



# Commodities Weekly

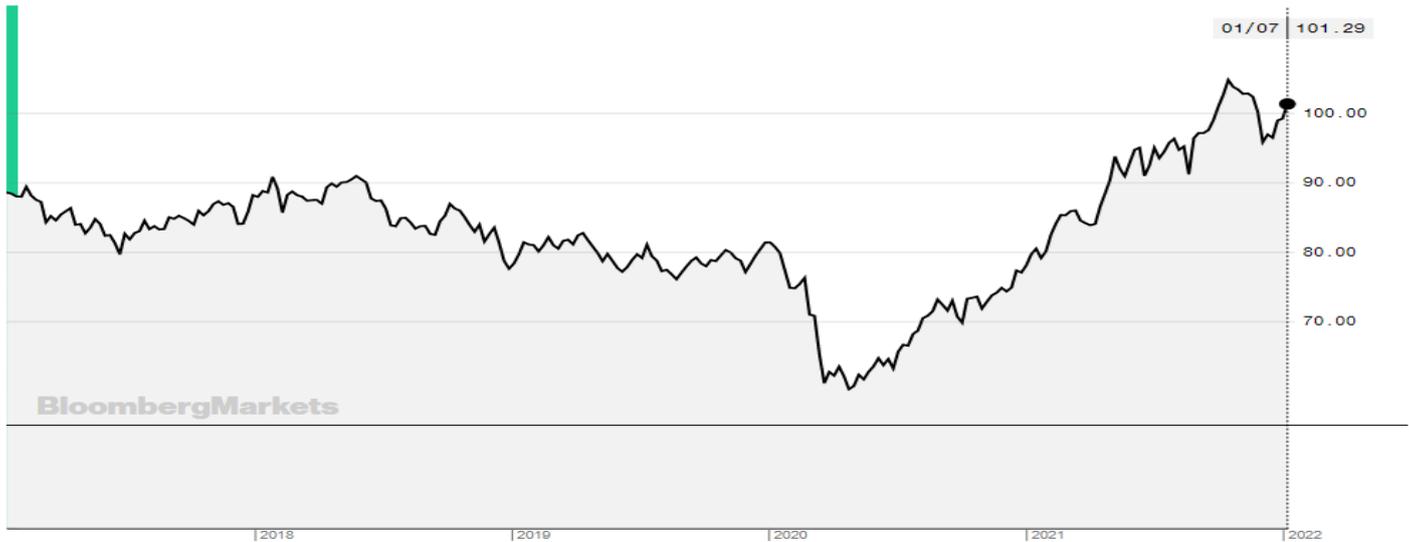
Issue 02-2022

Date: 10 Jan 2022

# Bloomberg Commodity Index

**101.29** USD +0.50 +0.50% ▲

1D 1M 6M YTD 1Y **5Y**



BloombergMarkets

**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(%)
<a href="#">Page 4</a>	Wheat	758.25	▼ 1.62%	▼ 1.62%	▼ 1.62%
<a href="#">Page 5</a>	Sugar	18.05	▼ 4.40%	▼ 4.40%	▼ 4.40%
<a href="#">Page 6</a>	Soybean	1,401.25	▲ 5.46%	▲ 5.46%	▲ 5.46%
<a href="#">Page 7</a>	Cotton	115.12	▲ 2.24%	▲ 2.24%	▲ 2.24%
<a href="#">Page 8</a>	Steel	1,415.00	▼ 1.39%	▼ 1.39%	▼ 1.39%
<a href="#">Page 9</a>	Brent Crude	81.75	▲ 5.10%	▲ 5.10%	▲ 5.10%
<a href="#">Page 10</a>	LME Zinc	3,533.00	▼ 0.03%	▼ 0.03%	▼ 0.03%
<a href="#">Page 11</a>	Scrap Steel	468.00	↔ 0.00%	↔ 0.00%	↔ 0.00%

