



Commodities Weekly

Issue 44-2021

Date: 05 Dec 2021

Bloomberg Commodity Index

95.79 USD +0.68 +0.71% ▲

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
























Q Add a comparison



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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	794.50	 5.05%	 3.65%	 24.04%
Page 5	Sugar	18.75	 5.92%	 5.97%	 21.05%
Page 6	Soybean	1,267.25	 0.06%	 6.29%	 3.65%
Page 7	Cotton	109.30	 9.20%	 6.48%	 39.91%
Page 8	Steel	1,615.00	 2.77%	 9.78%	 60.70%
Page 9	Brent Crude	69.88	 15.04%	 15.54%	 34.90%
Page 10	LME Zinc	3,161.50	 1.02%	 2.08%	 14.92%
Page 11	Scrap Steel	496.00	0.00%	 4.80%	 0.20%

Wheat

Last Price USc **794.50**/BSH

Chicago wheat futures slid once again on Friday, after a volatile week in which prices plunged on investor fears about the economic impact of the Omicron variant of COVID-19. CBOT March soft red winter wheat [WH2](#) settled the day down 11-1/4 cents at \$8.03-3/4 a bushel. The contract posted a weekly loss of 6.27%. K.C. March hard red winter wheat [KWH2](#) ended down 18 cents at \$8.24-1/4 a bushel. MGEX March spring wheat [MWEH2](#) was up 22-1/2 cents at \$10.20-3/4 a bushel. U.S. employment growth slowed considerably in November amid a tight labor supply. Russia is considering setting its grain export quota at 14 million tonnes, including 9 million tonnes of wheat, for Feb. 15-June 30.



Technical:

CBOT wheat continues slides on virus fears, global supply questions. Next level to watch 800.00.

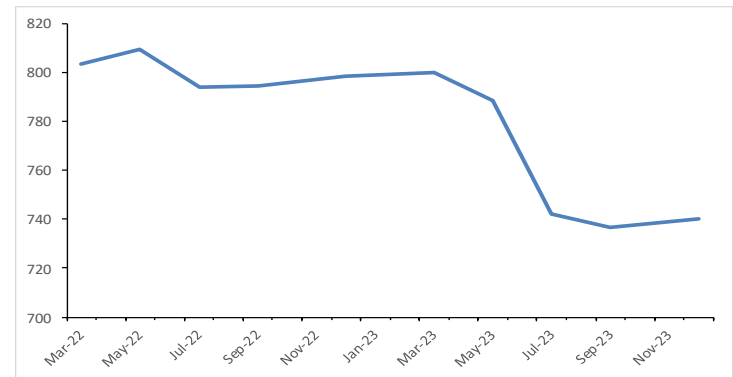
Support:

- 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 **18.75**/LBS

Raw sugar futures on ICE were higher on Friday, pulling away from the prior session's four-month low. March raw sugar [SBc1](#) rose 1% to 18.81 cents per lb by 1252 GMT. The market had dipped to a four-month low of 18.46 cents during the previous session. There appeared to be solid support around 18.50 cents, a level likely to deter exports from India. Gains in energy markets on Friday were also supportive with sugar and biofuel ethanol alternative uses for sugar cane, particularly in Brazil. March white sugar [LSUc1](#) rose 0.7% to \$488.20 a tonne.



Technical:

Raw sugar futures rise, next level to watch 19.00.

