



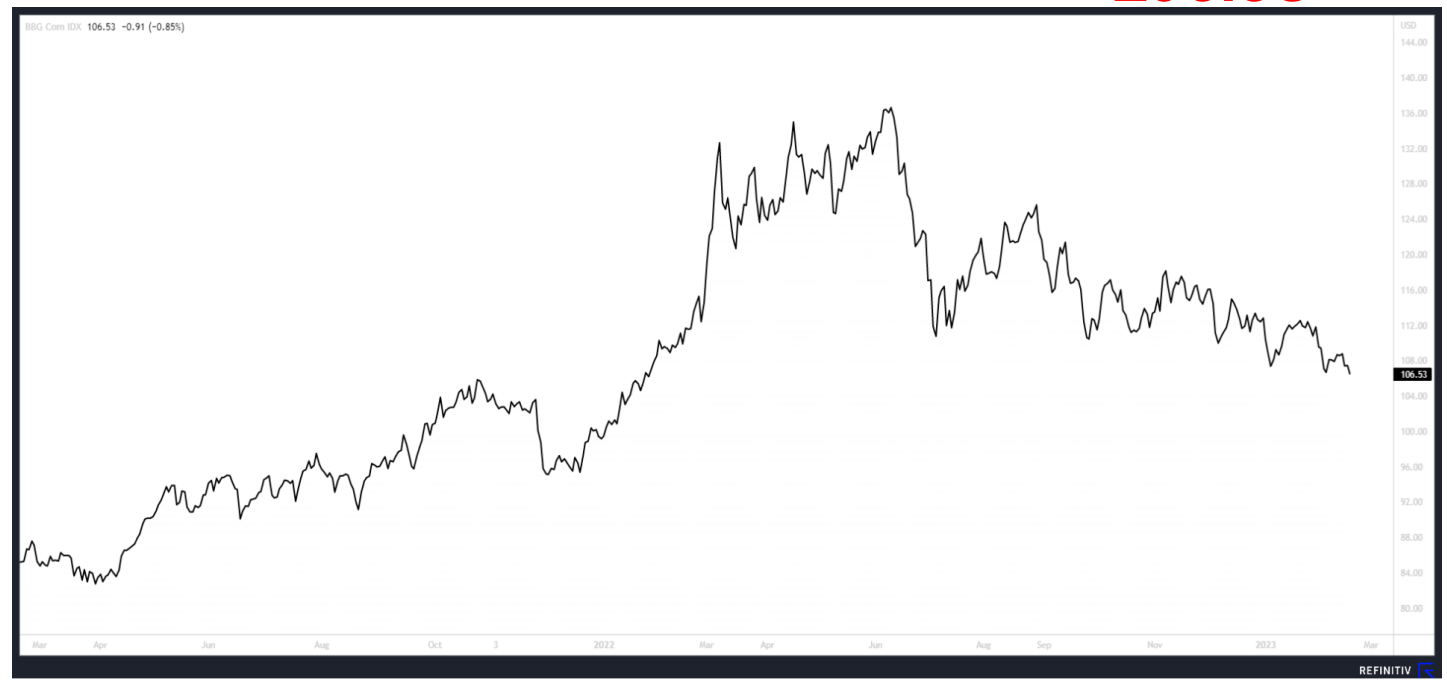
Commodities Weekly

Issue 07-2023

Date: 20 Feb 2023

Bloomberg Commodity Index

106.53 ▼



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.

