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Top News - Oil

OPEC oil output rises in November as Libya recovers, survey finds
OPEC oil output rose for a second month in November as Libya's production recovered after resolution of a political crisis, a Reuters survey found, though members making cuts pledged to the wider OPEC+ alliance kept output broadly steady. The Organization of the Petroleum Exporting Countries pumped 26.51 million barrels per day (bpd) last month, up 180,000 bpd from October, the survey showed on Tuesday, with Libya again posting the largest increase.
Libyan output recovered after resolution of a dispute over control of the central bank, allowing full production to resume at oilfields and applying downward pressure on prices. The country is exempt from agreements by the broader OPEC+ group of producers to limit output.
OPEC+ is scheduled to meet on Thursday and could extend output cuts into 2025 in the face of global demand concerns and rising output outside the group, sources have told Reuters.
Other increases of 50,000 bpd each came from Nigeria and from Iran.
There were no significant drops in output. Iraqi production edged lower, the survey found, reflecting efforts to boost compliance with its OPEC+ quota.
OPEC pumped about 16,000 bpd above the implied target for the nine members covered by supply cut agreements, the survey found, with Gabon exceeding its target by the largest amount.
The Reuters survey aims to track supply to the market and is based on shipping data provided by external sources, flows data from financial group LSEG, information from companies that track flows, such as Kpler and Petro-Logistics, and information provided by sources at oil companies, OPEC and consultants.

Venezuela's oil exports approach 1 million bpd fueled by sales to Asia
Venezuela's oil exports jumped last month on higher sales to its mainstay Asia customers, and approached 1 million barrels per day (bpd), a level not seen since early 2020, according to ship monitoring data.
Under U.S. sanctions since 2019, Venezuela's exports of crude and refined products have been highly volatile. Lack of investment and frequent fires and outages at the South American country's aging oil infrastructure put a ceiling on production and sales.
State oil company PDVSA, its joint ventures and other state companies last month shipped an average of 974,033 bpd of crude and fuel, mostly to China. It was the second consecutive month of increase, according to Reuters analysis of tanker movements.
November's total represented a 10% increase from a revised average of almost 885,000 bpd in October, and stood 57% above the same month a year ago, the data showed.
Sales to Asia, home to the country's largest buyers, jumped to some 613,000 bpd from 526,000 in October. Shipments to the United States by producer Chevron under a license granted by Washington fell to 238,000 bpd from 280,000 bpd the previous month, while exports to Europe increased to 85,000 bpd from 31,000 bpd.
The incoming government of President-elect Donald Trump is expected to revise U.S. policies towards Venezuela, which could lead to license amendments or renegotiations with the administration of Venezuelan President Nicolas Maduro.
The export increase happened despite a large explosion and fire at one of PDVSA's main natural gas centers, which hit output of products, including methanol.
PDVSA did not immediately reply to a request for comment. The country's oil minister, Delcy Rodriguez, this week said PDVSA's facilities have been subject to "sabotage," following the arrest of 11 people over the gas complex incident.
Venezuela's exports of oil byproducts and petrochemicals, including methanol and petroleum coke, declined to 330,500 metric tons in November, from 362,000 tons in October, according to the data.
The OPEC country also increased exports to its political ally Cuba to 38,000 bpd from 28,000 bpd the previous month.
Venezuela imported 87,000 bpd of heavy naphtha and gasoline blend stock last month through U.S.-authorized swap agreements with U.S. and European partners, slightly above the 81,000 bpd of October.

