



Commodities Weekly

Issue 09-2024

Date: 31 Mar 2024

Bloomberg Commodity Index

99.49 ▲



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

497.7719 ▲



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.

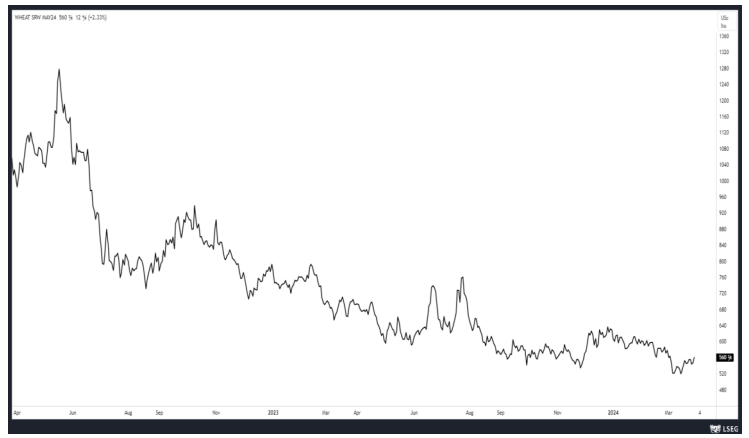
Commodity	Unit	Closing Price	% Δ Weekly	% Δ MoM	% Δ YoY	YTD High	YTD Low
Wheat	\$c/BSH	560.25	▲ 0.99%	▼ -2.99%	▼ -19.07%	628.75	519.50
Sugar	\$c/LBS	22.52	▲ 3.07%	▼ -0.27%	▲ 1.21%	24.62	20.53
Soybean	\$c/BSH	1,191.50	▼ -0.08%	▲ 5.61%	▼ -20.86%	1,289.50	1,115.00
Palm Oil	\$/Ton	888.09	▲ 0.41%	▲ 6.08%	▲ 4.13%	913.83	761.77
Cotton	\$c/LBS	91.38	▼ -0.16%	▼ -10.02%	▲ 10.39%	107.25	79.59
Brent Crude	\$/BBL	87.48	▲ 2.40%	▲ 4.62%	▲ 9.67%	87.70	74.79
LNG	\$/MMBTU	9.50	▲ 1.06%	▲ 14.46%	▼ -24.00%	11.20	8.30
Steel	\$/Ton	860.00	▲ 8.31%	▲ 8.18%	▼ -26.12%	1,135.00	780.00
SHFE Zinc	\$/Ton	2,891.15	▼ -1.69%	▲ 1.10%	▼ -12.93%	3,000.98	2,773.44
Indonesian Coal*	\$/Ton	124.95	0.00%	▼ -0.72%	▼ -55.86%	125.85	124.95
Australian Coal	\$/Ton	275.27	▼ -0.26%	▼ -12.72%	▼ -20.14%	336.00	276.00
Gold	\$/Ozs	2,232.38	▲ 3.15%	▲ 9.26%	▲ 13.44%	2,222.39	1,984.09

*Price published monthly once by Indonesian Govt

Wheat

Last Price USc **560.25**/BSH

CBOT wheat futures were lifted by rising corn prices after Thursday's U.S. Department of Agriculture reports showed quarterly corn stocks and intended plantings fell below trade estimates. CBOT May soft red winter wheat [WK24](#) rose 12-3/4 cents to settle at \$5.60-1/4 a bushel. That was up 1% from the previous week. K.C. May hard red winter wheat [KWK24](#) gained 7 cents to end at \$5.85-1/4 per bushel, and MGEX May spring wheat [MWEK24](#) last ended down 4-1/2 cents at \$6.46-1/2. Despite the reports delivering unsurprising news about CBOT wheat, spillover support from the rally in corn was enough to boost wheat futures. Spring wheat and durum planting intentions for the 2024 harvest beat analysts' expectations, prompting a bearish turn in the MGEX market.



