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## Top News - Oil

### Swiss corruption case involving Trafigura and former executive opens

Trafigura and three other defendants including a former board member go on trial over the alleged payment of bribes to an Angolan oil official for oil deals in a landmark case that opens on Monday. It is the first time Switzerland's top criminal court will rule on a company's liability for the alleged bribing of a foreign official and a rare instance of a former top executive of a trading firm going in the dock. Prosecutors allege Trafigura also did not take all reasonable measures needed to prevent payment of the equivalent of over \$5 million in bribes in exchange for oil and shipping contracts between 2009 and 2011, according to the indictment.

Trafigura said in a statement its former parent company Trafigura Beheer BV (TBBV) will defend itself.

"TBBV's anti-bribery and anti-corruption controls and compliance programme in place at the relevant time have been externally reviewed and assessed to have met legal requirements and international good practice standards applicable at that time," it said, noting it has since strengthened compliance.

The company previously said it was willing to resolve the investigation out of court but the Attorney General's office decided against a settlement. The office declined to comment. One of the defendants is Mike Wainwright, 51, who was a top Trafigura executive until his retirement earlier this year.

At the time of the alleged crimes, he was chief operating officer, management board member, a compliance committee member and the main point of contact for Trafigura auditors, the indictment says.

"Mr Wainwright entirely rejects the allegations made against him and will be presenting a robust defence. He has full confidence the court will find the allegations to be unfounded and will dismiss the case made against him by the prosecution," said his lawyer Daniel Kinzer.

The other two defendants are the former Angolan official and a Swiss man and ex-Trafigura employee who allegedly acted as an intermediary for the payments via a company registered in the British Virgin Islands.

Lawyers for the two did not respond to calls and emails from Reuters. Trafigura declined to comment further.

Under Swiss law, the defendants face a maximum sentence of five years in prison. Trafigura faces a fine of up to 5 million Swiss francs, although the Swiss Federal Criminal Court said a higher compensation penalty is possible.

#### TRAFIGURA LETTERHEAD

The 150-page indictment alleges that 4.3 million euros was transferred to the Angolan official as well as \$604,000 in cash between April 2009 and October 2011.

The Swiss bank account used for the payments was opened during the official's trip to Geneva in April 2009 where Trafigura paid for his stay at the Four Seasons Hotel, it states.

Wainwright was involved in bank transfers into that account of which the Angolan official was the beneficial owner, it said.

Trafigura appears in the letterhead of the document used to open the account and a signature resembling Wainwright's appears on it, the indictment alleges.

The deals Trafigura secured as a result of the scheme allowed it to make a profit of \$143.7 million, it says, citing an analysis by the Swiss prosecutor's office based on financial documents obtained during their investigations.

Swiss prosecutors also allege that Trafigura founder Claude Dauphin, who died in 2015, "must have been involved" in the decision to make payments to the Angolan.

Among the evidence cited are documents showing that Dauphin invited the official to his home during the 2009 Geneva trip.

Dauphin's family says he is being singled out unfairly and that they are being denied access to case documents by the court.

The court in Bellinzona declined to comment. The trial is scheduled to run through to Dec. 20, with an extension into January possible.

### Russia lifts gasoline export ban for producers

Russia's government lifted a temporary ban on the bulk of gasoline exports supplied by producers, while extending the restrictions for other exporters, such as independent traders and re-sellers, until Jan. 31, 2025, it said on Saturday.

The initial ban on gasoline exports was set to expire at the end of this year.

The ban does not include supplies to the Moscow-led Eurasian Economic Union of some former Soviet states as well as countries, such as Mongolia, with which Russia has inter-governmental agreements on fuel supplies.

"The decision was taken to maintain a stable situation in the domestic fuel market, support the economy of oil refining, and counteract grey exports of motor gasoline," the statement says.

The top gasoline producers in Russia are Gazprom Neft's Omsk refinery, Lukoil's NORSI oil refinery in Nizhny Novgorod and Rosneft's Ryazan refinery.

Russia in 2023 produced 43.9 million metric tons of gasoline and exported about 5.76 million tons, or around 13% of its production.

