



Commodities Weekly

Issue 11-2021

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	627.00	▼ 4.13%	▼ 3.65%	▼ 2.11%
Page 4	Sugar	15.76	▼ 3.90%	▼ 11.41%	▲ 1.74%
Page 5	Soybean	1,416.25	▲ 0.04%	▲ 2.83%	▲ 7.68%
Page 6	Cotton	84.68	▼ 1.77%	▼ 4.80%	▲ 8.40%
Page 7	Steel	1,266.00	▲ 0.48%	▲ 8.95%	▲ 25.97%
Page 8	Brent Crude	64.53	▼ 6.96%	▲ 2.58%	▲ 24.58%
Page 9	LME Zinc	2,837.00	▲ 1.18%	▼ 1.53%	▲ 3.13%
Page 10	Scrap Steel	460.00	▼ 2.13%	▲ 4.55%	▼ 7.07%

Wheat

Last Price

USc **627.00**/BSH

Chicago Board of Trade wheat futures fell for a third straight day on Friday and touched the lowest level of the year so far as a firmer U.S. dollar and signs of improving U.S. Plains crop conditions weighed on prices. Forecasts for a larger-than-anticipated harvest in Russia, the world's top supplier, added pressure. CBOT May wheat [WK1](#) fell 3-1/2 cents to \$6.27 a bushel. The contract hit its lowest since Dec. 30 during the session and finished the week down 1.8% in its third straight weekly decline. K.C. May hard red winter wheat [KWK1](#) was down 1-1/2 cents at \$5.85-1/2 a bushel. MGEX May spring wheat [MWEK1](#) gained 1-1/2 cents to end at \$6.27.

Technical:

CBOT wheat sinks for third straight day as dollar firms. Next level to watch 590.00.

Support:

592.50 = Jan 2020 High

579.50 = Nov 2020 Low

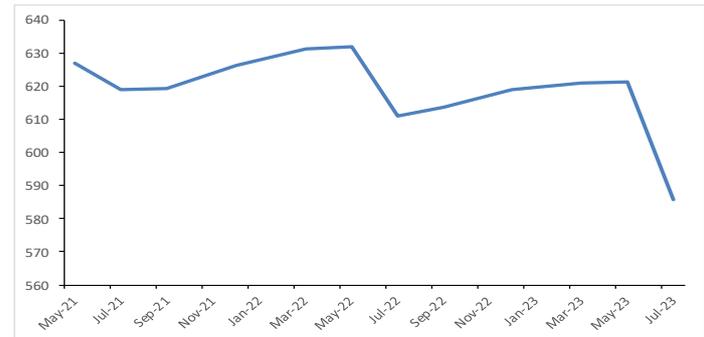
Resistance:

663.25 = Mar 2021 High

683.50 = Feb 2021 High



Futures Curve



Sugar

Last Price

USc **15.76**/ LBS

Raw sugar futures on ICE hit their lowest since late January on Friday amid risk-off sentiment in wider financial markets and as concerns the COVID-19 pandemic is not under control made funds wary. May raw sugar [SBc1](#) settled down 0.13 cent, or 0.8%, at 15.76 cents per lb, having hit its weakest since late January at 15.55 cents earlier in the session. The upsurge in coronavirus cases in Europe has given funds pause for thought and they might reassess their exposure to commodities in the short term. May white sugar [LSUc1](#) settled down \$2.60, or 0.6%, at \$453.40 a tonne.

Technical:

Raw sugar hits 1-1/2 month low, next level to watch 15.40.

Support:

15.40 = Jan 2021 Low

14.90 = Jan 2020 High

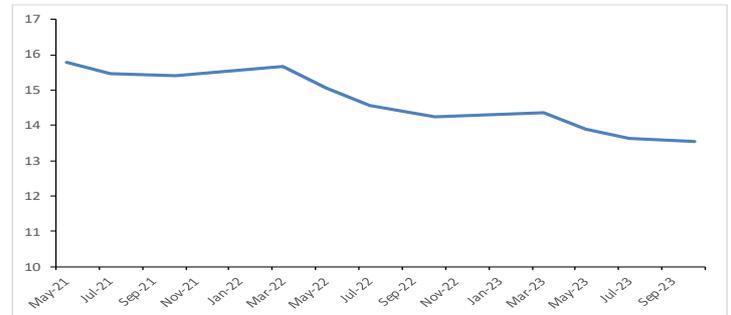
Resistance:

15.90 = Feb 2020 High

16.70 = Mar 2021 High



Futures Curve



Soybean

Last Price

USc **1,416.25**/ BSH

Chicago Board of Trade soybean futures rebounded on Friday from sharp declines in the prior session on technical buying and bull spreading that swelled the premium of old-crop prices over new-crop prices. CBOT May soybeans [SK1](#) rose 24 cents to \$14.16-1/4 a bushel. For the week, May soybeans gained 0.2%, the fifth weekly rise in six weeks. New-crop November futures [SX1](#) were 13-3/4 cents higher at \$12.20 a bushel. May soymeal [SMK1](#) jumped \$9.70 to \$407.90 per short ton and May soyoil [BOK1](#) climbed 0.35 cent to 53.87 cents a pound. Improved crop weather in South America following recent dryness in Argentina and excessive rains in key parts of Brazil weighed on soy earlier in the week. Market is monitoring high-level talks between the United States and China in Alaska this week.

