



Commodities Weekly

Issue 19-2023

Date: 21 May 2023

Bloomberg Commodity Index

101.07 ▼



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.

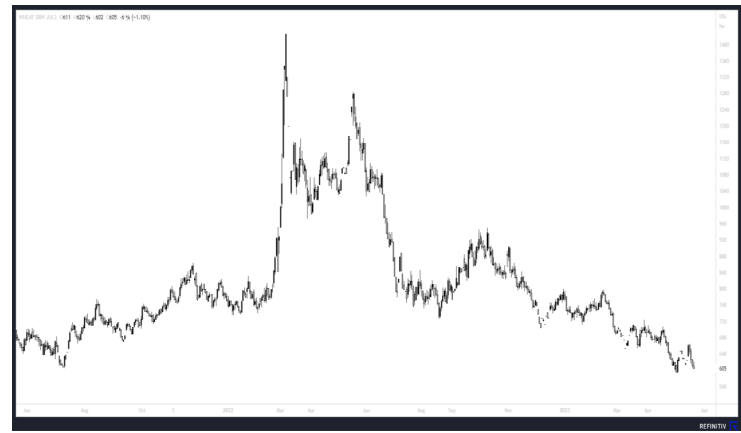
Commodity	Unit	Closing Price	% Δ Weekly	% Δ MoM	% Δ YoY	YTD High	YTD Low
Wheat	\$c/BSH	605.00	▼ -3.12%	▼ -8.58%	▼ -48.24%	797.40	596.00
Sugar	\$c/LBS	25.78	▼ -1.68%	▲ 3.83%	▲ 29.22%	27.41	18.92
Soybean	\$c/BSH	1,307.25	▼ -8.90%	▼ -11.88%	▼ -23.34%	1,555.40	1,307.25
Palm Oil	\$/Ton	821.00	▼ -4.42%	▼ -11.43%	▼ -46.13%	981.00	810.00
Cotton	\$c/LBS	86.72	▲ 7.69%	▲ 10.60%	▼ -39.05%	88.88	75.70
Brent Crude	\$/BBL	75.58	▲ 1.90%	▼ -7.45%	▼ -32.85%	89.09	70.12
LNG	\$/MMBTU	9.80	▼ -6.67%	▼ -18.33%	▼ -56.25%	25.00	9.80
Steel	\$/Ton	1,094.00	▼ -0.18%	▼ -7.13%	▼ -21.01%	1,200.00	705.00
SHFE Zinc	\$/Ton	3,005.09	▼ -0.72%	▼ -6.36%	▼ -19.71%	3,593.02	2,981.83
Indonesian Coal	\$/Ton	206.16		▼ -22.28%	▼ -25.21%	305.21	206.16
Australian Coal	\$/Ton	235.00	▼ -0.91%	▼ -13.60%	▼ -54.15%	381.00	235.00
Gold	\$/Ozs	1,976.56	▼ -1.72%	▼ -0.32%	▲ 7.09%	2,072.19	1,804.20

*Price published monthly once by Indonesian Govt

Wheat

Last Price USc **605.00**/BSH

CBOT wheat futures fell sharply on Friday after a choppy day, as technical trading and lackluster export demand for U.S. supplies continued to pressure the market. CBOT July wheat [WN3](#) slid to \$6.02 a bushel in mid-session trading, the lowest price seen on a continuous chart [Wv1](#) since April 2021. CBOT September wheat [WU3](#) also fell to a new contract low. CBOT July soft red winter wheat [WN3](#) settled down 6-3/4 cents at \$6.05 per bushel. K.C. July hard red winter wheat [KWN3](#) last traded down 31-1/4 cents at \$8.25-3/4 a bushel and MGEX July spring wheat [MWEN3](#) was down 24-1/2 cents at \$8.04 a bushel. Poor harvest prospects in the U.S. Plains initially gave wheat futures a boost on the day: Wheat yield potential in Kansas was estimated on Thursday at its [lowest](#) since at least 2000 in an annual field tour.

