'Argentine grain port blocking trucks from entering, shipments unaffected'

BUENOS AIRES: A key port town in northern Rosario, Argentina's main grains export hub, was blocking trucks from entering town in a bid to stop the spread of coronavirus, though the local export chamber said shipments were not yet unaffected.

The Timbues government announced on its website earlier this week that "all commercial, industrial and port activities" would be suspended in the town beginning Thursday to combat the epidemic. Timbues is one of three main port towns in the Rosario area, along with Puerto General San Martin and San Lorenzo. Together they handle nearly 80% of Argentina's primary and agricultural exports, including soybeans, oil and meal.

"The Timbues terminals are operating normally, but the trucks aren't coming in," Gustavo Idígoras, president of the CIARA-CEC chamber of grain processors, told Reuters. He said the local measures contradicted those issued by the federal government on Thursday, which called for a mandatory quarantine but exempted key agricultural export operations.

Global commodities giants including Cofco and Louis Dreyfus, as well as local companies Oils General Deheza (AGD) and ACA, have their own terminals in Timbues. Many maintain reserves at key terminals so can continue to export even if access to the port is blocked. An Argentine government source who asked not to be identified told Reuters authorities were negotiating with provincial officials to defuse tensions at Timbues. "(The measure) is not justified ... and it's not helping," the source said. Reuters was unable to reach Timbues or regional authorities for comment. The disruptions come at a time when the export season is not yet in full swing. Argentine farmers have just started harvesting corn and the soybean harvest will begin in the coming weeks. **—Reuters**

Best Buy withdraws fiscal 2021 financial guidance

NEW YORK: Best Buy Co Inc said that the company withdrew all financial guidance for fiscal 2021, for both the first quarter and full year, due to increased uncertainty related to the potential impacts of the coronavirus. The retailer said it drew the full amount of its US$1.25 billion revolving credit facility, which was undrawn as of Feb. 1. The company also said it suspended all share repurchases and is shifting to enhanced curbside service only for all of its stores on an interim basis starting from March 22. **—Reuters**

How the Australian bushfires have impacted the country's wine industry

SYDNEY: It is harvest time but Graeme Shaw's prize-winning grapes are being left to rot after a bushfire season that has highlighted the vulnerability of Australia's A$6 billion (S$5.13 billion) a year wine industry to climate change.

"The taste is so bad it is like licking an ashtray," said Shaw, offering grapes from his 85-acre vineyard about 40km from the capital, Canberra. "They've been tainted by smoke, which blew in from fires more than 80km away. We just can't risk our brand by making wine or selling fruit this year."

Shaw Wines is one of at least a dozen Australian winemakers that will not produce a 2020 vintage because of the fires, which have burnt more than 11 million hectares of land, equivalent to the size of Iceland, killed 34 people and spread toxic smoke as far away as New Zealand.

Some growers in the Adelaide Hills, Kangaroo Island and parts of New South Wales were burnt out completely, and many more wineries have discovered their grapes have absorbed compounds from the bushfire smoke, which taints the wine during fermentation.

WeWork: What really deflated the most pumped-up unicorn of all?

Drought, bushfires and extreme weather have long been part of the Australian climate but scientists warn they are becoming more frequent and intense as global temperatures rise. It is a similar story in other popular wine-growing regions, with California, Portugal and Spain all experiencing catastrophic fires in recent years – events that have made the industry think hard about adapting to climate change.

"The fires are sage warnings about what the future will look like unless governments do something about climate change," said Snow Barlow, professor of agricultural science at University of Melbourne. "Grapes are very sensitive to environmental changes, which puts winemakers on the front line of this. We [winemakers] have coped well with one degree of warming but moving to two or three degrees of warming would be very difficult."

"The fires are sage warnings about what the future will look like unless governments do something about climate change. Grapes are very sensitive to environmental changes, which puts winemakers on the front line of this." – Professor Snow Barlow

With fires still burning in parts of Victoria, Prof Barlow estimated one in 10 Australian wine regions had been affected by the fires and smoke, which could reduce the 2020 vintage volume by up to eight per cent. Wine Australia, an industry group, estimated four per cent of the harvest could be lost.

Added to this was the fact that the coronavirus had forced winemakers to cancel marketing events in China, Australia's largest export market worth A$1.28 billion. "This is the most difficult year for the Australian wine industry since the financial crisis, due to bushfires and the coronavirus," said Andreas Clark, chief executive of Wine Australia. Growers and independent winemakers in affected areas – some of which were still reeling from a two-year drought – were hardest hit by the bushfires, Clark said, while the nation's biggest producers Treasury Wine Estates, Accolade Wines and Pernod Ricard Winemakers were still able to source fruit from unaffected regions.

