Gold slips on dollar rebound as US inflation test approaches

GOLD slipped to a more than two-week low on Tuesday as the dollar rebounded, while investors positioned for the US inflation data on Wednesday.

Spot gold was down 0.5% at $1,912.39 per ounce by 1:50 p.m. EDT (1750 GMT), its lowest since Aug. 25. US gold futures settled 0.6% lower at $1,935.10.

"People are getting out of the market and waiting to see how the data comes out, and maybe buy gold at a lower price because there's still (some) safety buying in gold," said Bob Haberkorn, senior market strategist at RJO Futures.

Making gold more expensive for other currency holders, the dollar index gained 0.2% ahead of the US consumer price index data due on Wednesday, which could influence the US Federal Reserve's interest rate decision.

Headline US inflation climbed 0.6% in August, according to a Reuters poll, versus a 0.2% rise the prior month. However, Americans' overall views on inflation were little changed in August, the New York Fed reported Monday.

Higher interest rates dull non-yielding bullion's shine, with traders betting on a roughly 47% chance of a hike in November after a widely expected pause by the Fed next week, according to the CME FedWatch tool.

"Should the inflation figures print above market forecasts, gold prices are likely to depreciate as expectations rise around the Fed having headroom to hike one time this year." FXTM Senior Research Analyst Lukman Otunuga said.

Silver was flat at $23.07 per ounce; platinum rose 1.4% to $910.82; and palladium gained 1.5% to $1,236.17. — ***Reuters***

SPOT PRICES

TUESDAY, SEPTEMBER 12, 2023

METAL	
PALLADIUM free $/troy oz	1,220.13
PALLADIUM JMI base, $/troy oz	1,227.00
PLATINUM free $/troy oz	907.20
PLATINUM JMI base $/troy oz	910.00
KRUGGERAND, fob $/troy oz	1,907.00
IRIDIUM, whs rot, $/troy oz	4,490.00
RHODIUM, whs rot, $/troy oz	4,090.00
GRAINS (September 7, 2023)	
(FOB Bangkok basis at every Thursday)	
FRAGRANT (100%) 1st Class, $/ton	926.00
FRAGRANT (100%) 2nd Class, $/ton	911.00
RICE (5%) White Thai- $/ton	640.00
RICE (10%) White Thai- $/ton	639.00
RICE (15%) White Thai- $/ton	621.00
RICE (25%) White Thai- $/ton (Super)	621.00
BROKER RICE A-1 Super $/ton	483.00
FOOD	
COCOA ICCO Dly (SDR/mt)	2,794.51
COCOA ICCO $/mt	3,695.21
COFFEE ICA comp '2001 cts/lb	153.74
SUGAR ISA FOB Daily Price, Carib. port cts/lb	26.10
SUGAR ISA 15-day ave.	25.21

LIFFE COFFEE

New Robusta 10 MT - $/ton

	High	Low	Sett	Psett
Sept.	2,631	2,599	2,611	2,636
Nov.	2,436	2,386	2,430	2,439
Jan.	2,345	2,302	2,336	2,347
Mar.	2,299	2,258	2,283	2,297

LIFFE COCOA

(Ldn)-10 MT-£/ton

	High	Low	Sett	Psett
Sept.	3,034	3,004	3,013	3,017
Dec.	3,055	3,021	3,039	3,036
Mar.	2,995	2,970	2,987	2,977
May	2,912	2,892	2,906	2,894

COCONUT

MANILA COPRA (based on 6% moisture)	
Peso/100kg	Buyer/Seller
Lag/Qzn/Luc 23	3,250.00/3,300.00
Philippine Coconut Oil - Crude	
CIF NY/NOLA	55.00
PALM OIL RAIL/NOLA	58.00
COCONUT OIL (PHIL/IDN), $ per ton,	
CIF Europe	
Sept./Oct.'23	0.00/1,080.00
Oct./Nov.'23	0.00/1,065.00
Nov./Dec.'23	0.00/1,047.50
Dec./Jan.'24	0.00/1,050.00

LONDON METAL EXCHANGE

LME FINAL CLOSING PRICES, US$/MT

	3 MOS.
ALUMINUM H.G.	2,196.50
ALUMINUM Alloy	1,552.00
COPPER	8,391.00
LEAD	2,219.50
NICKEL	19,923.00
TIN	25,524.00
ZINC	2,479.00

