



# Commodities Weekly

Issue 27-2023

Date: 13 Aug 2023

# Bloomberg Commodity Index

105.59 ▼



**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.

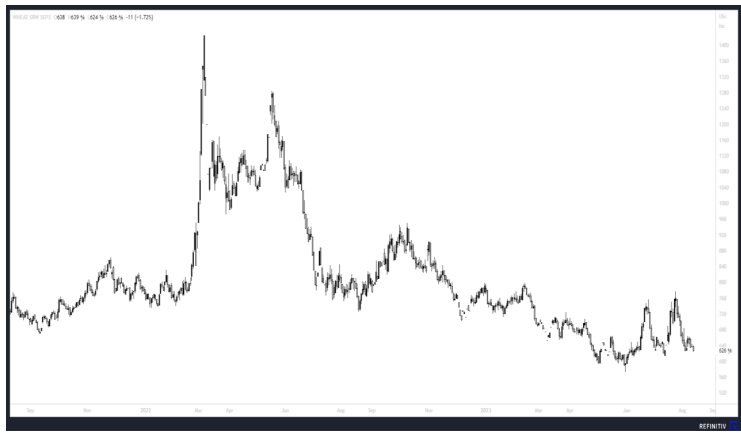
Commodity	Unit	Closing Price	% Δ Weekly	% Δ MoM	% Δ YoY	YTD High	YTD Low
<a href="#">Wheat</a>	\$/BSH	<b>626.75</b>	▼ -0.99%	▼ -0.12%	▼ -22.24%	<b>797.40</b>	<b>573.25</b>
<a href="#">Sugar</a>	\$/LBS	<b>24.33</b>	▲ 2.70%	▲ 1.33%	▲ 30.81%	<b>27.41</b>	<b>18.92</b>
<a href="#">Soybean</a>	\$/BSH	<b>1,401.25</b>	▼ -2.96%	▼ -7.69%	▼ -16.06%	<b>1,616.50</b>	<b>1,270.75</b>
<a href="#">Palm Oil</a>	\$/Ton	<b>811.34</b>	▼ -4.27%	▼ -3.86%	▼ -18.26%	<b>985.06</b>	<b>730.37</b>
<a href="#">Cotton</a>	\$/LBS	<b>89.29</b>	▲ 4.71%	▲ 7.85%	▼ -21.98%	<b>88.88</b>	<b>75.70</b>
<a href="#">Brent Crude</a>	\$/BBL	<b>86.81</b>	▲ 0.66%	▲ 6.70%	▼ -11.55%	<b>89.09</b>	<b>70.12</b>
<a href="#">LNG</a>	\$/MMBTU	<b>11.50</b>	▲ 5.50%	▲ 6.48%	▼ -76.04%	<b>25.00</b>	<b>9.00</b>
<a href="#">Steel</a>	\$/Ton	<b>806.00</b>	▲ 0.37%	▼ -10.34%	▼ -0.74%	<b>1,200.00</b>	<b>705.00</b>
<a href="#">SHFE Zinc</a>	\$/Ton	<b>2,863.58</b>	▼ -2.35%	▼ -0.64%	▼ -23.86%	<b>3,496.46</b>	<b>2,647.81</b>
Indonesian Coal*	\$/Ton	<b>191.60</b>	↔ 0.00%	▲ 0.18%	▼ -40.42%	<b>305.21</b>	<b>191.26</b>
Australian Coal	\$/Ton	<b>252.33</b>	▲ 2.16%	▲ 10.19%	▲ 10.91%	<b>381.00</b>	<b>224.50</b>
Gold	\$/Ozs	<b>1,913.32</b>	▼ -1.46%	▼ -2.39%	▲ 6.19%	<b>2,072.19</b>	<b>1,804.20</b>

