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Top News - Oil

China's crude oil imports fall for sixth straight month on refinery closure

China's crude oil imports fell 9% in October, data showed, a sixth consecutive monthly year-on-year decline as a plant closure at a state oil refinery adds to weaker demand from independent refiners.

The world's largest crude oil importer brought in 44.7 million metric tons last month, or about 10.53 million barrels per day (bpd), data from the General Administration of Customs showed.

That was down from 11.07 million bpd in September and 11.53 million bpd in October 2023.

Year-to-date imports totalled 457 million tons, or 10.76 million bpd, down 3.4% versus the year-ago period, the customs figures showed.

State major PetroChina shut a 90,000-bpd crude unit at its Dalian refinery in October, part of its plan to close the entire plant by around mid-2025 and replace it with a smaller facility at another site.

The lower imports were despite the ramping up of the 200,000-bpd newly started crude unit at Shandong Yulong Petrochemical, as many smaller plants in Shandong were operating at just over 50% of their capacity amid thin margins and sluggish fuel demand. The PetroChina Dalian closure adds to the indefinite outage of Sinochem's three Shandong-based plants, with combined capacity that makes up 3% of China's national refinery output, after local courts declared them bankrupt. Thursday's data also showed China's natural gas imports last month were up 20% on the year to 10.54 million metric tons, bringing year-to-date imports to 110 million tons, 13.6% above year-earlier levels.

Exports of refined oil products, which include diesel, gasoline, aviation fuel and marine fuel, were at 3.96 million tons, 23% lower on the year and down from 5.19 million tons in September. Year-to-date exports of refined oil products fell 7.2% over the same year-ago period to 49.16 million tons.

China's cheap Iranian oil supply at risk from tighter Trump sanctions

China faces a squeeze on supplies of cheap Iranian crude, which make up about 13% of imports by the world's biggest buyer of oil, if Donald Trump ramps up enforcement of sanctions on Tehran after his return as U.S. president in January.

Trump, who won Tuesday's election, Edison Research projected, is expected during his second term to re-impose his "maximum pressure policy" of heightened sanctions on Iran's oil industry over concerns about its nuclear programme, say Iranian, Arab and Western officials. Such a move would raise the cost of China's imports, piling pressure on a refining sector grappling with weak fuel demand and tight margins, with independent plants known as teapots set to be hit especially hard. "A Trump victory may see the United States enforce sanctions against Iran, thereby reducing Iranian oil exports and prompting oil prices higher," Vivek Dhar, a commodities strategist at Commonwealth Bank of Australia, said in a note. In 2018, during his first White House term, Trump reinstated sanctions on Iran, leading eventually to a halt in its oil exports to India, Japan and South Korea. Late in 2019, China's teapot refiners stepped in as buyers of discounted Iranian crude, filling a vacuum left by its state oil firms wary of U.S. sanctions, saving billions of dollars, and cementing China's status as Tehran's top oil market.

China and Iran have built a trading system that uses mostly Chinese yuan and a network of middlemen, avoiding the dollar and exposure to U.S. regulators, making sanctions enforcement tough.

At the same time, Washington has been reluctant to take steps that would remove supply from the global market in the wake of the Ukraine war, analysts say. Vortexa Analytics, which tracks Iran's oil flows, estimated China's imports of Iranian oil at 1.4 million barrels per day during the first nine months of this year.

