

## Preview **Fundamental**

Malaysian palm oil futures staged a commendable recovery, posting a 0.24% gain on Wednesday, as earlier losses were erased by rebounded crude oil prices and the robust performance of the Dalian exchange along with the heightened exports data from cargo surveyors while the advance was tempered by prevailing concerns pertaining to the escalating stockpiles. Globally, crude oil prices fell to three-week low on Wednesday, with the U.S. benchmark West Texas Intermediate (WTI) fell Se cents, or 0.7%, to \$80.44 a barrel, pressured by strengthening U.S. Dollar and the U.S. Federal Reserve's decision to maintain interest rates as anticipated but will keep the door open for future rate hikes due to the robust U.S. economy. In addition, the CBOT soy oil slid on Wednesday, with December soy oil fell 1.52 cents at settle at 49.90 cents per lb, following its spillover weakness in rival crude oil and pressured by the increase in U.S. soybean crush is expected to boost supplies of soy oil. Therefore, palm oil futures are expected to remain cautious today tracking overnight losses in rival oils and concerns about heightening stockpiles in world's second largest producer, Malaysia amid worries of a diminishing demand outlook from India as the festive season buying typically peaking a few weeks before Diwali draws to a close.

## Technical

**Technical**Palm oil futures for the January contract opened sharply lower in the morning session but trended gradually higher in positive territory as bargain buying activities emerged following the rally in the competing Dalian edible oil market during Asian trading hour and better export data published by cargo surveyors for the month of October. At the close, the January contract settled at 3,688 ringgit per tonne with gains of 9 points. Trading activities for the day can be depicted through the formation of a short black-bodied candlestick pattern with longer upper and shorter bottom shadows, indicating an indecisive in direction. Technical wise, MACD indicator started to issue a sell 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 profit taking activities after previous session's rebound and weaker overnight competing oils performance and the recovery in the Malaysian Ringgit may have been a contributing factor to downward pressure. Therefore, the support and resistance for January futures contract can be eyed at 3,600 and 3,725 respectively.

KO3 Comdty (Ge	neric 3rd 'KO' Futur	re) DAILY REPORT CHART	Daily 03AUG202	23-01NOV2023	Copyright® 20	23 Bloomberg Fi	nance L.P. 01-Nov	/-2023 20:00:58										
Source: Bloomberg						O/I chg	Prev	vious Week										
Contract	Sett	Chg	High	Low	Vol	Open Int	O/I chg	Value USD	High	Low	Cash CPO (MYF	R/MT)	L	ast Bid	L	ast Offer	3m Chg	6m Chg
NOV 23	3,601	37	3,610	3,552	287	3,341	-222	-4.2 Mn	3,708	3,569	Nov23			3,570		3,620	-4.8%	0.0%
DEC 23	3,649	6	3,688	3,620	3,436	22,021	-1,164	-22.33 Mn	3,970	3,798	Source: Reuters							
JAN 24	3,688	9	3,729	3,658	23,310	45,806	2,373	46.01 Mn	3,978	3,804							30 Day	
FEB 24	3,717	15	3,757	3,686	6,463	26,757	9	.18 Mn	3,986	3,815	Spreads	Last	Bid	Offer	Vol	High	Low	Avg
MAR 24	3,731	16	3,770	3,701	6,458	32,013	200	3.92 Mn	3,929	3,702	Nov23-Dec23	-48	-80	-41	143	-15	-85	-36
APR 24	3,729	15	3,765	3,699	3,353	20,193	248	4.86 Mn	3,820	3,649	Nov23-Jan24	-87	-120	-90	74	-30	-119	-66
MAY 24	3,712	16	3,749	3,684	2,156	23,177	266	5.19 Mn	3,803	3,634	Dec23-Jan24	-39	-40	-39	224	-13	-46	-30
JUN 24	3,689	16	3,726	3,650	1,421	11,782	204	3.96 Mn	4,010	3,860	Dec23-Feb24	-68	-70	-67	10	-27	-89	-56
JUL 24	3,667	16	3,705	3,646	2,071	12,648	498	9.6 Mn	3,993	3,846	Jan24-Feb24	-29	-30	-29	113	-12	-44	-26
AUG 24	3,655	16	3,673	3,637	566	4,401	-66	-1.27 Mn	3,947	3,817	Jan24-Mar24	-43	-45	-43	64	-17	-72	-42
SEP 24	3,643	11	3,681	3,631	176	8,219	23	.44 Mn	3,931	3,782	Source: Bloombe	erg						
OCT 24	3,637	11			6	148	1	.02 Mn	3,907	3,770	Refiner's Margin	n (RBDI	PO - Cas	h CPO)			-	
NOV 24	3,637	11	3,660	3,660	13	5,153	-3	06 Mn	3,711	3,554	5000							1
JAN 25	3,664	11				184	0	. Mn	3,867	3,759			~ .					
MAR 25	3,664	11				3	0	. Mn	3,877	3,810	4500	ہر ساسہ	/ <u>.</u>	M N I				
MAY 25	3,664	11				-	0	. Mn	-	-	4000	~~\\\	1/4K	LANGE I	. Mad	~~ ~	~	
JUL 25	3,664	11				-	0	. Mn	-	-	4000	אג	MAL	1/97 150	~~~	~\~\~	$^{\sim}$	~~~
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NOV 25	3,664	11				-	0	. Mn	-	-	1111	WU	1	M	Miller	1 / h.l / /h	n /l/l.	Δľ\ Πľ'

