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Top News - Oil

North Dakota oil facilities slow to come back online after October wildfires

Oil operators in North Dakota, the third-largest producing state in the U.S., are still bringing some facilities back online after wildfires swept through key oil-producing counties in October, the state's Industrial Commission said on Wednesday.

The outages are limited to isolated production facilities such as well pads, which experienced either local equipment damage or a loss of electricity due to damaged power lines, according to Justin Kringstad, the director of the North Dakota Pipeline Authority.

October output in the state shrank by 520,000 barrels largely due to operators shutting in wells to protect against wildfire damage, said Mark Bohrer, assistant director of the oil and gas division at the North Dakota Department of Mineral Resources. "The (fall in production) figure is significant," said Bohrer.

Production in October fell to 1.178 million barrels per day (bpd), down from 1.2 million bpd in September, monthly data from the commission showed on Wednesday.

Currently, the state's rig count is steady on the month, at 37 in December.

But this is expected to increase to the mid-40s over the next couple of years, Bohrer added.

There are 14 active hydraulic fracturing crews in North Dakota as of December, down from 16 last month and from 18 in October. "Winter weather has moved into the region, and we may see some limited impacts on statewide oil production in November and December. However, there have not been any severe winter weather events causing widespread reductions in production so far," Kringstad said.

Bakken oil delivered at Clearbrook, Minnesota, was pricing at a $1.55 per barrel discount to West Texas Intermediate on Wednesday, according to the regulator. That compares with a 90-cent discount last month.

Sinopec forecasts China's petroleum consumption to peak by 2027

Sinopec said on Thursday it expects China's petroleum consumption to peak by 2027 as diesel and gasoline demand weakens, while noting that the incoming Trump administration represented a major question mark for China's energy industry.

The 2027 peak will be no more than 800 million metric tons or 16 million barrels per day, the state energy giant said. This is a clearer forecast than last year, when Sinopec put the peak at around 800 million tons between 2026 and 2030.

That would be up from the 750 million tons consumed in 2024.

This year's level was down about 10 million tons from last year and was the second annual decline in two decades, according to the company's outlook.

Donald Trump's second term in office is key to watch for 2025, said Wang Pei, deputy general manager of the Sinopec Economics and Development Research Institute, adding that the biggest uncertainty for the market is how potential changes to the U.S. sanctions regime could affect Iran's 1.5 million barrels per day of oil exports.

China is Iran's biggest buyer of oil, with most going to independent refineries.

Changes to environmental policies, as well as trade and technology barriers, will affect China's economy and energy transition, she said, pointing to the significant impact of the last trade war.

But Trump could also reduce tensions in Ukraine and the Middle East, removing some risk premium from markets, Wang added.

Sinopec said broader use of LNG and electric vehicles would reduce demand for gasoline and diesel and that the petrochemical sector will ultimately consume more oil than the transport sector.

Diesel demand is expected to fall 5.5% year on year to 174 million tons. LNG-fuelled trucks, which were 22% of the fleet in the first three quarters, displaced 49 million tons of diesel in 2024.

Gasoline demand is set to decline 2.4% to 173 million tons in 2025. Electric vehicles will displace about 26 million tons or 15% of gasoline consumption.

Of the three key refined products, only aviation fuel use is expected to grow, by 7% on the year to 45.5 million tons.

The petrochemical sector is set to account for 55% of oil consumption in 2060, up from 22% in 2024, Sinopec said.

China's crude oil output is expected to reach 215 million tons in 2025, with oil refining capacity at between 960 million and 970 million tons per annum.

Crude oil output for January to November this year was 194.92 million tons, up 1.9% from a year earlier, according to government data.

Sinopec also said China's natural gas consumption may peak earlier but at a higher level than it forecast last year.

By 2030, China's natural gas consumption is expected to reach 570 billion cubic metres (bcm) and plateau at around 620 bcm between 2035 and 2040.

In last year's forecast, Sinopec said China's natural gas consumption would plateau at 610 bcm by around 2040.

Natural gas consumption is forecast at 458 bcm in 2025, up 6.6% year on year, Sinopec added.

