



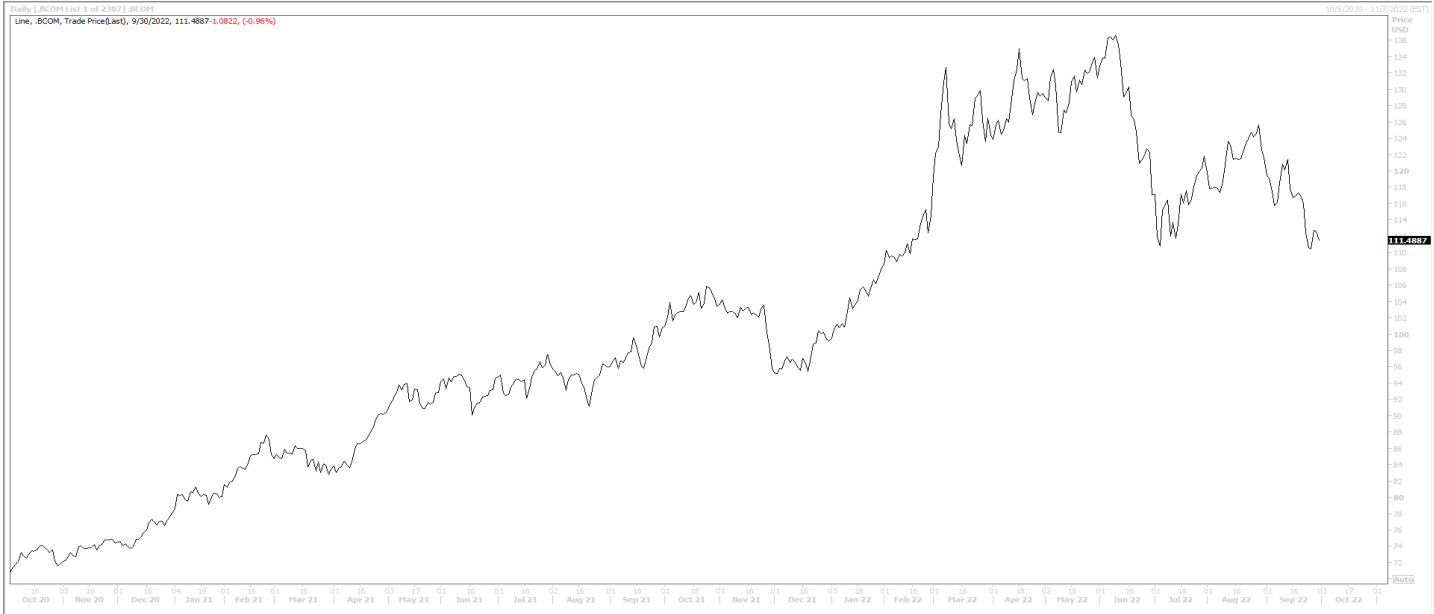
Commodities Weekly

Issue 26-2022

Date: 02 Oct 2022

Bloomberg Commodity Index

111.4887 ▼



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	921.50	▲ 4.66%	▲ 13.91%	▲ 27.02%
Page 5	Sugar	18.42	▲ 0.77%	▲ 2.96%	▼ 7.11%
Page 6	Soybean	1,364.75	▼ 4.28%	▼ 9.47%	▲ 8.66%
Page 7	Palm Oil	718.00	▼ 10.59%	▼ 19.57%	▼ 37.78%
Page 8	Cotton	93.22	▼ 1.34%	▼ 21.19%	▼ 13.53%
Page 9	Brent Crude	87.96	▲ 2.10%	▼ 8.84%	▲ 12.02%
Page 10	LNG	38.50	▼ 8.33%	▼ 45.39%	▲ 43.93%
Page 11	Steel	776.00	▼ 3.24%	▼ 0.51%	▼ 59.16%
Page 12	LME Zinc	2,968.00	▼ 1.33%	▼ 14.21%	▼ 0.67%

Wheat

Last Price

USc **921.50**/BSH

Chicago wheat spiked on Friday, supported by a drastic cut to U.S. production estimates by the Agriculture Department, and Russia's annexation of parts of Ukraine followed by increased U.S. sanctions. CBOT December soft red winter wheat [WZ2](#) soared 25-1/4 cents to \$9.21-1/2 per bushel, after reaching \$9.45-3/4 a bushel, its highest since July 11. For the week, the most-active wheat contract [Wv1](#) added 4.66%, its biggest weekly gain since Sept. 9. K.C. December hard red winter wheat [KWZ2](#) added 24-3/4 cents to \$9.91-1/2 a bushel after topping out at \$10.10-3/4 midday, while MGEX December spring wheat [MWEZ2](#) climbed 16 cents to \$9.82 a bushel.

