

German union Verdi calls for Lufthansa ground staff strike

FRANKFURT — German union Verdi has called for a three-day nationwide ground staff strike at Lufthansa from Feb. 28 to March 1, but said the action will be carried out in areas away from passengers and it does not expect any flight cancellations.

Employees at subsidiaries including Lufthansa Technik, Lufthansa Aviation Training, and Lufthansa Technical Training have been urged to take part, the union said on Tuesday.

“We assume that the three-day strike for technical staff planned by Verdi will not have

a major impact on Lufthansa’s flight schedule on Wednesday,” a Lufthansa spokesperson said. The effects of the strike on Thursday and Friday are currently being examined, they added.

The strike has been called after the company’s pay offer remained unchanged in collective bargaining with the union.

Lufthansa said on Sunday that it wanted a quick pay deal with unions to avert further strike action. Verdi previously demanded that the airline needed to make an improved offer before it would take part in a fresh round of talks. — **Reuters**

European Union set to fine Apple in Spotify music streaming case, sources say

BRUSSELS — Apple is set to be handed a European Union (EU) antitrust fine of about €500 million (\$543 million) next week in a music streaming case triggered by a Spotify complaint, sources said.

The European Commission last year charged the iPhone maker with preventing Spotify and other music streaming firms from informing users of options outside Apple’s App Store.

Apple declined to comment on Tuesday.

The EU’s competition watchdog said such “anti-steering obligations” constitute unfair trading conditions, a relatively novel argument in an antitrust case and one which has also been used Meta Platforms in a separate case.

The sources said that Apple was set to be fined on March 5, although the final timing and the amount of the fine could change depending on EU Antitrust Chief Margrethe Vestager.

The EU will also order Apple to stop such practices, something it will have to do anyway under new EU tech rules called the Digital Markets Act (DMA) which six tech companies including Apple will have to comply with from March 7.

While fining Apple is designed as a deterrent, it pales compared with billion euro fines for Google in its three EU antitrust cases over the past decade.

Separately, the Commission is also looking into Apple’s decision to remove home screen web apps for users in the EU, which the company said is to abide by the DMA.

The spokesperson said the scrutiny is part of its assessment of the six companies’ compliance with their DMA requirements.

Home screen web apps, which can be launched as a standalone app on a device, allow developers to sell subscriptions through their websites, bypassing Apple’s App Store and its 30% fees. — **Reuters**

US SEC expected to drag its feet on new wave of crypto ETFs

BUOYED by the successful launch of US bitcoin exchange-traded funds (ETFs), asset managers are lining up to list a second wave of more complex crypto products, setting the stage for another tussle with the US securities regulator.

The Securities and Exchange Commission (SEC) rejected spot bitcoin ETFs for more than a decade, hoping to protect investors from market manipulation. But the SEC was forced to approve them last month after Grayscale Investments won a court challenge. A federal appeals court ruled that the SEC had not sufficiently detailed its reasoning for rejecting the products.

That decision encouraged 12 asset managers, including Grayscale, ProShares, VanEck, Invesco, Fidelity, and Ark Investments to file applications to launch 25 next-generation cryptocurrency ETFs.

Many are complex products that would use options to amplify bitcoin’s volatility. Others would track the price of ether, the No. 2 cryptocurrency after bitcoin.

Investors hope the new products will help drive crypto further into the mainstream. Bitcoin hit \$50,000 on Feb. 12 for the first time in over two years and ether has climbed more than 12% this year on hopes the SEC will approve the spot products.

Yet the SEC remains uncomfortable with cryptocurrencies and complex exchange-traded products, and lawyers and industry sources said they expect the agency to move cautiously. The legal status of ether is also ambiguous, they noted.

“It doesn’t seem like there’s a rush to approve a second wave of products,” said Yesha Yadav, a professor focusing on digital asset regulation at Vanderbilt Univer-



sity, adding the SEC would have to “grapple with” how much risk it can stomach.

SEC Chair Gary Gensler remains a crypto critic, and when approving the bitcoin ETFs, he warned they were highly risky and said the decision did not signal the SEC was willing to approve listing standards for crypto assets more broadly.

An executive at one issuer said it was unclear whether SEC approval of the bitcoin ETFs would pave the way for other products.

