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Top News - Oil

OPEC+ delays oil output hike until April, extends cuts into 2026

OPEC+ on Thursday pushed back the start of oil output rises by three months until April and extended the full unwinding of cuts by a year until the end of 2026 due to weak demand and booming production outside the group.
OPEC+, which pumps about half the world's oil, had been planning to start unwinding cuts from October 2024 but a slowdown in global demand and rising output elsewhere forced it to postpone the plans on several occasions.
OPEC+ groups the Organization of the Petroleum Exporting Countries and allies such as Russia.
Despite the group's supply cuts, global oil benchmark Brent crude has mostly stayed in a $70 to $80 per barrel range this year. On Thursday it traded near $72 a barrel, having hit a 2024 low below $69 in September.
"They have been talking about this (output hike) since June but they are still delaying," said Bjarne Schieldrop, chief commodities analyst at SEB. "This means there is no upside to the oil price in the next couple of years."
Schieldrop said the oil market will now shift focus to the actions of U.S. President-elect Donald Trump, who could impose new sanctions on Iran, tariffs on China and has pledged an end to the war in Ukraine.
Amrita Sen from Energy Aspects said the OPEC+ decision was bullish as it removed the bulk of oversupply for next year: "But the market believes Trump wants low oil prices and hence remains bearish despite the OPEC+ announcement".
During his previous term as U.S. President in 2017-2021, Trump repeatedly attacked OPEC+ for high oil prices and asked Saudi Arabia to release more oil if the kingdom wanted U.S. support against its arch-rival Iran.

DEEP CUTS

OPEC+ members are holding back 5.86 million barrels per day of output, or about 5.7% of global demand, in a series of steps agreed since 2022 to support the market.
The steps include cuts of 2 million bpd by the whole group, 1.65 million bpd of first stage of voluntary cuts by eight members and another 2.2 million of second stage of voluntary cuts by the same eight members.
On Thursday, OPEC+ agreed to extend the 2 million bpd and the 1.65 million bpd of cuts until the end of 2026 from the end of 2025, according to statements issued by the group.
The gradual unwinding of 2.2 million of cuts will start from April 2025 with monthly increases of 138,000 bpd, according to Reuters calculations, and lasting 18 months until September 2026.
The group had previously planned to unwind the 2.2 million cut over 12 months through monthly output increases of 180,000 bpd. OPEC+ also agreed to allow the United Arab Emirates to raise output by 300,000 bpd gradually from April until the end of September 2026, instead of the earlier plan to start it in January 2025.

Chevron to take up to $1.5 billion in fourth-quarter charges

U.S. oil producer Chevron on Thursday said it will take up to $1.5 billion in fourth-quarter charges for restructuring, asset impairments and property sales costs.
Much of the charges are for job cuts and relocations planned for the next two years, the company said in a statement. Chevron did not disclose how many jobs would be lost among its 45,000 workers.
The cost cutting and asset sales come amid a year-long profit slide that required borrowing to cover shareholder payouts. The No. 2 U.S. oil producer earlier said it aimed to cut up to $3 billion in costs through 2026.
Oil companies have turned to acquisitions to lift reserves and output, requiring less expenditures on new fields.
Chevron will cut 2025 project spending by $2 billion from about $19 billion this year, after offering $53 billion to buy rival Hess.
"The 2025 capital budget along with our announced structural cost reductions demonstrate our commitment to cost and capital discipline," CEO Michael Wirth said in a statement.
The lower project spending also reflects the end of big outlays at its Kazakhstan operations, recent sales of Canadian, Alaskan and Congolese oil and gas operations, and lower spending on U.S. shale operations.
New expenditures on oil and gas output will fall about $1 billion, while refining will fall about $300 million compared to this year. The budget excludes any costs for Chevron's proposed deal for Hess that has been stalled by challenges from Exxon Mobil and CNOOC, Hess' partners in a Guyana oil venture.
Severance pay and relocations will account for up to $900 million of the after-tax charges, and asset impairments and sales of properties will add up to $600 million, the company said.
Chevron said the asset impairments would not affect adjusted earnings. Financial firm LSEG projects Chevron fourth-quarter profit of $4.35 billion, or $2.42 per share, from $6.45 billion, or $3.45 per share, in the year-ago quarter. Charges have become a nearly annual exercise. Chevron took a $3.7 billion impairment charge a year ago, $1.1 billion in 2022 and $4.8 billion in 2020.

