

SPOT PRICES

FRIDAY, AUGUST 26, 2022

METAL

PALLADIUM free \$/troy oz	2,170.27
PALLADIUM JMI base, \$/troy oz	2,186.00
PLATINUM free \$/troy oz	880.23
PLATINUM JMI base \$/troy oz	885.00
KRUGGERAND, fob \$/troy oz	1,750.00
IRIDIUM, whs rot, \$/troy oz	4,240.00
RHODIUM, whs rot, \$/troy oz	13,940.00

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

FOOD

COCOA ICCO Dly (SDR/mt)	1,745.07
COCOA ICCO \$/mt	2,278.31
COFFEE ICA comp '2001 cts/lb	213.96
SUGAR ISA FOB Daily Price, Carib. port cts/lb	17.63
SUGAR ISA 15-day ave.	17.92

LIFFE COFFEE

New Robusta 10 MT - \$/ton

	High	Low	Sett	Psett
Sept.	2,320	2,285	2,281	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

	High	Low	Sett	Psett
Sept.	1,781	1,761	1,779	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/Qzn/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	1,270.00/1,320.00
Sept./Oct.'22	1,275.00/1,317.50
Oct./Nov.'22	1,275.00/1,305.00
Nov./Dec.'22	1,275.00/1,300.00

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

Oil rises on OPEC supply cut prospects

MELBOURNE — Oil prices rose by 1% on Monday, as expectations the Organization of the Petroleum Exporting Countries (OPEC) will cut output if needed to support prices, conflict in Libya, and rising demand amid soaring natural gas prices in Europe helped offset a dire outlook for growth in the United States.

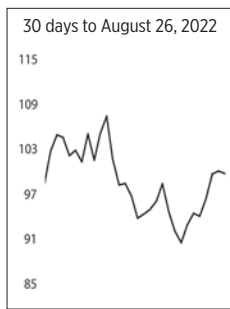
US West Texas Intermediate (WTI) crude futures jumped by \$1.09 or 1.2% to \$94.15 a barrel at 2:41 a.m. GMT, adding to a 2.5% gain last week.

Brent crude futures rose by 89 cents or 0.9% to \$101.88 a barrel, extending a 4.4% gain last week.

“Oil prices were stronger amidst the ongoing pressure on fuel demand from Europe’s ener-

ASIA-DUBAI

(AUGUST CONTRACT)

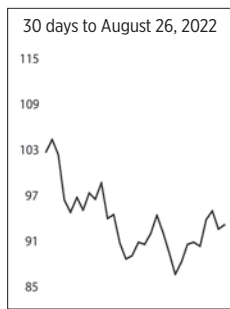


DOLLARS PER BBL

Aug. 22	23	24	25	26	
\$/bbl	93.95	96.35	99.50	99.90	99.60
Average (Aug. 1-26)	\$96.06				
Average (July 1-29)	\$103.12				

NEW YORK-WTI

(OCTOBER CONTRACT)

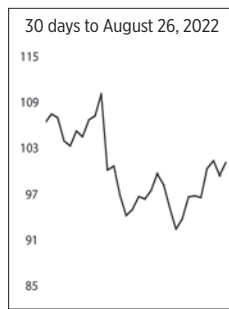


DOLLARS PER BBL

Aug. 22	23	24	25	26	
\$/bbl	90.23	93.74	94.89	92.52	93.06
Average (Aug. 1-26)	\$91.30				
Average (July 1-29)	\$99.38				

LONDON-BRENT

(OCTOBER CONTRACT)



DOLLARS PER BBL

Aug. 22	23	24	25	26	
\$/bbl	96.48	100.22	101.22	99.34	100.99
Average (Aug. 1-26)	\$97.36				
Average (July 1-29)	\$105.12				

Source: REUTERS

gy crisis, and supply constraints,” National Australia Bank commodity analysts said in a note.

Heavy clashes in Libya’s capital that killed 32 people at the

weekend sparked concern that the country could slide into a full-blown conflict, which could again disrupt crude supply from the OPEC nation, they said.

Both benchmark contracts had traded lower earlier in the day as the dollar climbed after Friday’s blunt comments from US Federal Reserve Chairman Jerome H. Powell that the United States faced a prolonged period of slow growth amid further rate hikes.

“While a strong dollar restrains broad commodity prices, the undersupply issue in the oil markets will probably continue to support the upside bias,” said CMC Markets analyst Tina Teng.

Oil prices have been buoyed by hints from Saudi Arabia and other members of the Organization of the Petroleum Exporting Countries and allies, together called OPEC+, that they could cut output to balance the market.

