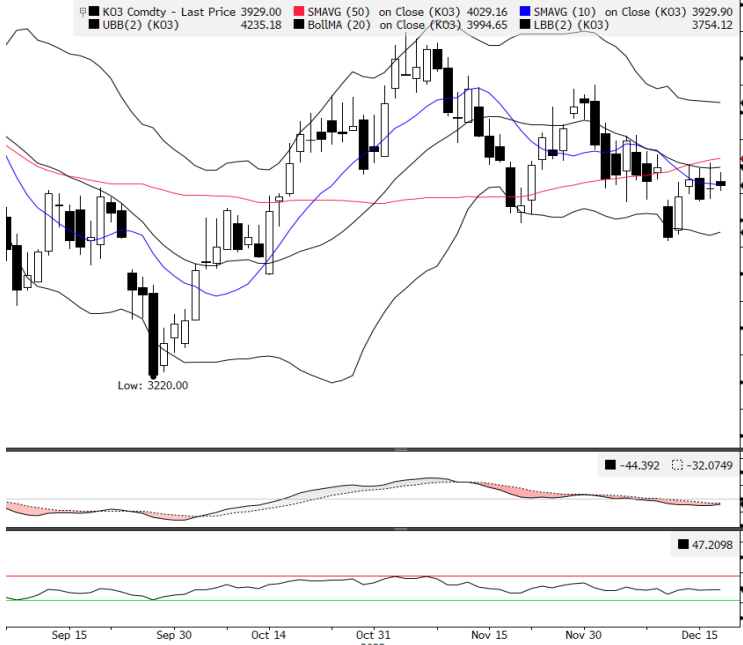


CPO Futures 3rd month daily chart



Preview

Fundamental

Malaysian palm oil futures climbed 0.36% higher on Monday, extending its winning streak to second consecutive session, on worries that heavy monsoon rains in Southeast Asia will disrupt operations at estates and slash output in top producers Indonesia and Malaysia while another COVID-19 outbreaks in key market China capped gains. In the overnight rival oil markets, crude oil prices rebounded to end higher in a volatile session on Monday, halting its two straight days of decline with the U.S. benchmark West Texas Intermediate (WTI) settled \$0.90, or 1.2% higher, to \$75.19 per barrel, supported by optimism around China relaxing its COVID-19 restrictions overshadowed worries of a global recession that would weigh on energy demand. In addition, the CBOT soy oil rose, with January soy oil gained 1.05 cents to 64.41 cents per lb, buoyed by bargain buying activities after recent sell down and spill over strength on crude oil market outweighed weaker soybean prices as the United States faces competition for export business from South America, where fresh harvests will begin in about a month or so. Thus, palm oil futures are expected to trade cautiously higher today following strong performance in overnight competing oils and poor performance in Malaysian Ringgit that improve the tropical oil's appeal for overseas buyers as well as lower tropical output due to monsoon season.

Technical

Palm oil futures for the March contract opened steadier and continues to trend higher following strong performance in rival oils during Asian trading hours and optimism over improved demand from major importers as the retreat in Malaysia's currency improved the tropical oil's appeal for overseas buyers coupled with anticipations of lower tropical oil productions. At the close, the March contract settled at 3,929 ringgit per tonne, with gains of 11 points, forming a short black-bodied candlestick pattern with extended upper and short bottom shadows, indicating that the bulls took control of the trading session consistently. Technical wise, MACD indicator issued a selling signal while RSI oscillated at neutral region. Therefore, expect futures to trade range bound with upward bias today following overnight rival soy oils gains and concerns over tropical oil supply tightness due to wet weather condition that will disrupt operations at growing region while upside might limited awaiting for the second half tropical oil exports data. Hence, the support and resistance for today are envisaged at 3,870 and 4,000 respectively.

K03 Comdty (Generic 3rd 'KO' Future) DAILY REPORT CHART Daily 07SEP2022-19DEC2022

