

Wall Street closes with sharp gains at start of the year's final quarter

WALL STREET's three major indexes rallied to close over 2% on Monday as US Treasury yields tumbled on weaker-than-expected manufacturing data, increasing the appeal of stocks at the start of the year's final quarter.

The US stock market has suffered three quarterly declines in a row in a tumultuous year marked by interest rate hikes to tame historically high inflation, and concerns about a slowing economy.

"The US yield markets (are) pulling back — that's been a positive... and that connotes a more risk-on environment," said Art Hogan, chief market strategist at B. Riley Wealth in Boston.

Further supporting rate-sensitive growth stocks, the benchmark US 10-year Treasury yield fell after British Prime Minister Liz Truss was forced to reverse course on a tax cut for the highest rate.

All 11 major S&P 500 sectors advanced to positive territory, with energy being the biggest gainer.

Oil majors Exxon Mobil Corp. and Chevron Corp. rose more than 5%, tracking a jump in crude prices as sources said the Organization of the Petroleum Exporting Countries and its allies are considering their biggest output cut since the start of the COVID-19 pandemic.

Megacap growth and technology companies such as Apple, Inc. and Microsoft Corp. rose over 3% respectively, while banks advanced 3%.

Data showed manufacturing activity increased at its slowest pace in nearly 2-1/2 years in September as new orders contracted, likely as rising interest rates to tame inflation cooled demand for goods.

The Institute for Supply Management said its manufacturing purchasing managers' index dropped to 50.9 this month, missing estimates but still above 50, indicating growth.

"The economic data stream actually came in worse than expected. In a very counterintuitive fashion that likely represents good news for equity markets," said Hogan.

"(While) good economic data, strong readings had been a catalyst for selling, this is the first time we've actually seen some negative news be a catalyst."

All three major indexes ended a volatile third quarter lower on Friday on growing fears that the Federal Reserve's aggressive monetary policy will tip the economy into recession.

The Dow Jones Industrial Average rose 765.38 points or 2.66% to 29,490.89; the S&P 500 gained 92.81 points or 2.59% at 3,678.43; and the Nasdaq Composite added 239.82 points or 2.27% at 10,815.44.

Volume on US exchanges was 11.61 billion shares, compared with the 11.54 billion average for the full session over the last 20 trading days.

Tesla Inc. fell 8.6% after it sold fewer-than-expected vehicles in the third quarter as deliveries lagged way behind production due to logistic hurdles. Peers Lucid Group gained 0.9% and Rivian Automotive fell 3.1%.

Major automakers are expected to report modest declines in US new vehicle sales, but analysts and investors worry that a darkening economic picture, not inventory shortages, will lead to weaker car sales.

Citigroup and Credit Suisse became the latest brokerages to lower 2022 year-end targets for the S&P 500, as US equity markets bear the heat of aggressive central bank actions to tamp down inflation.

Credit Suisse also set a 2023 year-end price target for the benchmark index at 4,050 points, adding that 2023 would be a "year of weak, non-recessionary growth and falling inflation."

Advancing issues outnumbered decliners on the NYSE by a 5.04-to-1 ratio; on Nasdaq, a 2.70-to-1 ratio favored advancers.

The S&P 500 posted one new 52-week high and 23 new lows; the Nasdaq Composite recorded 58 new highs and 282 new lows. — Reuters

Sugar sinks on growing supply; traders weigh Brazil election

NEW YORK/LONDON — Raw sugar futures on International Exchange (ICE) hit two-month lows on Monday on growing supply availability and as traders evaluate the results of elections in top sugar producer Brazil.

SUGAR: March raw sugar contract settled down 0.26 cent, or 1.5%, at 17.42 cents per pound (lb), having hit its lowest since early August at \$17.36/lb.

Brazil's real currency and stock market surged after far-right President Jair Bolsonaro outperformed polling and clinched his place in a runoff vote set for Oct. 30, denying leftist Luiz Inacio Lula da Silva an outright victory in the first round.

