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Top News - Oil

US oil industry urges Trump to ditch Biden climate policies

The U.S. oil and gas industry on Tuesday called on President-elect Donald Trump to scrap many of President Joe Biden's policies aimed at fighting climate change, saying the measures threaten jobs, consumer choice and energy security.

The American Petroleum Institute (API), the nation's top oil and gas trade group, urged Trump's incoming administration to do away with vehicle emissions standards meant to move the auto industry to produce more electric vehicles, lift a pause on export permits for liquefied natural gas facilities and work with Congress to repeal a fee on methane emissions from drilling operations, among a range of other actions.

The group unveiled the requests in a policy document shared with the media.

During his campaign, Trump vowed to reverse dozens of environmental rules and policies deemed onerous by oil and gas drillers. Despite stiffer regulations under Biden, who has sought to transition the U.S. economy to clean energy sources, the domestic industry is producing more oil and gas than at any time in history.

"Looking at the results of last week's election, it is clear that energy was on the ballot," API CEO Mike Sommers said on a call with reporters. "Whether it was EV mandates in Michigan or fracking in Pennsylvania, voters across the country and on both sides of the aisle sent a clear message to policymakers that they want an all-of-the-above approach to energy, not government mandates and restrictions."

API sought to rescind California's ability to enact state tailpipe emissions that are stricter than federal rules and to repeal U.S. Environmental Protection Agency clean vehicle rules. It also advocated supporting LNG exports, holding more auctions for oil and gas drilling in the Gulf of Mexico and reversing rules that the group says limits oil and gas development on federal lands. It wants Trump to make it easier to obtain drilling permits via changes to the Clean Water Act and National Environmental Policy Act, and implement tax incentives to infrastructure and overseas investment.

The group unveiled its policy priorities hours after ExxonMobil CEO Darren Woods said at the United Nations COP29 climate summit that the U.S. should not exit the Paris climate agreement as Trump has pledged to do.

"A second U.S. exit from the Paris climate agreement will have profound implications for the United States' efforts to reduce its own emissions and for international efforts to combat climate change," ExxonMobil said in a statement.

The company also advocated for staying in the accord in 2017, before Trump withdrew the nation from the landmark global agreement to fight climate change.

Exxon also supported Biden's decision to rejoin the agreement in 2021.

API's Sommers, when asked about Woods' comments, said his group was focused on both reducing emissions and meeting the world's energy needs.

"We're going to continue to do that regardless of whether the United States is part of the agreement or not," Sommers said.

Shell wins appeal against landmark Dutch climate ruling

Oil and gas major Shell on Tuesday won an appeal against a landmark ruling that required it to accelerate carbon reduction efforts, dealing a blow to campaigners who have turned to legal channels to pursue climate action.

The appeals court in The Hague said Shell had a responsibility to reduce greenhouse gas emissions to protect people from global warming.

But it dismissed the 2021 ruling that ordered Shell to cut its absolute carbon emissions by 45% by 2030 compared to 2019 levels, including those caused by the use of its products.

Since then, Russia's invasion of Ukraine in 2022 that led to a spike in oil and gas prices has sharpened governments' and shareholders' focus on costs and in many cases, weakened climate ambitions.

Tuesday's ruling coincides with the COP29 U.N. climate summit in Baku, Azerbaijan, where opening procedures were delayed on Monday by a dispute over how prominent the future of fossil fuels should be on the agenda.

Friends of the Earth Netherlands, which brought the Dutch case in 2019, said it would continue its fight

