



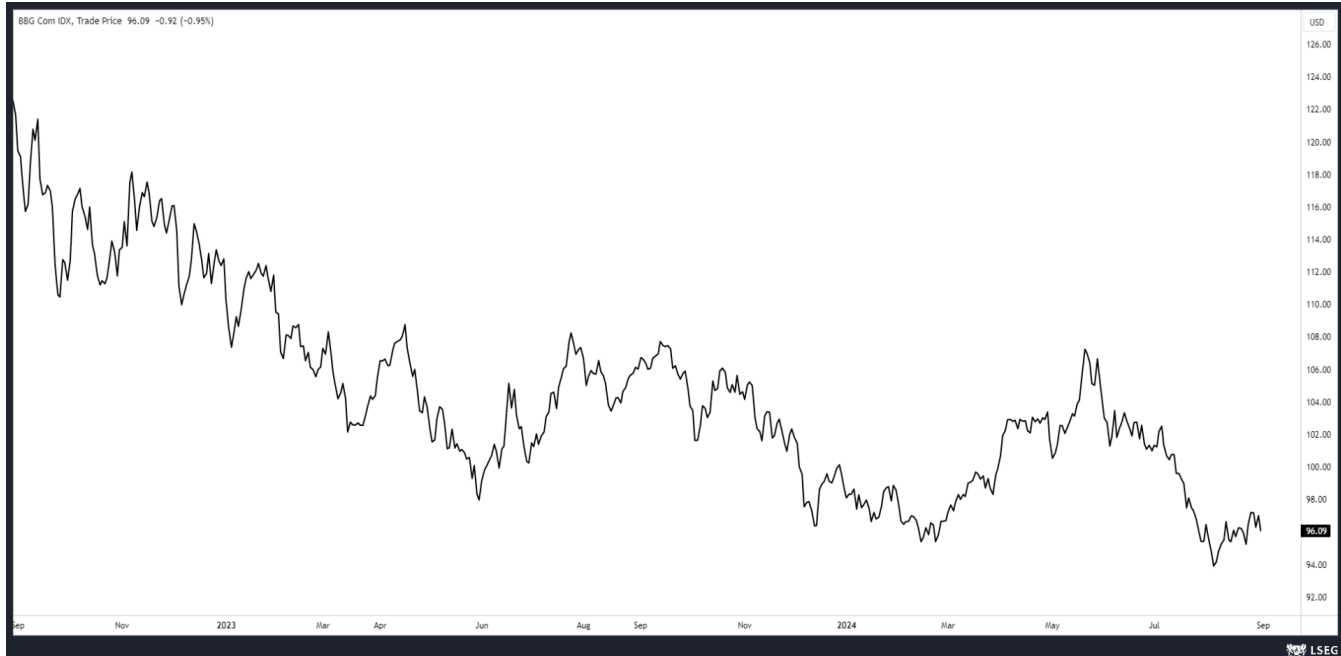
# Commodities Weekly

Issue 20-2024

Date: 01 Sep 2024

# Bloomberg Commodity Index

96.09 ▼



**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

444.9126 ▼



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.

