



Commodities Weekly

Issue 09-2023

Date: 06 Mar 2023

Bloomberg Commodity Index

108.31 ▲



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	695.60	▼ -1.78%	▼ -7.28%	▼ -48.40%	797.40	687.00
Sugar	\$c/LBS	20.92	▼ -1.69%	▲ 1.26%	▲ 8.11%	21.86	18.92
Soybean	\$c/BSH	1,530.40	▲ 0.09%	▲ 0.60%	▼ -8.70%	1,548.40	1,462.00
Palm Oil	\$/Ton	965.00	▲ 2.99%	▲ 8.79%	▼ -40.54%	969.00	861.00
Cotton	\$c/LBS	84.37	▼ -0.89%	▲ 1.32%	▼ -29.81%	88.88	80.00
Brent Crude	\$/BBL	85.83	▲ 3.21%	▲ 5.98%	▼ -27.33%	89.09	77.61
LNG	\$/MMBTU	14.50	▼ -3.33%	▼ -21.62%	▼ -64.20%	25.00	14.50
Steel	\$/Ton	1,050.00	▲ 2.94%	▲ 32.41%	▼ -10.64%	1054.00	705.00
SHFE Zinc	\$/Ton	3,376.44	▲ 0.09%	▼ -3.96%	▼ -8.97%	3,615.00	3,303.00
Gold	\$/Ozs	1,854.97	▲ 2.44%	▼ -0.66%	▼ -5.77%	1,959.60	1,817.60

Wheat

Last Price

USc **695.60**/BSH

U.S. wheat futures fell on Friday, with concerns about weak domestic and export demand for U.S. supplies weighing on prices. K.C. hard red winter wheat futures posted the biggest decline, pressured by forecasts for crop-boosting moisture in key growing areas of the U.S. Plains. The benchmark CBOT May soft red winter wheat futures contract [WK3](#) settled down 4 cents at \$7.08-3/4 a bushel. K.C. May hard red winter wheat futures [KWK3](#) dropped 11 cents to \$8.15 a bushel and MGEX May spring wheat futures [MWEK3](#) were 4 cents lower at \$8.72-1/4 a bushel. For the week, CBOT wheat futures [Wv1](#) shed 1.8%, K.C. hard red winter wheat futures [KWv1](#) lost 2.4% and MGEX spring wheat futures [MWEc1](#) fell 1.7%. Brazil has become the second country in the world after Argentina to approve the cultivation of genetically modified wheat.

Technical:

Wheat falls on concern over weak demand. Next level to watch 790.00.

Support:

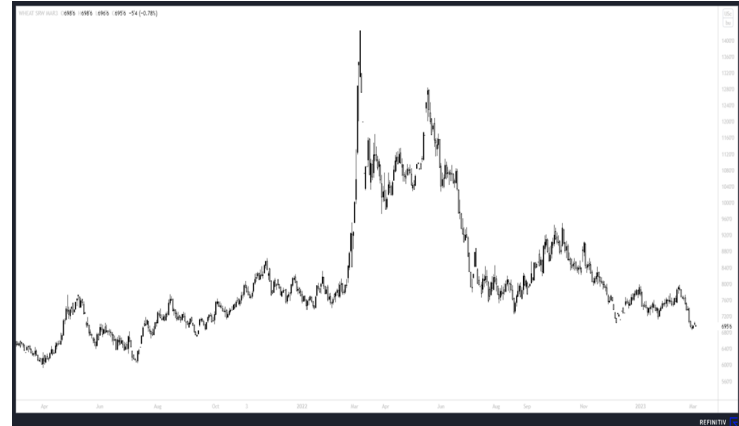
690.20 = Aug 2021 Low

671.40 = Sep 2021 Low

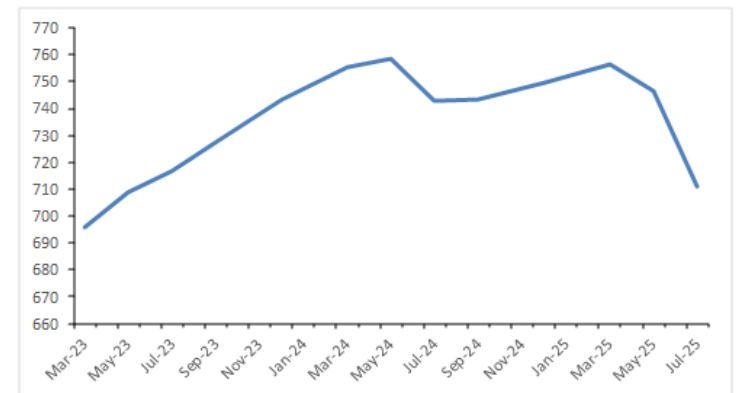
Resistance:

794.40 = Jan 2023 High

831.40 = Jan 2022 High



Futures Curve

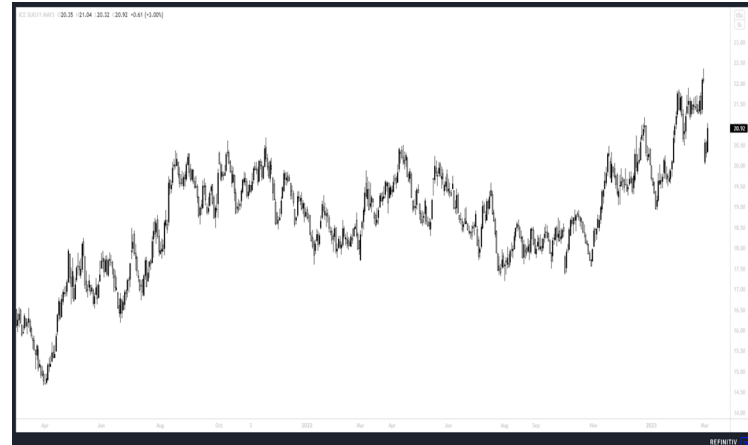


Sugar

Last Price

USc **20.92**/LBS

May raw sugar [SBc1](#) settled 0.61 cents, or 3.0%, higher at 20.92 cents per lb. Sugar is being boosted by a diminished outlook for production from India this season. More than [two dozen mills in Maharashtra](#) had stopped cane crushing by the end of February, nearly two months earlier than last year. So far this season though, [Indian mills](#) have produced 25.8 million tonnes of sugar, up 1.8% year on year. May white sugar [LSUc1](#) settled \$15.60, or 2.7%, higher at \$588.40 a tonne.



Technical:

Raw sugar closes lower, next level to watch 21.50.

Support:

20.61 = Oct 2021 High

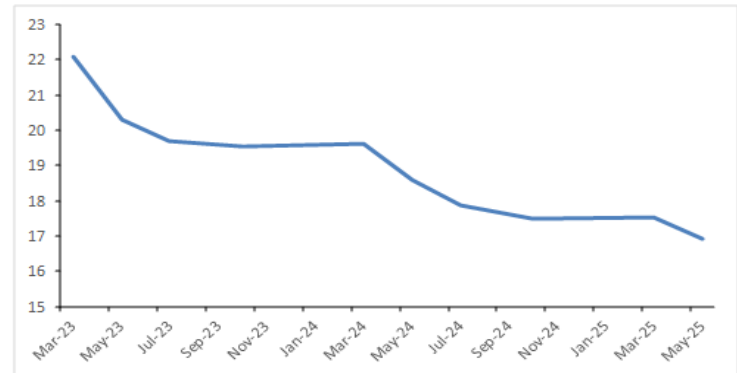
20.05 = Sep 2021 High

Resistance:

