

Preview

Fundamental

Malaysian palm oil futures extended previous session's losing streak and falls to two-week low to end the session 4.03% lower on Tuesday, pressured by higher supply concerns on anticipations of rising production in top growers and discouraging demand from major buyers along with weaker rival oils during Asian trading hours. Globally, crude oil nosedived on Tuesday, with U.S. West Texas Intermediate crude (WTI) was down \$3.21, or 4.4%, from Friday's close, to \$69.46 a barrel, pressured by worries over US debt ceiling final vote along with mixed comments from OPEC and other major supplier about supply outlook amid physical market for crude signaled that supply are adequate to meet recent timid demand. In addition, the CBOT soy oil fell sharply lower, with July soy oil fell 2.62 cents to finish at 46.20 cents per pound, following its spillover weakness in rival crude oil and improving production outlook due to favorable weather while jitters about US debt ceiling final vote also weighed on the sentiment. Therefore, palm oil futures are expected to trade on a cautious note today tracking overnight weaker performance in competing oils and concerns about rising global soft oil supply continue to weigh over the sentiment as production in major growers will increase.

Technical

Palm oil futures for the August contract opened lower and trended lower under pressured by persistent selling activities following the fall in the rival oil market during Asian trading hour and anticipations of abundant tropical oil supplies. At the close, the August contract settled at 3,403 ringgit per tonne with losses of 143 points, forming a long black-bodied candlestick pattern with extended upper and short 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. Hence, palm oil futures are expected to continue its downtrend today after the sharp losses in rival oils and lingering worry on rising May production that overweighed demand could continue to pressure the prices. Thus, the support and resistance for today can be eyed at 3,250 and 3,500 respectively.

K03 Comdty (Generic 3rd 'K0' Future) DAILY REPORT CHART Daily 28FEB2023-30MAY2023 Copyright © 2023 Bloomberg Finance L.P. 30-May-2023 19:07:49

Source: Bloomberg

Contract	Sett	Chg	High	Low	Vol	Open Int	O/I chg	Value USD	Previous Week				Last Bid	Last Offer	3m Chg	6m Chg
									High	Low	Cash CPO (MYR/MT)	May23				
JUN 23	3,430	-155	3,584	3,425	357	2,033	-196	-3.65 Mn	3,701	3,470	3,470	3,450	3,500	-17.8%	0.0%	
JUL 23	3,437	-151	3,592	3,430	6,545	29,381	-309	-5.77 Mn	3,625	3,422	Source: Reuters					
AUG 23	3,403	-143	3,556	3,392	32,296	63,394	3,121	57.67 Mn	3,586	3,365						
SEP 23	3,402	-137	3,546	3,390	10,271	26,897	830	15.33 Mn	3,578	3,346						
OCT 23	3,410	-133	3,534	3,398	6,047	16,312	283	5.24 Mn	3,577	3,350						
NOV 23	3,418	-131	3,543	3,409	3,991	16,787	114	2.12 Mn	3,579	3,360						
DEC 23	3,428	-129	3,547	3,419	2,800	13,390	250	4.65 Mn	3,579	3,361						
JAN 24	3,441	-124	3,555	3,430	2,588	8,832	350	6.54 Mn	3,582	3,366						
FEB 24	3,447	-123	3,510	3,439	454	2,981	89	1.67 Mn	3,578	3,370						
MAR 24	3,450	-117	3,515	3,445	476	11,260	96	1.8 Mn	3,586	3,380						
APR 24	3,453	-117	3,512	3,450	46	640	-8	-15 Mn	3,534	3,384						
MAY 24	3,450	-114	3,510	3,450	297	4,885	91	1.7 Mn	3,529	3,382						
JUL 24	3,451	-114	3,500	3,450	114	2,358	110	2.06 Mn	3,519	3,385						
SEP 24	3,458	-114	-	-	10	400	-2	-0.4 Mn	3,486	3,390						
NOV 24	3,458	-114	-	-	-	64	0	. Mn	3,421	3,411						
JAN 25	3,458	-114	-	-	-	-	0	. Mn	-	-						
MAR 25	3,458	-114	-	-	-	-	0	. Mn	-	-						
MAY 25	3,458	-114	-	-	-	-	0	. Mn	-	-						
JUL 25	3,458	-114	-	-	-	-	0	. Mn	-	-						
SEP 25	3,458	-114	-	-	-	-	0	. Mn	-	-						
NOV 25	3,458	-114	-	-	-	-	0	. Mn	-	-						
JAN 26	3,458	-114	-	-	-	-	0	. Mn	-	-						
MAR 26	3,458	-114	-	-	-	-	0	. Mn	-	-						
MAY 26	3,458	-114	-	-	-	-	-	-	-	-						
Total					66,292	199,614	4,819									

