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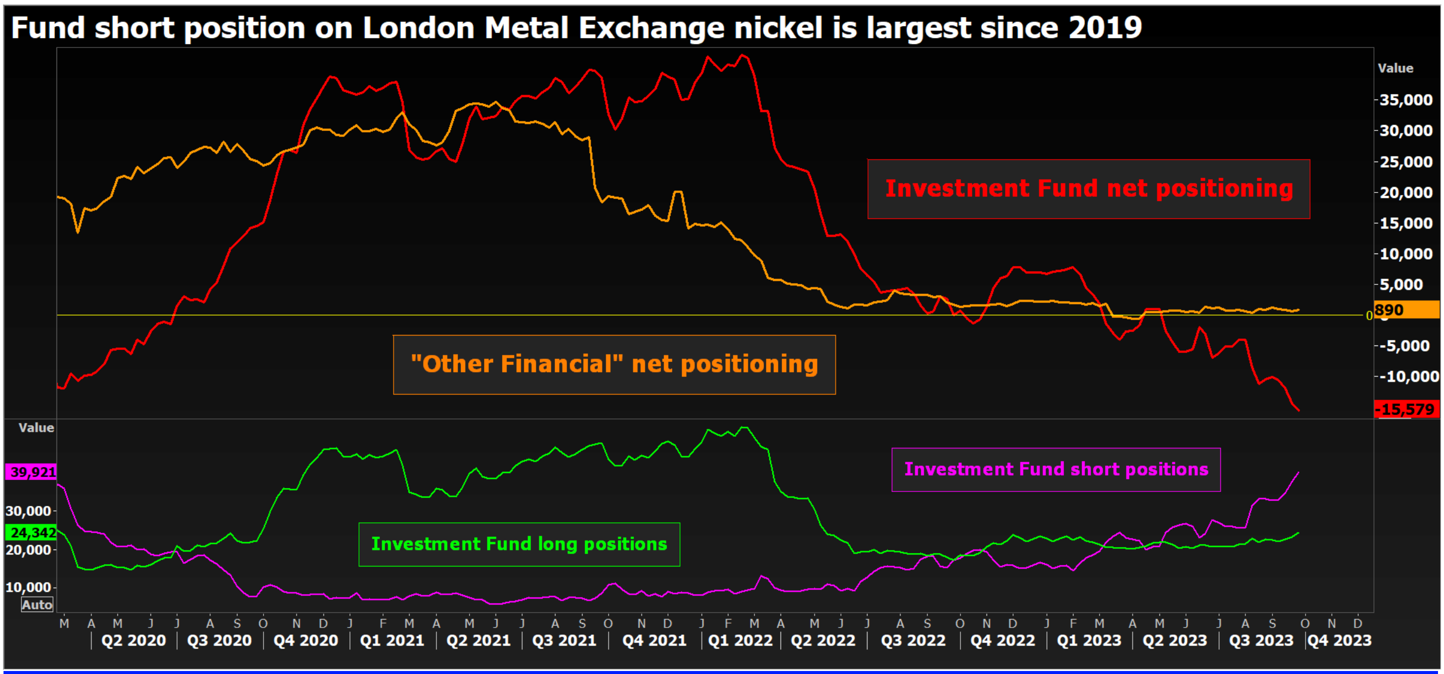
Top News - Oil

Russia lifts ban on most diesel exports
Russia's government said on Friday it had lifted a ban on pipeline diesel exports via ports, removing the bulk of restrictions installed on Sept. 21.
The restrictions for gasoline exports are still in place.
Diesel is Russia's biggest oil product export, at about 35 million tonnes last year, of which almost three-quarters were shipped via pipelines. Russia also exported 4.8 million tonnes of gasoline in 2022.
"The government lifted restrictions on exports of diesel fuel delivered to seaports by pipeline, provided that the manufacturer supplies at least 50% of the produced diesel fuel to the domestic market," the government said in a statement.
The restrictions on fuel exports from Russia, the world's top seaborne exporter of the fuel just ahead of the U.S., have bolstered global prices and forced some buyers to scramble for alternative sources of gasoline and diesel.
After the European Union banned Russian fuel imports over Moscow's actions in Ukraine, Russia diverted Europe-bound exports of diesel and other fuels to Brazil, Turkey, several North and West African countries, and Gulf states in the Middle East.
Gulf states, which have their own major refineries, re-export the fuel.
Russia has been tackling shortages and high fuel prices in recent months, which especially hurt farmers during the harvesting season.
Since the ban was introduced, wholesale diesel prices on the local exchange have fallen by 21%, while gasoline prices are down 10%.
That has not yet translated into the same scale of retail price decline, though Russian Deputy Prime Minister Alexander Novak, President Vladimir Putin's point man on the oil business, has said that the ban had started to yield positive results.
The Federal Anti-Monopoly Service (FAS) said on Thursday that it had sent instructions to oil companies ordering them to cut oil products prices.
The government also on Friday hiked fuel export duty for resellers, which do not produce the fuel, to 50,000 roubles ($495.63) per tonne from 20,000 roubles and reinstalled subsidies, or damper payments, for oil refineries in full starting from Oct. 1.
"The government is quelling attempts by resellers to purchase fuel in advance for subsequent export once the current restrictions are lifted. This also prevents them from exporting... fuel under the guise of other products," it said.

