



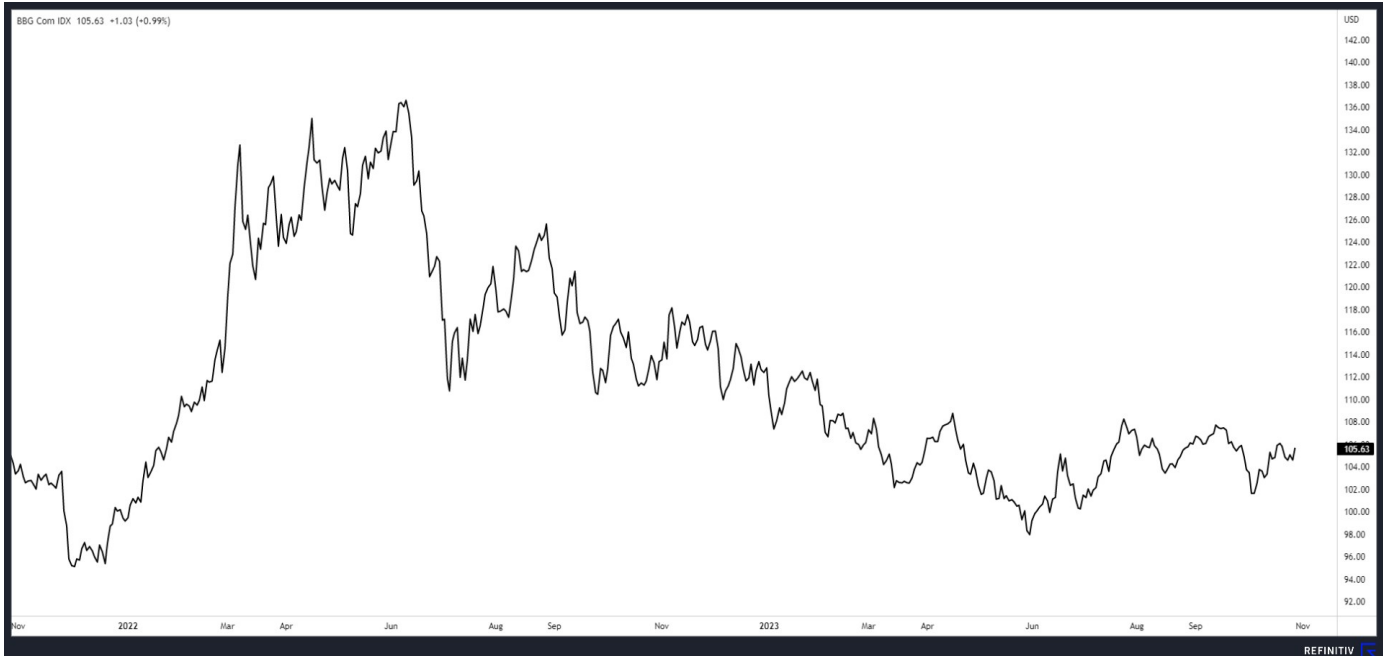
Commodities Weekly

Issue 38-2023

Date: 29 Oct 2023

Bloomberg Commodity Index

105.63 ▼



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	575.50	▼ -1.79%	▲ 6.28%	▼ -30.60%	797.50	540.00
Sugar	\$c/LBS	27.34	▲ 1.82%	▲ 4.07%	▲ 55.52%	28.00	18.92
Soybean	\$c/BSH	1,297.25	▼ -0.38%	▲ 1.75%	▼ -6.52%	1,616.50	1,250.50
Palm Oil	\$/Ton	790.41	▼ -0.12%	▼ -1.52%	▼ -6.36%	936.51	675.98
Cotton	\$c/LBS	84.38	▲ 2.40%	▼ -2.86%	▲ 17.02%	90.75	75.70
Brent Crude	\$/BBL	90.48	▼ -1.82%	▼ -5.07%	▼ -5.52%	97.69	70.12
LNG	\$/MMBTU	17.75	▼ -0.84%	▲ 18.33%	▼ -40.83%	25.00	9.00
Steel	\$/Ton	866.00	▲ 23.19%	▲ 23.01%	▲ 21.97%	1,200.00	685.00
SHFE Zinc	\$/Ton	2,874.81	▲ 0.39%	▼ -3.72%	▼ -13.21%	3,383.98	2,562.63
Indonesian Coal*	\$/Ton	123.96	0.00%	▼ -6.89%	▼ -62.55%	305.21	123.96
Australian Coal	\$/Ton	353.00	▲ 0.14%	▲ 15.54%	▲ 21.80%	381.00	224.50
Gold	\$/Ozs	2,005.78	▲ 1.25%	▲ 6.56%	▲ 22.17%	2,072.19	1,804.20

