



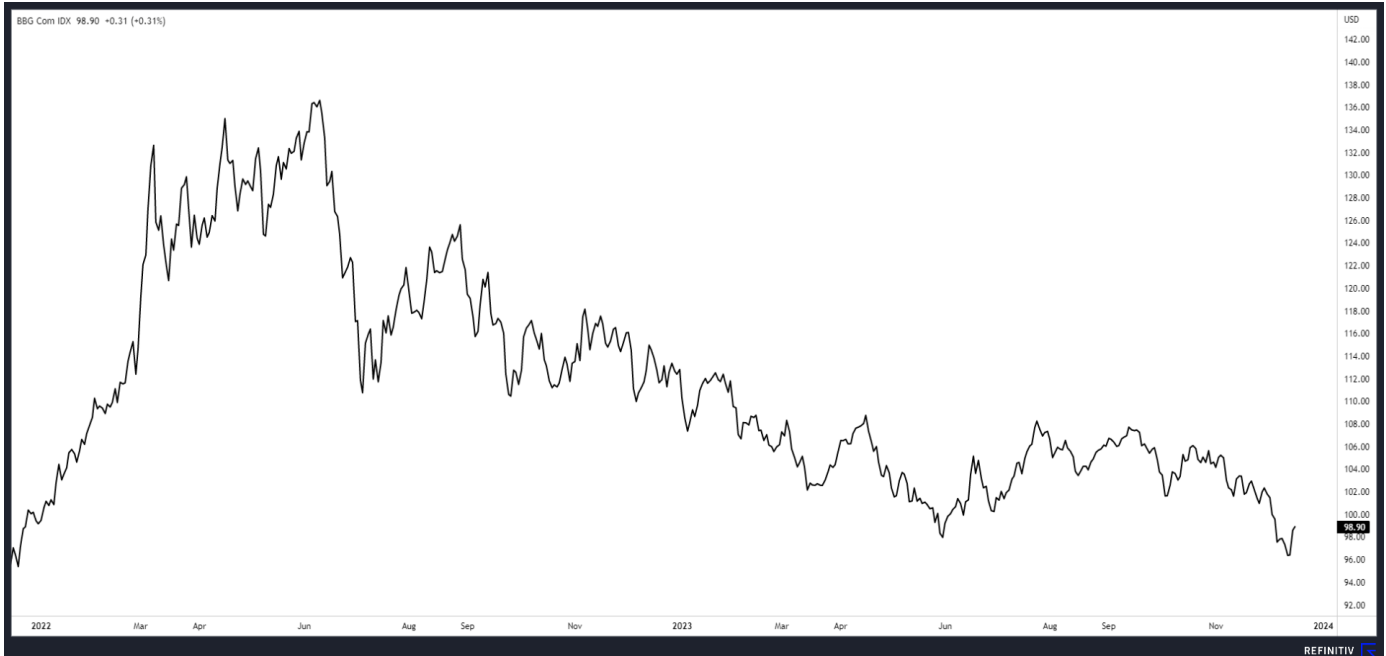
# Commodities Weekly

Issue 45-2023

Date: 17 Dec 2023

# Bloomberg Commodity Index

98.90 ▲



## 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

448.4320 ▲



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>	\$/BSH	629.25	▲ 2.32%	▲ 14.25%	▼ -16.49%	797.50	527.50
<a href="#">Sugar</a>	\$/LBS	21.99	▼ -5.86%	▼ -19.09%	▲ 9.46%	28.14	18.92
<a href="#">Soybean</a>	\$/BSH	1,315.75	▲ 0.90%	▼ -1.83%	▼ -11.10%	1,616.50	1,250.50
<a href="#">Palm Oil</a>	\$/Ton	792.42	▼ -1.25%	▼ -2.94%	▼ -12.73%	945.92	682.77
<a href="#">Cotton</a>	\$/LBS	79.93	▼ -1.85%	▲ 1.28%	▼ -2.43%	90.75	74.77
<a href="#">Brent Crude</a>	\$/BBL	76.55	▲ 0.94%	▼ -5.04%	▼ -3.15%	97.69	70.12
<a href="#">LNG</a>	\$/MMBTU	12.70	▼ -18.06%	▼ -23.95%	▼ -66.58%	25.00	9.00
<a href="#">Steel</a>	\$/Ton	1,068.00	▼ -0.19%	▲ 20.00%	▲ 58.22%	1,200.00	685.00
<a href="#">SHFE Zinc</a>	\$/Ton	2,934.15	▲ 1.21%	▼ -3.84%	▼ -16.58%	3,428.10	2,596.00
Indonesian Coal*	\$/Ton	139.80	0.00%	▲ 12.78%	▼ -54.64%	305.21	123.96
Australian Coal	\$/Ton	333.50	▼ -0.15%	▲ 4.87%	▲ 27.29%	381.00	224.50
Gold	\$/Ozs	2,018.19	▲ 0.74%	▼ -0.52%	▲ 12.60%	2,072.19	1,804.20

