



Commodities Weekly

Issue 30-2023

Date: 03 Sep 2023

Bloomberg Commodity Index

106.72 ▲



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
Wheat	\$/BSH	567.50	▼ -4.34%	▼ -9.49%	▼ -28.44%	797.40	564.50
Sugar	\$/LBS	25.81	▲ 3.95%	▲ 7.45%	▲ 42.20%	27.41	18.92
Soybean	\$/BSH	1,356.25	▼ -1.79%	▼ -5.07%	▼ -10.21%	1,616.50	1,270.75
Palm Oil	\$/Ton	869.75	▲ 1.79%	▲ 4.17%	▼ -1.36%	985.06	730.37
Cotton	\$/LBS	89.61	▲ 2.40%	▲ 5.08%	▼ -17.33%	90.33	75.70
Brent Crude	\$/BBL	88.55	▲ 4.82%	▲ 4.01%	▼ -4.81%	89.09	70.12
LNG	\$/MMBTU	13.00	0.00%	▲ 19.27%	▼ -76.15%	25.00	9.00
Steel	\$/Ton	720.00	▼ -10.34%	▼ -11.66%	▼ -7.69%	1,200.00	705.00
SHFE Zinc	\$/Ton	2,935.95	▲ 1.95%	▼ -0.17%	▼ -16.23%	3,496.46	2,647.81
Indonesian Coal*	\$/Ton	179.90	0.00%	▼ -6.11%	▼ -43.64%	305.21	191.26
Australian Coal	\$/Ton	271.50	▲ 5.95%	▲ 9.92%	▼ -0.30%	381.00	225.50
Gold	\$/Ozs	1,938.80	▲ 1.27%	▲ 1.86%	▲ 13.28%	2,072.19	1,804.20

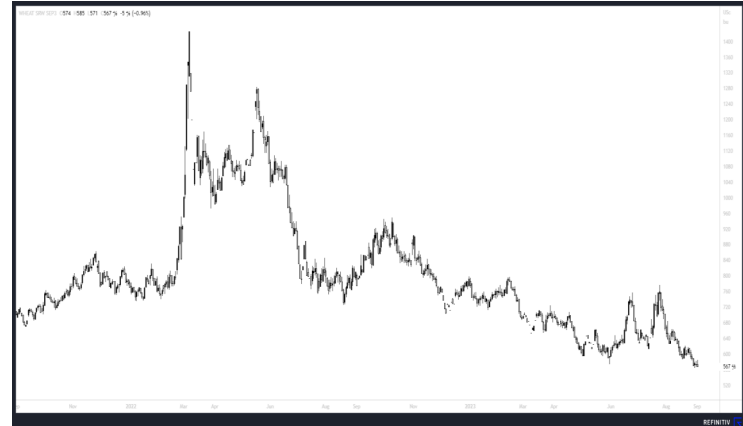
*Price published monthly once by Indonesian Govt

Wheat

Last Price

USc **567.50**/BSH

CBOT wheat futures ended lower after trading higher earlier in the session on Friday. U.S. wheat futures have been pressured by global supplies despite strong demand. CBOT December soft red winter wheat [WZ3](#) lost 6-1/2 cents to \$5.95-1/2. For the week, the most-active wheat contract [Wv1](#) fell 4.22%, its biggest weekly decline since the week ended Aug. 4. K.C. hard red winter wheat for December delivery [KWZ3](#) lost 4-1/2 cents to \$7.22-3/4 a bushel. MGEX December spring wheat [MWEZ3](#) dropped 7 cents to \$7.59-3/4 a bushel.



Technical:

Wheat steps back amid challenging export conditions. Next level to watch 700.00.

