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## Top News - Oil

**Exxon sets 5-year plan to boost oil and gas output by 18%**

Exxon Mobil said on Wednesday its annual project spending will rise to between $28 billion and $33 billion between 2026 and 2030, with a goal of lifting oil and gas output by 18%. The top U.S. oil producer laid out a five-year plan to expand output and increase earnings by 2030 by $20 billion over this year's projected $34.2 billion.

The new targets come as Exxon is riding high. Its Guyana operations are generating huge profits and its U.S. shale business is on track to double oil production this year through its acquisition of Pioneer Natural Resources.

CEO Darren Woods said the increased project spending is expected "to generate returns of more than 30% over the life of the investments." Exxon's focus on producing oil and gas from low-cost fields offers it a unique competitive advantage, he said in a media briefing.

Mergers remain a means to accelerate its businesses, Woods, said, adding: "the advantages we're growing in my mind opens the door for M&A (mergers and acquisitions)."

Exxon shares dipped 0.7% to $111.92 with many of the projects and targets already known. The higher spending took analysts by surprise. Its prior capital spending excluding Pioneer-related outlays called for $22 billion to $27 billion a year through 2027.

WAIT AND SEE

"Production plans and the outlook for earnings look broadly in line" with expectations, wrote RBC Capital Markets analyst Biraj Borkhataria. "The market may remain skeptical around the earnings potential until we see further evidence of delivery." The company's cost-reduction target was increased to $18 billion by 2030, said CFO Kathryn Mikells, up from the earlier $15-billion target by 2027. Exxon's strong balance sheet, with $27 billion in cash and equivalents, "provides a buffer against price volatility," said Mikells.

Exxon aims to more than triple its production in the Permian, the top U.S. shale field, to 2.3 million barrels per day by 2030 and pump 1.3 million bpd from its lucrative Guyana operations.

Overall oil and gas output should hit 5.4 million bpd, up about 18% from 4.58 million bpd currently. Its long-range target is more aggressive than shown by U.S. rival Chevron, which plans to reduce next year's project spending and slow shale production growth.

President-elect Donald Trump's pledge to encourage U.S. oil production and "get out of the way of the industry" bodes well for Exxon and energy producers, Woods said.

However, its plans can be revised based on market conditions, he said. Exxon announced two new projects for Guyana by 2030, in line with a previous statement of seven to 10 in total. Its liquefied natural gas production target remains unchanged at 40 million metric tons per annum.

SHALE TARGETS

In its U.S. shale operations, Exxon expects to achieve $3 billion in cost savings from combining with Pioneer's shale operations. Drilling engineers at Exxon headquarters remotely control the combined 35 drilling rigs operating in the Permian basin, said Vice Chairman Neil Chapman. Improved economies of scale in drilling, water disposal and longer wells also have reduced the number of wells drilled while increasing the amount of oil recovered from each by 20%. Exxon also is using a new fracking material supplied by its refineries to drain oil and gas from shale wells, said Chapman.

The new targets aim to assure shareholders that returns can be sustained through oil market price swings.

But Exxon’s 12.7% year-to-date share gain is well above the sector’s about 8.4% appreciation as measured by energy mutual fund XLE. Its share-price increase contrasts with double-digit percentage declines in shares in ConocoPhillips and Occidental Petroleum this year.

LOWER CARBON FUELS

The company is investing in carbon capture and sequestration operations around the world. It has contracts for collecting 7 million tons of carbon annually, earning "very solid returns" from the business, said Woods. Earnings from its low carbon solutions business can increase by $2 billion by 2030 compared to this year. Exxon has not broken out the unit's 2024 profit.

The acquisition of Denbury provided a carbon pipeline network that Exxon is using to develop its business helping industry reduce atmospheric emissions of climate-warming carbon dioxide.

