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Top News - Oil

India buys less September-loading Urals, Turkey more -sources, LSEG

India's share of Russian Urals oil shipments in September declined from August amid refinery maintenance, while Turkey increased purchases due to a shortage of sour barrels in the Mediterranean, according to traders, LSEG data and Reuters calculations.Urals, KEBCO and Siberian Light grade loadings from the ports of Primorsk, Ust-Luga and Novorossiysk in September rose to 2.1 million barrels per day (bpd) from 1.8 million bpd in August.
India accounted for about 50% of September-loading Urals cargoes, down from nearly 65% in August, according to LSEG data and Reuters calculations. Most of those cargoes will arrive to Indian ports in October.
India's refiners complained about a rise in Urals prices in August and said they planned to cut buying of September-loading volumes. Autumn refinery maintenance in India also contributed to the reduction in demand.
Indian purchases of September-loading Russian Urals are seen slightly above 1 million bpd compared with 1.1 million bpd in August, according to LSEG data.
The decline in Indian imports allowed Turkey to increase its purchases. Turkey's share in September-loading Urals cargoes rose to nearly 20% of the total from 12% for August-loading cargoes, according to the data.
Turkey purchased about 400,000 bpd of September-loading Urals oil compared with about 200,000 bpd in August, according to LSEG data. Turkey hasn't impose sanctions on Russia and its refineries have continued to be leading buyers of Urals oil since spring 2022.
A shortage of sour barrels in the Mediterranean region due to a European Union embargo on Russian oil and a Kurdistan oil exports outage encouraged Turkish refiners to buy Urals oil, two traders in the Mediterranean market said. Bulgaria, which is allowed to continue Russian oil imports under EU embargo terms, accounted for 8% of September supplies, little changed from its share in August, Reuters calculations showed. China's share was slightly up in September to 7% of supplies, or about 150,000 bpd, from about 5%, or just below 100,000 bpd, in August, the data showed. The final destination of about a quarter of September-loading Urals cargoes is yet to be determined, traders said.