The biggest importers of Russian gasoline are mainly African countries, including Nigeria, Libya, Tunisia and the United Arab Emirates.

Top News - Agriculture

**Strategie Grains sees rebound in EU rapeseed and sunflower crops next year**

European Union production of rapeseed and sunflower seed should rebound sharply in 2025 after adverse weather cut this year's crops, consultancy Strategie Grains said on Friday.

In its first projections for next year's oilseed output, the firm forecast the EU rapeseed harvest at 18.7 million metric tons, up 12% from a four-year low of 16.7 million in 2024. For sunflower, 2025 production was pegged at 10.5 million tons, up 25% from a nine-year low of 8.4 million expected in 2024.

This year's rapeseed crop suffered from repeated heavy rain in western Europe, while the sunflower harvest was hit by drought, heatwaves and torrential rain in southeast Europe.

For the next rapeseed crop, sowing conditions "were not ideal" because of too much or too little rain in production belts, but were still better than a year ago, Strategie Grains said in a summary of an oilseed report. Larger rapeseed harvests were anticipated next year in Romania, France, Germany and the Baltic States, it said. The consultancy did not give further details on its rapeseed outlook, but it has previously forecast a 4% increase in the area sown with rapeseed.

For sunflower seed, Strategie Grains also anticipated an expansion in area as it expected farmers to be attracted by high prices fuelled by this year's poor crops in Europe

and the Black Sea region. It saw potential for next year's sunflower area to reach its second-highest on record after 2022, when Russia's invasion of Ukraine disrupted the market and prompted more planting by EU farmers.

Strategie Grains' estimate of this year's EU sunflower crop was down from 8.8 million expected a month ago and its latest downgrade to the harvest.

It projected that weather-hit supply will lead to an all-time low in the ratio of EU stocks against consumption this season, despite an easing in industrial demand linked to rising sunflower prices. Rapeseed stocks were also seen tightening this season, but prices may be curbed if U.S. President-elect Donald Trump implements a proposed tariff on Canadian imports, which could depress prices of Canadian rapeseed, Strategie Grains said.

**French soft wheat sowing ahead of average pace after drier November**

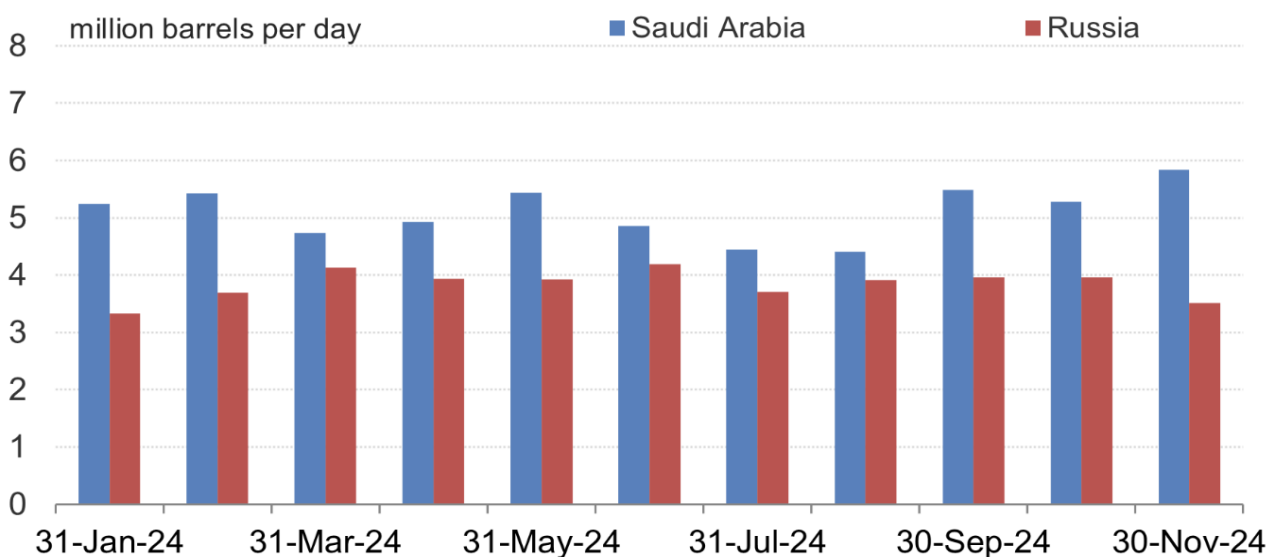
Soft wheat sowing in France has moved ahead of the average pace of recent years, data from farm office FranceAgriMer showed on Friday, as drier weather this month helped farmers catch up on rain delays earlier in the autumn. Farmers had sown 93% of the expected soft wheat area by Nov. 25, up from 81% a year ago and also ahead of a 91% average for the same week in the past five years, FranceAgriMer said in cereal crop report.

