

Oil prices decrease by over 2% on interest rate hike concerns

NEW YORK — Oil prices slumped over 2% on Tuesday on signals that central banks may not be done with interest rate hikes, while industry data showed lower US crude and gasoline inventories during the peak summer driving season.

Brent crude futures settled down \$1.92 or 2.6% at \$72.26 a barrel. US West Texas Intermediate (WTI) futures dropped \$1.67 or 2.4% to \$67.70.

Both contracts are trading broadly within a \$10 range traced since early May. OANDA analyst Craig Erlam said prices were mainly at the mercy of “the ever-changing expectations for interest rates.”

European Central Bank President Christine Lagarde said on Tuesday that stubbornly high inflation will require the bank to avoid declaring an end to rate hikes. Higher interest rates can weigh on economic activity and oil demand.

“Despite concerns for the slowing economy in Europe, they are going to put the pedal to the metal with interest rates and that puts pressure to the downside,”

ASIA-DUBAI (JUNE CONTRACT)

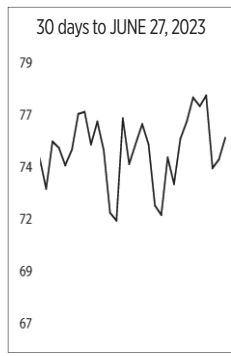


Table with columns for dates (June 21-27) and prices for ASIA-DUBAI (JUNE CONTRACT) in Dollars per BBL. Includes average prices for June 1-27 and May 2-31.

NEW YORK-WTI (AUGUST CONTRACT)

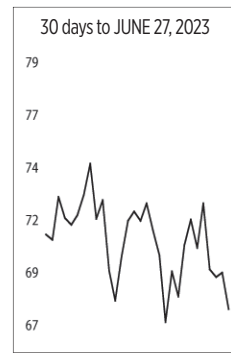


Table with columns for dates (June 21-27) and prices for NEW YORK-WTI (AUGUST CONTRACT) in Dollars per BBL. Includes average prices for June 1-27 and May 1-31.

LONDON-BRENT (AUGUST CONTRACT)

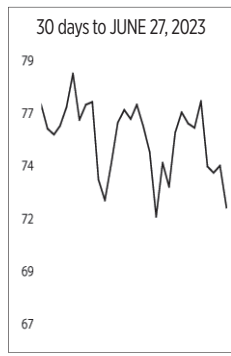


Table with columns for dates (June 21-27) and prices for LONDON-BRENT (AUGUST CONTRACT) in Dollars per BBL. Includes average prices for June 1-27 and May 1-31.

SOURCE: REUTERS

Industry group showed on Tuesday that US crude oil and gasoline inventories fell last week, according to market sources citing the data.

Crude stocks fell by about 2.4 million barrels in the week ended June 23, according to the sources, who spoke on condition of anonymity. Gasoline inventories fell by about 2.9 million barrels.

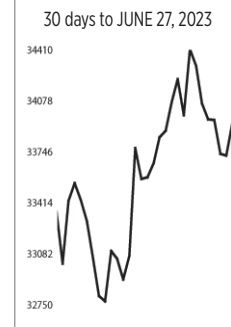
US government data on stockpiles is due on Wednesday.

Brent’s six-month backwardation — a price structure whereby sooner-loading contracts trade above later-loading ones — reached its lowest since December and was barely positive, indicating shrinking concern about supply crunches.

For the two-month spread, the market is in shallow contango, the opposite price structure, indicating that traders are factoring in a slightly oversupplied market.