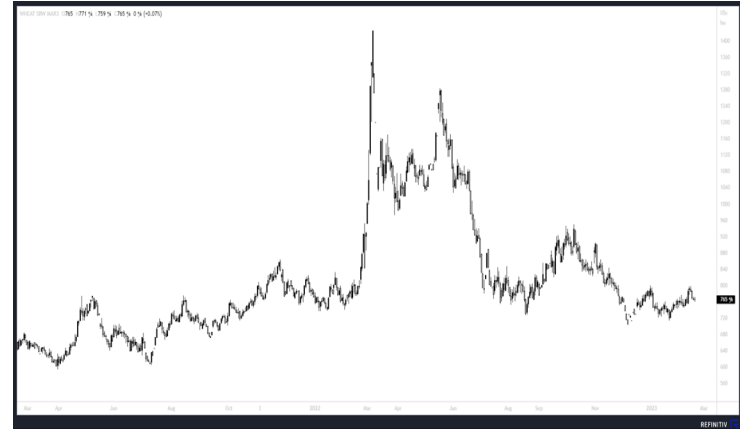
Commodity Name	Unit	Closing Price	% Δ Weekly	% Δ MoM	% Δ YoY	YTD High	YTD Low
Wheat	\$c/BSH	765.50	▼ -2.61%	▲ 4.22%	▼ -3.95%	794.40	712.40
Sugar	\$c/LBS	21.41	▼ -0.79%	▲ 8.79%	▲ 17.64%	21.86	18.92
Soybean	\$c/BSH	1,527.25	▼ -0.98%	▲ 0.83%	▼ -4.64%	1,548.40	1,462.00
Palm Oil	\$/Ton	924.00	▲ 5.12%	▲ 2.33%	▼ -35.61%	969.00	861.00
Cotton	\$c/LBS	80.25	▼ -5.89%	▼ -3.77%	▼ -34.75%	88.88	80.00
Brent Crude	\$/BBL	83.00	▼ -3.92%	▼ -3.67%	▼ -11.27%	89.09	77.61
LNG	\$/MMBTU	16.00	▼ -5.88%	▼ -27.27%	▼ -34.43%	25.00	16.00
Steel	\$/Ton	798.00	↔ 0.00%	▲ 11.14%	▼ -28.56%	806.00	705.00
SHFE Zinc	\$/Ton	3,332.00	▲ 0.51%	▲ 2.46%	▼ -15.28%	3,615.00	3,303.00
Gold	\$/Ozs	1,837.44	▼ -1.46%	▼ -4.86%	▼ -3.18%	1,959.60	1,817.60

Wheat

Last Price

USc **765.50**/BSH

Chicago Board of Trade wheat futures closed fractionally higher on Friday on light short-covering ahead of a three-day U.S. [holiday](#) weekend as traders awaited fresh direction. CBOT March soft red winter wheat [WH3](#) settled up 1/2 cent at \$7.65-1/2 per bushel, bouncing after hitting a one-week low at \$7.59-1/2. For the week, the March contract [WH3](#) fell 20-1/2 cents a bushel or 2.6%, its first weekly decline in the last four weeks. K.C. March hard red winter wheat [KWH3](#) rose 8 cents Friday to settle at \$9.06-1/2 a bushel and MGEX March spring wheat [MWEH3](#) ended flat at \$9.30-1/4. Early strength in the dollar index [.DXY](#) hung over the grain markets, making U.S. grains less attractive globally, although the dollar later turned lower. [USD/](#)

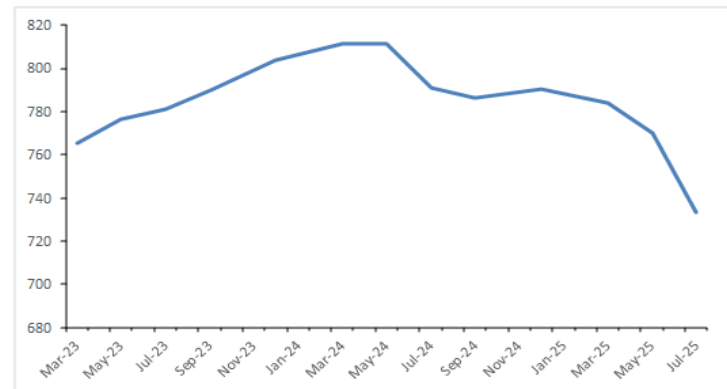


Technical:
 Wheat ends slightly higher ahead of three-day U.S. weekend. Next level to watch 790.00.

