



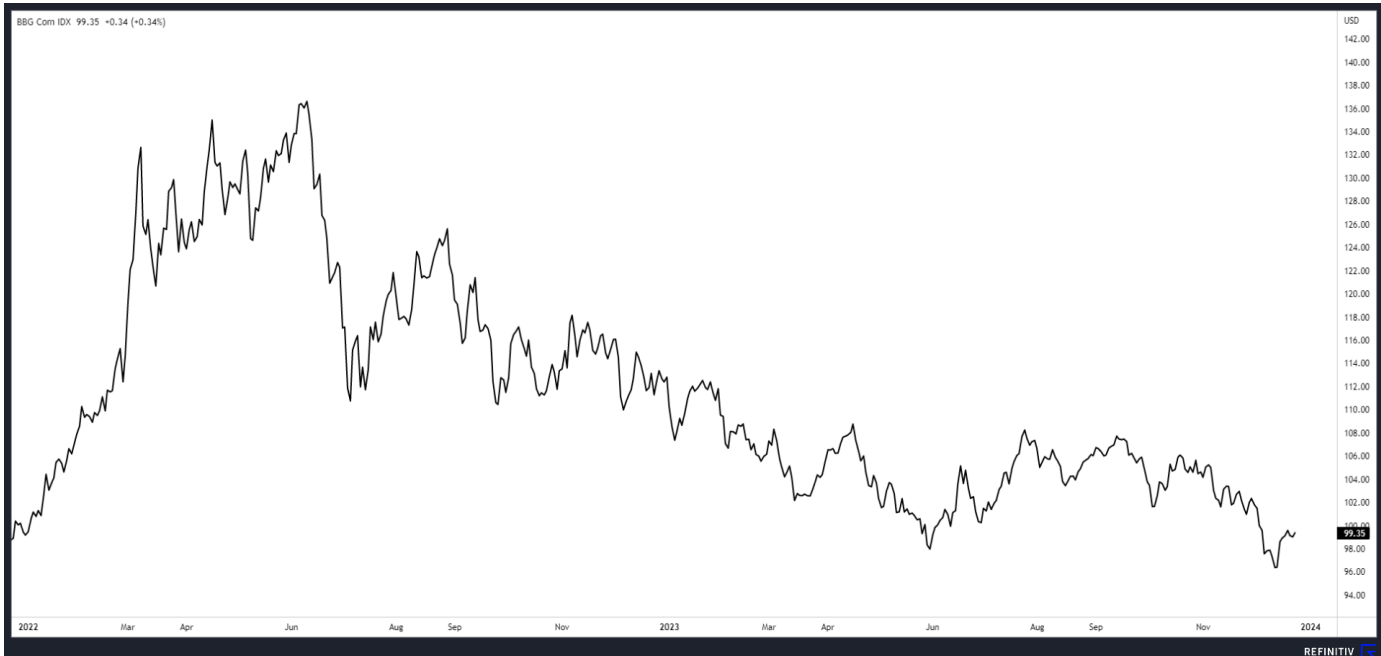
Commodities Weekly

Issue 46-2023

Date: 24 Dec 2023

Bloomberg Commodity Index

99.35 ▲



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

459.4870 ▲



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	616.25	▼ -2.07%	▲ 12.30%	▼ -20.59%	797.50	527.50
Sugar	\$/LBS	20.62	▼ -6.23%	▼ -23.57%	▼ -1.72%	28.14	18.92
Soybean	\$/BSH	1,299.75	▼ -1.22%	▼ -2.33%	▼ -12.12%	1,616.50	1,250.50
Palm Oil	\$/Ton	807.52	▲ 1.91%	▼ -3.33%	▼ -7.23%	945.92	682.77
Cotton	\$/LBS	79.76	▼ -0.21%	▼ -0.78%	▼ -6.40%	90.75	74.77
Brent Crude	\$/BBL	79.07	▲ 3.29%	▼ -1.87%	▼ -5.78%	97.69	70.12
LNG	\$/MMBTU	11.90	▼ -6.30%	▼ -27.44%	▼ -61.61%	25.00	9.00
Steel	\$/Ton	1,074.00	▲ 0.56%	▲ 19.20%	▲ 62.48%	1,200.00	685.00
SHFE Zinc	\$/Ton	2,981.14	▲ 1.60%	▼ -2.30%	▼ -15.25%	3,428.10	2,596.00
Indonesian Coal*	\$/Ton	139.80	0.00%	▲ 12.78%	▼ -54.64%	305.21	123.96
Australian Coal	\$/Ton	327.00	▼ -1.95%	▲ 2.19%	▲ 24.42%	381.00	224.50
Gold	\$/Ozs	2,052.98	▲ 1.72%	▼ -1.62%	▲ 14.19%	2,072.19	1,804.20

