



# Commodities Weekly

Issue 28-2023

Date: 20 Aug 2023

# Bloomberg Commodity Index

104.24 ▼



**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>613.25</b>	▼ -2.15%	▼ -15.65%	▼ -18.59%	<b>797.40</b>	<b>573.25</b>
<a href="#">Sugar</a>	\$/LBS	<b>23.76</b>	▼ -2.34%	▼ -3.69%	▲ 31.34%	<b>27.41</b>	<b>18.92</b>
<a href="#">Soybean</a>	\$/BSH	<b>1,362.75</b>	▼ -2.75%	▼ -8.85%	▼ -8.46%	<b>1,616.50</b>	<b>1,270.75</b>
<a href="#">Palm Oil</a>	\$/Ton	<b>832.94</b>	▲ 2.66%	▼ -5.71%	▼ -9.64%	<b>986.18</b>	<b>716.14</b>
<a href="#">Cotton</a>	\$/LBS	<b>84.32</b>	▼ -5.57%	▼ -1.87%	▼ -29.59%	<b>90.33</b>	<b>75.70</b>
<a href="#">Brent Crude</a>	\$/BBL	<b>84.80</b>	▼ -2.32%	▲ 6.48%	▼ -12.32%	<b>89.09</b>	<b>70.12</b>
<a href="#">LNG</a>	\$/MMBTU	<b>14.00</b>	▲ 21.74%	▲ 29.63%	▼ -75.44%	<b>25.00</b>	<b>9.00</b>
<a href="#">Steel</a>	\$/Ton	<b>807.00</b>	▲ 0.12%	▼ -5.94%	▼ -11.80%	<b>1,200.00</b>	<b>705.00</b>
<a href="#">SHFE Zinc</a>	\$/Ton	<b>2,755.49</b>	▼ -4.49%	▼ -2.80%	▼ -25.04%	<b>3,395.60</b>	<b>2,571.43</b>
Indonesian Coal*	\$/Ton	<b>179.90</b>	↔ 0.00%	▼ -5.94%	▼ -44.06%	<b>305.21</b>	<b>191.26</b>
Australian Coal	\$/Ton	<b>255.00</b>	▲ 1.06%	▲ 10.39%	▲ 2.41%	<b>381.00</b>	<b>224.50</b>
Gold	\$/Ozs	<b>1,888.19</b>	▼ -1.31%	▲ 0.48%	▲ 8.03%	<b>2,072.19</b>	<b>1,804.20</b>

\*Price published monthly once by Indonesian Govt

# Wheat

Last Price

USc **613.25**/BSH

Chicago Board of Trade wheat futures finished higher on Friday on renewed concerns that escalating tensions between Russia and Ukraine could disrupt Black Sea grain exports. A Ukrainian drone smashed into a building in central Moscow after Russian air defenses shot it down. CBOT December soft red winter wheat [WZ3](#) ended up 23-3/4 cents at \$6.39 a bushel. The market [Wv1](#) bounced after dropping on Tuesday to its lowest price since June 1. K.C. hard red winter wheat for December delivery [KWZ3](#) finished 19 -1/4 cents stronger at \$7.60-3/4 a bushel. MGEX December spring wheat [MWEZ3](#) was last up 14-1/4 cents at \$8.17-3/4 a bushel.



## Technical:

Wheat closes higher on escalating Black Sea tensions. Next level to watch 604.50.

