



# Commodities Weekly

Issue 23-2024

Date: 22 Sep 2024

# Bloomberg Commodity Index

98.16 ▲



**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

433.9399 ▲



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>568.50</b>	▼ -4.41%	▲ 6.71%	▲ 4.99%	<b>720.00</b>	<b>493.50</b>
<a href="#">Sugar</a>	\$c/LBS	<b>22.66</b>	▲ 19.20%	▲ 16.92%	▼ -13.74%	<b>24.62</b>	<b>17.52</b>
<a href="#">Soybean</a>	\$c/BSH	<b>1,012.00</b>	▲ 0.57%	▲ 3.05%	▼ -20.63%	<b>1,289.50</b>	<b>936.25</b>
<a href="#">Palm Oil</a>	\$/Ton	<b>956.53</b>	▲ 7.79%	▲ 3.85%	▲ 19.18%	<b>956.53</b>	<b>754.44</b>
<a href="#">Cotton</a>	\$c/LBS	<b>72.21</b>	▲ 3.93%	▲ 3.47%	▼ -16.87%	<b>107.25</b>	<b>65.30</b>
<a href="#">Brent Crude</a>	\$/BBL	<b>74.49</b>	▲ 4.02%	▼ -5.47%	▼ -21.84%	<b>92.18</b>	<b>68.68</b>
<a href="#">LNG</a>	\$/MMBTU	<b>13.10</b>	▼ -0.76%	▼ -6.43%	▼ -12.67%	<b>14.10</b>	<b>8.30</b>
<a href="#">Steel</a>	\$/Ton	<b>704.00</b>	▲ 0.86%	▼ -1.40%	▼ 0.00%	<b>1,135.00</b>	<b>654.00</b>
<a href="#">SHFE Zinc</a>	\$/Ton	<b>3,381.31</b>	▲ 0.36%	▼ -0.48%	▲ 13.23%	<b>3,490.86</b>	<b>2,766.47</b>
Indonesian Coal*	\$/Ton	<b>115.29</b>	0.00%	▼ -11.61%	▼ -35.91%	<b>130.44</b>	<b>109.77</b>
Australian Coal	\$/Ton	<b>182.00</b>	0.00%	▼ -11.44%	▼ -40.43%	<b>336.00</b>	<b>176.00</b>
Gold	\$/Ozs	<b>2,621.96</b>	▲ 1.76%	▲ 4.75%	▲ 41.86%	<b>2,625.59</b>	<b>1,984.09</b>

\*Price published monthly once by Indonesian Govt

# Wheat

Last Price

USc **568.50**/BSH

Chicago wheat futures rose on Friday as dry weather in several wheat-growing areas of the world caused concerns. CBOT December soft red winter wheat WZ24 futures settled up 3 cents to \$5.68 -1/2 per bushel. K.C. December hard red winter wheat KWZ24 ended down 1/2 cent to \$5.64 a bushel, and MGEX December spring wheat MWEZ24 rose 1/4 cent to finish at \$6.08 a bushel. For the week, CBOT December soft red winter wheat WZ24 fell 4.91%. Argentine farmers have begun abandoning some wheat fields due to an extended lack of rainfall in certain parts of its agricultural heartland. Ukraine's farm ministry lowered its forecast of 2025 winter wheat sowing area to 4.48 million hectares from the previous outlook of 4.69 million.

### Technical:

Wheat futures rise on dry weather in multiple key regions. Next level to watch 600.00.

### Support:

530.50 = Sep 2024 Low

493.50 = Aug 2024 Low

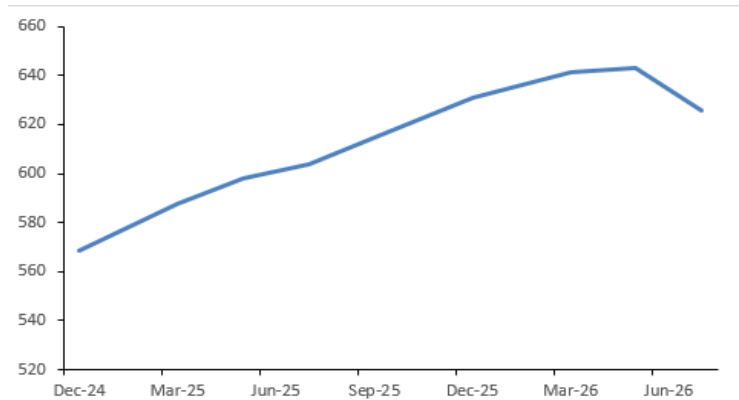
### Resistance:

596.00 = Sep 2024 High

639.75 = Nov 2023 High



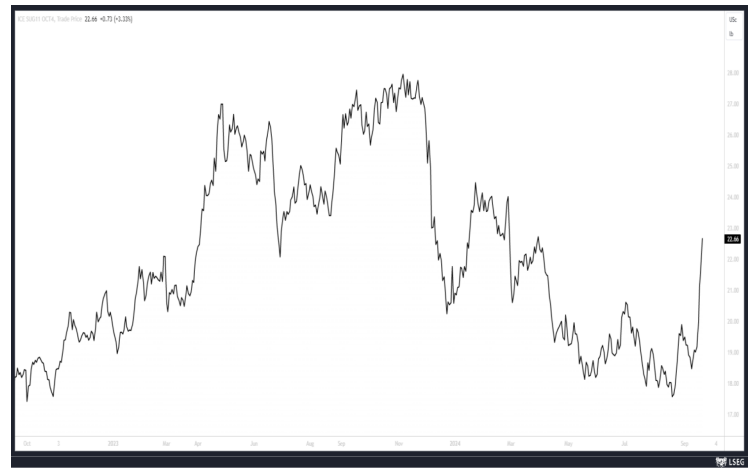
### Futures Curve



# Sugar

Last Price USc **22.66**/LBS

Raw sugar futures jumped more than 3% on Friday to gain 19.2% for the week, the highest weekly price increase since 2008, as speculators rushed to buy following a breach of technical trade levels prompted by worries over Brazil's supplies. October raw sugar [SBc1](#) settled up 0.73 cent, or 3.3%, at 22.66 cents per lb, having hit the highest price in nearly seven months at 23.13 cents. Brazil is facing its worst drought, according to government data. The excessive dryness worsened the outlook for this year's and next year's crops. December white sugar [LSUc1](#) rose 2.9% to \$584.90 per ton, having hit its highest since early July at \$590.30.



**Technical:**

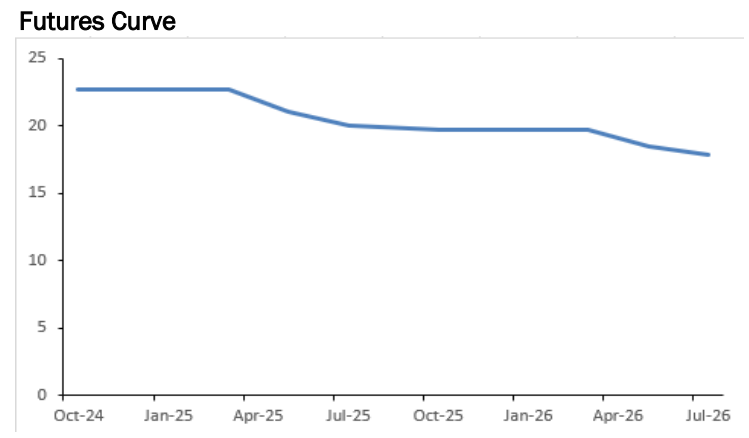
Sugar rises 19% for the week to 7-month peak, next level to watch 24.00.

**Support:**

20.78 = Jul 2024 High  
 19.98 = Aug 2024 High

**Resistance:**

24.42 = Jan 2024 High  
 25.90 = Jul 2023 High



# Soybean

Last Price

USc **1,012.00**/BSH

Chicago Board of Trade (CBOT) soybean futures fell on the prospect of large yields and weather predictions showing rains arriving on time to give some relief to the Brazilian crop. CBOT November soybeans [SX24](#) settled down 1-1/4 cents to \$10.12 per bushel. CBOT December soybean meal [SMZ24](#) ended down \$2.40 at \$319.20 per short ton, and December soybean oil [BOZ24](#) rose 0.43 cent to close at 41.36 cents per pound. For the week, CBOT most active soybeans [Sv1](#) rose 0.57%. Dry weather in South America has [slowed planting](#) in top global soy supplier Brazil, but analysts said rains were expected to come in time to provide some relief when the calendar turns to October. The USDA confirmed [private sales](#) of 121,000 metric tons of U.S. soybeans to China for delivery in the 2024/25 marketing year that began Sept. 1.



## Technical:

Soybeans notch down on large expected yields, next level to watch 970.00.

