Oil | Agriculture | Metals | Carbon & Power | Dry Freight

Click on headers to go to that section

Top News - Oil

OPEC pursues charm offensive at COP28, for youths

Oil producer group OPEC held an event on the sidelines of the COP28 negotiations in Dubai on Sunday aimed at convincing young people to support fossil fuels, whose future has caused deep splits among delegates at the climate summit.

Dubbed "Special Day – OPEC and the youth" the event included a presentation at its pavilion on the summit grounds, followed by what it called a campfire chat. Roughly a dozen young people attended, some of them anti-fossil fuel activists.

OPEC officials working the event had a simple message: rapid population growth means oil demand will continue to grow, and renewable energy is expensive and limited.

OPEC’s Secretary General Haitham Al Ghais asked the audience to visualize a population boom the size of "50 Londons" by 2030. London’s population is about 9 million.

"This is to make a point of how much additional energy we're talking about," he said.

One OPEC representative pointed out the importance of fossil fuels in the medical sector, and asked the group whether someone who needed to be rushed away in an ambulance would care if the fuel used was sustainable.

A monitor behind him displayed the message: "OPEC recognizes the critical role of the youth in shaping the energy industry and shaping an energy future for all."

Around a dozen activists from the organization 350.org briefly entered the pavilion between sessions and chanted: "What do we want? Phase out. When do we want it? Now."

That was a reference to proposed language in the COP28 final agreement that would, for the first time, call for a phase out of the use of fossil fuels, the main source of greenhouse gas emissions that scientists blame for global warming.

OPEC opposes the proposal, and earlier this week made a rare intervention in climate talks by urging its members and allies to reject a targeting of fossil fuels in the final summit deal.

Another OPEC representative spoke with some of the young activists outside the pavilion, debating them on the future of oil.

Also on display in the OPEC pavilion were everyday items made with, or run on, petroleum products, like a soccer ball and a miniature school bus. A small chalkboard easel hand-written with different colors said: "Special day-OPEC and the Youth".

Michael Matchell, who attended the event on behalf of a group called Young Evangelicals for Climate Action, told Reuters OPEC had a chance to listen to their concerns about climate change, but repeated its own arguments instead.

"I believe they missed a crucial opportunity to engage with young people," he said.

Endeavor Energy explores sale for as much as $30 billion -sources

Endeavor Energy Partners is exploring a sale that could value the largest privately-held oil and gas producer in the Permian basin, the top U.S. oilfield, at between $25 billion and $30 billion, according to people familiar with the matter.

The sale would come almost 45 years after Texas oilman Autry Stephens started the company that would become Endeavor. The 85-year-old wildcatter has decided to capitalize on a wave of mega deals sweeping the sector, the sources said.

Stephens has asked JPMorgan Chase bankers to prepare to launch a sale process for Endeavor in the first quarter of 2024, the sources said, cautioning no transaction is certain and asking not to be identified because the deliberations are confidential.

Stephens has considered offers from suitors for Endeavor in the past, including in 2018, Reuters has reported. He now wants to settle the company's future rather than let his estate decide after his death who it should sell it to, the sources said.

Endeavor and JPMorgan declined to comment.

Endeavor's operations span 350,000 net acres (1,416 square kilometers) in the Midland portion of the Permian shale basinthat straddles West Texas and eastern New Mexico.

The universe of potential deep-pocketed buyers for a company the size of Endeavor is limited. However, the consolidation wave hitting the industry, as producers seek to boost scale and lock up the best acreage, shows there would be appetite among the few.

In October, Exxon Mobil clinched a $60 billion deal to buy Pioneer Natural Resources and Chevron announced a $53 billion agreement to buy Hess.

In these transactions, the acquirers are using their stock as currency, rather than tapping into their cash piles. This leaves them with sufficient financial firepower to bid for Endeavor, even as they try to complete and integrate these acquisitions. Exxon is familiar with Endeavor's operations because the two companies teamed up to drill on some of the latter's land until 2022.

