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Top News - Oil

EIA slightly raises US, global oil production forecasts
Both U.S. and global oil production are set to rise to slightly larger record highs this year than prior forecasts, the U.S. Energy Information Administration said on Wednesday.
A surge in oil supply has run into weakening demand growth this year, dragging oil prices to their lowest since 2021 despite large production cuts from the Organization of the Petroleum Exporting Countries and its allies in OPEC+.
U.S. oil output is now expected to average 13.23 million barrels per day (bpd) this year, about 300,000 bpd higher than last year's record of 12.93 million bpd, the EIA said. The agency earlier forecast U.S. oil output to average 13.22 million bpd this year.
U.S. oil production will grow to 13.53 million bpd next year, the EIA said in its November Short-Term Energy Outlook (STEO), a slight reduction from the 13.54 million-bpd forecast in its October STEO.
The agency bumped up its global oil output forecast for 2024 to 102.6 million bpd, from its prior forecast of 102.5 million bpd. For next year, it expects world output of 104.7 million bpd, up from 104.5 million bpd previously.
Oil demand growth has been a source of major disagreement between leading oil forecasters, due to differences on China's consumption and on the pace of the transition to alternative energy sources. EIA now expects global oil demand to grow by about 1 million bpd in 2024, up from its prior forecast of about 900,000 bpd.
OPEC this week lowered its 2024 forecast for the fourth consecutive month, but still expects a much higher pace of 1.82 million bpd. Paris-based International Energy Agency expects growth of 860,000 bpd.
OPEC+ production cuts should help lift global oil prices through the first quarter of next year, the EIA said.
However, it warned that members of the group could be growing weary of the cuts, which have been in place for more than two years.
"Although we assess that OPEC+ producers will likely continue to limit production below recently announced targets in 2025, the potential for weakening commitment among OPEC+ producers to continue cutting production adds downside risk to oil prices," the EIA said.
Russian President Vladimir Putin and Saudi Crown Prince Mohammed bin Salman underscored the importance of continuing a "close coordination" within the OPEC+ group of oil producers during a phone call, the Kremlin said on Wednesday.

Trump pick Rubio could harden oil sanctions on Iran, Venezuela
President-elect Donald Trump's pick of U.S. Senator Marco Rubio for secretary of state could signal stricter enforcement of oil sanctions on Iran and Venezuela, but concerns about retaliation by China could temper any efforts, analysts said on Wednesday.
Rubio, a longtime member of the Senate Foreign Relations Committee, has long pushed for a tougher U.S. policy on Iran and China. Rubio, whose parents immigrated from Cuba to the U.S., is also a critic of Venezuela's socialist President Nicolas Maduro, whose two re-elections have been disputed by Washington, leading to oil sanctions on the OPEC nation.
Iran's oil production has been the target of successive waves of sanctions, and during Trump's first term, oil exports from the third-largest producer in OPEC slowed to a trickle.
They have risen during President Joe Biden's tenure as analysts say sanctions have been less rigorously enforced, Iran has succeeded in evading them, and as China has become a major buyer, according to industry trackers.
"Senator Rubio has a consistent and strong record as a hawk on Iran, Venezuela, and China," said Bob McNally, president of Rapidan Energy, who was an energy adviser to former President George W. Bush.
Rubio will "zealously implement President-elect Trump's plans to exert pressure on Iran's crude exports, nearly all which go to China," a trend that increased under Biden, said McNally.
Going hard on sanctions carries the risk of upsetting China, which could retaliate in several ways, including reducing the primacy of the dollar in oil trades, said Kevin Book, energy policy analyst at the nonpartisan ClearView Energy Partners.
Trump referred to China and risks to the dollar from

sanctions in a September speech at the New York Economic Club.

SANCTIONS VS GOALS

Kimberly Donovan, a sanctions and anti-money laundering expert at the Atlantic Council, said Washington has strong existing sanctions which Rubio could push foreign partners to enforce. But sanctions are just one tool of national security and not always the best one, Donovan said.

