



# Commodities Weekly

Issue 11-2022

Date: 27 Mar 2022

# Bloomberg Commodity Index

129.85

USD

+0.69 +0.53% ▲

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



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(%)
<a href="#">Page 4</a>	Wheat	1,102.25	▲ 3.62%	▲ 18.78%	▲ 79.74%
<a href="#">Page 5</a>	Sugar	19.61	▲ 3.59%	▲ 8.94%	▲ 29.10%
<a href="#">Page 6</a>	Soybean	1,710.25	▲ 2.53%	▲ 4.01%	▲ 22.12%
<a href="#">Page 7</a>	Cotton	135.90	▲ 7.13%	▲ 10.88%	▲ 69.07%
<a href="#">Page 8</a>	Steel	1,123.00	▼ 0.97%	▲ 6.34%	▼ 11.64%
<a href="#">Page 9</a>	Brent Crude	120.65	▲ 11.79%	▲ 19.47%	▲ 86.85%
<a href="#">Page 10</a>	LNG	35.00	▼ 1.41%	▼ 6.67%	▲ 414.71%
<a href="#">Page 11</a>	LME Zinc	4,066.50	▲ 6.29%	▲ 10.92%	▲ 43.67%
<a href="#">Page 12</a>	Scrap Steel	595.00	▲ 1.71%	▲ 8.18%	▲ 33.71%

# Wheat

Last Price USc **1,102.25**/BSH

U.S. wheat futures rose on Friday, with investors unwinding bearish positions to guard against weekend developments in the fighting between Russia and Ukraine that could spark sharp rallies in commodities markets. The benchmark CBOT May soft red winter wheat futures contract [WK2](#) settled up 16-1/2 cents at \$11.02-1/4 a bushel. CBOT May soft red winter wheat climbed above its five-day and 10-day moving averages. MGEX May spring wheat [MWEK2](#) gained 20-1/4 cents to \$11.03 a bushel and Kansas City May hard red winter wheat [KWK2](#) rose 13 cents to \$11.08 a bushel. For the week, CBOT soft red winter wheat [Wv1](#) was 3.6% higher, K.C. hard red winter wheat [KWv1](#) was up 3.5% and MGEX spring wheat [MWEc1](#) was up 4.0%.



## Technical:

Wheat futures rise as investors unwind bearish bets. Next level to watch 1150.00.

## Support:

926.50 = Sep 2012 High

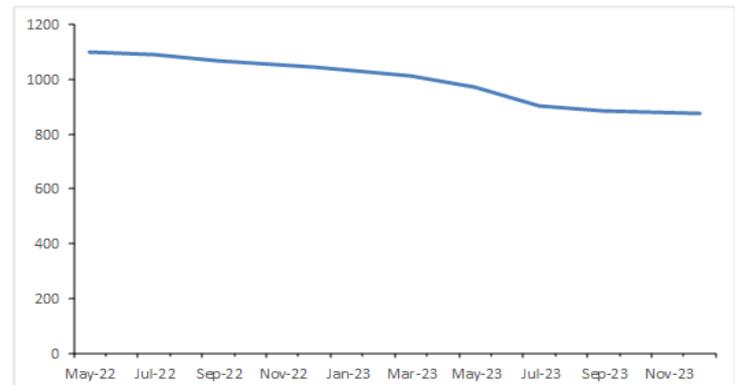
863.50 = Jan 2011 High

## Resistance:

1298.00 = Mar 2008 High

1425.25 = Mar 2022 High

## Futures Curve



# Sugar

Last Price

USc **19.61**/LBS

White sugar prices on ICE hit a five-year high on Friday amid reports that India, the world's No. 2 sugar exporter, could cap exports in the current marketing year at 8 million tonnes. A cap of 8 million tonnes for the year to end-September could result in a de facto ban for exports from May as mills have already contracted to export 7 million tonnes so far. May white sugar [LSUc1](#) rose 1.5% to \$559.10 a tonne, having hit its highest since early 2017 at \$560. May raw sugar [SBc1](#) rose 1.2% to 19.48 cents per lb. Capping gains in sugar, however, oil prices slipped. Lower energy prices can prompt cane mills in Brazil to produce more sugar and less ethanol, a cane-based biofuel. [O/R](#) Dealers said even if crude continues to fall, sugar should see support at 19 cents.



