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Top News - Oil

US oil output rose in February on Texas, New Mexico boost, EIA says
Total U.S. crude oil production rose slightly in February as top producing states Texas and New Mexico reversed recent declines and pumped more barrels, data from the U.S. Energy Information Administration showed on Wednesday.
Oil output from the world's top-producing country rose to 13.16 million barrels per day in February, up about 29,000 bpd from January, the data showed.
Top oil-producing state Texas posted a 41,000 bpd increase in output in February to 5.62 million bpd, the first monthly increase since October, the data showed.
Output from New Mexico, the second largest oil-producing state, hit a record 2.13 million bpd, about 72,000 bpd higher than January and about 20,000 bpd higher than the prior record in December.
Gross natural gas production in the U.S. Lower 48 states, meanwhile, rose to 117.2 billion cubic feet per day (bcfd) in February, up from 116.5 bcfd in January, according to the agency's 914 production report.
That compares with a monthly record high of 118.3 bcfd in December 2024.
In top gas-producing states, monthly output in February rose by 0.1% to 36.3 bcfd in Texas and fell by 1.1% to 21.2 bcfd in Pennsylvania, the EIA said.
That compares with monthly record highs of 36.5 bcfd in December 2024 in Texas and 21.9 bcfd in December 2021 in Pennsylvania.
Total U.S. oil and petroleum demand fell from 20.74 million bpd in January to 20.23 million bpd in February, the lowest since October, as diesel and jet fuel consumption decreased.
Jet fuel demand fell by about 81,000 bpd month-over-month to 1.54 million bpd, the lowest since January 2024.
Demand for distillate fuels, which includes diesel and heating oil, fell 67,000 bpd to about 4 million bpd.
On the other hand, gasoline demand rose to 8.68 million bpd from 8.48 million bpd in January, EIA data showed.

Shell Q1 profit drops 28%, but beats expectations
Shell reported a 28% drop in first-quarter net profit to $5.58 billion, beating analyst expectations, and kept the pace of its share buyback programme steady amid falling oil prices and lower refining margins than last year.
It said it would buy back $3.5 billion worth of shares for the next three months, the fourteenth consecutive quarter of a buyback programme of least $3 billion.
That contrasts with rival BP, which has sharply cut its buybacks this year to shore up its balance sheet. Shell's gearing, a debt-to-equity ratio, of 18.7% is less than BP's 25.7%.
Shell's adjusted earnings, its definition of net profit, reached $5.58 billion in the first quarter, above an average forecast of $4.96 billion in a company-provided analyst poll, but below $7.73 billion a year ago.

Top News - Agriculture

COLUMN-Chicago corn still chasing 50-year streak as prices stagnate: Braun
U.S. farmers are now in the thick of corn-planting, a period usually filled with anticipation for the upcoming harvest potential.
But the markets may not be bringing much joy to producers given that new-crop Chicago corn futures started May on the lowest note in five years.
The U.S. growing season just began and there is plenty of time for weather concerns to pop up, though May can be a difficult time for corn to sustain any strength when planting is running as smoothly as it has been this year.
New-crop December corn settled at $4.47-1/4 per bushel on Thursday, nearly 5% below last month’s high and almost 7% below the year-to-date high set in February.
But $4.70 should still be in play.

