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Top News - Oil

US crude stockpiles rise, fuel draws down last week – EIA

U.S. crude oil stockpiles jumped last week, while gasoline inventories posted a surprise draw as refineries picked up runs amid seasonally strong demand, the Energy Information Administration said on Wednesday.

The EIA resumed publishing weekly data after a two week hiatus to complete a planned systems upgrade.

Crude inventories rose by 3.6 million barrels in week to Nov. 10 to 421.9 million barrels, compared with analysts' expectations in a Reuters poll for a 1.8 million-barrel rise.

Refiners, who had been slow to emerge from fall maintenance, began ramping up slowly amid stronger demand for products.

Refinery crude runs rose by 164,000 barrels per day last week, while utilization rates rose by 0.9 percentage point to 86.1% of total capacity.

Gasoline stocks fell by 1.5 million barrels in the week to 223.5 million barrels, the EIA said, a surprise draw that countered analysts' expectations for a 600,000-barrel rise.

"To the extent that this gasoline demand persists, we would expect refiners to ramp up a bit," said John Kilduff, partner at Again Capital LLC in New York.

Distillate stockpiles, which include diesel and heating oil, fell by 1.4 million barrels in the week to 111.3 million barrels, versus expectations for a 1.2 million-barrel drop, the EIA data showed.

Oil futures pared some losses immediately after the data. U.S. crude futures last traded at $71.55 per barrel, while Brent crude futures traded around $82 a barrel.

Crude stocks at the Cushing, Oklahoma, delivery hub rose by 1.9 million barrels in the last week while U.S. crude imports fell by 385,000 bpd, EIA said.

Venezuela's PDVSA offers Corocoro crude cargo through intermediary -sources

Venezuela's state-run oil company PDVSA is offering to sell up to 1 million barrels of Corocoro crude through an intermediary, sources said on Wednesday, which could become the first sale of that grade in two years.

Since Washington temporarily eased oil sanctions on the country last month, PDVSA has been allocating spot cargoes of crude and fuel oil through little known firms that contract with trading companies, which ultimately deliver to refiners.

PDVSA and Italy's Eni, one of its joint venture partners, have been producing and storing about 2,000 barrels per day of Corocoro medium crude at a floating storage and offloading (FSO) facility.

The last export of Corocoro was in 2021, also from storage and to an Asian buyer, according to shipping and PDVSA data. Before U.S. oil sanctions were first imposed on Venezuela in 2019, the United States was the primary market for the crude.

PDVSA and Eni did not immediately reply to requests for comment.

This year, PDVSA and Eni have expanded trade as part of a U.S-authorized oil swap deal to pay off outstanding debt. They separately have engaged in talks to revive output at the shallow water offshore project where the Corocoro crude is produced, Golfo de Paria Oeste. A final agreement has not been signed.

Getting access to crude stored at the FSO is expected to bring some operational challenges due to its dilapidated condition and the possibility of some of the oil being off specification, especially due to water content.

The crude on offer would be discharged to barges and then transferred to a receiving vessel, the sources said.

Top News - Agriculture

Argentina's core farmland sees above average rainfall, more likely

Argentina's agricultural core saw much higher than average rainfall during the first half of November and will likely see even more moisture in the coming days in a welcome boost for the sector, the Rosario grains exchange (BCR) said on Wednesday.

The rains coincide with the weather phenomena known as El Niño, which for Argentina means higher levels of precipitation over key farmland following a dry Southern Hemisphere winter.

Argentina is a major global grains exporter, especially for processed soybeans, corn and wheat.

"We're beating the accumulated historical levels for November by a big margin," said Cristian Russo, the BCR's chief forecaster, in the report.

The stock exchange noted that since Tuesday the core area's northwestern farmland got 15-40 millimeters (0.6-1.6 inches) of rain, with "significant and more generalized" precipitation expected, which should boost farm production.

Not only is Argentina's grains output a key pillar of economic activity in the South American country, but it also represents a much-needed source of U.S. dollars for the cash-strapped central bank needed to finance exports and pay down debt.
In a separate weekly report issued Wednesday from the Buenos Aires Grains Exchange (BdeC), over the next week Buenos Aires province will likely see 10-50 millimeters (0.4-2.0 inches) of rain.
Other parts of Argentina's fertile Pampas region are seen receiving more moderate moisture of up to 10 millimeters (0.4 inches), according to BdeC.
Recent rainfall over the last few weeks have provided a welcome boost to the start of soybean planting for the 2023/2024 harvesting season, while also helping areas planted with corn for the same cycle, though most corn plantings have yet to be sown.
BCR estimates that the 2023/2024 soybean crop will likely yield 50 million metric tones and the corn crop another 56 million tons.

