Kenanga

KENANGA FUTURES SDN BHD Company No. 353603-X



CPO FUTURES DAILY PREVIEW January 16, 2023

Malaysian palm oil futures continued its downfall to fourth consecutive session and ended 1.79% lower on Friday, posted another weekly fall after new year and fell to their lowest levels in three weeks pressured by the weakening demand from major their lowest levels in three weeks pressured by the weakening demand from major importers as India and China have stocked up last year along with strengthening Malaysian Ringgit. In the overnight competing oils market, crude oil prices extended its bullish run on Friday, with the U.S. benchmark West Texas Intermediate (WTI) rose for the seventh-straight session to settle at \$79.86 a barrel, up by \$1.47, or 1.9%, notching their biggest weekly gains since October lifted by the weakening U.S. Dollar which fell to the lowest level in seven weeks and analysts pointed bullish on Chinese demand.Meanwhile, the CBOT soy oil edged lower on Friday, with March soy oil settled down 0.19 cents at 63.06 cents per pound, tracking the fall in global edible oil despite following its stronger soy bean which is supported by the cut in harvest outlook in year 2022 by USDA along with the drought in South American crop region. Therefore, palm oil futures are expected to trade on a cautious note today following mixed overnight rival oils market and worries over waning demand by major importers mixed overnight rival oils market and worries over waning demand by major importers and strengthening Malaysian Ringgit which makes local palm oil more expensive to importers while downside could be limited by a potential of bargain hunting activities 3841.00 after recent sharp fall.

Previous Week

3.828 Jan23

3,835

3.840

3.838

3,848 Spread 3,845 Feb23-M

Low Cash CPO (MYR/MT)

Source: Reute

Feb23-Mar23

Preview Fundamental

Technical Palm oil futures for the March contract opened lower and trended gradually lower in negative territory pressured by continuous selling pressure following the fall in the rival soy oil market during Asian trading hour along with strengthening Malaysian Ringgit which makes local palm oil more expensive to foreign buyers. At the close, the March contract settled at 3,841 ringgit per tonne with losses of 70 points. Trading activities for the day can be depicted through the formation of a long black-bodied candlestick pattern with short upper and 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. Therefore, palm oil futures are expected to trade range bound with downward bias today on continued selling pressure taking cue from weaker performance in overnight competing soy oil market and discouraging tropical oil export demand along with strengthening Malaysian Ringgit. Hence, the support and resistance for April futures contract can be found at 3,700 and 3,900 respectively. 41.5185

	Oct 31	Nov 15	Nov 30		Dec 15	Dec 30	J 2023	an 16	
K03 Comdty (Ge	meric 3rd 'KO' Future)		ily 150CT2022-16JAM	12023	Copyrights 2023	Bloomberg Finance L.P.		an-2023 08:59:47	
Source: Blo	omberg							O/I chg	Pre
Contract	Sett	Chg	High	Low	Vol	Open Int	O/I chg	Value USD	High
FEB 23	3,833	-64	3,908	3,828	1,599	7,313	-821	-18.16 Mn	4,105
MAR 23	3,841	-70	3,930	3,835	23,502	46,382	-2,495	-55.3 Mn	4,124
APR 23	3,845	-77	3,942	3,840	17,919	44,334	3,542	78.59 Mn	4,127
MAY 23	3,850	-82	3,947	3,848	9,834	30,799	-491	-10.91 Mn	4,122
JUN 23	3,845	-84	3,944	3,845	3,506	16,238	-303	-6.72 Mn	4,107
JUL 23	3,838	-84	3,931	3,838	3,723	15,848	-314	-6.95 Mn	4,085
AUG 23	3,829	-84	3,915	3,837	2,643	6,998	-109	-2.41 Mn	4,071
SEP 23	3,821	-82	3,906	3,828	1,746	10,210	-345	-7.61 Mn	4,060
OCT 23	3,814	-82	3,895	3,821	612	2,284	80	1.76 Mn	4,052
NOV 23	3,818	-75	3,896	3,818	1,052	7,467	15	.33 Mn	4,047
DEC 23	3,825	-78	3,891	3,824	238	834	89	1.96 Mn	4,038
JAN 24	3,832	-74	3,900	3,832	137	1,918	68	1.5 Mn	4,027
MAR 24	3,850	-57	3,869	3,850	14	652	10	.22 Mn	3,972
MAY 24	3,840	-57				71	0	. Mn	3,941
JUL 24	3,840	-57				1	0	. Mn	-
SEP 24	3,840	-57				-	0	. Mn	-
NOV 24	3,840	-57				-	0	. Mn	-
JAN 25	3,840	-57				-	0	. Mn	-
MAR 25	3,840	-57				-	0	. Mn	-
MAY 25	3,840	-57				-	0	. Mn	-
JUL 25	3,840	-57				-	0	. Mn	-
SEP 25	3,840	-57				-	0	. Mn	-
NOV 25	3,840	-57				-	0	. Mn	-
JAN 26	3,840	-				-	-		-

