climb 15% as holdings of global physically backed platinum ETFs, which store the metal for investors, rise, the WPIC said in a quarterly report.
It now expects the global platinum market to show a shortfall of 1.0 million troy ounces this year, compared with a previously projected deficit of 476,000 ounces.
Purchases of platinum bars of 500g or more in China - a category of investment demand which the WPIC added to its estimates for the first time - are expected to rise by 40% to 188,000 ounces this year.
As relatively low prices for platinum and its sister metals palladium and rhodium continue to weigh on the mining industry, the WPIC, whose members are major Western platinum producers, expects mine supply to fall 2% due to lower South African production in 2024.
This will be partly offset by 2% growth in recycled supply.
Meanwhile demand from the auto sector, which uses platinum in catalytic converters to reduce harmful emissions from vehicle exhaust systems, is on track to rise 1% to a seven-year high of 3.2 million ounces.
That is due to growth in hybrid vehicles sales, stricter emissions legislation, and platinum-for-palladium substitution, which is forecast to reach 752,000 ounce this year, the WPIC, which uses data from consultancy Metals Focus, added.
To cover the deficit, above-ground stocks will fall by 25% to a four-year low of 3.0 million ounces, equal to about four months of global demand, it said.

Top News - Carbon & Power

China's August coal imports rise 3% as heat waves spur power demand
China's coal imports rose 3% in August as utilities continued to stock up amid record-breaking hot weather, but rising renewable power generation appears to be slowly dampening the pace of import gains.
August shipments stood at 45.84 million metric tons, data from the General Administration of Customs showed.
However, that was down from July's 46.21 million tons, a seven-month high.
July was China's hottest month since records began, and heat waves continued to sweep across the country in August. That led to soaring power demand as households and business turned on their air conditioners.
But China's thermal power generation in July dropped 4.9% from a year ago to 574.9 billion kilowatt-hours (kWh), the third straight month of year-on-year declines because of rising hydropower, wind and solar generation.
However, importers continued to take cargoes they had contracted in advance of the summer peak season.
China's coal imports totalled 342 million tons in the first eight months of the year, up 11.8% on-year, according to the data.

China has more than 1 bln tons/year of new coal mines in pipeline, report says
China accounts for more than half of the world's pipeline of new coal mines, risking a significant increase in

methane emissions, a new study showed.
China is developing enough new mines to produce 1.28 billion metric tons of coal each year, said the report by U.S.-based Global Energy Monitor (GEM) which included large mines with at least 1 million tons of annual capacity as of April. It said 35% of that capacity is already under construction, meaning a surge in production is expected in three to five years.
"Expanding coal production capacity is currently a national policy priority and a political task. State-owned enterprises, which dominate the sector, are often mandated to fulfil this objective," said GEM project manager Dorothy Mei.
China's system of long-term contracts guarantees the profitability of coal companies, Mei added.
China's existing mines have made it responsible for 70% of global coal mine methane emissions from similar sized large mines, and if all the proposed projects are completed, this would rise to 75%, the report said.
"The surge in new production starkly contrasts with China's dual carbon neutrality targets," it said.
Methane emissions come from activities such as energy production, agriculture, and landfill and are short-lived in the atmosphere but much more potent than carbon dioxide as a greenhouse gas. They have driven about a third of the rise in global temperatures since the Industrial Revolution.
China's pipeline accounts for more than half of mines under development globally, and includes projects under all stages of development, including those proposed, permitted as well as already under construction.
By comparison, China's existing current large-scale coal mine capacity is 3.88 billion tons per year, the report found, which is nearly half the global total.
China, the world's largest producer and consumer of the fossil fuel, mined a total 4.66 billion tons of coal in 2023, a record high, data from its statistics bureau showed.

