



Commodities Weekly

Issue 06-2022

Date: 14 Feb 2022

Bloomberg Commodity Index

109.90 USD

+0.41 +0.37% ▲

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

Q Add a comparison



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(%)	MoM Change(%)	YoY Change(%)
Page 4	Wheat	797.75	▲ 4.52%	▲ 6.83%	▲ 25.28%
Page 5	Sugar	18.26	▲ 0.16%	▲ 0.94%	▲ 11.48%
Page 6	Soybean	1,583.00	▲ 1.90%	▲ 15.95%	▲ 15.38%
Page 7	Cotton	125.28	▼ 1.15%	▲ 7.22%	▲ 43.55%
Page 8	Steel	1,131.00	▼ 4.96%	▼ 21.40%	▼ 3.33%
Page 9	Brent Crude	94.44	▲ 1.25%	▲ 11.80%	▲ 51.27%
Page 10	LNG	24.70	▼ 1.20%	▼ 24.23%	▲ 257.97%
Page 11	LME Zinc	3,626.50	▲ 0.39%	▲ 1.77%	▲ 27.96%
Page 12	Scrap Steel	530.00	▲ 5.58%	▲ 7.72%	▲ 29.27%

Wheat

Last Price USc **797.75**/BSH

CBOT wheat futures rallied on Friday on increased fears that Russia may invade and disrupt grain exports from the region. CBOT March soft red winter wheat [WH2](#) settled 26-1/4 cents higher at \$7.97-3/4 per bushel, up 4.5% on the week. The contract reached its highest price since Jan. 26. K.C. March hard red winter wheat [KWH2](#) rose 23-1/4 cents to \$8.24-1/4 a bushel, while MGEX March spring wheat [MWEH2](#) jumped 19-1/4 cents to end at \$9.61-1/2 a bushel. Russia now has enough forces to conduct a major military operation against Ukraine and an assault aimed at seizing large parts of that country could begin any day now. Ukraine is projected to be the world's fourth-largest exporter of wheat, while Russia is the world's top wheat exporter.



Technical:

Wheat closes stronger on Russia-Ukraine conflict risks. Next level to watch 800.00.

Support:

712.75 = Oct 2021 Low

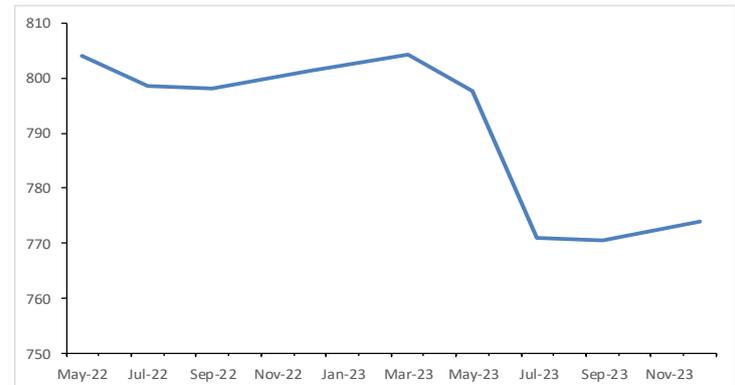
672.00 = Sep 2021 Low

Resistance:

824.00 = Dec 2021 High

863.25 = Nov 2021 High

Futures Curve



Sugar

Last Price

USc **18.26**/LBS

Sugar futures on ICE closed lower on Friday as traders focused on the expiry of the March whites contract while arabica coffee prices slipped back from the previous session's 10-year peak. March raw sugar [SBc1](#) settled down 0.04 cent, or 0.2%, at 18.26 cents per lb. The contract gained 0.5% in the week. The market remained underpinned by the recent strength of energy prices, which increases the incentive to use cane to produce biofuel ethanol rather than sugar, particularly in top exporter Brazil. May white sugar [LSUc2](#) fell \$1.30, or 0.3%, at \$489.40 a tonne. Deliveries against the expiry of the March white contract were said to reach 7,173 lots, or 358,650 tonnes.



Technical:

Sugar prices weaken as March white contract expires, next level to watch 19.00.

