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Top News - Oil

Western officials in talks with Turkey over oil tanker delays -UK

Western officials are in talks with Turkish counterparts to resolve oil tanker queues off Turkey, a British Treasury official said, after the G7 and European Union rolled out new restrictions on Dec. 5 aimed at Russian oil exports.
"The UK, U.S. and EU are working closely with the Turkish government and the shipping and insurance industries to clarify the implementation of the Oil Price Cap and reach a resolution," the official told Reuters.
"There is no reason for ships to be denied access to the Bosporus Straits for environmental or health and safety concerns."
The G7 group of countries, the European Union and Australia have agreed to bar shipping service providers like insurers from helping export Russian oil unless it is sold at an enforced low price, or cap, in a bid to deprive Moscow of wartime revenue.
But a separate Turkish measure in force since the start of the month has caused a logjam, requiring vessels to provide proof they have insurance covering the duration of their transit through the Bosphorus strait or when calling at Turkish ports.
At least 20 oil tankers continue to face delays to cross from Russia's Black Sea ports to the Mediterranean as operators race to adhere to the Turkish rules.
U.S. Deputy Treasury Secretary Wally Adeyemo told Turkish Deputy Foreign Minister Sedat Onal in a call on Wednesday that the price cap only applies to Russian oil and does not necessitate additional checks on ships passing through Turkish territorial waters, the U.S. Treasury Department said.
Russia is concerned about the tanker buildup and is discussing the issue with insurance and transport companies, RIA cited Russian deputy foreign minister Alexander Grushko as saying on Wednesday.
"If the problem is not solved, of course, there will be involvement on the political level," Grushko added.
The British ship insurer UK P&I (protection and indemnity) Club said the new Turkish requirement for an insurance letter could force them to contravene sanctions if it emerged that the oil cargoes were sold outside the price cap.
"The (insurers) have agreed that they cannot and should not issue such a letter," UK P&I said in a statement on its website.
"Issuing a confirmatory letter under these circumstances would expose the Club to a breach of sanctions under EU, UK and U.S. law," it added, referring to a situation in which insured cargoes fell foul of the new measures.
An official with the coalition of G7 countries and Australia said the delays were not a result of the price cap and that many of the affected cargoes contained Kazakh oil, which has been specifically exempted from their measure.

Chevron raises 2023 project spending budget to $17 bln

Chevron Corp on Wednesday said it increased its 2023 capital spending budget by a double-digit percentage from this year to $17 billion, as inflation drives up energy production costs and the firm pours cash into low-carbon fuel projects.
Like other U.S. energy companies that profited from this year's rise in fuel prices, Chevron faces mounting pressure from the White House to invest more in fossil fuel supplies. The company is also preparing to expand operations in Venezuela.
Chevron indicated it will keep spending within a $15 billion to $17 billion range, despite this year's surge in oil prices that generated all-time high profits and allowed for record amounts of cash distributions to shareholders.
“We’re maintaining capital discipline while investing to grow both traditional and new energy supplies,” said Chevron Chief Executive Officer Michael Wirth.
Oil producers in the United States and Europe prioritized rewarding investors with dividend increases and stock buybacks as prices and profits soared. The companies to a lesser extent have also boosted spending on renewable fuels and carbon emissions reductions.
Chevron said its 2023 budget will include doubling to approximately $2 billion this year's spending on renewable fuels and projects that reduce carbon dioxide emissions.
Cost inflation averaged in the mid-single digit percentage rate this year with certain regions higher, Chevron said. In the Permian Basin, the top U.S. shale field, inflation has run at a low double-digit rate.
Chevron and oil rivals over the years slashed spending on megaprojects, shifting to fast-return areas such as U.S. shale. While next year's budget is higher, it is well below the $20 billion-plus outlays in last decade and less than half the $41.9 billion spent in 2013.
The second-largest U.S. oil producer will spend less than $15 billion on new projects this year, slightly below the $15.3 billion it had budgeted a year ago.
Last month, Chevron affirmed a goal of a 3% annually compounded growth between 2023-2026 for its overall oil-and-gas output, and to pump 1 million bpd in the Permian in 2025.

