



Commodities Weekly

Issue 13-2023

Date: 02 Apr 2023

Bloomberg Commodity Index

105.51 ▲



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

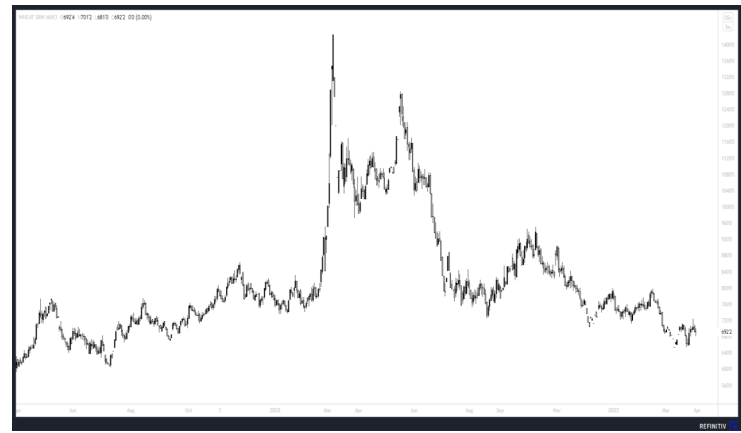
Objective: Recent increase in commodity import and volatility in global market raised the concern for proper management of commodity prices. BRAC Bank Ltd. has always been highly active in introducing different hedging products as well as informing clients with latest market trends. In light of this 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	692.20	▲ 0.55%	▼ -1.28%	▼ -29.68%	797.40	653.40
Sugar	\$c/LBS	22.25	▲ 6.87%	▲ 9.55%	▲ 14.87%	22.36	18.92
Soybean	\$c/BSH	1,505.40	▲ 5.41%	▼ -0.93%	▼ -4.88%	1,555.40	1,405.00
Palm Oil	\$/Ton	919.00	▲ 8.50%	▼ -3.67%	▼ -39.18%	969.00	847.00
Cotton	\$c/LBS	82.78	▲ 8.15%	▼ -0.08%	▼ -38.48%	88.88	75.70
Brent Crude	\$/BBL	79.77	▲ 6.37%	▼ -5.88%	▼ -23.58%	89.09	70.12
LNG	\$/MMBTU	12.50	▼ -3.85%	▼ -13.79%	▼ -64.29%	25.00	12.50
Steel	\$/Ton	1,164.00	▲ 10.12%	▲ 10.96%	▼ -24.42%	1,170.00	705.00
SHFE Zinc	\$/Ton	3,314.68	▲ 1.63%	▼ -3.04%	▼ -15.11%	3,558.06	3,235.12
Gold	\$/Ozs	1,967.90	▼ -0.47%	▲ 7.18%	▲ 2.27%	1,993.50	1,804.20

Wheat

Last Price USc **692.20**/BSH

CBOT wheat futures closed narrowly mixed on Friday as spillover strength from soybeans and corn offset pressure from a larger-than-expected U.S. wheat plantings estimate from the U.S. Department of Agriculture. CBOT May soft red winter wheat [WK3](#) settled unchanged at \$6.92-1/4 per bushel. K.C. May hard red winter wheat [KWK3](#) ended Friday up 6-1/4 cents at \$8.77-3/4 a bushel, supported by dry conditions in the southern Plains, and MGEX May spring wheat [MWEK3](#) rose 16 cents to settle at \$8.95-3/4. MGEX spring wheat futures drew support as forecasts called for snowstorms in the Northern Plains on Friday and again next week that threaten the start of spring planting.

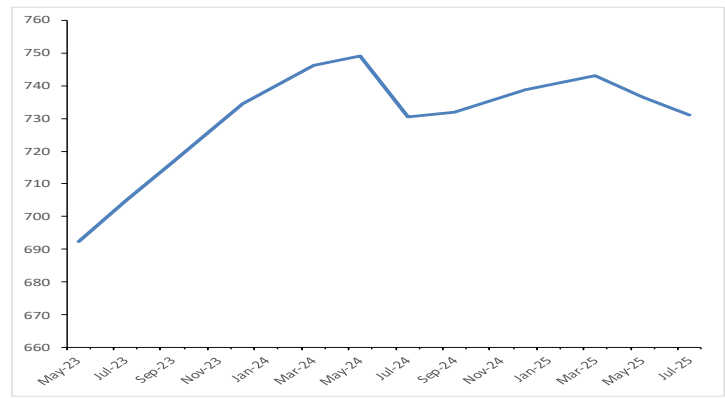


Technical:
 Wheat ends narrowly mixed; K.C., MGEX wheat climb on weather woes. Next level to watch 700.00.