Support:
 712.60 = Oct 2021 Low
 671.40 = Sep 2021 Low

Resistance:
 794.40 = Jan 2023 High
 831.40 = Jan 2022 High

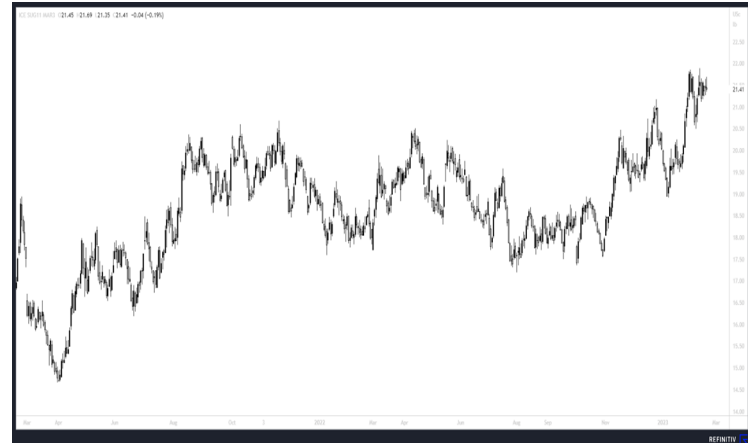
Futures Curve



Sugar

Last Price USc **21.41**/LBS

March raw sugar [SBc1](#) rose 0.4% to 21.54 cents per lb. Global sugar prices were deriving support from several factors, including the diversion of sugarcane towards ethanol production in India and uncertainty over European production after a pesticide ban. May white sugar [LSUc1](#) rose 0.5% to \$570.60 a tonne.



Technical:

Raw sugar slightly up, next level to watch 21.50.

Support:

20.61 = Oct 2021 High

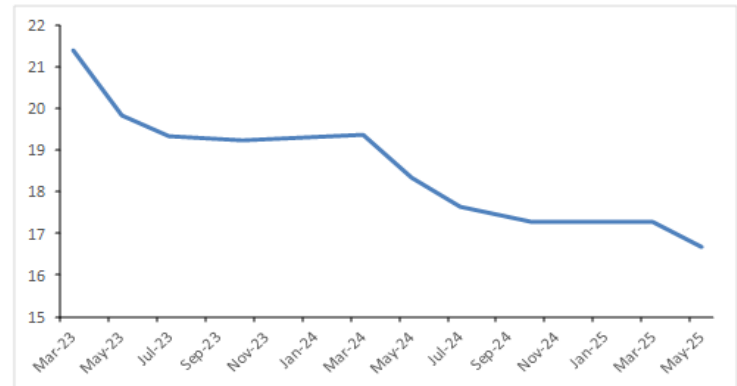
20.05 = Sep 2021 High

Resistance:

21.49 = Feb 2017 High

22.59 = Nov 2016 High

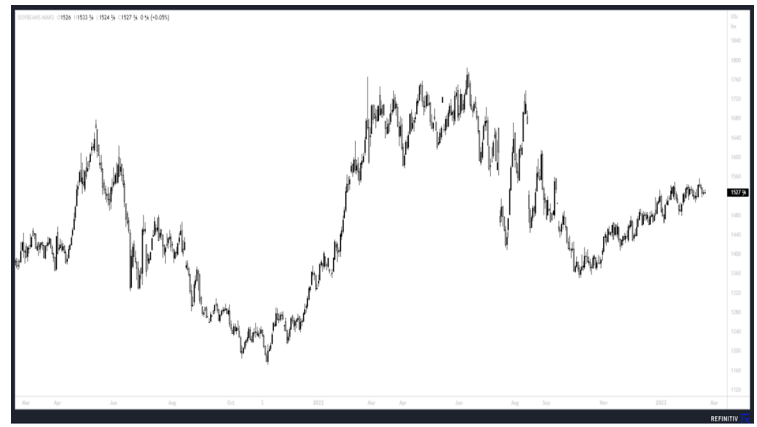
Futures Curve



Soybean

Last Price USc **1,527.25**/BSH

Chicago Board of Trade soybean futures inched higher on Friday on light positioning ahead of a three-day U.S. [holiday](#) weekend while traders awaited more information on South American crop prospects. CBOT March soybeans [SH3](#) settled up 3/4 cent st \$15.27-1/4 per bushel. For the week, the contract fell 15-1/4 cents a bushel or 1%, its first weekly decline of the last four weeks. CBOT March soy meal [SMH3](#) ended down 30 cents at \$491.10 per short ton, CBOT March soy oil [BOH3](#) fell 0.39 cent to settle at 61.51 cents per pound. Soybean futures chopped around this week as traders shifted their focus from [problems](#) with drought-hit crops in Argentina to [expectations](#) of a record-large Brazilian soybean harvest.