## Support:

604.50 = Jul 2021 Low

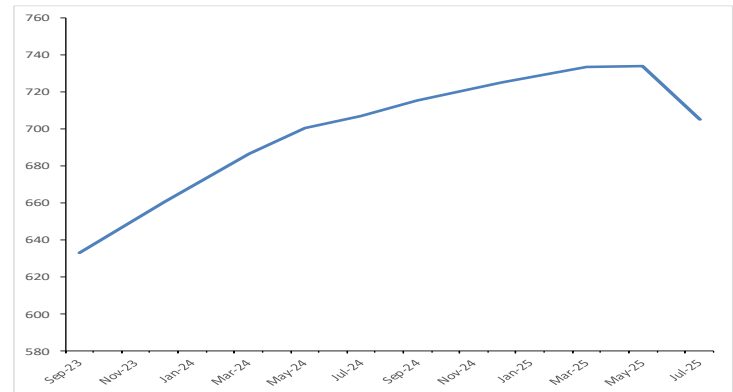
571.75 = Apr 2020 High

## Resistance:

718.00 = Jul 2021 High

780.00 = Oct 2021 High

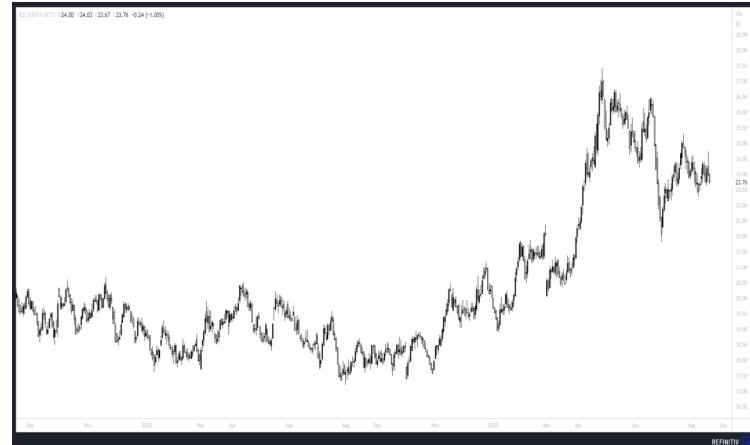
## Futures Curve



# Sugar

Last Price USc **23.76**/LBS

October raw sugar [Sbc1](#) settled down 0.19 cents, or 0.8%, at 24.00 cents per lb, after setting a three-week high of 24.74 cents. Dealers said the market continues to derive support from the prospect of a global deficit in the 2023/24 season and concerns that dry weather linked to an El Nino weather event could curb production in key Asian producers such as Thailand. October white sugar [LSUc1](#) settled down \$6.80, or 1.0%, at \$694.80 a tonne, after hitting \$712.20 a tonne, highest since May 30.



## Technical:

Raw sugar falls after reaching three week high, next level to watch 22.78.

## Support:

22.78 = Jul 2023 Low

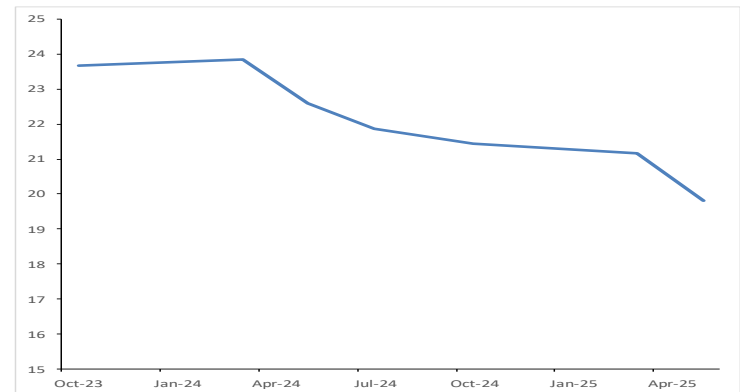
22.36 = Mar 2023 High

## Resistance:

25.30 = Jul 2023 High

26.49 = Jun 2023 High

## Futures Curve



# Soybean

Last Price USc **1,362.75**/BSH

CBOT soybean futures closed higher on Friday as forecasts for heat and little rain raised concerns about the risk for U.S. crop damage. Hotter and drier conditions are expected across the U.S. over the next week, with any showers limited to the far northern Plains and far northern Midwest. Technical buying helped propel prices higher as the market rose above moving averages. Benchmark November soybean futures [SX3](#) climbed 23-1/4 cents to \$13.53-1/4 a bushel and touched its highest price since July 31. CBOT December soybean futures [SMZ3](#) ended \$8.30 higher at \$389 a ton. CBOT December soyoil [BOZ3](#) rose 0.31 cent to finish at 64.09 cents per lb.

