



Commodities Weekly

Issue 38-2021

Date: 10 Oct, 2021

Bloomberg Commodity Index

102.62 USD +0.28 +0.27% ▲

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 4	Wheat	734.00	▼ 2.81%	▲ 1.21%	▲ 14.60%
Page 5	Sugar	20.29	▲ 1.15%	▲ 3.10%	▲ 30.99%
Page 6	Soybean	1,243.00	▼ 0.28%	▼ 9.10%	▼ 5.49%
Page 7	Cotton	110.60	▲ 3.82%	▲ 15.98%	▲ 41.58%
Page 8	Steel	1,882.00	▼ 1.77%	▼ 2.79%	▲ 87.26%
Page 9	Brent Crude	82.39	▲ 3.92%	▲ 15.93%	▲ 59.05%
Page 10	LME Zinc	3,151.00	▲ 5.65%	▲ 4.51%	▲ 14.54%
Page 11	Scrap Steel	490.00	0.00%	0.00%	▼ 1.01%

Wheat

Last Price

USc **734.00**/BSH

Chicago Board of Trade hard soft red winter wheat and K.C. hard red winter wheat futures fell on Friday, with some technical selling ahead of the weekend. MGEX spring wheat remained firm, with the market underpinned by tight supplies after a drought-stressed harvest. The front-month MGEX spring wheat contract [MWEC1](#) hit its highest since Aug. 13. Chicago Board of Trade December soft red winter wheat futures [WZ1](#), the most actively-traded contract, faced resistance at its five-day moving average during Friday's session. CBOT December soft red winter wheat [WZ1](#) settled down 7-1/4 cents at \$7.34 a bushel. K.C. hard red winter wheat for December delivery [KWZ1](#) was off 5-1/4 cents at \$7.36 a bushel and MGEX December spring wheat futures [MWEZ1](#) were 5-3/4 cents higher at \$9.48 a bushel.

Technical:

Wheat falls on technical setback. Next level to watch 718.00.

Support:

718.00 = Jul 2021 High

693.00 = Jan 2021 High

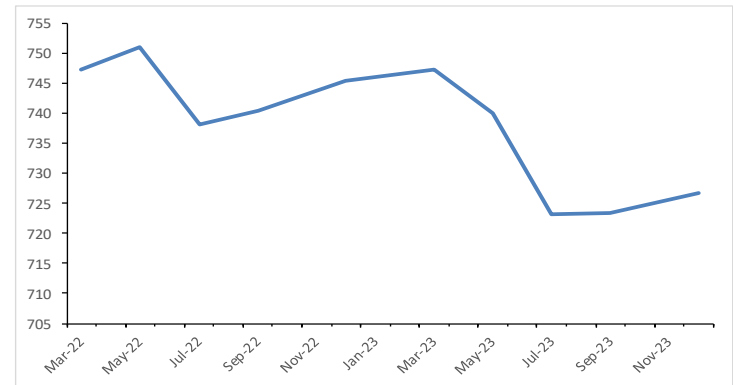
Resistance:

774.75 = Aug 2021 High

829.50 = Nov 2012 Low



Futures Curve



Sugar

Last Price USc **20.29**/LBS

Raw sugar futures on ICE closed more than 2% up on Friday, with the market gaining ground in the final part of the trading session amid a fuel price hike in Brazil. March raw sugar [SBc1](#) settled up 0.45 cent, or 2.3%, at 20.29 cents per lb. Ethanol and sugar compete for cane in Brazil, with mills producing more or less depending on market prices. Higher gasoline prices lead to higher ethanol prices, and sugar usually follows. December white sugar [LSUc1](#) rose \$9.20, or 1.8%, to \$519.70 a tonne. The market was supported by fresh export deals from India, with talk of at least 2 million tonnes already sold for the new season, and gained extra boost from a gasoline price hike in Brazil.



Technical:

Raw sugar jumps on Brazil fuel price hike, Indian exports, next level to watch 20.50.

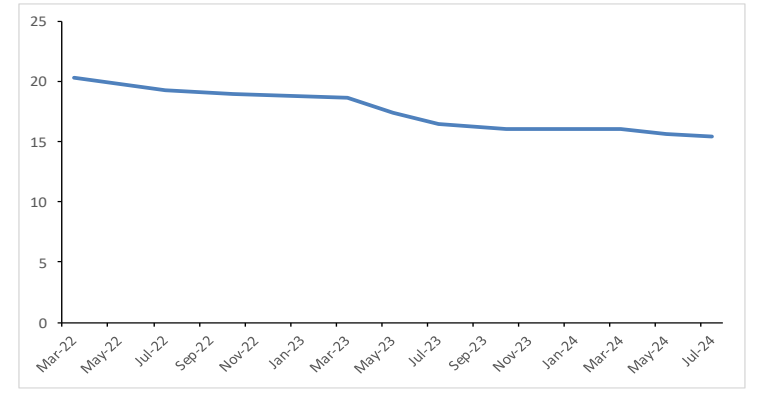
Support:

- 19.62 = Oct 2021 Low
- 18.49 = Sep 2021 Low

Resistance:

- 20.94 = Jun 2016 High
- 21.49 = Oct 2017 High

Futures Curve



Soybean

Last Price USc **1,243.00**/BSH

Chicago Board of Trade soybean futures fell on Friday, pressured by concerns about competition on the export market after trading higher for much of the session. Soymeal futures fell on demand concerns but closed above the 12-1/2 month low the most-active contract hit [SMv1](#) on Friday morning. Soyoil futures [BOv1](#) sagged on profit-taking after touching their highest since mid-August. CBOT November soybeans [SX1](#) settled down 4-1/4 cents at \$12.43 a bushel, CBOT December soyoil [BOZ1](#) was off 0.55 cent at 61.51 cents per lb, and CBOT December soymeal [SMZ1](#) was 60 cents lower at \$318.70 per ton. For the week, soybeans [Sv1](#) were down 0.3%, soyoil [BOv1](#) was up 4.6% and soymeal [SMv1](#) was down 2.5%.



Technical:

soybeans close lower on export concerns, next level to watch 1,200.00.

Support:

1,208.50 = Jun 2016 High

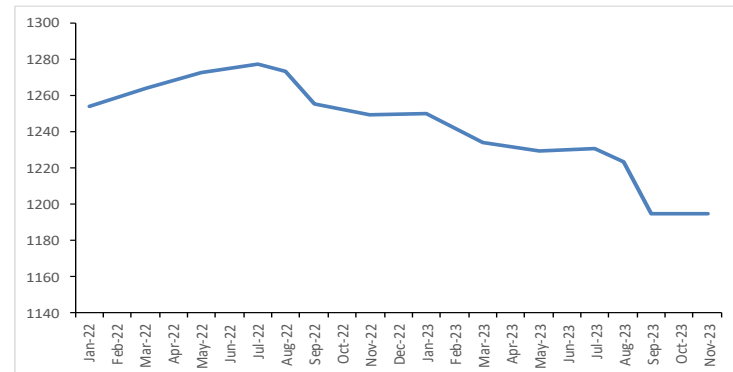
1,142.50 = Dec 2020 Low

Resistance:

1,308.00 = Sep 2021 High

1,353.00 = Jul 2021 Low

Futures Curve



Cotton

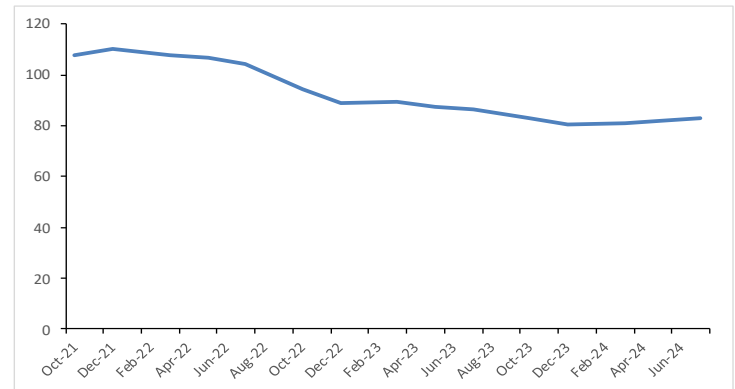
Last Price

USc **110.60**/LBS

ICE cotton futures steadied after rising over 4% earlier on Friday as a U.S. monthly jobs data miss raised demand concerns for the natural fiber, although prices were still on course for a weekly gain. The cotton contract for December [CTZ1](#) closed at 110.60 cents per lb, earlier rising to a fresh contract-high of 116.48 cents per lb. The December contract has risen about 7% so far this week, and is on course for a third straight weekly gain. Earlier this week, the cotton contract stuck its upper limit twice, and Friday's high set an all-time peak for the December contract for the third time this week.



Futures Curve



Technical:

Cotton erases gains on demand worries; posted weekly rise, next level to watch 120.00.

Support:

99.47 = Jan 2012 High

92.95 = Feb 2021 High

Resistance:

114.19 = Sep 2011 High

116.48 = Oct 2021 High

Steel

Last Price USD **1,882.00**/ tons

The most-actively traded HRC contract on the Shanghai Futures Exchange rebounded from a one-month low of 5,421 yuan per tonne on Monday after two consecutive days of substantial losses at the end of last week. More than 10 Chinese provinces have cut off or limited electricity supply to energy-intensive sectors, including steel, to ease power shortages or in an effort to meet their annual targets of reducing energy consumption by year end. In Tangshan, China's steelmaking hub in northern Hebei province, blast furnace operators have had their electricity supply reduced by 30-40% while rerollers have been told to suspend their operations from Monday until further notice, according to reports by a local information provider. Meanwhile, trading remained thin in China's spot HRC market despite the approaching holiday.

