

The Commodities Feed

Your daily roundup of commodities news and ING views



LME copper inventories surge (000 tonnes)



Source: Bloomberg, ING Research

Energy

US sanctions against Iran: US sanctions against Iran came into effect today, which should see buyers of Iranian crude oil cease purchases. The US has given waivers to eight countries, allowing

them to continue purchasing Iranian crude oil, but likely at reduced levels. The US will announce later today which eight countries received the waivers, although media reports suggest India, Japan and South Korea are on the list, while China is still finalising terms, but also included.

Oil speculative positioning: The latest data shows that speculators reduced their net long in ICE Brent by 53,763 lots over the last reporting week, leaving them with a net long of 307,112 lots- the smallest position they have held since July 2017. Given the price action seen since last Tuesday, and the reduction in open interest, the current net speculative position is likely lower than what the COT report showed. Meanwhile, speculators also reduced their net long in NYMEX WTI by 10,099 lots, leaving them with a net long of 196,196 lots- the smallest net long since September 2017.

Metals

LME copper stocks jump: LME copper inventories increased by a record 43,700 tonnes on Friday, with Asian warehouses seeing the bulk of the inflows. The market had been previously concerned about falling LME inventories, which was also reflected in the strong backwardation of the prompt spreads. Although Friday's inventory number did see the LME copper cash/3M backwardation weaken quite considerably, this morning it has strengthened once again.

Strike at South Deep in South Africa: Mine workers at Gold Fields' South Deep mine in South Africa- which produced 97kOz of gold in 1H18, started an indefinite strike on Friday in response to company plans of restructuring operations and shedding some jobs. The mine represents only around 0.2% of global mine supply, and is unlikely to have a material impact on the physical gold market.

Agriculture

Speculators build sugar long: Over the last reporting week, speculators continued to add to their net long in No.11 sugar. Speculators bought 18,133 lots over the last week, leaving them with a net long of 81648 lots- the largest net long since March 2017. A smaller CS Brazil harvest, along with the fact that the Indian crop may not be as large as initially feared has been constructive for prices. However the Indian harvest is getting underway, and the country is still expected to have a significant domestic surplus, which it will try to shift to the world market.

CBOT soybean positioning: The latest CFTC data shows that speculators increased their net short in CBOT soybeans by 26,883 lots, leaving them with a net short of 71,305 lots. However, this data preceded the rally seen in soybeans, following more optimism that the US and China could agree to a trade deal at the G-20 summit later this month.

Daily price update

	Current	% DoD	ch	%YTD	ch		Current	% DoD	ch	%YTD	ch
ICE Brent (US\$/bbl)	72.83	-0.08		8.91		Comex Silver (US\$/oz)	14.8	-0.14		-13.93	
NYMEX WTI (US\$/bbl)	63.14	-0.86		4.50		LME Copper (US\$/t)	6,283	3.17		-13.30	
ICE Gasoil (US\$/t)	678	-1.09		12.99		LME Aluminium (US\$/t)	1,973	0.36		-13.01	
NYMEX HO (Usc/g)	217	-1.27		4.69		LME Zinc (US\$/t)	2,553	0.49		-23.09	
Eurobob (US\$/t)	609	-1.16		2.18		LME Nickel (US\$/t)	11,930	1.23		-6.50	
NYMEX RBOB (Usc/g)	171	-0.48		-5.05							
NYMEX NG (US\$/mmbtu)	3.28	1.45		11.21		CBOT Corn (Usc/bu)	371	1.23		5.84	
						CBOT Wheat (Usc/bu)	509	0.15		19.15	
API2 Coal (US\$/t)	94	0.80		7.94		CBOT Soybeans (Usc/bu)	875	0.72		-8.04	
NYMEX Coking Coal (US\$/t)	218	-0.91		-10.01		ICE No.11 Sugar (Usc/lb)	13.44	1.90		-11.35	
						ICE Arabica (Usc/lb)	120	1.91		-4.87	
						ICE London Cocoa (GBP/t)	1,675	-0.06		21.55	

Source: Bloomberg, ING Research

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