Talks to restart Iraq oil exports via Turkish pipeline ongoing - Iraq source

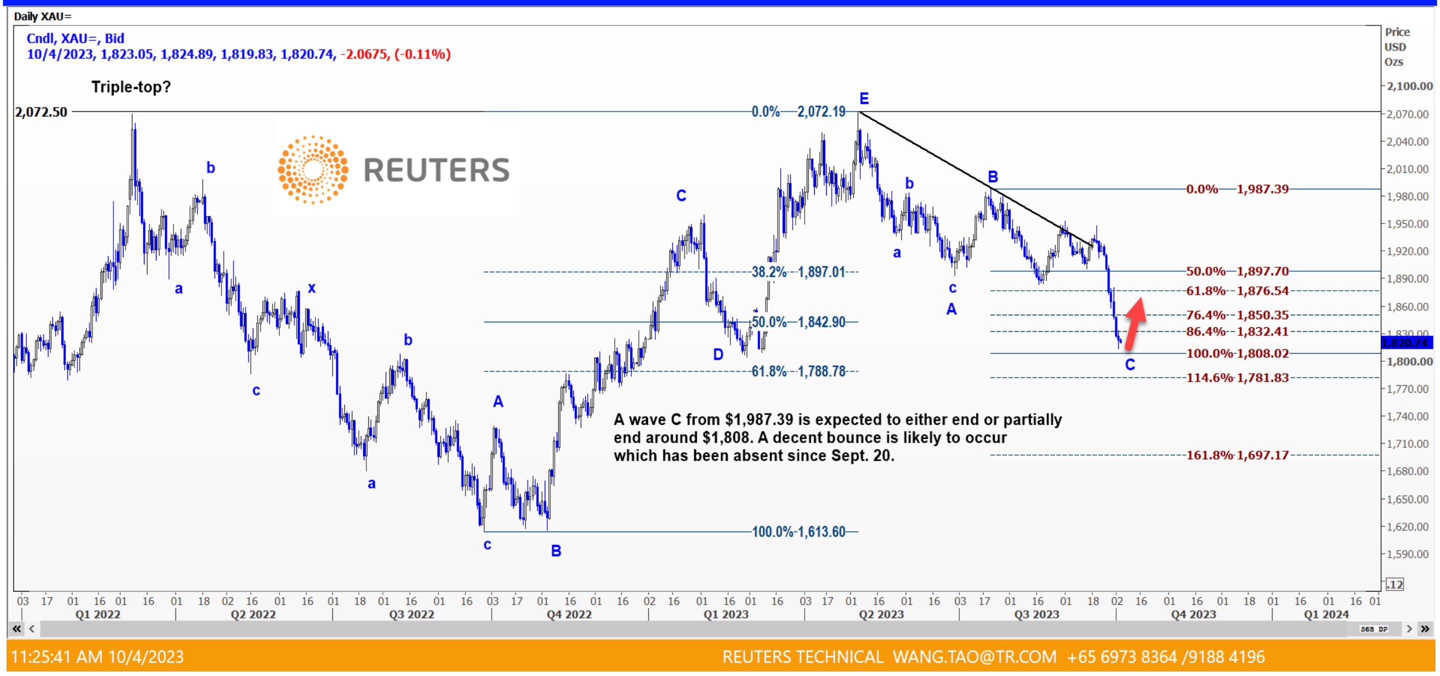
Talks to restart Iraqi oil exports via a crude oil pipeline that runs through Turkey are still ongoing, an Iraqi oil official told Reuters, one day after Turkey said operations would start again this week following a near six-month stoppage.
"We have further meetings soon and things will be more clear on how serious is Turkey to show some flexibility," the official told Reuters on condition of anonymity due to the sensitivity of the topic.
Turkey's Energy Minister Alparslan Bayraktar had said on Monday that Turkey would resume operating the pipeline this week while speaking on a panel at the ADIPEC energy conference in the Emirati capital Abu Dhabi.
Iraq has not made an official comment on the matter.
Ankara halted flows on Iraq's northern oil export route about six months ago after an arbitration ruling by the International Chamber of Commerce (ICC) ordered Ankara to pay Baghdad damages for unauthorised exports by the Kurdistan Regional Government (KRG) between 2014 and 2018.
Turkey later started maintenance work on the pipeline that contributes about 0.5% of global crude supply.
Baghdad and Ankara agreed to wait until a maintenance assessment on the pipeline, which goes through a seismic zone, was complete to restart flows while still engaging in a legal battle on arbitration awards.
"We're still in the middle of ongoing talks and predicting when oil flow could be resumed depends on how positive the results will be around sticking issues," the official said, adding: "Also if Turkey is willing to hold off on its demands and allow oil exports to restart without setting preconditions."
Sources have told Reuters that Turkish President Tayyip Erdogan is likely to visit Baghdad in October to resolve the issue.
In April, Iraq petitioned a U.S. federal court to enforce the ICC arbitration award.
Ankara is seeking a halt to this U.S. litigation and a lack of progress on resolving this issue was one of the reasons behind the postponement of a planned August visit by Erdogan, sources have said.

Top News - Agriculture

Australian farmers survey finds little more than half expect higher output
A little over half of Australia's farmers expect the country's agricultural output to grow over the next decade, according to a survey published on Wednesday, with optimism in short supply among livestock farmers particularly.
Australia is one of the world's most important agricultural exporters, shipping products including wheat, beef, wool and cotton to global markets.
After widespread flooding last year, the weather has turned hot and dry, damaging some crops and forcing farmers to sell livestock.
A survey of 1,600 farmers by the National Farmers Federation (NFF) and communications agency Seftons pointed to frustration with issues including the pricing power of supermarkets, environmental laws and poor infrastructure.
It echoed a poll by Rabobank last month which found that farmers were worried about falling commodity prices and a return to drought and 51% thought the agricultural economy would worsen over the next year.
The NFF survey found that 55.8% of farmers thought Australian production of food and fibre would increase over the next decade and less than half -- 45.6% -- thought the future of the family farm was bright.
Some sectors were more optimistic than others. Some 55.8% of fruit and vegetable farmers and 55.4 of sugar growers felt more positive than a year ago but only 26.6 per cent of beef producers and 30% of sheep farmers felt more positive than this time last year.
The NFF said workforce shortages were also slowing farm productivity, with 87.2% of poll respondents saying they would increase their labour force if hiring conditions improved.
"Farmers are feeling frustrated," the federation quoted its president Fiona Simson as saying.
"They're being squeezed by a lack of government support on a wide range of fronts -- whether that's the unchecked market power of supply chain players, crumbling rural roads, unnecessary green tape, workplace laws ... the list goes on."