Tota Source: Bloomberg

Export Est	Jan-23		Dec-22		Change (m-o-m)		Change (y-o-y)		18/04/2022	
Period	AMSPEC	SGS	AMSPEC	SGS	AMSPEC	SGS	AMSPEC	SGS		
1 - 10th days	235,529	262,201	480,404	473,086	-50.97%	-44.58%	-26.15%	-19.47%	Crude Degumm	
1 - 15th days		-	631,401	634,618	-	-	-	-	RBD Palm Oleir	
1 - 20th days		-	921,811	923,642	-	-	-	-	1200 -	
1 - 25th days		-	1,226,966	1,224,122	-	-	-	-	1200	
Full month		-	1,456,986	1,512,468	-	-	-	-	1000	
Source: Reuters										

191,349

-1,074

66,525

Malaysian Palm Oil Board Statistic	2021	2022	2022	2022	Jan Chg	KF's Expected
	January	October	November	December	(Mean)	Jan
Production	1,126,629	1,813,591	1,680,743	1,618,853	-8.16%	1,486,710
Stocks	1,324,963	2,403,719	2,288,473	2,194,809	-8.46%	2,009,038
Export	947,395	1,503,779	1,517,731	1,468,448	3.60%	1,521,349
Import	165,198	66,349	47,047	47,114	10.73%	52,172
Source: Bouters						

Commodity Futures (3rd n	nonth)					Relative to FCPO		
Overnight close		+/-	1d Chg (%)	3m Chg	6m Chg	3m Chg	6m Chg	
CPO	3845	-77	-1.96%	4.91%	2.23%	0.05	0.02	
Dalian Olein	7776	-14	-0.18%	2.78%	0.57%	0.98	0.98	
Soybean Oil	63.06	0.67	1.07%	-9.93%	4.73%	0.86	1.02	3rc
WTI Crude	79.86	1.47	1.88%	-2.95%	-5.50%	0.92	0.93	
CRB Index (realtime)	275.91	2.1439	0.78%	-0.28%	-0.62%	0.93	0.92	
Source : Bloomber								
Currency			Last	1d Chg		3m Chg	6m C	hg
USDMYR			4.3325	-0.06%		-8.09%	-2.6	6%
USDIDR			15148.5	-1.24%		-0.15%	2.3	1%
Source : Bloomberg								

Overnight Lead

Chicago Board of Trade soupean futures climbed on Friday on follow-through buying after the U.S. Department of Agriculture USAJ cur heuters drought, traders said. - Reuters

Feb23-Apr23 Mar23-Apr23 3,837 7,699 29 62 35 87 -17 -4 -9 -4 -11 -3 -7 3,828 Mar23-May23 2,436 -27 18 Apr23-May23 3,821 3,818 -5 0 -6 -3 3.584 -11 13 -11 Apr23-Jun23 0 286 43 3 824 Source: Bloomberg Refiner's Margin (RBDPO - Cash CPO) 3,832 MYR 312 3.850 9000 3,941 8000 7000 6000

Last Bid

Bid

-8

-12 -60 3 800

-8

0 250

Last Offer

1,115

3 850

Hig

38

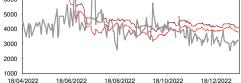
3m Chg 6m Chg

6.0%

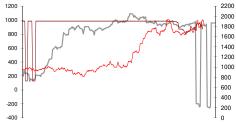
30 Dav

-48

-13



USD 958.67 med Soybean Oil (CDSBO)/ in (RBDPL) Basis (per Tonne)









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