



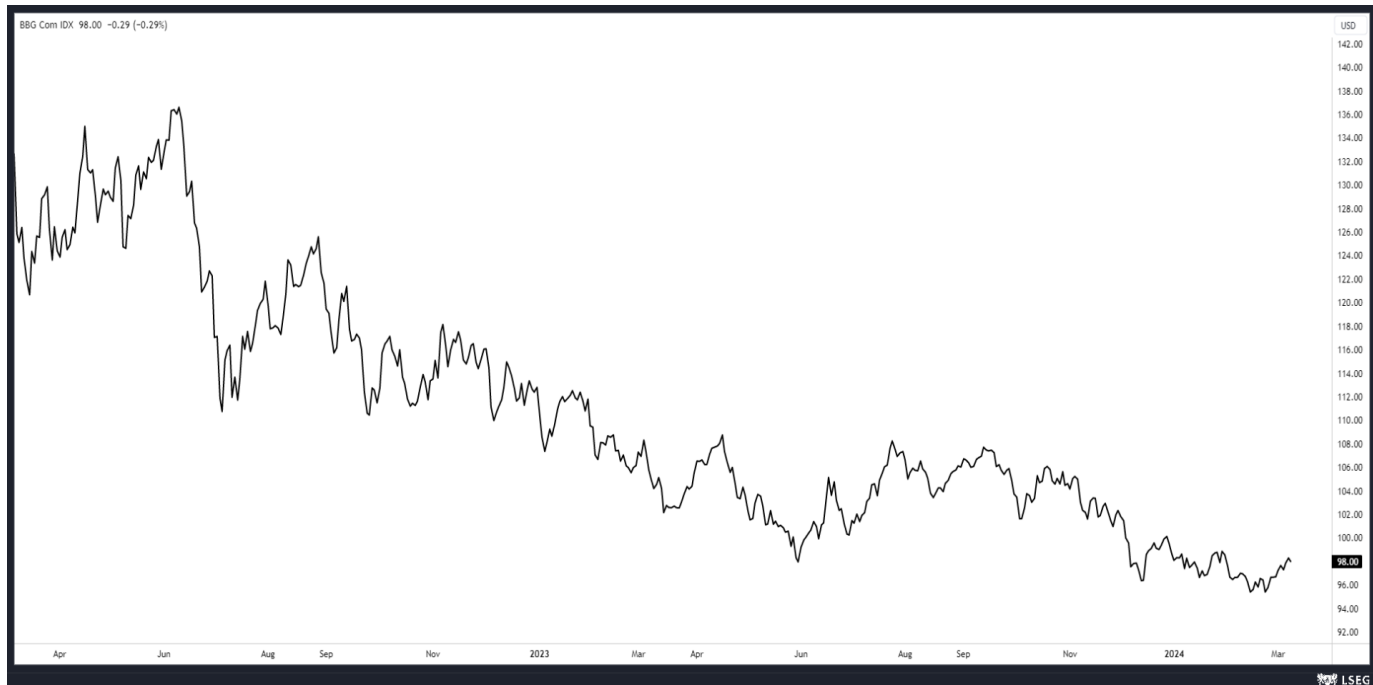
# Commodities Weekly

Issue 07-2024

Date: 10 Mar 2024

# Bloomberg Commodity Index

98.00 ▲



**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

471.6261 ▼



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>	\$c/BSH	<b>526.75</b>	▼ -5.94%	▼ -8.79%	▼ -16.12%	<b>628.75</b>	<b>555.25</b>
<a href="#">Sugar</a>	\$c/LBS	<b>21.15</b>	▲ 0.28%	▼ -6.33%	▲ 2.77%	<b>24.62</b>	<b>20.60</b>
<a href="#">Soybean</a>	\$c/BSH	<b>1,170.50</b>	▲ 2.41%	▲ 3.74%	▼ -9.51%	<b>1,289.50</b>	<b>1,115.00</b>
<a href="#">Palm Oil</a>	\$/Ton	<b>871.06</b>	▲ 4.32%	▲ 4.22%	▲ 11.20%	<b>881.49</b>	<b>759.37</b>
<a href="#">Cotton</a>	\$c/LBS	<b>95.28</b>	▼ -2.34%	▼ -6.18%	▲ 17.63%	<b>107.25</b>	<b>79.59</b>
<a href="#">Brent Crude</a>	\$/BBL	<b>82.08</b>	▼ -1.76%	▼ -1.84%	▲ 6.54%	<b>84.80</b>	<b>74.79</b>
<a href="#">LNG</a>	\$/MMBTU	<b>8.60</b>	▲ 3.61%	▲ 3.61%	▼ -26.50%	<b>11.20</b>	<b>8.30</b>
<a href="#">Steel</a>	\$/Ton	<b>814.00</b>	▲ 3.83%	▼ 2.39%	▼ -28.28%	<b>1,135.00</b>	<b>783.00</b>
<a href="#">SHFE Zinc</a>	\$/Ton	<b>2,930.55</b>	▲ 2.45%	▲ 2.65%	▼ -2.09%	<b>3,013.19</b>	<b>2,784.72</b>
Indonesian Coal*	\$/Ton	<b>124.95</b>	0.00%	0.00%	▲ 6.45%	<b>124.95</b>	<b>125.85</b>