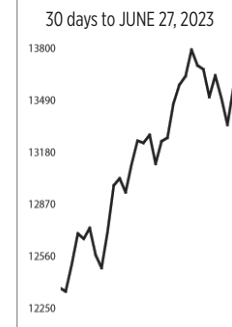
The market, meanwhile, has shrugged off the aborted mutiny by mercenary group Wagner in Russia over the weekend, with Russian oil loadings having remained on schedule. — Reuters

DOW JONES



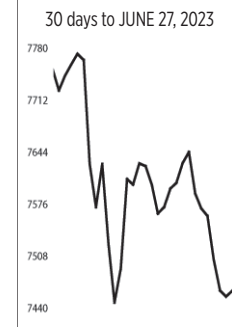
Summary table for Dow Jones: OPEN: 33,739.03, CLOSE: 33,926.74, HIGH: 33,975.65, NET: 212.03, LOW: 33,730.39, PREV: 33,714.71

NASDAQ COMPOSITE



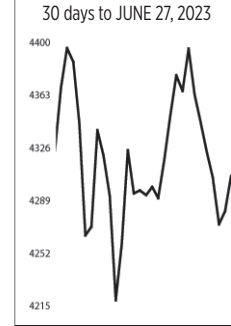
Summary table for Nasdaq Composite: OPEN: 13,389.25, CLOSE: 13,555.67, HIGH: 13,578.80, NET: 219.90, LOW: 13,366.97, PREV: 13,335.78

FTSE



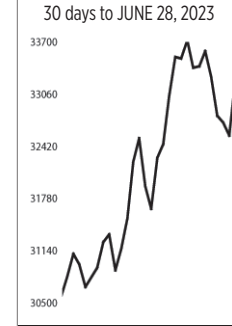
Summary table for FTSE: OPEN: 7,453.58, CLOSE: 7,461.46, HIGH: 7,495.88, NET: 7.88, LOW: 7,428.11, PREV: 7,453.58

DJ EURO STOXX



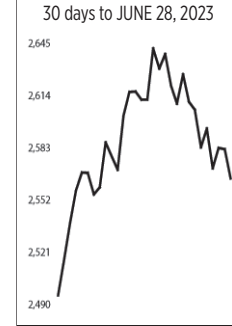
Summary table for DJ Euro Stoxx: OPEN: 4,286.18, CLOSE: 4,305.26, HIGH: 4,311.12, NET: 24.69, LOW: 4,272.27, PREV: 4,280.57

225-NIKKEI



Summary table for 225-Nikkei: OPEN: 32,807.84, CLOSE: 33,193.99, HIGH: 33,193.99, NET: 655.66, LOW: 32,642.87, PREV: 32,538.33

KOSPI



Summary table for Kospi: OPEN: 2,590.52, CLOSE: 2,564.19, HIGH: 2,590.52, NET: -17.20, LOW: 2,559.46, PREV: 2,581.39

Wall Street closes higher as upbeat economic data allay fears of slowdown

US STOCK indexes rebounded on Tuesday from a recent losing streak as upbeat economic data soothed investor worries about an imminent recession triggered by the US Federal Reserve’s aggressive interest rate hikes.

Separate reports showed new orders for key US-manufactured capital goods unexpectedly rose in May, and sales of new single-family homes surged in the same month, while US consumer confidence increased to a near 1-1/2 year high in June.

The data gave investors a reason to buy back into stocks after a “pretty vicious correction” in the last several sessions, said Mark Luschni, chief investment strategist at Janney Montgomery Scott in Philadelphia.

“What we have today is this series of economic releases that on balance fit this setting of an economy that continues to be in an expansionary mode, without at the same time suggesting there’s any condition that’s running too hot.”

And just days before the second quarter ends, Mr. Luschni said it was notable that some of the top sector performers on Tuesday, such as consumer discretionary and technology, were also the market’s biggest gainers on a year-to-date basis.

While the economic data was encouraging, Rhys Williams, chief strategist at Spouting Rock Asset Management, said the market was likely helped by so-called window dressing, when fund managers add outperforming assets to their portfolio for their quarter-end statements.

“You’d a bad week in the stock market last week and a bad day on Monday. It’s just a bit of recovery,” said Mr. Williams. “There could be some quarter-end window-

dressing too as we get close to the end of the quarter.”

The blue-chip Dow Jones Industrial Average snapped a six-day losing streak on Tuesday while the tech-heavy Nasdaq Composite was eyeing its best first-half performance in 40 years and the S&P 500 advanced after falling in five of the last six sessions.

The Dow Jones Industrial Average rose 212.03 points or 0.63% to 33,926.74; the S&P 500 gained 49.59 points or 1.15% at 4,378.41; and the Nasdaq Composite added 219.90 points or 1.65% at 13,555.67.

