

Asia shares fall as China returns with low energy

SYDNEY — Asian shares struggled to make much ground on Monday as fading chances for early rate cuts globally soured the mood and Chinese markets returned from holiday with only muted gains.

A holiday for US markets also made for thin trading, while the latest surge in tech stocks is set to be tested by results from AI diva Nvidia on Wednesday.

MSCI's broadest index of Asia-Pacific shares outside Japan was flat, after bouncing 2% last week.

Japan's Nikkei dipped 0.1%, having surged more than 4% last week to stop just short of its all-time high.

EUROSTOXX 50 futures also eased 0.3% and FTSE futures lost 0.2%. Chinese blue chips inched up 0.66% and Shanghai stocks 0.85%. Investors have been hoping they could extend the 6% rally enjoyed before the break.

There was some promising news that tourism revenues during the Lunar New Year holiday surged by 47% on a year earlier as more than 61 million rail trips were taken.

The country's central bank skipped a chance to cut rates again on Sunday, which will likely limit downward pressure on the yuan, but with deflation looming analysts see plenty of scope for further policy stimulus.

The same cannot be said for the United States as high readings on producer and consumer prices saw markets sharply scale back pricing for rate cuts.

Bruce Kasman, global head of economics at JPMorgan, warned the US Federal Reserve's favored measure of core personal consumption inflation could now jump by 0.5% in January. Only a week ago, markets were hoping for a rise of just 0.2%.

"While it is premature to place significant weight on noisy January data, risks have shifted in the direction that core inflation and labour market conditions both surprise the Fed in a hawkish direction in the first half of 2024," Mr. Kasman wrote in a note.

Futures have sunk to imply just a 28% chance rates will be cut in May, when it was considered a done deal a couple of weeks ago. Markets have taken out two quarter point rate cuts for this year to imply less than 100 basis points of easing.

The surprise on inflation means the minutes of the Fed's last policy meeting out this week now look dated, but any talk about the timing of potential cuts will be noted.

There are plenty of Fed speakers out this week to comment on the outlook, with Fed Vice-Chair Philip Jefferson and Governor Christopher Waller of particular interest.

The market sea change on rates saw two-year Treasury yields spike to a new 2024 high of 4.72% on Friday before steady-ing at 4.65%. Treasury futures were little changed on Monday with the cash market closed. — Reuters

Oil drops as sticky US inflation heightens demand concerns

SINGAPORE — Oil prices fell as investor attention returned to the demand outlook after reports of higher producer prices in the US, the world's biggest oil user, stoked worries that sticky inflation and higher interest rates would limit fuel consumption growth.

Brent crude futures were down 61 cents or 0.7% at \$82.86 a barrel at 0440 GMT. The March contract for US West Texas Intermediate (WTI) crude, which expires on Tuesday, was 41 cents or 0.5% lower at \$78.78.

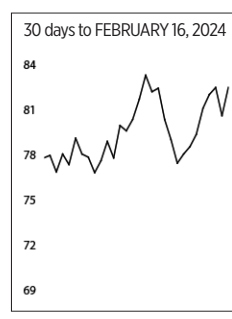
The WTI April contract was down 0.8% or 60 cents at \$77.86.

Both Brent and WTI contracts had settled higher on Friday, as geopolitical tensions in the Middle East offset slowing demand forecasts from the International Energy Agency.

"WTI and Brent eased on Monday morning as investors re-adjust to demand-side fears after a significant jump in US producer price index numbers," said Phillip Nova analyst Priyanka Sachdeva in a research note.

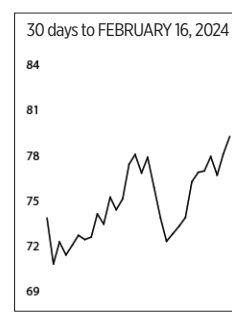
US producer prices increased more than expected in January amid strong gains in the costs of

ASIA-DUBAI (FEBRUARY CONTRACT)



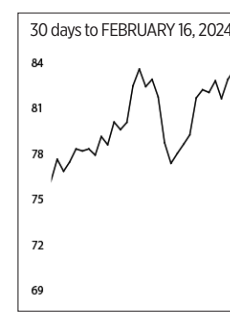
Feb.	9	13	14	15	16
\$/bbl	81.05	81.95	82.44	80.56	82.44
Average (February 1-16)	\$80.08				
Average (January 2-31)	\$78.84				

NEW YORK-WTI (MARCH CONTRACT)



Feb.	12	13	14	15	16
\$/bbl	76.92	77.87	76.64	78.03	79.19
Average (February 1-16)	\$75.65				
Average (January 2-31)	\$73.86				

LONDON-BRENT (APRIL CONTRACT)



Feb.	12	13	14	15	16
\$/bbl	82.00	82.77	81.60	82.86	83.47
Average (February 1-16)	\$80.70				
Average (January 2-31)	\$79.15				

Source: REUTERS

services, which could amplify inflation worries.

