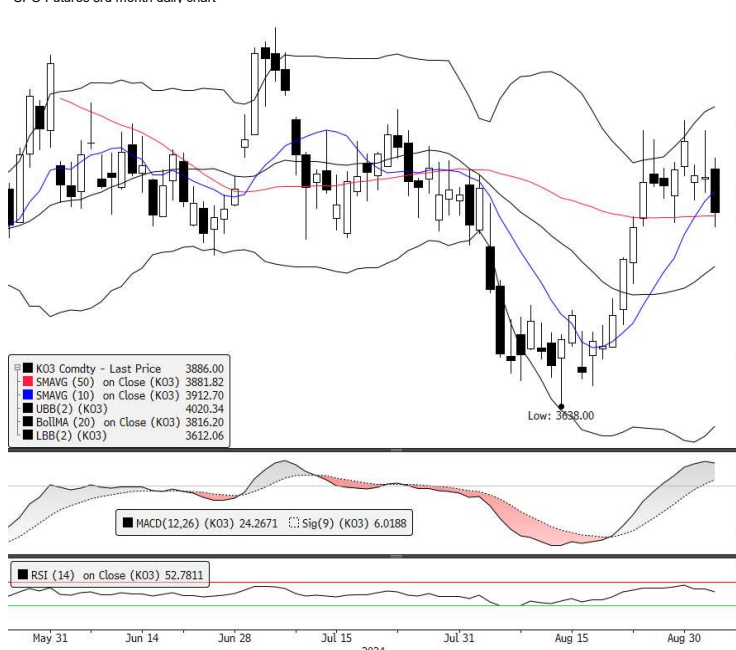


CPO Futures 3rd month daily chart



### Preview

#### Fundamental

Malaysian palm oil futures extended their slide for a third straight session, closing 1.14% lower on Wednesday, attributed to weaker prices of competing vegetable oils along with reduced palm oil imports by India and concerns that Malaysia's stockpiles may climb to their highest levels since February, driven by increased production and sluggish exports. Globally, crude oil prices extended their decline on Wednesday, with the U.S. benchmark West Texas Intermediate (WTI) settled down \$1.14, or 1.62%, at \$69.20 per barrel, as disappointing economic data from the U.S. and China fuelled volatile trading and concerns over future demand intensified amid conflicting signals from crude producers about potential supply increases. Additionally, the CBOT soy oil fell on Tuesday, with December soy oil ended down 0.82 cents to finish at 40.16 cents per pound, following spill over weakness in crude oil markets while losses were partially mitigated by short-covering and concerns that adverse weather in the U.S. Midwest might reduce earlier forecasts of a bumper soybean harvest. Therefore, palm oil futures are expected to trade lower today pressured by the weaker performance in overnight rival oils and a decrease in India's palm oil imports for August due to the strengthening Malaysian Ringgit coupled with concerns over ample supply that reflected in forecasts indicating that Malaysian inventories may have reached their highest levels since February are likely to exert additional downward pressure.

#### Technical

Palm oil futures for the November contract opened lower during morning trading session and trended gradually lower to close below negative territory tracking the weaker rival edible oil prices during Asian trading hours along with worries over slowing demand from top importers India and China. At the close, the November contract settled at 3,886 ringgit per tonne with losses of 45 points, forming a long, black-bodied candlestick pattern with shorter upper and longer bottom shadows, indicating that bears took control of the trading session aggressively. Technical wise, MACD indicator issued a buy signal while RSI is lingering in a neutral region. However, palm oil futures are expected to trade lower today following the weaker overnight rival oils and worries over slowing Indian demand along with fresh concerns over bulking tropical oil inventories level in the world's second largest producer, Malaysia due to sluggish export and reducing attractiveness against other rival edible oils while losses could be cushioned by a potential of bargain hunting activities. Therefore, the support and resistance for the November futures contract can be pegged at 3,800 and 3,940 respectively.

