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## Top News - Oil

**Norway oil and gas industry forecasts record investment in 2025**

Oil and gas companies operating in Norway expect to invest a record 275 billion Norwegian crowns ($24.68 billion) in 2025, up from 263.7 billion this year and more than previously expected, the Offshore Norge industry association said on Monday.
The industry group had one year ago predicted oil and gas investments for 2024 and 2025 would amount to 240 billion and 225.9 billion crowns, respectively.
The higher investment is being driven by a mix of cost inflation, accelerated development and increased scope of work at several fields and the drilling of extra wells at existing oil and gas fields, Offshore Norge said.
Companies also plan to start drilling 45 exploration wells in Norwegian waters next year, up from 41 so far in 2024 and the highest level since 2019, the group added.
Norway is western Europe's largest oil and gas producer, with a total output of just over 4 million barrels of oil equivalent per day (boed), and aims to extend production for decades to come.
The outlook was based on responses from 14 companies including Equinor, Aker BP, Vaar Energi, ConocoPhillips and Shell, representing close to 100% of the country's output. After 2025, Offshore Norge's survey predicted oil investments will gradually decline, to 251 billion in 2026 and 203 billion crowns in 2029 as ongoing development projects are completed.
Equinor's Arctic Johan Castberg and Vaar's Balder X oilfields are expected to come on stream in the first and second quarters of 2025, respectively, and Aker BP's Yggdrasil field in 2027.
Investment estimates for 2029 could still increase, however, with oil companies adding new projects, although limited by a dearth of large new discoveries.

**Stricken oil tankers show risks of Russia's ageing 'shadow fleet'**

Russian authorities sought to limit the damage on Monday from oil spilled into the Kerch Strait by two ageing tankers that were damaged during a heavy weekend storm, highlighting the environmental and insurance risks of Russia's 'shadow fleet'.
One crew member was killed after the Volgoneft 212 split in half, with 12 rescued, while authorities said all 14 crew aboard the Volgoneft 239, which ran aground 80 metres from the shore near the port of Taman, were also rescued.
The more than 50-year-old ships were carrying some 9,200 metric tons (62,000 barrels) of oil products in total, Russian news agency TASS said, but how much leaked is being determined.
Volgoneft 212 dates back to 1969 and Volgoneft 239 was built in 1973, certificates seen by Reuters showed.
The spill could become one of the largest environmental disasters to affect the region in recent years, although the scale of possible insurance claims was not immediately clear.
The shipping industry has raised concern in recent months over the risks and potential for collisions posed by hundreds of "shadow" tankers in open sea lanes, with little incentive for these vessels to follow cleaner shipping standards.
Russia has increasingly used a shadow fleet, which deploys various techniques to bypass international sanctions.
The Kerch Strait, which separates mainland Russia from the Moscow-annexed Crimea region, is a key route for exports of its grain and fuel products.
The Finland-registered Centre for Research on Energy and Clean Air (CREA) think-tank said 369 vessels exported Russian crude oil and oil products last month, of which 206 were shadow tankers, and 28% of these were at least 20 years old.
Before the weekend incidents, CREA said the cost of clean up and compensation resulting from an oil spill from tankers with unknown insurance or no insurance provision could amount to more than $1 billion for the coastal country's taxpayers.
Russia rejects Western pressure to limit its oil exports and in the past year the number of tankers transporting cargoes that are not regulated or insured by Western providers has grown.
The documents showed the Volgoneft 212 was covered by insurance from Russia's VSK, while the vessel's operator, Kama-Shipping, said it was carrying 4,200 tons of fuel oil.
Russia's OOO Absolyut Strakhovaniye covered the insurance for the Volgoneft 239, documents seen by Reuters showed.
Neither immediately replied to requests for comment.
President Vladimir Putin on Sunday ordered the government to set up a working group to deal with the rescue operation and mitigate the impact of the spill, Russian news agencies cited Kremlin spokesman Dmitry Peskov as saying.

