



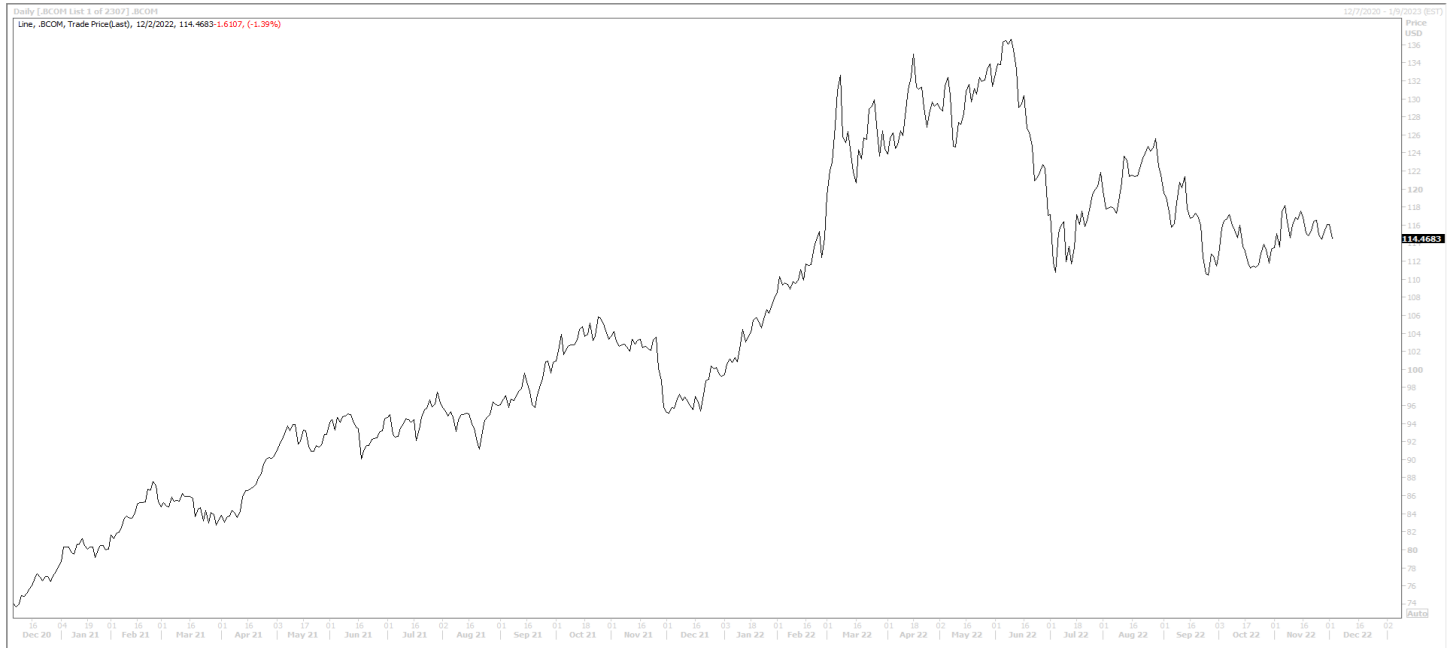
Commodities Weekly

Issue 34-2022

Date: 04 Dec 2022

Bloomberg Commodity Index

114.4683 ▼



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	737.25	▼ -4.93%	▼ -13.03%	▼ -7.21%	1,425.25	731.50
Sugar	19.48	▲ 0.78%	▲ 4.12%	▲ 3.89%	20.41	17.40
Soybean	1,438.50	▲ 0.16%	▼ -0.90%	▲ 13.51%	1,769.00	1,344.00
Palm Oil	891.00	▼ -1.76%	▲ 1.16%	▼ -27.21%	1,947.00	680.00
Cotton	84.28	▲ 3.61%	▼ -3.05%	▼ -22.89%	158.02	72.11
Brent Crude	85.57	▲ 2.32%	▼ -13.19%	▲ 22.45%	128.00	78.98
LNG	35.00	▲ 12.90%	▲ 25.00%	▲ 1.16%	71.00	22.00
Steel	672.00	▲ 2.44%	▼ -0.88%	▼ -58.39%	1,541.00	658.00
LME Zinc	3,079.50	▲ 5.43%	▲ 4.66%	▼ -3.60%	4,498.50	2,697.00
Gold	1,797.82	▲ 2.37%	▲ 7.00%	▲ 0.79%	2,052.41	1,621.57

