



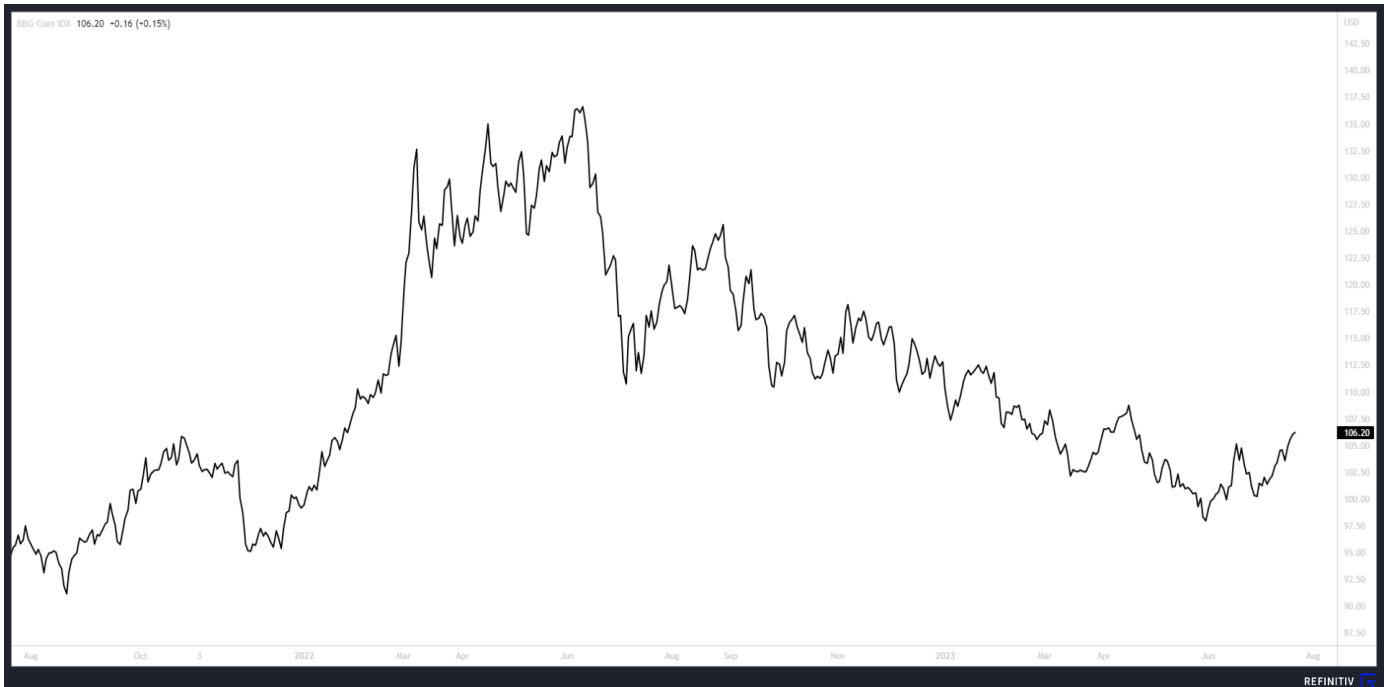
Commodities Weekly

Issue 24-2023

Date: 23 Jul 2023

Bloomberg Commodity Index

106.20 ▲



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	697.50	▲ 8.73%	▼ -3.85%	▼ -8.10%	797.40	573.25
Sugar	\$/LBS	25.01	▲ 2.84%	▼ -7.98%	▲ 39.80%	27.41	18.92
Soybean	\$/BSH	1,501.00	▲ 0.35%	▲ 1.99%	▲ 4.64%	1,616.50	1,270.75
Palm Oil	\$/Ton	887.21	▲ 3.50%	▲ 4.88%	▲ 9.70%	985.06	730.37
Cotton	\$/LBS	85.08	▲ 2.93%	▲ 1.47%	▼ -14.43%	88.88	75.70
Brent Crude	\$/BBL	81.07	▲ 1.50%	▲ 4.26%	▼ -21.44%	89.09	70.12
LNG	\$/MMBTU	10.80	↔ 0.00%	▼ -20.00%	▼ -71.58%	25.00	9.00
Steel	\$/Ton	858.00	▼ -4.35%	▼ -3.24%	▼ -7.04%	1,200.00	705.00
SHFE Zinc	\$/Ton	2,814.46	▼ -1.97%	▼ -0.24%	▼ -19.84%	3,496.46	2,647.81
Indonesian Coal*	\$/Ton	191.60	↔ 0.00%	▼ -7.23%	▼ -39.94%	305.21	191.26
Australian Coal	\$/Ton	231.00	▲ 0.43%	▲ 0.14%	▼ -6.22%	381.00	224.50
Gold	\$/Ozs	1,960.23	▲ 0.27%	▼ -0.12%	▲ 13.54%	2,072.19	1,804.20

