

# Crude Palm Oil Weekly

Brought to you by Phillip Capital Sdn Bhd (362533-U) (A member of PhillipCapital)



## Market Commentary

### Market Commentary:

Malaysian palm oil futures fell for a third straight session on Tuesday, when the market reopened after a holiday, weighed down by India's decision to raise its import tax on edible oils.

The benchmark palm oil contract for December delivery on the Bursa Malaysia Derivatives Exchange closed 40 ringgit, or 1.06%, lower at 3,735 ringgit (\$878.00) a metric ton.

The contract shrunk 2.2% last week.

Ukraine accused Russia on Thursday of using strategic bombers to strike a civilian grain vessel in the Black Sea waters near NATO member Romania, raising concerns over sunoil's supply.

India, the biggest importer of edible oils, imposed a 20% basic customs duty on crude palm oil, crude soyoil and crude sunflower oil from Sept. 14.

The move will effectively increase the total import duty on the three oils to 27.5% from 5.5% as they are subject to India's Agriculture Infrastructure and Development Cess and Social Welfare Surcharge.

Malaysia maintained its October export tax for crude palm oil at 8% and lowered its reference price, per a circular on the Malaysian Palm Oil Board website.

According to oil world report, export of crude palm oil plummeted to 174 Thd T in July, with most of the decline in shipments to India.

Seasonally high production exceeded net exports last month while domestic usage in Malaysia continued to trail the year-ago level, raising Malaysian palm oil stocks to a 6-month high of 1.88 Mn T as of end of August.

For the week, FCPO prices is expected to trade lower for the week as high Malaysian palm oil stocks and weak demand of main importing countries.

Call of The Week:

## Mildly Bearish

17/09/2024

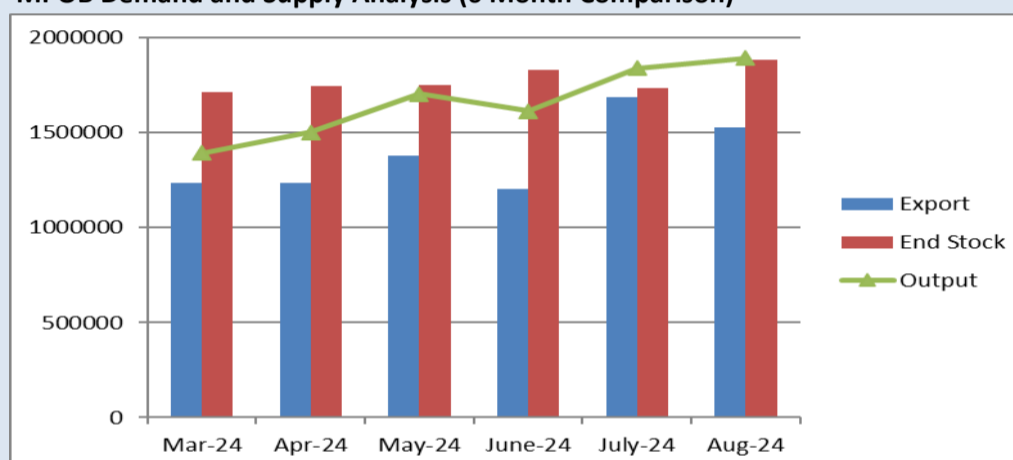
### Fundamental Data

#### Malaysia Palm Oil Board Data ('000 tonnes)

	Aug-24	Jul-24	Diff.	MoM%	Aug-23	YoY%
Opening Stocks	1733	1829	-96	-5.25%	1734	-0.06%
Production	1894	1841	53	2.88%	1753	8.04%
Imports	9	10	-1	-10.00%	111	-91.89%
<b>Total Supply</b>	<b>3636</b>	<b>3680</b>	<b>-44</b>	<b>-1.20%</b>	<b>3598</b>	<b>1.06%</b>
Exports	1525	1689	-164	-9.71%	1222	24.80%
Dom Disapp	228	258	-30	-11.63%	251	-9.16%
<b>Total Demand</b>	<b>1753</b>	<b>1947</b>	<b>-194</b>	<b>-9.96%</b>	<b>1473</b>	<b>19.01%</b>
End Stocks	1883	1733	150	8.66%	2125	-11.39%
<b>Stock/Usage Ratio</b>	<b>8.95%</b>	<b>7.42%</b>			<b>12.02%</b>	

