

# Oil steady as investors weigh tight supply vs growth outlook

SINGAPORE — Oil prices were roughly unchanged on Monday as investors weighed the prospect of tighter supplies from the Organization of the Petroleum Exporting Countries and their allies including Russia (OPEC+) producers from May against concerns about weakening global growth that may dampen fuel demand.

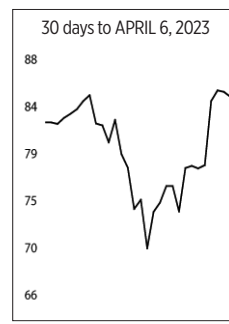
Brent crude futures slipped 5 cents to \$85.07 a barrel by 0237 GMT, while US West Texas Intermediate (WTI) crude was at \$80.72 a barrel, up 2 cents.

Both contracts rose for a third straight week last week, returning to levels last seen in November, after the OPEC+ surprised investors by announcing more production cuts that will start in May.

The group known as OPEC+ will be cutting mostly sour crude supplies from Middle East producers led by Saudi Arabia.

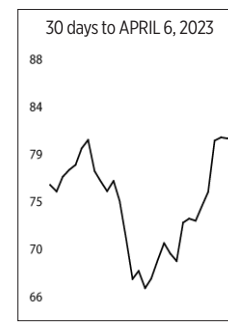
Following the announcement, the world's top oil exporter raised its May crude prices to term customers in Asia and the United States. State oil giant Saudi Ar-

ASIA-DUBAI (APRIL CONTRACT)



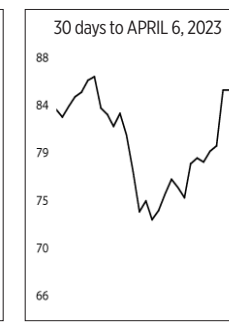
April	31	3	4	5	6
\$/bbl	78.05	84.05	85.05	84.90	84.45
Average (April 3-6)	\$84.61				
Average (Mar. 1-31)	\$78.49				

NEW YORK-WTI (MAY CONTRACT)



April	31	3	4	5	6
\$/bbl	79.77	84.93	84.94	84.99	85.12
Average (April 3-6)	\$85.00				
Average (Mar. 1-31)	\$79.21				

LONDON-BRENT (JUNE CONTRACT)



April	31	3	4	5	6
\$/bbl	79.77	84.93	84.94	84.99	85.12
Average (April 3-6)	\$85.00				
Average (Mar. 1-31)	\$79.21				

SOURCE: REUTERS

amco has also notified several Asian customers that they will receive full contract volumes in May despite the production cut.

“Those who were bearish are questioning the demand outlook in light of the cuts, whilst clearly those who were bullish are now seeing even a tighter market over the second half,” ING’s head of commodities research Warren Patterson said.

“I am in the latter camp and still see prices moving higher from here as we go through the year.”

Separately, investors are watching the progress of talks between Iraq and Kurdistan to restart northern oil exports which could bring more sour crude to the global market.

Further supporting prices, the number of US oil rigs fell by two to 590 last week, while gas rigs

dropped by two to 158, according to a Baker Hughes Co. report on Thursday, a sign that US production won't be rising in the near term.

In global financial markets, the closely watched US inflation report to be released this week could help investors gauge the near-term trajectory for interest rates.

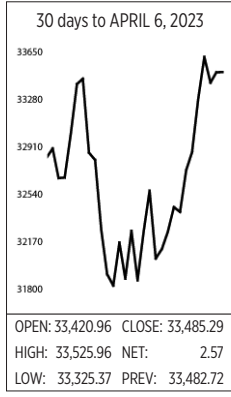
Despite expectations that the US Federal Reserve could slow down rate hikes because of the recent banking crisis, borrowing costs could still climb if inflation remains strong, analysts said.

ING expects the rate hike cycle to end soon with one more increase in May while interest rates could fall towards the end of the year, Mr. Patterson said.

