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## Top News - Oil

### Big oil companies defeat US consumer lawsuit over production, prices

Several oil companies including Exxon Mobil and Chevron defeated an appeal on Monday by consumers who accused them of colluding with former U.S. President Donald Trump, Russia and Saudi Arabia to cut oil production, boosting prices at the pump.

In a 3-0 decision, the 9th U.S. Circuit Court of Appeals in San Francisco said two dozen consumers could not pursue class action claims because they concerned political questions and the oil-producing policies of foreign countries.

The court also found a lack of proof that the oil companies violated antitrust law by conspiring to raise prices.

Other defendants included Devon Energy, Energy Transfer LP, Occidental Petroleum, Phillips 66, Continental Resources, Hilcorp Energy and the American Petroleum Institute.

Lawyers for the consumers did not immediately respond to requests for comment. The defendants' lawyers did not immediately respond to similar requests.

The lawsuit stemmed from a price war that broke out in March 2020 between Russia and Saudi Arabia.

Both countries boosted production quickly, ending three years of production and sales limits, after Russia rejected cuts proposed by Saudi Arabia and other OPEC producers.

Consumers said the oil companies' complaints about sinking prices prompted the Trump administration to cajole oil-producing countries to slash production, boosting industry profitability.

Within about two years, the price of a barrel of oil soared above \$100 from less than \$20, while the U.S. retail price of a gallon of gas more than doubled to over \$5.

In Monday's decision, Circuit Judge Ryan Nelson said courts shouldn't second-guess White House foreign policy, and had no authority to order Russia and Saudi Arabia how to manage their oil resources.

He also said the early 2020 start of the COVID-19 pandemic drastically reduced oil demand, and was an "obvious alternative explanation" for why oil companies cut production.

Monday's decision upheld a January 2023 ruling by U.S. District Judge Jeffrey White in Oakland, California.

Nelson was appointed to the bench by Trump, a Republican. The other judges on Monday's panel, Ronald Gould and Richard Tallman, were appointed by Democratic President Bill Clinton.

The case is D'Augusta et al v American Petroleum Institute et al, 9th U.S. Circuit Court of Appeals, No. 23-15878.

### Investors turned more bearish on oil last week than ever

Investors were more bearish than ever on crude oil last week, deepening a months-long selloff that pressured prices to multi-year lows amid growing concerns of weak demand in top consuming nations.

Negative sentiment swept oil markets so strongly that short positions on Brent crude overtook long positions for the first time, data from the Intercontinental Exchange showed on Friday. Short positions - bets on lower prices - totaled 164,223 contracts, while long positions, or bets on higher prices, amounted to 151,543 contracts, the data showed.

"This historic speculative selling pressure prompted a more than \$10/bbl collapse in crude prices between late-August and this past Tuesday," Commodity Context analyst Rory Johnston wrote.

Investors' oil outlook has soured as demand growth for the commodity has failed to meet the lofty levels of recent years, pressured by turmoil in top importer China's economy. Supplies have also overwhelmed markets this year, with U.S. oil producers pumping record amounts of oil.

Brent crude futures settled below \$70 a barrel on Sept. 10 for the first time since December 2021.

They closed at \$72.75 a barrel on Tuesday, down more than 20% since this year's peak of more than \$90 a barrel in mid-April.

Hedge funds were particularly bearish on diesel as prices approached their lowest levels in three years, TACenergy traders wrote on Monday.

Money managers increased short bets on U.S. ultra-low sulfur diesel futures by more than 12,000 contracts to 65,084 contracts in the week to Sept. 10, data from the Commodity Futures Trading Commission showed.

ULSD futures slumped to \$2.04 per gallon last week, their lowest since December 2021, dragged down by weak economic activity and growing use of alternative fuels. Record-low sentiment in speculative markets could mean that the months-long slump in oil prices is nearing its end, going by historical patterns, market participants said.

"Extreme positions by speculators are known to be reliable contrary indicators as when everyone gets on the same side of the boat, that's when it tips over," U.S. fuel distributor TACenergy said.

They cautioned that it is hard to predict when positioning will reverse, but markets could see sharp volatility when it does.

"With so much combined short interest, when the bidding does start, you can expect there to be some fast price spikes," TACenergy said.

