



Commodities Weekly

Issue 08-2022

Date: 08 Mar 2022

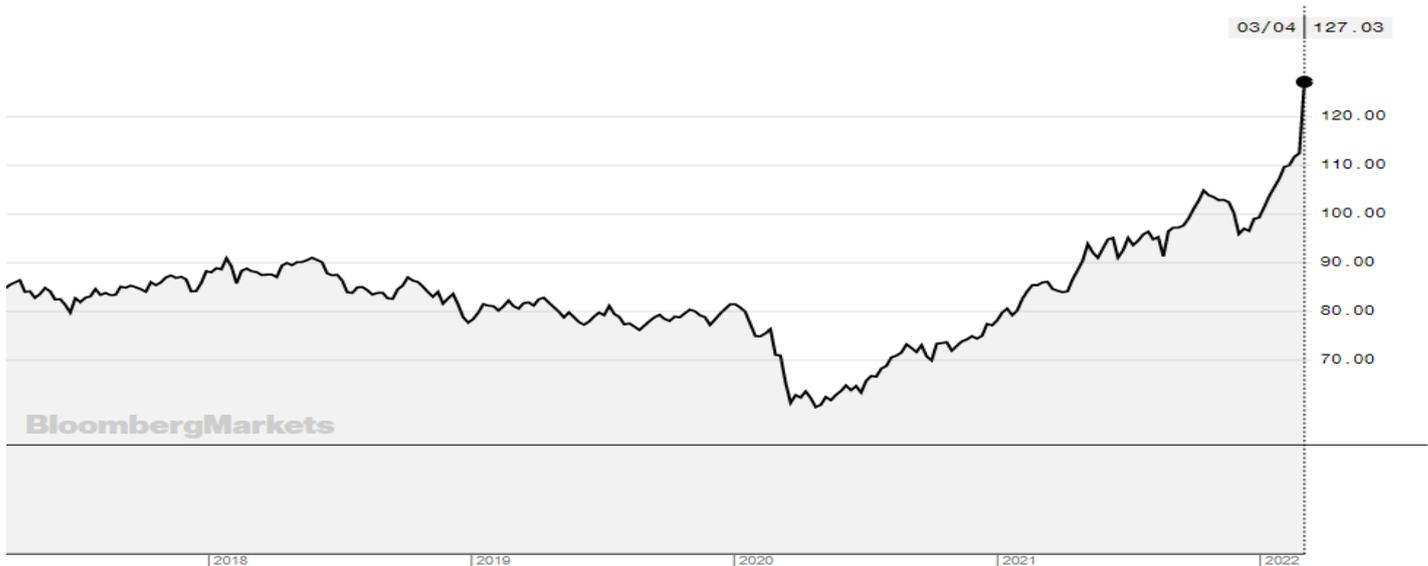
Bloomberg Commodity Index

127.03 USD

+4.10 +3.34% ▲

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	1,348.00	▲ 59.91%	▲ 75.35%	▲ 106.12%
Page 5	Sugar	19.35	▲ 7.56%	▲ 7.20%	▲ 17.99%
Page 6	Soybean	1,676.25	▲ 5.41%	▲ 5.97%	▲ 16.87%
Page 7	Cotton	120.20	▼ 1.57%	▼ 4.28%	▲ 39.43%
Page 8	Steel	1,175.00	▲ 16.34%	▼ 0.42%	▼ 6.75%
Page 9	Brent Crude	118.11	▲ 20.61%	▲ 27.42%	▲ 70.29%
Page 10	LNG	40.50	▲ 8.00%	▲ 62.00%	▲ 462.50%
Page 11	LME Zinc	4,051.00	▲ 11.86%	▲ 11.75%	▲ 46.06%
Page 12	Scrap Steel	550.00	↔ 0.00%	▲ 9.56%	▲ 19.57%

Wheat

Last Price

USc **1348.00**/BSH

Chicago Board of Trade wheat futures posted their biggest-ever weekly gain as prices on Friday jumped by their daily limit on deepening fears that Russia's attack on Ukraine will cause prolonged disruptions to exports from the Black Sea region. Trading was volatile amid uncertainty over how much global demand may shift to the United States and to what extent the conflict will hamper crop plantings in Russia and Ukraine. The most actively traded wheat futures [Wv1](#) climbed 6.6%, or the expanded 75-cent limit, to a 14-year high of \$12.09 a bushel. The contract ended up 40.6% for the week. With Ukrainian ports closed and operators reluctant to trade Russian wheat in the face of Western financial sanctions, buyers are trying to find alternative suppliers.