Technical:

Wheat soars on U.S. output cuts, Russian annexation of Ukraine land. Next level to watch 950.00.

Support:

888.00 = Jul 2022 High

827.00 = Aug 2022 High

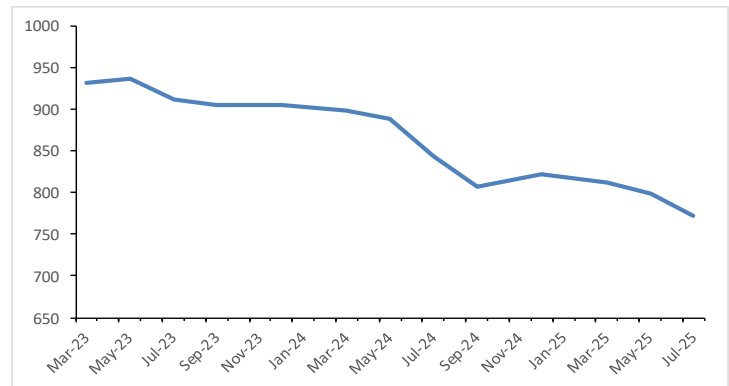
Resistance:

951.25 = Feb 2022 High

1,029.25 = May 2022 Low



Futures Curve



Sugar

Last Price

USc **18.42**/LBS

Raw sugar futures on ICE closed basically stable on Friday as the market focused on the expiry of the October contract. October raw sugar contract [SBV2](#) expired on Friday little changed, at 18.42 cents per lb. The market continued to derive support from short-term supply tightness with October trading at a sizeable premium to March [SB-1=R](#). [Deliveries against the contract](#) were at nearly 745,000 tonnes, significantly higher than around 222,250 tonnes against last year's October contract but well below the record 2.58 million tendered in 2020. Mills in Brazil were looking to use as much cane as possible to [make sugar rather than biofuel ethanol](#), as sugar was currently more profitable. December white sugar [LSUc1](#) fell \$1.10, or 0.2%, at \$528.70 a tonne.

Technical:

Raw sugar prices little changed as Oct contract expires, next level to watch 18.81.

Support:

16.73 = Jul 2021 Low

14.68 = Apr 2021 Low

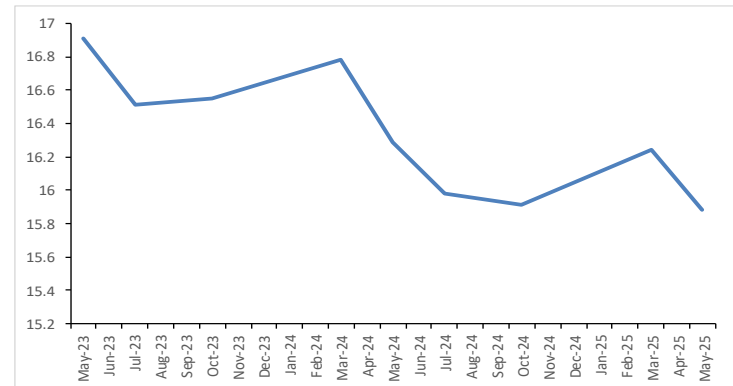
Resistance:

18.81 = Jul 2021 High

19.59 = Jul 2022 High



Futures Curve



Soybean

Last Price USc **1,364.75**/BSH

Chicago Board of Trade soybean futures plummeted on Friday, pressured after the U.S. Agriculture Department increased its stockpile assessment beyond analyst expectations. CBOT November soybeans [SX2](#) settled 46 cents lower at \$13.64-3/4 per bushel, its lowest since Aug. 4. For the week, the most-active soybean contract [Sv1](#) lost 4.28%, its biggest weekly decline since the week ended June 24, 2022. CBOT December soy meal [SMZ2](#) lost 4.2 cents to \$403.00 per short ton while December soy oil [BOZ2](#) fell 2.30 cents to finish at 61.56 cents per lb.



Technical:

Soybeans fall in increased U.S. stocks, next level to watch 1,330.00.

