Oil | Agriculture | Metals | Carbon & Power |Dry Freight
Click on headers to go to that section

Top News - Oil

Exxon set to buy shale rival Pioneer for $60 billion in stock -sources

Exxon Mobil is expected to say on Wednesday it will buy U.S. rival Pioneer Natural Resources for about $60 billion, a deal that puts it atop the largest U.S. oilfield and secures a decade of low-cost production, according to people familiar with the matter.

Exxon, which was valued at $442 billion on Tuesday, is expected to make a pure stock offer valued at more than $250 a share for Pioneer, the people said on condition of anonymity because the details were not public.

Pioneer shares closed at $237.41 on Tuesday, having risen 11% since the first reports of a deal surfaced last Thursday.

It would be the largest acquisition by any company this year and Exxon's biggest since its $81 billion purchase of Mobil Oil in 1998.

Exxon declined to comment on "market speculation," while Pioneer did not immediately respond to a request for comment.

The deal will leave four of the largest U.S. oil companies in control of much of the Permian Basin shale field and its extensive oilfield infrastructure.

Antitrust experts told Reuters last week that Exxon and Pioneer stood a good chance of completing their deal, even though they would face heavy scrutiny. This is because they could argue that together they will account for a small fraction of a vast global market for oil and gas.

The proposed deal comes after Exxon has pulled itself from deep losses and huge debts in the last two years by slashing costs, selling dozens of assets and benefiting from high energy prices spurred by Russia's invasion of Ukraine.

Chief Executive Darren Woods has rebuffed investor and political pressure to shift strategies and embrace renewable energy as European oil majors have done. He faced heavy criticism for sticking to a heavy oil-dependent strategy as climate concerns became more pressing.

The decision paid off when the company last year earned a record $56 billion profit, two years after losses ballooned to $22 billion during the COVID-19 pandemic.

Exxon socked away some of the huge profits from the oil-price run up, putting aside some $30 billion in cash in anticipation of deals, according to analysts.

Pioneer has been one of the most successful oil companies to emerge from the shale revolution, which turned the U.S. from a major oil importer into the world's largest producer in little more than a decade.

It is the third-largest oil producer in the Permian basin, after Chevron Corp and ConocoPhillips, with rock-bottom production costs averaging about $10.50 per barrel of oil and gas.

Under CEO Scott Sheffield, the oil producer grew through rapid-fire purchases, including multi-billion dollar deals in 2021 for DoublePoint Energy and Parsley Energy.

Exxon's planned purchase would outrank oil major Shell's $53 billion acquisition of BG Group in 2016, which put it atop the global liquefied natural gas market.

Bloomberg News reported the deal's price earlier on Tuesday.

In July, Exxon agreed to a $4.9 billion all-stock deal for Denbury Inc., a small U.S. oil firm with a network of carbon dioxide pipelines and underground storage. That acquisition was intended to bolster Exxon's nascent low-carbon business.

The largest U.S. oil producer originally made an all-cash bid for Denbury, and at the last minute switched to all stock, reflecting both the target's move up in market value during the talks and investors wanting to take part in any upside in Exxon's stock.

The oil giant's share price has recovered strongly since its early 2020 tumble to about $30 as oil and gas prices collapsed. Exxon shares recently hit an all-time high of $120 per share.

ANALYSIS-China saves billions of dollars from record sanctioned oil imports

China has reaped savings this year of nearly $10 billion through record purchases of oil from countries under Western sanctions, according to Reuters' calculations based on data from traders and shiptrackers.

An unintended consequence of sanctions imposed by the United States and others on Russia, Iran and Venezuela has been to lower the oil import costs for refiners in top economic rival China, which often criticises such "unilateral" penalties.

Reuters' analysis of China's savings on oil purchases from the three sanctioned countries compares what Chinese importers would have paid by purchasing similar grades from non-sanctioned producers.

The lower-priced imports have been a boon by bolstering throughput and margins for the world's second-largest oil consumer and refiner, especially small independent operators known as "teapots", and facilitating lucrative exports by state-owned refiners of diesel and gasoline as the country faces economic headwinds.