Technical:

Wheat posts record weekly rise as Ukraine war drives volatility. Next level to watch 1400.00.

Support:

1334.50 = Feb 2008 High

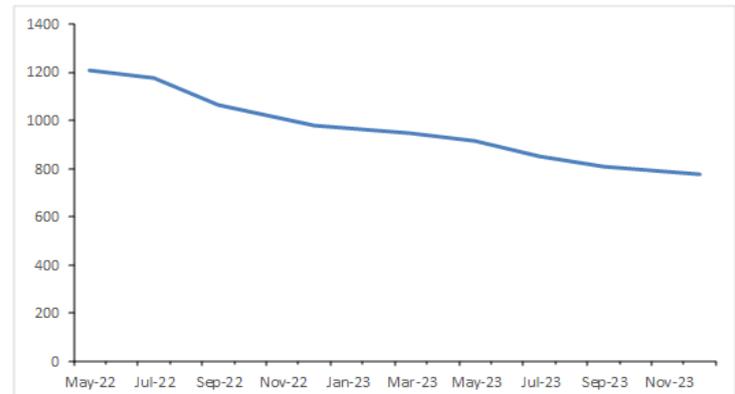
1009.50 = Dec 2007 High

Resistance:

1400.00 = Psychological Barrier

1450.00 = Psychological Barrier

Futures Curve



Sugar

Last Price

USc **19.35**/LBS

Raw sugar futures on ICE gained more than 2% on Friday, hitting their best level since mid-December, with oil prices continuing to surge on Russia's invasion of Ukraine. Rising energy prices can prompt cane mills in top producer Brazil to divert output from sugar to ethanol. May raw sugar [SBc1](#) settled up 0.42 cent, or 2.2%, at 19.35 cents per lb after hitting the highest since Dec. 16 earlier in the session at 19.48 cents/lb. The contract gained 6.4% in the week. Funds are buying sugar with the expectation that more Brazilian sugarcane will be diverted to ethanol as the Russia-Ukraine crisis continues to boost energy prices. Thanks to beneficial weather, India could export a record 7.5 million tonnes of sugar in the 2021/22 season, nearly 25% more than the previous estimate. May white sugar [LSUc1](#) rose \$10.10, or 1.9%, to \$532.30 a tonne.



Technical:

Raw sugar climbs to 2-1/2-month high, next level to watch 20.00.

Support:

17.98 = Apr 2021 high

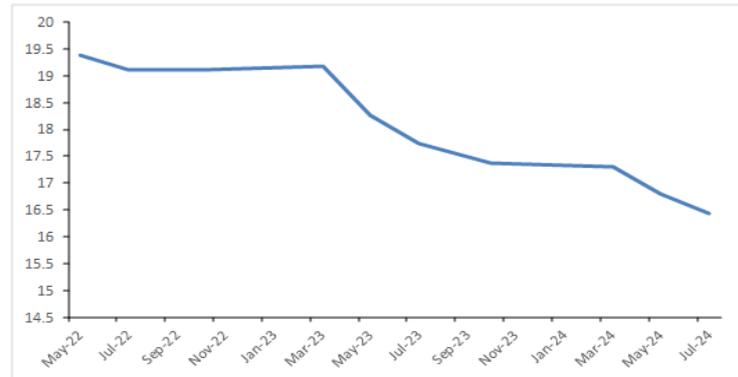
16.73 = Jul 2021 Low

Resistance:

19.90 = Dec 2021 High

20.61 = Oct 2021 High

Futures Curve



Soybean

Last Price USc **1,676.25**/BSH

SOYBEANS is Up 10 to 15 cents per bushel.

