



Commodities Weekly

Issue 19-2022

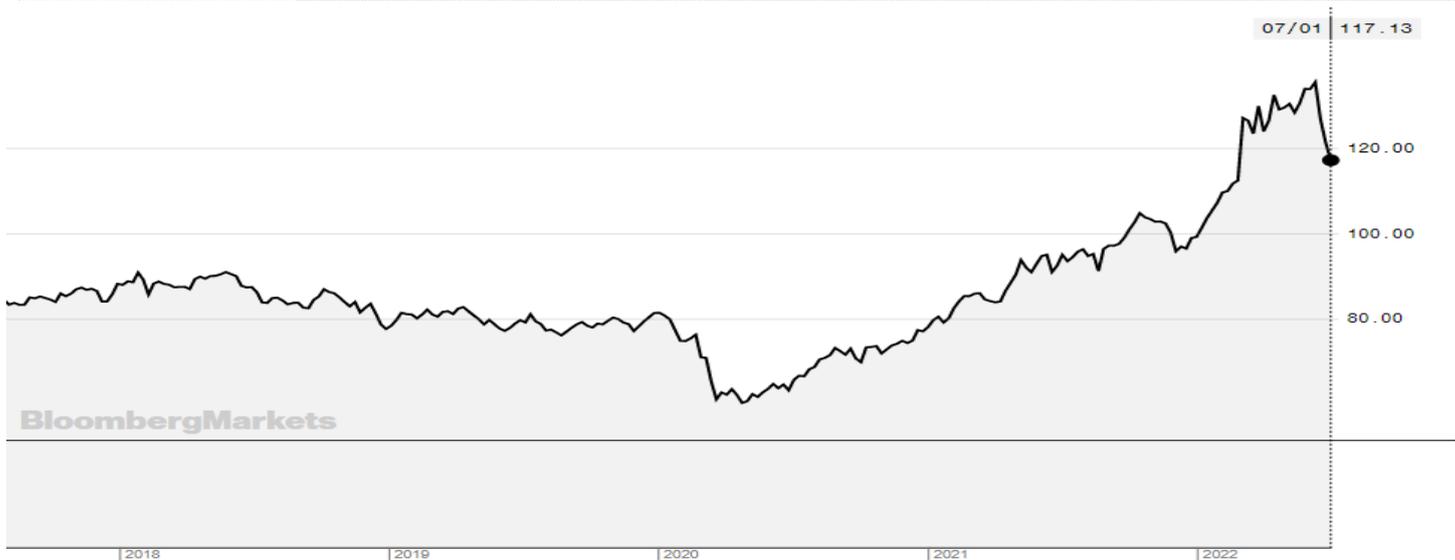
Date: 04 Jul 2022

Bloomberg Commodity Index

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

117.13 USD

+0.08 +0.07% ▲



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.

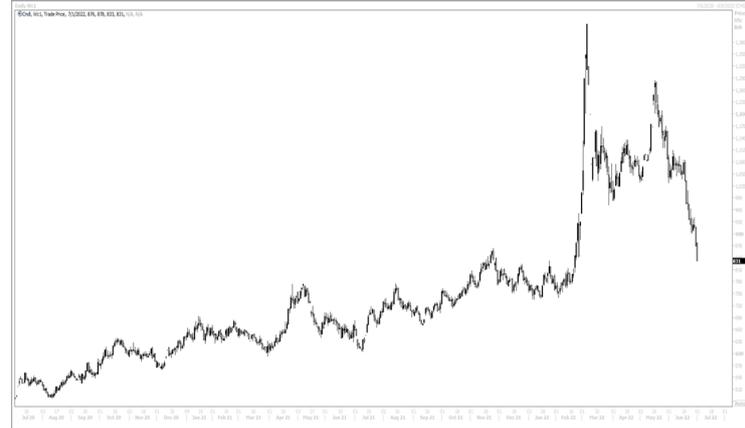
Details	Commodity Name	Closing Price	Weekly Change(%)	MoM Change(%)	YoY Change(%)
Page 4	Wheat	831.25	▼ -10.01%	▼ -20.17%	▲ 26.23%
Page 5	Sugar	18.07	▼ -1.63%	▼ -7.05%	▲ 0.72%
Page 6	Soybean	1,626.00	▲ 0.95%	▼ -3.80%	▲ 12.39%
Page 7	Cotton	103.68	▼ -0.08%	▼ -23.80%	▲ 21.96%
Page 8	Steel	930.00	▼ -17.48%	▼ -19.90%	▼ -48.56%
Page 9	Brent Crude	111.61	▼ -1.33%	▼ -4.02%	▲ 47.17%
Page 10	LNG	39.00	▲ 5.41%	▲ 57.58%	▲ 178.57%
Page 11	LME Zinc	3,029.00	▼ -9.58%	▼ -21.62%	▲ 3.08%
Page 12	Scrap Steel	400.00	▼ -5.88%	▼ -14.89%	▼ -24.53%

