



# Commodities Weekly

Issue 12-2022

Date: 04 Apr 2022

# Bloomberg Commodity Index



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	984.50	▼ 10.68%	▼ 23.62%	▲ 61.13%
<a href="#">Page 5</a>	Sugar	19.37	▼ 1.22%	▲ 2.32%	▲ 31.68%
<a href="#">Page 6</a>	Soybean	1,582.75	▼ 7.46%	▼ 5.80%	▲ 12.89%
<a href="#">Page 7</a>	Cotton	134.55	▼ 0.99%	▲ 8.90%	▲ 72.61%
<a href="#">Page 8</a>	Steel	1,540.00	▲ 37.13%	▲ 41.94%	▲ 14.50%
<a href="#">Page 9</a>	Brent Crude	104.39	▼ 13.48%	▼ 5.50%	▲ 60.95%
<a href="#">Page 10</a>	LNG	35.00	↔ 0.00%	▼ 13.58%	▲ 403.60%
<a href="#">Page 11</a>	LME Zinc	4,339.00	▲ 6.70%	▲ 10.67%	▲ 56.39%
<a href="#">Page 12</a>	Scrap Steel	605.00	▲ 1.68%	▲ 10.00%	▲ 35.96%

# Wheat

Last Price USc **984.50**/BSH

Chicago Board of Trade wheat futures closed lower on Friday after a back-and-forth session in low-volume technical trade with sluggish export demand for U.S. supplies adding pressure. CBOT May soft red winter wheat futures [WK2](#) settled down 21-1/2 cents a \$9.84-1/2 per bushel. For the week, the contract tumbled \$1.17-3/4 a bushel or 10.7%. The most-active CBOT wheat contract [Wv1](#) has fallen 28% since notching an all-time high of \$13.63-1/2 on March 8 amid worries about global grain supplies due to the conflict in Ukraine. K.C. May hard red winter wheat [KWK2](#) ended Friday down 16-3/4 cents at \$10.13 per bushel and MGEX May spring wheat [MWKE2](#) fell 14-1/4 cents to finish at \$10.65-1/4. However, the USDA projected that total U.S. wheat plantings would rise to 47.35 million acres, from 46.7 million a year ago.



## Technical:

Wheat ends lower in technical trade. Next level to watch 1000.00.

## Support:

926.50 = Sep 2012 High

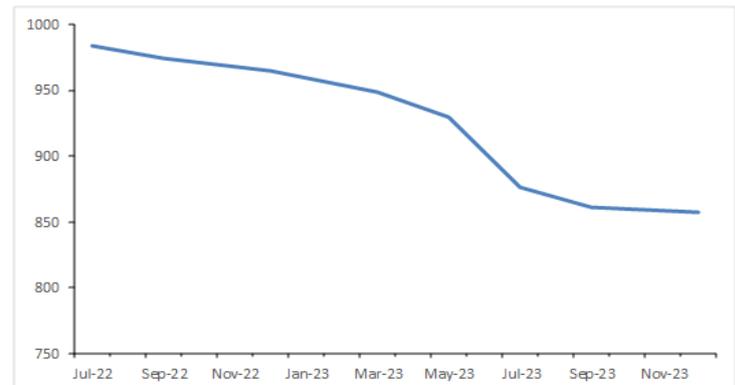
863.50 = Jan 2011 High

## Resistance:

1298.00 = Mar 2008 High

1425.25 = Mar 2022 High

## Futures Curve



# Sugar

Last Price USc **19.37** /LBS

Raw sugar futures on ICE fell on Friday, pressured by recent weakness in crude oil prices and a stronger dollar. May raw sugar [SBc1](#) settled down 0.12 cent, or 0.6%, at 19.37 cents per lb. Brazil's currency gained 1.7% against the dollar on Friday to the highest value since March 2020, which deters mills from selling sugar in the market. Brazil exported 1.44 million tonnes of sugar in March, versus 1.97 million tonnes last year. May white sugar [LSUc1](#) fell \$3, or 0.6%, to \$538.50 a tonne.