Top News - Agriculture

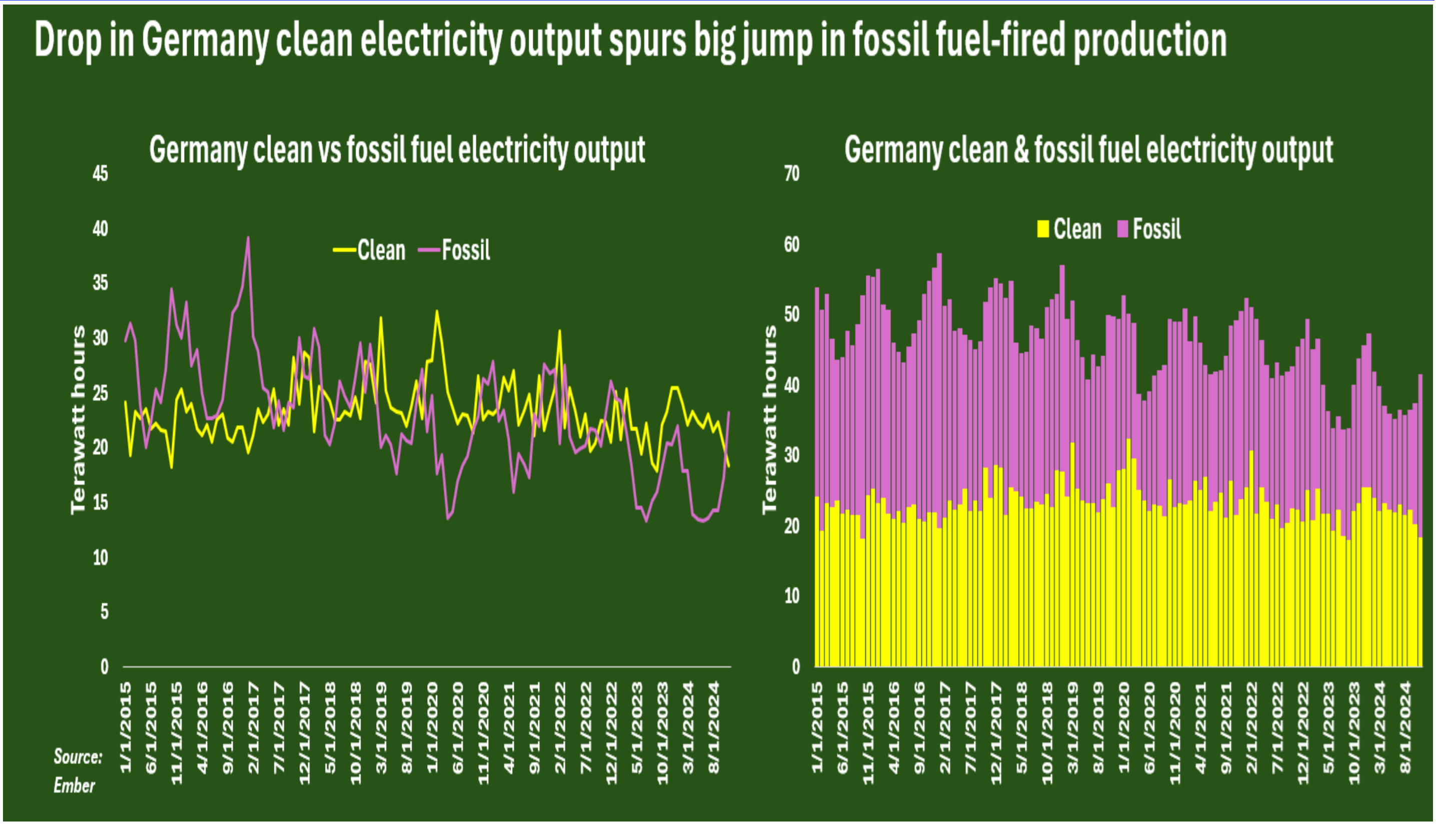
Rain hits Australia's wheat harvest causing quality downgrades
Heavy rainfall has hit Australia's bumper wheat harvest causing widespread quality downgrades, traders and analysts said, increasing the prospect of tightening global supply.
Farmers in Australia, the world's fourth-biggest wheat exporter, are wrapping up an above-average harvest and providing much-needed supplies to the world market but rain over the last two weeks has doused crops and more wet weather is forecast.
Global wheat inventories are projected by the U.S. Department of Agriculture to hit their lowest in nine years by the middle of 2025.
Between 2.5 million and 5 million metric tons of wheat across Australia's southeastern growing regions have been downgraded to animal feed from milling quality, four agricultural analysts said.

This represents 8% to 16% of the total crop.
"We're already hearing that a lot of things have sprouted," said an analyst at a major grain trader in Australia, referring to grains and seeds soaked by rain. Other crops such as canola and lentils have also been impacted, he said, asking not to be identified because he was not authorised to speak with the media.
The analyst said 3 million tons in New South Wales and 2 million tons in Victoria will now be turned to feed wheat, estimating that total lost value across crops could reach A$250 million ($162 million).
Greater damage to the crop has been averted by an early start to the harvest this year, analysts said.
The country is set to harvest 31.9 million tons of wheat in the current season, well above the 10-year average of 26.6 million tons, the government said on Tuesday.
High-yielding crops in northern New South Wales and Queensland were safely brought in before rain deluged southeastern growing regions, analysts said.
"(About) 2.5 million metric tons of wheat is expected to be downgraded, mostly due to rain-triggered germination," said Stefan Meyer, who heads a grains trading team at brokers StoneX in Sydney.
The proportion of the overall crop - around 11% - that is feed wheat will likely be similar to the average of the last 10 years, brokers IKON Commodities said.
However, rain bodes well for next year's harvest, said Rod Baker at Australian Crop Forecasters.
"If there is a bit of a silver lining, it's that those soil moisture profiles will be filled up and we'll be in for an at least average crop next year," he said.
Australia's Bureau of Meteorology forecasts above-median rainfall for most cropping regions from December to February.

