



Commodities Weekly

Issue 01-2022

Date: 04 Jan 2022

Bloomberg Commodity Index



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(%)	MTM Change(%)	YTD Change(%)
Page 4	Wheat	770.75	▼ 5.40%	▼ 4.43%	▲ 20.34%
Page 5	Sugar	18.88	▼ 1.87%	▲ 1.40%	▲ 21.89%
Page 6	Soybean	1,328.75	▼ 0.24%	▲ 6.79%	▲ 1.03%
Page 7	Cotton	112.60	▲ 3.19%	▲ 3.40%	▲ 44.14%
Page 8	Steel	1,435.00	▼ 11.20%	▼ 10.31%	▲ 42.79%
Page 9	Brent Crude	77.78	▲ 2.15%	▲ 11.64%	▲ 50.15%
Page 10	LME Zinc	3,534.00	▲ 0.43%	▲ 12.33%	▲ 28.46%
Page 11	Scrap Steel	468.00	▼ 1.06%	▼ 5.65%	▼ 5.45%

Wheat

Last Price USc **770.75**/BSH

Wheat futures were up 20.3% for the year, their fifth straight yearly gain and their biggest since 2010. Crop problems in Australia and worries about export curbs in Russia have supported the wheat market through 2021. Wheat futures were under pressure from forecasts for rain and snow that will boost soil moisture in the U.S. Plains, which will be beneficial to the dormant crop there. CBOT March soft red winter wheat WH2 was down 9 cents at \$7.70-3/4 a bushel. On a continuous basis, the most-active contract Wv1 hit its lowest level since Dec. 20.



Technical:

Wheat up over 20% in 2021. Next level to watch 800.00.

Support:

751.00 = Dec 2021 Low

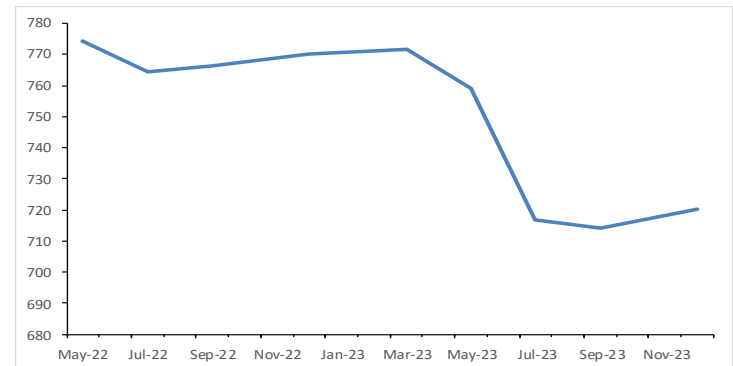
712.75 = Oct 2021 Low

Resistance:

863.25 = Nov 2021 High

919.50 = Nov 2012 High

Futures Curve



Sugar

Last Price USc **18.88/LBS**

March raw sugar [SBc1](#) was 0.4% higher at 18.85 cents per lb. The market had been boosted this year by declining stocks with a global deficit in the 2020/21 season(October/September) generally expected to be followed by another deficit in the current 2021/22 season. [SUG/POLL](#) Raw sugar prices are on track to end the year with an annual gain of about 22%. March white sugar [LSUc1](#) rose 0.4% to \$496.70 a tonne. White sugar prices are on track to end the year with an annual gain of about 18%.



Technical:

Sugar edges up, next level to watch 19.50.

