



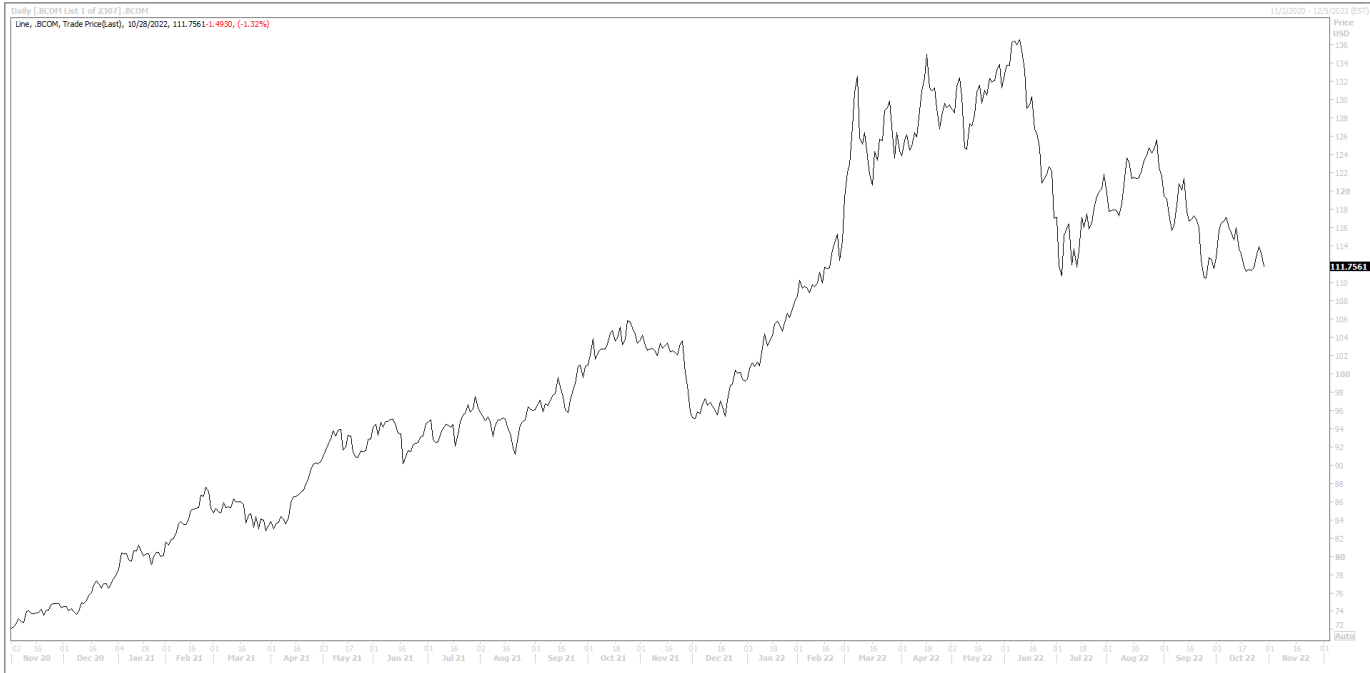
Commodities Weekly

Issue 29-2022

Date: 30 Oct 2022

Bloomberg Commodity Index

111.7561 ▼



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 Name	Closing Price	% Δ Weekly	% Δ MoM	% Δ YoY	YTD High	YTD Low
Wheat	829.25	▼ 2.53%	▼ 8.19%	▲ 7.35%	1,425.25	731.5
Sugar	17.58	▼ 4.35%	▼ 3.88%	▼ 10.40%	20.00	17.00
Soybean	1,387.75	▼ 0.56%	▼ 1.49%	▲ 12.48%	1,769.00	1,344.00
Palm Oil	810.00	▼ 3.57%	▲ 19.21%	▼ 36.71%	1,947.00	680.00
Cotton	72.11	▼ 8.87%	▼ 20.27%	▼ 36.60%	158.02	72.11
Brent Crude	95.77	▲ 2.43%	▲ 7.22%	▲ 13.58%	128.00	78.98
LNG	30.00	▼ 3.23%	▼ 22.08%	▲ 12.15%	71.00	22.00
Steel	710.00	▼ 6.82%	▼ 9.67%	▼ 60.51%	1,541.00	697.00
LME Zinc	2,821.50	▼ 3.64%	▼ 1.10%	▼ 16.33%	4,498.50	2,821.50
Gold	1,641.76	▼ 0.90%	▼ 1.07%	▼ 8.72%	2,052.41	1,621.57

