

CPO Futures 3rd month daily chart

■ K03 Comdty - Last Price 3950.00 ■ SMAVG (50) on Close (K03) 4003.78 ■ SMAVG (10) on Close (K03) 3957.10
■ UBB(2) (K03) 4243.23 ■ BollMA (20) on Close (K03) 4003.65 ■ LBB(2) (K03) 3764.07



**Preview
Fundamental**

Malaysian palm oil futures extended its winning streak to close 1.65% higher on Wednesday, as continuation of bargain buying activities from previous session were seen after MPOB data shows a shrink in inventory level in six months and strength in competing oils supported prices while advanced on supply worries due to unfavorable weather in Malaysia palm oil region further supported the sentiment. Globally, crude oil prices settled higher on Wednesday, with the U.S. benchmark West Texas Intermediate (WTI) settled up \$1.94 to \$77.28 per barrel, lifted by demand forecast by OPEC and International Energy Agency (IEA) for year 2023 to rebound amid easing interest rate hike to be seen as inflation is slowing down and the easing of Covid restrictions in China. Meanwhile, the CBOT soy oil retreated on Wednesday, with January soy oil lost 0.57 cent at 63.55 cents per lb, pressured by beneficial rains are due to reach parts of South American crop region, bolstering early crop prospects. Therefore, palm oil futures are expected to trade on a cautious note today following mixed overnight rival oils market and a potential of profit taking activities after recent bullish run while downside could be limited by increasing demand from top importers India and China as they buy on dip as well as Indonesian government to implement its 35% biodiesel fuel plan by next year.

Technical

Palm oil futures for the February contract opened higher and trended sideways above positive territory as bargain buying activities extended following the rise in the rival oil market during Asian trading hour along with MPOB data that shows a drop-in palm oil stockpiles along with the increasing demand from top buyers India and China. At the close, the February contract settled at 3,950 ringgit per tonne with gains of 282 points. Trading activities for the day can be depicted through the formation of a short white-bodied candlestick pattern with longer upper and shorter bottom shadows, indicating that the bulls took control of the trading session while profit taking activities were seen in between trading sessions. Technical wise, MACD indicator remained issue 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 a potential of profit taking activities following the mixed performance in overnight competing oils market while downside could be limited by lingering concerns about rains and flooding ahead of a lean production season. Hence, the support and resistance for February futures contract can be found at 3,800 and 4,020 respectively.

K03 Comdty (Generic 3rd 'K0' Future) DAILY REPORT CHART Daily 07SEP2022-14DEC2022 Copyright© 2022 Bloomberg Finance L.P. 14-Dec-2022 19:19:38

Source: Bloomberg

| Contract | Sett | Chg | High | Low | Vol | Open Int | O/I chg | O/I chg Value USD |
|--------------|-------|-----|-------|-------|---------------|----------------|----------|-------------------|
| DEC 22 | 3,885 | 59 | 3,900 | 3,850 | 6 | 1,036 | 0 | . Mn |
| JAN 23 | 3,909 | 59 | 3,961 | 3,873 | 3,052 | 13,615 | 0 | . Mn |
| FEB 23 | 3,950 | 64 | 4,005 | 3,895 | 24,267 | 39,870 | 0 | . Mn |
| MAR 23 | 3,968 | 65 | 4,021 | 3,911 | 17,188 | 46,615 | 0 | . Mn |
| APR 23 | 3,964 | 60 | 4,015 | 3,916 | 5,753 | 28,393 | 0 | . Mn |
| MAY 23 | 3,947 | 49 | 4,000 | 3,912 | 8,640 | 28,718 | 0 | . Mn |
| JUN 23 | 3,923 | 49 | 3,964 | 3,891 | 2,276 | 14,551 | 0 | . Mn |
| JUL 23 | 3,891 | 51 | 3,938 | 3,865 | 2,375 | 16,025 | 0 | . Mn |
| AUG 23 | 3,860 | 46 | 3,903 | 3,833 | 2,014 | 6,758 | 0 | . Mn |
| SEP 23 | 3,843 | 47 | 3,877 | 3,820 | 1,674 | 9,182 | 0 | . Mn |
| OCT 23 | 3,833 | 47 | 3,849 | 3,816 | 274 | 1,642 | 0 | . Mn |
| NOV 23 | 3,825 | 47 | 3,860 | 3,810 | 57 | 7,389 | 0 | . Mn |
| JAN 24 | 3,800 | 47 | 3,825 | 3,789 | 8 | 1,094 | 0 | . Mn |
| MAR 24 | 3,755 | 47 | 3,800 | 3,800 | 2 | 445 | 0 | . Mn |
| MAY 24 | 3,705 | 47 | - | - | - | 73 | 0 | . Mn |
| JUL 24 | 3,705 | 47 | - | - | - | 1 | 0 | . Mn |
| SEP 24 | 3,705 | 47 | - | - | - | - | 0 | . Mn |
| NOV 24 | 3,705 | 47 | - | - | - | - | 0 | . Mn |
| JAN 25 | 3,705 | 47 | - | - | - | - | 0 | . Mn |
| MAR 25 | 3,705 | 47 | - | - | - | - | 0 | . Mn |
| MAY 25 | 3,705 | 47 | - | - | - | - | 0 | . Mn |
| JUL 25 | 3,705 | 47 | - | - | - | - | 0 | . Mn |
| SEP 25 | 3,705 | 47 | - | - | - | - | 0 | . Mn |
| NOV 25 | 3,705 | 47 | - | - | - | - | 0 | . Mn |
| Total | | | | | 67,586 | 215,407 | 0 | |