*Price published monthly once by Indonesian Govt

Wheat

Last Price

USc **697.50**/BSH

U.S. wheat futures fell on Friday on a profit-taking setback after prices jumped earlier this week on escalations in the Russia-Ukraine war that raised concerns about disrupted trade flows from the Black Sea region. The benchmark Chicago Board of Trade September soft red winter wheat contract [WU3](#) posted the biggest decline, sagging 29-1/2 cents before settling at \$6.97-1/2 a bushel. K.C. hard red winter wheat futures for September delivery [KWU3](#) dropped 13-3/4 cents to \$8.61 a bushel and MGEX September spring wheat futures [MWEU3](#) were off 13 cents at \$8.89 a bushel. For the week, CBOT soft red winter wheat [Wv1](#) rose 5.4%, K.C. hard red winter wheat [KWv1](#) was up 6.0% and MGEX spring wheat [MWEc1](#) was up 4.8%.

Technical:

Wheat closes lower on profit taking. Next level to watch 718.00.

Support:

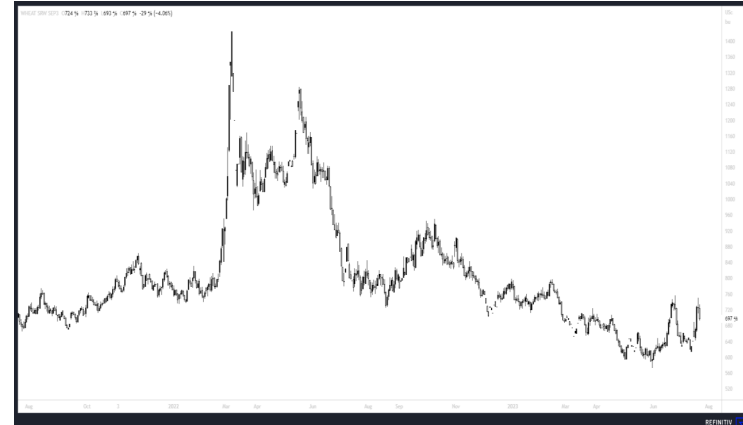
604.50 = Jul 2021 Low

571.75 = Apr 2020 High

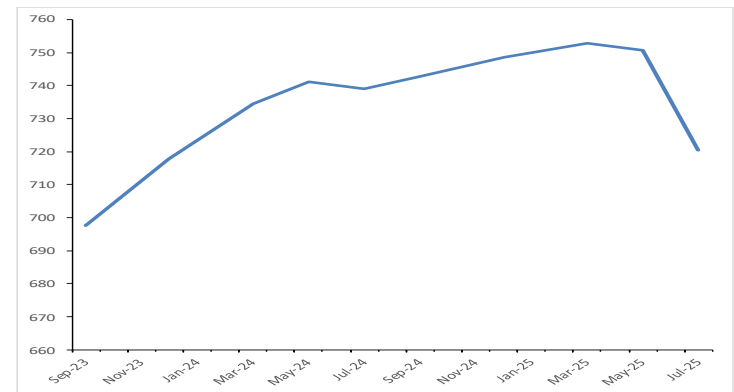
Resistance:

718.00 = Jul 2021 High

780.00 = Oct 2021 High



Futures Curve



Sugar

Last Price

USc **25.01**/LBS

October raw sugar [SBc1](#) settled up 0.34 cent, or 1.4%, at 25.01 cents per lb. The contract gained 2.8% this week. The market was underpinned by concerns that El Nino could curb production in India and Thailand but favourable harvest progress in Brazil was keeping a lid on prices. Industry group Unica is expected to provide an update next week on sugar production in the Centre-South region of Brazil covering the first half of July. October white sugar [LSUc1](#) rose \$12.70, or 1.8%, at \$701.60 a ton, and was flat for the week.



