



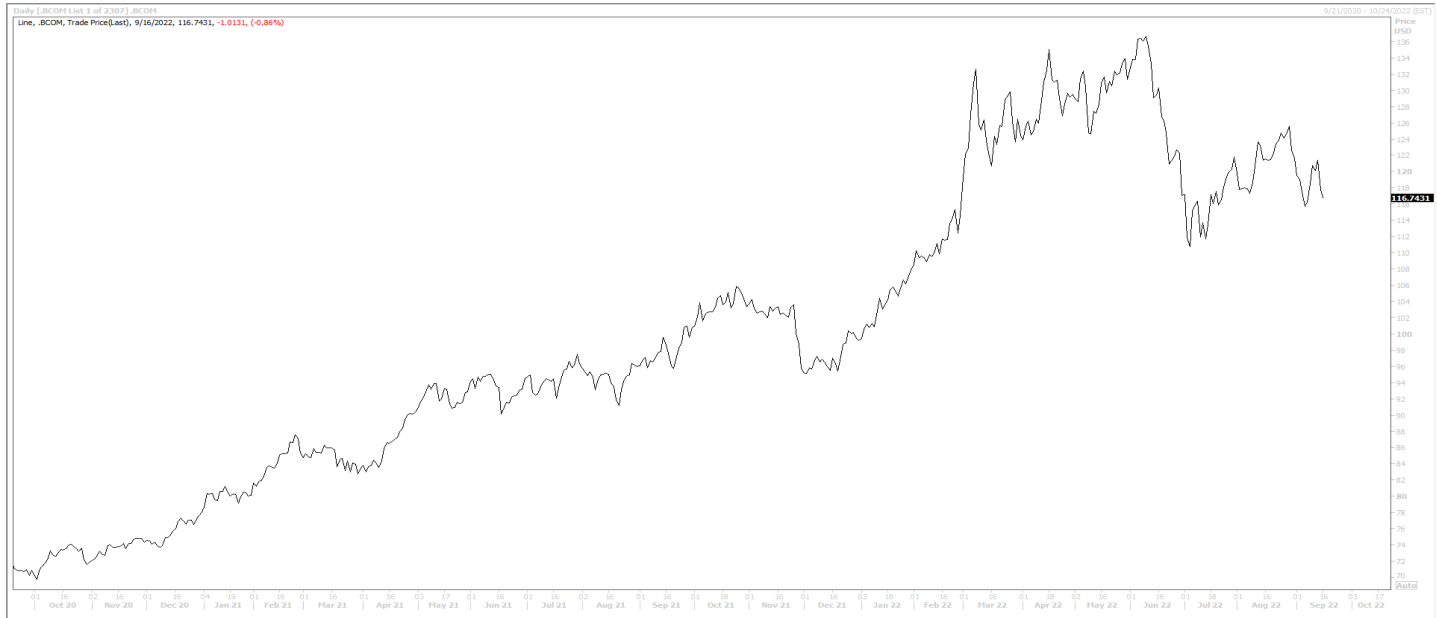
Commodities Weekly

Issue 24-2022

Date: 18 Sep 2022

Bloomberg Commodity Index

116.7438 ▼



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	859.75	▲ 0.76%	▲ 9.38%	▲ 20.58%
Page 5	Sugar	17.88	▼ 1.87%	▼ 2.13%	▼ 8.26%
Page 6	Soybean	1,448.50	▼ 2.74%	▼ 0.40%	▲ 11.77%
Page 7	Palm Oil	807.00	▲ 3.59%	▼ 13.27%	▼ 25.48%
Page 8	Cotton	101.24	▼ 7.56%	▼ 17.19%	▲ 8.38%
Page 9	Brent Crude	91.35	▼ 1.60%	▼ 1.07%	▲ 20.72%
Page 10	LNG	46.00	0.00%	▼ 4.17%	▲ 87.76%
Page 11	Steel	789.00	▼ 3.55%	▼ 0.75%	▼ 58.97%
Page 12	LME Zinc	3,153.50	▼ -0.44%	▼ 14.12%	▲ 2.32%
Page 13	Scrap Steel	405.00	▼ -1.22%	▲ 3.85%	▼ 15.63%

