

CPO Futures 3rd month daily chart



### Preview

#### Fundamental

Malaysian palm oil futures rebounded from previous loss and closed 1.27% higher on Thursday, buoyed by expectations of exports demand to pick up in July and August along with forecasts of lower June production as there is a possibility that Malaysian production in June was less than estimated. Globally, crude oil prices ended flat on Thursday, with the U.S. benchmark West Texas Intermediate (WTI) gained 1 cent to \$71.80 a barrel, after rising 2.9% in post-holiday trade on Wednesday to catch up with Brent's gains earlier in the week, as U.S. crude tight supplies have outweighed fears over possible rate hike that could dent crude demand. Meanwhile, the CBOT soy oil edged lower on Thursday, with December soy oil settled 2.16 cents lower at 59.24 cents per lb, pressured by profit taking activities after recent rally and favorable US weather outlook. Therefore, palm oil futures are expected to trade on a cautious note today on a potential of profit taking activities ahead of weekend following losses in rival soy oil and concerns over increased levels of production as well as expanding inventories in world's second largest grower, Malaysia.

#### Technical

Palm oil futures for the September contract opened steadier and trended gradually higher in positive territory as bargain buying activities emerged following the stronger competing soy oil market during Asian trading hour and expectations of demand to pick up in July and August. At the close, the September contract settled at 3,911 ringgit per tonne with gains of 49 points. Trading activities for the day can be depicted through the formation of a short white-bodied candlestick pattern with extended upper and bottom shadows, indicating that the bulls took control of the trading session. Technical wise, MACD indicator issued a buy signal while RSI lingered at neutral position. Nevertheless, palm oil futures are expected to trade range bound with slight downward bias on a potential of mild profit taking activities ahead of weekend and concerns about rising stockpiles while downward pressure could be limited on anticipations of improving tropical oil export demand. Therefore, the support and resistance for September futures contract can be eyed at 3,800 and 3,940 respectively.

K03 Comdty (Generic 3rd 'KO' Future) DAILY REPORT CHART Daily 04APR2023-06JUL2023

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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	
JUL 23	3,844	44	3,845	3,800	244	1,559	102	2.1 Mn	3,815	3,661	Jul23	3,850	3,880	-8.6%	0.0%			
AUG 23	3,901	44	3,919	3,865	6,109	17,781	-3,199	-66.82 Mn	3,832	3,639	Source: Reuters							
SEP 23	3,911	49	3,925	3,865	28,021	47,278	1,424	29.82 Mn	3,829	3,630								
OCT 23	3,918	52	3,925	3,869	9,160	27,031	1,599	33.54 Mn	3,823	3,627	<b>Spreads</b>	<b>Last</b>	<b>Bid</b>	<b>Offer</b>	<b>Vol</b>	<b>High</b>	<b>Low</b>	<b>Avg</b>
NOV 23	3,923	47	3,928	3,879	4,993	18,297	-407	-8.55 Mn	3,820	3,633	Jul23-Aug23	-57	-75	-	127	70	-80	13
DEC 23	3,932	42	3,936	3,892	4,910	16,234	321	6.76 Mn	3,826	3,649	Jul23-Sep23	-67	-	-5	5	88	-84	13
JAN 24	3,948	40	3,964	3,906	4,965	17,897	397	8.39 Mn	3,839	3,673	Aug23-Sep23	-10	-18	-15	505	24	-24	4
FEB 24	3,962	35	3,963	3,924	1,854	6,332	206	4.37 Mn	3,854	3,720	Aug23-Oct23	-17	-29	-25	100	34	-49	0
MAR 24	3,966	35	3,968	3,933	2,005	14,011	301	6.39 Mn	3,867	3,729	Sep23-Oct23	-7	-11	-10	1,053	17	-26	-4
APR 24	3,968	38	3,968	3,935	616	2,116	68	1.44 Mn	3,863	3,737	Sep23-Nov23	-12	-21	-18	278	19	-48	-13
MAY 24	3,964	43	3,965	3,927	1,896	8,009	369	7.83 Mn	3,848	3,729	Source: Bloomberg							
JUN 24	3,947	43	3,947	3,920	180	1,673	42	.89 Mn	3,825	3,728	<b>Refiner's Margin (RBDPO - Cash CPO)</b>							
JUL 24	3,910	43	3,918	3,889	646	4,849	228	4.77 Mn	3,800	3,718								
SEP 24	3,884	45	3,885	3,858	429	1,018	126	2.62 Mn	3,779	3,689	<b>MYR 190</b>							
NOV 24	3,858	45	3,869	3,830	365	646	219	4.52 Mn	3,760	3,665								
JAN 25	3,858	45	-	-	-	-	-	. Mn	-	-								
MAR 25	3,858	45	-	-	-	-	-	. Mn	-	-								
MAY 25	3,858	45	-	-	-	-	-	. Mn	-	-								
JUL 25	3,858	45	-	-	-	-	-	. Mn	-	-								
SEP 25	3,858	45	-	-	-	-	-	. Mn	-	-								
NOV 25	3,858	45	-	-	-	-	-	. Mn	-	-								
JAN 26	3,858	45	-	-	-	-	-	. Mn	-	-								
MAR 26	3,858	45	-	-	-	-	-	. Mn	-	-								
MAY 26	3,858	45	-	-	-	-	-	. Mn	-	-								
<b>Total</b>						<b>66,393</b>		<b>184,731</b>		<b>1,796</b>								

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	891,361	-	933,615	-	-4.53%	-	-19.36%	-
<b>Full month</b>	<b>1,091,891</b>		<b>1,085,070</b>		<b>0.63%</b>		<b>-19.81%</b>	

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

Commodity Futures (3rd month)	Relative to FCPO						
	Overnight close	+/-	1d Chg (%)	3m Chg	6m Chg	3m Chg	6m Chg
CPO	3911	0	0.00%	3.08%	-3.48%	0.03	-0.03
Dalian Olein	7570	4	0.05%	3.33%	-5.78%	1.00	0.98
Soybean Oil	65.95	-2.63	-3.83%	20.94%	3.48%	1.17	1.07
WTI Crude	71.80	0.01	0.01%	-9.98%	-3.31%	0.96	0.91
CRB Index (realtime)	261.92	-0.8856	-0.34%	-3.70%	-1.10%	0.87	1.00

### Overnight Lead

Chicago Board of Trade (CBOT) soybean futures eased on Thursday in a profit-taking pullback from recent highs and on forecasts for crop-boosting rains and mild temperatures in much of the U.S. Midwest, traders said. - Reuters