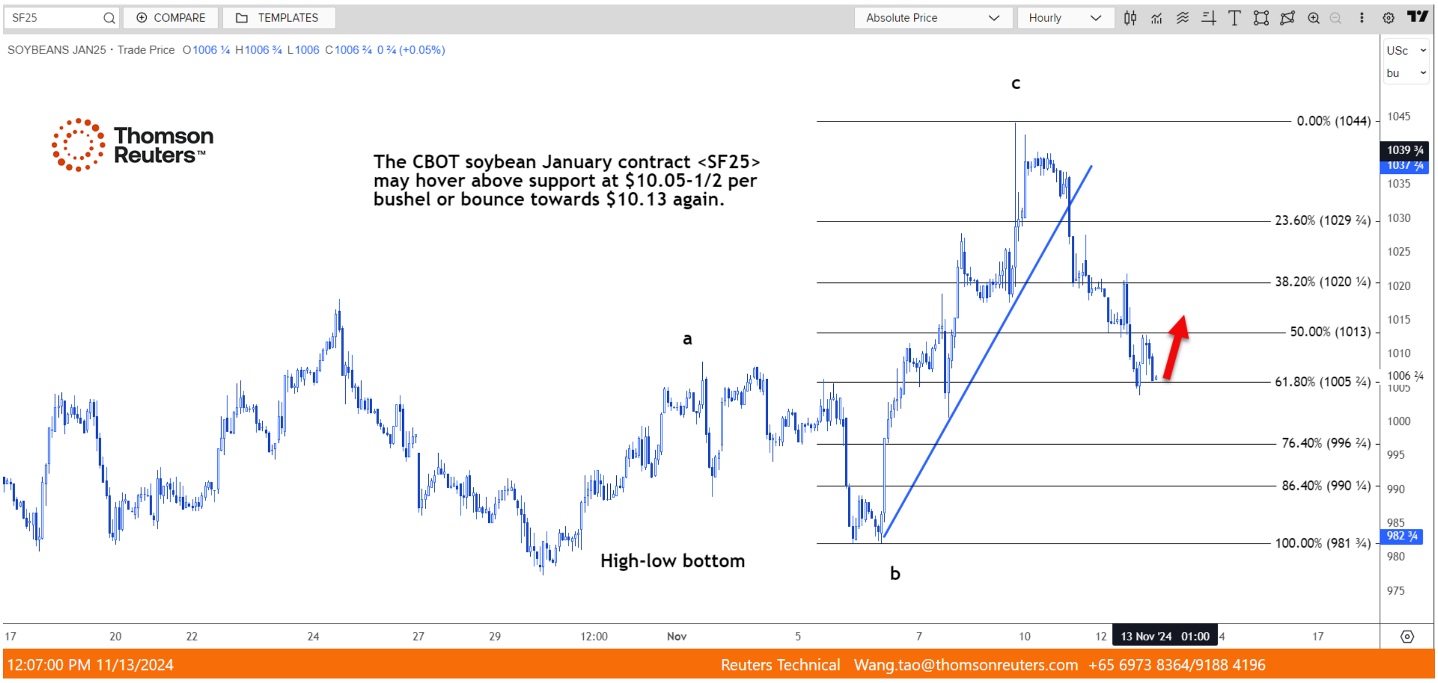
against large polluters, but did not say whether it would launch a further appeal at the Netherlands' Supreme Court.
"This hurts," director Donald Pols said. "At the same time, this case has shown that large polluters are not above the law."
Shell CEO Wael Sawan said Shell believed the decision was "the right one for the global energy transition, the Netherlands and our company".
Also on Tuesday, Shell and Norway's Equinor urged a Scottish court to uphold Britain's approval for the development of two North Sea oil and gas fields, as environmental campaigners attempted to block the projects.

CLIMATE MITIGATION
The case in The Hague, where Shell was headquartered until it completed its move to London in 2022, was viewed as pivotal and helped to inspire other lawsuits.
In appeal hearings earlier this year, Shell said demands for companies to reduce emissions could not be made by courts, but only by states.
The court agreed with Shell that an absolute order to reduce emissions from its products could have an adverse effect worldwide, as it could lead customers to switch from using Shell's gas to more polluting coal.
"In general, any reduction in greenhouse gas emissions is positive to mitigate climate change," Presiding Judge Carla Joustra said.
"But that does not mean that a reduction order for Shell has that same effect."
Shell said it was well on track to meet the court order for its own production, where emissions were 30% below 2016 levels last year.
In common with some of its peers, Shell scaled back its renewable operations, which can take longer to generate profits compared with oil and gas.
However, it plans to invest $10-15 billion between 2023 and 2025 in low-carbon energy.
In March, it weakened targets for the products it sells, to a 15-20% reduction in net carbon intensity by 2030 relative to 2016, while it retired a previous target to reduce its carbon intensity by 45% by 2035.
Citi analysts said Tuesday's ruling was the best case outcome for Shell.
"While success with the appeals court may not be the end of the legal process, by signalling that company strategy is now more firmly in the hands of shareholders, we believe it has a positive impact," Citi said.
Shell shares traded down 0.7% by 1345 GMT, broadly in line with the wider sector, as analysts said the court decision had already been factored in.