Wheat

Last Price

USc **831.25**/BSH

Wheat futures fell sharply on Friday to the lowest point since Russia's invasion of Ukraine on technical selling and risk-off liquidation ahead of the long U.S. Independence Day holiday weekend. A strengthening U.S. dollar and rising global wheat supplies from accelerating winter crop harvests across the Northern Hemisphere also weighed on prices. CBOT September soft red winter wheat [WU2](#) fell 38 cents to \$8.46 per bushel, the lowest since Feb. 25. The contract failed to broke through chart resistance at its 200-day moving average and closed below that key technical level. For the week, CBOT September futures were down 9.7%. K.C. September hard red winter wheat [KWU2](#) settled down 38-1/4 cents at \$9.13-1/2 a bushel, while MGEX September spring wheat [MWEU2](#) fell 42 cents to \$9.48 a bushel.



Technical:

Wheat drops to pre-Ukraine war levels on economy worries, harvest. Next level to watch 900.00.

Support:

784.00 = Dec 2021 High

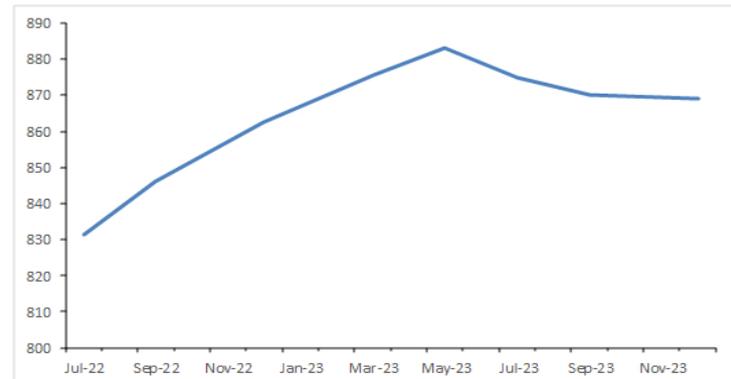
713.25 = May 2014 High

Resistance:

947.25 = Jul 2012 High

1,135.00 = Apr 2022 High

Futures Curve



Sugar

Last Price

USc **18.07** /LBS

October raw sugar [SBC1](#) settled down 0.43 cents, or 2.3%, at 18.07 cents per lb, the lowest price since March 1. Dealers noted fund selling across softs after negative news on U.S. and European manufacturing activity stoked recession fears. They also cited falling ethanol values in Brazil after changes in fuel taxes this week that are bringing down prices. As ethanol prices fall, Brazilian mills will be tempted to make less of the biofuel and more sugar. Deliveries at the July expiry reached about 503,000 tonnes, according to ICE. All of that relatively small amount was Brazilian sugar to be loaded at Paranagua port. August white sugar [LSUc1](#) fell \$7.20, or 1.3%, to \$549.40 a tonne.



Technical:

Raw sugar hits four-month low on Brazil taxes and fund selling, next level to watch 20.00.