Soybeans recover from some weakness during the overnight session on strength in crude oil. Gains in corn were also supportive to soybeans. Soybean futures [Sv1](#) have risen 6.2% this week, which would be their biggest weekly percentage gain in 8 months. CBOT May soybeans [SK2](#) rose 13-1/2 cents to \$16.81-1/4 a bushel overnight.



Technical:

Soy up 10-15 cents, next level to watch 1,700.00.

Support:

1,485.00 = Feb 2022 Low

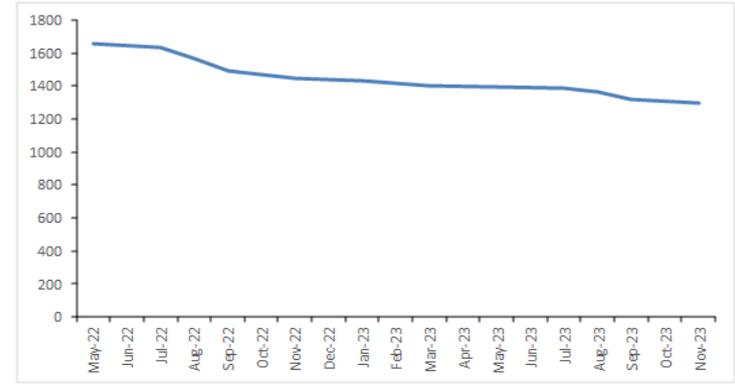
1,378.00 = Apr 2021 Low

Resistance:

1,677.25 = May 2021 High

1,765.00 = Feb 2022 High

Futures Curve



Cotton

Last Price

USc **120.20**/LBS

ICE cotton futures slipped more than 1% on Friday, weighed down by a stronger dollar and risk-off sentiment across equities as the Russia-Ukraine crisis intensified. The most active May cotton contract [CTK2](#) on ICE futures fell 1.30 cent, or 1.1%, to 118.50 cents per lb, at 11:07 a.m. ET. The dollar index [.DXY](#) rose 0.9% against its rivals. A stronger greenback makes cotton more expensive for overseas buyers. [USD](#)/Wall Street's main indexes lost more than 1% as concerns over the intensifying war in Ukraine overshadowed data that showed an acceleration in jobs growth last month. The U.S. Department of Agriculture's weekly export sales report on Thursday showed net sales of 348,600 running bales of cotton for 2021/2022, up 41% from the previous week and 51% from the prior 4-week average.

Technical:

Cotton futures slip over 1% on stronger dollar, weak equities, next level to watch 118.50.

Support:

116.48 = Oct 2021 High

111.50 = Nov 2021 Low

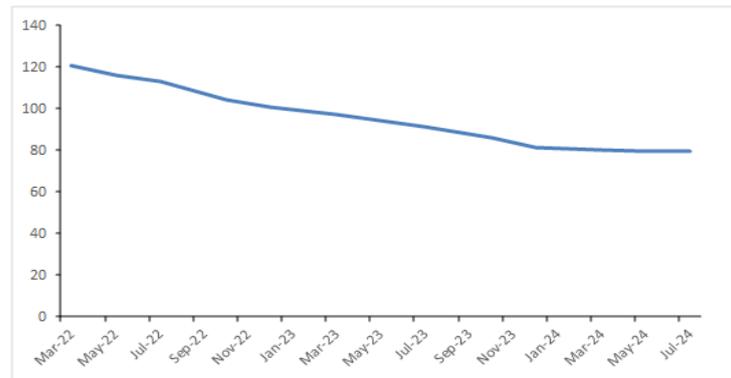
Resistance:

129.37 = Feb 2022 High

142.09 = May 2011 Low



Futures Curve



Steel

Last Price USD **1,175.00**/ tons

Benchmark iron ore futures in China surged more than 5% on Friday and were set for their biggest weekly jump in over two years on supply disruption fears amid Ukraine-Russia tensions. The most-traded iron ore futures on the Dalian Commodity Exchange [DCIOcv1](#), for May delivery, rose for the fifth straight session and gained as much as 5.7% (\$132.28) per tonne in early session. For this week, the benchmark iron ore futures are on track to rise 19%, recovering from the losses since Feb.11 since regulators stepped up measures to rein in the raw material prices. Spot 62% iron ore [SH-CCN-IRNOR62](#) for delivery to China gained \$6.5 to \$154 a tonne on Thursday. Stainless steel prices on the Shanghai Futures Exchange [SHSScv1](#), for April delivery, soared 4.8% to 18,790 yuan per tonne.

