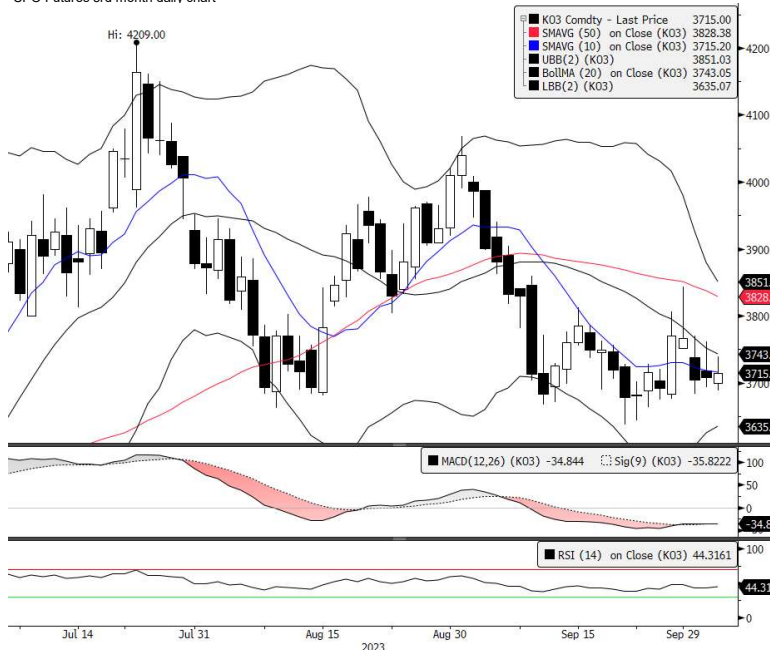


CPO Futures 3rd month daily chart



## Preview

### Fundamental

Malaysian palm oil futures extended its winning streak to second session on Wednesday, climbed 0.19% higher with the help on stronger rival soy oil prices along with participants' assessment of supply dynamics in light of potential disruptions attributed to the El Niño weather phenomenon in key producing regions Indonesia and Malaysia. Globally, crude oil prices nosedived on Wednesday, with the U.S. benchmark West Texas Intermediate (WTI) fell \$5.01, or 5.6%, to \$84.22 a barrel, pressured by concerns over diminishing fuel demand and a less optimistic macroeconomic outlook have come to the forefront. In addition, the CBOT soy oil declined for a second straight session on Wednesday, with December soy oil dropped nearly 2% to settle at 55.99 cents per lb, following its spillover weakness in rival crude oil and anticipations of slower U.S. soybean export demand due to strengthening U.S. dollar. Therefore, palm oil futures are expected to trade lower today tracking overnight weakness in rival oils and anticipation of September stockpiles in world's second largest producer, Malaysia could climb to the highest level in 11 months while losses could be limited by weakening Malaysian Ringgit.

### Technical

Palm oil futures for the December contract traded lower in the morning session but turnaround the negative trend to end marginally higher in positive territory as buying activities continued following the stronger competing soy oil market during Asian trading hour and weakening Malaysian Ringgit. At the close, the December contract settled at 3,715 ringgit per tonne with gains of 7 points. Trading activities for the day can be depicted through the formation of a short white-bodied candlestick pattern with longer upper and shorter bottom shadows, indicating that the bears tried to take over but bulls managed to take control of the trading session. Technical wise, MACD indicator issued a buy signal while RSI lingered at neutral position. Nevertheless, palm oil futures are expected to trade range bound with slight downward bias on a potential of profit taking activities following weaker overnight competing oils performance and worries over tropical oil abundant supply while downward pressure could be limited by worries about the potential disruption of the El Niño on production in Indonesia and Malaysia. Therefore, the support and resistance for December futures contract can be eyed at 3,620 and 3,750 respectively.

KO3 Comdty (Generic 3rd 'KO' Future) DAILY REPORT CHART Daily 06JUL2023-04OCT2023 Copyright © 2023 Bloomberg Finance L.P. 04-Oct-2023 19:06:00

