

Gold prices fall with inflation worries rising on ME conflict

GOLD PRICES fell on Monday as escalating tensions in the Middle East (ME) heightened inflation concerns and reinforced expectations that central banks may keep monetary policy tighter for longer.

Spot gold was down 1% at \$4,489.34 per ounce as of 1:50 p.m. EDT (1750 GMT), after hitting a two-week high on Friday.

US gold futures settled 1.9% lower at \$4,506.30.

The US dollar firmed, making metals priced in the currency more expensive for holders of other currencies.

“Expectations for interest rates to remain higher for longer are likely to keep gold under pressure, unless bond yields stop rising and rates begin to stabilize or trend lower,” said Jim Wyckoff, a market analyst at American Gold Exchange.

Iran said it had attacked a US air base following weekend US strikes on Iranian military targets. US President Donald J. Trump, however, said talks were continuing with Iran “at a rapid pace.”

Oil gained, adding to inflation fears linked to the Iran conflict, which could lead central banks to raise interest rates to curb rising price pressures.

Traders have factored roughly a 54% chance of at least one US rate hike by the yearend, according to CME Group’s FedWatch tool.

Although gold is often regarded as an inflation hedge, its attractiveness tends to fade in a high-interest-rate environment because it does not generate yield.

Market participants will turn their attention to a series of US jobs data releases due this week, along with remarks from US Federal Reserve officials.

“Once the geopolitical situation stabilizes and the energy shock begins to fade, we expect investors to refocus on the structural themes that have underpinned the bull market in gold over recent years,” Saxo Bank analyst Ole Hansen said.

Central banks are expected to remain net buyers over the coming year, he said.

Spot silver was flat at \$75.26 per ounce, platinum gained 0.7% to \$1,929.60 and palladium added 0.9% to \$1,366.44. — Reuters

SPOT PRICES

MONDAY, JUNE 1, 2026

METAL

PALLADIUM free \$/troy oz	1,355.44
PALLADIUM JMI base, \$/troy oz	1,362.00
PLATINUM free \$/troy oz	1,926.30
PLATINUM JMI base \$/troy oz	1,932.00
KRUGGERAND, fob \$/troy oz	4,410.00
IRIDIUM, whs rot, \$/troy oz	7,390.00
RHODIUM, whs rot, \$/troy oz	8,690.00

GRAINS (May 28, 2026)

(FOB Bangkok basis at every Thursday)

FRAGRANT (100%) 1 st Class, \$/ton	1,242.00
FRAGRANT (100%) 2 nd Class, \$/ton	1,211.00
RICE (5%) White Thai- \$/ton	478.00
RICE (10%) White Thai- \$/ton	477.00
RICE (15%) White Thai- \$/ton	473.00
RICE (25%) White Thai- \$/ton (Super)	473.00
BROKER RICE A-1 Super \$/ton	431.00

FOOD

COCOA ICCO Dly (SDR/mt)	2,929.57
COCOA ICCO \$/mt	4,009.85
COFFEE ICA comp '2001 cts/lb	245.20
SUGAR ISA FOB Daily Price, Carib. port cts/lb	14.67
SUGAR ISA 15-day ave.	15.30

LIFFE COFFEE

New Robusta 10 MT - \$/ton

	High	Low	Sett	Psett
July	3,510	3,430	3,438	3,476
Sept.	3,385	3,307	3,315	3,347
Nov.	3,310	3,233	3,242	3,272
Jan.	3,237	3,161	3,168	3,199

LIFFE COCOA

(Ldn)-10 MT-£/ton

	High	Low	Sett	Psett
July	3,099	2,920	2,964	2,975
Sept.	3,078	2,902	2,944	2,954
Dec.	3,117	2,946	2,985	3,002
Mar.	3,170	3,000	3,033	3,055

COCONUT

MANILA COPRA (based on 6% moisture)	
Peso/100kg	Buyer/Seller
Lag/Qzn/Luc 26	5,250.00/5,300.00
Philippine Coconut Oil - Crude	
CIF NY/NOLA	125.00
FOB RAIL/NOLA	132.00
COCONUT OIL (PHIL/IDN), \$ per ton,	
CIF Europe	
May/June'26	0.00/2,160.00
June/July'26	0.00/2,115.00
July/Aug.'26	0.00/2,020.00
Aug./Sep.'26	0.00/2,010.00

