



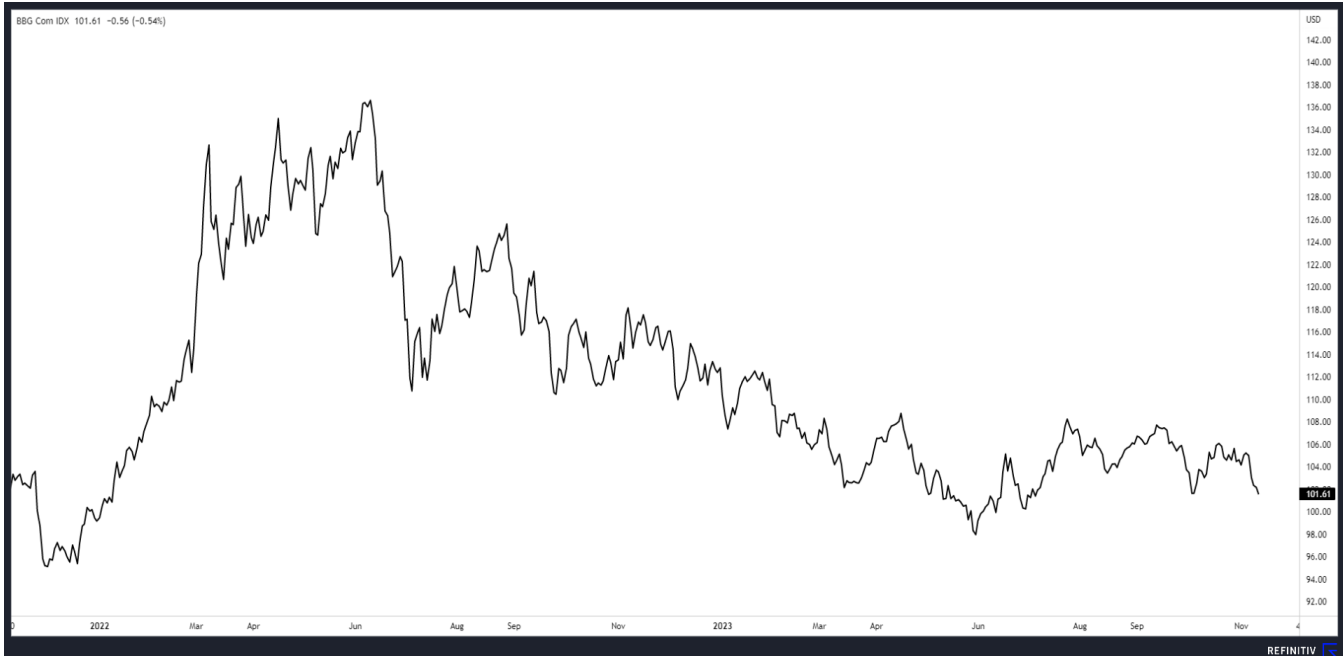
# Commodities Weekly

Issue 40-2023

Date: 12 Nov 2023

# Bloomberg Commodity Index

**101.61 ▼**



Components (BCOM Index):

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)

# S&P GSCI

482.96 ▼



Components of S&P Goldman Sachs Commodity Index (GSCI):  
Energy: (Crude Oil, Natural Gas)  
Grains: (Corn, Soybeans, Wheat)  
Industrial Metals: (Aluminum, Copper, Zinc, Nickel, Lead)