Australian Coal	\$/Ton	<b>300.00</b>	▼ -1.96%	▼ -4.88%	▼ -8.03%	<b>336.00</b>	<b>300.00</b>
Gold	\$/Ozs	<b>2,177.51</b>	▲ 4.52%	▲ 6.57%	▲ 5.57%	<b>2194.99</b>	<b>1,984.09</b>

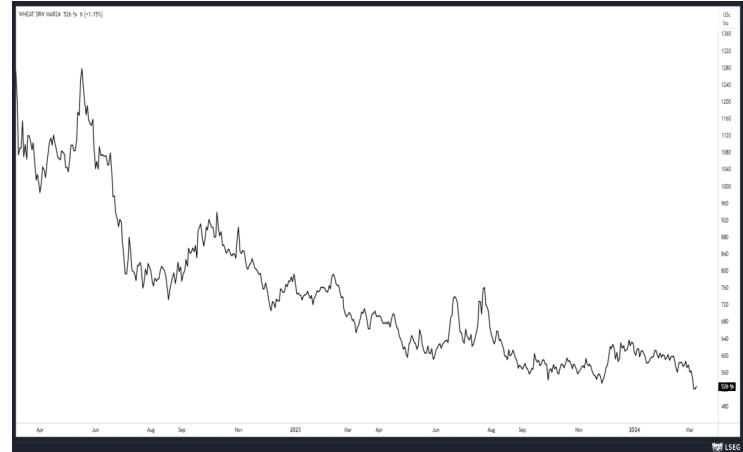
\*Price published monthly once by Indonesian Govt

# Wheat

Last Price

USc **526.75**/BSH

Chicago Board of Trade wheat futures ended higher on Friday, rallying on bargain-buying after news of China cancelling more purchases of U.S. wheat pushed the benchmark contract [Wv1](#) to a fresh 3-1/2 year low. CBOT May soft red winter wheat [WK24](#) settled up 9-1/4 cents at \$5.37-3/4 per bushel, bouncing after a slide to \$5.26, the lowest on a continuous chart of the most-active wheat contract [Wv1](#) since August 2020. However, for the week, the CBOT May contract fell 20 cents a bushel or 3.6%. K.C. May hard red winter wheat [KWK24](#) ended Friday up 14 cents at \$5.88-3/4 a bushel and MGEX May spring wheat [MWEK24](#) rose 8 cents to finish at \$6.62-3/4 a bushel. Weakness in the dollar [.DXY](#) lent support, making U.S. grains more attractive to those holding other currencies. [USD/](#)



## Technical:

Wheat climbs on bargain-buying after multi-year low. Next level to watch 488.00.

