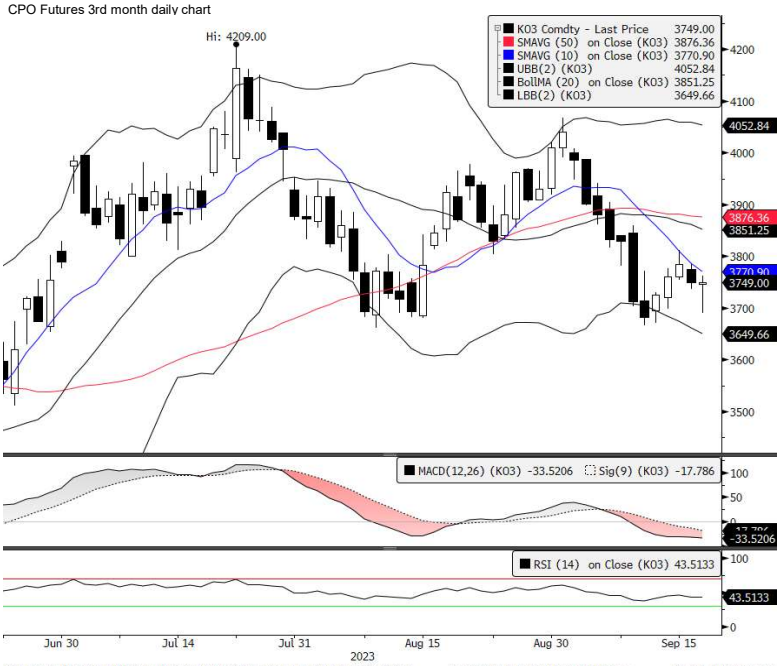
CPO Futures 3rd month daily chart



Preview

Fundamental

Malaysian palm oil futures exhibited notable resilience during Tuesday's trading session, as they swiftly recovered from an early decline attributed to extended selloff activities in rival soy oil and Dalian palm olein markets were shrugged off with a resurgence in bargain hunting activities due to weakening local currency. Globally, crude oil prices retreated on Tuesday, with the U.S. benchmark West Texas Intermediate (WTI) settled 28 cents lower at $91.20 a barrel, as the price ascended to session peak of $93.74 a barrel, their highest level since November, catalyzed by the prolonged production cuts enacted by Saudi Arabia and Russia were erased by profit-locking activities. In addition, the CBOT soy oil continued its downfall, with December soy oil fell 0.65 cent, or 1.1%, to finish at 60.29 cents per pound, as the release of weekly U.S. crop ratings surpassed expectations and heightened competition from Brazil in the export segment. Therefore, palm oil futures are expected to remain cautious today tracking overnight losses in rival oils and concerns about slower tropical oil export demand data by cargo surveyors while a potential of bargain hunting activities after recent steep fall and Ringgit weakness could limit the losses.

Technical

Palm oil futures for the December contract opened lower but trended gradually higher and ended unchanged as bargain buying activities emerged following the rebound in the competing soy oil market during Asian trading hour and widening discount between rival soy oil and palm oil. At the close, the December contract settled unchanged at 3,749 ringgit per tonne. Trading activities for the day can be depicted through the formation of a doji candlestick pattern with shorter upper and longer bottom shadows, indicating that the bears tried to take over but bulls took control of the trading session. Technical wise, MACD indicator issued a selling signal while RSI lingered at neutral position. Therefore, palm oil futures are expected to trade range bound with slight downward bias on a potential of mild selling activities tracking sluggish overnight competing oils performance while downward pressure could be limited on anticipations of improving tropical oil export demand from top buyer, China and weaker Malaysian Ringgit. Therefore, the support and resistance for December futures contract can be eyed at 3,660 and 3,780 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
OCT 23	3,700	22	3,701	3,619	528	9,066	-1,593	-31.39 Mn	3,777	3,607
NOV 23	3,727	12	3,733	3,650	10,019	33,612	-1,463	-29.04 Mn	3,970	3,798
DEC 23	3,749	--	3,763	3,690	33,175	43,556	4,438	88.61 Mn	3,978	3,804
JAN 24	3,786	-4	3,801	3,732	10,323	27,789	161	3.25 Mn	3,986	3,815
FEB 24	3,822	-8	3,842	3,773	4,792	16,947	664	13.52 Mn	3,929	3,702
MAR 24	3,850	-11	3,868	3,805	4,735	21,495	772	15.83 Mn	3,991	3,832
APR 24	3,859	-10	3,876	3,816	1,792	11,675	-90	-1.85 Mn	3,984	3,838
MAY 24	3,851	-10	3,870	3,808	3,410	20,483	-13	-.27 Mn	4,010	3,860
JUN 24	3,825	-3	3,828	3,786	1,536	7,561	199	4.05 Mn	3,993	3,846
JUL 24	3,802	-3	3,817	3,758	1,993	7,927	26	.53 Mn	3,947	3,817
AUG 24	3,780	-4	3,802	3,742	1,391	1,919	374	7.53 Mn	3,931	3,782
SEP 24	3,761	-4	3,781	3,732	689	3,223	-39	-.78 Mn	3,907	3,770
NOV 24	3,755	-4	3,775	3,720	118	2,577	0	. Mn	3,852	3,716
JAN 25	3,755	-4			1	14	0	. Mn	3,867	3,759
MAR 25	3,755	-4				3	0	. Mn	3,877	3,810
MAY 25	3,755	-4				-	0	. Mn	-	-
JUL 25	3,755	-4				-	0	. Mn	-	-
SEP 25	3,755	-4				-	0	. Mn	-	-
NOV 25	3,755	-4				-	0	. Mn	-	-
JAN 26	3,755	-4				-	0	. Mn	-	-
MAR 26	3,755	-4				-	0	. Mn	-	-
MAY 26	3,755	-4				-	0	. Mn	-	-
JUL 26	3,755	-4				-	0	. Mn	-	-
SEP 26	3,755	-4				-	-		-	-
Total					**74,502**	**207,847**	**3,436**			