A Bolsonaro victory is seen as mildly bearish for sugar as he is expected to keep fuel prices low — a move that would push cane mills to ramp up sugar output at the expense of cane-based biofuel ethanol.

Traders also cited selling from Indian mills that might be hedging sugar prices before the positive outlook for the country's new crop adds pressure to futures.

Elsewhere, trader Czarnikow forecast a global sugar surplus of 3.6 million tons in the 2022/23 season as it cut its estimate for Chinese consumption due to COVID-19 lockdowns.

ICE exchange said October deliveries were at 14,652 lots.

December white sugar fell \$4.50, or 0.9%, at \$524.20 a ton.

COFFEE: December arabica coffee fell 5.8 cents, or 2.6%, at \$2.1575 per lb, having touched its lowest since early August at \$2.1475/lb.

Rains in Brazil continue to improve moisture in coffee areas, boosting prospects for the 2023 crop.

Rabobank said the return of timely rains in the country could lead to lower prices, especially if it persists in November.

November robusta coffee rose \$20, or 0.9%, at \$2,173 a ton.

COCOA: December London cocoa settled down \$25, or 1.3%, at \$1,915 per ton. The sterling-priced contract reached a 1-1/2-year peak of \$1,972 on Thursday, helped by weakness in the British currency.

Forecasters Climate42 said near-normal weather conditions are expected over the West African cocoa regions in November and while uncertainties dominate for December, it has a "slightly optimistic" outlook for January through to March.

December New York cocoa fell \$17, or 0.7%, to \$2,337 a ton. — Reuters

Crude oil prices surge as OPEC+ mulling 1 million bpd output cut

HOUSTON — Crude oil prices jumped nearly \$4 a barrel on Monday as the Organization of the Petroleum Exporting Countries and its allies (OPEC+) considered reducing output by more than 1 million barrels per day (bpd) to buttress prices with what would be its biggest cut since the start of the coronavirus disease 2019 (COVID-19) pandemic.

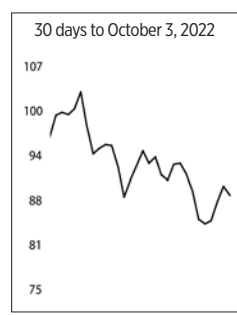
Brent crude futures for December delivery rose \$3.72 to \$88.86 a barrel, a 4.4% gain. US West Texas Intermediate (W-TI) crude rose \$4.14 or 5.2% to \$83.63 a barrel.

Oil prices have declined for four straight months since June, as COVID-19 lockdowns in top energy consumer China hurt demand while rising interest rates and a surging US dollar weighed on global financial markets.

The OPEC+ is considering an output cut of more than 1 million bpd ahead of Wednesday's meeting, OPEC+ sources have told Reuters.

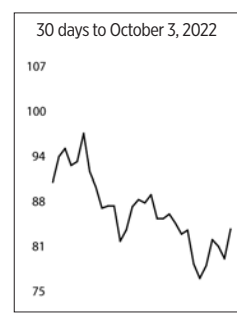
That figure does not include additional voluntary cuts by

ASIA-DUBAI (OCTOBER CONTRACT)



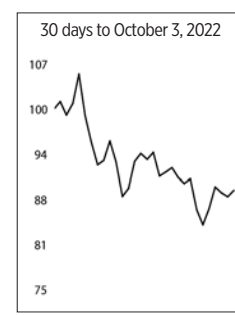
Sept.	27	28	29	30	3
\$/bbl	84.20	84.65	87.35	89.50	88.25
Average (Oct. 3)	\$88.25				
Average (Sept. 1-30)	\$90.92				

NEW YORK-WTI (NOVEMBER CONTRACT)



Sept.	27	28	29	30	3
\$/bbl	78.50	82.15	81.23	79.49	83.63
Average (Oct. 3)	\$83.63				
Average (Sept. 1-30)	\$83.80				

LONDON-BRENT (DECEMBER CONTRACT)



Sept.	27	28	29	30	3
\$/bbl	86.27	89.32	88.49	87.96	88.86
Average (Oct. 3)	\$88.86				
Average (Sept. 1-30)	\$90.57				

individual members, one OPEC source added.