China's purchases are also a revenue lifeline for Moscow, Tehran and Caracas, whose economies are otherwise curtailed by Western sanctions and a decline in investment.
China shipped in a record 2.765 million barrels per day (bpd) of crude by sea from Iran, Russia and Venezuela in the first nine months of 2023, according to an average of data provided by tanker trackers Vortexa and Kpler.
The three countries accounted for a quarter of China's imports between January and September, up from about 21% in 2022 and double the 12% share in 2020, Reuters' analysis found, displacing alternatives from the Middle East, West Africa and South America.
While the savings are a fraction of China's oil import bill, they matter for independent refiners that are "opportunistic buyers and actively look for bargains", said Kang Wu, global head of demand research at S&P Global Commodity Insights.
China's Foreign Ministry did not respond to specific questions sent by Reuters. Instead, in a statement, it repeated its stance that Beijing opposes unilateral sanctions and China's normal trade deserves respect and protection. China's General Administration of Customs did not reply to a request for comment.

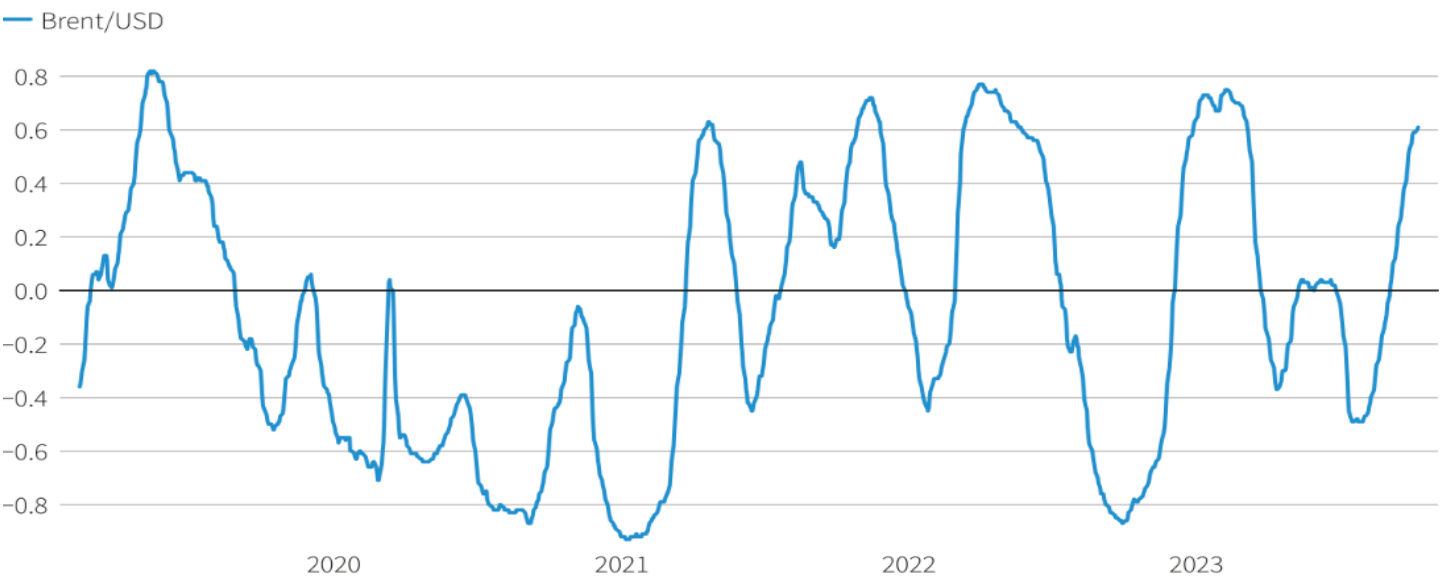
RUSSIAN IMPORTS

From January to September, Russia supplied 1.3 million bpd of seaborne crude, based on the average of data supplied by Vortexa and Kpler. China also imported about 800,000 bpd of ESPO crude via pipeline, according to Chinese trading sources.
The seaborne imports are mainly ESPO shipped from Russia's Pacific port of Kozmino as well as Urals from the Baltic Sea.
From January to September, total Russian shipments grew by over 400,000 bpd from a year earlier, led by Urals, according to Vortexa, as sanctions triggered by Moscow's invasion of Ukraine sparked a massive diversion of its oil flows from Europe to India and China.
China has this year saved $4.34 billion by importing Russian oil, based on Reuters' comparison of the monthly price differentials between ESPO and Tupi crude from Brazil, and Urals versus Oman, using price information provided by traders.
For imports of Venezuelan oil, mostly heavy grade Merey, China saved an average of $10 a barrel versus comparable Colombian Castilla crude, the calculations based on the trader data showed. The country saved roughly $15 a barrel buying Iranian crude versus Oman oil. China has saved roughly $4.2 billion by importing a record 1 million bpd during the same period from Iran, 60% above pre-sanction peaks recorded by Chinese customs in 2017 at 623,000 bpd, as Tehran raised output to near-maximum levels and offered discounts as steep as $17 a barrel versus Brent.

Chart of the Day

Brent crude, US Dollar rising in tandem

Brent crude futures have been rising despite a stronger U.S. dollar, driven largely by supply restraint from Saudi Arabia and breaking the usually inverse relation between the two.



Note: Correlation factor
Source: LSEG | Reuters, October 6, 2023 | By Ahmad Ghaddar

By comparison, Oman averaged a $2 premium above Brent in the first nine months of this year.
With January-September inflows of Venezuelan oil at around 430,000 bpd, according to the average of the Vortexa and Kpler data, China's savings from buying Venezuelan oil was $1.17 billion. A U.S. State Department spokesperson said in a statement price caps on Russian oil let buyers "drive a harder bargain" in their purchases, limiting Moscow's revenue. Since 2021, the U.S. has sanctioned over 180 individuals and entities dealing Iranian oil and petrochemicals and the impact of sanctions has caused hyperinflation in Iran and its currency to plunge, the spokesperson said. U.S. sanctions enforcement will continue for Venezuela and the Maduro government's relationship with China does not demonstrate strength but its isolation "within the global community."
