



Commodities Weekly

Issue 16-2022

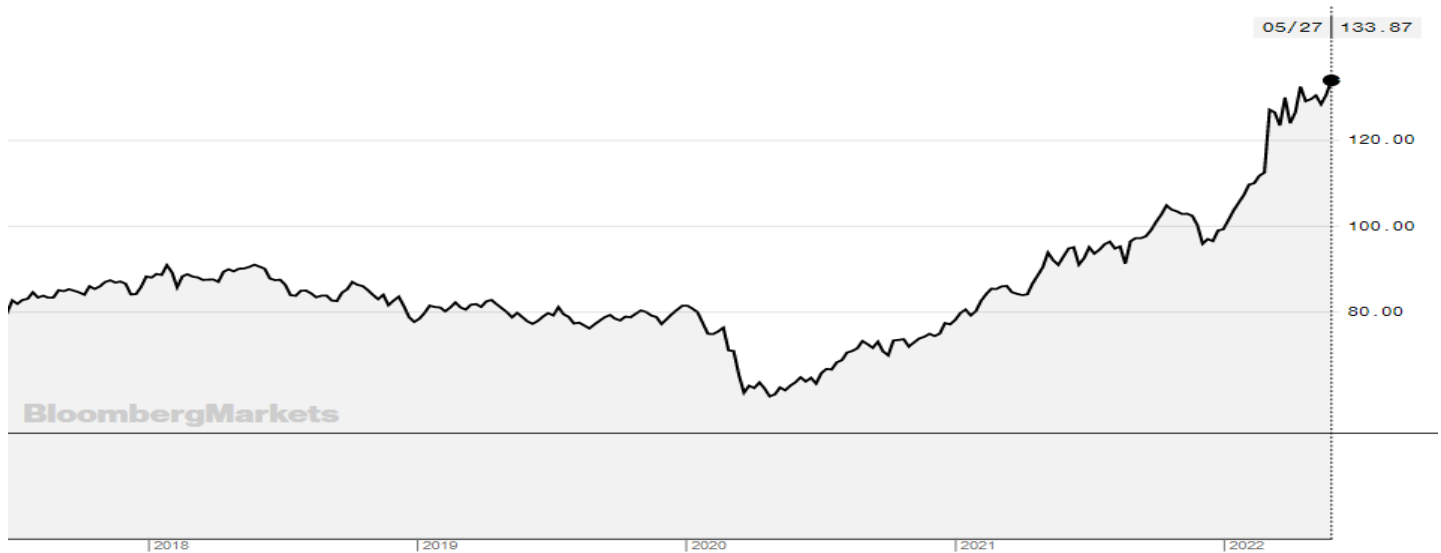
Date: 29 May 2022

Bloomberg Commodity Index

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

133.87 USD

+0.61 +0.46% ▲



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

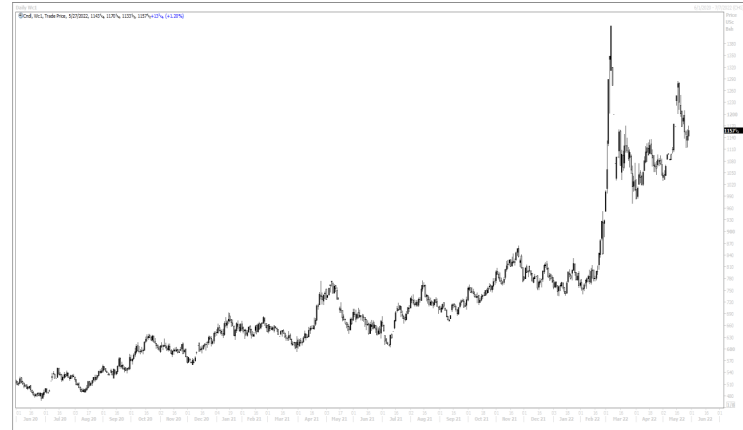
Objective: Recent increase in commodity import and volatility in global market raised the concern for proper management of commodity prices. BRAC Bank Ltd. has always been highly active in introducing different hedging products as well as informing clients with latest market trends. In light of this 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	1,157.50	▼ 0.96%	▲ 6.85%	▲ 81.71%
Page 5	Sugar	19.61	▼ 1.70%	▲ 3.26%	▲ 16.87%
Page 6	Soybean	1,732.25	▲ 1.58%	▲ 1.58%	▲ 14.59%
Page 7	Cotton	139.42	▼ 2.00%	▼ 2.18%	▲ 69.12%
Page 8	Steel	1,195.00	▼ 13.72%	▼ 18.49%	▼ 28.44%
Page 9	Brent Crude	119.43	▲ 6.11%	▲ 13.75%	▲ 73.41%
Page 10	LNG	23.40	▲ 4.46%	▼ 7.87%	▲ 127.18%
Page 11	LME Zinc	3,843.00	▲ 3.68%	▼ 6.42%	▲ 25.60%
Page 12	Scrap Steel	475.00	↔ 0.00%	▼ 20.17%	▼ 8.65%