Technical:

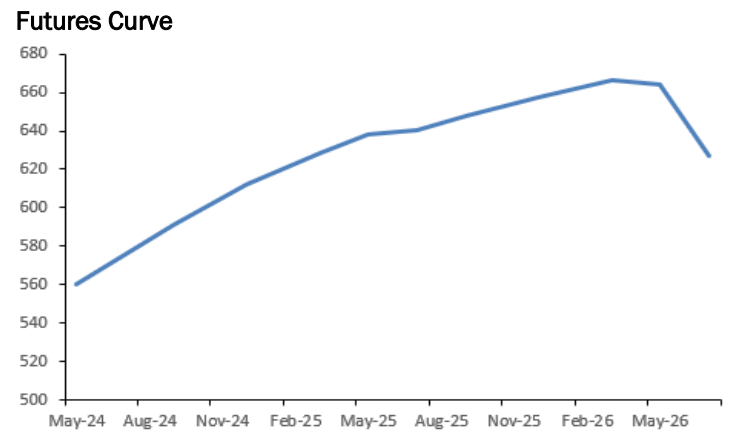
CBOT wheat jumps on strength of corn; MGEX wheat stumbles. Next level to watch 577.75.

Support:

488.00 = Aug 2020 Low
 468.25 = Jun 2020 Low

Resistance:

577.75 = Mar 2024 High
 598.75 = Nov 2023 High

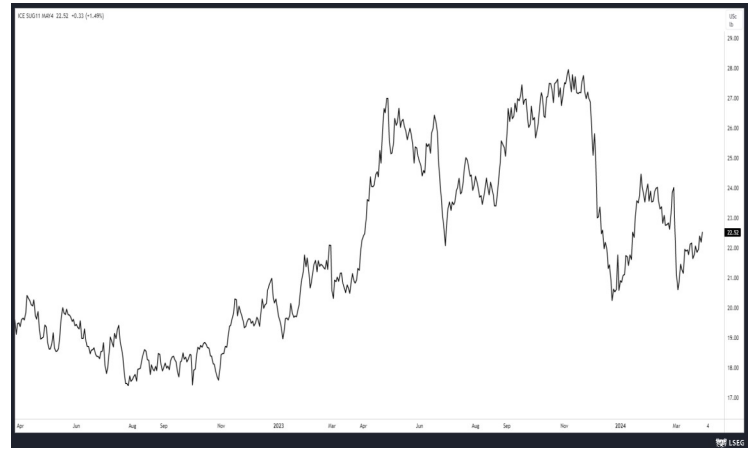


Sugar

Last Price USc **22.52**/LBS

May raw sugar [SBc1](#) settled up 0.33 cent, or 1.5%, at 22.52 cents per lb. Dealers said recent rainfall appeared to have improved the outlook for Brazil's 2024/25 cane crop, although some concerns about dry conditions remained.

May white sugar [LSUc1](#) rose 1.1% at \$652.50 a ton.



Technical:

Raw sugar climbs, next level to watch 22.00.

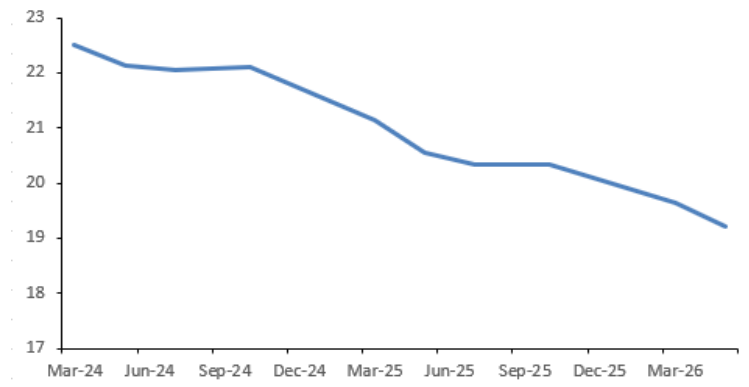
Support:

20.60 = Jan 2024 Low
 20.03 = Dec 2023 Low

Resistance:

21.88 = Mar 2024 High
 22.36 = Feb 2023 High

Futures Curve



Soybean

Last Price

USc **1,191.50**/BSH

CBOT soybean futures ended little changed after the U.S. Department of Agriculture (USDA) reported soybean plantings intentions and quarterly stocks that were roughly in line with analyst estimates. CBOT May soybeans [SK24](#) settled down 1 cent at \$11.91-1/2 per bushel. The contract was down about 0.1% for the week. CBOT May soymeal [SMK24](#) settled \$1.30 lower at \$337.70 per short ton, and May soyoil [BOK24](#) gained 0.28 cent to settle at 47.95 cents per pound. The USDA [pegged soybean stocks](#) at 1.845 billion bushels as of March 1, up from average analyst estimate of 1.828 billion bushels. The USDA pegged prospective U.S. soybean plantings for the 2024 harvest at 86.510 million acres, compared to 86.530 million acres predicted by analysts. Farmers are switching acres to soybeans after harvesting a record corn crop last year.

Technical:

Soybeans stall as US plantings, stocks data meet expectations, next level to watch 1,120.00.

Support:

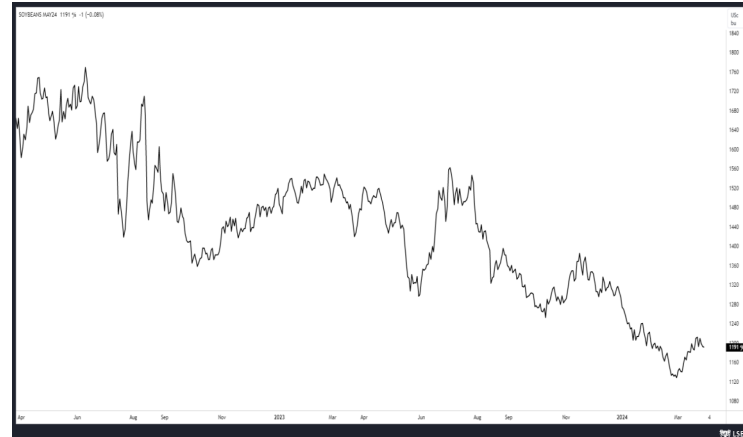
1,094.00 = Oct 2020 High

1,042.00 = Nov 2020 Low

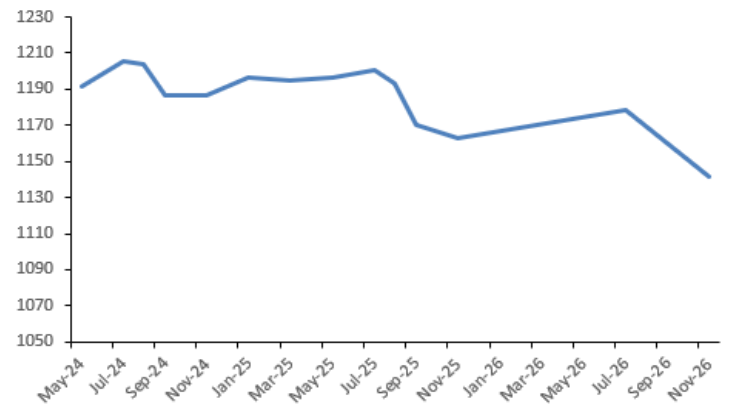
Resistance:

1,221.75 = Feb 2024 High

1,262.50 = Oct 2021 High



Futures Curve



Palm Oil

Last Price USD **888.09**/Ton

Malaysian palm oil futures settled higher on Friday, mirroring gains in soyoil, after falling for two straight sessions. The benchmark palm oil contract [FCPOc3](#) for June delivery on the Bursa Malaysia Derivatives Exchange rose 61 ringgit, or 1.47%, to 4,197 ringgit (\$888.72) a metric ton. Malaysia's financial markets were closed on Thursday for a public holiday but the contract had closed lower on Tuesday and Wednesday. Soyoil prices on the Chicago Board of Trade [BOcv1](#) rose 0.95%. Palm oil is affected by price movements in related oils as they compete for a share of the global vegetable oils market. Stronger crude oil futures make palm a more attractive option for biodiesel feedstock.



Technical:

Malaysian palm oil futures settle higher, mirroring soyoil, next level to watch 900.00.

