



Commodities Weekly

Issue 07-2022

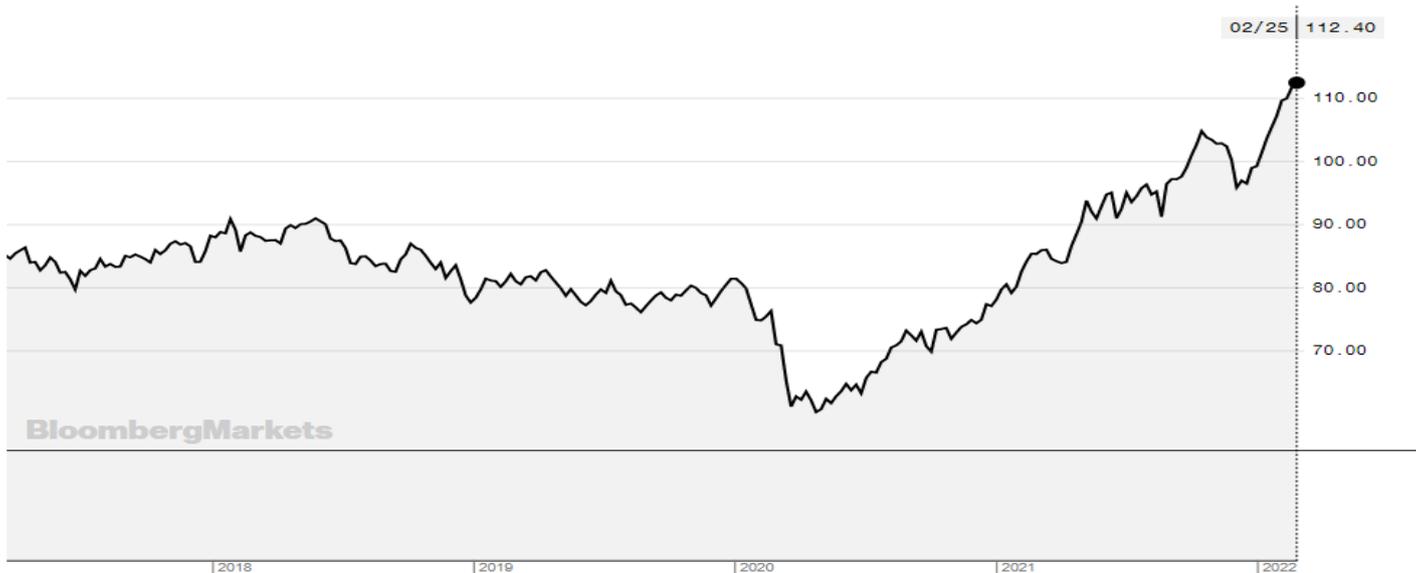
Date: 01 Mar 2022

Bloomberg Commodity Index

112.40 USD

-2.87 -2.49% ▼

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(%)	MoM Change(%)	YoY Change(%)
Page 4	Wheat	843.00	▲ 5.77%	▲ 6.68%	▲ 25.49%
Page 5	Sugar	17.99	▼ 1.15%	▼ 4.97%	▲ 0.84%
Page 6	Soybean	1,590.25	▼ 0.70%	▲ 0.46%	▲ 13.10%
Page 7	Cotton	122.12	▼ 0.71%	▼ 0.61%	▲ 38.40%
Page 8	Steel	1,010.00	▼ 9.58%	▼ 29.76%	▼ 19.84%
Page 9	Brent Crude	97.93	▲ 4.69%	▲ 10.81%	▲ 46.43%
Page 10	LNG	37.50	▲ 53.69%	▲ 63.04%	▲ 569.64%
Page 11	LME Zinc	3,621.50	▲ 1.29%	▼ 0.77%	▲ 25.31%
Page 12	Scrap Steel	550.00	↔ 0.00%	▲ 10.66%	▲ 22.22%