The signs of US economic resilience also boosted the Dow Transports index, which closed up 2.7% and the small-cap Russell 2000 index, which advanced 1.5%.

And the PHLX Housing index closed up 2.99% after hitting an all-time high on Tuesday.

Traders were pricing in a roughly 77% chance the Fed will raise interest rates by 25 bps to the 5.25%-5.50% range in its July meeting, according to CME Group’s Fedwatch tool, up from 74.4% a day earlier.

More economic data is expected this week, including a key inflation measure, as well as Fed Chair Jerome Powell’s speech at the European Central Bank Forum in Sintra, Portugal, which could provide cues on the path of interest rates.

Mr. Powell’s hawkish comments last week stalled a US stock rally that had pushed the S&P 500 and Nasdaq to an over one-year high and the Dow to a six-month peak.

Despite recent market weakness, a growth stocks rally, an upbeat earnings season and hopes of the Fed ending its monetary tightening soon have set the main indexes on course for quarterly gains. — Reuters

Gold slips after strong US data as focus turns to Powell

GOLD reversed course to slip on Tuesday after strong US economic readings, while traders positioned for US Federal Reserve Chair Jerome Powell’s speech and more data that could offer clues on future interest rate hikes.

Spot gold fell 0.6% to \$1,911.53 per ounce by 2:08 p.m. EDT (1808 GMT), while US gold futures settled 0.5% lower at \$1,923.80.

US consumer confidence increased in June to the highest level in nearly 1-1/2 years, while new single-family home sales rose by a more-than-expected 12.2% in May.

“Gold did not like the news,” said Edward Moya, senior market analyst at OANDA, as “that better eco-

nomic data is going to drive those Fed tightening expectations and that should push up yields as well.”

Benchmark 10-year Treasury yields climbed, making zero-interest-bearing gold less attractive.

Bullion edged up on Monday on risks from the short-lived mutiny in Russia.

But for gold, “the key question is the extent to which the internal tensions within Russia or any potential toppling of the government might affect global monetary policy,” Commerzbank analysts wrote in a note.

Gold has shed about 2.6% this month — set for a second consecutive monthly fall if losses

hold — as bets for higher-for-longer US interest rates dented the zero-yielding asset’s appeal and overshadowed its traditional safe-haven role to some extent.

Investors were awaiting Mr. Powell’s upcoming speech, along with a trove of key economic data on Thursday.

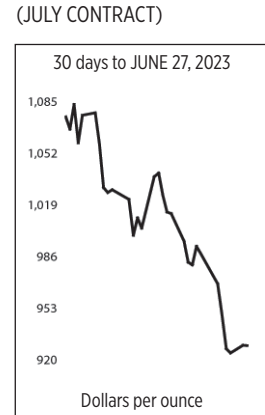
“Between now and Thursday, you’re going to see a drifting, no-man’s-land trading, sideways market here in gold, unless something else was to break,” said Bob Haberkorn, senior market strategist at RJO Futures.

Silver advanced 0.1% to \$22.79 an ounce and was bound for a third straight session of gains. — Reuters

SOURCE: REUTERS TUESDAY, JUNE 27, 2023

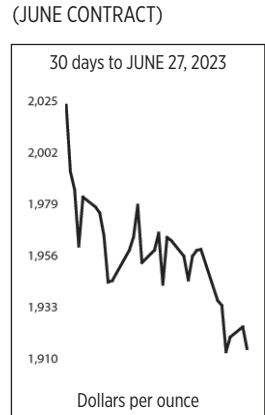
US COMMODITY FUTURES

PLATINUM (JULY CONTRACT)



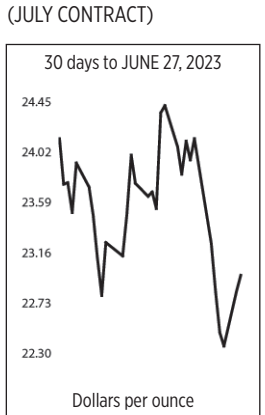
Summary table for Platinum (July Contract): OPEN: 928.60, CLOSE: 928.50, HIGH: 937.90, NET: -0.10, LOW: 918.20, PREV: 928.60

