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### Top News - Oil

#### **Azerbaijan says OPEC+ might consider oil cuts rollover at Dec. 1 meeting**

OPEC+ may consider leaving its current oil output cuts in place from Jan. 1 at its next meeting on Sunday, Azerbaijan's Energy Minister Parviz Shahbazov told Reuters, as the group had already postponed hikes amid demand worries.

The issue of continuing oil production cuts "could be raised during the meeting", Shahbazov also told Reuters in Baku. "OPEC+ could or couldn't discuss oil output rollover at its next meeting. It is difficult to prejudge," he added.

Azerbaijan is a member of the OPEC+ group, which includes the Organization of the Petroleum Exporting Countries and allies such as Russia, which will meet on Dec. 1. OPEC+, which pumps around half the world's oil, has already delayed a plan to gradually lift production by several months this year because of falling prices, weak demand and rising production outside the group.

Three OPEC+ sources familiar with the discussions told Reuters last week that it may push back output increases again when it meets on Dec. 1 due to weak global oil demand.

Shahbazov said Azerbaijan, where oil output has declined after peaking in 2010, hopes to keep production stable until 2030. Azerbaijan's oil output has been declining for several years after the Azeri-Chirag-Gunashli complex of offshore oilfields operated by BP passed its peak of 50 million metric tons, or 1 million barrels per day, in 2010. Oil production for 2024 and 2025 is expected to be 29 million tons per year, or 580,000 bpd, Shahbazov added. Azerbaijan's gas exports to Europe are expected to average 12.5 billion cubic metres per year in 2024 and 2025, he said.

The country expects its gas production to be 50 bcm this year, of which 25 bcm will be exported, the minister said. Next year, output is expected to rise to more than 50 bcm, with exports expected to stay stable.

Earlier this year an Azeri presidential advisor told Reuters that the European Union and Ukraine had asked Azerbaijan to facilitate discussions with Russia regarding gas transit via Ukraine.

Shahbazov refused to disclose the details of the consultations, but was sceptical about the prospects of the talks. "I don't really know what will happen," he said. The current five-year deal between Moscow and Kyiv on Russian gas exports via Ukraine to Europe expires at the end of the year and Kyiv has said it does not wish to extend it. This month, Slovak state-owned gas buyer SPP said European companies are not nearing a deal to replace Russian gas imports via Ukraine with supply from Azerbaijan.

Speaking on the sidelines of the COP-29 climate talks in Baku, the minister also said the share of green power

generation in Azerbaijan is projected to rise to 33% in 2027 from around 20% now.

#### **EXCLUSIVE-Trump prepares wide-ranging energy plan to boost gas exports, oil drilling, sources say**

Donald Trump's transition team is putting together a wide-ranging energy package to roll out within days of his taking office that would approve export permits for new liquefied natural gas (LNG) projects and increase oil drilling off the U.S. coast and on federal lands, according to two sources familiar with the plans.

The energy checklist largely reflects promises Trump made on the campaign trail, but the plan to roll out the list as early as day one ensures that oil and gas production will rank alongside immigration as a pillar of Trump's early agenda.

Trump, a Republican, also plans to repeal some of his Democratic predecessor's key climate legislation and regulations, such as tax credits for electric vehicles and new clean power plant standards that aim to phase out coal and natural gas, the sources said.

An early priority would be lifting President Joe Biden's election-year pause on new export permits for LNG and moving swiftly to approve pending permits, the sources said. Trump would also look to expedite drilling permits on federal lands and quickly reopen five-year drilling plans off the U.S. coast to include more lease sales, the sources said.

In a symbolic gesture, Trump would seek to approve the Keystone Pipeline, an issue that was an environmental flashpoint and which was halted after Biden canceled a key permit on his first day in office. But any company looking to build the multibillion-dollar effort to carry Canadian crude oil to the U.S. would need to start from scratch because things like easements have been returned to landowners.

"The American people can bank on President Trump using his executive power on day one to deliver on the promises he made to them on the campaign trail," Karoline Leavitt, Trump's transition spokesperson, said in a statement.

