



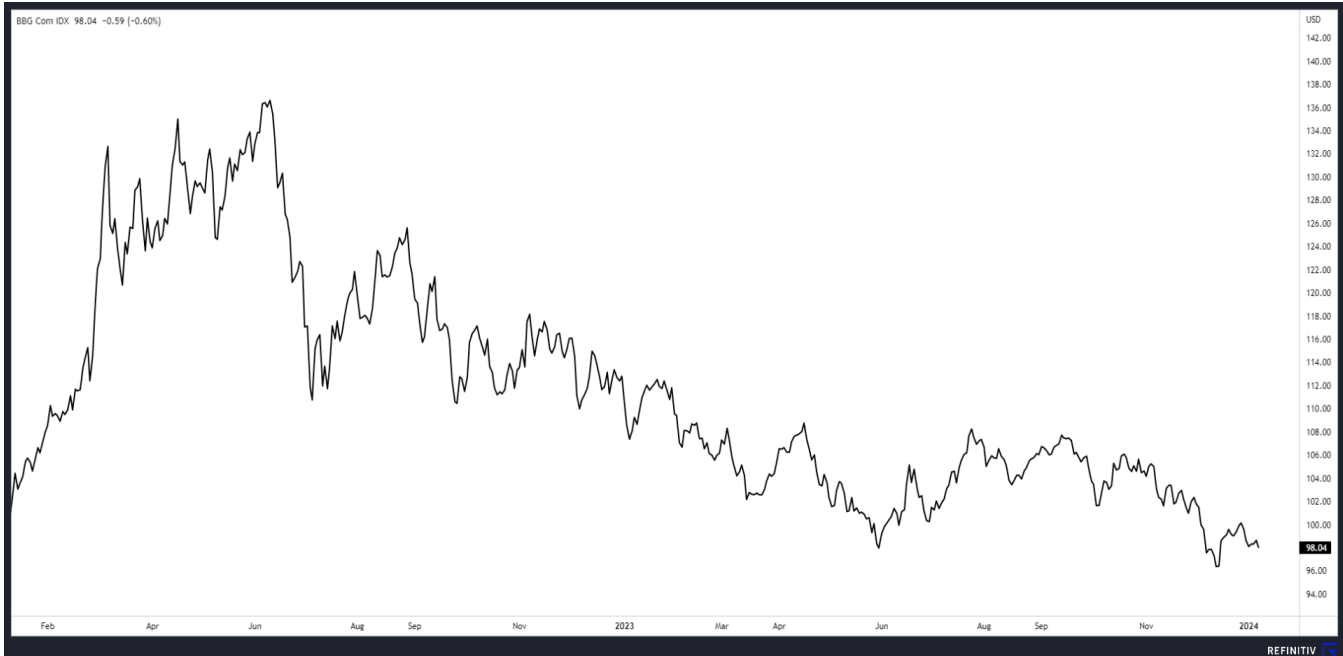
# Commodities Weekly

Issue 01-2024

Date: 08 Jan 2024

# Bloomberg Commodity Index

98.04 ▼



**Components (BCOM Index):**

Energy: (WTI Crude Oil, Natural Gas, Brent Crude Oil, Low Sulphur Gas Oil, RBOB Gasoline, ULS Diesel)

Grains: (Corn, Soybeans, Soybean Meal, Chicago Wheat, Soybean Oil, Kansas HRW Wheat)

Industrial Metals: (COMEX Copper, LME Zinc, LME Aluminium, LME Nickel)