Technical:

Iron ore futures eye near 20% weekly gain amid Ukraine crisis. Next level to watch 1200.00.

Support:

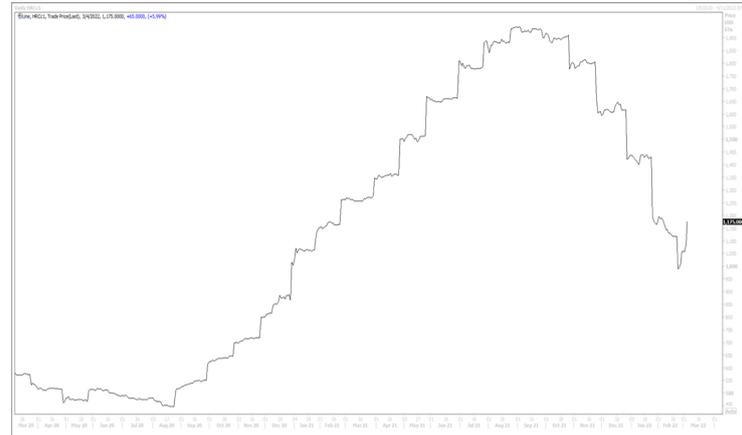
942.00 = May 2018 Low

800.00 = Dec 2020 Low

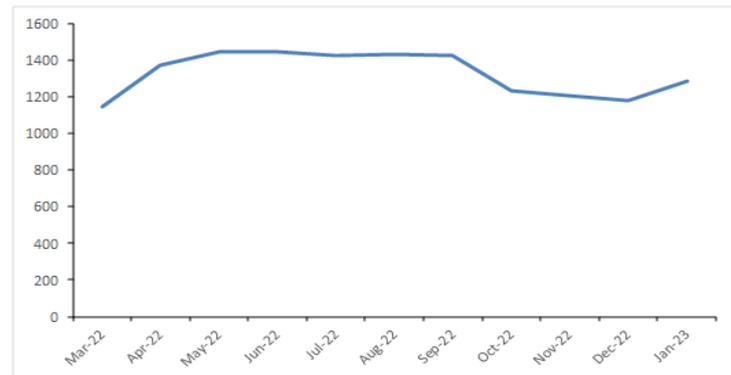
Resistance:

1,200.00 = Feb 2022 High

1,348.00 = Mar 2021 High



Futures Curve of SHFE Steel Futures



Brent Crude

Last Price

USD **118.11**/BBL

Oil surged on Friday, ending the week at multi-year highs as Russia's invasion of Ukraine intensified and oil buyers shunned barrels from the world's second-largest exporter of crude. Brent [LCOc1](#) futures rose \$7.65, or 6.9%, to settle at \$118.11 a barrel, while U.S. West Texas Intermediate (WTI) crude [CLc1](#) rose \$8.01, or 7.4%, to end at \$115.68. Russia exports 4 million to 5 million barrels of oil daily, making it the second-largest crude exporter in the world after Saudi Arabia. Traders were barely able to sell Russian oil all week, with Shell PLC [SHEL.L](#) on Friday the only notable buyer of a Russian cargo, which was sold at a steep \$28-discount to physical Brent crude. The tumult is likely to continue. The Biden administration, under pressure from lawmakers from both major parties, said it is considering options for cutting U.S. imports of Russian oil even as it tries to minimize the impact on global supplies and on consumers.



Technical:

Oil surges to multi-year highs as Russian supply shortfall looms, next level to watch 125.00.