Exxon will hold off on approving a massive hydrogen project in Texas pending revisions to U.S. incentives for such projects, Woods reiterated. The administration of President Joe Biden set regulations to restrict incentives for hydrogen made from natural gas, a position Exxon opposes. "How far we choose to go to invest will depend on the policies put in place," he said. Cash not invested in the lower carbon businesses can be invested elsewhere, he said. Exxon is considering providing lower carbon energy for data center operators seeking to boost access to electric power.

**US crude stocks fall, fuel inventories rise on robust refining, EIA says**

U.S. crude inventories fell for the third time in a row, while fuel stockpiles rose in the week ending December 6, the Energy Information Administration (EIA) said on Wednesday, as refinery activity remained seasonally strong. Crude inventories fell by 1.4 million barrels to 422 million barrels, the EIA said, compared with analysts' expectations in a Reuters poll for a 901,000-barrel draw.

Crude stocks at the Cushing, Oklahoma, delivery hub were down by 1.3 million barrels, the EIA said.

Brent and U.S. crude futures pared gains following the larger-than-expected build in fuel inventories. Heating oil and gasoline futures also fell, but were still up on the day. Global Brent futures were trading at $72.92 a barrel, up 74 cents, at 1557 GMT (1057 EST). U.S. West Texas Intermediate futures were at $69.5 a barrel, up 91 cents.

U.S. refinery utilization rates notched lower by 0.9 percentage points in the week to 92.4%, but remain relatively robust.

The four-week average was at 91.6%, up from 89.4% the same period last year.

"That's still a very strong sort of number," said John Kilduff, a partner at Again Capital in New York, referring to refining activity. "And this is time of year refineries should be cranking it out. They are not in maintenance season," he added.

Refinery crude runs fell by 251,000 barrels per day last week to 16.66 million bpd, and net U.S. crude imports dropped last week by 170,000 barrels per day, EIA said.

U.S. gasoline stocks rose by 5.1 million barrels in the week to 219.7 million barrels, compared with analysts' expectations in a Reuters poll for a 1.7 million-barrel build.

Distillate stockpiles, which include diesel and heating oil, rose by 3.2 million barrels in the week to 121.3 million barrels, versus expectations for a 1.4 million-barrel rise, the EIA data showed.