Support:

17.60 = Jan 2022 Low

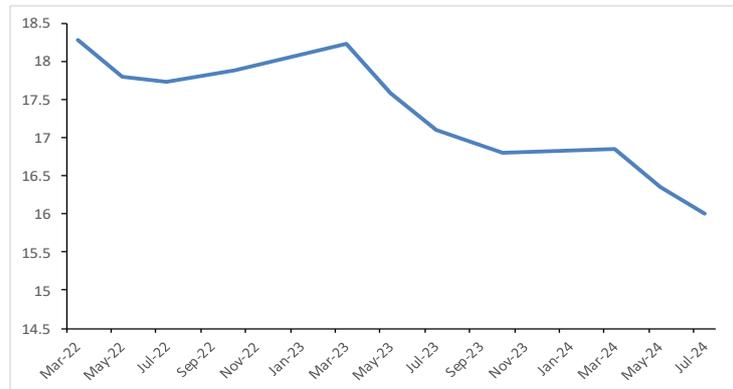
16.73 = Jul 2021 Low

Resistance:

19.90 = Dec 2021 High

20.37 = Aug 2021 High

Futures Curve



Soybean

Last Price

USc **1,583.50**/BSH

Chicago Board of Trade soybean futures closed higher on Friday on shrinking estimates for South America's harvests due to dry weather. The session was volatile, with futures trading in positive and negative territory before finishing firmer. CBOT March soybeans [SH2](#) settled 8-3/4 cents higher at \$15.83 per bushel, up 2% for the week. The most-active soy contract [Sv1](#) on Thursday climbed \$16.33, the highest in a continuous chart since May 13, 2021. CBOT March soymeal [SMH2](#) ended up \$2.60 at \$456.6 per short ton, after climbing on Thursday to a contract high at \$477.90. CBOT March soyoil [BOH2](#) settled up 1.21 cents at 65.72 cents per pound.

Technical:

Soy ends higher on declining South America crop estimates, next level to watch 1,600.00.

Support:

1,485.00 = Feb 2022 Low

1,378.00 = Apr 2021 Low

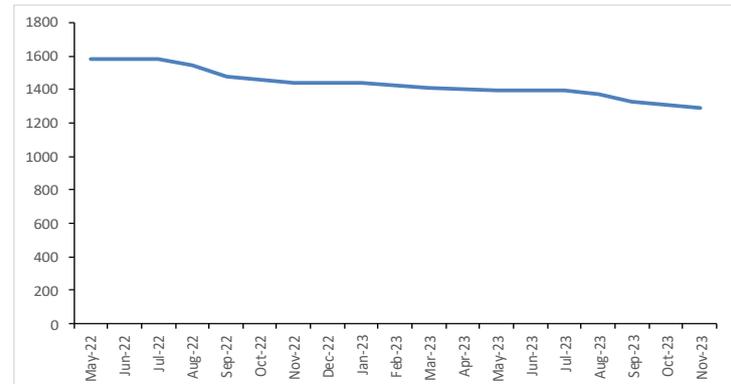
Resistance:

1,608.75 = Apr 2021 High

1,677.25 = May 2021 High



Futures Curve



Cotton

Last Price

USc **125.28**/LBS

ICE cotton futures fell on Thursday after a weekly report by the U.S. Department of Agriculture (USDA) showed a decline in sales of the natural fiber crop. The cotton contract for March [COT2](#) was down 0.56 cent, or 0.4%, at 125.87 cents per lb by 13:22 ET. On Wednesday, the USDA in its monthly supply-demand report raised the estimate for U.S. stocks at the end of its 2021/22 crop year and projected a decline in the country's exports. Offering some respite, the dollar index [DXY](#) fell 0.2% against its rivals and made the natural fiber less expensive for overseas buyers.



Technical:

Cotton futures slip on weak export sales data, next level to watch 130.00.

Support:

116.48 = Oct 2021 High

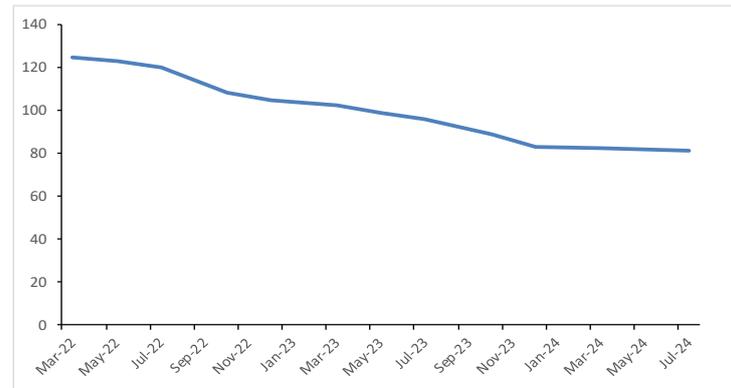
111.50 = Nov 2021 Low

Resistance:

130.50 = Oct 2020 High

142.09 = May 2011 Low

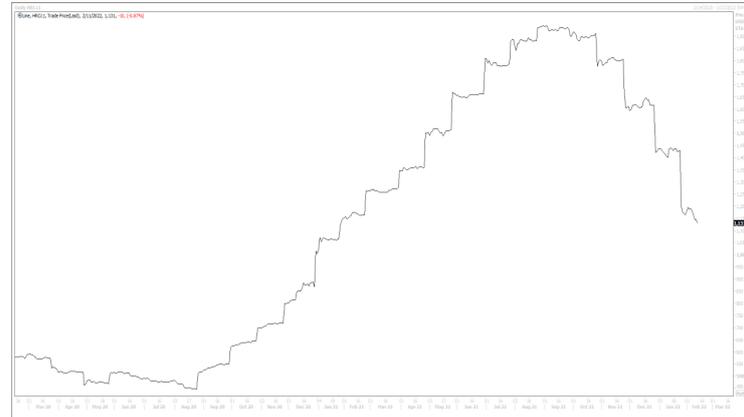
Futures Curve



Steel

Last Price USD **1,131.00**/ tons

Chinese steel futures gave up early gains of more than 2% on Friday to close almost flat, but posted weekly rise on hopes that policy stimulus would lift demand. Construction-used steel rebar on the Shanghai Futures Exchange [SRBcv1](#), for May delivery, stood at 4,905 yuan (\$771.08) a tonne. The contract had risen as much as 2.6% earlier in the session. For the week, it gained 1.6%. Hot rolled coils futures [SHHCcv1](#) ended up 0.1% at 5,033 yuan (\$791.20) per tonne and logged a 1.8% weekly gain. Shanghai stainless steel futures [SHSScv1](#), for March delivery, were unchanged at 18,300 yuan (\$2,876.82) a tonne. Benchmark iron ore futures [DCIOcv1](#) surged as much as 5.9% to 850 yuan a tonne before easing in afternoon session to close at 805 yuan per tonne. They fell 2.9% this week.



Technical:

Steel futures log weekly gains amid demand hopes. Next level to watch 1,100.00.

Support:

1,015.00 = Jan 2021 Low

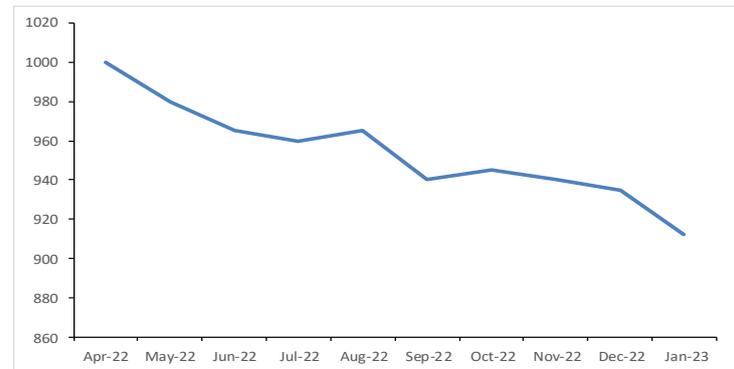
942.00 = May 2018 Low

Resistance:

1,265.00 = Feb 2021 High

1,348.00 = Mar 2021 High

Futures Curve of SHFE Steel Futures



Brent Crude

Last Price

USD **94.44**/BBL

Oil prices ended 3% higher on Friday at fresh seven-year highs as escalating fears of an invasion of Ukraine by Russia, a top energy producer, added to concerns over tight global crude supplies. Brent crude futures [LCOc1](#) settled \$3.03, or 3.3%, higher at \$94.44 a barrel, while U.S. West Texas Intermediate crude [CLc1](#) rose \$3.22, or 3.6%, to \$93.10 a barrel. Both benchmarks touched their highest since late 2014, surpassing the highs hit on Monday, and posted their eighth consecutive week of gains on growing concerns about global supplies as demand recovers from the coronavirus pandemic.