Support:

91.70 = Jan 2022 High

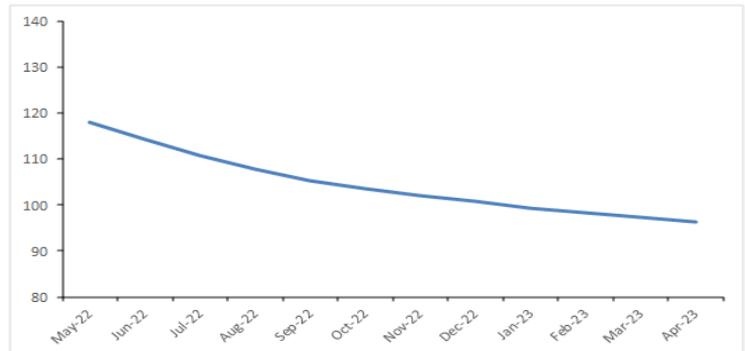
87.72 = Feb 2022 Low

Resistance:

125.97 = Apr 2012 High

143.91 = Jun 2006 High

Futures Curve

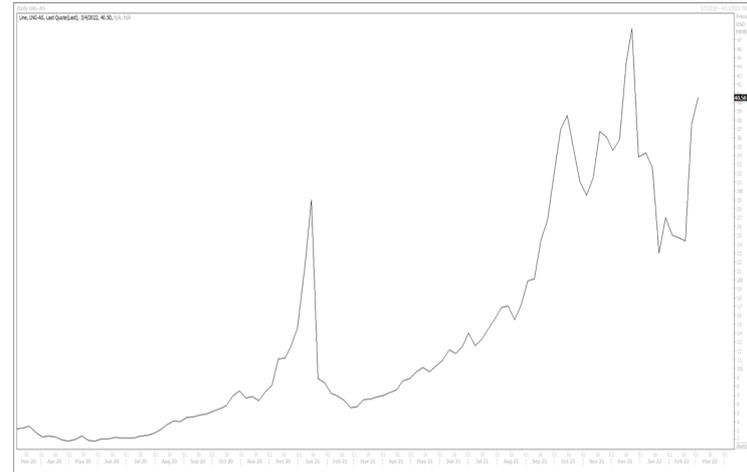


LNG

Last Price

USD **40.50**/BBL

Asian spot liquefied natural gas (LNG) prices rose this week, buoyed by concerns over Russian supply to Europe as buyers shun Russian gas and LNG in response to its invasion of Ukraine. The average LNG price for April delivery into north-east Asia [LNG-AS](#) was estimated at \$40.5 per metric million British thermal units (mmBtu), up \$3, or 8% from the previous week. Price agency S&P Global Commodity Insights' Japan-Korea-Marker (JKM), which is widely used as a spot benchmark in the region, climbed to \$59.672 per mmBtu on Thursday, data showed, tracking a surge in European gas prices as markets panic over Russian supply. In Asia, buyers may be unwilling to replicate the price surge on the TTF beyond a notional \$50/Mmbtu and may adopt a wait-and-see approach or switch to cheaper alternative fuels such as coal.



Technical:

LNG prices surge as buyers shun Russian gas, next level to watch 50.00.

Support:

36.70 = Nov 2021 High

29.00 = Jan 2021 High

Resistance:

48.30 = Dec 2021 High

50.00 = Psychological Barrier

Futures Curve



LME Zinc

Last Price

USD **4,051.00**/Tons

The most-traded SHFE 2204 zinc closed down 0.73% or 190 yuan/mt at 25,870 yuan/mt, with open interest down 1,395 lots to 127,091 lots.

Market sentiment eased to some point as the second round of Russia-Ukraine talk was more productive than the first one, especially when more and more countries declared neutrality toward this geopolitical tension.

On the fundamentals, as of March 4, the zinc ingot inventory across the seven major regions in China totalled 284,200 mt, up 700 mt from Monday February 28 and up 7,800 mt from last Friday February 25.



Technical:

Zinc continued its uptrend, next level to watch 4,100.00.

