



Commodities Weekly

Issue 18-2022

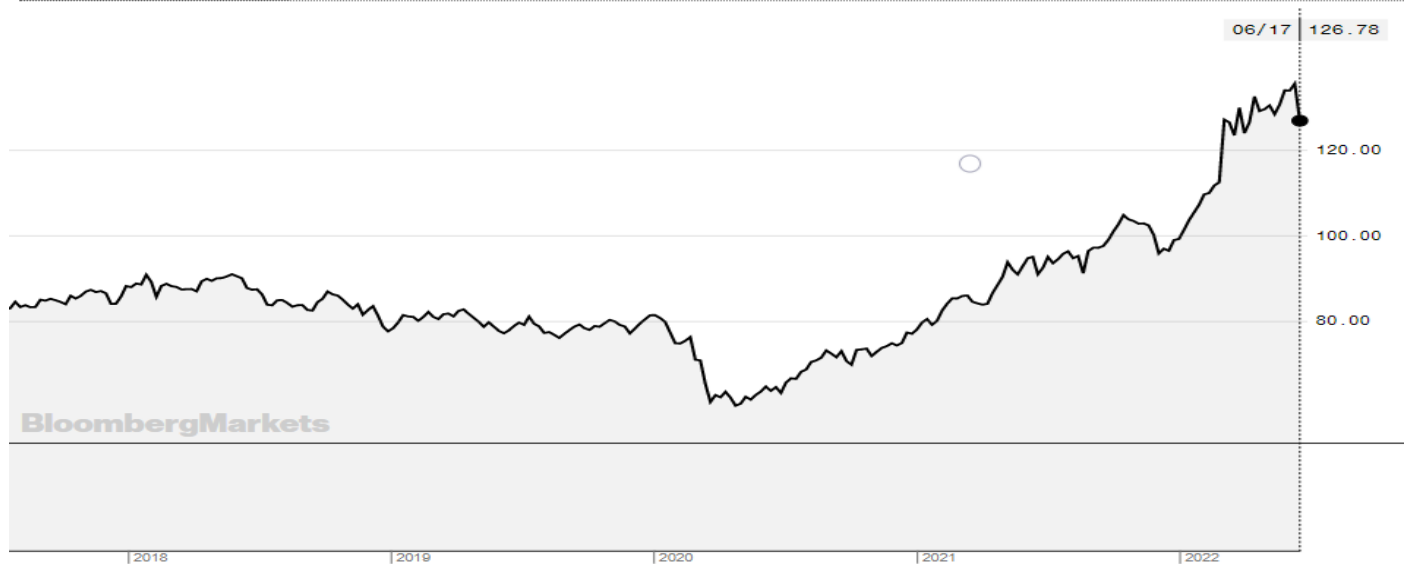
Date: 20 Jun 2022

Bloomberg Commodity Index

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

126.78 USD

-3.55 -2.72% ▼



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

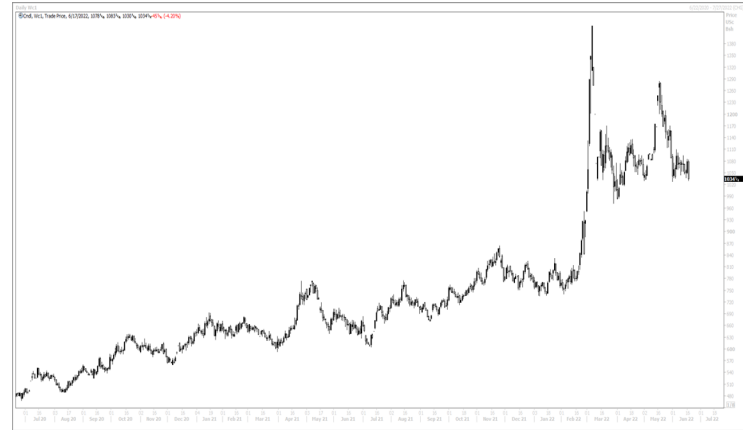
Objective: Recent increase in commodity import and volatility in global market raised the concern for proper management of commodity prices. BRAC Bank Ltd. has always been highly active in introducing different hedging products as well as informing clients with latest market trends. In light of this 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	1,034.25	▼ -3.41%	▼ -13.85%	▲ 56.05%
Page 5	Sugar	18.60	▼ -1.43%	▼ -5.92%	▲ 13.21%
Page 6	Soybean	1,702.00	▼ -2.49%	▲ 0.68%	▲ 21.92%
Page 7	Cotton	143.45	▼ -1.11%	▼ -2.88%	▲ 69.92%
Page 8	Steel	1,126.00	▼ -2.93%	▼ -18.23%	▼ -32.21%
Page 9	Brent Crude	113.12	▼ -7.29%	▲ 0.96%	▲ 53.88%
Page 10	LNG	36.50	▲ 55.32%	▲ 62.95%	▲ 211.97%
Page 11	LME Zinc	3,523.50	▼ -4.58%	▼ -5.14%	▲ 24.84%
Page 12	Scrap Steel	450.00	▼ -4.26%	▼ -9.09%	▼ -15.09%

Wheat

Last Price USc **1,034.25**/BSH

Chicago wheat futures fell on Friday, erasing gains earlier in the week as harvest pressure weighs and a firmer dollar limits export business, traders said. Corn inched higher, finding a fresh one-month high, supported by hot weather in the U.S. Midwest that could threaten crops, while soybeans traded near even heading into a three-day holiday