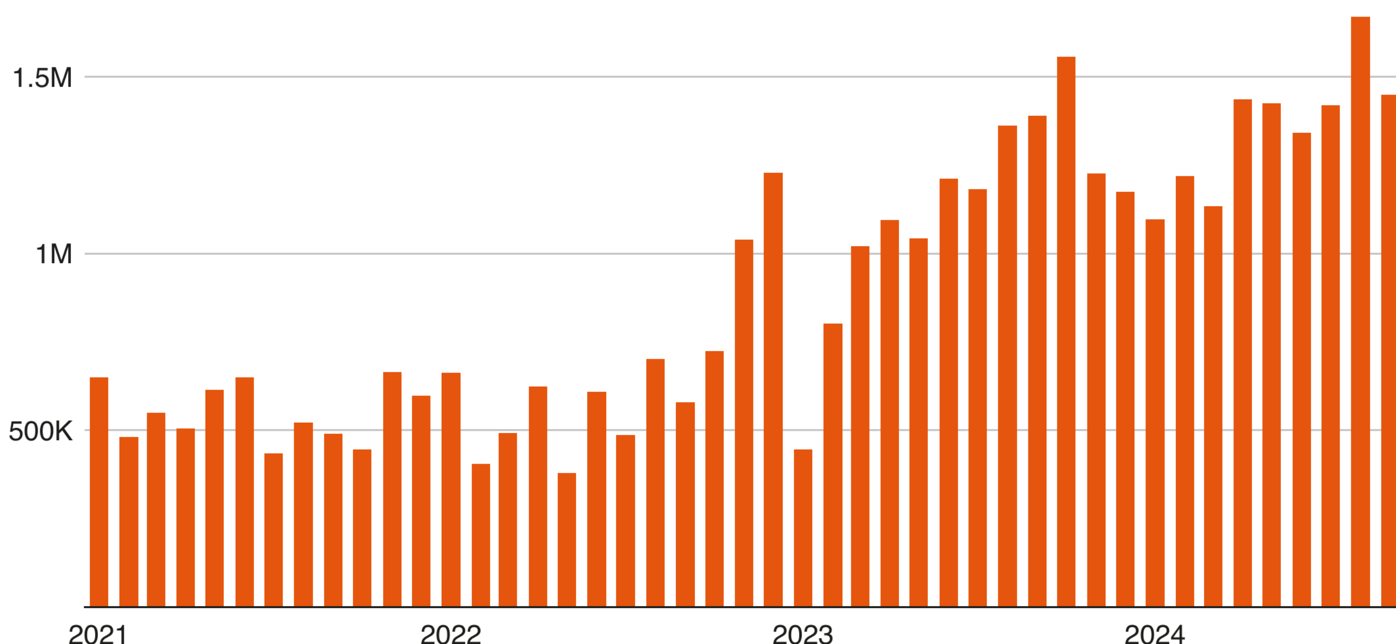
MORE MEASURES
Last month, Washington expanded sanctions on Iran, adding measures against so-called dark fleet ships that carry its oil, which has slowed Iranian oil flows from Malaysia to China, according to a teapot trading manager who deals in Iranian oil and declined to be named due to the sensitivity of the matter. "Even ship-to-ship (STS) activities could be hit. So the worry is more on the shipping than on banking," he said, referring to the practice of transferring Iranian cargoes between ships to mask their origins. Teapots, with some already operating at a loss, might be forced to cut runs further if stricter sanctions enforcement by Trump on Iran as well as Venezuela tightens supplies and further dampens margins, independent refiner sources said.
However, China's imports from Iran were up about 30% between January and October despite tighter sanctions, which have encouraged "dark fleet" shipping activity, said Vortexa analyst Emma Li.
"We may only see significant changes when other players, such as banks, are added to the list," she said.
Iranian oil is typically rebranded by dealers as originating from Malaysia, Oman or elsewhere to circumvent U.S. sanctions.
Beijing repeatedly defends its oil trade with Iran as legitimate and conforming with international laws.

Top News - Agriculture

China set for record soybean imports in 2024 ahead of Trump's inauguration
China imported 8.09 million metric tons of soybeans in October with buyers rushing to stockpile before Donald Trump takes office early next year, as the world's top soybean buyer heads for its largest annual imports on record.
October arrivals were the biggest for the month in four years, surging 56% from 5.18 million tons a year ago, according to Reuters' calculations of customs data released. "The October soybean imports were 600,000 higher than our initial estimate," said Rosa Wang, analyst at Shanghai-based agro-consultancy JCI. The jump comes as crush margins in China's key processing hub of Rizhao improved from a loss of about 600 yuan ($83.72) per ton of soybean processed in August to a loss of 75

Chart of the Day

China's imports of Iranian oil averaged 1.35 mln bpd for Jan-Sept period, up 27% yoy



