



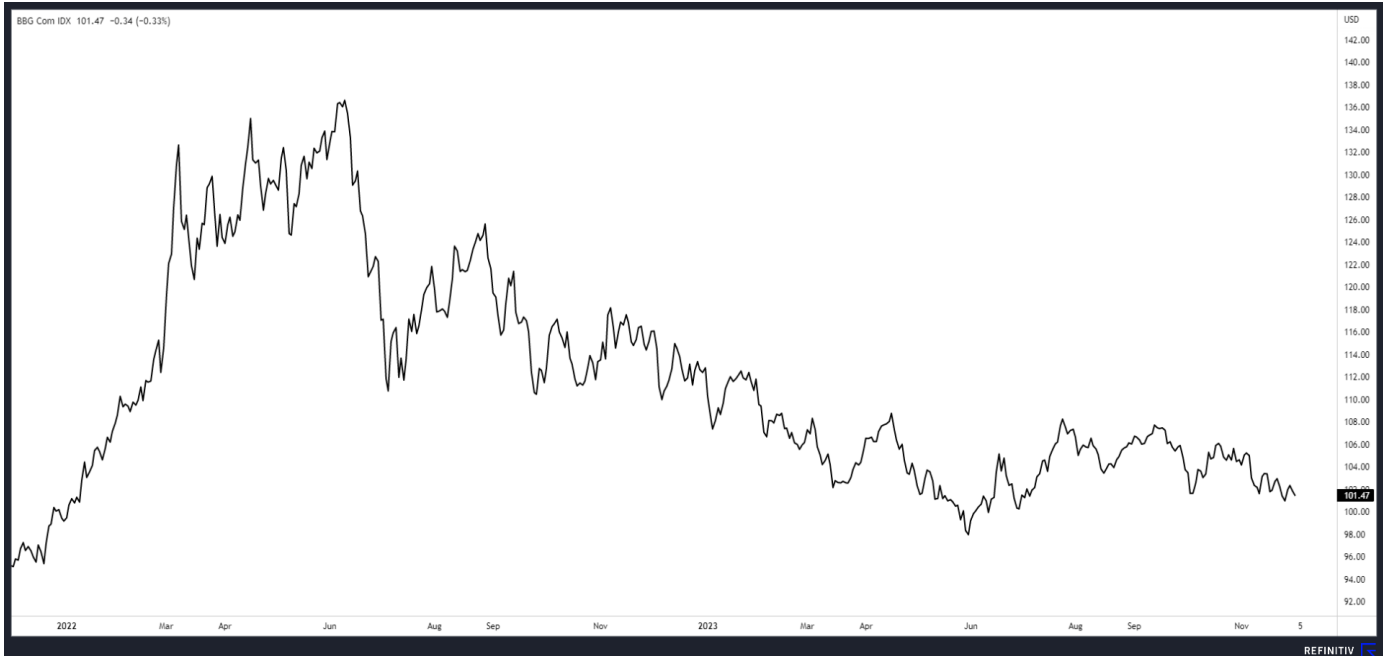
Commodities Weekly

Issue 43-2023

Date: 03 Dec 2023

Bloomberg Commodity Index

101.47 ▲



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

464.4092 ▼



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.