Wheat

Last Price

USc **859.75**/BSH

Chicago Board of Trade wheat futures finished higher on Friday, as investors squared positions after prices fell to a one-week low during the session. The benchmark CBOT December soft red winter wheat futures contract [WZ2](#) settled up 14-3/4 cents at \$8.59-3/4 a bushel. The most-active contract [Wv1](#) earlier hit its lowest level since Sept. 9 at \$8.30-3/4. K.C. December hard red winter wheat futures [KWZ2](#) ended 9 cents stronger at \$9.35-1/4 a bushel, while MGEX December spring wheat futures [MWEZ2](#) rose 10 cents to close at \$9.38-3/4 a bushel. The markets recovered after closing lower on Thursday in setbacks from two-month highs.

Technical:

Wheat futures end stronger as traders square positions. Next level to watch 890.00.

Support:

725.75 = Aug 2022 Low

671.50 = Sep 2021 Low

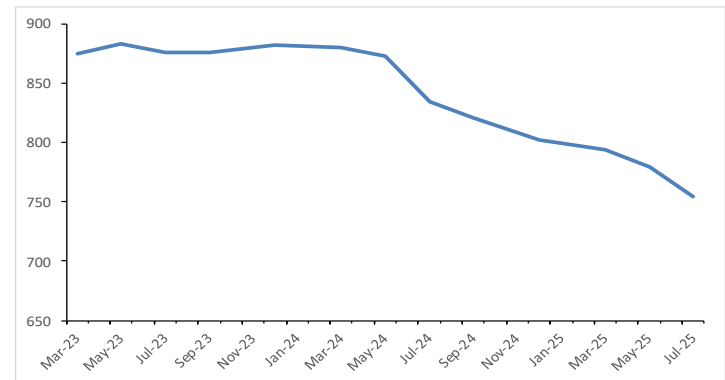
Resistance:

888.00 = Jul 2022 High

951.25 = Feb 2022 High



Futures Curve



Sugar

Last Price USc **17.88**/LBS

London white sugar futures on ICE fell on Friday after hitting a 10-year high against a backdrop of tight supply, with the market in need of exports from India, a leading producer and exporter of whites. December white sugar [LSuc1](#) fell 1.3% to \$536.20 a tonne, having touched a 10-year high of \$541. Deliveries of refined white sugar against the expiry of the ICE October contract on Thursday were seen at about 4,480 lots, or about 224,000 tonnes. October white sugar expired at a huge \$79.80 premium to December and this, plus the relatively small delivery, indicated tight near-term supplies. India is poised to allow 5 million tonnes of sugar exports in the first tranche for the new marketing year beginning in October and could allow another 3-5 million tonnes later in the year.



Technical:

Sugar falls back from 10-year high, next level to watch 16.70.

Support:

16.73 = Jul 2021 Low

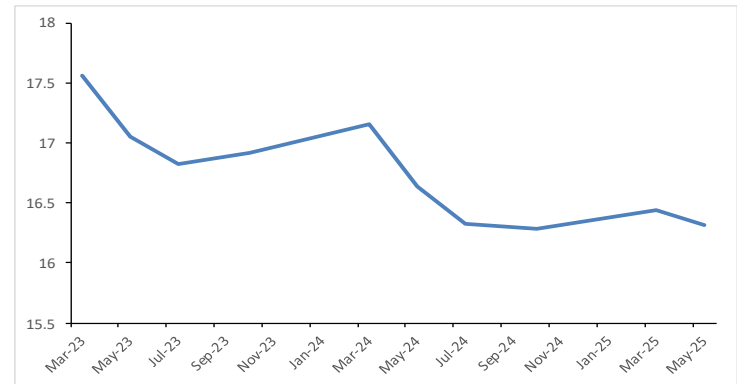
14.68 = Apr 2021 Low

Resistance:

18.81 = Jul 2021 High

19.59 = Jul 2022 High

Futures Curve



Soybean

Last Price USc **1,448.50**/BSH

Chicago Board of Trade soybean futures stumbled on Friday as rising crop sales in Argentina and warnings of a recession raised concerns about global demand for U.S. supplies. In Argentina, the world's top exporter of soy oil and meal and the No. 3 for raw beans, farmers increased sales of soybeans after the government implemented a more favorable exchange rate for exports of the cash crop. Until last month, local farmers were holding on to more soybeans than usual due to Argentina's uncertain economic environment. Most-active CBOT soybean futures [Sv1](#) closed 3 cents lower at \$14.48-1/2 a bushel. Corn [Cv1](#) settled down 1/4 cent at \$6.77-1/4 a bushel, while wheat [Wv1](#) jumped 14-3/4 cents to end at \$8.59-3/4 a bushel.



Technical:

Soybean futures slump on global demand concerns, next level to watch 1,400.00.

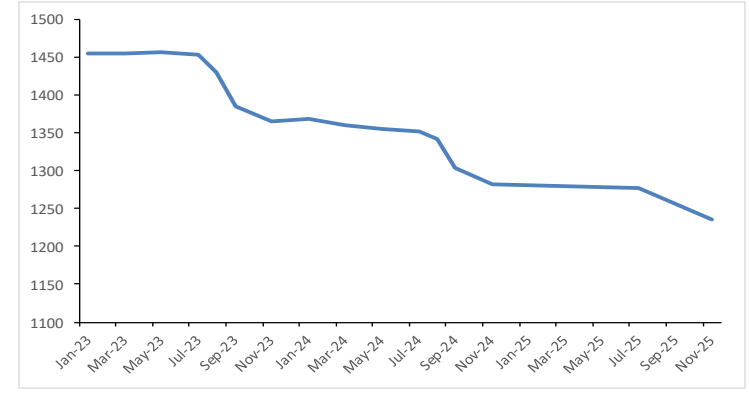
Support:

- 1,407.34 = Jun 2022 Low
- 1,353.00 = Jul 2021 Low

Resistance:

- 1,576.75 = Apr 2022 Low
- 1,683.25 = Jul 2022 High

Futures Curve

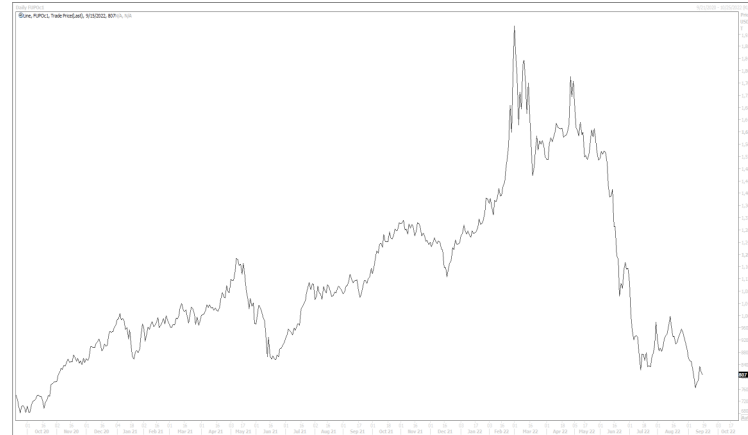


Palm Oil

Last Price

USc **807.00**/BSH

Malaysian palm oil futures fell for a second straight session on Thursday as stocks rose, while the world's second largest producer raised effective export tax even as larger rival Indonesia lowered it. The benchmark palm oil contract [FCPOc3](#) for November delivery on the Bursa Malaysia Derivatives Exchange fell 112 ringgit, or 2.9%, to 3,744 ringgit (\$825.94) a tonne. Palm has risen nearly 4.2% this week after two straight weekly declines. Capping losses, exports of Malaysian palm oil products for September 1-15 rose between 19% and 24% during Aug. 1 to 15. Dalian's most-active soyoil contract [DBYcv1](#) fell 1.5%, while its palm oil contract [DCPcv1](#) eased 1.3%. Soyoil prices on the Chicago Board of Trade [BOcv1](#) gained 0.4%.