Top News - Agriculture

**EXCLUSIVE-Ghana lost 160,000 tons of cocoa to smuggling in 2023/24 season, Cocobod official says**

Ghana has lost more than a third of its 2023/24 cocoa output to smuggling, a top official from the cocoa marketing board (Cocobod) told Reuters, as low local prices and payment delays push some farmers to sell to increasingly sophisticated trafficking rings.

Poor harvests in Ghana and Ivory Coast, the world's second largest and largest producers, have pushed markets into a four-year supply deficit, driving up global cocoa and chocolate prices this year.

But cocoa fetches more in Ivory Coast and Togo than in Ghana because of a more stable CFA franc currency and a less regulated sector.

Ghana had produced 429,323 metric tons of cocoa by the end of June from the start of the season in September, less than 55% of the average at the same point in previous seasons and putting 2023/24 output on track for its biggest fall in more than two decades.

Charles Amenyaglo, director of special services at Cocobod, who leads the board's anti-smuggling task force, said smuggling losses more than tripled in 2023/24. "Conservatively, I will say we lost 160,000 tons," he said, adding that the task force also intercepted about 250 tons, up from 17 tons in 2022/23.

"The data is alarming," said Abubakar Omaa, general secretary of Ghana's cocoa and coffee farmers association.

While more than 10 people have been sentenced to between three months and 10 years in prison for smuggling this year, Amenyaglo said Ghana's military will soon be deployed to tackle smugglers.

**FUEL TANKERS, OIL DRUMS AND TIPPER TRUCKS**  
Smuggling rings, which offer farmers higher prices, began to take hold in 2022, when Ghana was at the height of an economic and currency crisis.

Amenyaglo said significant quantities of cocoa were crossing into Togo, Burkina Faso and even Mali.

"We've seen cocoa in tipper trucks covered by quarry chippings and in drums disguised as palm oil," he said.

"We've seen pontoon boats carting cocoa...but the shocker is when we saw a fuel tanker loaded with cocoa. The 'Don't tamper' seal was still on."

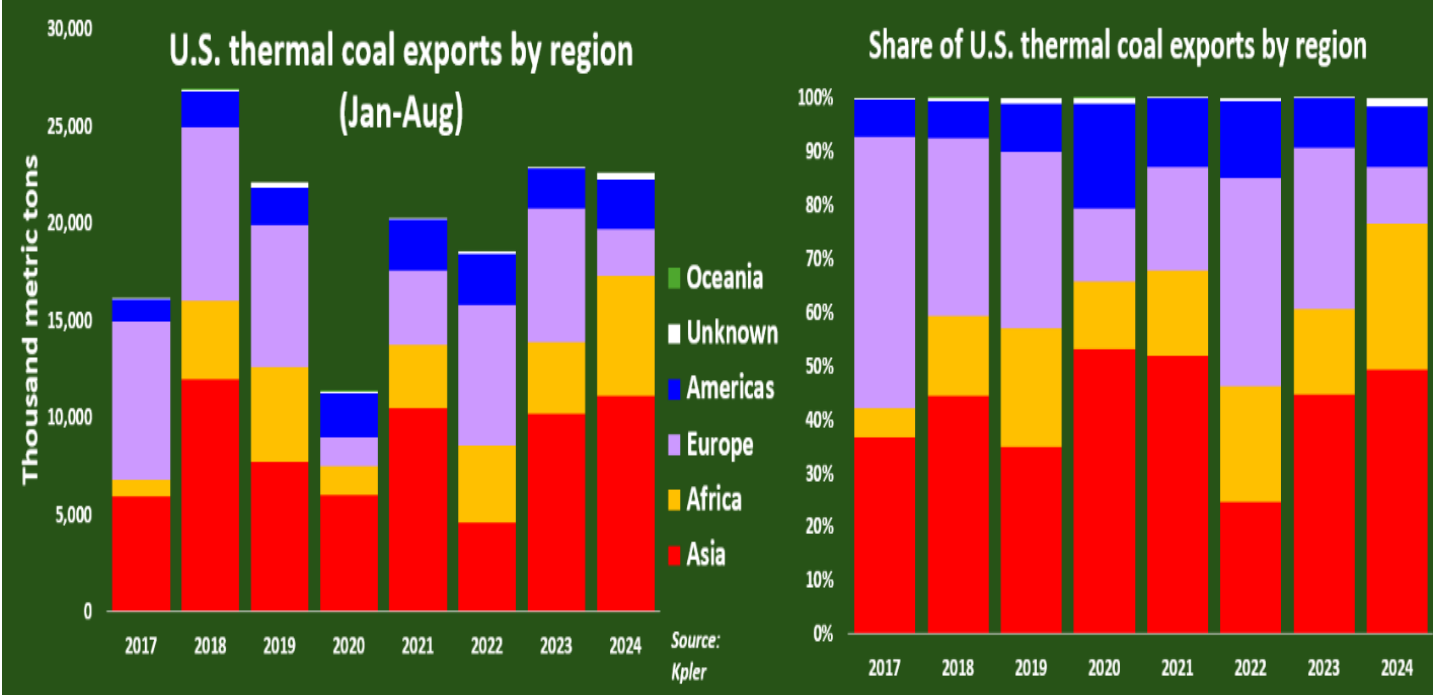
Cocobod has failed to pay for beans on time during the season due to problems with the syndicated loan it uses to finance purchases.

