Asia's tourist hotspots prepare for boom as China relaxes rules

BANGKOK/SINGAPORE/SYDNEY — Asian countries are bracing for an influx of Chinese tourists as COVID restrictions are dismantled, and while some are wary, operators in others are preparing packages such as hotpot buffets to cash in on the expected spike in travel.

Chinese tourists will no longer need to quarantine on return home starting Jan. 8, the government announced this week, a move that spurred a surge in bookings from what was the world's largest outbound travel market in 2019.

The once $255-billion a year in global spending by Chinese tourists ground to a virtual halt during the pandemic, leaving a gaping hole in the Asian market, where countries from Thailand to Japan had depended on China as the largest source of foreign visitors.

International flights to and from China are at just 8% of pre-pandemic levels, VariFlight data shows, but carriers are looking to ramp up capacity as authorities ease COVID-driven limits on the number of flights.

"There is little doubt mainland Chinese are the spark plug for Thailand's tourism recovery," said Bill Barnett, managing director of hospitality consultancy C9 Hotelworks. "It's not a question of if it will happen, it's now just a matter of how many and how fast."

Malaysia Airlines and Vietnamese budget carrier VietJet Aviation VJC.HM said they hope to restore China flights to pre-pandemic levels by June 2023, while others such as Singapore Airlines SIAL.SI and Australia's Qantas Airways QAN.AX declined to provide detailed targets as the situation evolves.

Chinese airlines are likely to make significant increases to capacity from the end of March, coinciding with the start of the summer scheduling season, Morningstar analyst Cheng Weng told clients in a note.

REBOUND 'WITH A VENGEANCE'

The prospect of cash-rich Chinese flocking to shopping streets across the world boosted luxury stocks this week, as China accounts for 21% of the world's 350-billion-euro ($371.91 billion) luxury goods market.

As the Lunar New Year holiday — typically a peak travel period for Chinese tourists — starts on Jan. 21, some businesses are already gearing up.

Sofitel Sentosa in Singapore is creating Lunar New Year packages aimed at Chinese visitors, including a hotpot buffet and romantic packages for couples, said Cavaliere Giovanni Viterale, general manager of that hotel and the upcoming Raffles Sentosa, as the company bets that a travel rebound will come "with a vengeance".

In Japan, tour bus firm Hato Bus says next month it will try out Chinese-language tours it had halted during the pandemic, with the aim of a full resumption by the spring, a spokesperson said.

Japan, however, is being cautious about Chinese tourism due to the rapid spread of the virus in China. It is requiring a negative COVID-19 test on arrival from Chinese visitors, and those who test positive must quarantine for seven days under new border measures taking effect on Dec. 30.

The United States said it would impose mandatory COVID tests on travellers from China, joining India, Italy and Taiwan in taking new measures, while the Philippines is considering a testing requirement.

Australia, Germany, Thailand and others, however, said they would not impose additional rules on Chinese travel for now, with France taking to social media platform Sina Weibo to emphasize it welcomed Chinese friends "with open arms".

In Vietnam, where tourist visas for Chinese are not yet being issued, Saigon Halong Hotel in Halong Bay expects it will receive Chinese arrivals from the second quarter of next year.

Any hopes of a massive rebound in Chinese travel to Australia during the Lunar New Year holiday are probably misplaced, James Shen, general manager of Melbourne-based tour agency Odyssey Travel said, citing sky-high airfares.

"There are still very few flights and they would be booking very last minute," he said. "I suspect any meaningful rebound will have to wait until the travel boom in June or July next year." — ***Reuters***

A VIETNAM DONG note is seen in this illustration photo May 31, 2017. REUTERS

Vietnam 2022 GDP growth quickens to 8%, the fastest since 1997

HANOI — Vietnam's economy grew 8.02% in 2022, the fastest annual pace since 1997, backed by strong domestic retail sales and exports, but is facing headwinds from a global slowdown.

The reading is higher than an official growth target of 6.0%-6.5% and last year's growth of just 2.58%, when COVID-19 lockdowns left a dent on the economy and impacted factory activity.

The high annual growth number comes despite fears of a global recession and its impact on demand for exports from Vietnam, a key manufacturer of goods like textiles, footwear and electronics for big-name international brands.

"The economic performance is worth noting amid global economic and political uncertainty and challenges," the General Statistics Office (GSO) said in a report.

The industrial and construction sector in 2022 grew 7.78%, while the services sector expanded 9.99%, and the agricultural sector grew 3.36%, it said.

Exports in 2022 were up 10.6% to $371.85 billion, while retail sales rose 19.8%, the GSO said, while consumer prices in December rose 4.55% from a year earlier.

Though the economy in 2022 grew at the fastest pace in decades, economists warned it is facing headwinds ahead, with weakening global demand having already impacted its shipments.

