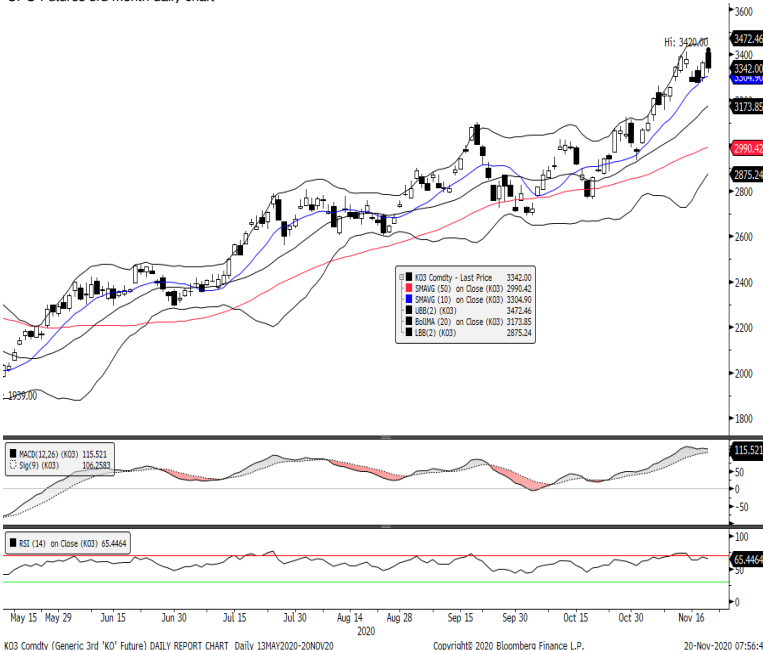


CPO Futures 3rd month daily chart



Preview

Fundamental

Malaysian palm oil futures reversed its early gains and closed 0.65% lower on Thursday, retreating from its highest level in 8 years on expectations of a slump in November export figures, while supply tightness concerns and strength in Dalian Commodity Exchange's rival edible oil capped losses. Globally, the West Texas Intermediate (WTI) crude oil slipped \$0.08, or 0.19% lower, and settled at \$41.74 per barrel, weighed down by bearish crude demand outlook following a surge in COVID-19 cases around the world which offset hopes for an effective vaccine to prevent the infections. Meanwhile, the CBOT soy oil contracts rallied and edged 0.40 higher to settle at 38.85 cents per pound on concerns over tighter global edible oil supplies despite improved weather in some dry areas of South America. Hence, palm oil futures prices are expected to trade range bound with slight upward bias today, drawing strength in overnight competing soy oil prices, while sentiments might be cautious ahead of today's November 1-20 export data.

Technical

Palm oil futures for the February contract traded higher in the early trading session on Thursday, before declined in the later session on anticipations of a sharp drop in November exports and weakness in CBOT rival soy oil prices during Asian trading hours. At the close, the February contract settled at 3,342 ringgit per tonne with losses of 22 points. Trading activities for the day can be depicted through the formation of a long black-bodied candlestick with short upper and lower wick, indicate that bears dragged the prices lower. Technical wise, MACD indicators remained issue a buy signal while RSI lingered on its neutral region. Therefore, expect palm oil futures prices to trade range bound with slight upward bias today on strength in overnight competing soy oil prices. The support and resistance for today can be pegged at 3,310 and 3,380 respectively.

