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Top News - Oil

Fire breaks out at Chevron's El Segundo, California refinery

Chevron said fire crews responded to an isolated fire inside its 269,000-barrel-per-day El Segundo refinery in California on Tuesday, with no injuries due to the incident.
The time of dispatch was 6:13 p.m. (0213 GMT) with a response at the two-alarm level from El Segundo, Manhattan Beach, Redondo Beach and Los Angeles County fire departments, El Segundo fire chief Deena Lee said.
It was unclear whether the material involved was jet fuel or diesel, Lee said.
Local media reports said the fire had occurred in a particular section of the refinery. The Los Angeles Times reported on its website that the blaze had been extinguished around 8:35 p.m. (0435 GMT).
A company spokesperson declined comment on which refinery units were involved.
The El Segundo refinery supplies 20% of all motor vehicle fuels and 40% of the jet fuel consumed in southern California, according to Chevron's website.
The incident comes at a time when California gasoline prices are approaching $1 a gallon on top of December NYMEX RBOB futures amid planned work at Marathon's 363,000-bpd Los Angeles Refinery and a power blip at Valero's 145,000-bpd San Francisco plant.
California gasoline was valued at 38.50 cents over December NYMEX in Los Angeles on Nov. 1 and at 36.50 cents over in San Francisco.
Californian fuel markets, which rely on production from West Coast refineries and imports from Asia, are known for rapid price increases.

U.S. allows transactions to free sanctioned oil tanker stranded in Indonesia

The U.S. government has allowed some transactions to take place with a sanctioned oil supertanker in efforts to free the vessel stranded in Indonesian waters, a U.S. embassy spokesperson in Singapore said.
The Indonesian navy has been trying to free the Djibouti-registered ship, Young Yong, which ran aground off Indonesia's Riau Islands on Oct. 26 near a gas pipeline.
The U.S. last week issued sanctions against an international oil smuggling network it said supports Hezbollah and Iran's elite Quds Force, targeting dozens of people, companies and tankers as Washington sought to mount pressure on Tehran. The Young Yong was among the vessels sanctioned.
But the U.S. Office of Foreign Assets Control (OFAC) has since permitted certain transactions necessary to dock and anchor the Young Yong safely and to preserve the safety of the crew, the embassy spokesperson said.
The OFAC has also allowed for emergency repairs at the ship and measures taken to protect the environment, the spokesperson added.
Capable of carrying 2 million barrels of crude oil, the stranded tanker is almost full, according to shipping data on Refinitiv Eikon. No injuries or leaks have been reported.
"At this time, the (U.S. government's) highest priority is minimising the environmental and energy impact of this incident," the spokesperson said.
"However, OFAC has not authorized the offloading of cargo."
Indonesian authorities told Reuters on Monday that it could take up to a month to free the ship as it ran aground in the Singapore Strait near a key pipeline that supplies natural gas to Singapore.
The tanker typically loads crude oil bound for China from floating storage at the Singapore-Malaysia Straits.
The ship is owned by Technology Bright International Co Ltd and managed by East Wind Ship Management Ltd.
The companies could not be reached for comment.

Top News - Agriculture

Argentina's farmers notch sales of more than 70% of soybean crop

Argentine farmers sold as of last week about 72% of the current soybean harvest, government data showed on Tuesday, a key crop especially important since it helps generate much-needed hard currency for the country's cash-strapped government.
During the same time last season, farmers sold a little over 73% of the soybean harvest.
Argentina's powerhouse agricultural sector is one of the world's top soybean, corn and wheat exporters, but has recently been hit by drought and untimely cold snaps expected to undermine grains output.
Total soy production from the 2021/2022 harvest is seen at 44 million tonnes, according to agriculture ministry data.