*Price published monthly once by Indonesian Govt

Wheat

Last Price

USc **616.25**/BSH

CBOT wheat futures firmed on Friday, as traders adjusted their positions ahead of the year-end holidays and a weaker dollar [.DXY](#) lent support to grains. [FRX/](#) But wheat futures, particularly hard-red winter wheat contracts, remained pressured by export competition from large supplies in the Black Sea region. CBOT's most-active wheat [Wv1](#) closed the day up 3-3/4 cents, to settle at \$6.16-1/4 a bushel. But for the week, the most-active contract finished down 2.06%. K.C. March hard red winter wheat contracts were mostly lower. The most-active March HRW wheat contract [KWH24](#) last traded down 3-3/4 cents at \$6.23 a bushel. MGEX spring wheat futures were mostly higher on the day. The most-active March spring wheat [MWEH24](#) last traded up 1-1/2 cents at \$7.15-3/4 a bushel.

Technical:

CBOT wheat firms, K.C. wheat down, ahead of year end holidays. Next level to watch 663.25.

Support:

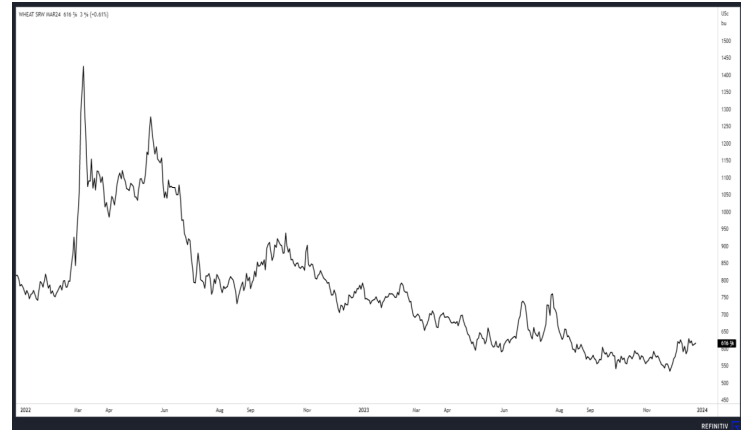
525.00 = Sep 2020 Low

485.75 = Jul 2020 Low

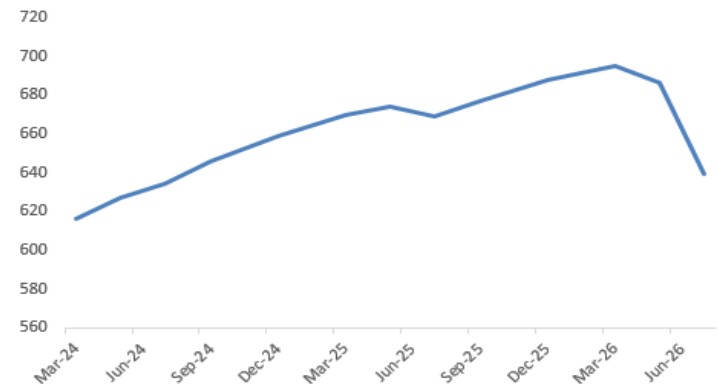
Resistance:

663.25 = Mar 2021 High

684.00 = Aug 2021 High



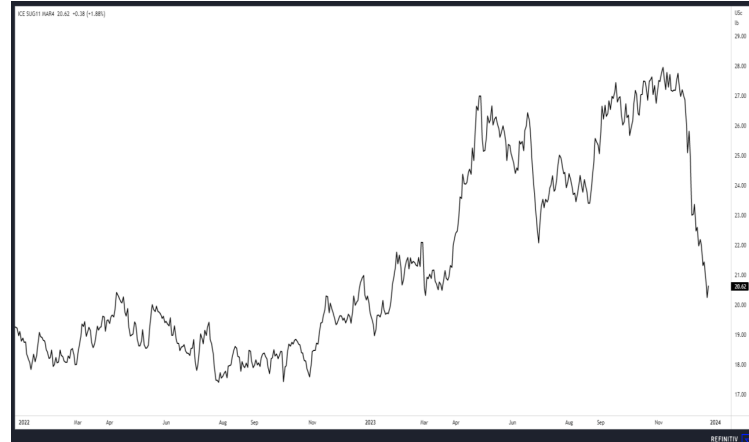
Futures Curve



Sugar

Last Price USc **20.62**/LBS

Raw sugar futures on ICE hit a nine month low on Thursday amid soaring output from top producer Brazil and reduced weather concerns. March raw sugar [SBC1](#) settled down 0.68 cent, or 3.3%, at 20.24 cents per lb, after earlier dipping to its weakest since early March at 20.12 cents. Concerns over dry conditions in Brazil, which could negatively impact the development of next year's crop, were taking a backseat with rains forecast for the next week. Brazil's output is heading for a new record which means the market is no longer expected to record a deficit in 2023/24. Longer term, however, the world's top sugar producer will struggle to export its vast supplies, putting the market in prime position for a correction, especially given ongoing concerns over India and Thailand's output. March white sugar [LSUc1](#) fell 3.2% at \$586.70 a metric a ton.



Technical:

Raw sugar hits 9-month low, 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 **1,299.75**/BSH

CBOT soybean futures firmed on Friday, as traders continued to track weather forecasts in South America and adjusted their positions before the year-end holidays. CBOT's most-active soybean contract [Sv1](#) settled up 4-1/2 cents at \$13.06-1/4 a bushel. But for the week, the most-active contract finished down 0.72%. CBOT January soyoil [BOF24](#) settled 0.51 cent lower at 48.53 cents per lb, while most-active March soyoil [BOH24](#) ended down 0.31 cent at 49.02 cents per lb. January soymeal [SMF24](#) closed \$4.20 higher at \$399.60 per short ton, while most-active March soymeal [SMH24](#) settled \$4.70 higher at \$391.10 per short ton. [Spot basis bids for soybeans](#) were steady to firmer in the U.S. Midwest on Friday.

Technical:

Soybeans firm on South American weather, trader positioning, next level to watch 1,398.50.

Support:

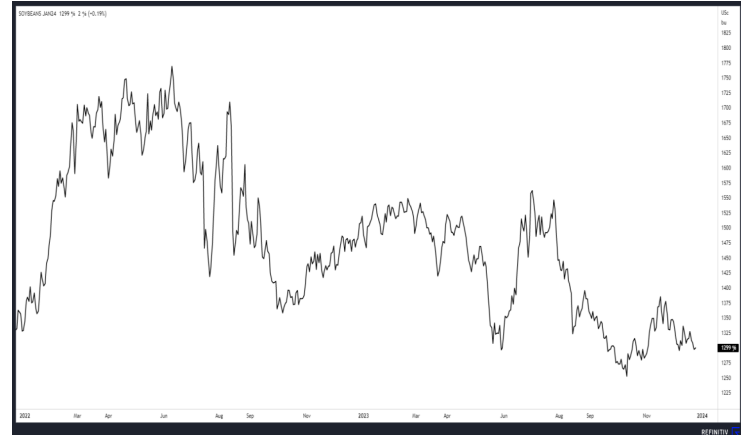
1,283.25 = Nov 2023 Low

1,250.50 = Oct 2023 Low

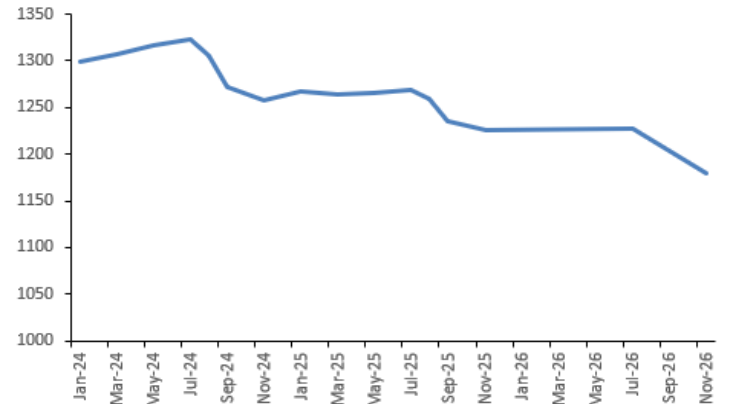
Resistance:

1,398.50 = Oct 2023 High

1,465.00 = Aug 2023 High



Futures Curve



Palm Oil

Last Price USD **807.52**/Ton

Malaysian palm oil futures fell for a fifth consecutive week as demand dropped ahead of a long holiday season, but higher crude oil prices limited losses. Higher crude oil futures make palm an attractive option for biodiesel feedstock. The benchmark palm oil contract FCOc3 for March delivery on the Bursa Malaysia Derivatives Exchange lost 3 ringgit, or 0.08%, to settle at 3,738 ringgit (\$807.52). Indonesia, the world's biggest palm oil producer, [exported](#) 3.00 million tons of palm oil products in October, down 31% from a year earlier. Oil prices rose as much as 1% on Friday as Middle East tensions persisted after Houthi attacks on ships in the Red Sea, although Angola's decision to leave OPEC raised questions over the group's effectiveness in supporting prices.



Technical:

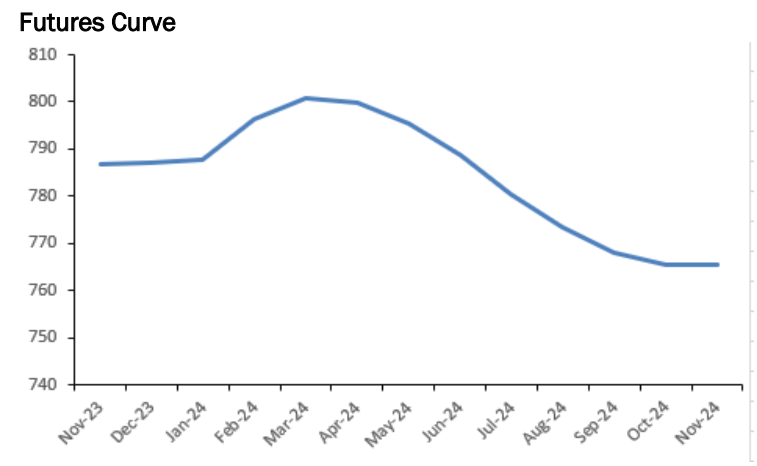
Palm falls for fifth consecutive week on weak exports, next level to watch 845.00.

Support:

784.86 = Nov 2023 Low
 752.46 = Oct 2023 Low

Resistance:

890.80 = Jul 2023 High
 914.06 = Jan 2023 High



Cotton

Last Price USc **79.76**/LBS

ICE cotton futures hit their highest in a week on Friday, as a weaker dollar made the natural fiber more attractive to buyers holding foreign currencies. The March contract [CTc1](#) rose 0.6 cents, or 0.8%, to 79.73 cents per pound. Cotton hit its highest level since Dec. 15. The dollar fell against a basket of currencies hitting a nearly five-month low, making the natural fiber less expensive for buyers holding other currencies. Support also spilled from the global stock markets, which rose after data showed annual U.S. inflation slowed further below 3% in November, supporting the view that the Federal Reserve could cut borrowing costs next year.



Technical:

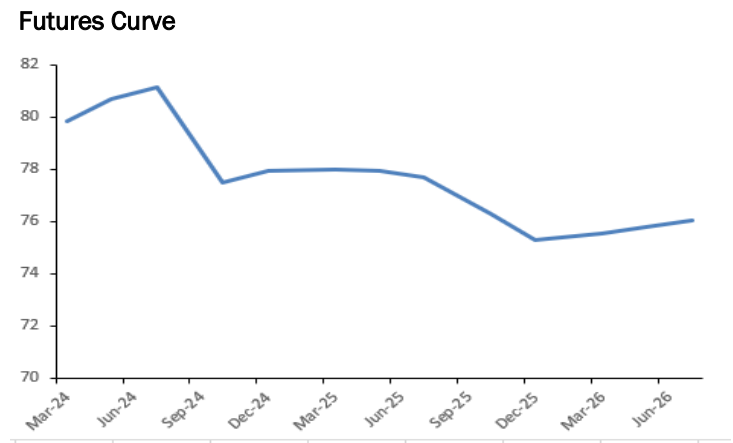
Cotton hits one week high on weaker dollar. Next level to watch 85.00.

