



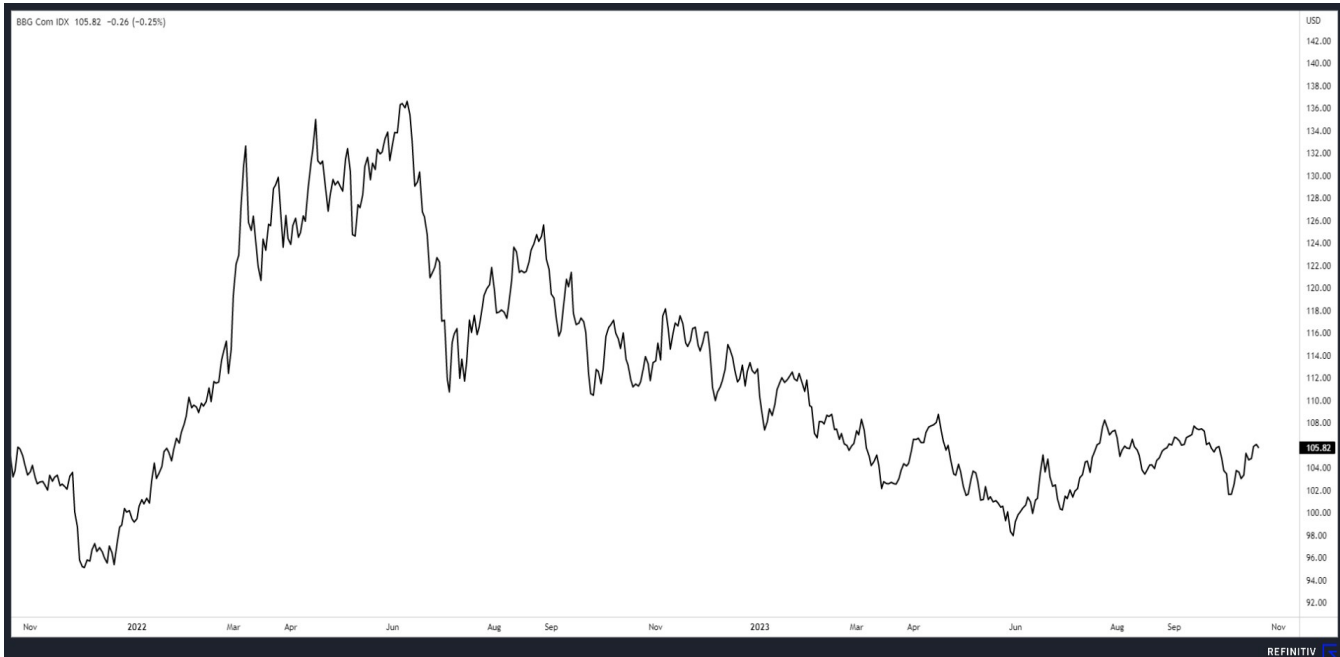
Commodities Weekly

Issue 37-2023

Date: 22 Oct 2023

Bloomberg Commodity Index

105.82 ▲



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.

