



# Commodities Weekly

Issue 29-2023

Date: 27 Aug 2023

# Bloomberg Commodity Index

105.48 ▲



**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.

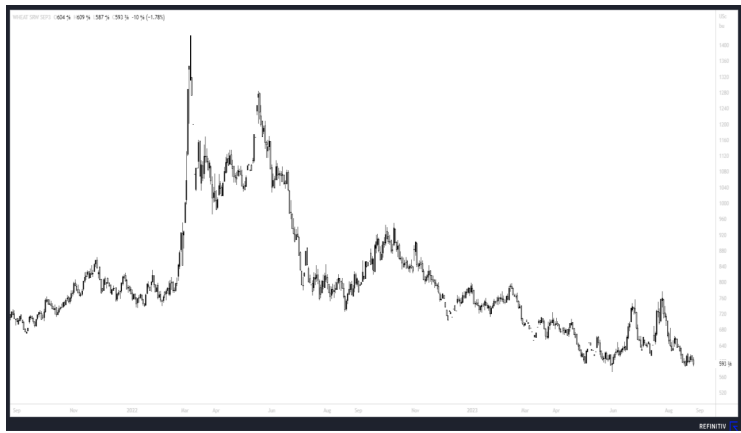
Commodity	Unit	Closing Price	% Δ Weekly	% Δ MoM	% Δ YoY	YTD High	YTD Low
<a href="#">Wheat</a>	\$/BSH	593.25	▼ -3.26%	▼ -16.77%	▼ -24.40%	797.40	573.25
<a href="#">Sugar</a>	\$/LBS	24.83	▲ 4.50%	▲ 1.64%	▲ 34.43%	27.41	18.92
<a href="#">Soybean</a>	\$/BSH	1,381.00	▲ 1.34%	▼ -9.86%	▼ -13.97%	1,616.50	1,270.75
<a href="#">Palm Oil</a>	\$/Ton	854.46	▲ 2.58%	▼ -2.80%	▼ -9.07%	986.18	716.14
<a href="#">Cotton</a>	\$/LBS	87.51	▲ 3.78%	▲ 1.03%	▼ -28.34%	90.33	75.70
<a href="#">Brent Crude</a>	\$/BBL	84.48	▼ -0.38%	▲ 0.28%	▼ -16.35%	89.09	70.12
<a href="#">LNG</a>	\$/MMBTU	13.00	▼ -7.14%	▲ 18.18%	▼ -81.56%	25.00	9.00
<a href="#">Steel</a>	\$/Ton	803.00	▼ -0.50%	▼ -2.78%	▲ 1.13%	1,200.00	705.00
<a href="#">SHFE Zinc</a>	\$/Ton	2,879.68	▲ 4.51%	▼ -1.26%	▼ -22.64%	3,395.60	2,571.43
Indonesian Coal*	\$/Ton	179.90	↔ 0.00%	▼ -5.94%	▼ -44.06%	305.21	179.90
Australian Coal	\$/Ton	256.25	▲ 0.49%	▲ 10.45%	▲ 76.72%	381.00	224.50
Gold	\$/Ozs	1,914.53	▲ 1.39%	▲ 1.27%	▲ 10.23%	2,072.19	1,804.20

\*Price published monthly once by Indonesian Govt

# Wheat

Last Price USc **593.25**/BSH

CBOT wheat futures fell on Friday, pressured by U.S. dollar strength and global supplies, though production issues have been noted in the southern hemisphere. CBOT December soft red winter wheat [WZ3](#) lost 10 cents to end at \$6.21-3/4 a bushel. For the week, the most-active wheat contract [Wv1](#) fell 2.97%. K.C. hard red winter wheat for December delivery [KWZ3](#) added 2 cents to \$7.64-1/2 a bushel. MGEX December spring wheat [MWEZ3](#) gained 2-3/4 cents to \$8.02 a bushel. The U.S. dollar edged up against a basket of currencies on Friday, as the Federal Reserve considers additional interest rates hikes. Ukraine's grain exports stood at 4 million metric tons in the 2023/24 July-June season as of Aug. 25 including 1.7 million tons of wheat.