It also expects China's carbon emissions from energy-related activities to now peak at a higher level.

Energy-related carbon emissions are expected to peak before 2030 at between 10.8 billion and 11.12 billion tons.

By comparison, last year's forecast was for a peak at around 10.1 billion tons between 2026 and 2030.

Top News - Agriculture

China to promote modernization of farms in pledge to stabilise grain output

China will accelerate the pace of agricultural and rural modernization and stabilise grain planting area in its quest to ensure stable and high production of grains, state media reported on Wednesday, citing an annual rural policy meeting.

The world's biggest grains producer announced record grains production of 706.5 million metric tons this year, including 294.92 million tons of corn.

However, Beijing remains reliant on imports, making it determined to raise output and become an "agriculture power", particularly as rising tensions with trade partners United States, Canada and the European Union threaten to disrupt food trade.

At an annual meeting that sets rural policy priorities for the year ahead, policymakers highlighted a need to improve farmers' incomes and strengthen the use of agriculture science, technology and equipment.

"We must resolutely shoulder the important task of ensuring national food security... stabilize the grain planting area, deepen the action of increasing the yield of grain and oil crops on a large scale," the official Xinhua news agency reported.

Policymakers said China will also improve the policy system for supporting grain production and improve the protection and quality of cultivated land.

In a separate meeting, China's agriculture ministry pledged to take measures to "consolidate the results" of soybean and oilseed expansion, according to a ministry statement. China has boosted its domestic soybean, corn and wheat production significantly in recent years by increasing planting acreage and raising yields through the use of high-yielding crop varieties.

However, higher supply amid weaker consumption due to an economic slowdown have led to lower prices.

Additionally, the agriculture ministry said it would optimise the pig production capacity control mechanism, and continue to follow up on the relief measures for beef cattle and the dairy industry, according to the statement.

The ministry will also implement food-saving actions in the farming industry. This follows the declining prices of pork, beef, dairy and poultry in the world's largest meat consumer due to shrinking demand in a slowing economy and an over-expansion by the livestock industry, especially among pig farmers.

Authorities have previously issued regulations to reduce the breeding sow population and control beef cattle production and vowed to stabilise prices.

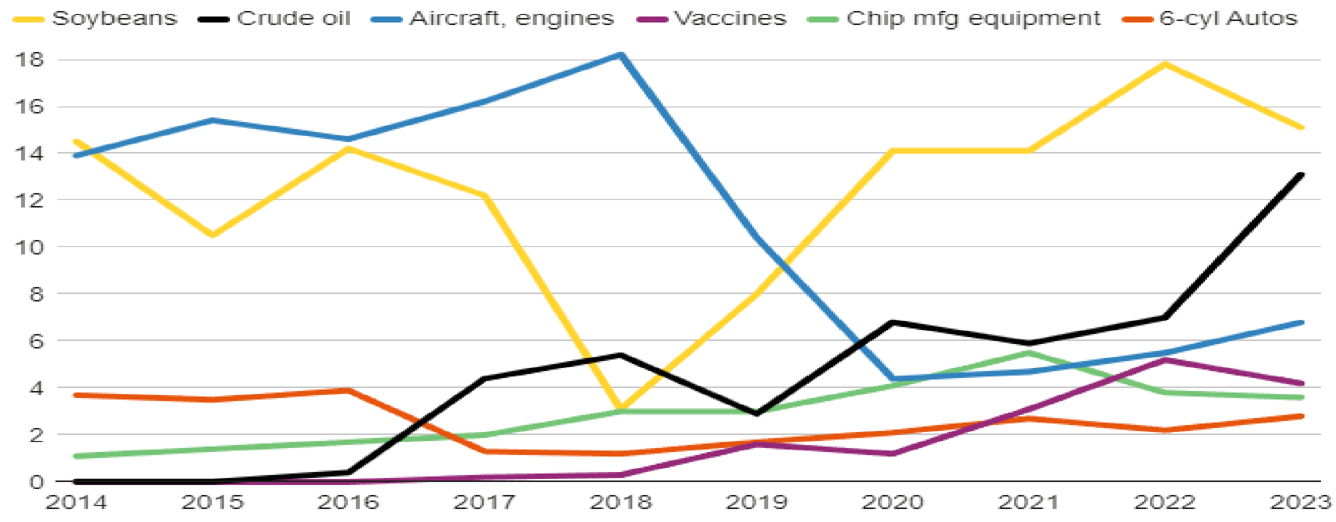
US suffers first severe human case of bird flu; California declares emergency

The U.S. reported its first severe human case of bird flu on Wednesday in a Louisiana resident who is hospitalized in critical condition after suspected contact with an infected backyard flock.

