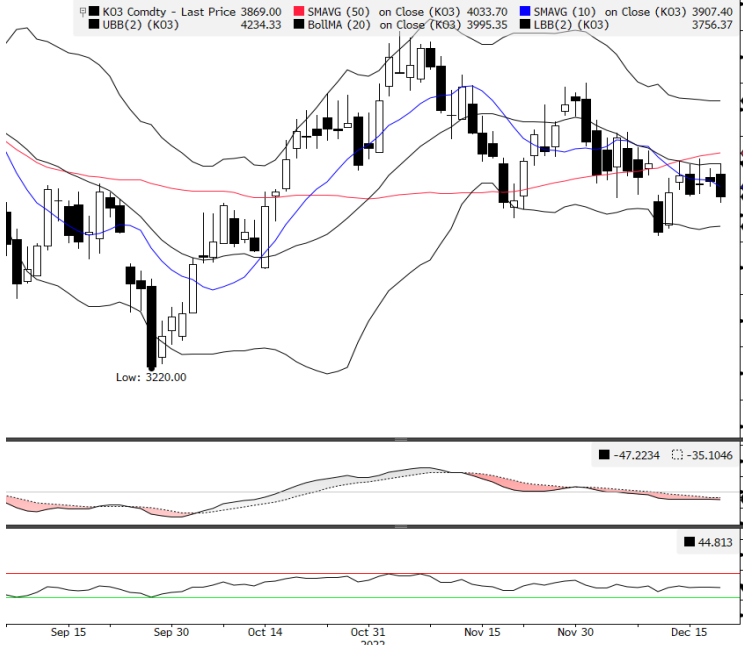


CPO Futures 3rd month daily chart



Preview

Fundamental

Malaysian palm oil futures retreated from its two days winning streak to slip 1.53% on Tuesday, pressured by data showing discouraging tropical oil exports demand in December and rising China's Covid-19 cases which has raised concerns over global demand further weighed on the sentiment. In the overnight competing oils market, crude oil prices extended its winning streak, after a volatile session with the U.S. benchmark West Texas Intermediate (WTI) settled up \$0.90, or 1.2% higher, to \$76.09 per barrel, as market sentiment was buoyed by a softer dollar and a U.S. plan to restock petroleum reserves, but gains were capped by uncertainty over the impact of rising COVID-19 cases in China and worries U.S. winter storm could cut travel. Additionally, the CBOT soy oil extended its upward trend to settle higher for second consecutive session, with January soy oil climbed 1.64 cent to 66.05 cents per lb, following extended advance in crude oil prices and rebound in soy bean prices as participants assessed drought-hit Argentina after much-needed rains although dry conditions persist. Therefore, palm oil futures are expected to open steady today tracking overnight sturdy performance in rival oils and concerns about tropical oil supply tightness coupled with weakening Malaysian Ringgit could provide a supportive tone while slower tropical oil shipment could still weigh over the sentiment.

Technical

Palm oil futures for the March contract opened higher but trended lower thereafter as profit booking activities emerged as a drop-in export from Malaysia stoked concerns about weaker demand and escalating concerns about the outlook for cooking oil demand as China swift abandonment of Covid Zero has seen infections explode. At the close, the March contract settled at 3,869 ringgit per tonnes with losses of 60 points, forming a long black-bodied candlestick pattern with longer upper and short bottom shadows, indicating that the bears took control of the trading session aggressively. Technical wise, MACD indicator issued a Sell signal while RSI lingered at a neutral region. Nonetheless, palm oil futures are expected to trade in a steadier tone today on a potential of bargain buying activities taking cue from extended gains in overnight competing oils market and worries over slower tropical oil productions along with weaker Ringgit while discouraging export demand from Malaysia might cap gains. Therefore, the support and resistance for March futures contract can be found at 3,800 and 3,950 respectively.