Top News - Agriculture

Argentine government says 74.2% of 2021/22 soybean crop sold so far

Argentina soybean sales surged last week to 74.2% of the current harvest, helped by a preferential exchange rate, though sales trailed the totals seen at the same point last year, the government said Wednesday.
Producers sold 556,000 tonnes in the week of Nov. 24-30, the highest weekly figure in months, the agricultural secretariat said, though the season's sales so far still lag the 76.9% of last season's crop sold at the same point a year ago.
Argentina is the world's top exporter of processed soy, and the grain is a critical source of foreign currency for the government.
Last week, sales spiked after officials reinstated a temporary preferential exchange rate for producers, the so-called "soy dollar" foreign exchange rate.
The secretariat also reported Wednesday that the country had sold 72.8% of its 59-million-tonne 2021/22 corn crop, down from the 75.3% seen in the same period the previous cycle.
The planting of corn for the 2022/23 cycle began in September in Argentina, the third largest exporter of the cereal, although a prolonged drought slowed its growth and resulted in the smallest area planted in six years, data from the major Rosario grains exchange showed.
The drought has also hurt Argentina's important wheat crop. Until last week 6 million tonnes of the 2022/23 wheat campaign had been sold, or about 44.6% of the total 22/23 crop, which the government estimates will total 13.4 million tonnes.

COLUMN-China's Brazilian corn haul surges; U.S. soy hopes briefly rise -Braun

More than two years after China re-entered their market, U.S. corn exporters are finally being displaced by Brazilian ones as the No. 2 exporter's shipments to China are set to explode this month.
Nine vessels totaling 606,540 tonnes of Brazilian corn were set for sail to China this month, according to Tuesday's shipping lineup from Williams Shipping Agency. That compares with two shipments totaling 93,250 tonnes in November based on lineup data.
Phytosanitary requirements prevented China from importing much corn from Brazil before last month, when Beijing approved several Brazilian corn traders for export.
According to Brazilian records, its previous largest annual corn volume to China was about 172,000 tonnes in 2016.
Data published on Tuesday by the U.S. Census Bureau showed U.S. corn exports to China of 505,623 tonnes in October, the lowest monthly volume in exactly a year.
That puts total shipments to China in the first two months of 2022-23 up 75% from last year though one-third lower than in 2020.
China's remaining U.S. corn balance is thin, with unshipped 2022-23 sales at 1.8 million tonnes as of Nov. 24. For reference, that is equivalent to the monthly average volume of U.S. corn to China between February and May 2022.
Brazil's corn may be hogging China's attention for now, but U.S. soybeans could have an opportunity over the next few weeks until Brazil's presumably massive soy crop starts hitting the market. Exporter association Anec on Wednesday pegged Brazil's December soy exports at 1.7 million tonnes, below the five-year average of 2.5 million.
China has been buying some U.S. beans lately, and although the daily amounts are not as glamorous as some in the past, there could be more than meets the eye. China and unknown destinations, frequently assumed to be China, purchased 1.9 million tonnes of U.S. soy in the week ended Nov. 10.
However, only about 40% of that was suggested over four daily sales during that week, an unusually small share. If that trend continues, the last two weeks of U.S. bean sales could be better than expected.
Five bean flashes to either China or unknown have occurred so far in the two weeks ended Dec. 8, totaling 880,000 tonnes, most of it in the second week. Strong sales in these two weeks could potentially justify maintaining U.S. export targets.
Increased U.S. bean interest from China could make sense given its disappointing November imports of 7.35 million tonnes, well below the anticipated 9 million-plus. China's October-November soy haul was 25% below average, though domestic soymeal prices are down 17% from mid-November records.
Analysts expect relatively modest 2022-23 U.S. soybean sales in the week ended Dec. 1 between 0.6 million and 1.2 million tonnes, data which will be available on Thursday morning. Soy sales have landed near the low end of the range in recent weeks except for the one ended Nov. 10.

Top News - Metals

EXCLUSIVE -Chinese nickel buyers seek Shanghai not LME pricing for 2023

China's nickel buyers, the world's biggest purchasers of the metal, have asked producers to switch to Shanghai Futures Exchange (SHFE) contracts to price their supplies next year, two sources with direct knowledge of the matter said.

