



# Commodities Weekly

Issue 12-2024

Date: 05 May 2024

# Bloomberg Commodity Index

101.34 ▼



**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)

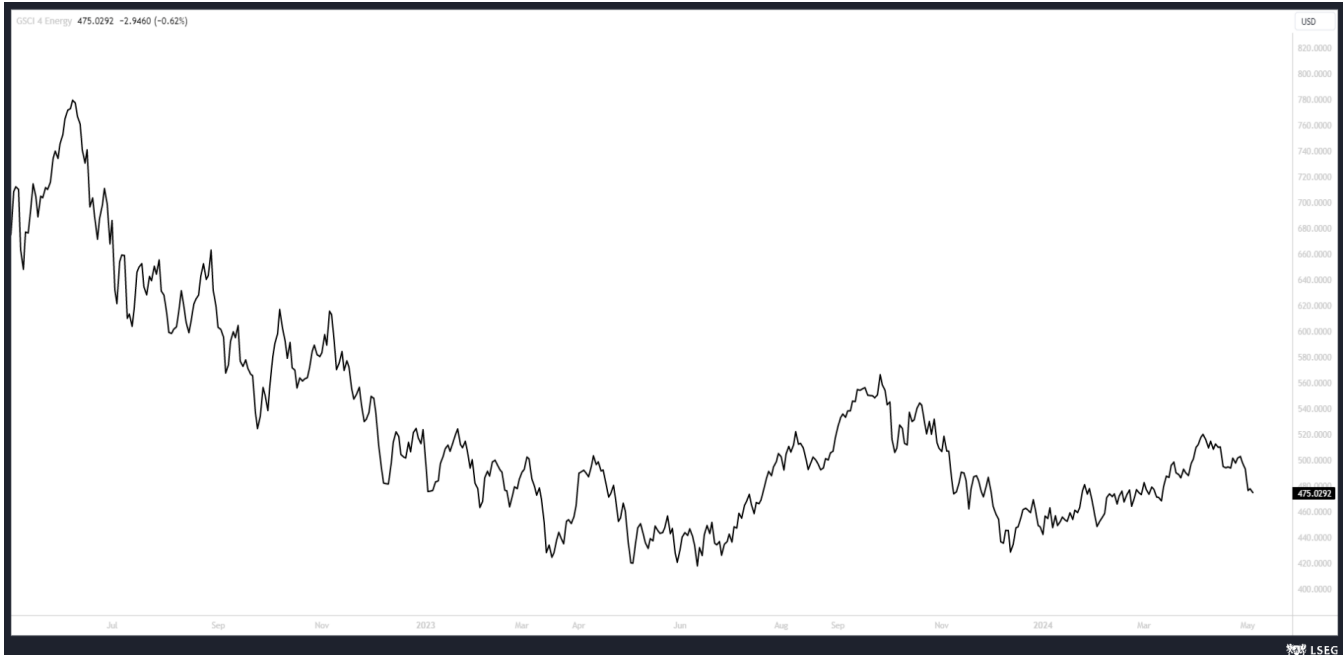
Precious Metals: (Gold, Silver)

Softs: (Sugar, Coffee, Cotton)

Livestock: (Live Cattle, Lean Hogs)

# S&P GSCI

475.0292 ▼



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	606.00	▲ 0.46%	▲ 3.59%	▲ 2.02%	628.75	519.50
<a href="#">Sugar</a>	\$c/LBS	19.28	▼ -0.62%	▼ -2.18%	▼ -23.06%	24.62	19.17
<a href="#">Soybean</a>	\$c/BSH	1,201.75	▲ 3.64%	▲ 4.91%	▼ -7.54%	1,289.50	1,115.00
<a href="#">Palm Oil</a>	\$/Ton	811.31	▼ -0.77%	▲ 1.36%	▲ 16.92%	929.30	754.44
<a href="#">Cotton</a>	\$c/LBS	77.36	▼ -2.57%	▼ -0.72%	▼ -7.33%	107.25	77.36
<a href="#">Brent Crude</a>	\$/BBL	82.96	▼ -7.31%	▼ -5.58%	▲ 14.18%	92.18	74.79
<a href="#">LNG</a>	\$/MMBTU	10.40	▲ 1.96%	▲ 1.96%	▲ 9.47%	11.20	8.30
<a href="#">Steel</a>	\$/Ton	813.00	▼ -0.97%	0.00%	▼ -12.96%	1,135.00	780.00
<a href="#">SHFE Zinc</a>	\$/Ton	3,223.71	▲ 2.77%	▲ 11.81%	▲ 18.77%	3,264.46	2,769.22
Indonesian Coal*	\$/Ton	121.13	▼ -3.06%	▼ -3.06%	▼ -41.24%	125.85	109.77
Australian Coal	\$/Ton	244.50	▲ 3.16%	▲ 2.38%	▲ 5.93%	336.00	227.50
Gold	\$/Ozs	2,301.56	▼ -1.55%	▲ 0.70%	▲ 17.29%	2,431.29	1,984.09