France raises non-EU wheat export forecast, but stocks still swell
FranceAgriMer on Wednesday raised its forecast for French soft wheat exports outside the EU in 2023/24, but also lifted its season-end stocks estimate to a six year high on lower forecasts for intra-EU shipments and domestic livestock feed demand.
In a monthly supply and demand outlook, the farm office projected soft wheat exports to non-European Union destinations at 10.1 million metric tons, up from 9.8 million projected last month and now just 0.5% below last season's level.
The rise was mainly due to larger estimates of French wheat sales to China and Egypt, FranceAgriMer's analyst Clemence Lenoir said. Strong Chinese demand had already prompted FranceAgrimer to raise its outlook for non-EU shipments last month.
At the same time, it cut its forecast for French soft wheat shipments within the EU this season to 6.79 million tons from 7.33 million expected in October, mainly due to strong competition with Ukrainian wheat. The new estimate was still 6.3% higher than the 2022/23 volume.
French soft wheat stocks at the end of the 2023/24 season are now projected at 3.06 million tons compared with 2.78 million forecast last month, reflecting both the reduced intra-EU export outlook and a 100,000 ton cut in expected domestic use of soft wheat in feed.
The new stocks forecast is 20.1% above last season's level and the highest since 2017/18.
For maize, harvesting of which is in its final stages, FranceAgriMer raised its forecast 2023/24 ending stocks to 1.86 million tons from 1.64 million estimated last month, as the office incorporated a higher farm ministry production estimate released on Tuesday.
Forecast barley stocks for the end of 2023/24 were revised up to 1.70 million tons from 1.65 million, mainly reflecting downward revisions to expected exports of barley grain and malt within the EU.
Due to continuous rainfall in the past month delaying winter grain sowings and flooding fields in the northern half of France, a drop in sown area was now unavoidable and damages to yields likely, said Benoit Pietrement, head of FranceAgriMer's grain committee.

Top News - Metals

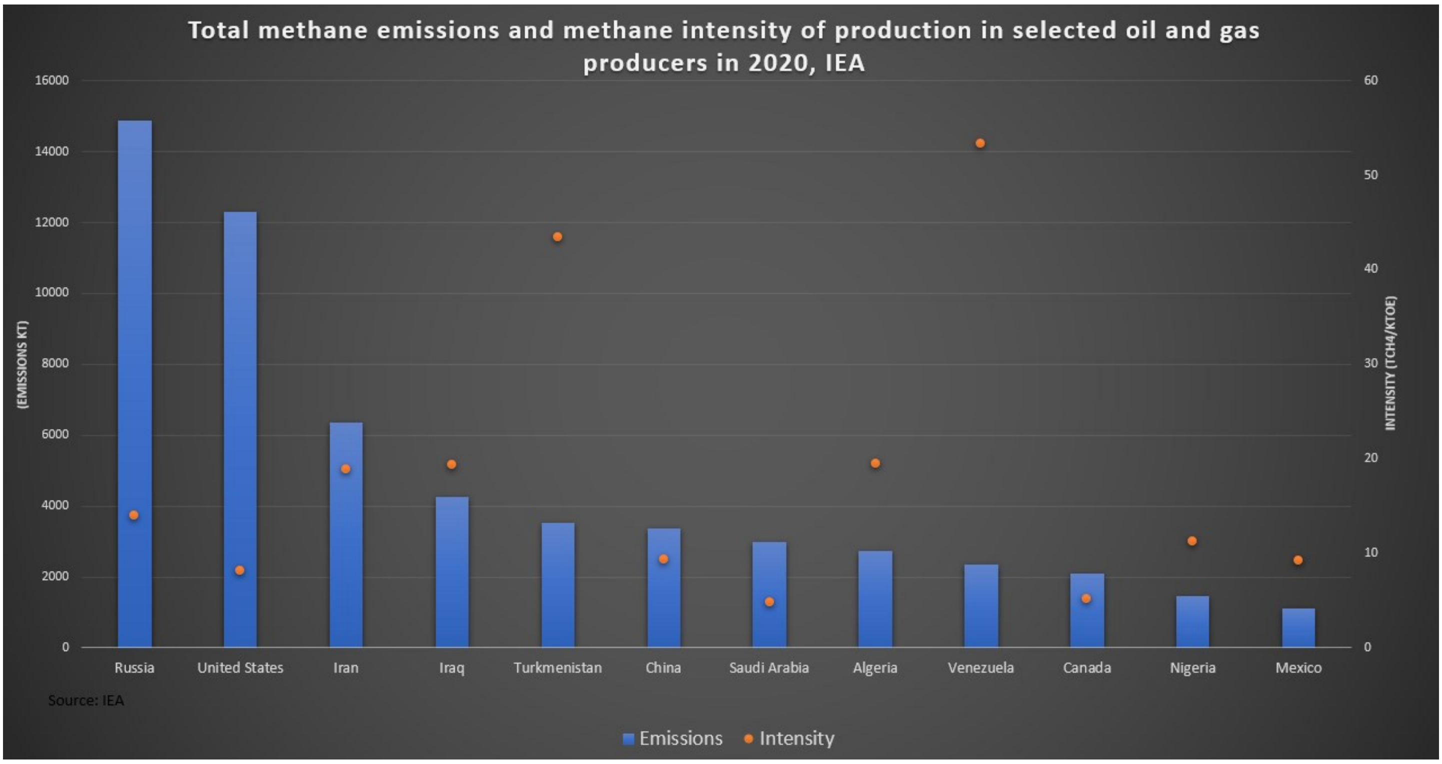
ASIA COPPER WEEK-Codelco cuts cocktail party, tables in key Asia copper event amid restructuring
Chilean state mining company Codelco, the world's biggest copper producer, is cutting some of its usual spending at a major copper gathering in China, sources said, as the company undergoes restructuring.
Codelco chairman has said the company is reassessing the costs of upgrades to the life of its mines.
Chile's Centre for Copper and Mining Studies (CESCO) said in a report that Codelco debt could reach $30 billion by 2030 from $18 billion now if necessary changes are not made, a rare intervention by the influential industry body.
CESCO Asia Copper Week in China is the biggest annual gathering of the copper industry in the region where miners, smelters and traders meet to negotiate and sign long-term contracts.
The week usually ends with the Asia Copper Dinner, a signature event where over a thousand copper-minded professionals gather for a night of networking and entertainment.
Codelco did not buy a dinner table this year, said CESCO chairman Leopoldo Reyes, adding they usually bought a few each year.
Three sources told Reuters Codelco will also not host its regular cocktail party during the week. The event usually receives hundreds of guests.
Codelco did not respond to Reuters questions on the matter.
Reyes said Codelco's decision not to buy any table at the dinner was made before the CESCO report was published, debunking market talks that Codelco was boycotting CESCO events following the report.
"It was not easy for us to issue this (report). We thought very thoroughly and came to a conclusion that we have to do it because it was our duty. We do it because of the importance of Codelco and for Chile," he said.
Codelco's former chief executive officer and chief financial officer resigned earlier this year.