World's biggest palm oil exchange sets sights on soyoil futures
Bursa Malaysia Derivatives Exchange (BMD), known for offering the most liquid crude palm oil futures in the world, is planning to launch soyoil futures in the first quarter of the next year, a senior exchange official said.
The exchange has been working on finalising the contract specifications, which will be completed this year before the contract's launch in early 2024, said Mohd Saleem, director, derivatives market at Bursa Malaysia.
"There's a lot of trading between palm oil and soybean oil. This will probably synergise a lot more hedging under one roof," he said.
Currently, Chicago Mercantile Exchange (CME Group), which merged with the Chicago Board of Trade (CBOT), offers the most liquid soyoil futures contract that is used by the industry as a benchmark.
Price movements in palm oil, soyoil, sunflower oil and rapeseed oil depend on the price trends of other competing edible oils.

Chart of the Day



Currently, traders and refiners hedge their risk in various edible oils on different exchange platforms.
The BMD would first launch soyoil contract and later could launch contracts for other edible oils such as sunflower oil, he said.
Indonesia and Malaysia are leading exporters of palm oil. Argentina, Brazil and the United States are key exporters of soyoil, while Russia and Ukraine corner the bulk of the sunflower oil shipments.
The BMD can attract participants who trade in the soybean oil and palm oil price spread and prefer contracts in ringgits, said Sandeep Bajoria, chief executive of Sunvin Group, a Mumbai-based vegetable oil brokerage and consultancy firm.
"Soyoil contracts on CBOT and Dalian Commodity Exchange are highly liquid. It won't be easy for the BMD to attract a large volume," he said.
India's move to halt futures trade in palm oil and soyoil has been prompting more Indian traders to hedge their risk on the BMD, he added.
India, the world's biggest importer of edible oils, in December 2021 suspended trading in derivative contracts of key farm commodities.
Palm oil trade volume on the BMD surged in the past three years due to volatility caused by conflict between Russia and Ukraine, Indonesia's move to curb exports and changes made by India in the duty structure, Saleem said.
Volumes have now returned to normal levels, but they are still higher than the pre-COVID-19 levels, he said.

Top News - Metals

Global nickel market surplus to widen in 2024 -INSG
The surplus in the global nickel market is expected to widen to 239,000 metric tons in 2024 from 223,000 tons this year, the International Nickel Study Group (INSG) said on Tuesday, signalling further pressure on the metal.
Prices for nickel on the London Metal Exchange are down 38% so far this year. High-grade "Class 1" nickel can be delivered against the LME contract, while production of lower-grade "Class 2" is soaring in Indonesia.
"Historically, market surpluses have been linked to LME deliverable/class I nickel but in 2023 and 2024 the surplus will be mainly related to class II and nickel chemicals," the INSG said.
Global demand for nickel is expected to increase to 3.47 million tons in 2024 from 3.20 million in 2023 due to recovery of the stainless steel sector and increased usage of nickel in electric vehicle batteries, the Lisbon-based group said.It expects global output to increase to 3.71 million tons in 2024 from 3.42 million in 2023 as Indonesia's nickel pig iron (NPI) production continue to rise.
Indonesia's new high-pressure acid leaching (HPAL) plants that produce mixed hydroxide precipitate (MHP) are also continuing to ramp up output, and the conversion of NPI to nickel matte is growing, the INSG said.
NPI production in China is likely to decrease in 2024 but nickel cathode and nickel sulphate production is anticipated to increase, it added.