Farmers sold about 248,000 tonnes from Oct. 27 to Nov. 2, down by half compared to the same week during the previous 2020/2021 season, the data showed.
In September, farmers sold 13.3 million tonnes of soybeans, nearly three times more than the historical average for the month, boosted by a government-authorized one-month preferential exchange rate designed to incentivize sales.
Meanwhile, Argentine farmers have sold 70% of the 59-million-tonne 2021/2022 corn crop, according to the ministry, about two percentage points down from sales notched during the same period in the previous season.
The 2022/2023 season's corn plantings, which kicked off in September, were delayed by extended drought which forced farmers to cut the area planted with corn to its lowest level in six years, according to data from the Rosario grains exchange.
Since last week, 2022/2023 wheat sales total 5.6 million tonnes, or about 41% of the expected crop.
Due largely to dry weather, the exchange recently lowered its wheat production forecast to 13.7 million tonnes.

COLUMN-Both 2022 and 2023 U.S. corn, soy crops come under scrutiny this week -Braun

While analysts await the U.S. Department of Agriculture’s updated view on the 2022 corn and soybean crops, the 2023 discussion can already begin as the agency this week also offered its first glimpse into next season.
USDA will publish its monthly supply and demand reports on Wednesday at noon EST (1700 GMT). Tables from its annual long-term baseline projections, including the first unofficial crack at 2023-24, were released on Monday.
The preliminary targets for 2023 corn and soy plantings and yields resemble the year-ago estimates. But there are some changes to the wider acreage picture this year that must be considered, and the record yield assumptions need to be flagged.
USDA set 2023 U.S. corn plantings at 92 million acres, soybeans at 87 million and wheat at 47.5 million, compared with 88.6 million, 87.5 million and 45.7 million, respectively, in 2022.
The baseline projections are 10-year supply and demand tables based on data as of October that are used for budgetary purposes. The 2023 acreage numbers within are derived using factors such as economics and planting trends. Official survey-based estimates start in March.
A year ago, USDA’s 2022 corn and soy acreages started at 92 million and 87.5 million as corn prices were favorable versus soybeans, but high input costs perhaps prevented an aggressive corn estimate. Today, corn has an identical favorability over soybeans as a year ago, and inputs are even more expensive.

But 2022 corn acres fell well short of expectations starting with March intentions, likely because the trade was overestimating the number of available row crop acres.
That had happened in 2021, too, when high prices would supposedly drive substantially more acres, but it did not pan out.
USDA may have at least partially addressed that problem for 2023, estimating planted acres of the eight major crops at 250.8 million, down nearly 5 million acres from the year-ago projections for both 2022 and 2023. The 2022 total is currently shown at 249.5 million acres.
An above-average 6.4 million acres were prevented from planting in 2022, so USDA had some acres to work with there, allowing corn, soy and wheat acres to rise a combined 4.7 million over last year.
USDA predicts a 4.1 million-acre plunge in cotton plantings to eight-year lows in 2023, also making room for the top crops. By the end of October, cotton futures had descended near two-year lows, though they are up 22% so far this month.

2022 YIELDS

On average, analysts peg 2022 U.S. corn and soybean yields at 171.9 and 49.8 bushels per acre, respectively, ahead of USDA’s Wednesday update. Both match USDA’s October estimates.
Corn yield fell in each of the previous three reports for only the second time in the last two decades (2012 was the other). November 2012 corn yield was up 0.3 bpa from October, an unusually small shift.
In absolute terms over the last eight years, November corn yield changed an average of 1% from October, double the average change from September to October. November corn yield has not been identical to October in at least 30 years, but a 0.1 bpa cut was seen in 2008.
November-October soy yield adjustments average 1.3% versus 1% in the prior month, though there were no changes in 2017 and 2019, so there is recent precedent for the trade’s view.
Analysts this year are on an uncanny streak of predicting U.S. corn yield ahead of USDA reports, but they have struggled more than usual with soybeans.

