



Commodities Weekly

Issue 42-2021

Date: 15 Nov 2021

Bloomberg Commodity Index

102.74 USD +0.16 +0.16% ▲

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

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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	817.00	▲ 6.59%	▲ 10.22%	▲ 27.56%
Page 5	Sugar	20.01	▲ 0.35%	▲ 0.86%	▲ 29.18%
Page 6	Soybean	1,234.00	▲ 3.50%	▼ 1.06%	▼ 6.18%
Page 7	Cotton	117.69	▲ 0.70%	▲ 3.55%	▲ 50.65%
Page 8	Steel	1,812.00	▲ 1.23%	▼ 3.67%	▲ 80.30%
Page 9	Brent Crude	82.17	▼ 0.69%	▲ 0.27%	▲ 58.63%
Page 10	LME Zinc	3,228.50	▼ 0.00%	▲ 5.87%	▲ 17.36%
Page 11	Scrap Steel	521.00	↔ 0.00%	▲ 6.33%	▲ 5.25%

Wheat

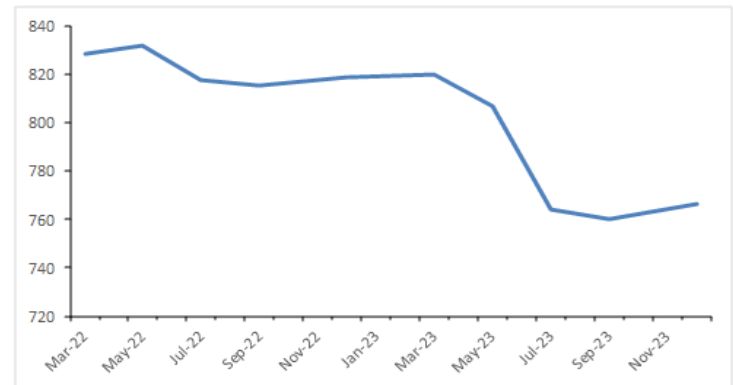
Last Price

USc **817.00**/BSH

Chicago Board of Trade wheat futures rose on Friday with the benchmark contract reaching the highest in nearly nine years, buoyed by rising global cash grain prices and tightening supplies of exportable wheat. CBOT December soft red winter wheat [WZ1](#) settled up 4-1/2 cents at \$8.17 per bushel after reaching \$8.26-3/4, the highest on a continuous chart of the most-active contract [Wv1](#) since December 2012. For the week, the CBOT December contract surged 50-1/2 cents a bushel or 6.6%. K.C. December hard red winter wheat [KWZ1](#) ended up 5 cents on Friday at \$8.33 a bushel while MGEX December spring wheat [MWEZ1](#) fell 3-1/4 cents to settle at \$10.50 a bushel. Euronext wheat futures held near 14-year highs after top exporter Russia this week suggested further possible curbs on its shipments.



Futures Curve



Technical:

Wheat to multi-year highs on tightening world supplies. Next level to watch 841.00.

Support:

- 780.00 = Oct 2021 High
- 732.75 = Sep 2021 High

Resistance:

- 841.00 = Aug 2010 High
- 904.25 = Oct 2012 High

Sugar

Last Price

USc **20.01**/LBS

March raw sugar [SBc1](#) settled down 0.11 cents, or 0.5%, at 20.01 cents per lb, having hit its highest in a month on Thursday. The contract was little changed on the week. Sugar remains underpinned by India's plans to divert more sugarcane to ethanol production, as well as by concerns over global inflation. Sugar prices will remain near current lofty spot levels heading into 2022, thanks to ethanol diversion, weather issues in top producer Brazil and a recovery in global demand. December white sugar [LSUc1](#) settled up \$4.40, or 0.8%, at \$527.20 a tonne.



Technical:

Sugar prices rose as the focus remained on the outlook for next year's crop in top producer Brazil, next level to watch 21.00.