\*Price published monthly once by Indonesian Govt

# Wheat

Last Price USc **626.75**/BSH

CBOT wheat futures fell on Friday as the government report showed wheat ending stocks improving, particularly for hard-red winter wheat. U.S. wheat ending stocks for 2023/24 were boosted to 615 million bushels, 23 million higher than the July outlook and up 6.0% from the 15-year low of 580 million bushels in the 2022/23 marketing year as the U.S. export forecast was cut. MGEX spring wheat contracts continued to be pressured by rain in the U.S. Plains, improving the area's crop prospects. The benchmark CBOT September soft red winter wheat contract [WU3](#) fell 11 cents on Friday, settling at \$6.26-3/4 a bushel. K.C. hard red winter wheat for September delivery [KWU3](#) last traded down 11-1/2 cents, at \$7.55-1/2 a bushel and MGEX September spring wheat futures [MWEU3](#) was down 2 cents at \$8.15 a bushel.

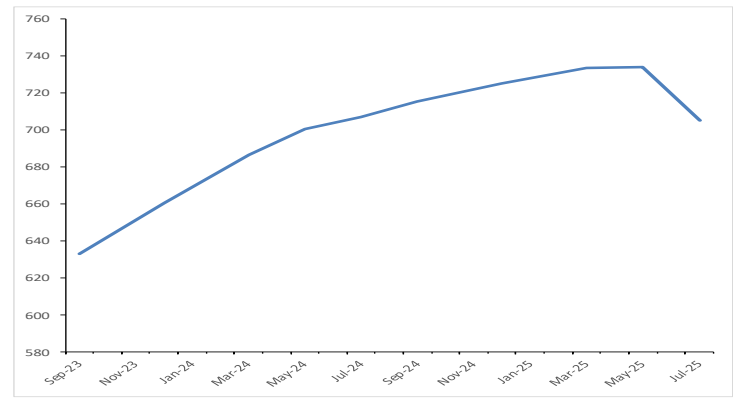


**Technical:**  
 Wheat futures fall on improving stocks, technical selling. Next level to watch 718.00.

**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 **24.33**/LBS

Raw sugar futures on ICE closed up on Friday and gained nearly 3% on the week despite record sugar production in top grower Brazil. October raw sugar [SBc1](#) settled up 0.38 cents, or 1.6%, at 24.33 cents per lb. The contract gained 2.7% in the week. The market is in consolidation around the historically high levels. Raw sugar [SBc1](#) is seen ending the year around current levels but marking a sharp increase over end-December 2022 as the global market looks set to record a second year of supply deficits. [Raw sugar demand fell 20%](#) in the first half, but refiners are set to go back to buying to replenish stocks, Czarnikow said, which helps to put a floor on the market. October white sugar [LSUc1](#) settled up \$6.10, or 0.9%, at \$697.10 a ton.



## Technical:

Raw sugar gains nearly 3% on the week, next level to watch 22.78.

