



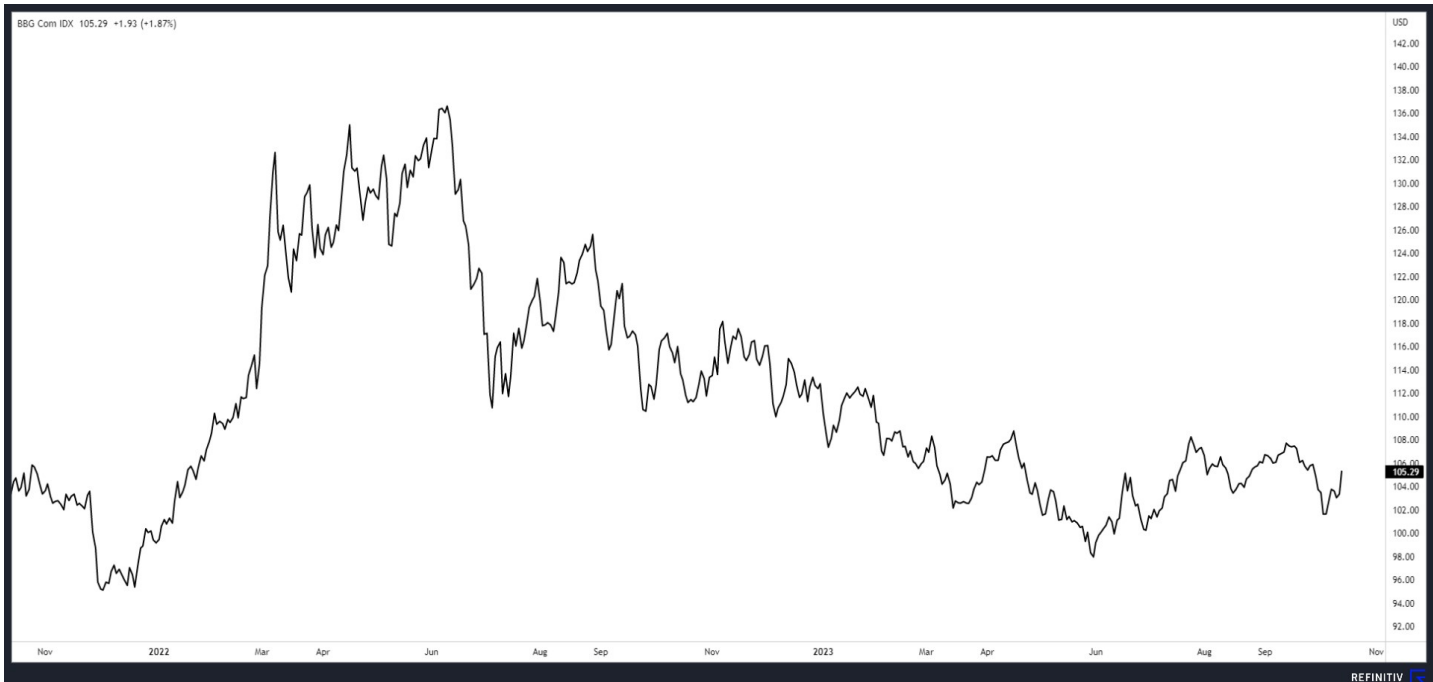
Commodities Weekly

Issue 36-2023

Date: 15 Oct 2023

Bloomberg Commodity Index

105.29 ▲



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	\$c/BSH	579.75	▲ 2.02%	▲ 7.06%	▼ -34.29%	797.50	540.00
Sugar	\$c/LBS	27.03	▲ 1.08%	▲ 2.89%	▲ 46.74%	27.62	18.92
Soybean	\$c/BSH	1,280.25	▲ 1.13%	▲ 0.41%	▼ -6.19%	1,555.50	1,250.50
Palm Oil	\$/Ton	790.90	▲ 3.48%	▼ -0.80%	▲ 9.40%	936.51	675.98
Cotton	\$c/LBS	86.06	▼ -0.91%	▼ -0.92%	▼ -7.68%	90.75	75.70
Brent Crude	\$/BBL	90.89	▲ 7.46%	▼ -4.64%	▲ 3.33%	97.69	70.12
LNG	\$/MMBTU	14.50	▲ 7.41%	▼ -3.33%	▼ -62.34%	25.00	9.00
Steel	\$/Ton	695.00	▼ -1.42%	▼ -1.28%	▼ -10.44%	1,200.00	685.00
SHFE Zinc	\$/Ton	2,893.90	▼ -3.08%	▼ -3.03%	▼ -13.43%	3,383.98	2,562.63
Indonesian Coal*	\$/Ton	133.13	0.00%	▼ -26.00%	▼ -58.30%	305.21	133.13
Australian Coal	\$/Ton	363.00	▲ 1.02%	▲ 18.81%	▲ 36.73%	381.00	224.50
Gold	\$/Ozs	1,931.70	▲ 3.81%	▲ 6.56%	▲ 16.39%	2,072.19	1,804.20

