



# Commodities Weekly

Issue 29-2021

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# 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(%)
<a href="#">Page 3</a>	Wheat	719.00	▲ 2.17%	▲ 18.16%	▲ 12.26%
<a href="#">Page 4</a>	Sugar	18.68	▲ 4.30%	▲ 8.10%	▲ 20.59%
<a href="#">Page 5</a>	Soybean	1,422.25	▲ 0.53%	▲ 1.30%	▲ 8.14%
<a href="#">Page 6</a>	Cotton	92.42	▲ 2.88%	▲ 5.03%	▲ 18.31%
<a href="#">Page 7</a>	Steel	1,885.00	▼ 0.16%	▲ 5.31%	▲ 87.56%
<a href="#">Page 8</a>	Brent Crude	70.70	▼ 7.38%	▼ 6.42%	▲ 36.49%
<a href="#">Page 9</a>	LME Zinc	2,983.50	▼ 1.44%	▲ 0.22%	▲ 8.45%
<a href="#">Page 10</a>	Scrap Steel	510.00	▼ 1.92%	▼ 3.77%	▲ 3.03%

# Wheat

Last Price

USc **719.00**/BSH

Chicago Board of Trade wheat futures firmed on Friday on firm global demand and production issues in North America and the Black Sea region. CBOT September soft red winter wheat [WU1](#) added 6-1/4 cents to \$7.19 per bushel. K.C. September hard red winter wheat [KWU1](#) gained 14-1/4 cents to end at \$7.05-3/4 per bushel, while MGEX September spring wheat [MWEU1](#) firmed 12.50 cents to settle at \$9.16-1/4 per bushel. For the week, the CBOT's most-active wheat contract [Wv1](#) firmed 15-1/4, a 2.17% gain.



Futures Curve



**Technical:**

CBOT wheat firms on global production woes. Next level to watch 725.00.

**Support:**

683.50 = Feb 2021 High

645.00 = Dec 2020 High

**Resistance:**

773.00 = Apr 2021 High

838.25 = Aug 2012 Low

# Sugar

Last Price

USc **18.68**/ LBS

Raw sugar futures on ICE rose to a 5-1/2 month high on Friday, buoyed by a growing consensus that Brazil's cane crop is likely to be significantly smaller than previously expected due to a combination of drought and recent frosts. October raw sugar [SBc1](#) settled up 0.06 cent, or 0.3%, at 18.68 cents per lb, after setting a 5-1/2 month high of 18.92 cents. Dealers were keenly awaiting cane crush data for Brazil's Centre-South region, covering the second half of July, which could give indications of damage from the frosts. The data is expected early next week. Weak demand, however, continues to limit gains, with October 2021 raws remaining at a substantial discount to March 2022 [SB-1=R](#). October white sugar [LSUc1](#) fell by \$2.20, or 0.5%, to \$459.60 a tonne.



## Technical:

Raw sugar sets 5-1/2 month peak, next level to watch 19.00.

## Support:

17.93 = Jun 2021 High

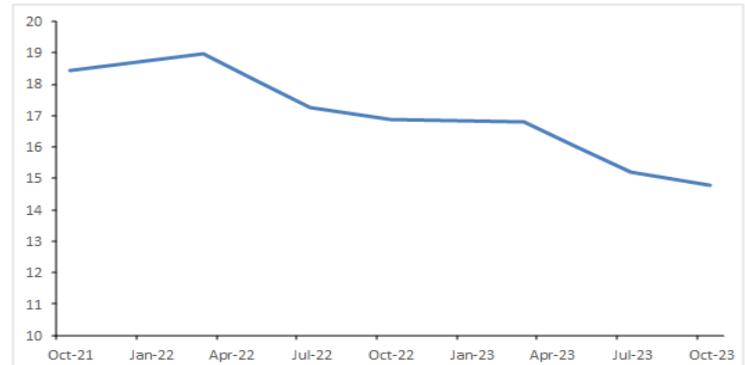
16.23 = Apr 2016 High

## Resistance:

19.84 = Mar 2017 High

21.10 = Jul 2016 High

## Futures Curve



# Soybean

Last Price USc **1,422.25**/ BSH

Chicago Board of Trade soybean futures gained for a third straight session on Friday, bolstered by fresh export sales, traders said, though gains were muted by calls for rain showers through the weekend. CBOT benchmark November soybean futures [SX1](#) settled 8-1/4 cents higher at \$13.36-3/4 per bushel, while nearby August soybeans [SQ1](#) added 19-3/4 cents to \$14.22-1/4. CBOT most-active December soymeal [SMZ1](#) added \$0.40 to \$357.70 per short ton, while December soyoil [BOZ1](#) added 0.41 cent to end at 61.27 cents per pound. For the week, the most active soybean contract [Sv1](#) eased 12-1/2 cents, a 0.93% fall.



