

Gold slips as dollar advances with debt talks dragging on

GOLD slipped on Wednesday as the dollar firmed, cutting some safe haven flows into bullion from the looming risk of a US debt default, while investors took stock of the minutes of the US Federal Reserve's May meeting.

Spot gold was down 0.6% at \$1,962.92 per ounce by 2:25 p.m. EDT (1825 GMT), after earlier rising as much as 0.5%. US gold futures settled 0.5% lower at \$1,964.60.

The dollar index hit a fresh two-month high, weighing on demand for greenback-priced bullion.

US Treasury Secretary Janet Yellen maintained early June as a debt ceiling default deadline, while negotiators for Democratic President Joseph Biden and top congressional Republican Kevin McCarthy reconvened to try to close a deal.

Fed Governor Christopher Waller said that while skipping an interest rate hike at the meeting next month may be possible, an end to the hiking campaign isn't likely.

Bullion was hovering just above 1-1/2 month lows touched last week, as higher interest rates tend to increase the opportunity cost of holding noninterest-bearing gold.

Spot silver shed 1.4% to \$23.10 per ounce, while platinum fell 2.2% to \$1,024.59. Palladium dropped 2.6% to a near two-month low of \$1,408.00. — Reuters

SPOT PRICES

WEDNESDAY, MAY 24, 2023

METAL

PALLADIUM free \$/troy oz	1,422.24
PALLADIUM JMI base, \$/troy oz	1,428.00
PLATINUM free \$/troy oz	1,041.35
PLATINUM JMI base \$/troy oz	1,048.00
KRUGGERAND, fob \$/troy oz	1,968.00
IRIDIUM, whs rot, \$/troy oz	4,590.00
RHODIUM, whs rot, \$/troy oz	6,990.00

GRAINS (May 18, 2023)

(FOB Bangkok basis at every Thursday)	
FRAGRANT (100%) 1 st Class, \$/ton	885.00
FRAGRANT (100%) 2 nd Class, \$/ton	855.00
RICE (5%) White Thai- \$/ton	515.00
RICE (10%) White Thai- \$/ton	514.00
RICE (15%) White Thai- \$/ton	506.00
RICE (25%) White Thai- \$/ton (Super)	506.00
BROKER RICE A-1 Super \$/ton	441.00

FOOD

COCOA ICCO Dly (SDR/mt)	2,211.59
COCOA ICCO \$/mt	2,949.88
COFFEE ICA comp *2001 cts/lb	176.88
SUGAR ISA FOB Daily Price, Carib. port cts/lb	25.44
SUGAR ISA 15-day ave.	25.62

LIFFE COFFEE

New Robusta 10 MT - \$/ton

	High	Low	Sett	Psett
July	2,580	2,546	2,573	2,557
Sept.	2,535	2,505	2,530	2,510
Nov.	2,488	2,461	2,484	2,467
Jan.	2,448	2,426	2,446	2,430

LIFFE COCOA

(Ldn)-10 MT-E/ton

	High	Low	Sett	Psett
July	2,368	2,347	2,355	2,358
Sept.	2,331	2,315	2,325	2,322
Dec.	2,277	2,257	2,271	2,264
Mar.	2,212	2,189	2,206	2,196

LONDON METAL EXCHANGE

LME FINAL CLOSING PRICES, US\$/MT

	3 MOS.
ALUMINUM H.G.	2,205.00
ALUMINUM Alloy	2,007.00
COPPER	7,901.50
LEAD	2,049.00
NICKEL	20,732.00
TIN	23,965.00
ZINC	2,313.00

Wall Street ends down as debt ceiling clouds hover

WALL STREET's main indexes ended lower on Wednesday as talks between the White House and Republican representatives on raising the US debt ceiling dragged on without a deal.

The lack of progress on raising the US government's \$31.4-trillion debt limit ahead of a June 1 deadline, with several rounds of inconclusive talks, has

made investors edgier as the risk of a catastrophic default looms larger.

Democratic President Joseph Biden and top congressional Republican Kevin McCarthy's negotiators held what the White House called productive talks.

The Dow Jones Industrial Average fell 255.59 points or 0.77% to 32,799.92; the S&P 500 lost 30.34 points or 0.73%

to 4,115.24; and the Nasdaq Composite dropped 76.08 points or 0.61% to 12,484.16.

Ten of the 11 S&P 500 sectors ended in negative territory, with real estate falling the most. Energy was the lone sector gainer. The CBOE Volatility Index, known as Wall Street's fear gauge, hovered around three-week highs.