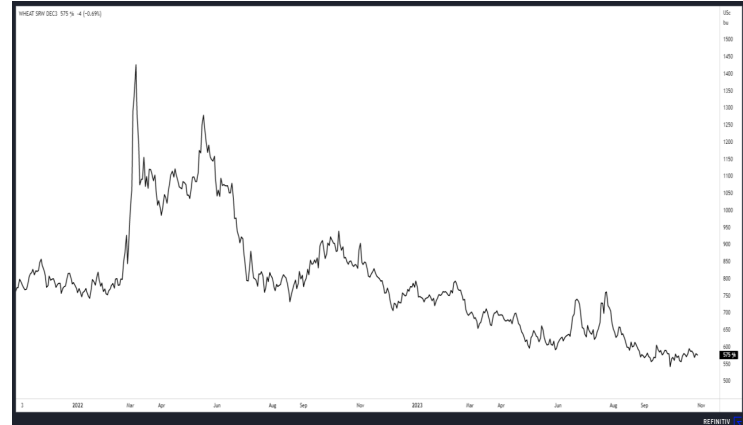
*Price published monthly once by Indonesian Govt

Wheat

Last Price

USc **575.50**/BSH

CBOT wheat futures finished weaker on Friday. Ukraine's grain exports have fallen to 8.72 million metric tons so far in the 2023/24 July-June marketing season. Large exports from Russia continue to loom over the wheat market. Beneficial [rains in global growing regions](#) also weighed on prices, with KC hard red winter wheat futures touching a contract low after precipitation hit the U.S. Plains. CBOT December soft red winter wheat [WZ3](#) shed 4 cents to close at \$5.75-1/2 a bushel. KC December hard red winter wheat futures [KWZ3](#) slid 11-3/4 cents to close at \$6.43 a bushel and hit a contract low of \$6.39-1/2. MGEX December spring wheat MWEZ3 last traded 4-1/2 cents lower at \$7.19-3/4 a bushel.



Technical:

Wheat declines as concerns eased about disruptions to Ukraine's shipments on the Black Sea. Next level to watch 600.00.

Support:

525.00 = Sep 2020 Low

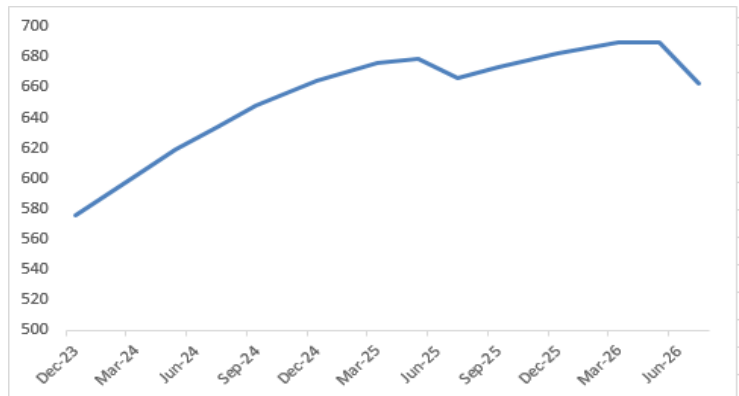
485.75 = Jul 2020 Low

Resistance:

607.50 = Sep 2023 High

663.25 = Mar 2021 High

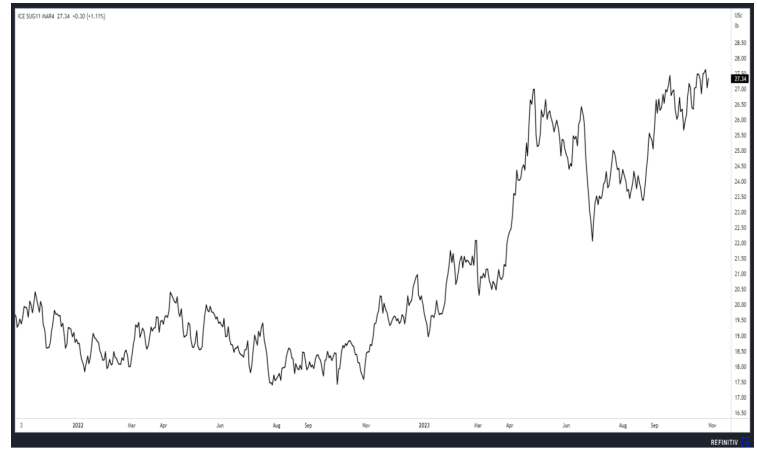
Futures Curve



Sugar

Last Price USc **27.34**/LBS

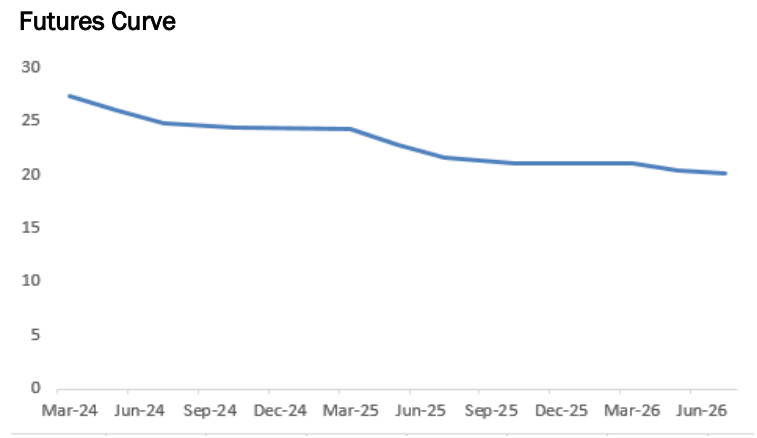
March raw sugar [SBc1](#) rose 0.4% at 27.63 cents per lb, having hit a 12-year high of 28.00. The market is focused on port congestion in top producer Brazil, with industry data showing 2.1 million tons of sugar exported in the first three weeks of October, 1 million tons less than a year ago. [Brazil sugar production](#) rose early in October, but mills cut the sugar mix from 51% late in September to 48%. December white sugar [LSUc1](#) was little changed at \$746.60 a ton. [Indonesia's white sugar output](#) is seen down 4% this year at around 2.3 million metric tons as dry weather hits harvests.



Technical:
 Raw sugar reaches 12-year peak, next level to watch 27.50.

Support:
 26.49= Jun 2023 High
 25.90 = Aug 2023 High

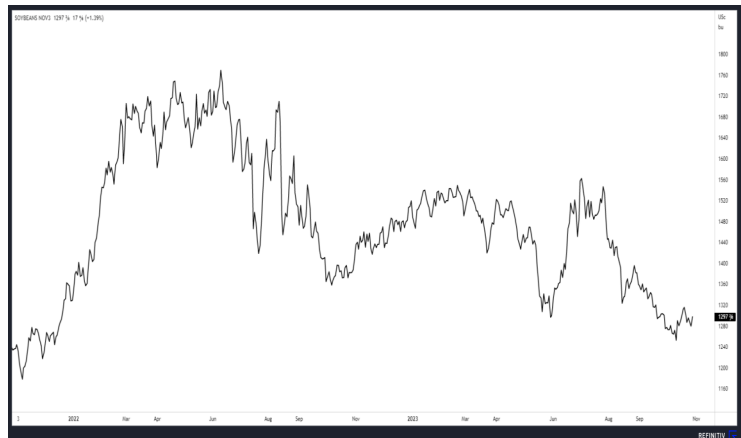
Resistance:
 27.41 = Apr 2023 High
 27.62 = Sep 2023 High



Soybean

Last Price USc **1,297.25**/BSH

CBOT soybean futures closed higher on Friday as soymeal climbed to a new contract high. Strong demand lifted futures prices as U.S. [soymeal exports](#) are well on their way to new highs this season. Supplies are tight in exporter Argentina after a drought, prompting buyers to turn more to the U.S. The U.S. Department of Agriculture is slated to issue a weekly update on U.S. soybean harvesting on Monday, after wet weather delayed progress in the second half of this week. CBOT January soybeans [SF24](#) settled up 19-1/4 cents at \$13.19-1/2 a bushel and touched a one-week high. December soymeal [SMZ3](#) finished \$12.9 higher at \$442.40 per ton after notching a contract high of \$448.4 per ton. December soyoil [BOZ3](#) closed 0.53 cent stronger at 52.27 cents per pound.



