



Commodities Weekly

Issue 10-2021

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(%)	MTM Change(%)	YTD Change(%)
Page 3	Wheat	631.75	▼ 3.40%	▼ 0.63%	▼ 1.37%
Page 4	Sugar	16.13	▼ 1.65%	▼ 1.53%	▲ 4.13%
Page 5	Soybean	1,415.75	▼ 1.29%	▲ 3.19%	▲ 7.64%
Page 6	Cotton	87.56	▲ 1.57%	▲ 0.33%	▲ 12.08%
Page 7	Steel	1,258.00	▼ 0.16%	▲ 7.52%	▲ 25.17%
Page 8	Brent Crude	69.22	▼ 0.20%	▲ 10.88%	▲ 33.63%
Page 9	LME Zinc	2804.00	▲ 0.41%	▼ 1.39%	▲ 1.93%
Page 10	Scrap Steel	470.00	▲ 2.17%	▲ 14.63%	▼ 5.05%

Wheat

Last Price

USc **631.75**/BSH

Chicago Board of Trade wheat futures declined on Friday, with the benchmark May contract [WK1](#) falling to a one-month low as storms forecast for the U.S. Plains this weekend were expected to improve production prospects. CBOT May soft red winter wheat [WK1](#) settled down 4 cents at \$6.38-1/2 per bushel after dipping to \$6.37-1/2, its lowest since Feb. 12. For the week, the CBOT contract [WK1](#) fell 14-1/2 cents a bushel or 2.2%, its second straight weekly decline. K.C. May hard red winter wheat [KWK1](#) ended down 3/4 cent at \$6.03-1/2, after hitting \$6.00-1/2, its lowest since Jan. 12, and MGEX May spring wheat [MWEK1](#) settled down 1/4 cent at \$6.33-3/4. A firmer dollar [.DXY](#) hung over the markets, in theory making U.S. grain less competitive on the world market.

Technical:

Wheat hits 1-month low on U.S. weather. Next level to watch 600.00.

Support:

592.50 = Jan 2020 High

579.50 = Nov 2020 Low

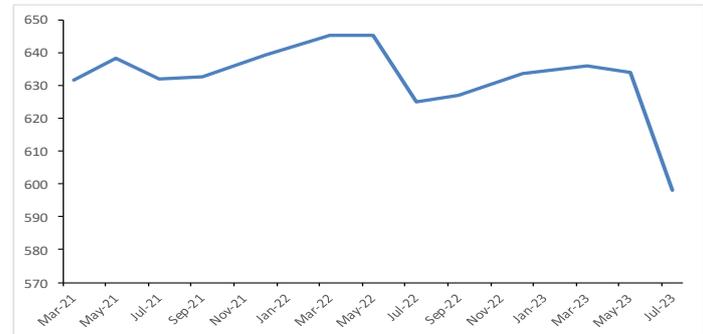
Resistance:

683.50 = Feb 2021 High

693.00 = Jan 2021 High



Futures Curve



Sugar

Last Price USc **16.13** / LBS

Raw sugar prices closed down on Friday amid risk-off sentiment in wider financial markets and a stronger dollar, though near term supply tightness limited losses. [O/RMKTS/GLOB](#). May raw sugar [SBc1](#) closed 1.5% down at 16.13 cents per lb, having gained 2.4% on Thursday. Sugar was consolidating and should remain range bound between 16 and 16.50 cents near term, underpinned by a poor harvest in Thailand, slow Indian exports and uncertainty over the upcoming Brazilian crop. Sugar's upside is capped, however, by widespread bets the market will eventually move into surplus this year. Speculators cut their long position in the sweetener for the second consecutive week. May white sugar [LSUc1](#) fell 0.8% to \$459.50 a tonne, having gained 2.2% on Thursday. May white sugar [LSUc1](#) fell 0.8% to \$459.50 a tonne, having gained 2.2% on Thursday.

Technical:

Sugar falls, but losses limited by tight supplies, next level to watch 16.50.