Top News - Agriculture

Russian winter crops are in poor state, top government official says

Russian winter crops are in poor condition and will need to be partially replaced by spring crops, while the outlook for next year's harvest remains difficult to predict, Deputy Prime Minister Dmitry Patrushev said on Thursday.

Analysts from the ProZerno Centre, citing data from the state weather forecasting agency on Dec. 4, said over 37% of winter crops are in poor condition or have not sprouted, compared with only 4% last year, marking the worst level ever recorded.

"The future harvest is difficult to predict at this point. We've just sown the winter crops, they are not in very good condition. We will have to replant with spring crops," Patrushev told the Interfax news agency.

The analysts said the share of winter crops in good condition amounts to 31%, compared to 74% last year.

Russia, the world's largest wheat exporter, has been exporting at a near-record pace in recent months despite government efforts to curb them. Turkey, Egypt, Iran, Saudi Arabia, and Algeria are the biggest buyers of Russian wheat.

The situation with winter crops is not critical, Patrushev said, but authorities and farmers need "to deal with it."

The state weather forecasting agency did not publish the data and did not respond to requests for comment.

Patrushev assured that Russia will meet the domestic demand for grain, estimated at 90 million tons per year, and will still have some available for export next year.

In an officially published report for November, the forecasting agency highlighted slow winter crop vegetation and a lack of precipitation in southern breadbasket regions such as Rostov, Krasnodar, and Stavropol.

"In some fields, there was a deficit of soil moisture, making the conditions for the emergence, growth, and development of winter crops unfavourable, resulting in sparse crops in certain areas," the report said.

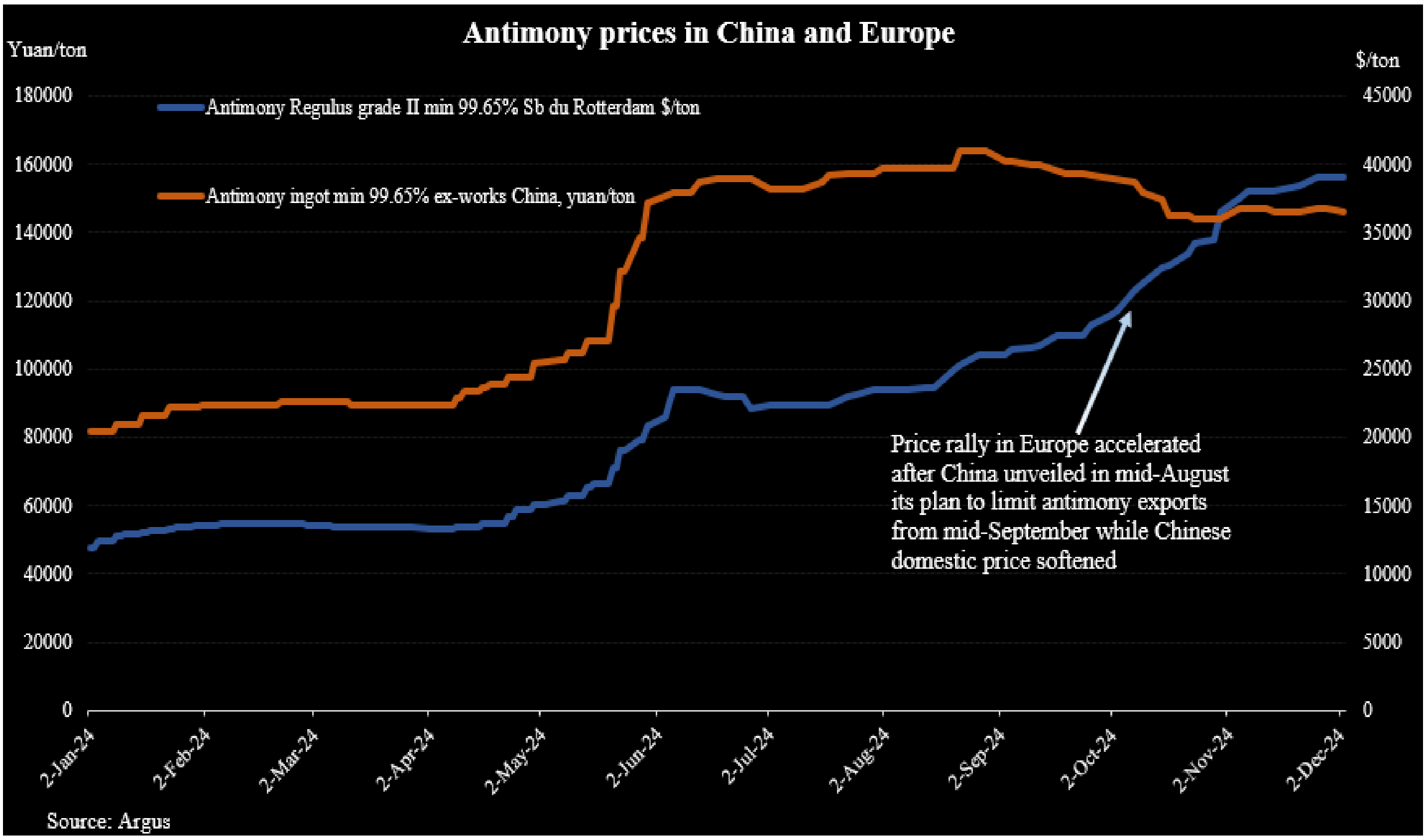
It said that in the central region, as a result of soil drought and the late emergence of seedlings, the condition of winter crops is significantly worse than in the previous five-year period.

