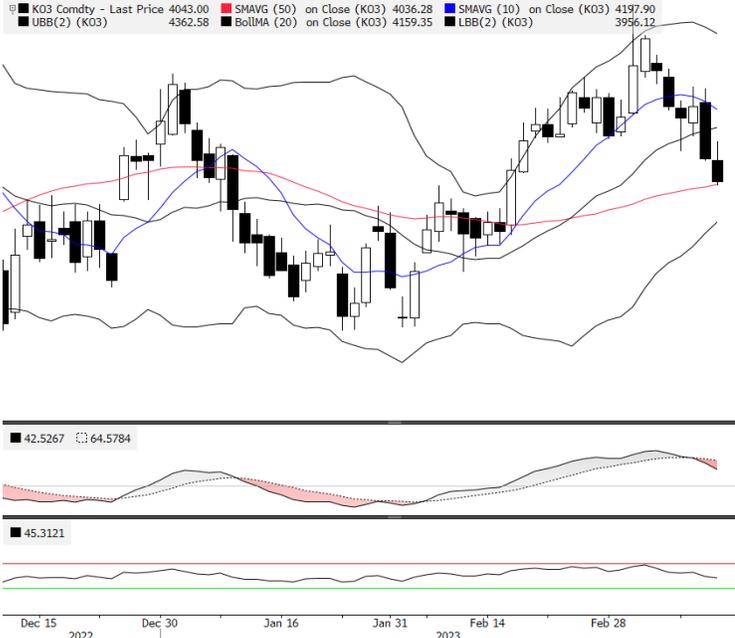


CPO Futures 3rd month daily chart



Preview

Fundamental

Malaysian palm oil futures extended its bearish mode and declined 1.22% after posting the biggest daily loss in over five weeks on Monday, as palm oils were traded under pressure from weakness in rival Dalian edible oils amid increased volatility in global financial markets while losses were limited on lower inventories and upbeat export demand published by cargo surveyor. Globally, crude oil prices fell in volatile trading on Monday, with the U.S. benchmark West Texas Intermediate (WTI) once dropped to \$72.30 a barrel, its lowest price since December and settled at \$74.80 a barrel, pressured by jitter over Silicon Valley Bank collapse that raised fears of a fresh financial crisis but losses were limited by Chinese crude demand recovery. In addition, the CBOT soy oil edged lower on Monday, with May soy oil closed 0.75 cent lower at 55.86 cents per lb, drop on banking sector jitters after the collapse of Silicon Valley Bank and heightening volatility over global economic risk. Therefore, palm oil futures are expected to trade lower today tracking overnight losses in rival oils and global economic concerns as fears of a fresh financial crisis after the collapse of Silicon Valley Bank could trigger an extended selloff activity while downside could be cushioned by strong March export numbers and lower production in February.

Technical

Palm oil futures for the May contract opened lower and trended between gains and losses in a tight range and closed marginally lower in negative territory pressured by extended selling activities following the fall in the rival soy oil market during Asian trading hours amid global selloff activities due to jitters over possible financial crisis. At the close, the May contract settled at 4,043 ringgit per tonne with losses of 50 points. Trading activities for the day can be depicted through the formation of a short black-bodied candlestick pattern with longer upper and shorter bottom shadows, indicating that the bears took control of the trading session. Technical wise, MACD indicator issued a sell signal while RSI lingered at a neutral region. Therefore, palm oil futures are expected to trade with downward bias today on continued selling pressure took cue from stumbled in overnight competing oil market and jitters over possible financial crisis. Hence, the support and resistance for May futures contract can be found at 3,850 and 4,100 respectively.

Strategy

Traders may short with a stop on or above 4,100.

K03 Comdty (Generic 3rd 'K03' Future) DAILY REPORT CHART Daily 10DEC2022-13HAR2023 Copyright© 2023 Bloomberg Finance L.P. 13-Mar-2023 19:09:52

Source: Bloomberg

Contract	Sett	Chg	High	Low	Vol	Open Int	O/I chg	O/I chg Value USD
MAR 23	4,139	-31	4,130	4,110	68	1,054	-78	-1.8 Mn
APR 23	4,080	-31	4,168	4,076	4,113	11,026	-1,591	-36.21 Mn
MAY 23	4,043	-50	4,130	4,034	33,414	45,287	-885	-19.96 Mn
JUN 23	4,000	-60	4,094	3,989	18,694	30,648	1,831	40.85 Mn
JUL 23	3,961	-58	4,050	3,950	12,272	26,437	1,493	32.99 Mn
AUG 23	3,924	-56	4,010	3,912	7,130	15,635	-926	-20.27 Mn
SEP 23	3,896	-51	3,978	3,885	5,085	13,532	-966	-20.99 Mn
OCT 23	3,876	-52	3,958	3,864	1,355	5,973	-78	-1.69 Mn
NOV 23	3,866	-52	3,951	3,861	1,201	9,466	61	1.32 Mn
DEC 23	3,862	-52	3,944	3,860	400	3,304	38	.82 Mn
JAN 24	3,860	-52	3,937	3,861	122	3,515	47	1.01 Mn
FEB 24	3,862	-52	3,894	3,873	24	691	24	.52 Mn
MAR 24	3,853	-52	3,927	3,869	17	2,366	-6	-.13 Mn
MAY 24	3,842	-52	3,907	3,887	9	226	4	.09 Mn
JUL 24	3,842	-52	-	-	-	6	0	. Mn
SEP 24	3,842	-52	-	-	-	-	0	. Mn
NOV 24	3,842	-52	-	-	-	-	0	. Mn
JAN 25	3,842	-52	-	-	-	-	0	. Mn
MAR 25	3,842	-52	-	-	-	-	0	. Mn
MAY 25	3,842	-52	-	-	-	-	0	. Mn
JUL 25	3,842	-52	-	-	-	-	0	. Mn
SEP 25	3,842	-52	-	-	-	-	0	. Mn
NOV 25	3,842	-52	-	-	-	-	0	. Mn
JAN 26	3,842	-52	-	-	-	-	0	. Mn
Total					83,904	169,166	-1,032	

