

CPO Futures 3rd month daily chart



Preview

Fundamental

Malaysian palm oil futures prices snapped its previous day losses and closed 2.88% higher on Monday, hitting its highest level in over seven months on speculative purchases, mirroring strength in competing edible oil prices during Asian trading hours and forecasts of stronger exports in September. Globally, the West Texas Intermediate (WTI) crude oil slipped \$0.07, or 0.2% lower, to settle at \$37.26 per barrel, surrounded by concerns over a declining pace in global economic recovery and Libya's commitment to end a month-long blockade of oil facilities and resume production. Meanwhile, the CBOT soy oil contract extended gains for the second consecutive session and edged 0.58 higher to settle at \$4.29 cents per pound, drawing strength in U.S. soybean and rival palm oil prices, while strong export demand from China further boosted sentiments. Therefore, palm oil futures prices are expected to trade in a higher note today on strong gains in overnight competing soy oil prices and anticipation of improving exports in September, while ahead of tomorrow's Malaysia Day holiday could cap gains.

Technical

Palm oil futures for the November contract traded higher and spent most part of Monday's trading session in positive territory on speculative purchases amid higher competing edible oil prices during Asian trading hours and anticipations of higher export figures in September. At the close, the November contract settled at 2,892 ringgit per tonne with solid gains of 81 points. Trading activities for the day can be depicted through the formation of a short white-bodied candlestick which short upper and lower wick which open gapped up, indicate that bulls dominated the session aggressively. Technically, MACD indicators remain issue a buy signal while RSI hovered in its neutral region. Hence, expect palm oil futures prices to trade in a higher note today on strength in overnight competing soy oil prices. Nevertheless, intermittent profit taking activities ahead of Malaysia Day holiday tomorrow could limit the upside. The support and resistance for today can be pegged at 2,870 and 2,950 respectively.

Source: Bloomberg

Contract	ms	Sett	Chg	High	Low	Vol	Open Int	O/I chg	O/I chg Value USD	High	Low	Cash CPO (MYR/MT)	Last Bid	Last Offer	3m Chg	6m Chg
SEP 20	2,942		62	2,913	2,888	63	2,199	48	85 Mn	2,940	2,874	Sep20	2,920	2,950	21.2%	23.7%
OCT 20	2,923		62	2,943	2,898	1,519	12,468	-494	-8.72 Mn	2,933	2,839	Source: Reuters				
NOV 20	2,892		81	2,910	2,867	22,158	40,931	-2,286	-39.92 Mn	2,885	2,788					
DEC 20	2,864		86	2,880	2,838	10,598	39,932	1,907	32.98 Mn	2,851	2,755					
JAN 21	2,843		90	2,857	2,814	7,505	30,757	768	13.18 Mn	2,825	2,731					
FEB 21	2,828		88	2,842	2,800	5,689	15,674	1,058	18.06 Mn	2,809	2,716					
MAR 21	2,811		85	2,823	2,782	4,173	19,876	585	9.93 Mn	2,786	2,700					
APR 21	2,781		84	2,790	2,750	2,310	12,502	611	10.26 Mn	2,754	2,677					
MAY 21	2,750		81	2,758	2,722	1,901	13,322	92	1.53 Mn	2,730	2,653					
JUN 21	2,715		70	2,723	2,687	951	4,161	272	4.46 Mn	2,694	2,620					
JUL 21	2,690		69	2,695	2,665	703	4,198	150	2.44 Mn	2,670	2,597					
AUG 21	2,671		68	2,671	2,651	20	383	-	-	2,651	2,610					
SEP 21	2,644		60	2,645	2,601	82	2,845	23	0.37 Mn	2,633	2,588					
NOV 21	2,621		55	2,620	2,594	139	1,328	2	0.03 Mn	2,613	2,569					
JAN 22	2,621		55	-	-	1	45	1	0.02 Mn	2,429	2,410					
MAR 22	2,621		55	-	-	-	-	0	0 Mn	-	-					
MAY 22	2,621		55	-	-	-	-	0	0 Mn	-	-					
JUL 22	2,621		55	-	-	-	-	0	0 Mn	-	-					
SEP 22	2,621		55	-	-	-	-	0	0 Mn	-	-					
NOV 22	2,621		55	-	-	-	-	0	0 Mn	-	-					
JAN 23	2,621		55	-	-	-	-	0	0 Mn	-	-					
MAR 23	2,621		55	-	-	-	-	0	0 Mn	-	-					
MAY 23	2,621		55	-	-	-	-	0	0 Mn	-	-					
JUL 23	2,621		55	-	-	-	-	0	0 Mn	-	-					
Total						57,812	200,626	2,737								

