

FWA DJ Global Commodities Roundup: Market Talk  
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The latest Market Talks covering Commodities. Published exclusively on Dow Jones Newswires throughout the day.

1523 ET - CME lean hogs climb 2.3% to 85.2 cents a pound, driven in part by Tyson Foods announcing the closure of its pork plant in Perry, Iowa by the end of June. It's the ninth plant Tyson has shut down since 2023, in reaction to a glut in pork supply. The closing of another plant has traders looking at a tightening supply and demand picture for hogs. "[It] interestingly comes at a time that hog processing margins have actually been good," StoneX says in a note. "It would remove 9,000 head/day from industry slaughter capacity which isn't as significant in July as it sure could be in November when hog supplies are much more plentiful." Live cattle finished up 0.3% to \$1.8815 a pound. (kirk.maltais@wsj.com; @kirkmaltais)

1519 ET - Crude futures settle lower in a choppy session. OPEC left its 2024 oil demand-growth estimate at 2.2 million barrels, and lowered slightly its forecast for non-OPEC supply growth to incorporate additional voluntary cuts in 2Q by OPEC+ countries. "In general, the demand picture from OPEC seems to be largely dialed in for market participants in the short run," says Rohan Reddy, director of research at Global X. Market focus will turn to Wednesday's EIA inventories report. Crude stocks are likely to be unchanged, while further draws are expected in gasoline and distillate fuels, according to a Wall Street Journal survey of analysts. WTI for April delivery settles down 0.5% at \$77.56 a barrel, and May Brent falls 0.4% to \$81.92 a barrel. (anthony.harrup@wsj.com)

1507 ET - U.S. natural gas futures give up early gains and settle lower on concerns about growing surpluses, despite further announcements of output cuts. CNX Resources is the latest producer to cut capex and output guidance, projecting 2024 production of 540-560 billion cubic feet equivalent, down 30 Bcfe from its previous estimate. Capex is cut by \$50 million to \$525-\$575 million. "Instead, the market caved [on] early expectations for an EIA natural gas storage build in this week's report, with an even greater chance of an even larger storage build in next week's report," Mizuho's Robert Yawger says in a note. The EIA estimates natural gas storage will end the winter heating season 37% above the five-year average. Natural gas for April delivery settles down 2.6% at \$1.714/mmBtu. (anthony.harrup@wsj.com)

1501 ET - 15:00 ET - Members of the Congress from major steel-producing states are pushing legislation to restart a U.S. tariff on steel from Mexico in response to rising imports volumes that they say violates a 2019 agreement between the U.S and Mexico. A bill sponsored by senators Tom Cotton, R-Ark. and Sherrod Brown, D-Ohio, would restore a 25% national security duty on steel from Mexico for at least a year. The duty was first imposed by the Trump

administration in 2018 but lifted a year later with assurances from Mexico that steel imports would remain stable. Mexico "has released a surge of steel products into America that's hurt our workers and made us less secure," Cotton says. (robert.tita@wsj.com)

1335 ET - Russian wheat export prices are continuing to drop back, which in turn are perpetuating more sales out of the Black Sea. Last week, prices on Russian shipments fell back to roughly \$200 per ton last week, SovEcon says in a note. The firm adds that shipments through March 12 rose to 2.8 million tons in the month, up from 1.9 million tons seen in February. Pressure through the past month appears to have come from competition from French wheat sources, although Russian wheat appears to be reclaiming more business. "Russian wheat offers had to follow to keep its competitive edge," SovEcon says. "However, by now Russian wheat is winning demand back." CBOT wheat is down 0.1%. (kirk.maltais@wsj.com; @kirkmaltais)

