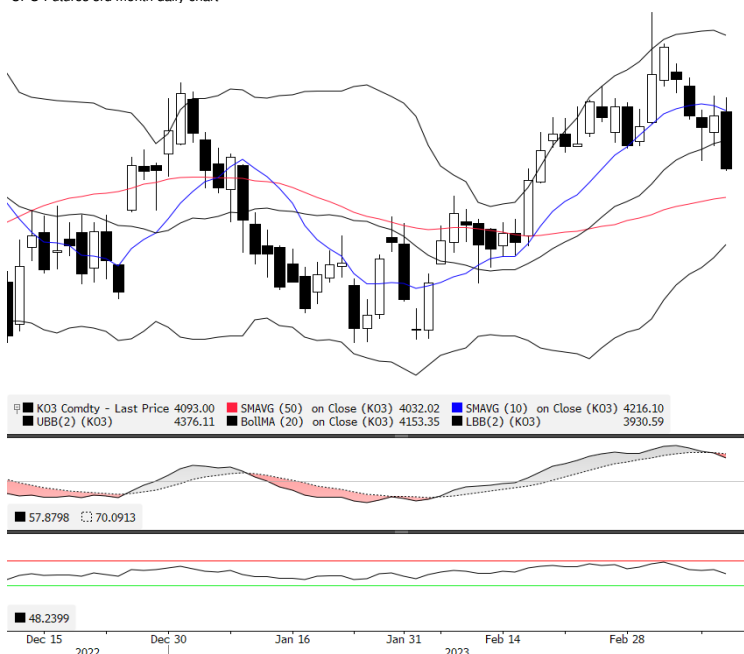


CPO Futures 3rd month daily chart



Preview

Fundamental

Malaysian palm oil futures erased previous session's gains and closed 2.66% lower on Friday, the lowest level in three weeks and logged a weekly drop tracking the fall in competing edible oil prices amid concerns about the risk of global recession that could hamper edible oil demand while relentless decline in output since the start of November by MPOB that outweighed the fall in inventories level capped losses. Globally, crude oil prices climbed higher on Friday, with the U.S. benchmark West Texas Intermediate (WTI) up 96 cents, or 1.3%, at \$76.68 per barrel, supported by better-than-expected U.S. employment data that beat expectations, although recorded a weekly loss of more than 3% on U.S. rate hike worries. Meanwhile, the CBOT soy oil edged lower on Friday, with May soy oil closed 0.45 cent lower at 56.61 cents per lb, pressured by worries over the harvest in South American crop and liquidation of intermarket spreads activities ahead of the weekend. Therefore, palm oil futures are expected to trade on a cautious note today tracking mixed overnight rival oils and tropical oil stockpiles remained high above 2 million tonnes mark reported by MPOB while downside could be limited by weather risks in top growers' crop region that could cause supply disruption.

Technical

Palm oil futures for the May contract opened lower and trended lower in negative territory as selling pressure persist following the fall in the rival overnight edible oil market and as participants fret about global recession risk could dampened edible oils demand. At the close, the May contract settled at 4,093 ringgit per tonne with losses of 112 points. Trading activities for the day can be depicted through the formation of a long black-bodied candlestick pattern with longer upper and short bottom shadows, indicating that the bears took control of the trading session aggressively. Technical wise, MACD indicator started to issues a sell signal while RSI lingered at a neutral region. Therefore, palm oil futures are expected to trade range bound with downward bias today on continued selling pressure took cue from weaker performance in overnight competing soy oils market and tropical oil ample supplies concerns while selling pressure could be cushioned by a potential of bargain hunting activities and weather risk concerns. Hence, the support and resistance for May futures contract can be found at 3,985 and 4,200 respectively.

Strategy

Traders may short with a stop on or above 4,200.

KO3 Comdty (Generic 3rd 'KO' Future) DAILY REPORT CHART Daily 10DEC2022-10MAR2023