21.49 = Feb 2017 High

22.59 = Nov 2016 High

Futures Curve

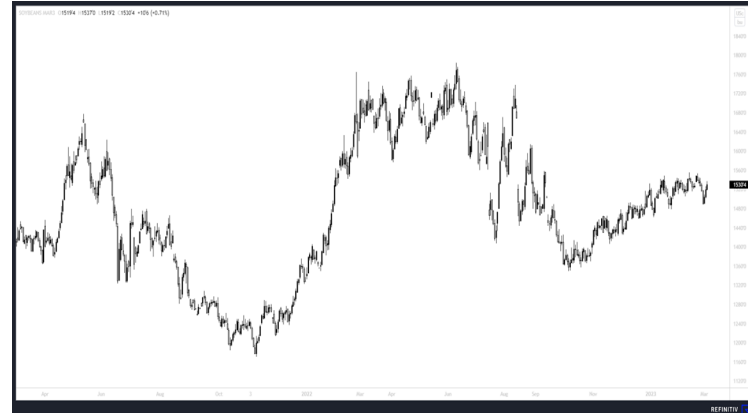


Soybean

Last Price

USc **1,530.40**/BSH

U.S. soybean futures rose on Friday, bolstered by expectations of more cuts to the size of the harvest in Argentina as dry and hot weather continued to stress the crop throughout its final stages of development. Cash market strength added support to soybeans. [GRA/PM](#) More cuts were expected to the production forecast in the coming months. The benchmark CBOT May soybean futures contract [SK3](#) settled up 9-1/2 cents at \$15.18-3/4 a bushel, capping a week that saw the most-active contract [Sv1](#) dip 0.03%. CBOT May soybeans rose above their 10-day, 30-day, 40-day and 50-day moving averages during the session. CBOT May soybean futures [SMK3](#) settled up \$9.00 at \$481.30 and were up 0.3% for the week. CBOT May soybean futures [BOK3](#) ended down 0.71 cent at 61.19 cents per lb. For the week, soybean futures [BOv1](#) slipped 0.05%.



Technical:

Soybeans rise on Argentine weather concerns, cash market strength, next level to watch 1,600.00.

Support:

1,485.00 = Feb 2022 High

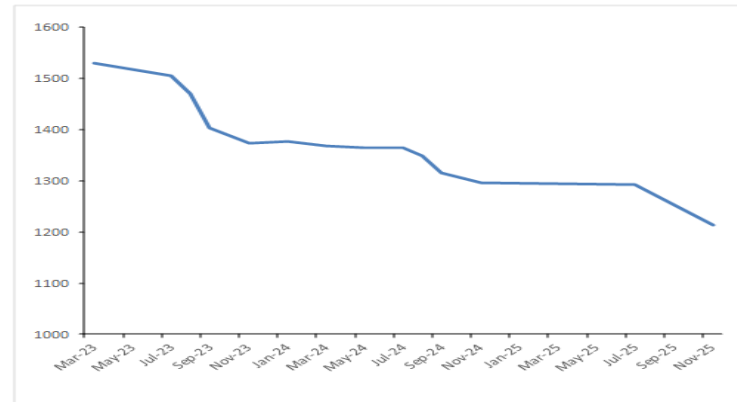
1,443.60 = Aug 2022 High

Resistance:

1,615.20 = May 2022 Low

1,683.20 = Jul 2022 High

Futures Curve



Palm Oil

Last Price

USD **965.00**/Ton

Malaysian palm oil futures rose on Friday to clock a fourth straight weekly rise, lifted by a survey pegging tighter production and stock-pile, even as floods raised supply worries in the world's second-largest producer. The benchmark palm oil contract [FCPOc3](#) for May delivery on the Bursa Malaysia Derivatives Exchange advanced 63 ringgit, or 1.47%, to 4,357 ringgit (\$974.07) a tonne, its highest closing since Nov. 8. For the week, palm rose 3.7%. Dalian's most-active soyoil contract [DBYcv1](#) rose 1.9%, while its palm oil contract [DCPcv1](#) gained 1.2%. Soyoil prices on the Chicago Board of Trade [BOcv1](#) were up 0.2%. Palm oil is affected by price movements in related oils as they compete for a share in the global vegetable oils market.



Technical:

Palm logs fourth weekly rise on flooding woes, shrinking output, next level to watch 830.00.