## Support:

488.00 = Aug 2020 Low

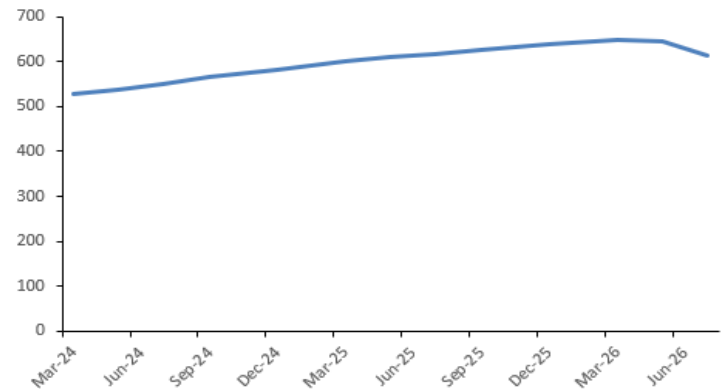
468.25 = Jun 2020 Low

## Resistance:

577.75 = Mar 2024 High

598.75 = Nov 2023 High

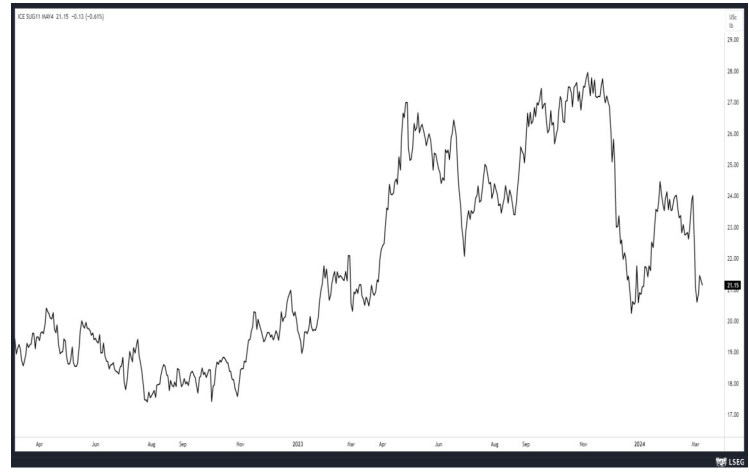
## Futures Curve



# Sugar

Last Price      USc **21.15**/LBS

May raw sugar [SBc1](#) settled down 0.13 cent, or 0.6%, at 21.15 cents per lb. The contract gained 0.3% weekly. The market was underpinned by the prospect of a smaller cane crop in Centre-South Brazil in the upcoming 2024/25 season. An improving outlook for sugar production in major exporter Thailand, however, helped to keep a lid on prices. May white sugar [LSUc1](#) fell 1.1% to \$597.50 a ton.



**Technical:**

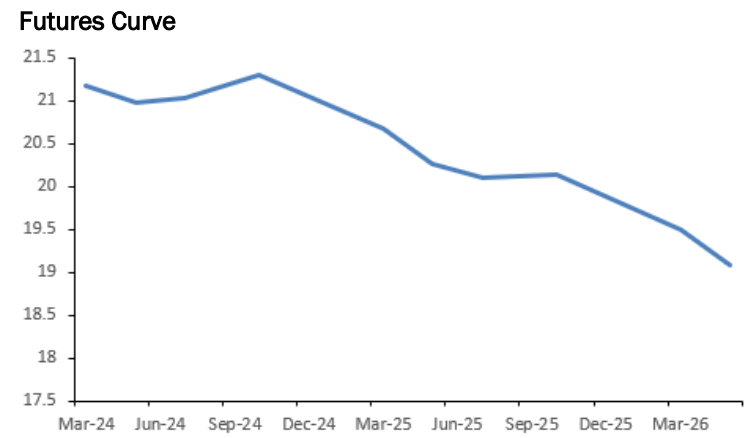
Raw sugar rebounds from near two-month low, next level to watch 20.60.

