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Top News - Oil

OPEC+ shifts meeting to Dec. 5, could delay output hike, sources say

OPEC+ is discussing postponing its oil output hike due to start in January for the first quarter of 2025, OPEC+ sources told Reuters on Thursday, and will hold further talks on this and other options ahead of its delayed policy meeting on Dec. 5.

Issues that need to be addressed include an output hike for the United Arab Emirates agreed in June this year that's scheduled to start in January 2025, two of the sources said, declining to be identified.

OPEC+, which pumps about half the world's oil, is gradually aiming to unwind output cuts through 2025. However, a slowdown in global demand and rising output outside the group pose hurdles to that plan and have weighed on prices.

Despite the group's supply cuts, global oil benchmark Brent crude LCOc1 has mostly stayed in a \$70-\$80 per barrel range this year and on Thursday was trading around \$73 a barrel, having hit a 2024 low below \$69 in September.

Earlier on Thursday, OPEC+, which groups the Organization of the Petroleum Exporting Countries (OPEC) and allies such as Russia, postponed its next meeting on output policy to Dec. 5 from Dec. 1. OPEC said moving the date would avoid a clash with another event.

A summit of Gulf Arab countries is due to be held in Kuwait City on Dec. 1 which several OPEC+ ministers plan to attend, OPEC said in a statement.

"Sunday does not suit everyone," a source told Reuters before the official announcement.

Top OPEC+ ministers have held talks ahead of the meeting. Saudi Energy Minister Prince Abdulaziz bin Salman, de facto head of OPEC, on Wednesday had a phone call with Russian Deputy Prime Minister Alexander Novak and Kazakh Energy Minister Almasadam Satkaliyev while in Kazakhstan on an official visit.

Iraq, Saudi Arabia and Russia held talks in Baghdad on Tuesday.

OPEC+ on Nov. 3 again postponed its first output hike, which had been set for December, by one month.

OPEC+ members are holding back 5.86 million barrels per day (bpd) of output, or about 5.7% of global demand. Their planned first increase of about 180,000 bpd - a fraction of the total - is due to be made by the eight members involved in the group's most recent cuts of 2.2 million bpd.

The UAE, which has been expanding its oil production capacity, also negotiated an oil output hike of 300,000 bpd during 2025 that's scheduled to start in January.

Ottawa must ensure Trump understands importance of Canadian oil to US, minister says

Ottawa must make sure the Trump administration understands how inter-related energy markets are in the U.S. and Canada, a Canadian government minister said on Thursday, commenting on President-elect Donald Trump's vow to impose a 25% tariff on imports from the country.

"We have some work to do to make sure we are effectively articulating the way in which tariffs would be counterproductive, and that's not just true of oil," Natural Resources Minister Jonathan Wilkinson told Reuters in a phone interview, adding that Americans also benefited from Canadian uranium and hydro exports.

Trump, who takes office on Jan. 20, said on Monday he would impose a 25% tariff on imports from Canada and Mexico until they clamped down on drugs and migrants crossing the border.

Canada is the world's fourth-largest oil producer and the vast majority of its crude exports go to the United States. Sources told Reuters Trump does not intend to exempt crude from the tariffs, even though the U.S. imports around 4 million barrels per day from north of its border and many Midwestern refineries are set up to run Canada's heavy sour crude.

Analysts say tariffs on oil from Canada, top crude supplier to the United States, would drive up fuel prices for Americans.

"There's a lot of time and effort that will need to go into ensuring that we're having the appropriate conversations," Wilkinson said.

"We have a couple of months before the president is inaugurated and I think there's time for some robust conversations between countries that are actually best friends and have both been benefiting hugely from an economic perspective because of the trade that goes between us, particularly in energy."

Earlier this year the expansion of the Trans Mountain pipeline, running from Alberta's oil sands region to Canada's Pacific Coast, increased access to Asian markets but the pipeline is already running around 80% full and has limited capacity to send more oil that direction.

Top News - Agriculture

Egypt's Mostakbal Misr reportedly makes no wheat, vegoil purchase— sources

Egypt's Mostakbal Misr Agency for Sustainable Development is believed to have made no purchases in

its wheat and vegetable oil procurement inquiry on Thursday, sources said.

