

Asian markets barely move; US bond yields near 2.5%

SYDNEY — Share markets made cautious gains on Monday amid talk of more sanctions against Russia over its invasion of Ukraine, while bonds screamed the risk of a hard landing for the US economy as short-term yields hit three-year high.

A holiday in China made for sluggish trading, and MSCI's broadest index of Asia-Pacific shares outside Japan inched up 0.6%. Japan's Nikkei added 0.1%, while S&P 500 stock futures and Nasdaq futures were flat. EUROS-TOXX 50 futures firmed 0.2% and FTSE futures 0.4%.

While Russia-Ukraine peace talks dragged on, reports of Russian atrocities led Germany to say the West would agree to impose more sanctions in coming days.

Germany's defense minister also said the European Union must discuss banning imports of Russian gas, a step that would most likely send prices yet higher while forcing energy rationing in Europe.

Data last week showed inflation in the EU had already surged to a record high, piling pressure on the European Central Bank to rein in prices even as growth slows sharply.

The US Federal Reserve has already raised rates and is predicted to do a lot more after Friday's solid March payrolls report. Several Fed officials are due to speak at public events this week, with the prospect of sending more hawkish signals, and minutes of the last policy meeting are due on Wednesday.

“We now expect the Fed to hike by 50 bps in May, June, and July, before dialing the pace back slightly by delivering 25bps hikes at the September, November and December,” said Kevin Cummins, chief US economist at NatWest Markets. “This will bring the funds rate into restrictive territory sooner, with 2.50-2.75% by year-end 2022.”

Investors reacted by hammering short-dated Treasuries and further inverting the yield curve as the market priced in the risk all this tightening would ultimately lead to recession. On Monday, two-year yields were up at three-year high of 2.49% and well above the 10-year at 2.410%.

The jump in yields has underpinned the US dollar, particularly against the yen, given the Bank of Japan acted repeatedly last week to keep its bond yields near zero.

The dollar was trading firm at ¥122.60 and not far from its recent seven-year peak of 125.10. The euro drifted to \$1.1045 and could fall further should the EU actually act to stop gas flows from Russia, which calls its actions in Ukraine a “special operation.”

The rise in bond yields globally has been a drag on gold, which pays no return, and the metal was stuck at \$1,920 an ounce. — Reuters

SPOT PRICES

FRIDAY, APRIL 1, 2022

METAL	
PALLADIUM free \$/troy oz	2,310.72
PALLADIUM JMI base, \$/troy oz	2,340.00
PLATINUM free \$/troy oz	996.30
PLATINUM JMI base \$/troy oz	1,000.00
KRUGGERAND, fob \$/troy oz	1,929.00
IRIDIUM, whs rot, \$/troy oz	5,090.00
RHODIUM, whs rot, \$/troy oz	19,490.00

GRAINS (March 31, 2022)	
(FOB Bangkok basis at every Thursday)	
FRAGRANT (100%) 1st Class, \$/ton	837.00
FRAGRANT (100%) 2nd Class, \$/ton	807.00
RICE (5%) White Thai- \$/ton	426.00
RICE (10%) White Thai- \$/ton	423.00
RICE (15%) White Thai- \$/ton	426.00
RICE (25%) White Thai- \$/ton (Super)	426.00
BROKER RICE A-1 Super \$/ton	423.00

FOOD	
COCOA ICDO Dly (SDR/mt)	1,816.89
COCOA ICDO \$/mt	2,513.46
COFFEE ICA comp '2001 cts/lb	198.40
SUGAR ISA FOB Daily Price, Carib, port cts/lb	19.38
SUGAR ISA 15-day ave.	19.12

LIFFE COFFEE

New Robusta 10 MT - \$/ton

	High	Low	Sett	Psett
May	2177	2123	2139	2165
July	2168	2114	2130	2152
Sept.	2153	2108	2120	2137
Nov.	2138	2108	2113	2124

LIFFE COCOA

(Ldn)-10 MT-E/ton

	High	Low	Sett	Psett
May	1768	1740	1749	1769
July	1794	1764	1776	1796
Sept.	1797	1775	1786	1799
Dec.	1798	1780	1790	1799

COCONUT

MANILA COPRA (based on 6% moisture)	
Peso/100kg	Buyer/Seller
Lag/Qzn/Luc	6,250.00/6,300.00
Philippine Coconut Oil - Crude	
CIF NY/NOLA	98.50
FOB RAIL/NOLA	102.00
COCONUT OIL (PHIL/IDN), \$ per ton,	
CIF Europe	
Mar./Apr.'22	0.00/2,550.00
Apr./May'22	0.00/2,055.00
May/June'22	0.00/2,060.00
June/July'22	2,027.50/2,045.00

