



Commodities Weekly

Issue 32-2023

Date: 17 Sep 2023

Bloomberg Commodity Index

107.47 ▲



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	604.25	▲ 6.52%	▲ 2.50%	▼ -29.72%	797.40	564.50
Sugar	\$/LBS	26.91	▲ 2.28%	▲ 12.13%	▲ 50.50%	27.59	18.92
Soybean	\$/BSH	1,340.25	▼ -0.69%	▲ 0.26%	▼ -7.47%	1,616.50	1,270.75
Palm Oil	\$/Ton	808.42	▼ -1.24%	▼ -4.45%	▲ 0.62%	985.06	730.37
Cotton	\$/LBS	85.39	▲ 1.16%	▲ 1.22%	▼ -15.66%	90.33	75.70
Brent Crude	\$/BBL	93.93	▲ 3.62%	▲ 11.66%	▲ 2.82%	94.63	70.12
LNG	\$/MMBTU	13.00	▲ 0.78%	▼ -7.14%	▼ -71.74%	25.00	9.00
Steel	\$/Ton	704.00	▼ -2.22%	▼ -13.09%	▼ -10.77%	1,200.00	704.00
SHFE Zinc	\$/Ton	3,015.96	▲ 2.25%	▲ 10.08%	▼ -12.34%	3,368.00	2,550.00
Indonesian Coal*	\$/Ton	133.13	▼ -26.00%	▼ -26.00%	▼ -58.30%	305.21	133.13
Australian Coal	\$/Ton	300.00	▲ 7.02%	▲ 18.58%	▲ 15.38%	381.00	225.50
Gold	\$/Ozs	1,923.58	▲ 0.30%	▲ 4.27%	▲ 14.84%	2,072.19	1,804.20

*Price published monthly once by Indonesian Govt

Wheat

Last Price

USc **604.25**/BSH

CBOT wheat futures firmed on Friday as traders covered short positions ahead of the weekend and as worries about tighter global supplies underpinned the market. Disruptions to Ukrainian grain shipments due to Russian attacks on ports and other infrastructure has underpinned wheat prices this week, even as exports of Russian have actively flowed. Reduced wheat crops due to dry weather in Australia and Argentina also kept a floor under prices. CBOT December soft red winter wheat [WZ3](#) settled 10-1/2 cents higher at \$6.04-1/4 a bushel. The benchmark contract gained 1.4% this week, its strongest weekly gain in seven weeks. K.C. hard red winter wheat for December delivery [KWZ3](#) settled 10 cents higher at \$7.46-1/2 a bushel. MGEX December spring wheat [MWEZ3](#) was up 5-1/2 cents at \$7.89 a bushel.



Technical:

Wheat up on global supply worries, positioning ahead of weekend.
 Next level to watch 663.25.

Support:

560.00 = Dec 2020 Low

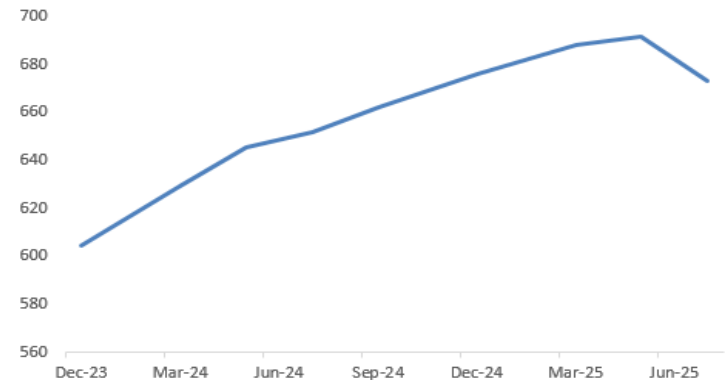
551.75 = Aug 2020 High

Resistance:

663.25 = Mar 2021 High

718.00 = Jul 2021 High

Futures Curve



Sugar

Last Price

USc **26.91**/LBS

Raw sugar futures on ICE rose to a 12-year high on Friday before closing slightly down, as dry weather linked to El Nino looked set to lead to a global deficit in the 2023/24 season. October raw sugar [SBc1](#) settled down 0.07 cent, or 0.3%, at 26.91 cents per lb, after setting a 12-year high of 27.59 cents. The contract gained 2.3% in the week. Concern that drier than normal weather linked to El Nino is likely to curb output in India and Thailand remained a key supportive factor. There is a more than 95% chance that [El Nino](#) conditions will continue through the Northern Hemisphere winter. [Dry conditions are expected](#) for the next 10 days in centre-south Brazil, boosting harvest operations. October white sugar [LSUc1](#) fell \$9.10, or 1.2%, at \$748.30 a metric ton.



