SPOT PRICES

FRIDAY, MAY 26, 2023

METAL PALLADIUM free \$/troy oz PALLADIUM JMI base, \$/troy oz PLATINUM free \$/troy oz PLATINUM JMI base \$/troy oz KRUGGERAND, fob \$/troy oz IRIDIUM, whs rot, \$/troy oz 4,590.00 RHODIUM, whs rot, \$/troy oz

GRAINS (May 25, 2023) (FOB Bangkok basis at every Thursday) FRAGRANT (100%) 1st Class, \$/ton FRAGRANT (100%) 2nd Class, \$/ton RICE (5%) White Thai-\$/ton 511.00 RICE (10%) White Thai-\$/ton 509.00 RICE (15%) White Thai-\$/ton 502.00 RICE (25%) White Thai-\$/ton (Super) 502.00 BROKER RICE A-1 Super \$/ton FOOD

COCOA ICCO Dly (SDR/mt) COCOA ICCO \$/mt 2,945.62 COFFEE ICA comp '2001 cts/lb SUGAR ISA FOB Daily Price, Carib. port cts/lb 24.57 SUGAR ISA 15-day ave.

LIFFE COFFEE

New Robusta 10 MT - \$/ton

	High	Low	Sett	Psett
July	2,599	2,557	2,574	2,553
Sept.	2,546	2,513	2,528	2,508
Nov.	2,489	2,458	2,469	2,457
Jan.	2,432	2,417	2,421	2,415
LIEFE COCOA				

(Ldn)-10 MT-£/ton High Low

Sett Psett 2,355 2,325 2,360 2,366 2.375 2,328 2,333 Sept. 2.343 2,282 2,282 2.275 2,292 2,223

COCONUT

MANILA COPRA (based on 6% moisture) Peso/100kg Buyer/Seller 23 3,300.00/3,350.00 Lag/Qzn/Luc Philippine Coconut Oil - Crude CIF NY/NOLA PALM OIL RAIL/NOLA 53.00 COCONUT OIL (PHIL/IDN), \$ per ton, CIF Europe

June/July'23 0.00/965.00 July/Aug.'23 0.00/995.00 0.00/1,010.00 Aug./Sept.'23 1,005.00/1,017.50 Sept./Oct.'23

LONDON METAL

LME FINAL CLOSING PRICES, US\$/MT 3 MOS.

ALUMINUM H.G. 2,231.00 **ALUMINUM Allov** 2,007.00 7,962.50 2,074.00 NICKEL 21,228.00 24,607.00

month high of ¥140.91 in early Asia trade

than 3% against the Japanese currency.

The yen's renewed decline has

and was headed for a monthly gain of more

on the back of rising US Treasury yields, as

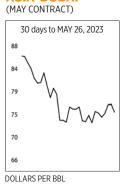
Oil prices rise after US leaders reach stopgap debt ceiling deal

SINGAPORE - Oil prices rose on Monday after US leaders reached a tentative debt ceiling deal, possibly averting a default in the world's largest economy and oil consumer, although concerns about further interest rate hikes capped gains.

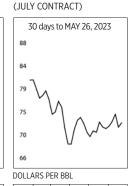
Brent crude futures climbed 66 cents or 0.9% to \$77.61 a barrel by 0247 GMT, while US West Texas Intermediate (WTI) crude was at \$73.42 a barrel, up 75 cents or 1%. Trade is expected to be subdued on Monday because of UK and US holidays.

US President Joseph Biden and House Speaker Kevin Mc-Carthy on Saturday finalized an agreement in principle to suspend the \$31.4-trillion debt ceiling and cap government spending for the next two years. Both

Average (May 2-26) Average (April 3-28)

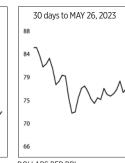


(JULY CONTRACT)



LONDON-BRENT (JULY CONTRACT)

World Markets/World Business



DOLLARS PER BBL

Average (May 1-26) \$75.89 Average (April 3-28) \$83.37

on Sunday that members of the for riskier assets such as com-Democratic and Republican par-

Average (May 1-26) Average (April 3-28)

ties will vote to support the deal. Reaching the deal and coming

"The tentative debt deal offered a relief rally in risk assets, including crude oil," said Tina Teng, a CMC Markets analyst.

Last week, Brent and WTI rose by more than 1%, gaining for a second week.