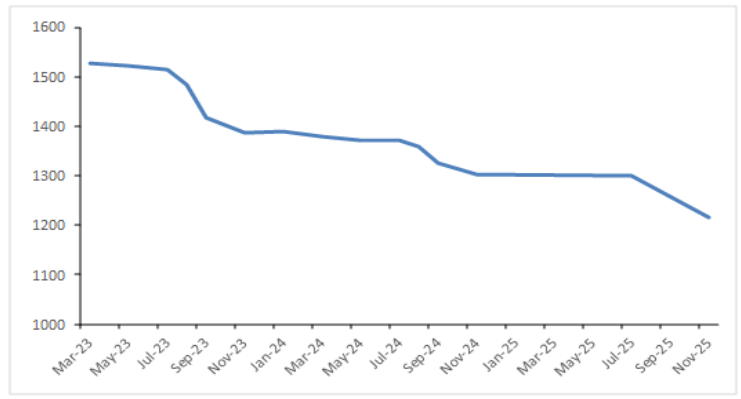


Technical:
 Soy ends firm ahead of U.S. long weekend, next level to watch 1,600.00.

Support:
 1,485.00 = Feb 2022 High
 1,443.60 = Aug 2022 High

Resistance:
 1,615.20 = May 2022 Low
 1,683.20 = Jul 2022 High

Futures Curve



Palm Oil

Last Price

USD **924.00**/Ton

Malaysian palm oil futures hit their highest close in more than six weeks on Friday and posted a second straight weekly gain, supported by stronger rival edible oils on the Dalian exchange and a weaker ringgit. The benchmark palm oil contract [FCPOc3](#) for May delivery rose 1.65% to 4,136 ringgit (\$933.63) per tonne on Friday, its second consecutive session of gains. The contract hit 4,170 ringgit a tonne in early trade, its highest since Jan. 4, and gained 5.22% for the week. Dalian's most-active soyoil contract [DBYv1](#) gained 2.61%, while its palm oil contract [DCPv1](#) increased 3.49%. Soyoil prices on the Chicago Board of Trade [BOc2](#) were down 1.16%. Palm is affected by price movements in related oils as they compete for a share in the global vegetable oils market.



Technical:

Palm gains for second week on weaker ringgit, stronger rival oils , next level to watch 830.00.

Support:

833.00 = Dec 2022 Low

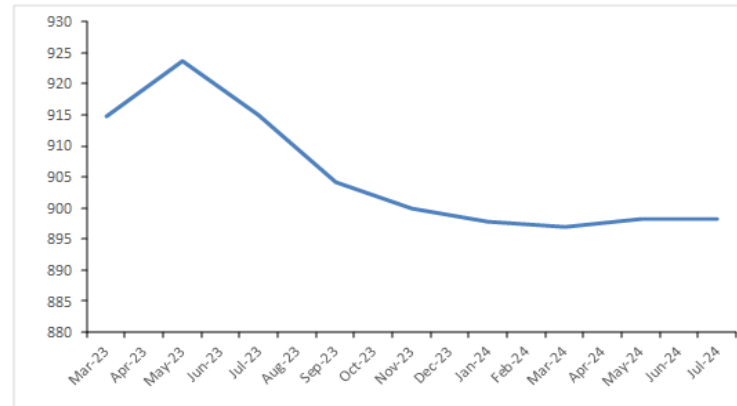
785.00 = Nov 2020 Low

Resistance:

950.00 = Dec 2022 High

997.00 = Aug 2022 High

Futures Curve



Cotton

Last Price

USc **80.25**/LBS

ICE cotton futures fell to an over one-month low on Friday and were heading for their worst week since late-October, hurt by a firm U.S. dollar and lower oil prices, while subdued risk appetite among investors in the wider financial markets also seeped into the natural fiber. The cotton contract for May [CTc2](#) was down 0.46 cent, or about 0.56%, to 81.54 cents per lb by 12:41 a.m. ET (1741 GMT), after touching its lowest since Jan. 5 earlier in the session. The contract is down 4.7% for the week. The dollar [.DXY](#) hit a six-week high against a basket of currencies as traders ramp up bets the Federal Reserve will hike rates higher than previously anticipated. A stronger dollar makes cotton more expensive for overseas buyers. [USD/](#)



Technical:

Cotton set for worst week in nearly four months ahead of long weekend. Next level to watch 80.00.