Many of the elements in the plan would require time to move through Congress or the nation's regulatory system. Trump has promised to declare an energy emergency on his first day in office that could test whether he can bypass those barriers to impose some changes on an accelerated schedule.

Trump would also call on Congress to provide new funding so he can replenish the nation's Strategic Petroleum Reserve, established as an emergency crude oil supply and which was depleted under Biden to help manage price spikes caused by the Ukraine crisis and high inflation during the pandemic. Replenishing the reserve would boost short-term oil demand and

encourage U.S. production. Trump is also expected to put pressure on the International Energy Agency, the Paris-based energy watchdog that advises industrialized countries on energy policy. Republicans have criticized the IEA's focus on policies to reduce emissions. Trump's advisers have urged him to withhold funding unless the IEA takes a more pro-oil position.

"I have pushed Trump in person and his team generally on pressuring the IEA to return to its core mission of energy security and to pivot away from greenwashing," said Dan Eberhart, CEO of oilfield service firm Canary.

**TRUMP 'PLANS TO GO STRONG' ON LNG**

Biden put a freeze on new LNG export permits in January to study the environmental impacts, in an election-year move aimed at making gains with the party's green voting blocs. Without the export permits, developers cannot go ahead with multi-year construction plans for new projects. Projects delayed include Venture Global's CP2, Commonwealth LNG, and Energy Transfer's Lake Charles complex, all of which are in Louisiana.

The United States is the world's top producer of natural gas, and became the No. 1 exporter of LNG in 2022 as Europe looked to America to wean itself off Russia's vast energy supplies following the invasion of Ukraine. The Biden administration promised to release the environmental study before Trump assumes the White House on Jan. 20, but it would have no influence on the incoming administration, the sources said.

"The LNG issue is a lay-up and he plans to go strong on the issue," said one of the sources. There are five U.S. LNG export projects that have been approved by the Federal Energy Regulatory Commission, but are still awaiting permit approvals at the Department of Energy, federal records show. Biden's pause also halted necessary environmental reviews, portions of which may still be needed for the five pending DOE permits to withstand legal scrutiny.

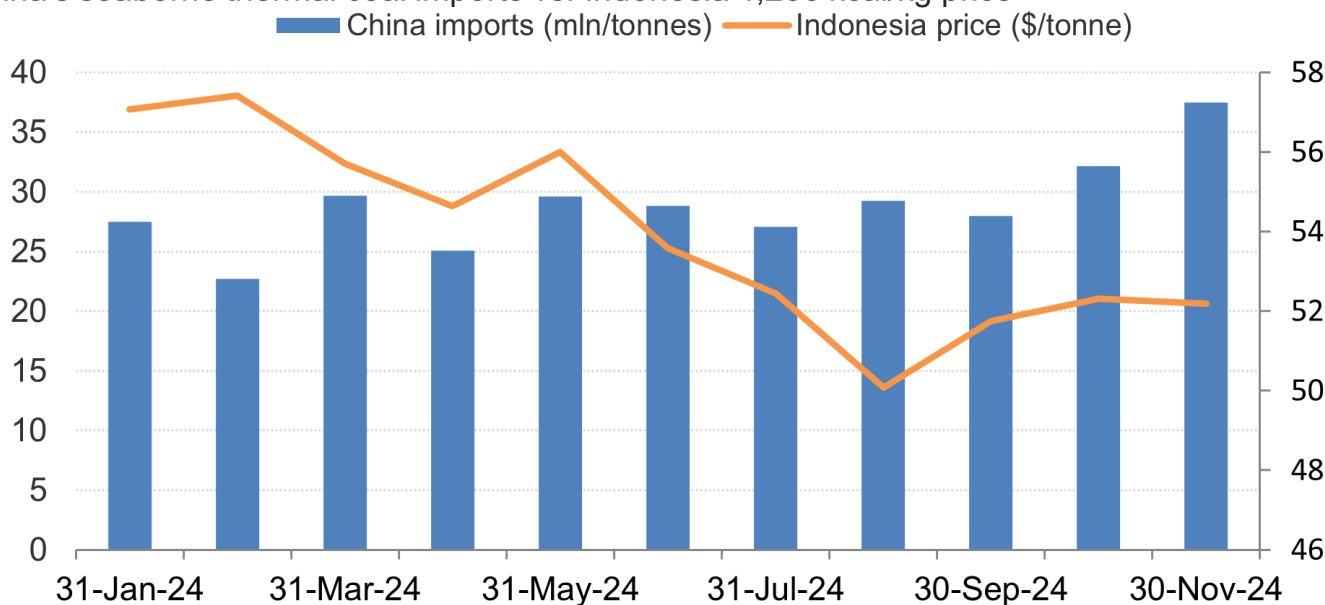
**LOOKING TO DRILL OFFSHORE AND ON FEDERAL LANDS**