Precious Metals: (Gold, Silver, Platinum)  
Softs: (Sugar, Coffee, Cotton, Cocoa)  
Livestock: (Cattle, 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
<a href="#">Wheat</a>	\$c/BSH	575.25	▲ 0.48%	▲ 0.66%	▼ -29.31%	797.50	540.00
<a href="#">Sugar</a>	\$c/LBS	27.29	▼ -1.73%	▲ 3.57%	▲ 38.95%	28.14	18.92
<a href="#">Soybean</a>	\$c/BSH	1,333.50	▲ 0.45%	▲ 3.37%	▼ -8.38%	1,616.50	1,250.50
<a href="#">Palm Oil</a>	\$/Ton	808.12	▲ 1.36%	▲ 6.69%	▼ -9.99%	936.51	675.98
<a href="#">Cotton</a>	\$c/LBS	77.32	▼ -2.89%	▼ -8.95%	▼ -12.34%	90.75	74.77
<a href="#">Brent Crude</a>	\$/BBL	81.43	▼ -4.08%	▼ -5.31%	▼ -15.17%	97.69	70.12
<a href="#">LNG</a>	\$/MMBTU	16.50	▼ -2.94%	▲ 13.79%	▼ -36.54%	25.00	9.00
<a href="#">Steel</a>	\$/Ton	893.00	▲ 2.29%	▲ 28.30%	▲ 34.89%	1,200.00	685.00
<a href="#">SHFE Zinc</a>	\$/Ton	2,963.33	▲ 0.72%	▲ 1.54%	▼ -13.69%	3,383.98	2,562.63
Indonesian Coal*	\$/Ton	123.96	0.00%	▼ -6.89%	▼ -59.78%	305.21	123.96
Australian Coal	\$/Ton	311.50	▼ -4.64%	▼ -13.83%	▲ 3.15%	381.00	224.50
Gold	\$/Ozs	1,936.79	▼ -2.78%	▲ 5.40%	▲ 9.38%	2,072.19	1,804.20

\*Price published monthly once by Indonesian Govt

# Wheat

U.S. wheat future contracts fell on Friday, following corn, as the market continued to react to a government report that cast a bearish pall over grains. Spot [basis bids for hard red winter \(HRW\) wheat](#) were unchanged at southern U.S. Plains grain elevators on Friday and protein premiums held steady in subdued cash markets. Chicago Board of Trade December soft red winter wheat [WZ3](#) settled down 5-1/2 cents at \$5.75-1/4 per bushel. But for the week, the contract closed up 2-3/4 cents, or 0.48% higher - after declining the previous two weeks. K.C. hard red winter wheat futures closed lower, chilling farmer wheat sales. K.C. December hard red winter wheat [KWZ3](#) settled the day down 7-1/4 cents at \$6.40 a bushels. MGEX December spring wheat [MWEZ3](#) last traded down 4 cents at \$7.30-1/2 a bushel.

## Technical:

December wheat futures ended day down, but higher on week. Next level to watch 600.00.