Technical:

Soybeans jump, soymeal sets contract high on solid demand, next level to watch 1,350.00.

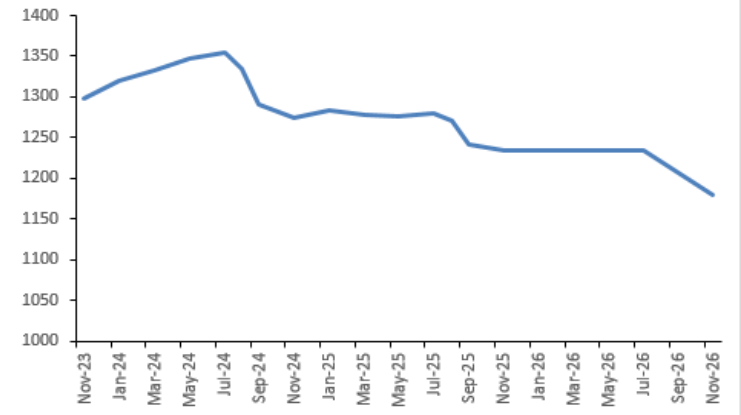
Support:

- 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

Malaysian palm oil rose for a third consecutive session on Friday, with strength in China's edible oil market supporting prices, although lacklustre demand for the tropical product limited the upside potential in prices. The benchmark palm oil contract [FCPOc3](#) for January delivery on the Bursa Malaysia Derivatives Exchange closed up 15 ringgit, or 0.4%, to 3,777 ringgit a metric ton. Palm oil is affected by price movements in related oils as they compete for a share in the global vegetable oils market. Malaysian palm oil product exports for Oct 1- Oct 25 fell between 1.1% and 3.1% from a month earlier. Palm oil may test a support of 3,719 ringgit per metric ton, a break below which could be followed by a drop into the 3,643-3,681 ringgit range.

Technical:

Palm oil up on higher Dalian prices weak demand limits gains, next level to watch 845.00.

Support:

705.73 = Oct 2022 Low

683.65 = Sep 2022 Low

Resistance:

845.01 = Apr 2023 High

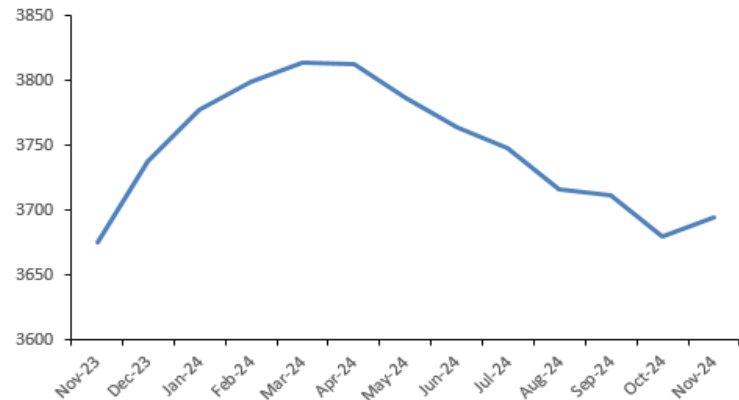
890.80 = Jul 2023 High

Last Price

USD **790.41**/Ton



Futures Curve



Cotton

Last Price

USc **84.38**/LBS

U.S. cotton futures eased on Friday, but headed for their best week in eight as support from a strong U.S. export sales report rebuffed pressure from a firmer dollar. Cotton contracts for December [CTZ3](#) fell 0.21 cent, or 0.3%, to 84.38 cents per lb, after touching an 11-day peak earlier in the session. While the dollar was higher on the week, making cotton more expensive for overseas buyers, cotton was up 2.4% so far this week, on track to mark their biggest weekly increase since Sept. 1 after hitting a three-month low last Friday. Oil prices rose 1%, making polyester, a substitute for cotton, more expensive.



Technical:

Cotton eyes best week in eight on stronger US export sales. Next level to watch 89.00.