# Wheat

Last Price

USc **758.25**/BSH

U.S. wheat futures gained on Friday, supported by a stronger grains market and technical buying after a weekly drop. CBOT March soft red winter wheat [WH2](#) settled 12-1/2 cents higher at \$7.58-1/2 a bushel, after falling to \$7.35-1/2, its lowest price since Oct. 15, 2021. CBOT's most-active wheat lost 12-1/4 cents, down 1.59%. K.C. hard red winter wheat for March delivery [KWH2](#) added 6-1/2 cents to \$7.75 a bushel, while MGEX March spring wheat [MWEH2](#) lost 1/2 cent to end at \$9.23-1/4 a bushel. Jordan's state grain buyer has issued an international tender to buy 120,000 tonnes of milling wheat which can be sourced from optional origins. Brazil was able to clear two wheat shipments at its key Santos port after a few days of delay caused by a protest by agricultural tax collectors as part of their campaign for higher wages.

## Technical:

Wheat futures up on technical support, but end week lower. Next level to watch 735.00.

## Support:

735.25 = Jan 2022 Low

712.75 = Oct 2021 Low

## Resistance:

824.00 = Dec 2021 High

863.25 = Nov 2021 High



## Futures Curve



# Sugar

Last Price

USc **18.05**/LBS

March raw sugar [SBc1](#) was 0.3% lower at 18.14 cents per lb after falling to a five-month low of 18.06 cents. An improving outlook for cane production in Brazil following recent rains had helped to put the market on the defensive. Cane harvests in India and Thailand have also started well and production in both countries could potentially be slightly higher than expected. March white sugar [LSUc1](#) rose 0.02% to \$486.20 a tonne. Speculators reduced their bullish bets in futures of raw sugar on ICE U.S. in the week to Dec. 4. Money managers and hedge funds reducing their bullish bet in sugar by 13,160 contracts to 88,112.

## Technical:

Sugar hits 5-month low, next level to watch 17.70.

## Support:

17.74 = Aug 2021 Low

16.73 = Jul 2021 Low

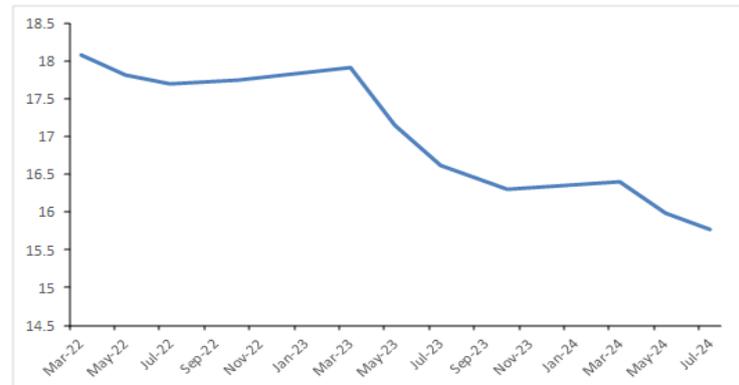
## Resistance:

19.90 = Dec 2021 High

20.37 = Aug 2021 High



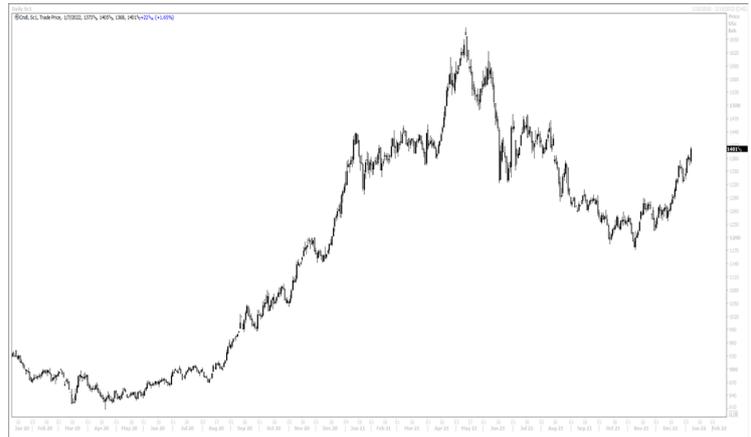
## Futures Curve



# Soybean

Last Price USc **1,401.25**/BSH

Chicago Board of Trade soybean futures rallied on Friday, underpinned by stronger soymeal futures and persistent dryness in Argentina and parts of Brazil. CBOT March soybeans [SH2](#) gained 23 cents to end at \$14.10-1/4 a bushel. CBOT's most-active soybean contract added 71 cents, a 7.47% gain for the week. CBOT March soymeal futures [SMH2](#) added \$14.00 to \$425.00 a ton, notching life-of-contract highs in all contract months. CBOT March soyoil [BOH2](#) fell 0.12 cents to 58.78 cents per lb.



**Technical:**

Soybeans climb on strong soymeal demand, next level to watch 1,450.00.

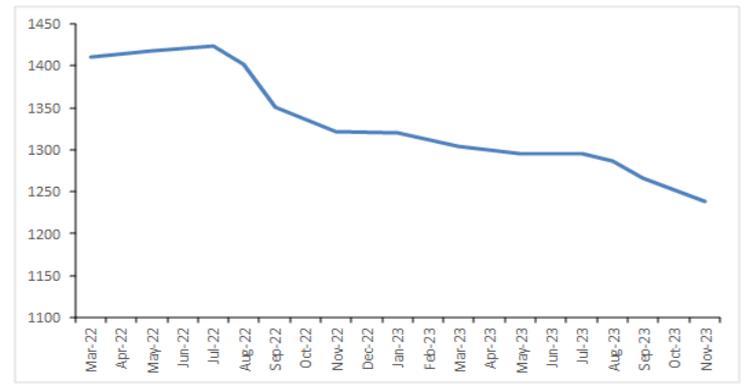
**Support:**

1,364.25 = Mar 2021 Low  
 1,298.00 = Jan 2021 Low

**Resistance:**

1,466.00 = Aug 2021 High  
 1,480.00 = Jul 2021 High

**Futures Curve**



# Cotton

Last Price

USc **115.12**/LBS

ICE cotton futures rose on Friday and were on track to gain for a fifth straight week, as a weaker U.S. dollar made the natural fiber less expensive for overseas buyers. The cotton contract for March [CTH2](#) was up 0.44 cent, or 0.4%, at 115.16 cents per pound. The contract is up more than 2% so far this week. The U.S. dollar was down 0.5% against a basket of major currencies on the heels of the December jobs report that missed expectations. [USD/](#) The U.S. Department of Agriculture's weekly export sales report showed net sales of 143,200 running bales [RB](#) for 2021/2022, down 26% from the previous week. Exports were at 104,900 RB, down 35% from the previous week. [EXP/COT](#) Total futures market volume fell by 10,250 to 11,869 lots.

## Technical:

Cotton posted fifth straight weekly rise on softer dollar, next level to watch 117.50.

## Support:

111.50 = Nov 2021 Low

107.80 = Sep 2021 High

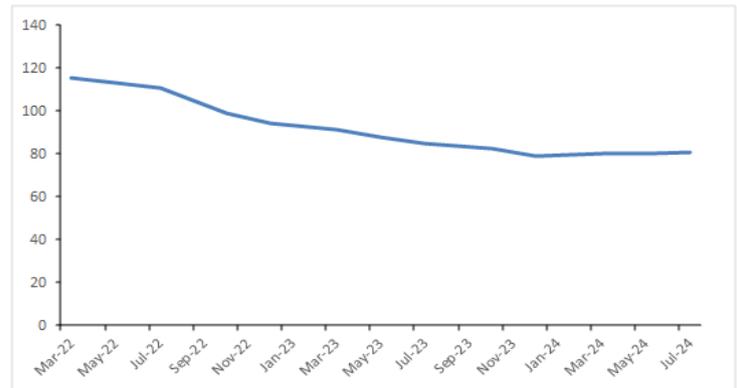
## Resistance:

117.68 = Jan 2022 High

121.67 = Nov 2021 High



## Futures Curve



# Steel

Last Price USD **1,415.00**/ tons

Dalian iron ore rose on Friday and advanced nearly 6% this week after market returned from New Year holidays feeling optimistic about potential demand recovery in top steel producer China. Iron ore's most-active May contract on China's Dalian Commodity Exchange ended daytime trading 1.4% higher at 719 yuan (\$112.78) a tonne, rising for a fourth straight session and touching 725.50 yuan earlier in the day, its highest since Oct. 27. Steel products were also firmer, with construction steel rebar on the Shanghai Futures Exchange up 1.2%, while hot-rolled coil climbed 1.6%, both rising for a fourth straight session. Dalian coking coal slumped 3.2% after a six-session rally, while coke shed 0.8% following three days of gains. Shanghai stainless steel slipped 0.7% and was down 2% for the week, after three consecutive weekly gains.

### Technical:

China steel hopes drives iron ore demand. Next level to watch 1,500.00.

### Support:

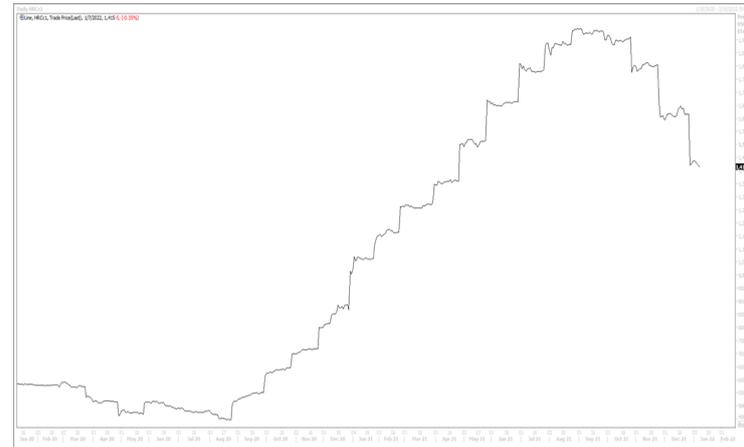
1348.00 = Mar 2021 High

1156.00 = Jan 2021 High

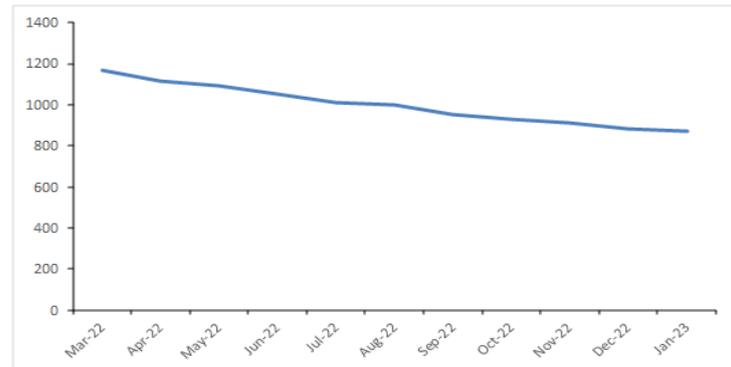
### Resistance:

1505.00 = Apr 2021 High

1,680.00 = May 2021 High



Futures Curve of SHFE Steel Futures



# Brent Crude

Last Price

USD **81.75**/BBL

Oil prices settled lower on Friday, as the market weighed supply concerns from the unrest in Kazakhstan and outages in Libya against a U.S. jobs report that missed expectations and its potential impact on Federal Reserve policy. Brent crude [LCOc1](#) settled down 24 cents, or 0.3%, to \$81.75 a barrel, while U.S. West Texas Intermediate (WTI) crude [CLc1](#) was down 56 cents, or 0.7%, at \$78.90 a barrel. Brent gained 5.2%, while WTI gained 5% in the first week of the year, with prices at their highest since late November, spurred on by the supply concerns. Production in Libya has dropped to 729,000 barrels per day from a high of 1.3 million bpd last year, partly due to pipeline maintenance work. Both benchmarks were up \$1 earlier in the session but oil, along with stock markets and the dollar, came under pressure after U.S. employment figures missed expectations. [MKTS/GLOB](#)

## Technical:

Oil gains 5% in the week on Kazakh, Libyan concerns, next level to watch 85.00.

## Support:

80.75 = Sep 2021 High

76.60 = Jun 2021 High

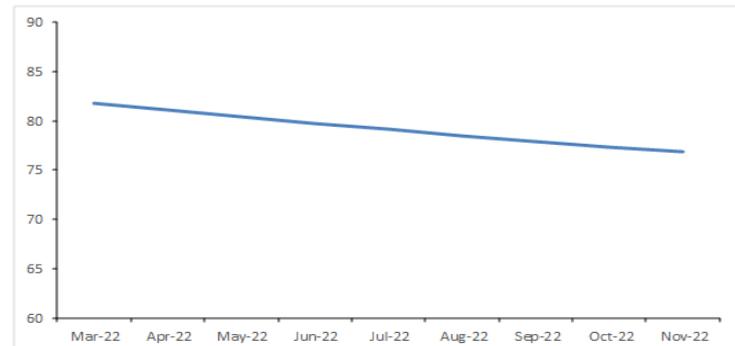
## Resistance:

85.50 = Nov 2021 High

86.70 = Oct 2021 High



## Futures Curve

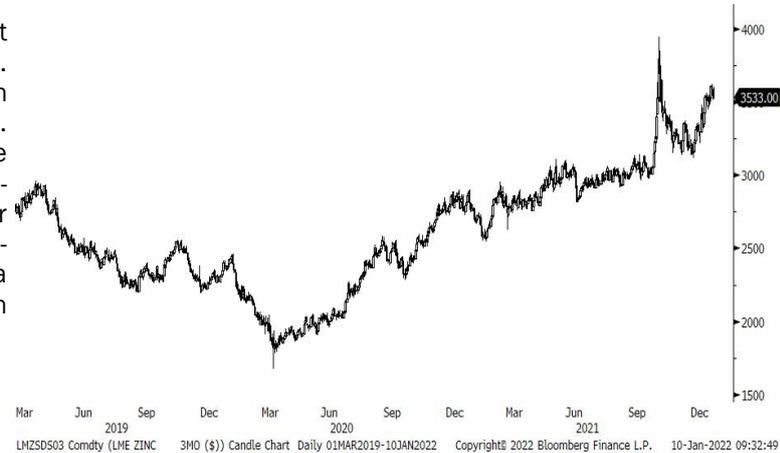


# LME Zinc

Last Price

USD **3,533.00**/Tons

The most-traded SHFE 2202 zinc closed up 0.22% or 55 yuan/mt at 24500 yuan/mt, with open interest up 922 lots to 86972 lots. On the macro front, there have been many protests in Kazakhstan due to rising natural gas prices, and the country was closed down. The protests have not yet been brought under control, hence the market expressed worries over the production of mines and smelters in the country. German and France published their November industry output data, which poses no surprises. On the fundamentals, the combined inventory across seven major markets in China dropped on the week, mainly because the arrivals were lower than expected, which boosted the confidence of the longs.



**Technical:**

Nonferrous Metals Mostly Closed with Gains amid Surging Natural Gas Prices, next level to watch 3,550.00.