"The next Trump administration will need to determine what their foreign policy objectives are and then decide if sanctions will help them achieve their goals," Donovan said.

No one official heads implementation and enforcement of sanctions, and Rubio would have to serve at the pleasure of Trump. The Departments of State, Treasury and Commerce typically work on sanctions with counterparts in Europe and Asia.

The Trump administration will try to maintain those relations as it will likely seek to use authorities in the 2024 Stop Harboring Iranian Petroleum (SHIP) U.S. law, Book said. The law, which the Biden administration did not strictly enforce, allows the imposition of measures on foreign ports and refineries that process petroleum exported from Iran in violation of U.S. sanctions.

"Use of new authorities to go after those ports would require a great deal of new resolve from the incoming administration, but it could probably have the effect of curtailing some Iranian barrels," said Book.

VENEZUELA

Rubio's appointment means an improvement in relations between the U.S. and Venezuela is unlikely, said Luis Peche Arteaga of Caracas consulting firm Sala 58, adding that "it looks like more than anything like a confrontational approach."

Jose Cardenas, a former adviser on Latin America policy under Bush, said top of the list for the Trump administration would be "oil sanctions and reviewing oil licenses allowing U.S. and foreign oil companies to do business with Maduro."

Since 2022, Biden has issued licenses to some foreign partners and customers of Venezuelan state oil company, including Chevron, Repsol, Eni and Reliance Industries, allowing oil deliveries to the U.S., Europe and India.

That helped Venezuela's oil exports last month to jump to 950,000 barrels per day, a four-year high, despite the Biden administration reinstating broad restrictions on Caracas this year due to Venezuela's lack of guarantees for a fair election.

"Revoking the oil licenses would send a powerful signal to not only Maduro, the opposition, the EU, and others that the U.S. is serious about a democratic transition taking place in Venezuela," said Cardenas, now a Washington strategic consultant and lobbyist.

Here too, there will be limits on Rubio. Analysts have warned that tougher sanctions could prompt Venezuela, which has already created strategic alliances including with Iran to allocate its oil, to boycott Trump's goal of repatriating thousands of illegal migrants.