Source: Bloomberg

| Export Est Period | Dec-22 | | Nov-22 | | Change (m-o-m) | | Change (y-o-y) | |
|-------------------|---------|---------|------------------|------------------|----------------|--------|----------------|---------|
| | AMSPEC | SGS | AMSPEC | SGS | AMSPEC | SGS | AMSPEC | SGS |
| 1 - 10th days | 480,404 | 473,086 | 420,477 | 408,867 | 14.25% | 15.71% | -11.70% | -13.73% |
| 1 - 15th days | - | - | 657,896 | 662,816 | - | - | - | - |
| 1 - 20th days | - | - | 921,808 | 943,030 | - | - | - | - |
| 1 - 25th days | - | - | 1,199,383 | 1,192,881 | - | - | - | - |
| Full month | - | - | 1,498,862 | 1,519,560 | - | - | - | - |

Source: Reuters

Malaysian Palm Oil Board Statistic

| | 2021 | | 2022 | | 2022 | | 2022 | | Dec Chg (Mean) | KF's Expected Dec |
|------------|-----------|-----------|-----------|-----------|----------|----------|-----------|--|----------------|-------------------|
| | December | September | October | November | December | November | December | | | |
| Production | 1,450,905 | 1,770,441 | 1,813,591 | 1,680,743 | -9.31% | - | 1,524,277 | | | |
| Stocks | 1,583,040 | 2,315,464 | 2,403,719 | 2,288,473 | 0.49% | - | 2,299,627 | | | |
| Export | 1,414,566 | 1,420,235 | 1,503,779 | 1,517,731 | -8.96% | - | 1,381,678 | | | |
| Import | 102,768 | 132,303 | 66,349 | 47,047 | 42.20% | - | 66,901 | | | |

Source: Reuters

Commodity Futures (3rd month)

| Overnight close | +/- | 1d Chg (%) | 3m Chg | 6m Chg | Relative to FCPO | | |
|----------------------|--------|------------|--------|--------|------------------|--------|-------|
| | | | | | 3m Chg | 6m Chg | |
| CPO | 3950 | 0 | 0.00% | 6.07% | -30.18% | 0.06 | -0.30 |
| Dalian Olein | 7898 | 122 | 1.57% | -1.08% | -23.41% | 0.93 | 1.10 |
| Soybean Oil | 63.55 | -2.76 | -4.16% | -4.85% | -18.18% | 0.90 | 1.17 |
| WTI Crude | 77.28 | 1.89 | 2.51% | -6.85% | -24.62% | 1.03 | 1.14 |
| CRB Index (realtime) | 276.63 | 1.5975 | 0.58% | -3.39% | -12.37% | 0.88 | 1.08 |

Source: Bloomberg

| Currency | Last | 1d Chg | 3m Chg | 6m Chg |
|----------|---------|--------|--------|--------|
| | | | | |
| USDIDR | 15592.5 | -0.41% | 5.02% | 6.52% |

Source: Bloomberg

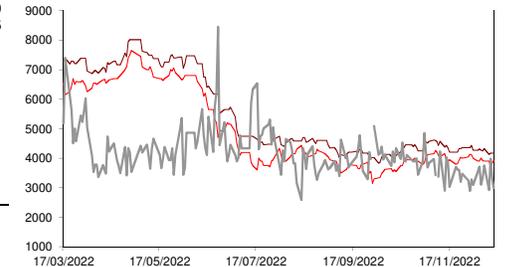
Overnight Lead

U.S. soybean futures edged higher on Wednesday, supported by gains in the crude oil market and hopes that export demand will remain robust, traders said. - Reuters