Chart of the Day (Interactive)

China's US imports shift to oil from aircraft, autos

China's top U.S. import categories show sharp growth in crude oil imports as commercial aircraft deliveries struggle and soybean purchases remain choppy after seven years of trade conflict. Semiconductor manufacturing equipment imports have been hurt by U.S. export controls. Annual values of top 2023 imports from the U.S. based on 10-digit tariff codes, in billions of dollars.



Crude oil category combines light and heavy crude tariff codes

• Source: ITC Trade Map, using U.S. Customs Bureau data (UN Comtrade database prior to 2016)

California, the most populous state, declared an emergency over the H5N1 virus as it spread more widely in dairy herds and after it has infected dozens of farm workers this year.
Federal and state officials have failed to control the nation's outbreak, which infected dairy cattle for the first time in 2024, as some farmers resist testing and containment measures.
Severe respiratory illness in the Louisiana patient shows increased health risks for people from the virus that previously caused eye redness, or conjunctivitis, in infected dairy workers.
Bird flu still represents a low risk to the general public, the U.S. Centers for Disease Control and Prevention said.
CDC has confirmed 61 human cases nationally since April, mostly in workers on dairy farms where the virus infected cattle. Workers culling infected poultry also have tested positive.
The patient in Louisiana is suffering severe respiratory illness, the Louisiana Department of Health said in a statement.
The person is reported to have underlying medical conditions and is over the age of 65, the department said, putting the patient at higher risk.
The case is the first to be linked to backyard, non-commercial poultry, said Demetre Daskalakis, director of CDC's National Center for Immunization and Respiratory Diseases, on a call with reporters.
The CDC said a sporadic case of severe illness in a person with H5N1 bird flu is not unexpected as such cases have occurred in other countries in 2024 and prior years, including cases that led to death.
"The mild cases that we've seen in the United States largely reflect that many of the individuals are getting infected by dairy cows and that's very different than getting infected with infected birds," said Amesh Adalja, a senior scholar at Johns Hopkins Center for Health Security.
"If you look at the genotype of this patient in Louisiana, it wasn't the cattle strain. It was a wild bird strain."
CDC said partial viral genome data from the infected patient shows that the virus belongs to the D1.1 genotype, recently detected in wild birds and poultry in the United States and in recent human cases in British Columbia, Canada, and Washington state.
This genotype of the virus is different from the B3.13 genotype detected in dairy cows, human cases in multiple states, and some poultry outbreaks in the country, CDC said.
Bird flu has infected more than 860 dairy herds in 16 states since March and killed 123 million poultry since the outbreak began in 2022.
In California, the top U.S. milk-producing state, 649 herds have tested positive since late August, roughly 60% of its herds, according to U.S. data.
Four southern California dairies tested positive on Dec. 12, "necessitating a shift from regional containment to statewide monitoring and response," California Governor Gavin Newsom said in his emergency declaration. Earlier cases had been centered in the Central Valley in the middle of the state.
The declaration aims to streamline and expedite California's response by allowing more flexibility for staffing, contracting and other rules, Newsom said.
The U.S. Department of Agriculture said it has enrolled 13 states in a newly launched national bulk milk bird flu testing plan, representing nearly half of the nation’s milk supply.

