



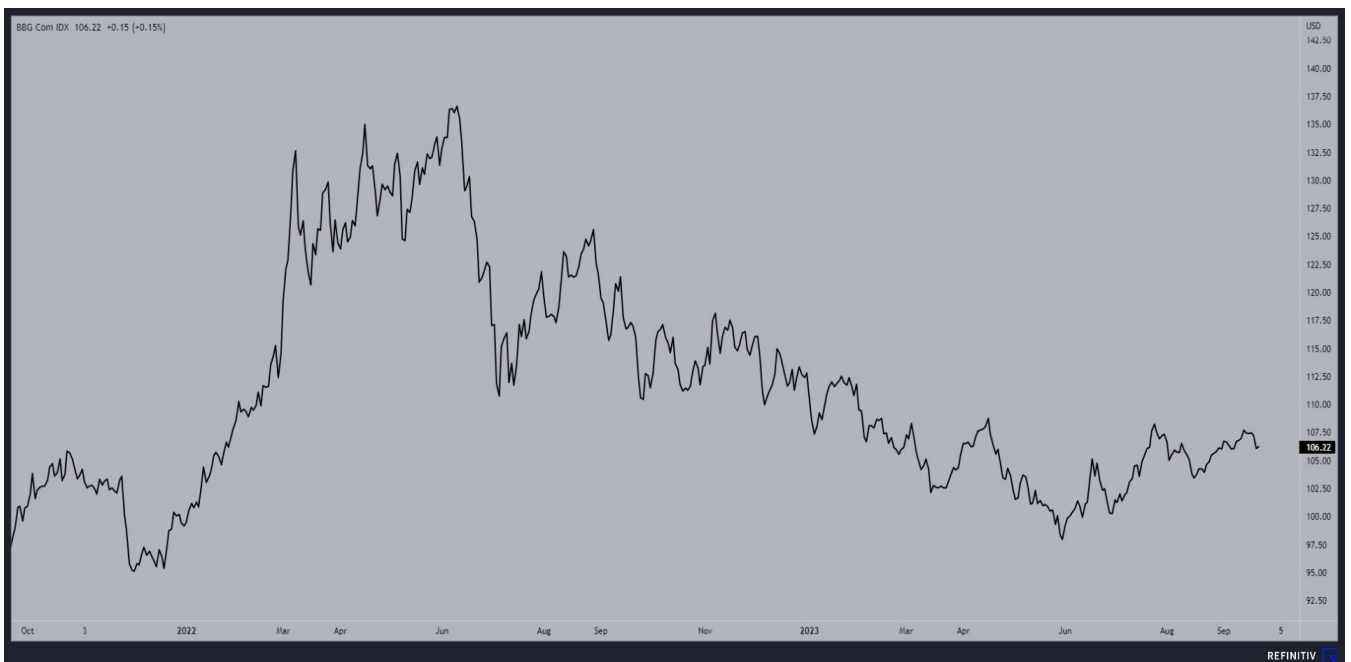
Commodities Weekly

Issue 33-2023

Date: 24 Sep 2023

Bloomberg Commodity Index

106.22 ▼



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.