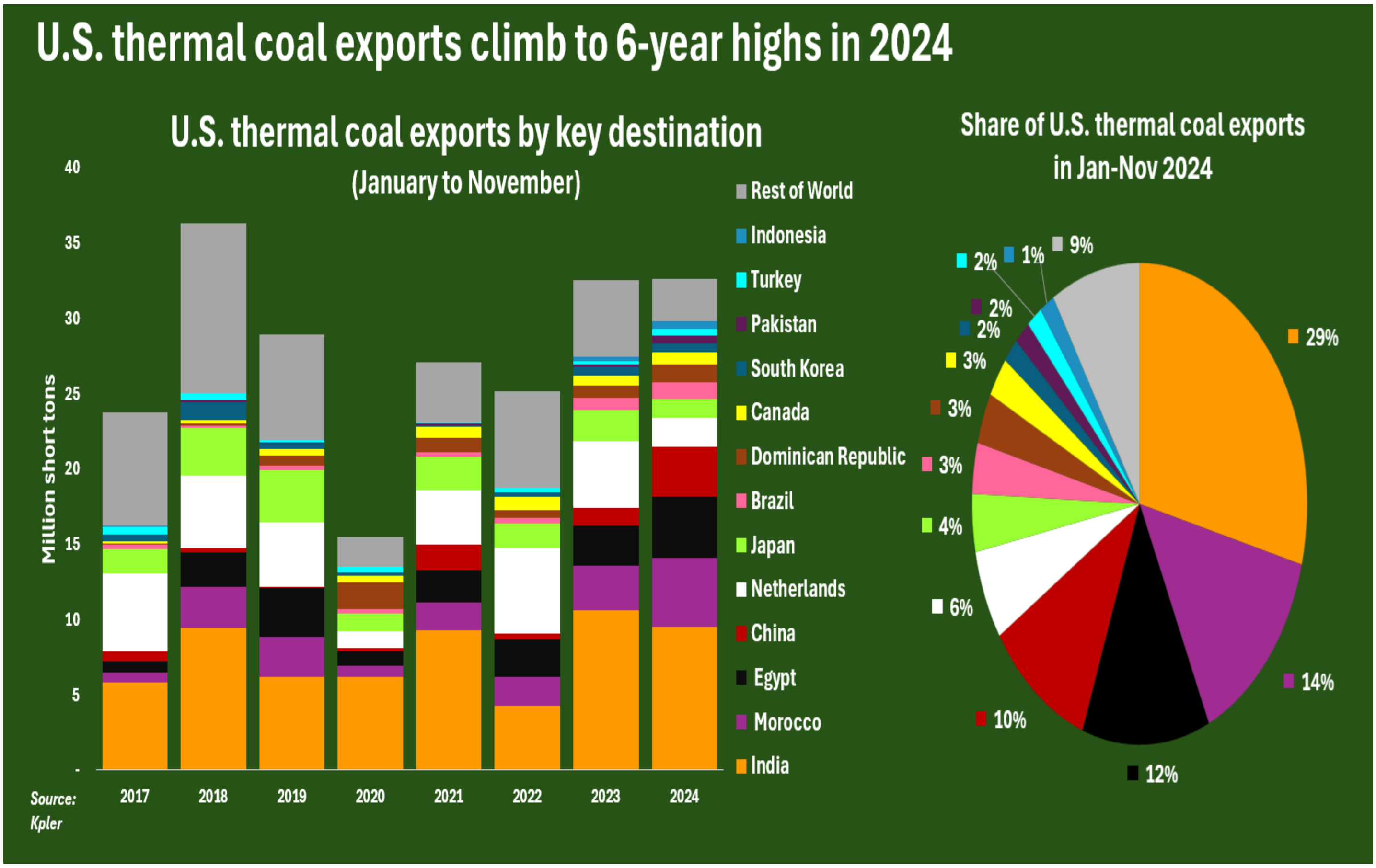
"Big build in gasoline - that speaks to the high level of refinery output and the seasonal lackluster demand for the fuel," Kilduff said.

Product supplied for gasoline, a proxy for demand, was at 8.8 million bpd last week, up slightly from the prior week.

Meanwhile, U.S. field production of crude rose to a record high of 13.6 million bpd last week.

"Domestic production continues its march higher into uncharted territory," said Matt Smith, an analyst with ship tracking firm Kpler.

## Chart of the Day



## Top News - Agriculture

**EXCLUSIVE-Brazil's top coffee roasters to hike prices from next year**

Brazil's top coffee roasters including JDE Peet's, one of the world's biggest coffee companies, are set to hike prices domestically from early next year after adverse weather caused raw bean prices to spike.

Global prices for raw coffee soared to record highs this week and are up some 80% this year as adverse weather in Brazil and Vietnam, the world's top coffee growers, has hit the crop outlook, with consumers internationally likely to feel the pinch by as early as the end of March.

JDE Peet's, the maker of brands including Jacobs, L'Or, Tassimo and Douwe Egberts, will raise prices in Brazil by an average of 30% next year, two traders told Reuters on Wednesday citing documents sent to the company's clients.

JDE Peet's was not immediately available to comment.

Brazil is the world's second-biggest coffee-consuming nation after the United States. However, traders said multi-national coffee companies will also be looking to hike prices in other markets, many of them later this month or early next year when their long-term contracts with retailers expire.

"I think everyone will increase prices next year," said a Europe-based trader.

Another big Brazilian roaster 3 Coracoes will hike prices by 11% in January after raising them by 10% in December, while Melitta, also a big player in Brazil, hiked by 25% this month after a 'recent' 12% increase, documents sent to clients and seen by Reuters show.

