



Commodities Weekly

Issue 22-2023

Date: 18 Jun 2023

Bloomberg Commodity Index

105.14 ▲



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	\$/BSH	688.00	▲ 9.16%	▲ 12.46%	▼ -33.48%	797.40	573.25
Sugar	\$/LBS	26.43	▲ 4.14%	▲ 3.20%	▲ 42.10%	27.41	18.92
Soybean	\$/BSH	1,466.50	▲ 5.77%	▲ 9.99%	▼ -13.84%	1,555.40	1,270.75
Palm Oil	\$/Ton	811.93	▲ 11.17%	▲ 9.63%	▼ -31.82%	985.06	730.37
Cotton	\$/LBS	81.46	▼ -3.07%	▼ -6.00%	▼ -43.21%	88.88	75.70
Brent Crude	\$/BBL	76.61	▲ 2.43%	▲ 0.99%	▼ -32.28%	89.09	70.12
LNG	\$/MMBTU	13.50	▲ 50.00%	▲ 37.76%	▼ -63.01%	25.00	9.00
Steel	\$/Ton	927.00	▼ -0.11%	▼ -15.42%	▼ -17.67%	1,200.00	705.00
SHFE Zinc	\$/Ton	2,885.92	▲ 1.97%	▼ -4.79%	▼ -25.27%	3,496.46	2,647.81
Indonesian Coal*	\$/Ton	191.26	▼ -7.23%	▼ -7.23%	▼ -30.61%	305.21	191.26
Australian Coal	\$/Ton	229.67	▲ 1.40%	▼ -2.27%	▼ -40.50%	381.00	225.50
Gold	\$/Ozs	1,957.36	▼ -0.17%	▼ -0.04%	▲ 6.42%	2,072.19	1,804.20

*Price published monthly once by Indonesian Govt

Wheat

CBOT wheat futures rose 4% on Friday, setting a two-month top ahead of a long U.S. holiday weekend. CBOT July soft red winter wheat [WN3](#) settled up 26-1/2 cents at \$6.88 per bushel after rising to \$6.97, its highest since April 19. For the week, the July contract [WN3](#) rose 57-3/4 cents a bushel or 9.16%, its fourth straight weekly advance. K.C. July hard red winter wheat [KWN3](#) ended Friday up 29-1/4 cents at \$8.42 a bushel and MGEX July spring wheat [MWEN3](#) rose 20-3/4 cents to finish at \$8.53-1/2. Commodity funds hold a sizable [net short position](#) in CBOT wheat futures, leaving the market prone to short-covering rallies. A softer trend in the dollar [.DXY](#) since early June has supported wheat, although the greenback firmed a bit on Friday. A weaker dollar tends to make U.S. grains more competitive globally.

Technical:

Wheat settles higher ahead of long US weekend. Next level to watch 700.00.

Support:

604.50 = Jul 2021 Low

571.75 = Apr 2020 High

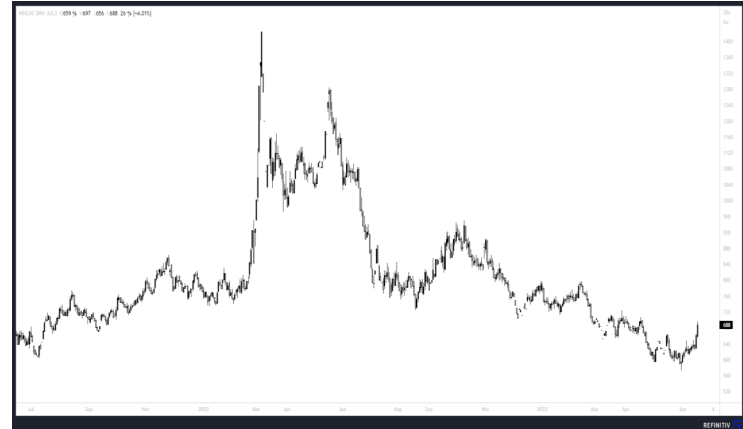
Resistance:

718.00 = Jul 2021 High

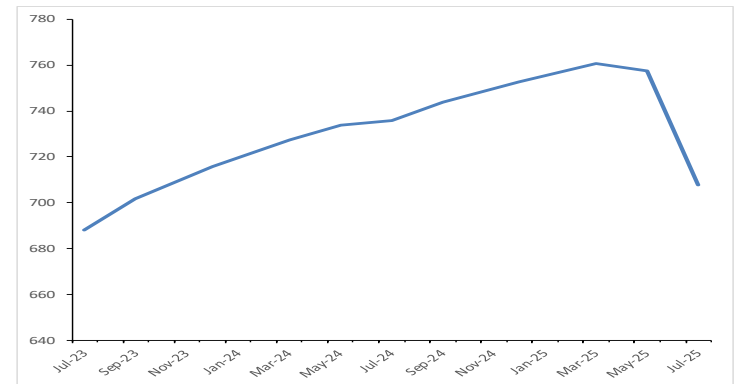
780.00 = Oct 2021 High

Last Price

USc **688.00**/BSH



Futures Curve

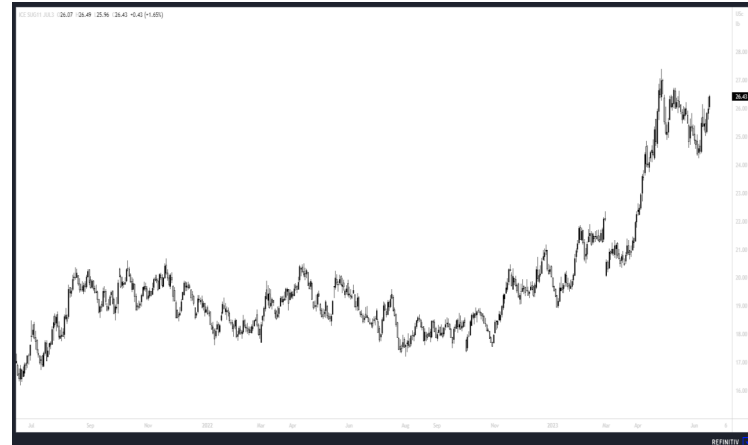


Sugar

Last Price

USc **26.43**/LBS

July raw sugar [SBc1](#) settled up 0.68 cents, or 2.7%, at 26.43 cents per lb. Speculators went back to buying mode and managed to push the market up with the help of some buying from sugar consumers, amid low interest from producers to make any price fixations below the level of 26 cents. They also noted that Brazil's currency, the real [BRBY](#), hit the highest value against the dollar in a year on Wednesday, which further restricts selling by mills in the country since they make less reais on dollar-priced sugar sales. August white sugar [LSUc1](#) rose \$7.10, or 1.0%, to \$687.10 a tonne.



Technical:

Raw sugar rises more than 2%, next level to watch 27.41.

Support:

23.90 = Oct 2016 High

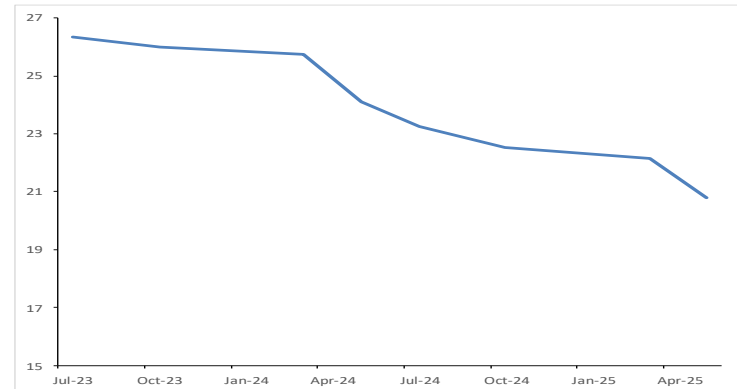
22.36 = Mar 2023 High

Resistance:

27.41 = Apr 2023 High

30.21 = Sep 2011 High

Futures Curve

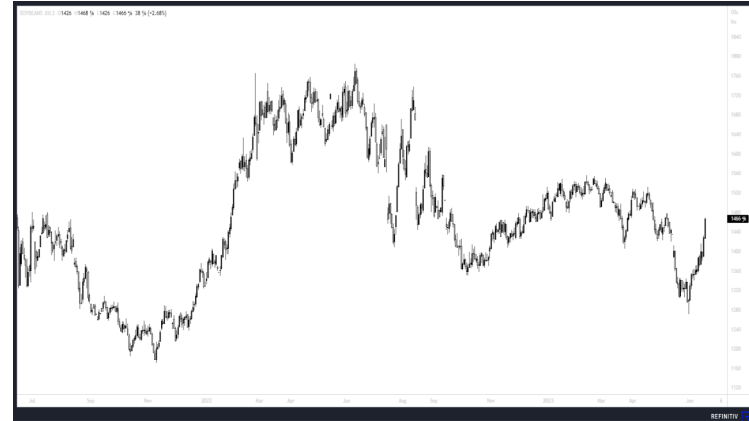


Soybean

Last Price

USc **1,466.50**/BSH

CBOT soybean futures rose to multi-month highs on Friday ahead of a [long U.S. holiday weekend](#) as traders fretted about dry conditions curbing yield potential in portions of the Midwest crop belt. CBOT July soybeans [SN3](#) settled up 38-1/4 cents at \$14.66-1/2 per bushel after rising to \$14.68-1/4, the contract's highest since April 21. For the week, the July contract [SN3](#) rose 80 cents a bushel or 5.77%, its fourth straight weekly advance. Yet July soybeans [SN3](#) trailed the advances in deferred futures contracts this week, anchored by [softening U.S. cash markets](#) as farmers stepped up sales of old-crop soy. CBOT new-crop November soybeans [SX3](#) closed Friday up 50 cents at \$13.42-1/4 a bushel after reaching \$13.47-1/4, its highest since March 13. For the week, the November contract [SX3](#) rose \$1.38 a bushel or 11.46%.



Technical:

Soybeans jump on US weather jitters ahead of long weekend, next level to watch 1,500.00.

Support:

1,350.00 = Oct 2022 Low

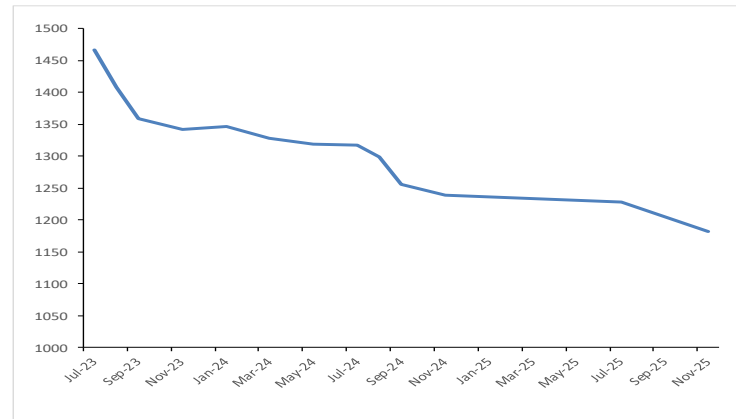
1,265.00 = Jul 2009 High

Resistance:

1,548.50 = Jan 2023 High

1,608.75 = Apr 2021 High

Futures Curve



Palm Oil

Last Price USD **811.93**/Ton

Malaysian palm oil futures soared on Friday for a fourth day, recording an 11% weekly jump, as dry weather conditions curbed the prospects of palm and U.S. soybean production. The benchmark palm oil contract FCPOc3 for September delivery on the Bursa Malaysia Derivatives Exchange gained 234 ringgit, or 6.67%, to 3,742 ringgit (\$811.54) a metric ton, its highest close since May 9. In the United States, a stretch of dry weather following planting season has [stressed crops](#) across the Midwest, raising concerns that the forecasted record soybean harvest will fall below expectations. Soyoil prices on the Chicago Board of Trade [BOcv1](#) rose 1.4%. Dalian's most-active soyoil contract [DBYcv1](#) jumped 5%, while its palm oil contract [DCPcv1](#) gained 6%.



Technical:

Palm clocks 11% weekly gain as dry weather hurts yield prospects, next level to watch 833.00.

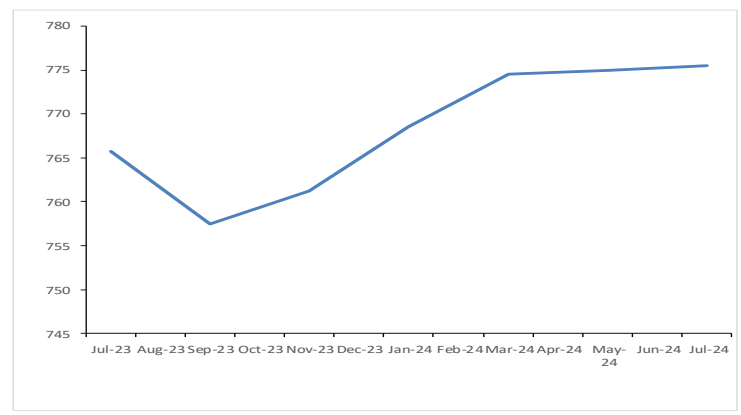
Support:

697.82 = May 2023 Low
 681.88 = Oct 2020 High

Resistance:

833.00 = Dec 2022 Low
 851.00 = Oct 2022 High

Futures Curve



Cotton

Last Price

USc **81.46**/LBS

ICE cotton futures firmed on Friday, drawing support from gains in wider equities and grain markets, yet prices were headed for a weekly decline. The most-active December cotton contract [CTz3](#) rose 0.67 cent, or 0.8%, to 80.22 cents per lb, by 11:01 a.m. EDT (1501 GMT). Cotton prices were still down more than 2% for the week, in part pressured by easing supply concerns. The U.S. Department of Agriculture's (USDA) weekly export sales report on Thursday showed net sales of 98,900 running bales (RB) for 2022/202, down 79% from the previous week and 61% from the prior four-week average.



Technical:

ICE cotton edges up on wider markets gains. Next level to watch 90.00.

Support:

72.00 = Nov 2022 Low

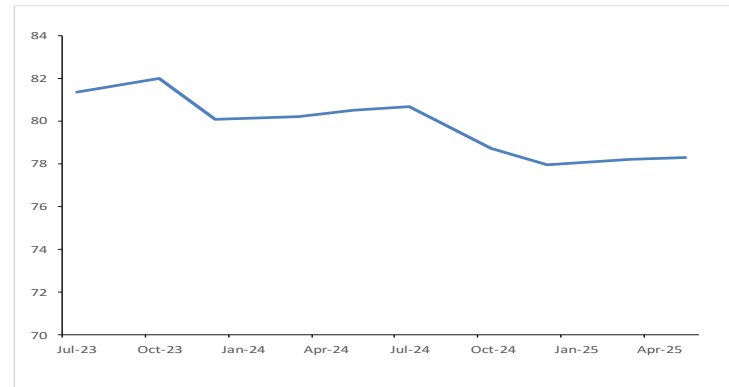
63.01 = Sep 2020 Low

Resistance:

90.85 = Jul 2022 Low

96.14 = Oct 2022 High

Futures Curve



Brent Crude

Last Price

USD **76.61**/BBL

Oil rose on Friday and posted a weekly gain, as higher Chinese demand and OPEC+ supply cuts lifted prices, despite expected weakness in the global economy and the prospect for further interest rate hikes. Brent [LCOc1](#) crude gained 94 cents to settle at \$76.61 a barrel. U.S. West Texas Intermediate (WTI) crude [CLc1](#) rose \$1.16 to \$71.78. Brent posted a weekly gain of 2.4% and WTI rose 2.3%. Also supporting crude are the voluntary output cuts implemented in May by the Organization of the Petroleum Exporting Countries (OPEC) and its allies, plus an additional cut by Saudi Arabia in July. Capping oil price gains was the prospect of rising interest rates, which could slow economic growth. Investors have been closely watching interest rates and commentary from Fed members.



Technical:

Oil gains for the week as supply cuts balance demand concerns, next level to watch 89.37.

Support:

70.42 = Sep 2021 Low

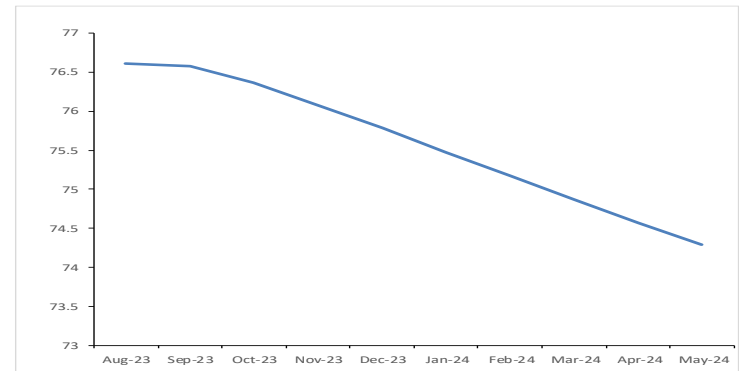
64.54 = Aug 2019 High

Resistance:

89.37 = Dec 2021 High

91.70 = Jan 2022 High

Futures Curve

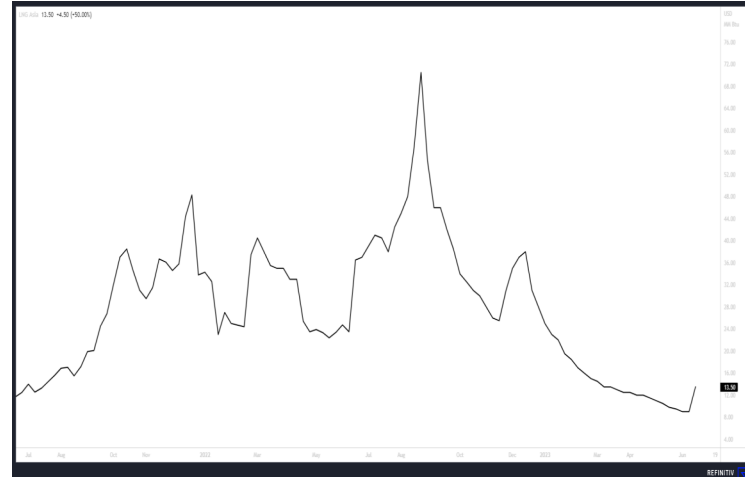


LNG

Last Price

USD **13.50**/MMBTU

Asian spot liquefied natural gas (LNG) prices reversed their multi-week downward trend and rose to a three-month high this week, tracking European gas gains and as high temperatures in north-east Asia increased cooling demand. The average LNG price for August delivery into north-east Asia [LNG-AS](#) jumped by 50% from the previous week to \$13.50 per million British thermal units (mmBtu), its highest level since mid-March. S&P assessed its daily north-west Europe LNG Marker (NWM) price benchmark for cargoes delivered in July on an ex-ship (DES) basis at \$12.755/mmBtu on June 15, a \$0.343/mmBtu discount to the July gas price at the Dutch gas TTF hub, according to Allen Reed, managing editor of Atlantic LNG. Meanwhile, Argus assessed the north-west Europe DES price at \$12.40/mmBtu while Spark Commodities estimated the price at \$12.543/mmBtu.



Technical:

Asian spot LNG prices rise to at 3-month high tracking European prices. Next level to watch 14.50.

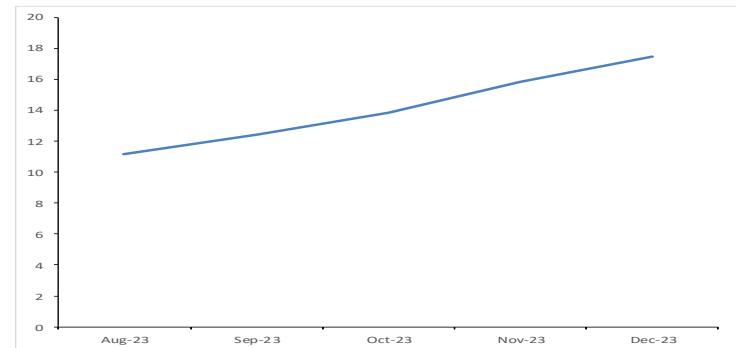
Support:

- 12.50 = Jun 2021 High
- 08.85 = Apr 2021 High

Resistance:

- 14.50 = Mar 2023 High
- 18.50 = Feb 2023 High

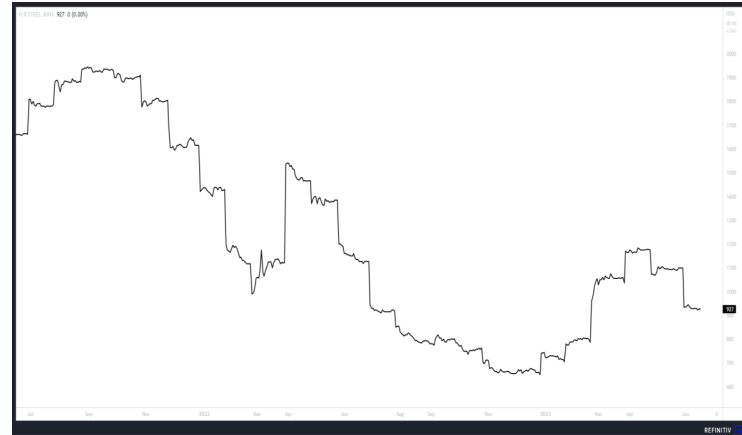
Futures Curve



Steel (HRC)

Last Price USD **927.00**/ tons

Iron ore futures posted weekly gains for a third week in a row, benefiting from strong expectations of more stimulus to be rolled out to help the bumpy post-COVID-19 economic economy in top steel consumer China. Futures prices of the steelmaking ingredient were little changed on Friday amid mixed market signals. The most-traded September iron ore on the Dalian Commodity Exchange (DCE) [DCIOcv1](#) ended daytime trading 0.12% higher at 815 yuan (\$114.48) a metric ton, posting a weekly gain of 2.4%. Coking coal [DJMcv1](#) and coke [DCJcv1](#), the other steelmaking ingredients, gained 2.68% and 1.8%, respectively. Rebar on the Shanghai Futures Exchange [SRBcv1](#) added 1.5%, hot-rolled coil [SHHCcv1](#) climbed 1.19%, wire rod [SWRcv1](#) rose 0.9% and stainless steel [SHSScv1](#) strengthened 0.39%.