Technical:

Raw sugar hits 12 year high, next level to watch 27.41.

Support:

23.90 = Oct 2016 High

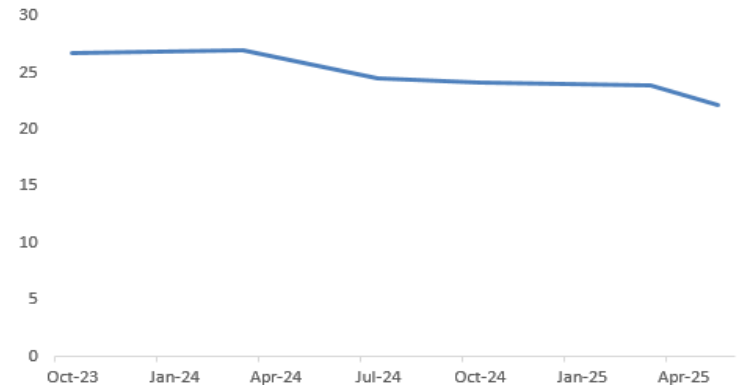
22.36 = Mar 2023 High

Resistance:

27.41 = Apr 2023 High

30.21 = Sep 2011 High

Futures Curve



Soybean

Last Price USc **1,340.25**/BSH

CBOT soybean futures fell on Friday on position squaring ahead of the weekend and on concerns about demand after a monthly industry report showed a slower-than-anticipated U.S. processing pace last month. Seasonal harvest pressure also hung over the soybean market. CBOT November soybean futures [SX3](#) settled down 20-1/4 cents at \$13.40-1/4 a bushel. The benchmark contract fell after hitting overhead technical chart resistance at its 20- and 50-day moving averages. For the week, the November contract was down 1.7%, its third straight weekly drop. CBOT December soybean futures [SMZ3](#) settled down \$7.30 at \$392.10 a ton. December soybean futures [BOZ3](#) settled up 0.34 cent at 62.06 cents per pound.



Technical:

Soybeans drop on demand worries, positioning ahead of weekend, next level to watch 1,319.00.

Support:

1,319.00 = Aug 2023 Low

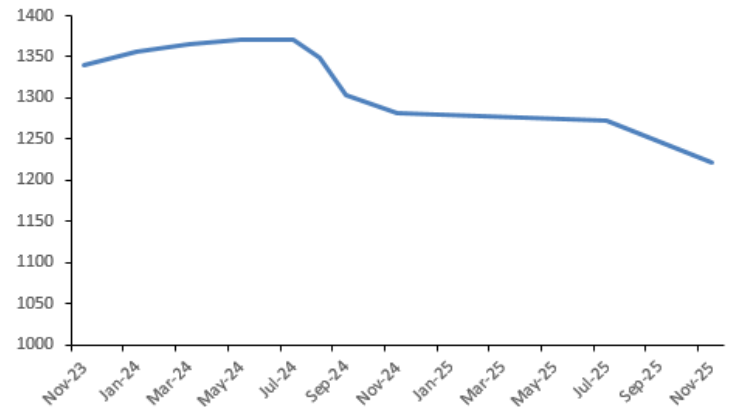
1,265.00 = Jul 2009 High

Resistance:

1,548.50 = Jan 2023 High

1,608.75 = Apr 2021 High

Futures Curve



Palm Oil

Last Price

USD **808.42**/Ton

Malaysian palm oil futures posted a second straight weekly drop, despite rising on Friday in a session underpinned by recovery in rival vegetable oils, as rising inventory in August limited gains.

The benchmark palm oil contract [FCPOc3](#) for November delivery on the Bursa Malaysia Derivatives Exchange closed up 24 ringgit, or 0.64% at 3,785 ringgit (\$808.42) per metric ton, rising for the third consecutive session. The contract declined 1.17% for the week, extending a 5.2% fall from the previous week. Top buyer India [imported](#) 1.13 million tons of palm oil in August, a 3.9% increase from the previous month to the highest in nine months.