Support:

833.00 = Dec 2022 Low

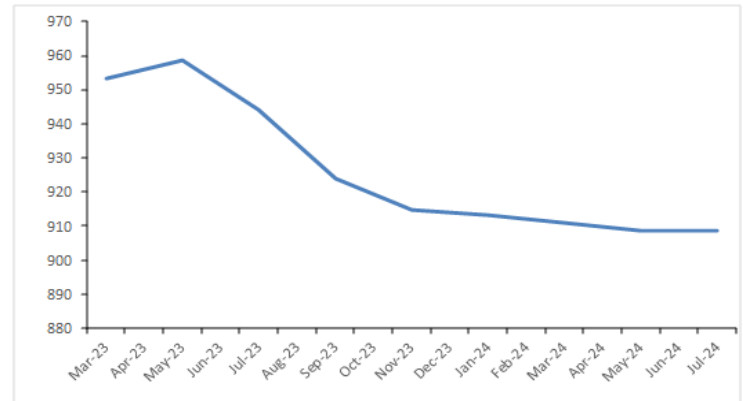
785.00 = Nov 2020 Low

Resistance:

997.00 = Aug 2022 High

1071.00 = Sep 2021 High

Futures Curve



Cotton

Last Price

USc **84.37** /LBS

ICE cotton futures slipped from a more than two-week peak on Thursday after a weekly report by the U.S. government showed a decline in sales of the natural fiber, while a stronger dollar added to the downbeat mood. The cotton contract for May [CTc2](#) fell 0.90 cent, or about 1.1%, to 84.76 cents per lb at 10:55 a.m. EST (1555 GMT), after hitting its highest since Feb. 13 at 86.25 cents earlier in the session. Cotton prices are kind of bouncing around within a range of \$0.80 over the past several months and continue to find support and resistance within that range. The dollar index [=USD](#), meanwhile, rose 0.5% against its rivals, making cotton more expensive for overseas buyers. [USD/](#)



Technical:

Cotton slips from two-week high on weak export sales data. Next level to watch 90.00.

Support:

77.65 = Apr 2021 Low

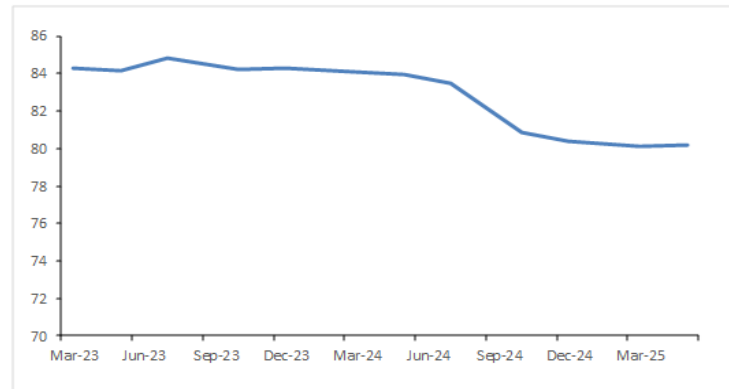
72.00 = Nov 2022 Low

Resistance:

90.85 = Jul 2022 Low

96.14 = Oct 2022 High

Futures Curve



Brent Crude

Last Price

USD **85.83**/BBL

Oil prices recovered from a brief sell-off to gain by more \$1 per barrel on Friday and ended the week higher, driven by renewed optimism around demand from top oil importer China. Brent crude futures [LCOc1](#) rose \$1.08, or 1.3%, to settle at \$85.83 a barrel. U.S. West Texas Intermediate (WTI) crude [CLc1](#) futures settled at \$79.68 a barrel, up by \$1.52, or 1.9%. Both benchmarks posted their highest closing levels since Feb. 13. Brent and WTI notched their third biggest weekly percentage gains this year as strong Chinese economic data fed hopes for oil demand growth. China's service sector activity in February expanded at [the fastest pace in six months](#), and [manufacturing activity there](#) also grew. China's seaborne imports of Russian oil are set to hit [a record high this month](#). China, the world's top oil importer, is getting more ambitious with its [2023 growth target](#), aiming as high as 6%.



Technical:

Oil settles up on China demand hopes, posts weekly gain, next level to watch 75.00.