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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)					
JAN 23	3,882	19	3,920	3,855	471	10,142	-241	-5.27 Mn	3,961	3,690	JAN23	3,900	3,950	4.4%	0.0%
FEB 23	3,902	12	3,952	3,884	3,581	33,611	-1,570	-34.53 Mn	4,005	3,721	Source: Reuters				
MAR 23	3,929	11	3,978	3,907	15,922	51,259	-464	-10.28 Mn	4,021	3,747					
APR 23	3,928	11	3,971	3,903	3,635	28,367	-130	-2.88 Mn	4,015	3,758	Spreads	Last	Bid	Offer	Vol
MAY 23	3,905	5	3,950	3,889	3,317	28,069	-284	-6.25 Mn	4,000	3,762	Jan23-Feb23	-27	-35	-29	26
JUN 23	3,882	5	3,924	3,866	967	14,565	43	.94 Mn	3,964	3,746	Jan23-Mar23	-55	-58	-50	27
JUL 23	3,859	16	3,892	3,837	480	16,385	70	1.52 Mn	3,938	3,719	Feb23-Mar23	-28	-24	-22	178
AUG 23	3,828	16	3,864	3,812	201	7,110	-32	-.69 Mn	3,903	3,688	Feb23-Apr23	-27	-22	-18	20
SEP 23	3,819	16	3,850	3,789	282	9,651	53	1.14 Mn	3,877	3,668	Mar23-Apr23	1	2	4	177
OCT 23	3,809	16	3,819	3,799	61	1,795	5	.11 Mn	3,849	3,702	May23-May23	18	16	20	248
NOV 23	3,802	16	3,831	3,791	88	7,567	10	.21 Mn	3,860	3,665	Source: Bloomberg				
DEC 23	3,801	16	3,800	3,774	15	90	10	.21 Mn	3,786	3,774					
JAN 24	3,799	16	3,786	3,779	20	1,198	17	.36 Mn	3,825	3,680					
MAR 24	3,754	16				445	0	. Mn	3,800	3,680					
MAY 24	3,704	16				73	0	. Mn	-	-					
JUL 24	3,704	16				1	0	. Mn	-	-					
SEP 24	3,704	16				-	0	. Mn	-	-					
NOV 24	3,704	16				-	0	. Mn	-	-					
JAN 25	3,704	16				-	0	. Mn	-	-					
MAR 25	3,704	16				-	0	. Mn	-	-					
MAY 25	3,704	16				-	0	. Mn	-	-					
JUL 25	3,704	16				-	0	. Mn	-	-					
SEP 25	3,704	16				-	0	. Mn	-	-					
NOV 25	3,704	16				-	0	. Mn	-	-					
Total					29,040	210,328		-2,513							

Source: Bloomberg

Export Est Period	Dec-22		Nov-22		Change (m-o-m)		Change (y-o-y)	
	AMSPEC	SGS	AMSPEC	SGS	AMSPEC	SGS	AMSPEC	SGS
1 - 10th days	480,404	473,086	420,477	408,867	14.25%	15.71%	-11.70%	-13.73%
1 - 15th days	631,401	634,618	657,896	662,816	-4.03%	-4.25%	-12.98%	-19.62%
1 - 20th days	-	-	921,808	943,030	-	-	-	-
1 - 25th days	-	-	1,199,383	1,192,881	-	-	-	-
Full month	-	-	1,498,862	1,519,560	-	-	-	-

Source: Reuters

Malaysian Palm Oil Board Statistic

	2021		2022		2022		Dec Chg (Mean)	KF's Expected Dec
	December	September	October	November	December	November		
Production	1,450,905	1,770,441	1,813,591	1,680,743	-9.31%	-9.31%	1,524,277	
Stocks	1,583,040	2,315,464	2,403,719	2,288,473	0.49%	0.49%	2,299,627	
Export	1,414,566	1,420,235	1,503,779	1,517,731	-8.96%	-8.96%	1,381,678	
Import	102,768	132,303	66,349	47,047	42.20%	42.20%	66,901	

Source: Reuters

Commodity Futures (3rd month)

Commodity	Overnight close	+/-	1d Chg (%)	3m Chg	6m Chg	Relative to FCPO	
						3m Chg	6m Chg
CPO	3929	0	0.00%	5.14%	-21.12%	0.05	-0.21
Dalian Olein	7778	-82	-1.04%	0.93%	-23.04%	0.96	0.98
Soybean Oil	64.41	0.59	0.92%	-5.28%	-12.71%	0.90	1.11
WTI Crude	75.19	0.90	1.21%	-8.72%	-23.37%	1.03	1.03
CRB Index (realtime)	270.56	-0.8189	-0.30%	-3.30%	-12.46%	0.87	0.97

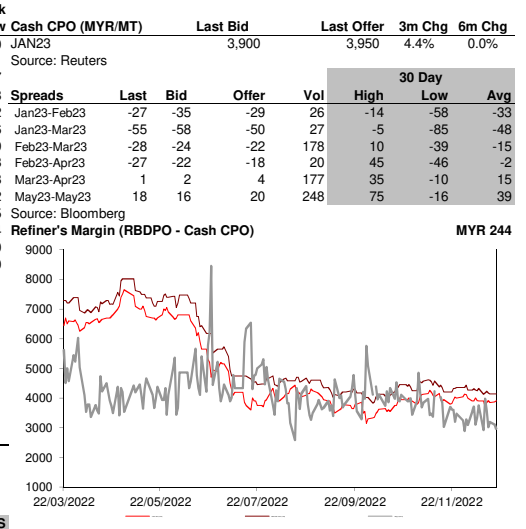
Source: Bloomberg

Currency	Last	1d Chg	3m Chg	6m Chg
USDIDR	15596.5	-0.01%	4.14%	5.14%

Source: Bloomberg

Overnight Lead

Chicago Board of Trade soybean futures fell on Monday after crop areas in drought-hit Argentina received needed rains over the weekend. - Reuters



3rd mth FCPO Volatility