## Technical:

White sugar price hits 5-year high as India caps exports, next level to watch 20.00.

## Support:

17.98 = Apr 2021 high

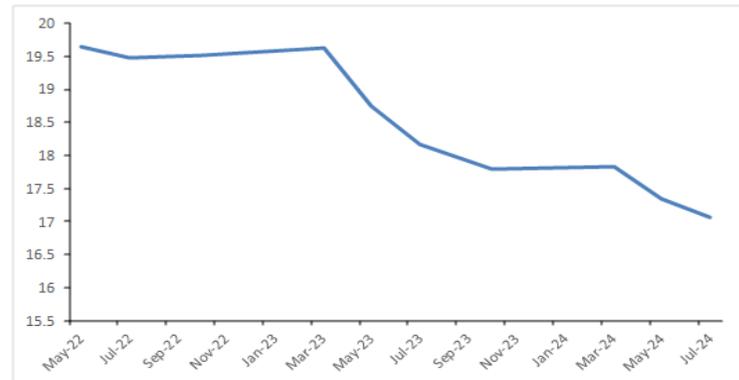
16.73 = Jul 2021 Low

## Resistance:

19.90 = Dec 2021 High

20.61 = Oct 2021 High

## Futures Curve



# Soybean

Last Price USc **1,710.25**/BSH

Chicago Board of Trade soybean, wheat and corn futures firmed on Friday, with all three commodities recovering from declines posted during the overnight trading session. The strength in soybeans stemmed from signs that demand for U.S. supplies remains strong even with newly harvested soybeans from South America available on the marketplace. Chicago Board of Trade May soybean futures [SK2](#) settled up 9-1/2 cents at \$17.10-1/4 a bushel. Private exporters reported the sale of 132,000 tonnes of soybeans to China for delivery in the 2021/22 marketing year, the U.S. Agriculture Department said on Friday morning. It was the third time this week the government has announced a so-called "flash sale" of old-crop supplies.



**Technical:**

Soybean futures rise export strength, next level to watch 1,745.00.

**Support:**

1,608.75 = Apr 2021 High

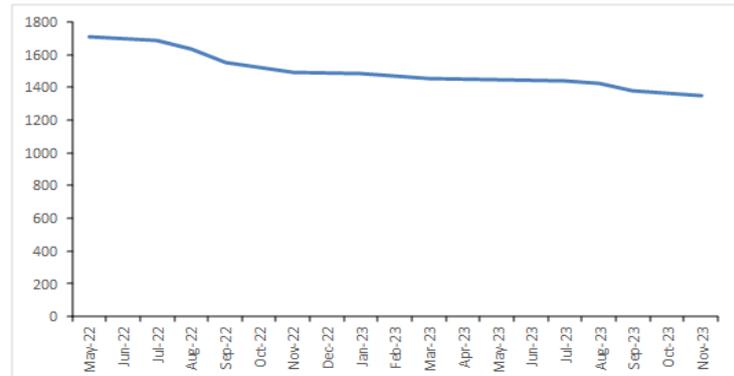
1,485.00 = Feb 2022 Low

**Resistance:**

1,745.25 = Mar 2022 High

1,765.00 = Feb 2022 High

**Futures Curve**



# Cotton

Last Price

USc **135.90**/LBS

ICE cotton futures jumped nearly 4% to their daily trading limit on Friday, bolstered by strong demand as worsening drought conditions in key growing regions such as Texas raised concerns over a shortage in supply. The first month contract on ICE futures for May [CTc1](#) rose 5 cents, or 3.8%, to 135.90 cents per lb, by 12:50 p.m. EDT (1650 GMT), its highest since July 2011 at 135.90 cents per lb. The contract was up more than 7% for the week, its biggest weekly percentage jump since October 2021. Total futures market volume fell by 2,968 to 25,462 lots. Data showed total open interest gained 1,317 to 232,526 contracts in the previous session.



## Technical:

Cotton futures jump nearly 4% to trade limit-up on supply risks, next level to watch 150.00.

