

[Oil](#) | [Agriculture](#) | [Metals](#) | [Carbon & Power](#) | [Dry Freight](#)*Click on headers to go to that section***Top News - Oil****Oil and gas producers cut US Gulf of Mexico output ahead of storm**

Oil and gas producers began shutting in U.S. Gulf of Mexico output and pulling workers off platforms on Tuesday ahead of a late hurricane season storm threatening offshore fields.

The U.S. National Hurricane Center warned of steady to rapid intensification over the next 24 to 36 hours, with Tropical Storm Rafael forecast to become a Category 1 hurricane by early Wednesday.

Producers could lose between 3.1 million and 4.9 million barrels of oil and 4.56 billion to 6.39 billion cubic feet of natural gas, researchers predicted.

U.S. oil futures rose about 1% on Tuesday to \$72.10 per barrel on storm concerns.

Chevron, which operates Gulf of Mexico production platforms Anchor, Blind Faith, Jack/St. Malo, Tahiti, Petronius, and Big Foot, said it was halting offshore production and evacuating personnel.

Norway's Equinor also said it has shut in production at its Titan oil platform and expected to complete a full evacuation by day's end.

BP said it has secured offshore facilities and removed some offshore oil production workers from its Argos, Atlantis, Mad Dog, Na Kika, and Thunder Horse facilities. Shell on Monday said it has paused drilling operations and began withdrawing some staff from its Appomattox, Vito, Mars and other production facilities in preparation for the storm's potential impact.

Occidental Petroleum said it was monitoring the weather and had plans that it could implement as needed.

The port of Freeport in south Texas closed to inbound vessel traffic due to offshore conditions ahead of Rafael, according to a notice from a shipping agency.

Saudi Arabia cuts December light crude prices for Asia

Top oil exporter Saudi Arabia has cut the price for the flagship Arab light crude it sells to Asia in December by 50 cents to \$1.70 a barrel above the Oman/Dubai average, Saudi Aramco said in a statement on Tuesday. The decrease is broadly in line with expectations, as sources at Asian refineries had said they expected the price to fall by 30 cents to 50 cents.

"The price (cut) definitely indicates a bearish outlook," an Asia-based buyer said, adding that the reduction was at the lower-end of expectations.

Another buyer said the price cuts also indicate pressure faced by Saudi Aramco in placing its barrels in the market.

Middle East oil markets are under pressure as Asia is well-supplied and demand from top importer China remains weak.

On Sunday, the Organization of the Petroleum Exporting Countries and their allies, a group known as OPEC+, said they would push back a production hike by a month from December as weak demand and rising non-OPEC supply depress markets.

Aramco sets its crude prices based on recommendations from customers and after calculating the change in the value of its oil over the past month, based on yields and product prices.

Aramco also set the Arab Light OSP to Northwest Europe at minus \$0.15 versus ICE Brent, an increase of 30 cents per barrel from November, according to a pricing document.

It hiked its OSPs to both Northwest Europe and the Mediterranean by 30 cents per barrel across the board. For buyers in the United States, the Arab Light OSP was cut by 10 cents to plus \$3.80 versus ASCI.

Top News - Agriculture**ADM down 6% as more accounting errors arise, profit forecast cut**

Archer-Daniels-Midland shares ended down 6% on Tuesday after the global grains merchant cut its 2024 profit outlook and said it would amend previous financial

statements due to the discovery of fresh accounting irregularities.

The drop wiped away about \$1.6 billion of market value off one of the world's biggest crop traders as shares dove to the lowest since January 2021.



The accounting woes are likely to heap more pressure on ADM's leadership team headed by CEO Juan Luciano after the company was forced to correct six years of financial data in March. An internal investigation found sales between ADM's nutrition business and other core units were not recorded properly.

"2024 has been a difficult year," Luciano said in an internal memo to staff that Reuters reviewed. "We must take all action now to get ourselves ready for what may be an equally challenging year in 2025."

