



Commodities Weekly

Issue 43-2021

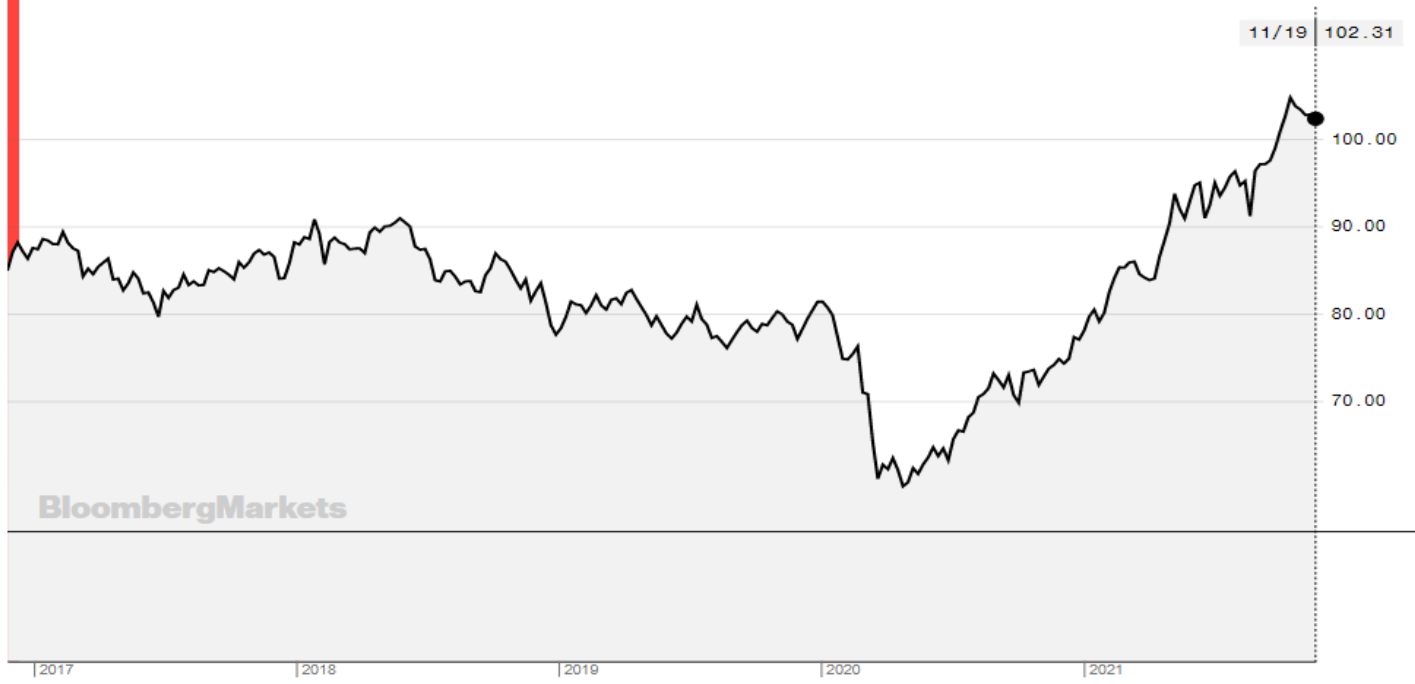
Date: 23 Nov 2021

Bloomberg Commodity Index

102.31 USD -0.24 -0.23% ▼

























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

Q Add a comparison



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	823.00	 0.73%	 11.03%	 28.49%
Page 5	Sugar	19.99	 0.10%	 5.54%	 29.05%
Page 6	Soybean	1,263.25	 2.37%	 3.21%	 3.95%
Page 7	Cotton	119.22	 1.30%	 12.32%	 52.61%
Page 8	Steel	1,800.00	 0.66%	 5.36%	 79.10%
Page 9	Brent Crude	78.89	 3.99%	 6.76%	 52.30%
Page 10	LME Zinc	3,238.00	 0.90%	 5.58%	 17.70%
Page 11	Scrap Steel	506.00	 2.88%	 1.94%	 2.22%

Wheat

Last Price

USc **823.00**/BSH

U.S. wheat futures rose on Friday, with strong buying interest by importers keeping prices near the multi-year highs hit earlier this week. Chicago Board of Trade December soft red winter wheat [WZ1](#) was up 3-3/4 cents at \$8.23-3/4 a bushel. Two importer groups in the Philippines are tendering to purchase at least 130,000 tonnes of animal feed wheat, European traders. The International Grains Council on Thursday cut its forecast for 2021/22 global wheat production, underscoring concern about dwindling stocks. Heavy rains in Australia have added to supply worries by threatening to damage what has been forecast as a bumper harvest that would help replenish export availability.