In the longer term, all producers fear the impact of rising temperatures, which could shorten the time it takes to ripen fruit on the vine. This can affect the complexity of wines, increase their alcohol content and put pressure on production capacity at wineries during a compressed harvest season, according to growers. "When my father started making wine half a century ago we would pick Riesling in the first week of May. Now we pick in March or in a warm year even late February," said Tim Kirk, owner of Clonakilla, which will not produce a 2020 vintage because of "smoke taint" from the fires near Canberra.

"This is the most difficult year for the Australian wine industry since the financial crisis, due to bushfires and the coronavirus." – Andreas Clark Clonakilla has invested in more machinery and production capacity to cope with shorter, more compressed harvests and has planted new grape varieties – including Grenache, Mourvedre, and Counoise – to cope with a warmer climate. To cope with scorching temperatures, the vineyard also uses a clay-based spray-on sunscreen to protect its vines and grapes, although this cannot protect the grapes from smoke taint. Other vineyards have also taken action – Brown Brothers teamed up with Australia's science agency CSIRO to develop a new grape variety better suited to the arid conditions in its Victorian vineyards. "There are still challenges ahead for the wine industry due to climate change but it has shown its ability to adapt to changing conditions, collaborate on ground breaking research and embrace new ideas," said Christopher Davies, CSIRO scientist. "This should stand it in good stead." But for now, many are still reeling from the impact of the fires. One of the worst affected wine regions is the Adelaide Hills, where a bushfire in late December ripped through 25,000 hectares of land, which encompasses about a third of its wineries, best known for cool climate Sauvignon Blanc and Chardonnay varieties. Greg Horner, owner of Mt Bera Vineyards, spent three days defending his property from the fire to save vines, which he had already been forced to replant after a devastating fire in 2015. "It was very scary and stressful, but we did it. Unfortunately our pinot noir grapes have been rejected by Treasury Wine Estates due to smoke taint," said Horner. "We are likely to see some growers who lost their vines in the fires exit the industry. It's very expensive to rebuild." "There are still challenges ahead for the wine industry due to climate change but it has shown its ability to adapt to changing conditions, collaborate on ground breaking research and embrace new ideas. This should stand it in good

Hobbled IRS tax agency may need months to put cash into Americans' hands

WASHINGTON: In order to put recession-fighting checks into the hands of millions of Americans, President Donald Trump will rely on a tax agency that has fewer workers, a smaller budget, and the same 1960s-era computer systems it had the last time it was asked to do so. Hollowed out by budget cuts and hobbled by obsolete technology, the U.S. Internal Revenue Service has struggled over the past decade. Audits have dropped and taxpayer service has suffered, agency figures show.

Now Congress and the Trump administration are piling on more work as they scramble to contain the fallout from the coronavirus, which threatens to plunge the world's largest economy into recession. A new law signed by Trump on Wednesday creates tax breaks to underwrite a paid sick-leave benefit for workers. Lawmakers in the Senate were negotiating a plan over the weekend that could provide stimulus payments of more than US$1,000 to millions of U.S. households.

Treasury Secretary Steven Mnuchin said he wants the payments to go out by early April. Experts say it is likely to be a matter of months, not weeks, before those payments arrive. They say the flurry of activity could hurt the IRS's ability to carry out its other routine tasks. "It is the one agency that can do this stuff well. But that's at the harm of everything

else it's supposed to do," said Nina E. Olson, who served as the IRS's National Taxpayer Advocate from 2001 to 2019.

Mnuchin on Friday pushed the tax filing deadline for U.S. businesses and households back to July 15 from April 15. Economists say direct payments are one of the most effective ways to generate economic activity because people who get the money tend to spend it quickly. In 2001, the IRS needed more than six weeks to issue the first rebates authorized by President George W. Bush's tax cut. In 2008, the IRS issued its first payments to fight the Great Recession nearly three months after Bush signed off on them. Since then, the IRS has suffered a decade of austerity. Its budget is now 20per cent smaller when adjusted for inflation than it was in the 2010 fiscal year, according to the advocate's office. Staffing has likewise fallen 20per cent, to 73,550 employees.

