

CPO Futures 3rd month daily chart



Preview

Fundamental

Malaysian palm oil futures declined by 0.16% on Tuesday, retreated from previous session gains pressured by softer rival soy oil prices as well as a decrease in the second half of August export estimates and a stronger Malaysian ringgit, which while expectations of tightening inventories in the world's second-largest producer Malaysia and firmer Dalian edible oils capped losses. Globally, crude oil prices remained under pressure and ended the Tuesday's session on a lower note, with the U.S. benchmark West Texas Intermediate (WTI) settled at \$74.04 a barrel, down \$0.33, or 0.4%, marks the third consecutive session of declines, as Middle East supply concerns eased after Israel accepted a proposal to tackle disagreements blocking a ceasefire deal in Gaza, and as economic weakness in China weighed on fuel demand. Meanwhile, the CBOT soy oil extending its upward momentum to end higher, with December soy oil finished 0.12 cent steadier and settled at 39.20 cents per pound, as the advance came in response to the weakening dollar and improving export demand after General Administration of Customs data showed on Tuesday that China's soybean imports from the U.S. jumped threefold in July from a year earlier. Hence, palm oil futures are expected to show a supportive tone today supported by the overnight gains in rival soy oil and concerns over lower tropical oil inventories while sluggish tropical exports demand in the second half of August and the appreciating Malaysian ringgit is likely to reduce the appeal of tropical oil from overseas buyer.

Technical

Palm oil futures for the November contract opened lower and remained in negative territory throughout the trading session tracking the weaker rival soy oil prices during Asian trading hours and concerns over reduced export demand for August while losses were partially offset by gains in Dalian Exchange edible oil prices and anticipations of tightening tropical oil supplies. At the close, the November contract settled at 3,715 ringgit per tonne with losses of 6 points, forming a short, white-bodied candlestick pattern with long upper and short bottom shadows, indicating that bears took control of the trading session. Technical wise, MACD indicator issued a sell signal while RSI is lingering in a neutral region. However, palm oil futures are expected to trade with slight upward bias today tracking firmer overnight rival soy oil and expectations of lower tropical oil stockpiles while worries over strengthening Malaysian Ringgit that could continue to dampen export demand and discouraging exports demand could cap gains. Therefore, the support and resistance for the November futures contract can be pegged at 3,690 and 3,750 respectively.

K03 Comdty (Generic 3rd 'KO' Future) DAILY REPORT CHART Daily 22MAY2024-20AUG2024 Copyright © 2024 Bloomberg Finance L.P. 20-Aug-2024 19:30:22

Contract	Sett	Chg	High	Low	Vol	Open Int	O/I chg	Value USD	O/I chg
SEP 24	3,866	-58	3,922	3,859	2,392	14429	-1,081	-23.89 Mn	3,899
OCT 24	3,772	-32	3,807	3,759	9,452	42162	-2,041	-44.02 Mn	3,788
NOV 24	3,715	-6	3,741	3,698	28,367	50237	2,682	56.97 Mn	3,734
DEC 24	3,693	7	3,718	3,673	7,942	25678	-479	-10.11 Mn	3,715
JAN 25	3,685	13	3,710	3,661	5,477	22966	333	7.02 Mn	3,715
FEB 25	3,678	10	3,705	3,662	2,085	12245	393	8.26 Mn	3,722
MAR 25	3,667	4	3,697	3,657	2,674	22261	-4	-0.08 Mn	3,726
APR 25	3,646	-4	3,675	3,636	383	10352	-16	-0.33 Mn	3,711
MAY 25	3,618	-1	3,651	3,608	900	13142	112	2.32 Mn	3,697
JUN 25	3,594	-1	3,615	3,594	229	2829	37	0.76 Mn	3,671
JUL 25	3,565	-6	3,599	3,563	518	5770	-47	-0.96 Mn	3,657
AUG 25	3,559	-6	3,587	3,558	66	46	44	0.09 Mn	-
SEP 25	3,556	-6	3,578	3,555	123	5243	7	0.14 Mn	3,644
NOV 25	3,546	-6	3,564	3,560	18	1306	10	0.2 Mn	3,599
JAN 26	3,546	-6	-	-	0	0	0	0.0 Mn	-
MAR 26	3,546	-6	-	-	0	0	0	0.0 Mn	-
MAY 26	3,546	-6	-	-	0	0	0	0.0 Mn	-
JUL 26	3,546	-6	-	-	0	0	0	0.0 Mn	-
SEP 26	3,546	-6	-	-	0	0	0	0.0 Mn	-
NOV 26	3,546	-6	-	-	0	0	0	0.0 Mn	-
JAN 27	3,546	-6	-	-	0	0	0	0.0 Mn	-
MAR 27	3,546	-6	-	-	0	0	0	0.0 Mn	-
MAY 27	3,546	-6	-	-	0	0	0	0.0 Mn	-
JUL 27	3,546	-6	-	-	0	0	0	0.0 Mn	-
Total					60,626	228,666	-50		