Wheat constitutes about 90% of all winter crops in Russia, with the sown area covering 16.3 million hectares (40.3 million acres), down from 17.2 million last year, according to data from Rusagrotrans, Russia's flagship grain rail carrier.

Barley and rye make up the remainder. Winter grains generally provide better yields and are more profitable for farmers.

Russia's wheat harvest is officially projected to decline to 83 million tons this year due to frosts and drought, down from 92.8 million tons in 2023 and a record 104.2 million tons in 2022.

Chart of the Day



EU chief lands in South America to seal trade deal as France seethes

European Commission President Ursula von der Leyen landed in Uruguay on Thursday seeking to finalize a long-delayed trade deal between the European Union and South America's Mercosur bloc, even as France slammed the agreement as "unacceptable".

Von der Leyen arrived hours after President Emmanuel Macron's government collapsed following a no-confidence vote in parliament over efforts to rein in France's budget deficit, leaving Macron scrambling to name a new prime minister.

The deal, 20 years in the making and deeply divisive in Europe where farmers and Paris have been the loudest voice in opposition, would create one of the world's largest trade partnerships and turbocharge the flow of beef and grains.

"The finish line of the EU-Mercosur agreement is in sight. Let's work, let's cross it. The largest trade and investment partnership the world has ever seen. Both regions will benefit," von der Leyen said in a post on X.

Mercosur, including farming powerhouses Brazil, Argentina, Uruguay and Paraguay, is meeting for a planned summit in Montevideo, with negotiators now expecting a trade deal to be unveiled, despite several false dawns, including a 2019-signed agreement that failed to get ratified by nations in Europe.

Four South American and European sources involved in the talks said the deal was done and would be announced on Friday by Mercosur leaders and von der Leyen now both sides had ironed out final details on environmental issues and government purchases.

"A text of common agreement has been reached," Uruguayan foreign minister Omar Paganini told reporters on Thursday at the Mercosur summit in Montevideo. "The presence of von der Leyen shows the success of negotiations."

Von der Leyen, just days into her second term, does though face stern opposition at home to the deal, which would be the largest struck by the EU in terms of tariff reductions. EU countries as a whole and the European Parliament would have to approve any trade deal agreed. European farmers have repeatedly protested against it, saying it will lead to cheap imports of South American commodities, notably beef, which is not subject to the same green and food safety standards as in the EU.

EU DIVIDED

France has been the most vociferous critic of the proposed agreement.

Though distracted by a political crisis after the collapse of Prime Minister Michel Barnier's short-lived government, Macron's office issued a statement on Thursday saying the planned EU-Mercosur deal was "unacceptable".