weekend. The most-active wheat contract on the Chicago Board of Trade (CBOT) [Wv1](#) lost 44 cents to \$10.34-1/4 a bushel, down 3.5% for the week. Short-covering ahead of a three-day U.S. market closure for Monday's Juneteenth holiday added pressure. A heatwave in France and Spain may further stress wheat crops after a dry spring though an expected easing in temperature and showers this month should avert large crop losses.



Technical:

Wheat falls on harvest pressure, firmer dollar. Next level to watch 1,100.00.

Support:

982.50 = Apr 2022 Low

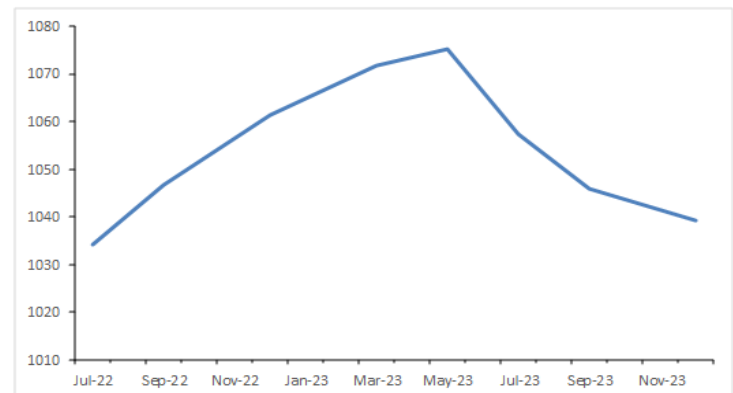
926.50 = Sep 2012 High

Resistance:

1,247.50 = May 2022 High

1,298.00 = Mar 2008 High

Futures Curve



Sugar

Last Price USc **18.60**/LBS

Raw sugar futures on ICE rose modestly on Friday on reports that India is likely to impose a ceiling on sugar exports next season and after Brazil's oil company Petrobras raised gasoline prices, a move that could impact sugar production. July raw sugar [SBc1](#) rose 0.02 cent, or 0.1%, at 18.60 cents per lb, after touching a week-high of 18.96 earlier. Tumbling oil prices on recession fears capped sugar gains. India, a top sugar producer, is likely to impose a ceiling on sugar exports for a second straight year starting this October, aiming to ensure domestic supplies. August white sugar [LSUc1](#) rose \$2.60, or 0.5%, at \$561.40 a tonne.



Technical:

Raw sugar gains on prospect of more India export curbs, next level to watch 20.00.