Global trade in metals is typically priced on the basis of London Metals Exchange (LME) contracts, but unprecedented volatility in LME nickel trading in March forced the exchange to halt trade for a period, denting market confidence and reducing liquidity to the lowest level in a decade.

If the Chinese buyers succeed in their negotiations, they would deal a further blow to the LME's reputation as the world's dominant metals exchange.

The decline in liquidity, together with low stocks, has led to persistently high prices in London this year, which have not reflected market fundamentals, Chinese market participants say.

Chinese importers of the metal used primarily in stainless steel production suffered heavy losses as a result of the high London prices, said a source at a large trading company in China that is negotiating for 2023 supplies with Russia's Nornickel

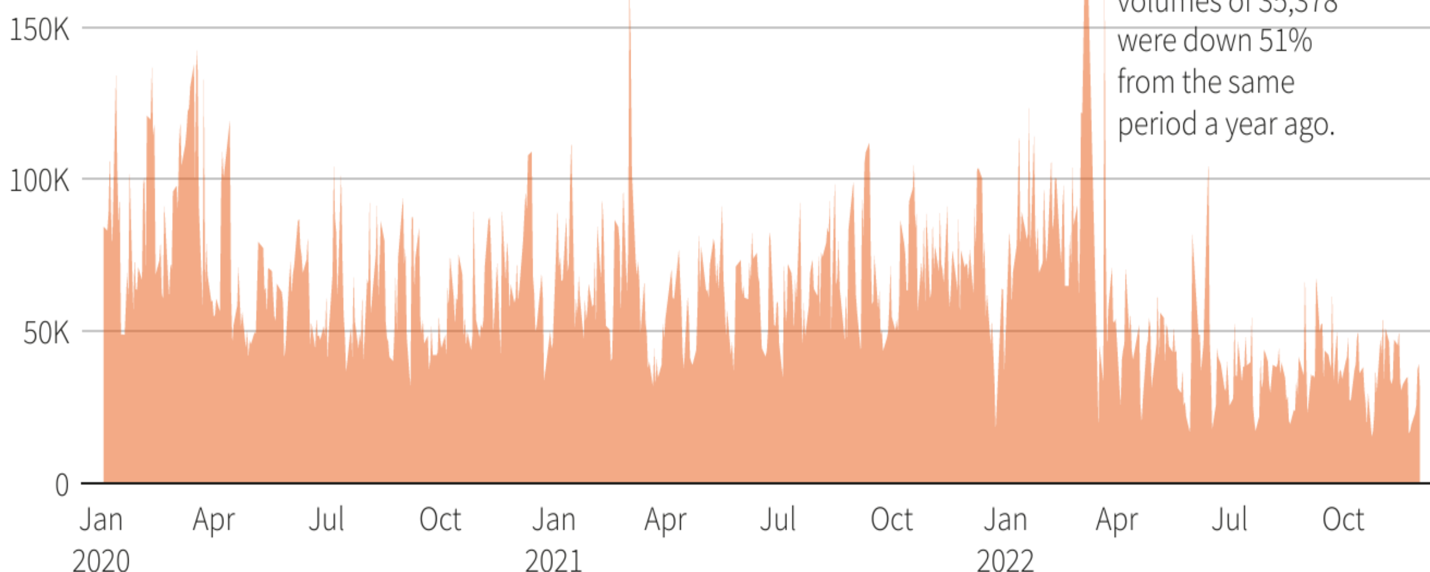
The sources asked not to be named because they were not authorised to speak to the press.

A LME spokeswoman did not directly comment on the negotiations but said the exchange was taking steps to increase liquidity.

"The LME recognises the market demand to reopen LME Nickel for trading in Asian hours and we are working on this as a priority, not least since this would revitalise the arbitrage opportunities and help liquidity to pick up," a spokeswoman for the LME said in an email to Reuters.