Support:

80.42 = Jul 2023 Low

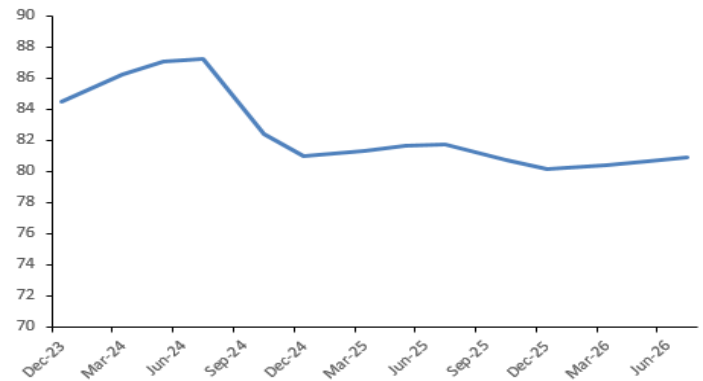
76.91 = Jun 2023 Low

Resistance:

88.88 = Jan 2023 High

90.16 = Aug 2023 High

Futures Curve

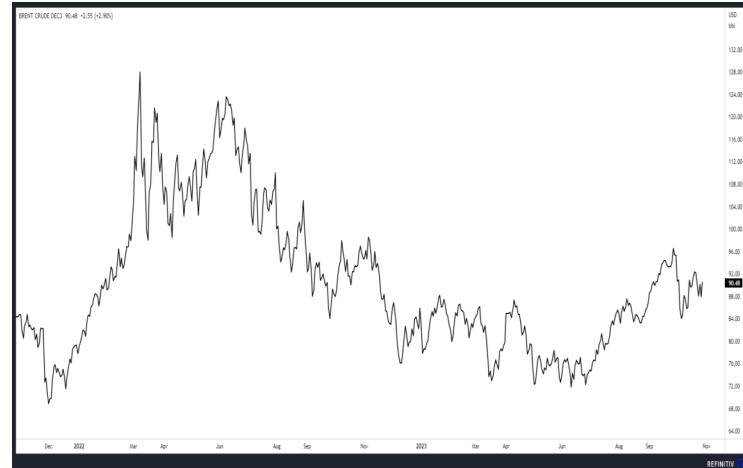


Brent Crude

Last Price

USD **90.48**/BBL

Oil prices climbed about 3% to a one-week high on Friday on worries that tensions in Israel and Gaza could spread into a wider conflict that could disrupt global crude supplies. Brent [LCOc1](#) futures rose \$2.55, or 2.9%, to settle at \$90.48 a barrel, while U.S. West Texas Intermediate (WTI) crude [CLc1](#) rose \$2.33, or 2.8%, to settle at \$85.54. Brent's premium over WTI [WTCLc1-LCOc1](#) rose to its highest since March, making it more attractive for energy firms to send ships to the U.S. to pick up crude for export. For the week, Brent was down about 2% and WTI down about 4%. Trading was choppy. Early in the session, oil prices soared by more than \$2 a barrel after the [U.S military struck Iranian targets](#) in Syria. Then prices briefly turned negative as markets digested various reports on mediation talks between the militant Hamas group and Israel led by [Qatar](#) in coordination with the U.S.



Technical:

Oil prices up 3% on worries about Middle East supplies, next level to watch 97.00.

Support:

86.74 = Sep 2023 Low

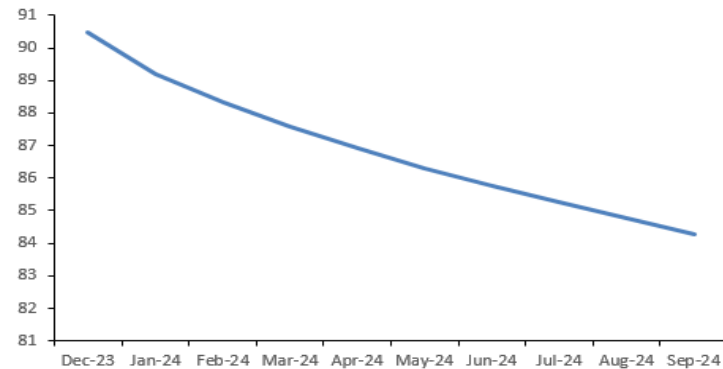
83.65 = Sep 2022 Low

Resistance:

96.99 = Sep 2022 High

99.56 = Nov 2022 High

Futures Curve

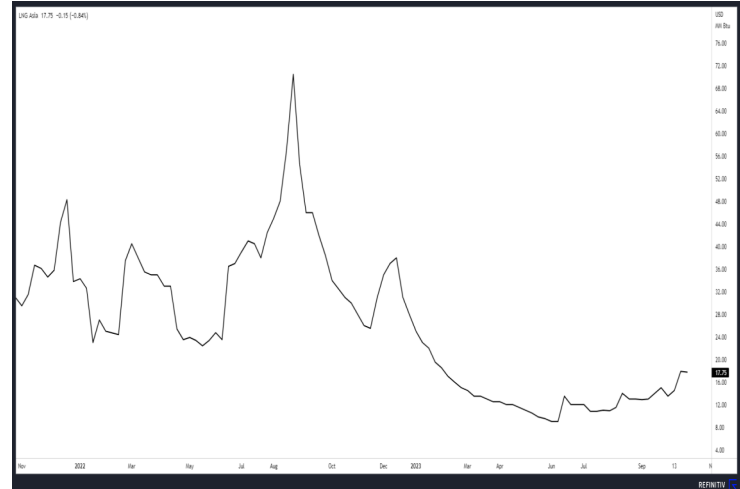


LNG

Last Price

USD **17.75**/MMBTU

Asian spot liquefied natural gas (LNG) prices were little changed this week, as steady European heating demand supported prices despite forecasts of mild weather in the coming months. The average LNG price for December delivery into north-east Asia [LNG-AS](#) declined marginally to \$17.75 per million British thermal units (mmBtu), industry sources estimated, compared to last week's near nine-month high of \$17.90. Forecasts of mild weather in Europe eased volatility in a market which has been rocked by supply concerns including a potential second round of [Australian strikes](#), which was called off. Traders will watch developments in the Israel-Hamas conflict, as reports of U.S military strikes on Iranian targets in Syria this week have raised concerns of the conflict widening.



Technical:

Asia spot LNG prices steady on heating demand support. Next level to watch 15.50.

Support:

15.00 = Feb 2023 Low

14.50 = Mar 2023 High

Resistance:

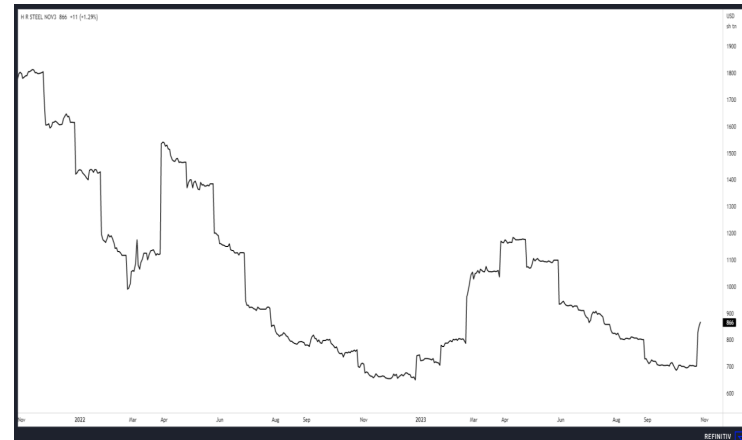
18.50 = Feb 2023 High

19.50 = Jan 2023 Low

Steel (HRC)

Last Price USD **866.00**/ tons

Iron ore futures rose on Friday, reversing earlier weakness and on track for weekly gains, as additional signs of a stabilising Chinese economy underpinned sentiment already buoyed on extra stimulus for the world's biggest steel producer. The most-traded January iron ore on China's Dalian Commodity Exchange [DCIOcv1](#) ended daytime trade 2.1% higher at 889.50 yuan (\$121.57) per metric ton. It has gained about 4% this week. Other steelmaking ingredients on the Dalian exchange also reversed earlier losses, with coking coal [DJMcv1](#) and coke [DCJcv1](#) up 2.7% and 2.2%, respectively. Shanghai steel benchmarks rose, with rebar [SRBcv1](#) up 1.5%, hot-rolled coil [SHHCcv1](#) up 1.6% and wire rod [SWRcv1](#) up 0.5%. Stainless steel [SHSScv1](#) shed 0.3%.



Technical:

Iron ore set for weekly gains on China support measures. Next level to watch 910.00.