RETAIL PRICES SET TO RISE

JDE Peet's referred to "climate issues" in a message to clients that said it would be raising prices for roast and ground, whole beans, soluble, capsules and cappuccino, according to the traders who saw the confidential document.

Melitta said it continues to face rising coffee costs due to the "climate situation", while 3 Coracoes, a joint venture between Brazil's Sao Miguel and Israel's Strauss cited climate, increasing demand and economic instability.

Both Brazil and Vietnam have experienced drought this year, while the climate has been erratic for the past few years.

Melitta and 3 Coracoes were not immediately available to comment.

In the past five weeks alone, raw coffee prices have gained some 30% on international commodity markets .

"Some big roasters in Europe were already planning a 10% increase for end-December or early January before this recent move," said a Europe-based coffee trader. He added supermarket shoppers could notice the price hikes by the end of March.

Although coffee consumption is generally inelastic, consumers, especially those in developing nations, could eventually respond to rising prices by drinking less of it, he said.

Experts say demand growth from roasters is likely to slow more significantly as unlike shoppers, coffee companies can respond to high prices by, for example, drawing down on stockpiles.

All the same, coffee companies, especially those that sell primarily to supermarkets, have been struggling this year to pass on rising prices as consumers are increasingly hunting for cheaper brews amid a cost of living crisis.

The boss of Nestle, the world's biggest coffee company, was ousted earlier this year after the board grew unhappy about weak sales growth and a loss of market share due to price rises.

Nestle did not immediately respond to questions for comment on its pricing plans. Shares in Nestle and JDE Peet's are down more than 20% this year amid a margin squeeze as consumers rebuff their price rises. By contrast global share prices are up nearly 20%.

**Argentina exchange hikes wheat forecast after fresh November rains**

Argentina's Rosario grains exchange on Wednesday hiked up its forecast for the nation's 2024/25 wheat harvest thanks to recent rainfalls and fresh weather over the austral spring month of November.

The exchange now expects a 19.3 million metric ton wheat harvest compared to a prior forecast of 18.8 million tons. It maintained its corn and soybean predictions at 50-51 million tons and 53-53.5 million tons, respectively.

The exchange added that both corn and soy crops were enjoying good conditions thanks to the November climate.

Argentine farmers have started harvesting their wheat fields, and should complete this by January next year.

Argentina is the world's top exporter of processed soy, the no. 3 for corn, and a key supplier of wheat, and ample rains have put the South American nation on track to recover from recent seasons battered by droughts and crop diseases.

## Top News - Metals

**ANALYSIS-Mali arrests, Niger site seizure rattle Western miners**

The arrest of mining executives in Mali, threats by Burkina Faso's junta to strip permits and the seizure of a French-run uranium site in Niger have unsettled Western miners operating in West Africa and could limit further investments. Day-to-day production in Mali and Burkina Faso has so far been largely unaffected.

The escalation is expected, however, to hit firms seeking finance and insurance - curbing supply growth in Africa's engine of gold output, more than a dozen people, including mining employees, financiers, insurance providers and government sources, told Reuters.

The push by Mali, Burkina Faso and Niger's military governments to renegotiate terms with mining companies and gain a bigger share of revenues has coincided with a surge in gold and uranium prices.

It has also followed a series of coups, starting with Mali in

2020, and the three countries' shift towards Russia and away from their traditional backers France, the United States and the United Nations.
Moscow has strengthened its military and diplomatic presence in the region. There is no evidence yet Russian companies have positioned themselves to take over mining assets, but analysts said that could not be ruled out.
"We wouldn't invest in Mali now," a Western fund manager told Reuters, adding record gold prices had made miners operating in the Sahel an obvious target for juntas. The fund manager asked not to be named.
Over the last decade, companies keen to profit from West African gold countered the spreading threats posed by Islamist militants expanding from their initial stronghold in northern Mali by working with governments to beef up security. But relations have soured since the coups.
Mali, Africa's second biggest gold producer last year, according to the World Gold Council (WGC), carried out an audit of operations and rolled out a new mining code, triggering talks over new agreements and outstanding tax bills.
Arrests of staff from Australia's Resolute Mining and Canada's Barrick Gold by military authorities have gathered pace since September. Mali issued an arrest warrant for Barrick CEO Mark Bristow last week.
The country has so far received or been promised over $635 million in additional tax payments from various companies, Reuters calculations show. Four Barrick Gold employees are detained in Mali's capital Bamako pending trial. Barrick, the world's No.2 gold miner, said in November it was seeking to strike a deal.
Barrick did not reply to requests for comment for this story.