2023 YIELDS

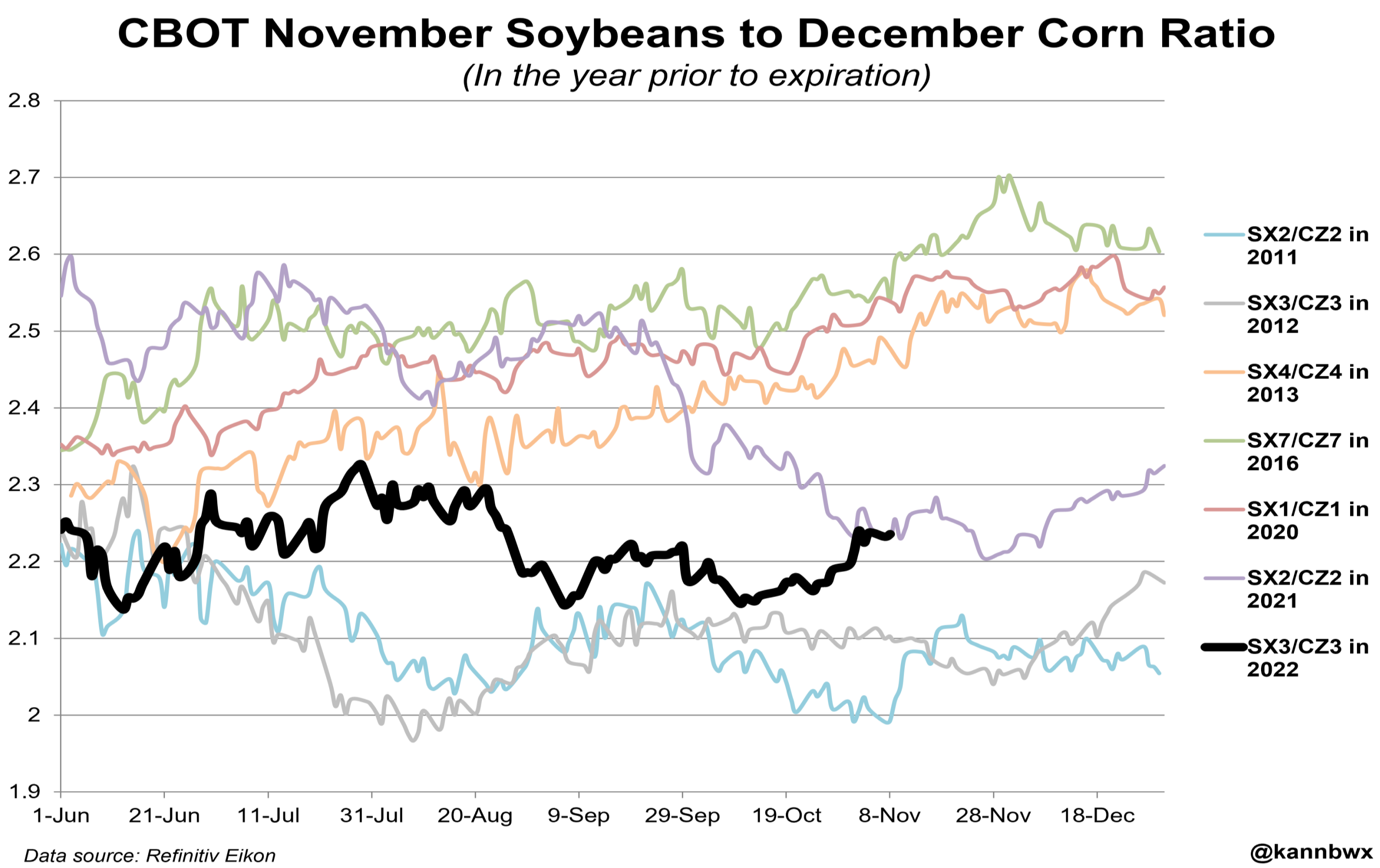
Focus will soon shift to 2023, and USDA’s corn trend yield of 181.5 bpa could already be labeled as controversial. Last year, the agency’s 2022 trend started at an unprecedented 181, but it was amended to 177 by the first official outlook in May because planting was slow.
The record yield is 176.7 from 2021, so yet again, yield north of 180 remains questionable for a trend.
USDA’s trend yields are based on a model, so the methodology is consistent year to year. Final corn yield has not beat USDA’s initial trend since 2018, and although there have been obvious weather problems ever since, it is fair to wonder whether the model’s parameters are still reasonable.
The problem is that the high yield could lead to an inflated estimate of 2023 production potential sitting on the