## Support:

22.78 = Jul 2023 Low

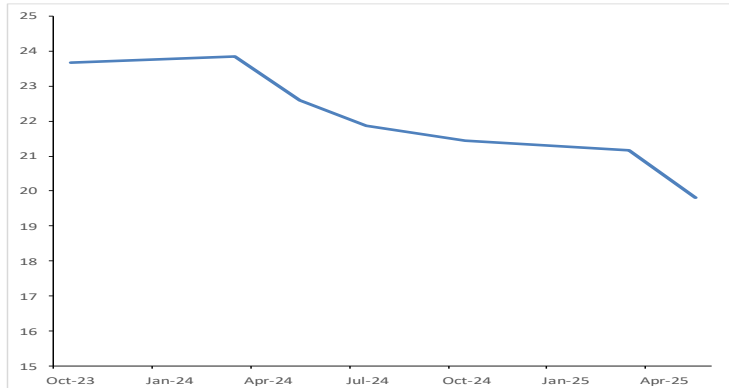
22.36 = Mar 2023 High

## Resistance:

25.30 = Jul 2023 High

26.49 = Jun2023 High

## Futures Curve



# Soybean

Last Price USc **1,401.25**/BSH

CBOT soybean futures ended down on Friday, as improving growing weather had investors anticipating the U.S. Midwest bean crop conditions will be improving. The benchmark CBOT November soybean futures contract [SX3](#) settled down 10-3/4 cents at \$13.07-1/2 a bushel. CBOT September soybeans [SU3](#) fell 14-3/4 cents, to settle at \$13.37-1/4 a bushel. CBOT December soybean futures [SMZ3](#) settled down \$5.00 at \$388.70 a ton and CBOT December soyoil [BOZ3](#) fell 0.26 cent to settle at 60.22 cents per lb. The U.S. government forecast that dry conditions early in the growing season would mean smaller soybean harvests this fall.



**Technical:**

Soybeans fall as US crop weather improves, technical selling, next level to watch 1,550.00.

**Support:**

1,350.00 = Oct 2022 Low

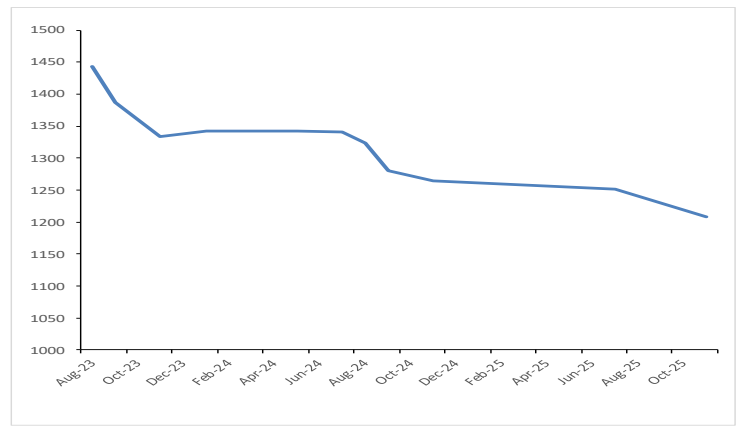
1,265.00 = Jul 2009 High

**Resistance:**

1,548.50 = Jan 2023 High

1,608.75 = Apr 2021 High

Futures Curve



# Palm Oil

Last Price      USD **811.34**/Ton

Malaysian palm oil futures fell for a third consecutive week on Friday, dragged by weakness in rival vegetable oils on the Dalian Commodity Exchange although rising exports offered some support. The benchmark palm oil contract [FCPOc3](#) for October delivery on the Bursa Malaysia Derivatives Exchange lost 8 ringgit, or 0.21%, to 3,720 ringgit (\$811.34) per metric ton on Friday. The contract lost 3.6% for the week. Malaysian palm oil futures were tracking the weakness in Dalian palm oils with support from better export. Dalian's most-active soyoil contract [DBYcv1](#) lost 0.37%, while its palm oil contract [DCPcv1](#) fell 0.96%. Soyoil prices on the Chicago Board of Trade [BOc2](#) were up 0.45%. Palm oil is affected the by price movements in related oils as they compete for a share in the global vegetable oils market.



## Technical:

Palm gains but logs second weekly decline on higher output, stocks, next level to watch 951.00.