## Support:

967.00 = Aug 2020 High

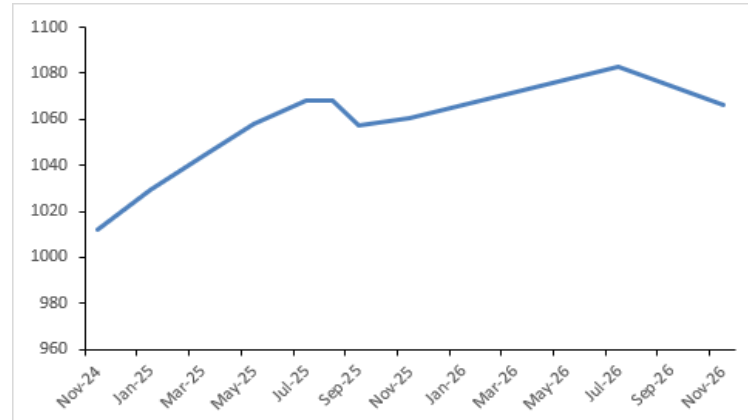
910.00 = Jul 2020 High

## Resistance:

1,045.00 = Jul 2024 High

1,094.00 = Sep 2020 High

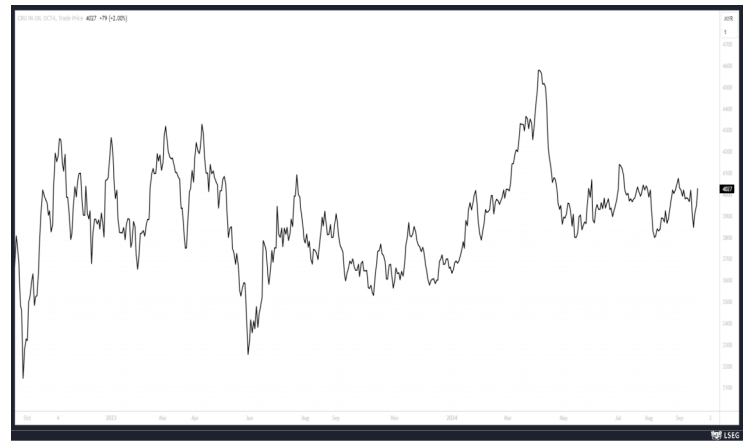
## Futures Curve



# Palm Oil

Last Price USD **956.53**/Ton

Malaysian palm oil futures rose for a third straight session on Friday and logged a weekly gain, buoyed by strength in rival Dalian contracts, though weaker crude oil prices, a firmer ringgit and demand concerns capped the rise. The benchmark palm oil contract [FCPOc3](#) for December delivery on the Bursa Malaysia Derivatives Exchange closed 72 ringgit, or 1.86% higher at 3,948 ringgit (\$940.00) a metric ton. The contract gained 3.5% this week after falling for two consecutive weeks. Dalian's most-active soyoil contract [DBYcv1](#) rose 0.82%, while its palm oil contract [DCPcv1](#) added 1.46%. Soyoil prices on the Chicago Board of Trade [BOcv1](#) were down 0.05%. Palm oil tracks price movements of rival edible oils, as they compete for a share of the global vegetable oils market.



**Technical:**

Palm oil rises, logs weekly gain, next level to watch 1,000.00.