LONDON METAL EXCHANGE

LME FINAL CLOSING PRICES, US\$/MT		3 MOS
ALUMINUM H.G.	3,716.00	
ALUMINUM Alloy	3,325.00	
COPPER	13,832.00	
LEAD	2,006.50	
NICKEL	19,251.00	
TIN	56,649.00	
ZINC	3,578.00	

Crude oil prices rise on halt in US-Iran talks, risk of blockades

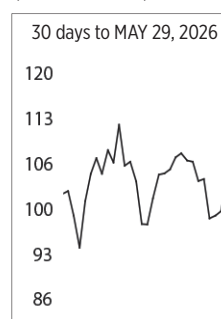
NEW YORK — Crude oil prices settled more than 4% higher on Monday after Iran’s Tasnim news agency reported that Tehran had halted indirect negotiations with the US and plans were being made for Iranian forces and their allies to completely block the Strait of Hormuz and potentially disrupt other key shipping routes.

Tensions in the region have escalated in recent days, with Iran and the US exchanging strikes and Israel ordering troops to move further into Lebanon in its battle with the Iran-backed Hezbollah militant group.

Brent crude futures settled at \$94.98 a barrel, up \$3.86, or 4.2%, while US crude futures closed at \$92.16 a barrel, up \$4.80, or 5.5%. Both benchmarks had risen more than 6% earlier in the session, but pared gains after US President Donald J. Trump said he was not aware of talks with Iran being halted and that he also spoke with Hezbollah through intermediaries and secured a pledge that it would not attack Israel.

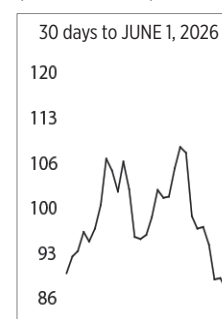
The contracts finished May between 17% and 19% lower, marking their biggest monthly drops in

ASIA-DUBAI (MAY CONTRACT)



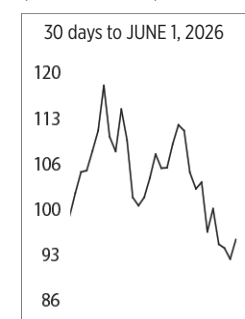
DOLLARS PER BBL					
May	22	25	26	28	29
\$/bbl	104.00	98.09	98.50	99.20	103.70
Average (May 4-29)	\$103.30				
Average (April 1-30)	\$105.81				

NEW YORK-WTI (JULY CONTRACT)



DOLLARS PER BBL					
May	26	27	28	29	1
\$/bbl	93.89	88.68	88.90	87.36	92.16
Average (June 1)	\$92.16				
Average (May 1-29)	\$98.51				

LONDON-BRENT (JULY CONTRACT)



DOLLARS PER BBL					
May	26	27	28	29	1
\$/bbl	99.58	94.29	93.71	92.05	94.98
Average (June 1)	\$94.98				
Average (May 1-29)	\$103.71				

Source: REUTERS

absolute terms since March 2020, when the COVID-19 pandemic slashed energy demand, on rising optimism that the US and Iran were close to a deal.

Earlier on Monday, Tasnim said Tehran and the “Resistance Front,” which includes Iran’s allies in Yemen, Lebanon and Iraq, have set an agenda to completely block the Hormuz waterway and activate other fronts, including the Bab el-Mandeb Strait, in order to “punish” Israel and its supporters.

The Bab el-Mandeb is located at the southern end of the Red Sea, through which Saudi Arabia, a major oil producer, currently moves four million to six million barrels of oil per day, Robert Yawger, executive director at Mizuho, wrote in a note.

The escalation poses a further obstacle to hopes of a swift end to the crisis, which has effectively shut down the Strait of Hormuz, a vital global supply route for oil and liquefied natural gas. An Axios report said on X on Friday

that Iran had dropped more mines in the strait last week.