But other EU members such as Germany insist the EU-Mercosur deal is vital for the bloc as it looks to diversify its trade after the near-closure of the Russian market and amid discomfort about Europe's reliance on China.

"If we achieve a deal between the EU and Mercosur, it will be great news for the Union," Spain's Agriculture Minister Luis Planas said at an event in Brussels, adding it would be good for exports and show that Europe was "not shut in behind our doors".

"In the present context we cannot be defensive."

Supporters of a deal also see Mercosur as a potentially reliable source of critical minerals such as battery metal lithium, required for Europe's green transition.

South American negotiators remain optimistic that the EU will eventually give its approval and that France will not be able to rally a blocking minority.

"The EU has had a mandate to negotiate it for the last 20 years. The ratification is another process, later, they will have to work on it themselves," one of the sources said.

Top News - Metals

China seeks feedback on draft guidelines to measure steel sector emissions

China is seeking public feedback on new guidelines for the reporting of greenhouse gas emissions from the steel industry, the environment ministry said on Friday, part of efforts to prepare mills for their entry into the country's carbon market.

China issued a draft plan in September to extend its emissions trading scheme to the steel, cement and aluminium sectors by the end of this year, putting hundreds of firms under pressure to beef up their monitoring capabilities.

New international schemes like Europe's Carbon Border Adjustment Mechanism also require exporters from China and elsewhere to account fully for the carbon dioxide emissions they generate when making their products.

The guidelines are designed to standardise the way greenhouse gas emissions in the steel sector are measured and meet the needs of the expanded national carbon market, the Ministry of Ecology and Environment said in a statement.

Feedback can be submitted by the public until Dec. 16 on the new rules, which will apply to all steel enterprises involved in the carbon market, it said.

China's massive steel sector accounts for around 17% of its total greenhouse gas emissions, with most of its plants still heavily reliant on coal-fired blast furnaces and coal-fired electricity supplies.

China's steelmakers generate an average of 2.3 metric tons of carbon dioxide per ton of steel produced, higher than the global average of 1.4 tons, the Asia Research & Engagement think tank said in a report published this week.

Mali issues arrest warrant for Barrick Gold CEO, document shows

Mali, one of Africa's biggest gold producers, has issued an arrest warrant for Barrick Gold Chief Executive Mark Bristow, a warrant document seen on Thursday by Reuters showed, escalating a dispute with the Canadian mining company. The West African country's junta-led government is seeking more income from the sector to

bolster state revenues as prices of the precious metal rally and has detained mining executives to put pressure on foreign companies operating there.
Four senior local employees of Barrick were briefly detained in September as the government demanded about $500 million in unpaid taxes, and then arrested again last month pending trial.
Bristow told Reuters in early November that the world's No. 2 gold miner was confident of resolving claims and disputes with authorities before the end of the year.
He is accused of money laundering and violating financial regulations, the warrant document, first reported by Malian media and dated Dec. 4, showed. Its authenticity was confirmed by two sources close to the matter who asked not to be identified.
Barrick said the company "will not be commenting" on the reported arrest warrant, responding to a Reuters request.
Barrick's shares were down 2.9% on the Toronto stock exchange after the news.
Bristow, a South African national who shuttles between Britain and the United States, last travelled to Mali in July, according to the company website. Barrick has its headquarters in Toronto.
Another document showed Mali had also issued an arrest warrant for Cheick Abass Coulibaly, general manager at Barrick's Loulo-Gounkoto mining complex in Mali.
Australia's Resolute Mining also had its British CEO and two other employees detained by Mali's military-led authorities over a tax dispute last month.
They were released after the miner agreed to pay $160 million.
The detentions and arrest warrants in Mali highlight the challenges faced by international mining companies in the region, where Burkina Faso and Niger have also increased pressure on them.
Burkina junta leader Ibrahim Traore said in October the country plans to withdraw mining permits from some foreign companies and will seek to produce more of its own gold.
Niger has taken control of French nuclear fuels company Orano's Somair uranium mine, the company said on Wednesday.
The three countries have shifted away from traditional allies such as the United States and former colonial power France, and grown closer to Russia, which is helping provide security for their military leaders.