Note: oil imports include crude, condensate and fuel oil
Source: Vortexa

yuan ($10.47).
Exporters in the United States had raced to ship a record-large U.S. harvest to China ahead of the U.S. presidential election and fears of renewed trade tensions, traders and analysts said.
"We still estimate very high imports of soybeans in the following months as Chinese buyers rush" to secure stocks before Trump takes office in January, Wang said.
Total soy imports in the first 10 months of 2024 reached 89.94 million tons, up 11.2% year-on-year and close to last year's imports of 99.41 million tons, the customs data showed.
China imported 100.31 million tons of soy in 2020, its highest ever.
Tariff threats from president-elect Trump's campaign speeches are prompting some Chinese importers to shun U.S. shipments from January onward, traders and analysts said.
China's most active soymeal futures on the Dalian Commodity Exchange rallied 3.6% after Trump recaptured the White House on Tuesday with a sweeping victory. The most active rapeseed meal futures on the Zhengzhou Commodity Exchange jumped 4.76%.
China's push to shift its sources of soybean supply to Brazil since 2018 has put it in a better position to impose tit-for-tat tariffs on U.S. farm goods with less harm to its food security if trade friction flares with Washington.

Indonesia confident palm oil production can be increased to meet biofuel demand
Indonesia's chief economic minister said he is confident palm oil production can be increased in coming years to meet the country's rising demand for energy as the mandatory biodiesel blendis poised to expand.
Indonesia's government plans to expand the mandatory blend of biodiesel to contain 40% of palm oil-based fuel in 2025 - called B40 - from 35% currently, and is expected to increase the mix further.
"Indonesia's biodiesel policy is primarily aimed at reducing dependence on imported fossil fuels, fostering a more sustainable energy mix, and supporting the palm oil industry," Airlangga Hartarto, the country's coordinating minister for economic affairs told participants at the Indonesia Palm Oil Conference.
The plan by the world's biggest exporter of the vegetable oil has propped up global palm oil prices as outbound shipments are seen dropping amid expectations of sluggish output.
Implementation of the B40 biofuel mandate may result in palm oil used for energy rising to 13.9 million metric tons in 2025, from the estimated 11 million tons needed this year with B35, Indonesia's biofuel producers association APROBI had previously estimated.
The government is looking to increase the biodiesel mix to 50% in 2028, Edi Wibowo, a director at the energy ministry told the same conference, adding that the ministry is also eyeing a 1% blending mandate in jet fuel in 2027.
Indonesia's newly inaugurated president Prabowo Subianto has pledged to reach self-sufficiency in food and energy.

REPLANTING EFFORTS
Production of the vegetable oil in Indonesia has stagnated in recent years due to aging trees.
The government is pushing for improved farming practices to increase yields and enhancing the smallholders' palm oil replanting programme to meet the higher demand, Airlangga said.
The replanting programme has been behind schedule.
The launch target was to replant 180,000 hectares each year, but since 2017, Indonesia has only provided funds to replant 360,000 hectares (890,000 acres), according to Airlangga.
Accelerating the programme is key to support the government's bioenergy agenda without impacting supply for domestic food needs and exports, said Eddy Martono, chairman of the Indonesia Palm Oil Association.
Without tree rejuvenation, Indonesia's crude palm oil output could drop to 44 million metric tons by 2045, from around 50 million tons currently, the country's palm oil fund agency data showed.
If the replanting scheme can be done as targeted, CPO output may reach around 83 million tons by 2045.

Top News - Metals

China's October iron ore imports stay elevated on improved steel margins
China's iron ore imports in October climbed by 4.48% from the prior year, official data showed, as steelmakers' margins improved thanks to Beijing's massive economic stimulus package spurring more buying.
China, the world's largest iron ore consumer, brought in 103.84 million metric tons of the steelmaking ingredient last month, according to data from the General Administration of Customs.
The figure takes the number of months so far this year when volumes exceeded 100 million tons to eight. It compares to 104.13 million tons in September and 99.39 million tons in October 2023.
China announced stimulus measures in late September to bolster its economy, and steelmakers' margins improved as steel prices rose.
"Ore demand picked up last month as hot metal output ramped up driven by drastically improved steel margins, contributing to the relatively high imports," said Zhuo Guiqiu, an analyst at Jinrui Futures.
The average daily hot metal output in October was 4.1% higher than in September, while around two-thirds of Chinese steelmakers surveyed were operating at a profit

in late October, versus less than a fifth at end-September, data from consultancy Mysteel showed.
Hot metal is a blast furnace product, typically used to gauge iron ore demand.
"The imports in October are a bit higher than our expectations.
Relatively low prices and an appreciating yuan might act as the tailwinds," said Cai Yongzheng, a Nanjing-based director of Jiangsu Fushi Data Research Institute.
Persistent high imports contributed to a continued piling up of portside stocks of iron ore, which rose 1.2% last month, data from consultancy Steelhome showed.
In the first 10 months of 2024, China's iron ore imports totalled 1.023 billion tons, a year-on-year rise of 4.9%, the data showed.