Prices gained as the US debt ceiling talks showed progress and after Saudi energy minister Abdulaziz bin Salman warned short-sellers betting that oil prices will fall to "watch out"

Mr. Bin Salman's warning was seen as a signal that the Organization of Petroleum Exporting Countries (OPEC) and allies including Russia, known as OPEC+, may further cut output when they meet on June 4.

However, comments from Russian oil officials and sources, including Deputy Prime Minister Alexander Novak, indicate the world's third-largest oil producer is leaning toward leaving output unchanged. — *Reuters*

Gold bullion prices ease on US Fed rate increase bets

GOLD PRICES edged lower on Monday as a tentative deal sealed over the weekend to suspend the US debt ceiling coupled with jitters around higher-for-longer interest rates dampened demand for the non-yielding metal.

Spot gold was down 0.1% at \$1,945.11 per ounce by 0442 GMT, hovering near two-month lows hit on Friday. US gold futures were listless at \$1,944.30.

Hurting gold's appeal as a safehaven asset, US President Joseph Biden on Sunday said he had finalized a budget agreement with House Speaker Kevin McCarthy to suspend the \$31.4-trillion debt ceiling until Jan. 1, 2025 and that the deal was ready to move to Congress for a vote.

Meanwhile, data on Friday showed US consumer spending increased more than expected in April and that inflation accelerated.

The report raised the chances of a 25-basis-point hike by the US central bank in June and rates staying there for the rest of the year, according to the CME FedWatch tool.

A firmer dollar index made bullion more expensive for overseas buyers, while Asian shares rose as the deal to suspend the US government's debt ceiling ended a protracted stalemate

Gold is expected to break a support at \$1,938 and fall into the \$1,919-\$1,929 range, according to Reuters technical analyst Wang Tao.

Spot silver fell 0.5% to \$23.20 per ounce; platinum edged 0.1% higher to \$1,023.64; and palladium rose 0.6% to \$1,431.90. Trading will likely be thin

with the United States and many markets in Europe closed for a holiday on Monday. — Reuters

closer to avoiding a default on US leaders expressed confidence debt renewed investor appetite Asian stocks up on US debt deal, capped by China

SYDNEY — Asian shares and Wall Street futures rose on Monday as a weekend deal by US President Joseph Biden and House Speaker Kevin McCarthy to suspend the government's debt ceiling provided relief for investors although China worries capped sentiment.

Europe is set to open slightly higher, with pan-regional Euro Stoxx 50 futures up 0.2%. S&P 500 futures rose 0.3% while Nasdag futures firmed 0.5%.

After weeks of negotiations, congressional Republican Mr. McCarthy and Mr. Biden agreed on Saturday to avert an economically destabilizing default by suspending the \$31.4-trillion debt ceiling until 2025. The deal now has to clear a narrowly divided Congress before the

United States runs out of money to pay its debts in early June.

In Asia, MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.2%, with falls in Chinese and Hong Kong shares offsetting gains seen elsewhere.

Elsewhere, Tokyo's Nikkei surged 1.0% to a fresh 33-year high and Australia's resources heavy shares gained 1%.

Defying the bullish trend, China's bluechips lost 0.6% and Hong Kong's Hang Seng index dropped 0.8%, after weak profit data for China's industrial firms added to signs of flagging momentum in the world's second-biggest

Cash US Treasuries were untraded in Asia on Monday, owing to the Memo-

rial Day holiday, while futures were broadly steady. Two-year yields hit a 2-1/2 month high of 4.6390% on Friday on market bets of higher US Federal Reserve rates for longer.

US shares rallied at the end of last week on hopes of a debt ceiling deal and bets on artificial intelligence firms. The Dow Jones Industrial Average ended a five-day losing streak on Friday, while the Nasdaq Composite Index and S&P 500 closed at their highest levels since August 2022.

The Fed's preferred inflation gauge - the personal consumption expenditures price index — came in stronger than expected on Friday. Taken together with strong US consumer spending

markets are now leaning towards a guarter-point hike from the Fed next month and see rates staying there for the rest of the year.

In the week ahead, US job openings and nonfarm payrolls data could influence the Fed's thinking for the June decision. Economists polled by Reuters expect payrolls likely rose 195,000 in May, slowing from 253,000 the prior month.