Technical:

Palm logs second weekly drop weighed by higher inventory, next level to watch 833.00.

Support:

784.15 = Aug 2023 Low

697.82 = May 2023 Low

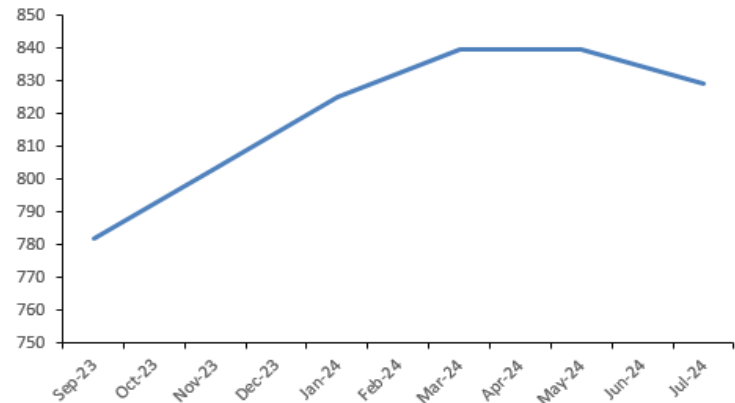
Resistance:

951.42 = Feb 2023 High

1,101.35 = Jul 2022 High



Futures Curve



Cotton

Last Price

USc **85.39**/LBS

ICE cotton futures slipped on Friday tracking weakness in the equity market and concerns over demand, especially from top consumer China, although the natural fiber was on track for a weekly gain as supply worries linger. Cotton contract for December [CTZ3](#) fell 0.69 cent, or 0.79%, to 87.11 cents per lb by 12:36 p.m. EDT (1636 GMT). The contract was up about 1.1% so far this week.



Technical:

Cotton slips on lower equities, demand woes; but eyes weekly gain. Next level to watch 90.00.

Support:

72.00 = Nov 2022 Low

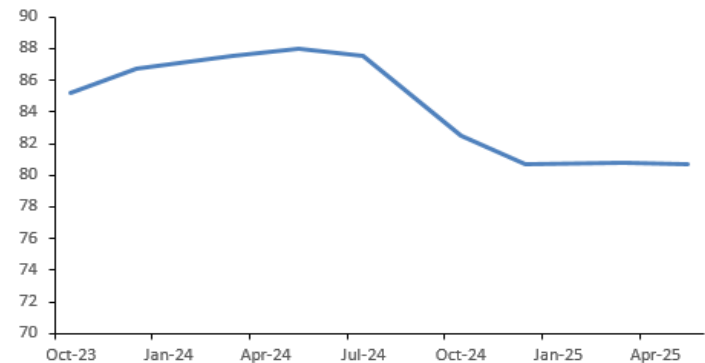
63.01 = Sep 2020 Low

Resistance:

90.85 = Jul 2022 Low

96.14 = Oct 2022 High

Futures Curve



Brent Crude

Last Price

USD **93.93**/BBL

Oil prices hit a 10-month high on Friday and posted a third weekly gain as supply tightness spearheaded by Saudi Arabian production cuts combined with optimism around Chinese demand to lift crude. Brent crude futures [LCOc1](#) rose 23 cents, or 0.3%, to settle at \$93.93 a barrel, while U.S. West Texas Intermediate futures [CLc1](#) was up 61 cents, or 0.7%, to close at \$90.77 a barrel. Both contracts traded at 10-month highs on Tuesday for the fifth consecutive session, and gained about 4% on a weekly basis. Oil prices are also on track for their biggest quarterly increase since Russia's invasion of Ukraine in the first quarter of 2022.



Technical:

Oil gains for third straight week on tight supply, China optimism, next level to watch 99.56.