"This comes back to (the) money issue ... If we're liquid and actively on the field, smuggling can be curtailed," said Samuel Adimado, president of the Ghanaian cocoa

Chart of the Day

**Asia & Africa are the top destinations for U.S. thermal coal exports**

*Roughly 49% of U.S. exports went to Asia & 27.3% went to Africa in Jan-Aug 2024*



buyers' group. Ghana opened the 2024/25 season earlier than usual, with a new funding model and a 45% increase in the farmgate price.

Farmers are hopeful the changes will help discourage smuggling, though they fear a weakening currency will erode the price hike.

"We've invested a lot to raise cocoa production in Ghana, not for cocoa sectors in Togo or Ivory Coast to blossom," Amenyaglo said.

### **US corn harvest 9% complete, soybeans 6% done, USDA data shows**

The U.S. corn harvest was 9% complete by Sunday and the soybean harvest was 6% complete, government data showed on Monday, each 3 percentage points ahead of their respective five-year averages, while condition ratings were mixed.

The U.S. Department of Agriculture in a weekly crop progress report rated 65% of the corn crop as good to excellent, up 1 percentage point from a week ago, while 10 analysts surveyed by Reuters on average had expected a 1-point decline.

The USDA rated 64% of the U.S. soybean crop as good to excellent, down 1 percentage point from last week, matching the average analyst estimate.

Still, the condition ratings represent the highest for this time of year for each crop since 2018, underscoring expectations for large harvests. The USDA last week projected record-high U.S. yields for corn and soybeans. The United States is the world's largest exporter of corn and the No. 2 soybean supplier after Brazil.

Dry conditions in much of the Midwest have helped speed crops toward maturity.

Some 45% of the U.S. corn crop was mature as of Sunday, the USDA said, ahead of the five-year average of 38%. Meanwhile, farmers continue to seed the U.S. winter wheat crop that will be harvested in 2025. The USDA reported winter wheat plantings as 14% complete, ahead of the average analyst estimate of 13% and the five-year average, also 13%.

For the 2024 spring wheat crop, the USDA said the harvest was 92% complete, ahead of the five-year average of 90% but behind the average analyst estimate of 93%.

## **Top News - Metals**

### **EXCLUSIVE-First Quantum Minerals offers voluntary retirement to Cobre Panama workers, sources say**

Canadian miner First Quantum Minerals has opened a voluntary retirement scheme to workers at the Cobre Panama mine, two sources familiar with the matter said, as the company waits for a government decision on restarting the operation.

The mine, one of the world's top sources of copper, was shut down in November, hours after Panama's Supreme Court declared its contract unconstitutional. The decision to close down the mine was also triggered by environmental protests against the operation.

Panama's new government led by President Jose Raul Mulino has said the mine is not on his government's agenda this year and he will take a decision on its future in early 2025.

A significant reduction in the number of workers at the mine could lengthen the time needed to resume production.

First Quantum has asked its employees in Cobre Panama to choose between taking the voluntary retirement offer that would come into effect from January 2025 or work with reduced hours, the sources said.