\*Price published monthly once by Indonesian Govt

# Wheat

Last Price

USc **629.25**/BSH

CBOT wheat futures ended higher on Friday on technical buying, traders said. CBOT March wheat [WH24](#) closed 13-1/2 cents higher at \$6.29-1/4 per bushel, down 0.4% for the week. K.C. March hard red winter wheat [KWH24](#) ended up 6-1/4 cents at \$6.42-3/4 a bushel, and MGEX March spring wheat [MWEH24](#) was last up 13-1/2 cents at \$7.30-3/4 a bushel. Traders continue to watch for more potential sales of U.S. soft red winter wheat to China, after a [string of deals](#) last week. Precipitation in the central and southern U.S. Plains is seen as beneficial for the hard red winter wheat crop that farmers planted this autumn. Traders expect results on Monday in a [Saudi Arabian tender](#) for 715,000 metric tons of milling wheat.

## Technical:

Wheat advances on technical buying. Next level to watch 663.25.

## Support:

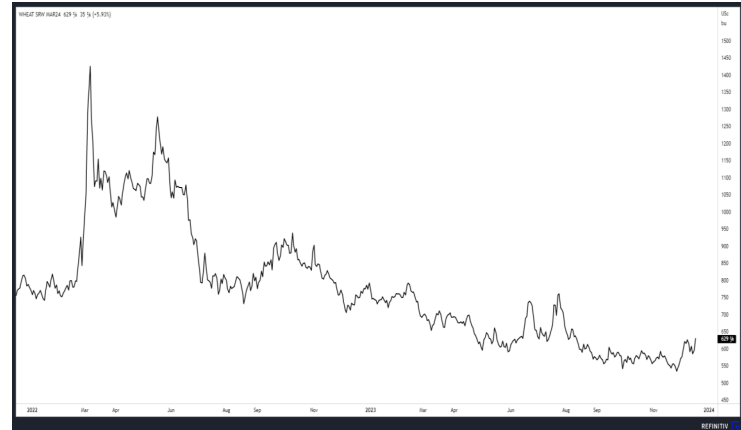
525.00 = Sep 2020 Low

485.75 = Jul 2020 Low

## Resistance:

663.25 = Mar 2021 High

684.00 = Aug 2021 High



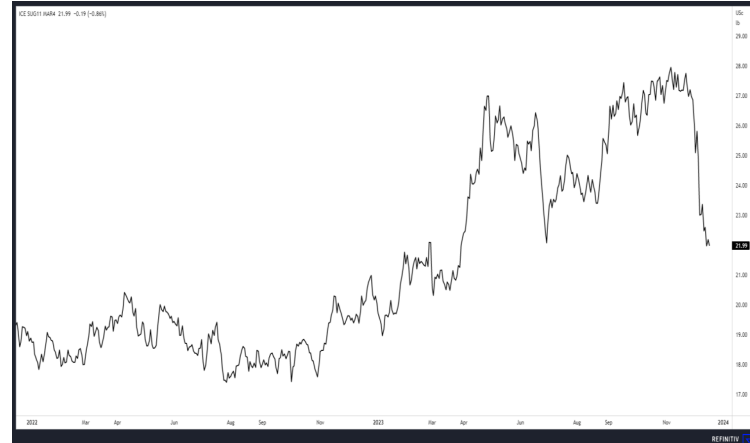
## Futures Curve



# Sugar

Last Price USc **21.99**/LBS

March raw sugar [SBC1](#) fell 0.7% to 22.02 cents per lb, after sliding to an 8-1/2-month low at 21.16 on Thursday. [India](#), the world's second-largest sugar maker, is likely to produce 32.5 million tons of sugar in the 2023/24 marketing year that began on Oct. 1, an industry body said. Sugar remains under pressure from stronger-than-expected production in Brazil coupled with a