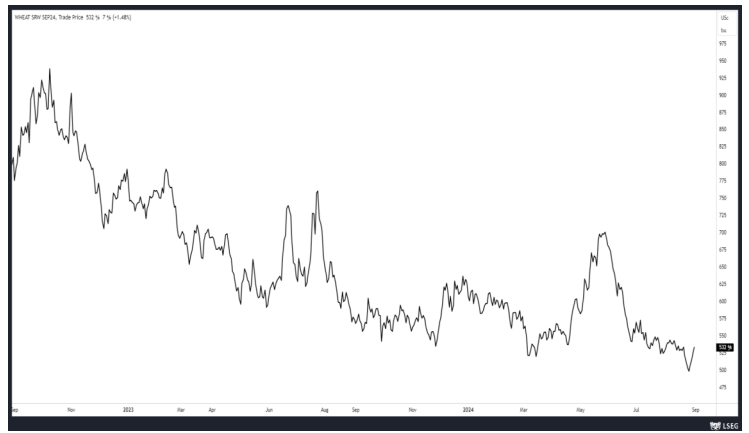
Commodity	Unit	Closing Price	% Δ Weekly	% Δ MoM	% Δ YoY	YTD High	YTD Low
<a href="#">Wheat</a>	\$c/BSH	<b>532.75</b>	▲ 6.07%	▲ 1.04%	▼ -7.02%	<b>720.00</b>	<b>502.25</b>
<a href="#">Sugar</a>	\$c/LBS	<b>19.38</b>	▲ 5.38%	▲ 2.32%	▼ -22.67%	<b>24.62</b>	<b>17.64</b>
<a href="#">Soybean</a>	\$c/BSH	<b>982.00</b>	▲ 3.15%	▼ -4.52%	▼ -27.79%	<b>1,289.50</b>	<b>936.25</b>
<a href="#">Palm Oil</a>	\$/Ton	<b>921.03</b>	▲ 4.13%	▲ 8.22%	▲ 6.50%	<b>929.30</b>	<b>754.44</b>
<a href="#">Cotton</a>	\$c/LBS	<b>69.79</b>	▼ -2.10%	▲ 2.66%	▼ -20.78%	<b>107.25</b>	<b>65.30</b>
<a href="#">Brent Crude</a>	\$/BBL	<b>78.80</b>	▼ -0.28%	▼ -2.38%	▼ -9.28%	<b>92.18</b>	<b>74.79</b>
<a href="#">LNG</a>	\$/MMBTU	<b>14.00</b>	▲ 1.45%	▲ 16.67%	▲ 7.69%	<b>14.10</b>	<b>8.30</b>
<a href="#">Steel</a>	\$/Ton	<b>714.00</b>	▲ 6.25%	▲ 1.42%	▼ -2.06%	<b>1,135.00</b>	<b>654.00</b>
<a href="#">SHFE Zinc</a>	\$/Ton	<b>3,382.93</b>	▼ -0.06%	▲ 7.83%	▲ 15.96%	<b>3,490.86</b>	<b>2,766.47</b>
Indonesian Coal*	\$/Ton	<b>130.44</b>	0.00%	▲ 6.05%	▼ -27.49%	<b>130.44</b>	<b>109.77</b>
Australian Coal	\$/Ton	<b>205.50</b>	▲ 2.75%	▼ -13.33%	▼ -19.59%	<b>336.00</b>	<b>200.00</b>
Gold	\$/Ozs	<b>2,503.03</b>	▼ -0.36%	▲ 2.24%	▲ 29.04%	<b>2,531.60</b>	<b>1,984.09</b>

\*Price published monthly once by Indonesian Govt

# Wheat

Last Price USc **532.75**/BSH

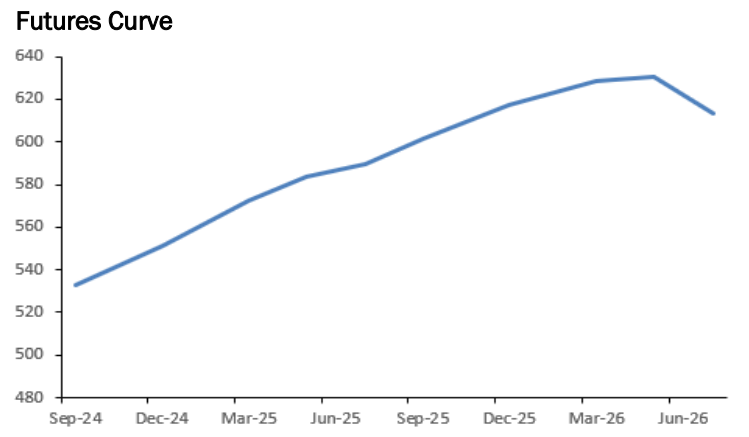
Chicago wheat rose on Friday, and registered its biggest weekly gain in more than three months on concerns over lower production in Europe. The most-active wheat contract on the Chicago Board of Trade [Wv1](#) settled up 2-3/4 cents to \$5.51-1/2 per bushel. The wheat market, which gained more than 4% this week, had its biggest weekly gain since mid-May. The European Commission on Thursday cut its estimate for usable [production](#) of common wheat in the European Union in 2024/25 to 116.1 million metric tons from 120.8 million forecast a month earlier, a four-year low.



