

Crude prices settle slightly higher; investors skeptical of OPEC+ cuts

CRUDE OIL PRICES settled up slightly on Monday as OPEC+ production cuts failed to fully offset worries around crude oversupply and softer fuel demand growth next year.

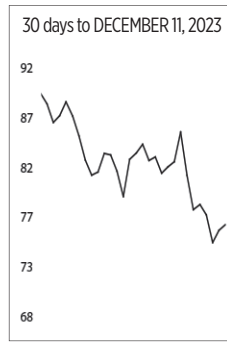
Brent crude futures settled up 19 cents or 0.3% to \$76.03 a barrel while US West Texas Intermediate (WTI) crude futures settled up nine cents or 0.1% at \$71.32.

Both contracts jumped more than 2% on Friday but were down for a seventh straight week, their longest streak of weekly declines since 2018, on lingering oversupply concerns.

"There is little doubt that the oil complex remains in a state of vulnerability," oil broker PVM's John Evans said in a note on Monday.

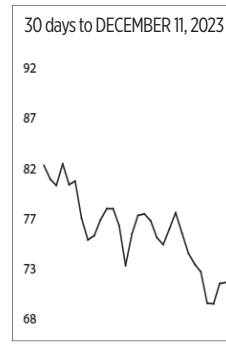
Despite a pledge by the OPEC+ group, which comprises the Organization of the Petroleum Exporting Countries (OPEC) and allies including Russia, to cut 2.2 million barrels per day (bpd) of crude oil production in the first quarter, investors remain skeptical about compliance.

ASIA-DUBAI (DECEMBER CONTRACT)



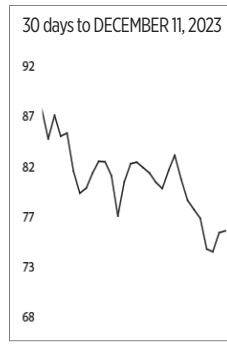
Dec	5	6	7	8	11
\$/bbl	78.55	77.55	74.95	76.09	76.64
Average (December 1-11)	\$77.59				
Average (November 1-30)	\$83.54				

NEW YORK-WTI (JANUARY CONTRACT)



Dec	5	6	7	8	11
\$/bbl	72.32	69.38	69.34	71.23	71.32
Average (December 1-11)	\$71.53				
Average (November 1-30)	\$77.38				

LONDON-BRENT (FEBRUARY CONTRACT)



Dec	5	6	7	8	11
\$/bbl	77.20	74.30	74.05	75.84	76.03
Average (December 1-11)	\$76.33				
Average (November 1-30)	\$81.94				

Source: REUTERS

"Members participating in the output curtailments are not only seeing reduced revenue from smaller volumes but also from the price plunge that developed subsequent to the last OPEC+ decision," said Jim Ritterbusch, president of Ritterbusch and Associates LLC in Galena, Illinois.

Output growth in non-OPEC countries is expected to lead to excess supply next year.

RBC Capital Markets expects stock draws of 700,000 bpd in the first half, but only 140,000 bpd for the full year.

"Prices will remain volatile and directionless until the market sees clear data points pertain-

ing to the voluntary output cuts," RBC analysts said in a note.

With cuts not implemented until next month, oil faces a volatile two months before clarity from any quantifiable compliance data, the analysts said.

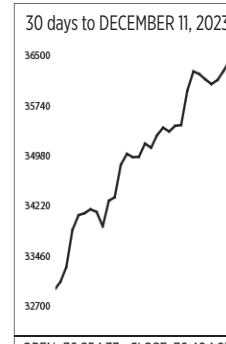
The latest consumer price index data from China, the world's biggest oil importer, showed rising deflationary pressures as weak domestic demand cast doubt over the country's economic recovery.

Chinese officials on Friday pledged to spur domestic demand and consolidate and enhance the economic recovery in 2024.

This week, investors are watching for guidance on interest rate policies from meetings at five central banks, including the US Federal Reserve, as well as US inflation data to assess the potential impact on the global economy and oil demand.

