

Rate hike rush pushes gold to longest monthly losing streak in four years

GOLD slipped on Wednesday and was on track for its longest run of monthly losses since 2018, pressured by aggressive rate hikes by major central banks across the world.

Spot gold fell 0.6% to \$1,712.56 an ounce by 2:03 p.m. ET. Bullion has lost about 3% so far in August, and was set for its fifth straight month of declines. US gold futures settled 0.6% lower at \$1,726.2.

It's getting much more clearer that central banks are going to be aggressive with tightening due to unprecedented inflationary pressure, which is not good for gold, said Edward Moya, senior analyst with OANDA.

The US Federal Reserve's Loretta Mester said the central bank would need to raise interest rates somewhat above 4% by early next year.

Meanwhile, Euro zone inflation jumped to another record high and will soon enter double-digit territory, heralding a string of big rate hikes.

Gold is known as a safe investment during economic and geopolitical crisis, but a high-interest rate environment makes the non-yielding asset less attractive to investors.

Bullion's reaction as it approaches the key \$1,700 level will demonstrate the amount of support that remains for the metal amid fears of a global recession and the Ukraine war, Kinesis Money analyst Rupert Rowling said in a note.

Spot silver fell 2.6% to \$18.00 an ounce. It was down 11% this month and on track for its biggest monthly drop since September 2020. Platinum dipped 0.6% to \$842.30. Palladium edged 0.7% lower to \$2,072.53. — **Reuters**

Oil dives further on demand fears

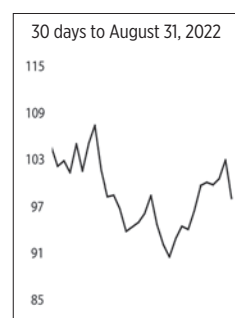
NEW YORK — Oil prices extended their slide on Wednesday, led lower by worries that the global economy would slow further with renewed restrictions to curb coronavirus disease 2019 (COVID-19) in China.

Brent crude futures for October due to expire on Wednesday, settled at \$96.49, down \$2.82 a barrel or 2.8%. The more active November contract lost \$2.20 to \$95.64 a barrel. US West Texas Intermediate (WTI) crude futures ended down \$2.09 or 2.3% at \$89.55 a barrel.

"The weakness coming out of China has played a significant role" in lowering prices, said Harry Altham, energy analyst for EMEA & Asia at StoneX Group in London.

The market has been primarily concerned with inadequate supply in the months following Russia's invasion of Ukraine and as the Organization of the Petroleum Exporting Countries (OPEC) struggled to increase output. That

ASIA-DUBAI
(AUGUST CONTRACT)



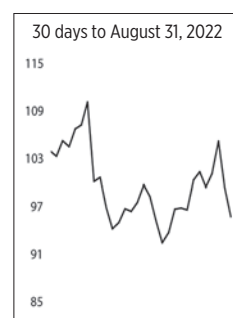
Aug.	25	26	29	30	31
\$/bbl	99.90	99.60	100.38	102.80	97.95
Average (Aug. 1-31)	\$96.65				
Average (July 1-29)	\$103.12				

NEW YORK-WTI
(OCTOBER CONTRACT)



Aug.	25	26	29	30	31
\$/bbl	92.52	93.06	97.01	91.64	89.55
Average (Aug. 1-31)	\$91.48				
Average (July 1-29)	\$99.38				

LONDON-BRENT
(NOVEMBER CONTRACT)



Aug.	25	26	29	30	31
\$/bbl	99.34	100.99	105.09	99.31	95.64
Average (Aug. 1-31)	\$97.70				
Average (July 1-29)	\$105.12				

Source: REUTERS

drove near-term contracts to a sharp premium over later-dated futures earlier this year, but that pattern has reversed somewhat as output has increased.

Both OPEC and the United States saw production hit its highest levels since the early days of the coronavirus pandemic, with OPEC's output hitting 29.6

million barrels per day (bpd) in the most recent month, according to a Reuters survey, while US output rose to 11.82 million bpd in June. Both are at their highest levels since April 2020.

"The fear that there's a slowdown here and then also the potential here for some additional supply increases coming down

the pike is having some pressure on the market," said Mike Sabo, market strategist at RJO Futures in Chicago.