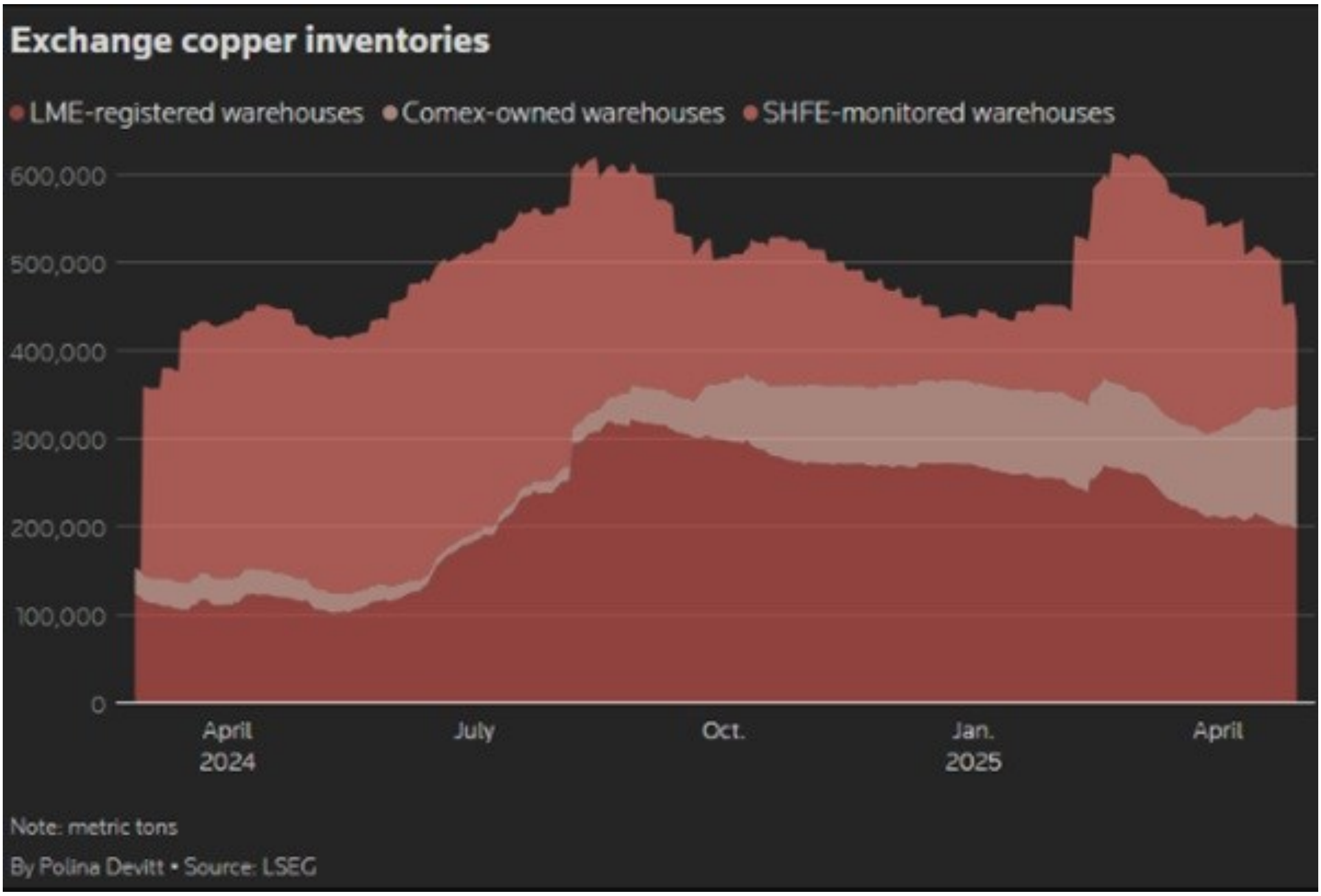
STREAK IN JEOPARDY
December corn futures averaged $4.70 per bushel during February, which represents the 2025 insurance guarantee for U.S. farmers.
Since at least 1973, December corn futures have never failed to return to their average February levels at some point after February, meaning new-crop corn likely still has upside of at least 5%.
The contract came close to achieving the feat on April 16, topping at $4.69-1/2.
Historically, there are some opportunities for strength in May. In seven of the last 10 Mays, December corn futures boasted a higher average than during April.
But the month’s trend is generally downward. In seven of the last 10 years, new-crop corn settled lower at the end of May versus the month’s first session.
The three exceptions were the mega-delayed U.S. planting of 2019, the harsh Brazilian corn drought of 2016 and the pandemic in 2020, just after new-crop corn hit its lowest springtime levels in 14 years.
It is hard to excite the corn market over U.S. weather issues before June. But prices can nosedive in late June if forecasts look non-threatening through early July, when U.S. corn begins the critical pollination period.
At the end of last June, new-crop corn was 11% lower than at the beginning of May. Although those losses are a bit larger than normal, a similar move this year would put corn just below $4 by the end of June.

