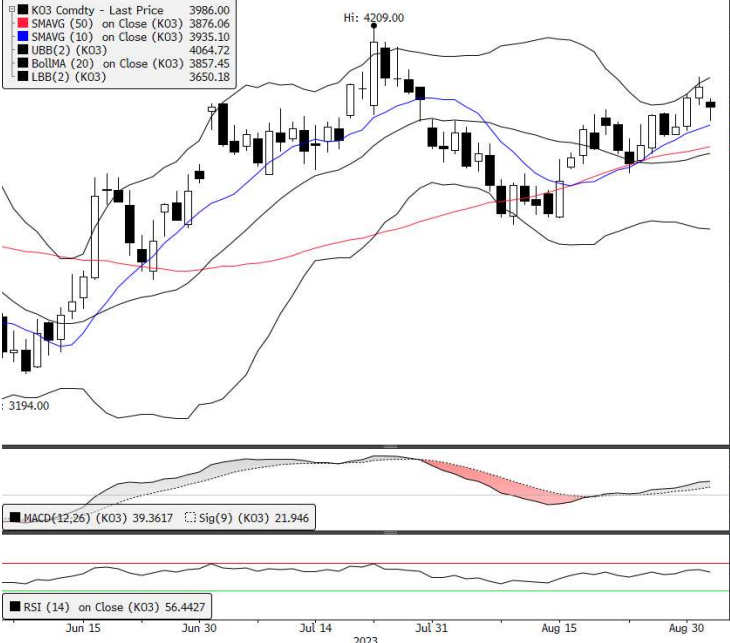


CPO Futures 3rd month daily chart



Preview

Fundamental

Malaysian palm oil futures put an end to their two-day winning streak, concluding 1.34% lower on Monday, pressured by mild profit taking activities following underperformance of competing oils on the Dalian Exchange and concerns loomed over the mounting stockpiles in Malaysia amid reduced demand resulting from intensified competition with rival sunflower oil. Globally, crude oil prices edged higher on Monday, with the U.S. benchmark West Texas Intermediate (WTI) rose 40 cents to \$85.95 a barrel, driven by the prevailing outlook that OPEC+ will uphold supply restrictions for a fourth consecutive month into October and rumors surrounding the potential conclusion of the U.S. Federal Reserve's interest rate hike efforts. The CBOT market was closed for a holiday in conjunction with Labour day. Therefore, palm oil futures are expected to remain cautious today on the back of extended losses in Dalian rival oils and the likelihood of palm oil stockpiles in Malaysia reaching their highest level in six months by the end of August arises from increased production coupled with weakening exports amid palm oil's narrowing price gap compared to sunflower oil in key markets India and China.

Technical

Palm oil futures for the November contract opened gap down and trended lower in negative territory as profit booking activities emerged following the fall in rival Dalian soy oil market along with anticipations of growing stockpiles in Malaysia which could lead to an oversupply. At the close, the November contract settled at 3,986 ringgit per tonne with losses of 54 points. Trading activities for the day can be depicted through the formation of a short black-bodied candlestick pattern with shorter 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. Nevertheless, palm oil futures are expected to trade range bound with downward bias today on continued selling pressure taking cue from discouraging tropical oil export demand on palm oil's narrowing discount to sunflower oil in key markets India and China along with concerns over mounting inventories in Malaysia. Hence, the support and resistance for November futures contract can be found at 3,875 and 4,015 respectively.

