

Wall Street ends higher, powered by earnings momentum

NEW YORK — Wall Street rallied on Monday, kicking off what promises to be a hectic week that includes a heavy earnings docket, economic data and the US Federal Reserve's two-day monetary policy meeting.

All three major US stock indexes closed up more than 1%, bouncing back from the previous week's sell-off. Interest rate sensitive mega-cap stocks, led by Microsoft Corp., Amazon.com, and Apple, Inc. provided the most upside muscle.

"Today is an earnings rebound," said Oliver Pursche, senior vice-president at Wealthspire Advisors, in New York. "The market got oversold, and the reality is that earnings have been pretty good, the US economy continues to chug along, and is likely to do so in the fourth quarter and into the first part of next year."

Third-quarter earnings season, firing on all cylinders, has reached its halfway point, with 251 of the companies in the S&P 500 having reported. Of those, 78% have beaten Wall Street estimates, according to LSEG.

Analysts now expect, on aggregate, annual third quarter S&P 500 earnings growth of 4.3%, a marked improvement over the 1.6% year-on-year growth seen at the beginning of October.

Investors have shown "less pessimism," Mr. Pursche added. "First- and second-quarter calls had a more negative tone. There was anxiety over interest rates, Fed policy, the recession that never came."

In the coming week, Caterpillar, Inc., Apple, Inc., Pfizer, Inc., and Starbucks Corp. are among the higher profile companies expected to post results.

On Tuesday, the Federal Open Markets Committee is expected to convene for a two-day monetary policy meeting, which is expected to culminate in a decision to let the Fed funds target rate stand at 5.25%-5.5%.

Investors will scrutinize the accompanying statement and Fed Chair Jerome Powell's subsequent Q&A session for clues regarding the central bank's path forward with rates.

"The Fed wants to see the cumulative effects of their rate hikes on the economy but they've also said they're prepared to over-

shoot in an abundance of caution, as long as inflation is above 3%," Mr. Pursche said.

The Bank of England and the Bank of Japan would also be announcing rate decisions this week, with the latter set to consider a further adjustment to its yield curve control (YCC) framework, according to a Nikkei report.

Closely watched economic data is on tap this week, culminating in the US Labor department's October employment report due on Friday.

Geopolitical strife arising from the Israel-Hamas conflict as well as a surge in Treasury yields have weighed on stocks in recent weeks, dragging the benchmark S&P 500 down about 10% from its intraday high in July.

The Dow Jones Industrial Average rose 511.37 points or 1.58% to 32,928.96; the S&P 500 gained 49.45 points or 1.2% to 4,166.82; and the Nasdaq Composite added 146.47 points or 1.16% to 12,789.48.

All 11 major sectors of the S&P 500 ended the session green, with communication services enjoying the biggest percentage gain, jumping 2.1%.

McDonald's reported better than expected quarterly results, driven by demand for its more affordable food as consumers contend with ongoing inflation pressures. Its shares gained 1.7%. Onsemi tumbled 21.8% after the chipmaker forecast weak fourth-quarter revenue on slowing demand for electric vehicles.

Western Digital Corp. jumped 7.3% after the company disclosed plans to separate itself into two independent public companies.

Realty Income slid 5.7% following its announcement that it would by Spirit Realty Capital in an all-stock deal valued at \$9.3 billion. Spirit Realty Capital advanced 7.9%.

Advancing issues outnumbered declining ones on the NYSE by a 2.15-to-1 ratio; on Nasdaq, a 1.62-to-1 ratio favored advancers.

The S&P 500 posted no new 52-week highs and 44 new lows; the Nasdaq Composite recorded 14 new highs and 363 new lows.

Volume on US exchanges was 10.16 billion shares, compared with the 10.67 billion average for the full session over the last 20 trading days. — Reuters

China optimism helps copper scale 4-week high

COPPER PRICES climbed to four-week highs on Monday due to signs of steady growth in top consumer China, declining inventories and a softer dollar ahead of important data from China's manufacturing sector.