Oil jumps 2% to 10-month high as OPEC predicts tight supplies

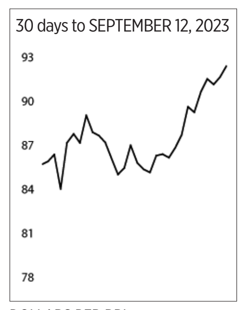
NEW YORK — Oil prices jumped about 2% to a near 10-month high on Tuesday on a tighter supply outlook and the Organization of the Petroleum Exporting Countries (OPEC) optimism over the resilience of energy demand in major economies.

Brent futures rose $1.42 or 1.6% to settle at $92.06 a barrel, while US West Texas Intermediate (WTI) crude rose $1.55 or 1.8% to settle at $88.84.

Both benchmarks remained technically overbought for an eighth straight day, and closed at their highest levels since November 2022.

The OPEC stuck to its forecasts for robust growth in global oil demand in 2023 and 2024, citing signs that major economies are stronger than expected. OPEC's

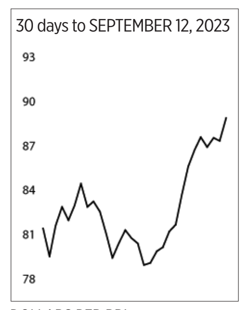
ASIA-DUBAI
(SEPTEMBER CONTRACT)



DOLLARS PER BBL

Sept.	6	7	8	11	12
$/bbl	90.60	91.48	91.09	91.60	92.35
Average (September 1-12)					**$90.84**
Average (August 1-31)					**$86.47**

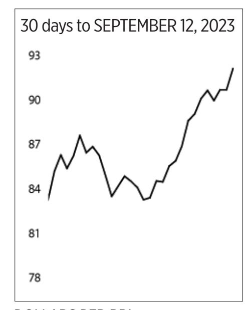
NEW YORK-WTI
(OCTOBER CONTRACT)



DOLLARS PER BBL

Sept.	6	7	8	11	12
$/bbl	87.54	86.87	87.51	87.29	88.84
Average (September 1-12)					**$87.18**
Average (August 1-31)					**$81.32**

LONDON-BRENT
(NOVEMBER CONTRACT)



DOLLARS PER BBL

Sept.	6	7	8	11	12
$/bbl	90.60	89.92	90.65	90.64	92.06
Average (September 1-12)					**$90.18**
Average (August 1-31)					**$85.10**

Source: REUTERS

monthly report forecast world oil demand will rise by 2.25 million barrels per day (bpd) in 2024.

Keeping supplies tight, Saudi Arabia and Russia last week extended voluntary supply cuts of a combined 1.3 million bpd to year-end. OPEC, Russia, and allied producers are known as OPEC+. OPEC member Libya shut four of its eastern oil export terminals due to a deadly storm, while OPEC+ member Kazakhstan reduced daily oil output for maintenance.

The US Energy Information Administration (EIA) projected global oil output would rise from 99.9 million bpd in 2022 to 101.2 million bpd in 2023 and 102.9 million bpd in 2024, while world demand will rise from 99.2 million bpd in 2022 to 101 million bpd in 2023 and to 102.3 million bpd in 2024.

EIA said it expects global oil inventories to decline by almost a half million bpd in the second half of 2023, causing oil prices to rise with Brent averaging $93 per barrel in the fourth quarter.

The European Central Bank will announce its interest rate decision on Thursday.

Interest rate hikes can slow economic growth and reduce oil demand. — ***Reuters***

NYSE falls as Oracle tumbles on weak forecast

WALL STREET stocks ended lower on Tuesday as Oracle shares tumbled more than 13% after a weak forecast and surging oil prices deepened worries about persistent price pressures ahead of crucial inflation readings this week.

Oracle shares dived to their lowest since June after the cloud-services provider forecast current-quarter revenue below targets and narrowly missed first-quarter expectations.

Cloud-computing heavyweights Amazon.com and Microsoft each fell more than 1%, pressured by Oracle's weak forecast and by a rise in US Treasury yields.

