

[Oil](#) | [Agriculture](#) | [Metals](#) | [Carbon & Power](#) | [Dry Freight](#)*Click on headers to go to that section***Top News - Oil****US crude inventories hits lowest level in a year, fuel builds, EIA says**

U.S. crude oil stockpiles dipped to their lowest level in a year last week, while fuel inventories rose, the Energy Information Administration (EIA) said on Wednesday. Crude inventories fell by 1.6 million barrels to 417.5 million barrels in the week ending Sept. 13, the EIA said, compared with analysts' expectations in a Reuters poll for a 500,000-barrel draw.

Stocks, excluding the Strategic Petroleum Reserve, hit their lowest level since September 2023. In the Midwest, crude inventories declined to their lowest since December 2014.

At the Cushing, Oklahoma, delivery hub for U.S. crude futures, stocks fell by 2 million barrels, the EIA said.

Oil futures pared losses following the report. Brent futures were trading at \$73.53 a barrel, down 17 cents by 11:04 a.m. EDT (1504 GMT). U.S. West Texas Intermediate crude futures were down 9 cents at \$71.10 a barrel.

Both benchmarks had traded around 70 cents lower on the day earlier in the session.

"The most interesting development remains another draw at Cushing - now down 10 out of 11 weeks," said Matt Smith, an analyst for ship tracking firm Kpler.

Stockpiles at the Cushing hub were at 22.7 million barrels, their lowest level in almost a year.

"Cushing inventories are falling to concerning low levels - near tank bottoms," said Josh Young, chief investment officer at Bison Interests.

Net U.S. crude imports fell by 1.8 million barrels per day, the EIA said, as port activity along the U.S. Gulf Coast slowed due to Hurricane Francine.

The EIA's adjustment number, which tracks unaccounted crude, was 827,000 barrels, a change of 1.29 million barrels over the prior weeks.

Refinery crude runs fell by 282,000 barrels per day, and refinery utilization rates slipped 0.7 percentage point to 92.1% of total capacity.

Gasoline stocks rose by 100,000 barrels to 221.6 million barrels, the EIA said, less than forecasts for a 200,000-barrel build.

Distillate stockpiles, which include diesel and heating oil, rose by 100,000 barrels to 125.1 million barrels, versus expectations for a 600,000-barrel rise.

U.S. gasoline futures and heating oil futures turned positive following the smaller-than-expected build in fuel inventories.

**Russia may boost oil exports in October on lower refining, sources say**

Oil exports from Russia's western ports may rise in October as domestic refineries will increase runs only marginally despite coming out of the peak maintenance season, trading sources said.

Traders had been largely expecting oil loadings from the ports of Primorsk, Ust-Luga and Novorossiisk to fall in October versus September due to an anticipated rise in domestic refining.

Two Russian industry sources said several plants will finish maintenance next month, but others will decrease throughput after running at capacity to compensate for refinery outages across Russia in previous months.

It means that Russia's overall refinery throughput will be largely unchanged versus September at around 5 million bpd, leaving more oil for exports, the sources said.

"I expect a small rise in Russia's oil exports in October. I doubt that all repairs will be completed on time," an industry source said.

Some 3.9 million tons or some 0.9 million bpd of refining capacity will be offline in Russia this month, up 34% from August.

Russian authorities have yet to release provisional export volumes for Baltic and Black Sea ports for October, traders added.

September exports are set to rise by 4.5% from August to 2.04 million bpd after Russia added cargoes last week.

**Top News - Agriculture****India's wheat curbs insufficient; traders demand stock release**

India's curbs on traders and processors are not enough to contain the rise in wheat prices during festival season, and the government needs to release stocks to augment supplies amid import restrictions, industry officials said on Wednesday.

New Delhi last week lowered the limit of wheat stocks that traders, and millers can hold, to help boost the grain's availability and moderate prices that are near their

highest level in nearly 10 months.

But the curbs failed to bring down prices, which were trading at 28,416 rupees per metric ton in New Delhi, up from 24,000 rupees in April.