The Joint Technical Committee of OPEC and allies, together called OPEC+, said it now sees an oil surplus this year of 400,000 bpd, up 100,000 bpd from its forecast a month earlier.

Some OPEC+ members have called for cuts. The group is next due to meet on Sept. 5 amid weakening demand in Asia that spurred Saudi Arabia to lower its official selling prices to that region.

US crude stocks fell by 3.3 million barrels, the US Energy Information Administration said on Wednesday, while gasoline stocks were down 1.2 million barrels.

China's factory activity extended declines in August due to new COVID-19 infections, the worst heat wave in decades and an embattled property sector that weighed on production, suggesting the economy will struggle to sustain momentum. — **Reuters**

Wall St. sees weakest August performance in 7 years

NEW YORK — US stocks ended the month with their fourth straight daily decline on Wednesday, cementing the weakest August performance in seven years as worries about aggressive interest rate hikes from the US Federal Reserve persist.

Adding to pressure were declines in the technology sector, and more specifically chipmakers, after soft forecasts from Seagate and HP, Inc.

The three main indexes suffered their biggest monthly percentage declines in August since 2015. After hitting a four-month high in mid-August, the S&P 500 has stumbled in recent weeks, dropping more than 8% through Wednesday's close and falling through several closely watched technical support levels.

Selling pressure accelerated after Fed Chair Jerome H. Powell's hawkish remarks on Friday about keeping monetary policy tight "for some time" dashed hopes of more

modest interest rate hikes, with the benchmark index down more than 5% over the past four trading sessions.

The Dow Jones Industrial Average fell 280.44 points or 0.88% to 31,510.43; the S&P 500 lost 31.16 points or 0.78% to 3,955; and the Nasdaq Composite dropped 66.93 points or 0.56% to 11,816.20.

For the month, the Dow fell 4.06%, the S&P 500 lost 4.24% and the Nasdaq declined 4.64%.

Adding to investor nervousness, stocks are also heading into a historically weak period for the market in September.

The Philadelphia SE semiconductor index lost 1.15% after Seagate, down 3.54%, slashed its first-quarter earnings expectations, citing macroeconomic concerns that are forcing cloud companies and PC makers to cut inventory levels.

In addition, HP, Inc. fell 7.68% after it forecast downbeat quarterly and full-year profit

on slowing PC sales. Snap, Inc. rose 8.69% after saying it will cut 20% of staff, restructure its advertising sales unit and shut down some projects to focus on improving sales and number of Snapchat users.

Chewy Inc. slid 8.18% after the online pet supplies retailer cut its full-year 2022 sales outlook.

Bed Bath & Beyond, Inc. plunged 21.30% after saying it would close 150 stores, cut jobs and overhaul its merchandising strategy in an attempt to turn around its money-losing business.

Declining issues outnumbered advancing ones on the NYSE by a 2.44-to-1 ratio; on Nasdaq, a 1.32-to-1 ratio favored decliners. The S&P 500 posted no new 52-week highs and 14 new lows; the Nasdaq Composite recorded 16 new highs and 190 new lows. Volume on US exchanges was 11.16 billion shares, compared with the 10.52 billion average for the full session over the last 20 trading days. — **Reuters**

Apple, HTC cleared in US court dispute over wireless patents

A US appeals court on Wednesday affirmed a win for Apple, Inc., HTC Corp. and ZTE Corp. against allegations that imports of their devices infringe wireless-technology patents.

The companies' smartphones, smart watches, tablets and other LTE-capable devices do not violate INVT's rights in two patents originally owned by Panasonic, the US Court of Appeals for the Federal Circuit said.

The companies and their attorneys did not immediately respond to requests for comment.

INVT is a patent-holding company affiliated with investment funds managed by Fortress Investment Group LLC, a SoftBank Group Corp. subsidiary.

Fortress defeated a separate lawsuit last year brought by Apple and Intel that accused it and its affiliates, including INVT, of violating antitrust law by stockpiling thousands of patents and demanding extortionate licensing fees.

Apple later dropped out of the case, which is currently on appeal.

