

## 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 boftom 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.

			2023															
K03 Comdty (Gene	eric 3rd 'KO' Future)	DAILY REPORT CHART Daily	04APR2023-06JUL	2023	Copyright® 2023	Bloomberg Finance L.P.	06-J	ul-2023 19:17:51										
Source: Bloor	mberg							O/I chg	Prev	ious Week								
Contract	Sett	Chg	High	Low	Vol	Open Int	O/I chg	Value USD	High	Low	Cash CPO (M)	YR/MT)	L	ast Bid	La	ast 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: Reuter	rs						
SEP 23	3,911	49	3,925	3,865	28,021	47,278	1,424	29.82 Mn	3,829	3,630							30 Day	
OCT 23	3,918	52	3,925	3,869	9,160	27,031	1,599	33.54 Mn	3,823	3,627	Spreads	Last	Bid	Offer	Vol	High	Low	Avg
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: Bloom	berg						
JUN 24	3,947	43	3,947	3,920	180	1,673	42	.89 Mn	3,825	3,728	Refiner's Marg	gin (RBDI	PO - Cas	h CPO)				MYR 190
JUL 24	3,910	43	3,918	3,889	646	4,849	228	4.77 Mn	3,800	3,718	5000							1
SEP 24	3,884	45	3,885	3,858	429	1,018	126	2.62 Mn	3,779	3,689						~		
NOV 24	3,858	45	3,869	3,830	365	646	219	4.52 Mn	3,760	3,665	4500	[ N ~	~		~	7. ~	W	
JAN 25	3,858	45				-	0	. Mn	-	-	4000	1~U.S	زل~~		,~~~		774	. 🖊
MAR 25	3,858	45				-	0	. Mn	-	-	4000	1 1/0	$\sim$	Viv	\	/ i /	ĭ 4. 'n	~~~
MAY 25	3,858	45				-	0	. Mn	-	-	3500	/AII	ير آن	•	le le	\	المرازية	~J~~
JUL 25	3,858	45				-	0	. Mn	-	-		/ " WII A	AA . A	M	_/	1 N N / L	MM 141	4

0

0

1.796

Mn Mn

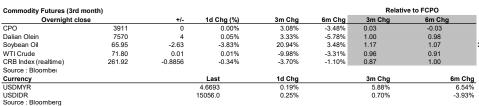
Jun-23 Export Est May-23 Change (y-o-y)

66.393

184.731

renou	AWGFLC	303	AWGFLC	303	AWGFLO	363	ANISTEC	36
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%	-
Full month	1,091,891		1,085,070		0.63%	-	-19.81%	-
Source: Reuters								

Malaysian Palm Oil Board Statistic	2021	2022	2023	2023	May Chg	KF's Expected
	June	March	April	May	(Mean)	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						





## -180 3rd mth FCPO Volatility 80 70

2500

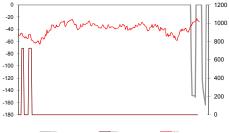
2000

1500 7/10/2022

7/12/2022

Crude Degummed Sovbean Oil (CDSBO)/

RBD Palm Olein (RBDPL) Basis (per Tonne)



7/2/2023

7/4/2023

7/6/2023

**#VALUE!** 

30 Days 60 Days 90 Days



## Overnight Lead

SEP 25

NOV 25

JAN 26

MAR 26

MAY 26 Total

3,858

3,858

3.858

3.858

45

45

45

45

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

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