balance sheet between now and next August, when the first survey-based yield estimates occur.
It is feasible for U.S. corn yield to top 180 bpa as monthly yield estimates hit that mark in both 2018 and 2020. But it requires solid summer weather across the whole Corn Belt, maybe not the best base assumption.
Trend 2023 soy yield at 52 bpa also reflects a record yield, but a result within 0.3 bpa has been observed twice, in 2021 and 2016, so this number is relatively less contentious than the corn one.
No one should take USDA's long-term balance sheet projection for year 10 too seriously given the purpose of the numbers. But just for fun, the agency exactly 10 years ago slated 2022 corn yield at 181, the same number shown a year ago.Although that yield remains elusive today, it was probably pretty eye-popping back in 2012 when the national yield record was 164.4 bpa from 2009. The 2032 prediction? 199.5. Check back in 10 years to see how that turned out.

Top News - Metals

India seeks to include steel in export incentive scheme – source
India's trade ministry has sought to extend an export promotion scheme to reimburse some local levies for domestic steel producers, a senior government official said, as the industry reels from steep fall in shipments.
The Remission of Duties and Taxes on Export Products (RoDTEP) scheme offers refunds against various embedded taxes to exporters across sectors such as automobiles and agricultural produce, with steel exports presently outside its remit.
Finished steel exports from the world's second-biggest crude steel producer more than halved during the first seven months of the fiscal year that began in April.
"The finance ministry's revenue department will take a call on this, as expanding the scheme requires additional budgetary support," the official, who did not wish to be named, told Reuters.
New Delhi will have to set aside nearly $244 million annually to offer refunds on such taxes to the steel sector, the source added.

Chart of the Day



The trade and finance ministries did not immediately reply to a Reuters e-mail requesting comment.
Levies, duties and taxes, which are not subsumed in the goods and services tax, can add 8%-12% to costs for the steel industry, said Alok Sahay, secretary general and executive head at Indian Steel Association.
"The steel industry needs RoDTEP to offset these embedded costs of industry for parity with other exporting countries," Sahay said.
However, the trade ministry also had to contend with competing proposals that offer production-linked incentives to domestic manufacturers, which require federal funding support, the official said.
Last year, a production-linked scheme for specialised products such as coated steel, high-strength and electrical steel was launched to boost domestic manufacturing.
"The government is also considering requests for inclusion of more sectors into the production-linked incentives scheme," the source said.
Indian steelmakers took a profit hit on profitability during July-September, as prices fell due to slowing global demand, while an export tax on some steel products further hobbled shipments.
In May, New Delhi raised export taxes by 15% on eight steel intermediates, hurting producers, who had hoped to increase global market share after Russia was hit with sanctions following its invasion of Ukraine.
Those companies said it made their exports unattractive.

Australian mining magnate Forrest calls for ban on seabed mining
Fortescue Metals executive chairman Andrew Forrest on Tuesday said his charitable foundation is in favour of a pause on seabed mining, the first time a prominent mining executive has spoken out against the nascent industry.
Forrest said the Minderoo Foundation, which he and his wife Nicola fund with the dividends they get from Fortescue, will back a pause until there's sufficient evidence that damage to ocean environments can be prevented.
Seabed mining would involve vacuuming up potato-sized rocks rich in battery metals that blanket vast swathes of the sea floor at depths of 4-6 kilometres, and are especially abundant in the north Pacific Ocean.
Mining the seabed in areas outside national jurisdiction cannot begin until the International Seabed Authority, a U.N. body based in Jamaica, decides on regulations governing the industry. Some seabed mining already occurs in national waters but at much shallower depths, for example offshore Namibia where a De Beers subsidiary mines diamonds.
The ISA's latest round of negotiations, ending this Friday, has been marked by division between member states over whether mining should go ahead at all.
"If regulators can't apply exactly the same whole-of-ecosystem studies, including flora, fauna, terrain and unintended consequence and the same or higher standards, as we do on land, then the seabed shouldn't be mined," Forrest said, speaking at a panel at the COP27 conference in Sharm el-Sheikh.
Last week Germany said it backed a temporary ban on deep-sea mining to allow for further research, joining France, Spain, and New Zealand among countries opposed to the practice.
Alternatives, such as more efficient mining methods and recycling of existing metals, should be explored before seabed mining goes ahead, Forrest said.
Forrest, nicknamed "Twiggy", is Australia's second-richest person, with a net worth of around $17.8 billion according to Forbes.
The iron ore magnate plans to turn Fortescue into the world's biggest green energy group and has previously called on rivals to speed up their energy transition and use green hydrogen.