## Support:

806.00 = Dec 2022 High

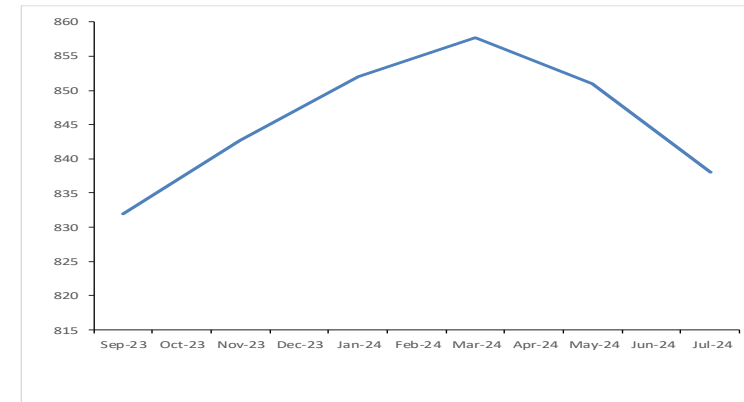
697.82 = May 2023 Low

## Resistance:

951.42 = Feb 2023 High

1,101.35 = Jul 2022 High

## Futures Curve



# Cotton

Last Price

USc **89.29**/LBS

ICE cotton futures reversed course to advance nearly 2% on Friday after a key U.S. federal monthly supply and demand report forecast lower domestic and global cotton production for the 2023/24 crop year. The most-active December cotton contract [CTZ3](#) rose 1.65 cents, or about 1.9%, to 87.8 cents per lb, after hitting a session high of 88.83 cents. The contract is set to mark its biggest weekly rise in 3 months if the gains are sustained. The USDA, in its August World Agricultural Supply and Demand Estimates (WASDE) report, projected higher beginning stocks, but a 2.5-million-bale decrease in production resulting in lower exports, domestic use, and ending stocks for 2023/24 U.S. cotton. It forecast U.S. ending stocks at 3.1 million bales versus 3.8 million in the July report.



## Technical:

Cotton rises nearly 2% after USDA trims US, global output. Next level to watch 90.00.

## Support:

72.00 = Nov 2022 Low

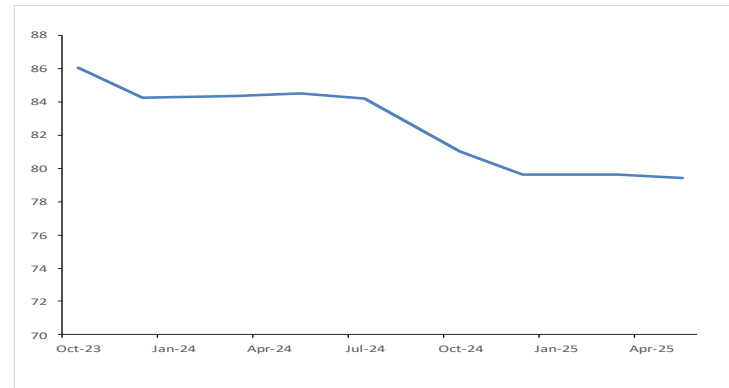
63.01 = Sep 2020 Low

## Resistance:

90.85 = Jul 2022 Low

96.14 = Oct 2022 High

## Futures Curve



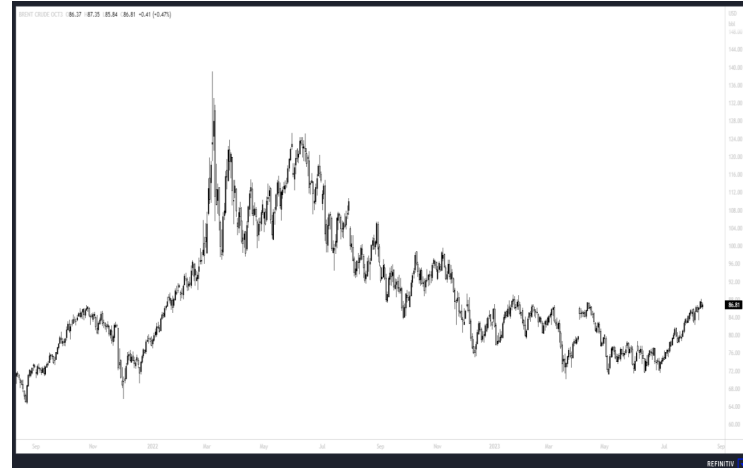


# Brent Crude

Last Price

USD **86.81**/BBL

Oil prices edged higher on Friday after the International Energy Agency forecast record global demand and tightening supplies, propelling prices to the seventh straight week of gains, the longest such streak since 2022. Brent crude futures [LCOc1](#) rose 41 cents, or 0.5%, to settle \$86.81 a barrel, while U.S. West Texas Intermediate (WTI) crude futures [CLc1](#) gained 37 cents, or 0.5%, to settle at \$83.19. On a weekly basis, both benchmarks rose about 0.5%. The last time that Brent rose for seven straight weeks was in January-February 2022, prior to Russia's invasion of Ukraine. After falling for [eight weeks in a row](#), the number of oil rigs operating in the U.S., an early indicator of future output, held steady at 525 this week.



