



Commodities Weekly

Issue 03-2023

Date: 15 Jan 2023

Bloomberg Commodity Index

111.58▲



Components:

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)

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 Name	Unit	Closing Price	% Δ Weekly	% Δ MoM	% Δ YoY	YTD High	YTD Low
Wheat	\$c/BSH	743.60	▲ 0.03%	▲ 2.11%	▼ 0.40%	794.40	720.40
Sugar	\$c/LBS	19.73	▲ 4.06%	▼ 0.15%	▲ 9.07%	20.04	18.92
Soybean	\$c/BSH	1,538.20	▲ 2.45%	▲ 0.69%	▲ 12.75%	1,541.60	1,462.00
Palm Oil	\$/Ton	884.25	▼ 2.29%	▲ 2.34%	▼ 30.76%	969.00	874.25
Cotton	\$c/LBS	82.29	▼ 3.96%	▲ 0.81%	▼ 29.57%	87.97	80.37
Brent Crude	\$/BBL	85.28	▲ 8.54%	▲ 5.70%	▲ 0.96%	87.00	77.61
LNG	\$/MMBTU	23.00	▼ 8.00%	▼ 37.84%	▼ 29.45%	25.00	23.00
Steel	\$/Ton	725.00	▼ 0.68%	▲ 9.02%	▼ 49.62%	744.00	713.00
LME Zinc	\$/Ton	3,324.00	▲ 9.94%	▲ 10.14%	▼ 5.25%	3,351.50	2,947.00
Gold	\$/Ozs	1,920.21	▲ 2.92%	▲ 6.07%	▲ 5.39%	1,921.81	1,823.60

Wheat

Last Price

USc **743.60**/BSH

Chicago Board of Trade soft red winter (SRW) wheat futures ended mixed on Friday and flat for the week, while K.C. hard red winter (HRW) wheat firmed as the market weighed larger winter seedings against poor U.S. Plains crop conditions. CBOT March soft red winter wheat [WH3](#) settled up 1 cent at \$7.43-3/4 per bushel. After dropping by more than 6% last week, the benchmark contact gained just 1/4 cent this week. K.C. March hard red winter wheat [KWH3](#) ended 8-3/4 cents higher at \$8.43-3/4 per bushel. MGEX March spring wheat [MWEH3](#) last traded 4-3/4 cents lower at \$9.07 -1/2.

Technical:

Wheat futures end mixed, near unchanged in the week. Next level to watch 700.00.

Support:

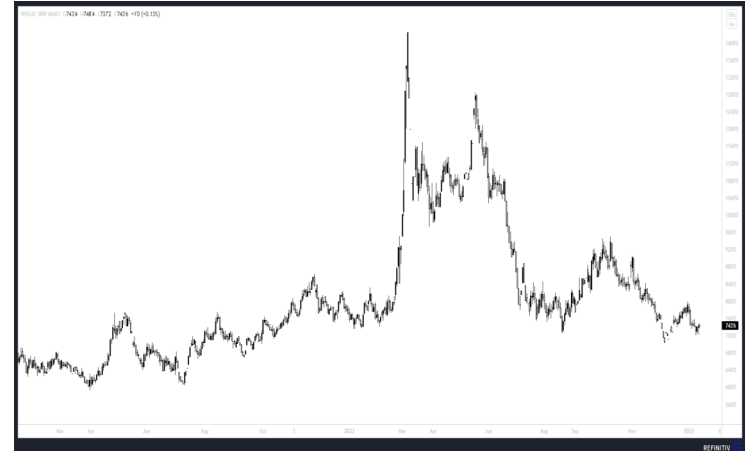
712.60 = Oct 2021 Low

671.40 = Sep 2021 Low

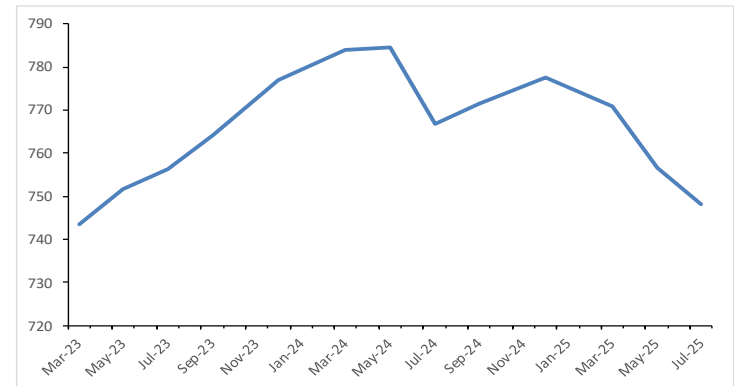
Resistance:

794.40 = Jan 2023 High

831.40 = Jan 2022 High



Futures Curve



Sugar

Last Price

USc **19.73**/LBS

March raw sugar [SBc1](#) settled up 0.14 cent, or 0.7%, at 19.73 cents per lb. The market gained 4% in the week as it continued to derive support from supply tightness which is expected to continue throughout the first quarter. Brazil's Finance Ministry announced a plan late on Thursday to reinstate federal taxes on fuels, but a final decision is up to President Luiz Inacio Lula da Silva. Ethanol could gain market share if taxes are reinstated. March white sugar [LSUc1](#) rose \$8.00, or 1.5%, at \$547.30 a tonne.



Technical:

Sugar regained some early losses, next level to watch 20.00.

Support:

18.92 = Jan 2023 Low

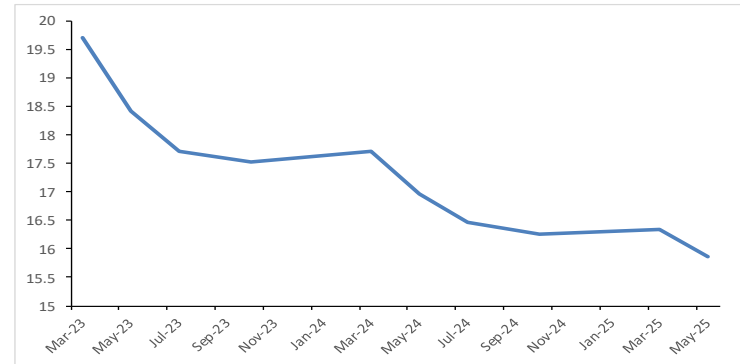
18.30 = May 2022 Low

Resistance:

20.04 = Jan 2023 High

20.48 = Nov 2022 High

Futures Curve

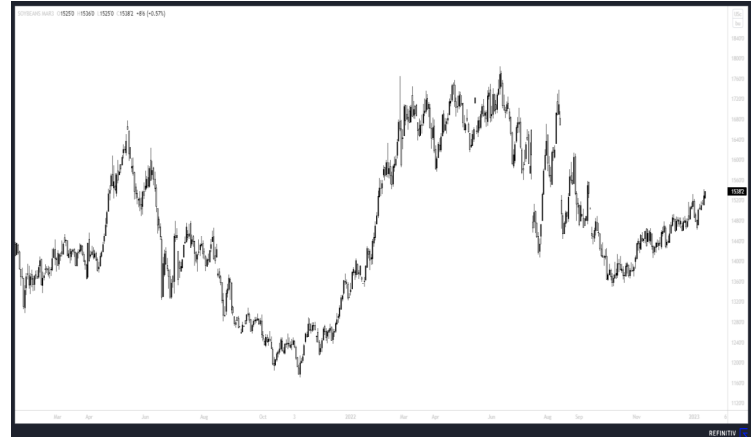


Soybean

Last Price

USc **1,538.20**/BSH

Chicago Board of Trade soybean futures climbed on Friday on follow-through buying after the U.S. Department of Agriculture (USDA) cut its 2022 U.S. crop outlook a day earlier and as Argentina's crop remains stressed by drought. Positioning ahead of the long weekend, with markets closed on Monday for the Martin Luther King Day holiday, supported prices. CBOT March soybeans [SH3](#) settled 9-1/4 cents higher at \$15.27-3/4 per bushel. The contract was up 0.6% in the week. CBOT March soymeal [SMH3](#) ended \$5.00 lower at \$476.30 per short ton. CBOT March soyoil [BOH3](#) settled down 0.19 cents at 63.06 cents per pound. China's [soybean imports](#) jumped 19% in December compared with a year ago, as buyers stocked up on beans to ease tight supplies in the world's top oilseed importer.



Technical:

Soybeans rise on smaller U.S. harvest outlook, Argentina drought, next level to watch 1,560.00.

Support:

1,485.00 = Feb 2022 High

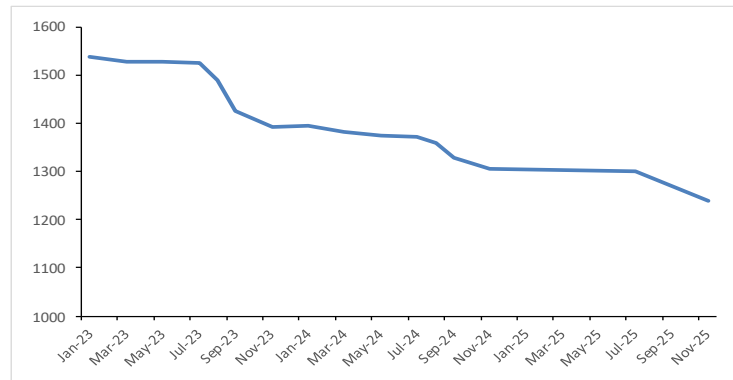
1,443.60 = Aug 2022 High

Resistance:

1,558.25 = Sep 2022 High

1,615.20 = May 2022 Low

Futures Curve



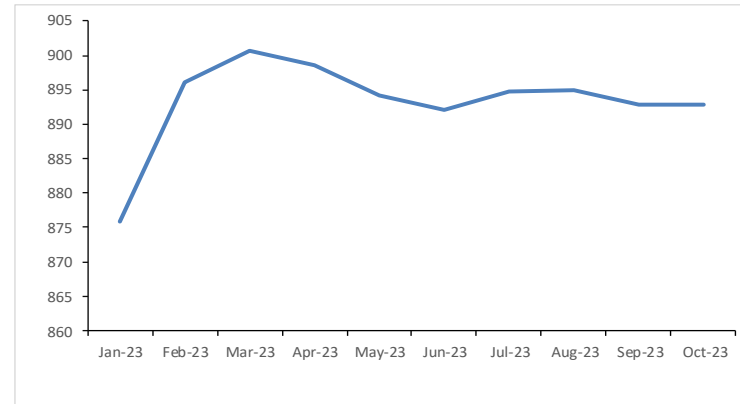
Palm Oil

Last Price **USD 884.25**/Ton

Palm oil futures in Malaysia on Friday logged a second consecutive weekly loss and fell to their lowest levels in three weeks, dented by a stronger ringgit and tepid demand. The benchmark palm oil contract [FCPOc3](#) for March delivery on the Bursa Malaysia Derivatives Exchange slid 69 ringgit, or 1.76%, to 3,842 ringgit (\$886.48) a tonne. For the week, the contract lost 5.2%. Dalian's most-active soyoil contract [DBYcv1](#) dipped 0.02% while its palm oil contract [DCPcv1](#) fell 0.5%. Soyoil prices on the Chicago Board of Trade [BOcv1](#) slipped 0.3%.



Futures Curve



Technical:

Palm oil falls for second week on firmer ringgit, demand woes, next level to watch 850.00.