Support:

17.98 = Apr 2021 High

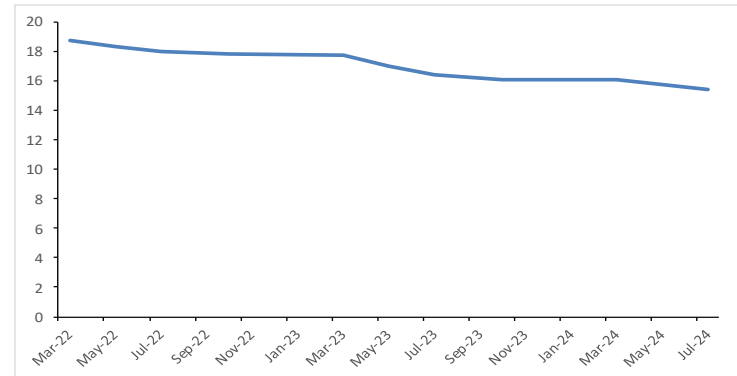
17.74 = Aug 2021 Low

Resistance:

20.37 = Aug 2021 High

21.49 = Oct 2017 High

Futures Curve



Soybean

Last Price USc **1,267.25**/BSH

SOYBEANS - Up 15 to 17 cents per bushel. Soybeans seen higher for the third day in a row, supported by strong domestic crush and string of export deals this week. [GRA/TEND](#) Private exporters reported the sale of 122,000 tonnes of soybeans to unknown destinations. CBOT January soybeans broke through technical resistance at the 10-day and 50-day moving averages overnight. January soybeans [SF2](#) last traded up 16 cents at \$12.60-1/4 per bushel.



Technical:

CBOT Soybeans up 15-17 cents, next level to watch 1,270.00.

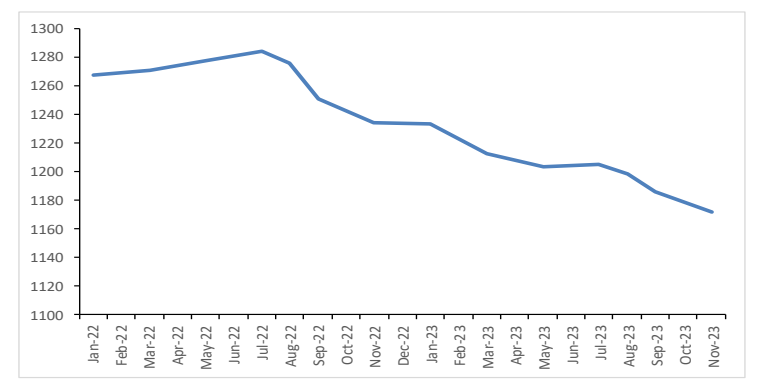
Support:

- 1,171.25 = Nov 2021 Low
- 1,142.50 = Dec 2020 Low

Resistance:

- 1,308.00 = Sep 2021 High
- 1,321.50 = Dec 2020 High

Futures Curve



Cotton

Last Price

USc **109.30**/LBS

ICE cotton futures bounced over 1% on Friday as mills took advantage of a recent price drop to buy the natural fiber, which also drew support from a rebound in wider commodity markets. The second month contract on ICE futures [CTc2](#) rose 1.30 cent, or 1.3%, at 105.06 cents per lb by 10:42 a.m. Total futures market volume fell by 28,834 to 9,956 lots. Data showed total open interest fell 2,108 to 238,969 contracts in the previous session. Certificated cotton stocks [CERT-COT-STX](#) deliverable as of Dec. 2 totaled 4,200 480-lb bales, up from 3,700 in the previous session.



Technical:

ICE cotton gains as mills lap up lower prices, next level to watch 120.00.

Support:

107.80 = Sep 2021 High

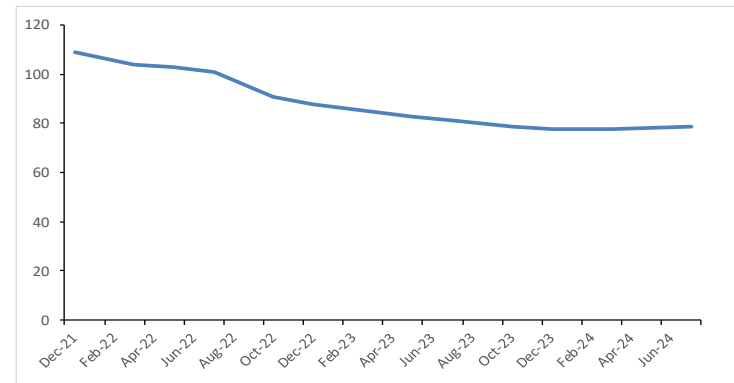
97.35 = Mar 2014 High

Resistance:

128.00 = Dec 2010 Low

139.61 = Jan 2011 Low

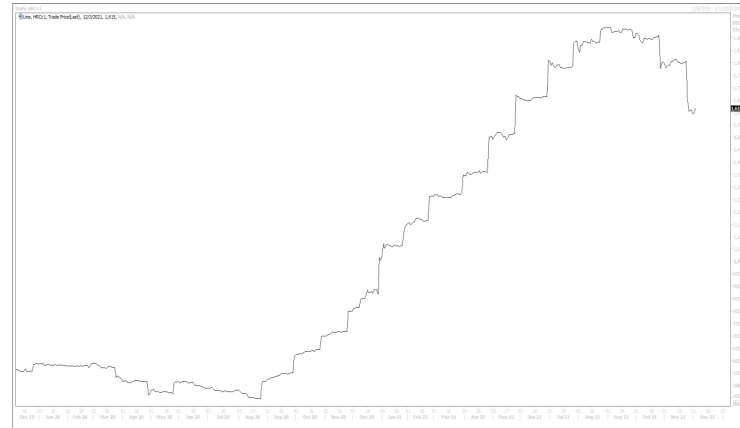
Futures Curve



Steel

Last Price USD **1,615.00**/ tons

Benchmark iron ore futures in China dropped on Friday, shedding more than 5% during the trade, as production at steel mills stayed sluggish amid government curbs. Capacity utilisation rates of blast furnaces at 247 steel firms across China declined for the seventh straight week and stood at 74.8%, as of Friday, down from 75.2% a week earlier. Spot prices of iron ore with 62% iron content for delivery to China [SH-CCN-IRNOR62](#) fell \$1 to \$104.5 a tonne on Thursday. Prices for other steelmaking ingredients at close recouped early losses. Steel prices on the Shanghai Futures Exchange were mixed. Construction rebar [SRBcv1](#) increased 2.1% to 4,384 yuan per tonne and hot-rolled coils [SHHCcv1](#) rose 1.6% to 4,769 yuan a tonne. Stainless steel futures on the Shanghai bourse [SHSScv1](#), for January delivery, inched 0.7% lower to 16,860 yuan per tonne.



Technical:

China iron ore futures fall as utilisation rates slip for seventh week. Next level to watch 1,630.00.

Support:

1505.00 = Apr 2021 High

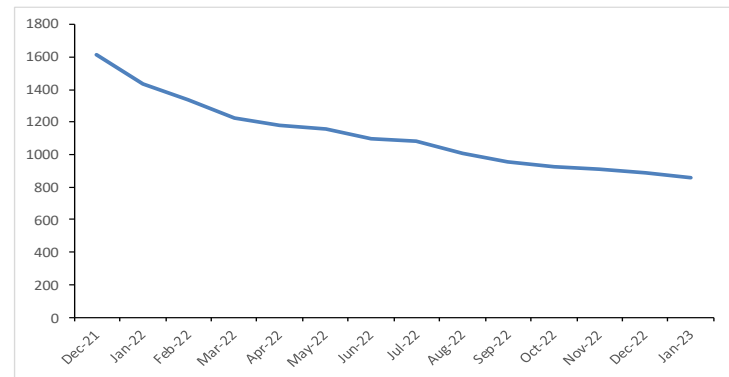
1485.00 = May 2021 Low

Resistance:

1,680.00 = May 2021 High

1,775.00 = Oct 2021 Low

Futures Curve of SHFE Steel Futures



Brent Crude

Last Price

USD **69.88**/BBL

Crude prices ended little changed on Friday after erasing earlier big gains on growing worries that [rising coronavirus cases](#) and a new variant could reduce global oil demand. Earlier in the day, oil prices climbed more than \$2 a barrel after producer group OPEC+ said it could review its policy to hike output at short notice if a rising number of pandemic lockdowns chokes off demand. Brent futures [LCOc1](#) rose 21 cents, or 0.3%, to settle at \$69.88 a barrel, while U.S. West Texas Intermediate (WTI) crude [CLc1](#) ended 24 cents, or 0.4%, lower at \$66.26. Both benchmarks declined for a sixth week in a row for the first time since November 2018, and both remained in technically oversold territory for a sixth straight day for the first time since September 2020. Separately, global markets should not expect more oil from Iran in the near future.



Technical:

Oil steadies, paring gains as rising COVID cases spur demand worries, next level to watch 80.00.

Support:

67.70 = Feb 2021 High

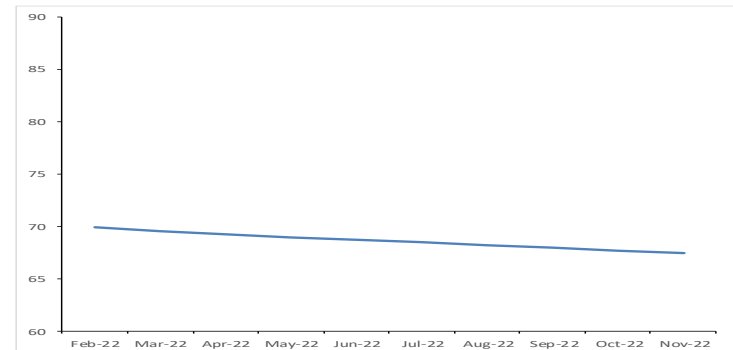
57.23 = Sep 2019 Low

Resistance:

77.84 = Jul 2021 High

80.75 = Sep 2021 High

Futures Curve

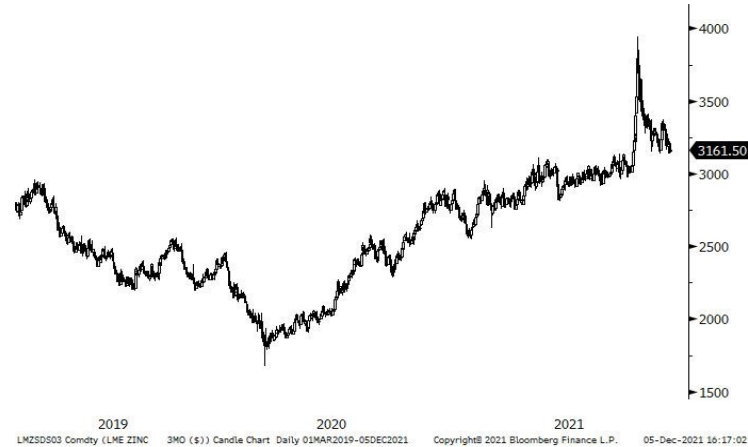


LME Zinc

Last Price

USD **3,161.50**/Tons

The most-traded SHFE 2201 zinc closed down 0.87% or 200 yuan/mt at 22895 yuan/mt, with open interest down 2656 lots to 75141 lots. The overseas COVID variant omicron, first spotted in South Africa with the first known case confirmed in California, US, has weighed on market sentiment, though bullish factors from overseas markets, including energy crisis and historical low LME inventory, still existed. In China, the expected falling TCs indicated that ore supply has been shrinking. And the production of some manufacturers in north China was restricted by environmental protection policies. While the demand side posed no surprises. In other words, the domestic zinc market has been weak both in demand and supply.



Technical:

Shanghai Nonferrous Metals All Closed with Losses amid Spreading COVID Variant, next level to watch 3,200.00.