change in India's [ethanol policy](#) last week that should boost its domestic sugar supplies. Limiting the losses, however, El Nino, the weather pattern that has been blamed for production losses in cocoa and sugar, is expected to last until around April, [a U.S. forecaster said](#). March white sugar [LSUC1](#) fell 0.5% to \$627.60 a metric ton.



## Technical:

Raw sugar slips more than 5.8% weekly, next level to watch 22.78.

## Support:

20.50 = Feb 2023 Low

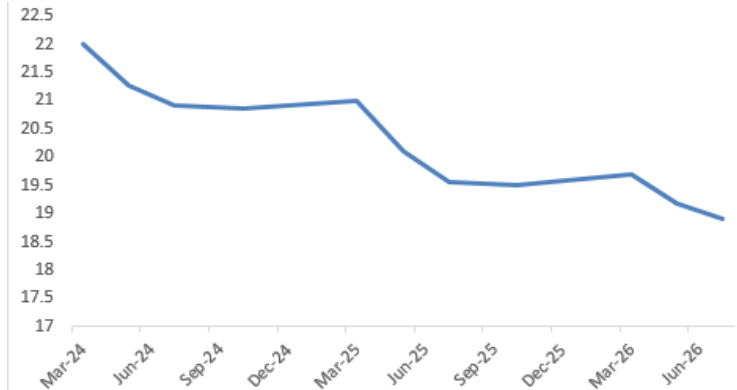
20.04 = Mar 2023 Low

## Resistance:

22.78 = Jul 2023 Low

25.90 = Aug 2023 High

## Futures Curve



# Soybean

Last Price

USc **1,315.75**/BSH

CBOT soybean futures ended higher in the nearby contract and lower in deferred months on Friday as traders waited to see whether beneficial rains arrive in dry areas of Brazil as expected. Strong support for rains may temporarily ease heat and dryness in northern Brazil starting late next week. CBOT soybeans and soyoil bounced a bit after monthly data from the [National Oilseed Processors Association](#) confirmed traders' expectations that U.S. soybean crushings and soyoil stocks were large in November. CBOT January soybeans [SF24](#) ended 1-3/4 cents higher at \$13.15-3/4 per bushel, up 0.9% for the week. Deferred futures finished lower. CBOT January soyoil [BOF24](#) settled 0.48 cent higher at 49.99 cents per lb, while January soymeal [SMF24](#) closed \$1.90 higher at \$405.6 per short ton.

## Technical:

Soybeans ends higher; market focuses on Brazil weather, next level to watch 1,398.50.