Some applications before the SEC are for products designed for day traders: Leveraged exchange-traded bitcoin products would seek to juice returns by further amplifying the cryptocurrency’s significant volatility. Other applications are for inverse products that allow speculators to bet on a decline in the price.

The SEC has approved many inverse and leveraged ETFs, but has been cautious after a volatility-tracking exchange-traded note went bust in 2018, costing investors \$2 billion in losses. In 2020, it capped ETF leverage at 200%, and the agency is due to review its rules on ETF risks this year, according to its regulatory agenda.

Gensler and Democratic SEC Commissioner Caroline A. Crenshaw have also warned about risks of inverse and leveraged

ETFs. The SEC would only formally stop these products from launching if it found their disclosures to be materially misleading, people familiar with the matter said, but they added it could delay the effective date of a filing or suggest an issuer withdraw it if staff have concerns.

James J. Angel, associate professor of finance at Georgetown University, said the SEC would likely avoid outright rejection of applications, which could invite a legal challenge.

“I think they will look for every possible detail or excuse they can to delay the process,” he added.

There is no clear process for SEC approval of options on the bitcoin ETFs, which have usually been approved days after an ETF launch, so approval could take months going forward, Reuters reported this month.

ProShares, Invesco, Fidelity, and Ark Investments declined to comment or did not respond to requests for comment.

ETHER CLASH?

Because the spot ether ETFs would be a new product and require a rule change, the SEC must approve or deny them by a set deadline. VanEck’s filing is first in line for a decision on May 23, while the deadline for Grayscale’s ether application is June 18.

The SEC has yet to engage substantively with issuers on

the applications, but is expected to begin meetings next month, said two other people familiar with the matter. The agency has not yet disclosed meetings on the products in its public log.

Asked about the spot ether ETF filings this month, Mr. Gensler told CNBC the SEC’s five commissioners would review them. Both Democrat commissioners voted against the bitcoin ETFs, while the two Republicans voted for them. That means Mr. Gensler would likely have the deciding vote.

The arguments Grayscale used to defeat the SEC in its bitcoin ETF suit could apply to the ether products because the circumstances are similar. But some regulatory experts and issuers said Mr. Gensler could argue ether is a different type of asset.

The SEC has said bitcoin is a commodity, but has not made a determination on ether. Unlike bitcoin, ether is traded on a so-called “proof-of-stake” blockchain that allows users to earn yield in exchange for locking up tokens for a period of time. Mr. Gensler has questioned whether this setup resembles a traditional security.

“There are different circumstances the SEC will consider. The biggest circumstance is that they consider bitcoin to be a commodity and not a security,” said Frank Borger Gilligan, a securities attorney at Dickinson Wright who said the SEC would want assurances that any new products had investor safeguards.

Asked by CNBC last week if it will take another lawsuit to force the SEC to approve ether ETFs, Grayscale CEO Michael Sonnenshein said it was “too early to say.” — **Reuters**

Oil rises as OPEC+ mulls extending output cuts

HOUSTON — Oil prices rose more than \$1 a barrel on Tuesday as sources said OPEC+ is considering extending voluntary oil output cuts into the second quarter to provide additional support.

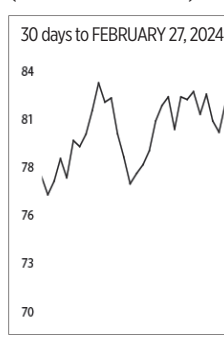
Brent crude futures rose \$1.12 or 1.4% to \$83.65 a barrel, while US West Texas Intermediate (WTI) crude futures were up \$1.29 or 1.7% at \$78.87.

The Organization of the Petroleum Exporting Countries and allies led by Russia, known as OPEC+, agreed in November to voluntary cuts totaling about 2.2 million barrels per day for the first quarter this year, led by Saudi Arabia rolling over its own voluntary cut.

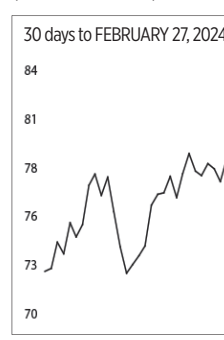
The producer group could keep the additional cuts in place until the end of the year, two of the sources told Reuters.

