

INSIDE COMMODITIES

TUESDAY, SEPTEMBER 22, 2020

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Thomson Reuters/INSEAD Asian Business Sentiment Survey 2020 - Q3

Thomson Reuters and graduate business school INSEAD ask Asia-Pacific companies to rate their business outlook for the next six months in a survey which in Q2 yielded a negative sentiment index of 35. The latest survey will be released at 0300 GMT on Wednesday.

TOP NEWS

U.S. gasoline prices slump as storm fears wane, demand concerns return

U.S. gasoline prices tumbled in Monday's energy market selloff, as worries about weak demand for fuel returned as the threat of Tropical Storm Beta waned, market analysts said. RBOB gasoline futures on the New York Mercantile Exchange fell more than 5% to a session low of \$1.161 per gallon, ending a five-day streak of gains. Prices followed crude and equities markets lower, reversing last week's gains built on the active storm season in the U.S. Gulf Coast.

Gold miners insist they won't splurge despite price surge

The world's top gold miners sought to reassure investors on Monday that they're not going on a spending spree despite surging gold prices boosting their shares and free cash flow. Miners are opting to give more cash back to shareholders rather than plotting takeovers which the market may disapprove of with the COVID-19 pandemic far from over.

Vitol expects tough second half as oil trading flatlines

After extreme oil volatility that provided traders with bumper profits in the first half of the year, the market is now stuck in a lower gear, fatigued by the realities of COVID-19. Lower overall oil supplies after production cuts implemented by the OPEC+ group of producers, as well as tepid fuel demand, are dampening price movements.

White House drops plan to bail out oil refiners denied biofuel waivers –sources

The White House has dropped a plan to provide funds from the U.S. Department of Agriculture to oil refiners that are denied exemptions from the nation's biofuel regulations, according to two sources familiar with the matter. The Trump administration was considering doling out at least \$300 million in cash to the facilities, potentially from the USDA's Commodity Credit Corporation, triggering an outcry from Midwest lawmakers who argued the money should be used for farmers, not the oil industry, Reuters previously reported.

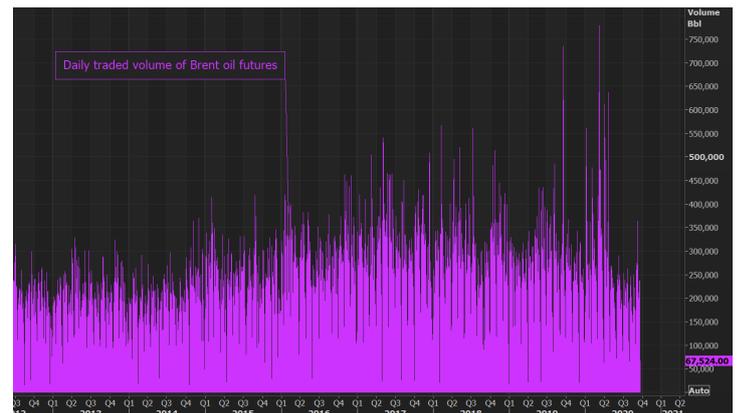
Oil tanker heads to Libya's Hariga terminal as NOC partially lifts force majeure

The Marlin Shikoku oil tanker is making its way to Libya's Marsa El Hariga terminal, according to Refinitiv Eikon shipping data. Libya's National Oil Corporation (NOC) on Saturday lifted force majeure on what it deemed secure oil ports and facilities.

U.S. corn ratings improve, crop 8% harvested -USDA

Condition ratings for the U.S. corn crop improved during the last week and soybean ratings held steady while the harvest of both crops was under way, the U.S. Agriculture Department said on Monday. The U.S. corn harvest was 8% complete by Sunday, the USDA said in a weekly progress report, behind the five-year average of 10% and the average estimate in a Reuters analyst poll of 11%.

CHART OF THE DAY



Contract	Last	Change	YTD
NYMEX light crude	\$39.22	-0.23%	-35.62%
NYMEX RBOB gasoline	\$1.18	-0.16%	-30.67%
ICE gas oil	\$320.50	-0.39%	-47.60%
NYMEX natural gas	\$1.87	2.02%	-16.17%
Spot Gold	\$1,912.86	0.02%	26.07%
CBOT Corn	\$3.69	-0.14%	-4.64%
CBOT Wheat	\$5.57	0.32%	-0.72%
Malaysia Palm Oil (3M)	R2,942	-2.16%	-1.47%
Index (Total Return)	Close 21 Sept	Change	YTD Change
Rogers International	14.032	-1.92%	-
Cont Commod Indx	406.6758	-2.81%	-3.28%
US STOCKS (DJI)	27147.7	-1.84%	-4.87%
US DOLLAR INDEX	93.641	0.79%	-2.84%
US BOND INDEX (DJ)	-	-0.15%	7.68%

COLUMN-Hedge fund selling slows ahead of Saudi warning: Kemp

Hedge funds sold petroleum for the fourth week running, though the rate slowed from the two-year peak set a week earlier, as they lowered their expectations on oil consumption, prompting Saudi Arabia to issue an unusually blunt warning to short sellers. Hedge funds and other money managers sold the equivalent of 18 million barrels in the six most important petroleum futures and options contracts in the week to Sept. 15, down from sales of 171 million the week before.