\*Price published monthly once by Indonesian Govt

# Wheat

Last Price

USc **606.00**/BSH

CBOT wheat futures [WN24](#) rose on Friday, bouncing back up after rainy forecasts earlier in the week for southern Russia were rolled back. CBOT July wheat [WN24](#) settled up 18-1/4 cents at \$6.22-1/2 per bushel. K.C. July hard red winter wheat [KWN24](#) settled up 15-1/2 cents at \$6.52 per bushel, while MGEX July spring wheat [MWEN24](#) ended up 5-1/4 cents at \$7.14-1/2 a bushel. For the week, CBOT July wheat [WN24](#) rose 1/4 cents, eking out a second straight weekly advance. Russia's IKAR agricultural consultancy cut its forecast for the country's wheat exports to 50.5 million metric tons from 52 million tons. Wheat futures ticked up as weather forecasts showed the region getting virtually no rain in the coming two weeks, despite earlier wetter predictions. A weaker dollar [.DXY](#) made U.S. exports more competitive.

## Technical:

Wheat rises as dry weather again forecasted for RUssia. Next level to watch 628.75.

## Support:

577.75 = Mar 2024 High

488.00 = Aug 2020 Low

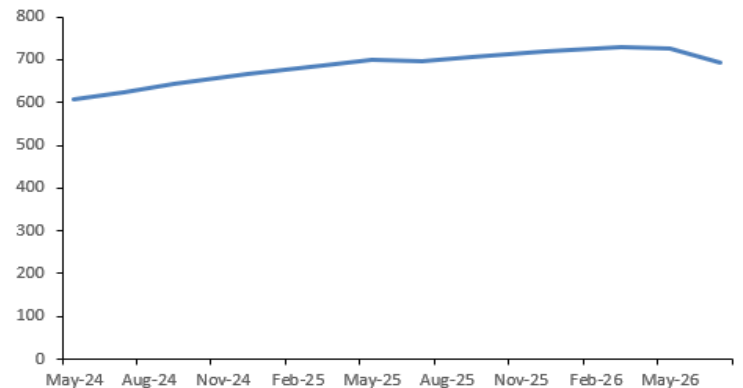
## Resistance:

628.75 = Jan 2024 High

684.00 = Aug 2023 High



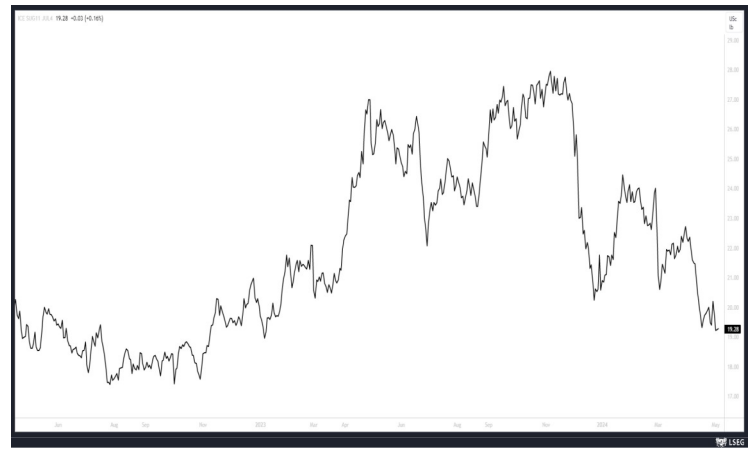
## Futures Curve



# Sugar

Last Price USc **19.28**/LBS

July raw sugar [SBc1](#) settled down 0.21 cents, or 0.8%, at 26.22 cents per lb, having gained 4.1% last week. [Brazilian sugar and ethanol giant Copersucar](#) achieved its second-largest net profit in 2022/23 as trading unit Alvean claimed 29% of global sugar sales in the cycle. [India's stalled monsoon](#) is likely to gain momentum in the next three to four days and could cover rice, soybean, cotton and sugar cane growing regions in the southern, central and western states. [Egypt's strategic reserves of sugar](#) are sufficient for six months. August white sugar [LSUc1](#) was little changed at \$701.20 a metric ton.



