



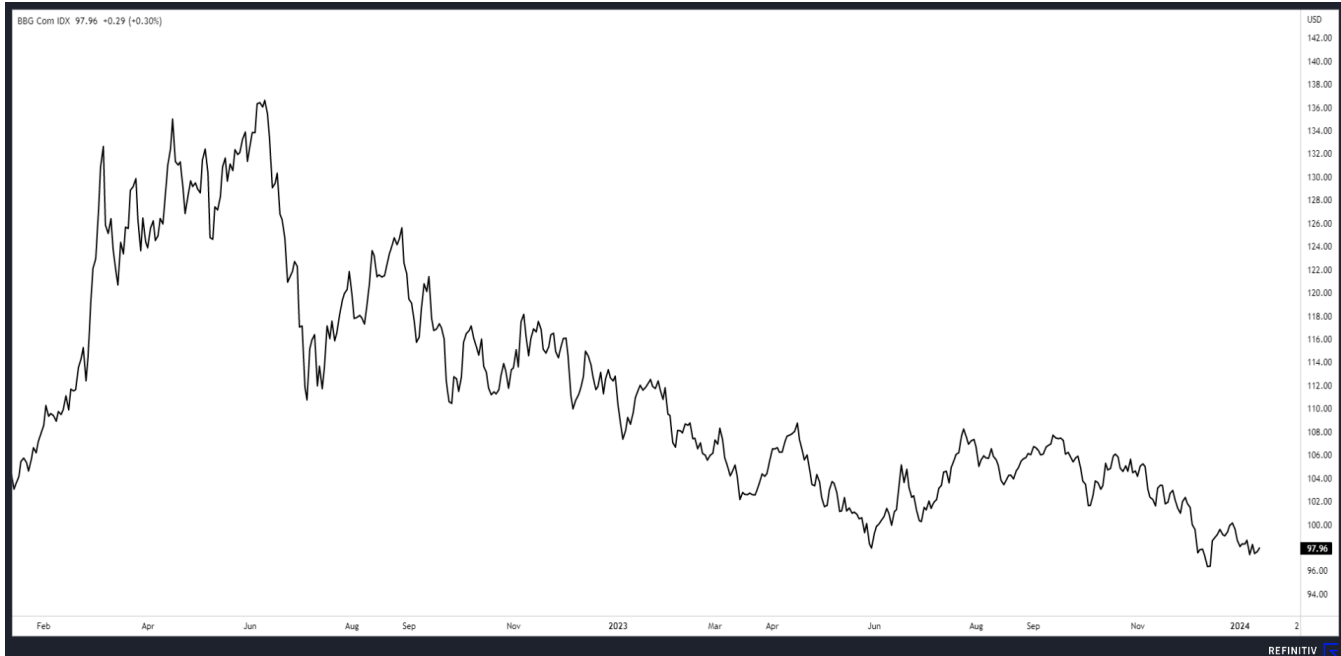
# Commodities Weekly

Issue 02-2024

Date: 14 Jan 2024

# Bloomberg Commodity Index

97.96 ▼



## 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

456.0466 ▼



Components of S&P Goldman Sachs Commodity Index (GSCI):  
Energy: (Crude Oil, Natural Gas)  
Grains: (Corn, Soybeans, Wheat)  
Industrial Metals: (Aluminum, Copper, Zinc, Nickel, Lead)