**Support:**

3,482.00 = Dec 2021 High

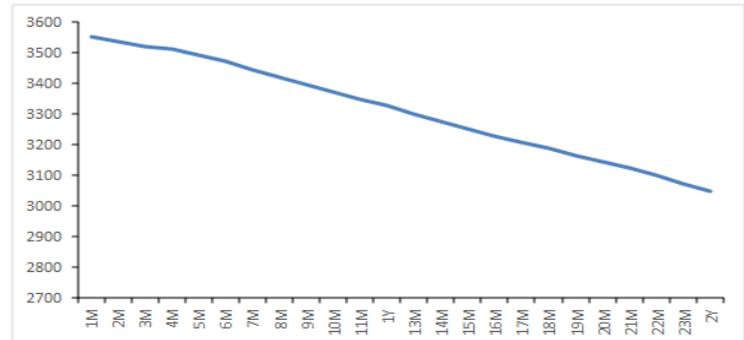
3,117.50 = Sep 2021 High

**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

Global ferrous scrap markets showed signs of life in the week ended Friday January 7, with sentiment warming on increased purchasing activity in Turkey and Asia. Turkish steel producers continued to book deep-sea steel scrap cargoes for February shipments at increasing prices. A steel mill in northern Turkey booked a European cargo comprising 22,500 tonnes of HMS 1&2 (80:20), 7,500 tonnes of a mixture of plate and structural (P&S) and HMS 1, 7,500 tonnes of shredded and 2,500 tonnes of new cuttings at an average price of \$465 per tonne cfr. Prices for imported steel scrap in India and Pakistan inched upward with a resumption of trading after year-end holidays. The UK light iron price dropped by £5 per tonne in the first week of the new year.

**Technical:**

Global scrap trade restarts on increased purchasing in Turkey, Asia. Next level to watch 500.00.

**Support:**

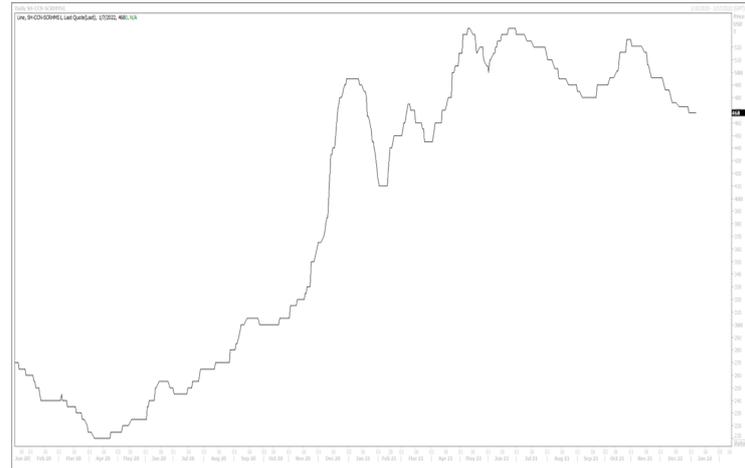
445.00 = Mar 2021 Low

410.00 = Feb 2021 Low

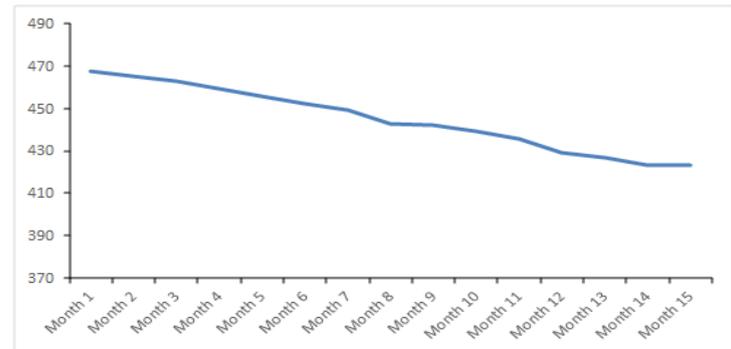
**Resistance:**

526.00 = Oct 2021 High

565.00 = Sep 2008 High



**LME Scrap Steel Forward Curve**



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