Australian billionaire strengthens hand in Albemarle's Liontown target
Australian billionaire Gina Rinehart has beefed up her stake in Liontown Resources seeking to have a greater say over the lithium developer's direction as it awaits a takeover offer from Albemarle, a company filing on Tuesday showed.
Rinehart's company Hancock Prospecting raised its stake to 14.67%, putting it in a strong position to negotiate with Albemarle, the world's biggest lithium producer, whose proposed takeover would require support from 75% of votes cast.
Australia's richest person has been adding to her Liontown holdings since early September, when Albemarle, the world's biggest lithium producer, was granted access to Liontown's books after revising a takeover proposal.
"All you can do is take it on face value she wants to get greater exposure to the lithium market," said David Lennox at wealth manager Fat Prophets in Sydney.
Liontown's Kathleen Valley lithium project in Western Australia is regarded as one of the world's most promising lithium deposits and the developer has already agreed to supply Ford with the battery raw material.
Hancock has questioned whether Liontown has the expertise to bring Kathleen Valley on line within cost and time frame estimates, offering its services. It has also said it may seek a position on Liontown's board. Hancock declined to comment further on Wednesday.
The move comes as part of a surge of interest in Australian lithium assets amid the clean energy transition.
Liontown and Albemarle declined to comment on Hancock's move.
Hancock said it paid up to A$3 a share for its stake. Albemarle has tentatively offered A$3 a share for Liontown, valuing it at $4.3 billion.
Liontown shares rose 0.5% to A$2.965 on Wednesday, up around 120% this year.
Last week, Liontown raised the estimated capital cost for its Kathleen Valley lithium project by 6% to A$951 million ($611 million) but confirmed it would meet its target for production to start in mid-2024.

Top News - Carbon & Power

Freeport LNG seeks to restart more of export plant in Texas

U.S. liquefied natural gas (LNG) company Freeport LNG sought permission from federal energy regulators to take more steps to return its export plant in Texas to full commercial operation. Federal approval would allow the plant, which shut for about eight months from June 2022 to February 2023 after a fire, to supply more LNG to global markets ahead of the winter heating season when demand for natural gas soars in the northern hemisphere.

In a filing made available late Monday, Freeport asked the U.S. Federal Energy Regulatory Commission (FERC) to authorize the steps needed to return the plants second dock (Dock 2) to service.

Specifically, Freeport asked FERC to authorize the second phase of its restart process, which includes the "nitrogen cooldown of the Loop 2 LNG rundown piping system and the introduction of hydrocarbons to Loop 2."

Freeport asked if FERC could respond to its request by Oct. 6.

In the first phase of its restart efforts, Freeport returned the three liquefaction trains, two LNG storage tanks (Tanks 1 and 2) and a single LNG berth (Dock 1) to service. When operating at full power, the three liquefaction trains at Freeport LNG can turn about 2.1 billion cubic feet per day (bcfd) of gas into LNG.

The plant, which has had several incidents that caused liquefaction trains to trip over the past few months, has been pulling in an average of 1.9 bcfd of feedgas since late February, according to data from financial firm LSEG. One billion cubic feet of gas is enough to supply about five million U.S. homes for a day.

EDF's trial electricity contracts auction for 2027-28 makes slow start

A trial EDF launched last month for a new wholesale model of auctioning electricity to be delivered in 2027 and 2028 has so far met little success, with just one contract sealed amid uncertainty over future regulation of French nuclear power, data from the state-owned power group showed on Tuesday.

EDF launched the trial on Sept. 27 in a bid to get better visibility on its revenues, targeting the sale of power to competitors like oil major TotalEnergies, gas company Engie and traders.

If the current auction trial fails, however, it would weaken the position of EDF CEO Luc Remont who promotes long-term contracts as the basis for the group's economic model after 2025.