STEEL TRADE
China's steel exports in October surged 40.81% from the year before and gained 10.15% from September to hit the highest for a single month since September 2015 at 11.18 million tons.
Exports in the first ten months of the year jumped 23.3% from the year before to 91.89 million tons, already higher than the total of 90.26 million tons in 2023 and on track to top 100 million tons for the year.
China imported 536,000 tons of steel products last month, down 3.25% from September and 19.76% lower than the prior year, with the January-October total at 5.72 million tons, a drop of 10.1% year-on-year.

ArcelorMittal's core profit falls 15%, but beats market estimates
ArcelorMittal, the world's second-largest steelmaker,reported third-quarter core profit above market expectations, as improvement in its Brazil business partly offset weaker results in North America and Europe.
The Luxembourg-based company said its earnings before interest, taxes, depreciation and amortisation (EBITDA) rose to $1.58 billion in the quarter, down 15% from a year earlier, but ahead of a consensus estimate of $1.49 billion provided by the company.
"Apparent demand is expected to be stronger in the second half of this year compared with 2023, and inventory levels are low, indicating that re-stocking will occur when real demand recovers," CEO Aditya Mittal said in a statement.
The steel industry has been suffering from tightening global monetary policy, weaker construction activity in Europe and problems in the real estate sector in China, while cheaper steel imports from Asia also weigh on European producers.
Mittal said the increased level of imports into Europe was a concern and stronger trade measures were urgently required to address the matter.
The group said the current market conditions were unsustainable, as overproduction in China relative to demand has led to very low domestic steel spreads and aggressive exports.

MARKET MONITOR as of 07:35 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$71.70 / bbl	1.31%	0.07%
NYMEX RBOB Gasoline	$2.01 / gallon	0.28%	-4.58%
ICE Gas Oil	$679.75 / tonne	1.64%	-9.46%
NYMEX Natural Gas	$2.75 / mmBtu	17.34%	9.31%
Spot Gold	$2,665.80 / ounce	-1.90%	29.25%
TRPC coal API 2 / Dec, 24	$119.25 / tonne	-2.56%	22.94%
Carbon ECX EUA	€65.50 / tonne	0.94%	-18.50%
Dutch gas day-ahead (Pre. close)	€40.60 / Mwh	-0.81%	27.47%
CBOT Corn	$4.40 / bushel	1.85%	-9.09%
CBOT Wheat	$5.92 / bushel	-1.00%	-7.39%
Malaysia Palm Oil (3M)	RM4,962 / tonne	10.61%	33.35%
Index	**Close 06 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	43,729.93	1.88%	16.03%
U.S. Dollar Index	104.73	0.28%	3.35%
U.S. Bond Index (DJ)	441.88	-0.20%	2.59%

Because of this, steel prices in Europe were "well below the marginal cost curve", it added.
Meanwhile in the U.S., interest rate hikes have dented demand and the risk of market protectionism has risen after Donald Trump won Tuesday's presidential election.
ArcelorMittal reported a 69% drop in its quarterly net income to $287 million, below consensus of $420 million.
Capital expenditures are expected to remain within the announced $4.5 billion to $5.0 billion range in 2024, of which $1.4 billion to $1.5 billion will go into strategic growth investments.
The company said its portfolio of approved strategic growth projects was expected to enhance its EBITDA potential by around$1.8 billion.