“The market is probably more worried about the growing possibility of a hard landing,” he added.

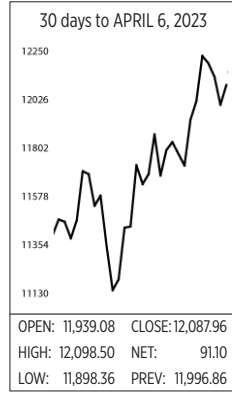
Sharp rate hikes have boosted the greenback, making dollar-denominated commodities such as oil more expensive for investors holding other currencies. — Reuters

DOW JONES



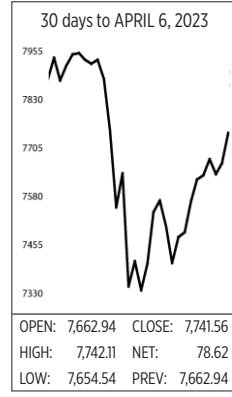
OPEN:	CLOSE:
33,420.96	33,485.29
HIGH: 33,525.96	NET: 2.57
LOW: 33,325.37	PREV: 33,482.72

NASDAQ COMPOSITE



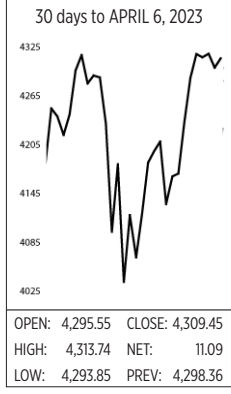
OPEN:	CLOSE:
11,939.08	12,087.96
HIGH: 12,098.50	NET: 91.10
LOW: 11,898.36	PREV: 11,996.86

FTSE



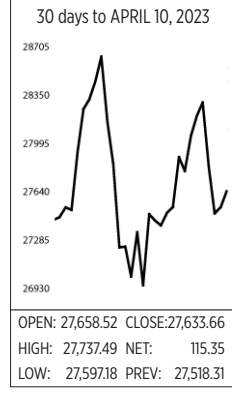
OPEN:	CLOSE:
7,662.94	7,741.56
HIGH: 7,742.11	NET: 78.62
LOW: 7,654.54	PREV: 7,662.94

DJ EURO STOXX



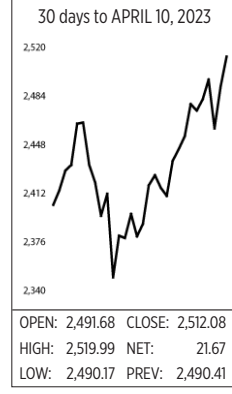
OPEN:	CLOSE:
4,295.55	4,309.45
HIGH: 4,313.74	NET: 11.09
LOW: 4,293.85	PREV: 4,298.36

225-NIKKEI



OPEN:	CLOSE:
27,658.52	27,633.66
HIGH: 27,737.49	NET: 115.35
LOW: 27,597.18	PREV: 27,518.31

KOSPI



OPEN:	CLOSE:
2,491.68	2,512.08
HIGH: 2,519.99	NET: 21.67
LOW: 2,490.17	PREV: 2,490.41

## Asian shares muted; dollar buoyant on odds of Fed rate increase

SINGAPORE — Asian shares inched higher, while the dollar started the week on the front foot after US jobs data pointed to a tight labor market, firming up expectations that the US Federal Reserve will again raise interest rates at its meeting next month.

MSCI's broadest index of Asia-Pacific shares outside Japan was 0.12% higher, while Japan's Nikkei gained 0.5%. Australian, Hong Kong and European markets are closed for Easter.

E-mini futures for the S&P 500 eased 0.02%, while the rate-sensitive Nasdaq was poised for a lower open with Nasdaq 100 e-minis down 0.25%.

China shares slipped on Monday, with the blue chip CSI300 Index 0.32% lower, while the Shanghai Composite Index slipped 0.16% amid rising geopolitical tensions around the Taiwan Strait.