Technical:

Raw sugar up despite poor grind data, next level to watch 27.41.

Support:

23.90 = Oct 2016 High

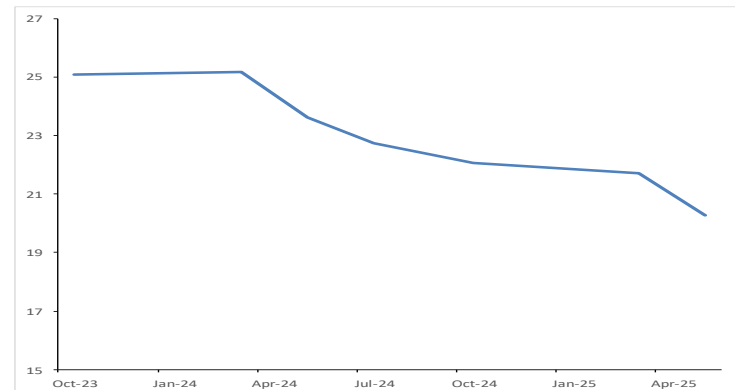
22.36 = Mar 2023 High

Resistance:

27.41 = Apr 2023 High

30.21 = Sep 2011 High

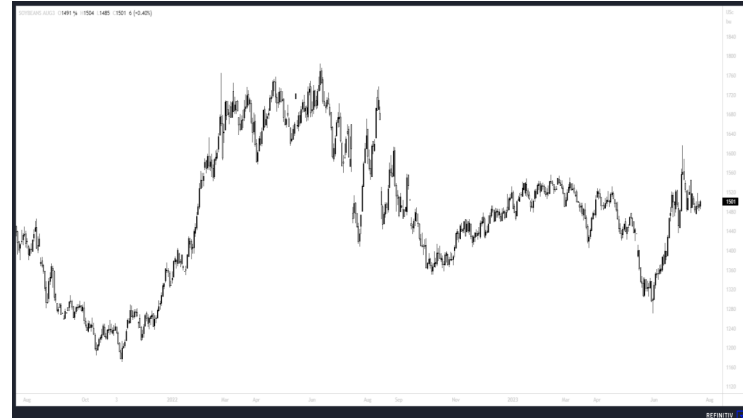
Futures Curve



Soybean

Last Price USc **1,501.00**/BSH

CBOT soybean futures were mixed on Friday, with nearby contracts firming on tight supplies. But new-crop contracts eased as forecasts for the U.S. Midwest added more rain and cooler temperatures during the next few weeks. The declines were kept in check as the outlooks for August remained uncertain. The most-active CBOT November soybean futures contract [SX3](#), which tracks the crop being grown in fields around the Midwest, settled down 3 cents at \$14.01-1/4 a bushel. CBOT August soybean futures [SQ3](#) gained 6 cents to \$15.01 a bushel. CBOT December soybean futures [SMZ3](#) were \$2.10 lower at \$408.50 a ton and CBOT December soybean futures [BOZ3](#) gained 0.38 cent to 62.80 cents per pound. For the week, soybean futures gained 2.3%, soybean futures gained 1.9% and soybean futures gained 3.4%.



Technical:

Soybeans end mixed, post weekly gain, next level to watch 1,550.00.