## Support:

525.00 = Sep 2020 Low

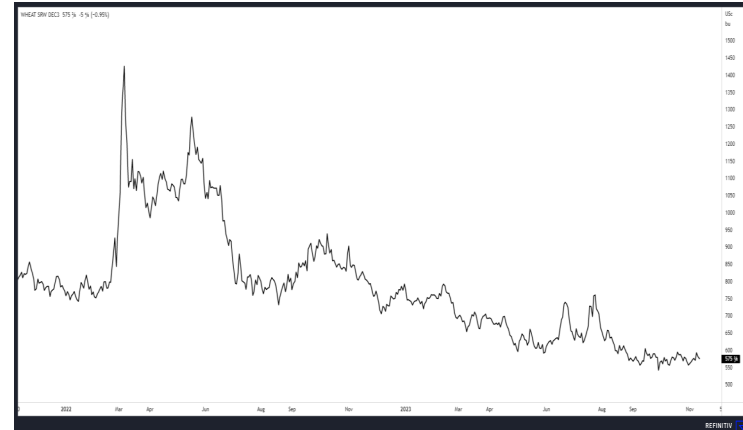
485.75 = Jul 2020 Low

## Resistance:

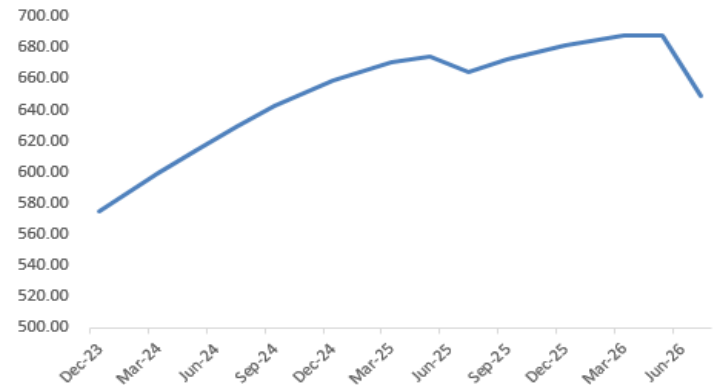
607.50 = Sep 2023 High

663.25 = Mar 2021 High

Last Price

USc **575.25**/BSH

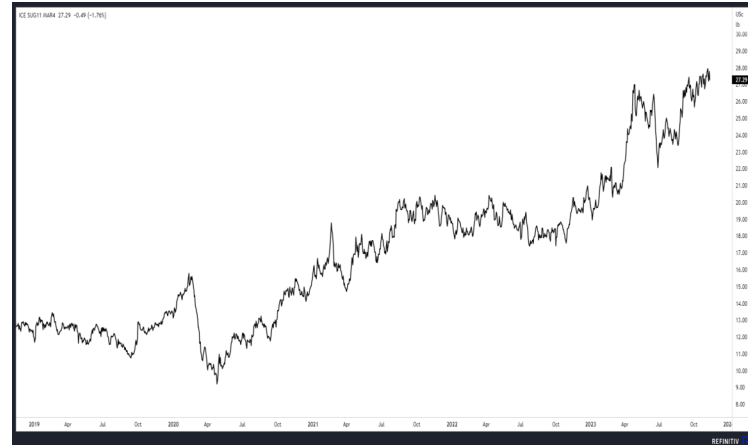
## Futures Curve



# Sugar

Last Price USc **27.29**/LBS

March raw sugar [SBc1](#) was 0.04% lower at 27.77 cents per lb after rising to a 12-year high of 28.14 cents on Tuesday. Dealers were awaiting cane and sugar production data for the Centre-South of Brazil covering the second half of October, which is expected to be released during the next few days. A survey of analysts issued by S&P Global Commodity Insights put sugar production in the period at 2.35 million metric tons, up 9.5% year-on-year. December white sugar [LSUc1](#) rose by 0.4% to \$759.70 a ton.



## Technical:

Raw sugar slightly down, next level to watch 27.50.

## Support:

26.49= Jun 2023 High

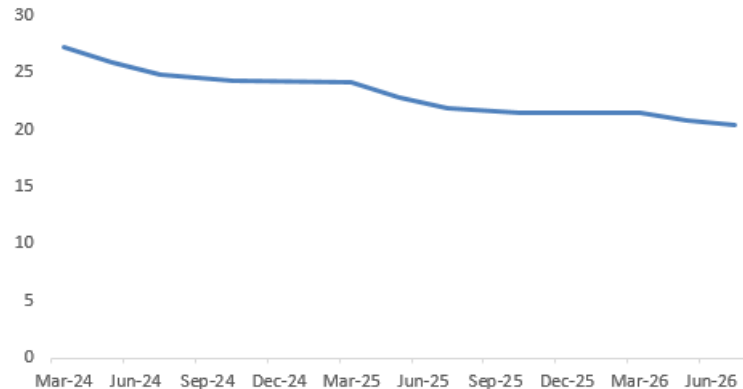
25.90 = Aug 2023 High

## Resistance:

27.41 = Apr 2023 High

27.62 = Sep 2023 High

## Futures Curve



# Soybean

Last Price

USc **1,333.50**/BSH

CBOT soybean futures firmed on Friday on technical buying, as investors sought short-covering and hunted for potential bargains after the U.S. government forecast a bigger-than-expected soybean production. A lack of rainfall in Brazil's top grain state Mato Grosso has [delayed soybean planting](#) by up to 30 days. CBOT most-active January soybean futures [SF24](#) settled up 4 cents to \$13.47-1/2 per bushel. For the week, the January contract fell 4-1/4 cents a bushel - or 0.3% lower - after gaining 2.5% the previous week. CBOT December soybean [SMZ3](#) ended Friday down 50 cents at \$449.40 per short ton. And CBOT December soybean [BOZ3](#) futures firmed, settling up 0.75-cent at 51.2 cents per lb.

## Technical:

January 2024 soybeans rise on the day, fall for the week, next level to watch 1,350.00.