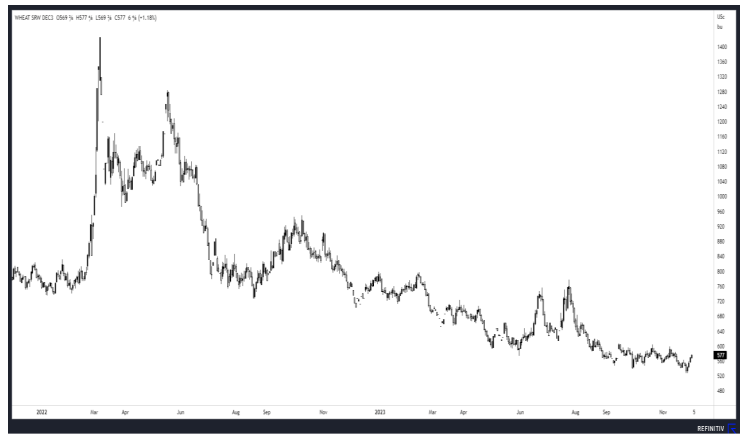
Commodity	Unit	Closing Price	% Δ Weekly	% Δ MoM	% Δ YoY	YTD High	YTD Low
Wheat	\$/BSH	577.00	▲ 5.15%	▲ 0.79%	▼ -21.74%	797.50	527.50
Sugar	\$/LBS	25.09	▼ -7.01%	▼ -9.65%	▲ 28.80%	28.14	18.92
Soybean	\$/BSH	1,325.00	▼ -0.43%	▼ -0.19%	▼ -7.89%	1,616.50	1,250.50
Palm Oil	\$/Ton	828.73	▼ -0.34%	▲ 2.43%	▼ -7.73%	945.92	682.77
Cotton	\$/LBS	78.42	▼ -2.45%	▼ -1.51%	▼ -6.95%	90.75	74.77
Brent Crude	\$/BBL	78.88	▼ -2.11%	▼ -7.08%	▼ -7.82%	97.69	70.12
LNG	\$/MMBTU	15.70	▼ -4.27%	▼ -7.65%	▼ -55.14%	25.00	9.00
Steel	\$/Ton	1,039.00	▲ 15.32%	▲ 19.01%	▲ 54.61%	1,200.00	685.00
SHFE Zinc	\$/Ton	2,905.33	▼ -1.33%	▼ -3.48%	▼ -18.89%	3,428.10	2,596.00
Indonesian Coal*	\$/Ton	139.80	0.00%	▲ 12.78%	▼ -54.64%	305.21	123.96
Australian Coal	\$/Ton	334.00	▲ 4.38%	▲ 2.24%	▲ 28.38%	381.00	224.50
Gold	\$/Ozs	2,070.90	▲ 3.44%	▼ -1.14%	▲ 15.19%	2,072.19	1,804.20

*Price published monthly once by Indonesian Govt

Wheat

Last Price USc **577.00**/BSH

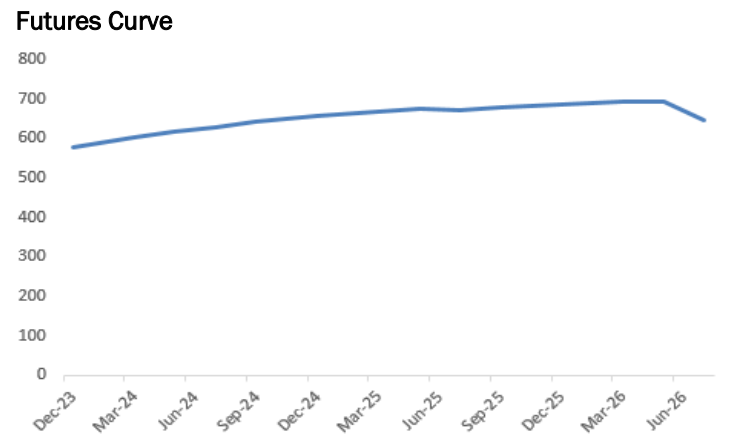
CBOT wheat futures rose on Friday, reaching the highest price since early November as the market finished its week-long ascent as traders covered short positions. CBOT March wheat [WH24](#) finished up 4-3/4 cents at \$6.02-3/4 per bushel, the highest closing price since Nov. 9. March wheat closed the week 4.4% higher than its \$5.77-1/4 close last Friday. K.C. March hard red winter wheat [KWH24](#) ended up 3-3/4 cents at \$6.46-3/4 per bushel, a 5.8% increase for the week. MGEX March spring wheat [MWEH24](#) ended up 3/4 cent at \$7.30-1/4 a bushel, a 2.2% increase from last Friday's close.



Technical:
 Wheat ends firm on short covering, finishes week higher. Next level to watch 525.00.

