

# Gold gains on hint of interest rate cut by Sept.

GOLD PRICES gained more than 1% on Friday as the dollar and Treasury yields retreated following comments from US Federal Reserve Chair Jerome Powell that signaled an interest rate cut in September.

Spot gold rose 1.2% to \$2,512.63 per ounce by 01:44 p.m. ET (1744 GMT), but was off a record high of \$2,531.60 hit on Tuesday. US gold futures settled 1.2% higher at \$2,546.30.

Mr. Powell said “the time has come” for the US central bank to cut interest rates and that inflation was nearing the Fed’s 2% target, offering an explicit endorsement of an imminent policy easing.

The dollar index fell 0.8% against its rivals, while benchmark US 10-year yields also declined following Mr. Powell’s speech, making gold more attractive for other currency holders.

“Asset markets are reacting well, at least initially, to Powell’s general, but somewhat open-ended comment that it’s time for policy to adjust,” said Tai Wong, a New York-based independent metals trader. “Gold will continue to grind higher ahead of the September Fed meeting and the updated dot plot which will indicate how many likely cuts this year.”

Lower US interest rates also generally increase the relative appeal of zero-yield bullion.

Gold might be over-positioned to the long end and we could see sell-offs and some profit taking, said Bart Melek, head of commodity strategies at TD Securities.

“But longer term, gold should do well since the Fed is very much picking their game and trying to make sure employment doesn’t weaken anymore and is not worried about inflation.”

Traders are expecting a 59.5% chance of a 25-basis-point (bp) cut in September, while 40.5% expect a deeper 50-bp reduction.

Silver rose 2.9% to \$29.83 per ounce and was up nearly 2.7% for the week. India’s silver imports are on course to nearly double this year due to rising demand from solar panel and electronics makers, leading importers said.

Platinum gained 1.8% to \$961.01; and palladium was up 2.6% at \$956.69. — **Reuters**

## SPOT PRICES

FRIDAY, AUGUST 23, 2024

### METAL

|  |          |
|--|----------|
| PALLADIUM free \$/troy oz  | 942.56   |
| PALLADIUM JMI base, \$/troy oz   | 948.00   |
| PLATINUM free \$/troy oz   | 946.05   |
| PLATINUM JMI base \$/troy oz   | 949.00   |
| KRUGGERAND, fob \$/troy oz   | 2,511.00 |
| IRIDIUM, whs rot, \$/troy oz   | 4,665.00 |
| RHODIUM, whs rot, \$/troy oz   | 4,740.00 |
| <b>GRAINS</b> (August 22, 2024)<br>(FOB Bangkok basis at every Thursday) |          |
| FRAGRANT (100%) 1 <sup>st</sup> Class, \$/ton                            | 1,019.00 |
| FRAGRANT (100%) 2 <sup>nd</sup> Class, \$/ton                            | 988.00   |
| RICE (5%) White Thai- \$/ton   | 589.00   |
| RICE (10%) White Thai- \$/ton  | 588.00   |
| RICE (15%) White Thai- \$/ton  | 575.00   |
| RICE (25%) White Thai- \$/ton (Super)                                    | 575.00   |
| BROKER RICE A-1 Super \$/ton   | 467.00   |

### FOOD

|                             |          |
|-----------------------------|----------|
| COCOA ICCO Dly (SDR/mt)     | 4,909.38 |
| COCOA ICCO \$/mt            | 6,613.72 |
| COFFEE ICA comp 2001 cts/lb | 243.49   |
| SUGAR ISA FOB Daily Price,  |          |
| Carib, port cts/lb          | 17.86    |
| SUGAR ISA 15-day ave.       | 18.05    |

## LIFFE COFFEE

New Robusta 10 MT - \$/ton

|       | High  | Low   | Sett  | Psett |
|-------|-------|-------|-------|-------|
| Sept. | 5,149 | 4,855 | 5,128 | 4,903 |
| Jan.  | 4,525 | 4,347 | 4,513 | 4,380 |
| Mar.  | 4,350 | 4,191 | 4,340 | 4,221 |
| May   | 4,161 | 4,085 | 4,220 | 4,106 |

## LIFFE COCOA

(Ldn)-10 MT-E/ton

|       | High  | Low   | Sett  | Psett |
|-------|-------|-------|-------|-------|
| Sept. | 6,402 | 6,260 | 6,280 | 6,342 |
| Mar.  | 4,790 | 4,671 | 4,728 | 4,748 |
| May   | 4,564 | 4,457 | 4,505 | 4,521 |
| July  | 4,413 | 4,325 | 4,360 | 4,371 |

