

Snap | 8 February 2019

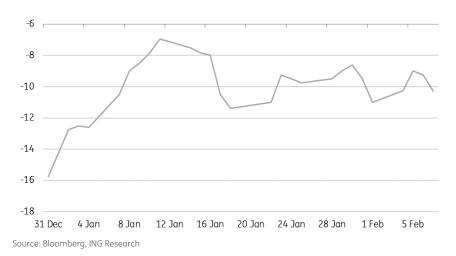
The Commodities Feed: Pipeline disruptions

Your daily roundup of commodity news and ING views



Source: Shutterstock

WCS/WTI differential (US\$/bbl)



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Energy

ARA product inventories: Latest data from PJK shows that gasoil inventories in the ARA region increased by 27kt over the week to total 2.4mt, the increase was driven by stronger imports. Still, gasoil inventories in the ARA region remain quite some distance away from the five-year average of close to 3mt for this stage of the year. Fuel oil inventories in the region increased by 59kt over the week to total 1mt. This is the first increase in fuel oil inventories since early January, with previous drawdowns driven by stronger flows to Asia. The 3.5% Rotterdam fuel oil crack has strengthened significantly on the back of this stronger demand for European product, with the crack rallying from more than a US\$8.bbl discount in mid-December to almost a US\$3/bbl discount currently.

Fuel oil inventories in Singapore have broadly trended higher from the levels seen in November, however inventories still remain towards the-5 year low at 19.3MMbbls.

Canadian pipeline shutdowns: Two pipelines in Canada remain partially shut, with concerns over a possible leak. TransCanada has in fact declared force majeure on Keystone oil flows. The disruption has seen the WCS-WTI differential weaken slightly, with the spread widening from a discount of US\$9/bbl to a US\$10.30/bbl discount.

Metals

US copper premium: According to a Bloomberg survey, the premium for physical copper in the US Midwest has increased to US¢8.125/lb, up from US¢7.5/lb in January, and is in fact the highest level seen in four years. COMEX copper inventories have continued to trend lower, falling around 28% so far this year, and hitting a two-year low of 79kt.

Agriculture

WASDE report: The grain markets are set to get a number of data releases today, following the US government shutdown. The USDA will be releasing both its latest WASDE report, along with its delayed quarterly stocks report. For the WASDE, the USDA will be reporting both January and February estimates. In terms of global ending stocks, the market is not expecting significant changes from the December report. The biggest change is the lowering of global soybean ending stocks for the current season from 115.3mt to 113mt.

Daily price update

	Current '	% DoD ch	%YTD ch		Current	Current % DoD ch
ICE Brent (US\$/bbl)	61.63	-1.69	14.55	Comex Silver (US\$/oz)	Comex Silver (US\$/oz) 15.7	Comex Silver (US\$/oz) 15.7 0.08
NYMEX WTI (US\$/bbl)	52.64	-2.54	15.92	LME Copper (US\$/t)	LME Copper (US\$/t) 6,246	LME Copper (US\$/t) 6,246 -0.53
ICE Gasoil (US\$/t)	574	-1.37	12.43	LME Aluminium (US\$/t)	LME Aluminium (US\$/t) 1,894	LME Aluminium (US\$/t) 1,894 -0.68
NYMEX HO (Usc/g)	190	-0.61	13.07	LME Zinc (US\$/t)	LME Zinc (US\$/t) 2,731	LME Zinc (US\$/t) 2,731 1.00
Eurobob (US\$/t)	505	-1.71	5.37	LME Nickel (US\$/t)	LME Nickel (US\$/t) 12,985	LME Nickel (US\$/t) 12,985 0.46
NYMEX RBOB (Usc/g)	143	-2.28	7.71			
NYMEX NG (US\$/mmbtu)	2.55	-4.17	-13.23	CBOT Corn (Usc/bu)	CBOT Corn (Usc/bu) 377	CBOT Corn (Usc/bu) 377 -0.92
				CBOT Wheat (Usc/bu)	CBOT Wheat (Usc/bu) 513	CBOT Wheat (Usc/bu) 513 -2.42
API2 Coal (US\$/t)	76	-3.88	-12.30	CBOT Soybeans (Usc/bu)	CBOT Soybeans (Usc/bu) 913	CBOT Soybeans (Usc/bu) 913 -0.92
NYMEX Coking Coal (US\$/t)	204	0.00	-10.26	ICE No.11 Sugar (Usc/lb)	ICE No.11 Sugar (Usc/lb) 12.73	ICE No.11 Sugar (Usc/lb) 12.73 -1.32
				ICE Arabica (USc/lb)	ICE Arabica (USc/lb) 104	ICE Arabica (USc/lb) 104 -1.14
				ICE London Cocoa (GBP/t)	ICE London Cocoa (GBP/t) 1,698	ICE London Cocoa (GBP/t) 1,698 -0.59
Source: Bloomberg, ING Res	search					

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