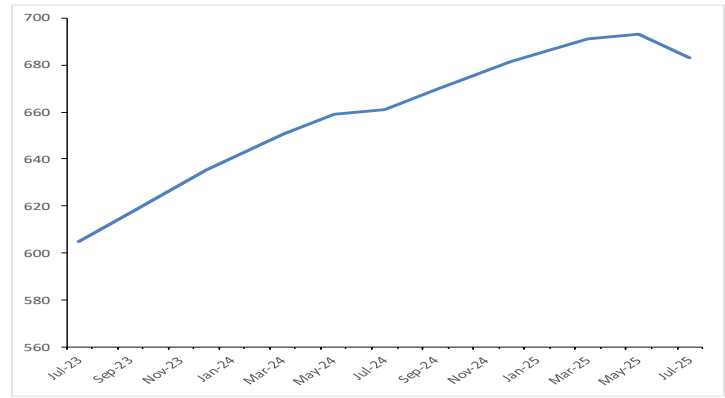


Technical:
Wheat futures fall on technical trading, demand woes. Next level to watch 700.00.

Support:
604.50 = Jul 2021 Low
571.75 = Apr 2020 High

Resistance:
718.00 = Jul 2021 High
780.00 = Oct 2021 High

Futures Curve



Sugar

Last Price USc **25.78**/LBS

July raw sugar [SBc1](#) rose 1.1% to 25.89 cents per lb. Concerns that El Nino could curb production in major Asian producers such as India and Thailand remained among supportive factors. The development of India's monsoon season, which gets underway next month, would be closely watched. The market had also been underpinned by falling output in the European Union with [planted area in France](#) declining although a marginal rise is [expected in Germany](#). August white sugar [LSUc1](#) rose 0.8% to \$712 a tonne.



Technical:

Raw sugar posts weekly decline, but starts moving up, next level to watch 27.41.

Support:

24.86 = Apr 2012 High

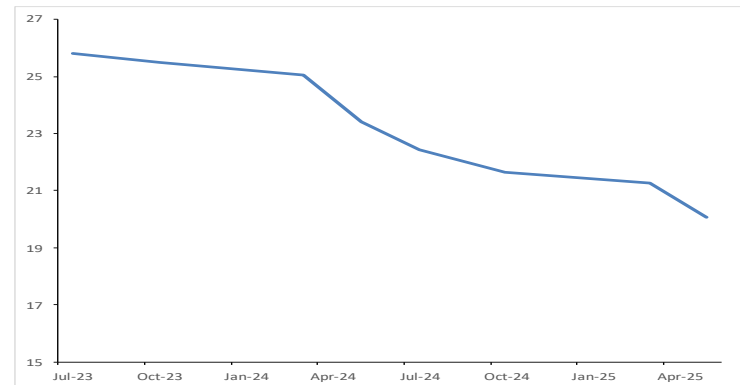
23.90 = Oct 2016 High

Resistance:

27.41 = Apr 2023 High

30.21 = Sep 2011 High

Futures Curve

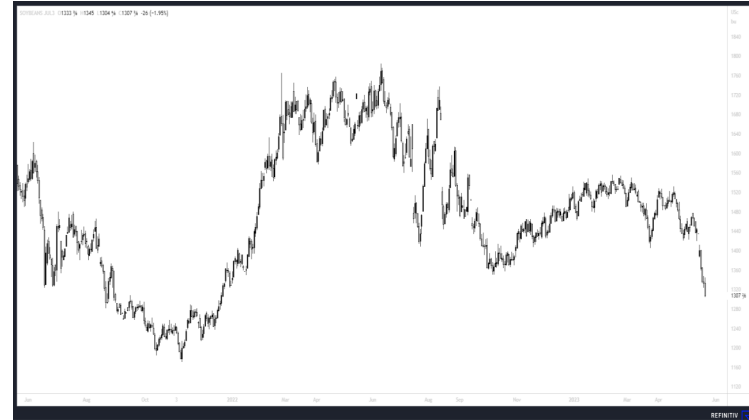


Soybean

Last Price

USc **1,307.25**/BSH

CBOT soybean futures slid sharply on technical trading on Friday, as investors rushed to liquidate positions ahead of the weekend. The most-active soybean contract [Sv1](#) fell to the lowest prices seen since July - and several new-crop soybean contracts plunged to new contract lows - amid poor U.S. export demand, particularly in China. A [new forecast](#) estimated that Brazil's soybean crop would be bigger than expected. CBOT July soybeans [SN3](#) settled down 26 cents at \$13.07-1/4 per bushel after dipping to \$13.04-3/4, the lowest on a continuous chart of the most-active contract since July 22, 2022. September [SU3](#) soybeans contract - as well as January [SF24](#), March [SH24](#), May [SK24](#), July [SN24](#), August [SQ24](#) and next September [SU24](#) soybean contract - all fell to new contract lows on Friday.



