



# Commodities Weekly

Issue 25-2023

Date: 30 Jul 2023

# Bloomberg Commodity Index

107.23 ▲



**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
<a href="#">Wheat</a>	\$/BSH	704.25	▲ 0.97%	▲ 10.69%	▼ -12.81%	797.40	573.25
<a href="#">Sugar</a>	\$/LBS	23.92	▼ -4.36%	▲ 4.50%	▲ 36.37%	27.41	18.92
<a href="#">Soybean</a>	\$/BSH	1,486.75	▼ -0.95%	▼ -4.53%	▼ -9.18%	1,616.50	1,270.75
<a href="#">Palm Oil</a>	\$/Ton	879.86	▼ -0.83%	▲ 6.35%	▼ -6.04%	985.06	730.37
<a href="#">Cotton</a>	\$/LBS	85.06	▼ -0.02%	▲ 2.68%	▼ -17.52%	88.88	75.70
<a href="#">Brent Crude</a>	\$/BBL	84.99	▲ 4.84%	▲ 13.47%	▼ -22.74%	89.09	70.12
<a href="#">LNG</a>	\$/MMBTU	11.00	▲ 1.85%	▼ -8.33%	▼ -74.12%	25.00	9.00
<a href="#">Steel</a>	\$/Ton	824.00	▼ -3.96%	▼ -6.47%	▼ -3.63%	1,200.00	705.00
<a href="#">SHFE Zinc</a>	\$/Ton	2,884.40	▲ 2.48%	▲ 2.22%	▼ -18.84%	3,496.46	2,647.81
Indonesian Coal*	\$/Ton	191.60	↔ 0.00%	▲ 0.18%	▼ -39.94%	305.21	191.26
Australian Coal	\$/Ton	232.00	▲ 0.43%	▲ 0.55%	▼ -3.00%	381.00	224.50
Gold	\$/Ozs	1,959.20	▼ -0.05%	▲ 2.06%	▲ 10.99%	2,072.19	1,804.20

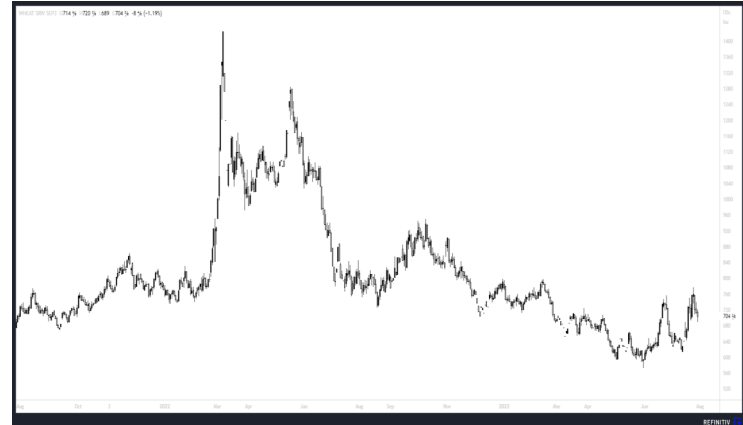
\*Price published monthly once by Indonesian Govt

# Wheat

Last Price

USc **704.25**/BSH

CBOT wheat futures closed lower on Friday on chart-based selling and hopes for easing tensions in the Black Sea region. A lack of fresh news about Russian attacks on grain facilities in Ukraine helped open the door for futures to weaken. Technical selling added pressure on futures. Better-than-expected estimates for spring wheat yields from an annual crop tour also weighed on MGEX wheat. CBOT September soft red winter wheat WU3 settled 8-1/2 cents weaker at \$7.04-1/4 per bushel and touched its lowest price since July 19. K.C. September hard red winter wheat KWU3 fell 10-1/4 cents to end at \$8.56-1/4 a bushel, while MGEX September spring wheat MWEU3 last traded down 8-1/4 cents at \$8.96 a bushel.



**Technical:**

Wheat slumps on technical selling, while watching Black Sea. Next level to watch 718.00.