Support:

77.65 = Apr 2021 Low

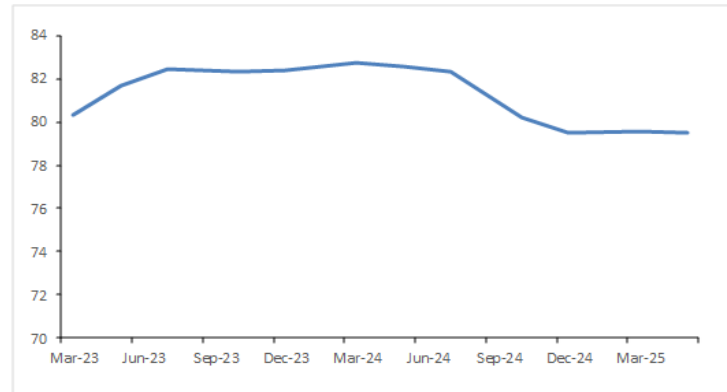
72.00 = Nov 2022 Low

Resistance:

90.85 = Jul 2022 Low

96.14 = Oct 2022 High

Futures Curve

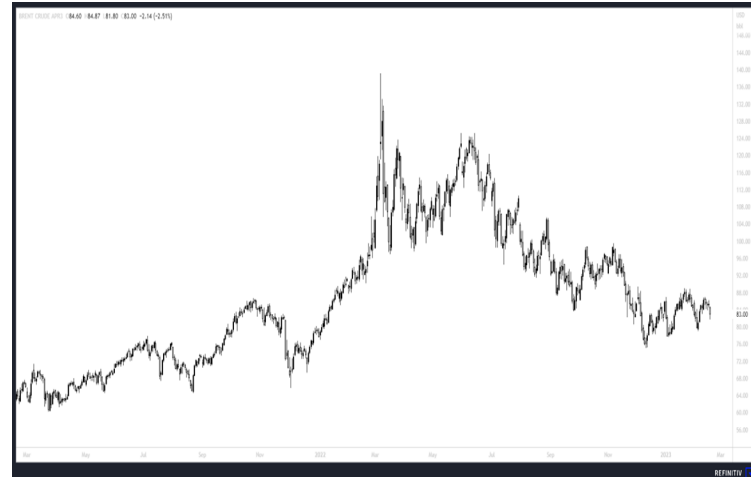


Brent Crude

Last Price

USD **83.00**/BBL

Oil settled down \$2 a barrel on Friday and ended the week markedly lower, as traders worried that future U.S. interest rate hikes could weigh on demand and got nervous about mounting signs of ample crude and fuel supply. On Thursday, two [Fed officials](#) warned additional hikes in borrowing costs are essential to curb inflation. The sentiments lifted the [U.S. dollar](#), making oil more expensive for holders of other currencies. Brent crude futures [LCOc1](#) settled down \$2.14 or 2.5%, to \$83.00 a barrel, falling 3.9% week on week. West Texas Intermediate (WTI) U.S. crude [CLc1](#) settled down \$2.15, or 2.7%, to \$76.34, falling 4.2% from last Friday's settlement.



Technical:

Oil settles down \$2/bbl, ends week lower on Fed worries, ample supply, next level to watch 75.00.

Support:

75.11 = Dec 2022 Low

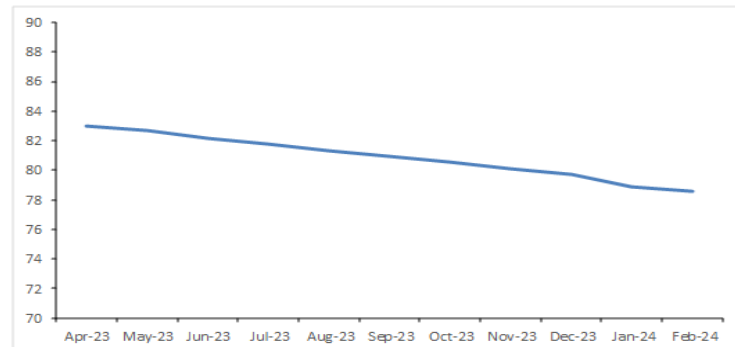
70.42 = Sep 2021 Low

Resistance:

85.50 = Nov 2021 High

91.70 = Jan 2022 High

Futures Curve

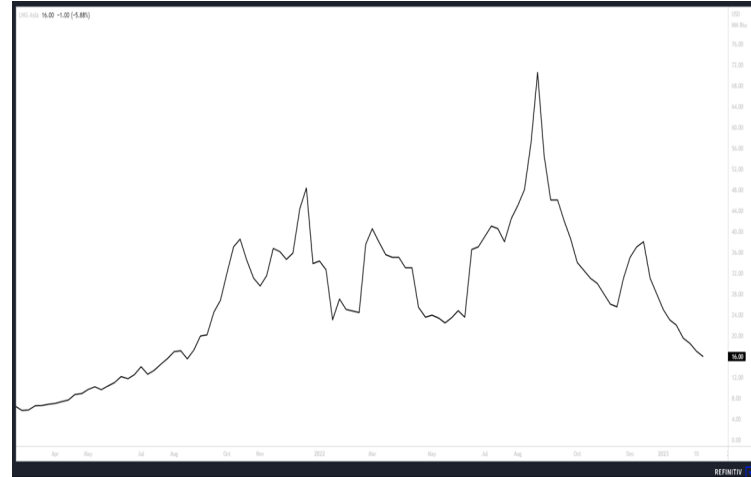


LNG

Last Price

USD **16.00**/MMBTU

Asian liquefied natural gas (LNG) spot prices slipped for a ninth consecutive week, leaving them down more than 40% since the start of the year as demand remains weak. The average LNG price for April delivery into Northeast Asia [LNG-AS](#) was \$16 per million British thermal units (mmBtu), industry sources estimated, down \$1 or 5.9% from the previous week. Prices are currently down 77% from record peaks of \$70.50 hit in August. In Europe, S&P Global Commodity Insights assessed its daily north-west Europe LNG Marker (NWM) price benchmark for cargoes delivered in April on an ex-ship (DES) basis at \$14.452/mmBtu on Feb. 16, a discount of \$1.80/mmBtu to the April gas price at the Dutch TTF gas hub.



Technical:

Asia spot prices slip for ninth week as demand remains weak. Next level to watch 16.00.

Support:

15.50 = Aug 2021 Low

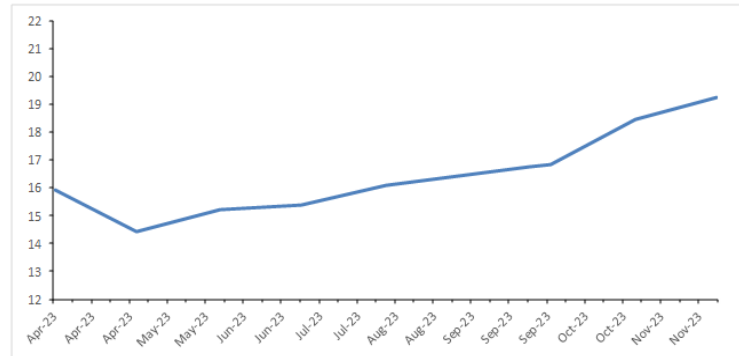
12.55 = Jul 2021 Low

Resistance:

23.00 = Jan 2022 Low

25.00 = Jan 2023 High

Futures Curve



Steel (HRC)

Dalian iron ore reached a contract high on Friday, while the Singapore benchmark price of the steelmaking ingredient hit a two-week peak, as hopes grew that top buyer China would roll out more measures to support its economy. The most-traded May iron ore on China's Dalian Commodity Exchange [DCIOcv1](#) ended daytime trade 2% higher at 889.50 yuan (\$129.29) a tonne, just below a contract high of 893 yuan, keeping it on track for a weekly gain of around 3%. On the Singapore Exchange, benchmark March iron ore rose as much as 1.7 to \$126.70 a tonne, its highest since Feb. 1. Rebar on the Shanghai Futures Exchange [SRBcv1](#) rose 1.4%, hot-rolled coil [SHHCcv1](#) gained 1%, wire rod [SWRcv1](#) added 0.2%, and stainless steel [SHSScv1](#) climbed 0.4%. Other Dalian steelmaking inputs also advanced, with coking coal [DJMcv1](#) and coke [DCJcv1](#) climbing 2.6% and 3.2%, respectively.

Technical:

Dalian iron ore scales contract high on China demand hopes. Next level to watch 850.00.