LONDON METAL EXCHANGE

LME FINAL CLOSING PRICES, US\$/MT	
3 MOS	
ALUMINUM H.G.	3,450.00
ALUMINUM Alloy	2,800.00
COPPER	10,353.50
LEAD	2,449.50
NICKEL	33,223.00
TIN	44,767.00
ZINC	4,339.00

Crude oil prices edge up on tight supply worries

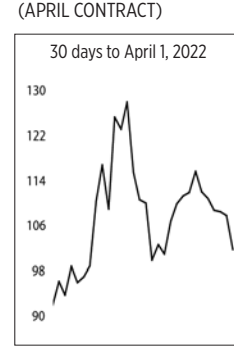
SINGAPORE — Oil prices inched higher on Monday as worries about tight supply persisted even as investors eyed the release of supplies from strategic reserves from consuming nations and a truce in Yemen sparked hopes that supply issues in the Middle East could abate.

Brent crude futures were up nine cents or 0.09% to \$104.48 a barrel by 0427 GMT, while US West Texas Intermediate (WTI) crude was at \$99.30 a barrel up three cents or 0.03%. Both contracts slipped \$1 when markets opened on Monday.

The United Nations has brokered a two-month truce between a Saudi-led coalition and the Houthis group aligned with Iran for the first time in the seven-year conflict. Saudi oil facilities have come under attack by the Houthis during the conflict, adding to supply disruption from Russia.

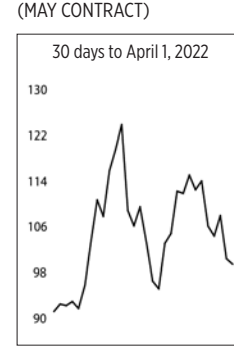
Oil and gas condensate production at the world's No. 2 exporter fell to 11.01 million barrels per day (bpd) in March, from an average output of 11.08 million bpd in February, industry sources said. The Russian oil industry has been hit by Western sanctions

ASIA-DUBAI (APRIL CONTRACT)



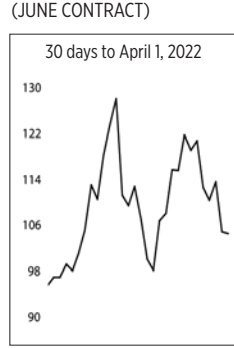
Mar. 28	29	30	31	1	
\$/bbl	110.65	108.59	108.35	107.65	101.60
Average (April 1)	\$101.60				
Average (Mar. 1-31)	\$110.90				

NEW YORK-WTI (MAY CONTRACT)



Mar. 28	29	30	31	1	
\$/bbl	105.96	104.24	107.82	100.28	99.27
Average (April 1)	\$99.27				
Average (Mar. 1-31)	\$108.26				

LONDON-BRENT (JUNE CONTRACT)



Mar. 28	29	30	31	1	
\$/bbl	112.48	110.23	113.45	104.71	104.39
Average (April 1)	\$104.39				
Average (Mar. 1-31)	\$112.32				

Source: REUTERS

and buyer aversion after Russia's invasion of Ukraine. Estimates of the Russian oil supply loss range from 1 million to 3 million bpd.

Oil prices slumped about 13% last week after US President Joseph R. Biden, Jr. announced that up to 1 million bpd of oil would be sold from the US Strategic Petroleum Reserve (SPR) for six months starting in May. Mr. Biden said the release, the third in the past six months, will serve as a

bridge until domestic producers can boost output and bring supply into balance with demand.

Demand concerns in China, the world's top oil importer, persist as its most populous city, Shanghai, has extended coronavirus disease 2019 (COVID-19) lockdowns. China's transport ministry expects a 20% drop in road traffic and a 55% fall in flights during the three-day Qingming holiday. — Reuters

Gold slips as dollar, yields gain on robust job data

GOLD PRICES fell on Monday as the dollar and Treasury yields firmed after a solid US payrolls report raised expectations of aggressive rate hikes, although the Ukraine crisis and talks of more sanctions against Russia supported safe-haven demand.

A stronger dollar makes gold less attractive for other currency holders, while higher yields increase the opportunity cost of holding non-paying bullion.

Spot gold was down 0.3% at \$1,917.55 per ounce by 0434 GMT. US Gold futures slipped 0.2% to \$1,920.30.

The dollar made a firm start to the week while Treasury yields were also higher, as the monthly US jobs report indicated a strong labor market and is likely to keep the Federal Reserve on track to maintain its hawkish policy stance.

US job data showed the unemployment rate falling to a new two-year low of 3.6% and wages re-accelerating, positioning the Fed to raise interest rates by a hefty 50 basis points in May.

Investors are looking forward to any discussion of a 50 basis point rate hike when the Fed re-

leases minutes from its March meeting on Wednesday.

Meanwhile, Germany's defense minister said on Sunday the European Union must discuss banning imports of Russian gas, after Ukrainian and European officials accused Russian forces of atrocities.

