CPO Futures 3rd month daily chart

Preview

Fundamental

Malaysian palm oil futures ended 0.25% lower on Wednesday, as early gains tracking stronger rival soy oil were erased by uncertainty surrounding Indonesia's B40 biodiesel mandate policy and weak export demand and as buyers have shown reduced interest as palm oil prices remain high compared to competing vegetable oils. Globally, crude oil prices fell on Wednesday, with the U.S. benchmark West Texas Intermediate (WTI) fell 93 cents, or 1.25%, to $73.32 per barrel, attributed to a stronger dollar and substantial builds in U.S. fuel inventories, offsetting earlier gains fuelled by supply constraints from Russia and other OPEC producers. Meanwhile, the CBOT soy oil prices rose on Wednesday, with March soy oil rose 0.34 cents to settle at 41.59 cents per pound, with the prices remained steady as traders weighed dry farming conditions in Argentina against forecasts for a record soybean harvest in Brazil but a strengthening dollar limited further price increases. Thus, palm oil futures are expected to trend lower today weighed down by ongoing uncertainty surrounding Indonesia's B40 biodiesel mandate and its measures to restrict Used Cooking Oil exports is lacking clarity adds to market unease while forecast of declining palm oil inventories in Malaysia may provide some support and limit further downside pressure.

Technical

Palm oil futures for the March contract opened higher during the morning session but trended gradually lower to close below negative territory as early gains tracking steadier rival soy oil were erased by lingering concerns over softer export demand and uncertainty over Indonesia's biodiesel mandate. At the close, the March contract settled at 4,354 ringgit per tonne with losses of 11 points, forming a short, black-bodied candlestick pattern with extended upper and bottom shadows, indicating an indecisiveness in direction. Technical wise, MACD indicator issued a sell signal while RSI is approaching an oversold region. Therefore, palm oil futures are expected to trade lower today weighed down by ongoing concerns over sluggish export demand, as palm oil's premium over competing oils remains elevated amid cautious sentiment prevails as the market awaits further updates on Indonesia's B40 biodiesel mandate. Therefore, the support and resistance for the March futures contract can be eyed at 4,260 and 4,400 respectively.

Source: Bloomberg

Contract	Sett	Chg	High	Low	Vol	Open Int	O/I chg	O/I chg Value USD	Previous Week High	Previous Week Low
JAN 25	4,711	-2	4,719	4,682	338	2444	-147	-3.84 Mn	4,993	4,609
FEB 25	4,504	-2	4,544	4,454	2,749	20874	-1,025	-25.61 Mn	4,798	4,437
MAR 25	4,354	-11	4,408	4,313	37,733	73409	-4,736	-114.41 Mn	4,646	4,280
APR 25	4,262	-5	4,314	4,223	12,095	42585	1,407	33.27 Mn	4,484	4,165
MAY 25	4,202	5	4,249	4,165	10,062	26259	428	9.98 Mn	4,356	4,086
JUN 25	4,168	13	4,212	4,130	3,424	15395	-143	-3.31 Mn	4,262	4,039
JUL 25	4,152	21	4,195	4,113	3,223	15844	77	1.77 Mn	4,209	4,009
AUG 25	4,149	21	4,194	4,117	1,916	6853	226	5.2 Mn	4,195	4,006
SEP 25	4,150	20	4,197	4,120	3,397	11513	-684	-15.75 Mn	4,188	4,006
OCT 25	4,158	19	4,199	4,120	1,192	3511	-7	-.16 Mn	4,190	4,008
NOV 25	4,161	19	4,202	4,125	1,676	6071	-11	-.25 Mn	4,190	4,012
DEC 25	4,170	14	4,197	4,124	405	714	81	1.87 Mn	4,200	4,025
JAN 26	4,164	15	4,211	4,125	349	1094	146	3.37 Mn	4,186	4,064
MAR 26	4,165	15	4,199	4,170	35	393	4	.09 Mn	4,172	4,080
MAY 26	4,139	15			2	45	0	. Mn	4,120	4,115
JUL 26	4,099	15				2	0	. Mn	-	-
SEP 26	4,079	15				0	0	. Mn	-	-
NOV 26	4,079	15				0	0	. Mn	-	-
JAN 27	4,079	15				0	0	. Mn	-	-
MAR 27	4,079	15				0	0	. Mn	-	-
MAY 27	4,079	15				0	0	. Mn	-	-
JUL 27	4,079	15				0	0	. Mn	-	-
SEP 27	4,079	15				0	0	. Mn	-	-
NOV 27	4,079	15								
Total					**78,596**	**227,006**	**-4,384**			

