



Commodities Weekly

Issue 12-2021

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	613.25	▼ 2.19%	▼ 6.37%	▼ 4.25%
Page 4	Sugar	15.19	▼ 3.62%	▼ 13.35%	▼ 1.94%
Page 5	Soybean	1,400.25	▼ 1.13%	▼ 0.36%	▲ 6.46%
Page 6	Cotton	80.38	▼ 5.08%	▼ 8.47%	▲ 2.89%
Page 7	Steel	1,271.00	▲ 0.39%	▲ 0.55%	▲ 26.47%
Page 8	Brent Crude	64.57	▲ 0.06%	▼ 2.36%	▲ 24.65%
Page 9	LME Zinc	2,830.50	▼ 0.23%	▲ 1.36%	▲ 2.89%
Page 10	Scrap Steel	445.00	▼ 3.26%	▼ 1.11%	▼ 10.10%

Wheat

Last Price

USc **613.25**/BSH

Chicago Board of Trade wheat futures finished higher on Friday, despite continued pressure from beneficial rains across the U.S Plains and the Black Sea Region. CBOT May soft red winter wheat [WK1](#) settled 3/4 cent higher at \$6.13-1/4 per bushel, after dipping to \$6.08-3/4, the contract's lowest level since Dec. 28. K.C. May hard red winter wheat [KWK1](#) ended up 1-1/2 cents at \$5.68-1/4 per bushel and MGEX May spring wheat [MWEK1](#) lost 3-1/2 cents to finish at \$6.14 per bushel. For the week, the most-active CBOT wheat contract [Wv1](#) lost nearly 2.3%, ending 13-3/4 cents lower for its fourth consecutive week of losses

Technical:

Wheat ends lower for fourth week. Next level to watch 590.00.

Support:

592.50 = Jan 2020 High

579.50 = Nov 2020 Low

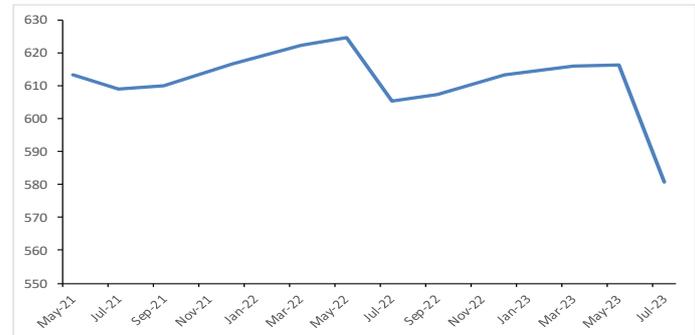
Resistance:

663.25 = Mar 2021 High

683.50 = Feb 2021 High



Futures Curve



Sugar

Last Price

USc **15.19** / LBS

Raw sugar futures on ICE were higher on Friday, buoyed by a broad-based rebound in financial markets. May raw sugar [SBc1](#) settled up 0.1 cent, or 0.7%, at 15.19 cents per lb, edging away from a three-month low of 15.01 cents set on Thursday. An expected slow start to the harvest in Centre-South Brazil and concerns about port congestion in the South American country helped to underpin prices. May white sugar [LSUc1](#) settled down \$2.10, or 0.5%, at \$437.10 a tonne. Gloomy European sugar beet farmers are cutting back plantings this year, discouraged by poor yields and low prices.

Technical:

Raw sugar futures rise but ended the week in loss, next level to watch 14.90.

Support:

14.90 = Jan 2020 High

14.09 = Dec 2020 Low

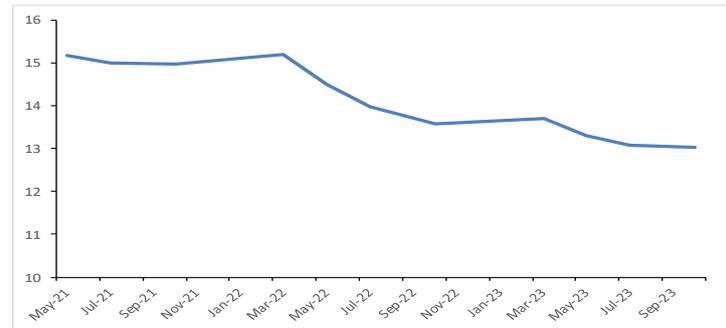
Resistance:

15.90 = Feb 2020 High

16.70 = Mar 2021 High



Futures Curve



Soybean

Last Price

USc **1,400.25** / BSH

Chicago Board of Trade soybean futures closed lower on Friday, following soyoil lower as it fell to 2-1/2 week lows, though it remains near a contract high set this week. CBOT May soybeans [SK1](#) lost 13-3/4 cents to end at \$14.00-1/2 per bushel, while new-crop November [SX1](#) ended down 7-1/2 cents at \$12.07-1/4. CBOT May soyoil [BOK1](#) fell 2.5 cents per pound, while May soymeal [SMK1](#) lost 60 cents to end at \$404.00 per short ton. For the week, the most-active soybean contract [Sv1](#) fell 1.1%, losing 15-3/4 cents per bushel. CBOT May soymeal [SMK1](#) closed higher, ending up \$3.60 at \$404.60 per short ton, gaining against soyoil on meal/oil spreading.

