



Commodities Weekly

Issue 23-2023

Date: 09 Jul 2023

Bloomberg Commodity Index

101.48 ▲



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	639.50	▲ 0.51%	▲ 1.87%	▼ -19.28%	797.40	573.25
Sugar	\$/LBS	23.53	▲ 2.80%	▼ -7.29%	▲ 23.71%	27.41	18.92
Soybean	\$/BSH	1,485.50	▼ -4.61%	▲ 7.14%	▼ -8.88%	1,555.40	1,270.75
Palm Oil	\$/Ton	821.47	▲ 1.03%	▲ 11.74%	▼ -9.49%	985.06	730.37
Cotton	\$/LBS	81.50	▼ -1.62%	▼ -3.02%	▼ -20.57%	88.88	75.70
Brent Crude	\$/BBL	78.47	▲ 4.77%	▲ 4.92%	▼ -26.68%	89.09	70.12
LNG	\$/MMBTU	12.00	0.00%	▲ 33.33%	▼ -70.73%	25.00	9.00
Steel	\$/Ton	905.00	▲ 2.72%	▼ -2.48%	▼ -1.31%	1,200.00	705.00
SHFE Zinc	\$/Ton	2,806.36	▼ -0.82%	▼ -3.50%	▼ -21.37%	3,496.46	2,647.81
Indonesian Coal*	\$/Ton	191.26	0.00%	▼ -7.23%	▼ -30.61%	305.21	191.26
Australian Coal	\$/Ton	227.33	▼ -1.47%	▲ 0.59%	▼ -14.22%	381.00	225.50
Gold	\$/Ozs	1,924.28	▲ 0.25%	▼ -1.96%	▲ 10.70%	2,072.19	1,804.20

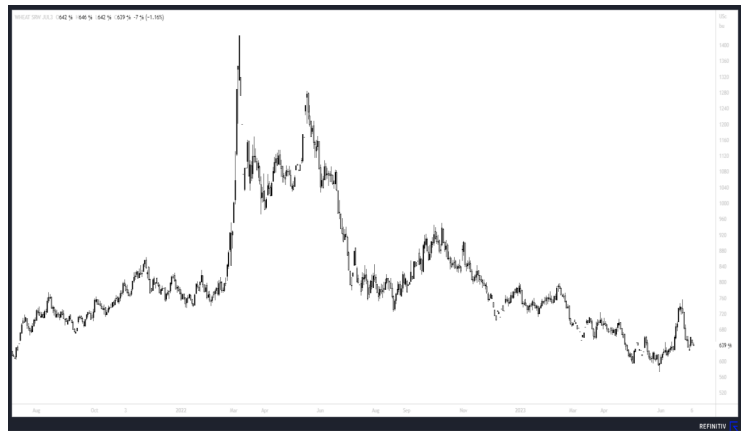
*Price published monthly once by Indonesian Govt

Wheat

Last Price

USc **639.50**/BSH

CBOT soft red winter wheat futures fell on Friday on technical selling and concerns about lagging U.S. exports due to stiff global competition. CBOT September soft red winter wheat [WU3](#) fell 8-1/2 cents to settle at \$6.49-1/2 per bushel, down 0.2% in the week. The contract breached technical chart support at its 50-day moving average and closed below the key technical level. K.C. September hard red winter wheat [KWU3](#) was down 25-1/2 cents at \$8.18-1/4 per bushel. MGEX September spring wheat [MWEU3](#) fell 10-1/4 cents to \$8.47-3/4 a bushel. All wheat export sales for the 2023/24 season to date are 35% behind the same time last year.

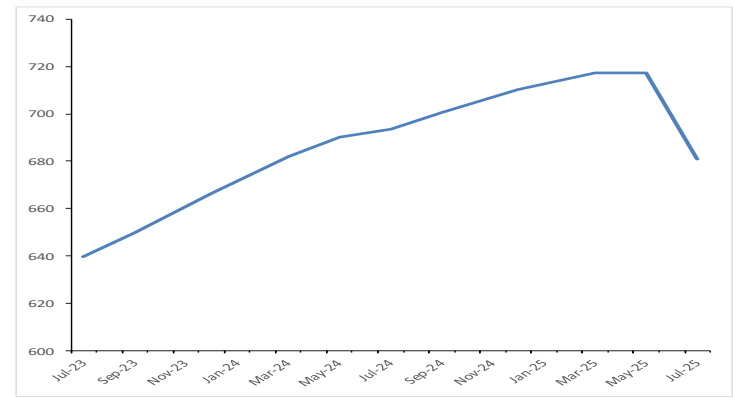


Technical:
 Wheat drops on technicals, US demand concerns. Next level to watch 700.00.