Wet weather in September and October hampered field work and raised fears of a repeat of last year's rain-hit

Chart of the Day

**ASIA'S IMPORTS SAUDI, RUSSIAN OIL**

Asia's imports of crude oil from Saudi Arabia and Russia



Source: LSEG Reuters graphic/Clyde Russell 02/12/24



sowing campaign that contributed to the worst wheat harvest in 40 years.

However, much drier conditions in November have let sowing accelerate, though some observers warn that yield potential for next year's harvest may have been dented.

Soft wheat is the most widely grown cereal in France, the European Union's biggest crop producer.

FranceAgriMer estimated that 87% of the newly sown soft wheat crop was in good or excellent condition, down slightly from 88% the previous week but up from 80% a year ago.

Farmers were also nearing the end of winter barley sowing and maize harvesting.

An estimated 98% of the winter barley area had been drilled, ahead of a five-year average of 96%, while 89% of the maize crop had been gathered, down from a five-year average of 98%, the office said.

Despite rain delays, a bigger maize crop is widely anticipated in France, supported by a jump in spring planting.

For durum wheat, the variety used in pasta, 63% of the expected area had been sown, slightly behind the five-year average of 66%, FranceAgriMer said.

## Top News - Metals

### **EXCLUSIVE- Chile's Codelco boosts copper output in final dash to meet 2024 target, sources say**

Chilean state-run Codelco is making a late dash to rev up its copper production in a bid to hit 2024 targets, two sources and an internal document show, potentially turning things around after a weak first half of the year. The world's top copper producer, which is battling to revive output from a 25-year low, hopes to close the year with some 1.331 million metric tons of the metal, the two company sources said, which would be up 0.5% from last year and at the lower end of its target range. In an internal memo seen by Reuters, the firm said its October output, already flagged by executives as strong, was 2.9% above target, the most concrete sign yet of its recent performance. Official data will be released in the coming days. The annual and October figures are previously unreported. The firm's official annual target is 1.325-1.352 million tons of copper, with the top-end of the range lowered from 1.39 million tons in July. Its 2024 plan targeted 116,500 tons in October, an internal document seen previously by Reuters showed. A 2.9% beat would suggest real production close to 120,000 tons. Codelco declined to comment. Copper is key for electric vehicles and the global green energy revolution, with rising demand pushing up prices.

### **LEADERSHIP 'CONFIDENT' TO HIT TARGET RANGE**

The miner, which is also spearheading a state push into lithium, is battling to revive its copper production, hit by construction mistakes at key mines, accidents and a drop in ore grades, even as global demand for the metal rises. It faced a challenging start to the year, including delays on the Rajo Inca project at the small Salvador unit and the death of a truck driver at Radomiro Tomic, prompting analysts to flag risks to it hitting annual targets. The firm, however, has made a major production push in recent months, with executives growing more bullish. Chairman Maximo Pacheco said on Nov. 7 that October was the best month so far this year and would be ahead of target, without giving details. One of the company sources said the leadership was "confident" to land within the annual production target range. The person said key mines like El Teniente were ahead of target, while Salvador was behind. The giant Chuquibambilla was on track. A second source confirmed the production numbers and expectations.

The final figure will depend on how quickly Codelco can ramp up output in the final stretch of the year.

To be sure, Codelco would have to keep up a furious pace to hit its goals. It would need over 400,000 tons of copper in the fourth quarter, 20% more than the third quarter. In the big picture, even if it succeeds, production is still way off peaks a decade ago, analysts said.