**Support:**

604.50 = Jul 2021 Low

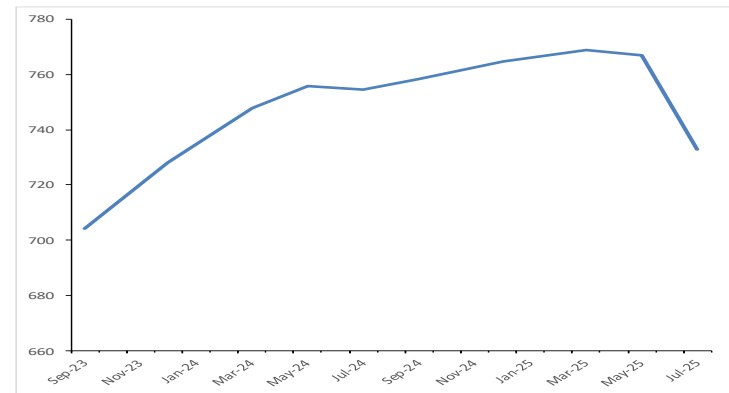
571.75 = Apr 2020 High

**Resistance:**

718.00 = Jul 2021 High

780.00 = Oct 2021 High

**Futures Curve**



# Sugar

Last Price

USc **23.92**/LBS

October raw sugar SBC1 settled down 0.51 cent, or 2.1%, at 23.92 cents per lb, after hitting its highest since June 22 on Monday at 25.30.

The contract finished the week with a 4.4% loss amid good development for the Brazilian sugar season and fair conditions for India's next crop.

October white sugar LSUC1 fell \$8.00, or 1.2%, at \$678.50 a ton.



## Technical:

Raw sugar loses 4.4% in the week, next level to watch 27.41.

## Support:

23.90 = Oct 2016 High

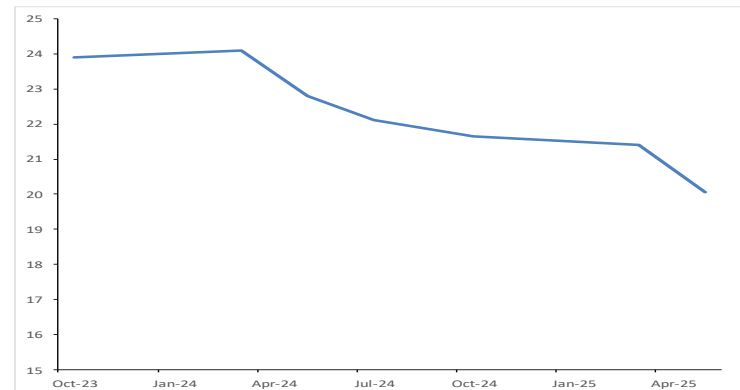
22.36 = Mar 2023 High

## Resistance:

27.41 = Apr 2023 High

30.21 = Sep 2011 High

## Futures Curve

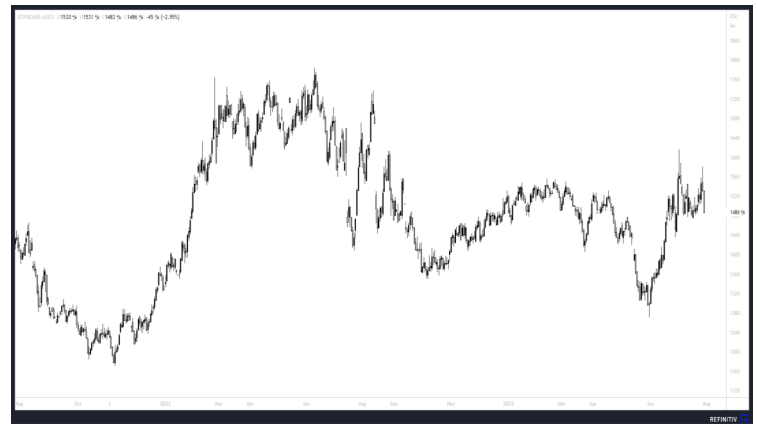


# Soybean

Last Price USc **1,486.75**/BSH

Soybeans falling as weather outlooks for early August, a critical development period for the crop in the U.S. Midwest, improve. On a continuous basis, the most-active soybean futures contract hit a 10-day low during overnight trading. USDA reported weekly soybean export sales of 743,100 metric tons. Market forecasts ranged from 350,000 to 1.2 million metric tons. [EXP/SOY](#)

CBOT November soybean futures [SX3](#) last traded down 11-3/4 cents at \$13.86-1/4 a bushel.