ADM will amend its fiscal year 2023 annual report and results for the first and second quarters of this year following discussions with the U.S. Securities and Exchange Commission, according to a statement. The company said it does not expect any material impact on its consolidated results. An SEC spokesperson declined to comment. The latest accounting errors rattled investor confidence in the 122-year-old agribusiness, which has seen profits decline and margins erode as prices for staple crops like corn and soybeans have slid to near four-year lows. "If 'not material' turns out to be 'material', then it certainly would be harder and might put more pressure on the board to consider a leadership change," said Seth Goldstein, equity analyst with Morningstar. ADM under Luciano has invested heavily in its nutrition business over recent years in a strategy aimed at bolstering its legacy grain trading and processing businesses and shielding earnings from commodities market volatility. Profits from the smaller nutrition segment, however, have not lived up to expectations. "Investor faith in the strategy is greatly shaken and there are concerns that greater capital may have to be deployed to get the legacy businesses back to

prior relative performance standards," said analyst Heather Jones, founder of Heather Jones Research LLC. ADM's accounting irregularities have sparked several government investigations and led to the departure of CFO Vikram Luthar in September. The company postponed its earnings call, which was scheduled for Tuesday, and now expects to hold a webcast after it has filed the amended statements. "Investors will undoubtedly be disappointed that this accounting overhang has returned," CFRA analyst Arun Sundaram said. CFRA cut its 12-month ADM share price target by \$10 to \$56 after lowering its earnings-per-share outlooks for 2024 and 2025.

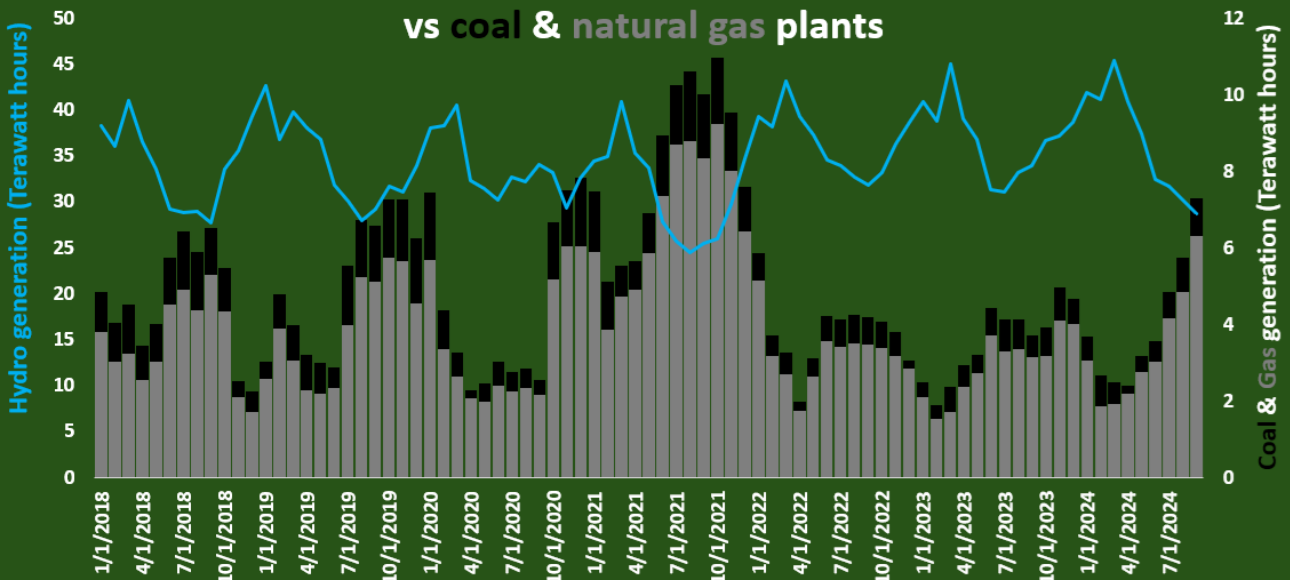
The restated filings, which ADM said would be released as soon as "reasonably practicable", will include some newly identified errors concerning intersegment sales for all three of its main units. Per SEC guidelines, ADM has until around Nov. 12 to report its results, but can file for an extension, analysts said. ADM cut its 2024 adjusted earnings forecast to \$4.50 to \$5 per share, from \$5.25 to \$6.25 it had estimated earlier, due to government policy uncertainty, slow market demand and "internal operational challenges." The company reported adjusted profit per share of \$1.09 for the third quarter ended Sept. 30 in a preliminary filing that the company said was subject to change. Analysts expected \$1.25, according to data compiled by LSEG. ADM's operating profit from its Ag Services and Oilseeds segment, its largest by revenue, slumped 43% from a year earlier.