**Technical:**

Raw sugar slips further, next level to watch 20.60.

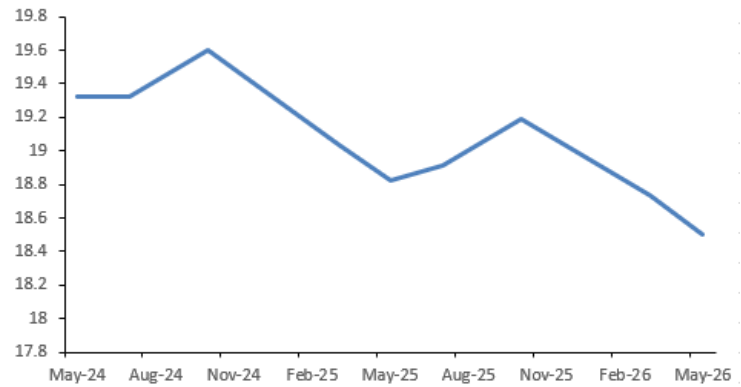
**Support:**

19.15 = Jan 2022 High  
 18.92 = Jan 2023 Low

**Resistance:**

20.60 = Jan 2024 Low  
 21.88 = Mar 2024 High

Futures Curve



# Soybean

Last Price

USc **1,201.75**/BSH

CBOT soybean futures rose again on Friday, as flooding impacted the unharvested beans in Brazil's Rio Grande do Sul state. CBOT July soybean futures [SN24](#) settled up 16 cents at \$12.15 per bushel, after the contract earlier in the session hit highs not seen since early April. CBOT July soyoil [BON24](#) settled down 16 cents at 43.08 cents per pound, while CBOT July soymeal [SMN24](#) settled up \$7.30 at \$372.2 per short ton. For the week, CBOT July soybeans [SN24](#) rose 37-3/4 cents per bushel or 3.32%, its second straight weekly advance. The outlook for the soybean harvest in Rio Grande do Sul is [deteriorating](#) after torrential rains flooded fields, with about a quarter of beans yet to be reaped. Market participants estimated 70% to 80% of beans would be damaged in the most affected areas.

## Technical:

Soybeans futures rally on Brazil flooding, next level to watch 1,221.00.

## Support:

1,094.00 = Oct 2020 High

1,042.00 = Nov 2020 Low

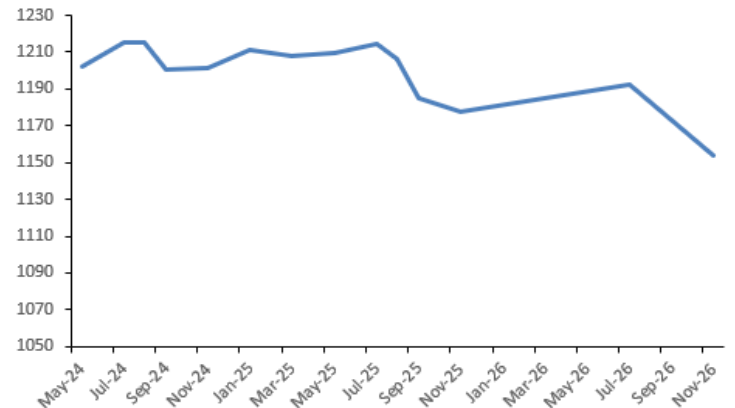
## Resistance:

1,221.75 = Feb 2024 High

1,262.50 = Oct 2021 High



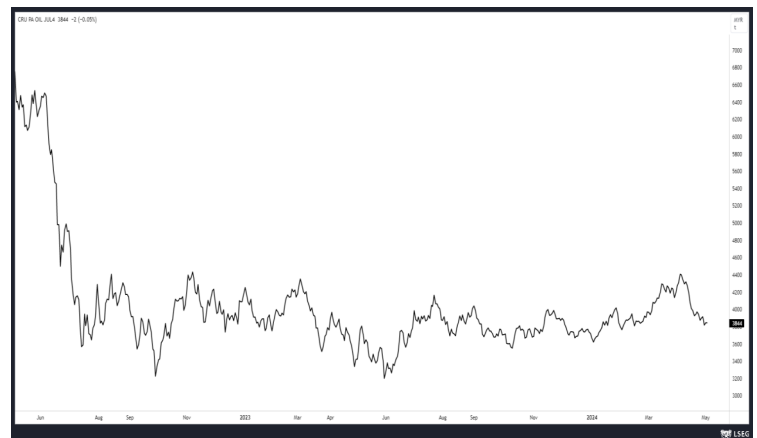
## Futures Curve



# Palm Oil

Last Price USD **811.31**/Ton

Malaysian palm oil futures were little change on Friday but logged a fourth consecutive week of losses, as declining exports and lower soybean oil prices weighed. The benchmark palm oil contract [FCPOc3](#) for July delivery on the Bursa Malaysia Derivatives Exchange closed down 4 ringgit, or 0.10%, to 3,842 ringgit (\$810.89) per metric ton. The contract lost 1.39% this week. Palm oil is affected by price movements in related oils, as they compete for a share in the global vegetable oils market. Palm oil imports in India, the world's biggest importer of vegetable oils, jumped [41%](#) in April from the previous month to the highest level in three months as easing prices prompted refiners to increase purchases.



**Technical:**

Palm oil almost flat, but logs fourth consecutive weekly loss, next level to watch 900.00.

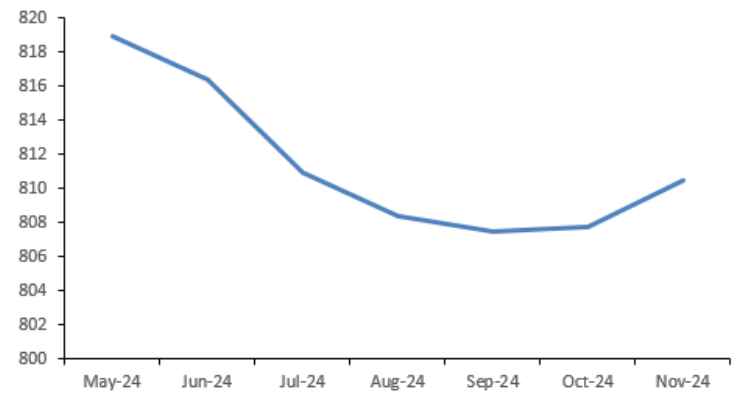
**Support:**

803.60 = Oct 2023 High  
 787.87 = Jul 2021 Low

**Resistance:**

903.20 = Dec 2021 High  
 931.58 = Mar 2023 High

## Futures Curve



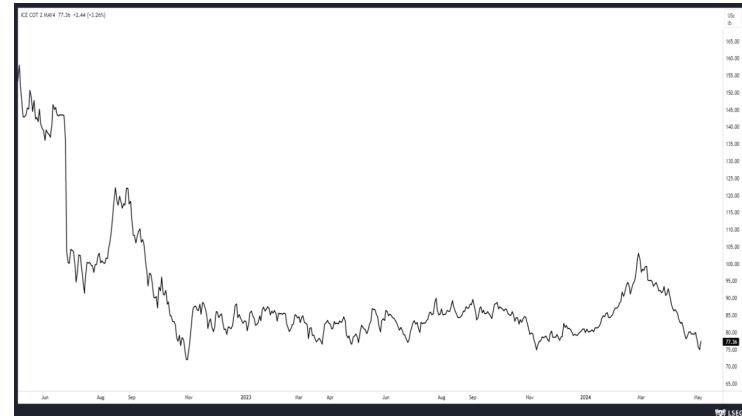


# Cotton

Last Price

USc **77.36**/LBS

ICE cotton futures jumped over 3% on Friday, after dipping to an 18-month low, helped by a weaker dollar, positive sentiment from the wider financial markets and some technical correction after a downbeat week. Cotton contracts for July [CTc2](#) rose 2.7 cents, or 3.5%, to 78.29 cents per lb by 12:50 p.m. ET (1650 GMT), but were headed for their fifth straight weekly decline, pressured by demand woes and speculative selling. The cotton market is gaining with help from the dollar, which is back down, and with the strength in the stock market. Oil prices edged lower, on course for their steepest weekly loss in three months. Lower oil prices make cotton-substitute polyester less expensive.