**Technical:**

Raw sugar prices weaken, next level to watch 20.00.

**Support:**

17.98 = Apr 2021 high

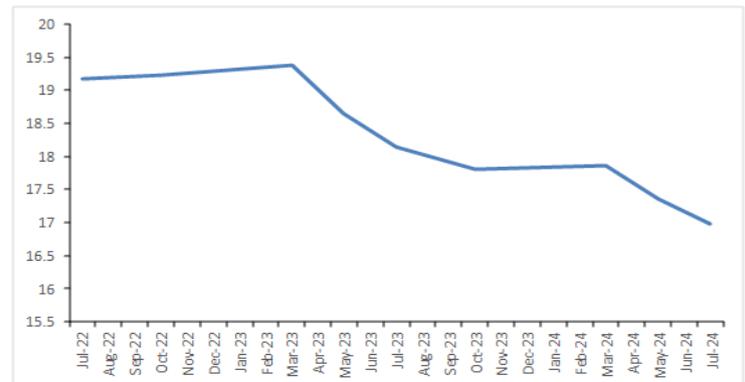
16.73 = Jul 2021 Low

**Resistance:**

19.90 = Dec 2021 High

20.61 = Oct 2021 High

**Futures Curve**



# Soybean

Last Price USc **1,582.75**/BSH

U.S. soybean futures fell for a second session on Friday, with the spot May contract [SK2](#) dropping below \$16 a bushel for the first time in a month after the U.S. Department of Agriculture (USDA) forecast record U.S. soy acreage. CBOT May soybeans [SK2](#) settled down 35-1/2 cents at \$15.82-3/4 a bushel after hitting \$15.80-3/4, the contract's lowest since Feb. 25. Soybeans require less fertiliser than corn, making the oilseed more attractive to farmers as high costs and tight fertiliser supplies have been exacerbated by the conflict in Ukraine.



**Technical:**

Soy extends slide after record U.S. acreage forecast, next level to watch 1,600.00.

**Support:**

1,485.00 = Feb 2022 Low

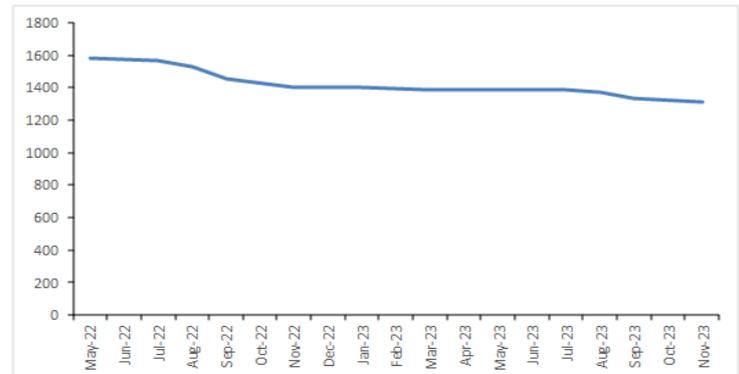
1,291.25 = Jun 2009 High

**Resistance:**

1,608.75 = Apr 2021 High

1,745.25 = Mar 2022 High

**Futures Curve**



# Cotton

Last Price

USc **134.55**/LBS

ICE cotton futures eased on Friday, tracking a retreat in wider commodity markets and pressured by a stronger dollar, which countered supply concerns due to drought conditions in key areas. The first-month contract on ICE futures for May [CTc1](#) was down 0.36 cent, or 0.3%, at 135.33 cents per lb. Making cotton more expensive for other currency holders, the dollar [=USD](#) rose on Friday after data showed U.S. job growth continued at a brisk pace in March. [USD/](#) The cotton contract was set for small weekly decline after posting gains in the previous three. Total futures market volume fell by 19,351 to 17,458 lots. Data showed total open interest fell 1,538 to 227,162 contracts in the previous session.