Top News - Carbon & Power

ANALYSIS-Gas may dash Big Oil's Namibian dreams
International companies and the government of Namibia had high hopes only months ago they could quickly cash in on offshore discoveries and turn the country they saw as the world's last frontier of untapped oil into a prolific producer.
They have since hit a major complication: an unexpectedly high percentage of gas in the fields, meaning they need to install additional infrastructure. That will slow development and may make projects unprofitable, according to executives, politicians and industry sources.
"What we are seeing is that all our discoveries have a very high gas-to-oil ratio," Namibia's Petroleum Commissioner Maggy Shino told an industry conference last month.
Namibian law bans flaring - or burning gas off, releasing CO2 into the atmosphere - meaning companies will have to inject the gas back into the reservoir or process it for consumption, which Shino said was in any case the right thing to do.
"We really want to utilise the gas and generate as much value as possible ... and start then the industry of gas-to-power and petrochemicals, established in Namibia," she said.
After initially hoping for first oil by 2026, Namibia's government is working with operators to agree on a single plan with common infrastructure for the 8.7 trillion cubic feet (tcf) of unexpected gas.
The idea is to revamp a long-stalled project to pipe gas to an onshore gas-fired power plant to supply Namibia, then neighbouring South Africa and the wider region.
Initially designed to handle 1.3 tcf from Namibia's smaller Kudu field, the power plant project and related gas infrastructure would need significant upscaling.
Namibia's government has started talks with Shell, Total, Galp and Norway's BW Energy, and wants Namibia's national oil company Namcor lead the gas development plan.
For the companies, the problem is the additional work could delay oil production into the 2030s, making it harder to monetise.
Although the industry says oil will be needed for decades to come, the International Energy Agency (IEA) estimates global use will peak before 2030 as the world weans itself off carbon-emitting fossil fuels and as electric vehicle use increases, led by the world's biggest commodities consumer China.
For the major companies that have acquired or are seeking to invest in stakes in development blocks, that is a setback, industry sources told Reuters.

GUYANA DREAM FADES
The oil industry leapt to attention in February 2022 when France's TotalEnergies and London-listed Shell announced major discoveries in Namibia's Orange basin holding a cumulative 5.1 billion barrels of oil.
Investors piled in this April when Portugal's Galp said it found as much as 10 billion barrels in the same area.
Many drew comparisons to Guyana, where discoveries in 2015 led to an oil bonanza that has given the country GDP growth above 20% for the last five years.
But the high gas content, which became apparent over the last year as operators carried out more extensive drilling of reservoirs in Namibia, has since made oil majors cautious.
"We are working on it ... It's a matter of being able to re-inject all this gas in the reservoir at a cost that is acceptable," TotalEnergies CEO Patrick Pouyanne told investors in New York last month.
Injecting gas back into rock under 3,000 metres (9842.52 ft) is already expensive, Pouyanne said.
"If we have to have a big gas machine handling 500 million standard cubic feet per day instead of 200 or 300, of course, it changes the dimensions."
Total is struggling to get production costs in Namibia under $20 per barrel - an internal requirement for a final investment decision (FID) on new projects.
The company is considering re-negotiating terms with authorities to try to lower costs.
It still hopes to take a FID next year and produce first oil in 2029 based on a plan to reinject all the gas rather than wait for a common solution, said one person familiar with the company's thinking, speaking on condition of anonymity.
The final decision would depend on whether the project would still be profitable enough, another source said.
"Namibia underwhelms," Jefferies analyst Giacomo Romeo summed up in an investor note. Total proposed a smaller-than-expected development of 160,000 barrels per day and did not restate previous hopes for a FID in 2025, Romeo said.
Shell has considered building a floating gas liquefaction unit at the oilfield to produce LNG for export at the block

where it made the Graff discovery, according to one source.
That would significantly increase development costs and delay oil output start-up.
Shell declined to comment.
Shell CEO Wael Sawan told analysts on Oct. 31 that Namibia's acreage was "very challenging," and that the lower permeability of the rock made extracting oil and gas harder.
"A lot of our focus is on figuring out whether we can find ways to be able to develop commercially investable projects," Sawan added.
Galp, which has put half its Namibian stake up for auction, has postponed the sale pending results of additional exploratory drillings later this year. U.S. major Chevron, as well as Rhino Resources, which is backed by BP and Eni's joint venture Azule Energy, are also expected to drill in Namibia this year.