## Top News - Agriculture

**EU crops in fair shape but Black Sea rim lacks winter strength, monitor says**

Cereal fields in Europe are generally in good condition after a dry, mild spell helped them recover from a soggy start to autumn, though grain belts around the Black Sea are lacking hardiness for winter, the EU's crop monitoring service said on Monday.

Echoing comments from its November report, the MARS service said in its December update that drier weather allowed farmers to wrap up sowing in western Europe despite delays.

In central and northern Europe, meanwhile, mild cold spells had no negative impact and soil water reserves remained well above critical levels, MARS said.

There were greater risks, however, in a swathe of the Black Sea rim spanning parts of European Union members Romania and Bulgaria, as well as areas of Ukraine and Russia.

"Sowing and initial development of winter wheat were seriously hampered due to very dry topsoils, resulting in crops that are currently underdeveloped and in poor condition," MARS said.

Traders have been wrestling with reports of very bad crop conditions in Russia, the world's biggest wheat exporter, which have fuelled uncertainty over the country's supply as the government seeks to curb exports.

Crops elsewhere in Europe were also lacking sturdiness for winter, notably in Poland and the Baltic States, though forecasts showed no severe cold in the coming days while longer-range projections suggested warmer than usual temperatures overall in Europe this winter, MARS said.

In Sicily, an important region for durum wheat cultivation, a lack of soil moisture remained a concern, despite rain in recent weeks that allowed sowing to proceed.

Across the Mediterranean, there was "immediate need" for rain in the Maghreb to help sowing, especially in Morocco and western Algeria, MARS said.

**NOPA November US soybean crush dips to 193.185 million bushels**

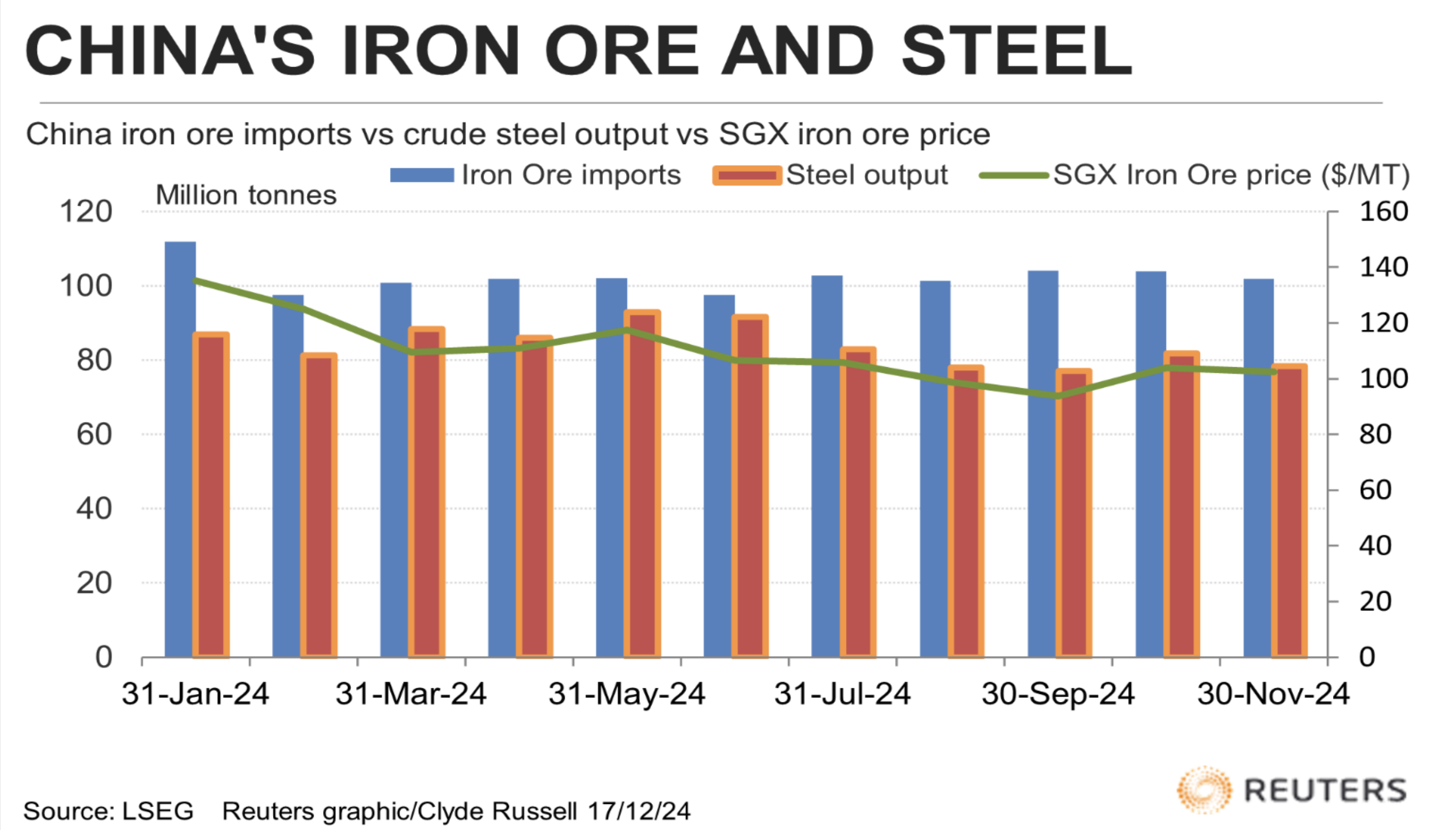
The U.S. soybean crush declined in November from an all-time high a month earlier and fell short of most trade estimates, according to National Oilseed Processors Association (NOPA) data released on Monday.

