

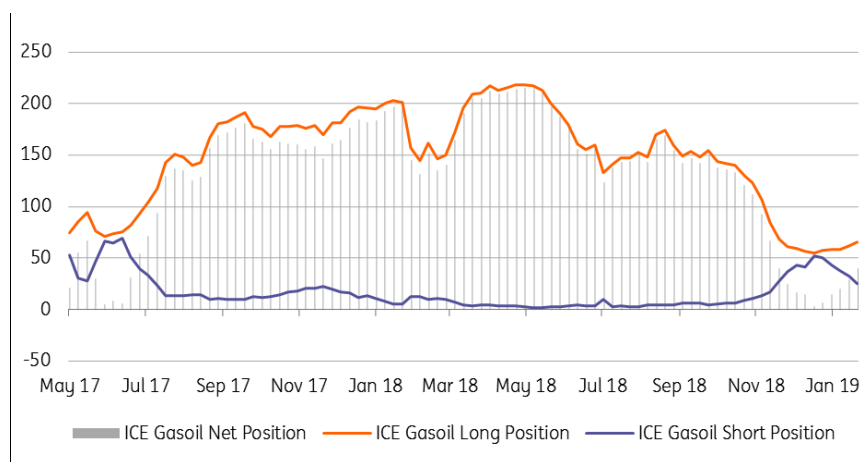
The Commodities Feed: Specs increase gasoil long

Your daily roundup of commodity news and ING views



Source: Shutterstock

Speculators increase ICE gasoil net long (000 lots)



Energy

Speculative positioning: Latest exchange data shows that there was little change in the net speculative position for ICE Brent over the last reporting week, with speculators buying 1,292 lots to leave them with a net long of 233,995 lots. However, the gross short position did increase for the first time this year, with shorts selling 13,349 lots. As for ICE Gasoil, the net speculative long increased by 10,440 lots, leaving speculators with a net long of 40,008 lots- the largest position since early December. The bulk of the buying was driven by short covering, with shorts buying back 6,975 lots over the reporting week.

OPEC+ cuts: [The UAE oil minister Suhail Al Mazrouei believes](#) that the oil market will be in balance over 1Q19 as a result of OPEC+ cuts and says that the UAE is complying with the output cut agreement, with current production of around 3.07MMbbls/d. OPEC is set to release its monthly oil market report on Tuesday, which will include production estimates for January. This will be followed by the IEA monthly oil market report on the Wednesday.

Metals

Dalian iron ore rallies: With China returning from the Chinese New Year, domestic markets are playing catch up with recent developments, and this is clearly evident when looking at Dalian iron ore futures, which have surged 8% so far in trading today. This follows news last week that Vale has had to suspend 30mtpa of capacity at its Brucutu mine in order to comply with a court order, and as a result Vale declared force majeure on some contracts.

Chile copper supply: Heavy rains last week forced several copper miners in Chile to halt operations since Thursday, however were able to resume operations over the weekend. Codelco's Chuquicamata, Ministro Hales and Radomiro Tomic mines, with a combined output of around 850ktpa were forced to suspend operations temporarily.

Agriculture

WASDE report: The USDA released its first WASDE report since December on Friday, which saw the agency revise lower its estimate for global soybean ending stocks for this season from 115.3mt to 106.7mt- lower than the 113mt that the market was expecting. The decline was predominantly driven by a revision lower in US output, whilst expectations for Brazilian soybean output were lowered from 122mt to 117mt. Meanwhile, there were marginal changes in 2018/19 ending stock estimates for both corn and wheat.

Daily price update

	Current	% DoD ch	%YTD ch		Current	% DoD ch	%YTD ch
ICE Brent (US\$/bbl)	62.1	0.76	15.43	Comex Silver (US\$/oz)	15.8	0.61	1.73
NYMEX WTI (US\$/bbl)	52.72	0.15	16.10	LME Copper (US\$/t)	6,210	-0.58	4.11
ICE Gasoil (US\$/t)	583	1.44	14.05	LME Aluminium (US\$/t)	1,881	-0.69	1.90
NYMEX HO (Usc/g)	191	0.42	13.55	LME Zinc (US\$/t)	2,704	-0.99	9.61
Eurobob (US\$/t)	511	1.09	6.51	LME Nickel (US\$/t)	12,570	-3.20	17.59
NYMEX RBOB (Usc/g)	145	1.44	9.27				
NYMEX NG (US\$/mmbtu)	2.58	1.25	-12.14	CBOT Corn (Usc/bu)	374	-0.60	-0.20
				CBOT Wheat (Usc/bu)	517	0.78	2.78
API2 Coal (US\$/t)	72	-2.57	-16.42	CBOT Soybeans (Usc/bu)	915	0.14	3.63
NYMEX Coking Coal (US\$/t)	202	-1.23	-11.36	ICE No.11 Sugar (Usc/lb)	12.71	-0.16	5.65
				ICE Arabica (Usc/lb)	103	-1.63	0.74
				ICE London Cocoa (GBP/t)	1,686	-0.71	-4.53

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 <http://www.ing.com>.