Traders said they had not heard of any price offers submitted, with companies seeking more information



about purchasing and payment terms from the agency. But there were reports that several trading houses took part in a meeting at the Mostakbal Misr offices. No new deadline has been announced, and traders are awaiting further guidance from Mostakbal Misr. The agency had initially invited offers by noon local time (10 a.m. GMT) on Nov. 28, following a late Wednesday announcement seeking bids for wheat and vegetable oils in direct purchase agreements to be negotiated on Thursday rather than by formal offers submitted in an international tender.

The announcement signals a shift in procurement strategy, potentially replacing the system of international tenders used by the General Authority for Supply Commodities (GASC), Egypt's primary state buyer of essential commodities.

Some traders attributed the pivot to direct purchases as a response to Russia's unofficial minimum export price policy, which has reportedly deterred exporters from offering competitive prices in public tenders. A European trader suggested that direct deals might help Egypt secure lower prices.

However, Russian exporters remain hesitant. Russia's Union of Grain Exporters said Thursday that it is unfamiliar with Mostakbal Misr's ownership and financial position, and several Russian suppliers have stated they will not engage without confirmation that the agency is acting on behalf of the Egyptian government.

"It looks like they were trying to do things too quickly. The trading houses really do not know who the agency is," a

trader said.

"The devil is in the detail in grain deals with millions of dollars at stake. Even minor changes in specification rules by GASC in the past have caused huge delays in ship unloadings and painful losses of money by the sellers," he added.

"The risk can be too high if you are not sure of every detail in the contracts and execution."

Mostakbal Misr was founded in 2022 through a presidential decree and evolved from land reclamation projects dating back to 2017.

Mostakbal Misr Agency, GASC, and the Supply Ministry have not responded to repeated Reuters requests to comment.

Argentina's soybean fields in good shape after recent rains, report shows

Argentina's 2024/25 soybean crop is in good condition after getting a moisture boost from rainfall in the country's main farming regions in recent weeks, the Buenos Aires grains exchange said on Thursday.

According to the exchange's weekly crop report, 98% of the area planted with soybeans now has adequate to optimal moisture.

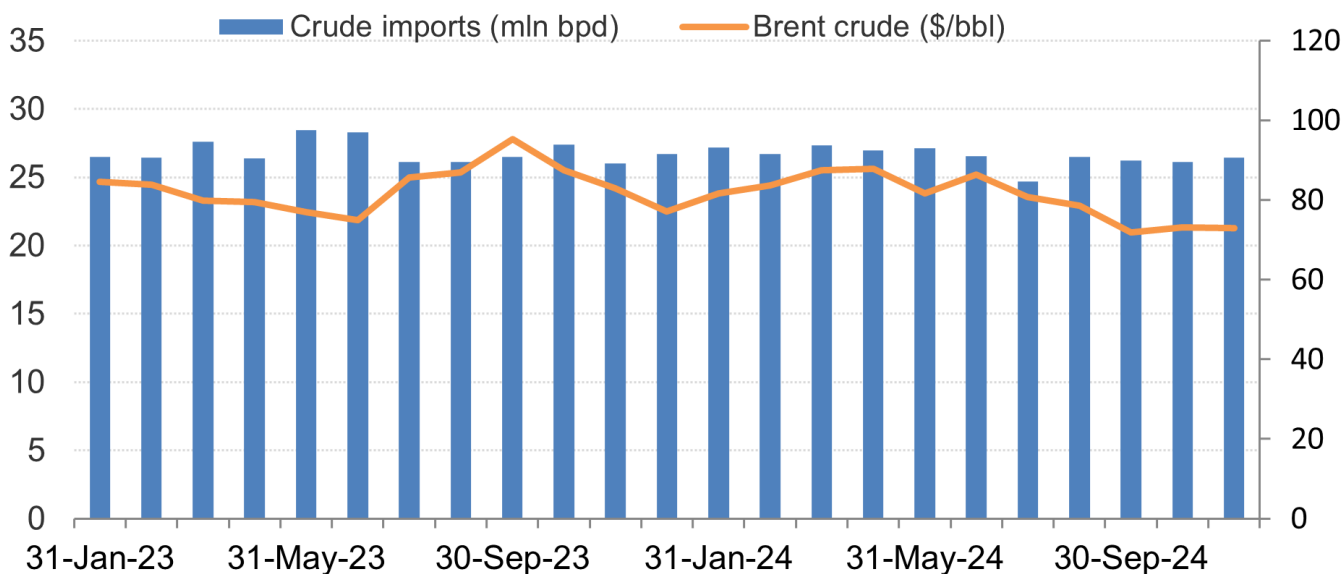
Argentina is the world's leading exporter of soybean oil and meal.