Support:

74.77 = Nov 2023 Low
 72.00 = Nov 2022 Low

Resistance:

84.86 = Mar 2023 High
 87.16 = Jun 2023 High



Brent Crude

Last Price

USD **79.07**/BBL

Oil prices eased on Friday ahead of the long Christmas holiday weekend on expectations Angola could increase output after leaving OPEC, but rose for the week on positive U.S. economic news and worries Houthi ship attacks would boost supply costs. Brent [LC0c1](#) futures fell 32 cents, or 0.4%, to settle at \$79.07 a barrel, while U.S. West Texas Intermediate (WTI) crude [CLc1](#) fell 33 cents, or 0.5%, to settle at \$73.56. That left both benchmarks up about 3% for the week after gaining less than 1% last week. In the Middle East, more maritime carriers said they were [avoiding](#) the Red Sea due to attacks on vessels carried out by the Iranian-backed Houthi militant group, which says it is responding to [Israel's war in Gaza](#).

Technical:

Oil eases ahead of Christmas break on possible future Angola output increases, next level to watch 85.00.

Support:

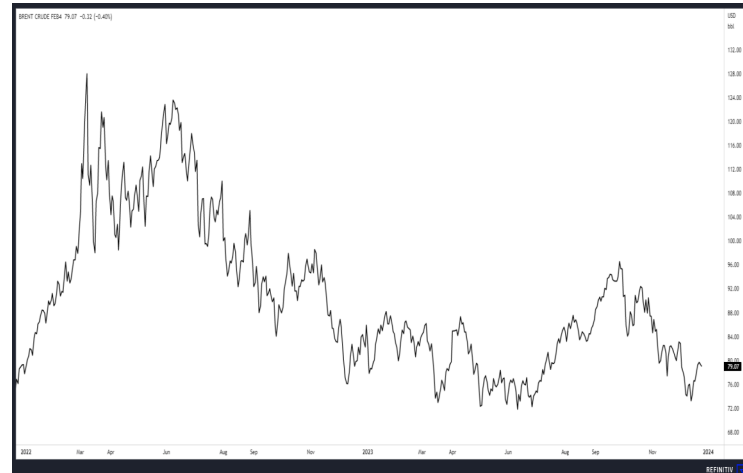
74.56 = Jul 2023 Low

71.57 = Jun 2023 Low

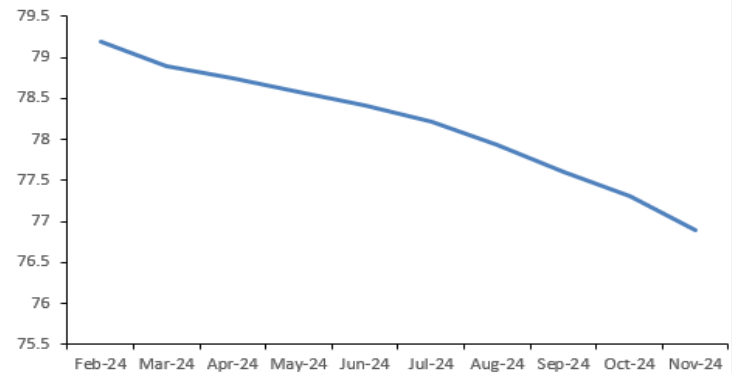
Resistance:

85.80 = Jul 2023 High

86.95 = Feb 2023 High



Futures Curve

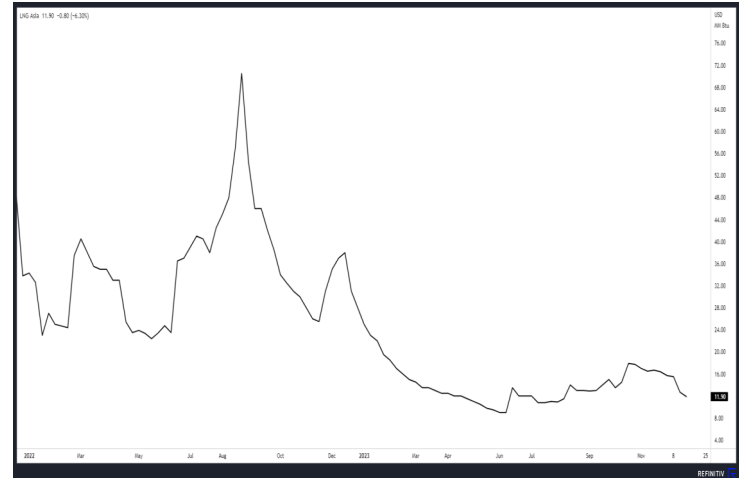


LNG

Last Price

USD **11.90**/MMBTU

Asian spot liquefied natural gas (LNG) prices hit their lowest level in over four months this week on strong inventories and weak demand despite supply concerns as more tankers avoid the Red Sea, following attacks launched by Yemen's Houthi group on commercial ships. The average LNG price for February delivery into Northeast Asia [LNG-AS](#) fell 6% to \$11.9 per million British thermal units (mmBtu), its lowest level since August 13. However, weak demand, mild weather and healthy inventories in both Asia and Europe remain the key drivers for the market. In Europe, gas prices eased ahead of the Christmas holidays and as weather forecasts indicated milder temperatures will persist into January.



Technical:

Asia LNG prices hit 4 month low despite supply, geopolitical concerns. Next level to watch 11.00.

Support:

10.90 = Aug 2023 Low

9.00 = Jun 2023 High

Resistance:

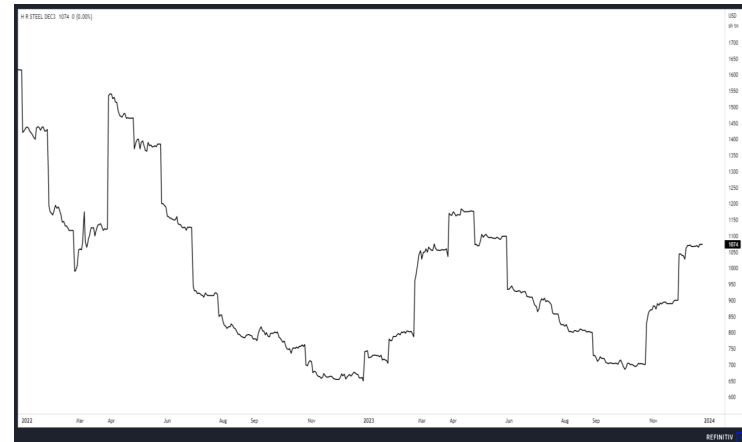
14.50 = Mar 2023 High

15.00 = Feb 2023 Low

Steel (HRC)

Last Price USD **1,074.00**/ tons

Dalian iron ore futures rose for the fourth straight session and recorded their best day in two months on Friday, driven by optimistic news from China's state banks. The most-traded May iron ore on China's Dalian Commodity Exchange [DClOcv1](#) ended 3% higher at 973 yuan (\$136.16) per metric ton, racking up weekly gains of 3.2%. On the Singapore Exchange, the benchmark January iron ore [SZZFF4](#) was up 1.1% at \$137.5 a metric ton and gained 2.7% for the week. China's steel demand in 2023 will [decline](#) by 3.3% from 2022 and contract a further 1.7% in 2024, according to a state research forecast, weighed down by a significant drop in construction activity. Steel benchmarks on the Shanghai Futures Exchange were mixed. The most-active rebar contract [SRBcv1](#) strengthened 1.3%, hot-rolled coil [SHHCcv1](#) grew 1.2%, and stainless steel [SHSScv1](#) gained 0.6%. Meanwhile, wire rod [SWRcv1](#) decreased by 1%.



Technical:

Iron ore extends rally on positive state bank developments. Next level to watch 1,070.00.