"Whether or not it meets the goal, we can't lose sight that Codelco is going through a significant crisis," said Juan Ignacio Guzman, head of Chilean mining consultancy GEM.

### **Norway stops deep-sea mining, for now**

A small leftwing environmentalist political party in Norway succeeded on Sunday in blocking plans to mine the sea bed at the bottom of the Arctic, by demanding the government scrap its first licensing round in return for support for the budget.

"We are stopping plans to open mining on the sea bed," Kirsti Bergstoe, leader of the SV party which is outside the governing coalition but supports the minority government, told reporters. The government, which had planned to offer its first deep-sea mining exploration permits in the first half of 2025, said that although the plan was suspended, preparatory work would continue, including creating regulations and mapping the environmental impact. "This will be a postponement," Prime Minister Jonas Gahr Stoere, from the Labour Party, told private broadcaster TV2.

Norway, whose vast hydrocarbon reserves made it one of the world's wealthiest countries, had taken a leading role in the global race to mine the ocean floor for metals that are in high demand as nations transition away from fossil fuels. "This is a crucial win in the fight against deep sea mining. It should be the nail in the coffin for the destructive industry," Frode Pley, head of Greenpeace Norway, told Reuters.

Oslo had plans to open large areas of its Arctic region next year for its inaugural sea bed licensing round, despite opposition from green campaigners and a coalition of 32 countries, including Germany, France, Canada and Brazil.

The agreement concluded on Sunday by SV and the government, consisting of Labour and the agrarian Centre Party, means that planned licensing round will not proceed.

Norwegians head to the polls in September and two opposition parties leading in opinion surveys, the Conservatives and the Progress Party, are in favour of deep-sea mining. "If a new government attempts to reopen the licensing round we will fight relentlessly against it," said Greenpeace's Pleym. Preliminary official resource estimates showed "substantial" accumulations

of metals and minerals, ranging from copper to rare earth elements, the government said in 2023.

At least three Norwegian seabed mineral start-ups - Stavanger-based Loke, Oslo-based Green Minerals and Bergen-based Adepth, have previously said they planned to bid in the first licensing round. The companies were not immediately available for comment.

## Top News - Carbon & Power

### EXCLUSIVE-Bangladesh wants to renegotiate Adani power deal unless court cancels

Bangladesh wants to sharply lower prices under a power purchase deal with India's embattled Adani Group unless it is cancelled by a court, which has called for an investigation into the 25-year deal, its de facto energy minister told Reuters on Sunday.

Adani Group founder Gautam Adani is already facing allegations by U.S. authorities that he was part of a \$265 million bribery scheme in India, charges he has denied, even as one Indian state reviews a power deal with the group and France's TotalEnergies pauses its investments.

In Bangladesh, based on an appeal by a lawyer demanding the power deal's potential cancellation, the High Court last week ordered a committee of experts to examine the contract under which Adani supplies power from a \$2 billion coal-fired plant in eastern India.

The investigation is expected to be concluded by

February, when the court is due to make its order. The deal was signed in 2017 by Adani and a government entity under Prime Minister Sheikh Hasina, who was ousted this year amid a popular uprising and accusations of widespread corruption. Supply from the 1,600 megawatt plant, which uses expensive imported coal, started last year and meets about a tenth of Bangladesh's consumption.

"Renegotiate in case of anomalies in the contract. Cancel only in case of irregularities such as corruption and bribery," Muhammad Fouzul Kabir Khan, Bangladesh's power and energy adviser, said in an interview in his office.

"Both based on the findings of the court-ordered investigations." He said some issues, such as Bangladesh not benefiting from some Indian tax exemptions to the power plant, have already been flagged to Adani and could partly form the basis of a deal renegotiation.