"The slowdown in global economic growth is making it more difficult for Vietnam to boost its exports and attract more foreign investment next year," said Can Van Luc, an advisor to the government and an economist at the Bank for Investment and Development of Vietnam.

Luc said upward inflation pressure is also building following an increase in money supply towards the end of 2022, adding that "Vietnam has to import a lot of goods whose prices are still high, thus also pushing up pressure for higher inflation."

Exports in December fell 14% from a year earlier to $29.66 billion, while imports were down 8.1% to $29.16 billion. A decline in imports may indicate a future contraction in industrial production as firms cut their purchases of materials and equipment for production.

Gross domestic product (GDP) growth in the fourth quarter was 5.92%, slowing from a growth of 13.71% in the third quarter, the GSO said. Third quarter growth was revised up from 13.67%.

Foreign direct investment (FDI) into Vietnam, one of the country's key economic drivers, rose 13.5% this year to $22.4 billion, according to the government. But FDI pledges, which indicates future inflows, dropped 11% in the year to $27.72 billion.

Vietnam is targeting GDP growth of 6.5% and inflation at 4.5% for next year. — ***Reuters***

Twitter back online after global outage hits thousands

TWITTER, INC. suffered a major outage on Wednesday, leaving tens of thousands of users globally unable to access the popular social media platform or use its key features for several hours before services appeared to come back online.

The incident is the social media site's first apparent widespread service disruption since billionaire Elon Musk took over Twitter as CEO in late October.

Downdetector, a website that tracks outages through a range of sources including user reports, showed more than 10,000 affected users from the United States, about 2,500 from Japan and about 2,500 from the UK at the peak of the disruption.

Most of the reports came from users stating they faced technical issues accessing the social network via web browser.

Reports of Twitter outages fell sharply by Wednesday evening, according to the website, with some users later commenting service had returned to normal.

Twitter did not immediately respond to a request for comment and the social network's status page showed that all systems were operational.

Mr. Musk tweeted later on Wednesday that "Significant backend server architecture changes" had been rolled out and that "Twitter should feel faster," but his post did not make any reference to the downtime reported by users.

During the outage, some users said they were unable to log in to their Twitter account via desktops or laptops. A smaller number of users said the issue also affected the mobile app and features including notifications.

Others took to Twitter to share updates and memes about the service disruption, with #TwitterDown trending as a hashtag on the social media site.

Some attempts to log in to Twitter from desktops prompted an error message saying: "Something went wrong, but don't fret — it's not your fault. Let's try again."

Mr. Musk tweeted he was still able to use the service. "Works for me," Mr. Musk posted, responding to a user who asked if Twitter was broken.

The outage comes two months after Mr. Musk completed his $44-billion takeover of Twitter, which has been marked by chaos and controversy.

Hundreds of Twitter employees quit the social media company in November, by some estimates, including engineers responsible for fixing bugs and preventing service outages.

Thousands of Twitter users were also hit by a global outages in February and July, before Mr. Musk's takeover. — ***Reuters***

Gold hovers near 3-month peak on softer dollar, yields

GOLD hovered near its three-month peak on Wednesday, weighed by a slightly stronger dollar while benchmark yields were lower, as the market focus shifted from geopolitical tensions to the US Federal Reserve's interest rate strategy.

Spot gold edged 0.3% lower to $1,773.13 per ounce by 2:08 p.m. ET (1908 GMT), while US gold futures settled down around 0.1% to $1,775.80. Gold falls 1% as higher dollar, yields weigh

GOLD prices dropped 1% on Wednesday, after reaching a six-month peak in the previous session, as a stronger dollar and higher Treasury yields weighed.

Spot gold fell 0.6% to $1,803.16 per ounce by 1:50 p.m. ET (1850 GMT), after falling to $1,796 earlier in the session. US gold futures settled down 0.4% at $1,815.80.

After the corrective pullback and profit taking, the "outside markets on a daily basis have turned more bearish for the metals," Jim Wyckoff, senior analyst at Kitco Metals, said, referring to the higher dollar and yields.

Both the dollar index and benchmark US 10-year Treasury yields held near their session-highs, weighing on demand for bullion.

Gold has risen around $200 from a more than two-year low hit in September on expectations that the US central bank would slow its pace of interest rate hikes, increasing the appeal of the non-yielding asset.

Bullion on Tuesday hit its highest since the end of June on news of China further easing quarantine restrictions, which could spark some gold buying in the top-consumer.

Spot silver dropped 2.2% to $23.5138 per ounce; platinum was down 1.1% to $1,008.39; while palladium fell 2.5% to $1,783.24. — ***Reuters***

Oil prices end lower on China demand concerns

NEW YORK — Oil prices settled lower on Wednesday as traders weighed concerns over a surge in coronavirus disease 2019 (COVID-19) cases in China, the world's top oil importer, against the chances easing pandemic restrictions in the country will boost fuel demand.