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 **23.53**/LBS

October raw sugar [SBc1](#) settled up 0.28 cent, or 1.2%, at 23.53 cents per lb. The contract rose 2.8% in the week, regaining ground after a 6.2% slide in the previous week. Continued good progress with the cane harvest in Brazil could limit the scope of the recovery in prices. Brokers revised upwards its forecast for Brazil sugar production to 38.2 million metric tons, citing good agricultural yields and quick harvesting pace. The [United States said on Friday](#) it will increase the low-tariff import quota for raw cane sugar by 125,000 metric tons. August white sugar [LSUc1](#) rose \$8.80, or 1.3%, to \$666.10 per metric ton. It gained 5.16% in the week.



Technical:

Raw sugar extends rebound, next level to watch 27.41.

Support:

23.90 = Oct 2016 High

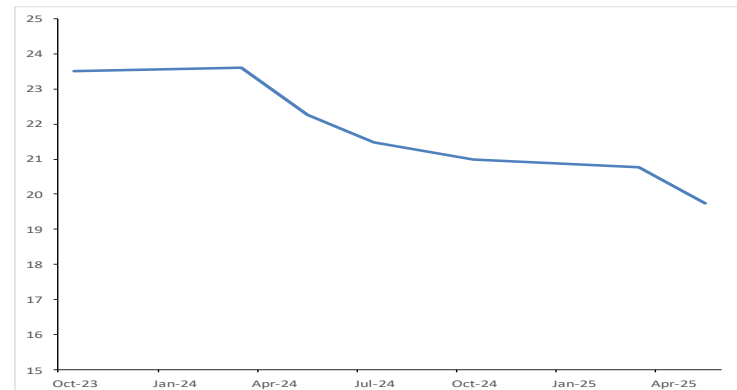
22.36 = Mar 2023 High

Resistance:

27.41 = Apr 2023 High

30.21 = Sep 2011 High

Futures Curve



Soybean

Last Price

USc **1,485.50**/BSH

CBOT soybean futures declined on Friday and ended down in the week on technical selling and on forecasts for crop-boosting rains in the U.S. Midwest. CBOT August soybeans [SQ3](#) ended down 20-1/2 cents at \$14.27-3/4 per bushel. Actively traded November soybeans [SX3](#) fell 21-3/4 cents to \$13.17-3/4 a bushel and fell below chart support at its 200-day moving average, a key support level that had held all week. The November contract was down 1.9% in the week, its second weekly drop in three weeks. CBOT December [BOZ3](#) soyoil settled 0.91 cent lower at 58.33 cents per lb. CBOT December soymeal [SMZ3](#) closed down \$5.50 to settle at \$386.30 per short ton. Central and southern areas of the Midwestern farm belt are expected to receive above-normal precipitation in the six- to 15-day period, adding to recent crop-boosting rains.

Technical:

Soybeans down as rains seen boosting US crop, next level to watch 1,500.00.

Support:

1,350.00 = Oct 2022 Low

1,265.00 = Jul 2009 High

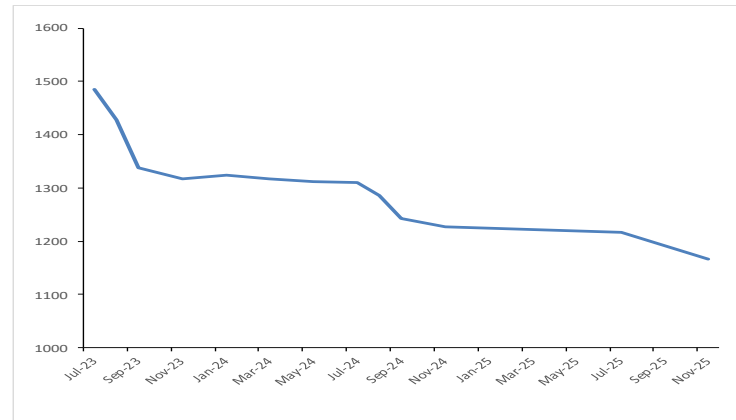
Resistance:

1,548.50 = Jan 2023 High

1,608.75 = Apr 2021 High



Futures Curve



Palm Oil

Malaysian palm oil futures fell 2% on Friday as traders awaited key palm oil board data, although the market is on course for a second weekly gain. The benchmark palm oil contract [FCPOc3](#) for September delivery on the Bursa Malaysia Derivatives Exchange closed down 78 ringgit, or 1.99%, to 3,833 ringgit (\$821.47) a metric. For the week, palm gained 1.16%. Dalian's most-active soyoil contract [DBYcv1](#) fell 1.1%, while its palm oil contract [DCPcv1](#) lost 1.5%. Soyoil prices on the CBOT [BOcv1](#) ticked higher after a 3.5% overnight slump. Palm oil is affected by price movements in related oils as they compete for a share in the global vegetable oils market. Malaysia, the world's second-largest palm oil producer, forecast that the [peak of the El Niño](#) weather phenomenon will hit the country at the beginning of 2024.

Technical:

Palm oil falls 2% ahead of key data, logs second weekly climb, next level to watch 833.00.

Support:

697.82 = May 2023 Low

681.88 = Oct 2020 High

Resistance:

833.00 = Dec 2022 Low

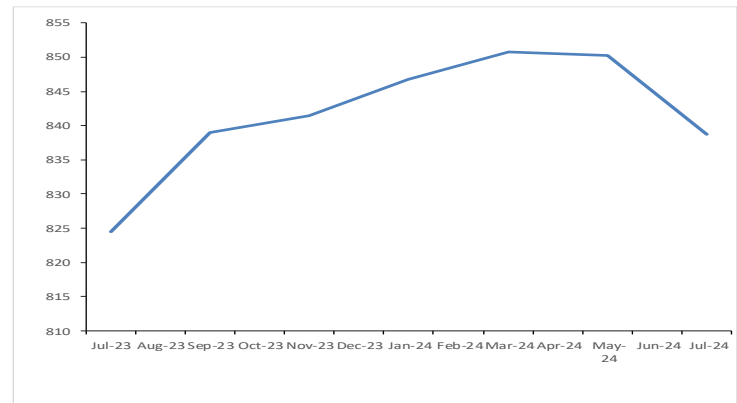
851.00 = Oct 2022 High

Last Price

USD **821.47**/Ton



Futures Curve



Cotton

Last Price

USc **81.50**/LBS

ICE cotton futures firmed on Friday, aided by a softer dollar, although a weaker export sales report and falls across wider financial and commodity markets limited further gains. The most-active December cotton contract [CTz3](#) gained 1 cent, or 1.3%, at 80.9 cents per lb by 12:11 a.m. EDT (16:11 GMT). It traded in a range of 79.6 and 81 cents a lb. Prices were up 0.6% for the week thus far. The dollar index [.DXY](#) was down 0.9%, making the natural fiber more appealing to other currency holders. Capping gains for cotton, Wall Street's main indexes and oil prices fell on Friday. Lower oil prices make polyester, a cotton substitute, less expensive.



Technical:

Cotton prices edge higher on dollar weakness. Next level to watch 90.00.

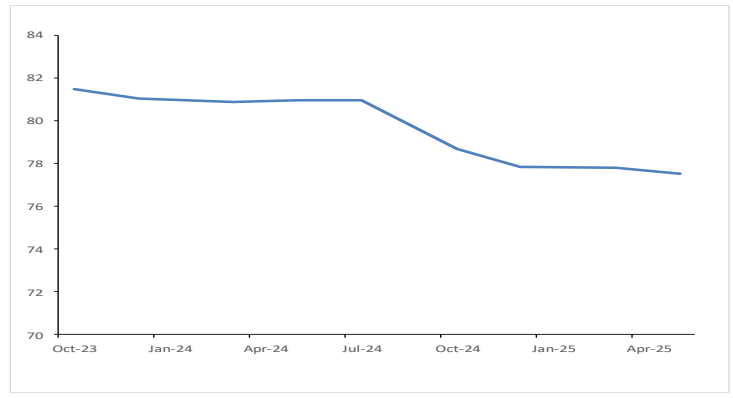
Support:

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 **78.47** /BBL

Oil prices climbed about 3% to a nine-week high on Friday as supply concerns and technical buying outweighed fears that further interest rate hikes could slow economic growth and reduce demand for oil. Brent futures [LCOc1](#) rose \$1.95, or 2.6%, to settle at \$78.47 a barrel, while U.S. West Texas Intermediate crude (WTI) [CLc1](#) rose \$2.06, or 2.9%, to settle at \$73.86. That was the highest close for Brent since May 1 and WTI since May 24. Both benchmarks ended up about 5% for the week. After two months of price consolidation between roughly \$73-77, Brent moved into technically overbought territory for the first time since mid April. OPEC will likely maintain an [upbeat view on oil demand](#) growth for next year. A weaker dollar makes crude cheaper for holders of other currencies, which could boost oil demand.



Technical:

Oil prices up 3% to 9-week high on supply concerns, next level to watch 89.37.

Support:

70.42 = Sep 2021 Low

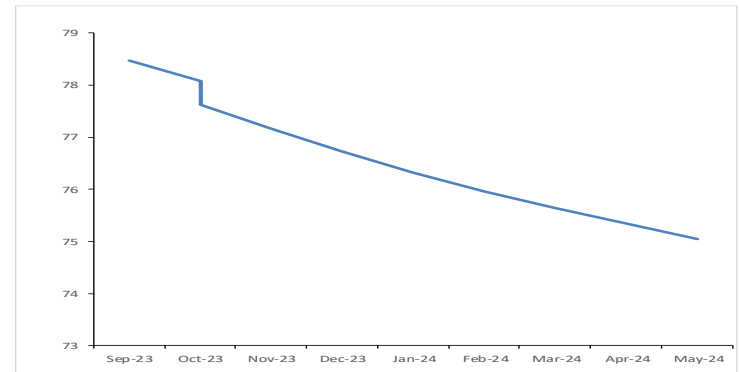
64.54 = Aug 2019 High

Resistance:

89.37 = Dec 2021 High

91.70 = Jan 2022 High

Futures Curve

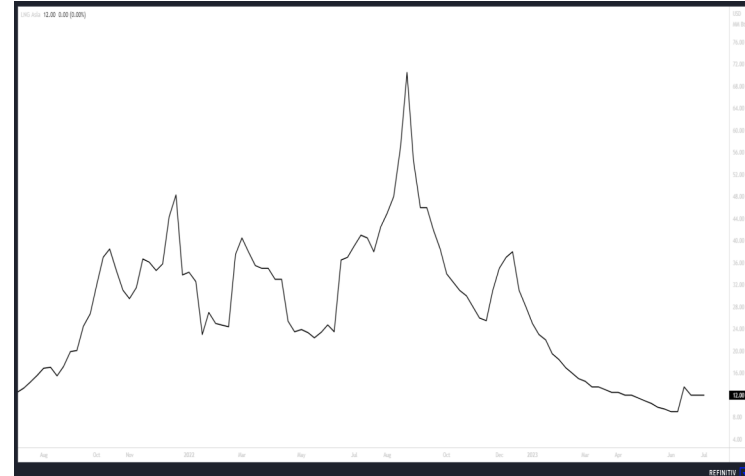


LNG

Last Price

USD **12.00**/MMBTU

Asian spot liquefied natural gas (LNG) prices held steady for a second consecutive week, as some summer demand kept prices from sliding in an overall tepid market. The average LNG price for August delivery into north-east Asia [LNG-AS](#) was at \$12 per million British thermal units (mmBtu), industry sources estimated. It earlier fell to \$9/mmBtu on slow demand and high inventories, before rising to a three-month high in mid-June, tracking gains in Europe gas prices. On LNG freight, spot rates in the Atlantic held around \$73,000/day throughout the week, while Pacific rates were steady around \$71,250/day.