Employees are expected to make a decision by the end of September, they added on condition of anonymity because they were not authorized to speak publicly about the matter. First Quantum declined to comment.

Michael Camacho, the union leader for Panama Mining Workers Union, said the operation was undertaking a voluntary retirement process and a small number of workers had taken up the offer. He said Panama's government has not indicated what would constitute a

safe management plan for the mine.

"There are around 900 people working at the site, down from 6,000 last year and most of the employees would prefer to work with reduced work hours, than take a voluntary retirement", said one of the sources, who did not wish to be identified.

Reuters could not independently verify the number of people currently working at the mine.

Shares of First Quantum closed 0.5% lower on the Toronto Stock Exchange on Monday.

For First Quantum, reopening Cobre Panama mine is essential to managing its debt.

Commodities markets are also watching to see what happens to 130,000 metric tons of copper concentrate that is stuck at Cobre Panama. The Panama government is yet to make a decision on whether it will allow the export of the copper concentrate.

### **Brazil confirms potential \$18 bln deal with miners involved in deadly dam disaster**

The Brazilian government confirmed on Monday it was in talks on a potential \$18 billion payout from a trio of miners involved in a deadly 2015 dam collapse, saying the deal could also involve further repair work by the companies themselves.

Earlier this month, Reuters reported that Brazilian mining giant Vale and Australia's BHP, together with their joint venture Samarco, could soon reach a deal to pay around 100 billion reais (\$18.2 billion) in additional funds for repairs, with final terms of the agreement expected in October.

Energy and Mining Minister Alexandre Silveira confirmed

the story in a Monday interview with local radio broadcaster Itatiaia, based in Minas Gerais state where the toxic spill took place. Beyond the reparations under discussion, he said the talks also cover some 30 billion reais in remediation the firms would implement themselves, such as removing toxic mining waste from a local river.

The collapse of the dam at a Samarco iron ore mine near the city of Mariana nine years ago unleashed a wave of toxic tailings that killed 19 people, left hundreds homeless, flooded forests and polluted the length of the Doce River. The miners have already paid out some 37

billion reais on remediation and compensation for the collapse of the tailings dam, Silveira said. A previous proposal from the miners, which was not fully accepted by officials, had set a 82 billion reais payout to authorities in new resources plus another 21 billion reais in repairs the miners would implement. Vale did not mention the amount of a potential deal in a response to a request for comment on Monday but repeated that it expected to reach a deal in October.

BHP and Samarco, meanwhile, confirmed the talks were ongoing in separate statements, adding they believe an agreement could be reached soon.

## Top News - Carbon & Power

### Low gas prices, LNG demand in spotlight at Gastech conference

Top energy executives and ministers will meet in Houston this week for the annual Gastech conference, with U.S. markets in focus as booming liquefied natural gas (LNG) exports help wean Europe off Russian gas and as Asia moves away from coal.

The U.S., once an importer of LNG, has surpassed Qatar as the world's top exporter, with new technology allowing America's shale producers to tap massive reserves. Both countries have major LNG expansion projects underway,

playing greater importance in global markets from Europe to Asia.

The conference comes to the U.S. for the first time since 2019 as the country has also become the world's biggest natural gas producer. U.S. natural gas production grew 4% last year to 125 billion cubic feet per day (Bcf/d). Exports of the super-cooled gas jumped 12% to 11.9 Bcf/d. Gastech expects to host some 50,000 attendees from 125 countries, with sessions on everything from gas markets and decarbonization to Artificial Intelligence (AI) and energy security.