## COCONUT

|                                     |                      |
|-------------------------------------|----------------------|
| MANILA COPRA (based on 6% moisture) |                      |
| Peso/100kg                          | Buyer/Seller         |
| Lag/Qzn/Luc                         | 24 4,350.00/4,400.00 |
| Philippine Coconut Oil - Crude      |                      |
| CIF NY/NOLA                         | 74.50                |
| FOB RAIL/NOLA                       |                      |
| 77.00                               |                      |
| COCONUT OIL (PHIL/IDN), \$ per ton, |                      |
| CIF Europe                          |                      |
| Aug./Sept.’24                       | 0.00/1,610.00        |
| Sept./Oct.’24                       | 0.00/1,615.00        |
| Oct./Nov.’24                        | 1,570.00/1,617.50    |
| Nov./Dec.’24                        | 1,570.00/1,620.00    |

## LONDON METAL EXCHANGE

LME FINAL CLOSING PRICES, US\$/MT

|             | 3 MOS.    |
|-------------|-----------|
| ALUM. H.G.  | 2,480.00  |
| ALUM. Alloy | 2,370.00  |
| COPPER      | 9,130.50  |
| LEAD        | 2,053.00  |
| NICKEL      | 16,603.00 |
| TIN         | 32,316.00 |
| ZINC        | 2,858.00  |

# Oil prices jump 2% after Fed’s Powell interest rate cuts views

HOUSTON — US light crude oil gained more than 2% a barrel on Friday after comments by US Federal Reserve Chair Jerome Powell indicated the central bank was preparing to cut interest rates.

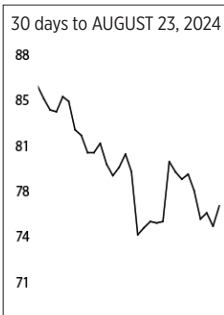
Brent crude futures settled up by \$1.80 or 2.33% at \$79.02 a barrel. US West Texas Intermediate (WTI) crude futures finished up \$1.82 or 2.49% at \$74.83.

“The pivot by the Federal Reserve is real,” said Phil Flynn, senior analyst at Price Futures Group. “It’s impacting all commodities.”

This week, both benchmarks hit their lowest since early January, after the US government sharply lowered its estimate of jobs employers added this year through March, raising fears of a possible recession.

On Friday, Mr. Powell endorsed easing the Fed’s policies, saying further cooling in the job market would be unwelcome. He also expressed confidence inflation was within reach of the US central bank’s 2% target.

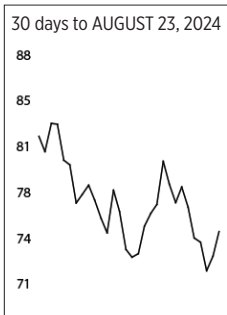
## ASIA-DUBAI (AUGUST CONTRACT)



DOLLARS PER BBL

| Aug.                          | 19    | 20    | 21    | 22    | 23    |
|-------------------------------|-------|-------|-------|-------|-------|
| \$/bbl                        | 77.81 | 75.68 | 76.15 | 75.15 | 76.69 |
| Average (August 1-23) \$77.13 |       |       |       |       |       |
| Average (July 1-31) \$83.84   |       |       |       |       |       |

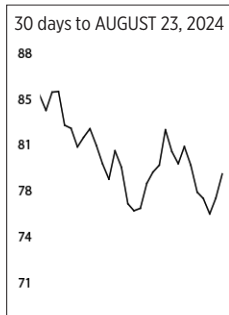
## NEW YORK-WTI (OCTOBER CONTRACT)



DOLLARS PER BBL

| Aug.                          | 19    | 20    | 21    | 22    | 23    |
|-------------------------------|-------|-------|-------|-------|-------|
| \$/bbl                        | 74.37 | 74.04 | 71.93 | 73.01 | 74.83 |
| Average (August 1-23) \$75.45 |       |       |       |       |       |
| Average (July 1-31) \$80.48   |       |       |       |       |       |

## LONDON-BRENT (OCTOBER CONTRACT)



DOLLARS PER BBL

| Aug.                          | 19    | 20    | 21    | 22    | 23    |
|-------------------------------|-------|-------|-------|-------|-------|
| \$/bbl                        | 77.66 | 77.20 | 76.05 | 77.22 | 79.02 |
| Average (August 1-23) \$78.64 |       |       |       |       |       |
| Average (July 1-31) \$83.88   |       |       |       |       |       |

Source: REUTERS

“The upside risks to inflation have diminished. And the downside risks to employment have increased,” Mr. Powell said in a highly anticipated speech to the Kansas City Fed’s annual economic conference in Jackson Hole, Wyoming.