Shipping executives meeting in Athens on Monday said any peace deal would need to offer clear rules allowing vessels to resume normal business through the Strait of Hormuz.

Saudi Arabia is likely to cut its official selling prices for crude oil to Asia in July for a second consecutive month, a Reuters survey showed.

Russia’s government, meanwhile, intends to increase fuel supplies from Belarus and tighten oversight over exports of gasoline and diesel to meet domestic fuel demand, the RBC news outlet reported on Monday, citing two sources familiar with the matter. A complete ban on gasoline exports for two months is under discussion, the report said.

US crude stockpiles are expected to have fallen by about 3.6 million barrels in the week ended May 29, according to a preliminary Reuters poll released on Monday, extending the prior week’s draw. Inventories of distillates and gasoline also are likely to have declined, the poll showed. — Reuters

Wall Street ends up on tech gains, US-Iran peace hopes

NEW YORK — Wall Street stocks posted modest gains on Monday as investors watched developments in US-Iran peace negotiations and cheered the unveiling of a new computer chip that promises to bring artificial intelligence (AI) to personal computing.

Tech shares rose 2.5%, boosting the Nasdaq and the S&P 500 to the latest in a series of record closing highs, while the blue-chip Dow closed nominally higher, its gains limited by weakness in all but two of the 11 major S&P 500 sectors.

US President Donald J. Trump said talks with Iran continue. Earlier, Iran’s news agency announced Tehran was halting indirect negotiations with Washington after a new round of strikes threatened to derail diplomatic efforts to end the war, now in its fourth month.

The intensification of hostilities sent crude prices jump-

ing, along with worries over the extent to which a protracted war could accelerate inflation.

Stocks added to their gains after Mr. Trump said no Israeli troops would go into Beirut, citing a call with Israeli Prime Minister Benjamin Netanyahu.

Nvidia rose 6.3% after the company unveiled a new chip that puts AI capabilities directly into personal computers.

The chip is the result of a three-year partnership with Microsoft to “reinvent the PC” for the AI era, Nvidia Chief Executive Officer Jensen Huang said. Microsoft shares added 2.3%.

The reaction among semiconductor stocks was mixed. Qualcomm tumbled 8.8%, while Intel fell 4.7%. But Micron shares breached the \$1,000 mark for the first time, rising 6.6%.

In economic news, US factory activity expanded in May for the

fifth consecutive month as goods-makers navigate tariff and geopolitical crosswinds.

Investors will turn to Friday’s jobs report ahead of Kevin M. Warsh’s debut policy meeting as chairman of the US Federal Reserve this month, amid fears of rising inflation linked to the Iran war that could upend the stock market rally.

The Dow Jones Industrial Average rose 46.42 points, or 0.09%, to 51,078.88, the S&P 500 gained 19.90 points, or 0.26%, to 7,599.96 and the Nasdaq Composite gained 114.19 points, or 0.42%, to 27,086.81.

Of the 11 major sectors in the S&P 500, only technology and energy enjoyed gains, while utilities suffered the largest percentage drop.

Software stocks rebounded from the heavy selling earlier this year on AI disruption fears. Ser-

viceNow and IBM rose 9.2% and 7.6%, respectively. The software services index advanced 4.3%.

Cadence Design Systems added 10.5% after launching an Nvidia-powered AI agent for chip design.

Broadcom’s earnings, due on Wednesday, will be closely parsed in the wake of solid results from Dell last week, which signaled strong AI server demand.

Declining issues outnumbered advancers by a 1.04-to-1 ratio on the NYSE. There were 519 new highs and 144 new lows on the NYSE.

On the Nasdaq, 2,436 stocks rose and 2,403 fell as advancing issues outnumbered decliners by a 1.01-to-1 ratio.

The S&P 500 posted 29 new 52-week highs and 18 new lows while the Nasdaq Composite recorded 122 new highs and 77 new lows. — Reuters

NG debt, from S1/1

Year on year, it jumped by 17.3% from P5.16 trillion in the same period.