2025 TWIN?
Throughout 2023, market participants compared U.S.

corn price trends with those from 2013, and a year later they did the same with 2024 and 2014. For the most part, these were relatively good analog years because of similar fundamental setups. But what about 2025? Logical progression might suggest 2015, though U.S. corn ending stocks 10 years ago were set to rise sharply from the previous year but slightly shrink into the next one. That is the opposite of this year's likely trajectory. In terms of actual prices, December 2025 corn is trading most closely with the year-ago ones, though the trends have been very different directionally. Percentage moves since the beginning of the year track most closely with 2016, 2017 or even 2018.
Those years were characterized by plentiful U.S. corn supplies – significantly more than today – and 2018 similarly featured a trade war with China.
All three of those years contained a brief summer weather rally with futures eventually moving notably lower as U.S. harvest neared, which is the commonly expected pattern.
At the broader level, 2025 is unlike any other year, with U.S. economic policy uncertainty near all-time highs. This complicates price-forecasting since seasonal patterns may be less reliable.
But the geopolitical wild cards on the table for 2025 could act to enhance impacts from standard forces like weather, meaning that the markets could be in for a wild ride during the peak U.S. growing season.
Karen Braun is a market analyst for Reuters. Views expressed above are her own.

Ukraine 2025 sunflower sowing area seen rising 5%, farm lobby says
Ukraine, the world's largest sunflower oil exporter, is likely to increase its sunflower sowing area by 5% in 2025 to around 5.1 million hectares, Ukrainian farm lobby UCAB said late on Wednesday.
The Ukrainian sunflower seed harvest fell 13% in 2024 due to poor weather, pushing local sunseed prices to record high levels.
"If weather conditions improve, Ukraine will have larger sowing areas and, accordingly, will be able to harvest more crops," the head of UCAB's analytical department, Svitlana Lytvyn, said on Facebook.
She said that currently almost 5% of the planned sowing areas for sunflower had been sown, and the plan is to sow about 5.1 million hectares, or 5% more than last year.
Agriculture consultancy APK-Inform said last month Ukraine could increase its sunseed harvest by 14% to 15.2 million metric tons in 2025.

Chart of the Day



Top News - Metals

ANALYSIS-US, Ukraine may wait decade or more to see revenue from minerals deal

The financial payoff from a new minerals deal between Ukraine and the U.S. is likely to take a decade or longer as investors face many hurdles to getting new mines into production in the war-ravaged country.
Developing mines that produce strategically important minerals in countries with established mining sectors such as Canada and Australia can take 10 to 20 years, mining consultants said on Thursday.
But most mineral deposits in Ukraine have scant data to confirm they are economically viable. Investors may also baulk at funnelling money into a country where infrastructure such as power and transport has been devastated by Russia's three-year-old full-scale invasion and future security is not guaranteed.
"If anyone's thinking suddenly all these minerals are going to be flying out of Ukraine, they're dreaming," said Adam Webb, head of minerals at consultancy Benchmark Minerals Intelligence.
"The reality is it's going to be difficult for people to justify investing money there when there are options to invest in critical minerals in countries that are not at war."
While the financial benefits from the deal are uncertain, officials in Ukraine hailed it as a political breakthrough: They believe it will help shore up U.S. support for Kyiv that has faltered under President Donald Trump.
Ukraine needs U.S. support - especially weapons and cash - to withstand Russia's military invasion.
On the U.S. side, Trump heavily promoted the deal, especially the access it provides to Ukraine's deposits of rare earth elements which are used in everything from cellphones to cars. So government policy could hasten investment.
The U.S. does not produce significant amounts of rare earths and has ramped up a trade war with China, the world's top supplier.
The text of the deal signed in Washington showed that revenues for the reconstruction fund would come from royalties, licence fees and production-sharing agreements.
The text mentions no financial terms, saying that the two sides still have to hammer out a limited partnership agreement between the U.S. International Development Finance Corp and Ukraine's State Organization Agency on Support for Public-Private Partnership.
The text details 55 minerals plus oil, natural gas and other hydrocarbons. According to Ukrainian data, the country has deposits of 22 of the 34 minerals identified by the European Union as critical, including rare earths, lithium and nickel.
"The transition from a discovered resource to an economically viable reserve requires significant time and investment, both of which have been constrained, not only since the onset of the war but even prior to it," said Willis Thomas at consultancy CRU.
Ukrainian finance ministry data showed that in 2024, the Ukrainian state earned 47.7 billion hryvnias, or around $1 billion, in royalties and other fees related to natural resources exploitation.
But the joint fund created under the deal will only get revenue from new licences, permits and production-sharing agreements concluded after the accord comes into force.