Source: Bloomberg

Export Est Period	May-23		Apr-23		Change (m-o-m)		Change (y-o-y)	
	AMSPEC	SGS	AMSPEC	SGS	AMSPEC	SGS	AMSPEC	SGS
1 - 10th days	333,779	-	328,133	408,663	1.72%	-	-11.36%	-
1 - 15th days	523,042	-	497,353	566,995	5.17%	-	-7.20%	-
1 - 20th days	716,760	-	696,463	740,545	2.91%	-	-9.79%	-
1 - 25th days	933,615	-	927,331	-	0.68%	-	-15.53%	-
Full month	-	-	1,104,726	-	-	-	-	-

Source: Reuters

Malaysian Palm Oil Board Statistic

	2021	2022	2023	2023	Apr Chg	KF's Expected
	May	February	March	April	(Mean)	Apr
Production	1,460,972	1,251,313	1,288,354	1,196,450	4.08%	1,245,244
Stocks	1,521,766	2,119,509	1,673,044	1,497,535	3.96%	1,556,782
Export	1,359,174	1,114,343	1,486,233	1,074,447	-4.64%	1,024,576
Import	50,768	52,446	39,772	33,678	-25.37%	25,132

Source: Reuters

Commodity Futures (3rd month)

Commodity	Overnight close	+/-	1d Chg (%)	Relative to FCPO			
				3m Chg	6m Chg	3m Chg	6m Chg
CPO	3403	0	0.00%	-17.84%	-19.63%	-0.18	-0.20
Dalian Olein	6654	-100	-1.48%	-17.36%	-19.81%	1.01	1.00
Soybean Oil	46.20	-2.62	-5.37%	-22.68%	-38.59%	0.94	0.76
WTI Crude	69.46	-3.21	-4.42%	-9.67%	-13.23%	0.95	0.97
CRB Index (realtime)	255.50	-5.2084	-2.00%	-5.32%	-8.67%	1.10	1.08

Source: Bloomberg

Currency	Last	1d Chg	3m Chg	6m Chg
USIDR	14985.0	0.09%	-1.89%	-4.83%

Source: Bloomberg

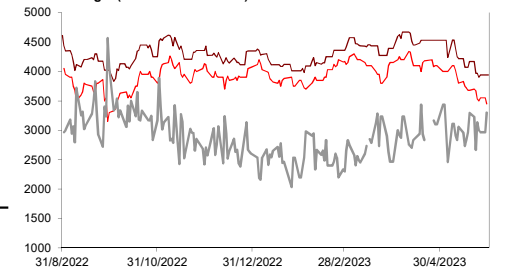
Overnight Lead

Chicago Board of Trade soybean futures tumbled 3% on Tuesday on outlooks for improving U.S. crop weather in June, end-month selling and jitters about the fate of the U.S. debt ceiling pact, traders said. - Reuters

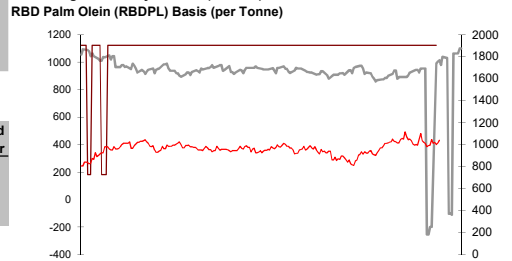
Spreads		Last	Bid	Offer	Vol	High	Low	Avg
Jun23-Jul23	-7	-198	10	7	220	-28	136	
Jun23-Aug23	27	-	43	0	337	10	213	
Jul23-Aug23	34	30	33	78	129	29	72	
Jul23-Sep23	35	30	37	11	191	29	95	
Aug23-Sep23	1	3	4	300	63	0	23	
Aug23-Oct23	-7	-8	-5	75	94	-12	27	

Source: Bloomberg

Refiner's Margin (RBDPO - Cash CPO)



3rd mth FCPO Volatility



30 Days 60 Days 90 Days
40.90% 35.61% 33.75%