Support:
 671.40 = Sep 2021 Low
 627.40 = Jun 2021 Low

Resistance:
 732.60 = Sep 2021 High
 780.00 = Oct 2021 High

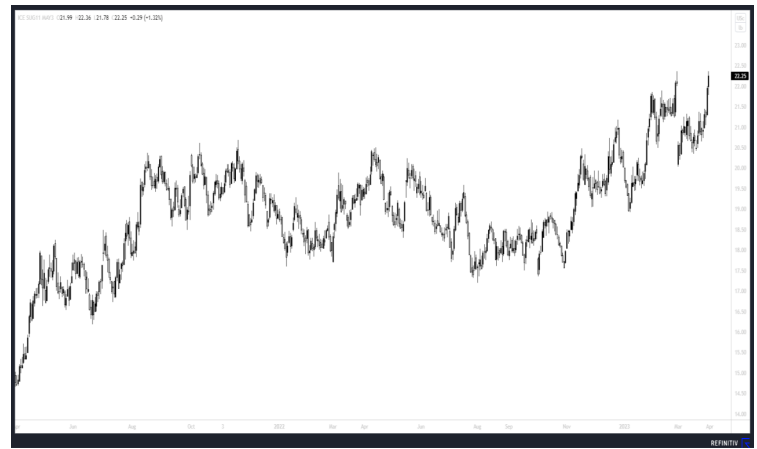
Futures Curve



Sugar

Last Price USc **22.25**/LBS

Raw sugar futures on ICE rose to the highest level in more than six years on Friday amid expectations for a tight global supply this year. May raw sugar [SBc1](#) settled up 0.29 cent, or 1.3%, at 22.25 cents per lb, after rising earlier to 22.36 cents/lb, the highest price since November 2016. The contract rose 6.9% in the week. May white sugar [LSUc1](#) fell \$0.40, or 0.1%, to \$630.30 a tonne, just shy of the previous session's 10-1/2 year high of \$634.80. It gained 5.5% in the week. The availability of white sugar to tender against the May contract appeared limited after lower-than-expected crops in several countries.



Technical:

Raw sugar rises to highest in more than six years, next level to watch 21.00.

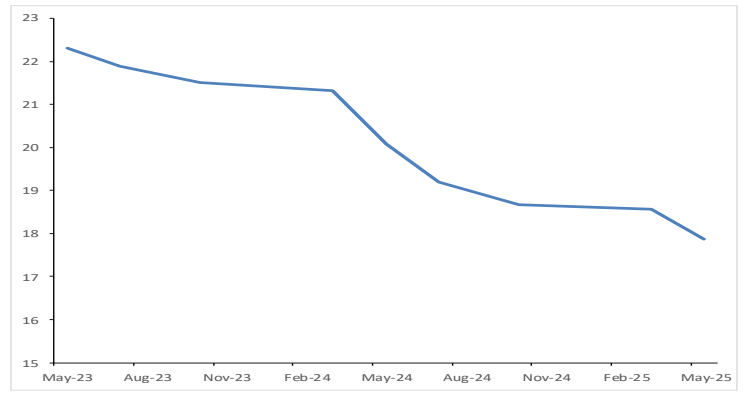
Support:

- 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 **1,505.40**/BSH

U.S. soybean futures rose about 2% on Friday, climbing back above \$15 a bushel for the first time since mid-March after the U.S. Department of Agriculture's [forecast](#) for 2023 plantings and its March 1 soy stockpiles estimate both came in at the low end of trade expectations. May soybeans [SK3](#) were up 27-1/2 cents at \$15.02 per bushel after reaching \$15.13-3/4, the contract's highest since March 13. Soybean futures rose after the government projected 2023 plantings of the oilseed at 87.5 million acres, up only slightly from 2022 and near the low end of estimates in a Reuters poll of analysts. The USDA also [reported](#) March 1 soy stocks at 1.685 billion bushels, down 13% from a year ago.



Technical:

Soybeans climb on supportive USDA stocks, acreage data, next level to watch 1,500.00.