**Technical:**

CBOT soybeans strengthen on increased export activity, next level to watch 1,450.00.

**Support:**

1378.00 = Jan 2013 Low

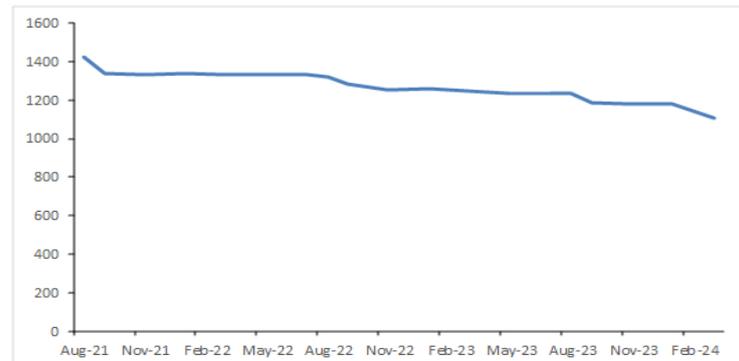
1364.25 = Mar 2021 Low

**Resistance:**

1480.00 = Jul 2021 High

1511.75 = Jun 2014 High

**Futures Curve**



# Cotton

Last Price

USc **92.42**/LBS

ICE cotton futures scaled a new contract peak on Friday, as a strong U.S. jobs report lent a further boost to a positive demand outlook and put prices on course for their best week since July. Cotton contracts for December [CTZ1](#) rose 0.81 cent, or 0.9% to 91.49 cents per lb by 1:50 p.m. EDT, having earlier hit a new contract high of 91.94. Cotton prices were also on track for their best week since early June, rising 2.4%. Market participants now turn their attention to a monthly supply and demand report due next week. Total futures market volume rose by 4,899 to 22,866 lots. Data showed total open interest gained 2,339 to 251,816 contracts in the previous session.



## Technical:

Cotton hits contract high as U.S. jobs data bolsters demand view, next level to watch 95.00.

## Support:

81.50 = May 2021 Low

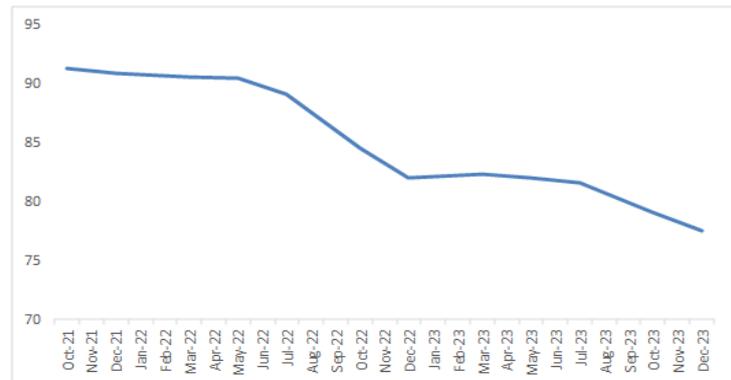
77.12 = Mar 2021 Low

## Resistance:

92.95 = Feb 2021 High

96.50 = Jun 2018 High

## Futures Curve



# Steel

Last Price USD **1,885.00**/ tons

Chinese steel and iron ore futures traded in tight ranges on Friday with all recording weekly declines on weak seasonal demand and speculation this week about a possible easing of controls on output. Benchmark iron ore futures on the Dalian Commodity Exchange [DCIOcv1](#), for September delivery, ended down 1.3% to 895 yuan (\$138.42) per tonne, following a drop in spot 62% iron ore which plunged \$11 to \$174.5 per tonne on Thursday. For the week, iron ore futures plunged 12.9%, the biggest weekly drop since the week ended Feb. 28, 2020. Weekly consumption for major steel products in China as of Aug. 5 fell 2.5% to 9.86 million tonnes from a week earlier. Construction steel rebar on the Shanghai Futures Exchange [SRBcv1](#) for October delivery closed down 1.0% at 5,379 yuan per tonne.

## Technical:

China steel futures rangebound; post weekly losses. Next level to watch 1,900.00.