The new CEO, Ruben Alvarado, was appointed in August.
"We have a very good opinion about him (Alvarado) so we think they should be taking the proper steps to solve the present issues which is not easy."
Codelco as a state-owned company is good for the stability of Chile, Reyes said.
Codelco production of copper will close the year at around 1.315 million metric tons, towards the lower end of the estimated range. Production last year fell to a 25-year low, but the company expects output to rebound from 2024.

Antofagasta's 2024 payment offer for copper processing below $75 -sources

Chilean miner Antofagasta has offered to pay Chinese smelters less than $75 a metric ton in 2024 to turn copper concentrate into metal, 16% below contracts signed last year, two sources with direct knowledge of the matter told Reuters.
A spokesperson for the London-listed miner said Antofagasta "does not comment on copper negotiations".
The payments known as treatment and refining charges (TC/RCs) are then deducted from the purchase price of the copper metal paid by the smelter to the miner or company that sells the concentrate.
Falling TC/RCs are due to expectations of tight concentrate supplies and new processing capacity, which will squeeze copper smelters' profit margins.
Antofagasta's offer is lower than expectations by Chinese smelters, the world's biggest buyers of mined copper, which are targeting charges similar to the $88 a ton/8.8 cents per pound signed last year for 2023, according to other industry sources.
The annual copper benchmark TC/RCs agreed between Freeport, one of the world's largest copper miners, and Chinese smelters has for years been used as a basis for contracts worldwide.
But Freeport's permit to export mined copper from next May still needs to be approved by Indonesia, and its benchmark status for annual contracts has been diluted as its 2024 sales are likely to fall short of levels needed for a global reference.
Other than Freeport's TC/RCs, the numbers negotiated by other miners such as Antofagasta could be used in industry contracts. But that will be opposed by Chinese smelters that consume nearly half of global copper concentrate supplies, according to industry sources.
Antofagasta, which operates four mines in Chile, has said it expects its copper production this year to come in at the lower end of a range between 640,000 and 670,000 tons. Its forecast for 2024 is for copper production between 670,000 and 710,000 tonnes.