Wheat

Last Price

USc **843.00**/BSH

U.S. wheat futures tumbled on Friday in a profit-taking setback after peaking earlier at the highest level since mid-2008 as investors turned back to equities and traders assessed potential disruption to supplies from Russia's invasion of Ukraine. The market continued to gauge the consequences on grain and oilseed supplies from the conflict between two of the world's biggest exporters. Chicago Board of Trade May soft red winter wheat [WK2](#) dropped to \$8.59-3/4 a bushel, down the expanded 75-cent daily trading limit, after earlier touching a 13-1/2-year high for a most-active contract [Wv1](#). The contract was still up 6.9% for the week. May K.C. hard red winter wheat [KWK2](#) also fell by the 75-cent limit. Russia and Ukraine account for 29% of global wheat exports.

Technical:

Wheat pulls back from 13-1/2 year peak as Ukraine conflict assessed. Next level to watch 870.00.

Support:

735.50 = Jan 2022 Low

672.00 = Sep 2021 Low

Resistance:

863.25 = Nov 2021 High

951.25 = Feb 2022 High



Futures Curve



Sugar

Last Price USc **17.99**/LBS

Raw sugar futures on ICE were lower on Friday with the market back on the defensive after an initial spike following Russia's invasion of Ukraine. March raw sugar [SBc1](#) was 1.2% lower at 18.10 cents a lb as the market slid further from a one-month peak of 18.87 cents set on Thursday. A rise in energy prices had led to sentiment that there might be increased use of cane to make biofuel ethanol rather than sugar, particularly in Brazil. The expiry of the March contract on Monday was providing a short-term focus with the front month's premium to May [SB-1=R](#) rising to 0.45 cents a lb, up from around 0.4 cents a lb on Thursday. Open interest on the March contract stood at 37,541 lots, equivalent to about 1.8 million tonnes of sugar, as of Feb. 24, down 28% from a day earlier. May white sugar [LSUc1](#) was down 1.2% at \$493.40 a tonne.



Technical:

Raw sugar prices dip, next level to watch 17.50.

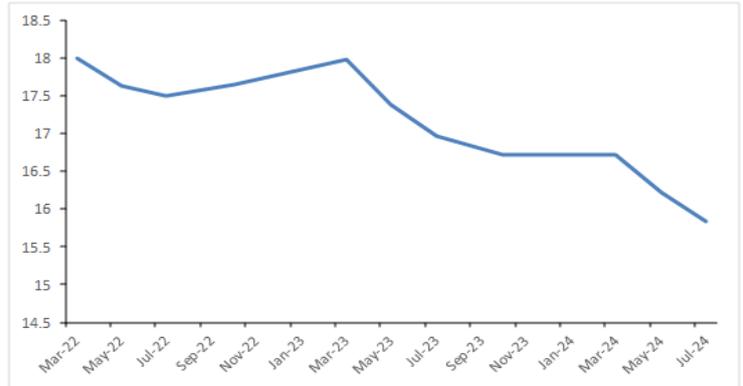
Support:

- 17.60 = Jan 2022 Low
- 16.73 = Jul 2021 Low

Resistance:

- 19.29 = Jan 2022 High
- 19.90 = Dec 2021 High

Futures Curve



Soybean

Last Price USc **1,590.25**/BSH

Chicago Board of Trade soybean futures ended lower on Thursday in a profit-taking retreat after surging to a 9-1/2-year peak following Russia's invasion of Ukraine, which sent global farm commodities markets soaring. CBOT May soybeans [SK2](#) ended down 69-1/2 cents at \$15.84-1/2 a bushel. The contract on Thursday reached the highest for a most-active contract [Sv1](#) since September 2012. For the week, May soybeans were down 1.2%, the first weekly drop in six weeks. CBOT May soyoil [BOK2](#) ended 3.04 cents lower at 68.93 cents per lb after hitting all-time high for a most-active contract [BOv1](#) on Thursday. CBOT May soymeal [SMK2](#) ended \$12.90 lower at \$442.70 a ton.



Technical:

CBOT soybeans drop on profit-taking after hitting 9-1/2-yr high on Ukraine crisis, next level to watch 1,500.00.