Support:

17.98 = Apr 2021 high

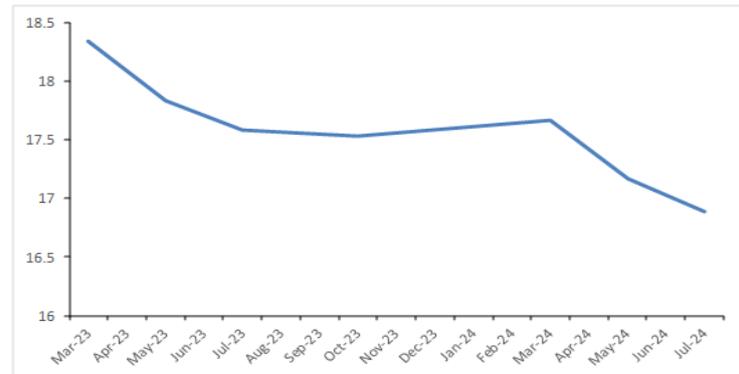
14.99 = Jul 2017 high

Resistance:

20.69 = Nov 2021 High

23.90 = Oct 2016 High

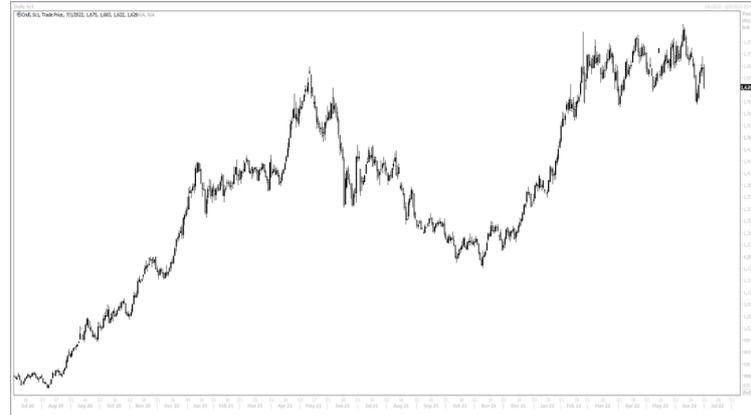
Futures Curve



Soybean

Last Price USc **1,626.00**/BSH

Chicago Board of Trade soybean futures plunged on Friday in tandem with broader commodities markets on technical selling and risk-off liquidation ahead of the long U.S. Independence Day holiday weekend. Forecasts for rain in dry areas of the U.S. Midwest further fueled selling as traders squared positions ahead of the weekend. Soaring inflation and a rush by central banks to raise rates and stem the flow of cheap money has fueled sell-offs across markets. Benchmark soybean prices, which spiked to near record peaks after Russia's invasion of Ukraine, have now fallen to pre-war levels. CBOT July soybeans [SN2](#) settled 49 cents lower at \$16.26 per bushel after breaking below several key technical chart points, including its 50- and 100-day moving averages.



Technical:

Soybeans tumble on technicals, rain outlook, risk-off selling, next level to watch 1,650.00.

Support:

1,608.75 = Apr 2021 High

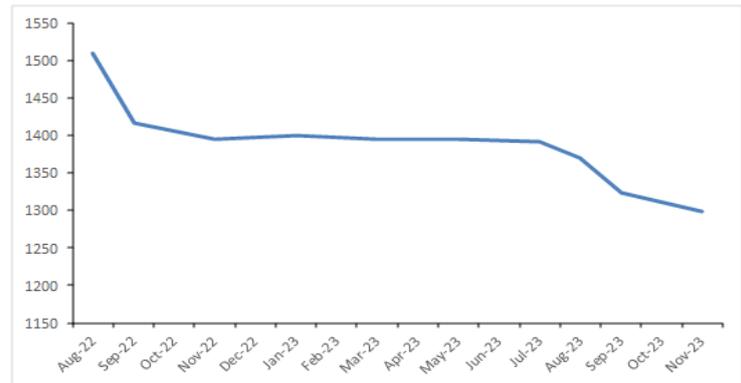
1,485.00 = Feb 2022 Low

Resistance:

1,765.00 = Feb 2022 High

1,794.75 = Sep 2012 High

Futures Curve



Cotton

Last Price

USc **103.68**/LBS

ICE cotton fell more than 3% on Friday and was en route to its third straight weekly decline as recession fears and a stronger dollar clouded sentiment. The most-active December contract on ICE Futures [CTZ2](#), [CTc3](#) fell 3.66 cents, or about 3.7%, to 95.05 cents per lb as of 12:26 p.m. ET. The contract was headed for an about 3.1% weekly dip. Last week, U.S. Secretary of State Antony Blinken said the U.S. would rally its allies against forced labor as it began implementing an import ban on goods from China's Xinjiang. The announcement also triggered concerns about demand for U.S. cotton from China. The dollar's gains this week made the natural fiber more expensive for overseas buyers.



Technical:

Cotton falls for third week on recession risks, stronger dollar. Next level to watch 115.00.

Support:

96.50 = Jun 2018 High

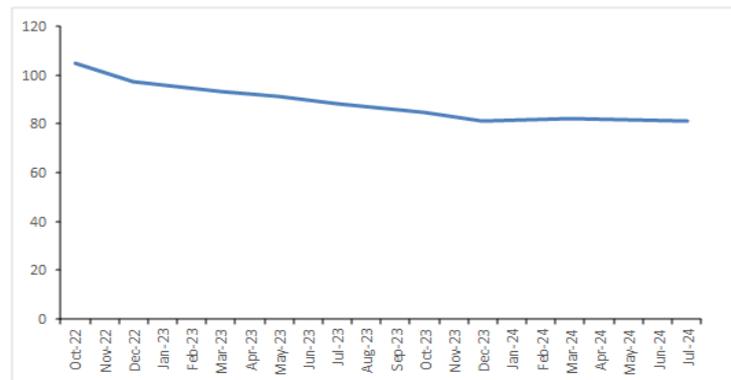
89.79 = Sep 2021 Low

Resistance:

116.48 = Oct 2021 High

127.71 = Jan 2021 High

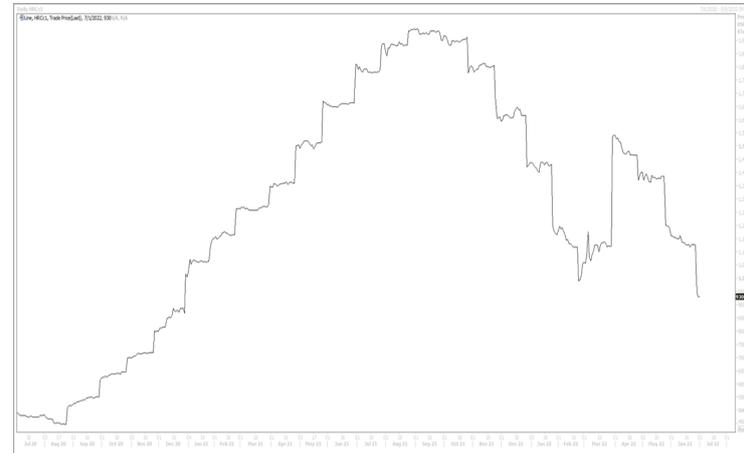
Futures Curve



Steel

Last Price USD **930.00**/ tons

Iron ore and steel prices tumbled on Friday as prospects of a sharp global economic downturn fanned fears of a slump in demand for commodities, despite signs of a rebound in manufacturing activity in top metals consumer China. The spectre of a global recession fed an already clouded demand outlook for iron ore in China, the world's biggest steel producer, where mills have idled dozens of blast furnaces recently in a bid to reduce high inventories amid weak orders. Iron ore's most-traded September contract on China's Dalian Commodity Exchange [DClOcv1](#) ended daytime trade 6.9% lower at 747.50 yuan (\$111.47) a tonne, extending losses to a second day. Construction steel rebar on the Shanghai Futures Exchange [SRBcv1](#) fell 2.5% after a six-session rally, while hot-rolled coil [SHHCcv1](#) shed 2.2%. Stainless steel [SHSScv1](#) dropped 2.4%. Dalian coking coal [DJMcv1](#) slumped 6.1% and coke [DCJcv1](#) dropped 3.8%.