Oil prices jumped more than 1%, building on a recent rally and stoking worries that sticky inflation could mean US interest rates stay higher longer in the aftermath of strong economic data.

Investors are awaiting August consumer price index data due on Wednesday and producer prices reading scheduled for Thursday to gauge the outlook for US interest rates ahead of the Fed's meeting on Sept. 20.

Interest rate traders see a 93% chance of rates remaining at the current levels in September but just a 56% likelihood of a pause at the November meeting, according to the CME FedWatch Tool.

Investors will also monitor the European Central Bank's policy decision on Thursday, when it is seen holding rates after nine consecutive hikes.

Apple dropped 1.8% after unveiling new iPhones, while not increasing prices as it faces a global smartphone slump. The stock was also hurt by a report that China's Huawei Technologies has raised the second-half shipment target for its Mate 60 series smartphone by 20%.

The S&P 500 declined 0.57% to end the session at 4,461.91 points.

The Nasdaq declined 1.04% to 13,773.62 points, while Dow Jones Industrial Average declined 0.05% to 34,645.99 points.

Of the 11 S&P 500 sector indexes, eight declined, led lower by information technology, down 1.75%, followed by a 1.06% loss in communication services.

Volume on US exchanges was relatively light, with 9.4 billion shares traded, compared to an average of 9.9 billion shares over the previous 20 sessions.

WestRock jumped 2.8% after agreeing to merge with Europe's Smurfit Kappa to create the world's largest listed paper and packaging company, worth nearly $20 billion.

Advance Auto Parts dropped about 8% after S&P Global downgraded the auto parts retailer's credit and debt ratings from investment grade (BBB-) to junk (BB+).

Declining stocks outnumbered rising ones within the S&P 500 by a 1.4-to-1 ratio.

The S&P 500 posted 12 new highs and 14 new lows; the Nasdaq recorded 48 new highs and 184 new lows. — ***Reuters***

OPEC sticks to oil demand growth forecast in 2023, 2024

LONDON — The Organization of the Petroleum Exporting Countries (OPEC) on Tuesday stuck to its forecasts for robust growth in global oil demand in 2023 and 2024 citing signs that major economies are faring better than expected despite headwinds such as high interest rates and elevated inflation.

World oil demand will rise by 2.25 million barrels per day (bpd) in 2024, compared with growth of 2.44 million bpd in 2023, the OPEC said in a monthly report. Both forecasts were unchanged from last month.

A lifting of pandemic lockdowns in China has helped oil demand rise in 2023. OPEC has maintained a relatively upbeat view on 2024, seeing stronger demand growth than other forecasters such as the International Energy Agency (IEA).

"The ongoing global economic growth is forecast to drive oil demand, especially given the recovery in tourism, air travel and steady driving mobility," OPEC said in the report. "Pre-COVID-19 levels of total global oil demand will be surpassed in 2023."

Oil demand collapsed in 2020, prompting some predictions of an early peak in world oil use. OPEC has been consistently saying it would recover and said in the report demand would average 102.1 million bpd in 2023, above the pre-pandemic rate during 2019.

OPEC and its allies, known as OPEC+, began limiting supplies in 2022 to bolster the market. Global benchmark Brent crude breached $90 a barrel last week for the first time in 2023 after Saudi Arabia and Russia extended voluntary cuts until the end of the year.

Brent crude prices rose as high as $91.82 a barrel after the report was released, hitting a fresh 2023 high.

The IEA, which currently has a much lower view than OPEC of 2024 demand growth, will issue its latest outlook on Wednesday.

ECONOMY RESILIENT

OPEC held its forecast for world economic growth this year at 2.7% and kept next year's figure at 2.6% citing a resilient first half and a steady global growth trend that had continued into the third quarter.

"Emerging Asia, particularly India, Brazil and Russia, could further surprise to the upside," OPEC said.

"Moreover, if the US continues to keep its current momentum, growth could turn out to be higher than expected."

The OPEC report also showed OPEC oil production rose in August driven by a recovery in Iran's production despite US sanctions remaining in place on Tehran and Saudi Arabia's voluntary cuts, as well as an increase in Nigeria.

OPEC output rose by 113,000 bpd in August to 27.45 million bpd, the report said. A Reuters survey earlier found production had increased last month largely because of Iran.