Brent crude futures fell $1.07 or 1.3% to settle at $83.26 a barrel, while US West Texas Intermediate (WTI) crude futures settled at $78.96 per barrel, down 57 cents or 0.7%.

China has said it will stop requiring inbound travelers to quarantine from Jan. 8, a major step towards relaxing stringent curbs on its borders. However, Chinese hospitals have been under intense pressure due to a surge in COVID-19 infections.

Oil markets were also buffeted by expectations of another interest rate hike in the United States, as the US Federal Reserve tries to limit price rises in a tight labor market.

Market participants noted that trading volumes this week are expected to be lighter than usual as the end of the year approaches, creating more volatility in oil prices.

"My sense is the general risk-off mood has weighed on the oil prices, in a market with thin liquidity," said UBS analyst Giovanni Staunovo.

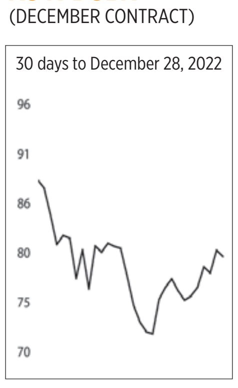
Wednesday's declines also followed three straight sessions of higher settlements on the crude benchmarks. Prices were at their highest in three weeks on Tuesday, as a cold snap across the US forced shutdowns at major production sites and refineries in the weekend.

Russia said it aims to ban oil sales from Feb. 1 to countries that abide by a Group of Seven price cap imposed on Dec. 5, although details of how the ban would work were unclear.

US crude oil inventories fell last week while gasoline and distillate stocks rose surprisingly, according to market sources citing American Petroleum Institute figures on Wednesday.

The US government will weekly inventory figures at 10:30 a.m. EST on Thursday. — ***Reuters***

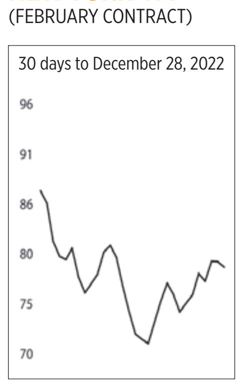
ASIA-DUBAI
(DECEMBER CONTRACT)



DOLLARS PER BBL

Dec.	21	22	23	27	28
$/bbl	76.70	78.85	78.20	80.59	79.95
Average (Dec. 1-28)					**$77.07**
Average (Nov. 1-30)					**$86.19**

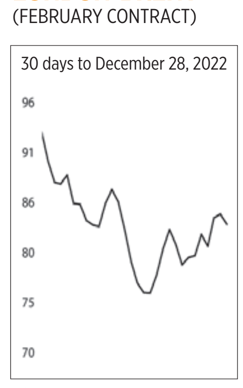
NEW YORK-WTI
(FEBRUARY CONTRACT)



DOLLARS PER BBL

Dec.	21	22	23	27	28
$/bbl	78.29	77.49	79.56	79.53	78.96
Average (Dec. 1-28)					**$76.22**
Average (Nov. 1-30)					**$84.39**

LONDON-BRENT
(FEBRUARY CONTRACT)



DOLLARS PER BBL

Dec.	21	22	23	27	28
$/bbl	82.20	80.98	83.92	84.33	83.26
Average (Dec. 1-28)					**$81.05**
Average (Nov. 1-30)					**$90.85**

Source: REUTERS

NYSE drops on recession fears, Nasdaq at market low

WALL Street's main indexes ended weaker on Wednesday, with the Nasdaq hitting a 2022 closing low, as investors grappled with mixed economic data, rising coronavirus disease 2019 (COVID-19) cases in China, and geopolitical tensions heading into 2023.

The Nasdaq Composite ended at 10,213.288, the lowest since the bear market began in November 2021 after the index hit a record high. The last time the Nasdaq ended lower was in July 2020. Its previous closing low for 2022 was 10,321.388 on Oct. 14.

"There was no Santa rally this year. The Grinch showed up this December for investors," said Greg Bassuk, chief executive at AXS Investments in Port Chester, New York.

December is typically a strong month for equities, with a rally in the week after Christmas. The S&P 500 index has posted only 18 Decembers with losses since 1950, Truist Advisory Services data show.

"Normally a Santa Claus Rally is sparked by hopes of factors that will drive economic and market growth," Mr. Bassuk said. "The negative and mixed economic data, greater concerns around COVID-19 reemergence and ongoing geopolitical tensions and ... all of that also translating Fed policy is all impeding Santa (from) showing up at the end of this year."

All 11 of the S&P 500 sector indexes fell on Wednesday. Energy stocks were the biggest losers, dipping over 2.2% as worries over demand in China weighed on oil prices.