KO3 Comdty (Generic 3rd 'KO' Future) DAILY REPORT CHART Daily 05JUN2024-04SEP2024 Copyright © 2024 Bloomberg Finance L.P. 04-Sep-2024 19:29:53

Source: Bloomberg

| Contract     | Sett  | Chg | High  | Low   | Vol           | Open Int       | O/I chg      | O/I chg Value USD |
|--------------|-------|-----|-------|-------|---------------|----------------|--------------|-------------------|
| SEP 24       | 3,992 | -28 | 4,022 | 3,979 | 546           | 2089           | -526         | -12.11 Mn         |
| OCT 24       | 3,924 | -41 | 3,987 | 3,903 | 3,924         | 23503          | -710         | -16.07 Mn         |
| NOV 24       | 3,886 | -45 | 3,955 | 3,866 | 34,834        | 73321          | 69           | 1.55 Mn           |
| DEC 24       | 3,860 | -40 | 3,923 | 3,839 | 11,417        | 29090          | 808          | 17.99 Mn          |
| JAN 25       | 3,846 | -36 | 3,905 | 3,826 | 7,684         | 23745          | 188          | 4.17 Mn           |
| FEB 25       | 3,845 | -31 | 3,897 | 3,826 | 2,411         | 11881          | 201          | 4.46 Mn           |
| MAR 25       | 3,839 | -31 | 3,884 | 3,823 | 4,028         | 22710          | 385          | 8.52 Mn           |
| APR 25       | 3,821 | -29 | 3,862 | 3,809 | 2,190         | 11136          | 173          | 3.81 Mn           |
| MAY 25       | 3,794 | -29 | 3,831 | 3,784 | 2,209         | 13799          | 328          | 7.18 Mn           |
| JUN 25       | 3,756 | -29 | 3,794 | 3,747 | 973           | 4701           | 127          | 2.75 Mn           |
| JUL 25       | 3,715 | -29 | 3,733 | 3,714 | 655           | 6099           | 227          | 4.86 Mn           |
| AUG 25       | 3,690 | -23 | 3,723 | 3,691 | 117           | 736            | 48           | 1.02 Mn           |
| SEP 25       | 3,679 | -23 | 3,714 | 3,673 | 165           | 5515           | 93           | 1.97 Mn           |
| NOV 25       | 3,673 | -23 | 3,670 | 3,670 | 6             | 1329           | 6            | .13 Mn            |
| JAN 26       | 3,673 | -23 |       |       | 0             | 0              | 0            | . Mn              |
| MAR 26       | 3,673 | -23 |       |       | 0             | 0              | 0            | . Mn              |
| MAY 26       | 3,673 | -23 |       |       | 0             | 0              | 0            | . Mn              |
| JUL 26       | 3,673 | -23 |       |       | 0             | 0              | 0            | . Mn              |
| SEP 26       | 3,673 | -23 |       |       | 0             | 0              | 0            | . Mn              |
| NOV 26       | 3,673 | -23 |       |       | 0             | 0              | 0            | . Mn              |
| JAN 27       | 3,673 | -23 |       |       | 0             | 0              | 0            | . Mn              |
| MAR 27       | 3,673 | -23 |       |       | 0             | 0              | 0            | . Mn              |
| MAY 27       | 3,673 | -23 |       |       | 0             | 0              | 0            | . Mn              |
| JUL 27       | 3,673 | -23 |       |       | 0             | 0              | 0            | . Mn              |
| <b>Total</b> |       |     |       |       | <b>71,159</b> | <b>229,654</b> | <b>1,417</b> |                   |

Source: Bloomberg

| Export Est Period | Aug-24           |                  | Jul-24           |                  | Change (m-o-m) |               | Change (y-o-y) |               |
|-------------------|------------------|------------------|------------------|------------------|----------------|---------------|----------------|---------------|
|                   | AMSPEC           | ITS              | AMSPEC           | ITS              | AMSPEC         | ITS           | AMSPEC         | ITS           |
| 1 - 10th days     | 435,413          | 470,706          | 528,843          | 536,193          | -17.67%        | -12.21%       | 13.45%         | -19.12%       |
| 1 - 15th days     | 599,663          | 637,466          | 791,020          | 799,268          | -24.19%        | -20.24%       | -5.35%         | -3.19%        |
| 1 - 20th days     | 866,641          | 834,948          | 1,002,572        | 1,062,238        | -13.56%        | -21.40%       | 7.44%          | 0.84%         |
| 1 - 25th days     | 1,008,418        | 1,055,768        | 1,173,224        | 1,240,593        | -14.05%        | -14.90%       | 6.69%          | 8.37%         |
| <b>Full month</b> | <b>1,376,412</b> | <b>1,445,442</b> | <b>1,555,529</b> | <b>1,604,578</b> | <b>-11.51%</b> | <b>-9.92%</b> | <b>17.44%</b>  | <b>20.30%</b> |