The market is awaiting the government to begin auctioning wheat to private players as demand is set to rise next month due to festivals amidst limited supplies, said Ajay Goyal, managing director of Shivaji Roller Flour Mills. India will celebrate Dussehra in October and Diwali in November, when wheat demand usually rises.



"Wheat prices might go up by another 2-3% if the government pushes the sale to next month," Goyal said on the sidelines of an industry event. India initially planned to sell wheat from its state reserves to bulk consumers from July, but this was delayed and there has been no subsequent update on its plans. Last year the government started selling wheat from its reserves in June, and between June 2023 and March 2024 it sold a record amount of nearly 10 million tons from stocks. That helped bulk buyers such as flour millers and biscuit makers to secure supplies of the staple at affordable costs. "Due to limited surplus with the government this year, it is reluctant to release large quantity of its wheat stocks in 2024. It aims to maintain sufficient reserves for the first quarter of 2025," said a New Delhi based trader with a global trade house. Wheat stocks in India's government warehouses on Sept. 1 were 25.1 million tons, down 3.5% from a year ago.

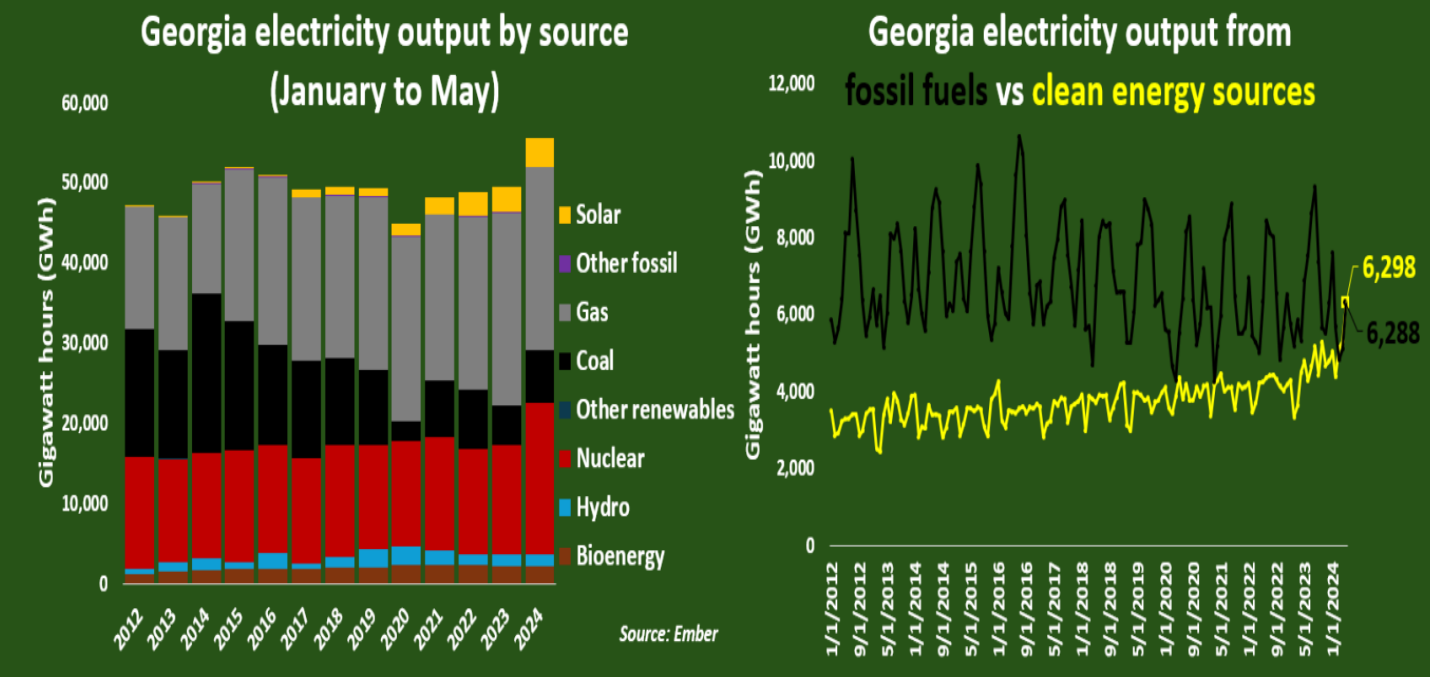
**Coffee growers look to postpone EU deforestation requirement**