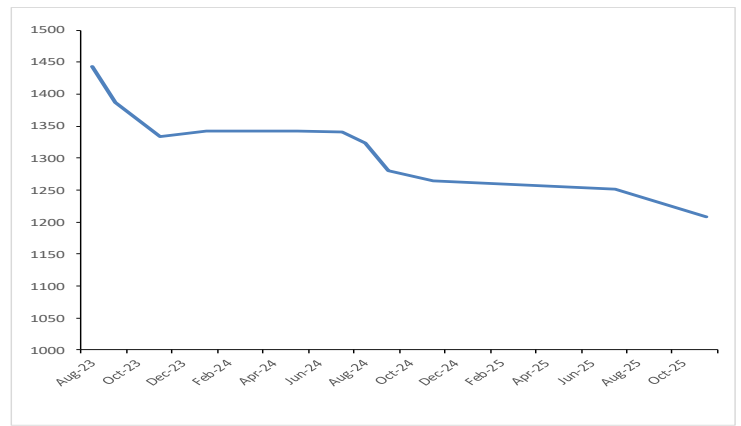


**Technical:**  
 Soybeans touch July high on US heat threat, next level to watch 1,350.00.

**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 **832.94**/Ton

Malaysian palm oil futures reversed early gains on Friday after hitting a two-week high, but clocked their first weekly gain in four on robust demand, a weaker ringgit and stronger rival edible oils. The benchmark palm oil contract [FCPOc3](#) for November delivery on the Bursa Malaysia Derivatives Exchange fell 54 ringgit, or 1.38%, to 3,869 ringgit (\$832.94) per metric ton, after a three-day climb. The contract had earlier risen as much as 1.1%. For the week, the contract has jumped 4.09%. alian's most-active soyoil contract [DBYcv1](#) rose 0.7%, while its palm oil contract [DCPcv1](#) gained 0.7%. Soyoil prices on the Chicago Board of Trade [BOcv1](#) were down 0.08%. Palm oil is affected by price movements in related oils as they compete for a share in the global vegetable oils market.



## Technical:

Palm reverse early gains but logs weekly jump on improved demand, next level to watch 951.00.

## Support:

806.00 = Dec 2022 High

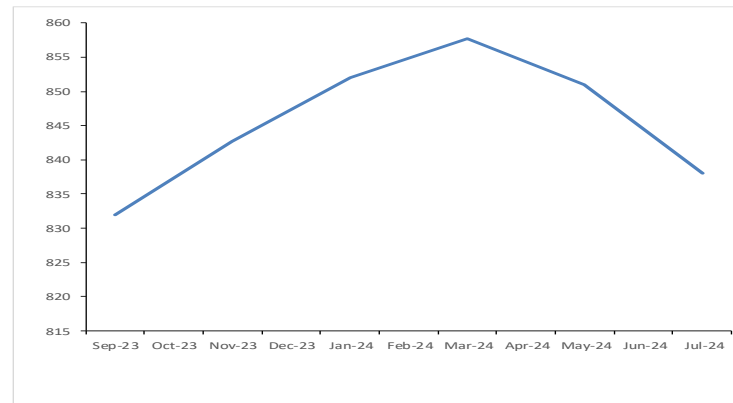
697.82 = May 2023 Low

## Resistance:

951.42 = Feb 2023 High

1,101.35 = Jul 2022 High

## Futures Curve



# Cotton

Last Price

USc **84.32**/LBS

ICE cotton futures were headed for their worst week in more than five months on Friday, as economic concerns surrounding top buyer China clouded the demand outlook for the natural fiber. The most-active December cotton contract [CTZ3](#) rose 0.03 cent, or 0.04%, to 83.64 cents per lb at 12:38 p.m. EDT (1638 GMT). But it is down 4.6% so far this week, on track for its worst fall since the week of March 10. The small uptick on the day was attributed to some short-covering, higher oil prices and a dip in the dollar, which makes cotton less expensive for overseas buyers. China lowered several key interest rates earlier this week in a bid to shore up [struggling activity](#) and is expected to cut prime loan rates on Monday, but analysts say moves so far have been too little and too late.