*Price published monthly once by Indonesian Govt

Wheat

Last Price

USc **579.75**/BSH

Chicago Board of Trade (CBOT) wheat futures touched a 2-1/2 week high and ended mostly higher on Friday as government export data that showed improved demand for U.S. supplies offset spillover pressure from weaker corn and soybeans. CBOT December soft red winter wheat futures [WZ3](#) peaked at \$5.86-1/4 a bushel, the highest since Sept. 27, and ended 8-1/4 cents higher at \$5.79-3/4 a bushel. The benchmark contract notched its second straight weekly gain, adding 2%. Hard wheat contracts were lower. KC hard red winter wheat [KWZ3](#) fell 6 cents to settle at \$6.69 per bushel, while MGEX spring wheat [MWEZ3](#) was 1-1/2 cents lower at \$7.22 per bushel.

Technical:

Wheat ends mostly higher on improved export demand. Next level to watch 600.00.

Support:

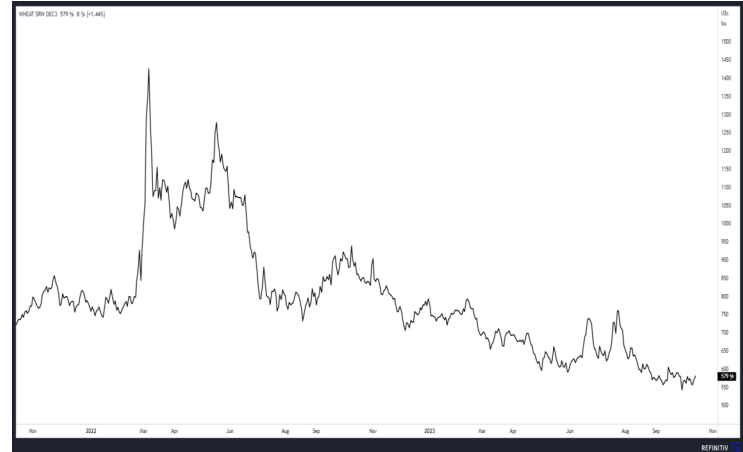
525.00 = Sep 2020 Low

485.75 = Jul 2020 Low

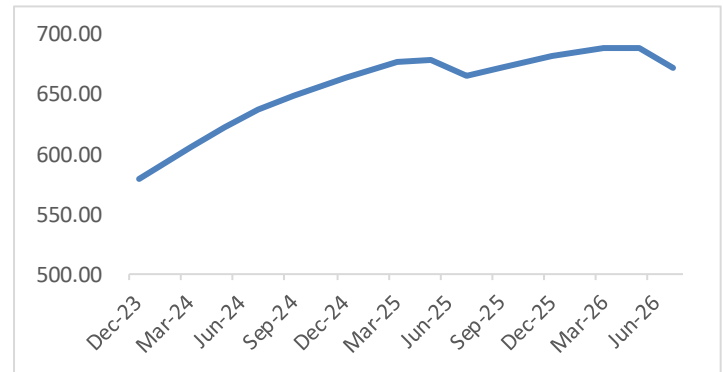
Resistance:

607.50 = Sep 2023 High

663.25 = Mar 2021 High



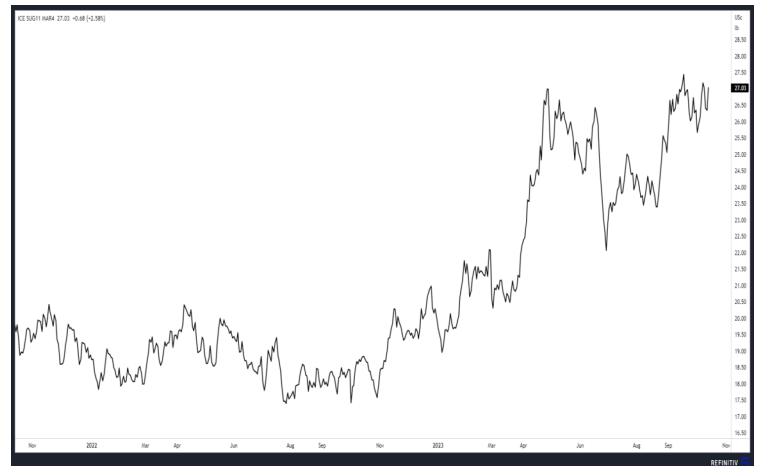
Futures Curve



Sugar

Last Price USc **27.03**/LBS

Raw sugar futures on ICE were higher on Friday, buoyed by crop concerns in Asia and a surge in [crude oil](#) prices. March raw sugar [SBc1](#) was up 1.2% at 26.66 cents per lb. the market continued to derive support from concerns that an El Nino weather event will curb production in major Asian producers including India and Thailand. An upturn in crude oil prices had also supported sugar. December white sugar [LSUc1](#) rose 1.1% to \$719.20 a metric ton.



Technical:

Raw sugar prices climb on crude oil gains, next level to watch 27.50.

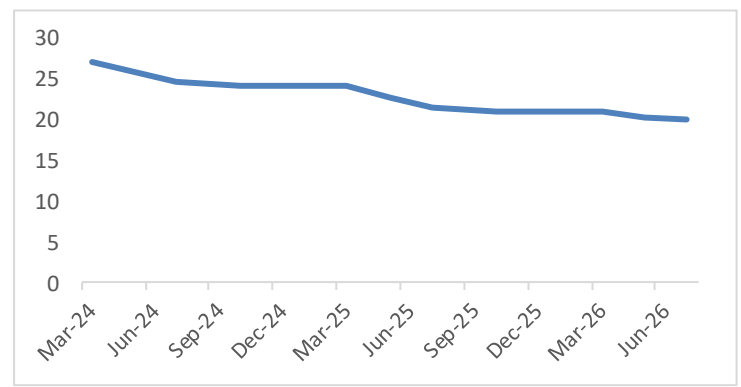
Support:

26.49= Jun 2023 High
 25.90 = Aug 2023 High

Resistance:

27.41 = Apr 2023 High
 27.62 = Sep 2023 High

Futures Curve



Soybean

Last Price

USc **1,280.25**/BSH

Chicago Board of Trade soybean futures fell on Friday in a profit-taking setback following strong gains the prior day and as souring consumer sentiment and inflation worries hung over the market. The Chicago Board of Trade's (CBOT) most-active soybean futures contract [Sv1](#) fell 9-3/4 cents to settle at \$12.80-1/4 a bushel. The benchmark contract gained 1.1% in the week in its first weekly gain in seven weeks. CBOT December soyoil [BOZ3](#) rose 1.01 cent to settle at 54.38 cents per pound as crude oil prices spiked more than 5%. CBOT December soymeal [SMZ3](#) fell \$2.90 to settle at \$390.00 a ton.

Technical:

Soybeans sink on profit taking, broader economic worries , next level to watch 1,350.00.