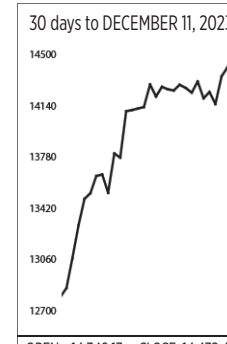
Recent price weakness drew demand from the United States, which has sought up to three million barrels of crude for the Strategic Petroleum Reserve in March 2024. — Reuters

DOW JONES



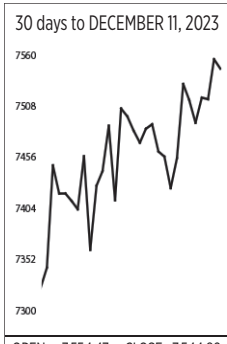
OPEN:	36,254.33	CLOSE:	36,404.93
HIGH:	36,416.18	NET:	157.06
LOW:	36,231.19	PREV:	36,247.87

NASDAQ COMPOSITE



OPEN:	14,340.13	CLOSE:	14,432.49
HIGH:	14,436.08	NET:	28.51
LOW:	14,324.57	PREV:	14,403.97

FTSE



OPEN:	7,554.47	CLOSE:	7,544.89
HIGH:	7,557.40	NET:	-9.58
LOW:	7,493.59	PREV:	7,554.47

US equities close at fresh 2023 highs ahead of inflation data, Fed

NEW YORK — US stocks registered modest gains on Monday but managed to close at new highs for the year, ahead of major market catalysts this week that include inflation readings and the US Federal Reserve's policy announcement, which will strongly influence investor expectations on the path of interest rates.

Market watchers increasingly believe the central bank is done with its interest rate hike cycle and could potentially cut rates in the first half of next year. These expectations have helped fuel a rally in equities in recent weeks that sent each of the three major indexes to their highest closing levels of the year.

While markets had been pricing in a better than 50 percent chance of a rate cut in March by the Fed last week, data on Friday showed job growth accelerated and the unemployment rate dipped, while a separate report showed consumer inflation expectations had dropped. The data raised hopes the inflation could continue to decelerate without the economy falling into a recession and expectations for a March cut softened.

Investors will eye the Consumer Price Index (CPI) data due on Tuesday, which is expected to show headline inflation remaining unchanged in November, followed by the Producer Price Index (PPI) and the last interest rate decision of the year from the Fed on Wednesday.

"I don't think there is any reason to react ahead of either of those three events, it's just in wait-and-see mode. The trend is just going to stay higher," said Ken Polcari, managing partner at Kace Capital Advisors in Boca Raton, Florida.

"Certainly if the CPI number comes in softer, if it's weaker than what the expectation is that will be quite bullish because it will just speak to the slowing inflation, Goldilocks kind of landing story."

The Dow Jones Industrial Average rose 157.06 points or 0.43%

to 36,404.93; the S&P 500 gained 18.07 points or 0.39% to 4,622.44 and the Nasdaq Composite gained 28.51 points or 0.2% to 14,432.49.

Markets have almost fully priced in the central bank keeping rates steady at Wednesday's announcement, but questions remain as to the timing of the first rate cut, with expectations of a March cut of at least 25 basis points (bps) around 43% and a nearly 75% chance for May, according to CME's FedWatch tool.

Later in the week, the European Central Bank and the Bank of England, are also due to make policy announcements.

Semiconductors climbed 3.4% with the PHLX semiconductor index closing at its highest level since Jan. 5, 2022, led by an 8.99% surge in Broadcom, after Citigroup resumed coverage on the chipmaker with a "buy" rating.

Cigna jumped 16.68% after the health insurer ended its attempt to negotiate the acquisition of rival Humana, according to sources, and announced a \$10-billion share buyback plan. Humana shares slipped 1.04%.

Nike gained 2.33% to help buoy the Dow after brokerage Citigroup upgraded its stock to "buy" from "neutral."

Among other movers, Macy's shot up 19.44% after an investor group consisting of Arkhouse Management and Brigade Capital made a \$5.8-billion offer to take the department store chain private, according to a source.

Advancing issues outnumbered decliners by a 1.2-to-1 ratio on the NYSE while declining issues outnumbered advancers by a 1.2-to-1 ratio on the Nasdaq.

The S&P 500 posted 54 new 52-week highs and no new lows while the Nasdaq recorded 197 new highs and 143 new lows.

Volume on US exchanges was 11.32 billion shares, compared with the 10.89 billion average for the full session over the last 20 trading days. — Reuters

Gold bullion prices slip to three-week low; focus shifts to US inflation data

GOLD PRICES fell to a three-week low on Monday as the dollar and US Treasury yields firmed, while investors awaited several crucial central bank meetings and US inflation data that could influence the US Federal Reserve's policy path.

Spot gold was down 1.1% at \$1,980.69 per ounce, as of 2:53 p.m. ET (19:53 GMT), after hitting its lowest since Nov. 20. US gold futures GCv1 settled about 1% lower at \$1,993.70.

The dollar rose 0.1%, making gold more expensive for other currency holders. US 10-

year Treasury yields also edged higher.

"Gold and silver traders are waiting for some new fundamental information that they're going to get this week," said Jim Wyckoff, senior analyst at Kitco Metals.