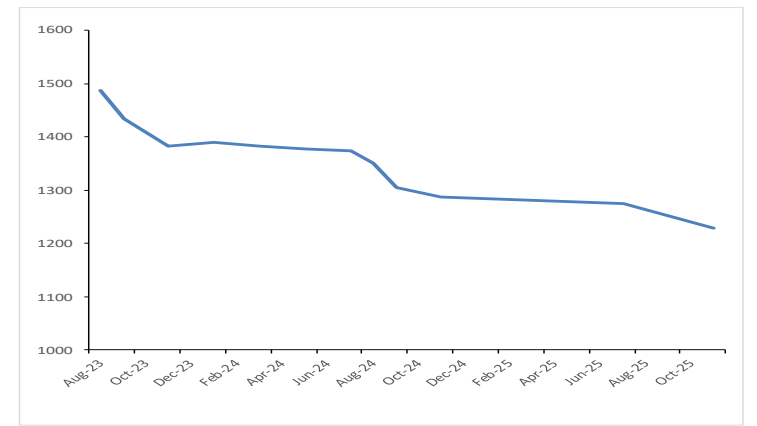


**Technical:**  
Soybeans down 12-22 cents a bushel, next level to watch 1,550.00.

**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 fell on Friday and posted a weekly decline, dragged by a stronger ringgit and weakness in rival edible oils. The benchmark palm oil contract FCPOc3 for October delivery on the Bursa Malaysia Derivatives Exchange fell 23 ringgit, or 0.57% to 4,003 ringgit (\$879.20) at the closing price. For the week, the contract was down 0.79%. Dalian's most-active soyoil contract [DBYcv1](#) was down 0.53%, while its palm oil contract [DCPcv1](#) also shed 1.57%. Soyoil prices on the Chicago Board of Trade [BOcv1](#) rose slightly to 0.1%. Palm oil may keep [falling towards 3,846 ringgit](#) per metric ton as it has broken a support at 3,999 ringgit.

## Technical:

Palm ends week lower on stronger ringgit, weaker rival oils, next level to watch 951.00.

## Support:

833.00 = Dec 2022 Low

697.82 = May 2023 Low

## Resistance:

951.42 = Feb 2023 High

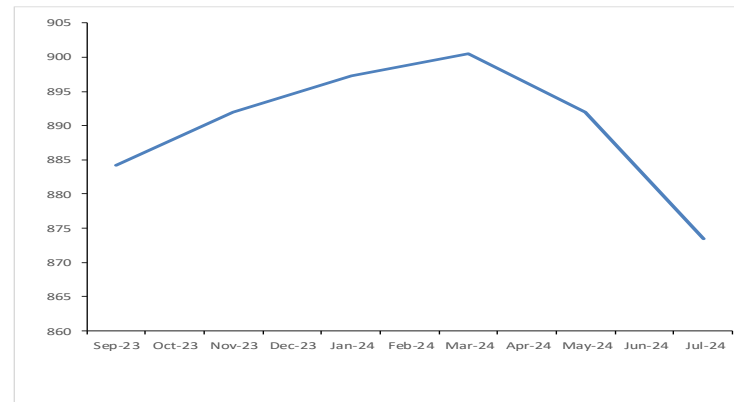
1,101.35 = Jul 2022 High

Last Price

USD **879.86**/Ton



## Futures Curve



# Cotton

Last Price

USc **85.06**/LBS

ICE cotton futures firmed on Friday en route to a fifth straight weekly rise, helped mostly by supply concerns fanned by hot weather in the key growing region of Texas. The most-active December cotton contract [CTZ3](#) edges up 0.17 cent, or 0.2%, at 84.55 cents per lb by 11:02 a.m. EDT (1502 GMT). It traded in a range of 84.43 to 85.68 cents a lb. The contract was up about 0.2% so far this week. Cotton also drew some support from a retreat in the dollar index which made the natural fibre cheaper for holders of foreign currencies.

**Technical:**

Cotton heads for fifth straight week of gains as heat wave lingers. Next level to watch 90.00.