Chart of the Day

LME nickel trading volume



Source: Refinitiv data

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Nornickel, the world's biggest refined nickel producer, is offering a premium of above $300 a tonne for 2023 nickel full plate supplies, up from this year's premium of between $220 and $290 a tonne, according to three sources.
The premium is traditionally paid on top of LME three-month nickel prices for physical delivery into China.
The source at the large Chinese trading firm said it would cut or cancel purchases if sellers insisted on using LME prices.
Other buyers are making the same demands, another source at a Chinese company said.
Nornickel, the biggest seller, declined to comment on negotiations with Chinese buyers.
A source with direct knowledge of ongoing negotiations said sellers plan to stick with LME prices.
SHFE currently only permits registered Chinese entities to participate in its nickel trade, said Tiger Shi, chief executive at Hong Kong brokerage BANDS Financial Limited, making it less likely that sellers will agree.
LME nickel closed at $29,271 a tonne on Tuesday, down by nearly half from the March high of $55,000, while SHFE nickel traded at 209,510 yuan ($29,994.27) a tonne at 0212 GMT on Wednesday.
The LME is in a legal battle with U.S. hedge funds that are seeking a combined $472 million in damages over its decision to cancel nickel trades in March, after prices spiked more than 50% to hit a record above $100,000 a tonne within a few hours.

Brazil's Vale forecasts flat iron ore output, shares dive 4.4%
Brazilian miner Vale SA on Wednesday forecast that it would produce about as much iron ore next year as this year, and its shares fell more than 4% on the muted outlook and forecasts for steadily rising capital expenditure.
Vale's outlook echoed weakness at other global miners like Rio Tinto on worries about weak prices for iron ore used to make steel.
"Overall, we view the revised guidance as marginally negative for Vale ... but positive for iron ore," JP Morgan analysts said in a research note.
Vale updated its forecasts in a securities filing as it held an investor day in New York. The company said it expects to produce between 310 million and 320 million tonnes of iron ore in 2023, about even with about 310 million this year and 315.6 million in 2021.
Company executives in New York said Vale is less concerned about total volume than about boosting output of high-quality iron ore that allows customers to use less energy to process it.
"We will make more money that way than by making 400 million tonnes of low grade iron ore," said Chief Executive Eduardo Bartolomeo, adding that concerns about carbon emissions are leading steel processors to seek higher quality ores.
The securities filing added that the miner plans to boost capital expenditure to $6.0 billion next year from $5.5

MARKET MONITOR as of 07:15 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$72.99 / bbl	1.36%	-2.95%
NYMEX RBOB Gasoline	$2.10 / gallon	1.29%	-5.59%
ICE Gas Oil	$811.50 / tonne	0.34%	21.66%
NYMEX Natural Gas	$5.90 / mmBtu	3.06%	58.12%
Spot Gold	$1,785.07 / ounce	-0.06%	-2.37%
TRPC coal API 2 / Dec, 22	$262 / tonne	0.00%	113.01%
Carbon ECX EUA / Dec, 22	€88.29 / tonne	0.25%	9.47%
Dutch gas day-ahead (Pre. close)	€148.00 / Mwh	6.09%	122.56%
CBOT Corn	$6.30 / bushel	0.36%	6.19%
CBOT Wheat	$7.27 / bushel	3.05%	-5.68%
Malaysia Palm Oil (3M)	RM3,961 / tonne	-0.20%	-15.67%
Index (Total Return)	**Close 7 Dec**	**Change**	**YTD Change**
Thomson Reuters/Jefferies CRB	287.67	-0.57%	16.46%
Rogers International	28.25	-0.60%	21.22%
U.S. Stocks - Dow	33,597.92	0.00%	-7.54%
U.S. Dollar Index	105.20	0.10%	9.62%
U.S. Bond Index (DJ)	406.93	0.86%	-14.52%