Trump would look to accelerate drilling off the U.S. coast and on federal lands. The average time to complete a drilling permit on federal and Indian land averaged 258 days in the first three years of Biden's administration, up from 172 days during the four years of Trump's presidency, according to federal data. Trump is expected to expedite pending permits, hold sales more frequently and offer land that is more likely to deliver oil, the sources said. Despite the lag time in permit approvals, Biden's Interior Department approved more onshore oil drilling permits on average than Trump's first administration, federal records show. Oil output on federal lands and waters hit a record in 2023, while gas production reached its highest level since 2016, according to federal data. Drilling activity on federal lands and waters accounts for about a quarter of U.S. oil production and 12% of gas output.

**Chart of the Day**

**CHINA'S THERMAL COAL IMPORTS**

China's seaborne thermal coal imports vs. Indonesia 4,200 kcal/kg price



Note: November imports are an estimate as of Nov. 26, price is as of Nov. 22.

Source: Kpler, Argus Reuters graphic/Clyde Russell 26/11/24



## Top News - Agriculture

### Warm weather helps EU farmers recover from sowing delays

Warmer and drier than average weather in most of the European Union since early last month helped farmers accelerate crop sowing and harvesting which had been delayed by heavy rainfall, the EU's crop monitoring service MARS said on Monday.

However, conditions were unfavourable in large parts of southern Europe including Spain, where heavy rains and sometimes catastrophic floods caused delays in planting autumn crops, and major producer Romania.

In France, the EU's largest grain producer, and Benelux countries sowing delays had been partly recovered and the emergence and initial development of already sown crops were proceeding at a normal pace, MARS said in a monthly report.

Similar conditions are also observed in Germany, with the only exception being the southern regions, where the sowing campaign was still lagging.

In Poland, the sowing campaign was finished, and the emerged winter crop stands were in good condition, it said.

In contrast dry conditions in southwestern Romania and several parts of Bulgaria negatively affected the emergence and initial development of rapeseed and winter cereals, MARS said.

In northern Italy, frequent rain and floods delayed the harvest of summer crops and the planting of winter crops, which only began in early November. Meanwhile Southern Italy, especially Sicily, is very dry, raising serious concerns for durum wheat sowings, which need to be done by December, it said.

MARS stopped issuing yield estimates for this year's harvest. It is set to start releasing forecasts for the 2025 harvest next spring.

### US farm groups want Trump to spare their workers from deportation

U.S. farm industry groups want President-elect Donald Trump to spare their sector from his promise of mass deportations, which could upend a food supply chain heavily dependent on immigrants in the United States illegally.

So far Trump officials have not committed to any exemptions, according to interviews with farm and worker groups and Trump's incoming "border czar" Tom Homan. Nearly half of the nation's approximately 2 million farm workers lack legal status, according to the departments of Labor and Agriculture, as well as many dairy and meatpacking workers.

Trump, a Republican, vowed to deport millions of immigrants in the U.S. illegally as part of his campaign to win back the White House, a logistically challenging undertaking that critics say could split apart families and disrupt U.S. businesses.

Homan has said immigration enforcement will focus on criminals and people with final deportation orders but that no immigrant in the U.S. illegally will be exempt. He told Fox News on Nov. 11 that enforcement against businesses would "have to happen" but has not said

whether the agricultural sector would be targeted.