Technical:

Wheat firms as export market remains hot. Next level to watch 841.00.

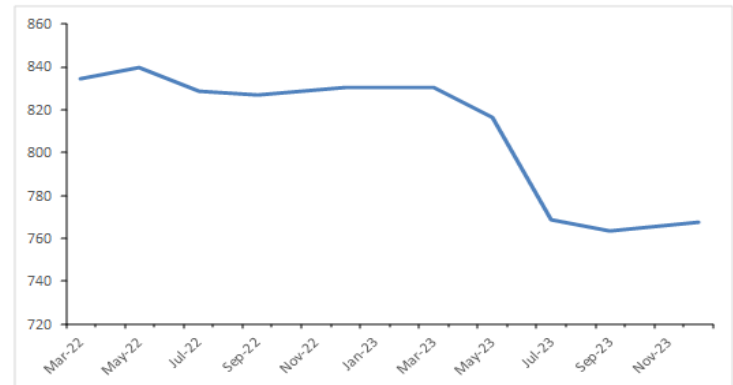
Support:

780.00 = Oct 2021 High
 732.75 = Sep 2021 High

Resistance:

841.00 = Aug 2010 High
 904.25 = Oct 2012 High

Futures Curve



Sugar

Last Price USc **19.99**/LBS

March raw sugar [SBc1](#) closed 1.1% down at 20.18 cents per lb, after peaking at 20.69 cents, the highest level for the front month since February 2017. Tightening supplies, with a second successive global deficit widely forecast for the current 2021/22 season, continued to support prices while supply chain issues linked partly to the COVID-19 pandemic had increased the appetite to hold stocks. The International Sugar Organization, in a quarterly update, said the pandemic had changed perceptions around holding stocks of the sweetener. Rains are expected to return to Brazil's sugar belt in coming days. March white sugar [LSUc1](#) fell 1.5% to \$516.60 a tonne.



Technical:

Sugar closed lower, next level to watch 19.00.

Support:

17.98 = Apr 2021 High

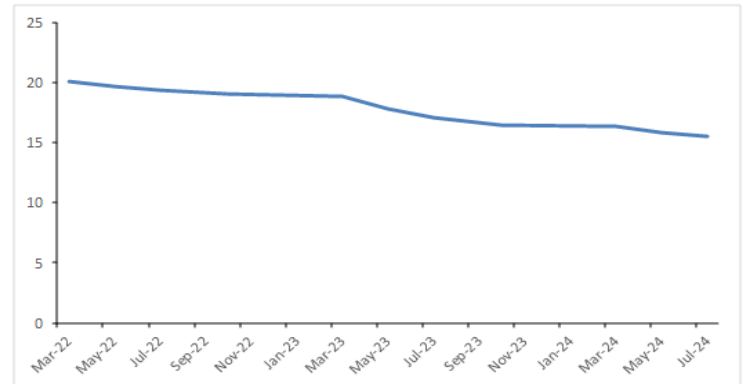
17.74 = Aug 2021 Low

Resistance:

20.37 = Aug 2021 High

21.49 = Oct 2017 High

Futures Curve



Soybean

Last Price USc **1,263.25**/BSH

U.S. soybean futures weakened on Friday, pressured by sharp declines in the price of crude oil. Strong demand from domestic processors limited the declines in the soy market. The weakness in crude oil also pressured soyoil futures while soymeal firmed on a round of long soymeal/short soyoil spreading. Chicago Board of Trade January soybean futures [SF2](#) settled down 2 cents at \$12.63 -1/4 a bushel. For the week, soybeans were up 1.5%. CBOT January soymeal [SMF2](#) closed up \$1.00 at \$364.60 and posted a weekly gain of 2.2%. CBOT January soyoil [BOF2](#) was down 1.12 cents at 58.06 cents per lb. It fell 1.3% this week.



Technical:

CBOT soybeans weaken as crude oil futures plunge, next level to watch 1,270.00.