## Technical:

Cotton heads for worst week in over 5 months as China demand outlook sours. Next level to watch 90.00.

## Support:

72.00 = Nov 2022 Low

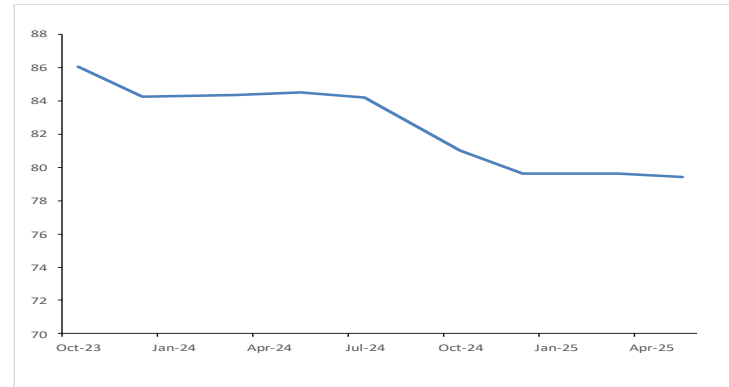
63.01 = Sep 2020 Low

## Resistance:

90.85 = Jul 2022 Low

96.14 = Oct 2022 High

## Futures Curve





# Brent Crude

Last Price

USD **84.80**/BBL

Oil prices rose about 1% on Friday on signs of slowing U.S. output, but both crude benchmarks also ended their longest weekly rally of 2023 on mounting concerns about global demand growth.

West Texas Intermediate (WTI) crude futures [CLc1](#) gained 86 cents, or 1.1%, to settle at \$81.25 a barrel, and Brent crude futures [LCOc1](#) rose 68 cents, or 0.8%, to settle at \$84.80 a barrel. This week, however, oil prices dropped about 2% from last week, as a worsening [property crisis](#) in China added to concerns about the country's sluggish economic recovery and reduced investors appetite for risk across markets. Oil benchmarks were further depressed by seasonal demand weakness heading into the autumn.



## Technical:

Oil up 1% on signs of slow US output, posts first weekly loss in 8 weeks, next level to watch 89.37.

## Support:

70.42 = Sep 2021 Low

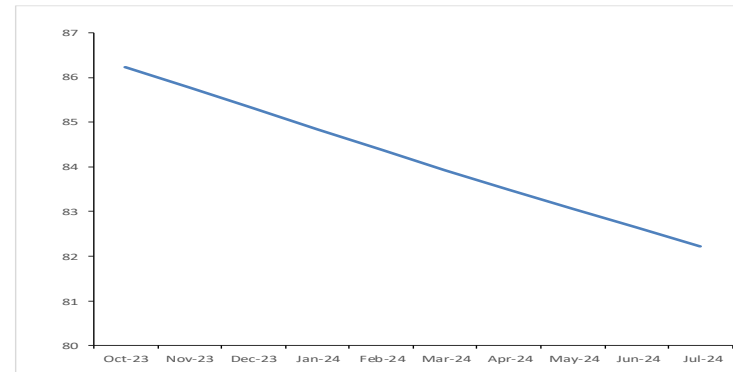
64.54 = Aug 2019 High

## Resistance:

89.37 = Dec 2021 High

91.70 = Jan 2022 High

## Futures Curve



# LNG

Last Price

USD **14.00**/MMBTU

Asian spot liquefied natural gas (LNG) prices rose this week to the highest level in five months, as the risk of possible industrial action at some Australian LNG facilities raised concerns over supply. The average LNG price for October delivery into north-east Asia [LNG-AS](#) rose to \$14.00 per million British thermal units (mmBtu) from \$11.50 the previous week, its highest level since mid-March. 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 \$12.799/mmBtu on Aug. 17, a \$0.70/mmBtu discount to the October gas price at the Dutch TTF gas hub. Argus assessed the north-west Europe DES price at \$12.85/mmBtu, while Spark Commodities estimated the price at \$11.562/mmBtu.

