



Commodities Weekly

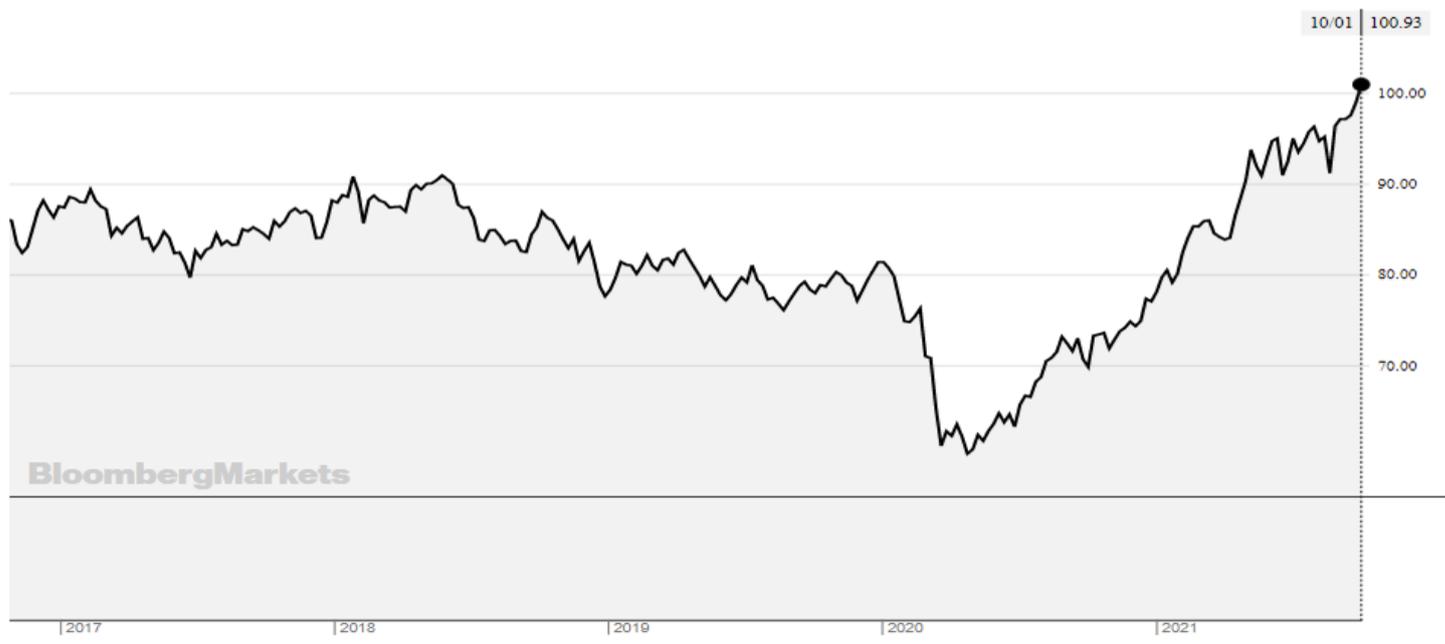
Issue 37-2021

Date: 04 Oct, 2021

Bloomberg Commodity Index

100.93 USD +0.17 +0.17% ▲

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	755.25	▲ 4.35%	▼ 4.14%	▲ 17.92%
Page 4	Sugar	20.06	▲ 5.03%	▼ 1.93%	▲ 29.50%
Page 5	Soybean	1,246.50	▼ 3.00%	▼ 8.85%	▼ 5.23%
Page 6	Cotton	106.53	▲ 9.99%	▲ 11.71%	▲ 36.37%
Page 7	Steel	1,916.00	▼ 0.88%	▼ 1.03%	▲ 90.65%
Page 8	Brent Crude	79.28	▲ 1.52%	▲ 11.55%	▲ 53.05%
Page 9	LME Zinc	2,982.50	▼ 3.42%	▼ 1.08%	▲ 8.42%
Page 10	Scrap Steel	490.00	0.00%	0.00%	▼ 1.01%