Wheat

Last Price USc **1,157.50**/BSH

Chicago Board of Trade wheat rose on Friday, supported by forecasts for rain that could slow the tail end of planting in the U.S. Midwest. Traders exited bearish positions ahead of the U.S. Memorial Day holiday weekend. U.S. markets will be closed on Monday. CBOT July soft red winter wheat [WN2](#) was up 14-1/4 cents at \$11.57-1/2 a bushel, rebounding from three straight days of declines. Wheat prices came under pressure after comments by Russian officials this week that Moscow was willing to allow a sea corridor for Ukrainian food shipments. But traders have been cautious because Russia also called for lifting sanctions in parallel, something rejected by Ukraine and its Western allies.

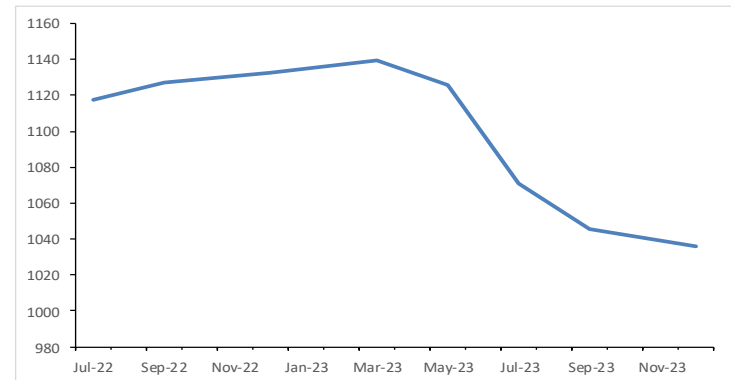


Technical:
 Wheat futures rise ahead of holiday. Next level to watch 1,200.00.

Support:
 982.50 = Apr 2022 Low
 926.50 = Sep 2012 High

Resistance:
 1,247.50 = May 2022 High
 1,298.00 = Mar 2008 High

Futures Curve



Sugar

Last Price

USc **19.61**/LBS

Raw sugar on ICE steadied on Friday but remained vulnerable to losses after hitting two-week lows in the prior session, with dealers betting top producer Brazil will manage to keep energy prices in check. Falling energy prices prompt cane mills in Brazil to ramp up sugar output at the expense of ethanol, a cane-based biofuel prices of which move in sync with energy. July raw sugar [SBc1](#) dipped 0.1% to 19.52 cents per lb by 1403 GMT, after hitting its lowest since May 13 at 19.27 on Thursday. Thailand said on Friday it expects to export 7.6 million tonnes of sugar in the production year 2021/22, 46% more than last year. August white sugar [LSUc1](#) slipped 0.1% to \$564.60 a tonne.

Technical:

Raw sugar steadies after hitting 2 week low on Brazil output bets, next level to watch 20.50.