"We've got a lot on our plate," Homan said in a phone interview this month.

Mass removal of farm workers would shock the food supply chain and drive consumer grocery prices higher, said David Ortega, a professor of food economics and policy at Michigan State University.

"They're filling critical roles that many U.S.-born workers are either unable or unwilling to perform," Ortega said. Farm groups and Republican allies are encouraged by the incoming administration's stated focus on criminals. Dave Puglia, president and CEO of Western Growers, which represents produce farmers, said the group supports that approach and is concerned about impacts to the farm sector if a deportation plan was targeted at farmworkers.

Trump transition spokesperson Karoline Leavitt did not directly address the farmer concerns in a statement to Reuters.

"The American people re-elected President Trump by a resounding margin giving him a mandate to implement the promises he made on the campaign trail, like deporting migrant criminals and restoring our economic greatness," Leavitt said. "He will deliver."

Trump announced on Saturday that he would nominate Brooke Rollins, who chaired the White House Domestic Policy Council during his first term, to become agriculture secretary.

Agriculture and related industries contributed \$1.5 trillion to the U.S. gross domestic product, or 5.6%, in 2023, according to the U.S. Department of Agriculture.

In his first administration, Trump promised the farm sector that his deportation effort would not target food sector workers, though the administration did conduct raids at some agricultural worksites, including poultry processing plants in Mississippi and produce processing facilities in Nebraska.

U.S. Representative John Duarte, a Republican and fourth-generation farmer in California's Central Valley, said farms in the area depend on immigrants in the U.S. illegally and that small towns would collapse if those workers were deported.

Duarte's congressional seat is one of a handful of close races where a winner has yet to be declared.

Duarte said the Trump administration should pledge that immigrant workers in the country for five years or longer with no criminal record will not be targeted and look at avenues to permanent legal status.

"I would like to hear more clearly expressed that these families will not be targeted," he said.

### 'WE NEED THE CERTAINTY'

Farmers have a legal option for hiring labor with the H-2A visa program, which allows employers to bring in an unlimited number of seasonal workers if they can show there are not enough U.S. workers willing, qualified and available to do the job.

The program has grown over time, with 378,000 H-2A positions certified by the Labor Department in 2023, three times more than in 2014, according to agency data. But that figure is only about 20% of the nation's farm

workers, according to the USDA. Many farmers say they cannot afford the visa's wage and housing requirements. Others have year-round labor needs that rule out the seasonal visas.

Farmers and workers would benefit from expanded legal pathways for agricultural laborers, said John Walt Boatright, director of government affairs at the American Farm Bureau Federation, a farmer lobby group.

"We need the certainty, reliability and affordability of a workforce program and programs that are going to allow us to continue to deliver food from the farm to the table," said John Hollay, director of government relations at the International Fresh Produce Association, which represents produce farmers.

For decades, farm and worker groups have attempted to pass immigration reform that would enable more agricultural workers to stay in the U.S., but the legislation has failed so far.

The risk of enforcement against farms is likely low because of the necessity of the workers, said Leon

Fresco, an immigration attorney at Holland & Knight.

"There are some very significant business interests that obviously want agricultural labor and need it," he said. But for farmworkers, the fear of enforcement can create chronic stress, said Mary Jo Dudley, director of the Cornell Farmworker Program, which is training workers to know their rights if confronted by immigration officials. If there are again raids on meatpacking plants, immigration enforcement should take precautions to avoid detaining workers in the country legally, said Marc Perrone, international president of the United Food and Commercial Workers union, which represents some meatpacking workers.

Edgar Franks, a former farmworker and political director at Familias Unidas por la Justicia, a worker union in Washington state, said the group is seeing new energy from workers to organize.

"The anxiety and fear is real. But if we're together, there's a better chance for us to fight back," he said.

## Top News - Metals

### Platinum market faces third consecutive deficit in 2025, WPIC says

The global platinum market will be in a structural deficit for a third consecutive year in 2025 as mine supply remains constrained despite rising recycling and a 1% decline in demand, the World Platinum Investment Council said.

