



Commodity Monitor

November 27, 2020

Headlines

- **Brent crude near 50 USD/barrel, awaiting OPEC+ meeting**
- **European wheat holds steady above 200 EUR/t**

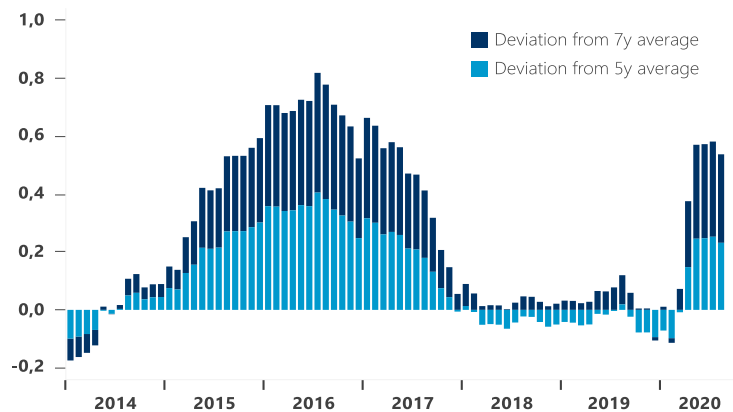
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Base metals	9

Commodity		Price	Change *
Brent	USD/bbl	48.11	12.46
Diesel	USD/t	386	13.28
Wheat	EUR/t	212	0.95
Corn	EUR/t	194	1.70
Rapeseed	EUR/t	411.25	0.61
Soybean meal	EUR/t	332.802	1.41
Copper	USD/t	7387	6.04
Aluminium	USD/t	1958.75	2.23

* change in % in the last 14 days

Chart of the Week



Oil inventories in OECD countries (bln barrels) remain elevated (Source: EIA, CSOB).

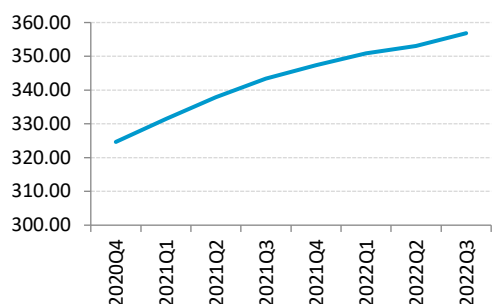
Calendar

Geo	Date	Time	Event		Period	Estimate		Consensus		Previous	
						M/M	Y/Y	M/M	Y/Y	M/M	Y/Y
CN	30/11/2020	2:00	PMI manufacturing		11/2020					55.3	
US	02/12/2020	16:30	EIA weekly gasoline stk	mbbl	12/2020						
US	02/12/2020	16:30	EIA weekly distillate stk	mbbl	12/2020						
US	02/12/2020	16:30	EIA weekly crude stocks	mbbl	12/2020						
CN	07/12/2020	4:00	Exports	%	11/2020						7.6
CN	07/12/2020	4:00	Imports	%	11/2020						0.9
US	09/12/2020	16:30	EIA weekly gasoline stk	mbbl	12/2020						
US	09/12/2020	16:30	EIA weekly distillate stk	mbbl	12/2020						
US	09/12/2020	16:30	EIA weekly crude stocks	mbbl	12/2020						
EC	10/12/2020	13:45	ECB meeting - repo rate	%	12/2020					0.0	

Crude & Products

Diesel swap curve

EUR/t *



Period	Diesel * (EUR/t)
2020M12	325.72
2021M01	328.66
2021M02	331.49
2021M03	334.11
2021M04	336.30
2021M05	337.72
2020Q4	324.65
2021Q1	331.42
2021Q2	337.88
2021Q3	343.40
2020FY	324.65
2021FY	340.03

* indicative swap price

Brent crude has rallied near 50 USD/barrel on the back of overwhelming optimism from the Covid-19 vaccine developments. Since the announcement of the 90% efficacy for Pfizer's vaccine, Brent crude has gained more than 20%, reaching 8-month highs. Furthermore, the upbeat market sentiment has reflected the expectations about the roll-over of OPEC+ output cuts that will be discussed next week.

Contrasting with the forward-looking market's optimism, there are, however, still clear signs of underlying weaknesses on the physical oil market. This stems largely from the second wave of the pandemic unfolding rapidly in Europe and the US, putting the economic activity under pressure. The developments on the supply side are also important in this respect, dominated by a return of 1.2 million barrels per day of Libyan crude on the global oil market. The combination of these factors results in a significant slowdown of market rebalancing, i.e. an oil inventory drawdown (see the chart of the week).