Wheat

Last Price

USc **755.25**/BSH

Chicago Board of Trade wheat futures ended sharply higher on Friday, with the benchmark December contract setting at a six-week top on smaller-than-expected stocks and production figures released a day earlier by the U.S. Department of Agriculture. CBOT December soft red winter wheat [WZ1](#) settled up 29-3/4 cents at \$7.55-1/4 per bushel after reaching \$7.55-3/4, the contract's highest since Aug. 17. For the week, the CBOT December contract rose 31-1/2 cents a bushel or 4.4%, its third consecutive weekly advance. K.C. December hard red winter wheat [KWZ1](#) ended up 27-3/4 cents on Friday at \$7.59-1/2 a bushel and MGEX December spring wheat [MWEZ1](#) rose 16-1/2 cents to settle at \$9.29 a bushel. In Europe, benchmark December wheat [BL2Z1](#) on Euronext rose as much as 2.5% to a contract high of 264.50 euros (\$306.40).

Technical:

Wheat surges to 6-week top on smaller-than-expected U.S. supplies. Next level to watch 775.00.

Support:

718.00 = Jul 2021 High

693.00 = Jan 2021 High

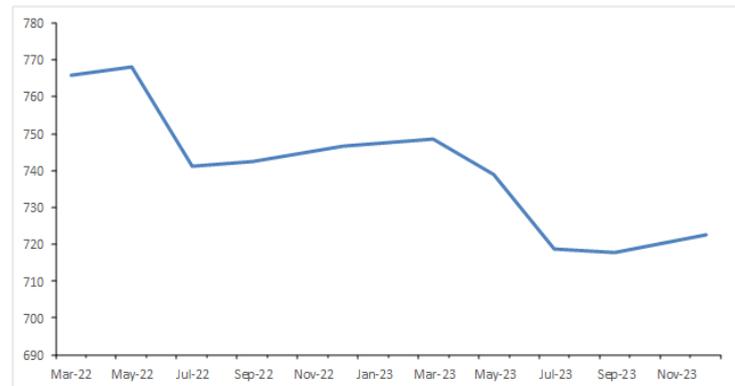
Resistance:

774.75 = Aug 2021 High

829.50 = Nov 2012 Low



Futures Curve



Sugar

Last Price

USc **20.06**/LBS

Raw sugar futures on ICE fell on Friday, the first day of the 2021/22 season, with worries over inflation boosting the dollar and weighing on sentiment in global equity and commodity markets. [FRX/ MKTS/GLOB](#). March raw sugar [SBc1](#) fell 0.9% to 20.16 cents per lb. The small delivery of around 226,000 tonnes versus the October contract that expired on Thursday was bearish, especially as the contract expired at a large discount to March, indicating poor demand. Going forward, another global deficit is expected this season and that end users, who have been deterred from buying due to high global freight rates, will soon need to replenish stocks. December white sugar [LSUc1](#) fell 0.4% to \$510.70 a tonne.



Technical:

Sugar falls as risk off sentiment prevails, next level to watch 18.50.

Support:

18.49 = Sep 2021 Low

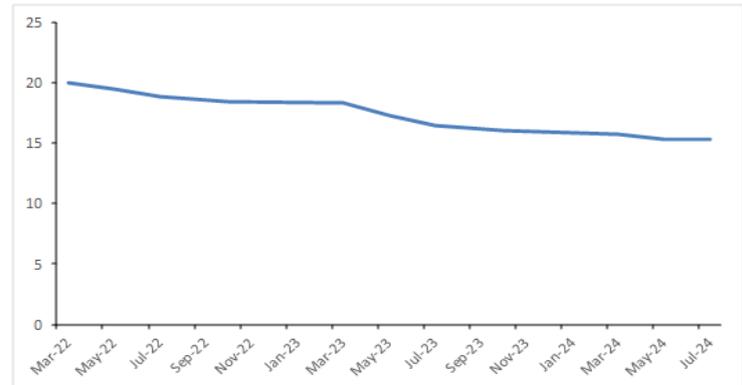
17.98 = Apr 2021 High

Resistance:

20.37 = Aug 2021 High

21.49 = Oct 2017 High

Futures Curve



Soybean

Last Price USc **1,246.50**/BSH

Chicago Board of Trade soybean futures sagged anew on Friday, with the benchmark contract [Sv1](#) falling to multi-month lows on follow-through selling a day after the U.S. Department of Agriculture reported larger-than-expected U.S. soy inventories. CBOT November soybean futures [SX1](#) settled down 9-1/2 cents at \$12.46-1/2 per bushel after dipping to \$12.42, the lowest in a continuous chart of the most-active soy contract [Sv1](#) since Dec. 22. For the week, the November contract [SX1](#) fell 38-1/2 cents a bushel, or 3%, its fourth decline in the last five weeks. CBOT December soy meal [SMZ1](#) ended down \$1.80 on Friday at \$326.90 per short ton while December soy oil [BOZ1](#) rose 0.13 cent to finish at 58.82 cents per pound.



Technical:

Soybeans extend slide on larger-than-expected U.S. stockpiles, next level to watch 1,200.00.

Support:

1,208.50 = Jun 2016 High

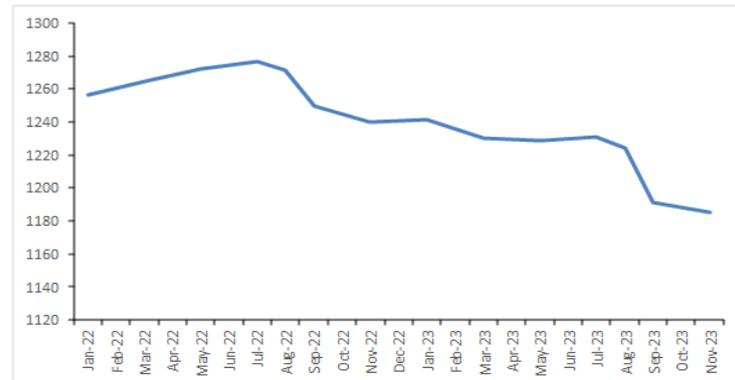
1,142.50 = Dec 2020 Low

Resistance:

1,308.00 = Sep 2021 High

1,353.00 = Jul 2021 Low

Futures Curve



Cotton

Last Price

USc **106.53**/LBS

ICE cotton futures eased on Friday, but were headed towards their biggest weekly percentage rise since July 2016, bolstered by strong Chinese buying and concerns over a supply crunch due to crop damage in major producer India. The cotton contract for December [CTZ1](#) fell 0.62 cent, or 0.59%, at 105.18 cents per lb. Earlier in the session, the second month cotton futures contract [CTc2](#) hit its highest level since September 2011 at 107.28 cents. It has risen more than 9% so far this week. The U.S. Department of Agriculture's weekly export sales report showed net sales of 571,400 running bales for 2021/2022, were up 65% from the previous week and 92% from the prior 4-week average, with increases primarily for China. [EXP/COT](#)

Technical:

Cotton hits 10-year top, en route best week since July 2016, next level to watch 110.00.

