

Wall Street declines with no major news

NEW YORK — US stocks closed lower on Monday, with few catalysts to sway investor sentiment as they approach the halfway point of a year in which the equity markets have been slammed by heightened inflation worries and tightening Fed policy.

The major US stock indexes lost ground after oscillating earlier in the session, with weakness in interest rate sensitive megacaps such as Amazon.com, Microsoft Corp. and Alphabet, Inc. providing the heaviest drag.

“The reason for lack of direction this week and next week is investors are looking for what’s going to happen in the second quarter reporting period,” said Sam Stovall, chief investment strategist of CFRA Research in New York.

All three indexes are on course to notch two straight quarterly declines for the first time since 2015. They also appear set to post losses for June, which would mark three consecutive down months for the tech-heavy Nasdaq, its longest losing streak since 2015.

The S&P was on track to report its fifth worst year-to-date price decline since 1962 as of Friday, Mr. Stovall said.

“Every time the SPX rose by more than 20% in a year, it fell by an average of 11% starting relatively early in the new year. And all years where the decline started in the first half got back to break even before the year was out.”

“No guarantee that’s going to happen this year, but the market could surprise us to the upside,” Mr. Stovall said.

Rising oil prices helped put energy stocks out front, with economically sensitive smallcaps and semiconductors and transports also outperforming the broader market.

Economic data surprised to the upside, with new orders for

durable goods and pending home sales beating expectations and adding credence to US Federal Reserve Chairman Jerome Powell’s assertion that the economy is robust enough to withstand the central bank’s attempts to rein in decades-high inflation without sliding into recession.

The Dow Jones Industrial Average fell 62.42 points or 0.20% to 31,438.26; the S&P 500 lost 11.63 points or 0.30% to 3,900.11; and the Nasdaq Composite dropped 83.07 points or 0.80% to 11,524.55.

Among the 11 major sectors of the S&P 500, eight ended the session in negative territory, with consumer discretionary suffering the largest percentage loss. Energy stocks were the clear winners, gaining 2.8% on the day.

With several weeks to go until second-quarter reporting commences, 130 S&P 500 firms have pre-announced. Of those, 45 have been positive and 77 have been negative, resulting in a negative/positive ratio of 1.7 stronger than the first quarter but weaker than a year ago, Refinitiv said.

In extended trading, Robinhood Markets fell 4% after FTX’s Sam Bankman-Fried said his cryptocurrency exchange was in no active M&A conversations with the retail stock trading platform.

During Monday’s session, Coinbase Global, Inc. dropped over 10% after Goldman Sachs downgraded that cryptocurrency exchange to “sell” from “buy.”

Advancing issues outnumbered declining ones on the NYSE by a 1.17-to-1 ratio; on Nasdaq, a 1.02-to-1 ratio favored decliners.

The S&P 500 posted one new 52-week high and 29 new lows; the Nasdaq Composite recorded 24 new highs and 84 new lows.

Volume on US exchanges was 10.91 billion shares, compared with the 12.95 billion average over the last 20 trading days. — Reuters

Raw sugar sinks to near 4-month low as Brazil cuts taxes on fuel

NEW YORK/LONDON — Raw sugar futures on ICE fell to the lowest since early March on Monday as Brazil’s richest state cut taxes on gasoline, possibly leading mills in the country to produce less ethanol and more sugar.

Arabica coffee hit a two-week low while cocoa was also down.

SUGAR: July raw sugar settled down 0.07 cent or 0.4% at 18.30 cents per pound (lb) after slumping to its weakest since March 1 at 18.20 cents.

Dealers said sugar prices, which were rising earlier in the session, dropped amid news that Brazil’s São Paulo state, the country’s largest fuel market, cut state taxes on gasoline but kept them unchanged for hydrous ethanol.