## Technical:

Cotton futures ease on stronger dollar, wider commodities retreat, next level to watch 150.00.

## Support:

129.37 = Feb 2022 High

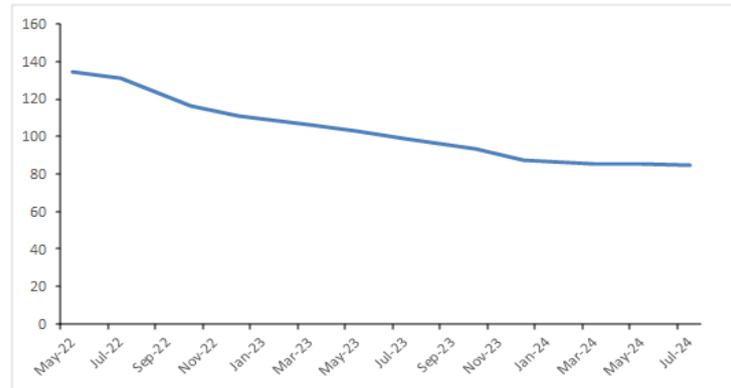
116.48 = Oct 2021 High

## Resistance:

162.05 = Jul 2011 High

211.02 = Feb 2011 High

## Futures Curve



# Steel

Ferrous commodity futures in China climbed on Friday, with iron ore hovering near an eight-month peak as a gloomy domestic factory activity data bolstered expectations of additional economic stimulus measures for the world's top steel producer. The most-traded iron ore, for September delivery, on China's Dalian Commodity Exchange [DCIOcv1](#) ended daytime trade 3.5% higher at 926 yuan (\$145.75) a tonne to mark its sixth straight weekly gain. It earlier touched its highest since Aug. 5 of 926.50 yuan. On the Singapore Exchange [SZZFK2](#), the steelmaking ingredient's most-active May contract advanced 1.4% to \$161.90 a tonne. Construction steel rebar on the Shanghai Futures Exchange [SRBcv1](#) climbed 2%, while hot-rolled coil [SHHCcv1](#) rose 1.6%. Stainless steel [SHSScv1](#) slipped 0.5%. Dalian coking coal [DJMcv1](#) gained 1.8% and coke [DCJcv1](#) advanced 2.1%.

## Technical:

Dalian iron ore settles near 8-month peak on China stimulus hopes.  
Next level to watch 1600.00.