Support:
 525.00 = Sep 2020 Low
 485.75 = Jul 2020 Low

Resistance:
 607.50 = Sep 2023 High
 663.25 = Mar 2021 High



Sugar

Last Price USc **25.09**/LBS

Raw sugar hit a three-month trough. March raw sugar [SBc1](#) fell 1.7% to 25.63 cents per lb after setting a three-month low 24.95 cents. Imports of [Ukrainian sugar](#) into the European Union grew tenfold last season and extended their rise at the start of the current 2023/24 season to the detriment of Brazil which is on track of losing its leadership in the bloc. The strong pace of production in top producer Brazil was keeping the market on the defensive, while funds that following technical signals are liquidating their long positions as the market turns bearish near term. March white sugar [LSUc1](#) fell 1.6% to \$705.90 a metric ton.

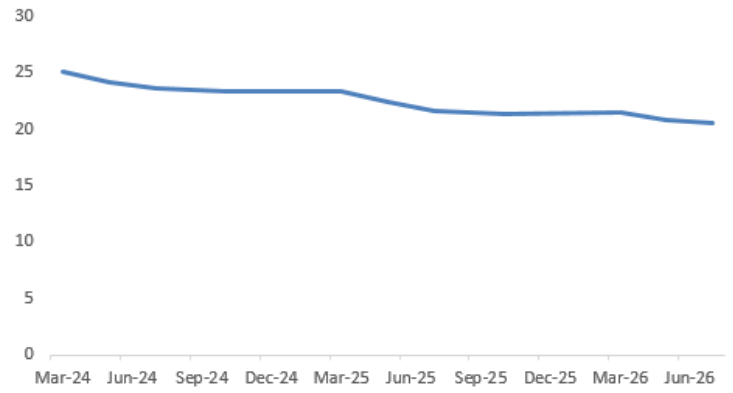


Technical:
 Raw sugar slides in the global market, next level to watch 25.90.

Support:
 24.61= May 2023 Low
 22.78 = Jul 2023 Low

Resistance:
 25.90 = Aug 2023 High
 27.41 = Apr 2023 High

Futures Curve



Soybean

Last Price

USc **1,325.00**/BSH

CBOT soybean futures ended lower on Friday and down slightly for the week as investors eyed the prospect of much-needed rains in Brazil, where a drought has delayed plantings and stressed crops. Forecast showers and easing heat in northern Brazil could help crops next week in the world's biggest soybean exporting nation. CBOT January soybeans [SF24](#) settled down 17-3/4 cents to close at \$13.25 per bushel. January soybeans finished the week down 0.4%. CBOT January soyoil [BOF24](#) fell 0.81 cent to end at 51.45 cents per lb. The contract gained 2.3% for the week. CBOT January soymeal [SMF24](#) finished \$11.30 lower at \$412.70 per short ton, nearly 5% lower for the week. January soymeal found its lowest close since Oct. 23, when it finished at \$411.30.

Technical:

Soybeans end lower on forecasts for rain in Brazil, next level to watch 1,398.50.

Support:

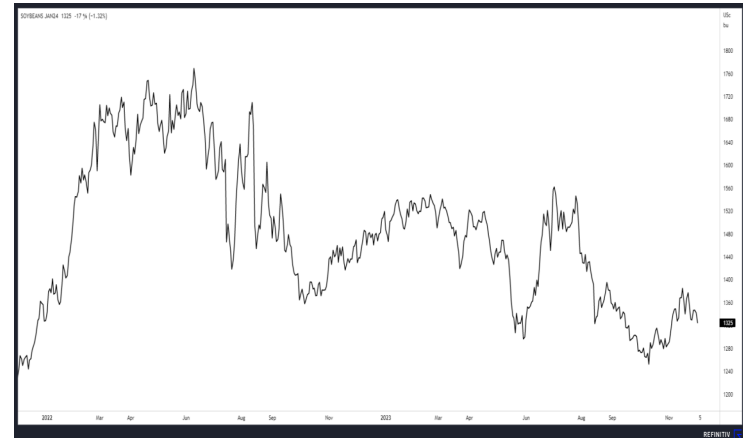
1,283.25 = Nov 2023 Low

1,250.50 = Oct 2023 Low

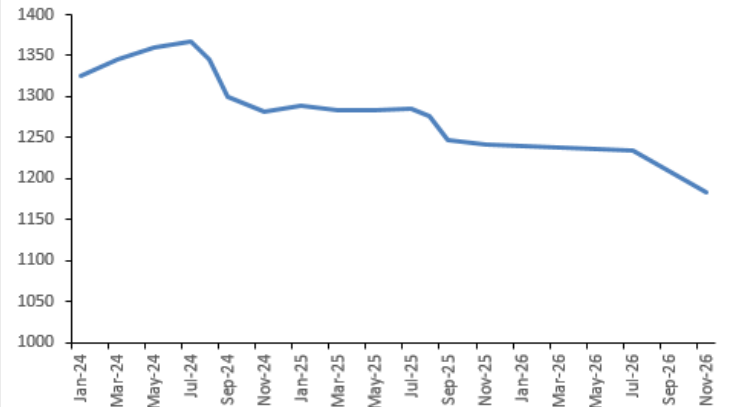
Resistance:

1,398.50 = Oct 2023 High

1,465.00 = Aug 2023 High



Futures Curve



Palm Oil

Last Price

USD **828.73**/Ton

Malaysian palm oil futures posted a second weekly loss on Friday, underpinned by poor demand and weakness in Dalian vegetable oils. The benchmark palm oil contract [FCPOc3](#) for February delivery on the Bursa Malaysia Derivatives Exchange slid 24 ringgit, or 0.62%, to 3,871 ringgit (\$828.73) at closing. The contract declined 0.49% this week. It recorded a 5.87% rise for November, reversing a two-month decline. Palm oil is used as feedstock to make biodiesel. In related oils, Dalian's most-active soyoil contract [DBYcv1](#) fell 1.58%, while its palm oil contract [DCPcv1](#) was down 1.62%. Soyoil prices on the Chicago Board of Trade [BOcv1](#) were up 0.02%. The Malaysian ringgit [MYR=](#), palm's currency of trade, weakened 0.3% against the dollar. A weaker ringgit makes palm oil more attractive for foreign currency holders.

Technical:

Palm oil books second weekly loss as weak demand weighs, next level to watch 845.00.

Support:

812.10 = Jul 2023 Low

752.46 = Oct 2023 Low

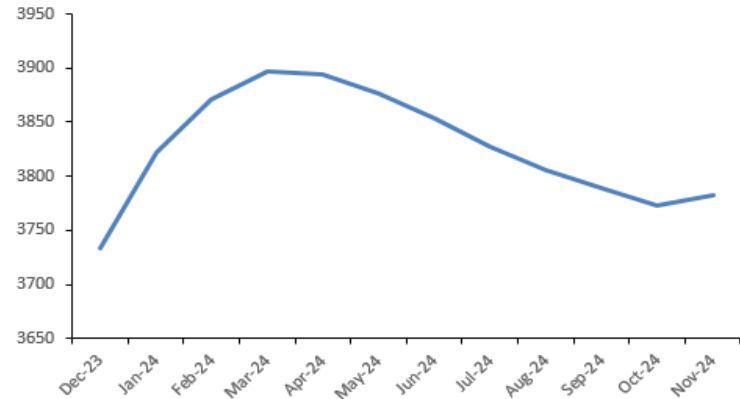
Resistance:

890.80 = Jul 2023 High

914.06 = Jan 2023 High



Futures Curve



Cotton

Last Price

USc **78.42**/LBS

ICE cotton futures dipped on Friday and are headed for a second consecutive weekly loss on lingering concerns about a subdued demand outlook for the natural fiber. The second-month March contract [CTc2](#) was down 0.34 cent, or 0.4%, at 79.72 cents per lb by 12:19 p.m. ET (1719 GMT), after dropping as much as 1% earlier. The contract was down about 1.5% so far this week.



Technical:

Cotton set for second weekly loss on lack of demand. Next level to watch 85.00.

