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Top News - Oil

OPEC+ could delay December oil output hike, sources say
OPEC+ could delay December's planned increase to oil production by a month or more, four sources close to the matter told Reuters on Wednesday, citing concern about soft oil demand and rising supply. The OPEC+ group combining the Organization of the Petroleum Exporting Countries plus Russia and other allies is scheduled to raise output by 180,000 barrels per day in December. It had already delayed the increase from October because of falling prices. However, prices remain under pressure in part from weak demand, raising concern in the group about adding more supply. A decision to delay the increase could come as early as next week, two of the sources said. "The December hike could be postponed as the market is not healthy enough," one of the sources said. The prospect of a further delay to the OPEC+ increase helped to lift oil prices by more than 2% on Wednesday. Even so, Brent crude is trading around $72 a barrel, not far above its lows for the year, reached in September. OPEC and the Saudi government communications office did not respond immediately to requests for comment. The office of Russian Deputy Prime Minister Alexander Novak declined to comment. Novak said this month that it was too early to judge whether the market would need more oil. Three of the sources, who are people familiar with OPEC+ talks, said the December increase could be delayed for a month at least, while the fourth, an OPEC+ delegate, did not specify a time frame. All declined to be identified by name. The planned increase of 180,000 bpd is a fraction of the 5.86 million bpd of output OPEC+ is holding back, equal to about 5.7% of global demand. OPEC+ agreed those cuts in separate steps since 2022 to support the market. The December increase is due to come from the eight OPEC+ members who agreed in September to start a gradual unwinding of the group's most recent layer of output cuts - a cut of 2.2 million bpd - from December 2024 into next year. The remaining OPEC+ cuts of 3.66 million bpd will remain in place until the end of 2025. OPEC+ ministers hold a full meeting of the group to decide policy on Dec. 1.

TotalEnergies third-quarter income drops as refining margins collapse French oil major TotalEnergies reported third-quarter adjusted net income at a three-year low of $4.1 billion, hit by collapsing refining margins and upstream outages. Adjusted net income was down 37% from a year earlier and down 12.7% from the previous quarter's $4.7 billion. The result just missed analyst expectations of $4.2 billion. Adjusted earnings before interest, tax, depreciation and amortization (EBITDA) fell 23.6% year on year to $10 billion. Earlier this month, TotalEnergies warned its financial results would take a hit as its refining margin tumbled 65%. Global refining margins have dropped sharply in recent months in the face of weaker global economies and the start-up of several new refineries in Asia and Africa, while oil prices fell 17% in the quarter - the largest quarterly decline in a year - on worries about the global oil demand outlook. TotalEnergies took a $1.1 billion impairment related to the August bankruptcy filing of U.S. subsidiary SunPower, and its exit of South African offshore gas field blocks 11B/12B and 5/6/7. Quarterly hydrocarbon production of 2.4 million barrels of oil-equivalent per day was at the low end of guidance given at half year due to security-related disruptions in Libya and an outage at the Ichthys LNG plant in Australia.

Top News - Agriculture

Bunge profit tops estimates on grain, oilseed volumes; 2024 outlook intact
Bunge exceeded Wall Street expectations for third-quarter profit on Wednesday as large global harvests provided the grain trader and processor enough volumes of soy, corn and other crops to blunt a hit from lower margins.
The global grains merchant had expected a profit lift from a spike in crop sales by U.S. farmers, who are harvesting a record soybean crop and their second-largest corn crop ever. Bunge firmed its 2024 adjusted earnings-per-share outlook to "at least $9.25" from "approximately $9.25" previously as results from its Agribusiness and its Refined and Specialty Oils were better than expected, though down from the same quarter last year. Bunge and agribusiness rivals including Archer-Daniels-Midland Co and Cargill Inc have seen profits decline and margins erode as prices for staple crops like corn and soybeans have slid to near four-year lows. Quarterly adjusted earnings in Agribusiness, Bunge's largest segment, fell 22% from a year earlier despite a 5.5% rise in sales as weak oilseed processing margins in North America and Asia more than offset better results in South America. Refined and Specialty Oils adjusted profit dropped 21% amid a 2.4% bump in volumes. Chief Executive Greg Heckman said the results exceeded expectations.
"We saw shifting margin environments across the globe, with improved margins in some regions offsetting more muted conditions in others," he said. The results come as Bunge is waiting to close a $34 billion acquisition of Glencore-backed Viterra. Shareholders have approved the deal and Bunge has received conditional clearance from EU regulators, but the company is still waiting on approvals from Canadian and Chinese regulators. Bunge expects to close the deal by early 2025, Heckman

said. Bunge reported an adjusted profit of $2.29 per share for the quarter ended Sept. 30, compared with analysts' estimate of $2.15 per share, according to data compiled by LSEG. The company's full-year adjusted profit outlook of "at least $9.25" per share fell short of the $9.43 expected by analysts.