CHANGED EQUATION

Home to vast, untapped gold reserves, mining investment in West Africa has surged in the last 15 years, though Mali, Niger and Burkina remain among the world's poorest countries.
Mali's gold output has more than doubled to 105 metric tons as of last year from 2010 levels, WGC data show.
With Burkina Faso and Niger, it accounts for a quarter of the continent's gold production.
Mali's junta pledged to review mining contracts in 2020. Some companies, including B2Gold, signed new agreements with the government. Last month, Resolute Mining made $100 million in payments to Mali after its chief executive was detained during a visit. Mali accuses Barrick of owing up to $500 million, which Barrick denies.
A Malian government source said the new mining code seeks to address inequalities in contracts with companies without "killing the industry". Mali's mines ministry did not immediately reply to a request for comment.
In a sign of unease over Mali, Canada's Robex Resources said in September it was looking to sell its Nampala mine in Mali but it had not received any reasonable offer.
"Due to the geopolitical context for investments in Mali, the market of potential buyers is currently very limited."

## MARKET MONITOR as of 07:35 GMT

| Contract | Last | Change | YTD |
|---|---|---|---|
| NYMEX Light Crude | $70.39 / bbl | 0.14% | -1.76% |
| NYMEX RBOB Gasoline | $2.00 / gallon | 0.47% | -4.83% |
| NYMEX Natural Gas | $3.37 / mmBtu | -0.27% | 34.01% |
| Spot Gold | $2,716.25 / ounce | -0.06% | 31.69% |
| TRPC coal API 2 / Dec, 24 | $113 / tonne | -0.70% | 16.49% |
| Carbon ECX EUA | €68.53 / tonne | -0.15% | -14.73% |
| Dutch gas day-ahead (Pre. close) | €44.84 / Mwh | -1.45% | 40.78% |
| CBOT Corn | $4.47 / bushel | -0.33% | -7.70% |
| CBOT Wheat | $5.62 / bushel | -0.27% | -12.16% |
| Malaysia Palm Oil (3M) | RM4,902 / tonne | 0.95% | 31.74% |
| **Index** | **Close 11 Dec** | **Change** | **YTD** |
| Thomson Reuters/Jefferies CRB | 352.31 | 1.12% | 16.89% |
| Rogers International | 28.89 | 0.75% | 9.72% |
| U.S. Stocks - Dow | 44,148.56 | -0.22% | 17.14% |
| U.S. Dollar Index | 106.44 | -0.26% | 5.04% |
| U.S. Bond Index (DJ) | 447.15 | -0.20% | 3.82% |

Robex did not respond to requests for further comment.
Insurers are more cautious about the risks they underwrite, said Gallagher's Racheal Tumelty, head of Political Risk Australia, who has previously brokered insurance for projects in Mali and other West African countries.
Premiums for some West African countries had almost trebled as of late 2023 compared to 2019, she said.