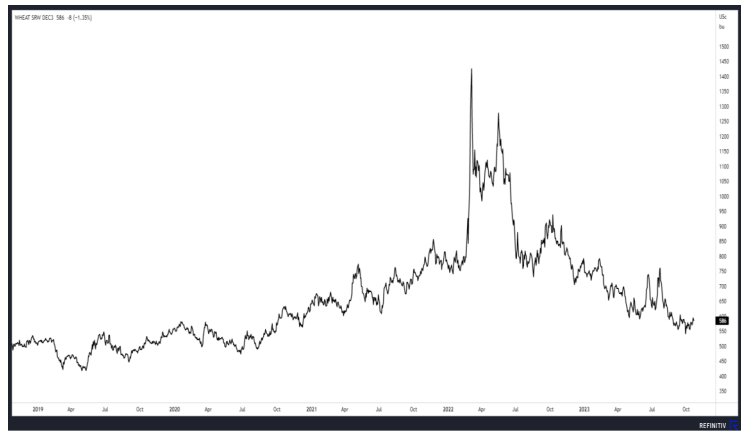
Commodity	Unit	Closing Price	% Δ Weekly	% Δ MoM	% Δ YoY	YTD High	YTD Low
Wheat	\$c/BSH	586.00	▲ 1.08%	▲ 1.12%	▼ -31.12%	797.50	540.00
Sugar	\$c/LBS	26.85	▼ -0.67%	▼ -0.44%	▲ 46.08%	27.67	18.92
Soybean	\$c/BSH	1,302.25	▲ 1.72%	▲ 0.46%	▼ -6.68%	1,616.50	1,250.50
Palm Oil	\$/Ton	791.40	▲ 0.06%	▼ -1.40%	▲ 9.49%	936.51	675.98
Cotton	\$c/LBS	82.40	▼ -4.25%	▼ -1.95%	▲ 4.13%	90.75	75.70
Brent Crude	\$/BBL	92.16	▲ 1.40%	▼ -1.19%	▼ -1.43%	97.69	70.12
LNG	\$/MMBTU	17.90	▲ 23.45%	▲ 27.86%	▼ -42.26%	25.00	9.00
Steel	\$/Ton	703.00	▲ 1.15%	▼ -0.28%	▼ -7.74%	1,200.00	685.00
SHFE Zinc	\$/Ton	2,863.77	▼ -1.02%	▼ -4.36%	▼ -16.69%	3,383.98	2,562.63
Indonesian Coal*	\$/Ton	123.96		▼ -6.89%	▼ -62.55%	305.21	123.96
Australian Coal	\$/Ton	352.50	▼ -2.89%	▲ 17.50%	▲ 20.86%	381.00	224.50
Gold	\$/Ozs	1,981.04	▲ 2.55%	▲ 2.32%	▲ 19.58%	2,072.19	1,804.20

*Price published monthly once by Indonesian Govt

Wheat

Last Price USc **586.00**/BSH

CBOT wheat futures finished lower on Friday, after a volatile day of trading. Late in the session, the market shrugged off questions about weather-related impacts on southern hemisphere crops. In the [U.S. cash market](#), spot basis bids for hard red winter wheat held steady at rail and truck market elevators across the southern U.S. Plains, but farmer sales were slow. CBOT December soft red winter wheat futures [WZ3](#) settled down 8 cents to close at \$5.86 a bushel. Earlier in the session, the most-active contract [Wv1](#) touched \$6.04-1/2 a bushel, the highest since Sept. 15. The most-active contract [Wv1](#) notched its third straight weekly gain. KC December hard red winter wheat futures [KWZ3](#) last traded down 8-1/4 cents to \$6.68 a bushel. MGEX December spring wheat [MWEZ3](#) was down 8-1/4 cents at \$7.30-3/4 a bushel.



Technical:

Wheat futures slide on profit taking. Next level to watch 600.00.

Support:

525.00 = Sep 2020 Low

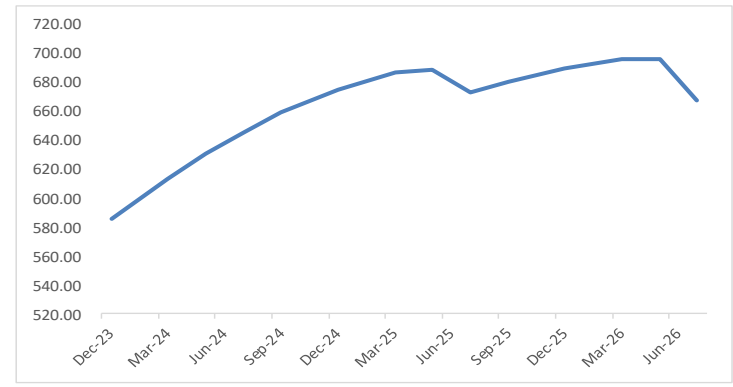
485.75 = Jul 2020 Low

Resistance:

607.50 = Sep 2023 High

663.25 = Mar 2021 High

Futures Curve

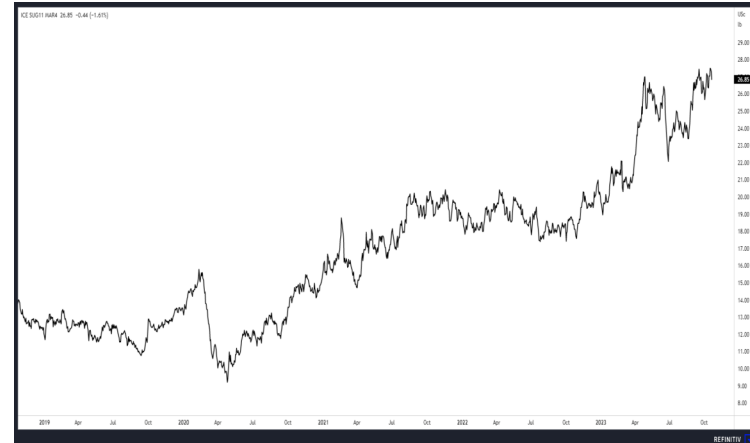


Sugar

Last Price

USc **26.85**/LBS

March raw sugar [SBC1](#) fell 0.44 cents, or 1.6%, at 26.85 cents per lb. The contract ended the week at negative 0.7%. December white sugar [LSUc1](#) fell \$11.30, or 1.5%, at \$726.50 a ton, and was flat for the week. Previously the market derived support from news that India had extended restrictions on sugar exports. There had also been concerns about delays to shipments from top exporter Brazil.



Technical:

Raw sugar prices falls slightly, next level to watch 27.50.

Support:

26.49= Jun 2023 High

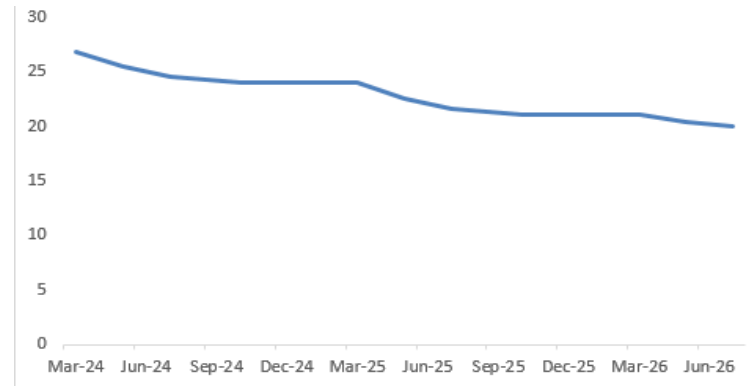
25.90 = Aug 2023 High

Resistance:

27.41 = Apr 2023 High

27.62 = Sep 2023 High

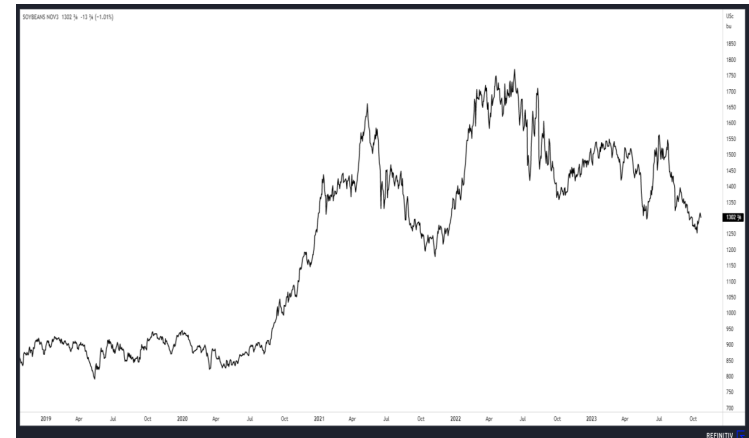
Futures Curve



Soybean

Last Price USc **1,302.25**/BSH

CBOT soybean futures retreated from a one-month high on Friday, as traders took profits from concerns about a [drought in Brazil](#) disrupting grain shipments on rivers. Slowing soy plantings in Brazil due to the drought also lifted prices early in the session. Farmer [sales of soybeans](#) have picked up in recent days, with strength in the futures market and basis gains combining to push cash prices above \$13 a bushel in many areas. CBOT November soybeans [SX3](#) settled the day down 13-1/4 cents at \$13.02-1/4 a bushel, after hitting its highest price since Sept. 21 at \$13.18-1/2. December soy meal [SMZ3](#) closed 90 cents higher at \$423.90 per ton, after earlier touching its highest price since June 22 at \$425.70 per ton. December soy oil [BOZ3](#) settled up 0.28 cent to close at 53.39 cents per pound.