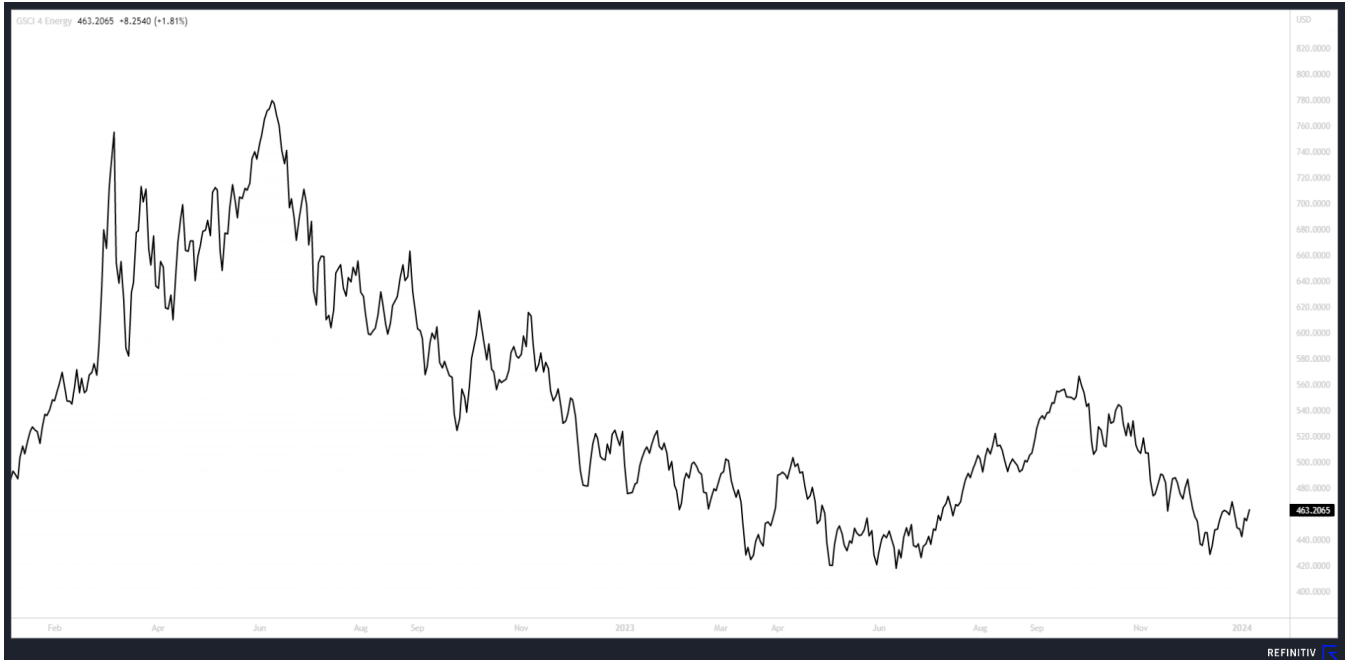
Precious Metals: (Gold, Silver)

Softs: (Sugar, Coffee, Cotton)

Livestock: (Live Cattle, Lean Hogs)

# S&P GSCI

463.2065 ▲



Components of S&P Goldman Sachs Commodity Index (GSCI):  
Energy: (Crude Oil, Natural Gas)  
Grains: (Corn, Soybeans, Wheat)

Precious Metals: (Gold, Silver, Platinum)  
Softs: (Sugar, Coffee, Cotton, Cocoa)

# Weekly Snapshot

**Objective:** Recent increase in commodity import and volatility in global market raised the concern for proper management of commodity prices. BRAC Bank Ltd. has always been highly active in introducing different hedging products as well as informing clients with latest market trends. In light of this we are issuing this commodity update to inform our clients about the latest trend and updates in global commodity market.

Commodity	Unit	Closing Price	% Δ Weekly	% Δ MoM	% Δ YoY	YTD High	YTD Low
<a href="#">Wheat</a>	\$/BSH	<b>616.00</b>	▼ -1.91%	▼ -0.77%	▼ -17.51%	<b>797.50</b>	<b>527.50</b>
<a href="#">Sugar</a>	\$/LBS	<b>21.11</b>	▲ 2.58%	▼ -15.42%	▲ 9.15%	<b>28.14</b>	<b>18.92</b>
<a href="#">Soybean</a>	\$/BSH	<b>1,250.00</b>	▼ -3.40%	▼ -4.29%	▼ -14.79%	<b>1,616.50</b>	<b>1,250.50</b>
<a href="#">Palm Oil</a>	\$/Ton	<b>792.00</b>	▲ -2.09%	▼ -3.85%	▼ -17.45%	<b>945.92</b>	<b>682.77</b>
<a href="#">Cotton</a>	\$/LBS	<b>80.19</b>	▼ -1.00%	▲ 1.92%	▼ -2.89%	<b>90.75</b>	<b>74.77</b>
<a href="#">Brent Crude</a>	\$/BBL	<b>78.76</b>	▲ 2.23%	▲ 2.02%	▲ 0.09%	<b>97.69</b>	<b>70.12</b>
<a href="#">LNG</a>	\$/MMBTU	<b>11.20</b>	▼ -4.27%	▼ -27.74%	▼ -55.20%	<b>25.00</b>	<b>9.00</b>
<a href="#">Steel</a>	\$/Ton	<b>1,090.00</b>	▼ -3.96%	▲ 6.03%	▲ 50.34%	<b>1,200.00</b>	<b>685.00</b>
<a href="#">SHFE Zinc</a>	\$/Ton	<b>2,974.49</b>	▼ -1.43%	▲ 2.81%	▼ -13.59%	<b>3,428.10</b>	<b>2,596.00</b>
Indonesian Coal*	\$/Ton	<b>117.38</b>	0.00%	▼ -16.04%	▼ -61.91%	<b>305.21</b>	<b>123.96</b>
Australian Coal	\$/Ton	<b>329.00</b>	▲ 0.86%	▼ -1.00%	▲ 4.44%	<b>381.00</b>	<b>224.50</b>
Gold	\$/Ozs	<b>2,045.50</b>	▼ -0.83%	▼ -2.47%	▲ 11.58%	<b>2,072.19</b>	<b>1,804.20</b>

