

## Oil tumbles to 2-week low on Ukraine talks

Oil prices extended losses on Tuesday, sliding to a two-week low as ceasefire talks between Russia and Ukraine eased fears of further supply disruptions and surging COVID-19 cases in China fueled concerns about slower demand.

Brent futures dropped \$4.74, or 4.4%, to \$102.16 a barrel by 0445 GMT after tumbling by more than \$6 to \$100.05 earlier in the session.

U.S. West Texas Intermediate (WTI) crude fell below \$100 level for the first time since March 1, dropping \$4.58, or 4.2%, to \$98.43 a barrel. It fell to as low as \$96.70 earlier in the session.

Both benchmarks declined by more than 5% the previous day, with Brent sliding 5.1% and WTI skidding 5.8%.

"Expectations of positive developments in the Russia-Ukraine ceasefire talks bolstered hopes to ease tightness in the global crude market," said Toshitaka Tazawa, an analyst at Fujitomi Securities Co Ltd.

China posted a steep jump in daily COVID-19 infections on Tuesday, with new cases more than doubling from a day earlier to a two-year high as a virus outbreak expanded rapidly in the country's northeast.

Further talks between Ukrainian and Russian negotiators to ease the crisis were expected on Tuesday after discussions on Monday via video ended with no new progress announced.

U.S. President Joe Biden is expected to travel to Brussels next week to meet with NATO leaders to discuss Russia's war in Ukraine, U.S. and foreign sources familiar with the situation said on Monday.

The United States has warned China against providing military or financial help to Moscow. But India may take up a Russian offer to buy crude oil and other commodities at a discount, two Indian officials said, in a sign that Delhi wants to keep its key trading partner on board.

"Even if there is a ceasefire, oil prices are expected to remain at high levels as Western attempts to isolate Moscow through sanctions will continue, keeping the global oil market in a tight condition," said Tsuyoshi Ueno, senior economist at NLI Research Institute.

"Still, the recent fall in the oil market comes as some investors unwound their long positions as they became increasingly worried about recent volatility," he said.

Investors cut bullish bets on oil last week as prices surged to multi-year highs, the economic outlook deteriorated, and extreme volatility made derivatives positions more expensive to maintain.

## Gold Down, U.S. Yields Up as Investors Look to Fed Policy Decision

Gold was down on Tuesday morning in Asia, falling to its lowest in more than a week. U.S. Treasury yields surged ahead of a Federal Reserve's policy decision and hopes for progress in talks between Ukraine and Russia further dampened the safe-haven yellow metal's appeal.

Gold futures fell 1.01% to \$1,940.95 by 12:57 PM ET (4:57 AM GMT) after hitting its lowest level since March 4 at \$1,940 earlier in the session.

U.S. Treasury yields soared to two-and-a-half-year highs on Monday, with investors awaiting the Fed's policy decision, which will be handed down on Wednesday. The central bank is expected to hike interest rates for the first time in three years.

**Important Note:** The information found on Ausprime platform is intended only to be informative, is not advice nor a recommendation, nor research, or a record of our trading prices, or an offer of, or solicitation for a transaction in any financial instrument and thus should not be treated as such. The information provided does not include any specific investment objectives, financial situation and needs of any specific person who may receive it. The past performance is not a reliable indicator of future performance and/or results. Past Performance or Forward-looking scenarios are not a guarantee of future performance. Actual results may differ materially from those anticipated in forward-looking or past performance statement