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Top News - Oil

Diesel release valve: China poised to save West from shortages again

As the northern hemisphere heads into winter, the U.S. and European oil sectors are counting on rising exports from Chinese refineries to ease tight global supplies of diesel, heating oil and jet fuel. China is the world's top oil importer and largest energy consumer. Typically, energy has flowed into China, not out of it. Growing Chinese refining capacity has, however, made the country an important fuel exporter in recent years. Chinese supplies were key in 2022 after global oil trade was disrupted by Russia's invasion of Ukraine and subsequent sanctions imposed by many of the world's top importers on imports of Russian crude and fuel. Along with mild winter weather in much of the northern hemisphere, Chinese fuel exports helped avert widespread shortages of diesel, heating oil and gasoil. Russia's ban on diesel exports ahead of winter has sparked a new round of concerns of another supply shock. Diesel prices across Europe and the Americas are already high due to seasonal refinery shutdowns and strong demand. If the Russian export ban is prolonged, then countries such as Brazil and Turkey that have been importing Russian fuel will buy from other suppliers, increasing competition in fuel markets and driving up prices. "U.S. distillate inventories are just barely higher than at this time in 2022, but Chinese exports seem to be ramping up like they did last year, which should prevent really bad shortages," said John Kilduff, partner at Again Capital LLC in New York. China's fuel exports are set to rise by about 519,000 bpd in October, with diesel exports up about 160,000 bpd, as Chinese refiners cash in on lucrative margins, industry sources and analysts said. Total diesel exports for the first nine months of the year are up more than 200% versus the same period in 2022, at 250,000 bpd. China is positioned to profit from diesel margins of $18 a barrel, half of last year's peak but rising steadily and still higher than historical margins. "We're beginning to witness an uptick similar to last year's once again," said Matt Smith, lead oil analyst at Kpler. Chinese fuel exports are currently around 1.1 million barrels per day (bpd), down from last year's peak at 1.8 million bpd in December. Chinese refiners capitalized on record fuel profit margins last year as the market reeled after the start of the war in Ukraine. China's fuel exports are subject to quotas, closely monitored by the global fuel trading community. Beijing issued a third batch of fuel export quotas just over a month ago, and traders are waiting to see whether there will be a fourth batch. China also has quotas for imports of crude oil that refiners use to make diesel and other products. Beijing issued a fourth batch of 2023 crude import quotas earlier this week, which may allow further fuel exports. China, home to the world's second-largest oil refining industry, is importing record volumes of crude from countries under Western sanctions. The cheaper crude from Russia, Iran and Venezuela has saved importers nearly $10 billion this year along, making for bigger profit margins for refiners - and giving them an incentive to maximize fuel output. Additional refining capacity elsewhere added in the last year, such as Kuwait's 630,000 bpd Al Zour refinery, has also helped alleviate tight global distillate supplies. As China supplied more to Asia, Middle East refiners pivoted to markets in Western Europe and America, a pattern that looks set to repeat itself, Kpler said. Diesel and heating oil inventories remain tight in many regions, even though they are growing as refiners maximize output ahead of winter. The U.S. East Coast has struggled to replace the void left by refinery outages, with long-haul cargoes failing to fill the gap as many had expected. The region's diesel inventories are currently around 28.16 million barrels, within 1 million barrels of last year's historic lows, according to data from the U.S. Energy Information Administration.

Russia's Sept seaborne oil product exports down vs Aug -sources, Reuters calculations

Russia's seaborne oil product exports fell 2.5% in September from August to 9.456 million metric tons due to seasonal maintenance of refineries and a fuel export ban late in the month, data from industry sources and Reuters calculations showed. Russia temporarily banned exports of gasoline and ultra-low sulphur diesel (ULSD) from Sept. 21 to stabilise the domestic market. The country has suffered shortages of gasoline and diesel in recent months, and wholesale fuel prices on the domestic market have spiked to record levels. The embargo was partially lifted in October, with Russia resuming ULSD seaborne exports, although it has kept the ban on gasoline exports and cross-border sales of diesel by railway. In September, total fuel exports via the Baltic ports of Primorsk, Vysotsk, St. Petersburg and Ust-Luga fell 5.1% month on month to 5.035 million metric tons, data from market sources showed. Primorsk is the biggest Russian outlet for exports of ULSD. Oil product exports via Russia's Black Sea and Azov Sea ports rose slightly last month - by 0.4% from August to 3.676 million metric tons. Fuel export supplies from the Russian Arctic ports of Murmansk and Arkhangelsk increased in