## Support:

1,348.00 = Mar 2021 High

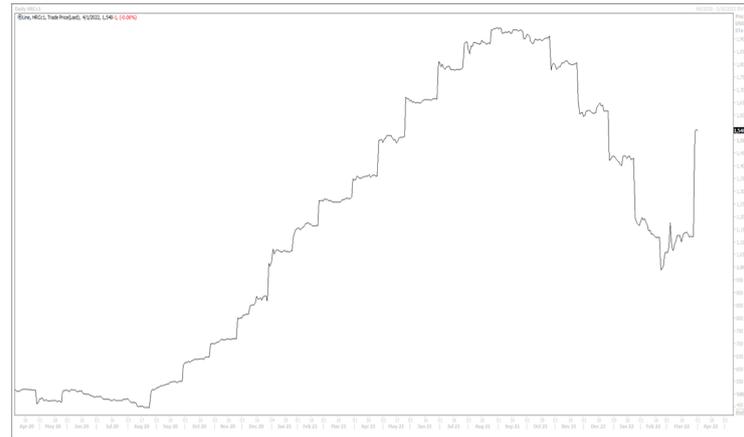
1,200.00 = Feb 2022 High

## Resistance:

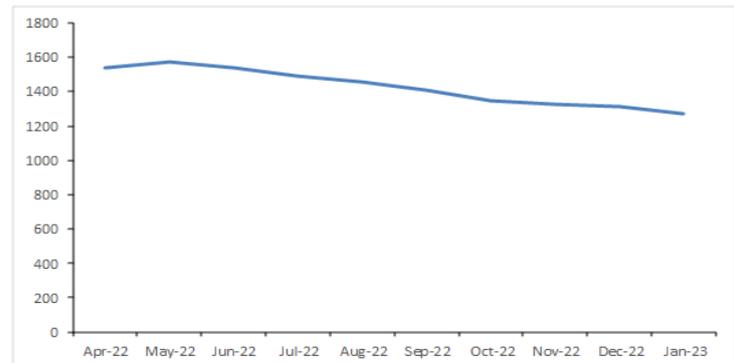
1,680.00 = May 2021 High

1,945.00 = Sep 2021 High

Last Price USD **1,540.00**/ tons



## Futures Curve of SHFE Steel Futures



# Brent Crude

Last Price

USD **104.39**/BBL

Oil settled lower on Friday as members of the International Energy Agency (IEA) agreed to join in the largest-ever U.S. oil reserves release. Both Brent and U.S. crude benchmarks settled down around 13% in their biggest weekly falls in two years after U.S. President Joe Biden announced the release on Thursday. Brent crude [LCOc1](#) futures were down 32 cents, or 0.3%, at \$104.39 a barrel. U.S. West Texas Intermediate (WTI) crude [CLc1](#) futures fell \$1.01, or 1%, at \$99.27. Biden announced a release of 1 million barrels per day (bpd) of crude oil for six months from May, which at 180 million barrels is the largest release ever from the U.S. Strategic Petroleum Reserve (SPR). JPMorgan said in a note it had kept its price forecasts unchanged at \$114 a barrel for the second quarter and \$101 a barrel in the second half of this year.



## Technical:

Oil falls most in 2 years after oil stockpile release, next level to watch 125.00.