TAKING BACK PERMITS
Challenges in the Sahel did not apply to the wider region of West Africa, Jeff Quartermaine, CEO of Perseus Mining, said, so events in Mali had no impact on the Australian-listed miner's operations in coastal Ivory Coast or Ghana.
But others see warning signs for the industry.
In Niger, where the junta tore up a defence agreement with former colonial power France shortly after coming to power last year, authorities have taken control of French nuclear fuels company Orano's Somair uranium mine, the company said last week. London-listed Endeavour Mining sold two of its gold mines to the Burkina Faso government for $60 million, having flagged an initial agreement of $300 million, company statements showed. Endeavour declined to comment about the discrepancy.
Burkina Faso junta leader Ibrahim Traore said in July he would withdraw permits from miners headquartered in countries that did not supply military equipment.
A senior official working for a mining company in West Africa said the authorities were implicitly telling Western miners that they could now turn to Moscow if they needed other mining partners.
Short term, analysts said they expected juntas to continue squeezing the companies already in the region.
"I don't think the miners are reassured. A couple of years down the line, they might find themselves being told, 'that is not sufficient'," said Vincent Rouget, an analyst at global risk consultancy Control Risks, which advises miners in the region.

**Chilean mining firms see 2025 copper output at 5.4-5.6 mln tons**
Copper production in Chile, the world's largest copper producer, is projected to range between 5.4 and 5.6 million tons in 2025, the National Mining Association (Sonami) said on Wednesday.
Chilean mining firms also expect copper prices to range between $4.2 and $4.5 per pound next year, according to industry projections. In September, Chile's central bank forecast an average copper price of $4.25 per pound in 2025, slightly below its previous estimate of $4.30 per pound.
The country plans to invest approximately $83.18 billion in Mining from 2024 through 2033, a 27% increase from last year's estimate, according to a study by state-run agency Cochilco cited in Diario Financiero.

## Top News - Carbon & Power

**US solar industry downplays climate in strategy for Trump era**
The U.S. solar industry unveiled its lobbying strategy for the incoming Trump administration on Thursday, promoting itself as a domestic jobs engine that can help meet soaring power demand, without referencing its role in combating climate change.
The policy agenda marks a stark shift in tone for the solar sector, which is a major beneficiary of subsidies contained in outgoing President Joe Biden's landmark 2022 climate change law, the Inflation Reduction Act (IRA).
President-elect Donald Trump has vowed to rescind the law, something that would require action by Congress.
The Solar Energy Industries Association (SEIA), the top U.S. solar trade group, listed its top 10 priorities for the first 100 days of Trump's administration and described solar energy as key to American energy security.
It called on the government to support policies to expand domestic solar manufacturing and reduce dependence on China, and urged looser restrictions on infrastructure investment and grid connections for solar projects.
It also asked the incoming administration to keep taxes low and support consumer energy choice.
"Solar is critical to meeting America's growing need for electricity and providing power for manufacturing, data centers, cryptocurrency, and AI," SEIA CEO Abigail Ross Hopper said.
"This is a roadmap for the Trump administration and Congress to capitalize on strong federal solar and storage policies and achieve their vision of a dominant American energy sector." The document did not mention climate change or the IRA. The SEIA did not respond to a request from Reuters for comment on the report.
In the policy agenda it released in 2020 ahead of Biden's inauguration, SEIA advocated for a price on carbon and mentioned climate change several times.
Biden's administration viewed solar energy as critical to decarbonizing the power sector to fight global warming.
SEIA also did not directly mention tariffs, something it had asked the Biden administration to reduce.
The trade group has long opposed trade tariffs that raise costs for solar installers, but Trump has pledged to use them aggressively as part of his economic agenda.
SEIA noted in a statement that U.S. solar capacity grew 128% during Trump's first term in office.
Some priorities have not changed, including calls for increased solar development on public lands, improved grid access and more support for domestic manufacturing.

**COLUMN-Hefty US thermal coal exports look set to keep climbing in 2025: Maguire**
U.S. coal traders have exported the highest volume of thermal coal in six years over the first eleven months of 2024, and look set to ship out even greater volumes in 2025 once President-elect Donald Trump takes office.
U.S. exports of coal used in power generation hit 32.6 million short tons from January through November, according to ship-tracking data from Kpler.
That was the highest volume for that period since 2018, and will have generated roughly $4 billion in revenues for

the U.S. coal sector, according to price data published by the U.S. Energy Information Administration (EIA).
As thermal coal consumption is being phased out at home due to concerns about pollution, those hefty exports have served to undermine U.S. credibility as a climate leader. But export volumes could be even higher in 2025 if the incoming fossil fuel-friendly administration of President Donald Trump promotes the extraction and sale of more U.S. energy products as expected.

