



Commodities Weekly

Issue 08-2023

Date: 28 Feb 2023

Bloomberg Commodity Index

105.75 ▼



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.

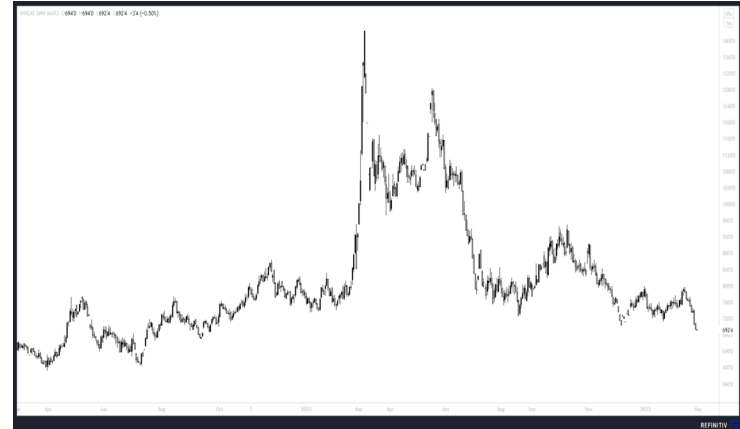
Commodity Name	Unit	Closing Price	% Δ Weekly	% Δ MoM	% Δ YoY	YTD High	YTD Low
Wheat	\$c/BSH	708.20	▼ -7.47%	▼ -3.57%	▼ -23.52%	797.40	691.20
Sugar	\$c/LBS	21.28	▼ -0.61%	▲ 7.04%	▲ 16.16%	21.86	18.92
Soybean	\$c/BSH	1,529.00	▲ 0.11%	▲ 2.73%	▼ -7.97%	1,548.40	1,462.00
Palm Oil	\$/Ton	937.00	▲ 1.41%	▲ 6.48%	▼ -44.46%	969.00	861.00
Cotton	\$c/LBS	85.13	▲ 6.08%	▼ -1.29%	▼ -30.56%	88.88	80.00
Brent Crude	\$/BBL	83.16	▲ 0.19%	▼ -3.45%	▼ -16.07%	89.09	77.61
LNG	\$/MMBTU	15.00	▼ -6.25%	▼ -23.08%	▼ -60.00%	25.00	16.00
Steel	\$/Ton	1,020.00	▲ 27.82%	▲ 44.68%	▲ 2.62%	1020.00	705.00
SHFE Zinc	\$/Ton	3,373.56	▲ 2.71%	▼ -4.22%	▼ -5.21%	3,615.00	3,303.00
Gold	\$/Ozs	1,810.81	▼ -1.67%	▼ -6.54%	▼ -4.85%	1,959.60	1,817.60

Wheat

Last Price

USc **708.20**/BSH

Chicago Board of Trade wheat futures tumbled on Friday on concerns about competition for export business. CBOT May soft red winter wheat [WK3](#) settled down 28-3/4-cents at \$7.21-3/4 per bushel. The most-active contract [Wv1](#) hit its lowest price since Jan. 23. K.C. May hard red winter wheat [KWK3](#) ended down 21-1/2 cents at \$8.35-1/4 a bushel and touched its lowest price since Jan. 24. MGEX May spring wheat [MWEK3](#) fell 23 cents to \$8.81. Euronext [wheat fell](#) to a one-month low on Friday, pressured by export competition from Russia and expectations that the wartime shipping corridor from Ukraine will continue.

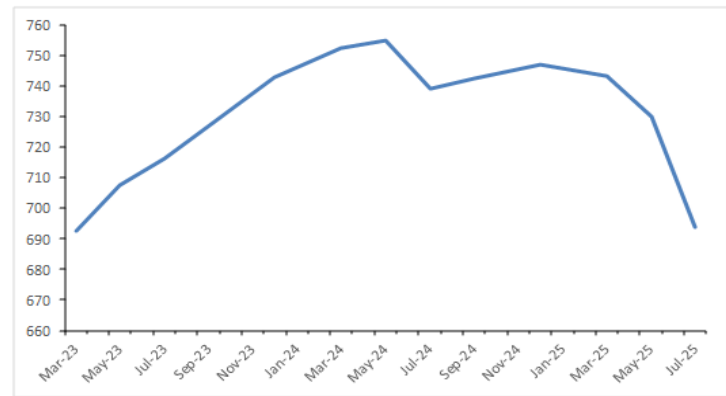


Technical:
 Wheat slides on competition for global export sales. Next level to watch 790.00.

