



Commodities Weekly

Issue 35-2021

Date: 19 Sep, 2021

Bloomberg Commodity Index

96.48 USD -1.07 -1.10% ▼

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



BloombergMarkets

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	708.75	▲ 5.00%	▼ 3.51%	▲ 10.66%
Page 4	Sugar	19.18	▲ 2.08%	▼ 4.20%	▲ 23.82%
Page 5	Soybean	1,284.00	▲ 0.69%	▼ 6.21%	▼ 2.38%
Page 6	Cotton	93.32	▼ 2.01%	▼ 2.49%	▲ 19.46%
Page 7	Steel	1,936.00	▲ 0.47%	▲ 2.71%	▲ 92.64%
Page 8	Brent Crude	75.34	▲ 3.32%	▲ 9.14%	▲ 45.44%
Page 9	LME Zinc	3,088.00	▼ 0.99%	▲ 2.42%	▲ 12.25%
Page 10	Scrap Steel	480.00	0.00%	▼ 3.03%	▼ 3.03%

Wheat

Last Price

USc **708.75**/BSH

U.S. wheat futures eased on Friday, as traders took back some profits after tighter global supplies boosted the market to a 3% weekly gain. CBOT December soft red winter wheat [WZ1](#) eased 4-1/4 cents to \$7.08-3/4 a bushel, though it ended the week 20-1/4 cents higher, a 2.9% weekly climb. K.C. December hard red winter wheat [KWZ1](#) eased 7-1/2 cents to \$7.13 a bushel, while MGEX December spring wheat [MWEZ1](#) fell 6 cents to \$9.00-1/2. Australia's second consecutive bumper crop is nearing harvest, which could ease tight global supplies. Ukrainian farms have completed the 2021 wheat harvest, threshing 33 million tonnes in bunker weight with a yield of 4.65 tonnes per hectare.



Technical:

CBOT wheat firms on tighter supply prospects. Next level to watch 720.00.

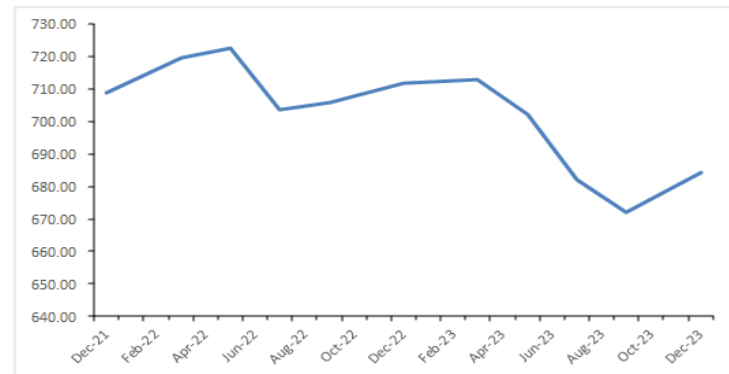
Support:

- 693.00 = Jan 2021 High
- 663.25 = Mar 2021 High

Resistance:

- 718.00 = Jul 2021 High
- 774.75 = Aug 2021 High

Futures Curve



Sugar

Last Price

USc **19.18**/LBS

October raw sugar [SBc1](#) settled down 0.31 cent, or 1.6%, at 19.18 cents per lb. A stronger dollar and weaker energy prices had contributed to the setback in prices. There were comments in the market of fresh Indian raw sugar selling for January and February shipments. Indian sugar sales have usually capped sugar prices. December white sugar [LSUc1](#) closed down \$8.10, or 1.6%, at \$504.80 a tonne.



Technical:

Sugar prices eased last week, next level to watch 20.00.