Support:

1,485.00 = Feb 2022 Low

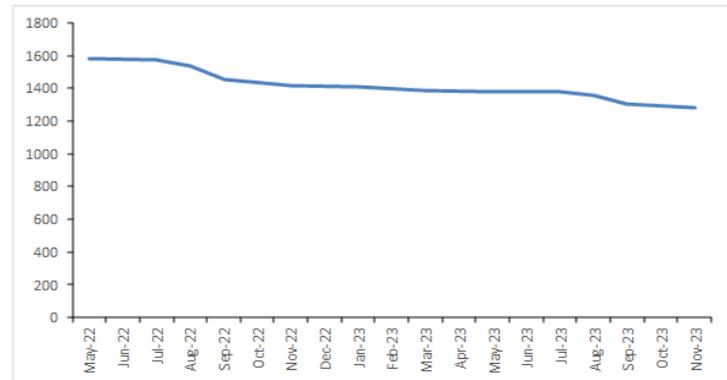
1,378.00 = Apr 2021 Low

Resistance:

1,677.25 = May 2021 High

1,765.00 = Feb 2022 High

Futures Curve



Cotton

Last Price

USc **122.12**/LBS

ICE cotton futures fell more than 1% to a five-week low on Friday despite a firmer export sales report, as investors gauged the impact of Russia's invasion of Ukraine on the natural fiber. The most active May cotton contract [CTK2](#) on ICE futures fell 1.19 cents, or 1%, to 117.97 cents per lb. The contract has declined about 0.9% so far this week. Meanwhile, oil prices slipped on potential global supply disruption concerns from sanctions on major crude exporter Russia. Lower oil prices make polyester, a substitute for cotton, less expensive. Total futures market volume fell by 6,194 to 27,271 lots. Data showed total open interest gained 377 to 238,603 contracts in the previous session.

Technical:

Cotton hits 5-week low despite firm export sales data; Ukraine invasion weighs, next level to watch 116.50.

Support:

116.48 = Oct 2021 High

111.50 = Nov 2021 Low

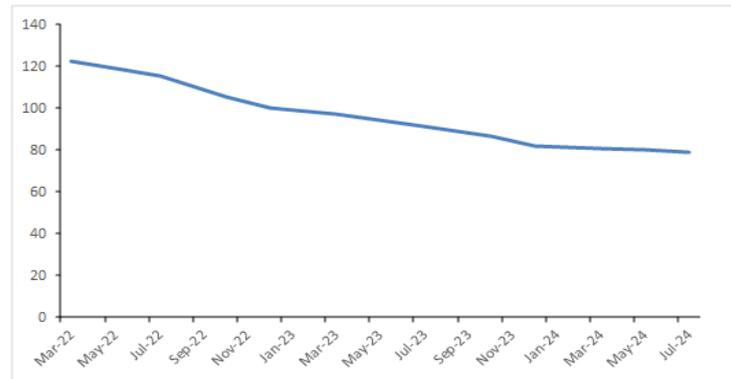
Resistance:

129.37 = Feb 2022 High

142.09 = May 2011 Low



Futures Curve



Steel

Last Price USD **1,010.00**/ tons

Chinese steel prices fell on Friday on the Shanghai Futures Exchange and were set for weekly declines, due to uncertainty regarding the Russia-Ukraine conflict and subdued downstream demand. The most-active steel rebar futures on the Shanghai bourse fell 2.6% to 4,581 yuan (\$725.47) per tonne. They set to lose 4% this week. Hot rolled coils used in the manufacturing sector declined 1.7% to 4,768 yuan a tonne, and stainless steel prices dropped 3.3% to 17,750 yuan a tonne. Benchmark iron ore futures on the Dalian Commodity Exchange slipped 2.5% to 685 yuan per tonne, following spot 62% iron ore which dipped \$1 to \$139.5 a tonne on Thursday, data from SteelHome consultancy showed.