Source: Bloomberg

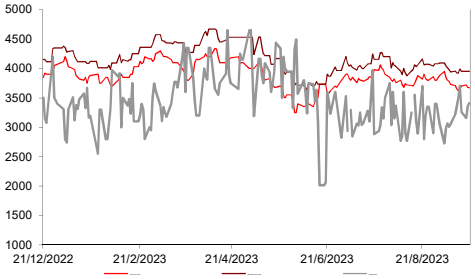
Cash CPO (MYR/MT)	Last Bid	Last Offer	3m Chg	6m Chg
Oct23	3,670	3,750	2.2%	0.0%

Source: Reuters

Spreads	Last	Bid	Offer	Vol	30 Day High	30 Day Low	30 Day Avg
Oct23-Nov23	-27	-39	-30	76	-4	-83	-36
Oct23-Dec23	-49	-65	-48	20	-14	-135	-64
Nov23-Dec23	-22	-28	-25	887	-5	-59	-29
Nov23-Jan24	-59	-67	-63	32	-20	-112	-58
Dec23-Jan24	-37	-39	-38	670	-12	-55	-30
Dec23-Feb24	-73	-78	-75	342	-26	-102	-55

Source: Bloomberg

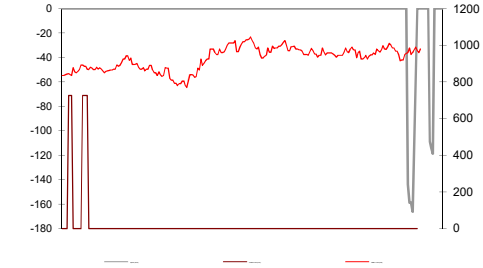
Refiner's Margin (RBDPO - Cash CPO) **MYR 282**



Export Est Period	Sep-23 AMSPEC	Sep-23 ITS	Aug-23 AMSPEC	Aug-23 ITS	Change (m-o-m) AMSPEC	Change (m-o-m) ITS	Change (y-o-y) AMSPEC	Change (y-o-y) ITS
1 - 10th days	305,594	350,823	383,795	395,145	-20.38%	-11.22%	-17.65%	-
1 - 15th days	574,936	580,893	633,585	658,475	-9.26%	-11.78%	-1.46%	-
1 - 20th days	-	-	806,655	827,975	-	-	-	-
1 - 25th days	-	-	945,155	974,235	-	-	-	-
Full month	-	-	**1,171,998**	**1,201,488**	-	-	-	-

Source: Reuters

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



Malaysian Palm Oil Board Statistic	2021 August	2022 June	2023 July	2023 August	Sep Chg (Mean)	KF's Expected September
Production	1,725,781	1,447,795	1,610,052	1,753,472	7.61%	**1,886,903**
Stocks	2,094,667	1,720,567	1,731,512	2,124,963	12.18%	**2,383,832**
Export	1,299,654	1,171,741	1,353,925	1,221,814	-4.75%	**1,163,744**
Import	145,452	135,271	103,837	110,621	14.94%	**127,152**

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	3749	0	0.00%	0.59%	-0.95%	0.01	-0.01
Dalian Olein	7300	-68	-0.92%	1.16%	-1.72%	1.01	0.99
Soybean Oil	61.76	-0.63	-1.01%	3.57%	6.50%	1.03	1.08
WTI Crude	91.20	-0.28	-0.31%	28.45%	35.13%	0.98	1.00
CRB Index (realtime)	290.00	0.6242	0.22%	8.45%	13.65%	1.28	1.36

Source : Bloomber

Currency	Last	1d Chg	3m Chg	6m Chg
USDMYR	4.6943	-0.04%	1.20%	4.69%
USDIDR	15380.0	0.07%	2.50%	0.07%

Source : Bloomberg

3rd mth FCPO Volatility

30 Days	60 Days	90 Days
23.12%	28.19%	33.36%

Overnight Lead

Chicago Board of Trade soybean futures closed modestly lower on Tuesday after a choppy session, pressured by better-than-expected weekly U.S. crop ratings and export competition from Brazil that pushed the market into the red for a third straight session.-Reuters

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