## Support:

91.70 = Jan 2022 High

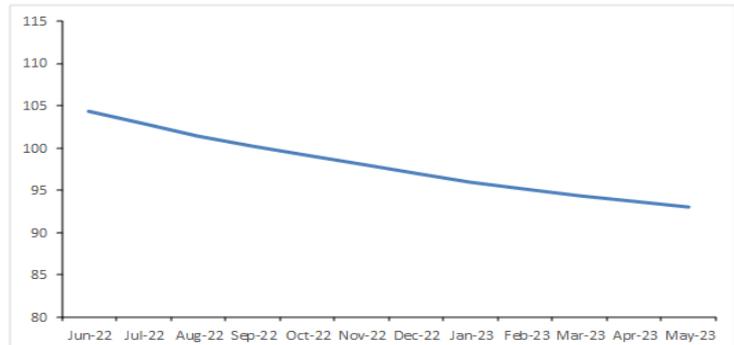
87.72 = Feb 2022 Low

## Resistance:

125.97 = Apr 2012 High

143.91 = Jun 2006 High

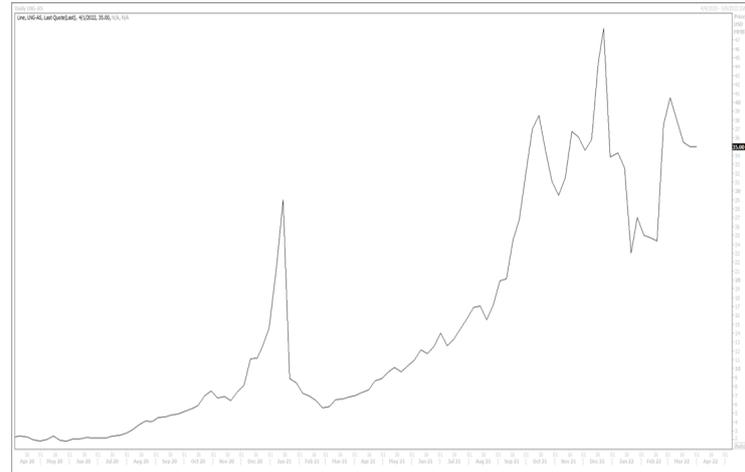
## Futures Curve



# LNG

Last Price **USD 35.00/BBL**

Asian spot liquefied natural gas (LNG) prices were relatively stable this week but there was risk to the upside due Russia's threat to cut off supply to Europe unless payments are made in roubles. The average LNG price for May delivery into north-east Asia [LNG-AS](#) was estimated at \$35.00 per metric million British thermal units (mmBtu), unchanged from the previous week. Prices had risen to \$36.00/mmBtu earlier this week. In Asia, demand remained muted as buyers abstained from spot market purchases until there is more clarity on prices. But Japanese utilities were buying to replenish supplies following an earthquake on March 16. For Europe, an abrupt halt in supply would impact countries in different ways as some countries have access to LNG facilities and could replace part of the full volume. Eastern Europe could be the most affected due to the low availability of alternative sources and could be more exposed to energy blackouts.



## Technical:

LNG prices stable but Russian rouble demand risk remains, next level to watch 40.00.

## Support:

34.30 = Jan 2022 High

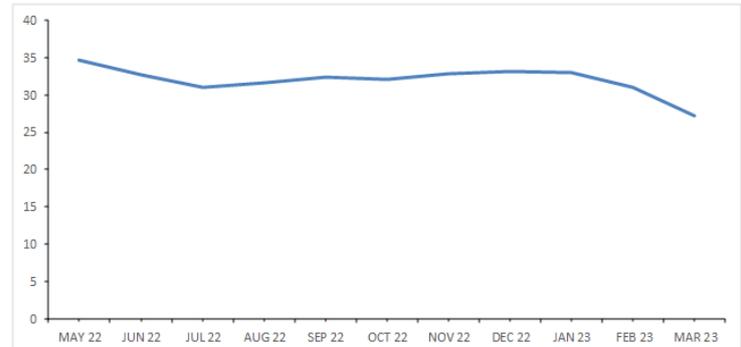
29.00 = Jan 2021 High

## Resistance:

40.50 = Mar 2022 High

50.00 = Psychological Barrier

## Futures Curve



# LME Zinc

Last Price

USD **4,339.00**/Tons

The most-traded SHFE 2205 zinc closed up 0.04% or 10 yuan/mt at 26,875 yuan/mt, with open interest down 1,640 lots to 108,951 lots. On the supply side, import losses expanded to more than 4,800 yuan/mt, and supply tightness remained. On the consumption side, high raw material prices suppressed terminal orders, and downstream was cautious in light of high prices.

In addition, some manufacturers planned to suspend the production starting from today amid a complicated market and upcoming Tomb Sweeping holiday. The overall consumption was sluggish. In terms of logistics, the transportation of spots were sluggish in east China.



**Technical:**

Zinc rises by 6.7% with suppressed consumption, next level to watch 4,400.00.