Support:

1,350.00 = Oct 2022 Low

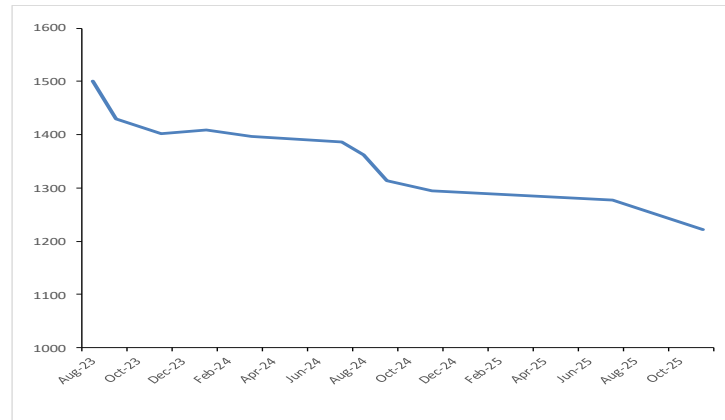
1,265.00 = Jul 2009 High

Resistance:

1,548.50 = Jan 2023 High

1,608.75 = Apr 2021 High

Futures Curve



Palm Oil

Malaysian palm oil futures ended lower on Friday due to profit-taking, but clocked a fourth weekly rise on robust July exports so far and concerns over Black Sea edible oil supplies. The benchmark palm oil contract [FCPOc3](#) for October delivery on the Bursa Malaysia Derivatives Exchange closed down 0.07%, to 4,043 ringgit (\$887.21) a metric ton, after rising 0.8% earlier in the day. Prices failed to sustain early gains due to profit-taking ahead of the week-end and coupled with weakness in rival oilseeds. For the week, the contract rose 4.2%. Dalian's most-active soyoil contract [DBYcv1](#) eased 1.5%, while its palm oil contract [DCPcv1](#) lost 1%. Soyoil prices on the Chicago Board of Trade [BOcv1](#) were up 0.5%. Palm oil is affected by price movements in related oils as they compete for a share in the global vegetable oils market.

Technical:

Palm oil ease, but logs fourth weekly rise on supply concerns, next level to watch 951.00.

Support:

833.00 = Dec 2022 Low

697.82 = May 2023 Low

Resistance:

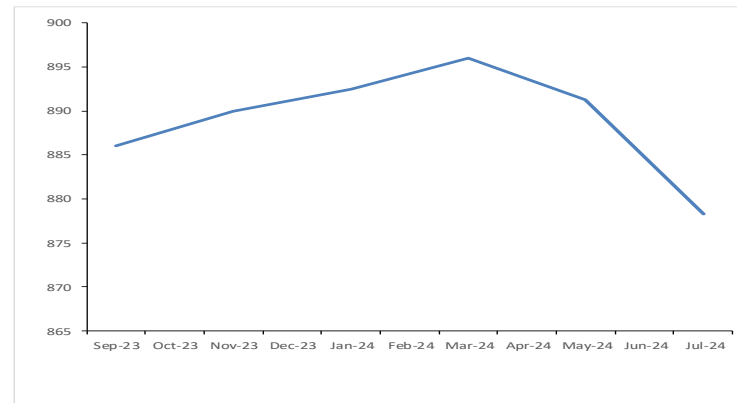
951.42 = Feb 2023 High

1,101.35 = Jul 2022 High

Last Price

USD **887.21**/Ton

Futures Curve



Cotton

Last Price

USc **85.08**/LBS

ICE cotton futures rose to a more than six-week high on Thursday on growing supply worries due to hot and dry weather in top growing regions, although an uptick in the dollar kept gains in check. The most-active December cotton contract [CTZ3](#) rose to 85.08 cents per lb, after hitting its highest since June 6 at 84.90 cents earlier in the session. The dollar rose 0.5% against its rivals, making cotton more expensive. [Countries around the world](#) from China to the United States are battling heatwaves, with the onset of the climate phenomenon El Nino helping push temperatures higher. Lending support to the natural fibre, wheat futures edged higher as a third night of Russian attacks on Ukrainian ports renewed concerns about disruptions to exports. Oil prices also rose making polyester, a cotton substitute, more expensive.



Technical:

Cotton prices scale six-week peak on supply concerns. Next level to watch 90.00.