Technical:

Soybeans rebound in technical bounce, post small weekly gain, next level to watch 1,380.00.

Support:

1,383.50 = Mar 2021 Low

1,321.50 = Dec 2020 High

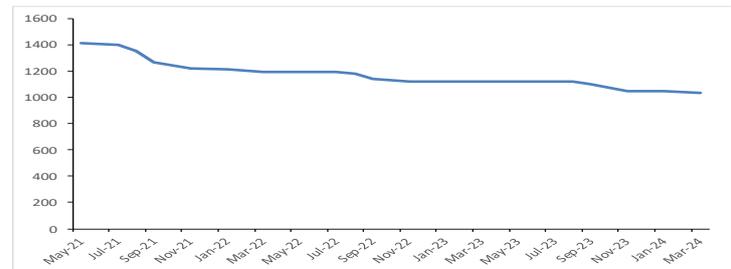
Resistance:

1,453.50 = Mar 2020 High

1,499.50 = Sep 2013 High



Futures Curve



Cotton

Last Price

USc **84.68**/LBS

Cotton prices fell to a more than one-week low on Friday as the dollar strengthened and concerns over U.S.-China trade relations re-surfaced, keeping the natural fiber on track to post its worst week since October. Cotton contracts for May [CTc1](#), [CTK1](#) fell 0.31 cent, or 0.4%, to 85.14 cents per lb. The contract [CTc1](#) was down 2.8% so far this week, its biggest drop since the week of Oct. 30, 2020. The high-level U.S.-China meeting got off to a fiery start, with both sides leveling sharp rebukes of the others' policies. The United States is the largest exporter of cotton, while China is the biggest consumer. Meanwhile, cotton prices had declined over 2% earlier in the session to 83.65 cents, their lowest since March 10. Speculators liquidating long positions drove prices to the session's low, amid a firm dollar.

Technical:

Cotton posted biggest weekly loss in over 4 months , next level to watch 83.00.

Support:

83.06 = Jan 2021 High

83.93 = Sep 2018 High

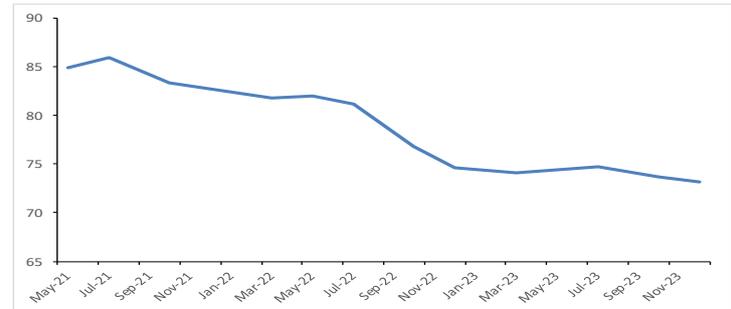
Resistance:

90.26 = Mar 2021 High

92.95 = Feb 2021 High



Futures Curve



Steel

Last Price USD **1,266.00**/ tons

Steel futures closed mixed Friday in daytime trading on the Shanghai Futures Exchange. The most active construction steel rebar contract for May 2021 delivery was down 35 yuan (about 5.38 U.S. dollars) to close at 4,746 yuan a tonne.

Inventories of rebar across Chinese steelmakers and social warehouses stood at 17.31 million mt as of March 18, down 2.22% from a week ago. From the time dimension of the lunar calendar, stocks are down 17.4% from a year earlier. With the continuous recovery of end-user demand, the inflection point of rebar inventory this week came as scheduled. Inventories at Chinese steelmakers fell 166,600 mt on the week and stood at 5.35 million mt. From the time dimension of the lunar calendar, stocks are down 3.02% from a week ago and down 30.6% from a year earlier.

