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Top News - Oil

Europe set for light autumn refinery maintenance as fuel markets tighten

European oil refiners are set to have an autumn maintenance season less busy than usual, analysts and traders say, as they try to capture higher profit margins amid low fuel inventories and robust demand for gasoline and diesel.
A lower refinery maintenance schedule means Europe will be less reliant on fuel imports at a time when global prices are elevated.
It also means that refiners that remain online will have to snap up crude at higher prices and hence might face lower profits.
Offline capacity in Europe in the fourth quarter is forecast to reach about 800,000 barrels per day (bpd), a rise of about 200,000 bpd from the previous quarter, but about 40% below levels the same time last year and in 2019, according to consultancy Wood Mackenzie.
For the whole year, Woodmac forecasts average shutdowns of about 1 million bpd, about 300,000 bpd below pre-pandemic 2019 levels. A decision by Saudi Arabia and Russia, two of the world's biggest oil producers, to limit their supplies by a combined 1.3 million bpd until the end of the year has raised crude prices to their highest since November 2022.
BP will put its German Gelsenkirchen refinery in for a several week turnaround, shutting down the entire 120,000 bpd Horst section and parts of the 140,000 bpd Scholven section.
Sweden's Preem has began a maintenance shutdown at its 126,000 bpd Gothenburg plant which will last up to five weeks. And in Portugal, refiner Galp said it would shut its 220,000 bpd Sines refinery for maintenance during the fourth quarter.
"In early 2023 we observed a much higher maintenance period through March and therefore would expect the autumn maintenance outlook to be lower – aligning with the typical maintenance trend that higher maintenance in spring typically indicates lower autumn maintenance," Woodmac analyst Emma Howsham
said. In recent months refiners have also experienced bouts of unplanned maintenance, likely as a repercussion of limited maintenance throughout COVID-19 lockdowns and during record high margins last year, she said.
"With global oil demand continuing to break record levels, a lack of spare crude processing capacity due to a near-decade of ESG-induced underinvestment, is resulting in higher refinery crude runs," bank MUFG analyst Ehsan Khoman said.
"This is stretching the global refining system, supporting margins and breeding fuel price volatility," he added. Oil product volatility was also highlighted by Russell Hardy, chief executive of the world's largest independent oil trader Vitol, at an industry event last week.
"The volatility is coming from products because refining capacity is very, very tight.
Lots of refineries closed during COVID and the West really doesn't have the product making capacity it needs, now that Russian exports are making their way to Asia," Hardy said.

Saudi Aramco to supply full oil volumes to N.Asia refiners -sources

Saudi Aramco has notified at least five North Asian buyers that it will supply full contractual volumes of crude oil in October, sources with knowledge of the matter said on Monday, despite extended voluntary output cuts pledged by the Kingdom.
The world's top oil exporter last week said it would prolong the 1 million barrels per day (bpd) unilateral cut to the end of the year, driving up benchmark Brent crude above $90 a barrel for the first time this year.
But Saudi Aramco raised the October official selling price for its Arab Light crude by a less than expected 10 cents from the previous month.
Chinese refiners have maintained October total nominated volumes at a similar level to September at about 50 million barrels, three trading sources said.
"Despite the modest price hike, Saudi crude remains more expensive than other crude.
But as refiners are bound by the term contract, they cannot always ask for lower supply," one source said.
Some Chinese refiners have already sought reduced supply from Saudi Aramco this year.

Top News - Agriculture

Argentina's domestic soybean sales soar after federal currency boost

Soybean sales in Argentina totaled almost one million metric tons in the last seven days, the Buenos Aires grains exchange (BdeC) said on Monday, as farmers take advantage of a federal price-boosting initiative.
The figure is well above the nearly 240,000 tons of soybeans sold over the last week of August across the South American country, which is one of the world's largest exporters of processed soy oil and meal.
The high figure follows last week's federal government decision to open a loophole in its capital control to allow grains exporters to freely use a quarter of their foreign currency income to buy soybeans.
The move, which comes after a historic drought halved harvests last season, aims to encourage more exports to bring in much needed dollars to the South American nation.
"Since the export increase program was announced, negotiated soybean quantities have reached 951,211 tons," the exchange said in a report. Domestic soybean