Exxon Mobil in advanced talks for $60 bln acquisition of Pioneer-sources
Exxon Mobil is in advanced talks to acquire Pioneer Natural Resources in a deal that could value the Permian shale basin producer at about $60 billion, people familiar with the matter said on Thursday.
The acquisition would be Exxon's biggest since its $81 billion deal for Mobil in 1998 and would expand its footprint in one of the most lucrative regions of the U.S. oil patch.
Pioneer, which had a market value as of Thursday of $50 billion, is the third-largest producer of oil in the Permian basin after Chevron Corp and ConocoPhillips. That basin, which stretches across parts of Texas and New Mexico, is the U.S. energy industry's most coveted because of its relatively low cost to extract oil and gas.
If the negotiations conclude successfully, an agreement between Exxon and Pioneer could be reached in the coming days, the three sources said, asking not to be identified because the matter is confidential.
Spokespeople for Exxon and Pioneer declined to comment. The Wall Street Journal first reported on Thursday that a deal between the two companies was approaching. Exxon, which has a market value of $436 billion, is the largest U.S. oil producer with an average 3.8 million barrels of oil equivalent per day (boed) from its global operations.
Last year it earned a record $55.7 billion thanks to high oil and gas prices and ended the year with $29.6 billion in cash. Some of those profits have tapered off this year as energy prices, which surged after Russia's invasion of Ukraine, have fallen over concerns about a global economic slowdown weighing on fuel demand.
Acquiring Pioneer would give Exxon more established oil-producing land it can rely on to increase production when needed, rather than risk its cash on the development of unproven acreage.
"It makes complete sense," said Bill Smead, chief investment officer of Smead Capital Management, an investment firm which manages $5.2 billion in funds. "You replenish your reserves without poking holes in the ground."
Exxon produced about 620,000 boed in the Permian basin in the second quarter, a record for the company. Still, this was dwarfed by Pioneer's output in the basin, which averaged 711,000 boed in the same period.
The potential deal is set to attract political and regulatory scrutiny, after the White House accused Exxon in

February of achieving bumper profits at the expense of consumers.
Other oil majors have also been turning to dealmaking because they find it risky to drill new acreage. Chevron Corp, for example, agreed in May to acquire shale producer PDC Energy Inc in a stock-and-debt transaction worth $7.6 billion. Pioneer itself has bulked up through dealmaking, including the acquisitions of U.S. shale rivals DoublePoint Energy for $6.4 billion in 2021 and Parsley Energy for $7.6 billion in 2020.
The Dallas-based company is led by industry veteran Scott Sheffield, who has said he will retire at the end of this year and be succeeded by his chief operating officer Richard Dealy.

