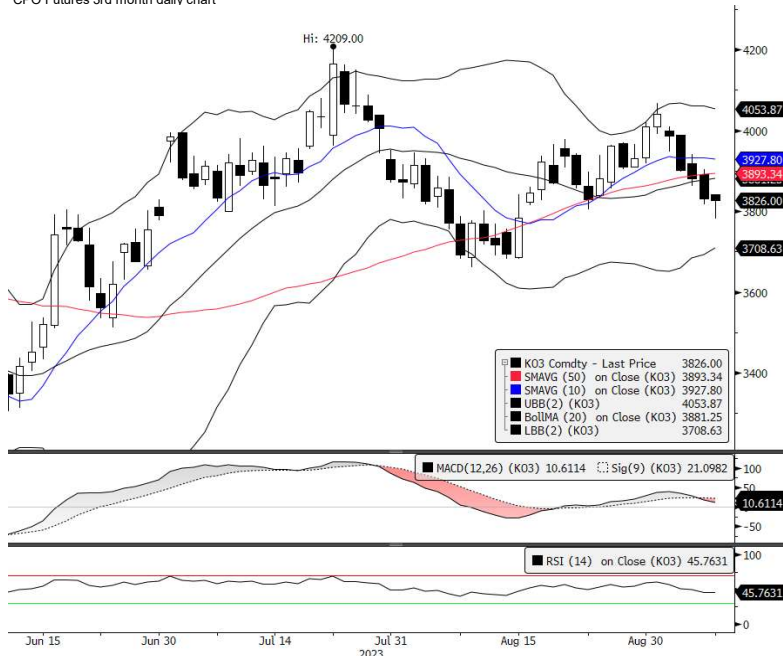


CPO Futures 3rd month daily chart



## Preview

### Fundamental

Malaysian palm oil futures slipped 0.16% on Friday, posted a weekly drop on Friday, snapping three consecutive weeks of gains and posted the most substantial weekly loss in over four months in line with the weakness observed in competing edible oils and anticipations of increased ending stocks in August coupled with concerns about diminished demand from major importers such as India and China. Globally, crude oil prices rose to a nine-month high on Friday, with the U.S. benchmark West Texas Intermediate (WTI) rose 64 cents, or 0.7%, to settle at \$87.51 a barrel, energized by the upward movement of U.S. diesel futures and concerns regarding constrained oil availability following the recent extension of supply reductions by Saudi Arabia and Russia. Meanwhile, the CBOT soy oil continued to slide downwards on Friday, with December soy oil slipped 0.28 cent to close at 60.50 cents per pound and hit its lowest price since Aug. 14 at 60.15 cents, pressured by expectations for large supplies from South America. Therefore, palm oil futures are expected to trade cautiously higher on a potential of short covering activities ahead of the release of MPOB data later today while overnight losses in rival soy oils and concerns about slower tropical oil export demand during early September could limit the gains.

### Technical

Palm oil futures for the November contract opened lower but trended gradually higher to recoup most of its losses to close in negative territory as selling activities continued following the fall in the rival soy oil market while losses were limited by short covering activities ahead of weekend. At the close, the November contract settled at 3,826 ringgit per tonne with losses of 6 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 although bulls tried to take over. Technical wise, MACD indicator issued a sell signal while RSI lingered at a neutral range. Therefore, palm oil futures are expected to trade range bound with slight upward bias today on a potential of bargain hunting activities after recent rout while slowing Indian demand and lesser buying activity from China along with worries over mounting stockpiles could limit the upside. Hence, the support and resistance for November futures contract can be found at 3,780 and 3,920 respectively.

