



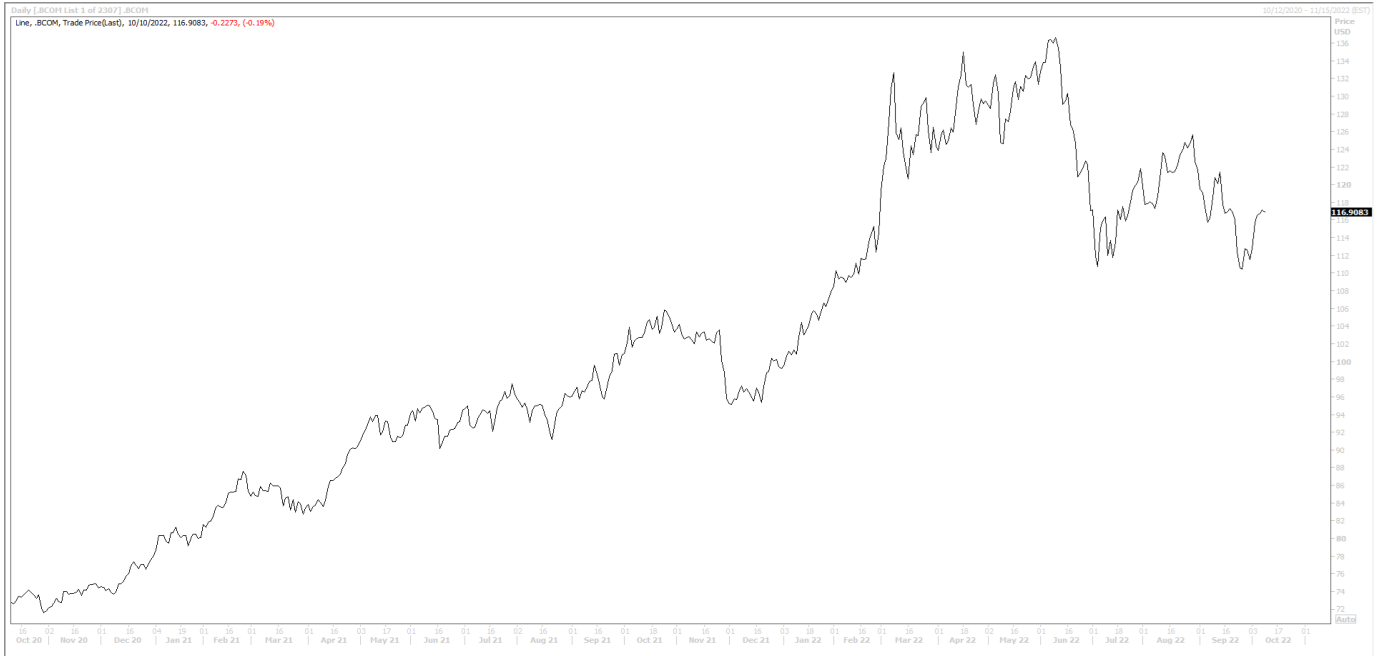
Commodities Weekly

Issue 27-2022

Date: 10 Oct 2022

Bloomberg Commodity Index

116.8787 ▲



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.

Details	Commodity Name	Closing Price	Weekly Change(%)	MoM Change(%)	YoY Change(%)
Page 4	Wheat	880.25	▼ 4.48%	▲ 6.50%	▲ 18.75%
Page 5	Sugar	18.68	▲ 1.41%	▲ 3.49%	▼ 5.85%
Page 6	Soybean	1,367.00	▲ 0.16%	▼ 6.80%	▲ 9.60%
Page 7	Palm Oil	780.75	▲ 8.74%	▼ 2.41%	▼ 35.13%
Page 8	Cotton	92.23	▼ 1.06%	▼ 13.07%	▼ 18.85%
Page 9	Brent Crude	97.92	▲ 11.32%	▲ 11.27%	▲ 19.49%
Page 10	LNG	34.00	▼ 11.69%	▼ 37.61%	▲ 6.25%
Page 11	Steel	748.00	▼ 3.61%	▼ 6.50%	▼ 60.23%
Page 12	LME Zinc	2,991.50	▲ 0.79%	▼ 4.23%	▼ 1.90%