**Technical:**  
 Wheat rise on European supply issues. Next level to watch 573.00.

**Support:**  
 488.00 = Aug 2020 Low  
 468.25 = jUN 2020 Low

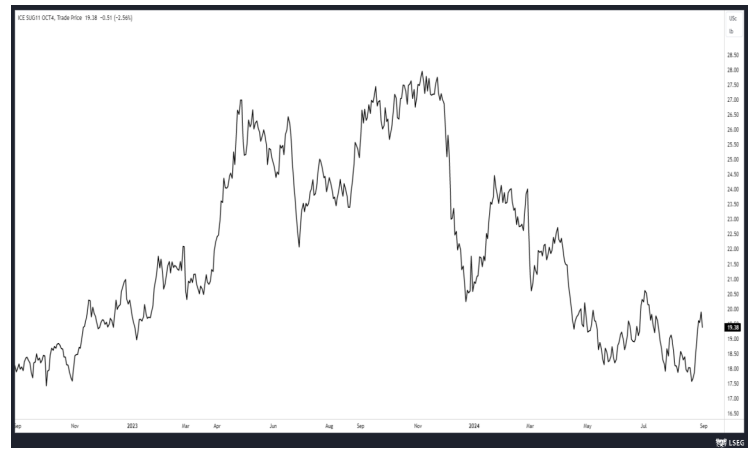
**Resistance:**  
 573.00 = Jul 2024 High  
 614.75 = Apr 2024 High



# Sugar

Last Price USc **19.38**/LBS

Raw sugar futures fell on Friday, although ending the week with a 5% gain, as the market consolidated just below the prior session's six-week high. October raw sugar [SBc1](#) settled down 0.51 cent, or 2.6%, at 19.38 cents per lb, slipping from the prior session's six-week high of 19.98 cents. The market went through some profit taking after the recent strong run, while traders were still trying to fully assess the damage caused by recent fires in Centre-South Brazil. October white sugar [LSUc1](#) fell 1.9% to \$546.80 a metric ton. The [International Sugar Organization](#) (ISO) on Friday, in its first assessment of the 2024/25 season, forecast there would be a global sugar deficit of 3.58 million metric tons.



**Technical:**

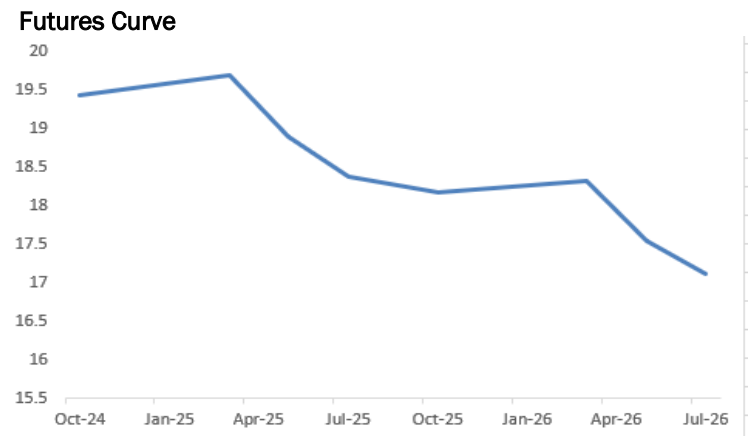
Raw sugar prices ease, next level to watch 20.00.

**Support:**

- 19.17 = Apr 2024 Low
- 18.75 = Sep 2022 High

**Resistance:**

- 20.00 = Apr 2024 High
- 20.78 = Jun 2024 High



# Soybean

Last Price

USc **982.00**/BSH

CBOT soybeans [Sv1](#) climbed on Friday on rising demand, including news of another soybean sale to China, with futures marking weekly gains that were the highest in 4 months. CBOT most-active November soybeans [SX24](#) settled up 7-1/2 cents at \$10.00 per bushel. CBOT most-active December soy meal [SMZ24](#) settled up \$2.1 at \$313 per short ton. CBOT most-active December soy oil [BOZ24](#) decreased by 0.12 cent to finish at 42.01 cents per pound. For the week, most active soybeans [Sv1](#) rose 2.77% or 27 cents, its second weekly advance and its biggest gain since April. Exporters sold 132,000 metric tons of U.S. [soybeans](#) to China and 100,000 metric tons of soy meal to Colombia. [Soybean oil used](#) to produce biofuels in the United States rose to 1,267 million lbs used in June, up from 1,076 million lbs in May.