India's August crude imports continue slide as economy stalls

India's crude oil imports declined in August, albeit at a slower pace, as soaring coronavirus cases continued to hit mobility and slowed economic recovery, government data showed on Monday. Crude oil imports last month fell about 23.4% from a year earlier to 15.15 million tonnes, or 3.58 million barrels per day (bpd), data from the Petroleum Planning and Analysis Cell (PPAC) of the Ministry of Petroleum & Natural Gas showed.

GRAPHIC-Cobalt demand for 5G technology to challenge electric vehicles

The need for larger rechargeable batteries and more energy storage for 5G technology is expected to significantly boost demand for cobalt over coming years and potentially pit the sector against electric vehicle makers. Larger batteries, using lithium cobalt oxide chemistry (LCO), are needed in 5G phones because the antenna, used to transmit and receive radio waves, need more power than those in 4G phones.

U.S. crude stockpiles seen down, gasoline likely fell for seventh week

U.S. crude oil stockpiles likely fell last week, and gasoline stockpiles were expected to have fallen for a seventh consecutive week, a preliminary Reuters poll showed on Monday. Five analysts polled by Reuters estimated, on average, that crude stocks likely fell by 2.3 million barrels in the week to Sept. 18.

COLUMN-Crop Watch: Harvest begins with Iowa soybeans, Kansas corn -Braun

The first two of 16 U.S. Crop Watch fields were harvested last week, though for the most part, the producers report that harvest activity has been on the lighter side and will likely ramp up in the coming days. Warm and dry weather across most of the Corn Belt this week will aid in the effort. The Kansas corn was harvested last Monday and the results were as expected, but the Iowa soybeans, cut on Saturday, came in slightly worse than predicted.

Bids for Exxon UK's oil and gas fields due on Oct. 28 -sources

Bids for a portfolio of Exxon Mobil's British North Sea oil and gas fields, which is expected to fetch around \$1 billion following this year's oil price weakness, are due on Oct. 28, two sources with knowledge of the process said. Parties that have signalled interest in acquiring more assets in the basin include private-equity (PE) firm HitecVision's Neo, EIG's Chrysaor and listed companies, such as EnQuest.

Rising Asian LNG prices to help more U.S. loadings in November

Buyers of liquefied natural gas (LNG) from the United States are expected to cancel no more than five cargoes for November loading as winter demand in Asia has lifted prices, after dozens of cancellations earlier this year, several trade sources said on Monday. Buyers usually have to notify some U.S. producers by the 20th of each month about cargo rejections for the month after the next one. It was not immediately clear if any cargoes have been cancelled for November.

MARKETS

Oil rose in early trade, paring sharp overnight losses, as the latest tropical storm in the Gulf of Mexico lost strength, but worries about fuel demand persisted with flare-ups around the globe in coronavirus cases. **Gold** prices steadied in a tight range, as worries over rising COVID-19 cases across Europe countered pressure from a stronger **U.S. dollar** ahead of key speeches by Federal Reserve policymakers this week. **London copper** prices rose, recouping some of the last session's losses, on expectations of strong Chinese demand, although worries about fresh coronavirus-led lockdowns capped gains. **Chicago corn** futures bounced back, after suffering their biggest one-day loss in almost seven weeks in the previous session, as expectations of strong Chinese demand supported prices.

EVENTS SCHEDULED FOR THE DAY (GMT)

1000 GB CBI Trends - Orders for Sep: Expected -40; Prior -44

1400 EZ Consumer Confidence Flash for Sep: Expected -14.6; Prior -14.7

1400 U.S. Existing Home Sales for Aug: Expected 6.00 mln; Prior 5.86 mln

TECHNICAL CHARTS

[NYMEX Light Crude](#) | [Brent Crude](#) | [Spot Gold](#) | [Spot Silver](#) | [Corn](#) | [Wheat](#)

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(Inside Commodities is compiled by Rupali Shukla in Bengaluru)

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

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Refinitiv
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