

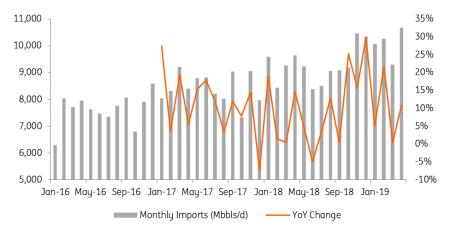
Commodities daily

The Commodities Feed: Record Chinese oil imports

Your daily roundup of commodity news and ING views



Chinese oil imports grow



Source: China Customs, ING Research

Energy

US oil inventories: The API reported yesterday that US crude oil inventories increased by 2.81MMbbls over the last week, which was higher than the 1.9MMbbls that the market was

expecting. Gasoline and distillate fuel oil stocks saw drawdowns of 2.83MMbbls and 834Mbbls, respectively. The EIA will be releasing its more widely followed inventory data later today.

The EIA also released its latest Short Term Energy Outlook yesterday, in which it increased its 2019 US oil output forecast from 12.39MMbbls/d to 12.45MMbbls/d, whilst the 2020 production forecast increased from 13.10MMbbls/d to 13.38MMbbls/d. The increase in expectations for this year comes despite the fact that we have seen month-on-month declines in US output for both January and February.

Chinese oil imports: If there are any concerns over a Chinese slowdown, it is certainly not reflected in oil import data. The latest data shows that China imported a record 10.68MMbbls/d of crude oil in April, up 11% year-on-year, and 15% higher month-on-month. Although these strong exports likely reflect heavy stockpiling in the lead up to the expiry of Iranian waivers.

Meanwhile, there were media reports yesterday that Saudi Aramco was set to supply additional crude to Asian buyers in June, with buyers having to turn elsewhere for supply, particularly following the expiry of Iranian waivers on 2 May. This stronger demand for Saudi crude has seen Aramco increase its official selling price for all grades of crude oil into Asia.

Metals

Chinese metal trade: China's iron ore imports fell 6.5% MoM (down 2.5% YoY) to 80.77mt in April, while YTD imports are down 3.7% YoY to total 340.21mt, as lower shipments from both Brazil and Australia continue to weigh on iron ore supplies in the country. Chinese steel exports were flat MoM at 6.33mt in April (down 2.4% YoY), although YTD exports are up 8.3% YoY to total 23.35mt. For base metals, Chinese exports of aluminium semi-fabricated products over the month remained strong, with shipments increasing 11% YoY to 498kt. This takes cumulative exports to 1.94mt, up 12.9% YoY.

China gold reserves: China added 0.48mOz (14.9 tonnes) of gold to its reserves in April, the fifth consecutive month of additions. April purchases have pushed Chinese gold reserves to 61.10mOz, with 1.86mOz of gold added over the past five months. We believe that strong central bank demand (including from Russia), along with growing uncertainty over trade, should be constructive for gold prices moving forward.

Agriculture

Chinese soybean imports: Latest data from China Customs shows that soybean imports into the country totalled 7.64mt over the month of April, a 55% increase MoM, and 10% higher YoY. In fact, imports over the month were the strongest since September 2018 and the increase is largely a reflection of South American supplies picking up, with harvests underway in the region.

Daily price update

	Current	% DoD ch	%YTD ch		Current	% DoD ch	%YTD ch
ICE Brent (US\$/bbl)	69.88	-1.91	29.89	Comex Silver (US\$/oz)	14.9	0.02	-4.38
NYMEX WTI (US\$/bbl)	61.4	-1.37	35.21	LME Copper (US\$/t)	6,180	N/A	3.60
ICE Gasoil (US\$/t)	634	-0.90	24.18	LME Aluminium (US\$/t)	1,816	N/A	-1.63
NYMEX HO (Usc/g)	204	-1.45	21.23	LME Zinc (US\$/t)	2,692	N/A	9.12
Eurobob (US\$/t)	675	-1.64	40.83	LME Nickel (US\$/t)	12,039	N/A	12.62
NYMEX RBOB (Usc/g)	195	-2.40	47.22				
NYMEX NG (US\$/mmbtu)	2.54	0.52	-13.71	CBOT Corn (Usc/bu)	358	0.63	-4.53
				CBOT Wheat (Usc/bu)	431	0.58	-14.46
API2 Coal (US\$/t)	70	-1.68	-17.06	CBOT Soybeans (Usc/bu)	818	0.03	-7.34
NYMEX Coking Coal (US\$/t)	205	0.00	-9.82	ICE No.11 Sugar (Usc/lb)	11.95	0.59	-0.67
				ICE Arabica (USc/lb)	87	-2.42	-14.92
				ICE London Cocoa (GBP/t)	1,887	-1.15	6.85

Source: Bloomberg, ING Research

Author

Warren Patterson

Head of Commodities Strategy Warren.Patterson@asia.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 N.V. 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. 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 authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. 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.

Additional information is available on request. For more information about ING Group, please visit www.ing.com.