



 **BRAC BANK**

Commodities Weekly

Issue 05-2021

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.

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Wheat

Last Price

USc **663.00**/BSH

Chicago Board of Trade wheat futures closed higher Friday on technical buying and spillover strength from [Cv1](#) corn, which hit a 7-1/2 year high on export demand from China. CBOT March soft red winter wheat [WH1](#) settled up 16 cents at \$6.63 per bushel. For the month of January, the contract rose 22-1/2 cents a bushel or 3.5%, its second straight monthly advance. K.C. March hard red winter wheat [KWH1](#) on Friday settled up 12 cents at \$6.38 a bushel and MGEX March spring wheat [MWEH1](#) rose 14 cents to finish at \$6.33 -1/2. Strength in corn could bolster demand for wheat as a feed ingredient.

Technical:

CBOT wheat ends higher, led by corn; ends month up 3.5%. Next level to watch 700.00.

Support:

615.75 = Jul 2015 High

579.50 = Nov 2020 Low

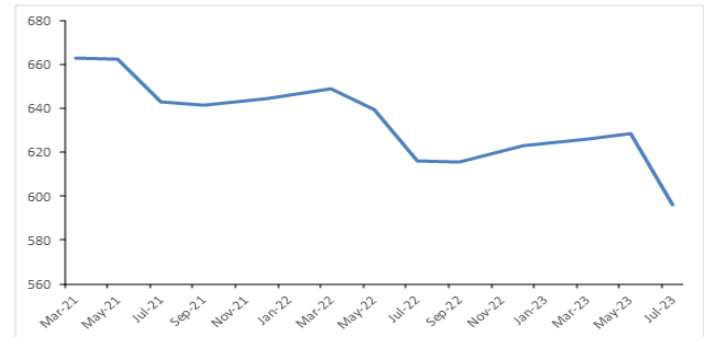
Resistance:

693.00 = Jan 2021 High

735.00 = May 2014 High



Futures Curve



Sugar

Last Price USc **15.83**/ LBS

Raw sugar futures on ICE edged up on Friday after earlier hitting a two-week low, as funds took a pause on buying amid mixed signals from the wider financial markets. [MKTS/GLOB USD/ O/R GRA/](#). March raw sugar [SBc1](#) rose 0.5% to 15.66 cents per lb at 1331 GMT, having earlier hit a low of 15.55. The market has lost upward momentum after climbing to the highest in more than 3-1/2 years earlier this month, but there remained solid support around 15.50 cents. From a fundamental perspective there is probably limited reason for prices to slump, as much as the rally to 16.75 was difficult to justify. March white sugar [LSUc1](#) rose 1.7% to \$448.90 a tonne.

Technical:

Raw sugar recovers after hitting two-week low, next level to watch 15.50.

Support:

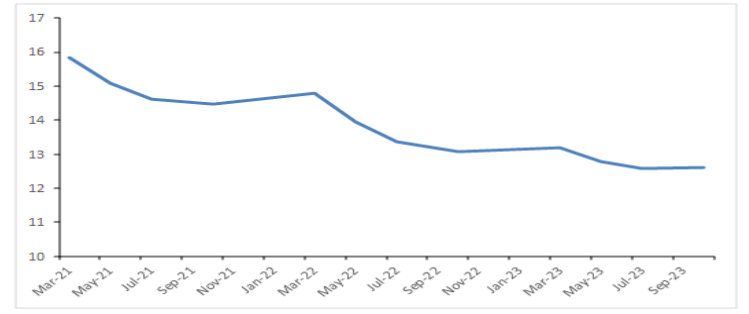
15.40 = Jan 2021 Low
 14.24 = Oct 2018 High

Resistance:

16.75 = Jan 2021 High
 17.18 = Apr 2017 High



Futures Curve



Soybean

Last Price USc **1,370.00**/ BSH

Chicago Board of Trade soybean futures closed higher on Friday on worries about harvest delays in Brazil and spillover strength from corn. CBOT March soybeans [SH1](#) settled up 16-3/4 cents at \$13.70 per bushel. For the month of January, the benchmark contract [Sv1](#) rose 59 cents a bushel or 4.5%, its eighth straight monthly advance. CBOT March soymeal [SMH1](#) ended Friday up \$3.90 at \$431 per short ton while March soyoil [BOH1](#) fell 0.03 cent at 44.62 cents per pound as oil/meal spreads corrected. Brazil's soy harvest is off to a slow start due to delayed plantings as well as wet conditions in some areas.