Support:
 690.20 = Aug 2021 Low
 671.40 = Sep 2021 Low

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

Futures Curve

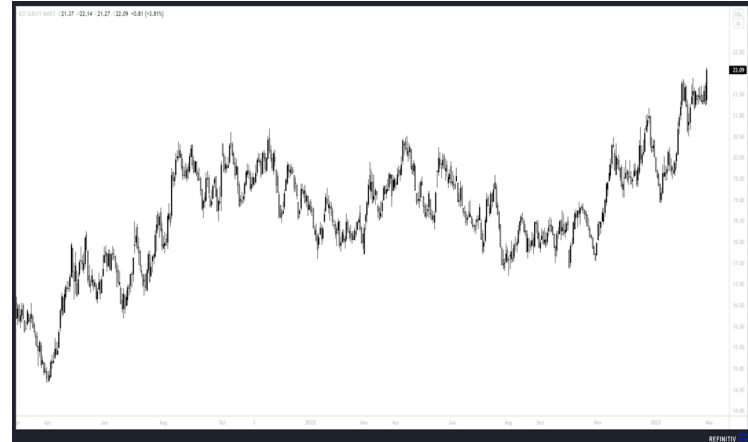


Sugar

Last Price

USc **21.28**/LBS

Raw sugar prices on ICE fell on Friday, heading for a 1% weekly decline as the market consolidates after hitting a six-year high hit this month. March raw sugar [SBc1](#) was down 1.1% at 21.34 cents per lb by 1552 GMT. There is good support for sugar below 20 cents because near-term supplies remain tight. However, that funds are likely to remain heavily long on sugar and may not increase their position much more. Mills, however, are widely expected to favour sugar production over ethanol with the new crop, as they did in the previous season, it added. May white sugar [LSUc1](#) fell 1.7% to \$565.10 a tonne.



Technical:

Raw sugar slips as market consolidates, next level to watch 21.50.

Support:

20.61 = Oct 2021 High

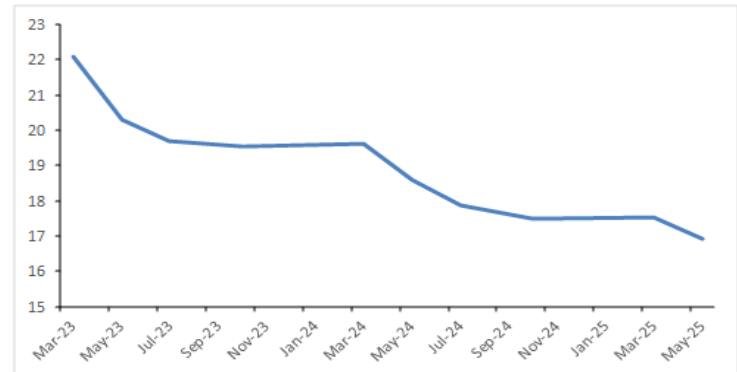
20.05 = Sep 2021 High

Resistance:

21.49 = Feb 2017 High

22.59 = Nov 2016 High

Futures Curve

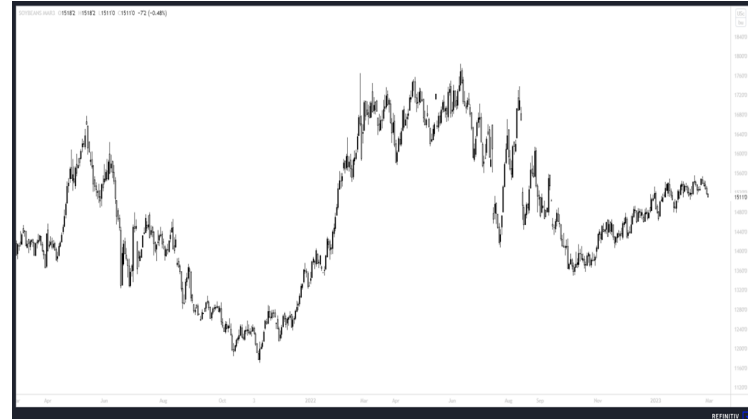


Soybean

Last Price

USc **1,529.00**/BSH

Chicago Board of Trade soybean futures closed lower on Friday on a lack of supportive news and on spillover selling from losses in the neighboring wheat and corn markets. CBOT May soybeans [SK3](#) ended down 8 cents at \$15.19-1/4. The most-active contract [Sv1](#) hit its lowest price since Feb. 15 at \$15.17. CBOT May soymeal [SMK3](#) ended up \$2 at \$480 per short ton, and May soyoil [BOK3](#) fell 0.96 cent to end at 61.22 cents per pound. Weekly U.S. soybean [export sales](#), reported by the U.S. Department of Agriculture on Friday, totaled 556,600 tonnes. Analysts were expecting 300,000 to 1.15 million tonnes.



Technical:

ends down on spillover pressure from lower wheat, corn prices, next level to watch 1,600.00.

Support:

1,485.00 = Feb 2022 High

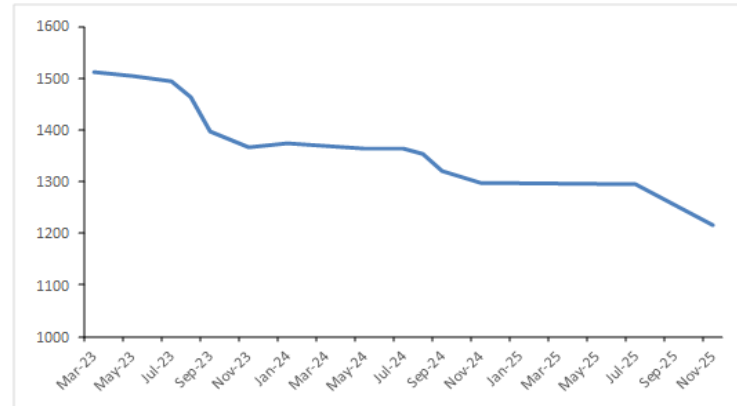
1,443.60 = Aug 2022 High

Resistance:

1,615.20 = May 2022 Low

1,683.20 = Jul 2022 High

Futures Curve



Palm Oil

Last Price USD **937.00**/Ton

Malaysian palm oil futures ended lower on Friday after trading in a tight range, although the contract recorded a third straight weekly jump, underpinned by concerns over tight supply amid improving demand. The benchmark palm oil contract [FCPOc3](#) for May delivery on the Bursa Malaysia Derivatives Exchange closed down 32 ringgit, or 0.76%, at 4,203 ringgit (\$948.12) a tonne, hovering near a seven-week high hit on Thursday. The contract has gained 1.7% this week.



Technical:

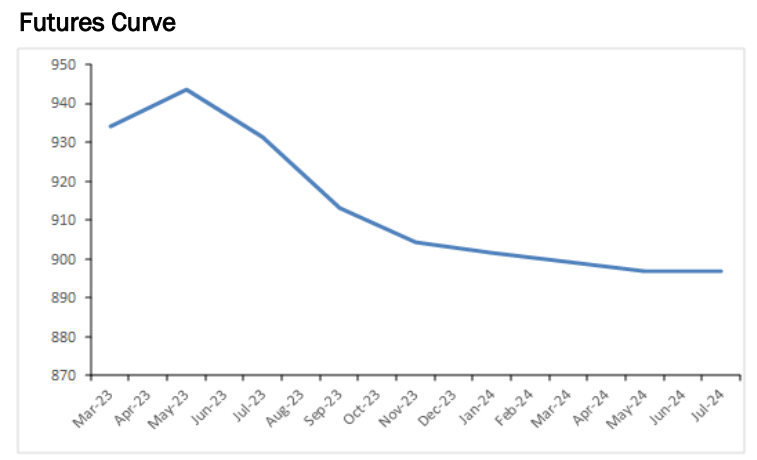
Palm oil clocks third weekly climb on tight supply worries, next level to watch 830.00.