Source: Bloomberg

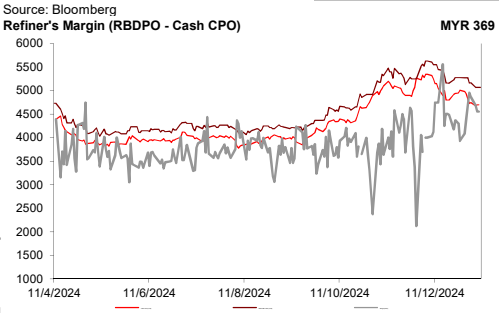
Cash CPO (MYR/MT)	Last Bid	Last Offer	3m Chg	6m Chg
Jan25	4,700	4,750	8.8%	0.0%

Source: Reuters

Spreads	Last	Bid	Offer	Vol	30 Day High	30 Day Low	30 Day Avg
Jan25-Feb25	207	190	270	2	270	59	149
Jan25-Mar25	357	10	376	85	415	121	280
Feb25-Mar25	145	151	153	159	172	58	131
Feb25-Apr25	239	237	245	5	343	162	260
Mar25-Apr25	92	90	91	382	175	83	130
Mar25-May25	152	147	150	225	338	144	240

Source: Bloomberg

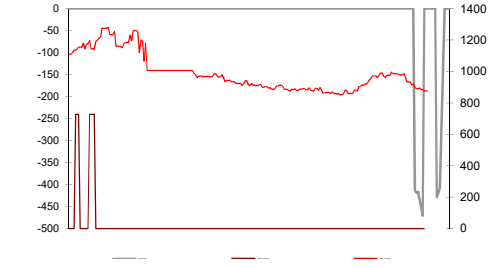
Refiner's Margin (RBDPO - Cash CPO) **MYR 369**



Export Est Period	Dec-24 AMSPEC	Dec-24 ITS	Nov-24 AMSPEC	Nov-24 ITS	Change (m-o-m) AMSPEC	Change (m-o-m) ITS	Change (y-o-y) AMSPEC	Change (y-o-y) ITS
1 - 10th days	423,567	446,014	419,094	429,455	1.07%	3.86%	9.45%	-24.59%
1 - 15th days	660,642	671,454	707,932	744,347	-6.68%	-9.79%	6.45%	81.97%
1 - 20th days	889,992	900,004	963,302	981,687	-7.61%	-8.32%	4.44%	7.47%
1 - 25th days	1,144,412	1,152,229	1,156,791	1,200,421	-1.07%	-4.01%	4.02%	8.91%
Full month	**1,381,837**	**1,359,504**	**1,417,436**	**1,473,761**	**-2.51%**	**-7.75%**	**2.07%**	**-1.41%**

Source: Reuters

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



Malaysian Palm Oil Board Statistic	2023 November	2024 September	2024 October	2024 November	Dec Chg (Mean)	KF's Expected December
Production	1,788,870	1,821,933	1,797,348	1,621,294	-8.71%	**1,480,080**
Stocks	2,402,611	2,013,837	1,884,597	1,836,167	-2.15%	**1,796,652**
Export	1,406,462	1,542,805	1,732,448	1,487,212	-7.19%	**1,380,327**
Import	39,696	5,482	16,347	22,081	49.14%	**32,931**

Source: Reuters

Commodity Futures (3rd month)

Overnight close		+/-	1d Chg (%)	3m Chg	6m Chg	Relative to FCPO 3m Chg	Relative to FCPO 6m Chg
CPO	4354	0	0.00%	2.40%	9.98%	0.02	0.10
Dalian Olein	8686	110	1.28%	4.22%	11.93%	1.02	1.02
Soybean Oil	41.11	1.35	3.40%	-5.21%	-16.10%	0.93	0.76
WTI Crude	73.32	-0.93	-1.25%	2.37%	-4.92%	1.02	0.94
CRB Index (realtime)	297.39	-1.8900	-0.63%	3.52%	2.23%	1.00	0.86

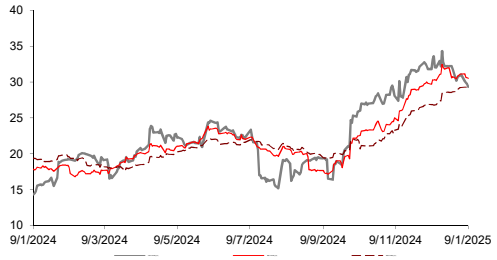
Source : Bloomber

Currency	Last	1d Chg	3m Chg	6m Chg
USDMYR	4.5060	0.08%	5.16%	-4.34%
USDIDR	16236.0	0.58%	3.12%	-0.71%

Source : Bloomberg

3rd mth FCPO Volatility

30 Days	60 Days	90 Days
29.36%	30.55%	29.22%



Overnight Lead

Chicago Board of Trade soybean futures inched down as rain relief was forecast for parched areas of Argentina in the coming weeks and the dollar surged. - Reuters

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