**Support:**

20.60 = Jan 2024 Low  
 20.03 = Dec 2023 Low

**Resistance:**

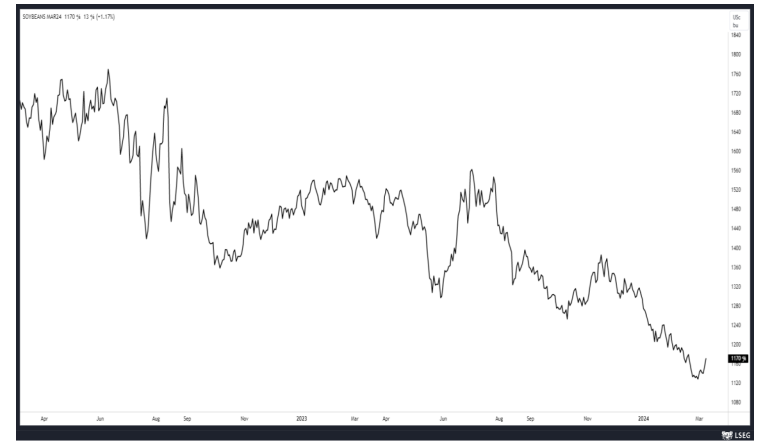
21.88 = Mar 2024 High  
 22.36 = Feb 2023 High



# Soybean

Last Price USc **1,170.50**/BSH

Chicago Board of Trade soybean futures notched a two-and-a-half week high on Friday, buoyed by short covering ahead of the week-end after an uneventful monthly crop report from the U.S. Department of Agriculture. The benchmark CBOT soybean contract [Sv1](#) continues to hover above a 3-year low set last week. CBOT May soybeans [SK24](#) settled up 17-3/4 cents at \$11.84 per bushel after rising to \$11.85, the contract's highest price since Feb. 20. For the week, the May contract rose 32-3/4 cents a bushel, or 2.8%, its second consecutive weekly advance. CBOT May soymeal [SMK24](#) ended up \$7 at \$341.40 per short ton, and May soyoil [BOK24](#) declined 0.18 cent to finish at 46.17 cents per pound. Soybean futures may be drawing support from concerns that U.S. farmers may not increase their soybean acreage this spring.



**Technical:**

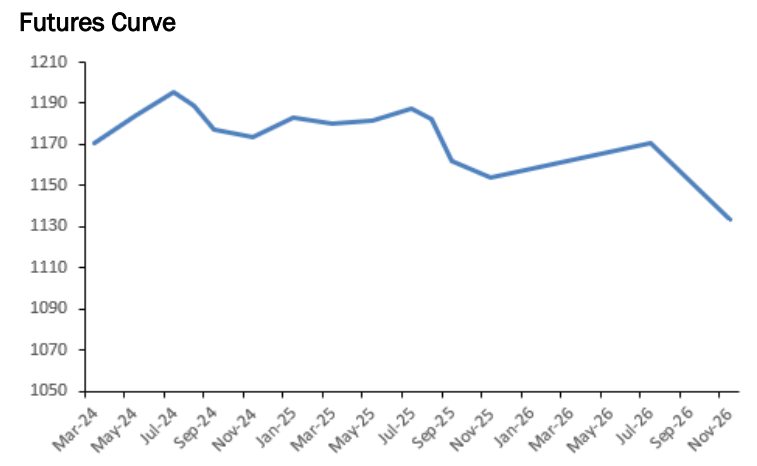
Soybeans touch 2-week top after monthly USDA report, next level to watch 1,120.00.

**Support:**

1,094.00 = Oct 2020 High  
 1,042.00 = Nov 2020 Low

**Resistance:**

1,221.75 = Feb 2024 High  
 1,262.50 = Oct 2021 High



# Palm Oil

Last Price USD **871.06**/Ton

Malaysian palm oil futures rose on Friday to log a third straight weekly gain amid higher Dalian softs and crude oil prices, although a stronger ringgit capped further gains. The benchmark palm oil contract [FCPOc3](#) for May delivery on the Bursa Malaysia Derivatives Exchange rose 18 ringgit, or 0.44%, to 4,089 ringgit (\$873.34) a metric ton at closing, the highest close since July 25. The contract logged a weekly gain of 3.1%, fuelled by [tight supply](#) and optimism over palm demand. Dalian's most-active soyoil contract [DBYcv1](#) rose 1.92%, while its palm oil contract [DCPcv1](#) gained 1.69%. Soyoil prices on the Chicago Board of Trade [BOcv1](#) dipped 0.39% after a 2.27% climb on Thursday. 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 tracks Dalian rivals higher, logs third weekly gain, next level to watch 900.00.