Support:

18.55 = Nov 2021 Low

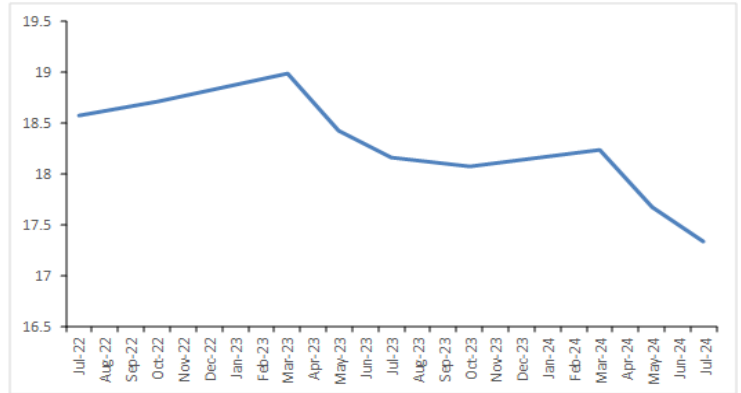
17.98 = Apr 2021 high

Resistance:

20.69 = Nov 2021 High

23.90 = Oct 2016 High

Futures Curve



Soybean

Last Price

USc **1,702.00**/BSH

Chicago Board of Trade soybean futures inched lower on Friday, pressured by short covering ahead of the three-day holiday weekend, while losses were offset by hot weather that could trim yields. CBOT July soybeans [SN2](#) settled 7-1/2 cents lower at \$17.02 per bushel. For the week, the most-active soybean contract lost 2.49%, its biggest weekly loss since the week ended May 6. CBOT July soyoil [BON2](#) lost 2.55 cents to 73.79 cents per pound, while CBOT July soymeal [SMN2](#) firmed \$8.40 to settle at \$438.10 per short ton. Forecasts for hot, dry weather across the U.S. Midwest have growers on alert for damage to recently planted crops, though recent rains are thought to have helped stave off yield damage.



Technical:

Soybeans close lower; weather in focus, next level to watch 1,750.00.

Support:

1,613.50 = Mar 2022 Low

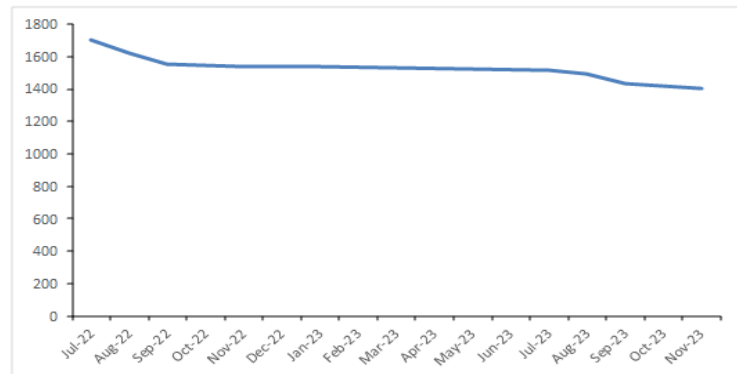
1,485.00 = Feb 2022 Low

Resistance:

1,765.00 = Feb 2022 High

1,794.75 = Sep 2012 High

Futures Curve



Cotton

Last Price USc **143.45**/LBS

ICE cotton futures fell on Friday and were headed for a weekly decline, pressured by the dollar's strength and growing recession risks. The most-active December cotton ICE Futures [CTZ2](#) fell 1.21 cent, or 1.01%, to 118.02 cents per lb, by 01:32 p.m. ET (17:32 GMT). The contract was down about 3.6% for the week. The dollar index [.DXY](#) rose more than 1% en route to a weekly rise, likely sapping appeal for cotton among overseas buyers. [USD/](#) Wall Street's main indexes edged higher after a brutal selloff due to recession fears triggered by a series of interest rate hikes by the Federal Reserve and other major central banks. China cotton futures [CCFc1](#) on the Zhengzhou Commodity Exchange were down 0.82% at 19,350 yuan per tonne.