According to EDF data as of Oct. 3, the 10 auctions or-

MARKET MONITOR as of 06:23 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$89.01 / bbl	-0.25%	10.90%
NYMEX RBOB Gasoline	$2.28 / gallon	-1.25%	-7.88%
ICE Gas Oil	$948.75 / tonne	-0.24%	3.01%
NYMEX Natural Gas	$2.96 / mmBtu	0.37%	-33.85%
Spot Gold	$1,818.21 / ounce	-0.25%	-0.34%
TRPC coal API 2 / Dec, 23	$121 / tonne	-6.92%	-34.51%
Carbon ECX EUA / Dec, 23	€80.18 / tonne	0.67%	-4.51%
Dutch gas day-ahead (Pre. close)	€30.85 / Mwh	-5.66%	-59.18%
CBOT Corn	$5.04 / bushel	0.25%	-25.74%
CBOT Wheat	$5.96 / bushel	-0.33%	-25.16%
Malaysia Palm Oil (3M)	RM3,727 / tonne	0.51%	-10.71%
Index (Total Return)	**Close 03 Oct**	**Change**	**YTD Change**
Thomson Reuters/Jefferies CRB	317.46	-0.34%	5.35%
Rogers International	29.18	0.07%	1.80%
U.S. Stocks - Dow	33,002.38	-1.29%	-0.44%
U.S. Dollar Index	107	0.09%	3.36%
U.S. Bond Index (DJ)	386.02	-1.12%	-0.52%

ganised so far resulted in only one contract clinched on Sept. 28 for electricity to be delivered in 2028 at a price of 86 euros per megawatt hour (MWh).
This price corresponds to the level EDF was aiming for, having previously said it targeted a little under 100 euros per MWH. It is well above the 42 euros per MWH regulated price at which the ARENH mechanism, which is due to end on Dec 31. 2025, forces EDF to sell part of its nuclear power to alternative suppliers.
EDF would not elaborate on the reasons for the weak start of the trial.
"It is a lengthy process. We had offers everyday, which is rather encouraging," an EDF spokesperson said.
For Nicolas Goldberg, associate director at Colombus Consulting: "The market seems rather attentist", lacking visibility ahead of the end of ARENH.
As France is trying to obtain European rules that are more favorable to the nuclear power sector through a reform of the electricity market, President Emmanuel Macron said last month his government would "take back control" of electricity prices by year-end.
This would be achieved via a French energy law, to act on the fact that gas prices have inflated electricity prices in Europe, and in particular in France, amid the Ukraine war.
But to draft new legislation, the government must agree with EDF on a level of electricity prices that satisfies the group and also protects its customers, as well on the power volumes that would be still be regulated by the state.
Last year, EDF's finances were hit hard when an unprecedented number of its reactors had to be taken offline for repairs and it had to buy electricity on the market at record high prices in the wake of Russia's invasion of Ukraine.
It also suffered as a result of a government decision to cap the increase in electricity prices to protect households from soaring inflation.

Top News - Dry Freight

Ukraine seeks to speed up food exports via Poland with border deal

Ukraine said on Tuesday it hopes to speed up exports of grain and other farm products under a wartime deal that will shift some border checks from its busy frontier with Poland to the Lithuanian port of Klaipeda.
Under the agreement, which Kyiv said had been reached with Lithuania and Poland, Ukrainian agricultural cargo destined for shipping to the world from Klaipeda will no longer undergo veterinary and sanitary checks as they enter Poland in transit.
Instead, the compulsory checks, intended to come into effect in the coming days, will be carried out at Klaipeda, which is on the Baltic Sea, the Ukrainian agriculture ministry said in a statement.
"This will speed up transit through the territory of Poland," it quoted Agriculture Minister Mykola Solsky as saying after talks with the Polish and Lithuanian ministers, Robert Telus and Kyastutis Navickas.
"Robert Telus and Kyastutis Navickas noted that their governments support such a control mechanism and consider it a constructive step," the statement said.
While the deal is intended to speed up Ukrainian grain exports, it will not end Kyiv's search for alternative export routes since its Black Sea ports become blockaded following Russia's full-scale invasion last year.
Ukraine, a major global grain producer and exporter, usually relies heavily on its deep Black Sea ports for exports. But its ability to get its goods to the world has been severely dented by 19 months of war and by Moscow's decision to quit a U.N.-brokered deal on safe Black Sea exports in July.
Kyiv has responded by increasing exports via the Danube River and overland via Poland, but the border with Poland has become clogged and Russia has been carrying out air strikes on Ukraine's Danube ports.