## Support:

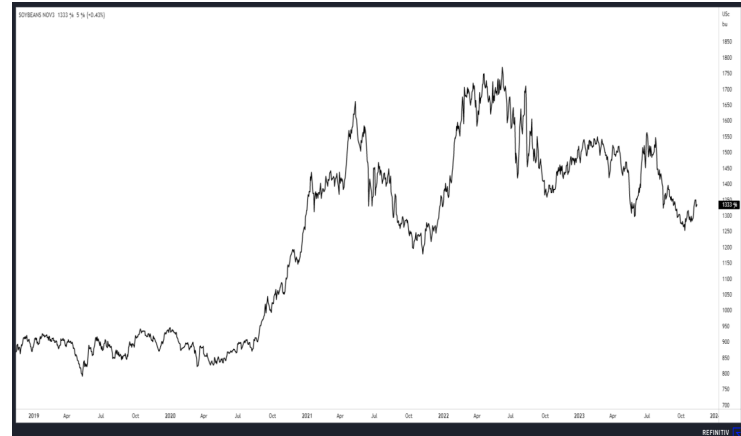
1,216.25 = Dec 2021 Low

1,171.25 = Nov 2021 Low

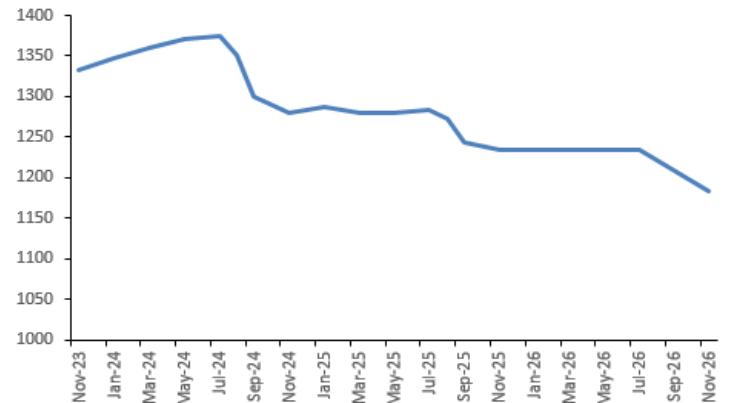
## Resistance:

1,350.00 = Oct 2022 Low

1,403.75 = Nov 2022 Low



## Futures Curve

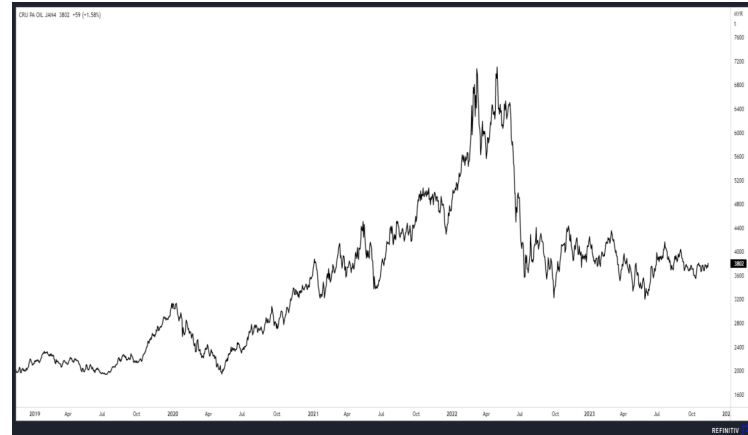


# Palm Oil

Last Price

USD **808.12**/Ton

Malaysian palm oil futures rose on Friday, as traders reacted to strong export data and signs of robust demand for the vegetable oil. The benchmark palm oil contract [FCPOc3](#) for January delivery on the Bursa Malaysia Derivatives Exchange closed up 60 ringgit, or 1.6% at 3,803 ringgit (\$808.12) a metric ton. The contract gained 1.1% this week, its steepest gains in a month. In a recent [wave of buying](#), China has purchased up to 1.04 million metric tons of U.S. soybeans, displaying signs of strong demand. India's soymeal exports are likely to [rise](#) in coming months as concerns over output in top producer Brazil lift global prices to two-month highs, prompting buyers to turn to the south Asian country. Soybean prices impact the cost of soyoil, which competes with palm oil for a share of the market.



## Technical:

Palm gains on strong export data, signs of boost in demand, next level to watch 845.00.