Support:

1,332.00 = Jan 2022 Low

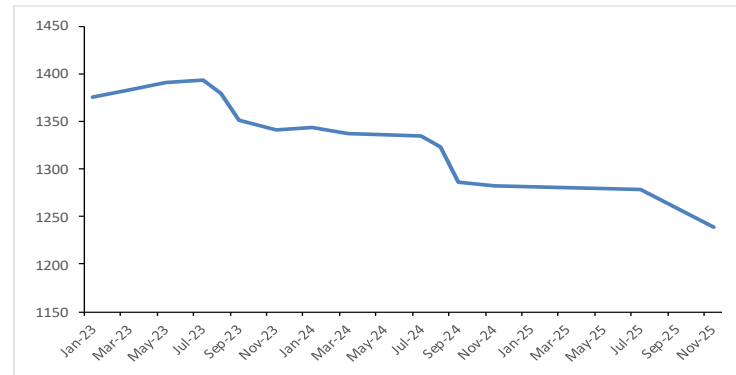
1,262.50 = Oct 2021 High

Resistance:

1,443.75 = Aug 2022 Low

1,480.00 = Jul 2021 Low

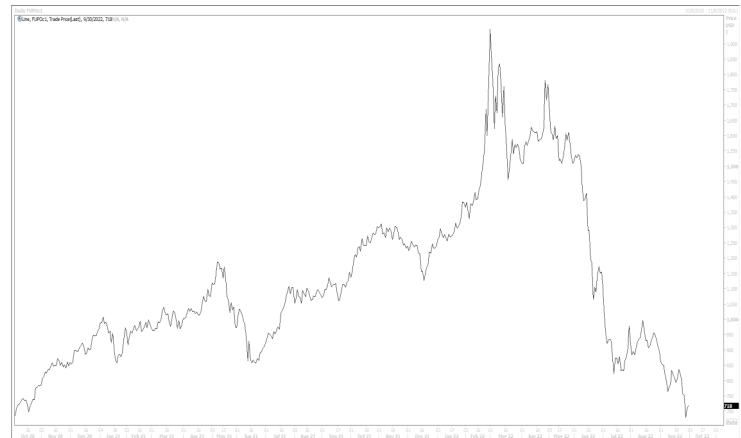
Futures Curve



Palm Oil

Last Price USc **718.00**/BSH

Malaysian palm oil futures climbed for a second day on Friday, tracking gains in soyoil and crude oil prices, but the contract fell for a fifth straight month on concerns about oversupply and weakening demand. The benchmark palm oil contract [FCPOc3](#) for December delivery on the Bursa Malaysia Derivatives Exchange closed 2.27% higher at 3,418 ringgit (\$737.43) per tonne. It has lost 8.5% this week, hitting its lowest in over 1-1/2 years earlier this week after a leading analyst warned of an impending slump in prices amid global market turmoil. The benchmark declined about 17.5% this month, its biggest monthly drop since June. Soyoil prices on the Chicago Board of Trade [BOc2](#) were little changed during Asia hours, after rising 2.75 overnight. Dalian's most-active soyoil contract [DBYv1](#) rose 0.75%, while its palm oil contract [DCPv1](#) gained 0.91%.



Technical:

Palm logs fifth monthly drop on oversupply concerns, next level to watch 680.00.

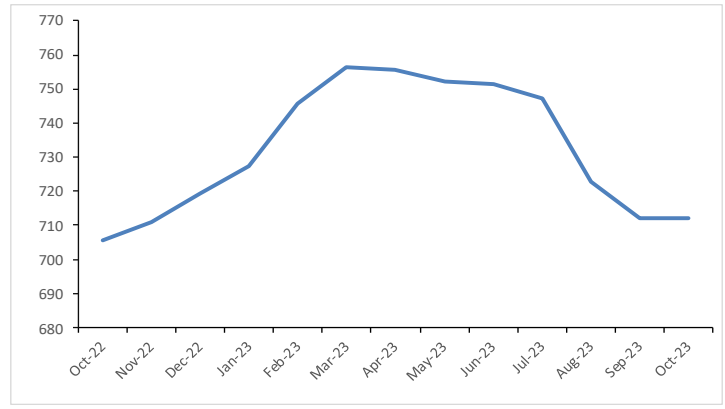
Support:

680.00 = Sep 2022 Low
608.00 = Mar 2020 High

Resistance:

784.00 = Oct 2022 High
865.00 = Jun 2021 Low

Futures Curve



Cotton

Last Price

USc **93.22**/LBS

ICE cotton futures dipped on Friday on persistent demand concerns, a trend that has put the second-month contract on track for one of its worst months on record, with additional pressure from incoming supplies from the new harvest. Cotton contract for December [CTZ2](#) dropped 1.41 cents, or 1.7%, to 83.75 cents per lb by 12:31 p.m. EDT, their lowest since July 15. The second month contract [CTc2](#) has lost over 25% in September, its worst month since May 1986, which was its biggest fall ever since 1980. Export demand has been down, and is weighing on the market, along with recession concerns overall. Cotton prices have lost over 20% en route to a second straight quarterly fall.



