

### CPO Futures 3rd month daily chart



### Preview

#### Fundamental

Malaysian palm oil futures advanced by 0.18% on Tuesday, bouncing back from a two-week low supported by stronger competing edible oils during Asian trading hours and a substantial rise in Malaysian exports, projected to grow by approximately 25% in July compared to the previous month amid a slowdown in production growth in July from Malaysia. Globally, crude oil prices extended their decline to seven-week low on Tuesday, with the U.S. benchmark West Texas Intermediate (WTI) ended \$1.35, or 1.8%, lower at \$75.81 a barrel, on concerns over potential weakening demand from China, the world's largest crude importer, as manufacturing activity in China likely contracted for the third straight month in July and expectation that OPEC+ will adhere to its planned supply increases contributed to the bearish outlook. In addition, the CBOT soy oil fell on Tuesday, with August soy oil ended down 0.09 cent at 42.75 cents per pound, influenced by subdued Chinese demand for U.S. soybeans, favourable crop conditions, and the expectation of beneficial rainfall in the U.S. Midwest. Thus, palm oil futures are expected to trade range bound with slight downward bias today tracking the ongoing weakness in rival oil prices and concerns about a strengthening Malaysian Ringgit, which diminishes the attractiveness of tropical oils for overseas buyer while a potential of bargain-hunting driven by positive expectations for July's export demand data could mitigate the downward pressure.

#### Technical

Palm oil futures for the October contract opened steadier during morning trading session but trended between gains and losses before finished above positive territory tracking the rebound in rival edible oil prices during Asian hours and bargain hunting activities after recent rout while worries over strengthening Malaysian Ringgit capped gains. At the close, the October contract settled at 3,915 ringgit per tonne with gains of 7 points, forming a short white-bodied candlestick pattern with long upper and short bottom shadows, indicating that the bulls took control of the trading session despite bears trying to take over. Technical wise, MACD indicator issued a sell signal while RSI is lingering in a neutral region. Therefore, palm oil futures are expected to trade lower today following the decline in overnight rival oil prices and concerns over Indonesia's domestic market obligations for palm oil, and the strengthening Malaysian Ringgit while a potential of bargain-hunting activities on expectation of slowing production growth in July could limit the downside. Hence, the support and resistance for the October futures contract can be eyed at 3,845 and 3,950 respectively.

K03 Comdty (Generic 3rd 'KO' Future) DAILY REPORT CHART Daily 30APR2024-30JUL2024 Copyright© 2024 Bloomberg Finance L.P. 30-Jul-2024 19:20:53

Source: Bloomberg

Contract	Sett	Chg	High	Low	Vol	Open Int	O/I chg	O/I chg Value USD
AUG 24	4,040	19	4,065	3,999	1,771	4902	-1,285	-28.15 Mn
SEP 24	3,955	11	3,993	3,918	9,533	31688	-3,218	-69.01 Mn
OCT 24	3,915	7	3,952	3,881	36,466	57086	451	9.57 Mn
NOV 24	3,896	7	3,928	3,860	10,523	27692	130	2.75 Mn
DEC 24	3,888	7	3,916	3,850	5,216	19550	-480	-10.12 Mn
JAN 25	3,893	6	3,915	3,852	4,543	19680	717	15.14 Mn
FEB 25	3,903	5	3,922	3,861	2,329	10402	330	6.98 Mn
MAR 25	3,903	3	3,917	3,864	1,267	19862	160	3.39 Mn
APR 25	3,889	4	3,898	3,851	736	9492	-46	-9.7 Mn
MAY 25	3,872	6	3,880	3,835	752	10120	-86	-1.81 Mn
JUN 25	3,859	6	3,864	3,825	205	1573	5	.1 Mn
JUL 25	3,847	6	3,848	3,807	775	4947	297	6.2 Mn
SEP 25	3,842	6	3,840	3,797	477	3198	249	5.19 Mn
NOV 25	3,839	6			20	528	10	.21 Mn
JAN 26	3,839	6			0	0	0	. Mn
MAR 26	3,839	6			0	0	0	. Mn
MAY 26	3,839	6			0	0	0	. Mn
JUL 26	3,839	6			0	0	0	. Mn
SEP 26	3,839	6			0	0	0	. Mn
NOV 26	3,839	6			0	0	0	. Mn
JAN 27	3,839	6			0	0	0	. Mn
MAR 27	3,839	6			0	0	0	. Mn
MAY 27	3,839	6			0	0	0	. Mn
JUL 27	3,839	6			0	0	0	. Mn
<b>Total</b>					<b>74,613</b>	<b>220,720</b>	<b>-2,766</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	2024	Jul Chg	KF's Expected
	June	April	May	June	(Mean)	July
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	3915	0	0.00%	2.54%	3.08%	0.03	0.03
Dalian Olein	7836	58	0.75%	6.04%	15.30%	1.03	1.12
Soybean Oil	42.75	-0.09	-0.21%	1.09%	-7.11%	0.99	0.90
WTI Crude	74.73	-1.08	-1.42%	-6.48%	0.71%	1.00	0.98
CRB Index (realtime)	274.74	-0.2000	-0.07%	-5.74%	0.86%	0.91	0.98