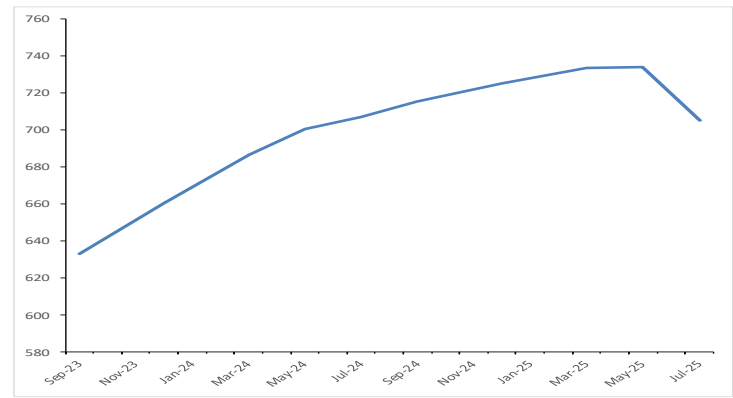


**Technical:**  
Wheat falls on export demand woes. Next level to watch 604.50.

**Support:**  
571.75 = Apr 2020 High  
530.75 = Feb 2020 High

**Resistance:**  
718.00 = Jul 2021 High  
780.00 = Oct 2021 High

## Futures Curve



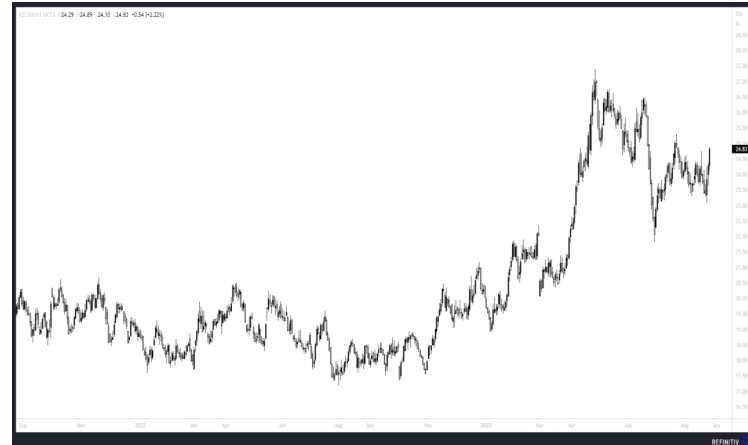
# Sugar

Last Price

USc **24.83**/LBS

Raw sugar futures on ICE rose on Thursday with supplies set to tighten in coming months, driven partly by the prospect of India banning exports. October raw sugar [SBc1](#) settled 1.8% higher, at 24.29 cents per lb

The market derived support from news that [India is expected](#) to ban mills from exporting sugar in the season beginning in October, halting shipments for the first time in seven years. October white sugar [LSUc1](#) fell 10 cents to settle at \$693.40 a metric ton.



## Technical:

Raw sugar prices rise, next level to watch 25.00.

## Support:

22.78 = Jul 2023 Low

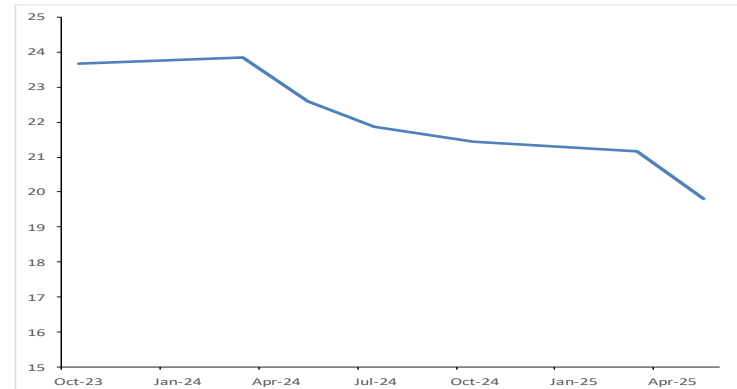
22.36 = Mar 2023 High

## Resistance:

25.30 = Jul 2023 High

26.49 = Jun 2023 High

## Futures Curve



# Soybean

Last Price USc **1,381.00**/BSH

CBOT soybean futures climbed on Friday, after a week of extreme heat likely eroded U.S. crops across much of the U.S. Midwest, while export sales added support. Benchmark November soybean futures [SX3](#) firmed 16 cents to \$13.87-3/4 a bushel. For the week, the most-active soybean contract [Sv1](#) lifted 2.48%, its second consecutive week of gains. CBOT December soybean futures [SMZ3](#) added \$2.70 to \$417.00 a ton. CBOT December soybean futures [BOZ3](#) ended 1.18 cents higher at 63.36 cents per lb. The return of the El Nino weather phenomenon should boost South American soybean production as more rainfall can help farmers recover from this season's severe drought in the lower latitudes of the continent.