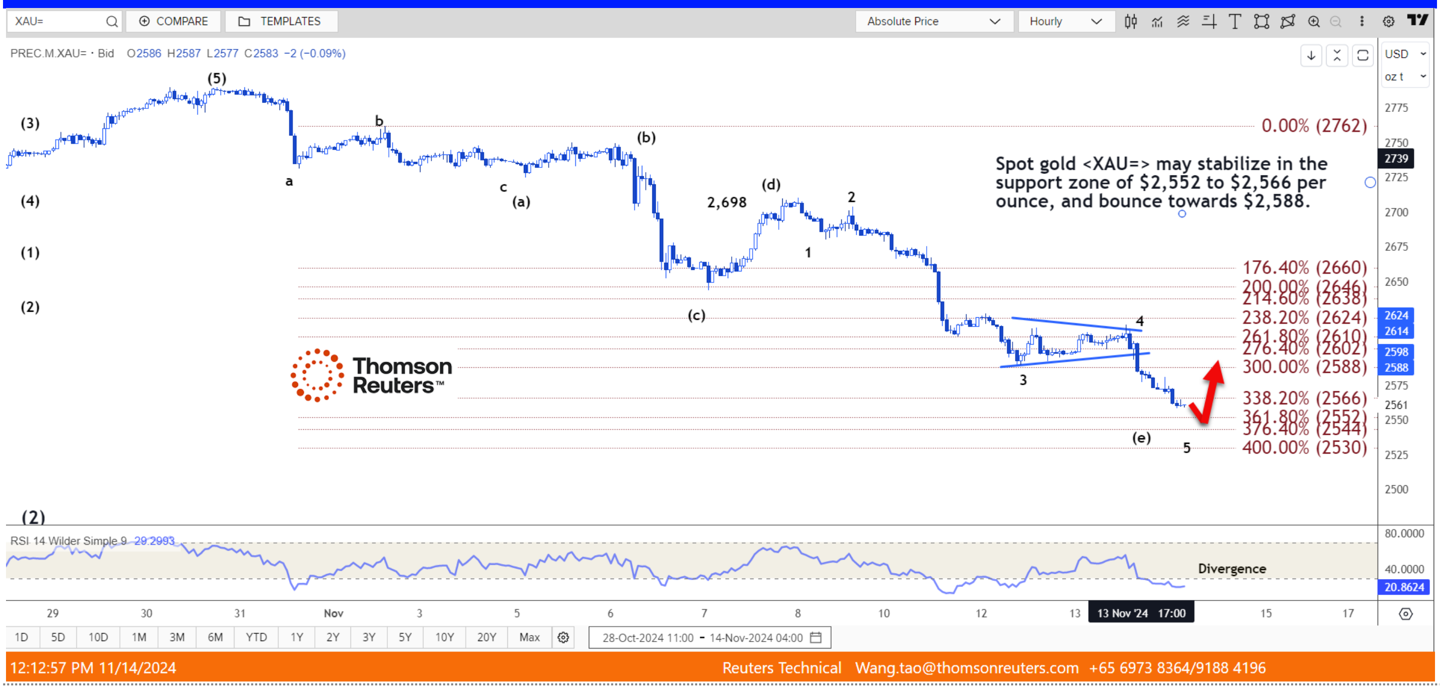
Top News - Agriculture

EU wheat exports shift westwards as Russian trade spreads

European Union wheat exports are increasingly focused on the western side of Africa after losing out to Russia in major North African and Middle Eastern markets, traders said on Wednesday.

EU shipments of common wheat, or soft wheat, so far in 2024/25 are 30% below the year-earlier level, curbed by Russian-led competition and a rain-hit harvest in top EU grower France. Nigeria is currently the top destination,

Chart of the Day



while previous leading outlet Algeria is only in fifth place, EU data shows.
"We're moving more west," Karolis Simas, president of the Lithuanian grain processors and traders association, said of shipments from the Baltic states.
Baltic states' wheat exports are now 75%-focused on Africa, with Nigeria and also South Africa replacing past top destinations Iran and Saudi Arabia that have become captive markets for Russia, he told the Global Grain conference in Geneva.
Poland has observed a similar trend, according to Norbert Sztloc, commercial head of grain and oilseeds at Polish Agro.
The country used to send around half of its exports to Saudi Arabia in giant panamax vessels, but its main outlet is now West Africa using smaller-sized vessels, he told the conference.
In France, farm office FranceAgriMer on Wednesday cut its forecast for French soft wheat exports in 2024/25, now seen down 62% on last year, as sales to Algeria have dried up.
France and also Germany have partly adapted to Russia's growing wheat trade in Algeria by selling more to Morocco.
But Russia has also expanded its share of the Moroccan market this season as part of a record pace of exports, causing Morocco to rank as only the fourth EU destination so far.
Traders see scope for EU sales to accelerate due to moves by Russia to cool exports and as supplies ebb in Ukraine, another major Black Sea supplier.
Polish exports may pick up from March as farmers release stocks, with another 2 million tons of shipments needed after a slow start to the export season, Sztloc said.

Argentina exchange ups soybean harvest estimate after rains help planting
Argentina's Rosario grains exchange raised its forecast for the country's 2024/25 soybean crop on Wednesday, as improved rainfall in the second half of October allowed farmers to pick up the pace of planting.
Argentina's projected soybean production was revised slightly upward to between 53 million and 53.5 million metric tons, from a prior estimate of between 52 and 53 million tons.
The exchange meanwhile trimmed its estimate for the country's 2024/25 wheat harvest by 700,000 tons due to the impact of a five-month drought earlier this year that negatively affected crop development across much of the growing season.
The wheat harvest is seen reaching 18.8 million metric tons, according to exchange data, down from 19.5 million tons estimated last month.
Despite this cut, Argentina is still expected to achieve its fourth-largest wheat harvest in the past 15 years.
Lastly, the exchange lowered its forecast for the corn crop to between 50 million and 51 million tons, down from the previous estimate of 51 to 52 million tons, also citing low moisture levels.