Technical:

Cotton heads for weekly fall on stronger dollar, growth concerns. Next level to watch 160.00.

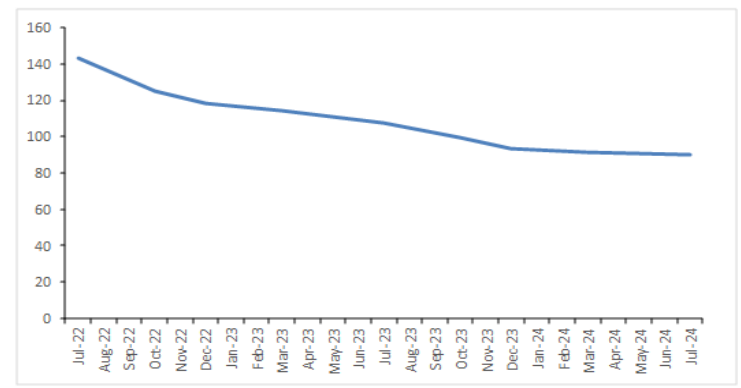
Support:

129.37 = Feb 2022 High
 116.48 = Oct 2021 High

Resistance:

162.05 = Jul 2011 High
 211.02 = Feb 2011 High

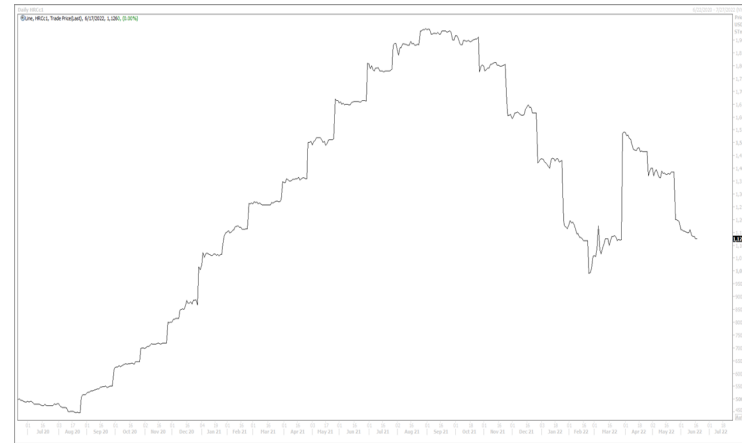
Futures Curve



Steel

Last Price USD **1,126.00**/ tons

Dalian iron ore extended losses to a sixth session on Friday, marking its steepest weekly slump in four months, as Chinese steel mills opted to reduce output amid weak profits and deteriorating demand prospects. The most-traded iron ore, for September delivery, on China's Dalian Commodity Exchange [DCIOcv1](#) ended daytime trade 5.9% lower at 821.50 yuan (\$122.64) a tonne, after earlier tumbling to 815.50 yuan, the lowest since May 26. On the Singapore Exchange, the steelmaking ingredient's front-month July contract [SZZFN2](#) was down 5.4% at \$121.15 a tonne. Construction steel rebar on the Shanghai Futures Exchange [SRBcv1](#) fell 4.3%, while hot-rolled coil [SHHCcv1](#) shed 4.2%, both also posting steep weekly losses. Shanghai stainless steel [SHSScv1](#) dipped 1.3%. Other steel inputs also hit three-week lows, with Dalian coking coal [DJMcv1](#) dropping 3% and coke slumping [DCJcv1](#) 3.2%.



Technical:

Iron ore marks worst week since Feb on plunging China steel margins. Next level to watch 1200.00.