NOPA members, which account for about 95% of U.S.-processed soybeans, crushed 193.185 million bushels of the oilseed last month, below the average estimate of 196.713 million bushels in a Reuters poll of 10 analysts.

Crush estimates for November ranged from 191.000 million to 207.000 million bushels, with a median of 195.911 million bushels.

The November crush was down 3.4% from a record October crush of 199.943 million bushels, a figure that NOPA revised slightly downward on Monday from a previously reported 199.959 million bushels.

## Chart of the Day



It was still the largest November crush on record, up 2.2% from the November 2023 crush of 189.038 million bushels, and the fourth-largest ever for any month, according to NOPA data. The average daily processing rate of 6.440 million bushels in November was also the second-strongest pace on record, although it was down slightly from October's record of 6.450 million bushels a day, according to NOPA data.
U.S. crush capacity has grown in recent years as processors built several new plants and expanded existing ones to meet surging vegetable oil demand from biofuels makers. Maintenance downtime at a large Des Moines, Iowa, plant last month kept a lid on the monthly crush, analysts said.
Soyoil stocks among NOPA members as of Nov. 30 increased to 1.084 billion pounds, from an upwardly revised 1.074 billion pounds at the end of October. Analysts, on average, had expected stocks to rise to 1.123 billion pounds, according to estimates from seven analysts.
Soyoil stocks estimates ranged from 1.021 billion to 1.178 billion lbs, with a median of 1.130 billion lbs.

