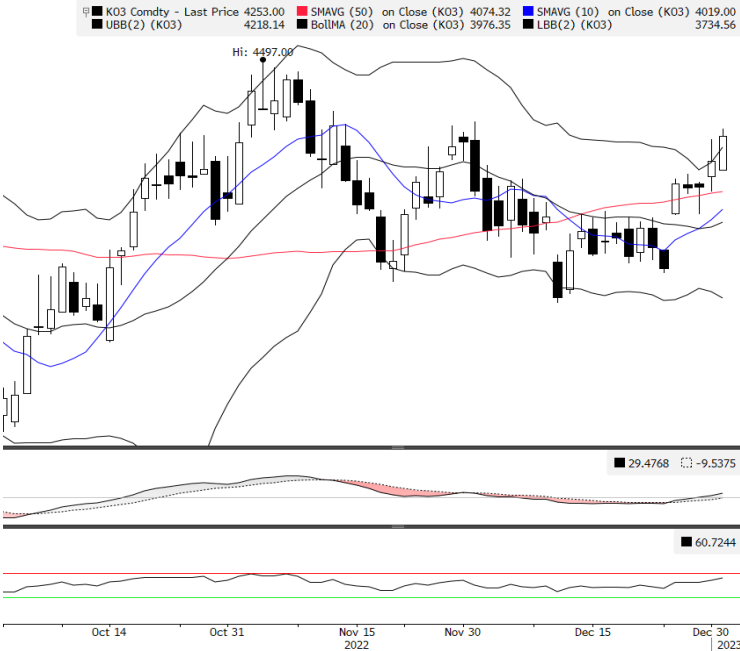


CPO Futures 3rd month daily chart



Preview

Fundamental

Malaysian palm oil futures kick started the new year with a bullish tone and jumped 1.89% higher to close near five-week closing high on Tuesday, buoyed by the expectation of tight supply in the world's largest producer, Indonesia as they will reduce overseas shipment for every tons of palm oil sold domestically along with declining in stockpiles and slower production in Malaysia. Globally, crude oil prices nosived after a volatile trading session on Tuesday, with the U.S. benchmark West Texas Intermediate (WTI) fell \$3.33 to \$76.93 per barrel, a 4.1% loss, on unsatisfied demand data from the world's largest importer, China coupled with stronger US Dollar and gloomy economic outlook as IMF director warned that major economies are slowing down. In addition, the CBOT soy oil edged lower on Tuesday, with March soy oil fell 0.87 cent to finish at 63.20 cents per pound, following its spillover weakness in competing crude oil. Therefore, palm oil futures are expected to trade on a pessimistic tone today on a potential of profit taking activities after recent rally and tracking overnight losses in competing oils while anticipations of tighter Indonesian supply and slower production in Malaysia could limit the downside.

Technical

Palm oil futures for the March contract opened steadier and trended gradually higher in positive territory as buying activities continued following the rise in the competing soy oil market during Asian trading hour and optimism about higher biodiesel mandate along with tighter export policies in top producer, Indonesia could cause further supply tightness. At the close, the March contract settled at 4,253 ringgit per tonne with gains of 79 points. Trading activities for the day can be depicted through the formation of a long white-bodied candlestick pattern with shorter upper and shorter bottom shadows, indicating that the bulls took control of the trading session aggressively. Technical wise, MACD indicator issued a buy signal while RSI lingered at neutral position. Nevertheless, palm oil futures are expected to trade downward today on a potential of profit taking activities after recent rally and tracking the plunge in overnight competing crude oil and the fall in rival soy oil while downward pressure could be limited on anticipations of slowing palm oil export production and concerns over supply tightness. Therefore, the support and resistance for March futures contract can be eyed at 4,090 and 4,300 respectively.