Wheat

Last Price

USc **737.25**/BSH

Wheat futures fell to a fresh three-month low on Friday, pressured by Black sea supplies that compete with U.S. exports. Most-active CBOT March soft red winter wheat [WH3](#) lost 22 cents to settle at \$7.61 a bushel, the lowest for a most-active contract since August 19. The spot December contract [WZ2](#) fell 21-1/2 cents to \$7.37-1/4 a bushel. K.C. March hard red winter wheat [KWH3](#) slid 19-1/2 cents to \$8.70-3/4 a bushel, and MGEX March spring wheat [MWEH3](#) last traded down 16-3/4 cents at \$9.21-1/4 a bushel. Ukrainian farms had harvested 41.9 million [tonnes of grain](#) from 85% of the expected area as of Dec 1. French crops are in good shape entering the winter with an estimated 98% of soft wheat in [good or excellent condition](#) in the week to Nov. 28.

Technical:

Wheat falls to fresh 3-month low. Next level to watch 725.75.

Support:

725.75 = Aug 2022 Low

712.75 = Oct 2021 Low

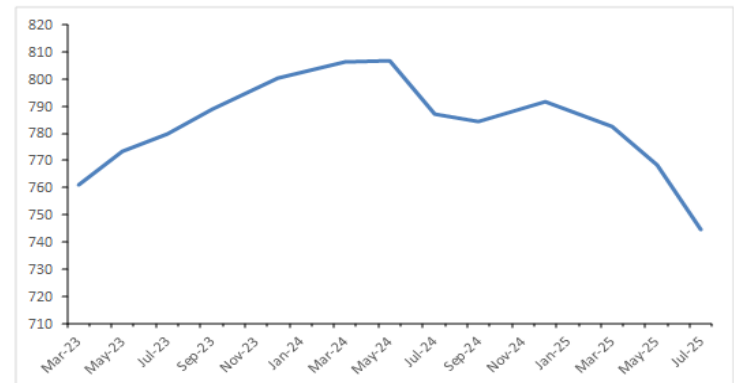
Resistance:

888.00 = Jul 2022 High

945.75 = Sep 2022 High



Futures Curve



Sugar

Last Price

USc **19.48**/LBS

Raw sugar inched down as the markets assessed mixed crop prospects in Brazil and amid a mostly negative macroeconomic outlook. March raw sugar [SBc1](#) fell 0.6% to 19.48 cents per lb, but continued to hold above a 2-1/2 week low struck at the start of the week. Sugar prices have been capped by expectations of a shift to a [market surplus](#) amid favourable production prospects in Brazil. [Brazil exported 4.07 million tonnes of sugar](#) in November, 53% more than a year ago and the highest monthly volume of the year. However, prices remained underpinned by a prolonged period of [rain in Brazil's south](#) and southeastern regions that is expected to hurt cane harvest progress. March white sugar [LSUc1](#) fell 0.9% to \$532.90 a tonne.



Technical:

Raw sugar ticks down, Next level to watch 19.90.

