



 **BRAC BANK**

Commodities Weekly

Issue 07-2021

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(%)	YTD Change(%)
Page 4	Wheat	▼ 635.75	▼ 0.86%	▼ 0.74%
Page 5	Sugar	▼ 16.38	▼ 0.24%	▲ 5.75%
Page 6	Soybean	▲ 1,372.00	▲ 0.38%	▲ 4.31%
Page 7	Cotton	▲ 87.27	▲ 5.47%	▲ 11.71%
Page 8	Steel	▲ 1,170.00	▲ 1.12%	▲ 16.42%
Page 9	Brent Crude	▲ 62.43	▲ 5.21%	▲ 20.52%
Page 10	LME Zinc	▲ 2,834.00	▲ 7.49%	▲ 4.06%
Page 11	Scrap Steel	= 410.00	= 410.00	▼ 5.75%

Refinitiv Equal Weight Commodity Index

Last **474.91**



Wheat

Last Price USc **636.75**/BSH

U.S. wheat futures rose on Friday, supported by concerns that arctic temperatures in key growing areas could damage the dormant crop during the weekend. CBOT March soft red winter wheat [WH1](#) was up 3-1/4 cents at \$6.36-3/4 a bushel. K.C. hard red winter wheat [KWH1](#) was 6-1/4 cents higher \$6.17-1/4 a bushel. Concerns about extreme cold damaging dormant crops in the U.S. Plains and Midwest underpinned the market, limiting the declines. Commodity Weather Group estimated that 10% of the U.S. soft wheat crop and 15% of the hard wheat crop were at risk of damage from the cold.

Technical:

Weather worries push wheat futures higher. Next level to watch 655.00.

Support:

615.75 = Jul 2015 High

579.50 = Nov 2020 Low

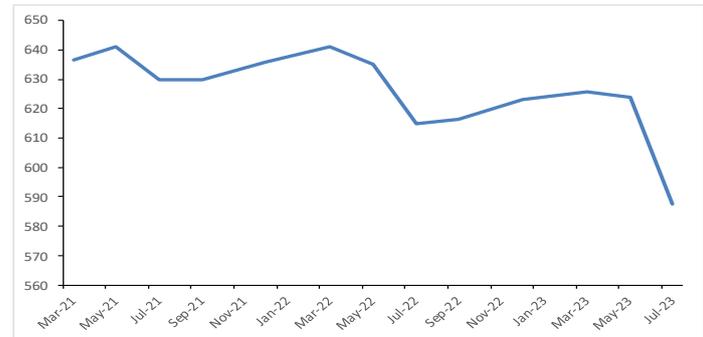
Resistance:

671.00 = Feb 2021 High

693.00 = Jan 2021 High



Futures Curve



Sugar

Last Price USc **16.38**/ LBS

Raw sugar futures on ICE closed down on Friday, extending a retreat from a near four-year peak set earlier in the week while white sugar also fell with the spot contract expiring and large delivery. March raw sugar [SBc1](#) fell 0.17 cent, or 1.2%, to 16.38 cents per lb. The front month had peaked at 17.05 cents on Wednesday, its highest level since April 2017. Speculators reduced again their long position in raw sugar. The market was underpinned by India's struggle to export excess stocks, which had contributed to short-term tightness in the physical market. March white sugar [LSUH1](#) expired on Friday at \$469.60 a tonne, \$0.40 down.

Technical:

Sugar slips further from recent peak, next level to watch 16.00.

Support:

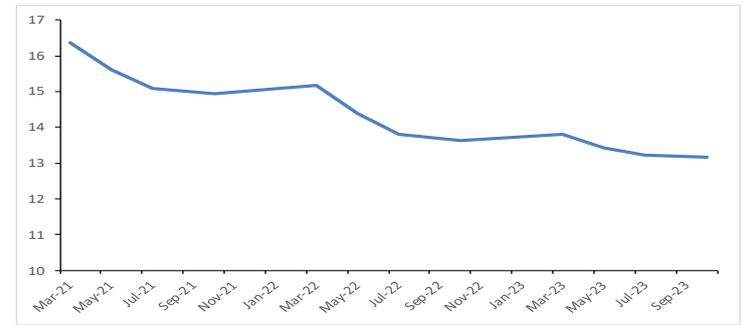
15.82 = Feb 2021 Low
 15.40 = Jan 2021 Low

Resistance:

16.75 = Jan 2021 High
 17.18 = Apr 2017 High



Futures Curve



Soybean

Last Price USc **1,372.00**/ BSH

Chicago Board of Trade soybean futures rose on Friday as traders squared positions ahead of the weekend. Soy futures traded in negative territory for much of the session, but tight supplies and strong export demand underpinned the market. Soyoil futures rose, supported by sharp gains in the crude oil market. Soymeal futures eased on unwinding of long soymeal/short soyoil spreads. Harvesting delays in Brazil, the world's top soybean producer, are prompting buyers led by China to rely on rival exporter the United States for longer than usual in 2021.