billion in 2022, and to an annual average of $6.0-6.5 billion between 2024 and 2027.
Vale's Brazil-traded shares, also dragged down by lower iron ore prices in China, were 4.4% lower by 1451 GMT, the biggest decliner on Brazil's Bovespa stock index, which was down 0.7%.
Mining companies have returned billions of dollars to shareholders in the past two years thanks to strong commodity prices. But high inflation, the prospect of a global recession and doubts about demand in China, the world's biggest user of raw materials, could hit future earnings.
"Much like the rest of the sector's recent track record, Vale's guidance update is disappointing," RBC analysts said. "Higher costs, lower production and higher capex will all work to reduce consensus estimates".
Vale's Chief Financial Officer Gustavo Pimenta believes prices will be constructive toward 2023 as China relaxes its Covid policies and the country's property market stabilizes.
Vale, one of the world's largest iron ore producers, said it sees output of the mineral reaching 340-360 million tonnes in 2026.
The company previously announced it was considering potential partnerships for its base metals business. It also said expects its output of nickel, a key component of electric vehicle batteries, to drop to 160,000-175,000 tonnes next year from around 180,000 tonnes in 2022.
Its copper production is expected to jump to 335,000-370,000 tonnes in 2023 from about 260,000 tonnes this year.
Vale said expenses related to the Mariana and Brumadinho disasters - when Vale-owned tailing dams collapsed, killing hundreds - are seen rising roughly 40% to $3.9 billion next year.

Top News - Carbon & Power

EXPLAINER-Europe's much-debated plan to cap gas prices

European Union countries are negotiating a proposal by the European Commission to cap gas prices if they exceed 275 euros ($289) a megawatt hour (MWh) and meet other conditions.
The aim is to shield European households and businesses from the kind of gas price spikes experienced since Russia's invasion of Ukraine. High energy prices in Europe have fuelled the highest inflation in decades.
But the EU's 27 member countries are split over the price cap idea. Countries' energy ministers meet on Dec. 13 to attempt to agree on the cap, but as divisions persist, some EU diplomats do not expect a deal until later this month or even next year.
Here's what you need to know.

WHY CAP GAS PRICES?
Russia has reduced gas deliveries to Europe following its February invasion of Ukraine.
To try to limit the impact of the resulting high prices, around 15 EU countries have called for a Europe-wide gas price cap.
Gas prices have eased in recent months as the EU has agreed some emergency measures, including obligations to fill gas storage, but they remain high.
The front-month contract on the Dutch Title Transfer Facility (TTF) gas hub, which acts as the European benchmark, was trading around 145 euros per megawatt hour (MWh) on Wednesday.
That compares with 95 euros/MWh a year ago and 14.20 euros/MWh two years ago. The price spiked to record highs of above 340 euros/MWh in August.

HOW WOULD THE EU CAP WORK?
The European Commission proposed on Nov. 22 a cap that would kick in if the front-month TTF contract exceeds 275 euros/MWh for two weeks and is also 58 euros higher than a Liquefied Natural Gas (LNG) reference price for 10 consecutive trading days.
If these conditions are met any trades above the cap level would not be accepted. The Commission could immediately suspend the cap if it had negative consequences, including risks to Europe's gas supply.
It would not affect private gas trades outside energy exchanges, which the Commission said were a safety valve for critical deliveries and were unlikely to take over any major share of trade.

WHAT DO EU COUNTRIES THINK?
EU countries widely criticised Brussels' proposal, reflecting long-held divisions between nations over whether to cap prices at all.
Belgium, Greece, Italy, Poland and other countries that want a cap said the proposed level was too high and the conditions to apply the cap were so strict it would never be triggered - with some calling the proposal a joke.
EU countries are considering a revised version of the EU proposal, which would lower the cap to 220 eur/MWh and make it easier to trigger.
But Europe's biggest gas buyer Germany, as well as the Netherlands and Denmark are opposed to price caps.
They say capping prices will disrupt the normal functioning of Europe's energy market and make it harder to attract much-needed fuel, if gas suppliers divert cargoes to regions where prices are higher than the EU's capped level.

Spain, the Netherlands and other countries dissatisfied with the EU proposal have also put forward their own alternatives.

