

CPO Futures 3rd month daily chart



Preview

Fundamental

Malaysian palm oil futures failed to extend previous session's gains to settle 1.55% lower on Thursday, pressured by anticipation of improving production in the world's second largest planter, Malaysia and following the fall in rival soy oil on higher global edible oils output forecasted by USDA. Globally, crude oil prices continued its bullish momentum on Thursday, with the U.S. benchmark West Texas Intermediate (WTI) rose \$1.14, or 1.5%, to \$76.89 with intraday high of \$77.13, the strongest since April 26, lifted by lower than expected inflation data that buoyed hope of US Fed rate hike cycle is near to the end along with weakening US Dollar. In addition, the CBOT soy oil rebounded on Thursday, with August soy oil settled up 1.35 cents at 65.69 cents per lb, supported by bargain buying activities and further lifted by concerns over uncertain crop weather and U.S. soybean supply. Therefore, palm oil futures are expected to trade higher today tracking overnight gains in rival oils and a potential of bargain buying activities amid improving export demand from top importer, India while upside could be capped by strengthening Malaysian Ringgit and a potential of profit taking activities ahead of weekend.

Technical

Palm oil futures for the September contract opened lower and trended in negative territory for the trading session pressured by selling activities following the fall in the rival soy oil market along with signals that show improving production in Malaysia. At the close, the September contract settled at 3,865 ringgit per tonne with losses of 61 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. Technical wise, MACD indicator issued a buy signal while RSI lingered at a neutral region. Therefore, palm oil futures are expected to trade with upward bias today on bargain buying activities taking cue from strong performance in overnight competing oils market and anticipation of improving tropical oil export demand as Indonesia is planning to raise its crude palm oil reference price while upside could be capped by a potential of profit taking activities ahead of weekend. Hence, the support and resistance for September futures contract can be found at 3,800 and 4,000 respectively.

K03 Comdty (Generic 3rd 'K0' Future) DAILY REPORT CHART Daily 14APR2023-13JUL2023 Copyright© 2023 Bloomberg Finance L.P. 13-Jul-2023 19:00:29

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	3,786	-61	3,782	3,774	33	1,312	-132	-2.75 Mn	3,950	3,755	Jul23	3,780	3,830	-10.5%	0.0%				
AUG 23	3,843	-61	3,932	3,806	2,220	10,458	-621	-13.13 Mn	4,000	3,793	Source: Reuters								
SEP 23	3,865	-61	3,961	3,829	25,711	44,170	-459	-9.76 Mn	3,995	3,822									
OCT 23	3,880	-52	3,962	3,837	14,051	34,594	4,095	87.43 Mn	3,983	3,838	Spreads	Last	Bid	Offer	Vol	High	Low	Av	
NOV 23	3,887	-47	3,960	3,845	5,640	20,184	520	11.12 Mn	3,980	3,846	Jul23-Aug23	-57	-75	-	32	44	-80	-4	
DEC 23	3,896	-48	3,967	3,857	4,272	18,181	479	10.27 Mn	3,988	3,847	Jul23-Sep23	-79	-	-50	1	50	-99	-4	
JAN 24	3,919	-44	3,985	3,876	4,114	18,921	583	12.57 Mn	4,014	3,861	Aug23-Sep23	-22	-30	-28	155	24	-33	-1	
FEB 24	3,935	-52	4,001	3,895	1,327	6,933	275	5.95 Mn	4,003	3,882	Aug23-Oct23	-37	-45	-37	2	34	-48	-5	
MAR 24	3,944	-44	4,000	3,909	1,583	13,646	-64	-1.39 Mn	4,011	3,890	Sep23-Oct23	-15	-12	-11	634	17	-22	-5	
APR 24	3,943	-51	3,976	3,914	1,017	3,243	256	5.55 Mn	4,003	3,886	Sep23-Nov23	-22	-24	-17	34	19	-44	-13	
MAY 24	3,934	-51	3,955	3,894	840	8,923	-18	-39 Mn	3,994	3,880	Source: Bloomberg								
JUN 24	3,904	-51	3,941	3,907	211	1,841	53	1.14 Mn	3,963	3,867	Refiner's Margin (RBDPO - Cash CPO)								
JUL 24	3,864	-51	3,910	3,856	138	4,817	-125	-2.66 Mn	3,932	3,843	MYR 270								
SEP 24	3,840	-45	3,868	3,827	67	1,091	-9	-19 Mn	3,888	3,797									
NOV 24	3,814	-45	3,839	3,810	80	806	55	1.15 Mn	3,869	3,760									
JAN 25	3,814	-45	-	-	-	-	-	. Mn	-	-									
MAR 25	3,814	-45	-	-	-	-	-	. Mn	-	-									
MAY 25	3,814	-45	-	-	-	-	-	. Mn	-	-									
JUL 25	3,814	-45	-	-	-	-	-	. Mn	-	-									
SEP 25	3,814	-45	-	-	-	-	-	. Mn	-	-									
NOV 25	3,814	-45	-	-	-	-	-	. Mn	-	-									
JAN 26	3,814	-45	-	-	-	-	-	. Mn	-	-									
MAR 26	3,814	-45	-	-	-	-	-	. Mn	-	-									
MAY 26	3,814	-45	-	-	-	-	-	. Mn	-	-									
Total					61,304	189,120	4,888												

