



Commodities Weekly

Issue 10-2022

Date: 21 Mar 2022

Bloomberg Commodity Index

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

123.36 USD -0.99 -0.79% ▼



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	1,130.50	▲ 3.72%	▲ 33.91%	▲ 80.30%
Page 5	Sugar	19.28	▲ 0.21%	▲ 5.93%	▲ 22.34%
Page 6	Soybean	1,702.50	▲ 0.69%	▲ 6.31%	▲ 20.21%
Page 7	Cotton	129.38	▲ 6.90%	▲ 5.20%	▲ 52.79%
Page 8	Steel	1,135.00	▲ 0.89%	▲ 1.61%	▼ -10.35%
Page 9	Brent Crude	117.10	▲ 3.93%	▲ 22.76%	▲ 81.47%
Page 10	LNG	35.50	▼ -6.58%	▲ 45.49%	▲ 441.98%
Page 11	LME Zinc	3,826.00	▲ 0.29%	▲ 7.53%	▲ 34.86%
Page 12	Scrap Steel	595.00	▲ 3.48%	▲ 8.18%	▲ 29.35%

Wheat

Last Price USc **1,130.50**/BSH

Chicago Board of Trade wheat futures finished lower on Friday as traders followed news on talks to end Russia's invasion of Ukraine. CBOT benchmark May soft red winter wheat [WK2](#) settled down 34-1/4 cents at \$10.63-3/4 per bushel. K.C. May hard red winter wheat [KWK2](#) ended down 21-3/4 cents at \$10.70-1/2 a bushel, and MGEX May spring wheat [MWEK2](#) fell 18-3/4 cents to finish at \$10.60-1/4. Traders worry that spring crop plantings in Ukraine may be more at risk as Russia's invasion continues. Grain importers are searching for alternative suppliers as the conflict stalls crop exports from the Black Sea region. Turkish state grain board TMO provisionally bought 260,000 tonnes of wheat in an internal market tender.



Technical:

Wheat futures fall as traders monitor Ukraine crisis. Next level to watch 1100.00.

Support:

926.50 = Sep 2012 High

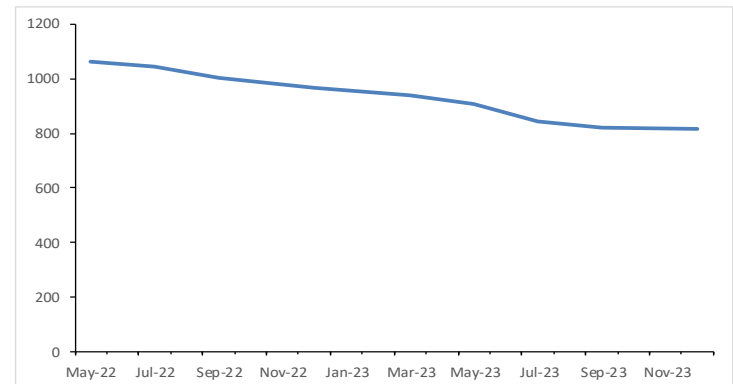
863.50 = Jan 2011 High

Resistance:

1298.00 = Mar 2008 High

1425.25 = Mar 2022 High

Futures Curve



Sugar

Last Price USc **19.28**/LBS

Raw sugar prices on ICE closed up on Friday tracking gains in the energy sector, despite the outlook of increasing supplies from large producers India and Thailand. Rising energy prices tend to boost sugar as they may prompt cane mills in top producer Brazil to divert output away from sugar towards ethanol, a cane-based biofuel. [O/R](#) May raw sugar [SBc1](#) rose 0.24 cent, or 1.3%, at 18.93 cents per lb. Imports of sugar into China, a top buyer, fell 5.3% in February to 410,000 tonnes, data showed. May white sugar [LSUc1](#) rose \$10.10, or 1.9%, at \$536.10 a tonne.



Technical:

Sugar rises tracking oil gains, next level to watch 20.00.