Source: Bloomberg

Contract	ms	Sett	Chg	High	Low	Vol	Open Int	O/I chg	O/I chg Value USD	High	Low	Cash CPO (MYR/MT)	Last Bid	Last Offer	3m Chg	6m Chg		
DEC 20	3,538	-27	3,523	3,487	1,777	7,480	-1,352	-29.14 Mn	3,563	3,337	Dec20	3,550	3,600	34.9%	0.0%			
JAN 21	3,409	-19	3,400	3,351	13,742	36,016	-4,418	-91.75 Mn	3,413	3,154	Source: Reuters							
FEB 21	3,342	-22	3,328	3,278	18,201	45,576	371	7.55 Mn	3,333	3,070								
MAR 21	3,271	-23	3,240	3,195	4,852	30,219	1,032	20.56 Mn	3,238	2,994	Spreads							
APR 21	3,194	-20	3,140	3,095	3,526	21,449	63	1.23 Mn	3,138	2,927	Nov20-Dec20	N/A	N/A	0	26	135	-10	56
MAY 21	3,119	-20	3,046	3,009	2,648	18,413	-313	-5.95 Mn	3,049	2,868	Nov20-Jan21	N/A	N/A	-	-	333	83	152
JUN 21	3,047	-20	2,960	2,920	2,176	10,922	215	3.99 Mn	2,963	2,808	Dec20-Jan21	129	110	140	1,217	213	36	113
JUL 21	2,988	-12	2,884	2,840	1,496	9,663	111	2.02 Mn	2,887	2,750	Dec20-Feb21	196	-	-	-	-	-	-
AUG 21	2,932	-12	2,833	2,800	671	6,670	-114	-2.04 Mn	2,837	2,711	Jan20-Feb21	67	-	-	-	-	-	-
SEP 21	2,904	-9	2,809	2,771	535	7,983	-150	-2.65 Mn	2,813	2,695	Jan21-Mar21	138	-	-	-	-	-	-
OCT 21	2,885	-9	2,796	2,766	136	1,243	34	.6 Mn	2,807	2,693	Source: Bloomberg							
NOV 21	2,885	-9	2,800	2,771	283	2,731	-	-	2,811	2,687	Refiner's Margin (RBDPO - Cash CPO)							
JAN 22	2,898	-9	2,806	2,790	40	-	-	-	2,761	2,561	MYR 195							
MAR 22	2,870	-25	-	-	-	173	53	.93 Mn	2,661	2,520								
MAY 22	2,870	-25	-	-	-	-	0	. Mn	2,429	2,410								
JUL 22	2,870	-25	-	-	-	-	0	. Mn	-	-								
SEP 22	2,870	-25	-	-	-	-	0	. Mn	-	-								
NOV 22	2,870	-25	-	-	-	-	0	. Mn	-	-								
JAN 23	2,870	-25	-	-	-	-	0	. Mn	-	-								
MAR 23	2,870	-25	-	-	-	-	0	. Mn	-	-								
MAY 23	2,870	-25	-	-	-	-	0	. Mn	-	-								
JUL 23	2,870	-25	-	-	-	-	0	. Mn	-	-								
SEP 23	2,870	-25	-	-	-	-	0	. Mn	-	-								
NOV 23	2,870	-25	-	-	-	-	0	. Mn	-	-								
Total						50,083	199,067	-4,468										

Source: Bloomberg

Export Est Period	Nov-20		Oct-20		Change (m-o-m)		Change (y-o-y)	
	AMSPEC	SGS	AMSPEC	SGS	AMSPEC	SGS	AMSPEC	SGS
1 - 10th days	443,895	-	535,552	-	-17.11%	-	7.22%	-
1 - 15th days	673,991	-	763,772	-	-11.75%	-	1.02%	-
1 - 20th days	-	-	1,084,701	-	-	-	-	-
1 - 25th days	-	-	1,412,361	-	-	-	-	-
Full month	-	-	1,631,015	-	-	-	-	-

Source: Reuters

Malaysian Palm Oil Board Statistic

	2019 Nov	2020 Aug	2020 Sep	2020 Oct	Nov Chg (Mean)	KF's Expected Nov
Production	1,842,433	1,862,962	1,869,339	1,724,420	1.28%	1,746,552
Stocks	2,448,272	1,699,106	1,725,120	1,573,450	0.89%	1,587,493
Export	1,409,945	1,581,612	1,612,169	1,673,998	3.63%	1,734,773
Import	71,112	32,311	48,273	45,938	287.31%	177,924

Source: Reuters

Commodity Futures (3rd month)

Commodity	Overnight close	+/-	Relative to FCPO				
			1d Chg (%)	3m Chg	6m Chg	3m Chg	6m Chg
CPO	3342	-22	-0.65%	22.10%	53.16%	0.22	0.53
Dalian Olein	6968	152	2.23%	22.16%	48.95%	1.00	0.97
Soybean Oil	38.81	1.31	3.49%	22.54%	43.26%	1.00	0.94
WTI Crude	41.74	-0.08	-0.19%	-3.80%	18.48%	0.96	0.79
CRB Index (realtime)	155.03	-0.6876	-0.44%	2.79%	18.43%	0.79	0.77

Source: Bloomberg

Currency

	Last	1d Chg	3m Chg	6m Chg
USDMYR	4.1040	0.41%	-2.07%	-6.11%
USDIDR	14110.0	0.28%	-4.76%	-4.74%

Source: Bloomberg

Overnight Lead

Chicago Board of Trade soybean futures traded lower for much of the day on Thursday, pressured by profit-taking and technical selling after hitting the highest level since June 2016 the previous day, but ended mostly firm on tight global supplies. - Reuters