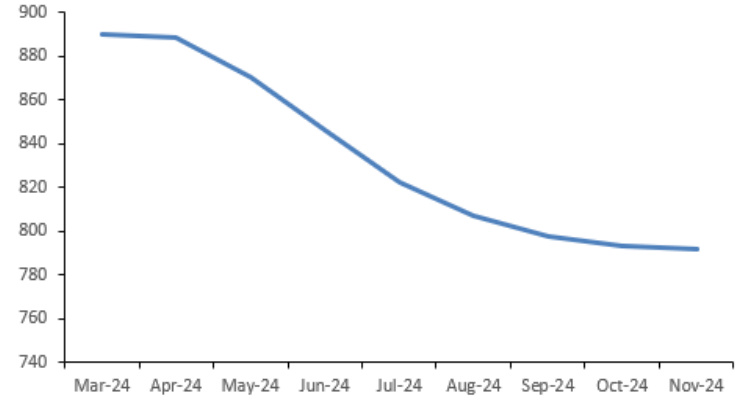
**Support:**

822.76 = May 2021 Low  
 787.87 = Jul 2021 Low

**Resistance:**

903.20 = Dec 2021 High  
 931.58 = Mar 2023 High

## Futures Curve





# Cotton

Last Price

USc **95.28**/LBS

U.S. cotton futures fell over 4% as investors locked in profits on Friday, countering support from a U.S. Department of Agriculture's (USDA) monthly supply and demand estimates report. Cotton contract for May [CTc1](#) fell 4 cents, or 4.03%, at 95.28 cents per lb after trading limit down at 95.28 cents a lb earlier. Prices were down 2.3% for the week. Cotton prices rose over 4% in the previous session after USDA's export sales report showed exports at 330,800 running bales were up 24% from the previous week and 26% from the prior four-week average. [EXP/COT](#) The USDA's World Agricultural Supply and Demand Estimates (WASDE) report showed lower production and ending stocks relative to last month, with production reduced at 334,000 bales to 12.1 million bales.

### Technical:

Cotton futures dip over 4% on profit taking. Next level to watch 90.00.

### Support:

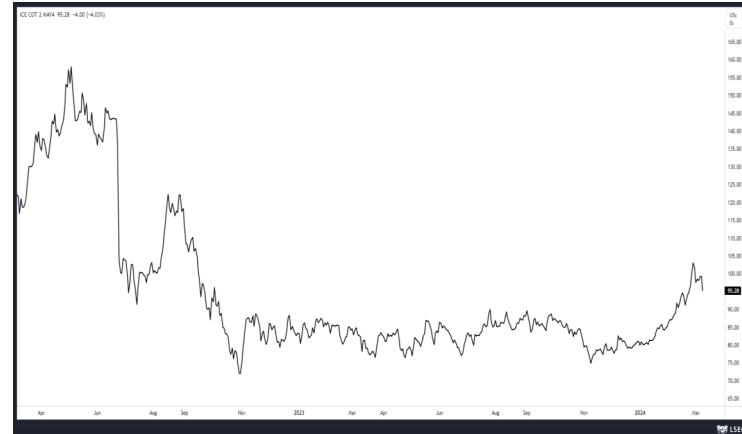
88.88 = Jan 2023 High

87.11 = Sep 2022 Low

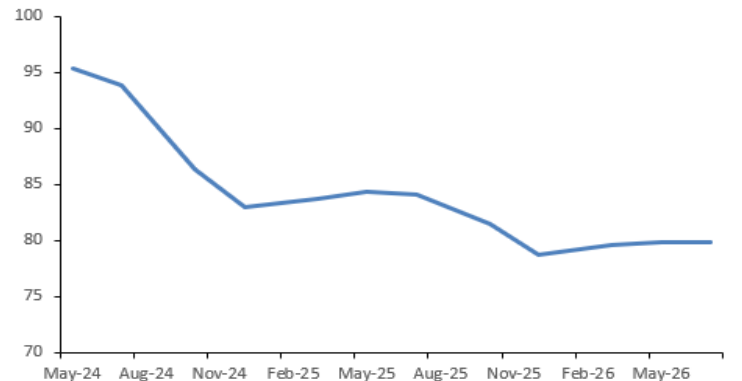
### Resistance:

100.00 = Jun 2022 Low

109.00 = Jul 2022 High



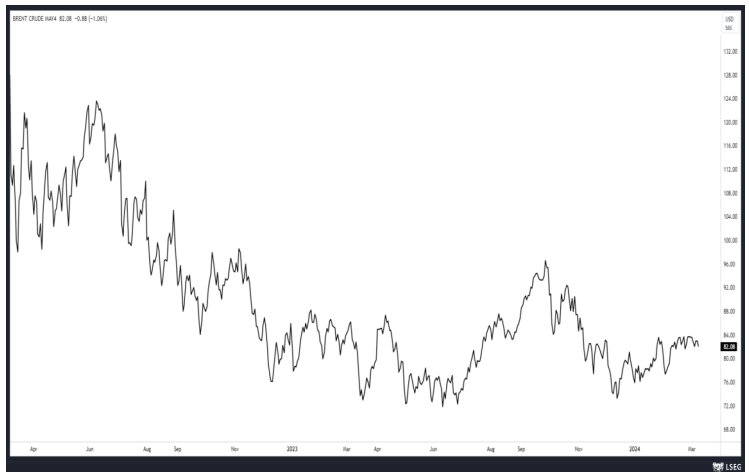
### Futures Curve



# Brent Crude

Last Price **USD 82.08/BBL**

Oil prices closed 1% lower on Friday and fell even more for the week as markets remained wary of soft Chinese demand even as producer group OPEC+ extended supply cuts. Brent crude futures [LCOc1](#) settled down 88 cents, or 1.1%, at \$82.08 a barrel. U.S. West Texas Intermediate crude futures (WTI) [CLc1](#) fell 92 cents, or 1.2%, at \$78.01. Both benchmarks fell in the week, with Brent down 1.8% and WTI 2.5%. China earlier this week set an [economic growth target](#) for 2024 of around 5%, which many analysts say is ambitious without much more stimulus. On the supply side, OPEC+ members led by Saudi Arabia and Russia agreed on Sunday to [extend voluntary oil output cuts](#) of 2.2 million barrels per day into the second quarter, giving extra support to the market amid concerns over global growth and rising output outside the group.



**Technical:**

Oil dips 1%, posts weekly loss as markets weigh Chinese demand, next level to watch 76.00.

