



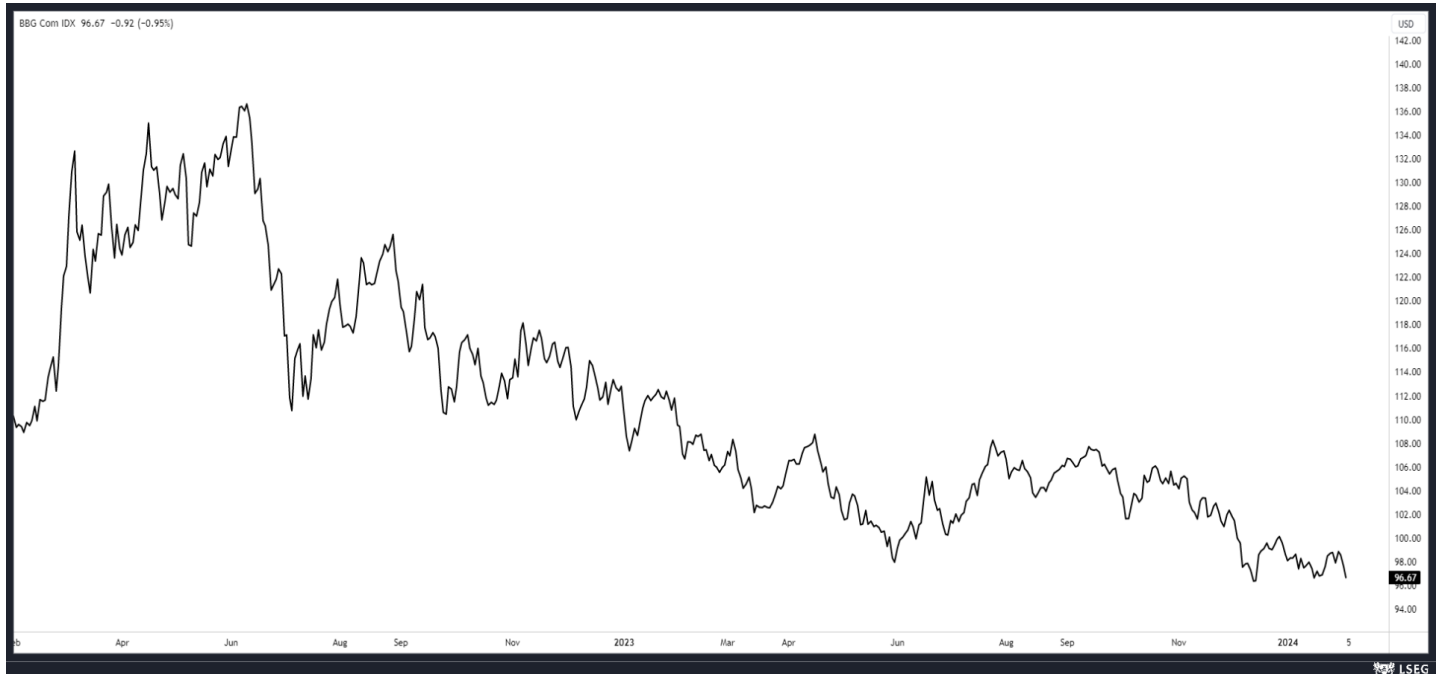
Commodities Weekly

Issue 04-2024

Date: 04 Feb 2024

Bloomberg Commodity Index

96.67 ▼



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

448.7060 ▼



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.