Support:

17.98 = Apr 2021 high

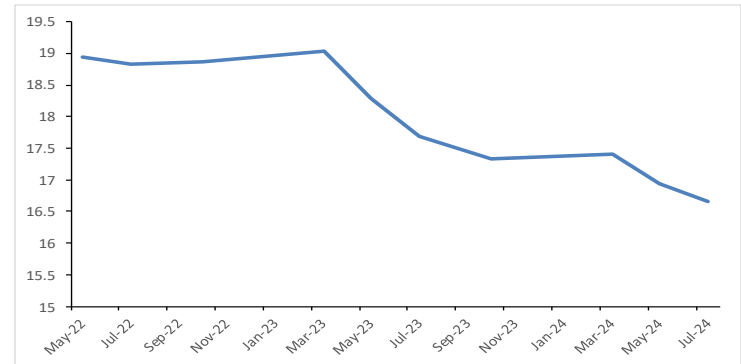
16.73 = Jul 2021 Low

Resistance:

19.90 = Dec 2021 High

20.61 = Oct 2021 High

Futures Curve



Soybean

Last Price USc **1,702.50**/BSH

Chicago Board of Trade soybean futures slipped on Friday as traders waited for more clarity on how long the Ukraine crisis will last, analysts said. CBOT May soybeans [SK2](#) settled down 1/2-cent at \$16.68 per bushel. CBOT May soyoil [BOK2](#) ended 2.34 cents lower at 72.29 cents per pound, while May soymeal [SMK2](#) jumped \$2.90 to settle at \$477.00 per short ton. Soybean futures consolidated and finished weaker with the neighboring CBOT corn and wheat markets. Malaysian palm oil futures fell more than 5%, posting their deepest weekly plunge since 1986. In Argentina, farmers could be hit by a third straight La Nina weather phenomenon, the Rosario grains exchange said. The climate pattern generally brings lower rainfall in key farming regions.



Technical:

Soybeans end slightly lower, next level to watch 1,700.00.

Support:

1,608.75 = Apr 2021 High

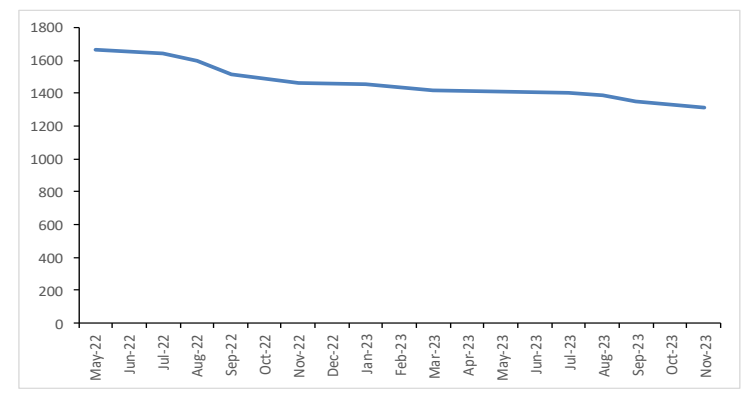
1,485.00 = Feb 2022 Low

Resistance:

1,745.25 = Mar 2022 High

1,765.00 = Feb 2022 High

Futures Curve



Cotton

Last Price

USc **129.38**/LBS

ICE cotton futures jumped more than 4% to their daily trading limit on Friday, driven by strong buying activity from mills. The most active May cotton contract [CTK2](#) on ICE futures rose 3.90 cents, or 3.2%, to 125.76 cents per lb, at 11:21 a.m. ET. Prices traded within a range of 121.84 and 126.86 cents a lb. The U.S. Department of Agriculture's weekly export sales report on Thursday showed net sales of 371,400 running bales of cotton for 2021/2022, up 5% from the previous week and 34% from the prior four-week average. Increases were primarily for China. [EXP/COT](#) Total futures market volume fell by 1,081 to 22,394 lots. Data showed total open interest gained 1,574 to 222,184 contracts in the previous session.



Technical:

Cotton futures trade limit-up on strong mill demand, next level to watch 125.00.

Support:

116.48 = Oct 2021 High

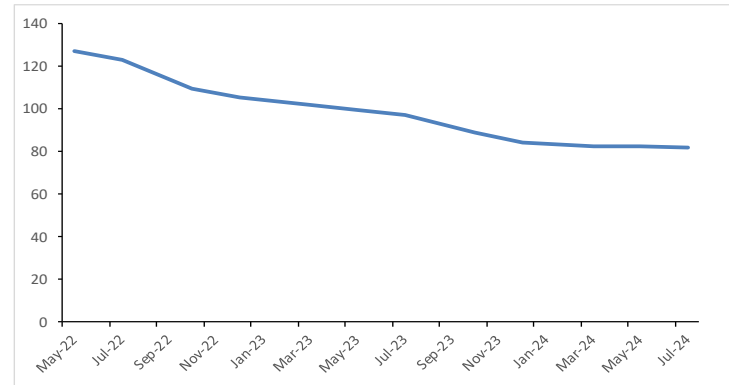
111.50 = Nov 2021 Low

Resistance:

129.37 = Feb 2022 High

142.09 = May 2011 Low

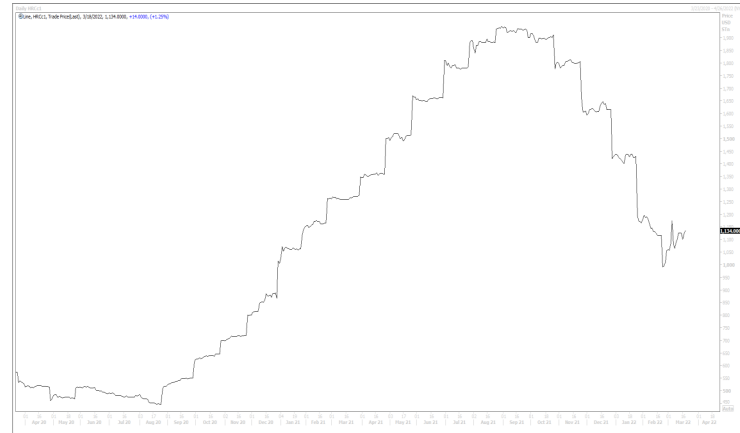
Futures Curve



Steel

Last Price USD **1,135.00**/ tons

Chinese iron ore futures scaled a one-week high on Friday to mark their fourth consecutive weekly gain, as hopes for additional stimulus to shore up the world's top steel producer eclipsed worries over COVID-19 curbs and global uncertainties. The most-traded May iron ore on China's Dalian Commodity Exchange [DCIOcv1](#) ended day-time trade 3.5% higher at 833.50 yuan (\$131.20) a tonne, after earlier touching 835 yuan, its highest since March 11. The steelmaking ingredient rose 1% this week. Spot 62%-grade iron ore was steady at \$146.50 a tonne on Thursday, after rising for the first time in a week [SH-CCN-IRNOR62](#) Construction steel rebar on the Shanghai Futures Exchange [SRBcv1](#) gained 1%, while hot-rolled coil [SHHCcv1](#) climbed 1.2%. Stainless steel [SHSScv1](#) rose 0.6%.



Technical:

Dalian iron ore logs fourth weekly gain on China stimulus hopes. Next level to watch 1200.00.

Support:

942.00 = May 2018 Low

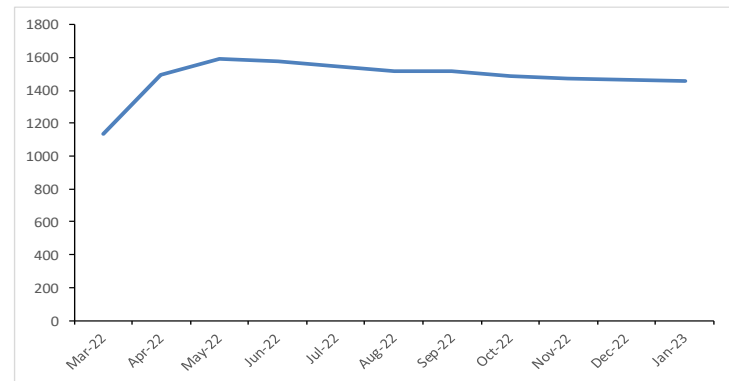
800.00 = Dec 2020 Low

Resistance:

1,200.00 = Feb 2022 High

1,348.00 = Mar 2021 High

Futures Curve of SHFE Steel Futures



Brent Crude

Last Price

USD **117.10**/BBL

Oil prices settled higher on Friday, but posted a second straight weekly loss, after a volatile trading week with no easy replacement for Russian barrels in a tight market. Brent crude [LCOc1](#) futures settled up \$1.29, or 1.2%, to \$107.93 a barrel, a day after surging nearly 9% in the biggest daily percentage gain since mid-2020. U.S. West Texas Intermediate (WTI) crude [CLc1](#) futures settled up \$1.72, or 1.7%, at \$104.70 a barrel, adding to the previous session's 8% jump. Both benchmark contracts ended the week down around 4%, after trading in a \$16 range. Prices hit 14-year highs nearly two weeks ago, encouraging bouts of profit taking since then. U.S. oil producers have also shown considerable constraint since the conflict in Ukraine began. U.S. energy firms this week reduced the number of oil rigs active in the country by 3 to 524 this week.



Technical:

Oil settles up but posts second consecutive weekly decline, next level to watch 125.00.