SLOW PACE OF MINING LICENSES

Ukraine was slow to issue new natural resources licenses before Russia's 2022 full-scale invasion. From 2012 to 2020, about 20 licences were issued for oil and gas, one for graphite, one for gold, two for manganese and one for copper, according to the Ukrainian geological service. There are 3,482 existing licenses in total.
Since the agreement creates a limited partnership, the two countries may be looking at direct government investment in a mining company, analysts said.
Chile, the world's biggest copper producer and owner of state mining company Codelco, could be an example they follow, Webb said.
Another hurdle is that some potentially lucrative projects are on land occupied by Russia, and the agreement does not include any security guarantees. Washington has said the presence of U.S. interests would deter aggressors.
Seven of 24 potential mining projects identified by Benchmark are in Russian-occupied parts of Ukraine and include lithium, graphite, rare earth elements, nickel and manganese.
An official of a small Ukrainian company that holds the licence for the Polokhivske lithium deposit, one of the largest in Europe, told Reuters in February it would be tough to develop without Western security guarantees.
"The deal ties the U.S. more closely into Ukraine in that now they've got a bit more of a vested interest in this war coming to an end so that they can develop those assets," Webb said.

Rio Tinto shareholders reject call to review dual-listed structure

An overwhelming majority of Rio Tinto shareholders sided with the board to vote against an activist fund proposal that the mining company should review its dual listing in Sydney and London.
The mining giant said on Thursday that 19.35% of shareholders backed the motion put forward by London-based Palliser Capital.
That was only just below the 20% threshold that would have required Rio Tinto to consult more widely with shareholders under UK regulations, implying the idea might come up again.
Rival BHP, which has a primary listing in Australia, ended a similar dual-listed structure in 2022, six years after activist investor Elliott began its campaign for a single listing.
Palliser wants Rio Tinto to unify into a single holding company based in Australia, saying this could unlock $28 billion in value for holders of the company's London shares.
The London listing comprises about 77% of Rio's investor base, but the Australian-listed shares are trading at a premium of about 25%, partly due to tax advantages available to shareholders there.
"Rio Tinto will continue to engage with our shareholders and will carefully consider the feedback provided," a spokesperson said.
Holders of its Australian stock voted on Thursday and

holders of its UK shares voted at the London AGM on April 3.
London-listed shares rose nearly 1% by 1037 GMT.
Rio Tinto's board had unanimously recommended voting against the resolution, citing tax considerations. It also said a unified listing would be costly and did not provide the flexibility for big M&A that Palliser had suggested it would.

CATALYST FOR CHANGE
Palliser said its campaign has been a catalyst for an improved understanding of the case for unification.
"We will... ensure that institutions are well informed of the pertinent issues, enabling them to actively challenge leadership rather than voting, as a default, in line with board recommendations," James Smith, Palliser's founder and chief investment officer, said in a statement.
Smith formerly worked for Elliott and helped run its campaign against BHP's dual listing.
Palliser's motion was backed by influential proxy adviser firms Institutional Shareholder Services (ISS) and Glass Lewis and more than 100 other shareholders, while Norway's Norges Bank Investment Management, the world's largest sovereign wealth fund, voted against it. It holds 2.5% in Rio's London stock.
Talking to Australian shareholders at the company's Perth AGM, Rio chairman Dominic Barton said: "There is no basis for expecting that an additional review would lead to a different conclusion."
"But I also want to be clear that we are open-minded about all routes that maximise value for you, our shareholders, and that's the lens through which we assess this topic," he added.
Goldman Sachs analysts in March estimated the total cost of collapsing Rio's dual listed companies could range from $7 billion to $15 billion.