Markets are also yet to see the direction of demand from China after that country returns from a week-long Lunar New Year holiday, while Presidents' Day in the United States is set to keep trade relatively muted.

Moreover, US Federal Reserve policy makers on Friday signaled "patience" toward interest rate cuts. Higher rates keep up the cost of buying oil, providing for a bearish market trend.

Over the weekend, tension in the Middle East continued as Israeli raids put the Gaza Strip's second-largest hospital out of service, and Yemen's Iran-aligned Houthi fighters claimed responsibility for an attack on an India-bound oil tanker.

The Organization of the Petroleum Exporting Countries (OPEC) would be able to cover "most levels of disruption," ANZ Research analysts said in a client note, as its spare capacity is at

an eight-year high of 6.4 million barrels of oil per day.

"The market was also reminded of the uncertain outlook for demand, with the International Energy Agency warning that growth is expected to lose its steam in 2024," ANZ said. The agency forecasts a market surplus during the year.

The United Nations Security Council is likely to vote on Tuesday on an Algerian push for the 15-member body to demand an immediate humanitarian ceasefire in the Israel-Hamas conflict, diplomats said, with the United States signaling it would veto.

In Europe, Russia on Sunday said it had full control of the Ukrainian town of Avdiivka in its biggest gain in nine months, days ahead of the two-year anniversary of its invasion.

It was not immediately clear whether the death of Alexei Navalny, President Vladimir Putin's most high-profile opponent, in a Russian Arctic penal colony on Friday would trigger new sanctions from Moscow, the world's second-biggest oil exporter. — Reuters

Gold bullion hits near one-week peak on softer dollar

GOLD prices rose to a near one-week high on Monday as a slight pullback in the US dollar and escalating tensions in the Middle East lifted its safe-haven appeal.

Spot gold was up 0.4% at \$2,021.09 per ounce, as of 0335 GMT, hitting its highest since Feb. 13. US gold futures also rose 0.4% to \$2,032.40 per ounce.

"Given recent geopolitical developments that calls for tensions to drag on for longer, the yellow metal is finding some renewed traction on safe-haven flows," said IG market strategist Yeap Jun Rong.

A UK-registered cargo ship reported being under attack in the Bab al-Mandab Strait off Yemen on Sunday, while UK Maritime Trade Operations agency reported crew abandoning a ship off Yemen after an explosion.

Meanwhile, the dollar index was down 0.1%, making greenback-priced bullion more affordable to overseas buyers.

"The FOMC (Federal Open Market Committee) minutes will be on watch for greater cues on Fed's policy outlook, with any hawkish take from policy

makers likely to renew jitters of rates potentially being kept high for longer and that may not be good news for gold prices," Jun Rong said.

Focus shifts to minutes from the Fed's January policy meeting, due on Wednesday, for more clues on when it could begin cutting interest rates.

Chicago Fed President Austan Goolsbee cautioned against delaying rate cuts for too long even after data showed consumer prices rose more than expected in January.

Fed Bank of Atlanta President Raphael Bostic said that while he needs more data to convince him inflation pressures are truly falling, he's open to lowering rates at some point in the next few months.

Markets are currently pricing a 77% chance of a cut in June, according to the CME Fed Watch tool. Lower interest rates decrease the opportunity cost of holding bullion.

Spot platinum fell 0.4% to \$902.37; palladium rose 0.9% to \$958.66; while silver fell 1.29% \$23.12 per ounce. — Reuters

Copper edges lower as dollar steadies; China resumes trade

NEW DELHI — Copper prices edged lower on Monday as the US dollar steadied after last week's inflation data cast doubts on when the US Federal Reserve would begin to ease interest rates, while trading resumed in China after the week-long Lunar New Year holiday.

Three-month copper on the London Metal Exchange (LME) was down 0.7% at \$8,426 per metric ton by 0400 GMT.

The most-traded March copper contract on the Shanghai Futures Exchange (ShFE) rose 0.7% to 68,330 yuan (\$9,495.69) a ton.

Data last week showed both US producer prices and consumer prices increased more than expected in January, with the apparent stickiness in inflation raising the prospects of a delayed start to the Fed's rate cuts.

A stronger US currency makes dollar-priced metals more expensive for holders of other currencies.

However, there were expectations of demand revival in China.

"Any signs of stronger buying from China following its week-long Lunar New Year holiday should boost sentiment," ANZ Research said in a note.

Among other metals, LME aluminum edged 0.2% lower to \$2,213 a ton; nickel eased 0.4% to \$16,290; zinc was down 0.2% at \$2,381; lead decreased 0.9% to \$2,046; and tin fell 2.1% to \$26,395.