Support:

18.55 = Nov 2021 Low

17.98 = Apr 2021 high

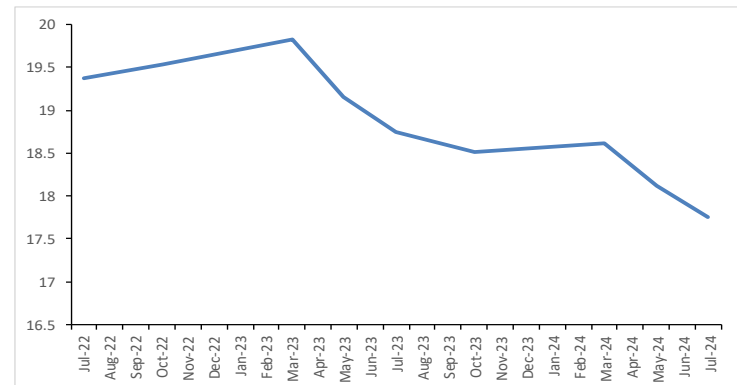
Resistance:

20.69 = Nov 2021 High

23.90 = Oct 2016 High



Futures Curve



Soybean

Last Price USc **1,732.25**/BSH

Chicago Board of Trade soybean futures firmed for the third time in four sessions on Friday, with prices underpinned by expectations that rainy weather will delay planting in the northern U.S. Plains. But profit-taking pulled prices from the three-month high hit during the session as traders squared positions ahead of the three-day weekend. Soymeal futures also were firm but soyoil weakened after the benchmark July contract [BON2](#) hit resistance at its 10-day moving average. CBOT July soybeans [SN2](#) ended up 5-3/4 cents at \$17.32-1/4 a bushel after peaking at a contract high of \$17.44-1/4. CBOT July soymeal [SMN2](#) gained \$4.10 to \$432.30 a ton and CBOT July soyoil was down 0.95 cent at 79.57 cents per lb. For the week, soybean futures [Sv1](#) rose 1.6%, their third straight week of gains.



Technical:

Soybeans rise with traders focused on weather, next level to watch 1,750.00.

Support:

1,613.50 = Mar 2022 Low

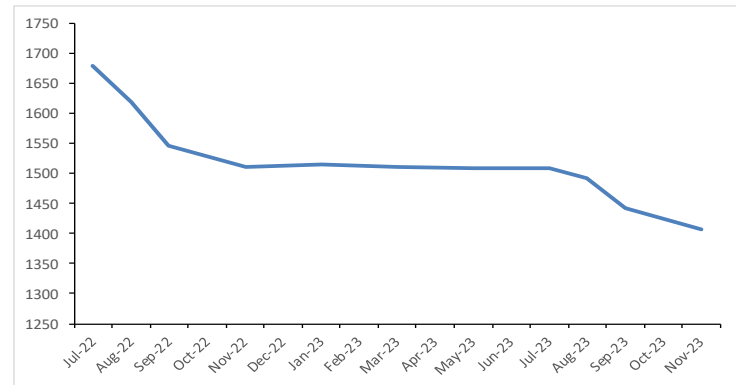
1,485.00 = Feb 2022 Low

Resistance:

1,745.25 = Mar 2022 High

1,765.00 = Feb 2022 High

Futures Curve



Cotton

Last Price USc **139.42**/LBS

ICE cotton futures fell more than 3% on Wednesday, hurt by rain forecasts in key West Texas growing regions and demand concerns following a federal report showing poor export sales. Cotton contracts for July [CTc1](#) fell 2.50 cent, or 1.7%, to 139.42 cents per lb at 11:51 a.m. ET (1551 GMT), going as low as 140.36 cents earlier in the session. Rain in key growing regions could help boost supply of the natural fiber. Net sales for 2021/2022 were down 67% from the previous week and 70% from the prior 4-week average. Further adding to the downbeat mood, U.S. wheat futures hit a three-week low, while U.S. corn also fell on lingering hopes that stuck grain supplies from the Black Sea region could start moving.



Technical:

Cotton falls over 3% on wetter forecasts over West Texas, weak export sales report. Next level to watch 150.00.