As both gasoline and hydrous ethanol compete for drivers’ preference at pumps, the reduction in the so-called ICMS tax on gasoline will likely cut ethanol’s appeal to car owners, ultimately leading mills to make less ethanol and more sugar.

German sugar producer Suedzucker plans “significant” price hikes to offset rising costs and prepares to shift to coal as Russian gas supplies to Western Europe slow.

August white sugar settled down \$2.00 or 0.4% at \$541.60 a ton.

COFFEE: September arabica coffee settled down 1.15 cents or 0.5% at \$2.221 per lb after slipping to a two-week low of \$2.19.

Prices eased even as ICE certified arabica stocks fell again on Monday to 951,000 bags, their lowest since early 2000.

September robusta coffee fell \$4 or 0.2% at \$2,040 a ton.

COCOA: September New York cocoa fell \$22 or 0.9% to \$2,410 a ton.

“World cocoa grindings are at risk of slowing (or contracting) due to the Russia-Ukraine conflict hindering regional demand as well as headwinds to global GDP. This drives our bias for a deflationary price regime in the next 9-12 months,” said Citi.

It added, however, that cocoa is unlikely to fall to the \$2,000-\$2,200 range as significant supply growth in the 2022/23 season is not a sure thing, especially with fertilizer supply chain issues.

September London cocoa fell £19 or 1.1% to £1,741 per ton. — Reuters

Crude oil prices gain \$2 after G7 vows more sanctions on Russia

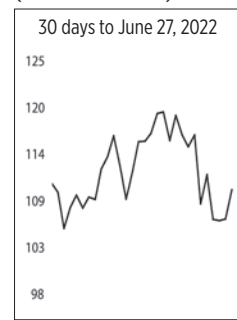
HOUSTON — Oil rose \$2 a barrel on Monday on the prospect of even tighter supplies loomed over the market as the Group of Seven nations promised to tighten the squeeze on Russian President Vladimir Putin’s war chest while actually lowering energy prices.

Brent crude futures settled \$1.97 or 1.7% higher at \$115.09 a barrel, while US West Texas Intermediate (WTI) crude closed up \$1.95 or 1.8% at \$109.57 a barrel.

The group of wealthy nations vowed to stand with Ukraine “for as long as it takes,” proposing to cap the price of Russian oil as part of new sanctions to hit Moscow’s finances.

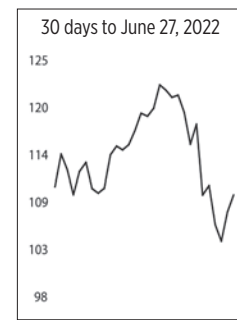
Commonwealth Bank of Australia analyst Vivek Dhar noted that there was “nothing stopping Russia from banning oil and refined product exports to G7 economies in response to a price cap, exacerbating shortage conditions in global oil and refined product markets.”

ASIA-DUBAI (JUNE CONTRACT)



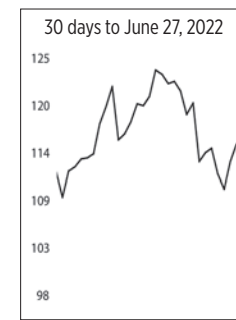
DOLLARS PER BBL	
June	21 22 23 24 27
\$/bbl	111.75 106.60 106.45 106.65 110.05
Average (June 1-27)	\$113.20
Average (May 4-31)	\$108.12

NEW YORK-WTI (AUGUST CONTRACT)



DOLLARS PER BBL	
June	21 22 23 24 27
\$/bbl	110.65 106.19 104.27 107.62 109.57
Average (June 1-27)	\$115.21
Average (May 2-31)	\$109.26

LONDON-BRENT (AUGUST CONTRACT)



DOLLARS PER BBL	
June	21 22 23 24 27
\$/bbl	114.65 111.74 110.05 113.12 115.09
Average (June 1-27)	\$117.69
Average (May 2-31)	\$111.63

Source: REUTERS

The international community should explore all options to alleviate tight energy supplies, including talks with producing nations like Iran and Venezuela, a French presidency official said. Both OPEC members’ oil exports have been curbed by US sanctions.