Support:

75.11 = Dec 2022 Low

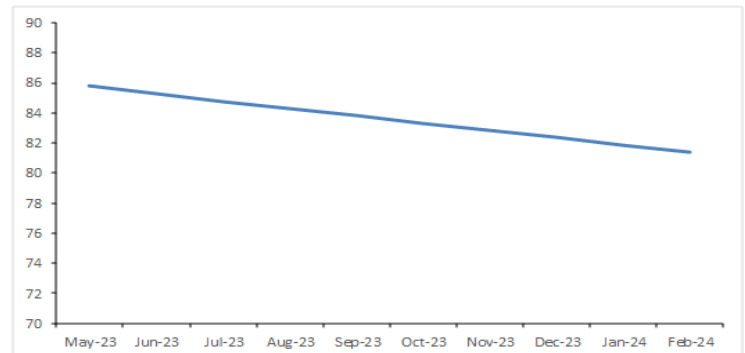
70.42 = Sep 2021 Low

Resistance:

89.37 = Dec 2021 High

91.70 = Jan 2022 High

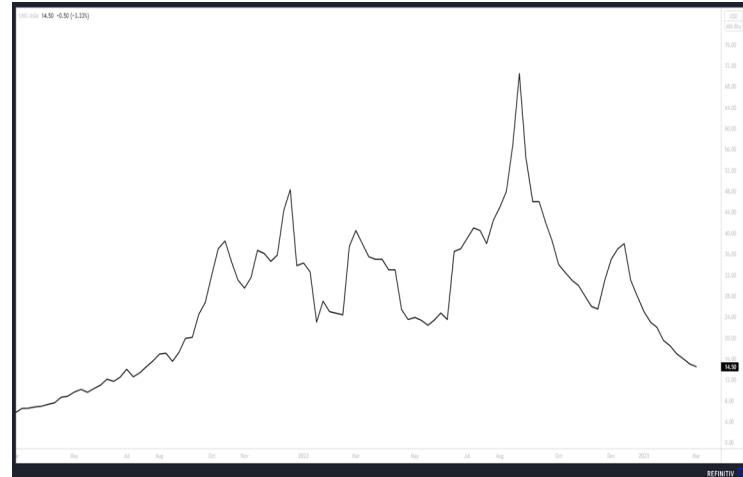
Futures Curve



LNG

Asian spot liquefied natural gas (LNG) prices continued their downward trend this week, hitting the lowest level since July 2021, due to tepid demand which is expected to last until the end of March. Prices have fallen more than 48% year-to-date and around 79% from the August 2022 peak at \$70.50/mmBtu. In Europe, gas prices have touched levels not seen since August 2021 and LNG cargoes continue to head to the continent with economics still favouring Atlantic deliveries over the Far East.

Last Price

USD **14.50**/MMBTU

Technical:

Asian spot LNG prices hit 19-month low on tepid demand. Next level to watch 16.00.

Support:

12.50 = Jun 2021 High

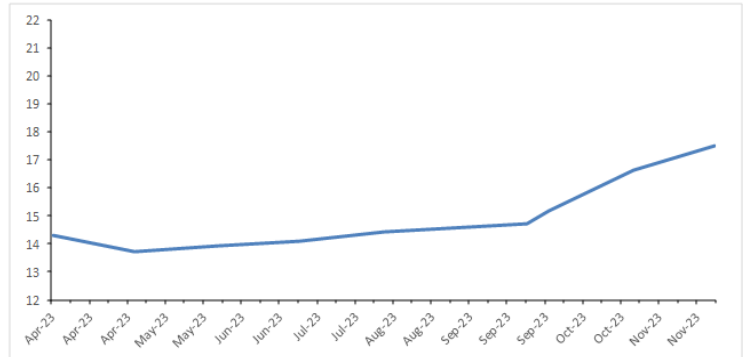
12.55 = Jul 2021 Low

Resistance:

23.00 = Jan 2022 Low

25.00 = Jan 2023 High

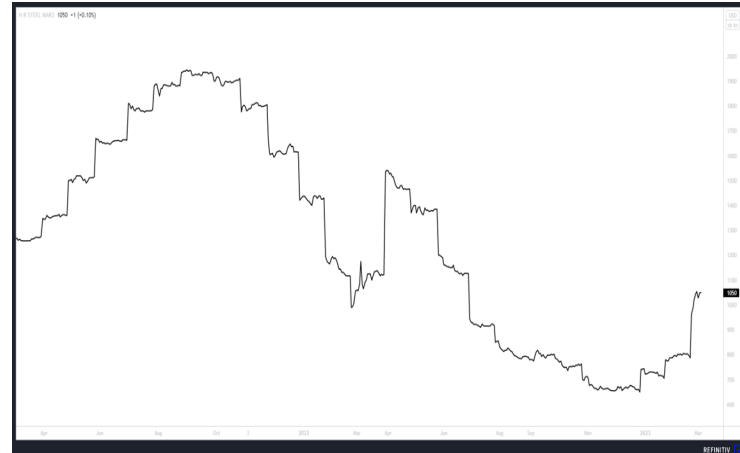
Futures Curve



Steel (HRC)

Last Price USD **1,050.00**/ tons

Dalian iron ore futures extended gains for a second session on Thursday as market sentiment improved following the removal of production curbs in key steel-making cities and on better-than-expected manufacturing data from China. Handan and [Tangshan](#), China's top steel production hubs, lifted pollution restrictions on Wednesday after air quality improved. The most-traded May iron ore futures contract [DCIOcv1](#) on the Dalian Commodity Exchange (DCE) ended daytime trade 1.56% higher at 912.5 yuan (\$132.19) a tonne, the highest since Feb. 23. The contract gained nearly 2.5% in the previous session. Transactions of construction steel products across the country totalled 204,025 tonnes on March 1, posting a week-on-week rise of 33.06%. Stainless steel [SHSScv1](#) continued the down-trend with a fall of 0.71%.



Technical:

Dalian iron ore rises as China's steel hubs lift production curbs. Next level to watch 850.00.

Support:

970.00 = Feb 2022 Low

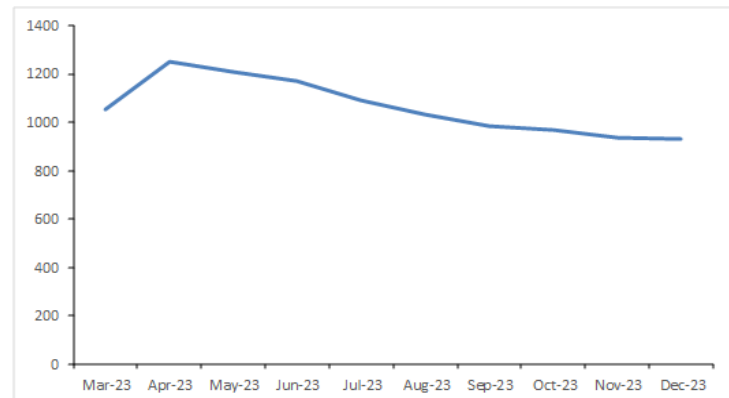
705.00 = Jan 2023 Low

Resistance:

1156.00 = Jan 2021 High

1208.00 = Jun 2022 High

Futures Curve of SHFE Steel Futures

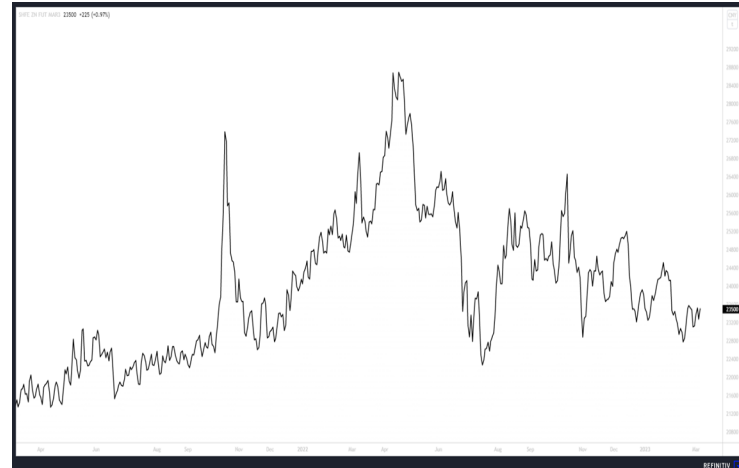


SHFE Zinc

The most-traded SHFE 2304 zinc closed down 0.23% or 55 yuan/mt at 23,475 yuan/mt, with open interest down 981 lots to 86,290 lots.