Technical:

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

Support:

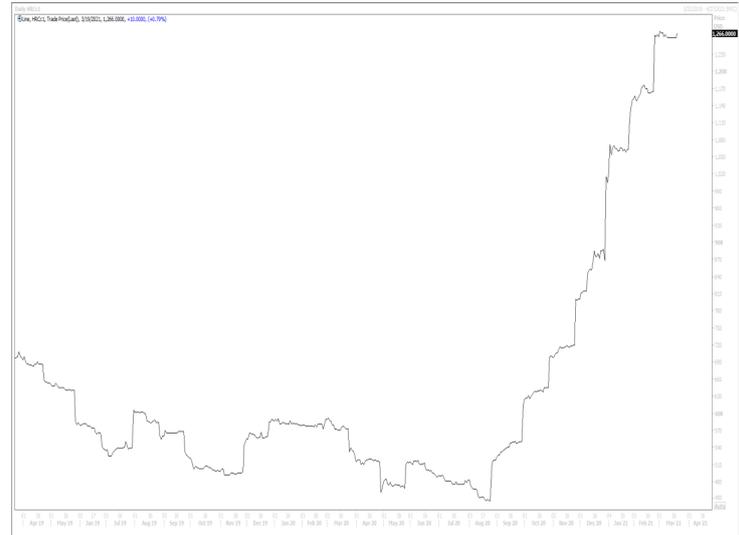
1,156.00 = Jan 2021 High

1,015.00 = Jan 2021 Low

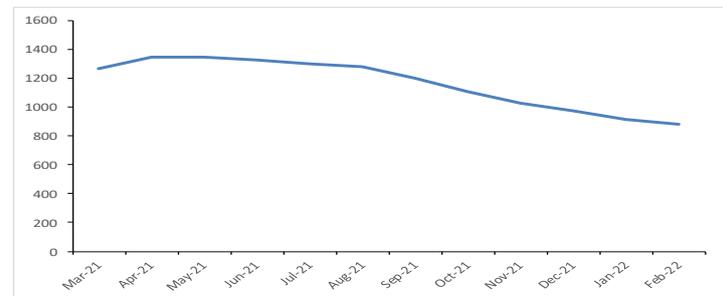
Resistance:

1,295.00 = Mar 2021 High

1,350.00 = Psychological Level



Futures Curve of SHFE Steel Futures



Brent Crude

Last Price

USD **64.53**/BBL

Oil rose more than 2% in volatile trading on Friday, but finished the week about 7% lower as a new wave of coronavirus infections across Europe dampened hopes that fuel demand would recover soon. Brent crude [LCOc1](#) settled up \$1.25 a barrel, or 2%, at \$64.53 a barrel. West Texas Intermediate (WTI) U.S. crude [CLc1](#) rose \$1.42, or 2.4%, to \$61.42. During the session, both traded within a wide range of more than \$2 a barrel. The weekly loss for both benchmarks was just under 7%. On Thursday, oil slid 7% as large European economies reimposed lockdowns, while vaccination programs there were slowed by distribution issues and fears of side effects. Prices rose on Friday as many market players viewed the sell-off as overdone. Concerns about vaccine rollouts capped oil's gains.

Technical:

Oil prices rise 2% but post weekly decline on demand fears, next level to watch 61.00.

Support:

61.45 = Mar 2021 Low

60.00 = Feb 2020 High

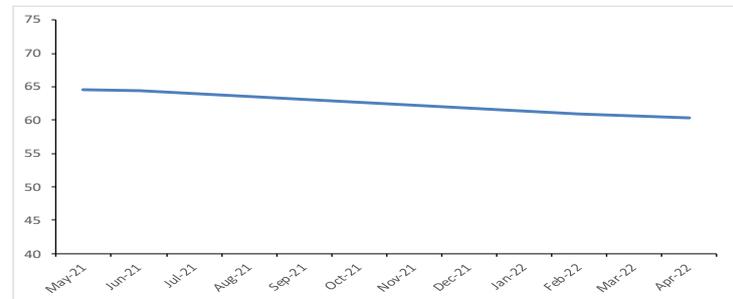
Resistance:

67.70 = Feb 2021 High

71.38 = Mar 2021 High



Futures Curve

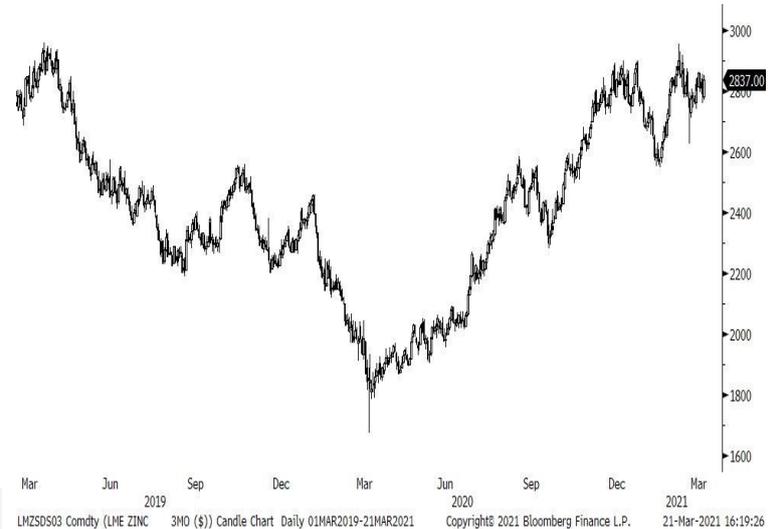


LME Zinc

Last Price

USD **2,837.00**/Tons

The most-liquid SHFE 2105 zinc contract fell to a one week low of 21,240 yuan/mt before regaining some ground the close the day 0.9% lower at 21,420 yuan/mt, with open interest losing 2,139 lots to 55,842 lots. Zinc prices are expected to halt declines amid expectations of tighter zinc ingot supply.