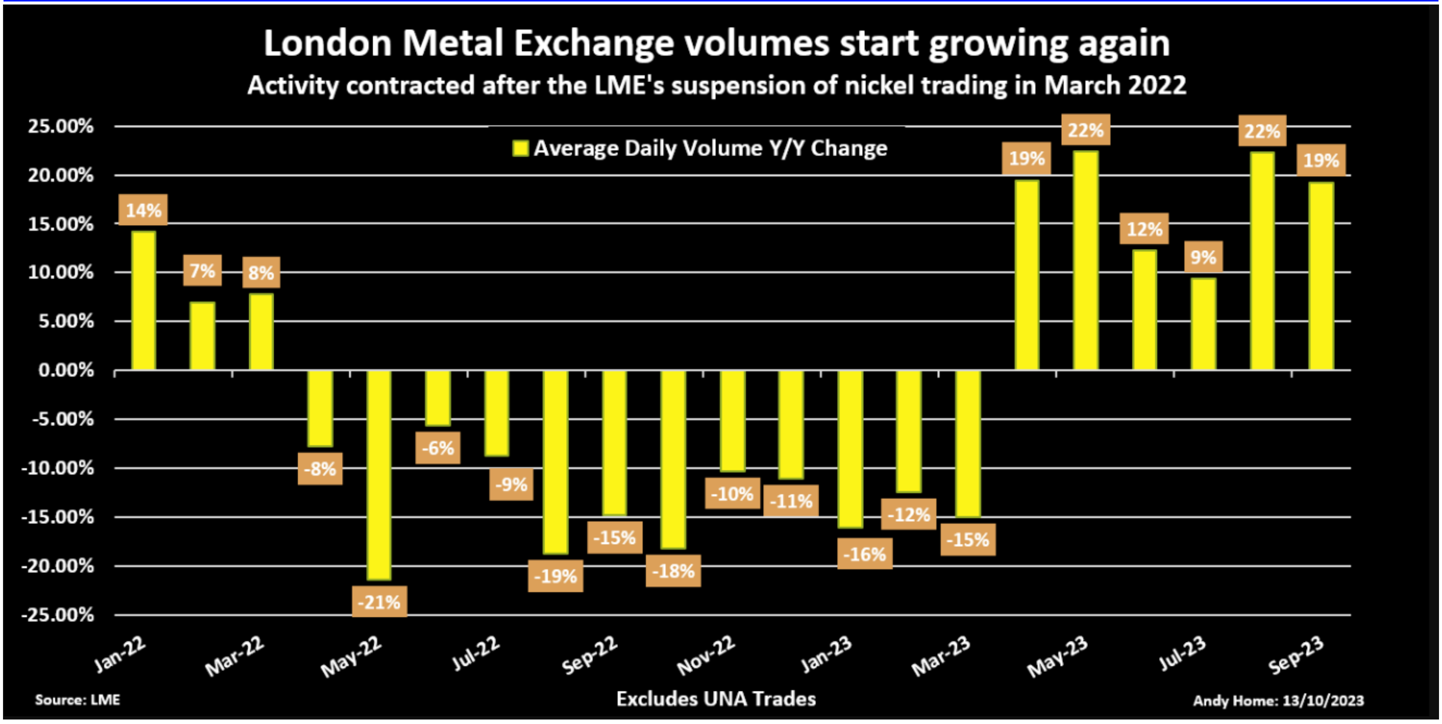
September by 64.3% month-on-month to 96,500 metric tons. Oil product export loadings at Russia's Far East ports fell by 2.9% from August to 649,100 metric tons, data from sources and Reuters calculations showed.

