

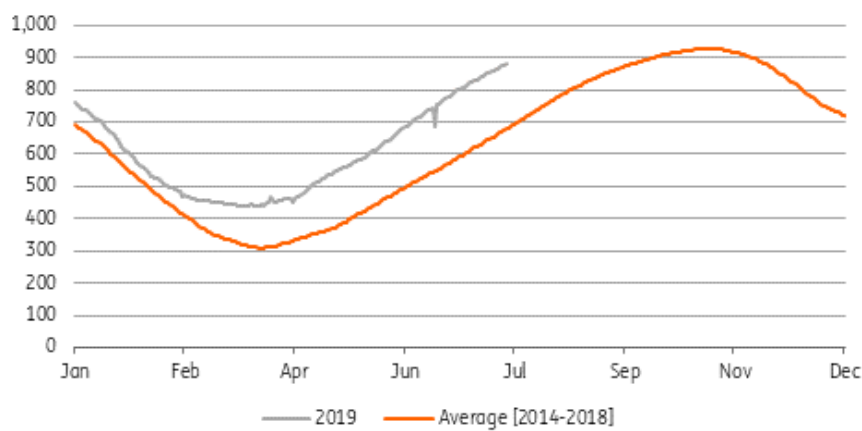
# The Commodities Feed: Post-sanction Rusal sales rise

Your daily roundup of commodity news and ING views



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## European natural gas stocks (TWh)



Source: Bloomberg, ING

## Energy

**Products stocks:** Latest data from Insight Global shows that refined products stocks at Amsterdam-Rotterdam-Antwerp (ARA) area, Europe fell 179kt WoW to 6.2mt over the last week. Gasoil inventory increased further by 12kt WoW whilst gasoline inventory gained 13kt WoW. Fuel oil inventory dropped by 115kt to 1,014kt whilst naphtha and Jet Fuel also reported inventory drawdown. Moving to Asia, data from International Enterprise shows that light distillate stocks in Singapore dropped by 948Mbbls over the week, falling to a 5-year low of 9.2MMbbls as on 24 July. Middle distillate stocks in Singapore also dropped 118Mbbls over the week to 10.6MMbbls.

**Natural gas update:** NYMEX Henry Hub prices continued to trade under pressure due to stronger supply and flattish demand. Latest data from EIA shows that US dry gas production increased by 0.7Bcf/d WoW (+6.8Bcf/d YoY) to 89.5Bcf/d over the last week while demand was largely flat WoW at 68.3Bcf/d (falling 0.5Bcf/d YoY). Net injection into storage tanks was reported at 36Bcf for the week with total stocks increasing to 2,569Bcf. The net injection in storage tanks for the season so far is reported to be 32% higher than the 5-yr average reflecting ample availability of natural gas. Meanwhile, in Europe, current gas stocks at 879Twh are significantly above the 5-year average of 678Twh for the same time of the year as injections so far in the season has outpaced the usual pace. The ongoing warmer weather has been supportive of the demand in the immediate term; however, growing supplies from Russia and the US is likely to help the European gas market to end the injection season at a record high, nevertheless.

## Metals

**Rusal aluminium sales:** Rusal reported that its aluminium sales increased 20.8% QoQ to 1.08mt as existing inventory, piled up in 2018 due to US sanctions, were supplied into the market. Cumulatively sales are up 13.2% YoY to 1.98mt over the first half of 2019 with production largely flat at 1.87mt over the same time period. Additional shipments of aluminium have been keeping global aluminium market well supplied and LME prices under pressure. Meanwhile, Rusal has also completed an expansion at its Boguchansky plant in Russia and likely to start operations by end of 3Q19 that will push up production capacity of the plant from 298ktpa to 418kt pa.

## Agriculture

**IGC forecasts:** The International Grains Council has lowered its grains production forecasts for 2019/20 due to adverse weather in Russia, Europe and the US. Latest data from IGC lowered wheat production forecast by 6mt (0.8% compared to June forecasts) and now expects the wheat output to be 763mt for 2019/20 due to poor crop conditions in Russia and Europe on account of the warmer than usual weather. Global Corn and soybean output forecasts have also been revised down by 3mt and 1mt respectively mainly on slower crop progress in the US.

	Current	% DoD ch	%YTD ch		Current	% DoD ch	%YTD ch
ICE Brent (US\$/bbl)	63.39	0.33	17.83	Spot Gold (US\$/oz)	1,414.6	-0.79	10.30
NYMEX WTI (US\$/bbl)	56.02	0.25	23.36	Spot Silver (US\$/oz)	16.4	-1.14	5.92
ICE Gasoil (US\$/t)	588	-0.72	15.17	LME Copper (US\$/t)	6,007	0.13	0.70
NYMEX HO (Usc/g)	191	0.29	13.89	LME Aluminium (US\$/t)	1,826	0.00	-1.08
Eurobob (US\$/t)	634	0.21	32.13	LME Zinc (US\$/t)	2,440	-0.77	-1.09
NYMEX RBOB (Usc/g)	188	1.36	42.05	LME Nickel (US\$/t)	14,075	-3.26	31.67
NYMEX NG (US\$/mmbtu)	2.24	1.08	-23.67				
TTF Natural Gas (EUR/MWh)	10.02	-0.50	-54.40	CBOT Corn (Usc/bu)	419	-1.30	11.60
				CBOT Wheat (Usc/bu)	500	0.35	-0.75
API2 Coal (US\$/t)	64	-0.31	-26.23	CBOT Soybeans (Usc/bu)	883	-0.95	0.00
Newcastle Coal (US\$/t)	75	-0.27	-26.38	ICE No.11 Sugar (Usc/lb)	12.00	-0.50	-0.25
SGX TSI Coking Coal (US\$/t)	168	-2.11	-20.94	ICE Arabica (Usc/lb)	101	-0.35	-1.18
SGX Iron Ore 62% (US\$/t)	112.58	1.33	62.06	ICE London Cocoa (GBP/t)	1,843	0.05	4.36

Source: Bloomberg, ING

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