Technical:

Palm dips as stocks rise, Malaysia raises effective export tax, next level to watch 703.00.

Support:

703.00 = Feb 2020 High

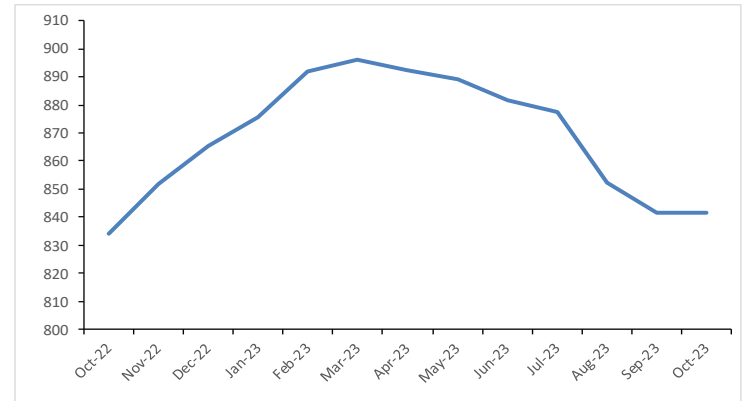
653.00 = Aug 2020 Low

Resistance:

884.00 = Aug 2022 Low

925.00 = Jul 2021 Low

Futures Curve



Cotton

Last Price

USc **101.24**/LBS

ICE cotton futures slid on Friday to their lower trading limit as the dollar extended its ascent, with sentiment in the natural fiber market also pummeled by a wider market selloff driven by fears of a global slowdown. Cotton contracts for December [CTZ2](#) fell 3.76 cents, or 3.6%, to 99.53 cents per lb, after earlier slumping to the current lower trading limit of 99.29 cents. The contract hit its lowest since Aug. 10, slipping below the round figure of 100 cents for the first time since the same date. The December contract was also down about 5.1% so far for the week, its second weekly decline in the last three. The cotton market is worried that there's a cutback in world demand coming, that there will be a slowdown in the world economy and people will buy less clothing.



Technical:

Cotton prices tumble on rampant dollar, wider selloff. Next level to watch 98.00.

Support:

98.00 = Aug 2022 Low

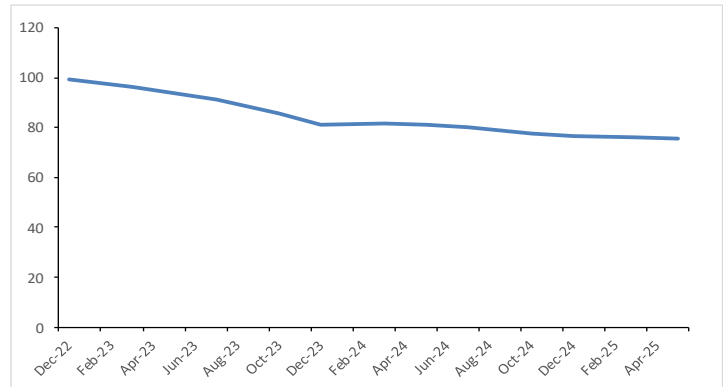
90.85 = Jul 2022 Low

Resistance:

115.33 = Dec 2021 High

129.37 = Feb 2022 High

Futures Curve

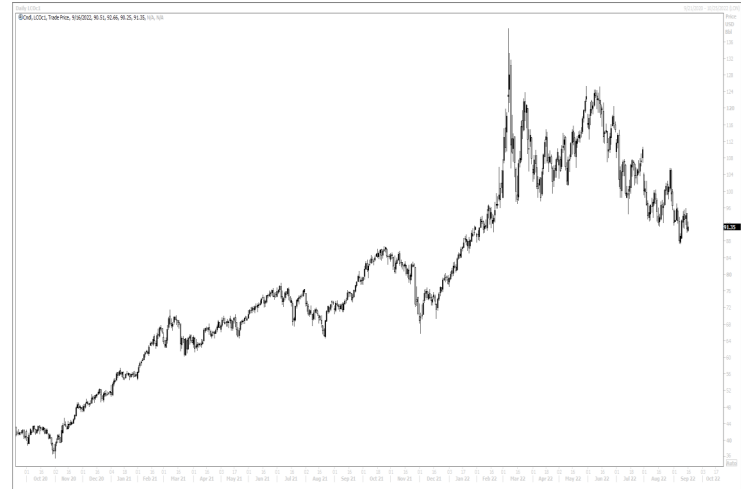


Brent Crude

Last Price

USD **91.35**/BBL

Oil prices rose slightly on Friday as a spill at Iraq's Basra terminal appeared likely to constrain crude supply, but remained down on the week on fears that hefty interest rate increases will curb global economic growth and demand for fuel. Brent crude [LCOc1](#) futures settled at \$91.35 a barrel, up 51 cents, while U.S. West Texas Intermediate (WTI) crude [CLc1](#) futures settled at \$85.11 a barrel, up 1 cent. Both benchmarks were down by nearly 2% on the week, hurt partly by the U.S. dollar's strong run, which makes oil more expensive for buyers using other currencies. The dollar index [.DXY](#) was largely flat on the day [=USD](#) but up for its fourth week in five weeks. In the third quarter so far, both Brent and WTI are down about 20% for the biggest quarterly percentage declines since the start of the COVID-19 pandemic in 2020.



Technical:

Oil prices up after Basra spill, but log weekly decline, next level to watch 87.72.

Support:

87.72 = Fed 2022 Low

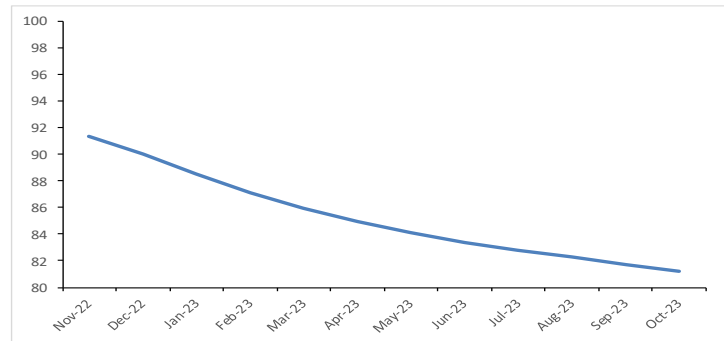
77.04 = Jan 2022 Low

Resistance:

97.57 = Apr 2022 Low

104.43 = Aug 2022 High

Futures Curve

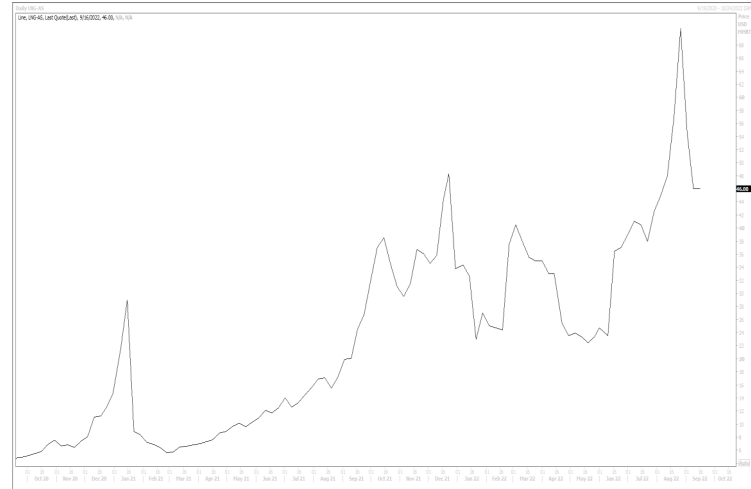


LNG

Last Price

USD **46.00**/MMBTU

Asian spot liquefied natural gas (LNG) prices were unchanged on the week, with Japan and South Korea well supplied and a new floating terminal in Europe beginning operations. The average LNG price for November delivery into north-east Asia [LNG-AS](#) was \$46 per million British thermal units (mmBtu), unchanged from the week before, industry sources estimated. China's ample inventory and COVID-19 lockdown have cut its gas needs, with LNG demand so far down around 20% year-on-year. In Europe, the new Dutch EemsEnergyTerminal, with a capacity of 8 billion cubic meters (bcm) per year, got its first cargo on Sept. 8 and started flowing gas into the onshore gas network a week later. LNG prices on a delivered ex-ship (DES) basis into north-west Europe (NWE) were assessed at \$44.788/mmBtu on Sept. 15, a discount of \$17.375/mmBtu to October Dutch gas prices.



Technical:

Asia prices stable on solid storage, new Europe terminal. next level to watch 42.50.

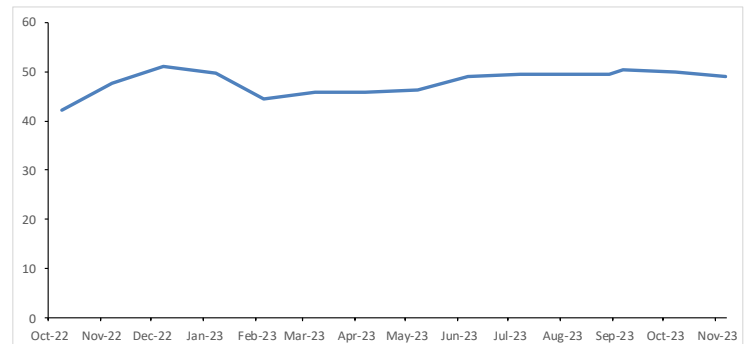
Support:

- 42.50 = Jul 2022 High
- 37.00 = Jun 2022 High

Resistance:

- 70.50 = Aug 2022 High
- 80.00 = Psychological Resistance

Futures Curve



Steel

Last Price USD **789.00**/ tons

Dalian and Singapore iron ore futures fell on Friday after data showed China's property sector contracted further in August, with a seasonal demand boost usually seen beginning September not yet in sight. Property investment last month in the world's top steel producer fell at the fastest pace since December 2021, according to Reuters calculations based on official data. New home prices fell 1.3% year-on-year, the fastest pace since August 2015. The most-traded January iron ore on China's Dalian Commodity Exchange [DCIOcv1](#) ended daytime trade 1.2% lower at 715 yuan (\$101.89) a tonne. On the Singapore Exchange, the steelmaking ingredient's benchmark October iron ore [SZZFV2](#) slumped 2.6% to \$98.05 a tonne, trading below \$100 for the first time this week. Rebar on the Shanghai Futures Exchange [SRBcv1](#) fell 1.6%, hot-rolled coil [SHHCcv1](#) shed 1.3%, and stainless steel [SHSScv1](#) dropped 1.9%.

Technical:

Steel futures fall on China property woes. Next level to watch 765.00.