Top News - Carbon & Power

EU Commission said gas price cap impossible as requested -sources
The European Union's executive body told its 27 member countries at a seminar on Monday that it was not possible to create a gas price cap that would not affect long-term contracts or supply security, two diplomatic sources told Reuters.
After much wrangling at an all-night summit, EU leaders agreed last month to task the European Commission with proposing a temporary gas price cap in power generation and a temporary price corridor to bring down costs for consumers.
But a compromise between those like France, Spain and Belgium that want a cap and the German-led camp opposing it meant additional conditions were attached, namely that any cap could not affect long-term contracts, lead to an increase in gas consumption or provoke producers to reroute supplies elsewhere.
"Now, the Commission has said it's impossible to have a cap that meets these criteria," said one of the diplomats, adding that national envoys of the 27 EU member countries to the bloc's hub, Brussels, would discuss that next on Friday.
"There will be a lot of emotions flying high," the diplomat said.
The matter has divided EU countries for months as they look to address an acute energy crunch that is driving

record-high inflation and threatening recession in the bloc.
The stubborn opposition of Germany and the bloc's powerful executive body in Brussels has upset those seeking a cap, as well as the chairman of EU leaders, Charles Michel, who wrote a letter to the commission's head, Ursula von der Leyen.
"The prompt delivery of concrete results to our citizens and businesses should remain our utmost priority," Michel wrote, telling von der Leyen to come forward with the necessary legal proposals "as soon as possible," according to the letter, dated Nov. 7 and seen by Reuters on Tuesday.
TUG OF WAR
Instead of a cap, the commission on Monday offered a voluntary "market correction mechanism" that did not go far enough for countries demanding a cap to instantly limit price spikes, said the second diplomat.
The diplomats spoke under condition of anonymity and did not provide details on how exactly the mechanism would work.
Both sources said as many as 15 countries demanding a cap threatened to block other elements of the leaders' October energy deal, which also includes launching joint purchases and working out a new price benchmark, for as long as the commission does not present a solid cap proposal.
"It was very frustrating," said the second diplomat.
"Germany and the Netherlands got a lot of concessions to water the cap down, but the idea of having a cap was still there in the EU leaders' summit decision."
While the market correction mechanism idea fell below the expectations of those wanting to intervene decisively in market prices, it drew a warning from Europex, the association of European energy exchanges.
"We are concerned that the mechanism...will lead to a deterioration of security of supply and risks to financial stability," Europex said in a statement.
After what is expected to be a heated Friday meeting of the national ambassadors to the EU in Brussels, the bloc's energy ministers are due to discuss the issue on Nov. 24.
Should a deal on a gas cap remain elusive, the subject would go back to the very top, with the next summit of EU leaders due on Dec. 15-16.

EXCLUSIVE-Cheniere seeks 18 months to upgrade LNG turbines that failed pollution tests-document
Top U.S. liquefied natural gas (LNG) exporter Cheniere Energy Inc is asking Louisiana regulators for 18 months to upgrade nearly half of its turbines in the state because they exceeded new air pollution limits, according to a document viewed by Reuters.

