

Wall St. retreats as rate hike concerns persist

NEW YORK — US stocks closed lower on Monday, adding to last week's sharp losses on nagging concerns about the US Federal Reserve's determination to aggressively hike interest rates to fight inflation even as the economy slows.

Fed Chair Jerome H. Powell said on Friday the US economy would need tight monetary policy "for some time" before inflation is under control, dashing hopes the Fed might pivot to more subdued rate hikes after recent data suggested price pressures were peaking.

The S&P 500 recovered from session lows that put it down 1% at the lowest in a month, but the benchmark index still notched its biggest two-day percentage decline in 2-1/2 months.

"Friday's selloff was frankly overdone, I know (Powell) said he was going to play tough with inflation but it is honestly not that much different than what he has been saying for the last several weeks, he was a little more hawkish but I mean, geez, who is surprised by that, really?" said Randy Frederick, vice-president of trading and derivatives for Charles Schwab in Austin, Texas. "I don't see a whole lot of up or downside here in the near term, I see a lot of volatility and that is probably going to be the case at the very least until we get past the September 21 rate hike."

The Dow Jones Industrial Average fell 184.41 points or 0.57% to 32,098.99; the S&P 500 lost 27.05 points or 0.67% to 4,030.61; and the Nasdaq Composite dropped 124.04 points or 1.02% to 12,017.67.

Megacap technology and growth stocks such as Apple, Inc., off 1.37%, and Microsoft Corp., down 1.07% were among the biggest drags on the index as Treasury yields rose.

The CBOE's volatility index, Wall Street's fear gauge, hit a seven-week high of 27.67 points.

Money market traders are pricing in a 72.5% chance of a 75-basis-point interest rate hike

at the Fed's September meeting, which would be the third straight hike of that magnitude. They expect the Fed funds rate to end the year at about 3.7%.

The 2-year Treasury yield, which is particularly sensitive to interest rate expectations, briefly touched a 15-year high, while the closely watched yield curve measured by the gap between two and 10-year yields remained firmly inverted.

An inversion is considered by many to be a reliable signal of a looming recession.

Economic data this week is highlighted by the August non-farm payrolls report due on Friday. Any signs of a slowdown in the labor market might take pressure off the Fed to continue with outsized rate hikes.

The S&P 500 climbed nearly 11% since mid-June through Friday's close. It recently found support just above its 50-day moving average, although it remains well below its 200-day moving average. Despite the rebound, some investors remain worried as September approaches due to the historical weakness for stocks during the month and the anticipated hike from the Fed.

Energy stocks, up 1.54% were a bright spot as crude prices jumped about 4% on possible OPEC+ output cuts and conflict in Libya.

Bristol Myers Squibb slid 6.24% after its drug candidate for preventing ischemia strokes missed the main goal in a mid-stage trial.

Volume on US exchanges was 9.36 billion shares, compared with the 10.59 billion average for the full session over the last 20 trading days.

Declining issues outnumbered advancing ones on the NYSE by a 2.19-to-1 ratio; on Nasdaq, a 2.20-to-1 ratio favored decliners.

The S&P 500 posted 2 new 52-week highs and 22 new lows; the Nasdaq Composite recorded 28 new highs and 199 new lows. — Reuters

Arabica coffee closes lower on weak session; sugar little changed

NEW YORK — Arabica coffee futures on ICE closed lower on Monday, retreating from multi-month peaks set last week, amid weak activity as the London market was closed due to a bank holiday.

Raw sugar futures were little changed, while New York cocoa rose.

COFFEE: December arabica coffee settled down 1.5 cents, or 0.6%, at \$2.366 per pound (lb), having set a six-month peak of \$2.4295 on Thursday.

Dealers said the market was technically overbought after its recent advance, but added that fundamentals were still positive for arabica.

Brazilian broker Carvalhaes said in a note that the country's 2022 crop appeared smaller than forecast.

It said that the local physical market remained weak, with farmers mostly only working to meet contractual obligations to deliver coffee sold months ago.

There was no trading for robusta coffee futures in London.