WHAT DO GAS MARKET PARTICIPANTS THINK?
Market actors including the Intercontinental Exchange (ICE), which hosts gas TTF trading, have warned the Commission not to go ahead with its proposal.
In a memo sent to the Commission, seen by Reuters, ICE said the proposal could drive up gas prices because liquidity providers were likely to stop selling TTF gas futures if prices climbed even near to the cap level, and that the resulting shortage of sellers would drive prices higher.
The Association of European Energy Exchanges has said the EU plan could pose a major risk to financial stability in Europe's energy markets, and cause utilities to move to more risky private trading to avoid the cap.
Derivatives markets association FIA on Wednesday said the EU proposal would cause "unacceptable levels of systemic and operational risk" and not necessarily reduce energy prices.
The EU energy commissioner Kadri Simson this week met representatives from energy exchanges to discuss their concerns. The EU proposal includes "strong safeguards" to avoid negative consequences, she said.
NEW GAS PRICE BENCHMARK
The price cap is designed to be a temporary fix that would apply from Jan. 1 for one year.
As a longer-term solution, the Commission wants to form a new LNG price benchmark in Europe, and has asked EU energy regulators to launch one by March 31, 2023.
Historically, the gas price at the TTF hub has been used as a benchmark for LNG deliveries into Europe. But the major reduction of Russian gas supplies this year has made the TTF price extremely volatile, and often more expensive than LNG prices in other regions.
Brussels says a new index is needed since the TTF is guided by pipeline supply and no longer represents a market that includes more LNG, as Europe has increased its use this year to replace Russian pipeline gas.
The benchmark's success would depend on whether the gas industry uses it.

European energy firms capture most leases in California offshore wind auction

The U.S. government's first-ever sale of offshore wind development rights off the coast of California drew $757.1 million in high bids, mainly from European companies seeking a foothold in the U.S. wind-power industry's expansion to the Pacific Ocean.
The auction began on Tuesday and ended Wednesday, the offshore wind industry's first chance to snag leases in waters off the U.S. West Coast. It was a milestone in the global expansion of floating wind, a fledgling technology necessary in deep waters like those off the coast of California.
"Today’s lease sale is further proof that industry momentum -- including for floating offshore wind development -- is undeniable," U.S. Interior Secretary Deb Haaland said in a statement.
The Interior Department's Bureau of Ocean Energy Management (BOEM) auctioned five lease areas equal to a combined 373,267 acres (151,056 hectares) off California's north and central coasts. Previous federal offshore wind auctions have all been for leases in shallower waters of the Atlantic Ocean.
Winners of the five leases were mainly divisions of European energy companies already developing projects in the U.S. offshore wind market.
They included Norway's Equinor ASA; Denmark's Copenhagen Infrastructure Partners; Germany's, Ocean Winds -- a joint venture between France's Engie and Portugal's EDP Renewables; and U.S. developer Invenergy LLC.
The $2,028 per acre the leases fetched was well below the nearly $9,000 an acre some of the same companies paid earlier this year for leases in shallower waters off the coasts of New York and New Jersey. It was also lower than the $2,861 per acre leases off the coast of North Carolina commanded at a May auction.
The lower prices were due in part to risks developers must take on deploying an emerging technology and less regulatory support for offshore wind in California than in East Coast states, which have state mandates for offshore wind procurement.
Another damper may have been a slowing global economy and higher interest rates tied to rising inflation. Just seven bidders participated out of an original list of 43 that were approved.
"The macroeconomic environment has hardened significantly over the last six to 12 months," said Alon Carmel, a partner at consultancy PA Consulting who advises offshore wind companies. "Anything that increases the cost of capital, the cost of finance, has a big negative impact on the economics of the project," Carmel said.
About 100 megawatts of floating wind capacity is currently installed in the world compared with 50 gigawatts (GW) for conventional offshore wind.
Earlier this year, the administration said it aimed to have 15 GW of floating wind capacity along its coastlines by 2035, enough to power about 5 million homes.
That goal is aligned with the government's other target for permitting 30 GW of total offshore wind by 2030 -- a cornerstone of President Joe Biden's agenda to fight climate change and create jobs.

Top News - Dry Freight

Russia's 2022/23 wheat exports seen at 43.9 mln T
Russia-focused agriculture consultancy Sovecon said on Wednesday that it had raised its forecast for Russia's 2022/23 July-June wheat exports to 43.9 million tonnes from 43.7 million tonnes due to current active shipments.
Russia is the world's largest wheat exporter. Its supplies are expected to be close to record highs in December subject to storms in its main Black Sea route.
"Current rapid exports are based on active sales since early October when Russian wheat started to regain its competitive edge," Sovecon said in a note.
Sovecon expects Russia's October-December wheat exports at 12.7 million tonnes, up 33% from the same period a year ago, the consultancy said.
However, Russian exports, according to Sovecon, will slow in late December-early 2023 due to recent falls in wheat prices in Chicago and Paris, competition with supplies from Ukraine, storms in the Black Sea, winter suspension of river navigation inside the country and a shortage of grain rail cars.
Lower supply from the European Union and potential weakening of the rouble currency against the dollar will support Russian wheat exports later in the second half of the season, the consultancy added.