Top News - Agriculture

EU wheat and barley area seen holding steady as sowing advances

Warm weather has helped European Union farmers make progress in sowing grains for next year's harvest, with the area devoted to wheat and winter barley expected to be similar to this year, but rapeseed perhaps a little lower, analysts said. Dry conditions, however, remain a risk to planting and crop development, particularly in Spain, Romania and Bulgaria, while new biodiversity requirements for EU subsidies may also sway farmers' crop decisions. In France, the EU's biggest crop producer, a warm spell marked by record temperatures for October has helped field work. "Sowing conditions are really good. We're lucky to have this mild, dry weather to carry out seeding," said Benoit Pietrement, a farmer and head of the grains committee at farming agency FranceAgriMer. Sowing of soft wheat was 17% complete by Monday, against 3% a week earlier and ahead of the five-year average, FranceAgriMer data showed on Friday. Winter barley seeding was also ahead of the average pace. A shift to cooler, wetter weather from this weekend should help soil moisture, though low water reserves remain a concern for the growing season Two-thirds of France's groundwater reserves were below-normal at the end of September, a deterioration from August and bucking the usual trend of reserves starting to recover after summer, French geological office BRGM said on Thursday. In Germany, the EU's second-largest grain grower, winter grain and rapeseed sowing was nearing an end. “We had some areas of dryness, especially in south Germany in past weeks, but for me the national picture is satisfactory,” a grains analyst said. Early indications suggest winter wheat, rapeseed and barley areas will be little changed. “We could see a reduction in sowings of lower priced grains like rye, which could see the area spread among wheat, rapeseed and barley,” the analyst said, adding rapeseed plantings may fall slightly due to recent unattractive prices. Lower prices could also cut rapeseed sowings in Poland, said Wojtek Sabaranski of analysts Sparks Polska. “It is very likely that Polish farmers reduced the acreage planted to winter rapeseeds for the 2024 harvest, from about 1.1 million hectares in

Chart of the Day



the 2023 harvest to about 950,000-980,000 hectares, mostly due to their dissatisfaction with rapeseed prices," Sabaranski said. Winter wheat sowing is in progress in Poland in favourable weather, with Sparks Polska anticipating the area could at least reach the level in this year's harvest, he added. For the EU as a whole, weaker prices may curb the rapeseed area after a five-year high in 2023, despite signs sowing in France may hold steady. For soft wheat and winter barley, analysts Strategie Grains said initial trends pointed to a slight rise in area for next year, but with incoming EU rules on crop rotation and fallow land set to limit overall planting.

COLUMN-Funds cover CBOT corn shorts ahead of USDA's monthly update -Braun

Speculators scrapped short positions in Chicago-traded corn before last week's crop outlook from the U.S. government, but money managers narrowly clung to the bullish soy views they have held since early 2020. The days leading up to the U.S. Department of Agriculture's Oct. 12 reports featured quiet trading in CBOT corn and soybean futures, which both drifted fractionally lower in the week ended Oct. 10. During that week, money managers cut their net short in CBOT corn futures and options to 112,691 contracts from 159,433 a week earlier, marking their biggest round of net buying since late July. That was largely driven by short covering, though there were a handful of new longs, too. Recent short covering in corn may be seasonal based on historical position data. Money managers were also bearish on corn at this time of year from 2016 to 2019, and like this year, late September marked the bottoming of funds' net short in three of those four years (not 2017). December corn futures had reached their U.S. harvest lows by mid-September in 2016, 2018 and 2019, and so far, the harvest low for December 2023 corn sits on Sept. 19 at $4.67-3/4 per bushel. Money managers in the week ended Oct. 10 reduced their net long in CBOT soybean futures and options to 2,166 contracts from 5,001 a week earlier, predominantly on exiting longs. Money managers have not held a bearish soy view since April 2020 but have come close a couple times. However, overall speculators' soybean net short was preserved through Oct. 10 as other reportable traders were only slight net buyers during the week. That small net short was established in the prior week for the first time since March 2020. USDA on Thursday estimated U.S. corn and soybean yields below market expectations, sending prices higher. CBOT soybeans Sv1 rose 0.7% over the last three sessions and corn Cv1 added 1.6%. However, most-active soybeans before the report on Thursday had notched their lowest levels since December 2021, and December corn has traded below $5 per bushel since Aug. 21.