Iran is exempt from OPEC and OPEC+ production cuts because of the sanctions and Nigeria has faced internal challenges that have limited output. — ***Reuters***

Hyundai, Kia urge US court to reject TikTok-inspired theft lawsuits

WASHINGTON — Korean automakers Hyundai Motor and Kia Corp. on Tuesday asked a US judge to reject lawsuits filed by 17 cities for failing to install anti-theft technology in millions of their vehicles.

The lawsuits come after thousands of Hyundai and Kia thefts that use a method popularized on TikTok and other social media channels. The cities suing Kia and Hyundai include New York, Cleveland, San Diego, Milwaukee, Columbus, and Seattle.

The automakers, controlled by the same conglomerate, said in a court filing they should not held liable for thefts "resulting from an unprecedented criminal social media phenomenon."

They added cities "lax policing and prosecution policies" and "budgetary decision-making that diverted public safety resources away from the prevention and disruption of auto theft and reckless joyriding" was more relevant than Hyundai or Kia failing to equip vehicles with anti-theft immobilizers.

In February, the automakers said they would offer software upgrades to 8.3 million US vehicles to help curb thefts.

TikTok and other social media videos that show how to steal Kia and Hyundai cars without push-button ignitions and immobilizing anti-theft devices have spread nationwide.

This had led to car thefts that resulted in at least 14 reported crashes and eight fatalities in the Korean automakers' vehicles, the National Highway Traffic Safety Administration (NHTSA) said in February.

Immobilizers were standard on 96% of US vehicles by 2015 but were standard on only 26% of 2015 model year Hyundai and Kia vehicles, according to the Insurance Institute for Highway Safety's Highway Loss Data Institute. The automakers noted NHTSA does not require immobilizers.

Kia and Hyundai vehicles represent a large share of stolen cars in many US cities, according to data from police and state officials. Many Hyundai and Kia vehicles have no electronic immobilizers, which prevent break-ins and bypassing the ignition. — ***Reuters***

Asia apparel hubs face $65-B export hit from extreme weather, study shows

LONDON — Extreme heat and flooding could erase $65 billion in apparel export earnings from four Asian countries by 2030, as workers struggle under high temperatures and factories close, research from Schroders and Cornell University showed on Wednesday.

The study also mapped out the supply chains of six unidentified global apparel brands operating in the four countries studied — Bangladesh, Cambodia, Pakistan, and Vietnam — and found all six would be hit materially. For one sample brand that could amount to 5% of annual group operating profits.

The findings should act as a wake-up call to both an apparel industry facing significant financial costs, and to investors confronted with sparse information on companies' exposures, the report's authors told Reuters.

"Among the suppliers and the buyers we talked to, not one had their eye on these two issues (heat and flooding)," said Jason Judd, executive director of Cornell Global Labor Institute.

"The climate response by the industry is all about mitigation, about emissions and recycling, and little or nothing with respect to flooding and heat," Mr. Judd said.

Understanding climate-related physical risks to companies in a warming world is critical, but the process is in its infancy with few businesses disclosing enough information and few investors undertaking proper assessments.

"There is so little data on this... There are some [apparel] brands not disclosing the factory locations of their suppliers," said Angus Bauer, Schroders' head of sustainable investment research.

Mr. Bauer said Schroders, which manages more than £700 billion ($874 billion) in assets, would increase engagement with companies over their disclosures and he called on firms to work with suppliers and policy makers to build adaptation strategies that consider the impact on workers.

Using projections, the researchers analyzed future heat and flooding levels to estimate what would happen under a "climate adaptive" scenario and a "high heat and flooding" scenario.

Under the second, workers would suffer more "heat stress," with worker output declining as the wet-bulb globe temperature, which measures heat and humidity, rises.

Flooding will also force factories to close in the four countries, which account for 18% of global apparel exports and employ 10.6 million workers in apparel and footwear factories.

The overall fall in productivity would lead to a $65 billion shortfall in projected earnings between 2025 and 2030 — equivalent to a 22% decline — and 950,000 fewer jobs being created, the study found.

By 2050, lost export earnings would reach 68.6% and there would be 8.64 million fewer jobs. — ***Reuters***