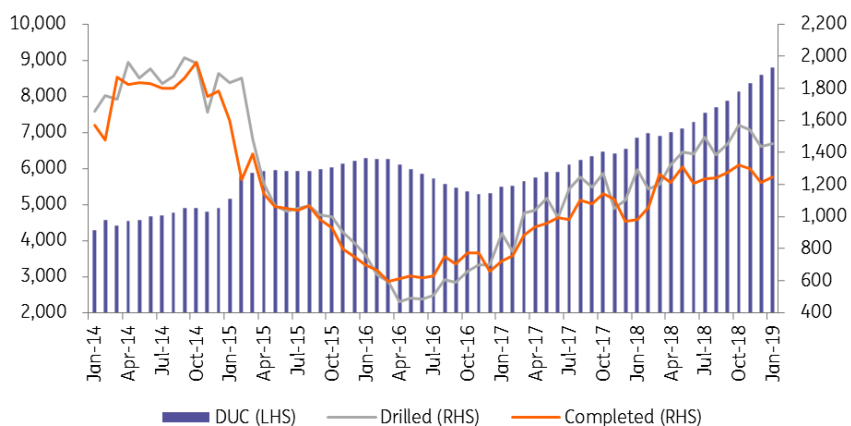


The Commodities Feed: US shale output set to grow further

Your daily roundup of commodity news and ING views



US drilled but uncompleted wells continue to rise



Source: EIA, ING Research

Energy

US drilling productivity: The EIA released its latest monthly drilling productivity report yesterday, where they estimate that US shale output in March will average 8.398MMbbls/d, up 84Mbbbls/d from their February estimate of 8.31MMbbls/d. This February estimate was also revised higher, with the administration last month estimating that February output would average 8.18MMbbls/d. Meanwhile the number of drilled but uncompleted wells increased by 207 over January to total a record 8,798.

US crude oil inventories: The API is set to release its weekly inventory numbers later today, a day delayed due to a public holiday in the US on Monday. According to a Bloomberg survey, the market expects that US crude oil inventories increased by 3.1MMbbls over the last week. Meanwhile draws of around 900Mbbbls and 1.5MMbbls are expected in gasoline and distillate fuel oil respectively.

Metals

Precious metal strength: Palladium has strengthened by more than 7% over the past week, hitting a fresh high of US\$1,500/oz on fears of short supply. Earlier, Johnson Matthey forecast that the supply deficit could widen to around 1mOz in 2019, on the back of growing Chinese demand. Platinum also gained during the week though not as much as palladium, with the Pd/Pt price ratio increasing further to 1.83. Meanwhile gold has surged above US\$1,350/oz on the back of a weaker dollar

Copper spread strength: The LME copper cash/3M spread started the week strongly, with it surging to a four year high of US\$58/t, although has since retreated back to a backwardation of US\$25/t. Earlier this week, the Indian Supreme Court ordered that Vedanta's 400ktpa Tuticorin smelter remains shut, only supporting the view of a tighter refined copper market.

Agriculture

US grain export inspections: Latest data from the USDA shows that 1.03mt of soybeans were inspected for export over the last week, this compares to 962kt for the same week last year. From the 1.03mt inspected, 404kt was destined for China. Meanwhile 942kt of corn was inspected for export over the last week, up from 751kt in the previous week, and marginally lower than the 944kt inspected in the same week last year.

Daily price update

	Current	% DoD	ch	%YTD	ch		Current	% DoD	ch	%YTD	ch
ICE Brent (US\$/bbl)	66.45	-0.08		23.51		Comex Silver (US\$/oz)	16.0	N/A		2.75	
NYMEX WTI (US\$/bbl)	56.09	N/A		23.52		LME Copper (US\$/t)	6,319	0.70		5.93	
ICE Gasoil (US\$/t)	611	-1.17		19.53		LME Aluminium (US\$/t)	1,856	0.00		0.54	
NYMEX HO (Usc/g)	199	N/A		18.67		LME Zinc (US\$/t)	2,657	0.72		7.70	
Eurobob (US\$/t)	533	N/A		11.12		LME Nickel (US\$/t)	12,660	1.65		18.43	
NYMEX RBOB (Usc/g)	156	N/A		18.14		CBOT Corn (Usc/bu)	370	N/A		-1.40	
NYMEX NG (US\$/mmbtu)	2.66	N/A		-9.46		CBOT Wheat (Usc/bu)	490	N/A		-2.68	
API2 Coal (US\$/t)	80	0.50		-7.48		CBOT Soybeans (Usc/bu)	901	N/A		2.07	
NYMEX Coking Coal (US\$/t)	209	N/A		-8.28		ICE No.11 Sugar (Usc/lb)	13.35	N/A		10.97	
						ICE Arabica (Usc/lb)	97	N/A		-4.57	
						ICE London Cocoa (GBP/t)	1,778	0.34		0.68	

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>.