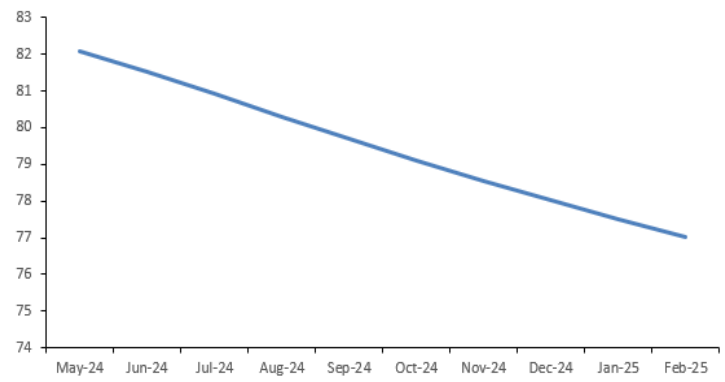
**Support:**

- 76.60 = Nov 2023 Low
- 74.79 = Jan 2024 Low

**Resistance:**

- 87.80 = Nov 2023 High
- 93.79 = Oct 2023 High

**Futures Curve**

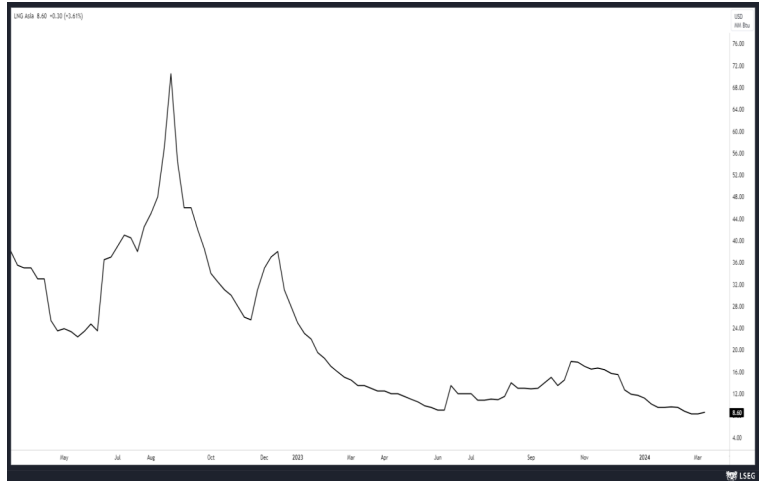


# LNG

Last Price

USD **8.60**/MMBTU

Asian spot liquefied natural gas (LNG) prices inched up this week as temperatures below seasonal normal levels in China pushed buyers back into the market, especially as prices had recently fallen below that of some oil-linked contracts. The average LNG price for April delivery into north-east Asia [LNG-AS](#) rose to \$8.60 per million British thermal units (mmBtu), a level last seen in late April 2021, from \$8.30 the previous week. The Chinese demand that emerged this week is largely for deliveries later this year and into 2025 and from regional firms. S&P Global Commodity Insights assessed its daily North West Europe LNG Marker (NWE) price benchmark for cargoes delivered in April on an ex-ship (DES) basis at \$7.962/mmBtu on March 7, a \$0.40/mmBtu discount to the April gas price at the Dutch TTF hub. Argus assessed the price at \$7.950/mmBtu, while Spark Commodities assessed it at \$7.861/mmBtu.



## Technical:

Asian spot LNG prices inch up on emerging Chinese demand. Next level to watch 8.00.

## Support:

8.10 = Dec 2020 Low

6.95 = Apr 2021 Low

## Resistance:

8.85 = Apr 2021 High

9.60 = Feb 2024 High

# Steel (HRC)

Last Price USD **814.00**/ tons

Iron ore prices dropped on Friday as lower-than-expected hot metal production and a persistent climb in portside inventories in top consumer China weighed on market sentiment. The most-traded May iron ore contract on China's Dalian Commodity Exchange (DCE) [DCIOcv1](#) ended daytime trade 1.13% lower at 877 yuan (\$122.00) a metric ton, a week-on-week fall of 1.6%. The benchmark April iron ore [SZZFJ4](#) on the Singapore Exchange was 1.56% lower at \$114.9 a ton, as of 0712 GMT, although the contract posted a weekly gain of 1.5% so far. Other steelmaking ingredients on the DCE were mixed, with coking coal [DJMcv1](#) up 0.14% while coke [DCJcv1](#) slid 0.52%. Steel benchmarks on the Shanghai Futures Exchange were largely down. Rebar [SRBcv1](#) lost 0.62%, hot-rolled coil [SHHCcv1](#) slipped 0.44% and wire rod [SWRcv1](#) fell 0.60%. Stainless steel [SHSScv1](#) gained 1.02%.

## Technical:

Iron ore retreats as lower demand, higher inventories weigh. Next level to watch 780.00.