Technical:

Soybeans fall to new 10-month low amid demand, economy worries, next level to watch 1,375.60.

Support:

1,265.00 = Jul 2009 High

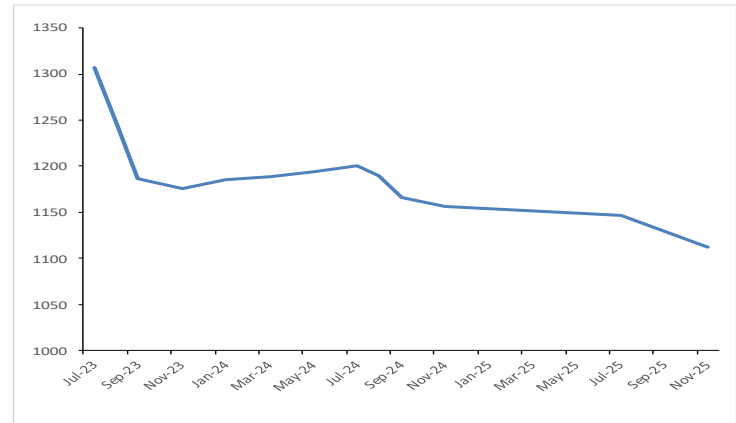
1,176.50 = Jul 2016 High

Resistance:

1,375.60 = Dec 2021 High

1,414.00 = Oct 2022 High

Futures Curve



Palm Oil

Last Price USD **821.00**/Ton

Malaysian palm oil futures ended higher on Friday, lifted by renewed buying by key importer China, even as prices clocked their first weekly drop in three. The benchmark palm oil contract [FCPOc3](#) for August delivery on the Bursa Malaysia Derivatives Exchange gained 88 ringgit, or 2.59%, to 3,480 ringgit (\$784.67) a tonne, after a four-day slump. For the week, the contract lost 4.6%. Further supporting prices, the ringgit fell 0.04% against the dollar, making the commodity cheaper for buyers holding foreign currency. A higher export tax in Malaysia makes its palm oil products less competitive to larger rival Indonesia, which lowered its payable export taxes for the [May 16-31](#) period. Dalian's most-active soyoil contract [DBY-cv1](#) and its palm oil contract [DCPcv1](#) both gained 0.5%. Soyoil prices on the Chicago Board of Trade [BOcv1](#) were up 1.2%.



Technical:

Palm oil gains on renewed Chinese buying, but logs weekly loss, next level to watch 833.00.

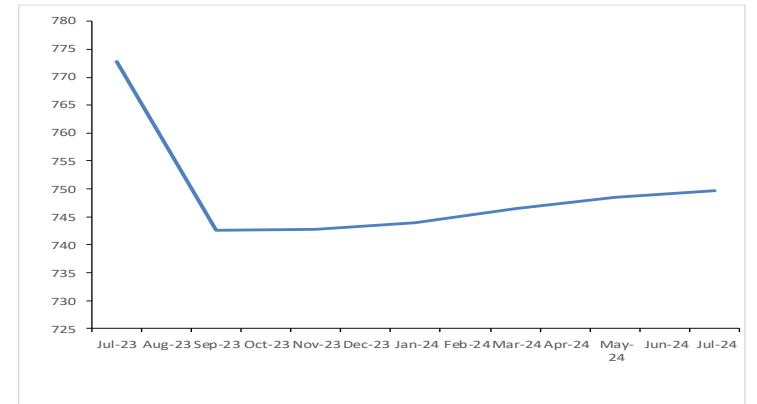
Support:

- 768.00 = Jan 2020 High
- 744.00 = Feb 2017 High

Resistance:

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

Futures Curve



Cotton

Last Price

USc **86.72**/LBS

ICE cotton futures hit a more than three-month peak on Friday and were set for their best week since late November, bolstered by the dollar's pullback and a technical breakout. The most active first-month July cotton contract [CTc1](#) fell 0.72 cent, or 0.8%, to 87.38 cents per lb by 11:24 a.m. EDT (1524 GMT). It traded in a range of 86.13 to 87.98 cents a lb. The contract gained 8.4% so far this week. A lower dollar also made greenback-priced cotton more attractive, especially for overseas buyers. [USD/](#)

Also helping the natural fiber by making substitute material polyester more expensive were gains in oil markets.



Technical:

Cotton bound for strong weekly gain on dollar pullback. Next level to watch 90.00.