Support:

72.00 = Nov 2022 Low

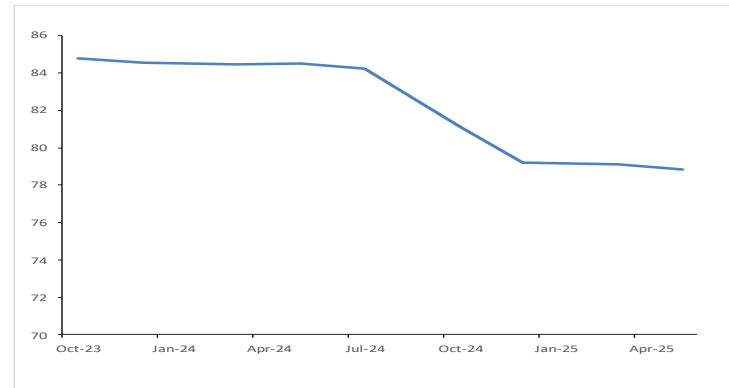
63.01 = Sep 2020 Low

Resistance:

90.85 = Jul 2022 Low

96.14 = Oct 2022 High

Futures Curve



Brent Crude

Last Price

USD **81.07** /BBL

Oil prices rose nearly 2% on Friday to record a fourth consecutive weekly gain, buoyed by growing evidence of supply shortages in the coming months and rising tensions between Russia and Ukraine that could further hit supplies. Brent crude futures [LCOc1](#) rose \$1.43, or 1.8%, to settle at \$81.07 a barrel, with a weekly gain of about 1.2%. U.S. West Texas Intermediate crude [CLc1](#) ended \$1.42, or 1.9%, higher at \$77.07 a barrel, its highest since April 25. WTI gained nearly 2% in the week. U.S. energy firms this week reduced the [number of oil rigs](#) by seven, their biggest cut since early June. At 530, the U.S. oil rig count, an early indicator of future output, is at its lowest since March 2022.



Technical:

Oil rallies for fourth straight week on tightening supply, next level to watch 89.37.

Support:

70.42 = Sep 2021 Low

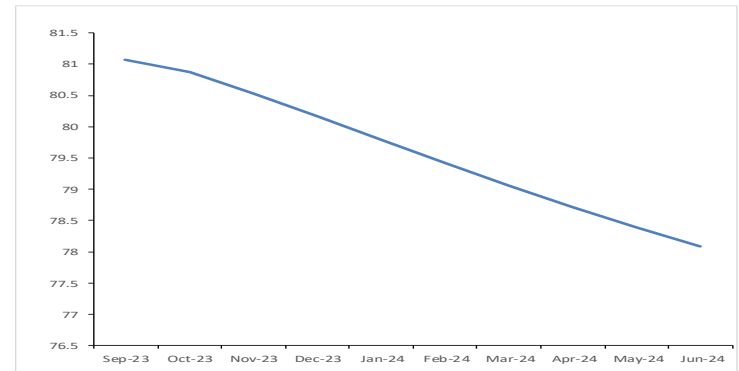
64.54 = Aug 2019 High

Resistance:

89.37 = Dec 2021 High

91.70 = Jan 2022 High

Futures Curve



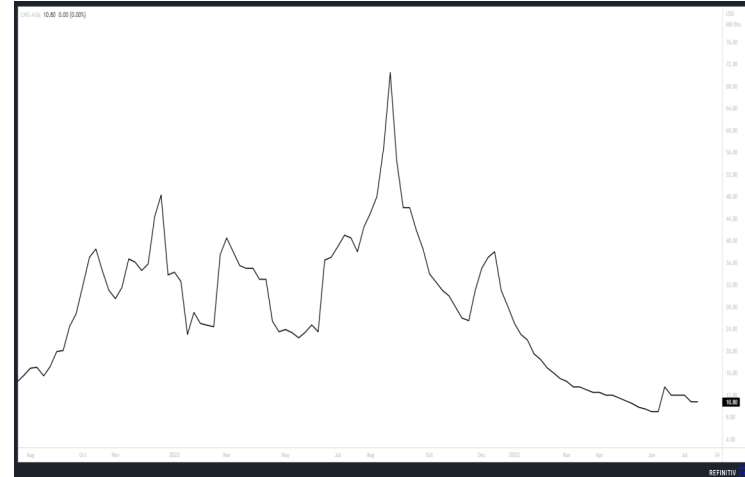
LNG

Last Price

USD **10.80**/MMBTU

Asian spot liquefied natural gas (LNG) prices were flat this week, as buyers continue to focus on early winter deliveries with limited need for late summer supply, while high inventories in Europe are putting pressure on prices.