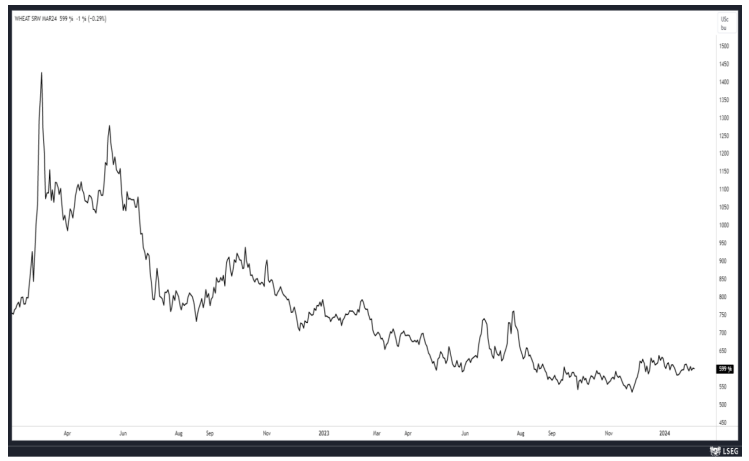
Commodity	Unit	Closing Price	% Δ Weekly	% Δ MoM	% Δ YoY	YTD High	YTD Low
Wheat	\$/BSH	599.75	▼ -0.08%	▲ 0.76%	▼ -21.22%	628.75	573.25
Sugar	\$/LBS	23.89	▲ 0.50%	▼ -0.99%	▲ 9.79%	24.62	20.60
Soybean	\$/BSH	1,188.50	▼ -1.72%	▼ -2.76%	▼ -22.72%	1,289.50	1,186.75
Palm Oil	\$/Ton	798.30	▼ -6.10%	▼ -0.90%	▼ -1.34%	855.99	765.01
Cotton	\$/LBS	87.11	▲ 3.25%	▲ 2.28%	▲ 1.03%	87.32	79.59
Brent Crude	\$/BBL	77.33	▼ -7.44%	▼ -5.36%	▼ -8.47%	84.80	74.79
LNG	\$/MMBTU	9.60	▲ 1.05%	▲ 1.05%	▼ -50.77%	11.20	9.50
Steel	\$/Ton	967.00	▼ -10.21%	▲ 0.42%	▲ 22.72%	1,135.00	960.00
SHFE Zinc	\$/Ton	2,864.29	▼ -4.02%	▼ -3.22%	▼ -15.33%	3,015.29	2,861.71
Indonesian Coal*	\$/Ton	125.85	0.00%	▲ 7.22%	▼ -58.77%	125.85	125.85
Australian Coal	\$/Ton	315.50	▼ -4.97%	▼ -5.00%	▼ -5.00%	336.00	315.50
Gold	\$/Ozs	2,038.59	▲ 1.00%	▲ 0.07%	▲ 5.74%	2,078.69	2,001.72

*Price published monthly once by Indonesian Govt

Wheat

Last Price USc **599.75**/BSH

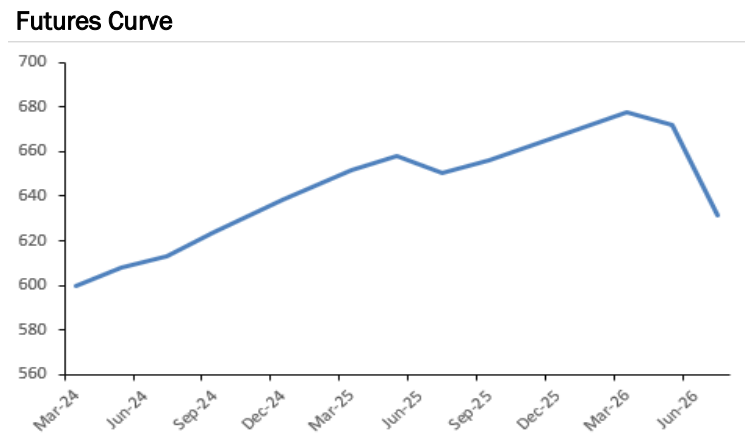
Chicago Board of Trade wheat futures ended lower on Friday after a back-and-forth trading session, pulled down by a stronger dollar that pressured other commodities including corn and soybeans as well as crude oil and gold. CBOT March soft red winter wheat [WH24](#) settled down 1-3/4 cents at \$5.99-3/4 per bushel. For the week, the CBOT March contract was little changed, falling 1/2 cent per bushel or 0.08%. K.C. March hard red winter wheat [KWH24](#) closed up 4-1/4 cents on Friday at \$6.25 a bushel and MGEX March spring wheat [MWEH24](#) rose 3-3/4 cents to \$6.99-3/4.



Technical:
 CBOT wheat ends lower after choppy session; KC, MGEX wheat climb. Next level to watch 570.00.

