



 **BRAC BANK**

Commodities Weekly

Issue 24-2021

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	662.75	▼ 2.64%	▼ 1.85%	▲ 3.47%
Page 4	Sugar	16.43	▼ 6.33%	▼ 3.58%	▲ 6.07%
Page 5	Soybean	1,396.00	▼ 7.46%	▼ 8.95%	▲ 6.14%
Page 6	Cotton	84.42	▼ 2.97%	▲ 3.54%	▲ 8.06%
Page 7	Steel	1,661.00	▲ 0.85%	▲ 9.85%	▲ 65.27%
Page 8	Brent Crude	73.51	▲ 1.13%	▲ 12.90%	▲ 41.91%
Page 9	LME Zinc	2,822.50	▼ 7.29%	▼ 4.63%	▲ 2.60%
Page 10	Scrap Steel	530.00	▲ 0.95%	▲ 2.91%	▲ 7.07%

Wheat

Last Price

USc **662.75**/BSH

Chicago Board of Trade wheat futures closed higher on Friday on bargain buying and short-covering after a two-week slide, including a 3.6% plunge in the spot July contract [WN1](#) on Thursday. CBOT July soft red winter wheat [WN1](#) settled up 23-3/4 cents at \$6.62-3/4 per bushel. However, for the week, the contract fell 18 cents a bushel or 2.6%, its second straight weekly decline. K.C. July hard red winter wheat [KWN1](#) ended Friday up 21-1/4 cents at \$6.06-1/2 a bushel and MGEX July spring wheat [MWEN1](#) finished up 11-1/4 cents at \$7.62-1/2. Dry conditions in the northern U.S. Plains spring wheat belt remain supportive for MGEX spring wheat futures.



Technical:

CBOT wheat rallies on bargain-buying but ends week down 2.6%. Next level to watch 670.00.

Support:

639.50 = May 2021 Low

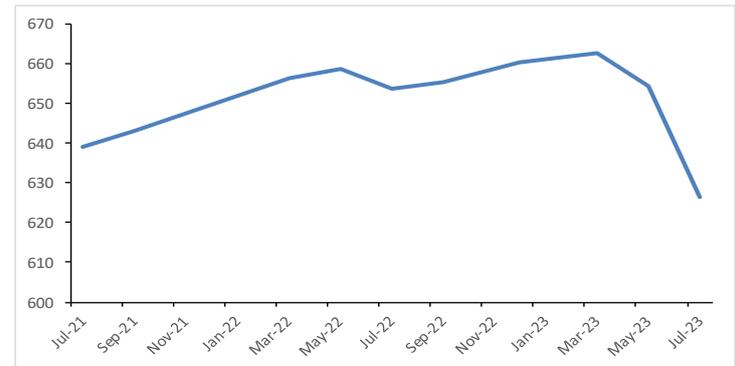
603.50 = Jan 2015 High

Resistance:

694.75 = Sep 2013 High

714.50 = Jun 2013 High

Futures Curve



Sugar

Last Price USc **16.43**/ LBS

July raw sugar [SBc1](#) closed down 0.12 cent, or 0.7%, at 16.43 cents per lb, after dipping to a low of 16.32 cents - the weakest price since April 19. The July contract [SBN1](#) lost 6.1% in the week, weighed primarily by losses across a wide range of commodity markets including grains and metals driven partly by a stronger dollar. Improving crop outlooks in India and Thailand following favourable rains and the strong pace of production in Brazil during the second half of May has, however, also contributed to the recent weakness in prices. August white sugar [LSUc1](#) fell \$1.60, or 0.4%, at \$423.40 a tonne.



Technical:

Raw sugar futures on ICE fell to the lowest level in two months on Friday, next level to watch 16.30.

Support:

16.23 = Apr 2016 High

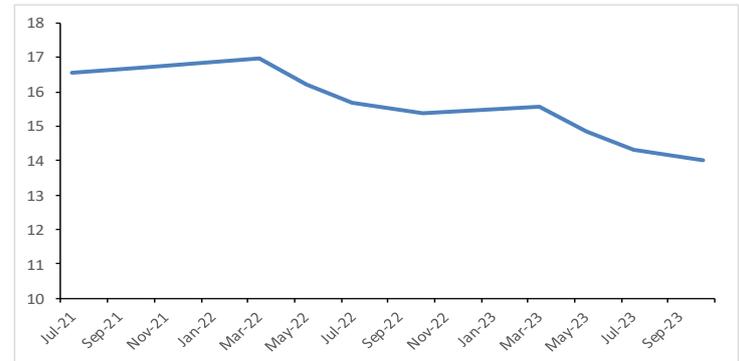
15.85 = Dec 2015 High

Resistance:

16.70 = Mar 2021 High

17.20 = Oct 2014 High

Futures Curve



Soybean

Last Price USc **1,396.00**/ BSH

Chicago Board of Trade soybean futures closed sharply higher on Friday on bargain-buying and as fresh export demand emerged one day after the spot July contract [SN1](#) plunged by 8% . CBOT July soybeans [SN1](#) settled up 66-1/4 cents at \$13.96 per bushel and new-crop November [SX1](#) ended up 60-1/4 cents at \$13.13. For the week, July soybeans [SN1](#) fell \$1.12-1/2 a bushel or 7.5%, and November soybeans [SX1](#) fell \$1.25-3/4 or 8.7%. CBOT July soyoil [BON1](#) settled up 1.55 cents on Friday at 58.12 cents per pound. CBOT July soymeal [SMN1](#) ended Friday up \$11.90 at \$373.40 per short ton.



Technical:

CBOT soybeans end higher, rebounding on bargain buying, weather woes, next level to watch 1,400.00.

Support:

1378.00 = Jan 2013 Low

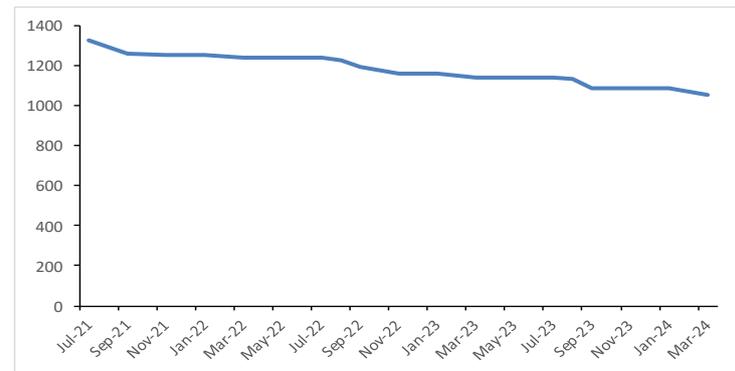
1364.25 = Mar 2021 Low

Resistance:

1,453.50 = Mar 2021 High

1,489.25 = May 2021 Low

Futures Curve



Cotton

Last Price

USc **84.42**/LBS

ICE cotton futures rebounded on Friday from a more than two-week low hit in the previous session, taking cues from the grains market, although the natural fiber was still on course to register its biggest weekly decline in five. Cotton contracts for December [CTZ1](#), [CTc3](#) rose 1.29 cent, or 1.5%, at 85.35 cents per lb, by 12:14 p.m. EDT (1614 GMT), having slipped to their lowest since June 1 at 83.37 cents on Thursday. For the week, prices were down 2.9%, their worst since the week ended May 14. Chicago corn and soybean futures rose sharply, while wheat also bounced after sliding to a two-month low in the previous session. Meanwhile, a heatwave in top cotton growing state Texas continued to threaten the crop. Capping cotton's gains, the dollar index [.DXY](#) firmed near a two-month peak.



Technical:

Cotton futures rebound, but headed for worst week in five, next level to watch 90.00.

Support:

81.50 = May 2021 Low

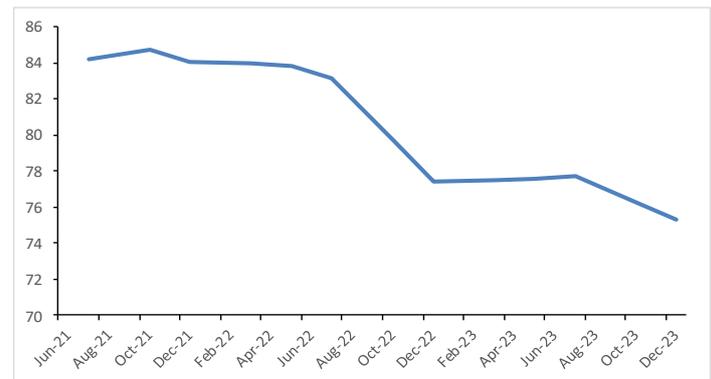
77.12 = Mar 2021 Low

Resistance:

91.00 = May 2021 High

92.95 = Feb 2021 High

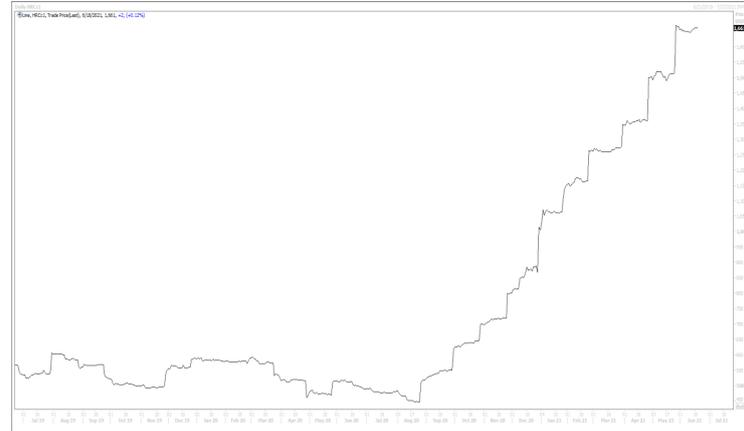
Futures Curve



Steel

Last Price USD **1,661.00**/ tons

Benchmark iron ore futures [DCIOcv1](#) dipped 0.2% to 1,203 yuan a tonne. Coke futures on the Dalian bourse [DCJcv1](#) fell 0.9% to 2,694 yuan per tonne. Steel prices on the Shanghai Futures Exchange, however, were traded higher, although data from Mysteel consultancy showed that apparent demand for steel products fell 4.8% as of June.17 from the week earlier. Construction steel rebar [SRBcv1](#), for October delivery, edged up 0.2% to 5,061 yuan a tonne. Hot rolled coils [SHHCcv1](#) were up 0.7% to 5,347 yuan per tonne. Shanghai stainless steel [SHSScv1](#), for July delivery, rose 0.4% to 16,155 yuan per tonne.



Technical:

Iron ore pushes higher. Next level to watch 1,700.00.

Support:

1,485.00 = May 2021 Low

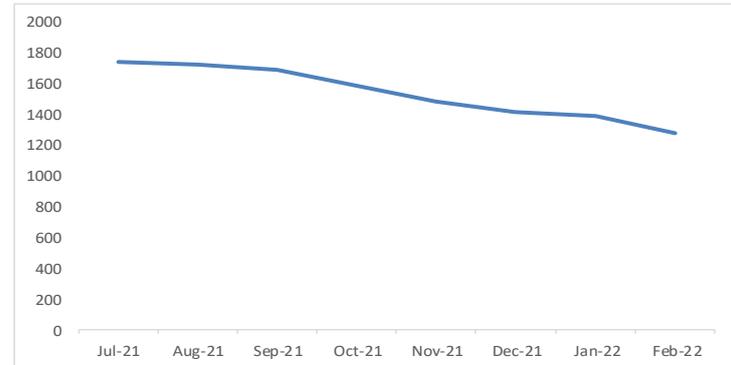
1,345.00 = Apr 2021 Low

Resistance:

1,700.00 = Psychological Level

1,750.00 = Psychological Level

Futures Curve of SHFE Steel Futures



Brent Crude

Last Price

USD **73.51**/BBL

Oil futures rose on Friday, reversing early losses and set for a fourth week of gains after OPEC sources said the producer group expected limited U.S. oil output growth this year despite rising prices. Brent crude [LCOc1](#) futures rose 43 cents, or 0.6% to settle at \$73.51 a barrel. U.S. West Texas Intermediate (WTI) crude [CLc1](#) rose 60 cents, or 0.8% to \$71.64 a barrel. Both benchmarks were headed for a weekly gain of about 1.1%. Higher oil prices have spurred some U.S. energy firms back to the well pad. The oil rig count, an early indicator of future output, rose eight this week to 373, the highest since April 2020.



Technical:

Oil gains on OPEC outlook that U.S. output growth will slow, next level to watch 75.00.

Support:

64.57 = May 2021 Low

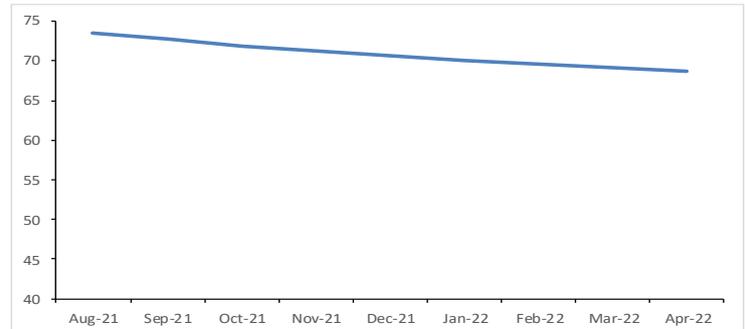
61.25 = Arp 2021 Low

Resistance:

75.60 = Apr 2019 High

79.70 = Jun 2018 High

Futures Curve



LME Zinc

Last Price

USD **2,822.50**/Tons

The most-active SHFE 2107 zinc contract closed down 3.11% at 21,935 yuan/mt. Open interest fell 11,024 lots to 76,355 lots. SMM data showed that social inventories of refined zinc ingots across Shanghai, Tianjin, Guangdong, Jiangsu, Zhejiang, Shandong and Hebei decreased 7,500 mt in the week ended June 18 to 128,600 mt. The stocks fell 3,500 mt from Tuesday June 15.