MARKET MONITOR as of 07:35 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$68.10 / bbl	-0.29%	-4.95%
NYMEX RBOB Gasoline	$1.94 / gallon	-0.11%	-8.03%
ICE Gas Oil	$654.50 / tonne	-0.61%	-12.82%
NYMEX Natural Gas	$3.04 / mmBtu	-1.40%	20.76%
Spot Gold	$2,636.61 / ounce	0.17%	27.83%
TRPC coal API 2 / Dec, 24	$116.05 / tonne	-1.23%	19.64%
Carbon ECX EUA	€66.98 / tonne	-0.53%	-16.66%
Dutch gas day-ahead (Pre. close)	€46.37 / Mwh	-0.81%	45.59%
CBOT Corn	$4.35 / bushel	0.00%	-10.12%
CBOT Wheat	$5.58 / bushel	0.00%	-12.71%
Malaysia Palm Oil (3M)	RM5,140 / tonne	0.10%	38.13%
Index	**Close 05 Dec**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	343.36	0.39%	13.92%
Rogers International	28.16	-0.64%	6.97%
U.S. Stocks - Dow	44,765.71	-0.55%	18.77%
U.S. Dollar Index	105.84	0.12%	4.45%
U.S. Bond Index (DJ)	448.39	0.04%	4.10%

Top News - Carbon & Power

Denmark disappointed after offshore wind tender draws no bids

Denmark's latest offshore wind farm tender in the North Sea has failed to attract any bids, authorities said on Thursday, in a further setback for the industry.
After a year of challenges, the global offshore wind industry no longer has much prospect of hitting the lofty targets set by governments in the U.S., Europe and elsewhere, hindering efforts to fight climate change.
"This is a very disappointing result," energy and climate minister Lars Aagard said in a written statement.
"The circumstances for offshore wind in Europe have changed significantly in a relatively short time, including large price and interest rate increases," Aagard added.
The Danish Energy Agency said it would start a dialogue with market participants to identify reasons for the lack of bids, adding that a number of companies had expressed interest during the initial market dialogue.
Danish offshore wind farm developer Orsted said it had opted not to bid due to an unfavourable risk-reward balance and acknowledged the changing industry factors such as higher inflation, rising interest rates and supply chain bottlenecks.
"To mitigate the impact of this and support the ongoing expansion of offshore wind energy, industry and policymakers should work together to create the necessary conditions for a sustainable future for offshore wind," Orsted's Chief Commercial Officer Rasmus Errboe said in a written comment.
Denmark had in April launched its biggest offshore wind tender to date, offering no subsidies to companies competing for the right to erect turbines on six sites with a combined capacity of up to 10 gigawatts.
The deadline for bids for three sites in the North Sea was on Thursday, while the deadline for an additional three sites in the Baltic Sea and Kattegat is on April 1, 2025.
No subsidies were offered in the tender.
Shell, one of the major energy companies which have touted offshore wind as a key market they can invest in as part of the world's energy transition, on Wednesday said it was stepping back from new offshore wind investments in a move mirrored by others.
Denmark, also home to turbine maker Vestas, has been a pioneer in both onshore and offshore wind, thanks also to its favourable wind speeds.

Targets, costs hurting green energy appeal, Rosneft boss Sechin says

Weakening investor interest in clean energy is due to elusive targets, high costs and lack of financing, according to Igor Sechin, boss of Russia's biggest oil producer Rosneft and a well-known green energy sceptic.
Russia, a leading producer of oil and natural gas, and China have set goals to reach carbon neutrality by 2060, 10 years later than most of the developed world.
Russian President Vladimir Putin has criticised the green movement in Europe for capitalising on peoples' fears about climate change, while questioning Germany's commitment to phasing out coal.
Sechin has been sceptical about the green agenda, saying the human contribution to the climate change has been overestimated.
"Over the past three years, Western stock markets' enthusiasm for the renewable energy sector has largely faded. Shares of companies producing clean fuels have fallen several times over two years," Sechin told a conference in the United Arab Emirates.
"The reasons for this attitude of investors are the inability of green economy companies to achieve their goals on time, including due to rising costs, delays in the issuance of government loans and the lack of availability of new financing."
He cited global energy majors, such as Chevron Shell and BP, which he said had "suspended alternative fuel production projects". "In particular, I am pleased to see the move away from producing aviation fuel from used cooking oil," Sechin said with a wry smile.
International oil majors have slowed investments in renewables and low-carbon business as they face investor pressure to boost returns and maintain large shareholder payouts amid surging costs, supply chain issues and technical problems.