If agreed, it will be the group's second consecutive monthly cut after reducing output by 100,000 bpd last month.

"After a year of tolerating extremely high prices, missed targets and severely tight markets, the (OPEC+) alliance seemingly has no hesitation when it comes

to acting rapidly to support prices amid a deterioration in the economic outlook," Oanda market analyst Craig Erlam said.

OPEC+ missed its production targets by nearly 3 million bpd in July, two sources from the producer group said, as sanctions on some members and low investment by others stymied its ability to raise output.

US crude oil stockpiles were expected to have increased by around two million last week, a preliminary Reuters poll showed on Monday. Inventories at storage hub Cushing, Oklahoma, built by 730,297 barrels to 29.6 million barrels, according to a market source, citing Genscape data.

While prompt Brent prices could strengthen short term, concerns about a global recession are likely to limit the upside.

"If OPEC+ does decide to cut output in the near term, the resultant increase in OPEC+ spare capacity will likely put more downward pressure on long-dated prices," it said in a note on Friday.

The dollar index fell for a fourth consecutive day on Monday after touching its highest level in two decades. A cheaper dollar could bolster oil demand and support prices. Goldman Sachs said it believes the OPEC+ supply cut could help remedy large exodus of oil investors that has left prices under-performing fundamentals. — Reuters

Gold rallies as dollar, yields retreat; silver soars 9%

GOLD PRICES jumped more than 2% on Monday boosted by a dip in the US dollar and bond yields, as recent lows enticed investors and also sparked a rally in silver in potentially its best day since late-2008.

Spot gold rose 2.3% to \$1,698.48 per ounce by 3:39 p.m. ET (1939 GMT), which could be its biggest daily rise since March 8. US gold futures settled 1.8% higher at \$1,702.

Silver surged 8.8% to \$20.67 per ounce, its highest since mid-August.

"For the whole of September everything took it on the chin," and was over-sold, said Michael Matousek, head trader at US Global Investors. Now people are looking for opportunities, especially non long-term term holders of these metals, who buy dips and sell rallies, he added.

The dollar eased, helping demand for the greenback-priced bullion among overseas buyers. Benchmark US 10-year Treasury yields fell to an over one-week low, supporting demand for zero-yield gold.

A retreat in the safe-haven currency has afforded gold some respite, with bullion prices staging a mini-recovery since sliding to their lowest since April 2020 last week.

Gold has found support as it has recently declined less than the overall market, Mr. Matousek said, adding there were some market participants now thinking the US Federal Reserve might ease interest rate hikes, which would support gold.

Supporting safe-haven demand for metals, US manufacturing activity grew at its slowest

pace in nearly 2-1/2 years in September, likely as rising interest rates to tame inflation cooled demand for goods.

"You're going to have to see a close back above \$1,700 to get the (gold) bulls revived a little bit, and even that, really doesn't change the technical posture a whole lot... the bears are still in pretty firm technical control," said Jim Wyckoff, senior analyst at Kitco Metals.

Palladium rose 2.9% to \$2,219.83 jumped nearly 5% to \$901.52 per ounce. — Reuters

SPOT PRICES

MONDAY, OCTOBER 3, 2022

METAL	
PALLADIUM free \$/troy oz	2,227.07
PALLADIUM JMI base, \$/troy oz	2,228.00
PLATINUM free \$/troy oz	885.86
PLATINUM JMI base \$/troy oz	893.00
KRUGGERAND, fob \$/troy oz	1,675.00
IRIDIUM, whs rot, \$/troy oz	4,040.00
RHODIUM, whs rot, \$/troy oz	13,990.00

FOOD	
COCOA ICCO Dly (SDR/mt)	1,742.57
COCOA ICCO \$/mt	2,230.27
COFFEE ICA comp *2001 cts/lb	193.28
SUGAR ISA FOB Daily Price, Carib. port cts/lb	17.68
SUGAR ISA 15-day ave.	17.71