TEAPOT MARGINS
With state refiners Sinopec and PetroChina refraining entirely from buying Iranian and Venezuelan crude, teapots have feasted on discounted oil from the two suppliers. According to Chinese consultancy JLC, teapots in the refining hub of Shandong province operated at 65.7% of capacity during the first three quarters of 2023, up 4.2 percentage points, generating margins on processing imported crude of 567 yuan ($77.63) per ton, compared with 50 yuan a year ago.
However, the upside for more cost savings is capped as teapots are constrained by crude import quotas, while holding no fuel export quotas, as well as regulatory scrutiny. "This is especially true for Shandong refiners which, if subjected to another round of crackdowns as seen over the past years, could put a hard limit on how much Iran exports," said Viktor Katona, Kpler's lead crude analyst. Earlier this year, customs stepped up inspections of heavy crude cargoes headed to Shandong after finding several Iranian shipments mislabelled as diluted bitumen to bypass import quotas. If the U.S. tightens enforcement of sanctions on Tehran over the recent crisis in Israel, that could also curb Iran's oil exports, analysts said, which mostly flow to China.

Top News - Agriculture

Brazil's Conab sees record soy output; lower corn plantings as prices fall

Brazilian farmers will harvest a record soybean crop in the new season but will reap less corn, the government's crop agency Conab said on Tuesday in the first forecast report for the 2023/24 grain cycle.
Farmers in the South American food powerhouse, which have already began planting their new soy and first corn, are expected to produce 162 million metric tons of soybeans, 4.8% more than last year, Conab said.
According to Conab calculations, Brazilian soy growers will expand the planted area to 45.1 million hectares from 44 million hectares, a 2.5% rise from last season.
The agency also said Brazil that will likely remain the world's biggest soybean supplier, with exports reaching an estimated 102.14 million tons in 2024.
Domestically, soy crushers will process 55 million tons to cater to growing demand for soy oil and biodiesel.
Brazilian farmers will reap an estimated 119.404 million tons of total corn, a 9.5% drop from last season, reflecting a smaller planted area and lower yields amid the initial effects of the El Niño weather pattern.
For example in Rio Grande do Sul, Brazil's southernmost state, heavy rains have considerably delayed first corn planting, Conab said.
Conab said Brazil's first and second corn planted area will be reduced by respectively 6.7% and 4.5% in the 2023/24 cycle as farmers are finding corn prices unattractive relative to soybeans.
At the same time Conab is bullish on cotton, reflecting "a more favorable global economic scenario in 2024 and the recognition of the quality of the national fiber."
To cater to demand, local growers will increase the planted area by 2.9% and production should reach 3 million tons, Conab said, adding the country's new cotton will be planted in January and February next year.
Brazilian cotton exports in the 2023/24 cycle, which just ended, are expected to grow to 2.47 million tons, representing a new record, Conab noted.