Wheat

Last Price USc **880.25**/BSH

U.S. wheat futures ended firm on Friday after fluctuating between positive and negative territory. Bargain buying helped prop up prices after four straight days of declines, but concerns about a firm dollar chilling export demand for U.S. supplies acted as an anchor on the market. The benchmark Chicago Board of Trade December soft red winter wheat contract [WZ2](#) settled up 1-1/4 cents at \$8.80 -1/4 a bushel. K.C. December soft red winter wheat [KWZ2](#) gained 7 cents to \$9.72 a bushel while MGEX December spring wheat [MWEZ2](#) settled up 5-1/2 cents at \$9.68 a bushel. For the week, CBOT soft red winter wheat [Wv1](#) was down 4.5%, its biggest weekly decline since mid-July. K.C. hard red winter wheat [KWv1](#) was off 2.3% this week and MGEX spring wheat [MWEc1](#) lost 0.7%.

Technical:

Wheat closes firm but posts biggest weekly loss since mid-July. Next level to watch 950.00.

Support:

827.00 = Aug 2022 High

773.00 = Sep 2022 Low

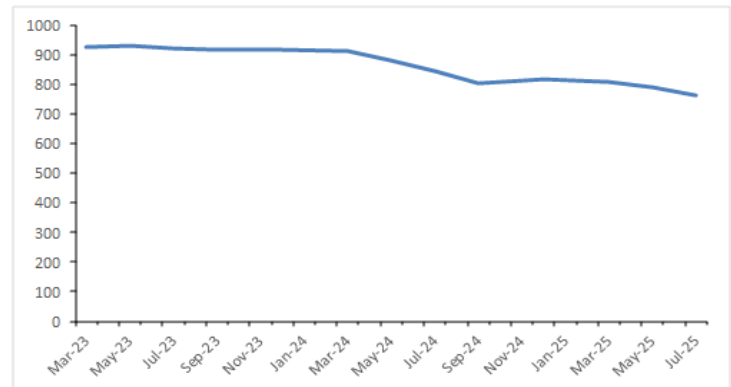
Resistance:

945.75 = Sep 2022 High

982.50 = Apr 2022 Low



Futures Curve



Sugar

Last Price USc **18.68**/LBS

Raw sugar futures on ICE rose on Friday as oil prices continued to surge following [OPEC+'s decision](#) this week to make its largest supply cut since 2020. Rising energy prices tend to prompt cane mills in top producer Brazil to lower sugar output in favour of ethanol, a cane-based biofuel. March raw sugar [SBc1](#) settled up 0.22 cents, or 1.2%, at 18.68 cents per lb, having settled up 2.8% on Thursday. Rising oil prices could impact production strategies at Brazilian mills, shifting some cane allocation to ethanol and away from sugar if gasoline prices rise as well. There was also talk of rains in Brazil hurting the pace of harvesting and threatening to cut sugar production in the season. December white sugar [LSUc1](#) rose \$1.50, or 0.3%, to \$552.80 a tonne.

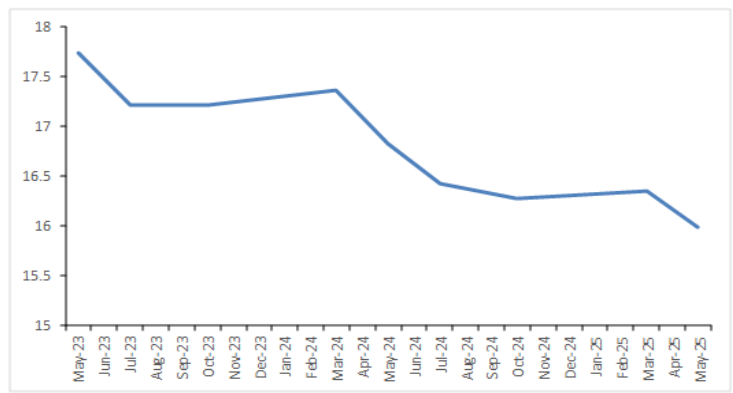


Technical:
 Sugar up amid surging oil prices, next level to watch 18.81.

