

CPO Futures 3rd month daily chart



Preview

Fundamental

Malaysian palm oil futures gave up earlier gains and ended 0.66% lower on Thursday, declined to the lowest in more than two weeks pressured by the fall in competing oil prices along with Indonesia's smaller biodiesel blend plan containing 35% palm oil-based fuel (B35) in comparison to earlier projections of B40. In the overnight competing oils market, crude oil prices settled lower for a fifth straight session on Thursday, with the U.S. benchmark West Texas Intermediate (WTI) settled at \$71.46 a barrel, shedding 55 cents, or 0.8% lower, weighed down by the lingering concerns over possible economy recession and shrugs off the major Canada-to-U.S. Keystone crude pipeline that was closed after oil spill into Kansas creek which is expected to slash fuel supply. Meanwhile, the CBOT soy oil rebounded and closed higher, with January soy oil gained 0.67 cents to settle at 61.31 cents per pound, supported by the rise in export sales in soybean and supply tightness concerns after Argentina's could cut their estimated area for soybean due to the effect of prolonged drought in the region. Thus, palm oil futures are expected to trade range bound with slight upward bias thus tracking overnight gain in rival soy oil and a potential of bargain buying activities after recent sell down while upside could be limited by worries over lackluster demand from major buyers as current demand in India and China is low.

Technical

Palm oil futures for the February contract opened higher but trended gradually lower to end in negative territory as profit booking activities emerged following the fall in the rival soy oil market during Asian trading hour along with signals that show reducing demand from key buyer India and China. At the close, the February contract settled at 3,943 ringgit per tonne with losses of 26 points. Trading activities for the day can be depicted through the formation of a black-bodied candlestick pattern with extended upper and bottom shadows, indicating that the bears took control of the trading session. Technical wise, MACD indicator issued a sell signal while RSI lingered at a neutral region. Nevertheless, palm oil futures are expected to trade range bound with upward bias today tracking the gains in overnight soy oil and slower Malaysia palm oil production outlook while upside could be limited by discouraging tropical oil demand by the major importers. Hence, the support and resistance for February futures contract can be found at 3,950 and 4,140 respectively.

K03 Comdty (Generic 3rd 'K0' Future) DAILY REPORT CHART Daily 07SEP2022-08DEC2022

Source: Bloomberg

Contract	Sett	Chg	High	Low	Vol	Open Int	O/I chg	Value USD	Previous Week			Last Bid	Last Offer	3m Chg	6m Chg
									High	Low	Cash CPO (MYR/MT)				
DEC 22	3,886	-25	3,960	3,860	4	1,341	-15	-33 Mn	4,174	3,900	DEC22	3,900	3,950	3.2%	0.0%
JAN 23	3,910	-25	3,999	3,840	2,866	16,627	-1,662	-37. Mn	4,249	3,900	Source: Reuters				
FEB 23	3,943	-26	4,056	3,875	26,890	43,064	-2,734	-61.38 Mn	4,300	3,918					
MAR 23	3,972	-29	4,080	3,906	15,118	41,308	172	3.89 Mn	4,315	3,926					
APR 23	3,975	-26	4,060	3,909	6,707	26,196	641	14.51 Mn	4,296	3,913					
MAY 23	3,963	-12	4,046	3,893	5,726	28,479	409	9.23 Mn	4,251	3,885					
JUN 23	3,923	-12	3,990	3,861	2,707	15,838	14	-31 Mn	4,181	3,840					
JUL 23	3,889	2	3,947	3,819	2,667	16,090	-282	-6.24 Mn	4,135	3,782					
AUG 23	3,853	2	3,878	3,785	1,562	6,450	127	2.79 Mn	4,072	3,745					
SEP 23	3,848	19	3,899	3,763	1,815	8,912	-69	-1.51 Mn	4,070	3,720					
OCT 23	3,839	19	3,851	3,795	629	1,581	148	3.23 Mn	4,037	3,706					
NOV 23	3,834	19	3,847	3,751	299	7,336	13	.28 Mn	4,028	3,697					
JAN 24	3,809	19	3,737	3,737	5	1,089	-1	-.02 Mn	3,985	3,685					
MAR 24	3,764	19	3,725	3,725	3	447	2	.04 Mn	3,955	3,920					
MAY 24	3,714	19	-	-	73	0	0	. Mn	3,895	3,895					
JUL 24	3,714	19	-	-	1	0	0	. Mn	-	-					
SEP 24	3,714	19	-	-	-	0	0	. Mn	-	-					
NOV 24	3,714	19	-	-	-	0	0	. Mn	-	-					
JAN 25	3,714	19	-	-	-	0	0	. Mn	-	-					
MAR 25	3,714	19	-	-	-	0	0	. Mn	-	-					
MAY 25	3,714	19	-	-	-	0	0	. Mn	-	-					
JUL 25	3,714	19	-	-	-	0	0	. Mn	-	-					
SEP 25	3,714	19	-	-	-	0	0	. Mn	-	-					
NOV 25	3,714	19	-	-	-	0	0	. Mn	-	-					
<b>Total</b>					<b>66,998</b>	<b>214,832</b>	<b>-3,237</b>								

