Humbled Noble Group seeks to rebuild LNG, energy businesses: sources

SINGAPORE (Reuters) – Noble Group Holdings (Noble Holdings) plans to rebuild its liquefied natural gas (LNG) and core energy businesses and develop rare earths as it seeks new life as a niche, Asia-focused commodity trader, sources aware of the matter said.

“We have enough credit lines to expand the LNG business. In our restructuring, we made sure we had ample credit facilities, so we could build the business that we lost,” said one senior executive with the company, which took over assets of the under-liquidation Noble Group Ltd (NOBG.SI).

Noble Holdings has now set up a Singapore desk for LNG by hiring a former trader from Australia’s Origin Energy (ORG.AX), expanding its four-person LNG team in London, industry sources told Reuters.

“The company has always had an LNG team but activities were wound down for a while and are now starting back up,” one of the sources said, declining to be named as the person was not authorized to speak with the media.

Three LNG traders including two co-heads of the team had left Noble in 2016 to join rival Glencore (GLEN.L). It also sold its U.S. gas and power business to another rival, Mercuria.

The new Singapore LNG desk will focus on trading, the source said. The restart of the desk has not been previously reported.

“We’ve been in a process to prove to the market that Noble is a viable enterprise and can continue to fulfill contracts,” the company executive said, using a 3-year trade finance facility of $700 million secured as part of its restructure.

Noble, once Asia’s biggest commodity trader, saw its market value all but wiped out from $6 billion in February 2015 after Iceberg Research issued reports accusing it of inflating its assets.

To rescue itself, Noble sold billions of dollars of assets, took hefty writedowns and cut hundreds of jobs over the last few years, although it defended its accounting practices.

As Noble faced insolvency protection, shareholders approved a $3.5 billion debt restructuring deal that completed in December and left them owning just 20 percent, with creditors taking majority control.

Noble Holdings, whose portfolio comprises a trading division dealing in energy coal, LNG, base metals and other products, declined comment. Another division houses its investments in alumina company Jamalco and U.S. based oil and gas producer Harbour Energy and other businesses.

The company is also recruiting for roles including analysts for base metals and coke, and a sales trader to market energy products in Japan, sources said.

Technology metals or rare earths are expected to be a focus area for Noble Holdings, which through its subsidiary took a small stake in ambitious Australian rare earths developer Arafura Resources (ARU.AX) this year. The executive said Noble Holdings is eyeing other opportunities in the sector.

In the first half of 2019, Noble Holdings reported a net profit of $46.4 million. Employing about 280 staff, it has been gradually building up its trading teams by hiring in Singapore and Hong Kong.

In December, Singapore authorities blocked the listing of the restructured company amid a regulatory probe.

https://www.reuters.com/article/us-noble-group-strategy-exclusive/exclusive-humbled-noble-group-seeks-to-rebuild-lng-energy-businesses-sources-idUSKCN1VB0VF

Turkish navtex sparks fresh tension with Cyprus

Tensions are expected to heighten again in the Eastern Mediterranean after Turkey issued another navigational telex (Navtex) Wednesday reserving areas within Cyprus’ exclusive economic zone (EEZ) for renewed exploratory activities by its Barbaros seismic vessel.

Ankara reserved an area spanning blocks 2, 9 and 13 of Cyprus’ EEZ which it claims belong to the Turkish Cypriots in the occupied north of the island.

Cyprus has already licensed blocks 2 and 9 to South Korean energy company Kogas and Italy’s Eni while France’s Total was recently also given rights to these blocks.

Moreover, Paris has signaled its willingness to send frigates to the region to safeguard its interests. As yet no license has been awarded for Block 13.

Cyprus reacted to Ankara’s move by issuing its own navtex calling on the Barbaros to refrain from illegal activity within its territorial waters.

Meanwhile, Turkish F-16 jets conducted two overflights

Wednesday over the Aegean islet of Agathonisi and one over Farmakonisi.

US Exim Bank seeks vote on $5bn loan to Mozambique LNG project

The US Export-Import (Exim) Bank said on Thursday its board intends to vote on a $5-billion direct loan for the development of a liquefied natural gas (LNG) project in Mozambique, the bank’s biggest export financing deal in years.