Trump return likely to slow, not stop, US clean-energy boom

Donald Trump's return to the White House will refocus the nation's energy policy onto maximizing oil and gas production and away from fighting climate change, but the Republican win in Tuesday's presidential election is unlikely to dramatically slow the U.S. renewable energy boom.
Investor fears of a reversal under Trump sent clean-energy stocks down sharply on Wednesday.
The MAC Global Solar Energy index was down 10% in midday trade, while shares of top renewable project developer and owner NextEra Energy slid 6.2%.
A Biden-era law providing a decade of lucrative subsidies for new solar, wind and other clean-energy projects would be near-impossible to repeal, however, thanks to support from Republican states, while other levers available to the next president would only have marginal impact, analysts say.
"I don't think a Trump president can slow the transition," said Ed Hirs, energy fellow at the University of Houston. "This is well under way."
Renewable energy sources such as solar and wind are the fastest-growing segments on the power grid, according to the Department of Energy, driven by federal tax credits, state renewable-energy mandates, and technology advancements that have lowered their costs.
President Joe Biden in 2022 signed into law the Inflation Reduction Act guaranteeing billions of dollars of solar and wind subsidies for another decade as part of his broader effort to decarbonize the power sector by 2035 to fight climate change.
Before the election, Trump slammed the IRA as being too expensive and promised to rescind all unspent funds allocated by the law - a threat that, if accomplished, could pour cold water over the U.S. clean energy boom.
But dismantling the IRA would require lawmakers, including those whose states have benefited from IRA-related investments such as solar-panel factories, wind farms and other projects, to vote to repeal it.
"The jobs and the economic benefits have been so heavy in red states, it's hard to see an administration come in that says, 'we don't like this,'" said Carl Fleming, a partner at law firm McDermott Will & Emery, who advised the Biden White House on renewable energy policy.
Many of Trump's allies also benefit from the IRA through their investments in clean-energy technologies, Reuters has previously reported.
Fleming said Trump could, however, slow things down around the margins by hindering federal agencies that deliver IRA grants and loans, or by reducing federal leasing for things such as offshore wind.
"You could see a new administration come in and they can very quickly begin to cut budgets or restrict budgets or restrict the freedom of agencies to do certain things that are tied to funding," he said.
"But I think that's a smaller subset of the larger renewables market that's really relying on those, so I don't think it would have a shocking effect."
The Biden administration has rushed to ensure it spends the majority of available grant funding under the IRA before a new president arrives, Reuters has previously reported.
One way Trump could slow the transition is through executive action by changing public lands leasing, analysts said. The Biden administration had sought to expand lease auctions for offshore wind in federal waters, along with solar and wind on land.
"I think you would see more preference given to fossil-fuel extraction on public lands and waters," said Tony Dutzik, associate director and senior policy analyst at Frontier Group, a non-profit sustainability think-tank.
That could have an outsized impact on the offshore-wind industry, which aims to site projects in federal waters. Most onshore solar and wind projects are located on private property, as is the vast majority of oil and gas drilling.
Trump has said he intends to end the offshore-wind industry "on day one," arguing it is too expensive and poses a threat to whales and seabirds, a dramatic policy reversal after his first administration supported offshore-wind development.
Bernstein Research said Trump is likely to enact a moratorium on new offshore-wind lease sales.
Meanwhile, U.S. fossil-fuel production is likely to look much the same under Trump, experts said.
The U.S. has already become the world's largest oil and gas producer, under the watch of Biden, thanks to a drilling boom in fields such as the Permian Basin under Texas and New Mexico.
The production boom started under former President Barack Obama and has continued through the Trump and Biden presidencies.
Even so, Trump's campaign has sought to claim credit, saying his efforts to slash regulatory red tape during his 2017-2021 term paved the way, and arguing he could further expand U.S. fossil-fuel production in a second

term by rolling back Biden's climate initiatives.
"Presidents can make a lot of noise about plans for U.S. oil and gas, but ultimately it's individuals and companies responding to prices of a global commodity that make the decisions on when to drill," said Jesse Jones, head of North American upstream at Energy Aspects. Dan Eberhart, Trump donor and CEO of oilfield-services company Canary, LLC, said he supports Trump's encouragement of increased oil-and-gas drilling, saying it could further lower energy prices for businesses and consumers. He added he would also welcome a move by Trump to once again withdraw the United States from international climate cooperation, like he did in his first term, arguing other big greenhouse-gas emitters were not doing enough. "The Paris accord was aspirational and meaningless if China and India don't participate," he said, referring to a landmark U.N. deal in 2015 to limit global warming.