Support:

1,414.00 = Oct 2022 High

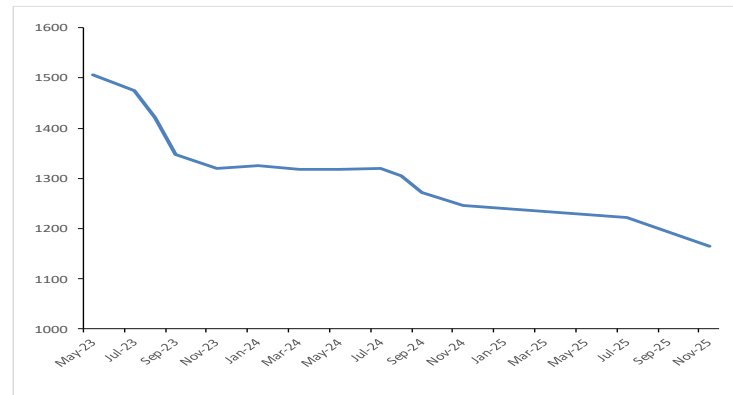
1,375.60 = Dec 2021 High

Resistance:

1,550.00 = Mar 2023 High

1,583.00 = Jun 2022 Low

Futures Curve



Palm Oil

Last Price USD **919.00**/Ton

Malaysian palm oil futures dropped on Friday after four days of gains as profit-booking and a stronger ringgit weighed on prices, although the benchmark contract post a weekly rise amid output concerns. The benchmark palm oil contract [FCPOc3](#) for June delivery on the Bursa Malaysia Derivatives Exchange fell 0.79% to end at 3,758 ringgit (\$852.15), erasing some of the 7.67% gains over the past four days. The contract posted a 7% gain for the week, but lost 9.27% for the month. Dalian's most-active soyoil contract [DBYv1](#) was trading 0.92% higher, after gaining as much as 2.06% earlier in the session, while its palm oil contract [DCPv1](#) rose 0.72%. Soyoil prices on the Chicago Board of Trade [BOc2](#) gained 0.42%. Palm oil is affected by price movements in related oils as they compete for a share in the global vegetable oils market.



Technical:

Palm posts weekly gain on supply woes, exports jump, next level to watch 872.00.

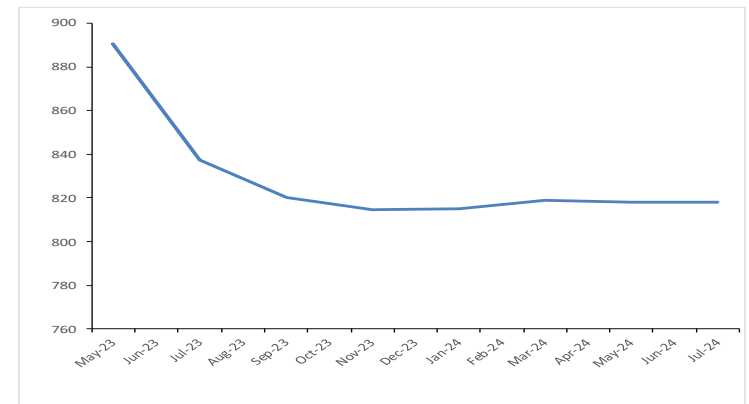
Support:

- 851.00 = Oct 2022 High
- 833.00 = Dec 2022 Low

Resistance:

- 950.00 = Dec 2022 High
- 997.00 = Aug 2022 High

Futures Curve



Cotton

Last Price USc **82.78**/LBS

ICE cotton futures settled down nearly 1% on Friday, weighed down by a stronger dollar and bigger-than-expected cotton plantings estimates from the U.S. government, but the natural fiber marked its best week since November. Cotton contracts for May [Ct1](#) settled down 0.72 cent, or 0.9%, at 82.78 cents per lb by 2:32 p.m. EDT (18:32 GMT). The contract was up 8.2% this week, but declined for the fourth consecutive quarter. The dollar index [.DXY](#) rose 0.4%, making cotton more expensive for overseas buyers. [USD/](#)



Technical:

Cotton slips after US plantings data, but logs best week in 4 months. Next level to watch 72.00.