Technical:

Soybeans retreat from four weekl high on profit taking, next level to watch 1,350.00.

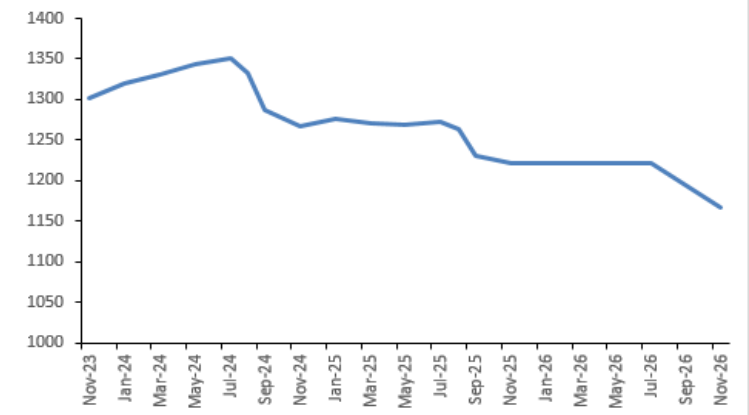
Support:

- 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 **791.40**/Ton

Malaysian palm oil futures posted a weekly gain on Friday as strong export data and rising crude oil prices offset largely weaker rival oils. The benchmark palm oil contract [FCPOc3](#) for January delivery on the Bursa Malaysia Derivatives Exchange rose 13 ringgit, or 0.35% to 3,771 ringgit (\$791.40) a metric ton, and ended the week up 0.35%. Exports of Malaysian palm oil products for Oct. 1-20 estimated to rose between [7.9%](#) and [9.9%](#). Palm oil is affected by price movements in related oils as they compete for a share in the global vegetable oils market. Stronger [crude oil prices](#) amid heightened fears that the Israel-Gaza crisis may spread and disrupt supply from one of the world's top-producing regions, also supported prices.



Technical:

Palm logs weekly gain on strong exports, crude oil prices, next level to watch 845.00.

Support:

705.73 = Oct 2022 Low

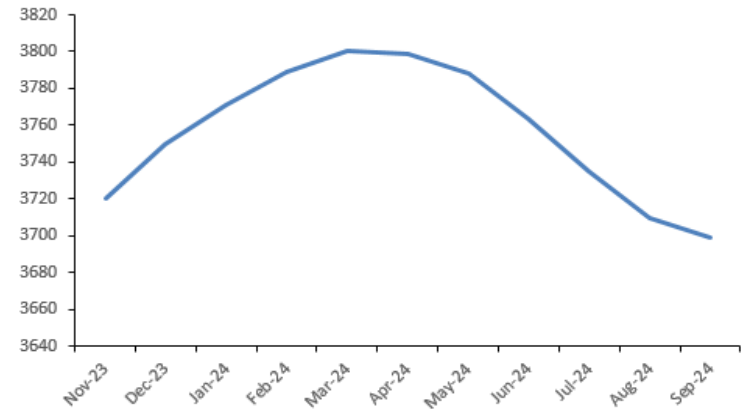
683.65 = Sep 2022 Low

Resistance:

845.01 = Apr 2023 High

890.80 = Jul 2023 High

Futures Curve



Cotton

Last Price USc **82.40**/LBS

ICE cotton futures fell 3% on Friday as risk-off sentiment in wider financial markets seeped into the natural fiber, while prospects of lower demand from key buyer China continued to dim outlook. Cotton contract for December [CTZ3](#) was down 1.88 cents, or 2.2%, at 82.39 cents per lb after falling as much as 3% earlier in the session. The contract is down about 4% for the week. Sentiment in cotton is being impacted by wider market sentiment amid the Middle East tensions, it's really a matter of macro economics. Brazil is on track for [record cotton shipments](#) in the 2023/24 commercial year, an exporter group said last month, citing a large crop and likely record sales in September.