Mexico expects resolution on GM corn dispute by Dec. 14

Mexican Economy Minister Marcelo Ebrard said on Tuesday he expected a resolution on a dispute under the U.S.-Mexico-Canada free trade pact regarding Mexican restrictions on imports of genetically-modified (GM) corn by Dec. 14.
Under the administration of former President Andres Manuel Lopez Obrador, Mexico's government sought to limit imports of GM corn over concerns it could harm health and put the country's native varieties at risk.
Mexico is self-sufficient in white corn, used to make the country's staple tortilla, but imports GM yellow corn from the United States which is used largely to feed livestock.
The move to restrict imports of the GM crop however sparked a dispute under the North American free trade pact, which Washington said Mexico was violating by implementing the restrictions.
Mexican President Claudia Sheinbaum, who took over from Lopez Obrador in October, has said her administration will seek to protect the country's non-GM white corn under the constitution and protect local agricultural capacity.

Chart of the Day



Sheinbaum's agricultural secretary told Reuters before taking office that the new administration would focus on maintaining self-sufficiency in white corn over curbing imports of yellow corn.
Mexico counts more than 60 native varieties of corn, which has an important symbolic value dating back to pre-Hispanic cultures.
The North American free trade pact is up for a revision in 2026, in which Sheinbaum's administration will negotiate with the government of U.S. President-elect Donald Trump.
In an event with investors and business leaders on Tuesday in Mexico City, Ebrard said the trade pact was the "best deal the region has ever had."

Top News - Metals

ANALYSIS-Indian steel mills feel crunch from cheap Chinese imports

India's construction boom with its gleaming highrises and multilane highways was supposed to drive up domestic steel sales, but Jogindra Group's mills in northern Punjab state are filled with unsold inventory.
A flood of cheap Chinese steel has pushed India's smaller mills to scale down operations and consider job cuts, as the South Asian nation joins a growing list of countries contemplating action to stem imports.
India, the world's second-largest steel maker, turned into a net importer in the last fiscal year, sounding alarms in New Delhi about what a weakened sector portends for the security of future infrastructure projects and steel-reliant industries.
At small and medium-sized mills, which account for 41% of India's total steel output and employ more than 1.5 million people, capacity utilisation has dropped by nearly a third over the past six months, executives from a dozen such producers said in interviews.
In Mandi Gobindgarh, Punjab's "steel city", the cluster of mills is unable to compete with Chinese imports often sold at up to 10% less than Indian offerings.
"If we are not able to compete in the market, our plant won't run at full capacity," said Adarsh Garg, chairman and managing director at Jogindra Group. "We will be forced to lay off 10% to 15% of our employees here if this continues," Garg said. Despite offering discounts on its products, the company's sales have dropped 30% to 35% in the past six months, forcing it to cut output by nearly a third, Garg said.
Raju John, director general of the Builders Association of India, said developers and engineering firms are lured by the savings.
Chinese steel sells for $25 to $50 a metric ton cheaper and sometimes as much as $70.
Finished steel imports from China reached an all-time high this year, up more than 30%, and included both hot-rolled steel used in construction and galvanised steel for the automobile industry.
The influx has battered domestic sales while China's lower prices have also eroded Indian exports.