The world's top coffee body is set to request that the European Union postpone a requirement that imported beans come from areas not linked with deforestation, the group's head said on Wednesday. The rule, set to take effect at the end of the year, would ban sales of coffee - as well as cocoa, soy, palm oil,

wood, rubber and cattle - if companies are unable to prove the product comes from an area where forests haven't been cut down in recent years. "We can't meet that date, it is not possible," said Vanusia Nogueira, director of the International Coffee Organization (ICO), in an interview. The ICO, a United Nations-linked intergovernmental group, represents more than 90% of coffee production and more than 60% of consumption worldwide. Top coffee producers such as Brazil, Vietnam and Colombia are member countries. "It's a very ambitious deadline," Nogueira said. "We believe that by working with (EU leaders), they might be more open to postponing that date." She did not specify for how long the ICO was looking to postpone the deadline. Asked about the potential repercussions if coffee producers did not meet the deadline, Nogueira said the EU "will find some solution." "The European people like coffee very much... they will not be left without coffee," she added. Nogueira spoke at a coffee summit hosted by the Community of Latin American and Caribbean States (CELAC) in Tegucigalpa. The nearly three-dozen member nations of the CELAC are expected to close the summit with a declaration requesting the EU to postpone the deforestation requirement date, Honduran Deputy Minister of Coffee Growing Carlos Murillo said.

**Chart of the Day**

**New nuclear plants allow Georgia power firms to lift electricity generation from clean energy sources above fossil fuel-fired generation for first time**



## Top News - Metals

### FOCUS-BHP's Australian nickel stoppages spoil plans for LME alternative

Plans for two new nickel trading platforms to challenge the London Metal Exchange (LME) have been blown off course by BHP's planned suspension of its plants in Western Australia, which has prevented it from committing to them.

LME nickel was shunned by both consumers and producers after a March 2022 market meltdown, but the delays to the new platforms have enabled the 147-year-old exchange to fend off the potential challenges to its global nickel trading dominance.

Both initiatives were backed by BHP, the world's largest listed miner, which said last year that LME nickel did not represent the physical market and that reform was long overdue.

But for them to get off the ground and compete effectively with the LME, the new entrants needed BHP's nickel volumes. Both are now looking for other sources of supply, but had counted on starting off with BHP committing its nickel to their platforms.

UK-based Global Commodities Holdings Limited (GCHL) announced plans to launch a physical nickel platform months after the 2022 nickel debacle. Prices surged to records above \$100,000 a metric ton in just a few hours before trading was suspended, sending shockwaves across other markets.

And last year, Abaxx Technologies Inc, which owns a new Singapore-based commodities exchange, also announced plans to launch the world's first contract for nickel sulphate, which is used to manufacture electric vehicle batteries.

But both GCHL and Canada-listed Abaxx were wrong-footed by BHP's decision to suspend the Kwinana nickel sulphate refinery and other facilities in Western Australia supplying nickel products, two sources with knowledge of the matter told Reuters.

Australia-based BHP declined to comment.

"BHP can't publicly commit to either platform at the moment. (It's) not a good look when you've recently announced the shuttering of nickel operations," one of the sources said.

BHP has not committed to either project but is a shareholder in GCHL and will eventually join the nickel platform which is headed by ex-LME CEO Martin Abbott, the sources said. GCHL said in March it would launch its physical metals platform in April.

"It is fair to say that GCHL's nickel project has been disrupted by the BHP decision to shutter its Western Australian nickel production," said GCHL chief executive Martin Abbott.

"BHP was an important contributor to the product design, and fortunately the underlying standard contract is completed and fully usable," Abbott added.

### 'BROADER ECOSYSTEM'

BHP cited an oversupplied nickel market and plunging prices of the material mostly used to make stainless steel when it said it will suspend its Western Australian operations from October.

