

Preview Fundamental

Malaysian palm oil futures fell for the third consecutive trading session and closed 0.59% lower on Wednesday, following the steep decline in overnight competing edible oils and cautious sentiment during Price Outlook Conference along with the lingering concerns about the continuous storm in the past few weeks were demolished as floods have not done much damage to the palm trees. Globally, crude oil prices edged lower on Wednesday, with the U.S. benchmark West Texas Intermediate (WTI) slipped 92 cents, or 1.2%, to \$76.66 a barrel, pressured by worrying demand outlook on fears over further aggressive rate hike by U.S. Fed that outweighed the overall sentiment even though EIA posted a larger-than-expected draw in U.S. crude stocks. Meanwhile, even though EIA posted a larger-than-expected draw in U.S. crude stocks. Meanwhile, the CBOT soy oil bucking crude oil trend to end higher, with May soy oil gained 0.42 cent to 59.08 cents per lb, supported by bargain hunting activities after recent slump and reducing South American harvest outlook. Therefore, palm oil futures are expected to trade cautiously higher today on a potential of bargain hunting activities after recent fall and anticipation of tighter supply outlook by leading analysts for the upcoming months during Price Outlook Conference while upside could be limited on mixed performance in overnight rival oils market.

Technical

Palm oil futures for the May contract opened lower and trapped in negative territory for most part of the trading session before ended marginally lower, dragged by extended selling activities following the fall in the rival soy oil market during Asian trading hour while earlier losses were erased by bargain buying activities. At the close, the May contract settled at 4,180 ringgits per tonne with losses of 25 points. Trading activities for the day can be depicted through the formation of a short black-bodied candlestick pattern with shorter upper and longer bottom shadows, indicating that the bears took control of the trading session even though bulls tend to take control. Technical wise, MACD indicator issued a buy signal while RSI lingered at a neutral region. Therefore, palm oil futures are expected to trade range bound with upward bias today on a potential of bargain buying activities after recent fall following the rebound in rival overnight soy oil and tighter supply outlook by leading analysts due to unfavorable weather condition. Hence, the support and resistance for May futures contract can be found at 4,120 and 4,280 respectively.

2000

1000 09/06/2022

1200

1000

800

600

400

200

-200

09/08/2022

Crude Degummed Soybean Oil (CDSBO)/

RBD Palm Olein (RBDPL) Basis (per Tonne)