K03 Comdty (Generic 3rd 'K0' Future) DAILY REPORT CHART Daily 30SEP2022-03JAN2023 Copyright© 2023 Bloomberg Finance L.P. 03-Jan-2023 19:08:31

Source: Bloomberg

Contract	Sett	Chg	High	Low	Vol	Open Int	O/I chg	Value USD	O/I chg	High	Low	Cash CPO (MYR/MT)	Last Bid	Last Offer	3m Chg	6m Chg			
JAN 23	4,265	94	4,265	4,150	772	2,595	-579	-14.02 Mn	4,225	3,950	JAN23	4,200	4,250	16.9%	0.0%				
FEB 23	4,254	92	4,274	4,149	5,228	19,906	-1,941	-46.87 Mn	4,228	3,961	Source: Reuters								
MAR 23	4,253	79	4,276	4,142	24,541	58,143	2,290	55.28 Mn	4,242	4,000									
APR 23	4,229	50	4,250	4,128	8,400	31,824	1,507	36.17 Mn	4,233	4,001	Spreads	Last	Bid	Offer	Vol	High	Low	Avg	
MAY 23	4,199	59	4,220	4,105	4,856	27,777	401	9.56 Mn	4,215	3,989	Jan23-Feb23	9	-34	24	113	24	-51	-27	
JUN 23	4,159	50	4,180	4,075	2,271	15,604	356	8.4 Mn	4,185	3,935	Jan23-Mar23	-31/A	N/A	#N/A	N/A	135	20	-85	-44
JUL 23	4,124	50	4,136	4,042	806	16,381	68	1.59 Mn	4,147	3,945	Feb23-Mar23	-12	-2	-1	39	0	-39	-17	
AUG 23	4,097	50	4,111	4,017	821	7,486	-180	-4.19 Mn	4,112	3,917	Feb23-Apr23	3	19	25	898	27	-46	-8	
SEP 23	4,083	50	4,090	4,000	1,099	10,607	148	3.43 Mn	4,091	3,900	Mar23-Apr23	15	21	23	414	28	-10	10	
OCT 23	4,074	45	4,073	4,029	722	2,082	55	1.27 Mn	4,080	3,860	May23-May23	34	49	52	172	75	-16	31	
NOV 23	4,066	45	4,048	4,029	530	7,343	-178	-4.11 Mn	4,070	3,882	Source: Bloomberg								
DEC 23	4,065	45	4,036	4,020	300	504	159	3.67 Mn	4,062	3,910	Refiner's Margin (RBDPO - Cash CPO)								
JAN 24	4,059	45	4,058	4,027	299	1,526	21	.48 Mn	4,065	3,948									
MAR 24	4,025	28	4,025	4,010	35	500	26	.59 Mn	4,030	3,967									
MAY 24	3,975	28				72	0	. Mn											
JUL 24	3,975	28				1	0	. Mn											
SEP 24	3,975	28					0	. Mn											
NOV 24	3,975	28					0	. Mn											
JAN 25	3,975	28					0	. Mn											
MAR 25	3,975	28					0	. Mn											
MAY 25	3,975	28					0	. Mn											
JUL 25	3,975	28					0	. Mn											
SEP 25	3,975	28					0	. Mn											
NOV 25	3,975	28					0	. Mn											
Total					50,680	202,351	2,153												

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	923,642	921,808	943,030	0.00%	-2.06%	-7.48%	-16.02%
1 - 25th days	1,226,966	1,224,122	1,199,383	1,192,881	2.30%	2.62%	-1.27%	-8.53%
Full month	1,456,986	1,512,468	1,498,862	1,519,560	-2.79%	-0.47%	-2.35%	-3.32%

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	November		
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	+/-	Relative to FCPO		Relative to FCPO		
			1d Chg (%)	3m Chg	6m Chg	3m Chg	6m Chg
CPO	4253	0	0.00%	17.68%	-2.23%	0.18	-0.02
Dalian Olein	8224	20	0.24%	15.67%	-6.63%	0.98	0.95
Soybean Oil	63.16	-3.24	-4.88%	-5.56%	-3.84%	0.80	0.98
WTI Crude	76.93	-3.33	-4.15%	-6.99%	-17.76%	0.85	0.97
CRB Index (realtime)	270.18	-7.5701	-2.73%	0.70%	-7.42%	0.79	0.84

Source: Bloomberg

Currency	Last	1d Chg	3m Chg	6m Chg
USDIDR	15601.0	0.18%	1.76%	4.01%

Source: Bloomberg

Overnight Lead

Chicago Board of Trade soybean futures declined on Tuesday on profit-taking following last week's six-month high in the bellwether March contract SH3 and spillover pressure from crude oil. - Reuters

Previous Week		Last Offer		3m Chg		6m Chg	
High	Low	Cash CPO (MYR/MT)	Last Bid	Last Offer	3m Chg	6m Chg	
4,225	3,950	JAN23	4,200	4,250	16.9%	0.0%	