US detects H5N1 bird flu in a pig for the first time

H5N1 bird flu was confirmed in a pig on a backyard farm in Oregon, the first detection of the virus in swine in the country, the U.S. Department of Agriculture said on Wednesday. Pigs represent a particular concern for the spread of bird flu because they can become co-infected with bird and human viruses, which could swap genes to form a new, more dangerous virus that can more easily infect humans. The USDA said there is no risk to the nation's pork supply from the Oregon case and that the risk to the public from bird flu remains low. Pigs were the source of the H1N1 flu pandemic in 2009-2010, and have been implicated as the source of others, said Richard Webby, a St. Jude Children's Research Hospital virologist who studies flu in animals and birds for the World Health Organization.

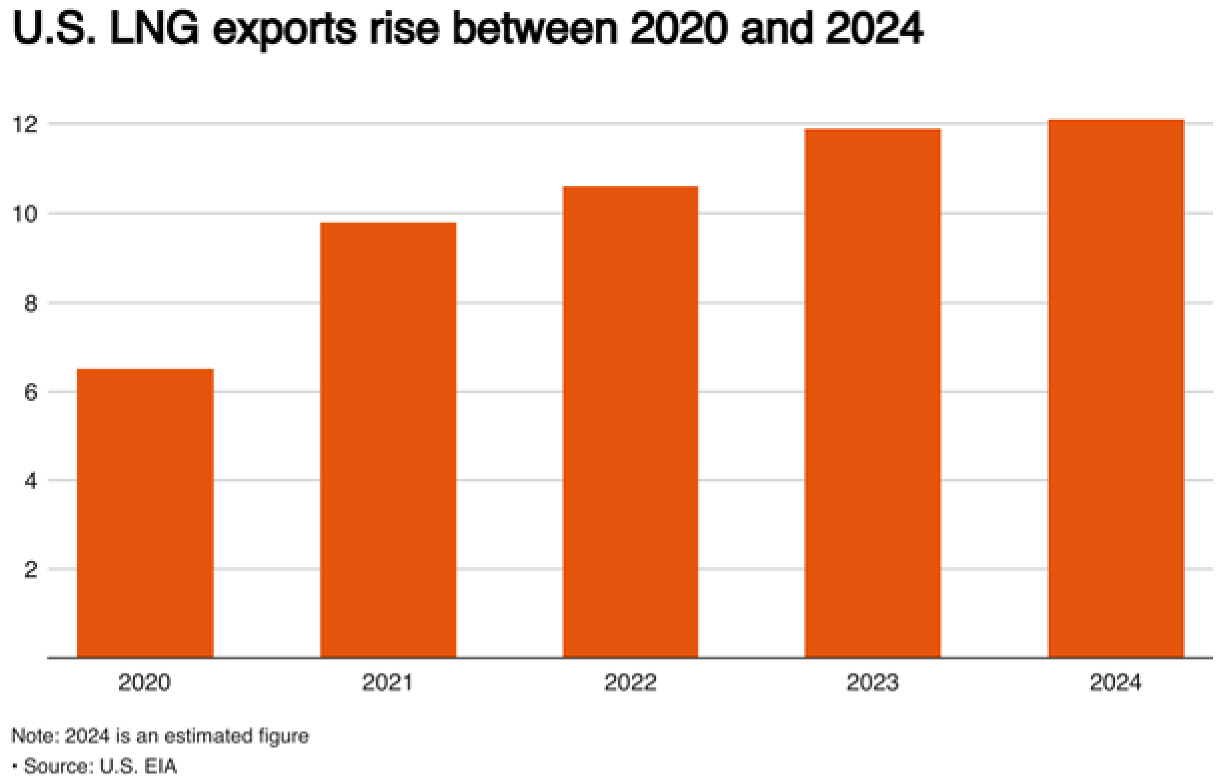
The finding of the virus in a small farm makes the pig infection less of a concern than if it had been detected in a commercial pig farm, he said.

