FRIDAY, SEPTEMBER 4, 2020

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TOP NEWS

China's energy giants tiptoe into renewables
China's state energy producers outlined initiatives to develop hydrogen and wind power after their earnings slumped along with the oil price in the first half but their renewables projects could take years to materialise. The tentative plans laid out by PetroChina, Sinopec and CNOOC Ltd come as global energy majors like BP prepare to spend billions on renewable energy assets to stay relevant in a low-carbon future.

BHP awards tender for LNG-fuelled bulk iron ore carriers
BHP Group said on Friday it has awarded a tender to charter five bulk iron ore carriers powered by liquefied natural gas (LNG), aiming to cut greenhouse gas emissions on voyages to biggest customer China by more than 30%. The contract for five LNG-fuelled Newcastlemax bulk carriers to carry ore between Western Australia and China was awarded to Singapore-based Eastern Pacific Shipping, and will run for five years from 2022, the global miner said.

Fire rages on supertanker off Sri Lanka, one crewman presumed dead
A Filipino crew member missing from a supertanker that caught fire off the Sri Lankan coast is presumed dead, a spokesman for the navy of the Indian Ocean nation said on Friday. The fire was still raging on the New Diamond tanker carrying about 2 million barrels of oil, said the spokesman, Captain Indika de Silva. There were 23 crew on board.

U.S. refiners, awash in diesel inventory, unlikely to boost output soon
U.S. refiners are stuck between meeting rising gasoline demand and the glut of supply in the lackluster diesel and jet fuel markets. Refiners cannot produce gasoline without making other products like diesel, commonly known as distillates. The coronavirus pandemic slashed demand by one-third worldwide, and so far the gasoline use has rebounded faster than that of distillates. Refiners still have big stockpiles of diesel and other fuels, and do not want to make more of those products due to poor margins.

Second survivor from capsized cattle ship dies, Japan's coast guard says
Japan's coast guard said the second survivor of a capsized cattle ship on its way to China from New Zealand, who had been pulled unconscious from the waters of the East China Sea on Friday, had died. The coast guard had said the man was found unconscious about 120 km (75 miles) north-northwest of Amami Oshima island and transferred to a hospital.

COLUMN-Oil market's rebalancing is stalling: Kemp
Oil market rebalancing has decelerated over the last two months as producers’ output discipline shows signs of slackening and consumption recovers more slowly than anticipated at the start of the third quarter. Members of the Organization of the Petroleum Exporting Countries (OPEC) and their partners in the broader exporters' alliance (OPEC+) are showing signs of weakening commitment to output cuts agreed in April.
Beirut blast hammers grain import capacity but supplies still flow, WFP says

Beirut port’s capacity to handle wheat and other bulk cereal imports has collapsed to about a fifth or less of its level before a massive blast smashed its grain silos and other facilities, a senior U.N. official said on Thursday. But Abdallah Alwardat, the country director for the World Food Programme (WFP), told Reuters that he did not see Lebanon heading towards a food crisis, although he said his organisation was keeping a close eye and was ready to step in if necessary.

Germany pressed to rethink Nord Stream 2 pipeline after Navalny poisoning

Pressure mounted on German Chancellor Angela Merkel on Thursday to reconsider the Nord Stream 2 pipeline, which will take gas from Russia to Germany, after she said Kremlin critic Alexei Navalny had been poisoned with a Soviet-style nerve agent. Merkel said on Wednesday that Navalny, who is being treated in a Berlin hospital, was the victim of a murder attempt using the nerve agent Novichok, and demanded an explanation by Russia.

ANALYSIS-Mexico's president nods to environment but favors state energy firms

On the campaign trail two years ago, Andres Manuel Lopez Obrador pledged to meet Mexico's commitments on combating global warming and discussed moving the oil-producing nation away from fossil fuels with leading environmentalists, like former U.S. Vice President Al Gore. Since taking office in late 2018, Mexico's president has promoted a major reforestation program, pledged to phase out the herbicide glyphosate, and railed against fracking.

Striving for green recovery, EU adds lithium to critical materials list

The European Commission added battery element lithium to its critical raw materials list on Thursday and set out a plan to guarantee their supply to support a green recovery. The European Union needs to diversify its sources of materials, ranging from silicon to rare earths, the Commission said, an issue highlighted after global supply chains were disrupted when the COVID-19 pandemic struck.

World food price index rises for 3rd month running in Aug -FAO

World food prices rose for a third month running in August, led by coarse grains, vegetable oils and sugar, the United Nations food agency said on Thursday. The Food and Agriculture Organization's food price index, which measures monthly changes for a basket of cereals, oilseeds, dairy products, meat and sugar, averaged 96.1 points last month versus 94.3 in July.

<table>
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<th>Contract</th>
<th>Last</th>
<th>Change</th>
<th>YTD</th>
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<tr>
<td>NYMEX light crude</td>
<td>$41.03</td>
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<tr>
<td>NYMEX RBOB gasoline</td>
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<td>ICE gas oil</td>
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<td>NYMEX natural gas</td>
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<td>Spot Gold</td>
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<tr>
<td>CBOT Corn</td>
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<td>CBOT Wheat</td>
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<td>Malaysia Palm Oil (3M)</td>
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<table>
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<tr>
<th>Index (Total Return)</th>
<th>Close 3 Sept</th>
<th>Change</th>
<th>YTD Change</th>
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<tr>
<td>Rogers International</td>
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<td>Cont Commod Indx</td>
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<td>US STOCKS (DJI)</td>
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<tr>
<td>US DOLLAR INDEX</td>
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<tr>
<td>US BOND INDEX (DJ)</td>
<td>467.7562</td>
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MARKETS

Oil futures slipped 1%, with prices on both sides of the Atlantic heading for their biggest weekly drops since June, as lacklustre demand and ample fuel supplies offset support from a weaker dollar. Gold prices rose, as U.S. Treasury yields fell and a pullback in global equities bolstered demand for the safe-haven metal ahead of the U.S. non-farm payrolls report. Copper prices gained as low inventories in exchange warehouses, disrupted ore supplies and solid economic recovery in top consumer China lent support. Chicago soybean futures rose and were set for their fourth week of gains as strong demand from China, the world's top importer, supported prices.

EVENTS SCHEDULED FOR THE DAY (GMT)
0750 FR Markit Serv PMI for Aug: Expected 51.9; Prior 51.9
0750 FR Markit Comp PMI for Aug: Expected 51.7; Prior 51.7
0755 DE Markit Services PMI for Aug: Expected 50.8; Prior 50.8
0755 DE Markit Comp Final PMI for Aug: Expected 53.7; Prior 53.7
0800 EZ Markit Serv Final PMI for Aug: Expected 50.1; Prior 50.1
0800 EZ Markit Comp Final PMI for Aug: Expected 51.6; Prior 51.6
0830 UK Markit/CIPS Cons PMI for Aug: Expected 58.5; Prior 58.1
1230 U.S. International Trade for July: Expected -58.0 bln; Prior -50.7 bln
1230 U.S. Initial Jobless Clm Weekly w/e 29 Aug: Expected 950,000; Prior 1,006,000
1400 U.S. ISM N-Mfg PMI for Aug: Expected 57.0; Prior 58.1

TECHNICAL CHARTS
NYMEX Light Crude | Brent Crude | Spot Gold | Spot Silver | Corn | Wheat