



Commodities Weekly

Issue 32-2022

Date: 20 Nov 2022

Bloomberg Commodity Index

114.79 ▼ **-0.33 (-0.28%)**

52 week range

98.80 - 140.58

1D 5D 1M 3M 6M YTD **1Y** 5Y ALL



+ Comparison

1W ▾ Display ▾ Studies ▾ ⚙️ ▾ ✎️ + 🗨️



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	803.25	▼ -1.29%	▼ -10.85%	▼ -1.14%	1,425.25	731.50
Sugar	20.05	▲ 2.09%	▲ 6.99%	▼ -0.35%	20.41	17.40
Soybean	1,428.25	▼ -1.87%	▲ 3.78%	▲ 17.82%	1,769.00	1,344.00
Palm Oil	859.25	▼ -5.16%	▲ 15.26%	▼ -33.17%	1,947.00	680.00
Cotton	84.99	▼ -3.64%	▼ -4.36%	▼ -27.02%	158.02	72.11
Brent Crude	87.62	▼ -8.72%	▼ -7.07%	▲ 8.79%	128.00	78.98
LNG	25.50	▼ -1.92%	▼ -25.00%	▼ -13.56%	71.00	22.00
Steel	664.00	▲ 0.30%	▼ -9.78%	▼ -63.38%	1,541.00	658.00
LME Zinc	3,031.00	▲ 0.21%	▲ 3.50%	▼ -7.56%	4,498.50	2,697.00
Gold	1,749.74	▼ -1.18%	▲ 5.07%	▼ -6.00%	2,052.41	1,621.57

Wheat

Last Price

USc **803.25**/BSH

CBOT wheat futures ended lower on Friday, retreating from early advances on technical selling and pressure from news this week of an [extension](#) of a corridor for grain exports from Ukraine. CBOT December soft red winter wheat [WZ2](#) settled down 3-1/2 cents at \$8.03-1/4 per bushel. For the week, the CBOT December contract [WZ2](#) fell 10-1/2 cents a bushel or 1.3%, its second straight weekly decline. K.C. December hard red winter wheat [KWZ2](#) ended down 3 -3/4 cents on Friday at \$9.34-1/4 a bushel and MGEX December spring wheat [MWEZ2](#) fell 2-1/4 cents to end at \$9.51-1/2. A firmer dollar [.DXY](#) lent pressure, in theory making U.S. grains less competitive. Talk of further sales of French wheat to China and of possible sales of northern European wheat to the United States underscored how U.S. wheat remains uncompetitive globally.

Technical:

Wheat ends lower on pre-weekend technical selling. Next level to watch 773.00.

Support:

773.00 = Sep 2022 Low

725.75 = Aug 2022 Low

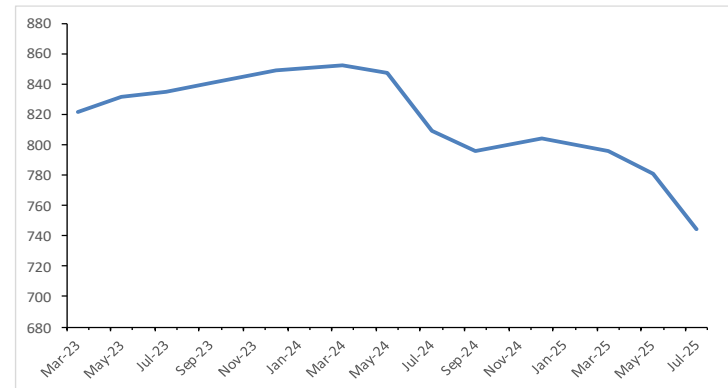
Resistance:

888.00 = Jul 2022 High

945.75 = Sep 2022 High



Futures Curve



Sugar

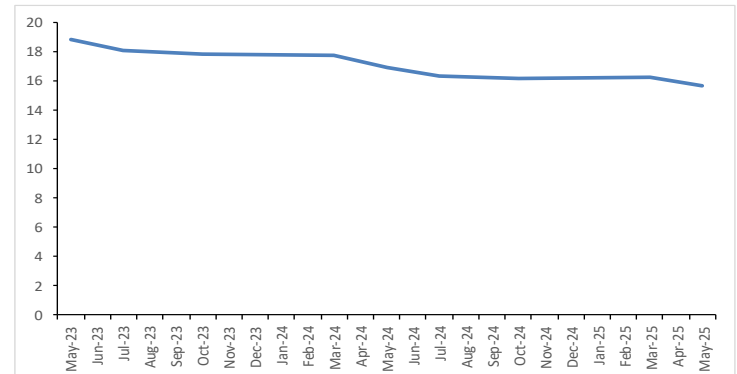
Last Price

USc **20.05**/LBS

March raw sugar [SBc1](#) settled up 0.32 cent, or 1.6%, at 20.05 cents per lb, climbing back towards a seven-month peak of 20.48 cents set on Wednesday. The contract gained 2% in the week. Dealers said the market was supported partly by a recovery in [Brazil's real](#) currency [BRL](#) as the incoming government sought to assuage fears about fiscal spending. [Speculators added more than 70,000 lots](#) to their long position in raw sugar. March white sugar [LSUc1](#) rose \$9.90, or 1.9%, at \$543.30 a tonne, but the contract lost 4% in the week.



Futures Curve



Technical:

Raw sugar goes up, Next level to watch 19.90.

Support:

19.90 = Dec 2021 High

18.20 = Jun 2022 Low

Resistance:

20.51 = Apr 2022 High

20.96 = Jun 2021 High

Soybean

Last Price USc **1,428.25**/BSH

U.S. soybean futures rose on Friday on bargain buying after a two-session slide and spillover strength from soy product futures including soymeal and soyoil. Wheat futures turned lower, retreating from early advances, with the benchmark December [WZ2](#) contract on the Chicago Board of Trade poised for a third consecutive lower close following news this week of an extension of a corridor for grain exports from Ukraine. Corn futures were narrowly mixed in choppy trade. CBOT January soybeans [SF3](#) were up 10-1/4 cents, or 0.7%, at \$14.27-1/4 per bushel. CBOT December soymeal [SMZ2](#) was up about 1% and December soyoil [BOZ2](#) rose about 0.9%. CBOT December wheat [WZ2](#) was down 4-1/4 cents, or 0.5%, at \$8.02-1/2 a bushel, while December corn [CZ2](#) was up 1/4 cent at \$6.67-3/4.



Technical:

Soybeans futures climb on bargain buying, next level to watch 1,480.00.

Support:

1,414.00 = Oct 2022 High

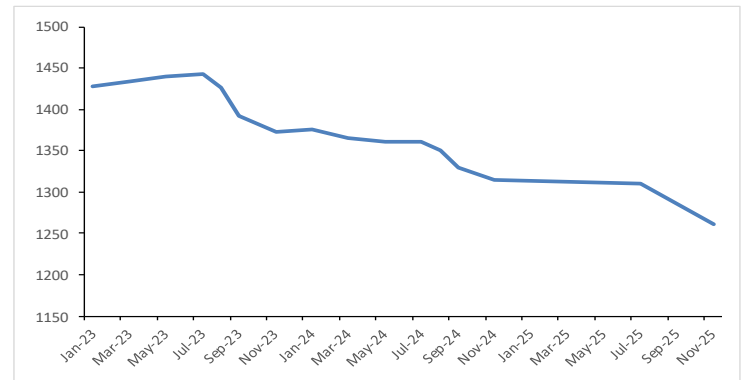
1,332.00 = Jan 2022 Low

Resistance:

1,480.00 = Jul 2021 Low

1,496.75 = Jan 2022 High

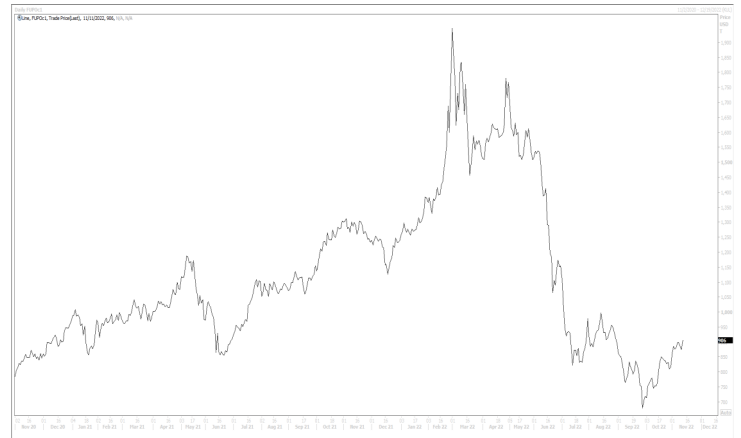
Futures Curve



Palm Oil

Last Price USD **859.25**/Ton

Malaysian palm oil futures fell on Thursday, clocking the sharpest weekly decline of 10% in four months, weighed by a stronger ringgit and demand worries. The benchmark palm oil contract [FCPOc3](#) for February delivery on the Bursa Malaysia Derivatives Exchange slid 177 ringgit, or 4.4%, to 3,845 ringgit (\$845.05) a tonne. Palm fell for a fourth consecutive session to its lowest closing in over a month. However, the downside to prices could be limited if the tropical storms in Malaysia worsen and hurt the quantity and quality of crude palm oil, he added. The ringgit [MYR=](#), palm's currency of trade, has risen from its recent lows, making the edible oil cheaper for holders of foreign currencies. Oil prices fell for a second straight day as concerns over geopolitical tensions eased, making palm a less attractive option for biodiesel feedstock.



Technical:

Palm oil, next level to watch 853.00.

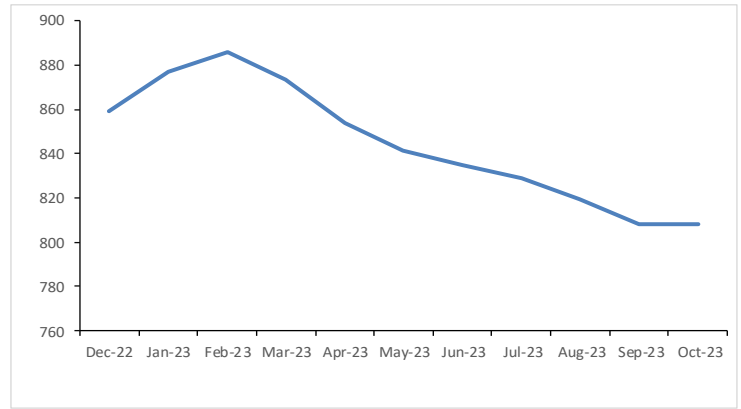
Support:

853.00 = Dec 2020 Low
784.00 = Oct 2020 Low

Resistance:

969.00 = Dec 2020 High
997.00 = Aug 2022 High

Futures Curve



Cotton

Last Price USc **84.99**/LBS

ICE cotton futures fell on Thursday, dragged down by an upbeat dollar, a lackluster stock market and depressed demand as weekly net sales data from the U.S. Department of Agriculture (USDA) fell to less than a fifth from last week. The most-active cotton contract for March [CTH3](#) fell 1.61 cents, or 1.9%, to 85.15 cents per lb at 12:40 ET (1740 GMT) after shedding as much as 3.4% to 83.84 cents a lb earlier. Prices were pushed lower by weak demand owing to a stronger dollar and "dreadful" export sales, with a bigger crop, smooth harvest, and underperforming equities on the consumer goods side adding pressure. The dollar index, which measures the currency against six major peers, rose 0.6%, making U.S. cotton more expensive for overseas buyers.



Technical:

Cotton slides on sagging sales as dollar jumps. Next level to watch 90.00.