Support:

1,171.25 = Nov 2021 Low

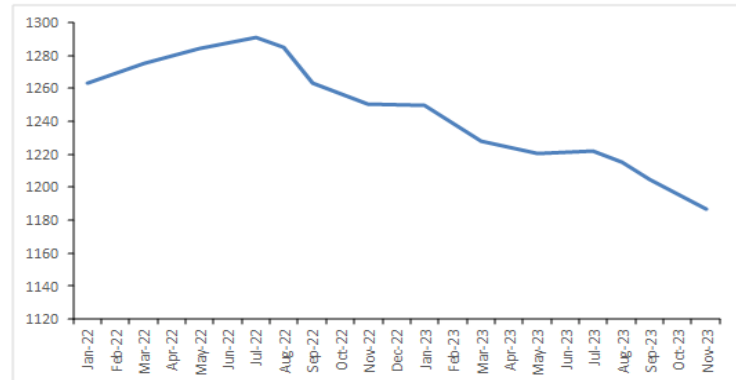
1,142.50 = Dec 2020 Low

Resistance:

1,262.50 = Oct 2021 High

1,308.00 = Sep 2021 High

Futures Curve



Cotton

Last Price

USc **119.22**/LBS

Cotton futures rose on Friday, and were headed for a fifth straight week of gains, bolstered by solid demand for the relatively cheaper U.S. cotton as prices in top consumer China remained elevated. The March cotton contract CTH2 rose 1.02 cents, or 0.9%, at 116.16 cents per lb by 11:20 a.m. ET (16:20 GMT). Prices traded within a range of 114.7 and 116.56 cents a lb. The U.S. Department of Agriculture (USDA) weekly export sales report on Thursday showed net sales of 136,700 running bales for 2021/2022, up 7% from the previous week, but down 46% from the prior four-week average. [EXP/COT](#) The March contract has gained nearly 1% this week. Total futures market volume fell by 17,692 to 13,666 lots. Data showed total open interest declined 4,273 to 265,028 contracts in the previous session.



Technical:

Cotton heads for 5th straight weekly gain as demand accelerates, next level to watch 128.00.

Support:

107.80 = Sep 2021 High

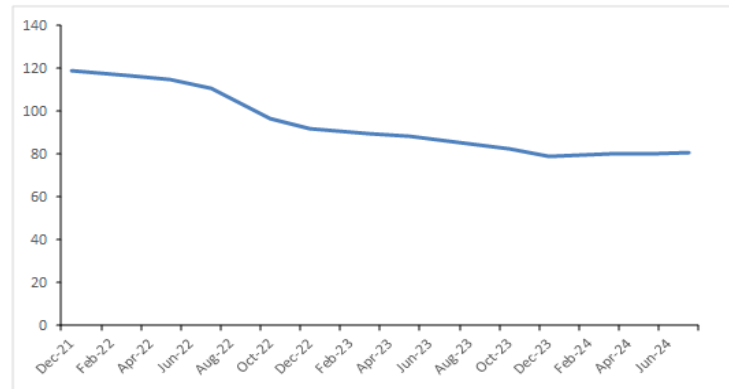
97.35 = Mar 2014 High

Resistance:

128.00 = Dec 2010 Low

139.61 = Jan 2011 Low

Futures Curve



Steel

Last Price USD **1,800.00**/ tons

Dalian iron ore edged lower in range-bound trade on Friday, hitting its lowest in more than a year on worries that weak demand for the steelmaking ingredient in China, the world's biggest steel producer, will persist beyond 2021. Steel mills' operations in China are expected to remain restricted before and during the Beijing Olympics in February to clear smog-laden skies. China's resolve to limit its [steel output](#) in line with its decarbonisation goals has resulted in a steady decline in monthly production between July and October, triggering a collapse in iron ore demand. China has also been restricting [electricity consumption](#) by the steel industry, to ensure steady supply ahead of winter. Construction steel rebar on the Shanghai Futures Exchange [SRBcv1](#) slipped 0.1%, hovering near an 11-month low, while hot-rolled coil [SHHCcv1](#) shed 1.3%, down for a fifth straight session.

Technical:

China iron ore hits one-year low on weak demand concerns. Next level to watch 1,830.00.

Support:

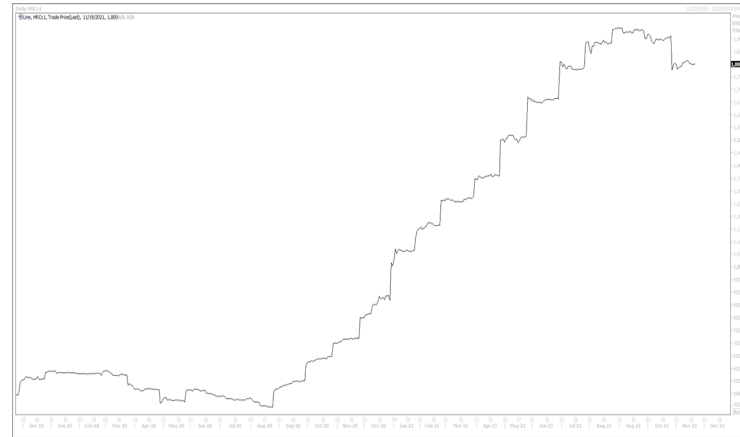
1,775.00 = Oct 2021 Low

1,680.00 = May 2021 High

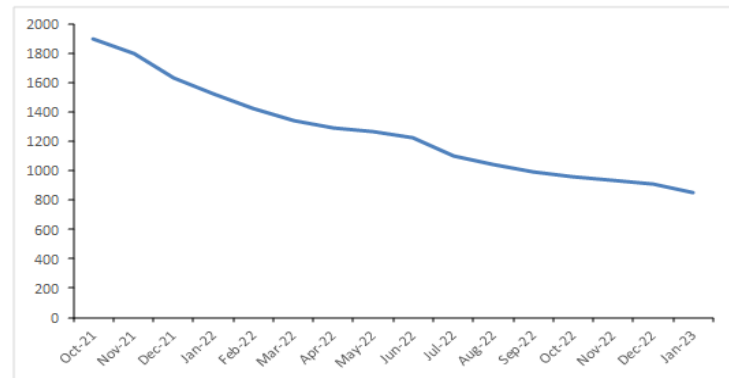
Resistance:

1,829.00 = Aug 2021 Low

1,895.00 = Sep 2021 Low



Futures Curve of SHFE Steel Futures



Brent Crude

Last Price

USD **78.89**/BBL

Oil prices fell about 3% to below \$80 a barrel on Friday as surging COVID-19 cases in Europe threatened to slow the economic recovery while investors also weighed a potential release of crude reserves by major economies to cool prices. Brent [LC0c1](#) futures for January fell \$2.35, or 2.9%, to settle at \$78.89 a barrel. U.S. West Texas Intermediate (WTI) crude for December [CLc1](#) fell \$2.91, or 3.6%, to \$76.10 on its last day as the front-month. WTI for January [CLc2](#), which will soon be the U.S. front-month, was down about \$2.65, or 3.4%, to \$75.78. Brent has surged almost 60% this year as economies have bounced back from the pandemic and as the Organization of the Petroleum Exporting Countries (OPEC) and allies, known as OPEC+, have only raised output gradually. OPEC+ has stuck to its policy of gradual oil output increases even as prices surged, saying it expects supply to outpace demand in the first months of 2022.



Technical:

Oil dives 3% to below \$80/bbl on resurgent pandemic in Europe, next level to watch 80.00.

Support:

80.75 = Sep 2021 High

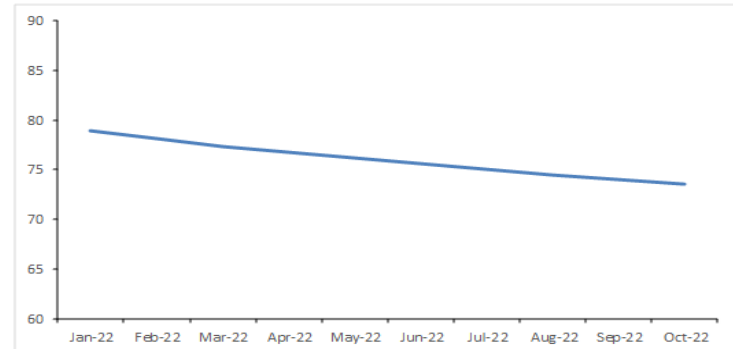
77.84 = Jul 2021 High

Resistance:

86.70 = Oct 2021 High

96.30 = Jul 2012 Low

Futures Curve

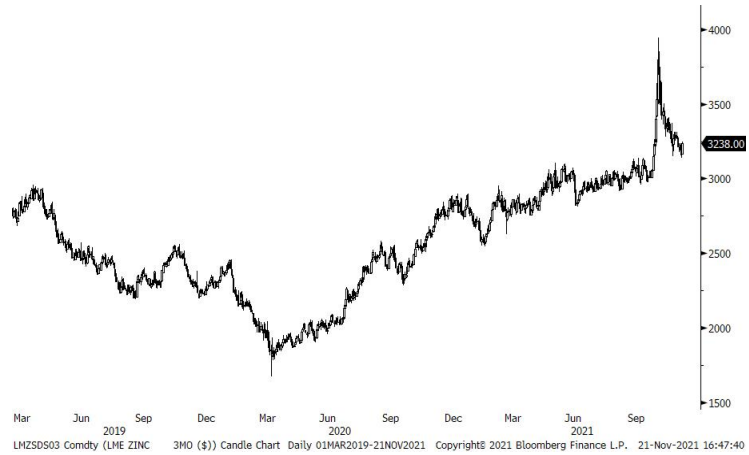


LME Zinc

Last Price **USD 3,238.00/Tons**

The most-traded SHFE 2201 zinc closed up 0.97% or 220 yuan/mt at 22810 yuan/mt, with open interest down 11122 lots to 81904 lots.