Declining issues outnumbered advancing ones on the NYSE by a 3.71-to-1 ratio; on Nasdaq, a 2.34-to-1 ratio favored decliners. The S&P 500 posted no new 52-week highs and 14 new lows. About 9.7-billion shares changed hands in US exchanges, compared with the 10.5-billion daily average over the last 20 sessions. — Reuters

Oil prices gain 2% on falling US stockpiles and Saudi warning

NEW YORK — Oil prices rose 2% on Wednesday, after a large unexpected drawdown in US crude inventories and a warning from the Saudi energy minister that raised the prospect of further OPEC+ production cuts.

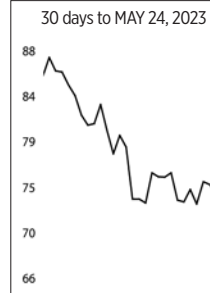
Brent crude futures rose \$1.52 or 2%, to settle at \$78.36 a barrel. US West Texas Intermediate (WTI) crude gained \$1.43 or 2% to \$74.34.

US crude inventories posted a massive surprise weekly drawdown of 12.5 million barrels to 455.2 million barrels, the Energy Information Administration (EIA) said, as imports declined. Analysts had expected an 800,000-barrel rise.

US gasoline stocks dropped by 2.1 million barrels in the week to 216.3 million barrels, the EIA said, while distillate stockpiles fell by 600,000 barrels to 105.7 million

ASIA-DUBAI (MAY CONTRACT)

30 days to MAY 24, 2023

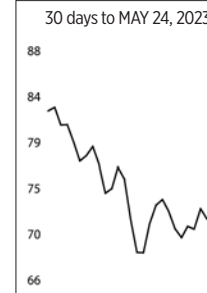


DOLLARS PER BBL

Day	18	19	22	23	24
\$/bbl	75.32	75.05	74.23	74.95	76.60
Average (May 2-24)	\$74.93				
Average (April 3-28)	\$83.41				

NEW YORK-WTI (JULY CONTRACT)

30 days to MAY 24, 2023

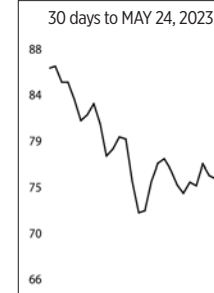


DOLLARS PER BBL

Day	18	19	22	23	24
\$/bbl	71.86	71.55	71.99	72.91	74.34
Average (May 1-24)	\$71.87				
Average (April 3-28)	\$79.44				

LONDON-BRENT (JULY CONTRACT)

30 days to MAY 24, 2023



DOLLARS PER BBL

Day	18	19	22	23	24
\$/bbl	75.86	75.58	75.99	76.84	78.36
Average (May 1-24)	\$75.81				
Average (April 3-28)	\$83.37				

Source: REUTERS

increases "had become less certain," with several saying that the quarter-percentage-point hike they approved might be the last, according to minutes of the May 2-3 meeting released on Wednesday.

Meanwhile, Saudi Arabia's energy minister said short-sellers betting oil prices will fall should "watch out" for pain, comments some investors took as a signal that OPEC+, the Organization of Petroleum Exporting Countries and allies including Russia, could consider further output cuts at a meeting on June 4.

Oil price gains were limited by news that Britain's stubbornly high inflation rate fell by less than expected last month, according to official data that raised the chances of more interest rate hikes. — Reuters

Copper retreats below \$8,000 for the first time since November 29

LONDON — Copper prices broke below \$8,000 a ton for the first time since Nov. 29 on Wednesday, extending this week's decline on subdued Chinese demand and concern over global economic growth that analysts expect to weigh on prices in the coming days.

Benchmark three-month copper on the London Metal Exchange (LME) fell 2.6% to \$7,890.50 a ton by 1626 GMT after dropping to its lowest in nearly six months at \$7,867.

Copper hit a seven-month high of \$9,550.50 in January after China removed its COVID curbs, but prices for the metal used in power and construction have since retreated.

"Copper has now given back all of its 2023 gains on weaker than expected Chinese demand, in what is normally a peak construction season, and subdued demand in the US and Europe, with interest rate rises weighing on economic growth," said ING analyst Ewa Manthey.

"Hopes for higher demand from China have now faded with

recent disappointing Chinese data underscoring a mixed picture for the world's biggest consumer of copper."

Copper is also weighed down by growing inventories in LME-registered warehouses, said Standard Chartered analyst Sudakshina Unnikrishnan.