A weak fundamental picture will be, in our view, critical for the OPEC+ alliance's decision about the near-term output cuts. Hence, at the November 30 and December 1 meeting, the Saudi-Russian-led collation will discuss the possibility of rolling-over the current 7.7 million barrels per day cuts for another three months. Such an extension should keep the market balance in a deficit at the beginning of next year, when we do not expect a major impact from the vaccine on oil demand. On the contrary, the vaccine-induced boost to global oil consumption should materialize largely in the second half of 2021 (e.g. driven by an increased jet fuel consumption along with the global tourism recovery). This will substantially improve the fundamental outlook and should allow the OPEC+ cartel to gradually increase its production.

In our baseline scenario, we assume a roll-over of the current OPEC + output curbs through at least the first quarter of 2021, underpinning prices in the still pre-vaccine period. The downside risk to the prices is a scenario in which the alliance agrees to increase output according to the original plan (2 million barrels per day), likely triggering a sharp deterioration of market sentiment and a price correction back to a 40 USD/barrel level.

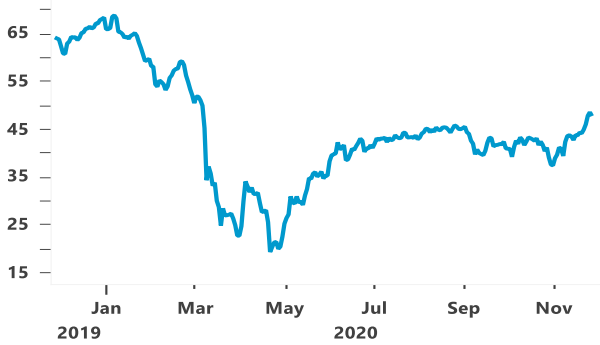
Global liquid fuels production & consumption

mb/d

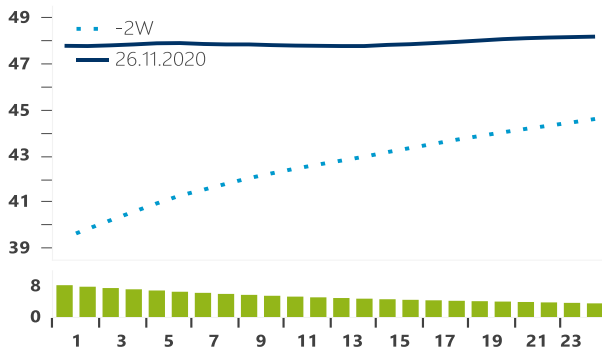
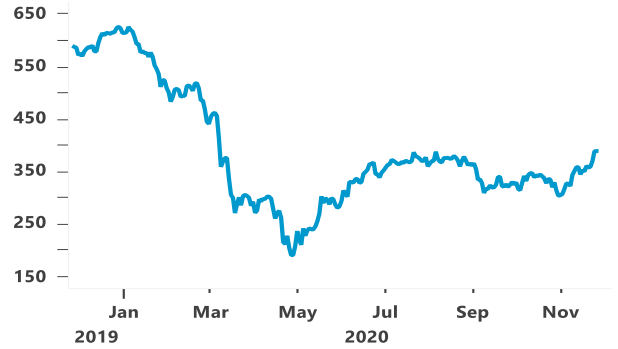
	2018FY	2019FY	2020FY	2021FY
Countries outside OPEC	63.53	65.45	63.13	64.64
OPEC	36.76	34.65	30.62	33.59
Total production	100.29	100.10	93.75	98.23
change		-0.19	-6.35	4.48
OECD	47.82	47.49	42.30	44.81
non-OECD	52.68	53.75	50.25	54.17
Total consumption	100.49	101.25	92.55	98.98
change		0.76	-8.70	6.43
Inventories change	-0.21	-1.15	1.20	-0.75
Brent, average, USD/barrel	71	64	41	47

Dark blue figures are forecasts. Source: EIA, CSOB.

