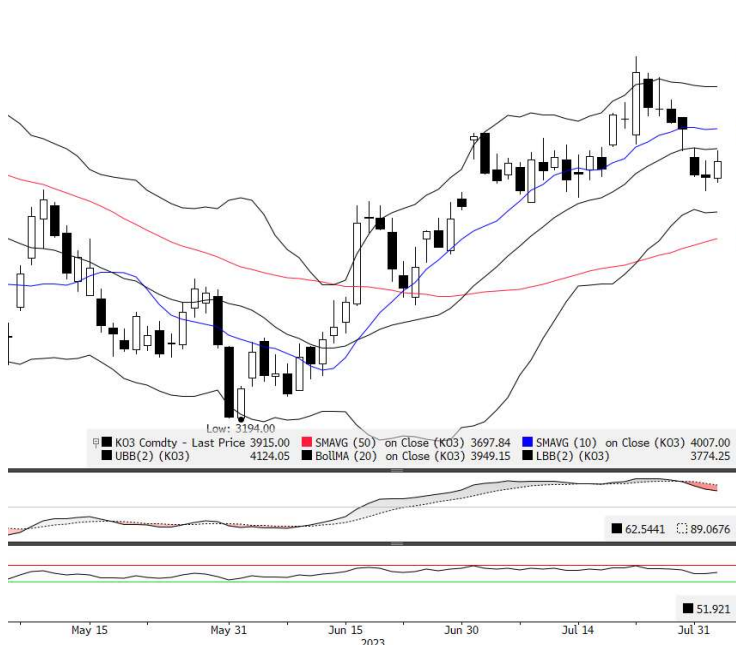


CPO Futures 3rd month daily chart



Preview

Fundamental

Malaysian palm oil futures rebounded from previous loss and closed 1.11% higher on Wednesday, halting six straight session of decline, buoyed by a rally in rival vegetable oils on renewed tension between Russia and Ukraine and a weaker Malaysian currency. Globally, crude oil prices pared earlier gains and ended sharply lower on Wednesday, with the U.S. benchmark West Texas Intermediate (WTI) declined 1.88 cent or 2.3% to \$79.49 a barrel, as traders locked in profit after recent run-up and de-risked following the downgrade of the U.S. government's top credit by a major ratings agency outweighed record US crude stocks drawdown. Meanwhile, the CBOT soy oil ended mixed on Wednesday, with September soy oil gained 0.27 cents to close at 64.66 cents per lb, while most-active December slipped 0.11 cents to close at 60.71 cents per lb., pressured by favourable US weather outlook and after rating agency Fitch downgraded the U.S. government's top credit rating, a move that added pressure across commodity markets. Therefore, palm oil futures are expected to trade on a cautious note today on a potential of long liquidation activities following losses in rival edible oil and uncertainties about tropical oil exports demand along with expectations of abundant tropical oil supply in the region while weaker Ringgit might cap losses.

Technical

Palm oil futures for the October 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 a softer local currency. At the close, the October contract settled at 3,915 ringgits per tonne with gains of 43 points, forming a short white-bodied candlestick pattern with extended upper and short bottom shadows, indicating that the bulls took control of the trading session. Technical wise, MACD indicator issued a sell signal while RSI lingered at neutral position. Hence, palm oil futures are expected to trade range bound with downward bias today on a potential of profit taking activities resonating lackluster competing edible oil performance and concerns about rising stockpiles due to higher tropical oil production coupled with slowing exports demand while weakening local currency might cap losses. Therefore, the support and resistance for October futures contract can be eyed at 3,830 and 3,950 respectively.

K03 Comdty (Generic 3rd 'K0' Future) DAILY REPORT CHART Daily 03HAY2023-02AUG2023 Copyright© 2023 Bloomberg Finance L.P. 02-Aug-2023 19:07:51