Top News - Metals

BHP set to detail copper growth plans on Chile roadshow, analysts say
BHP Group is likely to flesh out plans next week to spend at least $7 billion over the coming years to recover more metal from the world's biggest copper mine, Escondida in Chile, investors and analysts said.
The world's biggest listed miner will be hosting analysts and investors on a roadshow of its Escondida and Spence copper operations from Nov. 17-20. BHP did not respond to a request for comment about the presentation.
Copper is key to BHP's growth plans as an essential metal for the global transition to cleaner energy, but its annual production is set to fall by around 300,000 metric tons to 1.6 million tons by the end of the decade.
To keep output steady, BHP needs to show how it will extract more copper from diminishing ore grades at Escondida and justify higher spending, which it has estimated at between $7 billion and $12 billion over several years, according to UBS' analysis of BHP figures.
"The cost to build everything is going up. That's the reality," said Andy Forster of Argo Investments.
Those costs include a new concentrator at Escondida which analysts estimate between $5 billion and $6.5 billion alone.
BHP has estimated capital spending including exploration in the current financial year at $10 billion, rising to $11 billion on average medium term. It is unclear how much of this Chilean spend is included in that existing capital spending outlook.
"BHP has made it very public that they are still quite positive on the long term fundamentals of copper. That does mean capex and that does mean that we will have to transition to a period of incentive pricing," said RBC analyst Kaan Peker. Peker sees copper prices trending up towards $5 a pound or higher. LME copper last traded at $8,966 a ton ($4 a pound).
There are four main ways to expand copper output in Chile: replacing the aging Los Colorados concentrator, debottlenecking its Laguna and Spence concentrators, and applying leaching technologies to unlock sulphide resources, BHP has said.
Buying Anglo American is "still BHP's best near-term option for copper," UBS said.
UK takeover laws prevent BHP from making another approach for Anglo until late this month, after it was rebuffed earlier this year.
"Anglo is making good progress with its restructuring and is expected to spin out Amplats after results in Mar/Apr-25. In our opinion, BHP (and others) are likely to re-evaluate Anglo after this," UBS said.
BHP has not ruled out a renewed bid.

South African labour union to strike at ArcelorMittal over job cuts
South Africa's metal workers' union said it will go on strike at ArcelorMittal South Africa Ltd to protest job cuts that have impacted 107 workers.
The National Union of Metalworkers of South Africa (NUMSA) said in a statement it would picket the company's Vanderbijlpark head office, south of

Johannesburg.
"NUMSA has issued a strike notice to the company and it begins on Thursday the 14th of November," it said.
The union said its members "have been provoked into striking" following the conclusion of a job cutting process.
ArcelorMittal was not immediately available for comment.
Africa's biggest steel producer, majority-owned by Luxembourg-based ArcelorMittal SA, was rocked by a two-week wage strike in May 2022, which compounded the impact of infrastructure problems and weak steel demand on the company's income.
ArcelorMittal South Africa reported a loss of 1.11 billion rand ($61.63 million) in the six months to June 30, which widened from another loss of 448 million rand in the same period last year, amid difficult trading conditions in local and regional markets.
The steelmaker said in July it decided against shutting its steel plant in the KwaZulu-Natal province, opting to explore a plan to make it viable. ArcelorMittal had announced plans to close the plant in November 2023.