## Support:

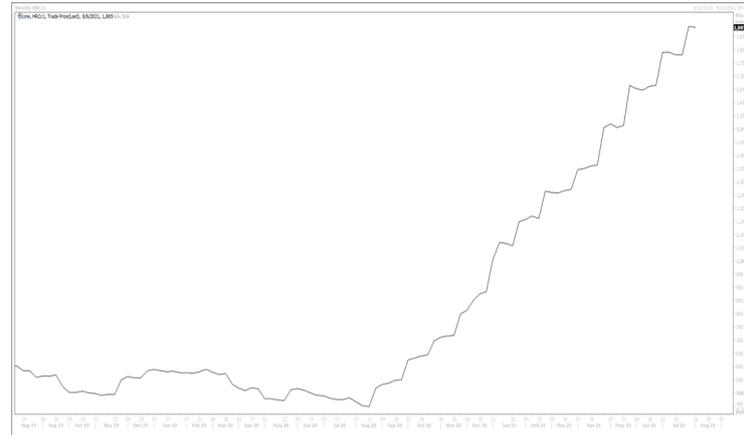
1,680.00 = May 2021 High

1,630.00 = Jun 2021 Low

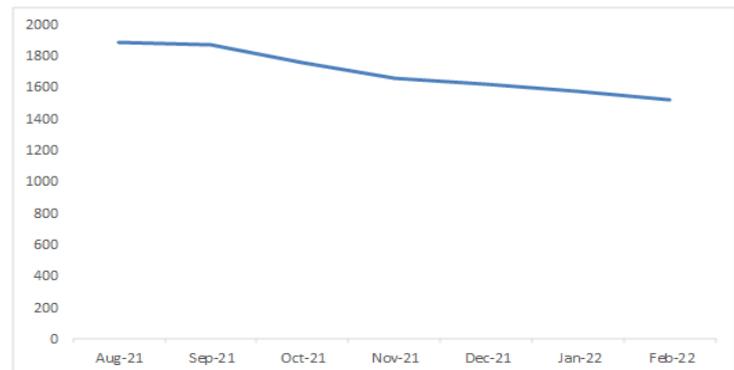
## Resistance:

1,900.00 = Psychological Level

1,950.00 = Psychological Level



## Futures Curve of SHFE Steel Futures



# Brent Crude

Last Price USD **70.70**/BBL

Oil prices fell by 4% on Monday, extending last week's steep losses on the back of a rising U.S. dollar and concerns that new coronavirus-related restrictions in Asia, especially China, could slow a global recovery in fuel demand. Brent crude [LC0c1](#) futures fell by \$2.82, or 4.2%, to \$67.88 a barrel by 0930 GMT after a 6% slump last week for their biggest weekly loss in four months. U.S. West Texas Intermediate (WTI) crude [CLc1](#) futures fell \$2.85, or 4.3%, to \$65.43 after plunging by nearly 7% last week. On Monday the contract fell as low as \$65.15, its lowest since May. China's crude oil imports fell in July and were down sharply from the record levels of June 2020.



**Technical:**

Oil slides 4% on China virus curbs and climate warning, next level to watch 77.00.

**Support:**

64.57 = May 2021 Low

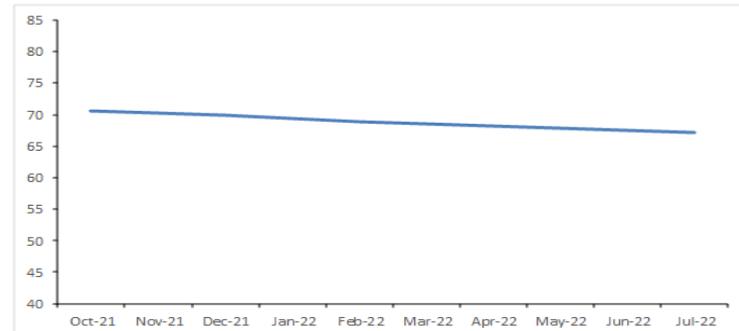
61.25 = Apr 2021 Low

**Resistance:**

79.70 = Jun 2018 High

82.87 = Sep 2018 High

**Futures Curve**



# LME Zinc

Last Price

USD **2,983.50**/Tons

SHFE zinc closed up 2.29% or 505 yuan/mt to 22580 yuan/mt, with open interest down 2424 lots to 85662 lots. On the macro front, Fed governor Waller was quite positive about the economy outlook, and he anticipated an earlier end to QE. However, Minneapolis Fed president pointed out that an increase in unemployment population from 7 million to 9 million indicated a troubled labour market. From the fundamentals, re-stocking of social inventory in China is unlikely to change the overall low inventory as a result of power restrictions.