Support:

74.77 = Nov 2023 Low

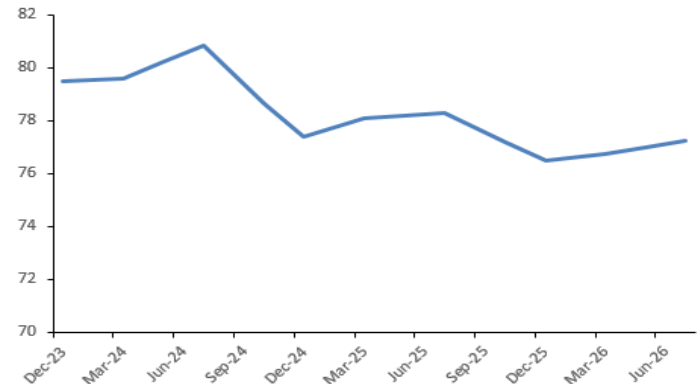
72.00 = Nov 2022 Low

Resistance:

84.86 = Mar 2023 High

87.16 = Jun 2023 High

Futures Curve

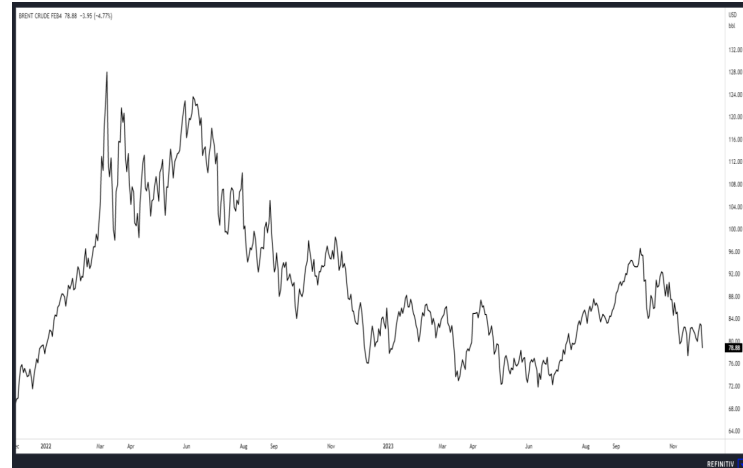


Brent Crude

Last Price

USD **78.88**/BBL

Oil prices slumped more than 2% on Friday on investor skepticism about the depth of [OPEC+ supply cuts](#) and concern about sluggish global manufacturing activity. Brent crude futures [LC0c1](#) for February settled down \$1.98, or 2.45%, at \$78.88 a barrel. U.S. West Texas Intermediate crude futures (WTI) [CLc1](#) dropped \$1.89, or 2.49%, to \$74.07 a barrel. For the week, Brent posted a decline of about 2.1%, while WTI lost more than 1.9%. OPEC+ producers agreed on Thursday to remove around 2.2 million barrels per day (bpd) of oil from the global market in the first quarter of next year, with the total including a rollover of Saudi Arabia and Russia's 1.3 million bpd of current voluntary cuts. On the supply side, the United States on Friday [imposed additional sanctions](#) related to the price cap on Russian oil, targeting three entities and three oil tankers.



Technical:

Oil prices fall more than 2% as investor skeptical of OPEC+ cuts, next level to watch 85.00.

Support:

76.60 = Nov 2023 Low

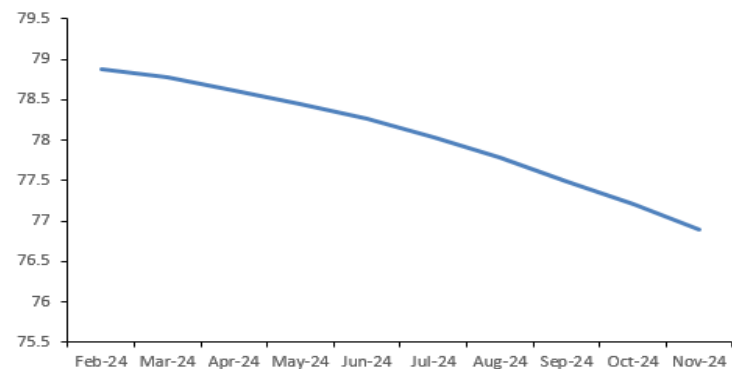
74.56 = Jul 2023 Low

Resistance:

85.80 = Jul 2023 High

86.95 = Feb 2023 High

Futures Curve

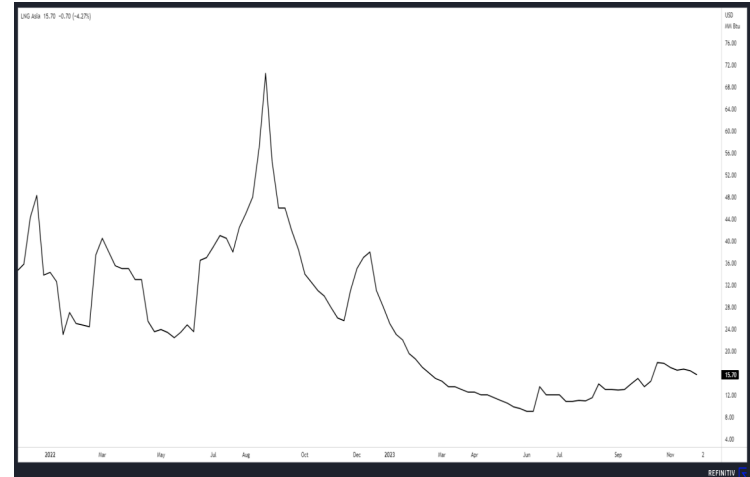


LNG

Last Price

USD **15.70**/MMBTU

Asian spot liquefied natural gas (LNG) prices fell this week to a 7-week low despite cold weather, as demand remains muted and global supply conditions ease after recent maintenance and geopolitical tensions. The average LNG price for January delivery into north-east Asia [LNG-AS](#) fell 6% to \$15.7 per million British thermal units (mmBtu), the lowest since mid-October. While European gas storage levels have started to fall, they are still at record highs for this time of the year, at around 95.9% full, reducing the risk of the region running short over winter as a whole. Spot LNG freight rates declined this week, with the Atlantic rates falling to \$155,250/day on Friday, while the Pacific rate rose to 141,000/day.

**Technical:**

Asia spot LNG prices fall to 7-week low on tepid demand, improved supply. Next level to watch 16.00.

Support:

15.00 = Feb 2023 Low

14.50 = Mar 2023 High

Resistance:

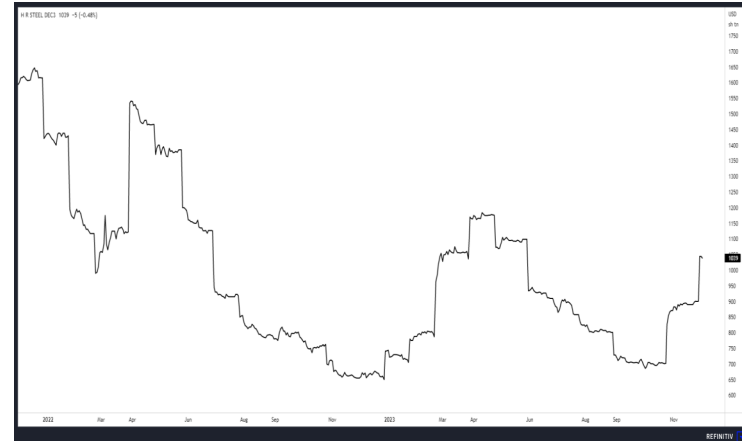
17.00 = Nov 2023 High

18.50 = Feb 2023 High

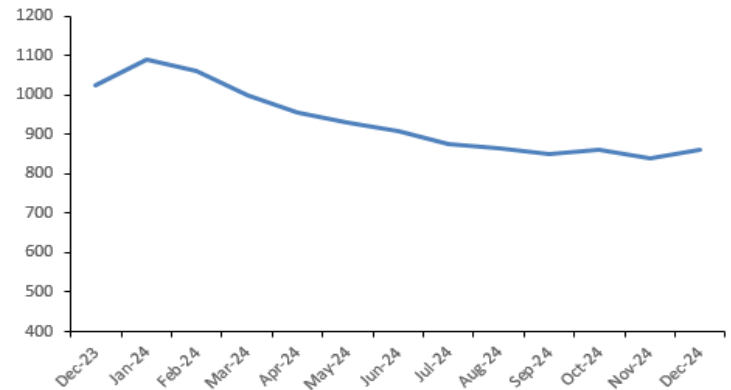
Steel (HRC)