## MARKET MONITOR as of 06:45 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	\$70.67 / bbl	0.83%	-1.37%
NYMEX RBOB Gasoline	\$1.96 / gallon	0.76%	-7.13%
ICE Gas Oil	\$647.00 / tonne	0.74%	-13.82%
NYMEX Natural Gas	\$2.39 / mmBtu	0.88%	-4.77%
Spot Gold	\$2,585.69 / ounce	0.12%	25.36%
TRPC coal API 2 / Dec, 24	\$114.75 / tonne	-1.08%	18.30%
Carbon ECX EUA	€63.12 / tonne	-0.14%	-21.46%
Dutch gas day-ahead (Pre. close)	€34.20 / Mwh	-5.08%	7.38%
CBOT Corn	\$4.30 / bushel	0.17%	-11.16%
CBOT Wheat	\$6.01 / bushel	0.63%	-5.98%
Malaysia Palm Oil (3M)	RM3,726 / tonne	-2.31%	0.13%
Index	Close 16 Sep	Change	YTD
Thomson Reuters/Jefferies CRB	328.56	1.14%	9.01%
Rogers International	26.50	-0.13%	0.66%
U.S. Stocks - Dow	41,622.08	0.55%	10.43%
U.S. Dollar Index	100.66	-0.11%	-0.67%
U.S. Bond Index (DJ)	453.07	0.50%	5.19%

Surging supply has pushed U.S. gas prices to multi-decade lows this year, hampering producers but benefiting consumers and LNG firms using record amounts of gas.

By 2026, U.S. LNG exports should be double their 2024 levels, with annual feed gas requirements averaging 19.7 Bcf/d in two years' time, said Matthew Palmer, executive director at S&P Global Commodity Insights.

"Natural gas prices will be significantly higher in 2025" as new LNG export projects boost demand, said Jim Simpson, CEO of energy research firm, East Daley Analytics.

In the U.S., new export capacity growth will support Europe's commitment to divest away from Russian gas following its invasion of Ukraine, while offering Asian buyers a greener option for power generation.

Venture Global, whose CEO, Mike Sabel will speak to attendees about the role of LNG in Europe's energy supply mix, is among those firms. The company's Plaquemines LNG export facility in Louisiana will have an export capacity of up to 20 million metric tonnes per year, and is expected to begin operations this year. The U.S. exported some 7.48 million metric tons of LNG in August, roughly 43% of which went to Asia, according to LSEG data.

#### GAS PRODUCERS BID THEIR TIME

U.S. shale gas firms are betting on new LNG terminals to boost their market and prices. Poor returns have forced some to cut production this year.

"The next nine months have more chance of being over-supplied than under-supplied because the LNG projects do not arrive in force until late next year," said the president of Aegis Hedging, Matt Marshall.

U.S. producers generally need Henry Hub natural gas prices above \$3 per million British thermals units (mmBtu) to generate cash flow for more drilling, said S&P Global's Palmer. Gas prices are currently around \$2.33 per mmBtu and have only traded above \$3 a few times this year. Henry Hub gas prices are expected to average \$2.19 per mmBtu this year, the U.S. Energy Information Administration (EIA) said this week in a monthly report, lowering its estimate by 11 cents from the prior forecast. "The overall story here is that a producer of natural gas should not expect this market to turn outrageously bullish with the turn of the year. It is going to take time and this market is vulnerable to lower prices really until next summer," said Aegis' Marshall. Major U.S. producers, including Chesapeake and EQT were preparing to curtail production and defer well completions in the second half of 2024 in August, after prices sank nearly 40% over the two months prior. As those new LNG projects come online and take in more shale gas, prices are anticipated to improve. The U.S. EIA is forecasting an average Henry Hub price of \$3.14 next year.

"Our expectation is that as LNG exports increase, the market will return to equilibrium, moving Henry Hub into

the \$3-4/MMBtu range that will support an increase in production," said Marshall.

#### COP29 leaders unveil climate funding and energy storage goals

Less than two months ahead of the COP29 United Nations Climate Summit, the Azerbaijani leadership laid out its plans on Tuesday for what it hoped to achieve, as countries continue to wrestle with how to raise ambitions for a new financing target.

The main task for the November summit is for countries to agree on a new annual target for funding that wealthy countries will pay to help poorer nations cope with climate change. Many developing countries say they cannot upgrade their targets to cut emissions faster without first receiving more financial support to invest in doing this. With countries remaining far from agreement on the financing goal, the COP29 presidency this week outlined more than a dozen side initiatives that could raise ambitions, but do not require party negotiation and building consensus which can hamper progress. These take the form of new funds, pledges, and declarations that national governments can adopt.

