



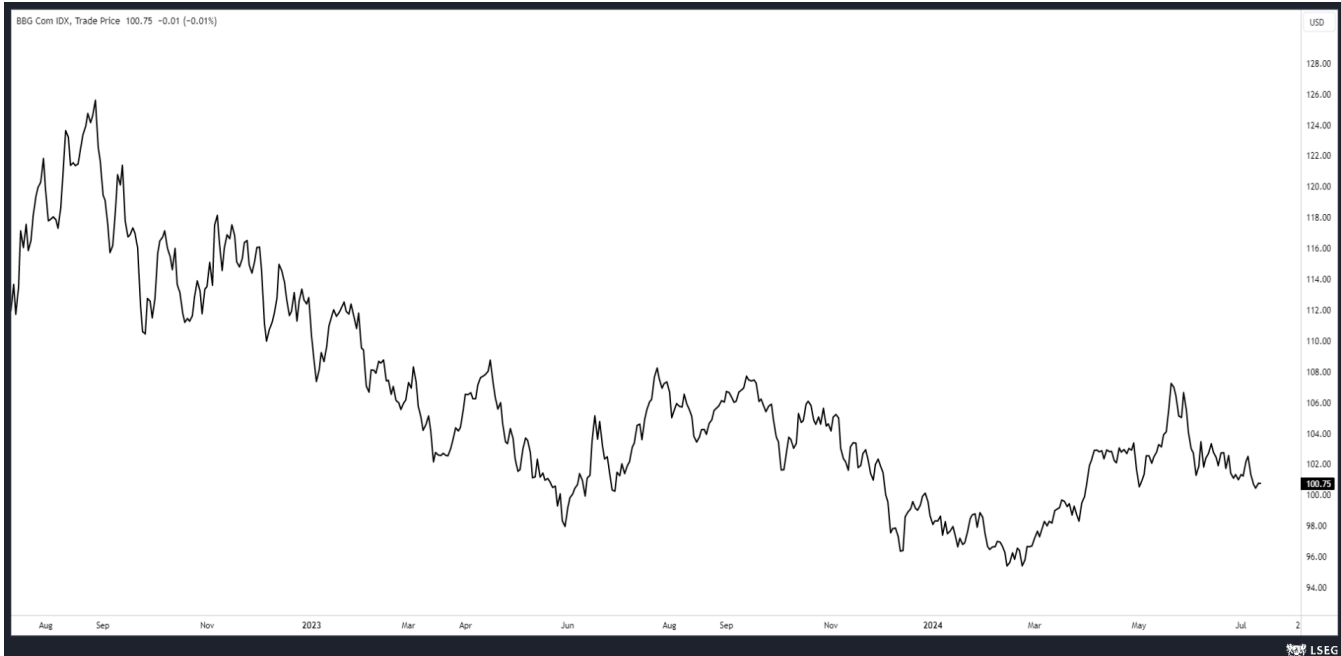
Commodities Weekly

Issue 16-2024

Date: 14 Jul 2024

Bloomberg Commodity Index

100.75 ▼



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

488.6194 ▼



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.