“The time has come for policy to adjust. The direction of travel is clear, and

the timing and pace of rate cuts will depend on incoming data, the evolving outlook, and the balance of risks.”

The US dollar index softened to about 101.45 ahead of the speech. A cheaper greenback typically lifts demand for dollar-denominated oil from investors holding other currencies.

# US stocks surge on Sept. interest rate cut hopes

NEW YORK — US stocks rallied on Friday as dovish remarks from US Federal Reserve Chair Jerome Powell solidified expectations that the central bank will cut its key policy rate in September.

In highly anticipated comments before the Jackson Hole Economic Symposium, Mr. Powell said “the time has come” to lower the Fed funds target rate, and “the upside risks of inflation have diminished.”

“We do not see or welcome further weakening in labor market conditions,” Mr. Powell added in a speech that appeared to all but guarantee a rate cut at next month’s policy meeting, which would be the first such cut in over four years.

“The Fed is clearly turning to the dovish camp and Powell has made it crystal clear that September will be the start of multiple rate cuts coming the remainder of this year,” said Ryan Detrick, chief market strategist at Carson Group in Omaha, Nebraska.

All three major US stock indexes jumped after the release of

Mr. Powell’s prepared remarks, with mega-caps Nvidia, Apple, and Tesla providing the most muscle.

Small-caps and regional banks were outperformers, rising 3.2% and 4.9%, respectively.

All three indexes logged weekly advances, standing on the shoulders of last week’s largest Friday-to-Friday percentage gains of the year.

Next week, the data-dependent Fed will have a raft of economic indicators to consider ahead of its September rate decision, includ-

ing the Commerce department’s revised second-quarter GDP and its broad-ranging Personal Consumption Expenditures (PCE) report, which includes the Fed’s preferred inflation yardstick, the PCE price index.

The Dow Jones Industrial Average rose 462.30 points or 1.14% to 41,175.08; the S&P 500 gained 63.97 points or 1.15% to 5,634.61; and the Nasdaq Composite added 258.44 points or 1.47% to 17,877.79.

All 11 major sectors in the S&P 500 ended the session in

positive territory, with real estate shares boasting the largest percentage gain, rising 2%.

Workday beat quarterly revenue expectations and announced a \$1-billion stock buyback plan, sending shares of the human resources software firm up 12.5%, the biggest percentage gainer on the Nasdaq.

Ross Stores gained 1.8% after the discount retailer raised its fiscal 2024 profit forecast.

Turbo Tax’s parent Intuit sagged 6.8% in response to disappointing quarterly revenue.

Advancing issues outnumbered declining ones on the New York Stock Exchange by a 8.08-to-1 ratio; on the Nasdaq, a 3.68-to-1 ratio favored advancers.

The S&P 500 posted 81 new 52-week highs and no new low; the Nasdaq Composite recorded 149 new highs and 51 new lows.

Volume on US exchanges was 10.57 billion shares, compared with the 11.88 billion average for the full session over the last 20 trading days. — **Reuters**

## Moody’s Analytics, from SI/1

However, he noted that since the Philippines is a less export-sensitive economy, it “faces much less risk in the Trump-election scenario.”

### CREDIT RATING

Meanwhile, Moody’s Ratings last week affirmed the Philippines’ investment grade rating of “Baa2” with a “stable” outlook.

“The ratings affirmation reflects a range of factors. The government’s passage of a series of reforms to liberalize the economy to attract foreign investment over the past several years will support the Philippines’ high medium-term growth potential,” it said in a statement on its website.

The credit rater said its affirmation was also due to expectations that “fiscal consolidation will resume with the debt burden to remain higher than pre-pandemic levels but comparable to similarly rated peers over the medium term.”

The government is targeting to bring the debt-to-GDP ratio to 60.6% and deficit-to-GDP ratio to 5.6% by yearend.

However, Moody’s also cited risks such as weakening debt affordability due to elevated interest rates, exposure to climate risks, and geopolitical uncertainties, among others.

BSP Governor Eli M. Remolona, Jr. welcomed Moody’s affirmation of the Philippines’ credit rating. “We are taking a measured approach in safeguarding price stability conducive to sustainable economic growth,” he said.

Finance Secretary Ralph G. Recto said the investment grade rating allows the government to secure more affordable financing.

“These will create more quality jobs, increase incomes, and reduce poverty incidence in the country,” Mr. Recto said in a statement.

The government is aiming to achieve an “A” rating status by the end of the administration.