SOY PRODUCTS AND WHEAT

Money managers have held bullish views in CBOT soybean oil futures and options since June, but soyoil futures have come under pressure in recent weeks. That is due in part to plunging prices for biomass-based (D4) credits RIN-D4-US, which help uphold biofuel blending laws under the U.S. Renewable Fuel Standard. Most-active CBOT soybean oil futures BOv1 fell nearly 7% in the week ended Oct. 10, and money managers cut their net long to 25,967 futures and options contracts from 41,384 in the previous week. Futures rose more than 2% in the last three sessions, though they touched four-month lows on Thursday. Money managers reduced their net long in CBOT soybean meal futures and options to 32,059 contracts through Oct. 10 from 40,985 a week earlier, despite a 1.6% rise in futures during the period. Futures climbed more than 3% between Wednesday and Friday, hitting a one-month high on Friday. CBOT wheat futures slid nearly 2% in the week ended Oct. 10, and money managers established their most bearish stance in four months of 104,335 futures and options contracts, up from a net short of 98,788 a week earlier. Wheat rebounded nearly 4% in the last three sessions, lifted by another rare, large Chinese purchase of U.S. wheat, the second such sale this month. USDA on Friday confirmed that U.S. wheat export sales for the first week of the month were the highest for any week in more than a year.

Top News - Metals

Lithium developer Liontown to raise funds after Albemarle dumps $4.2 bln bid

Australian lithium developer Liontown Resources on Monday entered a trading halt to raise funding for its flagship Kathleen Valley lithium project after U.S.-based miner Albemarle abandoned a A$6.6 billion ($4.16 billion) buyout bid. Albemarle withdrew its indicative proposal amid "growing complexities," the companies confirmed in separate statements that came days after Hancock Prospecting, an iron ore miner controlled by Australia's richest person, Gina Rinehart, raised its stake to 19.9% of Liontown. That shareholding would likely have been enough to block the Albemarle bid of A$3 a share. Liontown said it had halted trade to finalise funding for Kathleen Valley in Western Australia, which is due to start producing lithium in the middle of next year. Kathleen Valley is widely regarded as one of the world's top five lithium projects, and Liontown has already signed deals to supply Ford Motor, Tesla and electric vehicle battery maker LG Energy. Liontown said last month it was well advanced in discussions with lenders to obtain at least A$450 million to cover initial costs as it raised its capital cost estimate by 6% to A$951 million but kept its first production target. The funding package being hammered out over the next few days is expected to include an equity raising, said a person with knowledge of the matter who was not authorised to speak publicly. Liontown previously said it expected to raise debt financing from a banking syndicate and government credit agencies this year. Broker Wilsons said it expects an equity raise of A$225 million by year-end to plug the funding gap, but the funding type not to be a material issue given Liontown's A$6 billion market capitalisation and near-term cash flows of more than A$500 million from 2025. Liontown and Hancock declined to comment. Hancock had previously cast doubt on Liontown's ability to bring Kathleen Valley online within cost and timeframe projections and offered its services. Albemarle CEO Kent Masters said in a statement that moving forward with the Liontown acquisition was not in his company's best interests and was consistent with its disciplined approach to capital allocation. Even if Albemarle has walked away from the buyout, it does not mean the chemicals maker is completely out of the picture, said Tim Hoff, a mining analyst at Canaccord in Perth. "Albemarle still needs tonnes, the market still needs tonnes. Maybe there will be a supply agreement there and a capital commitment," Hoff said. Albemarle declined to comment on whether it would engage further with Liontown and said it had sufficient feed for its Australian operations.

COLUMN-London Metal Exchange tries to move on from nickel crisis: Andy Home

The London Metal Exchange's (LME) Monday seminar was packed out, the Tuesday black-tie dinner was as glitzy as ever and the champagne and wine flowed liberally in the many meetings and cocktail parties taking place across London's West End. This year's LME Week, the annual gathering of the world's metals industry, felt like a return to bygone days, the numbers boosted by the welcome return of Chinese visitors after three years of travel restrictions. But last year's nickel crisis continues to cast a long shadow over the 146-year-old exchange. Judgment is pending on the lawsuits brought by U.S.-based hedge fund Elliott Associates and market-maker Jane Street Trading over the controversial cancellation of nickel trades. The LME is still in recovery mode. The focus is on strengthening its trading and clearing systems and polishing its ESG credentials in an effort to regain trust with investors and industrial players respectively. Hong Kong Exchanges and Clearing, which bought the LME in 2012, still views the LME as "front and centre in our ambitions", chief executive Nicolas Aguzin reassured the Monday audience. But while the LME turns inwards to heal, it risks being outflanked by rivals looking to get in on the green transition metals boom.