Support:

17.98 = Apr 2021 High

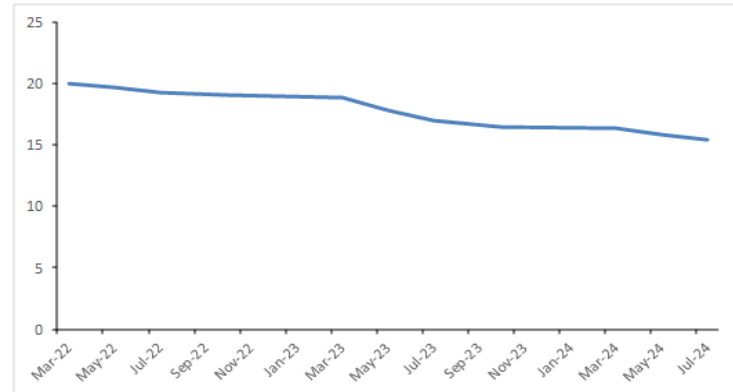
17.74 = Aug 2021 Low

Resistance:

20.37 = Aug 2021 High

21.49 = Oct 2017 High

Futures Curve



Soybean

Last Price USc **1,234.00**/BSH

Chicago Board of Trade soybean futures ended higher on Friday, led by soaring soymeal futures tied to technical buying, brisk demand for the high-protein feed ingredient and logistical hurdles. CBOT January soybean futures [SF2](#) settled up 22-3/4 cents at \$12.44-1/4 per bushel. For the week, the contract rose 38-3/4 cents a bushel or 3.2%. The CBOT November soybean contract [SX1](#) expired quietly at \$12.34, up 21-3/4 cents on the day. Open interest ahead of the trading session was down to 150 contracts. CBOT December soymeal [SMZ1](#) rose \$17.60 to end at \$362.10 per short ton, surging on short-covering as traders exited long soyoil/short soymeal and long corn/short soymeal spread positions. CBOT December soyoil [BOZ1](#) fell 0.17 cent to settle at 58.97 cents per pound.



Technical:

Soybeans end higher as soymeal surges 5%, next level to watch 1,270.00.

Support:

1,171.25 = Nov 2021 Low

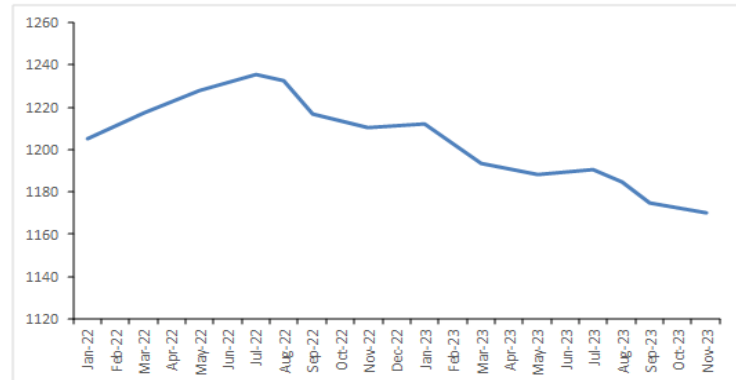
1,142.50 = Dec 2020 Low

Resistance:

1,262.50 = Oct 2021 High

1,308.00 = Sep 2021 High

Futures Curve



Cotton

Last Price USc **117.69**/LBS

ICE cotton futures fell on Friday, hurt by weak export sales data, although the natural fiber was on track for a fourth straight week on gains on strong demand from top-consumer China. The cotton contract for December [CTZ1](#) was down 0.85 cent, or 0.5%, at 117.69 cents per lb. Offering some respite, the dollar [.DXY](#) eased 0.1% against its peers, making the natural fiber less expensive for other currency holders. The December contract has gained about 0.9% so far this week. The U.S. Department of Agriculture's weekly export sales report showed net sales of 128,000 running bales, down 8% from the previous week and 51% from the prior four-week average, with China being the top buyer.



Technical:

Cotton futures slip on weak export sales data, next level to watch 128.00.