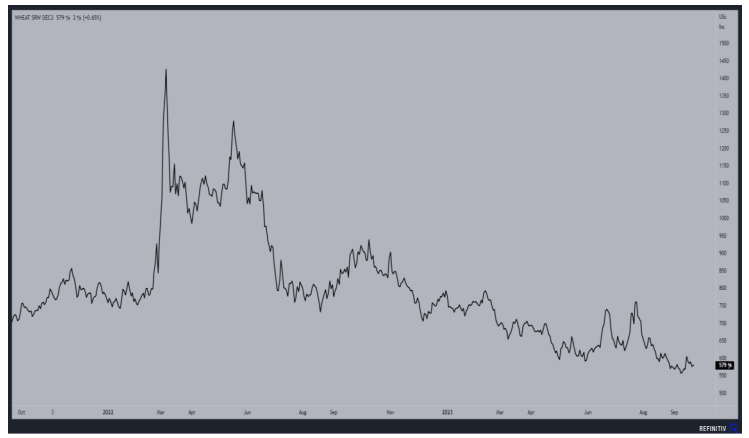
Commodity	Unit	Closing Price	% Δ Weekly	% Δ MoM	% Δ YoY	YTD High	YTD Low
Wheat	\$/BSH	579.50	▼ -4.10%	▼ -4.06%	▼ -34.19%	797.40	548.00
Sugar	\$/LBS	26.97	▲ 0.22%	▲ 11.03%	▲ 47.54%	27.62	18.92
Soybean	\$/BSH	1,296.25	▼ -3.28%	▼ -5.09%	▼ -9.08%	1,616.50	1,270.75
Palm Oil	\$/Ton	785.70	▼ -2.81%	▼ -6.13%	▼ -2.52%	985.06	730.37
Cotton	\$/LBS	84.04	▼ -1.58%	▼ -2.38%	▼ -11.06%	90.33	75.70
Brent Crude	\$/BBL	93.27	▼ -0.70%	▲ 11.89%	▲ 8.26%	95.96	70.12
LNG	\$/MMBTU	14.00	▲ 7.69%	▲ 7.69%	▼ -66.67%	25.00	9.00
Steel	\$/Ton	705.00	▲ 0.14%	▼ -12.20%	▼ -12.09%	1,200.00	704.00
SHFE Zinc	\$/Ton	2,993.00	▼ -0.76%	▲ 6.00%	▼ -14.40%	3,368.00	2,550.00
Indonesian Coal*	\$/Ton	133.13	0.00%	▼ -26.00%	▼ -58.30%	305.21	133.13
Australian Coal	\$/Ton	300.00	0.00%	▲ 17.07%	▲ 13.64%	381.00	225.50
Gold	\$/Ozs	1,924.99	▲ 0.07%	▲ 2.72%	▲ 17.16%	2,072.19	1,804.20

*Price published monthly once by Indonesian Govt

Wheat

Last Price USc **579.50**/BSH

CBOT wheat futures eked out small gains on Friday on technical buying after the December contract [WZ3](#) hit a 1-1/2-week low, and on worries about drought in the Southern Hemisphere. CBOT December soft red winter wheat [WZ3](#) settled up 3-3/4 cents at \$5.79-1/2 per bushel, a gain of 0.65%, rallying after a dip to \$5.72-3/4, the contract's lowest since Sept. 12. K.C. December hard red winter wheat [KWZ3](#) climbed 3/4 of a cent to settle at \$7.11-1/4 a bushel and MGEX December spring wheat [MWEZ3](#) gained 3 cents to finish at \$7.70-1/2.



Technical:

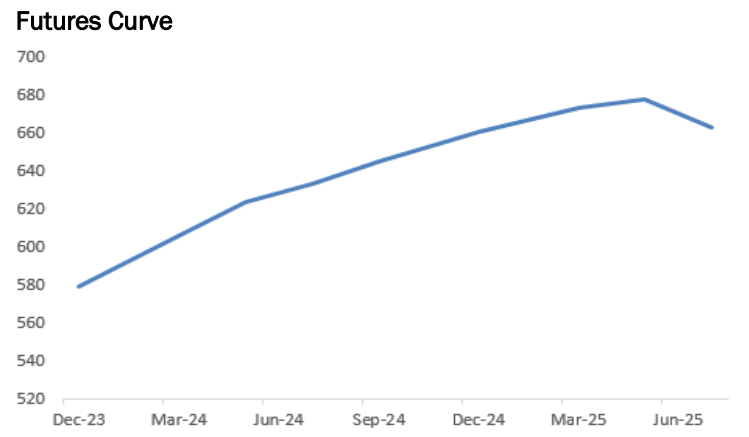
Wheat ticks higher on technical buying, drought reports. Next level to watch 663.25.

Support:

560.00 = Dec 2020 Low
551.75 = Aug 2020 High

Resistance:

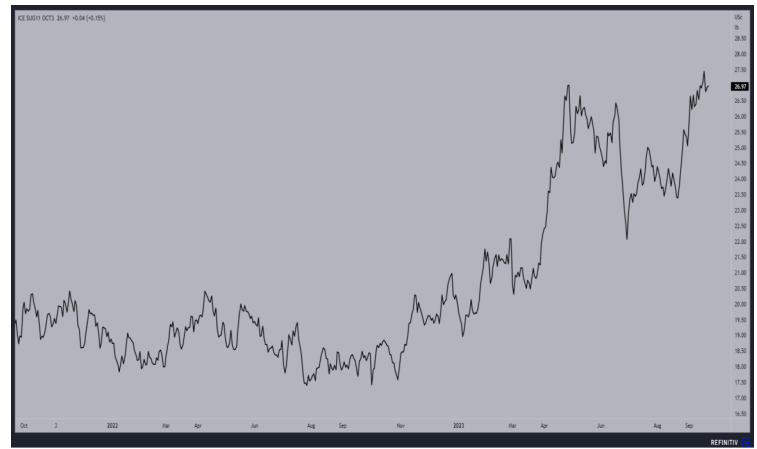
663.25 = Mar 2021 High
718.00 = Jul 2021 High