Support:

91.70 = Jan 2022 High

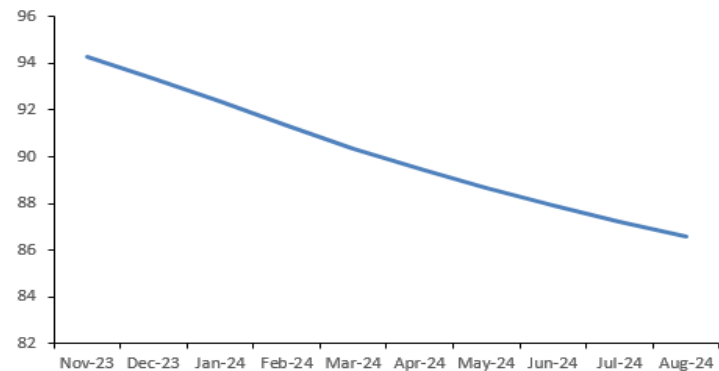
70.42 = Sep 2021 Low

Resistance:

99.56 = Nov 2022 High

105.79 = Feb 2022 High

Futures Curve

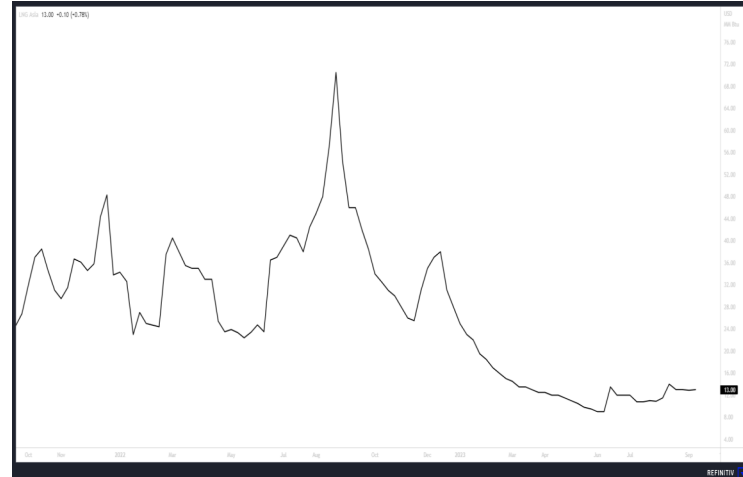


LNG

Last Price

USD **13.00**/MMBTU

Asian spot liquefied natural gas (LNG) prices inched up this week amid supply concerns as workers at Chevron's [CVX.N](#) Australia LNG projects escalated industrial action and as feedgas intake at U.S. Freeport dropped below normal capacity. The average LNG price for October delivery into north-east Asia [LNG-AS](#) rose to \$13.00 per million British thermal units (mmBtu) from \$12.90 in the previous week, industry sources estimated, adding that average price for November delivery was estimated at \$14.00/mmBtu. Workers at Chevron's Gorgon and Wheatstone in Australia, responsible for more than 5% of global supply, escalated a 6-day limited strikes, and until around end-September, unions can strike for up to 24 hours a day and refuse tasks such as loading tankers.



Technical:

Asian spot LNG prices inch up as market eyes Australia strikes. Next level to watch 13.50.

Support:

09.50 = May 2023 Low

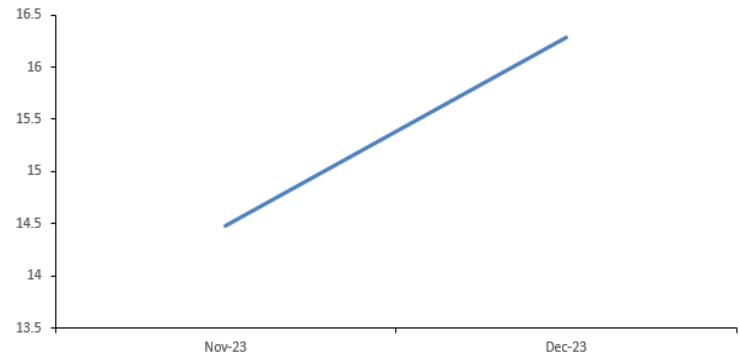
08.85 = Apr 2021 High

Resistance:

13.50 = Mar 2023 High

14.50 = Mar 2023 High

Futures Curve

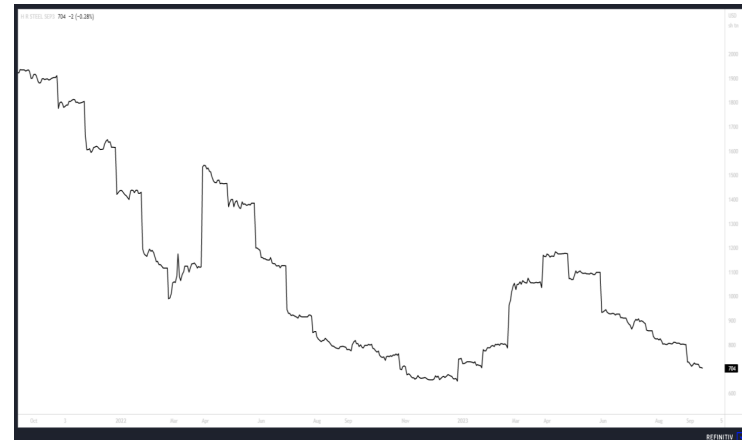


Steel (HRC)