COLUMN - China imports of major commodities look strong, but details devilish: Russell
China's imports of major commodities in November appeared unambiguously strong, but delving into the details shows a more nuanced picture amid ongoing uncertainty.
Imports of energy commodities crude oil, natural gas, coal all showed strong gains from the prior month, as did metals such as copper and iron ore, according to official data released on Wednesday.
There is a case that some of the strength in commodity imports is because of optimism that China's economy will soon start to feel the benefits of Beijing's stimulus efforts, as well as moves to relax the strict COVID-19 measures that have acted as an anchor on growth so far this year.
But equally there are seasonal and other factors at work that provide a temporary boost to imports, and the outlook for coming months is clouded by a slowing global economy crimping exports and a fear that COVID-19 cases will increase at a pace too fast to allow the ongoing easing of restrictions.
Crude oil is a good example of this dynamic, with November imports hitting a 10-month high of 11.37 million barrels per day (bpd), up 12% from both October and November last year.
That would appear to be a strong outcome, but once again the devil is in the detail.
Part of the jump in crude oil imports can be explained by a surge in exports of refined fuels.
Shipments of products rose to 6.14 million tonnes in November, the highest since April last year and a jump of 37.7% from October and 46.4% from November 2021.
Using the BP conversion standard of 8 barrels of product to one tonne of crude gives approximate refined fuel exports of 1.64 million bpd in November.
This is some 490,000 bpd higher than the 1.15 million bpd of refined fuels exports in October.
While there is a lag between imports of crude and exports of products to account for refinery processing and transportation, it's likely that a good chunk of the additional crude imported in November over October was re-exported as refined products.
In addition to higher fuel exports, two new refining units with a combined capacity of 720,000 bpd have started in China in recent weeks.
These units will have needed to build up operational inventories prior to starting, and given that refineries may have up to three weeks of crude as a working stockpile it suggests that as much as 15 million barrels of additional crude has been imported in recent months.
It's possible that crude imports will remain relatively robust in coming months, especially if refiners continue to export fuels to take advantage of strong regional profit margins, especially for diesel.
But much will also depend on the success of China's economic stimulus and the relaxation of COVID-19 restrictions.

MIXED PICTURES
Coal imports also looked strong in November, rising to 32.3 million tonnes from October's 29.18 million, the gain being attributed to utilities ensuring sufficient supplies for winter.
But November's imports were still down 7.8% from the same month in 2021 and the arrivals for the first 11 months of this year dropped 10.1% compared to the same period last year.
It was a similar story for iron ore imports, with a solid 10.7% gain in November to 98.85 million tonnes, up from October's 94.98 million.
But November arrivals were down 7.8% from the same month in 2021 and year-to-date imports were 2.1% lower.
There are signs that steel mills are re-stocking iron ore ahead of an expected lift in demand in the new year amid optimism that residential construction will get a lift from stimulus measures.
Copper presents a dilemma, with imports of both refined metal and ores and concentrates picking up in November despite the darkening outlook for the global economy.
Imports of unwrought copper and copper products, including anode, refined, alloy and semi-finished copper products, were 539,901 tonnes in November, up 5.8% from imports of 510,402 tonnes in the same month last year.

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The increased imports also happened even though the arbitrage window with London-traded copper closed during the month, but it's likely this will have more of an impact on December arrivals.
For now, the copper market seems to be taking the view that China's economy will recover enough to offset any losses from exports to the rest of the world. Although, given that China's total exports shrunk 8.7% in November from a year earlier, the worst performance since February 2020, the domestic economy is going to have to put in a stellar performance in coming months if higher copper imports are to be maintained.

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Picture of the Day

A driver refuels her car at a gas station of Hungarian oil company MOL Group in Budapest, Hungary, December 5. REUTERS/Marton Monus

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(Inside Commodities is compiled by Sandhra Sam in Bengaluru)

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

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