Top News - Agriculture

China's soybean imports may fall 9.5% this marketing year, COFCO executive says
China's soybean imports are likely to drop by 9.5% in the marketing year ending in September 2025, an executive of China National Cereals, Oils and Foodstuffs Corporation (COFCO) said on Wednesday.
Overseas shipments of soybeans into China, the world's biggest consumer of the oilseed, will drop to 98.8 million metric tons in the year to September 2025 from 109.4 million tons shipped in the prior year, the executive, who asked to remain unidentified, said in a speech at an oilseeds conference.
State-owned COFCO is one of China's largest agribusiness and food processing enterprises.

Chart of the Day



Chinese buyers have ramped up soybean imports in recent months to stockpile the oilseed ahead of the U.S. elections. Donald Trump's return to the White House early next year is likely to reignite trade tensions between Washington and Beijing.
The COFCO executive did not provide reasons for the anticipated drop in soybean imports this marketing year but said that they would need to see if buyers are willing to take on U.S. cargoes.
"If we look at the long-term trend, looking at December and January shipping schedules, profit margins from U.S. soybeans are relatively good," the official said.
"But we have to monitor the effectiveness of the profit margins – whether people will dare to buy U.S. soybeans."
During Trump's first presidential term, China responded to U.S. tariffs by imposing duties on American soybeans. During the trade dispute, profit margins for U.S. soybeans were very high but it was not enough to attract demand, the official said.
China also agreed to buy a set value of U.S. agricultural goods as part of the Phase 1 trade agreement worked out in January 2020.
In October, China imported 8.09 million metric tons of soybeans, the most for the month in four years and up 56% from 5.18 million tons a year ago. Higher purchases are likely to take China's imports in the 2024 calendar year to an all-time high.
"Low prices stimulated demand for soymeal," the executive said.
oymeal demand is being supported by better performance at hog companies, many of which turned a profit this year after several years of losses.
"It is expected that hog prices are unlikely to fall below the cost after Spring Festival in 2025. Breeding profits and hog inventories will jointly support soymeal demand," the executive said.
Since the trade dispute under Trump, Beijing has taken steps to reduce its reliance on American farm goods in a wider effort to bolster its food security.
So far this year, the share of China's soybean imports from the U.S. has dropped to 18%, from 40% in 2016, while Brazil's share has grown to 76% from 46%, according to Chinese customs data.

EU 2024/25 soft wheat exports down 30% by Nov. 10
Soft wheat exports from the European Union since the start of the 2024/25 season in July had reached 8.34 million metric tons by Nov. 10, down 30% from 11.96 million a year earlier, data published by the European Commission showed on Tuesday.
EU barley exports totalled 1.77 million tons, down 40% from 2.83 million tons in the corresponding period in 2023/24.
EU cereal exports have been curbed by harvest setbacks, with heavy rain in western Europe contributing to a 12-year low for EU soft wheat production and keeping barley output near a 12-year low from 2023.
However, the Commission said grain export data for Italy has been incomplete for the last six weeks and that data for France has been incomplete since the beginning of calendar year 2024.
Export data for Bulgaria and Ireland has not been complete since the beginning of marketing year 2023/24, the Commission said.
A breakdown of this season's volume showed Romania was the leading EU soft wheat exporter, with 2.49 million tons so far, followed by Lithuania with 1.12 million and Latvia at 1.04 million.
France, usually the biggest EU wheat exporter but hit by its smallest crop since the 1980s, has only shipped 0.90 million tons so far this season, followed by Poland at 0.79 million and Germany at 0.77 million.
In imports, the volume of maize shipped into the EU so far this season had reached 7.10 million tons, up 8% against 6.56 million tons a year earlier.
EU soft wheat imports were at 3.24 million tons, down 3%.
Illustrating reduced EU exports this season, total cereal outflows of 12.21 million tons were running only 7% ahead of total imports of 11.39 million, compared with a 40% difference a year earlier.

