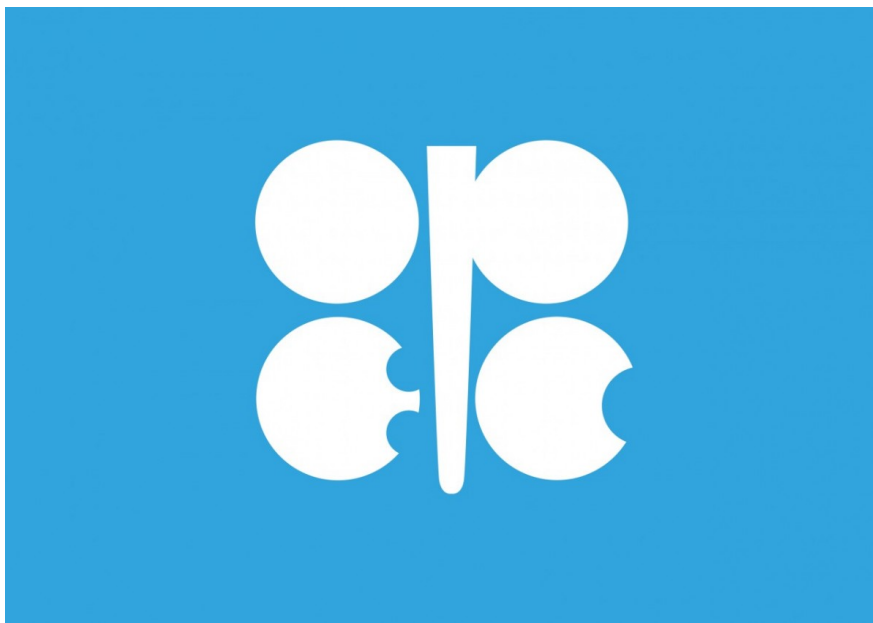


The Commodities Feed: OPEC+ meeting delayed

Oil prices came under pressure yesterday as this weekend's scheduled OPEC+ meeting has been delayed. Disagreement between members leaves uncertainty over the group's output policy for 2024



Energy - OPEC+ meeting delayed

Disagreement has returned to the OPEC+ alliance, which has seen the group's scheduled meeting to discuss 2024 output policy delayed. Unsurprisingly, this news weighed heavily on the market - Brent was down as much as 4.9% at one stage yesterday. However, the market managed to claw back some of these losses to settle just 0.59% lower on the day.

OPEC+ was scheduled to meet on 26 November. However, the meeting has been pushed back to 30 November. Several members are reportedly unhappy about their production targets for next year, levels which were announced back in June. This is specifically the case for Angola, Congo and Nigeria, who had their production targets cut since they struggled to hit their 2023 targets. These members were unhappy back then, and it was agreed that their targets would be revisited before the end of this year and possibly revised higher. Clearly, this has not happened. Angola's output target was cut from 1.46MMbbls/d in 2023 to 1.28MMbbls/d in 2024, Congo's target was reduced

from 310Mbbbls/d to 276Mbbbls/d, whilst Nigeria's target was cut from 1.74MMbbbls/d to 1.38MMbbbls/d. While Angola and Congo are currently producing below their 2024 production targets, Nigeria has managed to increase output recently and is pumping around 1.49MMbbbls/d - above its target for next year. Disagreement between members will likely increase volatility within the market over the course of the next week. It is unclear how this will affect broader policy, or whether it could have any impact on Saudi Arabia extending its additional voluntary cut of 1MMbbbls/d into early 2024.

The EIA's weekly inventory report was fairly bearish with US crude oil inventories growing by 8.7MMbbbls over the week. This leaves total US commercial crude oil inventories at a little over 448MMbbbls - the highest level since July. Despite refinery utilisation remaining below average levels for this time of year (following a fairly heavy maintenance season), gasoline stocks still increased by a marginal 750Mbbbls. However, the distillate market continues to tighten. Distillate fuel oil inventories fell by a little over 1MMbbbls, which leaves stocks at a little under 106MMbbbls- the lowest since May 2022 and at the lowest level in at least 20 years for this time of year. We continue to believe that middle distillates will remain well supported.

Metals – LME on-warrant zinc stockpiles rise

LME on-warrant stocks for zinc rose by 67,500 tonnes (the largest daily addition since March 2018) to 188,175 tonnes as of yesterday. Most inflows were reported from warehouses in Singapore. Total readily available stocks for zinc have seen net inflows of 77,150 tonnes over the last two days alone, while net inflows for the month total 122,600 tonnes. Meanwhile, exchange inventories increased by 68,100 tonnes to 210,850 tonnes as of yesterday, the highest since September 2021.

Agriculture – Ukrainian grain exports remain under pressure

Ukraine's Agriculture Ministry reported that total grain exports for the season fell 28% YoY to 12mt as of 22 November. These shipments include 5.5mt (-15% YoY) of wheat and 5.6mt (-37% YoY) of corn. While Ukraine struggles to export to the world market, domestic production has held up well, which suggests that we are seeing a large build of grain inventories in the domestic market. High levels of stocks could weigh on plantings and, as a result, output for next season.

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