Support:

18.55 = Nov 2021 High

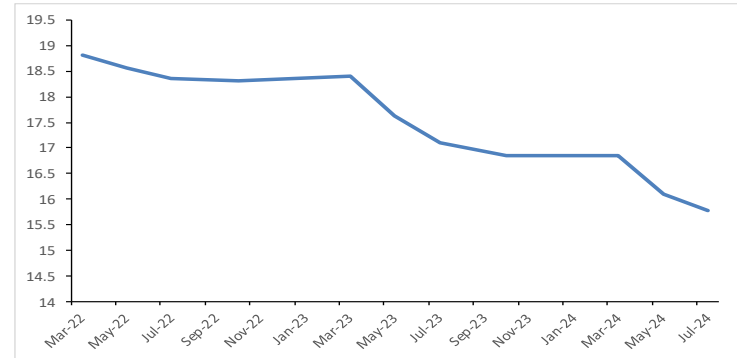
17.98 = Apr 2021 High

Resistance:

19.90 = Dec 2021 High

20.37 = Aug 2021 High

Futures Curve



Soybean

Last Price

USc **1,328.75**/BSH

Chicago Board of Trade soybean futures firmed slightly on Friday, with traders noting some bargain hunting after the most-active contract [Sv1](#) notched its biggest decline since mid-October on Thursday. South American crop prospects were in focus as traders waited for early harvest results from key export competitor Brazil. The benchmark CBOT March soybean futures contract [SH2](#) found support at its 10-day moving average, a level it has not dipped below since Dec. 16. CBOT March soybeans [SH2](#) settled up 3/4 cent at \$13.39-1/4 a bushel. For the year, soybean futures [Sv1](#) were up 2.2%, their third straight annual gain. CBOT March soymeal futures [SMH2](#) were down \$4.60 at \$399.10 a ton and CBOT March soyoil [BOH2](#) was up 0.45 cent at 56.53 cents per lb.



Technical:

CBOT soybeans close firm on bargain buying, next level to watch 1,400.00.

Support:

1,262.50 = Oct 2021 High

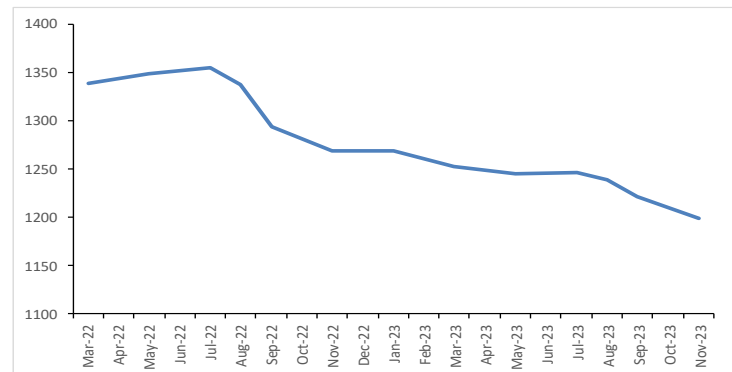
1,216.25 = Dec 2021 Low

Resistance:

1,438.25 = Jan 2021 High

1,480.00 = Jul 2021 High

Futures Curve



Cotton

Last Price

USc **112.60**/LBS

ICE cotton futures rose to a more than one-month high in thin year-end trading on Thursday, on expectations of strong demand for the natural fiber, while growing appetite for riskier assets also seeped into the U.S. cotton market. The cotton contract for March [CTH2](#) was up 1.14 cent, or 1%, at 114.13 cents per lb by 13:06 ET (1806 GMT). Prices rose to their highest level since Nov. 26 at 115.33 cents. The U.S. Department of Agriculture (USDA) weekly export sales report showed net sales of 192,200 running bales, down 21% from the previous week and 40% from the prior 4-week average, with China being the top buyer. [EXP/COT](#)



Technical:

Cotton hits over 1-month peak on strong demand view, risk-on move, next level to watch 120.00.