Support:
 569.25 = Dec 2023 Low
 527.50 = Nov 2023 Low

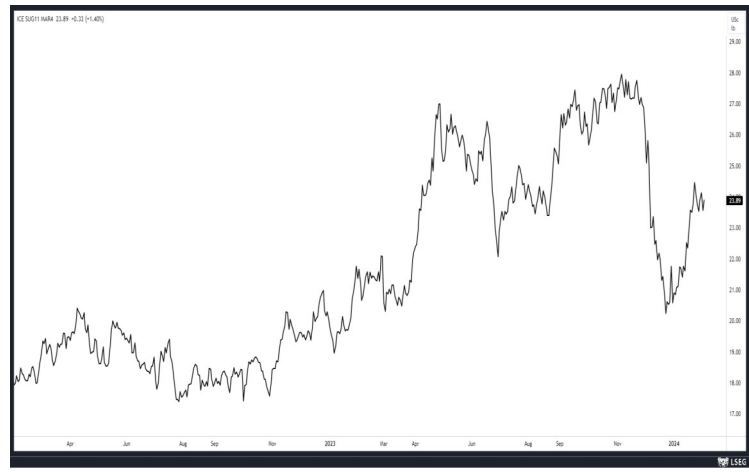
Resistance:
 639.75 = Dec 2023 High
 684.00 = Aug 2023 High



Sugar

Last Price USc **23.89**/LBS

March raw sugar [SBc1](#) was up 0.9% at 23.78 cents per lb. Lower supplies from India continued to underpin the market. India has allowed mills to convert 1.7 million metric tons of [sugar for ethanol](#) production but there were no plans to divert more sugar. While robust export volumes from Brazil have kept a lid on further price increases, market anticipate that Brazilian sugar exports will start to face constraints from March through September. March white sugar [LSUc1](#) rose 1.3% to \$660.80 a ton.



Technical:

London sugar up, next level to watch 24.62.

Support:

22.78 = Jul 2023 Low

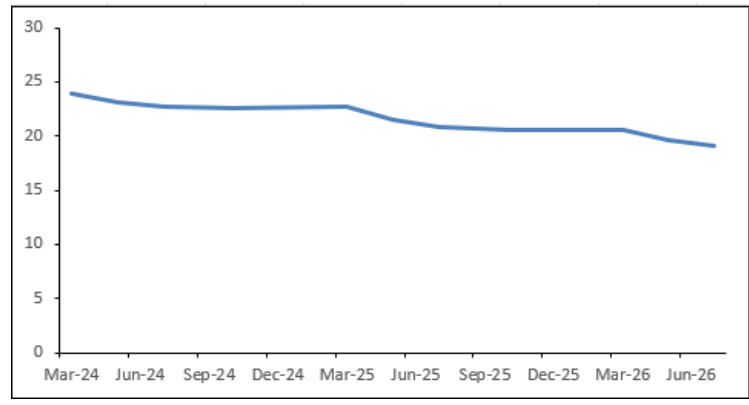
21.81 = Jun 2023 Low

Resistance:

24.62 = Jan 2024 High

25.90 = Nov 2023 Low

Futures Curve



Soybean

Last Price

USc **1,188.50**/BSH

Chicago Board of Trade soybean futures fell to two-year lows on Friday, joining broad weakness in commodities after a much stronger-than-expected monthly U.S. jobs report reduced expectations of near-term Federal Reserve interest rate cuts. CBOT March soybeans [SH24](#) settled down 14-3/4 cents at \$11.88-1/2 per bushel after dipping to \$11.86-3/4, the lowest on a continuous chart of the most-active soybean contract [Sv1](#) since November 2021. For the week, the March soybean contract [SH24](#) fell 20-3/4 cents a bushel or 1.7%, its seventh straight weekly decline. Soybeans faced additional pressure from poor export demand. U.S. soybean export sales in the week to Jan. 25 totaled just 165,800 metric tons, the U.S. Department of Agriculture (USDA) said on Thursday, the smallest weekly tally since May.

Technical:

Soybeans hit 2-year low on firm dollar, uncertain demand, next level to watch 1,140.00.