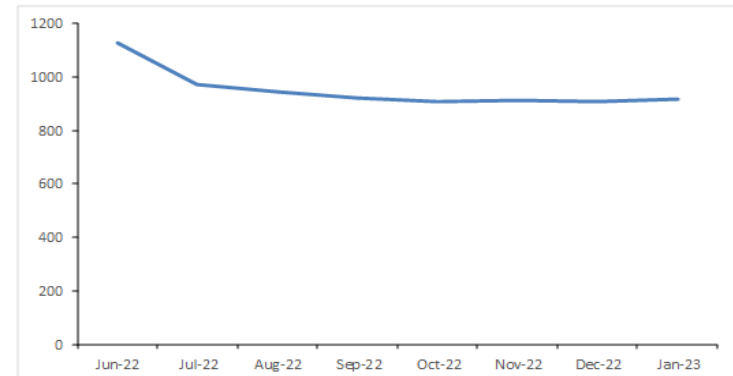
Support:

- 1,035.00 = Mar 2021 Low
- 942.00 = May 2018 High

Resistance:

- 1,348.00 = Mar 2021 High
- 1,680.00 = May 2021 High

Futures Curve of SHFE Steel Futures



Brent Crude

Last Price

USD **113.12**/BBL

Oil prices tumbled about 6% to a four-week low on Friday on worries that interest rate hikes by major central banks could slow the global economy and cut demand for energy. Brent [LCOc1](#) futures fell \$6.69, or 5.6%, to settle at \$113.12 a barrel, while U.S. West Texas Intermediate (WTI) crude [CLc1](#) fell \$8.03, or 6.8%, to settle at \$109.56. That was the lowest close for Brent since May 20 and the lowest for WTI since May 12. It was also the biggest daily percentage decline for Brent since early May and the biggest for WTI since late March. For the week, Brent futures declined for the first time in five weeks, while WTI dropped for the first time in eight weeks. U.S. gasoline [RBc1](#) and diesel [HOC1](#) futures also slid over 4% on worries high pump prices will reduce demand. Automobile group AAA said the price of diesel at the pump hit a record high \$5.798 per gallon on Friday, while the price of gasoline hit a record high of \$5.016 earlier in the week.



Technical:

Oil slumps 6% to four-week low on recession worries, strong dollar, next level to watch 125.00.

Support:

97.57 = Apr 2022 Low

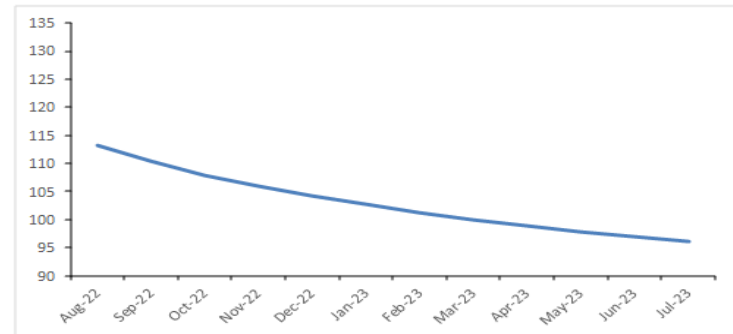
91.70 = Jan 2022 High

Resistance:

125.97 = Apr 2012 High

143.91 = Jun 2006 High

Futures Curve

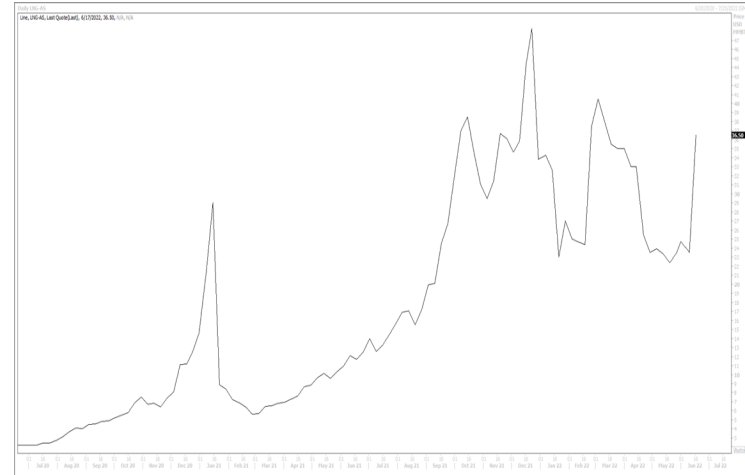


LNG

Last Price

USD **36.50**/BBL

Asian spot liquefied natural gas (LNG) prices jumped this week, tracking a rise in European gas prices, on further market tightening as an extended shutdown at a U.S. export plant prompted buying by Japan and South Korea. The average LNG price for August delivery into north-east Asia [LNG-AS](#) was estimated at \$36.50 per million British thermal units (mmBtu), up \$13.00 or 55.1% from the previous week. Freeport LNG, the operator of one of the largest U.S. export plants, said on Tuesday that last week's fire damage to its Texas plant would keep it fully offline until September with only partial operation through year-end. In Europe, a further decline in Russian gas flows via the Nord Stream 1 pipeline, coinciding with an early heat wave gripping its south, deepened concerns the continent may struggle to build up storage ahead of the winter season as planned.



Technical:

LNG spot prices jump, tracking sharp rise in Europe. next level to watch 40.00.

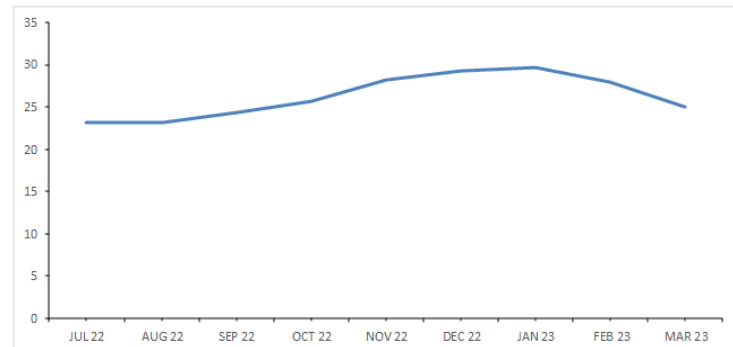
Support:

- 31.00 = Oct 2022 Low
- 20.50 = Feb 2014 High

Resistance:

- 40.50 = Mar 2022 High
- 48.30 = Dec 2021 High

Futures Curve

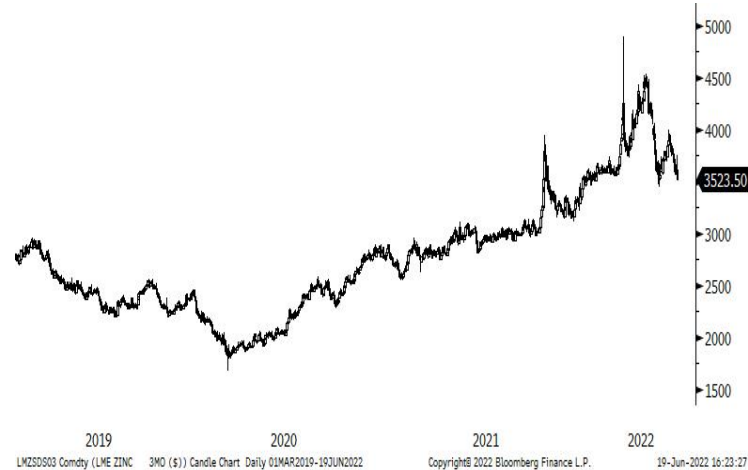


LME Zinc

Last Price USD **3,523.50**/Tons

The most-traded SHFE 2207 zinc closed down 1.11% or 290 yuan/mt at 25,780 yuan/mt, with open interest down 4,601 lots to 93,504 lots.

On the fundamentals, zinc prices still gained support from the supply side. In the spot market, SMM zinc ingot social inventory across seven markets in China totalled 223,700 mt, down 8,100 mt from Monday. Slow de-stocking of social inventory indicated relatively sufficient spots in the market.



Technical:

Zinc closed with losses with worries over long term economic development, next level to watch 4,000.00.