The agency has struggled to find staff who can work with the obsolete COBOL language that underpins a computer system first set up in 1968, according to the Government Accountability Office. Now it must figure out how to staff its processing centers at a time when local authorities are urging people to stay home. The agency said on Friday that it is closing its 300-plus in-person assistance centers but would continue to process tax returns and help taxpayers "to the greatest extent possible." —

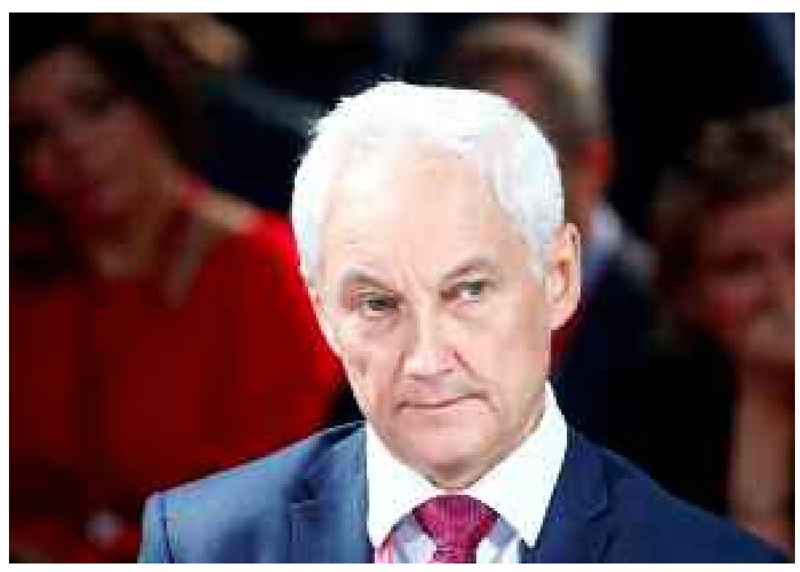
Russia: Gulf nations, not us, to blame for oil prices fall: TASS

MOSCOW: Russia never sought a sharp oil price fall or an end to cooperation with Organization of Petroleum Exporting Countries (OPEC), and the Gulf nations are to blame for the crisis on the global oil markets, a senior Russian official said.

In early March, Russia and OPEC failed to agree how their deal to cut oil production should work: OPEC wanted to deepen the cuts while Moscow proposed extending existing curbs. The disagreement came at a time when global demand was slumping because of the impact of the coronavirus pandemic. Oil prices fell from nearly $50 per barrel on March 6 when the deal collapsed to below $27 on Friday, as Saudi Arabia, the top OPEC player, and Russia, the world's second biggest oil exporter after Riyadh, prepare to open the taps from April 1.

"Russian position was never about triggering an oil prices fall. This is purely our Arab partners initiative," Andrei Belousov, Russian first deputy prime minister, was quoted as saying by TASS late.

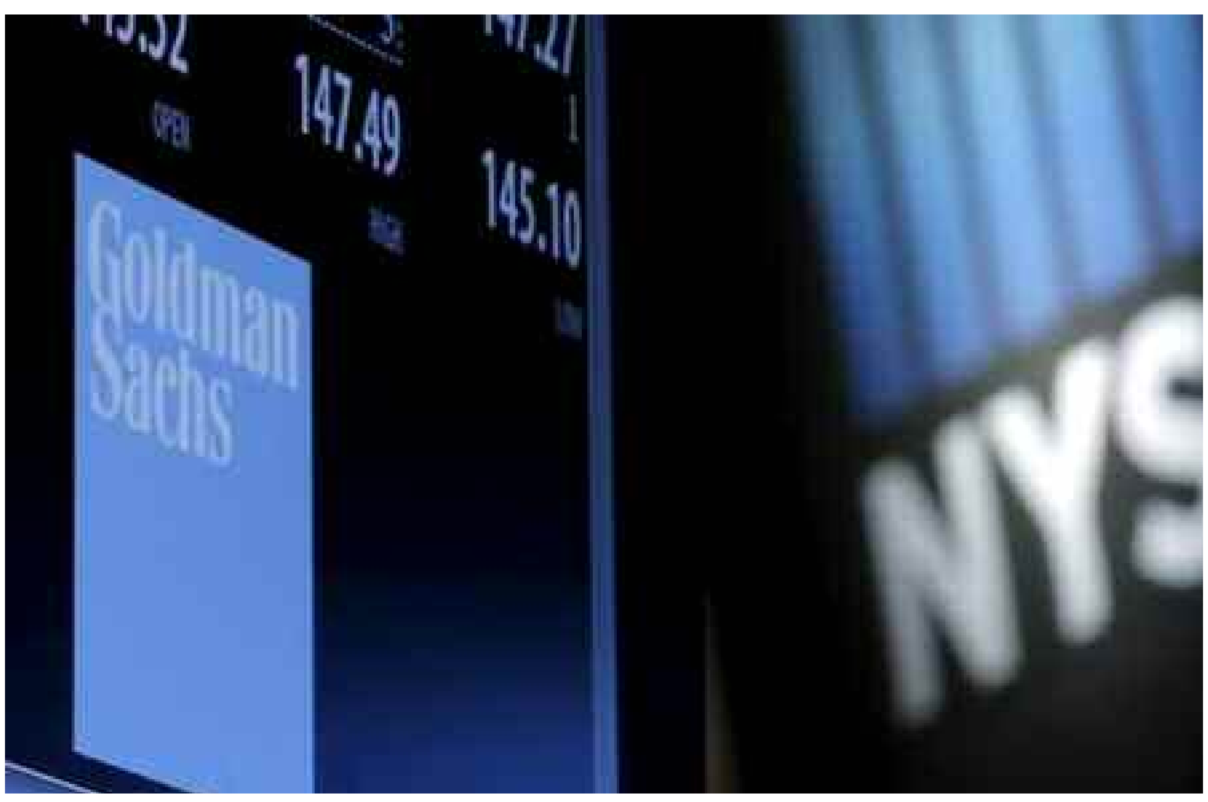
"Even oil companies who are obviously interested to maintain their markets, did not have a stance that the deal (OPEC+) should be dis-