“We are going to see some tight supplies down the road,” said Dennis Kissler, senior vice-president of trading at BOK Financial.

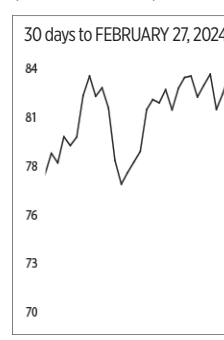
ASIA-DUBAI (FEBRUARY CONTRACT)



NEW YORK-WTI (APRIL CONTRACT)



LONDON-BRENT (APRIL CONTRACT)



Source: REUTERS

“OPEC is looking for mid-\$80s, may be around \$85 a barrel on Brent. If we stay below that, they will curtail production all the way to the year end,” Mr. Kissler added.

Also supporting prices on the supply side, Israel and Hamas, as well as Qatari mediators, all

sounded notes of caution about progress towards a truce in Gaza, after US President Joseph R. Biden said he believed a ceasefire could be reached in under a week to halt the war for Ramadan.

Yemen’s Houthi spokesman said the group’s operations in the Red Sea would stop only when

Israeli “aggression” against Gaza ends. Houthi missile and drone attacks on international shipping have driven up the cost of transporting energy products and contributed to a tighter market.

In the US, crude inventories were expected to have risen about 2.7 million barrels last week, while distillates and gasoline stockpiles were seen falling, a Reuters poll showed.

Meanwhile, the 3-2-1 US refinery crack spread, a proxy for refining margins, rose to their highest in more than five months. The surge suggests increased profitability for refineries amid robust consumer demand for petroleum products.

Both oil benchmarks had settled more than 1% higher on Monday after declines of 2-3% over the previous week as markets factored in a greater likelihood that cuts to interest rates might take longer to come than previously expected. — **Reuters**

US equities end near flat as key inflation data eyed

NEW YORK — US stocks closed near flat on Tuesday ahead of inflation and other economic data that could shed light on the possible timing of a US Federal Reserve interest rate cut.

As corporate earnings season winds down, investors refocused on economic data and the likely path of US rates. Equities have been on a furious rally for weeks, fueled largely by enthusiasm about artificial intelligence-related stocks that lifted the S&P 500 and the Dow Jones industrials to record levels while leaving the Nasdaq just short of a new high.

With the latest employment report not due until next week, the spotlight is on Thursday’s January personal consumption expenditures price index (PCE), the Fed’s preferred inflation gauge.

Should the PCE reading resemble recent inflation readings on consumer and producer prices, it could compel the Fed to hold rates at current levels longer than the market is anticipating.

On Monday, Kansas City Federal Reserve Bank President Jeffrey Schmid used a debut speech on policy to signal that he remains focused on the threat of high inflation and is in no rush to cut rates.

In addition, Fed Governor Michelle Bowman on Tuesday indicated she is in no hurry to cut rates, given upside risks to inflation that could stall progress or even cause price pressures to resurge.

The Dow Jones Industrial Average fell 96.82 points or 0.25% to 38,972.41. The S&P 500 gained 8.65 points or 0.17% at 5,078.18, and the Nasdaq Com-

posite rose 59.05 points or 0.37% to 16,035.30.

Expectations for a cut of at least 25 basis points by the Fed at its June meeting stand at 59.1%, down from the near certainty at the end of January, according to the CME Group’s FedWatch tool.

Other data due this week which could help shape expectations from the Fed include the second estimate of gross domestic product, jobless claims and manufacturing activity.

US consumer confidence retreated in February after a three-month gain, and orders for long-lasting US manufactured goods fell more than expected in January, data on Tuesday showed.

Stocks gained some late support from Apple, which erased earlier declines to close up 0.81%

after Bloomberg News reported the iPhone maker canceled work on its electric car, shifting some employees to its artificial intelligence project.

Viking Therapeutics surged 121.02% after its experimental drug to treat obesity helped patients achieve “significant” weight loss in a mid-stage study.

Advancing issues outnumbered decliners by a 1.45-to-1 ratio on the NYSE while on the Nasdaq, advancing issues outnumbered decliners by about 1.6-to-1.

The S&P 500 posted 46 new 52-week highs and no new lows while the Nasdaq recorded 253 new highs and 66 new lows.