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 |
|--------------|-------|-----|-------|-------|--------|---------------|----------------|---------------|---------------|-------|-------------------|-----------------|----------|------------|--------|--------|
| | | | | | | | | | High | Low | Cash CPO (MYR/MT) | Source: Reuters | | | | |
| AUG 23 | 3,816 | 42 | 3,840 | 3,791 | 77 | 2,514 | -37 | -77 Mn | 4,124 | 3,830 | Aug23 | 3,820 | 3,900 | -7.3% | 0.0% | |
| SEP 23 | 3,876 | 42 | 3,906 | 3,826 | 2,704 | 21,516 | -1,679 | -35.7 Mn | 4,189 | 3,915 | | | | | | |
| OCT 23 | 3,915 | 43 | 3,946 | 3,855 | 21,728 | 50,083 | -531 | -11.41 Mn | 4,209 | 3,944 | | | | | | |
| NOV 23 | 3,930 | 45 | 3,958 | 3,870 | 6,969 | 26,082 | -475 | -10.24 Mn | 4,209 | 3,956 | | | | | | |
| DEC 23 | 3,947 | 45 | 3,972 | 3,886 | 4,343 | 21,371 | -124 | -2.69 Mn | 4,210 | 3,972 | | | | | | |
| JAN 24 | 3,965 | 43 | 3,991 | 3,913 | 3,205 | 24,895 | 86 | 1.87 Mn | 4,215 | 3,985 | | | | | | |
| FEB 24 | 3,981 | 43 | 4,008 | 3,935 | 1,792 | 10,733 | 152 | 3.32 Mn | 4,222 | 3,999 | | | | | | |
| MAR 24 | 3,988 | 45 | 4,010 | 3,951 | 2,051 | 13,569 | 186 | 4.07 Mn | 4,223 | 4,003 | | | | | | |
| APR 24 | 3,979 | 45 | 4,000 | 3,945 | 2,159 | 5,473 | 509 | 11.11 Mn | 4,210 | 3,990 | | | | | | |
| MAY 24 | 3,958 | 45 | 3,973 | 3,923 | 1,590 | 12,068 | 289 | 6.28 Mn | 4,182 | 3,960 | | | | | | |
| JUN 24 | 3,927 | 45 | 3,935 | 3,892 | 796 | 3,416 | 200 | 4.31 Mn | 4,146 | 3,925 | | | | | | |
| JUL 24 | 3,898 | 45 | 3,887 | 3,862 | 316 | 5,337 | -45 | -96 Mn | 4,114 | 3,900 | | | | | | |
| SEP 24 | 3,858 | 45 | 3,861 | 3,826 | 37 | 1,635 | -12 | -25 Mn | 4,060 | 3,865 | | | | | | |
| NOV 24 | 3,835 | 45 | | | 21 | 1,250 | -1 | -0.2 Mn | 4,036 | 3,853 | | | | | | |
| JAN 25 | 3,835 | 45 | | | | | 0 | . Mn | 3,877 | 3,810 | | | | | | |
| MAR 25 | 3,835 | 45 | | | | | 0 | . Mn | | | | | | | | |
| MAY 25 | 3,835 | 45 | | | | | 0 | . Mn | | | | | | | | |
| JUL 25 | 3,835 | 45 | | | | | 0 | . Mn | | | | | | | | |
| SEP 25 | 3,835 | 45 | | | | | 0 | . Mn | | | | | | | | |
| NOV 25 | 3,835 | 45 | | | | | 0 | . Mn | | | | | | | | |
| JAN 26 | 3,835 | 45 | | | | | 0 | . Mn | | | | | | | | |
| MAR 26 | 3,835 | 45 | | | | | 0 | . Mn | | | | | | | | |
| MAY 26 | 3,835 | 45 | | | | | 0 | . Mn | | | | | | | | |
| JUL 26 | 3,835 | 45 | | | | | - | - | | | | | | | | |
| Total | | | | | | 47,788 | 199,942 | -1,482 | | | | | | | | |

Source: Bloomberg

| Export Est Period | Jul-23 | | Jun-23 | | Change (m-o-m) | | Change (y-o-y) | |
|-------------------|------------------|------------------|------------------|------------------|----------------|---------------|----------------|-----|
| | AMSPEC | ITS | AMSPEC | ITS | AMSPEC | ITS | AMSPEC | ITS |
| 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 | 1,176,912 | 1,238,438 | 1,091,891 | 1,085,920 | 7.79% | 14.05% | -4.09% | - |

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)

| Commodity | Overnight close | +/- | 1d Chg (%) | 3m Chg | 6m Chg | Relative to FCPO | |
|----------------------|-----------------|---------|------------|--------|--------|------------------|--------|
| | | | | | | 3m Chg | 6m Chg |
| CPO | 3915 | 0 | 0.00% | 14.31% | 1.66% | 0.14 | 0.02 |
| Dalian Olein | 7604 | 116 | 1.55% | 11.14% | -1.25% | 0.97 | 0.97 |
| Soybean Oil | 67.31 | 1.73 | 2.64% | 30.98% | 10.45% | 1.15 | 1.09 |
| WTI Crude | 79.49 | -1.88 | -2.31% | 16.76% | 8.50% | 0.89 | 0.92 |
| CRB Index (realtime) | 276.50 | -4.3471 | -1.55% | 7.77% | 3.87% | 1.02 | 1.07 |

Source: Bloomberg

Currency

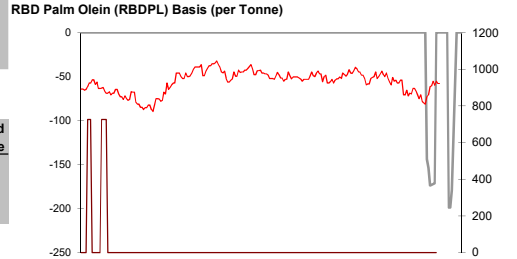
| Currency | Last | 1d Chg | 3m Chg | 6m Chg |
|----------|---------|--------|--------|--------|
| USD/MYR | 4.5568 | 0.31% | 1.96% | 6.66% |
| USD/IDR | 15175.0 | 0.39% | 2.73% | 1.53% |

Source: Bloomberg

Overnight Lead

Chicago Board of Trade soybean futures fell on Wednesday to one-month lows, pressured by cool, wet forecasts and outside market pressures. - Reuters

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



3rd mth FCPO Volatility

30 Days 60 Days 90 Days
31.87% 37.61% 37.81%

