

## S&P 500 closes lower as some Russian banks cut off from SWIFT system

THE S&P 500 ended lower after a volatile session on Monday, with investors wrestling with uncertainty and bank stocks dropping following powerful Western sanctions against Russia as it continued its invasion of Ukraine.

Helping the Nasdaq close in positive territory after opening at a loss, electric carmakers Tesla and Rivian Automotive jumped 7.5% and 6.5%, respectively.

Citigroup fell 4.5% and helped push the S&P 500 banks index down 2.35% as the US 10-year Treasury yield slipped. The broader S&P 500 financial index dropped 1.5%.

Global stocks slumped, the Russian rouble tanked to record lows and safe-haven assets got a boost after Western allies imposed new sanctions that limited Moscow's ability to deploy its \$630-billion foreign reserves and cut off some of its banks from the SWIFT global payments system.

Russian artillery bombarded residential districts of Ukraine's second-largest city, as Moscow's invading forces met stiff resistance on a fifth day of conflict.

"The Russia-Ukraine invasion in itself is not likely going to be a long-term headwind for US equities. But I think in the short term, it's a massive contributor to the equity pullback," said Sylvia Jablonski, chief investment officer at Defiance ETFs.

The S&P 500 energy sector rallied 2.6%, thanks to higher oil prices.

Defense stocks Raytheon Technologies, Lockheed Martin Corp., General Dynamics Corp., Northrop Grumman and L3Harris Technologies gained between 2.8% and 8% following news that Germany would increase its military spending.

Cybersecurity stocks also rallied, with Palo Alto Networks,

Fortinet, Zscaler and CrowdStrike Holdings all climbing more than 4%.

The Dow Jones Industrial Average fell 0.49% to end at 33,892.60 points, while the S&P 500 lost 0.24% to 4,373.94.

The Nasdaq Composite climbed 0.41% to 13,751.40, ending higher for the third straight session.

Monday's session was busy. Volume on US exchanges was 14.5 billion shares, compared with the 12.2 billion average for the full session over the last 20 trading days.

The S&P 500 fell 3.15% in February, while the Nasdaq lost 3.43%. So far in 2022, the S&P 500 has lost over 8%, the index's deepest two-month decline since March 2020.

The worsening geopolitical crisis has added to investors' concerns about soaring inflation and the Federal Reserve's rate-hike plans. The S&P 500 and the Nasdaq logged their biggest two-month declines since the pandemic-led crash in March 2020.

The CBOE volatility index, also known as Wall Street's fear gauge, rose for a second straight session.

Delta Air Lines, Inc. dropped 3.9% after Russia closed its airspace to airlines from 36 countries in response to Ukraine-related sanctions targeting its aviation sector.

First Horizon Corp. surged 29% after TD Bank Group offered to acquire the US bank in an all-cash deal valued at \$13.4 billion.

Declining issues outnumbered advancing ones on the NYSE by a 1.10-to-1 ratio; on Nasdaq, a 1.03-to-1 ratio favored decliners.

The S&P 500 posted 20 new 52-week high and five new lows; the Nasdaq Composite recorded 45 new highs and 92 new lows.

— Reuters

## Aluminum prices surge to record as Western nations announce sanctions on big producer Russia

LONDON — Aluminum prices surged to another record high on Monday after Western nations unveiled more sanctions on major producer Russia in response to its invasion of Ukraine, fueling worries about supplies.

Three-month aluminum on the London Metal Exchange (LME) hit a record \$3,525 a ton in high volumes, before paring gains to \$3,385 by 1700 GMT, a rise of 0.8%.

Aluminum volumes of 30,419 lots was nearly equal to that of the other main five LME metals combined.

Aluminum has hit successive record peaks recently and is on track to gain 12% in February, the biggest monthly rise since April 2018.

More severe sanctions announced at the weekend included blocking some Russian banks from the SWIFT international payments system, which traders said may disrupt commodities exports from Russia.