Technical:

Shanghai steel futures fall on Russia-Ukraine conflict, low downstream demand. Next level to watch 950.00.

Support:

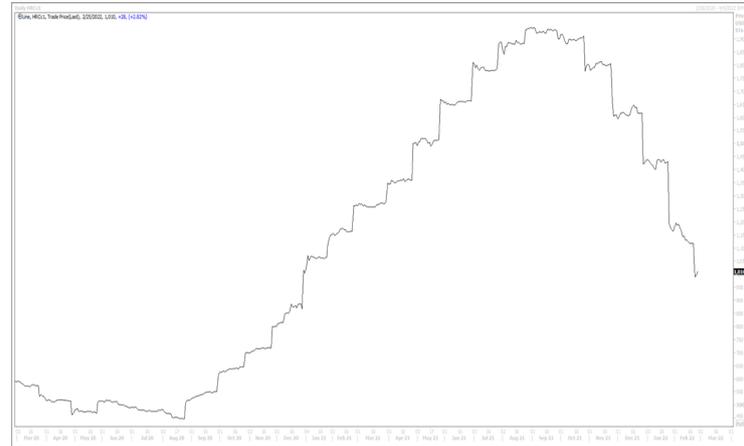
942.00 = May 2018 Low

800.00 = Dec 2020 Low

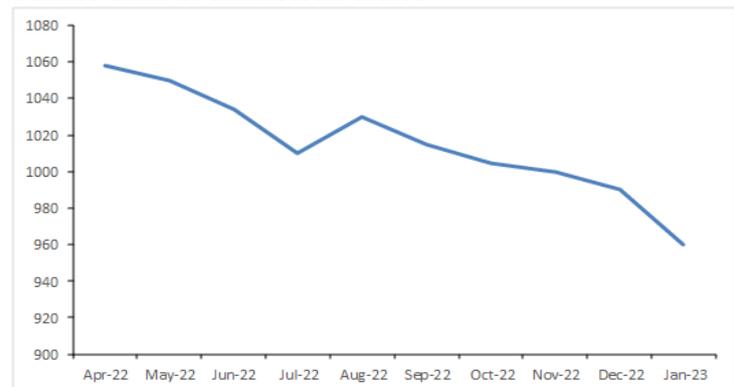
Resistance:

1,200.00 = Feb 2022 High

1,348.00 = Mar 2021 High



Futures Curve of SHFE Steel Futures



Brent Crude

Last Price

USD **97.93**/BBL

Oil prices slipped Friday after sharp rises early in the session on concern over potential global supply disruptions from sanctions on major crude exporter Russia. The April Brent crude futures contract [LCOc1](#) fell \$1.15, or 1.2%, to settle at \$97.93 a barrel, after climbing as high as \$101.99. The more active May contract [LCOc2](#) shed \$1.30, or 1.4%, to \$94.12. U.S. West Texas Intermediate (WTI) crude [CLc1](#) fell \$1.22, or 1.3%, to settle at \$91.59 a barrel, after hitting a session high of \$95.64. For the week, Brent rose about 4.7%, while WTI was on track to rise about 0.6%. Top buyers of Russian oil are struggling to secure guarantees at Western banks or find ships. A deal among OPEC+ oil producers is showing no cracks so far and the group is likely to stick to a planned output rise of 400,000 barrels a day in April despite crude topping \$100 a barrel.



Technical:

Oil prices dip after soaring on Russia's invasion of Ukraine, next level to watch 100.00.

