



# Commodities Weekly

Issue 47-2021

Date: 28 Dec 2021

# Bloomberg Commodity Index

**98.90** USD +0.17 +0.18% ▲

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(%)
<a href="#">Page 4</a>	Wheat	814.75	▲ 5.13%	▼ 0.28%	▲ 27.21%
<a href="#">Page 5</a>	Sugar	19.24	▲ 0.68%	▼ 3.85%	▲ 24.21%
<a href="#">Page 6</a>	Soybean	1,332.00	▲ 3.64%	▲ 7.94%	▲ 1.27%
<a href="#">Page 7</a>	Cotton	109.12	▲ 1.70%	▼ 7.28%	▲ 39.68%
<a href="#">Page 8</a>	Steel	1,616.00	▼ 1.88%	▼ 10.82%	▲ 60.80%
<a href="#">Page 9</a>	Brent Crude	76.14	▲ 3.56%	▼ 7.34%	▲ 46.99%
<a href="#">Page 10</a>	LME Zinc	3,519.00	▲ 3.90%	▲ 10.18%	▲ 27.92%
<a href="#">Page 11</a>	Scrap Steel	473.00	▼ 0.63%	▼ 9.21%	▼ 4.44%

# Wheat

Last Price

USc **814.75**/BSH

U.S. wheat futures ended higher on Thursday on robust global demand and concerns about poor crop weather in America's breadbasket. CBOT March soft red winter wheat [WH2](#) edged up 3/4-cent to \$8.14-3/4 per bushel. The most-active contract [Wv1](#) reached its highest price since Dec. 3 at \$8.20-1/2 before trimming gains. K.C. March hard red winter wheat [KWH2](#) ended up 7-3/4 cents at \$8.61-1/2 a bushel. MGEX March spring wheat [MWEH2](#) advanced 7-1/4 cents to finish at \$10.35. On the U.S. Plains, record-setting warmth and dry, breezy conditions will further reduce topsoil moisture in key winter wheat production areas, the U.S. Department of Agriculture said in a daily weather report.



Futures Curve



**Technical:**

Wheat futures reach three-week high on global demand. Next level to watch 850.00.

**Support:**

751.00 = Dec 2021 Low

712.75 = Oct 2021 Low

**Resistance:**

863.25 = Nov 2021 High

919.50 = Nov 2012 High

# Sugar

Last Price

USc **19.24**/LBS

March raw sugar [SBc1](#) settled down 0.02 cents, or 0.1%, at 19.24 cents per lb. It earlier rose to 19.38 cents per lb, boosted partly by revived risk appetite across markets on hopes that the Omicron coronavirus variant may be less severe than feared. [MKTS/GLOB](#). New York-based raw sugar futures markets are shut on Friday and will open later than normal on Monday, while London-based white sugar futures will be shut until Tuesday. March white sugar [LSUc1](#) settled up \$0.40, or 0.1%, at \$503.30 a tonne.



## Technical:

Sugar futures close lower, next level to watch 19.50.

## Support:

18.55 = Nov 2021 High

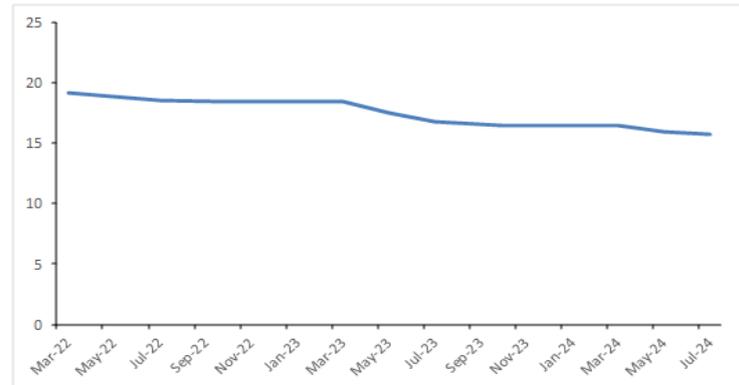
17.98 = Apr 2021 High

## Resistance:

19.90 = Dec 2021 High

20.37 = Aug 2021 High

## Futures Curve



# Soybean

Last Price USc **1,332.00**/BSH

Increasing concerns about hot, dry weather threatening crops in South America lifted Chicago Board of Trade soybean futures to their highest price since August. Growers are concerned about the La Nina climate phenomenon, which typically brings dryness to Argentina's Pampas and parts of Brazil. However, La Nina-related dryness should disappear by next month, said Cristian Russo, an agronomist at the Rosario grains exchange in Argentina. CBOT January soybeans [SF2](#) settled up 3-1/4 cents at \$13.32 per bushel. March soybeans [SH2](#) rose 5-3/4 cents to end at \$13.40-3/4 a bushel and hit the highest price for a most-active contract [Sv1](#) since Aug. 19. CBOT January soyoil [BOF2](#) ended up 0.61 cent at 55.44 cents per pound, while January soymeal [SMF2](#) jumped \$3.3 to close at \$406.1 per short ton.