"I think it probably doesn't increase the risk much, but surely, if this virus starts transmitting in pigs, that absolutely increases the risk," he said. The Oregon farm has been quarantined, and other animals there, including sheep and goats, are under surveillance, USDA said. Pigs and poultry on the farm were culled to prevent the spread of the virus and enable additional testing of the swine, USDA said. Tests are still pending for two of the pigs, the agency said. The swine case originated with wild birds and not from a poultry or dairy farm, said a USDA spokesperson. Wild bird migration has carried bird flu to poultry flocks and cattle herds.

The case was one factor that drove the USDA to broaden its bird flu surveillance to include nationwide bulk milk testing, which the agency announced on Wednesday, Agriculture Secretary Tom Vilsack told Reuters in an interview. "While it’s a different variation of the virus and it is tied to wild birds, it is a factor to make sure that we understand and appreciate exactly where the virus is in dairy and in bovine," he said. The pigs on the Oregon farm were not intended for the commercial food supply, USDA said. Still, the finding pressured lean hog futures prices at the Chicago Mercantile Exchange, a trader said. Poultry and swine on the backyard farm shared water sources, housing and equipment, which have all served as pathways for transmitting the virus between animals in other states, the agency said.

The detection is a warning for pig farmers to be on the lookout for further infections, said Marie Culhane, a professor of veterinary population medicine at the University of Minnesota who has researched flu viruses in swine. "People need to start increasing their plans to deal with it if it should happen in another herd and another herd," Culhane said. "Pigs are just really good at picking

Chart of the Day



up influenza viruses." This year, 36 people have tested positive for bird flu as the virus has spread to nearly 400 dairy herds. All but one of the people were farm workers who had known contact with infected animals. Since 2022, the virus has wiped out more than 100 million poultry birds in the nation's worst-ever bird flu outbreak.

Top News - Metals

ANALYSIS-Abandoned copper mines embraced as fast track to boost output

In the race to secure copper for the clean energy transition and artificial intelligence applications, a range of companies are firing up abandoned assets once seen as financial liabilities to fast-track significant volumes of supply. The call for copper is poised to surge in coming years due to its role in electric vehicles, renewable energy and data centers for artificial intelligence. Demand is expected to outstrip supply by 1.7% in 2035, and copper prices have scaled record highs this year. So companies are looking to revitalize older mines. Typically, it takes at least 10 years and as much as $5 billion to build a copper mine from scratch. Once companies raise capital there are other challenges. Local communities have opposed mining projects from Panama to Serbia. A Reuters analysis of at least four shuttered copper mines in the process of being restarted shows their owners trying to open a speedier pathway to supply around 7 million metric tons of metal in the next five years, adding to 30 million tons of output expected by 2031.

Rehabilitating old mines "taps into investor sentiment that it is going to be easier, and it is easier," said Daniel Bornstein, a partner at McCarthy Tetrault which has advised miners on rehabilitation.One example: Selkirk First Nation in Canada’s Yukon Territory this year took over a mine in Yukon, Canada that was shuttered by Minto Metals last year. It had produced 226,000 tons of copper but shut after being declared bankrupt. The Minto mine is among the first mines in Canadian history to be bought by an Indigenous group. Details of reviving it with help from external operators are still being worked out in negotiations with creditors. The mine needs two years of work for production to start, court documents showed.

In Canada's Quebec province, Doré Copper Mining, acquired by Australia's Cygnus Metals, is reopening a site that has been dormant since 2008. In Spain, Denarius Metals is rehabilitating its Aguablanca mine after a seven-year hiatus.

Nevada Copper Corp, taken over by private equity firm Kinterra Capital in August, is ready to restart its Pumpkin Hollow underground mine after it emerged from Chapter 11 bankruptcy protection this year. Nevada Copper operates both underground and open-pit mining. It changed hands several times as investors jumped in to unlock its open pit potential after feasibility studies pointed to higher ore grade material. "We see long-term value in the open pit project. And once we do the institutional work and develop project financing for it, we think major mining companies will be interested in buying the project from us," said Kamal Toor, co-managing partner at Kinterra Capital. Total volume at Nevada Copper is estimated at 3.5 million tons. The underground mine is essentially a restart, Kinterra co-managing partner Cheryl Brandon said, adding the open pit operation could be producing by the second half of this decade, ranking among the biggest in the U.S. Doré's Chibougamau mine in Quebec operated from the 1950s until it closed in 2008.

