

CPO Futures 3rd month daily chart



Preview

Fundamental

Malaysian palm oil futures extended its winning streak to second consecutive session and finished 0.75% higher on Friday, recorded third weekly gain driven by more stable rival oil prices and buoyed by encouraging export figures reported by cargo surveyors along with optimism prevailed regarding heightened demand from India in anticipation of significant festivals ahead. Globally, crude oil prices continued its hike on Friday, with the U.S. benchmark West Texas Intermediate (WTI) rose \$1.39, roughly 1.7%, to \$85.02 per barrel as it rose earlier to \$85.81, the highest since Nov. 16 boosted by concerns over crude oil supplies, as Russia has pledged to reveal a new OPEC+ supply reduction agreement in the upcoming week and indications that demand is approaching historic highs. In addition, the CBOT soy oil rebounded to end higher on Friday, with December soy oil added 0.81 cent to 63.29 cents per pound, elevated by limited U.S. inventories and participants remain vigilant for additional indications of crop harm resulting from parched and scorching weather conditions. However, palm oil futures are expected to trade on a cautious note today on the expectations of building inventories during the peak production season and a potential of mild profit taking activities considering the closure of the U.S. CBOT market for Labor Day while overnight gains in rival oils and development of El Nino patterns in the upcoming months could be the supportive tone.

Technical

Palm oil futures for the November contract opened higher and trended gradually steadier in positive territory as buying activities continued following the rally in the competing soy oil market and lingering concerns about El Nino could hurt production. At the close, the November contract settled at 4,040 ringgit per tonne with gains of 30 points. Trading activities for the day can be depicted through the formation of a white-bodied candlestick pattern with longer upper and shorter bottom 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 today on a potential of profit taking activities after recent rally while downside could be limited by anticipation of improving tropical oil export demand from top buyer India. Therefore, the support and resistance for November futures contract can be eyed at 3,900 and 4,075 respectively.

K03 Comdty (Generic 3rd 'KO' Future) DAILY REPORT CHART Daily 03JUN2023-01SEP2023 Copyright © 2023 Bloomberg Finance L.P. 01-Sep-2023 16:58:13

Source: Bloomberg

Contract	Sett	Chg	High	Low	Vol	Open Int	O/I chg	O/I chg Value USD
SEP 23	3,910	50	3,915	3,860	158	2,455	-1,172	-24.6 Mn
OCT 23	3,987	28	4,014	3,941	2,325	21,401	-1,136	-24.32 Mn
NOV 23	4,040	30	4,068	3,990	22,658	49,847	1,141	24.75 Mn
DEC 23	4,067	33	4,094	4,017	6,745	32,020	-23	-5 Mn
JAN 24	4,090	29	4,119	4,042	4,925	26,413	240	5.27 Mn
FEB 24	4,105	23	4,135	4,067	2,097	14,184	139	3.06 Mn
MAR 24	4,112	25	4,140	4,074	2,120	17,148	132	2.91 Mn
APR 24	4,108	25	4,130	4,067	1,026	9,427	9	.2 Mn
MAY 24	4,089	25	4,120	4,047	1,745	17,444	133	2.92 Mn
JUN 24	4,059	16	4,097	4,024	1,217	6,074	362	7.89 Mn
JUL 24	4,026	16	4,051	3,999	913	7,072	-46	-.99 Mn
AUG 24	4,005	16	4,010	3,990	82	523	-4	-.09 Mn
SEP 24	3,989	16	4,009	3,969	133	2,681	5	.11 Mn
NOV 24	3,970	16	3,990	3,990	12	2,100	4	.09 Mn
JAN 25	3,970	16	-	-	-	2	0	. Mn
MAR 25	3,970	16	-	-	-	-	0	. Mn
MAY 25	3,970	16	-	-	-	-	0	. Mn
JUL 25	3,970	16	-	-	-	-	0	. Mn
SEP 25	3,970	16	-	-	-	-	0	. Mn
NOV 25	3,970	16	-	-	-	-	0	. Mn
JAN 26	3,970	16	-	-	-	-	0	. Mn
MAR 26	3,970	16	-	-	-	-	0	. Mn
MAY 26	3,970	16	-	-	-	-	0	. Mn
JUL 26	3,970	16	-	-	-	-	0	. Mn
Total					46,156	208,791	-216	

