



# Commodities Weekly

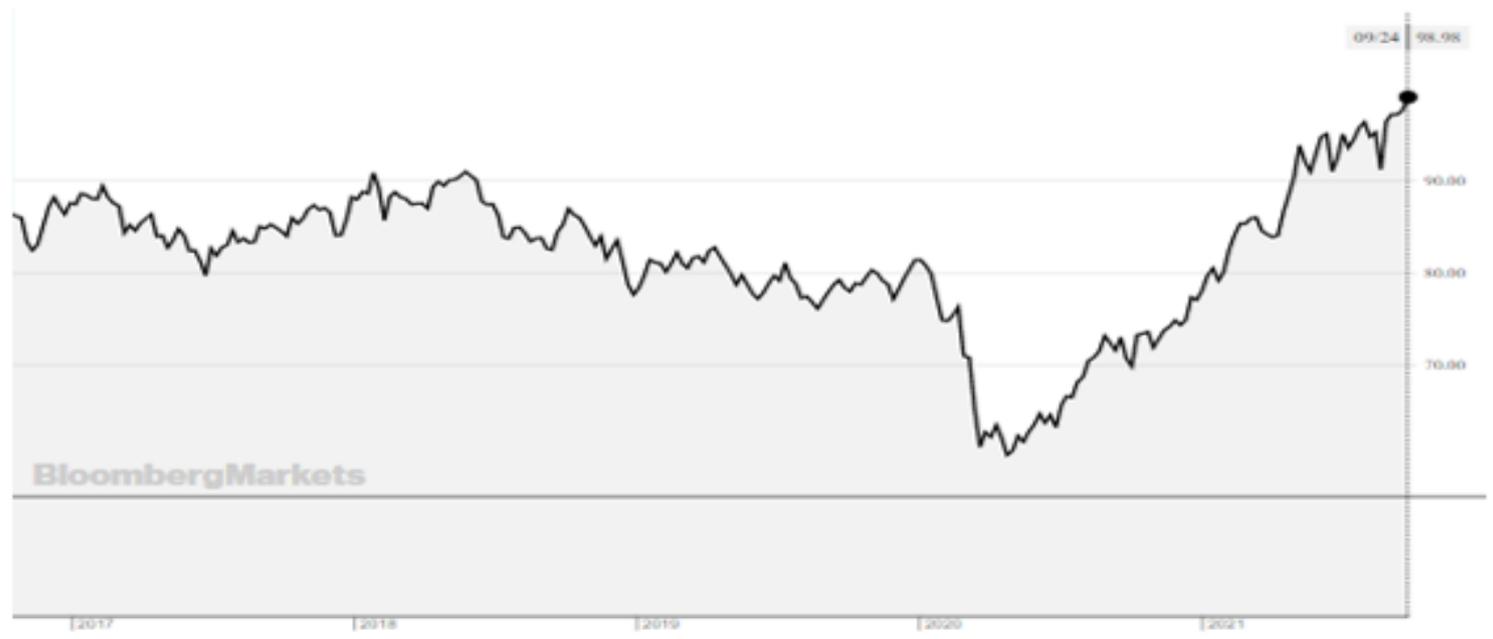
Issue 36-2021

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# Bloomberg Commodity Index

**98.98** USD +0.74 +0.76% ▲

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(%)
<a href="#">Page 3</a>	Wheat	723.75	▲ 2.12%	▼ 0.21%	▲ 13.00%
<a href="#">Page 4</a>	Sugar	19.10	▼ 0.42%	▼ 2.95%	▲ 23.31%
<a href="#">Page 5</a>	Soybean	1,285.00	▲ 0.08%	▼ 6.03%	▼ 2.30%
<a href="#">Page 6</a>	Cotton	96.85	▲ 3.78%	▲ 1.56%	▲ 23.98%
<a href="#">Page 7</a>	Steel	1,933.00	▼ 0.15%	▼ 0.15%	▲ 92.34%
<a href="#">Page 8</a>	Brent Crude	78.09	▲ 3.65%	▲ 9.88%	▲ 50.75%
<a href="#">Page 9</a>	LME Zinc	3,128.50	▲ 1.31%	▲ 4.21%	▲ 13.72%
<a href="#">Page 10</a>	Scrap Steel	490.00	▲ 2.08%	0.00%	▼ 1.01%