Source: Bloomberg

Export Est Period	Sep-20		Aug-20		Change (m-o-m)		Change (y-o-y)	
	AMSPEC	SGS	AMSPEC	SGS	AMSPEC	SGS	AMSPEC	SGS
1 - 10th days	472,780	467,420	429,737	372,067	10.02%	25.63%	20.26%	38.47%
1 - 15th days	-	-	694,292	664,392	-	-	-	-
1 - 20th days	-	-	925,083	890,443	-	-	-	-
1 - 25th days	-	-	1,220,063	1,158,013	-	-	-	-
Full month	-	-	1,476,355	1,442,905	-	-	-	-

Source: Reuters

Malaysian Palm Oil Board Statistic	2019	2020	2020	2020	Sep Chg	KF's Expected
	Sep	June	July	Aug	(Mean)	Sep
Production	1,842,433	1,885,742	1,807,748	1,862,962	4.40%	1,945,024
Stocks	2,448,272	1,901,021	1,698,036	1,699,106	-0.26%	1,694,654
Export	1,409,945	1,709,752	1,782,276	1,581,612	6.73%	1,688,106
Import	71,112	48,841	52,691	32,311	2.08%	32,984

Source: Reuters

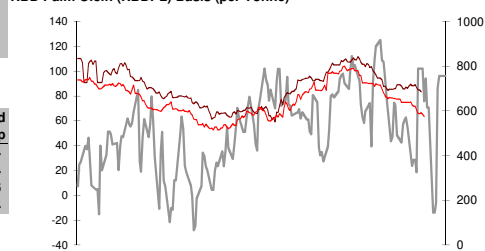
Commodity Futures (3rd month)	Overnight close	2892	81	2.88%	Relative to FCPO			
					1d Chg (%)	3m Chg	6m Chg	3m Chg
CPO					21.97%	26.62%	0.22	0.27
Dalian Olein		5984	136	2.33%	23.33%	27.65%	1.01	1.01
Soybean Oil		34.23	0.49	1.45%	23.40%	31.10%	1.01	1.04
WTI Crude		37.26	-0.07	-0.19%	-1.84%	6.58%	0.91	0.91
CRB Index (realtime)		146.50	0.0000	0.00%	8.70%	4.02%	0.80	0.84

Source: Bloomberg

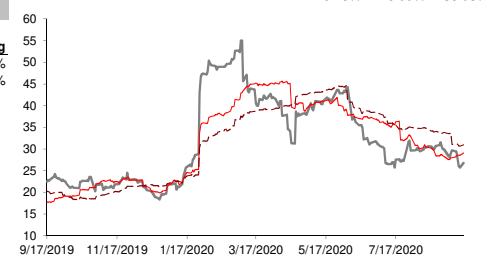
Currency	Last	1d Chg	3m Chg	6m Chg
USDIDR	14880.0	-0.07%	5.49%	-0.29%

Source: Bloomberg

Crude Degummed Soybean Oil (CDSBO)/ RBD Palm Olein (RBDPL) Basis (per Tonne) USD 96.06



3rd mth FCPO Volatility 30 Days 60 Days 90 Days 26.73% 28.99% 30.93%



Overnight Lead

Chicago Board of Trade soybean futures closed higher on Monday, with the most-active contract climbing above \$10 a bushel for the first time in two years on strong export demand from China, before paring gains on profit-taking. - Reuters