The average LNG price for September delivery into northeast Asia [LNG-AS](#) remained stable at \$10.80 per million British thermal units (mmBtu), unchanged from the previous week. In Europe, hot weather demand in Europe is stymied by stable LNG and recently recovered Norwegian supplies.



Technical:

Asia spot LNG prices remain flat on limited demand for summer supply. Next level to watch 9.50.

Support:

09.50 = May 2023 Low

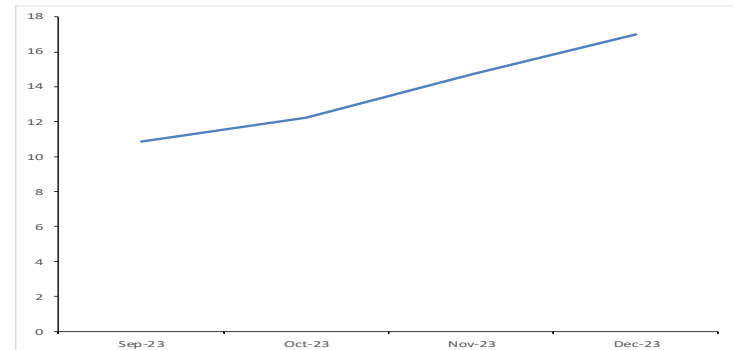
08.85 = Apr 2021 High

Resistance:

13.50 = Mar 2023 High

14.50 = Mar 2023 High

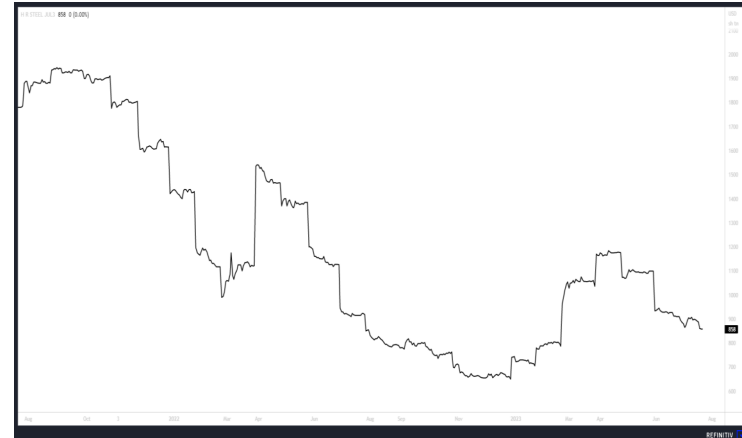
Futures Curve



Steel (HRC)

Last Price USD **858.00**/ tons

Iron ore futures edged lower on Friday after a brief bounce in the previous session, dragged lower by a faltering property sector and steel production restrictions. The most-traded September iron ore on China's Dalian Commodity Exchange [DClOcv1](#) ended daytime trade 0.1% lower at 846.5 yuan (\$118.09) per metric ton. On the Singapore Exchange, the benchmark August iron ore [SZZF03](#) was down 0.9% at \$113.8 per metric ton. Steel benchmarks on Shanghai Futures Exchange gained. Rebar [SRBcv1](#) climbed 1.4%, hot-rolled coil [SHHCcv1](#) strengthened 1.5%, wire rod [SWRcv1](#) rose 0.7%, and stainless steel [SHSScv1](#) jumped 1.3%. Steelmaking ingredients Dalian coking coal [DJMcv1](#) and coke [DCJcv1](#) dipped 0.9% and 0.1%, respectively.



Technical:

Iron ore futures erase gains on steel curbs, weak property sector. Next level to watch 848.00.