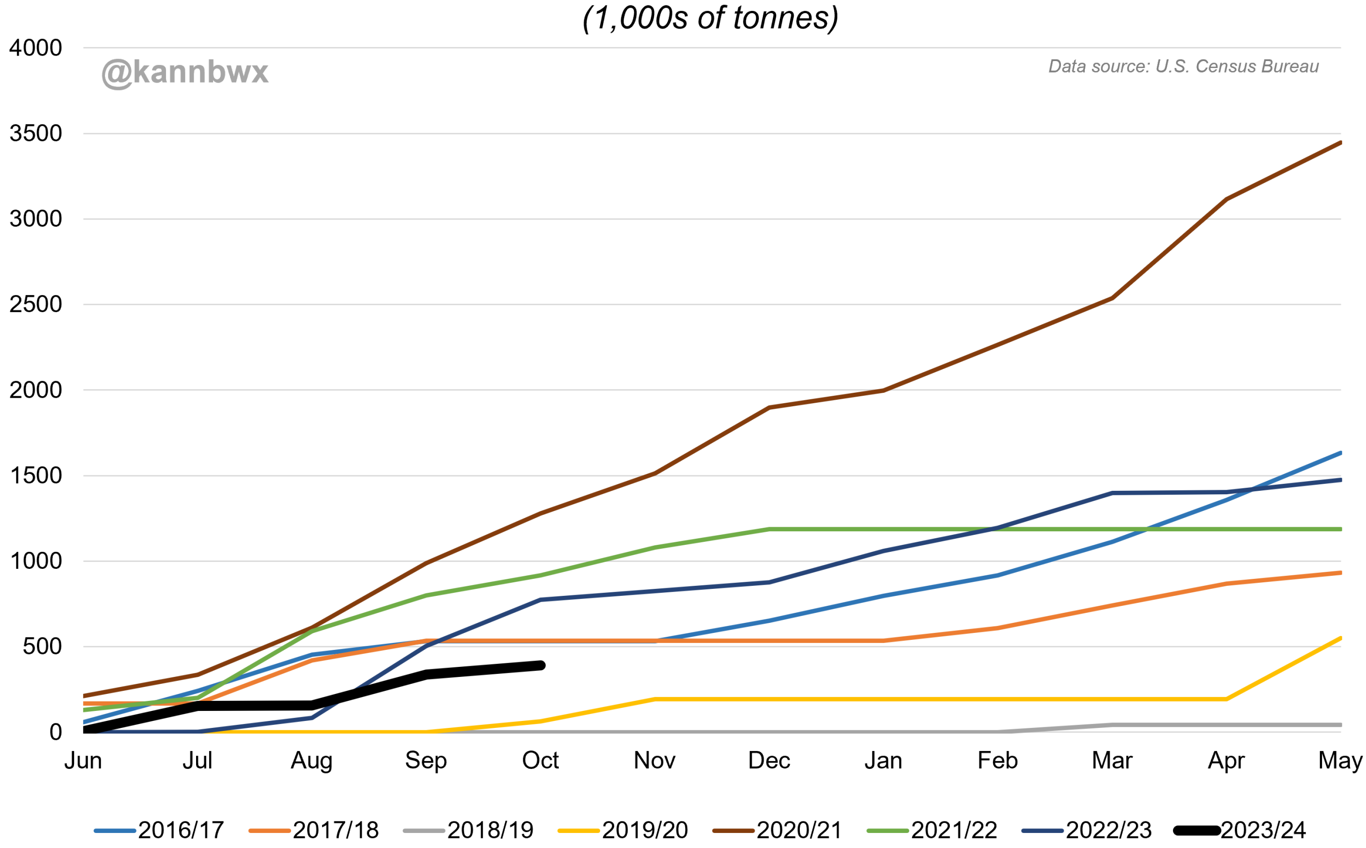
ConocoPhillips completed in October a $2.7 billion deal to buy out a 50% stake in the Surmont oil sands project in Canada. It has also shown an interest in CrownRock, which is majority-owned by private equity firm Lime Rock Partners and led by another Texas wildcatter, Timothy Dunn, Reuters has reported. The sale process for CrownRock is ongoing.
It is unclear whether Exxon, Chevron or Conoco will pursue a bid for Endeavor. Exxon and Chevron declined to comment.
There has been outreach from multiple interested parties in recent times, which helped influence the decision to explore a sale of Endeavor, two of the sources said.
Stephens, a former appraisals engineer who became more known through his appearances on the TV documentary series Black Gold, grew Endeavor by acquiring the unloved acreage of his competitors and managing to extract oil and gas profitably.
To lower his production costs, Stephens created and used his own fracking, construction, trucking and other services companies.
Endeavor produced 331,000 barrels of oil equivalent in the second quarter of 2023, up 25% from the corresponding period in 2022, according to Fitch Ratings.
The credit ratings agency projected last month that Endeavor will generate about $1 billion of free cash flow in 2024.