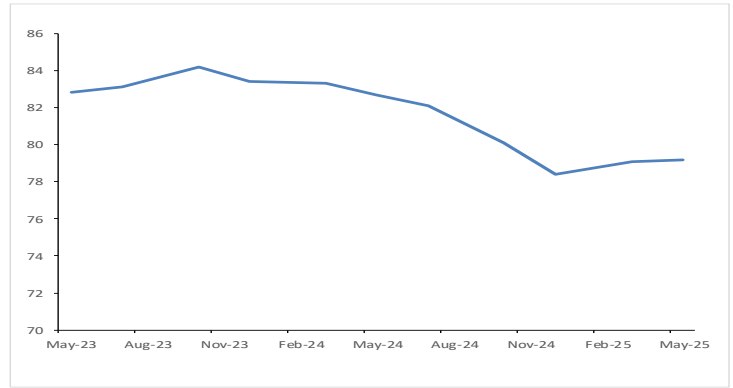
Support:

72.00 = Nov 2022 Low
 63.01 = Sep 2020 Low

Resistance:

90.85 = Jul 2022 Low
 96.14 = Oct 2022 High

Futures Curve



Brent Crude

Last Price

USD **79.77**/BBL

Oil prices rose by more than a dollar a barrel on Friday to record their second-straight week of gains, as supplies tightened in some parts of the world and U.S. inflation data indicated price rises were slowing. The most actively traded Brent futures, for June delivery, [LC0c2](#) settled up \$1.29, or 1.6%, at \$79.89 a barrel. Brent futures [LC0c1](#) for May delivery, which expired upon settlement, gained 50 cents, or 0.6%, to settle at \$79.77 a barrel. West Texas Intermediate crude (WTI) [CLc1](#) for May delivery settled higher by \$1.30, or 1.8%, at \$75.67 a barrel, gaining about 9% for the week. Oil prices were also buoyed after [producers shut in or reduced output](#) at several oilfields in the semi-autonomous Kurdistan region of northern Iraq following a halt to the northern export pipeline. With prices recovering from recent lows, the Organization of the Petroleum Exporting Countries and allies led by Russia are [likely to stick](#) to their existing output deal at a meeting on Monday.



Technical:

Oil settles 1% higher on tightening supplies, cooling US inflation, next level to watch 75.00.

Support:

70.42 = Sep 2021 Low

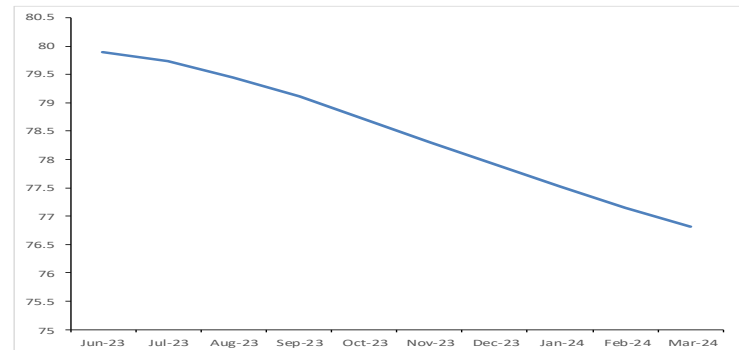
64.54 = Aug 2019 High

Resistance:

89.37 = Dec 2021 High

91.70 = Jan 2022 High

Futures Curve



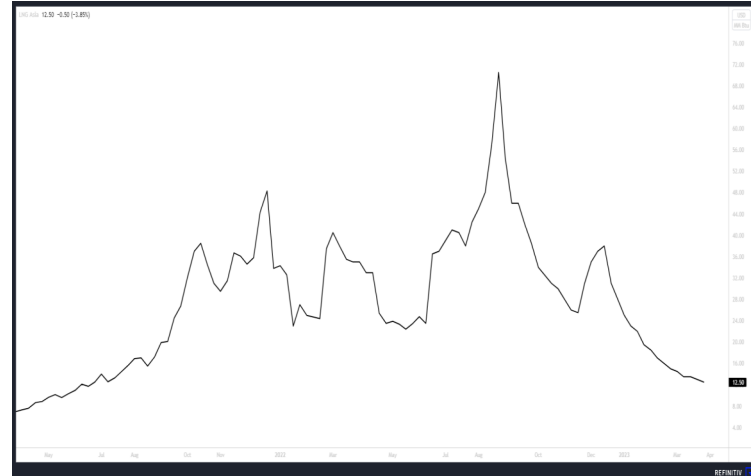
LNG

Last Price

USD **12.50**/MMBTU

Asian spot liquefied natural gas (LNG) this week hit its lowest since early July 2021 as weak demand and solid inventories in northeast Asia continued to pressure prices, while Europe prepared to exit winter with record inventories.