Support:

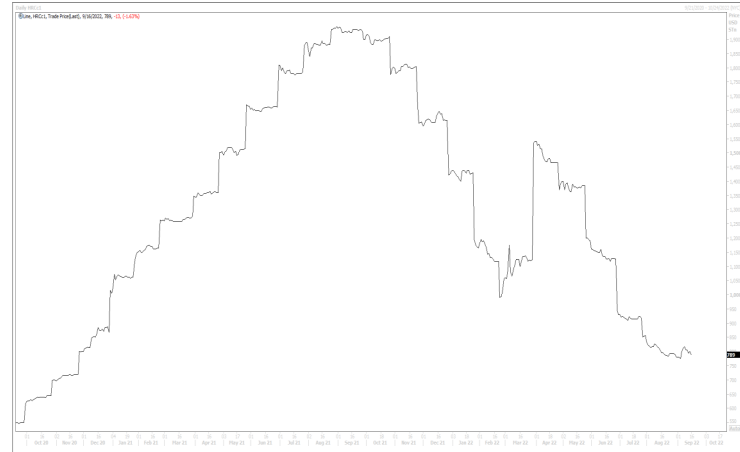
765.00 = Sep 2022 Low

697.00 = Nov 2020 Low

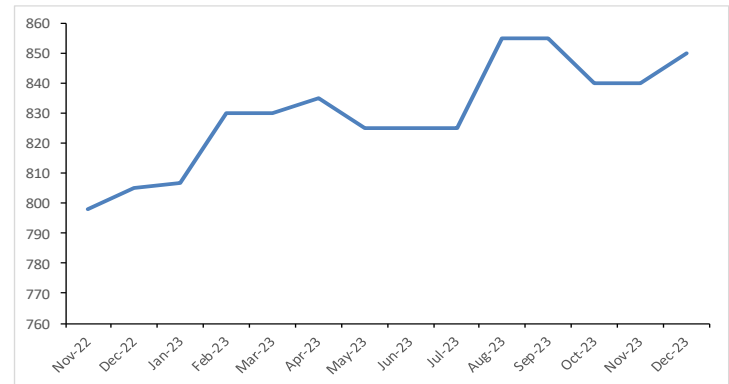
Resistance:

868.00 = Sep 2018 High

930.00 = Jul 2022 High



Futures Curve of SHFE Steel Futures



LME Zinc

Last Price USD **3,153.50**/Tons

Globally the price of scrap steel is going down. Tokyo steel faced another drop for local scrap prices. Turkish market sees sharper fall than expected because of Turkey's import of scrap market is expected to move down. Low demand causes German mills to cut local scrap prices further. US scrap deals in Turkey closed at lower levels, medium term outlook is pessimistic.



Technical:

Nonferrous Metals Closed Mostly with Losses as Investors Pricing in Rate Hike Expectations, next level to watch 3,100.00.

Support:

3,100.00 = Sep 2021 High

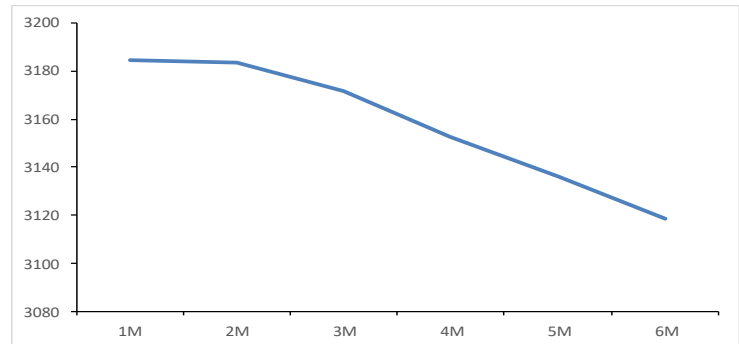
3,032.00 = Aug 2021 High

Resistance:

3,330.00 = Dec 2021 High

3,600.00 = Jan 2021 High

LME Zinc Forward Curve



Scrap Steel

Last Price USD **405.00**/Tons

As steel prices kept going down this week, Chinese steel scrap prices went down accordingly on Tuesday. The current mainstream prices of steel scrap HMS 6mm hover at around RMB(USD408/t) and RMB3,000/t (USD434/t) Ex-VAT delivered D/P respectively in Liaoning and Fujian, both doRMB30/t (USD4/t) from Monday. Upon weakening demand from steel mills, steel scrap prices would fall further in following two days.