\*Price published monthly once by Indonesian Govt

# Wheat

Last Price USc **616.00**/BSH

CBOT wheat futures on Friday finished higher in technical trading and amid follow-through buying from gains during the previous session. The USDA reported [export sales](#) of U.S. 2023/24 wheat in the week ended Dec. 28 at 131,600 metric tons, below a range of analysts' expectations for 150,000 to 450,000 tons. The [dollar](#) [dropped](#) from three-week peaks, making U.S. farm products look more attractive to global importers. CBOT March soft red winter wheat [WH24](#) settled up 2-1/2 cents at \$6.16 per bushel. The contract bounced after falling on Thursday to its lowest price since Dec. 1. The most-active CBOT wheat futures [Wv1](#) fell 1.9% for the week. K.C. March hard red winter wheat [KWH24](#) ended up 2-1/4 cents at \$6.28 a bushel on Friday, while MGEX March spring wheat [MWEH24](#) last traded up 3/4 cent at \$7.12 per bushel.

## Technical:

Wheat advances, but still ends down 1.9% for the week. Next level to watch 663.25.

## Support:

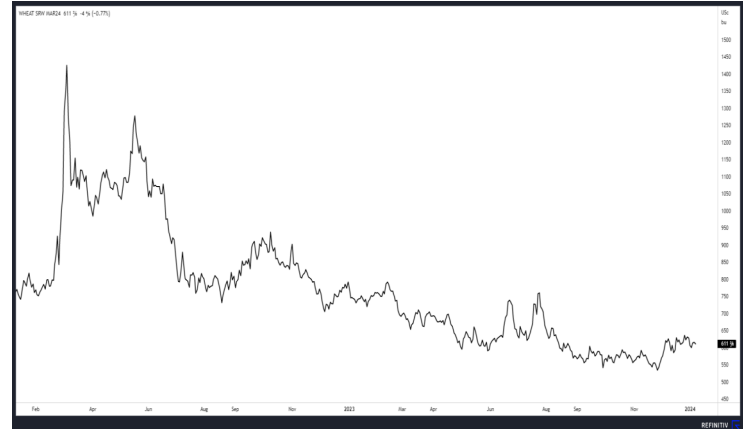
525.00 = Sep 2020 Low

485.75 = Jul 2020 Low

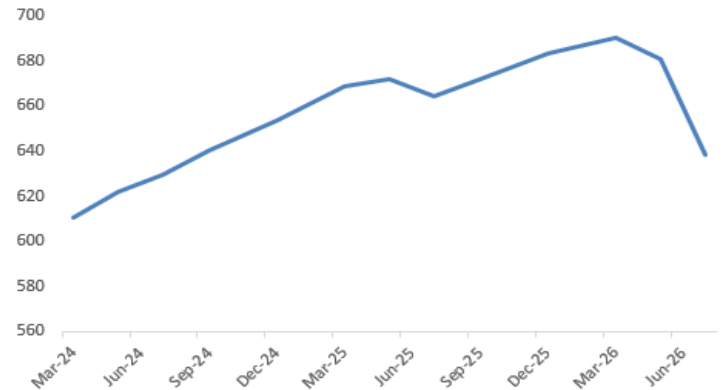
## Resistance:

663.25 = Mar 2021 High

684.00 = Aug 2021 High



## Futures Curve

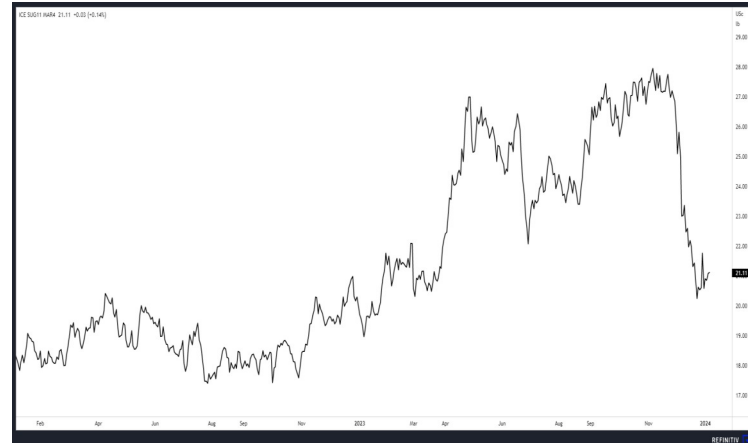


# Sugar

Last Price

USc **21.11**/LBS

March raw sugar [SBc1](#) was little changed at 21.11 cents per lb. It gained 2.5% this week. Market attention had shifted back to better-than-expected production in major exporters Brazil and Thailand, although dry conditions in Brazil could weigh going forward. Brazil exported 75% more sugar in December from a year ago, [the government said](#). [Thailand](#) is expected to produce 8-8.5 million tonnes of sugar in the 2023/24 production year. [China's](#) sugar output in the 2023/24 season is seen at 3.2 million metric tons, down 60,000 metric tons from a year earlier. March white sugar [LSUc1](#) was little changed, at \$607.10 a ton.