Technical:

soybeans close firm after weakening earlier, next level to watch 1,400.00.

Support:

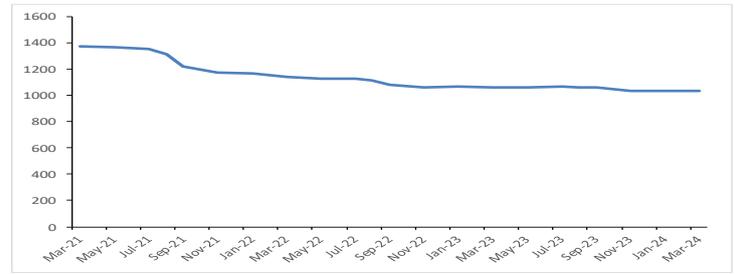
- 1,321.50 = Dec 2020 High
- 1,260.00 = Jan 2014 Low

Resistance:

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



Futures Curve



Cotton

Last Price

USc **87.27** /LBS

Cotton rose on Friday and was on track to post its best week since mid-December, as demand remained robust and hopes increased for a stimulus package from the United States, though many investors were on the sidelines ahead of a U.S. holiday. The cotton contract for March [CTH1](#), [CTc1](#) rose 0.44 cent, or 0.5%, to 86.85 cents per lb, having touched its highest since August 2018 at 87.27 cents earlier. Prices were up about 5% so far this week, their biggest since the week of Dec. 11. Total futures market volume fell by 16,483 to 41,235 lots.

Technical:

Cotton prices rise on lower planted acres view, robust exports, next level to watch 90.00.

Support:

83.06 = Jan 2021 High

83.93 = Sep 2018 High

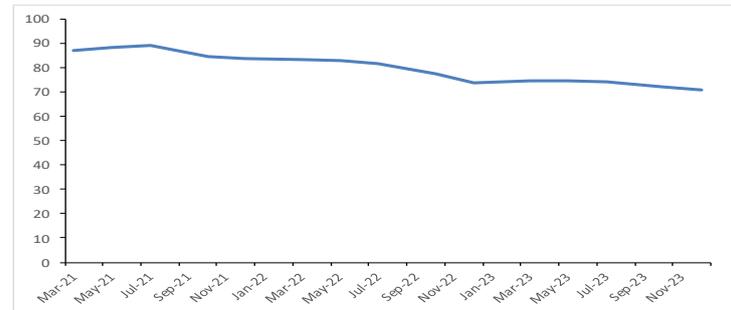
Resistance:

90.57 = Aug 2018 High

96.50 = Jun 2018 High



Futures Curve



Steel

Last Price USD **1,170.00**/ tons

Dalian iron ore jumped to its highest in three weeks on Wednesday and was set for a weekly gain of more than 5%, buoyed by hopes of improved demand for the steelmaking ingredient after the Lunar New Year holiday in China. May iron ore on China's Dalian Commodity Exchange [DCIOcv1](#) rose 2.4% to 1,071.50 yuan (\$166.43) a tonne, after earlier touching 1,072 yuan, advancing for a fifth straight session to the highest since Jan. 22. March iron ore on the Singapore Exchange [SZZFH1](#) climbed 1.5% to \$160.95 a tonne. Re-bar on the Shanghai Futures Exchange [SRBcv1](#) rose 0.8%, while hot-rolled coil [SHHCcv1](#) added 0.7%. Stainless steel [SHSScv1](#) advanced 0.6%. Despite thin pre-holiday trade, the SGX benchmark was also on track for a weekly gain of more than 5%, with a positive outlook for steel industries outside China providing a boost.

Technical:

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

Support:

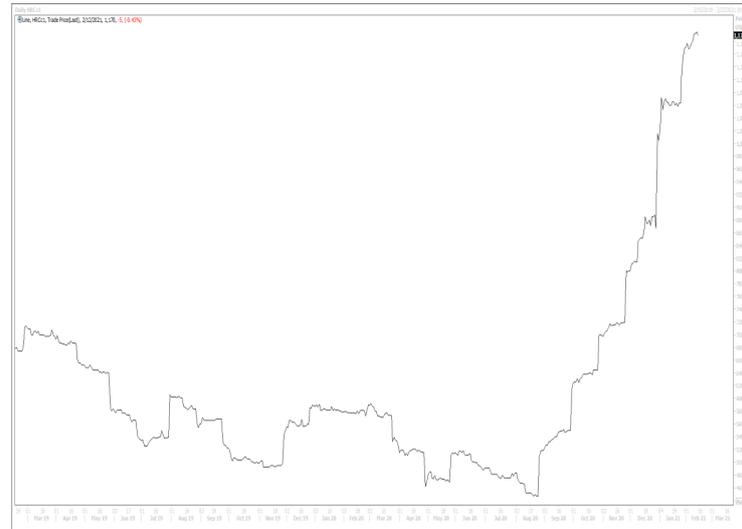
1,015.00 = Jan 2021 Low

942.00 = May 2018 High

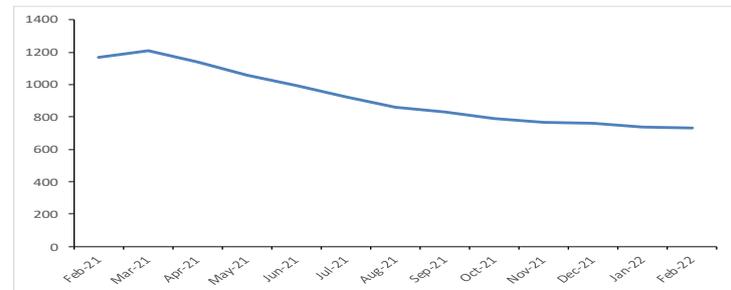
Resistance:

1,200.00 = Psychological Level

1,250.00 = Psychological Level



Futures Curve of SHFE Steel Futures



Brent Crude

Last Price

USD **62.43**/BBL

Oil prices climbed more than 2% on Friday, hitting the highest levels in more than a year on hopes a U.S. stimulus will boost the economy and fuel demand, as supplies tighten due largely to output cuts by top producing countries. Brent crude [LCOc1](#) settled up \$1.29, or 2.1%, at \$62.43 a barrel after rising to a session high of \$62.83, the highest since Jan. 22, 2020. U.S. oil [CLc1](#) ended the session up \$1.23, or 2.1%, at \$59.47 after rising to a session high of \$59.82, the highest since Jan. 9, 2020. U.S. crude notched a weekly gain of about 4.7% while Brent rose 5.3% on the week. Oil prices have risen over recent weeks due partly to production cuts from the Organization of the Petroleum Exporting Countries (OPEC) and allied producers in the group OPEC+.



Technical:

Oil edges higher on U.S. stimulus hopes, tighter supplies, next level to watch 64.00.

Support:

57.42 = Jan 2021 High

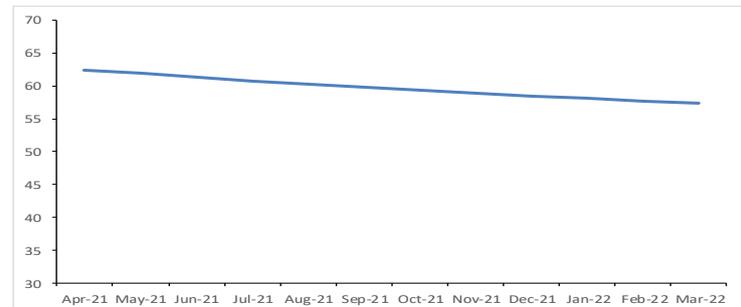
50.56 = Jan 2021 Low

Resistance:

64.60 = Nov 2019 High

67.65 = Jul 2019 High

Futures Curve



LME Zinc

Last Price

USD **2,834.00**/Tons

London zinc was set to round out its best weekly performance since November on Friday on prospects for strong steel demand after the Lunar New Year, even though the holiday break in China drained volumes from the market. Three-month zinc [CMZN3](#) on the London Metal Exchange rose as high as \$2,824.50, its loftiest since Jan. 8, before trading at \$2,813 a tonne, up 0.8% on the day and 10% in a little over a week. Prices for zinc, used in galvanising, rallied in the tailwind of steel, which has firmed on expectations of strong demand after the new year break, and as countries look to boost infrastructure spending to offset the COVID-19 economic malaise.

Technical:

Zinc eyes best week since November on post-holiday steel demand hopes, next level to watch 2,900.00.

