



### Preview

#### Fundamental

Malaysian palm oil futures reverse course to finish 2.08% higher on Friday, recorded a weekly gain underpinned by the higher tropical exports demand from Malaysia amid restocking in China and stronger crude oil futures make palm a more attractive option for biodiesel feedstock. Globally, crude oil prices plunged on Monday, with the U.S. benchmark West Texas Intermediate (WTI) lost \$2.77 cents, or 3.6%, to \$74.22 per barrel, lowest level in nearly four months, as participants worried that a complicated OPEC+ output decision could lead to higher supplies later in the year even though demand growth has been slow. Additionally, the CBOT soy oil edged lower, with July soy oil ended 1.38 cent lower and settled at 44.14 cents per pound, following spill-over weakness from the crude oil prices and weighed down by expectations of positive soy planting progress along with soft demand. Hence, palm oil futures are expected to trade on a cautious note today resonating the bearish momentum observed in overnight competing oils and strengthening Malaysian currency while anticipation of sturdy shipments to key markets and forecasts of slower tropical oil production on adverse weather.

#### Technical

Palm oil futures for the August contract opened gap up and traded gradually higher throughout the trading session lifted by the gains in rival crude oils and optimism over strong tropical oil export while upside was capped by stronger Ringgit and ahead of extended weekend holiday. At the close, the August contract settled at 4,076 ringgit per tonne with gains of 83 points, forming a long white-bodied candlestick pattern with short upper and extended bottom shadows, indicating that the bulls seized control over the trading session aggressively. Technical wise, MACD indicator issued a buy signal while RSI lingering at a neutral region. However, palm oil futures are expected to trade range bound with downward bias today on a potential of profit taking activities following the sluggish overnight rival oil performance and after recent rally while losses could be capped by expectation of slower tropical oil production and strong tropical oil exports demand from major buyer China. Hence, the support and resistance for the August futures contract can be found at 4,000 and 4,120 respectively.

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| Contract     | Sett  | Chg | High  | Low   | Vol           | Open Int       | O/I chg      | O/I chg   |       | Previous Week |                                     |          |            |        |        |
|--------------|-------|-----|-------|-------|---------------|----------------|--------------|-----------|-------|---------------|-------------------------------------|----------|------------|--------|--------|
|              |       |     |       |       |               |                |              | Value USD | High  | Low           | Cash CPO (MYR/MT)                   | Last Bid | Last Offer | 3m Chg | 6m Chg |
| JUN 24       | 4,069 | 82  | 4,078 | 4,030 | 365           | 4097           | -223         | -4.83 Mn  | 4,078 | 3,850         | Jun24                               | 3,970    | 4,030      | -0.8%  | 0.0%   |
| JUL 24       | 4,076 | 82  | 4,087 | 3,970 | 7,276         | 33528          | -1,182       | -25.66 Mn | 3,970 | 3,798         | Source: Reuters                     |          |            |        |        |
| AUG 24       | 4,076 | 83  | 4,087 | 3,968 | 36,336        | 57523          | 2,932        | 63.66 Mn  | 3,978 | 3,804         |                                     |          |            |        |        |
| SEP 24       | 4,069 | 77  | 4,078 | 3,969 | 13,562        | 35653          | 1,181        | 25.6 Mn   | 3,986 | 3,815         | Spreads                             | Last     | Bid        | Offer  | Vol    |
| OCT 24       | 4,060 | 71  | 4,067 | 3,970 | 6,803         | 17154          | 1,103        | 23.85 Mn  | 3,929 | 3,702         | Jun24-Jul24                         | -7       | -12        | 19     | 156    |
| NOV 24       | 4,057 | 64  | 4,068 | 3,972 | 6,567         | 17001          | -450         | -9.72 Mn  | 4,068 | 3,877         | Jun24-Aug24                         | -7       | -          | 9      | 117    |
| DEC 24       | 4,061 | 55  | 4,078 | 3,985 | 6,094         | 14824          | 682          | 14.75 Mn  | 4,078 | 3,899         | Jul24-Aug24                         | 0        | -1         | 1      | 3,948  |
| JAN 25       | 4,078 | 50  | 4,100 | 4,008 | 4,858         | 11701          | 179          | 3.89 Mn   | 4,010 | 3,860         | Jul24-Sep24                         | 7        | 7          | 9      | 1,471  |
| FEB 25       | 4,095 | 42  | 4,125 | 4,044 | 3,247         | 5631           | 971          | 21.18 Mn  | 3,993 | 3,846         | Aug24-Sep24                         | 7        | 7          | 9      | 4,553  |
| MAR 25       | 4,105 | 42  | 4,136 | 4,093 | 3,479         | 12443          | 964          | 21.08 Mn  | 3,947 | 3,817         | Aug24-Oct24                         | 16       | 15         | 19     | 950    |
| APR 25       | 4,101 | 42  | 4,130 | 4,089 | 1,047         | 3527           | 396          | 8.65 Mn   | 3,931 | 3,782         | Source: Bloomberg                   |          |            |        |        |
| MAY 25       | 4,101 | 42  | 4,120 | 4,079 | 646           | 3662           | 117          | 2.56 Mn   | 3,907 | 3,770         | Refiner's Margin (RBDPO - Cash CPO) |          |            |        |        |
| JUL 25       | 4,071 | 42  | 4,063 | 4,042 | 186           | 1774           | -25          | -.54 Mn   | 3,735 | 3,672         |                                     |          |            |        |        |
| SEP 25       | 4,049 | 42  | 4,048 | 4,033 | 70            | 351            | 13           | -.28 Mn   | 3,867 | 3,759         |                                     |          |            |        |        |
| NOV 25       | 4,037 | 25  | 4,056 | 4,024 | 22            | 142            | 6            | -.13 Mn   | 3,877 | 3,810         |                                     |          |            |        |        |
| JAN 26       | 4,037 | 25  |       |       |               | 0              | 0            | . Mn      | -     | -             |                                     |          |            |        |        |
| MAR 26       | 4,037 | 25  |       |       |               | 0              | 0            | . Mn      | -     | -             |                                     |          |            |        |        |
| MAY 26       | 4,037 | 25  |       |       |               | 0              | 0            | . Mn      | -     | -             |                                     |          |            |        |        |
| JUL 26       | 4,037 | 25  |       |       |               | 0              | 0            | . Mn      | -     | -             |                                     |          |            |        |        |
| SEP 26       | 4,037 | 25  |       |       |               | 0              | 0            | . Mn      | -     | -             |                                     |          |            |        |        |
| NOV 26       | 4,037 | 25  |       |       |               | 0              | 0            | . Mn      | -     | -             |                                     |          |            |        |        |
| JAN 27       | 4,037 | 25  |       |       |               | 0              | 0            | . Mn      | -     | -             |                                     |          |            |        |        |
| MAR 27       | 4,037 | 25  |       |       |               | 0              | 0            | . Mn      | -     | -             |                                     |          |            |        |        |
| MAY 27       | 4,037 | 25  |       |       |               | 0              | 0            | . Mn      | -     | -             |                                     |          |            |        |        |
| <b>Total</b> |       |     |       |       | <b>90,558</b> | <b>219,011</b> | <b>6,664</b> |           |       |               |                                     |          |            |        |        |