Both crude benchmarks closed down for the second week

in a row on Friday as interest rate hikes in key economies strengthened the dollar and fanned fears of a global recession.

Recession fears and expectations of more interest rate hikes have caused volatility and risk aversion in the futures markets, with some energy investors and traders paring back, while spot crude

prices have remained strong on high demand and a supply crunch.

For now, pressing supply worries outweighed growth concerns.

Members of the OPEC and their allies including Russia, known as OPEC+, will probably stick to a plan for accelerated oil output increases in August when they meet on Thursday, sources said.

The producer group also trimmed its projected 2022 oil market surplus to 1 million barrels per day (bpd), down from 1.4 million bpd previously, a report seen by Reuters showed.

OPEC member Libya said on Monday it might have to halt exports in the Gulf of Sirte area within 72 hours amid unrest that has restricted production.

Adding to the supply woes, Ecuador also said it could suspend oil production completely within 48 hours amid anti-government protests in which at least six people have died. — Reuters

Gold edges lower on weaker dollar, recession fears

GOLD PRICES edged lower on Monday as higher rates weighed on the bullion, while investors watched for any cues on policy moves at the European Central Bank’s (ECB) forum in Portugal.

Spot gold fell 0.1% to \$1,823.89 per ounce by 2:47 p.m. ET (18:47 GMT). US gold futures settled down 0.3% at \$1,824.8.

“Gold softened as the bond market sell-off resumed after weak demand from another Treas-

ury auction,” said Edward Moya, senior analyst with OANDA.

The dollar also fell and a rise in US 10-year Treasury yield made gold less attractive.

Gold is considered a hedge against inflation spikes and economic risks, yet higher interest rates raise the opportunity cost of holding the non-yielding asset.

Investors are watching for any signs of future policy moves as central bank heads, includ-

ing ECB President Christine Lagarde and Fed Chair Jerome Powell, attend the annual forum in Sintra.

Meanwhile, analysts said a plan by Britain, the United States, Japan and Canada to ban imports of Russian gold to tighten sanctions on Moscow may only have a limited fundamental impact.

“Not much gold is being exported to the G7 nations, primarily because of the lack of

flights from Russia since the war started. The impact on gold price has thus far been negligible,” said Stephen Innes, managing partner at SPI Asset Management.

Russia, the world’s third-largest gold producer, accounts for about 10% of global production.

Spot silver rose 0.1% to \$21.13 per ounce, platinum was also up 0.1% to \$908.00, while palladium fell 0.3% to \$1,870.52. — Reuters

Source: REUTERS
MONDAY, JUNE 27, 2022

SPOT PRICES MONDAY, JUNE 27, 2022

METAL	
PALLADIUM free \$/troy oz	1,925.58
PALLADIUM JMI base, \$/troy oz	1,928.00
PLATINUM free \$/troy oz	911.84
PLATINUM JMI base \$/troy oz	915.00
KRUGGERAND, fob \$/troy oz	1,830.00
IRIDIUM, whs rot, \$/troy oz	4,890.00
RHODIUM, whs rot, \$/troy oz	13,990.00

FOOD	
COCOA ICCO Dly (SDR/mt)	1,745.83
COCOA ICCO \$/mt	2,332.41
COFFEE ICA comp '2001 cts/lb	198.14
SUGAR ISA FOB Daily Price, Carib. port cts/lb	18.42
SUGAR ISA 15-day ave.	18.94

GRAINS (June 23, 2022) (FOB Bangkok basis at every Thursday)	
FRAGRANT (100%) 1st Class, \$/ton	905.00
FRAGRANT (100%) 2nd Class, \$/ton	876.00
RICE (5%) White Thai- \$/ton	427.00
RICE (10%) White Thai- \$/ton	424.00
RICE (15%) White Thai- \$/ton	425.00
RICE (25%) White Thai- \$/ton (Super)	425.00
BROKER RICE A-1 Super \$/ton	410.00