The WPIC, whose members are major Western platinum producers, expects the global market to show a shortfall of 539,000 troy ounces of platinum next year compared

with a revised estimated deficit of 682,000 ounces this year.

"The market is facing the third year of pretty material deficit in 2025, with automotive demand expected to grow to an eight-year high and jewellery demand to rise for the second year in a row after bottoming out," said Edward Sterck, head of research at the WPIC.

This year's forecast was reduced from the deficit of 1.0 million ounces predicted by the WPIC in September, as a more stable power supply in South Africa helped the

## MARKET MONITOR as of 07:35 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	\$69.10 / bbl	0.23%	-3.56%
NYMEX RBOB Gasoline	\$1.95 / gallon	0.12%	-7.25%
ICE Gas Oil	\$686.00 / tonne	1.03%	-8.62%
NYMEX Natural Gas	\$3.34 / mmBtu	-0.83%	32.90%
Spot Gold	\$2,612.59 / ounce	-0.48%	26.67%
TRPC coal API 2 / Dec, 24	\$127 / tonne	-1.89%	30.93%
Carbon ECX EUA	€69.19 / tonne	-0.96%	-13.91%
Dutch gas day-ahead (Pre. close)	€47.43 / Mwh	1.93%	48.92%
CBOT Corn	\$4.31 / bushel	-0.46%	-10.95%
CBOT Wheat	\$5.56 / bushel	0.00%	-13.10%
Malaysia Palm Oil (3M)	RM4,743 / tonne	0.94%	27.47%
Index	Close 25 Nov	Change	YTD
Thomson Reuters/Jefferies CRB	344.23	-0.79%	14.21%
Rogers International	28.64	-1.34%	8.77%
U.S. Stocks - Dow	44,736.57	0.99%	18.70%
U.S. Dollar Index	107.15	0.31%	5.74%
U.S. Bond Index (DJ)	438.75	1.21%	1.87%

country's mines to process more concentrates held as a work-in-progress inventory.

Next year, the WPIC expects mine supply to fall 2% due to lower South African production and to be fully offset by a 12% recovery in recycled supply.

Meanwhile, demand from the auto sector, which uses platinum in catalytic converters to reduce harmful emissions from vehicle exhaust systems, is projected to fall by 2% this year to 3.2 million ounces due to economic uncertainty and high interest rates.

Next year, the WPIC sees the auto demand recovering by 2% to its highest level since 2017 due to growth in sales of hybrid vehicles, stricter emissions legislation, and platinum-for-palladium substitution, the WPIC, which uses data from consultancy Metals Focus, added.

To cover the deficit, above-ground stocks will fall by 15% to 3.0 million ounces, equal to just over four months of global demand.

### Rio Tinto-backed lithium tech startup set to raise second round of funds

A lithium technology startup backed by Rio Tinto expects to finalise a funding round in the next week to raise A\$27.5 million (\$17.8), even as the global lithium market struggles, its Melbourne-based CEO told Reuters.

ElectraLith is developing a filtration technology that can extract lithium from brine deposits without using water or chemicals, which would be key in arid areas like Chile's Atacama desert, and needs only small amounts of energy.

"The lithium market is not great, venture capital markets aren't great, (so) the fact we are about to close this round with an oversubscribed investor base ... for us that's fantastic," CEO Charlie McGill told Reuters.

Several companies, including Exxon Mobil, are competing to commercialise their own direct lithium extraction (DLE)

technologies in an industry that is expected to grow to more than \$10 billion in annual revenue within the next decade.

DLE is expected to reshape the lithium market by speeding the production process of the metal used in EV batteries and electronics to hours or days, compared with months or longer with large evaporation ponds and open pit mines.

ElectraLith's DLE-R process, for which the company holds commercialisation rights, filters brine through two membranes that extract lithium and turn it into lithium hydroxide, before injecting the remaining brine back into the aquifer.

The group is working on how to scale the membrane for large projects while maintaining its properties, McGill said, and retains all commercial rights.