Technical:

Iron ore tumbles as recession fears fuel commodities selloff. Next level to watch 1,000.00.

Support:

828.00 = Nov 2018 High

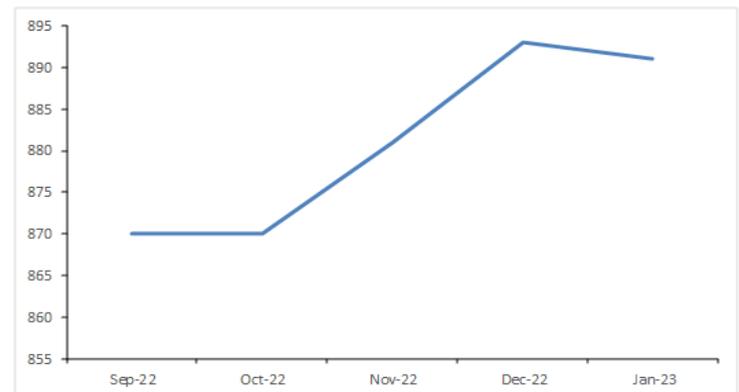
715.00 = Feb 2019 High

Resistance:

1,035.00 = Mar 2021 Low

1,348.00 = Mar 2021 High

Futures Curve of SHFE Steel Futures



Brent Crude

Last Price

USD **111.63**/BBL

Oil prices gained more than 2% on Friday as supply outages in Libya and expected shutdowns in Norway outweighed expectations that an economic slowdown could dent demand. Brent crude [LC0c1](#) futures settled at \$111.63 a barrel, rising \$2.60, or 2.4%. West Texas Intermediate crude (WTI) [CLc1](#) settled at \$108.43 a barrel, gaining \$2.67, or 2.5%. WTI and Brent traded at about 70% and 77%, respectively, of the previous session's volumes ahead of the U.S. Fourth of July holiday. For the week, Brent lost 1.3%, while WTI rose 0.8%. For June, both benchmarks had ended the month lower for the first time since November.



Technical:

Oil rises more than 2% as supply outages outweigh recession fears, next level to watch 125.00.

Support:

97.57 = Apr 2022 Low

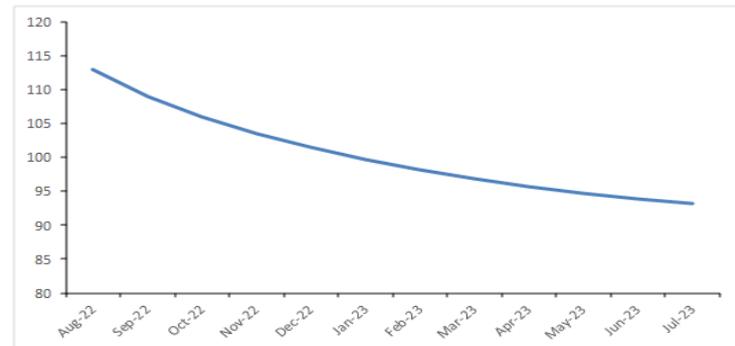
91.70 = Jan 2022 High

Resistance:

125.97 = Apr 2012 High

143.91 = Jun 2006 High

Futures Curve

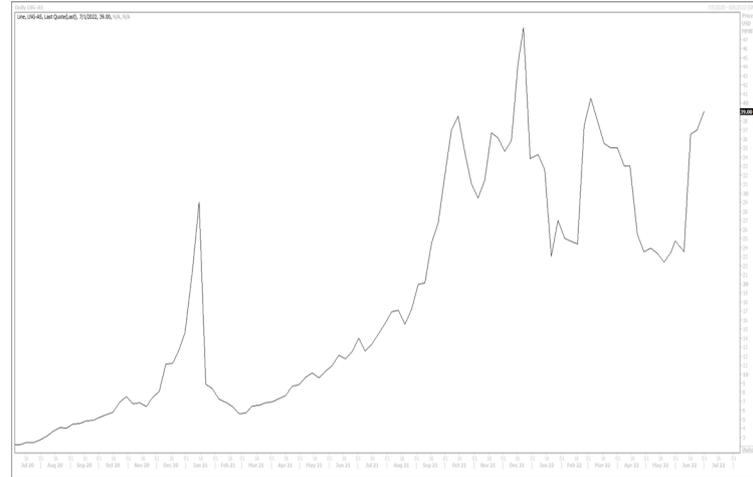


LNG

Last Price

USD **39.00**/BBL

Asian spot liquefied natural gas (LNG) prices continued to rise this week amid stronger demand on the back of a blistering heatwave in Japan and a return of competition with Europe which is gearing up for possible disruption of Russian gas. The average LNG price for August delivery into north-east Asia [LNG-AS](#) was estimated at \$39 per million British thermal units (mmBtu), up \$2 or 5.4% from the previous week. S&P Global Commodity Insights assessed LNG prices for a delivered ex-ship (DES) basis into north-west Europe at \$38.425/mmBtu on June 30, at a discount of \$5.775/mmBtu to August prices at the Dutch gas hub. In June, for the first time in history, U.S. LNG contributed more gas supply to Europe than pipeline gas from Russia. The European Union imported 21.36 million tonnes in the first half of 2022, up from 8.21 million tonnes in the same period a year ago.



Technical:

LNG spot prices jump amid stronger demand, concerns over Russia. next level to watch 40.00.

Support:

31.00 = Oct 2022 Low

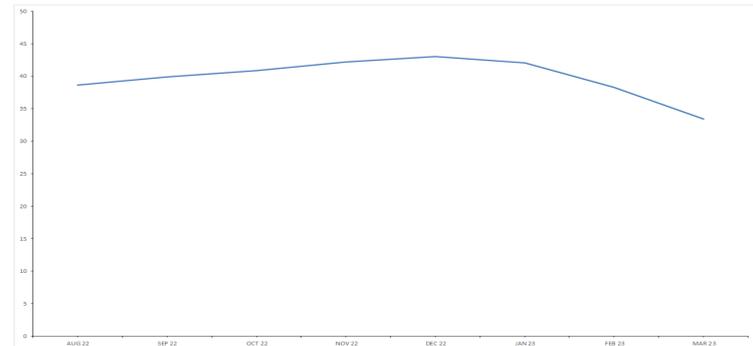
20.50 = Feb 2014 High

Resistance:

40.50 = Mar 2022 High

48.30 = Dec 2021 High

Futures Curve



LME Zinc

Last Price USD **3,029.00**/Tons

LME zinc closed at \$3,045/mt last Friday, down \$97.5/mt or 3.1%. The open interest rose 1,478 lots to 201,000 lots. LME zinc is expected to move between \$3,010-3,060/mt today. Overnight LME inventory added 1,725 mt to 82,800 mt. LME zinc dropped amid bearish sentiment on the macro front. The most traded SHFE 2208 zinc contract closed at 22,780 yuan/mt last Friday, down 310 yuan/mt or 1.34%. The open interest rose 226 lots to 114,000 lots. SHFE zinc is expected to move between 22,700-23,200 yuan/mt, and domestic Shuangyan zinc in premiums of 100 yuan/mt over SHFE 2207 contract. On the supply side, the smelters were considering raising the TCs slightly amid falling zinc futures prices. LME inventory rallied, but was still at an absolute low level. On the consumption side, downstream operating rates rose slightly, but the rally seemed not sustainable.

Technical:

Zinc closed with losses amid deep market panics, next level to watch 4,000.00.