The government export lender said it has notified the US Congress of the transaction, which will be ready for a final board vote in 35 days.

If approved, the transaction would support US exports of goods and services for the engineering, procurement and construction of the onshore LNG plant and related facilities on the Afungi Peninsula in northern Mozambique.

Exim said over the five-year construction period the financing could support 16 400 American jobs among suppliers in Texas, Pennsylvania, Georgia, New York, Tennessee, Florida and the District of Columbia.

It estimated interest and fee income from the transaction of more than $600-million from a consortium led by Occidental Petroleum Corp.'s recently acquired Anadarko Petroleum Co.

US exports to supply the project, however, face competition from financing offered by foreign export credit agencies.

The project would be the single biggest financing deal since Exim's full lending powers were restored in May with the confirmation of three new board members. That ended a drought of nearly four years in which the bank could not approve loans and guarantees of more than $10-million due to a protracted fight in Congress over its future.

The bank, seen by some conservatives as providing taxpayer-backed "corporate welfare" and "crony capitalism," was unable to finance major infrastructure projects like the Mozambique LNG plant and commercial aircraft built by Boeing. It needs Congress to renew its charter before September 30 to keep operating.

US President **Donald Trump**'s administration views the bank as a tool to boost US exports in an increasingly competitive trade environment.

"This critical project is not only a win for American companies and workers, supporting over 10 000 jobs in the US, but also for the people of Mozambique as well," US Commerce Secretary **Wilbur Ross** said in a statement.

Exim said the Mozambique LNG project would begin to develop the Rovuma Basin, one of he world’s most extensive untapped reserves of natural gas, with a major impact on Mozambique’s economy.

Gas companies ask Pakistan govt to rescue network

Pakistan’s gas network has raised the ‘red flag’ owing to high-pressure levels, compelling the authorities to drastically scale down supplies, particularly from domestic gas fields amid lower electricity demand and better hydropower generation. Pakistan State Oil (PSO), the coun- try’s premier importer of liquefi ed natural gas and largest company by revenue, and Sui Northern Gas Pipe- lines Limited (SNGPL) have sought in- tervention of the energy ministry and the Prime Minister Offi ce to resolve an issue involving safety of the gas net- work, fi nancial costs to the exchequer and international penalties. In two simultaneous communica- tions to the federal government, the PSO and SNGPL have complained about lower than committed gas quantities by the power sector and warned of serious consequences. As an interim arrangement, the gov- ernment has reduced supply from some of the domestic gas fi elds to avert acci- dents caused by high pressures, a senior offi cial at the petroleum division said. He said that in its latest letter to the federal government on the weekend, the SNGPL had complained that since July 14, average RLNG (re-gasified ed liquefied natural gas) consumption by the power sector remained 714mmcfd (mn cubic feet per day) against a confirmed demand of 828mmcfd as conveyed by the power division.