SUGAR: October raw sugar settled down 0.03 cent, or 0.2%, at 18.44 cents per lb.

Dealers said the market was pressured by the macroeconomic outlook as policy makers see a long battle against inflation that will likely cut jobs and hurt the economy.

News of a new tender from Vietnam to buy 113,000 tons of sugar gave some support to the market, as well as rising oil prices.

There was no trading for white sugar futures in London.

COCOA: December New York cocoa settled down \$3, or 0.1%, to \$2,410 a ton.

Above-average rain last week in most of the Ivory Coast's cocoa-growing regions could help spur an early start to the October-to-March main crop, farmers said on Monday. — Reuters

Crude oil prices settle up 4% on prospect of OPEC+ supply cuts

OIL PRICES settled up more than 4% on Monday, extending last week's gain, as potential OPEC+ output cuts and conflict in Libya helped to offset a strong US dollar and a dire outlook for US growth.

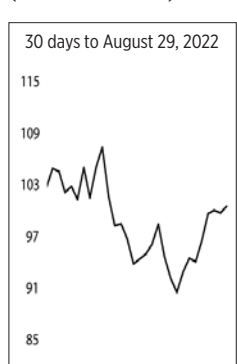
Saudi Arabia, top producer in the Organization of the Petroleum Exporting Countries (OPEC), last week raised the possibility of production cuts, which sources said could coincide with a boost in supply from Iran should it clinch a nuclear deal with the West.

OPEC+, comprising OPEC, Russia and allied producers, meets to set policy on Sept. 5.

Brent crude settled up \$4.10 or 4.1% at \$105.09 a barrel, having risen by 4.4% last week. US West Texas Intermediate (WTI) crude gained \$3.95 or 4.2% to \$97.01, after rallying 2.5% last week.

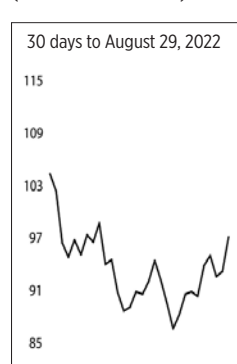
"Oil prices are inching higher on hopes of a production cut from OPEC and its allies to restore market balance in response to the revival of Iran's nuclear deal," said Sugandha

ASIA-DUBAI (AUGUST CONTRACT)



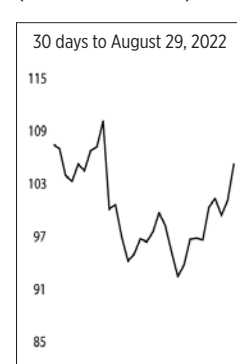
Aug. 23	24	25	26	29	
\$/bbl	96.35	99.50	99.90	99.60	100.38
Average (Aug. 1-29)	\$96.28				
Average (July 1-29)	\$103.12				

NEW YORK-WTI (OCTOBER CONTRACT)



Aug. 23	24	25	26	29	
\$/bbl	93.74	94.89	92.52	93.06	97.01
Average (Aug. 1-29)	\$91.57				
Average (July 1-29)	\$99.38				

LONDON-BRENT (OCTOBER CONTRACT)



Aug. 23	24	25	26	29	
\$/bbl	100.22	101.22	99.34	100.99	105.09
Average (Aug. 1-29)	\$97.73				
Average (July 1-29)	\$105.12				

Source: REUTERS

Sachdeva, vice-president of commodity research at Religare Broking.

Nations that are members of the International Energy Agency could release more oil from strategic petroleum reserves (SPR) if they find it necessary when the current scheme expires, the head of the agency said on Monday.

The price of crude oil has surged this year, with Brent coming close to a record high of \$147 in March as Russia's invasion of Ukraine exacerbated supply concerns. Rising fears over high interest rates, inflation and recession risks have since weighed on the market.

Oil's gain was limited by a strong US dollar, which hit a

20-year high on Monday after the US Federal Reserve chairman signaled that interest rates would be kept higher for longer to curb inflation.

Unrest in Libya's capital at the weekend, resulting in 32 deaths, sparked concern that the country could slide into a full-blown conflict and disrupt in oil supply from the OPEC nation.

