



Commodities Weekly

Issue 33-2021

Date: 6 Sep, 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	714.50	▼ 0.56%	▲ 3.18%	▲ 11.55%
Page 4	Sugar	19.58	▼ 2.30%	▲ 10.56%	▲ 26.40%
Page 5	Soybean	1,283.00	▼ 5.61%	▼ 11.81%	▼ 2.45%
Page 6	Cotton	95.38	▼ 0.92%	▲ 5.16%	▲ 22.09%
Page 7	Steel	1,943.00	▲ 0.10%	▲ 9.16%	▲ 93.33%
Page 8	Brent Crude	72.61	▼ 0.12%	▼ 1.33%	▲ 40.17%
Page 9	LME Zinc	2,996.50	▼ 0.18%	▼ 0.05%	▲ 8.92%
Page 10	Scrap Steel	485.00	▼ 1.02%	▼ -7.62%	▼ -2.02%

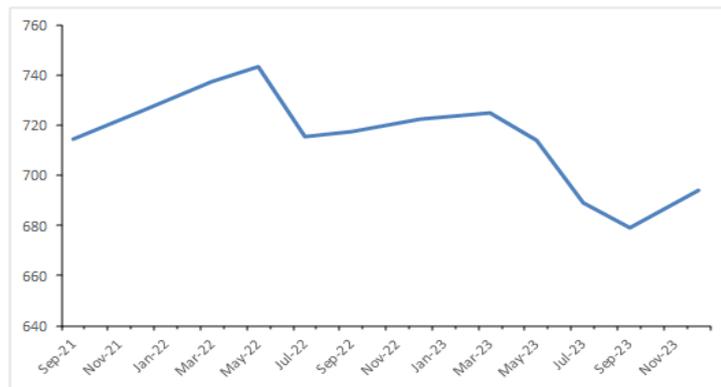
Wheat

Last Price USc **714.50**/BSH

Chicago Board of Trade wheat futures closed higher on Friday on bargain buying a day after a dip to one-month lows, along with brisk global export demand. CBOT December soft red winter wheat [WZ1](#) settled up 9-1/4 cents at \$7.26-1/4 per bushel. K.C. December hard red winter wheat [KWZ1](#) ended up 14 cents at \$7.23 a bushel and MGEX December spring wheat [MWEZ1](#) rose 13 cents to finish at \$9.12-1/2. A softer dollar [DXY](#) lent support, making U.S. grains more attractive on the world market. The dollar fell for a fourth straight day after a weaker-than-expected U.S. payrolls report. [USD](#)/Euronext wheat futures were little changed as traders looked ahead to U.S. crop estimates next week while assessing export prospects for a rain-affected European wheat harvest.



Futures Curve



Technical:

Wheat ends higher on bargain buying, softer dollar. Next level to watch 750.00.

Support:

- 693.00 = Jan 2021 High
- 645.00 = Dec 2020 High

Resistance:

- 774.75 = Aug 2021 High
- 838.25 = Aug 2012 Low

Sugar

Last Price

USc **19.62**/LBS

October raw sugar [SBc1](#) fell 0.28 cent, or 1.4%, at 19.62 cents per lb. The contract lost 2% this week. October white sugar [LSUc1](#) fell \$3.80, or 0.8%, at \$485.10 a tonne. Sugar is consolidating after hitting a 4-1/2-year high last month, amid weak demand as indicated by spot month raws and whites futures trading at a wide discount to those further out. However, that the sweetener still had a bullish bias, with strong consensus the market will see a deficit in the upcoming 2021/22 season thanks to falling output in Brazil.

Technical:

Sugar prices retreat on forecasts for rain in Brazil, next level to watch 19.00.

Support:

18.81 = Jul 2021 High

17.74 = Aug 2021 Low

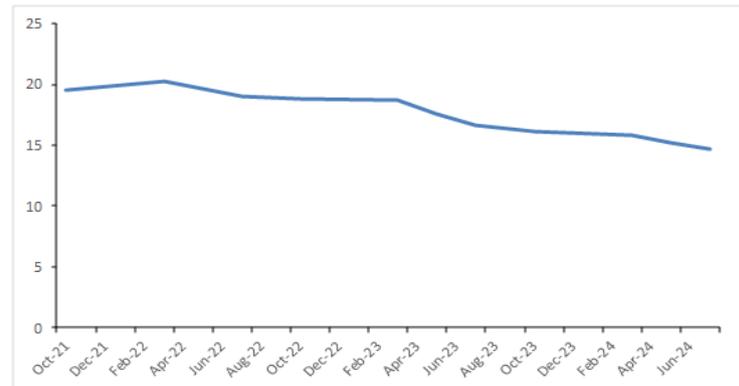
Resistance:

20.37 = Aug 2021 High

21.49 = Oct 2017 High



Futures Curve



Soybean

Last Price USc **1,283.00**/BSH

Chicago Board of Trade soybean futures closed higher on Friday on short-covering after this week's two-month lows and ahead of a long U.S. holiday weekend, while reminders of fresh export business lent support. CBOT November soybeans [SX1](#) settled up 8-3/4 cents at \$12.92 per bushel, rallying after a dip on Wednesday to \$12.70, the contract's lowest since June 28. However, for the week, the contract fell 31-1/4 cents per bushel or 2.4%. CBOT December soyoil [BOZ1](#) settled up 0.21 cent at 59.00 cents per pound, while December soymeal [SMZ1](#) finished up \$1 at \$341.00 per short ton. The U.S. Department of Agriculture confirmed private sales of 130,000 tonnes of U.S. soybeans to China.



Technical:

soybeans end higher on short-covering, U.S. export demand, next level to watch 1,330.00.

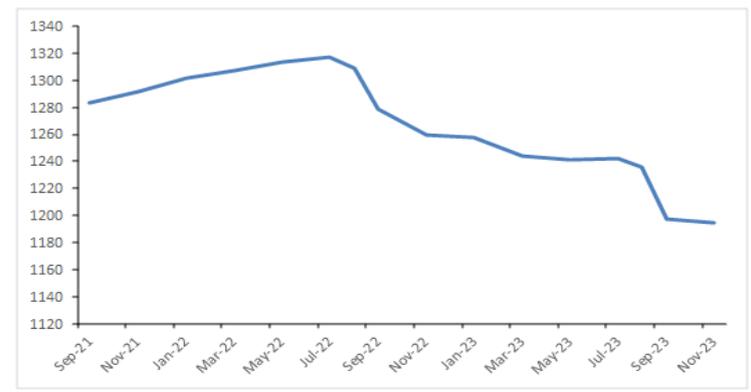
Support:

- 1,208.50 = Jun 2016 High
- 1,142.50 = Dec 2020 Low

Resistance:

- 1,336.25 = Aug 2014 High
- 1,466.00 = Aug 2021 High

Futures Curve



Cotton

Last Price USc **95.62**/LBS

ICE cotton futures rose on Friday, buoyed by a weaker dollar, though the natural fiber posted a weekly fall on fears over increased supply amid improving growing conditions and a hurricane which only caused minimal damage to the crop. Cotton contracts for December [CTZ1](#) rose 0.91 cent, or 1%, to 95.62 cents per lb. Prices were on course for 0.6% fall in the week. Analysts said Hurricane Ida had little impact on the cotton crop as it swept through Louisiana and Mississippi. But boosting cotton demand and lowering the cost to buyers holding other currencies, the dollar index fell to a one-month low. [USD/](#) Certificated cotton stocks [CERT-COT-STX](#) deliverable as of Sep. 3 totaled 68,502 480-lb bales, unchanged the previous session.



Technical:

Cotton rises on softer dollar but posted weekly fall, next level to watch 97.50.

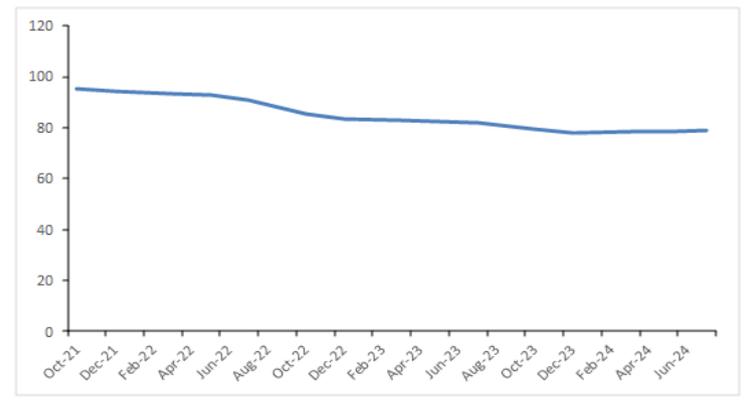
Support:

92.95 = Feb 2021 High
89.74 = May 2021 High

Resistance:

97.35 = Mar 2014 High
99.47 = Jan 2012 High

Futures Curve



Steel

Last Price USD **1,943.00**/ tons

Steel futures in China jumped on Friday, with stainless steel rising more than 6% along with gains in rebar and hot-rolled coils, as production curbs during the peak demand season stoked concerns about global supply. The most-active October contract for stainless steel on the Shanghai Futures Exchange jumped as much as 6.1% to 18,760 yuan (\$2,904.97) per tonne. The contract ended 5.9% higher at 18,715 yuan. Hot-rolled coils futures on the Shanghai bourse, for January delivery, ended 4.3% higher at 5,784 yuan a tonne, notching weekly gains of 5.3%. Construction rebar climbed 2.4% to 5,408 yuan per tonne at close. It posted a weekly gain of 3.6%. Prices for steelmaking ingredients were traded slightly higher.