Support:

97.35 = Mar 2014 High

92.95 = Feb 2021 High

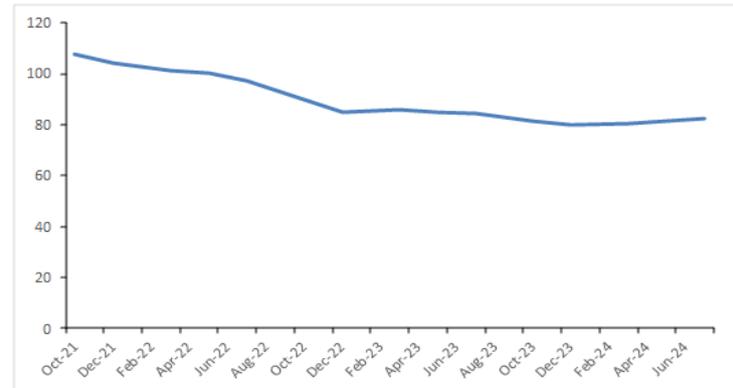
Resistance:

108.62 = Aug 2011 High

114.19 = Sep 2011 High



Futures Curve



Steel

Last Price USD **1,916.00**/ tons

The benchmark 62% Fe iron ore index hit a 16-month low of \$92.98 per tonne on September 20, down 61% from its May 12 2021 record high of \$237.57, and 58% down from \$222.09 on July 15. For context, the last time iron ore prices fell by this magnitude over such a short space of time was during the 2008 global financial crisis, when the index dropped by 68% over three months. The primary driver behind iron ore's rapid price collapse has been the [steel production curbs](#) imposed by the Chinese government in an effort to avoid crude steel output in 2021 exceeding 2020's record level of 1.053 billion tonnes. Considering the country was churning out steel at a rate of around 12% higher during the first half of 2021, the cutback in the second half was always going to be severe.

Technical:

Steel prices continue to fall in line with production restrictions imposed by the Chinese government. Next level to watch 1,950.00.

Support:

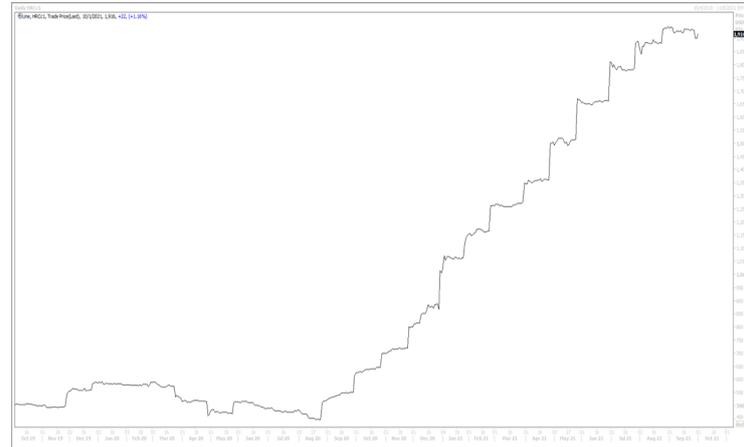
1,815.00 = Jun 2021 High

1,680.00 = May 2021 High

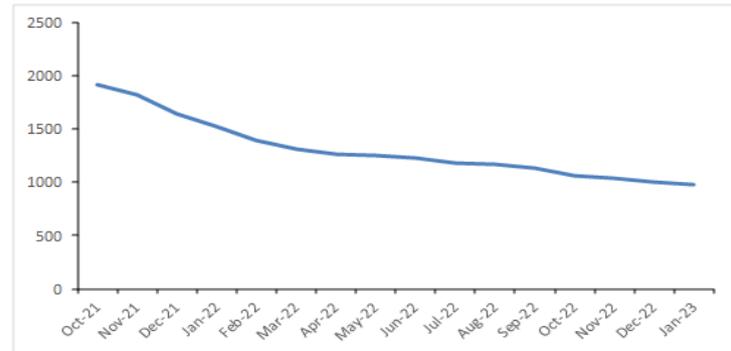
Resistance:

1,945.00 = Sep 2021 High

2,000.00 = Psychological Level



Futures Curve of SHFE Steel Futures



Brent Crude

Last Price

USD **79.28**/BBL

Oil settled above \$78 a barrel on Friday, just shy of a three-year high reached earlier this week, on expectations that OPEC ministers will maintain a steady pace in raising supply. OPEC+, meets on Monday. The group is slowly unwinding record output cuts made last year, although sources say it is considering doing more to boost production. Brent crude [LCOc1](#) rose 97 cents, or 1.2%, to settle at \$79.28 in its fourth weekly rise. U.S. West Texas Intermediate (WTI) [CLc1](#) rose 85 cents to settle at \$75.88 in a sixth week of gains. Brent has risen over 50% this year and reached a three-year high of \$80.75 on Tuesday. If OPEC+ sticks to the script and only delivers the planned 400,000 bpd increase in November, energy markets will shortly be seeing \$90 oil prices.