Farmers have so far planted 44.4% of the 18.6 million hectares (46 million acres) sown with soybeans, advancing 8.6 percentage points in the last week, according to the report.

Chart of the Day

ASIA CRUDE OIL IMPORTS STEADY

Asia crude oil imports vs. Brent futures price



Note: November 2024 imports are estimate as of Nov. 27.

Source: LSEG Reuters graphic/Clyde Russell 28/11/24



Regarding the 2024/25 corn crop, the exchange said the rains "have allowed the continued improvement in the condition of early plantings (plots planted)," with nearly 97% of cases analyzed nationwide in normal or excellent condition.

The exchange estimates that Argentine farmers have already planted 41.3% of the 6.3 million hectares it

forecasts will be planted with corn this season.

The exchange also said that 38.7% of the wheat for the 2024/25 campaign has already been harvested, with production estimated at 18.6 million tonnes.

Argentina is the world's third largest exporter of corn and a key global supplier of wheat.

Top News - Metals

LME says to hike fees in 2025 by average of 4.7%

The London Metal Exchange (LME) plans to increase fees next year by an average of 4.7%, but there will be no rise in charges for trading on the open-outcry floor, it said on Thursday.

The rise is less than for 2024, when the LME boosted fees by an average of 13%.

The exchange, the world's oldest and largest market for industrial metals, said in a statement that base trading and clearing fees will rise in 2025 between 0% and 6.5%.

"LME Group will introduce a number of fee increases to support its ongoing investment in strengthening its market ... and continuing to reflect inflation," a statement said.

The LME, owned by Hong Kong Exchanges and Clearing Ltd. 0388.HK, said it will not boost fees for deals in the ring, one of the world's last open-outcry trading floors, to support the physical market.

The LME, which has lagged rival exchanges in trading battery metals, extended its waiver of fees on lithium and cobalt futures.

Nornickel sees new technologies sustaining China's palladium demand

Russian metals giant Nornickel believes that new technologies it is developing, including for the synthesis of hydrogen, will create demand for palladium in China equal to up to 15% of current consumption, a top executive told Reuters.

Demand from makers of internal combustion engine (ICE) vehicles who use palladium in exhaust pipes to neutralise emissions - which accounts for 80% of the metal's global use - is set to shrink due to the rise of electric vehicles.

Nornickel, the world's largest palladium producer, estimates that traditional demand from China, the largest consumer of the metal, will fall by 29% to 47 tons by 2030 because the country will be making fewer ICE vehicles. According to the World Platinum Investment Council (WPIC), the decline in ICE vehicle production will result in a market surplus of palladium in 2026. Global prices for palladium are down 10% this year after a 39% slump in 2023.

Together with Chinese universities and industrial partners, Nornickel is testing several technologies in areas such as hydrogen production and water purification that involve using palladium, in the hope of boosting demand.

"We expect that these projects have the potential for at least 15 tons of long-term additional demand for palladium and will gradually start to be reflected in market analysts' forecasts," said the company's Vice President Vitaly Busko.

China is the world's largest producer of hydrogen, which is part of the country's green transition strategy and is used in production of ammonia fertilisers and methanol as well as in oil refining.

"In terms of hydrogen and green chemistry, China is developing much faster than the rest of the world. In this sense, the interest is significant," Busko said.

Nornickel currently produces over 40% of the world's palladium and estimated global demand for the metal in 2023 at 302 tons, with a 22% market share for China. Analysts estimate a global surplus of the metal of 20-40 tons by 2030.

"Our goal is to create new demand for 40-50 tons," Busko said.

He said the company was working with at least five Chinese companies to develop the new technologies and that 80% of China's palladium market was currently supplied by Nornickel.