## Technical:

Soybeans advance on growing demand, next level to watch 1013.00.

## Support:

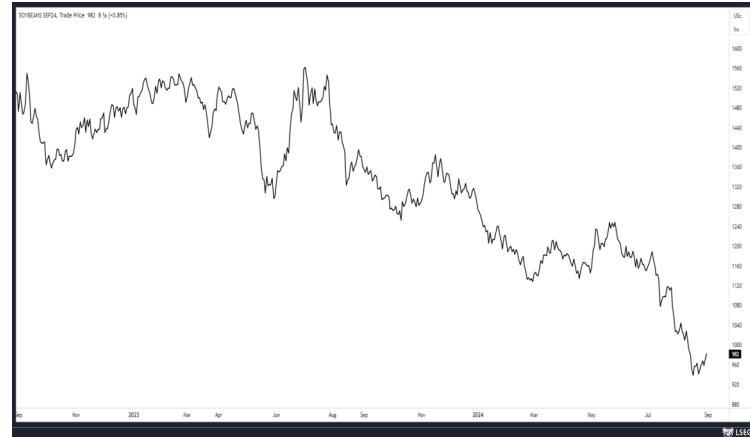
910.00 = Jul 2020 High

869.50 = Aug 2020 Low

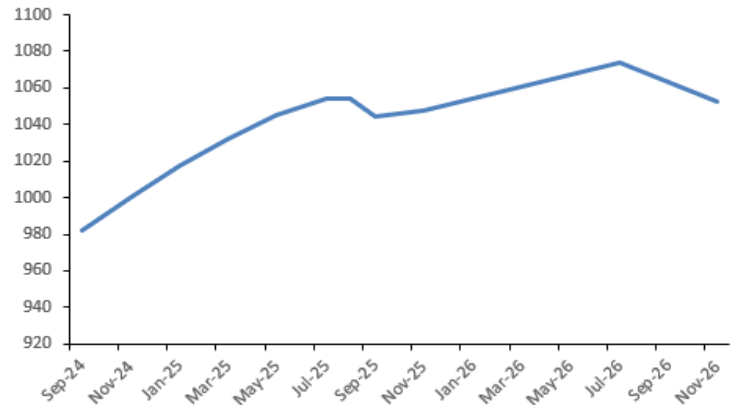
## Resistance:

1,013.00 = Oct 2020 Low

1,115.00 = Feb 2024 Low



## Futures Curve



# Palm Oil

Last Price USD **921.03**/Ton

Malaysian palm oil futures rose for the second straight session on Friday, posting their first monthly gain in three months, as firmer rival oil contracts lent support to the market, while traders awaited news from India and top producer Indonesia on import and export taxes. The benchmark palm oil contract [FCPOc3](#) for November delivery on the Bursa Malaysia Derivatives Exchange closed 38 ringgit, or 0.96%, higher at 3,978 ringgit (\$920.83) a metric ton. The contract gained 2.87% week-on-week and 1.79% for the month, logging its first monthly rise since June. The Malaysian ringgit [MYR=](#), palm's currency of trade, weakened 0.19% against the dollar. A weaker ringgit makes palm oil more attractive for foreign currency holders.