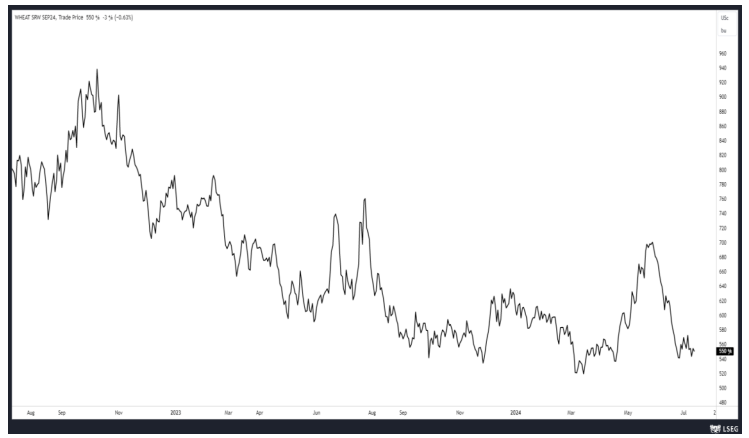
Commodity	Unit	Closing Price	% Δ Weekly	% Δ MoM	% Δ YoY	YTD High	YTD Low
Wheat	\$c/BSH	550.75	▼ -3.76%	▼ -0.50%	▼ -17.27%	720.00	519.50
Sugar	\$c/LBS	19.20	▼ -4.67%	▼ -5.47%	▼ -20.36%	24.62	17.95
Soybean	\$c/BSH	1,105.00	▼ -7.03%	▼ -3.95%	▼ -23.57%	1,289.50	1,102.50
Palm Oil	\$/Ton	847.08	▼ -2.19%	▲ 1.99%	▼ -1.55%	929.30	754.44
Cotton	\$c/LBS	68.92	▲ 2.39%	▼ -1.27%	▼ -19.34%	107.25	66.96
Brent Crude	\$/BBL	85.03	▼ -1.74%	▼ -1.60%	▼ -0.62%	92.18	74.79
LNG	\$/MMBTU	12.10	▼ -0.82%	▼ -3.20%	▲ 10.00%	12.60	8.30
Steel	\$/Ton	665.00	▼ -1.48%	▼ -1.34%	▼ -19.39%	1,135.00	663.00
SHFE Zinc	\$/Ton	3,337.93	▼ -1.80%	▼ -0.40%	▲ 14.18%	3,490.86	2,766.47
Indonesian Coal*	\$/Ton	123.00	0.00%	▲ 7.84%	▼ -35.80%	125.85	109.77
Australian Coal	\$/Ton	248.00	▼ -1.10%	▼ -0.57%	▲ 6.87%	336.00	227.50
Gold	\$/Ozs	2,411.27	▲ 0.83%	▲ 3.68%	▲ 22.76%	2,449.89	1,984.09

*Price published monthly once by Indonesian Govt

Wheat

Last Price USc **550.75**/BSH

CBOT wheat futures ended the week down on Friday after the U.S. Department of Agriculture's supply/demand report showed an increase in U.S. wheat stocks while improved Black Sea wheat yields continued to weigh. The USDA raised its forecast for [U.S. wheat ending stocks](#) to 856 million bushels from 758 million bushels in June and above analyst estimates of 788 million bushels. World ending stocks for wheat were increased to 257.24 million metric tons, up from 252.7 million metric tons reported in June and above analyst estimates of 252.19 million tons. CBOT September soft red winter wheat [WU24](#) closed down 20-1/2 cents at \$5.50-3/4 a bushel, closing down 7% for the week.



Technical:

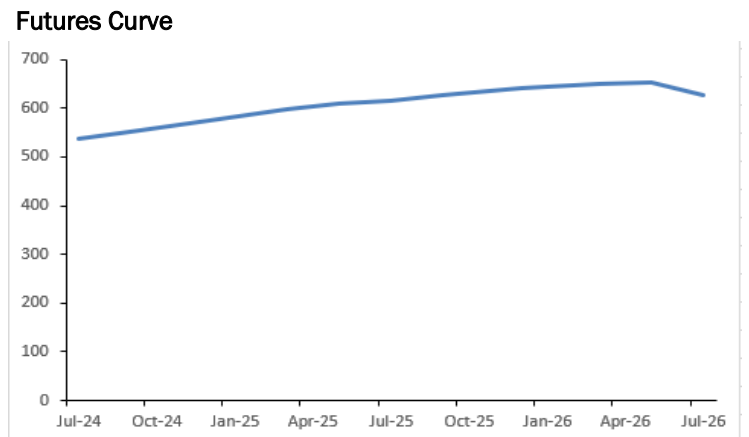
Wheat futures slip after USDA increases wheat forecast. Next level to watch 684.00.

