

CPO Futures 3rd month daily chart



Preview

Fundamental

Malaysian palm oil futures rose by 0.61% on Monday, marking their fifth consecutive session of gains driven by stronger rival soy oils along with solid tropical oil exports demand data showing a spike in July exports from Malaysia and optimism also grew regarding increased demand from China, the second-largest buyer, following an unexpected key short-term policy rate cut by China's central bank to bolster economic growth. Globally, crude oil prices continued its downfall on Monday, with the U.S. benchmark West Texas Intermediate (WTI) fell 35 cents to \$79.78 a barrel, reaching the lowest level in a month as participants turned their attention from President Joe Biden's decision to end his re-election bid to concerns over increasing stockpiles and weakening demand. Meanwhile, the CBOT soy oil maintained its upward trend on Monday, with August soy oil rose 0.44 cent to finish at 47 cents per pound, driven by a surge in soybean prices prompting short-covering activities by participants. Thus, palm oil futures are expected to trade cautiously higher today on a potential of extended buying activities tracking the stronger overnight rival soy oil prices and optimism over strong Malaysian palm oil exports demand from top buyers while upside could be limited by a potential of profit taking activities after recent rallies.

Technical

Palm oil futures for the October contract opened lower but trended higher thereafter to close above positive territory lifted by the recovery in rival Dalian edible oil prices along with optimism regarding strong demand from top importers India and China and concerns about declining stock levels in Indonesia. At the close, the October contract settled at 3,985 ringgit per tonne with gains of 24 points. Trading activities for the day can be depicted through the formation of a long, white-bodied candlestick pattern with longer upper and shorter bottom shadows, indicating that the bulls managed to control the trading session despite bears tried to conquer it. Technical wise, MACD indicator is approaching to issue a buy signal while RSI is lingering in a neutral region. Therefore, palm oil futures are expected to trade range bound with slight upward bias today on a potential of extended buying activities following stronger overnight rival soy oil and bullish tropical oil export demand data in July while upside could be capped by the strengthening Malaysian Ringgit and a potential of profit taking activities. Hence, the support and resistance for the October futures contract can be eyed at 3,955 and 4,050 respectively.

K03 Comdty (Generic 3rd 'K0' Future) DAILY REPORT CHART Daily 23APR2024-22JUL2024 Copyright 2024 Bloomberg Finance L.P. 22-Jul-2024 19:09:43

Source: Bloomberg

Contract	Sett	Chg	High	Low	Vol	Open Int	O/I chg	Value USD	Previous Week		Last Bid	Last Offer	3m Chg	6m Chg	
									High	Low					
AUG 24	4,035	22	4,048	4,011	1,807	9208	-1,854	-39.97 Mn	4,029	3,904	Aug24	4,040	4,070	-0.5%	0.0%
SEP 24	4,009	28	4,021	3,963	10,126	40709	-1,320	-28.28 Mn	4,003	3,862	Source: Reuters				
OCT 24	3,985	24	3,998	3,943	23,895	51248	2,477	52.74 Mn	3,977	3,836					
NOV 24	3,970	21	3,984	3,932	3,779	24832	416	8.82 Mn	3,963	3,828					
DEC 24	3,968	19	3,982	3,934	2,014	20016	293	6.21 Mn	3,964	3,840					
JAN 25	3,976	20	3,988	3,939	1,607	17815	127	2.7 Mn	3,972	3,876					
FEB 25	3,985	18	3,996	3,955	1,226	9384	-111	-2.36 Mn	3,982	3,876					
MAR 25	3,982	15	3,998	3,955	1,501	18608	15	-32 Mn	3,983	3,888					
APR 25	3,962	7	3,981	3,940	1,061	8817	165	3.49 Mn	3,955	3,872					
MAY 25	3,943	3	3,960	3,938	1,173	9476	272	5.73 Mn	3,950	3,856					
JUN 25	3,930	3	3,940	3,921	270	1384	23	-48 Mn	3,922	3,838					
JUL 25	3,911	7	3,928	3,878	1,057	3835	269	5.62 Mn	3,898	3,824					
SEP 25	3,906	26	3,919	3,897	435	2178	260	5.43 Mn	3,890	3,812					
NOV 25	3,903	26	3,907	3,888	12	437	-5	-1 Mn	3,893	3,846					
JAN 26	3,903	26			0	0	0	. Mn	-	-					
MAR 26	3,903	26			0	0	0	. Mn	-	-					
MAY 26	3,903	26			0	0	0	. Mn	-	-					
JUL 26	3,903	26			0	0	0	. Mn	-	-					
SEP 26	3,903	26			0	0	0	. Mn	-	-					
NOV 26	3,903	26			0	0	0	. Mn	-	-					
JAN 27	3,903	26			0	0	0	. Mn	-	-					
MAR 27	3,903	26			0	0	0	. Mn	-	-					
MAY 27	3,903	26			0	0	0	. Mn	-	-					
JUL 27	3,903	26			0	0	0	. Mn	-	-					
Total					49,963	217,947		1,027							