Source: Bloomberg

Contract	Sett	Chg	High	Low	Vol	Open Int	O/I chg	Value USD	Previous Week				30 Day					
									High	Low	Cash CPO (MYR/MT)	Last Bid	Last Offer	3m Chg	6m Chg	Avg		
OCT 23	3,646	2	3,670	3,625	434	5,220	-150	-2.9 Mn	3,742	3,598	Oct23	3,640	3,680	-5.1%	0.0%			
NOV 23	3,674	2	3,698	3,653	2,629	21,575	-773	-15.04 Mn	3,970	3,798	Source: Reuters							
DEC 23	3,715	7	3,739	3,688	22,095	49,374	-88	-1.73 Mn	3,978	3,804	Spreads	Last	Bid	Offer	Vol	High	Low	Avg
JAN 24	3,757	11	3,780	3,729	6,348	35,907	393	7.82 Mn	3,986	3,815	Oct23-Nov23	-28	-40	-	137	-4	-83	-39
FEB 24	3,795	11	3,816	3,770	2,522	18,808	332	6.67 Mn	3,929	3,702	Oct23-Dec23	-69	-80	-	201	-14	-135	-72
MAR 24	3,816	10	3,838	3,792	2,201	23,425	-64	-1.29 Mn	3,922	3,743	Nov23-Dec23	-41	-44	-41	224	-8	-59	-34
APR 24	3,822	10	3,840	3,795	1,068	16,955	86	1.74 Mn	3,922	3,746	Nov23-Jan24	-83	-89	-81	11	-26	-112	-69
MAY 24	3,807	10	3,826	3,783	1,183	22,788	-10	-2 Mn	4,010	3,860	Dec23-Jan24	-42	-45	-43	426	-15	-55	-35
JUN 24	3,783	10	3,795	3,757	539	9,123	82	1.64 Mn	3,993	3,846	Dec23-Feb24	-80	-86	-83	103	-28	-102	-64
JUL 24	3,749	12	3,766	3,731	495	8,854	-18	-36 Mn	3,947	3,817	Source: Bloomberg							
AUG 24	3,730	12	3,748	3,711	217	2,440	46	.91 Mn	3,931	3,782	Refiner's Margin (RBDPO - Cash CPO)							
SEP 24	3,716	12	3,735	3,697	325	4,145	10	.2 Mn	3,907	3,770	MYR 247							
NOV 24	3,701	1	3,725	3,695	213	3,322	78	1.53 Mn	3,795	3,659	5000							
JAN 25	3,713	1	3,730	3,730	8	27	4	.08 Mn	3,867	3,759	4500							
MAR 25	3,713	1	-	-	-	3	0	. Mn	3,877	3,810	4000							
MAY 25	3,713	1	-	-	-	-	0	. Mn	-	-	3500							
JUL 25	3,713	1	-	-	-	-	0	. Mn	-	-	3000							
SEP 25	3,713	1	-	-	-	-	0	. Mn	-	-	2500							
NOV 25	3,713	1	-	-	-	-	0	. Mn	-	-	2000							
JAN 26	3,713	1	-	-	-	-	0	. Mn	-	-	1500							
MAR 26	3,713	1	-	-	-	-	0	. Mn	-	-	1000							
MAY 26	3,713	1	-	-	-	-	0	. Mn	-	-	500							
JUL 26	3,713	1	-	-	-	-	0	. Mn	-	-	0							
SEP 26	3,713	1	-	-	-	-	0	. Mn	-	-	-500							
<b>Total</b>						<b>40,277</b>	<b>221,966</b>	<b>-72</b>			-1000							

Source: Bloomberg

Export Est Period	Sep-23		Aug-23		Change (m-o-m)		Change (y-o-y)	
	AMSPEC	ITS	AMSPEC	ITS	AMSPEC	ITS	AMSPEC	ITS
1 - 10th days	305,594	350,823	383,795	395,145	-20.38%	-11.22%	-17.65%	-
1 - 15th days	574,936	580,893	633,585	658,475	-9.26%	-14.78%	-1.46%	-
1 - 20th days	821,408	847,890	806,655	827,975	1.83%	2.41%	-5.26%	-
1 - 25th days	1,088,875	1,144,707	945,155	974,235	15.21%	17.50%	1.25%	-
<b>Full month</b>	<b>1,235,560</b>	<b>1,299,187</b>	<b>1,171,998</b>	<b>1,201,488</b>	<b>5.42%</b>	<b>8.13%</b>	<b>-6.38%</b>	-

Source: Reuters

Malaysian Palm Oil Board Statistic	2021	2022	2023	2023	Sep Chg	KF's Expected
	August	June	July	August	(Mean)	September
Production	1,725,781	1,447,795	1,610,052	1,753,472	7.61%	1,886,903
Stocks	2,094,667	1,720,567	1,731,512	2,124,963	12.18%	2,383,832
Export	1,299,654	1,171,741	1,353,925	1,221,814	-4.75%	1,163,744
Import	145,452	135,271	103,837	110,621	14.94%	127,152

Source: Reuters

Commodity Futures (3rd month)	Relative to FCPO						
	Overnight close	+/-	1d Chg (%)	3m Chg	6m Chg	3m Chg	6m Chg
CPO	3715	0	0.00%	-3.81%	-3.96%	-0.04	-0.04
Dalian Olein	7252	58	0.81%	0.64%	1.74%	1.05	1.06
Soybean Oil	58.43	-1.02	-1.72%	-14.80%	5.81%	0.89	1.10
WTI Crude	84.22	-5.01	-5.61%	17.79%	8.41%	0.97	0.97
CRB Index (realtime)	275.43	-6.0530	-2.15%	4.81%	1.17%	1.22	1.13

Source: Bloomberg

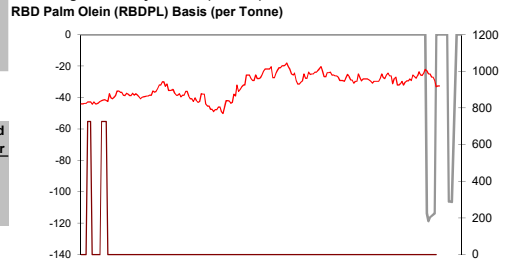
Currency	Last	1d Chg	3m Chg	6m Chg
	USDMYR	4.7212	-0.19%	1.68%
USDIDR	15634.0	0.35%	3.90%	4.57%

Source: Bloomberg

## Overnight Lead

Chicago Board of Trade soybean futures ended higher on Wednesday, rising by 1% at one point before profit-taking pushed the most-active contract back down to settle just above its opening value as the U.S. dollar retreated from 10-month highs. - Reuters

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



3rd mth FCPO Volatility