Support:

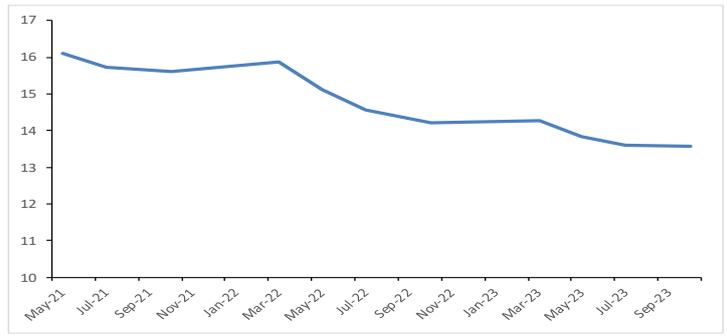
15.85 = Mar 2021 Low
 15.40 = Jan 2021 Low

Resistance:

16.70 = Mar 2021 High
 17.18 = Apr 2017 High



Futures Curve



Soybean

Last Price USc **1,415.75** / BSH

Chicago Board of Trade soybean futures closed narrowly mixed on Friday, caught between surging soyoil futures amid tightening world vegetable oil supplies, and slowing demand for soymeal. CBOT May soybeans [SK1](#) settled down 1/4 cent at \$14.13-1/4 per bushel, while the new-crop November contract [SX1](#) ended flat at \$12.43-3/4. For the week, the May contract [SK1](#) fell 16-3/4 cents per bushel or 1.2%, halting a four-week climb. CBOT May soyoil [BOK1](#) ended Friday up 0.75 cent at 55.36 cents per pound, after reaching a life-of-contract high at 55.59 cents. Soyoil futures [O#BO](#): were lifted by tightening world vegetable oil supplies and spillover strength from Malaysian palm oil [FCPOc3](#) futures, which hit a 13-year peak. [POI](#)

Technical:

Soybeans end mixed as soyoil futures soar, soymeal tumbles, next level to watch 1,380.00.

Support:

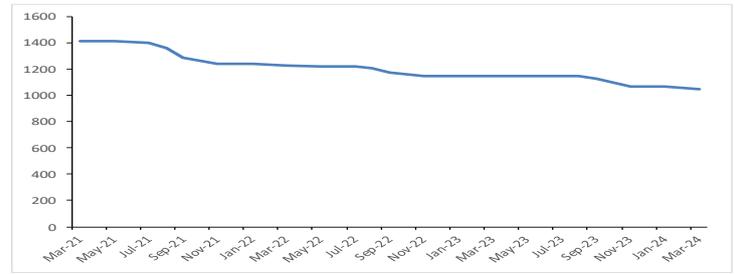
- 1,383.50 = Mar 2021 Low
- 1,321.50 = Dec 2020 High

Resistance:

- 1,453.50 = Mar 2020 High
- 1,499.50 = Sep 2013 High



Futures Curve



Steel

Last Price USD **1,258.00**/ tons

Benchmark Asian iron ore futures fell on Friday and were on track for their second-biggest weekly loss so far this year, as moves in China to restrict steel mills' highly-pollutive operations and reduce production capacity weighed on sentiment. The most-traded May iron ore on China's Dalian Commodity Exchange [DCIOcv1](#) was down 0.3% at 1,059 yuan (\$163.11) a tonne, and has fallen 6% this week. Rebar on the Shanghai Futures Exchange [SRBcv1](#) rose 2.9%, while hot-rolled coil [SHHCcv1](#) climbed 3.1%. Stainless steel [SHSScv1](#) slipped 0.1%. The front-month contract for the steelmaking ingredient on the Singapore Exchange [SZZFJ1](#) dropped 3.2% to \$159.35 a tonne and was poised to decline by 5% this week.

Technical:

China steel futures close higher, next level to watch 1,295.00.

Support:

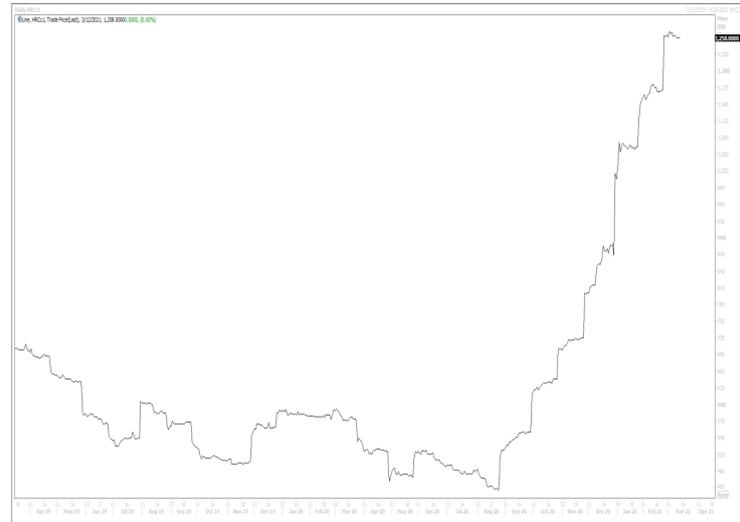
1,156.00 = Jan 2021 High

1,015.00 = Jan 2021 Low

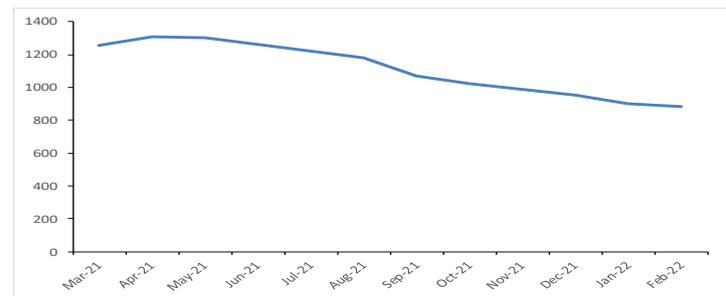
Resistance:

1,295.00 = Mar 2021 High

1,350.00 = Psychological Level



Futures Curve of SHFE Steel Futures



Brent Crude

Last Price

USD **69.22**/BBL

Oil settled near \$70 a barrel on Friday, supported by production cuts by major oil producers and optimism about a demand recovery in the second half of the year. Benchmark Brent [LCOc1](#) settled down 41 cents, or 0.6%, to \$69.22 a barrel. U.S. West Texas Intermediate crude [CLc1](#) also ended down 41 cents to \$65.61 a barrel. Brent and U.S. crude ended the week roughly flat after prices touched a 13-month high on Monday, following seven straight weeks of gains. The United States, world's largest oil consumer, saw a big draw on U.S. gasoline stocks last week as the winter storm in Texas disrupted refining output. [EIA/S](#). Sustained higher oil prices are expected to encourage U.S. producers to increase output, which could eventually weigh on prices.



Technical:

Oil settles near \$70/bbl on hopes of recovering demand, next level to watch 71.75.

Support:

62.38 = Mar 2021 Low

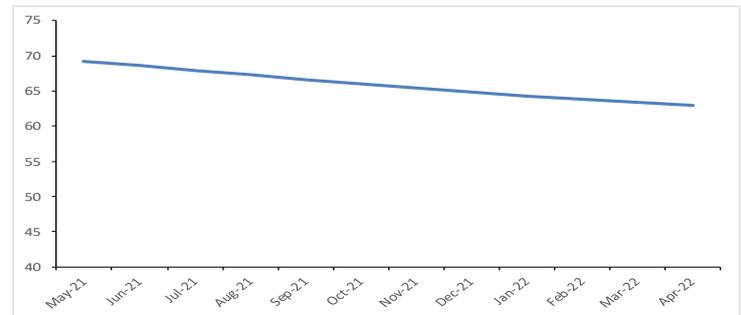
60.00 = Feb 2020 High

Resistance:

71.75 = Jan 2020 High

75.60 = Apr 2019 High

Futures Curve

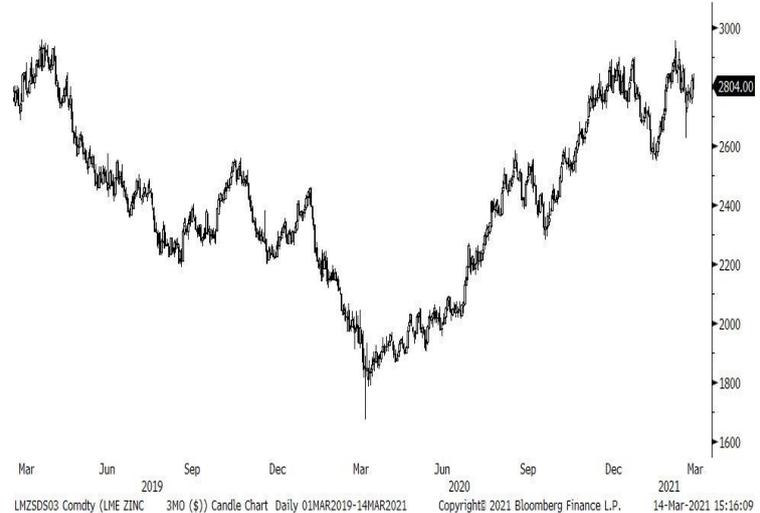


LME Zinc

Last Price

USD **2,804.00**/Tons

SHFE nonferrous metals rose broadly on Friday March 12. Copper gained 0.74%, zinc rose 2.01%, lead firmed 0.61% and tin strengthened 1.72%, while aluminium shed 0.26% and nickel lost 0.75%. The most-liquid SHFE 2104 zinc contract jumped 2.01% to close the day at 21,870 yuan/mt after hitting a two-week high at 21,925 yuan/mt earlier in the session, with open interest decreasing 1,272 lots to 74,403 lots.