'EVERYONE IS BLEEDING'

China produces more steel than the rest of the world combined, and its bargain offerings on the global market have prompted widespread trade complaints.
That output, expected to continue in 2025, coupled with heightened export volumes since China's property crisis battered demand from the domestic construction industry, has rattled steel markets overseas, even in countries with a strong local industry.
"Surging imports at predatory prices with reducing export opportunity is today a major concern for the survival of (the) Indian steel industry," the Indian Steel Association said in a presentation to the government.
The association said steel companies are struggling to initiate expansion plans after their profit margins dropped by 68% to 91% so far this fiscal year.
Prices have suffered with hot-rolled coil used in construction plummeting to a three-year low earlier this year.
While smaller steelmakers have been hit the hardest, even big Indian producers such as JSW Steel and Tata Steel are concerned and have backed the association's efforts to push for curbs on Chinese imports.
The process to impose import curbs, which could take four to six months, is subject to paperwork completion by the industry and a subsequent government investigation to determine whether Chinese imports are harming Indian steel mills.
New Delhi is keen to avoid mass layoffs for the industry's 2.5 million workers as India struggles to employ its surging population.
Steel also fortifies India's rapid development, from new housing to massive infrastructure projects required to sustain the world's fastest-growing major economy.
A senior government official with knowledge of the matter said the financial stability of steel companies is required to ensure future demand is met.
Steel mills across India are feeling the pinch.
"During July-September, the export orders we were waiting for did not come through because we lost business to China," said Sagar Yadav, a senior general manager at Goodluck India steel mills in the northern state of Uttar Pradesh.
In the western city of Pune, Neo Mega Steel has lost orders from the automobile industry to Chinese rivals, said Managing Director Vedant Goel.
And in western Maharashtra state, Bhagyalaxmi Rolling Mill has been hit by a sharp drop in exports.
Nitin Kabra, a director at the mill, said he expects production cuts at the start of next year.
"Chinese imports have impacted our margins and morale," Kabra said.
"Prices have fallen so low that everyone is bleeding."

China bans export of critical minerals to US as trade tensions escalate

China on Tuesday banned exports to the United States of the critical minerals gallium, germanium and antimony that have widespread military applications, escalating trade tensions the day after Washington's latest crackdown on China's chip sector.

The curbs strengthen enforcement of existing limits on critical minerals exports that Beijing began rolling out last year, but apply only to the U.S. market, in the latest escalation of trade tensions between the world's two largest economies ahead of President-elect Donald Trump taking office next month.
A Chinese Commerce Ministry directive on dual-use items with both military and civilian applications cited national security concerns. The order, which takes immediate effect, also requires stricter review of end-usage for graphite items shipped to the U.S.
"In principle, the export of gallium, germanium, antimony, and superhard materials to the United States shall not be permitted," the ministry said.
Gallium and germanium are used in semiconductors, while germanium is also used in infrared technology, fibre optic cables and solar cells. Antimony is used in bullets and other weaponry, while graphite is the largest component by volume of electric vehicle batteries.
The move has sparked fresh concern that Beijing could next target other critical minerals, including those with even broader usage such as nickel or cobalt.
"China has been signalling for some time that it's willing to take these steps, so when is the U.S. going to learn its lesson?" said Todd Malan of Talon Metals, which is trying to develop a nickel mine in Minnesota and is exploring for the metal in Michigan. The only U.S. nickel mine will be depleted by 2028.
The United States was assessing the new restrictions, but will take "necessary steps" in response, a White House spokesperson said, without giving details.
"These new controls only underscore the importance of strengthening our efforts with other countries to de-risk and diversify critical supply chains away from PRC (China)," the spokesperson said. Representatives for Trump did not immediately respond to a request for comment.
Chinese customs data show there have been no shipments of wrought and unwrought germanium or gallium to the U.S. this year through October, although it was the fourth and fifth-largest market for the minerals, respectively, a year earlier.
Similarly, China's overall October shipments of antimony products plunged by 97% from September after Beijing's move to limit its exports took effect.
China accounted last year for 48% of globally mined antimony, which is used in ammunition, infrared missiles, nuclear weapons and night-vision goggles, as well as in batteries and photovoltaic equipment.
This year, China has accounted for 59.2% of refined germanium output and 98.8% of refined gallium production, according to consultancy Project Blue.
"The move is a considerable escalation of tensions in supply chains where access to raw material units is already tight in the West," said Project Blue co-founder Jack Bedder.