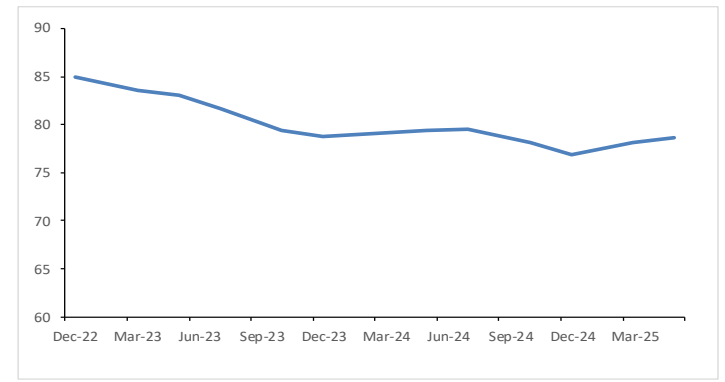
Support:

- 77.65 = Apr 2021 Low
- 72.00 = Nov 2022 Low

Resistance:

- 90.85 = Jul 2022 Low
- 96.14 = Oct 2022 High

Futures Curve

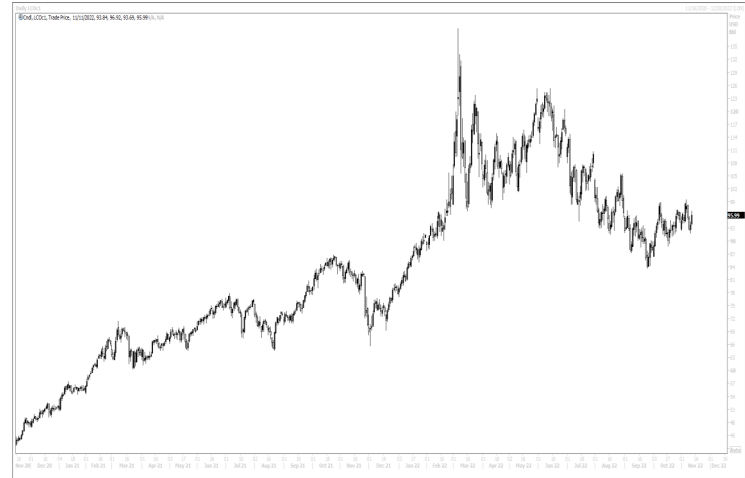


Brent Crude

Last Price

USD **87.62**/BBL

Oil dropped by about 2% on Friday, logging a second weekly decline, due to concern about weakened demand in China and further increases to U.S. interest rates. Brent crude [LC0c1](#) settled at \$87.62 a barrel, falling \$2.16, or 2.4%. U.S. West Texas Intermediate (WTI) crude [CLc1](#) settled at \$80.08 a barrel, losing \$1.56, or 1.9%. Both benchmarks posted weekly losses, with Brent down about 9% and WTI roughly 10%. A stronger U.S. dollar, which makes oil more expensive to non-American buyers, pushed down crude prices. The market structure of both oil benchmarks shifted in ways that reflect dwindling supply concerns. Crude came close to record highs earlier this year as Russia's invasion of Ukraine added to those worries. In addition, the front-month futures contract soared to a gigantic premium over later-dated contracts, a signal that people were worried about the immediate availability of oil and were willing to pay handsomely to secure supply.



Technical:

Oil slides 2%, posts second weekly decline as supply fears recede, next level to watch 92.00.

Support:

86.35 = Oct 2022 Low

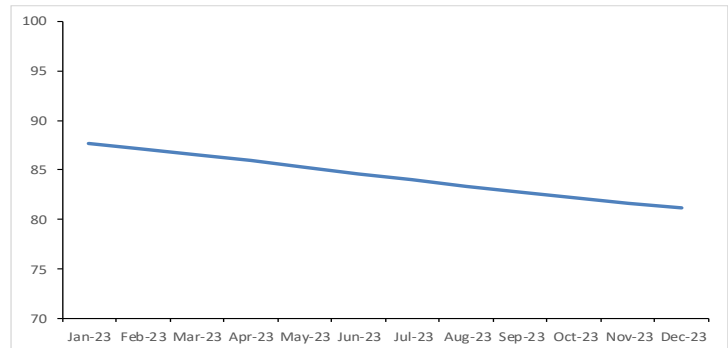
80.47 = Sep 2022 Low

Resistance:

92.33 = Nov 2022 Low

105.48 = Aug 2022 High

Futures Curve

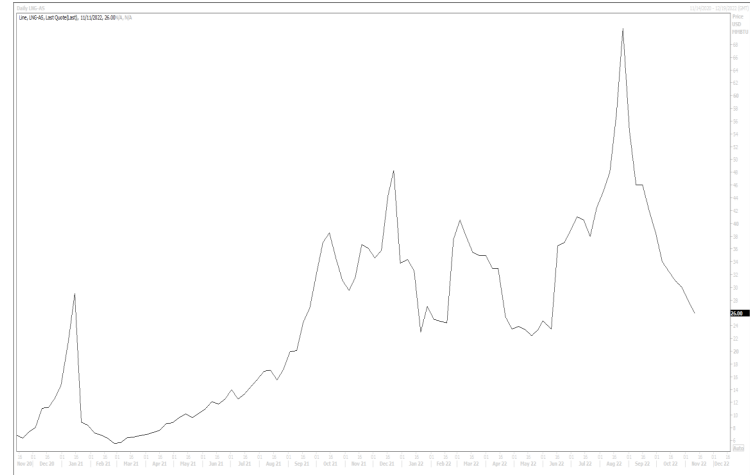


LNG

Last Price

USD **25.50**/MMBTU

Asian spot liquefied natural gas (LNG) prices eased this week on unusually warmer weather and solid inventories, but market players believe the U.S. Freeport LNG plant's delayed restart would support prices in the coming weeks. The average LNG price for January delivery into northeast Asia [LNG-AS](#) was \$25.5 per million British thermal units (mmBtu), down \$0.50, or 1.9%, from the previous week. This is well below the price range of around \$31/mmBtu that prevailed at this time last year. Freeport, which shut on June 8 due to an explosion, has not submitted plans to federal safety regulators to restart its export plant in Texas. Industry sources believe it will not return to service before January 2023. Freeport LNG makes up 3.75% of the global market and the extended outage across mid-November through December represents a loss of about 27 cargoes.

**Technical:**

Asia spot prices ease on warm weather; focus on Freeport restart.
Next level to watch 23.50.

Support:

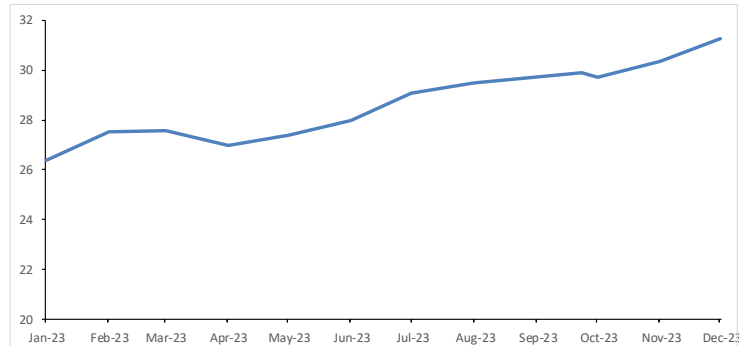
23.50 = Jun 2022 Low

19.90 = Sep 2021 Low

Resistance:

34.00 = Oct 2022 High

38.50 = Sep 2022 Low

Futures Curve

Steel (HRC)

Last Price USD **664.00**/ tons

Iron ore futures advanced on Friday and were set for their third straight weekly rise, as top steel producer China's latest moves to shore up its flagging economy brightened demand prospects. Expectations that Beijing will take more policy actions to support the economy, after [easing](#) some of its strict COVID-19 containment rules and unveiling fresh [measures](#) to aid an ailing property sector, added to the buoyant mood. The most-traded January iron ore on China's Dalian Commodity Exchange [DCIOcv1](#) ended daytime trade 3.3% higher at 753.50 yuan (\$105.76) a tonne. Earlier in the session, it hit the highest level since Aug. 1 at 757.50 yuan. Chinese steel benchmarks and other steelmaking inputs also stretched weekly gains on Friday. Rebar on the Shanghai Futures Exchange [SRBcv1](#) rose a further 0.3%, while both hot-rolled coil [SHHCcv1](#) and wire rod [SWRcv1](#) climbed 0.8%. Stainless steel [SHSScv1](#) dipped 0.8%.