Support:

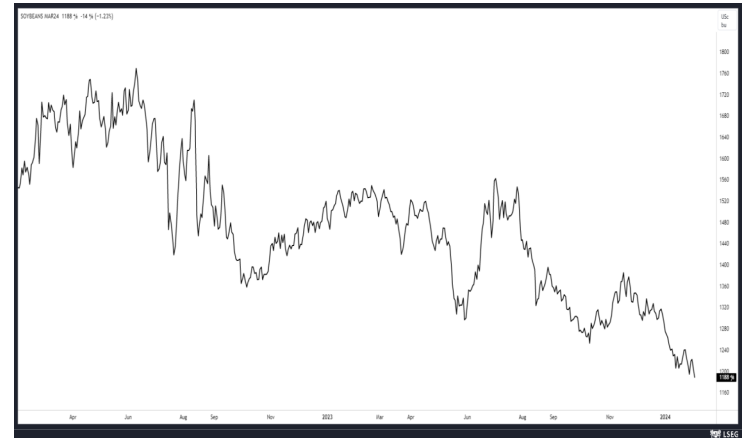
1,142.50 = Dec 2020 Low

1,094.00 = Oct 2020 High

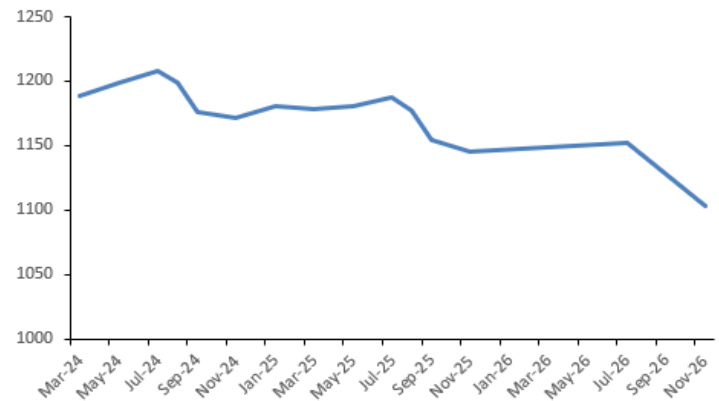
Resistance:

1,221.75 = Feb 2024 High

1,262.50 = Oct 2021 High



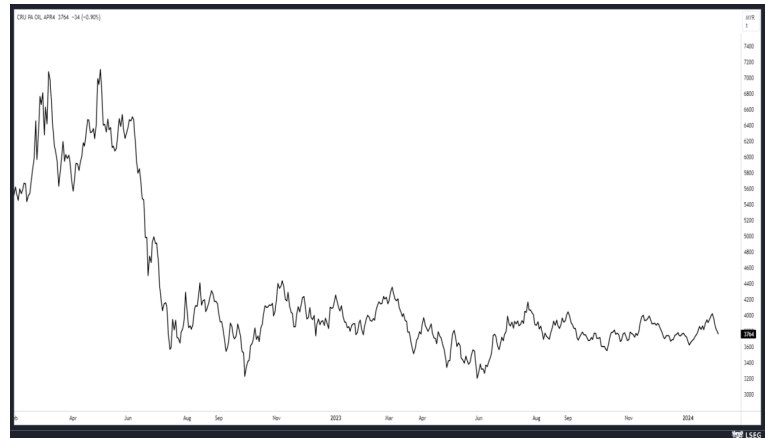
Futures Curve



Palm Oil

Last Price USD **798.30**/Ton

Malaysian palm oil futures extended losses to a fourth session on Friday, marking their worst week in nine months, after top buyer India sought to cut vegetable oil imports, while prolonged weakness in rival edible oils and a stronger ringgit also weighed. The benchmark palm oil contract [FCPOc3](#) for April delivery on the Bursa Malaysia Derivatives Exchange fell 36 ringgit, or 0.95%, to 3,762 ringgit (\$797.88) a metric ton at closing, the lowest close since Jan. 11. India would step up efforts to boost local oilseed production, the finance minister [said](#) on Wednesday, as part of plans to cut pricey imports of vegetable oils. Palm oil is affected by price movements in related oils as they compete for a share in the global vegetable oils market.