**Support:**

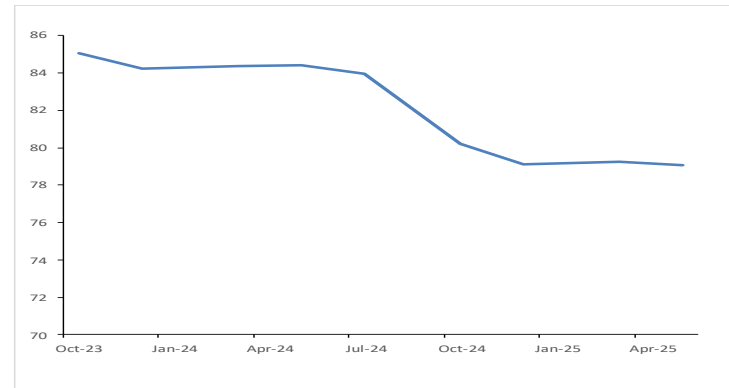
72.00 = Nov 2022 Low

63.01 = Sep 2020 Low

**Resistance:**

90.85 = Jul 2022 Low

96.14 = Oct 2022 High

**Futures Curve**



# Brent Crude

Last Price

USD **84.99**/BBL

Oil prices rose on Friday and notched a fifth straight week of gains as investors were optimistic that healthy demand and supply cuts will keep prices buoyant. Risk appetite in wider [financial markets](#) has been fueled by growing expectations that central banks such as the U.S. Federal Reserve and European Central Bank are nearing the end of policy tightening campaigns, boosting the outlook for global growth and energy demand. Bolstered by supply cuts from the OPEC+ alliance announced earlier this month, both oil benchmarks gained nearly 5% for the week - a fifth straight week of gains. The benchmarks are on track to gain over 13% for the month. Brent crude [LCOc1](#) settled 75 cents higher to \$84.99 a barrel, while U.S. West Texas Intermediate (WTI) crude [CLc1](#) gained 49 cents to \$80.58 a barrel.



## Technical:

Oil posts fifth week of gains on signals of tighter supply, next level to watch 89.37.

## Support:

70.42 = Sep 2021 Low

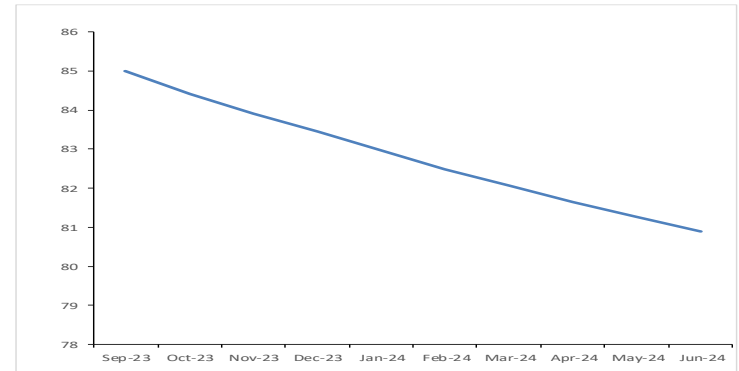
64.54 = Aug 2019 High

## Resistance:

89.37 = Dec 2021 High

91.70 = Jan 2022 High

## Futures Curve



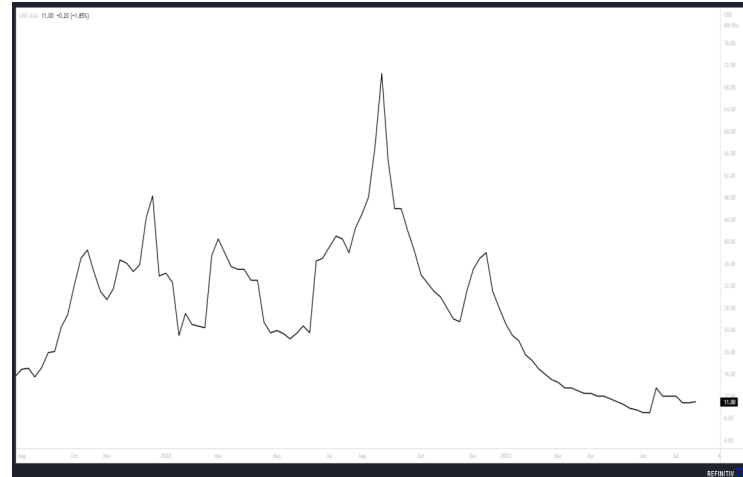
# LNG

Last Price

USD **11.00**/MMBTU

Asian spot liquefied natural gas (LNG) prices edged up this week, buoyed by stronger demand due to above-average temperatures in east Asia, but gains were capped as inventories remained high.

The average LNG price for September delivery into northeast Asia [LNG-AS](#) was \$11 per million British thermal units (mmBtu), industry sources estimated, up from \$10.80/mmBtu the previous week. Argus assessed the northwest Europe DES price at \$9.30/mmBtu, while Spark Commodities estimated the price at \$9.203/mmBtu.



## Technical:

Asia spot LNG prices edge up as higher temperatures lift demand. Next level to watch 11.50.