**Technical:**

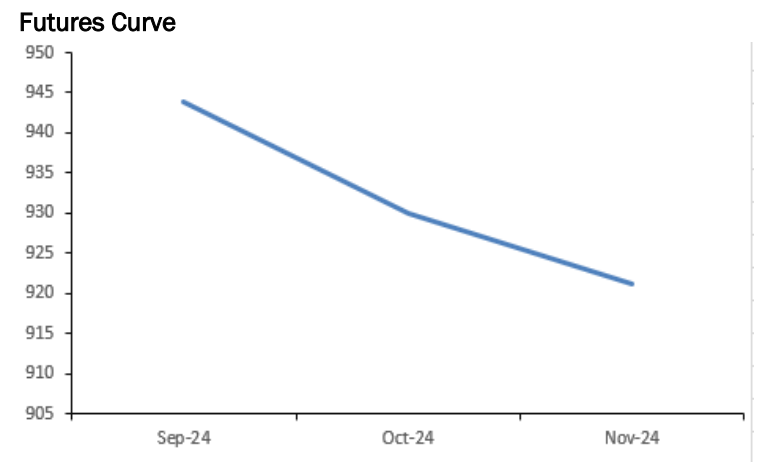
Palm oil logs first monthly rise in three months, next level to watch 946.00.

**Support:**

803.60 = Oct 2023 High  
 787.87 = Jul 2021 Low

**Resistance:**

946.50 = May 2024 High  
 1,002.08 = Mar 2024 High



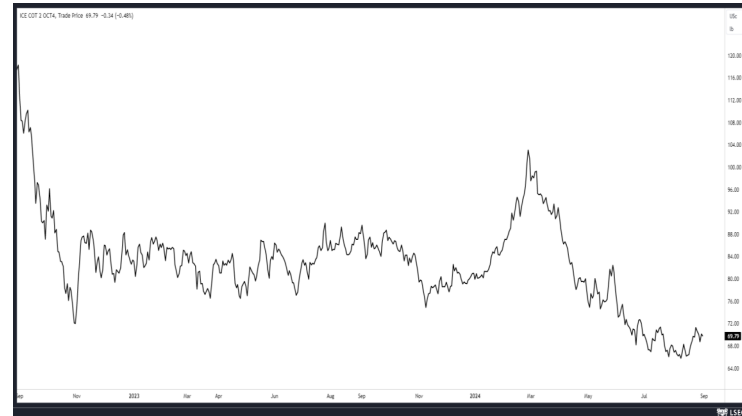


# Cotton

Last Price

USc **69.79**/LBS

ICE cotton futures dipped on Friday, pressured by a strong dollar and weakness in crude oil, but prices were still set for their first monthly gain since January on expectations of a smaller crop. Cotton contracts for December [CTZ4](#) fell 0.21 cent, or 0.3%, at 69.71 cents per lb. The U.S. dollar gained after data showed a key inflation measure came in line with forecasts, while personal spending and income increased, reinforcing expectations that the Federal Reserve will likely cut interest rates by a smaller 25 basis points next month. Oil prices weakened and were on track for a weekly drop, hurt by concerns about demand and the prospect of more supply from OPEC+, although Libyan output disruptions limited the decline.



## Technical:

Cotton prices fall, but still set for first monthly gain in six. Next level to watch 88.00.

