

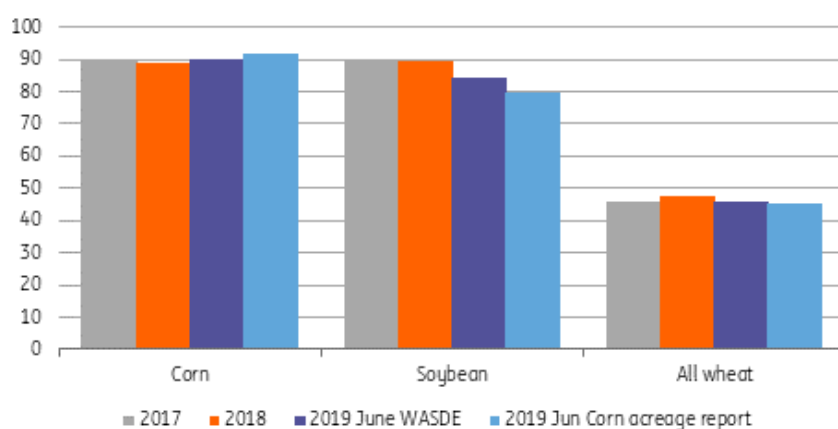
The Commodities Feed: OPEC+ extension is coming

Your daily roundup of commodity news and ING views



Source: Shutterstock

US planted acreage (m acres)



Source: USDA, ING Research

Energy

OPEC+ extension: The OPEC meeting kicks off today in Vienna, which will be followed by the OPEC+

meeting tomorrow. However following comments from Russian President Vladimir Putin, it does appear that the group are broadly in agreement to extend the deal, and continue cutting by 1.2MMbbls/d. This does take away a key uncertainty for the market, as it was not known precisely where Russia stood in terms of prolonging the deal. The decision that needs to be made now is whether the deal will be extended through until the end of this year, or will it run into next year- a number of producers have suggested that cuts could be extended for as long as nine months.

A move towards extending the deal, along with constructive talks between Presidents Trump and Xi at the G-20 summit which would see the US holding off from imposing new tariffs, has proved constructive for the oil market this morning.

Speculative positioning: Latest data shows that speculators decreased their net long in ICE Brent by 16,752 lots over the last reporting week to leave them with a net long of 254,754 lots as of 25 June. The reduction was driven by both longs liquidating, along with fresh shorts entering the market. Turning to NYMEX WTI, there was little change in the managed money position, with speculators selling just 1,299 lots over the reporting week, leaving them with a net long of 145,439 lots as of 25 June.

Metals

US/China trade talks: The weekend meeting between Donald Trump and Xi Jinping on the sidelines of the G-20 Summit ended on a positive note, with both countries agreeing to restart trade talks again. In the meantime, China promised to increase agriculture imports from the US, while the US will hold off any tariff hikes for now. The truce has helped to improve sentiment in the market this morning, with LME copper, up more than 1% in early trading. Meanwhile, gold has come under pressure, falling by more than 1.5%, and leaving the metal trading below US\$1,400/oz.

Speculative positioning: Latest data from the CFTC shows that over the last reporting week, speculators continued to add to their long in gold, with the managed money net long increasing by 39,983 lots to leave speculators with a net long of 229,664 lots as of last Tuesday. However, with the US and China set to restart trade talks, some of these longs are likely to liquidate. Elsewhere, the speculative net short in copper declined by 10,077 lots over the reporting week, as short-sellers covered 13,303 lots, while the longs liquidated 3,226 lots.

Agriculture

Corn sell-off: The corn market came under pressure on Friday following the release of the USDA's latest acreage report, which estimated planted corn area at 91.7m acres, well above market expectations of around 87m acres, as well as the 89.8m acre estimate in the WASDE. This latest estimate does seem overly optimistic, particularly with the delayed plantings we have seen due to heavy rain. Soybean plantings are estimated at just 80m acres compared to market expectations of around 84.7m acres, and the WASDE estimate of 84.6m acres.

Daily price update

	Current	% DoD ch	%YTD ch		Current	% DoD ch	%YTD ch
ICE Brent (US\$/bbl)	66.5	0.26	23.61	Spot Gold (US\$/oz)	1,409.6	-0.02	9.91
NYMEX WTI (US\$/bbl)	58.01	-2.08	27.75	Spot Silver (US\$/oz)	15.3	0.37	-1.16
ICE Gasoil (US\$/t)	588	-1.18	15.03	LME Copper (US\$/t)	5,993	0.07	0.47
NYMEX HO (Usc/g)	194	-0.67	15.39	LME Aluminium (US\$/t)	1,800	0.56	-2.49
Eurobob (US\$/t)	601	-0.06	25.34	LME Zinc (US\$/t)	2,495	0.81	1.13
NYMEX RBOB (Usc/g)	194	-0.21	46.75	LME Nickel (US\$/t)	12,690	-0.16	18.71
NYMEX NG (US\$/mmbtu)	2.31	-0.69	-21.50	CBOT Corn (Usc/bu)	420	-4.49	12.07
TTF Natural Gas (EUR/MWh)	10.12	7.90	-53.98	CBOT Wheat (Usc/bu)	528	-3.56	4.92
API2 Coal (US\$/t)	50	0.61	-42.09	CBOT Soybeans (Usc/bu)	900	1.35	1.95
Newcastle Coal (US\$/t)	67	0.15	-33.68	ICE No.11 Sugar (Usc/lb)	12.62	0.72	4.90
SGX TSI Coking Coal (US\$/t)	191	0.00	-9.91	ICE Arabica (Usc/lb)	108	2.56	6.28
SGX Iron Ore 62% (US\$/t)	112.87	1.62	62.47	ICE London Cocoa (GBP/t)	1,771	-0.84	0.28

Source: Bloomberg, ING Research

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