Technical:

Oil soars 3% to 7-yr highs on Ukraine jitters, tight supplies, next level to watch 96.00.

Support:

87.72 = Feb 2022 Low

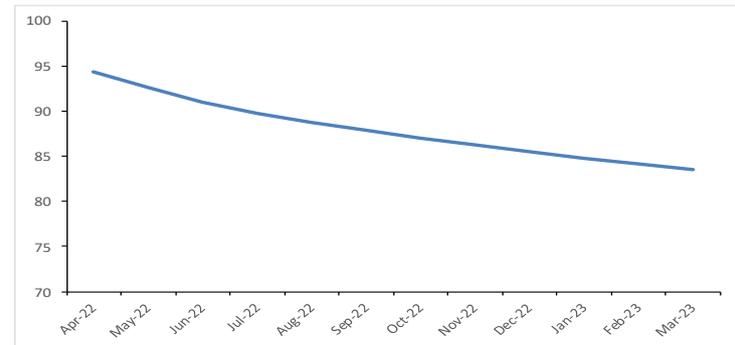
77.84 = Jul 2021 High

Resistance:

96.23 = Oct 2014 High

103.30 = Sep 2014 High

Futures Curve



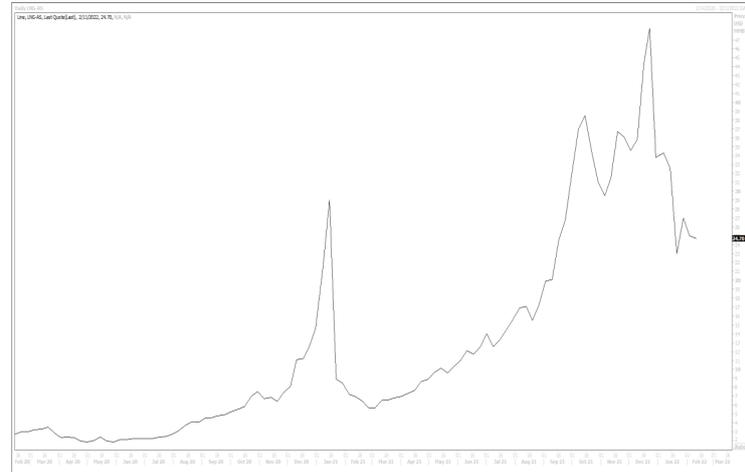
LNG

Last Price

USD **24.70**/BBL

Asian spot liquefied natural gas (LNG) stabilised this week but is expected to rise over the coming weeks as below-normal temperatures across much of north-east Asia could send buyers back to the spot market to boost inventory levels. The average LNG price for March delivery into north-east Asia reached \$24.70 per metric million British thermal units (mmBtu), down \$0.30, or 1.2per cent from the previous week.

The average price for April delivery was seen at \$25.50/mmBtu. LNG from the United States and West Africa continue to flow to Europe, given the tight Dutch gas-Asian LNG spread. Europe has imported around 3 million tonnes in February to date.



Technical:

LNG prices stable but rises expected on colder weather, next level to watch 96.00.

Support:

19.90 = Sep 2021 Low

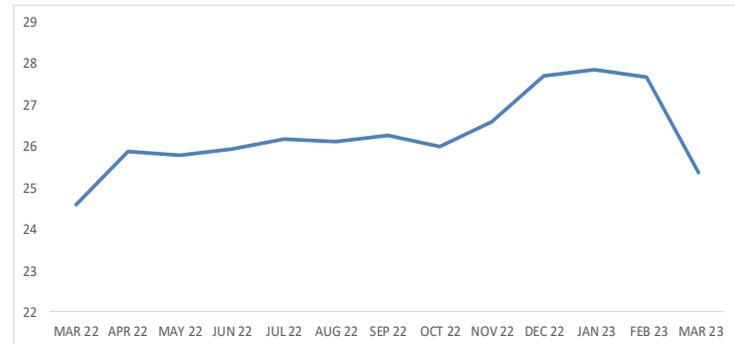
11.50 = Aug 2018 High

Resistance:

26.75 = Sep 2021 High

34.30 = Jan 2022 High

Futures Curve



LME Zinc

The most-traded SHFE 2203 zinc closed down 0.02% or 5 yuan/mt at 25550 yuan/mt, with open interest down 5055 lots to 105930 lots.