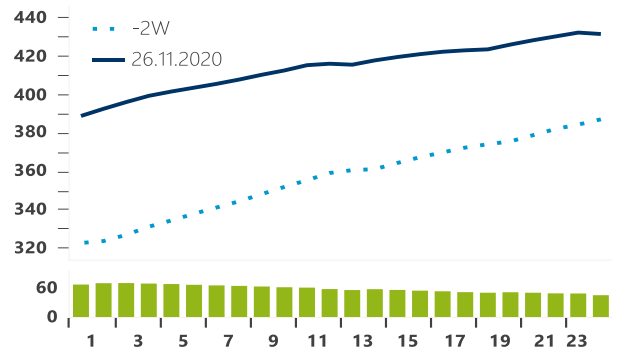
Brent (ICE, USD/barrel)



Gasoil (ICE, USD/t)

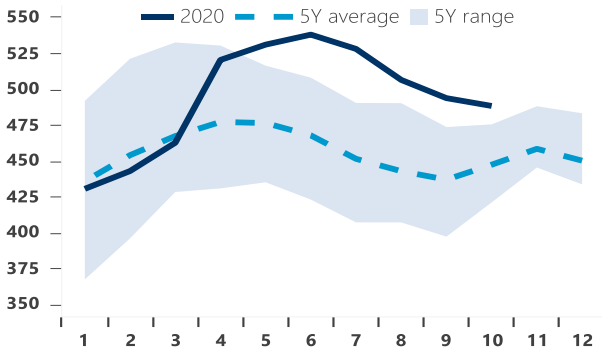


Forward curve (top) & 2W change (bottom).



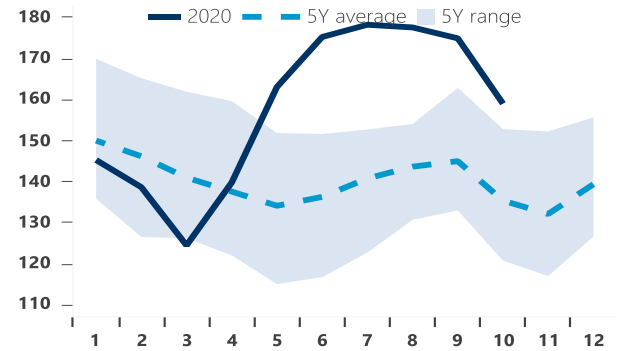
Forward curve (top) & 2W change (bottom).

Commercial crude inventories, USA (000's barrels)



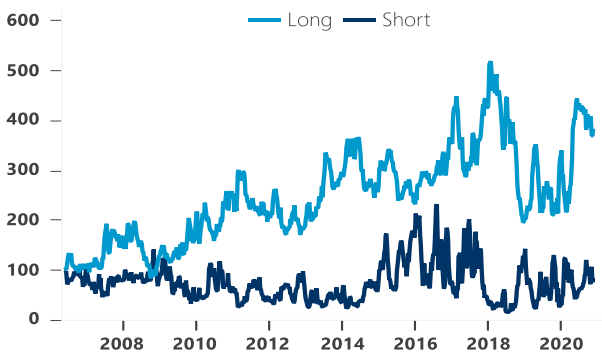
Seasonal plot, 2015 - 2020. Monthly averages.

Commercial heating oil inventories, USA (000's barrels)



Seasonal plot, 2015 - 2020. Monthly averages.

Speculative position, WTI futures



Money managers position, WTI futures (thousand contracts).

Producers short position, WTI futures

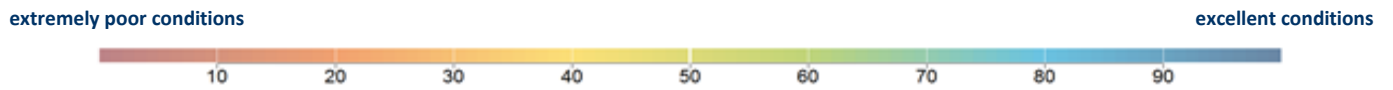


Producers short position, WTI futures (thousand contracts).

Agricultural Commodities

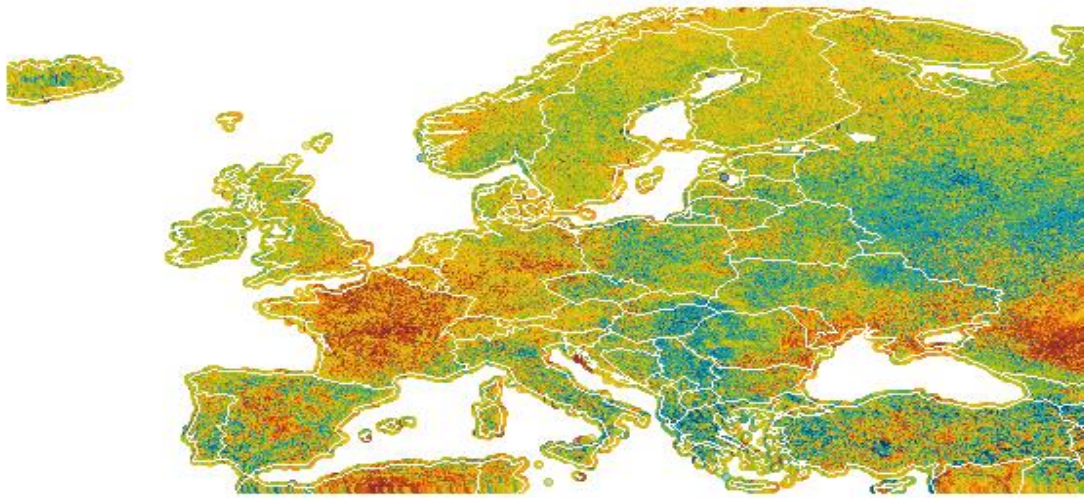
Vegetation health index in key agricultural areas

