



Commodities Weekly

Issue 36-2022

Date: 18 Dec 2022

Bloomberg Commodity Index

112.71▲



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.

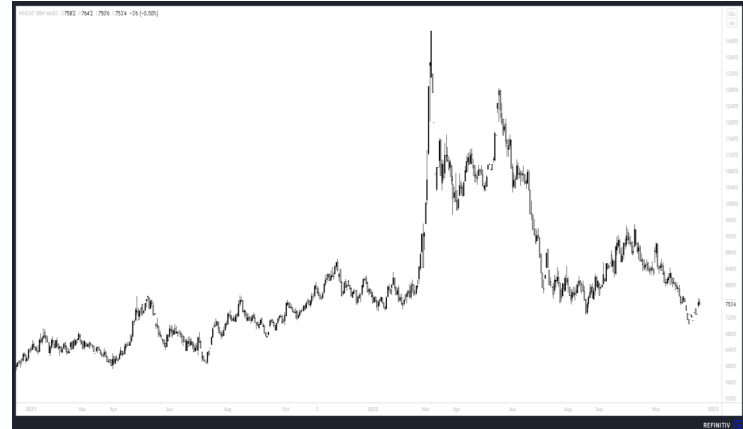
Commodity Name	Closing Price	% Δ Weekly	% Δ MoM	% Δ YoY	YTD High	YTD Low
Wheat	753.40	▲ 5.67%	▼ -6.20%	▼ -2.79%	1,425.25	705.00
Sugar	20.09	▲ 2.50%	▲ 0.20%	▲ 5.13%	20.48	17.40
Soybean	1,480.00	▼ -0.25%	▲ 3.63%	▲ 22.97%	1,769.00	1,344.00
Palm Oil	874.00	▼ -1.94%	▲ 4.92%	▼ -24.46%	1,947.00	680.00
Cotton	81.92	▲ 1.20%	▼ -3.80%	▼ -23.65%	158.02	72.11
Brent Crude	79.04	▲ 3.86%	▼ -9.79%	▲ 7.51%	128.00	75.11
LNG	38.00	▲ 2.70%	▲ 49.02%	▼ -14.32%	71.00	22.00
Steel	675.00	▲ 1.20%	▲ 1.81%	▼ -59.02%	1,541.00	645.00
LME Zinc	3,018.00	▼ -6.87%	▼ -0.43%	▼ -10.89%	4,498.5	2,697.00
Gold	1,792.34	▼ -0.21%	▲ 2.44%	▲ -0.30%	2,052.41	1,621.56

Wheat

Last Price

USc **753.40**/BSH

Chicago Board of Trade wheat futures fell on Friday on selling by investment funds looking to take profits after a week of gains. MGEX spring wheat and K.C. hard red winter wheat posted bigger declines as a winter storm provided a much-needed boost to soil moisture across the U.S. Plains, where the crops that those contracts track are grown. The benchmark CBOT March soft red winter wheat contract [WH3](#) dropped 3-3/4 cents to settle at \$7.53-1/2 a bushel. K.C. March hard red winter wheat futures [KWH3](#) ended down 13-1/2 cents at \$8.47 a bushel and MGEX March spring wheat [MWEH3](#) shed 7-3/4 cents to \$9.11 a bushel. For the week, CBOT soft red winter wheat [Wv1](#) was up 2.6%, snapping a streak of five straight weekly declines.



Technical:

Wheat closes lower on fund selling. Next level to watch 653.00.