Technical:

Palm oil sees worst week in 9 months as India seeks to curb imports, next level to watch 770.00.

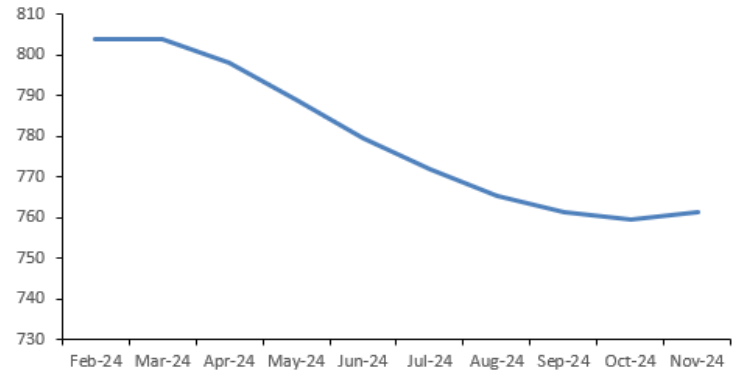
Support:

769.74 = Sep 2023 Low
 746.55 = Oct 2023 Low

Resistance:

831.38 = Dec 2023 High
 892.27 = Sep 2022 High

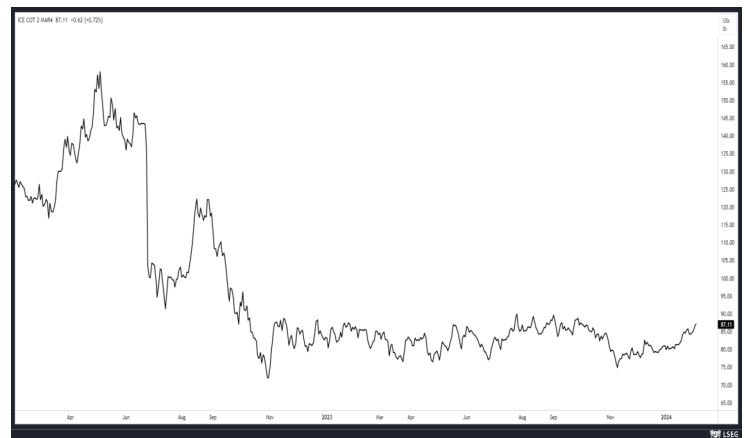
Futures Curve



Cotton

Last Price USc **87.11**/LBS

ICE cotton futures climbed on Friday, heading for their longest weekly winning streak since 2022, supported over the last month by a string of robust U.S. exports and bullish bets from speculators. Cotton contracts for March [CtC1](#) rose 0.5 cent to 86.99 cents per after hitting their highest since Oct. 10 at 87.32 cents an lb earlier. Prices were set to finish their fourth straight week higher, marking the most consecutive weekly increases in two years. Speculators switched to a net long position of 21,976 contracts in ICE U.S. cotton futures in the week of Jan. 23, the Commodity Futures Trading Commission said last Friday. [CFTC](#) The natural fibre held on to its gains despite a 0.9% higher dollar index, which makes U.S. cotton more expensive for overseas buyers. [USD/](#)



Technical:

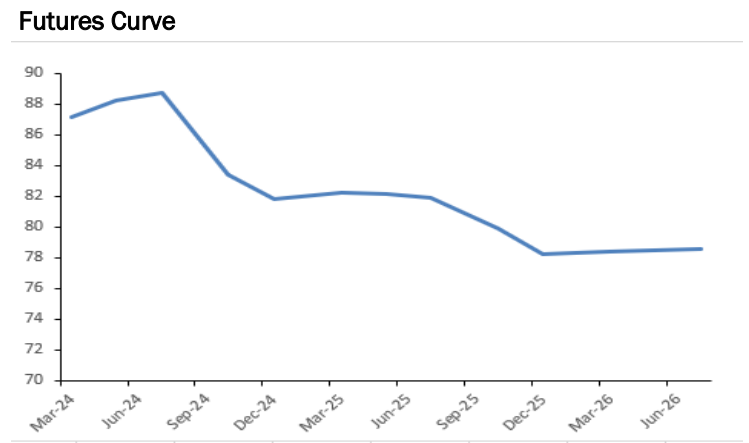
Cotton continues fourth straight week of gains on strong demand . Next level to watch 89.00.