SHFE zinc moves shadowed SHFE aluminium which rose amid news of falling supply. On the fundamentals, SHFE zinc inventory dropped 5619 mt on the week, and totalled 128,700 mt across seven major markets in China; the inventory declined 6,500 from Monday. The downstream actively purchased on dips, boosting market sentiment. While the zinc prices still lack upside momentum in the long run amid ample supply.



Technical:

Zinc Closed with Gains amid Correcting US Dollar , next level to watch 3,300.00.

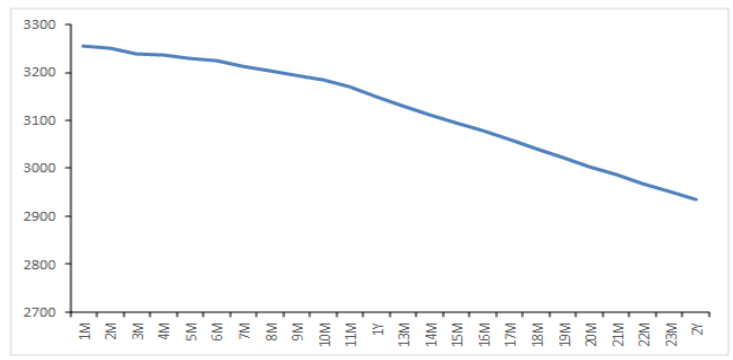
Support:

- 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

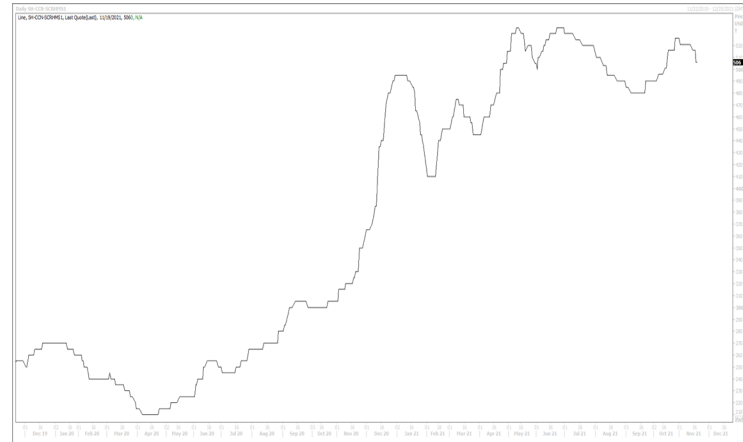


Scrap Steel

Last Price

USD **506.00**/Tons

Importers of ferrous scrap were lured back to market in the week ended Friday November 19 by lower prices, which were precipitated by a period of lackluster buying activity. Turkish mills' import prices rebounded by the week's end after deals at lower prices. US sales halted with exporters reluctant to reduce their selling prices. Vietnamese buyers were actively seeking more material after one bulk purchase. Chinese steelmakers lowered their buying prices amid negligible demand. Taiwanese buyers returned to market in hopes of securing scrap at lower prices. Indian and Pakistani prices slumped, with demand weak.



Technical:

Price dips tempt buyers back to steel scrap export markets, next level to watch 520.00.

Support:

490.00 = Aug 2021 Low

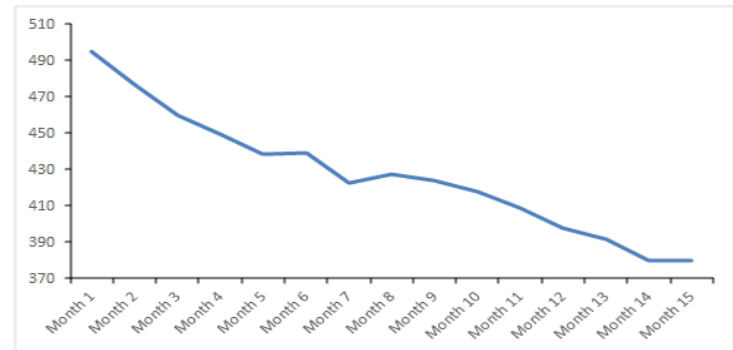
445.00 = Apr 2021 Low

Resistance:

565.00 = Sep 2008 High

620.00 = Apr 2008 High

LME Scrap Steel Forward Curve



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