## Support:

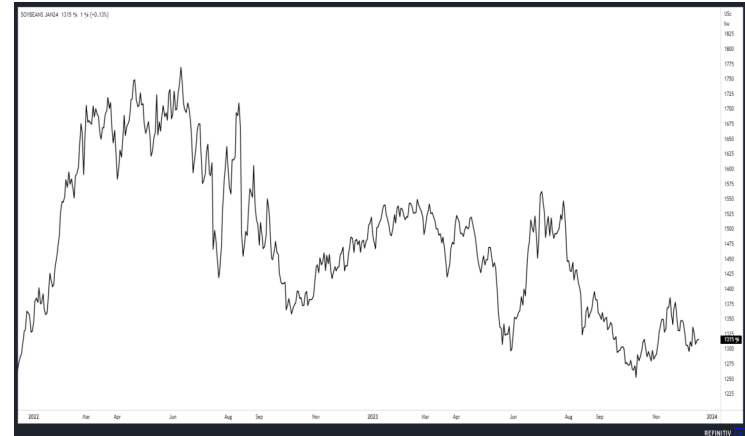
1,283.25 = Nov 2023 Low

1,250.50 = Oct 2023 Low

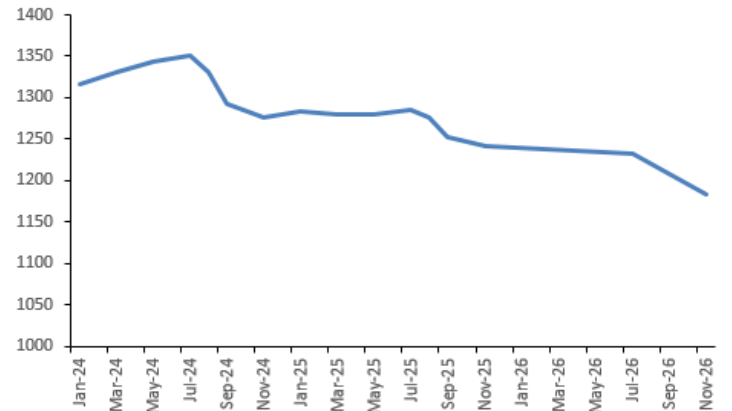
## Resistance:

1,398.50 = Oct 2023 High

1,465.00 = Aug 2023 High



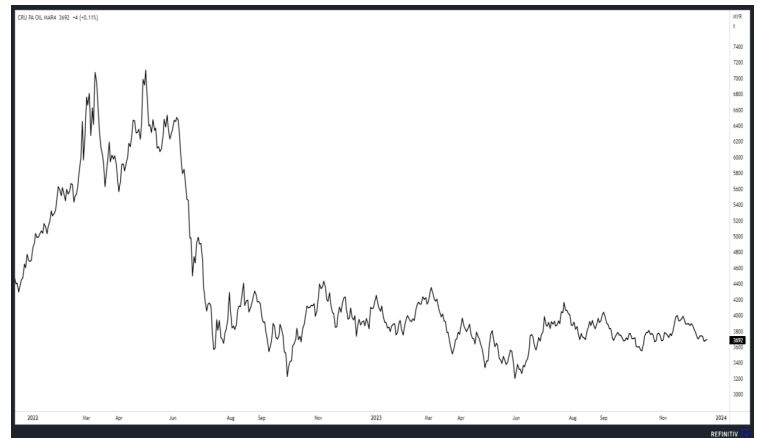
## Futures Curve



# Palm Oil

Last Price USD **792.42**/Ton

Malaysian palm oil futures fell for a fourth consecutive week, hurt by a slowdown in exports, although prices were largely supported on Friday by lower inventories in top producing countries. The benchmark palm oil contract [FCPOc3](#) for February delivery on the Bursa Malaysia Derivatives Exchange closed up 11 ringgit or 0.3% at 3,699 ringgit (\$792.42). For the week, the contract declined 1%, while for this four-week period, it is down around 6%. Malaysia's [palm oil stocks](#) at the end of November fell for the first time in seven months as production slumped more than exports. Indonesia plans to set its crude palm oil (CPO) [reference price at \\$767.51](#) per metric ton for the Dec. 16-31 period down from \$795.14 in the first half of the month.



**Technical:**

Palm falls for fourth consecutive week on weak exports, next level to watch 845.00.