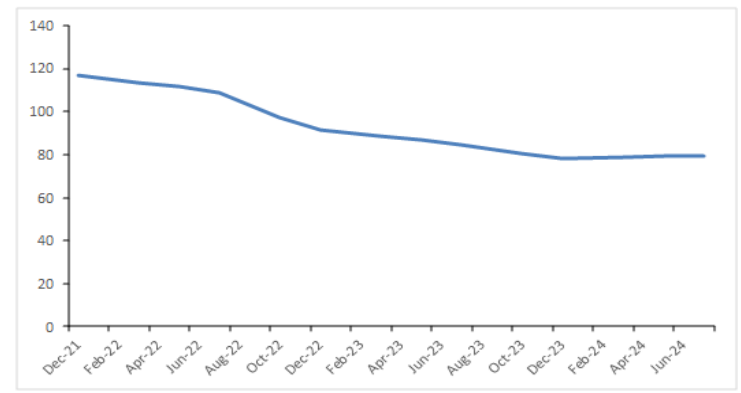
Support:

107.80 = Sep 2021 High
 97.35 = Mar 2014 High

Resistance:

128.00 = Dec 2010 Low
 139.61 = Jan 2011 Low

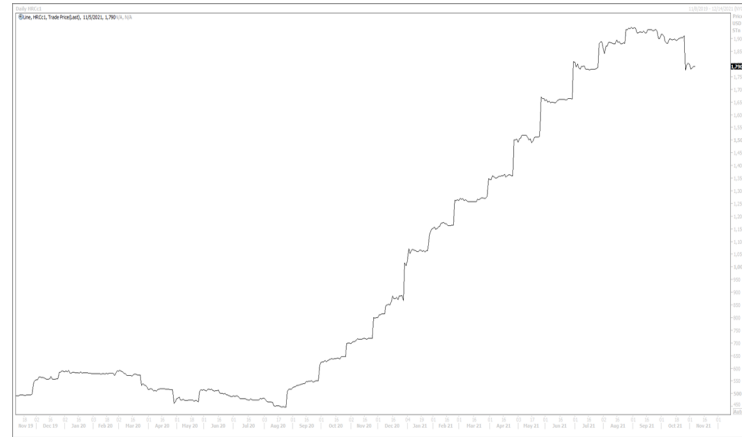
Futures Curve



Steel

Last Price USD **1,812.00**/ tons

Iron ore prices were on track for a fifth straight weekly fall on Friday, as worries over weak demand for the raw material in top steel producer China outweighed hopes for an easing of financing curbs in the country's debt-laden property sector. The most-traded iron ore for January delivery on China's Dalian Commodity Exchange [DCIOcv1](#) fell 2.6% to 541 yuan a tonne by 0330 GMT and was on track for a weekly loss of 3.8%. Construction steel rebar on the Shanghai Futures Exchange [SRBcv1](#) shed 1.5% after a 5% jump in the previous session, while hot-rolled coil [SHHCcv1](#) dropped 0.7%. Stainless steel [SHSScv1](#) slipped 0.2%. Dalian coking coal [DJMcv1](#) slid 3.9%, while coke [DCJcv1](#) retreated 2.5%.



Technical:

Iron ore on course for fifth weekly fall on China demand worries. Next level to watch 1,830.00.

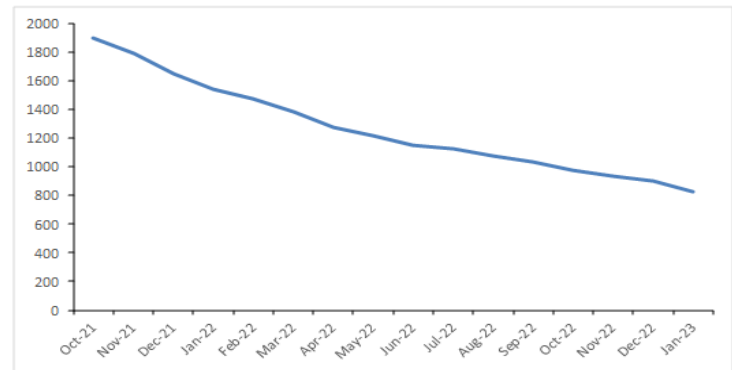
Support:

- 1,775.00 = Oct 2021 Low
- 1,680.00 = May 2021 High

Resistance:

- 1,829.00 = Aug 2021 Low
- 1,895.00 = Sep 2021 Low

Futures Curve of SHFE Steel Futures



Brent Crude

Last Price

USD **82.17** /BBL

Oil prices fell on Friday, on worries that the U.S. Federal Reserve will accelerate plans to boost interest rates to tame inflation. Brent crude [LC0c1](#) futures fell 70 cents, or 0.8%, to settle at \$82.17 a barrel. U.S. West Texas Intermediate (WTI) crude [CLc1](#) fell 80 cents, or 1%, to settle at \$80.79 a barrel. Both benchmarks fell for a third consecutive week, hit by a strengthening dollar and speculation that President Joe Biden's administration might release oil from the U.S. Strategic Petroleum Reserve to cool prices. On a weekly basis, Brent fell 0.7%, while WTI declined 0.6%. The Organization of the Petroleum Exporting Countries (OPEC) on Thursday cut its world oil demand forecast for the fourth quarter by 330,000 barrels per day (bpd) from last month's forecast as high energy prices hampered economic recovery from the COVID-19 pandemic. OPEC, Russia and allies, together known as OPEC+, agreed last week to stick to plans to add 400,000 bpd to the market each month.



Technical:

Oil prices post third weekly drop after volatile week, next level to watch 80.00.

Support:

80.75 = Sep 2021 High

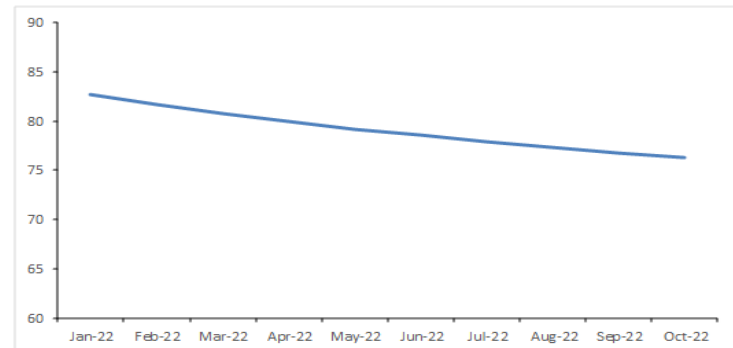
77.84 = Jul 2021 High

Resistance:

86.70 = Oct 2021 High

96.30 = Jul 2012 Low

Futures Curve

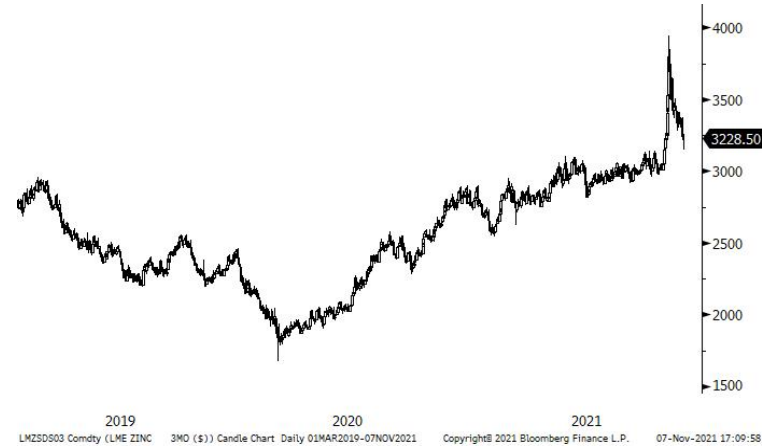


LME Zinc

Last Price

USD **3,228.50**/Tons

The most-traded SHFE 2112 zinc closed down 0.83% or 195 yuan/mt at 23185 yuan/mt, with open interest down 4296 lots to 65078 lots. On the macro front, the National Development and Reform Commission said that it will promote the construction of specialised transportation channels of coal, iron ore, oil, etc. While DCE announced that it will have strict sample inspections on the futures businesses and goods storage of designated deliverable warehouses. On the fundamentals, the zinc ingot inventory across seven markets in China totalled 131,300 mt as of Friday, up 3,500 mt from Monday, indicating weak spot transactions after zinc prices rose. And the rising inventory also rendered pessimistic sentiment to the market. But the short supply sustained amid rising costs in transportation and smelting. Thus the market shall still watch the changes in inventory.



Technical:

Shanghai Nonferrous Metals Closed Mostly with Gains amid Loosening House Loans, next level to watch 3,400.00.