"Based on current announcements, there's no clear sanction that will target metals flows, but increasing numbers of Russian companies are being impacted and that has put the market on tenterhooks," said Wenyu Yao, senior commodities strategist at ING Bank.

"There are also indirect impacts for zinc and aluminum due to high energy prices. Even

though oil and gas are off the table for sanctions, if Putin uses gas to retaliate, there could be more explosive spikes in metals."

Aluminum is the most energy-intensive metal to produce.

Russia produces about 6% of the world's aluminum and accounts for about 7% of global nickel mine supplies. It is also a major producer of natural gas used to generate electricity.

LME nickel slipped 0.5% to \$24,235 a ton after having gained 3% earlier in the session.

"It seems that Russia is prioritizing its strategic interests over economic sanctions, so the situation runs further risks of escalation," said Yeap Jun Rong, market strategist at IG in Singapore.

Russian aluminum producer Rusal has halted alumina shipments from its 1.75-Mtpa Nikolaev refinery located close to the port of Mykolaiv in Ukraine, consultancy Wood Mackenzie said on Monday.

LME copper was barely changed at \$9,869.50 a ton, zinc gained 1% to \$3,658.50, tin climbed 1.6% to \$45,200, and lead added 0.7% to \$2,384.50 after touching the highest since last November.

Copper output in Chile, the world's largest producer of the metal, fell 7.5% year on year to 429,923 tons in January, data showed on Monday. — Reuters

# Crude oil prices settle higher on Russian supply disruption

OIL PRICES jumped on Monday as Western allies imposed more sanctions on Russia and blocked some Russian banks from a global payments system, which could cause severe disruption to its oil exports.

Brent crude settled up \$3.06 or 3.1% at \$100.99 a barrel after touching a high of \$105.07 in early trade.

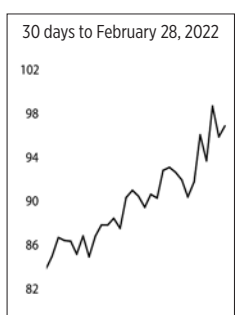
The Brent contract for April delivery expires on Monday. The most active contract, for May delivery, was up \$3.14 at \$97.26.

US West Texas Intermediate (WTI) crude settled up \$4.13 or 4.5% at \$95.72 after hitting \$99.10 in early trade.

Russia is facing severe disruption to its exports of all commodities from oil to grains after Western nations imposed stiff sanctions on Moscow and cut off some Russian banks from the SWIFT international payment system.

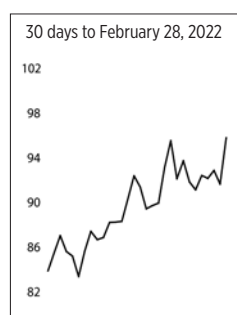
"Russia could retaliate to these harsh measures by reducing or even completely suspending energy shipments to Europe," said Commerzbank analyst Carsten Fritsch.

ASIA-DUBAI (FEBRUARY CONTRACT)



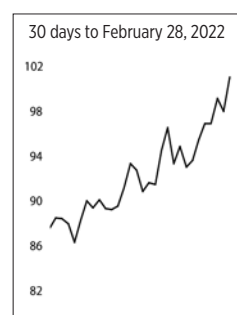
DOLLARS PER BBL					
Feb.	22	23	24	25	28
\$/bbl	95.96	93.60	98.60	95.81	96.79
Average (Feb. 1-28)	<b>\$92.34</b>				
Average (Jan. 1-31)	<b>\$83.18</b>				

NEW YORK-WTI (APRIL CONTRACT)



DOLLARS PER BBL					
Feb.	22	23	24	25	28
\$/bbl	92.35	92.10	92.81	91.59	95.72
Average (Feb. 1-28)	<b>\$91.63</b>				
Average (Jan. 1-31)	<b>\$82.91</b>				

LONDON-BRENT (APRIL CONTRACT)



DOLLARS PER BBL					
Feb.	22	23	24	25	28
\$/bbl	96.84	96.84	99.08	97.93	100.99
Average (Feb. 1-28)	<b>\$94.10</b>				
Average (Jan. 1-31)	<b>\$85.48</b>				

Source: REUTERS

Russian crude oil grades, which account for about 10% of global oil supply, were hammered in physical markets.