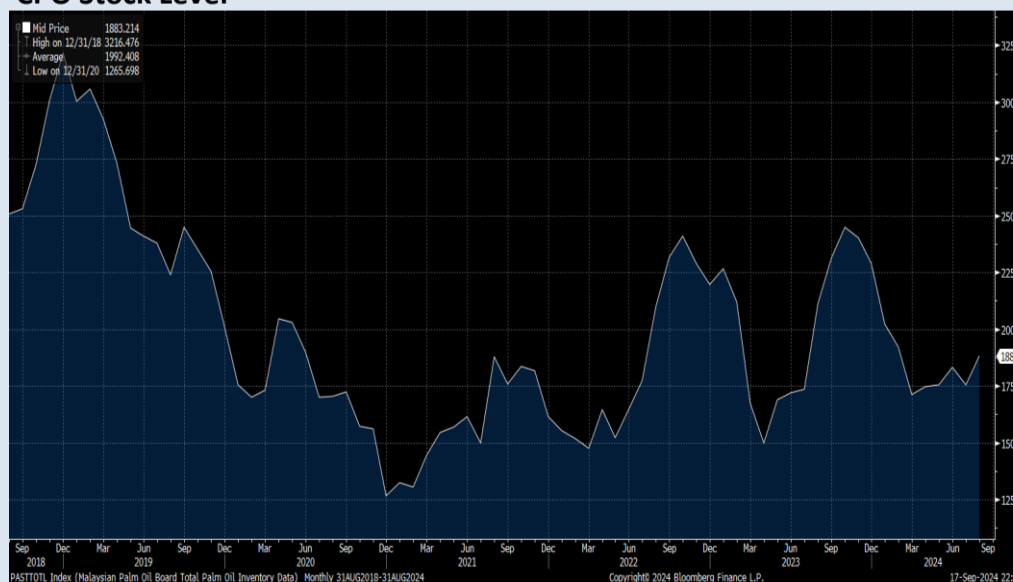
Source: MPOB/ Phillip Capital

#### MPOB Demand and Supply Analysis (6 Month Comparison)



Source: MPOB/ Phillip Capital

#### CPO Stock Level



Source: Bloomberg/ Phillip Capital

Chart of the Day - Crude Palm Oil Daily Chart



Source: Phillip Nova/Phillip Capital

Based on the daily chart, FCPO has broken the psychological support level of 3800. The price is going to test the next support level of 3730 before going to the previous low at 3605. For the week, FCPO might trading in the range of 3800 to 3650.

**Chong Yong Lin**  
chong.yonglin@phillipcapital.com.my

**Abigail Chung Ing Yien**  
abigail.chung@phillipcapital.com.my

**Soon Kai Seong**  
soon.kaiseong@phillipcapital.com.my

**CONTACT US:**

**Kuala Lumpur Headquarters:**  
(+603) 2711 0026  
pfsb\_research@poems.com.my

**Johor Branch:**  
(+607) 557 2188  
pcjb@phillipcapital.com.my

**Kuching Branch:**  
(+6082) 247 6333  
pckc@phillipcapital.com.my

**Sibu Branch:**  
(+6084) 377 933  
pcsibu@phillipcapital.com.my

**Kota Damansara Branch:**  
(+603) 9212 2818  
pckd@phillipcapital.com.my

**Penang Branch:**  
(+604) 202 0039  
pcpg@phillipcapital.com.my

**Malacca Branch:**  
(+606) 225 0018  
pcmk@phillipcapital.com.my

**Kota Kinabalu Branch:**  
(+6088) 335 346  
pckk@phillipcapital.com.my

**Official Website: [www.phillip.com.my](http://www.phillip.com.my)**

**Official Facebook Page: [www.facebook.com/PhillipCapitalSdnBhd](https://www.facebook.com/PhillipCapitalSdnBhd)**

**DISCLAIMER**

*This publication is solely for information only. It should not be construed as an offer or solicitation for the subscription, purchase or sale of the futures contracts mentioned herein. The publication has been prepared by Phillip Capital Sdn Bhd on the basis of publicly available information, internally developed data and other sources believed to be reliable. Whilst we have taken all reasonable care to ensure that the information contained in this publication is accurate and the opinions are fair and reasonable, it does not guarantee the accuracy or completeness of this publication. Accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of any person or group of persons acting on such information and advice. This publication was prepared without regard to your specific investment objectives, financial situation or particular needs. Whilst views and advice given are in good faith, you should not regard the publication as a substitute for the exercise of your own judgement and should seek other professional advice for*