Volume on US exchanges was 11.21 billion shares, compared with the 11.71 billion average for the full session over the last 20 trading days. — **Reuters**

SPOT PRICES

TUESDAY, FEBRUARY 27, 2024

METAL		
PALLADIUM free \$/troy oz		967.50
PALLADIUM JMI base, \$/troy oz		976.00
PLATINUM free \$/troy oz		892.55
PLATINUM JMI base \$/troy oz		896.00
KRUGGERAND, fob \$/troy oz		2,032.00
IRIDIUM, whs rot, \$/troy oz		4,940.00
RHODIUM, whs rot, \$/troy oz		4,415.00
GRAINS (February 22, 2024)		
(FOB Bangkok basis at every Thursday)		
FRAGRANT (100%) 1 st Class, \$/ton		886.00
FRAGRANT (100%) 2 nd Class, \$/ton		872.00
RICE (5%) White Thai- \$/ton		618.00
RICE (10%) White Thai- \$/ton		617.00
RICE (15%) White Thai- \$/ton		603.00
RICE (25%) White Thai- \$/ton (Super)		603.00
BROKER RICE A-1 Super \$/ton		491.00
FOOD		
COCOA ICCO Dly (SDR/mt)		4,819.51
COCOA ICCO \$/mt		6,401.61
COFFEE ICA comp '2001 cts/lb		176.56
SUGAR ISA FOB Daily Price, Carib. port cts/lb		22.41
SUGAR ISA 15-day ave.		22.71

LIFFE COFFEE

New Robusta 10 MT - \$/ton

	High	Low	Sett	Psett
March	3,097	3,070	3,155	3,068
May	3,097	2,981	3,077	3,020
July	3,033	2,927	3,014	2,964
Sept.	2,970	2,882	2,956	2,912

LIFFE COCOA

(Ldn)-10 MT-E/ton

	High	Low	Sett	Psett
March	5,946	5,758	5,827	5,792
May	5,596	5,478	5,497	5,558
July	5,205	5,085	5,104	5,175
Sept.	4,908	4,802	4,823	4,870

COCONUT

MANILA COPRA (based on 6% moisture)		
Peso/100kg	Buyer/Seller	
Lag/Qzn/Luc 24	3,500.00/3,550.00	
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		0.00/1,190.00
Mar./Apr.'24		0.00/1,180.00
Apr./May'24		0.00/1,170.00
May/Jun'24		0.00/1,175.00

LONDON METAL EXCHANGE

LME FINAL CLOSING PRICES, US\$/MT

	3 MOS.
ALUMINUM H.G.	2,180.00
ALUMINUM Alloy	1,820.00
COPPER	8,466.00
LEAD	2,097.00
NICKEL	17,169.00
TIN	26,076.00
ZINC	2,424.50

Gold holds steady as traders look to inflation data

GOLD PRICES held steady on Tuesday, with key inflation reading and comments from US Federal Reserve officials on investors’ radar this week.

Spot gold was little changed at \$2,031.77 per ounce as of 13:52 p.m. ET (1852 GMT).

US gold futures settled 0.3% higher at \$2,044.10.

The dollar index was subdued, making bullion more attractive for overseas buyers.

“A slight uptick in inflation data will pressure the gold market but it is well supported at the \$2,000 level by central bank buying. It is unlikely Fed officials will change their stance until more data,” said Phillip Streible, chief market strategist at Blue Line Futures, in Chicago. “Gold will have a record run in the fourth quarter when rate cuts materialize.”

At least ten Fed officials are due to speak this week, while the core personal consumption expenditures price index, the Fed’s preferred inflation gauge, is due on Thursday.

Data showed US durable goods orders posted the largest drop in nearly four years in January.

Gold prices were also supported as China’s middle-class attempts “to preserve their dwindling fortunes caused by the property market crisis and a prolonged stock market sell-off,” Ole Hansen, Saxo Bank’s head of commodity strategy, wrote in a note.

Top bullion consumer China’s net gold imports via Hong Kong in January hit the highest since mid-2018, official data showed.

Spot platinum rose 1.3% to \$891.03 per ounce, but was down around 10% so far this year. Palladium fell 0.7% to \$944.32 and was down 14% for the year. Silver was flat at \$22.50. — **Reuters**