## Top News - Metals

**EXCLUSIVE-Ten EU countries seek wider sanctions on Russian-origin metal – letter**
Ten European Union (EU) countries have proposed further sanctions on Russian trade, including its output of metals such as aluminium, to further cut the country's revenues and funding for its war in Ukraine, a letter seen by Reuters showed.
There are more than 2,000 individuals and entities on the EU's sanctions list, but not Russian metal producers such as Rusal or primary metal produced in Russia.
Signatories to the letter sent two weeks ago proposing bans on Russian-origin metal include Poland, taking over presidency of the EU in January from Hungary which has been hostile to the idea, one source familiar with the matter said.
"As metals make up the most important source of revenue for Russia besides fossil fuels, we must also impose additional import bans on metals," said the letter also backed by Denmark, Czech Republic, Ireland, Estonia, Latvia and Lithuania. Sweden, Finland and Romania also back the proposal.
The EU Commission will propose the new package in the second half of January with the aim of passing it in February to mark the third anniversary of Russia's invasion of Ukraine.
Most EU metal consumers have found alternative supplies from other countries such as copper from Peru and Serbia, but the EU still imports large amounts of Russian-origin primary aluminium.
The United States and Britain this year banned the import of metals produced in Russia, but the EU declined to follow due to resistance from members including France, which two sources familiar with the matter said no longer opposes the idea.
"We do not have any position on this issue but we'll study all proposals on the table," said a spokesperson for France's representation to the EU.
The EU has so far only banned aluminium products including wire, tubes and foil, which amount to less than 15% of EU imports of the metal used in the transport, packaging and construction industries.
"All decisions on sanctions are taken unanimously by the Member States in the Council," an EU spokesperson said. "We do not comment on discussions in the Council and do not speculate on possible future developments."
A third source familiar with the matter said the EU could impose punitive tariffs on Russian metal, which do not require unanimity and could be an alternative to sanctions.
Sanctions or tariffs may now be more acceptable as EU imports of primary aluminium from Russia have dropped. Between January and September, the EU imported nearly 118,000 metric tons of primary aluminium from Russia or around 6% of the total at more than two million tons, according to information provider Trade Data Monitor (TDM).
That compares with 11% and 20% in the same period last year and in 2022 respectively.

**BHP, Rio Tinto to build low-carbon iron pilot plant in Western Australia**
Australia's BHP and Rio Tinto will jointly develop a pilot plant to produce low-carbon iron from Pilbara ores as they take steps to speed up decarbonisation in the steel industry, the companies said in a joint statement on Tuesday.
The facility will use renewable power and direct reduced iron (DRI) technology in an electric smelting furnace (ESF) to produce molten iron, with a potential annual output of 30,000 to 40,000 tonnes.
The facility will be developed with BlueScope Steel in Western Australia's Kwinana industrial hub.
If successful, the technology could enable near-zero greenhouse gas emission-intensity operations for steelmakers using Australian iron ore to meet global demand, the firms said.
The production of steel, a key material for infrastructure and the net-zero energy transition, currently contributes around 8% of global carbon emissions.
The pilot "green iron" project between Rio, BHP and BlueScope Steel was announced in February to help cut emissions for steelmakers around the globe who rely on Australian iron ore.
The project has now finalised the location and details, including the forecasted output, after assessing several locations in Australia.
Woodside Energy is also set to join as an equal equity participant and energy supplier to the collaboration, dubbed 'NeoSmelt', pending final commercial arrangements.
The project plans to enter feasibility studies in the second quarter of 2025, followed by a final investment decision in 2026, and aims to begin operations in 2028, the companies said.

# Top News - Carbon & Power

**Ukraine ready to work out new deal for gas transit to Europe, says PM**

Prime Minister Denys Shmyhal said on Monday that Ukraine was willing to devise a deal enabling gas to transit through its territory to western Europe, but ruled out any extension of an existing deal with Russia.

Shmyhal was writing on the Telegram messaging app after speaking to Slovak Prime Minister Robert Fico as some European countries stepped up their search for gas supplies.

With two weeks remaining before the gas transit deal with Russia expires, Shmyhal said Ukraine was willing to discuss transit of gas of any origin except Russian.

"To this effect, if the European Commission officially approaches Ukraine about the transit of any gas other than Russian, we naturally will discuss it and are ready to reach an appropriate agreement," Shmyhal said.

"I stressed that Ukraine's agreement with Russia on gas transit comes to an end on 1st January 2025 and will not be extended."

Shmyhal said much had already been done in recent years with EU countries "in order to secure reliable gas supplies and prevent the use of any type of energy as a weapon".

