

Preview Fundamental

Malaysian palm oil futures extended its losing streak to third consecutive session on Wednesday, slid 0.77% mirroring the fall in rival edible oil and concerns regarding the growing supply amid a surge in tropical oil production in Malaysia, the world's secondlargest producer while the downside was mitigated to some extent by more favorable export data reported by cargo surveyors. Globally, crude oil prices edged lower to its one week low on Wednesday, with the U.S. benchmark West Texas Intermediate (WTI) for November delivery fell 82 cents to \$89.66 per barrel, in line with widespread expectations as the Federal Reserve opted to leave rates unaltered and pressured by hawkish stance by projecting an additional rate increase to be implemented by year-ond. In addition, the CBOT soy slipped on Wednesday, with December soybean oil dropped 1 cent, to finish at 59.29 cents per pound, pressured by soybean harvest and better than expected crop ratings along with stiff competition with South America producer. Therefore, palm oil futures are expected to remain cautious today tracking overnight losses in rival oils and substantial influx of oilseeds from various global sources has contributed to the prevailing caution, notably with the emergence of more cost-effective sunflower oil while a potential of bargain hunting activities might cushion

Technical

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Palm oil futures for the December contract opened lower and trended gradually lower in negative territory as selling activities extended following the fall in the rival soy oil market during Asian trading hour along with worries over mounting supply due to weaker exports early this month. At the close, the December contract settled at 3,720 ringgit per tonne with losses of 29 points. Trading activities for the day can be depicted through the formation of a black-bodied candlestick pattern with extended upper and bottom shadows, indicating that the bears took control of the trading session. Technical wise, MACD indicator issued a selling signal while RSI lingered at a neutral region. Therefore, palm oil futures are expected to trade range bound with downward bias today on continued selling pressure taking cue from stumble in overnight competing oils market and worries over discouraging tropical oil export demand. Hence, the support and resistance for December futures contract can be found at 3,630 and 3,750 respectively. respectively

2500

2000

1500 22/12/2022

22/2/2023

Crude Degummed Sovbean Oil (CDSBO)/

KO3 Comdty (Generic 3rd 'KO' Future) DAILY REPORT CHART Daily 22JUN2023-20SEP2023 Copyright					opyright® 2023 B	rights 2023 Bloomberg Finance L.P. 21-Sep-												
Source: Bloomberg							O/I chg	Previous Week										
Contract	Sett	Chg	High	Low	Vol	Open Int	O/I chg	Value USD	High	Low	Cash CPO (MY	R/MT)	L	ast Bid	La	st Offer	3m Chg	6m Chg
OCT 23	3,662	-38	3,694	3,660	953	8,649	-417	-8.14 Mn	3,777	3,607	Oct23			3,660		3,700	2.0%	0.0%
NOV 23	3,695	-32	3,729	3,685	6,100	31,376	-2,236	-44.02 Mn	3,970	3,798	Source: Reuters	6						
DEC 23	3,720	-29	3,757	3,706	23,248	45,594	2,038	40.4 Mn	3,978	3,804							30 Day	
JAN 24	3,755	-31	3,792	3,743	6,904	28,082	293	5.86 Mn	3,986	3,815	Spreads	Last	Bid	Offer	Vol	High	Low	Avg
FEB 24	3,791	-31	3,832	3,781	3,561	16,840	-107	-2.16 Mn	3,929	3,702	Oct23-Nov23	-33	-37	-29	53	-4	-83	-36
MAR 24	3,819	-31	3,859	3,810	3,066	22,029	534	10.87 Mn	3,991	3,832	Oct23-Dec23	-58	-63	-50	16	-14	-135	-64
APR 24	3,828	-31	3,863	3,818	1,497	11,770	95	1.94 Mn	3,984	3,838	Nov23-Dec23	-25	-27	-24	377	-5	-59	-29
MAY 24	3,820	-31	3,855	3,810	2,357	20,664	181	3.68 Mn	4,010	3,860	Nov23-Jan24	-60	-61	-60	81	-20	-112	-59
JUN 24	3,794	-31	3,828	3,785	478	7,365	-196	-3.96 Mn	3,993	3,846	Dec23-Jan24	-35	-37	-35	609	-12	-55	-30
JUL 24	3,771	-31	3,799	3,763	666	7,905	-22	44 Mn	3,947	3,817	Dec23-Feb24	-71	-73	-70	167	-26	-102	-55
AUG 24	3,742	-38	3,755	3,733	261	1,934	15	.3 Mn	3,931	3,782	Source: Bloomberg							
SEP 24	3,723	-38	3,746	3,743	153	3,220	-3	06 Mn	3,907	3,770	Refiner's Margin (RBDPO - Cash CPO) MYR							MYR 285
NOV 24	3,717	-38	3,740	3,710	87	2,616	39	.77 Mn	3,852	3,716	5000							1
JAN 25	3,717	-38	3,750	3,750	4	16	2	.04 Mn	3,867	3,759				~ 1				
MAR 25	3,717	-38				3	0	. Mn	3,877	3,810	4500			1. / Y	1 1			
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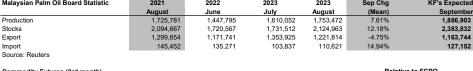
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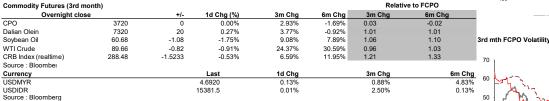
Export Est Sep-23 AMSPEC Change Change (y-o-y) AMSPEC 383,795 Period 395,145 350,823 1 - 10th days 305.594 -20.389 -17.65% 658,475 827,975 1 - 15th days 574.936 580,893 633.585 -11.78% 806,655 1 - 20th days 821,408 847.890 1.83% 2.41% -5.26% 1 - 25th days 945 155 974.235

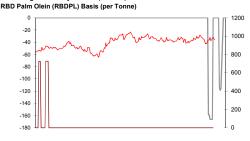
49.335

208.063

1,171,998 Full month Source: Reuters 2021 2022 2023 Malaysian Palm Oil Board Statistic 2023 August 1,725,781 August 1,447,795







22/4/2023

22/6/2023

22/8/2023

#VALUE!

30 Days 60 Days 90 Days



MAY 26

JUL 26

SEP 26

Total

3.717

3.717

-38

-38

Chicago Board of Trade (CBOT) sovbean futures ended higher on Wednesday a day after hitting their lowest levels since Aug. 16, as traders scooped up bargains and eved yield reports from the expanding U.S. harvest.- Reuters

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