



Commodities Weekly

Issue 31-2023

Date: 10 Sep 2023

Bloomberg Commodity Index

106.08 ▼



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	567.00	▼ -0.09%	▼ -11.13%	▼ -33.53%	797.40	564.50
Sugar	\$/LBS	26.31	▲ 1.94%	▲ 9.85%	▲ 44.40%	27.41	18.92
Soybean	\$/BSH	1,349.50	▼ -0.50%	▼ -5.55%	▼ -10.66%	1,616.50	1,270.75
Palm Oil	\$/Ton	818.57	▼ -5.88%	▲ 0.56%	▲ 1.13%	985.06	730.37
Cotton	\$/LBS	84.41	▼ -5.80%	▼ -3.30%	▼ -22.93%	90.33	75.70
Brent Crude	\$/BBL	90.65	▲ 2.37%	▲ 4.92%	▼ -2.36%	91.15	70.12
LNG	\$/MMBTU	12.90	▼ -0.77%	▲ 12.17%	▼ -71.96%	25.00	9.00
Steel	\$/Ton	720.00	0.00%	▼ -10.67%	▼ -11.98%	1,200.00	705.00
SHFE Zinc	\$/Ton	2,949.59	▲ 0.46%	▲ 0.54%	▼ -18.24%	3,368.00	2,550.00
Indonesian Coal*	\$/Ton	179.90	0.00%	▼ -6.11%	▼ -43.64%	305.21	191.26
Australian Coal	\$/Ton	280.33	▲ 3.25%	▲ 12.73%	▲ 5.39%	381.00	225.50
Gold	\$/Ozs	1,917.81	▼ -1.08%	▲ 3.01%	▲ 11.76%	2,072.19	1,804.20

*Price published monthly once by Indonesian Govt

Wheat

Last Price

USc **567.00**/BSH

CBOT wheat futures hit their lowest price in more than three months on Friday, while soybean futures rose from a two-week low as traders waited for updated U.S. crop data. Trading was choppy and subdued before the U.S. issues its monthly World Agricultural Supply and Demand Estimates (WASDE) report on Sept. 12. Most-active wheat futures [Wv1](#) ended down 4 cents at \$5.95-3/4 a bushel. The contract earlier fell to \$5.90-1/2, its lowest price since May 31.

**Technical:**

Wheat hits three month low before US crop report. Next level to watch 663.25.

Support:

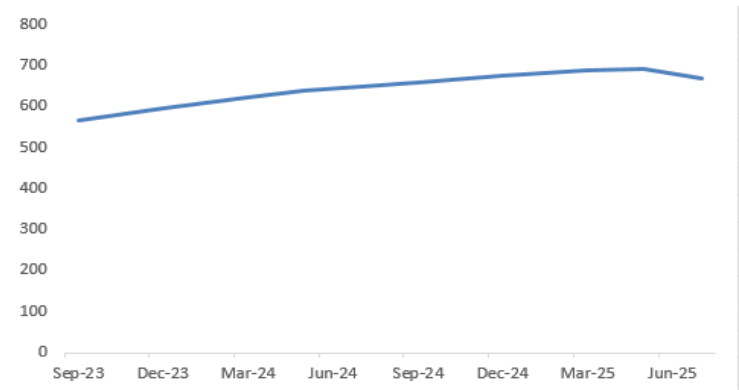
560.00 = Dec 2020 Low

551.75 = Aug 2020 High

Resistance:

663.25 = Mar 2021 High

718.00 = Jul 2021 High

Futures Curve

Sugar

Last Price

USc **26.31**/LBS

October white sugar [LSUc1](#) settled down \$6.50, or 0.9%, at \$726.80 a ton, after touching a 12-year high of \$753.10 earlier this week.

The sweetener is being driven by concern over dimming supply prospects in India, one of the world's top producers.

October raw sugar [SBC1](#) fell 0.37 cent, or 1.4%, at 26.31 cents per lb after hitting a more than a four-month high of 27.10. The contract gained 1.9% in the week.



Technical:

Raw sugar climbs, next level to watch 27.41.