## Technical:

Cotton climbs over 3% on dollar weakness, positive financial market sentiment. Next level to watch 88.00.

## Support:

72.00 = Nov 2022 Low

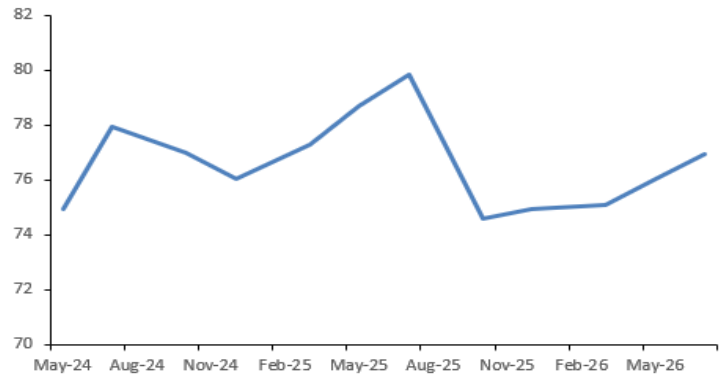
63.69 = Mar 2020 High

## Resistance:

88.88 = Jan 2023 High

100.00 = Jun 2022 Low

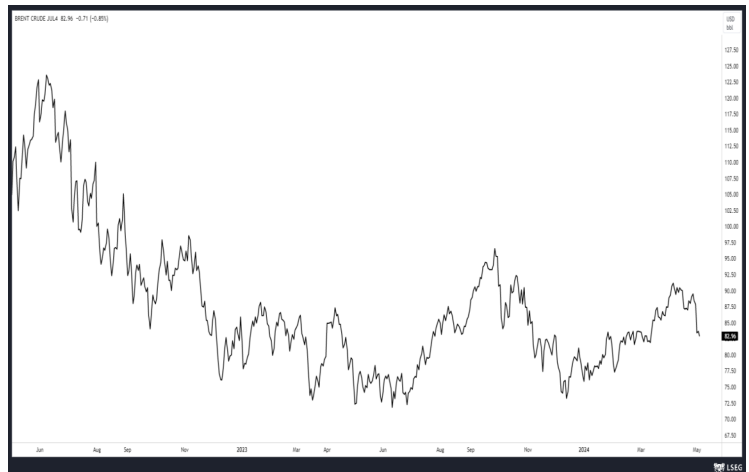
## Futures Curve



# Brent Crude

Last Price **USD 82.96/BBL**

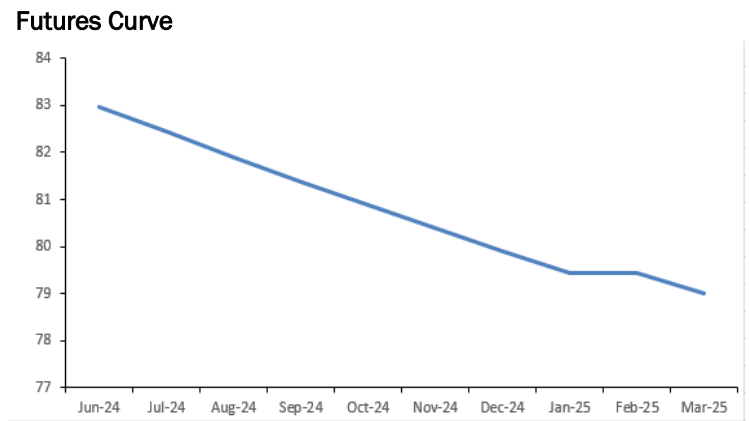
Oil prices settled lower on Friday, and posted their steepest weekly loss in three months as investors weighed weak U.S. jobs data and possible timing of a Federal Reserve interest rate cut. Brent [LCOc1](#) crude futures for July settled 71 cents lower, or 0.85%, to \$82.96 a barrel. U.S. West Texas Intermediate crude for June [CLc1](#) fell 84 cents, or 1.06%, to \$78.11 a barrel. Investors were concerned that higher-for-longer borrowing costs would curb economic growth in the U.S., the world's leading oil consumer, after the Federal Reserve decided this week to hold interest rates [steady](#). For the week, Brent declined more than 7%, while WTI fell 6.8%. The Fed held rates steady this week and flagged [high inflation readings](#) that could delay rate cuts. Higher rates typically weigh on the economy and can reduce oil demand.



