



Preview

Fundamental
Malaysian palm oil futures experienced a second consecutive weekly decline, despite a higher close of 1.51% on Friday, tracking the rebound in competing oils while the persistent strength of the Malaysian Ringgit diminished the attractiveness of the tropical oil to international buyers, potentially capping Malaysia's palm oil exports for the month have limited the upward momentum. Globally, crude oil prices fell on Friday, with the U.S. benchmark West Texas Intermediate (WTI) settled down \$2.79, or 3.66%, at \$73.52 a barrel, marked the lowest level since January driven by data revealing fewer-than-expected job additions in the U.S. economy last month, coupled with weak economic indicators from China, which exerted additional downward pressure. In addition, the CBOT soy oil fell on Friday, with August soy oil ended down 1.16 cents at 41.71 cents per pound, driven by lower crude oil prices, favourable weather conditions in the U.S., and signs of a weakening U.S. economy. Thus, palm oil futures are expected to trade lower today tracking the weakness in overnight rival oil prices and the persistent strengthening of the Malaysian Ringgit, which makes tropical oils less attractive, is likely to continue affecting market sentiment while a potential of bargain hunting activities could cushion the downside.

Technical

Palm oil futures for the October contract opened higher during morning trading session and traded gradually higher to close above positive territory tracking the stronger rival oil prices during Asian hours while worries over strengthening Malaysian Ringgit that added uncertainties over demand capped the gains. At the close, the October contract settled at 3,917 ringgit per tonne with gains of 47 points. Trading activities for the day can be depicted through the formation of a long, black-bodied candlestick pattern with longer upper and shorter bottom shadows, indicating that the bulls took control of the trading session aggressively. 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 fall in overnight rival oil prices and the strengthening Malaysian Ringgit that reduce the appeal of tropical oil while a potential of bargain-hunting activities could cushion the losses. Hence, the support and resistance for the October futures contract can be eyed at 3,825 and 3,950 respectively.

K03 Comdty (Generic 3rd 'K0' Future) DAILY REPORT CHART Daily 03MAY2024-02AUG2024 Copyright © 2024 Bloomberg Finance L.P. 02-Aug-2024 19:00:00

Source: Bloomberg							O/I chg		Previous Week		Last Bid		Last Offer		3m Chg		6m Chg	
Contract	Sett	Chg	High	Low	Vol	Open Int	O/I chg	Value USD	High	Low	Cash CPO (MYR/MT)	High	Low	3m Chg	6m Chg	High	Low	Avg
AUG 24	4,021	33	4,040	3,992	288	2904	-449	-10.17 Mn	4,065	3,968	Aug24	3,990	4,030	2.8%	0.0%			
SEP 24	3,972	46	3,987	3,915	6,829	26728	-2,617	-58.58 Mn	3,993	3,887	Source: Reuters							
OCT 24	3,917	47	3,933	3,858	35,650	55,517	-1,421	-31.37 Mn	3,952	3,843								
NOV 24	3,881	44	3,898	3,825	17,223	27,880	401	8.77 Mn	3,934	3,820								
DEC 24	3,859	36	3,878	3,809	10,878	20,877	621	13.5 Mn	3,929	3,809								
JAN 25	3,848	32	3,868	3,805	8,498	20,144	448	9.71 Mn	3,930	3,805								
FEB 25	3,840	22	3,858	3,805	3,698	10,013	131	2.83 Mn	3,939	3,805								
MAR 25	3,821	3	3,850	3,805	6,271	21,511	964	20.76 Mn	3,939	3,800								
APR 25	3,796	-8	3,832	3,791	2,653	9,763	508	10.87 Mn	3,923	3,786								
MAY 25	3,774	-15	3,816	3,766	3,910	10,973	469	9.97 Mn	3,909	3,766								
JUN 25	3,750	-26	3,788	3,675	1,152	2,028	316	6.68 Mn	3,869	3,675								
JUL 25	3,735	-28	3,775	3,705	1,571	5,381	160	3.37 Mn	3,871	3,705								
SEP 25	3,730	-28	3,765	3,724	690	4,044	91	1.91 Mn	3,850	3,724								
NOV 25	3,720	-35	3,750	3,716	284	891	134	2.81 Mn	3,841	3,716								
JAN 26	3,720	-35			0	0	0	. Mn	-	-								
MAR 26	3,720	-35			0	0	0	. Mn	-	-								
MAY 26	3,720	-35			0	0	0	. Mn	-	-								
JUL 26	3,720	-35			0	0	0	. Mn	-	-								
SEP 26	3,720	-35			0	0	0	. Mn	-	-								
NOV 26	3,720	-35			0	0	0	. Mn	-	-								
JAN 27	3,720	-35			0	0	0	. Mn	-	-								
MAR 27	3,720	-35			0	0	0	. Mn	-	-								
MAY 27	3,720	-35			0	0	0	. Mn	-	-								
JUL 27	3,720	-35			0	0	0	. Mn	-	-								
Total					99,595	218,654	-244											

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%
Full month	1,555,529	1,604,578	1,188,180	1,306,689	30.92%	22.80%	32.17%	29.56%

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)	Relative to FCPO						
	Overnight close	+/-	1d Chg (%)	3m Chg	6m Chg	3m Chg	6m Chg
CPO	3917	47	1.21%	1.85%	4.06%	0.02	0.04
Dalian Olein	7874	70	0.90%	6.55%	17.80%	1.05	1.13
Soybean Oil	41.71	-1.16	-2.71%	-1.67%	-7.99%	0.97	0.88
WTI Crude	73.52	-2.79	-3.66%	-4.35%	2.20%	0.96	0.99
CRB Index (realtime)	270.13	-3.4600	-1.26%	-5.72%	0.72%	0.94	0.98

Source: Bloomberg

Overnight Lead

Chicago Board of Trade soybean futures turned higher on Friday, a day after falling to their lowest levels since September 2020, as market participants scrambled to cover hefty short positions on signs of the U.S. economy weakening, market analysts said. - Reuters