Nickel prices on the LME have dropped more than 80% since their March 2022 peak, partly due to rising stocks since August 2023 in LME registered warehouses.

BHP noted the GCHL and Abaxx initiatives in a commodities outlook published on its website in February.

"BHP is monitoring all these developments, and we are engaging constructively with the broader ecosystem to try to help build a more transparent, efficient and robustly independent pricing mechanism for this critical mineral – in its many traded forms," it said.

Abaxx started trading liquefied natural gas (LNG) and carbon futures in June, but delayed the launch of nickel sulphate.

At the time, a company official said the nickel sulphate contract would likely be launched in a matter of weeks.

"The nickel industry has experienced significant shifts recently, which in turn has broader impact on the market and our contract design," Abaxx said in response to a query.

"We are continuously engaging with industry stakeholders to ensure that our contract specifications are aligned with market realities."

A third source said having a major nickel sulphate producer leave the market has changed the landscape and that Abaxx was looking for others to provide liquidity.

"You want to make sure that what could be delivered into that will be acceptable to buyers," the source said.

More than 50% of global nickel supply, estimated at around 3.5 million tons this year, will come from Indonesia where it is mostly produced by Chinese firms. Most nickel produced in Indonesia emits large amounts of carbon.

"The predominance of Indonesian/China origin material means we have to re-orient the platform to include nickel from all non-sanctioned origins," GCHL's Abbott said.

"Once fully operational the platform will show the difference in pricing, if any, between nickel from different origins," he added.

### China pushes back on US probe of uranium exports

The Chinese government on Wednesday pushed back on a U.S. probe of whether China is helping its neighbor Russia dodge a U.S. ban on Russian uranium imports saying Beijing has always opposed "illegal unilateral sanctions".

Reuters reported exclusively on Tuesday that the U.S. Department of Energy and other relevant agencies are closely tracking the imports from China to "ensure the

proper implementation" of the ban on Russian enriched uranium that President Joe Biden signed in May. The U.S. is concerned that China is importing and using Russia's uranium in its own power plants, and then exporting domestically produced uranium to the United States – effectively undermining the U.S. ban that is intended to deprive Moscow of revenue for its invasion of Ukraine.

The Chinese foreign ministry said in response to questions from Reuters that "China has always opposed any illegal unilateral sanctions and 'long arm jurisdiction'". The comments included no denials that the shipments could circumvent the ban.

"The cooperation between China and Russia is an independent choice made by two sovereign countries based on their respective development needs, openly and honestly, without targeting any third party, and without being interfered or obstructed by any third party," the ministry said.

It said China is willing to continue "normal economic and trade cooperation" with countries around the world, including Russia.

China's comments reflect tensions between Washington and Beijing over Russia's war on Ukraine. The U.S. ban, which fully blocks the imports Russia's state owned nuclear company in 2028, is part of a slew of sanctions on Moscow over its war on Ukraine.

The boost in enriched uranium shipments from China and potential circumvention of the ban, has also concerned the U.S. uranium fuel supply chain industry which got a \$2.7 billion boost in public funding in Russian import ban law.

The U.S. has a couple of options to push back against the shipments if it finds that China is circumventing the ban, though either one could take time. It could either boost tariffs on imports of enriched uranium from China, which currently stand at 7.5%, or Congress could expand the ban on uranium from Russia to include China.

## MARKET MONITOR as of 06:45 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	\$71.20 / bbl	0.41%	-0.63%
NYMEX RBOB Gasoline	\$2.00 / gallon	0.85%	-5.02%
ICE Gas Oil	\$663.75 / tonne	0.80%	-11.59%
NYMEX Natural Gas	\$2.31 / mmBtu	0.96%	-8.27%
Spot Gold	\$2,574.38 / ounce	0.61%	24.81%
TRPC coal API 2 / Dec, 24	\$115 / tonne	0.22%	18.56%
Carbon ECX EUA	€64.00 / tonne	0.47%	-20.37%
Dutch gas day-ahead (Pre. close)	€35.00 / Mwh	-0.14%	9.89%
CBOT Corn	\$4.29 / bushel	-0.41%	-11.36%
CBOT Wheat	\$5.92 / bushel	-0.63%	-7.51%
Malaysia Palm Oil (3M)	RM3,963 / tonne	3.07%	6.50%
Index	Close 18 Sep	Change	YTD
Thomson Reuters/Jefferies CRB	332.17	0.43%	10.21%
Rogers International	26.60	-0.15%	1.04%
U.S. Stocks - Dow	41,503.10	-0.25%	10.12%
U.S. Dollar Index	100.85	0.25%	-0.47%
U.S. Bond Index (DJ)	455.07	-0.45%	5.65%