## Support:

705.73 = Oct 2022 Low

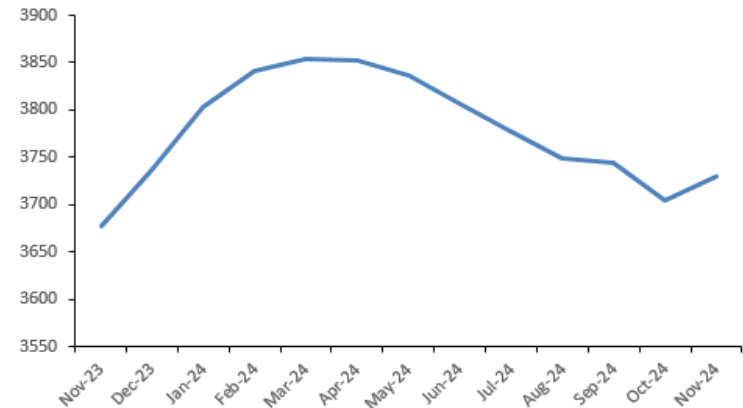
683.65 = Sep 2022 Low

## Resistance:

845.01 = Apr 2023 High

890.80 = Jul 2023 High

## Futures Curve





# Cotton

Last Price

USc **77.32**/LBS

ICE cotton futures rose on Friday while investors rolled over their positions from the front-month contract, and demand concerns contributed to a weekly decline in prices. Cotton contracts for December [CTZ3](#) rose 0.76 cents, or 0.99%, at 77.28 cents per lb. However, prices have fallen 2.4% for the week so far. The USDA's weekly export sales report on Thursday showed net sales of 395,200 running bales (RB) of cotton for 2023/2024, down 14% from the previous week but up noticeably from the prior four-week average. The USDA, in its November World Agricultural Supply and Demand Estimates report raised expected U.S. production in 2023/24 by 273,000 bales to 13.1 million bales and saw global ending stocks up by 1.6 million bales, while also cutting the world's consumption estimate by 500,000 bales.

## Technical:

Cotton eyes weekly loss on contract roll, demand worries. Next level to watch 89.00.

## Support:

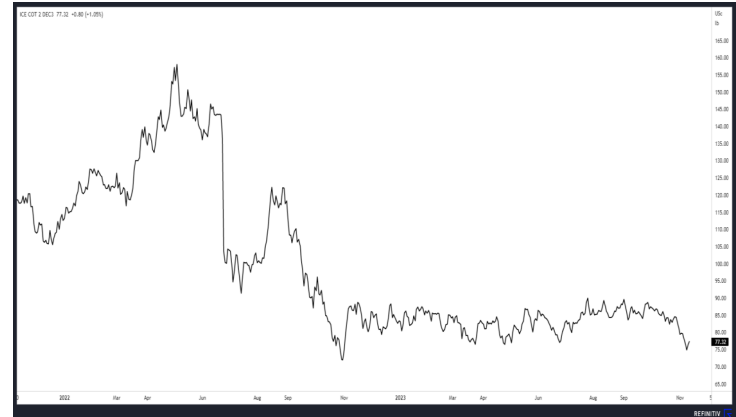
72.42 = Nov 2022 Low

64.52 = Oct 2020 Low

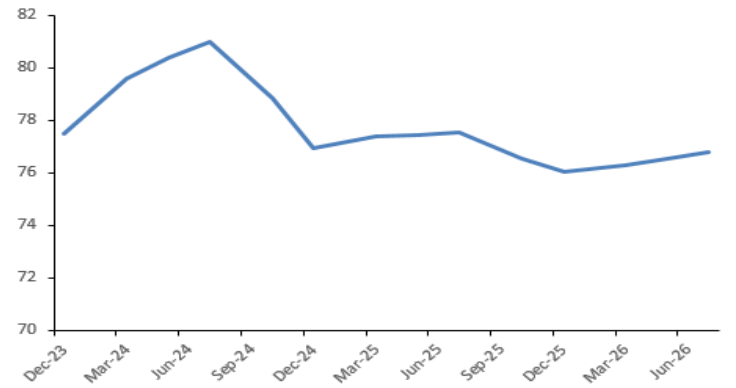
## Resistance:

88.88 = Jan 2023 High

90.16 = Aug 2023 High



## Futures Curve

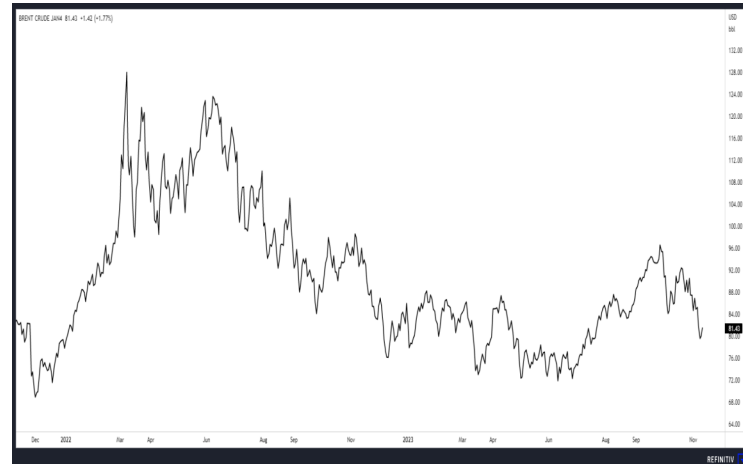


# Brent Crude

Last Price

USD **81.43**/BBL

Oil prices gained about 2% on Friday as Iraq voiced support for OPEC+'s oil cuts ahead of a meeting in two weeks and as some speculators covered massive short positions ahead of weekend uncertainty. Still, prices settled with weekly losses of 4%, their third straight weekly decline. Brent futures rose \$1.42, or 1.8%, to settle at \$81.43 a barrel, while U.S. West Texas Intermediate (WTI) crude [CLc1](#) rose \$1.43, or 1.9%, to settle at \$77.17. Brent and WTI notched their third straight weekly losses for the first time since May, although both benchmarks exited technically oversold territory. Weak Chinese economic data this week increased worries of faltering demand. Refiners in China, the largest buyer of crude from Saudi Arabia, the world's largest exporter, [asked for less supply](#) for December.



## Technical:

Oil prices settle up as Iraq backs more output cuts from OPEC+, next level to watch 97.00.