**Support:**

927.32 = Jun 2024 Low

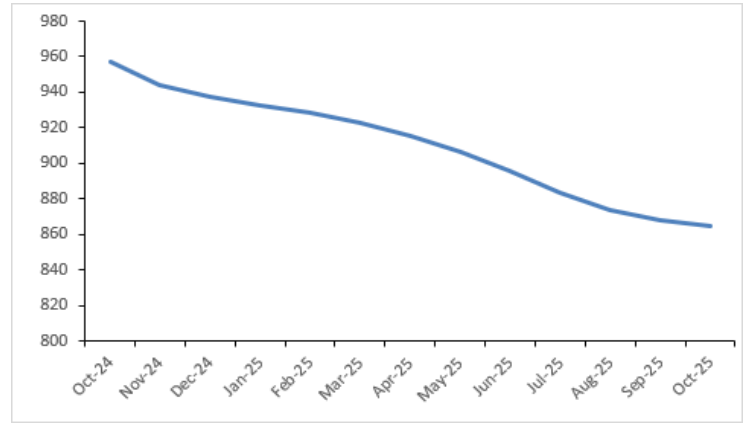
896.91 = Feb 2024 Low

**Resistance:**

986.94 = Jul 2024 High

1,002.08 = Mar 2024 High

**Futures Curve**





# Cotton

Last Price

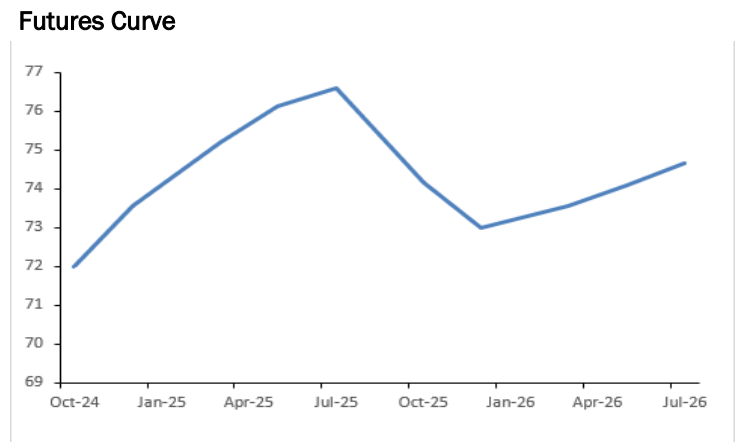
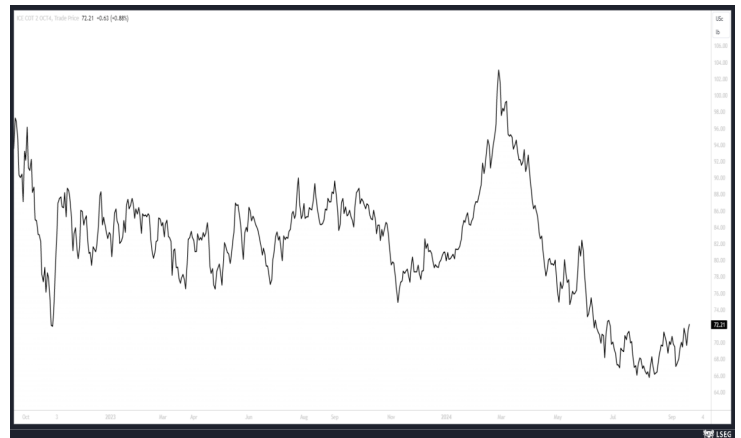
USc **72.21**/LBS

ICE cotton futures rose more than 1% on Friday and were on track for their best week since March 2023 on short covering from speculators due to concerns over supply of the natural fiber, while an overall weaker U.S. dollar also helped. Cotton contracts for December [CTZ4](#) were up 1.09 cents, or 1.5%, at 74.12 cents per lb at 10:46 a.m. EDT (1446 GMT). The contract is up 6.2% so far this week. In its September World Agriculture Supply and Demand Estimates (WASDE) report on Thursday, the U.S. Department of Agriculture (USDA) lowered U.S. production estimates to 14.5 million bales and global output estimate to 116.4 million bales. The USDA's weekly exports sales data on Thursday showed net sales of upland totaling 106,800 running bales of cotton for 2024/2025, down 8% from the previous week.

**Technical:**  
Cotton set for best week in 1-1/2 year on short covering, softer dollar. Next level to watch 76.00.

**Support:**  
67.85 = Jun 2024 Low  
65.68 = Jul 2024 Low

**Resistance:**  
76.53 = Jun 2024 High  
83.13 = Dec 2023 High



# Brent Crude

Last Price

USD **74.49**/BBL

Oil prices settled lower on Friday but recorded a second straight week of gains, garnering support from a U.S. interest rate cut and a dip in U.S. supply. Brent futures [LCOc1](#) settled down 39 cents, or 0.52%, at \$74.49 a barrel. U.S. WTI crude futures [CLc1](#) settled down 3 cents, or 0.4%, to \$71.92. Signs of a slowing economy in major commodity consumer China gave prices a ceiling. But for the week, both benchmarks settled up more than 4%. Prices have recovered after Brent fell below \$69 for the first time in nearly three years on Sept. 10. Prices rose more than 1% on Thursday, a day after the U.S. central bank's decision to [cut interest rates](#) by half a percentage point. The Fed [projected](#) a further 50 basis points of rate cuts by the end of this year, a full percentage point of cuts next year and a further half-percentage-point reduction in 2026.



## Technical:

Oil ends week higher as investors take stock of Fed rate cuts, next level to watch 76.00.