US soy harvest 43% complete, corn 34%; soy ratings dip -USDA

The U.S. soybean harvest was 43% complete by Sunday and the corn harvest 34% finished, data from the U.S. Department of Agriculture (USDA) showed on Tuesday, both slightly ahead of their respective five-year averages, while soybean condition ratings declined.
Swift harvest progress amid mostly dry weather has been pressuring U.S. grain futures prices, although persistent dryness during the growing season is believed to have hurt yields in the world's No. 2 exporter of corn and soy.
Analysts surveyed by Reuters on average expect the USDA to trim its estimates of the U.S. corn and soybean crops in a monthly report due on Thursday.
In its weekly crop progress report on Tuesday, the USDA rated 51% of the soybean crop in good to excellent condition, down 1 percentage point from a week ago, and the lowest for this time of year since 2012. Ten analysts surveyed by Reuters on average had expected no change.
The USDA's soy harvest figure of 43% complete was ahead of the average analyst estimate of 41% and the five-year average of 37%. Corn harvest progress, at 34% complete, matched trade expectations and topped the five-year average of 31%.

Corn ratings were unchanged with 53% of the crop rated as good to excellent, the government said, in line with trade expectations. Farmers continue to seed the U.S. winter wheat crop that will be harvested in 2024. The USDA reported winter wheat plantings as 57% complete, ahead of the average analyst estimate of 56% and matching the five-year average.

Top News - Metals

LME WEEK-China's top copper buyers expect a 36% cut in Codelco premium -sources

China's largest copper buyers expect to pay a premium of around $90 per metric ton next year for Codelco's metal, 36% below what they are paying this year, four sources with direct knowledge of the matter said.

Premiums set for physical delivery of copper are paid on top of the reference London Metal Exchange (LME) contract and are sometimes used as a benchmark for global contracts.

Codelco Chairman Maximo Pacheco told Reuters last week that China remained an important market for the Chilean miner, accounting for 40%-45% of Codelco's sales despite a restructuring of its sales strategy.

State-owned Codelco, the world's largest copper producer, negotiated a premium of $140 a ton for this year, significantly above the Yangshan copper spot market premium which fell to $10 a ton in March and is currently at $69 a ton.

Codelco's London office did not respond to requests for comment.

"It's to do with fundamentals, the market is weak in China and shipping costs to Shanghai are cheaper than to Europe," one of the sources said.

According to the International Copper Study Group (ICSG), the global refined copper market will see a surplus of 467,000 tons next year from a small deficit this year.

ICSG expects global refined copper supplies to total 27.534 million tons in 2024.

More metal going to China than to Europe and shipping lines competing for business is one reason why transporting copper to Shanghai is cheaper.

A separate source told Reuters on Monday that Codelco was offering to sell copper at a premium of $234 a metric ton to European customers next year - matching this year's record.

MARKET MONITOR as of 06:31 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$86.06 / bbl	0.10%	7.23%
NYMEX RBOB Gasoline	$2.24 / gallon	0.27%	-9.73%
ICE Gas Oil	$912.25 / tonne	1.25%	-0.95%
NYMEX Natural Gas	$3.43 / mmBtu	1.33%	-23.42%
Spot Gold	$1,860.19 / ounce	0.01%	1.96%
TRPC coal API 2 / Dec, 23	$124.25 / tonne	0.00%	-32.75%
Carbon ECX EUA	€84.17 / tonne	-0.77%	0.24%
Dutch gas day-ahead (Pre. close)	€45.00 / Mwh	13.92%	-40.45%
CBOT Corn	$5.01 / bushel	0.00%	-26.07%
CBOT Wheat	$5.91 / bushel	0.08%	-99.26%
Malaysia Palm Oil (3M)	RM3,587 / tonne	0.62%	-14.06%
Index	**Close 10 Oct**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	315.97	-0.07%	4.86%
Rogers International	28.60	-0.87%	-0.23%
U.S. Stocks - Dow	33,739.30	0.40%	1.79%
U.S. Dollar Index	105.83	0.00%	2.23%
U.S. Bond Index (DJ)	386.64	1.35%	-1.48%

LME WEEK-Russia's Rusal has fully allocated 2023 sales volumes – company

Russia's Rusal, the world's largest aluminium producer outside China, said on Tuesday that it had fully allocated its 2023 sales volumes.