## Support:

783.00 = Mar 2024 Low

765.00 = Sep 2022 Low

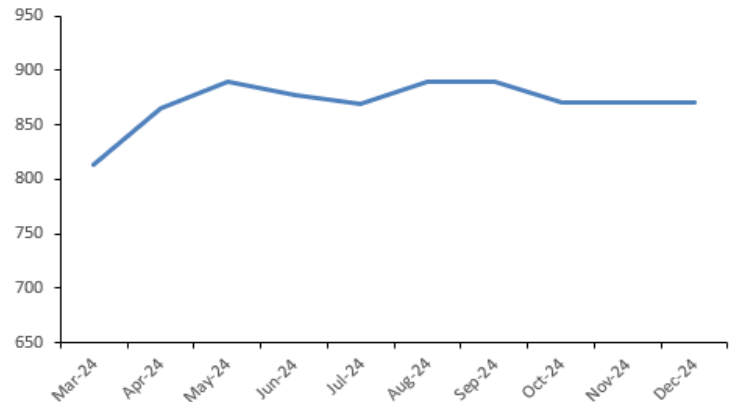
## Resistance:

848.00 = Aug 2022 High

885.00 = Oct 2023 High



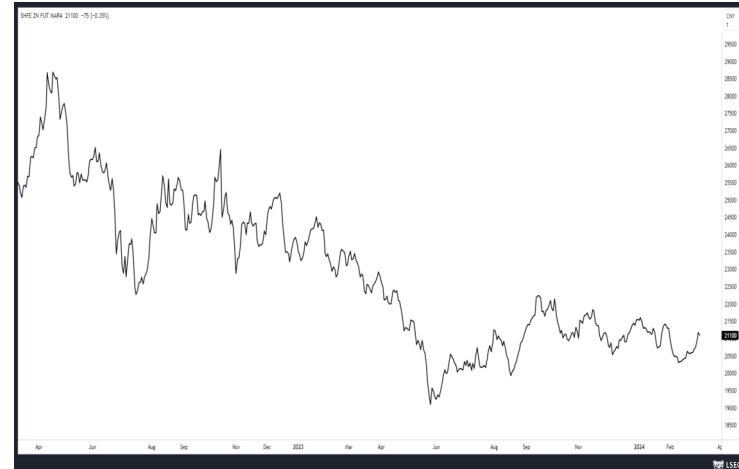
Futures Curve of SHFE Steel Futures



# SHFE Zinc

Last Price USD **2,930.55**/Tons

Overnight, LME zinc opened at \$2496/mt, hitting a low and high of \$2486.5/mt and \$2540/mt respectively, and closed at \$2529/mt, up \$38.5/mt or 1.55%. Trading volume increased to 15249 lots, and open interest decreased 2905 lots to 229,000 lots. LME zinc inventory dropped by 2325 or 0.85% to 272575 mt. Federal Reserve official Powell's dovish speech boosted the market's confidence in interest rate cuts, the US dollar continued to weaken, and the early market optimism has not been fully digested, and the macro boost led to another rise in zinc. Overnight, the most active SHFE 2404 zinc contract opened higher at 21,210 yuan/ton. It touched a high of 21,235 yuan/ton and a low of 21,135 yuan/ton, and finally closed up at 21,165 yuan/ton, up 205 yuan/ton, or 0.98%.



## Technical:

Most base metals set for weekly gains on soft dollar, China trade data, next level to watch 2,970.00.

## Support:

2,785.26 = Jul 2023 Low

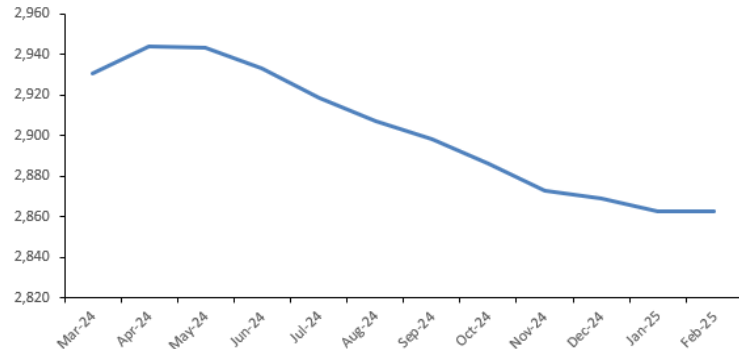
2,643.87 = Jun 2023 Low

## Resistance:

2,967.36 = Aug 2023 High

3,013.19 = Jan 2024 High

## SHFE Zinc Forward Curve



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