This reduced consumption has resulted in an increase in system pack which has reached 4,925mmcfd. It remained so on August 2 as well. The company said RLNG off-take by the power sector had dropped further to 550mmcfd on August 1 and in case of continued reduced consumption, further packing would be a catastrophe for its system and might jeopardise the entire RLNG supply chain, adding that the "current level of system pack has resulted in increase in line pressures and red flags have risen across the network". A petroleum division official said the supply from Hassan, Koonj and Sui fields and even from the SSGCL (Sui Southern Gas Company Limited) swap system had been curtailed by a total of 400mmfcd to ensure safety. The supply from Hassan and Koonj fields has been completed stopped, while that from the Sui field curtailed by 75% to just 45mmcfd against its normal flow of 180mmcfd, he said. After including RLNG swap from the SSGCL, the total supply to the SNGPL network has been reduced by more than 30pc to 945mmcfd from over 1340mmcfd. "It is, therefore, imperative that RLNG-based power plants should be given priority while allocating dispatch requirements for sustainability of the RLNG supply chain," the SNGPL said. On the other hand, the PSO complained that it was being exposed to financial and credibility risks. “It is rather unfortunate that instead of improvement in re-gasification rates, the situation is getting out of control now in terms of delays in cargo unloading, resulting in huge expected demurrages on all incoming cargoes,” the PSO said. As of now, Engro’s terminal-1 is running at around 540mmcfd and will further go down against the planned 600mmcfd or maybe more to recuperate the earlier lost capacity. As a result of continuous default by the SNGPL against committed off takes, the PSO said, the cargo berthing would incur heavy demurrages as the expect- ed discharge rate owing to lesser available ullage with the Engro terminal will be maintained at one-fourth of the normal discharge rate. “The delays in cargo unloading will have cascading effect on future deliveries as well and now all cargos in the month of August 2019 are expected to incur heavy demurrages which are estimated to be well above $150,000 as of now if the regasification rates are not increased immediately,” it added. On top of that, the PSO warned that if immediate actions were not taken, the cargo arriving on August 15-16 “might attract ‘take or pay’ charges as well, which means the whole cargo value of around $30mn will be to the buyer’s (Pakistan) account without even receiving the product”. The PSO said the situation warranted immediate remedial measures to be taken in coordination with the power division and SNGPL as the situation had developed due to lesser off take by the power sector. In the meantime, the SNGPL should take all possible measures on a war footing, including diversion of gas to other sectors or reduction or temporary suspension of local supplies, so that huge cost implications could be averted. Zargham Eshaq Khan, the power division’s joint secretary, declined to comment on the issue, but another official said the power division had committed 850mmcfd gas for August and mostly utilised up to 90% of those quantities during peak hours. He said oil and gas companies should also have the fl exibility to absorb 10%- 15% gap in case of fluctuation in the electricity demand. The problem, he added, was that the petroleum division had erroneously been assuming 1,130mmcfd allocation for the power sector against a fi rm written demand for 850mmcfd. Moreover, the official said, power plants were hired on the basis of economic order. The hydropower generation is now touching 7,500-8,000MW, which was the cheapest and its utilisation could not be reduced because of rainy spell. The SNGPL said the weather forecast suggested rains over four major consumption hubs on the SNGPL net- work and it would result in continued less consumption of RLNG by the power sector.

Israel, Saudis Talked Gas Deals, Netanyahu Ally Says

Saudi Arabia has looked into buying Israeli natural gas, according to a former member of Prime Minister Benjamin Netanyahu’s cabinet, the latest sign of warming ties between two formally hostile nations.

The countries have discussed building a pipeline that would connect Saudi Arabia to Eilat, former Israeli parliamentary member Ayoob Kara, who cited conversations with “senior officials” in the region, said in an interview in Jerusalem. Eilat, the Israeli city which banks the Gulf of Aqaba and is about 40 kilometers (24.9 miles) from the border, was chosen for its proximity to Saudi Arabia.

An energy project of this magnitude would require formal diplomatic relations between Israel and Saudi Arabia and is likely to elicit political pushback. Israel remains largely unpopular in the Arab world for its treatment of Palestinians, who live under occupation in the West Bank and under siege in Gaza. Israel and Saudi Arabia have united behind closed doors in their antagonism toward Iran but formalizing an alliance may still be hard to achieve.

Kara has been one of Netanyahu’s closest advisers on relations with Arab countries and was among a handful of Israeli ministers to appear publicly in a Gulf state in the past year. “This is about mutual interest,” he said.

Representatives for the energy ministries in Israel and Saudi Arabia didn’t respond to requests for comment. The Saudi Information Ministry’s Center for International Communication also didn’t respond to a request for comment.

In Saudi Arabia, Israel would find an eager partner for its emerging natural gas industry. Companies found massive quantities of gas in Israeli waters about 10 years ago but have struggled to realize the fuel’s potential. The partners developing Israel’s biggest reservoir, have inked $25 billion in contracts but still have more than 80% of the reservoir untied to any buyers.

Saudi Arabia plans to invest more than six times that amount in gas over the next decade, in part to meet rising demand for cheaper electricity.

Regional Opposition

Mass demonstrations broke out in Amman in 2016 after the companies developing Israel's biggest offshore gas fields signed a $10 billion contract with Jordan, home to millions of people of Palestinian origin.

While some Saudis argue that normalizing relations with Israel is a natural merging of interests, many others vehemently oppose the idea. Public resistance to establishing relations with Israel is so strong that a group of more than 2,000 citizens from different Gulf countries circulated an online petition last year "to stop all forms of normalization with the Zionist entity." They signed their full names — a rare step in a region where freedom of expression is limited.