US crude oil stockpiles likely fell 600,000 barrels with distillates and gasoline inventories also seen down, a preliminary Reuters poll showed on Monday.

The poll was conducted ahead of reports from the American Petroleum Institute, an industry group, due at 4:30 p.m. EDT (2030 GMT) on Tuesday, and the Energy Information Administration due at 10:30 a.m. on Wednesday.

Crude inventory in the US emergency reserves fell by 3.1 million barrels in the week to Aug. 26 to the lowest since December 1984, according to data from the Department of Energy. — Reuters

Gold recovers from one-month low as dollar rally stalls

GOLD PRICES reversed course to trade higher on Monday as a dollar rally lost steam, having pushed bullion to one-month lows earlier in the session after the US Federal Reserve signaled higher interest rates.

Spot gold was steady at \$1,737.57 per ounce by 2:15 p.m. ET (1815 GMT). Prices touched their lowest since July 27 at \$1,719.56 earlier in the session.

US gold futures settled flat at \$1,749.7.

"Gold sold-off after [Jerome] Powell's speech and right now the uptick is due to pure bargain hunting as well a pull-back in dollar... Gold will soon start trading in a small range till

further clues from the Fed," said Bob Haberkorn, senior market strategist at RJO Futures.

The dollar fell 0.1%, easing off two-decade highs, making gold less expensive for other currency holders.

In a speech at Jackson Hole, Wyoming, Mr. Powell said Fed will raise rates as high as needed to curb inflation. Market participants are now largely pricing in a 75-basis-point rate hike at the Fed's September meeting.

Gold is considered an inflation hedge, but a high-interest rate environment dims the non-yielding asset's appeal.

"Gold bulls' upside price objective is to make a form above solid resistance at \$1,800 and bears'

near-term downside price objective is pushing futures prices below solid technical support at \$1,700," said an analyst at Kitco Metals.

Higher benchmark US Treasury yields, capped gains in gold.

"The US is headed into a recession, Fed can't be aggressive then; once the market gets further confirmation on that, gold will start to rise," Mr. Haberkorn added.

Meanwhile, Goldman Sachs slashed UK growth forecast, and expects a recession to start later in the year.

Spot silver fell 0.5% to \$18.79 per ounce, platinum rose 0.2% to \$865.04 and palladium rose 1.5% to \$2,141.91. — Reuters

SPOT PRICES

MONDAY, AUGUST 29, 2022

METAL	Price			
PALLADIUM free \$/troy oz	2,131.22			
PALLADIUM JMI base, \$/troy oz	2,143.00			
PLATINUM free \$/troy oz	869.90			
PLATINUM JMI base \$/troy oz	873.00			
KRUGGERAND, fob \$/troy oz	1,741.00			
IRIDIUM, whs rot, \$/troy oz	4,240.00			
RHODIUM, whs rot, \$/troy oz	13,940.00			
FOOD				
COCOA ICCO Dly (SDR/mt)	1,745.32			
COCOA ICCO \$/mt	2,280.21			
COFFEE ICA comp '2001 cts/lb	212.50			
SUGAR ISA FOB Daily Price, Carib. port cts/lb	17.63			
SUGAR ISA 15-day ave.	17.92			
GRAINS (August 25, 2022) (FOB Bangkok basis at every Thursday)				
FRAGRANT (100%) 1st Class, \$/ton	894.00			
FRAGRANT (100%) 2nd Class, \$/ton	865.00			
RICE (5%) White Thai- \$/ton	431.00			
RICE (10%) White Thai- \$/ton	429.00			
RICE (15%) White Thai- \$/ton	425.00			
RICE (25%) White Thai- \$/ton (Super)	425.00			
BROKER RICE A-1 Super \$/ton	383.00			
LIFFE COFFEE				
New Robusta 10 MT - \$/ton				
Sept.	High 2,320	Low 2,285	Sett 2,281	Psett 2,315
Nov.	2,311	2,275	2,279	2,312
Jan.	2,291	2,257	2,260	2,294
Mar.	2,262	2,228	2,231	2,266
LIFFE COCOA				
(Ldn)-10 MT-E/ton				
Sept.	High 1,781	Low 1,761	Sett 1,779	Psett 1,772
Dec.	1,847	1,827	1,847	1,835
Mar.	1,821	1,803	1,820	1,813
May	1,806	1,792	1,805	1,800
COCONUT				
MANILA COPRA (based on 6% moisture)				
Peso/100kg	Buyer/Seller			
Lag/Ozn/Luc				
Philippine Coconut Oil - Crude				
CIF NY/NOLA	66.00			
PALM OIL CIF NY/NOLA	69.00			
COCONUT OIL (PHIL/IDN), \$ per ton, CIF Europe				
Aug./Sept.'22	1,270.00/1,400.00			
Sept./Oct.'22	1,275.00/1,330.00			
Oct./Nov.'22	1,280.00/1,325.00			
Nov./Dec.'22	1,282.50/1,325.00			
LONDON METAL EXCHANGE				
LME FINAL CLOSING PRICES, US\$/MT				
3 MOS				
ALUMINUM H.G.	2,433.50			
ALUMINUM Alloy	1,760.00			
COPPER	8,129.00			
LEAD	1,976.00			
NICKEL	21,677.00			
TIN	24,310.00			
ZINC	3,548.00			