Top News - Metals

Swapping aluminium for copper will maintain China's resources, group says
Promoting the use of aluminium to save copper would be conducive to maintaining the security of China's copper resource, the head of the country's nonferrous industry group said on Wednesday.
China depends on overseas imports for 60% of its aluminium resources as opposed to 70% of its copper resources and finding ways to use more aluminium would save money and provide more security for the smelting industry, said Ge Honglin, chairman of the China Nonferrous Metals Industry Association (CNIA), at the Asia Copper Week conference.
"In terms of resources, copper is more precious and scarce compared to aluminium," Ge said.
"The price of copper is 77,000 yuan ($10,666) a ton and the price of aluminium is 21,000 yuan, so using aluminium instead of copper already presents economic advantages," Ge said.
In his speech, Ge emphasised the need for mergers and the reorganisation of copper refining capacity in China, the world's biggest consumer of the red metal used in electronics.
Ge also called for local governments to assist China's copper recycling industry to address bottlenecks within the domestic system.
He forecast that China's recycled copper volume will rise from 2.5 million metric tons in 2024 to 2.7 million tons in 2025 and 3.5 million tons by 2030.
Recycled copper can be used to replace some demand for copper concentrate, lightly processed raw ore used by smelters to convert to finished metal, and can also be used by downstream copper users, reducing the need for both raw material and refined copper supply.
"Copper refiners should enhance the use of recycled raw materials," he said.

Korea Zinc pulls $1.8 bln share sale, turns sights to board fight

Korea Zinc said it has decided to withdraw its plan to issue new shares worth $1.8 billion after the proposal sparked an investigation by the financial watchdog and a sell-off in the company's stock.

The world's biggest zinc refiner is now bracing for a major showdown with Young Poong and private equity firm MBK Partners at a shareholder meeting in an escalating takeover battle between the two founding family members of Korea Zinc.

"We have decided to humbly accept concerns from the market and shareholders," Korea Zinc said in a statement.

"Our company will win at a shareholder meeting by putting forward the company's long-term ... vision."

The share sale withdrawal marks a setback for Korea Zinc Chairman Yun B. Choi, who was seen backing the issue plan to ward off a takeover attempt by Young Poong and MBK, who have increased their stake to nearly 40% after a tender offer, versus about 35% stake held by Choi and his friendly groups.

Korea Zinc said in a regulatory filing it has decided not to pursue the share issue in view of concerns among investors and regulatory scrutiny.

Korea Zinc shares initially rose 6% after the withdrawal of the plan, but fell 7% in afternoon trade.

On Oct. 30, Korea Zinc announced a plan to issue new shares equivalent to nearly 20% of its total shares just two days after it bought back stock at a higher price.

South Korea's financial market watchdog launched an investigation into whether Korea Zinc's decision to issue new shares involved any unfair practice. The Financial Supervisory Service (FSS) also put brakes on the plan by ordering the company to revise its stock exchange filing on the share issuance.

"As the biggest shareholders of Korea Zinc, it is regrettable that Korea Zinc belatedly withdrew the plan only after causing major confusion in the capital market, and inflicting damage on existing shareholders," MBK Partners and Young Poong said in a joint statement.

BOARD BATTLE

Young Poong and MBK Partners asked a court to allow Korea Zinc to hold a special shareholder meeting, which is expected to take place early next year.

They nominated 14 new directors for the firm, which currently has 13 board members, to represent more than half the board.

Choi is also expected to nominate new independent directors to woo investors including the National Pension Service, which holds a more than 5% stake in the company, said Park Ju-gun, head of corporate analysis firm Leaders Index.

Korea Zinc said it will "actively push for" plans to enhance the independence of the board and improve governance, without elaborating.

Choi, a grandson of the company's co-founder and a Columbia law school graduate, will hold a news conference later in the day.