Support:

538.00 = Jul 2024 Low
 488.00 = Aug 2020 Low

Resistance:

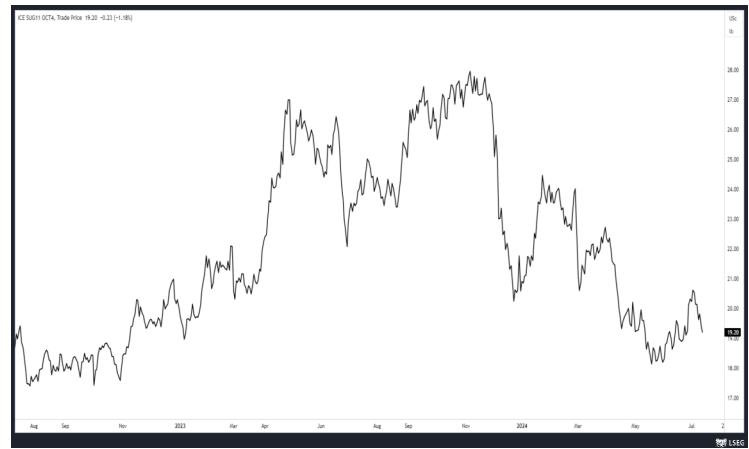
684.00 = Aug 2023 High
 710.00 = Apr 2023 High



Sugar

Last Price USc **19.20**/LBS

October raw sugar [SBC1](#) settled down 0.23 cent, or 1.2%, at 19.20 cents per lb. It lost nearly 5% in the week. The market has been put on the defensive by data issued this week showing a 20.1% rise in [sugar production](#) in the Centre-South region of Brazil during the second half of June. August white sugar [LSUc1](#), which expires next week, fell 1% to \$547.60 a ton.



Technical:

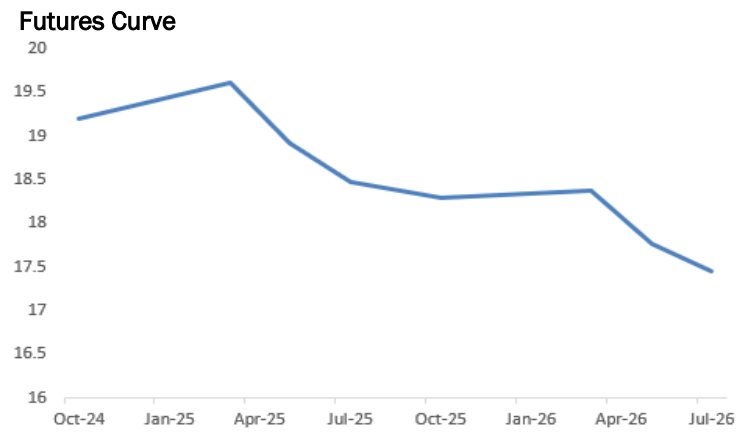
Sugar futures fall due to rise in sugar production in Brazil, next level to watch 20.00.

Support:

18.94 = Oct 2022 High
 17.50 = Sep 2022 Low

Resistance:

20.00 = May 2024 High
 20.60 = Jan 2024 Low



Soybean

Last Price

USc **1,105.00**/BSH

Soybean futures [Sv1](#) ended the week down on Friday despite turning positive following a USDA report that cut the U.S. soybean production forecast. Multiple soybean contracts hit lifetime lows and fell precipitously earlier in the week as weak demand and a hefty global supply of soy weighed. [Soybean end stocks](#) for 2024/25 were forecast at 435 million bushels, lower than the expected 449 million bushels and a decrease from June's 455 million bushels. The USDA forecast [soy production](#) at 4.435 billion bushels, above analysts' estimate of 4.424 billion bushels. Most-active November soybeans [SX24](#) settled down 2-1/2 cents at \$10.65-1/4 per bushel. Soybeans ended the week down 6%. August soybeans [SQ24](#) settled the day down 12 cents at \$11.05 per bushel. CBOT August soymeal [SMQ24](#) ended down \$3.6 at \$338.8 per short ton.

Technical:

Soybeans end down despite bounce after USDA report, next level to watch 1,240.00.