Source: Bloomberg

Export Est Period	Aug-23		Jul-23		Change (m-o-m)		Change (y-o-y)	
	AMSPEC	ITS	AMSPEC	ITS	AMSPEC	ITS	AMSPEC	ITS
1 - 10th days	383,795	395,145	326,569	373,204	17.52%	5.88%	12.99%	-
1 - 15th days	633,585	658,475	510,249	554,054	24.17%	18.85%	29.20%	-
1 - 20th days	806,655	827,975	687,098	754,214	17.40%	9.78%	29.65%	-
1 - 25th days	945,155	974,235	987,414	1,056,830	-4.28%	-7.82%	4.27%	-
Full month	1,171,998	1,201,488	1,176,912	1,238,438	-0.42%	-2.98%	-1.58%	-

Source: Reuters

Malaysian Palm Oil Board Statistic	2021		2022		2023		2023		Aug Chg (Mean)	KF's Expected August
	July	May	July	May	June	July	July			
Production	1,573,560	1,517,546	1,447,795	1,610,052	1,447,795	1,610,052	1,610,052	3.68%	1,669,294	
Stocks	1,772,794	1,686,782	1,720,567	1,731,512	1,720,567	1,731,512	1,731,512	-2.41%	1,689,714	
Export	1,321,870	1,079,020	1,171,741	1,353,925	1,171,741	1,353,925	1,353,925	7.49%	1,455,381	
Import	130,615	80,926	135,271	103,837	135,271	103,837	103,837	-1.41%	102,371	

Source: Reuters

Commodity Futures (3rd month)	Relative to FCPO						
	Overnight close	+/-	1d Chg (%)	3m Chg	6m Chg	3m Chg	6m Chg
CPO	4040	30	0.75%	23.21%	-3.40%	0.23	-0.03
Dalian Olein	7908	6	0.08%	23.25%	-1.32%	1.00	1.02
Soybean Oil	66.55	1.01	1.54%	39.05%	9.93%	1.13	1.14
WTI Crude	85.55	1.92	2.30%	19.95%	9.26%	1.01	0.99
CRB Index (realtime)	284.36	2.4536	0.87%	9.50%	3.38%	0.97	1.13

Source: Bloomberg

Currency	Last		1d Chg		3m Chg		6m Chg	
	USD/MYR	15242.0	0.22%	0.08%	1.53%	1.57%	3.76%	-0.03%

Source: Bloomberg

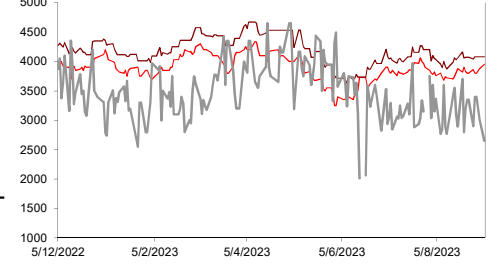
Overnight Lead

Chicago Board of Trade soybean futures inched higher on Friday after trading much of the week lower, with light U.S. grinding stocks adding support while traders watch for further signs of crop damage due to dry, hot conditions, analysts said. - Reuters

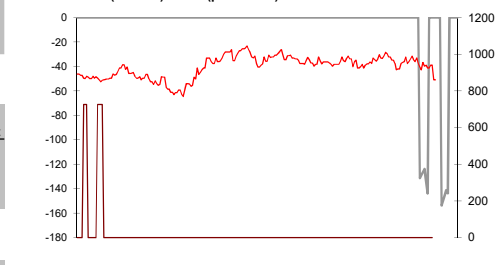
Previous Week		Last Week		30 Day	
High	Low	High	Low	High	Low
3,915	3,790	3,915	3,790	3,980	3,980
3,970	3,798	3,970	3,798	3,980	3,980

Spreads		Last		Bid		Offer		Vol		High		Low		Avg	
Sep23-Oct23	-77	-300	-50	75	5	-125	-32								
Sep23-Nov23	-130	-	34	41	-2	-154	-50								
Oct23-Nov23	-53	-53	-51	1,390	3	-56	-19								
Oct23-Dec23	-80	-92	-71	81	5	-83	-35								
Nov23-Dec23	-27	-26	-25	2,695	1	-33	-17								
Nov23-Jan24	-50	-50	-49	1,677	-3	-64	-37								

Refiner's Margin (RBDPO - Cash CPO)



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



3rd mth FCPO Volatility