MARKET MONITOR as of 06:35 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$59.66 / bbl	0.71%	-16.82%
NYMEX RBOB Gasoline	$2.03 / gallon	0.47%	1.09%
ICE Gas Oil	$596.50 / tonne	1.10%	-14.20%
NYMEX Natural Gas	$3.44 / mmBtu	-1.18%	-5.37%
Spot Gold	$3,256.09 / ounce	0.49%	24.10%
TRPC coal API 2 / May, 25	$100 / tonne	-1.62%	-11.50%
Carbon ECX EUA	€66.93 / tonne	-0.13%	-8.32%
Dutch gas day-ahead (Pre. close)	€31.98 / Mwh	0.25%	-34.13%
CBOT Corn	$4.72 / bushel	0.00%	1.40%
CBOT Wheat	$5.35 / bushel	0.75%	-4.89%
Malaysia Palm Oil (3M)	RM3,927 / tonne	0.41%	-11.71%
Index	**Close 01 May**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	353.10	0.26%	-1.04%
Rogers International	26.25	-0.36%	-10.13%
U.S. Stocks - Dow	40,752.96	0.21%	-4.21%
U.S. Dollar Index	99.88	-0.37%	-7.93%

Top News - Carbon & Power

EXCLUSIVE-QatarEnergy in talks with Japan on long-term LNG supply deal

One of the world's biggest liquefied natural gas suppliers, QatarEnergy, is in talks with Japanese firms for a long-term deal to supply LNG from its North Field expansion project, five trading and industry sources told Reuters. Under the deal, Qatar would supply a consortium of Japanese importers, and a volume of at least 3 million metric tons per annum of gas would be split between them, four of the sources said.

If agreed, it would help to confirm Doha's decades-old dominance of the Japanese market, as competition intensifies from the United States and from neighbouring Gulf suppliers, the United Arab Emirates and Oman, that offer more flexible contract terms.

It would also be the first deal since Reuters reported in October that Qatar was finding it hard to agree to LNG term deals with east Asian buyers in Japan and South Korea due to competition.

The buyers in talks with QatarEnergy include JERA, Japan's largest power generator and trading house Mitsui & Co, said four of the sources, who declined to be identified as they were not authorised to speak to the media. QatarEnergy did not immediately respond to a Reuters request for comment, while JERA said it is in discussions with various suppliers for LNG procurement. It recognised Qatar as an important supplier, but said it would not disclose specific details of its discussions.

At an earnings briefing on Monday, a JERA executive said the company needed to diversify its sources of supply. "Asia-Oceania currently accounts for more than half of our procurement sources. For supply stability, expanding options to regions like North America and the Middle East would be beneficial," Naohiro Maekawa, head of the financial strategy and planning division, said. When asked if the company is in talks with QatarEnergy over a long-term LNG contract, Mitsui said it is in discussions with various sellers to ensure stable LNG supply, but would not provide details of individual discussions.

NORTH FIELD EXPANSION

Qatar was the third largest LNG exporter globally after the U.S. and Australia last year, exporting 79.54 million metric tons of LNG in 2024, according to data from analytics firm Kpler. The Middle Eastern country is planning for an 85% expansion in LNG output from its North Field's current 77 million tons per annum to 142 mtpa by 2030, from a previously expected 126 mtpa.

Japan is the world's second biggest LNG buyer after China, with its trade data showing imports of 65.89 million tons of the fuel last year. Qatar had been among Japan's top three LNG suppliers a decade ago, shipping over 15-16 mtpa to the East Asian country between 2012-2014. The surge followed Qatar's support in ramping up LNG exports after the 2011 earthquake and tsunami triggered the Fukushima nuclear disaster, leading to the gradual shutdown of all Japanese nuclear reactors.

But those volumes have since shrunk, as Japan's nuclear reactors have slowly restarted. JERA also chose not to renew its long-term contract with Qatar for 5.5 mtpa, which expired at the end of 2021. Qatar exported just under 3 million tons to Japan last year, Kpler data showed. A senior JERA executive told Reuters in January that his company planned to increase its LNG purchases from the United States to diversify its supply and meet demand growth spurred by data centres and AI and also plans to talk to suppliers in the Middle East to help diversify its suppliers.

US equals monthly LNG export record in April

The United States in April equaled its record for the largest volume of liquefied natural gas exported as capacity increased with the ramp-up of Venture Global's Plaquemines plant, LSEG data showed.