## Technical:

Raw sugar records weekly uptrend, next level to watch 22.78.

## Support:

20.50 = Feb 2023 Low

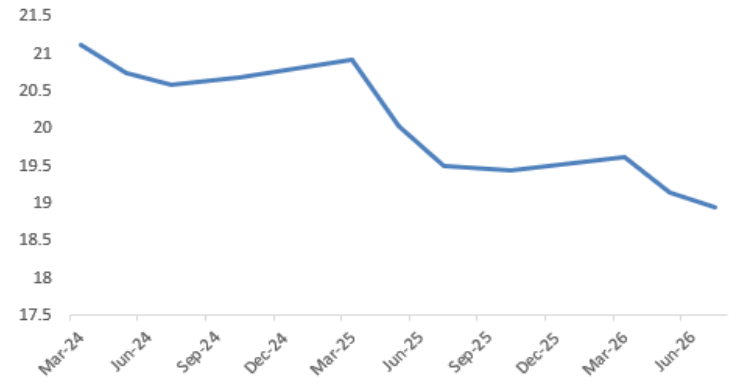
20.04 = Mar 2023 Low

## Resistance:

22.78 = Jul 2023 Low

25.90 = Aug 2023 High

## Futures Curve



# Soybean

Last Price

USc **1,250.00**/BSH

CBOT soybean futures settled lower on Friday after favorable rains in top-exporter Brazil pushed prices to their lowest level since June. Brazil's [soy exports](#) are expected to rise in January from a year earlier. Export demand for U.S. soybeans from China, the world's top buyer of the oilseed, looks lackluster. CBOT March soybeans [SH24](#) ended down 11-1/4 cents at \$12.56-1/4 a bushel. The contract earlier touched its lowest price since June 15 at \$12.55. The most-active soybean futures [Sv1](#) lost 3.2% for the week. CBOT March soyoil [BOH24](#) ended down 0.53 cent at 47.63 cents per lb on Friday, while March soymeal [SMH24](#) closed \$6.80 weaker at \$369.4 per short ton.

## Technical:

Soy hits June low, ends down 3.2% on the week, next level to watch 1,398.50.

## Support:

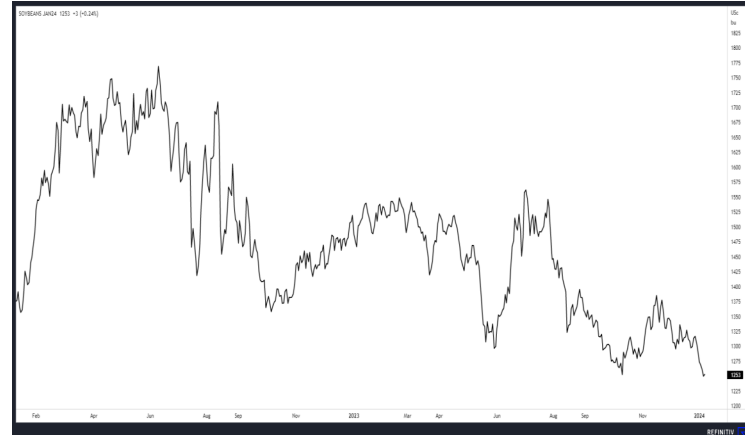
1,216.00 = Dec 2021 Low

1,171.00 = Nov 2021 Low

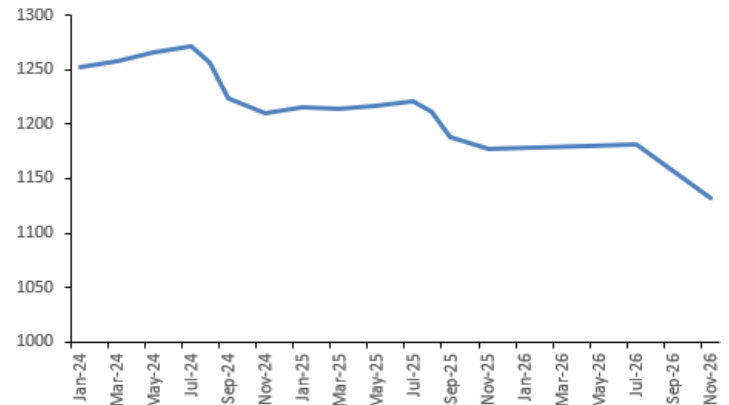
## Resistance:

1,319.00 = Oct 2023 High

1,344.00 = Dec 2023 High



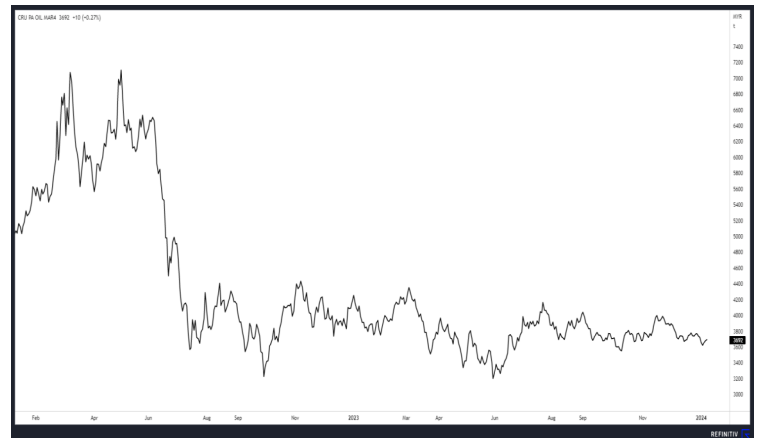
## Futures Curve



# Palm Oil

Last Price USD **792.00**/Ton

Malaysian palm oil futures rose for a second consecutive session on Friday as investors assessed the prospects of production cuts in Malaysia. The benchmark palm oil contract [FCPOc3](#) for March delivery on the Bursa Malaysia Derivatives Exchange was up 12 ringgit, or 0.3%, and last traded at 3,669 ringgit (\$789.54) a metric ton by the midday break. The benchmark contract has fallen 1.3% so far this week and is set to post its second straight week of losses. Malaysia's palm oil inventories by end-December [likely fell further](#), despite shrinking exports, as production declined. MYR weakened 0.3% against the dollar. A weaker ringgit makes palm oil more attractive for foreign currency holders. Palm oil still targets a range of 3,691 ringgit-3,711 ringgit per metric ton as it may have completed a fall from 3,794 ringgit.



**Technical:**

Palm gains on expectations of supply cuts, next level to watch 845.00.

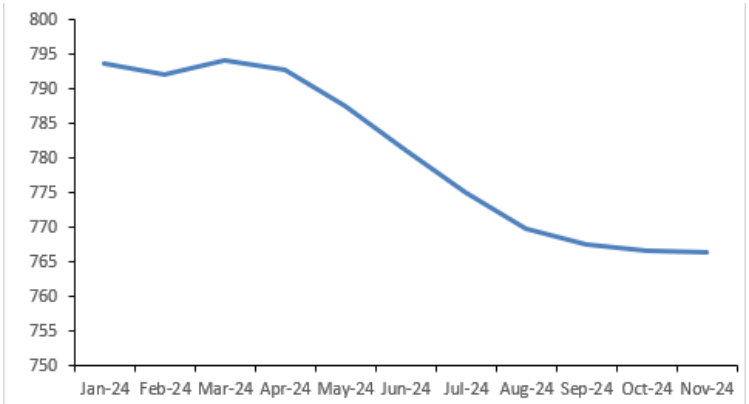
**Support:**

784.86 = Nov 2023 Low  
752.46 = Oct 2023 Low

**Resistance:**

890.80 = Jul 2023 High  
914.06 = Jan 2023 High

## Futures Curve





# Cotton

Last Price

USc **80.19**/LBS

ICE cotton futures held steady on Friday as a lackluster U.S. export sales report offset support from a weaker dollar, while upbeat sentiment on Wall Street also lent support. Cotton contracts for March [CTH4](#) were steady at 80.07 cents per lb at 1622 GMT, after falling to their lowest since Dec. 27 earlier in the session. The contract was down about 1% for the week so far. The USDA's weekly export sales [report](#) showed net sales of 131,100 running bales for 2023/2024, down 65% from the previous week. Exports of 213,200 bales fell 8% from last week. Some upbeat sentiment on Wall Street, where the main indexes [edged higher](#), spilled over into the cotton market. Oil prices [rose](#) by over \$1, making cotton substitute polyester more expensive and lending further support.

## Technical:

Cotton steadies as weak export sales counter weaker USD support. Next level to watch 85.00.