Support:

3,117.50 = Sep 2021 High

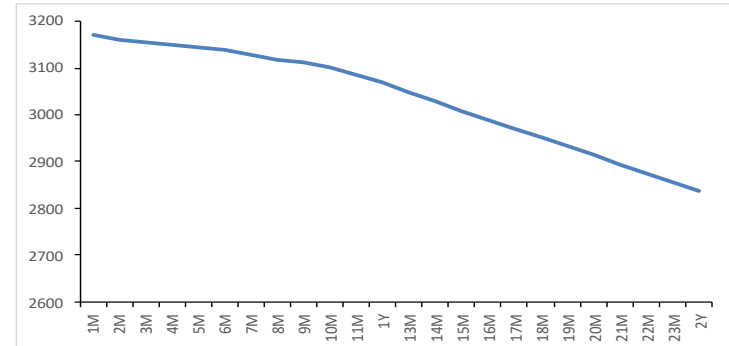
3,095.00 = Jun 2021 High

Resistance:

3,373.00 = Nov 2021 High

3,655.50 = Oct 2021 High

LME Zinc Forward Curve



Scrap Steel

Last Price

USD **496.00**/Tons

Prices across most major steel scrap markets moved downward in the week ended Friday December 3 amid the weakening of the Turkish lira and poor sentiment in several key buying nations, with the end of the year fast approaching. Turkish steelmakers shy away from market after early week deals. US exporters close deals at lower prices and the Vietnamese import demand wanes amid lack-luster billet sales. China local scrap demand inches up, but no import activity is there, while Taiwan market moves up on bullish sell-side. On the other hand, Indian steel scrap import sentiment takes hit.

Technical:

Sentiment weakens across most major steel scrap markets, next level to watch 500.00.

Support:

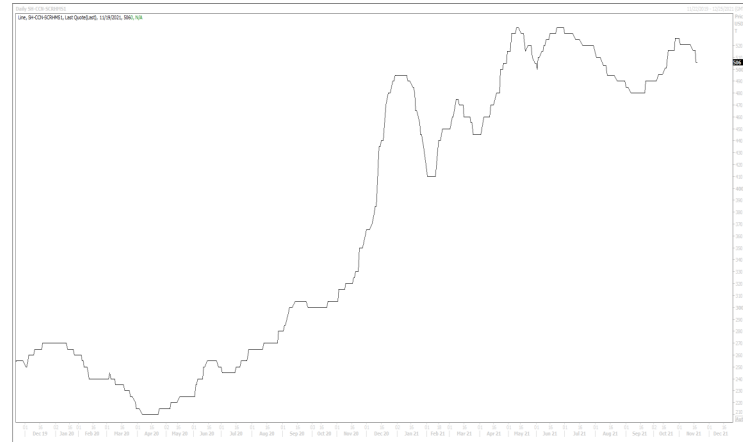
490.00 = Aug 2021 Low

445.00 = Apr 2021 Low

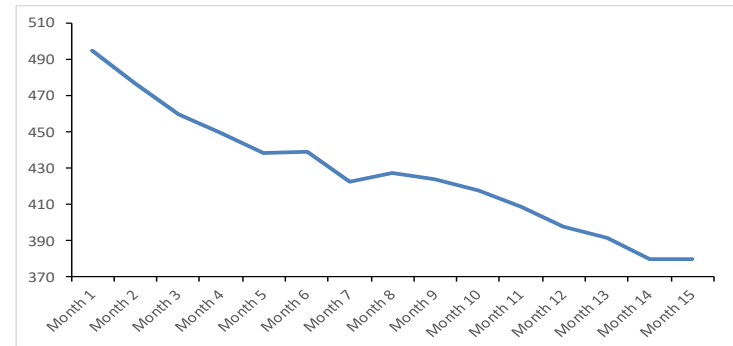
Resistance:

565.00 = Sep 2008 High

620.00 = Apr 2008 High



LME Scrap Steel Forward Curve



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