Source: Bloomberg

Export Est Period	Jul-24		Jun-24		Change (m-o-m)		Change (y-o-y)	
	AMSPEC	ITS	AMSPEC	ITS	AMSPEC	ITS	AMSPEC	ITS
1 - 10th days	528,843	536,193	284,540	294,516	85.86%	82.06%	61.94%	43.67%
1 - 15th days	791,020	799,268	450,513	481,689	75.58%	65.93%	55.03%	44.26%
1 - 20th days	1,002,572	1,062,238	708,873	763,129	41.43%	39.20%	45.91%	40.84%
1 - 25th days	-	-	891,570	994,009	-	-	-	-
Full month	-	-	1,188,180	1,306,689	-	-	-	-

Source: Reuters

Malaysian Palm Oil Board Statistic

	2023	2024	2024	2024	Jul Chg (Mean)	KF's Expected July
	June	April	May	June		
Production	1,447,795	1,501,941	1,704,455	1,615,283	2.47%	1,655,127
Stocks	1,720,567	1,744,459	1,753,544	1,829,469	2.28%	1,871,118
Export	1,171,741	1,234,208	1,378,443	1,205,214	4.18%	1,255,611
Import	135,271	34,762	20,761	11,738	19.80%	14,063

Source: Reuters

Commodity Futures (3rd month)

Overnight close	+/-	1d Chg (%)	Relative to FCPO				
			3m Chg	6m Chg	3m Chg	6m Chg	
CPO	3985	0	0.00%	0.35%	0.94%	0.00	0.01
Dalian Olein	7866	30	0.38%	5.58%	11.86%	1.05	1.11
Soybean Oil	47.00	0.44	0.95%	3.73%	-2.51%	1.03	0.97
WTI Crude	78.40	-0.24	-0.31%	-3.08%	7.35%	1.06	1.04
CRB Index (realtime)	283.09	2.7300	0.97%	-4.86%	5.55%	0.97	1.06

Source: Bloomberg

Currency

	Last	1d Chg	3m Chg	6m Chg
USDMYR	4.6788	-0.07%	-2.06%	-0.97%
USDIDR	16210.0	0.12%	-0.28%	3.54%

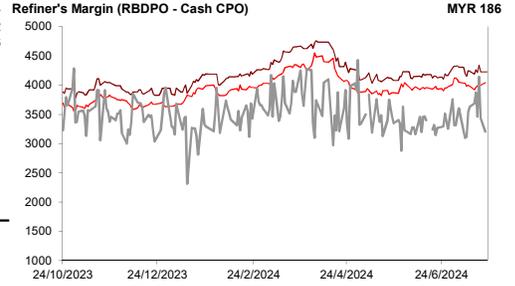
Source: Bloomberg

Overnight Lead

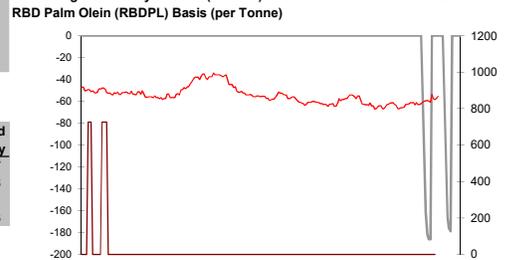
Chicago Board of Trade soybean futures jumped on Monday on a flurry of short covering, with prices rebounding from 2020 lows last week after U.S. President Joe Biden abandoned his reelection bid. - Reuters

Spreads		Last	Bid	Offer	Vol	High	Low	Avg
Aug24-Sep24	26	20	21	227	49	-4	19	
Aug24-Oct24	50	-	51	80	77	-6	34	
Sep24-Oct24	24	21	22	1,041	30	-4	15	
Sep24-Nov24	39	35	36	39	41	-16	19	
Oct24-Nov24	15	12	13	399	15	-12	4	
Oct24-Dec24	17	13	16	39	18	-33	-4	

Refiner's Margin (RBDPO - Cash CPO)



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



3rd mth FCPO Volatility

30 Days 60 Days 90 Days
16.04% 20.60% 21.24%



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