## Technical:

Oil up on record demand forecast, 7th straight weekly gain, next level to watch 89.37.

## Support:

70.42 = Sep 2021 Low

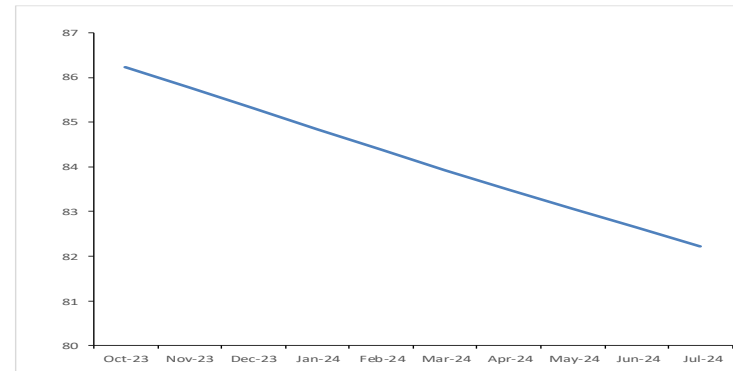
64.54 = Aug 2019 High

## Resistance:

89.37 = Dec 2021 High

91.70 = Jan 2022 High

## Futures Curve

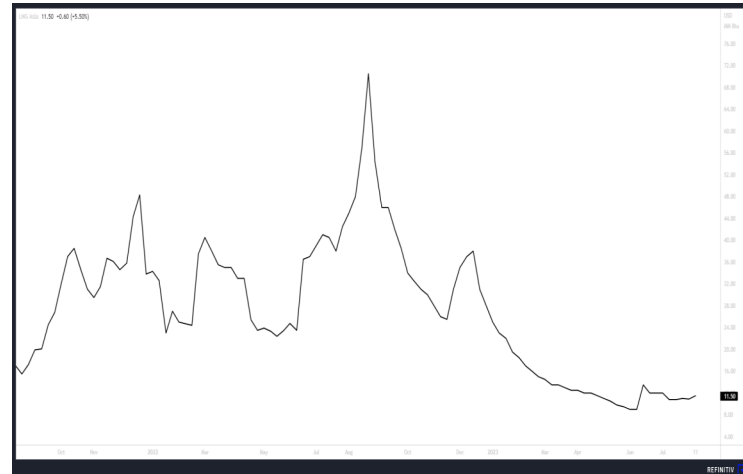


# LNG

Last Price

USD **11.50**/MMBTU

Asian spot liquefied natural gas (LNG) prices inched up this week as the prospect of possible industrial action at Australian LNG facilities sparked fears it would fuel competition between Asian and European buyers for cargoes. The average LNG price for September delivery into north-east Asia [LNG-AS](#) rose to \$11.50 per million British thermal units (mmBtu) from \$10.90 the previous week, industry sources estimated. Forward prices for the next two months rose between 10%-15%. S&P Global Commodity Insights assessed its daily north-west Europe LNG Marker (NWM) price benchmark for cargoes delivered in September on an ex-ship (DES) basis at \$11.395/mmBtu on Aug. 10, a \$0.45/mmBtu discount to the September gas price at the Dutch TTF gas hub. A rally in spot LNG freight rates accelerated this week, with Atlantic spot rates rising to \$90,250/day on Friday, and Pacific rates rising to \$85,750/day.



## Technical:

Asian spot prices inch up as market eyes Australian strikes. Next level to watch 12.00.