Source: Bloomberg

Currency	Last	1d Chg	3m Chg	6m Chg
USDIR	16300.0	0.12%	0.14%	3.17%

Source: Bloomberg

### Overnight Lead

Chicago Board of Trade soybean futures closed near four-year lows on Tuesday on weak Chinese demand for U.S. soy, positive crop conditions and beneficial rain expected over the U.S. Midwest. - Reuters

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

Disclaimer: This document has been prepared for general circulation based on information obtained from

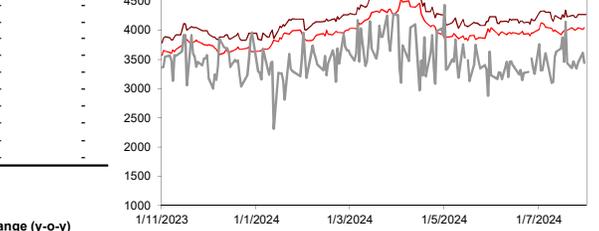
investment objectives, financial background and the particular needs of any person who may read this document. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgment. Kenanga Futures Sdn Bhd accept no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitation of an offer to buy or sell any securities/underlying securities. Employees may have positions in, and may effect transactions in securities/underlying securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in

Previous Week		Low Cash CPO (MYR/MT)		Last Bid		Last Offer		3m Chg		6m Chg	
High	4,057	3,954	Aug24	4,040	4,060	2.3%	0.0%				
Low	4,037	3,907	Source: Reuters								

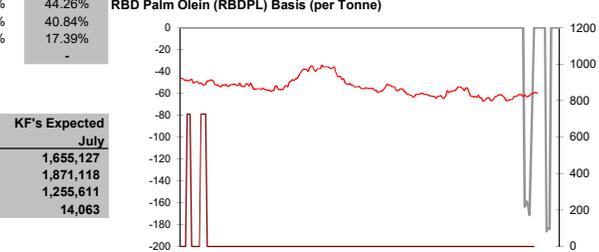
Spreads		Last		Bid		Offer		Vol		30 Day	
Aug24-Sep24	85	71	109	21	95	7	32				
Aug24-Oct24	125	102	135	0	135	15	49				
Sep24-Oct24	40	40	42	1,240	45	5	20				
Sep24-Nov24	59	60	61	72	66	-2	28				
Oct24-Nov24	19	19	21	281	24	-7	8				
Oct24-Dec24	27	27	29	280	37	-25	3				

Source: Bloomberg

### Refiner's Margin (RBDPO - Cash CPO) MYR 227



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



### 3rd mth FCPO Volatility

