



Commodities Weekly

Issue 35-2023

Date: 08 Oct 2023

Bloomberg Commodity Index

102.57 ▼



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	568.25	▲ 4.94%	▲ 4.75%	▼ -35.59%	797.40	540.00
Sugar	\$/LBS	26.74	▲ 1.79%	▲ 1.79%	▲ 48.80%	27.62	18.92
Soybean	\$/BSH	1,266.00	▼ -0.71%	▼ -0.71%	▼ -10.02%	1,616.25	1,256.75
Palm Oil	\$/Ton	764.33	▼ -4.74%	▼ -4.43%	▼ -11.20%	989.93	678.13
Cotton	\$/LBS	86.85	▼ -0.01%	▼ -0.01%	▼ 20.63%	90.75	75.70
Brent Crude	\$/BBL	84.58	▼ -11.26%	▼ -11.26%	▼ -10.81%	97.69	70.12
LNG	\$/MMBTU	13.50	▼ -10.00%	▼ -10.00%	▼ -55.00%	25.00	9.00
Steel	\$/Ton	705.00	▲ 0.14%	▲ 0.14%	▼ -1.12%	1,200.00	685.00
SHFE Zinc	\$/Ton	2,985.89	▼ -0.08%	▲ 2.94%	▼ -7.21%	3,386.30	2,564.38
Indonesian Coal*	\$/Ton	133.13	0.00%	▼ -26.00%	▼ -59.78%	305.21	133.13
Australian Coal	\$/Ton	359.33	▲ 17.61%	▲ 17.61%	▲ 24.00%	381.00	224.50
Gold	\$/Ozs	1,832.26	▼ -0.87%	▲ 6.56%	▲ 12.19%	2,048.71	1,804.20

*Price published monthly once by Indonesian Govt

Wheat

Last Price

USc **568.25**/BSH

Chicago Board of Trade (CBOT) wheat futures slid on Friday after climbing a day earlier on fears that a new maritime corridor aimed at ferrying Ukrainian grain might be under threat. CBOT December soft red winter wheat [WZ3](#) dropped 10 cents to settle at \$5.68-1/4 a bushel. Prices rallied a day earlier after a Turkish vessel struck a sea mine in the Black Sea near a Rumanian port. The move down comes after December wheat rose toward the contract's 20-day moving average a day earlier, a level where prices have continued to meet sustained technical resistance at every test since Aug. 3. KC hard red winter wheat dropped 2.4% to settle at \$6.73-3/4 per bushel. Minneapolis soft winter wheat fell 1.5% to end at \$7.20-1/2 a bushel.

Technical:

Wheat drops as Black Sea maritime fears ebb. Next level to watch 525.00.

Support:

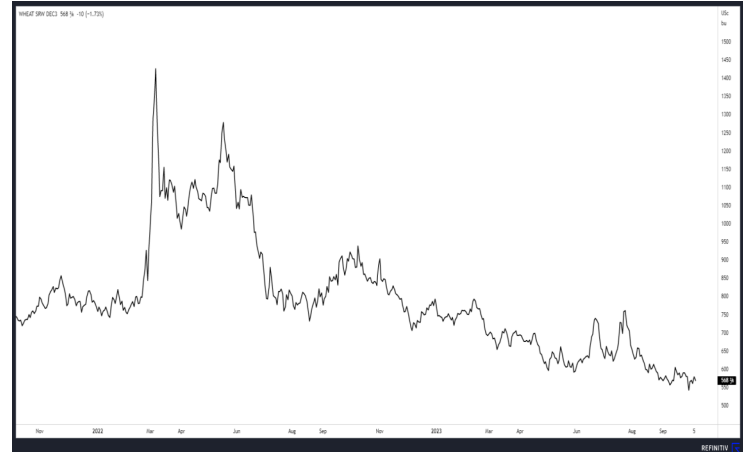
525.00 = Sep 2020 Low

485.75 = Jul 2020 Low

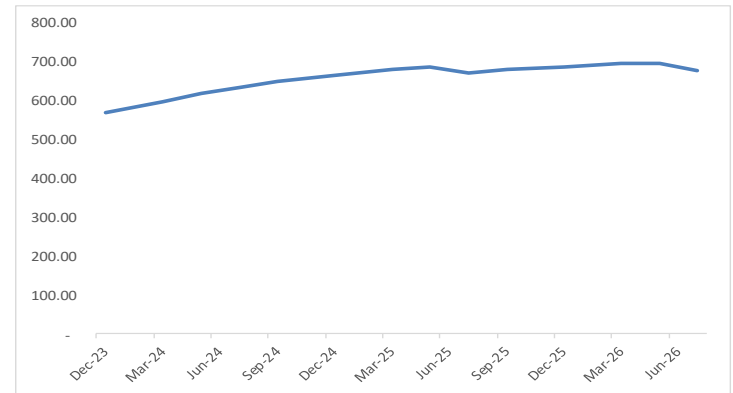
Resistance:

607.50 = Sep 2023 High

663.25 = Mar 2021 High



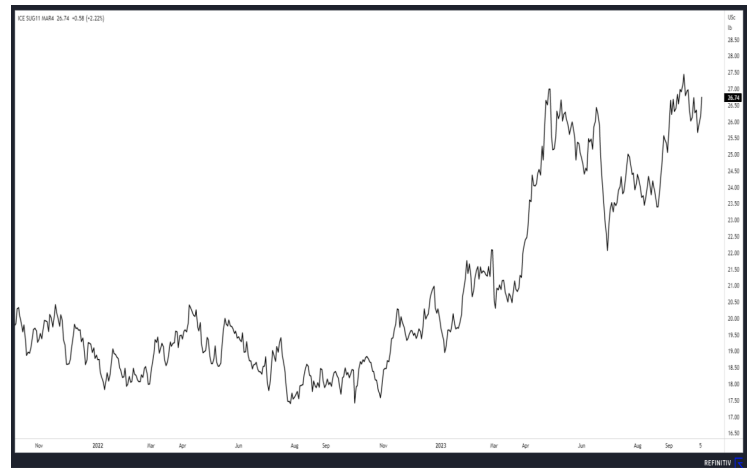
Futures Curve



Sugar

Last Price USc **26.74**/LBS

March raw sugar [SBc1](#) settled up 0.58 cents, or 2.2%, at 26.74 cents per lb. Sugar is consolidating near recent 12-year peaks thanks to tight global supplies and despite a weak Brazilian currency that usually drives mills to sell, while concerns over macroeconomic growth are keeping gains in check. Most of the [record physical delivery](#) of sugar at the expiration of the October contract on ICE [will head to China](#), according to traders with knowledge of deals. The large delivery is mostly sold, along with potential logistical problems in Brazil to load all of that sugar, could take the market higher. December white sugar [LSUc1](#) rose \$11.90, or 1.7%, to 709.20 a ton.



Technical:

Raw sugar gains 2%, next level to watch 27.00.

Support:

25.28 = Oct 2023 Low

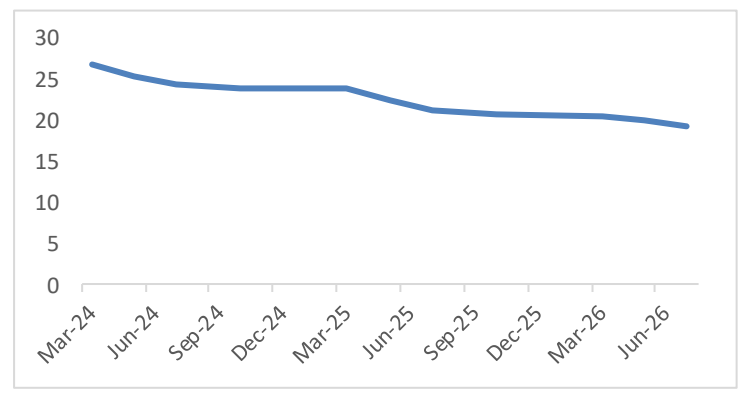
23.29 = Aug 2023 Low

Resistance:

27.07 = Apr 2023 High

27.62 = Sep 2023 High

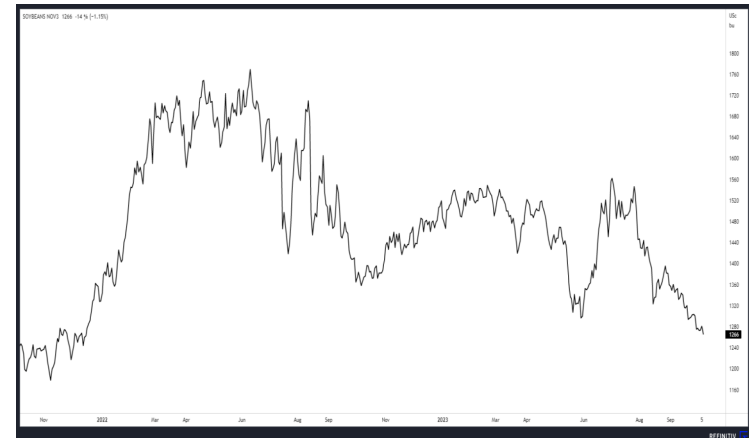
Futures Curve



Soybean

Last Price USc **1,266.00**/BSH

Chicago Board of Trade soybean futures dropped on Friday as producers cashed in on the prior day's rally and looked ahead to clear harvesting weather across the U.S. Midwest over the weekend. CBOT November soybeans [SX3](#) fell 14-3/4 cents, or 1.2%, to settle at \$12.66 per bushel. Farmers have made [fast progress](#) with the soybean harvest due to mostly favorable conditions, and a daily U.S. Department of Agriculture weather report predicted "completely dry weather" across the central U.S. over the next five days. CBOT December soyoil [BOZ3](#) ticked up after dropping for three straight sessions to settle at 55.35 cents per pound. CBOT December soymeal [SMZ3](#) fell \$5.10 to settle at \$372.10 a ton.



Technical:

Soybeans dip on forecast of clear weekend harvests, next level to watch 1,319.00.

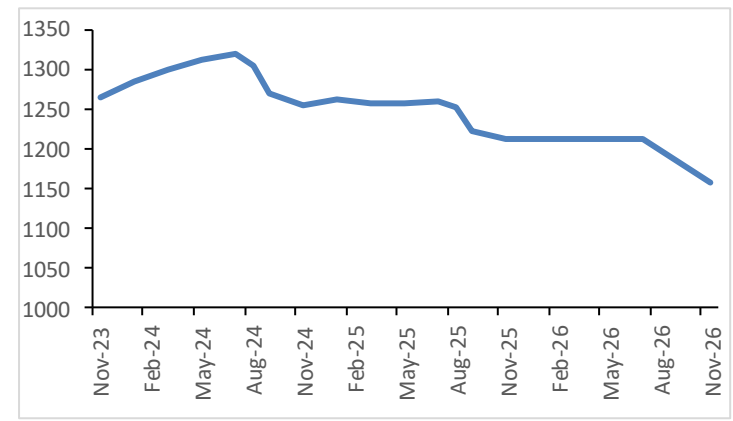
Support:

1,216.25 = Dec 2021 Low
 1,171.25 = Nov 2021 Low

Resistance:

1,299.25 = Jun 2023 Low
 1,350.00 = Oct 2022 Low

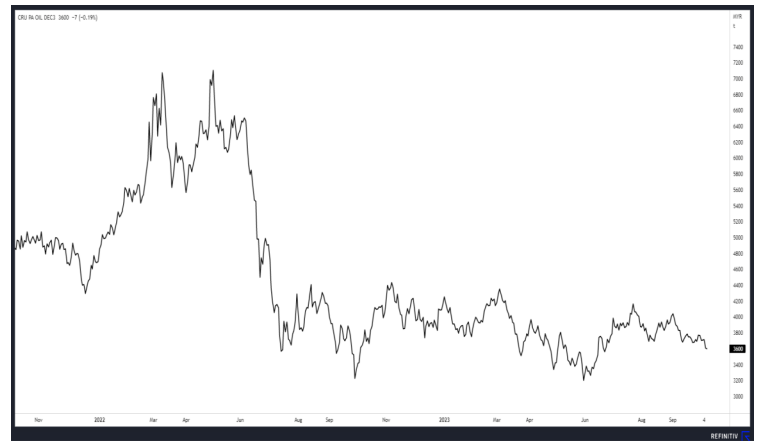
Futures Curve



Palm Oil

Last Price USD **764.33**/Ton

Malaysian palm oil futures closed lower on Friday, extending losses for a third straight session and posting a 4.4% weekly fall, as demand from top buyers India and China dropped. The benchmark palm oil contract [FCPOc3](#) for December delivery on the Bursa Malaysia Derivatives Exchange was down 0.17% at 3,601 ringgit (\$764.54) a metric ton at closing. Palm oil rose 2.3% in the previous week. Trading remained subdued as China's Dalian Commodity Exchange is closed from Sept. 29 to Oct. 6 for the Mid-Autumn Festival and National Day. Edible oil imports by India, the world's biggest buyer of cooking oils, fell 19% in September from August as refiners curtailed purchases by 26% after inventories jumped to a record. Despite lower palm oil prices in Kuala Lumpur, soyoil futures on the Chicago Board of Trade [BOc2](#) were up 0.4%.



Technical:

Palm oil futures log 4.4% weekly loss on sluggish overseas demand, next level to watch 706.00.

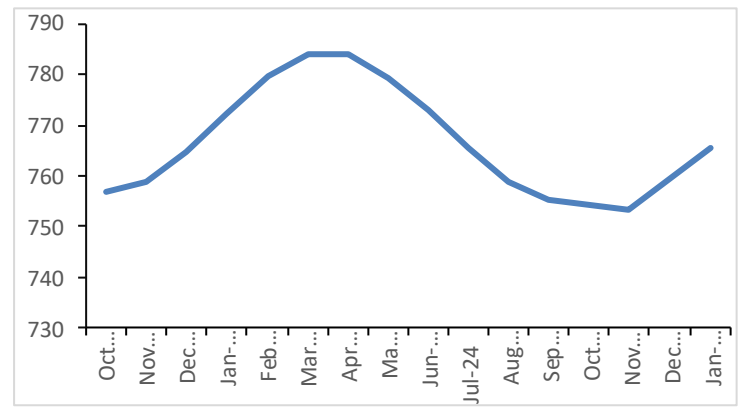
Support:

705.73 = Oct 2022 Low
 683.65 = Sep 2022 Low

Resistance:

800.64 = Oct 2023 High
 845.01 = Apr 2023 High

Futures Curve



Cotton

Last Price

USc **86.85**/LBS

ICE cotton futures rose on Friday on lingering supply concerns and a softer dollar, while investors awaited a closely watched federal monthly supply-demand report due later next week. Cotton contract for December [CTZ3](#) rose 0.55 cent, or 0.6%, to 87.09 cents per lb. The greenback [.DXY](#) weakened 0.3%, making cotton more attractive to buyers overseas. [USD/.](#) Market await the World Agricultural Supply and Demand Estimates (WASDE) report from the United States Department of Agriculture (USDA) scheduled for release on Oct. 12. The USDA weekly export sales report on Thursday showed exports of 149,600 running bales, down 6% from the previous week. [EXP/COT](#).



Technical:

Cotton rises on supply concerns; market focus on WASDE report. Next level to watch 89.00.

Support:

83.41 = Sep 2023 Low

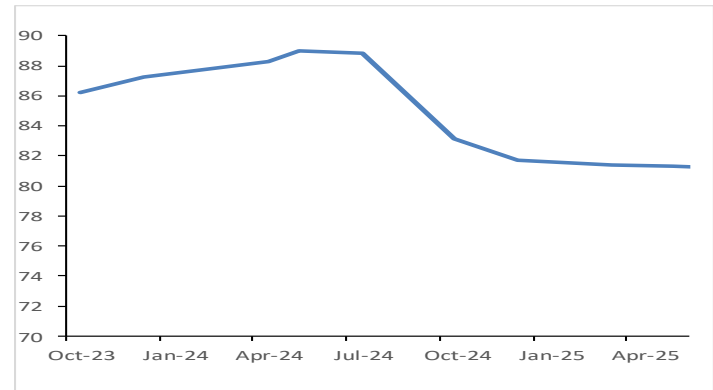
80.42 = Jul 2023 Low

Resistance:

88.88 = Jan 2023 High

90.16 = Aug 2023 High

Futures Curve



Brent Crude

Last Price

USD **84.58**/BBL

Oil prices rose on Friday but remained posted their steepest weekly losses since March, after another partial lifting of Russia's fuel export ban compounded demand fears due to macroeconomic headwinds. On Friday, Brent futures [LCOc1](#) settled up 51 cents at \$84.58 per barrel. U.S. West Texas Intermediate crude futures [CLc1](#) settled up 48 cents at \$82.79. For the week, Brent posted a decline of about 11% and WTI recorded an over 8% drop, on worries that persistently high interest rates will slow global growth and hammer fuel demand, even if supplies are depressed by Saudi Arabia and Russia, who said they will continue supply cuts to year end. A strong U.S. dollar is typically negative for oil demand, making the commodity relatively more expensive for holders of other currencies.

Technical:

Oil prices rise, but post biggest weekly decline since March, next level to watch 83.00.

Support:

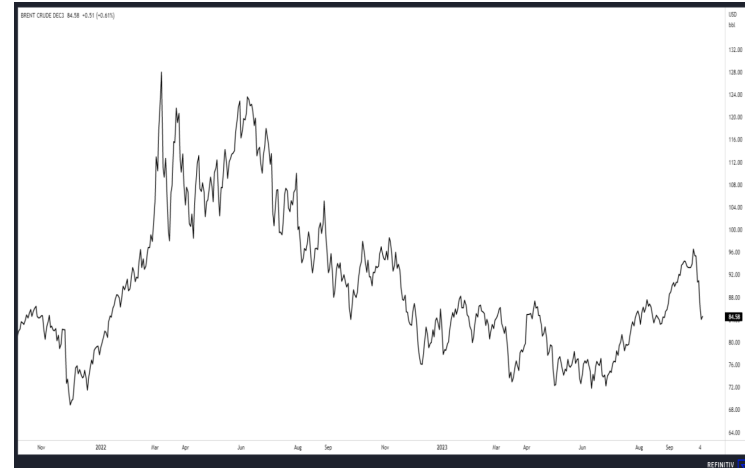
83.65 = Sep 2022 Low

81.94 = Aug 2023 Low

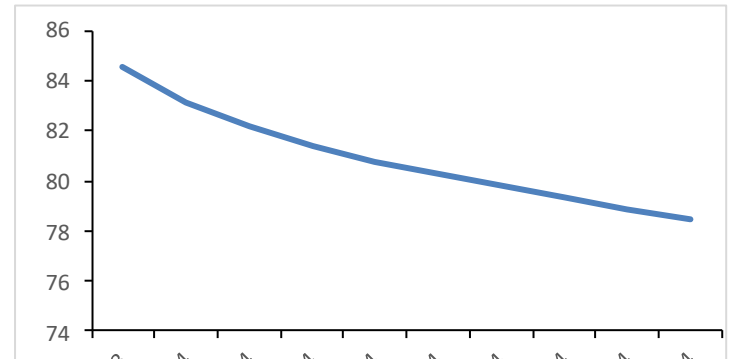
Resistance:

86.75 = Mar 2023 High

88.10 = Aug 2023 High



Futures Curve



LNG

Asian spot liquefied natural gas (LNG) prices retreated from a seven-month high as demand remained muted due to warmer weather and as market players did not envisage production losses from the possible return of strikes in Australia. The average LNG price for November delivery into north-east Asia [LNG-AS](#) fell by 10% to \$13.5 per million British thermal units (mmBtu) from \$15 the previous week. 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 \$10.503/mmBtu on Oct. 5, a \$0.65/mmBtu discount to the November gas price at the Dutch TTF hub. Argus assessed the price at \$10.40/mmBtu while Spark Commodities assessment was at 10.489/mmBtu. Spot LNG Freight rates softened further this week to levels less than half what they were last year, amid higher prompt vessel availability.

Technical:

Asia spot prices retreats from 7-month high on tepid demand. Next level to watch 12.50.