## Support:

09.50 = May 2023 Low

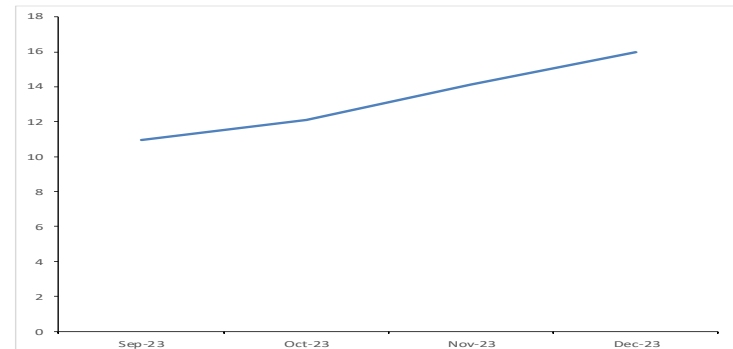
08.85 = Apr 2021 High

## Resistance:

12.00 = Jul 2023 High

13.50 = Mar 2023 High

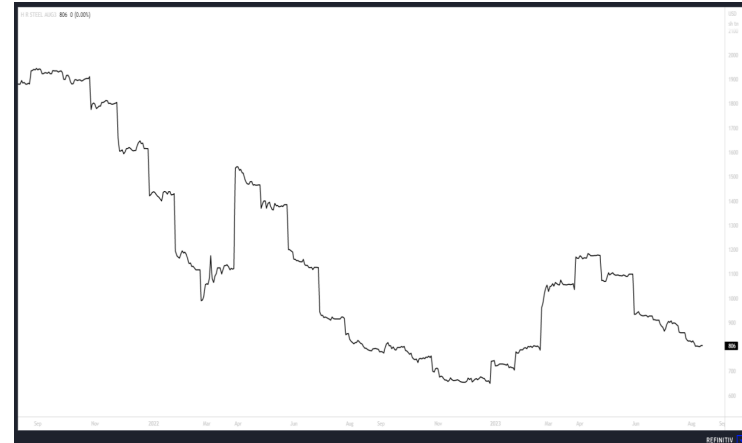
## Futures Curve



# Steel (HRC)

Iron ore futures spiked more than 2% on Friday, helped by rising steel mill production in China, although lingering property sector and steel demand concerns continued to weigh on sentiment. The most-traded January iron ore on China's Dalian Commodity Exchange [DCIOcv1](#) ended daytime trade 2.1% higher at 728 yuan (\$100.64) per metric ton. On the Singapore Exchange, the benchmark September iron ore [SZZFU3](#) jumped 2.2% to \$103 a metric ton, as of 0730 GMT, paring the previous day's losses. Most steel benchmarks on the Shanghai Futures Exchange were mixed. The most-active rebar contract [SRBcv1](#) inched up 0.1%, hot-rolled coil [SHHCcv1](#) was unchanged, wire rod [SWRcv1](#) lost 0.7%, while stainless steel [SHSScv1](#) climbed 1.5%. Other steelmaking ingredients Dalian coking coal [DJMcv1](#) and coke [DCJcv1](#) declined 0.6% and 0.9%, respectively.

Last Price USD **806.00**/ tons



## Technical:

Iron ore futures mixed amid China property sector aid, steel output concerns. Next level to watch 785.00.

