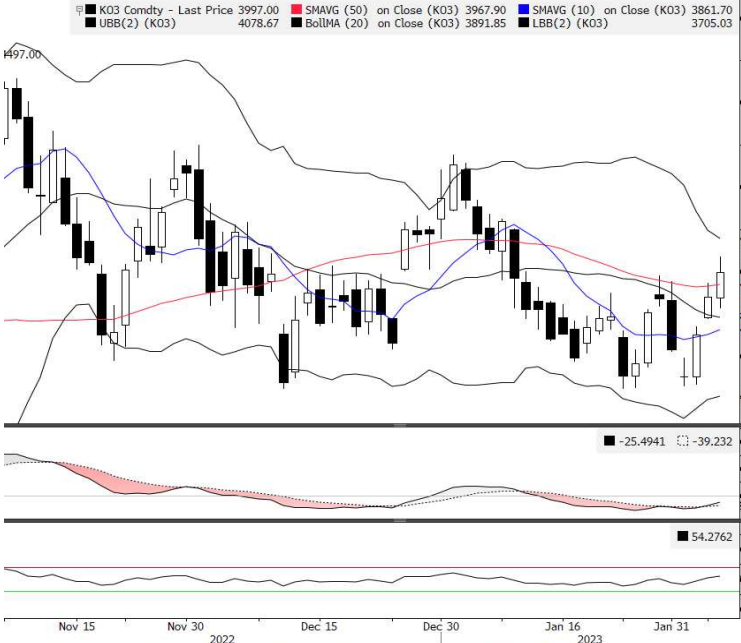


CPO Futures 3rd month daily chart



Preview

Fundamental

Malaysian palm oil futures extended its winning streak to third consecutive session to end 1.47% higher on Wednesday, highest level in one month buoyed by supply tightness concerns as world's top producer, Indonesia reduced its export quota in order to stabilize local prices while participants were awaiting for key MPOB data for a clearer direction. Globally, crude oil prices rose for a third straight day on Wednesday, with the U.S. benchmark West Texas Intermediate (WTI) settled up \$1.33, or 1.7%, to \$78.47 per barrel, as participants were relieved after U.S. Fed chairman Powell comments were seen as less hawkish than feared and worries over supply disruption with the earthquake that struck Turkey and Syria could stop crude flow from Iraq and Azerbaijan. Meanwhile, the CBOT soy oil eased on Wednesday, with March soy oil eased 0.31 cent to 60.58 cents per lb, weighed down by profit taking activities and anticipation of rising stockpiles. Therefore, palm oil futures are expected to trade on a cautious note today on a potential of profit taking activities following mixed performance in overnight competing oils and ahead of key MPOB supply-demand data due tomorrow while downside could be limited by the supply concerns after Indonesia limited its export quota.

Technical

Palm oil futures for the April contract opened higher and spent most part of the trading session in positive territory as buying activities continued following the rally in the competing oil market during Asian trading hour and worries over Indonesia that freezes part of its shipment which could cause supply tightness. At the close, the April contract settled at 3,997 ringgit per tonne with gains of 58 points. Trading activities for the day can be depicted through the formation of a long white-bodied candlestick pattern with longer upper and shorter bottom shadows, indicating that the bulls took control of the trading session. Technical wise, MACD indicator issued a buy signal while RSI lingered at neutral position. Nevertheless, palm oil futures are expected to trade range bound with slight downward bias today on a potential of mild profit taking activities ahead of MPOB data due tomorrow and mixed overnight competing oils performance while downward pressure could be limited on anticipations of improving tropical oil export demand ahead of Islamic religious holidays in March and April. Therefore, the support and resistance for April futures contract can be eyed at 3,850 and 4,050 respectively.

Strategy

Traders may short with a stop on or above 4,050.

K03 Comdty (Generic 3rd 'K0' Future) DAILY REPORT CHART Daily 05NOV2022-08FEB2023

Copyright© 2023 Bloomberg Finance L.P.