## Support:

74.56 = Jul 2023 Low

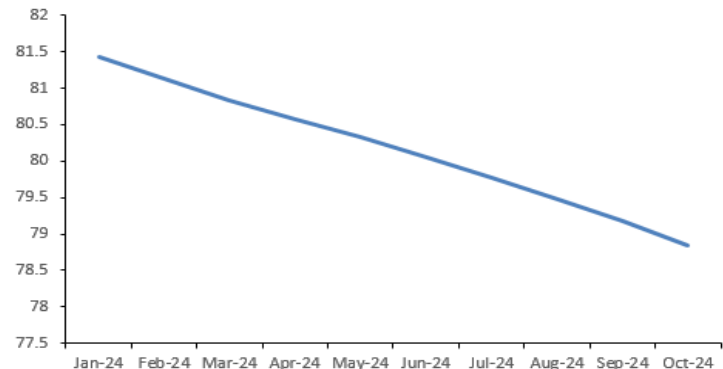
71.57 = Jun 2023 Low

## Resistance:

96.99 = Sep 2022 High

99.56 = Nov 2022 High

## Futures Curve

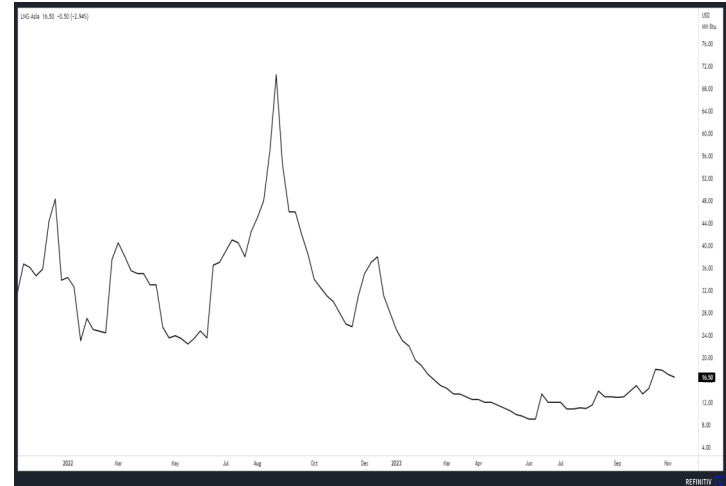


## LNG

Last Price

USD **16.50**/MMBTU

Asian spot liquefied natural gas (LNG) prices fell this week as full inventories and warm weather helped mitigate concerns over new U.S. sanctions on Russia's [Arctic LNG 2](#). The average LNG price for December delivery into north-east Asia [LNG-AS](#) fell 3% to \$16.5 per million British thermal units (mmBtu). In Europe, 99.6% full storage and mild weather is forecast to last through year-end leave little incentive for withdrawals until early 2024. 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 \$14.565/mmBtu on Nov. 9, a \$0.85/mmBtu discount to the December gas price at the Dutch TTF hub.

**Technical:**

Asia spot LNG prices fall amid full inventories, mild weather. Next level to watch 15.50.

**Support:**

15.00 = Feb 2023 Low

14.50 = Mar 2023 High

**Resistance:**

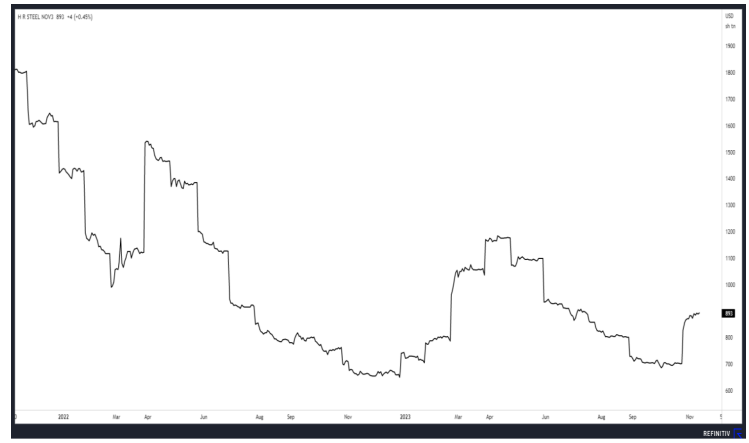
18.50 = Feb 2023 High

19.50 = Jan 2023 Low

# Steel (HRC)

Last Price USD **893.00**/ tons

Iron ore continued its rally on Friday, on track for a third week of gains, supported by supply concerns and resumed hopes of improved demand from China's largest steel consumer - the property sector - following a slew of positive signals. The most-traded January iron ore on China's Dalian Commodity Exchange (DCE) [DCIOcv1](#) ended daytime trading 2.56% higher to \$131.84 a metric ton, the highest since August 2021. The benchmark December iron ore [SZZFZ3](#) on the Singapore Exchange was 1.54% higher at \$127.1 a ton, the highest since March 21. Other steelmaking ingredients rallied to a multi-month high, with coking coal [DJMcv1](#) and coke [DCJcv1](#) on the DCE rallying 1.78% and 2.14%, respectively. Steel benchmarks on the Shanghai Futures Exchange strengthened as well. Rebar [SRBcv1](#) rose 0.65%, hot-rolled coil [SHHCcv1](#) climbed 0.91%, and wire rod [SWRcv1](#) added 0.55%. Stainless steel [SHSScv1](#) eased 0.41%.



**Technical:**

Dalian iron ore climbs to over 2-year high on demand hopes, supply concerns. Next level to watch 910.00.