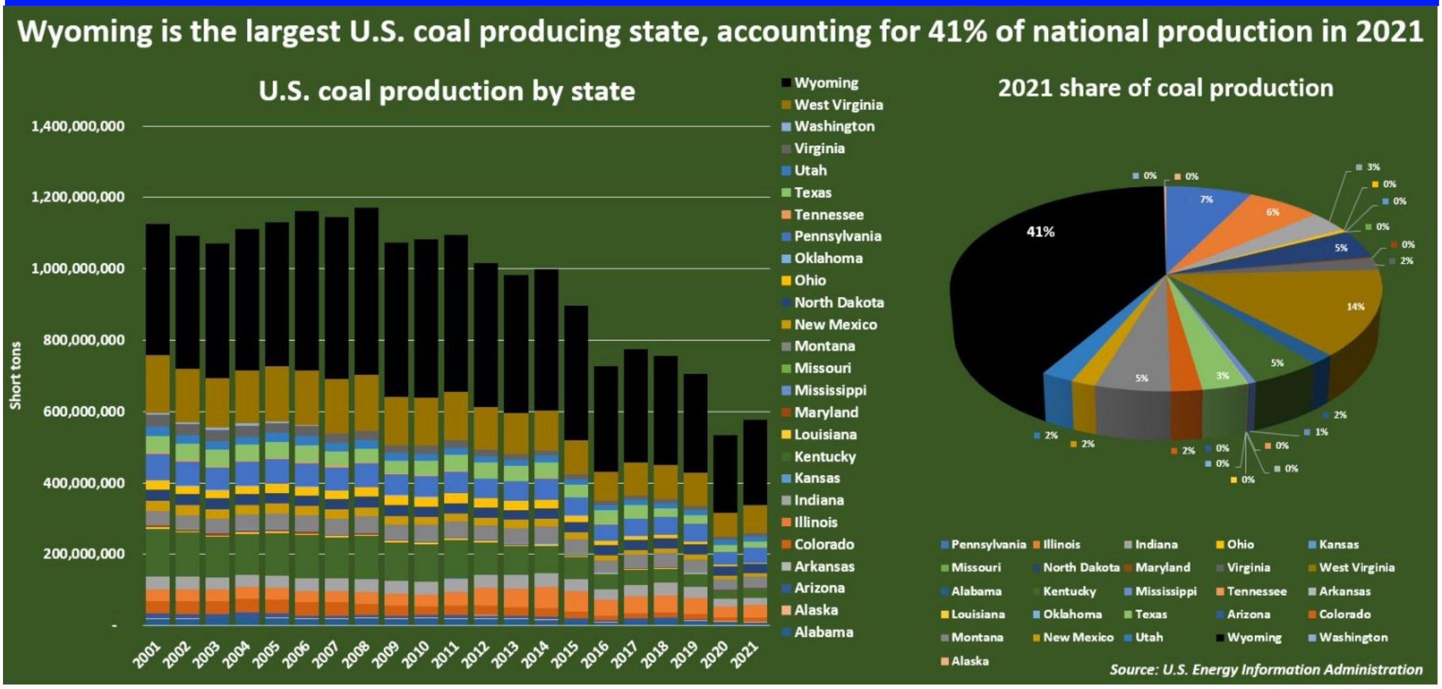
prices have risen by more than 25,000 pesos ($71) to reach more than 155,000 pesos ($443) per ton since the program's launch, according to the exchange.
Argentina's 2022/23 soybean harvest was down 53% from the previous year at just 20 million tons, according to the Rosario Stock Exchange (BCR), due to the impacts from the drought.
Last week, the BCR estimated some 7 million tons of the 2022/23 harvest have yet to be sold.