08-Feb-2023 19:21:58

Source: Bloomberg

Contract	Sett	Chg	High	Low	Vol	Open Int	O/I chg	O/I chg		Previous Week		Last Bid	Last Offer	3m Chg	6m Chg				
								Value USD	High	Low	Cash CPO (MYR/MT)					Source: Reuters			
FEB 23	3,820	2	3,900	3,815	154	608	28	62 Mn	3,955	3,620	Feb23	3,900	3,950	-5.6%	0.0%				
MAR 23	3,977	51	4,017	3,900	5,152	16,985	-2,934	-67.7 Mn	3,988	3,717									
APR 23	3,997	58	4,035	3,913	27,391	43,908	-1,092	-25.32 Mn	3,991	3,728									
MAY 23	4,000	54	4,035	3,916	12,792	34,638	-682	-15.83 Mn	3,990	3,739									
JUN 23	3,985	57	4,019	3,904	6,551	13,463	-400	-9.25 Mn	3,979	3,743	Feb23-Mar23	-108	-	-50	101	8	-150	-31	
JUL 23	3,961	53	3,993	3,882	5,640	17,015	311	7.15 Mn	3,962	3,742	Feb23-Apr23	-121	-	-99	30	38	-175	-31	
AUG 23	3,936	42	3,969	3,861	3,165	7,978	179	4.09 Mn	3,940	3,730	Mar23-Apr23	-13	-22	-20	84	29	-22	-3	
SEP 23	3,915	42	3,948	3,839	3,059	10,127	-382	-8.68 Mn	3,920	3,715	Mar23-May23	-20	-24	-21	39	62	-32	1	
OCT 23	3,896	42	3,929	3,822	1,415	3,297	307	6.94 Mn	3,881	3,699	Apr23-May23	-3	-3	-1	694	34	-17	4	
NOV 23	3,886	39	3,915	3,808	2,181	7,148	253	5.7 Mn	3,867	3,690	Apr23-Jun23	11	9	12	70	73	-21	19	
DEC 23	3,873	29	3,903	3,812	998	1,490	-253	-5.69 Mn	3,869	3,701									
JAN 24	3,865	22	3,878	3,804	834	2,629	-83	-1.86 Mn	3,863	3,693									
MAR 24	3,865	22	3,867	3,807	183	1,197	77	1.73 Mn	3,836	3,695									
MAY 24	3,870	22	-	-	-	86	0	0	3,715	3,710									
JUL 24	3,870	22	-	-	-	1	0	0	-	-									
SEP 24	3,870	22	-	-	-	-	0	0	-	-									
NOV 24	3,870	22	-	-	-	-	0	0	-	-									
JAN 25	3,870	22	-	-	-	-	0	0	-	-									
MAR 25	3,870	22	-	-	-	-	0	0	-	-									
MAY 25	3,870	22	-	-	-	-	0	0	-	-									
JUL 25	3,870	22	-	-	-	-	0	0	-	-									
SEP 25	3,870	22	-	-	-	-	0	0	-	-									
NOV 25	3,870	22	-	-	-	-	0	0	-	-									
JAN 26	3,870	22	-	-	-	-	0	0	-	-									
Total						69,515	160,570	-4,671											

Source: Bloomberg

Export Est Period	Jan-23		Dec-22		Change (m-o-m)		Change (y-o-y)	
	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%
1 - 15th days	401,749	453,771	631,401	634,618	-36.37%	-28.50%	-18.49%	-0.55%
1 - 20th days	566,561	654,888	921,811	923,642	-38.54%	-29.10%	-10.57%	4.61%
1 - 25th days	823,376	876,193	1,226,966	1,224,122	-32.89%	-28.42%	-0.68%	3.38%
Full month	1,066,287	1,113,292	1,456,986	1,512,468	-26.82%	-26.39%	-3.54%	-2.41%

Source: Reuters

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: Reuters

Commodity Futures (3rd month)

Commodity	Overnight close	+/-	Relative to FCPO				
			1d Chg (%)	3m Chg	6m Chg	3m Chg	6m Chg
CPO	3997	0	0.00%	-4.79%	-2.96%	-0.05	-0.03
Dalian Olein	8014	94	1.19%	-4.32%	-2.84%	1.00	1.00
Soybean Oil	60.58	-0.31	-0.51%	-19.80%	-13.07%	0.84	0.90
WTI Crude	78.47	1.33	1.72%	-5.48%	-8.47%	0.96	1.00
CRB Index (realtime)	270.94	0.1427	0.05%	-4.62%	-3.85%	0.99	0.94

Source: Bloomberg

Currency	Last	1d Chg	3m Chg	6m Chg
USDIDR	15095.5	-0.35%	-3.50%	1.83%

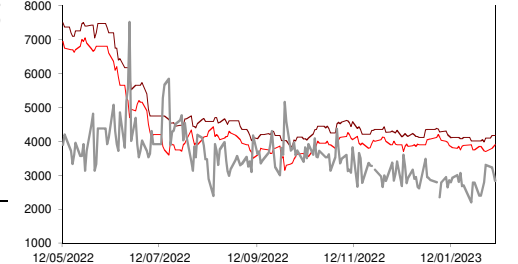
Source: Bloomberg

Overnight Lead

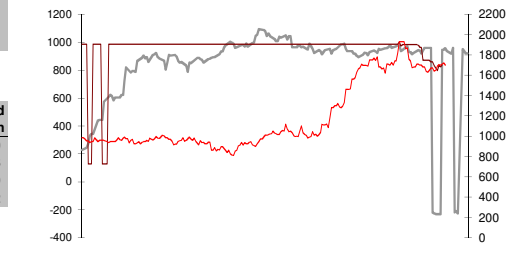
U.S. soybean futures firmed on Wednesday after trading mixed most of the day, as traders weighed the impact of drought conditions on Argentina's soybean crop against higher-than-expected U.S. stockpiles reported by the U.S. agriculture department in its monthly supply and demand assessment. - Reuters

Spreads		Last	Bid	Offer	Vol	High	Low	Avg
Feb23-Mar23	-108	-	-	-50	101	8	-150	-31
Feb23-Apr23	-121	-	-	-99	30	38	-175	-31
Mar23-Apr23	-13	-22	-20	84	29	-22	-3	
Mar23-May23	-20	-24	-21	39	62	-32	1	
Apr23-May23	-3	-3	-1	694	34	-17	4	
Apr23-Jun23	11	9	12	70	73	-21	19	

Refiner's Margin (RBDPO - Cash CPO) MYR 273



Crude Degummed Soybean Oil (CDSBO)/RBD Palm Olein (RBDPL) Basis (per Tonne) USD 921.17



3rd mth FCPO Volatility

