

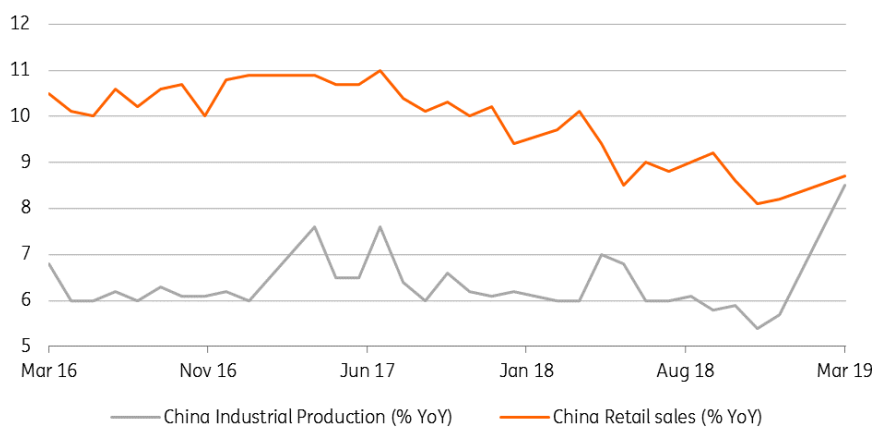
# The Commodities Feed: Positive Chinese data

Your daily roundup of commodity news and ING views



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## China's economy showing some signs of improvement



Source: Bloomberg, ING Research

## Energy

**US crude oil inventories:** The API reported yesterday that US crude oil inventories declined by 3.1MMbbls, which went against market expectations for a crude oil build of around 2.3MMbbls. It also reported a larger-than-expected draw in gasoline stocks of 3.56MMbbls, whilst distillate fuel oil stocks saw a surprise build of 2.33MMbbls. Persistent draws in recent weeks have been bullish for gasoline cracks, with the May RBOB crack rally well above US\$20/bbl, from below US\$13/bbl at the end of January. However, refinery utilisation rates should pick up moving forward, which should see a reversal in the large draws that we have seen on the product side recently.

**Pernis refinery strike:** Strike action at the Pernis oil refinery in the Netherlands continues, and union leaders say that operating rates at the refinery will be kept at 65%. There is no suggestion when the refinery will return to full operation, but workers at the 400Mbbbls/d refinery have been on strike since last Monday. As of yet, the disruption has not provided too much support to the gasoil crack and it remains below US\$14/bbl.

## Metals

**China data:** Latest economic data out of China has been strong, with GDP recording steady growth of 6.4% in 1Q19 compared to expectations of around 6.3%, while industrial output was up 8.5% year-on-year in March compared to expectations of 5.6%. Retail sales also expanded by 8.7% in March, indicating improving consumer confidence. The better-than-expected economic data helps demand prospects; however some worries linger as to how Beijing will respond in terms of stimulus now that the economy is showing signs of improvement.

Metals production continues to increase at a healthy pace, with crude steel output up 10% YoY to total 80.3mt in March (cumulative output up 9.9% YoY to 231.1mt over the 1Q19) and primary aluminium output rising 3.4% YoY to 2.88mt (+3.9% YoY to 8.6mt over the first three months of the year).

## Agriculture

**Sugar refining cuts:** Bloomberg reports that the Al Khaleej sugar refinery in Dubai has suspended operations once again, and this follows the 2.1mtpa refinery halting production from mid-December through to early February. Standalone refineries have been battling with a low whites premium- the Aug/Jul whites premium has traded to as low as US\$51/t in April. The pressure is coming from a large exportable surplus of low quality white sugar from India, which is threatening to make its way onto the world market, along with Thai refined sugar.

## Daily price update

	Current	% DoD	ch	%YTD	ch		Current	% DoD	ch	%YTD	ch
ICE Brent (US\$/bbl)	71.72	0.76		33.31		Comex Silver (US\$/oz)	14.9	-0.40		-4.02	
NYMEX WTI (US\$/bbl)	64.05	1.03		41.05		LME Copper (US\$/t)	6,495	0.23		8.89	
ICE Gasoil (US\$/t)	634	0.60		24.03		LME Aluminium (US\$/t)	1,856	-0.51		0.51	
NYMEX HO (Usc/g)	208	1.03		23.88		LME Zinc (US\$/t)	2,810	-3.10		13.90	
Eurobob (US\$/t)	679	0.20		41.67		LME Nickel (US\$/t)	12,953	-0.29		21.17	
NYMEX RBOB (Usc/g)	203	0.99		53.49							
NYMEX NG (US\$/mmbtu)	2.57	-0.69		-12.52		CBOT Corn (Usc/bu)	359	-1.03		-4.27	
						CBOT Wheat (Usc/bu)	445	-3.16		-11.57	
API2 Coal (US\$/t)	65	-0.08		-24.07		CBOT Soybeans (Usc/bu)	888	-1.20		0.62	
NYMEX Coking Coal (US\$/t)	204	0.37		-10.37		ICE No.11 Sugar (Usc/lb)	12.51	-1.18		3.99	
						ICE Arabica (Usc/lb)	91	-0.98		-11.14	
						ICE London Cocoa (GBP/t)	1,809	-0.33		2.43	

Source: Bloomberg, ING Research

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