He expects new demand for palladium equal to 5-10 tons to emerge in 2026-27.

Apart from China, Nornickel is looking to develop new areas for palladium usage in the Middle East, Brazil and Malaysia. Nornickel is not directly hit by Western sanctions against Russia but has pivoted logistics and over 52% of sales to Asia.

The company is also seeking to boost palladium usage at home and plans to supply up to 0.4 tons of the metal for fibreglass production in Russia. It also expects Russian firms to start using palladium in water purification.

In 2024, the company plans to produce 82-85 tons of palladium.

Top News - Carbon & Power

Tokyo Gas to boost capital efficiency with asset sales, president says

Tokyo Gas aims to enhance capital efficiency by selling underperforming assets, including real estate, its president said on Thursday, following a filing disclosure of a 5% stake investment by U.S. activist investor Elliott Management.

Elliott has taken a 5.03% stake in Tokyo Gas, a regulatory filing showed earlier this month, as it seeks to push Japan's biggest city-gas provider to boost shareholder value.

Tokyo Gas President Shinichi Sasayama, in a news conference to provide a business update, declined to comment on Elliott's actions or whether his company had

engaged in discussions with the investor. But he said the utility is looking to improve capital efficiency through various ways including reviewing and offloading assets that are low in efficiency.

"We will review and better utilize... not only real estate, but also any assets that are not efficient, to improve our capital efficiency," he said.

Elliott, one of the world's most influential activist investors, views that Tokyo Gas could improve capital efficiency, free up capital to enhance shareholder returns, and boost investments in decarbonisation and other growth areas by divesting some assets from its extensive real estate portfolio that are non-core to main energy business, according to a person familiar with the matter.

"Some real estate assets are making a good profit contribution, but we may review and sell some underperforming real estate," Sasayama said, without providing any further details.

Reuters reported in October that Tokyo Gas is in talks with Woodside Energy over taking a stake in a multi-billion-dollar Louisiana liquefied natural gas (LNG) export project, quoting two people familiar with the discussions. Sasayama declined to comment on the deal, but said the company may invest in U.S. gas assets if they contribute to profits, though its current focus in the U.S. is to expand the gas value chain, including trading and marketing.

Asked about new U.S. sanctions on Russia's Gazprombank, Tokyo Gas, a major LNG buyer, sees no impact on its procurement of the fuel from Russia's Sakhalin-2 project, as the project is exempted from the sanctions, Sasayama said.

The U.S. imposed new sanctions on Gazprombank last week as part of a wider push to punish Moscow for its

invasion of Ukraine, barring it from any new energy-related transactions that touch the U.S. financial system, among other restrictions.

Germany's green hydrogen ramp-up reliant on public money, says

The development of a green hydrogen market in Germany still depends to a large extent on public spending, utility E.ON said on Friday.

The share of projects under construction or equipped with final investment decisions has risen to 9% from 3% of the 2030 target of 11.3 gigawatts (GW) of electrolysis capacity, E.ON said.

But the only factor speeding the process was support pledged under government schemes, it said in results of research it conducted with the EWI energy research institute.

WHY DOES IT MATTER?

Germany wants to build up electrolysis capacity to produce its own green hydrogen from wind and solar power to clean up the carbon footprint of industries such as steelmaking and cement and replace fossil fuels. E.ON said rigid or missing hydrogen regulation means would-be investors lack visibility over the new value chain.

High electricity prices also make future hydrogen costs look prohibitively expensive, it added.

If Germany does not manage the move to hydrogen, its industry may miss chances to compete successfully with the likes of the United States and China in global markets.

