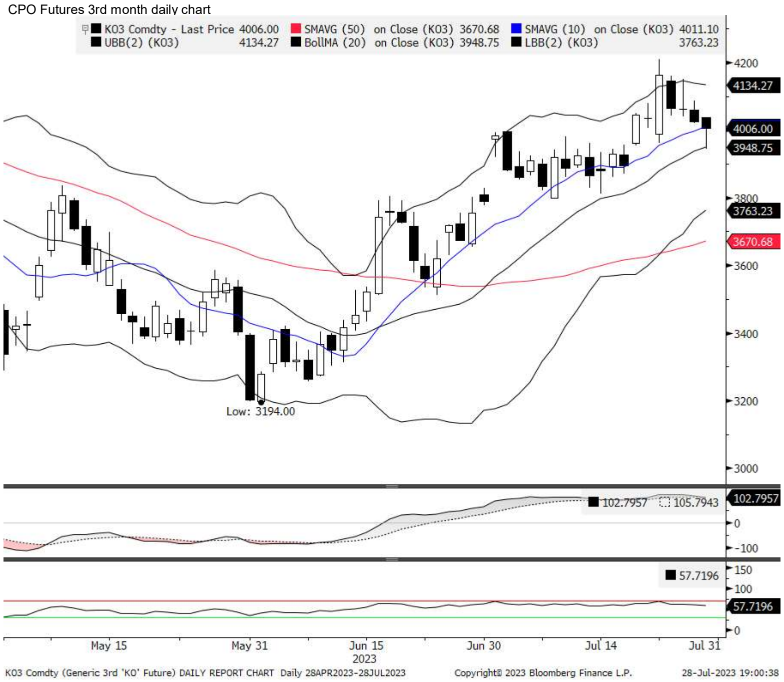
KENANGA FUTURES SDN BHD Company No. 353603-X

CPO Futures 3rd month daily chart



Preview

Fundamental

Malaysian palm oil futures extended their decline and closed 0.50% lower on Friday that leads to a weekly loss, as prices were pressured by the strengthening Malaysian Ringgit which could potentially impacting the attractiveness of local palm oil and also tracking the weakness seen in Dalian's rival oils. Globally, crude oil prices continued their upward trajectory on Friday, marking the fifth consecutive week of gains and gaining nearly 5%, with the U.S. benchmark West Texas Intermediate (WTI) rising by 49 cents to reach $80.58 per barrel, supported by persistent concerns regarding tightening supply owing to OPEC+ production cuts as well as optimism surrounding crude demand driven by a bullish global economic outlook. Meanwhile, the CBOT soy oil fell on Friday, with September soy oil ended 0.18 cent lower at 65.64 cents per lb, their lowest prices in more than a week as the market reacted to expectations of improved U.S. crop weather and hopes for a de-escalation in Russia's attacks on Ukraine's grain facilities. Therefore, palm oil futures are expected to remain cautious today tracking overnight losses in rival soy oil and respond to accelerated production in both top growers Indonesia and Malaysia as well as easing concerns over disruptions in edible oil supplies from the Black Sea region while downside could be limited by robust demand.

Technical

Palm oil futures for the October contract opened lower and trended the whole trading session in negative territory as selling activities continued following the fall in the rival soy oil market during Asian trading hour along with worries over rising production and strengthening Malaysian Ringgit. At the close, the October contract settled at 4,006 ringgit per tonne with losses of 20 points. Trading activities for the day can be depicted through the formation of a short black-bodied candlestick pattern with shaven upper and longer 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 range bound with downward bias today on continued selling pressure following lower overnight competing soy oils market and dissipating risks from the Black Sea conflict along with strengthening Malaysian Ringgit. Hence, the support and resistance for October futures contract can be found at 3,850 and 4,050 respectively.

Source: Bloomberg

Contract	Sett	Chg	High	Low	Vol	Open Int	O/I chg	O/I chg Value USD	Previous Week High	Previous Week Low
AUG 23	3,872	-50	3,885	3,830	911	3,231	-174	-3.7 Mn	4,124	3,830
SEP 23	3,970	-28	4,009	3,915	7,118	25,506	-222	-4.84 Mn	4,189	3,915
OCT 23	4,006	-20	4,039	3,944	30,746	50,074	541	11.91 Mn	4,209	3,944
NOV 23	4,016	-16	4,044	3,956	9,786	25,027	152	3.35 Mn	4,209	3,956
DEC 23	4,025	-16	4,050	3,972	4,589	20,768	186	4.11 Mn	4,210	3,972
JAN 24	4,041	-15	4,066	3,994	3,966	24,045	526	11.68 Mn	4,215	3,985
FEB 24	4,054	-15	4,062	4,010	2,028	9,664	251	5.59 Mn	4,222	3,999
MAR 24	4,057	-14	4,074	4,004	1,992	13,124	79	1.76 Mn	4,223	4,003
APR 24	4,040	-17	4,041	3,990	750	4,792	-15	-.33 Mn	4,210	3,990
MAY 24	4,008	-25	4,010	3,960	1,679	11,118	579	12.75 Mn	4,182	3,960
JUN 24	3,977	-25	3,957	3,925	746	3,055	203	4.44 Mn	4,146	3,925
JUL 24	3,933	-16	3,959	3,900	270	5,332	31	.67 Mn	4,114	3,900
SEP 24	3,893	-16	3,923	3,865	139	1,562	55	1.18 Mn	4,060	3,865
NOV 24	3,870	-16	3,902	3,853	36	1,233	17	.36 Mn	4,036	3,853
JAN 25	3,870	-16				-	0	. Mn	3,877	3,810
MAR 25	3,870	-16				-	0	. Mn	-	-
MAY 25	3,870	-16				-	0	. Mn	-	-
JUL 25	3,870	-16				-	0	. Mn	-	-
SEP 25	3,870	-16				-	0	. Mn	-	-
NOV 25	3,870	-16				-	0	. Mn	-	-
JAN 26	3,870	-16				-	0	. Mn	-	-
MAR 26	3,870	-16				-	0	. Mn	-	-
MAY 26	3,870	-16				-	0	. Mn	-	-
JUL 26	3,870	-16				-	-		-	-
Total					**64,756**	**198,531**	**2,209**			