The prospects for Russian aluminium, which accounts for 6% of global production, is in sharp focus at the annual LME week in London as the gathering coincides with the season when aluminium consumers, producers and traders agree sell and buy deals for 2024.

"We have successfully allocated our 2023 volumes and are currently busy defining the most profitable sales portfolio for 2024," Rusal, which produces about 3.8 million metric tons of aluminium a year, told Reuters.

While there are no Western sanctions on Rusal or Russian aluminium, some Western consumers are shunning new deals with Russia-made metal since Moscow invaded Ukraine in 2022, even if they still buy it under contracts signed before the war.

This process has pushed up the share of the Russian aluminium in stocks of the London Metals Exchange-registered warehouses to 81% as of the end of August, a concern of Rusal's rivals in the West.

Major producer Norsk Hydro in July called for the LME to reconsider its decision not to ban Russian aluminium from its warehouse network.

However, a significant part of the European market, where demand in general has been relatively weak this year, continues to buy Russian aluminium, according to Rusal's first-half financial results.

Its sales to Asia accounted for 33% of the January-June $5.9-billion revenue, while sales to Europe contributed 31%.

Top News - Carbon & Power

Chevron halts gas exports via EMG pipeline from Israel to Egypt

Chevron has halted natural gas exports through a major subsea pipeline between Israel and Egypt and is supplying gas via an alternative pipeline through Jordan, the company said on Tuesday. The decision to halt exports via the East Mediterranean Gas (EMG) pipeline came as fighting has intensified between Israel and militants in the Gaza Strip. The decision to halt exports via the East Mediterranean Gas (EMG) pipeline came as fighting has intensified between Israel and militants in the Gaza Strip. "Following the instruction by the Ministry of Energy to shut-in production at the Tamar Production Platform and the security situation in the south of Israel, all exports to Egypt have been re-routed via the FAJR pipeline," which links Jordan to Egypt, a spokesperson said. The EMG pipeline runs from the southern Israeli town of Ashkelon, located some 10 kilometres north of Gaza, to El-Arish in Egypt, where it connects to an onshore pipeline. The 90-kilometer pipeline is the main link between the Chevron-operated Leviathan offshore gas field and Egypt. The Leviathan consortium includes operator Chevron, Israel's NewMed Energy and Ratio Energies. Israel's energy ministry confirmed in a statement to Reuters that Chevron had requested to export gas through an alternative pipeline that links Leviathan to Jordan as well as Egypt, known as the Arab Gas Pipeline. On Monday, Israel suspended production at the Tamar gas field off its southern coast three days after violence erupted in the wake of a surprise attack by Hamas militants in the Gaza Strip on Israel.

Separately, energy industry sources said the amount of gas exported from Israel's giant Leviathan field to Egypt has been slightly reduced as supplies to the domestic market are prioritized, but remains close to the quota. Leviathan has been exporting higher volumes to Egypt than committed under sales agreements for several weeks, the sources said. "Every molecule we export, we first check it is not needed in the Israeli market," one source said.

Finland says 'outside activity' likely damaged gas pipeline, telecoms cable

A subsea gas pipeline and a telecommunications cable connecting Finland and Estonia under the Baltic Sea have been damaged in what may have been a deliberate act, the Finnish government said on Tuesday.