Support:

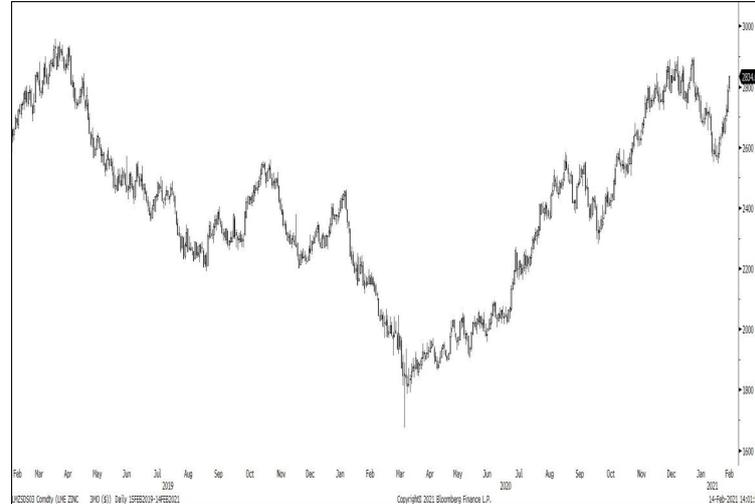
2,723.50 = Dec 2020 Low

2,546.00 = Jan 2021 Low

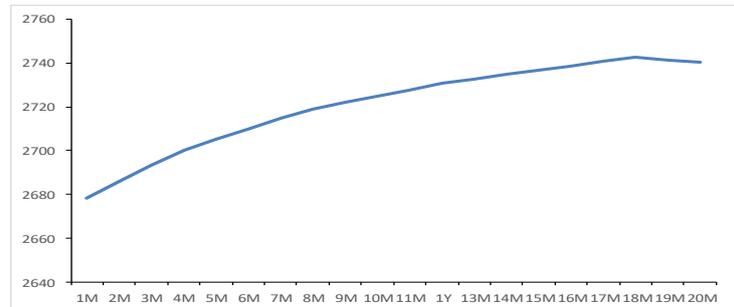
Resistance:

2,905.00 = May 2019 High

2,997.00 = Apr 2019 High



LME Zinc Forward Curve

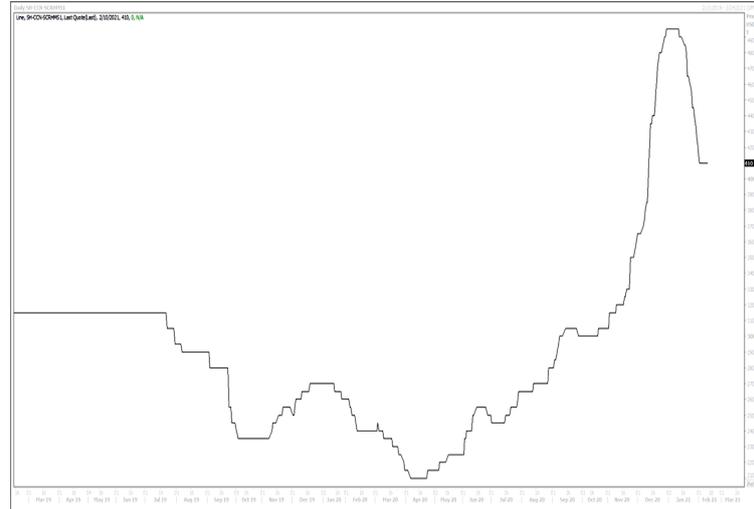


Scrap Steel

Last Price

USD **410.00**/Tons

The Chinese scrap metal prices remained unchanged as on February 11th, Thursday. Steel, Brass and Bronze scrap prices held steady. Copper and Aluminum scrap prices too remained unchanged over the previous day. Stainless Steel scrap prices held flat on Index. The #1 Copper Bare Bright and #1 Copper Wire and Tubing witnessed no price change over the previous day. 6063 Extrusions witnessed no change in prices over the previous day. Aluminum Ingots too remained unchanged. #1 HMS prices held steady on 11th February, 2021. Cast Iron Scrap reported no change in prices.



Technical:

Chinese Scrap Steel Prices Unchanged on Index, next level to watch 365.00.

Support:

365.00 = Dec 2020 Low

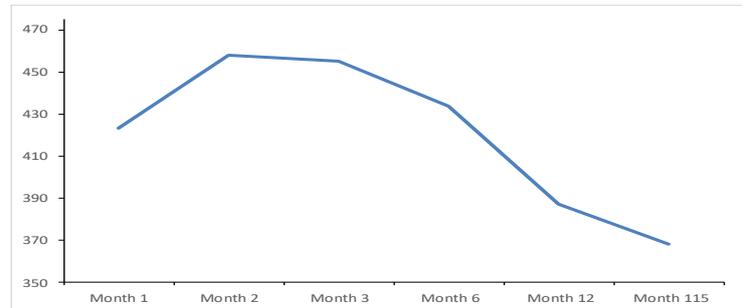
305.00 = Nov 2020 Low

Resistance:

435.00 = Jan 2021 Low

495.00 = Dec 2020 High

LME Scrap Steel Forward Curve



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