Chart of the Day



Top News - Agriculture

EXCLUSIVE- Argentina's soy crushers face 'disaster' as bean shortage sharpens, chamber head says
Argentina's giant soybean processing plants are running out of soybeans after a historic drought cut the crop in half, the head of the country's grains export chamber told Reuters, and this will leave well over two-thirds of factory capacity idle.
For years, the South American country was the world's top exporter of processed soy oil and meal. Its crown slipped this year after its crop was ravaged and as the indebted government has pushed exports of beans to bring in dollars.
"We are in a disastrous year," said Gustavo Idigoras, president of the grain exporters and crushing chamber CIARA-CEC, adding he expected idle capacity at the country's crushing plants along the Parana river to shoot past the current 65%.
"Idle capacity could grow significantly," he said, pointing out that the next soy harvest would not be until April and there would likely be just 3 million metric tons of soybeans left by the end of the month to last until then.
"With those 3 million tons we have to survive until May 2024," he said. "We want to turn the page to see if next year we get a better climate and higher farm production."
The likely increase in idle capacity will hit major grains traders such as Bunge and Cargill in Argentina, and has opened the door to rival producers. Neighbor Brazil, which had a bumper season, has overtaken Argentina for soymeal exports.
The drought, which dragged Argentina's 2022/23 soy harvest down to around 20 million tons, has forced the country to import a record number of soybeans from regional neighbors Paraguay, Bolivia and Brazil to keep its crushing factories open.
"Argentina may total 10 million tons of (soy) imports this year," Idigoras said, a new estimate. Government data show a record 8.2 million tons of soy imports until August, already over the 6.4 million tons for the entire drought-hit 2018.
According to the Ministry of Agriculture, between January and August the volume of crushed soybeans in Argentina fell 27% year-on-year to 19.6 million tons, the lowest figure for that period in official records that go back to 2015. Idigoras added that he did not expect any officially declared wheat sales in the months ahead for the 2023/24 harvest as agreed shipments from the previous

campaign are finally fulfilled. Exporters had been allowed to delay them due to the drought.
Last season's wheat harvest was cut in half to some 11.5 million tons, according to the local Rosario grains exchange, which estimates a better 15 million tons for the current season.
"There are no new (export) records, but there are records that have been rescheduled from the old campaign. That is why we won't see new records in the coming months," Idigoras said.

Asian wheat millers seen boosting imports on higher price expectations
Asian flour millers are likely to step up purchases as global wheat supplies are forecast to tighten in the months ahead, with dry weather reducing production in some key exporting countries.
Wheat importers, including from Indonesia, the world's No. 2 buyer, and China were actively seeking cargoes this week for shipment in December and early 2023, three trade sources said.
"There are expectations that prices have bottomed out and the market will rise from the current levels as Australia, Argentina and Canada are facing adverse weather," said one Singapore-based trader at an international trading company, which sells Australian and Black Sea cargoes in Asia.
"Supplies are going to be much tighter at the end of this year and early next year as compared with what we have seen in the last six months," the trader said.
Benchmark Chicago Board of Trade (CBOT) wheat futures, which dropped to a three-year low last week, have started firming. The market is up almost 5% this week.
In the physical market, Australian Premium White (APW) wheat was quoted at $320 per metric ton, including cost and freight (C&F) to Indonesia, for December-January shipment, up from $315 a ton last week.
Wheat from the Black Sea region with 11.5% protein content was offered at $290 a ton, C&F, compared with $275 per ton a week ago, traders said.
"We are seeing improved buying interest," said a second trader in Singapore at a company which supplies wheat to China among other countries. "This is likely to continue and we expect demand to rise in the next few weeks."
Asian wheat buyers have been making last-minute purchases, buying cargoes just a few months in advance since the beginning of this year amid ample world supplies.
Australia reduced its wheat production estimate last month and the world's second-largest exporter could see further crop losses after hot and dry September weather.
Argentina's agricultural heartland needs more rain soon to avoid wheat productivity losses and finish planting early season corn, after showers last week failed to quench parched farmlands, the Rosario grains exchange said on Wednesday.
U.S. winter wheat was being offered at $330-$335 a ton, C&F, soft white wheat at $310-$315 a ton and spring wheat at $365-$370 a ton to Asia, traders said.

Top News - Metals

LME WEEK-Nickel debacle casts long shadow as industry masses in London
The ramifications of 2022's London Metal Exchange nickel trading debacle, including potential challenges to its nickel contract and the fate of the exchange itself will be hot topics next week as the metals industry descends on London.
On March 8, last year, the 145-year old exchange was plunged into crisis - forced to halt nickel trading for the first time since 1988 - when prices more than doubled in a few hours to records above $100,000 a metric ton.
Volumes and liquidity in the aftermath collapsed as many users wary of heightened volatility abandoned the LME's nickel contract and started looking for alternatives.
As yet, there are no real alternatives. The Shanghai Futures Exchange (ShFE) offers a nickel contract on its domestic exchange, but trading it is difficult for foreigners who need an affiliation with a Chinese entity.
But ShFE is now looking into the possibility of nickel futures for the international market, while CME Group is examining a contract that would settle against prices gathered from a platform to be launched by UK-based Global Commodities Holdings.
"Nickel, what the other exchanges are doing, how long Matt Chamberlain will survive [as CEO] are all on the agenda," a senior industry source said.
Metal broking sources say speculation that Hong Kong Exchanges & Clearing (HKEx) would sell the LME and its clearing house is still rife, despite HKEx recently saying it remains committed to its London unit.
"HKEx have been extremely supportive over the last 18 months. I see us as a long term member of the group," Chamberlain told Reuters. Also in focus are the lawsuits bought by U.S.-based hedge fund Elliott Associates and market maker Jane Street Trading for $472 million, stemming from the $12 billion of nickel trades the LME cancelled on March 8, 2022.
"The LME vigorously defended itself at trial, highlighting that the actions it took on 8 March 2022 averted significant and systemic damage to the nickel market as well as other metals markets and derivatives markets more widely," the LME said in response to a request for comment.
The LME declined to comment on any other aspects of market talk.