46. week of 2020

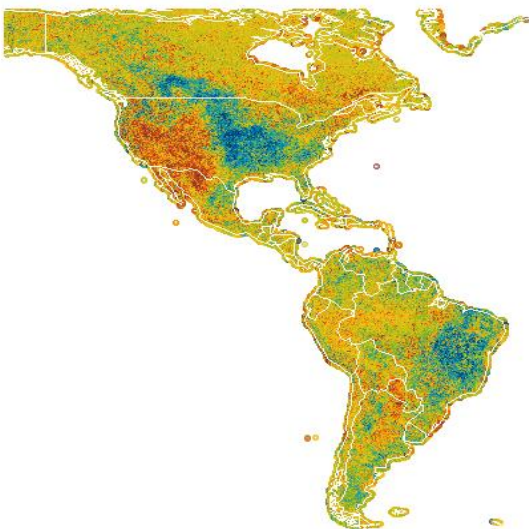


The VH values below 40 are used for identifying vegetation stress which is an indirect drought indicator.

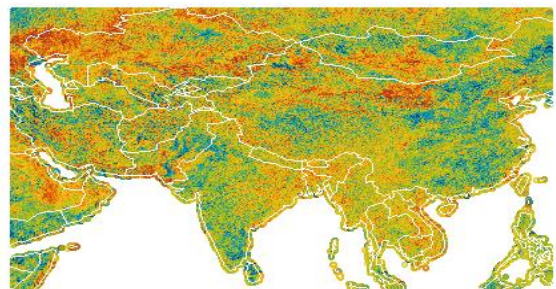
Europe, Russia & Ukraine



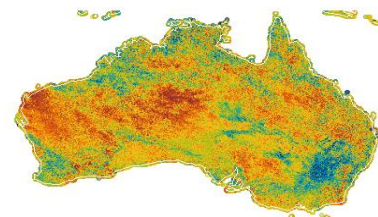
North & South America



China, Kazakhstan & India



Australia



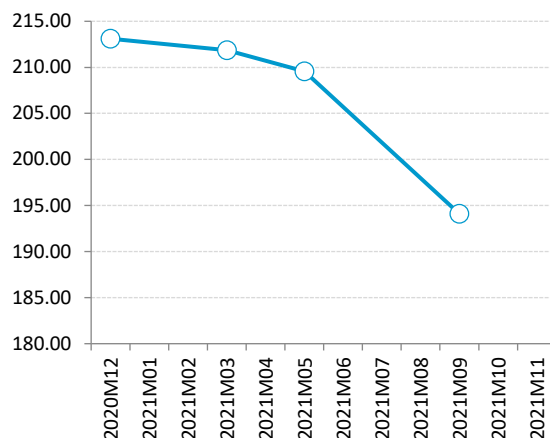
Source: NOAA STAR (<http://www.star.nesdis.noaa.gov/smcd/emb/vci/VH/index.php>), CSOB.

Wheat

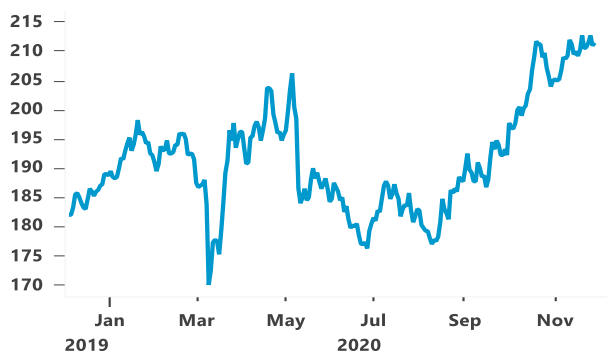
Period	Wheat (EUR/t) *
2020M12	213.11
2021M01	
2021M02	
2021M03	211.85
2021M04	
2021M05	209.58
2021M06	
2021M07	
2021M08	
2021M09	194.10
2021M10	
2021M11	