Top News - Metals

EXCLUSIVE-Despite revamped proposals, Nippon Steel deal on track to be blocked, letter shows
Despite a steady stream of meetings and calls with U.S. officials, and three revamped proposals to assuage national security concerns, Nippon Steel has failed to garner approval from a powerful panel reviewing its $14.9 billion bid for U.S. Steel, a letter seen by Reuters shows.
The letter, sent Saturday, sets the stage for U.S. President Joe Biden, who has long opposed the deal, to block it. The Committee on Foreign Investment in the United States (CFIUS), which reviews deals for national security risks, has a Dec. 23 deadline to approve the deal, extend the review, or recommend Biden scuttle it.
If the agencies that make up the panel remain at loggerheads, as the letter states, they will refer the matter to Biden to take action.
The history of outreach since early September, including four in-person meetings with CFIUS, three phone calls, including one on Friday with the Treasury and Commerce department secretaries, as well as the three proposed mitigation agreements is contained in a letter dated Saturday sent to Nippon Steel by CFIUS that has not been previously reported.
It shows the lengths the companies have gone to try to win approval on the controversial merger, even as the letter signals the deal is likely doomed.
"The Committee has not yet reached consensus on whether the mitigation measures proposed by the Parties would be effective... or whether they would resolve the risk to U.S. national security arising from the Transaction," CFIUS writes in closing.
"The President may take such action for such time as the President considers appropriate to suspend or prohibit a covered transaction that threatens to impair the national security," it adds.
The White House did not immediately respond to a request for comment. The Commerce Department, which is co-leading the review of the deal, and Treasury, which leads CFIUS, declined to comment.
Nippon Steel said it has "engaged in good faith with all parties to underscore how the transaction will bolster American economic and national security by countering the threats posed by China."
U.S. Steel said in a statement that Nippon Steel provides, "by far, the brightest future for U.S. Steel," adding that no other party can make the billions in investments Nippon Steel has promised to make.
"U.S. Steel will not-- and does not have the resources-- to do this on our own," it added. Shares of U.S. Steel fell 1% on the Reuters report.

HIGH-LEVEL OPPOSITION
The proposed tie-up has faced high-level opposition within the U.S. since it was announced a year ago, with both Biden and his incoming successor Donald Trump taking aim at it as they sought to woo union voters in the swing state of Pennsylvania, where U.S. Steel is headquartered. The president of the United Steelworkers Union opposes the tie-up.
The merger appeared fast-tracked to be blocked after the companies received an Aug. 31 letter from CFIUS, seen by Reuters, arguing the deal could hurt the supply of steel needed for critical transportation, construction and agriculture projects.
But Nippon Steel, countering that its investments, made by a company from an allied nation, would in fact shore up U.S. Steel's output, won a 90-day review extension. That gave CFIUS until after the November election to make a decision, fueling hope among supporters that the calmer political climate could underpin the deal's approval. But CFIUS' 29-page letter Saturday shows the hopes were likely unfounded.

INVESTMENT PLEDGES IN THE CROSSHAIRS
This time, CFIUS doubled down on concerns about Nippon Steel's promises to invest $1.3 billion to revamp U.S. Steel's aging steel production facilities — Mon Valley Works and Gary Works BF 14 — which it says would have to be idled without Nippon Steel's funding.
The two facilities represent 26% of U.S. Steel's production capacity, raising questions about whether Nippon Steel would not invest in other facilities, CFIUS states.
The committee also cast doubt on whether the Japanese firm, which has also announced an additional $1.6 billion in planned capital expenditure at U.S. Steel, would follow through on its investments.
"If the market situation in the United States deteriorates, through a reduction in demand, decrease in investment incentives, or other reasons, Nippon Steel could decide to use the capital currently earmarked for improvement of U.S. Steel's aging assets for an alternative investment," CFIUS argued in the letter.
CFIUS lawyers, who were briefed on the contents of the letter by Reuters, said the investment issues raised by CFIUS are not tied to national security and could be resolved via a robust national security agreement.
Tatiana Sullivan, a former CFIUS official at the Defense Department, said the concerns cited by CFIUS "rest on a generalized inability to predict future market forces, rather than a specific threat that Nippon would intentionally harm U.S. national security by taking specific action to reduce U.S.-steelmaking capabilities."
In its latest Dec. 2 proposal to assuage national security concerns, which, if approved by CFIUS, would be enforceable, Nippon Steel commits to investments in both facilities and vows to maintain production capacity unless certain procedural and notice requirements are met, CFIUS states in the letter.