Source: Bloomberg

Export Est Period	Jul-23		Jun-23		Change (m-o-m)		Change (y-o-y)	
	AMSPEC	SGS	AMSPEC	SGS	AMSPEC	SGS	AMSPEC	SGS
1 - 10th days	326,569	-	275,211	-	18.66%	-	5.93%	-
1 - 15th days	-	-	437,101	-	-	-	-	-
1 - 20th days	-	-	624,306	-	-	-	-	-
1 - 25th days	-	-	891,361	-	-	-	-	-
Full month	-	-	1,091,891	-	-	-	-	-

Source: Reuters

Malaysian Palm Oil Board Statistic	2021	2022	2023	2023	Jun Chg (Mean)	KF's Expected
	June	April	May	June		
Production	1,545,129	1,196,450	1,517,546	1,447,795	1.68%	1,472,112
Stocks	1,655,073	1,497,535	1,686,782	1,720,567	1.22%	1,741,487
Export	1,193,861	1,074,447	1,079,020	1,171,741	2.85%	1,205,134
Import	59,195	33,678	80,926	135,271	41.27%	191,097

Source: Reuters

Commodity Futures (3rd month)	Relative to FCPO						
	Overnight close	+/-	1d Chg (%)	3m Chg	6m Chg	3m Chg	6m Chg
CPO	3865	0	0.00%	4.40%	0.62%	0.04	0.01
Dalian Olein	7468	-58	-0.77%	4.80%	-4.23%	1.00	0.95
Soybean Oil	69.67	1.14	1.66%	29.69%	10.15%	1.24	1.09
WTI Crude	76.89	1.14	1.50%	-5.62%	-3.50%	1.01	0.96
CRB Index (realtime)	270.74	2.4405	0.91%	-1.98%	-1.87%	0.90	0.96

Source: Bloomberg

Currency	Last		3m Chg	6m Chg
	USD/MYR	USD/IDR		
USD/MYR	4.5433	-	-0.85%	4.11%
USD/IDR	14965.5	-	-0.73%	2.23%

Source: Bloomberg

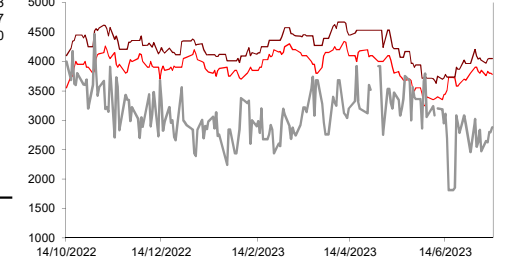
Overnight Lead

Benchmark soybean futures on the Chicago Board of Trade rose more than 3% on Thursday, rallying after a sharp sell-off a day earlier as traders shifted their focus back to uncertain crop weather and worries about U.S. supplies, analysis said... - Reuters

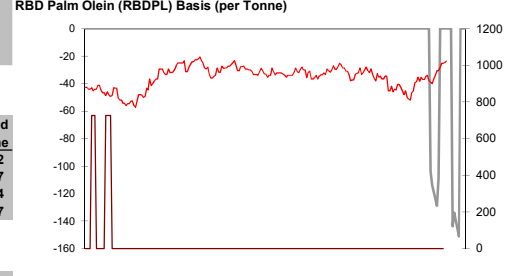
Previous Week

High	Low	Cash CPO (MYR/MT)	Last Bid	Last Offer	3m Chg	6m Chg
3,950	3,755	Jul23	3,780	3,830	-10.5%	0.0%

Source: Reuters



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



3rd mth FCPO Volatility