| Export Est Period | May-24           |                  | Apr-24           |                  | Change (m-o-m) |               | Change (y-o-y) |     |
|-------------------|------------------|------------------|------------------|------------------|----------------|---------------|----------------|-----|
|                   | AMSPEC           | ITS              | AMSPEC           | ITS              | AMSPEC         | ITS           | AMSPEC         | ITS |
| 1 - 10th days     | 362,790          | 369,920          | 425,603          | 431,190          | -14.76%        | -14.21%       | 8.69%          | -   |
| 1 - 15th days     | 574,760          | 600,777          | 697,449          | 633,680          | -17.59%        | -5.19%        | 9.89%          | -   |
| 1 - 20th days     | 814,031          | 830,608          | 900,290          | 905,515          | -9.58%         | -8.27%        | 13.57%         | -   |
| 1 - 25th days     | 1,073,429        | 1,125,451        | 1,040,915        | 1,098,990        | 3.12%          | 2.41%         | 14.98%         | -   |
| <b>Full month</b> | <b>1,404,719</b> | <b>1,481,916</b> | <b>1,144,100</b> | <b>1,213,525</b> | <b>22.78%</b>  | <b>22.12%</b> | <b>29.46%</b>  | -   |

| Malaysian Palm Oil Board Statistic | 2023      |           | 2024      |           | 2024   |           | 2024  |       | May Chg |     | KF's Expected |  |
|------------------------------------|-----------|-----------|-----------|-----------|--------|-----------|-------|-------|---------|-----|---------------|--|
|                                    | April     | February  | February  | March     | April  | April     | April | April | (Mean)  | May | May           |  |
| Production                         | 1,196,450 | 1,259,572 | 1,392,471 | 1,501,941 | 5.92%  | 1,590,867 |       |       |         |     |               |  |
| Stocks                             | 1,497,535 | 1,919,210 | 1,714,973 | 1,744,459 | 5.59%  | 1,841,963 |       |       |         |     |               |  |
| Export                             | 1,074,447 | 1,015,537 | 1,317,628 | 1,234,208 | -6.32% | 1,156,168 |       |       |         |     |               |  |
| Import                             | 33,678    | 32,556    | 21,894    | 34,762    | -2.93% | 33,743    |       |       |         |     |               |  |

| Commodity Futures (3rd month) | Overnight close | +/-     | Relative to FCPO |        |         |        |
|-------------------------------|-----------------|---------|------------------|--------|---------|--------|
|                               |                 |         | 1d Chg (%)       | 3m Chg | 6m Chg  | 3m Chg |
| CPO                           | 4076            | 83      | 2.08%            | 4.65%  | 0.03    | 0.05   |
| Dalian Olein                  | 7780            | -38     | -0.49%           | 10.48% | 8.63%   | 1.08   |
| Soybean Oil                   | 44.14           | -1.38   | -3.03%           | -1.14% | -13.77% | 0.96   |
| WTI Crude                     | 74.22           | -2.77   | -3.60%           | -3.62% | 0.75%   | 1.07   |
| CRB Index (realtime)          | 289.09          | -1.0700 | -0.37%           | 4.26%  | 8.03%   | 0.94   |

| Currency | Last    | Relative to FCPO |        |        |
|----------|---------|------------------|--------|--------|
|          |         | 1d Chg           | 3m Chg | 6m Chg |
| USDMYR   | 4.6935  | -0.28%           | -0.34% | 1.05%  |
| USIDIR   | 16230.0 | -0.14%           | 3.25%  | 5.11%  |

### Overnight Lead

Soybean futures fell on Monday on shaky demand and expectations that the U.S. Department of Agriculture's weekly report will show strong seeding progress. - Reuters