"The much-anticipated rebound in China's copper imports and demand following the abrupt end to COVID lockdown policies has failed to materialise as of yet."

Rising LME inventories increased the discount on the cash contract against three-month copper to \$66 a ton, its widest since early 1990s.

Among other metals, LME aluminum fell 0.7% to \$2,212 a ton after hitting its lowest since Oct. 31 at \$2,190. Nickel lost 1.6% at \$20,710 after touching \$20,700 for its lowest since Sept. 2 while zinc was down 2.9% at \$2,303 after sliding to \$2,295.5, its weakest since October 2020.

Lead, meanwhile, retreated by 1.1% to \$2,050.50 and tin lost 1.1% to \$24,050. — Reuters

Robusta coffee futures head back toward 15-year high; sugar falls

NEW YORK/LONDON — Robusta coffee futures on ICE rose on Wednesday, heading back toward the previous session's 15-year high, with investors yet to be convinced the current harvest in No. 2 producer Brazil will be enough to relieve supply tightness.

Sugar and cocoa both fell. COFFEE: July robusta coffee settled up \$16 or 0.6% at \$2,573 a ton, having climbed as high as \$2,675 on Tuesday.

Dealers cited a growing view that the robusta market deficit will widen next season as coffee farmers in top producer Vietnam grow more and more durian fruit.

Demand for robusta, a cheaper bean variety than arabica, remains firm amid high food price inflation while exports from Brazil have yet to hit the market in significant volume as local prices remain high.

July arabica coffee rose 0.55 cent or 0.3% at \$1.88 per pound (lb).

SUGAR: July raw sugar settled down 0.32 cent or 1.2% at 25.49 cents per lb, having closed 0.7% down on Tuesday.

The market has lost some momentum, with the harvest in top producer Brazil expected to have

progressed well thanks to mostly dry weather in May.

Brazilian sugar industry group Unica is due to release data on Thursday or Friday for production during the first half of May.

Germany's second-largest sugar refiner, Nordzucker, on Wednesday reported a 116% surge in annual profit, benefiting from high sugar prices.

August white sugar fell \$5.40 or 0.8% at \$708 a ton.

COCOA: July London cocoa slipped £3 to £2,355 per ton.

Nana Akufo-Addo, president of world No. 2 producer Ghana, said he is confident the country will be able to meet the requirements of looming European Union (EU) legislation banning the import of goods linked to human rights abuses such as child labor.

Ghana and top cocoa producer Ivory Coast have faced strong criticism from the EU over the use of child labour on cocoa farms, but Mr. Akufo-Addo said it is "not an allegation that has any foundation in fact."

July New York cocoa fell \$6 or 0.2% to \$3,010 a ton. — Reuters

Engineer topnotchers run AboitizPower's first centralized control center in PH

Despite having their own unique sets of skills and experiences, the control engineers of Hedcor's new National Operations Control Center (NOCC) are all equally on a learning curve, having been given the huge responsibility of operating a control center that is the first of its kind in the Philippine power generation sector.

"Every plant and unit of our assets are unique and I find it difficult to commit to memory all of their intricacies and quirks when it comes to operation," shared NOCC Engineer King Joshua D. Arzadon. "Nonetheless, my colleagues continuously guide me through such and I, definitely, will learn all of those by heart through time and experience."

King placed second in the September 2022 Registered Electrical Engineer Licensure Examination. Like most of his colleagues at the control center, being an NOCC Engineer is his first job.

"We oversee the efficient operation and dispatch of all generation assets to secure maximum energy generation and minimize resource losses while keeping up with regulatory compliance and requirements," he explained. "Centralized and continual monitoring of the plants allows better management of resources leading to higher generation and faster communication of detected plant anomalies."

CENTRALIZATION OF CONTROLS AND DATA

Inaugurated in August 2022, the NOCC allows for the remote operation, monitoring, and controlling of 21 Hedcor run-of-river hydropower facilities in Luzon and Mindanao, as well as one solar farm in the Visayas, all in one location.

Despite most of the plants being in faraway, mountainous areas — the farthest of which is 1,181 kilometers away — observing and controlling them is now possible just with the clicks of a mouse and some keyboard strokes. Data from all assets are also centralized, making it easier to consolidate such for regulatory requirements asked by government bodies.