The Treasury said the increase was mainly due to the depreciation of the peso as the value of foreign currency-denominated obligations increased by P101.72 billion. Net redemptions amounted to P80 million.

External debt was composed of P3.06 trillion in global bonds and P3 trillion in loans.

The NG’s guaranteed obligations inched up by 0.48% to P383.23 billion as of end-April from P381.41 billion in the previous month.

“The increase was driven by the effect of peso depreciation and third-currency movements on the valuation of external guarantees amounting to P1.25 billion and P620 million, respectively,” the BTR said.

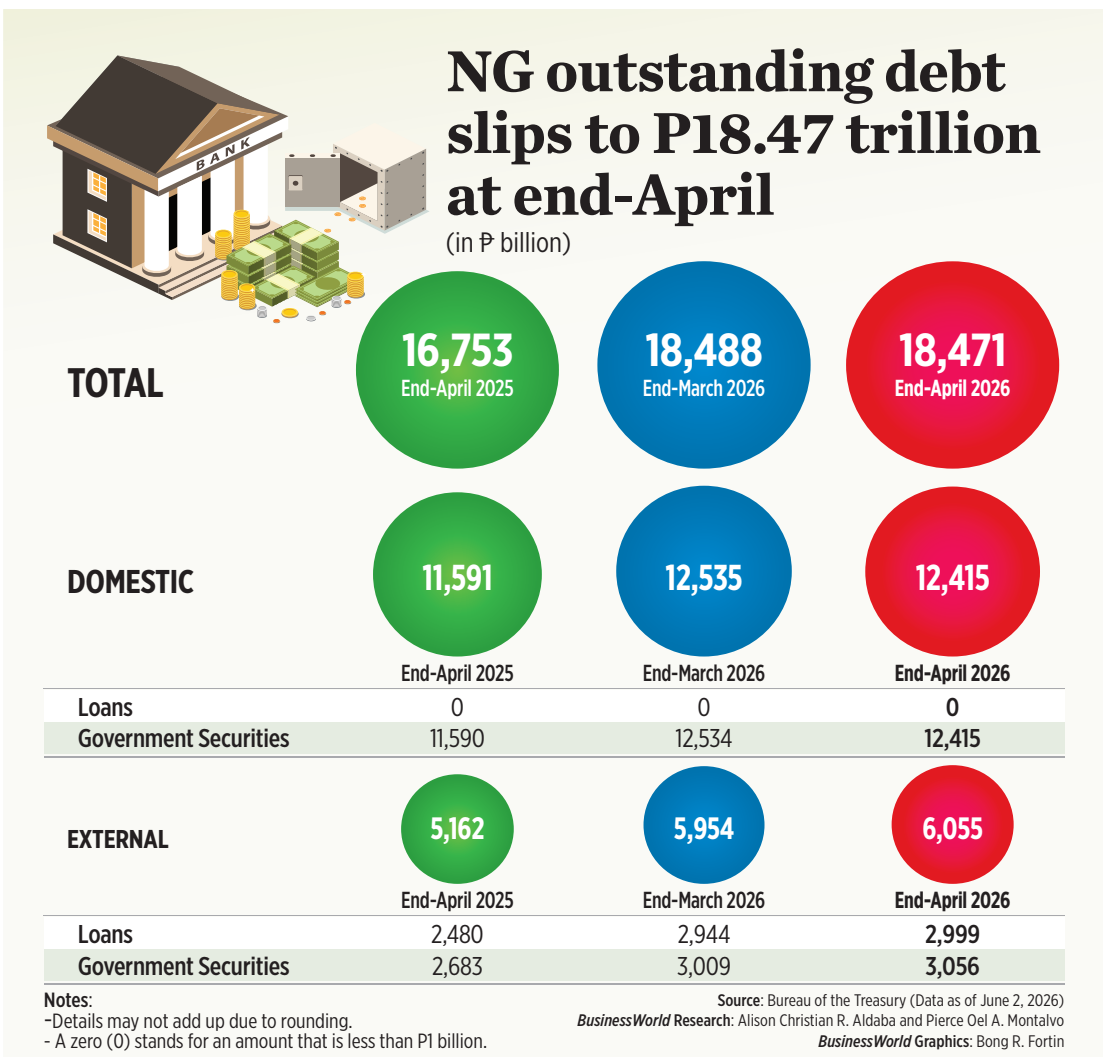
“Meanwhile, repayments made by National Home Mortgage Finance Corp. and National Power Corp. reduced domestic guaranteed operations by P0.05 billion.”