## Top News - Carbon & Power

### German gas industry warns over wavering support for hydrogen ramp-up

German gas and water association DVGW on Wednesday warned that a ramp-up in low-carbon hydrogen technology could fall behind as participants feel discouraged by regulatory and political indecision.

A survey taken from across hydrogen stakeholders in Europe's biggest economy found that the desired transition from carbon-emitting natural gas to hydrogen from renewable electricity via electrolysis is feared to be slowing.

Speakers at an online press conference during DVGW's annual congress said they expected more determined action and less bureaucracy to dispel doubts about high costs and too little availability.

#### WHY ITS IMPORTANT?

The Berlin government wants national electrolysis capacity of 10 gigawatts (GW) by 2030 amid a raft of other measures concerning imports, transport, wholesale markets and storage, to create affordable new energy, to cut emissions and secure the long-term competitiveness of German industries.

Failure to uphold momentum would undermine industries' confidence, drive up energy costs and prolong the burning of coal, oil and gas.

#### KEY QUOTES:

Matthias Belitz, head of sustainability at chemical industry association VCI: "Even a good research and innovation environment is of little use if the applications are not competitive. Policymakers must urgently improve on this."

DVGW chairman Gerald Linke: "A clear political commitment that we cannot go without blue hydrogen (derived from gas with carbon sequestration) to bridge imports gaps ... would be an important signal."

Peter Mueller-Baum, executive at engineering and machine-building industries' group VDMA: "Our companies ... need more reliability and planning security for their investment decisions."

Roderik Hoemann, head of energy and climate at steel industry group WV Stahl: "In order to speed applications and with that, hydrogen demand, in the industry, (these factors) will be decisive: a coherent support framework, a quick infrastructure build-up and competitive power and hydrogen prices."

### Weak demand for low-carbon products hampers green investment, COP28 initiative says

Weak demand for green products is curbing needed investment of up to \$700 billion in low-carbon projects in heavy-emitting industries such as aluminium, steel and cement, an initiative launched at last year's United Nations Climate Summit says.

Over 450 large-scale industrial projects globally are seeking hundreds of billions of dollars of investment to slash carbon emissions, the Industrial Transition Accelerator (ITA) said in a statement on Thursday.

The ITA was set up at the COP28 summit in Dubai to stimulate needed investment in green projects.

The six heavy industry sectors examined in the report – aluminium, cement, chemicals, steel, aviation and shipping – contribute approximately 30% of all global CO2 emissions, the ITA said.

"To keep on track with Paris-aligned climate targets, a critical mass of large-scale projects... must reach their final investment decision in the next 2-3 years," the group said.

But project developers have not secured firm commitments from buyers for low-carbon products such as green steel and sustainable aviation fuel in order to secure the necessary finance, it added.

"The lack of clear, sustained demand for low-carbon products is the single biggest barrier to investment.

Businesses and financiers cannot commit to these projects without market certainty," said Faustine Delasalle, executive director of the ITA Secretariat.

The ITA is active in Brazil and the United Arab Emirates, providing targeted support to project developers, the statement said.

## Top News - Dry Freight

### Port strike on US East Coast would spark supply-chain glitches from outset, shipping firm exec says

A threatened Oct. 1 strike by dockworkers at ports on the U.S. East Coast and Gulf of Mexico would immediately disrupt the flow of goods in the country, the North America chief executive of French container carrier CMA CGM said on Wednesday.