**Technical:**  
Oil settles down on US jobs data, steepest weekly loss in 3 months, next level to watch 91.70.

**Support:**  
76.60 = Nov 2023 Low  
74.79 = Jan 2024 Low

**Resistance:**  
91.70 = Jan 2022 High  
93.79 = Oct 2023 High



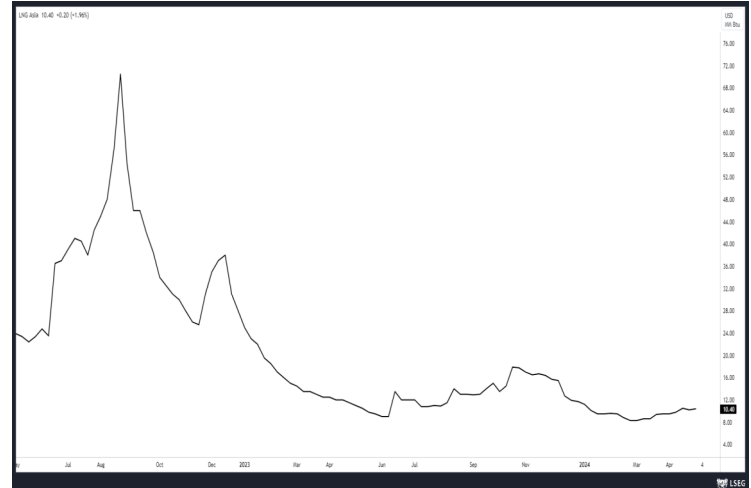
# LNG

Last Price

USD **10.40**/MMBTU

Asian spot liquefied natural gas (LNG) prices rose this week on forecasts for higher cooling demand this summer and tracking a rally in European gas prices underpinned by supply concerns due to Middle East tensions and weakness in U.S. feedgas demand.

The average LNG price for June delivery into north-east Asia [LNG-AS](#) rose to \$10.40 per million British thermal units (mmBtu), from \$10.20/mmBtu in the previous week. In south and southeast Asia, high temperatures have recently buoyed power demand, lifting power sector gas burn and offering support to demand in India and Thailand, with some prompt spot demand emerging in both markets this week. Argus assessed the June delivery price at \$9.550/mmBtu, while Spark Commodities assessed it at \$9.508/mmBtu.



**Technical:**

Asia spot LNG price rises on hotter summer forecast, supply concerns. Next level to watch 10.90.