Source: Reuters

| Malaysian Palm Oil Board Statistic | 2023      | 2024      | 2024      | 2024      | Aug Chg | KF's Expected |
|------------------------------------|-----------|-----------|-----------|-----------|---------|---------------|
|                                    | July      | May       | June      | July      | (Mean)  | August        |
| Production                         | 1,610,052 | 1,704,455 | 1,615,283 | 1,840,999 | 3.54%   | 1,906,225     |
| Stocks                             | 1,731,512 | 1,753,544 | 1,829,469 | 1,733,219 | -3.09%  | 1,679,653     |
| Export                             | 1,353,925 | 1,378,443 | 1,205,214 | 1,689,365 | 13.99%  | 1,925,684     |
| Import                             | 103,837   | 20,761    | 11,738    | 10,483    | 8.54%   | 11,378        |

Source: Reuters

| Commodity Futures (3rd month) | Overnight close | +/-     | 1d Chg (%) | Relative to FCPO |        |        |        |
|-------------------------------|-----------------|---------|------------|------------------|--------|--------|--------|
|                               |                 |         |            | 3m Chg           | 6m Chg | 3m Chg | 6m Chg |
| CPO                           | 3886            | 0       | 0.00%      | -0.51%           | -2.51% | -0.01  | -0.03  |
| Dalian Olein                  | 7904            | -82     | -1.03%     | 3.35%            | 15.05% | 1.04   | 1.18   |
| Soybean Oil                   | 41.35           | -1.79   | -4.15%     | -5.20%           | -7.39% | 0.95   | 0.95   |
| WTI Crude                     | 69.20           | -1.14   | -1.62%     | -5.11%           | -6.98% | 0.94   | 1.03   |
| CRB Index (realtime)          | 270.26          | -2.5400 | -0.93%     | -6.07%           | -2.02% | 0.95   | 0.95   |

Source: Bloomberg

| Currency | Last    | 1d Chg | 3m Chg | 6m Chg |
|----------|---------|--------|--------|--------|
|          |         |        |        |        |
| USD/IDR  | 15479.5 | -0.30% | -4.28% | -1.37% |

Source: Bloomberg

### Overnight Lead

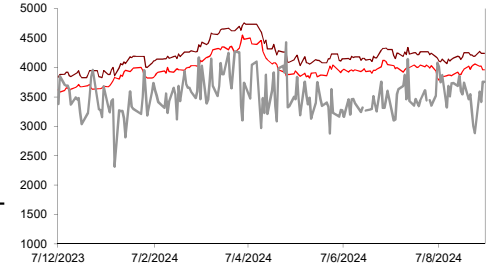
Chicago Board of Trade soybean futures ticked up on Wednesday on support from short-covering and weather risks. - Reuters

| Previous Week |       | High  |       | Low   |       | Cash CPO (MYR/MT) |      | Last Bid |  | Last Offer |  | 3m Chg |  | 6m Chg |  |
|---------------|-------|-------|-------|-------|-------|-------------------|------|----------|--|------------|--|--------|--|--------|--|
| Sep24         | 3,966 | 4,102 | 3,966 | Sep24 | 3,960 | 4,010             | 1.0% | 0.0%     |  |            |  |        |  |        |  |

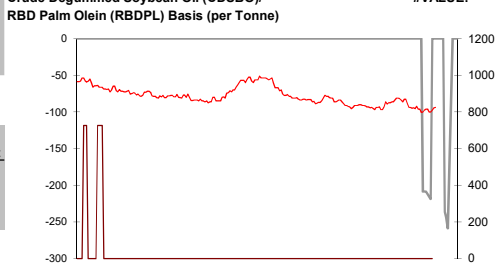
| Spreads     | Last | Bid | Offer | Vol | High | Low | Avg |
|-------------|------|-----|-------|-----|------|-----|-----|
| Sep24-Oct24 | 68   | N/A | N/A   | 1   | 147  | 29  | 67  |
| Sep24-Nov24 | 106  | N/A | N/A   | 19  | 243  | 43  | 105 |
| Oct24-Nov24 | 38   | 38  | 39    | 304 | 95   | 12  | 38  |
| Oct24-Dec24 | 64   | 62  | 65    | 163 | 128  | 13  | 55  |
| Nov24-Dec24 | 26   | 25  | 26    | 309 | 40   | -2  | 17  |
| Nov24-Jan25 | 40   | 36  | 38    | 43  | 58   | -14 | 21  |

Source: Bloomberg

### Refiner's Margin (RBDPO - Cash CPO) MYR 283



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



### 3rd mth FCPO Volatility