Traders said copper and other industrial metals were also boosted by funds cutting bets on lower prices.

Benchmark copper on the London Metal Exchange (LME) was up 0.3% at \$8,127 a metric ton at 1705 GMT, having earlier hit \$8,231, the highest level since Oct. 2.

Latest data from China showed profits at industrial firms rose for a second month in September due to expanding activity.

Surveys of purchasing managers in China's manufacturing segment due later this week are expected to show expansion again in October, suggesting recent gov-

ernment support measures have helped boost sentiment.

China last week approved a one-trillion-yuan (\$137 billion) sovereign bond issue and passed a bill allowing local governments to front-load part of their 2024 bond quotas to support investment.

The Yangshan copper premium hit \$91.50 a ton late last week, more than tripling since the start of August, suggesting a rising need to import copper into China.

Falling stocks of copper in LME-approved warehouses, those monitored by the Shanghai Futures Exchange and in CME have also helped lift confidence.

Short covering helped aluminum to \$2,269, the highest level since Oct. 4. Aluminum rose 2% to \$2,264 a ton; zinc retreated 0.3% to \$2,464; lead slipped 0.1% to \$2,121; tin advanced 0.1% to \$24,915; and nickel climbed 0.5% to \$18,475. — Reuters

Crude oil prices drop by 3% as fears about Mideast supply ease

HOUSTON — Crude oil slipped more than 3% on Monday as fears eased that the Israel-Hamas war would disrupt supply from the region, and as investors grew cautious ahead of this week's US Federal Reserve meeting.

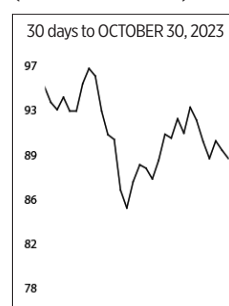
Brent crude futures settled at \$87.45 a barrel, down \$3.03 or 3.35%, while US West Texas Intermediate (WTI) crude finished at \$82.31 a barrel, down \$3.23 or 3.78%.

"The main feature here has been the market reacting to events between Israel and Hamas," said Jim Ritterbusch, president of Ritterbusch & Associates.

"Macroeconomic factors could easily emerge later this week, when we'll see if the Fed has something to say."

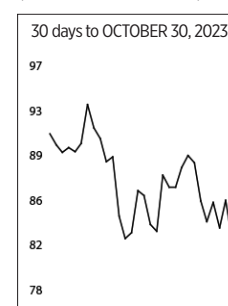
Crude jumped 3% on Friday after Israel stepped up ground incursions into Gaza, stoking worries the conflict could expand in a region that accounts for a third of global oil output. However, that concern was fading on Monday, analysts said.

ASIA-DUBAI (OCTOBER CONTRACT)



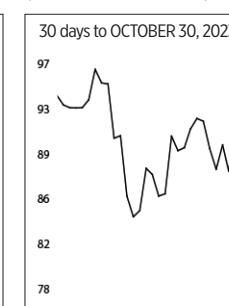
DOLLARS PER BBL					
Oct	24	25	26	27	30
\$/bbl	90.55	89.04	89.75	89.05	89.05
Average (October 2-30)	\$89.82				
Average (September 4-29)	\$93.28				

NEW YORK-WTI (DECEMBER CONTRACT)



DOLLARS PER BBL					
Oct	24	25	26	27	30
\$/bbl	85.74	85.39	83.21	85.54	82.31
Average (October 2-30)	\$85.68				
Average (September 1-29)	\$89.43				

LONDON-BRENT (DECEMBER CONTRACT)



DOLLARS PER BBL					
Oct	24	25	26	27	30
\$/bbl	88.07	90.13	87.95	90.48	87.45
Average (October 2-30)	\$88.77				
Average (September 1-29)	\$92.59				

Source: REUTERS

"The war premium has come out of the market," said Phil Flynn, analyst at Price Futures Group. "It's a situation where over the weekend the war seemed to intensify, but there seems to be no disruption to supply."