K03 Comdty (Generic 3rd 'K0' Future) DAILY REPORT CHART Daily 10JUN2023-08SEP2023

Source: Bloomberg

Contract	Sett	Chg	High	Low	Vol	Open Int	O/I chg	Value USD	High	Low	Cash CPO (MYR/MT)	Last Bid	Last Offer	3m Chg	6m Chg
SEP 23	3,730	-20	3,730	3,701	78	1,737	-41	-82 Mn	3,880	3,701	Sep23	3,710	3,800	8.6%	0.0%
OCT 23	3,752	-20	3,775	3,715	3,071	17,166	-1,433	-28.76 Mn	3,970	3,798	Source: Reuters				
NOV 23	3,830	-2	3,841	3,781	30,816	47,680	232	4.75 Mn	3,978	3,804					
DEC 23	3,879	1	3,887	3,825	10,136	33,011	221	4.59 Mn	3,986	3,815	Spreads	Last	Bid	Offer	Vol
JAN 24	3,918	-1	3,925	3,862	7,554	28,656	180	3.77 Mn	3,929	3,702	Sep23-Oct23	-22	-300	20	39
FEB 24	3,947	1	3,951	3,892	4,162	15,133	366	7.73 Mn	4,068	3,892	Sep23-Nov23	-100	-	34	20
MAR 24	3,960	1	3,957	3,906	3,448	18,342	478	10.13 Mn	4,074	3,906	Oct23-Nov23	-78	-79	-77	2,304
APR 24	3,955	1	3,958	3,903	1,426	10,102	107	2.26 Mn	4,010	3,860	Oct23-Dec23	-127	-	-116	119
MAY 24	3,928	-6	3,948	3,886	2,928	19,218	352	7.4 Mn	3,993	3,846	Nov23-Dec23	-49	-48	-47	4,370
JUN 24	3,897	-6	3,892	3,853	1,672	6,958	372	7.75 Mn	3,947	3,817	Nov23-Jan24	-88	-90	-86	2,215
JUL 24	3,864	-6	3,852	3,824	774	7,498	147	3.04 Mn	3,931	3,782	Source: Bloomberg				
AUG 24	3,843	-6	3,822	3,800	200	845	72	1.48 Mn	3,907	3,770	Refiner's Margin (RBDPO - Cash CPO)				MYR 272
SEP 24	3,824	-9	3,789	3,771	85	2,781	-9	-18 Mn	3,944	3,771					
NOV 24	3,783	-9			9	2,127	1	.02 Mn	3,867	3,759					
JAN 25	3,783	-9				5	0	. Mn	3,877	3,810					
MAR 25	3,783	-9					0	. Mn							
MAY 25	3,783	-9					0	. Mn							
JUL 25	3,783	-9					0	. Mn							
SEP 25	3,783	-9					0	. Mn							
NOV 25	3,783	-9					0	. Mn							
JAN 26	3,783	-9					0	. Mn							
MAR 26	3,783	-9					0	. Mn							
MAY 26	3,783	-9					0	. Mn							
JUL 26	3,783	-9													

Source: Bloomberg

Export Est Period	Aug-23 AMSPEC	ITS	Jul-23 AMSPEC	ITS	Change (m-o-m) AMSPEC	ITS	Change (y-o-y) 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	887,414	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 July	2022 May	2023 June	2023 July	Aug Chg (Mean)	KF's Expected August
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	3m Chg	6m Chg
CPO	3830	-2	-0.05%	17.34%	-8.37%	0.17	-0.08
Dalian Olein	7544	-104	-1.36%	15.07%	-2.25%	0.98	1.07
Soybean Oil	63.15	-2.20	-3.37%	20.29%	7.97%	1.03	1.18
WTI Crude	87.51	0.64	0.74%	24.98%	15.95%	0.97	1.06
CRB Index (realtime)	284.47	0.7041	0.25%	9.19%	7.35%	1.07	1.27

Source: Bloomberg

Currency	Last	1d Chg	3m Chg	6m Chg
USD/MYR	4.6735	-0.07%	1.24%	4.06%
USD/IDR	15327.5	0.00%	2.91%	-0.71%

Source: Bloomberg

## Overnight Lead

Chicago Board of Trade soybean futures ended firmer in choppy activity on Friday, with the market consolidating ahead of a U.S. Department of Agriculture crop report due next week. - Reuters