Support:

848.00 = Aug 2022 High

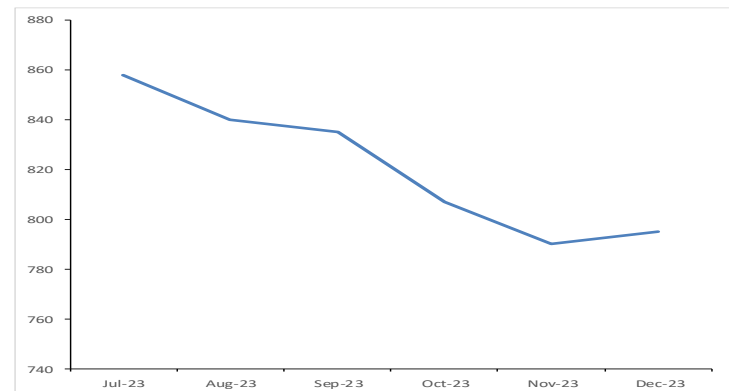
805.00 = Nov 2020 High

Resistance:

1070.00 = Feb 2023 High

1200.00 = Apr 2023 High

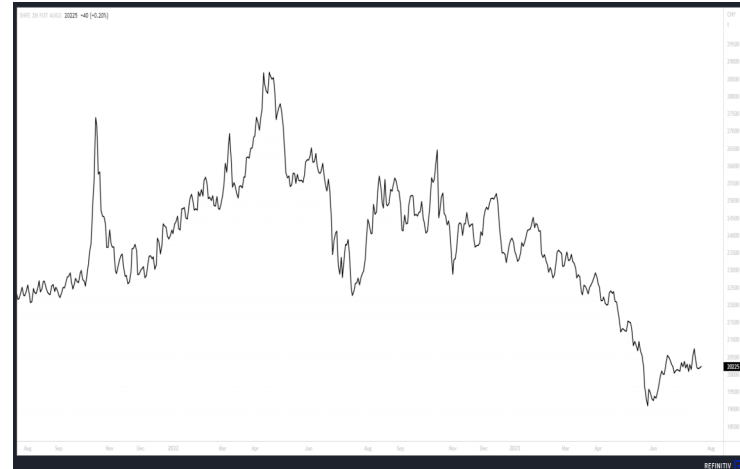
Futures Curve of SHFE Steel Futures



SHFE Zinc

Last Price USD **2,814.46**/Tons

Overnight, SHFE Zinc main 2309 contract gapped and opened at 20,200 yuan/ton. At the beginning of the session, LME Zinc quickly rose to 20,305 yuan/ton, and then fell back to the center of gravity around 20,100 yuan/ton, and finally closed at 20,095 yuan/ton. Overnight, SHFE Zinc recorded a negative column, and KDJ opened downward. Recently, the price of zinc has continued to fluctuate. Although there are domestic policy stimulus expectations, the fundamental support is insufficient, the spot transaction is poor, and the inventory is increasing.



Technical:

Zinc upward movement is hindered or will continue to consolidate, next level to watch 2,976.44.

Support:

2,634.51 = Aug 2020 Low

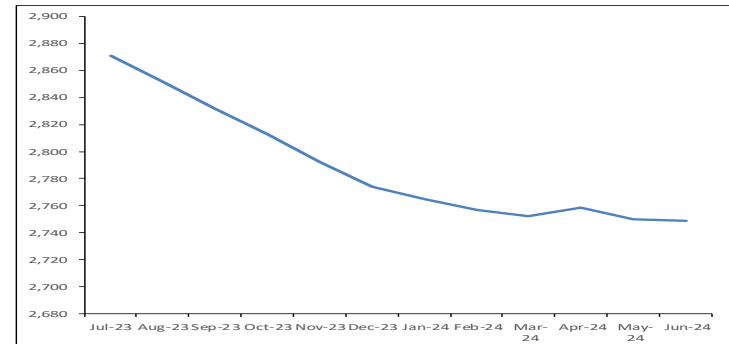
2,610.00 = Jan 2020 High

Resistance:

2,976.44 = Sep 2020 High

3,291.42 = Jul 2021 High

SHFE Zinc Forward Curve



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