Technical:

Oil settles near 3-year high ahead of OPEC+ meeting, next level to watch 81.00.

Support:

77.84 = Jul 2021 High

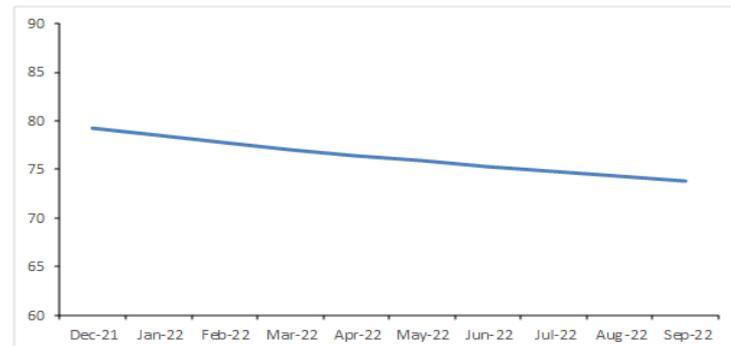
69.29 = Jun 2021 Low

Resistance:

80.75 = Sep 2021 High

86.74 = Oct 2018 High

Futures Curve

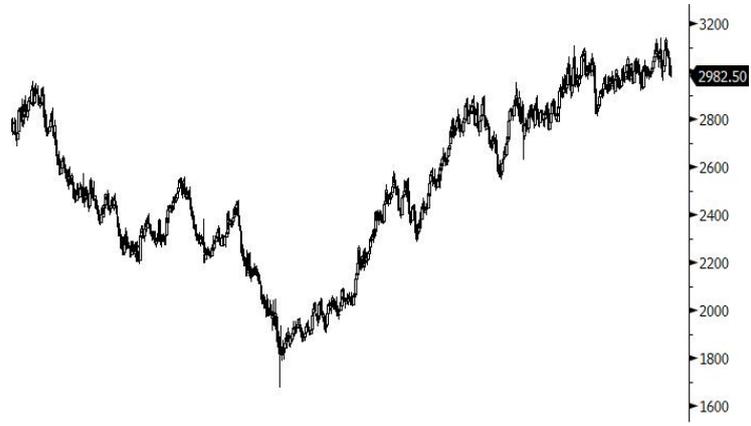


LME Zinc

Last Price **USD 2,892.50/Tons**

Three-month LME zinc fell 4.67% to end at \$2,892.50/mt, with open interest up 1,213 lots to 265,000 lots. Zinc stocks across LME-listed warehouses dropped by 1,750 mt or 0.82% to 212,575 mt. The inflation is likely to increase until next year. Supply disruptions, labour shortages and the resurgence of the pandemic are casting a shadow over the prospects of major economies.

The most-liquid SHFE 2111 zinc contract lost 0.24% to settle at 22,635 yuan/mt in overnight trading, with open interest decreasing 1,471 lots to 93,651 lots. However, due to the frequent changes of dual control and power rationing policies, coupled with government stockpiles, bringing fluctuations of supply and demand.