Earlier this month, Japan-based Rating and Investment Information, Inc. upgraded the Philippines’ investment grade rating to “A-.” — **Luisa Maria Jacinta C. Jocsos**

## Holidays, from SI/1

In 2022, President Ferdinand R. Marcos, Jr. reintroduced the holiday economics policy, in which holidays are moved closer to the weekend to stimulate travel and boost tourism as the economy opened from the pandemic. This was first introduced during the Arroyo administration.

For instance, the commemoration of Ninoy Aquino Day this year was moved from Aug. 21 (Wednesday) to Aug. 23 (Friday) and declared a special non-working day.

The American Chamber of Commerce of the Philippines (AmCham Philippines) also supports the reduction of some “hero” holidays, citing additional costs and scheduling issues for businesses, AmCham Philippines Executive Director Ebb Hinchliffe said.

For the British Chamber of Commerce of the Philippines (BCCP), the number of holidays is just one of the many factors that hurts the Philippines’ attractiveness to foreign investors.

“It is a factor, but the key factor, I would say, is legislation, opening up the economy, opening up investment to foreign investors, and also, how is the general economy doing,” BCCP Executive Director and Trustee Christopher James Nelson told *BusinessWorld* via telephone.

The government’s existing laws already allow employees to work on holidays at the discretion of their employers, according to labor lawyer and Federation of Free Workers President Jose Sonny G. Matula.

“Under current laws, employers already have the flexibility to require employees to work on holidays, provided they pay the necessary premium. There is no need... to reduce holidays when mechanisms are already in place to balance the needs of businesses with the rights of workers,” he said in a Viber message.

The government must focus on more pressing “challenges that significantly impact the productivity and well-being of our workforce and deserve immediate attention,” Mr. Matula said.

For IBON Foundation Executive Director Jose Enrique A. Africa, the productivity of firms is better measured by skills upgrading, effective management, and general technological capacity.

Mr. Matula said the government should address the issues of low wages, heavy traffic, contractualization and job insecurity.

## BSP, from SI/1

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said that local policy rates could fall to as low as 4-5% levels from next year through 2026 as the Fed begins cutting rates.

“Local interest rate benchmarks would go down further by another 50 or 100 basis points or even more from current levels from 2025 to 2026, as the Fed would cut rates by a total of about 225 bps from 2024 to 2026 (that could be matched locally by the BSP) based on the latest Fed dot plot,” he said.

BSP Governor Eli M. Remolona, Jr. has signaled the possibility of another 25-bp cut in the fourth quarter. The Monetary Board has two remaining

### Palay, from SI/1

The state weather service had said earlier that there is a 70% likelihood for La Niña to occur during the months of August to December, bringing in a higher chance of tropical cyclone activity.

One of the programs of PhilRice is the development of better seed varieties to be used to increase local rice production. It distributes an average of 3.3 million 20-kilo bags of certified inbred seeds to about 1.5 million farmers each year, funded by the Rice Competitiveness Enhancement Fund.

Ms. Bordey said that the seed distributed by PhilRice can improve the yields of farmers.

“We are doing our best to help our farmers to have a fighting chance. But agriculture is really

very weather dependent, and the full effect of calamities cannot yet be determined until they are already there,” Ms. Bordey added.

Ms. Bordey said this year’s palay production may likely be unchanged from the 20.06 million MT harvest last year.

“It is possible that there would be more calamities for the rest of the year, then we may not be able to (increase productions). But we are hoping to get the same as last year, which is a good scenario that we are seeking,” she added.

Palay production fell by 5% to 8.53 million MT as of the first semester from 9.03 million MT, PSA data showed. This was mainly attributed to the dry conditions brought by the El Niño phenomenon. — **Adrian H. Halili**

## JOB OPENING

### 5 OPERATION'S MANAGER (MANDARIN SPEAKING)

- Ensuring all operations are carried on in an appropriate, cost-effective way
- Must have an excellent written and verbal communication skills in Mandarin and English language.
- Improving operational management systems, processes and best practices.
- Perform quality controls and monitor production KPI'S.

### NAN TIAN GROUP LTD. INC

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BARANGAY 653, CITY OF MANILA  
Contact No. 0917 817 0114

## JOB OPENING

### 5 PURCHASING ASSISTANT MANAGER

- Bachelor's degree in Supply Chain Management, Business Administration, or related field.
- Proficient in speaking in both English and Korean Language.
- 3-5 years of experience in procurement, with at least 1-2 years in a supervisory or management role.
- Strong negotiation and communication skills.
- Ability to manage multiple priorities and work under pressure.
- Strong analytical skills and attention to detail.
- Familiarity with relevant legal and regulatory requirements.

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