Source: Bloomberg

Export Est Period	Aug-24		Jul-24		Change (m-o-m)		Change (y-o-y)	
	AMSPEC	ITS	AMSPEC	ITS	AMSPEC	ITS	AMSPEC	ITS
1 - 10th days	435,413	470,706	528,843	536,193	-17.67%	-12.21%	13.45%	19.12%
1 - 15th days	599,663	637,466	791,020	799,268	-24.19%	-20.24%	-5.35%	-3.19%
1 - 20th days	866,641	834,948	1,002,572	1,062,238	-13.56%	-21.40%	7.44%	0.84%
1 - 25th days	-	-	1,173,224	1,240,593	-	-	-	-
Full month	-	-	1,555,529	1,604,578	-	-	-	-

Source: Reuters

Malaysian Palm Oil Board Statistic	2023	2024	2024	2024	Aug Chg	KF's Expected
	July	May	June	July	(Mean)	August
Production	1,610,052	1,704,455	1,615,283	1,840,999	3.54%	1,906,225
Stocks	1,731,512	1,753,544	1,829,469	1,733,219	-3.09%	1,679,653
Export	1,353,925	1,378,443	1,205,214	1,689,365	13.99%	1,925,684
Import	103,837	20,761	11,738	10,483	8.54%	11,378

Source: Reuters

Commodity Futures (3rd month)	Overnight close	+/-	Relative to FCPO			
			1d Chg (%)	3m Chg	6m Chg	3m Chg
CPO	3715	0	0.00%	-3.96%	-3.83%	-0.04
Dalian Olein	7592	62	0.82%	-1.43%	11.84%	1.03
Soybean Oil	40.71	0.24	0.59%	-11.13%	-9.19%	0.93
WTI Crude	73.17	-0.49	-0.67%	-5.36%	-1.71%	0.88
CRB Index (realtime)	276.42	0.0300	0.01%	-6.60%	0.88%	0.99

Source: Bloomberg

Currency	Last	1d Chg	3m Chg	6m Chg
USDIDR	15435.5	-0.74%	-2.68%	-0.70%

Source: Bloomberg

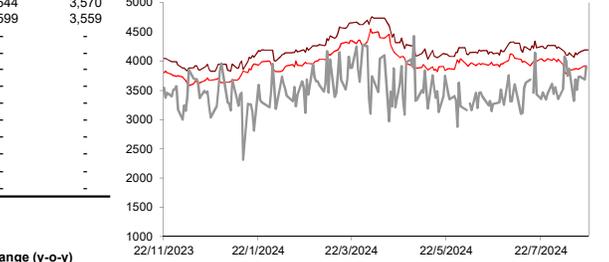
Overnight Lead

Chicago Board of Trade soybeans rose on Tuesday on a weakening dollar and rising export demand, analysts said, as traders monitored reports from the ongoing Pro Farmer crop tour in the Midwest. - Reuters

Previous Week		Low Cash CPO (MYR/MT)		Last Bid	Last Offer	3m Chg	6m Chg
High	3,899	3,716	Sep24	3,880	3,910	1.0%	0.0%
Low	3,788	3,638	Source: Reuters				

Spreads		Last	Bid	Offer	Vol	High	Low	Avg
Sep24-Oct24	94	84	90	315	147	16	54	
Sep24-Nov24	151	129	229	71	243	24	81	
Oct24-Nov24	57	51	53	1,195	95	5	28	
Oct24-Dec24	79	66	70	289	128	-4	35	
Nov24-Dec24	22	15	16	1,420	40	-9	7	
Nov24-Jan25	30	19	21	191	56	-26	2	

Refiner's Margin (RBDPO - Cash CPO) MYR 310



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



3rd mth FCPO Volatility