Sugar

Last Price USc **26.97** /LBS

London raw sugar futures traded on ICE consolidated on Thursday off recent multi-year highs, even though investors remained concerned about supplies. October raw sugar [SBc1](#) settled up 0.14 cent, or 0.5%, at 26.93 cents per lb, having hit a 12-year high of 27.62 cents this week. [India](#)'s sugar production is expected to improve due to good rains in September. India is unlikely however, to export sugar in the 2023-24 season as output will be less than a year earlier. Sugar has been boosted of late by concerns that drier than normal weather linked to El Nino would reduce output in Asia. Against that, top producer Brazil's 2023/24 center-south sugar production is seen at record 40.3 million tons versus 39.45 million previously. December white sugar [LSUc1](#) rose \$6.30, or 0.9%, to \$732.80 a ton.



Technical:

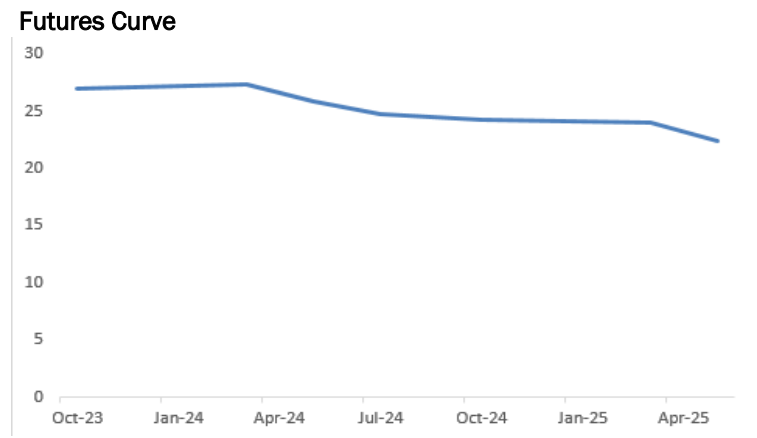
Raw sugar consolidate off recent multi year peaks, next level to watch 27.41.

Support:

23.90 = Oct 2016 High
22.36 = Mar 2023 High

Resistance:

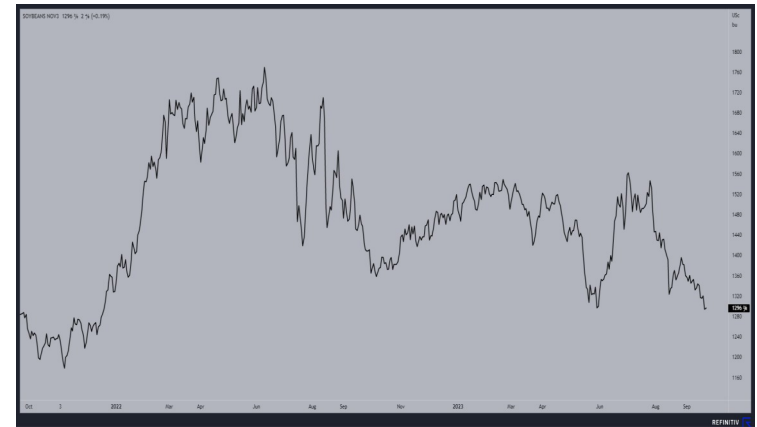
27.41 = Apr 2023 High
30.21 = Sep 2011 High



Soybean

Last Price USc **1,296.25**/BSH

Soybean futures on the Chicago Board of Trade closed higher on Friday in a light technical rebound from six-week lows, but weak export demand and seasonal pressure from the expanding Midwest harvest capped rallies. CBOT November soybeans [SX3](#) settled up 2-1/2 cents at \$12.96-1/4 per bushel, turning up after a fall to \$12.92-1/2, the contract's lowest level since Aug. 8. CBOT December soy meal [SMZ3](#) ended down \$2.30 at \$385.80 per short ton. CBOT December soy oil [BOZ3](#) rose, snapping a four-session slide, to settle up 1.22 cents on Friday at 59.62 cents per lb. Strength in the U.S. dollar hung over the grain markets, limiting rallies. The dollar index .DXY hit a six-month high, further clouding export prospects at a time when U.S. soy faces stiff competition from Brazilian supplies.