The United Arab Emirates is aligned with Saudi thinking

on output policy, a source with knowledge of the matter told Reuters on Friday, while the Omani oil ministry also said it supports OPEC+ efforts to maintain market stability.

Sources last week said OPEC would consider cutting output to offset any increase from Iran should oil sanctions be lifted if Tehran agrees to revive a nuclear deal.

“Iran’s production will not compensate for the shortfall in supply anytime soon,” Teng said.

On the demand side, higher natural gas prices in Europe are spurring power generators and industrial users to switch to diesel and fuel oil, further supporting crude prices, ANZ Research analysts said in a note. — **Reuters**

Asian stocks extend decline as dollar climbs on rate hubbub

SYDNEY — Asian shares slid on Monday as the mounting risk of more aggressive rate hikes in the United States and Europe shoved bond yields and the dollar sharply higher, and tested equity and earnings valuations.

US Federal Reserve Chair Jerome H. Powell’s promise of policy “pain” to contain inflation quashed hopes that the central bank would ride to the rescue of markets as so often in the past.

The tough love message was driven home by European Central Bank (ECB) board member Isabel Schnabel, who warned at the weekend that central banks must now act forcefully to combat inflation, even if that drags their economies into recession.

That triggered a sharp fall in Euro-bor futures as markets priced in the risk the ECB could hike by 75 basis points (bps) next month.

“The main takeaways are taming inflation is job number one for the Fed and the Funds Rate needs to get to a restrictive level of 3.5% to 4%,” said Jason England, global bonds portfolio manager at Janus Henderson Investors.

“The rate will need to stay higher until inflation is brought down to their 2% target, thus rate cuts priced into the market for next year are premature.” Futures are now pricing in around a 64% chance the Fed will hike by 75 bps in September, and see rates peaking at 3.75-4%.

Much might depend on what the August payroll figures show this Friday, when analysts are looking for a moderate rise of 285,000 after July’s blockbuster 528,000 gain.

The hawkish message was not what Wall Street wanted to hear and S&P 500 futures were down a further 1.1%, having shed almost 3.4% on Friday. Nasdaq futures lost 1.5%, with tech stocks pressured by the outlook for slower economic growth.

MSCI’s broadest index of Asia-Pacific shares outside Japan fell by 1.9%. Japan’s Nikkei dropped by 2.8%, while South Korea shed 2.3%. Chinese blue chips lost 0.6%, while EUROSTOXX 50 futures slid by 1.7% in the wake of the ECB’s rate warnings.

EURO STRUGGLES

The aggressive chorus from central banks lifted short-term yields globally, while further inverting the Treasury curve as investors priced in an eventual economic downturn.

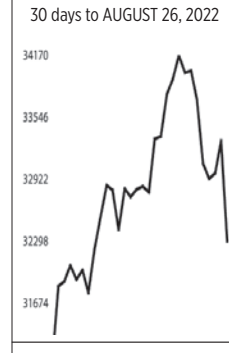
Two-year US yields rose by 7 bps to 3.466%, the highest since late 2007 and far above the 10-year level at 3.1%. Yields have also climbed across Europe with double-digit gains in Italy, Spain and Portugal.

All of this benefited the safe-haven US dollar as it shot to a fresh two-decade top of 109.40 against a basket of major currencies, breaching the previous high from July.

The dollar gained 0.7% to a five-week peak on the yen at 138.58, with bulls looking to retest its July top of 139.38.

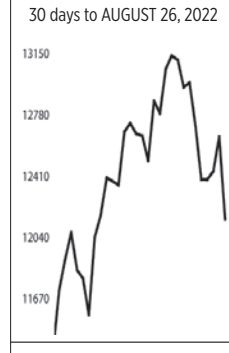
The euro was struggling at \$0.9927, not far from last week’s two-decade trough of \$0.99005, while the sterling slipped to a two-and-a-half-year low of \$1.1656. “EUR/USD can remain below parity this week,” said Joseph Capurso,

DOW JONES



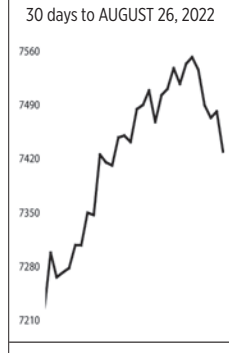
OPEN: 33,293.43 CLOSE: 32,283.40
HIGH: 33,364.70 NET: -1,008.38
LOW: 32,278.22 PREV: 33,291.78

NASDAQ COMPOSITE



OPEN: 12,630.58 CLOSE: 12,341.71
HIGH: 12,655.84 NET: -497.56
LOW: 12,314.52 PREV: 12,639.27

FTSE



OPEN: 7,479.74 CLOSE: 7,427.31
HIGH: 7,530.65 NET: -52.43
LOW: 7,422.02 PREV: 7,479.74

head of international economics at CBA.