Support:

3,117.50 = Sep 2021 High

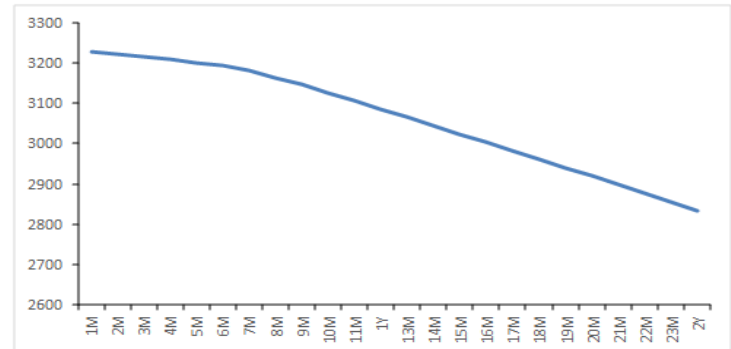
3,095.00 = Jun 2021 High

Resistance:

3,373.00 = Nov 2021 High

3,655.50 = Oct 2021 High

LME Zinc Forward Curve

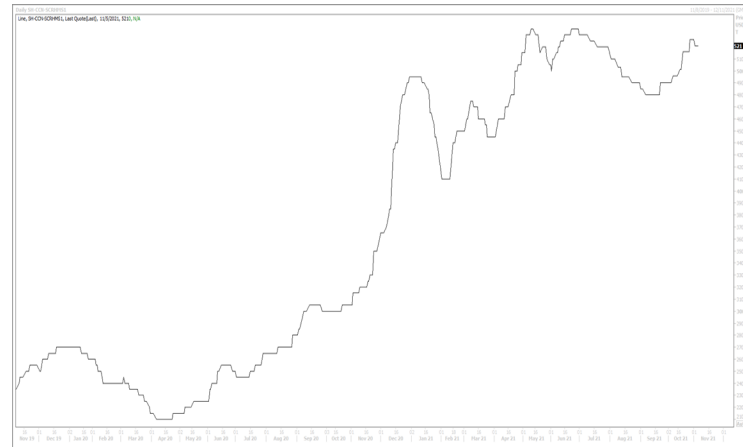


Scrap Steel

Last Price

USD **521.00**/Tons

A wide gap between bids and offers in the major deep-sea markets for ferrous scrap prevented deals being made for much of the week ended Friday November 12. Turkey steelmakers struggle to buy December-delivery scrap. US suppliers resist lower bids amid tight supplies. Vietnam quiet amid volatile markets. Bids, offers remain far apart in cfr China market. Taiwan buyers pause purchases of scrap. Indian scrap prices dip with Pakistan market becoming more attractive. Bangladeshi steelmakers have largely opted to stay away from buying in the scrap import market this week in the hope that prices will continue to fall. Domestic shipbreaking scrap prices were heard at 54,000-55,500 taka (\$619-636) per tonne ex yard this week, up from 53,500-54,700 taka per tonne last week.



Technical:

Limited trade in major steel scrap markets amid wide bid-offer gaps, next level to watch 550.00.

Support:

490.00 = Aug 2021 Low

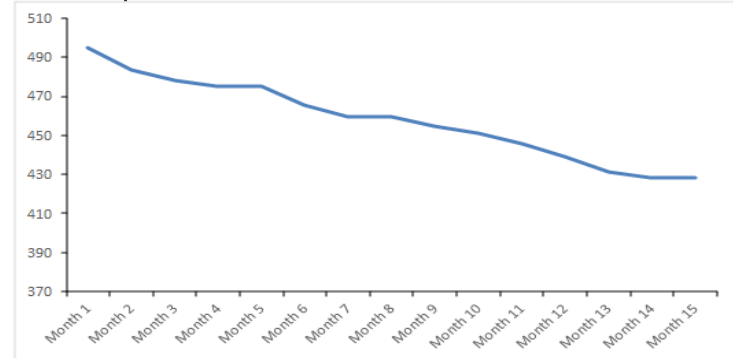
445.00 = Apr 2021 Low

Resistance:

565.00 = Sep 2008 High

620.00 = Apr 2008 High

LME Scrap Steel Forward Curve



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