MARKET MONITOR as of 07:45 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$70.15 / bbl	-0.61%	-2.09%
NYMEX RBOB Gasoline	$1.94 / gallon	-0.62%	-7.84%
ICE Gas Oil	$683.00 / tonne	-1.12%	-9.02%
NYMEX Natural Gas	$3.46 / mmBtu	2.40%	37.43%
Spot Gold	$2,616.99 / ounce	1.13%	26.88%
TRPC coal API 2 / Dec, 24	$109.75 / tonne	-1.79%	13.14%
Carbon ECX EUA	€65.46 / tonne	0.93%	-18.55%
Dutch gas day-ahead (Pre. close)	€40.70 / Mwh	-1.57%	27.79%
CBOT Corn	$4.44 / bushel	0.06%	-8.26%
CBOT Wheat	$5.47 / bushel	-0.82%	-14.43%
Malaysia Palm Oil (3M)	RM4,481 / tonne	-1.06%	20.42%
Index	**Close 18 Dec**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	350.61	0.38%	16.32%
Rogers International	28.72	1.16%	9.08%
U.S. Stocks - Dow	42,326.87	-2.58%	12.30%
U.S. Dollar Index	108.09	0.06%	6.67%
U.S. Bond Index (DJ)	441.90	-0.66%	2.60%

COLUMN-Where will Trump and China drive commodities in 2025?: Russell

Donald Trump's return to the U.S. presidency and China's spluttering economy will shape global commodity markets in 2025. With no predictable mould for how this will work, the only certainties will likely be volatility and numerous factors working in opposing directions.
Making predictions about prices for major commodities such as crude oil, liquefied natural gas, iron ore, coal and metals like copper will therefore be more fraught than usual in 2025.
For example, consider Trump's signature campaign promise: tariffs. The president-elect's array of threatened tariffs, including up to 60% on China and 20% on all other nations, could derail global economic growth, force a realignment of trade flows, boost inflation and lead to tighter monetary policy.
But it's equally possible that none of these things will occur if the tariff threats turn out to be nothing more than negotiating tactics. In this scenario, Trump may forgo any damaging policy actions if he believes he has scored enough "wins" in his dealings with other countries.
For commodities most exposed to the global economy, such as copper and iron ore, this means traders will likely take a wait-and-see approach. Price volatility based on daily news headlines is thus apt to be the norm until the broader policy picture becomes clearer. A lesson from Trump's first term in office is that it's more important to focus on what his administration actually does rather than the almost non-stop, and often confused, messaging from the president and his allies on social media.
Trump's first term also showed that he typically considers the act of making a deal more important than the actual content of that deal.
Just look at his first round of tariffs against China. He continues to champion them, even though they failed in almost every respect. They didn't lower the U.S. trade deficit with China, they didn't spark a manufacturing renaissance in the United States, they didn't raise much revenue, and China came nowhere near meeting its obligations to massively ramp up imports of U.S. crude, coal and LNG.
It's possible that Trump's team has learnt from this experience, but if the lesson they've gleaned is that they need to take a harder line, then the risks of a trade war and the attendant global economic weakness will rise.
Much has been made of the view that China is far less equipped to withstand a trade war with the United States now than it was in 2018, due to the slow growth of the world's second-biggest economy.
There is an element of truth to this, but China also has a variety of tools available to help it successfully navigate a trade war. It could hurt the U.S. economy by disrupting supply chains, sell a massive amount of U.S. Treasuries, devalue its own currency, boost stimulus spending and advance its leadership in renewable energy technologies and installations.
China may also seek to compensate for any loss of access to U.S. markets by boosting trade and investment in Europe and what's broadly termed the "global south". Again, it's far from certain that these tactics will be employed, with much depending on what actual policies Trump's administration puts in place once he is sworn in on Jan. 20. However, it's worth looking at the existing and likely trends that could play out in 2025.