## Technical:

Asian spot prices rise to 5-months high on Australian strikes risk.  
Next level to watch 12.00.

## Support:

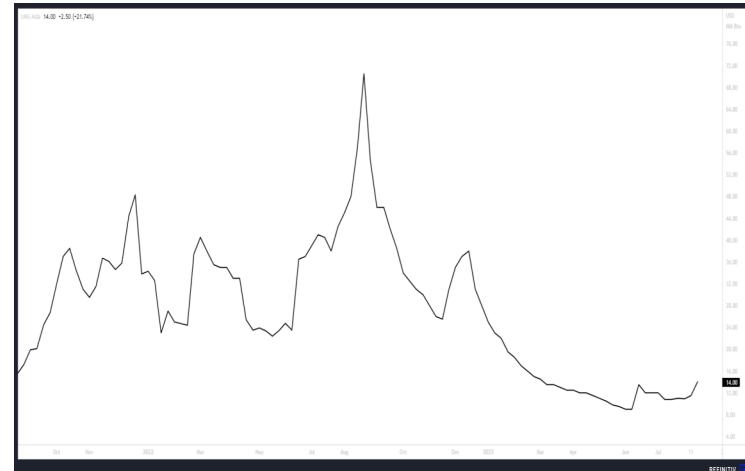
13.50 = Mar 2023 High

12.00 = Jul 2023 High

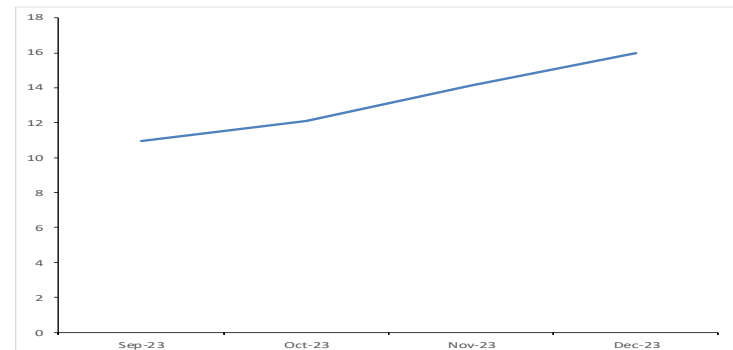
## Resistance:

14.50 = Mar 2023 High

15.00 = Feb 2023 Low



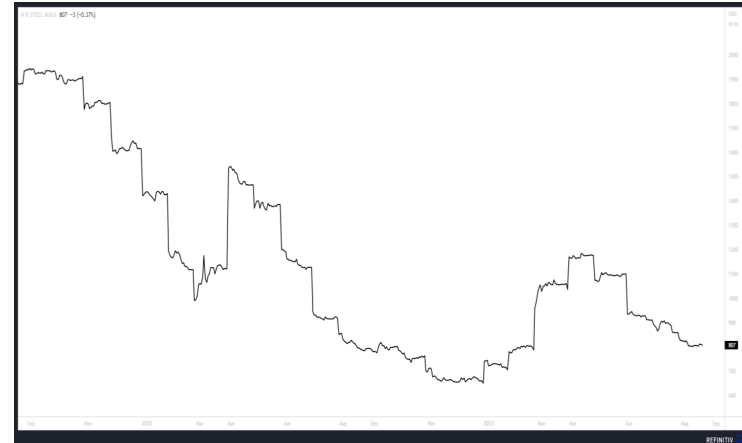
## Futures Curve



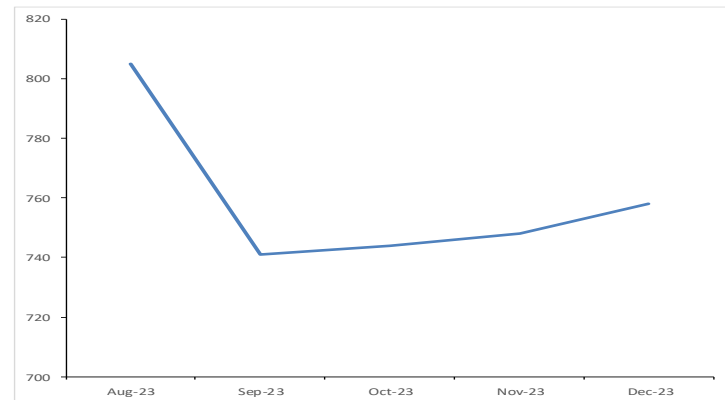
# Steel (HRC)

Last Price USD **807.00**/ tons

Iron ore futures posted a second consecutive weekly gain on Friday, buoyed by relief that steel mills in China's top steelmaking province were yet to cut production, even as doubts linger over long-term demand. The most-traded January iron ore on China's Dalian Commodity Exchange [DCIOcv1](#) was up 2.94% at 771.5 yuan (\$105.87) per metric ton, rising for a seventh straight session. On the Singapore Exchange, the benchmark September iron ore [SZZFU3](#) extended gains and was last up 0.8% at \$106.5 a ton. On the Shanghai Futures Exchange, the most-active rebar contract [SRBcv1](#) lost 0.1%, hot-rolled coil [SHHCcv1](#) rose 0.1, wire rod [SWRcv1](#) dipped 0.1% and stainless steel [SHSScv1](#) gained 0.7%. Other steelmaking ingredients Dalian coking coal [DJMcv1](#) and coke [DCJcv1](#) soared 2.8% and 1.5%, respectively.



Futures Curve of SHFE Steel Futures



## Technical:

Iron ore strengthens for second week on near-term demand relief. 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

# SHFE Zinc

Last Price USD **2,755.49**/Tons

The most active SHFE zinc contract lost \$5.5/mt or 0.24% to settle at 2,296.5 yuan/mt in overnight trading. Trading volumes decreased 10,739 lots, and open interest increased 3,851 lots to 204,000 lots. LME zinc inventory increased by 1,025 mt to 142,775 mt, an increase of 0.72%.

The most active SHFE 2310 zinc contract prices closed at 19,865 yuan/mt last evening, up 85 yuan/mt or 0.43%. Trading volume fell to 49,569 lots, and open interest gained by 2,412 lots to 92,071 lots. Overnight, the domestic real estate policy and the central bank's exchange rate stabilization policy, the yuan rebounded. Non-ferrous metals prices rebounded accordingly.

### Technical:

Zinc inventories surge 54% in two days amid weak demand, next level to watch 2,976.44.

### Support:

2,634.51 = Aug 2020 Low

2,610.00 = Jan 2020 High

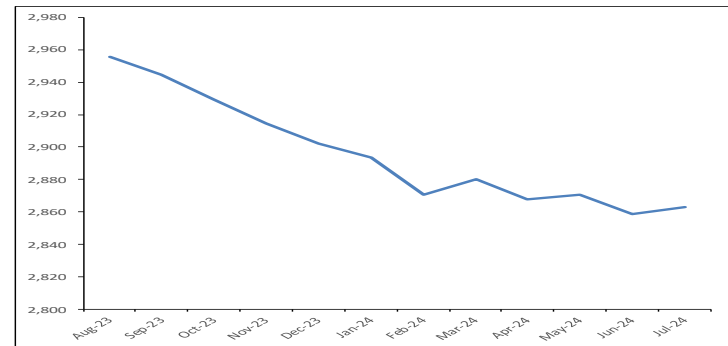
### Resistance:

2,976.44 = Sep 2020 High

3,291.42 = Jul 2021 High



### SHFE Zinc Forward Curve



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