Corn rises as heat, dryness reduced US crop

CHICAGO — Chicago Board of Trade corn futures set a two-month high on Monday after a US crop tour last week found damage from hot, dry weather and organizers projected harvests would fall short of government estimates.

Wheat futures rallied to their highest level in about seven weeks, while soybeans fell after the crop tour forecast a large US harvest.

The US Department of Agriculture (USDA), in a report issued after the close of trading on Monday, rated 54% of the nation's corn crop in good-excellent condition. That was down from 55% a week earlier and in line with analysts' estimates. Ratings for the soy crop were unchanged

at 57% good-excellent, above expectations for 56%.

Gains in corn futures reflected market efforts to entice farmers in South America to plant more acres of the grain at a time of supply concerns, said Jim Gerlach, president of broker A/C Trading.

"The market right now is trying to send a signal that, 'We need more corn acres, South America,'" he said. Most-active corn futures ended up 18-3/4 cents at \$6.83 a bushel. Wheat settled up 37-1/2 cents at \$8.42-3/4 a bushel, while soybeans fell 23-1/2 cents to \$14.37-3/4 a bushel.

After the markets closed on Friday, advisory service Pro Farmer estimated the US corn harvest at 13.759 billion

bushels, below USDA forecasts for 14.359 billion bushels. Scouts on a Pro Farmer tour last week checked crops in hundreds of Midwestern fields.

"The Pro Farmer crop data provided a surprising look," said Jerry Gidel, analyst for Midland Research.

For soybeans, Pro Farmer predicted a crop of 4.535 billion bushels, slightly above the USDA forecast of 4.531 billion bushels. Rains in August helped soybean crops, CHS Hedging said.

In Ukraine, a major corn and wheat supplier, agricultural exports could rise to 6 million to 6.5 million tons in October, double the volume seen in July, as its seaports gradually reopen, the country's agriculture minister told Reuters. — Reuters



Smart is the Philippines' Best Mobile Network, according to Ookla. For delivering the best overall experience to Filipino mobile users, PLDT's wireless arm Smart Communications, Inc. (Smart) has hit a new milestone as the first and only Philippine operator to earn the Best Mobile Network from Ookla, the global leader in mobile and broadband network intelligence. A rare distinction, the Best Mobile Network citation is awarded to the mobile operator who also leads in two crucial Ookla Speedtest Awards categories: Fastest Mobile Network and Best Mobile Coverage, within the same test period. Receiving the three awards are (from L-R): Francis E. Flores, SVP and Head of Consumer Business Group - Individual at Smart; Roderick Santiago, Network Head at PLDT and Smart; Joachim Horn, Next-Generation Solutions Advisor at Smart; Mario G. Tamayo, Head of Technology at PLDT and Smart; and Kuljeet Randhawa, Vice President at Ookla.