In Turkey, the lira hovered at 20.05 against the dollar, just a touch above its record low of 20.06 hit on Friday, after President Tayvip Erdogan secured victory in the country's presidential election, extending his increasingly authoritarian rule into a third decade. — **Reuters**

The kiwi gained 0.08% to \$0.6052.

bets grow that interest rates in the United earnings within Friday's payrolls report. SINGAPORE — The dollar was firm on Cash US Treasuries were untraded in Monday as economic resilience in the States would stay higher for longer. Asia on Monday, owing to the Memorial and obviously we've got CPI before the Risk sentiment in Asia was buoyed by news over the weekend that US Presi-United States raised market expecta-Data released on Friday showed that Day holiday in the United States, while Fed as well," said Ray Attrill, head of US consumer spending increased more futures were broadly steady. Ten-year FX strategy at National Australia Bank dent Joseph Biden had finalized a budtions for further rate hikes by the US NAB's Mr. Attrill. Federal Reserve, while news that a debt than expected in April and inflation futures' implied yield was 3.84%. get agreement with House Speaker Kev-US Treasury Secretary Janet Yellen picked up, adding to signs of a stillin McCarthy to suspend the \$31.4-trillion ceiling deal had been finalized sparked The UK market is similarly closed on "There's still quite a lot of data to flow under the bridge before we get to debt ceiling until Jan. 1, 2025. would default if Congress did not some risk-on sentiment. resilient economy. Monday for a holiday. Against the dollar, the euro fell 0.13% The greenback notched a fresh six-

Dollar elevated as sticky inflation cements Fed hike bets; debt ceiling deal lifts optimism

Yields on US Treasuries jumped on the back of the data, with the two-year yield, which typically reflects near-term interest rate expectations, rising more than 10 basis points (bps) to an over tw

month high of 4.639% on Friday.

to \$1.0719, while sterling slipped 0.07% to \$1.2342. "Whether the dollar sustains the rally

at we're seeing, I think it'll depend on particularly the wages data, or average the June meeting."

Money markets are now pricing in a nearly 68% chance that the Fed will raise rates by 25 bps in June, as compared to a roughly 17% chance a week ago, according to the CME FedWatch tool.

DEBT DEAL DONE?

Mr. Biden said on Sunday that the deal was ready to move to Congress for a vote.

The risk-sensitive Australian and New Zealand dollars edged slightly higher, with the Aussie rising 0.17% to \$0.6529.

"We've got a risk-positive response so far to the debt deal news," said

had on Friday said the government increase the \$31.4-trillion debt ceiling by June 5, having previously said a default could happen as early as June 1. Against a basket of currencies,

ne US dollar rose 0.02% to 104.29 Reuters

Debt deal could boost unloved corners of US stock market, though risks loom

GLOBAL investors are gaming out how a tentative deal to raise the United States debt ceiling could ripple through markets, as lawmakers strive to pass the agreement through Congress before a June 5 deadline.

A deal to lift the \$31.4-trillion debt limit announced by the White House and House Republicans late Saturday would avert a catastrophic US default and boost overall appetite for risk while also buoying some of the sectors that have been left behind in this year's tech-led rally, such as cyclical stocks and small caps, investors said.

E-mini futures for the S&P 500 were up 0.5% in Sunday evening fu-

tures trading. But some investors are wary that proposed spending cuts could weigh on US growth. At the same time, a negotiation process that barely avoided a default threatens to undermine the US

standing with credit ratings agencies. "While the White House's debt ceiling agreement is great news, the US government still has a cash flow problem and time is of the essence to finalize the agreements," said Bob Stark, global head of market strategy at treasury and financial management firm Kyriba. "The debt ceiling agreement is only the first step in saving the government from the brink of

The deal suspends the debt ceiling until January 2025 in exchange for caps on spending and cuts in government programs. Narrow margins in the House and Senate mean that moderates from both sides will have to support the bill.

US Treasury Secretary Janet Yellen on Friday set a deadline for raising ernment would default if Congress does not increase the debt ceiling by June 5. Since the \$24.3-trillion US Trea-

the federal debt limit, saying the gov-

sury market underpins the global financial system, a default — or even a close call — could trigger massive volatility across global markets.

The uncertainty periodically weighed on stock markets over the last week, although most investors and analysts said they had expected an 11th-hour agreement. Optimism that a debt ceiling deal was near and hefty gains in AI-related stocks helped the S&P 500 close at its highest level since August 2022 on Friday. It is up 9.5% year to date.

