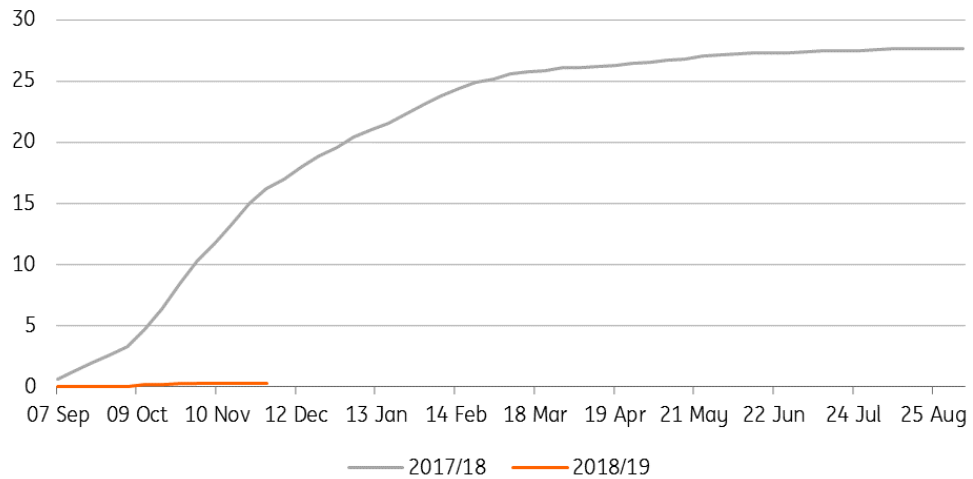


13 December 2018  
Snap

# The Commodities Feed: China buys US soybeans

Your daily roundup of commodities news and ING views

US soybean export sales to to China (m tonnes)



Source: USDA, ING Research

## Agriculture

**China buys US soybeans:** According to the US Soybean Export Council, China has bought between 1.5-2mt of US soybeans in recent days, which follows constructive trade talks between China and the US at the G-20 summit. This development is clearly positive for US farmers, however, we would need to see significantly more purchases from China, with cumulative export sales to China since the start of this marketing year through to the end of November totalling just 339kt, down from 16.26mt at the same stage last season.

## Energy

**OPEC report:** OPEC released its monthly report yesterday, which showed that the group's production averaged 32.97MMbbls/d in November, down 11Mbbls/d from October levels. Unsurprisingly the biggest increase over the month came from Saudi Arabia, with output increasing by 377Mbbls/d, and surpassing 11MMbbls/d. Meanwhile, Iran saw its output fall by 380Mbbls/d to 2.95MMbbls/d. In the report, the group also marginally revised their estimate higher of non-OPEC supply in 2019 (increases estimated over 2H19), taking their estimate of non-OPEC supply to 62.09MMbbls/d, whilst they left their total demand estimate unchanged at 100.08MMbbls/d for 2019. Their numbers suggest that OPEC may need to make further cuts over 2H19.

**US crude oil inventories:** The EIA yesterday reported that US crude oil inventories declined by 1.21MMbbls over the last week, which was less than the 10.2MMbbls reduction that the API reported, and less than the 3.5MMbbls that the market was expecting. After being a net exporter of petroleum in the previous week, last week the US returned to becoming a net importer. US crude oil exports fell 929Mbbls/d over the week, from a record 3.2MMbbls/d in the previous week.

Meanwhile, crude oil imports increased by 174Mbbbls/d to average 7.39MMbbbls/d over the week. Finally, the EIA also reported that gasoline inventories increased by 2.1MMbbbls over the week, while distillate fuel oil inventories declined by 1.48MMbbbls. This continues to leave gasoline inventories towards the five-year high, while the distillate fuel oil market remains tight, with inventories remaining below the 5-year average.

## Metals

**Chile copper mine strike:** Chile is witnessing further industrial action, with workers at Codelco's 265ktpa Chuquicamata copper mine going on strike and blocking access to the mine. This is the third time in less than a month that Chilean mine workers have protested. Codelco's Radomiro Tomic mine and BHP's Spence mine saw brief walkouts recently. Meanwhile, LME copper inventories fell by 1,400 tonnes yesterday, the 11th consecutive decline, pushing total stocks to a decade low of 119.9kt. The LME cash/3M spread remains in backwardation, although has weakened quite considerably since late November.

## Daily price update

	Current	% DoD ch	%YTD ch		Current	% DoD ch	%YTD ch
ICE Brent (US\$/bbl)	<b>60.15</b>	-0.08	-10.05	Comex Silver (US\$/oz)	<b>14.7</b>	1.56	-14.11
NYMEX WTI (US\$/bbl)	<b>51.15</b>	-0.97	-15.34	LME Copper (US\$/t)	<b>6,140</b>	-0.45	-15.28
ICE Gasoil (US\$/t)	<b>569</b>	0.00	-5.16	LME Aluminium (US\$/t)	<b>1,939</b>	0.00	-14.51
NYMEX HO (Usc/g)	<b>185</b>	0.21	-10.82	LME Zinc (US\$/t)	<b>2,570</b>	-0.77	-22.57
Eurobob (US\$/t)	<b>492</b>	-0.98	-17.43	LME Nickel (US\$/t)	<b>10,795</b>	0.23	-15.40
NYMEX RBOB (Usc/g)	<b>142</b>	-1.35	-21.05				
NYMEX NG (US\$/mmbtu)	<b>4.14</b>	-6.15	40.06	CBOT Corn (Usc/bu)	<b>376</b>	0.33	7.27
				CBOT Wheat (Usc/bu)	<b>515</b>	1.08	20.67
API2 Coal (US\$/t)	<b>89</b>	1.42	2.00	CBOT Soybeans (Usc/bu)	<b>920</b>	0.55	-3.34
NYMEX Coking Coal (US\$/t)	<b>224</b>	0.90	-7.53	ICE No.11 Sugar (Usc/lb)	<b>12.74</b>	-0.70	-15.96
				ICE Arabica (Usc/lb)	<b>98</b>	0.10	-22.54
				ICE London Cocoa (GBP/t)	<b>1,525</b>	2.62	10.67

Source: Bloomberg, ING Research

## Warren Patterson

Head of Commodities Strategy

+31 20 563 8921

warren.patterson@ing.com

### **Disclaimer**

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("**ING**") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group NV and its subsidiary and affiliated companies).* The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. The producing legal entity ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is subject to limited regulation by the Financial Conduct Authority (FCA). ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.