Support:

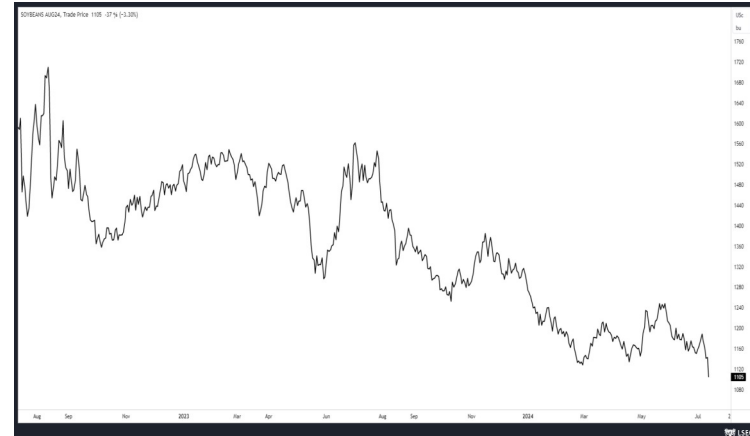
1,094.00 = Oct 2020 High

1,046.75 = Sep 2020 High

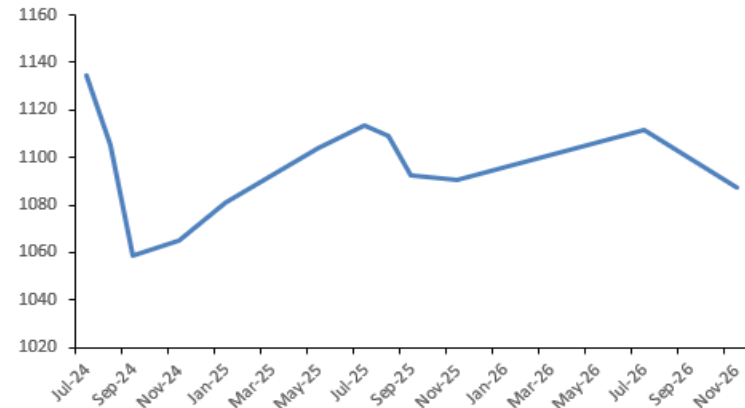
Resistance:

1,240.50 = May 2024 High

1,262.50 = Oct 2021 High



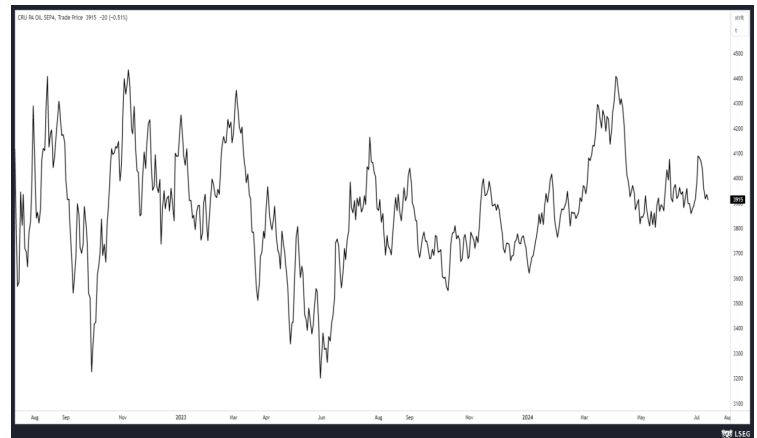
Futures Curve



Palm Oil

Last Price USD **847.08**/Ton

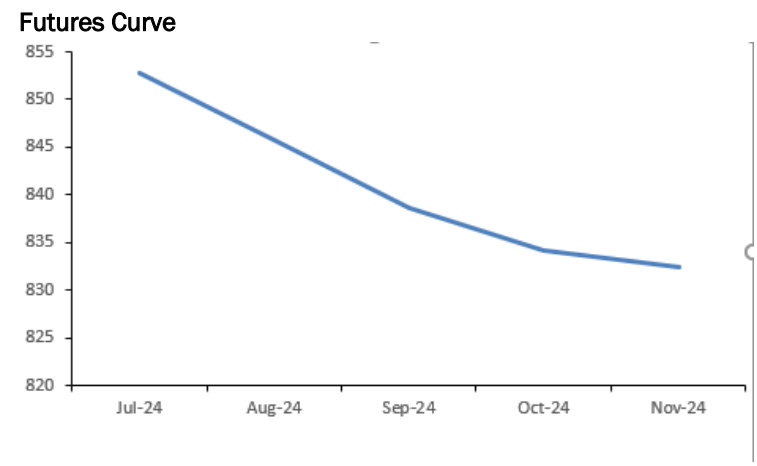
Malaysian palm oil futures ended lower on Friday, as estimates of higher inventories in June weighed on prices, with the contract snapping two consecutive weekly gain. The benchmark palm oil contract [FCPOc3](#) for September delivery on the Bursa Malaysia Derivatives Exchange lost 21 ringgit, or 0.53%, to settle at 3,914 ringgit (\$847.08). For the week, the contract fell 3.1%. Palm oil prices dropped due to higher inventories in June, but expectations that exports would pick up in July provided support. Crude palm oil production declined 5.23% from May to 1.62 million tons, while palm oil exports plunged 12.82% to 1.21 million tons. Palm oil [FCPOc3](#) may climb into a range of 4,018-4,058 ringgit per metric ton as an uptrend from the June 26 low of 3,830 ringgit may have resumed.



