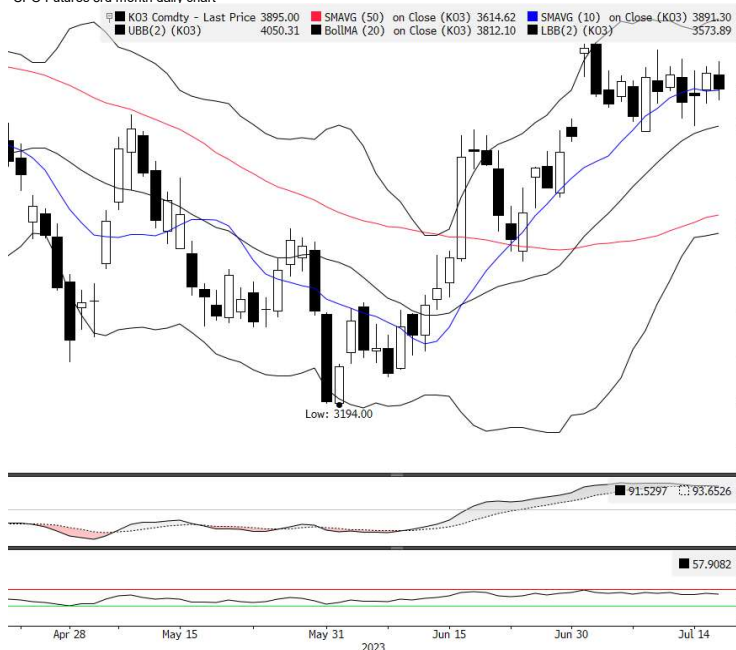


CPO Futures 3rd month daily chart



## Preview

### Fundamental

Malaysian palm oil futures traded within a narrow range and closed 0.89% lower on Tuesday, as previous session rise was erased by lower overnight competing soy oil prices along with expectation of lackluster demand due to well-stocked inventories and strengthening Malaysian Ringgit. Globally, crude oil prices dipped after a choppy trading session on Wednesday, with the U.S. benchmark West Texas Intermediate (WTI) dropped 40 cents or 0.5% at \$75.35 a barrel, pressured by profit taking activities after recent rally despite lower U.S. inventories along with China's pledge to roll out policies to restore and expand local businesses. Meanwhile, the CBOT soy oil inched higher on Wednesday, hitting its highest level in nearly five months, with CBOT August soy oil gained 2 cents to 66.05 cents per lb, lifted by fresh demand from China and concerns over dry weather condition in U.S. crop yield. Therefore, palm oil futures are expected to trade higher today following the strength in overnight soy oil prices and July tropical oil exports demand which continue to show strong momentum while upside could be limited by lacking fresh demand due to narrowed import margins and strengthening Malaysian Ringgit.

### Technical

Palm oil futures for the October contract opened higher but trended gradually lower in negative territory as profit booking activities emerged following the fall in the rival soy oil market during Asian trading hours along with anticipation of lesser fresh demand from top importers due to well stocked inventories. At the close, the October contract settled at 3,895 ringgit per tonne with losses of 35 points. Trading activities for the day can be depicted through the formation of a black-bodied candlestick pattern with longer upper and shorter bottom shadows, indicating that the bulls initially intended to take charge, but the bears managed to gain 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 higher today on a potential of bargain buying activities taking cue from sharply higher overnight competing soy oil prices and encouraging July tropical oil export demand while upside could be capped by steadier Malaysian Ringgit and participants to stay cautious for more clarity on supplies and weather condition. Hence, the support and resistance for October futures contract can be found at 3,850 and 4,080 respectively.

K03 Comdty (Generic 3rd 'KO' Future) DAILY REPORT CHART Daily 19APR2023-18JUL2023 Copyright© 2023 Bloomberg Finance L.P. 18-Jul-2023 19:18:21

