

CPO Futures 3rd month daily chart



## Preview

### Fundamental

Malaysian palm oil futures declined for the third consecutive session on Thursday, reaching their lowest close in 10 days by slipping 0.18% tracking the weakness in rival soy oil and forecasts of increased production, which could boost supply and end-month stockpiles, overshadowing the positive impact of rising export shipments. Globally, crude oil prices edged higher on Thursday, with the U.S. benchmark West Texas Intermediate (WTI) gained 69 cents, or 0.89%, to \$78.28 per barrel, bolstered by robust U.S. economic data, which spurred expectations of greater crude demand while gains were capped by concerns over declining oil imports from China. Meanwhile, the CBOT soy oil closed lower on Thursday, with August soy oil ended the day down 0.21 cents to finish at 45.81 cents per pound, attributed to expectations of slowing demand, which outweighed concerns about the impact of warmer U.S. weather on crop yields. Thus, palm oil futures are expected to trade range bound with slight upward bias today on a potential of short covering activities ahead of weekend and expectation of festive season buying activities from top importer India while worries of rising July production could limit the upside.

### Technical

Palm oil futures for the October contract opened sharply lower during morning trading session but trended gradually higher thereafter to close slightly below negative territory tracking the slump in rival Dalian edible oil prices along with worries over rising production in Malaysia while losses were mostly erased by bargain hunting activities. At the close, the October contract settled at 3,918 ringgit per tonne with losses of 7 points. Trading activities for the day can be depicted through the formation of a short, black-bodied candlestick pattern with shorter upper and longer bottom shadows, indicating that the bears took control of the trading session while bulls managed to cover most of the losses. Technical wise, MACD indicator continued to issue a sell signal while RSI is lingering in a neutral region. Nevertheless, palm oil futures are expected to trade with upward bias today on a potential of short covering activities ahead of weekend while the weaker overnight rival soy oil and strengthening Malaysian Ringgit could limit the upside. Hence, the support and resistance for the October futures contract can be eyed at 3,885 and 3,960 respectively.

KO3 Comdty (Generic 3rd 'KO' Future) DAILY REPORT CHART Daily 23APR2024-25JUL2024 Copyright © 2024 Bloomberg Finance L.P. 25-Jul-2024 19:28:13

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	4,008	16	4,012	3,954	2,192	10127	2,190	47.06 Mn	4,029	3,904	Aug24	4,010	4,030	-1.0%	0.0%
SEP 24	3,950	1	3,960	3,907	8,137	46133	7,092	150.21 Mn	4,003	3,862	Source: Reuters				
OCT 24	3,918	-7	3,930	3,878	31,917	82783	28,499	598.71 Mn	3,977	3,836					
NOV 24	3,902	-10	3,914	3,864	8,222	34150	8,508	178.01 Mn	3,963	3,828					
DEC 24	3,904	-10	3,917	3,864	5,250	25780	5,200	108.85 Mn	3,964	3,840					
JAN 25	3,916	-10	3,928	3,876	2,770	21093	2,746	57.66 Mn	3,972	3,864					
FEB 25	3,931	-10	3,943	3,892	999	10779	988	20.82 Mn	3,982	3,876					
MAR 25	3,934	-12	3,945	3,900	2,270	21308	2,113	44.57 Mn	3,983	3,888					
APR 25	3,922	-12	3,934	3,888	786	9134	238	5.01 Mn	3,955	3,872					
MAY 25	3,903	-12	3,916	3,882	1,366	11156	1,340	28.04 Mn	3,950	3,856					
JUN 25	3,890	-12	3,895	3,866	185	1600	184	3.84 Mn	3,922	3,838					
JUL 25	3,878	-12	3,890	3,875	1,113	5216	1,107	23.02 Mn	3,898	3,824					
SEP 25	3,873	-12	3,881	3,866	405	2786	404	8.39 Mn	3,890	3,812					
NOV 25	3,870	-12	3,871	3,857	123	588	123	2.55 Mn	3,893	3,846					
JAN 26	3,870	-12	0	0	0	0	0	. Mn	-	-					
MAR 26	3,870	-12	0	0	0	0	0	. Mn	-	-					
MAY 26	3,870	-12	0	0	0	0	0	. Mn	-	-					
JUL 26	3,870	-12	0	0	0	0	0	. Mn	-	-					
SEP 26	3,870	-12	0	0	0	0	0	. Mn	-	-					
NOV 26	3,870	-12	0	0	0	0	0	. Mn	-	-					
JAN 27	3,870	-12	0	0	0	0	0	. Mn	-	-					
MAR 27	3,870	-12	0	0	0	0	0	. Mn	-	-					
MAY 27	3,870	-12	0	0	0	0	0	. Mn	-	-					
JUL 27	3,870	-12	0	0	0	0	0	. Mn	-	-					
<b>Total</b>					<b>66,335</b>	<b>282,633</b>		<b>60,732</b>							

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	1,173,224	1,240,593	891,570	994,009	31.59%	24.81%	18.82%	17.39%
<b>Full month</b>	-	-	<b>1,188,180</b>	<b>1,306,689</b>	-	-	-	-

Source: Reuters

Malaysian Palm Oil Board Statistic	2023		2024		2024		Jul Chg (Mean)	KF's Expected July
	June	April	May	June	June	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)	Relative to FCPO						
	Overnight close	+/-	1d Chg (%)	3m Chg	6m Chg	3m Chg	6m Chg
CPO	3918	0	0.00%	0.56%	-2.46%	0.01	-0.02
Dalian Olein	7738	-122	-1.55%	5.54%	9.11%	1.05	1.12
Soybean Oil	45.81	-0.21	-0.46%	1.96%	-2.39%	1.01	1.00
WTI Crude	78.28	0.69	0.89%	-4.00%	3.01%	1.08	1.10
CRB Index (realtime)	279.69	-0.0600	-0.02%	-5.78%	2.24%	0.95	1.06

Source: Bloomberg

Currency	Last		3m Chg	6m Chg
	USD/MYR	USD/IDR		
USD/MYR	4.6625	0.03%	-2.24%	-1.45%
USD/IDR	16250.0	0.22%	0.17%	2.46%

Source: Bloomberg

## Overnight Lead

Chicago Board of Trade soybean futures climbed on Thursday as hot, dry weather threatened the crop's development and demand fell on the higher end of expectations. - Reuters

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