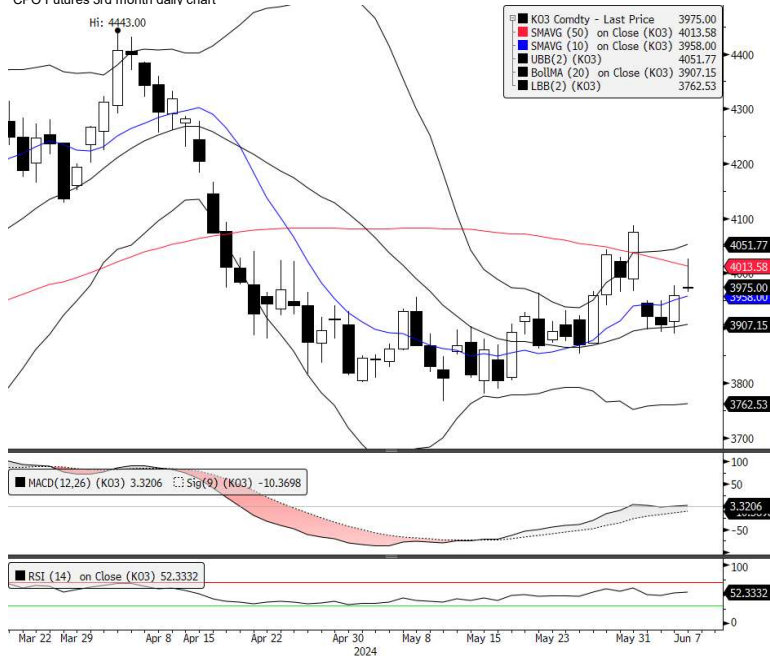


CPO Futures 3rd month daily chart



Preview

Fundamental

Malaysian palm oil futures climbed for the second consecutive session to close 0.40% higher on Friday, reaching their highest level in a week, driven by a positive demand outlook and tracking robust rival crude oil prices that boosted the appeal of the tropical oil as a biofuel. Globally, crude oil prices edged down on Friday, with the U.S. benchmark West Texas Intermediate (WTI) fell 2 cents to \$75.53 a barrel, marking its third consecutive weekly loss as stronger than expected U.S. jobs data that reduce expectations for a near-term Federal Reserve interest rate cut weighed over OPEC+ reassurances in pausing or reverse oil output increases. In addition, the CBOT soy oil fell on Friday, with July soy oil ended down 0.72 cents at 43.63 cents per pound, as strengthening U.S. dollar along with favourable weather conditions in the U.S. and opposition to a new Brazilian tax measure further exerted downward pressure on prices. Therefore, palm oil futures are expected to trade with downward bias today following the retreat in overnight rival oils and a potential of profit taking activities as participants are likely to remain cautious ahead of the crucial Malaysian Palm Oil Board (MPOB) data release later today while weaker Malaysian Ringgit could cushion the downside.

Technical

Palm oil futures for the August contract opened gap up and stayed above positive territory for the whole trading session lifted by the stronger rival oils during Asian trading hours along with bargain hunting activities on weaker Malaysian Ringgit while gains were capped by profit taking activities ahead of weekend. At the close, the August contract settled at 3,976 ringgit per tonne with gains of 16 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 bulls seized control over the trading session. Technical wise, MACD indicator remained issue a buy signal while RSI is lingering in a neutral region. Nevertheless, palm oil futures are expected to trade lower today following the weaker overnight rival oil prices and cautious stance ahead of MPOB data which is expected to indicate higher production and increased stockpiles. Therefore, the support and resistance for the August futures contract can be eyed at 3,900 and 4,000 respectively.

K03 Comdty (Generic 3rd 'K03' Future) DAILY REPORT CHART Daily 07MAR2024-07JUN2024 Copyright© 2024 Bloomberg Finance L.P. 07-Jun-2024 19:42:00