Technical:

Asia spot prices hold steady on summer demand. Next level to watch 14.50.

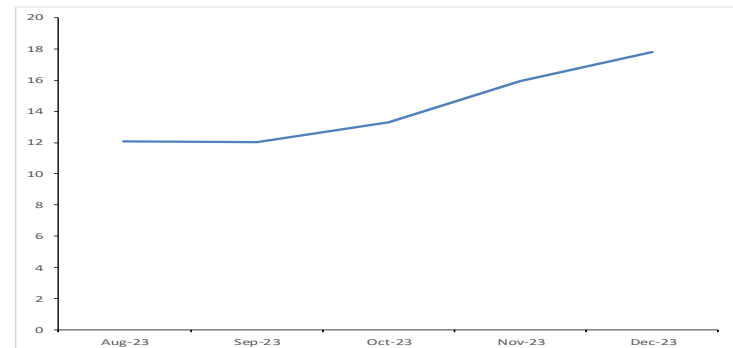
Support:

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

Resistance:

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

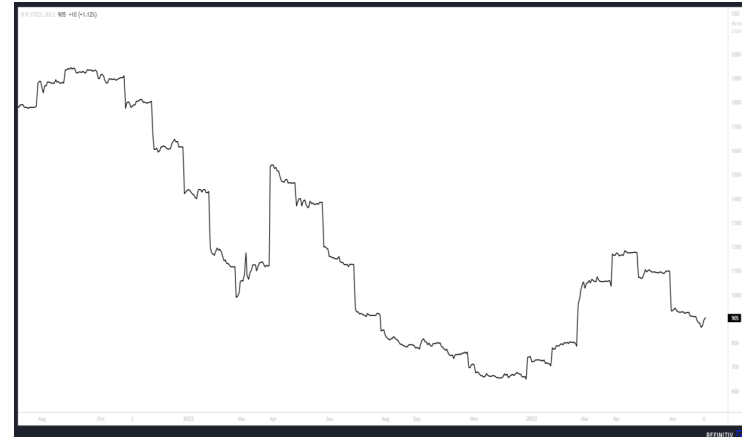
Futures Curve



Steel (HRC)

Last Price USD **905.00**/ tons

Dalian and Singapore iron ore futures dipped on Friday, moving in a tight range this week, as traders assessed demand prospects while pondering how broad the anticipated economic stimulus measures in China would be. The most-traded September iron ore on China's Dalian Commodity Exchange [DCIOcv1](#) ended daytime trade 1.9% lower at 812.50 yuan (\$112.16) per metric ton. On the Singapore Exchange, the steelmaking ingredient's benchmark August contract [SZZFQ3](#) was down 1.8% at \$108.10 per metric ton, as of 0710 GMT, after trading virtually flat early in the session. Markets expect China, the world's top steel producer and metals consumer, to unveil a stimulus package to support its sputtering post-pandemic economic rebound after a meeting of the Communist Party's political bureau later this month.



Technical:

Iron ore dips on demand concerns, China stimulus awaited. Next level to watch 1,015.00.

Support:

848.00 = Aug 2022 High

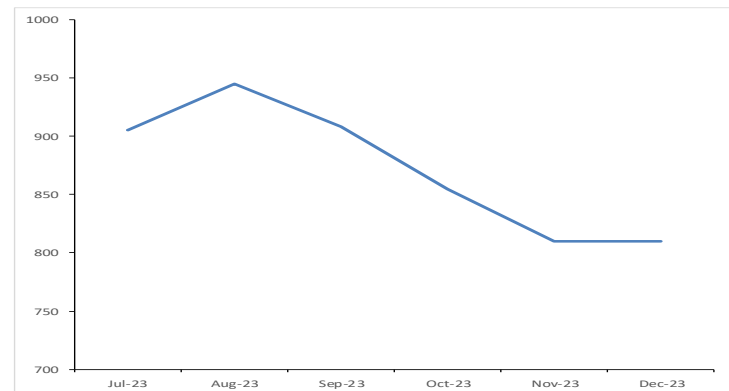
805.00 = Nov 2020 High

Resistance:

1070.00 = Feb 2023 High

1200.00 = Apr 2023 High

Futures Curve of SHFE Steel Futures



SHFE Zinc

Last Price USD **2,806.36**/Tons

LME zinc price made gains overnight. There were more discussions on export restrictions and the Fed's interest rate hike, and market sentiments tended to be positive. However, short-selling strategies on rallies will deserve to be monitored.