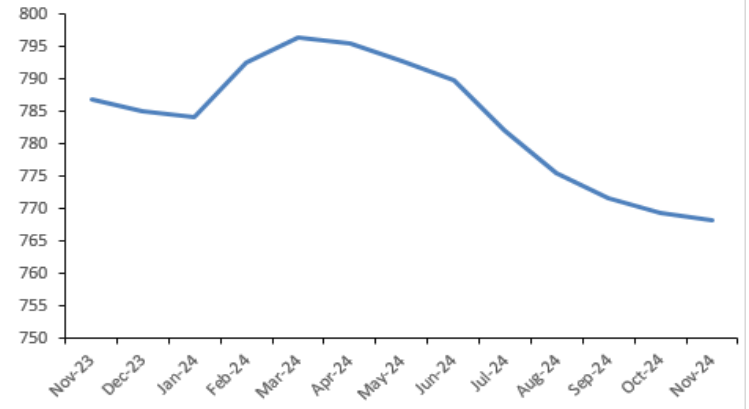
**Support:**

784.86 = Nov 2023 Low  
 752.46 = Oct 2023 Low

**Resistance:**

890.80 = Jul 2023 High  
 914.06 = Jan 2023 High

**Futures Curve**





# Cotton

Last Price

USc **79.93**/LBS

ICE cotton futures slipped on Friday and headed for a weekly fall, pressured by an uptick in dollar and lower oil prices. The front-month March contract [CTc1](#) was down 0.71 cent, or 0.88%, at 80.1 cents per lb by 11:30 a.m. ET (1630 GMT) and dipped 1.5% for the week so far. The dollar index [.DXY](#) was up 0.4%, making cotton less attractive to buyers holding other currencies. [USD/](#) Oil prices eased, following sharp gains in the previous session. Lower oil prices make cotton-substitute polyester less expensive. The U.S. Department of Agriculture's [weekly sales](#) report on Thursday showed net sales of 57,800 running bales of cotton for 2023/2024 were down 50% from the previous week and 77% from the prior four-week average.



## Technical:

Cotton edges down on firmer dollar, lower oil prices. Next level to watch 85.00.

## Support:

74.77 = Nov 2023 Low

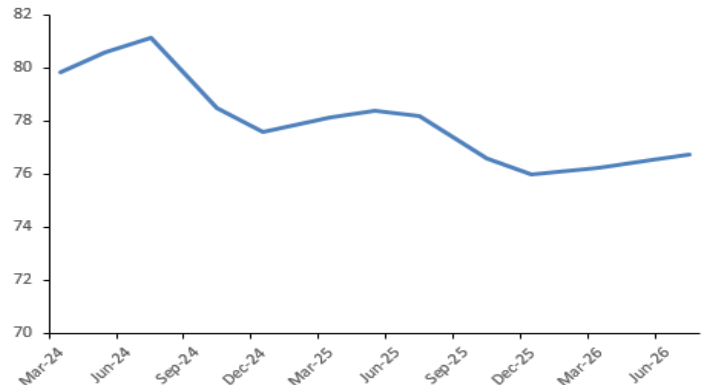
72.00 = Nov 2022 Low

## Resistance:

84.86 = Mar 2023 High

87.16 = Jun 2023 High

## Futures Curve



# Brent Crude

Last Price

USD **76.55**/BBL

Brent and U.S. crude futures finished at a small loss following a see-saw session, in which prices fell more than \$1 a barrel at one point on Friday, as traders tried to reconcile mixed signals for oil demand in the coming year. Brent [LCOc1](#) futures settled down 6 cents, or 0.08%, at \$76.55 a barrel. U.S. West Texas Intermediate (WTI) crude [CLc1](#) finished down 15 cents, or 0.21%, at \$71.43. The market tumbled earlier in the session after a New York Federal Reserve Bank manufacturing survey showed a third month of declines in new orders, which could be a sign of weaker demand for oil in the coming year. Another bullish signal for oil markets on Friday was the lower drilling rig count from energy technology firm Baker Hughes. The oil and gas rig count, an early indicator of future output, fell by 3 to 623 in the week to Dec. 15.

## Technical:

Oil prices take a small loss in seesaw session, next level to watch 85.00.

