

Oil prices rise on 1st trading day of 2024 amid supply concerns

SINGAPORE — Oil prices jumped 1.5% in the first session of the New Year, due to potential supply disruptions in the Middle East after a naval clash in the Red Sea, and hopes of strong holiday demand and an economic stimulus in China, the top crude importer.

Brent crude rose \$1.20 or 1.5% to \$78.24 a barrel by 0438 GMT while US West Texas Intermediate (WTI) crude was at \$72.66 a barrel, up \$1, or 1.4%.

A Reuters survey of economists and analysts predicted Brent crude would average \$82.56 a barrel this year, slightly higher than the average of \$82.17 in 2023. Analysts forecast that weak global growth would cap demand, but expected geopolitical tensions to provide support.

US helicopters repelled an attack on Sunday by Iran-backed Houthi militants on a Maersk container vessel in the Red Sea, sinking three Houthi ships and killing 10 militants,

ASIA-DUBAI (DECEMBER CONTRACT)

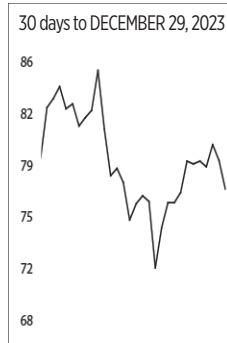


Table with columns for dates (Dec 22-29) and prices for \$/bbl, with averages for Dec 1-29 and Nov 1-30.

NEW YORK-WTI (FEBRUARY CONTRACT)

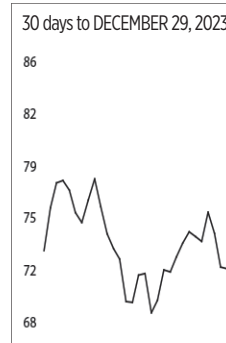


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LONDON-BRENT (MARCH CONTRACT)

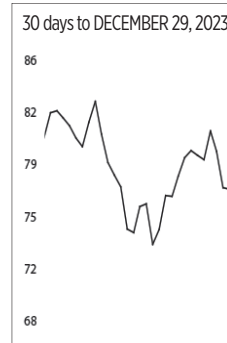


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Source: REUTERS

escalating risks of the Israel-Gaza war becoming a wider regional conflict.

“The oil price may be affected by the escalation of the situation in the Red Sea over the weekend and the peak demand season

during China’s Spring Festival,” Leon Li, a Shanghai-based CMC Markets analyst said, referring to the Lunar New Year holiday set for early February.

Mr. Li added that the forecast Chinese holiday demand was also

raising expectations for a price rebound in January.

A wider conflict could close crucial waterways for the transportation of oil supplies such as the Red Sea and the Straits of Hormuz in the Gulf. After the naval battle, an Iranian warship sailed into the Red Sea, Iranian media reported on Monday.

At least four tankers transporting diesel and jet fuel from the Middle East and India to Europe are sailing around Africa to avoid the Red Sea, ship tracking data show.

In China, investors’ expectations for fresh stimulus measures rose after manufacturing activity in December shrank for a third month, government data showed on Sunday.

A stimulus could provide a fillip to economic growth, potentially boosting oil demand in the world’s second-largest oil consuming nation, and also lend support to prices. — Reuters

DOW JONES

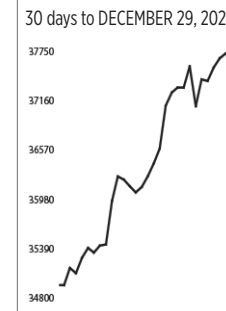


Table with columns for OPEN, CLOSE, HIGH, LOW, NET, PREV.

NASDAQ COMPOSITE

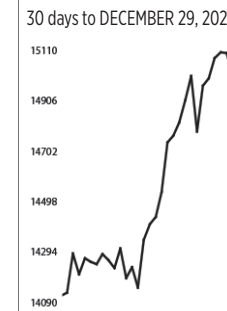


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FTSE

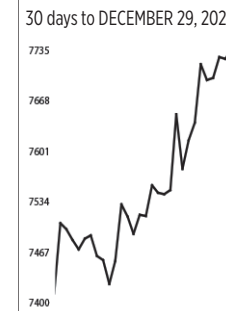


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DJ EURO STOXX

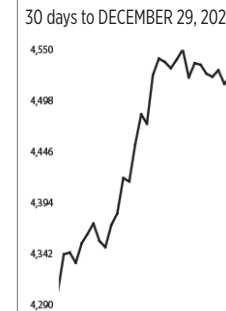


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225-NIKKEI

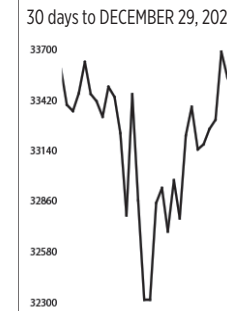


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KOSPI

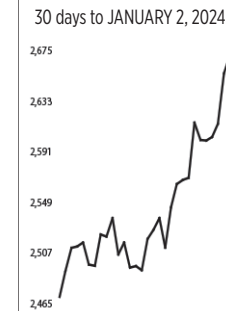


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Gold bullion firms on Fed rate cut hopes

GOLD PRICES rose on Tuesday, supported by the prospect of interest rate cuts in 2024 from the US Federal Reserve, while investors look forward to a slew of economic data this week for more clarity on the US rate outlook.