CHINA RETURNS
During the COVID lockdowns in 2020 and 2021, the event known as LME Week was virtual. Last year it was

live, but missing delegates from China, the world's largest consumer of industrial metals, because of extended lockdowns. "We expect attendance at LME week will be almost double the levels of 2022 and is now returning to pre-COVID levels," said Sucden Financial's Chief Executive Marc Bailey. "We have seen a lot of interest from our Chinese clients this year, who want to meet in person for the first time in a while."
One highlight of the week will be the dinner on Tuesday Oct. 10 at the Grosvenor House hotel in Mayfair which 1,600 people will attend, similar to the numbers from 2019 before COVID lockdowns, compared with 1,400 last year, according to the LME. Meanwhile, the seminar on Monday Oct. 9 has attracted 600 delegates equivalent to the numbers from 2019, the LME said.

GREEN BONANZA
On the fundamental front, discussions will focus on accelerating demand in future years as the shift towards electric vehicles and renewables such as solar and wind power are expected to create a bonanza for the industry.
The energy transition is also expected to dilute the importance of China to the metals industry as demand from Europe and the United States for metals such as copper, nickel, aluminium and cobalt picks up pace.
"When the next upturn starts we're likely to see demand from green technology, accounting for 12%-15% of global industrial metals demand now, growing at 25%-30% for some years," said Jay Tatum Portfolio manager at Valent Asset Management.
"That's an enormous growth rate. Combine that with growing demand from other sectors and it doesn't look as if supplies with match consumption."

Chile's Codelco CFO resigns amid growing debt concerns
Chile's state miner Codelco, the world's largest copper producer, announced on Thursday its Chief Financial Officer Alejandro Rivera has resigned effective Nov. 3 amid a credit rating downgrade and growing debt.
Rivera's resignation comes just months after the surprise June resignation of Codelco's CEO.
Chile’s Centre for Copper and Mining Studies (CESCO) said in a report seen by Reuters that Codelco is at risk of insolvency due to rising costs and a growing debt pile.
A downgrade from Moody's Investor Services on Codelco's credit rating came on Thursday, which could lead to further increases in financing costs.
Codelco did not name a successor in its statement and said Rivera had resigned to pursue "other professional challenges." "Rivera participated in the implementation of Codelco's role in the country's national lithium strategy, working directly with the efforts being made both in Atacama and Maricunga," the company said.

MARKET MONITOR as of 06:24 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$82.44 / bbl	0.16%	2.72%
NYMEX RBOB Gasoline	$2.16 / gallon	0.40%	-12.90%
ICE Gas Oil	$849.00 / tonne	-2.25%	-7.82%
NYMEX Natural Gas	$3.18 / mmBtu	0.57%	-28.85%
Spot Gold	$1,820.25 / ounce	0.01%	-0.23%
TRPC coal API 2 / Dec, 23	$118 / tonne	-3.67%	-36.13%
Carbon ECX EUA / Dec, 23	€80.44 / tonne	-0.09%	-4.20%
Dutch gas day-ahead (Pre. close)	€28.45 / Mwh	-12.60%	-62.35%
CBOT Corn	$5.12 / bushel	-0.10%	-24.52%
CBOT Wheat	$6.01 / bushel	-0.95%	-24.01%
Malaysia Palm Oil (3M)	RM3,602 / tonne	-0.14%	-13.70%
Index (Total Return)	**Close 05 Oct**	**Change**	**YTD Change**
Thomson Reuters/Jefferies CRB	309.83	-0.28%	2.82%
Rogers International	28.27	-1.31%	-1.40%
U.S. Stocks - Dow	33,119.57	-0.03%	-0.08%
U.S. Dollar Index	106.33	-0.44%	2.71%
U.S. Bond Index (DJ)	388.88	-0.03%	-0.88%