POLLUTING POWER
Coal is by far the highest polluting fossil fuel, and will generate roughly 10 billion metric tons of carbon dioxide ($CO_2$) globally this year when burned for power, according to Ember.
Roughly 945,000 tons of $CO_2$ is emitted for each terawatt hour (TWh) of electricity produced by coal-fired power stations globally this year.
That compares to around 604,000 tons for each TWh produced by natural gas-fired plants, which is a major reason why U.S. power providers have phased out coal burning and boosted the use of natural gas in power generation over the past decade. But while U.S. power producers have cut coal's share of electricity production in half over the past decade to less than 15%, globally power producers remain reliant on coal for over a third of total electricity output. Several countries - including China, India, the Philippines, Vietnam and Turkey - rely on coal for 40% or more of their generation mix, and must import a fair chunk of their annual coal needs.

GROWTH MARKETS
Indonesia is by far the world's largest coal exporter, and is on track to ship out over 500 million tons of thermal coal this year, according to Kpler.
But six other countries are also notable thermal coal exporters, with Australia, Russia, South Africa, Colombia, the United States and Canada all on track to export over 10 million tons each this year.
The U.S. ranks sixth on that list, and over the first 11 month of this year has sent a million tons or more to eight different countries. India is by far the top destination for U.S. coal in 2024, accounting for 9.5 million tons or 29% of total U.S. thermal shipments so far.
Morocco (4.6 million tons), Egypt (4 million tons) and China (3.3 million tons) are the next largest buyers.
Other large buyers include the Netherlands, Japan, Brazil and the Dominican Republic, indicating a wide geographic span for U.S. coal sales so far this year.
And a majority of those markets look set to remain heavy coal consumers for the coming years as energy demand there grows at a faster pace than locally-sourced clean energy supplies. That means those countries will remain lucrative markets for all coal exporters, including those in the U.S., even if power producers at home continue to dial down their own coal use due to emissions concerns.
The opinions expressed here are those of the author, a market analyst for Reuters.

## Top News - Dry Freight

**Jordan buys about 60,000 T feed barley in tender, traders say**
Jordan's state grain buyer bought about 60,000 metric tons of animal feed barley in an international tender on Wednesday, European traders said.
It was said to have been bought from trading house Viterra at an estimated $249.99 a ton cost and freight (c&f) included for shipment in the second half of January 2025.
Traders said the following trading houses also participated in the tender with their estimated offers per ton c&f: Al Dahra $264, Bunge $256, Dreyfus $252, Olam $253.94 and Ameropa $262.50.
A new tender for 120,000 tons of feed barley is expected to be issued by Jordan in coming days, closing on Dec. 18, traders said.
The new tender is expected to seek shipment in the full months of February and March 2025.
Reports reflect assessments from traders and further estimates of prices and volumes are still possible later.

**Group in Thailand bought around 63,000 T feed wheat, traders say**
An animal feed importer group in Thailand is believed to have purchased around 63,000 metric tons of animal feed wheat in a tender which closed on Wednesday seeking up to 120,000 tons, European traders said.
Price was estimated at around $256 a ton cost and freight (c&f) liner out with the wheat expected to be sourced from South America. The tender sought offers for a series of consignments in 2025 between February to June, traders reported one consignment bought for shipment in the full month of March.
The seller was believed to be trading house Cargill.
Reports reflect assessments from traders and further estimates of prices and volumes are still possible later.

## Picture of the Day


*A person dressed as Father Christmas gestures, while standing near tractors during a demonstration in support of farmers, in London, Britain, December 11. REUTERS/Mina Kim*

(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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