GRAINS (September 29, 2022)	
(FOB Bangkok basis at every Thursday)	
FRAGRANT (100%) 1st Class, \$/ton	902.00
FRAGRANT (100%) 2nd Class, \$/ton	875.00
RICE (5%) White Thai- \$/ton	435.00
RICE (10%) White Thai- \$/ton	434.00
RICE (15%) White Thai- \$/ton	429.00
RICE (25%) White Thai- \$/ton (Super)	429.00
BROKER RICE A-1 Super \$/ton	383.00

LIFFE COFFEE				
New Robusta 10 MT - \$/ton				
	High	Low	Sett	Psett
Nov.	2,181	2,150	2,173	2,153
Jan.	2,168	2,143	2,163	2,146
Mar.	2,145	2,118	2,139	2,120
May	2,131	2,104	2,126	2,106

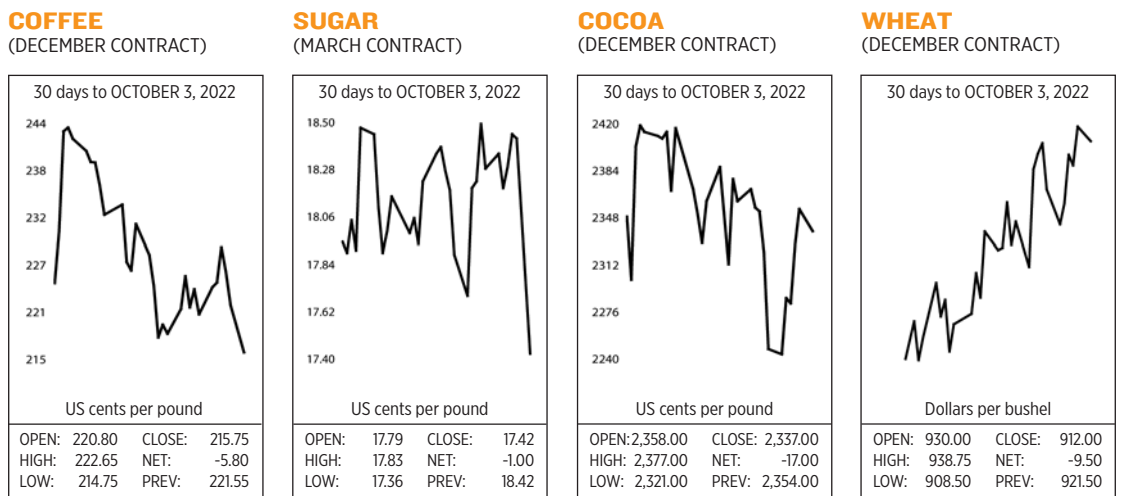
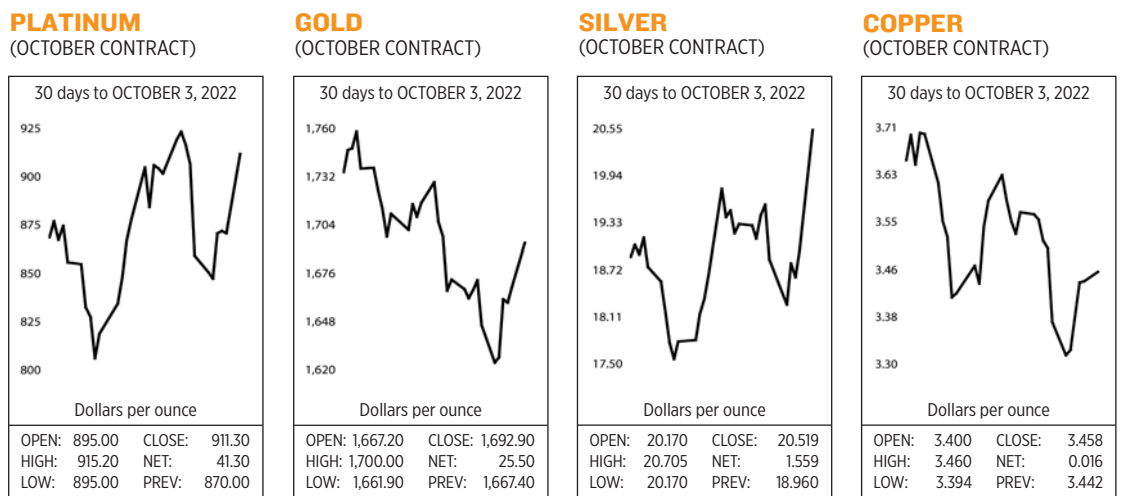
LIFFE COCOA				
(Ldn)-10 MT-£/ton				
	High	Low	Sett	Psett
Dec.	1,952	1,908	1,915	1,940
Mar.	1,913	1,868	1,877	1,905
May	1,882	1,843	1,848	1,875
July	1,874	1,836	1,840	1,866