While leaders of the Arab world used to be united behind the Palestinians, that support began to wane with the rise of the Iranian threat to Sunni Gulf countries, Kara said. Saudi Arabia and its regional allies now pay "lip service" to the Palestinian cause, and are seeking upgraded military and economic ties with Israel to counter Iran, he said.

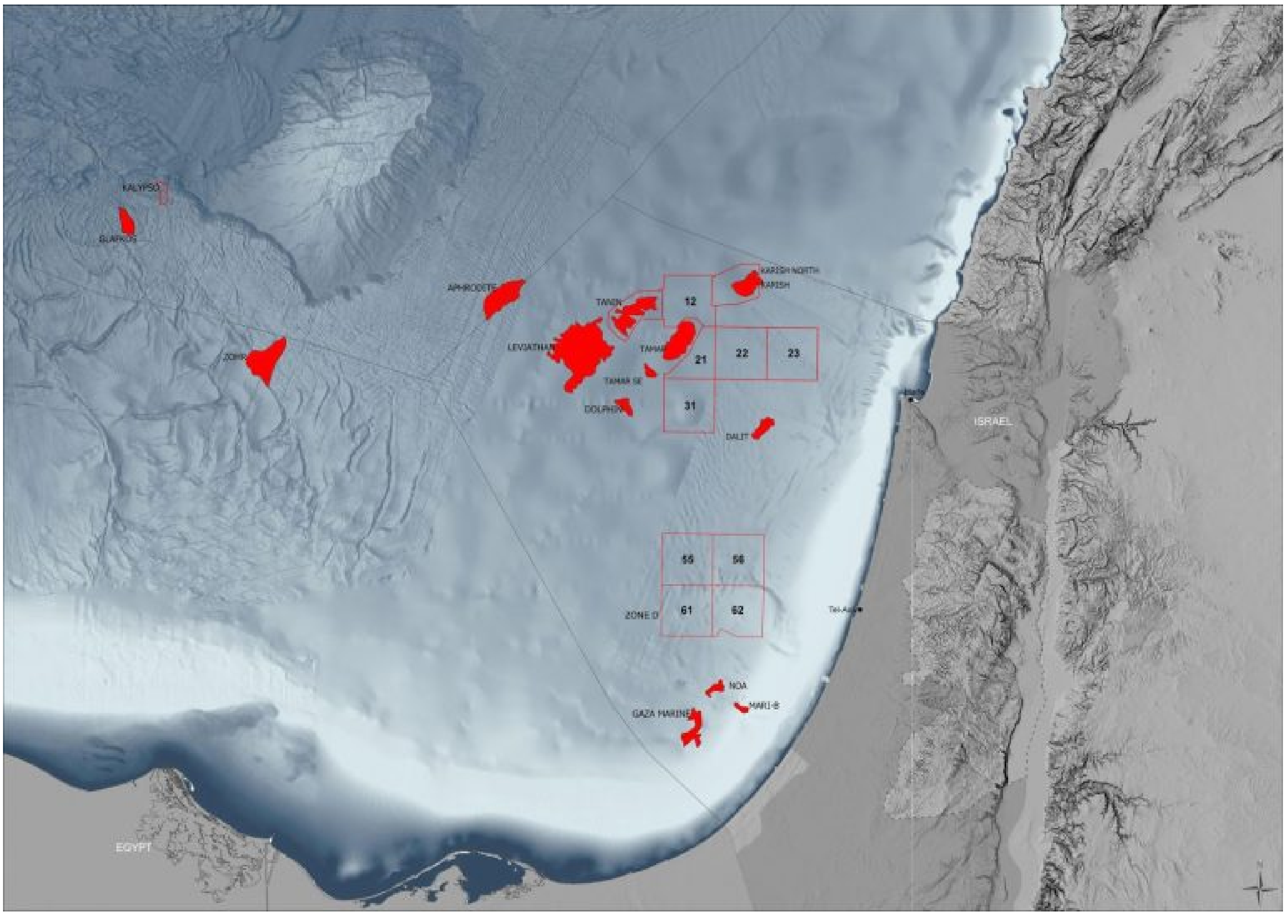
Gulf states are "not interested in the Palestinian issue," Kara said. "All they care about is the security and future of their countries."