Top News - Dry Freight

COLUMN-Dire Russian crop health and Ukraine export risks threaten Black Sea wheat: Braun

New contract lows in Chicago wheat futures this week are hardly indicative of global supply concerns, but traders might want to eye what's happening in the Black Sea region more closely.
Winter grains in top wheat exporter Russia are in the worst-ever condition, and Ukraine’s current shipping capabilities could soon come under threat. Russia and Ukraine accounted for a third of global wheat exports last marketing year.
Ukraine’s agricultural exports have faced challenges ever since Russia invaded the country nearly three years ago as port infrastructure has been a prime target for attacks. This forced Ukrainian grain exporters to seek an alternative route through Romania’s Constanta port on the Black Sea.
The frontrunner for Sunday’s Romanian presidential runoff has suggested halting Ukrainian grain exports out of his country if elected.
The move could be popular with Romanian farmers, who have previously protested the transit of Ukrainian farm goods to preserve local markets.
It is unclear whether this ban is likely or even possible, but Ukraine’s involvement has had some positive economic impacts. Overall traffic of goods at Constanta in 2023 surged 22.5% on the year, largely owing to ongoing European Union-funded infrastructure projects.
But it could be problematic if Ukraine lost Constanta as an outlet under a worst-case scenario.

Constanta handled 14 million metric tons of Ukrainian grain in 2023, accounting for roughly 30% of Ukraine's total grain exports that year.

For the 2024-25 marketing year that began July 1, Ukraine's wheat exports are seen falling 14% from the previous year. However, Ukrainian grain exports from Constanta in the first 10 months of 2024 have dropped 52% on the year as Ukraine has increased reliance on its own seaports.

This dampens the impact of a potential Constanta loss, but the continuing war with Russia means that threats to Ukraine's seaports never completely vanish. Luckily for Ukrainian exporters, they had shipped half of the government-agreed wheat export volume for 2024-25 as of Nov. 13.

RUSSIA IN JEOPARDY

A top Russian official on Thursday said the winter crops are in poor condition, just one day after Russian analysts reported winter crops in the worst-ever health, citing data not usually made public. The official also said the situation is not critical, but a deeper dive may suggest otherwise.

The analysts said at least 37% of winter crops are in poor condition compared with 4% a year ago, and this is the worst rating ever recorded. On average over the last five years, just 8% of winter crops are in poor shape by this date. Further, only 31% of crops are in good condition versus 74% a year ago. The portion of crops in good condition is a 23-year low.

The last time Russia's grains were in concerning shape ahead of the winter was in 2020, when about 22% of the crops were in poor condition as of early December. At the time, it was the worst rating in seven years.

Although the exact figure is not known, the share of good-rated crops four years ago was not a seven-year low, setting it apart from this season.

The woes in both years were caused by dry weather during fall planting.

The 2025 Russian wheat harvest may already be starting in a hole. Farmers said last month they would sow less wheat this year in favor of more profitable crops, including oilseeds.

Preliminary estimates have pegged the 2025 harvest close to 2024 levels, which were down 20% from the record 2022 result.

Wheat is a notoriously hearty plant that can recover from harsh conditions if weather turns favorable, so it might be difficult to drum up traders' fears over Russia this early in the game.

But once the crop breaks dormancy in the spring, satellite imagery as well as recent weather data should offer good clues as to the state of Russia's wheat crop, regardless of whether the government chooses to share the intel.

Vietnam rice exports in Nov up 16.3% y/y, statistics office says

Vietnam exported 698,000 metric tons of rice in November, up 16.3% from the same month a year earlier, government data released on Friday showed.

For the January-November period, the country exported 8.45 million tons of rice, up 10.6% from the previous year.

Rice export revenue over the 11-month period rose 22.3% to $5.3 billion, the General Statistics Office said.

Picture of the Day

A camel caravan moves along the dunes at the Erg Chebbi sand dunes in the Sahara desert outside Merzouga, Morocco December 5.

(Inside Commodities is compiled by Nandu Krishnan in Bengaluru)

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

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