## Support:

785.00 = Feb 2023 Low

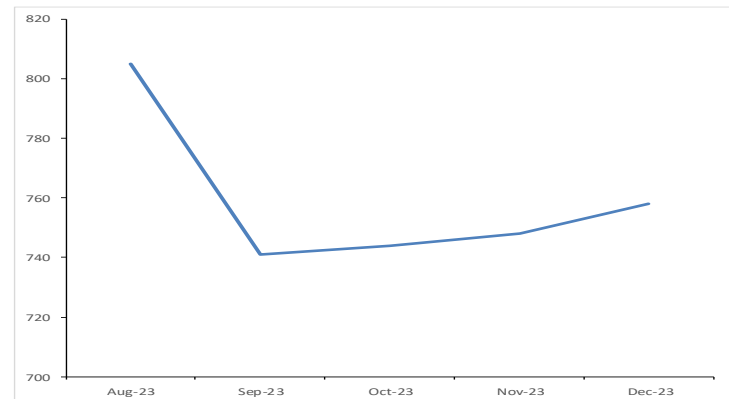
650.00 = Dec 2022 Low

## Resistance:

926.00 = Jun 2018 High

1070.00 = Feb 2023 High

Futures Curve of SHFE Steel Futures



# SHFE Zinc

Last Price USD **2,863.58**/Tons

LME zinc prices closed up \$9.5/mt or 0.38% at \$2,479.5/mt last evening. The trading volume decreased to 7,144 lots, and open interest added 3,081 lots to 205,000 lots. LME zinc inventory shed by 1,175 mt to 88,825 mt. The macro performance is flat, and the market is mostly waiting for more data guidance, and the declining inventory provided support for LME zinc prices. The most active SHFE 2309 zinc contract prices closed at 20,820 yuan/mt overnight, up 125 yuan/mt or 0.6%. The trading volume was down to 63,683 lots, and open interest fell 958 lots to 92,035 lots. The domestic real estate-related policies have provided support for zinc prices. However, in August, the production of refined zinc will remain high and still exert certain pressure. Overall, zinc prices will remain rangebound at the current level.

### Technical:

The fundamentals have not changed much, zinc relatively stable, next level to watch 2,976.44.

### Support:

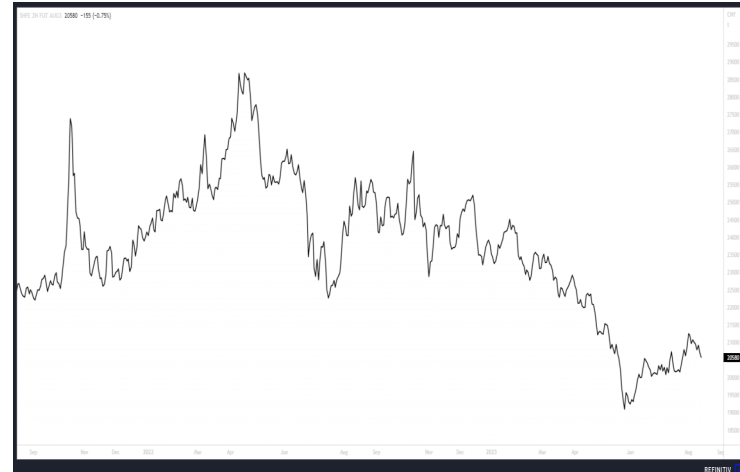
2,634.51 = Aug 2020 Low

2,610.00 = Jan 2020 High

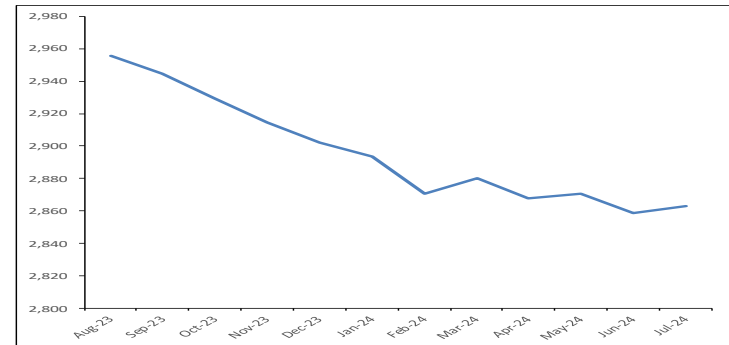
### Resistance:

2,976.44 = Sep 2020 High

3,291.42 = Jul 2021 High



### SHFE Zinc Forward Curve



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