# Wheat

Last Price

USc **723.75**/BSH

Chicago wheat futures firmed on Friday, ending near a two-week high as the market assessed mixed global production prospects and brisk import demand. The most-active wheat contract on the Chicago Board Of Trade (CBOT) [Wv1](#) added 6 cents to \$7.23-3/4 a bushel, after earlier reaching \$7.25-3/4, its highest since Sept. 7. For the week, wheat added 2.12%. CBOT soybeans [Sv1](#) ended 3/4 cent higher at \$12.85 a bushel, adding just 1 cent for the week, while corn [Cv1](#) eased 2-1/2 cents lower at \$5.26-3/4 a bushel, ending the week down 1/2 cent. A run of tenders by importers, harvest setbacks in the northern hemisphere and rumors about further Russian export restrictions all supported wheat futures this week.



## Technical:

Wheat finds two-week high on strong global demand. Next level to watch 725.00.

## Support:

718.00 = Jul 2021 High

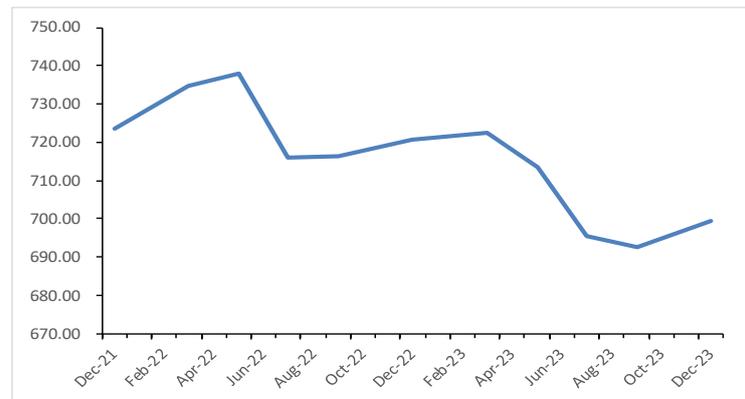
693.00 = Jan 2021 High

## Resistance:

735.00 = May 2014 High

774.75 = Aug 2021 High

## Futures Curve



# Sugar

Last Price USc **19.10**/LBS

October raw sugar [SBc1](#), which expires on Sept. 30, closed down 0.39 cent, or 2.0%, at 19.10 cents per lb. Open interest in the front -month contract has been going down in recent sessions, indicating a potential smaller delivery than seen last year. The market could move higher near term, with production continuing to disappoint in top producer Brazil. They also cited talk that exports from India, a key producer, are tailing off as the internal market rallies. December white sugar [LSUc1](#) closed down \$9.10, or 1.8%, at \$504.30 a tonne. Pakistan has issued a new international tender to purchase 50,000 tonnes of white sugar after making no purchase in its previous tender for 200,000 tonnes.



**Technical:**

Raw sugar falls, next level to watch 20.00.

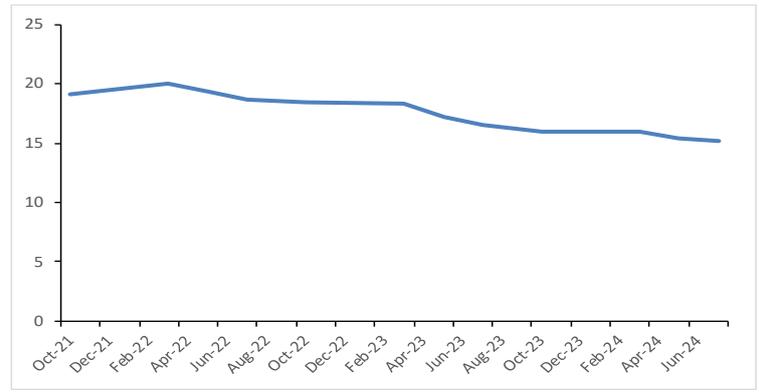
**Support:**

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 **1,285.00**/BSH

Chicago Board of Trade soybean futures inched higher on Friday, finding technical support, despite pressure from strong harvest progress expected through the weekend. CBOT November soybeans [SX1](#) gained 3/4 cent to \$12.85 a bushel. December soybean futures [SMZ1](#) fell \$1.10 to \$339.00 a ton, while December soybean futures [BOZ1](#) added 0.85 cents to 57.87 cents per lb. For the week, the most-active soybean contract added 1 cent. Soybean prices in China, the world's top consumer of the animal feed, are rising after at least 20 soybean crushing plants shuttered to comply with curbs on industrial power consumption,



## Technical:

CBOT soybeans inch higher, harvest progress caps gains, next level to watch 1,300.00.

