



Commodities Weekly

Issue 27-2021

Date: 18 July, 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	692.50	▲ 13.71%	▲ 4.49%	▲ 8.12%
Page 4	Sugar	17.71	▲ 2.49%	▲ 7.79%	▲ 14.33%
Page 5	Soybean	1,454.75	▲ 3.27%	▲ 4.21%	▲ 10.61%
Page 6	Cotton	90.70	▲ 2.99%	▲ 7.44%	▲ 16.10%
Page 7	Steel	1,780.00	▼ 0.56%	▲ 7.16%	▲ 77.11%
Page 8	Brent Crude	73.59	▼ 2.59%	▲ 0.11%	▲ 42.07%
Page 9	LME Zinc	3,003.00	▲ 0.87%	▲ 6.40%	▲ 9.16%
Page 10	Scrap Steel	525.00	▼ 0.94%	▼ 0.94%	▲ 6.06%

Wheat

Last Price

USc **692.50**/BSH

Chicago wheat futures rose about 3% on Friday and recorded their largest weekly gain in six years as parched conditions for North American spring wheat and adverse weather in Europe and Russia stoked concern about global supplies. Chicago Board of Trade September wheat [WU1](#) settled up 20-1/2 cents at \$6.92-1/2 per bushel. For the week, CBOT September wheat rose by 12.6%, the biggest advance in a weekly chart of the most-active contract [Wv1](#) since June 2015. On the Minneapolis Grain Exchange, September spring wheat [MWEU1](#) settled up 23-1/4 cents Friday at \$9.17-1/4 after reaching \$9.25, the highest spot price [MWEc1](#) since December 2012.



Technical:

Wheat posts biggest weekly climb in 6 years on weather woes. Next level to watch 700.00.

Support:

683.50 = Feb 2021 High

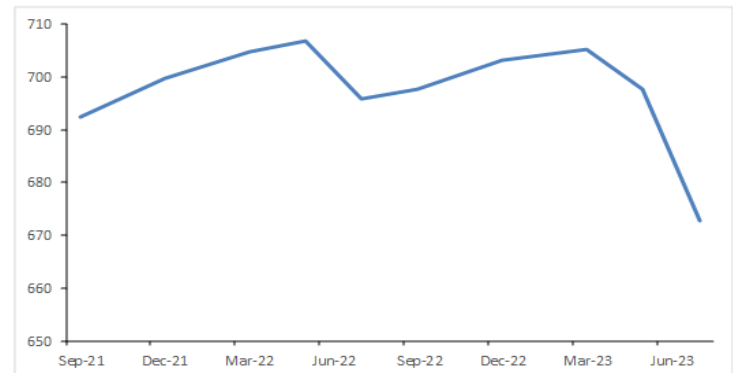
645.00 = Dec 2020 High

Resistance:

773.00 = Apr 2021 High

838.25 = Aug 2012 Low

Futures Curve



Sugar

Last Price

USc **17.71**/ LBS

Raw sugar futures on ICE closed up on Thursday, extending a recovery from Tuesday's two-week lows. October raw sugar [SBc1](#) closed up 0.4 cent, or 2.4%, at 17.33 cents per lb, having hit a two-week low of 16.73 cents on Tuesday. Sugar's upside remains capped by a lack of physical demand, fund long liquidation and from scaled down buying from commercial consumers. August white sugar [LSUc1](#) settled up \$10.70, or 2.5%, at \$436.00 a tonne.



Technical:

Raw sugar extends recovery but upside capped, next level to watch 18.00.

Support:

16.23 = Apr 2016 High

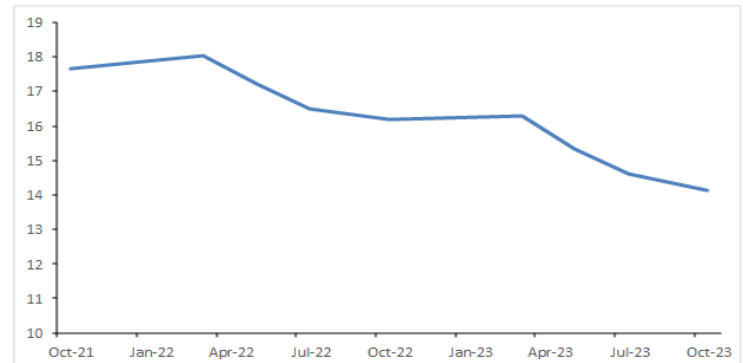
15.85 = Dec 2015 High

Resistance:

17.98 = Apr 2021 High

18.25 = May 2021 High

Futures Curve



Soybean

Last Price USc **1,454.75**/ BSH

Chicago Board of Trade soybean futures closed higher on Friday on worries about hotter, drier Midwest weather next week and into August that could stress U.S. crops as they approach their key pod-setting phase. CBOT August soybeans [SQ1](#) settled up 7-1/4 cents at \$14.54-3/4 cents per bushel and new-crop November [SX1](#) ended up 11-3/4 cents at \$13.91-3/4. For the week, benchmark November soybeans [SX1](#) rose 62-1/2 cents a bushel or 4.6%. Soybean futures pared gains late in the session as CBOT corn futures [O#C](#) fell to session lows. CBOT August soyoil [BOQ1](#) settled up 1 cent on Friday at 68.31 cents per pound, supported by strength in soybeans as well as rival canola [RSX1](#) futures.



Technical:

CBOT soybeans close higher on U.S. weather worries, next level to watch 1,480.00.

Support:

1378.00 = Jan 2013 Low

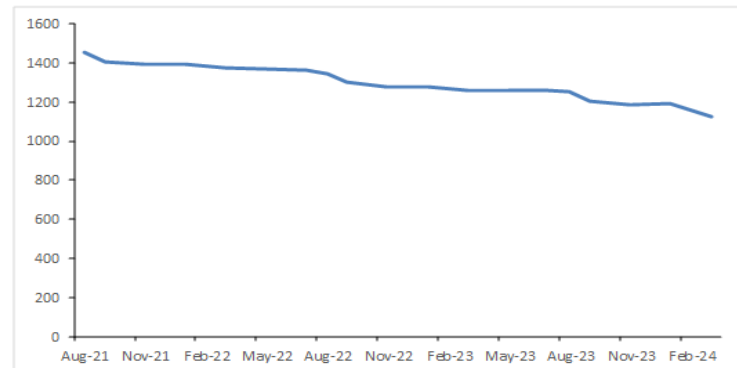
1364.25 = Mar 2021 Low

Resistance:

1480.00 = Jul 2021 High

1511.75 = Jun 2014 High

Futures Curve



Cotton

Last Price

USc **90.70**/LBS

ICE cotton futures for December firmed on Friday on robust demand and stronger grains, setting a contract high for a third straight session en route to their best week in over a month. Cotton contracts for December [CTZ1](#) were up 0.75 cent, or 0.8%, to 89.80 cents per lb at 12 p.m. EDT (1600 GMT), having earlier gained 1% to touch a new contract-high of 89.97 cents per lb. The December contract is poised for its best weekly showing since the week of June 4, having gained about 2.5% so far. Total futures market volume fell by 8,132 to 9,931 lots. Data showed total open interest gained 1,944 to 235,907 contracts in the previous session.



Technical:

Cotton futures up 1% on strong demand, set for best week since early June, next level to watch 92.00.

Support:

81.50 = May 2021 Low

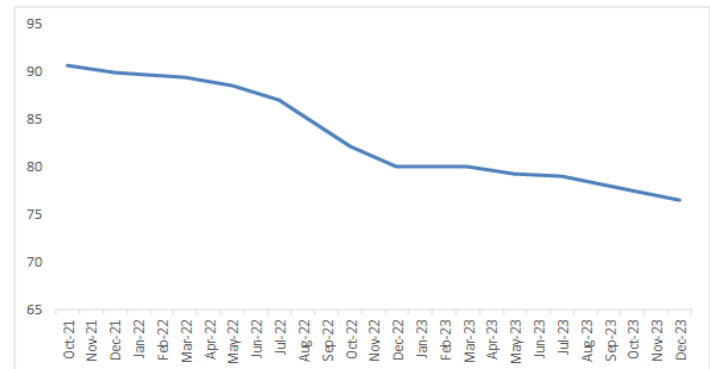
77.12 = Mar 2021 Low

Resistance:

91.00 = May 2021 High

92.95 = Feb 2021 High

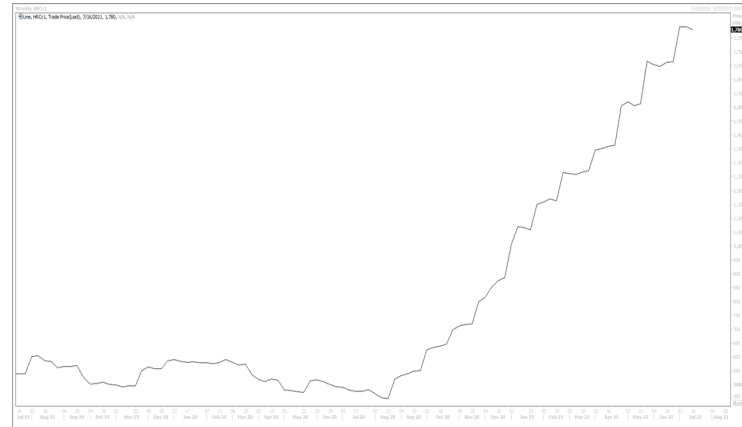
Futures Curve



Steel

Last Price USD **1,780.00**/ tons

Chinese stainless steel futures surged more than 6% to an all-time high on Friday propped up by strong consumption and raw material supply crunch, while concerns over output cut in the steel sector also supported prices. The most-traded stainless steel on the Shanghai Futures Exchange [SHSScv1](#), for August delivery, jumped as much as 6.7% to 19,175 yuan (\$2,965.15) per tonne during the session. The contract closed up 4.3% at 18,740 yuan. Other steel products on the Shanghai bourse were mixed, with construction rebar [SRBcv1](#), for October delivery, up 0.2% at 5,559 yuan a tonne while hot rolled coils [SHHCcv1](#) edging 0.1% lower to 5,952 yuan per tonne. Benchmark iron ore futures [DCIOcv1](#), for September delivery, rose 1.9% to 1,241 yuan a tonne at close.



Technical:

Shanghai stainless steel hits record high on robust demand, raw material shortage. Next level to watch 1,800.00.

Support:

1,680.00 = May 2021 High

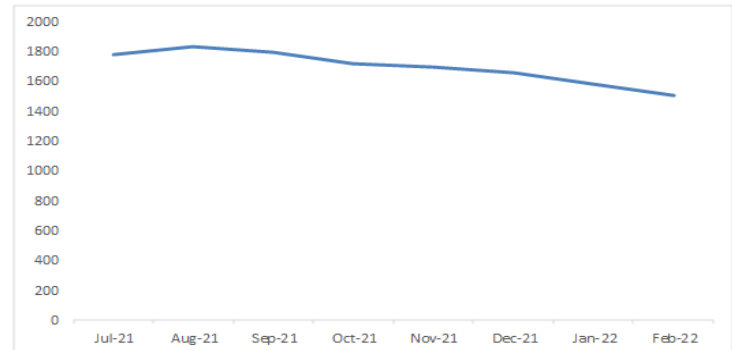
1,630.00 = Jun 2021 Low

Resistance:

1,800.00 = Psychological Level

1,850.00 = Psychological Level

Futures Curve of SHFE Steel Futures



Brent Crude

Last Price

USD **73.59**/BBL

Oil prices were little changed on Friday and ended the week lower, sapped in volatile trade by expectations of growing supplies just when a rise in coronavirus cases could lead to lockdown restrictions and depressed demand. Brent [LCOc1](#) futures rose 12 cents, or 0.2%, to settle at \$73.59 a barrel, while U.S. West Texas Intermediate (WTI) crude [CLc1](#) rose 16 cents, or 0.2%, to settle at \$71.81. Earlier in the volatile session, both benchmarks were down over \$1 a barrel. Despite the small gains, Brent fell almost 3% for the week, marking a decline for the third week in a row for the first time since April 2020. WTI fell almost 4% this week, which would be its biggest weekly percentage decline since March. But the rise in coronavirus cases related to the highly contagious Delta variant could trigger new lockdowns that would likely reduce recent bullish oil demand forecasts.



Technical:

Oil falls for the week on supply concerns, rising COVID cases, next level to watch 75.50.

Support:

64.57 = May 2021 Low

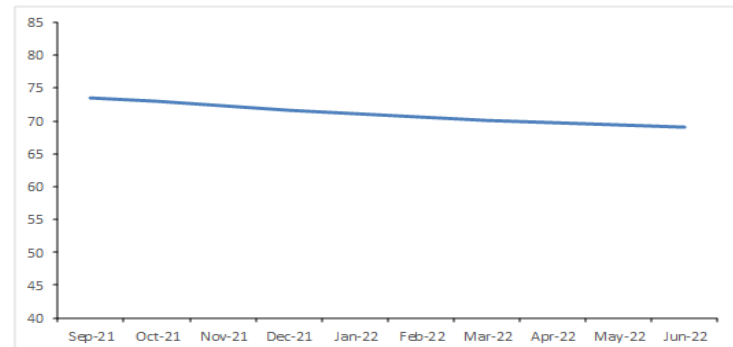
61.25 = Apr 2021 Low

Resistance:

79.70 = Jun 2018 High

82.87 = Sep 2018 High

Futures Curve



LME Zinc

The most active SHFE 2108 zinc contract ended 2.42% higher at 22,465 yuan/mt on friday, rising for the third consecutive week, with open interest up 2,235 lots to 79,857 lots. The chair of Federal Reserve, Jerome Powell's statement did not alleviate the market's concerns about inflation, and the market sentiment still diverged seriously. Some hawks believe that, based on the experience after the 2008 crisis, the current operation of the US economy has met the conditions for reducing the scale of asset purchases.