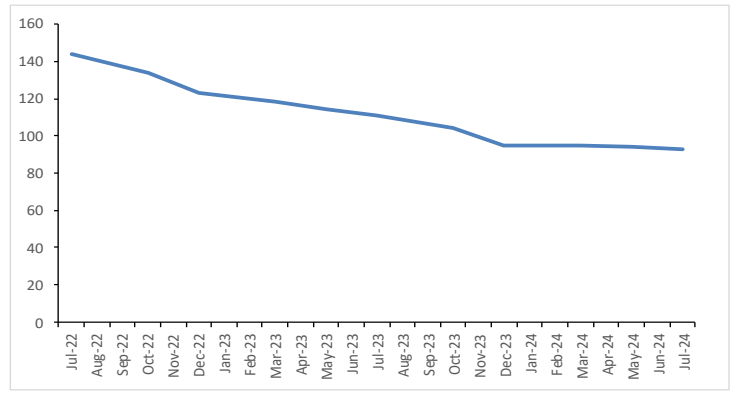
Support:

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 **1,195.00**/ tons

Chinese iron ore futures touched a one-week low on Thursday as downstream demand remained muted, while investors fretted over cues that the world's second-largest economy is contracting in the second quarter amid COVID-fuelled chaos. China is facing bigger economic difficulties than in 2020, with some indicators started to weaken sharply since March, Premier Li Keqiang said at a national meeting on Wednesday, adding that the country should strive to achieve reasonable growth in the second quarter. The most-traded iron ore futures on the Dalian Commodity Exchange [DCIOcv1](#) for September delivery fell as much as 4.1% to 806 yuan (\$119.99) a tonne, the lowest since May 19. They were down 0.8% at 834 yuan a tonne at close. Construction material steel rebar on the Shanghai Futures Exchange [SRBcv1](#), for October delivery, inched up 0.2% to 4,505 yuan a tonne.

Technical:

China's economic slowdown woes dent benchmark iron ore futures. Next level to watch 1250.00.

Support:

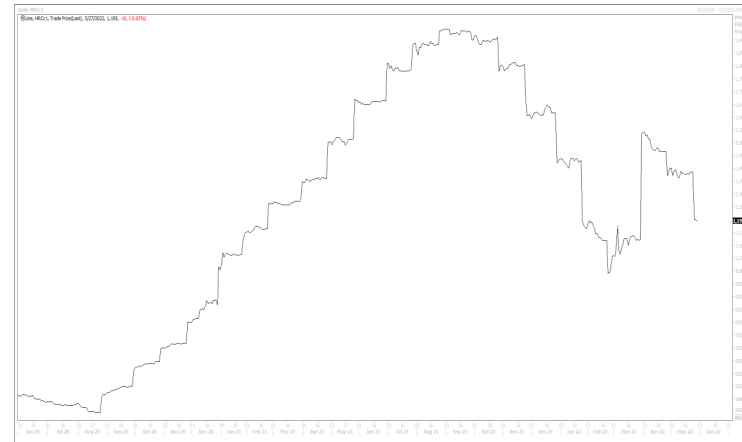
1,156.00 = Jan 2021 High

1,035.00 = Mar 2021 High

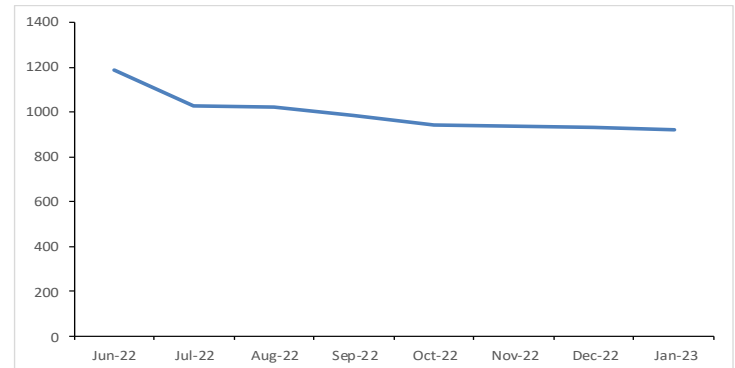
Resistance:

1,680.00 = May 2021 High

1,945.00 = Sep 2021 High



Futures Curve of SHFE Steel Futures



Brent Crude

Last Price

USD **119.43**/BBL

Oil prices rose on Friday, closing out the week with gains ahead of the U.S. Memorial Day holiday weekend, the start of peak U.S. demand season, and as European nations negotiate over whether to impose an outright ban on Russian crude oil. Brent crude [LCOc1](#) rose \$2.03, or 1.7%, to settle at \$119.43. U.S. West Texas Intermediate (WTI) crude [CLc1](#) rose 98 cents, or 0.9%, to settle at \$115.07 a barrel. For the week, Brent rose 6% while WTI gained 1.5%. Prices drew support from strong worldwide demand for fuel, with both gasoline and heating oil futures outpacing crude this year. European Union countries are negotiating a deal on Russian oil sanctions that would embargo shipment deliveries but delay sanctions on oil delivered by pipeline to win over Hungary and other landlocked member states. Hungary's resistance to oil sanctions and reluctance of other countries have held up implementation of a sixth package of sanctions by the 27-member EU against Russia.



Technical:

Oil settles up ahead of U.S. driving season, EU embargo decision, next level to watch 140.00.

Support:

97.57 = Apr 2022 Low

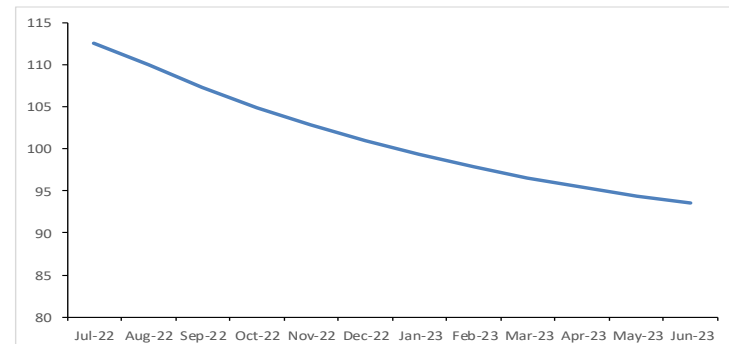
91.70 = Jan 2022 High

Resistance:

125.97 = Apr 2012 High

143.91 = Jun 2006 High

Futures Curve

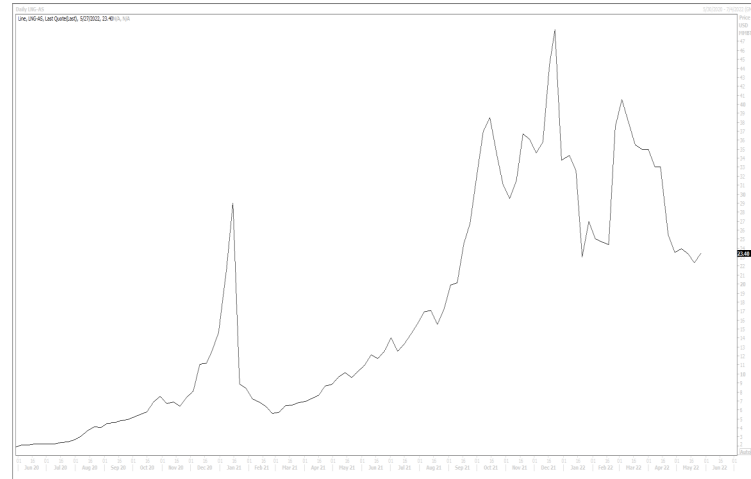


LNG

Last Price

USD **23.40**/BBL

Asian spot liquefied natural gas (LNG) prices were up this week on procurement activity by Japanese, Korean and Indian buyers, while players were waiting to see if the easing of lockdown in China would renew demand for spot cargoes. This has accordingly narrowed the spread with European gas prices on the Dutch TTF hub, which went down as fears over significant supply cuts from Russia are easing. The average LNG price for July delivery into north-east Asia [LNG-AS](#) was estimated at \$23.4 per metric million British thermal units (mmBtu), up \$1, or 4.5% from the previous week. In Europe, the continent continued to attract LNG cargoes, with the market being driven by the differing weather dynamics, and is expected to attract more volumes on potential cooling demand.



Technical:

Global LNG prices rise on improved demand, spread with Europe narrows. next level to watch 30.00.