ElectraLith plans to use funds raised to build its first pilot plant at Rio Tinto's Rincon operations in Argentina, he said, adding the project is about a year from being ready to pilot.

Two more pilot plants are set to follow. The firm is currently owned by venture capital firm IP Group, Rio Tinto and Monash University, where its membrane technology was developed under Professor Huanting Wang.

By producing lithium hydroxide without water or chemicals, ElectraLith says it can compete at around half the cost of rivals, McGill said.

"The availability of water in the regions where there are lithium mines is a major problem," he said.

In Utah, where it is working on a project with Australia-listed Mandrake Resources, water from the Colorado River basin has to flow to Las Vegas and Los Angeles.

"You can't get a water permit," McGill said.

"So we show up and we are like, 'We don't need water.'"

## Top News - Carbon & Power

### Trump nod for LNG projects could boost supply only from 2027, Goldman says

Goldman Sachs expects no near-term impact on global gas supplies due to the potential approval for proposed U.S. liquefaction projects, as they would need government clearance as well as long-term contracts to go ahead, it said in a note on Monday.

President-elect Donald Trump's team plans to roll out an energy package within days of his taking office that would approve export permits for new liquefied natural gas (LNG) projects, among a wide range of other measures. Goldman Sachs analysts said the construction timelines imply no likely impact on U.S. or global gas balances before 2027 or later even under circumstances where the Department of Energy (DOE) approves the proposed LNG export projects.

"We reiterate our view that this approval is a necessary but not sufficient condition for new U.S. LNG export projects to come online."

The approval for U.S. LNG export projects in the coming months would not change our long-term global LNG balances or price views, the bank said in the note. Goldman Sachs currently expects U.S. LNG exports to

more than double by 2030 to 189 million metric tons per annum (25 Bcf/d), increasing its share of global LNG supply by then to 31% from 22% as of now.

In addition to the already approved US LNG export facilities, the bank's base case scenario includes two more projects, Venture Global's CP2 and Cheniere Energy's Corpus Stage 4, Goldman analysts said.

U.S. natural gas futures jumped about 8% to a one-year high on Monday on forecasts for colder weather, rising gas flows to LNG plants, and soaring global gas prices.

### EXCLUSIVE- Austria's half-century bond with Gazprom ended by gas seizure, sources say

The trigger that ended more than 50 years of gas flows from Russian state energy giant Gazprom to OMV earlier this month was the Austrian group's seizure of Russian gas as payment to cover the value of an arbitration award, five sources told Reuters.

OMV was among the few remaining buyers of Russian gas in Europe after Gazprom lost almost all its customers there in the wake of Russia's invasion of Ukraine in 2022. Before the war began, Russia was Europe's single biggest supplier of natural gas.

On Nov. 13 OMV said it had won an arbitration case in Germany against Gazprom for 230 million euros (\$239 million) in connection with irregular supplies to its German unit, and would take steps to immediately enforce it against Gazprom's invoices. Three days later, Gazprom suspended gas supplies to the Austrian company. According to three sources close to Gazprom and OMV, the Austrian firm had impounded 230 million euros worth of gas deliveries for October. It was the first time a European Union customer had failed to pay for Gazprom's gas, one of the sources close to Gazprom said.

A source close to OMV said it saw taking Gazprom's gas supplies for October in lieu of the arbitration award as the last chance to do so if Ukraine, which plans to end a deal allowing Russian gas to transit its territory next year, stops Russian gas flows in January.

Gazprom considers the gas seizure as non-payment and hence stopped supplies, the source close to Gazprom said. OMV had been buying Soviet and Russian gas since 1968, and the events signalled the Austrian firm is seeking ways to completely exit Russian gas purchases despite its contracts with Gazprom running until 2040, four of the five sources familiar with Gazprom and OMV operations said.

The stoppage of supplies last week gives OMV an opportunity to argue Gazprom has breached the contracts, one of the five sources said.

Gazprom declined to comment on future relations with OMV. An OMV spokeswoman said Gazprom's deliveries had stopped, and that it did not expect the situation to change. OMV's seizure of the gas and resulting non-payment for Russia's October gas supplies have not previously been reported.