"Centralization of controls and the data coming from the plants is a real game changer in Hedcor's operations. It streamlined operations and monitoring of Hedcor's plants across the Philippines and opened up avenues to incorporate improvements such as data analytics, data science, and even artificial intelligence in our operations," said NOCC Engineer Jezreel John P. Sannadan, who finished eight in the August 2021 Mechanical Engineer Licensure Examination.

"Operation of a plant, coordination of its activities, along with numerous regulatory requirements can already get your hands full. Imagine multiplying that by more than 20 times," remarked NOCC Engineer Nathaniel Beaver Mendoza, who placed first in the August 2021 Mechanical Engineer Licensure Examination. "We are the first to implement this kind of system in the Philippines so it's a daily experiment for us to see if we are effective or not. Though our system is new, we are constantly learning and growing with it."

Months into the job, Jezreel realized that simultaneously operating many plants of different characteristics "requires excellent multi-tasking skills, great attention to detail, and the ability to make quick but correct decisions especially in critical situations."

The young NOCC Engineers also shared how they see the potential significance of the



Hedcor control engineers (L-R) Jezreel John P. Sannadan, Dwight A. Oide, and Rhyhan Jason G. Delizo are some of the young professionals recruited by AboitizPower to operate, monitor, and control in one location over 20 renewable energy facilities spread across the country.

NOCC in being an enhancer to the growth and development of Philippine society.

"The NOCC can lessen the complicated operation and disordered communication within its regulated ecosystem, helping companies maximize generation, as well as lessen downtime and losses of its power plants. This can help bring us out of the concurrent issue of energy supply struggling to keep up with demand," shared NOCC Engineer Rhyhan Jason G. Delizo, who ranked ninth in the September 2021 Registered Electrical Engineer Licensure Examination. "Energy is one of the major factors in the development of a society. It may leapfrog or stunt the economy by stopping business operations with power outages," Nathaniel added. "With systems like the NOCC, generation companies can run a power plant with lower costs. Mostly, it would just be a matter of plugging it in and adding another screen at the NOCC."

KAIZEN, OR CONTINUOUS IMPROVEMENT

Rounding up the NOCC team, which is mostly made up of young professionals who are new in the industry, are young veterans, namely, NOCC Engineers Dwight A. Oide and Arnold John C. De Leon.

"Working abroad prior to working at Hedcor helped me gain insights into company practices, management styles, and decision-making processes," Dwight said. "For example, Japanese business culture emphasizes continuous improvement, known as 'Kaizen.' Having this kind of mindset as an NOCC engineer encourages me to seek ways to take a proactive approach to personal and professional development."

Kaizen adheres to the values of making the work environment more efficient, team-oriented, fulfilling, and safe. It treats improvement as a gradual day-to-day process that involves the participation of each individual team member to combine for a bigger and better impact.

"I have gained from my previous employment valuable experience in hydro construction, electromechanical installations, and solar installations. I have also obtained a deep understanding of the equipment used in various parts of the energy system, including power generation, transmission, and distribution," Arnold

elaborated. "This understanding allows me to effectively assist maintenance and support teams to proactively identify and resolve issues that may arise."

The NOCC Engineers identified several challenges faced by the NOCC, including connection losses resulting from severe tropical storms, the challenging geography of the plants, and even the hiccups brought on by the transition from analog systems into digital ones.

"Digital transformation can be challenging, but with proper training and adaptability, we can harness these technologies to optimize plant operations at NOCC," said NOCC Engineer Jayshey Baguidudol, who placed third in the August 2021 Mechanical Engineer Licensure Examination.

Still, the NOCC Engineers are also aided by multiple backup systems and other engineering methods made possible by supporting information technology (IT) and maintenance teams.

With the important task entrusted to them, the NOCC Engineers are aware of how they are playing a role in pioneering digital transformation in the renewable energy sector.

"The NOCC sets the path for upcoming developments in the energy sector by encouraging the adoption of new practices and technologies through the use of sophisticated monitoring systems and data analytics. This promotes collaboration in innovative research and development," Dwight pondered.

"It is an aggregation of the advancements and technologies of the 21st century. As such, it is a testament to how Hedcor is equipped to transform energy that can cater to society's demands whilst upholding sustainability and good resource management," King added.

"In line with the Aboitiz Group's vision of becoming the Philippines' first Techglomerate, Hedcor rallies around a shared goal of pioneering the NOCC in the country to promote digital transformation, productive use of technology, and further the nation's economic growth and development," said Hedcor President and Chief Operating Officer Rolando Pacquiao. "The success of this world-class facility is driven by the collective talents, skills, and dedication of our Engineers, as well as Hedcor team members as a whole."