*Indicative price of futures contract

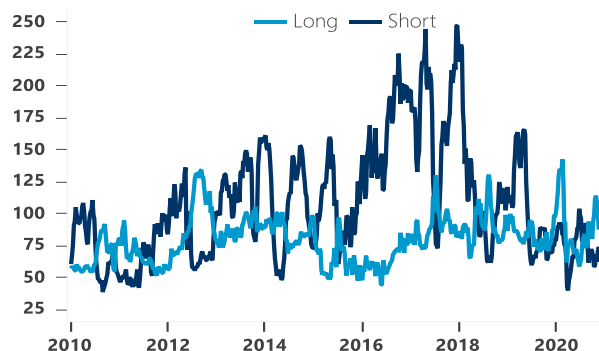
Indicative forward curve * (EUR/t)



Wheat (EURONEXT, EUR/t)

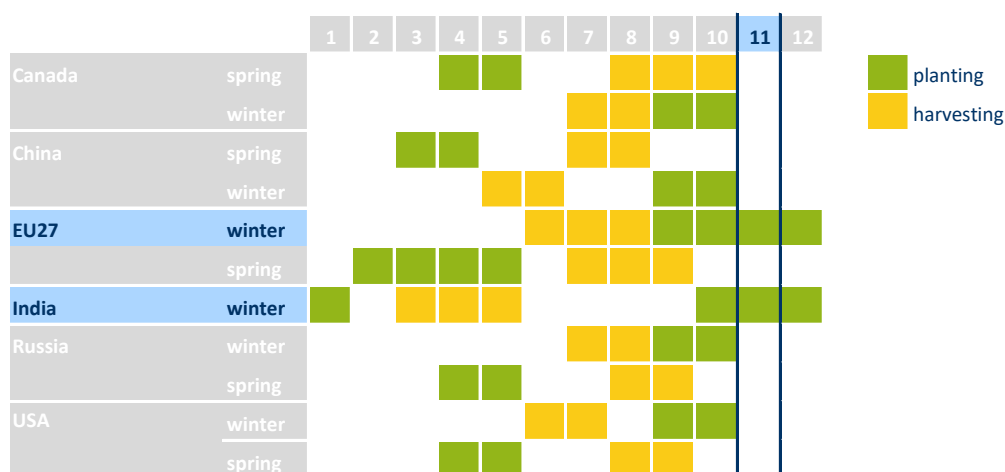


Speculative position (CBOT, thousand contracts)



Money Managers' positions in wheat futures, CBOT.

Monthly planting & harvesting calendar, key producers



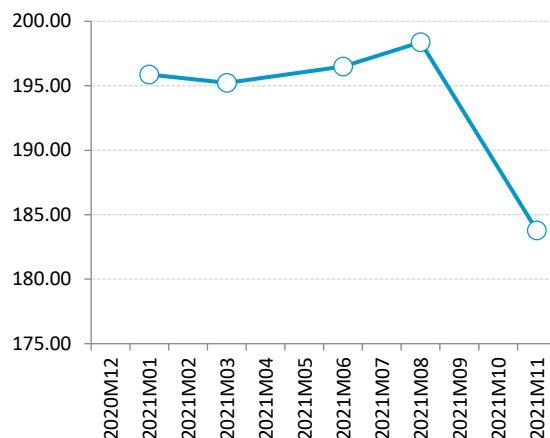
Source: Bloomberg Finance L.P., USDA, CSOB

Maize

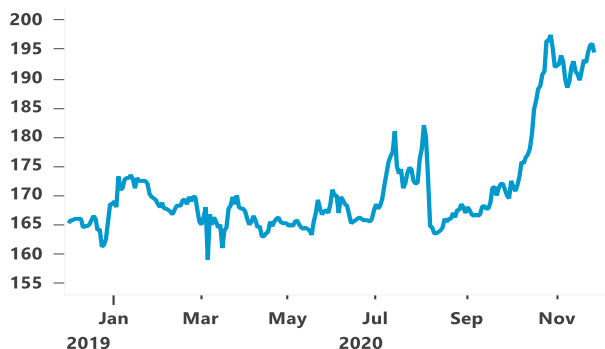
Period	Maize * (EUR/t)
2020M12	
2021M01	195.86
2021M02	
2021M03	195.23
2021M04	
2021M05	
2021M06	196.49
2021M07	
2021M08	198.38
2021M09	
2021M10	
2021M11	183.78