Support:

856.00 = Jun 2021 Low

822.00 = Jul 2022 Low

Resistance:

950.00 = Dec 2022 High

997.00 = Aug 2022 High

Cotton

Last Price

USc **82.29**/LBS

ICE cotton futures inched up on Friday, but were on track for their worst week in nearly two months after the U.S. Department of Agriculture (USDA) increased forecast for U.S. output and ending stocks in its monthly supply-demand report. The cotton contract for March [C3H3](#) rose 0.18 cent, or about 0.2%, to 82.22 cents per lb, after dropping more than 2% on Thursday. It traded in a range of 81.65 cents to 83.4 cents a lb. The contract was down about 3.4% so far this week. Meanwhile, oil prices rose by a dollar a barrel on Friday, set for their biggest weekly gains since October, as the U.S. dollar dropped to a nine-month low. [O/R](#) Higher oil prices make polyester, a cotton substitute, more expensive.



Technical:

Cotton posted worst week in nearly 2-months ahead of long weekend. Next level to watch 77.00.

Support:

77.65 = Apr 2021 Low

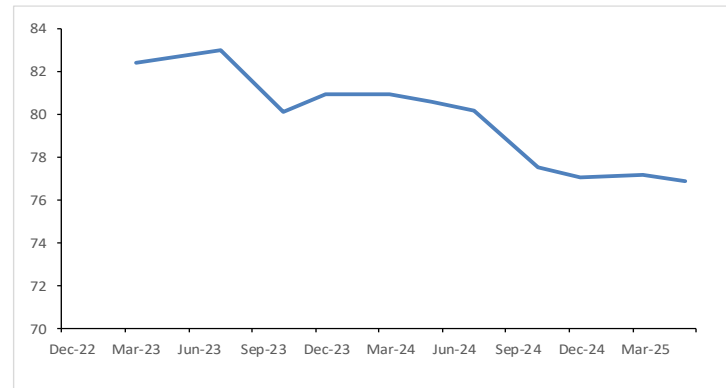
72.00 = Nov 2022 Low

Resistance:

90.85 = Jul 2022 Low

96.14 = Oct 2022 High

Futures Curve

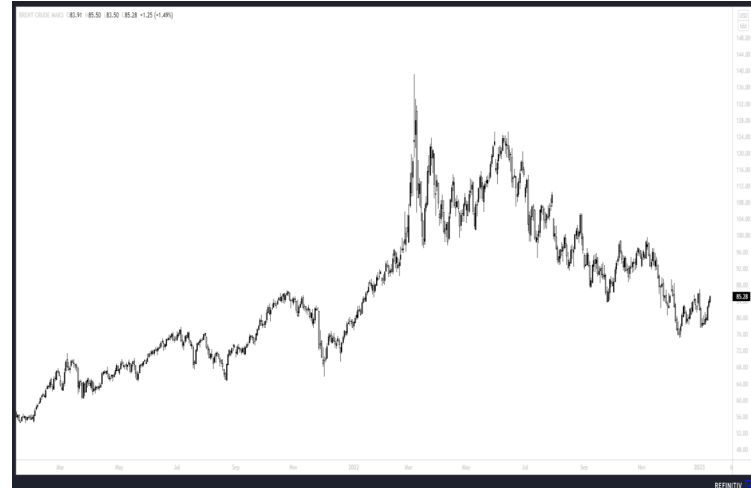


Brent Crude

Last Price

USD **85.28**/BBL

Oil prices settled more than a dollar a barrel higher on Friday, notching their biggest weekly gains since October, as the U.S. dollar dropped to a seven-month low and more indicators pointed toward growing demand from top oil importer China. Brent crude [LC0c1](#) futures settled at \$85.28 a barrel, up by \$1.25, or 1.5%. West Texas Intermediate (WTI) crude [CLc1](#) futures rose for the seventh-straight session to settle at \$79.86 a barrel, up by \$1.47, or 1.9%. Brent gained 8.6% this week, while WTI rose by 8.4%, recouping most of the previous week's losses. The U.S. dollar index [.DXY](#) slumped to the lowest in more than seven months, a day after data showed [inflation fell in December](#) for the first time in 2-1/2 years, feeding hopes the Federal Reserve would slow its rate hikes. OPEC+ had announced a 2-million-barrel-per-day cut to production in October as global oil prices fell under \$90 a barrel.