## Support:

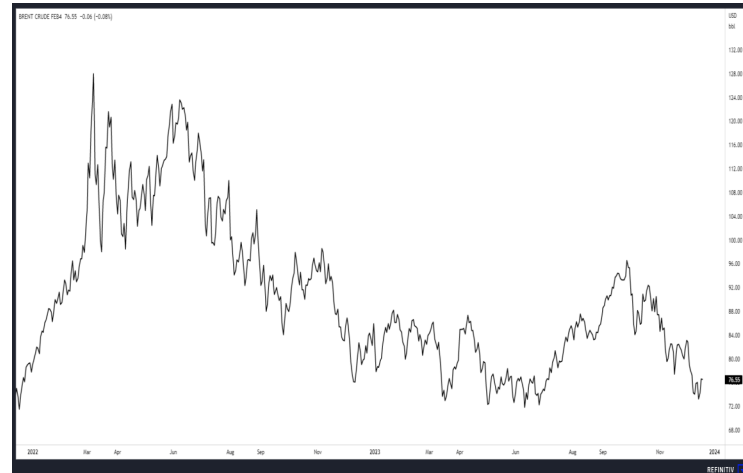
74.56 = Jul 2023 Low

71.57 = Jun 2023 Low

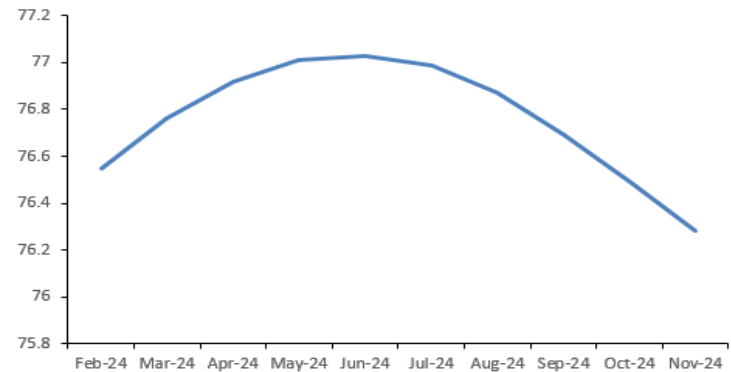
## Resistance:

85.80 = Jul 2023 High

86.95 = Feb 2023 High



## Futures Curve

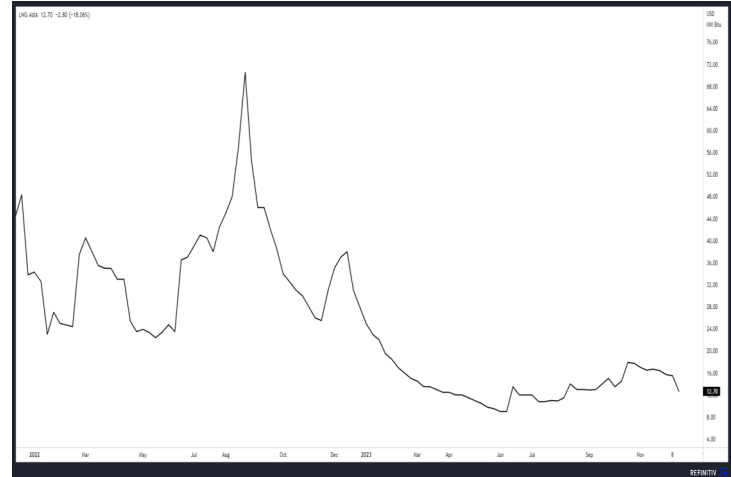


# LNG

Last Price

USD **12.70**/MMBTU

Asian spot liquefied natural gas (LNG) prices fell to a four-month low this week on the back of high inventories and weak demand in both Asia and Europe, despite a cold snap causing below-freezing temperatures across most of China. The average LNG price for January delivery into Northeast Asia [LNG-AS](#) fell 18% to \$12.70 per million British thermal units (mmBtu) from \$15.50 last week. The average LNG price for February delivery was estimated at \$11.90/mmBtu. In Europe, S&P Global Commodity Insights assessed its daily northwest Europe LNG Marker (NWM) price benchmark for cargoes delivered in January on an ex-ship (DES) basis at \$10.367/mmBtu on Dec. 14, a \$0.875/mmBtu discount to the January gas price at the Dutch TTF hub.



**Technical:**

Asia LNG prices slip on weak demand, high stocks despite China’s cold snap. Next level to watch 11.00.