LMZSD503 Comdty (LME ZINC) 3MO (€) Candle Chart Daily 01MAR2019-03OCT2021 Copyright© 2021 Bloomberg Finance L.P. 03-Oct-2021 16:04:28

Technical:

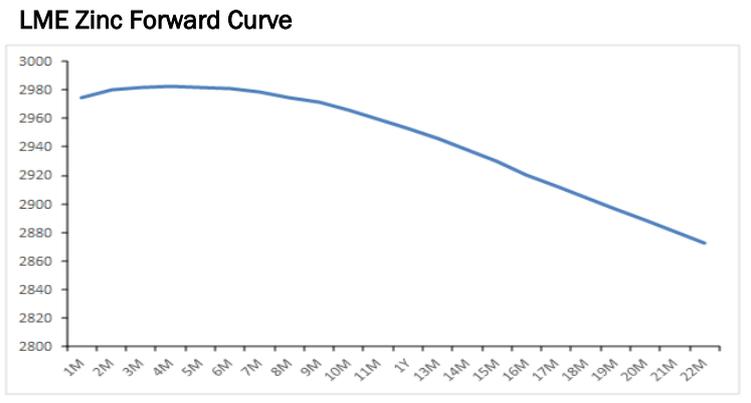
Base Metals Fell across the Board amid Thin Trade, next level to watch 3,140.00.

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



Scrap Steel

Last Price

USD **490.00**/Tons

Prices for shredded steel scrap imported into Bangladesh fell in the week to Friday October 1, while Indian scrap prices stabilized after a mid-week change in sentiment for both markets. Prices dropped at the start of the week, with deals reported at \$505-508 per tonne, before increasing to \$512-514 per tonne mid-to-end of the week, and offers as high as \$515-520 per tonne. This compares to a \$515-520 per tonne deal level last week. Mills were said to be bidding as low as \$500 per tonne.

Technical:

Prices fluctuate through volatile week, next level to watch 505.00.

Support:

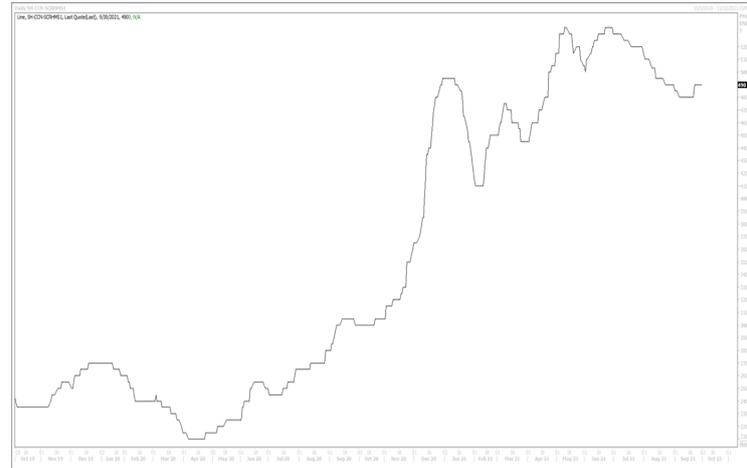
445.00 = Apr 2021 Low

410.00 = Feb 2021 Low

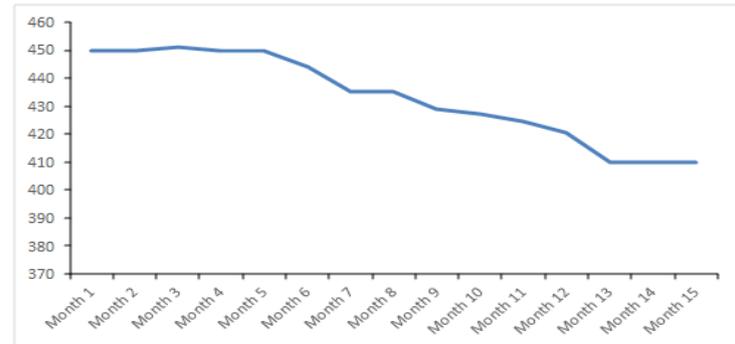
Resistance:

505.00 = May 2021 Low

565.00 = Sep 2008 High



LME Scrap Steel Forward Curve



Contact

Swift: BRAKBDDH, Reuters Dealing Code: "BRAC", Group email: dealing.room@bracbank.com
Web: www.bracbank.com

Md. Shaheen Iqbal

Head of Treasury & Financial Institutions
E-mail: shaheen.iqbal@bracbank.com
Cell: +880 1713 049433

Fouzia Rahman

Head of Markets, Treasury & Financial Institutions
E-mail: fouzia.rahman@bracbank.com
Cell: +880 1713 493937

Nawshaba Aziz

Sr. Relationship Manager Corporate Sales & FX,
Treasury & Financial Institutions
E-mail: nawshaba.aziz@bracbank.com
Cell: +88 01730 796810

Lailun Nahar Tonny

Sr. Manager, Treasury & Financial Institutions
E-mail: lailunnahar.tonny@bracbank.com
Cell: +88 01730 796820

Mohammad Humayun Rashid

Manager, Treasury & Financial Institutions
E-mail: humayun.rashid@bracbank.com
Cell: +880 1723 935623

Maruf Hassan

Associate Manager, Treasury & Financial Institutions
E-mail: maruf.hassan29443@bracbank.com
Cell: +880 1847 419487

Disclaimer

This document is for information purposes only and does not take into account specific circumstances of any recipient. The information contained herein does not constitute the provision of investment advice. It is not intended to be and should not be construed as a recommendation, offer or solicitation to acquire, or dispose of, any of the financial instruments and/or securities mentioned in this document and will not form the basis or a part of any contract or commitment whatsoever. Investors should seek independent professional advice and draw their own conclusions regarding suitability of any transaction including the economic benefits, risks, legal, regulatory, credit, accounting and tax implications. The information in this document is based on public data obtained from sources believed by BRAC Bank to be reliable and in good faith, but no representations, guarantees or warranties are made by BRAC Bank with regard to accuracy, completeness or suitability of the data. BRAC Bank has not performed any independent review or due diligence of publicly available information regarding an unaffiliated reference asset or index. The opinions and estimates contained herein reflect the current judgment of the author(s) on the date of this document and are subject to change without notice. The opinions do not necessarily correspond to the opinions of BRAC Bank. BRAC Bank does not have an obligation to update, modify or amend this document or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. This communication may contain trading ideas where BRAC Bank may trade in such financial instruments with customers or other counterparties. Any prices provided herein (other than those that are identified as being historical) are indicative only, and do not represent firm quotes as to either size or price. The past performance of financial instruments is not indicative of future results. No assurance can be given that any financial instrument or issuer described herein would yield favorable investment results. Any forecasts or price targets shown for companies and/or securities discussed in this document may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information and/or the subsequent transpiration that underlying assumptions made by BRAC Bank or by other sources relied upon in the document were inapposite. BRAC Bank and or its affiliates may act as a market maker in the instrument(s) and or its derivative that has been mentioned in our research reports. Employees of BRAC Bank and or its affiliates may provide written or oral commentary, including trading strategies, to our clients and business units that may be contrary to the opinions conveyed in this research report. BRAC Bank may perform or seek to perform investment banking services for issuers mentioned in research reports. Neither BRAC Bank nor any of its respective directors, officers or employees accepts any responsibility or liability whatsoever for any expense, loss or damages arising out of or in any way connected with the use of all or any part of this document. BRAC Bank may provide hyperlinks to websites of entities mentioned in this document, however the inclusion of a link does not imply that BRAC Bank endorses, recommends or approves any material on the linked page or accessible from it. BRAC Bank does not accept responsibility whatsoever for any such material, nor for any consequences of its use. This document is for the use of the addressees only and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any purpose, without the prior, written consent of BRAC Bank. The manner of distributing this document may be restricted by law or regulation in certain countries, including the United States. Persons into whose possession this document may come are required to inform themselves about and to observe such restrictions. By accepting this document, a recipient hereof agrees to be bound by the foregoing limitations.