"Near-term chart posture for gold has deteriorated. If the CPI numbers are surprisingly high, that could produce some selling pressure on the gold market."

Focus will be on the November US consumer price report due on Tuesday, before the Fed's statement and Chair Jerome Powell's comments on Wednesday.

Traders are pricing in a 71% chance of an interest rate cut in May, according to the CME FedWatch tool. Lower interest rates tend to support non-interest-bearing bullion.

Data on Friday showed US job growth accelerated in November.

The European Central Bank, the Bank of England, the Norges Bank, and the Swiss National Bank will also conduct policy meetings on Thursday.

Spot silver lost 0.6% to \$22.83 per ounce, while platinum fell 0.3% to \$911.64. Palladium rose 1.3% to \$959.85 per ounce. — Reuters

SPOT PRICES

MONDAY, DECEMBER 11, 2023

METAL			
PALLADIUM free \$/troy oz			945.67
PALLADIUM JMI base, \$/troy oz			963.00
PLATINUM free \$/troy oz			917.27
PLATINUM JMI base \$/troy oz			928.00
KRUGGERAND, fob \$/troy oz			1,985.00
IRIDIUM, whs rot, \$/troy oz			4,990.00
RHODIUM, whs rot, \$/troy oz			4,390.00
GRAINS (December 7, 2023)			
(FOB Bangkok basis at every Thursday)			
FRAGRANT (100%) 1 st Class, \$/ton			861.00
FRAGRANT (100%) 2 nd Class, \$/ton			847.00
RICE (5%) White Thai- \$/ton			631.00
RICE (10%) White Thai- \$/ton			630.00
RICE (15%) White Thai- \$/ton			615.00
RICE (25%) White Thai- \$/ton (Super)			615.00
BROKER RICE A-1 Super \$/ton			493.00
FOOD			
COCOA ICCO Dly (SDR/mt)			3,209.47
COCOA ICCO \$/mt			4,266.58
COFFEE ICA comp 2001 cts/lb			163.98
SUGAR ISA FOB Daily Price, Carib. port cts/lb			22.57
SUGAR ISA 15-day ave.			24.94

LIFFE COFFEE

New Robusta 10 MT - \$/ton

	High	Low	Sett	Psett
Jan.	2,664	2,564	2,653	2,569
Mar.	2,635	2,520	2,622	2,526
May	2,591	2,485	2,582	2,487
July	2,558	2,455	2,548	2,457

LIFFE COCOA

(Ldn)-10 MT-E/ton

	High	Low	Sett	Psett
Dec.	3,585	3,533	3,482	3,572
Mar.	3,581	3,499	3,517	3,570
May	3,460	3,378	3,394	3,450
July	3,327	3,248	3,261	3,317

COCONUT

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			58.50
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

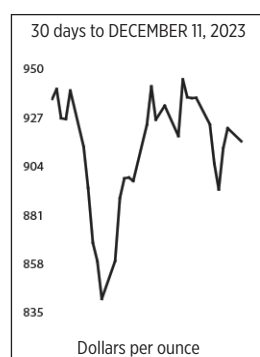
LME FINAL CLOSING PRICES, US\$/MT	
	3 MOS.
ALUMINUM H.G.	2,117.00
ALUMINUM Alloy	1,769.00
COPPER	8,341.00
LEAD	2,057.00
NICKEL	16,607.00
TIN	24,359.00
ZINC	2,407.00

US COMMODITY FUTURES

Source: REUTERS

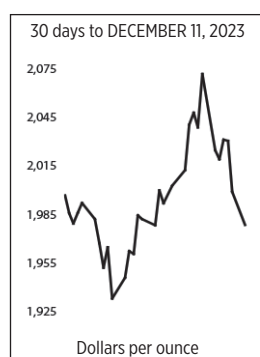
MONDAY, DECEMBER 11, 2023

PLATINUM (JANUARY CONTRACT)



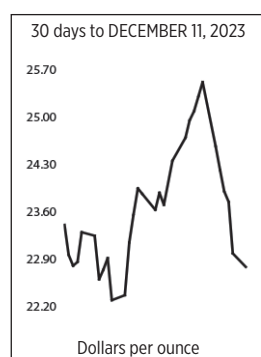
OPEN:	920.50	CLOSE:	915.60
HIGH:	931.80	NET:	-6.10
LOW:	914.20	PREV:	921.70

GOLD (DECEMBER CONTRACT)