Technical:

Iron ore extends rally on China demand hopes. Next level to watch 622.00.

Support:

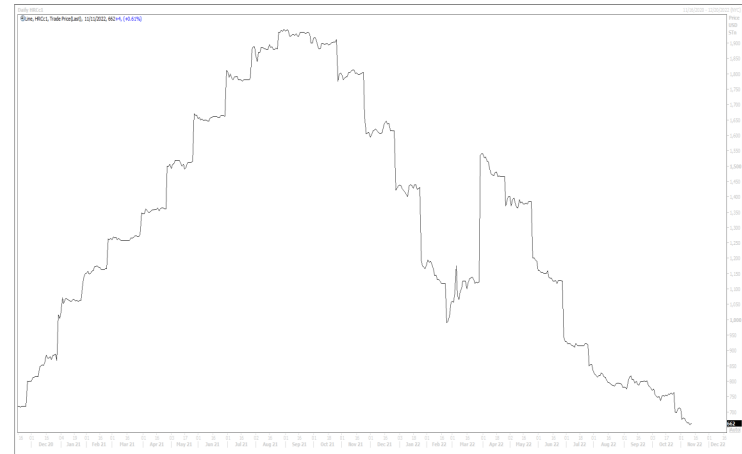
622.00 = Oct 2020 Low

596.00 = Mar 2020 High

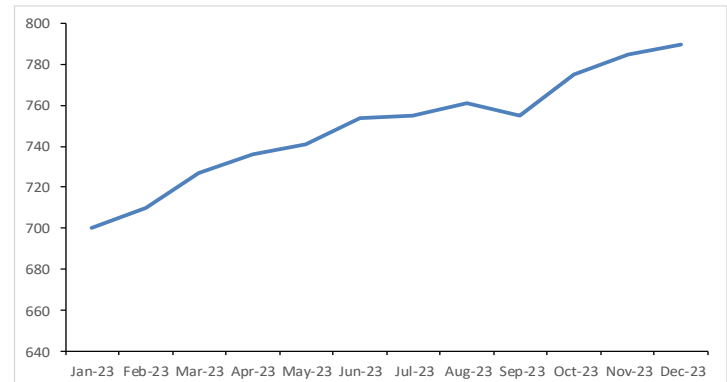
Resistance:

713.00 = Nov 2022 High

765.00 = Sep 2022 Low



Futures Curve of SHFE Steel Futures



LME Zinc

Last Price USD **3,031.00**/Tons

The most traded SHFE 2212 zinc closed up 0.62% or 150 yuan/mt at 24,395 yuan/mt, with open interest down 2,465 lots to 84,174 lots.

SMM zinc ingot social inventory across seven major markets in China fell 1,700 mt to 58,800 mt, and the pivot has not yet come. Short-term zinc price is likely to remain volatile.



Technical:

Shanghai Nonferrous Metals Closed All with Gains amid Booming Market Sentiment, next level to watch 3,061.00.

Support:

2,758.00 = Apr 2021 Low

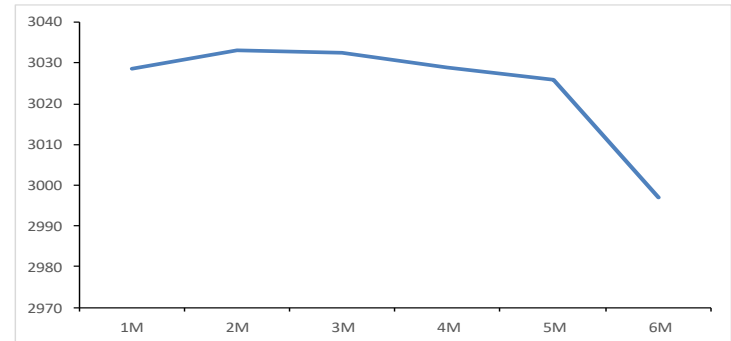
2,569.50 = Feb 2021 Low

Resistance:

3,061.00 = May 2021 High

3,061.00 = May 2021 High

LME Zinc Forward Curve



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