In 2019, new owners took the company public as copper prices surged. It has the highest grade of copper in North America, said Ernest Mast, Doré's chief executive who had been leading the now-disputed Cobre Panama mine before it was taken over by First Quantum Minerals.

With a capital cost of C$180 million ($133.26 million), Chibougamau is one of the lowest-cost projects, Mast said. The company expects to start production by 2027.

Denarius, a Toronto-based junior miner with assets in Spain and Colombia, cited surging global prices for the decision to revive its Aguablanca nickel-copper operation. Lundin Group shuttered it in 2016 when nickel prices collapsed. "Mines don't disappear; our mine in Spain has operated since the Roman times," Denarius Chief Executive Serafino Iacono said. "What changed was the price of the commodity." Denarius has an initial nickel and copper concentrate output target of 90 tons by the end of next year, Iacono added. Denarius has signed Trafigura and Boliden as off-take partners, betting on a target price of $17,500 per tone for nickel and $10,000 per tone for copper. Mine rehabilitation costs are estimated at C$15 million.

CHALLENGES

Despite surging demand, efforts to renew the mines could be complicated by issues such as cyclical commodity prices, smelter charges and availability of skilled labor, said Rob McLeod, CEO of Nations Royalty, founded by the Nisga'a Nation in British Columbia. Already, weaker demand from China has led some investors to raise bets on lower prices. Goldman Sachs slashed its target copper prices recently to $10,500 a ton from $15,000 previously. Producers face the challenge of timing production to match desired prices, Doré Copper's Mast said, citing difficulties around securing finance to finish construction. "When you restart an old mine, the belief in the market is that you can bring this mine on quickly. The reality has been sometimes different," McCarthy Tetrault's Bornstein said. Even when old permits are in place, governments require miners to start from scratch, and obtain a full suite of permitting, he said. He also cited legacy environmental and social issues associated with abandoned mines built on Indigenous land. Concerns of Indigenous communities are usually "not an unsurmountable obstacle, but an obstacle that you have to take into account as it could be more difficult to build a relationship," Bornstein said.

Saudi Arabia in advanced talks over Zambia copper mine stake, Ma'aden CEO says
Saudi Arabia is in the advanced stages of talks about a stake in a copper mine in Zambia and is expecting a deal by the end of the year, the CEO of Saudi Arabia's flagship mining company Ma'aden told Reuters on Wednesday. "We are looking at Zambia, we are talking with a company there, with a mine there, so those are pretty advanced stage discussions," CEO Robert Wilt, who is also vice chairman of Saudi Arabia's international mining venture Manara Minerals, said. "We'd have something wrapped up by the end of the year," Wilt, speaking on the sidelines of the Future Investment Forum conference in Riyadh, said. Sources told Reuters earlier this month that Manara, a joint venture between Ma'aden and Saudi Arabia's $925 billion Public Investment Fund was closing in on a deal to buy a minority stake in Canadian miner First Quantum Minerals' Zambian copper and nickel assets. The sources had said the Saudi company was in advanced talks to acquire between 15% and 20% equity in the Zambian assets with one of them estimating the stake at between $1.5 billion and $2 billion. "Obviously, Africa is mineral rich with a lot of copper in the copper belt. So it just makes perfect sense, because the geographical proximity and our desire for copper to be looking in Africa," Wilt said. Manara has made significant investments in metals as part of Saudi Arabia's efforts to secure minerals and expand Saudi Arabia's mining sector. The country's growing mining industry is a key pillar in de-facto ruler Crown Prince Mohammed Bin Salman's Vision 2030 programme to diversify the economy away from oil dependency.
Manara's first major foray abroad was a deal to become a 10% shareholder in Vale's $26 billion copper and nickel spin-off Vale Base Metals in 2023. Wilt said copper was becoming a "top priority" for Manara because it was a base metal like aluminum that would be increasingly in demand with the energy transition. "The niche battery metals, while important, are not as fundamental to the success of the development of the downstream, but copper is essential."