Technical:
 Palm oil settles lower, clocking first weekly drop in two, 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

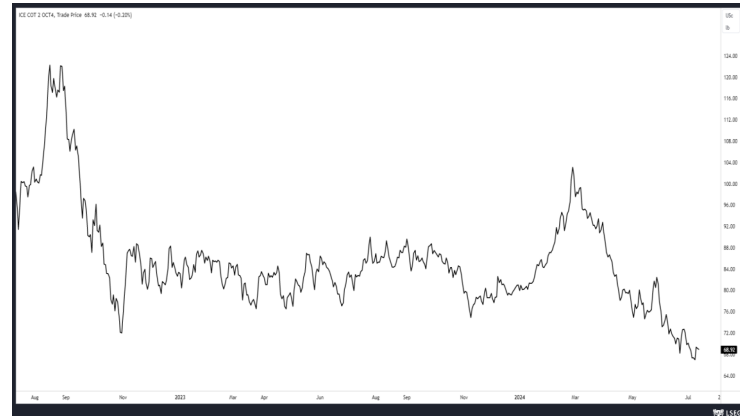


Cotton

Last Price

USc **68.92**/LBS

Cotton futures climbed on Friday aided by weaker dollar and strength in equities market despite a supply and demand report from the U.S. Department of Agriculture (USDA) showed higher cotton production in the country for 2024/25. Cotton contracts for December [C1Z4](#) rose 0.51 cent, or 0.7%, at 71.38 cents per lb at 1753 GMT. The contracts were headed for a weekly gain and gained about 0.3% so far this week. Supporting the natural fiber, the global equities index rose as investors eyed U.S. interest-rate cuts and the U.S. earnings season kicked off. The forecast for global production was raised to 1.1 million bales to 120.2 million. Global consumption stood at 250,000 bales higher, with increases in India and Malaysia offsetting reductions elsewhere.



Technical:

Cotton rises despite WASDE predicting higher US production. Next level to watch 88.00.

Support:

67.85 = Jun 2024 Low

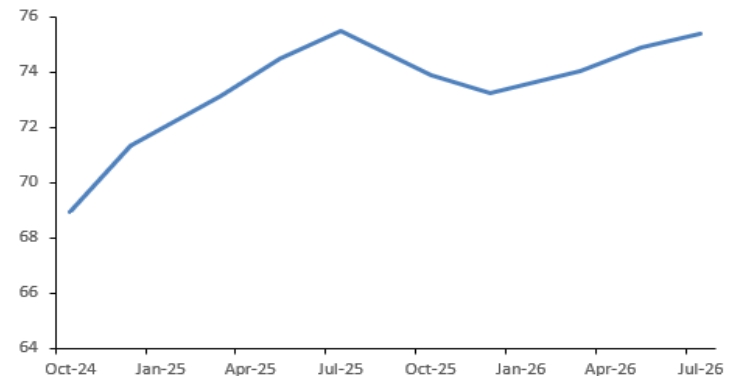
63.69 = Mar 2020 High

Resistance:

88.88 = Jan 2023 High

100.00 = Jun 2022 Low

Futures Curve



Brent Crude

Last Price **USD 85.03/BBL**

Oil futures prices settled slightly lower on Friday as investors weighed weaker U.S. consumer sentiment against mounting hopes for a Federal Reserve rate cut in September. Brent crude futures [LCOc1](#) settled 37 cents lower to \$85.03 a barrel. U.S. West Texas Intermediate crude futures [CLc1](#) fell 41 cents, or 0.5%, to close at \$82.21 a barrel. For the week, Brent futures fell more than 1.7% after four weeks of gains. WTI futures posted 1.1% weekly decline. Oil prices have drawn some support from U.S. gasoline demand, which [government data](#) showed on Wednesday was at 9.4 million barrels per day (bpd) in the week ended July 5, the highest since 2019 for the week that includes the Independence Day holiday. Jet fuel demand on a four-week average basis was at its strongest since January 2020. Signs of weaker demand from China, the world's biggest oil importer, could counter the outlook from the United States and weigh on prices.

Technical:

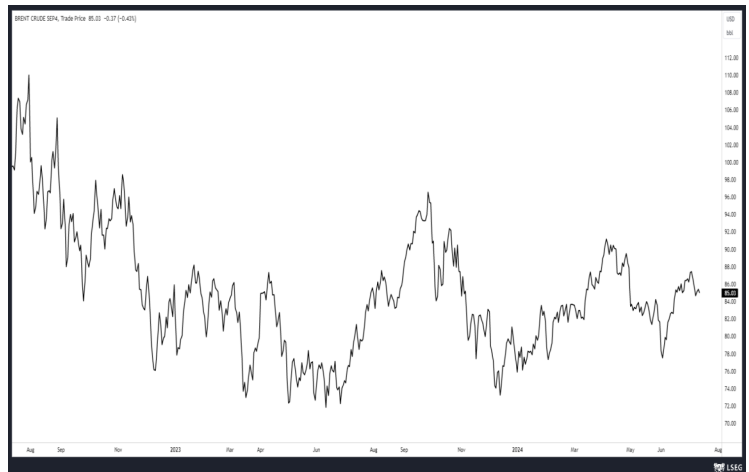
Oil prices settle down after data shows weaker US consumer sentiment, next level to watch 91.70.

Support:

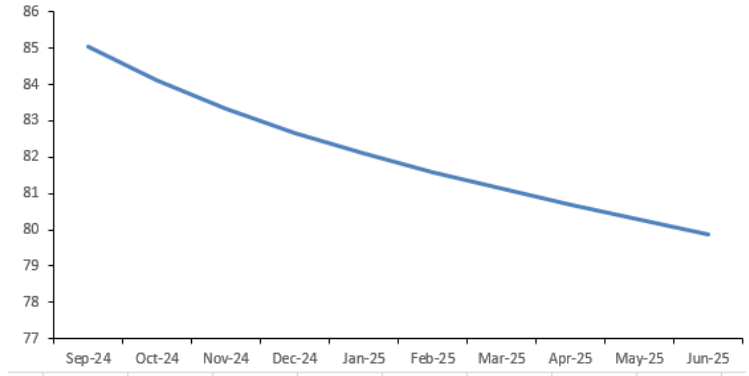
- 76.60 = Nov 2023 Low
- 74.79 = Jan 2024 Low

Resistance:

- 91.70 = Jan 2022 High
- 93.79 = Oct 2023 High



Futures Curve

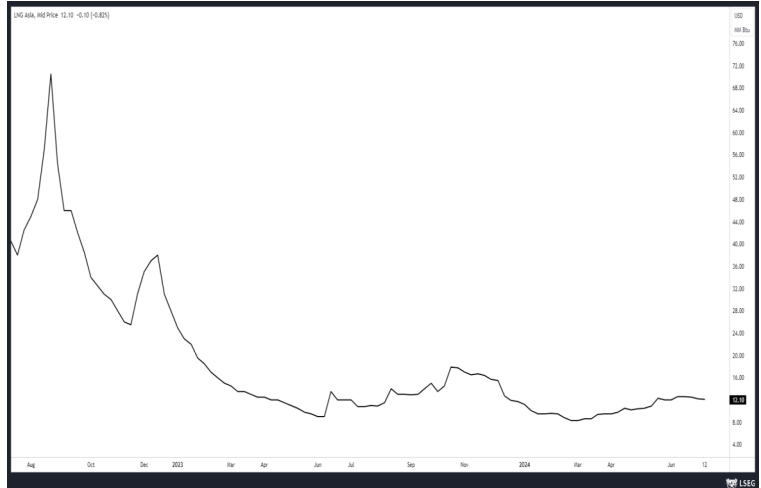


LNG

Last Price

USD **12.10**/MMBTU

Asian spot liquefied natural gas (LNG) prices fell slightly this week, tracking European gas prices, amid muted Chinese demand but they remained above \$12.00 for the eighth week running. The average LNG price for August delivery into north-east Asia [LNG-AS](#) was at \$12.10 per million British thermal units (mmBtu), industry sources estimated, down from \$12.20/mmBtu the previous week. Prices for September delivery were estimated at \$11.80/mmBtu. Argus assessed the August delivery price at \$9.80/mmBtu, while Spark Commodities assessed it at \$9.755/mmBtu. Following nine weeks of significant freight rate increases, the Atlantic rates decreased to \$88,250/day on Friday. Meanwhile, the Pacific rates rose to \$56,750/day, its highest level since February.



Technical:

Asian spot LNG prices remain above \$12 for eighth week running. Next level to watch 11.20.

Support:

12.00 = Jun 2024 Low

11.70 = Dec 2023 Low

Resistance:

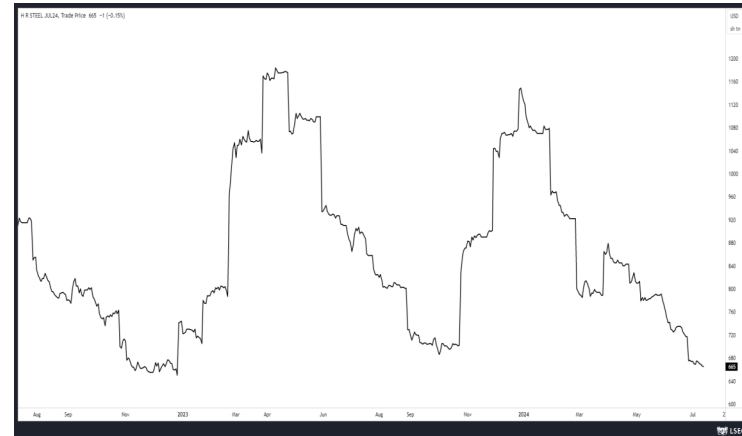
12.90 = Sep 2023 Low

13.50 = Oct 2023 Low

Steel (HRC)

Last Price USD **665.00**/ tons

Iron ore futures are set for a weekly fall amid a flurry of profit-taking, ahead of top consumer China's third plenum, although growing expectations of U.S. rate cuts pushed up prices on Friday. The most-traded September iron ore contract on China's Dalian Commodity Exchange (DCE) [DClOcv1](#) ended daytime trade 0.3% higher at 827 yuan (\$113.84) a metric ton. It is down 3.2% week-on-week. The benchmark August iron ore [SZZF04](#) on the Singapore Exchange was 0.5% higher at \$107.8 a ton, as of 0713 GMT, a drop of more than 2% from the closing price last Friday. Other steelmaking ingredients on the DCE posted gains, with coking coal [DJMcv1](#) and coke [DCJcv1](#) nearly 1% and 0.6%, respectively. Steel benchmarks on the Shanghai Futures Exchange moved sideways. Rebar [SRBcv1](#) added 0.5%, hot-rolled coil [SHHCcv1](#) ticked 0.3% higher, stainless steel [SHSScv1](#) edged up nearly 0.2%, while wire rod [SWRcv1](#) shed 0.3%.



Technical:

Iron ore heads for weekly fall ahead of key China meeting. Next level to watch 650.00.

