Gold gains on soft inflation print; US CPI data in focus

GOLD PRICES extended gains on Tuesday after US inflation data came in slightly weaker than expected, giving investors faint hope that the Federal Reserve would continue on its rate-easing path this year, sending the dollar lower.

Spot gold gained 0.3% to $2,671.27 per ounce as of 01:50 p.m. ET (1850 GMT). US gold futures settled 0.1% higher at $2,682.30.

Data showed producer price index (PPI) rose 3.3% on an annual basis in December, versus the 3.4% rise expected by economists polled by Reuters.

"The cooler PPI data stumped the US dollar index and that helped out the precious metals market bulls, as lower inflation means the Fed may be able to lower interest rates sooner," said Jim Wyckoff, a senior market analyst at Kitco Metals.

The dollar index fell 0.6%, making gold cheaper for overseas buyers.

Investors now await the consumer price index (CPI) on Wednesday to analyze the Fed's policy path. A Reuters poll forecast an annual rise of 2.9%, versus November's 2.7%, and a monthly increase of 0.3%.

Traders currently see the Fed delivering 29.4 basis points worth of rate cuts by yearend, data compiled by LSEG shows.

Bullion is considered a hedge against inflation, but higher rates dull the appeal of the non-yielding asset.

US President-elect Donald J. Trump will return to the White House on Jan. 20 and has vowed to impose trade tariffs. Analysts expect these to trigger trade wars and reignite inflation.

Spot silver added 0.8% to $29.83 per ounce; platinum lost 1.6% to $938.65; and palladium rose 0.1% to $939.61. — ***Reuters***

SPOT PRICES

TUESDAY, JANUARY 14, 2025

METAL	
PALLADIUM free $/troy oz	937.75
PALLADIUM JMI base, $/troy oz	948.00
PLATINUM free $/troy oz	947.75
PLATINUM JMI base $/troy oz	954.00
KRUGGERAND, fob $/troy oz	2,640.00
IRIDIUM, whs rot, $/troy oz	4,340.00
RHODIUM, whs rot, $/troy oz	4,640.00
GRAINS (January 9, 2025)	
(FOB Bangkok basis at every Thursday)	
FRAGRANT (100%) 1st Class, $/ton	949.00
FRAGRANT (100%) 2nd Class, $/ton	918.00
RICE (5%) White Thai- $/ton	494.00
RICE (10%) White Thai- $/ton	493.00
RICE (15%) White Thai- $/ton	483.00
RICE (25%) White Thai- $/ton (Super)	483.00
BROKER RICE A-1 Super $/ton	397.00
FOOD	
COCOA ICCO Dly (SDR/mt)	7,967.92
COCOA ICCO $/mt	10,295.27
COFFEE ICA comp '2001 cts/lb	298.75
SUGAR ISA FOB Daily Price, Carib. port cts/lb	18.14
SUGAR ISA 15-day ave.	18.34

LIFFE COFFEE

New Robusta 10 MT - $/ton

	High	Low	Sett	Psett
Mar.	4,911	4,853	4,863	4,902
May	4,831	4,784	4,796	4,826
July	4,754	4,708	4,722	4,749
Sept	4,666	4,629	4,642	4,664

LIFFE COCOA

(Ldn)-10 MT-£/ton

	High	Low	Sett	Psett
Mar.	9,080	8,812	8,857	8,847
May	8,700	8,450	8,493	8,483
July	8,215	7,951	7,996	8,030
Sept.	7,650	7,407	7,448	7,498

COCONUT

MANILA COPRA (based on 6% moisture)

Peso/100kg	Buyer/Seller
Lag/Qzn/Luc 25	6,550.00/6,600.00
Philippine Coconut Oil - Crude	
CIF NY/NOLA	91.00
FOB RAIL/NOLA	94.00
COCONUT OIL (PHIL/IDN),$ per ton, CIF Europe	
Feb./Mar.'25	0.00/1,995.00
Mar./Apr.'25	0.00/1,995.00
Apr./May'25	0.00/1,995.00
May/June'25	0.00/1,870.00

LONDON METAL EXCHANGE

LME FINAL CLOSING PRICES, US$/MT

	3 MOS.
ALUMINUM H.G.	2,560.00
ALUMINUM Alloy	2,100.00
COPPER	9,154.00
LEAD	1,966.00
NICKEL	15,956.00
TIN	29,771.00
ZINC	2,862.50

Crude oil prices slide on US gov't agency energy demand forecast

HOUSTON — Crude oil prices slipped on Tuesday after a US government agency forecast steady US oil demand in 2025 while lifting its forecast for supply.

Declines were limited by new US sanctions on Russian oil exports to India and China.

Brent futures fell $1.09 or 1.35% to settle at $79.92 a barrel. US West Texas Intermediate (WTI) crude finished at $77.49 a barrel, down $1.32 or 1.67%.

On Monday, prices jumped 2% after the US Treasury department on Friday imposed sanctions on Gazprom Neft and Surgutneftegas as well as 183 vessels that transport oil as part of Russia's so-called shadow fleet of tankers.