MARKET MONITOR as of 07:26 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$88.79 / bbl	-0.13%	18.06%
NYMEX RBOB Gasoline	$2.63 / gallon	-0.09%	18.21%
ICE Gas Oil	$1,043.25 / tonne	-2.25%	56.41%
NYMEX Natural Gas	$6.30 / mmBtu	2.62%	68.87%
Spot Gold	$1,710.68 / ounce	-0.11%	-6.44%
TRPC coal API 2 / Dec, 22	$232 / tonne	3.11%	88.62%
Carbon ECX EUA / Dec, 22	€76.15 / tonne	0.12%	-5.58%
Dutch gas day-ahead (Pre. close)	€92.00 / Mwh	73.58%	38.35%
CBOT Corn	$6.67 / bushel	-0.15%	12.35%
CBOT Wheat	$8.28 / bushel	-2.13%	7.40%
Malaysia Palm Oil (3M)	RM4,285 / tonne	-1.74%	-8.77%
Index (Total Return)	**Close 08 Nov**	**Change**	**YTD Change**
Thomson Reuters/Jefferies CRB	306.27	-0.99%	23.99%
Rogers International	31.64	-1.71%	35.76%
U.S. Stocks - Dow	33,160.83	1.02%	-8.74%
U.S. Dollar Index	109.66	0.02%	14.26%
U.S. Bond Index (DJ)	374.07	0.59%	-21.21%

The request reveals a potential snag at a critical LNG production facility as U.S. producers try to ramp up exports to meet booming global demand. This year, the U.S. government denied Cheniere a waiver from rules limiting emissions of possible carcinogens. The company had argued that such repairs could slow U.S. shipments to Europe.

The repair work will not have a material impact on the company's finances or operations, Cheniere spokesperson Eben Burnham-Snyder said in an email. He did not offer a cost estimate for the upgrades, some of which have already been made.

The turbines, which mostly compress and cool natural gas into a liquid, exceeded formaldehyde limits under the National Emissions Standards for Hazardous Air Pollutants (NESHAP), according to testing data.

NESHAP imposes curbs on emissions of carcinogens like formaldehyde and benzene. Cheniere is one of only two LNG providers with turbines subject to the rule, according to U.S. Environmental Protection Agency (EPA) data.

Maas Hinz, Cheniere's general manager of its Sabine Pass, Louisiana, plant, wrote that 21 of the facility's 44 turbines had exceeded the emissions limits in preliminary tests, according to an Oct. 12 letter to the Louisiana Department of Environmental Quality's (LDEQ) enforcement division. He asked the state for 18 months to make changes to and retest the turbines.

The state agency, which is charged with enforcing the NESHAP rule, was closed on Tuesday. The EPA was not immediately available to comment.

Cheniere has proposed a two-phase approach: The first would last 90 days and involve retesting following the replacement of some turbine combustion and metering components. A second would require "a longer-term engineering and operational analysis process," Cheniere said, that could result in replacing existing turbines with a different technology.

Cheniere expects the work to be completed, and all turbines to comply with the federal standards, by April, 2024, the letter said.

In the meantime, the company said it would take steps to minimize formaldehyde emissions, including taking a turbine offline or replacing components.

Sabine Pass LNG is conducting regular maintenance next year that will offer opportunities to make repairs if necessary, Burnham-Snyder said.

"We continue to believe emissions from our turbines are not a threat to the environment or the health of our workers or our communities," Burnham-Snyder said, noting more half passed initial testing.

The company's overall production next year will be slightly higher than this year as an expansion at Sabine Pass is offset somewhat by the maintenance outages, the company has said.

Its Corpus Christi, Texas facility is unaffected. In September, Cheniere submitted test results to Texas regulators that showed formaldehyde emissions at that facility were well below the EPA threshold.

Cheniere has big plans to expand the Texas and Louisiana plants in coming years. The company last week reported $8.85 billion in revenue for the third quarter, more than double the year-earlier period on sharply higher volumes and prices for its product.

Top News - Dry Freight

EXCLUSIVE-Ukraine wants grain deal expanded, eyes decision next week

Ukraine wants the Black Sea grain export deal expanded to include more ports and goods, and hopes a decision to extend the agreement for at least a year will be taken next week, Ukraine's deputy infrastructure minister said on Tuesday.