Support:

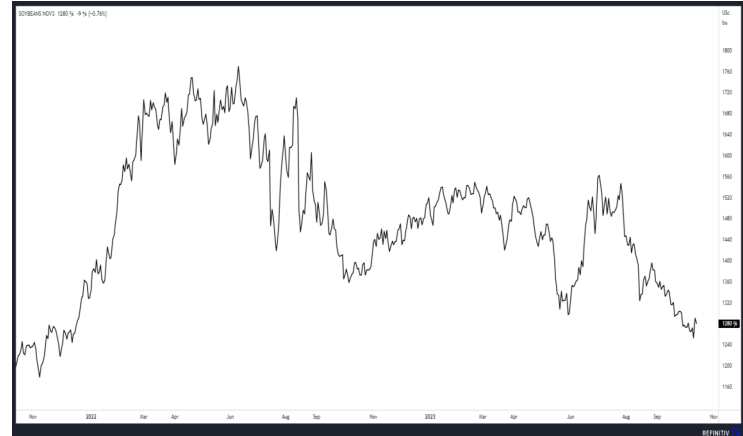
1,216.25 = Dec 2021 Low

1,171.25 = Nov 2021 Low

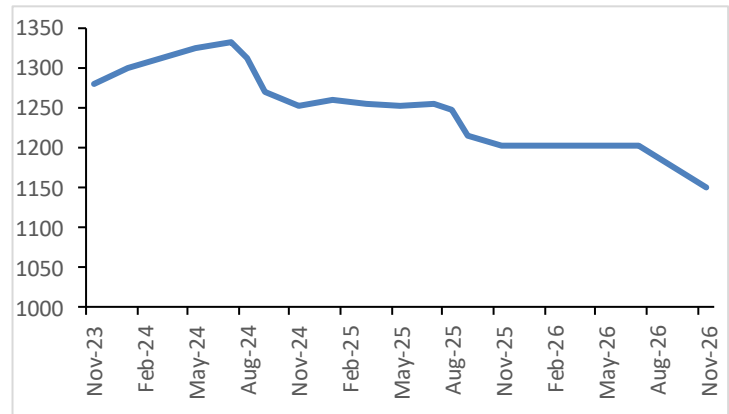
Resistance:

1,350.00 = Oct 2022 Low

1,403.75 = Nov 2022 Low



Futures Curve



Palm Oil

Last Price

USD **790.90**/Ton

Malaysian palm oil futures extended gains on Friday to end the week with a nearly 4% climb, tracking upside in rival soyoil, while a weaker ringgit and improved demand from China also supported prices. The benchmark palm oil contract [FCPOc3](#) for December delivery on the Bursa Malaysia Derivatives Exchange gained 95 ringgit, or 2.61%, to close at 3,733 ringgit (\$790.05) per metric ton, after rising nearly 2.5% on Thursday. The Malaysian ringgit [MYR](#) was down 0.32% against the U.S. dollar. Weakness in the ringgit, palm's currency of trade, usually makes the tropical oil cheaper for foreign buyers. Soyoil futures on the Chicago Board of Trade [BOc2](#) jumped 1.87%, as of 1020 GMT, after the U.S. government [lowered](#) its U.S. production forecast further than analysts had expected.

Technical:

Palm extends gains on weaker ringgit, improved China demand, next level to watch 845.00.

Support:

705.73 = Oct 2022 Low

683.65 = Sep 2022 Low

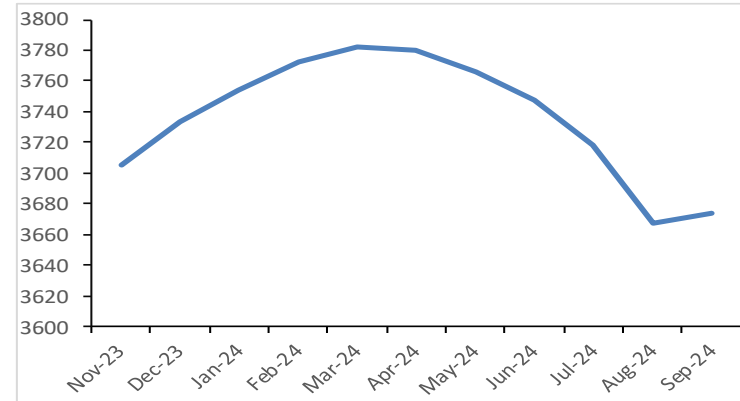
Resistance:

845.01 = Apr 2023 High

890.80 = Jul 2023 High



Futures Curve



Cotton

Last Price

USc **86.06**/LBS

ICE cotton futures rose more than 1% on Friday as poor crop conditions in key U.S. growing regions sparked supply worries. Cotton contracts for December [CTZ3](#) rose 1.33 cent, or 1.57%, to 86.25 cents per lb. The contract is down about 1% for the week. The WASDE report projected 2023/24 world cotton ending stocks relative lower to last month and said U.S. ending stocks are 100,000 bales lower. While a weekly USDA sales report showed net sales of 43,400 running bales of cotton for 2023/2024, they were down 82% from the previous week and 63% from the prior four-week average. Oil prices extended losses for a third session, dragged down by a larger-than-expected crude and gasoline stockbuild in the United States. Lower prices make the cotton substitute, polyester, cheaper.

Technical:

Cotton gains over 1% as supply concerns loom. Next level to watch 89.00.

Support:

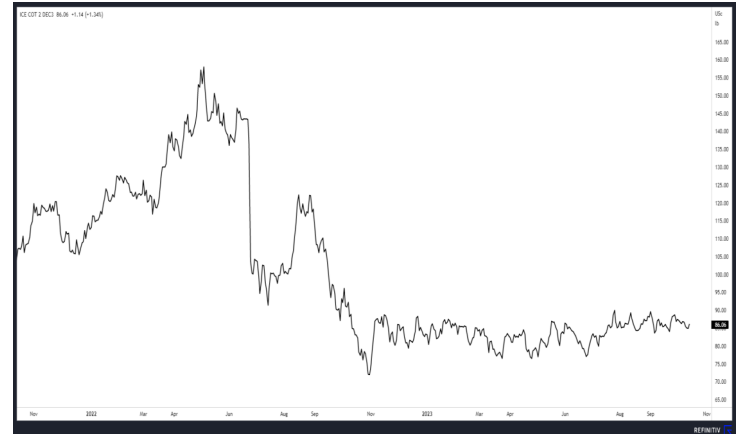
83.41 = Sep 2023 Low

80.42 = Jul 2023 Low

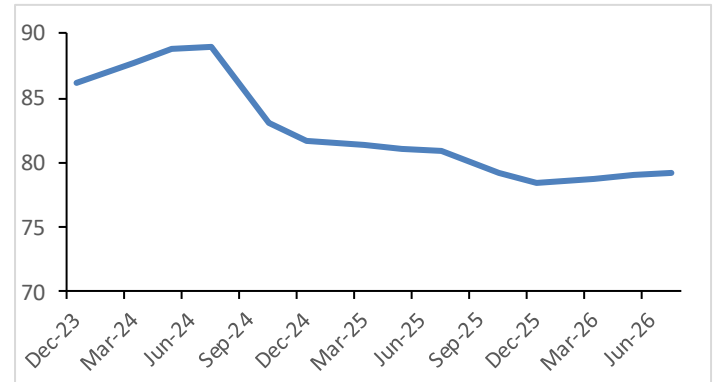
Resistance:

88.88 = Jan 2023 High

90.16 = Aug 2023 High



Futures Curve

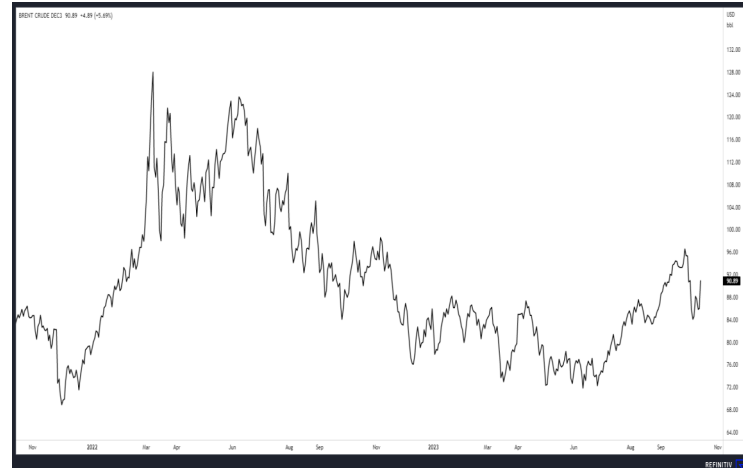


Brent Crude

Last Price

USD **90.89**/BBL

Oil prices leapt nearly 6% on Friday, with Brent posting its highest weekly gain since February, as investors priced in the possibility that the conflict in the Middle East could widen as Israel began ground raids inside the Gaza Strip. Brent futures [LCOc1](#) settled up \$4.89, or 5.7%, at \$90.89 per barrel. U.S. West Texas Intermediate (WTI) crude [CLc1](#) gained \$4.78, or 5.8%, to \$87.69 a barrel. Both benchmarks posted their highest daily percentage gains since April. Brent also recorded a weekly gain of 7.5%, its biggest such increase since February. WTI climbed 5.9% for the week. The Organization of the Petroleum Exporting Countries (OPEC) this week [kept](#) its forecast for growth in global oil demand, citing signs of a resilient world economy so far this year and expected further demand gains in China, the world's biggest oil importer.



Technical:

Oil surges nearly 6% after Israel begins ground raids into Gaza, next level to watch 97.00.

Support:

86.74 = Sep 2023 Low

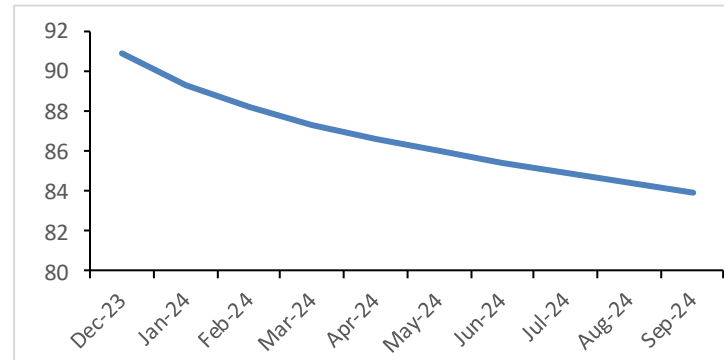
83.65 = Sep 2022 Low

Resistance:

96.99 = Sep 2022 High

99.56 = Nov 2022 High

Futures Curve

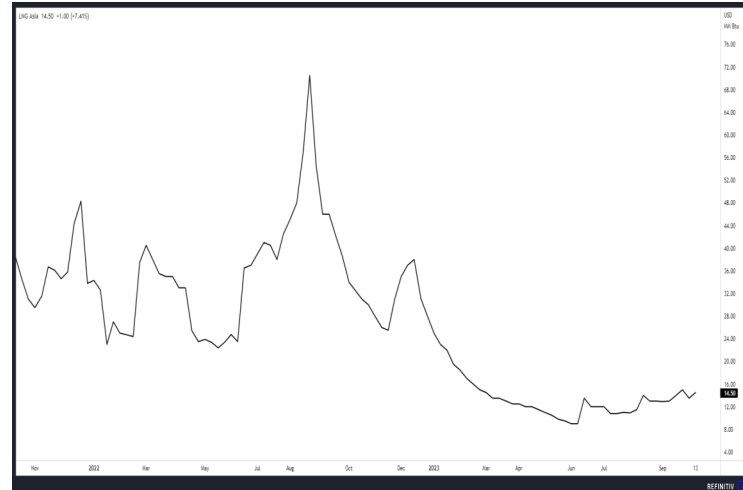


LNG

Last Price

USD **14.50**/MMBTU

Asian spot liquefied natural gas (LNG) prices climbed \$1 this week despite muted demand, tracking European gas prices, on concerns over tensions in the Middle East and damage to the [Balticconnector](#) gas pipeline linking Estonia and Finland. The average LNG price for November delivery into north-east Asia [LNG-AS](#) rose 7.4% to \$14.5 per million British thermal units (mmBtu). The price for December delivery was estimated at \$17.5/mmBtu. Asian importers have withdrawn their demand since the strikes in Australia ended, and demand has not returned even with strikes potentially being revived from next 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 \$15.718/mmBtu on Oct. 12, a \$0.65/mmBtu discount to the November gas price at the Dutch TTF hub.



Technical:

Asia spot LNG prices rise as geopolitical tensions fuel supply woes. Next level to watch 15.50.

Support:

12.50 = Apr 2023 High

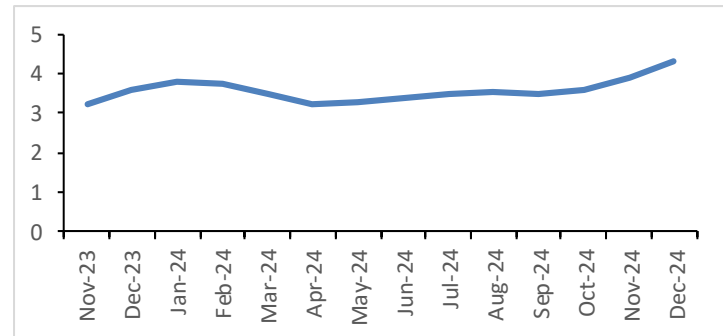
11.00 = May 2023 High

Resistance:

15.50 = Aug 2021 Low

18.50 = Feb 2023 High

Futures Curve



Steel (HRC)

Last Price USD **695.00**/ tons

Iron ore futures were headed for a weekly loss on Friday, pressured by worries about near-term demand in China where many steel mills hit by negative margins were seen curbing production. Hopes of additional economic [stimulus](#) by Beijing, and September data showing a [narrowing slump](#) in China's merchandise trade, helped limit losses in what has been a subdued week for the key steelmaking ingredient. Other steelmaking ingredients were mixed on Friday, with coking coal [DJMcv1](#) up 0.3% on the Dalian exchange, while coke [DCJcv1](#) dropped 0.7%. Steel benchmarks on the Shanghai Futures Exchange posted marginal gains. Rebar [SRBcv1](#) edged up 0.1%, hot-rolled coil [SHHCcv1](#) rose 0.3%, wire rod [SWRcv1](#) climbed 0.2% and stainless steel [SHSScv1](#) added 0.4%.

Technical:

Iron ore posted weekly fall as traders fret over China demand. Next level to watch 790.00.

Support:

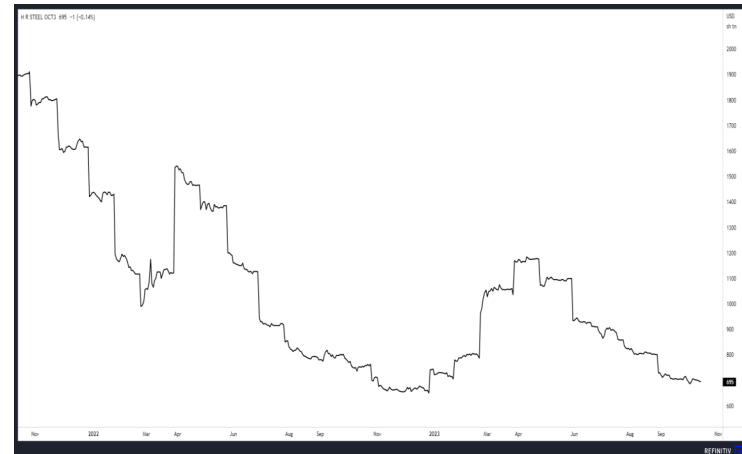
650.00 = Dec 2022 Low

620.00 = Sep 2020 High

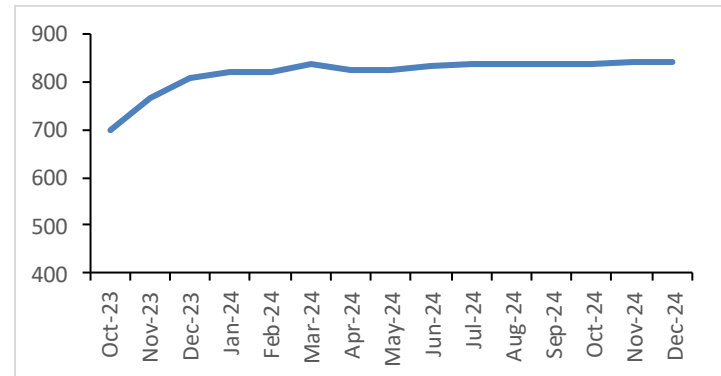
Resistance:

790.00 = Jan 2023 High

930.00 = Jul 2022 High



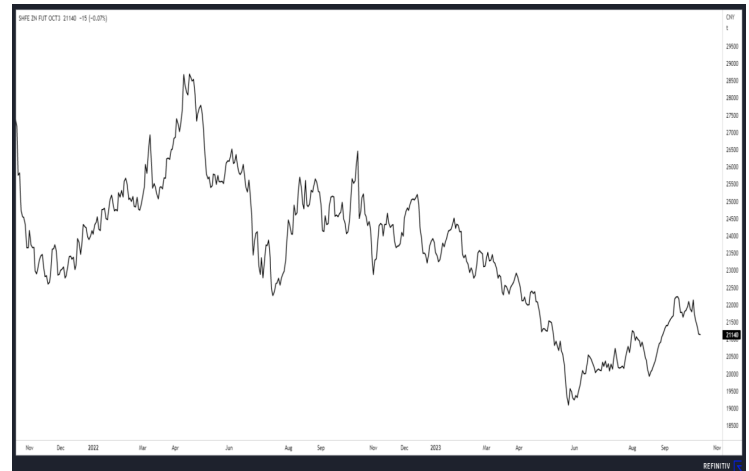
Futures Curve of SHFE Steel Futures



SHFE Zinc

Last Price USD **2,893.90**/Tons

The most active SHFE 2311 zinc contract fell to 21115 yuan/mt after opening lower at 21235 yuan/mt, and finally closed at 21125 yuan/mt, down 150 yuan/mt or 0.71%. Trading volume was down to 61566 lots, and open interest grew by 1428 lots to 103,000 lots. The U.S. CPI data unexpectedly rose higher than expected, strengthening the market's expectations for the Federal Reserve to raise interest rates again. The U.S. dollar index rose and returned to above the 106 mark. LME zinc prices opened at \$2473.5/mt last evening and closed down \$23/mt or 0.93% at \$2442/mt. Trading volume increased to 6521 lots, and open interest decreased by 1323 lots to 220,000 lots. LME zinc inventory shed by 2025 mt to 87025 mt.

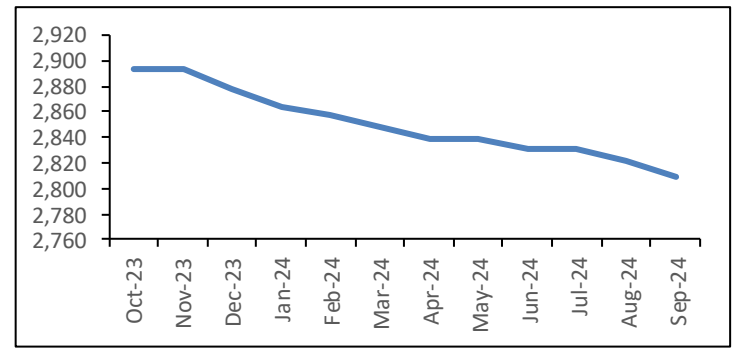


Technical:
 SHFE Zinc falls slightly ahead of holidays, next level to watch 2,800.00.

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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