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

# 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>596.00</b>	▼ -3.25%	▲ 0.34%	▼ -19.87%	<b>628.75</b>	<b>587.25</b>
<a href="#">Sugar</a>	\$/LBS	<b>21.61</b>	▲ 2.37%	▼ -2.57%	▲ 9.53%	<b>21.96</b>	<b>20.60</b>
<a href="#">Soybean</a>	\$/BSH	<b>1,205.75</b>	▼ -3.52%	▼ -8.24%	▼ -21.62%	<b>1,289.50</b>	<b>1,228.75</b>
<a href="#">Palm Oil</a>	\$/Ton	<b>829.71</b>	▲ 4.76%	▲ 3.26%	▼ -7.91%	<b>841.96</b>	<b>784.13</b>
<a href="#">Cotton</a>	\$/LBS	<b>81.31</b>	▲ 1.40%	▲ 0.62%	▼ -1.19%	<b>82.22</b>	<b>79.59</b>
<a href="#">Brent Crude</a>	\$/BBL	<b>78.29</b>	▼ -0.60%	▲ 2.19%	▼ -8.20%	<b>80.75</b>	<b>74.79</b>
<a href="#">LNG</a>	\$/MMBTU	<b>10.10</b>	▼ -9.82%	▼ -20.47%	▼ -56.09%	<b>11.20</b>	<b>10.10</b>
<a href="#">Steel</a>	\$/Ton	<b>1,076.00</b>	▼ -1.28%	▲ 0.75%	▲ 48.41%	<b>1,135.00</b>	<b>1,060.00</b>
<a href="#">SHFE Zinc</a>	\$/Ton	<b>2,951.93</b>	▼ -1.03%	▼ -0.39%	▼ -16.77%	<b>3,027.28</b>	<b>2,943.56</b>
Indonesian Coal*	\$/Ton	<b>117.38</b>	0.00%	▼ -16.04%	▼ -61.91%	<b>305.21</b>	<b>117.38</b>
Australian Coal	\$/Ton	<b>332.00</b>	▲ 0.91%	▼ -0.45%	▲ 8.50%	<b>334.00</b>	<b>327.00</b>
Gold	\$/Ozs	<b>2,048.72</b>	▲ 0.16%	▼ -3.24%	▲ 6.69%	<b>2,078.69</b>	<b>2,013.14</b>

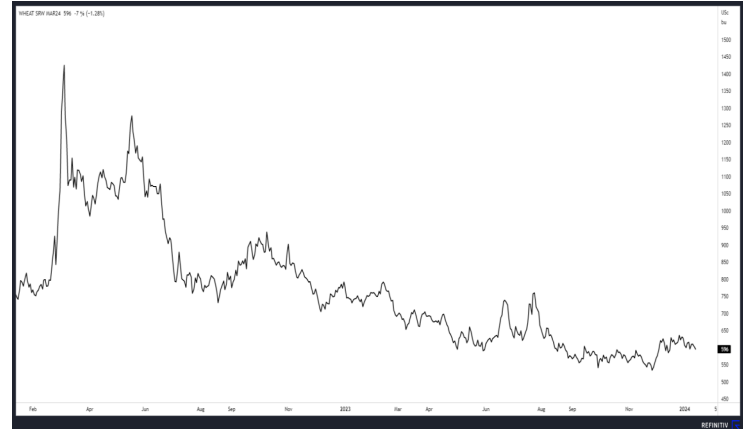
\*Price published monthly once by Indonesian Govt

# Wheat

Last Price

USc **596.00**/BSH

CBOT wheat futures closed lower on Friday, weighed down by pressure in the corn market and a raft of bearish agricultural data from the U.S. Department of Agriculture (USDA). CBOT March wheat [WH24](#) settled down 7-3/4 cents at \$5.96 per bushel. Earlier in the session, it touched down to \$5.87-1/4 a bushel, the lowest since Nov. 30. The most-active wheat contract [Wv1](#) ended the week down about 3.2%. K.C. March hard red winter wheat [KWH24](#) last traded up 2 cents at \$6.18 per bushel, and MGEX March spring wheat [MWEH24](#) last traded 1/2-cent lower at \$6.99-1/2 per bushel.



**Technical:**

Wheat futures fall on bearish USDA agricultural data. Next level to watch 663.25.