On Tuesday, the US Energy Information Administration (EIA) said the country's oil demand would remain steady at 20.5 million barrels per day (bpd) in 2025 and 2026, with domestic oil output rising to 13.55 million bpd, an increase from the agency's previous forecast of 13.52 million bpd for this year.

Phil Flynn, senior analyst with Price Futures Group, said markets were anticipating the EIA short-term energy outlook to see if a predicted gain in supply would be reversed.

"They're waiting to see if the glut EIA predicted earlier is still in the forecast," Mr. Flynn said.

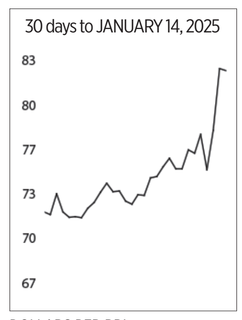
While analysts were still expecting a significant price impact on Russian oil supplies from the fresh sanctions, their effect on the physical market could be less pronounced than what the affected volumes might suggest.

ING analysts estimated the new sanctions had the potential to erase the 700,000-bpd surplus they had forecast for this year, but said the real impact could be lower.

"The actual reduction in flows will likely be less, as Russia and buyers find ways around these sanctions," they said in a note.

Uncertainty about demand from major buyer China could blunt the impact of the tighter supply. China's crude oil imports fell in 2024 for the first time in two decades outside of the coronavirus pandemic, official data showed on Monday. — ***Reuters***

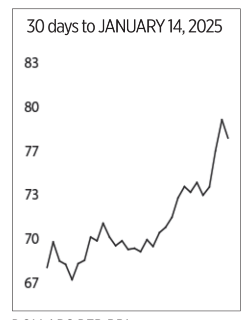
ASIA-DUBAI
(JANUARY CONTRACT)



DOLLARS PER BBL

Jan.	8	9	10	13	14
$/bbl	77.67	75.11	77.95	82.40	82.25
Average (January 2-14)					**$77.63**
Average (December 2-31)					**$73.20**

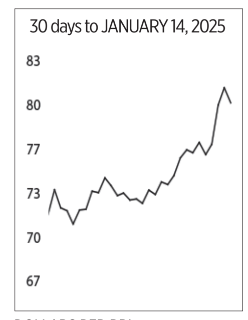
NEW YORK-WTI
(FEBRUARY CONTRACT)



DOLLARS PER BBL

Jan.	8	9	10	13	14
$/bbl	73.32	73.92	76.57	78.82	77.49
Average (January 2-14)					**$75.00**
Average (December 2-31)					**$69.61**

LONDON-BRENT
(MARCH CONTRACT)



DOLLARS PER BBL

Jan.	8	9	10	13	14
$/bbl	76.16	76.92	79.76	81.01	79.92
Average (January 2-14)					**$77.73**
Average (December 2-31)					**$73.11**

Source: REUTERS

S&P 500 rises while Nasdaq dips in choppy session

NEW YORK — The S&P 500 edged higher while the Nasdaq dipped after a volatile session on Tuesday as investors gauged inflation data and braced for quarterly earnings reports to justify stock valuations and the strength of the US economy.

Stocks oscillated between gains and losses throughout the day. Equities received an initial lift from a Labor department report that showed the producer price index rose less than expected in December, although the report failed to materially affect expectations about the Federal Reserve's likely path of monetary policy this year.

Investors awaited Wednesday's consumer price index reading, which will further shape expectations for inflation and the Fed.

The Dow Jones Industrial Average rose 221.16 points or 0.52% to 42,518.28; the S&P 500 gained 6.69 points or 0.11% to 5,842.91; and the Nasdaq Composite lost 43.71 points or 0.23% to 19,044.39.

The market is pricing in about 29 basis points (bps) in rate cuts from the Fed by the end of 2025, according to LSEG data, with expectations for a cut of at least 25 bps not rising above 50% until the June meeting.

Adding to investor caution, US Treasury yields remained at elevated levels, with the yield on the benchmark 10-year Treasury note at 4.784%, holding near a 14-month high reached on Monday.

Quarterly earnings get under way on Wednesday with results from big banks, which are expected to post stronger profits, fueled by robust dealmaking and trading. The S&P 500 bank index advanced.

Goldman Sachs shares gained 1.52% ahead of its earnings results scheduled for Wednesday and helped keep the Dow in positive territory.

The benchmark S&P 500 is trading at valuations well above its historical long-term average and a disappointing earnings season could put further gains for equities in jeopardy.

Healthcare was among the worst-performing of the 11 major S&P sectors, down 0.94% as Eli Lilly stumbled 6.59% after it forecast fourth-quarter sales of weight-loss drug Zepbound below estimates.

After rallying following the US election, stocks have struggled recently, with the S&P 500 falling in four of the previous five weeks as a resilient economy, nagging inflation and comments from Fed policy makers have fueled worries about the central bank being less aggressive in cutting interest rates than previously anticipated.

Concerns about potential tariffs from the Trump administration that would further stoke inflation have also lingered.

Boeing shed 2.08% after the planemaker's annual deliveries dropped in 2024 to their lowest level since the pandemic.