Technical:

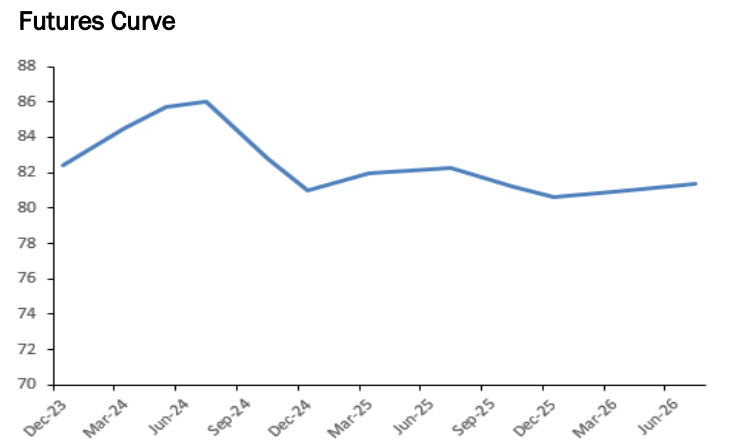
Cotton down 3% on wider market retreat, demand woes. Next level to watch 89.00.

Support:

80.42 = Jul 2023 Low
 76.91 = Jun 2023 Low

Resistance:

88.88 = Jan 2023 High
 90.16 = Aug 2023 High



Brent Crude

Last Price

USD **92.16**/BBL

Oil prices settled lower on Friday after the Islamist group Hamas released two U.S. hostages from Gaza, leading to hopes the Israeli-Palestinian crisis could de-escalate without engulfing the rest of the Middle East region and disrupting oil supplies. Brent crude futures [LC0c1](#) fell 22 cents, or 0.2%, to settle at \$92.16 a barrel. U.S. West Texas Intermediate crude futures for November delivery [CLc1](#), which expired after settlement on Friday, fell 62 cents, or 0.7%, to \$88.75 a barrel. The more-active December WTI contract [CLc2](#) closed 29 cents lower at \$88.08 a barrel.



Technical:

Oil droops after Hamas released US hostages, next level to watch 97.00.

Support:

86.74 = Sep 2023 Low

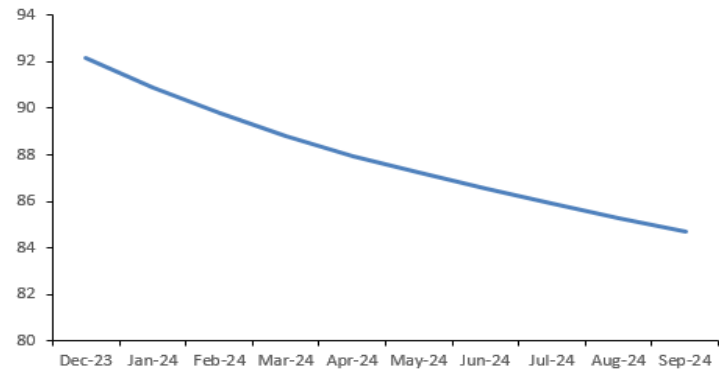
83.65 = Sep 2022 Low

Resistance:

96.99 = Sep 2022 High

99.56 = Nov 2022 High

Futures Curve

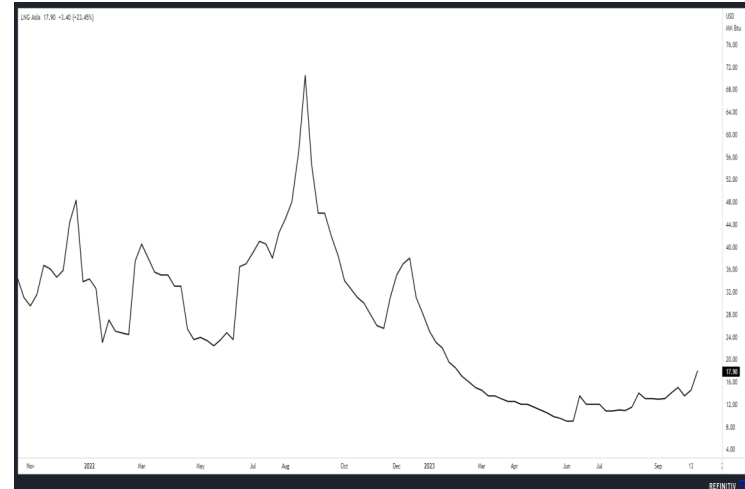


LNG

Last Price

USD **17.90**/MMBTU

Asian spot liquefied natural gas (LNG) prices rose more than \$3 this week to a near nine-month high, supported by increased demand from northeast Asian buyers and amid tensions in the Middle East. The average LNG price for December delivery into north-east Asia [LNG-AS](#) rose 23% to \$17.90 per million British thermal units (mmBtu), industry sources estimated, its highest levels since early February. Supply concerns have eased now that a second round of [Australian strikes](#) have been called off, and stable Asian prices are forecast going forward, as northeast Asian buyers are likely to prioritise stock building ahead of the winter season. In Europe, S&P Global Commodity Insights assessed its daily northwest Europe LNG Marker (NWM) price benchmark for cargoes delivered in December on an ex-ship (DES) basis at \$16.152/mmBtu on Oct. 19, a \$0.80/mmBtu discount to the December gas price.



Technical:

Asia spot LNG prices rise on stronger northeast Asian demand. Next level to watch 15.50.

Support:

15.00 = Feb 2023 Low

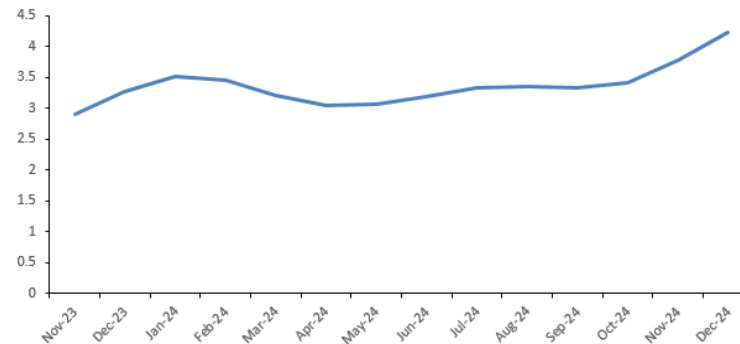
14.50 = Mar 2023 High

Resistance:

18.50 = Feb 2023 High

19.50 = Jan 2023 Low

Futures Curve



Steel (HRC)

Last Price USD **703.00**/ tons

Iron ore futures fell on Friday, weighed down by concerns about China's ailing property market and weaker-than-expected steel production. The most-traded January iron ore on China's Dalian Commodity Exchange [DCIOcv1](#) fell 27.5 yuan, or 3.2%, to 839 yuan (\$114.64) per metric ton at the close of daytime trade. The contract has so far made a modest 0.1% gain this week, marking its first weekly rise after three consecutive weeks of declines. Steel benchmarks on the Shanghai Futures Exchange were down. The most-active rebar contract [SRBcv1](#) lost 0.4%, hot-rolled coil [SHHCcv1](#) dropped 0.5%, wire rod [SWRcv1](#) dipped 0.1% and stainless steel [SHSScv1](#) shed 1.6%. Other steelmaking ingredients on the Dalian exchange were weaker, with coking coal [DJMcv1](#) and coke [DCJcv1](#) down 0.6% and 0.9%, respectively.

Technical:

Iron ore slumps as China property, steel output woes persist. Next level to watch 790.00.

Support:

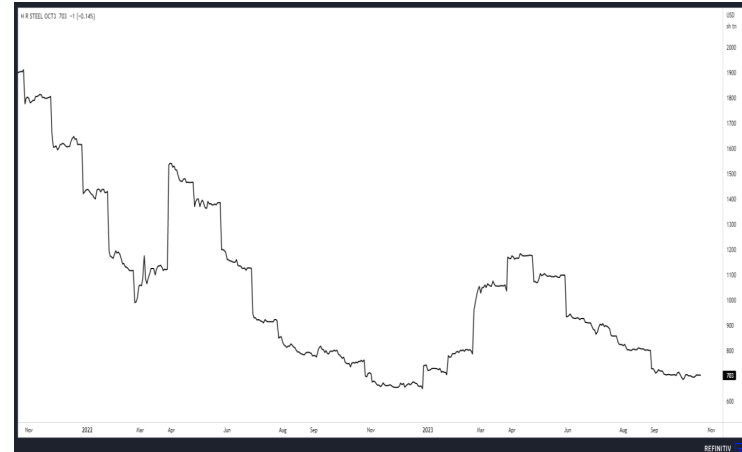
650.00 = Dec 2022 Low

620.00 = Sep 2020 High

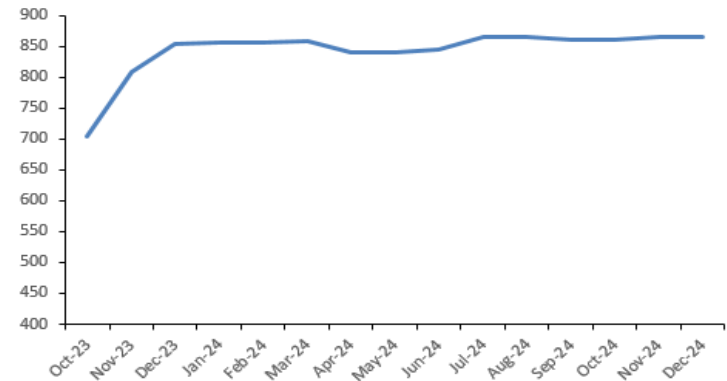
Resistance:

790.00 = Jan 2023 High

930.00 = Jul 2022 High



Futures Curve of SHFE Steel Futures



SHFE Zinc

Last Price USD **2,863.77**/Tons

Overnight, LME zinc opened at \$2433.5/mt, hitting a low of \$2407.5/mt, and closed at \$2430/mt, down \$4/mt or 0.16%. Trading volume decreased to 5162 lots, and open interest fell 4051 lots to 208,000 lots. LME zinc inventories decreased by 1550 mt to 78775 mt, a drop of 1.93%. Overnight, U.S. interest rates are expected to remain unchanged in November, but there are concerns about the resurgence of inflation. At the same time, existing home sales have dropped to a 13-year low. The most active SHFE 2311 prices opened at 21030 yuan/mt and lost 80 yuan/mt or 0.38% to settle at 21040 yuan/mt in overnight trading with the high-end of 21100 yuan/mt and the low-end of 21000 yuan/mt. Trading volumes decreased to 45666 lots and open interest fell 1898 lots to 74531 lots.

Technical:

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

Support:

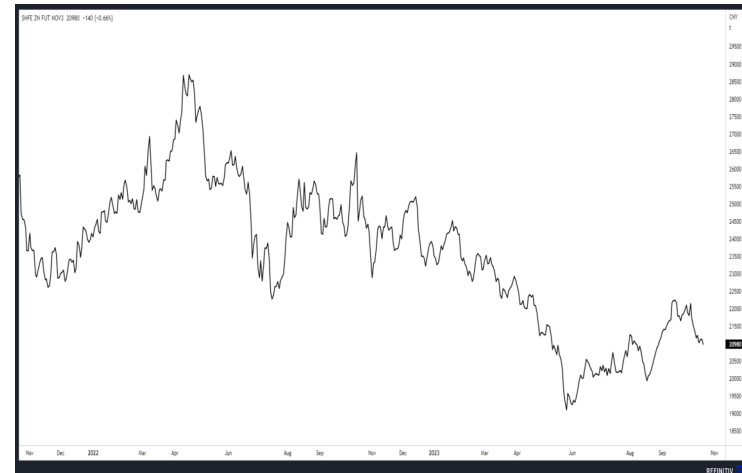
2,634.51 = Aug 2020 Low

2,610.00 = Jan 2020 High

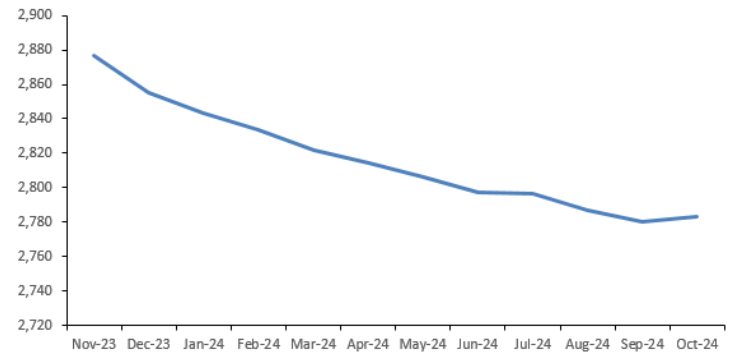
Resistance:

3,182.18 = Jun 2021 High

3,291.42 = Jul 2021 High



SHFE Zinc Forward Curve



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