Technical:

Nonferrous metals on the SHFE including zinc fell across the board, next level to watch 2,800.00.

Support:

2,800.00 = Mar 2019 High

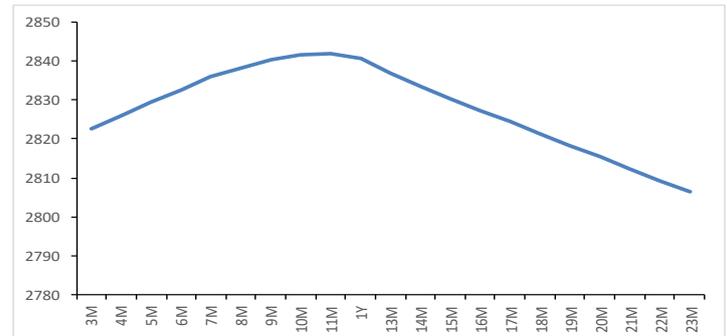
2,784.00 = Dec 2020 High

Resistance:

2,845.00 = Mar 2021 High

2,857.00 = Dec 2020 High

LME Zinc Forward Curve

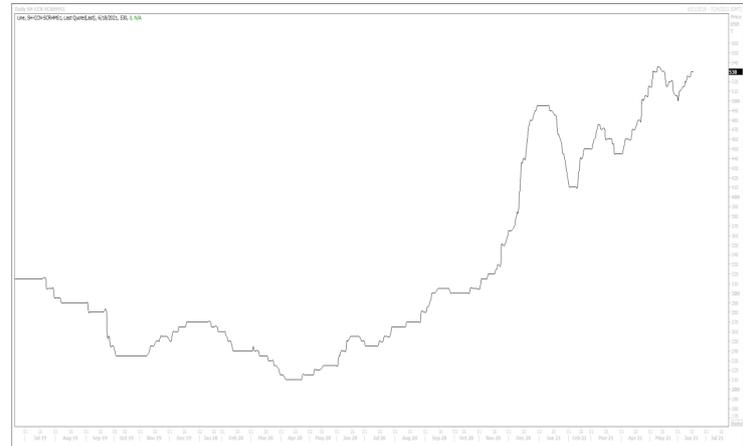


Scrap Steel

Last Price

USD **530.00**/Tons

Buyers are choosing containers over bulks in new deals. They were interested at prices no higher than \$535-540 per tonne cfr for deep-sea HMS 1&2 this week. For bulk cargoes of steel scrap, HMS 1&2 (80:20), deep-sea origin, import, cfr, rose to \$535-545 per tonne on Thursday, up by \$15-25 per tonne from \$520 per tonne a week earlier. The corresponding assessment for steel scrap, shredded, deep-sea origin, import, cfr, was \$545-555 per tonne on Thursday, up by \$20-30 per tonne from \$525 per tonne a week before, with sources indicating a \$10-per tonne premium for shredded scrap over HMS in the deep-sea market.



Technical:

Bullish sentiment further pushes up scrap steel prices, next level to watch 535.00.

Support:

495.00 = Dec 2020 High

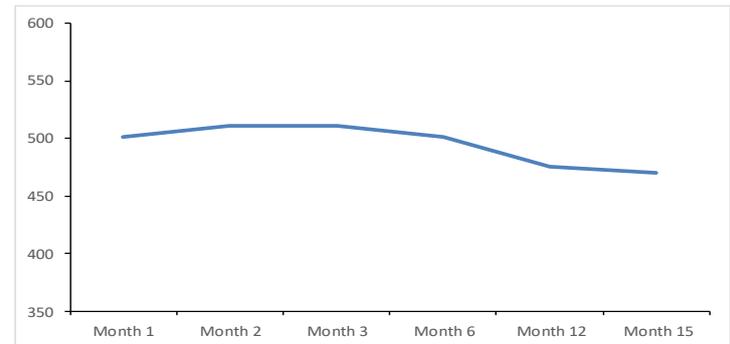
450.00 = Feb 2021 High

Resistance:

535.00 = May 2021 High

565.00 = Sep 2008 High

LME Scrap Steel Forward Curve



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