

# Crude Palm Oil Weekly

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## Market Commentary

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Malaysian palm oil futures rebounded on Monday, following a recovery in rival Dalian oils and weakness in the ringgit.

The Bursa Malaysia Derivatives Exchange's benchmark contract rose 0.23% to 4,827 ringgit (\$1,082.77) a metric ton by the midday break.

The contract fell more than 4% last week.

Malaysia's palm oil stockpiles dropped for a second consecutive month in November, falling 2.6% from the prior month to 1.84 million tons, data from the Malaysian Palm Oil Board (MPOB) showed on Tuesday.

Crude palm oil production declined 9.8% to its lowest level for the month in four years to 1.62 million tons, while palm oil exports plunged 14.7% to 1.49 million tons.

Cargo surveyor Intertek Testing Services said exports of Malaysian palm oil products for Dec. 1-15 fell 9.8% from a month earlier to 671,454 metric tons while AmSpec Agri Malaysia is expected to release its estimates later in the day.

India's palm oil imports in November fell 0.4% from October to 841,993 metric tons, the Solvent Extractors' Association of India said.

According to oil world report, palm oil production has started to recover in the Oct/Dec quarter but still remain below a year earlier. The world production is estimated to reduced compared to last year due to rising domestic consumption in producing countries.

World exports of palm oil are seen falling in calendar year 2024, tightend supplies in the importing countries and contributed to the larger price premiums of palm oil and soya oil in recent months.

Rumors saying that the Indonesian government insists that B40 is to be started in January and blenders are given 2 months to adjust so that full compliance is achieved by March. There have also been rumours that the export levy on palm oil will be raised soon.

For the week, FCPO market is likely to trade in downside bias as lower-than-expected export data released.

Call of The Week:

## Mildly Bearish

16/12/2024

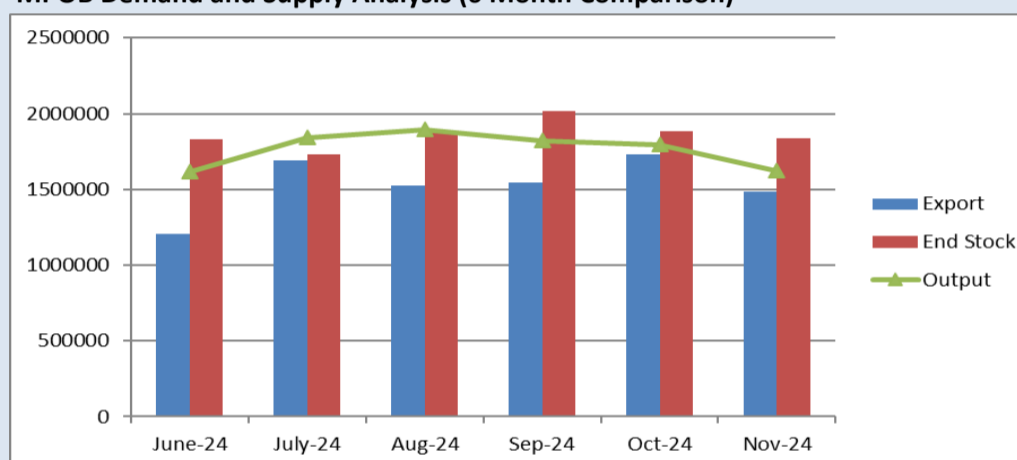
### Fundamental Data

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

	Nov-24	Oct-24	Diff.	MoM%	Nov-23	YoY%
Opening Stocks	1885	2014	-129	-6.41%	2449	-23.03%
Production	1621	1797	-176	-9.79%	1789	-9.39%
Imports	22	16	6	37.50%	39	-43.59%
<b>Total Supply</b>	<b>3528</b>	<b>3827</b>	<b>-299</b>	<b>-7.81%</b>	<b>4277</b>	<b>-17.51%</b>
Exports	1487	1732	-245	-14.15%	1397	6.44%
Dom Disapp	205	210	-5	-2.38%	460	-55.43%
<b>Total Demand</b>	<b>1692</b>	<b>1942</b>	<b>-250</b>	<b>-12.87%</b>	<b>1857</b>	<b>-8.89%</b>
End Stocks	1836	1885	-49	-2.60%	2420	-24.13%
<b>Stock/Usage Ratio</b>	<b>9.04%</b>	<b>8.09%</b>			<b>10.90%</b>	