Codelco has been tasked with leading an increase in state control over the vast lithium industry in Chile, the world's second largest producer of the metal, targeting to reach an agreement with SQM by the end of this year.
An industrial engineer with over eight years at Codelco, Rivera previously held executive roles at London-listed miner Antofagasta.
The departure of Codelco's CFO was announced internally earlier this week, a source with direct knowledge of the matter said, adding that it had further undermined staff morale after recent layoffs to cut costs, the source said.
In August, Codelco named Ruben Alvarado as CEO after the resignation of predecessor Andre Sougarret - a respected engineer who gained prominence leading the rescue of 33 trapped miners in 2010 - citing personal reasons and "complexities" in running the company.

Top News - Carbon & Power

Chevron Australia LNG workers threaten to resume strikes after talks breakdown
Efforts to finalise a pact that ended strikes at Chevron's two Australian liquefied natural gas (LNG) plants stumbled on Thursday, when workers voted to restart stoppages after unions accused the U.S. energy major of reneging on commitments.
Workers called off major strikes in late September after unions and Chevron accepted proposals on pay and conditions proposed by the country's industrial arbitrator, the Fair Work Commission (FWC).
But following nearly two weeks of negotiations to turn the commission's broad recommendations into a legally binding contract, unions on Thursday accused Chevron of "reneging" on key commitments.
At a late night meeting, workers voted to restart strike action at the Gorgon and Wheatstone facilities, responsible for around 7% of global LNG production, according to a union representative, who declined to be named.
Unions must formally provide Chevron seven days' notice before any strikes can start. This is expected to happen on Monday, the union representative said. Following the notice period, unions have the right but not the obligation to strike.
Chevron said earlier on Thursday that it continued to work with all parties to finalise a deal based on recommendations made by Australia's industrial arbitrator in September.
"Ideally both parties don't want to see strikes eventuate again, and a vote to strike will act as pressure to finalise the agreements. But if trust is breaking down we could end up where we were a month ago quite quickly," energy analyst Saul Kavonic said on Thursday.
"Overall, it is still very likely this will all resolve one way or another without a material supply disruption."
Chevron and unions had made progress drafting the agreement, but differences remained over issues such as reimbursement for meals or travel for training, according to a second union representative involved in the negotiations.
If the two sides fail to reach a deal, the matter could go back to the commission, which had been due to begin hearings on whether to intervene and end strikes when the parties reached an 11th-hour agreement.
Those hearings were adjourned for four weeks in late September to give time to draft an agreement. Chevron would need to give seven days' notice before resuming the matter.
Weeks of strikes at Chevron's Gorgon and Wheatstone facilities roiled natural gas markets, though no LNG shipments were disrupted.

'Europe isn't profitable' - Solar industry warns of hurdles to EU's green tech drive
Europe's bid to expand its green tech industry faces a host of challenges, including high energy costs and supply chain issues, solar industry representatives gathered in Madrid warned on Thursday.
The comments come as the European Commission and European governments weigh tougher action on imports while aiming to boost clean tech manufacturing in Europe and reduce the reliance on China for products needed for the green transition.
"You cannot manufacture in Europe," Gonzalo de la Vina, president for the Europe, Middle East and Africa region of Chinese solar energy firm Trina Solar, said at an event hosted by Spanish industry group Foro Solar.
The company has manufacturing operations in China, Vietnam and Thailand but not in Europe. It plans to invest more than $200 million to build a solar photovoltaic manufacturing facility in Texas, its first in the Western Hemisphere.
"Europe isn't profitable," he added. European products are more expensive according to Christopher Atassi of Gonvarri Solar Steel, part of a Spanish industrial firm with factories around the world, including China, the United States, Spain and other European countries.
"There must be an incentive for the end customer to buy European products," he said. "Without demand for European products, it is difficult to plan investments."
Solar panels made in China cost as little as two-thirds of those manufactured in Europe, energy research firm Rystad Energy wrote in a July note.
Panelists said on Thursday this is due in part to higher energy and labour costs, as well as lack of competitive supply chains. For example, in the third quarter of last year, retail electricity prices paid by industrial customers in the EU were roughly twice as high as China's, according to the European Commission.
On Wednesday, Spain's acting Energy Minister Teresa Ribera did not rule out imposing tariffs on imports of materials used in solar power generation.