Top News - Dry Freight

South Korea’s NOFI tenders for 138,000 T corn, 60,000 T wheat

South Korean feedmaker Nonghyup Feed Inc (NOFI) has issued an international tender to purchase up to 138,000 metric tons of animal feed corn and 60,000 tons of feed corn, European traders said.
The deadline for submission of price offers in the tender is also Thursday, Nov. 7.
The corn in NOFI’s tender is sought in two consignments each of up to 69,000 tons.
Shipment of the first consignment for arrival around Feb. 1, 2025, is sought if sourced from the U.S. Pacific Northwest coast between Dec. 30-Jan. 18, from the U.S. Gulf between Dec. 10-Dec. 29, from South America between Dec. 5-Dec. 24 or from South Africa between Dec. 15-Jan. 3.
Shipment of the second consignment for arrival around Feb. 15, 2025, is sought if sourced from the U.S. Pacific Northwest coast between Jan. 13-Feb. 1, if from the U.S. Gulf between Dec. 24-Jan. 12, from South America between Dec. 19-Jan. 7 or from South Africa between Dec. 29-Jan. 17.
Corn price offers are sought in both outright per ton and at a premium over the Chicago March 2025 corn contract.
The feed wheat is sought for arrival around Jan. 20, 2025.
Loading ports in Ukraine and Russia are not permitted except in the Russian Far East.
Wheat shipment from the U.S. Pacific Northwest coast, Australia or Canadian west coast is between Dec. 18-Jan. 6, from the U.S. Gulf, Europe or Canadian east coast between Nov. 28-Dec. 17, from Europe with shipment via the Cape of Good Hope between Nov. 13-Dec. 2, from South America between Nov. 23-Dec. 12 or from South Africa between Dec. 3-Dec. 22.

Russia's grain policies help Ukraine secure sales

Russia's curbs on wheat exports have inadvertently helped Ukraine secure lucrative sales to Egypt this week while also inflating prices for the world's top importer, traders said.
Egypt's state grains buyer GASC bought 290,000 metric tons of wheat in an international tender on Monday. The purchase included 120,000 tons from Ukraine as well as 120,000 tons from Romania and 50,000 tons from Bulgaria. Russia, the world's top wheat exporter and Egypt's most important supplier, was kept out of the sale due to unofficial policies to prevent a price spike at home as the country seeks to combat inflation partly fuelled by military spending.
The restrictions, mostly not officially announced, include a minimum export price, export taxes and limiting sales of Russian grain by foreign trading houses.
"Had Russian exporters been allowed to offer realistic market prices, which would be much lower, I think they would have pretty much wiped up the Egyptian sale," one trader said.
"The Russian moves are making Ukrainian supplies look more attractive, especially to importers in a difficult financial state like Egypt," the trader added.
Russia's agriculture ministry did not immediately respond to a request for comment on whether government grain export policies had led to the loss of business to Ukraine at this week's Egyptian tender.
A trader in Ukraine said the Russian restrictions had provided more opportunites although the country had already realized about 60% of its potential sales this year.
"The cheapest supplier is leaving, so it's probably not who wins but who loses," the trader said, referring to how Russian policies could raise the cost of wheat for importers.
Hesham Soliman, a trader in Egypt, said Russia was holding off waiting for prices to rise and profitability to increase.
"This isn't just about Russian export restrictions. Russia knows it controls the market and is acting accordingly," he said, adding Egypt's state buyer had pushed back by purchasing Black Sea wheat from other sources.
Noamany Nasr, a former adviser to Egypt's supply ministry, said Russia frequently introduced subtle barriers to curb its own exports, whether to raise prices or for internal reasons. "Ironically, this benefits Russia's competitors."Egypt's supply ministry said on Tuesday that after the purchase it now has strategic reserves for five months of consumption although traders expect it will need to secure additional supplies in coming months.
"There's still supply in Romania where farmers have been holding onto a lot of their crop," another European trader said. "In Bulgaria, supply is gradually getting tighter. In Ukraine, there's not a huge amount left, though they haven't been shipping as vigorously as the Russians."

Picture of the Day

A view shows the refinery of Cepsa at Cepsa Energy Park in San Roque, near Algeciras, southern Spain, November 6. REUTERS/ Jon Nazca

(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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