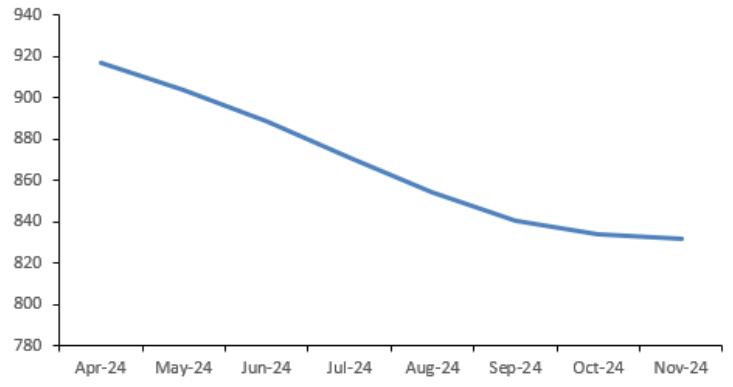
Support:

822.76 = May 2021 Low
 787.87 = Jul 2021 Low

Resistance:

903.20 = Dec 2021 High
 931.58 = Mar 2023 High

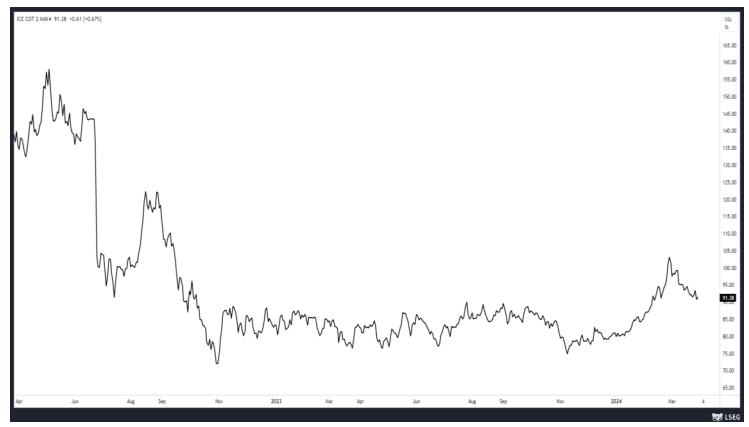
Futures Curve



Cotton

Last Price USc **91.38**/LBS

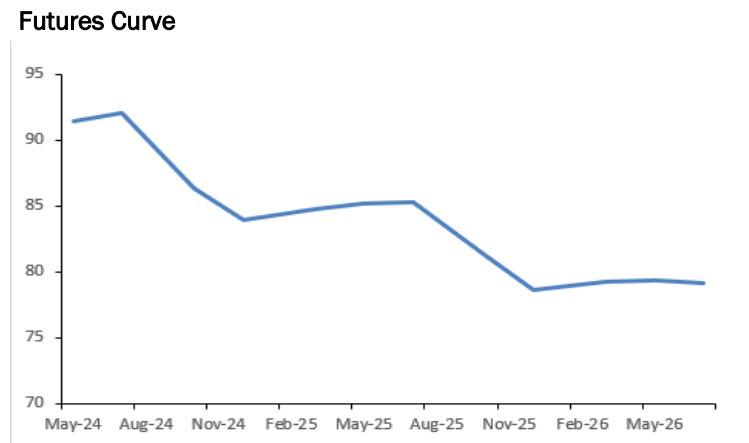
ICE cotton futures ticked higher on Thursday, aided by federal reports that showed lower-than-expected U.S. planting estimates and firm export sales for the natural fibre. Cotton contract for May [CTc1](#) rose 0.34 cents, or 0.4%, to 91.11 cents per lb by 12:54 p.m. ET (1654 GMT). Prices were down more than 10% for the month but were on track to post a quarterly rise. USDA planting intentions said U.S. cotton planted area for 2024 is estimated at [10.7 million acres](#), below trade [estimates](#) of 10.9 million acres. However, the 2024 estimate was up 4% from last year. Oil prices rose by more than \$1 a barrel after falling for two consecutive sessions. Higher oil prices make cotton-substitute polyester more expensive.