Support:

91.70 = Jan 2022 High

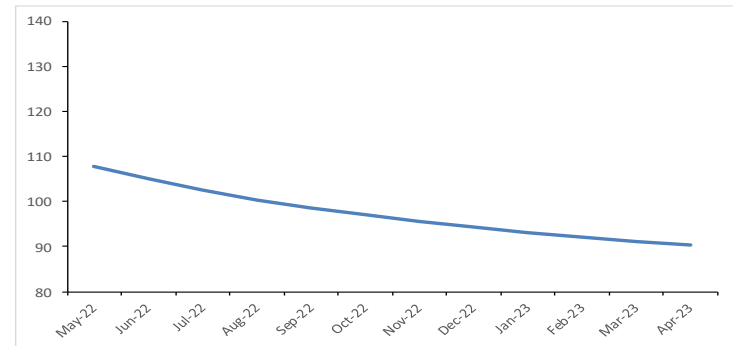
87.72 = Feb 2022 Low

Resistance:

125.97 = Apr 2012 High

143.91 = Jun 2006 High

Futures Curve

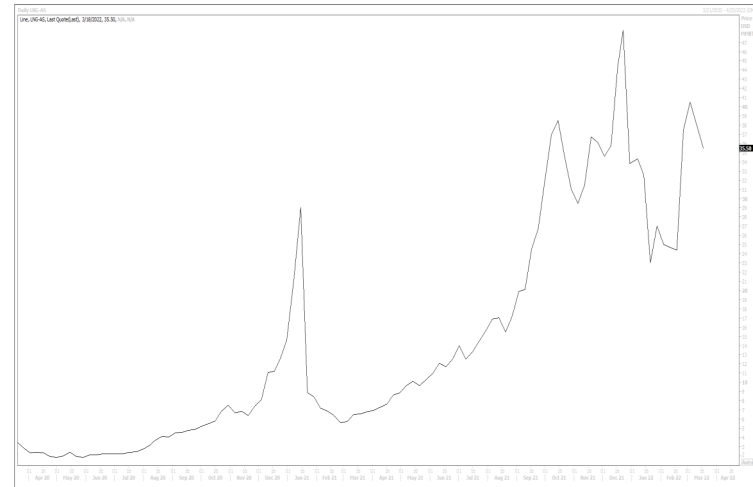


LNG

Last Price

USD **35.50**/BBL

Asian spot liquefied natural gas (LNG) prices fell this week, tracking European gas prices, as concerns over disruptions of Russian gas slightly eased. The average LNG price for May delivery into north-east Asia [LNG-AS](#) was estimated at \$35.50 per metric million British thermal units (mmBtu), down \$2.50, or 6.6%, from the previous week. The global gas market has been tight for a year, driving prices to record levels. Price agency S&P Global Commodity Insights' Japan-Korea-Marker (JKM), widely used as a spot LNG benchmark in the region, hit a record high of \$84.762/mmBtu earlier this month. In Asia, demand is still muted with north-east Asia consuming an average of 54% of global LNG imports in the first two months of 2022, compared to 67% last year. On Wednesday, a magnitude 7.3 earthquake jolted Japan's north-east coast, knocking around 6.5 gigawatts of thermal power capacity offline.



Technical:

LNG prices slide as concerns over supply disruptions ease, next level to watch 40.00.

Support:

36.70 = Nov 2021 High

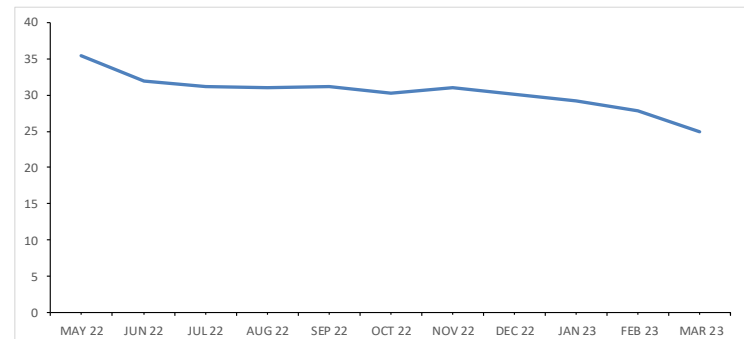
29.00 = Jan 2021 High

Resistance:

48.30 = Dec 2021 High

50.00 = Psychological Barrier

Futures Curve



LME Zinc

Last Price

USD **3,826.00**/Tons

The most-traded SHFE 2205 zinc closed up 0.63% or 160 yuan/mt at 25,545 yuan/mt, with open interest up 3,944 lots to 84,271 lots.