Last Price

USD **3,003.00**/Tons

LHZSDS03 Comdty (LHE ZINC 3MO (\$)) Candle Chart Daily 01MAR2019-18JUL2021 Copyright© 2021 Bloomberg Finance L.P. 18-Jul-2021 17:32:07

Technical:

SHFE Zinc went up on friday as China's power curtailment expanded to many regions, next level to watch 3,020.00.

Support:

2,955.00 = May 2021 High

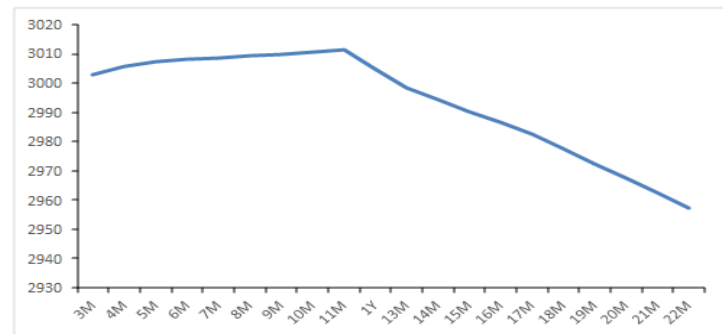
2,930.00 = Apr 2019 High

Resistance:

3,033.00 = May 2021 High

3,068.00 = May 2021 High

LME Zinc Forward Curve



Scrap Steel

Last Price

USD **525.00**/Tons

Japan has been China's most important scrap importer since China officially eased restrictions on scrap imports in January 2021. China imported 111,432 tonnes of ferrous scrap in May 2021, 71.2% of which originated in Japan. Steel scrap negotiations between Chinese buyers and Japanese sellers have been limited in recent weeks, however, due to large discrepancies between bids and offers. Bids were heard at \$535 per tonne cfr northern China on July 16, which would be equivalent to \$525 per tonne cfr eastern China, and no new offers were heard on July 16. Prior to that, the latest to come in was on July 14 at \$580-590 per tonne cfr China. Taiwanese buyers have continued to pressure prices lower, securing containerized HMS 1&2 (80:20) materials from the west coast of the United States at \$460 per tonne cfr Taiwan most recently.

Technical:

Chinese mills are seeking alternative scrap import suppliers because of expensive offers for Japanese heavy scrap, next level to watch 540.00.

Support:

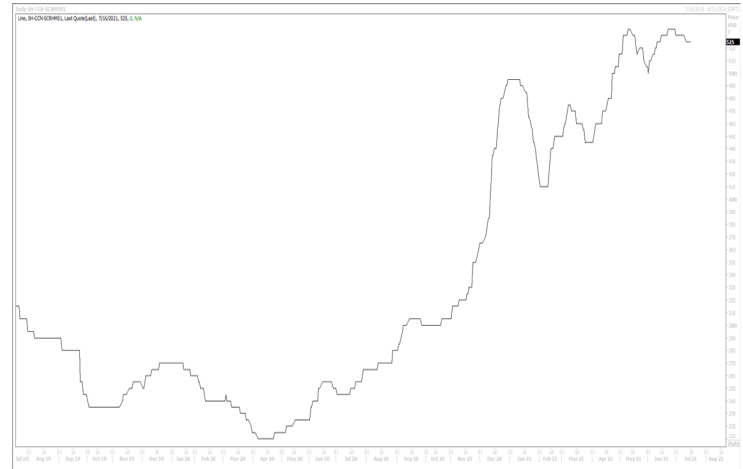
505.00 = May 2021 Low

495.00 = Dec 2020 High

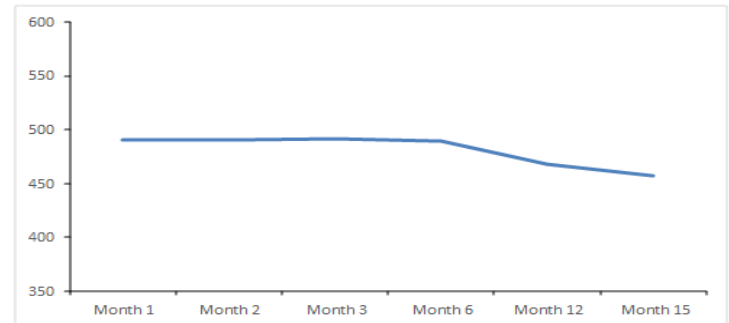
Resistance:

565.00 = Sep 2008 High

580.00 = Mar 2008 High



LME Scrap Steel Forward Curve



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