The International Longshoremen's Association union represents 45,000 workers at 36 ports including New York/New Jersey, Houston and Savannah, Georgia.

The union has vowed to stop work if it does not have a new labor agreement in place when the current six-year

contract expires on Sept. 30 at midnight.

"The moment you close the door, things begin to back up," George Goldman, CMA CGM's North America chief, said on a webcast hosted by the Port of Los Angeles.

"One day is too long" for port closures, he said.

CMA CGM is a member of the United States Maritime Alliance employer group that is negotiating with the ILA.

The ports that stand to be affected handle about half of U.S. imports. Worried retailers, manufacturers and other ocean shippers have been shifting some cargo to the West Coast to cut the chance of having cargo stuck at idled facilities.

Analysts at Sea-Intelligence, a Copenhagen-based shipping advisory firm, estimate it could take anywhere from four to six days to clear the backlog from a one-day strike.

A two-week strike could mean that ports would not return to normal operations until 2025, Sea-Intelligence said. Goods from Europe, India and other countries that rely on direct routes across the Atlantic Ocean would be most heavily affected, transportation experts said.

Meanwhile, imports to the busiest U.S. West Coast ports are surging.

That is because customers of CMA CGM, Maersk and other large container carriers also have been rushing in stocks of Halloween costumes and Christmas apparel before any potential labor action.

At the same time, manufacturers have been loading up on solar panels and other goods targeted for potential tariff increases.

The Port of Long Beach in August notched the busiest month in its 113-year history, with volume jumping nearly 34% from the year earlier, bolstered by a 40% surge in imports.

The neighboring Port of Los Angeles reported an August volume jump of 16%, fueled by a nearly 18% jump in imports.

Gene Seroka, executive director for the Port of Los Angeles, said the bump from cargo shifts from other ports is hard to quantify. Still, he said Los Angeles can handle about 1.2 million 20-foot equivalent units per month, versus the 960,597 TEU processed in August.

"We can handle this cargo," Seroka said.

### **FranceAgriMer slashes soft wheat export forecasts after poor crop**

FranceAgriMer on Wednesday sharply lowered its forecast for French soft wheat exports in 2024/25, after a rain-hit harvest strongly lowered supplies in the European Union's top grain producer.

In a supply and demand outlook, the office pegged

exports outside the 27-member bloc at 4 million metric tons, down from an initial projection of 7.5 million in July and now 61% below last season's level.

FranceAgriMer also lowered its forecast for French soft wheat shipments within the EU this season to 6 million tons from 6.5 million expected in July and 4.5% below the 2023/24 volume.

The revisions were mainly due to a lower-than-expected harvest amid strong competition from Black Sea countries, Benoit Pietrement, head of FranceAgriMer's grain committee, told reporters.

France's farm ministry on Tuesday lowered its estimate of the country's 2024 soft wheat output.

It is now expected 27% below last year's volume, making it one of the worst harvests in the past 40 years after months of heavy rain disrupted planting, hampered plant development and fuelled disease.

The office had warned in July that its forecasts were likely to see "substantial" downward revisions given latest indications that the cereal harvest would be worse than previously thought.

French soft wheat stocks at the end of the 2024/25 season were now projected at 2.74 million tons, compared with the 3.04 million forecast previously and down 13.5% from last season.

Separately, FranceAgriMer and crop institute Arvalis issued their final quality survey for this year's wheat harvest.

It showed the crop had an average protein content of 11.4% with 41% above the key level of 11.5%, compared with a five-year average of 58%, they said.

In a first 2024/25 outlook for maize, harvesting of which is getting under way, FranceAgriMer forecast the crop at 13.4 million tons, up from 12 million in 2023/24.

Meanwhile, ending stocks would reach 2.62 million tons, 32% above last season.

For barley, stocks were now pegged at 1.45 million tons, down from 1.74 million forecast last month, but still 13.8% above last season.

**Picture of the Day**

*Grapes are pictured at the Domaine Les Trois Toits vineyard during the Muscadet wine harvest in Vertou near Nantes, France, September 16. REUTERS/Stephane Mahe*

(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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