“Energy security fears will remain front and center this week as Gazprom will shut its mainline pipeline to deliver gas to Western Europe for three days from 31 August to 2 September,” he added. “There are fears gas supply may not be turned back on following the shutdown.”

Amid those fears, natural gas futures in Europe surged by 38% last

week, adding further fuel to the inflation bonfire.

The rise of the dollar and yields has been a drag for gold, which was down at \$1,725 an ounce.

Oil prices swung higher on speculation OPEC+ could cut output at a meeting on Sept 5.

Brent rose by 58 cents to \$101.57, while US crude firmed 87 cents to \$93.93 per barrel. — **Reuters**



THUAN ANH/THAN-UNSP/PLASH

Thailand, Vietnam to cooperate in raising rice price in global market

BANGKOK — Thailand and Vietnam have agreed to cooperate in raising the price of rice in the global market, a Thai agricultural official said on Monday, following months of talks aimed in part at improving rural incomes.

“This is ... the first time Thailand and Vietnam ... have agreed to cooperate in lifting the price of rice in the global market,” Alongkorn Ponlaboot, adviser to Thailand’s agriculture and cooperatives minister, said in a statement after a fresh round of talks with Vietnamese officials.

Thailand and Vietnam began the talks in May. A Thai spokesperson said then that the objective was to raise the price of their rice exports, increase their leverage in the global market and boost farmers’ incomes.

The two countries account for around 10% of global production of rough rice and about 26% of global exports, according to the US Department of Agriculture.

It was not immediately clear when any price hikes would take effect.

Mr. Alongkorn said a summary of the latest round of talks and the recommendation to jointly raise prices would be presented to the agriculture ministers of both countries at an unspecified date.

“Will the goal be accomplished or not? I can’t answer. But today we have taken our first steps together as strategic partners in agriculture,” Mr. Alongkorn said.

The Vietnam Food Association and the Ministry of Agriculture and Rural Development of Vietnam did not immediately respond to a request from Reuters for comment. — **Reuters**

War, inflation stoke Japan fears over food security

RUSSIAN MISSILES pounding Ukraine have spooked Japan into boosting defense spending. Now, with tensions rising over the Taiwan Strait, calls are growing to address another security threat: shriveling rice paddies.

For decades, Japanese consumers have been eating less rice and fish in favor of more bread, meat and edible oil, leading the country’s calorie-based food self-sufficiency ratio to slump to 37% in 2020 from 73% in 1965 — the lowest among major economies. Toshiyuki Ito, retired vice admiral for Japan’s Maritime Self-Defense Force, said the government’s abandonment of rice paddies and other agricultural land is leaving the country more vulnerable than ever.

“They don’t do anything for national security,” Mr. Ito, now a professor at Kanazawa Institute of Technology, said about Japan’s ministries responsible for food production. “They think only about economic efficiency.”

The impact of higher global grain prices, fertilizer shortages and fuel inflation, exacerbated by a weaker yen, have already been filtering through to Japanese consumers in recent months, with supermarkets marking up everything from instant ramen noodles to ice cream. But any major blockade or disruption to sea lanes around China and the Taiwan Strait could have bigger implications than just price inflation.

Unlike the US and EU, Japan would have little to fall back on in the event food imports were to dry up. To ensure the country’s national security, it’s crucial for Japan to increase the amount of rice and wheat grown domestically,

according to Nobuhiro Suzuki, a professor of agricultural economics at the University of Tokyo.

“In terms of national security, food should come before weapons,” he said. “If you don’t have food, you can’t fight.”

Japan’s shift away from a rice-dominated diet was driven in part by higher per capita income. An expansion in global trade ushered in more imported foods, while exposure to travel and television encouraged more diverse eating habits. The growing ranks of working women and single people also brought about lifestyle changes and the embrace of fast food — the country boasts the third-largest number of McDonalds outlets after the US and China.

Per-capita seafood consumption has fallen to under 25 kilograms a year from over 40 kilograms two decades ago, and those who choose fish are increasingly opting for fattier imports, such as mackerel and salmon from Norway and Chile, according to government data. Another major factor behind the decline in the self-sufficiency ratio has been Japan’s near-total dependency on imported grains for animal feed. That means most domestically raised beef isn’t counted in self-sufficiency calculations.