TARIFFS, STIMULUS
First, it's almost certain that Trump will impose some form of tariffs on imports into the United States.
Just how large and damaging they will be remains to be determined, but it's probably safe to say that any tariffs will be a negative for the global economy, and thus put downward pressure on commodities such as crude oil, iron ore, and LNG.
Second, China's economy is showing some signs of improvement, with factory activity expanding at the fastest pace in five months in November. If Beijing keeps injecting stimulus in a measured way, the recovery is likely to continue.
This would be positive for iron ore, copper and LNG. It may not be as positive for crude oil, given that China's rapid shift to electrification of light vehicles is cutting gasoline demand and its move to LNG for trucks is starting to hurt diesel demand. One trend that is very likely to continue is China's increasing price-sensitivity as a commodity buyer. This was evident this year in crude oil, as China's imports dropped 2.1% on a barrels per day basis in the first 11 months, despite expectations of strong demand growth by organisations such as OPEC and the International Energy Agency.
While China's soft economy and increased electrification account for some of this decline, China's refiners also simply cut back on imports because of their view that OPEC+'s output cuts were keeping prices too high.
The overall picture for 2025 is that the year starts with a high degree of uncertainty, which makes it vital to largely ignore Trump's rhetoric and focus on actual policies being implemented and what the data show. The views expressed here are those of the author, a columnist for Reuters.

Top News - Carbon & Power

Chevron, Woodside in Western Australia LNG asset swap deal

Woodside and Chevron said on Thursday they would streamline oil and gas operations in Western Australia through a stake swap deal, a move resulting in the Australian energy giant exiting the $34 billion Wheatstone LNG project.
Under the asset swap deal, Chevron would sell its interest in North West Shelf venture and take over all of Woodside's interest in Wheatstone and an affiliate gas project. The deal would also see the U.S. energy major paying up to $400 million to Woodside.
"This transaction simplifies our portfolio, improving our focus and efficiency by consolidating our position in our operated LNG assets," said Woodside CEO Meg O'Neill.
Woodside's shares were down 1.7%, in line with broader losses in the Australian energy sub-index.
Woodside, Australia's top oil and gas producer, will thereby depart from Wheatstone. It had struck a deal in 2015 to buy into the project.

Woodside's stake in North West Shelf would increase to 50%.
"The asset exchange will suit both companies' interests for future development," said Brad Smoling, managing director at Smoling Stockbroking. "Focusing on some assets in their own respective backyards makes good common sense in these fluid times in the energy sector."
The deal signifies the end to Chevron's four-decade-old participation in the North West Shelf venture, which is till date Australia's largest LNG exporter. The development comes as Chevron ramps up efforts to consolidate its focus on key Australian assets, including the Gorgon LNG venture.
The deal also comes a few days after Woodside Energy received environmental approval from the Western Australian state to prolong the North West Shelf liquefied natural gas project until 2070.
The transaction still remains subject to approvals on competition and by the foreign investment board, and is not expected to be completed until 2026.

US issues fresh sanctions related to Nord Stream 2 pipeline
The United States issued fresh sanctions on Wednesday on several Russia-based entities over their involvement in the Nord Stream 2 gas pipeline, the State Department said, including new measures against the operator of the project.
The U.S. State Department said in a statement that it was re-imposing sanctions on a number of entities involved in the construction of the pipeline that were already designated, as well as several new owners of vessels already under sanctions.
Among those targeted on Wednesday were Russia-based marine services and water transport entities, the state-owned maritime rescue service and over a dozen vessels, the State Department said.
Also targeted was Nord Stream 2 AG, the operator of the project, and a Russia-based insurer that provided insurance to companies involved in the project, the State Department said.
State Department deputy spokesperson Vedant Patel said the United States is maintaining its opposition to Nord Stream 2 as a Russian geopolitical project and efforts to revive it.
"We're going to continue to work and ensure that Russia is never able to weaponize its energy resources and its energy positioning for political gain," Patel told reporters in a news briefing.
Nord Stream 2, built under the Baltic Sea by Russia's state-controlled Gazprom to pump natural gas from the Arctic to Germany, was damaged on Sept. 26, 2022, in the wake of Russia's invasion of Ukraine in February of that year.
No one has taken responsibility. Even before Russia's invasion, Washington opposed Nord Stream 2 because it would have allowed Russia to bypass Ukraine, potentially depriving it of billions of dollars in transit fees and undermining the country's efforts against Russian aggression.
Some Western officials have suggested that Moscow blew up its own pipelines, an interpretation dismissed as "idiotic" by Russian President Vladimir Putin.
Last year the Washington Post reported that the United States had intelligence of a Ukrainian plan to attack Nord Stream 2 months before it was damaged.
Russia has blamed the United States, Britain and Ukraine for the blasts, which largely cut Russian gas off from the lucrative European market.
Those countries have denied involvement.