Source: Bloomberg

Export Est Period	Mar-23		Feb-23		Change (m-o-m)		Change (y-o-y)	
	AMSPEC	SGS	AMSPEC	SGS	AMSPEC	SGS	AMSPEC	SGS
1 - 10th days	474,830	-	312,092	323,280	52.14%	-	28.16%	-
1 - 15th days	-	-	437,327	449,703	-	-	-	-
1 - 20th days	-	-	723,482	712,740	-	-	-	-
1 - 25th days	-	-	949,082	985,780	-	-	-	-
Full month	-	-	1,062,057	1,131,939	-	-	-	-

Source: Reuters

Malaysian Palm Oil Board Statistic

	2021		2022		2023		Feb Chg (Mean)	KF's Expected Feb
	February	December	January	February	January	February		
Production	1,137,448	1,618,853	1,380,410	1,251,313	1,380,410	-4.21%	1,198,608	
Stocks	1,518,293	2,194,809	2,268,198	2,119,509	2,268,198	-2.66%	2,063,096	
Export	1,097,857	1,468,448	1,135,498	1,114,343	1,135,498	-8.90%	1,015,120	
Import	149,833	47,114	144,937	52,446	144,937	-7.70%	48,406	

Source: Reuters

Commodity Futures (3rd month)

Commodity	Overnight close	+/-	1d Chg (%)	3m Chg	6m Chg	Relative to FCPO	
						3m Chg	6m Chg
CPO	4043	0	0.00%	2.35%	4.85%	0.02	0.05
Dalian Olein	7900	-88	-1.10%	0.03%	-1.20%	0.98	0.94
Soybean Oil	55.34	-1.23	-2.17%	-16.54%	-23.10%	0.82	0.73
WTI Crude	74.80	-1.88	-2.45%	-3.21%	-10.86%	0.88	0.94
CRB Index (realtime)	264.67	-0.3247	-0.12%	-4.32%	-7.57%	0.95	0.85

Source: Bloomberg

Currency	Last	1d Chg	3m Chg	6m Chg
USDIDR	15392.5	0.10%	-1.39%	3.15%

Source: Bloomberg

Overnight Lead

U.S. soybean futures closed lower on Monday, capping a trading day that was volatile due to rising global economic concerns around the stability of the U.S. banking sector. Reuters

Previous Week

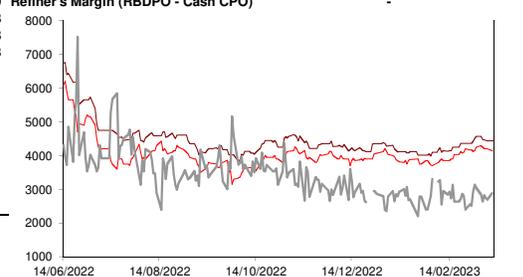
Contract	High	Low	Cash CPO (MYR/MT)	Last Bid	Last Offer	3m Chg	6m Chg
Mar23	4,282	4,127	4,127	4,150	4,200	6.4%	0.0%

Source: Reuters

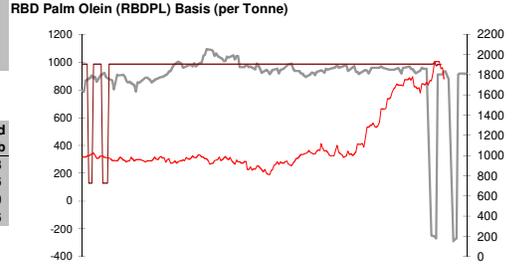
Contract	Last	Bid	Offer	Vol	30 Day			
					High	Low	Avg	
Mar23-Apr23	59	-100	-	6	45	-58	-16	
Mar23-May23	96	-	-	1	59	-64	-18	
Apr23-May23	37	44	48	338	50	-17	-2	
Apr23-Jun23	80	66	121	11	98	-21	16	
May23-Jun23	43	46	46	1,084	51	-6	18	
May23-Jul23	82	83	84	637	95	-4	47	

Source: Bloomberg

Refiner's Margin (RBDPO - Cash CPO)



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



3rd mth FCPO Volatility