Top News - Carbon & Power

US onshore wind industry struggling despite government push for clean energy, analyst says
Onshore wind industry investment is struggling despite the U.S. Inflation Reduction Act, Geoffrey Hebertson, lead renewables analyst at Rystad Energy, told attendees at an energy conference hosted by the Federal Reserve Banks of Dallas and Kansas City on Wednesday.
Despite the Inflation Reduction Act of 2022 which enabled production tax credits and investment tax credits for the next 10 years, the onshore wind industry is struggling to maintain investment levels, Hebertson said.
"We do expect 2024 to be a historically low year for wind and we do not see over the next few years any implications going forward for that to change," he added.
Current installed wind generation capacity in the U.S. is roughly 152 gigawatts (GW), according to the U.S. Energy Information Administration.
Shortages of parts, jumps in labor costs and drawn-out development timelines have slowed the pace of wind-farm construction in the last couple of years.
A 300 megawatt wind farm used to cost around $400 million, but that same wind farm today would cost between $600 million and $670 million, Erik Haug, vice president of energy marketing at Apex Clean Energy, said at the same conference in Dallas.

Biden officials ask EU to align methane rules with US to ease LNG flows, letter says
President Joe Biden’s administration has asked the European Union to ensure liquefied natural gas shipments that meet U.S. methane regulations automatically comply with Europe’s standards for imports, according to a letter seen by Reuters.
Linking U.S. and EU methane standards would safeguard United States’ growing LNG trade with Europe while also cementing Biden’s methane rules, even if they are eventually repealed by President-elect Donald Trump’s incoming administration.
"We understand that this process will take time. However, we would like to begin discussions as soon as possible,

MARKET MONITOR as of 07:35 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$67.97 / bbl	-0.67%	-5.14%
NYMEX RBOB Gasoline	$1.92 / gallon	-0.74%	-8.68%
ICE Gas Oil	$666.00 / tonne	-0.04%	-11.29%
NYMEX Natural Gas	$2.97 / mmBtu	-0.50%	18.06%
Spot Gold	$2,557.33 / ounce	-0.64%	23.99%
TRPC coal API 2 / Dec, 24	$122.75 / tonne	2.29%	26.55%
Carbon ECX EUA	€67.32 / tonne	1.52%	-16.24%
Dutch gas day-ahead (Pre. close)	€43.73 / Mwh	0.07%	37.30%
CBOT Corn	$4.39 / bushel	-0.28%	-9.30%
CBOT Wheat	$5.58 / bushel	-1.63%	-12.78%
Malaysia Palm Oil (3M)	RM4,911 / tonne	-1.52%	31.98%
Index	**Close 13 Nov**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	335.08	0.33%	11.17%
Rogers International	27.94	-0.14%	6.12%
U.S. Stocks - Dow	43,958.19	0.11%	16.63%
U.S. Dollar Index	106.68	0.19%	5.28%
U.S. Bond Index (DJ)	441.16	-0.48%	2.42%