Source: Bloomberg

Contract	Sett	Chg	High	Low	Vol	Open Int	O/I chg	Value USD	O/I chg
MAR 23	4,170	4	4,185	4,127	155	1,132	5	12 Mn	4,282
APR 23	4,111	-95	4,242	4,098	4,720	12,617	-1,413	-32.18 Mn	4,301
MAY 23	4,093	-112	4,244	4,088	31,296	46,172	-2,204	-49.98 Mn	4,317
JUN 23	4,060	-120	4,212	4,056	10,330	28,817	91	2.05 Mn	4,295
JUL 23	4,019	-118	4,171	4,017	6,477	24,944	999	22.24 Mn	4,249
AUG 23	3,980	-118	4,117	3,975	4,140	16,561	703	15.5 Mn	4,202
SEP 23	3,947	-113	4,086	3,945	3,470	14,498	105	2.3 Mn	4,163
OCT 23	3,928	-107	4,050	3,925	1,576	6,051	-34	-74 Mn	4,130
NOV 23	3,918	-107	4,044	3,918	1,441	9,405	203	4.41 Mn	4,118
DEC 23	3,914	-107	4,030	3,914	581	3,266	120	2.6 Mn	4,116
JAN 24	3,912	-107	3,961	3,913	478	3,468	109	2.36 Mn	4,102
FEB 24	3,914	-96	3,952	3,909	272	667	113	2.45 Mn	4,105
MAR 24	3,905	-96	3,958	3,918	254	2,372	-32	-69 Mn	4,102
MAY 24	3,894	-96	3,948	3,928	5	222	3	.06 Mn	4,102
JUL 24	3,894	-96	-	-	-	6	0	. Mn	3,993
SEP 24	3,894	-96	-	-	-	-	0	. Mn	-
NOV 24	3,894	-96	-	-	-	-	0	. Mn	-
JAN 25	3,894	-96	-	-	-	-	0	. Mn	-
MAR 25	3,894	-96	-	-	-	-	0	. Mn	-
MAY 25	3,894	-96	-	-	-	-	0	. Mn	-
JUL 25	3,894	-96	-	-	-	-	0	. Mn	-
SEP 25	3,894	-96	-	-	-	-	0	. Mn	-
NOV 25	3,894	-96	-	-	-	-	0	. Mn	-
JAN 26	3,894	-96	-	-	-	-	-	. Mn	-
Total					65,195	170,198	-1,232		

Source: Bloomberg

Export Est Period	Feb-23 AMSPEC	Feb-23 SGS	Jan-23 AMSPEC	Jan-23 SGS	Change (m-o-m) AMSPEC	Change (m-o-m) SGS	Change (y-o-y) AMSPEC	Change (y-o-y) SGS
1 - 10th days	312,092	323,280	235,529	262,201	32.51%	23.29%	-2.63%	6.20%
1 - 15th days	437,327	449,703	401,749	453,771	8.86%	-0.90%	-12.00%	-11.42%
1 - 20th days	723,482	712,740	566,561	654,888	27.70%	8.83%	-11.59%	-12.77%
1 - 25th days	949,082	985,780	823,376	876,193	15.27%	12.51%	-10.49%	-9.17%
Full month	1,062,057	1,131,939	1,066,287	1,113,292	-0.40%	1.67%	-12.30%	7.52%

Source: Reuters

Malaysian Palm Oil Board Statistic

	2021 February	2022 November	2022 December	2023 January	Feb Chg (Mean)	KF's Expected Feb
Production	1,137,448	1,680,743	1,618,853	1,380,410	-12.07%	1,213,766
Stocks	1,518,293	2,288,473	2,194,809	2,268,198	-2.61%	2,209,084
Export	1,097,857	1,517,731	1,468,448	1,135,498	-14.88%	966,556
Import	149,833	47,047	47,114	144,937	140.07%	347,954

Source: Reuters

Commodity Futures (3rd month)

Overnight close	4093	+/-	1d Chg (%)	3m Chg	6m Chg	3m Chg	6m Chg
CPO	4093	-112	-2.66%	2.45%	13.88%	0.02	0.14
Dalian Olein	7988	-62	-0.77%	2.73%	0.50%	1.00	0.88
Soybean Oil	56.10	-2.39	-4.09%	-9.81%	-20.14%	0.88	0.70
WTI Crude	76.68	0.96	1.27%	1.33%	-8.00%	0.89	0.91
CRB Index (realtime)	264.99	0.3392	0.13%	-3.65%	-7.27%	0.99	0.81

Source: Bloomberg

Currency	Last	1d Chg	3m Chg	6m Chg
USDMYR	4.5125	-0.17%	2.05%	0.27%
USDIDR	15410.0	-0.26%	-1.32%	4.03%

Source: Bloomberg

Overnight Lead

U.S. soybean futures closed lower on Friday amid liquidation of intermarket spreads ahead of the weekend, analysis said. Reuters

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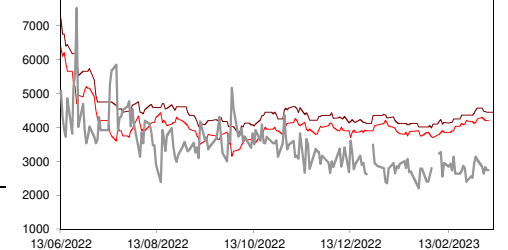
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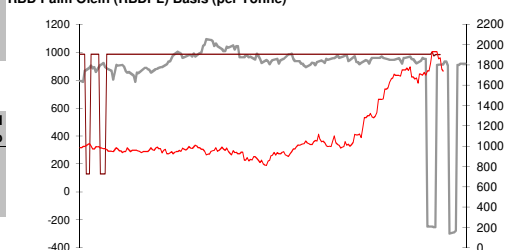
Source: Reuters

Source: Bloomberg

Refiner's Margin (RBDPO - Cash CPO)



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



3rd mth FCPO Volatility