Support:

91.70 = Jan 2022 High

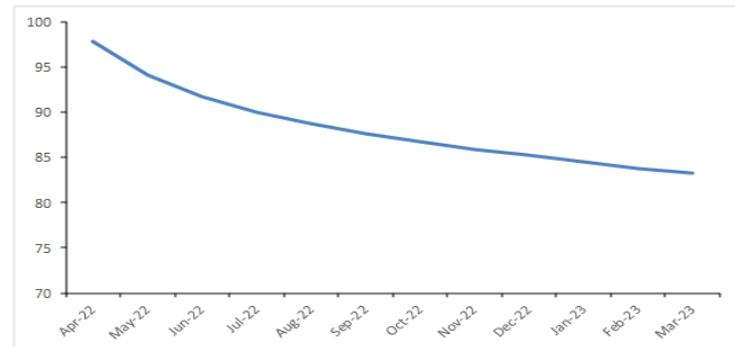
87.72 = Feb 2022 Low

Resistance:

103.30 = Sep 2014 High

105.79 = Feb 2022 High

Futures Curve

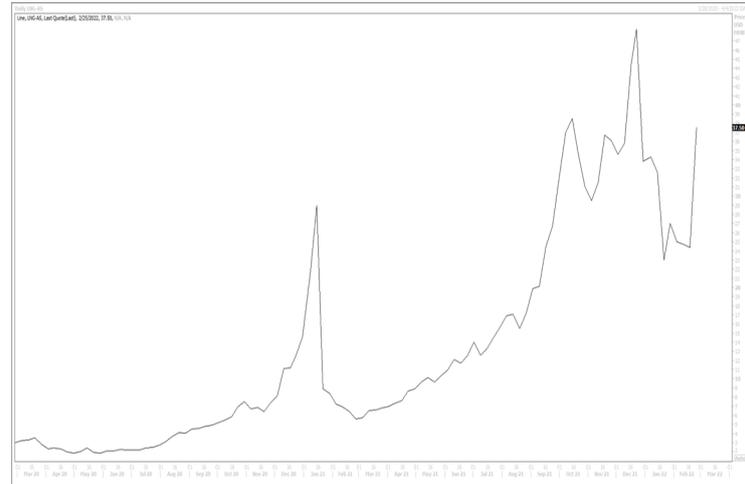


LNG

Last Price

USD **37.50**/BBL

Russia's invasion of Ukraine will disrupt the global movement of energy commodities, even if Western powers don't impose sanctions on exports from Russia. So far none of the retaliatory measures against Moscow have been targeted at exports of crude oil or natural gas, the latter either by pipeline or by ships as liquefied natural gas (LNG). Natural gas is where matters will get difficult for Europe, given its reliance on Russia and the lack of readily available alternatives. Europe can seek to buy as much LNG as possible, effectively drawing cargoes away from top-importing region Asia, but this will be expensive, as can be seen by the jump in futures based on the Asian JKM price, which surged 28% on Thursday to a two-month high of \$37.01 per million British thermal units. Over time, Europe can buy more LNG from the United States and Qatar, which are currently building substantial new capacity.



Technical:

Ukraine crisis will disrupt LNG flows even without sanctions, next level to watch 26.00.

Support:

29.00 = Jan 2021 High

23.00 = Jan 2022 Low

Resistance:

38.50 = Oct 2021 High

48.30 = Dec 2021 High

Futures Curve



LME Zinc

Last Price

USD **3,621.50**/Tons

Shanghai base metals generally closed with losses in the intraday trading on Friday. SHFE copper fell 0.25%, aluminium dropped 1.44%, zinc decreased 0.28%, nickel lost 5,090 yuan/mt, while lead rose by 0.84%. The SHFE 2204 zinc contract opened at 25,000 yuan/mt on Friday, with an intraday high and low at 25,065 yuan/mt and 24,525 yuan/mt respectively before closing down 70 yuan/mt or 0.28% from yesterday at 24,715 yuan/mt. The trading volume stood at 241,395 lots, and the open interest stood at 134,759 lots.



Technical:

Zinc continued its uptrend, next level to watch 3,650.00.