Support:
 16.73 = Jul 2021 Low
 14.68 = Apr 2021 Low

Resistance:
 18.81 = Jul 2021 High
 19.59 = Jul 2022 High

Futures Curve



Soybean

Last Price

USc **1,367.00**/BSH

Chicago Board of Trade soybean futures rose on Friday, with a round of bargain buying and end-of-week short-covering pushing prices higher. Strength in the crude oil market added support. The benchmark CBOT November soybean futures contract [SX2](#) settled up 9 cents at \$13.67 a bushel. November soybeans weakened early in the session but found technical support just above Thursday's bottom of \$13.50 a bushel, which was the lowest for the most-active soybean futures contract [Sv1](#) since July 25. CBOT December soymeal [SMZ2](#) was up \$7.30 at \$400.70 a ton and CBOT December soyoil [BOZ2](#) gained 0.58 cent to 66.6 cents per lb. For the week, soybeans [Sv1](#) gained 0.2%, soymeal [SMv1](#) was down 0.6% and soyoil [BOv1](#) jumped 8.3%.

Technical:

Soybeans close firm on bargain-buying bounce, next level to watch 1,400.00.

Support:

1,332.00 = Jan 2022 Low

1,262.50 = Oct 2021 High

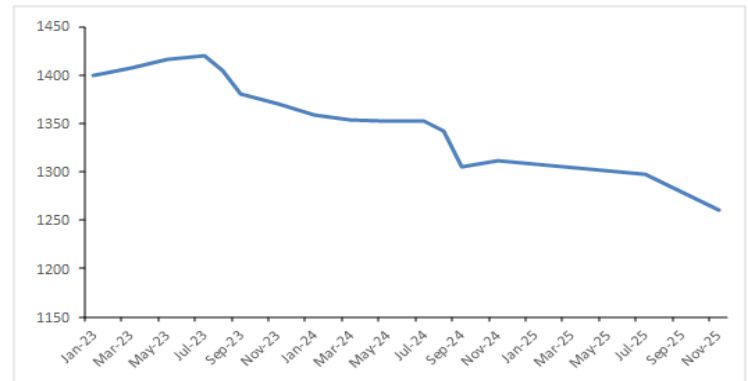
Resistance:

1,443.75 = Aug 2022 Low

1,480.00 = Jul 2021 Low



Futures Curve



Palm Oil

Last Price

USc **780.75**/Ton

Malaysian palm oil futures extended gains on Friday for the seventh straight session, logging a 12.4% weekly jump on stronger crude prices and concerns over wet weather hitting production. The benchmark palm oil contract [FCPOc3](#) for December delivery on the Bursa Malaysia Derivatives Exchange closed up 141 ringgit, or 3.81%, to 3,841 ringgit (\$826.38) a tonne and clocked its longest winning streak since March 2021. Soybean prices on the Chicago Board of Trade [B0cv1](#) rose 0.4% after a four-session rally. The Dalian exchange is closed for the week for holidays. Stronger crude prices makes palm a more attractive option for biodiesel feedstock. Malaysia forecast [crude palm oil price would average 4,300 ringgit](#) (\$928.93) per tonne in 2023, down from 5,000 ringgit this year, according to the country's economic outlook.

Technical:

Palm climbs for seventh day, posts 12% weekly jump, next level to watch 821.75.

Support:

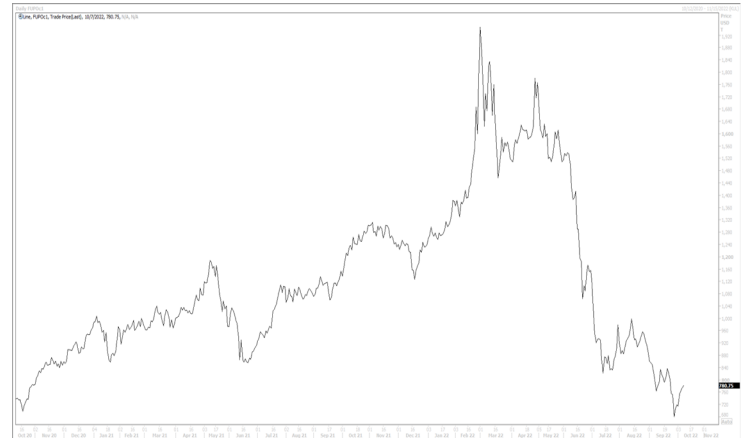
680.00 = Sep 2022 Low

608.00 = Mar 2020 High

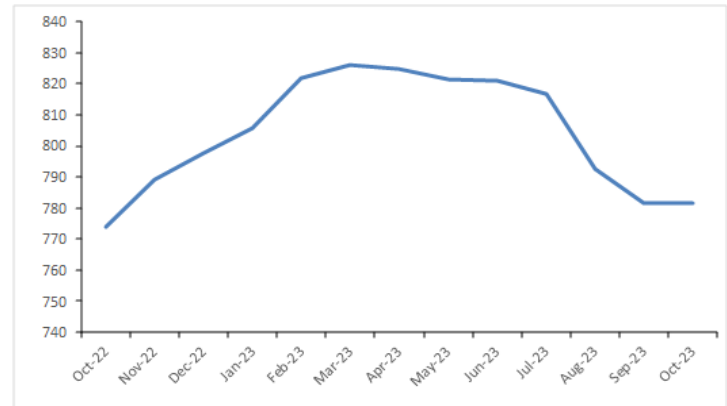
Resistance:

821.75 = Jul 2022 Low

865.00 = Jun 2021 Low



Futures Curve



Cotton

Last Price

USc **92.23**/LBS

ICE cotton futures hit their lowest in over a year on Friday and were headed for a fourth weekly decline on recession fears, while traders await the monthly supply-demand report from the United States Department of Agriculture next week. Cotton contracts for December [CTZ2](#) rose 0.96 cent, or 1.16%, at 83.86 cents per lb. Prices touched their lowest since September 2021 at 81.55 cents per lb earlier in the day. Despite cotton trading mostly sideways for the day due to quiet fundamentals, the contract traded below the 82.50-cent longer term support level for two days in a row, indicating that moves lower could be possible. Markets now await the USDA's monthly World Agricultural and Supply Demand Estimates (WASDE) report due next week.



Technical:

Cotton en route to fourth weekly fall on slowing demand. Next level to watch 80.00.

Support:

82.30 = Jun 2021 Low

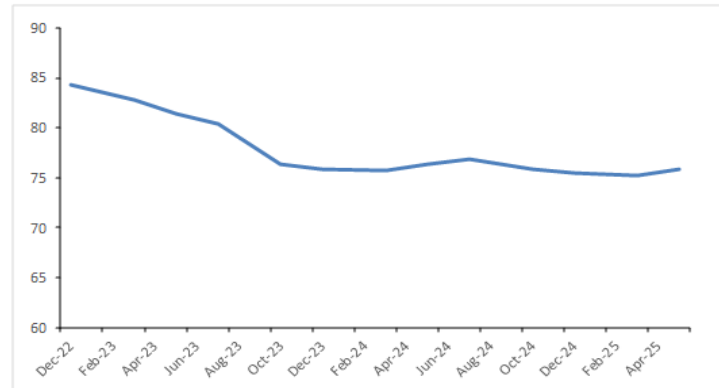
77.65 = Apr 2021 Low

Resistance:

96.14 = Oct 2022 High

109.00 = Jul 2022 High

Futures Curve



Brent Crude

Last Price

USD **97.92**/BBL

Oil prices jumped about 4% to a five-week high on Friday, lifted again by an OPEC+ decision this week to make its largest supply cut since 2020 despite concern about a possible recession and rising interest rates. Oil rallied for the fifth day in a row even as the dollar [.DXY](#) moved higher after data showing the U.S. economy was creating jobs at a strong pace gave the Federal Reserve a reason to continue hefty interest rate hikes. Brent futures [LCOc1](#) rose \$3.50, or 3.7%, to settle at \$97.92 a barrel, while U.S. West Texas Intermediate (WTI) crude [CLc1](#) rose \$4.19, or 4.7%, to end at \$92.64. That was the highest close for Brent and WTI since Aug. 30. The price jump pushed both benchmarks into technically overbought territory for the first time since August for Brent and June for WTI. U.S. heating oil [HOC1](#) futures jumped 19% this week to their highest close since June, boosting the heating oil crack spread [HOC1-CLc1](#) - a measure of refining profit margins.

Technical:

Oil jumps 4% to 5-week high lifted by OPEC+ output cut, next level to watch 100.00.

Support:

91.51 = Aug 2022 Low

80.75 = Sep 2021 High

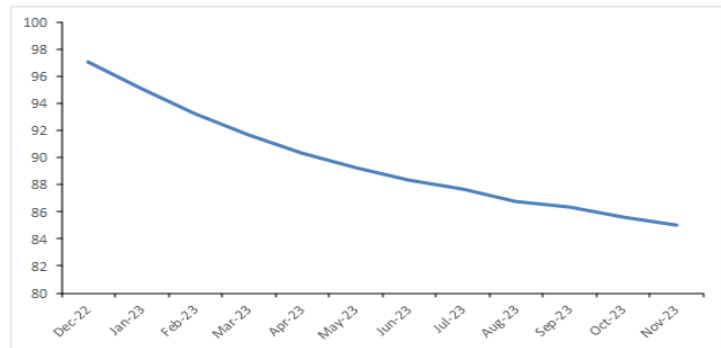
Resistance:

101.30 = May 2022 Low

107.03 = Jun 2022 Low



Futures Curve

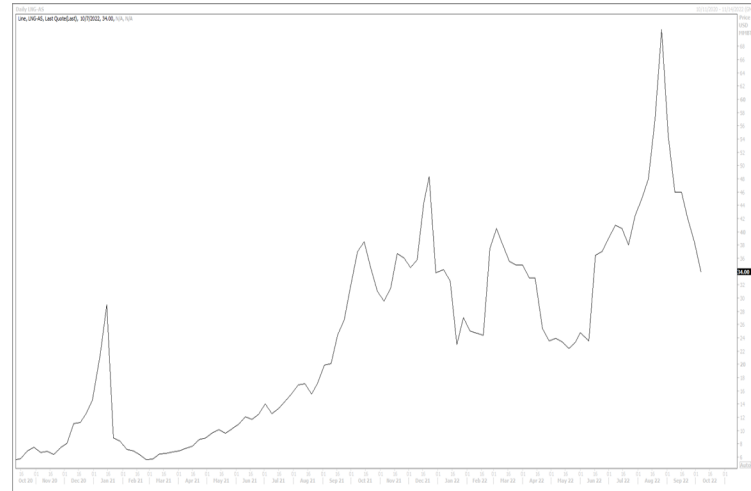


LNG

Last Price

USD **34.00**/MMBTU

Asian spot liquefied natural gas (LNG) prices fell further this week on healthy inventory levels but a force majeure in Malaysia renewed concerns that buyers might need to seek replacement cargoes amid competition with Europe. The average LNG price for November delivery into north-east Asia [LNG-AS](#) was \$34.00 per million British thermal units (mmBtu), down \$4.50, or 11.7% pct, from the previous week. Malaysia LNG, majority owned by Petronas, has declared force majeure on LNG supplies to its customers, including Japanese utilities, due to a leak on the Sabah-Sarawak Gas Pipeline on Sept. 21, at a time when Japan and many other countries in Europe are scrambling to ensure gas supply for the peak winter demand season. In Europe, gas prices have eased ahead of a meeting of European Union leaders to discuss whether and how to put a cap on gas prices before winter sets in.



Technical:

LNG prices slip on healthy stocks, mild weather. Next level to watch 30.00.

Support:

29.50 = Dec 2021 Low

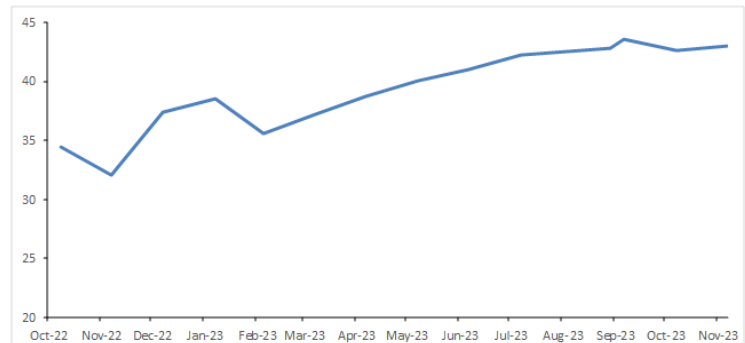
23.50 = Jun 2022 Low

Resistance:

42.50 = Jul 2022 High

54.50 = Sep 2022 High

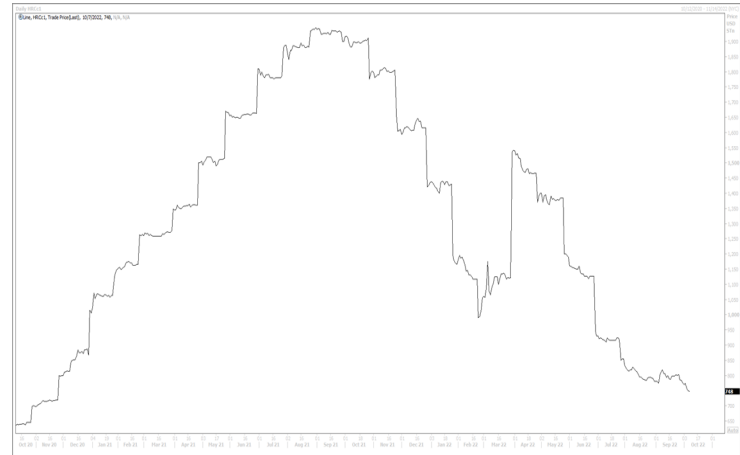
Futures Curve



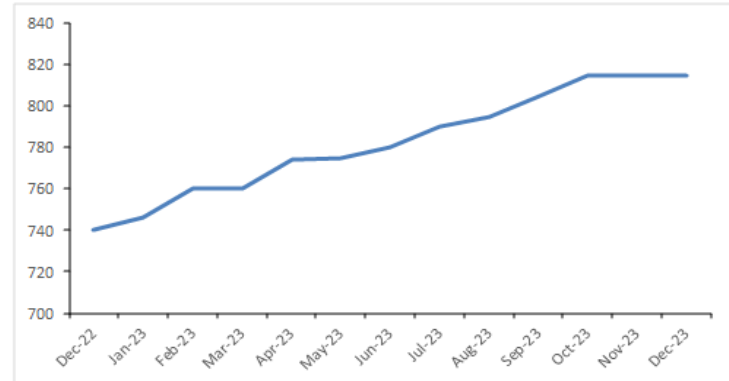
Steel (HRC)

Last Price USD **748.00**/ tons

Iron ore prices rose on Monday, as portside inventory in top steel producer China shrank during the Golden Week holidays to the lowest since mid-July, indicating strong demand for the steelmaking ingredient. The most-active January iron ore contract on the Dalian Commodity Exchange [DClOcv1](#) ended daytime trade 2.2% higher at 739.50 yuan (\$103.93) a tonne, after touching 744.50 yuan earlier in the session, its highest since Aug. 9. On the Singapore Exchange, benchmark November iron ore [SZZFX2](#) was up 2.2% at \$97.70 a tonne. On the Shanghai Futures Exchange, rebar [SRBcv1](#) rose 1.4%, while hot rolled coil [SHHCcv1](#) advanced 0.6%. Stainless steel dipped 1.4%. Dalian coking coal [DJMcv1](#) and coke [DCJcv1](#) climbed 5.3% and 3.8%, respectively.



Futures Curve of SHFE Steel Futures



Technical:

Iron ore prices rise as China port inventory shrinks. Next level to watch 700.00.

Support:

697.00 = Nov 2020 Low

622.00 = Oct 2020 Low

Resistance:

820.00 = Sep 2022 High

868.00 = Sep 2018 High

LME Zinc

Last Price USD **2,991.50**/Tons

During the National Day holiday, the expectations for US interest rate hike changed constantly and accordingly with newly released macro data. At the same time, the energy crisis intensified and LME was considering a ban on Russian metals. Therefore, the LME zinc showed an inverted V-shape trend. At the beginning of the holiday, LME zinc rose all the way up to a high of \$3,193/mt before paring gains at the end of the holiday and closing at \$2,965.5/mt, down \$8.5/mt or 0.29% on the week. Trading volume fell by 11,931 lots to 31,432 lots, and open interest decreased to 193,000 lots.



Technical:

Zinc Showed an Inverted V-shaped Trend during National Day Holiday, next level to watch 3,100.00.

Support:

2,875.00 = Jul 2022 Low

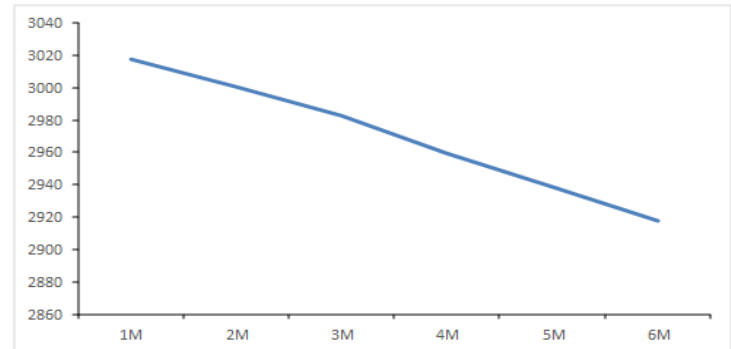
2,822.50 = Jun 2021 Low

Resistance:

3,259.50 = Sep 2022 High

3,308.50 = Jul 2022 High

LME Zinc Forward Curve



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