## Technical:

Soybeans gain on eroded crop condition, export activity, next level to watch 1,350.00.

## Support:

1,350.00 = Oct 2022 Low

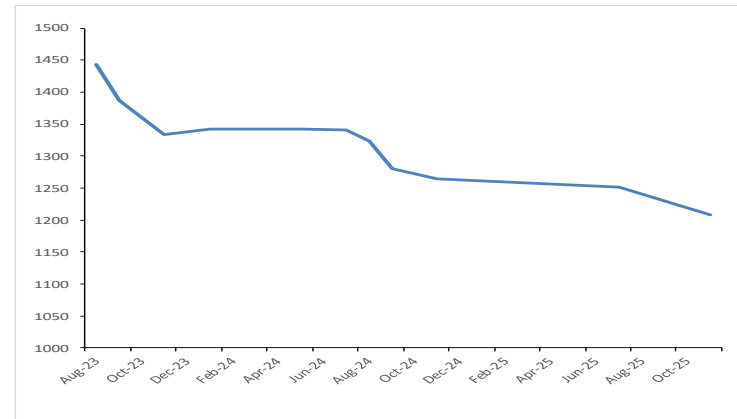
1,265.00 = Jul 2009 High

## Resistance:

1,548.50 = Jan 2023 High

1,608.75 = Apr 2021 High

## Futures Curve



# Palm Oil

Last Price

USD **854.46**/Ton

Malaysian palm oil futures posted a second straight weekly gain on Friday, underpinned by stronger rival vegetable oils, despite weak export data. The benchmark palm oil contract [FCPOc3](#) for November delivery on the Bursa Malaysia Derivatives Exchange gained 82 ringgit, or 2.11%, to 3,963 ringgit (\$854.46) per metric ton when the market closed on Friday. The contract was up 2.38% for the week, extending 4.1% gains from last week. [Hot and dry weather in the United States](#), which is likely to trim soybean output, and possible Chinese demand next week are supporting the price. Dalian's most-active soyoil contract DBYcv1 was up 2.51%, while its palm oil contract DCPcv1 grew 1.2%. Soyoil prices on the Chicago Board of Trade (CBOT) B0c2 surged 1.38%.



## Technical:

Palm posts second week of gains on stronger rival oils, next level to watch 951.00.

## Support:

806.00 = Dec 2022 High

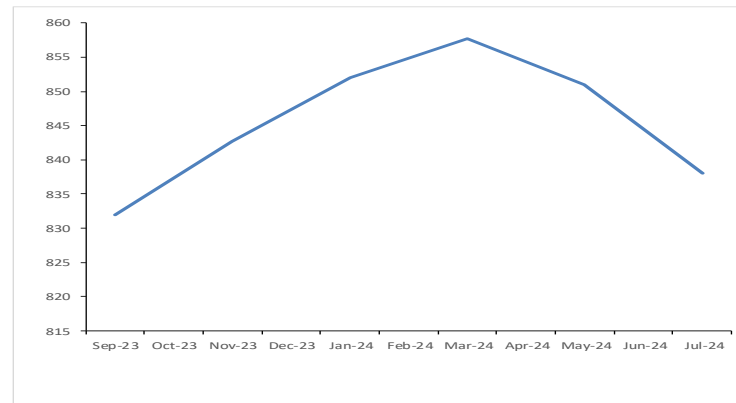
697.82 = May 2023 Low

## Resistance:

951.42 = Feb 2023 High

1,101.35 = Jul 2022 High

## Futures Curve



# Cotton

Last Price

USc **87.51**/LBS

ICE cotton futures firmed on Thursday as lingering worries over the crop due to a heat wave offset pressure from a stronger dollar and weaker export sales. The most-active December cotton contract [CTZ3](#) rose 0.13 cent, or 0.15%, to 85.95 cents per lb. The U.S. Department of Agriculture's (USDA) weekly export sales report showed net sales of 38,900 running bales (RB) for 2023/2024, lower than the last week's net sales of 186,300 RB. While exports stood at 204,200 RB for the week, mainly to China followed by Pakistan, Vietnam, Bangladesh and Mexico.