1300 ET - Metal prices are mixed, with base metals ahead but gold down after hotter than expected U.S. inflation data hit rate-cut hopes. Gold falls 0.9% to \$2,168.8 a troy ounce. The February CPI report brought another negative surprise for the Fed, with core inflation rising 3.2% on-year, says UniCredit's international and energy economist Edoardo Campanella in a note. UniCredit reiterates its view the first rate cut will probably come in June with a total of 125 basis points of cuts this year, as the economy and inflation slows. "But the risks are skewed towards a later start and fewer cuts in total in 2024," Campanella says. Gold's price is closely linked to rates, with higher rates diminishing the appeal of the precious metal. Meanwhile, aluminum rises 0.6% to \$2,264.5 a ton, and copper climbs 0.1% to \$8,659 a ton. (joseph.hoppe@wsj.com)

1224 ET - The U.S. Federal Reserve is still expected to start cutting interest rates around mid year despite hotter-than-expected inflation data, Capital Economics' Hubert de Barochez says in a note. "Stronger-than-expected U.S. core CPI data did not trigger as big a reassessment in rate expectations as they did last month in financial markets, and we still forecast the Fed to start easing policy around June," the senior markets economist says in a note. "After all, inflation has already come down significantly since it peaked in the second half of 2022." Oil prices are trading higher after slipping earlier in the session, with Brent crude up 0.6% at \$82.67 a barrel and WTI 0.7% higher at \$78.45 a barrel, as market participants digest the inflation reading and OPEC's monthly report. (giulia.petrone@wsj.com)

1218 ET - CBOT grains are pulling back after starting the day off higher, Naomi Blohm of Total Farm Marketing says in a note. "Profit taking is noted," says Blohm, noting that the effects of Conab's report showing further decreases to Brazil's crop output is losing steam after spending much of the morning higher. "Profit taking to the downside may continue to develop since thos

technical targets were hit earlier in the trade session," says Blohm.  
Most-active corn is up 0.1%, soybeans are up 0.5%, and wheat is up 0.8%.  
(kirk.maltais@wsj.com; @kirkmaltais)

1131 ET - Crude oil futures turn higher as the market digests an OPEC report, a U.S. inflation reading and news of further Ukrainian drone strikes on Russian facilities. OPEC kept its 2024 demand-growth estimate at 2.2 million barrels a day, which could be supportive as there had been talk of a possible reduction in the forecast, says Phil Flynn, senior market analyst at the Price Futures Group. The Ukrainian drone attacks are likely helping lift prices along with other geopolitical risk factors in the Middle East, while higher U.S. crack spreads--the price difference between crude and refined products--are also at play. "There's a sense of tightness in the market," Flynn says. April WTI is up 0.9% at \$78.62 a barrel and May Brentis 0.7% higher at \$82.76.  
(anthony.harrup@wsj.com)

1128 ET - Gold futures are down in morning trading, potentially heading toward its first lower close after eight consecutive higher sessions. The most-active contract is down 1% to \$2,166 per ounce, inching back from an all-time record high close of \$2,188.60 an ounce reached yesterday. That comes after gold futures received inflow of over \$11 billion from money managers for the week ended March 5, the largest such inflow with available data going back to 2006, Benjamin Hoff of Societe Generale says in a note. "This rally in gold prices and money manager positioning came as rate cut expectations grew," Hoff says. (kirk.maltais@wsj.com; @kirkmaltais)

1041 ET - CME livestock futures rise in early trading, this after finishing lower yesterday. "Slaughter remains slow as packers are trying to squeeze both sides of the market," says AgriSompo in a note, referring to cattle. Both cattle and hogs are catching support from strong wholesale cutout values. Most-active live cattle is up 0.4%, while lean hogs rise 1%.  
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1037 ET - CBOT wheat is up 1.5% in morning trading, this despite China's streak of canceling previously announced purchases. Traders have been able to set aside the impact of this apparent decrease in demand, and are instead looking for bargain buying opportunities. "It's hard to know what exactly is going on with the Chinese cancellations after they purchased large quantities of US wheat last fall," says Doug Bergman of RCM Alternatives in a note. Meanwhile, most-active corn is down 0.1%, and soybeans are up 0.5%.  
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(END) Dow Jones Newswires

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