**Support:**

10.90 = Aug 2023 Low

9.00 = Jun 2023 High

**Resistance:**

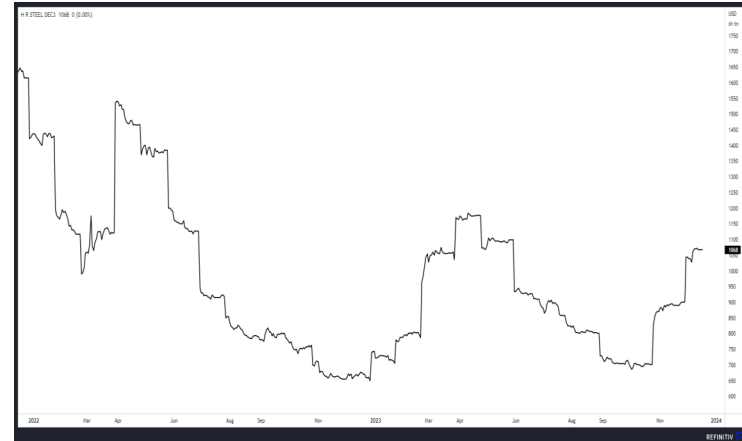
14.50 = Mar 2023 High

15.00 = Feb 2023 Low

# Steel (HRC)

Last Price USD **1,068.00**/ tons

Iron ore futures lost ground on Friday, fully erasing gains recorded in the morning session, as softening demand and the expectation of a lack of forceful stimulus in 2024 in top consumer China weighed on sentiment. The most-traded May iron ore on China's Dalian Commodity Exchange (DCE) [DClOcv1](#) ended daytime trading 1.37% lower at 935 yuan (\$131.51) a metric ton, the lowest since Dec. 7. The benchmark January iron ore [SZZFF4](#) on the Singapore Exchange was little moved at \$134 a ton. Other steelmaking ingredients on the DCE were mixed, with coking coal [DJMcv1](#) up 0.24%, while coke [DCJcv1](#) fell 1.19%. Steel benchmarks on the Shanghai Futures Exchange were weaker. Rebar [SRBcv1](#) shed 0.97%, hot-rolled coil [SHHCcv1](#) fell 0.84%, and wire rod [SWRcv1](#) dipped 0.26%. China's [November](#) crude steel output fell 3.8% from the prior month, extending a decline for the fifth consecutive month



## Technical:

Iron ore futures rise on strong Chinese export data, stimulus hopes. Next level to watch 1,070.00.

## Support:

948.00 = Jun 2023 High

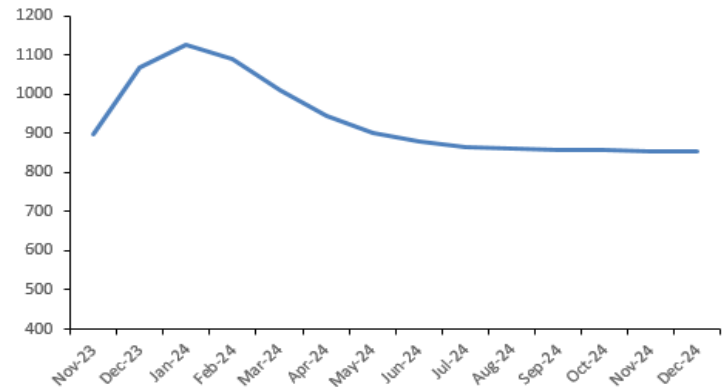
865.00 = Jun 2023 Low

## Resistance:

1,118.00 = May 2023 High

1,181.00 = Mar 2023 High

Futures Curve of SHFE Steel Futures



# SHFE Zinc

Last Price USD **2,934.15**/Tons

U.S. retail sales in November recorded 0.3%, a new high since September this year, indicating that the U.S. economy maintains a moderate growth trend and concerns about economic recession have weakened. The number of initial jobless claims in the United States in the week ending December 9 was 202,000, lower than market expectations. The most-traded SHFE 2402 zinc contract opened at 20820 yuan/mt overnight and fell to 20690 yuan/mt before rallying to a peak of 20910 yuan/mt. It eventually settled at 20785 yuan/mt, up 0.73%. Beijing and Shanghai once again took action to comprehensively loosen the control policies of the property market, which may drive the growth of real estate market demand. However, China's economy is expected to be weak in November, and sluggish demand will affect consumption. The supply of zinc ingots remains at a high level.