The average LNG price for May delivery into northeast Asia [LNG-AS](#) was \$12.50 per million British thermal units (mmBtu), down \$0.50 or 3.8% from the previous week. Prices have fallen 55% year-to-date and more than 82% from the August 2022 peak at \$70.50/mmBtu. The unusually high end-winter storage in Asia will likely suppress summer import demand for restocking ahead of next winter. LNG spot freight rates moved lower on growing vessel availability, with Atlantic at \$44,500/day on Friday and Pacific rates at \$66,250/day.



Technical:

Asia spot prices maintain downtrend on tepid demand. Next level to watch 12.50.

Support:

12.55 = Jul 2021 Low

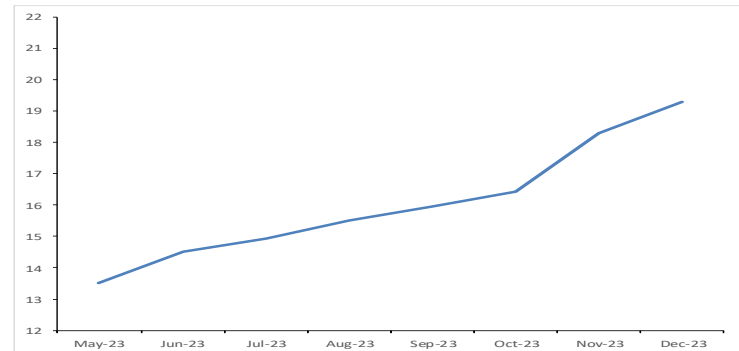
10.95 = Jun 2021 Low

Resistance:

15.60 = Jul 2021 High

17.20 = Aug 2021 High

Futures Curve



Steel (HRC)

Last Price USD **1,164.00**/ tons

Dalian iron ore futures rose on Friday and stayed on track for a second straight quarterly gain on expectations of improved steel demand in China in the second quarter, with tight supply concerns adding support. The steelmaking ingredient has rebounded from October lows, as the lifting of the zero-COVID policy and supportive measures for the struggling property sector in China brightened economic recovery and steel demand prospects for the world's biggest iron ore consumer. The most-traded May iron ore on China's Dalian Commodity Exchange [DCIOcv1](#) ended daytime trade 1.2% higher at 907 yuan (\$132.13) a tonne, and stretched its quarterly gain to more than 6%. Rebar on the Shanghai Futures Exchange [SRBcv1](#) rose 0.2%, hot-rolled coil [SHHCcv1](#) gained 0.5%, and wire rod [SWRcv1](#) added 0.2%, while stainless steel [SHSScv1](#) dipped 1.3%. On the Dalian exchange, coking coal [DJMcv1](#) rose 1.8% and coke [DCJcv1](#) advanced 2.8%.

Technical:

Iron ore set for quarterly gain on China demand optimism. Next level to watch 1,100.00.

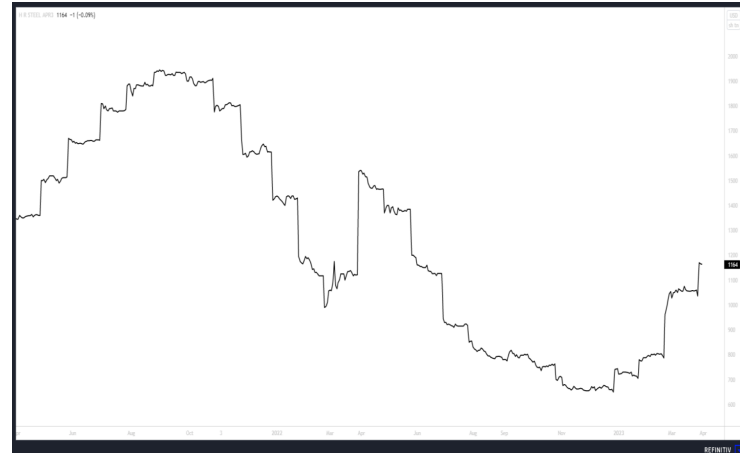
Support:

970.00 = Feb 2022 Low

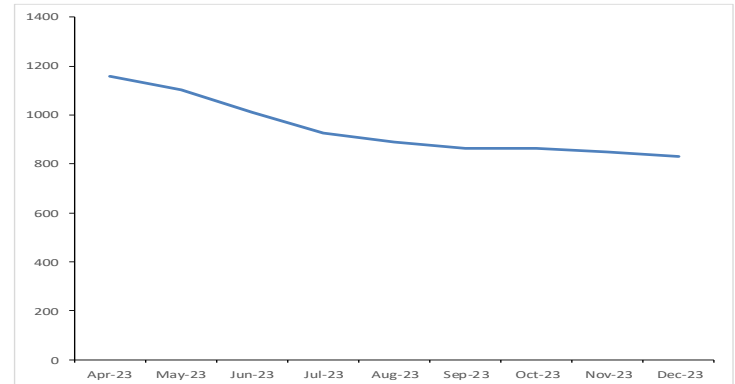
705.00 = Jan 2023 Low

Resistance:

1156.00 = Jan 2021 High



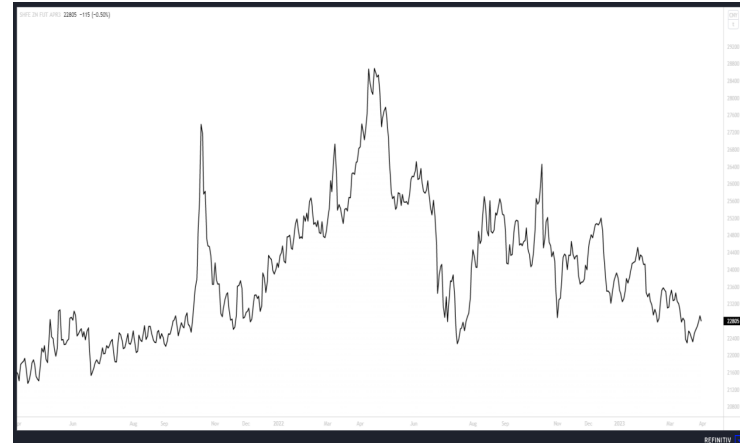
Futures Curve of SHFE Steel Futures



SHFE Zinc

Last Price USD **3,314.68**/Tons

The market's panic about the banking crisis eased this week. The initial value of the US March Markit manufacturing PMI recorded 49.3, higher than market expectations, putting a certain pressure on LME zinc prices. WTI crude oil soared by more than 5% amid the export problem of the Turkish port, and LME zinc prices thus continued apace. Meanwhile, the market's panic about the banking meltdown gradually eased. The US dollar index trended lower, and LME zinc prices rose accordingly. Afterward, LME zinc prices climbed on the Turkish crude oil supply problem. However, the European Central Bank's continuous release of hawkish remarks put pressure on the prices, and the rebound of the US dollar index also suppressed zinc prices. The prices, on the other hand, gained support from the improved market sentiment. As a result, LME zinc prices rose slowly amid the long-short game.



Technical:

SHFE Zinc Prices Saw a Limited Rebound, next level to watch 3,405.00.

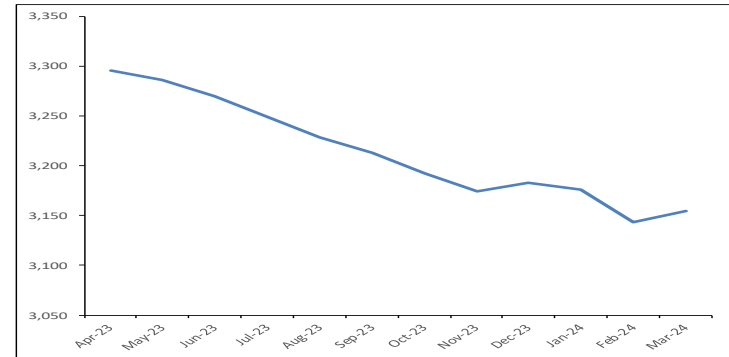
Support:

3,200.00 = Sep 2021 Low
3,142.00 = Nov 2020 High

Resistance:

3,405.00 = Jun 2022 High
3,528.00 = Dec 2021 High

SHFE Zinc Forward Curve



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