Top News - Agriculture

China corn output hits record on larger acreage sown
China produced a record corn crop this year, up 4% compared to a year earlier, the National Bureau of Statistics said on Monday, with an increase in the area planted with the grain more than compensating for damage caused by summer typhoons.
Output of 288.84 million metric tons matched earlier forecasts by the agriculture ministry and adds to bumper

Chart of the Day

Monthly U.S. Wheat Exports to China



corn crops from other big global producers that have weighed on global prices.
Corn production in China, the world's No. 2 grower, rose as Beijing continued to give subsidies to farmers planting staple grains in a push for food security.
Corn acreage rose 2.7%, or 1.15 million hectares, from a year earlier to 44.2 million hectares (109 million acres), the most land sown with the grain since at least 2015.
The large crop has weighed on domestic prices and will help Chinese livestock farmers who have been losing money and who feed corn to the world's biggest herd of pigs.
The most-active January corn futures contract on the Dalian Commodity Exchange has declined over the past three months to near a six-month low of 2,486 yuan per ton.
The soybean harvest also grew this year, reaching 20.84 million tons, up 2.8% or 560,000 tons from the year before, the statistics bureau said.
The increase came with a 2.2% expansion in acreage to 10.5 million hectares.
Rice output fell, however, by 0.9% to 206.6 million tons. Rice competes with soybeans for acreage in the northeast.
Government rice stockpiles are high, giving Beijing room to reduce production as it tries to promote higher oilseed output, said Rosa Wang, analyst at Shanghai JC Intelligence Co Ltd.
Wheat output, largely harvested in the summer, reached 136.6 million tons.
"The national grain output reached another new high, laying a solid foundation for comprehensively promoting rural revitalization ... and making a positive contribution to stabilizing the global grain market and maintaining world food security," said Wang Guirong, director of the statistic bureau's rural division.

India's wheat stocks hit 7-year low as govt sells more to calm prices
India's wheat inventories at state warehouses have dropped to 19 million metric tons, the lowest in seven years, two government sources said on Friday, as two years of falling production forced state-run agencies to sell more grain to private players.
Last year, India, the world's second-biggest wheat producer, banned exports after output was curtailed due to a heat wave and overseas sales picked up as Russia's invasion of Ukraine sent global prices to multi-year highs.
While U.S. wheat prices have corrected more than 35% so far in 2023, prices in India have leapt more than 20% in the past few months, despite the ban.
That, according to trade and industry officials, is because this year's domestic wheat output is at least 10% less than the farm ministry's estimate of record production of 112.74 million metric tons.
Another indicator of low output is that the government has bought only 26.2 million metric tons of wheat from local farmers this year, compared with its target of 34.15 million tons.
But, despite the tight supply, the government has resisted calls to facilitate imports by either lowering or abolishing the current 40% tax or by directly buying from top suppliers such as Russia.
Instead, it has dipped into state reserves to sell wheat to bulk consumers, such as flour millers and biscuit makers, to cool domestic prices.
"Stocks are lower, but the government still has sufficient stocks to ensure that prices do not rise sharply. The government can still offload more wheat in the market if there's a requirement," said one of the sources.
"The government has adequate stocks until the next crops arrive in the market," the source said. The sources declined to be named as they are not authorised to speak to the media.
Farmers have sold their stocks and flour mills' inventories have depleted, traders said.
"Mills are buying from auctions conducted by the Food Corporation of India to run their operations. But this will soon force the government to sell more stocks to stabilize prices," said a Mumbai-based dealer with a global trade house.
And that, the deal said, will pull stocks below 6 million tons when the new marketing year starts on April 1, against the norm of a buffer of 7.46 million tons.
"To counter this, the government must initiate imports to secure enough stocks for market intervention. The correction in global prices presents a good opportunity to make purchases," he added.
Indian farmers are currently planting wheat, with the harvest to start by March.
Trade and industry officials believed higher prices would encourage farmers to plant more wheat, but planting is still lower than last year as dry weather conditions have sapped the soil of moisture and dragged down water levels at reservoirs.
The other threat that looms over the crop is that of any abnormal rise in temperatures during harvest time.