Support:

23.90 = Oct 2016 High

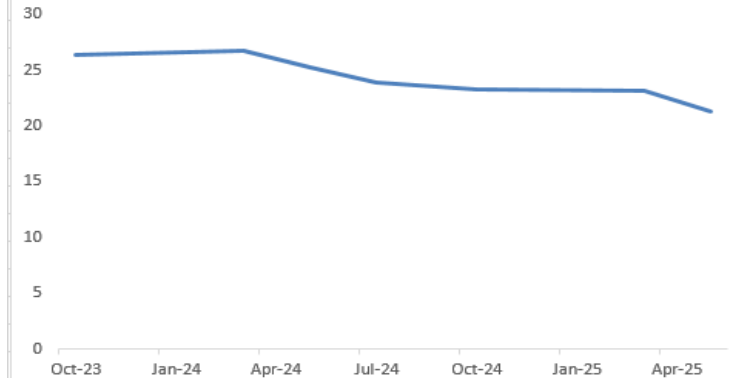
22.36 = Mar 2023 High

Resistance:

27.41 = Apr 2023 High

30.21 = Sep 2011 High

Futures Curve



Soybean

Last Price USc **1,349.50**/BSH

CBOT soybean futures ended firmer in choppy activity on Friday, with the market consolidating ahead of a U.S. Department of Agriculture crop report due next week. Expectations for large supplies from South America limited gains, while traders awaited a clearer picture of the upcoming U.S. harvest. Benchmark November soybean futures [SX3](#) ended up 3-1/2 cents at \$13.63 a bushel. The most-active contract [Sv1](#) earlier hit its lowest price since Aug. 23 at \$13.52-1/2 a bushel.

CBOT December soybean futures [SMZ3](#) jumped \$6.10 to \$401.40 a ton. The market advanced after falling earlier to its lowest price since Aug. 23 at 393.20 a ton.



Technical:

Soy closes higher on position squaring before USD crop report, next level to watch 1,300.00.

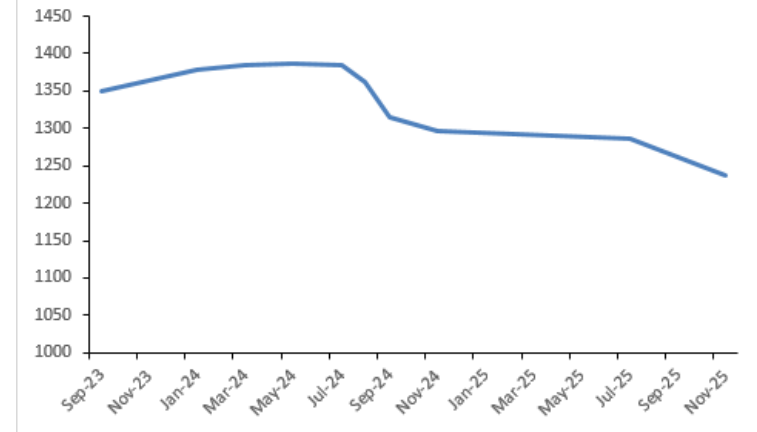
Support:

1,319.00 = Aug 2023 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 **818.57**/Ton

Malaysian palm oil futures posted a weekly drop on Friday, snapping three consecutive weeks of gains, hurt by weakness in rival vegetable oils and expectations of higher ending stock in August.

The benchmark palm oil contract [FCPOc3](#) for November delivery on the Bursa Malaysia Derivatives Exchange lost 6 ringgit, or 0.16%, to end at 3,826 ringgit (\$818.57) per metric ton, its lowest closing price in nearly four weeks. The contract plunged for five straight sessions and lost 5.3% for the week. The Malaysian Palm Oil Board (MPOB) is due to release its August supply-demand data on Sept. 11.



Technical:

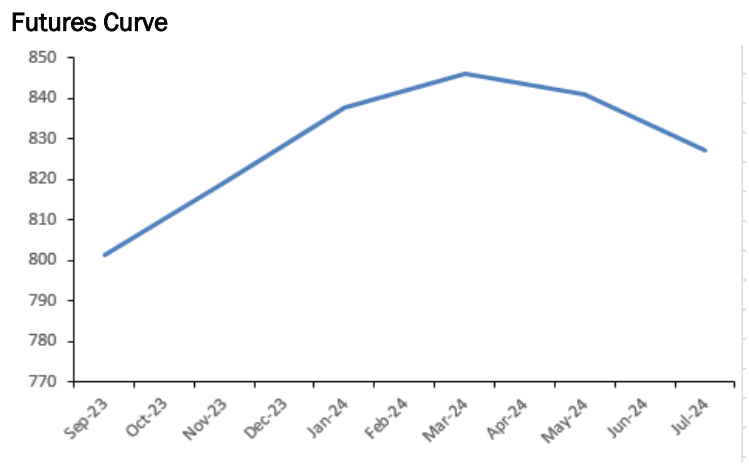
Palm logs first weekly drop in four as outlook, rival oils weigh, next level to watch 833.00.