Spot gold was up 0.5% at \$2,071.99 per ounce, as of 0545 GMT. US gold futures also gained 0.5% to \$2,081 per ounce.

“The short-term bullish trend in gold still remains intact above key support level of \$2,017 per ounce,” said Kelvin Wong, a senior market analyst for Asia Pacific at OANDA.

Bullion prices gained 13% in 2023 to post their first annual

gain since 2020 as hopes the US central bank could cut interest rates as early as March lifted demand for the safe-haven asset.

Investors’ focus now shifts to the minutes from the last Fed meeting due on Thursday for more cues on rate cuts this year.

“There was a change of tone in December FOMC meeting, so traders will be scrutinizing for much more clarity on this dovish tilt, especially on what the Fed officials are looking out for,” OANDA’s Mr. Wong said.

Markets are now pricing in an 86% chance of rate cuts from the Fed in March, according to CME FedWatch tool. Lower

interest rates decrease the opportunity cost of holding non-yielding gold.

Also on the radar, data on US job openings and December non-farm payrolls will also have been keenly watched for more clarity on Fed rate path.

On the technical front, spot gold may retest support of \$2,062 per ounce, a break below could open the way towards \$2,053, according to Reuters technical analyst Wang Tao.

Elsewhere, spot silver rose 1% to \$24 and palladium edged up 0.2% to \$1,100.45 per ounce. Platinum fell 0.2% to \$984.77. — Reuters

SPOT PRICES

FRIDAY, DECEMBER 29, 2023

Table listing spot prices for METAL, GRAINS, and FOOD commodities.

LIFFE COFFEE

Table showing Liffe Coffee prices for different months.

LIFFE COCOA

Table showing Liffe Cocoa prices for different months.

COCONUT

Table showing Coconut prices for different regions and types.

LONDON METAL EXCHANGE

Table showing LME Final Closing Prices for various metals.

US COMMODITY FUTURES

Source: REUTERS

FRIDAY, DECEMBER 29, 2023

PLATINUM (JANUARY CONTRACT)

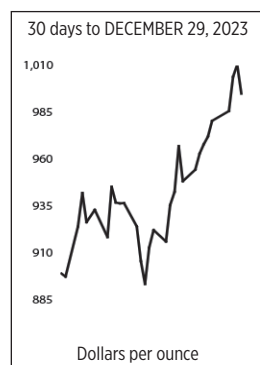


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GOLD (JANUARY CONTRACT)

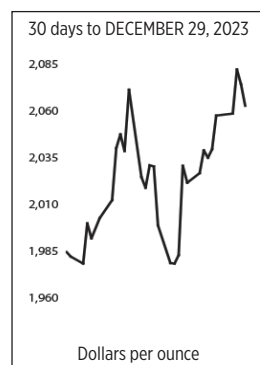


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SILVER (JANUARY CONTRACT)

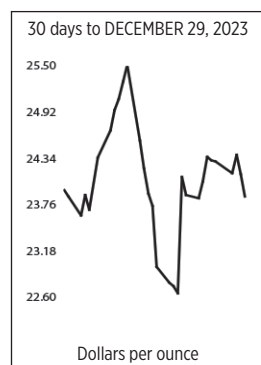


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COPPER (JANUARY CONTRACT)

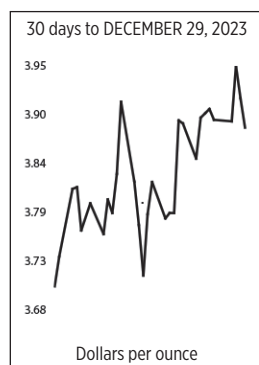


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COFFEE (MARCH CONTRACT)

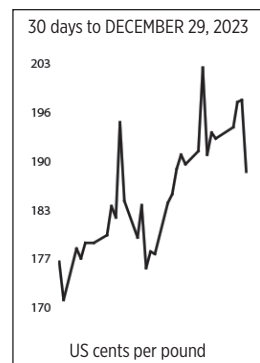


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SUGAR (MARCH CONTRACT)