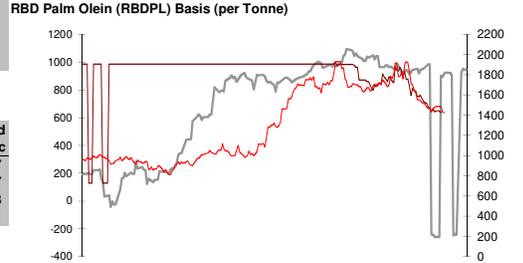
Previous Week

| Contract | Sett | Chg | High | Low | Vol | Open Int | O/I chg | O/I chg Value USD | High | Low | Cash CPO (MYR/MT) | Last Bid | Last Offer | 3m Chg | 6m Chg | | | |
|----------|-------|-----|-------|-------|--------|----------|---------|-------------------|-------|-------|--|-------------|------------|--------------|------------|-----|------|-----|
| DEC22 | 3,885 | 59 | 3,900 | 3,850 | 6 | 1,036 | 0 | . Mn | 4,040 | 3,820 | DEC22 | 3,920 | 3,960 | 2.0% | 0.0% | | | |
| JAN23 | 3,909 | 59 | 3,961 | 3,873 | 3,052 | 13,615 | 0 | . Mn | 4,075 | 3,830 | Source: Reuters | - | - | - | - | | | |
| FEB23 | 3,950 | 64 | 4,005 | 3,895 | 24,267 | 39,870 | 0 | . Mn | 4,116 | 3,865 | | - | - | - | - | | | |
| MAR23 | 3,968 | 65 | 4,021 | 3,911 | 17,188 | 46,615 | 0 | . Mn | 4,142 | 3,894 | Spreads | Last | Bid | Offer | Vol | | | |
| APR23 | 3,964 | 60 | 4,015 | 3,916 | 5,753 | 28,393 | 0 | . Mn | 4,135 | 3,892 | Dec22-Jan23 | -24 | -150 | - | - | 1 | -127 | -56 |
| MAY23 | 3,947 | 49 | 4,000 | 3,912 | 8,640 | 28,718 | 0 | . Mn | 4,114 | 3,873 | Dec22-Feb23 | -60 | - | - | - | -20 | -180 | -91 |
| JUN23 | 3,923 | 49 | 3,964 | 3,891 | 2,276 | 14,551 | 0 | . Mn | 4,069 | 3,838 | Jan23-Feb23 | -47 | -43 | -42 | 127 | -14 | -58 | -34 |
| JUL23 | 3,891 | 51 | 3,938 | 3,865 | 2,375 | 16,025 | 0 | . Mn | 4,019 | 3,790 | Jan23-Mar23 | -84 | -65 | -50 | 52 | 1 | -85 | -44 |
| AUG23 | 3,860 | 46 | 3,903 | 3,833 | 2,014 | 6,758 | 0 | . Mn | 3,984 | 3,751 | Feb23-Mar23 | -37 | -17 | -16 | 1,135 | 21 | -39 | -10 |
| SEP23 | 3,843 | 47 | 3,877 | 3,820 | 1,674 | 9,182 | 0 | . Mn | 3,960 | 3,731 | Feb23-Apr23 | -40 | -14 | -10 | 72 | 72 | -46 | 5 |
| OCT23 | 3,833 | 47 | 3,849 | 3,816 | 274 | 1,642 | 0 | . Mn | 3,940 | 3,723 | Source: Bloomberg | - | - | - | - | - | - | - |
| NOV23 | 3,825 | 47 | 3,860 | 3,810 | 57 | 7,389 | 0 | . Mn | 3,925 | 3,711 | Refiner's Margin (RBDPO - Cash CPO) | | | | | | | |
| JAN24 | 3,800 | 47 | 3,825 | 3,789 | 8 | 1,094 | 0 | . Mn | 3,875 | 3,700 | | | | | | | | |
| MAR24 | 3,755 | 47 | 3,800 | 3,800 | 2 | 445 | 0 | . Mn | 3,800 | 3,725 | | | | | | | | |
| MAY24 | 3,705 | 47 | - | - | - | 73 | 0 | . Mn | - | - | | | | | | | | |
| JUL24 | 3,705 | 47 | - | - | - | 1 | 0 | . Mn | 3,611 | 3,611 | | | | | | | | |
| SEP24 | 3,705 | 47 | - | - | - | - | 0 | . Mn | - | - | | | | | | | | |
| NOV24 | 3,705 | 47 | - | - | - | - | 0 | . Mn | - | - | | | | | | | | |
| JAN25 | 3,705 | 47 | - | - | - | - | 0 | . Mn | - | - | | | | | | | | |
| MAR25 | 3,705 | 47 | - | - | - | - | 0 | . Mn | - | - | | | | | | | | |
| MAY25 | 3,705 | 47 | - | - | - | - | 0 | . Mn | - | - | | | | | | | | |
| JUL25 | 3,705 | 47 | - | - | - | - | 0 | . Mn | - | - | | | | | | | | |
| SEP25 | 3,705 | 47 | - | - | - | - | 0 | . Mn | - | - | | | | | | | | |
| NOV25 | 3,705 | 47 | - | - | - | - | 0 | . Mn | - | - | | | | | | | | |

Refiner's Margin (RBDPO - Cash CPO) MYR 251



Crude Degummed Soybean Oil (CDSBO)/RBD Palm Olein (RBDPO) Basis (per Tonne) USD 946.17



3rd mth FCPO Volatility

