

Preview

Fundamental
Malaysian palm oil futures erased early gains to end 0.23% lower on Friday, a resurgence in production levels shrugged off the gains lifted by the Malaysian ringgit's weakness and anticipated uptick in demand following the stronger performance of rival soft oils for the week. Globally, crude oil prices staged a recovery from recent lows on Friday, with the U.S. benchmark West Texas Intermediate (WTI) settled 85 cents, or 1.1%, higher to \$77.72 a barrel, attributed to bargain buying activities while a weekly loss was recorded due to concerns lingered over sustained elevated interest rates amidst robust U.S. economic data, potentially tempering fuel demand. Meanwhile, the CBOT soy oil ended lower on Friday, with July soy oil ended down 0.24 cents at 44.95 cents per pound, dragged by cautious sentiment ahead of Memorial Day while worries over potential crop losses stemming from heavy rainfall in key agricultural regions of Brazil and Argentina cushioned the losses. Therefore, palm oil futures are expected to trade range bound with slight upward bias today buoyed by the prospects of demand recovery bolstered by recent data published by cargo surveyors and demand resurgence in anticipation of the upcoming Muslim festival, Hari Raya Haji, scheduled for next month while strengthening Malaysian Ringgit and mixed overnight competing oils might limit the upside.

Technical

Palm oil futures for the August contract trended higher during morning trading session but turned its course to close below negative territory following weaker rival soy oils during Asian trading hour and profit taking activities ahead of weekend that shrugged off the gains buoyed by weakening Malaysian Ringgit that increased appeal of palm oil. At the close, the August contract settled at 3,885 ringgit per tonne with losses of 9 points. Trading activities for the day can be depicted through the formation of a short black-bodied candlestick pattern with longer upper and shorter bottom shadows, indicating that the bears seized control over the trading session despite bulls tried to take over. Technical wise, MACD indicator remained issue a buy signal while RSI is lingering in a neutral region. Therefore, palm oil futures are expected to trade with upward bias today following supported by expectation of recovery in demand due to the widening discount of palm oil to other rival edible oil while weaker overnight rival soy oil prices and stronger Malaysian Ringgit could limit the upside. Therefore, the support and resistance for the August futures contract can be eyed at 3,860 and 3,955 respectively.

K03 Comdty (Generic 3rd 'K0' Future) DAILY REPORT CHART Daily 20FEB2024-24MAY2024 Copyright© 2024 Bloomberg Finance L.P. 24-May-2024 19:16:11

Contract	Sett	Chg	High	Low	Vol	Open Int	O/I chg	O/I chg Value USD
JUN 24	3,872	19	3,903	3,865	2,336	8607	-1,429	-29.38 Mn
JUL 24	3,879	-6	3,924	3,870	6,847	39427	-415	-8.55 Mn
AUG 24	3,885	-9	3,932	3,876	25,500	48746	-724	-14.93 Mn
SEP 24	3,893	-6	3,936	3,885	8,154	30791	39	.81 Mn
OCT 24	3,903	-3	3,940	3,892	3,440	14032	354	7.34 Mn
NOV 24	3,918	-3	3,954	3,908	3,040	16848	205	4.26 Mn
DEC 24	3,941	-3	3,977	3,933	2,966	11905	745	15.59 Mn
JAN 25	3,970	-2	4,006	3,965	2,848	11068	580	12.22 Mn
FEB 25	3,994	-2	4,030	3,990	1,372	3728	262	5.56 Mn
MAR 25	4,004	-2	4,031	3,999	1,146	9635	146	3.1 Mn
APR 25	4,000	-2	4,030	3,995	483	2731	250	5.31 Mn
MAY 25	4,000	-2	4,025	3,993	261	3137	90	1.91 Mn
JUL 25	3,970	5	3,985	3,970	111	1777	1	.02 Mn
SEP 25	3,948	5	3,958	3,958	22	338	11	.23 Mn
NOV 25	3,953	5			17	128	6	.13 Mn
JAN 26	3,953	5			0	0	0	.Mn
MAR 26	3,953	5			0	0	0	.Mn
MAY 26	3,953	5			0	0	0	.Mn
JUL 26	3,953	5			0	0	0	.Mn
SEP 26	3,953	5			0	0	0	.Mn
NOV 26	3,953	5			0	0	0	.Mn
JAN 27	3,953	5			0	0	0	.Mn
MAR 27	3,953	5			0	0	0	.Mn
MAY 27	3,953	5			0	0	0	.Mn
Total					58,543	202,898	121	