## MARKET MONITOR as of 07:35 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	\$68.61 / bbl	0.90%	-4.24%
NYMEX RBOB Gasoline	\$1.92 / gallon	1.05%	-8.90%
ICE Gas Oil	\$671.75 / tonne	-0.78%	-10.52%
NYMEX Natural Gas	\$3.17 / mmBtu	-5.71%	26.13%
Spot Gold	\$2,632.30 / ounce	-0.80%	27.62%
TRPC coal API 2 / Dec, 24	\$123.25 / tonne	-1.40%	27.06%
Carbon ECX EUA	€69.18 / tonne	1.14%	-13.92%
Dutch gas day-ahead (Pre. close)	€46.98 / Mwh	0.75%	47.50%
CBOT Corn	\$4.31 / bushel	-0.52%	-11.00%
CBOT Wheat	\$5.44 / bushel	-0.78%	-14.97%
Malaysia Palm Oil (3M)	RM5,011 / tonne	-0.18%	34.67%
Index	Close 29 Nov	Change	YTD
Thomson Reuters/Jefferies CRB	343.72	0.10%	14.04%
Rogers International	28.49	0.76%	8.22%
U.S. Stocks - Dow	44,910.65	0.42%	19.16%
U.S. Dollar Index	106.29	0.52%	4.89%
U.S. Bond Index (DJ)	444.13	0.50%	3.11%

Adani did not immediately respond to a request for comment on the weekend. Adani Power Ltd said in its latest annual report that the plant in India's Jharkhand state would provide Bangladesh uninterrupted, reliable and affordable electricity and "significantly reduce the average cost" for the end consumer.

Khan said the U.S. corruption allegations against Adani themselves may not have any bearing on the Bangladeshi deal.

A separate committee formed by Bangladesh's interim government is already probing the Adani deal and six other power contracts with the aim to ensure the investigations "will be acceptable in international negotiations and arbitration", said a government statement. At 14.02 taka a unit, Adani charged the highest rate for Indian-generated power to Bangladesh in the 2022/23 fiscal year, compared with an average price of 8.77 taka (\$0.0737), according to the state-run Bangladesh Power Development Board.

Adani's rate fell to 12 taka a unit in 2023/24, still 27% higher than the rate of India's other private producers and as much as 63% more than Indian state-owned plants, Reuters has reported.

The retail price in Bangladesh is 8.95 taka per unit, which results in an annual power subsidy bill of 320 billion taka for the exchequer, Khan said.

"Because the prices are high, the government has to subsidise," Khan said. "We would like power prices, not only from Adani, to come down below the average retail prices."

Bangladesh, however, will keep paying for the power it is importing from Adani, he said. The company had recently halved its supply because of a delay in payment.

Khan said Bangladesh has enough domestic capacity to meet its needs, though some plants are currently idle or generating below capacity because of a shortage of gas or other reasons.

"When Adani cut their supply to half, nothing happened," he said. "We will not allow any power producer to blackmail us."

### US LNG natural gas demand nears record level

Gas demand from the U.S. largest liquefied natural gas producers soared on Friday to near-record levels on cooler weather and fewer outages, according to preliminary data from financial firm LSEG. LNG export plants were expected to draw 14.6 billion cubic feet on Friday, the highest for the year and just shy of the U.S. record of 14.7 bcf, recorded in December 2023, and up from the 14.5 bcf recorded on Thursday, LSEG data showed.

Natural gas demand from U.S. LNG export plants is important as it has been the main source of increased U.S. demand in recent years.

Freeport LNG, the U.S. second largest exporter of the superchilled gas was expected to draw just over 2 bcf on Friday, up from its 1.99 bcf on Thursday, signaling that its three processing plants called trains are back online after being down for four days, LSEG data shows.

The plant had several outages this year and is the least reliable of all of the U.S. LNG export facilities.

Freeport LNG's Quintana, Texas, plant is one of the most closely watched LNG export plants in the world because the start and stop of its operations often cause massive price swings in global natural gas prices.

The largest U.S. LNG exporter Cheniere Energy's two facilities have been operating near capacity with its Sabine Pass export facility in Louisiana expected to draw almost 5.2 bcf on Friday, the third out of the last four days that it has drawn over 5 bcf, according to LSEG data. The U.S. is the world's largest exporter of the superchilled gas with two new plants expected to begin producing LNG in the coming weeks.