Support:

833.00 = Dec 2022 Low
 785.00 = Nov 2020 Low

Resistance:

950.00 = Dec 2022 High
 997.00 = Aug 2022 High



Cotton

Last Price

USc **85.13**/LBS

ICE cotton futures rose more than 3% on Friday despite a stronger U.S. dollar as a robust weekly export sales report boosted investors' sentiment and kept the natural fiber on track for its first weekly rise in four. The cotton contract for May [CTc2](#) was up 2.53 cents, or about 3.1%, at 84.69 cents per lb by 11:48 a.m. EST (1648 GMT). It traded in a range of 81.55 and 84.75 cents a lb. The contract gained about 3.7% so far this week. The U.S. Department of Agriculture's weekly export sales report showed net sales of 425,300 running bales of cotton for 2022/2023, a marketing year high, up 96% from the prior week, and up 97% from the prior 4-week average.



Technical:

Cotton rises more than 3% on strong export sales data. Next level to watch 90.00.

Support:

77.65 = Apr 2021 Low

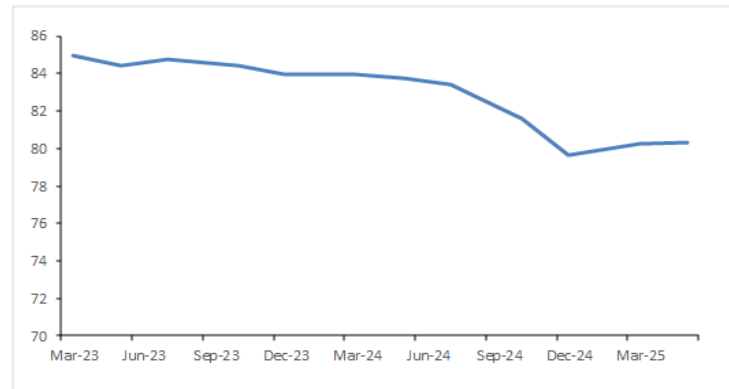
72.00 = Nov 2022 Low

Resistance:

90.85 = Jul 2022 Low

96.14 = Oct 2022 High

Futures Curve

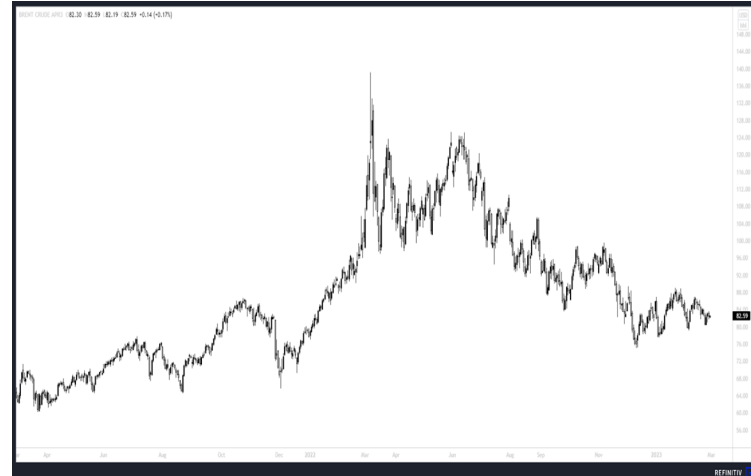


Brent Crude

Last Price

USD **83.16**/BBL

Oil edged higher in volatile trade on Friday, and was flat on the week, with prices supported by the prospect of lower Russian exports but pressured by rising inventories in the United States and concerns over global economic activity. Brent crude futures [LC0c1](#) settled at \$83.16 a barrel, up 95 cents, or 1.2%. West Texas Intermediate U.S. crude futures (WTI) [CLc1](#) settled at \$76.32 a barrel, rising 93 cents, or 1.2%. Earlier, both fell by more than \$1 a barrel. The benchmarks were little changed on the week. Lower trading volumes contributed to volatility, with Brent trading at 58% and WTI trading at 90% of the previous session's levels.



Technical:

Oil flat on week as U.S. inventories rise but Russia cuts supply, ample supply, next level to watch 75.00.