Russian wheat export prices dip, deal reported below AgMin "floor"
Russian wheat export prices inched lower last week, tracking global benchmarks, as analysts continue to raise crop and export forecasts for this season.
The price of 12.5%-protein Russian wheat scheduled for free-on-board (FOB) delivery in October was $240 per metric ton last week, down from $245 a ton week earlier, the IKAR agriculture consultancy reported.
The SovEcon agriculture consultancy sees the price for this class of wheat at $246-$250 per ton FOB, compared with $248-$250 per ton a week earlier.
Russian attacks on Ukrainian and Danube ports have so far failed to affect wheat prices.
"Some damage has been done to the Danube elevators and transport.
However, for now, navigation is still running," SovEcon said in a note.
"Freight rates have been flat in recent weeks around 40-45 euro/mt (Izmail-Constanta) but perhaps we will see an increase shortly."
Meanwhile, according to SovEcon, Egypt's GASC bought 480,000 tons of Russian wheat without a tender last Friday reportedly at $270 C&F from Solaris/Demetra, meaning the FOB price had to be below the $270 unofficial price set by the Russian agriculture ministry.
Also, analysts further raised their forecasts for this year's Russian grains exports, with SovEcon last week revising the figure to 48.6 million tons from 48.1 million tons.
Russia exported 1.22 million tons of grain last week compared to 1.19 million tons a week earlier, including 1.03 million tons of wheat, compared with 1.11 million tons a week earlier, SovEcon wrote in its weekly note, citing port data.
The wheat harvest as of Sept.6 totalled 78.7 million tons (versus 91.5 million tons a year earlier) from 21.0 million hectares (versus 23.7 million hectares), with an average yield of 3.75 tons per hectare (3.86 tons per hectare).
This accounts for 71% of the total area to be harvested.
According to the Russian Ministry of Agriculture, over 108 million tons of grain had already been threshed as of Sept.6.
Sowing of winter grains was carried out on an area of 4.6 million hectares, up from 3.9 million hectares a year earlier, Sovecon wrote.

Top News - Metals

Share of Russian aluminium in LME-registered warehouses steady at 81%
The share of available aluminium stocks of Russian origin in London Metal Exchange-approved warehouses remained steady in August versus the previous month at 81% of the total while the actual volume declined, data on the exchange's website showed.
Total aluminium stocks available to the market in LME-registered warehouses are referred to as on-warrant.
Warrants are title documents conferring ownership of

Chart of the Day



metal. The share of Russian-origin stocks in LME-registered warehouses had been gradually rising this year as some traders and consumers search for alternatives to Russian metals, even though they are not directly targeted by Western sanctions imposed on Moscow. Major producer Norsk Hydro in July called for the LME to reconsider a decision not to ban Russian aluminium from its warehouse network. The actual amount of Russian aluminium stocks on LME warrant fell to 183,650 metric tons in August from 227,525 in July, data published on Monday by the world's oldest exchange and largest metals market showed. The proportion of Indian aluminium inventories in LME-registered warehouses, which has been dragged down by the shift in demand away from the Russian metal, declined to 17% in August from 18% in July. The share of Russian-origin in total copper stocks fell to 25% from 33%, the LME said. The actual amount of Russian copper in on-warrant inventories rose to 25,675 tons from 24,150. Russian nickel made up 19% of available stocks, or 7,068 tons, against 20% in July.

Russia's largest untapped copper deposit starts concentrate production

Copper concentrate production started at Russia's largest undeveloped copper deposit on Monday following a ceremony overseen by President Vladimir Putin via video link.

The long-awaited Udokan project in Russia's far east is coming on stream at a challenging time. The United States imposed sanctions on its operator - Udokan Copper LLC - in April as part of a wave of restrictions placed on Russia due to its activities in Ukraine. Copper prices also fell 14% in 2022 and are flat so far this year due to weaker than expected demand. The project, however, relies on its proximity to top metals consumer China and on demand there, as well as future demand from the global green energy transition.

"Go ahead," Putin said during the ceremony, broadcast by state TV.

The processing plant at Udokan will produce sulphide copper concentrate with 40-45% metal content, the company said. It plans commercial sales this year, but has not disclosed potential buyers yet.

Once the first stage of the metallurgical plant is launched in 2024, Udokan will be able to handle up to 15 million metric tons of ore per year, with annual production of up to 150,000 tons of copper in the form of copper cathode and concentrate.

The deposit is the largest in Russia with an estimated 26.7 million tons of copper resources. It has been untapped since its discovery in 1949 because the technology didn't exist to exploit its unique and difficult-to-extract ore.

In the 1970s, a student at the Moscow Mining Institute researched the idea of a "clean" nuclear blast to extract Udokan's ore, but that remained on paper. Russian billionaire Alisher Usmanov bought the right to develop Udokan for $500 million from the government just before the 2008 financial crisis. It took 10 years to solve the technical challenges of the project, create a new geological model and start construction.

By 2028, Udokan plans to build the second stage of its mining and metallurgical complex, increasing annual capacity to 24–28 million tons of ore and up to 450,000 tons of copper.

Top News - Carbon & Power

Feedgas flows to U.S. Freeport LNG drop sharply - LSEG data

Feedgas flows to Freeport LNG, the second-largest U.S. liquefied natural gas exporter, dropped sharply over the weekend and remained down for the third day in a row on Monday, LSEG data showed.