## Technical:

Soybeans rise to loftiest price since August, next level to watch 1,400.00.

## Support:

1,262.50 = Oct 2021 High

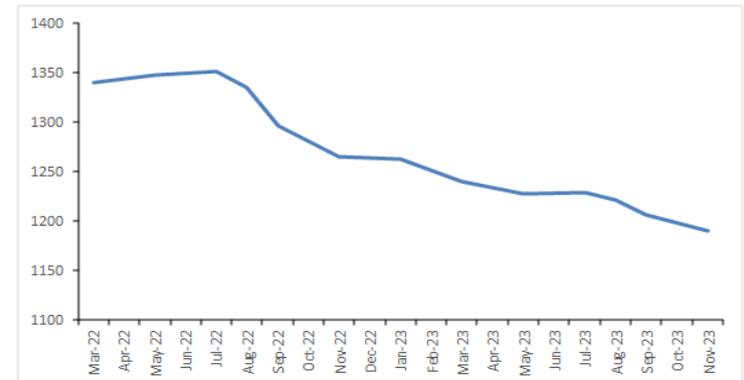
1,216.25 = Dec 2021 Low

## Resistance:

1,438.25 = Jan 2021 High

1,480.00 = Jul 2021 High

## Futures Curve



# Cotton

Last Price

USc **109.12**/LBS

ICE cotton futures rose on Thursday and were on track for a third straight weekly gain on strong demand outlook for the natural fiber as worries over the Omicron coronavirus variant eased. The cotton contract for March [C2H2](#) was up 0.57 cents, or 0.5%, at 109.40 cents. It traded within a range of 108.21 and 109.45 cents per lb. The contract posted a weekly gain of 2%. Total futures market volume fell by 7,695 to 6,499 lots. Data showed total open interest gained 2,344 to 232,268 contracts in the previous session.



## Technical:

Cotton posted third weekly rise as Omicron fears ease , next level to watch 110.00.