**Support:**

8.85 = Apr 2021 High

8.10 = Dec 2020 Low

**Resistance:**

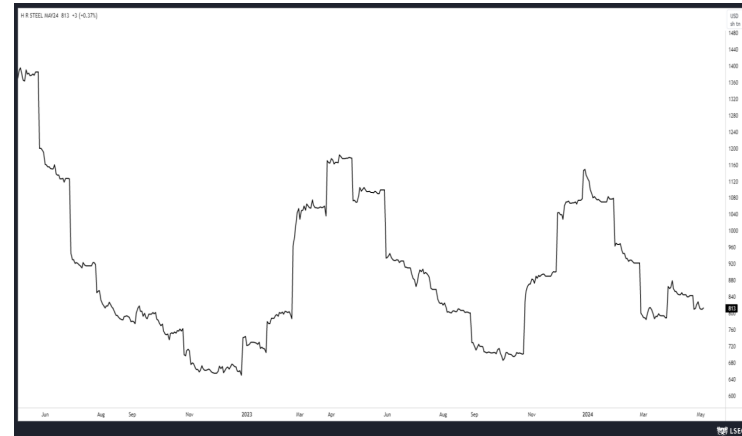
10.90 = Aug 2023 Low

11.20 = Jan 2024 High

# Steel (HRC)

Last Price USD **813.00**/ tons

Iron ore and steel futures fell on Tuesday amid risk-off sentiment ahead of a Chinese public holiday, but most contracts posted monthly gains on the back of better demand outlook from the property sector. The most-traded September iron ore on China's Dalian Commodity Exchange (DCE) [DCl0cv1](#) closed down 0.1% at 874 yuan (\$120.65) per metric ton. Still, it rose 16.6% this month, the best gain since June 2023. The benchmark May iron ore on the Singapore Exchange [SZZFK4](#) was down 0.6% at \$116.50 a ton at 0706 GMT. The contract has gained 16% gain so far this month. Markets in China, the world's biggest steel consumer, will be closed for a public holiday during May 1-3. Steel benchmarks on the Shanghai Futures Exchange (SHFE) all fell.



## Technical:

Iron ore down on pre-holiday risk-off, but posts best monthly gain since June 2023. Next level to watch 780.00.

## Support:

783.00 = Mar 2024 Low

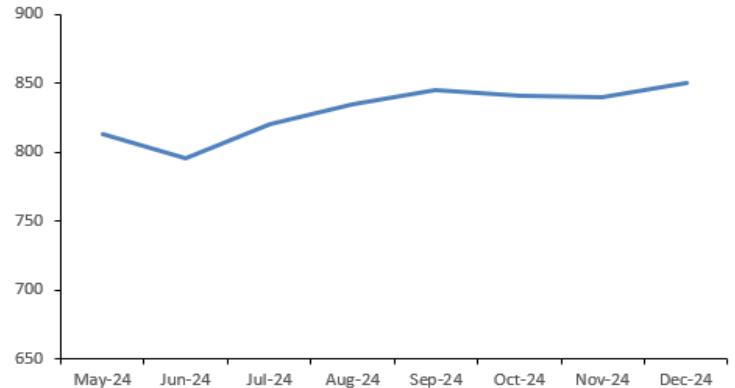
765.00 = Sep 2022 Low

## Resistance:

848.00 = Aug 2022 High

885.00 = Oct 2023 High

## Futures Curve of SHFE Steel Futures



# SHFE Zinc

Last Price USD **3,223.71**/Tons

Overnight, LME zinc prices continued to rise, finding support at the moving average. LME zinc inventory increased by 950 mt to 255,400 mt, up 0.37%. The weak US dollar overnight led to a general rise in non-ferrous metals, with zinc leading the way in gains. The news of production cuts at the ore end was confirmed, providing sufficient momentum for LME zinc price hikes. Therefore, LME zinc prices are expected to continue to rise. SHFE zinc prices moved up overnight, but met resistance at the upper end of the Bollinger Bands. Driven by LME zinc, SHFE zinc prices hit the highest level in nearly a year, but it is recommended to operate with caution since fund changes are relatively frequent before the holiday.

## Technical:

Zinc prices continued to rise, finding support at the moving average, next level to watch 3,262.00.

## Support:

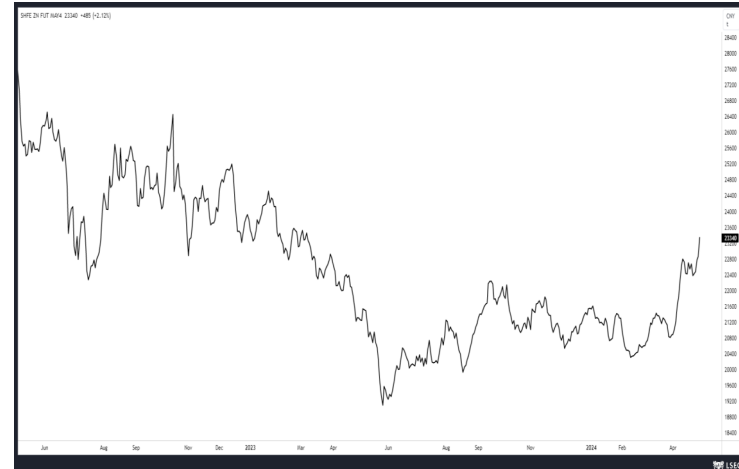
3,066.17 = Oct 2023 High

2,991.59 = May 2023 High

## Resistance:

3,262.99 = Mar 2023 High

3,367.95 = Jul 2022 High



## SHFE Zinc Forward Curve



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