Top News - Dry Freight

French wheat export forecast cut to lowest in decades
Farm office France AgriMer on Wednesday slashed its forecast for French soft wheat exports outside the European Union this season to the lowest since the start of the century, reflecting a dearth of demand from North Africa and China.
A poor harvest, with the lowest volumes since the 1980s and mixed grain quality, had been widely expected to squeeze French wheat exports in 2024/25, but they have been further stifled by stiff competition from Russia and a lull in Chinese imports.
In a monthly supply and demand outlook, the office cut its forecast for French soft wheat shipments outside the bloc to 3.5 million metric tons from 3.9 million previously, now 66% below last season's level.
That would also be the lowest in France AgriMer data going back to the 2000/01 season, below a current low of 3.8 million tons from 2003/04, Habasse Diagouraga, a cereal analyst with the office, told reporters.
Faced with Russian competition in Algeria and Morocco as well as a lack of Chinese demand, France was relying more on sub-Saharan African markets that absorb smaller volumes, Diagouraga said.
France AgriMer also raised its projection of French soft wheat shipments within the EU this season to 6.16 million tons from 5.9 million expected in November, now 2% below the 2023/24 volume.
The export revisions led France AgriMer to increase its forecast of soft wheat stocks at the end of the season to 2.87 million tons against 2.78 million forecast last month, still 10% below last season's level.
For maize, the office factored in an increased production estimate from France's farm ministry this week, while also trimming its expectations for French exports within and outside the EU.
That led it to raise its outlook for French maize stocks at the end of 2024/25 to 2.68 million tons from 2.36 million in November.
The increased stocks forecast was 34% above last season's level and would be a 10-year high, the office said.
For barley, the office's 2024/25 stocks outlook was little changed at 1.38 million tons as a reduced estimate of harvest supply mostly offset a lower forecast for exports outside the EU.
The forecast barley stocks were 7% above last season's volume.

Ukraine exported 6.0 mln metric tons of grain via Romania's Constanta in Jan-Nov

Ukraine's grain exports through the Romanian Black Sea port of Constanta in the first 11 months were down by 54% from a year earlier to 6.0 million metric tons, the port authority said.

The drop reflects Kyiv's reliance on its own ports despite Russian attacks on shipping and infrastructure though Constanta remains Ukraine's main alternative export route for grains since Russia launched its full-scale invasion in February 2022.

Romania has helped export just under 29 millions of tons of Ukrainian grain through Constanta since February 2022.

Port data, which does not include volumes handled through smaller Romanian ports and direct exports by rail and road, showed that roughly 340,000 tons of Ukrainian grain left Constanta in November.

Ukraine has managed to boost grain exports through its own ports by creating a shipping corridor that hugs the western Black Sea coast near Romania and Bulgaria after Russia withdrew from a U.N.-backed export initiative last year.

Romania is one of the EU's biggest grain exporters and Constanta also handles grain flows from landlocked neighbours including Serbia, Hungary and Moldova.

But the drop in Ukrainian grain flows means overall grain exports through the port were down by a little over a fifth from a year earlier at 25.4 million tons in the first 11 months.

Picture of the Day

A digital render depicts what Stegra's steel mill outside Boden, Sweden will look like when completed, in this handout image obtained December 16. Stegra/Handout via REUTERS

(Inside Commodities is compiled by Nandu Krishnan in Bengaluru)

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