## Support:

65.72 = Dec 2021 Low

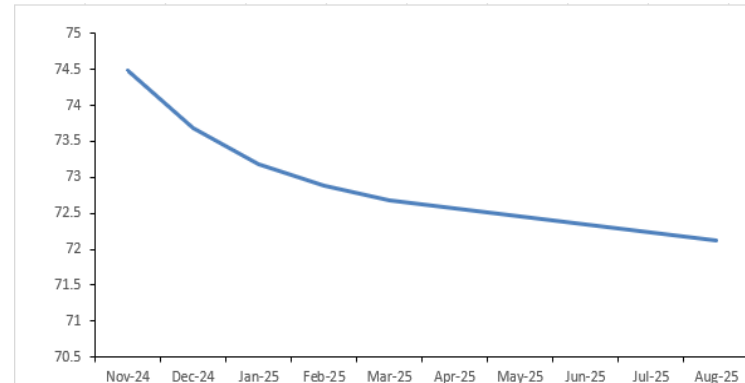
54.60 = Feb 2021 Low

## Resistance:

76.60 = Nov 2023 Low

91.70 = Jan 2022 High

## Futures Curve

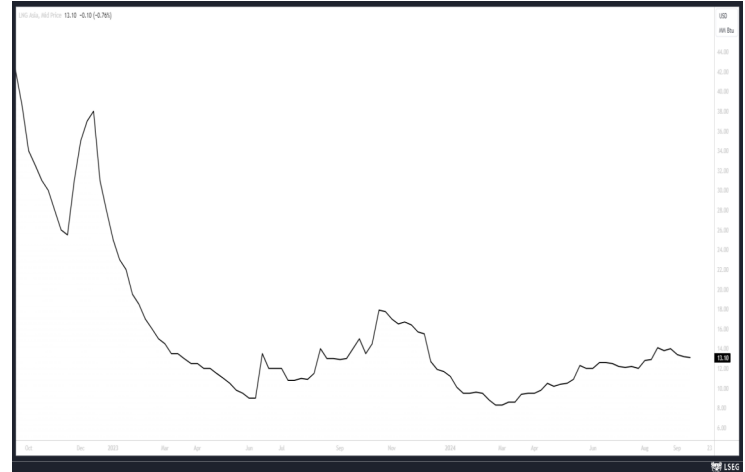


# LNG

Last Price

USD **13.10**/MMBTU

Asian spot liquefied natural gas (LNG) prices were little changed this week amid tepid demand and limited market activity with many traders attending an industry conference in the United States. The average LNG price for November delivery into north-east Asia [LNG-AS](#) was at \$13.10 per million British thermal units (mmBtu), slightly down from \$13.20/mmBtu last week, industry sources estimated. Prices are expected to remain stable in the coming week as supply continues to recover, despite seasonal cooling demand in north-east Asia. In south and south-east Asia, additional demand has been emerging, with Indian and Thai firms among those coming to the market for near-term deliveries, although Indian demand is likely to wane on weaker power demand and late monsoon rainfall. In Europe, the benchmark front-month contract at the Dutch TTF gas hub has broken an upwards trend and entered a more neutral phase.



## Technical:

Asian spot LNG price little changed on muted demand. Next level to watch 12.60.

## Support:

12.60 = Jun 2024 High

12.00 = Jun 2024 Low

## Resistance:

15.00 = Sep 2023 High

15.70 = Dec 2023 High

# Steel (HRC)

Last Price USD **704.00**/ tons

Iron ore futures prices edged higher on Friday but logged a weekly loss, as traders weighed prospects of fresh monetary stimulus from China against the top consumer's muted economic recovery, while firmer global supply also weighed on prices. The most-traded January iron ore contract on China's Dalian Commodity Exchange (DCE) [DCIOcv1](#) ended daytime trade 0.15% higher at 680 yuan (\$96.43) a metric ton. Although steel mills are expected to resume production, the pace of resumption may slow down while overseas supply has recently rebounded, leaving little support for substantial gains as the market's surplus structure remains unchanged, said Chinese financial information site Hexun Futures. Most benchmarks on the Shanghai Futures Exchange retreated. Rebar [SRBcv1](#) fell almost 0.3%, stainless steel [SHSScv1](#) slipped about 0.1%, wire rod [SWRCv1](#) shed 1.97%, although hot-rolled coil [SHHCcv1](#) added nearly 0.3%.

### Technical:

Dalian iron ore posts weekly fall on tepid Chinese economic recovery. Next level to watch 720.00.