## Support:

1,208.50 = Jun 2016 High

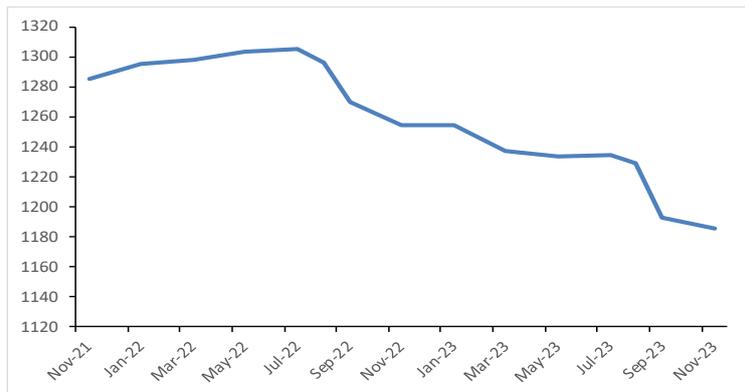
1,142.50 = Dec 2020 Low

## Resistance:

1,336.25 = Aug 2014 High

1,466.00 = Aug 2021 High

## Futures Curve



# Cotton

Last Price

USc **96.85**/LBS

ICE cotton futures rose as much as 4% on Friday to their highest level in more than a month, supported by robust demand and technical buying, with speculators getting back into the market after a sharp fall earlier this week. The cotton contract for December [CTZ1](#) was up 3.23 cents, or 3.49%, at 95.69 cents per lb by 01:02 p.m. ET (1702 GMT). Prices fell to a 1-1/2 month low on Monday. The contract is up more than 3.5% so far this week, its biggest weekly percentage gain since mid-June. Total futures market volume rose by 21,404 to 49,430 lots. Data showed total open interest gained 503 to 263,288 contracts in the previous session. Certificated cotton stocks [CERT-COT-STX](#) deliverable as of Sept. 22 totaled 60,107 480-lb bales, down from 60,976 in the previous session.



## Technical:

Cotton jumps 4% on strong demand, speculative buying, next level to watch 97.00.