GOLD (JUNE CONTRACT)



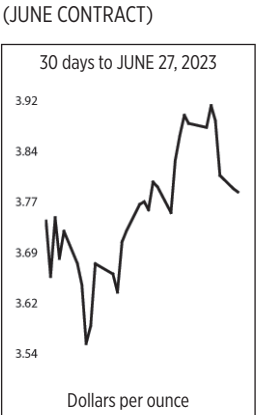
Summary table for Gold (June Contract): OPEN: 1927.00, CLOSE: 1914.00, HIGH: 1929.40, NET: -9.70, LOW: 1914.40, PREV: 1923.70

SILVER (JULY CONTRACT)



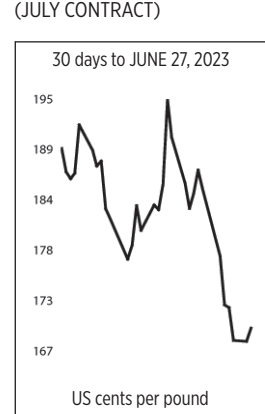
Summary table for Silver (July Contract): OPEN: 22.835, CLOSE: 22.960, HIGH: 23.150, NET: 0.134, LOW: 22.785, PREV: 22.826

COPPER (JUNE CONTRACT)



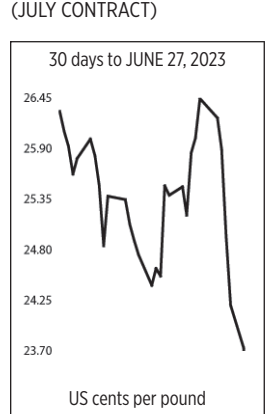
Summary table for Copper (June Contract): OPEN: 3.773, CLOSE: 3.782, HIGH: 3.799, NET: -0.005, LOW: 3.772, PREV: 3.787

COFFEE (JULY CONTRACT)



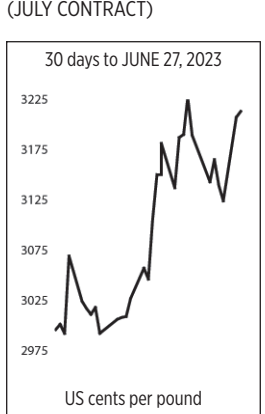
Summary table for Coffee (July Contract): OPEN: 168.35, CLOSE: 169.45, HIGH: 169.35, NET: 1.50, LOW: 165.55, PREV: 167.95

SUGAR (JULY CONTRACT)



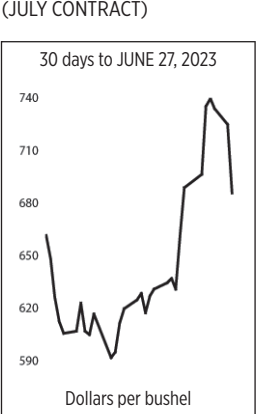
Summary table for Sugar (July Contract): OPEN: 23.72, CLOSE: 23.03, HIGH: 23.83, NET: -0.69, LOW: 22.86, PREV: 23.72

COCOA (JULY CONTRACT)



Summary table for Cocoa (July Contract): OPEN: 3217.00, CLOSE: 3212.00, HIGH: 3217.00, NET: 6.00, LOW: 3209.00, PREV: 3206.00

WHEAT (JULY CONTRACT)



Summary table for Wheat (July Contract): OPEN: 724.25, CLOSE: 685.00, HIGH: 725.75, NET: -39.25, LOW: 681.50, PREV: 724.25

SPOT PRICES

TUESDAY, JUNE 27, 2023

Table of spot prices for various commodities including METAL, GRAINS, LIFFE COFFEE, LIFFE COCOA, and COCONUT. Lists items like PALLADIUM, RICE, and COFFEE with their respective prices.

LIFFE COFFEE

Table showing Liffe Coffee prices (New Robusta 10 MT) with columns for High, Low, Sett, and Psett, and rows for different months (July, Sept, Nov, Jan).