to ensure the continued reliable and stable supply of natural gas from the United States to Europe," the U.S. officials wrote in an Oct. 28 letter, just days before Trump's decisive win in the Nov. 5 election.
The letter was signed by Brad Crabtree, head of the Department of Energy's fossil energy office, and Joe Goffman, head of the Environmental Protection Agency's air office, and addressed to the European Commission's top energy official Ditte Juul Jørgensen.
A European Commission spokesperson did not immediately respond to a request for comment.
A spokesperson for the EPA confirmed it sent the letter with the DOE and that the EU had confirmed receipt.
The United States is the world's top oil and gas producer, and its exports of LNG surged after Russia's invasion of Ukraine led European countries to cut their dependence on Russian energy and seek other sources.
Methane, the main component in natural gas and LNG, is a powerful greenhouse gas and more than 150 countries, including the U.S. and EU members, have pledged to slash its emissions by 30% this decade to fight climate change.
European Union countries approved a law in May to impose methane emissions limits on Europe's oil and gas imports from 2030, pressuring international suppliers to cut leaks of the potent greenhouse gas during production and transport.
The EU has not yet designed the exact methane limits, or determined how another country's domestic methane regulations could be considered "equivalent" to its own.
The Biden Administration, meanwhile, passed rules late last year cracking down on U.S. oil and gas industry releases of methane, which are being administered by the EPA.
On Tuesday, it finalized a methane charge on large methane leaks at oil and gas facilities.
Trump has said he plans to reverse or revoke dozens of Biden administration regulations to ease burdens and costs for the US energy industry, with methane rules among the first likely targets. On Monday, he announced that ally and former New York lawmaker Lee Zeldin would be his EPA administrator, and said Zeldin would "ensure fair and swift deregulatory decisions that will be enacted in a way to unleash the power of American businesses."
In August, 10 US-based trade groups including the Chamber of Commerce and American Petroleum Institute flagged concerns to EU officials about their methane-related import requirements.
"The importers failing to comply with these obligations might be prevented from importing their supplies to the EU, and therefore the EU's security of supply could be severely impacted," they wrote in an Aug 2. letter.
Jonathan Banks, global director on methane at the Clean Air Task Force, an environmental group, said the EU's standards, along with others in the works, will require U.S. suppliers to clean up regardless of any U.S. regulatory rollbacks. "Market access will be dictated by proof of low methane emissions," he said.

Top News - Dry Freight

FranceAgriMer cuts 2024/25 soft wheat export forecasts
Farm office FranceAgriMer on Wednesday cut its forecasts for French soft wheat exports within and outside the European Union for 2024/25, with total shipments now expected to plunge 40% after one of the country's worst harvests in 40 years.
In a monthly supply and demand outlook, the office projected French soft wheat exports outside the EU at 3.9 million metric tons, down from 4.0 million expected last month and now 62% below last season's level.
The cut was mainly due to the lack of exports to Algeria, traditionally France's largest soft wheat buyer, in an apparent fallout from diplomatic tensions between Algiers and Paris.
FranceAgriMer cut its forecast for soft wheat sales within the EU to 5.90 million tons from 5.93 million expected in October due to lower sales to Germany. Sales within the 27-member bloc would now be 6.3% below the 2023/24 volume.
Repeated heavy rain in France, the EU's largest grain producer, reduced planting and hampered development of wheat and barley, leading forecasters to predict sharply lower exports this season.
The lower projected exports, higher imports and a larger volume expected to be put on the market led to a rise in expected wheat stocks at the end of the 2024/25 season to 2.78 million tons, up from 2.51 million tons last month but still 12% below last season.
For maize, currently being harvested, FranceAgriMer lowered its ending stocks projection to 2.36 million tons from 2.44 million in October due to higher expected use by animal feed makers and higher exports, and despite a rise in the expected output.
Maize ending stocks would still be 18% above last season's.
For barley, the office nudged up its ending stocks projection to 1.36 million tons, from 1.35 million last month and now 7% above 2023/24, due to small adjustments throughout its supply and demand report.

South Korea's MFG buys 60,000 metric tons soymeal, traders say
South Korea's Major Feedmill Group (MFG) purchased about 60,000 metric tons of soymeal in a private deal on Wednesday without an international tender being issued, European traders said.
It was bought at an estimated $373.42 a ton cost and freight (c&f) including a surcharge for additional port unloading. Seller was believed to be trading house Olam.
It was for arrival in South Korea around June 14, 2025.
Shipment if sourced from South America was between April 15-May 5, if from China between May 26-June 14 or from the U.S. Pacific Northwest coast between May 10-May 30.
Reports reflect assessments from traders and further estimates of prices and volumes are still possible later.
South Korean importer NOFI also bought 60,000 tons of soymeal in an international tender on Wednesday with Olam also the seller.

Picture of the Day

European farmers gather to protest against an EU-Mercosur agreement, ahead of trade talks at the G20 summit in Brazil, in Brussels, Belgium November 13. REUTERS/Yves Herman

(Inside Commodities is compiled by Kishore Barker in Bengaluru)

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