Support:

17.98 = Apr 2021 High

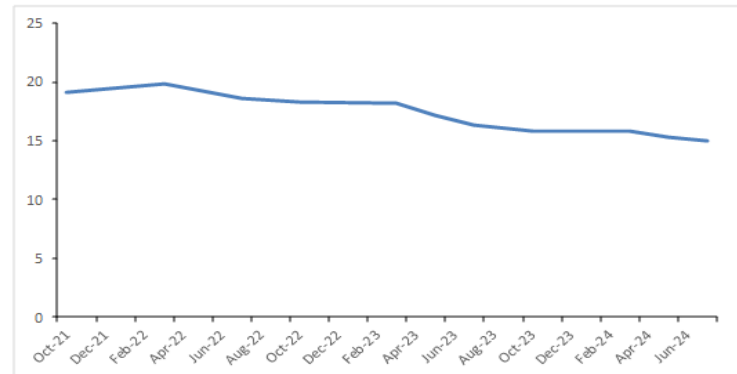
17.74 = Aug 2021 Low

Resistance:

20.37 = Aug 2021 High

21.49 = Oct 2017 High

Futures Curve



Soybean

Last Price USc **1,284.00**/BSH

Chicago Board of Trade soybean futures fell on Friday, erasing earlier gains from the week as exports remain in question. CBOT November soybeans [SX1](#) lost 12 cents to \$12.84 a bushel, ending the week down 2-1/2 cents. December soybean futures [SMZ1](#) lost \$1.90 to \$342.20 a ton while December soyoil [BOZ1](#) eased 0.58 cents to 56.26 cents per lb. Exports remain limited as terminals in the U.S. Gulf continue to struggle with power outages and hurricane damage as the country heads into its busiest export season.



Technical:

CBOT soybeans erase weekly gains on export uncertainty, next level to watch 1,300.00.

Support:

1,208.50 = Jun 2016 High

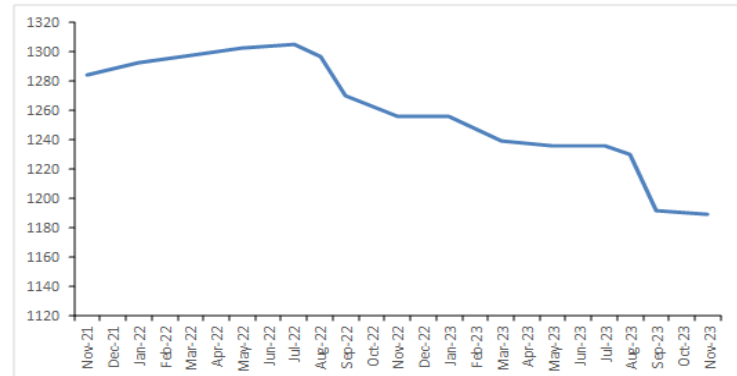
1,142.50 = Dec 2020 Low

Resistance:

1,336.25 = Aug 2014 High

1,466.00 = Aug 2021 High

Futures Curve



Cotton

Last Price

USc **93.32**/LBS

ICE cotton futures fell to a one-week low on Friday and were on track for their third straight weekly decline, weighed down by a jump in the U.S. dollar. The cotton contract for December [CTZ1](#) fell 0.30 cent, or 0.3%, to 92.21 cents per lb. The contract is down 1.3% so far this week. On the technical front, cotton prices have good support around 92 cents and strong resistance at 95 cents. The dollar [.DXY](#) rose to a near four-week high against its rivals, potentially limiting demand for the natural fiber by making it more expensive for buyers holding other currencies. Total futures market volume fell by 8,392 to 11,842 lots. Data showed total open interest fell 724 to 272,662 contracts in the previous session.



Technical:

Cotton heads for third straight weekly fall on firmer dollar, next level to watch 96.00.