MARKET MONITOR as of 07:35 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$70.17 / bbl	0.33%	-2.07%
NYMEX RBOB Gasoline	$1.97 / gallon	0.17%	-6.27%
ICE Gas Oil	$675.25 / tonne	-0.15%	-10.06%
NYMEX Natural Gas	$3.05 / mmBtu	0.30%	21.36%
Spot Gold	$2,640.88 / ounce	-0.10%	28.04%
TRPC coal API 2 / Dec, 24	$119.25 / tonne	-1.65%	22.94%
Carbon ECX EUA	€68.09 / tonne	-0.58%	-15.28%
Dutch gas day-ahead (Pre. close)	€48.40 / Mwh	0.00%	51.96%
CBOT Corn	$4.33 / bushel	0.06%	-10.64%
CBOT Wheat	$5.49 / bushel	0.27%	-14.15%
Malaysia Palm Oil (3M)	RM5,099 / tonne	0.47%	37.03%
Index	**Close 03 Dec**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	342.74	0.52%	13.71%
Rogers International	28.54	-0.09%	8.40%
U.S. Stocks - Dow	44,705.53	-0.17%	18.62%
U.S. Dollar Index	106.37	0.00%	4.97%
U.S. Bond Index (DJ)	446.45	-0.03%	3.65%

Prices of antimony trioxide in Rotterdam had soared by 228% since the beginning of the year to $39,000 a metric ton on Nov. 28, data from information provider Argus showed.
"Everyone will dig in their backyard to find antimony. Many countries will try to find antimony deposits," said a minor metals trader in Europe, declining to be named.
Perpetua Resources, which is developing an Idaho antimony mine with U.S. government financial support, said China is "weaponizing accessing" to minerals critical for the U.S. military and technology firms.
"We must get serious about American mineral sources," said Perpetua CEO Jon Cherry.
"It's time to end our reliance on China and secure our future."
United States Antimony, which refines antimony in Montana, said it believes China's move will boost prices of the metal and thus increase supplies for its smelter, although the company acknowledged that it will take time for mines to be developed.
China's announcement comes after Washington launched its third crackdown in three years on China's semiconductor industry on Monday, curbing exports to 140 companies, including chip equipment maker Naura Technology Group.
Trump, whose first four-year White House term was marked by a bitter trade war with China, has said he will implement 10% tariffs on Chinese goods and threatened 60% tariffs on Chinese imports during his presidential campaign.
"It comes as no surprise that China has responded to the increasing restrictions by American authorities, current and imminent, with its own restrictions on the supply of these strategic minerals," said Peter Arkell, chairman of the Global Mining Association of China.
"It's a trade war that has no winners," he said.
Separately, several Chinese industry groups on Tuesday called for their members to buy domestically made semiconductors, with one saying U.S. chips were no longer safe and reliable.

Top News - Carbon & Power

Rising LNG terminal costs to make new US projects less competitive, says analyst
Rising costs of building and equipping new U.S. liquefied natural gas plants will reduce the competitiveness of U.S. gas exports, LNG analysts at Poten & Partners predicted on Tuesday.
U.S projects have faced rising construction costs, with Venture Global's Plaquemines export plant under construction in Louisiana over budget by $2.3 billion, and Golden Pass LNG, a joint venture between Exxon Mobil and QatarEnergy, more than $2 billion over its original budget.
Natural gas prices could also go to as high as $6 a million standard cubic feet because of increased demand from LNG export plants, a possible 20% growth in electricity usage and the need for significant investment in infrastructure, said Jason Feer, Poten and Partners' business intelligence chief.
"We've got a lot of gas in the U.S., but we don't really have vast amounts of really cheap gas," Feer said.
The Biden administration's export permitting pause likely will keep global LNG prices higher for longer and benefit existing exporters, Feer said at Poten's Global LNG Outlook conference.
Feer added that for the firms proposing new export plants along the U.S. Gulf Coast, landing new customers will present a greater risk than regulation, and that even if the incoming Trump administration removed all the regulations, finding customers will still be a challenge.
Among other risks facing LNG exporters is political pressure in China limiting its switch away from coal, potentially lifting its LNG demand by 5% over the next decade.
Europe is highly likely to resume buying Russian gas if there is peace in Ukraine, Feer said.
"There is this idea that China will switch from coal to gas. We think that is very unlikely... that will make China dependent on the U.S. or Qatar, that's expensive and a potential risk to their national security, so I don't see that happening," Feer said. In the near term, Brent oil-linked LNG prices are trending lower and could decline further. Feer said $12 per million British thermal units is the new average global price for LNG and that should continue for the next decade.