## Support:

09.50 = May 2023 Low

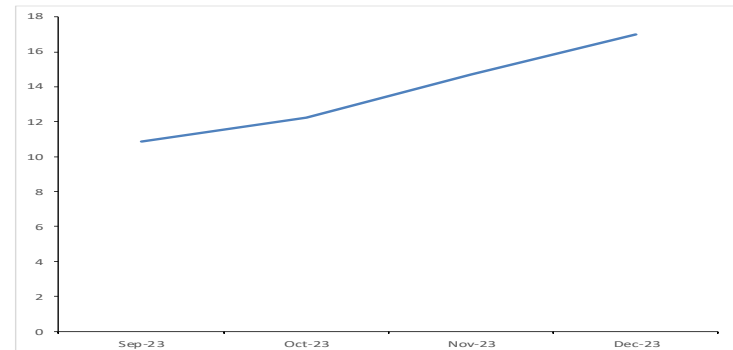
08.85 = Apr 2021 High

## Resistance:

11.50 = Apr 2023 High

13.50 = Mar 2023 High

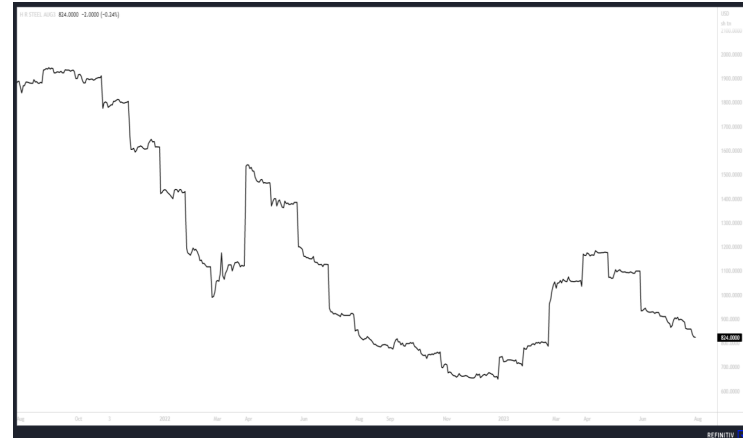
## Futures Curve



# Steel (HRC)

Last Price USD **824.00**/ tons

Iron ore futures extended declines on Friday, dragged lower by concerns about looming steel output caps and growing impatience on the lack of stimulus updates from China. The most-traded September iron ore contract on China's Dalian Commodity Exchange [DCIOcv1](#) ended daytime trade 2.68% lower at 834.5 yuan (\$116.60) per metric ton. On the Singapore Exchange, the benchmark September iron ore [SZZFU3](#) was down 2.34% at \$107.20 a metric ton, as of 0715 GMT. Steel benchmarks on the Shanghai Futures Exchange were mixed. The most-active rebar contract [SRBcv1](#) dipped 0.3% and stainless steel [SHSScv1](#) dropped 1.1%, but hot-rolled coil [SHHCcv1](#) rose 0.8%, while wire rod [SWRcv1](#) climbed 0.5%. Other steelmaking inputs also declined, with coking coal [DJMcv1](#) and coke [DCJcv1](#) on the Dalian exchange down 1.7% and 1.1%, respectively.



## Technical:

Iron ore futures plunge on concerns of China steel output curbs. Next level to watch 848.00.

## Support:

805.00 = Nov 2020 High

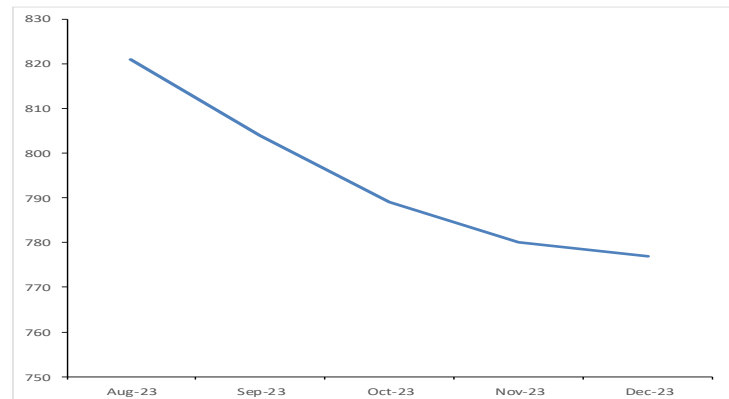
785.00 = Feb 2023 Low

## Resistance:

1070.00 = Feb 2023 High

1200.00 = Apr 2023 High

Futures Curve of SHFE Steel Futures



# SHFE Zinc

Last Price USD **2,884.40**/Tons

Overnight, LME zinc prices closed down \$16/mt or 0.65% at \$2,454/mt. The trading volume was 10,394 lots, and open interest lost 1,920 lots to 198,000 lots. Last Friday, LME zinc continued to weaken, and the market's expectations for subsequent interest rate cuts have weakened.

