IRON ORE

Australian mining giant BHP is facing renewed industrial action at its Port Hedland iron ore export operations after the latest wage negotiations with unions failed to produce a breakthrough. The dispute centres on a new four-year enterprise agreement covering approximately 450 port operators and maintenance workers. The Combined BHP Ports Unions have notified the company of further protected industrial action unless negotiations produce an agreement. The planned action includes a 24-hour ban on ship loading from 8 August, followed by a 24-hour work stoppage beginning on 9 August, with around 150 workers expected to participate. Union representatives estimate that up to 16 iron ore shipments could be delayed over the two days. The latest talks ended without agreement after unions said BHP did not improve its wage offer. BHP has maintained that it has proposed a 16% pay increase and says it remains committed to reaching an agreement while preparing contingency plans to maintain safe operations if industrial action proceeds. Port Hedland is the world's largest iron ore export port and a critical outlet for BHP's Western Australian operations. While analysts expect the company could recover lost export volumes if the disruption is limited to two days, a prolonged or repeated series of stoppages would increase the risk of shipment delays and tighter prompt iron ore supply from Australia. (Steelorbis.com)

Fortescue Ltd. has raised concerns over state iron ore buyer China Mineral Resources Group Co. Ltd.'s efforts to influence Chinese iron purchasing decisions, saying that the move undermines the stability of iron ore supply to China. Chinese steel mills and traders earlier moved to reassess purchases of certain Fortescue iron ore products after reports emerged of potential delivery restrictions at Chinese ports starting July 15, market participants said July 2. Some Chinese steel mills reportedly received advice from CMRG to avoid purchasing Fortescue's Super Special Fines (SSF) and Fortune Fines, according to several China-based market participants and sources familiar with the matter. The company is hoping to see a return to normal market conditions as soon as possible. Australian companies have been major suppliers to China for decades, providing iron ore that supported the country's industrial expansion. CMRG has taken a more active role in recent months in overseeing how Chinese buyers procure seaborne iron ore cargoes. CMRG had previously restricted purchases of certain BHP Group Ltd. iron ore products, but BHP said in April that contract negotiations have successfully concluded.

COAL

China, the world's largest coal consumer, generated less than 50% of its electricity from the fossil fuel in the six months to June, marking a first for the country, which has been promoting the use of renewable energy, officials said. Coal's share of the power mix was 49.7%, Xing Yiteng, deputy director general of the energy administration's development and planning office. That share was well down from 65.5% in 2016, previous NEA figures showed. Renewable energy's share grew to 41.2% — topping 40% for the first time — and of that wind and solar accounted for 24.6%, Xing added. Wind and solar's share was up from 9.7% in 2020. Natural gas and nuclear make up the balance. Despite coal's shrinking share, analysts say China might still use more of it this year than last as power demand rapidly climbs. More Chinese are switching to electric cars, data centres for AI are being built out, and exports continue to grow. Planners have set a deadline for coal consumption to peak no later than 2030. (Reuters)

GRAIN

In July, intensified Russia-Ukraine attacks on vessels and export infrastructure have disrupted trading at one of the largest grain hubs. With route options constrained and weaker buying interest, prices for Russian and Ukrainian grain fell, with the Platts wheat benchmark, Milling Wheat Marker, down 3.70% over two weeks. At a time of the wheat harvest export push, Russian wheat flows have slowed via the Don-Azov route, and shipments through the higher-risk Kerch Strait ports have been rerouted to deep-sea terminals. Ukrainian grain exports are increasingly expected to move via the Danube and western border routes. Ukrainian corn competitiveness has weakened as buyers shift to other origins amid freight and execution uncertainty, delaying shipments to destinations such as Turkey. (SP Platts)

Oil Macro

India keeps buying a lot of Russian oil, with July imports hitting a new all-time high and accounting for more than half of total Indian crude oil imports. India's crude oil imports from Russia rose to 2.8 million barrels per day (bpd) in July, up from the previous high of 2.7 million bpd in June, for the highest average monthly volume ever, according to vessel-tracking data by Kpler cited by the Times of India on Monday. Total Indian crude oil imports inched up slightly from June to stand at just over 5 million bpd in July, per the data. (Oilpro)

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