## Technical:

Cotton gains as crop risks outweigh weaker exports. Next level to watch 90.00.

## Support:

72.00 = Nov 2022 Low

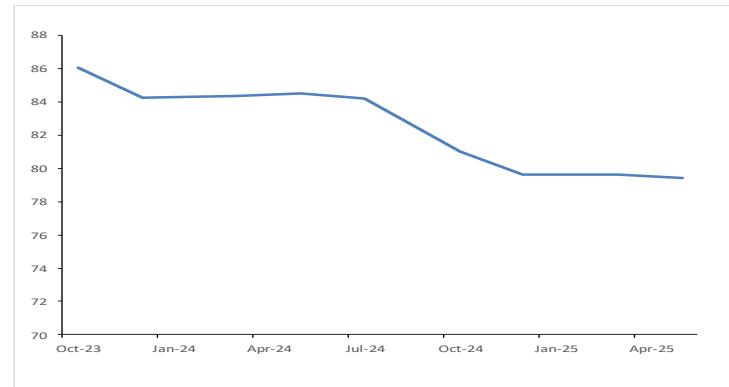
63.01 = Sep 2020 Low

## Resistance:

90.85 = Jul 2022 Low

96.14 = Oct 2022 High

## Futures Curve





# Brent Crude

Last Price

USD **84.48**/BBL

Oil futures climbed about 1% to a one-week high on Friday as U.S. diesel prices soared, the number of oil rigs dropped and a fire broke out at a refinery in Louisiana. Brent [LCOc1](#) futures rose \$1.12, or 1.3%, to settle at \$84.48 a barrel, while U.S. West Texas Intermediate (WTI) crude [CLc1](#) rose 78 cents, or 1.0%, to settle at \$79.83. Diesel futures [HOc1](#) soared about 5% to a near seven-month high, boosting the diesel crack spread [HOc1-CLc1](#), a measure of refining profit margins, to its highest since January 2023. Crude prices rose despite weak economic news from [Germany](#), Europe's biggest economy, and the [U.S. dollar.DXY](#), [=USD](#) rose to an 11-week high against a basket of other currencies after U.S. Federal Reserve Chair [Jerome Powell](#) said further interest rate hikes may be needed to fight inflation.



## Technical:

Oil futures up 1% to one-week high on soaring US diesel prices, next level to watch 89.37.

## Support:

70.42 = Sep 2021 Low

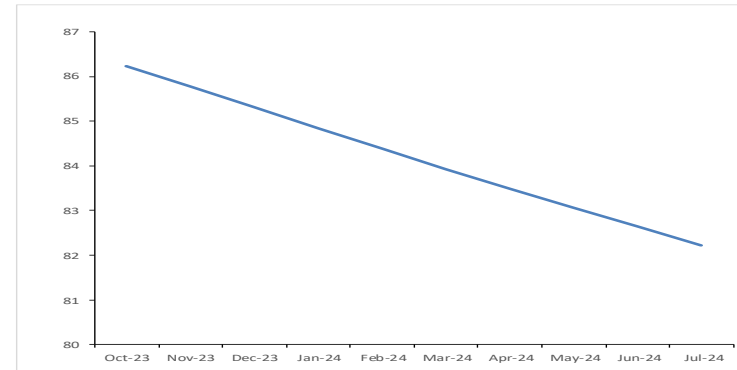
64.54 = Aug 2019 High

## Resistance:

89.37 = Dec 2021 High

91.70 = Jan 2022 High

## Futures Curve



# LNG

Asian spot liquefied natural gas (LNG) prices eased from five-month highs, after workers at Australia's Woodside Energy ruled out the possibility of striking work, bringing some calm to a market hit by extreme volatility in recent days. The average LNG price for October delivery into north-east Asia [LNG-AS](#) fell to \$13.00 per million British thermal units (mmBtu) from \$14.00 the previous week. Global LNG markets this week were roiled by news of potential strikes over pay and working conditions at facilities owned by Woodside [WDS.AX](#) and Chevron [CVX.N](#), which cumulatively account for 10% of global LNG supply. Offshore LNG workers supplying gas to Woodside's North West Shelf LNG plant [voted to avert a strike](#) on Friday, agreeing to a [preliminary deal](#) between the unions and the company.

## Technical:

Asian spot prices fall as woodside averts strike. Next level to watch 12.00.