MARKET MONITOR as of 07:35 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$68.21 / bbl	0.13%	-4.80%
NYMEX RBOB Gasoline	$1.94 / gallon	-0.04%	-8.13%
ICE Gas Oil	$664.00 / tonne	1.14%	-11.56%
NYMEX Natural Gas	$2.89 / mmBtu	-0.48%	15.08%
Spot Gold	$2,605.99 / ounce	0.34%	26.35%
TRPC coal API 2 / Dec, 24	$120 / tonne	0.63%	23.71%
Carbon ECX EUA	€66.99 / tonne	-0.80%	-16.65%
Dutch gas day-ahead (Pre. close)	€43.70 / Mwh	-0.34%	37.21%
CBOT Corn	$4.41 / bushel	0.06%	-8.99%
CBOT Wheat	$5.63 / bushel	-0.71%	-11.96%
Malaysia Palm Oil (3M)	RM4,891 / tonne	-2.69%	31.44%
Index	**Close 12 Nov**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	333.97	0.18%	10.81%
Rogers International	27.98	0.14%	6.27%
U.S. Stocks - Dow	43,910.98	-0.86%	16.51%
U.S. Dollar Index	106.10	0.07%	4.70%
U.S. Bond Index (DJ)	444.39	-0.73%	3.17%

Top News - Carbon & Power

COP29 host Azerbaijan hits out at West in defence of oil and gas

The president of Azerbaijan, host of this year's U.N. climate summit, lashed out at Western critics of his country's oil and gas industry on Tuesday.
In his keynote address at the COP29 climate summit, where nearly 200 nations are negotiating global action on climate change, President Ilham Aliyev described his country as a victim of a "well-orchestrated campaign of slander and blackmail".
Within moments, U.N. Secretary General Antonio Guterres took to the stage to say that doubling down on fossil fuels was an absurd strategy.
The opposing views underscored the challenge at the heart of the climate negotiations: while nations are urged to shift to green energy sources, many, including wealthy Western nations, continue to rely on fossil fuels.
Azerbaijan's finance ministry said the share of oil and gas as a contribution to the economy was declining as the country diversifies.
"As a president of COP29 of course, we will be a strong advocate for green transition, and we are doing it. But at the same time, we must be realistic," said Aliyev, who has labelled his country's oil and gas resources a "gift from god".
"Countries should not be blamed for having them, and should not be blamed for bringing these resources to the market, because the market needs them. The people need them."
He singled out the United States, the world's largest historic carbon emitter, and the European Union for particular criticism, accusing them of double standards.
The United States is the world's largest oil and gas producer. European countries, meanwhile, have some of the world's strictest targets to cut emissions by 2030 - but have also secured new gas supplies following Russia's 2022 full-scale invasion of Ukraine.
Observers of the COP29 negotiations were divided on how to take Aliyev's speech. Some said it did not bode well for a strong result from the two-week summit.
"Using a climate conference to promote the continued production and use of fossil fuels is ... provocative, and deeply disrespectful to the countries on the frontline of climate impacts," said Romain Ioualalen, global policy lead at campaign group Oil Change International.
The tension also reflected mistrust between rich and developing countries, many of which say the wealthiest have not done enough to solve a problem that they created.
"Developed countries have not only neglected their historical duty to reduce emissions, they are doubling down on fossil-fuel-driven growth," said climate activist Harjeet Singh.
U.S. national climate adviser Ali Zaidi brushed off Aliyev's remarks, saying if every country decarbonised at the pace of the United States, the world would meet its climate targets.
Aiming to cut methane emissions from the United States, President Joe Biden's administration on Tuesday finalised a methane fee for big oil and gas producers. But the measure is likely to be scrapped by incoming president Donald Trump.
The EU declined to comment on Aliyev's speech, while a Dutch appeals court on Tuesday issued a landmark climate ruling that favoured Shell and dismissed an earlier order for the oil and gas company to sharply reduce emissions.

RWE launches $1.6 bln share buyback as hydrogen, US offshore wind outlook worsens