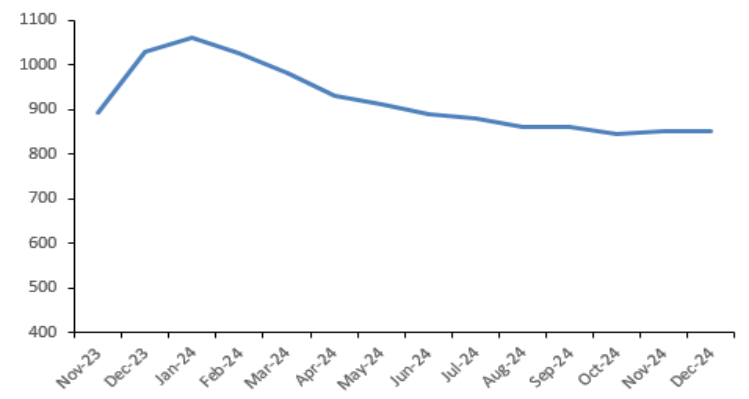
**Support:**

- 790.00 = Jan 2023 High
- 650.00 = Dec 2022 Low

**Resistance:**

- 910.00 = Jul 2023 High
- 948.00 = Jun 2023 High

**Futures Curve of SHFE Steel Futures**



# SHFE Zinc

Last Price USD **2,963.33**/Tons

The most-traded SHFE 2303 zinc contract fell after opening lower at \$2610/mt, and finally closed at \$2601/mt, down \$6/mt or 0.23%. Trading volume was down to 6294 lots, and open interest fell by 869 lots to 200,000 lots. LME zinc inventory shed by 1775 mt to 72475 mt. The recent positive market sentiment supported LME zinc prices to move rangebound. The most-traded SHFE 2312 zinc contract opened lower at 21620 yuan/mt and rose before closing at 2140 yuan/mt, down 85 yuan/mt or 0.39%. Trading volume was down to 42592 lots, and open interest fell 1606 lots to 90635 lots. Domestic consumer prices in October fell by 0.2% year-on-year and 0.1% month-on-month. Manufacturing activities slowed down and consumption expectations weakened.

## Technical:

SHFE Zinc slightly up since last week, next level to watch 2,800.00.

## Support:

2,634.51 = Aug 2020 Low

2,610.00 = Jan 2020 High

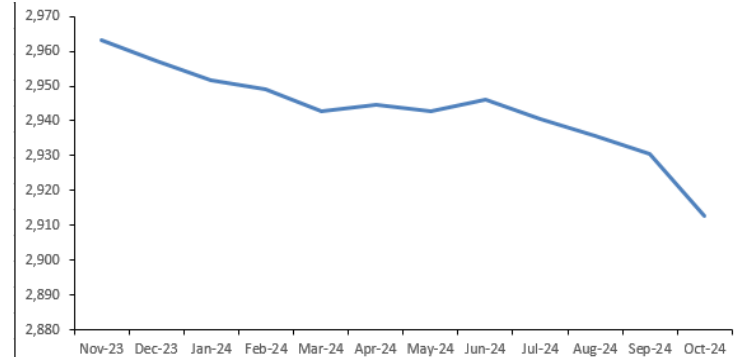
## Resistance:

3,182.18 = Jun 2021 High

3,291.42 = Jul 2021 High



## SHFE Zinc Forward Curve



# Contact

Swift: BRAKBDDH, Reuters Dealing Code: "BRAC", Group email: [dealing.room@bracbank.com](mailto:dealing.room@bracbank.com)

Web: [www.bracbank.com](http://www.bracbank.com)

## **Md. Shaheen Iqbal**

Deputy Managing Director  
Head of Treasury & Financial Institutions  
E-mail: [shaheen.iqbal@bracbank.com](mailto:shaheen.iqbal@bracbank.com)  
Cell: +8801713049433

## **Fouzia Rahman**

Head of Markets, Treasury & Financial Institutions  
E-mail: [fouzia.rahman@bracbank.com](mailto:fouzia.rahman@bracbank.com)  
Cell: +8801713493937

## **Nawshaba Aziz**

Sr. Relationship Manager Corporate Sales & FX,  
Treasury & Financial Institutions  
E-mail: [nawshaba.aziz@bracbank.com](mailto:nawshaba.aziz@bracbank.com)  
Cell: +8801730796810

## **Lailun Nahar Tonny**

Sr. Manager, Treasury & Financial Institutions  
E-mail: [lailunnahar.tonny@bracbank.com](mailto:lailunnahar.tonny@bracbank.com)  
Cell: +8801730796820

## **Mohammad Humayun Rashid**

Sr. Manager, Treasury & Financial Institutions  
E-mail: [humayun.rashid@bracbank.com](mailto:humayun.rashid@bracbank.com)  
Cell: +8801723935623

## **Maruf Hassan**

Associate Manager, Treasury & Financial Institutions  
E-mail: [maruf.hassan29443@bracbank.com](mailto:maruf.hassan29443@bracbank.com)  
Cell: +8801847419487

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