Input levels on the pipeline serving the facility showed feed levels had fallen to 702.9 million cubic feet per day (mcf/day) on Sept. 9 and dropped further to 284.3 mcf/day on Sept. 10, down from 1,640.3 mcf/day Sept. 8, LSEG data showed.

Feedgas for Monday, Sept. 11, stood at about 622 mcf/d. Freeport LNG declined to comment. Gulf South Pipeline, through which Freeport LNG receives feedgas, said in a note that due to "customer’s failure to take confirmed quantities" to Freeport LNG, it anticipated confirmation reductions for the remaining nomination cycles for Gas Day Sept. 10. The Freeport facility draws 2 billion cubic feet per day (bcfd) of natural gas from U.S. shale producers.

"The plant often experiences unit trips, but the drop in feedgas flows over the weekend suggests that at least two trains are not taking any gas," said Leo Kabouche, LNG market analyst at consultancy Energy Aspects.

Freeport LNG has had at least six emission events over the last two months, according to state environmental agency Texas Commission on Environmental Quality (TCEQ). There was a reduction in feedgas intake of between 200 mcf and 500 mcf on those six occasions, according to LSEG data. Four events affected Train 3 processing unit, with the most recent on Sept. 5.

The other two occasions in which gas usage fell were caused by events at Train 1 unit, according to the TCEQ report.

Each time there was a return to normal operations within 48 hours. The continued reduction in feedgas intake reflects operational challenges at Trains 1 and 3, said one person familiar with Freeport LNG's operations.

The Freeport export plant in Texas was shut down after a fire in June 2022, and ended an eight-month outage in February.

U.S. natural gas futures held near a one-week high on Monday on a big daily drop in U.S. output and much higher global gas prices. Capping those gains were forecasts for milder weather, lower demand over the next two weeks and the reduction in feedgas to Freeport LNG. An outage at the facility would add to market concerns over global LNG supply as workers at Chevron Corp's Gorgon and Wheatstone LNG projects in Australia began hours-long work stoppages on Friday, with the industrial unrest leading to a spike in European gas prices.

The workers plan a total strike for two weeks from Sept. 14, while Chevron said it would ask Australia's industrial relations tribunal to intervene to halt strike action.

Colombia mulls making Ecopetrol mandatory partner in offshore wind farms

Colombia's government is considering revising rules to make majority state-run energy company Ecopetrol an obligatory partner in every offshore wind project, three people familiar with the matter told Reuters.

The Ministry of Mines and Energy will consult businesses interested in taking part in Colombia's first-ever offshore wind auction about the proposal, one of the sources said in recent days, adding that feedback so far has been positive.

If approved, the revision would make it "mandatory for Ecopetrol to take part in each offshore project," another source told Reuters.

The government of President Gustavo Petro, Colombia's first leftist leader, has set its sights on weaning the Andean country from its dependence on fossil fuels while ensuring energy self sufficiency.

The Ministry of Mines and Energy did not respond to questions from Reuters.

Ecopetrol Chief Executive Ricardo Roa told Reuters in an interview later on Monday that regulations for renewables have been developing bit by bit to allow the company "to eventually become a big actor in energy generation in the country."

Having Ecopetrol partner with other companies on offshore wind farms would "minimize the risks of new projects," one of the sources said, adding that the size of any given Ecopetrol stake would be "very, very small," without indicating possible percentages.

Ecopetrol's involvement in offshore wind projects would help shore up energy self sufficiency, another of the sources said.

"For energy security, it's the most important (thing)," another said, referring to Ecopetrol's involvement in the projects.

Plans to hold the bidding round to assign maritime blocks for offshore wind farms are running behind.

The ministry last week said it continues to work on readying the necessary tender documents, despite previously saying the paperwork would be published in August.

Processes to change the regulations - which were published in the last week of the previous government - are behind the delays, one of the people said, while another said setbacks were due to changes in the ministry's leadership.

Former Minister of Mines and Energy Irene Velez stood down in July amid investigations into possible influence-peddling, and was replaced by Andres Camacho at the start of August.

"I think it will be difficult for (the auction) to go ahead this year," one of the sources said.