Support:

75.11 = Dec 2022 Low

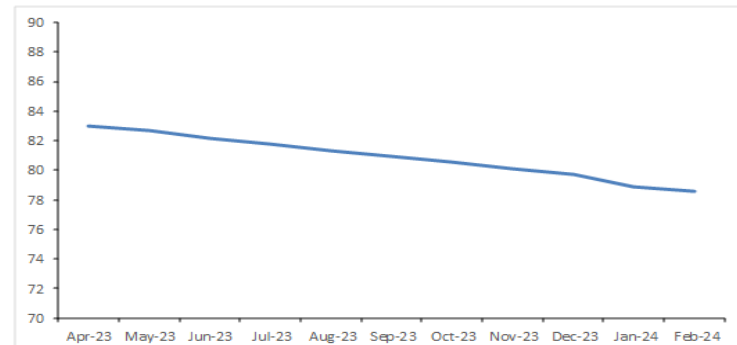
70.42 = Sep 2021 Low

Resistance:

85.50 = Nov 2021 High

91.70 = Jan 2022 High

Futures Curve

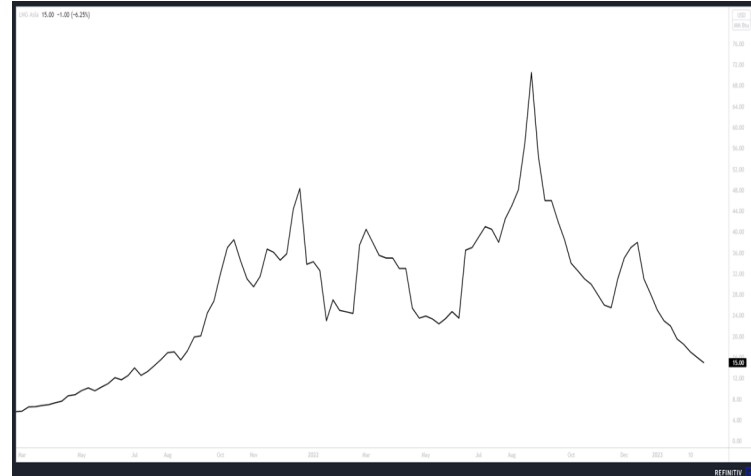


LNG

Last Price

USD **15.00**/MMBTU

Asian spot liquefied natural gas (LNG) prices eased this week, extending declines to its lowest since July 2021, as demand from key buyers in northeast Asia remain weak. The average LNG price for April delivery into northeast Asia [LNG-AS](#) was at \$15 per million British thermal units (mmBtu), industry sources estimated, down \$1, or 6.3%, from the previous week. Asia's spot LNG prices have been trending downward since mid-December, and have lost 46% since the start of the year. Amid the lack of spot market demand from northeast Asia, China Gas Holdings [announced](#) on Friday that it had signed two 20-year LNG supply contracts with U.S. exporter Venture Global, for a total supply of two million tonnes per year. Lower spot prices however have continued to encourage buying interest from south Asia. Earlier this week, India's largest gas distributor GAIL (India) Ltd issued a [buy tender](#) seeking three LNG cargoes for delivery from March to May.



Technical:

Asia spot prices slip as northeast Asian buyers stay away. Next level to watch 16.00.

Support:

15.50 = Aug 2021 Low

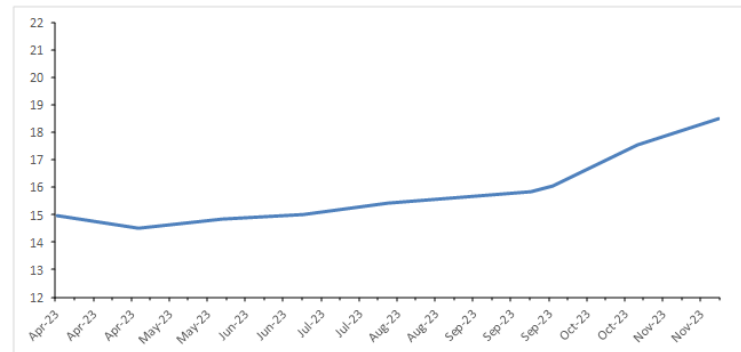
12.55 = Jul 2021 Low

Resistance:

23.00 = Jan 2022 Low

25.00 = Jan 2023 High

Futures Curve



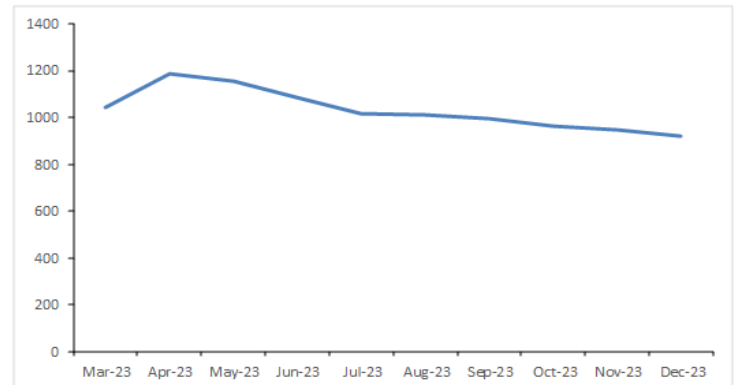
Steel (HRC)

Last Price USD **1,020.00**/ tons

Dalian and Singapore iron ore futures dipped on Friday, with Chinese regulators seeking to temper traders' excitement for stronger demand for the steel making ingredient, though prices were still set for weekly gains. A brightening outlook for top steel producer China had lifted the Dalian and Singapore iron ore benchmarks past the \$120-\$130 trading range they had been confined to for weeks. Spot prices also rose this week as Chinese steel mills further ramped up their production. Steel benchmarks and other Dalian steelmaking inputs were also subdued. Rebar on the Shanghai Futures Exchange [SRBcv1](#) dipped 0.9%, hot-rolled coil [SHHCcv1](#) shed 0.3%, wire rod [SWRCv1](#) edged down 0.1%, and stainless steel [SHSScv1](#) lost 0.4%.



Futures Curve of SHFE Steel Futures



Technical:

Iron ore dips as regulatory risks temper China demand optimism. Next level to watch 850.00.

Support:

970.00 = Feb 2022 Low

705.00 = Jan 2023 Low

Resistance:

1156.00 = Jan 2021 High

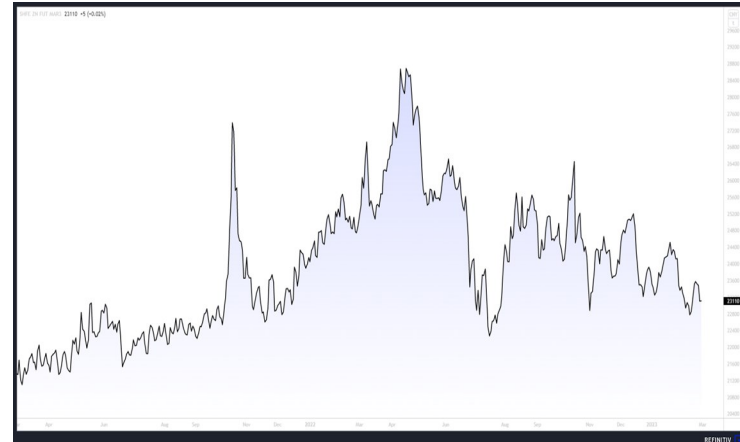
1208.00 = Jun 2022 High

SHFE Zinc

Last Price USD **3,373.56**/Tons

The most-traded SHFE 2304 zinc closed flat at 23,505 yuan/mt, with open interest up 3,891 lots to 93,109 lots.

SMM zinc ingot social inventory across seven major markets in China totalled 181,300 mt as of this Friday, down 3,200 mt from last Friday and down 200 mt from Monday. Though the social inventory dropped, the transactions in the spot market were poor, pointing to sluggish real consumption.



Technical:

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

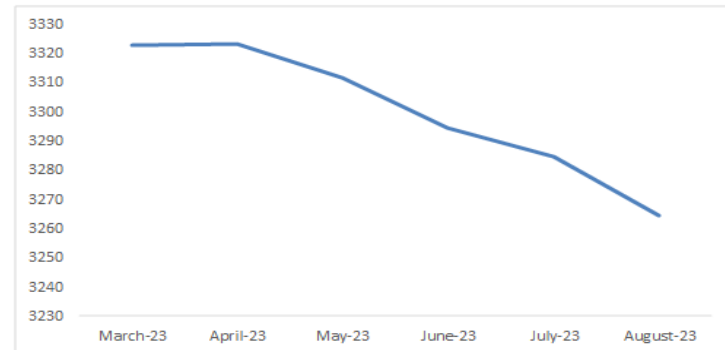
Support:

- 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

SHFE Zinc Forward Curve



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