Source: Bloomberg

Contract	Sett	Chg	High	Low	Vol	Open Int	O/I chg	O/I chg Value USD
AUG 23	3,851	-34	3,903	3,826	969	8,440	0	-. Mn
SEP 23	3,879	-35	3,938	3,853	9,061	39,589	0	-. Mn
OCT 23	3,895	-35	3,956	3,870	28,034	40,519	0	-. Mn
NOV 23	3,903	-34	3,956	3,877	4,747	21,151	0	-. Mn
DEC 23	3,908	-36	3,958	3,881	3,744	18,238	0	-. Mn
JAN 24	3,924	-28	3,964	3,893	3,173	18,990	0	-. Mn
FEB 24	3,933	-27	3,974	3,909	1,109	7,586	0	-. Mn
MAR 24	3,933	-27	3,977	3,909	1,940	14,096	0	-. Mn
APR 24	3,930	-25	3,961	3,906	807	3,268	0	-. Mn
MAY 24	3,929	-25	3,947	3,886	1,471	9,170	0	-. Mn
JUN 24	3,898	-26	3,918	3,881	529	1,973	0	-. Mn
JUL 24	3,872	-26	3,890	3,834	779	4,555	0	-. Mn
SEP 24	3,845	-26	3,854	3,805	462	1,107	0	-. Mn
NOV 24	3,825	-26	3,835	3,789	192	913	0	-. Mn
JAN 25	3,825	-26	-	-	-	-	0	-. Mn
MAR 25	3,825	-26	-	-	-	-	0	-. Mn
MAY 25	3,825	-26	-	-	-	-	0	-. Mn
JUL 25	3,825	-26	-	-	-	-	0	-. Mn
SEP 25	3,825	-26	-	-	-	-	0	-. Mn
NOV 25	3,825	-26	-	-	-	-	0	-. Mn
JAN 26	3,825	-26	-	-	-	-	0	-. Mn
MAR 26	3,825	-26	-	-	-	-	0	-. Mn
MAY 26	3,825	-26	-	-	-	-	0	-. Mn
JUL 26	3,825	-26	-	-	-	-	0	-. Mn
<b>Total</b>					<b>57,017</b>	<b>189,595</b>	<b>0</b>	

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	373,204	275,211	295,990	18.66%	26.09%	5.93%	-
1 - 15th days	510,249	554,054	437,101	464,380	16.73%	19.31%	2.06%	-
1 - 20th days	-	-	624,306	-	-	-	-	-
1 - 25th days	-	-	891,361	-	-	-	-	-
<b>Full month</b>	-	-	<b>1,091,891</b>	-	-	-	-	-

Source: Reuters

Malaysian Palm Oil Board Statistic	2021	2022	2023	2023	Jun Chg	KF's Expected
	June	April	May	June	(Mean)	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	3895	-35	-0.89%	2.80%	0.72%	0.03	0.01
Dalian Olein	7626	22	0.29%	4.58%	-3.27%	1.02	0.96
Soybean Oil	66.05	2.00	3.12%	21.35%	6.58%	1.18	1.06
WTI Crude	75.35	-0.40	-0.53%	-1.68%	-7.22%	1.08	1.03
CRB Index (realtime)	273.09	1.2352	0.45%	0.44%	-1.93%	0.96	0.92

Source: Bloomberg

Currency	Last	1d Chg	3m Chg	6m Chg
	USDMYR	4.5487	0.20%	2.31%
USDIR	14997.0	-0.11%	1.15%	-0.50%

Source: Bloomberg

## Overnight Lead

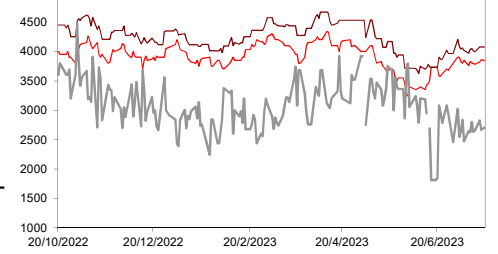
U.S. soybean futures rose for the fifth day in a row, hitting their highest in more than a month, on concerns about hot and dry weather stressing crops across the U.S. Midwest. - Reuters

Previous Week		Last Bid		Last Offer		3m Chg		6m Chg	
High	3,955	3,780	3,850	3,900	3,900	-3.9%	0.0%		
Low	3,780	3,780	3,850	3,900	3,900	-3.9%	0.0%		

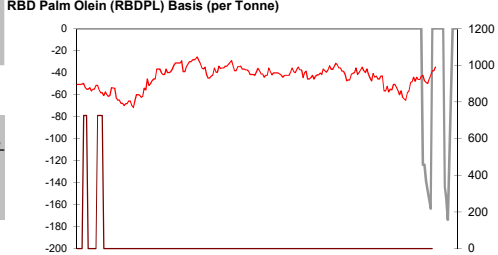
Spreads		Last		Bid		Offer		Vol		30 Day	
Aug23-Sep23	-28	-33	-25	445	24	-38	-3				
Aug23-Oct23	-44	-50	-15	392	34	-60	-8				
Sep23-Oct23	-16	-16	-15	5,740	17	-22	-5				
Sep23-Nov23	-24	-25	-20	640	19	-42	-13				
Oct23-Nov23	-8	-8	-6	2,096	7	-24	-9				
Oct23-Dec23	-13	-15	-13	1,449	5	-50	-22				

Source: Bloomberg

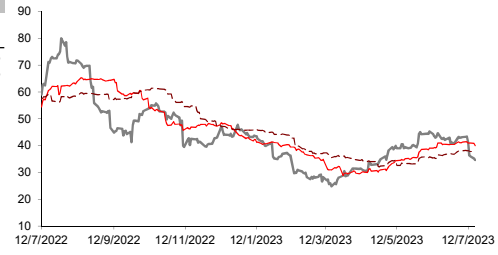
## Refiner's Margin (RBDPO - Cash CPO)



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



## 3rd mth FCPO Volatility



30 Days 60 Days 90 Days  
34.58% 39.97% 37.67%