



Preview

Fundamental

Malaysian palm oil futures extended its winning streak to third consecutive session on Thursday, rose 2.0% with the help extended rally in rival soy oil prices amid concerns about weather risk and signals of slowing production in the upcoming months due to Malaysia's key production state, Sabah's crop yield is experiencing water stress from El Nino. Globally, crude oil prices ended sharply higher on Thursday, with the U.S. benchmark West Texas Intermediate (WTI) rose \$2.35, or 3.4%, to settle at \$70.62 per barrel, buoyed by weakening US Dollar and higher than expected China's oil refinery data that signals a climb of demand in crude oil. In addition, the CBOT soy oil soared to three months high on Thursday, with December soy oil surged 2.47 cents to finish at 58.43 cents per lb after rising to 58.90 cents, lifted by a three-month seasonal drought outlook in US Midwest that could hurt production along with a fall in soy oil stocks among NOPA members. Therefore, palm oil futures are expected to trade higher today following overnight surge in rival oils and lingering concerns about dry condition in world's key producer Indonesia and Malaysia that could hurt production in the upcoming months while upside could be capped by a potential of profit taking activities ahead of weekend.

Technical

Palm oil futures for the August contract opened firmer and trended gradually higher in positive territory as buying activities continued following the rally in the competing soy oil market and worries over extreme dry condition in key producers' crop region which could cause supply tightness. At the close, the August contract settled at 3,521 ringgit per tonne with gains of 69 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 buy signal while RSI lingered at neutral position. Therefore, palm oil futures are expected to with upward bias echoing overnight stronger competing oils and expectations of slowing supply in the upcoming months due to El Nino while upside could be limited on sluggish tropical oil export demand. Thus, the support and resistance for newly listed active September futures contract can be eyed at 3,450 and 3,650 respectively.

K03 Comdty (Generic 3rd 'KO' Future) DAILY REPORT CHART Daily 13HAR2023-15JUN2023

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15-Jun-2023 19:08:38

Source: Bloomberg

Contract	Sett	Chg	High	Low	Vol	Open Int	O/I chg	O/I chg Value USD	High	Low	Cash CPO (MYR/MT)	Last Bid	Last Offer	3m Chg	6m Chg
JUL 23	3,519	41	3,519	3,485	79	894	-112	-2.13 Mn	3,452	3,297	Jun23	3,510	3,550	-15.1%	0.0%
AUG 23	3,547	67	3,555	3,467	1,734	12,367	-980	-18.82 Mn	3,421	3,255	Source: Reuters				
SEP 23	3,521	69	3,536	3,433	21,331	54,647	-2,475	-47.17 Mn	3,427	3,253					
OCT 23	3,508	69	3,519	3,419	16,134	39,290	1,627	30.89 Mn	3,415	3,264					
NOV 23	3,508	59	3,521	3,428	4,174	19,038	-283	-5.37 Mn	3,425	3,280					
DEC 23	3,526	62	3,534	3,445	2,607	17,689	-174	-3.32 Mn	3,442	3,299					
JAN 24	3,544	62	3,551	3,466	3,172	15,103	548	10.51 Mn	3,468	3,327					
FEB 24	3,559	59	3,571	3,484	3,302	11,850	487	9.38 Mn	3,487	3,345					
MAR 24	3,578	60	3,584	3,504	549	4,204	34	.66 Mn	3,496	3,355					
APR 24	3,587	61	3,589	3,518	558	12,817	101	1.96 Mn	3,470	3,360					
MAY 24	3,592	61			28	1,496	-2	-.04 Mn	3,494	3,358					
JUN 24	3,590	61	3,585	3,519	344	6,350	-14	-.27 Mn							
JUL 24	3,592	60	3,576	3,529	199		-3,237	-62.94 Mn	3,463	3,361					
SEP 24	3,599	60	3,550	3,550	1	3,317	2,786	54.28 Mn	3,380	3,370					
NOV 24	3,599	60			532		463	9.02 Mn							
JAN 25	3,599	60			69		69	1.34 Mn							
MAR 25	3,599	60					0	.Mn							
MAY 25	3,599	60					0	.Mn							
JUL 25	3,599	60					0	.Mn							
SEP 25	3,599	60					0	.Mn							
NOV 25	3,599	60					0	.Mn							
JAN 26	3,599	60					0	.Mn							
MAR 26	3,599	60					0	.Mn							
MAY 26	3,599	60					0	.Mn							
Total					54,212	199,663	-1,162								

Source: Bloomberg

Export Est Period	Jun-23		May-23		Change (m-o-m)		Change (y-o-y)	
	AMSPEC	SGS	AMSPEC	SGS	AMSPEC	SGS	AMSPEC	SGS
1 - 10th days	275,211	-	333,779	-	-17.55%	-	-26.92%	-
1 - 15th days	-	-	523,042	-	-	-	-	-
1 - 20th days	-	-	716,760	-	-	-	-	-
1 - 25th days	-	-	933,615	-	-	-	-	-
Full month	-	-	1,085,070	-	-	-	-	-

Source: Reuters

Malaysian Palm Oil Board Statistic	2021	2022		2023	2023	Apr Chg (Mean)	KF's Expected
	May	February	March	April	April	Apr	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)	Overnight close	+/-	Relative to FCPO				
			1d Chg (%)	3m Chg	6m Chg	3m Chg	6m Chg
CPO	3508	0	0.00%	-10.81%	-10.46%	-0.11	-0.10
Dalian Olein	6762	28	0.42%	-10.44%	-13.37%	1.00	0.97
Soybean Oil	58.43	2.47	4.41%	1.21%	-7.78%	1.13	1.03
WTI Crude	70.62	2.35	3.44%	2.96%	-4.62%	1.06	0.93
CRB Index (realtime)	266.91	6.6475	2.55%	4.00%	-1.64%	1.15	1.07

Source: Bloomberg

Currency	Last	1d Chg	3m Chg	6m Chg
USDMYR	4.6185	-0.16%	2.72%	4.55%
USIDR	14954.0	0.32%	-3.09%	-4.56%

Source: Bloomberg

Overnight Lead

Chicago Board of Trade soybean futures rose to their highest levels in more than a month on Thursday, buoyed by outlooks for continued dry Midwest weather and supportive monthly U.S. soy crushing data, traders said. - Reuters