China announced three days of drills on Saturday, after Taiwan's President Tsai Ing-wen returned to Taipei following a meeting in Los Angeles with US House of Representative Speaker Kevin McCarthy.

China's military carried out aerial and naval blockade drills around Taiwan on Monday, with a Chinese aircraft carrier joining in combat patrols as Taipei reported another surge of warplanes near the island.

US Labor department data on Friday showed that nonfarm payrolls increased by 236,000 jobs last month, just shy of the 239,000 expected by economists in a Reuters poll.

The closely-watched report also showed that annual wage gains slowed but remained too high to be consistent with the US central bank's 2% inflation target.

The labor market is still too tight for the Fed to lower inflation to its 2% target without further interest rate hikes, said Mansoor Mohi-uddin, chief economist at the Bank of Singapore.

“Investors are anticipating last month's US bank failures will force the Fed to cut rates but officials warn sticky inflation will make the Fed unlikely to ease policy this year.”

Markets are now pricing in a 66% chance of the Fed raising interest rates by 25 basis points (bps) in its May 2-3 meeting, up from 49.2% on Thursday ahead of the data, according to CME FedWatch tool.

Investor focus will now turn to the inflation report due on Wednesday that will shape the path the Fed will take in its battle against prices. Minutes of the central bank's last meeting in March are also scheduled to be released on Wednesday.

With recession worries mounting, investors are betting the tumult in the banking system sparked by the sudden collapse of Silicon Valley Bank in March will tighten credit conditions. Traders have increasingly become convinced that the Fed will cut rates in the second half to ward off an economic downturn.

But some analysts see a disconnect between the Fed's likely path and market expectations.

“Not only should high inflation and a still-strong labour market keep cuts unlikely,” according to Citi strategists. “But we see persistently too-strong inflation as leading to further hikes.” Citi expects three further 25-bp rate hikes.

The two-year Treasury yield, which typically moves in step with interest rate expectations, eased to 3.951%, after closing at 3.993% on Friday's abbreviated trading. The yield on 10-year Treasury notes was at 3.372%.

A closely watched part of the US Treasury yield curve measuring the gap between yields on two- and 10-year Treasury notes, seen as an indicator of economic expectations, was at -57.7 bps. This curve has been inverted since July last year and typically predicts a recession.

In the currency market, the dollar index, which measures the US currency against six major peers, rose 0.225% to 102.25, lifting away from the two-month low of 101.40 the index touched last week.

The euro was down 0.06% to \$1.0891, while sterling was last at \$1.24, down 0.1% on the day. — Reuters

## Shanghai copper edges higher but stronger dollar limits gains

NEW DELHI — Shanghai copper prices rose marginally higher on Monday as expectations of improved Chinese demand lent support, although trade was quiet as European markets were closed due to the Easter holiday.

A stronger dollar, however, kept gains in check after US jobs data on Friday underscored a tight labor market, firming up expectations that the US Federal Reserve will again raise interest rates at its meeting next month.

The most-traded May copper contract on the Shanghai Futures Exchange (ShFE) was up 0.16% to

68,700 yuan (\$9,991.27) a ton as of 0235 GMT.

Friday's data showed US nonfarm payrolls increased 236,000 in March, in line with forecasts of 239,000. Data for February was revised higher to show 326,000 jobs were added instead of 311,000 as previously reported.

ShFE aluminum edged up 0.21% to 18,680 yuan; zinc was up 0.61% to 22,220 yuan; tin was down 2.66% to 191,180 yuan; and nickel eased 0.03% to 176,980 yuan a ton, while lead added 0.07% to 15,305 yuan. — Reuters

## Gold slides 1% after US job data raise rate hike bets

GOLD PRICES prices fell about 1% to slip below \$2,000 on Monday, after US employment data pointed to a tight labor market and raised expectations of another rate hike by the US Federal Reserve in May.

Spot gold was down 0.9% at \$1,990.69 per ounce, as of 0402 GMT. US gold futures slipped 1% to \$2,006.30.