Support:

768.00 = Nov 2018 Low

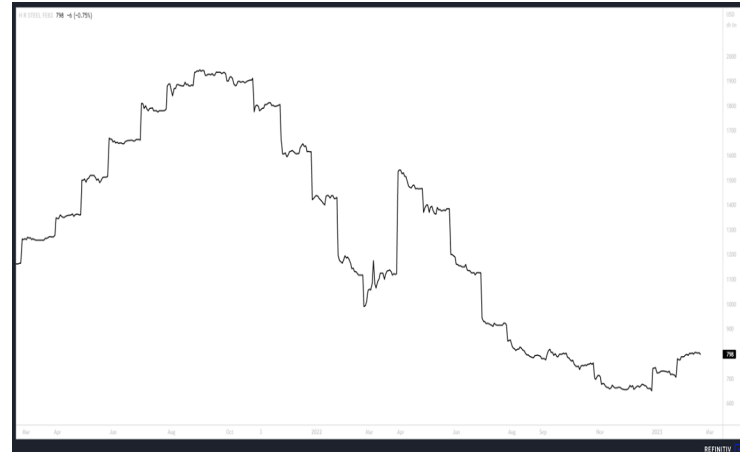
705.00 = Jan 2023 Low

Resistance:

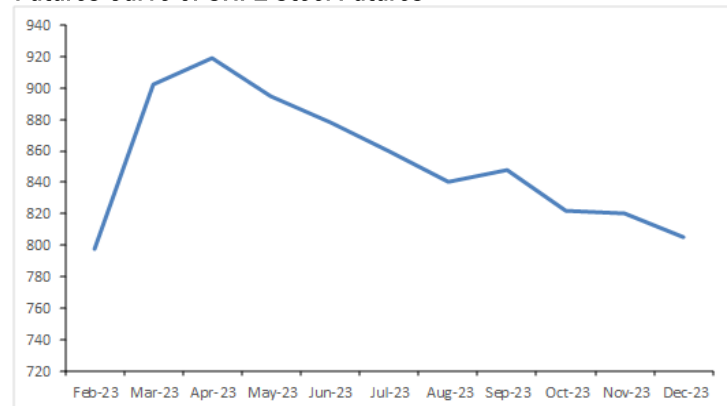
848.00 = Aug 2022 High

877.00 = Apr 2018 High

Last Price USD **798.00**/ tons



Futures Curve of SHFE Steel Futures



SHFE Zinc

Shanghai zinc closed mostly with gains today. The United States announced the initial jobless claims for the week ending February 11 at 194,000, lower than the expected 200,000. The January PPI annual rate recorded 6%, beating expectations. Market players thus started to worry the follow-up rate hike path. Overnight US dollar index touched a high of 104, and maintained momentum in day trading.

The most-traded SHFE 2303 zinc closed up 0.4% or 90 yuan/mt at 22,865 yuan/mt, with open interest down 4,484 lots to 74,609 lots. Market transactions were muted as zinc price rose today, and downstream players purchased on rigid demand, while the traders were more active.

Technical:

Zinc closed with gains while Strong USD weighted on, next level to watch 3,405.00.

Support:

3,276.00 = Oct 2021 High

3,100.00 = Sep 2021 High

Resistance:

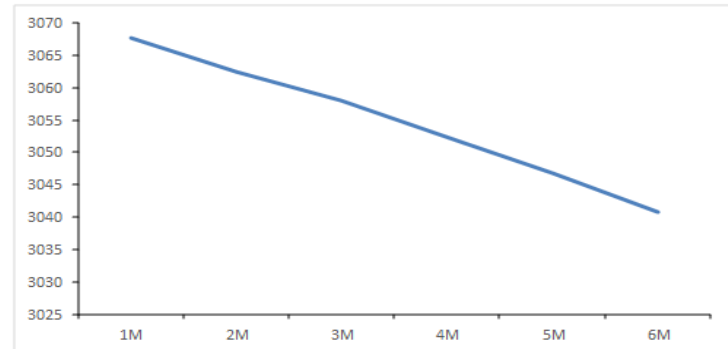
3,405.00 = Jun 2022 High

3,528.00 = Dec 2021 High

Last Price USD **3,332.00**/Tons



LME Zinc Forward Curve



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