#### LONGSTANDING INFLUENCE

The abrupt end to Gazprom and OMV's relationship surprised many gas market insiders, and is a blow to Gazprom's longstanding economic and political influence in central Europe.

Austria had been one of Gazprom's most loyal customers, remaining almost fully reliant on Russian gas even as other EU members switched to imports from Norway, the U.S. and Qatar in 2022.

OMV's contracts with Gazprom include a take-or-pay clause, which states that it must pay for gas supplied even if it does not take it.

According to a second source close to Gazprom, Austria's big gas storage facilities have made it a stronghold for Gazprom in central Europe over the last two decades. The source added that Austria had saved billions on cheap Russian gas after the war in Ukraine began.

Austria had been receiving Russian gas at \$300-\$400 per

1,000 cubic metres when spot prices traded above \$1,000 per 1,000 cubic metres at the peak of Russian supply cuts to Europe in 2022, the two sources close to Gazprom said.

OMV declined to comment on prices. OMV CEO Alfred Stern has said Gazprom's prices were aligned with market prices.

Despite Gazprom cutting off OMV from supplies, Austria has continued to receive Russian gas via Slovakia, a Reuters review of regional gas flows has shown.

Gazprom has sold more gas to Slovakia's SPP since it stopped sales to OMV. SPP then resold gas to Austrian buyers, three of the five sources said. The resales have not previously been reported. Gazprom and SPP declined to comment. OMV declined to say if it was buying gas from Gazprom indirectly through this arrangement.

#### CUTTING RELIANCE

OMV's Stern had been planning to cut reliance on Russian gas after taking the role in 2021, said one of the five sources.

In addition to the action over irregular supplies in Germany, OMV has launched several other arbitration cases against Gazprom, having written down 2.46 billion euros worth of Russian investments after Moscow seized stakes it held in a Siberian gas field Yuzhno Russkoye. Austria, whose government owns 31.5% of OMV, is politically neutral but supports sanctions against Russia. Its chancellor Karl Nehammer was the first Western leader to visit Russian President Vladimir Putin after the invasion. Last year, its foreign minister Alexander Schallenberg said a complete decoupling from Russia was illusory. Relations have become strained recently, however. Austria's Raiffeisen Bank, the biggest Western bank in Russia, had its local Russian unit frozen by a Russian court in a separate row with magnate Oleg Deripaska. Raiffeisen has about 5 billion euros stranded in Russia. On the day Gazprom cut gas supplies to OMV, Nehammer accused Moscow of using energy as a weapon. Nehammer has remained in charge of a caretaker government since a September general election won by the Russia-friendly Freedom Party (FPO). But with around 29% of the vote, the FPO would have needed a coalition partner to command a majority in parliament and form a government. Since no potential coalition partner was forthcoming, Nehammer has been tasked with forming a government instead and is negotiating with other parties to form a new coalition that would exclude the FPO.

Austria's energy minister Leonore Gewessler said it was up to OMV to decide whether to exit from contracts with Gazprom. "My task, and that of the federal government, is to create the framework conditions to make this exit possible," she said.

## Top News - Dry Freight

### **COLUMN- China sucks up seaborne thermal coal, but domestic output caps prices: Russell**

China's seaborne imports of thermal coal are on track to surge to an all-time high in November as the world's biggest buyer of the power station fuel ramps up electricity generation.

But the strong appetite for imports isn't driving up the prices of seaborne grades, which are being kept low by falling prices for China's domestic supplies.

Imports of thermal coal are estimated at 37.5 million metric tons for November, up from 32.12 million in October and the highest in data compiled by commodity

analysts Kpler going back to 2017.

The spike in seaborne thermal coal imports comes ahead of peak winter demand and as the world's second-biggest economy increases coal-fired generation amid weaker output from hydropower plants.

However, the strength in China's demand for seaborne thermal coal isn't being matched by the rest of Asia, with other top importers such as India and Japan showing steady to slightly weaker arrivals in recent months.