Part of the discussions between officials center on a new energy corridor that would connect Saudi Arabia to the Eilat-Ashkelon Pipeline in Israel. This would allow the Arab kingdom to export its oil to Europe and markets further west while skirting a sea route where the U.S. has accused Iran of carrying out several attacks against commercial ships, Kara said.

Set up in 1968, Eilat-Ashkelon Pipeline Co. was then jointly-owned by Iran and Israel and facilitated oil exports from Iran to Europe. That relationship ended after Ayatollah Ruhollah Khomeini rose to power in Tehran in 1979 and he marked Israel as an enemy to the Islamic Republic.

— *With assistance by Donna Abu-Nasr, and Vivian Nereim*

Four Further Licences Awarded to Energean for Oil and Gas Exploration in Israel’s Exclusive Economic Zone (“EEZ”) – ENERGEAN OIL & GAS



Energean Oil and Gas plc (LSE: ENOG, TASE: □□□□ (is pleased to announce that Israel's Petroleum Council has awarded the Company four new licences for oil and gas exploration in the Israeli EEZ. Energean submitted its proposal in partnership with Israeli Opportunity (20%). The awarded Licences were granted for Block D, located 45 km off the Israeli coast – and include Licences 55,56,61,62 ("Zone D"), offered in the recent Bid Round published by the Israeli Ministry of Energy. Energean has identified a prospect within Zone D analogous to the prolific Tamar Sand fields (Karish, Tamar, Leviathan etc) offshore Israel. The prospect is believed to extend towards the SW of the license contingent to further seismic processing. A relatively shallow Mesozoic prospect was also identified (four way closure).

Mathios Rigas, CEO of Energean, stated: "Energean has proven its ability and commitment to explore and develop resources in a timely and cost efficient manner in the East Med. The addition of the 4 new licenses contained in Zone D adds further upside potential to our portfolio".

QP signs agreement to enter Guyana exploration blocks

QNA/Doha

Qatar Petroleum (QP) has entered into an agreement with Total for a share of exploration and production rights in two blocks offshore Guyana in Latin America.
Under the agreement, which is subject to customary regulatory approvals by the Government of Guyana, Qatar Petroleum will hold 40% of Total’s existing 25% participating interest in the Orinduik block.
The other partners in this block are Tullow Oil (Operator) with a 60% participating interest and EcoAtlantic with a 15% interest.

Guyana offshore blocks. The Kanuku block is located 100km offshore Guyana and has a total area of about 5,200 square kilometres

Also under the agreement, Qatar Petroleum will hold 40% of Total’s existing 25% participating interest in the neighbouring Kanuku block. The other partners in this block are Repsol (Operator) with a 37.5% participating interest and Tullow Oil with a 37.5% interest.
On the agreement, HE the Minister of State for Energy Affairs,

Saad bin Sherida al-Kaabi, also president & CEO of Qatar Petroleum said, “We are pleased to expand our global exploration footprint into Guyana together with our valuable, long-term partner, Total, in these offshore blocks in this prospective basin.”

Al-Kaabi added: “We hope that the exploration efforts are successful. I would like to take this opportunity to thank our partners and the government of Guyana for their collaboration in this effort, and we look forward to working together in these blocks.”

Three exploration wells are planned in these blocks this year – two on the Orinduik block, including the Jethro well, which is currently being drilled, and one on the Kanuku block.

The Orinduik block is located 120km offshore Guyana and has a total area of about 1,800 square kilometres, with water depths ranging from 70 to 1,400 metres.

The Kanuku block is located 100km offshore Guyana and has a total area of about 5,200 square kilometres, with water depths ranging from 70 to 800 metres.

TAPI gas line: Pakistan not to bear transit risk in Afghanistan

ISLAMABAD: Pakistan has told Turkmenistan in plain words that Islamabad will not bear the gas transit risk in war-ravaged Afghanistan under $8 billion TAPI gas line.

In case of halt of gas provision to Pakistan because of any subversive activity in Afghanistan, Pakistan will never take the risk at any cost, rather Turkmenistan will have to bear the risk.