On the fundamentals, the consumption side was sluggish due to falling terminal orders, and the situation deteriorated amid disturbed transportation and work from home. In the spot market, social inventory across seven regions dropped 9,500 mt from a week ago due to delayed shipments on spreading COVID, and relatively sound transactions in the first half of the week.



Technical:

Zinc falls as consumption is sluggish, next level to watch 4,000.00.

Support:

3,655.50 = Oct 2021 High

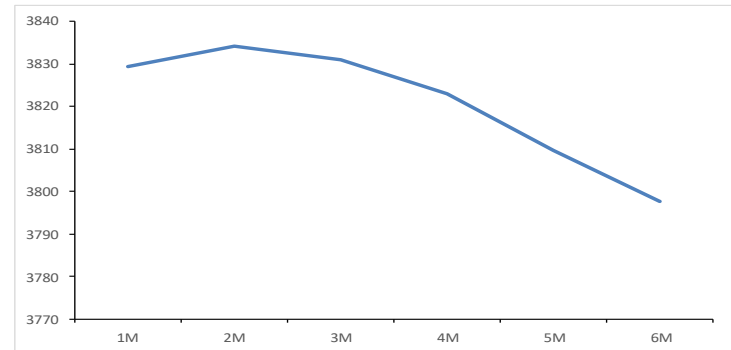
3,600.00 = Jan 2021 High

Resistance:

4,028.00 = Mar 2022 High

4,100.00 = Mar 2022 High

LME Zinc Forward Curve

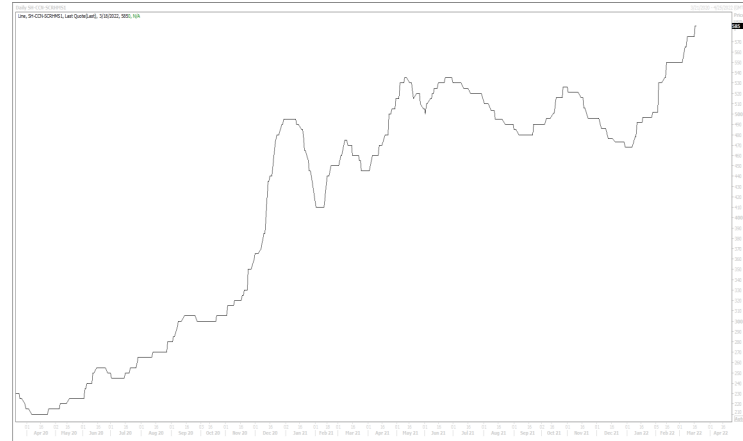


Scrap Steel

Last Price

USD **595.00**/Tons

Ferrous scrap prices in the key Vietnam market have slowed their climbs this week amid growing reluctance from buyers to accept higher prices. Turkish steel mills continued to buy deep sea steel scrap cargoes at the end of the week, with prices correcting downward further. South Korea has resumed its purchasing of Russian steel scrap amid an appealing discount for such material compared with bulk cargoes from the United States. Brazil, a country that already emits less greenhouse gases per tonne of crude steel produced than the global average, seeks in charcoal and natural gas a way to take short term steps on its lengthy decarbonization road, but its legacy integrated steelmaking capacity could be a hurdle.



Technical:

Scrap price uptrend may ease soon. Next level to watch 580.00.

Support:

445.00 = Mar 2021 Low

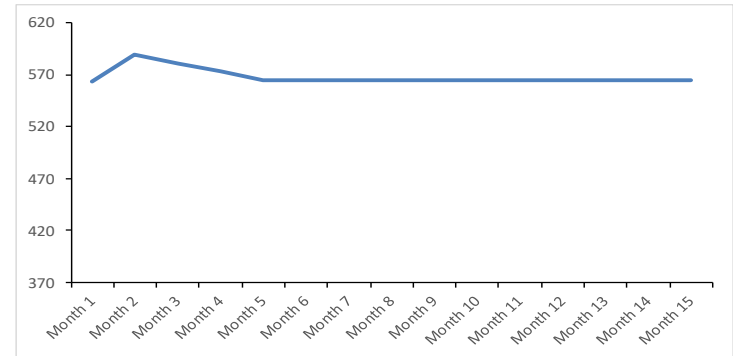
410.00 = Feb 2021 Low

Resistance:

580.00 = Mar 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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