Technical:

Soybeans end modestly higher, consolidating above 6-week lows, next level to watch 1,319.00.

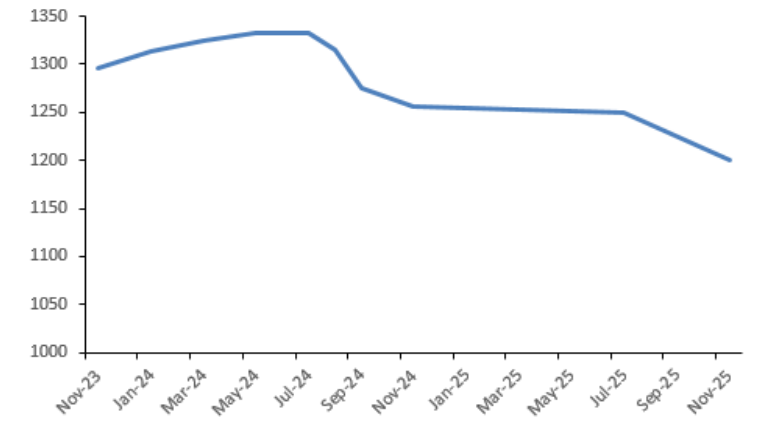
Support:

1,265.00 = Jul 2009 High
 1,216.25 = Dec 2021 Low

Resistance:

1,319.00 = Aug 2023 Low
 1,548.50 = Jan 2023 High

Futures Curve



Palm Oil

Last Price USD **785.70**/Ton

Malaysian palm oil futures traded flat at closing on Friday but held near three-month lows after a third straight weekly decline as weakness in rival oils and concerns over rising supply outweighed support from strong export data.

The benchmark palm oil contract [FCPOc3](#) for December delivery on the Bursa Malaysia Derivatives Exchange traded flat at 3,681 ringgit (\$785.70) a metric ton at closing. It has declined 2.8% this week. Palm oil is affected by price movements in related oils as they compete for a share in the global vegetable oils market. Palm oil [FCPOc3](#) may fall into a range of 3,360-3,501 ringgit per metric ton in the fourth quarter, before reversing to rise towards its July high of 4,209 ringgit.



Technical:

Palm near 3-month low on weaker rival oils, concerns over rising supply, next level to watch 833.00.

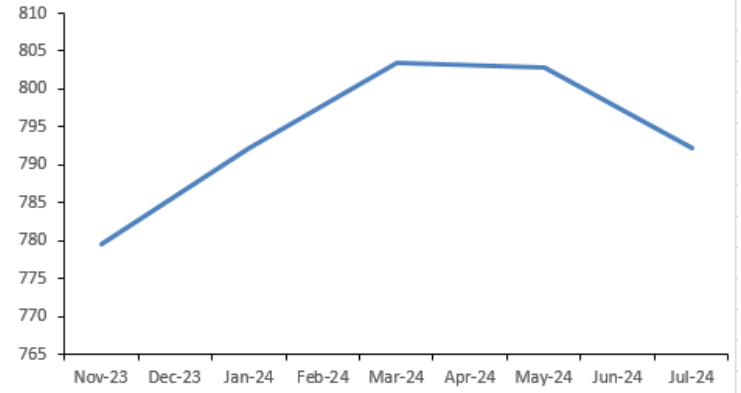
Support:

- 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 **84.04**/LBS

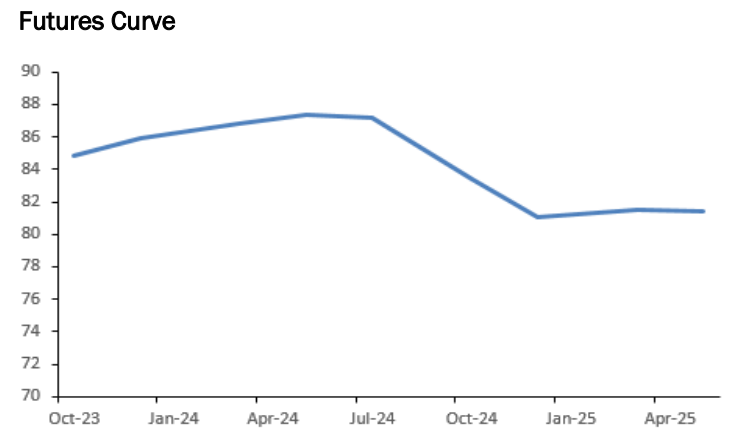
ICE cotton futures slipped more than 1% on Friday and were heading for a weekly fall as an overall stronger U.S. dollar and concerns over demand from top consumer China dominated sentiment among investors. Cotton contracts for December [CTZ3](#) fell 0.56 cent, or 0.65%, to 85.91 cents per lb by 12:44 p.m EDT (16:44 GMT), its lowest since Sept. 8. The contract was down about 0.7% so far this week. The U.S. Department of Agriculture's weekly sales report on Thursday showed exports of 150,700 running bales of cotton, down 15% from the prior 4-week average. Meanwhile, oil prices edged lower on Friday as a hawkish stance from the U.S. central bank spurred fears of slowing demand. Lower oil prices make cotton-substitute polyester less expensive.



Technical:
Cotton set for weekly drop on stronger dollar, demand worries. 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

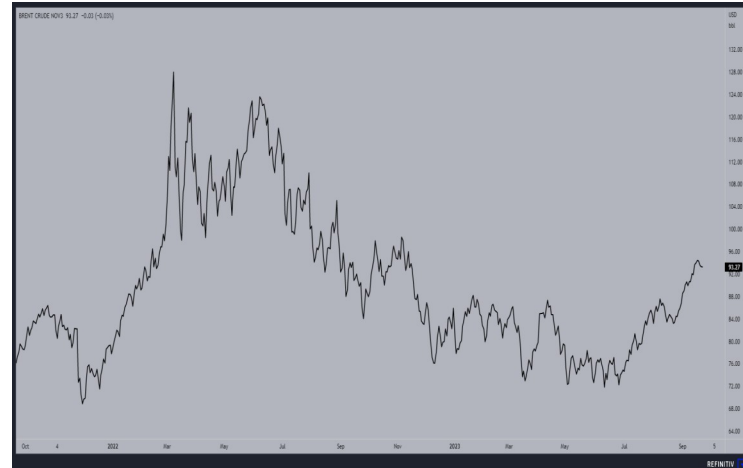


Brent Crude

Last Price

USD **93.27** /BBL

Oil prices held steady on Friday but closed the week lower on profit-taking and as markets weighed supply concerns stemming from [Russia's fuel export ban](#) against demand woes from future rate hikes. Brent futures [LCOc1](#) settled 3 cents lower at \$93.27 a barrel. It fell 0.3% in the week, breaking a three week streak of gains. U.S. West Texas Intermediate crude (WTI) futures [CLc1](#) rose 40 cents, or 0.5%, to \$90.03 a barrel, as U.S. oil rig counts fell. The benchmark fell 0.03% for the week, the first decline in four weeks. The contracts have rallied more than 10% in the previous three weeks on concerns about tight supply. Meanwhile, Russia's temporary ban on exports of gasoline and diesel to most countries was expected to tighten supplies.



Technical:

Oil ends week lower as demand concerns face Russia supply ban, next level to watch 99.56.

Support:

91.70 = Jan 2022 High

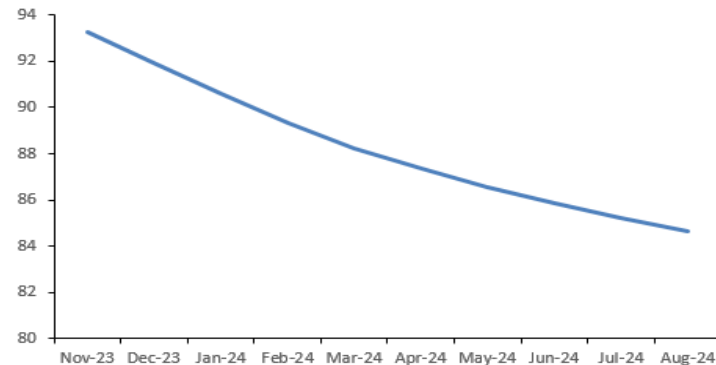
70.42 = Sep 2021 Low

Resistance:

99.56 = Nov 2022 High

105.79 = Feb 2022 High

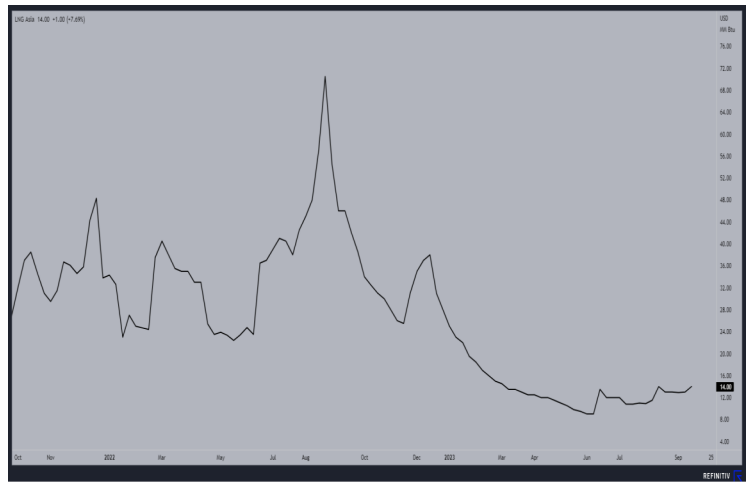
Futures Curve



LNG

Last Price USD **14.00**/MMBTU

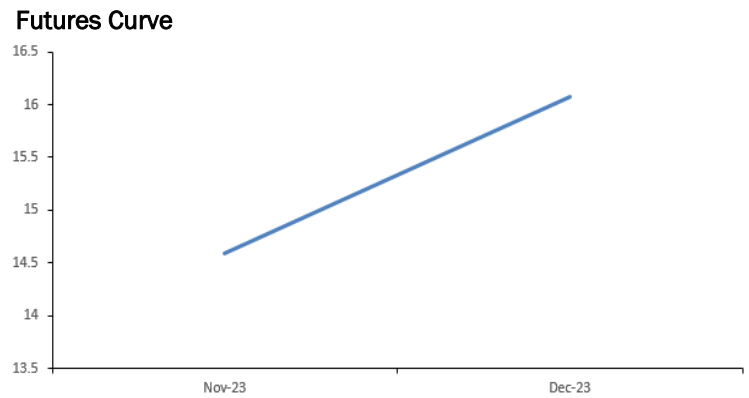
Asian spot liquefied natural gas (LNG) prices rose \$1 this week due to buying activity by China and India, easing inventory levels in Japan and higher oil prices. The average LNG price for November delivery into north-east Asia [LNG-AS](#) rose to \$14 per million British thermal units (mmBtu) from \$13 the previous week. An Australian union alliance on Friday [called off strikes](#) at Chevron's [CVX.N](#) two major LNG projects - responsible for about 7% of global supply - after agreeing to resolve disputes, ending two weeks of strike activity which had spurred concerns of supply disruption. In Europe, S&P Global Commodity Insights assessed its daily northwest Europe LNG Marker (NWM) price benchmark for cargoes delivered in November on an ex-ship (DES) basis at \$12.864/mmBtu on Sept. 21, a \$0.825/mmBtu discount to the November gas price at the Dutch TTF gas hub.



Technical:
 Asian prices notch up amid spot buys, easing Japan inventories. Next level to watch 13.50.

Support:
 09.50 = May 2023 Low
 08.85 = Apr 2021 High

Resistance:
 14.50 = Mar 2023 High
 18.50 = Feb 2023 High



Steel (HRC)

Iron ore futures rose on Friday, buoyed by reports of China's support measures for businesses and after Rio Tinto [RIO.AX](#) said it paused work at a mining site in the Pilbara region following an incident. The steelmaking feed, however, was on track for a weekly fall amid persistent concerns about top steel producer China's troubled property sector. Iron ore's benchmark October contract on the Singapore Exchange [SZZFV3](#) was up 2% at \$119.80 per metric ton, as of 0422 GMT. It has fallen more than 2% this week after scaling a six-month peak last week. The most-traded January iron ore on China's Dalian Commodity Exchange [DCIOcv1](#) ended morning trade 0.6% higher at 869 yuan (\$119.03) per ton. Rebar on the Shanghai Futures Exchange [SRBcv1](#) shed 0.4%, hot-rolled coil [SHHCcv1](#) dipped 0.2%, wire rod [SWRCv1](#) lost 1.5%, and stainless steel [SHSScv1](#) dropped 0.6%.