Support:

92.95 = Feb 2021 High

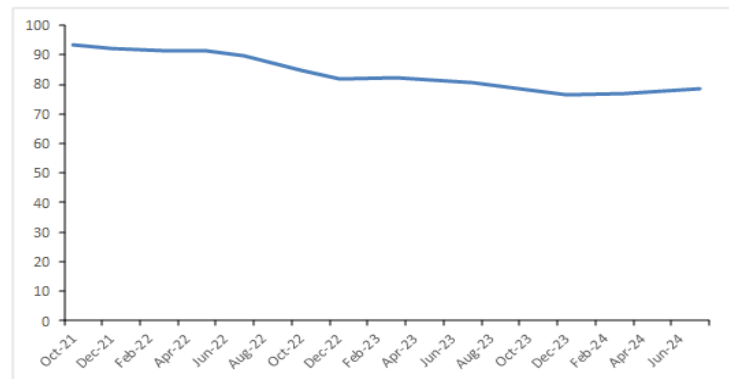
89.74 = May 2021 High

Resistance:

97.35 = Mar 2014 High

99.47 = Jan 2012 High

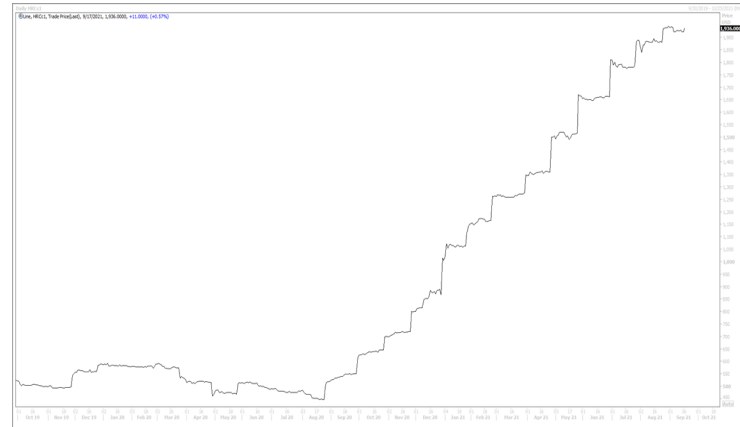
Futures Curve



Steel

Last Price USD **1,936.00**/ tons

Futures prices for China's steelmaking raw materials faltered on Friday, with the benchmark iron ore contract leading losses, as Beijing mulls to include more cities under its environmental controls. The most-traded iron ore futures on the Dalian Commodity Exchange [DCIOcv1](#), for January delivery, slumped 7% to 629 yuan (\$97.50) at close. The contract plunged 14% this week. Spot prices of iron ore with 62% iron content for delivery to China [SH-CCN-IRNOR62](#) fell \$4 to \$115.5 a tonne on Thursday. Construction material steel rebar on the Shanghai Futures Exchange [SRBcv1](#) declined 2.3% to 5,478 yuan a tonne. Hot-rolled coils [SHHCcv1](#), used in cars and home appliances, slipped 1.8% to 5,677 yuan per tonne. Apparent consumption for major steel products including rebar and hot-rolled coils fell 5%, as of Sept. 16, to 10.17 million tonnes from the week earlier,



Technical:

Chinese steel ingredients fall as regulator extends environmental curbs. Next level to watch 2,000.00.

Support:

1,900.00 = Jul 2021 High

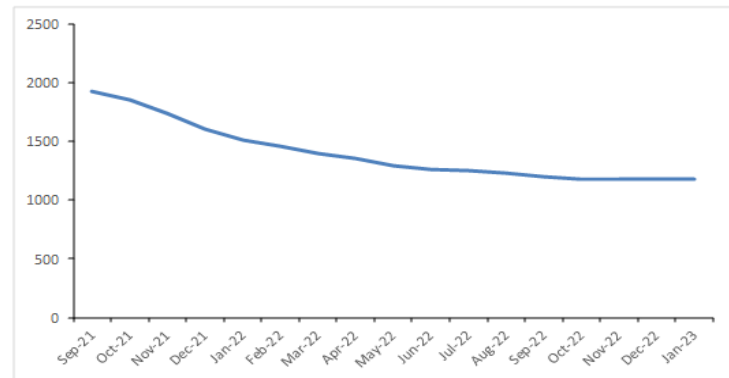
1,815.00 = Jun 2021 High

Resistance:

2,000.00 = Psychological Level

2,050.00 = Psychological Level

Futures Curve of SHFE Steel Futures



Brent Crude

Last Price

USD **75.34**/BBL

Oil prices fell on Friday as energy companies in the U.S. Gulf of Mexico restarted production after back-to-back hurricanes in the region shut output. Brent crude [LC0c1](#) futures fell 33 cents to settle at \$75.34 a barrel. U.S. West Texas Intermediate (WTI) crude [CLc1](#) futures fell 64 cents to settle at \$71.97 a barrel. For the week, Brent was up 3.3% and U.S. crude was up 3.2%, supported by tight supplies due to the hurricane outages. Friday's slump followed five straight sessions of rises for Brent. On Wednesday, Brent hit its highest since late July, and U.S. crude hit its highest since early August. The dollar climbed to a multi-week high on Friday, making dollar-denominated crude more expensive for those using other currencies. The dollar got a boost from better-than-expected U.S. retail sales data on Thursday.



Technical:

Oil falls as storm-hit U.S. supply trickles back into market, next level to watch 75.50.

Support:

69.29 = Jun 2021 Low

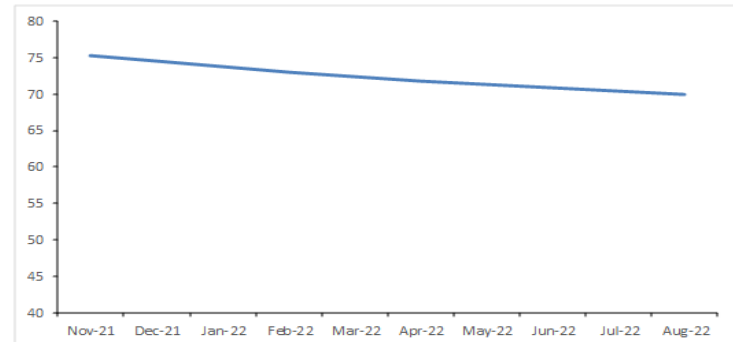
64.57 = May 2021 Low

Resistance:

75.39 = Aug 2021 High

77.84 = Jul 2021 High

Futures Curve

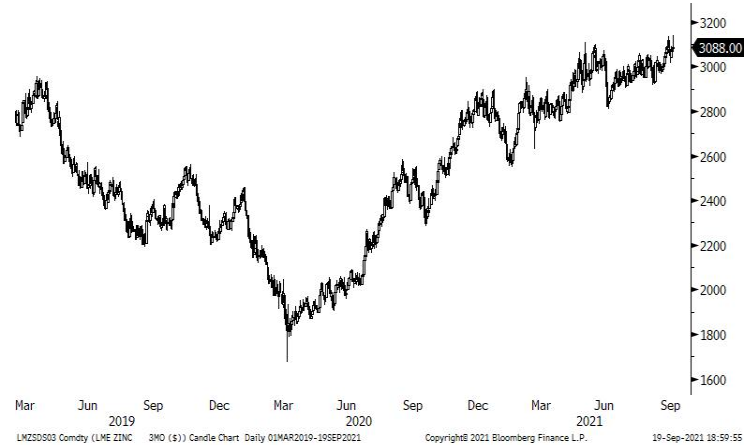


LME Zinc

Last Price

USD **3,088.00**/Tons

The most-traded SHFE 2110 zinc closed up 0.75% or 170 yuan/mt at 22780 yuan/mt, with open interest down 788 lots to 74285 lots. On the macro front, the National Development and Reform Commission expressed that it will focus on stabilising and promoting individual incomes, and further optimizing the reforms of electricity pricing, and ensuring the live pig market stability. On the news front, all industrial enterprises in two cities in Jiangsu (Taizhou and Xinghua) have been required to suspend production until October, 8, which will have significant impacts on the downstream sector and terminal entities.



Technical:

Zinc advanced as finished in the positive territory as the US dollar index continued to fall, next level to watch 3,100.00.