Technical:

Nonferrous metals on the SHFE closed mostly higher, next level to watch 2,850.00.

Support:

2,723.50 = Dec 2020 Low

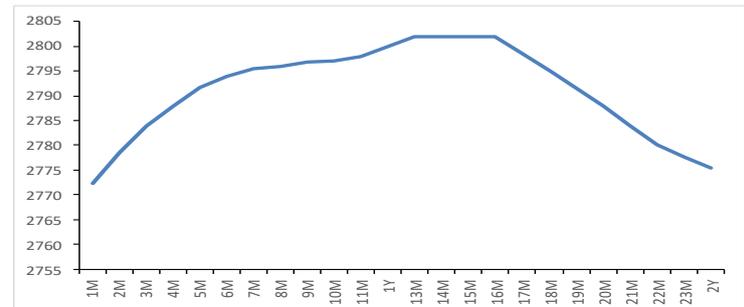
2,546.00 = Jan 2021 Low

Resistance:

2,873.00 = Mar 2021 High

2,905.00 = May 2019 High

LME Zinc Forward Curve



Scrap Steel

Last Price

USD **470.00**/Tons

New transactions concluded for containerized steel scrap cargoes sold to Bangladesh fetched lower prices over the past week. Buyers in Bangladesh, Pakistan and India have been successful in the past week in their attempts to reduce import prices for containerized scrap. At least two Bangladeshi steelmakers booked imported shredded scrap in containers at \$480 per tonne cfr for United Kingdom material at the beginning of this week. A deal in the middle of the week involving 3,000-4,000 tonnes of shredded scrap was heard at \$476 per tonne cfr. By Thursday, prices had fallen to \$470 per tonne cfr. Demand was also being constrained by a recent drop in domestic steel prices in Bangladesh. Turkish and Bangladeshi scrap buying would slow down on the run-up to Ramadan, which begins on April 13.

Technical:

Prices slide despite high freight costs, next level to watch 400.00.

Support:

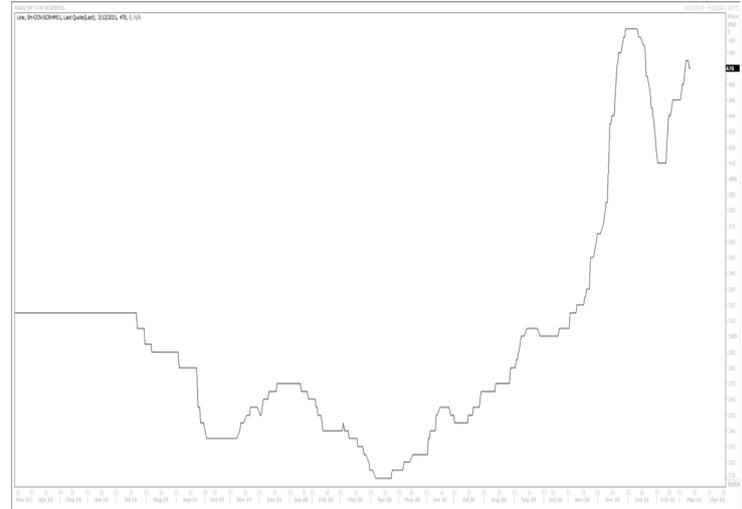
410.00 = Feb 2021 Low

365.00 = Dec 2020 Low

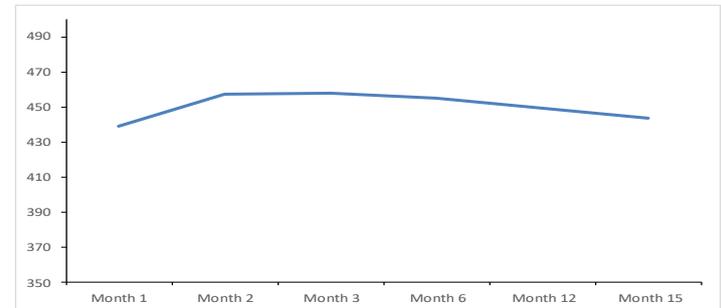
Resistance:

495.00 = Dec 2020 High

525.00 = Feb 2011 High



LME Scrap Steel Forward Curve



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