## Technical:

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

## Support:

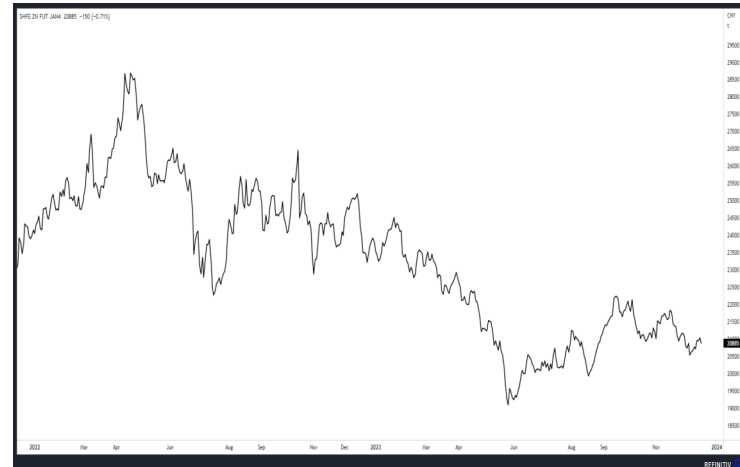
2,883.75 = Oct 2023 Low

2,779.05 = Jul 2023 Low

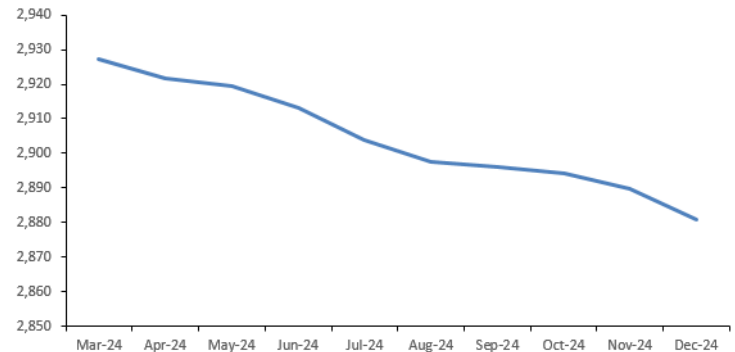
## Resistance:

3,056.40 = Nov 2023 High

3,165.26 = Apr 2023 High



## SHFE Zinc Forward Curve



# 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

# Disclaimer

This document is for information purposes only and does not take into account specific circumstances of any recipient. The information contained herein does not constitute the provision of investment advice. It is not intended to be and should not be construed as a recommendation, offer or solicitation to acquire, or dispose of, any of the financial instruments and/or securities mentioned in this document and will not form the basis or a part of any contract or commitment whatsoever. Investors should seek independent professional advice and draw their own conclusions regarding suitability of any transaction including the economic benefits, risks, legal, regulatory, credit, accounting and tax implications. The information in this document is based on public data obtained from sources believed by BRAC Bank to be reliable and in good faith, but no representations, guarantees or warranties are made by BRAC Bank with regard to accuracy, completeness or suitability of the data. BRAC Bank has not performed any independent review or due diligence of publicly available information regarding an unaffiliated reference asset or index. The opinions and estimates contained herein reflect the current judgment of the author(s) on the date of this document and are subject to change without notice. The opinions do not necessarily correspond to the opinions of BRAC Bank. BRAC Bank does not have an obligation to update, modify or amend this document or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. This communication may contain trading ideas where BRAC Bank may trade in such financial instruments with customers or other counterparties. Any prices provided herein (other than those that are identified as being historical) are indicative only, and do not represent firm quotes as to either size or price. The past performance of financial instruments is not indicative of future results. No assurance can be given that any financial instrument or issuer described herein would yield favorable investment results. Any forecasts or price targets shown for companies and/or securities discussed in this document may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information and/or the subsequent transpiration that underlying assumptions made by BRAC Bank or by other sources relied upon in the document were inapposite. BRAC Bank and or its affiliates may act as a market maker in the instrument(s) and or its derivative that has been mentioned in our research reports. Employees of BRAC Bank and or its affiliates may provide written or oral commentary, including trading strategies, to our clients and business units that may be contrary to the opinions conveyed in this research report. BRAC Bank may perform or seek to perform investment banking services for issuers mentioned in research reports. Neither BRAC Bank nor any of its respective directors, officers or employees accepts any responsibility or liability whatsoever for any expense, loss or damages arising out of or in any way connected with the use of all or any part of this document. BRAC Bank may provide hyperlinks to websites of entities mentioned in this document, however the inclusion of a link does not imply that BRAC Bank endorses, recommends or approves any material on the linked page or accessible from it. BRAC Bank does not accept responsibility whatsoever for any such material, nor for any consequences of its use. This document is for the use of the addressees only and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any purpose, without the prior, written consent of BRAC Bank. The manner of distributing this document may be restricted by law or regulation in certain countries, including the United States. Persons into whose possession this document may come are required to inform themselves about and to observe such restrictions. By accepting this document, a recipient hereof agrees to be bound by the foregoing limitations.