Technical:

Soybeans follow soyoil lower, next level to watch 1,380.00.

Support:

1,383.50 = Mar 2021 Low

1,321.50 = Dec 2020 High

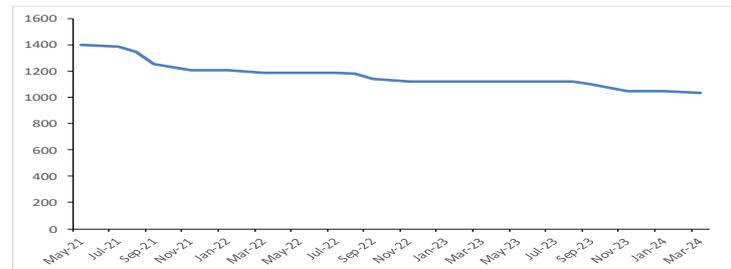
Resistance:

1,453.50 = Mar 2020 High

1,499.50 = Sep 2013 High



Futures Curve



Cotton

Last Price

USc **80.38**/LBS

ICE cotton futures rose 3% on Friday, with mills taking advantage of a steep fall in the previous session to buy back some of the natural fiber as demand prospects remain strong amid steady global economic recovery. Cotton contracts for May [CTK1](#) settled up 1.94 cent, or 2.5%, at 80.38 cents per lb, having risen as much as 3.4% earlier. It traded within a range of 77.12 and 81.13 cents a lb. However, the contract fell 5.1% in the week, its biggest weekly percentage fall since March 2020. Total futures market volume fell by 26,026 to 44,408 lots. Data showed total open interest gained 52 to 232,092 contracts in the previous session. Certificated cotton stocks [CERT-COT-STX](#) deliverable as of March 25 totaled 95,801 480-lb bales, unchanged from 95,801 in the previous session.

Technical:

Cotton rises 3% on mill buying after sharp fall, next level to watch 83.00.

Support:

77.12 = Mar 2021 Low

72.60 = Nov 2020 High

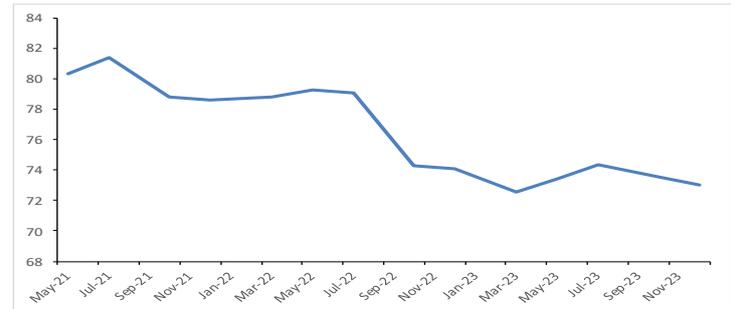
Resistance:

90.26 = Mar 2021 High

92.95 = Feb 2021 High



Futures Curve



Steel

Last Price USD **1,271.00**/ tons

Steel futures closed higher Thursday in daytime trading on the Shanghai Futures Exchange. The most active construction steel re-bar contract for May 2021 delivery was up 62 yuan (about 9.5 U.S. dollars) to close at 4,795 yuan a tonne. The most active May 2021 contract for hot rolled coils, mainly used in cars and appliances, was up 6 yuan to close at 5,130 yuan a tonne

Technical:

Steel prices to rise further amid positive fundamentals, next level to watch 1,295.00.