NATO Secretary General Jens Stoltenberg said NATO was sharing its information over the damage and stands ready to support the allies concerned. Finland joined the military alliance in April, while Estonia has been a member since 2004. The Balticconnector gas pipeline was shut early on Sunday on concerns that gas was leaking from a hole in the 77-km (48-mile) pipeline. Finnish operator Gasgrid said it could take months or more to repair. "It is likely that damage to both the gas pipeline and the communication cable is the result of outside activity. The cause of the damage is not yet clear, the investigation continues in cooperation between Finland and Estonia," Finnish President Sauli Niinisto said in a statement on Tuesday. Finnish Prime Minister Petteri Orpo said the damage to the pipeline was "worrying", but that Finland's energy supply remained stable and that the damage to the telecommunications cable did not affect Finland's overall connectivity. "It is too early to draw conclusions on who or what caused the damage," Orpo told a press conference. Gas accounts for 5% of Finland's energy supply, he added. Finnish telecommunications operator Elisa, which operates the damaged cable, told Reuters the distance from the cable to the Balticconnector pipeline was "significant", but declined to comment on the exact length between them. The damage to the gas pipeline was believed to have taken place in Finnish waters, while the telecoms cable breach was in Estonian waters, Finnish authorities said. Prior to the war in Ukraine, some of the gas transported by the Balticconnector came via pipeline from neighbouring Russia, but Finland has since year stopped importing Russian pipeline gas. Norwegian seismology institute Norsar said on Tuesday it had identified "a probable explosion" close to the location of the pipeline in the Baltic Sea at around the time of the outage early on Sunday, but said there was significant uncertainty in the data and that more analysis was required. The indication of an explosion came from data collected at seismic stations along the Finnish coast, Norsar said.

DELIBERATE OR ACCIDENTAL?
A spokesperson for the Finnish defence forces said it did currently not see any military threat against Finland.
The Finnish bureau of investigation has initiated an investigation into the external damage to the pipeline.
"We are still verifying if the damage is caused deliberately or accidentally," the bureau said, though it added that the size of the damage was such that it indicated deliberate action. Causing this kind of damage to the pipeline requires "special knowledge", the Finnish national bureau of investigation said. "This act could not have been done by an ordinary person," Detective Inspector Timo Kilpelainen told reporters. The Balticconnector runs to a depth of 100 metres (328 feet) at its deepest point, according to operator Gasgrid. European gas prices rose on Tuesday afternoon following the news, with the benchmark front-month Dutch contract touching 49.75 euros ($52.72) a megawatt hour (MWh) according to LSEG data, its highest level for six months. Prices were already up on Tuesday due to fears over tensions in the Middle East but expectations that outside activity caused the pipeline damage pushed prices in the nervous market higher. The Finnish government said repairs would take months, and that the cost of gas in Finland could slightly increase over the winter as a result of the leak but that electricity prices would likely not be affected significantly.

"The fall in pipeline pressure was quite fast, which would indicate it's not a minor breach. But the cause of it remains unclear," said a Baltic energy official with knowledge of the situation, who spoke to Reuters on condition of anonymity.The pipeline between Inkoo in Finland and Paldiski in Estonia crosses the Gulf of Finland, an arm of the Baltic Sea that stretches eastwards into Russian waters and ends at the port of St Petersburg.

NORD STREAM
In 2022, the larger Nord Stream gas pipelines which cross the Baltic Sea between Russia and Germany were damaged by explosions that authorities have said were deliberate acts of sabotage. The Nord Stream blasts were of a much greater magnitude than the signals from Sunday's data indicated, Norsar said. The Balticconnector pipeline opened in December 2019 to help integrate gas markets in the region, giving Finland and the Baltic nations of Estonia, Latvia and Lithuania more flexibility of supply. Elering and Gasgrid have both said they did not anticipate shortages of gas even if the pipeline were to remain inoperable during winter.
Lithuanian gas system operator Amber Grid said Latvia's Incukalns gas storage has switched from storing gas to pumping it out immediately after the Balticconnector damage, in order to supply Estonia. Finland last year leased a floating storage and regasification unit (FSRU) to receive liquefied natural gas (LNG), replacing supplies from Russia which were cut in the wake of Moscow's invasion of Ukraine. Much of Finland's LNG imports come from the United States, LSEG data shows. Situated at Inkoo, the Exemplar FSRU vessel has supplied gas to Estonia via the Balticconnector. "(It's) not a big deal for Estonia and Latvia because a lot of their gas is stored in Latvian storage, but Finns will not be able to get their gas from Latvian storage," said a source with direct knowledge of Baltic gas supplies. Finland has a second LNG import terminal in Hamina, and "the continuity of gas supply is secured in the coming winter season," national operator Gasgrid said in a statement.