Technical:

Iron ore records third weekly gain on China stimulus hopes, low inventory. Next level to watch 1,015.00.

Support:

848.00 = Aug 2022 High

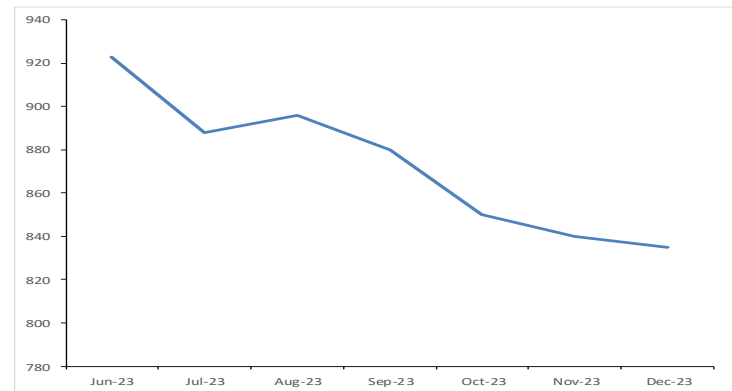
805.00 = Nov 2020 High

Resistance:

1070.00 = Feb 2023 High

1200.00 = Apr 2023 High

Futures Curve of SHFE Steel Futures

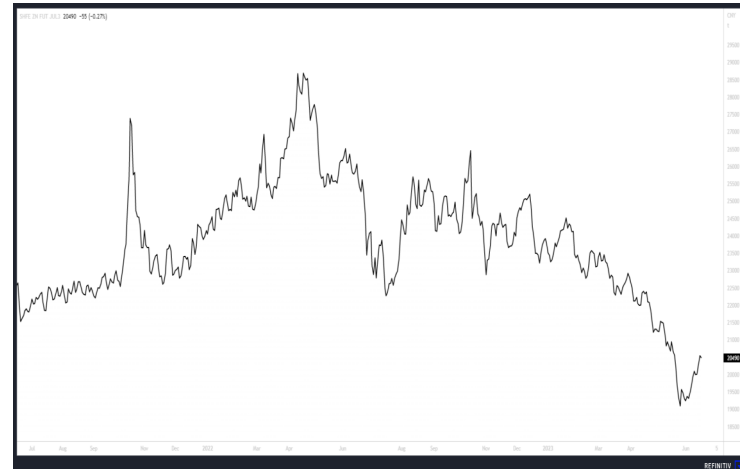


SHFE Zinc

Last Price USD **2,885.92**/Tons

Overnight, LME zinc made gains. It is expected that sustained interest rate hikes by the European Central Bank will raise borrowing costs. High interest rate and sustained interest rate hikes led players to take a wait-and-see approach. The US dollar softened and the rise in zinc futures prices slowed down.

SHFE zinc closed with a small dip overnight amid falling US dollar index.



Technical:

Zinc Price closed with gains, next level to watch 2,976.44.

Support:

2,634.51 = Aug 2020 Low

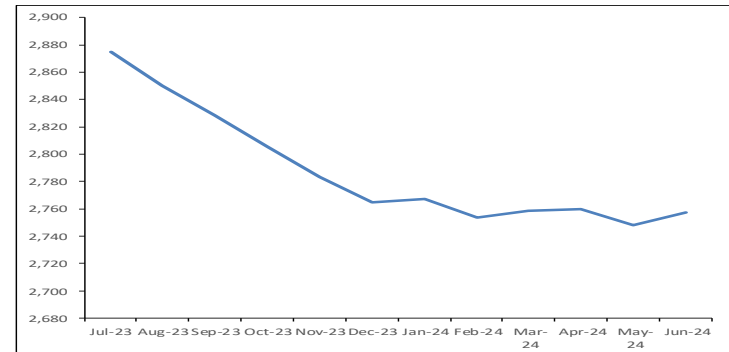
2,610.00 = Jan 2020 High

Resistance:

2,976.44 = Sep 2020 High

3,291.42 = Jul 2021 High

SHFE Zinc Forward Curve



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