Support:

790.00 = Jan 2023 High

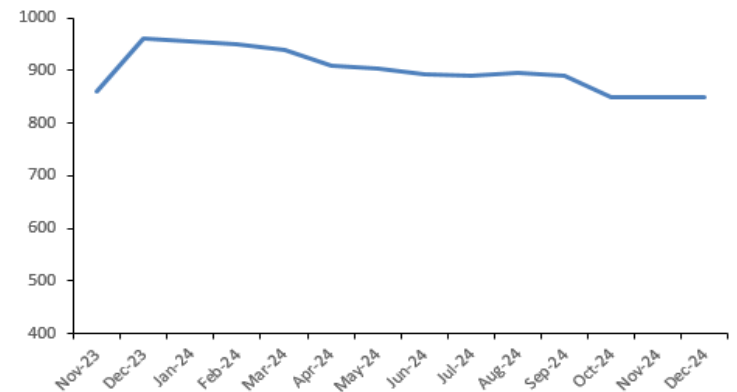
650.00 = Dec 2022 Low

Resistance:

910.00 = Jul 2023 High

930.00 = Jul 2022 High

Futures Curve of SHFE Steel Futures



SHFE Zinc

Overnight, LME zinc opened at \$2475/mt and closed down \$49/mt or 1.98% at \$2430/mt. The trading volume was 8629 lots, and open interest lost 161 lots to 201,000 lots. The U.S. GDP surged by 4.9% year-on-year in the third quarter, with the economy growing at the fastest rate in the past two years. Market concerns about subsequent interest rate hikes grew, and risk aversion increased. Last evening, the most active SHFE 2312 zinc contract prices opened at 20990 yuan/mt and closed at 20945 yuan/mt, down 160 yuan/mt or 0.76%. Trading volume stood at 59,000 lots, and open interest gained by 581 lots to 82,000 lots. US GDP data shows that the economy is quite resilient, and the Federal Reserve may keep interest rates at restrictive levels for longer than expected. The domestic market was affected by macro sentiment and followed the LME market down.

Technical:

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

Support:

2,634.51 = Aug 2020 Low

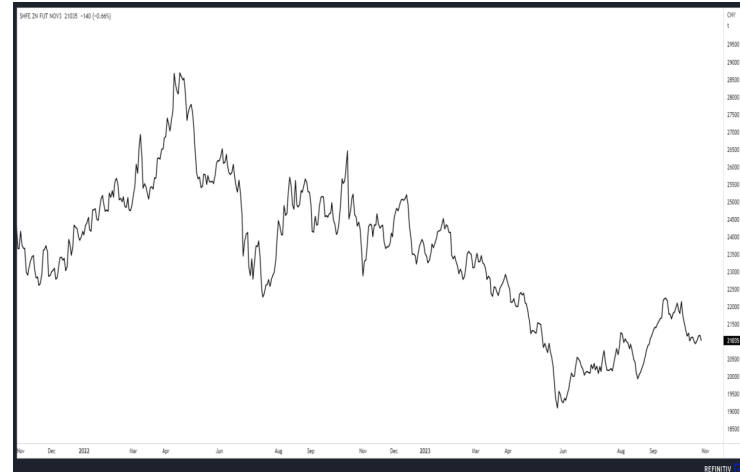
2,610.00 = Jan 2020 High

Resistance:

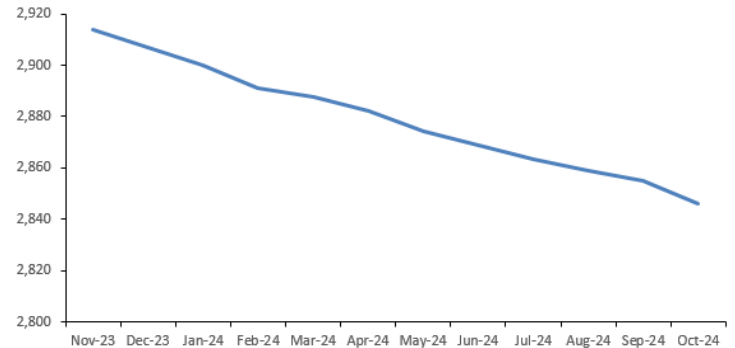
3,182.18 = Jun 2021 High

3,291.42 = Jul 2021 High

Last Price USD **2,874.81**/Tons



SHFE Zinc Forward Curve



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