TIES WITH POLAND DETERIORATE

Relations with Warsaw have also soured since it banned Ukrainian food imports, citing the need to protect its own farmers, although it still allows the transit of Ukrainian goods through Poland en route to other countries.
Ukraine is still trying to secure a deal with Warsaw in the dispute over the import restrictions, imposed by the Polish government before a parliamentary election on Oct. 15.
Poland and other eastern European countries are not usually big markets for Ukrainian grain shipments, but supplies to these countries have grown significantly since the wartime blockade of Ukraine's Black Sea ports deprived Kyiv of traditional markets in Africa, Asia and the Middle East.
Income from food exports is usually vital for Ukraine's economy, but the volume of Ukrainian food supplies to foreign markets in September fell by 3% compared to August, the UCAB business association said on Tuesday.
It said grain exports had fallen 10% last month to 2.1 million metric tons, while shipments of vegetable oils decreased by 13% to 479,900 tons.

COLUMN- China's large purchase of US wheat is rare, but not unprecedented -Braun

Signs of life for the sluggish U.S. wheat market arrived on Tuesday with confirmation that China had purchased an unusually large volume of U.S. wheat for the first time in over two years.
The U.S. Department of Agriculture (USDA) reported a deal for 220,000 metric tons of U.S. soft red winter wheat for shipment to China in 2023-24, the U.S. marketing year that began June 1. That was the first daily sale of U.S. wheat to any destination since November.
Daily sales are announced when a single U.S. grain or oilseed booking exceeds 100,000 tons, which happens more commonly for U.S. corn and soybeans since those

exports are much larger annually than wheat and the destinations are less diverse.

Large U.S. wheat purchases by China have been rare. The last daily U.S. wheat sale to China was in July 2021, also soft red winter wheat, and twin sales of hard red spring and hard red winter wheat were confirmed in July 2020.

Only seven daily sales of U.S. wheat to any destination were confirmed between 2021 and 2022, indicative of how high global wheat prices and falling U.S. supplies have squeezed the United States' export share. USDA sees that share falling to an all-time low of 9% in 2023-24.

Despite shrinking U.S. wheat exports, China has recently played a heavier role in that trade, accounting for 7% of U.S. wheat shipments in 2022-23 as the No. 4 destination. Three-fourths of that was white wheat, commonly used to make Asian-style noodles.

Australia's proximity and recent bumper crops have crowned it China's top wheat supplier, accounting for more than 40% of imports, though the unfavorable El Nino pattern this year may curb the Australian harvest.

China's recent U.S. wheat purchase was not a one-off, as it secured up to 600,000 tons of French wheat three weeks ago.

China has been a top-three global wheat importer in the last few years, but those imports account for a very small fraction of annual Chinese wheat consumption. Beijing's price support system generally keeps grain prices in China above global ones, sometimes favoring imports over domestic supplies. A decline in world wheat prices would amplify this effect.

Weakness in U.S. wheat prices has recently made U.S. wheat competitive on-and-off against rival exporters, though abundant supplies in top exporter Russia have kept pressure on the global market.

Ukraine has exported more wheat than originally expected following the conflict with Russia, but its September grain shipments were 51% lower than last September, reflecting logistical limitations at Ukraine's Black Sea ports.

Picture of the Day

Liberia-flagged bulk carrier Eneida leaves the sea port of Chornomorsk, amid Russia's attack on Ukraine, near Odesa, Ukraine October 1. REUTERS/Stringer

(Inside Commodities is compiled by Anjana J Nair in Bengaluru)

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