Support:

784.15 = Aug 2023 Low
 697.82 = May 2023 Low

Resistance:

951.42 = Feb 2023 High
 1,101.35 = Jul 2022 High



Cotton

Last Price

USc **84.41**/LBS

ICE cotton futures rose on Friday as a rally in the dollar cooled and on some concerns over supply from key U.S. growing regions, but were still bound for their first weekly dip in three. Cotton contracts for December [CTZ3](#) rose 1.09 cents, or 1.3%, to 86.47 cents per lb by 11:37 a.m EDT. The dollar was slightly lower at about 0.1%, making cotton less expensive for holders of other currencies. But overall strength in the dollar, which was bound for its longest weekly winning streak since 2014, along with concerns over demand from top buyer China put the December contract on track for its first weekly decline in three weeks, down about 4.1% so far.



Technical:

Cotton gains as dollar eases, supply risks linger. Next level to watch 90.00.

Support:

72.00 = Nov 2022 Low

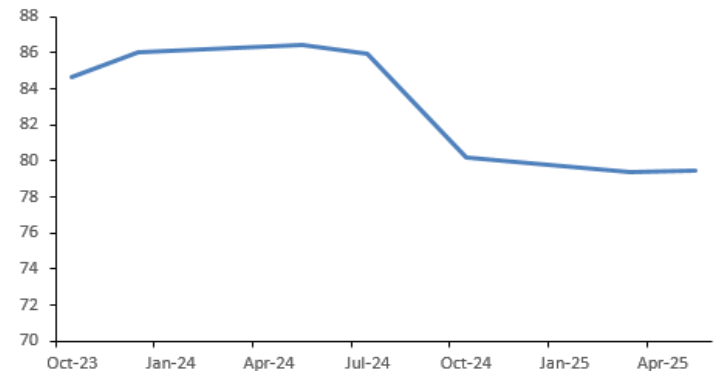
63.01 = Sep 2020 Low

Resistance:

90.85 = Jul 2022 Low

96.14 = Oct 2022 High

Futures Curve



Brent Crude

Last Price

USD **90.65**/BBL

Oil prices gained almost 1% to a nine-month high on Friday on rising U.S. diesel futures and worries about tight oil supplies after Saudi Arabia and Russia extended supply cuts this week. Brent [LC0c1](#) futures rose 73 cents, or 0.8%, to settle at \$90.65 a barrel, while U.S. West Texas Intermediate (WTI) crude [CLc1](#) rose 64 cents, or 0.7%, to settle at \$87.51. Both crude benchmarks remained in technically overbought territory for a sixth straight day, with Brent's settlement its highest since Nov. 16. WTI's settlement was its highest since Sept. 6, which was its highest since November. For the week, both benchmarks were up about 2%, following gains last week of about 5% for Brent and about 7% for WTI. Rising U.S. diesel prices also supported crude prices with heating oil [H0c1](#) futures up about 3%.



Technical:

Oil price rise to 9-month high on worries about tight supply, next level to watch 89.37.

Support:

70.42 = Sep 2021 Low

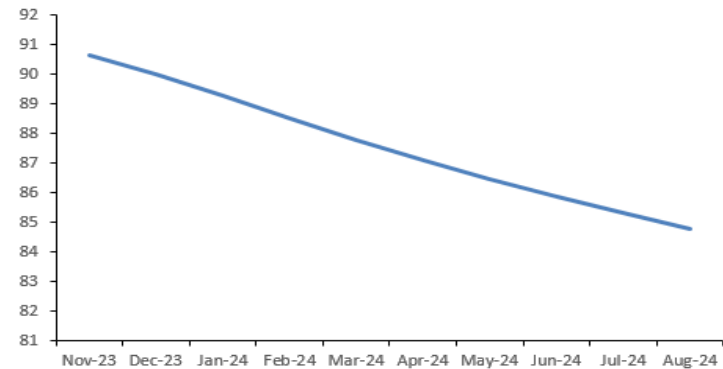
64.54 = Aug 2019 High

Resistance:

91.70 = Jan 2022 High

98.75 = Oct 2022 High

Futures Curve



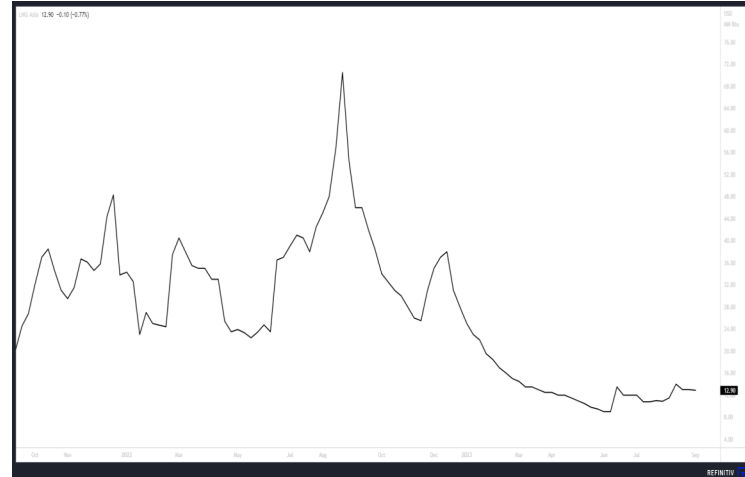
LNG

Last Price

USD **12.90**/MMBTU

Asian spot liquefied natural gas (LNG) prices inched down this week on tepid demand, even as supply concerns deepened after workers at Chevron's [CVX.N](#) Australia LNG projects went on strike on Friday.

The average LNG price for October delivery into north-east Asia [LNG-AS](#) slipped to \$12.90 per million British thermal units (mmBtu) from \$13 in the previous week. 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 \$9.827/mmBtu on Sept. 7, a \$0.50/mmBtu discount to the October gas price at the Dutch TTF gas hub.



Technical:

Asian spot LNG prices slip on tepid demand, Australia strike offers no support. Next level to watch 14.50.

Support:

09.50 = May 2023 Low

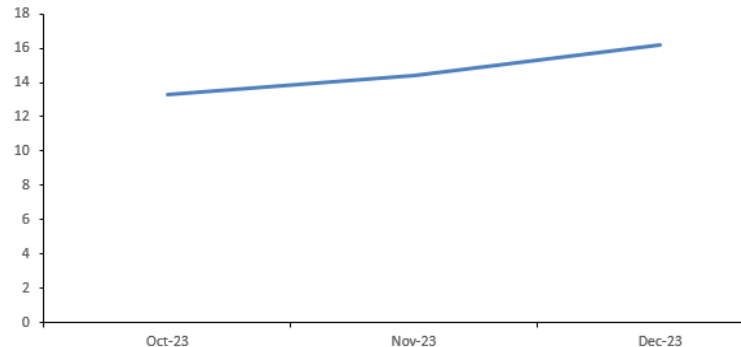
08.85 = Apr 2021 High

Resistance:

13.50 = Mar 2023 High

14.50 = Mar 2023 High

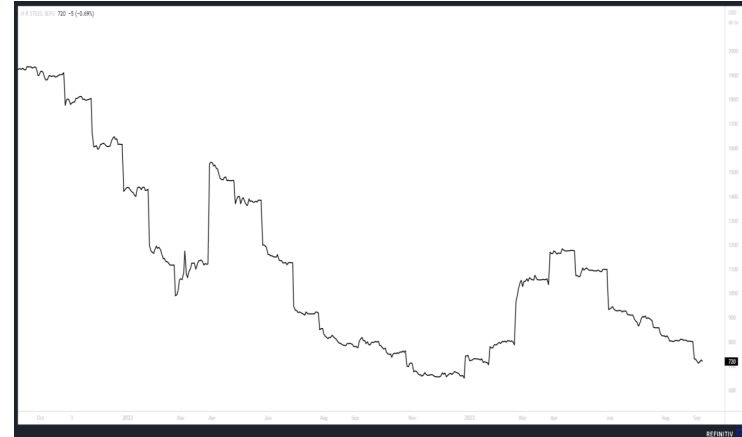
Futures Curve



Steel (HRC)