Top News - Carbon & Power

US LNG export gains at risk if Trump wins election and boosts tariffs, analysts say
U.S. exporters of liquefied natural gas (LNG) could face new hurdles if Republican Donald Trump wins the presidential election because of a proposed 60% tariff on imports from China, despite the former president's pledge to speed new energy permits, say analysts. The U.S. became the world's largest exporter of the super-chilled gas last year, generating tens of billions of dollars in annual trade. Exports will average 12.1 billion cubic feet per day this year, almost double their level four years ago, according to U.S. government estimates. Even greater potential gains have been stalled because President Joe Biden's Energy Department paused

MARKET MONITOR as of 07:30 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$68.89 / bbl	0.41%	-3.85%
NYMEX RBOB Gasoline	$1.97 / gallon	0.37%	-6.65%
ICE Gas Oil	$661.50 / tonne	-1.08%	-11.89%
NYMEX Natural Gas	$2.81 / mmBtu	-1.09%	11.93%
Spot Gold	$2,781.30 / ounce	-0.18%	34.85%
TRPC coal API 2 / Dec, 24	$122 / tonne	-3.85%	25.77%
Carbon ECX EUA	€65.50 / tonne	0.05%	-18.50%
Dutch gas day-ahead (Pre. close)	€40.65 / Mwh	-4.42%	27.63%
CBOT Corn	$4.24 / bushel	-0.47%	-12.50%
CBOT Wheat	$5.89 / bushel	-1.50%	-7.86%
Malaysia Palm Oil (3M)	RM4,695 / tonne	1.25%	26.18%
Index	**Close 30 Oct**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	334.47	0.70%	10.97%
Rogers International	27.57	0.02%	4.73%
U.S. Stocks - Dow	42,141.54	-0.22%	11.81%
U.S. Dollar Index	104.04	0.04%	2.67%
U.S. Bond Index (DJ)	440.57	0.02%	2.29%

approvals for new LNG export permits to non-free trade agreement countries. A federal judge in July blocked the administration's ability to continue the pause in approvals of applications and in September, DOE authorized New Fortress Energy Inc to export up to 1.4 million tonnes a year of LNG. The Democratic presidential campaign of Vice President Kamala Harris has not said whether she would attempt to continue the pause. Trump has promised to speed up energy permitting, but this promise could be undercut by his plan to apply 60% tariffs on imports from China, said Erica Downs, Senior Research Scholar at Columbia University's Center on Global Energy Policy. She warned that China might reciprocate by avoiding new contracts and re-exporting U.S. cargoes to other nations.

RE-EXPORTS TO AVOID TARIFFS

"The destination flexibility of U.S. LNG means that Chinese companies can on-sell it to other buyers to avoid paying the tariff," Downs told Reuters. Last year, China accounted for about 4% of total U.S. LNG sales. Its companies have long-term contracts to take almost 28 million metric tons per annum (MTPA) of LNG in the future, seven times what it bought last year. "Trump will stimulate investment, but at the cost of heightened trade risks, especially with China," added Alex Munton, consultancy Rapidan Energy's director of global gas. The largest U.S. LNG exporter, Cheniere Energy, in June said it agreed to sell a subsidiary of China's ENN Natural Gas 1.8 MTPA of the superchilled gas, with deliveries to commence in mid-2026. The contract allows ENN to ship the fuel anywhere in the world. Natural gas demand in Louisiana and Texas, the two states with the most LNG export facilities, expanded by 116% between 2016 and 2022, driven largely by increased demand for feedgas for LNG exports, according to EIA data.

SCARE TACTIC

The Trump campaign has rejected claims that his proposed tariffs could hurt LNG exports, calling it a scare tactic by opponents. Tariffs and deregulation will increase U.S. jobs and production by encouraging companies to drill and produce more oil and gas, campaign spokespeople said. "Kamala Harris is trying to fearmonger and lie about his plan even though she and Joe Biden kept the Trump era tariffs in place," said campaign spokesperson Anna Kelly. Data from the U.S. Energy Information Administration shows Trump's 2018 sanctions on China caused a 12-month freeze of Chinese imports of U.S. LNG that lasted until March 2019. If China wanted to retaliate over tariffs, U.S. LNG and oil would be high on its list of imports since they rank among the most valuable U.S. exports to China, said Columbia's Downs. "There are other LNG exporters that undoubtedly would be very happy to sell more LNG to China," Downs told Reuters. The Harris presidential campaign did not respond to a request for comment. U.S. environmental groups that oppose new LNG plants view Harris as a possible ally. "Harris has been a proven climate champion throughout her career," said Mahyar Sorour, Sierra Club's Director of Beyond Fossil Fuels Policy. Three U.S. companies whose projects face potential permitting delays - Energy Transfer, Venture Global LNG, and Commonwealth LNG - declined to comment. Top exporter Cheniere Energy, which has new projects on the drawing board, said it has worked with both Democratic and Republican administration and is confident it will do so after the Nov. 5 election.