Technical:

Another silent week in Turkey's scrap market, Asian market continues to move up. Next level to watch 450.00.

Support:

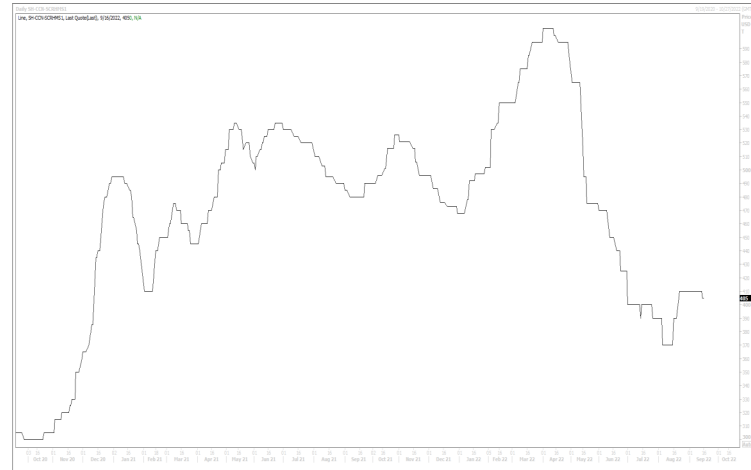
355.00 = Aug 2018 High

315.00 = Jul 2019 High

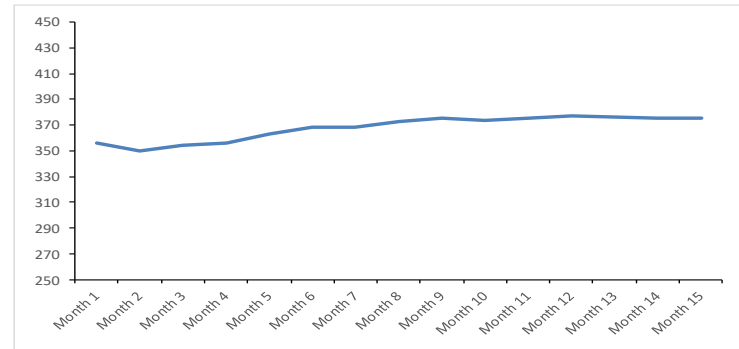
Resistance:

495.00 = Jan 2021 High

526.00 = Nov 2021 High



LME Scrap Steel Forward Curve



Contact

Swift: BRAKBDDH, Reuters Dealing Code: "BRAC", Group email: dealing.room@bracbank.com
Web: www.bracbank.com

Md. Shaheen Iqbal

Head of Treasury & Financial Institutions
E-mail: shaheen.iqbal@bracbank.com
Cell: +880 1713 049433

Fouzia Rahman

Head of Markets, Treasury & Financial Institutions
E-mail: fouzia.rahman@bracbank.com
Cell: +880 1713 493937

Nawshaba Aziz

Sr. Relationship Manager Corporate Sales & FX,
Treasury & Financial Institutions
E-mail: nawshaba.aziz@bracbank.com
Cell: +88 01730 796810

Lailun Nahar Tonny

Sr. Manager, Treasury & Financial Institutions
E-mail: lailunnahar.tonny@bracbank.com
Cell: +88 01730 796820

Mohammad Humayun Rashid

Sr. Manager, Treasury & Financial Institutions
E-mail: humayun.rashid@bracbank.com
Cell: +880 1723 935623

Maruf Hassan

Associate Manager, Treasury & Financial Institutions
E-mail: maruf.hassan29443@bracbank.com
Cell: +880 1847 419487

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