*Indicative price of futures contract

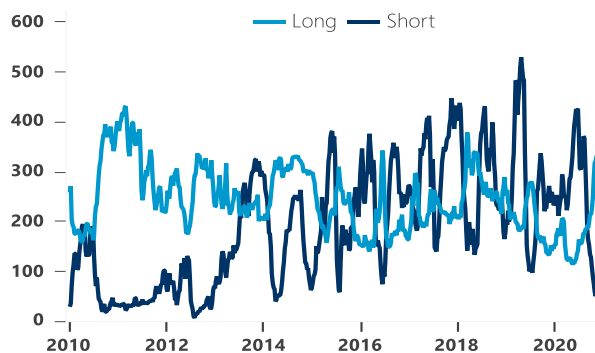
Indicative forward curve * (EUR/t)



Maize (EURONEXT, EUR/t)

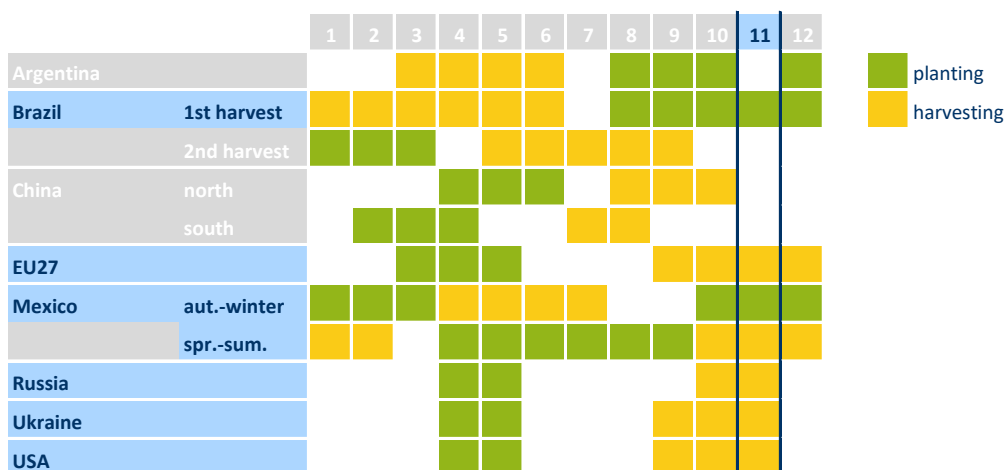


Speculative position (CBOT, thousand contracts)



Money Managers' positions in corn futures, CBOT.

Monthly planting & harvesting calendar, key producers



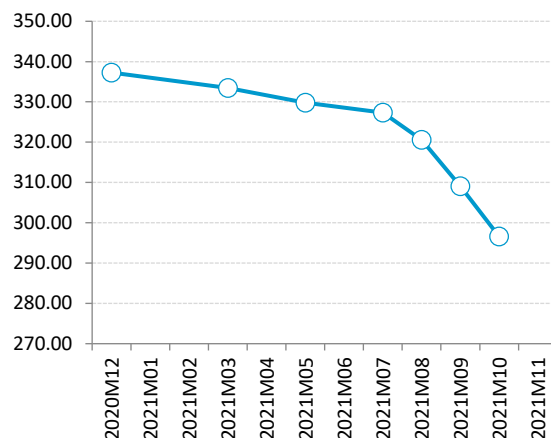
Source: Bloomberg Finance L.P., USDA, CSOB

Soybeans & soybean meal

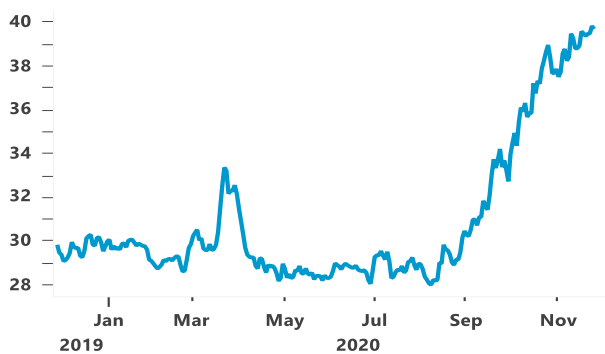
Period	Soybean meal * (EUR/t)
2020M12	337.27
2021M01	
2021M02	
2021M03	333.45
2021M04	
2021M05	329.83
2021M06	
2021M07	327.34
2021M08	320.57
2021M09	309.03
2021M10	296.59
2021M11	