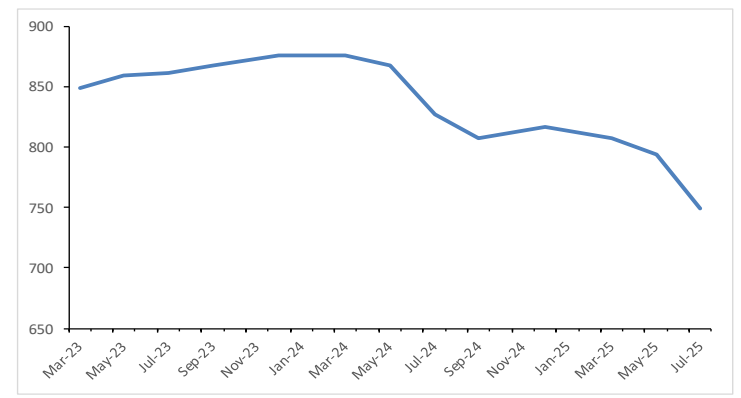
Wheat

Last Price USc **829.25**/BSH

Chicago Board of Trade wheat futures settled lower on Friday as beneficial rains hit growing areas in the U.S. Plains. CBOT December soft red winter wheat [WZ2](#) settled down 9-1/4 cents at \$8.29-1/4 a bushel. K.C. December hard red winter wheat [KWZ2](#) ended 7 -1/4 cents lower at \$9.25 a bushel, while MGEX December spring wheat [MWEZ2](#) fell 5-1/2 cents to close at \$9.45 a bushel. In Argentina, the core farming region is likely to produce just 1.34 million tonnes of wheat amid a protracted drought, which would mark an 83% drop versus a bumper crop a year earlier. Euronext wheat was little changed as participants assessed Argentina's crop and awaited clearer indications over talks to prolong a wartime grain shipping corridor from Ukraine.



Futures Curve



Technical:
 Wheat ends down as rains benefit U.S. Plains. Next level to watch 773.00.

Support:
 773.00 = Sep 2022 Low
 725.75 = Aug 2022 Low

Resistance:
 888.00 = Jul 2022 High
 945.75 = Sep 2022 High

Sugar

Last Price USc **17.58**/LBS

March raw sugar [SBc1](#) settled down 0.13 cents, or 0.7%, at 17.58 cents per lb after dipping to a 3-1/2 week low of 17.55 cents. The contract lost 4.35% in the week and 6.8% in the last two weeks. The prospect of a global surplus in the current 2022/23 season continued to keep the market on the defensive, though short-term supplies remain tight. [Funds reduced their net long position in raw sugar](#) futures on ICE U.S. in the week to Oct. 25. December white sugar [LSUc1](#) fell 0.3% to \$515.80 a tonne. December white sugar [LSUc1](#) fell 0.3% to \$515.80 a tonne.



Technical:

Funds reduced their net long position in raw sugar, next level to watch 17.20.