Israeli troops and tanks attacked Gaza's main northern city from the east and west on Monday, three days after it began ground operations in the Palestinian enclave.

"There is a propensity for market users in all their guises to have at least some oil length going into the weekends, and when the fear of conflict spread shows no validation... that fear hedge is ordinarily unwound," said John Evans of oil broker PVM.

Investors are also focused on the outcome of Wednesday's Federal Reserve meeting, as

well as on what earnings from the likes of tech giant Apple, Inc. might indicate regarding the prospects for an economic slowdown.

The Fed is widely expected to keep interest rates unchanged, while the central banks of Britain and Japan are also set to review their policies this week.

Meanwhile German inflation eased in October, pointing to a substantial cooling in headline inflation in the euro zone.

China reports its October manufacturing and services PMIs this week, with investors looking out for more signs that the economy of the world's top crude importer is stabilizing.

On Monday the World Bank said it expected global oil prices to average \$90 a barrel in the fourth quarter and \$81 in 2023 as slowing growth eases demand, but warned that an escalation of the Middle East conflict could spike prices significantly higher. — Reuters

Gold bullion hovers near \$2,000 on Middle East risks

GOLD PRICES hovered near the key psychological \$2,000 level on Monday, supported by safe-haven demand amid the Middle East conflict, while market participants looked ahead to this week's US Federal Reserve policy meeting.

"The Middle East conflict is keeping a floor under gold and silver markets. I remain bullish on gold, the conflict will get worse before it gets better, gold can hit all-time high in the near term," said Jim Wyckoff, senior analyst at Kitco Metals.

Spot gold was down 0.4% at \$1,998.47 per ounce by 2:25 p.m. ET (1825 GMT). US gold futures settled 0.4% higher at \$2,005.60.

Spot gold prices hit \$2,009.29 an ounce on Friday, surpassing the \$2,000 level for the first

time since mid-May, as investors flocked into safe-haven bullion.

Israeli troops and tanks attacked Gaza's main northern city from the east and west.

Gold is consolidating and building a base for further gains, subject to geopolitics, said StoneX analyst Rhona O'Connell in a note.

Traders are also keeping an eye on the US central bank's policy decision due on Wednesday. While the Fed is widely expected to keep interest rates unchanged, the focus will be on Chair Jerome Powell's commentary.

"If the Fed is going to sound hawkish, then we will see a slightly negative reaction from gold," Mr. Wyckoff said.

Although gold is seen as a hedge against inflation, higher interest rates dull non-yielding bullion's appeal.

Spot silver was up 0.9% at \$23.34.

"Silver solar demand could be clouded by recession in the EU," Heraeus analysts wrote in a note.

"The silver price normally follows gold's direction in recessions, though traders usually favor gold when balancing safe-haven gold and more industrial silver in periods of lower growth."

Platinum jumped 3.1% to \$931.96 and palladium gained 0.3% to \$1,125.65. — Reuters

SPOT PRICES

MONDAY, OCTOBER 30, 2023

METAL		Price
PALLADIUM free \$/troy oz		1,150.95
PALLADIUM JMI base, \$/troy oz		1,158.00
PLATINUM free \$/troy oz		928.81
PLATINUM JMI base \$/troy oz		935.00
KRUGGERAND, fob \$/troy oz		1,995.00
IRIDIUM, whs rot, \$/troy oz		4,990.00
RHODIUM, whs rot, \$/troy oz		4,440.00
GRAINS (October 26, 2023)		Price
(FOB Bangkok basis at every Thursday)		
FRAGRANT (100%) 1 st Class, \$/ton		851.00
FRAGRANT (100%) 2 nd Class, \$/ton		837.00
RICE (5%) White Thai- \$/ton		586.00
RICE (10%) White Thai- \$/ton		585.00
RICE (15%) White Thai- \$/ton		573.00
RICE (25%) White Thai- \$/ton (Super)		573.00
BROKER RICE A-1 Super \$/ton		474.00
FOOD		Price
COCOA ICCO Dly (SDR/mt)		3,017.41
COCOA ICCO \$/mt		3,953.68
COFFEE ICA comp 2001 cts/lb		152.80
SUGAR ISA FOB Daily Price, Carib. port cts/lb		26.08
SUGAR ISA 15-day ave.		25.94