## Support:

129.37 = Feb 2022 High

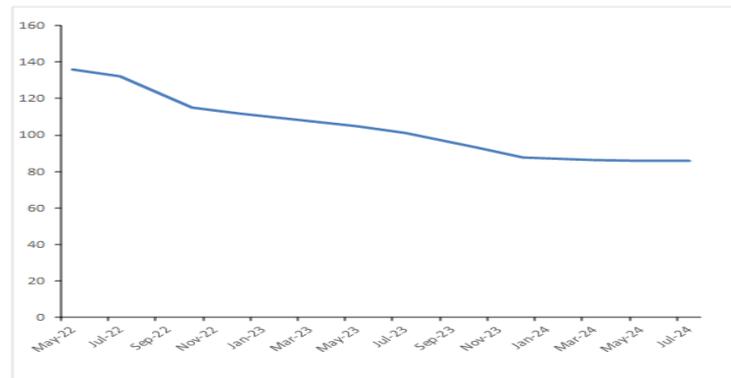
116.48 = Oct 2021 High

## Resistance:

162.05 = Jul 2011 High

211.02 = Feb 2011 High

## Futures Curve



# Steel

Last Price USD **1,123.00**/ tons

Chinese iron ore futures jumped nearly 4% on Friday to extend gains for the second straight session and post their fourth weekly gains as mills wrestle with supply shortages because of COVID-related disruptions. Producers in the top steelmaking city of Tangshan are set to cut or suspend output as their raw material stocks can only feed production for several days while transportation remained constraint due to a temporary lockdown. Steel prices were pressured as the fresh pandemic outbreak crimps downstream demand. Construction material steel rebar [SRBcv1](#) edged 0.7% higher to 5,013 yuan a tonne. Hot-rolled coils [SHHCcv1](#) were up 1.7% at 5,282 yuan per tonne at close. Stainless steel futures on the Shanghai bourse [SHSScv1](#), for April delivery, fell 2.7% to 21,110 yuan per tonne. However, the contract jumped 5.4% this week, fuelled by price volatility in raw material nickel.

### Technical:

Benchmark iron ore futures in China surge on supply crunch at mills. Next level to watch 1100.00.

### Support:

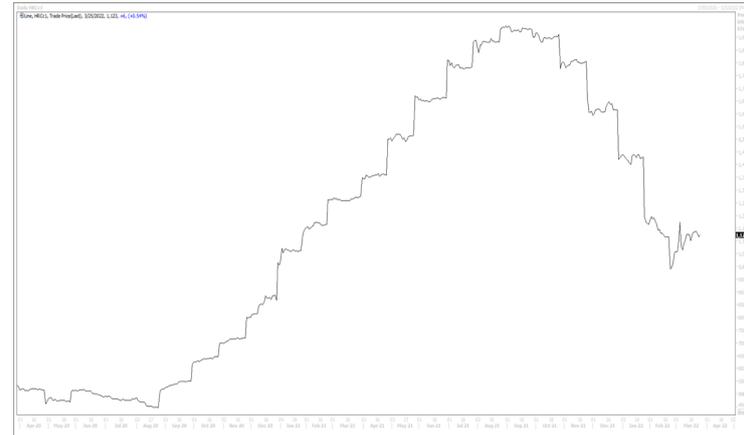
942.00 = May 2018 Low

800.00 = Dec 2020 Low

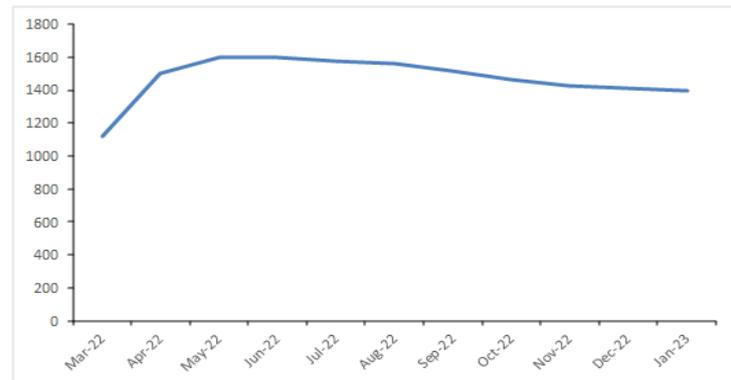
### Resistance:

1,200.00 = Feb 2022 High

1,348.00 = Mar 2021 High



### Futures Curve of SHFE Steel Futures



# Brent Crude

Last Price

USD **120.65**/BBL

Crude prices rose more than 1% to over \$120 a barrel on Friday, as traders reconciled the impact of a missile attack on an oil distribution facility in Saudi Arabia with a possible release of oil reserves by the United States. Brent crude [LCOc1](#) settled up \$1.62, or 1.4%, to \$120.65 a barrel and U.S. West Texas Intermediate (WTI) crude [CLc1](#) ended \$1.56, or 1.4% higher, at \$113.90. Both had dropped \$3 earlier. Both benchmarks notched their first weekly gains in three weeks - Brent rose more than 11.5% and WTI gained 8.8%. With global stockpiles at their lowest since 2014, analysts have said the market remained vulnerable to any supply shock. Oil prices slipped earlier in the session as exports from Kazakhstan's CPC crude terminal partially resumed and the EU held off on imposing an embargo on Russian energy as members remained split on the issue.



## Technical:

Oil rises to over \$120/bbl after attack on Saudi facilities, next level to watch 125.00.

## Support:

91.70 = Jan 2022 High

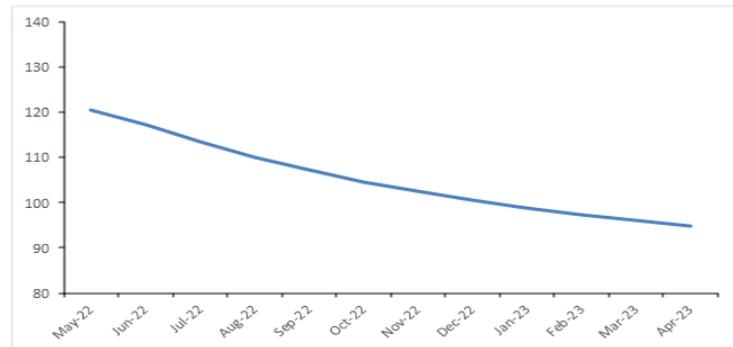
87.72 = Feb 2022 Low

## Resistance:

125.97 = Apr 2012 High

143.91 = Jun 2006 High

## Futures Curve

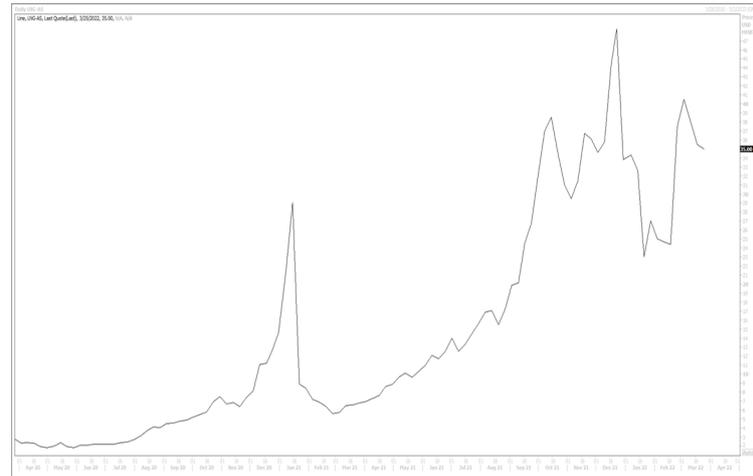


# LNG

Last Price

USD **35.00**/BBL

European gas prices rebounded strongly yesterday, supported by President Putin’s announcement that Russia will seek payment in roubles for gas sold to “unfriendly” countries. On its side, the European Commission published yesterday its final proposal on stock level requirements. For this year, the proposal is less stringent than the previously leaked draft versions: the 2022 target for filling gas storages is set to 80% by 1 November. From 2023 forwards, the target will be 90%. On the spot pipeline supply side, Norwegian flows rebounded slightly yesterday to 308 mm cm/day on average, compared to 303 mm cm/day on Tuesday. Russian flows were also slightly up, averaging 231 mm cm/day, compared to 227 mm cm/day on Tuesday.



## Technical:

European gas prices strongly up as Russia will seek payment in roubles, next level to watch 40.00.

## Support:

- 34.30 = Jan 2022 High
- 29.00 = Jan 2021 High

## Resistance:

- 40.50 = Mar 2022 High
- 50.00 = Psychological Barrier

## Futures Curve



# LME Zinc

Last Price

USD **4,066.50**/Tons

The most-traded SHFE 2205 zinc closed up 0.5% or 130 yuan/mt at 26,380 yuan/mt, with open interest up 1,557 lots to 101,217 lots.