RWE, Germany's biggest utility, said on Tuesday it would buy back up to 1.5 billion euros ($1.6 billion) of shares, citing weakening prospects for hydrogen in Europe and offshore wind in the U.S. in the wake of Donald Trump's election victory.
By launching the buyback, which will start during the fourth quarter and run over 18 months, RWE is also bowing to growing investor pressure to review its capital allocation in the face of challenged returns for clean energy projects.
"We apply strict return requirements to the investment of our funds and regularly review our capital allocation. If the risk-return profile in certain areas changes temporarily, we reallocate the capital earmarked for this purpose accordingly," RWE Chief Executive Markus Krebber said in a statement alongside the company's nine-month financial results.
RWE said the risks for offshore wind had increased in light of the election of Trump, an outspoken critic of the technology, as the next U.S. president.
The company added its project off the U.S. east coast could be delayed due to outstanding permits.
The company also warned that a planned hydrogen ramp-up in Europe was not going as planned, adding this could delay RWE's efforts to build electrolyser capacity, chiming with similar comments by smaller rival UniperUN0k.DE last week.
RWE's move reflects broader fears of what Trump's return to the presidency could mean for clean energy investments in the United States, with parts of current U.S. President Joe Biden's clean technology agenda expected to be scrapped.
"RWE finally succumbs to the call of many shareholders and analysts for a more prudent capital allocation," said Benedikt Kormaier of energy activist fund Enkraft, which has long called for buybacks at the company.
"The risks of RWE's aggressive investment strategy in the US and on the hydrogen side start to materialize," he said in an email.
At the same time, RWE gave a slightly more optimistic view for 2024, saying it now expected to hit the midpoint of target ranges for adjusted core profit (EBITDA) and adjusted net profit, citing a better performance at its trading unit and gas-fired power plants.
The group previously expected to hit the lower end of an adjusted EBITDA range of 5.2 billion to 5.8 billion euros and an adjusted net profit of 1.9 billion to 2.4 billion euros in 2024.
RWE's nine-month adjusted EBITDA fell 30% to 3.98 billion euros, it reported on Tuesday.

Top News - Dry Freight

Brazil likely to export record volume of soybean meal in 2024, says exporters group

Brazil's soybean meal exports in 2024 will probably set a new record, topping the best mark in history recorded in 2023, according to local grains traders lobby Anec.

WHY IT'S IMPORTANT

In 2023/24, Brazil should once again be the second global exporter of soybean meal, according to data from the US Department of Agriculture (USDA), as it had taken the lead in 2022/23 after a crop failure in Argentina, traditionally the largest exporter.

Brazil is also the leader in foreign sales and production of soybeans.

BY THE NUMBERS

From January to November, Brazil is expected to export 21.12 million tons of soybean meal, while last year shipments totaled 22.35 million tons, according to Anec figures.

To surpass 2023, therefore, soybean meal exports would need to total just over 1.23 million tons in December, which is very likely since Brazil has exported more than that every month of 2024 so far.

KEY QUOTE

"Considering that the monthly volume of soybean meal is very linear, we will export more than in 2023," said Jean Budziak, head of Anec's market intelligence area.

Ukraine's rolled steel output, exports rise so far in 2024, union says

Ukrainian steel makers have increased rolled steel production by 20.6% so far in 2024 and boosted exports by 53.5%, local steel producers' union Ukrmetprom said.

The union said late on Monday that rolled steel output reached 5.3 million metric tons in January-October versus 4.4 million tons a year earlier, while exports rose to 3.7 million tons from 2.4 million.

Ukraine is a major global steel maker and exporter but its production has fallen sharply since Russia's full-scale invasion in 2022 as it lost several big steel plants in the east of the country.

The potential loss of the only domestic source of coking coal needed for steel production could be an additional test for the Ukrainian steel industry, with Russian troops only a few kilometres away from the mine in Pokrovsk, which continues to operate.

"The mine operates round the clock. The number of employees at the site is 3,400," Oleksandr Kalenkov, head of Ukrmetprom, told Reuters.

Kalenkov told Reuters last month that the loss of the Pokrovsk mine could cause steel production to slump to 2-3 million tons a year from 7.5 million tons expected in 2024.

Metal exports were worth almost $2 billion in the first eight months of this year, according to trade data, money needed to keep Ukraine going two and a half years into the war. Steel and agricultural products traditionally dominate Ukrainian exports.

Picture of the Day

A view shows muddy shoes of volunteers who went to clean up in flood-affected areas as Spanish students attend a nation-wide protest against the emergency response and management of the deadly floods in eastern Spain, and call for the resignation of Valencia's regional leader Carlos Mazon in Valencia, November 12. REUTERS/Eva Manez

(Inside Commodities is compiled by Kishore Barker in Bengaluru)

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

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