### Support:

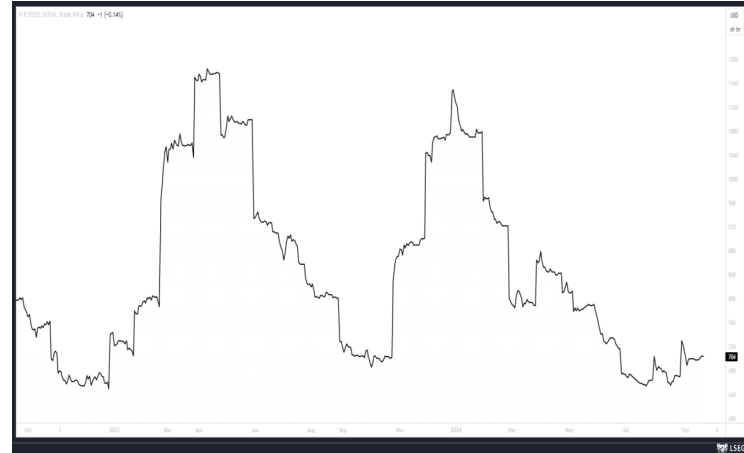
650.00 = Dec 2022 Low

645.00 = Nov 2022 Low

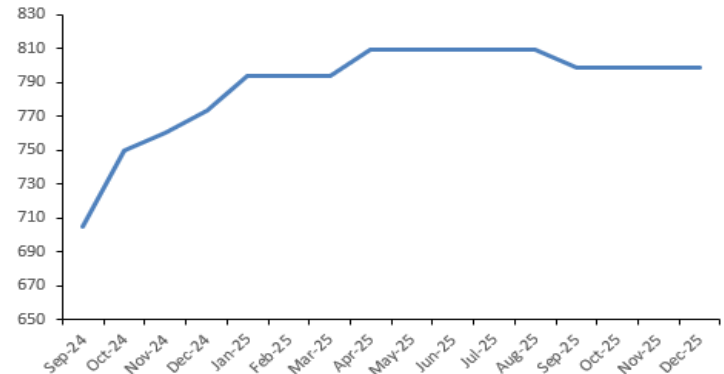
### Resistance:

765.00 = Sep 2022 Low

783.00 = Mar 2024 Low



Futures Curve of SHFE Steel Futures



# SHFE Zinc

Last Price USD **3,381.31**/Tons

LME zinc opened at \$2,880/mt. At the beginning of the session, short positions increased, pushing LME zinc down to \$2,848/mt. Subsequently, long positions entered at the lows, driving LME zinc to fluctuate upward, with the focus shifting to around \$2,930/mt during European trading hours. During this period, it reached a high of \$2,945/mt. Entering the night session, LME zinc briefly fell but was supported by the daily moving average. By the end of the session, the focus returned to around \$2,930/mt, and it finally closed at \$2,939.5/mt, an increase of \$55.5/mt or 1.92%. Trading volume decreased to 11,574 lots, and open interest increased by 978 lots to 243,000 lots. Overnight, LME zinc recorded a large bullish candlestick, with the 10/20-day moving averages providing support. Overnight, LME inventory increased by 4,950 mt to 256,800 mt, an increase of 1.97%. LME inventory continued to rise.

## Technical:

Macro Sentiment Improved, Zinc Fluctuated at Highs, next level to watch 3,450.00

## Support:

3,154.81 = Jul 2024 Low

3,071.56 = Aug 2024 Low

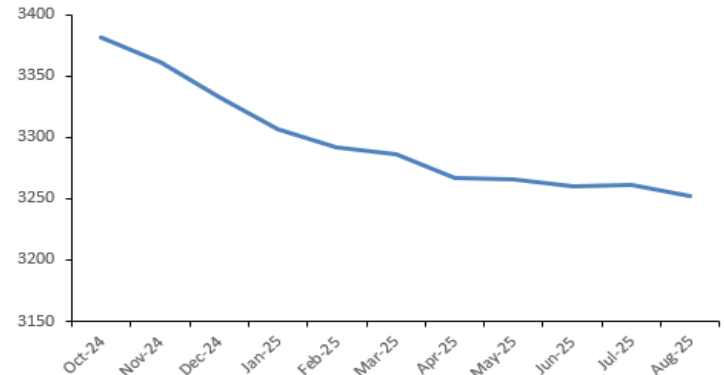
## Resistance:

3,467.84 = Jul 2024 High

3,551.18 = Jul 2024 High



## SHFE Zinc Forward Curve



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