

**Global Commodities Roundup: Market Talk**

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The latest Market Talks covering Commodities. Published exclusively on Dow Jones Newswires throughout the day.

2049 ET - Morgan Stanley thinks Iluka Resources will bring forward the development of its Ambrosia mineral sands project in South Australia to 2019, and that's good news for investors anticipating an earnings trough that year. Morgan Stanley, which sees Iluka running Ambrosia in conjunction with the nearby Jacinth project, is more upbeat about the earnings outlook as the extra production out of South Australia will offset weaker volumes elsewhere. Whereas the bank had seen volumes dropping 20% in 2019, it's now pencilled in a less than 1% fall. (david.winning@wsj.com; @dwinningWSJ)

1947 ET - The British Columbia municipality of Burnaby has formally asked Canada's top court to overturn an energy regulator's ruling that would permit construction of Kinder Morgan's expansion of the Trans Mountain pipeline. A late 2017 decision from Canada's National Energy Board ruled in favor of the company, which argued Burnaby was trying to stymie the project by trying to compel it to follow municipal bylaws. The Supreme Court appeal is latest legal hurdle in tripling the amount of oil shipped from Alberta oil sands to a Pacific Coast port. Kinder Morgan has threatened to kill the project unless politicians can remove political and legal uncertainty, imposing a May 31 deadline. (paul.vieira@wsj.com; @paulvieira)

1943 ET - Oil futures have steadied some following the pop seen late Tuesday in the US and Wednesday in Asia while hitting fresh 3 1/2-year highs. For the moment, risk premium is persisting in the oil market amid the US move regarding Iran sanctions, despite Saudi Arabia saying it stands ready to support the market if need be. Last week's declines in US crude and petroleum-product inventories, even as more record oil production was seen, doesn't hurt either. June WTI is up 10 cents at \$71.24/barrel and July Brent has risen 17 cents to \$77.38. (kevin.kingsbury@wsj.com; @kevinkingsbury)

1911 ET -- CSR Ltd.'s earnings have likely peaked for this cycle, according to Bell Potter. While there is still plenty of homebuilding activity ongoing, particularly on Australia's eastern coast, the broker thinks product price increases will moderate, volumes will slow and margins will decline in its building products division. CSR has climbed to a FY19 estimated P/E of circa 14.5x, "which we view as full given we forecast returns on capital will decline" in FY19-21, says Bell Potter. It keeps a sell rating, although lifts its target to A\$4.50 from A\$4.30 following a 14% jump in the stock this year to A\$5.41/share. (rhiannon.hoyle@wsj.com; @RhiannonHoyle)

1749 ET - Steel shipments from US mills in March rose 8% from a year ago, reports the American Iron and Steel Institute. March shipments of 8.3M tons rose 10% against February's volume. Product lines with the biggest month-to-month gains include hot-rolled sheet steel, up 12% and hot-dipped galvanized sheet steel up 11%. A strong US manufacturing sector and tariffs imposed on imported steel are driving higher demand for domestic steel. (robert.tita@wsj.com; @bob\_tita)

1619 ET - Cattle futures drifted lower. The physical cattle trade hasn't started yet this week, with no sales at the morning Fed Cattle Exchange auction. Analysts expect cash prices--which are at an historic premium to futures--to fall this week. Wholesale beef prices were also lower in the morning. CME June live cattle futures fell 0.6% to \$1.05675 a pound. Hog futures were mixed, with the most-active June contract rising 0.4% to 76.575 cents a pound while other months fell. Futures have made steady gains so far this week on the back of higher cash prices. Hog traders are looking to see whether a shortage of pigs is getting more serious. (benjamin.parkin@wsj.com; @b\_parkyn)

1521 ET - Dry, hot weather in October in Brazil is weighing on this year's orange crop. Brazil's Fundecitrus releases its forecast for the 2018/2019 season at 288 million boxes, a 28% drop, a record decline for any given year given last year's robust crop. The firm estimates that 17% will drop from trees before it is ripe given the dry weather and increased prevalence of an incurable disease called citrus greening. That disease has already decimated Florida's orange crop which is at its lowest level since the 1940s. FCOJ for July ends up 3.25% at \$1.665 a pound, the highest level since Dec 1. Raw sugar futures fall 2.3% to 11.29 cents a pound, July cocoa is off 0.1% at \$2,770 a ton, July arabica coffee is down 0.7% at \$1.1875 a pound and July cotton rises 0.6% to 85.86 cents a pound. (julie.wernau@wsj.com)

1503 ET - The case count for illnesses tied to a nationwide E.coli outbreak is still growing, according to the CDC, which says tainted romaine lettuce is now linked to 149 illnesses in 29 states. In its latest update, federal health officials added 28 people to their tally of people sickened by a virulent strain of E.coli, and said cases had spread to Florida, Minnesota, North Dakota, and Texas. The CDC says evidence still points to Yuma, Ariz. as the source of contaminated lettuce, and that officials are confident shipments from the winter growing region have stopped, but its warning to consumers stands not to eat or purchase romaine lettuce unless it clearly wasn't grown there. (jesse.newman@wsj.com; @jessenewman13)

1211 ET - President Trump offers a final deal in the fight over ethanol, but it is likely to face stiff legal challenges and take until next year to go into effect even in a best case scenario. The deal helps corn growers with a new waiver to allow year-round consumption of gasoline with a higher ethanol content and by raising the ethanol consumption mandate for some larger refiners to offset waivers given to smaller rivals. It helps refiners by allowing credits for renewable identification numbers--or RINs--to stay in the market and get traded even on ethanol that's exported. The legality of all of those changes could spark lawsuits and a senior administration official acknowledges the changes will be "tricky." EPA has lost similar suits before, B. Riley FBR says in a note. (tim.puko@wsj.com; @timpuko)

1117 ET - Ralph Lauren on Wednesday named Apple executive Angela Ahrendts and the head of QVC's parent company to its board of directors. Ahrendts has served as senior vice president of retail at Apple since 2014. Previously, she was the CEO of Burberry. Michael George was named CEO of Qurate Retail, formerly known as Liberty Interactive, in March. Qurate owns the QVC and HSN home shopping channels as well as the Zulily flash sale site. Ralph Lauren is trying to pull itself out of a slump under new CEO Patrice Louvet, a former Procter & Gamble executive, who joined the luxury retailer in June after it ousted its prior CEO over a clash with founder Ralph Lauren. (Suzanne.Kapner@wsj.com)

1054 ET - Continental's rubber division was burdened by weak demand for tires, as well as currency headwinds and negative inventory valuation effects in the first quarter, Barclays says. However, tire pricing and mix remain positive and the German auto supplier's Contitech unit delivered 5% organic growth, boosted by revenue from mining products and seat covers, the bank adds. Continental's auto division showed decent organic sales growth in the quarter, despite margins being weighed down by higher research-and-development costs. Continental shares trade 0.6% lower at EUR226.70. (Max.Bernhard@dowjones.com; @mxbernhard)

1050 ET - A "strong line" from the U.S. after President Donald Trump pulled out of the Iran nuclear accord could "be taken as a signal of their negotiating stance on other market-sensitive issues," says Mark Haefele, global chief investment officer at UBS. The issues include trade talks with Nafta partners and China, as well as the upcoming conference with North Korea. "Such geopolitical risks have the potential to divert investor attention away from strong fundamentals," he says. But it's still possible that the White House will "dilute or delay" Iran sanctions. "Keep in mind that President Trump has a record of making strong statements and then giving ground on implementation." (jessica.fleetham@wsj.com)

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