The increased reliance on imports worries former agriculture minister Hiroshi Moriyama. In June, he led a group of ruling Liberal Democratic Party lawmakers that submitted a report to Prime Minister Fumio Kishida, calling for more government action on food security.

“Through the Ukraine situation, we’ve realized that what you can do

domestically, you should,” he said in an interview. “You have to produce as much as you can at home, including fertilizers and seeds.”

Consumption of the traditional staple, rice, has slumped for decades, while the percentage of wheat that’s produced domestically has halved over the past five decades to about 13%. Almost all wheat consumed in Japan is shipped from countries such as the US, Canada and Australia.

“What happens if China invades Taiwan?” asked Kazuhito Yamashita, a former agriculture ministry official who is now research director at the Canon Institute for Global Studies. “If Japan got involved, its own sea lanes would be destroyed. Food imports from the US, Australia and the EU would stop. The whole of Japan would lose physical access (to imports) and it would lead to famine.”

The government is in the process of carving out a new budget for food security as part of next year’s spending, not an easy task as the aging and indebted nation also seeks funds for a promised radical upgrade of its military. The Cabinet Office recently set out a new economic plan, which forms the basis for the next budget, calling for increased domestic production of animal feed along with wheat, rice and other food-stuffs. But that’s more easily said than done.

‘DOUBLE CROPPING’

One reason for the fall in domestic wheat production has

been a decline in “double cropping,” in which farmers use their fields to grow and harvest wheat before flooding them to grow rice later in the year. An ageing and shrinking farming population, and the rise of part-time farmers who work other jobs and don’t have time for two crops, means most rice paddies lie unused for much of the year.

“I grow rice from May to October. From November to April it’s snowing, so I can’t do anything else,” said Itsuo Kenmochi, a third-generation rice farmer in Niigata, northern Japan. He said he’s struggled to make a living off the farm as production costs rise and rice prices fail to keep pace. “I’m doing this because I have the rice fields. If I didn’t, I would have given up,” he said.

Government officials and the farming industry have tried over the years to encourage consumers to eat more rice. Nearly all of the rice eaten in Japan — mostly a translucent, short-grain variety called Japonica — is grown in the country, and bureaucrats have calculated that getting people to eat just an extra mouthful of it at each meal could raise the food self-sufficiency ratio by 1%.

There’s been no success so far: the average Japanese person now eats 53 kilograms of rice per year, less than half of what was eaten in the mid-1960s. Surveys have shown people are trying to avoid loading up on carbohydrates for health reasons, and an ageing population means fewer people have an appetite for extra servings. — **Bloomberg**

FULL STORY



Read the full story by scanning the QR code with your smartphone or by typing the link bit.ly/Food083022

Ahead of parole, Indonesian militant regrets role in Bali bombing

JAKARTA — An Indonesian militant has expressed regret for his role in the deadly 2002 Bali bombings, media reported on Monday, as news of his impending release sparks outrage in Australia.

Umar Patek was sentenced to 20 years in prison in 2012 for his involvement in bombings that ripped through two Bali nightclubs, killing 202 people, including 88 Australians. He became eligible for parole this month after a series of remissions for good behavior.

The exact date of his release, the final signoff for which rests with Indonesia’s justice minister, remains unclear.

Citing a rare video shot in the Porong prison where Bali bomb-maker Mr. Patek is being held, Australian broadcaster ABC News reported he also hopes to warn young Indonesians about the dangers of religious extremism upon his expected release.

Reuters was unable to review the video of Umar Patek. It has been removed from Porong prison’s official YouTube channel as it had not

been authorized by the justice ministry, said the prison head, Jalu Yuswa Panjang.

News of Mr. Patek’s impending parole has sparked concern in Australia, with PM Anthony Albanese saying his release would have a “devastating impact on the families of victims”.

On Sunday, East Java’s Porong prison, where Mr. Patek has been held since 2014, uploaded a 20-minute video of Mr. Patek and the prison head strolling through the prison grounds as the convicted militant discusses his role in the

deadly attack, according to a report by ABC News Australia.

“My mistake was to be involved with the Bali bombing,” he tells the prison head in the video, as reported by ABC. During his trial in 2012, Mr. Patek’s lawyers argued he only followed orders when he assembled the bombs, and had neither planned nor executed the attack.

Indonesian authorities have since highlighted Mr. Patek as an example of the country’s deradicalization efforts. — **Reuters**