COCONUT				
MANILA COPRA (based on 6% moisture)				
		Buyer/Seller		
Peso/100kg	22	3,300.00/3,350.00		
Lag/Ozn/Luc	22	3,300.00/3,350.00		
Philippine Coconut Oil - Crude				
CIF NY/NOLA		60.00		
PALM OIL RAIL/NOLA		63.00		
COCONUT OIL (PHIL/IDN), \$ per ton,				
Oct./Nov.'22		0.00/1,090.00		
Nov./Dec.'22		0.00/1,085.00		
Dec./Jan.'23		1,000.00/1,095.00		
Jan./Feb.'23		1,072.50/1,105.00		

LONDON METAL EXCHANGE	
LME FINAL CLOSING PRICES, US\$/MT	
	3 MOS
ALUMINUM H.G.	2,219.50
ALUMINUM Alloy	1,760.00
COPPER	7,508.00
LEAD	1,861.50
NICKEL	21,258.00
TIN	20,059.00
ZINC	2,960.50

US COMMODITY FUTURES

MONDAY, OCTOBER 3, 2022



Copper pressured by crumbling demand

LONDON — Copper prices fell on Monday as expectations of weakening demand were reinforced by manufacturing data from around the world and rising inventories in warehouses approved by the London Metal Exchange (LME).

Benchmark copper was down 0.7% at \$7,533 a ton at 1601 GMT in subdued trade owing to a week-long holiday in top consumer China. Last week the benchmark three-month contract hit 7,220 a ton, its lowest since July 21.

"It's clear we will have lower demand and potentially lower prices into the latter part of this year," said Bank of America analyst Michael Widmer.

Chinese factory activity contracted at a sharper pace in September as strict COVID lock-

downs disrupted production and hit demand for Chinese goods.

Manufacturing activity across the euro zone and Asia weakened in September in the face of continuing cost pressures.

"The European winter will be another key inflection point," said Edward Meir, analyst at ED&F Man Capital Markets.

"However, we think that things in Europe — barring a harsh winter — will not be as dire as expected given that an impressive measure of energy planning and preparation (and conservation) has taken place."

Data showing US manufacturing expanded at its slowest pace since May 2020 raised the prospect of less aggressive rate hikes in the United States, which weakened the dollar and helped industrial metals recover some early losses.

A lower US currency, making dollar-priced commodities cheaper for holders of other currencies, could boost demand.

Copper stocks in LME warehouses are up more than 30% since September at 135,750 tons while canceled warrants — metal earmarked for delivery — dropped to 6% from 50% on Aug. 26.

A \$120-a-ton premium for cash copper over the three-month contract compared with a discount in August reflects market participants squaring short positions, traders said.

In other metals, aluminum rose 2.9% to \$2,225 a ton on short position squaring in quiet markets, traders said. Zinc lost 2.1% to \$2,905; lead fell 2.5% to \$1,861; tin slipped 3.6% to \$19,900; and nickel was up 0.7% at \$21,260. — Reuters