Top News - Metals

Aluminium group calls for EU to go much further on Russian bans

The EU should go beyond banning aluminium wire, foil, tubes and pipes produced in Russia by sanctioning Russian aluminium metal for a greater impact, industry group European Aluminium said.

European Union members are looking at a proposed 12th package of sanctions, including bans on aluminium wire, tubes and pipes, a small proportion of Russian aluminium imports.

"We regret the fact that the vast majority of Russian aluminium exports to the EU (more than 85% of the total), in particular primary metal, look set to remain outside of the scope of the measures," European Aluminium said in a letter sent to European Commission President Ursula von der Leyen.

In the first nine months of 2023, the EU imported almost 500,000 metric tons of Russian aluminium and aluminium products worth 1.26 billion euros, Eurostat data shows.

"We would have no specific comment. It is for EU member states in the Council to unanimously adopt sanctions," an EU spokesperson said in response to a request for comment.

When Russia invaded Ukraine in February 2022, the EU took a cautious approach due to the region's reliance on Russian supplies of aluminium, a key material for European industry.

"However, 21 months later, circumstances have changed considerably. The European aluminium industry has accelerated its decoupling from Russia," the industry group said.

Trade Data Monitor says the EU in total imported more than 2.4 million tons or $6.3 billion worth of unalloyed and unwrought primary aluminium between January and September this year of which 11% came from Russia. This compares with 20% in the same period last year and in 2021.

"The scope of the sanctions must be much broader to have a substantial impact. It should include primary aluminium from Russia," said Pål Kildemo, chief financial officer at Norwegian aluminium producer Hydro.

"We need strict anti-circumvention rules to ensure that sanctions are not circumvented by shipping Russian aluminium to third countries and making it into a product that's sold to Europe," Kildemo said.

Russian aluminium is produced by Rusal, which last year accounted for 4 million tons or 6% of global supplies.

In July, European Aluminium sent a letter to its members saying it had discussed the possibility of "actively calling

MARKET MONITOR as of 07:45 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$71.70 / bbl	0.66%	-10.67%
NYMEX RBOB Gasoline	$2.07 / gallon	0.67%	-16.42%
ICE Gas Oil	$773.50 / tonne	-0.06%	-16.02%
NYMEX Natural Gas	$2.40 / mmBtu	-6.86%	-46.28%
Spot Gold	$1,997.40 / ounce	-0.30%	9.48%
TRPC coal API 2 / Dec, 23	$112 / tonne	1.36%	-39.38%
Carbon ECX EUA	€67.89 / tonne	-1.08%	-19.15%
Dutch gas day-ahead (Pre. close)	€38.50 / Mwh	-4.35%	-49.05%
CBOT Corn	$4.87 / bushel	0.26%	-28.21%
CBOT Wheat	$6.25 / bushel	-1.11%	-21.78%
Malaysia Palm Oil (3M)	RM3,759 / tonne	0.51%	-9.94%
Index	**Close 08 Dec**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	299.33	0.81%	-0.66%
Rogers International	26.55	0.84%	-7.40%
U.S. Stocks - Dow	36,247.87	0.36%	9.35%
U.S. Dollar Index	104.04	0.03%	0.50%
U.S. Bond Index (DJ)	418.22	-0.42%	6.56%

for EU sanctions on Russian aluminium", but not on Rusal.

Panama gov't orders First Quantum to end mining operations, country unit says

Panama's trade and industry ministry has ordered Canada's First Quantum to end operations at its lucrative copper mine, the firm's unit in the country said on Friday.
The ministry sent the unit, Cobre Panama, a formal advisory that it must "end extraction, processing, refining, transportation, export and sales activities" at the mine, Cobre Panama said in a statement.
It must also take measures to secure the facilities and avoid environmental damage at the site, the miner said.
The ministry did not immediately respond to a request for comment. The government order comes after Panama's Supreme Court ruled last month that First Quantum's contract to operate the mine was unconstitutional, following months of protests.
The mine's closure could cause Panama to sharply cut its 2024 economic growth forecasts, a government official told Reuters last week. The Cobre Panama mine accounts for some 5% of Panama's GDP.
Because it must close the mine, Cobre Panama said it has requested government authorization to lay off more than 4,000 of its employees.
"This measure will be developed in parallel with the voluntary retirement program presented by the company on Dec. 3, with the help of the (mine's) union," Cobre Panama said.
Last month, it suspended the contracts of 7,000 staff at the mine.
The mine's union did not immediately respond to a request for comment.