Support:

105.01 = Dec 2021 Low

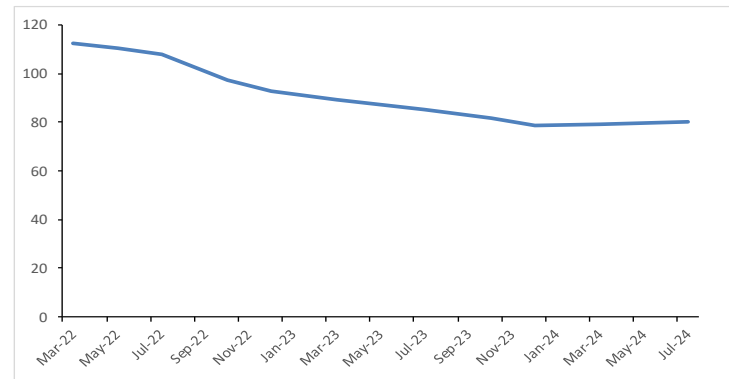
103.50 = Oct 2021 Low

Resistance:

113.25 = Dec 2021 High

121.67 = Nov 2021 High

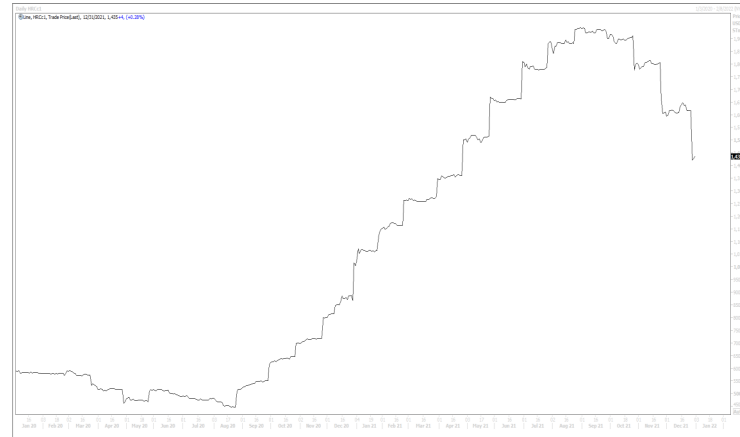
Futures Curve



Steel

Last Price USD **1,435.00**/ tons

China vowed to keep its 2021 crude steel output below the record 1.065 billion tonnes it made last year, which was seen as impossible by the sector amid a construction boom and manufacturing mania. That helped shore up steel prices throughout the first three quarters of 2021. However, an unexpected debt crisis at property firms in the last quarter spilled over into the ferrous sector, raising concerns about future demand if China tries to wean itself off construction stimulus. Futures for steel rebar, used in the construction sector, on the Shanghai Futures Exchange [SRBcv1](#) are set to rise 3.6% this year. Hot rolled coils [SHHCcv1](#), used in cars and home appliances, headed for a 5.7% increase. Shanghai stainless steel futures [SHSScv1](#), underpinned by raw material nickel prices, were on course for a near 50% increase.



Technical:

Steel prices stall. Next level to watch 1,500.00.

Support:

1348.00 = Mar 2021 High

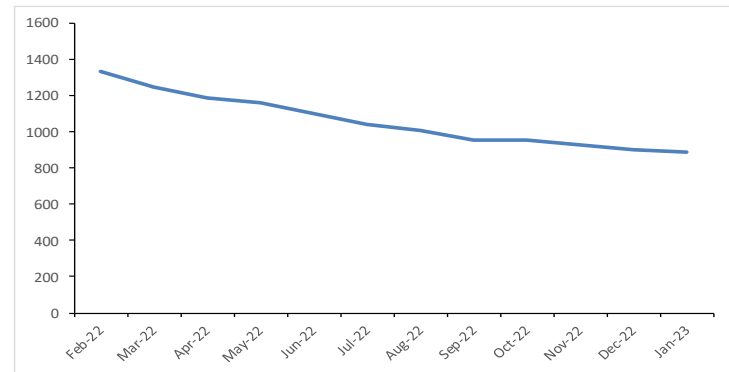
1156.00 = Jan 2021 High

Resistance:

1505.00 = Apr 2021 High

1,680.00 = May 2021 High

Futures Curve of SHFE Steel Futures



Brent Crude

Last Price

USD **77.78**/BBL

Oil prices fell on Friday but were set to post their biggest annual gains since at least 2016, spurred by the global economic recovery from the COVID-19 pandemic slump and producer restraint, even as infections reached record highs worldwide. Brent crude futures settled down \$1.75, or 2.2%, at \$77.78 a barrel. U.S. West Texas Intermediate (WTI) crude futures [CLc1](#) dropped \$1.78, or 2.31%, to \$75.21 a barrel. Brent ended the year up 50.5%, its biggest gain since 2016, while WTI posted a 55.5% gain, the strongest performance for the benchmark contract since 2009, when prices soared more than 70%. Both contracts touched their 2021 peak in October, with Brent at \$86.70 a barrel, the highest since 2018, and WTI at \$85.41 a barrel, the highest since 2014. It is the first reduction in the 2022 price forecast since the August poll.

[LCOPOLLYZ2](#)



Technical:

Oil posts biggest annual gain since at least 2016, next level to watch 80.00.

Support:

71.75 = Jan 2020 High

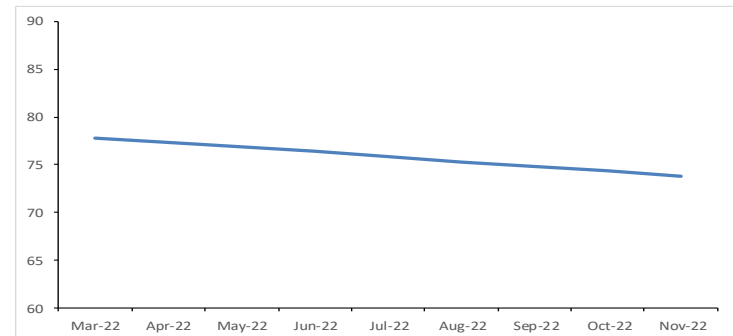
67.70 = Feb 2021 High

Resistance:

77.84 = Jul 2021 High

80.75 = Sep 2021 High

Futures Curve



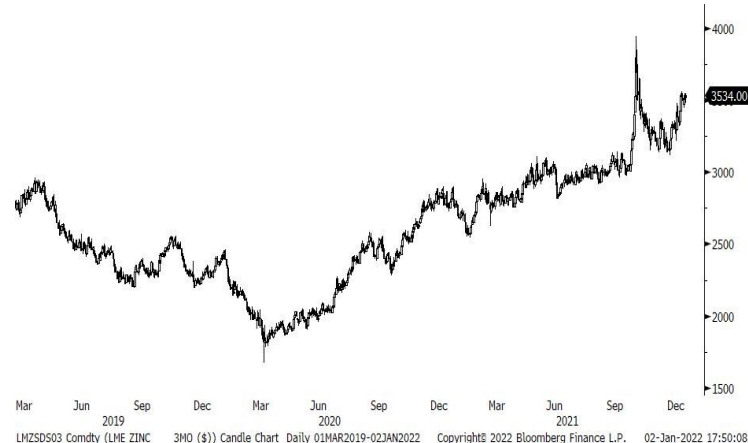
LME Zinc

Last Price

USD **3,534.00**/Tons

The most-traded SHFE 2202 zinc closed up 0.33% or 80 yuan/mt at 24125 yuan/mt, with open interest down 8028 lots to 89750 lots.

The demand and supply of zinc was generally stable. Though the supply side was constrained, the demand side weakened as well. Some galvanising and zinc oxide plants in north China was restricted by the upcoming Winter Olympics. The traders, on the other hand, was busy liquidating their inventories, and the speculation demand was low.



Technical:

Nonferrous Metals Closed Mixed ahead of the Christmas, next level to watch 3,550.00.

