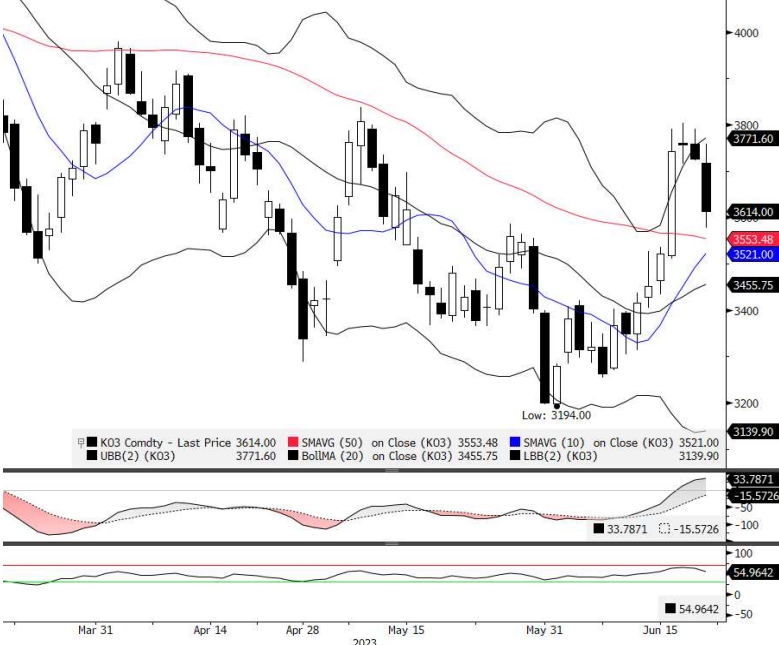


CPO Futures 3rd month daily chart



## Preview

### Fundamental

Malaysian palm oil futures continued its bearish mode to second consecutive session and closed 3.03% lower on Wednesday, pressured by persistent selling activities tracking the nosedive in rival soy oil prices which were dragged by disappointment after Biden Administration announced a conservative increase in quotas for plant-based diesel. Globally, crude oil prices rallied on Wednesday, with the U.S. benchmark West Texas Intermediate (WTI) rose \$1.34, or 1.9%, to settle at \$72.53 a barrel, riding on U.S. corn and soybean price that rallied to multiple month high that foster the anticipation of reduced biofuels blending resulting from global crop shortages and a subsequent rise in oil demand. Meanwhile, the CBOT soy oil plummeted on Wednesday, with December soy oil futures settled down 4 cents at 53.66 cents per lb, with the market locked down the 4 cents per lb trading limit for most of the session brought down by disappointment of biofuel blending volumes for the next three years. Therefore, palm oil futures are expected to trade on a cautious note today on continued selling activities as recent palm oil market rallies was overheated by dry weather parches fields in world's largest producer Indonesia and Malaysia and tracking the overnight loss in rival soy oil on smaller-than-expected US biofuel mandate.

### Technical

Palm oil futures for the September contract opened gap down and stayed sharply lower in negative territory pressured by persistent selling activities following the dive in the rival soy oil market after US announced a smaller biofuel mandate than it had initially proposed. At the close, the September contract settled at 3,614 ringgit per tonne with losses of 113 points. Trading activities for the day can be depicted through the formation of a long black-bodied candlestick pattern with extended upper and bottom shadows, indicating that the bears took control of the trading session aggressively. Technical wise, MACD indicator issued a buy signal while RSI lingered at a neutral region. Therefore, palm oil futures are expected to trade with downward bias today on continued selling pressure took cue from stumble in overnight competing soy oil market and worries about discouraging tropical oil export demand. Hence, the support and resistance for September futures contract can be found at 3,470 and 3,700 respectively.

K03 Comdty (Generic 3rd 'K0' Future) DAILY REPORT CHART Daily 21JUN2023-21JUN2023 Copyright© 2023 Bloomberg Finance L.P. 21-Jun-2023 18:57:46