On the fundamentals, TCs of imported zinc concentrate rose quickly, and overseas mine supply imbalance eased. In China, output in March is expected to rise MoM, but domestic TCs remained low, indicating limited increase. Downstream demand stood muted amid resurging pandemic.



## Technical:

Zinc rises based on haunting impact from COVID, next level to watch 4,100.00.

## Support:

3,655.50 = Oct 2021 High

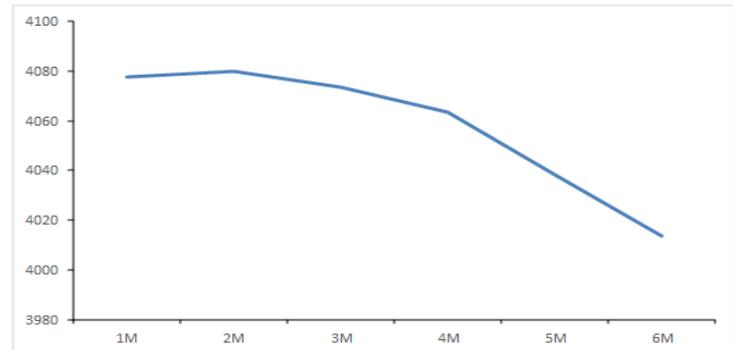
3,600.00 = Jan 2021 High

## Resistance:

4,100.00 = Mar 2022 High

4,250.00 = Mar 2022 High

## LME Zinc Forward Curve



# Scrap Steel

Last Price

USD **595.00**/Tons

Deal activities for steel scrap in the major global markets slowed down over the week to Friday March 25 because suppliers in the United States were offering the material at higher prices. Turkish mills hold back from the deep sea market amid high offers. Exporters in the US refrain from international sales on bullish domestic sentiment. Indian import steel scrap prices are supported by container shortages. Import prices for containerized scrap cargoes to India moved up during the week to Friday amid stronger demand and a lack of container supply to the country. Steelmakers in South Korea continued to procure Japanese steel scrap over the past week amid a continued drop in the exchange rate for Japan's yen.

**Technical:**

Global scrap trade slows down on higher offers from US. Next level to watch 600.00.

**Support:**

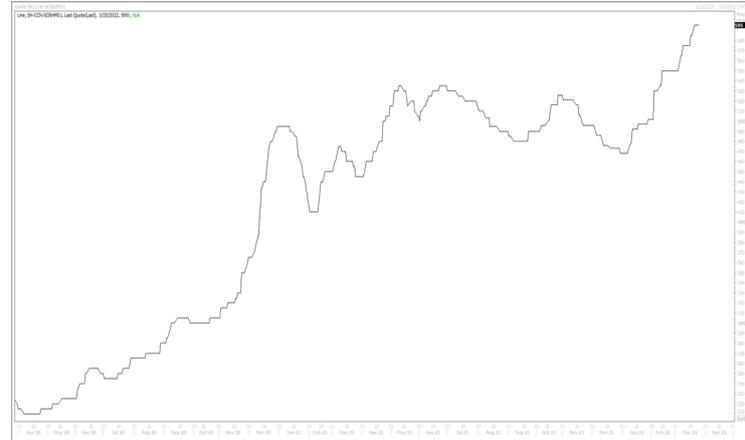
526.00 = Oct 2021 High

445.00 = Mar 2021 Low

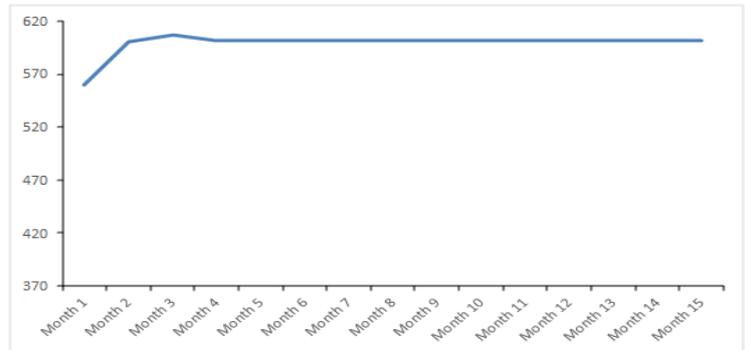
**Resistance:**

620.00 = Apr 2008 High

690.00 = May 2008 High



**LME Scrap Steel Forward Curve**



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