

Preview Fundamental

Malaysian palm oil futures continued its bullish run to fourth consecutive session on Thursday, surges to highest in one week and rose 2.19%, propelled by expectations of declining March production in world's second largest producer, Malaysia due to unfavorable weather condition and underpinned by firmer competing oils. Globally, crude oil prices erased previous session's losses to end higher on Thursday, with the U.S. benchmark West Texas Intermediate (WTI) rose \$1.40, or 1.9%, to \$74.37 a barrel, lifted by the unexpected fall in US crude stockpiles as imports hit 2-year low and on Iraqi supply risks that offset the bearish sentiment due to lower than expected cut to Russian crude oil production. Meanwhile, the CBOT soy oil retreated on Thursday, with May soy oil fell 1.01 cents to settle at 54.37 cents per pound, as participants took profit ahead of USDA planting inventions and quarterly inventories reports that due on Friday. Thus, palm oil futures are expected to trade on a softer note today following mixed overnight rival oils market and a potential of profit taking activities ahead of weekend while downside could be limited by expectations of encouraging tropical oil exports demand in March.

Technical
Palm oil futures for the June contract opened lower but trended gradually higher thereafter as buying activities continued following the stronger competing soy oil market that recouped earlier losses during Asian trading hour and anticipation of declining production in Malaysia due to flood. At the close, the June contract settled at 3,788 ringgit per tonne with gains of 81 points. Trading activities for the day can be depicted through the formation of a long white-bodied candlestick pattern with shorter upper and longer bottom shadows, indicating that the bulls took control of the trading session aggressively. Technical wise, MACD indicator issued a sell signal while RSI lingered at neutral position. Therefore, palm oil futures are expected to trade range bound with slight downward bias on a potential of mild profit taking activities after recent rallies and mixed overnight competing oils performance while downward pressure could be limited on anticipations of improving tropical oil export demand and Indonesia that stated they will stick with their biodiesel target. Therefore, the support and resistance for June futures contract can be eyed at 3,630 and 3,830 respectively.

2500

2000

1500

1000 01/07/2022

1200

1000

800

600

400

200

-200

3rd mth FCPO Volatility

01/09/2022

Crude Degummed Soybean Oil (CDSBO)/

RBD Palm Olein (RBDPL) Basis (per Tonne)

01/11/2022

01/01/2023

01/03/2023

USD 918.67

2000

1800

1600

1400

1200

1000

800

600 400

200

Source: Bloomberg						O/I chg	Prev	ious Week										
Contract	Sett	Chg	High	Low	Vol	Open Int	O/I chg	Value USD	High	Low	Cash CPO (MY	R/MT)	Li	ast Bid	La	st Offer	3m Chg	6m Chg
APR 23	4,112	82	4,034	3,958	678	2,063	-572	-13.34 Mn	4,035	3,695	Apr23			4,150		4,250	2.4%	0.0%
MAY 23	3,935	78	3,864	3,783	3,750	23,306	-1,328	-29.65 Mn	3,974	3,584	Source: Reuters	3						
JUN 23	3,788	81	3,723	3,646	23,938	58,566	173	3.72 Mn	3,906	3,500							30 Day	
JUL 23	3,700	68	3,644	3,580	5,986	32,560	711	14.93 Mn	3,858	3,456	Spreads	Last	Bid	Offer	Vol	High	Low	Avç
AUG 23	3,649	59	3,605	3,550	4,038	17,687	-315	-6.52 Mn	3,816	3,449	Apr23-May23	177	180	199	175	261	-15	
SEP 23	3,625	54	3,586	3,539	4,454	17,336	571	11.74 Mn	3,789	3,441	Apr23-Jun23	324	-	-	73	345	-1	111
OCT 23	3,608	51	3,573	3,525	1,659	9,855	-569	-11.65 Mn	3,769	3,431	May23-Jun23	147	147	153	144	153	13	57
VOV 23	3,600	50	3,567	3,517	1,342	13,604	429	8.76 Mn	3,760	3,418	May23-Jul23	235	235	250	23	245	42	
DEC 23	3,599	50	3,565	3,520	587	6,021	-32	65 Mn	3,768	3,417	Jun23-Jul23	88	87	89	428	93	26	45
JAN 24	3,601	50	3,569	3,516	784	4,462	77	1.57 Mn	3,780	3,427	Jun23-Aug23	139	137	142	62	146	43	82
EB 24	3,605	50	3,567	3,550	48	1,069	3	.06 Mn	3,780	3,436	Source: Bloomb	erg						
MAR 24	3,618	50	3,575	3,523	908	4,121	146	3. Mn	3,770	3,470								
MAY 24	3,616	50	3,570	3,535	129	861	77	1.58 Mn	3,760	3,479	6000 ¬			,				
JUL 24	3,616	50			10	105	0	. Mn	3,760	3,540								
SEP 24	3,616	50				-	0	. Mn	-		5500							
NOV 24	3,616	50				-	0	. Mn	-	-	5000							
JAN 25	3,616	50				-	0	. Mn	-	-	4500	122	٦	l ~				_
MAR 25	3,616	50				-	0	. Mn	-	-		1 1	J -~	/~\ ,\	1-1-MAN	, m	کے م	~~~
MAY 25	3,616	50				-	0	. Mn	-	-	4000	KYV		$V \sim V \sim V \sim V$	www	~~~~	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	
JUL 25	3,616	50				-	0	. Mn	-	-	3500	M M	וורא	Varia II i	. '	-	• •	
SEP 25	3,616	50				-	0	. Mn	-	-		1,111	MVII	MM/N.IA	البيا	1	h.	/l\
NOV 25	3,616	50					0	. Mn			3000 -	1 II V	T (1 11	1/14./////	١/١	Пи	4 N N