Spot gold may fall to \$1,898 as it has broken a support at \$1,924 per ounce, according to Reuters' technical analyst Wang Tao.

Spot silver edged 0.2% lower to \$24.57 per ounce, platinum was down 0.1% at \$984.49, while palladium rose 1.3% to \$2,306.19. — Reuters

Chicago grain futures settle up as war dampens Ukraine exports

US WHEAT, soybean and corn futures rose on Monday after data showed Ukrainian grain exports in March were four times less than February levels as Russia's invasion of its neighbor continued to hamper global supplies.

The most-active wheat contract on the Chicago Board of Trade (CBOT) was up 1.4% at \$9.97-1/2 a bushel, as of 0545 GMT, rebounding after two sessions of losses.

CBOT soybeans edged up 0.3% to \$15.86-3/4 a bushel following a two-day slump and corn climbed 1.3% to \$7.44-1/4 a bushel.

Ukraine's March grain shipments overseas included 1.1 million tons of corn, 309,000 tons of wheat, and 118,000 tons of sunoil, the country's economy ministry said on Sunday.

Ukraine was the world's fourth-largest grain exporter in the 2020/21 season, according to International Grains Council data, with most of its commodities shipped out via the Black Sea.

Ukraine and Russia account for about 29% of global wheat exports. The war has

forced Ukraine traders to transport more grain by rail.

“With the current uncertainty created by the war in Ukraine, which is impacting the supply of commodities and semi-finished products in a great number of sectors, the urge to stock up inventories might be even bigger,” ING economists said in a note.

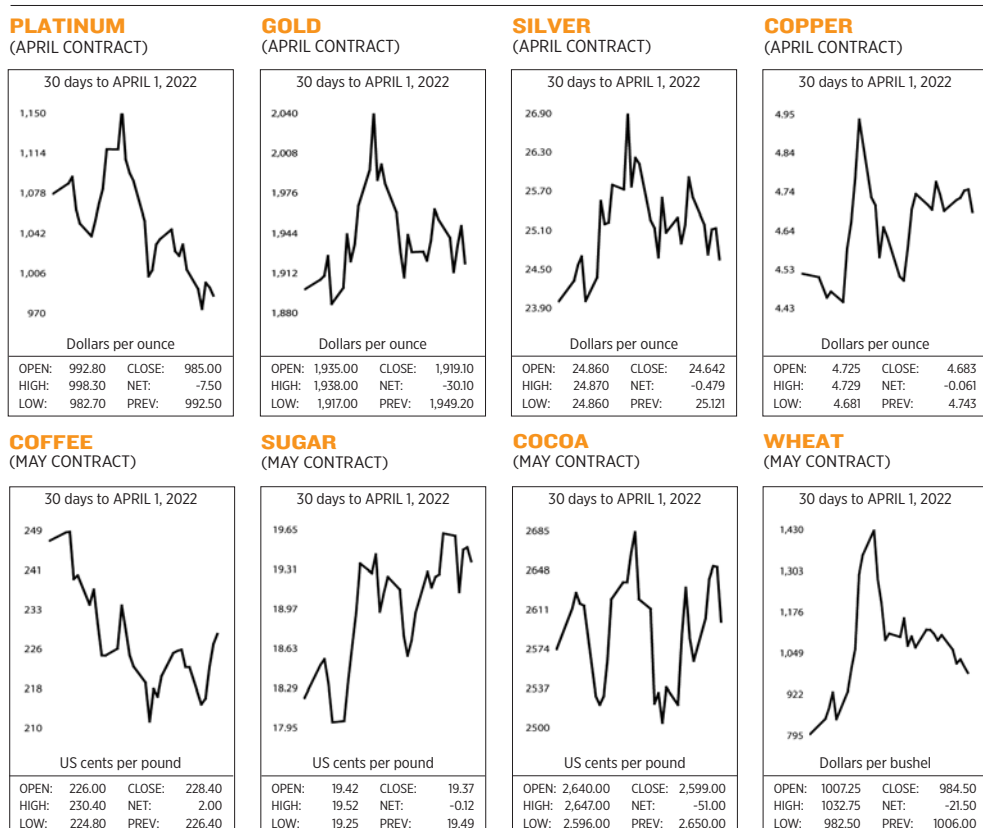
Hopes for a ceasefire dimmed as peace talks dragged on, with Germany on Sunday saying the West would agree to impose more sanctions on Russia in the coming days after Ukraine accused Russian forces of war crimes.

On Friday, an ally of Russia President Vladimir Putin warned that Russia could limit supplies of agriculture products to “friendly” countries only, amid Western sanctions imposed on Moscow over the Ukraine crisis.

Meanwhile, US government images seen by Reuters showed what a US official said was damage to grain storage facilities in eastern Ukraine, indicating the severity of Russian attacks. — Reuters

US COMMODITY FUTURES

Source: REUTERS
FRIDAY, APRIL 1, 2022



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