## Support:

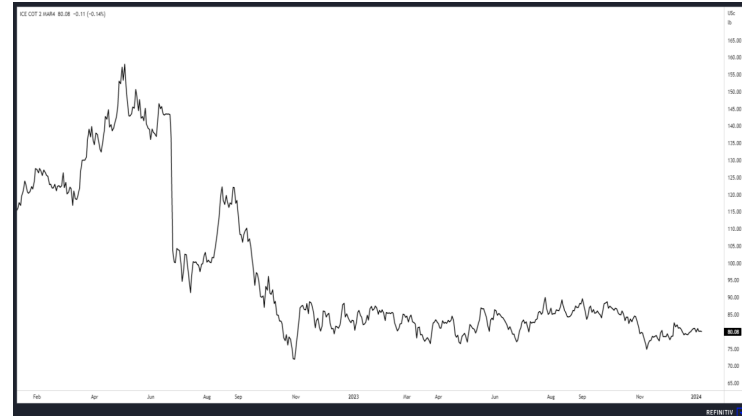
74.77 = Nov 2023 Low

72.00 = Nov 2022 Low

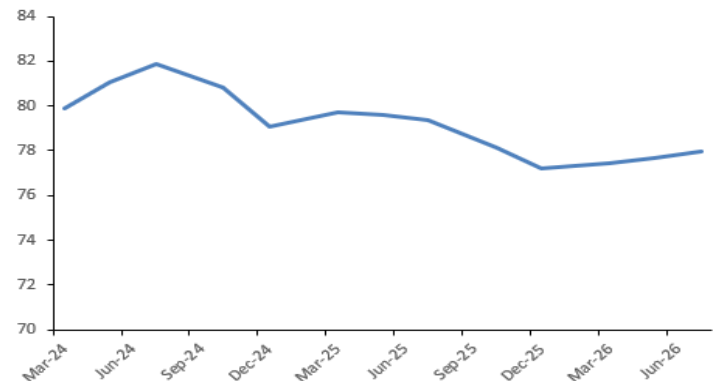
## Resistance:

84.86 = Mar 2023 High

87.16 = Jun 2023 High



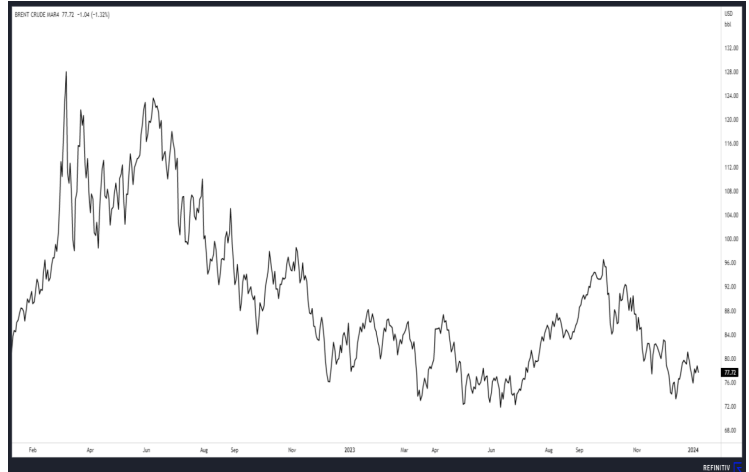
## Futures Curve



# Brent Crude

Last Price USD **78.76**/BBL

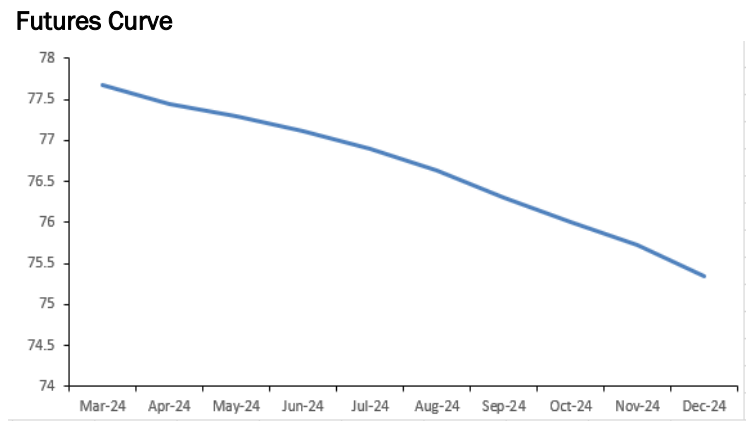
Oil prices settled higher on Friday as U.S. Secretary of State Antony Blinken began a week-long sweep through the Middle East in an attempt to contain regional tensions stoked by the Israel-Hamas conflict. Brent crude futures [LCOc1](#) settled up \$1.17, or 1.51%, at \$78.76 a barrel. U.S. West Texas Intermediate crude futures [CLc1](#) finished up \$1.62, or 2.24%, at \$73.81. Crude rebounded from losses on Thursday triggered by hefty increases in U.S. gasoline and distillate stocks, and both benchmarks ended the first week of the year higher. Crude oil drilling rigs were up by one at 501 while natural gas drilling rigs fell by two to 118.



**Technical:**  
Oil prices settle higher on Middle East tensions, next level to watch 85.00.

**Support:**  
74.56 = Jul 2023 Low  
71.57 = Jun 2023 Low

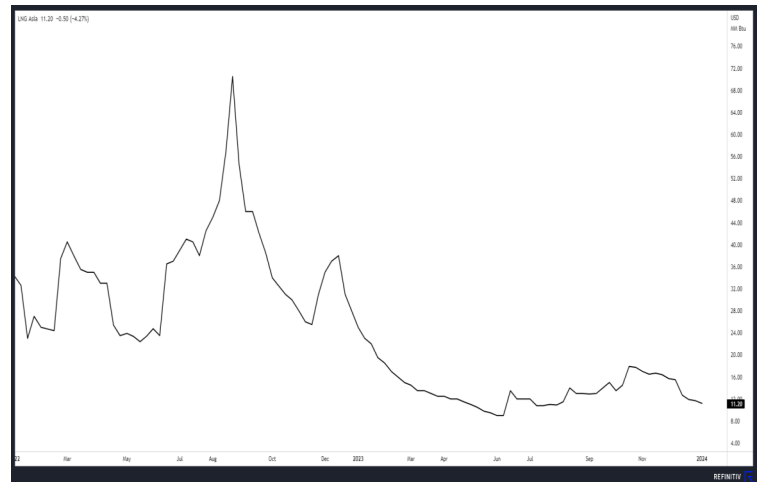
**Resistance:**  
85.80 = Jul 2023 High  
86.95 = Feb 2023 High