Investors have been assessing China's move to reopen its COVID-battered economy as infections surged.

The benchmark S&P 500 is down 20% year-to-date, on track for its biggest annual loss since the financial crisis of 2008. The rout has been more severe for the tech-heavy Nasdaq Composite which closed at the lowest level since July 2020.

While recent data pointing to an easing in inflationary pressures has bolstered hopes of smaller interest rate hikes by the US Federal Reserve, a tight labor market and resilient American economy have spurred worries that rates could stay higher for longer.

Markets are now pricing in 69% odds of a 25-basis-point rate hike at the US central bank's February meeting and see rates peaking at 4.94% in the first half of next year.

Shares of Tesla, Inc. gained 3.3% in choppy trade, a day after hitting the lowest level in more than two years. The stock is down nearly 69% for the year.

Southwest Airlines Co. dropped 5.2% a day after the carrier came under fire from the US government for canceling thousands of flights.

Apple, Inc., Alphabet, Inc. and Amazon.com, Inc. fell between 1.5% and 3.1% as the US 10-year Treasury yield recovered from a brief fall to rise for a third straight session.

The Dow Jones Industrial Average fell 365.85 points or 1.1% to 32,875.71; the S&P 500 lost 46.03 points or 1.2% to 3,783.22; and the Nasdaq Composite dropped 139.94 points or 1.35% to 10,213.29.

Declining issues outnumbered advancers on the New York Stock Exchange (NYSE) by a 3.77-to-one ratio; on Nasdaq, a 1.97-to-one ratio favored decliners.

The S&P 500 posted seven new 52-week highs and seven new lows; the Nasdaq Composite recorded 75 new highs and 421 new lows.

Volume on US exchanges was 8.59 billion shares, compared with the 11.3 billion average for the full session over the last 20 trading days. — ***Reuters***

SPOT PRICES

WEDNESDAY, DECEMBER 28, 2022

METAL	
PALLADIUM free $/troy oz	1,792.00
PALLADIUM JMI base, $/troy oz	1,803.00
PLATINUM free $/troy oz	1,022.63
PLATINUM JMI base $/troy oz	1,033.00
KRUGGERAND, fob $/troy oz	1,801.00
IRIDIUM, whs rot, $/troy oz	4,790.00
RHODIUM, whs rot, $/troy oz	12,240.00
GRAINS (December 22, 2022)	
(FOB Bangkok basis at every Thursday)	
FRAGRANT (100%) 1st Class, $/ton	870.00
FRAGRANT (100%) 2nd Class, $/ton	840.00
RICE (5%) White Thai- $/ton	477.00
RICE (10%) White Thai- $/ton	476.00
RICE (15%) White Thai- $/ton	471.00
RICE (25%) White Thai- $/ton (Super)	471.00
BROKER RICE A-1 Super $/ton	424.00
FOOD	
COCOA ICCO Dly (SDR/mt)	1,686.17
COCOA ICCO $/mt	2,244.80
COFFEE ICA comp '2001 cts/lb	156.86
SUGAR ISA FOB Daily Price, Carib. port cts/lb	19.15
SUGAR ISA 15-day ave.	18.99

LIFFE COFFEE

New Robusta 10 MT - $/ton

	High	Low	Sett	Psett
Jan.	1,953	1,905	1,909	1,959
Mar.	1,889	1,853	1,869	1,875
May	1,857	1,826	1,840	1,845
July	1,836	1,812	1,822	1,830

LIFFE COCOA

(Ldn)-10 MT-£/ton

	High	Low	Sett	Psett
Mar.	2,090	2,059	2,073	2,065
May	2,008	1,981	1,999	1,985
July	1,978	1,956	1,972	1,958
Sept.	1,954	1,935	1,948	1,937

COCONUT

MANILA COPRA (based on 6% moisture)	
Peso/100kg	Buyer/Seller
Lag/Qzn/Luc 22	3,350.00/3,400.00
Philippine Coconut Oil - Crude	
CIF NY/NOLA	57.50
PALM OIL RAIL/NOLA	65.50
COCONUT OIL (PHIL/IDN),$ per ton, CIF Europe	
Dec./Jan.'23	0.00/1,185.00
Jan./Feb.'23	1,030.00/1,115.00
Feb./Mar.'23	1,060.00/1,130.00
Mar./Apr.'23	1,070.00/1,140.00

LONDON METAL EXCHANGE

LME FINAL CLOSING PRICES, US$/MT

	3 MOS
ALUMINUM H.G.	2,381.00
ALUMINUM Alloy	2,150.00
COPPER	8,443.00
LEAD	2,218.00
NICKEL	30,431.00
TIN	24,734.00
ZINC	3,005.50