More importantly, the financial commitment on behalf of Pakistan is to start when Turkmenistan ensures the gas supply on Pakistan border, not at border of Afghanistan shared with Turkmenistan. This has been clearly conveyed to Turkmenistan top authorities, top sources close to Special Assistant to Prime Minister on Petroleum Nadeem Babar told The News. Prior to it, Pakistan has already agitated with authorities of Turkmenistan the issue of reviewing the gas prices arguing that the gas price formula under which the gas prices of every buying countries (Afghanistan, Pakistan and India) has been worked out, is too much complicated and if new gas price is worked out while keeping in view the existing gas price formula, the gas price that we get is costlier even than the existing LNG price. ‘So we want Turkmenistan to review gas price formula prior to much awaited ground breaking of the portion of TAPI pipeline in the territory of Pakistan.

A high-power delegation of Turkmen Gas Company is due in Pakistan to discuss the issues raised by Pakistan. Now Turkmenistan wants, under new scenario, Pakistan experts' delegation to come to Ashgabat and extends the date of August 11, 2019. Because of Eidul Azha the date may get changed.

"Yes, we wrote a letter to Turkmenistan authorities 7 months back seeking the dialogue for review of the gas pricing formula before embarking upon the construction of the portion of the pipeline in Pakistan's territory and to this effect Special Assistant to PM on Petroleum Nadeem Babar asked the authorities of Turkmenistan to first review the gas prices downward before initiating the project," a relevant top official confirmed to The News.

Coming to the new issue of bearing risk of gas provision because of Afghanistan highlighted by Pakistan that it will only honour its financial commitment when it gets the gas delivery on its border. Turkmenistan first asked Pakistan to discuss this issue with Afghanistan, but Islamabad responded saying that it is purchasing the gas from Turkmenistan and Pakistan wants gas delivery on its border. Since Afghanistan has been at war for many decades, so Pakistan cannot bear the risk of gas provision in Afghanistan.

During the recent visit, Afghanistan President Ashraf Ghani acknowledged the issue raised by Pakistan and assured that in this regard the authorities will soon meet counterparts of Afghanistan and Turkmenistan.

To a question, the top man in the Petroleum Division said that Turkmenistan has shown willingness to review gas prices.

The three buyer countries – Afghanistan, Pakistan and India – had inked the gas sales purchase agreement with Turkmenistan on bilateral basis. Now all the buyer countries want to unfold their prices and want the re-negotiations.

To a question, he said that the financial colure of the project is to be completed by September this year and ground breaking would be held in October 2019 for laying down the 800 kilometre portion of TAPI line in Pakistan territory. The project will be operational by 2020. The pipeline from Afghanistan that will enter from Chaman and pass through Zhob, DI Khan, Quetta, Multan and touch upon Fazilka – a city at Indian border which is 150 kilometer away from Multan. From Fazilka, the pipeline will enter India.

TAPI gas pipeline project aims to bring natural gas from the Gylkynish and adjacent gas fields in Turkmenistan to Afghanistan, Pakistan and India. The ADB is acting as the facilitator and coordinator for the project. It is proposed to lay a 56-inch diameter 1,680KM pipeline with design capacity of 3.2 billion cubic feet of natural gas per annum (Bcfd) from Turkmenistan through Afghanistan and Pakistan up to Pak-India border. There are two phases of this project, the first phase is free flow phase with estimated cost of $5 to $6 billion while second phase is installation of compressor stations with the cost of $1.9 to $2 billion. Civil works of the project have already commenced in Afghanistan after the project’s ground breaking (Afghan section) was held last year.

Afghanistan will be having the gas under TAPI 500 mmcfd, Pakistan 1.325 bcfd and India 1.325bcfd too. Turkmen gas company being the consortium leader for the TAPI project is to contribute up to 85 percent of equity, and the rest of TAPI members namely Afghanistan, Pakistan and India would take 5 percent each equity share in the project company.