VOLUMES RECOVER BUT NICKEL LAGS

The LME can take comfort from a return to volume growth this year. Trading activity rose by 5.2% year-on-year in the first nine months of 2023 after sliding by 8.3% in 2022. The strongest driver has been the lead contract. Volumes have grown by 42% so far this year, the heavy metal attracting lots of investor interest after its inclusion in the Bloomberg Commodity Index from the start of 2023. Scrap remains the star of the LME's ferrous suite,

MARKET MONITOR as of 06:33 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$87.47 / bbl	-0.25%	8.98%
NYMEX RBOB Gasoline	$2.25 / gallon	0.01%	-9.08%
ICE Gas Oil	$938.50 / tonne	1.19%	1.90%
NYMEX Natural Gas	$3.13 / mmBtu	-3.15%	-29.97%
Spot Gold	$1,912.72 / ounce	-0.98%	4.84%
TRPC coal API 2 / Dec, 23	$130 / tonne	0.00%	-29.63%
Carbon ECX EUA	€85.41 / tonne	-0.63%	1.71%
Dutch gas day-ahead (Pre. close)	€54.75 / Mwh	12.54%	-27.55%
CBOT Corn	$5.11 / bushel	0.54%	-24.59%
CBOT Wheat	$6.13 / bushel	1.03%	-99.23%
Malaysia Palm Oil (3M)	RM3,780 / tonne	1.15%	-9.44%
Index	**Close 13 Oct**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	320.75	2.13%	6.44%
Rogers International	29.15	2.12%	1.67%
U.S. Stocks - Dow	33,670.29	0.12%	1.58%
U.S. Dollar Index	106.46	-0.18%	2.84%
U.S. Bond Index (DJ)	390.22	-1.13%	-0.57%

underpinning a 52% increase in volumes across the exchange's seven listed steel products. Nickel, unsurprisingly, is lagging the broader recovery. Average daily volumes picked up in the July-September quarter but were down by 26% year-on-year over the first nine months of 2023. Open interest has grown from 140,166 contracts at the end of January to 184,571 at the end of September but is still some way off participation levels prior to March last year. LME stocks also remain low at 42,800 metric tons, which is why the exchange is fast-tracking producer brand applications, particularly those from China, where operators are bring on new LME-deliverable nickel capacity. Rebuilding the London nickel contract is clearly very much work in progress.

FIXING NICKEL

Others, meanwhile, are looking to muscle into the LME's nickel price discovery domain. Global Commodities Holdings (GCH) continues to work on a spot index for Class I refined nickel that would allow an exchange partner to generate a futures market. Singapore's Abaxx Commodities Exchange, owned by Canadian-listed Abaxx Technologies Inc., is planning to launch a nickel sulphate contract, the world's first for a type of nickel used to make the lithium-ion rechargeable batteries that power electric vehicles. The Shanghai Futures Exchange (ShFE) is also looking at its nickel offering, although its interests are closely aligned with those of the LME. Both trade high-purity Class I refined nickel, which accounts for a diminishing part of the global market. The mismatch played a part in last year's nickel debacle and has created price disconnects with other forms of the metal. The Shanghai market also took a big collateral hit from the London turmoil, volumes on its nickel contract collapsing by 53% last year relative to 2021. The two exchanges "have opened a new chapter of close cooperation and we intend to further deepen our collaboration in 2024," LME chief executive Matthew Chamberlain told the LME dinner audience. He offered no details, but nickel is almost certainly top of the mutual assistance agenda.