Support:

18.75 = Sep 2022 High

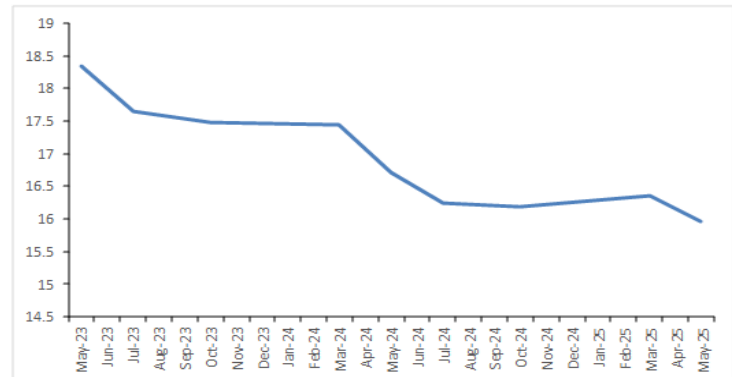
18.20 = Jun 2022 Low

Resistance:

20.51 = Apr 2022 High

20.96 = Jun 2021 High

Futures Curve



Soybean

Last Price

USc **1,438.50**/BSH

Chicago Board of Trade soybean futures rebounded modestly on Friday after a steep selloff the previous session related to disappointing U.S. biofuels targets. CBOT January soybeans [SF3](#) settled up 8-3/4 cents to \$14.38-1/2 per bushel. January soyoil [BOF3](#) lost 2.16 cents to settle at 65.22 cents per pound. CBOT January soymeal [SMF3](#) added \$2.50 to \$424.10 per short ton. Soybeans were consolidating after finding technical support just above Thursday's low of \$14.25-1/4. Statistics Canada [lowered its estimate](#) of the country's canola crop to 18.2 million tonnes from 19.1 million previously. Prolonged drought in Argentina has left over a third of early planted soybeans in the country's core farming region in [regulation-to-poor condition](#).

Technical:

Soybeans rebound slightly after selloff, next level to watch 1,480.00.

Support:

1,414.00 = Oct 2022 High

1,332.00 = Jan 2022 Low

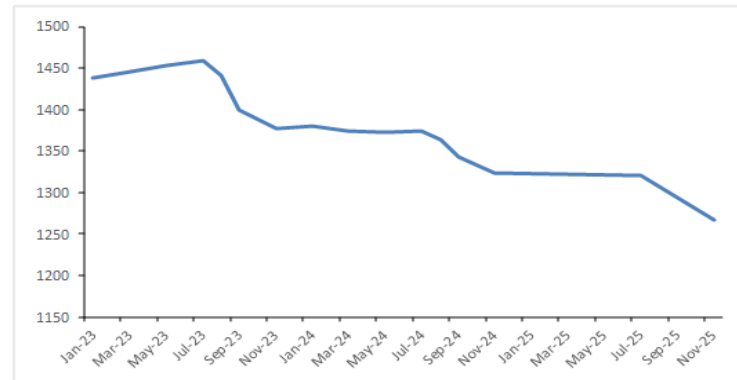
Resistance:

1,480.00 = Jul 2021 Low

1,496.75 = Jan 2022 High



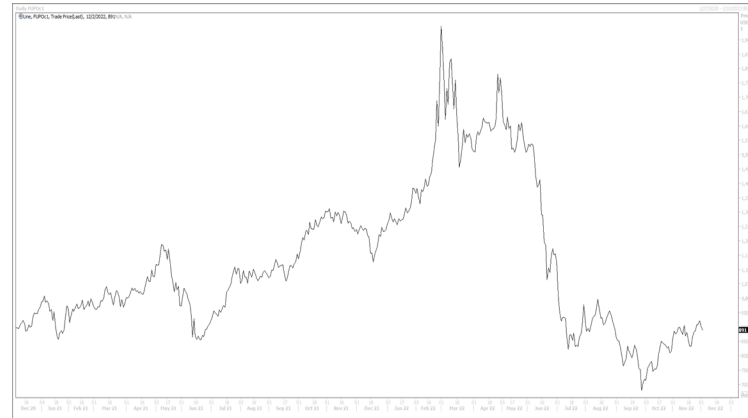
Futures Curve



Palm Oil

Last Price USD **891.00**/Ton

Malaysian palm oil futures notched weekly losses of more than 4% after falling for a second session on Friday as the ringgit strengthened and related vegetable oils slumped. The benchmark palm oil contract [FCPOc3](#) for February delivery on the Bursa Malaysia Derivatives Exchange fell 2.94% to end the day at 3,958 ringgit (\$903.03) per tonne, its lowest close since Nov. 22. For the week, it was down 4.40%. Soybean prices on the Chicago Board of Trade [B0c2](#) were down 3.56% on Friday, extending a 6.26% drop from a day earlier, its biggest daily decline since July. Dalian's most active soybean contract [DBYv1](#) fell 2.61%, while its palm oil contract [DCPv1](#) slumped by 3.18%. Palm oil is affected by price movements in related oils as they compete for a share in the global vegetable oils market.



Technical:

Palm drops over 4% this week amid strong ringgit, weak rival oils, next level to watch 969.00.

Support:

853.00 = Dec 2020 Low

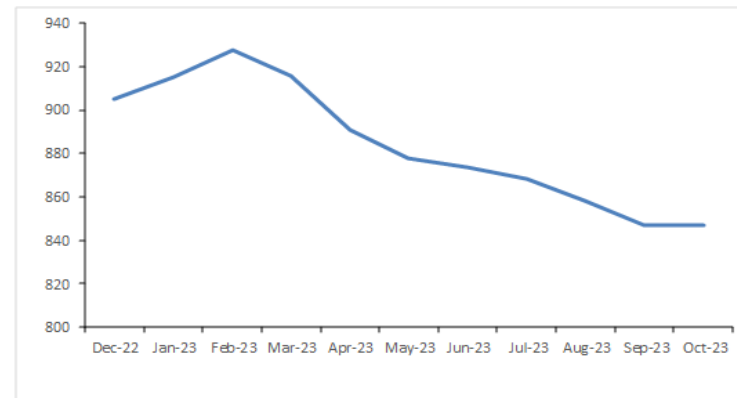
784.00 = Oct 2020 Low

Resistance:

969.00 = Dec 2020 High

997.00 = Aug 2022 High

Futures Curve



Cotton

Last Price

USc **84.28**/LBS

ICE cotton futures snapped a three session winning streak on Friday, weighed down by an uptick in the dollar and weakness in the U.S. stock market. The most-active cotton contract for March [CTH3](#) fell 0.92 cent, or about 1%, to 83.93 cents per lb, at 0958 a.m. ET (1358 GMT). It traded within a range of 82.93 cents and 85.8 cents a lb. However, the contract is up about 4.4% so far this week. Making U.S. cotton more expensive for holders of other currencies, the dollar [=USD](#) rose 0.5% against its rivals. U.S. Department of Agriculture's weekly export sales report on Thursday showed net sales of 16,500 running bales (RB) of cotton for 2022/2023, after reductions of 116,400 RB last week.



Technical:

Cotton snaps 3-day winning streak on stronger dollar, lower equities. Next level to watch 90.00.

Support:

77.65 = Apr 2021 Low

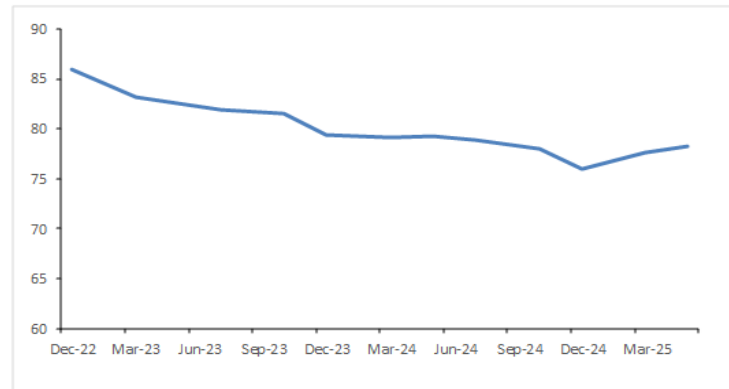
72.00 = Nov 2022 Low

Resistance:

90.85 = Jul 2022 Low

96.14 = Oct 2022 High

Futures Curve

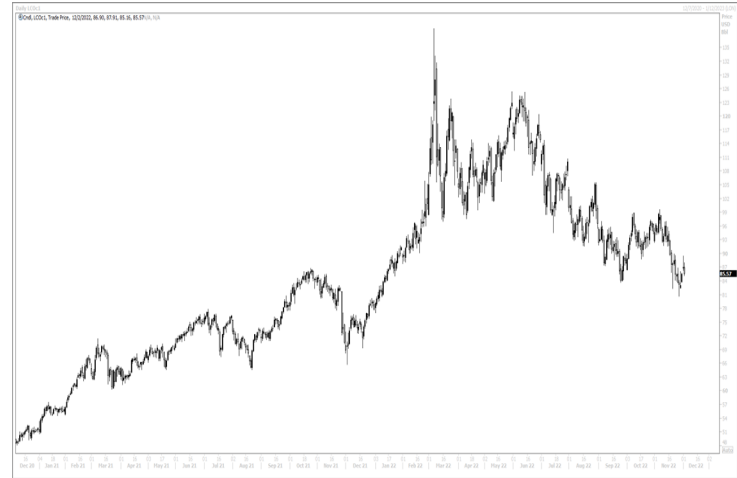


Brent Crude

Last Price

USD **85.57** /BBL

Oil futures slipped 1.5% in choppy trading on Friday ahead of a meeting of the Organization of the Petroleum Exporting Countries and its allies (OPEC+) on Sunday and an EU ban on Russian crude on Monday. Brent crude futures [LCOc1](#) settled down \$1.31, a 1.5% drop, at \$85.57 per barrel. U.S. West Texas Intermediate (WTI) crude [CLc1](#) futures fell \$1.24, or 1.5%, to \$79.98 per barrel. Both contracts dipped in and out of negative territory, but notched their first weekly gains at around 2.5% and 5%, respectively, after three consecutive weeks of drops. Russian Urals crude [URL-E](#) traded at around \$70 a barrel on Thursday afternoon. The cap was designed to limit revenues to Russia while not resulting in an oil price spike. The U.S. oil rig count, an indicator of future production, remained unchanged this week.



Technical:

Oil dips 1.5% ahead of OPEC+ meeting, EU Russian oil ban, next level to watch 92.00.

Support:

80.75 = Sep 2021 High

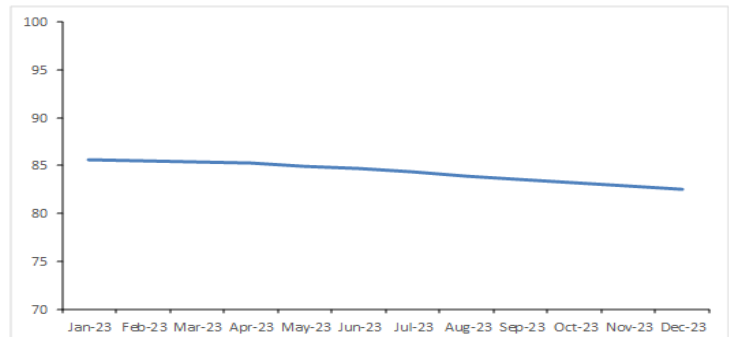
70.22 = Nov 2021 Low

Resistance:

92.33 = Nov 2022 Low

105.48 = Aug 2022 High

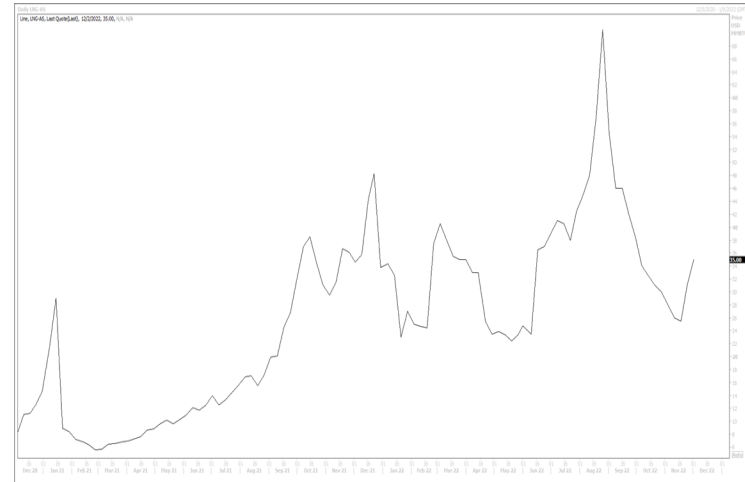
Futures Curve



LNG

Asian spot liquefied natural gas (LNG) prices rose for the second consecutive week on higher gas prices in Europe where a cold spell is on the horizon, but ample Asian inventories are expected to curb prices in the coming weeks. The average LNG price for January delivery into northeast Asia [LNG-AS](#) was \$35 per million British thermal units (mmBtu), up \$4, or 13%, from the previous week. Much of the Northeast Asian price gains this week have been driven by the rise in European LNG and gas hub prices, as the market reacts to the potential for cargo flows out of the Pacific to Europe if enough of a premium is sustained. The Atlantic rate on Friday fell to \$262,000/day while the Pacific rate fell to \$243,500/day.

Last Price

USD **35.00**/MMBTU

Technical:

LNG spot prices rise on increase in European gas prices . Next level to watch 38.50.

Support:

23.50 = Jun 2022 Low

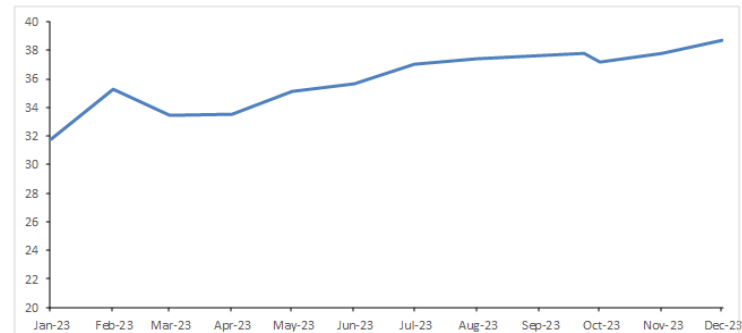
19.90 = Sep 2021 Low

Resistance:

38.50 = Sep 2022 Low

40.50 = Mar 2022 High

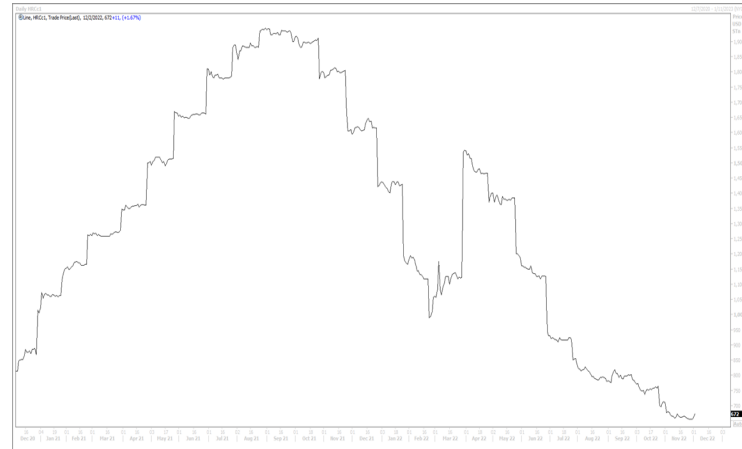
Futures Curve



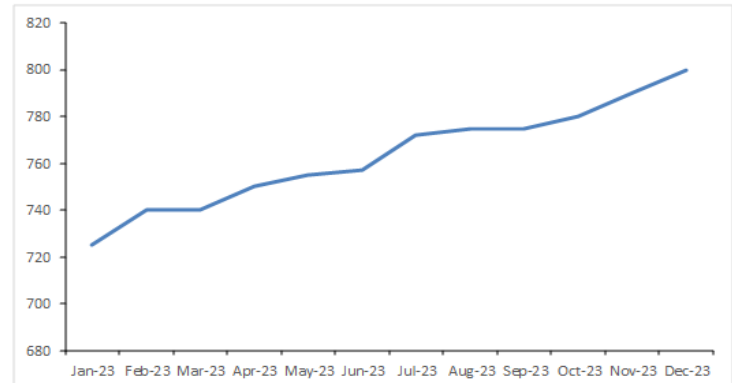
Steel (HRC)

Last Price USD **672.00**/ tons

Iron ore futures rose on Friday to post weekly gains, buoyed by expectations that top steelmaker China would relax its strict COVID-19 restrictions, lifting demand sentiment. The most-traded January iron ore on China's Dalian Commodity Exchange [DCIOcv1](#) ended daytime trade 2.2% higher at 787.5 yuan a tonne, rising about 5.2% for the week. On the Singapore Exchange, the benchmark December iron ore [SZZFZ2](#) was up 2.7% at \$105.75 a tonne. The most-active rebar contract on the Shanghai Futures Exchange [SRBcv1](#) rose 0.6%, hot-rolled coil [SHHCcv1](#) gained 0.8%, wire rod [SWRcv1](#) advanced 0.9%, and stainless steel [SHSScv1](#) climbed 0.4%. Japan will [impose anti-dumping duties on imports](#) of hot-dipped galvanised steel wire from China and South Korea.



Futures Curve of SHFE Steel Futures



Technical:

Iron ore futures post weekly gain on China reopening 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

LME Zinc

The most-traded SHFE 2301 zinc closed up 1.61% or 390 yuan/mt at 24,680 yuan/mt, with open interest up 1,613 lots to 124,644 lots.

It is announced that Tianjin will resume the normal operation to the full extent, indicating easing pandemic control measures in China. SMM zinc ingot social inventory across the seven major markets in China totalled 51,100 mt, down 1,600 mt from a week ago. SHFE zinc rose today with support from the fundamentals and macro front.

Technical:

Shanghai Nonferrous Metals Closed Mostly with Gains on Subsiding US Inflation, next level to watch 3,061.00.

Support:

2,908.00 = Jul 2021 Low

2,758.00 = Apr 2021 Low

Resistance:

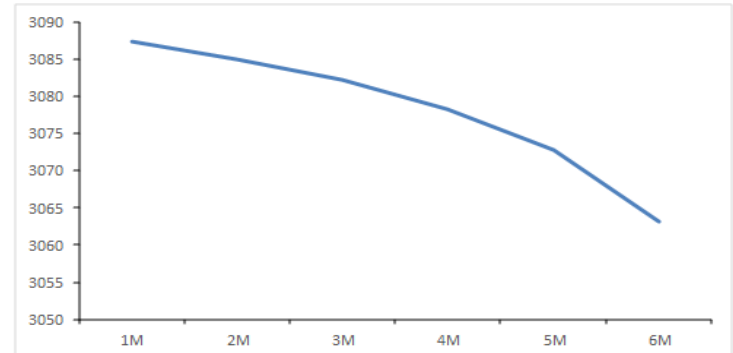
3,100.00 = Sep 2021 High

3,174.00 = Dec 2021 High

Last Price USD **3,079.00**/Tons



LME Zinc Forward Curve



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