n

52.446

-7.70%

Source: Bloomberg

3,616 3,616

3.616

50

50

JAN 26

MAR 26

Total

Import

Source: Reuters

Mar-23		Feb-2	23	Change ((m-o-m)	Change (y-o-y)		
AMSPEC	SGS	AMSPEC	SGS	AMSPEC	SGS	AMSPEC	SGS	
474,830	-	312,092	323,280	52.14%	-	28.16%	-	
750,530	715,230	437,327	449,703	71.62%	59.04%	32.22%	24.41%	
938,690	929,274	723,482	712,740	29.75%	30.38%	26.03%	28.35%	
1,136,825	1,168,459	949,082	985,780	19.78%	18.53%	12.70%	13.34%	
	•	1,062,057	1,131,939	-	-	-	-	
	474,830 750,530 938,690	AMSPEC SGS 474,830	AMSPEC SGS AMSPEC 474,830 - 312,092 750,530 715,230 437,327 938,690 929,274 723,482 1,136,825 1,168,459 949,082	AMSPEC SGS AMSPEC SGS 474,830 - 312,092 323,280 750,530 715,230 437,327 449,703 938,690 929,274 723,482 712,740 1,136,825 1,168,459 949,082 985,780	AMSPEC SGS AMSPEC SGS AMSPEC 474,830 - 312,092 323,280 52,14% 750,530 715,230 437,327 449,703 716,62% 938,690 929,274 723,482 712,740 29,75% 1,136,825 1,168,459 949,082 985,780 19,78%	AMSPEC SGS AMSPEC SGS AMSPEC SGS 474,830 - 312,092 323,280 52,14% - 750,530 715,230 437,327 449,703 71,62% 59,04% 938,690 929,274 723,482 712,740 29,75% 30,38% 1,136,825 1,168,459 949,082 985,780 19,78% 18,53%	AMSPEC SGS AMSPEC 28.16% 750,530 715,230 437,327 449,703 71,62% 59.04% 32.22% 32.22% 938,690 929,274 723,482 712,740 29.75% 30.38% 26.03% 1,136,825 1,168,459 949,082	

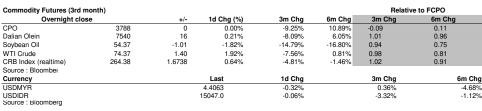
48,311

191,616

144.937

Full month - Source: Reuters	•	1,062,057	1,131,939	•	•	-	•
Malaysian Palm Oil Board Statistic	2021	2022	2023	2023	Feb Chg		KF's Expected
	February	December	January	February	(Mean)		Feb
Production	1,137,448	1,618,853	1,380,410	1,251,313	-4.21%		1,198,608
Stocks	1,518,293	2,194,809	2,268,198	2,119,509	-2.66%		2,063,096
Export	1.097.857	1,468,448	1.135.498	1.114.343	-8.90%		1.015.120

47.114





Chicago Board of Trade soybean futures closed mostly lower on Thursday as traders adjusted positions ahead of a pair of key U.S. crop reports due on Friday from the U.S. Department of Agriculture (USDA). Heuters



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