CME BUILDS MOMENTUM

No metals seminar is these days complete without a discussion of the booming electric vehicle (EV) market. Nickel is a core input for many EV batteries, which is why there is so much to play for in terms of an efficient price discovery forum. But when it comes to other battery metals such as cobalt and lithium, the game is already over. The LME's cobalt contract hasn't traded since March and its lithium contract hasn't traded at all. Those wanting some EV metals action have turned to the CME . The U.S. exchange launched its cobalt contract in 2020 and has seen activity mushroom over the last year. Volumes more than doubled and open interest more than tripled in the first nine months of 2023. CME's lithium carbonate contract registered record monthly volume in September and open interest has surged from just 429 contracts at the start of January to 7,532. Perhaps more disconcertingly for the LME, the CME's aluminium contract is also going from strength to strength with rising participation from both industry players and investors. Volumes hit a fresh record in September and were up by 176% over the January-September period.

DANCING ON THE SPOT

Exchange trading volumes are not a zero-sum game. A liquid CME aluminium contract opens up new arbitrage opportunities with both London and Shanghai, in theory benefiting all three exchanges. However, it's clear that the LME is losing its previous grip on global price discovery. This in part reflects a world that has passed peak globalisation and a metals chain that is rapidly becoming more regionalised. But in part it's also a problem of the exchange's own making. The blow-out of the nickel contract and the resulting near-death experience of both brokers and exchange have sapped confidence in the historical market of last resort. The exchange is still healing and may yet take more knocks depending on the outcome of the legal action in London and the ongoing investigations by British regulators. This year's LME dinner marked a break with tradition. There was no guest speaker and, perhaps more importantly for many guests, no traditional bet on the length of the guest speech. Rather, the metals men and women were regaled with some dancing from Ireland's Riverdance ensemble. Irish dancing is high energy and requires intricate foot-work but the dancer remains vertically rooted to a single spot. It's an apt description of the LME right now.

Top News - Carbon & Power

Chevron Australia LNG unions stick to strike plan even as pay talks continue

Unions at Chevron's liquefied natural gas (LNG) facilities in Australia reaffirmed their plan to resume strikes this week as mediated talks continued on Monday, sparking angry comments from the company saying workers were being unreasonable. An in-principle deal that ended weeks of strikes in September fell apart earlier this month after unions said Chevron had reneged on commitments and vowed to resume strikes at the Gorgon and Wheatstone sites, which supply around 6% of the world's LNG. Australia's industrial arbitrator, the Fair Work Commission, mediated three days of talks last week and asked the Offshore Alliance to withdraw the strike plan while talks continued, Chevron said. As a fourth day of talks began, a union representative who declined to be named, told Reuters the parties were apart on key issues and Chevron would need to change its position to avoid strikes restarting. The Offshore Alliance, a coalition of two unions, did not immediately respond to a request for comment. Chevron said unions continued to introduce new matters into the dispute and were withholding agreement on other issues pending member votes. At Chevron's request, the Offshore Alliance said it held a ballot over the weekend and 91% of members reaffirmed an earlier decision to resume strikes from Oct. 19, according to a social media post on Sunday. "Members have made it clear that they want Chevron to stop twisting the draft terms of our EBA's (enterprise bargaining agreements) and are prepared to ramp up PIA (protected industrial action) until our EBA's are properly sorted," the post read. Chevron said late on Sunday it was "extremely disappointed" by the vote to stick with the strike plan, against the arbitrator's request. "The union's decision to ignore the recommendation ... while discussions are continuing is very concerning, unreasonable and undermines the considerable progress made prior to Chevron requesting the Commission's assistance last week," a spokesperson said in an emailed statement.