Top News - Carbon & Power

US LNG exports through Panama Canal shrink, Asia-Europe spreads widen

The number of U.S. liquefied natural gas (LNG) vessels transiting the Panama Canal to Asia halved in November compared with a year ago as Asia prices for the gas this week traded at their steepest premium to European prices in nearly two years.
A severe drought has cut vessel traffic through the canal, increasing costs for shippers that take alternative routes or pay extra fees for auctioned slots in Panama. Further restrictions on canal transits likely will put more cargoes on lengthier routes, analysts said.
The spread between the Japan Korea Market (JKM), a widely used Asian LNG benchmark, and the Title Transfer Facility (TTF), the European gas benchmark, was assessed by S&P at $2.79 per million British thermal units (mmBtu) on Dec. 6, its widest since Dec. 31, 2021.
Since Dec. 1, only 22 ships are allowed to pass the waterway each day. LNG and dry bulk shipments have been the most affected by transit limits, the canal's authority said last month. It did not reply for a request for further comment.
In November, of the 22 U.S. LNG cargoes exported to Asia just six crossed the Panama Canal, nine took a route through the Suez Canal, and seven took the longest route by bordering South Africa, according to the LSEG data.
In the same month last year, of the 20 U.S. LNG cargoes that went to Asian destinations, 12 used Panama, six passed Suez and two bordered Africa.
Asian LNG demand has been tepid since early November due to adequate inventories, weak industrial demand and generally mild weather.
"We still see Asia-Pacific balances quite comfortable this winter and expect only a minimal Asian call on U.S. spot LNG, but the Panama congestion makes this marginal call a bit more expensive than normal," said Jake Horslen, senior LNG analyst at consultancy Energy Aspects.
But vessels taking alternate routes could gains in coming months, said Jason Feer, head of business intelligence at shipping consultancy Poten & Partners.
"The reality is that it is too long and expensive to go through the Panama Canal at the moment, even though the forward curve has Asia as the best market for LNG," Feer told Reuters.
The JKM/NWE - another spread that is commonly used in the market between Asia and Northwest Europe - reached $3.385/mmBtu on Dec. 6, according to S&P.
"It is only just at the cusp of being profitable to ship cargoes from the United States around Cape/Suez to Northeast Asia," S&P said.
Cheniere Energy Inc, the largest U.S. LNG exporter, this year exported 19% of its cargoes to Asia, a spokesperson said. It has been using alternative routes to deliver some cargoes, the person added.
"We will continue to work with the canal to utilize it when feasible and use alternative routes as needed to deliver LNG safely and reliably", the spokesperson said.
Freeport LNG, the second largest U.S. LNG producer, declined to comment. Cargoes departing its terminals have been mainly using the Suez Canal since October to reach Asia, LSEG vessel tracking data showed.
"We prefer the certainty of the Suez Canal because even if it is going to take an additional 10 days, we know for sure it will get through at the appointed time. But with the Panama Canal, there is no certainty," said a person with knowledge of Freeport's operations.

Papua New Guinea in advanced talks with Chinese banks to fund its stakes in LNG megaproject

Papua New Guinea's state-owned petroleum company is in advanced talks with Chinese banks to help fund its stakes in the two major liquefied natural gas (LNG) projects in the country, a senior executive said.