Advancing issues outnumbered decliners by a 2.81-to-1 ratio on the NYSE and by a 1.39-to-1 ratio on the Nasdaq. — ***Reuters***

NPL,
from S1/1

Banks' loan loss reserves edged lower by 0.5% to P485.13 billion in November from P487.52 billion in the previous month but rose by 5.2% from P460.95 billion a year prior.

This brought the loan loss reserve ratio to 3.3% as of end-November from 3.35% at end-October and 3.46% in November 2023.

Lenders' NPL coverage ratio, which gauges the allowance for potential losses due to bad loans, rose to 93.2% in November from 92.28% in October but was lower than 101.47% a year ago.

"The slight easing of the NPL ratio in November could be attributed to improved loan quality and better debt management by banks," Reyes Tacandong & Co. Senior Adviser Jonathan L. Ravelas said in a Viber message.

Separate data from the BSP showed outstanding loans of universal and commercial banks rose by 11.1% year on year to P12.68 trillion in November.

This was the fastest loan growth in nearly two years or since the 13.7% logged in December 2022.

"However, the year-on-year increase (in NPL ratio) suggests that economic challenges and higher interest rates might have impacted borrowers' ability to repay loans," Mr. Ravelas added.

Leonardo A. Lanzona, an economics professor at the Ateneo de Manila University, said the month-on-month easing of the NPL ratio is "fundamentally a market correction from the exceedingly high NPL rates (in October)."

"Furthermore, the BSP has signaled its easing policy on the interest rate may be tempered as inflationary pressures have gone up," he said.

BSP Governor Eli M. Remolona, Jr. last week said there is still room to continue easing interest rates, but noted cutting rates by 100 basis points (bps) this year may be a bit "too much."

The central bank slashed borrowing costs by a total of 75 bps last year, bringing the target reverse repurchase rate to 5.75%.

The Monetary Board is set to have its first rate-setting meeting this year on Feb. 20.

"Also, housing prices have declined, resulting in lower investment in real estate. Because of these, the banks and investors have been more prudent," Mr. Lanzona added.

Latest BSP data showed the Residential Real Estate Price Index (RREPI) fell by 2.3% year on year in the July-to-September period.

This was also the first time the RREPI posted a decline since the 9.4% drop recorded in the second quarter of 2021. — **Luisa Maria Jacinta C. Jocson**

Natural gas,
from S1/1

"Gas is one of the most expensive sources of electricity, as can be seen from the experience of South Asian countries who have chosen it as fuel for power plants," it said.

"Contrary to the industry's claim of gas being a transition fuel, this bill ensures lock-in and continued dependence on expensive electricity..."

IBON Foundation Executive Director Jose Enrique "Sonny" A. Africa said the government should avoid relying solely on foreign firms in developing the natural gas sector.

"Tapping foreign expertise at the start is expected but there should be a plan to gradually develop indigenous Filipino technological capacity," he said in a Viber message.

"A plan to do so is the best measure for maximum long-term benefit from the exploitation of Philippine natural gas resources."

Corruption,
from S1/1

"There were like, 30-plus signatures that were needed to do a project. And because of ARTA, we were able to cut that process down," he added.

He noted that any project that requires LGU involvement typically experiences delays.

"It is hard. We are talking about telco, power, and any project related to some involvement with LGU where there's always a delay," he said.

"So, I think that was a very big initiative that started during the pandemic but was extended by BBM (President Ferdinand R. Marcos, Jr.). So, those are ways that we can sort of help out on how we deal with the LGUs," he added.

However, he said that improvements, particularly since ARTA ensures there is ease of doing business whenever projects require LGU approval.

"I commend ARTA for what they are doing," he added. — **Justine Irish D. Tabile**

Remittances,
from S1/1

Personal remittances likewise expanded by 3% to $34.61 billion as of end-November from $33.59 billion a year ago.

Analysts said the recent peso depreciation may have affected cash remittances during the month.

"For the month of November, the US dollar-peso exchange rate mostly ranged at P58-59 levels versus the P56-58 levels in the previous month that somewhat increased the peso equivalent of OFW remittances," Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said.

Mr. Ricafort said this would "reduce the sending of more OFW remittances denominated in US dollars/other foreign currencies to pay for the same amount in pesos."

The peso closed at P58.62 against the dollar at the end of November, weakening by 52 centavos from its P58.10 finish as of end-October.

The local unit also fell to the record low P59-a-dollar level twice during the month.

"The peso experienced a depreciation, indicating more pesos for the same foreign currency," Leonardo A. Lanzona, an economics professor at the Ateneo de Manila University, said.

"Remittances are mainly by recipients used to meet their basic needs. The sender may have figured out that they don't need to send more of their money to meet the needs of their family here," he added.

Mr. Ricafort also added that the higher cost of living in OFWs' host countries could have reduced remittances sent home.

For December, Mr. Ricafort said that remittances likely rose amid the holidays.

"OFW remittances could go up in December in view of the expected seasonal surge during the Christmas and New Year holiday season, the biggest spending by households in a typical year," he said.

The central bank expects cash remittances to grow by 3% in 2024 and 2025.