Technical:

Steel futures leap as peak season output curbs weigh. Next level to watch 2,000.00.

Support:

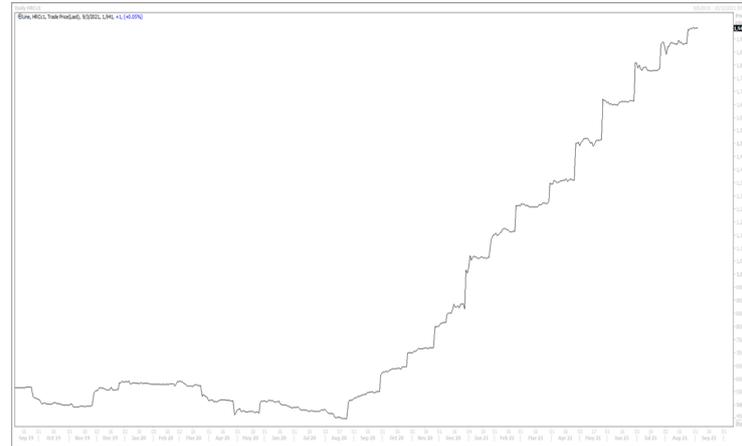
1,900.00 = Jul 2021 High

1,815.00 = Jun 2021 High

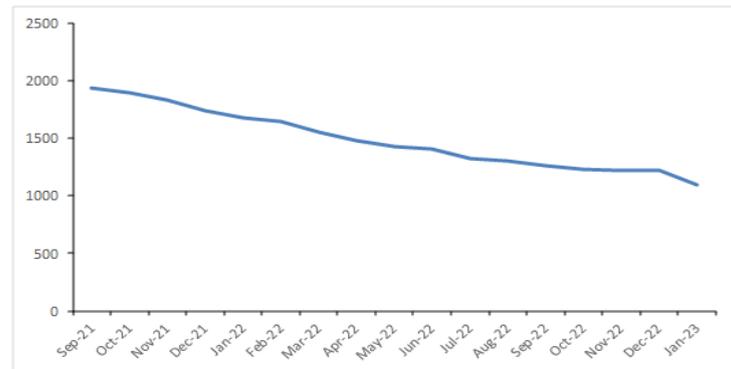
Resistance:

2,000.00 = Psychological Level

2,050.00 = Psychological Level



Futures Curve of SHFE Steel Futures



Brent Crude

Last Price

USD **72.61**/BBL

Oil prices fell on Friday, slipping after a U.S. jobs report indicated a patchy recovery amid the pandemic. Losses were capped by concerns that U.S. supply would continue to be limited in the wake of Hurricane Ida, which cut production from the U.S. Gulf of Mexico. Brent crude futures were down 34 cents to \$72.61 a barrel, while U.S. West Texas Intermediate (WTI) crude futures were down 54 cents at \$69.45 a barrel. Both benchmark oil contracts were largely steady for the week. Meanwhile about 1.7 million barrels per day of oil production remain shut in the U.S. Gulf of Mexico, with damage to heliports and fuel depots slowing the return of crews to offshore platforms. room for further price gains amid tightening crude supplies and signs of recovering demand after the Organization of the Petroleum Exporting Countries and allies, known as OPEC+, stuck to a plan to add 400,000 barrels per day (bpd) to the market over the next few months.



Technical:

Oil slips as COVID variant weighs on U.S. jobs, next level to watch 75.00.

Support:

69.29 = Jun 2021 Low

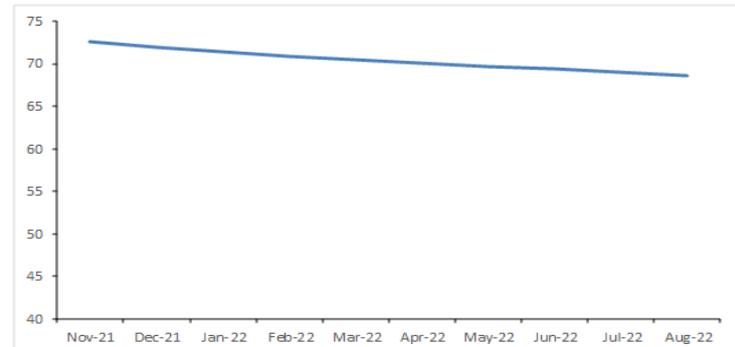
64.57 = May 2021 Low

Resistance:

75.39 = Aug 2021 High

77.84 = Jul 2021 High

Futures Curve



LME Zinc

Last Price

USD **2,996.50**/Tons

Shanghai nonferrous metals market closed with mixed performance amid weakening US dollar index and US job market. The most-traded SHFE 2110 zinc closed up 1.04% or 230 yuan/mt at 22415 yuan/mt, with open interest down 7673 lots to 91452 lots. On the fundamentals, downstream demand was sluggish except Ningbo whose demand picked up in light of rising export orders. Shanghai copper rose 0.36%, aluminium edged up 0.26%, lead advanced 0.67%, zinc added 1.04%, tin fell 0.73%, and nickel lost 1.03%.