Support:

560.00 = Dec 2020 Low

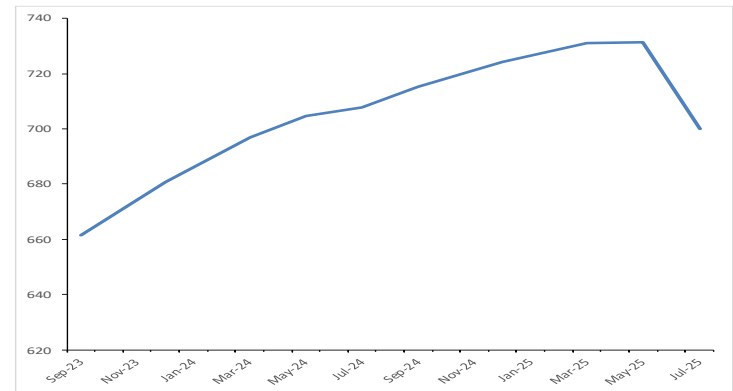
551.75 = Aug 2020 High

Resistance:

663.25 = Mar 2021 High

718.00 = Jul 2021 High

Futures Curve

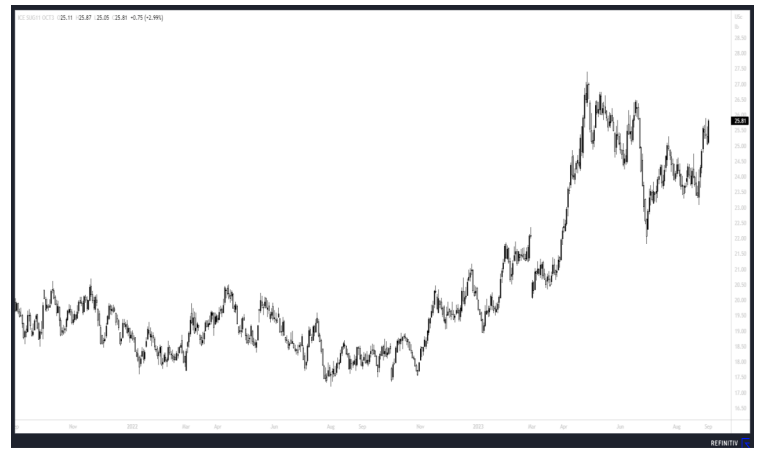


Sugar

Last Price USc **25.81**/LBS

Raw sugar prices edged higher. October white sugar LSUC1 settled up \$12.80, or 1.8%, at \$728.00 a tonne, edging up towards a 12-year high of \$740.20 set earlier this week. The market remained underpinned by concern over crops in India and Thailand as dry weather threatens to curb output.

October raw sugar SBC1 settled up 0.75 cents, or 3.0%, at 25.81 cents per lb.

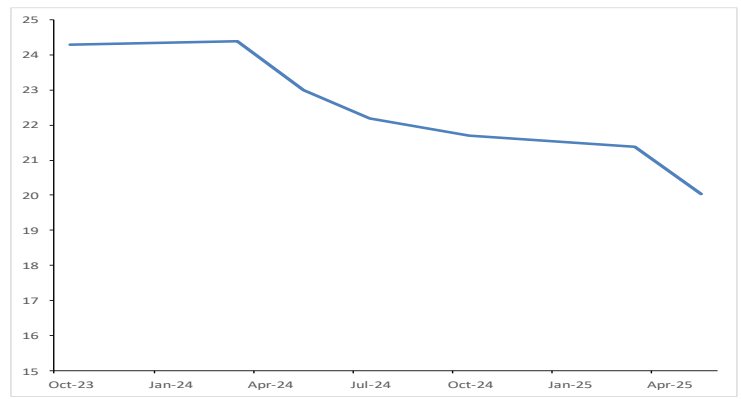


Technical:
 Raw sugar climbs, next level to watch 27.41.

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 **1,356.25**/BSH

CBOT soybean futures inched higher on Friday after trading much of the week lower, with tight U.S. ending stocks adding support while traders watch for further signs of crop damage due to dry, hot conditions. Benchmark November soybean futures [SX3](#) added 1/2 cent to \$13.69-1/4 a bushel. For the week, the most-active soybean contract [Sv1](#) fell 1.33%. CBOT December soybean futures [SMZ3](#) fell \$4.40 to \$399.60 a ton. CBOT December soybean futures [BOZ3](#) added 0.81 cent to 63.29 cents per pound. The U.S. Department of Agriculture USDA confirmed private sales of 198,000 metric tons of U.S. new-crop soybeans to unknown destinations, the latest in a series of U.S. soy sales announcements this week.

Technical:

Soybeans add slightly after weekly declines, next level to watch 1,500.00.