Technical:

Oil posts biggest weekly gain since October on China hopes, dollar slump, next level to watch 90.00.

Support:

77.61 = Jan 2023 Low

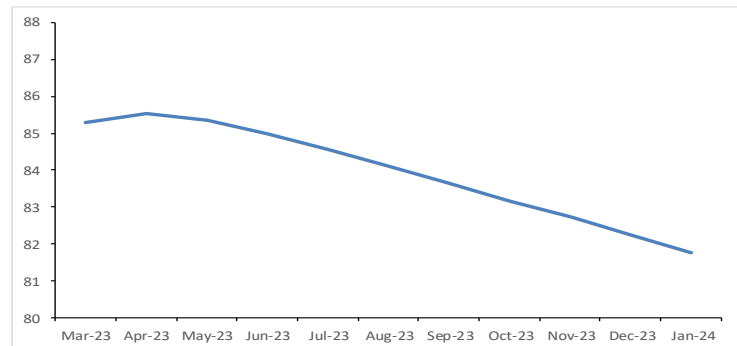
70.22 = Nov 2021 Low

Resistance:

89.37 = Dec 2022 High

92.33 = Nov 2022 Low

Futures Curve

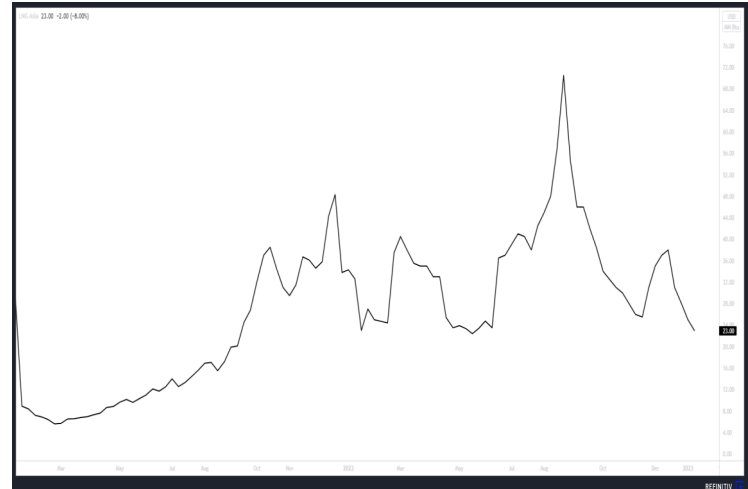


LNG

Last Price

USD **23.00**/MMBTU

Asian spot liquefied natural gas (LNG) prices fell for the fourth week in a row on mild weather and ample inventories, with further downward pressure expected due to the upcoming Lunar New Year holiday. The average LNG price for February delivery into northeast Asia [LNG-AS](#) was \$23 per million British thermal units (mmBtu), down \$2, or 8%, from the previous week. The average price for March delivery is estimated at \$20.60 per mmBtu. S&P Global Commodity Insights (SPGCI) assessed its daily Northwest Europe LNG Marker (NWM) price benchmark, for cargoes delivered in February on ex-ship (DES) basis, at \$19.241/mmBtu on Jan. 12, a discount of \$2.2/mmBtu to the February gas price at the Dutch gas TTF hub. Spark's Atlantic rate on Friday fell by 25% to \$90,000/day while the Pacific rate fell by 17% to \$111,750/day.

**Technical:**

Asia spot prices fall for fourth week running. Next level to watch 19.00.