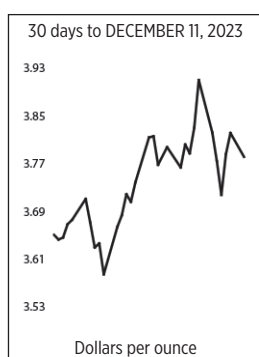
OPEN:	2,004.10	CLOSE:	1,978.00
HIGH:	2,004.20	NET:	-20.30
LOW:	1,977.20	PREV:	1,998.30

SILVER (DECEMBER CONTRACT)



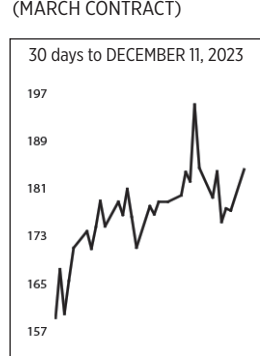
OPEN:	23.050	CLOSE:	22.773
HIGH:	23.050	NET:	-0.198
LOW:	22.755	PREV:	22.971

COPPER (DECEMBER CONTRACT)



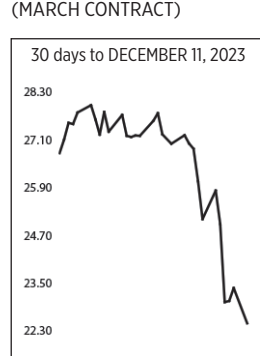
OPEN:	3.784	CLOSE:	3.780
HIGH:	3.789	NET:	-0.040
LOW:	3.768	PREV:	3.820

COFFEE (MARCH CONTRACT)



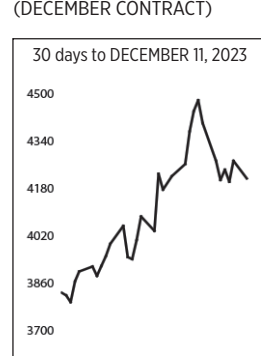
OPEN:	177.00	CLOSE:	184.10
HIGH:	184.45	NET:	6.95
LOW:	176.15	PREV:	177.15

SUGAR (MARCH CONTRACT)



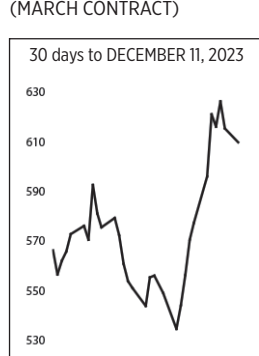
OPEN:	23.44	CLOSE:	22.47
HIGH:	23.49	NET:	-0.89
LOW:	22.17	PREV:	23.36

COCOA (DECEMBER CONTRACT)



OPEN:	4,275.00	CLOSE:	4,211.00
HIGH:	4,308.00	NET:	-60.00
LOW:	4,189.00	PREV:	4,271.00

WHEAT (MARCH CONTRACT)



OPEN:	632.00	CLOSE:	609.50
HIGH:	633.25	NET:	-5.50
LOW:	607.25	PREV:	615.00

Cocoa sets 46-year high; sugar at 5-1/2-month low

NEW YORK — New York cocoa futures rose to a 46-year high on Monday as crop problems in West Africa tightened global supplies, while raw sugar prices slid to a 5-1/2-month low.

COCOA: March New York cocoa receded to close 1.4% lower at \$4,211 per metric ton after hitting a 46-year peak of \$4,308 earlier in the session.

Dealers said fundamentals remained supportive with a third successive global deficit expected in the 2023/2024 season and port arrivals in top grower Ivory Coast currently running 35.8% below a year earlier.

"Indicators are pointing to growing upside pressures, and if futures break above the trend resistance, we would expect to gain positive momentum in the near term," broker Sudcen Financial said.

March London cocoa fell 1.5% to £3,517 a ton after hitting a record high of £3,581.

Dealers noted the December contract was due to expire on Tuesday with the open interest still comparatively high at 8,473 lots, as of Friday, equating to 84,730 metric tons of cocoa.

SUGAR: March raw sugar settled 0.81 cent or 3.6% lower

at 21.65 cents per pound (lb), after setting a 5-1/2-month low of 22.17 cents.

Dealers said a change in India's ethanol policy last week which should boost sugar output had contributed to the recent slide, along with stronger-than-expected production in Center-South Brazil.

Brazil's industry group Unica will likely release production data for the second half of November on Tuesday. A survey by S&P Global Commodity Insights indicates sugar production at 1.25 million tons in the period, 20% up from a year earlier.

Dealers noted funds have been scaling back a net long position during the recent sharp decline in prices.

March white sugar fell 2.6% at \$637.70 a ton.

COFFEE: March robusta coffee gained 3.8% to \$2,622 a ton, boosted partly by a decline in exports from top robusta producer Vietnam.

March arabica coffee rose 3.9% at \$1,841 per lb, climbing back up towards a six