Last Price USD **1,039.00**/ tons

Dalian iron ore futures were set for their first weekly loss in seven as Beijing continued to intervene in the market to regulate prices, though the contract gained on Friday due to upbeat factory data. The most-traded January iron ore on China's Dalian Commodity Exchange [DCIOcv1](#) was up 2% at 975.5 yuan (\$136.55) per metric ton at closing. This week, Dalian iron ore prices lost 0.12%. On the Singapore Exchange, the benchmark January iron ore [SZZFF4](#) was 0.9% higher at \$129.58 a metric ton. The benchmark contract declined 2.1% this week, its first loss after five straight weekly gains. Steel benchmarks on the Shanghai Futures Exchange were mixed. The most-active re-bar contract [SRBcv1](#), hot-rolled coil [SHHCcv1](#), and wire rod [SWRcv1](#) all witnessed a 1% rise. Meanwhile, stainless steel [SHSScv1](#) lost 2%.



Futures Curve of SHFE Steel Futures



Technical:

Iron ore records first weekly loss in seven amid price surveillance. Next level to watch 1,070.00.

Support:

948.00 = Jun 2023 High

865.00 = Jun 2023 Low

Resistance:

1,070.00 = Feb 2023 High

1,118.00 = May 2023 High

SHFE Zinc

Last Price USD **2,905.33**/Tons

Overnight, LME zinc opened at \$2500/mt and closed down \$25/mt or 1% at \$2472.5/mt. The trading volume was 11605 lots, and open interest increased 1189 lots to 204,000 lots. The strong macro data has repeatedly emphasized the bearish sentiment in the context of interest rate hikes, putting upward pressure on the market in the short term. The most-traded SHFE 2401 zinc contract opened lower at 20720 yuan/mt and rose before closing at 20690 yuan/mt, down 110 yuan/mt or 0.53%. Trading volume was 43,000 lots, and open interest fell 879 lots to 92,000 lots. After the zinc price fell, the spot trading atmosphere improved, and the fundamentals gave some support to the market. However, the expected output of refineries is still huge, and the abundant supply will remain, weighing on zinc prices.

Technical:

SHFE Zinc slightly falls since last week, next level to watch 3,056.40.

Support:

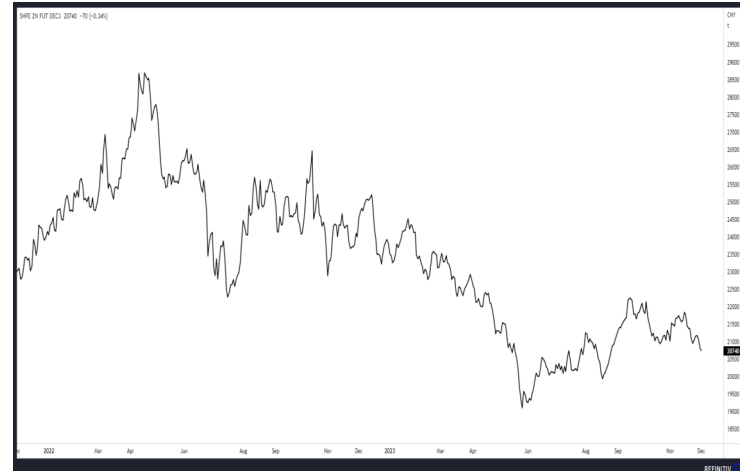
2,883.75 = Oct 2023 Low

2,779.05 = Jul 2023 Low

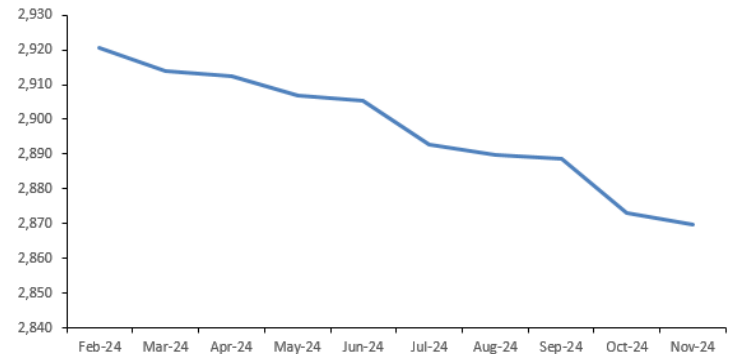
Resistance:

3,056.40 = Nov 2023 High

3,165.26 = Apr 2023 High



SHFE Zinc Forward Curve



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