Ukraine, locked in a 33-month-old war with Russia, has made it plain for months that it would not extend the gas transit plan with Russia.

Slovakia and other countries receiving gas from Russia, transited via pipelines in Ukraine, are in talks to try to avoid those flows stopping when the agreement runs out.

Before the two prime ministers spoke, Fico had said that maintaining gas transit was not just a bilateral matter for Ukraine's neighbours but an issue for the whole EU.

Fico said last week he aimed to secure continued eastern supplies to avoid paying more in transit fees from other suppliers. Slovakia has a long-term contract with Russian giant Gazprom.

Slovakia's Economy Minister Denisa Sakova said earlier in Brussels that European countries and companies had a combined demand for around 15 billion cubic metres of Russian gas next year via Ukraine and were in talks to secure new supplies.

Slovakia is hoping a deal could cover gas deliveries for two or three years. The EU has set a target of stopping using Russian fossil fuels by 2027.

Some EU countries in eastern Europe are considering securing supplies from Azerbaijan, which could transit through Ukraine, but no deal has yet been clinched.

Ukrainian officials have suggested that existing pipelines could be used to ship gas supplied by a county other than Russia.

Moldova, Ukraine's small ex-Soviet western neighbour, has also been in talks to secure supplies from Gazprom and, with the expiry of the transit deal imminent, is considering securing Russian gas through Turkey, Bulgaria and Romania.

## MARKET MONITOR as of 07:35 GMT

| Contract | Last | Change | YTD |
|---|---|---|---|
| NYMEX Light Crude | $70.88 / bbl | 0.24% | -1.07% |
| NYMEX RBOB Gasoline | $1.99 / gallon | 0.29% | -5.55% |
| ICE Gas Oil | $686.75 / tonne | 0.15% | -8.52% |
| NYMEX Natural Gas | $3.24 / mmBtu | 0.65% | 28.68% |
| Spot Gold | $2,654.65 / ounce | 0.08% | 28.70% |
| TRPC coal API 2 / Dec, 24 | $111.75 / tonne | -1.32% | 15.21% |
| Carbon ECX EUA | €65.50 / tonne | 0.35% | -18.50% |
| Dutch gas day-ahead (Pre. close) | €39.85 / Mwh | -3.39% | 25.12% |
| CBOT Corn | $4.53 / bushel | 0.22% | -6.46% |
| CBOT Wheat | $5.61 / bushel | -0.04% | -12.31% |
| Malaysia Palm Oil (3M) | RM4,731 / tonne | -0.57% | 27.14% |
| **Index** | **Close 16 Dec** | **Change** | **YTD** |
| Thomson Reuters/Jefferies CRB | 351.97 | -0.22% | 16.78% |
| Rogers International | 28.72 | -0.28% | 9.10% |
| U.S. Stocks - Dow | 43,717.48 | -0.25% | 15.99% |
| U.S. Dollar Index | 106.91 | 0.05% | 5.50% |
| U.S. Bond Index (DJ) | 441.76 | 0.03% | 2.56% |

**New EU renewable energy target faces nuclear roadblock**

European Union plans for a new renewable energy goal hit early resistance on Monday from pro-nuclear governments, who indicated they would not back a goal that excludes atomic energy.

The EU's 27 member countries have opposing views on nuclear power, and political disputes over the energy source have delayed recent EU measures to address high energy prices and drive Europe's transition to low-carbon energy sources.

While nuclear power stations do not emit carbon dioxide, they generate toxic waste that some governments and campaigners say means atomic energy should not be classed as green.

Plans to set an EU renewable energy target for 2040 have stirred tensions again, after the European Commission this month made the goal a surprise addition to the brief of new EU energy commissioner Dan Jorgensen.

French energy minister Agnes Pannier-Runacher said ministers had expressed concern to Jorgensen that the target excluded nuclear energy, at a meeting in Brussels of 15 countries, 12 of them part of a pro-nuclear alliance.