Japanese LNG buyer seeking price arbitration in possible ‘bellwether’

An effort by a Japanese company to get lower prices on a liquefi ed natural gas contract signed a decade ago could be the first in a fl ood as buyers seek relief from legacy contracts amid cheaper spot supplies, according to an analyst at Credit Suisse Group AG. “This will prove the bellwether for more arbitrations and tougher LNG buyer negotiating stances across the market,” analyst Saul Kavonic said in an e-mail. “We expect other traditional LNG buyers to quickly follow suit.” The market will be awaiting what concessions Osaka Gas Co will be able to wrest from the marketing unit of the Exxon Mobil Corp’s PNG LNG project. They entered into arbitration after a dispute during a price review, a spokesman for the Japanese fi rm said Friday, adding that the company is seeking to lower LNG costs. Exxon declined to comment. The dispute underscores the frustrations of buyers locked in contracts linked to oil benchmarks while spot prices drop to the lowest seasonal level in a decade. Most of Japan’s LNG imports are indexed to oil, which has remained a widespread practice since its inception in the 1960s. Sinking prices have put LNG producers under intense pressure to off er better terms. Even Qatar, one of the world's largest suppliers, made a "dramatic" break from tradition by offering mid-term LNG contracts at about an 11% oil slope, compared to more than 16% on some contracts signed in 2008, Fereidun Fesharaki, chairman of energy consultant FGE, said in May. The Osaka Gas contract with the PNG LNG project was agreed at a 15% slope to the Japan Crude Cocktail and runs through 2035, according to data compiled by Bloomberg NEF. Prices in the utility's current PNG LNG contract are more than double those on the spot market and about 30% more than recently signed contracts, Kavonic said. A shift to a buyers' market has emboldened consumers that historically have been concerned about security of supply to seek greater contract fl exibility and lower prices. "It's unprecedented for a traditional LNG buyer to initiate arbitration in this way, presenting a new paradigm for LNG contract negotiations," said Kavonic.

Asian LNG prices slip but traders expect demand to pick up for winter

Asian spot prices for liquefied natural gas (LNG) slipped this week tracking a fall in European gas prices though traders anticipate prices to bottom out soon ahead of peak winter demand.

Spot prices for September delivery to Northeast Asia LNG-AS are estimated to be about $4.60 per million British thermal units (mmBtu), down 10 cents from last week, trade sources said.

Prices for cargoes delivered in August are estimated to be $4.20 per mmBtu, down 20 cents from last week, they added.

Traders are likely waiting for the European gas prices to come down before taking a position on LNG, a Singapore-based industry source said.

“The LNG market is quiet but the gas market is not and many LNG buyers are just waiting on the sidelines for the gas market to cool down before they come in to buy,” the source added.

Both the Dutch month-ahead and British month-ahead contracts have fallen 20 percent in the past week after a two-week long period of rises on expected supply flows due to outages in Norway and short-covering.

September contracts, which are not front-month yet, have also fallen over the week to around $4.10 per mmBtu for the British price and $3.85 for the Dutch, widening the spread between spot Asian LNG and the European hubs considerably.

Despite that, many traders say the spread is not wide enough and nor is there the kind of Asian demand to kick-start arbitrage from the Atlantic to the Pacific Basin.

Still, traders expect demand to pick up ahead of winter.

“There have been transactions above $5 this week, but European (gas) hubs are very volatile, and that is reflected by traders into optimisation,” a Singapore-based LNG trader said.

Angola LNG offered a cargo for August to September delivery to as far as Singapore in a tender that closes next week while Russia’s Novatek has offered a cargo for mid-September loading from Rotterdam’s Gate terminal in the GLX platform, industry sources said.

In term contracts, four companies are vying for a massive LNG tender by Pakistan to buy 240 cargoes for a period of 10 years, sources said.

Indonesia’s Tangguh LNG plant may have offered two cargoes a month for loading or delivery over October to December into Northeast Asia earlier this month though it was not immediately clear if it had sold the cargoes.

Japan’s Nippon Steel may have bought a cargo for delivery in September at about $4.60 per mmBtu, an industry source said.

Royal Dutch Shell’s LNG tanker ‘Barcelona Knutsen’ has loaded a cargo at Peru LNG and is now crossing the Pacific Ocean to deliver a cargo into China in the first half of August, data intelligence firm Kpler said on Thursday.

This will make it the fourth LNG cargo to be delivered from Peru to China so far this year, up from just one cargo last year, Refinitiv Eikon shipping data showed.
Source: Reuters (Reporting by Jessica Jaganathan, additional reporting by Sabina Zawadzki in LONDON; editing by Gopakumar Warrier)

GLOBAL LNG-Asian prices slip but traders expect demand to pick up for winter