MARKET MONITOR as of 07:35 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	\$68.59 / bbl	-0.19%	-4.27%
NYMEX RBOB Gasoline	\$1.93 / gallon	0.07%	-8.38%
ICE Gas Oil	\$669.75 / tonne	0.07%	-10.79%
NYMEX Natural Gas	\$3.33 / mmBtu	3.84%	32.34%
Spot Gold	\$2,660.82 / ounce	0.75%	29.00%
TRPC coal API 2 / Dec, 24	\$125 / tonne	1.11%	28.87%
Carbon ECX EUA	€67.75 / tonne	0.18%	-15.70%
Dutch gas day-ahead (Pre. close)	€46.63 / Mwh	0.06%	46.41%
CBOT Corn	-	-	-
CBOT Wheat	-	-	-
Malaysia Palm Oil (3M)	RM4,999 / tonne	2.33%	34.35%
Index	Close 28 Nov	Change	YTD
Thomson Reuters/Jefferies CRB	343.37	-0.44%	13.92%
Rogers International	28.28	0.04%	7.41%
U.S. Stocks - Dow	44,722.06	-0.31%	18.66%
U.S. Dollar Index	105.72	-0.39%	4.33%
U.S. Bond Index (DJ)	444.13	0.20%	3.11%

BY THE NUMBERS

Domestic electrolysis capacity has risen around 68% from the spring to 111 megawatts (MW), the six-monthly research showed.

E.ON also said that the Berlin government's targets for sufficient import facilities may be achievable.

The government expects hydrogen demand of 95-130 terawatt hours (TWh) per year by 2030, of which 50%-70% will be imported.

Plans for a core hydrogen pipeline grid, complementing

those for seaborne imports, have attracted a 24 billion euro (\$25.31 billion) loan from state lender.

KEY QUOTES

"The run-up of the hydrogen economy remains weak," E.ON said.

"Only the support pledges under the Important Projects of Common European Interest (IPCEI) are boosting increases in production capacity and in investment decisions."

Top News - Dry Freight**China's scrap copper imports set to slump over US trade worries, analysts say**

China's imports of scrap copper are set to slump as some traders have suspended buying from the United States, the top supplier, due to worries about rising trade tensions under a Donald Trump presidency, analysts said.

Trump, who takes office in January and has threatened tariffs of 60% on Chinese imports, on Monday pledged to impose "an additional 10% tariff" on imports from China, raising the prospect of retaliatory measures from Beijing.

"According to our survey, most domestic import traders have already stopped directly buying scrap copper from U.S. ... And this is especially true among the leading traders who have relied on imports from the U.S.," analysts at information provider Shanghai Metals Market (SMM) said in a note on its WeChat account on Thursday.

Zhao Yongcheng, principal analyst at consultancy Benchmark Mineral Intelligence (BMI), said Chinese scrap importers were buying cautiously on concerns that growing uncertainties over U.S.-China trade could increase their procurement costs.

China imported 361,099 metric tons of scrap copper from the U.S. in the first ten months of the year, accounting for nearly a fifth of total such imports, Chinese customs data showed.

Less buying from the U.S. will crimp China's scrap copper imports and spur consumption of refined copper at a time when supply of scrap copper is already tight, SMM analysts said.

BMI's Zhao said the impact would likely be reflected in import data from next year.

"It takes time to find alternatives to completely offset the reduced supply from the U.S., so tightening scrap supply will likely aggravate the copper price volatility in the short term."

"But higher scrap prices will spur domestic supply increase," he said.

Beijing announced in late October that it would allow imports of more recycled copper, or scrap copper, from Nov. 15 as part of efforts to develop its recycling industry and reduce dependence on primary raw materials. Scrap copper can be remelted into refined copper and processed into copper products.

Turkey provisionally sells 150,000 T barley in export tender, traders say

Turkish state grain board TMO is believed to have provisionally sold an estimated 150,000 metric tons of barley in an export tender for the same volume on Thursday, European traders said.

The sale depends on final approval in coming days. Tender volumes can be changed or cancelled completely. Traders said the sale was expected to be made to trading house Mir Agro at an estimated \$225.60 a ton FOB, slightly up from the first round of price offers.

Barley ship loading should be undertaken between Dec. 18, 2024, and Jan. 13, 2025, in the port of Iskenderun and Mersin.

Turkey banned wheat imports this autumn after a good harvest, partly to protect farmers from low prices.

Some traders said Turkey has better domestic grain supplies and needs to free up some storage capacity with the barley export tender.

Picture of the Day



People travel in a tram during partial power-cuts, amid Russia's attack on Ukraine, in Kyiv, Ukraine, November 28. REUTERS/Alina Smutko

(Inside Commodities is compiled by Kishore Barker in Bengaluru)

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

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