"Is it more important to have a specific target for renewables ... where you can tamper with statistics, for example, by closing down nuclear power plants? Or is the main target fossil-free and clean energy production in Europe?" said Sweden's energy minister Ebba Busch, who also attended the pro-nuclear meeting.

A senior official from one EU country said governments with enough votes to block the EU from passing the target had indicated they wouldn't back a goal that excludes nuclear. "I think there's enough, in terms of a blocking minority," the official said.

EU Energy Commissioner Dan Jorgensen held firm. Renewables and nuclear will both play a role in Europe's energy policy, but they should not be mixed into one target, Jorgensen said.

"I don't think that would be a wise way to do it, I think we need to maintain the definitions that we already have in our renewable target," he told a news conference.

Countries including Austria and Germany have opposed nuclear's inclusion in previous EU renewable energy goals, raising concerns about nuclear safety and emphasising the lower costs of wind and solar power.

Austria is firmly opposed to the technology, while Germany phased out its nuclear reactors.

Meanwhile, France, which gets most of its power from nuclear reactors, and eastern European countries planning to expand their reactors, are strong proponents of low-carbon atomic energy as a way to cut emissions.

## Top News - Dry Freight

**Syria's ports working normally as Ukraine looks to supply staple foods**

Syria's main ports are working normally after days of disruptions, maritime officials said on Monday, and Ukraine said it was in touch with the interim government about delivering staple foods.

President Bashar al-Assad was ousted on Dec. 8 by insurgent forces led by the Islamist group Hayat Tahrir al-Sham. Since then, Israel has carried out airstrikes around Syria's main port Latakia, and shipping sources also said ports had been short of workers.

On Monday, port official Hasan Jablawi told Reuters that Latakia was functioning normally and cargo ships that had been waiting for several days were unloading.

The Turkish-flagged Med Urla general cargo vessel was among the first ships to discharge and sail from Latakia on Monday, according to LSEG ship tracking data.

Shipping sources said Syria's other main port Tartous was also operating, although there was a backlog to clear.

Russian and Syrian sources said on Friday that Russian wheat supplies to Syria had been suspended after two vessels carrying Russian wheat had failed to reach their destinations in Syria.

Russia, the world's largest wheat exporter, had dominated wheat sales to Syria, according to shipping and trade sources, using complex financial and logistical arrangements to circumvent Western sanctions. Figures on Syria's needs or stock levels were not readily available, however. Ukrainian President Volodymyr Zelenskiy said on Saturday his government would set up mechanisms to deliver food to Syria together with international organisations and partners.

"We can help Syrians with Ukrainian wheat, flour, and oil," he added in his daily wartime address on Sunday.

A Ukrainian industry source confirmed there was active communication with the Syrian administration over food shipments.

**Mosel river in Germany partially reopens to shipping, sailings limited**

The Mosel in west Germany was partially reopened to cargo shipping on Monday after a temporary lock was installed over the weekend, but the number of vessels able to sail will be limited, navigation authorities said.

The river, an important transit route for grains and rapeseed between Germany and France, was closed to inland waterways shipping last week after an accident which damaged a lock at Mueden south of Koblenz and repairs are likely to last until spring 2025.

But a temporary lock was installed over the weekend and tested successfully, the German navigation agency WSA said.

The first trapped ship transited the temporary lock system on Monday without problems and sailed towards the Rhine, the WSA said. The 80 metre long vessel was carrying malting barley, it said.

But only about five or six ships a day will be able to pass initially.

Some 74 ships are blocked because of the damage, many operating for grain and rapeseed shipments to and from the French port of Metz.

European rapeseed futures rose last week after trading platform Euronext's said it will suspend physical delivery to river ports in eastern France for the February contract, following the blockage of the Mosel.

## Picture of the Day

*Vegetables are displayed at a shop, after the ousting of Syria's Bashar al-Assad, in Damascus, Syria, December 16. REUTERS/Ammar Awad*

(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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