## Support:

63.69 = Mar 2020 High

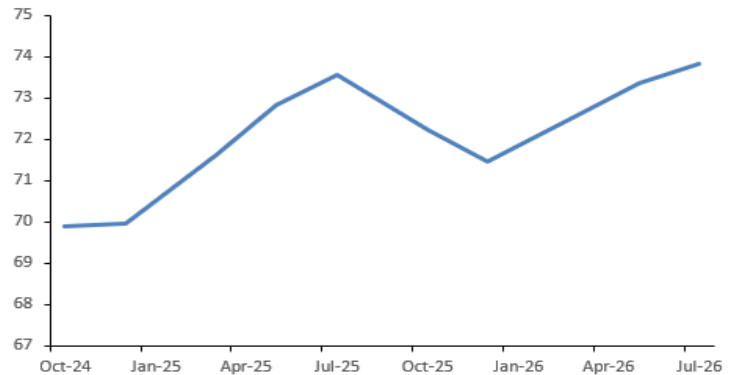
59.85 = May 2020 High

## Resistance:

88.88 = Jan 2023 High

100.00 = Jun 2022 Low

## Futures Curve



# Brent Crude

Last Price

USD **78.80**/BBL

Oil prices retreated on Friday as investors weighed expectations of a rise in OPEC+ supply starting in October, alongside dwindling hopes of a hefty U.S. interest rate cut next month, following data showing strong consumer spending. Brent crude futures for October delivery [LCOc1](#), which expire on Friday, settled \$1.14 lower, or 1.43%, at \$78.80 a barrel, marking a decline of 0.3% for the week and 2.4% for the month. U.S. West Texas Intermediate crude [CLc1](#) futures settled down \$2.36, or 3.11%, to \$73.55, a drop of 1.7% in the week and a 3.6% decline in August. Investors responded to new data that showed U.S. consumer [spending increased](#) solidly in July, suggesting the economy remained on firmer ground early in the third quarter and arguing against a 0.5% interest rate cut from the Fed next month. Libya's eastern-based government announced the closure of all oil fields on Monday, halting production and exports and driving oil to settle at a near-two week high on Aug. 26.

## Technical:

Oil settles \$1 down as supply set to rise, uncertainty around Fed rate cuts, next level to watch 76.60.

## Support:

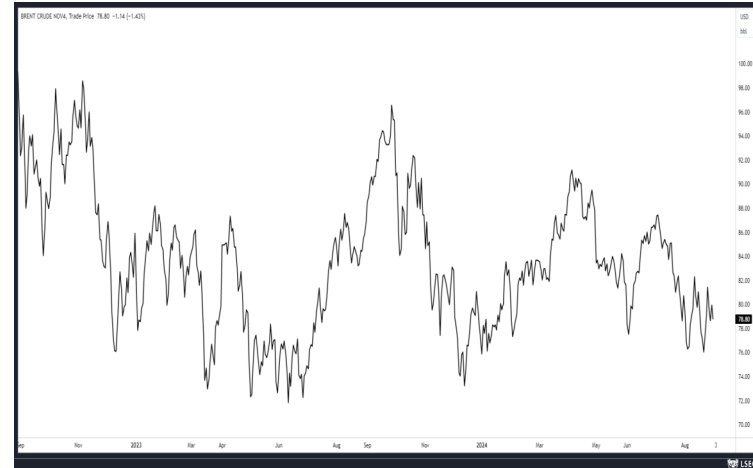
76.60 = Nov 2023 Low

74.79 = Jan 2024 Low

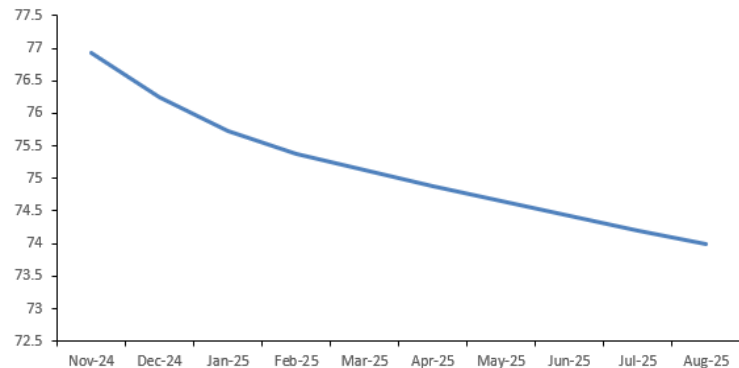
## Resistance:

91.70 = Jan 2022 High

93.79 = Oct 2023 High



## Futures Curve

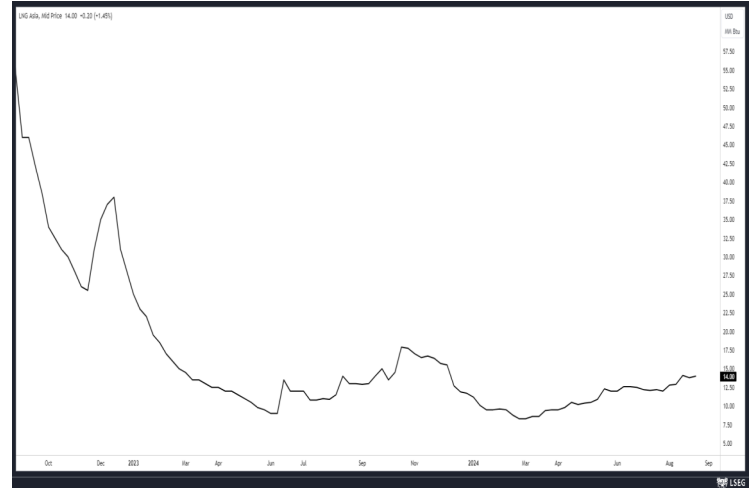


# LNG

Last Price

USD **14.00**/MMBTU

Asian spot liquefied natural gas (LNG) prices rose this week as outages in LNG facilities in Australia and Malaysia sparked supply concerns, although buying interests from China remained limited due to higher price levels. The average LNG price for October delivery into north-east Asia [LNG-AS](#) was at \$14.00 per million British thermal units (mmBtu), up from \$13.80/mmBtu last week. The market was paying close attention to U.S. Freeport LNG, which had a brief [shutdown](#) after a fire safety suppression system in the control room of the pretreatment facility unexpectedly activated during routine maintenance. S&P Global Commodity Insights assessed its daily North West Europe LNG Marker (NWM) price benchmark for cargoes delivered in October on an ex-ship (DES) basis at \$12.438/mmBtu on Aug. 29, a \$0.26/mmBtu discount to the October gas price at the Dutch TTF hub.



**Technical:**

Asia spot LNG prices rise on supply concerns, geopolitical tensions. Next level to watch 13.50.

**Support:**

13.50 = Oct 2023 Low

12.60 = Jun 2024 High

**Resistance:**

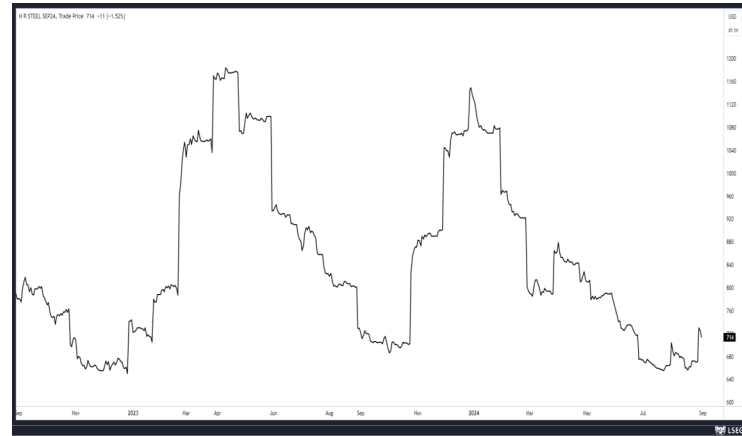
15.00 = Sep 2023 High

15.70 = Dec 2023 High

# Steel (HRC)

Last Price USD **714.00**/ tons

Prices of iron ore futures fell on Friday, weighed by persistently sliding near-term demand and higher stocks in top producer China, but were headed for a second straight week of gains. The most-traded January iron ore contract on China's Dalian Commodity Exchange (DCE) [DCIOcv1](#) traded 0.13% lower at 757 yuan (\$106.70) a metric ton. The benchmark October iron ore [SZZFV4](#) on the Singapore Exchange was 0.28% lower at \$101.55 a ton, but stayed well above the key psychological level of \$100 for five straight sessions. Other steelmaking ingredients on the DCE were mixed, with coking coal [DJMcv1](#) down 0.68% and coke [DCJcv1](#) little changed. Most steel benchmarks on the Shanghai Futures Exchange lost ground. Rebar [SRBcv1](#) dipped 0.4%, hot-rolled coil [SHHCcv1](#) edged down 0.03%, wire rod [SWRcv1](#) slipped 1.94% while stainless steel [SHSScv1](#) added 0.43%.



## Technical:

Iron ore slides on falling hot metal output, but heads for 2nd week of gains. Next level to watch 765.00.