## Top News - Dry Freight

### Russia cuts wheat exports among measures to curb inflation

Russia, the world's largest wheat exporter, cut its 2025 export quota by two-thirds, hiked wheat-export duties and abandoned import quotas for some staple foods on Friday as the government moved to curb inflation.

The Eurasian Economic Union Council said Russia's export quotas for the second part of the export season from Feb. 15 to June 30, 2025, will be 11 million metric tons, down from 29 million tons in the same period this year.

The EEU comprises Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia and coordinates the customs and tariff policy of its members. In a separate announcement, Russia's agriculture ministry hiked the wheat-export duty by over 18% from Dec. 4.

"We are strengthening control over the export of agricultural products to prioritize the supply of the domestic market. These measures should stabilise the price situation," said Deputy Prime Minister Dmitry Patrushev.

Patrushev said the government encouraged retailers to set long-term contracts with producers of potatoes and

vegetables while regional authorities were working with retailers to stabilise prices for butter, sugar and bread. The government is working to increase food imports from "friendly" countries, Patrushev said, while the EEU Council said it introduced duty-free quotas for imports of potatoes, carrots, apples and butter.

Russia allows grain exports quota-free from July to January, the first half of the export season, and then implements quotas among about 260 domestic traders authorized to sell grain internationally from Feb. 15 to June 30.

Analysts expected the export-quota cut, which resulted from the high export pace in recent months and a worse-than-expected harvest due to bad weather in most Russian wheat-producing regions.

"The decision will help smooth out fluctuations in consumer prices caused by the depletion of domestic production stocks and the need to supply the domestic market through imports, and will contribute to curbing inflation," Russia's economy ministry said in a statement. The measures will be closely watched by Russia's biggest wheat buyers, Egypt, Iran, Turkey, Algeria and Saudi Arabia.

**FOOD PRICES IN FOCUS**

Moscow has been looking to curb exports of staple foods and boost imports as it fights inflation at 8.5%. Price growth for butter, bread, dairy products and potatoes caused particular concern.

Butter prices were up 32% this year while prices for potatoes were up almost 80% and prices for bread climbed 13%, according to official statistics.

Russia introduced wheat-export quotas in 2020 to protect the domestic market.

The Russian Grain Exporters and Producers Union expects wheat exports in 2024/2025 of 47 million to 52 million tons, which it says will be enough for Russia to remain the top wheat exporter.

"However, the food security of the people in the countries to which we supply Russian wheat and other grain products is much more important to us," said the union's head Eduard Zernin.

At the start of 2024, the original quota of 24 million tons was increased a further 5 million tons against the backdrop of the previous season's record grain exports, estimated at no less than 72 million tons.

The EEU Council statement said the quota for the same period of 2024 included corn and barley, which were excluded from the quota in the coming season.

**Costa Rica coffee exports jumped 79% in October**

Coffee exports from Costa Rica leapt 79% in October versus the same month in 2023, according to data from the national coffee institute ICAFE, which was published on Saturday.

Costa Rican coffee growers exported 38,162 60-kilogram (132.3 pounds) bags in October, the first month of the 2024-2025 coffee calendar, representing an increase of 16,877 bags versus the 2023-2024 coffee calendar, ICAFE said.

The coffee-growing calendar runs from October to the following September.

The Central American nation is known for its high-quality arabica coffee beans. Though one of the region's smaller coffee producers, Costa Rica typically exports about 85% of its crop to foreign markets.

In October, Costa Rican producers charged an average of \$253 per 100 pound-bag placed in port, higher than the average seen in the 2023-2024 coffee year and at a greater value than coffee beans from other countries.

In October, ICAFE forecast the 2024-2025 year's harvest would grow 13.4% versus the previous 12 months.

However, heavy rains in November caused 15% of production to be lost, according to authorities' preliminary calculations.

## Picture of the Day



A Buddhist monk and local residents wade through a flooded street at Wat Mahattamangkalaram Temple in Hat Yai district, Songkhla province, Thailand, November 30. REUTERS/Roylee Suriyaworakul

(Inside Commodities is compiled by Nandu Krishnan in Bengaluru)

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