UK increases windfall tax on North Sea oil and gas producers

The British government will increase a windfall tax on North Sea oil and gas producers to 38% from 35% and extend the levy by one year, finance minister Rachel Reeves announced on Wednesday. Presenting the first budget under the new Labour government, Reeves said the increase to the windfall tax, known as the Energy Profits Levy, will take effect on Nov. 1. It brings the headline tax rate on oil and gas activities to 78%, among the highest in the world. Its duration will be extended by a year to March 2030. Shares of North Sea producers rose following the announcement, which Jefferies analysts said was "a very positive outcome versus most expectations". The changes also include scrapping the levy's 29% investment allowance, which lets companies offset tax from capital that is re-invested. Capital allowances on the other taxes will remain unchanged, Reeves said. The Labour government, elected in July, wants to use the revenue from oil and gas to raise funds for renewable energy projects. North Sea producers have warned that the higher tax rate could lead to a sharp drop in investments and are exiting from the ageing basin ahead of the new tax increases. Harbour Energy wants to sell stakes in oilfields and is reviving plans for a U.S. listing, sources told Reuters last week, while U.S. oil major Exxon Mobil completed its exit from the basin in July. Smaller operators, including Serica, have said they are seeking opportunities overseas. "Further engagement will be required to ensure a fair fiscal regime for the longer term in support of homegrown oil and gas in a very mature and declining North Sea," said Serica Chair David Latin. Jefferies said however that the budget announcement did not provide clarity on what happens after 2030, which is a hurdle for the approval of new oil and gas projects. A 25% windfall tax was first introduced by the previous Conservative government in May 2022 in the wake of soaring energy prices following Russia's invasion of Ukraine. The tax was subsequently increased to 35% in November 2022, and extended by one year in March 2024.

Top News - Dry Freight

Argentina transportation unions strike against Milei's austerity moves

A 24-hour strike launched on Wednesday by transportation unions in Argentina against President Javier Milei's austerity measures blocked grain shipments at a major hub and affected thousands due to the lack of operating trains and airplanes. Workers were protesting a series of layoffs in public agencies by right-wing libertarian Milei while demanding higher wages, as the government pushes through with austerity measures to balance its accounts amid a major economic crisis.

The strike was blocking ships from docking or departing from the grains ports in Rosario, a major ports chamber announced, hurting trade in Argentina, the world's largest soy meal exporter and a major corn and wheat supplier. "The union responsible for tying and untying boats are not allowing them to dock or depart," the head of the CAPyM chamber, Guillermo Wade, told Reuters. "The rest of the port is working normally, loading ships and unloading trucks."

The strike also affected activities at the ports of Buenos Aires, La Plata, Bahia Blanca and Rosario, as well as waste collection and air travel, delaying flights operated by state-run flag carrier Aerolineas Argentinas and other airlines. Some unions protested against Milei's plans to privatize Aerolineas Argentinas, which has reduced its workforce in recent months.

Education unions demanding higher university budgets also joined the strike. Buses were the only mode of transport operating normally as unions representing workers in the sector plan to carry out a separate strike on Thursday, as they negotiate a salary hike. "I have to work and this is ruining me. I think the strike is wrong," a worker interviewed by TV channel La Nacion+ said while standing in a long line at a bus stop. "It took me an hour and a half to get here," he added. Omar Maturano, the head of a train conductors' union, told TV channel TN that the strike was the only way the workers found to "fight back against (the government's) economic and social policy."

South Korea’s MFG buys 68,000 T corn in another private deal, traders say

South Korea's Major Feedmill Group (MFG) purchased an estimated 68,000 metric tons of animal feed corn in a second private deal on Wednesday without issuing an international tender, European traders said. This followed a previous purchase of about 66,000 tons of corn in another private deal on Wednesday. The second purchase was expected to be sourced optionally from South America or South Africa. One consignment was bought at an estimated $247.99 a ton cost and freight (c&f) included plus an additional $1.50 a ton surcharge for additional port unloading. Seller was believed to be trading house Olam with arrival in South Korea around Jan. 25, 2025. Shipment was between Nov. 15-Dec. 15 from South America or between Nov. 25-Dec. 25 from South Africa. Reports reflect assessments from traders and further estimates of prices and volumes are still possible later.

Picture of the Day

People fish at the port city of Tyre, amid ongoing hostilities between Hezbollah and Israeli forces, southern Lebanon, October 23. REUTERS/Aziz Taher

(Inside Commodities is compiled by Lactus Fernandes in Bengaluru)

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

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