Technical:

Iron ore climbs on China support measures; set for weekly fall. Next level to watch 790.00.

Support:

650.00 = Dec 2022 Low

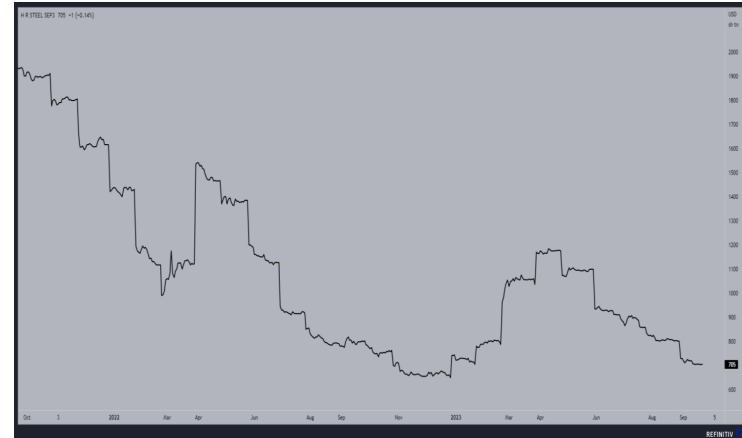
620.00 = Sep 2020 High

Resistance:

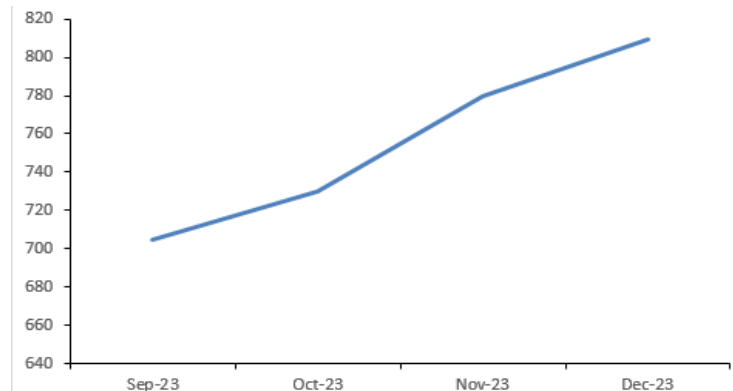
790.00 = Jan 2023 High

930.00 = Jul 2022 High

Last Price USD **705.00**/ tons



Futures Curve of SHFE Steel Futures



SHFE Zinc

Last Price USD **2,993.00**/Tons

The most active SHFE 2311 zinc contract prices opened at 21240 yuan/mt and closed at 21580 yuan/mt, up 5 yuan/mt or 0.02%. Trading volume stood at 51,000 lots, and open interest gained by 5293 lots to 111,000 lots. Customs data shows that China imported less than 30,000 tons of zinc ingots in August, a sharp decline from the previous month. However, the SHFE/LME zinc price ratio has been relatively high recently, stabilizing above 8.5. The import window remained open which, combined with the recent low-price shipments of imported zinc in the East China market will keep SHFE zinc prices from rising.

Technical:

Zinc continues upward move, next level to watch 3,182.18.

Support:

2,634.51 = Aug 2020 Low

2,610.00 = Jan 2020 High

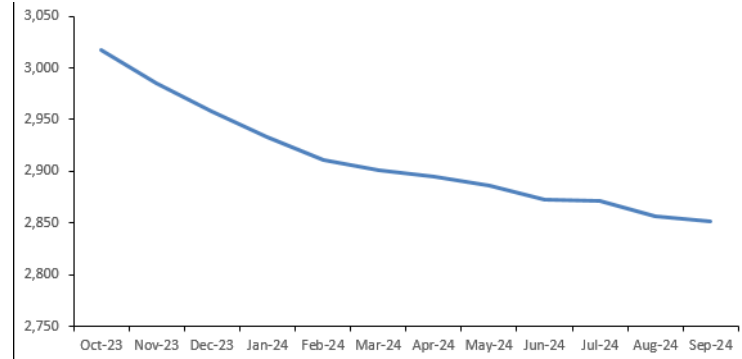
Resistance:

3,182.18 = Jun 2021 High

3,291.42 = Jul 2021 High



SHFE Zinc Forward Curve



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