Technical:

Soybean rises on corn strength, Brazil harvest delays; ends month up 4.5%, next level to watch 1,400.00.

Support:

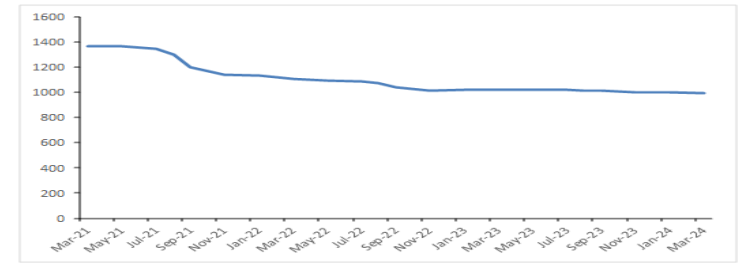
- 1,321.50 = Dec 2020 High
- 1,260.00 = Jan 2014 Low

Resistance:

- 1,410.00 = Jul 2014 High
- 1,438.50 = Jan 2021 High



Futures Curve



Cotton

Last Price

USc **80.64**/LBS

Cotton futures fell on Thursday to a more than two-week low on speculator selling toward the end of the month and a mixed export sales report. The cotton contract for March [CTH1](#), [CTc1](#) fell 0.49 cent, or 0.6%, to 80.35 cents per lb, having earlier touched its lowest level since Jan. 11. In its weekly export sales report, the USDA showed that net sales of 322,700 running bales (RB) for 2020/2021 were up 10% from the previous week, while exports of 275,300 RB were down 15%. Limiting some downside in the cotton prices, the dollar [.DXY](#) was down 0.2% against key rivals. [USD/](#). Total futures market volume rose by 14 to 33,765 lots. Certificated cotton stocks [CERT-COT-STX](#) deliverable as of Jan. 27 totaled 78,197 480-lb bales, up from 77,059 in the previous session.

Technical:

Cotton hits more than 2-week low on end-of-month speculator selling, next level to watch 80.00.

Support:

78.39 = Dec 2020 High

69.25 = Dec 2020 Low

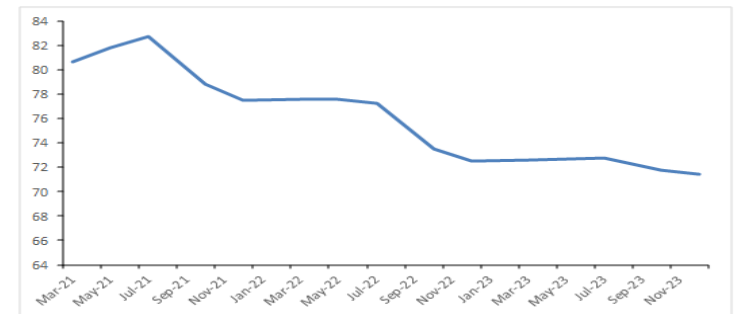
Resistance:

83.06 = Jan 2021 High

83.93 = Sep 2018 High



Futures Curve



Steel

Last Price USD **1,149.00**/ tons

Steel futures closed higher Tuesday in daytime trading on the Shanghai Futures Exchange. The most active construction steel rebar contract for May 2021 delivery was up 4 yuan (about 62 U.S. cents) to close at 4,303 yuan a tonne. The most active May 2021 contract for hot rolled coils, mainly used in cars and appliances, was up 60 yuan to close at 4,428 yuan a tonne.

Technical:

China steel futures close higher, next level to watch 1,200.00.