Source: Bloomberg

Contract	Sett	Chg	High	Low	Vol	Open Int	O/I chg	O/I chg		Previous Week		Last Bid	Last Offer	3m Chg	6m Chg
								Value USD	High	Low	Cash CPO (MYR/MT)				
JUL 23	3,631	-106	3,770	3,588	959	6,129	-2,171	-42.43 Mn	3,825	3,345	Jul23	3,580	3,650	-9.4%	0.0%
AUG 23	3,620	-108	3,760	3,582	9,380	41,426	-4,637	-90.34 Mn	3,810	3,304	Source: Reuters				
SEP 23	3,614	-113	3,758	3,578	31,111	44,229	-444	-8.64 Mn	3,791	3,302					
OCT 23	3,615	-111	3,755	3,583	5,843	18,780	204	3.97 Mn	3,784	3,322					
NOV 23	3,625	-108	3,759	3,595	3,919	17,839	322	6.28 Mn	3,788	3,345					
DEC 23	3,645	-102	3,775	3,610	3,653	14,190	-390	-7.65 Mn	3,800	3,368					
JAN 24	3,669	-104	3,794	3,632	4,595	13,427	885	17.48 Mn	3,820	3,394					
FEB 24	3,692	-100	3,812	3,666	1,025	4,784	12	.24 Mn	3,831	3,421					
MAR 24	3,709	-93	3,820	3,688	1,435	13,308	334	6.67 Mn	3,846	3,430					
APR 24	3,714	-93	3,725	3,718	288	1,759	6	.12 Mn	3,826	3,435					
MAY 24	3,714	-93	3,743	3,705	431	6,576	60	1.2 Mn	3,841	3,432					
JUN 24	3,715	-93	-	-	28	55	3	.06 Mn	3,754	3,754					
JUL 24	3,712	-97	3,723	3,700	266	3,519	-60	-1.2 Mn	3,828	3,438					
SEP 24	3,719	-97	3,714	3,701	4	576	0	. Mn	3,799	3,441					
NOV 24	3,717	-97	-	-	-	87	0	. Mn	-	-					
JAN 25	3,717	-97	-	-	-	-	0	. Mn	-	-					
MAR 25	3,717	-97	-	-	-	-	0	. Mn	-	-					
MAY 25	3,717	-97	-	-	-	-	0	. Mn	-	-					
JUL 25	3,717	-97	-	-	-	-	0	. Mn	-	-					
SEP 25	3,717	-97	-	-	-	-	0	. Mn	-	-					
NOV 25	3,717	-97	-	-	-	-	0	. Mn	-	-					
JAN 26	3,717	-97	-	-	-	-	0	. Mn	-	-					
MAR 26	3,717	-97	-	-	-	-	0	. Mn	-	-					
MAY 26	3,717	-97	-	-	-	-	0	. Mn	-	-					
<b>Total</b>					<b>62,937</b>	<b>186,684</b>	<b>-5,876</b>								

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	437,101	-	523,042	-	-16.43%	-	-22.45%	-
1 - 20th days	624,306	-	716,760	-	-12.90%	-	-21.42%	-
1 - 25th days	-	-	933,615	-	-	-	-	-
<b>Full month</b>	-	-	<b>1,085,070</b>	-	-	-	-	-

Source: Reuters

Malaysian Palm Oil Board Statistic	2021		2022		2023		May Chg (Mean)	KF's Expected
	June	March	April	May	May	May		
Production	1,545,129	1,288,354	1,196,450	1,517,546	6.24%	1,612,292		
Stocks	1,655,073	1,673,044	1,497,535	1,686,782	-0.82%	1,672,922		
Export	1,193,861	1,486,233	1,074,447	1,079,020	7.20%	1,156,677		
Import	59,195	39,772	33,678	80,926	10.82%	89,685		

Source: Reuters

Commodity Futures (3rd month)	Overnight close	+/-	Relative to FCPO				
			1d Chg (%)	3m Chg	6m Chg	3m Chg	6m Chg
CPO	3614	0	0.00%	-1.36%	-7.29%	-0.01	-0.07
Dalian Olein	7068	-132	-1.83%	-4.95%	-8.75%	0.96	0.98
Soybean Oil	55.63	-4.00	-6.71%	1.81%	-15.46%	1.03	0.91
WTI Crude	72.53	1.34	1.88%	2.53%	-4.30%	1.05	0.93
CRB Index (realtime)	270.65	3.2334	1.21%	4.64%	-1.09%	1.04	1.03

Source: Bloomberg

Currency	Last	1d Chg	3m Chg	6m Chg
USDIR	14952.0	-0.35%	-2.22%	-3.74%

Source: Bloomberg

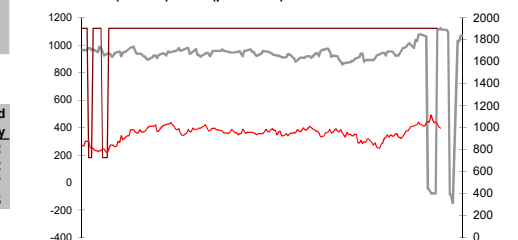
## Overnight Lead

Chicago Board of Trade soybean futures jumped 2.6% on Wednesday as the market rallied on support from a government report that showed the condition of the U.S. crop was worse than expected after a stretch of dry weather. - Reuters

Spreads		Last	Bid	Offer	Vol	High	Low	Avg
Jul23-Aug23	11	12	18	21	117	1	52	
Jul23-Sep23	17	17	24	5	168	-6	65	
Aug23-Sep23	6	6	8	611	58	-24	13	
Aug23-Oct23	5	5	8	74	88	-49	10	
Sep23-Oct23	-1	-1	0	581	31	-26	-1	
Sep23-Nov23	-11	-11	-8	128	42	-48	-10	

Source: Bloomberg

Crude Degummed Soybean Oil (CDSBO) / RBD Palm Olein (RBDPO) Basis (per Tonne) USD 1068.67



3rd mth FCPO Volatility

30 Days 60 Days 90 Days  
42.26% 40.54% 36.67%