solved." Belousov reiterated that Russia was proposing to extend the existing curbs by at least one more quarter and potentially until the end of 2020. "But (our) Arab partners took a different stance," TASS quoted him as saying. Igor Sechin, head of Russia's top oil producer Rosneft (ROSN.MM), has always opposed the three-year-long deal, saying it allows non-members such as the United States to increase their market share at expense of whose cutting supply. "Is there a point to cut further if other producers will increase?", Sechin was quoted as saying on Friday in his first public comments since the deal fell apart.

Sechin said he believed that global oil prices could return to $60 per barrel by end-2020 if shale oil is forced out of the market. Belousov believes that oil prices will balance at around $35-40 per barrel. **—Reuters**

Goldman injects $1b into own money-market funds after heavy withdrawals



NEW YORK: Goldman Sachs poured more than US$1 billion into two of its prime money-market portfolios this week due to heavy investor withdrawals, according to a filing with the US securities regulator.

The Wall Street bank purchased US$722.4 million in assets from its Goldman Sachs Financial Square Money Market Fund and US$301.2 million from its Goldman Sachs Fund Square Prime Obligations Fund.

Its support came as markets had another violently volatile week over concerns about the coronavirus pandemic, and represents an extraordinary move in the staid money-market fund industry. Goldman, which disclosed the moves on Friday in a filing with the US Securities and Exchange Commission, did not have an immediate comment.

The bank repurchased securities from its two funds on Thursday after investors withdrew a net US$8.1 billion from them during a four-day stretch, according to the disclosure. Industrywide, investors pulled tens of billions of dollars from prime money-market funds, which buy top-rated corporate debt. Although they are among the tamest investment vehicles, they can be riskier than portfolios that rely more on US government bonds. The US Federal Reserve rolled out three emergency credit programs this week to battle a global economic shutdown that has roiled the US$3.8 trillion money-market mutual fund industry. The Fed is in effect encouraging banks to buy assets from those funds, insulating them from having to sell assets at a discount if they come under pressure from households or firms wanting to withdraw money.

Weekly liquidity levels at the nearly US$18 billion Goldman Sachs Fund Square Money Market Fund dropped to 34per cent on Thursday from 43 per cent on Monday. SEC rules on weekly liquidity dictate that funds have to keep at least 30per cent of their portfolios in securities that can be converted to cash in five business days. During that four-day stretch, investors made US$6.84 billion in net withdrawals from the fund, Goldman disclosures show.

Goldman's support is unusual, but it does not stand alone in supporting its funds during the coronavirus panic. Bank of New York Mellon Corp also stepped in twice this week with a total of US$2.1 billion to prop up Dreyfus Cash Management. That US$10.5 billion portfolio was also hit by heavy investor withdrawals. BNY bought US$1.2 billion from the prime money-market fund on Wednesday and then another US$949 million on Thursday, according to fund disclosures, part of which was first reported by the Financial Times. If a prime fund's weekly liquidity level falls below 30 per cent, SEC rules give its board discretion to introduce redemption fees of up to 2 per cent to slow down investor withdrawals. They can also put up gates for up to 10 business days. Those moves, however, would not be welcomed by investors. That's why fund sponsors like Goldman and BNY Mellon can provide capital support so liquidity levels don't drop below the threshold. Other fund sponsors have stayed more heavily weighted in liquidity. The recent market panic has been reminiscent of what happened in 2008, when money-market fund problems threatened to freeze up global markets. The Reserve Primary Fund, which held Lehman Brothers debt, was overwhelmed by investor redemption requests after the investment bank went bankrupt. The fund's shares fell below US$1 apiece, known as "breaking the buck," and it was forced to liquidate. **—Reuters**