MARKET MONITOR as of 06:45 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$68.41 / bbl	-0.44%	-4.52%
NYMEX RBOB Gasoline	$1.90 / gallon	0.10%	-9.90%
ICE Gas Oil	$652.25 / tonne	1.01%	-13.12%
NYMEX Natural Gas	$2.13 / mmBtu	-1.89%	-15.31%
Spot Gold	$2,504.15 / ounce	-0.04%	21.41%
TRPC coal API 2 / Dec, 24	$118.25 / tonne	-2.07%	21.91%
Carbon ECX EUA	€66.62 / tonne	0.15%	-17.11%
Dutch gas day-ahead (Pre. close)	€36.70 / Mwh	1.38%	15.23%
CBOT Corn	$4.06 / bushel	-0.25%	-16.06%
CBOT Wheat	$5.70 / bushel	0.31%	-10.83%
Malaysia Palm Oil (3M)	RM3,878 / tonne	-0.44%	4.22%
Index	**Close 09 Sep**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	319.65	1.07%	6.05%
Rogers International	25.93	0.17%	-1.52%
U.S. Stocks - Dow	40,829.59	1.20%	8.33%
U.S. Dollar Index	101.62	0.06%	0.28%
U.S. Bond Index (DJ)	450.16	0.17%	4.51%

Top News - Dry Freight

China August iron ore imports slide on steel rout, soft demand outlook

China's iron ore imports in August fell 1.38% from July and slipped 4.73% from a year earlier, customs data showed, as falling steel prices and a gloomy demand outlook dampened buyers' appetite.

China, the world's largest iron ore consumer, brought in 101.39 million metric tons of the key steelmaking ingredient last month, according to data from the General Administration of Customs.

That compared with 102.81 million tons in July and 106.42 million tons in the same month in 2023.

Panic selling triggered by new requirements for steel quality hurt sentiment in the world's largest steel market, prompting many steelmakers to cut output, which dented their appetite for raw materials including iron ore, analysts said.

"An increasing number of domestic steel mills started equipment maintenance from July after persistently falling steel prices left them little room to make a profit," said Chu Xinli, a Shanghai-based analyst at China Futures.

"Moreover, steelmakers became more cautious about booking sea-borne cargoes amid lingering high portside stocks and a lack of confidence in demand prospects in the peak construction season; negative import margins also suppressed speculative buying interest," Chu added.

Inventories at major ports stood at 150.8 million tons by the end of August, 17% higher than the year-earlier level despite a 0.7% drop month-on-month, data from consultancy Steelhome showed.

Also, shipments from some miners slowed down in July after having caught up with quarterly targets, resulting in lower arrivals in China in August, according to analysts.

China's iron ore imports totaled 814.95 million tons in the first eight months of 2024, a year-on-year rise of 5.2%, the data showed. Monthly iron ore imports may hover around 100 million tons for the reminder of the year, said analysts, pointing to a global supply glut.

STEEL TRADE

China shipped abroad 9.5 million tons of steel products in August, up 21.33% from July and 14.73% from a year before, as tepid domestic demand and fear of mounting trade frictions ahead encouraged rush sales, according to analysts.

Exports in the first eight months of the year jumped 20.6% to the highest for the period since 2016 at 70.58 million tons. That has brought an annualized volume at 106 million tons.

China imported 509,000 tons of steel products last month, up 0.79% from July while it was down 20.47% from a year earlier, with the January-August total at 4.63 million tons, an 8.4% annual drop.

China Aug rare earth exports dip on sluggish demand

China's exports of rare earths minerals in August fell 4.34% from July and slid 1.1% from a year earlier, customs data showed on Tuesday, due to sluggish demand.

The world's largest producer of rare earths last month shipped 4,723 metric tons of the 17 minerals used to make products ranging from magnets in electric vehicles to consumer electronics, data from the General Administration of Customs showed. That compared with 4,937 tons in July and 4,775 tons in August 2023.

Exports may fall again in September as domestic demand has shown signs of recovering after sentiment was boosted by lower-than-expected growth in a year-to-date production quota, which is typically used to gauge supply, said analysts. China's 2024 mining output quota and its smelting and separation quota rose by 5.9% and 4.2% from 2023 to 270,000 tons and 254,000 tons, respectively. Exports in the first eight months of 2024 climbed 6.4% from the same period a year before to 38,755 tons, the customs data showed.

IMPORTS

China's rare earths imports last month slipped 12.29% from the year before to 11,115 tons, bringing the total from January to August to 91,686 tons, a year-on-year drop of 22.6%.

Picture of the Day

A wheat crop ready for harvest in a farmer's field near Kindersley, Saskatchewan, Canada, September 5. REUTERS/Todd Korol

(Inside Commodities is compiled by Archak Sengupta in Bengaluru)

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