Support:

3,600.00 = Jan 2021 High

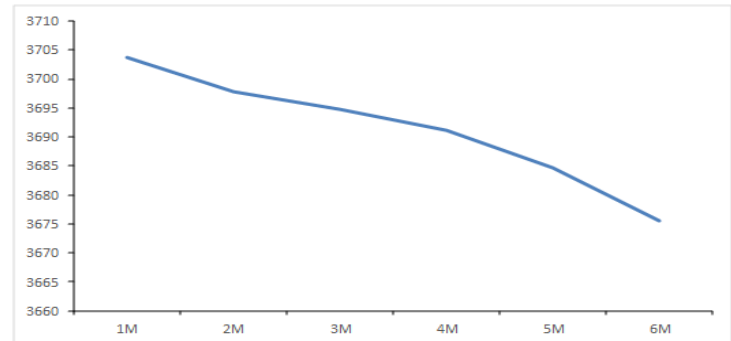
3,445.00 = Dec 2021 High

Resistance:

4,028.00 = Mar 2022 High

4,250.00 = Mar 2022 High

LME Zinc Forward Curve

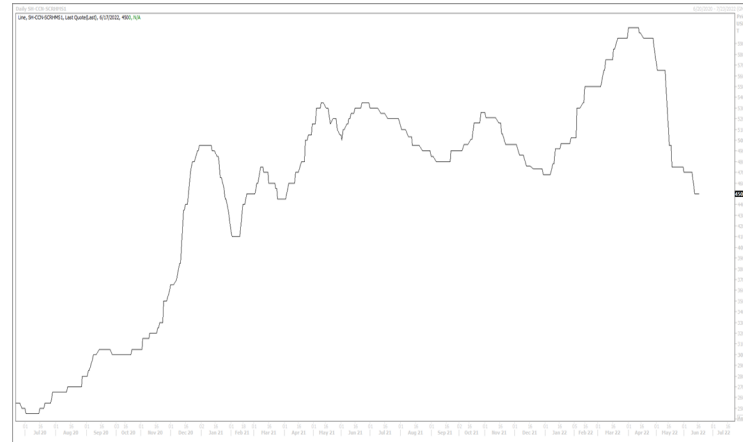


Scrap Steel

Last Price

USD **450.00**/Tons

The major steel scrap import markets were under more pressure as a result of an excess of material globally as well as a decline in domestic scrap metal and steel prices in the week ending Friday June 17. Light iron scrap prices in the UK domestic market were steady in the week, stabilizing recent losses despite falling export prices. Although there may soon be a resumption in scrap price losses in the United Kingdom if the downward trend in British dockside markets persists. Turkish steelmakers broke their silence in the deep sea steel scrap import markets following the downturn in the prices. Prices for bulk cargoes of steel scrap have continued to drop sharply in key Asian markets, with a glut of offers from Europe leading to a rapid decline in prices.



Technical:

International oversupply, domestic price declines strain key steel scrap import markets. Next level to watch 500.00.

Support:

445.00 = Mar 2021 Low

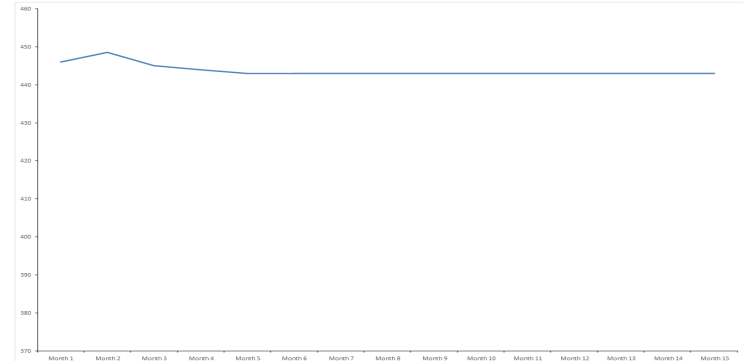
410.00 = Jan 2014 High

Resistance:

526.00 = Nov 2021 High

690.00 = May 2008 High

LME Scrap Steel Forward Curve



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