*Indicative price of futures contract

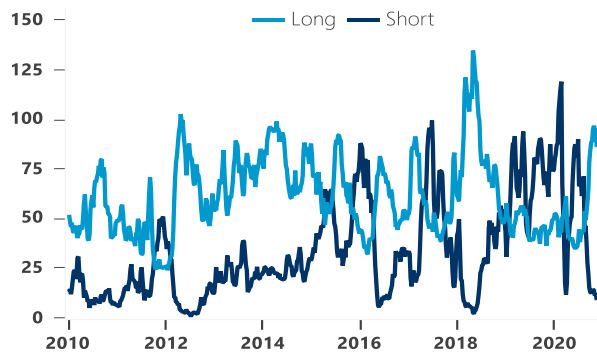
Indicative forward curve * (EUR/t)



Soybean meal (CBOT, USD/t)

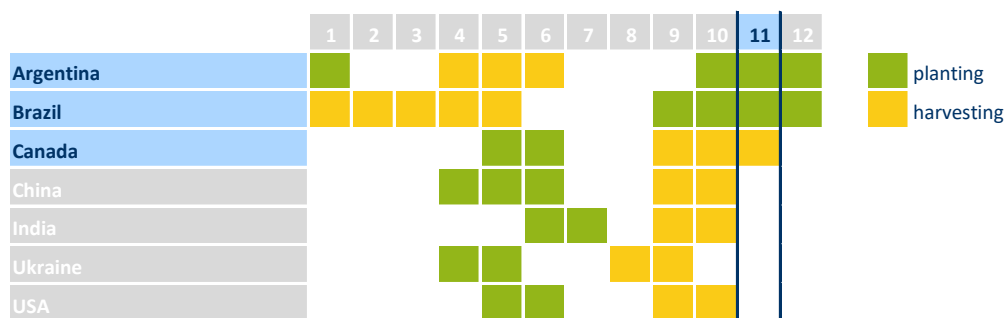


Speculative position (CBOT, thousand contracts)



Money Managers' positions in soybean futures, CBOT.

Monthly planting & harvesting calendar, key producers

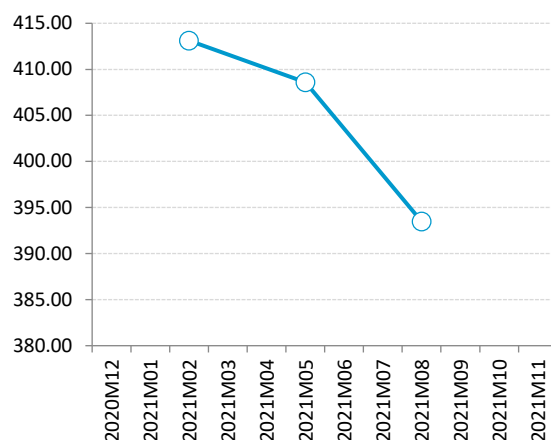


Rapeseed

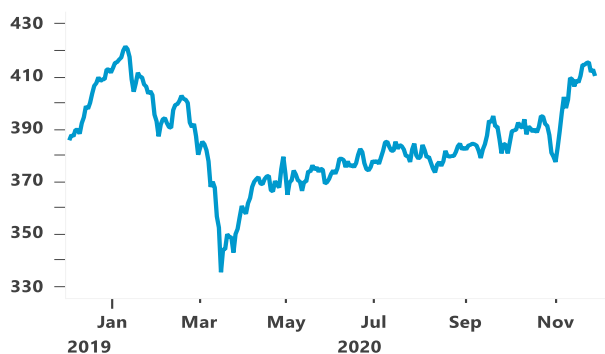
Period	Rapeseed * (EUR/t)
2020M12	
2021M01	
2021M02	413.12
2021M03	
2021M04	
2021M05	408.59
2021M06	
2021M07	
2021M08	393.49
2021M09	
2021M10	
2021M11	

*Indicative price of futures contract

Indicative forward curve * (EUR/t)



Rapeseed (EURONEXT, EUR/t)



Global production, consumption & stocks of selected agricultural commodities (MM t)