COLUMN- Germany's weak winds trigger record surge in gas-fired power: Maguire
Gas-fired electricity production in Germany jumped by a record 79% in November from the month before as utilities scrambled to offset a second straight month of sharply below-normal output from wind farms.
Wind power output has been 25% below year-prior levels in October and November due to slow wind speeds, depriving power firms of a key electricity source just as winter set in. Wind farms supplied 27% of German utility electricity in 2023.
To plug the resulting generation gap, utilities lifted gas-fired electricity production from 5.34 terawatt hours (TWh) in October to 9.55 TWh in November, data from energy think tank Ember shows.
That was the largest ever monthly rise in German gas-fired generation, and was accompanied by a jump in coal-fired production to 20-month highs as utilities also had to offset a drop in solar generation to the lowest level this year.
Wind output is forecast to return to around 6% above normal levels in December, according to LSEG, which should help ease the strain on Germany's power systems before year-end.
But with solar generation set to fall further during the dead of winter, power firms may not be able to cut back on fossil-fuel output until well into 2025.
That means Germany's power emissions, which are already at their highest since early 2023, may climb further in the months ahead before dropping again next spring.

DEALING WITH A DRAWN OUT 'DUNKELFLAUTE'
A 'Dunkelflaute' or 'dark wind lull' is a period of low wind speeds that greatly curtail wind farm generation.
And Germany's main wind farm areas have suffered from an extended lull since October, which is when wind generation largely held flat at around 10 TWh instead of climbing steadily on the usually brisk autumn winds.
The October wind generation total was the lowest for that month since 2016, and was a full 26% below the generation total during the same month in 2023.
Germany's power producers have experienced wind lulls before, and can usually accommodate them for a few weeks by tweaking output from other sources.
But this year's Dunkelflaute stretched into November as well, and kept wind generation to less than 12 TWh compared to nearly 16 TWh in November 2023.
That back-to-back wind shortfall meant that power firms had to rely on fossil fuels to not only make up for less-than-expected wind output, but to also raise total generation to meet higher system demand during winter.

NO REPRIEVE?
Wind forecasting models call for German wind generation to be around 6% above the long-term average in December, according to LSEG.
If that recovery materialises, German utilities will be able to deploy that extra power to balance system needs, and could potentially dial back generation from fossil fuel plants.
However, weather forecasts call for temperatures in Germany to average well below normal for the next two weeks, according to LSEG.
That means power firms may be forced to lift generation from all sources in order to meet higher heating demand.
That in turn will likely trigger a further climb in German power sector emissions, which hit nearly 19 million metric tons of carbon dioxide (CO_2) and a 21-month high in November, according to Ember.
The opinions expressed here are those of the author, a market analyst for Reuters.

Top News - Dry Freight

Ukraine oilseed exports fall in November, traders union says
Ukraine, the world's major producer and exporter of oilseeds and vegetable oils, cut exports of major oilseeds in November amid falling stocks and falling prices, data from the Ukrainian grain traders union UGA showed on Tuesday.
The Ukrainian farm ministry does not usually report data on the country's oilseed and vegetable oil exports.
UGA said exports of soybeans fell to 415,000 metric tons in November from 716,000 tons in October, while shipments of rapeseed decreased to 291,000 tons from 475,000 tons.
UGA gave no explanation for the decrease.
Analysts have said Ukraine has already exported most of its exportable rapeseed surplus, while markets of the key importing countries of Ukrainian soybeans were oversupplied by other origin.
Analysts also noted that lower soybean prices have prompted farmers to withdraw from active sales.
The Ukrainian agriculture ministry said the country harvested a record 6 million tons of soybeans in 2024 while the output of rapeseed decreased to 3.45 million tons this year from 4.2 million tons in 2023.
The first deputy agriculture minister Taras Vysotskiy told Reuters last month a large soybean harvest had caused a decrease in prices and farmers would return to corn in 2025, cutting the area under soybeans.
APK-Inform consultancy says Ukraine may export 3.47 million tons of soybeans and 3.3 million tons of rapeseed in the 2024/25 July-June season. It said soybeans exports totalled 3.26 million tons in 2023/24 with rapeseed exports of 3.7 million tons.

EU 2024/25 soybean imports up 12% by Dec 1, rapeseed up 4%
European Union soybean imports so far in the 2024/25 season that started in July had reached 5.46 million metric tons by Dec. 1, up 12% from the 4.86 million tons a year earlier, data published by the European Commission showed on Tuesday.
EU rapeseed imports in the same period totalled 2.49 million tons, up 4% from a year earlier, while soymeal imports were up 29% at 8.15 million tons.
EU palm oil imports totalled 1.30 million tons, down 19% from 1.60 million tons a year earlier.

Picture of the Day

A drone view shows a residential area flooded in Rantau Panjang, Malaysia December 3. REUTERS/Hasnoor Hussain

(Inside Commodities is compiled by Nandu Krishnan in Bengaluru)

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