Support:

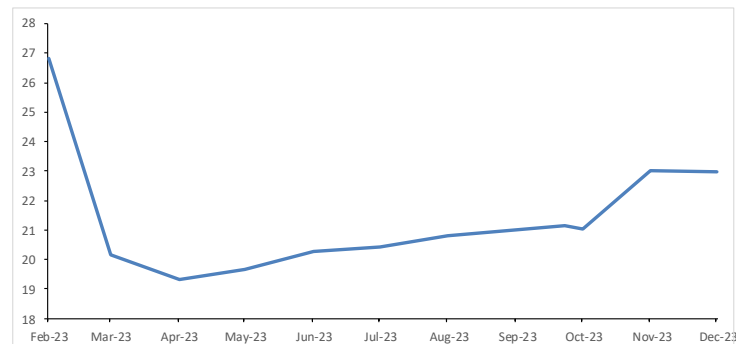
19.90 = Sep 2021 Low

15.50 = Aug 2021 Low

Resistance:

31.00 = Nov 2022 High

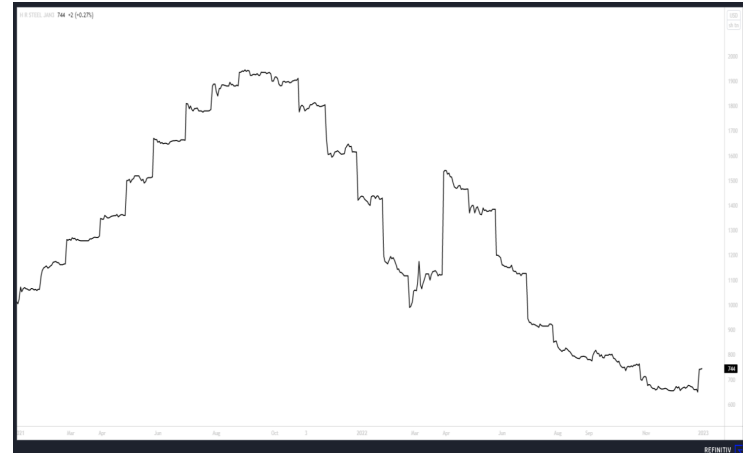
38.00 = Dec 2022 High

Futures Curve

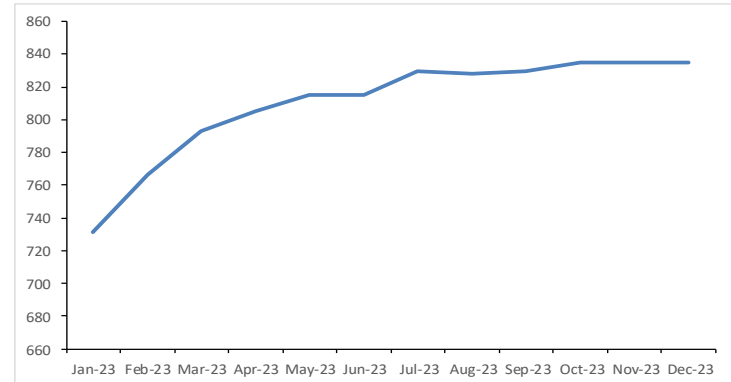
Steel (HRC)

Last Price USD **725.00**/ tons

Iron ore futures climbed more than 3% on Friday, with Dalian prices hitting their highest in 17 months and stretching gains for the week on continued optimism about demand prospects in top steel producer China. Global supply concerns are also boosting iron ore prices, with analysts citing weather-related disruptions in Brazil and potential cyclones in Australia - the world's biggest exporters of the steelmaking ingredient - and first-quarter mine maintenance programmes. Iron ore's most-traded May contract on China's Dalian Commodity Exchange [DCIOcv1](#) ended daytime trade 3.4% higher at 881 yuan (\$130.96) a tonne, after earlier touching its highest since August 2021 at 883 yuan. Rebar on the Shanghai Futures Exchange [SRBcv1](#) was up 1.1%, hot-rolled coil [SHHCcv1](#) gained 0.9%, wire rod [SWRcv1](#) climbed 0.4%, and stainless steel [SHSScv1](#) added 0.7%.



