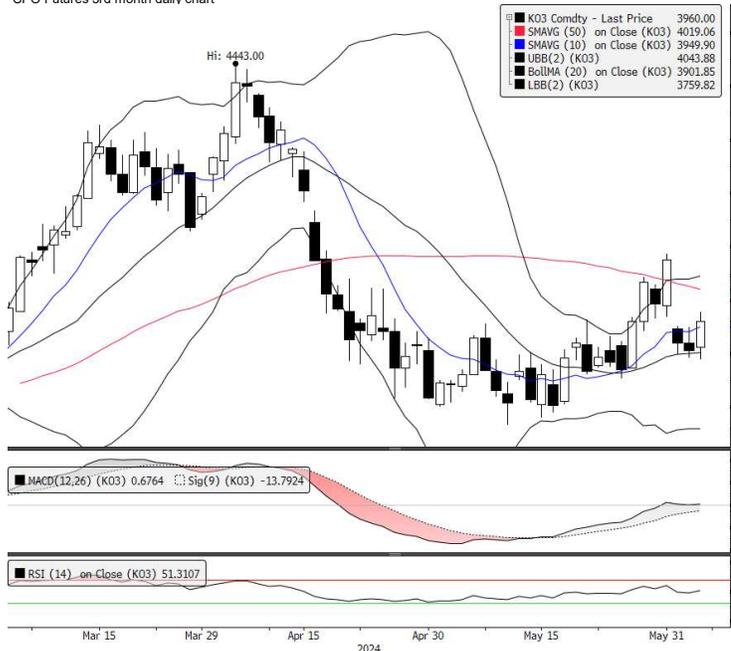


CPO Futures 3rd month daily chart



Preview

Fundamental

Malaysian palm oil futures rebounded sharply, closing 1.38% higher on Thursday after hitting their lowest level in over a week, spurred by a rise in rival crude oil prices which increased the appeal of palm oil as a biofuel along with bargain hunting activities after recent rout while participants are eagerly anticipating export and production data from Malaysia for further insights and direction. Globally, crude oil prices rose on Thursday, with the U.S. benchmark West Texas Intermediate (WTI) settled up \$1.48 or 2% at \$75.55 a barrel, as the European Central Bank's decision to cut interest rates fueled optimism that the Federal Reserve might take similar action and OPEC+ ministers reassured that the recent oil output agreement remains flexible and could be adjusted based on market conditions. In addition, the CBOT soy oil rebounded on Thursday after four consecutive days of losses, with July soy oil ended up 1.22 cents at 44.35 cents per pound, fuelled by news of tighter industry tax credit regulations in Brazil which could bolster U.S. soy export opportunities. Therefore, palm oil futures are expected to trade higher today following the stronger overnight rival oils and optimism regarding increased imports from major buyers like India and China while the gains may be limited by potential profit-taking activities ahead of the weekend.

Technical

Palm oil futures for the August contract opened lower during morning trading session and trended gradually higher to close above positive territory lifted by the stronger rival oils during Asian trading hours along with persistent bargain hunting activities after recent rout. At the close, the August contract settled at 3,960 ringgit per tonne with gains of 54 points. Trading activities for the day can be depicted through the formation of a long white-bodied candlestick pattern with extended upper and bottom shadows, indicating that the bulls seized control over the trading session aggressively. Technical wise, MACD indicator remained issue a buy signal while RSI is lingering in a neutral region. Therefore, palm oil futures are expected to trade higher today following the stronger overnight rival oil prices and bargain buying activities from key importers India and China while upside could be limited by cautious stance ahead of MPOB data. Therefore, the support and resistance for the August futures contract can be eyed at 3,940 and 4,040 respectively.