## Support:

12.80 = Mar 2023 High

12.00 = Jul 2023 High

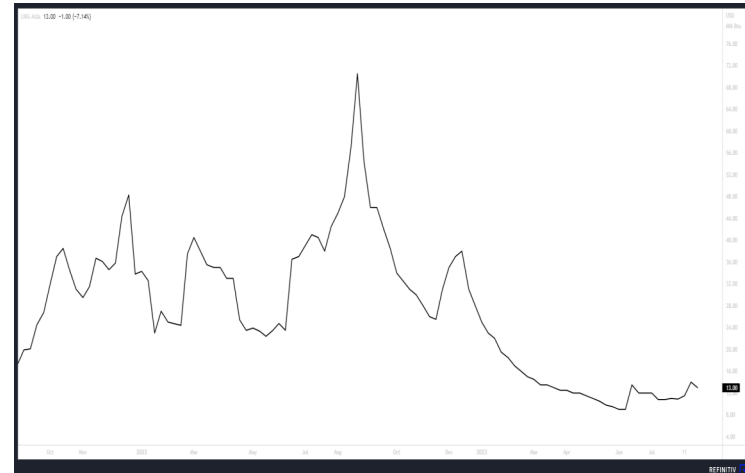
## Resistance:

14.50 = Mar 2023 High

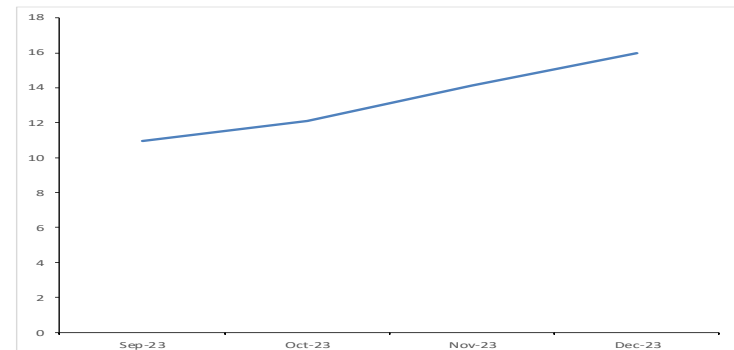
15.00 = Feb 2023 Low

Last Price

USD **13.00**/MMBTU



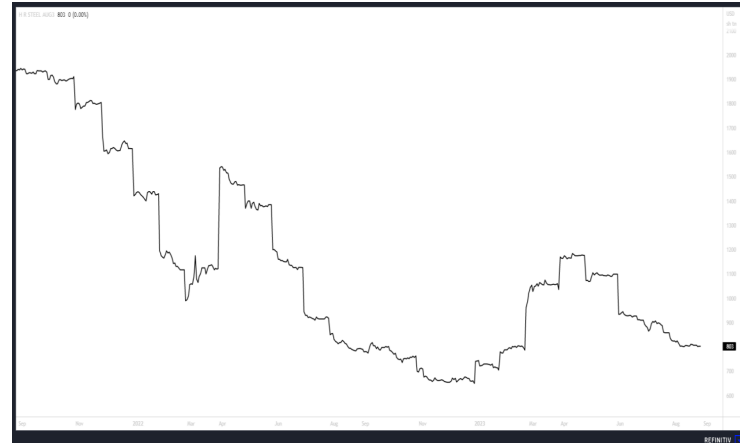
## Futures Curve



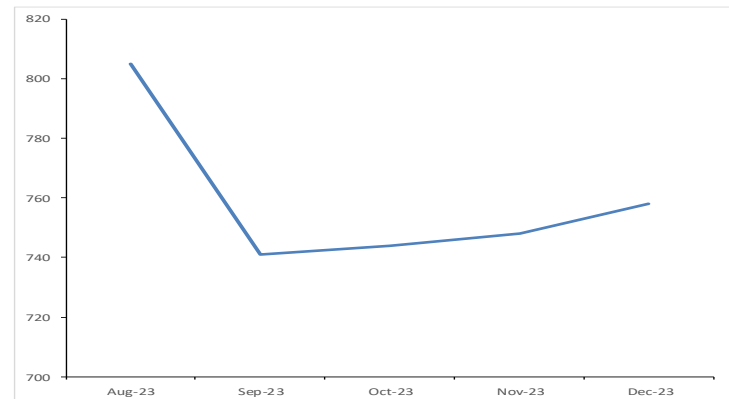
# Steel (HRC)