**Support:**

525.00 = Sep 2020 Low

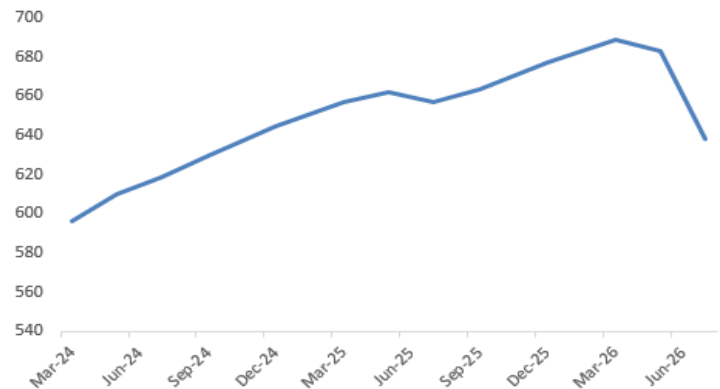
485.75 = Jul 2020 Low

**Resistance:**

663.25 = Mar 2021 High

684.00 = Aug 2021 High

**Futures Curve**

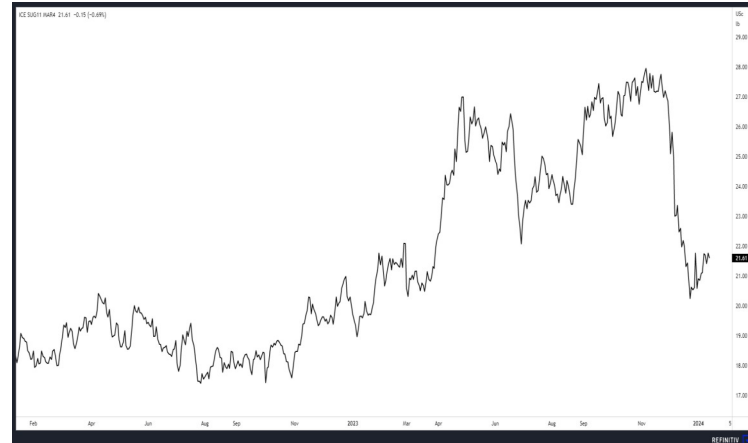


# Sugar

Last Price

USc **21.61**/LBS

March raw sugar [SBc1](#) settled down 0.15 cent, or 0.7%, at 21.61 cents per lb. [Sugar output from Brazil](#)'s top producing region could jump to a record 43.1 million metric tons in 2024/25 despite lower supplies of cane. [U.S. sugar output](#) was revised upwards by the USDA on Friday, as industries reported better results. March white sugar [LSUc1](#) slipped 0.8% at \$618.20 a ton.