The U.S. is already the world's largest exporter of LNG and its capacity is expected to grow 20% in 2025 to 115 million tonnes after a record year in 2024, according to the U.S. Energy Information Administration.

In April, the U.S. exported 9.3 million tonnes (MT) of LNG, equaling the monthly record set in March, LSEG data showed.

Exports have been boosted this year by the startup of Venture Global's Plaquemines phase 1 project. The project has been producing at 140% of its design capacity, according to investment bank Tudor Pickering Holt & Co. In April, Plaquemines exported 1.1 MT, up from March when it exported 0.82 MT, according to LSEG ship tracking data.

Europe was again the preferred market for U.S. LNG exports in April. The U.S. exported 6.3 MT of LNG to the continent in April, which represented 68% of its total exports for the month. This is slightly less than the 6.47 MT exported to Europe in March.

The U.S. sold 2.05 MT to Asia in April, more than the 1.64 MT it sold in March, as traders took advantage of higher prices in Asia, LSEG data showed.

In Europe, benchmark prices averaged around $11.48 per mmBtu in April, down from $13.21 in March. One of the reasons prices have fallen in Europe is that Chinese buyers have been reselling their cargoes into Europe to avoid paying tariffs on them if they import them into China. Asia's gas price benchmark, the Japan Korea Marker (JKM), averaged $12.23 per million British thermal units (mmBtu) in April, down from $13.50 in March.

Prices were higher in Asia than in Europe even though LNG demand from China in April was the weakest since October 2022, according to commodity analysts Kpler.

U.S. exports to Latin America increased slightly to 0.68 MT in April, up from 0.55 in March, as it benefited from reduced output at Atlantic LNG in Trinidad, according to LSEG data.

Atlantic LNG, which is owned by Shell and BP, exports to Latin America and sold two fewer cargoes in April than it has averaged in 2025, LSEG data showed.

The U.S. reduced exports to the Middle East with only one cargo sold to Egypt.

There were three other cargoes, for a total of 0.21 MT that left U.S. ports without a clear destination, according to LSEG data.

U.S. LNG exporters also paid less for their feed gas in April with the U.S. Henry Hub benchmark in Louisiana averaging around $3.43 per million British thermal units (mmBtu), down from $4.14 in March.

Top News - Dry Freight

Colombia's Q1 coffee exports jump 20%, says farming group

Colombian coffee exports increased 20% in the first quarter compared to a year ago to 3.59 million 60-kg bags, the largest volume for the quarter in five years, according to the Federacion Nacional de Cafeteros.

FNC's Chief Executive German Bahamon said in a post on X that the result indicates that Colombian coffee has recovered competitiveness in the global coffee market in a period of challenging logistics and geopolitical turbulence.

The federation said the United States, the world's largest coffee consumer, was the biggest buyer of Colombian coffee in the first quarter with 1.44 million bags, 30.7% more than it bought last year.

Total revenues from coffee exports reached $1.31 billion, 64% more than a year before, as global coffee prices rose sharply during the last year.

Colombia is the world's third largest coffee producer, behind Brazil and Vietnam.

Ukraine farm exports fall 23% in April month on month, lobby says

Ukraine's agricultural exports fell by 23.4% in April from a month earlier to 4.1 million metric tons, after increasing by almost 10% in March, Ukrainian farm lobby UCAB said on Thursday.

Ukraine is a major grain and oilseeds grower and exporter.

"Almost all product groups show a decline in exports... the only exception is vegetable oil, which is on the rise," UCAB said on Facebook.

"Such a decline in exports is typical for this season. Most of the crops have already been exported, and there are still small volumes left for export," it added.

UCAB said exports of grains fell by 33%, oilseed by 3% while shipments of vegetable oil rose by 6%.

The agriculture ministry data showed that Ukraine has exported a total of 35.1 million tons of grain so far in the 2024/25 July-June season as of April 30.

Picture of the Day

A farmer drives a tractor next to a Border Security Force check post on a farm in Neshta, next to the India-Pakistan border on the outskirts of Amritsar, India, April 30. REUTERS/Francis Mascarenhas

(Inside Commodities is compiled by Mohammed Nihaal TS in Bengaluru)

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