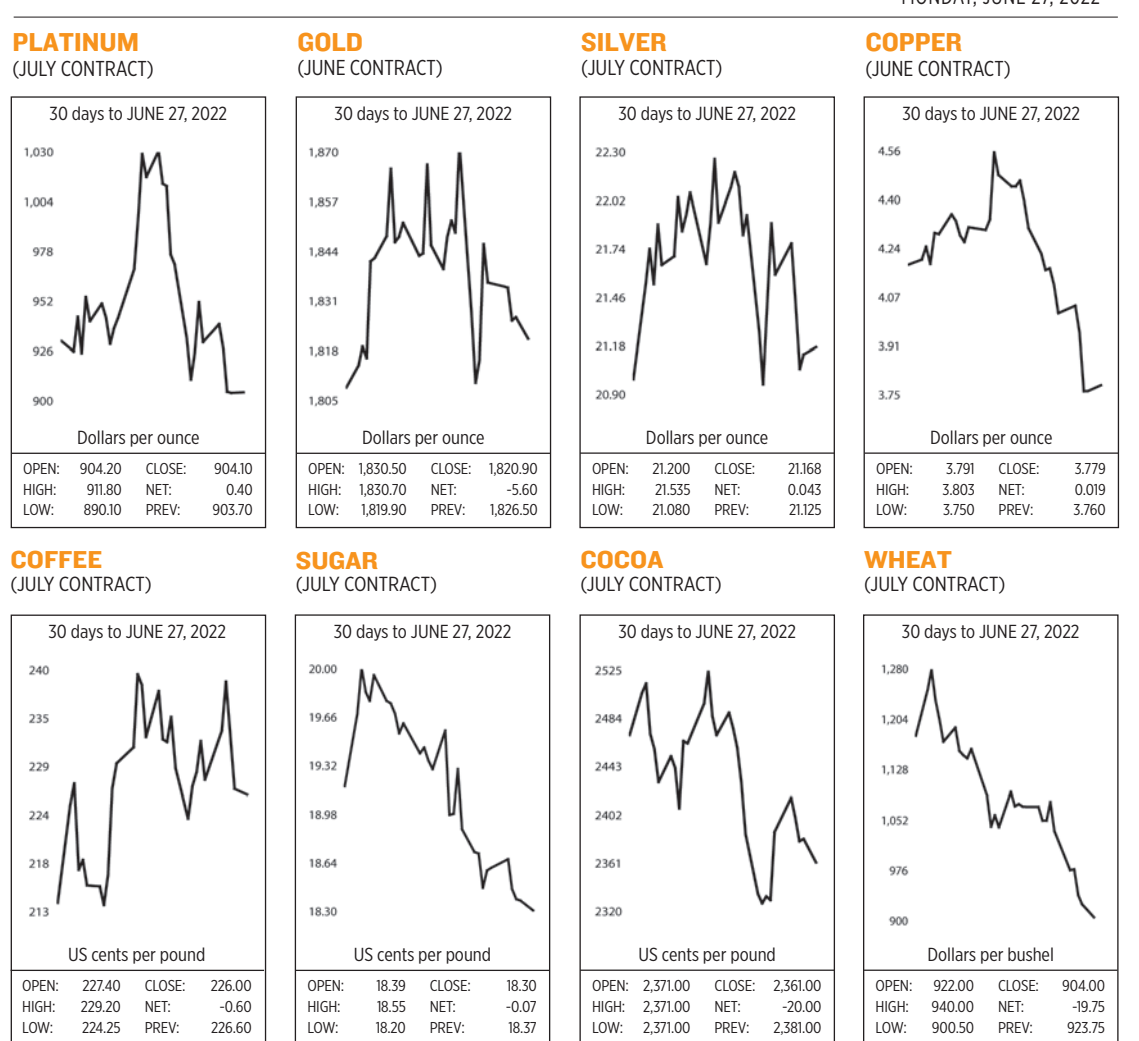
LIFFE COFFEE New Robusta 10 MT - \$/ton				
	High	Low	Sett	Psett
July	2066	2036	2044	2027
Sept.	2055	2034	2040	2044
Nov.	2046	2027	2031	2037
Jan.	2033	2016	2018	2024