## Technical:

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

## Support:

20.50 = Feb 2023 Low

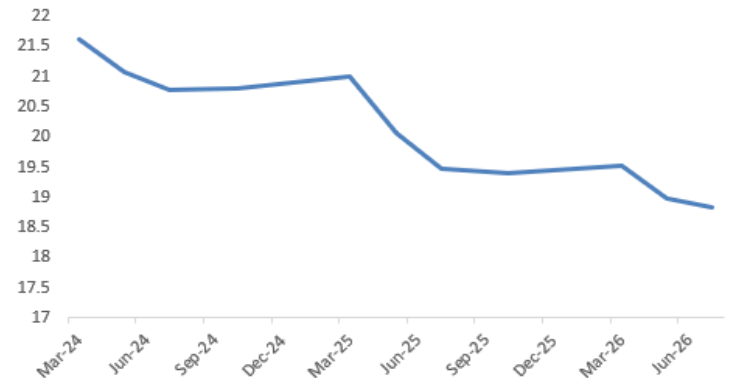
20.04 = Mar 2023 Low

## Resistance:

22.78 = Jul 2023 Low

25.90 = Aug 2023 High

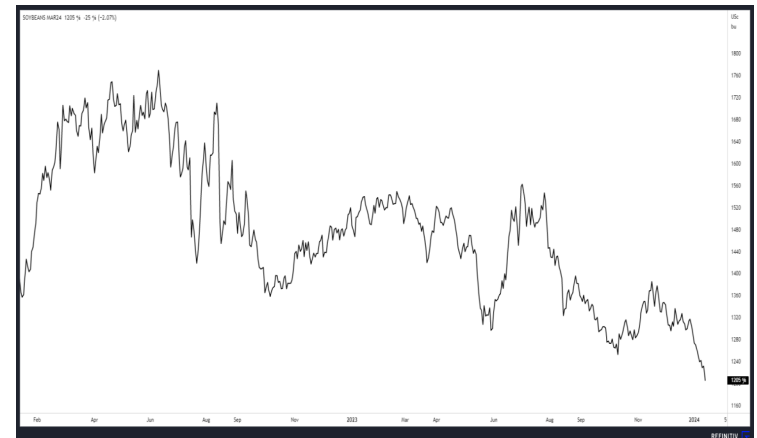
## Futures Curve



# Soybean

Last Price USc **1,205.75**/BSH

CBOT soybean futures fell sharply on Friday, with prices dipping to the lowest seen in 26 months, after the [government reported](#) larger-than-expected Brazilian crops, as well as bigger U.S. yield and production levels for the recently harvested crop. CBOT March soybeans [SH24](#) settled the day down 12-1/4 cents at \$12.24-1/4 a bushel. Earlier in the session, the most-active futures [Sv1](#) touched a low of \$12.03 a bushel, the lowest level since Nov. 9, 2021. It ended the week down about 2.5%. CBOT March soyoil [BOH24](#) ended down 0.47 cent at 48.25 cents per lb. March soymeal [SMH24](#) closed 10-cents lower at \$362.10 per short ton.



**Technical:**

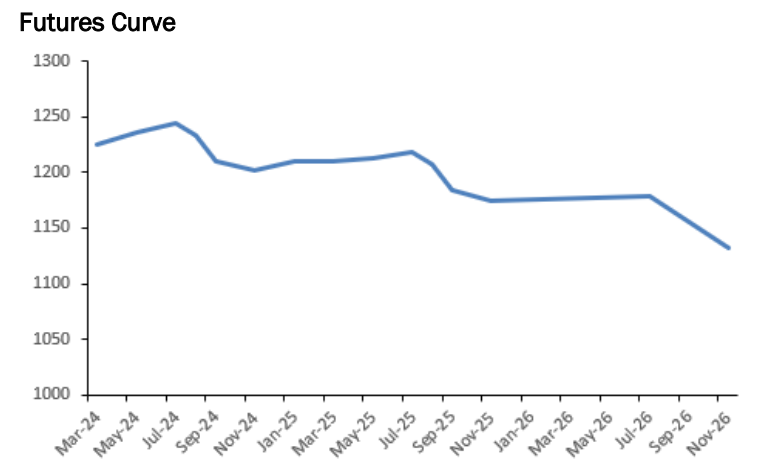
Soybeans slump on bigger US yield larger Brazilian crop, next level to watch 1,398.50.

**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



# Palm Oil

Last Price

USD **829.71**/Ton

Malaysian palm oil futures closed higher on Friday for the seventh straight session, supported by gains in rival oils and lower palm production. The benchmark palm oil contract [FCPOc3](#) for March delivery on the Bursa Malaysia Derivatives Exchange was up 60 ringgit, or 1.58%, at 3,854 ringgit (\$829.71) a metric ton on the closing. The benchmark logged a 4.67% weekly gain, the highest since Dec. 8. Crude palm oil production [plunged 13.31%](#) from November to 1.55 million tons in December, while palm oil exports declined 5.12% to 1.33 million tons. India's palm oil imports surged to their [highest in four months](#) in December, driven by increased purchases of refined palmolein due to competitive prices. Palm oil prices are likely to rise to 4,000 ringgit per metric ton by the third quarter of this year.

## Technical:

Palm ends higher tracking rival oils, posts weekly gains, next level to watch 845.00.