Support:

650.00 = Dec 2022 Low

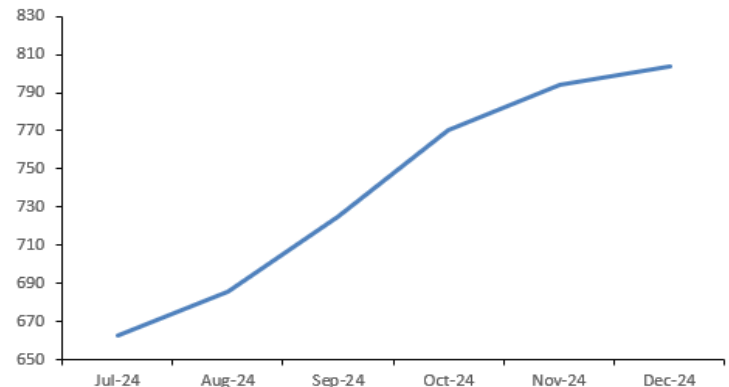
645.00 = Nov 2022 Low

Resistance:

765.00 = Sep 2022 Low

783.00 = Mar 2024 Low

Futures Curve of SHFE Steel Futures



SHFE Zinc

Last Price USD **3,337.93**/Tons

Overnight, the most-traded SHFE 2409 zinc contract opened at 24,660 yuan/mt, reaching a high of 24,675 yuan/mt, then hitting a low of 24,345 yuan/mt, and closed at 24,355 yuan/mt, down 195 yuan/mt, a decrease of 0.79%. Overnight, SHFE zinc recorded a bearish candlestick, with the 5-day moving average providing support below. In July, as smelters cut production, SMM zinc ingot social inventory increased again by 800 mt to 200,700 mt. The weak consumption trend continued, and poor demand dragged down the performance of SHFE zinc. However, the US June CPI data was lower than the previous value and expectations, with core CPI data turning negative for the first time in four years. The cooling inflation data continued to boost the US Fed rate cut expectations, causing the price center of LME zinc to slightly move upward.

Technical:

SHFE Zinc fell, despite LME zinc moved slightly upward, next level to watch 3,262.00.

Support:

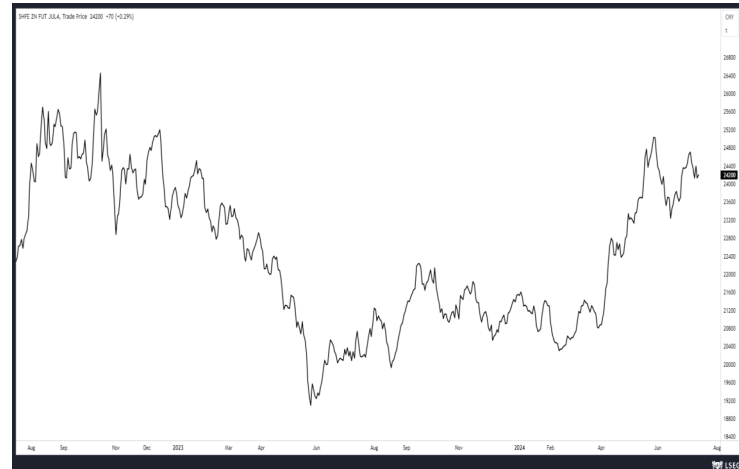
3,262.99 = Mar 2023 High

3,066.17 = Oct 2023 High

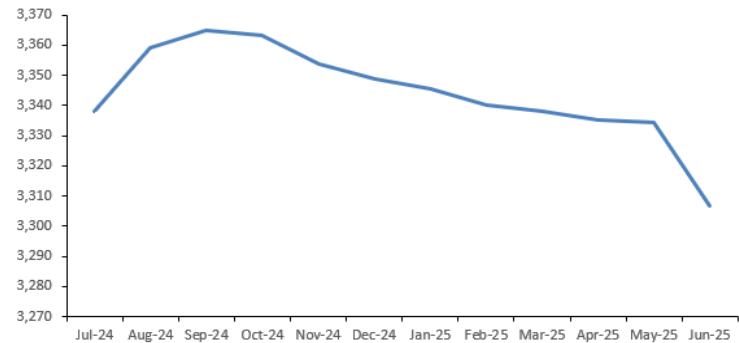
Resistance:

3,367.95 = Jul 2022 High

3,386.91 = Feb 2023 High



SHFE Zinc Forward Curve



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