## Support:

650.00 = Dec 2022 Low

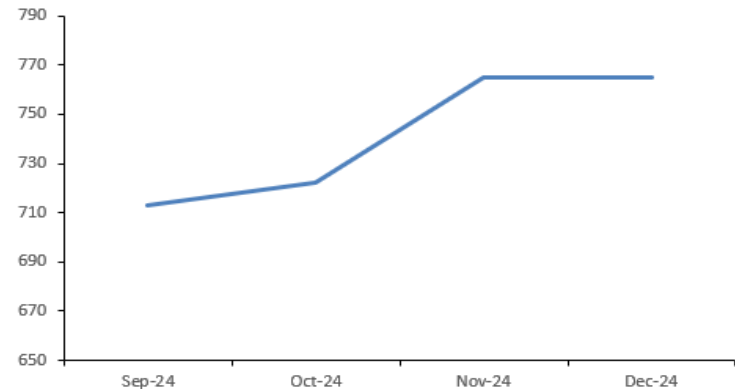
645.00 = Nov 2022 Low

## Resistance:

765.00 = Sep 2022 Low

783.00 = Mar 2024 Low

## Futures Curve of SHFE Steel Futures



# SHFE Zinc

Last Price USD **3,382.93**/Tons

The most-traded SHFE zinc 2410 contract opened lower at 23,995 yuan/mt. At the beginning of the session, SHFE zinc briefly consolidated around the daily moving average before bears increased positions, pushing SHFE zinc down to 23,925 yuan/mt. Subsequently, as bears took profits and exited, SHFE zinc corrected upwards, with its center of gravity shifting above the daily moving average. At the end of the session, bulls increased positions, driving SHFE zinc up quickly, with its center of gravity shifting to around 24,050 yuan/mt, reaching a high of 24,070 yuan/mt during the period, and finally closed up at 24,050 yuan/mt, up 35 yuan/mt, or 0.15%. As ferrous metal prices stabilized, galvanized production slightly improved, and social inventory continued to deplete amid reduced supply, supporting zinc prices to move at high levels.

## Technical:

Zinc slightly dipped, focus on PCE price index, next level to watch 3,300.00

## Support:

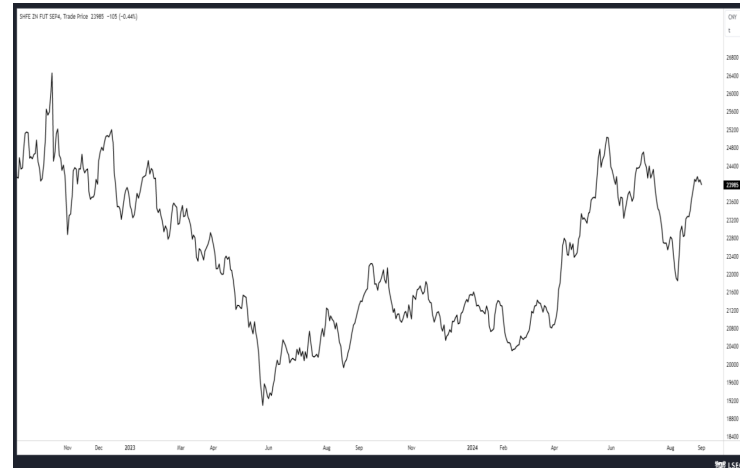
3,298.95 = Apr 2024 High

3,097.96 = Oct 2023 High

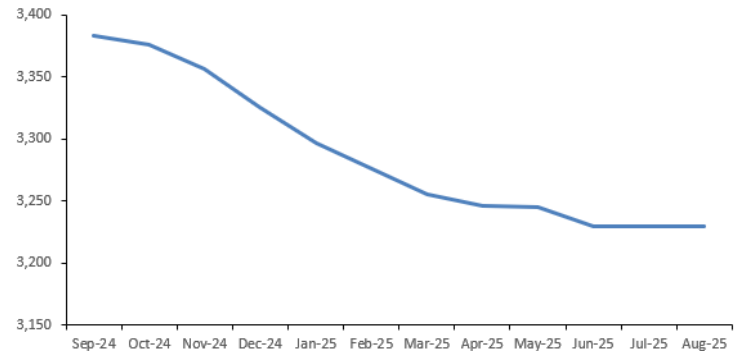
## Resistance:

3,467.84 = Jul 2024 High

3,551.18 = Jul 2024 High



## SHFE Zinc Forward Curve



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