Notably, this includes a fund with voluntary contributions from fossil fuel producing countries and companies for the public and private sectors working on climate issues, as well as grants that can be doled out to assist with climate-fuelled natural disasters in developing countries. Such side agendas use "the convening power of COP and the hosts' respective national capabilities to form coalitions and drive progress," said Mukhtar Babayev, who holds the rotating COP presidency, in a letter to all parties and stakeholders. Over 120 countries pledged at last year's COP28 summit in Dubai, for example, to triple renewable energy capacity by 2030.

The COP29 presidency also hopes to build support around a pledge to increase global energy storage capacity six times above 2022 levels, reaching 1,500 gigawatts by 2030. This would include a commitment to scale up investments in energy grids, adding or refurbishing more than 80 million km (50 million miles) by 2040. Babayev, who is Azerbaijan's minister of ecology and natural resources, said the agenda would "help to enhance ambition by bringing stakeholders together around common principles and goals." "We hope to address some of the most pressing issues while also highlighting remaining priorities," he said. Another declaration would see countries and companies create a global market for clean hydrogen, addressing regulatory, technological, financing and standardisation barriers. COP29 leaders have also appealed for a "COP Truce" that would highlight the importance of peace and climate action. Despite countries' existing climate commitments, carbon dioxide emissions from burning fossil fuels hit a record high last year, and the world just registered its hottest summer on record as temperatures climb.

## Top News - Dry Freight

### Russian wheat export prices little changed as shipments stay high

Russian wheat export prices were little changed last week, although export volumes are expected to still be strong in September after record highs for the month in August.

The price of 12.5% protein Russian new crop wheat scheduled free-on-board (FOB) with delivery in October was \$216 per metric ton at the end of last week, up \$1, IKAR consultancy said.

The Sovecon consultancy reported that prices for Russian wheat with the same protein content were at \$217-\$220 per ton. Egypt's GASC bought 430,000 of Russian wheat in a private deal, sources told Reuters. The purchase was confirmed by GASC. Sovecon estimated Russia's September wheat exports at 4.7-5.0 million tons, compared to 4.9 million tons a year ago. Weekly grain exports are estimated at 0.99 million tons, down from 1.06 million a week ago, including 0.98 million tons of wheat, down from 1,03 million tons. Dry weather persists in parts of the southern regions of the country, and landscape fires have started in Rostov, one of the key grain-growing regions. However, the drier weather in Siberia, where three regions have already declared a state of emergency due to soil overwatering, should facilitate more active harvesting of grain crops. Russia's Agriculture Ministry said last week it has maintained its 2024 grain forecast of 132 million tons and exports of around 60 million tons. As of Sept. 9, Russian farmers

had harvested 92.0 million tons of grain. The wheat harvest totalled 68.6 million tons from 20.4 million hectares, down from 80.0 million tons from 21.4 million hectares last year, with an average yield of 3.36 tons per hectare compared to 3.73 tons, Sovecon said. Winter grains were sown across 4.3 million hectares, compared to 5.4 million hectares in 2023.

### Ukraine grain exports at 8.7 mln tons so far in 2024/25, farm ministry says

Ukraine's grain exports in the 2024/25 July-June season reached 8.7 million metric tons as of Sept. 16, compared with 5.9 million tons by Sept. 20 in the previous season, agriculture ministry data showed on Monday.

The volume included 4.8 million tons of wheat, 2.5 million tons of corn and 1.2 million tons of barley.

Ukrainian government and farm associations have agreed to limit wheat exports in the 2024/25 July-June season to 16.2 million tons. There are no curbs on exports of other commodities.

The ministry said that traders have exported 1.2 million tons of grain so far in September. Exports totalled 1.3 million tons over Sept. 1-20 last year. The 2024 combined grain and oilseed crop is expected to fall to 77 million tons, including 56 million tons of grain, the ministry has said. Ukraine's grain exports in the 2023/24 marketing season rose to about 51 million tons from 49.2 million tons the previous year.

**Picture of the Day**

*A tree on fire is seen during wildfires in Brasilia National Park, in Brasilia, Brazil, September 16, 2024. REUTERS/Ueslei Marcelino*

(Inside Commodities is compiled by Dhanya Hegade in Bengaluru)

For questions or comments about this report, contact: [commodity.briefs@thomsonreuters.com](mailto:commodity.briefs@thomsonreuters.com)

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LSEG  
10 Paternoster Square, London, EC4M 7LS, United Kingdom

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