Kumul Petroleum is holding talks with banks in the U.S., Europe and Australia, but its managing director Wapu Sonk said talks with Chinese banks had gone further as they had fewer concerns around fossil fuel development.
"Most of the funding discussions are really with Chinese backed banks because they have a different view on ESG," he said, referring to environmental, social and governance issues.
"It's progressed to a point where it is mature," Sonk told Reuters at a Papua New Guinea resources and energy conference in Sydney.
The Bank of China, ICBC and Bank of Communications were among those involved, he said.
The state-owned venture must raise roughly $1.34 billion to buy the remainder of a 5% stake in the PNG LNG project from Santos and fund a 22.5% share of the Papua LNG project once it is approved next year, Sonk said.
The resource rich but impoverished South Pacific nation is looking to boost foreign investment and trade amid a jostle for influence in the region between the United States and China.
Papua New Guinea Prime Minister James Marape told the same conference there had been no recent talks with China on security. The country signed a security agreement with neighbour Australia last week.
Australian banks had shied away from financing the fossil fuel PNG LNG project stake, but Sonk said carbon capture included in the Papua LNG project could make it more attractive.
"We would like the Australians to come on board," he said, adding that Kumul was in talks with ANZ Group and Export Finance Australia.
The 5.4 million tonnes per year Papua LNG project is a joint venture between TotalEnergies, ExxonMobil, Santos and Kumul Petroleum.
In September, Kumul Petroleum bought a 2.6% stake in PNG LNG from Santos for $736 million. It has an option for a further 2.4% that expires in the middle of next year.
Sonk said he was confident Kumul would meet that deadline and would also have funding in place to participate in Papua LNG when a final investment decision is made in 2024.
Petroleum Minister Kerenga Kua told Reuters there should be flexibility for the country if it misses next year's deadline.

Top News - Dry Freight

US to import more sugar at higher tariff
The U.S. Department of Agriculture (USDA) on Friday raised its projection for total U.S. sugar imports, a move that was expected by the market, as the country has been dealing with tight supplies and high domestic prices.
The USDA in its monthly supply and demand report projected U.S. sugar imports at 3.25 million short tonnes (ST) in 2023/24 (Oct-Sept), up from 3.13 million ST seen last month.
The department raised its estimate to 465,000 ST from 275,000 ST for sugar imports entering the country with the highest tariffs, the so-called 'high tier imports.'
Mexico, the biggest supplier of sugar the U.S. needs to import every year, is expected to ship less in 2023/24.
With the changes, the stocks-to-use ratio, a key indicator of the supply level, rose to 12.8% from 12.4% in November. It is still below the desired level of 13.5% that the USDA considers as adequate for domestic supplies.

COLUMN-Shipping seeks safe waters in era of deadly geopolitics: Peter Apps
As tankers, car-carriers and other merchant vessels pass through the Malacca Strait, unlit fishing boats criss-cross the shipping lanes at night, making it one of the most challenging sea areas of the world to transit, even during peacetime.
Should a major war ever come to Asia, those challenges could be magnified spectacularly, with hundreds of vessels abruptly leaving the international waters in the middle of the Strait for what they hope might be the relative safety of the national territorial waters of nearby neutral nations.
The Strait – between Thailand, Malaysia, Indonesia and Singapore – marks the entry point between the Indian Ocean into the South China Sea, a maritime chokepoint through which much of the goods manufactured in Asia pass out into the world. It also carries much of Asia's oil and gas – including three quarters of that for China.
For now, the actual immediate threat to shipping in the region is limited – particularly compared with another major maritime checkpoint in the Gulf of Aden, where suspected Iran-backed Houthi militants have attacked multiple vessels since Hamas attacked Israel on Oct. 7.
There, those attacks – as well as both attempted and successful hijackings by small boats that were, in one case, aided by a former Yemeni military helicopter – represent by far the most significant disruption to maritime trade since the height of the Somali piracy crisis in 2011.
The Malacca Strait – 500 nautical miles long and between 40 and 155 wide – had a reputation in the 1990s and early 2000s, for repeated piracy and armed attacks until increased patrols by regional navies brought them down to manageable levels.
That progress, however, appears to have been reversed in the 2020s, something some analysts attributed to increased poverty in regional communities following the COVID-19 pandemic.
By late October, the number of incidents so far this year had reached 62, including at least three in a single October week. That has prompted seafaring organisations to call for greater action to prevent attacks.
In the Indian Ocean, a much larger epidemic of piracy in the 2010s was eventually reversed largely because the

hiring of armed guards on merchant vessels eventually made them too hard for lightly armed pirate crews to capture. At the start of this year, the global shipping industry ceased referring to the Indian Ocean as a “high-risk zone” – only for the recent Gaza war to cause chaos once again.
So far, at least one non-Israeli ship has been damaged in a missile strike, while US warships in the region have now shot down attacking drones and missiles on a scale unseen in recent naval history.
Those attacks are already having an impact on international shipping patterns, as well as prompting a wider reappraisal of what other regions might suddenly turn violent offshore.
“The world is on fire,” one commercial vessel captain said on condition of anonymity. “We do not know what we will wake up to tomorrow.”
Conflict has also come to European waters. The Ukraine war has seen the Black Sea periodically become a war zone, particularly following the unravelling of a Turkish and UN-negotiated deal to allow grain ships to sail.
Only a UK-brokered deal to provide more risk insurance to commercial vessels passing through Ukrainian waters has allowed shipments to continue, despite periodic ongoing attacks – while where possible, ships now cling to the national coastal waters of NATO members Bulgaria and Romania.