Support:

3,068.00 = May 2021 High

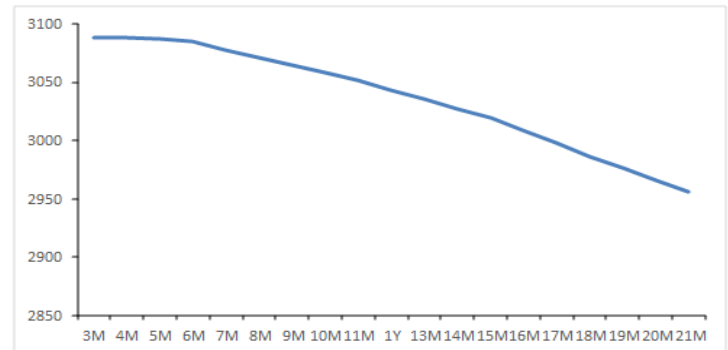
3,051.00 = Aug 2021 High

Resistance:

3,095.00 = Jun 2021 High

3,117.50 = Sep 2021 High

LME Zinc Forward Curve



Scrap Steel

Last Price

USD **480.00**/Tons

Steelmakers in South Korea have been priced out of the deep-sea scrap market following deals by mills in Vietnam and Bangladesh over the past week. Mills in South Korea have opted to stay away from imports of deep sea, United States-origin scrap and have left the stage to Vietnamese steelmakers to negotiate for the cargoes. Deals were done last week at \$530 per tonne cfr Bangladesh for deep-sea shredded scrap from the US and at \$515 per tonne cfr for HMS 1&2 (80:20) from Australia and New Zealand. South Korean steelmakers may still also obtain lower-quality H2 material at low prices from the Japanese market despite price increases by major electric-arc furnace (EAF) steelmaker Tokyo Steel on Friday. Interest in imported scrap remained poor in China amid news that more cities will be subject to pollution-control measures in the coming months.

Technical:

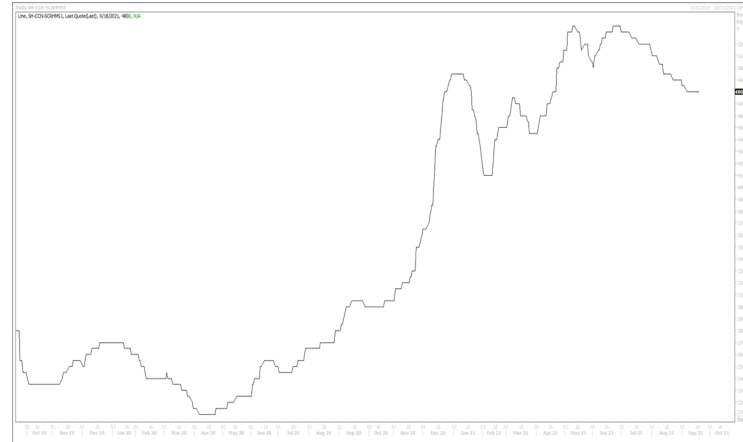
South Korea priced out of deep-sea market amid Vietnam, Bangladesh deals, next level to watch 485.00.

Support:

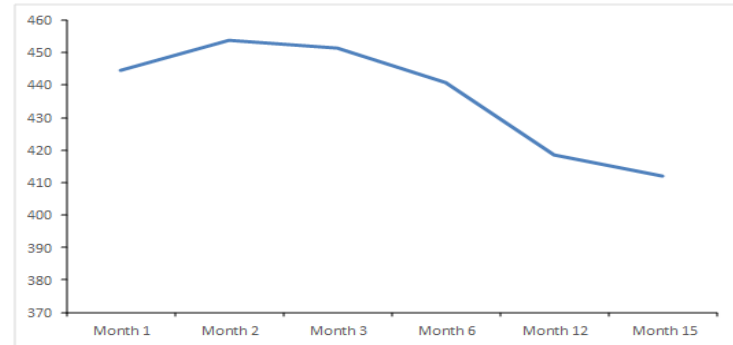
- 445.00 = Apr 2021 Low
- 410.00 = Feb 2021 Low

Resistance:

- 505.00 = May 2021 Low
- 565.00 = Sep 2008 High



LME Scrap Steel Forward Curve



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