Top thermal coal exporters Indonesia and Australia are also having to compete against China's domestic supplies, and the local price has been trending lower as production rises.

The price of thermal coal at China's Qinhuangdao, as assessed by consultants SteelHome, dropped to 830 yuan (\$114.64) a ton on Monday, down from 835 yuan at the previous close.

The benchmark grade has been trending lower since early October, and is now down 5.1% from the recent peak of 875 yuan a ton on Oct. 9.

The softer domestic price has meant that seaborne prices have been unable to move higher, despite the strong import demand from China.

Indonesian coal with an energy content of 4,200 kilocalories per kilogram (kcal/kg), as assessed by commodity price reporting agency Argus, ended last week at \$52.19 a ton, down from \$52.34 the prior week.

The price has shifted slightly higher, gaining 4.2% since hitting a 41-month low of \$50.08 a ton in late August.

The modest increase in the price contrasts with the strong gain in volumes, with China's imports of Indonesian thermal coal poised to hit a record 25.32 million tons in November, up from 22.24 million in October, according to Kpler data.

#### AUSTRALIAN COAL

China is also snapping up cargoes from Australia, the second-biggest exporter of thermal coal behind Indonesia, with November imports estimated at a record 7.84 million tons, up from 5.35 million in October.

China tends to favour Australian coal priced against the 5,500 kcal/kg benchmark, which fell to \$87.60 a ton in the week to Nov. 22, down from \$88.12 the prior week and down 3.7% since the recent peak of \$90.97 in early October.

It appears that Indonesian and Australian exporters are choosing to keep their prices competitive in the China market in order to ensure strong growth in export volumes.

China may well continue to import high volumes of

thermal coal given rising electricity output, with thermal generation, which is mainly coal-fired, gaining 1.8% in October from the same month in 2023, according to official data released on Nov. 15.

The increase in thermal power output came as hydropower slid 14.9% in October year-on-year, the second straight month of decline.

China's output of coal also increased in October, gaining 4.6% from the same month in 2023 to 411.8 million tons. It's likely that coal miners will try to further lift production this month and next after the state-owned asset regulator urged higher output to meet winter demand.

The overall picture is one of strength for China's coal sector, with rising domestic production and surging imports being sufficient to meet demand and thereby prevent a rally in prices.

#### Russian wheat export prices flat last week, shipments fell

Russian wheat export prices remained flat last week, while shipments declined amid low demand and competition from other suppliers, analysts said.

Dmitry Ryloko, head of the IKAR consultancy, said that the price of Russian wheat with 12.5% protein, set for free-on-board (FOB) delivery in December, was \$226 per metric ton at the end of last week, unchanged from the previous week. He said that the cheap supply of wheat from exporters in the southern hemisphere kept a lid on prices. The Sovecon consultancy said prices for Russian wheat with the same protein content and on the same delivery terms were at \$228-231 per ton compared to \$228-\$230 the previous week.

Sovecon said earlier on Monday it had cut its wheat and overall grain export forecasts for the 2024/2025 season due to expectations of stricter export quotas. The agency said it had cut its wheat export estimate to 44.1 million metric tons, down from 45.9 million metric tons.

Weekly grain exports are estimated at 800,000 tons, including 710,000 tons of wheat, which is a decrease from 1.15 million tons of grain and 1.07 million tons of wheat the previous week, Sovecon said.

The agency forecasts grain exports in November at 4.2 million tons, up from 3.2 million in November 2023.

Sovecon reported that the winter planting campaign is nearly complete, although the sown area is significantly reduced compared to last year.

Winter grains were sown at 17.5 million hectares compared to 18.5 million hectares in 2023. Wheat typically accounts for 90% of the total winter grain area.

**Picture of the Day**

*A dog moves through mud at the site of a mudslide, in the aftermath of Storm Bert, in Cwmtillery, South Wales, Britain, November 25. REUTERS/Hollie Adams*

(Inside Commodities is compiled by Kishore Barker in Bengaluru)

For questions or comments about this report, contact: [commodity.briefs@thomsonreuters.com](mailto:commodity.briefs@thomsonreuters.com)

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