ShFE aluminum edged lower 0.6% to 18,775 yuan a ton; nickel was up 0.3% at 125,970 yuan; tin rose 1.6% to 217,640 yuan; while zinc fell 0.7% to 20,330 yuan; and lead was down 1.8% to 15,955 yuan. — Reuters

SPOT PRICES

FRIDAY, FEBRUARY 16, 2024

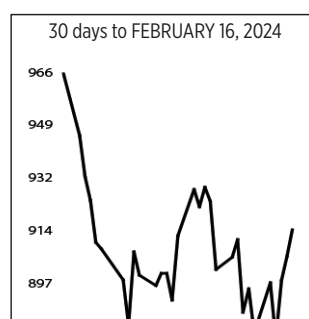
METAL	
PALLADIUM free \$/troy oz	952.33
PALLADIUM JMI base, \$/troy oz	965.00
PLATINUM free \$/troy oz	897.74
PLATINUM JMI base \$/troy oz	902.00
KRUGGERAND, fob \$/troy oz	1,997.00
IRIDIUM, whs rot, \$/troy oz	4,990.00
RHODIUM, whs rot, \$/troy oz	4,340.00
GRAINS (February 15, 2024)	
(FOB Bangkok basis at every Thursday)	
FRAGRANT (100%) 1 st Class, \$/ton	880.00
FRAGRANT (100%) 2 nd Class, \$/ton	866.00
RICE (5%) White Thai- \$/ton	615.00
RICE (10%) White Thai- \$/ton	613.00
RICE (15%) White Thai- \$/ton	600.00
RICE (25%) White Thai- \$/ton (Super)	600.00
BROKER RICE A-1 Super \$/ton	488.00
FOOD	
COCOA ICCO Dly (SDR/mt)	4,204.76
COCOA ICCO \$/mt	5,562.14
COFFEE ICA comp '2001 cts/lb	181.84
SUGAR ISA FOB Daily Price, Carib. port cts/lb	22.35
SUGAR ISA 15-day ave.	23.04
COCONUT	
MANILA COPRA (based on 6% moisture)	
Peso/100kg	Buyer/Seller
Lag/Qzn/Luc 24	3,450.00/3,500.00
Philippine Coconut Oil - Crude	
CIF NY/NOLA	61.25
FOB RAIL/NOLA	64.25
COCONUT OIL (PHIL/IDN), \$ per ton,	
CIF Europe	
Feb./Mar'24	0.00/1,155.00
Mar./Apr.'24	0.00/1,157.50
Apr./May'24	0.00/1,160.00
May/Jun'24	0.00/1,170.00

Source: REUTERS

US COMMODITY FUTURES

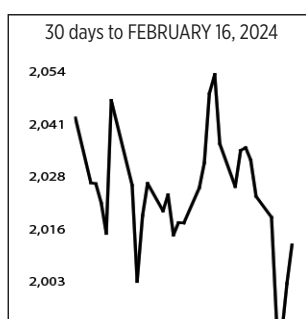
FRIDAY, FEBRUARY 16, 2024

PLATINUM (APRIL CONTRACT)



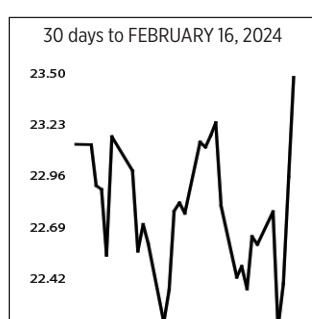
30 days to FEBRUARY 16, 2024
Open: 905.30
Close: 914.20
High: 917.00
Low: 894.20
Net: 8.80
Prev: 905.40

GOLD (FEBRUARY CONTRACT)



30 days to FEBRUARY 16, 2024
Open: 2,005.00
Close: 2,011.50
High: 2,009.40
Low: 1,996.50
Net: 9.40
Prev: 2,002.10

SILVER (MARCH CONTRACT)



30 days to FEBRUARY 16, 2024
Open: 22.980
Close: 23.475
High: 23.560
Low: 22.840
Net: 0.524
Prev: 22.951

Business World
insights

PRESENTED BY
CREIT

STOCK MARKET OUTLOOK 2024

February 27, 2024 | 1:00 PM - 5:00 PM
MAYUREE II, DUSIT THANI MANILA

IN COOPERATION WITH
Sun Life | **SM INVESTMENTS**

SPEAKERS / PANELISTS

KEYNOTE SPEAKER

Michael Gerard D. Enriquez
President
Sun Life Investment Management
and Trust Corp (SLIMTC)

April Lynn C. Lee-Tan
FVP, Corporate Strategy
and Chief Investor Relations Officer
COL Financial

***RAMON MONZON**
President and Chief Executive Officer
PHILIPPINE STOCK EXCHANGE
*ON VIDEO

Mikhail Philippe Plopenio
Research and Client Engagement Officer
Philstocks Financial, Inc.

Jester G. Delos Santos
Host & Moderator
Achor, News5

SPONSORS: AppleOne, BDO Capital, eastwest, You Again Coffee, MEGAWORLD

PARTNER ORGANIZATION: Philippine Chamber of Commerce and Industry, Inspiring Young Leaders Association, MEDIA PARTNER: STAR

LIMITED SLOTS ONLY. SCAN TO REGISTER NOW!