Support:

948.00 = Jun 2023 High

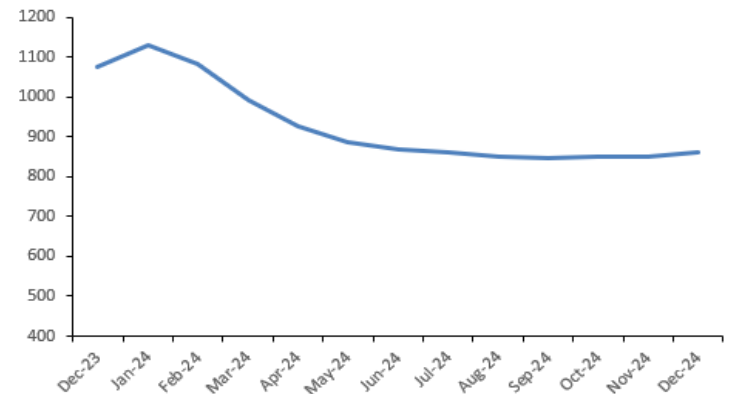
865.00 = Jun 2023 Low

Resistance:

1,118.00 = May 2023 High

1,181.00 = Mar 2023 High

Futures Curve of SHFE Steel Futures

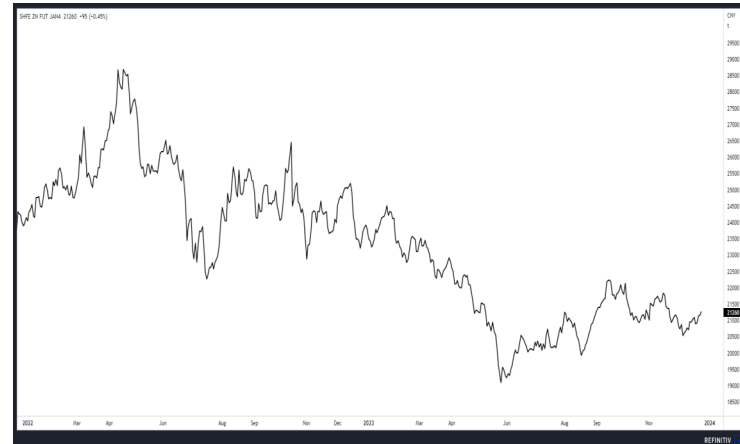


SHFE Zinc

Last Price USD **2,981.14**/Tons

Overnight, LME zinc inventories increased by 0.07% to 230,750 tons. LME inventories are still at a high level. Although the U.S. GDP and PCE index were unexpectedly revised down in the third quarter and macro sentiment improved, inventories are still high and funds are mainly hedging and leaving before the holiday.

The most active SHFE 2402 zinc contract prices opened at 21165 yuan/mt and fell 5 yuan/mt or 0.02% to close at 21115 yuan/mt trading with the high-end of 21220 yuan/mt and the low-end of 21095 yuan/mt. Trading volumes decreased to 35662 lots and open interest fell increased lots to 83060 lots. Fundamentally, the shortage of ore coupled with low inventory and cost support kept zinc prices range-bound



Technical:

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

Support:

2,883.75 = Oct 2023 Low

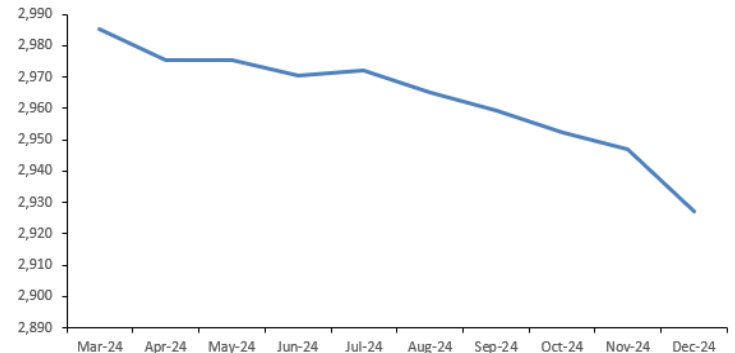
2,779.05 = Jul 2023 Low

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

Web: www.bracbank.com

Md. Shaheen Iqbal

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

Fouzia Rahman

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

Nawshaba Aziz

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

Lailun Nahar Tonny

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

Mohammad Humayun Rashid

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

Maruf Hassan

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

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