Last Price USD **803.00**/ tons

Iron ore futures fell on Thursday as traders locked in gains following Singapore prices' longest rally since June and the Dalian benchmark's 10-session advance, and as worries persisted over China's economic slowdown and property sector distress. The steelmaking ingredient's most-active September contract on the Singapore Exchange [SZZFU3](#) was down 1.4% at \$111.65 per metric ton, as of 0818 GMT, after gaining for five straight sessions and scaling a four-week peak earlier in the day. The most-traded January iron ore on China's Dalian Commodity Exchange [DCIOcv1](#) ended daytime trade 0.9% lower at 811 yuan (\$111.39) a ton, after earlier trading near Wednesday's two-year peak of 832.50 yuan. Rebar [SRBcv1](#) shed 1.2% and hot-rolled coil [SHHCcv1](#) dropped 1.6%, while wire rod [SWRCv1](#) climbed 2.9%. Stainless steel [SHSScv1](#) dipped 1.5%.



Futures Curve of SHFE Steel Futures



## Technical:

Iron ore retreats after multi-session rally. 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 **2,879.68**/Tons

Overnight, LME zinc prices opened at \$2381/mt and closed up \$13/mt or 0.99% at \$2386.5/mt. The U.S. labor market is tight and supports the resilience of the economy. The market's expectations for the Fed's interest rate hikes to be suspended or converted to rate cuts have weakened. The U.S. dollar index has strengthened, and the performance of long funds has weakened. Last evening, the most active SHFE 2310 zinc contract prices opened at 20460 yuan/mt and closed at 20540 yuan/mt, up 130 yuan/mt or 0.64%. Trading volume stood at 62,000 lots, and open interest gained by 1975 lots to 102,000 lots. SHFE zinc outperformed LME zinc. With tight supply, the performance of long funds is strong. However, with the successive arrivals of domestic zinc and the influx of imports, the support from fundamentals to zinc prices will weaken.

## Technical:

Zinc moves up, next level to watch 2,976.44.

## Support:

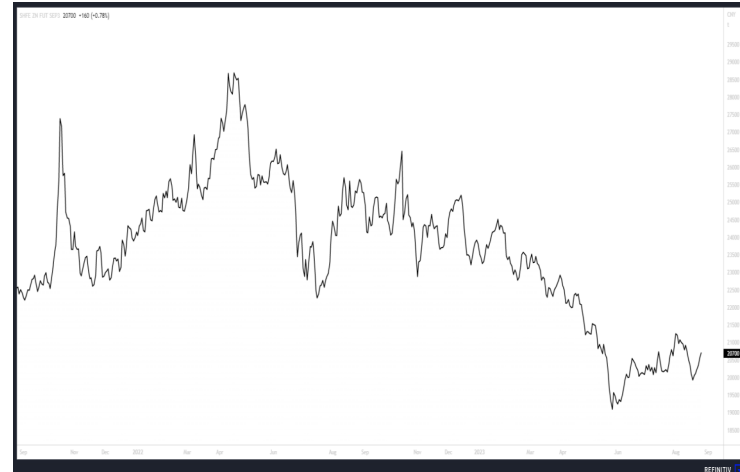
2,634.51 = Aug 2020 Low

2,610.00 = Jan 2020 High

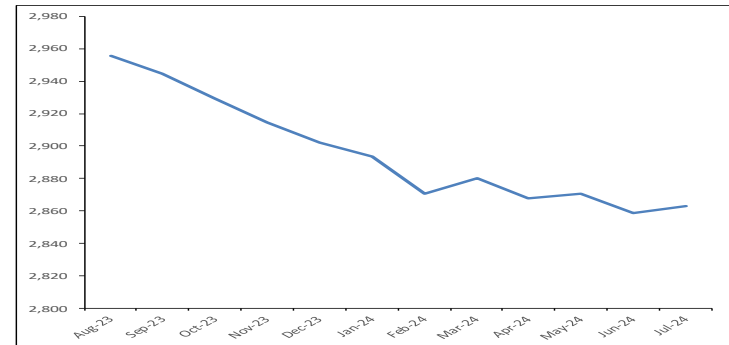
## Resistance:

2,976.44 = Sep 2020 High

3,291.42 = Jul 2021 High



## SHFE Zinc Forward Curve



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