Source: Bloomberg

| Contract | Sett | Chg | High | Low | Vol | Open Int | O/I chg | O/I chg | | Previous Week | | Last Offer | 3m Chg | 6m Chg | |
|--------------|-------|-----|-------|-------|---------------|----------------|-------------|-----------|-------|---------------|--------------------------------------------|-------------|------------|--------------|------------|
| | | | | | | | | Value USD | High | Low | Cash CPO (MYR/MT) | | | | Last Bid |
| JUN 24 | 3,953 | 18 | 4,017 | 3,943 | 544 | 2929 | -168 | -3.52 Mn | 4,017 | 3,855 | Jul24 | 3,970 | 4,010 | -1.6% | 0.0% |
| JUL 24 | 3,975 | 19 | 4,025 | 3,964 | 5,610 | 25616 | -1,790 | -37.72 Mn | 3,970 | 3,798 | Source: Reuters | | | | |
| AUG 24 | 3,975 | 15 | 4,026 | 3,966 | 30,637 | 55674 | -400 | -8.43 Mn | 3,978 | 3,804 | | | | | |
| SEP 24 | 3,974 | 14 | 4,024 | 3,969 | 11,779 | 40921 | 1,291 | 27.2 Mn | 3,986 | 3,815 | Spreads | Last | Bid | Offer | Vol |
| OCT 24 | 3,972 | 11 | 4,020 | 3,970 | 5,036 | 18090 | 308 | 6.49 Mn | 3,929 | 3,702 | Jun24-Jul24 | -22 | -40 | 75 | - |
| NOV 24 | 3,977 | 8 | 4,023 | 3,976 | 3,547 | 17287 | 83 | 1.75 Mn | 4,023 | 3,895 | Jun24-Aug24 | -22 | - | 15 | 187 |
| DEC 24 | 3,992 | 7 | 4,031 | 3,989 | 2,516 | 13948 | 69 | 1.46 Mn | 4,031 | 3,905 | Jul24-Aug24 | 0 | -2 | 0 | 3,442 |
| JAN 25 | 4,012 | 7 | 4,048 | 4,010 | 1,728 | 12236 | -184 | -3.91 Mn | 4,010 | 3,860 | Jul24-Sep24 | 1 | -1 | 1 | 929 |
| FEB 25 | 4,033 | 7 | 4,064 | 4,032 | 545 | 5948 | -31 | -.66 Mn | 3,993 | 3,846 | Aug24-Sep24 | 1 | 0 | 1 | 3,598 |
| MAR 25 | 4,042 | 7 | 4,070 | 4,033 | 977 | 12641 | 129 | 2.76 Mn | 3,947 | 3,817 | Aug24-Oct24 | 3 | 2 | 4 | 682 |
| APR 25 | 4,040 | 7 | 4,049 | 4,030 | 95 | 3580 | 16 | .34 Mn | 3,931 | 3,782 | Source: Bloomberg | | | | |
| MAY 25 | 4,027 | 7 | 4,048 | 4,028 | 97 | 3788 | 25 | .53 Mn | 3,907 | 3,770 | Refiner's Margin (RBDPO - Cash CPO) | | | | |
| JUL 25 | 3,997 | 7 | 4,004 | 3,997 | 17 | 1804 | -4 | -.08 Mn | 3,735 | 3,672 | | | | | |
| SEP 25 | 3,975 | 7 | | | | 375 | 0 | . Mn | 3,667 | 3,759 | | | | | |
| NOV 25 | 3,963 | 7 | | | | 143 | 0 | . Mn | 3,877 | 3,810 | | | | | |
| JAN 26 | 3,963 | 7 | | | | 0 | 0 | . Mn | - | - | | | | | |
| MAR 26 | 3,963 | 7 | | | | 0 | 0 | . Mn | - | - | | | | | |
| MAY 26 | 3,963 | 7 | | | | 0 | 0 | . Mn | - | - | | | | | |
| JUL 26 | 3,963 | 7 | | | | 0 | 0 | . Mn | - | - | | | | | |
| SEP 26 | 3,963 | 7 | | | | 0 | 0 | . Mn | - | - | | | | | |
| NOV 26 | 3,963 | 7 | | | | 0 | 0 | . Mn | - | - | | | | | |
| JAN 27 | 3,963 | 7 | | | | 0 | 0 | . Mn | - | - | | | | | |
| MAR 27 | 3,963 | 7 | | | | 0 | 0 | . Mn | - | - | | | | | |
| MAY 27 | 3,963 | 7 | | | | 0 | - | - | - | - | | | | | |
| Total | | | | | 63,128 | 214,980 | -656 | | | | | | | | |

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 | 1,404,719 | 1,481,916 | 1,144,100 | 1,213,525 | 22.78% | 22.12% | 29.46% | - |

Source: Reuters

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

Source: Reuters

| Commodity Futures (3rd month) | Relative to FCPO | | | | | | |
|-------------------------------|------------------|---------|------------|--------|---------|--------|--------|
| | Overnight close | +/- | 1d Chg (%) | 3m Chg | 6m Chg | 3m Chg | 6m Chg |
| CPO | 3975 | 15 | 0.38% | -2.36% | 7.37% | -0.02 | 0.07 |
| Dalian Olein | 7806 | 190 | 2.49% | 7.64% | 13.36% | 1.10 | 1.06 |
| Soybean Oil | 43.63 | -0.72 | -1.62% | -4.32% | -13.00% | 0.98 | 0.81 |
| WTI Crude | 75.53 | -0.02 | -0.03% | -1.28% | 5.40% | 1.08 | 0.89 |
| CRB Index (realtime) | 289.86 | -2.5600 | -0.88% | 4.79% | 10.29% | 1.01 | 0.98 |

Source: Bloomberg

| Currency | Last | 1d Chg | 3m Chg | 6m Chg |
|----------|---------|--------|--------|--------|
| USDMYR | 4.7160 | 0.51% | 0.22% | 0.20% |
| USIDR | 16195.5 | -0.42% | 3.68% | 4.82% |

Source: Bloomberg

Overnight Lead

Chicago Board of Trade soybeans Sv1 fell on Friday as a rallying U.S. dollar, generally favourable weather in the U.S. and push back against a new Brazilian tax measure pressured price. - Reuters

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