Technical:

China's HRC prices rebound; power cuts weigh on steel. Next level to watch 1,950.00.

Support:

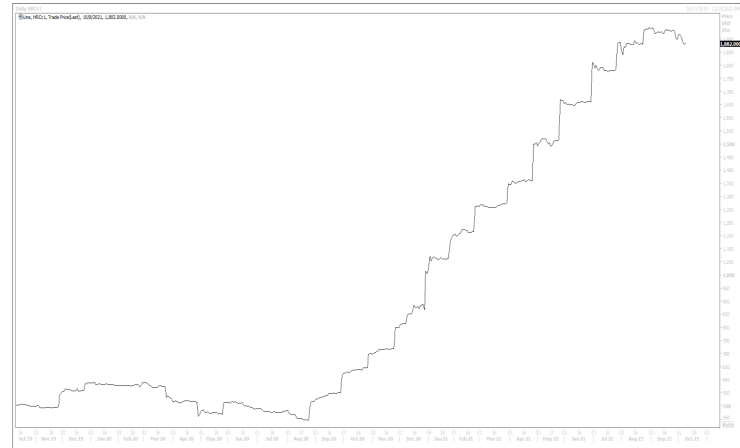
1,815.00 = Jun 2021 High

1,680.00 = May 2021 High

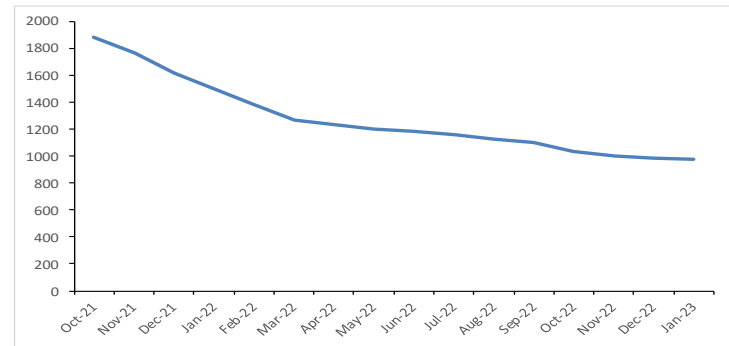
Resistance:

1,945.00 = Sep 2021 High

2,000.00 = Psychological Level



Futures Curve of SHFE Steel Futures



Brent Crude

Last Price

USD **82.39**/BBL

Oil rose on Friday, gaining about 4% on the week as a global energy crunch boosted U.S. prices to their highest in almost seven years as big power users struggle to meet demand. Even with worldwide demand growing as economic activity rebounds from pandemic lows, the Organization of the Petroleum Exporting Countries and allied producers (OPEC+) this week said they would remain on the path of gradually bringing back production. Brent crude [LCOc1](#) futures rose 44 cents, or 0.5%, to settle at \$82.39 a barrel. Earlier in the week, the global benchmark hit a three-year high of \$83.47. West Texas Intermediate (WTI) crude [CLc1](#) rose \$1.05, or 1.3%, to end at \$79.35. That was the highest close for the U.S. benchmark since Oct. 31, 2014. U.S. gasoline [RBC1](#) futures also closed at their highest since October 2014 on Friday.



Technical:

Oil rises 4% in week as energy crunch shows no signs of easing, next level to watch 86.00.

Support:

80.75 = Sep 2021 High

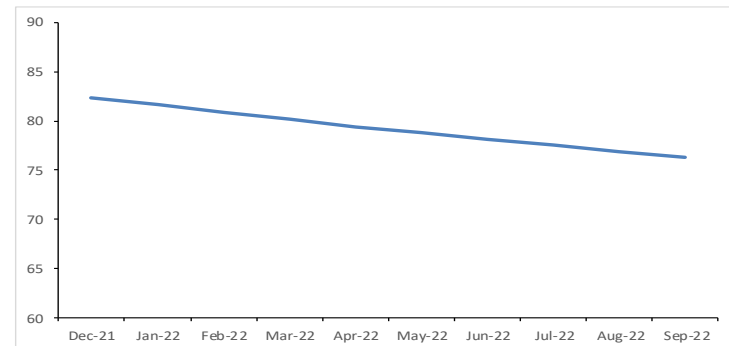
77.84 = Jul 2021 High

Resistance:

86.74 = Oct 2018 High

89.58 = May 2010 High

Futures Curve



LME Zinc

Last Price

USD **3,151.00**/Tons

LME zinc bottomed out during China's National Day holiday. The prices fell for the fifth consecutive trading day to drop to \$2,974.5/mt at first, and then rebounded to around \$3,050/mt. LME zinc fell again on Wednesday under the pressure and gave up the gains from the previous two trading days. The US dollar index trended in a V shape. The market expects that the Fed will begin to reduce the scale of bond issuance in November, and a stronger US dollar will also weigh on the zinc prices. Zinc stocks across LME-listed warehouses dropped by 10,325 mt to 198,550 mt during the holiday. The support at the \$3,000/mt is worth attention. LME zinc is expected to fluctuate between \$3,000-3,050/mt. The most-traded SHFE 2111 zinc contract fell 325 yuan/mt or 1.43% to 22,370 yuan/mt on September 30, with open interest down 14,428 lots to 143,700 lots.



Technical:

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

Support:

3,095.00 = Jun 2021 High

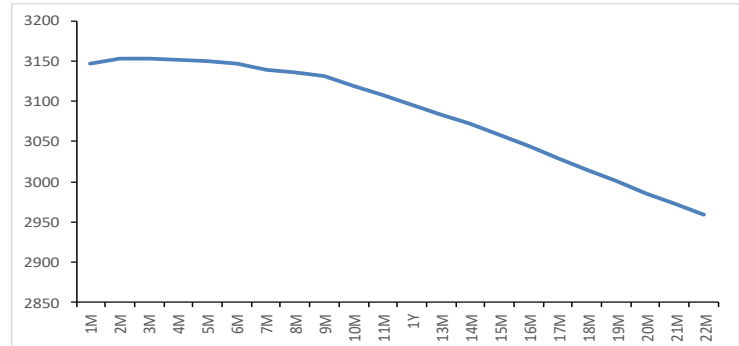
2,976.00 = Sep 2021 Low

Resistance:

3,179.00 = Oct 2021 High

3,200.00 = Dec 2017 High

LME Zinc Forward Curve



Scrap Steel

Last Price

USD **490.00**/Tons

Global ferrous scrap prices increased in the week ended October 8 in response to improving downstream demand for billet and rebar. Turkish mills pay higher prices on improving downstream demand. United States sells a bulk cargo to Turkey at a \$5-per-tonne increase. Vietnamese buyers opt for bulk HMS 1&2 (80:20) cargoes from US, Australia. Taiwanese buyers continue to purchase containerized cargoes. South Korea buys Japanese scrap at higher prices. Limited scrap import interest in China due to electricity rationing. China local scrap prices hold firm after holiday.

Technical:

Global prices surge on improving billet, rebar demand, next level to watch 505.00.

Support:

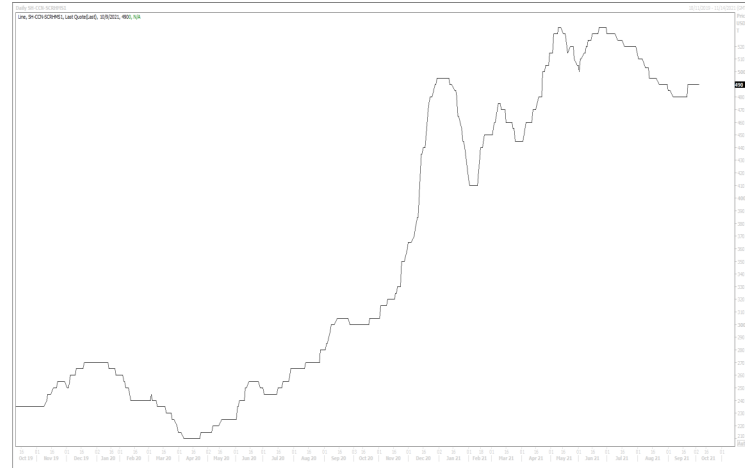
445.00 = Apr 2021 Low

410.00 = Feb 2021 Low

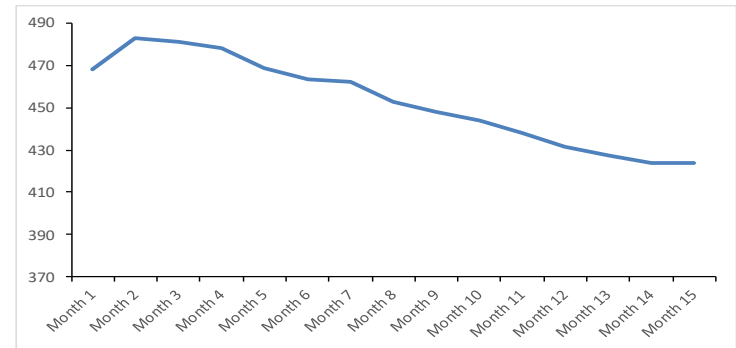
Resistance:

505.00 = May 2021 Low

565.00 = Sep 2008 High



LME Scrap Steel Forward Curve



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