## Support:

92.95 = Feb 2021 High

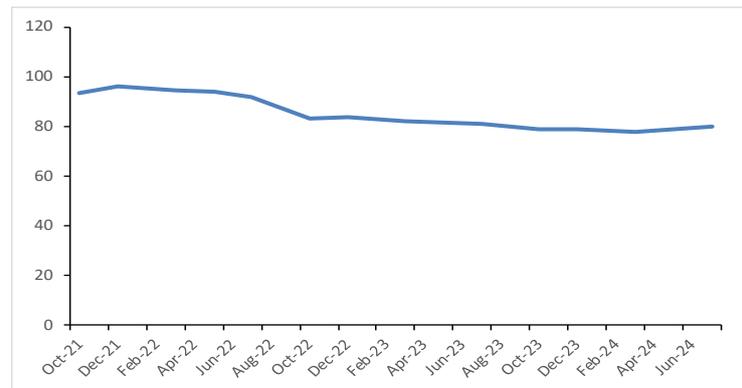
89.74 = May 2021 High

## Resistance:

97.35 = Mar 2014 High

99.47 = Jan 2012 High

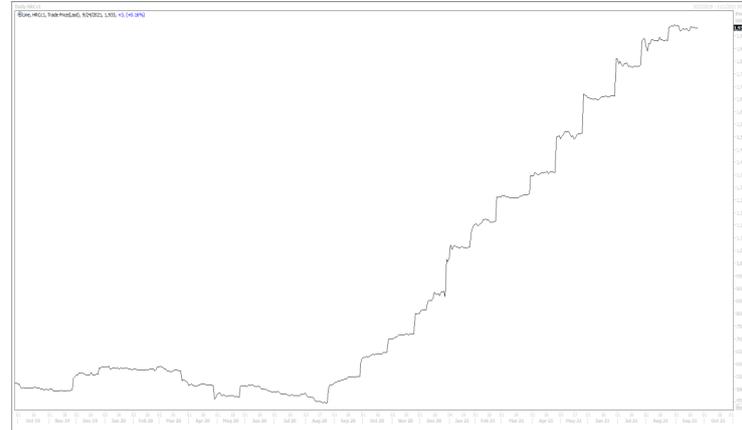
## Futures Curve



# Steel

Last Price USD **1,933.00**/ tons

Steel prices on the Shanghai Futures Exchange declined. Construction used rebar [SRBcv1](#) slipped 2.8% to 5,468 yuan a tonne. Hot rolled coils [SHHCcv1](#), used in cars and home appliances, fell 2.9% to 5,511 yuan per tonne. Stainless steel futures [SHSScv1](#), for October delivery, dived 4.7% to 20,945 yuan a tonne.



## Technical:

Steel prices fall slightly. Next level to watch 1,950.00.

## Support:

1,900.00 = Jul 2021 High

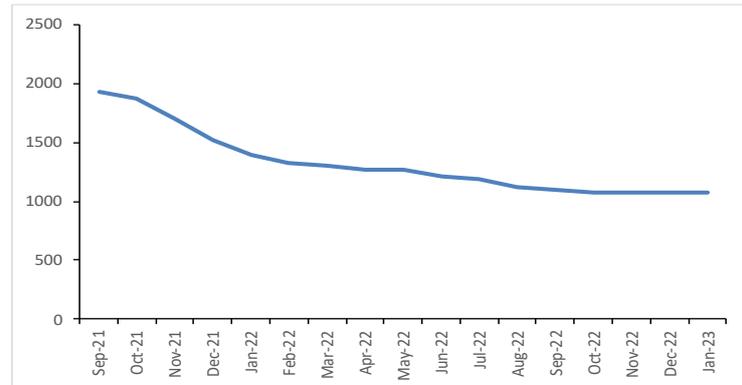
1,815.00 = Jun 2021 High

## Resistance:

2,000.00 = Psychological Level

2,050.00 = Psychological Level

## Futures Curve of SHFE Steel Futures



# Brent Crude

Last Price

USD **78.09**/BBL

Oil prices rose for a third week in a row to a near three-year high on Friday as global output disruptions have forced energy companies to pull large amounts of crude out of inventories. The rally was slightly dampened by China's first public sale of state crude reserves. Brent [LCOc1](#) futures rose 84 cents, or 1.1%, to settle at \$78.09 a barrel, while U.S. West Texas Intermediate (WTI) crude [CLc1](#) rose 68 cents, or 0.9%, to settle at \$73.98. That was the highest close for Brent since October 2018 and for WTI since July 2021, both for a second day in a row. It was the third week of gains for Brent and the fifth for WTI mostly due to U.S. Gulf Coast output disruptions from Hurricane Ida in late August. New York Harbor Ultra Low Sulfur Diesel (ULSD) futures [HOC1](#) also closed at their highest since October 2018.



## Technical:

Oil hits highest in almost 3 years as supply tightens, next level to watch 80.00.

## Support:

77.84 = Jul 2021 High

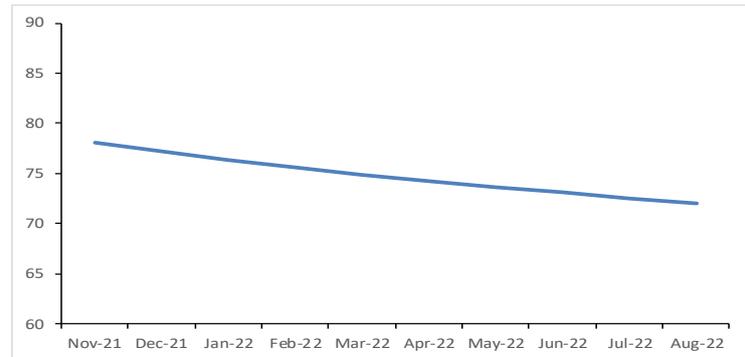
69.29 = Jun 2021 Low

## Resistance:

79.70 = Jun 2018 High

86.74 = Oct 2018 High

## Futures Curve



# LME Zinc

Last Price

USD **3,128.50**/Tons

The most-traded SHFE 2110 zinc closed up 1.52% or 345 yuan/mt at 22985 yuan/mt, with open interest down 6070 lots to 48533 lots.