Source: Bloomberg

Export Est Period	Nov-22		Oct-22		Change (m-o-m)		Change (y-o-y)	
	AMSPEC	SGS	AMSPEC	SGS	AMSPEC	SGS	AMSPEC	SGS
1 - 10th days	420,477	408,867	373,030	361,602	12.72%	13.07%	-22.70%	-27.39%
1 - 15th days	657,896	662,816	594,282	640,119	10.70%	3.55%	-17.60%	-27.31%
1 - 20th days	921,808	943,030	895,522	872,508	2.94%	8.08%	-13.60%	-17.96%
1 - 25th days	1,199,383	1,192,881	1,146,132	1,146,113	4.65%	4.08%	-4.43%	-10.72%
<b>Full month</b>	<b>1,498,862</b>	<b>1,519,560</b>	<b>1,474,554</b>	<b>1,477,713</b>	<b>1.65%</b>	<b>2.83%</b>	<b>-4.67%</b>	<b>-9.61%</b>

Source: Reuters

Malaysian Palm Oil Board Statistic

	2021		2022		2022		2022		Nov Chg (Mean)	KF's Expected Nov
	November	August	September	October	November	October	November			
Production	1,634,932	1,725,781	1,770,441	1,813,591	-0.11%	1,811,641				
Stocks	1,816,879	2,094,667	2,315,464	2,403,719	0.61%	2,418,495				
Export	1,467,518	1,299,654	1,420,235	1,503,779	2.40%	1,539,818				
Import	97,092	145,452	132,303	66,349	4.51%	69,340				

Source: Reuters

Commodity Futures (3rd month)

Commodity	Overnight close	+/-	1d Chg (%)	3m Chg	6m Chg	Relative to FCPO	
						3m Chg	6m Chg
CPO	3943	0	0.00%	9.71%	-36.51%	0.10	-0.37
Dalian Olein	8028	-116	-1.42%	4.12%	-27.99%	0.95	1.13
Soybean Oil	63.50	-0.37	-0.58%	-7.78%	-23.44%	0.84	1.21
WTI Crude	71.46	-0.55	-0.76%	-15.98%	-33.54%	1.04	1.23
CRB Index (realtime)	266.40	0.5149	0.19%	-4.28%	-19.06%	0.77	1.05

Source: Bloomberg

Currency	Last	1d Chg	3m Chg	6m Chg
USDIDR	15620.5	-0.11%	4.94%	7.90%

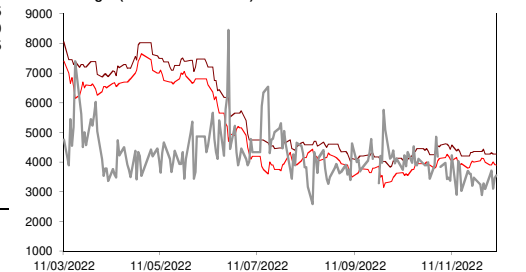
Source: Bloomberg

Overnight Lead

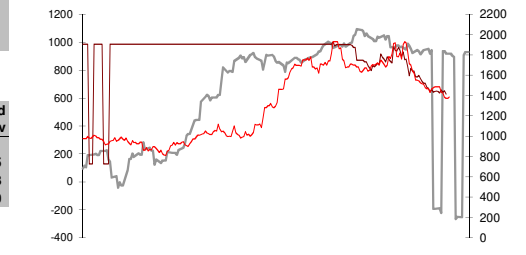
Chicago Board of Trade soybean futures gained on Thursday, supported by strong export activity, traders said. - Reuters

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									High	Low	Cash CPO (MYR/MT)				
DEC22-Jan23	-24	-150	-	-	1	1	-127	-60							
Dec22-Feb23	-57	-	-	-	30	-20	-180	-92							
Jan23-Feb23	-33	-44	-43	1,825	-14	-58	-32								
Jan23-Mar23	-35	-75	-72	24	7	-75	-40								
Feb23-Mar23	-12	-31	-30	1,040	24	-39	-7								
Feb23-Apr23	-32	-35	-32	31	74	-40	14								

Refiner's Margin (RBDPO - Cash CPO)



Crude Degummed Soybean Oil (CDSBO)/RBD Palm Olein (RBDPL) Basis (per Tonne)



3rd mth FCPO Volatility