Chart of the Day



Top News - Carbon & Power

EXCLUSIVE-Poland's Orlen prepares arbitration claim against Venture Global LNG

Polish oil and gas firm Orlen is preparing to file for arbitration against U.S. exporter Venture Global LNG for failing to supply contracted cargoes, three sources familiar with the matter told Reuters.
"I know that this is being considered, I know that there were preparations to file a claim," one person said on condition of anonymity. Two other people confirmed that Orlen is considering a claim.
Orlen's press office declined to comment on the matter. A Venture Global spokesperson was not immediately available for comment.
Shell, BP, Edison and Repsol earlier this year filed arbitration cases against the U.S. developer over its failure to supply cargoes from a plant that has been running since March 2022.
Venture Global LNG has rejected the claims and said the Louisiana plant is not fully operational due to faulty power equipment that is being repaired. It is allowed to sell "commissioning" cargoes for its own accounts under the contracts.
The U.S. company has sold more than 200 cargoes into the spot market at higher prices than would be provided under the long-term contracts. That has Shell and other customers saying the firm has used the equipment problems to capitalize on the rally in global gas markets since Russia’s invasion of Ukraine for its own sales.
Orlen has 20-year agreements with Venture Global to acquire 5.5 million metric tons per annum (MTPA) of LNG between the U.S. firm's Calcasieu Pass and Plaquemines LNG export facilities.
The Polish company agreed to purchase 1.5 MTPA from the Calcasieu Pass facility and 4 MPTA from Plaquemines LNG when it completes construction in late 2024, making it one of Venture Global's largest customers.

COLUMN-Tougher EU methane rules mean US gas sector must clean up act -Maguire

As Europe's top supplier of liquefied natural gas (LNG), the United States has been the main beneficiary of the pivot by utilities to replace sharply lower Russian pipeline gas supplies with imports from other origins and in the form of LNG.
But following the European Union deal on Wednesday to place methane limits on Europe's oil and gas imports from 2030, U.S. LNG shippers will be anxious that their lucrative European market may be at risk due to the enduring high levels of methane emissions throughout the U.S. natural gas supply chain.
Methane is the primary component of natural gas, and is a far more potent greenhouse gas than carbon dioxide in terms of climate-warming potential over the near term, according to the Natural Resources Defense Council, a U.S.-based nonprofit.
In 2022, U.S. exporters sold $33 billion of LNG to European buyers, over triple the value sold to Europe in 2021 before the Russia-Ukraine war severed pipeline flows to Europe last year, U.S. Energy Information Administration (EIA) data showed.
U.S. LNG exports to Europe remain strong in 2023, valued at around $14 billion through August, with Europe accounting for two-thirds of all U.S. LNG exports.
However, as part of efforts to reduce overall emissions and measure pollution from their own energy suppliers, European Union member states have agreed to impose maximum methane intensity values on all producers sending fuels to Europe.
That means U.S. LNG suppliers will be at risk of losing sales to Europe if the methane intensity of the gas contained in their shipments fails to meet the standards the EU will set.

HEAVY FOOTPRINT

The United States' oil and gas industry is the largest source of methane in the country, emitting 12,297 kilotons (Kt) of methane in 2021 and ranking second behind Russia (14,866 Kt), according to the International Energy Agency's methane tracker.
However, in terms of methane intensity, or a measure of how much methane is emitted in the production of oil and gas, the United States ranks 10th, emitting 8.18 tonnes of methane per kiloton of oil energy equivalent (ktoe).
That U.S. intensity rating compares favourably to Venezuela's 53.35 tonnes of methane per ktoe, and is 42% less than Russia's 14 tonnes of methane per ktoe.
However, the U.S. reading compares less well to Canada (5.17 tonnes of methane/ktoe) and Saudi Arabia (4.9 tonnes) and so indicates that the U.S. oil and gas sector has scope for emissions improvement among major oil and gas producers.
What's more, it is unclear where EU lawmakers will draw the line in terms of what methane intensity levels are acceptable, and if they plan to adjust thresholds over time.
Given the importance of gas-fired industry across Europe, it is unlikely that policymakers will impose such harsh standards that may limit volumes from key suppliers and potentially impact local power markets.
But given the rapid pace of renewable energy capacity expansions across Europe, and the region's commitment to phase out most fossil fuel use altogether by mid-century, it is possible that Europe's total gas needs will substantially decline by when the new standards are set to kick in.