The EU gets more than 90% of its ingots and wafers for solar panels from China, according to the European Commission.
While the focus is often on China, Europe has to play catch-up with the United States, whose Inflation Reduction Act means that "the U.S. model beat Europe five to zero," Atassi said.
"Europe had a solar panel industry, but now it is in Asia," Juan Barandiaran of renewable energy equipment maker Gamesa Electric, a Spanish subsidiary of Germany's Siemens Energy said. "It is very difficult to create it from scratch."

Top News - Dry Freight

EXCLUSIVE- China to receive most of record ICE sugar October delivery -traders
Most of the record physical delivery of sugar by commodities traders at the expiration of the October futures contract at the Intercontinental Exchange (ICE) last week will head to China, according to two traders with knowledge of the deals.
Wilmar International - the Singapore-based food trader that built a large long position and decided to take nearly all of the record delivery of 2.87 million metric tonnes - has closed deals to sell between 1 million and 1.5 million tonnes to China, they said.
According to the traders, who work for two of the largest players in the global sugar trade, Wilmar has also closed deals to send some of the sugar to Indonesia, Egypt and India.
Wilmar has not returned a Reuters request for comment.
The physical delivery of sugar at the expiry of the October contract last week was the largest of any contract, at any year, since raw sugar futures started to be traded in New York - the world's price benchmark for the sweetener - in 1914.
All of the 2.87 million tonnes of sugar is of Brazilian origin, to be loaded from Brazilian ports between early October to Dec. 15. The size of the delivery is enough to fill around 45 Panamax-size vessels.
"We think Wilmar has already sold most, or even all, of that volume," said the first trader.
"And China bought around 1.2 to 1.5 million tonnes."
The second trader estimated Wilmar' sales to China at around 1 million tons.
"They sold it cheaper to have a large book," he said, indicating the Singapore-based trader will make a profit due to the very large volume.
The fresh Chinese buying comes days after the country decided to resume sales of its sugar reserves - the first time it does it since 2016 - as stocks internally were running low and prices were high.
Traders and analysts said that a combination of several factors led to the large delivery, including the record Brazilian crop, elevated interest rates and the reduced premium between the October and the March contracts at ICE.
"With current interest rates, carrying sugar nowadays costs a lot of money," the second trader said, referring to the costs of storage and hedging.

LOGISTICS
It will be a challenging logistic operation for Wilmar and the delivering parties, the traders said, as the rainy season is starting in the South American country and that can delay loading.
A total of six commodities traders decided to deliver the sugar, including China's COFCO, Louis Dreyfus Co, Sucden and Viterra.
According to ICE rules, deliverers have to bring the sugar to the ports, and the receiver needs to nominate the vessel.
The second source said Wilmar has nominated the first six vessels this week. Most of the loading will take place in Santos and Paranagua ports.
"This massive delivery shall create huge lineups with big waiting times in Oct-Nov when sugar vessels still compete with the grain exports and are also exposed to eventual delays related to the rainy season," said sugar analyst Claudiu Covrig.

South Korea's FLC buys some 130,000 T corn in private deals
South Korea's Feed Leaders Committee (FLC) purchased around 130,000 metric tons of animal feed corn in private deals in the past two weeks without issuing international tenders, European traders said on Thursday.
The purchases involved two consignments, both of around 65,000 tonnes for January 2024 arrival in South Korea.
One consignment was for arrival around Jan. 25 and can be sourced from worldwide origins. But traders expected it to be sourced from the Black Sea region, probably Romania.
The corn was purchased in the combination of an estimated outright price of $258.40 a metric ton c&f and at a premium of 177 U.S. cents c&f over the Chicago December 2023 corn contract. Both have an additional $1.25 a ton surcharge for additional port unloading.
The seller was believed to be trading house CHS. If sourced from the Black Sea region, shipment was between Nov. 15-Dec. 20.
The second consignment was expected to be sourced from South America only for arrival around Jan. 18.
The corn was purchased at an outright price of $261.90 a ton c&f with an additional $1.50 a tonne surcharge for additional port unloading. The seller was believed to be trading house Mitsui.
Grain purchasing has been generally quiet in South Korea in the past two weeks because of a public holiday period.

Picture of the Day

A wind farm is seen in this undated handout image released on October 5, in Sir Bani Yas Island in Abu Dhabi, United Arab Emirates. Abu Dhabi Future Energy Company PJSC – Masdar/Handout via REUTERS

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

For questions or comments about this report, contact: **commodity.briefs@thomsonreuters.com**

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Refinitiv
28 Liberty Street, New York, NY 10005

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