INVT filed a complaint against Apple, HTC and ZTE at the US International Trade Commission in 2018, accusing their devices that comply with the LTE wireless standard of infringing its patents. It sought a ban on imports of the allegedly infringing devices. The commission ruled for the device makers in 2020. A three-judge Federal Circuit panel upheld the decision Wednesday.

US Circuit Judge Raymond Chen wrote the devices did not infringe one of INVT's patents because they functioned differently than what is described in the patent. The devices were not capable of receiving and handling data signals in the same way as INVT's patented technology, the appeals court said. The Federal Circuit also found the patent was not essential to the LTE standard, and that the devices did not infringe simply by being LTE capable. — **Reuters**

US orders Nvidia to halt sales of top AI chips to China

CHIP designer Nvidia Corp. said on Wednesday that US officials told it to stop exporting two top computing chips for artificial intelligence (AI) work to China, a move that could cripple Chinese firms' ability to carry out advanced work like image recognition and hamper Nvidia's business in China.

Nvidia shares fell 6.6% after hours. The company said the ban, which affects its A100 and H100 chips designed to speed up machine learning tasks, could interfere with completion of developing the H100, the flagship chip Nvidia announced this year.

Shares of Nvidia rival Advanced Micro Devices, Inc. fell 3.7% after hours. An AMD spokesman told Reuters the company had received new license requirements that will stop its MI250 AI chips from being exported to China but it believes its MI100 chips will not be affected. AMD said it does

not believe the new rules will have a material impact on its business.

Nvidia said US officials told it the new rule "will address the risk that the covered products may be used in, or diverted to, a 'military end use' or 'military end user' in China."

Asked for comment, the US Department of Commerce would not say what new criteria it has laid out for AI chips that can no longer be shipped to China but said it is reviewing its China-related policies and practices "keep advanced technologies out of the wrong hands."

"While we are not in a position to outline specific policy changes at this time, we are taking a comprehensive approach to implement additional actions necessary related to technologies, end-uses, and end-users to protect US national security and foreign policy interests," a spokesperson told Reuters.

The announcement signals a major escalation of the US crackdown on China's technological capabilities as tensions bubble over the fate of Taiwan, where chips for Nvidia and almost every other major chip firm are manufactured.

Without American chips from companies like Nvidia and AMD, Chinese organizations will be unable to cost-effectively carry out the kind of advanced computing used for image and speech recognition, among many other tasks.

Image recognition and natural language processing are common in consumer applications like smartphones that can answer queries and tag photos. They also have military uses such as scouring satellite imagery for weapons or bases and filtering digital communications for intelligence-gathering purposes.

Nvidia said it had booked \$400 million in sales of the affected chips this quarter to China that

SPOT PRICES

WEDNESDAY, AUGUST 31, 2022

METAL		
PALLADIUM free \$/troy oz		2,074.98
PALLADIUM JMI base, \$/troy oz		2,093.00
PLATINUM free \$/troy oz		848.73
PLATINUM JMI base \$/troy oz		853.00
KRUGGERAND, fob \$/troy oz		1,714.00
IRIDIUM, whs rot, \$/troy oz		4,240.00
RHODIUM, whs rot, \$/troy oz		14,090.00

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)		1,744.05
COCOA ICCO \$/mt		2,274.61
COFFEE ICA comp '2001 cts/lb		210.37
SUGAR ISA FOB Daily Price, Carib. port cts/lb		17.82
SUGAR ISA 15-day ave.		17.96

LIFFE COFFEE

New Robusta 10 MT - \$/ton

	High	Low	Sett	Psett
Sept.	2,245	2,240	2,247	2,260
Nov.	2,285	2,239	2,250	2,261
Jan.	2,263	2,226	2,238	2,245
Mar.	2,236	2,203	2,214	2,220

LIFFE COCOA

(Ldn)-10 MT-\$/ton

	High	Low	Sett	Psett
Sept.	1,810	1,795	1,800	1,795
Dec.	1,884	1,863	1,878	1,863
Mar.	1,851	1,834	1,844	1,836
May	1,834	1,819	1,829	1,821

COCONUT

MANILA COPRA (based on 6% moisture)		Buyer/Seller
Peso/100kg		
Lag/Qzn/Luc	22	3,700.00/3,750.00
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		1,260.00/1,360.00
Sept./Oct.'22		1,265.00/1,340.00
Oct./Nov.'22		1,265.00/1,320.00
Nov./Dec.'22		1,285.00/1,297.50