## Support:

105.01 = Dec 2021 Low

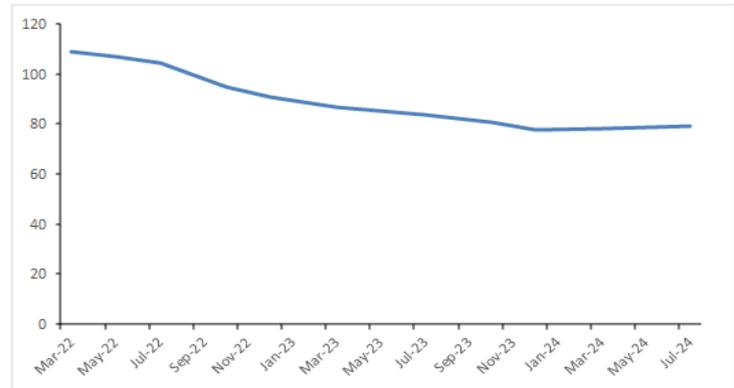
103.50 = Oct 2021 Low

## Resistance:

113.25 = Dec 2021 High

121.67 = Nov 2021 High

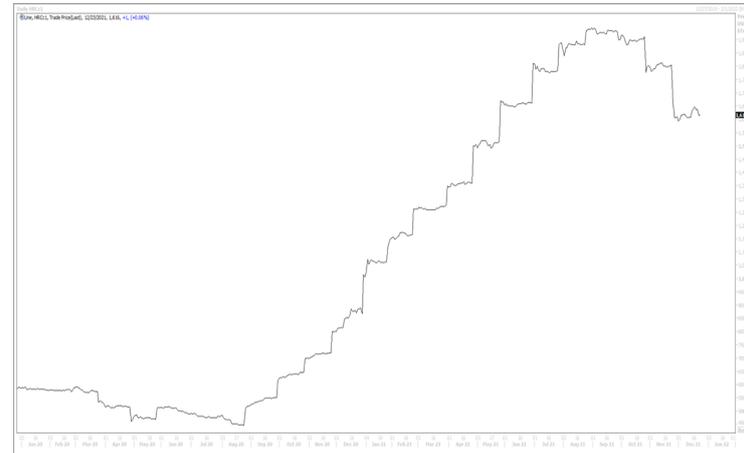
## Futures Curve



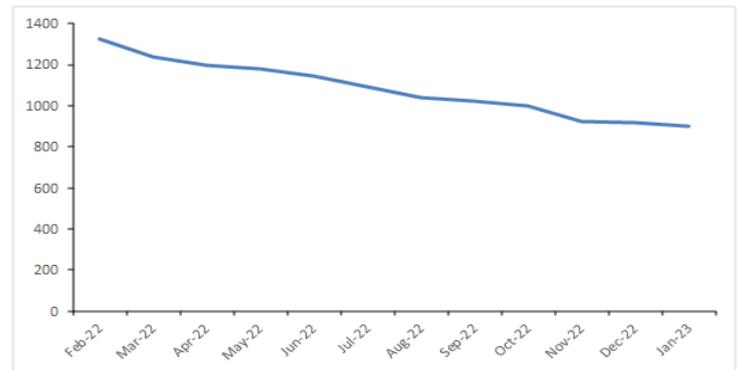
# Steel

Last Price USD **1,616.00**/ tons

Benchmark iron ore futures in China were set to gain for a fifth straight week, rising 4% on Friday on restocking demand at steel mills ahead of new year holidays. China's environment regulator helped boost sentiment with its spokesperson saying on Thursday that rumours about massive shutdown of industrial firms in northern area during the Winter Olympics were not true. The most actively traded iron ore futures on the Dalian Commodity Exchange [DCIOcv1](#) for May delivery surged as much as 4% to 714 yuan (\$112.09) per tonne. They were on course for a 5% rise this week. Spot prices of iron ore with 62% iron content for delivery to China, however, dipped \$2.5 to \$125 a tonne on Thursday, data from SteelHome consultancy showed. [SH-CCN-IRNOR62](#) Hot rolled coils [SHHCcv1](#), used in the manufacturing sector, advanced 1.4% to 4,620 yuan a tonne.



Futures Curve of SHFE Steel Futures



**Technical:**

iron ore futures posted gain for 5th week, up on restocking demand. Next level to watch 1,680.00.

**Support:**

1589.00 = Nov 2021 Low

1505.00 = Apr 2021 High

**Resistance:**

1,680.00 = May 2021 High

1,775.00 = Oct 2021 Low

# Brent Crude

Last Price

USD **76.14**/BBL

Brent crude futures snapped a three-day rally on Friday in light trading before the Christmas holidays, but the benchmark ended the week higher, with the market focusing on next steps by OPEC+ and the impact of the Omicron variant. Brent crude futures settled 71 cents lower at \$76.14 a barrel, rising by about 3% on the week. U.S. West Texas Intermediate crude futures ended up \$1.03 on Thursday, at \$73.79 a barrel, to rise 4.1% on the week. Oil prices have recovered this week as fears over the impact of the highly infectious Omicron variant on the global economy receded, with early data suggesting it causes a milder level of illness. However, some governments are imposing tighter travel restrictions to slow the spread of the variant, which could hit demand. Meanwhile, the Organization of the Petroleum Exporting Countries and allies including Russia, will meet on 4 January to decide whether to go ahead with a 400,000 barrels per day production increase in February.



## Technical:

Oil prices ease, focus shifts to next OPEC+ move, next level to watch 77.50.

## Support:

71.75 = Jan 2020 High

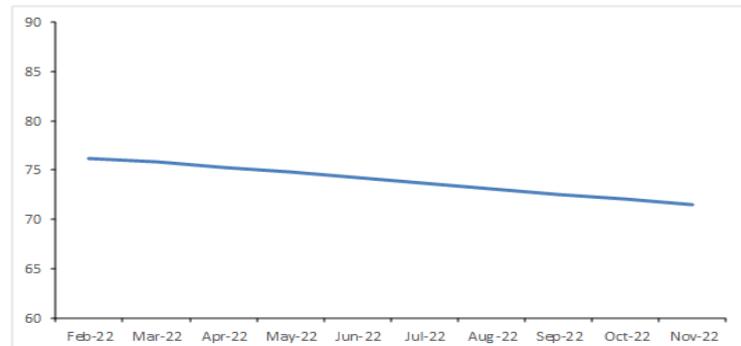
67.70 = Feb 2021 High

## Resistance:

77.84 = Jul 2021 High

80.75 = Sep 2021 High

## Futures Curve



# LME Zinc

Last Price

USD **3,519.00**/Tons

The most-traded SHFE 2202 zinc closed down 0.41% or 100 yuan/mt at 24320 yuan/mt, with open interest down 789 lots to 107710 lots. Overseas energy crisis remains as the driving force for SHFE zinc. Whether the overseas smelters will suspend their production amid surging electricity prices is currently the greatest influencing factor. Meanwhile, LME zinc inventory kept rising. The strength of LME zinc has pushed up the prices of SHFE zinc. On the demand side, the social zinc ingot inventory across seven major markets in China totalled 124,200 mt, flat from Monday and last Friday as the domestic market entered the seasonal low.