Technical:
 Cotton inches up on lower planting view. Next level to watch 88.00.

Support:
 88.88 = Jan 2023 High
 87.11 = Sep 2022 Low

Resistance:
 100.00 = Jun 2022 Low
 109.00 = Jul 2022 High

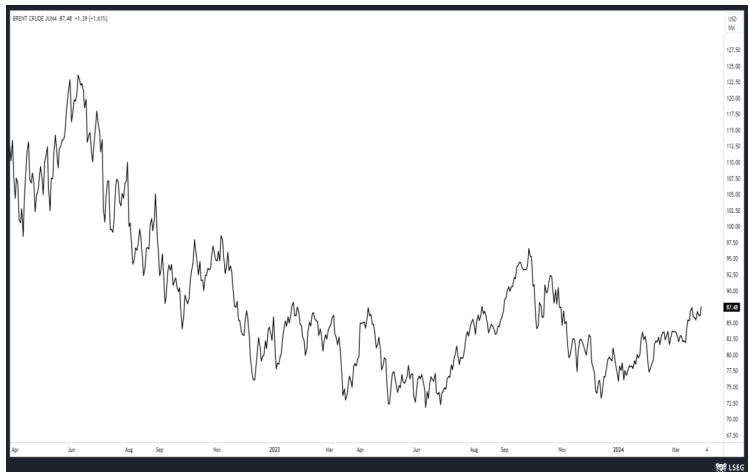


Brent Crude

Last Price

USD **87.48**/BBL

Oil prices jumped more than \$1 a barrel on Thursday, closing out the month higher on the prospect of [OPEC+ staying the course](#) on production cuts, [ongoing attacks](#) on Russia's energy infrastructure and a falling U.S. rig count tightening crude supplies. Brent crude futures for May [LCOc1](#) settled at \$87.48 a barrel, its highest level since Oct. 27, after gaining \$1.39, or 1.6%. The more actively traded June contract [LCOc2](#) settled at \$87 a barrel, rising \$1.58, with the May contract expiring on Thursday. U.S. West Texas Intermediate (WTI) crude futures [CLc1](#) for May delivery settled at \$83.17 a barrel, rising \$1.82, or 2.2%. On the week, Brent rose 2.4% and WTI gained about 3.2%. Both benchmarks finished higher for a third consecutive month. However, the crude stock increase was smaller than the build projected by the American Petroleum Institute, and analysts noted the increase was lower than expected for the time of year.



Technical:

Oil rises more than \$1 a barrel on tighter supply outlook, next level to watch 87.80.

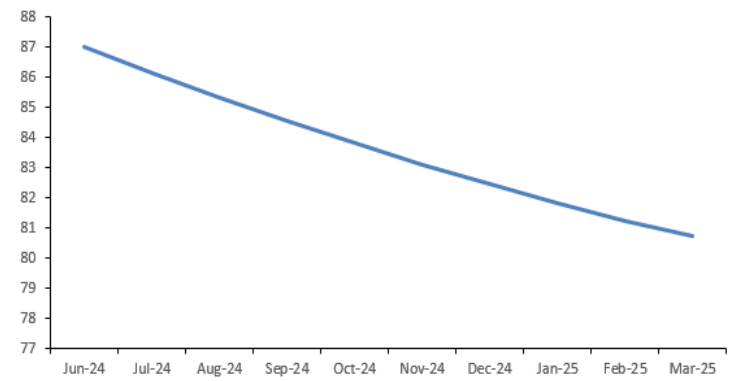
Support:

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

Resistance:

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

Futures Curve



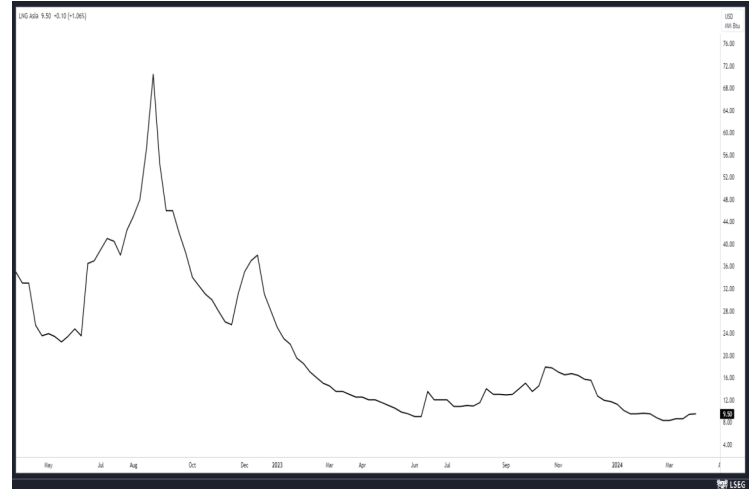
LNG

Last Price

USD **9.50**/MMBTU

Asian spot liquefied natural gas (LNG) prices were little moved this week, holding on to a six-week high amid emerging spot demand in both southeast Asia and Europe.

The average LNG price for May delivery into northeast Asia [LNG-AS](#) rose 1.1% , or \$0.10, from the previous week to \$9.50 per million British thermal units (mmBtu), a level not seen since Feb 9. Market players are keeping a close eye on Japan, where the yen slid to a 34-year low against the U.S. dollar on Wednesday. In Europe, gas prices fluctuated between \$8-\$9/mmBtu this week, amid strong storage inventories and milder weather forecast. Meanwhile on spot LNG freight, Atlantic rates fell to \$46,500/day on Thursday. Pacific rates also eased to \$48,500/day.



Technical:

Asia spot LNG maintains six-week high amid emerging demand. Next level to watch 9.60.

Support:

8.85 = Apr 2021 High

8.10 = Dec 2020 Low

Resistance:

9.60 = Feb 2024 High

10.90 = Aug 2023 Low

Steel (HRC)

Last Price USD **860.00**/ tons

Iron ore futures were mixed on Thursday, with China's Dalian contract falling for a third consecutive day, hurt by a slow start to China's construction season and higher supply from Brazil. The most-traded May iron ore on the Dalian Commodity Exchange [DCl0cv1](#) closed 1.9% lower at 797 yuan (\$110.27) per metric ton.

However, the benchmark April iron ore [SZZFJ4](#) on the Singapore Exchange was 0.4% higher at \$101.70 a metric ton. Other steelmaking ingredients on the DCE fell, with coking coal [DJMcv1](#) dropping 2.7% to 1,570.50 yuan a ton and coke [DCJcv1](#) down 1.7% at 2,047.50 yuan. Steel benchmarks on the Shanghai Futures Exchange were mostly down.

Technical:

Iron ore falls for third straight day on China demand concerns. Next level to watch 780.00.

Support:

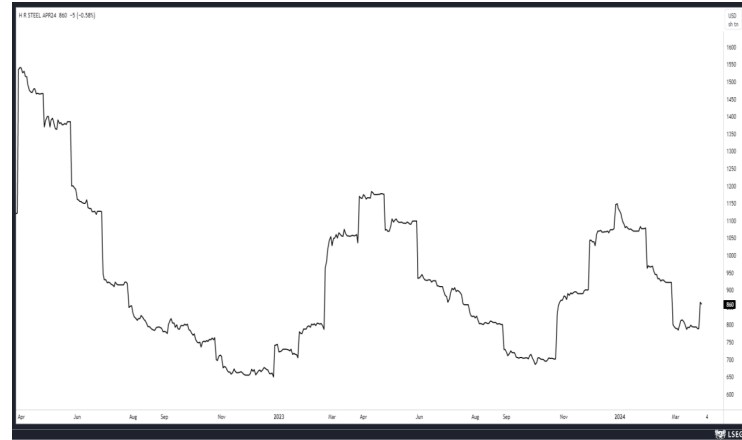
783.00 = Mar 2024 Low

765.00 = Sep 2022 Low

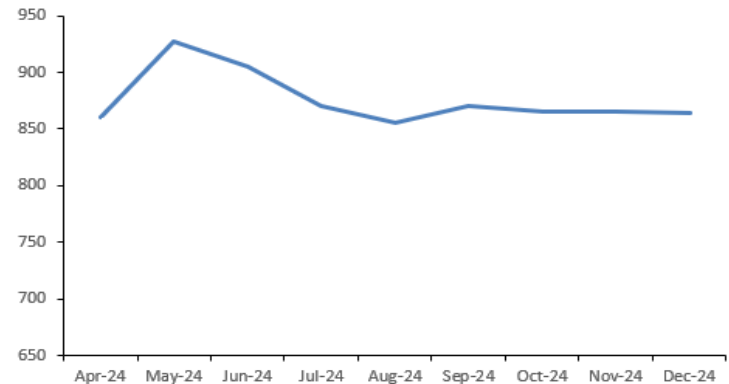
Resistance:

848.00 = Aug 2022 High

885.00 = Oct 2023 High



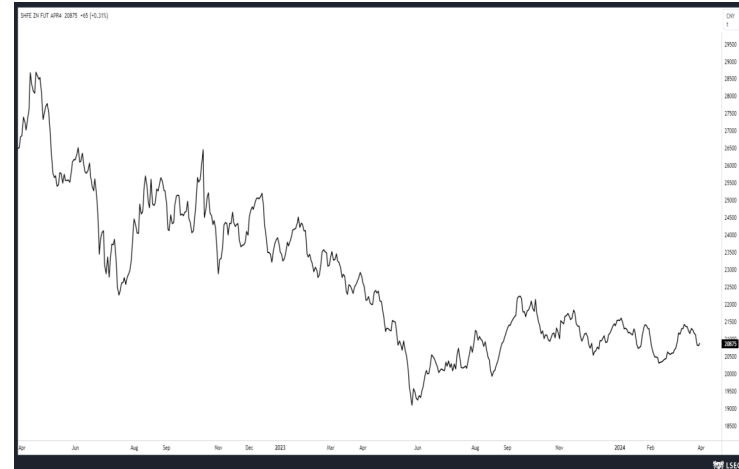
Futures Curve of SHFE Steel Futures



SHFE Zinc

Last Price USD **2,891.15**/Tons

The U.S. fourth-quarter economic data shows that the U.S. economy is still strong, and the market sentiment has not yet been digested by the hawkish speech of Federal Reserve officials. The U.S. dollar index was boosted by this, and the LME inventory increased again, which weakened the support for zinc prices. The most-traded SHFE 2405 zinc contract opened at 20795 yuan/mt overnight and fell to a low of 20795 yuan/mt before rallying to a peak of 20910 yuan/mt. It eventually settled at 20890 yuan/mt, up 10 yuan/mt or 0.05%. Trading volume decreased to 35852 lots, and open interest decreased by 948 lots to 94580 lots. SMM social inventory recorded a slight decrease, market sentiment improved, and SHFE zinc stabilized and rebounded. Pay attention to the actual performance of subsequent inventory and downstream consumption.



Technical:

Increased inventory weakened the support for zinc prices, next level to watch 2,970.00.

Support:

2,785.26 = Jul 2023 Low

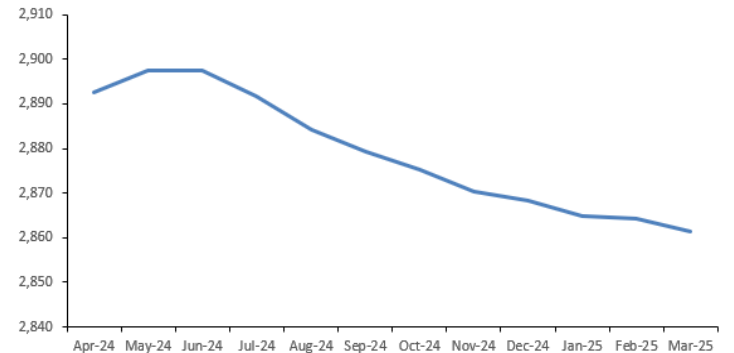
2,643.87 = Jun 2023 Low

Resistance:

2,967.36 = Aug 2023 High

3,013.19 = Jan 2024 High

SHFE Zinc Forward Curve



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