Source: Bloomberg

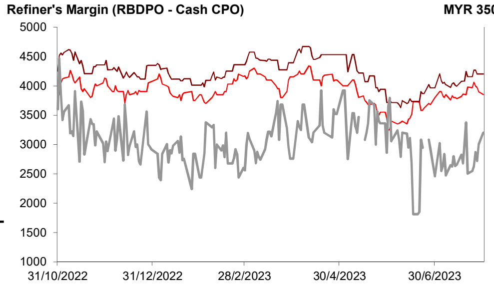
Cash CPO (MYR/MT)	Last Bid	Last Offer	3m Chg	6m Chg
Jul23	3,850	3,950	-3.8%	0.0%

Source: Reuters

Spreads	Last	Bid	Offer	Vol	30 Day High	30 Day Low	30 Day Avg
Aug23-Sep23	-98	-200	-30	478	24	-117	-17
Aug23-Oct23	-134	-	-70	403	34	-137	-24
Sep23-Oct23	-36	-37	-33	4,591	17	-37	-8
Sep23-Nov23	-46	-48	-42	1,570	19	-48	-14
Oct23-Nov23	-10	-11	-9	4,518	7	-16	-6
Oct23-Dec23	-19	-22	-19	980	5	-39	-16

Source: Bloomberg

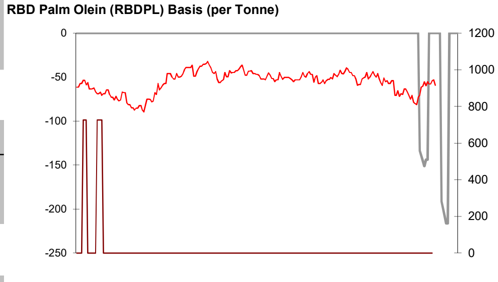
Refiner's Margin (RBDPO - Cash CPO) **MYR 350**



Export Est	Jul-23		Jun-23		Change (m-o-m)		Change (y-o-y)	
Period	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	687,098	754,214	624,306	632,345	10.06%	19.27%	6.22%	-
1 - 25th days	987,414	1,056,830	891,361	897,180	10.78%	17.79%	14.21%	-
Full month	-	-	**1,091,891**	-	-	-	-	-

Source: Reuters

Crude Degummed Soybean Oil (CDSBO)/ RBD Palm Olein (RBDPL) Basis (per Tonne) **#VALUE!**



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

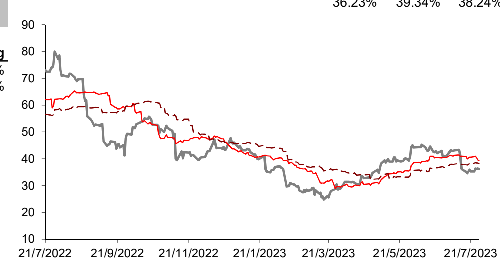
Commodity Futures (3rd month) Overnight close		+/-	1d Chg (%)	3m Chg	6m Chg	Relative to FCPO 3m Chg	Relative to FCPO 6m Chg
CPO	4006	-20	-0.50%	20.01%	2.67%	0.20	0.03
Dalian Olein	7648	-128	-1.65%	11.78%	-4.40%	0.93	0.93
Soybean Oil	67.60	-1.01	-1.47%	30.98%	8.45%	1.09	1.06
WTI Crude	80.58	0.49	0.61%	6.42%	2.96%	0.90	0.95
CRB Index (realtime)	280.48	0.3107	0.11%	4.60%	0.86%	0.89	1.00

Source : Bloombei

Currency	Last	1d Chg	3m Chg	6m Chg
USDMYR	4.5498	-0.11%	2.08%	6.73%
USDIDR	15105.0	0.70%	2.22%	0.20%

Source : Bloomberg

3rd mth FCPO Volatility	30 Days	60 Days	90 Days
	36.23%	39.34%	38.24%



Overnight Lead

Chicago Board of Trade soybean futures settled lower on Friday on technical selling and forecasts for improving U.S. weather in early August, the key month for development of the crop, analysts said.- Reuters

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