The market supply of concentrate in north China is likely to tighten as the heating season approaches. And the daily output of refined zinc is expected to fall by 700 mt/day on energy consumption control. While the demand side will also be suppressed by the energy consumption control.



2019 2020 2021  
 LMZSD03 Comdty (LME ZINC) 3MO (\$)

**Technical:**

Zinc advanced as finished in the positive territory as the US dollar index continued to fall, next level to watch 3,140.00.

**Support:**

3,117.50 = Sep 2021 High

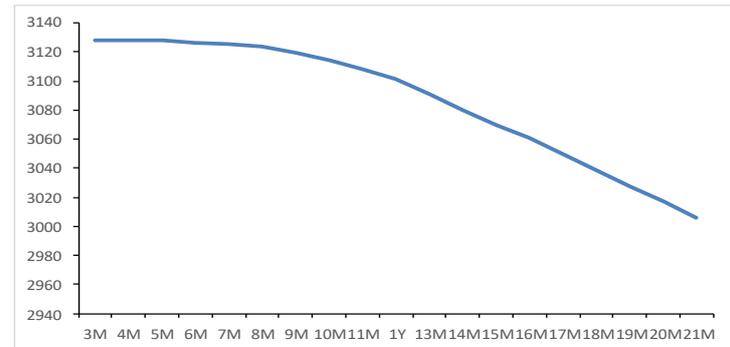
3,095.00 = Jun 2021 High

**Resistance:**

3,133.50 = Sep 2021 High

3,140.00 = Sep 2021 High

**LME Zinc Forward Curve**

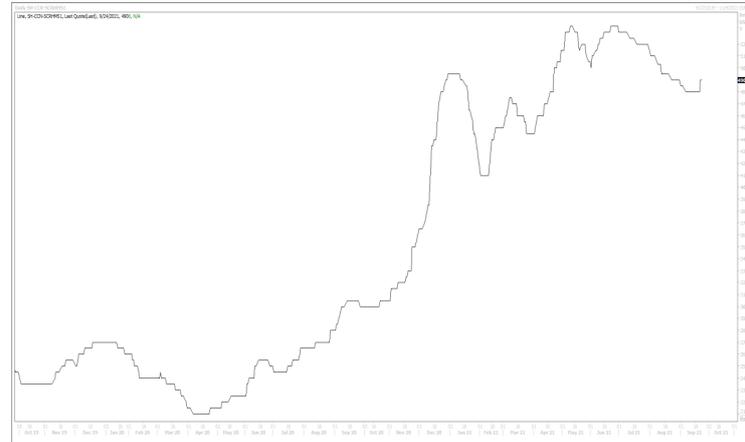


# Scrap Steel

Last Price

USD **490.00**/Tons

Prices moved up in several major Asian import Scrap markets in the week to Friday September 24, 2021 reflecting moves to replenish stocks at mills in Taiwan and Vietnam as well as fresh domestic scrap price increases in Japan. Turkey stays largely quiet following last week's bookings. US exporters are struggling to source shredded material while Vietnam returns for Japan-origin scrap amid demand uptick. On the other hand, China import scrap interest remains low amid production cuts and Taiwan buyers are restocking at higher price. Indian market, however, softens further after market volatility.



**Technical:**

Most Asian markets rise amid healthy restocking demand, next level to watch 495.00.

**Support:**

445.00 = Apr 2021 Low

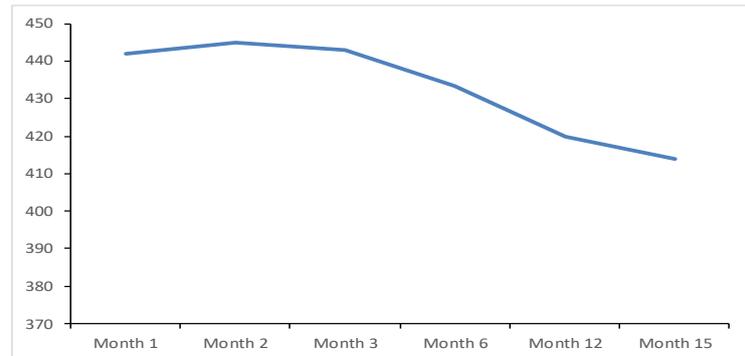
410.00 = Feb 2021 Low

**Resistance:**

505.00 = May 2021 Low

565.00 = Sep 2008 High

**LME Scrap Steel Forward Curve**



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