LIFFE COFFEE		High	Low	Sett	Psett
New Robusta 10 MT - \$/ton					
Nov.	2,549	2,490	2,490	2,553	
Jan.	2,371	2,305	2,314	2,383	
Mar.	2,346	2,283	2,290	2,355	
May	2,329	2,265	2,272	2,338	

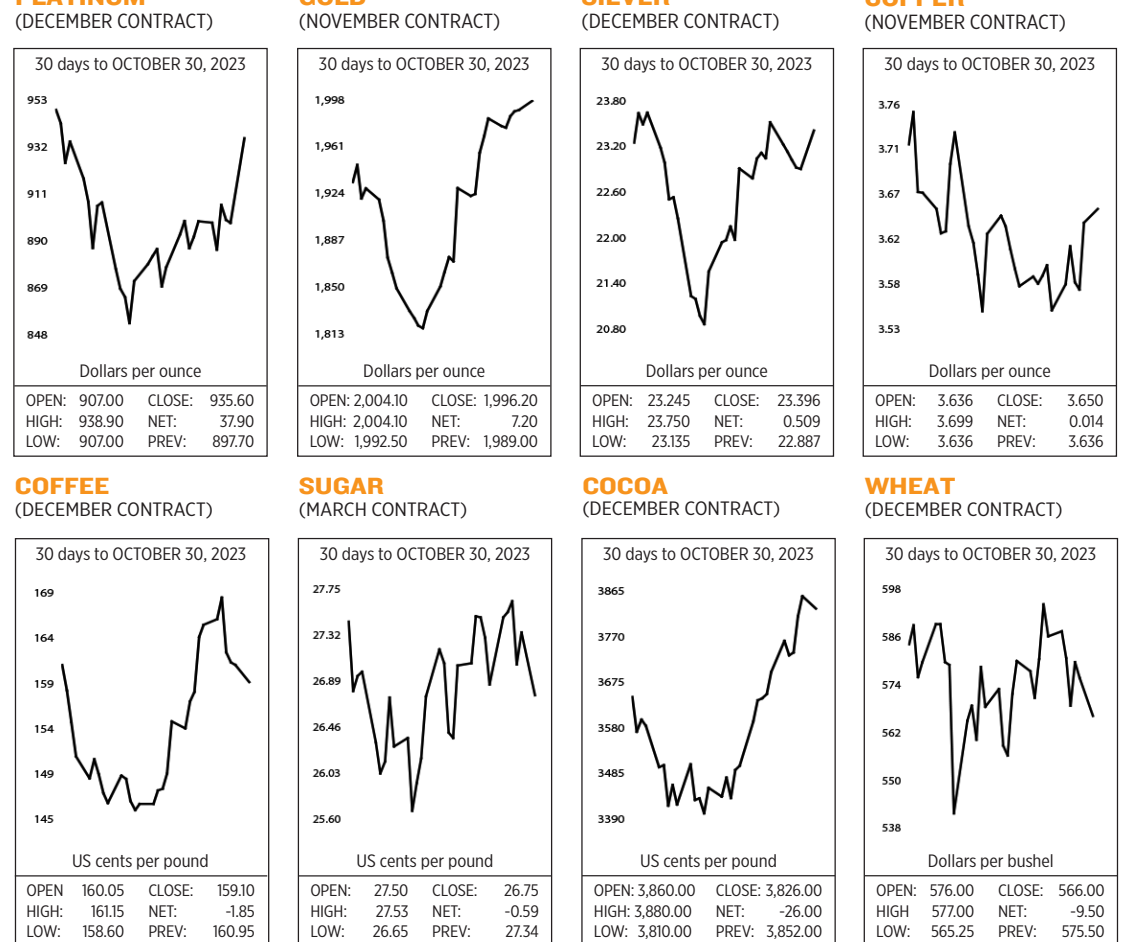
LIFFE COCOA		High	Low	Sett	Psett
(Ldn)-10 MT-E/ton					
Dec.	3,425	3,359	3,393	3,391	
Mar.	3,385	3,325	3,349	3,358	
May	3,246	3,189	3,209	3,219	
July	3,143	3,092	3,108	3,118	