Support:

84.80 = Feb 2024 Low
 81.15 = Oct 2023 Low

Resistance:

88.88 = Jan 2023 High
 90.75 = Sep 2023 High



Brent Crude

Last Price

USD **77.33**/BBL

Oil prices fell by about 2% on Friday and posted weekly losses after U.S. jobs data shrank the odds of imminent interest rate cuts in the world's largest economy, which could dampen crude demand. Faltering growth in China and the possibility of some easing of tensions in the Middle East also reduced prices. Brent crude futures [LCOc1](#) settled at \$77.33 a barrel, shedding \$1.37, or 1.7%. U.S. West Texas Intermediate crude futures [CLc1](#) settled at \$72.28 a barrel, falling \$1.54, or 2%. Both benchmarks lost roughly 7% on the week. High interest rates, which tend to dampen economic growth and oil demand, in major economies like the United States and the euro zone appear to be here to stay in the near term. Data on Friday showed U.S. employers added far more jobs in January than expected, reducing the chances of near-term Federal Reserve [rate cuts](#). The dollar jumped against all major currencies as a result.

Technical:

Oil posts weekly losses as US data dents hopes for near-term rate cuts, next level to watch 74.79.

Support:

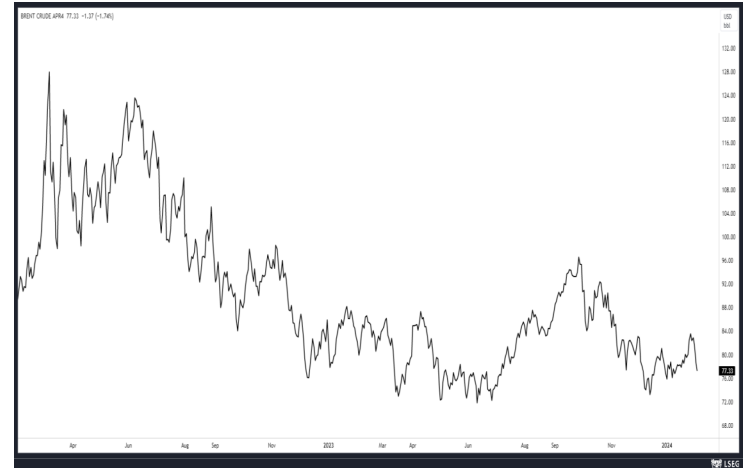
74.79 = Jan 2024 Low

72.29 = Dec 2023 Low

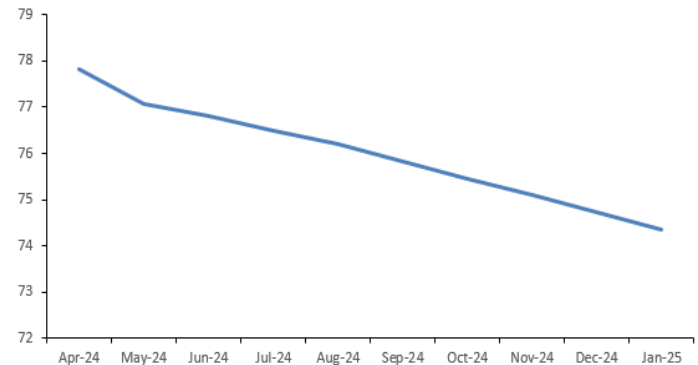
Resistance:

81.55 = Feb 2024 High

84.80 = Jan 2024 High



Futures Curve

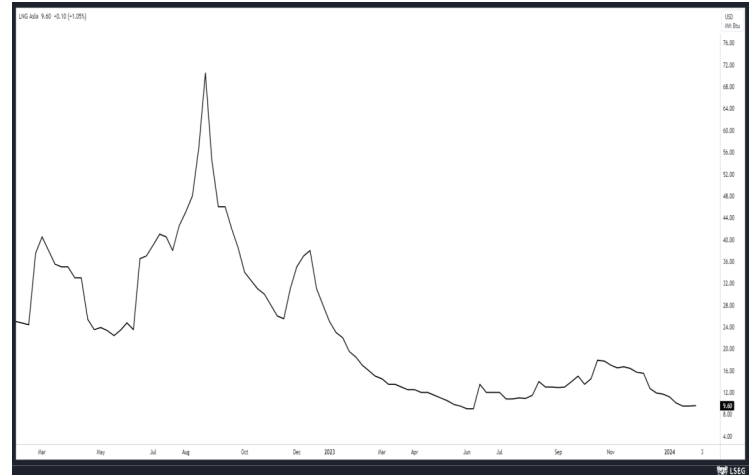


LNG

Last Price

USD **9.60**/MMBTU

Asian spot liquefied natural gas (LNG) prices have seen a slight uptick this week but remain below \$10 per million British thermal units (mmBtu) for the third week running as weak demand continues to steer prices. The average LNG price for March delivery into north-east Asia [LNG-AS](#) rose slightly by \$0.10 this week to \$9.60/mmBtu, industry sources estimated. The United States' second-largest exporter [Freeport LNG](#) said on Friday it expects one of three liquefaction units at its Texas plant will be out of service for about a month after it faced a technical issue during last week's Arctic freeze. The market's bearish momentum has slowed recently as short positions have been gradually built up during January. In Europe, gas prices at the Dutch TTF hub were stable on Friday as strong wind power output and mild temperatures for the time of year curbed demand.



Technical:

Asia spot prices remain below \$10/mmBtu for third week. 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 **967.00**/ tons

Iron ore futures prices extended losses on Friday to their lowest level in two weeks and were set for a weekly fall as concerns persisted over the recovery of the property sector in top consumer China. The most-traded May iron ore contract on China's Dalian Commodity Exchange (DCE) [DCIOcv1](#) ended daytime trade 2.23% lower at 941 yuan (\$131.07) a metric ton, marking its lowest level since Jan. 19. It has fallen more than 5% this week. Other steelmaking ingredients on the DCE also eased, with coking coal [DJMcv1](#) and coke [DCJcv1](#) down 0.61% and 0.81%, respectively. Steel benchmarks on the Shanghai Futures Exchange recorded additional declines. Rebar [SRBcv1](#) lost 1.19%, hot-rolled coil [SHHCcv1](#) slipped 0.95%, wire rod [SWRCv1](#) shed 1.78% and stainless steel [SHSScv1](#) fell 0.91%.

Technical:

Iron ore sinks to 2-week low on persistent China property sector concerns. Next level to watch 930.00.

Support:

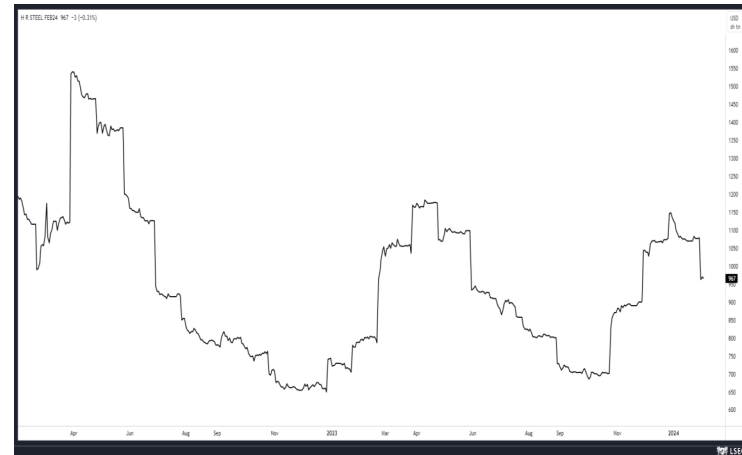
930.00 = May 2023 Low

865.00 = Jun 2023 Low

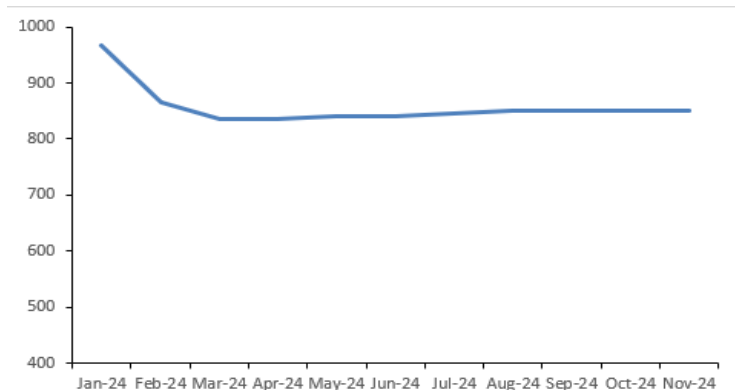
Resistance:

1,048.00 = Nov 2023 High

1,118.00 = May 2023 High



Futures Curve of SHFE Steel Futures



SHFE Zinc

Last Price USD **2,864.29**/Tons

SHFE zinc prices weakened dragged by LME zinc. Overnight, LME zinc prices opened at a high of US\$2,529/ton, and it reached a low of US\$2,515/ton, and finally closed at US\$2,470/ton, down US\$58/ton, or 2.29%. The trading volume increased to 12,171 lots, and the open interest increased by 2,252 lots to 220,000 lots. LME zinc inventories fell by 550 tons to 198,875 tons, a decrease of 0.28%. The final value of the Markit manufacturing PMI in the United States in January was recorded at 50.7, which was higher than the previous value and the forecast value of 50.3. The ISM manufacturing PMI in the United States in January was recorded at 49.1, which was also higher than the previous value of 47.1 and the forecast value of 47. Under the influence of negative macro sentiment, short sellers further sold, and LME zinc prices ran weakly.

Technical:

Zinc posted weekly loss on demand worry, US rate cut delay, next level to watch 2,830.00.

Support:

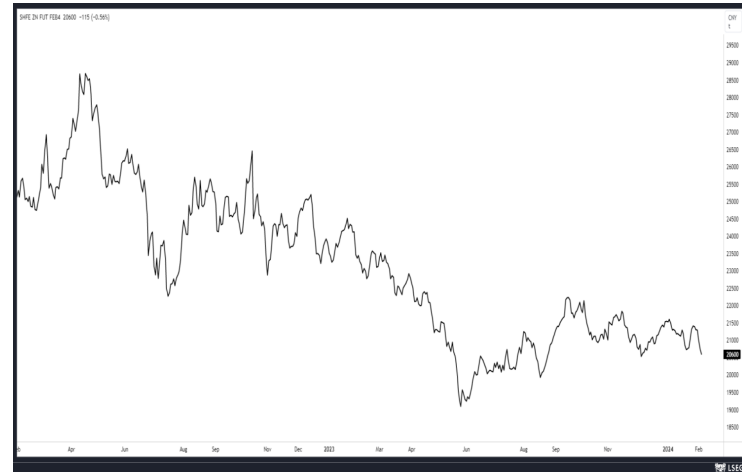
2,828.35 = Dec 2023 Low

2,785.26 = Jul 2023 Low

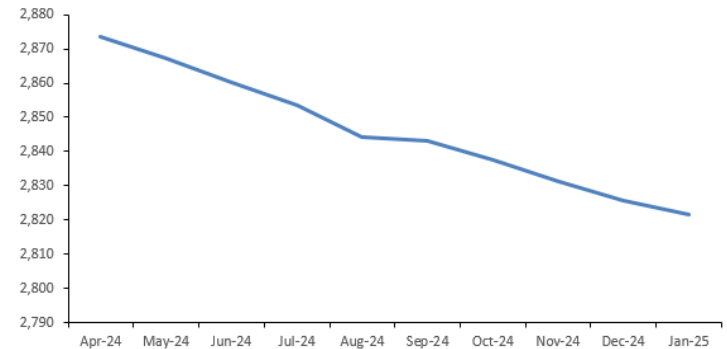
Resistance:

3,056.40 = Nov 2023 High

3,165.26 = Apr 2023 High



SHFE Zinc Forward Curve



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