K03 Comdty (Generic 3rd 'K0' Future) DAILY REPORT CHART Daily 06JUN2023-04SEP2023 Copyright© 2023 Bloomberg Finance L.P. 04-Sep-2023 19:12:32

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						
SEP 23	3,873	-37	3,880	3,848	38	2,455	0	. Mn	3,915	3,790	Sep23	3,850	3,900	11.8%	0.0%			
OCT 23	3,941	-46	3,962	3,901	2,081	21,401	0	. Mn	3,970	3,798								
NOV 23	3,986	-54	4,009	3,947	16,337	49,847	0	. Mn	3,978	3,804								
DEC 23	4,010	-57	4,030	3,972	7,202	32,020	0	. Mn	3,986	3,815	Spreads	Last	Bid	Offer	Vol	High	Low	Avg
JAN 24	4,033	-57	4,050	3,995	3,849	26,413	0	. Mn	3,929	3,702	Sep23-Oct23	-68	-300	-50	20	5	-125	-33
FEB 24	4,053	-52	4,068	4,020	2,099	14,184	0	. Mn	4,135	3,967	Sep23-Nov23	-113	-	34	41	-2	-154	-53
MAR 24	4,060	-52	4,074	4,021	2,225	17,148	0	. Mn	4,140	3,969	Oct23-Nov23	-45	-49	-47	161	3	-56	-21
APR 24	4,057	-51	4,067	4,016	1,362	9,427	0	. Mn	4,010	3,860	Oct23-Dec23	-69	-77	-73	129	5	-83	-37
MAY 24	4,040	-49	4,057	4,001	1,516	17,444	0	. Mn	3,993	3,846	Nov23-Dec23	-24	-28	-26	318	1	-33	-18
JUN 24	4,010	-49	4,023	3,993	283	6,074	0	. Mn	3,947	3,817	Nov23-Jan24	-47	-52	-49	114	-3	-64	-39
JUL 24	3,977	-49	3,991	3,964	87	7,072	0	. Mn	3,931	3,782								
AUG 24	3,956	-49	3,966	3,960	93	523	0	. Mn	3,907	3,770								
SEP 24	3,940	-49	3,944	3,918	100	2,681	0	. Mn	4,009	3,861								
NOV 24	3,912	-58	3,912	3,883	105	2,100	0	. Mn	3,867	3,759								
JAN 25	3,912	-58			6	2	0	. Mn	3,877	3,810								
MAR 25	3,912	-58					0	. Mn										
MAY 25	3,912	-58					0	. Mn										
JUL 25	3,912	-58					0	. Mn										
SEP 25	3,912	-58					0	. Mn										
NOV 25	3,912	-58					0	. Mn										
JAN 26	3,912	-58					0	. Mn										
MAR 26	3,912	-58					0	. Mn										
MAY 26	3,912	-58					0	. Mn										
JUL 26	3,912	-58					0	. Mn										
<b>Total</b>					<b>37,383</b>	<b>208,791</b>	<b>0</b>											

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%	-
<b>Full month</b>	<b>1,171,998</b>	<b>1,201,488</b>	<b>1,176,912</b>	<b>1,238,438</b>	<b>-0.42%</b>	<b>-2.98%</b>	<b>-1.58%</b>	<b>-</b>

Source: Reuters

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

Source: Reuters

Commodity Futures (3rd month)	Overnight close	+/-	1d Chg (%)	3m Chg	6m Chg	Relative to FCPO	
						3m Chg	6m Chg
CPO	3986	0	0.00%	17.89%	-8.41%	0.18	-0.08
Dalian Olein	7826	-82	-1.04%	20.22%	-2.35%	1.02	1.07
Soybean Oil	66.55	1.03	1.57%	35.10%	9.80%	1.15	1.20
WTI Crude	85.55	1.92	2.30%	19.37%	9.26%	1.05	1.05
CRB Index (realtime)	284.36	2.4536	0.87%	9.50%	3.38%	1.01	1.19

Source: Bloomberg

Currency	Last	1d Chg	3m Chg	6m Chg
USIDR	15240.0	-0.01%	2.36%	-0.35%

Source: Bloomberg

Overnight Lead

Chicago Board of Trade market was closed for a holiday in conjunction with Labour day. - Reuters

Previous Week		Last Bid		Last Offer		3m Chg		6m Chg	
High	Low	Cash CPO (MYR/MT)	Source: Reuters	High	Low	High	Low	High	Low
3,915	3,790	Sep23	3,850	3,900	11.8%	0.0%			