Goldman Sachs raised its one-month Brent price forecast to \$115 a barrel from \$95 previously.

President Vladimir Putin put Russia's nuclear deterrent on high alert on Sunday.

Russian forces seized two small cities in southeastern Ukraine, the Interfax news

agency said, but ran into stiff resistance elsewhere.

Talks between Ukraine and Russia have started at the Belarusian border, a Ukrainian presidential adviser said, aiming to agree to an immediate ceasefire.

"If there's any progress made in this meeting, we're going to see a sharp reversal in markets — we'll see stocks rise, the dollar rise and oil fall," said OANDA analyst Jeffrey Halley.

## SPOT PRICES

MONDAY, FEBRUARY 28, 2022

METAL	
PALLADIUM free \$/troy oz	2,487.40
PALLADIUM JMI base, \$/troy oz	2,526.00
PLATINUM free \$/troy oz	1,055.90
PLATINUM JMI base \$/troy oz	1,060.00
KRUGGERAND, fob \$/troy oz	1,911.00
IRIDIUM, whs rot, \$/troy oz	3,890.00
RHODIUM, whs rot, \$/troy oz	19,990.00
GRAINS (FEBRUARY 24, 2022)	
(FOB Bangkok basis at every Thursday)	
FRAGRANT (100%) 1st Class, \$/ton	831.00
FRAGRANT (100%) 2nd Class, \$/ton	784.00
RICE (5%) White Thai- \$/ton	420.00
RICE (10%) White Thai- \$/ton	417.00
RICE (15%) White Thai- \$/ton	418.00
RICE (25%) White Thai- \$/ton (Super)	418.00
BROKER RICE A-1 Super \$/ton	399.00
FOOD	
COCOA ICCO Dly (SDR/mt)	1,783.78
COCOA ICCO \$/mt	2,487.02
COFFEE ICA comp '2001 cts/lb	205.59
SUGAR ISA FOB Daily Price, Carib. ports cts/lb17.69	
SUGAR ISA 15-day ave.	17.87

## LIFFE COFFEE

New Robusta 10 MT - \$/ton

	High	Low	Sett	Psett
Mar.	2281	2235	2239	2293
May	2172	2081	2090	2178
July	2154	2063	2071	2157
Sept.	2151	2063	2069	2152

## LIFFE COCOA

(Ldn)-10 MT-E/ton

	High	Low	Sett	Psett
Mar.	1673	1636	1642	1674
May	1728	1688	1690	1729
July	1761	1719	1722	1761
Sept.	1765	1725	1728	1764

## COCONUT

MANILA COPRA (based on 6% moisture)	
Peso/100kg	Buyer/Seller
Lag/Qzn/Luc	5,950.00/6,000.00
Philippine Coconut Oil - Crude	
CIF NY/NOLA	100.00
FOB RAIL/NOLA	103.00
COCONUT OIL (PHIL/IDN), \$ per ton,	
CIF Europe	
Feb./Mar.'22	0.00/2,300.00
Mar./Apr.'22	0.00/2,250.00
Apr./May'22	0.00/2,200.00
May/June'22	0.00/2,150.00

## LONDON METAL EXCHANGE

LME FINAL CLOSING PRICES, US\$/MT	
	3 MOS
ALUMINUM H.G.	3,368.50
ALUMINUM Alloy	2,725.00
COPPER	9,883.50
LEAD	2,387.00
NICKEL	24,282.00
TIN	45,224.00
ZINC	3,666.00

## Palladium, gold bullion prices jump as Ukraine trouble unnerves markets

PALLADIUM PRICES surged on Monday after the West slapping more sanctions on Russia over its invasion of Ukraine raised fears of supply disruptions and put safe-haven gold on pace to post its biggest monthly percentage gain in nine.

Palladium was up 5.1% at \$2,488.20 by 1:51 p.m. ET (1851 GMT), having scaled a session high of \$2,551.50. It was set to post its third consecutive monthly rise.