Support:

693.00 = Jan 2021 Low

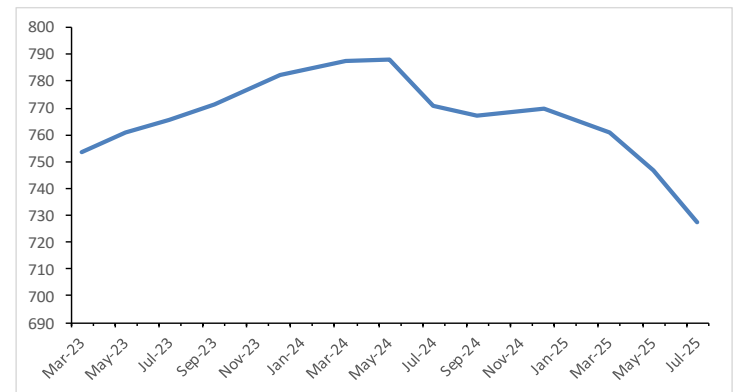
601.00 = Apr 2021 Low

Resistance:

888.00 = Jul 2022 High

945.75 = Sep 2022 High

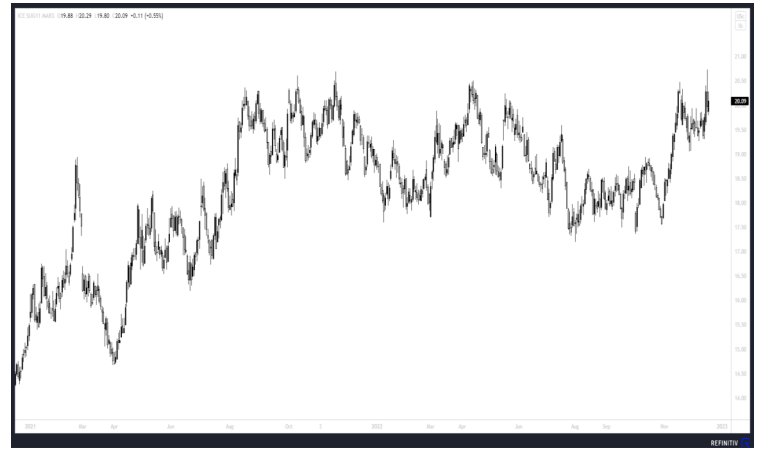
Futures Curve



Sugar

Last Price USc **20.09**/LBS

March raw sugar [SBc1](#) rose 0.11 cent, or 0.6%, to 20.09 cents per lb. It gained 2.5% in the week. The front month had risen to a peak of 20.73 cents on Thursday, the highest level since February 2017. Weaker energy prices capped gains on Friday, along with the possibility that India may allow [additional sugar exports](#) in January. A [court decision related to ethanol](#) in Brazil was seen as supportive. March white sugar [LSUc1](#) settled up \$1.80, or 0.3%, at \$546.80 a tonne.

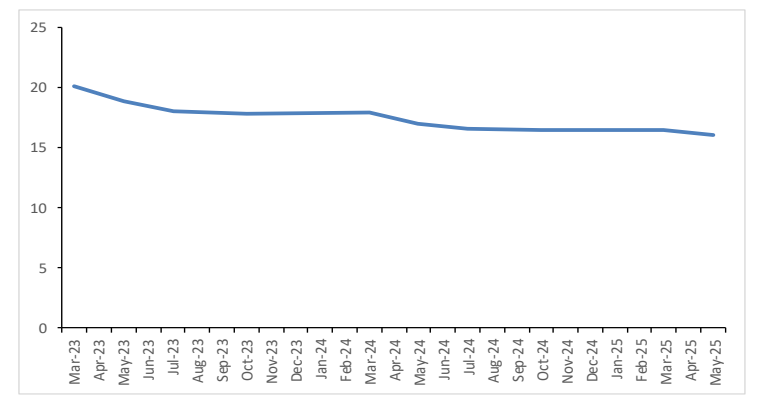


Technical:
 Raw sugar edges up, Next level to watch 20.51.