**Technical:**

Nonferrous Metals Closed Mixed ahead of the Christmas, next level to watch 3,550.00.

**Support:**

3,482.00 = Dec 2021 High

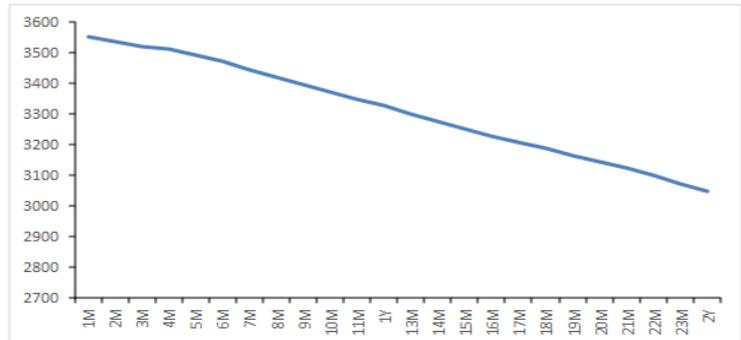
3,117.50 = Sep 2021 High

**Resistance:**

3,655.50 = Oct 2021 High

3,944.50 = Oct 2021 High

**LME Zinc Forward Curve**



# Scrap Steel

Last Price **USD 473.00**/Tons

Prices for shredded steel scrap imported into Pakistan and India dipped during the week to Friday December 24 amid quiet trading and poor global sentiment. The Turkish steel mills have ended the working week with four deep-sea cargo deals ahead of the end-year holiday period. A steel mill in the Iskenderun region booked a European cargo comprising HMS 1&2 (80:20) at \$453.75 per tonne and shredded and bonus at \$473.75 per tonne cfr. The UK light iron price ended the final assessment of the year unchanged for the fourth week in a row on Friday December 24, with no spot trading ahead of the holiday period and market participants focusing on contract business and exports.

**Technical:**

steel scrap prices edge down as markets slow, next level to watch 450.00.

**Support:**

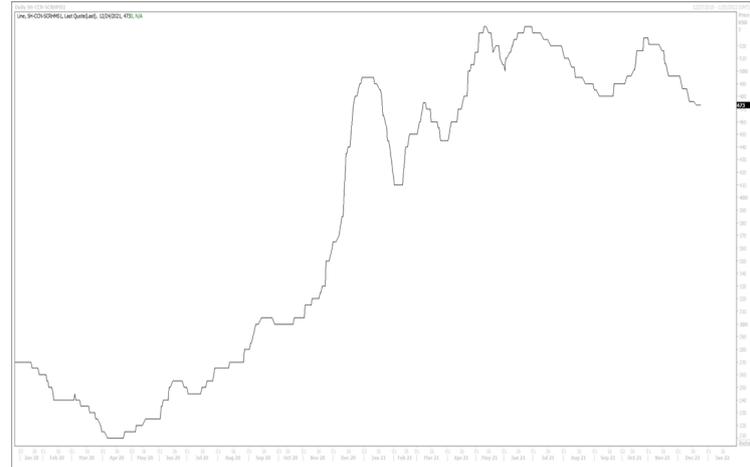
445.00 = Mar 2021 Low

410.00 = Feb 2021 Low

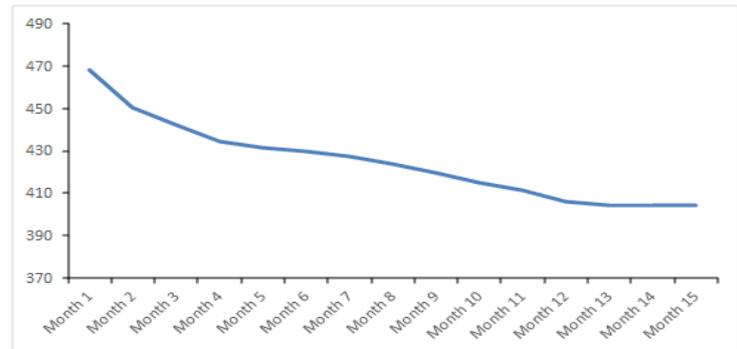
**Resistance:**

526.00 = Oct 2021 High

565.00 = Sep 2008 High



**LME Scrap Steel Forward Curve**



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