Zinc price dropped today, and low prices attracted downstream players, accompanying improving market inquiries. The transactions also picked up.

Last Price USD **3,376.44**/Tons



Technical:

Zinc closed with slight gains, next level to watch 3,405.00.

Support:

3,276.00 = Oct 2021 High

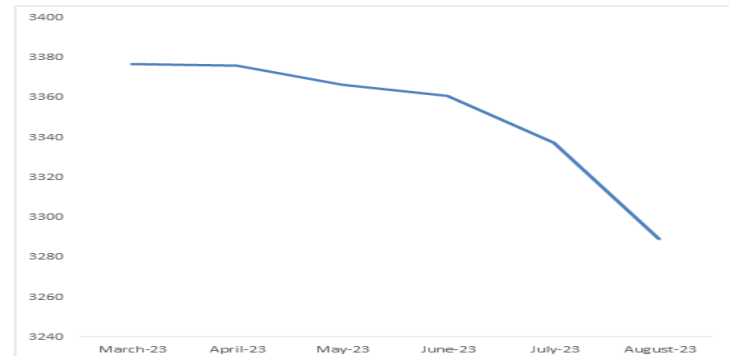
3,100.00 = Sep 2021 High

Resistance:

3,405.00 = Jun 2022 High

3,528.00 = Dec 2021 High

SHFE Zinc Forward Curve



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

Disclaimer

This document is for information purposes only and does not take into account specific circumstances of any recipient. The information contained herein does not constitute the provision of investment advice. It is not intended to be and should not be construed as a recommendation, offer or solicitation to acquire, or dispose of, any of the financial instruments and/or securities mentioned in this document and will not form the basis or a part of any contract or commitment whatsoever. Investors should seek independent professional advice and draw their own conclusions regarding suitability of any transaction including the economic benefits, risks, legal, regulatory, credit, accounting and tax implications. The information in this document is based on public data obtained from sources believed by BRAC Bank to be reliable and in good faith, but no representations, guarantees or warranties are made by BRAC Bank with regard to accuracy, completeness or suitability of the data. BRAC Bank has not performed any independent review or due diligence of publicly available information regarding an unaffiliated reference asset or index. The opinions and estimates contained herein reflect the current judgment of the author(s) on the date of this document and are subject to change without notice. The opinions do not necessarily correspond to the opinions of BRAC Bank. BRAC Bank does not have an obligation to update, modify or amend this document or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. This communication may contain trading ideas where BRAC Bank may trade in such financial instruments with customers or other counterparties. Any prices provided herein (other than those that are identified as being historical) are indicative only, and do not represent firm quotes as to either size or price. The past performance of financial instruments is not indicative of future results. No assurance can be given that any financial instrument or issuer described herein would yield favorable investment results. Any forecasts or price targets shown for companies and/or securities discussed in this document may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information and/or the subsequent transpiration that underlying assumptions made by BRAC Bank or by other sources relied upon in the document were inapposite. BRAC Bank and or its affiliates may act as a market maker in the instrument(s) and or its derivative that has been mentioned in our research reports. Employees of BRAC Bank and or its affiliates may provide written or oral commentary, including trading strategies, to our clients and business units that may be contrary to the opinions conveyed in this research report. BRAC Bank may perform or seek to perform investment banking services for issuers mentioned in research reports. Neither BRAC Bank nor any of its respective directors, officers or employees accepts any responsibility or liability whatsoever for any expense, loss or damages arising out of or in any way connected with the use of all or any part of this document. BRAC Bank may provide hyperlinks to websites of entities mentioned in this document, however the inclusion of a link does not imply that BRAC Bank endorses, recommends or approves any material on the linked page or accessible from it. BRAC Bank does not accept responsibility whatsoever for any such material, nor for any consequences of its use. This document is for the use of the addressees only and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any purpose, without the prior, written consent of BRAC Bank. The manner of distributing this document may be restricted by law or regulation in certain countries, including the United States. Persons into whose possession this document may come are required to inform themselves about and to observe such restrictions. By accepting this document, a recipient hereof agrees to be bound by the foregoing limitations.