LONDON METAL EXCHANGE

LME FINAL CLOSING PRICES, US\$/MT	
3 MOOS	
ALUMINUM H.G.	2,359.00
ALUMINUM Alloy	1,760.00
COPPER	7,801.50
LEAD	1,950.00
NICKEL	21,411.00
TIN	22,793.00
ZINC	3,459.50

Russian economy shrinks 0.4% in first semester but capital investment rises

MOSCOW — The Russian economy shrank 0.4% in the first six months of 2022 compared with a year ago but capital investment, one of the main economic growth drivers, rose 7.8%, data from the federal statistics service Rosstat showed on Wednesday.

The export-dependent economy is plunging into recession, hit by sweeping Western sanctions for what Moscow calls "a special military operation" in Ukraine. But the depth of contraction has so far been not as big as initially thought.

In 2022, the economy will shrink by less than 3%, a top government official said this week. His call contrasts with the earlier assumption from the economy ministry that had warned of a drop of more than 12% — which would have been the biggest fall in economic output since the mid-1990s crisis following the collapse of the Soviet Union.

In the second quarter alone, capital investment rose by 4.1% year-on-year after a 12.8% increase in the first quarter, Rosstat data showed, with mining and manufacturing sectors accounting for the bulk of the increase in the first half of the year.

Rosstat data contradicts expectations of many economists who had predicted the Rus-

sian economy would collapse this year under the weight of unprecedented Western sanctions, which had frozen around half of Russia's gold and forex reserves.

With higher prices for its oil exports cushioning the impact of Western sanctions, the economy has avoided the meltdown six months after Moscow sent its forces into Ukraine. But hardships are emerging for some Russians.

Official unemployment stood at the record low of 3.9% in July, Rosstat data showed on Wednesday, but real wages, which are adjusted for inflation, shrank 3.2% year on year in June.

Data also showed that retail sales, the gauge of consumer demand, declined 8.8% in July in year-on-year terms after a 9.6% fall in the previous month.

Russian consumer prices extended their decline for the eighth week running, Rosstat data showed, after prices for nearly everything jumped sharply in the aftermath of Feb. 24.

The decline in the consumer prices index may open the door for more rate cuts by the central bank needed to help the economy. — **Reuters**

Meta eyes more paid features on Instagram, Facebook

META Platforms, Inc. is setting up a new group that will focus on creating products and features for its Facebook, Instagram and WhatsApp platforms that people will be able to purchase, a company spokesperson said on Wednesday.

"Any new product will be complementary to our existing ads business," the spokesperson told Reuters in an e-mailed statement.

The move would put Meta on the same course as companies including Snap, Inc. and Twitter, Inc. that have launched paid tiers to unlock additional features.

The *Verge* first reported the development.

The company has no plans to let users pay to turn off ads and is committed to growing the ads business, John Hegeman, Meta's head of ads and business products, said in an interview with the *Verge*.

In the long term, Meta sees paid features becoming a more meaningful part of its business, Mr. Hegeman told *Verge*.

Last month, Meta recorded its first-ever quarterly drop in revenue as recession fears and competitive pressures dragged ad sales.

The group, called New Monetization Experiences, will be led by Pratiiti Raychoudhury, who was previously Meta's head of research, *Verge* reported. — **Reuters**

Italy sees 370,000 jobs at risk due to energy price surge

AROUND 120,000 Italian service sector firms could go out of business over the next 10 months due to surging energy costs, with the loss of 370,000 jobs, business lobby Confindustria said on Wednesday. At a joint news conference in Rome Confindustria and several retail bodies

called on Mario Draghi's government to extend tax relief to help firms tackle the energy crunch, and to rule that bills can be paid in smaller instalments.

They also requested cuts in excise duties and value added tax on fuel. The government has already earmarked more than €50 bil-

lion this year to try to cushion the impact of higher energy costs for firms and households.

Italian inflation jumped to 9.0% in August from 8.4% the month before, driven up by electricity and gas prices, preliminary data showed on Wednesday. — **Reuters**