That in turn means policymakers may feel entitled to set high standards in terms of the emissions profile of importable fuels, especially for products with multiple potential sources of emission leakage such as in gas pipelines, storage tanks, liquefaction plants, LNG tankers and regasification units.
In addition, and regardless of the final EU decision, it is in the interests of all U.S. oil and gas producers to drastically reduce emissions associated with their operations, as even domestic consumers are demanding increasingly clean sources of energy.
That means that if natural gas is to remain a key component in local electricity generation mixes, and a valuable export in the form of LNG, the entire supply chain for U.S. gas and LNG must get cleaner, and fast.

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

Top News - Dry Freight

Ukraine curbs grain deliveries to Odesa port due to railway repairs
Ukraine's state railways said on Wednesday it had restricted grain deliveries to Odesa, one of the country's key Black Sea ports, due to repairs.
"Ukrzaliznytsia has started repairing the railway infrastructure on its network, which hinders the movement of freight trains towards the ports of Odesa region," Valeriy Tkachov, deputy director of the commercial department at the railways, said on Facebook.
The company did not say when the restrictions would be lifted.
Ukrainian President Volodymyr Zelenskiy said on Tuesday the country's exports through an alternative Black Sea shipping corridor had reached almost four million metric tons since the route started operating in August.
Grain and other food products dominate the cargoes through the route, which runs along Ukraine's southwest Black Sea coast, into Romanian territorial waters and onwards to Turkey.
Ukraine has traditionally used its deep-water Black Sea ports in the Odesa region to export food, metals and other commodities.

India to seek steady coking coal supplies from Australia -sources
The Indian government will request Australia to take measures to ensure steady supplies of coking coal, four sources said, as part of efforts to help steel mills reeling from falling supplies and rising prices of the key raw material in steel-making.
Nagendra Nath Sinha, the most senior official at India's federal Ministry of Steel, will meet Philip Green, Australia's high commissioner to India, and the two sides are likely to discuss India's need for coking coal, said the sources, who included two Indian government officials and two industry executives.
Sinha and Green are likely to meet on Friday, said the sources, who declined to be identified because they were not authorised to speak to media.
Australia accounts for over half of India's coking coal imports of around 70 million metric tons a year.
The steel ministry and the Australian High Commission did not immediately reply to e-mails seeking comment.
As erratic weather conditions hit coking coal supplies from Australia, Indian steel mills have been trying to turn to other countries such as Russia to take advantage of cheaper prices. Still, major Indian producers rely on Australia, especially for some specific grades of the commodity.
Some domestic producers such as the government-backed Steel Authority of India (SAIL) want to increase coking coal purchases from Russia due to cheaper prices, SAIL Chairman Amarendu Prakash said last week.
Other than Australia and Russia, India also imports coking coal from the U. S.
Last month, prices for Australian coking coal jumped 50% to over $350 a metric ton due to factors such as maintenance outages, lower than usual supplies from Queensland, and a slower train network.
Indian mills were looking to raise prices of various grades of steel due to rising coking coal costs, officials told Reuters last month.

MARKET MONITOR as of 07:31 GMT			
Contract	**Last**	**Change**	**YTD**
NYMEX Light Crude	$76.20 / bbl	-0.60%	-5.06%
NYMEX RBOB Gasoline	$2.16 / gallon	-0.79%	-12.72%
ICE Gas Oil	$820.25 / tonne	0.28%	-10.94%
NYMEX Natural Gas	$3.19 / mmBtu	0.06%	-28.67%
Spot Gold	$1,966.19 / ounce	0.36%	7.77%
TRPC coal API 2 / Dec, 23	$111 / tonne	3.26%	-39.92%
Carbon ECX EUA / Dec, 23	€79.49 / tonne	-0.31%	-5.34%
Dutch gas day-ahead (Pre. close)	€45.70 / Mwh	1.11%	-39.53%
CBOT Corn	$4.90 / bushel	0.36%	-27.69%
CBOT Wheat	$5.87 / bushel	-0.21%	-26.38%
Malaysia Palm Oil (3M)	RM3,985 / tonne	0.18%	-4.53%
Index (Total Return)	**Close 15 Nov**	**Change**	**YTD Change**
Thomson Reuters/Jefferies CRB	314.20	-0.21%	4.27%
Rogers International	27.65	-0.49%	-3.54%
U.S. Stocks - Dow	34,991.21	0.47%	5.56%
U.S. Dollar Index	104	0.33%	0.84%
U.S. Bond Index (DJ)	399.87	-0.56%	2.46%

Picture of the Day

Brine pools of SQM lithium mine are pictured at the Atacama salt flat, in Antofagasta region, Chile, May 3. REUTERS/Ivan Alvarado

(Inside Commodities is compiled by Shoubhik Ghosh in Bengaluru)

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

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