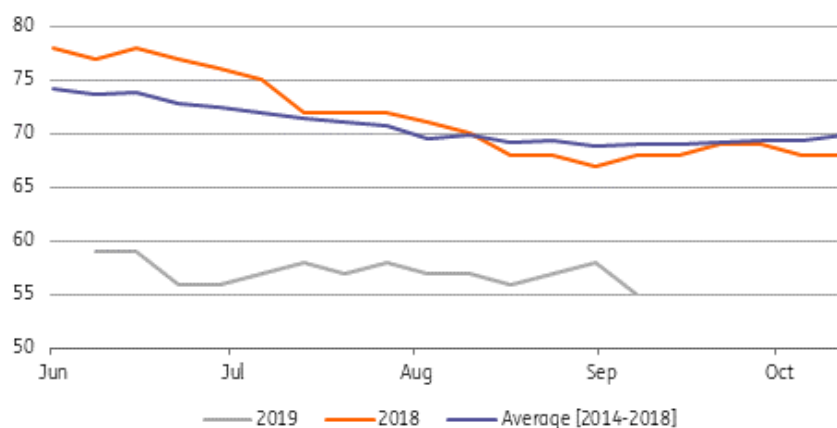


The Commodity Feed: Concerning signs on US corp/soybean

Your daily roundup of commodity news and ING views



US corn crop in good-to-excellent condition (%)



Source: Bloomberg, ING

Energy

Global oil demand – The International Energy Agency has lowered its crude oil demand growth forecasts by another 0.1MMbbls/d for the current year and now the agency estimates oil demand to increase by 1MMbbls/d YoY in 2019, IEA's executive director Fatih Birol told on the sidelines of the World Energy Congress in Abu Dhabi. The economic slowdown, trade tensions between the US and China and uncertainty related to Brexit were the main reasons behind the demand downgrades. Official IEA report will be out on 12th September 2019. Lower demand growth expectations from the IEA is likely to put more pressure on OPEC+ to continue the output cuts to support oil prices.

US oil inventory – The API will be releasing its oil inventory report later today and the market expectations are that the US oil inventory dropped by 2.5MMbbls over the last week, according to a Bloomberg survey. On the products side, the market expects gasoline and middle distillate stocks to have dropped by 1.2MMbbls and 0.5MMbbls respectively over the week. If confirmed by the EIA on Wednesday, it would point to tightening oil supply in the domestic market.

Metals

Gold retreat – Gold has been giving up some of the recent gains over the past few sessions with prices falling more than 4% from the peak in less than one week. Profit booking by traders on higher prices and an uptick in risk appetite after the US and China agreed for the next round of trade discussion has been weighing on gold demand. Retail demand for gold has been also hit in China and India due to high gold prices, especially in local currencies. On the other hand, central bank purchases of gold continued in August as countries diversify their forex assets. The People's Bank of China reported having added 0.19mOz of gold to its reserves in August 2019, pushing total gold reserves to 62.45mOz.

Agriculture

US crop progress – The weekly crop progress report from the USDA continues to show concerning signs for the current corn/soybean crop in the US. The USDA reported that only 55% of the current corn crop was in good-to-excellent condition currently compared to 58% last week and 68% a year ago. The USDA rated 11% of the corn in the mature stage compared to last year's 33% and 5-year average of 24% for this time of the year. For soybean, 55% of the current crop was rated in good-to-excellent condition, flat on a weekly basis but significantly down compared to 68% a year ago.

Daily price update

	Current	% DoD ch	%YTD ch		Current	% DoD ch	%YTD ch
ICE Brent (US\$/bbl)	62.59	1.71	16.34	Spot Gold (US\$/oz)	1,499.1	-0.51	16.89
NYMEX WTI (US\$/bbl)	57.85	2.35	27.39	Spot Silver (US\$/oz)	18.0	-0.93	16.22
ICE Gasoil (US\$/t)	592	2.91	15.96	LME Copper (US\$/t)	5,815	-0.31	-2.51
NYMEX HO (US\$/g)	193	1.44	14.69	LME Aluminium (US\$/t)	1,799	0.45	-2.55
Eurobob (US\$/t)	572	0.56	19.17	LME Zinc (US\$/t)	2,310	-0.77	-6.36
NYMEX RBOB (US\$/g)	158	0.66	19.71	LME Nickel (US\$/t)	18,050	2.06	68.85
NYMEX NG (US\$/mmbtu)	2.59	3.57	-12.07				
TTF Natural Gas (EUR/MWh)	12.24	-0.93	-44.34	CBOT Corn (Usc/bu)	341	-0.51	-9.13
				CBOT Wheat (Usc/bu)	475	3.10	-5.71
API2 Coal (US\$/t)	62	0.49	-26.80	CBOT Soybeans (Usc/bu)	845	0.00	-4.25
Newcastle Coal (US\$/t)	67	-2.05	-33.93	ICE No.11 Sugar (Usc/lb)	10.92	-0.91	-9.23
SGX TSI Coking Coal (US\$/t)	150	-29.40	-29.40	ICE Arabica (Usc/lb)	95	1.23	-6.73
SGX Iron Ore 62% (US\$/t)	89.06	2.88	28.20	ICE London Cocoa (GBP/t)	1,654	-0.60	-6.34

Source: Bloomberg, ING

Author

Warren Patterson

Head of Commodities Strategy

Warren.Patterson@asia.ing.com

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