0

Mn Mn Mn

2500

2000

1500

2/2/2023

31/10/2022

31/1/2023

2/4/2023

Crude Degummed Sovbean Oil (CDSBO)/

RBD Palm Olein (RBDPL) Basis (per Tonne)

SEP 26 Total 49.716 215.846 2.367 Source: Bloomberg

11 11

Export Est	Oct-23		Se	p-23	Change	(m-o-m)	Change (y-o-y)	
Period	AMSPEC	ITS	AMSPEC	ITS	AMSPEC	ITS	AMSPEC	n
1 - 10th days	395,890	394,570	305,594	350,823	29.55%	12.47%	6.13%	-
1 - 15th days	606,980	623,245	574,936	580,893	5.57%	7.29%	2.14%	-
1 - 20th days	885,888	931,435	821,408	847,890	7.85%	9.85%	-1.08%	-
1 - 25th days	1,077,101	1,109,725	1,088,875	1,144,707	-1.08%	-3.06%	-6.02%	-
Full month	1,345,051	1,384,725	1,235,560	1,299,187	8.86%	6.58%	-8.78%	-
Source: Reuters								

0	7 ∏ 1200
-20	1000
40	800
-60	- 600
-80 +	400
-100	200
-120	0

2/6/2023

2/8/2023

2/10/2023

#VALUE!

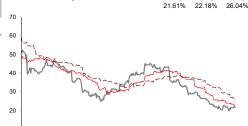
30 Days 60 Days 90 Days

31/7/2023

31/10/2023

Malaysian Palm Oil Board Statistic	2021	2022	2023	2023	Oct Chg	KF's Expected
	September	July	August	September	(Mean)	October
Production	1,770,441	1,610,052	1,753,472	1,829,434	1.70%	1,860,482
Stocks	2,315,464	1,731,512	2,124,963	2,313,569	4.57%	2,419,214
Export	1,420,235	1,353,925	1,221,814	1,196,113	5.57%	1,262,721
Import	132,303	103,837	110,621	49,054	1.21%	49,646
Source: Reuters						

Commodity Futures (3rd m	nonth)				Relative to FCPO						
Overnight close		+/-	1d Chg (%)	3m Chg	6m Chg	3m Chg	6m Chg				
CPO	3688	0	0.00%	-5.80%	7.80%	-0.06	0.08				
Dalian Olein	7114	-24	-0.34%	-6.25%	4.19%	1.00	0.97				
Soybean Oil	49.90	-1.52	-2.96%	-25.87%	-2.90%	0.79	0.90	3rd mth FCPO Volatility			
WTI Crude	80.44	-0.58	-0.72%	2.71%	15.59%	0.89	0.81				
CRB Index (realtime)	279.08	-2.0709	-0.74%	0.93%	7.08%	1.09	1.07	70 1			
Source : Bloombei								70			
Currency			Last	1d Chg		3m Chg	6m Chg	J 00			
USDMYR			4.7555	-0.34%		5.04%	6.89%	60			
USDIDR			15935.5	0.32%		5.09%	8.25%	5 -1			



30/4/2023

Source : Bloomberg

JAN 26

MAR 26

MAY 26

JUL 26

3,664

3,664

3 664

3.664

Chicago Board of Trade soybean futures ended higher on Wednesday in technical trade, with the most-active January contract SF24 staying inside of Tuesday's trading range. - Reuters

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