Support:

72.00 = Nov 2022 Low

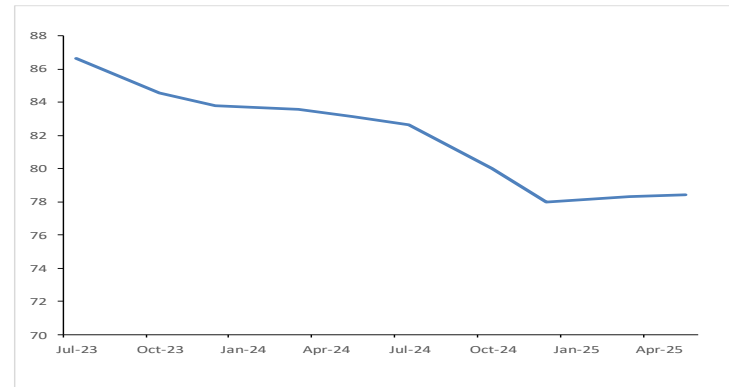
63.01 = Sep 2020 Low

Resistance:

90.85 = Jul 2022 Low

96.14 = Oct 2022 High

Futures Curve



Brent Crude

Last Price

USD **75.58**/BBL

Oil prices fell on Friday, as investors worried that U.S. politicians will fail to agree on a new debt ceiling and trigger a default that would hurt the economy and reduce fuel demand. Brent [LCOc1](#) futures settled 28 cents, or 0.8%, lower at \$75.58 a barrel, while West Texas Intermediate U.S. crude [CLc2](#) for July expiry fell 25 cents, or 0.3%, to \$71.69. The less active U.S. crude contract for May [CLc1](#), due to expire on Monday, closed down 31 cents, or 0.4%, to \$71.55. U.S. oil rig count, an indicator of future production, fell by 11 to 575 this week, the biggest weekly drop since September 2021. While the potential for additional rate hikes increases concern about demand weakness in the United States, prices could rise on higher Chinese demand throughout 2023. China's oil refinery throughput in April rose 18.9% from a year earlier to the second-highest level on record.



Technical:

Oil slips as debt talks pause, Fed warns of high inflation, next level to watch 89.37.

Support:

70.42 = Sep 2021 Low

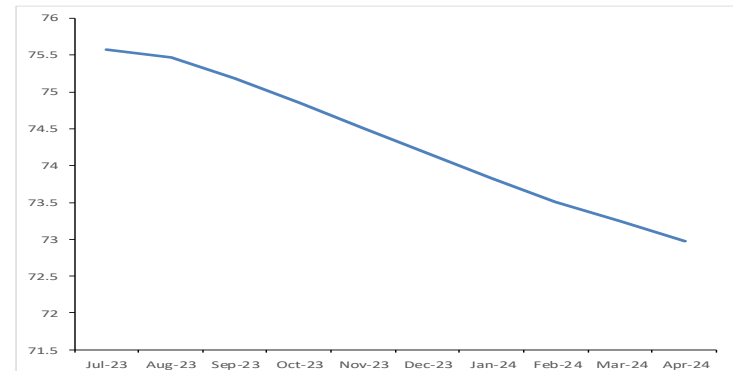
64.54 = Aug 2019 High

Resistance:

89.37 = Dec 2021 High

91.70 = Jan 2022 High

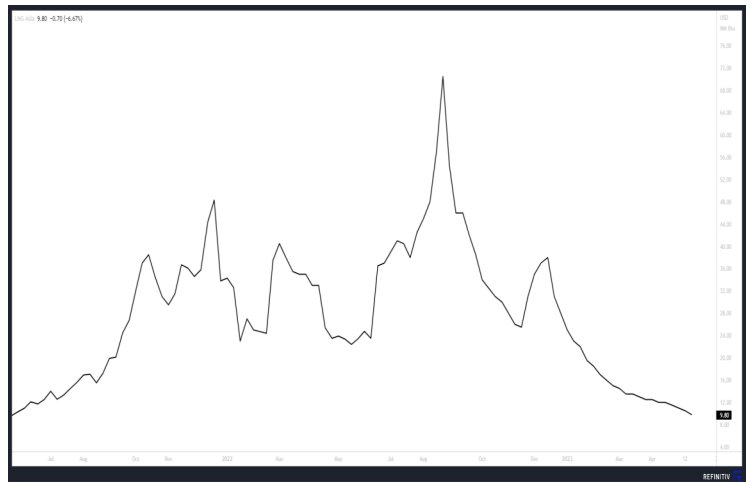
Futures Curve



LNG

Last Price **USD 9.80/MMBTU**

Asian spot liquefied natural gas (LNG) prices slipped to their lowest level in two years on weak demand and high inventories, while European LNG prices also fell below the \$10 mark amid healthy stock build and limited need for additional supply. The average LNG price for July delivery into northeast Asia [LNG-AS](#) was down 6.6% from the previous week at \$9.8 per million British thermal units (mmBtu), the lowest since May 2021. S&P Global Commodity Insights assessed its daily north-west Europe LNG Marker (NWM) price benchmark for cargoes delivered in July on an ex-ship (DES) basis at \$8.427/mmBtu on May 18, a \$1.220/mmBtu discount to the July gas price at the Dutch gas TTF hub, according to Allen Reed, managing editor of Atlantic LNG. Argus assessed the NWE DES price at \$8.25/mmBtu on May 18, a \$1.42 discount to TTF gas price.

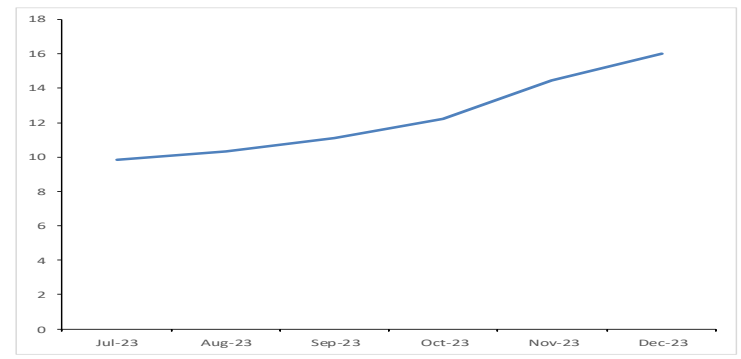


Technical:
 Asian spot LNG prices slip to 2-year low on tepid demand. Next level to watch 8.85.

Support:
 08.85 = Apr 2021 High
 07.50 = Oct 2022 High

Resistance:
 12.50 = Apr 2023 High
 14.50 = Mar 2023 High

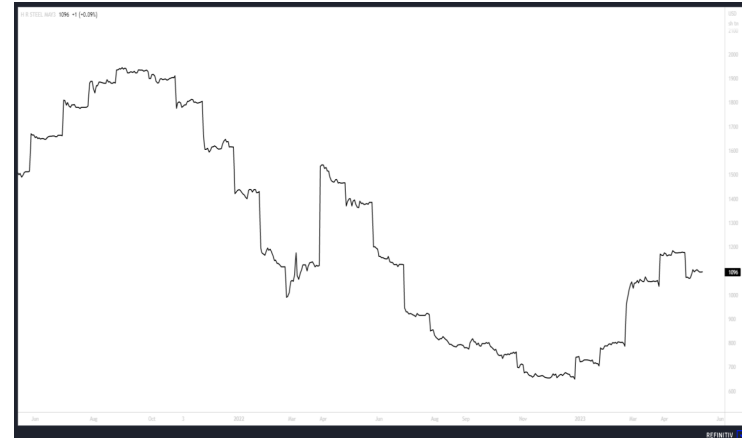
Futures Curve



Steel (HRC)

Last Price USD **1,094.00**/ tons

Dalian iron ore futures closed lower on Friday, weighed down by dismal demand outlook in top steel producer China, although prices posted a weekly gain on prospects of further stimulus for the economy. The most-traded September iron ore contract on China's Dalian Commodity Exchange [DCIOcv1](#) ended day-time trade down 1.4% at 736.0 yuan (\$106.48) a tonne. The contract logged gains of more than 5% for the week. On the Singapore Exchange, the benchmark June iron ore contract [SZZFM3](#) was 1.1% lower at \$105.65 a tonne, as of 0737 GMT. The contract has posted a more than 7% rise for the week so far. The most-active rebar contract on the Shanghai Futures Exchange [SRBcv1](#) fell 1.4%, hot-rolled coil [SHHCcv1](#) lost 1% and stainless steel [SHSScv1](#) dropped 0.6%. Among other steelmaking ingredients, coking coal [DJMcv1](#) lost 5.7% and coke [DCJcv1](#) gave up 3.8%.



Technical:

Dalian iron ore falls on demand concerns but posts weekly gain. Next level to watch 1,200.00.