LIFFE COCOA (Ldn)-10 MT-\$/ton				
	High	Low	Sett	Psett
July	1771	1726	1732	1754
Sept.	1777	1734	1741	1760
Dec.	1808	1773	1780	1795
Mar.	1807	1777	1782	1796

COCONUT MANILA COPRA (based on 6% moisture)	
Peso/100kg	Buyer/Seller
Laq/Ozn/Luc	4,650.00/4,700.00
Philippine Coconut Oil - Crude	
CIF NY/NOLA	89.00
PALM OIL CIF NY/NOLA	64.60
COCONUT OIL (PHIL/IDN), \$ per ton, CIF Europe	
June/July'22	1,775.00/2,100.00
July/Aug.'22	1,550.00/1,650.00
Aug./Sept.'22	1,540.00/1,630.00
Sept./Oct.'22	1,530.00/1,570.00

LONDON METAL EXCHANGE LME FINAL CLOSING PRICES, US\$/MT 3 MOS	
ALUMINUM H.G.	2,495.50
ALUMINUM Alloy	1,920.00
COPPER	8,417.50
LEAD	2,003.50
NICKEL	22,882.00
TIN	26,991.00
ZINC	3,318.00

US COMMODITY FUTURES



London red metal prices stabilize, but recession worries dominate mood

LONDON — Copper prices steadied on Monday as sentiment improved after top consumer China eased coronavirus disease 2019 (COVID-19) restrictions and the dollar slipped, but fears of a recession, rising prices and higher interest rates weighed on industrial metals.

Benchmark copper on the London Metal Exchange (LME) was up 0.3% at \$8,404 a ton at 1605 GMT. Prices of the metal used as a gauge of economic health by investors touched \$8,122.50 a ton on Friday, the lowest since February 2021.

“Copper is supported by optimism around the lifting of COVID-19 restrictions in China,” said Giles Coghlan, analyst at broker HYCM. “But it is hard to see whether it will last as it all depends on whether a global recession can be avoided.”

Beijing said it would allow schools to resume in-person classes and Shanghai’s top party boss declared victory over COVID-19 after the city reported zero new local cases for the first time in two months.

Soaring inflation, interest rate hikes, expectations of further rate increases and the damage to growth and demand have seen prices of equities and commodities plummet in recent weeks.

Copper came under pressure after LME data showed a 11,825-ton jump in stocks to 124,850 tons in LME approved warehouses.

ZINC: A small rise in stocks in LME-registered warehouses, up 3,175 ton since last Monday at 81,725 ton, weighed on prices of the metal used to galvanize steel.

Three-month zinc fell 0.2% to \$3,342 a ton.

Easing concern about supplies on the LME market saw the premium for cash over the three-month zinc contract fall back to \$66 a ton on Monday from above \$200 a ton last week.

But zinc availability on the LME market will remain a problem as canceled warrants — metal earmarked for delivery — at 78% of the total indicate more metal is due to leave LME warehouses over coming weeks.

Industrial metals overall were supported by a weaker greenback, which makes dollar-priced commodities cheaper for holders of other currencies. The dollar slipped further after the New York open.

OTHER METALS: Aluminum was up 1.9% at \$2,502 a ton, lead gained 4.2% to \$1,996, tin rose 10.3% to \$27,125, and nickel climbed 2.2% to \$22,900. — Reuters