Last Price USD **704.00**/ tons

Dalian iron ore futures rose for a fourth straight session on Thursday, helped by low inventories and pre-holiday restocking, although concerns about lingering steel market weakness in the peak construction season capped the gains.

The most-traded January iron ore on China's Dalian Commodity Exchange (DCE) [DCIOcv1](#) climbed 0.47% to 860.5 yuan (\$118.28) a metric ton by 0308 GMT. Despite higher raw materials prices, most steel benchmarks on the Shanghai Futures Exchange weakened. Rebar [SRBcv1](#) was little changed, hot-rolled coil [SHHCcv1](#) declined 0.13%, wire rod [SWRcv1](#) lost 0.3% and stainless steel [SHSScv1](#) fell 0.39%.



Technical:

Iron ore extends gains on low stocks, pre-holiday restocking. Next level to watch 790.00.

Support:

650.00 = Dec 2022 Low

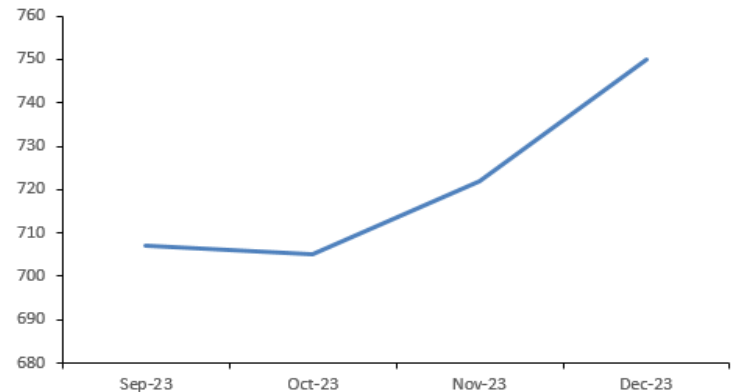
620.00 = Sep 2020 High

Resistance:

790.00 = Jan 2023 High

930.00 = Jul 2022 High

Futures Curve of SHFE Steel Futures



SHFE Zinc

Last Price USD **3,015.96**/Tons

LME zinc prices opened at \$2526/mt and went up to close at \$2560/mt, up \$32/mt or 1.27%. Trading volume increased to 14219 lots, and open interest decreased 967 lots to 210,000 lots. Overnight LME inventories fell by 4,750 tons to 127,450 tons, a decrease of 3.59%. At the same time, boosted by domestic fiscal policy support and the end of the European Central Bank's interest rate hike expectations, LME zinc rose all the way. The most active SHFE 2310 zinc contract prices opened at 22100 yuan/mt and closed at 21990 yuan/mt last evening, up 170 yuan/mt or 0.78%. The trading volume was down to 76990 lots, and open interest decreased 1926 lots to 108,000 lots. Overnight, the central bank sent another RRR cut message, which raised expectations for improving demand.

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

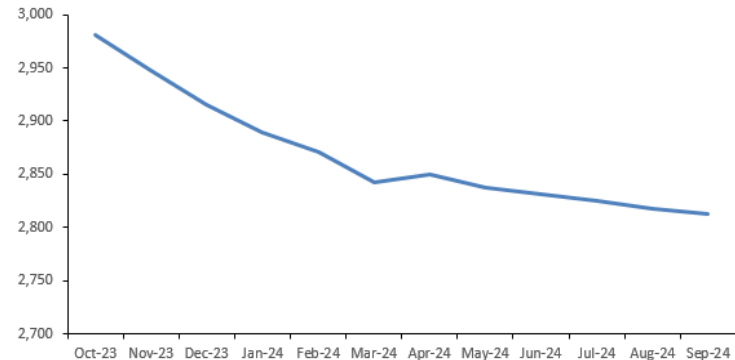
Resistance:

3,182.18 = Jun 2021 High

3,291.42 = Jul 2021 High



SHFE Zinc Forward Curve



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