The company also paid \$96 million in partial settlement claims in the quarter tied to safety incidents at its Decatur East and West facilities.

Chart of the Day

Brazil power firms tend to boost fossil fuel-fired output during periods of low hydro generation

Brazil electricity generation from hydro dams vs coal & natural gas plants



Source: Ember

India's summer-sown rice output expected at record 120 million tons

India's summer-sown rice output, which accounts for bulk of its annual production, is expected to hit a record 120 million metric tons in the 2024-25 crop year, the farm ministry said in its first production estimate.

Farmers in India, the world's second-biggest rice producer, gathered 113.3 million metric tons of summer-planted rice during the 2023-2024 crop year as patchy monsoon rains, triggered by the El Nino weather pattern, dragged down output.

Buoyed by this year's copious monsoon rains, India, the world's biggest rice exporter, has eased a series of export curbs imposed last year to ensure sufficient domestic supplies of the staple at affordable rates.

The country's overall summer-sown grains output is expected to total 164.7 million metric tons in the 2024-25 crop year that began in July, the ministry said in a statement, up from 155.8 million metric tons produced during last year's summer season. India, the world's biggest importer of vegetable oils, is likely to produce 25.7 million metric tons of summer-sown oilseeds against 24.2 million metric tons gathered during last year's summer

season.

Indian farmers harvest nine oilseed crops in a year over two seasons, and soybean is the main summer-sown crop. Soybean output is expected at 13.4 million metric tons against 13.1 metric tons produced during the last season.

Higher oilseed output will help India cut expensive vegetable oil imports.

India currently fulfils nearly two-thirds of its demand through overseas purchases of palm oil, soyoil, and sunflower oil.

Production of summer-sown corn is expected at 24.5 million metric tons, up from 22.2 million metric tons.

A push by India to make more corn-based ethanol has turned the country into a net importer for the first time in decades.

The farm ministry expects sugarcane production at 439.9 million metric tons, down from last year's 453.2 million metric tons. India has extended a ban on sugar exports for the second straight year because of lower sugarcane output. Cotton production is estimated at 29.9 million bales (of 170 kg each) versus 32.5 million bales produced last year.

Top News - Metals

Delay in Chile mining permits a serious problem, says local head of Freeport

An extended delay in enacting reforms in Chile aimed at expediting mining permits represents a "serious" problem for the industry in the world's top copper-producing country, the local head of U.S. miner Freeport-McMoRan said on Tuesday.

Chile, also the world's second-biggest producer of the key battery metal lithium, is grappling with regulatory hurdles that miners also argue slow project development.

President Gabriel Boric's government is pushing for reforms to streamline mining permits in addition to modifying environmental assessments. The reforms are currently under discussion by lawmakers.

"The issue of permits is a serious one," said Mario Larenas, Freeport's top executive for Chile, at a seminar organized by EY and Cesco in Santiago.

He described the legislation as "perfectible" and "on the right track," but lamented the delay in the legislative process.

"Initially, when they were presented, the idea was to have them ready by the end of the year and that won't happen." Freeport is a major gold and base metals producer, especially copper and molybdenum, operating projects in the United States, Peru, Chile and Indonesia.

The company plans to invest \$7.5 billion to expand its open-pit El Abra copper mine by 2025, pending an environmental permit. The project's minority partner is Chile's state-run copper company Codelco.