Support:

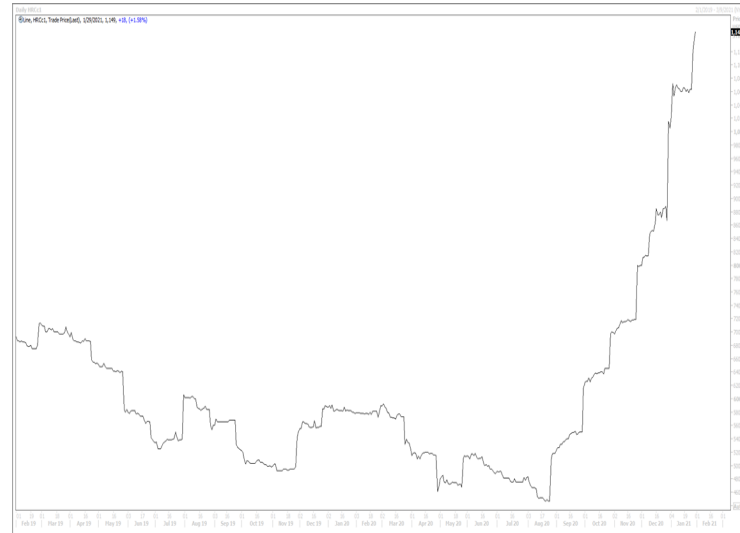
1,015.00 = Jan 2021 Low

942.00 = May 2018 High

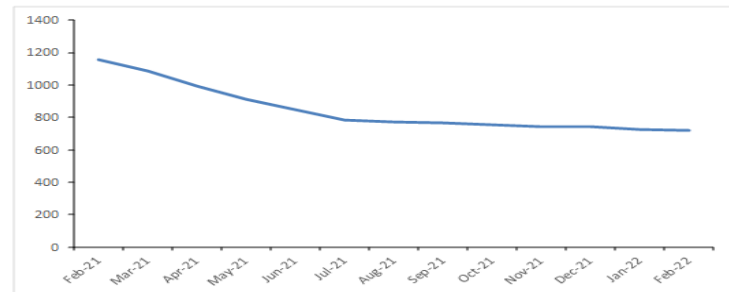
Resistance:

1,200.00 = Psychological Level

1,250.00 = Psychological Level



Futures Curve of SHFE Steel Futures



Brent Crude

Last Price

USD **55.88**/BBL

U.S. oil prices settled slightly lower after trading in a tight range on Friday, as investors worried about the lingering global pandemic and slow vaccine rollouts. The most active global Brent crude contract [LC0c2](#) also ended lower on concerns about vaccine distribution and the efficacy of one vaccine. Global benchmark Brent crude [LC0c1](#) futures for March settled up 36 cents, or 0.6% a barrel, at \$55.88. The Brent March contract expires on Friday. The more active April contract [LC0c2](#) settled down 6 cents a barrel, at \$55.04. U.S. West Texas Intermediate (WTI) crude [CLc1](#) futures fell 14 cents, or 0.3%, to \$52.20. Both front-month Brent and WTI were on track to post a weekly gain of less than 1%. OPEC oil output rose in January, a Reuters survey found, after OPEC+ agreed to an easing of supply curbs.

Technical:

U.S. crude settles lower on worries about Coronavirus vaccine rollout, next level to watch 57.00.

Support:

50.56 = Jan 2021 Low

46.82 = Dec 2020 Low

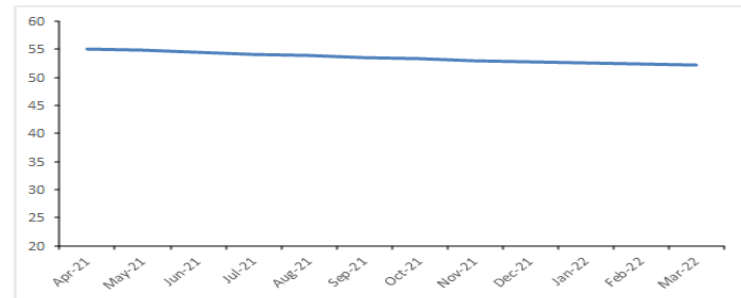
Resistance:

57.42 = Jan 2021 High

60.00 = Feb 2020 High



Futures 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

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

Nawshaba Aziz

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

Lailun Nahar Tonny

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

Mohammod Humayun Rashid

Manager, Treasury & Financial Institutions
E-mail: humayun.rashid@bracbank.com
Cell: +880 1673 564622

Sadab Zayeeem

Associate Manager, Treasury & Financial Institutions
E-mail: sadab.zayeeem@bracbank.com
Cell: +880 1844 611953

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