Last Price USD **720.00**/ tons

Iron ore futures fell on Friday, after China's state planner pledged to step up regulatory oversight of the market following another price rally in the steelmaking ingredient. The most-traded January iron ore on China's Dalian Commodity Exchange [DCIOcv1](#) ended daytime trade 2.1% lower at 827.50 yuan (\$112.61) per metric ton, after a 0.9% decline on Thursday, putting it on track for its first weekly fall in five weeks. On the Singapore Exchange, iron ore's benchmark October contract [SZZFV3](#) was down 1% at \$113.05 per ton, as of 0700 GMT, following a 1.7% slump in the prior session. Other steelmaking ingredients on the Dalian exchange also fell, with coking coal [DJMcv1](#) and coke [DCJcv1](#) down 4.1% and 3.5%, respectively. Steel benchmarks in Shanghai dropped. Rebar [SRBcv1](#) lost 2%, hot-rolled coil [SHHCcv1](#) dipped 1.9%, wire rod [SWRcv1](#) slumped 5.2%, and stainless steel [SHSScv1](#) slid 1.7%.



Technical:

Iron ore drops as China flags exaggerated price moves. Next level to watch 790.00.

Support:

650.00 = Dec 2022 Low

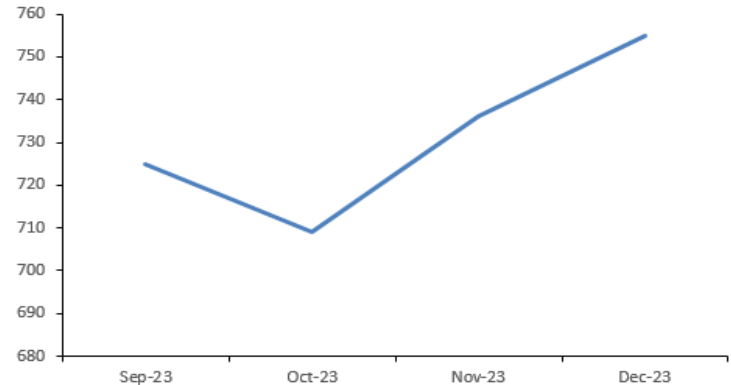
620.00 = Sep 2020 High

Resistance:

790.00 = Jan 2023 High

930.00 = Jul 2022 High

Futures Curve of SHFE Steel Futures



SHFE Zinc

Last Price USD **2,949.59**/Tons

LME zinc prices opened at \$2466/mt and closed up \$13.5/mt or 0.55% at \$2489/mt last evening. The trading volume decreased to 6938 lots, and open interest added 899 lots to 201,000 lots. LME zinc inventory decreased by 3225 mt to 145175 mt.

The most active SHFE 2310 zinc contract prices opened at 21355 yuan/mt and closed at 21530 yuan/mt last evening, up 175 yuan/mt or 0.82%. The trading volume was down to 91537 lots, and open interest decreased 6955 lots to 115,000 lots. Favorable policies for real estate and automobiles, coupled with the current declining zinc concentrate TCs, provided support for SHFE zinc prices.

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

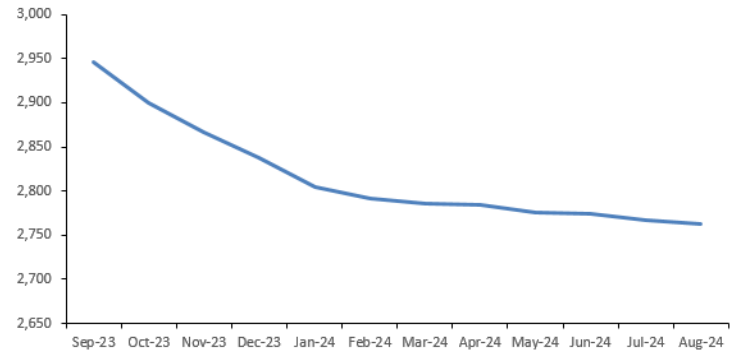
Resistance:

2,976.44 = Sep 2020 High

3,291.42 = Jul 2021 High



SHFE Zinc Forward Curve



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