Overnight, the most active SHFE 2309 zinc contract prices closed at 20,590 yuan/mt, down 145 yuan/mt or 0.7%. Trading volume stood at 66,000 lots, and open interest decreased by 3,600 lots to 122,000 lots. Spot trading is getting weaker amid market pessimism. It is expected that there may be different degrees of stock accumulation in various places this week. The support from fundamentals for the zinc price is still weakening.

### Technical:

Zinc prices fell as bulls reduced positions, next level to watch 2,976.44.

### Support:

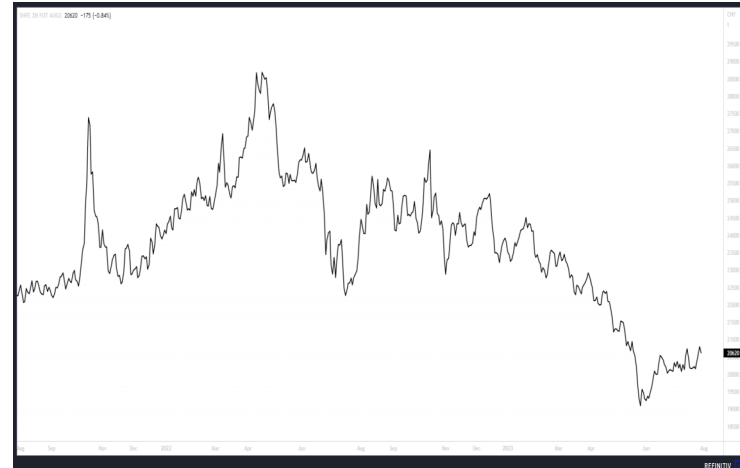
2,634.51 = Aug 2020 Low

2,610.00 = Jan 2020 High

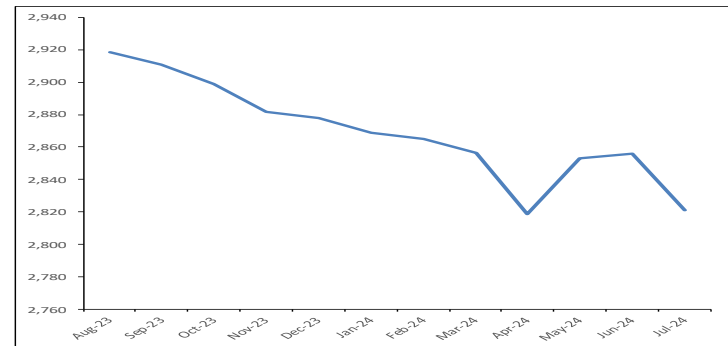
### Resistance:

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](mailto:dealing.room@bracbank.com)

Web: [www.bracbank.com](http://www.bracbank.com)

## **Md. Shaheen Iqbal**

Deputy Managing Director  
Head of Treasury & Financial Institutions  
E-mail: [shaheen.iqbal@bracbank.com](mailto:shaheen.iqbal@bracbank.com)  
Cell: +8801713049433

## **Fouzia Rahman**

Head of Markets, Treasury & Financial Institutions  
E-mail: [fouzia.rahman@bracbank.com](mailto:fouzia.rahman@bracbank.com)  
Cell: +8801713493937

## **Nawshaba Aziz**

Sr. Relationship Manager Corporate Sales & FX,  
Treasury & Financial Institutions  
E-mail: [nawshaba.aziz@bracbank.com](mailto:nawshaba.aziz@bracbank.com)  
Cell: +8801730796810

## **Lailun Nahar Tonny**

Sr. Manager, Treasury & Financial Institutions  
E-mail: [lailunnahar.tonny@bracbank.com](mailto:lailunnahar.tonny@bracbank.com)  
Cell: +8801730796820

## **Mohammad Humayun Rashid**

Sr. Manager, Treasury & Financial Institutions  
E-mail: [humayun.rashid@bracbank.com](mailto:humayun.rashid@bracbank.com)  
Cell: +8801723935623

## **Maruf Hassan**

Associate Manager, Treasury & Financial Institutions  
E-mail: [maruf.hassan29443@bracbank.com](mailto:maruf.hassan29443@bracbank.com)  
Cell: +8801847419487

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