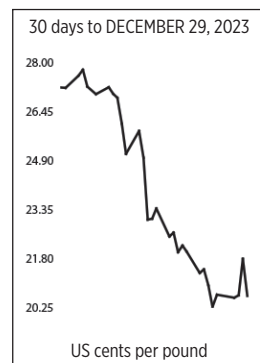


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COCOA (MARCH CONTRACT)

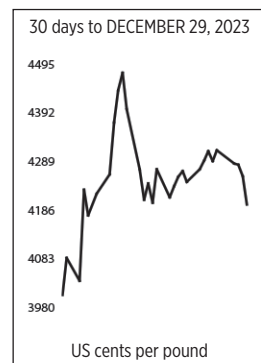


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WHEAT (MARCH CONTRACT)

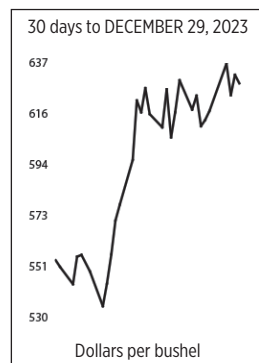


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Palm touches over 2-week low on lackluster exports

SINGAPORE — Malaysian palm oil futures declined on Tuesday to a more than two-week low, weighed down by lackluster export data and weakness in soybean prices as a result of ample supply.

The benchmark palm oil contract for March delivery on the Bursa Malaysia Derivatives Exchange fell 25 ringgit, or 0.7%, to 3,696 ringgit (\$803.48) a metric ton by the midday break. Earlier in the day, it hit the lowest level since Dec. 14, 2023.

Prices are subdued due to “lower exports as a result of weak destination demand, and low trade volumes in the first trading day of the year,” said Mitesh

Saiya, trading manager at Mumbai-based trading firm Kantilal Laxmichand & Co.

Exports of Malaysian palm oil products for December fell 9.9% from November, cargo surveyor Intertek Testing Services said on Friday.

Indonesia has lowered its crude palm oil reference price for the Jan. 1-15 period to \$746.69 a metric ton, a trade ministry official said on Friday.

Dalian’s most-active soybean contract fell 1% and 0.6%, respectively.

Palm oil is affected by price movements in related oils as they compete for a share in the global vegetable oils market.

Abundant rainfall in Argentina’s core farming heartlands over recent weeks is favouring soybean production.

According to Argentina’s Rosario grains exchange (BCR), 75% of soybeans are in “excellent to very good” condition.

The Malaysian ringgit, palm’s currency of trade, weakened 0.3% against the dollar. A weaker ringgit makes palm oil more attractive for foreign currency holders.

Analysts warn that global palm oil production is likely to fall this year due to dry El Niño weather, supporting cooking oil prices that dropped more than 10% in 2023. — Reuters

Copper edges higher on China data, stimulus hope

COPPER PRICES in London edged up on Tuesday, helped by a better manufacturing data from China and hope for stimulus from the world’s biggest metals consumer.

Three-month copper on the London Metal Exchange (LME) rose 0.3% to \$8,584 per metric ton by 0420 GMT, while the most-traded February copper contract on the Shanghai Futures Exchange (ShFE) eased 0.3% to 68,780 yuan (\$9,652.79) per metric ton.

China’s factory activity expanded at a quicker pace in December due to stronger gains in output and new orders, but business confidence for 2024 remained subdued, a private sector survey showed.

However, a separate survey released on Sunday showed China’s manufacturing activity shrank for a third straight month in December, clouding the outlook for the country’s economic recovery but raising the case for fresh stimulus measures.

The manufacturing industry is one of the major con-

suming sectors of industrial metals.

Copper prices were supported by low inventories in ShFE warehouses, which were at 30,905 tons by the end of the year and more than half of the stock level at end-2022.

However, prices of metals were under slight pressure from a firm dollar index which rose on the first trading day of the year as attention turned to economic data this week that may provide clues on the US Federal Reserve’s next moves.

A stronger dollar makes greenback-priced metals more expensive to holders of other currencies.

LME aluminum fell 0.5% to \$2,371.50 a ton; nickel eased 0.1% to \$16,590; zinc dropped 1.1% to \$2,628.50; tin CMSN3 declined 0.9% to \$25,180; while lead rose 0.5% to \$2,078.

ShFE aluminum dipped 0.2% to 19,455 yuan a ton; nickel dropped 0.9% to 127,060 yuan; zinc eased 0.1% to 21,490 yuan; tin declined 1.2% to 209,440 yuan; while lead SPBcv1 rose 0.8% to 15,990. — Reuters



SEBASTIEN NOEL/UNSPASH