Support:

970.00 = Feb 2022 Low

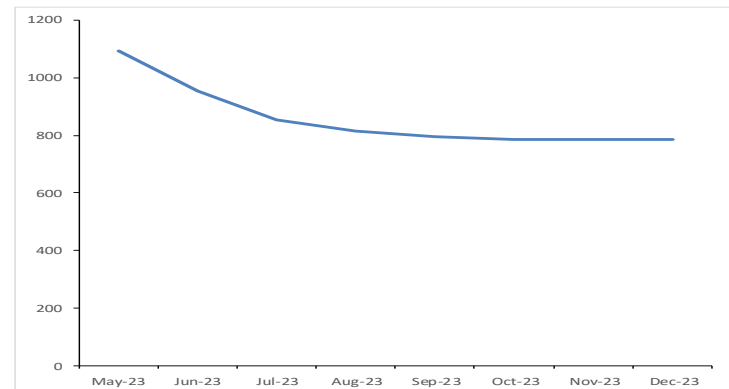
705.00 = Jan 2023 Low

Resistance:

1208.00 = Jun 2022 High

1265.00 = Feb 2021 High

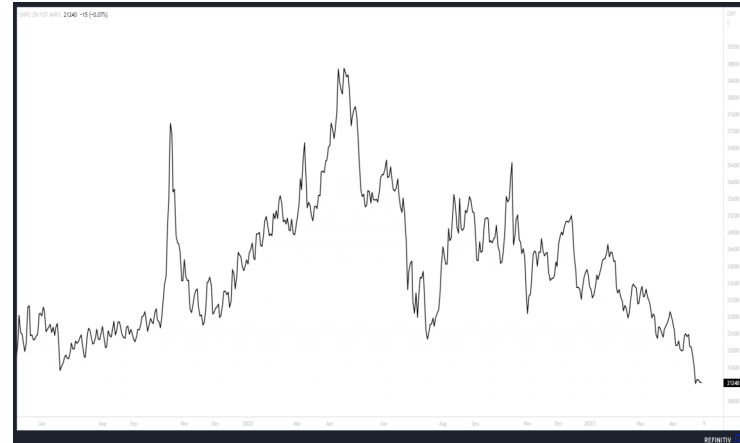
Futures Curve of SHFE Steel Futures



SHFE Zinc

Last Price USD **3,005.09**/Tons

the price of refined zinc is expected to be on a downward trend before 2025 as weak demand growth cannot keep up with the surge in production. Zinc prices on the London Metal Exchange (LME) are likely to fall to \$3,050/mt this year from \$3,442 in 2022, to \$2,525 in 2024 and as low as \$2,000 in 2025. In the next five years, global refined zinc production is expected to increase by nearly 1.3 million mt, of which 800,000 mt will come from countries other than China. China's output will increase by about 500,000 mt. Chile is the largest zinc consumer in the world. SHFE 2306 zinc lost 150 yuan/mt or 0.72% to 20,795 yuan/mt. The open interest declined 9,334 lots to 78,568 lots. Spot premiums rose today amid low market supply and falling futures prices. The market only saw trades among traders, and the downstream companies only restocked a small amount of spots on dips.



Technical:

Zinc Prices to Plunge by 2025 amid Oversupply, next level to watch 2,976.44.

Support:

2,976.44 = Sep 2020 High

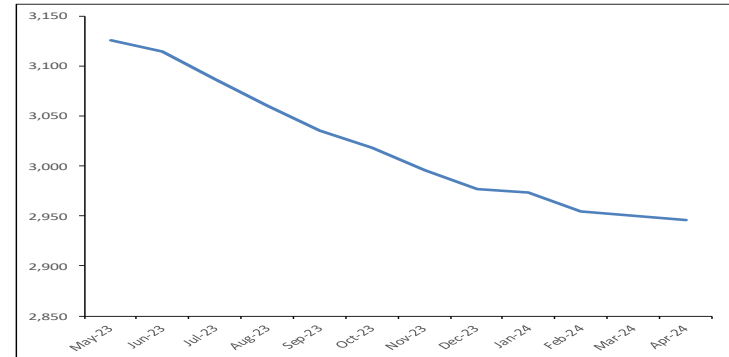
2,790.00 = Oct 2019 High

Resistance:

3,291.42 = Jul 2021 High

3,405.00 = Jun 2022 High

SHFE Zinc Forward Curve



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