



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

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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 lightness. 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 while-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.

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K03 Comdty (Gen	eric 3rd 'KO' Future) DAIL	Y REPORT CHART Daily		N2023	Copyright® 2023	Bloomberg Finance L.P.	15-J	un-2023 19:08:38										
Source: Bloomberg						O/I chg	Previ	ious Week										
Contract	Sett	Chg	High	Low	Vol	Open Int	O/I chg	Value USD	High	Low	Cash CPO (MY	R/MT)	ı	ast Bid	La	ast 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	S						
SEP 23	3,521	69	3,536	3,433	21,331	54,647	-2,475	-47.17 Mn	3,427	3,253							30 Day	
OCT 23	3,508	69	3,519	3,419	16,134	39,290	1,627	30.89 Mn	3,415	3,264	Spreads	Last	Bid	Offer	Vol	High	Low	Avg
NOV 23	3,508	59	3,521	3,428	4,174	19,038	-283	-5.37 Mn	3,425	3,280	Jun23-Jul23	-2 I/A	N/A	#N/A N/A	55	210	-28	87
DEC 23	3,526	62	3,534	3,445	2,607	17,689	-174	-3.32 Mn	3,442	3,299	Jun23-Aug23	26	-	-	23	337	9	150
JAN 24	3,544	62	3,551	3,466	3,172	15,103	548	10.51 Mn	3,468	3,327	Jul23-Aug23	26	19	20	468	129	15	62
FEB 24	3,559	59	3,571	3,484	3,302	11,850	487	9.38 Mn	3,487	3,345	Jul23-Sep23	39	30	40	138	191	-6	79
MAR 24	3,578	60	3,584	3,504	549	4,204	34	.66 Mn	3,496	3,355	Aug23-Sep23	13	15	17	1,526	63	-24	18
APR 24	3,587	61	3,589	3,518	558	12,817	101	1.96 Mn	3,470	3,360	Aug23-Oct23	13	13	15	65	94	-49	17
MAY 24	3,592	61			28	1,496	-2	04 Mn	3,494	3,358	Source: Bloomb							
JUN 24	3,590	61	3,585	3,519	344	6,350	-14	27 Mn	-	-	Refiner's Margin (RBDPO - Cash CPO) -							
JUL 24	3,592	60	3,576	3,529	199	-	-3,237	-62.94 Mn	3,463	3,361	5000							1
SEP 24	3,599	60	3,550	3,550	1	3,317	2,786	54.28 Mn	3,380	3,370		_					1	
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2000

1500

1200

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600

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200

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16/11/2022

Crude Degummed Sovbean Oil (CDSBO)/

RBD Palm Olein (RBDPL) Basis (per Tonne)

16/1/2023

16/3/2023

16/5/2023

USD 1083.67

2000

1800

1600

1400 1200

1000

800 600

400 200

0

Export Est Jun-23 Change (y-o-y) AMSPEC May-23 Char AMSPEC 333,779 Period AMSPEC SGS 1 - 10th days 275,211 -17.559 -26.92% 1 - 15th days 523.042 716,760 1 - 20th days 1 - 25th days 933 615 Full month

54.212

199.663

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	
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3rd mth FCPO Volatility 30 Days 60 Days 90 Days 38.78% 80 70 60 50 40 30 20 10/6/2022 10/8/2022 10/10/2022 10/12/2022 10/2/2023 10/4/2023 10/6/2023

Overnight Lead

MAR 26

MAY 26

Source: Reuters

Total

3.599

60

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

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