Korea Zinc's share sale plan suspended due to regulator's revision request, filing says

Korea Zinc's new share sale plan, which was announced on Oct 30 and worth around \$1.8 billion, has been

suspended due to a revision order by the South Korean financial regulator, a regulatory filing said.

This means the overall schedule related to the share sale may be changed, and if the company failed to submit a revised share sale plan within three months, it will be considered withdrawn, the filing said.

In a separate notice, the Financial Supervisory Service (FSS) said the share sale plan lacked sufficient description of the purpose and decision-making process, as well as the process of due diligence by the bookrunner, while it also noted discrepancies with the company's earlier tender offer filing.

The world's top zinc refiner said on Oct 30 it planned to issue new stock worth about \$1.8 billion just two days after it bought back shares at a higher price.

That prompted the FSS to launch a probe to determine whether Korea Zinc's decision to issue new shares involved any unfair practices.

In response to the regulator's investigation launch, Korea Zinc said last week "the concerns raised about the potential issues in the process of pursuing this public offering are completely unfounded" and "considerations for a public offering took place after the share buy-back expired on Oct 23."

After the filing, a Korea Zinc spokesperson said it will make its utmost efforts to resolve market confusion and misunderstanding after reviewing the FSS' demand.

Run by the Choi family, Korea Zinc has been in a bitter fight to control the \$18 billion zinc empire with the co-founding Chang family, whose conglomerate Young Poong made an initial joint offer with private equity firm MBK Partners in September.

Shares in Korea Zinc fell as much as 8% shortly after the filing, erasing earlier gains.

Top News - Carbon & Power

US green power demand expected to grow regardless of election outcome

Demand for green power in the United States will grow regardless of who is the country's next president, major players in the wind energy sector Vestas and Orsted said on Tuesday.

Offshore wind developers have seen profits shrink in recent years due to rising raw material costs, high interest rates, inadequate grid connections, supply chain bottlenecks, and Chinese competition, prompting companies like BP and Equinor to scale back their ambitions.

In the United States, the nascent offshore wind industry has been roiled by cancelled projects, postponed lease sales and a construction accident at the country's first major offshore wind project.

Orsted on Tuesday flagged construction problems and higher costs at a large U.S. offshore wind project.

Democratic Vice President Kamala Harris has championed ambitious offshore wind targets as part of President Joe Biden's administration.

She is in a tight race with Republican candidate Donald Trump, who has said he will scrap offshore wind projects through an executive order on his first day in office if he retakes the White House, claiming wind turbines ruin the environment and kill birds and whales.

"We see many - both corporates and states - having an

increased demand from reshoring of industries and from the tech industry," Orsted CEO Mads Nipper told journalists on Tuesday.

"We see it as an all boats rise situation where all energy sources, not least for electricity, are needed no matter who ends up in the White House."

NEW GREEN ELECTRICITY NEEDED

Shares of Vestas, the world's largest wind turbine manufacturer, slumped more than 10% on Tuesday after the company warned of lower profit margins this year. Vestas CEO Henrik Andersen downplayed investor concerns around Tuesday's election outcome.

"I don't think there's any of the order intake that is dependent on today's election," he said at an analyst call. "There is a general need and demand higher than the supply right now for new green electrons to data centres among other things," he added.

Orsted, the world's biggest offshore wind farm developer, last year booked massive impairments for cancelled U.S. offshore projects due to rising inflation, higher interest rates and supply chain delays.

"It's an industry being built from scratch and it is being very strongly supported by not least the northeastern states, where the alternatives for energy supply and especially green energy supply are difficult," Nipper said. Orsted said scarce installation vessels and problems with installing an offshore substation at the 704 megawatt

