

FWA DJ Global Commodities Roundup: Market Talk
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The latest Market Talks covering Commodities. Published exclusively on Dow Jones Newswires throughout the day.

1214 ET - Cocoa prices surged above \$8,000 a metric ton on Monday amid reports that Ghana is attempting to limit some cocoa purchases for next season amid significant shortages. Futures are currently 7.4% higher at \$8,257.00 a ton. Prices have eased after reaching a peak of \$11,722 in April, but are up more than 96% this year on supply-side challenges in West Africa, where about 70% of global cocoa is produced. According to a Bloomberg report, Ghana--the world's second largest cocoa-producing country--told buyers it will determine how much of the next crop can be sold as specialty cocoa based on total production, and that the regulator will allocate beans "equitably" among buyers. (giulia.petroni@wsj.com)

1113 ET - Gold prices dipped below the \$2,400 a troy ounce level, weighed by profit taking and the U.S. dollar index regaining some ground. Futures are currently down 0.4% to \$2,389.00 a troy ounce after rising earlier in the session on safe-haven demand after President Joe Biden dropped out of the presidential race. The yellow metal reached \$2,487.4 a troy ounce last week and is still more than 15% higher on the year on growing expectations of a September rate cut by the Federal Reserve--which typically benefit the noninterest bearing metal--heightened geopolitical tensions and political uncertainty in the U.S. (giulia.petroni@wsj.com)

1045 ET - Live cattle rises 0.8% to start the week. Naomi Blohm of Total Farm Marketing says the market will continue to focus on the movement of cutout prices and the overall demand outlook heading towards the Labor Day holiday--the end of the grilling season. Most-active lean hogs are up 1%. (kirk.maltais@wsj.com; @kirkmaltais)

1007 ET - CBOT grains rise early, with short-covering coming into play after the CFTC confirmed minor cuts to large short positions in grains among fund traders. The Friday report showed that through July 16, fund traders held a new short of over 343,000 contracts in corn, 185,750 soybean contracts, and nearly 76,000 contracts of soft red wheat. These large positions make adverse changes in the weather outlook a factor pushing up futures. "The market is in the process of working its way out of its oversold condition and the momentum indicators did turn higher last week giving the bulls a little incentive," says Tomm Pfitzenmaier of Summit Commodity Brokerage in a note. Corn rises 1.7%, soybeans are up 2.5% and wheat climbs 0.5%. (kirk.maltais@wsj.com; @kirkmaltais)

0956 ET - The USDA reports that 133,000 metric tons of corn were sold for delivery to Mexico in the 2024/25 marketing year. Mexico is a major buyer of

U.S. corn, but the sale of GMO corn by the U.S. has been a point of tension, with a dispute active within the framework of the USMCA. CBOT corn is higher early in the session, with the most-active contract up 1.2%. Soybeans rise 1.8%, and wheat climbs 0.2%. (kirk.maltais@wsj.com; @kirkmaltais)

0952 ET - Natural gas futures start the week higher after reports that Freeport LNG resumed shipments after its facility was damaged by Hurricane Beryl. In other LNG news, Australia's Woodside agreed to acquire Tellurian and develop its Driftwood LNG project on the U.S. Gulf coast, while New Fortress Energy reported first production at its Fast LNG facility offshore Altamira, Mexico. "The small-scale facility may only have a maximum capacity of 0.25 Bcf/d--sourced from U.S. natural gas exported south of the border--but delivers a much-needed bullish catalyst for traders seeking a bottom in natural gas pricing," Eli Rubin of EBW Analytics says in a note. Nymex natural gas is up 3.9% at \$2.210/mmBtu. (anthony.harrup@wsj.com)

0922 ET - Oil futures move lower, extending Friday's heavy losses as the Chinese central bank's decision to cut a key interest rate keeps alive concerns about weakening demand. Analysts at ING note upside risks from wildfires in Alberta threatening Canadian supply, and higher geopolitical tensions after Israel conducted a strike on Houthi rebels in Yemen in response to a drone attack in Tel Aviv. WTI for August delivery is off 0.9% at \$79.42 a barrel ahead of today's expiration, and the more active September contract is 0.8% lower at \$77.99 a barrel. Brent is off 0.7% at \$82.03 a barrel. (anthony.harrup@wsj.com)

0736 ET - Oil prices are ticking lower after rising earlier in the trading session on growing concerns over the demand outlook in China and as investors weigh the implications of President Joe Biden dropping out of the U.S. presidential race. Brent crude is down 0.4% at \$82.29 a barrel, while WTI falls 0.5% to \$78.29 a barrel. China's central bank unexpectedly made a flurry of rate cuts in a bid to shore up the economy, but the move doesn't seem to be enough to reassure markets after disappointing economic and crude trade data, according to some analysts. Meanwhile, investors are looking out for further signs that the U.S. rate-cut cycle might start as soon as September, with upcoming GDP and PCE price index data in focus this week. (giulia.petroni@wsj.com)

0604 ET - Palm oil prices ended higher, tracking gains in soybean oil and higher Dalian palm olein prices, said David Ng, a trader at Kuala Lumpur-based proprietary trading company Iceberg X. However, investors are also concerned about rising output in coming weeks due to seasonal patterns, he added. Malaysia's July 1-20 exports of palm oil are estimated to have risen 41% on month, according to cargo surveyor AmSpec Agri. Ng sees support for CPO futures at MYR3,880 and resistance at MYR4,050. The Bursa Malaysia Derivatives contract

for October delivery closed MYR27 higher at MYR3,988 a ton.

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0553 ET - A Donald Trump win in November's U.S. presidential election could have mixed implications for oil and gas markets, according to MUFG's Ehsa Khoman. "Trump aims to reduce inflation by raising U.S. oil production via deregulation, which is price bearish at face value," Khoman says. Yet, such price bearishness could be countered by robust drivers on the demand side--such as higher tariffs and tax cuts--as well as supply pressures with potentially tighter sanctions on Iranian oil and heightened geopolitical uncertainty. Meanwhile, a GOP congressional sweep is seen as bearish for natural gas as it could imply an acceleration in U.S. production and risks of a resurgence of Russian supply in global markets, according to Khoman. (giulia.petroni@wsj.com)

0441 ET - Gold prices are likely to consolidate in the short-term, and the long-term outlook remains bullish, Phillip Nova analyst Priyanka Sachdeva says in a research note. Gold markets are seeking clarity over the Fed's narrative for rate projections, and ceasefire talks in Gaza are also in the spotlight, which has somewhat stripped away the war premium for gold prices, the analyst says. Political uncertainty in the U.S. election after Biden pulled out the race tends to be good for gold's appeal as a safe-haven investment, she says. Investors will be focusing on U.S. PMI, 2Q GDP and June PCE data this week for more clues on the Fed's rate path, the analyst says. Spot gold is 0.1% higher at \$2,403.52/oz. (tracy.qu@wsj.com)

0417 ET - Gold prices are edging higher amid safe-haven demand and a weaker U.S. dollar as markets weigh President Joe Biden's decision to end his reelection bid. Gold futures trade 0.2% higher at \$2,403.60 a troy ounce on Monday after hitting a record high last week on growing bets that the Federal Reserve will start cutting interest rates in September. Investors are turning to the yellow metal as a hedge against market uncertainties following Biden's move and as a softer U.S. dollar tends to make bullion more attractive to buyers of other currencies. Traders' focus this week will be on U.S. GDP figures and PCE price index data for cues on whether price pressures have eased further ahead of the Fed's meeting on July 30-31. (giulia.petroni@wsj.com)

(END) Dow Jones Newswires

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