Russia's Nornickel is the world's largest supplier of palladium, used by automakers for catalytic converters.

"As sanctions increase on Russia and the tensions escalate, it creates a scarcity threat (for

platinum metal groups)," said Eric Scoles, market strategist at Blue Line Futures.

The palladium supply deficit could certainly increase if the US is not doing business with the major producers, Mr. Scoles added.

Spot gold rose 0.6% to \$1,898.25 per ounce, after gaining as much as 2.2% earlier in the session. US gold futures settled up 0.7% at \$1,900.70.

Gold, often used a safe-store of value during times of political and financial uncertainty, has risen about 6.5% in February, having soared to an 18-month high of \$1,973.96 last week.

"When geopolitical tensions get really high, gold still is the

main safe haven asset outperforming the crypto currencies and other even other assets like Treasuries," said Jim Wyckoff, senior analyst at Kitco Metals.

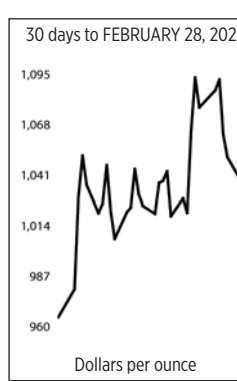
Financial markets slid and oil prices soared as Western allies ramped up efforts to punish Russia with new sanctions.

In response, Russia's central bank on Monday moved to shield the economy as its invasion of Ukraine continued, bolstering other measures including an assurance it would resume buying gold in the domestic market.

Spot silver gained 0.5% at \$24.31, while platinum fell 1.6% to \$1,037.51. Both of them were poised to post monthly gains. — Reuters

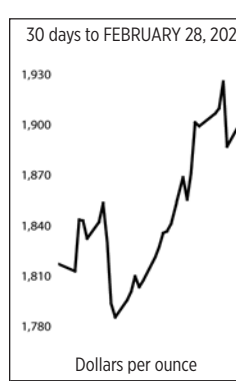
## US COMMODITY FUTURES

PLATINUM (APRIL CONTRACT)



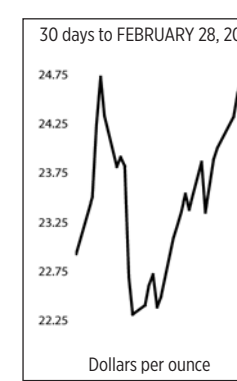
DOLLARS PER OUNCE	
Open	Close
1,074.80	1,038.70
1,078.60	NET: -11.40
1,034.40	PREV: 1,050.10

GOLD (MARCH CONTRACT)



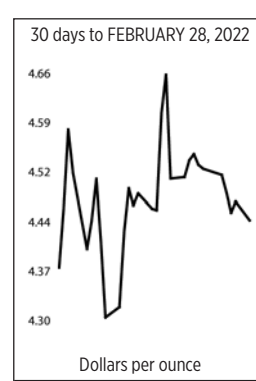
DOLLARS PER OUNCE	
Open	Close
1,928.30	1,899.40
1,928.40	NET: 12.90
1,894.20	PREV: 1,886.50

SILVER (MARCH CONTRACT)



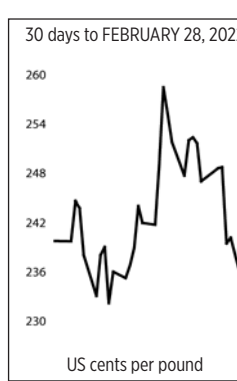
DOLLARS PER OUNCE	
Open	Close
24.550	24.361
24.855	NET: 0.364
24.280	PREV: 23.997

COPPER (MARCH CONTRACT)



DOLLARS PER POUND	
Open	Close
4.456	4.445
4.516	NET: -0.028
4.440	PREV: 4.472

COFFEE (MARCH CONTRACT)



US CENTS PER POUND	
Open	Close
239.50	234.25
239.50	NET: -5.80
233.95	PREV: 240.05