MARKET MONITOR as of 07:35 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	\$71.01 / bbl	0.34%	-0.89%
NYMEX RBOB Gasoline	\$1.99 / gallon	-0.72%	-5.54%
ICE Gas Oil	\$681.75 / tonne	1.94%	-9.19%
NYMEX Natural Gas	\$2.67 / mmBtu	13.88%	6.09%
Spot Gold	\$2,727.09 / ounce	0.35%	32.22%
TRPC coal API 2 / Dec, 24	\$122.13 / tonne	-0.20%	25.91%
Carbon ECX EUA	€65.50 / tonne	0.94%	-18.50%
Dutch gas day-ahead (Pre. close)	€40.25 / Mwh	-1.66%	26.37%
CBOT Corn	\$4.30 / bushel	-0.46%	-11.16%
CBOT Wheat	\$5.85 / bushel	-2.26%	-8.56%
Malaysia Palm Oil (3M)	RM4,853 / tonne	8.18%	30.42%
Index	Close 05 Nov	Change	YTD
Thomson Reuters/Jefferies CRB	337.97	-0.27%	12.13%
Rogers International	28.07	-0.18%	6.63%
U.S. Stocks - Dow	42,221.88	-1.64%	12.03%
U.S. Dollar Index	104.99	0.54%	3.61%
U.S. Bond Index (DJ)	440.80	-0.20%	2.34%

(MW) Revolution Wind project contributed to costs rising by another 1.7 billion Danish crowns (\$248 million) in the third quarter.

Group operating profit fell 14% to 4.44 billion crowns in the quarter. Analysts had on average forecast 4.61 billion in a company-provided poll.

Profits were helped by a reversal of some of the losses Orsted booked last year in the United States.

Its shares were down 1.5% at 1239 GMT. They have risen some 12% this year but are down more than a third from their peak in early 2021.

COLUMN - Brazil lifts coal imports to record as hydro hit lingers: Maguire

Brazil is set to import nearly 900,000 metric tons of thermal coal this month, the highest monthly tally on record and three times the monthly average for 2024 so far, according to data from ship-tracking firm Kpler.

The coal buying binge comes as an enduring drought has slashed hydropower output to three-year lows, leaving power producers low on power-generating fuels heading into the hottest months of the year when electricity demand peaks.

Power firms have also lifted imports of liquefied natural gas (LNG) to their highest since late 2021, indicating that a steep rise in fossil fuel-fired generation is looming in South America's largest economy.

Higher use of fossil fuels will in turn lift Brazil's power sector emissions, which are already at their highest since 2021.

HYDRO LETDOWN

Hydro power typically accounts for around 65% of Brazil's utility-scale electricity production, with hydro-electricity generation averaging just under 40 terawatt hours (TWh) a month throughout the first half of 2024, Ember data shows.

However, in September hydro output fell to just 28.7 TWh as a drop in precipitation from the year before hit dam output.

Cumulative rainfall in Brazil's southeast - home to many of the country's biggest dam systems - was just 584mm (23 inches) over the first 10 months of the year, according to LSEG. That was 10% less than the average from 2019 through 2023, and marks the second straight year of less than 600mm of rain over the opening 10 months of the year. The drop in actual hydro output also cut hydro's share of Brazil's generation mix to just 50% in

September, forcing power suppliers to boost output from alternate sources in order to meet system demands.

CLEAN CUT

While Brazil has one of the world's cleanest power

systems, utilities will likely rely on fossil fuels to generate much of the lost hydropower as output from gas and coal-fired power plants can be quickly adjusted to balance system needs. So far this year, hydro dams have generated around 63% of total electricity supplies, wind farms have accounted for around 15%, while solar farms have generated around 10%. Nuclear plants have accounted for an additional 2.5% share, while bioenergy plants - which mainly burn sugar cane pulp - have generated an additional 1.5%.

The cumulative share of power generation from clean sources so far in 2024 is 92%, which remains one of the highest globally.

However, the remaining 8% share of generation has come from fossil fuels, which look primed to be used in even greater volumes over the coming months if hydro output remains hindered.

Natural gas has generated around 6% of Brazil's electricity so far in 2024, while coal and oil-fired plants produced an additional 2.2%.

PEAK DEMAND

A steep climb in overall power consumption is also placing Brazil's power firms under pressure to lift output. Brazil's electricity demand over the first nine months of 2024 is up nearly 7% from the same months in 2023, which is the strongest growth pace for that period since 2021 when the country's economy recovered from COVID-19-related restrictions.