## Support:

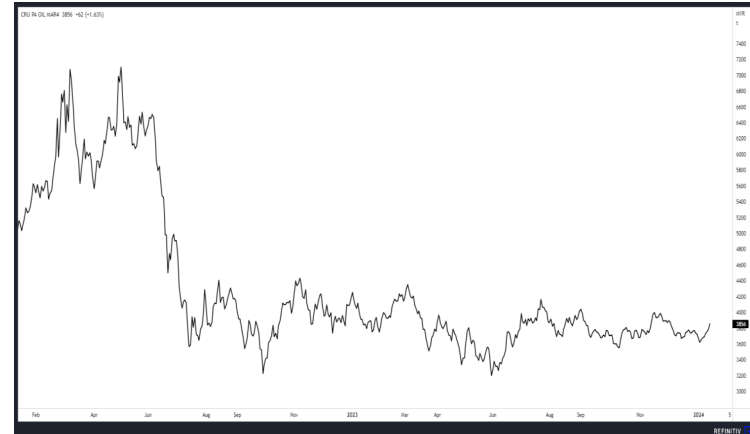
784.86 = Nov 2023 Low

752.46 = Oct 2023 Low

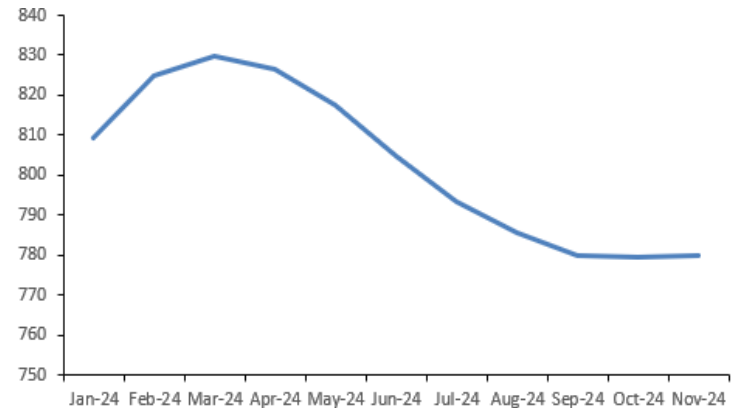
## Resistance:

890.80 = Jul 2023 High

914.06 = Jan 2023 High



## Futures Curve





# Cotton

Last Price

USc **81.31**/LBS

ICE cotton futures pared most of their earlier gains on Friday after the U.S. Department of Agriculture's (USDA) monthly supply-demand report showed lower global consumption as China's estimated output of the natural fibre rose. Cotton contracts for March [CTc1](#) were steady at 81.4 cents per lb by 12:42 p.m. ET (1742 GMT) after climbing as much as 1% earlier in the session. It was up more than 1.5% for the week. This year's first USDA World Agricultural Supply and Demand Estimates (WASDE) report trimmed 2023/24 projections for U.S. production by 342,000 bales to 12.43 million bales and expected U.S. ending stocks to be 200,000 bales lower at 2.9 million bales. Exports have stayed strong above 200,000 bales in the last four reports, hovering close to the marketing-year record of 231,000 bales hit in the week of Dec. 21.

### Technical:

Cotton dips after USDA projects lower world demand. Next level to watch 85.00.

### Support:

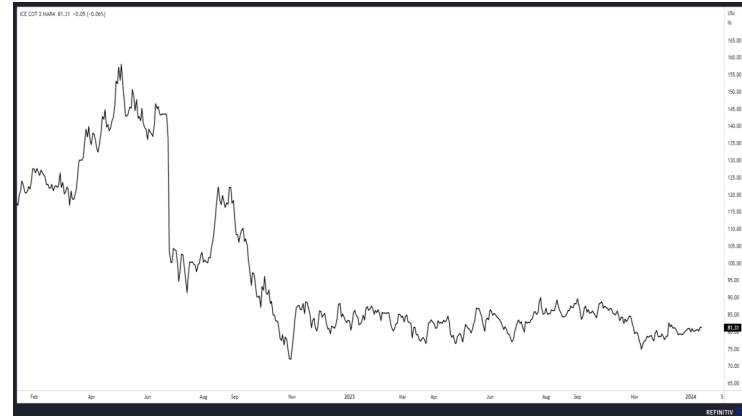
74.77 = Nov 2023 Low

72.00 = Nov 2022 Low

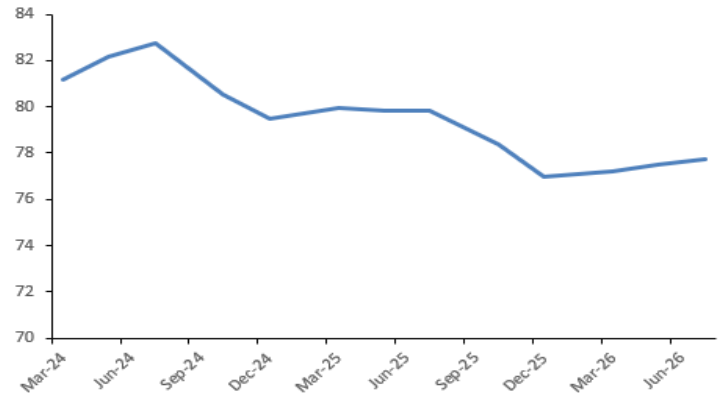
### Resistance:

84.86 = Mar 2023 High

87.16 = Jun 2023 High



### Futures Curve



# Brent Crude

Last Price

USD **78.29**/BBL

Oil rose 1% on Friday as an increasing number of oil tankers [diverted course](#) from the Red Sea following overnight air and sea strikes by the U.S. and Britain on Houthi targets in Yemen after attacks on shipping by the Iran-backed group. Brent crude futures [LCOc1](#) settled 88 cents, or 1.1%, higher at \$78.29 a barrel. The session high was up over \$3 to more than \$80, its highest this year. U.S. West Texas Intermediate crude futures [CLc1](#) climbed 66 cents, or 0.9%, to \$72.68, paring gains after touching a 2024 high of \$75.25. For the week, Brent was down 0.5% and WTI 1.1% lower. Earlier in the week, [sharp price cuts](#) by top exporter Saudi Arabia and a [surprise build](#) in U.S. crude stockpiles spurred supply worries. For the week, Brent was down 0.5% and WTI 1.1% lower. Earlier in the week, [sharp price cuts](#) by top exporter Saudi Arabia and a [surprise build](#) in U.S. crude stockpiles spurred supply worries.

## Technical:

Oil climbs 1% as tankers avoid Red Sea after strikes on Houthis, next level to watch 85.00.

## Support:

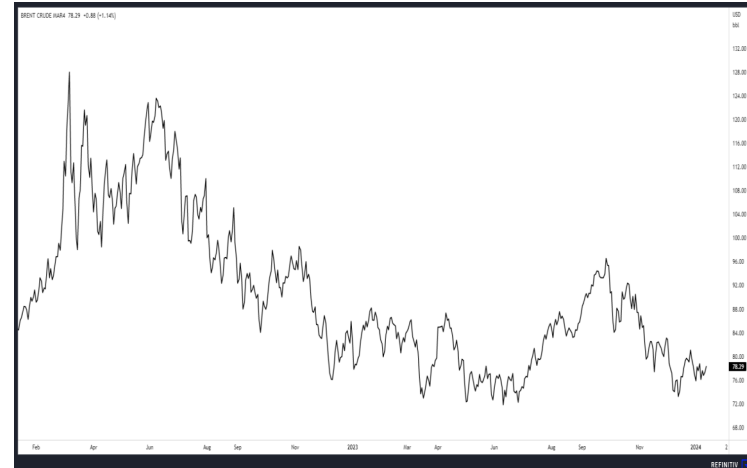
74.56 = Jul 2023 Low

71.57 = Jun 2023 Low

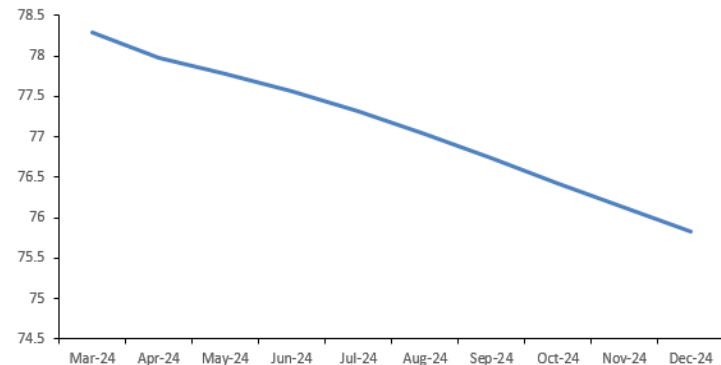
## Resistance:

85.80 = Jul 2023 High

86.95 = Feb 2023 High



## Futures Curve

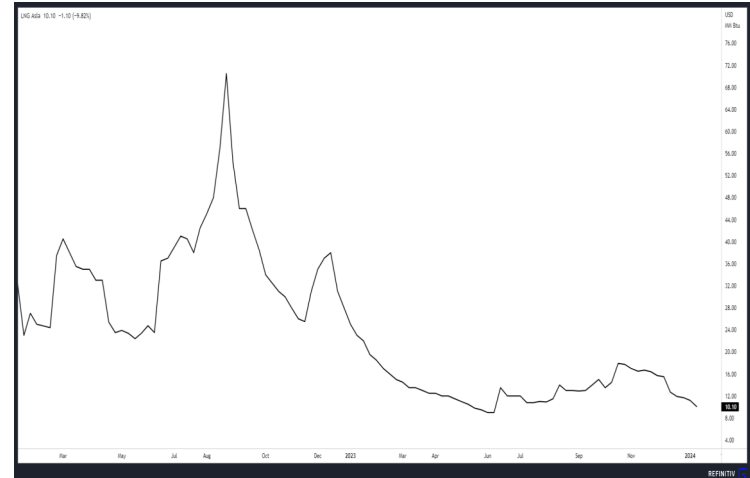


# LNG

Last Price

USD **10.10**/MMBTU

Asian spot liquefied natural gas (LNG) prices slid for an eighth consecutive week to hit their lowest levels in seven months, as healthy storage levels in both Europe and northeast Asia continued to weigh on prices. The average LNG price for February delivery into north-east Asia [LNG-AS](#) dropped nearly 10% to \$10.10 per million British thermal units (mmBtu) from \$11.20 last week, its lowest level since June 9. Lower LNG prices have prompted Asian importers, largely from China and India, to [snap up](#) spot cargoes this week, though Chinese demand may cool around the Lunar New Year holiday period in mid-February. On spot LNG freight rates, Atlantic rates were estimated at \$83,500/day on Friday, while Pacific rates were at \$66,000/day.



## Technical:

Asia LNG prices fall to 7 month low as stocks remain plentiful. Next level to watch 11.00.

## Support:

9.50 = May 2023 Low

9.00 = Jun 2023 Low

## Resistance:

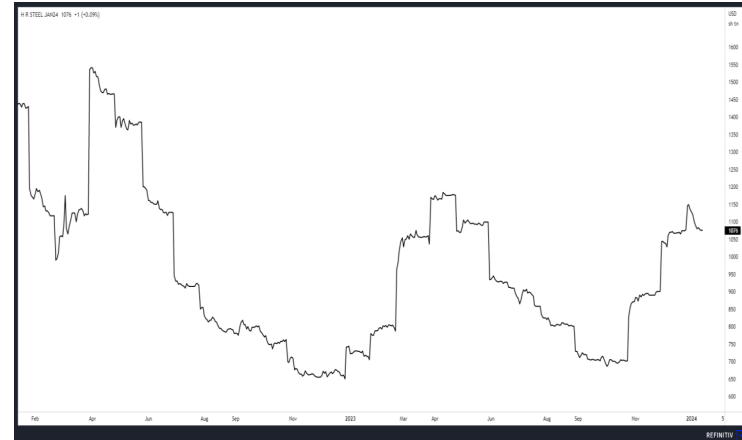
11.70 = Dec 2023 Low

12.90 = Sep 2023 Low

# Steel (HRC)

Last Price USD **1,076.00**/ tons

Iron ore futures slipped on Friday, as the persistently weak economic data in top consumer China dented demand prospects and hampered investor sentiment. Prices of the key steelmaking ingredient were also on track for a weekly fall, despite a [rebound](#) on Thursday on stimulus hopes. The most-traded May iron ore contract on China's Dalian Commodity Exchange (DCE) [DClOcv1](#) ended morning trade flat at 965.5 yuan (\$134.79) a metric ton, ending the week with a 3.8% decline. The benchmark February iron ore [SZZFG4](#) on the Singapore Exchange was down 1.09% at \$132.85 a ton, falling 4.1% week-on-week so far. Other steelmaking ingredients on the DCE posted gains, with coking coal [DJMcv1](#) and coke [DCJcv1](#) up 0.76% and 0.46%, respectively. Rebar [SRBcv1](#) added 0.54%, hot-rolled coil [SHHCcv1](#) rose 0.75%, wire rod [SWRcv1](#) climbed 2.36% and stainless steel [SHSScv1](#) ticked up 0.4%.



## Technical:

Iron ore dips as demand prospects darken on weak China data. Next level to watch 1,070.00.