The deal, which eased a global food crisis by unblocking three major Ukrainian ports during Russia's invasion, expires on Nov. 19 and briefly appeared imperilled last month when Moscow suspended its participation in the deal before rejoining again.

"(We) are already very late (giving) clear information to the market about the extension (of the agreement)," Yuriy Vaskov, the deputy minister, told Reuters in an interview.

"We hope that no later than next week from our partners Turkey and the UN we will have an understanding and the whole market will also have a clear signal about the further functioning and continuation of the initiative," he said.

The deal has allowed about 10.5 million tonnes of Ukrainian food, mainly grain, to be delivered to foreign markets since it was agreed in July under the mediation of Turkey and the United Nations.

Vaskov said Ukraine had offered an extension of at least one year to Turkey and UN, as well as a broadening of the deal to include the ports of the southern Mykolaiv region, which provided 35% of Ukrainian food exports before Russia's invasion.

Kyiv has also demanded that mandatory inspections of ships that are involved in food transportation be "streamlined", as Kyiv believes Russia is deliberately slowing down inspections to reduce the speed of exports, he said.

"We are already ... demanding inspections be streamlined or inspections of departed (ships) be cancelled, because it makes no sense. Or else increase the number of inspection teams," Vaskov said.

He noted that exports under the agreement could amount to 15 million tonnes, if Russia did not delay the inspection of ships.
Vaskov said that inspectors of the Joint Center that oversees the deal conducted only 12 inspections per day, but that it was necessary to make 25-30 inspections.
"When Turkey and the UN did their own inspections, they proved it was possible to carry out more than 40 inspections a day. Now that Russia has returned ... we again have a total of 12 inspections per day," he said.
"They do not explain (the reason for the delays), but they also do not hide that they are doing this in order to complicate the work of the corridor," said Vaskov.

FERTILIZERS, GUARANTEES
Vaskov said neither the UN nor Turkey had informed Kyiv about the conditions for extending the agreement put forward by Russia.
Moscow has said it has received guarantees the grain corridor will not be used for military purposes. The UN has said that it would continue working on easier conditions for the export of the Russian fertilisers.
Vaskov said Kyiv advocated the exclusively peaceful use of the grain corridor, and that the current agreement involved the export of fertilizers.
However, he said that so far there had not been a single application from ships wishing to transport ammonia from Ukrainian ports.
"Ukraine has confirmed and confirms now that the grain corridor is only for ships that take part in the initiative - both in the past and in the future," the deputy minister said.

Algeria buys about 400,000 tonnes wheat in tender – traders
Algeria's state grains agency OAIC has bought about 400,000 tonnes of milling wheat in an international tender which closed on Tuesday, European traders said in initial assessments.
Initial purchases reported were around $367 to $368 a tonne, cost and freight (c&f) included, they said.
Some estimates of the highest price were at $368.50 a tonne c&f.
More detailed estimates of prices and tonnes bought are still possible. Some traders said more than 400,000 tonnes may have been purchased.
"I think a big part of the purchase, perhaps the majority, will come from Russia judging from the price and shipping costs," one trader said.
But some traders said they believed a small part of the volume could be sourced from France.
The wheat is sought for shipment in two periods from the main supply regions including Europe, from Dec. 1-15 and Dec. 16-31. If sourced from South America or Australia, shipment is one month earlier.
Algeria is a vital customer for wheat from the European Union, especially France. Algeria does not release results of its tenders and reports are based on trade estimates.
Major importer Egypt on Monday cancelled an international wheat purchase tender after asking suppliers to cut their price offers to $360 c&f in negotiations for wheat from any origins, with traders declining the request.

Picture of the Day

Labourers work at an open shaft of the SMB coltan mine near the town of Rubaya in the Eastern Democratic Republic of Congo. REUTERS/Baz Ratner

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(Inside Commodities is compiled by Jesse Vinay in Bengaluru)

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