Support:

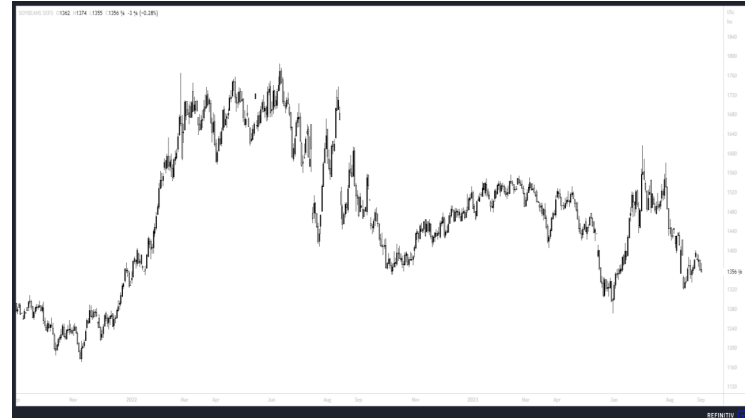
1,350.00 = Oct 2022 Low

1,265.00 = Jul 2009 High

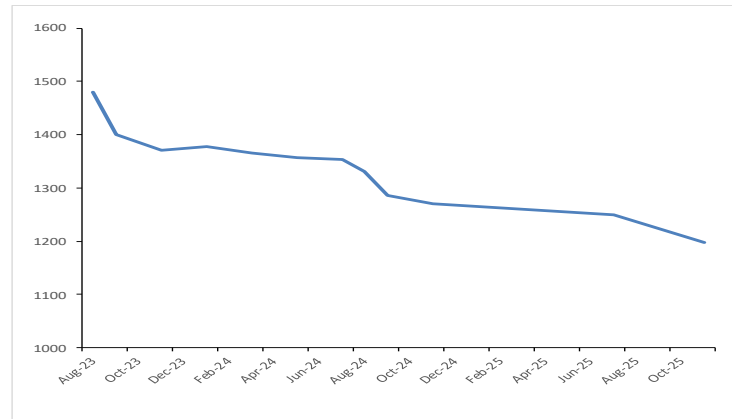
Resistance:

1,548.50 = Jan 2023 High

1,608.75 = Apr 2021 High



Futures Curve



Palm Oil

Last Price

USD **869.75**/Ton

Malaysian palm oil futures edged up at close on Friday following the release of export data. The market was closed for the National Day holiday on Thursday. The benchmark palm oil contract [FCPOc3](#) for November delivery on the Bursa Malaysia Derivatives Exchange gained 30 ringgit, or 0.75%, to end at 4,040 ringgit (\$869.75) per metric ton. The contract posted a 2.12% rise for the week.

Dalian's most-active soyoil contract [DBYcv1](#) climbed up 1.04%, while its palm oil contract [DCPcv1](#) rose 0.63%. Soyoil prices on the Chicago Board of Trade [BQcv1](#) also rose 0.78%. Palm oil is affected by price movements in related oils as they compete for a share in the global vegetable oils market.



Technical:

Palm ends slightly higher after holiday, next level to watch 833.00.

Support:

833.00 = Dec 2022 Low

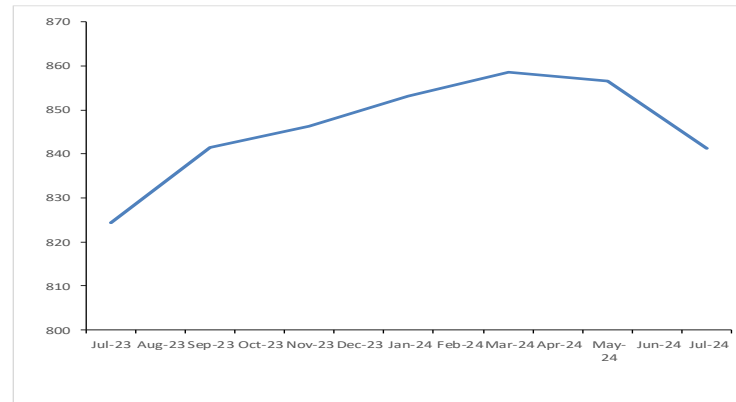
697.82 = May 2023 Low

Resistance:

951.42 = Feb 2023 High

1,101.35 = Jul 2022 High

Futures Curve



Cotton

Last Price

USc **89.61**/LBS

ICE cotton futures hit their highest in more than a year on Friday en route to a second straight weekly gain, on estimates of lower production from top buyer China and some concerns of a limited hit to the crop in Georgia from storm Idalia. Cotton contracts for December [CTZ3](#) rose 1.86 cents, or 2.1%, at 89.68 cents per lb by 11:47 a.m EDT (15:47 GMT), after touching its highest since Aug. 29, 2022, at 89.83 cents. The contract was bound for a 2.8% weekly rise. China's cotton production was lowered to 5.9 million metric tons on reduced planted area for 2023/24, according to a [report](#) issued by the U.S. Department of Agriculture's Foreign Agricultural Service (FAS) in Beijing.



Technical:

Cotton scales one year peak . Next level to watch 90.00.

Support:

72.00 = Nov 2022 Low

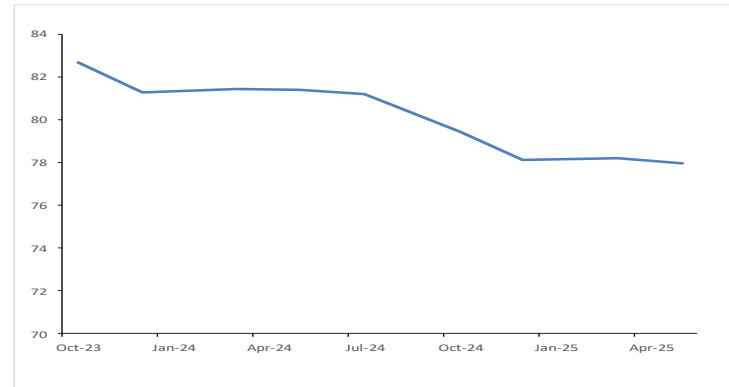
63.01 = Sep 2020 Low

Resistance:

90.85 = Jul 2022 Low

96.14 = Oct 2022 High

Futures Curve



Brent Crude

Last Price

USD **88.55**/BBL

Oil prices rose on Friday to their highest in over half a year and snapped a two-week losing streak, buoyed by expectations of tightening supplies. Saudi Arabia is widely expected to extend a voluntary 1 million barrel per day oil production cut into October, prolonging supply curbs engineered by the Organization of the Petroleum Exporting Countries (OPEC) and allies, known collectively as OPEC+, to support prices. Brent crude [LCOc1](#) settled up \$1.66, or 1.9%, at \$88.49 a barrel. Earlier it gained to a session high of \$88.75 a barrel, the highest since Jan. 27. U.S. West Texas Intermediate crude (WTI) [CLc1](#) had risen \$1.39, roughly 1.7%, to \$85.02. It rose earlier to \$85.81, the highest since Nov. 16. Brent rose about 4.8% this week, the most it has increased in a week since late July. WTI advanced by 7.2% in the week, its biggest weekly gain since March.



Technical:

Oil rises to highest in over seven months on supply worries, next level to watch 89.37.

Support:

70.42 = Sep 2021 Low

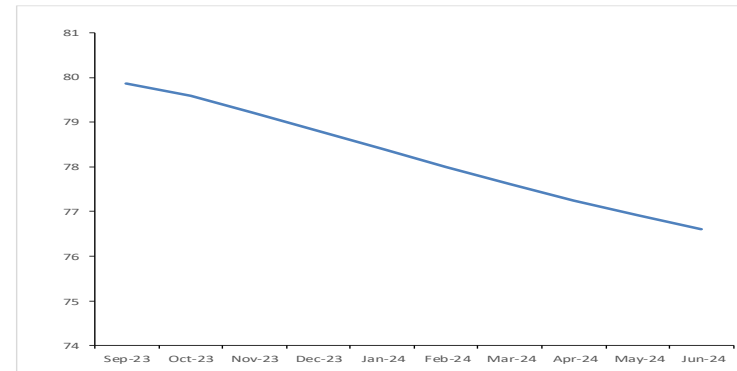
64.54 = Aug 2019 High

Resistance:

89.37 = Dec 2021 High

91.70 = Jan 2022 High

Futures Curve

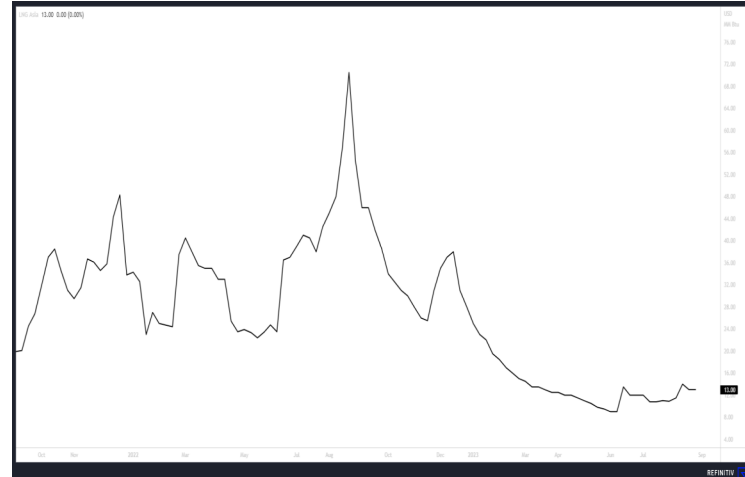


LNG

Last Price

USD **13.00**/MMBTU

Asian spot liquefied natural gas (LNG) prices held steady this week as more certainty over potential strike action at LNG facilities in Australia kept buyers on the sidelines from seeking replacement cargoes. The average LNG price for October delivery into north-east Asia [LNG-AS](#) remained at \$13.00 per million British thermal units (mmBtu). In Europe, S&P Global Commodity Insights assessed its daily north-west Europe LNG Marker (NWM) price benchmark for cargoes delivered in October on an ex-ship (DES) basis at \$12.082/mmBtu on Aug. 30, a \$0.40/mmBtu discount to the October gas price at the Dutch TTF gas hub. Meanwhile, spot LNG freight rates rose this week, with Atlantic rates gaining \$7,500 week-to-date to \$121,750/day on Thursday. Pacific rates are up \$4,500 to \$127,250/day.



Technical:

Asia spot LNG prices flat amid more certainty over Australia strike action. Next level to watch 14.50.

Support:

09.50 = May 2023 Low

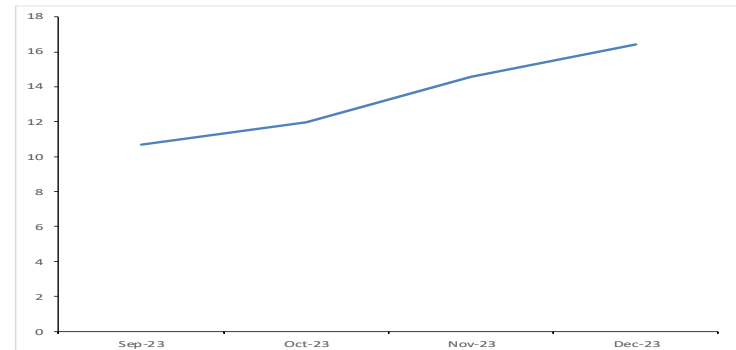
08.85 = Apr 2021 High

Resistance:

13.50 = Mar 2023 High

14.50 = Mar 2023 High

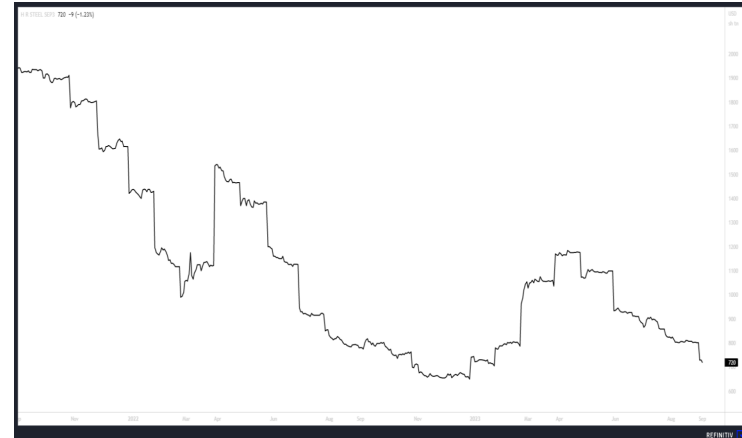
Futures Curve



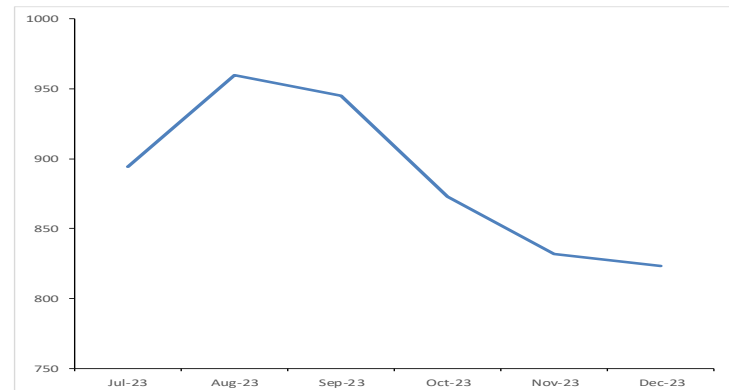
Steel (HRC)

Last Price USD **720.00**/ tons

Iron ore futures were set for a fourth straight weekly rise on Friday, aided by China's new measures to shore up its troubled property sector and boost confidence, although higher stocks and concerns over steel output curbs in China limited the gains. The most-traded January iron ore on China's Dalian Commodity Exchange (DCE) [DCIOcv1](#) ended daytime trading 0.48% higher at 845.5 yuan (\$116.40) a metric ton, rising 3.2% for the week. Steel benchmarks on the Shanghai Futures Exchange rose on higher raw materials costs and expectations of improved demand in September. Rebar [SRBcv1](#) added 1.29%, hot-rolled coil [SHHCcv1](#) climbed 2.05%, wire rod [SWRcv1](#) advanced 1.27% and stainless steel [SHSScv1](#) rose 0.63%.



Futures Curve of SHFE Steel Futures



Technical:

Iron ore set for fourth weekly gain on China's property sector moves. Next level to watch 790.00.

Support:

650.00 = Dec 2022 Low

620.00 = Sep 2020 High

Resistance:

790.00 = Jan 2023 High

930.00 = Jul 2022 High

SHFE Zinc

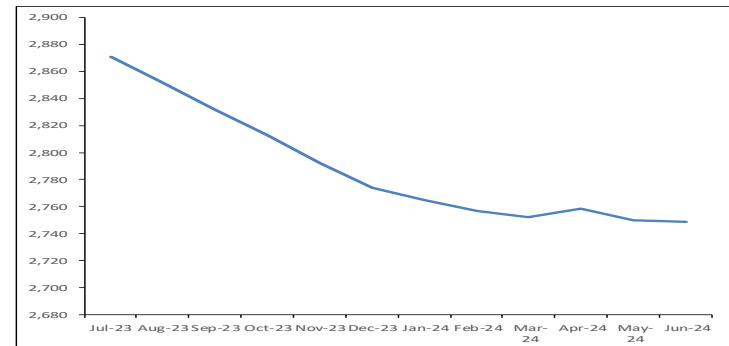
Last Price USD **2,935.95**/Tons

Overnight, LME zinc prices opened at \$2,435/mt and finally closed down at \$2,434/mt, down \$4.0/mt, or 0.16%, with the low-end of \$2416.5/mt and the high-end of \$2455.5/mt. Trading volume reached 9,582 lots and open interest were 198,000 lots. LME zinc inventories increased by 6,100 mt or 4.13% to 153,976 mt. LME inventories increased and overseas demand remained weak.

Overnight, SHFE zinc prices opened at 21,000 yuan/mt and finally closed down at 20,960 yuan/mt, down 40 yuan/mt, or 0.19%. The trading volume reached 70,917 lots, and the open interest reached 108,000 lots. There has been no significant recovery in terminal consumption. SHFE zinc prices remained rangebound.



SHFE Zinc Forward Curve



Technical:

Zinc continues upward move, 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

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