K03 Comdty (Generic 3rd 'KO' Future) DAILY REPORT CHART Daily 07SEP2022-20DEC2022

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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								
JAN 23	3,839	-43	3,931	3,813	2,428	9,079	-1,063	-22.99 Mn	3,961	3,690	JAN23	3,850	3,950	3.5%	0.0%			
FEB 23	3,855	-47	3,970	3,834	6,972	32,594	-1,017	-22.09 Mn	4,005	3,721	Source: Reuters							
MAR 23	3,869	-60	3,995	3,847	25,901	53,811	2,552	55.64 Mn	4,021	3,747								
APR 23	3,862	-66	3,985	3,842	5,410	28,590	223	4.85 Mn	4,015	3,758								
MAY 23	3,854	-51	3,967	3,832	3,527	28,242	173	3.76 Mn	4,000	3,762	Jan23-Feb23	-27	-21	-19	110	-14	-58	-32
JUN 23	3,831	-51	3,939	3,822	1,629	14,598	33	.71 Mn	3,964	3,746	Jan23-Mar23	-55	-70	-34	52	-5	-85	-47
JUL 23	3,803	-56	3,907	3,790	1,443	16,602	217	4.65 Mn	3,938	3,719	Feb23-Mar23	-28	-15	-14	279	9	-39	-15
AUG 23	3,780	-48	3,883	3,773	629	7,101	-9	-.19 Mn	3,903	3,688	Feb23-Apr23	-27	-9	-5	22	40	-46	-3
SEP 23	3,768	-51	3,868	3,750	842	9,634	-17	-.36 Mn	3,877	3,668	Mar23-Apr23	1	7	9	489	31	-10	14
OCT 23	3,758	-51	3,800	3,760	303	1,762	-33	-.7 Mn	3,849	3,702	May23-May23	18	18	22	349	75	-16	38
NOV 23	3,757	-45	3,802	3,753	493	7,563	-4	-.08 Mn	3,860	3,665	Source: Bloomberg							
DEC 23	3,756	-45	3,786	3,764	81	110	20	.42 Mn	3,786	3,774								
JAN 24	3,754	-45	3,800	3,752	216	1,304	106	2.24 Mn	3,825	3,680								
MAR 24	3,709	-45	3,774	3,756	17	452	7	.15 Mn	3,800	3,680								
MAY 24	3,659	-45	-	-	-	73	0	. Mn	-	-								
JUL 24	3,659	-45	-	-	-	1	0	. Mn	-	-								
SEP 24	3,659	-45	-	-	-	-	0	. Mn	-	-								
NOV 24	3,659	-45	-	-	-	-	0	. Mn	-	-								
JAN 25	3,659	-45	-	-	-	-	0	. Mn	-	-								
MAR 25	3,659	-45	-	-	-	-	0	. Mn	-	-								
MAY 25	3,659	-45	-	-	-	-	0	. Mn	-	-								
JUL 25	3,659	-45	-	-	-	-	0	. Mn	-	-								
SEP 25	3,659	-45	-	-	-	-	0	. Mn	-	-								
NOV 25	3,659	-45	-	-	-	-	0	. Mn	-	-								
Total					49,891	211,516	1,188											

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	921,811	-	921,808	943,030	0.00%	-	-7.48%	-
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		2022		Dec Chg (Mean)	KF's Expected Dec
	December	September	October	November	December	November	December			
Production	1,450,905	1,770,441	1,813,591	1,680,743	-9.31%	-	1,524,277			
Stocks	1,583,040	2,315,464	2,403,719	2,288,473	0.49%	-	2,299,627			
Export	1,414,566	1,420,235	1,503,779	1,517,731	-8.96%	-	1,381,678			
Import	102,768	132,303	66,349	47,047	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	3869	0	0.00%	-0.46%	-22.31%	0.00	-0.22
Dalian Olein	7798	20	0.26%	0.65%	-21.36%	1.01	1.01
Soybean Oil	66.05	1.64	2.55%	-2.62%	-9.98%	0.98	1.16
WTI Crude	76.23	0.85	1.13%	-5.52%	-22.04%	1.10	1.08
CRB Index (realtime)	272.27	1.7101	0.63%	-2.60%	-11.91%	0.95	1.00

Source: Bloomberg

Currency	Last	1d Chg	3m Chg	6m Chg
USDIDR	15602.5	0.04%	4.09%	5.13%

Source: Bloomberg

Overnight Lead

Chicago Board of Trade soybean futures climbed on Tuesday as analysts watch drought-hit Argentina after much-needed rains, though dry conditions persist. - Reuters

Previous Week		Last Bid		Last Offer		3m Chg		6m Chg	
High	Low	High	Low	High	Low	High	Low	High	Low
3,961	3,690	3,850	3,750	3,950	3,850	3.5%	0.0%		