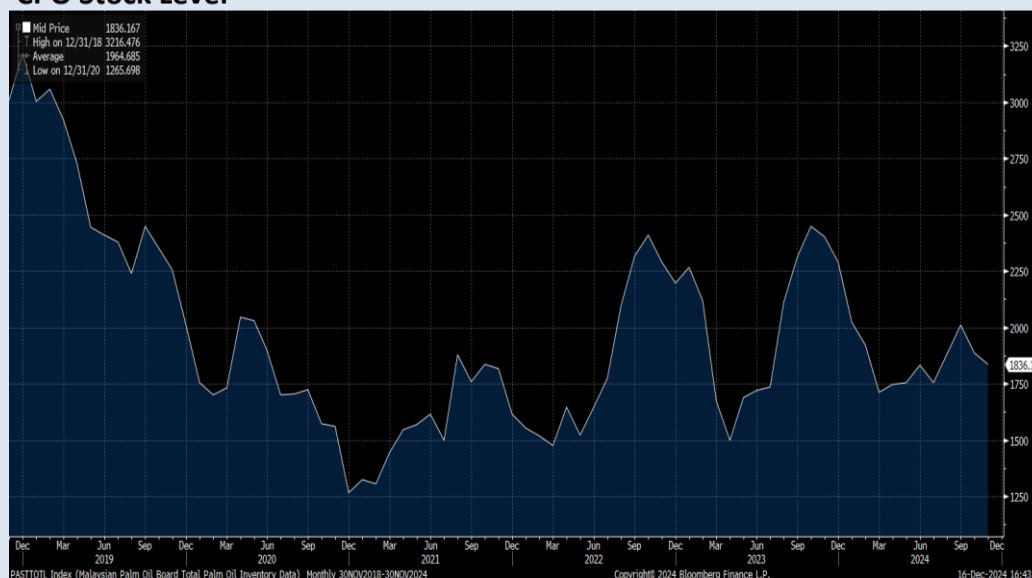
Source: MPOB/ Phillip Capital

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



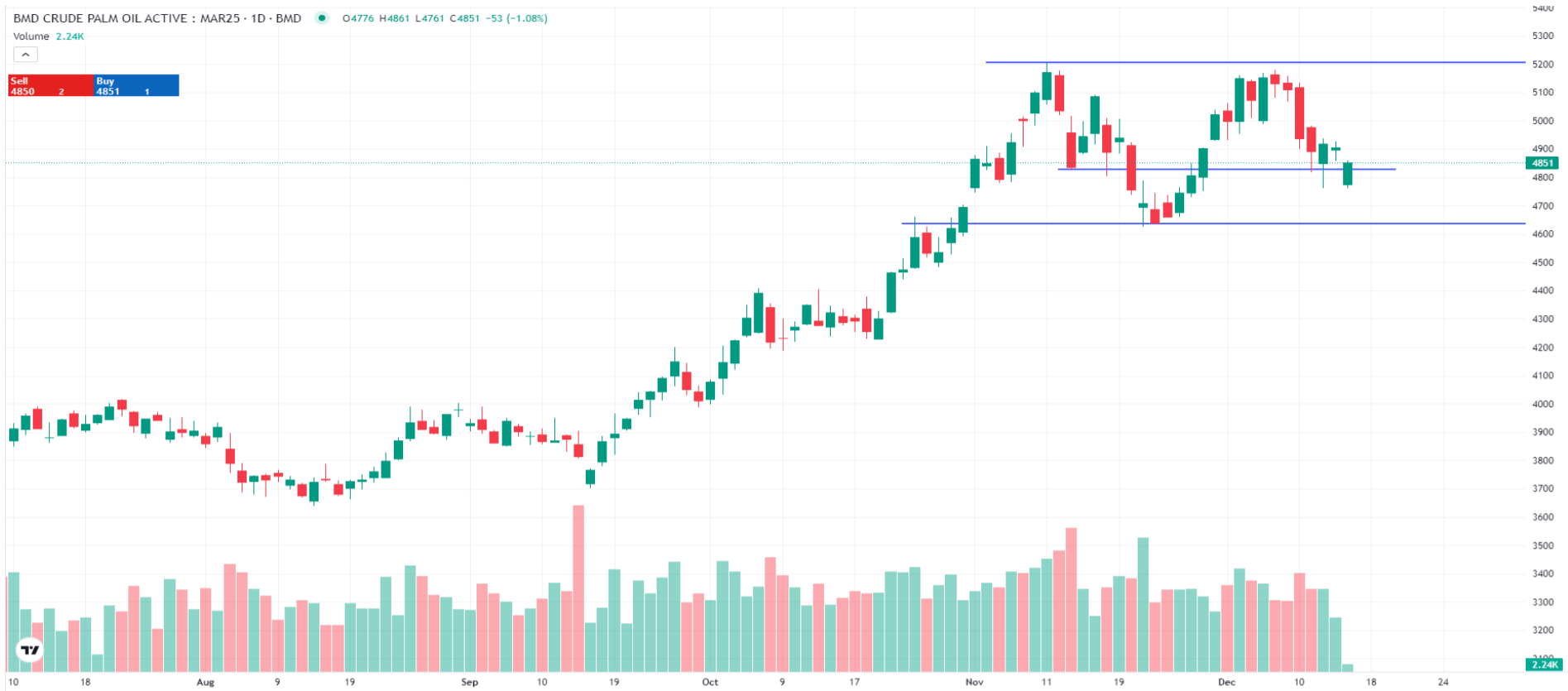
Source: MPOB/ Phillip Capital

#### CPO Stock Level



Source: Bloomberg/ Phillip Capital

Chart of the Day - Crude Palm Oil Daily Chart



Source: Phillip Nova/Phillip Capital

Based on the Nova daily chart, FCPO is retesting a short-term resistance at 4830. If we get a close above this level, we may see price hovering between 4850-5000 for the next few days. If price rejects or break below the 4830 level, then it may head lower to retest support at 4640. For this week, FCPO could trade between 4600-5000.

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