The greatly rising social financing reading benefited zinc which is closely correlated with the great infrastructure construction sector. However, the fundamentals of zinc were still weak, and the market shall still watch the overseas energy problem and the demand side under the stimulus from the macro front.

Technical:

Zinc slightly up amid heightening US rate hike expectation, next level to watch 3,650.00.

Support:

3,482.00 = Dec 2021 High

3,117.50 = Sep 2021 High

Resistance:

3,655.50 = Oct 2021 High

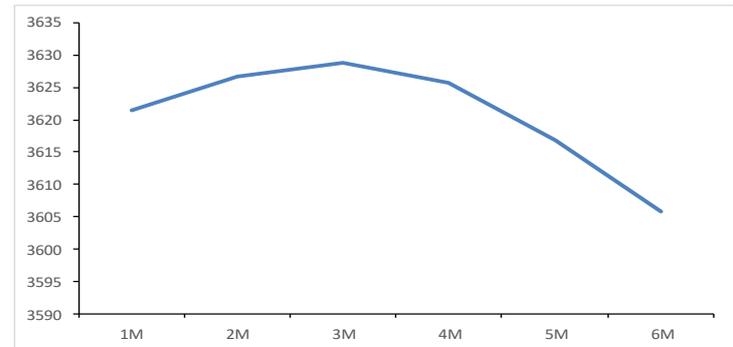
3,944.50 = Nov 2021 High

Last Price

USD **3,626.50**/Tons



LME Zinc Forward Curve

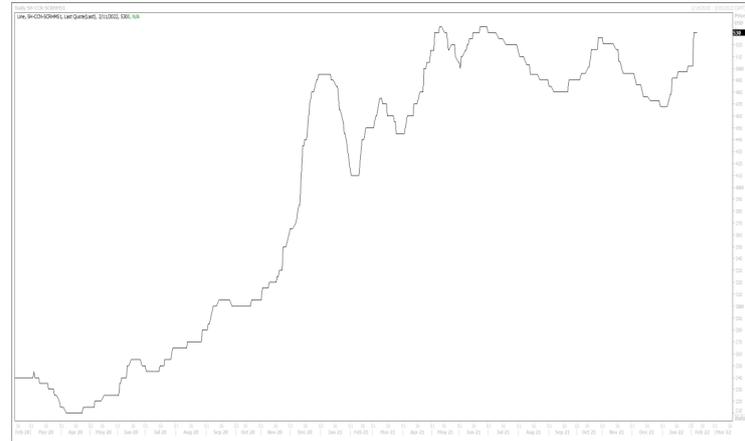


Scrap Steel

Last Price

USD **530.00**/Tons

Steel scrap prices moved up across the globe in the week to Friday, February 11, supported by stronger steel markets in Turkey, the Commonwealth of Independent States and Asia. Turkey steelmakers book eight cargoes with increased prices. United States exporters close more deals to Turkey, demand from other markets are emerging. Vietnamese scrap demand prompts search for cargo. Chinese scrap market is waiting after holiday, while Taiwan import prices rise amid stronger buying interest. Indian buyers are also securing containerized scrap at higher prices.



Technical:

Steel scrap prices move up in line with stronger ferrous markets generally. Next level to watch 510.00.

Support:

445.00 = Mar 2021 Low

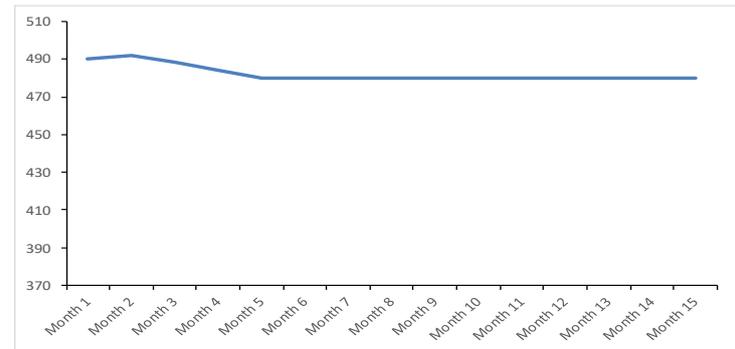
410.00 = Feb 2021 Low

Resistance:

535.00 = Jun 2021 High

565.00 = Sep 2008 High

LME Scrap Steel Forward Curve



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