Overnight, SHFE zinc market closed with a rise. The monthly output of zinc ingots was 555,500 mt in June, and is expected to be 544,800 mt in July. In addition, more than 30,000 mt of imported zinc may flow into China. Therefore, zinc supply still remained ample. However, current fundamentals exerted little impact on zinc market. Players still need to pay attention to changes in macro market sentiment.

Technical:

Zinc Prices rises overnight, but still post weekly dip, next level to watch 2,976.44.

Support:

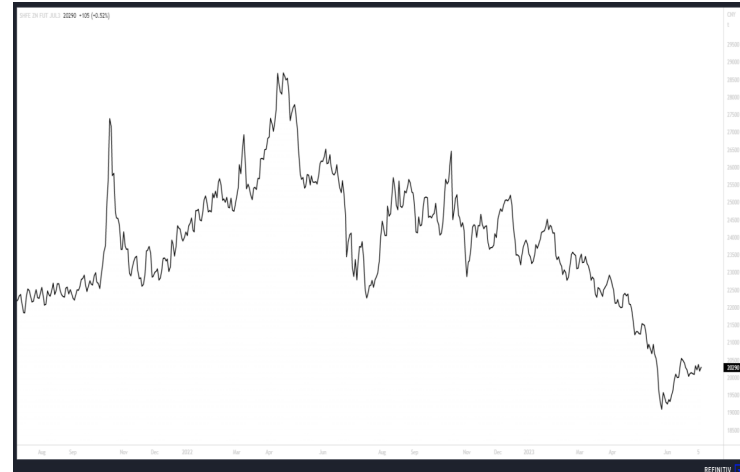
2,634.51 = Aug 2020 Low

2,610.00 = Jan 2020 High

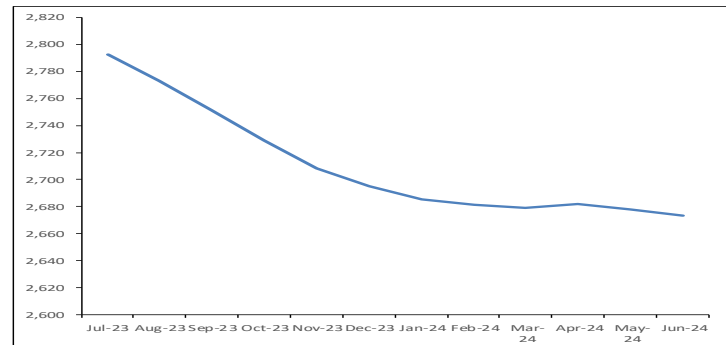
Resistance:

2,976.44 = Sep 2020 High

3,291.42 = Jul 2021 High



SHFE Zinc Forward Curve



Contact

Swift: BRAKBDDH, Reuters Dealing Code: "BRAC", Group email: dealing.room@bracbank.com
Web: www.bracbank.com

Md. Shaheen Iqbal

Head of Treasury & Financial Institutions
E-mail: shaheen.iqbal@bracbank.com
Cell: +880 1713 049433

Fouzia Rahman

Head of Markets, Treasury & Financial Institutions
E-mail: fouzia.rahman@bracbank.com
Cell: +880 1713 493937

Nawshaba Aziz

Sr. Relationship Manager Corporate Sales & FX,
Treasury & Financial Institutions
E-mail: nawshaba.aziz@bracbank.com
Cell: +88 01730 796810

Lailun Nahar Tonny

Sr. Manager, Treasury & Financial Institutions
E-mail: lailunnahar.tonny@bracbank.com
Cell: +88 01730 796820

Mohammad Humayun Rashid

Sr. Manager, Treasury & Financial Institutions
E-mail: humayun.rashid@bracbank.com
Cell: +880 1723 935623

Maruf Hassan

Associate Manager, Treasury & Financial Institutions
E-mail: maruf.hassan29443@bracbank.com
Cell: +880 1847 419487

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