

CPO Futures 3rd month daily chart



Preview

Fundamental

Malaysian palm oil futures snapped its three consecutive sessions of gains and ended 2.11% lower on Monday, kickstarted the newly listed benchmark December contract month with a deep selloff tracking a fall in Dalian Palm Olein along with other vegetable oil prices and weighed down by weaker equities leading up to upcoming policy determinations this week by major global banks. Globally, crude oil prices continued its rally on Monday, with the U.S. benchmark West Texas Intermediate (WTI) rose 71 cents or 0.8% to \$91.48 per barrel, as the anticipation of supply deficit resulting from the prolonged output cuts enacted by Saudi Arabia and Russia, combined with the underwhelming performance of shale production weighed over demand concerns. Meanwhile, the CBOT soy oil fell on Monday, with December soy bean oil fell 1.12 cents to finish at 60.94 cents per pound, pressured by persistent tepid export demand for U.S. supplies and the anticipation of an imminent expansion of the U.S. harvest in the central Midwest region. Therefore, palm oil futures are expected to trade on a cautious note today mirroring the overnight setbacks in rival soy oil coupled with subdued export demand trends experienced throughout the first half of September while the prospect of renewed demand for Malaysian tropical oil from China could limit the downside.

Technical

Palm oil futures for the December contract opened lower and trended gradually lower in negative territory as profit booking activities emerged following the fall in global edible oil market and pressured by the worries over weaker export demand during the first half of September. At the close, the December contract settled at 3,749 ringgit per tonne with losses of 36 points. Trading activities for the day can be depicted through the formation of a black-bodied candlestick pattern with extended upper and bottom shadows, indicating that the bears took control of the trading session. Technical wise, MACD indicator issued a buy signal while RSI lingered at a neutral region. Nevertheless, palm oil futures are expected to trade range bound with downward bias today on continued selling pressure taking cue from the stumble in overnight competing soy oils market and discouraging tropical oil export demand data. Hence, the support and resistance for December futures contract can be found at 3,650 and 3,780 respectively.

K03 Comdty (Generic '3rd' 'K0' Future) DAILY REPORT CHART Daily 20JUN2023-18SEP2023 Copyright© 2023 Bloomberg Finance L.P. 19-Sep-2023 09:42:27

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
OCT 23	3,678	-51	3,747	3,664	588	10,659	-313	-6.13 Mn	3,777	3,607	Oct23	3,680	3,720	-1.0%	0.0%
NOV 23	3,715	-70	3,750	3,705	11,116	35,075	-798	-15.79 Mn	3,970	3,798	Source: Reuters				
DEC 23	3,749	-81	3,785	3,737	25,390	39,118	2,059	41.13 Mn	3,978	3,804					
JAN 24	3,790	-81	3,827	3,778	7,407	27,628	401	8.1 Mn	3,986	3,815					
FEB 24	3,830	-80	3,866	3,820	2,778	16,283	165	3.37 Mn	3,929	3,702					
MAR 24	3,861	-73	3,892	3,848	2,853	20,723	-47	-9.7 Mn	3,991	3,832					
APR 24	3,869	-73	3,895	3,858	908	11,765	-207	-4.27 Mn	3,984	3,838					
MAY 24	3,861	-73	3,885	3,849	1,998	20,496	-206	-4.24 Mn	4,010	3,860					
JUN 24	3,828	-73	3,862	3,827	719	7,362	-70	-1.43 Mn	3,993	3,846					
JUL 24	3,805	-73	3,838	3,800	1,491	7,901	188	3.81 Mn	3,947	3,817					
AUG 24	3,784	-73	3,815	3,788	233	1,545	46	.93 Mn	3,931	3,782					
SEP 24	3,765	-73	3,806	3,780	602	3,262	106	2.13 Mn	3,907	3,770					
NOV 24	3,759	-73	3,795	3,758	265	2,577	29	.58 Mn	3,852	3,716					
JAN 25	3,759	-73	3,809	3,809	3	14	3	.06 Mn	3,867	3,759					
MAR 25	3,759	-73				3	0	. Mn	3,877	3,810					
MAY 25	3,759	-73					0	. Mn							
JUL 25	3,759	-73					0	. Mn							
SEP 25	3,759	-73					0	. Mn							
NOV 25	3,759	-73					0	. Mn							
JAN 26	3,759	-73					0	. Mn							
MAR 26	3,759	-73					0	. Mn							
MAY 26	3,759	-73					0	. Mn							
JUL 26	3,759	-73					0	. Mn							
SEP 26	3,759	-73					-								
Total					56,351	204,411	1,356								

Source: Bloomberg

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

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)					Relative to FCPO		
Overnight close	+/-	1d Chg (%)	3m Chg	6m Chg	3m Chg	6m Chg	
CPO	3749	0	0.00%	-0.21%	-4.36%	0.00	-0.04
Dalian Olein	7368	-138	-1.84%	2.59%	-1.07%	1.03	1.03
Soybean Oil	62.39	-0.99	-1.56%	4.52%	8.58%	1.05	1.14
WTI Crude	91.48	0.71	0.78%	27.50%	37.11%	1.00	1.03
CRB Index (realtime)	289.38	-0.2293	-0.08%	6.82%	13.63%	1.28	1.43
Source : Bloomberg							
Currency		Last	1d Chg		3m Chg	6m Chg	
USDMYR		4.6923	0.07%		1.26%	4.53%	
USDIDR		15370.0	0.09%		2.41%	-0.03%	
Source : Bloomberg							

Overnight Lead

Chicago Board of Trade soybean futures fell to the lowest levels in a month on Monday, pushed down by continued weak export demand for U.S. supplies and expectations that the U.S. harvest will soon expand in the heart of the Midwest. - Reuters

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