Last Offer

23

33

09/12/2022

38 19 20

79 128

-4 19

09/10/2022

7.2% 0.0%

09/02/2023

USD 908.67

2200

2000

1800

1600 1400

1200

1000

800 600 400

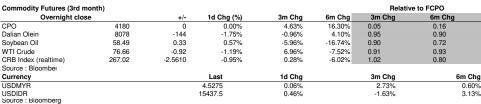
200

Dec	c 15 2022	Dec 30	Jan 16	Jan 31	Feb 2023	14	Feb 28							
(03 Comdty (Gen		e) DAILY REPORT CHART	Daily 06DEC2022-08MAR	R2023		Bloomberg Finance L	.P. 08-M	ar-2023 18:56:26						
Source: Bloom	mberg							O/I chg	Prev	ious Week				
Contract	Sett	Chg	High	Low	Vol	Open Int	O/I chg	Value USD	High	Low	Cash CPO (M)	(R/MT)	L L	ast Bid
MAR 23	4,175	-24	4,227	4,173	44	1,174	-27	62 Mn	4,325	4,109	Mar23			4,200
APR 23	4,176	-24	4,210	4,106	3,130	16,465	-1,035	-23.87 Mn	4,399	4,124	Source: Reuter	S		
MAY 23	4,180	-25	4,218	4,109	24,500	50,379	-1,486	-34.3 Mn	4,425	4,135				
JUN 23	4,158	-30	4,195	4,093	8,344	27,158	1,989	45.67 Mn	4,394	4,120	Spreads	Last	Bid	Offer
JUL 23	4,120	-32	4,157	4,066	5,519	22,216	293	6.67 Mn	4,312	4,088	Mar23-Apr23	-25	-10	40
AUG 23	4,072	-32	4,114	4,026	4,028	15,788	607	13.65 Mn	4,264	4,052	Mar23-May23	-34	-	-
SEP 23	4,038	-32	4,071	3,994	1,894	14,286	96	2.14 Mn	4,250	4,018	Apr23-May23	-4	-5	-4
OCT 23	4,013	-32	4,047	3,968	854	6,090	99	2.19 Mn	4,173	3,994	Apr23-Jun23	12	17	19
NOV 23	4,001	-32	4,033	3,955	549	9,133	-20	44 Mn	4,168	3,980	May23-Jun23	22	21	24
DEC 23	3,997	-32	4,029	3,950	357	3,004	9	.2 Mn	4,147	3,979	May23-Jul23	62	59	61
JAN 24	3,995	-32	4,027	3,953	237	3,397	38	.84 Mn	4,142	3,977	Source: Bloom	berg		
FEB 24	3,986	-32	3,996	3,953	91	525	2	.04 Mn	4,136	4,006	Refiner's Marg	in (RBD	PO - Cas	h CPO)
MAR 24	3,977	-32	4,019	3,952	86	2,456	38	.83 Mn	4,135	3,967	8000 ¬			
MAY 24	3,966	-32	3,989	3,980	4	219	0	. Mn	4,100	4,010	1			
JUL 24	3,966	-32	3,993	3,993	2	6	1	.02 Mn	-	-	7000			
SEP 24	3,966	-32				-	0	. Mn	-	-				
NOV 24	3,966	-32				-	0	. Mn	-	-	6000			
JAN 25	3,966	-32				-	0	. Mn	-	-	- \\	\ 1		
MAR 25	3,966	-32				-	0	. Mn	-	-	5000 -1.	1 11		1
MAY 25	3,966	-32				-	0	. Mn	-	-	AMA	Han	m	1
JUL 25	3,966	-32				-	0	. Mn	-	-	4000 / \\\\\\\	.H I' W		1/2//~
SEP 25	3,966	-32				-	0	. Mn	-	-	111	1 44/	I M AA	אי וויטנ
NOV 25	3,966	-32					0	. Mn	_	-	3000 -	1	11. N	1.1/2.
JAN 26	3,966	-32					-		_	-			V	

172,296 Total Source: Bloomberg

Export Est	Feb-23		Jan-2	23	Change (r	n-o-m)	Change	(y-o-y)
Period	AMSPEC	SGS	AMSPEC	SGS	AMSPEC	SGS	AMSPEC	SGS
1 - 10th days	312,092	323,280	235,529	262,201	32.51%	23.29%	-2.63%	6.20%
1 - 15th days	437,327	449,703	401,749	453,771	8.86%	-0.90%	-12.00%	-11.42%
1 - 20th days	723,482	712,740	566,561	654,888	27.70%	8.83%	-11.59%	-12.77%
1 - 25th days	949,082	985,780	823,376	876,193	15.27%	12.51%	-10.49%	-9.17%
Full month	1,062,057	1,131,939	1,066,287	1,113,292	-0.40%	1.67%	-12.30%	7.52%
Source: Reuters								

Malaysian Palm Oil Board Statistic	2021 February	2022 November	2022 December	2023 January	Feb Chg (Mean)	KF's Expected Feb
Production	1,137,448	1,680,743	1,618,853	1,380,410	-12.07%	1,213,766
Stocks	1,518,293	2,288,473	2,194,809	2,268,198	-2.61%	2,209,084
Export	1,097,857	1,517,731	1,468,448	1,135,498	-14.88%	966,556
Import	149,833	47,047	47,114	144,937	140.07%	347,954
Course: Pouters						





U.S. sovbean futures rose on Wednesday, supported by a government report that boosted export expectations and cut the forecast for Argentina's crop, traders said. Heuters



Kenanga Futures Sdn Bhd (353603-X) Fax: (603) 2172 2729 Email: futures@kenanga.com.my

Diclaimer: "This document has been prepared for general circulation based on information omsg1

investment objectives, financial background and the particular needs of any person who may read this document. This document is for the information of addressees only and is not be taken in substitution for the exercise decision. Kenanga Futures Sdn Bhd accept no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitation of an offer to buy or sell any securities/underlying security. employees may have positions in, and may effect transactions in securities/underlying securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or