Year on year, guaranteed obligations jumped by 13.53% from P337.54 billion.

The NG’s outstanding debt is projected to reach P19.06 trillion by end-2026 under the Budget of Expenditures and Sources of Financing 2026.

Under the Philippine Development Plan 2023-2028 Midterm Update Results Matrices posted on May 20, the government expects the debt-to-gross domestic product (GDP) ratio at 60-63% in 2026.

In the first quarter, the debt-to-GDP ratio climbed to 65.2%, the highest annual level since 65.7% in 2005.



OUTLOOK

However, the month-on-month decline in outstanding debt may prove temporary as slower economic growth could make it harder for the government to improve revenue collection, according to a former central banker.

“It would be a big challenge for NG to sustain the decline because economic growth is not exactly spectacular. With the slowdown,

higher revenue generation would be a tall order,” GlobalSource Partners Principal Advisor Diwa C. Guinigundo told BusinessWorld.

He added that the government should continue exercising fiscal discipline and improve budget utilization to prevent leakages that could widen the fiscal deficit and add to debt.

Mr. Guinigundo also cautioned against reading too much

into the April decline, noting that monthly debt movements are often driven by scheduled repayments and valuation effects.

“For April, it was reported that there was some net repayment on debt securities as scheduled. The dip, however, was undoubtedly small although higher than the impact of the peso depreciation on the external component of the NG debt,” he added.

Middle East, from S1/1

The Monetary Board hiked benchmark interest rates by 25 bps to 4.5% in April, marking its first tightening in over two years as the Middle East war led to spiraling domestic prices.

BSP Governor Eli M. Remolona, Jr. said last month that they are considering an off-cycle hike before their June 18 meeting amid growing concerns over inflation expectations.

The central bank also said it will take all necessary actions, including stronger measures, to temper inflation and steer it back to their 2%-4% tolerance range.

However, Pantheon Macroeconomics said an aggressive policy stance may be unnecessary if the May inflation print meets the central bank’s projections.

This came after two straight months of misses, as the faster-than-expected transmission of oil shocks on the prices of key commodities pushed the headline print past the BSP’s target and forecasts.

“No such surprise this time will likely mean the most aggressive rate options — an off-cycle hike or 50 bp move — are off the table,” Pantheon Macroeconomics Chief Emerging Asia Economist Miguel Chanco said in a separate note on Tuesday.

The central bank said inflation could come in between 7.1% and 7.9% in May, driven by a weaker peso and costlier rice, vegetables, and meat.

The lower end of the forecast means inflation will be slower

than the over three-year high of 7.2% in April, while the upper end brings inflation to its fastest since February 2023.

For Mr. Chanco, the headline clip will likely settle at 7.5% as the lingering effects of elevated global oil prices continue to weigh on housing and utilities inflation.

A BusinessWorld poll of 16 economists conducted last week yielded a median estimate of 7.9% for May inflation.

The Philippine Statistics Authority is set to release the May inflation report on Friday, June 5.

Still, the BSP’s tightening cycle may be short lived as MUFG analysts expect the central bank to start cutting rates again next year to bolster the economy as oil prices ease.

This as MUFG noted that emerging signs of the government’s catch-up spending may have limited impact on the country’s growth.

In April, government spending climbed by 11.14% year on year to P505.4 billion from P454.8 billion, latest data from the Bureau of the Treasury showed.

“(T)his improvement seems to be driven more by transfers to regional governments rather than spending on projects and so the actual growth impact maybe more limited for now,” it said. “Net-net, we see BSP likely reversing rate hikes in 2027 assuming oil prices decline and given the soft starting point of the economy. — Katherine K. Chan