**Technical:**

SHFE Zinc went up by 2.16%, next level to watch 3,000.00.

**Support:**

2,955.00 = May 2021 High

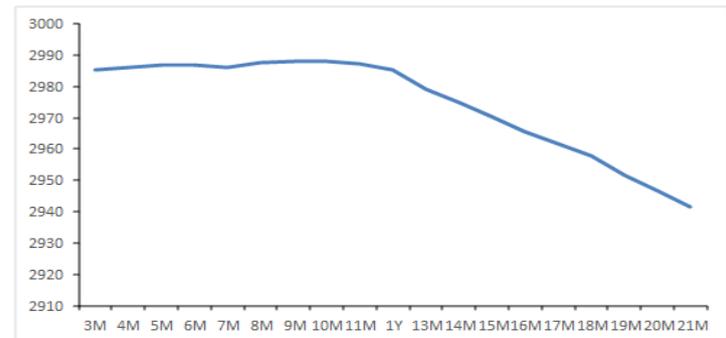
2,930.00 = Apr 2019 High

**Resistance:**

3,033.00 = May 2021 High

3,068.00 = May 2021 High

**LME Zinc Forward Curve**



# Scrap Steel

Last Price

USD **510.00**/Tons

Spot prices for imported containerized ferrous scrap in Taiwan continued on a downward trend in the week to Friday August 6 amid the current buyers' market caused by poor demand. Price assessment for containerized [steel scrap, heavy melting scrap \(HMS\) 1&2 \(80:20\), United States material import, cfr main port Taiwan](#) was \$430-432 per tonne on Friday, unchanged from a day earlier and down by \$8-10 per tonne [from \\$440 per tonne a week earlier](#). Buyers were able to purchase containerized material from the US West Coast at increasingly lower prices. There were transactions concluded at \$437 per tonne cfr and \$435 per tonne cfr by Tuesday, while transactions were concluded at \$432 per tonne cfr and \$430 per tonne cfr by Wednesday and Thursday. Market sources indicated that spot prices remained at \$430-432 per tonne cfr Taiwan on Friday.

**Technical:**

STEEL SCRAP: Prices continue downtrend, next level to watch 520.00.

**Support:**

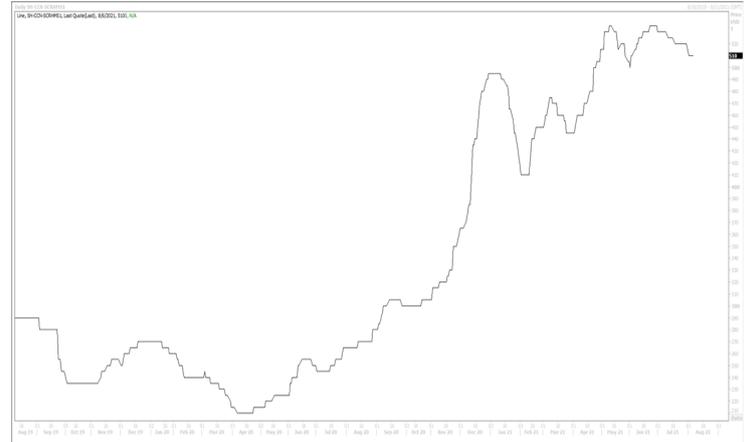
505.00 = May 2021 Low

495.00 = Dec 2020 High

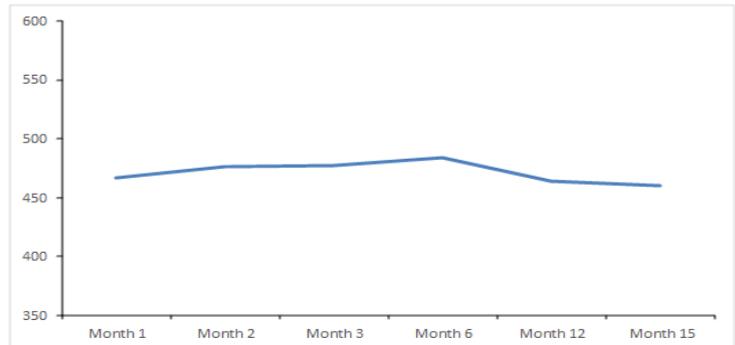
**Resistance:**

565.00 = Sep 2008 High

580.00 = Mar 2008 High



**LME Scrap Steel Forward Curve**



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