Support:

3,000.00 = Jul 2021 High

2,944.00 = Apr 2021 High

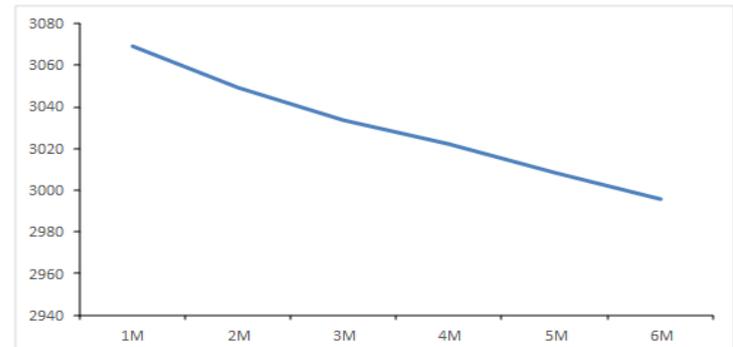
Resistance:

3,315.00 = Nov 2021 High

3,600.00 = Jan 2021 High



LME Zinc Forward Curve



Scrap Steel

Last Price

USD **400.00**/Tons

Chinese steel scrap import prices fell in the week to Friday July 1, with offers from main supplier Japan declining sharply, while domestic scrap prices stabilized due to recovering finished steel prices. Turkey bucked the general downtrend in global steel scrap prices in the week to Friday on improved demand for finished steel in its domestic market, while a lack of demand kept prices stable in Taiwan. UK light iron scrap market drops on quiet demand, but support anticipated. Spot prices for imports of deep sea steel scrap in bulk into Vietnam continued to fall in the week ended Friday amid weak demand for imported and domestic scrap in the country, in addition to poor downstream steel prices.

Technical:

Steel scrap import prices fall, domestic price stabilize. Next level to watch 450.00.

Support:

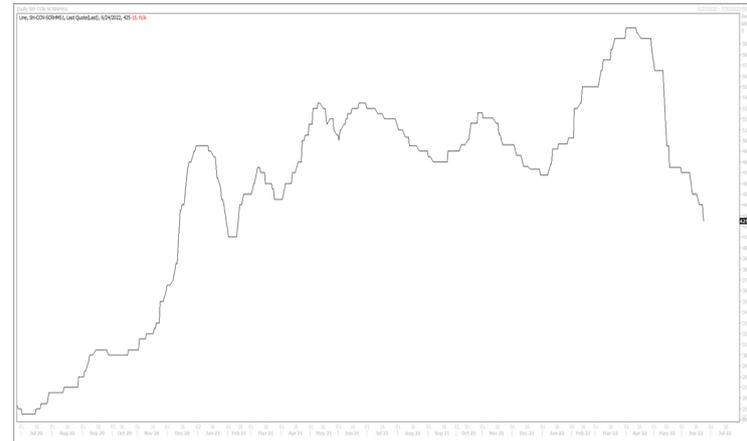
355.00 = Aug 2018 High

315.00 = Jul 2019 High

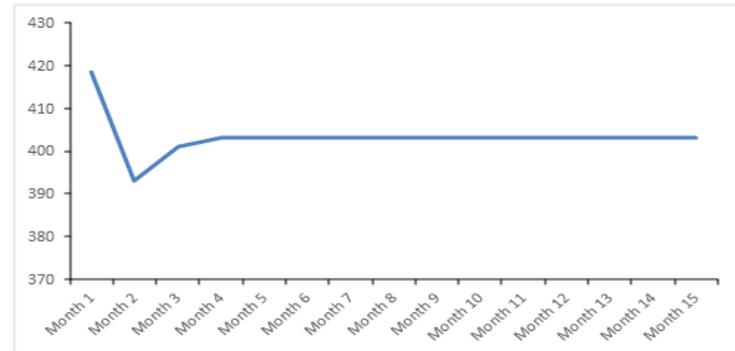
Resistance:

495.00 = Jan 2021 High

526.00 = Nov 2021 High



LME Scrap Steel Forward Curve



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