Analysts lower EU carbon price forecasts on weak industry, power demand
Analysts have lowered price forecasts for EU carbon permits for 2024 and 2025 on expectations of lower demand from the power sector as generation from renewable sources such as wind and solar grows and amid a weak outlook for European industry. EU Allowances (EUAs) are forecast on average at 83.55 euros a metric tonne in 2024 and 88.95 euros in 2025, a Reuters survey of seven analysts showed. That is down 9.9% and 11.3% respectively from forecasts made in July. The average of forecasts for 2026 was 102.97 euros a tonne, the first time analysts had been polled for this period. The European Union's Emissions Trading System (ETS) forces manufacturers, power companies and airlines to pay for each tonne of carbon dioxide they emit as part of Europe's efforts to meet its climate targets. "Emissions across both power and industry look set to have plunged year on year in 2023. Power emissions have been reduced by low load, high renewable generation and coal-to-gas fuel switching," said Energy Aspects analyst Benjamin Lee. "Industry indicators show a continuing reduction in activity, with no signs of a return to growth likely any time soon," he said. Industrial output in Germany, Europe’s largest economy, fell in August for the fourth consecutive month, the federal statistics office said earlier this week, stoking recession fears. In the shorter term, forecasts for the fourth quarter of this year edged down by 0.7% to 82.45 euros/tonne. "The EUA (price) has weakened as we have moved closer to Q4, driven primarily by lower-than expected emissions and the ever-looming economic slowdown," said Paula VanLaningham, Director of LSEG Carbon Research. The benchmark EU carbon contract CFI2Zc1 currently trades around 85 euros/tonne and has fallen some 16% since touching a peak of 101.25 euros/tonne in February.