Top News - Dry Freight

Egypt's GASC believed to buy 480,000 tons of Russian wheat in private deal -traders
Egypt's state grains buyer, the General Authority for Supply Commodities (GASC), is believed to have bought 480,000 metric tons of Russian wheat in a private deal with Russia's state grains trader United Grain Company (OZK), several traders told Reuters.
The wheat is expected to be shipped in November and December, with traders estimating the price at about $265 a ton free-on-board (FOB) with payment in 270-day letters of credit.
Earlier estimates by traders were one million tons, but were later estimated at eight 60,000-ton cargoes.
It is unclear if this price point is below an unofficial price floor set by the Russian government to dampen domestic flour prices.
Traders said there are different minimum prices for private sales and sales in public tenders, as well as different prices for sales for different months and protein wheat grades.
One trader said that price floor for November was thought to be set at $270 per ton.
"It is really hard to guess if the minimum price is really being imposed strictly to reduce exports," the trader added.
"Russian export flows may be reduced but are likely to be still very big," the trader said.

The unofficial price floor has proven a hindrance for both GASC and for Russian wheat suppliers who had upped sales of relatively cheap Russian grain to Egypt since Russia invaded Ukraine in February 2022.
Last month, Russia's agriculture ministry prevented the private sale of 480,000 tons of Russian wheat to Egypt, apparently because it was sold below the price floor, traders said.
GASC and OZK did not immediately respond to a request for comment.

EU offers Australia tariff-free sugar quota equal to just half a ship – sources
European Union negotiators in free trade talks with Australia are, despite a sugar shortage in Europe, offering such low import quotas for the sweetener they are not commercially viable to ship, industry sources said.
EU sugar prices have doubled in two years, contributing to rampant food price inflation, thanks in part to stringent environmental rules shrinking local production. That has left buyers reliant on imports that are mostly subject to duties.
The EU has since 2018 been negotiating a trade deal with Australia, a major producer of sugar and other agricultural commodities.
The bloc has proposed to allow around 15,000-20,000 metric tons of tariff-free raw sugar imports from Australia a year, two sources familiar with the negotiations in Australia and Europe said.
But a typical bulk shipping carrier loads around 40,000 tons of sugar, and it is not commercially viable to ship much less, people in the industry said.
Because of that, the EU offer is "pointless, absolutely pointless", said a sugar industry executive in Australia.
A spokesperson for Australia's trade ministry declined to comment on the size of proposed quotas, saying "we don't conduct negotiations or negotiating positions in public".
A European Commission spokesperson also declined to comment, but said the bloc was "working hard to forge an agreement that unlocks opportunities for European and Australian farmers and consumers".
In Europe, groups representing sugar farmers have lobbied against a large quota. The International Confederation of European Beet Growers (CIBE) told Reuters it was opposed to any access for Australian sugar.
Its director Elisabeth Lacoste said the local market had already seen a huge influx of sugar from Ukraine in the 2022/23 October-to-September season after the EU suspended limits on imports from the country.
However, European confectionery industry association Caobisco said it was asking the EU to allow 100,000 metric tons of duty-free Australian raw sugar imports in the first year of a trade deal.

MEANINGFUL ACCESS
Trade talks between the EU and Australia stalled in July, with Canberra saying Brussels was not offering enough market access for its agricultural products, but resumed last month.
Australian sugar industry association CANEGROWERS said it wanted commercially meaningful access and that a recent UK-Australia trade deal was a good example of the scale of quotas desired.
Britain - a much smaller market than the EU - agreed to allow 80,000 tons of tariff-free raw sugar imports from Australia in the first year and 20,000 tons more each year until tariffs are eliminated in 2031.
The first duty-free shipment of Australian sugar in 50 years arrived in London last month. The ship carried 33,000 tons.
Trade Minister Don Farrell told Reuters: "To conclude a deal, Australia needs new commercially meaningful agricultural access for a range of products, including sugar, into European markets."
European Commission President Ursula von der Leyen said last month that the EU should seek to complete its free trade deal with Australia, and others with Mexico and South American bloc Mercosur, by the end of the year.

Picture of the Day

A vendor looks at a mobile phone at her fruit stall at a market, in Bangkok, Thailand, October 2. REUTERS/Athit Perawongmetha

(Inside Commodities is compiled by Indrishka Bose in Bengaluru)

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