Gold slid due to “profit-booking on expectations of Fed rate hikes followed by Friday's strong US job growth report and a steady

dollar,” Hareesh V, head of commodity research at Geojit Financial Services, said while noting a technical correction in prices.

The dollar index was 0.1% higher, making bullion expensive for overseas buyers.

Friday's data from the US Labor department showed non-farm payrolls increased by 236,000 jobs in March, versus expectations of 239,000. The data also showed the unemployment rate dipped to 3.5% from 3.6% in the prior month.

The report raised bets that the US central bank would increase rates next month, with markets pricing in a 66% chance of a 25-basis-point (bp) rate hike, according to the CME FedWatch tool.

But “the short-term outlook remains bullish for gold. As long as prices stay above \$1,920 there are chances for the bullish outlook to continue,” Geojit's Mr. Hareesh added.

Gold is traditionally considered a hedge against inflation, but higher rates increase the oppor-

tunity cost of holding the non-yielding asset.

“The bull trend, established since November 2022, is still intact,” metals firm MKS PAMP said in a note but added a “stickier” core US CPI on Wednesday would solidify a 25-bp hike and ensure, unless there's a new catalyst, gold prices might not hit all-time highs this month.

Spot silver shed 1% to \$24.75 per ounce; platinum lost 0.5% to \$1,002.35; and palladium fell 0.3% to \$1,461.31. — Reuters

### SPOT PRICES

THURSDAY, APRIL 6, 2023

METAL	PRICE
PALLADIUM free \$/troy oz	1,435.43
PALLADIUM JMI base, \$/troy oz	1,449.00
PLATINUM free \$/troy oz	1,004.13
PLATINUM JMI base \$/troy oz	1,013.00
KRUGGERAND, fob \$/troy oz	2,001.00
IRIDIUM, whs rot, \$/troy oz	4,590.00
RHODIUM, whs rot, \$/troy oz	7,890.00
GRAINS (April 6, 2023)	
(FOB Bangkok basis at every Thursday)	
FRAGRANT (100%) 1 <sup>st</sup> Class, \$/ton	878.00
FRAGRANT (100%) 2 <sup>nd</sup> Class, \$/ton	848.00
RICE (5%) White Thai- \$/ton	505.00
RICE (10%) White Thai- \$/ton	504.00
RICE (15%) White Thai- \$/ton	499.00
RICE (25%) White Thai- \$/ton (Super)	499.00
BROKER RICE A-1 Super \$/ton	451.00
FOOD	
COCOA ICCO Dly (SDR/mt)	2,074.27
COCOA ICCO \$/mt	2,800.12
COFFEE ICA comp '2001 cts/lb	173.72
SUGAR ISA FOB Daily Price, Carib. port cts/lb	23.20
SUGAR ISA 15-day ave.	21.18

### LIFFE COFFEE

New Robusta 10 MT - \$/ton

	High	Low	Sett	Psett
May	2,320	2,284	2,299	2,314
July	2,277	2,241	2,256	2,274
Sept.	2,234	2,201	2,216	2,234
Nov.	2,197	2,163	2,177	2,197

### LIFFE COCOA

(Ldn)-10 MT-E/ton

	High	Low	Sett	Psett
May	2,203	2,167	2,186	2,169
July	2,191	2,155	2,181	2,156
Sept.	2,168	2,140	2,159	2,140
Dec.	2,104	2,083	2,098	2,085

### COCONUT

MANILA COPRA (based on 6% moisture)

	Buyer/Seller
Lag/Qzn/Luc 23	3,350.00/3,400.00
Philippine Coconut Oil - Crude	
CIF NY/NOLA	53.50
PALM OIL RAIL/NOLA	56.50
COCONUT OIL (PHIL/IDN), \$ per ton,	
CIF Europe	
Apr./May'23	0.00/1,085.00
May/June'23	1,050.00/1,080.00
June/July'23	1,050.00/1,080.00
July/Aug.'23	1,055.00/1,080.00