COCONUT		High	Low	Sett	Psett
MANILA COPRA (based on 6% moisture)					
Peso/100kg Buyer/Seller					
Lag/Qzn/Luc	23	3,300.00	3,350.00		
Philippine Coconut Oil - Crude					
CIF NY/NOLA		55.00			
PALM OIL RAIL/NOLA		58.00			
COCONUT OIL (PHIL/IDN), \$ per ton,					
CIF Europe					
Oct./Nov.'23		0.00	1,080.00		
Nov./Dec.'23		0.00	1,060.00		
Dec./Jan.'24		1,010.00	1,050.00		
Jan./Feb.'24		1,015.00	1,060.00		

LONDON METAL EXCHANGE		High	Low	Sett	Psett
LME FINAL CLOSING PRICES, US\$/MT					
3 MOS.					
ALUMINUM H.G.		2,266.50			
ALUMINUM Alloy		1,580.00			
COPPER		8,140.50			
LEAD		2,121.50			
NICKEL		18,489.00			
TIN		25,014.00			
ZINC		2,465.50			

US COMMODITY FUTURES

MONDAY, OCTOBER 30, 2023



London cocoa closes lower after hitting record high; raw sugar plunges over 2%

NEW YORK — London cocoa futures on ICE closed lower on Monday after earlier rising to a record high, while sugar and coffee prices also fell.

COCOA: March London cocoa settled \$9 or 0.3% lower at \$3,349 a metric ton after setting a record high of \$3,385.

Dealers said a modest setback was not unexpected given the extent of recent gains but the overall mood remained bullish.

"We believe the market may be due a marginal (downward) correction in the near term," broker Sueden Financial wrote in a technical note on Monday, adding the outlook in the longer term remained bullish.

The Ivory Coast cocoa sector regulator will not allow bean

grinders to accumulate stocks beyond authorized limits during the main October-March harvest to ensure fair access amid fears of a supply shortage.

Main crop arrivals at ports in top grower Ivory Coast between Oct. 23 and Oct. 29 totaled 56,000 tons, down from 91,000 tons during the same week last season.

December New York cocoa fell \$26 or 0.7% to \$3,826 a ton after peaking at \$3,880 — the highest level for the front month since December 1978.

SUGAR: March raw sugar settled 0.59 cent or 2.2% lower at 26.75 cents per pound (lb).

Dealers said rising production from the key Center-South region of Brazil was helping to at least

partially mitigate crop concerns in major Asian producers.

Brazilian mills in the Center-South region will extend sugarcane crushing operations beyond the traditional period to cope with a record crop this year, according to mills.

December white sugar fell \$16.40 or 2.2% at \$725.40 per ton.

COFFEE: December arabica coffee fell 1.85 cents or 1.1% at \$1.591 per lb.

Coffee stocks in Japan, the world's fourth largest consumer, fell 13.2% in September to 2.52 million bags, according to data compiled by Coffee Trading Academy.

January robusta coffee fell \$69 or 2.9% at \$2,314 a metric ton. — Reuters