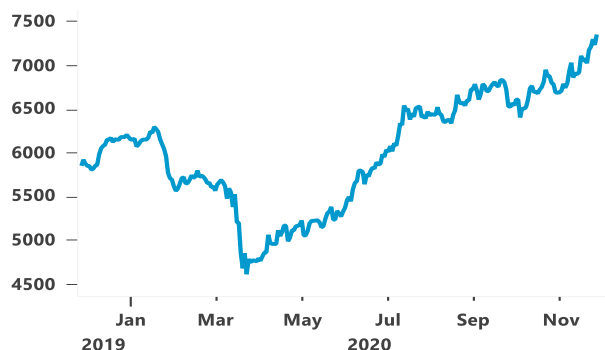
	Rapeseed			Corn			Wheat			Soybeans		
	17/18	18/19	19/20	17/18	18/19	19/20	17/18	18/19	19/20	17/18	18/19	19/20
Beginning Stocks	8	9	7	341	321	309	288	284	300	99	113	96
Production	73	69	68	1124	1113	1162	731	764	770	361	337	370
Consumption	71	71	70	1144	1124	1165	735	748	751	347	354	372
Ending Stocks	9	7	5	321	309	307	284	300	319	113	96	94
Stocks-To-Cons (%)	13.1	9.6	7.5	28.0	27.5	26.3	38.6	40.1	42.5	32.6	27.1	25.1

Dark blue figures are forecasts

Source: Bloomberg Finance L.P., USDA, CSOB

Base Metals

Copper (LME cash, USD/t)

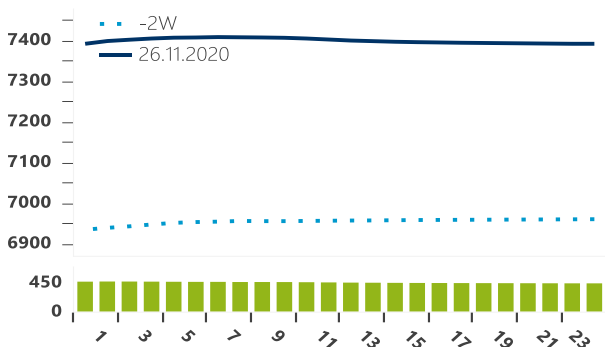


Price (on warrant), LME.

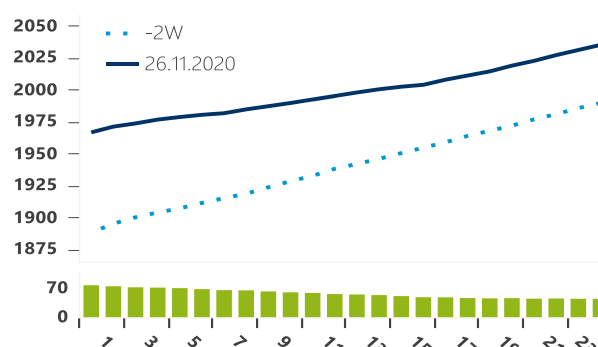
Aluminium (LME cash, USD/t)



Price (on warrant), LME.



Forward curve (top) & 2W change (bottom).



Forward curve (top) & 2W change (bottom).

	Copper		Aluminium		Zinc		Lead	
	USD/t	EUR/t	USD/t	EUR/t	USD/t	EUR/t	USD/t	EUR/t
2020M12	7510	6293	1995	1672	2780	2330	2058	1724
2021M01	7514	6290	1998	1673	2786	2332	2060	1725
2021M02	7517	6288	2001	1674	2790	2334	2063	1726
2021M03	7520	6287	2004	1675	2795	2337	2066	1727
2021M04	7521	6283	2006	1675	2799	2338	2069	1729
2021M05	7522	6279	2007	1676	2803	2340	2073	1730
2020Q4	7508	6291	1994	1671	2778	2328	2057	1724
2021Q1	7517	6288	2001	1674	2791	2334	2063	1726
2021Q2	7522	6279	2007	1676	2803	2340	2073	1730
2021Q3	7521	6266	2015	1678	2810	2341	2082	1734
2020FY	7508	6291	1994	1671	2778	2328	2057	1724
2021FY	7519	6270	2011	1677	2804	2339	2077	1732

Indicative swap prices.

Source: Bloomberg Finance L.P., CSOB

Contacts

Brussels Research (KBC)

Mathias Van der Jeugt	+32 2 417 51 94
Peter Wuyts	+32 2 417 32 35
Mathias Janssens	+32 2 417 51 95

Dublin Research

Austin Hughes	+353 1 664 6889
Shawn Britton	+353 1 664 6892

Prague Research (CSOB)

Jan Cermak	+420 2 6135 3578
Jan Bures	+420 2 6135 3574
Dominik Rusinko	+420 2 6135 3506

Bratislava Research (CSOB)

Marek Gabris	+421 2 5966 8809
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Budapest Research (K&H)

David Nemeth	+36 1 328 9989
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Global Sales Force

Brussels

Corporate Desk	+32 2 417 45 82
Institutional Desk	+32 2 417 46 25
France	+32 2 417 32 65
London	+44 207 256 4848
Singapore	+65 533 34 10

Prague

+420 2 6135 3535

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