LIFFE COCOA

Table showing Liffe Cocoa prices (Ldn-10 MT-E/ton) with columns for High, Low, Sett, and Psett, and rows for different months (July, Sept, Dec, Mar).

COCONUT

Table showing Coconut prices (Manila COPRA) with columns for Buyer/Seller and rows for different months (Aug/Sept, Sept/Oct, Oct/Nov, Nov/Dec).

LONDON METAL EXCHANGE

Table showing LME Final Closing Prices (US\$/MT) for 3 months for various metals like ALUMINUM, COPPER, LEAD, NICKEL, TIN, and ZINC.

Copper dips on economic worries despite upbeat China comments

LONDON — Copper prices dipped on Tuesday after signals from a top Chinese official about more economic stimulus were offset by concern over slower growth and rising interest rates in the West.

Three-month copper on the London Metal Exchange (W) was down 0.4% at \$8,357.50 per metric ton by 1600 GMT. US Comex copper futures dropped 0.3% to \$3.77 per pound.

LME copper has rebounded by about 7% since hitting its lowest in nearly six months about a month ago.

Base metals and wider financial markets were lifted by comments from Chinese Premier Li Qiang, who said that China will take steps to boost demand and invigorate markets.

“My sense is that all those policy measures in China will still be fairly targeted and moderate,” said Amelia Xiao Fu, head of com-

modity market strategy at Bank of China International.

“Even if you get some measures from China, I don’t think it’s going to encourage a sustained rally. I think the market is likely to be fairly range-bound.”

She added that US interest rates could rise again in July and the dollar is likely to remain strong, making for “sustained macro pressure across commodities.”

Citi analysts said in a note on Tuesday they cut their 2023 annual gross domestic product forecast for China to 5.5% from 6.1% due to “weak confidence prevalent across households, corporates and investors in China.”

The premium of LME cash copper over the three-month contract retreated to \$19 a metric ton after on Monday touching \$31, the highest since last November, which had indicated tightening near-term supplies. — Reuters

Sugar future prices fall 3% to lowest in 3 months

NEW YORK — Raw and refined sugar futures on ICE fell around 3% on Tuesday to hit their lowest in three months on signs of weak demand and improving Brazil crop, while London cocoa steadied after hitting its highest since the mid-1970s in the prior session.

SUGAR: July raw sugar settled down 0.69 cent or 2.9% at 23.03 cents per pound (lb) — its lowest since early April.

Front month sugar futures have, after some ten months, flipped to a discount versus second month futures, a bearish sig-

nal that indicates weak demand, improved supply, or both.

“There’s no denying the major supply-side problems the sugar market has, but in the short term I’d note the collapsing spreads and tread carefully,” Stephen Geldart, head of analysis at trader Czarnikow, said in a note.

“It’s entirely possible everyone is fixating on supply and ignoring more invisible demand side problems.”

On production, Brazil sugar output was up 18% in the first half of June, as expected, while sugarcane yields rose 26%, signaling a possibly larger crop.

August white sugar fell \$21.20 or 3.3% at \$627.20 a ton, having hit its lowest since late March at \$614.50.

COCOA: September London cocoa settled up 5 lbs or 0.2% to 2,537 lbs per ton, having hit its highest since the mid 1970s on Monday at 2,555.

Dealers said technical signals point to more gains ahead, while fundamental signals are bullish as the market’s deficit is widening.

Above-average rain in most of Ivory Coast’s cocoa regions last week have flooded plantations and could affect the start of the next October-to-March main crop.

September New York cocoa ended stable at \$3,258 a metric ton, after setting a fresh seven-year high of \$3,281 on Monday.

COFFEE: September arabica coffee settled up 1.8 cents or 1.1% at \$1.6695 per lb, after earlier setting a six-month low of \$1.63.

September robusta coffee rose \$5 or 0.2% at \$2,715 a ton.

An expected pick-up in robusta exports from Brazil in the coming months may calm a rally in prices which hit a record this month, Rabobank said in a quarterly update. — Reuters