Technical:

Nonferrous boosted by declining dollar after weak U.S jobs data: Zinc up by 1.1%, next level to watch 3,050.00.

Support:

2,828.00 = Jun 2021 Low

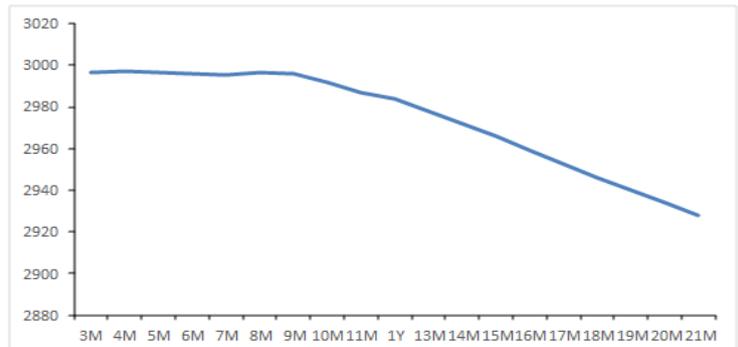
2,758.00 = Apr 2020 Low

Resistance:

3,051.00 = Aug 2021 High

3,068.00 = May 2021 High

LME Zinc Forward Curve



Scrap Steel

Last Price

USD **485.00**/Tons

Poor demand in key import markets in Turkey and Asia continued to pull steel scrap prices downward in the week ended Friday September 3. High freight costs and a lack of container ships also damped spot trading liquidity. Prices for shredded steel scrap into Pakistan and India remained steady. In Pakistan, at the start of the week, deals were heard at \$519 and \$520 per tonne, but during the week prices increased to \$525-528 per tonne, before deals and offers of \$530 per tonne were heard at the end of the week. In India, offers ranged from \$515-520 per tonne during the week, compared with offers as high as \$520 per tonne the previous week.

Technical:

Weak demand in major markets pulls down prices, next level to watch 445.00.

Support:

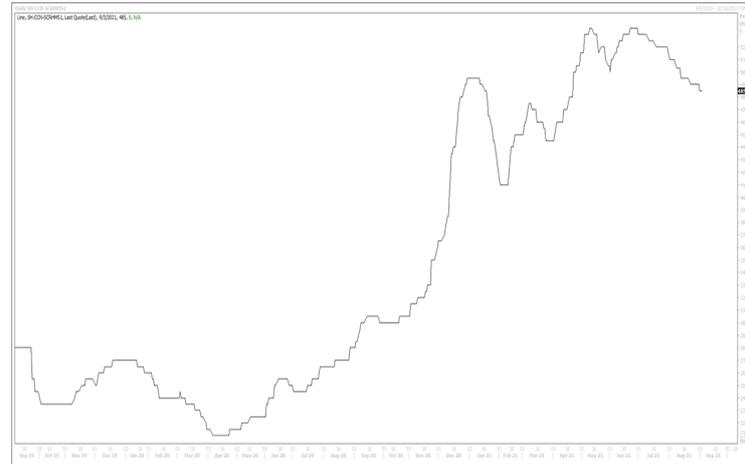
445.00 = Apr 2021 Low

410.00 = Feb 2021 Low

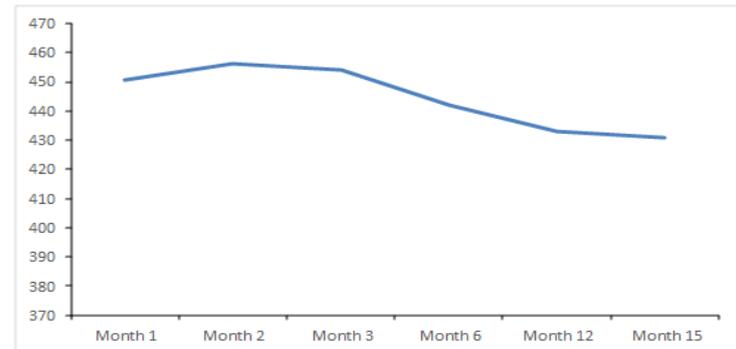
Resistance:

505.00 = May 2021 Low

565.00 = Sep 2008 High



LME Scrap Steel Forward Curve



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