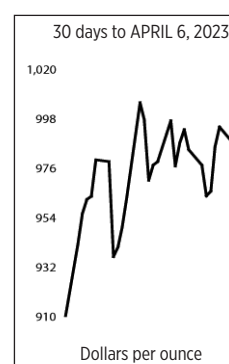
### LONDON METAL EXCHANGE

LME FINAL CLOSING PRICES, US\$/MT

	3 MOS
ALUMINUM H.G.	2,333.50
ALUMINUM Alloy	2,007.00
COPPER	8,800.00
LEAD	2,095.50
NICKEL	22,706.00
TIN	24,308.00
ZINC	2,779.00

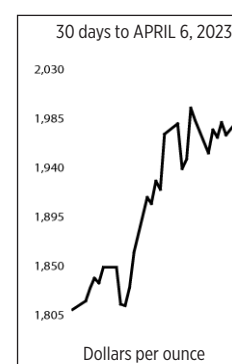
### US COMMODITY FUTURES

PLATINUM (APRIL CONTRACT)



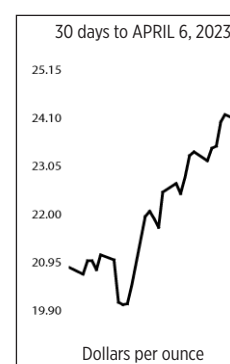
OPEN:	CLOSE:
999.40	1,006.90
HIGH: 999.40	NET: 9.40
LOW: 999.40	PREV: 997.50

GOLD (APRIL CONTRACT)



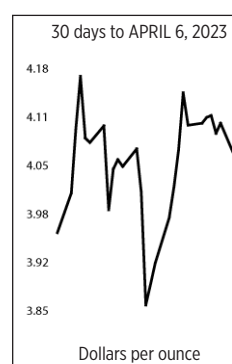
OPEN:	CLOSE:
2,022.20	2,011.90
HIGH: 2,023.30	NET: -9.00
LOW: 2,005.00	PREV: 2,020.90

SILVER (MAY CONTRACT)



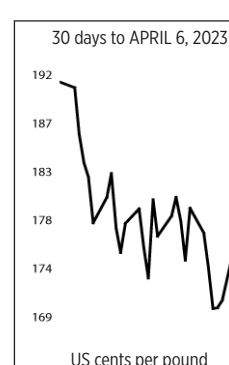
OPEN:	CLOSE:
25.090	25.093
HIGH: 25.175	NET: 0.056
LOW: 24.695	PREV: 25.037

COPPER (APRIL CONTRACT)



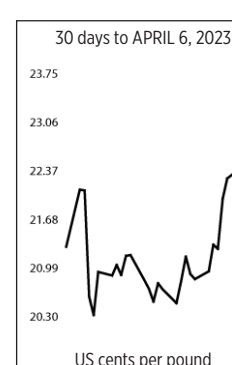
OPEN:	CLOSE:
4.037	4.026
HIGH: 4.037	NET: 0.028
LOW: 3.998	PREV: 3.998

COFFEE (MAY CONTRACT)



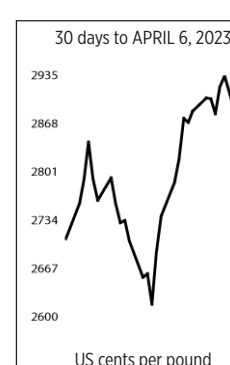
OPEN:	CLOSE:
179.55	183.60
HIGH: 184.55	NET: 3.45
LOW: 177.95	PREV: 180.15

SUGAR (MAY CONTRACT)



OPEN:	CLOSE:
23.01	23.61
HIGH: 23.68	NET: 0.66
LOW: 22.71	PREV: 22.95

COCOA (MAY CONTRACT)



OPEN:	CLOSE:
2,919.00	2,919.00
HIGH: 2,936.00	NET: 16.00
LOW: 2,902.00	PREV: 2,903.00

WHEAT (MAY CONTRACT)