SEEKING SAFER WATERS
Some shipping lines including Maersk and ZIM have said publicly they are now diverting vessels away from the Gulf of Aden and Suez Canal, sending them round the Cape of Good Hope in South Africa rather than risking the Red Sea. Monitoring firm Alphaminer said on Dec. 4 that at least 12 container ships had now taken that longer and more expensive route.
All that would feel like just a pinprick compared with the disruption of a war in Asia, which could well see Beijing attempting to impose a blockade on vessels heading to Taiwan as well as efforts to attack, disrupt and intercept Chinese military and perhaps civilian vessels by the US and its allies.
Indian strategists have talked of using submarines and missiles to block the Malacca Strait entirely should they find themselves in existential war against Beijing.
According to China expert Andrew Erickson at the US Naval War College, foreign policy thinkers in Beijing have long referred to China’s dependence on energy imports by that route as the “Malacca Dilemma”.
The prospect of blockade has not escaped the Pentagon. The fifth tranche of the US Virginia class attack submarines are capable of carrying 65 missiles and torpedoes each, more than twice the number of the earlier tranches launched since 2003. Australia will also purchase three of these submarines, followed by a new generation of US-British-Australian-US “AUKUS” subs.
Since the election victory of Filipino President Bongbong Marcos, the US has also made agreements to significantly increase its military presence at the other end of the South China Sea overlooking the Luzon Strait between the Philippines and Taiwan, another maritime “choke point” that would be particularly critical in the event of a Taiwan invasion.
Some US officials say Chinese President Xi Jinping appears to have instructed his military to be ready for war to retake Taiwan by 2027. As long as that suggestion remains, the Malacca Strait is likely to stay restive, despite what appeared a relatively friendly meeting between Xi and the US President Joe Biden in California last month.
Even without that, conflict is also possible with the Philippines themselves over a string of disputed islands claimed and in many cases occupied by either Manila or Beijing. Recent months have seen a number of clashes between ships and aircraft, including the use of water cannon and the apparently deliberate ramming of a Filipino vessel by a Chinese counterpart.
What widespread naval hostilities might look like for global trade, no one really knows. In the two world wars, the US, Britain and other allies were able to corral their merchant ships into convoys in order to protect them. Now, however, most of the world’s trade – particularly with the West – is conducted by a multinational mess of often foreign-flagged vessels.
China also owns multiple ports and other facilities around the region – including one in the highly strategic northern Australian town of Darwin, which also hosts Australian and periodically US forces. Some analysts warned that China might hide anti-ship missiles in containers, allowing surprise strikes including from its massive shipping sector. Undersea cables carrying communications and sometimes energy might also be vulnerable.
Countries across the world and region are investing massively in anti-ship missile capabilities, particularly in the Indian-Russian manufactured Brahmos. The ongoing relationship between Moscow and New Delhi is another complicating factor for the US and its allies, as is the fact that many other countries in the region are clearly desperate to stay neutral.
In September, the Association of South East Asian Nations conducted their first military drills without the US or any other actors, described as a humanitarian exercise hosted by Indonesia. Some analysts suggest the aim was to ensure their forces could work together in a crisis, including to sail to Taiwan under a potentially neutral flag to evacuate their citizens in the event of an invasion.
Like the waters of the Indian Ocean and Red Sea, the Southeast Asian region is heading for what might well be termed "interesting times" – and what happens to its sea lanes then could well affect almost everyone on earth.
(The opinions expressed here are those of the author, a columnist for Reuters.)

Picture of the Day

Farmers take part in cotton picking at a cotton farm in Korhogo, Ivory Coast, November 21. REUTERS/ Media Coulibaly

(Inside Commodities is compiled by Archak Sengupta in Bengaluru)

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

To subscribe to Inside Commodities newsletter, **click here**.

LSEG
10 Paternoster Square, London, EC4M 7LS, United Kingdom

Please visit: **LSEG** for more information

Privacy statement