Support:

20.50 = Feb 2014 High

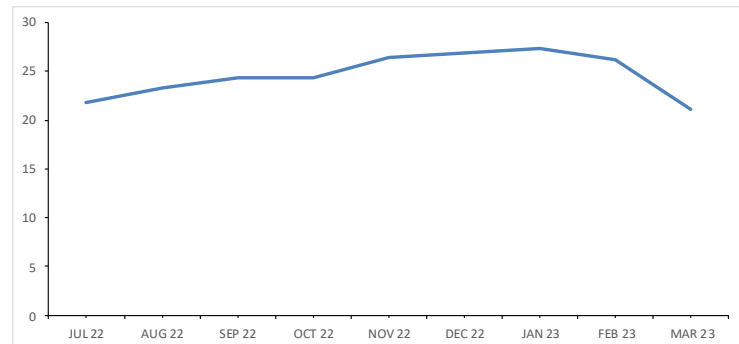
15.60 = Jul 2021 High

Resistance:

31.00 = Oct 2022 Low

40.50 = Mar 2022 High

Futures Curve



LME Zinc

Last Price USD **3,843.50**/Tons

The most-traded SHFE 2207 zinc closed up 1.59% or 405 yuan/mt at 25,860 yuan/mt, with open interest down 400 lots to 102,882 lots.

Rising energy prices, led by oil that reached two-month high after rising for 3%, pulled up domestic non-ferrous product prices. SHFE zinc rose but failed to touch the resistance at 26,000 yuan/mt. In the spot market, SMM zinc ingot social inventory across seven major markets totalled 14,800 yuan/mt, which dropped greatly this week and boosted zinc prices to some extent.



Technical:

Zinc closed with gains on Rising Energy Prices, next level to watch 4,000.00.

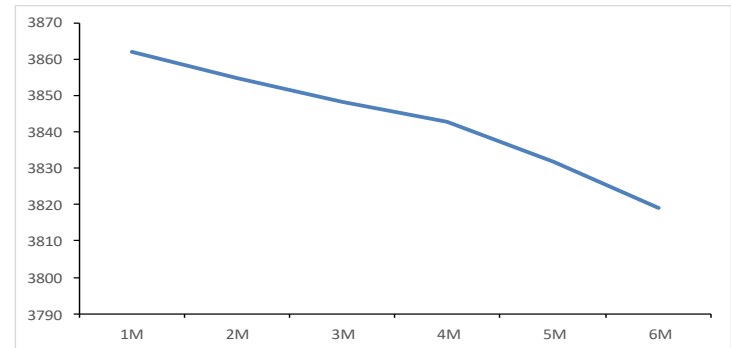
Support:

- 3,600.00 = Jan 2021 High
- 3,445.00 = Dec 2021 High

Resistance:

- 4,028.00 = Mar 2022 High
- 4,250.00 = Mar 2022 High

LME Zinc Forward Curve

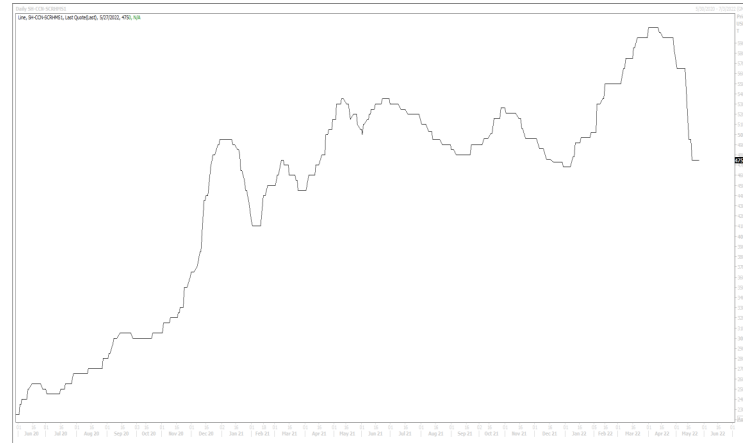


Scrap Steel

Last Price

USD **475.00**/Tons

The demand drags down global steel scrap prices. The demand for ferrous scrap in the major global markets, such as Turkey and Asia, was sluggish during the week ending on Friday May 20, resulting in some significant decreases in prices. Turkish scrap import prices continue to fall with buying interest very limited. US domestic scrap prices follow downturn in export values. UK domestic light iron scrap market down on weaker exports. China restarts spot steel scrap imports amid lower Japan offers, considers more deals. Vietnam import scrap market softens again amid poor steel sales.