Support:

17.20 = Aug 2022 Low

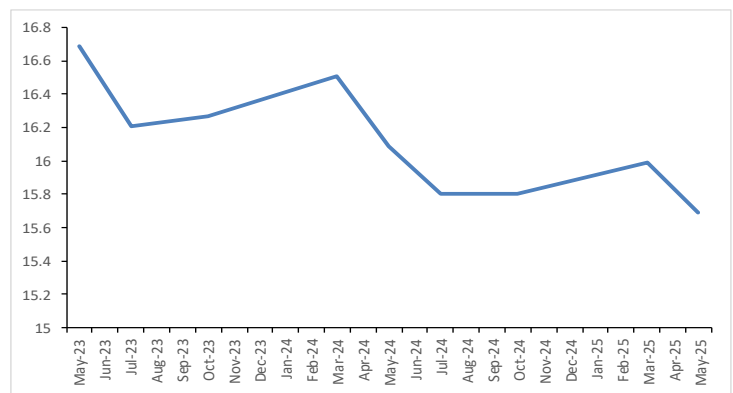
16.54 = May 2021 Low

Resistance:

18.20 = Jun 2022 Low

18.87 = Feb 2022 High

Futures Curve



Soybean

Last Price

USc **1,387.75**/BSH

Chicago Board of Trade soybean futures closed stronger on Friday amid spillover support from strong gains in outside markets. November soybean futures [SX2](#) ended 5-1/2 cents higher at \$13.87-3/4 a bushel, and January soybeans [SF3](#) jumped 6-3/4 cents to end at \$14.00-1/4. CBOT December soy meal [SMZ2](#) finished \$10 stronger at \$425.40 a ton, while CBOT December soy oil [BOZ2](#) slid 0.51 cent to settle at 71.79 cents per lb. A robust, broad-based rally sent Wall Street stocks surging, as encouraging economic data and a rosier earnings outlook buoyed investor risk appetite. Exporters sold 126,000 tonnes of U.S. soybeans to China and 198,000 tonnes of U.S. soybeans to Spain for delivery during the 2022/23 marketing year.



Technical:

Soybeans finish higher as stock market rallies, next level to watch 1,443.00.

Support:

1,332.00 = Jan 2022 Low

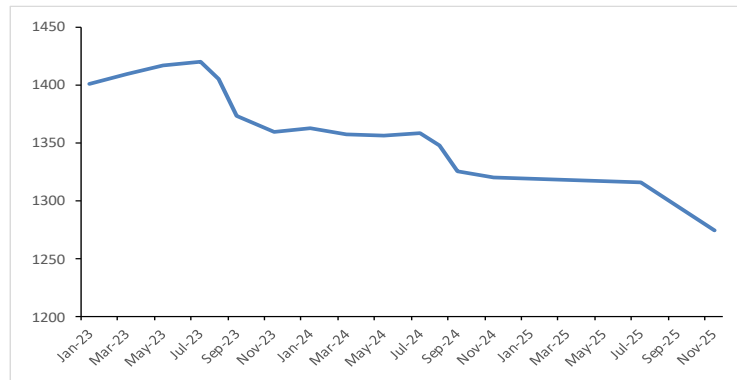
1,262.50 = Oct 2021 High

Resistance:

1,443.75 = Aug 2022 Low

1,480.00 = Jul 2021 Low

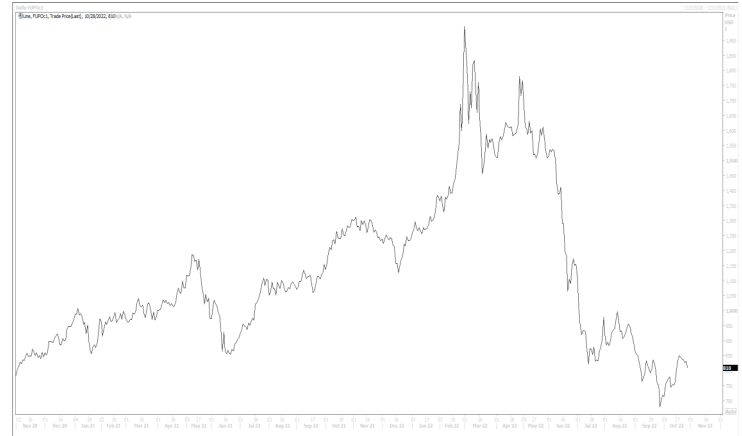
Futures Curve



Palm Oil

Last Price USD **810.00**/Ton

Malaysian palm oil futures on Friday tracked a slump in rival edible oils to post its biggest one-day drop in a month and logged a weekly loss amid concerns over sluggish demand. The benchmark palm oil contract [FCPOc3](#) for January delivery on the Bursa Malaysia Derivatives fell 3.86% to 3,987 ringgit (\$844.70) by closing, its biggest decline since Sept. 28. The contract lost 2.78% over the week. Lower crude oil, weaker bean oil on CBOT and over 300 points losses on Dalian was enough to tip the palm market into deep red. Dalian's soyoil contract for January delivery [DBYv1](#) fell 3.74%, while its palm oil contract [DCPv1](#) dropped 3.72%. Soyoil prices on the Chicago Board of Trade [BOc2](#) lost 0.68%. 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 tracks rivals lower, posts 2.8% weekly drop, next level to watch 784.00.

Support:

784.00 = Oct 2020 High

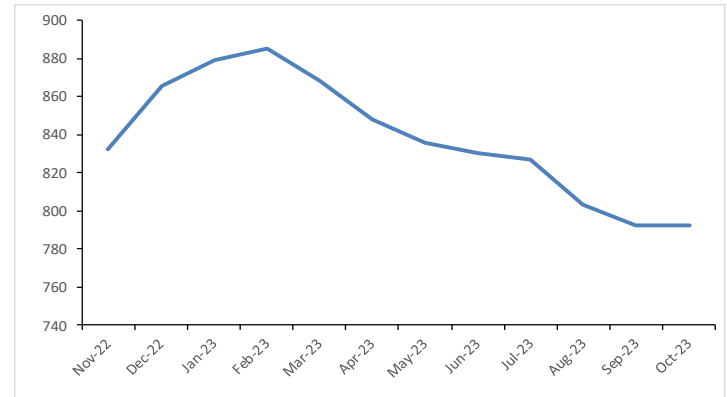
700.00 = Aug 2020 High

Resistance:

861.00 = Sep 2022 High

925.00 = Jul 2021 Low

Futures Curve



Cotton

Last Price USc **72.11**/LBS

ICE cotton futures traded limit down on Friday, heading for their seventh straight week of decline, reeling under pressure from an ascendant dollar and stunted demand amid worries of a wider economic slowdown. The cotton contract for December [CTZ2](#) traded limit down, falling 3 cents, or 4%, to its lowest since January 2021 at 72.11 cents per lb. The contract was down almost 8.9% on the week, set to log its worst week in eight. The dollar index, which tracks the greenback against six major peers, was up 0.3%, making U.S. cotton more expensive for overseas buyers. [USD/](#) Speculators increased their net short position in cotton futures on ICE U.S. to 5,689 contracts, adding 4,915 in the week to Oct. 18, data from the Commodity Futures Trading Commission (CFTC) showed last week.



Technical:

Cotton recorded 7th weekly fall on lack of demand, stronger dollar. Next level to watch 67.00.

Support:

67.20 = Jan 2020 Low

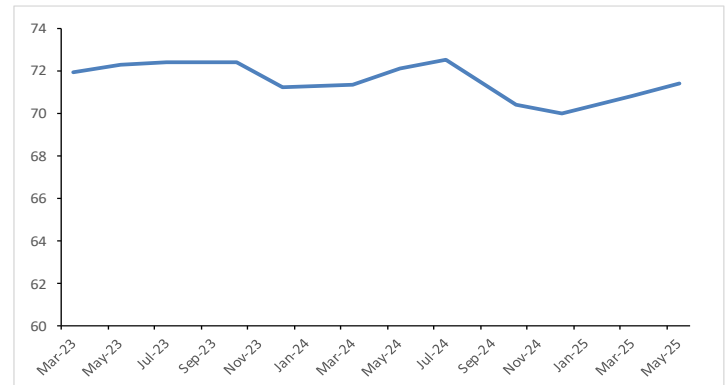
58.00 = Sep 2019 Low

Resistance:

77.65 = Apr 2021 Low

87.74 = Jun 2021 High

Futures Curve



Brent Crude

Last Price

USD **95.77** /BBL

Oil prices eased about 1% on Friday after top crude importer China widened its COVID-19 curbs, though the crude benchmarks were poised for a weekly gain on supply concerns and surprisingly strong economic data. Brent [LCOc1](#) futures fell \$1.19, or 1.2%, to settle at \$95.77 a barrel. U.S. West Texas Intermediate (WTI) crude [CLc1](#) fell \$1.18, or 1.3%, to \$87.90. U.S. gasoline futures [RBc1](#) dropped about 3%, while U.S. diesel futures [HOc1](#) rose about 5% to their highest since mid June. For the week, Brent rose about 2% and WTI was up about 3%. PetroChina [0857.HK](#) said [China's demand](#) for refined fuel and natural gas was set to grow year-on-year in the fourth quarter in tandem with an expected economic recovery as Beijing rolls out more stimulus policy. Economic strength in two major economies limited oil's losses.



Technical:

Oil futures ease 1% as China widens COVID curbs, next level to watch 100.00.

Support:

86.35 = Oct 2022 Low

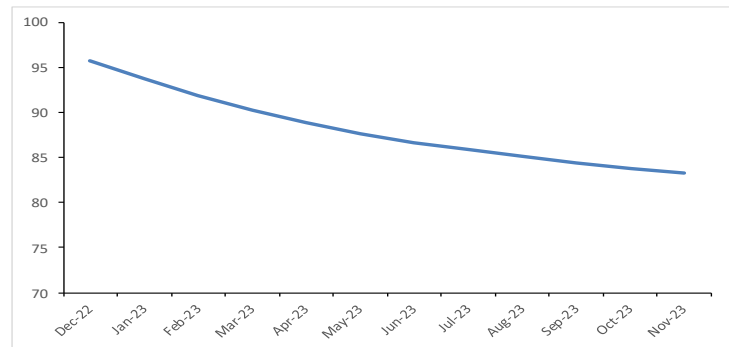
80.75 = Sep 2021 High

Resistance:

101.30 = May 2022 Low

105.48 = Aug 2022 High

Futures Curve

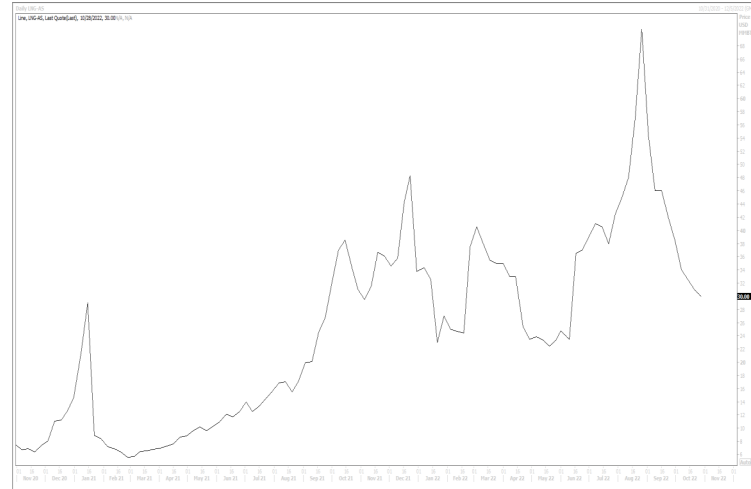


LNG

Last Price

USD **30.00**/MMBTU

Asian spot liquefied natural gas prices (LNG) slipped this week, extending declines as strong inventory levels and ample year-end cargo supply muted buying activity. The average LNG price for December delivery into north-east Asia [LNG-AS](#) was \$30 per million British thermal units (mmBtu) this week, down \$1, or 3.2%, from the previous week. Asian buyers have been stockpiling on supplies of the super-chilled fuel ahead of the peak winter power and gas demand season, though unexpected supply disruptions or a cold snap could lead to a spike in demand. In Europe, S&P Global Commodity Insights assessed LNG prices on a delivered ex-ship (DES) basis into northwest Europe (NWE) at \$28.222/mmBtu on Oct. 27, a discount of \$10.50/mmBtu to December gas price at the Dutch TTF gas hub. Dozens of ships carrying LNG have been [circling off the coasts](#) of Spain for weeks, unable to secure slots to unload as plants that convert the fuel back to gas are operating at maximum capacity.



Technical:

LNG-Asia prices edge down on ample inventories. Next level to watch 26.75.

Support:

26.75 = Sep 2021 High

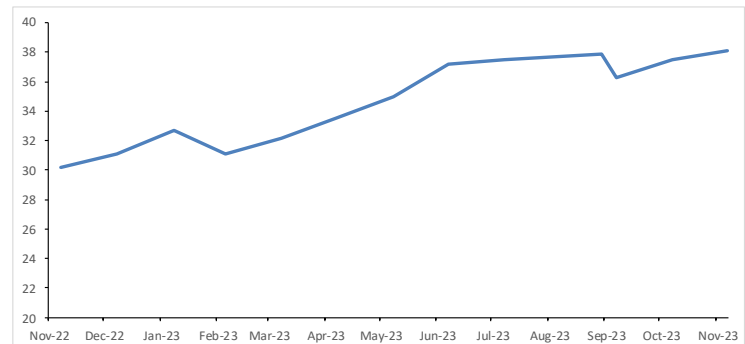
23.50 = Jun 2022 Low

Resistance:

34.00 = Oct 2022 High

38.50 = Sep 2022 Low

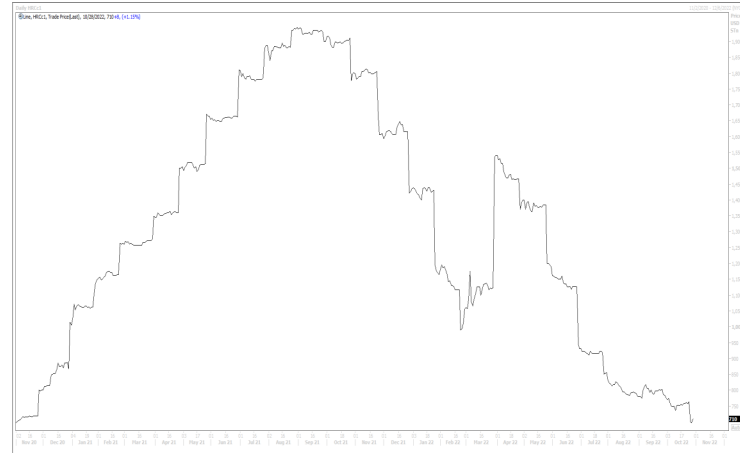
Futures Curve



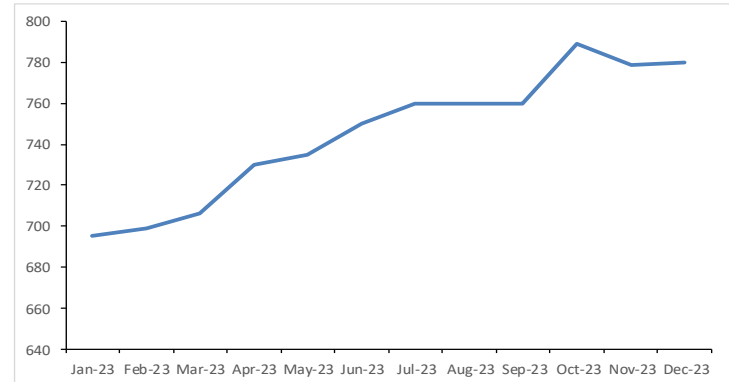
Steel (HRC)