Support:

3,655.50 = Oct 2021 High

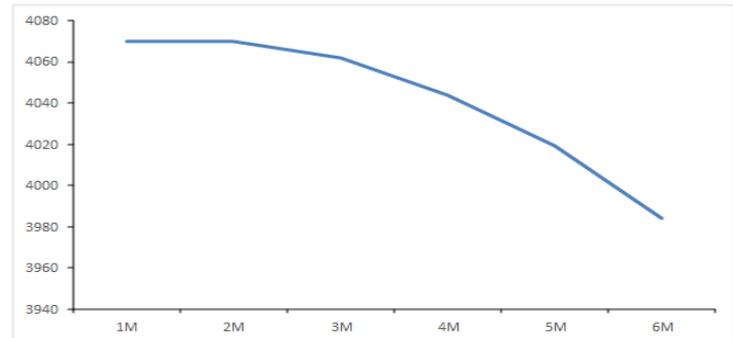
3,944.50 = Nov 2021 High

Resistance:

4,028.00 = Mar 2022 High

4,100.00 = Mar 2022 High

LME Zinc Forward Curve

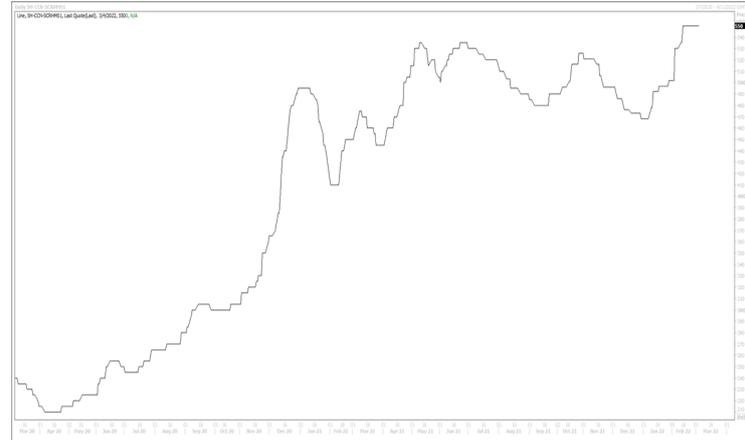


Scrap Steel

Last Price

USD **550.00**/Tons

Turkey has stepped into the breach in the global semi-finished steel market left by Russia and Ukraine, hovering up scrap at exorbitantly higher prices in the week ended Friday march 4. Fierce competition for its own semi-finished products was propelling their prices and those of ferrous scrap, ever higher over the assessment period. Turkey coughed up huge price increases to secure amid rampant billet demand. US exporters capitalized on rocketing Turkish semi-finished steel prices. Vietnam is enjoying sky-high billet prices. Turkish mills continue to pay higher prices for deep sea scrap amid Black Sea conflict. Taiwan scrap prices also surge in line with global gains.



Technical:

Ferrous scrap import prices in runaway rise. Next level to watch 565.00.

Support:

445.00 = Mar 2021 Low

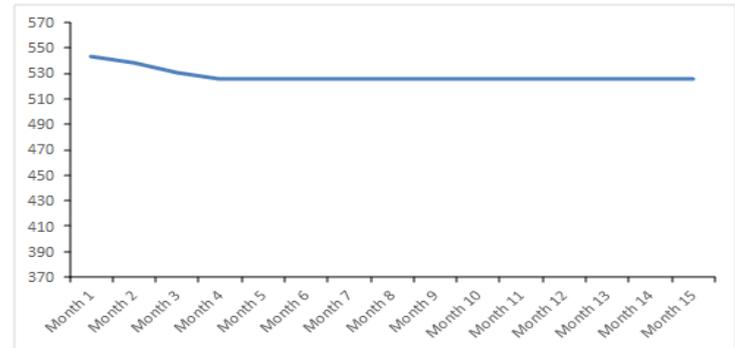
410.00 = Feb 2021 Low

Resistance:

565.00 = Sep 2008 High

690.00 = May 2008 High

LME Scrap Steel Forward Curve



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