Source: Bloomberg

Export Est Period	May-24		Apr-24		Change (m-o-m)		Change (y-o-y)	
	AMSPEC	ITS	AMSPEC	ITS	AMSPEC	ITS	AMSPEC	ITS
1 - 10th days	362,790	369,920	425,603	431,190	-14.76%	-14.21%	8.69%	-
1 - 15th days	574,760	600,777	697,449	633,680	-17.59%	-5.19%	9.89%	-
1 - 20th days	814,031	830,608	900,290	905,515	-9.58%	-8.27%	13.57%	-
1 - 25th days	1,073,429	1,125,451	1,040,915	1,098,990	3.12%	2.41%	14.98%	-
Full month	-	-	1,144,100	1,213,525	-	-	-	-

Source: Reuters

Malaysian Palm Oil Board Statistic	2023		2024		2024		2024		May Chg		KF's Expected	
	April	February	February	March	April	April	April	April	(Mean)	May	May	May
Production	1,196,450	1,259,572	1,392,471	1,501,941	1,501,941	1,501,941	1,501,941	1,501,941	5.92%	1,590,867	1,590,867	1,590,867
Stocks	1,497,535	1,919,210	1,714,973	1,744,459	1,744,459	1,744,459	1,744,459	1,744,459	5.59%	1,841,963	1,841,963	1,841,963
Export	1,074,447	1,015,537	1,317,628	1,234,208	1,234,208	1,234,208	1,234,208	1,234,208	-6.32%	1,156,168	1,156,168	1,156,168
Import	33,678	32,556	21,894	34,762	34,762	34,762	34,762	34,762	-2.93%	33,743	33,743	33,743

Source: Reuters

Commodity Futures (3rd month)	Relative to FCPO						
	Overnight close	+/-	1d Chg (%)	3m Chg	6m Chg	3m Chg	6m Chg
CPO	3885	-9	-0.23%	0.83%	-0.13%	0.01	0.00
Dalian Olein	7630	20	0.26%	11.09%	5.01%	1.10	1.05
Soybean Oil	44.95	-0.93	-2.03%	2.11%	-12.77%	1.01	0.87
WTI Crude	77.72	0.85	1.11%	0.94%	4.10%	1.15	0.95
CRB Index (realtime)	294.28	0.5000	0.17%	6.43%	8.80%	1.00	1.04

Currency	Last	1d Chg	3m Chg	6m Chg
USDMYR	4.7090	-0.05%	-1.04%	0.66%
USIDIR	15995.0	-0.03%	2.62%	2.72%

Source: Bloomberg

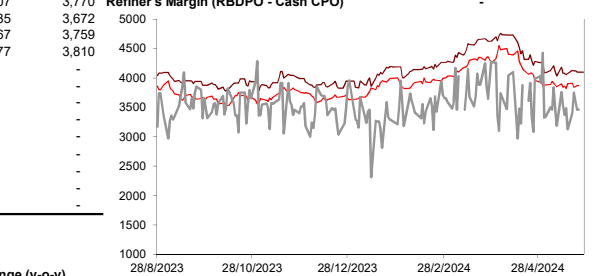
Overnight Lead

Chicago Board of Trade soybean futures closed higher on Friday on spillover support from gains in soymeal, traders said. - Reuters

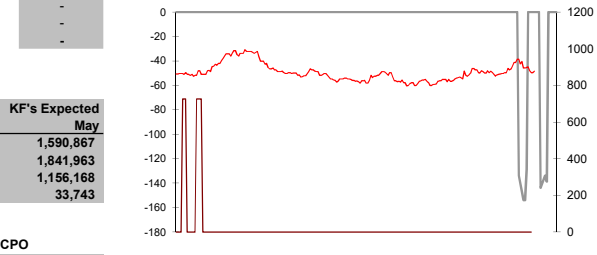
Previous Week		Last Bid		Last Offer		3m Chg		6m Chg	
High	3,939	3,831	3,870	3,920	3,920	-2.4%	0.0%		
Low	3,978	3,804							

Spreads		Last	Bid	Offer	Vol	High	Low	Avg
Jun24-Jul24	-7	-18	-2	1,273	74	-35	29	
Jun24-Aug24	-13	-18	-12	586	148	-49	51	
Jul24-Aug24	-6	-6	-5	3,069	74	-8	22	
Jul24-Sep24	-14	-14	-12	920	139	-17	39	
Aug24-Sep24	-8	-8	-7	2,825	64	-11	15	
Aug24-Oct24	-18	-16	-14	625	103	-21	18	

Source: Bloomberg



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



3rd mth FCPO Volatility 30 Days 60 Days 90 Days 21.50% 21.64% 20.87%