But overall power demand is likely to climb higher still heading into 2025 as homes, factories and offices all dial up the use of power-hungry cooling systems during summer. Average temperatures in Sao Paulo - Brazil's most populous city - can average over 10 degrees Fahrenheit (5.6 degrees Celsius) more during November through February than during the other months of the year, according to Weatherbase.

Those higher summer temperatures - which can top 30C (86F) - tend to boost the use of air conditioners around the clock, and strain power networks.

To meet those higher demand levels, utilities look set to lift output from the country's coal and gas-fired power plants, which will be well stocked from the scheduled imports of both coal and LNG that are en route.

A sharp rebound in precipitation levels could help restore output from dam networks and limit the overall use of fossil fuels in 2025.

But for the remainder of 2024 at least, substantially higher generation from coal and gas looks imminent, and means a flare up in regional power emissions will follow.

(The opinions expressed here are those of the author, a columnist for Reuters.)

Top News - Dry Freight

Jordan buys about 60,000 T wheat in tender, traders say

Jordan's state grains buyer purchased about 60,000 metric tons of hard milling wheat to be sourced from optional origins in an international tender on Tuesday, traders said.

It was believed to have been bought from trading house

CHS at an estimated \$271.30 a ton cost and freight included (c&f) for shipment in the first half of February 2025, they said.

Reports reflect assessments from traders and further estimates of prices and volumes are still possible later. Traders said they had received indications that Jordan will issue a new tender in coming days for 120,000 tons of

wheat with offers expected to be submitted on Nov. 12, with shipment in January and February. Traders reported these estimated offers from other trading houses participating in Tuesday's tender, all per ton c&f: Cargill \$285.50, Viterro \$279, Al Dahra \$277, Ameropa \$283.11 and Cereals Crops \$300. A separate tender from Jordan seeking 120,000 tons of animal feed barley closes on Wednesday.

Ukraine's October seaborne grain and oilseed exports jump y/y, trader union says

Ukraine's overall grain and oilseed exports by sea and river totalled 5.28 million metric tons in October, well exceeding the 3.13 million tons exported a year earlier, traders' union UGA said on Tuesday. Ukraine is a major global producer and exporter of grains, vegetable oils and oilseeds. Last month's volume included almost 4.8 million tons exported via the Black Sea and 495,000 tons of cargo shipped on the Danube river. The union said further 515,000 tons of agricultural cargo were exported by rail and 142,000 tons by road. UGA said Ukraine exported 1.65 million tons of wheat last

month, 1.93 million tons of corn, 716,000 tons of soybeans, 475,000 tons of rapeseed, 458,000 tons of sunflower oil and 350,000 tons of barley.

Analyst APK-Inform said that soybean exports had reached new high, exceeding the previous record of 561,500 tons in October 2019.

The significant increase in soybean shipments since the beginning of the 2024/25 season reflected growing demand for the Ukrainian crop from key importers - the EU and Turkey, APK-Inform said in a report.

"In addition, many exporters were in a hurry to ship, expecting a decrease in trade after the introduction of the mechanism of minimum prices for the export of certain types of goods, including soybeans," the consultancy noted.

Ukraine's agriculture minister Vitaliy Koval told Reuters last month that the new system of minimum export prices for the country's key grain and oilseed shipments was likely to come into force at the beginning of December. The Ukrainian agriculture ministry said this week that the country's grain exports in the 2024/25 July-June season had reached almost 14.7 million tons as of Nov. 4, against about 9.8 million tons by Nov. 6 last year.

Picture of the Day

Republican presidential nominee and former U.S. President Donald Trump makes a fist as he takes the stage with his wife Melania and son Barron to address supporters at his rally, at the Palm Beach County Convention Center in West Palm Beach, Florida, U.S., November 6. REUTERS/Brian Snyder

(Inside Commodities is compiled by Nachiket Tekawade in Bengaluru)

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

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