Technical:

Cotton faces steep monthly slump as demand headaches grow. Next level to watch 89.00.

Support:

89.79 = Sep 2021 Low

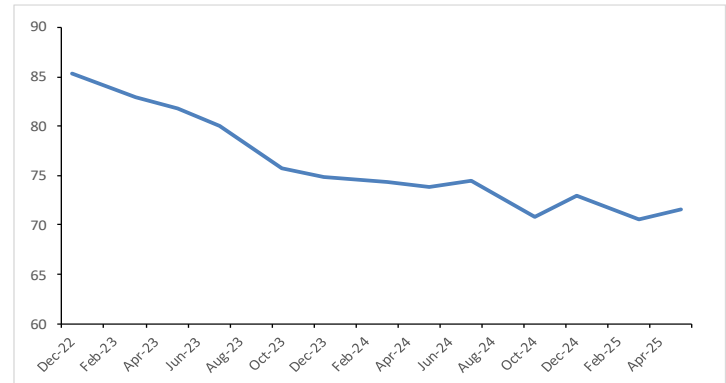
82.30 = Jun 2021 Low

Resistance:

109.00 = Jul 2022 High

115.33 = Dec 2021 High

Futures Curve

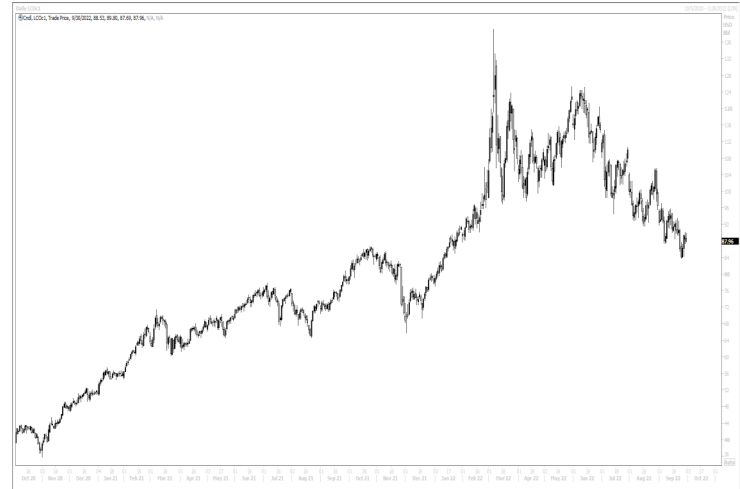


Brent Crude

Last Price

USD **87.96**/BBL

Oil prices dipped on Friday in choppy trading but notched their first weekly gain in five on Friday, underpinned by the possibility that OPEC+ will agree to cut crude output when it meets on Oct. 5. Brent crude [LC0c1](#) futures for November, which expire on Friday, fell 53 cents, or 0.6%, to \$87.96 a barrel. The more active December contract [LC0c2](#) was down \$2.07 at \$85.11. U.S. West Texas Intermediate (WTI) crude [CLc1](#) futures fell \$1.74, or 2.1%, to \$79.49. Both contracts rose by more than \$1 during the session but dropped on news that OPEC's oil output rose in September to its highest since 2020, surpassing a pledged hike for the month. Brent and WTI gained 2% and 1% on a weekly basis, marking the first weekly rise since August and following nine-month lows hit this week.



Technical:

Oil falls but notches weekly gain as OPEC+ considers output cut, next level to watch 80.00.