Technical:

Limited demand drags down global steel scrap prices. Next level to watch 500.00.

Support:

460.00 = Jun 2012 High

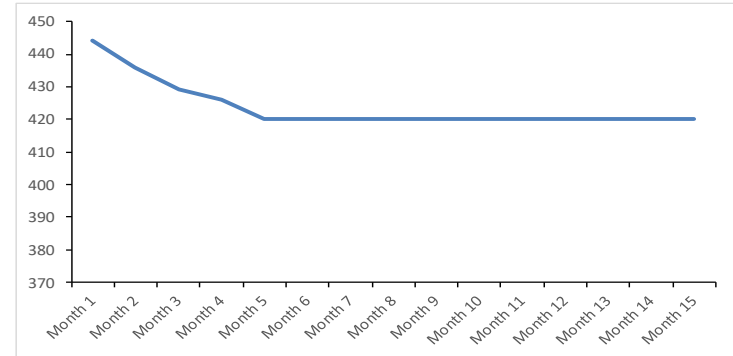
445.00 = Mar 2021 Low

Resistance:

526.00 = Nov 2021 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

Disclaimer

This document is for information purposes only and does not take into account specific circumstances of any recipient. The information contained herein does not constitute the provision of investment advice. It is not intended to be and should not be construed as a recommendation, offer or solicitation to acquire, or dispose of, any of the financial instruments and/or securities mentioned in this document and will not form the basis or a part of any contract or commitment whatsoever. Investors should seek independent professional advice and draw their own conclusions regarding suitability of any transaction including the economic benefits, risks, legal, regulatory, credit, accounting and tax implications. The information in this document is based on public data obtained from sources believed by BRAC Bank to be reliable and in good faith, but no representations, guarantees or warranties are made by BRAC Bank with regard to accuracy, completeness or suitability of the data. BRAC Bank has not performed any independent review or due diligence of publicly available information regarding an unaffiliated reference asset or index. The opinions and estimates contained herein reflect the current judgment of the author(s) on the date of this document and are subject to change without notice. The opinions do not necessarily correspond to the opinions of BRAC Bank. BRAC Bank does not have an obligation to update, modify or amend this document or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. This communication may contain trading ideas where BRAC Bank may trade in such financial instruments with customers or other counterparties. Any prices provided herein (other than those that are identified as being historical) are indicative only, and do not represent firm quotes as to either size or price. The past performance of financial instruments is not indicative of future results. No assurance can be given that any financial instrument or issuer described herein would yield favorable investment results. Any forecasts or price targets shown for companies and/or securities discussed in this document may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information and/or the subsequent transpiration that underlying assumptions made by BRAC Bank or by other sources relied upon in the document were inapposite. BRAC Bank and or its affiliates may act as a market maker in the instrument(s) and or its derivative that has been mentioned in our research reports. Employees of BRAC Bank and or its affiliates may provide written or oral commentary, including trading strategies, to our clients and business units that may be contrary to the opinions conveyed in this research report. BRAC Bank may perform or seek to perform investment banking services for issuers mentioned in research reports. Neither BRAC Bank nor any of its respective directors, officers or employees accepts any responsibility or liability whatsoever for any expense, loss or damages arising out of or in any way connected with the use of all or any part of this document. BRAC Bank may provide hyperlinks to websites of entities mentioned in this document, however the inclusion of a link does not imply that BRAC Bank endorses, recommends or approves any material on the linked page or accessible from it. BRAC Bank does not accept responsibility whatsoever for any such material, nor for any consequences of its use. This document is for the use of the addressees only and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any purpose, without the prior, written consent of BRAC Bank. The manner of distributing this document may be restricted by law or regulation in certain countries, including the United States. Persons into whose possession this document may come are required to inform themselves about and to observe such restrictions. By accepting this document, a recipient hereof agrees to be bound by the foregoing limitations.