Last Price USD **710.00**/ tons

Iron ore futures tumbled on Friday, with the steelmaking ingredient sinking below \$80 per tonne in Singapore and leading a ferrous market rout in China spurred by a gloomy outlook for global steel demand and supply-side pressures. The most-traded November iron ore on the Singapore Exchange [SZZFX2](#) fell as much as 3.6% to \$78.80 a tonne, the lowest since 2020. It was down 2.2% at \$79.90, as of 0801 GMT, and has fallen more than 50% from its April peak above \$160. On China's Dalian Commodity Exchange, the most-active January contract [DCIOcv1](#) ended daytime trade 4.9% lower at 624.50 yuan (\$86.31) a tonne, on track for its third consecutive weekly fall. Ferrous metals on the Shanghai Futures Exchange slumped, with rebar [SRBcv1](#) down 2.8%, hot-rolled coil [SHHCcv1](#) and wire rod [SWRcv1](#) dropped 3% and 2.2%, respectively. Stainless steel [SHSScv1](#) dipped 2.9%.



Futures Curve of SHFE Steel Futures



Technical:

Iron ore crashes on economic gloom, supply pressures. Next level to watch 675.00.

Support:

675.00 = Feb 2019 Low

622.00 = Oct 2020 Low

Resistance:

765.00 = Sep 2022 Low

820.00 = Sep 2022 High

LME Zinc

Last Price USD **2,821.50**/Tons

Shanghai nonferrous metals closed mostly with losses as the market sentiment was quite bearish today after the European Central Bank raised the interest rate by another 75 basis points to 1.5% overnight. Shanghai copper declined 1.01%, aluminium lost 2.8%, lead slid 0.56%, zinc shed 2.73%, tin fell 4.39%, and nickel dropped 1.68%. The most-traded SHFE 2212 zinc closed down 2.73% or 660 yuan/mt at 23,500 yuan/mt, with open interest up 5,658 lots to 116,339 lots. SHFE zinc created a near-term low with strong bearish sentiment in the metals market after ECB raised the interest rate by 75 basis points. LME aluminium [CMAL3](#) slid 2.9% to \$2,220.50 a tonne, nickel [CMNI3](#) lost 1.5% to \$22,055, zinc [CMZN3](#) shed 4.4% to \$2,814 and tin [CMSN3](#) dropped 4% to \$17,940.



Technical:

Shanghai Nonferrous Metals Closed with Losses with Investors Pricing in Rate Hikes, next level to watch 2,750.00.

Support:

2,758.00 = Apr 2021 Low

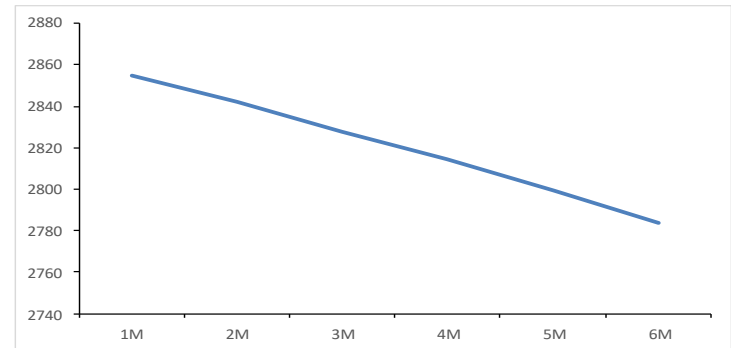
2,569.50 = Feb 2021 Low

Resistance:

2,926.00 = Apr 2021 High

3,061.00 = May 2021 High

LME Zinc Forward Curve



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