K03 Comdty (Generic 3rd 'KO' Future) DAILY REPORT CHART Daily 07MAR2024-06JUN2024 Copyright© 2024 Bloomberg Finance L.P. 06-Jun-2024 19:30:24

Source: Bloomberg

Contract	Sett	Chg	High	Low	Vol	Open Int	O/I chg	Value USD	Previous Week						
									High	Low	Cash CPO (MYR/MT)	Last Bid	Last Offer	3m Chg	6m Chg
JUN 24	3,935	67	3,960	3,890	307	3097	-524	-10.98 Mn	4,078	3,850	Jul24	3,950	3,980	-1.9%	0.0%
JUL 24	3,956	50	3,975	3,894	5,111	27406	-2,329	-49.07 Mn	3,970	3,798	Source: Reuters				
AUG 24	3,960	54	3,978	3,890	29,003	56074	267	5.63 Mn	3,978	3,804					
SEP 24	3,960	55	3,980	3,890	10,842	39630	1,243	26.22 Mn	3,986	3,815					
OCT 24	3,961	55	3,981	3,890	3,894	17782	262	5.53 Mn	3,929	3,702					
NOV 24	3,969	55	3,990	3,907	1,522	17204	256	5.41 Mn	4,068	3,877					
DEC 24	3,985	55	4,003	3,922	1,090	13879	49	1.04 Mn	4,078	3,899					
JAN 25	4,005	51	4,025	3,946	1,664	12420	321	6.85 Mn	4,010	3,860					
FEB 25	4,026	51	4,035	3,969	337	5979	16	-.34 Mn	3,993	3,846					
MAR 25	4,035	51	4,047	3,979	472	12512	101	2.17 Mn	3,947	3,817					
APR 25	4,033	51	4,029	4,021	113	3564	-1	-.02 Mn	3,931	3,782					
MAY 25	4,020	44	4,030	3,970	224	3763	12	.26 Mn	3,907	3,770					
JUL 25	3,990	44	-	-	7	1808	7	.15 Mn	3,735	3,672					
SEP 25	3,968	44	3,975	3,975	5	375	5	.11 Mn	3,867	3,759					
NOV 25	3,956	44	-	-	-	143	0	. Mn	3,877	3,810					
JAN 26	3,956	44	-	-	-	0	0	. Mn	-	-					
MAR 26	3,956	44	-	-	-	0	0	. Mn	-	-					
MAY 26	3,956	44	-	-	-	0	0	. Mn	-	-					
JUL 26	3,956	44	-	-	-	0	0	. Mn	-	-					
SEP 26	3,956	44	-	-	-	0	0	. Mn	-	-					
NOV 26	3,956	44	-	-	-	0	0	. Mn	-	-					
JAN 27	3,956	44	-	-	-	0	0	. Mn	-	-					
MAR 27	3,956	44	-	-	-	0	0	. Mn	-	-					
MAY 27	3,956	44	-	-	-	0	0	. Mn	-	-					
Total					54,591	215,636	-315								

Source: Bloomberg

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%	-
Full month	1,404,719	1,481,916	1,144,100	1,213,525	22.78%	22.12%	29.46%	-

Source: Reuters

Malaysian Palm Oil Board Statistic	2023	2024		2024		May Chg	KF's Expected
	April	February	March	April	May	(Mean)	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	

Source: Reuters

Commodity Futures (3rd month)	Relative to FCPO						
	Overnight close	+/-	1d Chg (%)	3m Chg	6m Chg	3m Chg	6m Chg
CPO	3960	0	0.00%	-2.73%	6.97%	-0.03	0.07
Dalian Olein	7644	28	0.37%	5.41%	11.01%	1.08	1.04
Soybean Oil	44.35	1.22	2.83%	-3.23%	-13.23%	0.99	0.81
WTI Crude	75.55	1.48	2.00%	-2.14%	7.68%	1.10	0.90
CRB Index (realtime)	292.42	4.7100	1.64%	4.78%	12.15%	1.01	1.01

Source: Bloomberg

Currency	Last		
	1d Chg	3m Chg	6m Chg
USDMYR	4.6940	-0.02%	-0.22%
USDIDR	16263.0	-0.15%	3.71%

Source: Bloomberg

Overnight Lead

Chicago Board of Trade soybeans Sv1 rose on Thursday as news of tighter rules on industry tax credits in Brazil made traders and producers hopeful that the new rule could boost U.S. soy export business, traders said. - Reuters

Kenanga Futures Sdn Bhd (353603-X)
Fax: (603) 2172 2729 Email: futures@kenanga.com.my

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