Support:

3,482.00 = Dec 2021 High

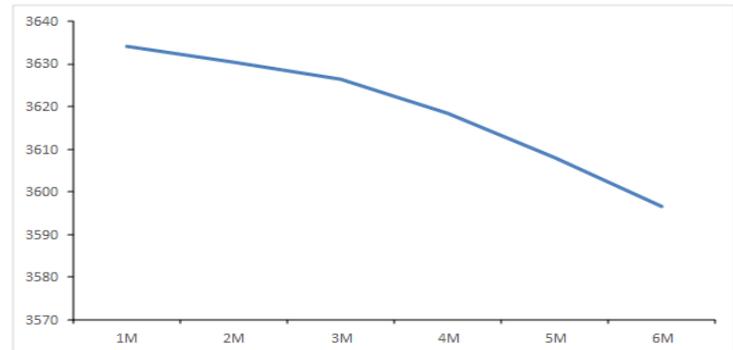
3,117.50 = Sep 2021 High

Resistance:

3,655.50 = Oct 2021 High

3,944.50 = Nov 2021 High

LME Zinc Forward Curve



Scrap Steel

Last Price

USD **550.00**/Tons

Global steel scrap markets have seen higher prices in the past week because of an expected reduction in volumes of supply out of Russia and stronger demand for downstream steel products. Turkey continues buying at higher prices on demand for steel exports. United States sees boom in exports. Import prices for steel scrap in India increased in the week under the influence of both external and internal factors. After Russia's invasion in Ukraine, prices for all commodities - oil, scrap, steel and base metals - increased. These two countries are among the biggest exporters of iron ore, pig iron and steel products in the world. Their absence will shoot up global prices.

Technical:

Global scrap prices trend up amid anticipated shortages in supply, strong demand for downstream steel. Next level to watch 565.00.

Support:

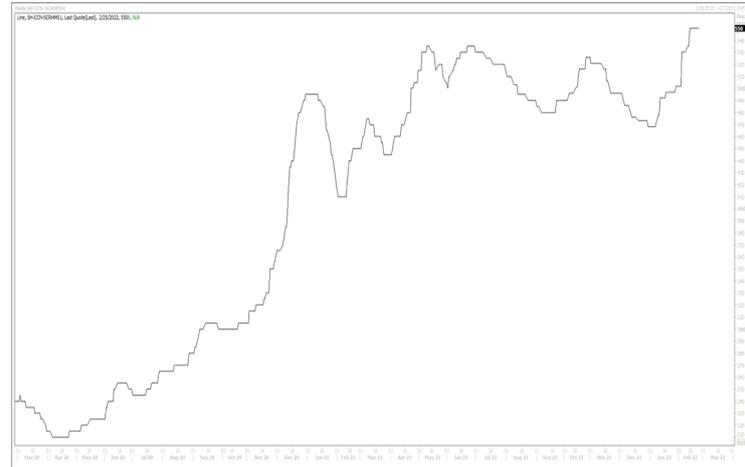
445.00 = Mar 2021 Low

410.00 = Feb 2021 Low

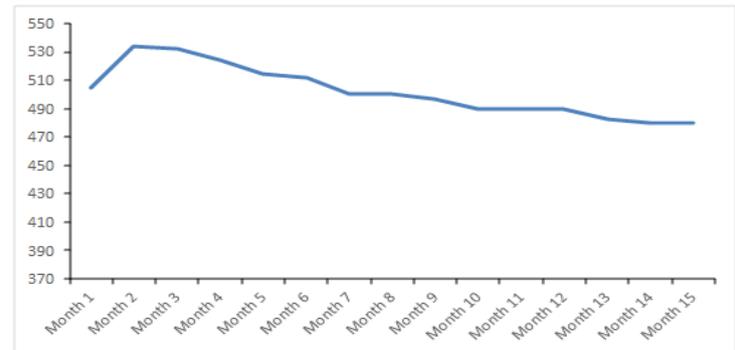
Resistance:

565.00 = Sep 2008 High

690.00 = May 2008 High



LME Scrap Steel Forward 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

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

Nawshaba Aziz

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

Lailun Nahar Tonny

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

Mohammad Humayun Rashid

Manager, Treasury & Financial Institutions
E-mail: humayun.rashid@bracbank.com
Cell: +880 1723 935623

Maruf Hassan

Associate Manager, Treasury & Financial Institutions
E-mail: maruf.hassan29443@bracbank.com
Cell: +880 1847 419487

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