Futures Curve of SHFE Steel Futures



Technical:

Dalian iron ore hits 17-month high on China demand optimism. Next level to watch 700.00.

Support:

- 650.00 = Dec 2022 Low
- 596.00 = Mar 2020 High

Resistance:

- 790.00 = Oct 2022 High
- 820.00 = Sep 2022 Low

LME Zinc

Last Price USD **3,324.00**/Tons

Shanghai nonferrous metals closed mostly with gains in day trading. On the macro front, the unadjusted US December CPI annual rate recorded 6.5%, which is in line with expectations, reinforcing the expectations that the Fed will slow rate hikes. In this case, the US dollar index hit nearly six-month low, underpinning metals prices. Shanghai copper edged down 0.04%, aluminium rose 1.06%, lead slid 0.81%, zinc jumped 1.28%, tin grew 3.28%, and nickel advanced 1.77%. The most-traded SHFE 2302 zinc closed up 1.28% or 305 yuan/mt at 24,155 yuan/mt, with open interest down 5,616 lots to 71,382 lots. The market transactions were muted today with few quotes heard in the market. The downstream inquiries were also inactive with downstream players starting to take holidays. The market turned even colder as the traders halted for holiday as well.



Technical:

Shanghai nonferrous metals closed mostly with gains on subsiding rate hike expectations, next level to watch 3,405.00.

Support:

3,276.00 = Oct 2021 High

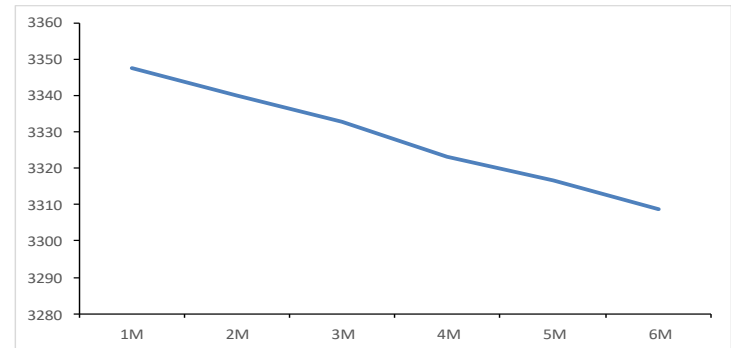
3,100.00 = Sep 2021 High

Resistance:

3,405.00 = Jun 2022 High

3,528.00 = Dec 2021 High

LME Zinc Forward Curve



Contact

Swift: BRAKBDDH, Reuters Dealing Code: "BRAC", Group email: dealing.room@bracbank.com
Web: www.bracbank.com

Md. Shaheen Iqbal

Head of Treasury & Financial Institutions
E-mail: shaheen.iqbal@bracbank.com
Cell: +880 1713 049433

Fouzia Rahman

Head of Markets, Treasury & Financial Institutions
E-mail: fouzia.rahman@bracbank.com
Cell: +880 1713 493937

Nawshaba Aziz

Sr. Relationship Manager Corporate Sales & FX,
Treasury & Financial Institutions
E-mail: nawshaba.aziz@bracbank.com
Cell: +88 01730 796810

Lailun Nahar Tonny

Sr. Manager, Treasury & Financial Institutions
E-mail: lailunnahar.tonny@bracbank.com
Cell: +88 01730 796820

Mohammad Humayun Rashid

Sr. Manager, Treasury & Financial Institutions
E-mail: humayun.rashid@bracbank.com
Cell: +880 1723 935623

Maruf Hassan

Associate Manager, Treasury & Financial Institutions
E-mail: maruf.hassan29443@bracbank.com
Cell: +880 1847 419487

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