MARKET MONITOR as of 06:30 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$87.66 / bbl	0.42%	9.22%
NYMEX RBOB Gasoline	$2.64 / gallon	0.28%	6.68%
ICE Gas Oil	$1,005.00 / tonne	-0.67%	9.12%
NYMEX Natural Gas	$2.61 / mmBtu	0.19%	-41.61%
Spot Gold	$1,918.65 / ounce	-0.16%	5.17%
TRPC coal API 2 / Dec, 23	$124.5 / tonne	1.84%	-32.61%
Carbon ECX EUA / Dec, 23	€81.35 / tonne	-0.37%	-3.12%
Dutch gas day-ahead (Pre. close)	€37.40 / Mwh	7.94%	-50.51%
CBOT Corn	$4.85 / bushel	-0.10%	-28.43%
CBOT Wheat	$5.83 / bushel	-0.30%	-26.82%
Malaysia Palm Oil (3M)	RM3,719 / tonne	0.16%	-10.90%
Index (Total Return)	**Close 11 Sep**	**Change**	**YTD Change**
Thomson Reuters/Jefferies CRB	321.88	0.70%	6.82%
Rogers International	28.83	-0.16%	0.58%
U.S. Stocks - Dow	34,663.72	0.25%	4.57%
U.S. Dollar Index	104.57	-0.50%	1.01%
U.S. Bond Index (DJ)	401.90	-0.13%	2.54%

Top News - Dry Freight

Argentina insists on key river tolls amid criticism from neighbors

Argentina must collect tolls on a crucial waterway, the country's energy chief said on Monday after meeting with Paraguayan officials, as a multi-nation conflict over fees for ships carrying grains and other exports intensifies.

Paraguay, Brazil, Bolivia and Uruguay are urging Argentina to stop applying the tolls, arguing they restrict navigation on South America's mighty Paraguay-Parana rivers.

"Argentina's view is that we need to charge this toll," Energy Secretary Flavia Royon told reporters after returning from talks in Paraguay with the country's foreign minister. But she appeared to suggest there was room for negotiation.

"The conversation recognized that its necessary to charge a toll for functionality, but to also have a mechanism for dialogue over its amount and how it's implemented," she added. Brazil, Paraguay, Bolivia and Uruguay issued a joint statement on Sunday blasting as "unilateral and arbitrary" Argentina's decision to seize a barge from Mercurio Group, a Paraguayan shipping company, to collect a toll, adding its actions could affect supply and prices.

The barge was released on Monday after paying the toll, a company spokesperson told local radio.

Argentine authorities say tolls on the Paraguay-Parana waterway, a key transport route to the sea for inland areas of Paraguay, Bolivia and southern Brazil, are needed to maintain the 3,400 km (2,110 mile) channel that ends at Buenos Aires. Argentina uses the Parana to ship its own massive farm exports, especially processed soybeans, corn and wheat. But the country recently saw its main cash-crops battered by drought, and has imported over 7 million metric tons of soybeans in the first seven months of this year, around half from Paraguay and most of the rest from Brazil, according to official data.

Paraguay recently announced it will go to the Mercosur trade bloc Permanent Review Court to resolve the dispute.

South Korea’s NOFI tenders for about 130,000 metric tons feed wheat

Leading South Korean feedmaker Nonghyup Feed Inc. has issued an international tender to purchase up to 130,000 metric tons of animal feed wheat, European traders said.

The deadline for submission of price offers in the tender is also Tuesday, Sept. 12.

The wheat is sought for arrival in South Korea in 2024 in two consignments of up to 65,000 tonnes, one due in January and the other in February.

The wheat can be sourced from worldwide origins but excluding Russia, Argentina, Pakistan, Denmark and China. Loading ports in Russia and Ukraine also may not be used.

One consignment is sought for arrival in South Korea around Jan 20. Shipment is sought between Dec. 17-Jan. 5 if sourced from the U.S. Pacific Northwest coast, Australia or Canada, between Nov. 27-Dec. 16 if from the U.S. Gulf or Europe, and between Nov. 22-Dec. 11 from South America.

The second consignment is sought for arrival around Feb. 15. Shipment is sought between Jan. 12-Jan. 31 if sourced from the U.S. Pacific Northwest coast, Australia or Canada, between Dec. 23-Jan. 11 if from the U.S. Gulf or Europe, and between Dec. 18-Jan. 6 if from South America.

Picture of the Day

View of a massive landslide next to a building complex, after heavy rains hit Concon, Chile, September 11. REUTERS/Rodrigo Garrido

(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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