Support:

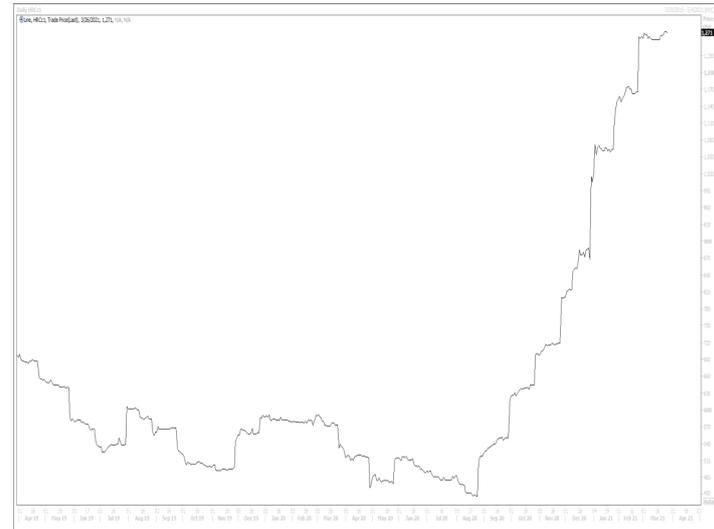
1,156.00 = Jan 2021 High

1,015.00 = Jan 2021 Low

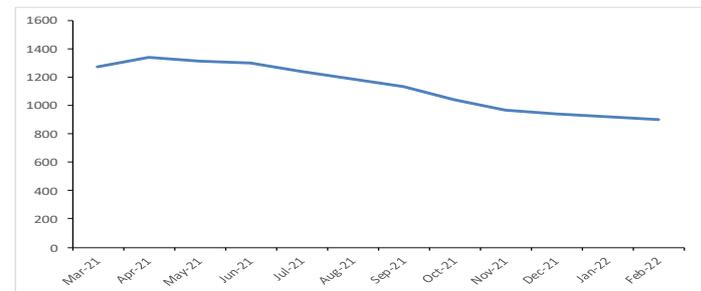
Resistance:

1,295.00 = Mar 2021 High

1,350.00 = Psychological Level



Futures Curve of SHFE Steel Futures



Brent Crude

Last Price

USD **64.57** /BBL

Oil prices rose more than 4% on Friday on worries global supplies of crude and refined products could be disrupted for weeks as workers try to dislodge a giant container ship blocking the Suez Canal. It was a rebound from a sharp decline the previous session on concerns that fresh coronavirus lockdowns in Europe would hurt demand. Brent crude [LCOc1](#) rose \$2.62, or 4.2%, to settle at \$64.57 a barrel, after dropping 3.8% on Thursday. U.S. West Texas Intermediate (WTI) crude [CLc1](#) gained \$2.41, or 4.1%, to settle at \$60.97 a barrel, having tumbled 4.3% a day earlier. Brent rose 0.1% over the last week, while WTI dropped 0.7%, its third weekly loss.



Technical:

Oil jumps 4% on fears Suez Canal blockage may last weeks, next level to watch 67.00.

Support:

61.45 = Mar 2021 Low

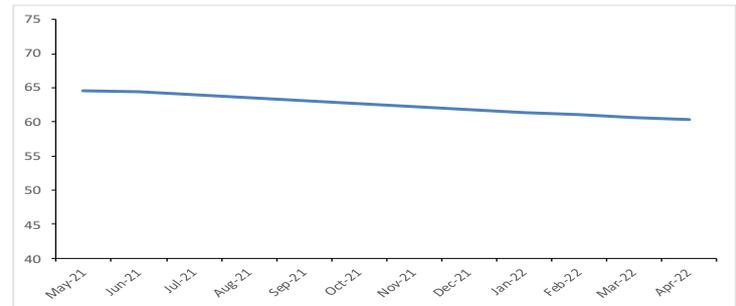
60.00 = Feb 2020 High

Resistance:

67.70 = Feb 2021 High

71.38 = Mar 2021 High

Futures Curve



LME Zinc

Last Price

USD **2,830.50**/Tons

SHFE nonferrous metals rose broadly on Friday March 26. Copper closed flat, aluminium rose 1.52%, zinc added 0.3%, nickel increased 1.93% and tin gained 1.26%, while lead edged down 0.03%.

The most-liquid SHFE 2105 zinc contract inched up 0.3% to close the day at 21,615 yuan/mt, with open interest losing 197 lots to 83,176 lots. Treatment charges for domestic zinc concentrate continued to fall, while zinc social inventories shrank by 11,500 mt this week, suggesting improved consumption.

Technical:

Nonferrous metals on the SHFE closed mostly higher, Zinc inched up 0.3%, next level to watch 2,850.00.