Support:

3,482.00 = Dec 2021 High

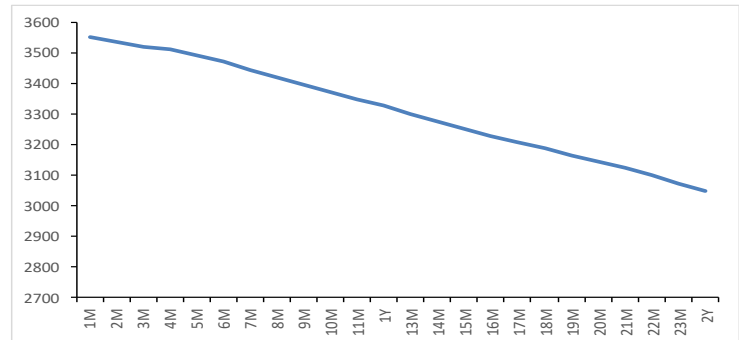
3,117.50 = Sep 2021 High

Resistance:

3,655.50 = Oct 2021 High

3,944.50 = Oct 2021 High

LME Zinc Forward Curve



Scrap Steel

Last Price

USD **468.00**/Tons

Turkish steelmakers remained silent in deep-sea steel scrap import markets on the last day of the year due to festivities, sources told Fastmarkets on Friday December 31. Only two deep-sea cargo deals have been heard so far in the week. Import scrap prices down in India on thin demand, Pakistan prices stable Prices for import scrap in India and Pakistan diverged in the week ended Friday December 31. Indian market prices decreased amid subdued demand, while prices in Pakistan held stable due to customers' activity despite the holiday period. Vietnam's scrap import market experienced thin trading this week amid the year-end festive season.

Technical:

Mills remain quiet in steel scrap import markets, next level to watch 500.00.

Support:

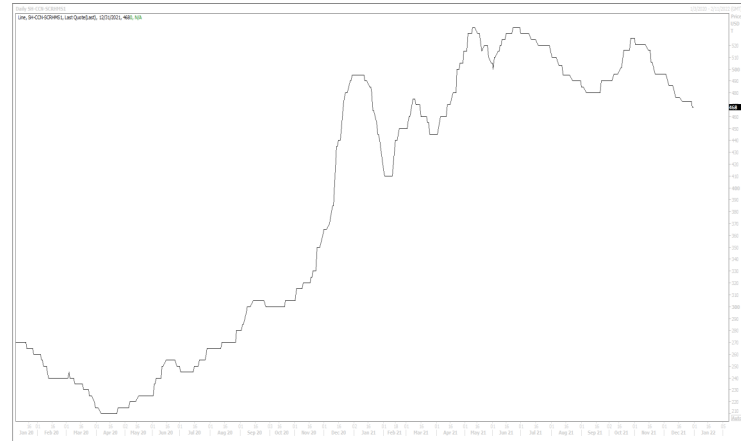
445.00 = Mar 2021 Low

410.00 = Feb 2021 Low

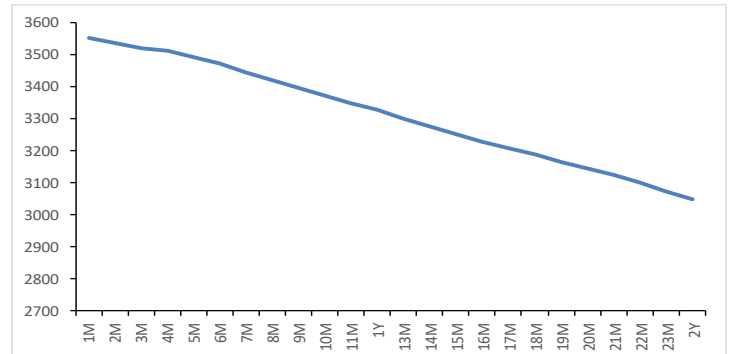
Resistance:

526.00 = Oct 2021 High

565.00 = Sep 2008 High



LME Scrap Steel Forward Curve



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