Support:

80.75 = Sep 2021 High

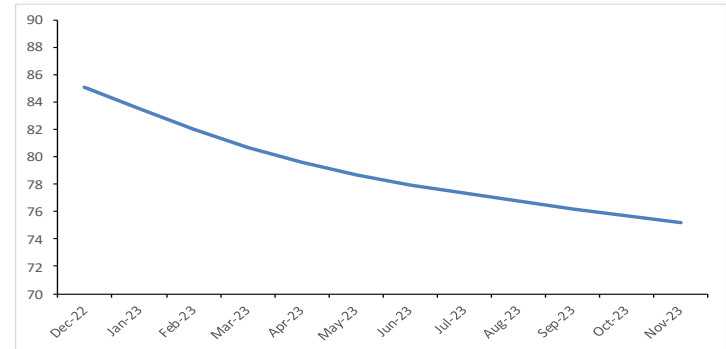
77.04 = Jan 2022 Low

Resistance:

91.51 = Aug 2022 Low

97.57 = Apr 2022 Low

Futures Curve



LNG

Last Price

USD **38.50**/MMBTU

Asian spot liquefied natural gas (LNG) prices fell this week as sufficient supply and muted Chinese demand have disconnected the market from Europe, where gas prices rose after leaks were found on the Nord Stream pipelines. The average LNG price for November delivery into north-east Asia LNG-AS was \$38.5 per million British thermal units (mBtu), down \$3.50, or 8.3% pct, from the previous week. In Europe, prices rose earlier this week after the Nord Stream gas pipeline system on the bed of the Baltic Sea sustained unprecedented damage, with no clarity when the system would be restored. Europe continues to attract strong volumes of LNG and the new Dutch Eemshaven port is looking busy with a steady cargo flow, flowing out gas into the Dutch grid at 18 mcm/day rate. The Atlantic spot LNG freight rates jumped 91% from the previous week, hitting \$318,250 per day on Friday, just below the all time high of \$322.5 from January 2021.

Technical:

Asia LNG prices slides further; Europe prices to remain high. next level to watch 35.00.

Support:

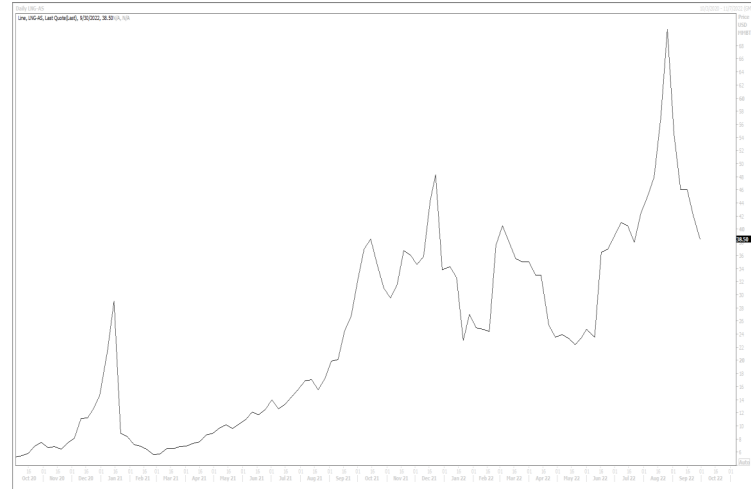
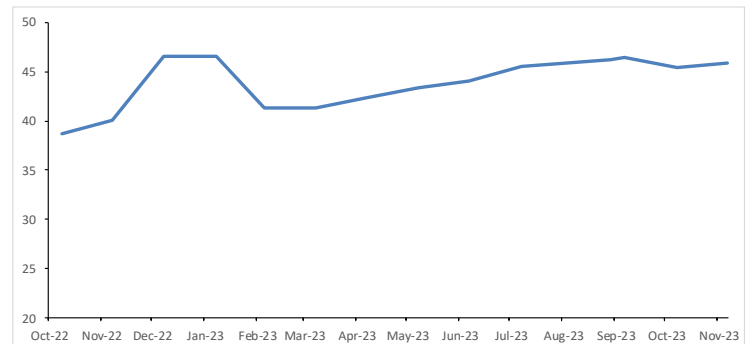
35.00 = Apr 2022 High

29.50 = Dec 2021 Low

Resistance:

42.50 = Jul 2022 High

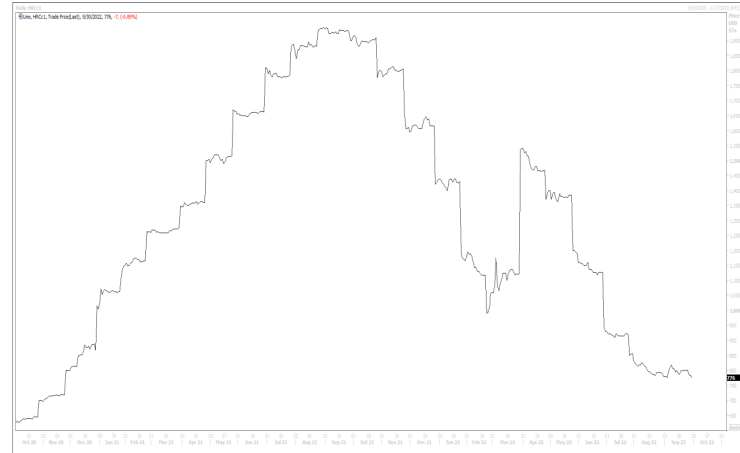
54.50 = Sep 2022 High

**Futures Curve**

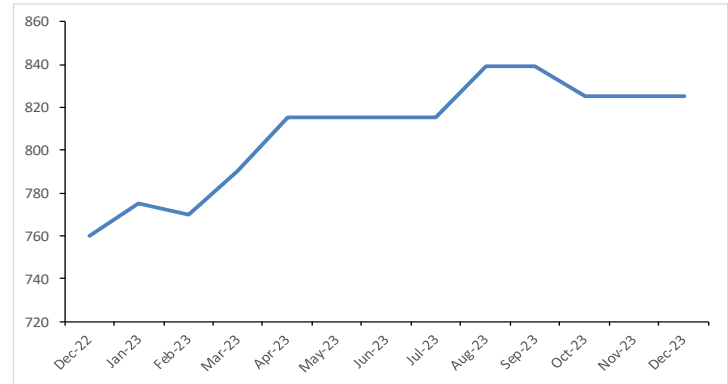
Steel (HRC)

Last Price USD **776.00**/ tons

Dalian and Singapore iron ore marked their second quarterly losses, despite some gains on Friday, as worries over a stringent zero-COVID policy and property sector jitters in top steel producer China continued to dominate markets. The most-traded January iron ore on China's Dalian Commodity Exchange [DCIOcv1](#) closed 0.1% higher at 721.50 yuan (\$101.66) a tonne, off the day's high of 730.50 yuan. On the Singapore Exchange, benchmark October iron ore [SZZFV2](#) was up 0.6% at \$96 a tonne, as of 0747 GMT, below session-high \$97.55. In the spot market, the benchmark 62%-grade iron ore bound for China was somewhat steady this week at around \$100 a tonne, down 18% from the previous quarter. [SH-CCN-IRNOR62](#) Rebar [SRBcv1](#) and hot-rolled coil [SHHCcv1](#) on the Shanghai Futures Exchange both fell 0.9%, while stainless steel [SHSScv1](#) climbed 1.1%.



Futures Curve of SHFE Steel Futures



Technical:

Iron ore marks quarterly losses on China COVID, property woes. 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 **2,968.00**/Tons

Shanghai nonferrous metals closed mostly with gains on the last trading day ahead of the National Day holiday. The higher-than-expected Chinese manufacturing data boosted the demand outlook for the world's largest metal consumer, while the London Metal Exchange (LME) may remove more brands of metal produced by Russian companies from the exchange's deliverable list, also a bullish call. The most-traded SHFE 2211 zinc closed up 0.02% or 5 yuan/mt at 23,670 yuan/mt, with open interest down 3,920 lots to 103,351 lots. SHFE zinc was stable as a whole today. Despite pressure from the macro front, downstream restocking ahead of the National Day holiday pulled down zinc ingot social inventory by 21,600 mt to 71,100 mt. Low spot inventory underpinned zinc prices. LME zinc is worth attention during the week-long holiday.



Technical:

Shanghai Nonferrous Metals Closed Mostly with Gains amid China Manufacturing PMI, next level to watch 2,900.00.

Support:

2,875.00 = Jul 2022 Low

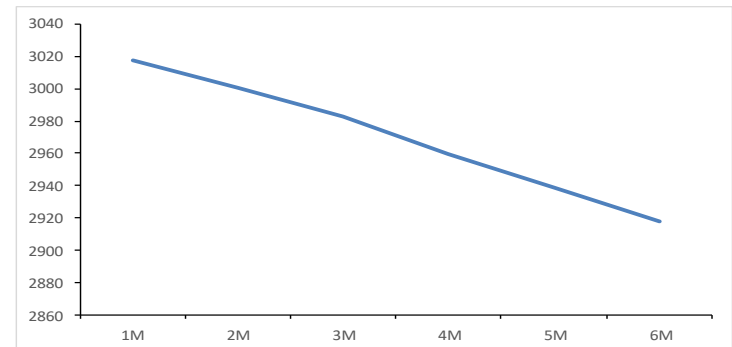
2,822.50 = Jun 2021 Low

Resistance:

3,259.50 = Sep 2022 High

3,308.50 = Jul 2022 High

LME Zinc Forward Curve



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