# LNG

Last Price USD **11.20**/MMBTU

Asian spot liquefied natural gas (LNG) prices slipped to a five-month low this week, extending losses that began in mid-November as mild winter weather and high inventories curbed demand. The average LNG price for February delivery into north-east Asia [LNG-AS](#) dipped by 4% to \$11.20 per million British thermal units (mmBtu) from \$11.70 last week, its lowest levels since Aug. 4. Asian LNG prices fell by nearly two thirds in 2023 to average at \$17.68/mmBtu, as demand in Asia and Europe was subdued for most of the year. Despite the risk of [attacks](#) on commercial vessels in the Red Sea and [force majeure](#) notifications Novatek sent over future Arctic LNG 2 supplies following U.S. sanctions, Asian prices have seen little upside. LNG stocks held by major power utilities in Japan last stood at 2.49 million metric tons as of Dec. 24, down 0.16 million tons from the previous week.



**Technical:**

Asia LNG prices dip to 5-month low as stocks weigh. Next level to watch 11.00.

**Support:**

10.90 = Aug 2023 Low

9.00 = Jun 2023 High

**Resistance:**

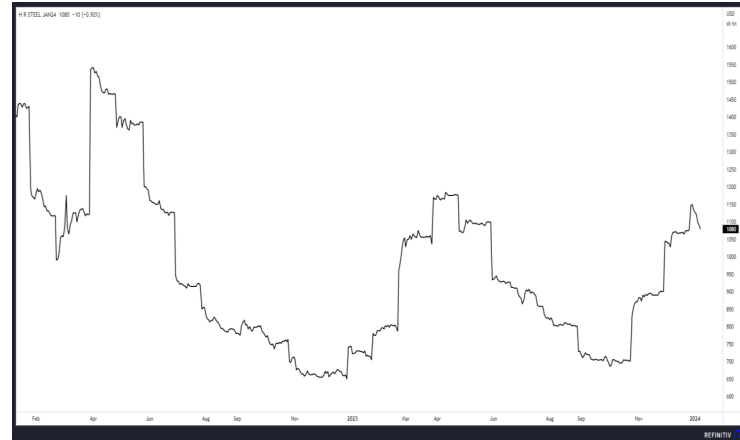
14.50 = Mar 2023 High

15.00 = Feb 2023 Low

# Steel (HRC)

Last Price USD **1,090.00**/ tons

Iron ore prices dropped on Friday, as tepid near-term demand and a higher-than-expected increase in portside inventory in top consumer China undermined investor sentiment and dented buying appetite for the key steelmaking ingredient. The most-traded May iron ore on China's DCE [DCIOcv1](#) ended daytime trading 1.38% lower at 1,000 yuan (\$139.56) a metric ton. It closed the week with a rise of nearly 3%. The benchmark February iron ore [SZZFG4](#) on the Singapore Exchange dropped 1.87% to \$138.5 a ton, as of 0705 GMT, shedding 0.2% for the week. Other steelmaking ingredients also weakened, with coking coal [DJMcv1](#) and coke [DCJcv1](#) on the DCE slumping 4.15% and 3.52%, respectively. Steel benchmarks on the Shanghai Futures Exchange were lower as well. Rebar [SRBcv1](#) dipped 1.39%, hot-rolled coil [SHHCcv1](#) declined 1.71%, wire rod [SWRcv1](#) lost 1.76% and stainless steel [SHSScv1](#) slid 2.19%.



## Technical:

Iron ore slips on weak near term demand, rising portside inventory.  
 Next level to watch 1,070.00.