Support:

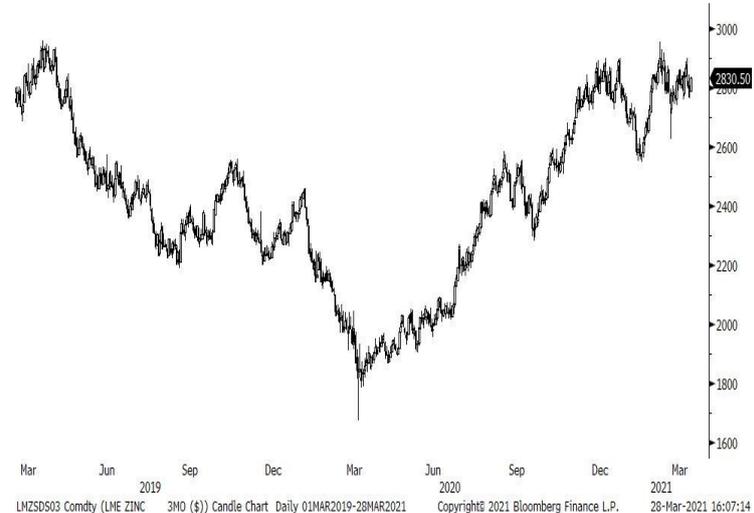
2,723.50 = Dec 2020 Low

2,546.00 = Jan 2021 Low

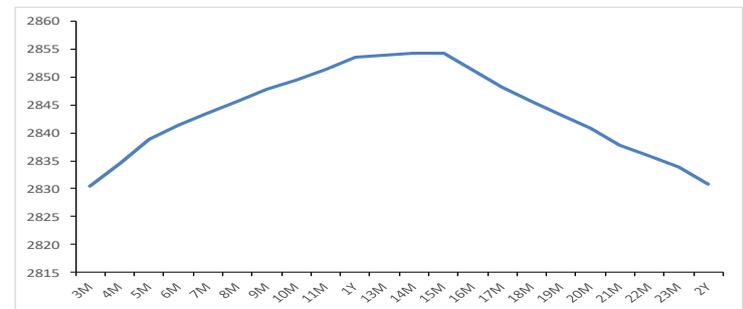
Resistance:

2,873.00 = Mar 2021 High

2,905.00 = May 2019 High



LME Zinc Forward Curve



Scrap Steel

Last Price

USD **445.00**/Tons

Turkish steel producers started to look for scrap cargoes at the end of this week after the latest downturn in prices and a revival of demand for long steel products in Southeast Asia. UK-origin cargo sold at \$410 per tonne cfr on an HMS 1&2 (80:20) basis. But several steel mills have been heard to resume their rebar sales to Southeast Asia in the past few days, which encouraged the mills to book deep-sea scrap for April-May shipments. The prices of scrap will probably increase next week if the mills in Turkey resume their bookings.

Technical:

Export rebar demand may revive deep-sea imports soon, next level to watch 400.00.

Support:

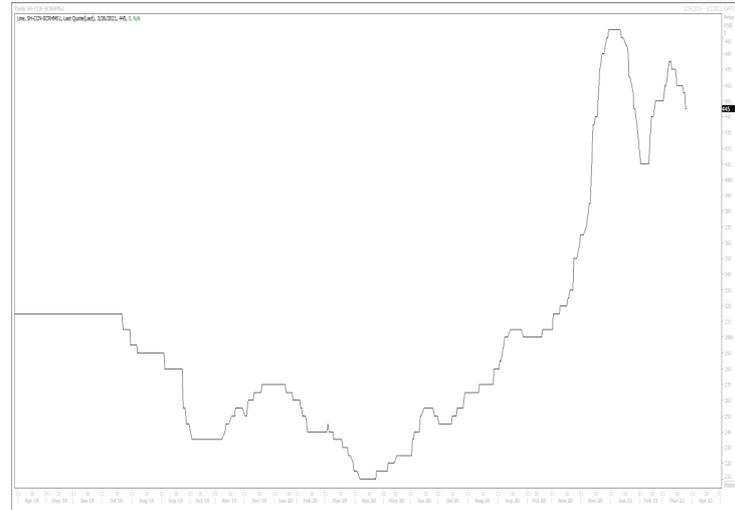
410.00 = Feb 2021 Low

365.00 = Dec 2020 Low

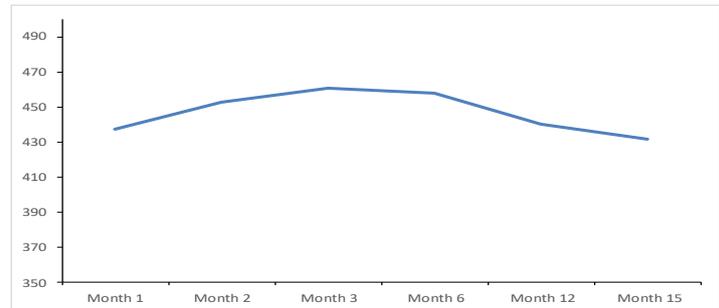
Resistance:

475.00 = Mar 2021 High

495.00 = Dec 2020 High



LME Scrap Steel Forward Curve



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