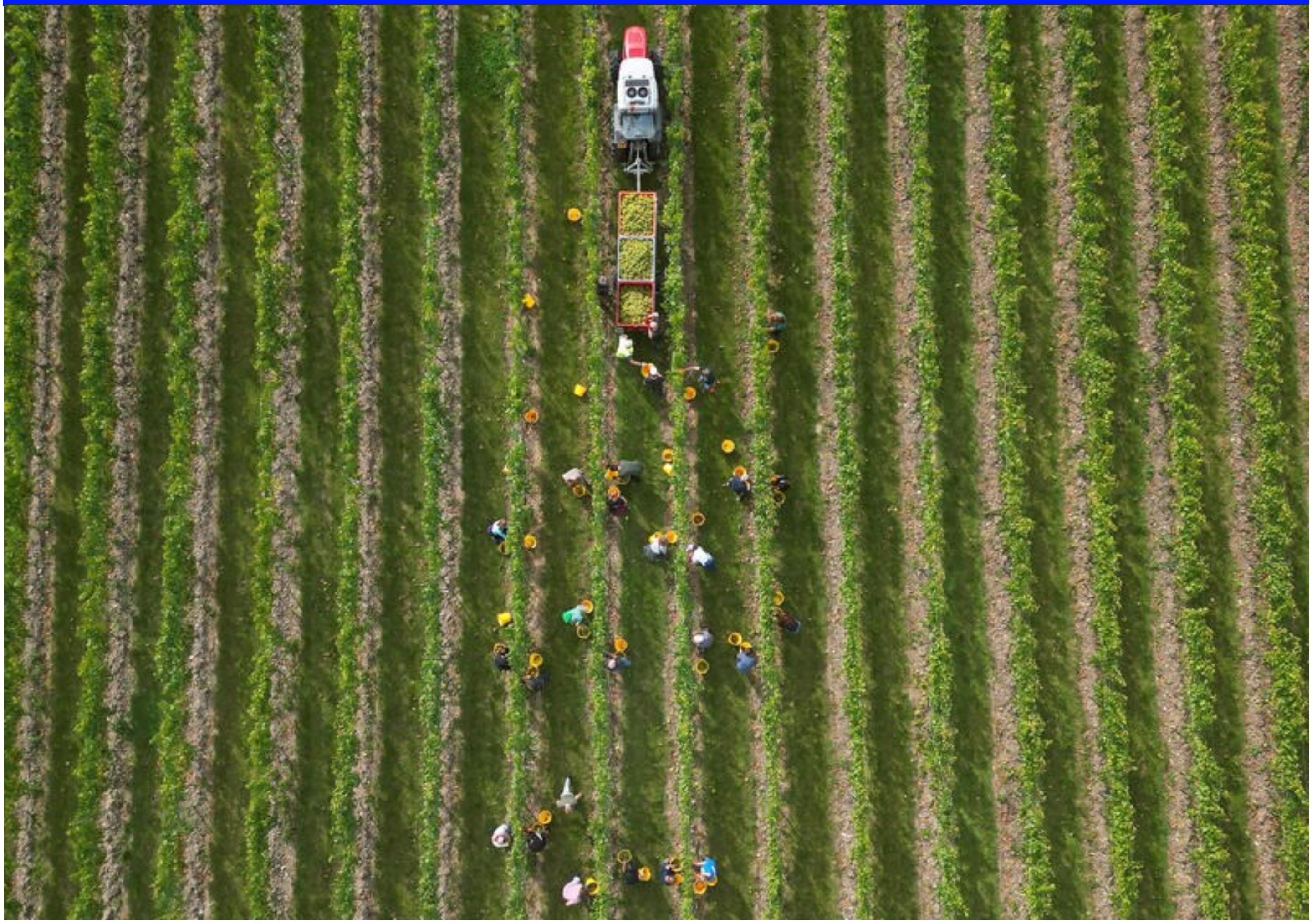
Top News - Dry Freight

China makes another rare purchase of US wheat
China bought more U.S. soft red winter wheat, the U.S government said on Friday, as Chinese buyers increasingly turn to the global market for supplies after rain damaged the nation's harvest. Recent sales to China are a boost for the U.S. wheat industry, which has struggled with weak exports. The U.S. Department of Agriculture said exporters sold 181,000 metric tons of soft red winter wheat to China, following another sale of 220,000 metric tons to China last week. Previously, the U.S. had not reported wheat sales to China in its daily reporting system since July 2021. China is expanding imports after heavy rain hit key growing areas just ahead of the harvest and reduced the quality of the crop, analysts said. "It left them short on quality milling wheat," said Arlan Suderman, chief commodities economist for broker StoneX. "They're increasing their import program now to compensate for that." 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. Chicago Board of Trade wheat futures Wv1 are near a three-year low hit in September. Last month, importers in China bought large amounts of wheat from France in their first purchases of French wheat for the season, traders said. Australia, the top wheat supplier to China, has suffered crop losses due to dry weather. Global exporters Canada and Argentina have also grappled with dryness. The USDA on Thursday reduced its global wheat production estimate by about 4 million metric tons to 783.4 million metric tons. Brazil shipping agents warn clients drought disrupting corn shipping on barges

Brazil shipping agents warn clients drought disrupting corn shipping on barges
A severe drought is disrupting barge traffic on the Tapajos river in the Amazon rainforest, shipping agencies told clients this week as Brazil enters the final months of 2023's corn export season. "Due to the dry season in the Amazon River, the current situation of barges' navigation at the Tapajos River is getting restricted," shipping agent Alphamar said in a note to clients, seen by Reuters. The barge convoys are smaller than usual and in some cases barges are reducing their loads by about 50% in order to safely navigate on some parts of the Tapajos, it added. Cargonave, another agent, told clients the vessel MV Bravery, which was supposed to anchor at Santarem port to load corn in Para state, was affected. "The improbability of loading due to lack of logistics to supply the ship is something real and relevant," Cargonave wrote. According to Cargonave data, the MV Bravery was shown as due to arrive at Santarem on Oct 10. It will now berth on Oct. 25, when it is due to take almost 56,000 metric tons of corn to Iran. Cargonave said the draft of private ports on the banks of the Tapajos river is at the lowest levels ever. Amport, a group representing Amazonian private port operators including Cargill and Louis Dreyfus Company , said barge convoys are reducing their loads by 50% on the Madeira river and 40% on the Tapajos, respectively. Reducing loads is normal during the dry season but by a smaller proportion, Amport said. The Madeira river's mouth region remains 70 cm (27.56 inches) above levels reached during a historical drought in 2010, while the Tapajos is 25 cm (9.84 inches) above its 2010 minimums, Amport said.

Barge operator Hidrovias do Brasil HBSA3.SA acknowledged "a critical and rapidly changing scenario." But the company reiterated its barges are running with about two-thirds o capacity on the Tapajos, which is enough to ensure navigability at this time. The main seaports receiving grain cargos from inland rivers are Itacoatiara, Santarem and Barcarena, and they are operating normally, Amport said. Despite the effects of the drought, Amport still projects moving around 25% more vegetable bulk in 2023 than in 2022 through Brazilian Amazonian river and seaports.

Picture of the Day



Pickers harvest Chardonnay grapes at one of English wine producers, Chapel Down's vineyards, near Maidstone in southern Britain, October 5. REUTERS/Toby Melville

(Inside Commodities is compiled by Soumya Chatterjee in Bengaluru)

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