## Support:

948.00 = Jun 2023 High

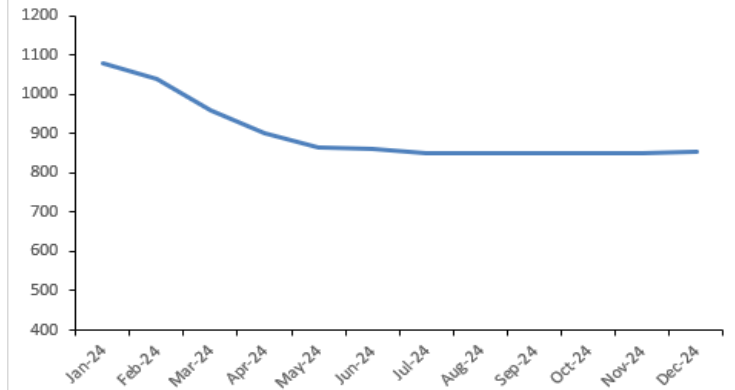
865.00 = Jun 2023 Low

## Resistance:

1,118.00 = May 2023 High

1,181.00 = Mar 2023 High

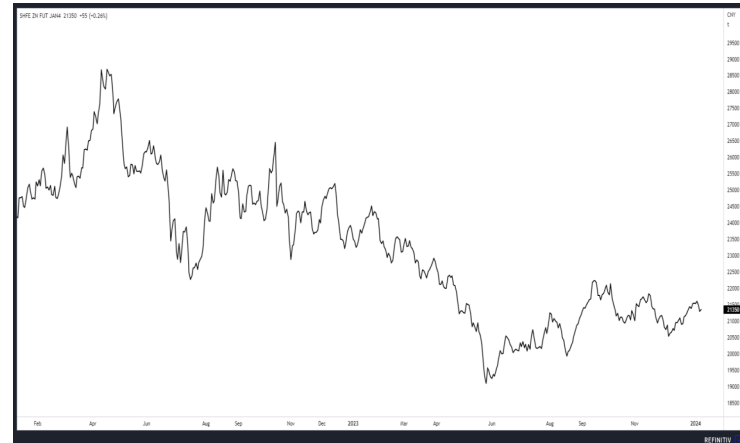
## Futures Curve of SHFE Steel Futures



# SHFE Zinc

Last Price USD **2,974.49**/Tons

Overnight, the most-traded SHFE 2402 zinc contract opened at 21290 yuan/mt and touched a low of 21110 yuan/mt before closing at 21135 yuan/mt, down 295 yuan/mt or 1.38%. Trading volume decreased 46180 to 42,200 lots, and open interest decreased by 2445 lots to 78,600 lots. The import window will reopen and supply tightness will ease. The number of U.S. ADP jobs in December exceeded expectations and recorded 164,000. ADP non-farm data was eye-catching, and the number of initial jobless claims in the United States last week fell more than expected. The market's expectations for the Federal Reserve to cut interest rates have been weakened again.



## Technical:

SHFE Zinc slightly falls since last week, next level to watch 3,056.40.

## Support:

2,883.75 = Oct 2023 Low

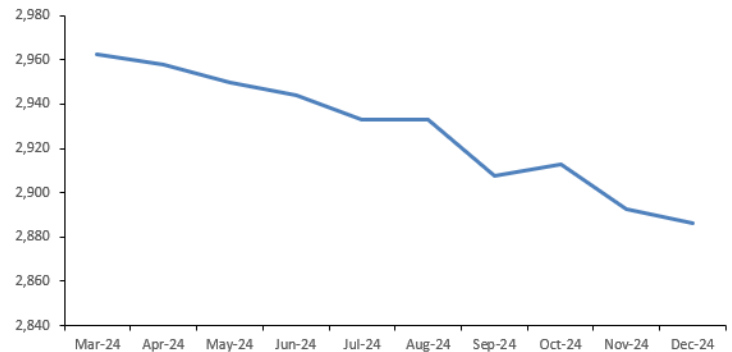
2,779.05 = Jul 2023 Low

## Resistance:

3,056.40 = Nov 2023 High

3,165.26 = Apr 2023 High

## SHFE Zinc Forward Curve



# Contact

Swift: BRAKBDDH, Reuters Dealing Code: "BRAC", Group email: [dealing.room@bracbank.com](mailto:dealing.room@bracbank.com)  
Web: [www.bracbank.com](http://www.bracbank.com)

## **Md. Shaheen Iqbal**

Deputy Managing Director  
Head of Treasury & Financial Institutions  
E-mail: [shaheen.iqbal@bracbank.com](mailto:shaheen.iqbal@bracbank.com)  
Cell: +8801713049433

## **Fouzia Rahman**

Head of Markets, Treasury & Financial Institutions  
E-mail: [fouzia.rahman@bracbank.com](mailto:fouzia.rahman@bracbank.com)  
Cell: +8801713493937

## **Nawshaba Aziz**

Sr. Relationship Manager Corporate Sales & FX,  
Treasury & Financial Institutions  
E-mail: [nawshaba.aziz@bracbank.com](mailto:nawshaba.aziz@bracbank.com)  
Cell: +8801730796810

## **Lailun Nahar Tonny**

Sr. Manager, Treasury & Financial Institutions  
E-mail: [lailunnahar.tonny@bracbank.com](mailto:lailunnahar.tonny@bracbank.com)  
Cell: +8801730796820

## **Mohammad Humayun Rashid**

Sr. Manager, Treasury & Financial Institutions  
E-mail: [humayun.rashid@bracbank.com](mailto:humayun.rashid@bracbank.com)  
Cell: +8801723935623

## **Maruf Hassan**

Manager, Treasury & Financial Institutions  
E-mail: [maruf.hassan29443@bracbank.com](mailto:maruf.hassan29443@bracbank.com)  
Cell: +8801847419487

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