

FWA DJ Global Energy Roundup: Market Talk

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The latest Market Talks covering Energy markets. Published exclusively on Dow Jones Newswires throughout the day.

1458 ET - US crude futures fall 0.4% to close at \$89.68 a barrel in a muted, tight-range trading session. "Crude prices aren't doing much of anything, slightly down as global growth prospects are feeling the pinch from the resumption of the global bond market selloff," says Edward Moya at Oanda, in a research note. "King dollar will remain a headwind for oil, but that might not last that much longer. Hedge fund bets on oil are getting overcrowded as the latest data shows bullish bets are at the highest levels since February 2022." Investors also leaned bearish after today's Dallas Fed Texas Manufacturing Outlook Survey and Chicago Fed National Activity Index both showed weakness. (dan.molinski@wsj.com)

1433 ET - Canfor continues expanding its presence in Sweden with the acquisition of a sawmill in the Ingarp. Through its 70% owned Vida subsidiary, Canfor, a Canadian forest products company, is acquiring a 50-million board foot sawmill from Ingarp Traskydd for about C\$6 million, and the sawmill has the potential to be expanded to produce 100 million board feet. Canfor has been investing in the Nordic country, and new sawmill marks the continued investment in the area around Vida's sawmills in Hjaltevad and Vimmerby. (adriano.marchese@wsj.com)

1337 ET - Carnival may meet its guidance when it reports earnings this Friday even with fuel prices blowing past prior company estimates, Bank of America analysts said in a note. The cruise line operator has seen fuel prices increase about 21% since it provided guidance for 3Q fuel costs in late June. That spike in prices caused BofA to lower its 3Q EPS estimate to 70c, the low end of its range of 70c to 77c. BofA's analysts think that better yields can offset some of that cost, and note that their own aggregate credit and debit card data for cruise spending and pricing survey has held steady. (adam.cataldo@wsj.com)

1332 ET - As fuel costs pressure airlines' margins, Allegiant Travel is best positioned among ultra-low cost carriers, Raymond James analyst Savanthi Syth says in a research note. She says that Allegiant will likely have less demand pull-back due to higher prices compared to other ultra-low cost carriers such as Frontier and Spirit, as Allegiant has a much greater share of travelers going to second homes. Allegiant 's variable capacity model will also allow the company's earnings to be protected from the pullback relative to peers. Shares of Allegiant and Spirit are little changed, while Frontier stock gains 1%. (ben.glickman@wsj.com; @benglickman)

1248 ET - China's containerized goods trade is up for sluggish growth

mirroring the country's slowing exports, senior ship and port executives told the North Bund Forum meeting in Shanghai over the weekend. "The growth rate of China's import and export containerized goods has slowed, indicating a high probability of entering a 'new normal' characterized by low-speed growth," said Shanghai International Port Group chairman Gu Jinshan. Chinese exports are transforming from clothing and furniture to electric vehicles and solar panels and it will take time before those exports achieve sustainable growth. Cosco shipping vice president Jin Li said he expects a slow recovery in the market as western retailers begin to restock. (costas.paris@wsj.com)

1224 ET - Southwest Gas Holdings' announcement Friday that its utility infrastructure services business had filed for an initial public offering was a surprise to Siebert Williams Shank analysts Christopher Ellinghaus and Ida Wozniak. They say in a research note that the company's strategy is deviating from that of peers, such as MDU Resources, which spun off its construction services business Knife River Corp earlier this year. Still, they say the IPO is exciting given the myriad of potential uses for proceeds. Southwest Gas holdings sink 0.2% to \$62.24. (ben.glickman@wsj.com; @benglickman)

1215 ET - Energy stocks are mostly pushing higher again, with ExxonMobil shares up 1%, shale firm EOG resources up 2.3% and exchange-traded energy sector fund XLE 1.1% higher. "Energy stocks are now reasserting their market leadership after gasoline prices in August rose 10.5% in the CPI and a whopping 20% in the PPI," says Louis Navellier of Navellier & Associates, in a note. "This is due to an acute inventory decline. Furthermore, there is a diesel shortage again, especially in Europe, so the U.S. is exporting more distillates." Navellier says retail fuel costs are also becoming political again "with [nearly] \$4 gasoline prices (\$6 per gallon in California) and soon-to-be 4% unemployment from an 11-month manufacturing recession." (dan.molinski@wsj.com)

1204 ET - European stocks drop amid economic jitters and concerns about the Chinese property sector. The Stoxx Europe 600 falls 0.6%, the FTSE 100 and CAC 40 backtrack about 0.8% and the DAX retreats 1%. Brent crude slips 0.3% to \$91.66 a barrel and metal prices drop. The Dow trades flat. "European markets have had a poor start to the week as concerns around sticky inflation and low growth--stagflation--or recession have served to push yields higher and equity markets lower," CMC Markets analyst Michael Hewson writes. "Worries over the property sector in China aren't helping either after it emerged Chinese property group Evergrande said it was struggling to organize a process to restructure its debt." (philip.waller@wsj.com)

1145 ET - Seasonal hires for the 2023 holiday season are expected to hit their lowest level since 2008, according to outplacement and executive coaching firm Challenger, Gray & Christmas. Amazon, which plans to hire 250,000 holiday

works, is an outlier this year, the firm says, with other retail and transportation companies hiring fewer for the holidays than in 2022. Macy's the United States Postal Service and logistics company Geodis have so far said they plan to hire fewer workers than last year. Challenger projects retailers will add 410,000 seasonal positions, the fewest since the fourth quarter of 2008. (ben.glickman@wsj.com; @benglickman)

1025 ET - Rising energy prices are unlikely to cause US consumer spending and GDP to decline, Goldman Sachs economists say in a note. Oil prices have increased less than in previous rallies and higher energy-sector investment should offset any negative impact from higher costs. The impact on inflation could lead to higher interest rates that would curb growth, but Goldman economists say they "do not expect the recent oil move to de-anchor inflation expectations and in turn force a policy response." (paulo.trevisani@wsj.com; @ptrevisani)

0935 ET - Data released Friday afternoon by oilfield services company Baker Hughes showed an unexpected, large drop in the US land rig-count, but Piper Sandler's Luke Lemoine says a bottoming trend is still on track. "The L48 rig count took a disappointing turn lower after moving higher the previous week," Lemoine says in a note. "Per our rig count, the drop was solely due to mechanical and SCR [silicon controlled rectifier] rigs, and we saw a positive uptick in the super spec rig count." The data showed eight oil-rigs and three natural gas rigs were parked. "All indications are the rig count is still in the process of bottoming," he says. (dan.molinski@wsj.com)

0904 ET - Global gateways like the Port of Shanghai and the Ports of Los Angeles and Long Beach have agreed to support a plan by the industry's biggest carriers to accelerate emissions reductions on a so-called green corridor across the Pacific, the world's busiest shipping route. Carriers including A.P. Moller-Maersk, CMA CGM, COSCO Shipping and Ocean Network Express will deploy reduced or zero lifecycle carbon capable ships on the corridor by 2025, and the ports will support them with dedicated terminals for green refuelling and other services. Big retailers like Amazon and Walmart will be using the green corridor to move some of their imports from China, and will pay a premium in freight rates for the service.(costas.paris@wsj.com)

(END) Dow Jones Newswires

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