Among the market sectors that stand to benefit from a deal are defense stocks, which have lagged during the negotiations, as well as cyclical sectors of the market and energy stocks, said Quincy Krosby, chief global strategist at LPL Financial.

"The hope is that the approval of this tentative deal will help underpin the broader market and not just the handful of big tech names that have kept the market well in positive territory," she said.

Stuart Kaiser, head of equity trading strategy at Citi, said a deal could be a "modest positive" for equity markets at the index level but could provide a greater boost for sectors that have lagged this year, including shares of companies with weaker balance sheets and small-cap stocks.

But market participants are also wary of how proposed spending caps will impact specific sectors as well as the broader US economy.

"What investors will now focus on is the cost of the spending cuts to the health of the American economy," Mr. Stark said. "How much impact will these spending cuts have on GDP and economic growth?"

Meanwhile, the brinkmanship in Washington could also prompt rating agencies to downgrade US debt. Ratings agency Fitch late Wednesday put the United States on credit watch for a possible downgrade while DBRS Morningstar on Thursday placed US credit ratings under review with "negative implications."

S&P Global Ratings stripped the United States of its coveted top rating over a debt ceiling showdown in 2011, a few days after a last-minute agreement the agency at the time said did not stabilize "medium-term debt dynamics."

The downgrade contributed to a decline in US stocks that saw the S&P 500 lose some 17% between late July and mid-August of 2011.

S&P Global Ratings, Fitch, and Moody's did not immediately respond to Reuters requests for comment.

Investors are also bracing for potential volatility in US government bonds as the Treasury is expected to quickly refill its empty coffers with bond issuance once the debt ceiling is raised, potentially sucking out hundreds of billions of dollars of cash from the market.

 $\hbox{``We will get the optimism that a deal}\\$ is done and that a real crisis is averted, and the dreaded liquidity drain at the same time," said Damien Boey, macro strategist at BarrenJoey in Sydney, Australia. "I think you will find that interest rate volatility will rise, and this will cause banks and non-AI growth stocks to be laggards." - Reuters



Medical supplies donation. (From left) AboitizPower Segment Manager for the Visayas Rio C. Colipapa and Universal Feed Mill Corporation CEO Joshua T. De Manuel turnover medical equipment to Consolacion National High School - Evening Class School Caretaker Garnet G. Posas.

AboitizPower, Universal Feed Mill donate medical supplies and equipment to Cebu school

Consolacion National High School in Poblacion Occidental, Cebu received clinic and medical supplies provided by Aboitiz Power Corporation (AboitizPower) and Universal Feed Mill Corporation to benefit their staff, faculty, and students.

While the quality of education remains a priority, the Consolacion National High School said that the health and well-being of its students and staff is important to them, as they spend a lot of time within school

School caretaker Garnet G. Posas acknowledged the support of AboitizPower and Universal Feed Mill

"The impact of this project to the health and wellness of our students is truly significant. As school administrators, our role is to not only educate students, but also to provide healthcare services when needed. We wish for the school to serve as a place of learning and a home where they can feel safe and cared for."

Universal Feed Mill CEO Joshua T. De Manuel noted the critical role of businesses in helping improve health services by making medical resources more accessible to schools in Cebu.

"As an educator myself, I feel strongly about the plight of students. Beyond classroom walls, books, and lessons,

what students need is a well-equipped school clinic where they can be treated and be comfortable enough to recover," he said. "These hospital beds, first-aid kits, crotches, and other supplies are but the start of what I hope would be something that can be sustained for all members of the school to use in the long-term".

The school is one of the beneficiaries of AboitizPower's program to support public schools across the Philippines by helping improve the quality of education and welfare of students. Apart from upgrading the clinic, medical equipment was also given to members of the evening class of Consolacion.

"At AboitizPower, we know that the value of advancing businesses and communities is better achieved through collaboration," AboitizPower First Vice President - Head of Retail James Byron Yu said. "With partners like Universal Feed Mill, we hope to spread more positive energy to communities, and deliver projects that improve education and health.'

AboitizPower is one of the country's leading companies in power generation, distribution, and retail electricity services. Meanwhile, Universal Feed Mill Corporation is a Cebu-based manufacturer of hog, poultry, and gamefowl feeds.