## Support:

948.00 = Jun 2023 High

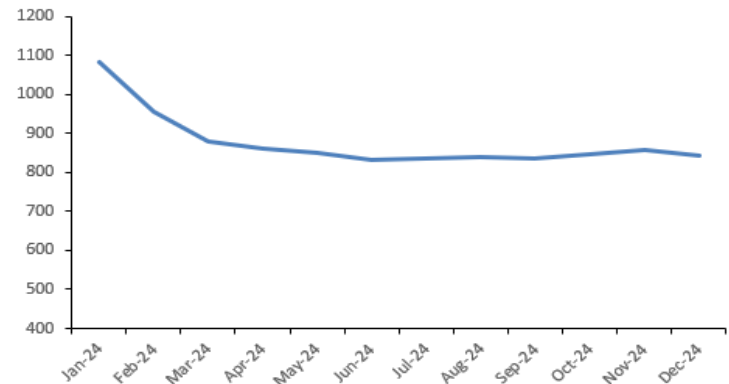
865.00 = Jun 2023 Low

## Resistance:

1,118.00 = May 2023 High

1,181.00 = Mar 2023 High

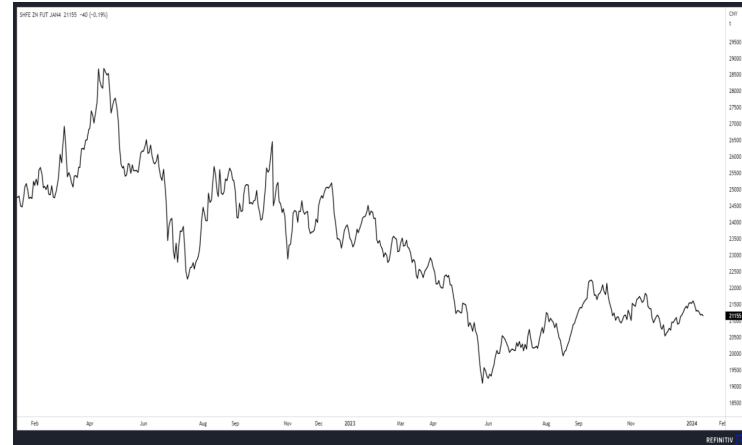
Futures Curve of SHFE Steel Futures



# SHFE Zinc

Last Price USD **2,951.93**/Tons

Overnight, LME zinc prices opened at US\$2,508/ton, with a high of US\$2,532/ton and a low of US\$2498.5/ton. Prices finally closed at US\$2,506/ton, up US\$2.5/ton, or 0.1%. The trading volume decreased by 1,476 lots to 7,507 lots, and the open interest increased by 198 lots to 210,000 lots. LME zinc inventory fell by 1,550 tons to 213,675 tons, a decrease of 0.72%. Federal Reserve officials stated in their speech that they would not prejudge that the United States would cut interest rates in March, further reducing market expectations. Overnight, the most-traded SHFE 2403 zinc contract opened at 21160 yuan/mt and fall to a low of 21050 yuan/mt before closing at 21075 yuan/mt, down 30 yuan/mt or 0.14%. Trading volume decreased to 21415 lots, and open interest increased by 3503 lots to 65076 lots.



## Technical:

SHFE Zinc continues downward move, next level to watch 3,056.40.

## Support:

2,883.75 = Oct 2023 Low

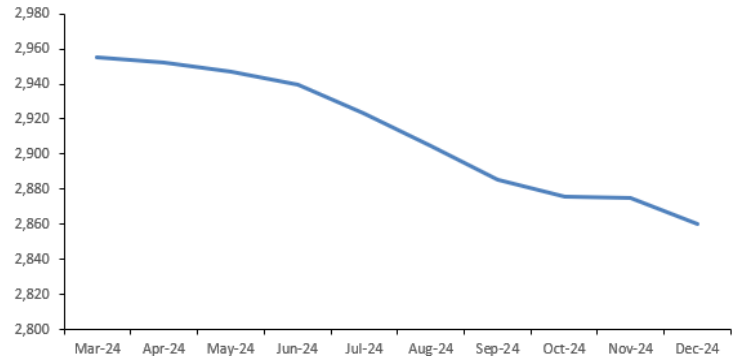
2,779.05 = Jul 2023 Low

## Resistance:

3,056.40 = Nov 2023 High

3,165.26 = Apr 2023 High

## SHFE Zinc Forward Curve



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