Support:

12.50 = Apr 2023 High

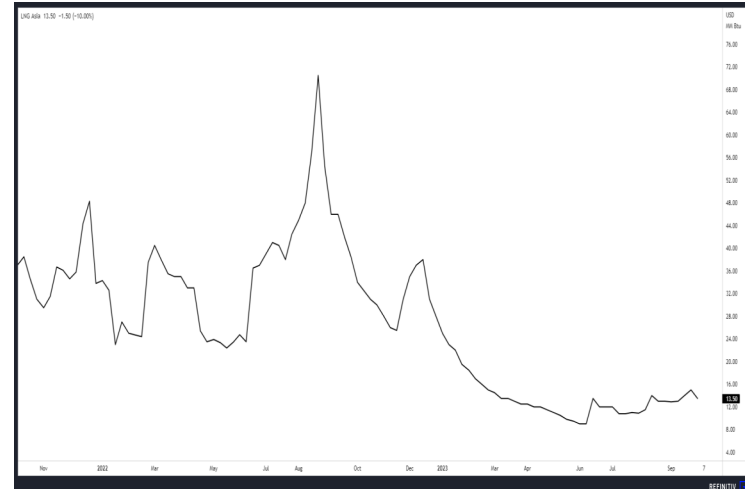
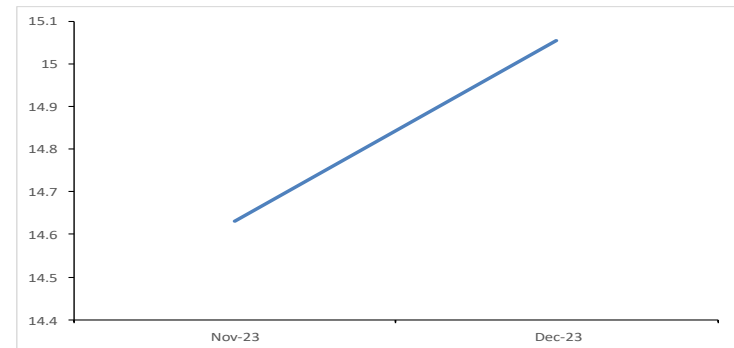
11.00 = May 2023 High

Resistance:

15.50 = Aug 2021 Low

18.50 = Feb 2023 High

Last Price

USD **13.50**/MMBTU**Futures Curve**

Steel (HRC)

Last Price USD **705.00**/ tons

Iron ore futures rose on Thursday, helped by higher hot metal output data, even as traders preferred to take a watchful stance ahead of the upcoming holiday break starting from Sept. 29 in top consumer China. The most-traded January iron ore on China's Dalian Commodity Exchange (DCE) [DCIOcv1](#) ended daytime trading 0.89% higher to 852 yuan (\$116.66) a metric ton. The benchmark October iron ore [SZZFV3](#) on the Singapore Exchange was up 0.77% at \$117.45 a ton. Steel benchmarks on the Shanghai Futures Exchange were mixed. Rebar [SRBcv1](#) ticked up 0.16%, hot-rolled coil [SHHCcv1](#) rose 0.72% while wire rod [SWRCv1](#) fell 5.5% and stainless steel [SHSScv1](#) edged down 0.24%.

Technical:

Iron ore climbs on hot metal output data ahead of China holiday break. Next level to watch 790.00.

Support:

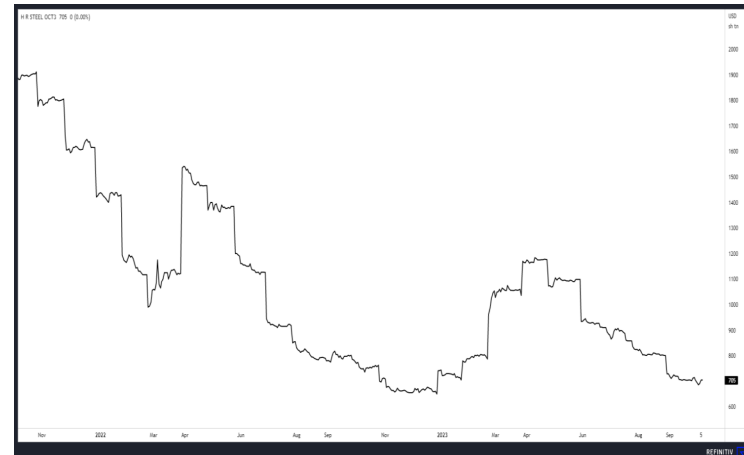
650.00 = Dec 2022 Low

620.00 = Sep 2020 High

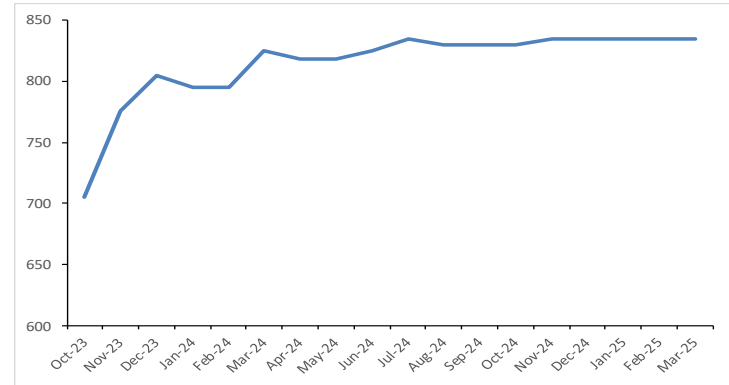
Resistance:

790.00 = Jan 2023 High

930.00 = Jul 2022 High



Futures Curve of SHFE Steel Futures



SHFE Zinc

The most active SHFE 2311 zinc contract prices opened at 21520 yuan/mt. At the beginning of the trading, short positions were reduced. It finally closed down at 21,435 yuan/mt, down 155 yuan/mt, or 0.72%. The trading volume reached 68,900 lots, and the open interest reached 116,000 lots. SHFE zinc prices will move at lows as investors are cautious ahead of holidays.

Technical:

SHFE Zinc falls slightly ahead of holidays, next level to watch 3,182.18.

Support:

2,634.51 = Aug 2020 Low

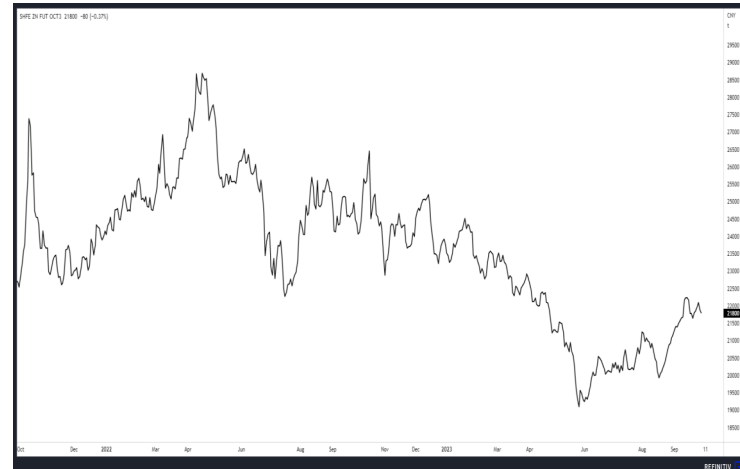
2,610.00 = Jan 2020 High

Resistance:

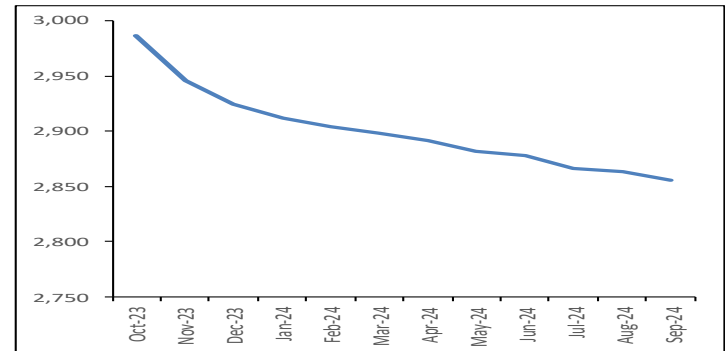
3,182.18 = Jun 2021 High

3,291.42 = Jul 2021 High

Last Price USD **2,985.89**/Tons



SHFE Zinc Forward Curve



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