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 **1,480.00**/BSH

Chicago Board of Trade soybean futures rose on Friday, following a rally in the soymeal market. Strong export demand supported the gains in soymeal, which jumped 1.7% on Friday. Soyoil futures were weaker on a round of long soymeal/short soyoil spreading by speculative traders. The benchmark CBOT January soybean futures contract [SF3](#) rose 6-1/2 cents to settle at \$14.80 a bushel. CBOT January soymeal [SMF3](#) gained \$7.70 to \$463 a ton while January soyoil futures [BOF3](#) dropped 0.46 cent to 63.36 cents per lb. For the week, the most-active soybean futures contract [Sv1](#) was off 0.3%, soymeal futures were down 1.8% and soyoil [BOv1](#) was up 5.6%.



Technical:

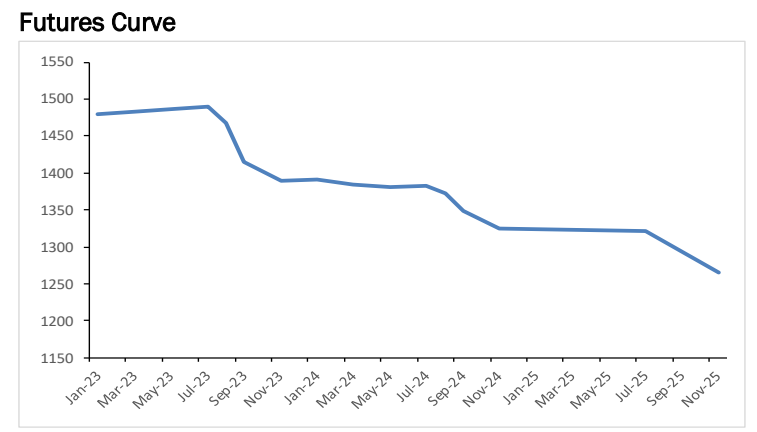
Soybeans close firm on soymeal gains, next level to watch 1,496.00.

Support:

1,414.00 = Oct 2022 High
 1,332.00 = Jan 2022 Low

Resistance:

1,496.75 = Jan 2022 High
 1,558.25 = Sep 2022 High



Palm Oil

Last Price USD **874.00**/Ton

Malaysian palm oil futures posted a weekly drop on Friday as rival oils traded lower amid fears of surging COVID-19 cases in China while tepid export data also weighed on sentiment. Palm oil contract [FCPOc3](#) for March delivery on the Bursa Malaysia Derivatives Exchange gained 23 ringgit, or 0.59%, to close at 3,917 ringgit (\$885.80) per tonne on Friday. The contract lost 1.95% for the week. The contract opened higher in early trading hours, supported by [Indonesia's plan to raise mandatory palm-based biodiesel](#) blending to 35%, starting Jan. 1, and hits its highest in a week before paring gains. Palm rose more than 5% earlier this week, supported by lower-than-expected inventories as Malaysian palm oil stock dropped for the first time in six months, but weak export data during Dec. 1-15 limited gains.



Technical:

Palm posts weekly drop on weak rival oils, soft export data, next level to watch 853.00.

Support:

853.00 = Dec 2020 Low

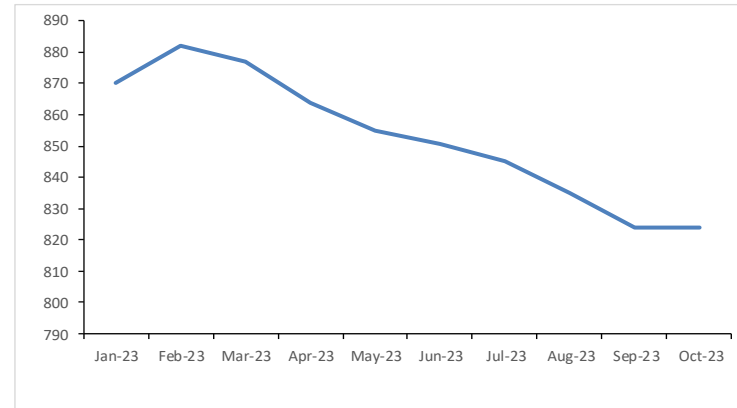
784.00 = Oct 2020 Low

Resistance:

969.00 = Dec 2020 High

997.00 = Aug 2022 High

Futures Curve



Cotton

Last Price USc **81.92**/LBS

ICE cotton futures rose on Friday, poised to gain 1% on the week as market anticipated lower acreage for the natural fiber in the next crop. The cotton contract for March [CTH3](#) rose 0.8 cent, or 1%, to 81.83 cents per lb. Prices traded in a range of 79.8 and 82.1 cents a lb, and are on track to end the week 1.1% higher. The dollar was up for a second consecutive session, making U.S. cotton less appealing among overseas buyers. [USD/](#) Further, Egli saw cotton trading sideways between 75 cents and 83 cents per pound in the short-term.

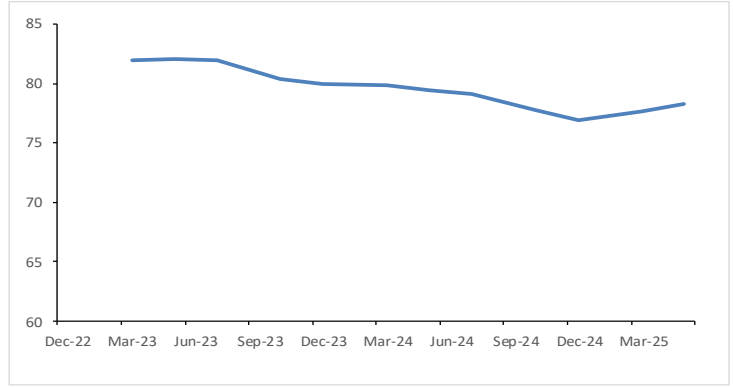


Technical:
 Cotton firms as traders eye lower new crop acreage. Next level to watch 90.00.

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 **79.04**/BBL

Oil fell by more than \$2 per barrel on Friday, swept up in a wider rout in global equities on fears of a looming recession, after central banks across Europe and North America signalled they will continue to battle inflation aggressively. Brent crude [LCOc1](#) futures settled at \$79.04 per barrel, down \$2.17 or 2.4%, while West Texas Intermediate futures [CLc1](#) fell by \$1.82, or 2.4%, to settle at \$74.29 per barrel. Both benchmarks finished the week higher, aided by rallies in the first three days. Brent futures notched their biggest weekly gains since early October but those gains follow the worst weekly rout since August for the oil benchmark. The U.S. Federal Reserve indicated it will raise interest rates further next year, even as the economy slips toward a possible recession.



Technical:

Oil drops by over \$2/bbl, dogged by recession fears, next level to watch 70.00.

Support:

70.22 = Nov 2021 Low

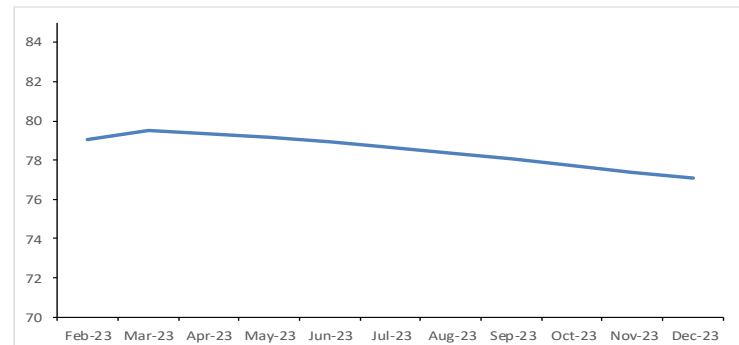
61.25 = Apr 2021 Low

Resistance:

86.70 = Oct 2021 High

92.33 = Nov 2022 Low

Futures Curve

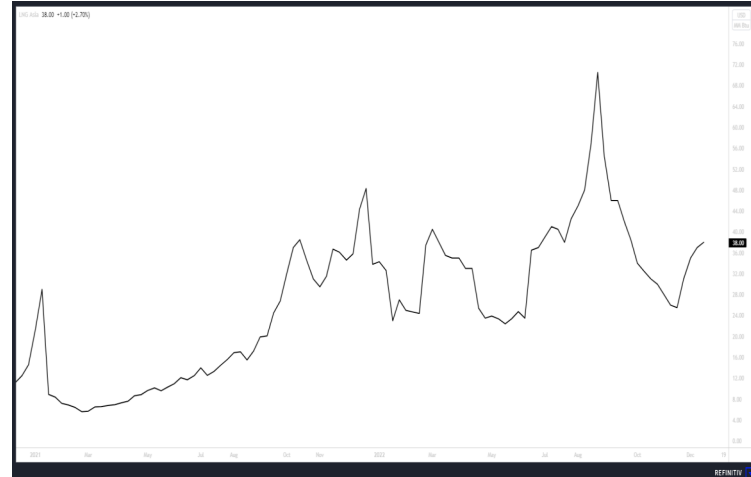


LNG

Last Price

USD **38.00**/MMBTU

Asian spot liquefied natural gas (LNG) prices rose this week on positive sentiment after China eased COVID-19 restrictions and some major players' made spot purchases, and European LNG prices remained at a 10-week high. The average LNG price for January delivery into northeast Asia [LNG-AS](#) was \$37 per million British thermal units (mmBtu), up \$2, or 5.7%, from the previous week, industry sources estimated. In Europe, LNG prices were at 10-week highs, as temperatures fell below seasonal norms, forcing strong withdrawals from storage. However, record LNG imports still support the market. Spot LNG freight rates have halved in the last two weeks, with rates in both basins now under \$200,000/day, on limited cargo demand and increased vessel availability moving into the quieter holiday period, according to Henry Bennett, global head of pricing at Spark Commodities.



Technical:

Asian spot prices rise on China's easing of COVID rules. Next level to watch 38.50.

Support:

23.50 = Jun 2022 Low

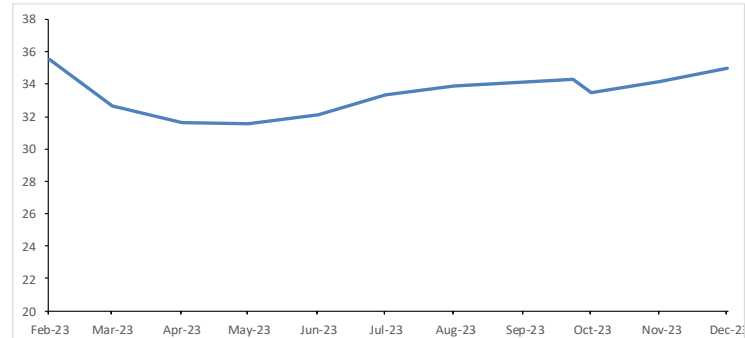
19.90 = Sep 2021 Low

Resistance:

38.50 = Sep 2022 Low

40.50 = Mar 2022 High

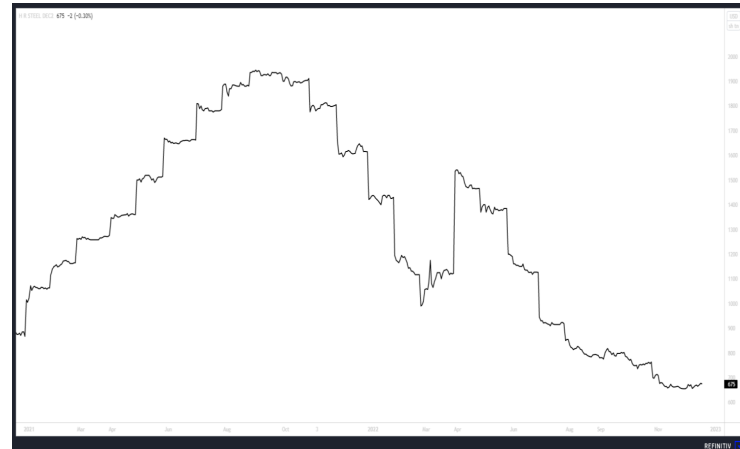
Futures Curve



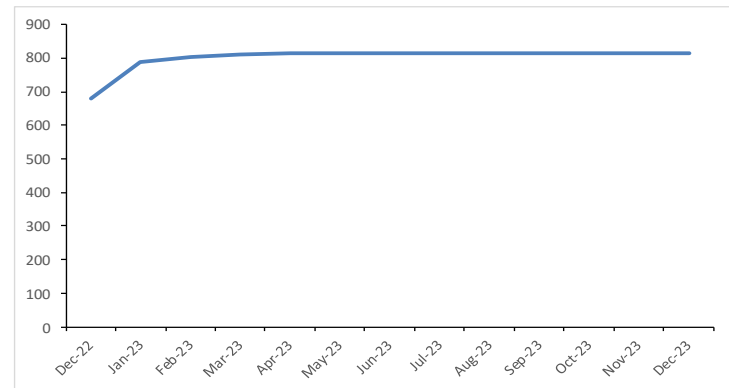
Steel (HRC)

Last Price USD **675.00**/ tons

Dalian iron ore was bound for a third straight weekly rise on Friday on optimism over China's economic recovery prospects in 2023, with traders largely brushing aside a wave of local COVID-19 infections. The steelmaking ingredient's most-traded May contract on China's Dalian Commodity Exchange [DClOcv1](#) ended daytime trade 0.5% higher at 821 yuan (\$117.81) a tonne. It earlier touched 841.50 yuan, the highest since June 13. Iron ore's benchmark January contract on the Singapore Exchange [SZZFF3](#) was down 1.2% at \$110.15 a tonne. Chinese steel benchmarks were mixed. Rebar on the Shanghai Futures Exchange [SRBcv1](#) rose 0.5%, and wire rod [SWRcv1](#) gained 0.9%, while hot-rolled coil [SHHCcv1](#) steadied and stainless steel [SHSScv1](#) dropped 2.1%.



Futures Curve of SHFE Steel Futures



Technical:

Dalian iron ore on track for third weekly gain on China stimulus. Next level to watch 700.00.

Support:

622.00 = Oct 2020 Low

596.00 = Mar 2020 High

Resistance:

713.00 = Nov 2022 High

765.00 = Sep 2022 Low

LME Zinc

Last Price USD **3,018.00**/Tons

The most-traded SHFE 2301 zinc closed down 1.47% or 360 yuan/mt at 24,090 yuan/mt, with open interest down 11,139 lots to 80,848 lots. On the fundamentals, the supply rose while the demand is likely to weaken, but the inventory accumulation was less than expected. The market was partly contained by the high zinc prices.



Technical:

Shanghai Nonferrous Metals Closed Mostly with Losses amid Bearish Sentiment, next level to watch 2,900.00.

Support:

3,100.00 = Sep 2021 High

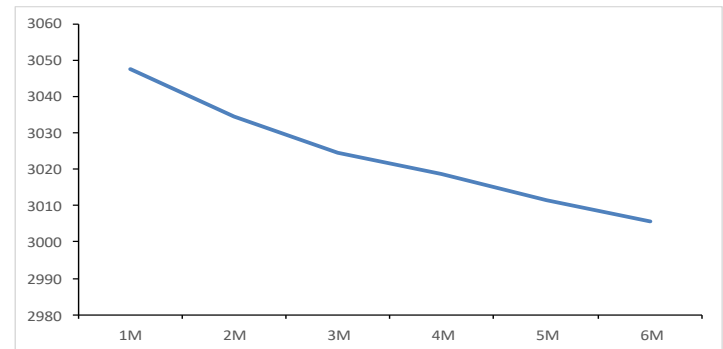
2,908.00 = Jul 2021 Low

Resistance:

3,276.00 = Oct 2021 High

3,315.00 = Nov 2021 High

LME Zinc Forward Curve



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