**Support:**

4,250.00 = Mar 2022 High

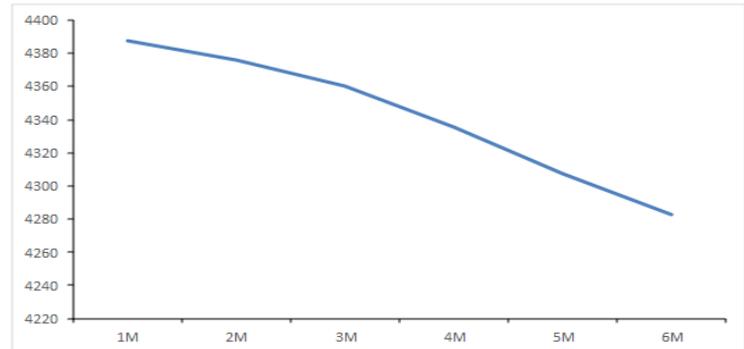
3,600.00 = Jan 2021 High

**Resistance:**

4,350.00 = Apr 2022 High

4,896.00 = Mar 2022 High

**LME Zinc Forward Curve**

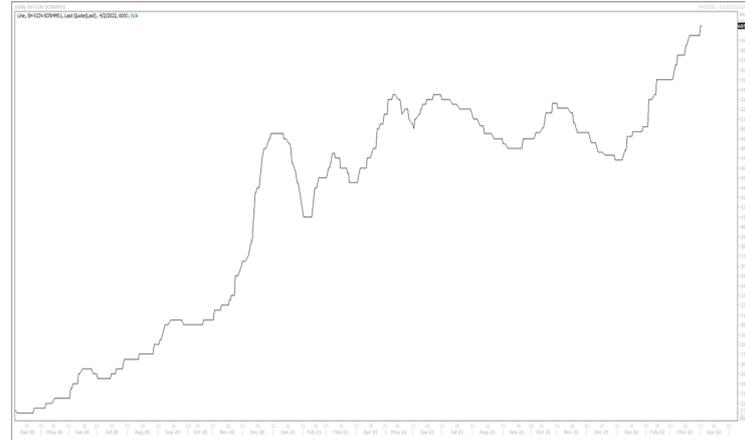


# Scrap Steel

Last Price

USD **605.00**/Tons

Domestic prices for steel scrap in China have become firmer over the past week due to tight local supply. Restrictions on cross provincial logistics, intended to keep Covid-19 infection rates under control, continued to disrupt the flow of material. Turkish buyers were more active in the deep sea ferrous scrap market this week, snapping up cargoes from the US, the Baltic Sea and Europe at mildly elevated levels while most other markets – with the exception of China – were relatively subdued. Prices for steel scrap imports into India and Pakistan dropped over the week to Friday 1 in line with buying interest from their domestic steel mills. Weaker domestic scrap prices have also weighed on import markets.

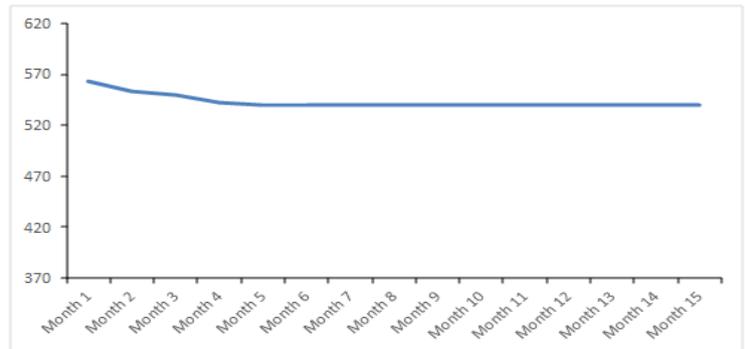


**Technical:**  
 China's domestic scrap market bullish on tight supply. Next level to watch 620.00.

**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



# Contact

Swift: BRAKBDDH, Reuters Dealing Code: "BRAC", Group email: [dealing.room@bracbank.com](mailto:dealing.room@bracbank.com)

Web: [www.bracbank.com](http://www.bracbank.com)

## **Md. Shaheen Iqbal**

Head of Treasury & Financial Institutions

E-mail: [shaheen.iqbal@bracbank.com](mailto:shaheen.iqbal@bracbank.com)

Cell: +880 1713 049433

## **Fouzia Rahman**

Head of Markets, Treasury & Financial Institutions

E-mail: [fouzia.rahman@bracbank.com](mailto: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](mailto:nawshaba.aziz@bracbank.com)

Cell: +88 01730 796810

## **Lailun Nahar Tonny**

Sr. Manager, Treasury & Financial Institutions

E-mail: [lailunnahar.tonny@bracbank.com](mailto:lailunnahar.tonny@bracbank.com)

Cell: +88 01730 796820

## **Mohammad Humayun Rashid**

Manager, Treasury & Financial Institutions

E-mail: [humayun.rashid@bracbank.com](mailto:humayun.rashid@bracbank.com)

Cell: +880 1723 935623

## **Maruf Hassan**

Associate Manager, Treasury & Financial Institutions

E-mail: [maruf.hassan29443@bracbank.com](mailto:maruf.hassan29443@bracbank.com)

Cell: +880 1847 419487

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