Technical:

Nonferrous metals on the SHFE closed mostly lower, Zinc weakened 0.9%, next level to watch 2,850.00.

Support:

2,723.50 = Dec 2020 Low

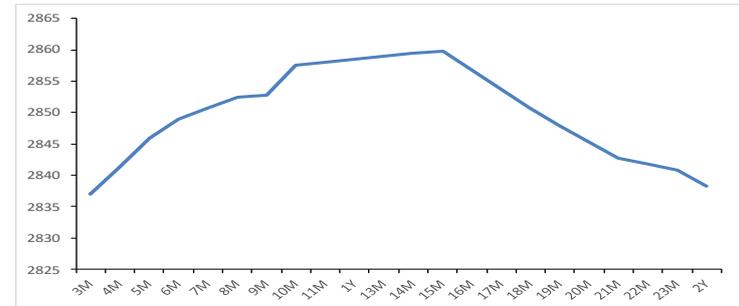
2,546.00 = Jan 2021 Low

Resistance:

2,873.00 = Mar 2021 High

2,905.00 = May 2019 High

LME Zinc Forward Curve



Scrap Steel

Last Price

USD **460.00**/Tons

Global steel scrap prices continued to fall over the week ended Friday March 19, with market participants battling against the disruptions in the bulk freight sector. A deal was heard at \$425 per tonne for UK material, down from one at \$450 per tonne the previous week. Offers were reported at \$425-430 per tonne, down from \$445-455 per tonne the previous week. Interest in imported material remained low, with buyers opting for domestic scrap or direct-reduced iron to meet their requirements. Market sources said that domestic scrap was a better option because of price and availability than imported material. Extremely high freight rates remained an issue for the import market, with market expecting another increase of \$50-60 per container in April.

Technical:

Global prices soften further on weak demand, freight issues, next level to watch 400.00.

Support:

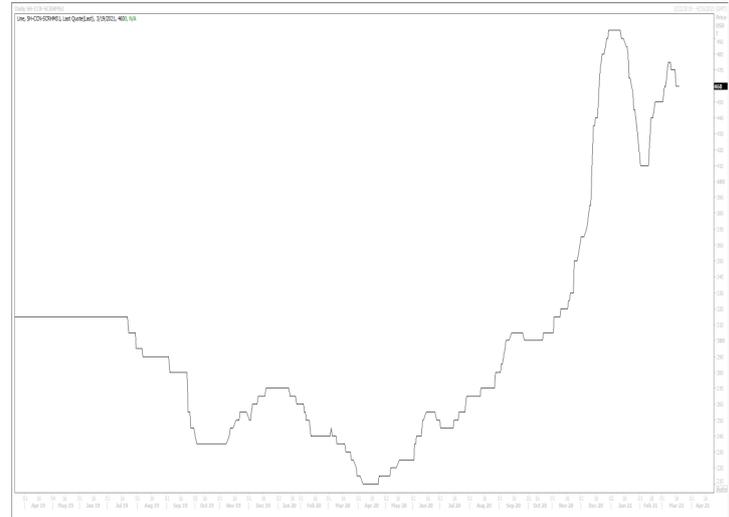
410.00 = Feb 2021 Low

365.00 = Dec 2020 Low

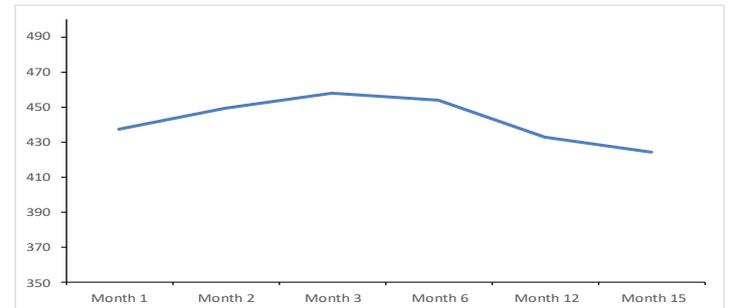
Resistance:

495.00 = Dec 2020 High

525.00 = Feb 2011 High



LME Scrap Steel Forward Curve



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