

# Crude Palm Oil Weekly

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## Market Commentary

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Malaysian palm oil futures extended gains on Monday, tracking strength in rival soyoil on Dalian and Chicago markets.

The benchmark palm oil contract for March delivery on the Bursa Malaysia Derivatives Exchange rose 93 ringgit, or 2.12%, to 4,484 ringgit (\$994.90) a metric ton by the midday break.

The contract gained 0.57% this week.

Malaysia's palm oil stocks declined for a third consecutive month, falling 6.91% to 1.71 million metric tons at the end of December, while crude palm oil production fell 8.3% and exports plunged 9.97%, data from the Malaysian Palm Oil Board showed on Friday.

Cargo surveyors estimated that Malaysian palm oil exports fell between 21.4% and 26.8% during the Jan. 1-10 period.

Indonesia has curbed exports of used cooking oil and palm oil residue to ensure supply to domestic cooking oil and biodiesel industries, the government said on Wednesday.

Indonesia's Energy and Mineral Resources Minister signed a decree last Friday allocating 15.6 million kilolitres of biodiesel for 2025 distribution, while giving the industry until the end of next month to adapt.

Crude palm oil was weighed down by weaker soybean oil prices during Asian hours as well as sluggish export pace, which pressured prices, said David Ng, a proprietary trader at Kuala Lumpur-based trading firm Iceberg X Sdn Bhd.

Exports of Malaysian palm oil products for December fell between 2.5% and 7.8%, according to cargo surveyor Intertek Testing Services and independent inspection company AmSpec Agri Malaysia.

Based on the Oil World Report, weak demand for palm oil on the world market results in an increase of stocks in Malaysia to ample or even burdensome levels and consequently in palm oil price discounts. Then, palm oil is losing market share in India and will probably account for only 44% of vegetable oil imports in Jan/March 25 compared with 53% in calendar years 2024.

For this week, FCPO market is likely to trade downside bias as December 2024 monthly report show weaker export and production compare to November 2024.

Call of The Week:

## Mildly Bearish

13/01/2025

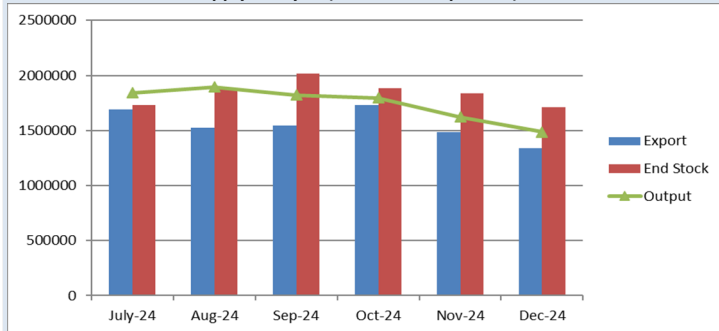
### Fundamental Data

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

	Dec-24	Nov-24	Diff.	MoM%	Dec-23	YoY%
Opening Stocks	1836	1885	-49	-2.60%	2420	-24.13%
Production	1486	1621	-135	-8.33%	1550	-4.13%
Imports	37	22	15	68.18%	40	-7.50%
<b>Total Supply</b>	<b>3359</b>	<b>3528</b>	<b>-169</b>	<b>-4.79%</b>	<b>4277</b>	<b>-21.46%</b>
Exports	1341	1487	-146	-9.82%	1362	-1.54%
Dom Disapp	310	205	105	51.22%	460	-32.61%
<b>Total Demand</b>	<b>1651</b>	<b>1692</b>	<b>-41</b>	<b>-2.42%</b>	<b>1857</b>	<b>-11.09%</b>
End Stocks	1708	1836	-128	-6.97%	2290	-25.41%
<b>Stock/Usage Ratio</b>	<b>8.62%</b>	<b>8.09%</b>			<b>10.90%</b>	

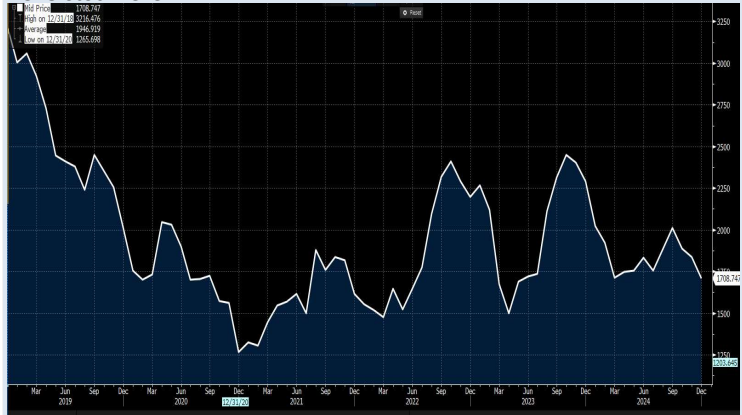
Source: MPOB/ Phillip Capital

#### 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 bearish downtrend stop at support 4224 and shows a reversal signal this week. If the price breakover 4500, it will be a potential continuous upward trend. For this week, FCPO is expected to trade between 4400-4700.

**Lee Ve Jack**  
lee.vejack@phillipcapital.com.my

**Darren Leong Kai Xuan**  
leong.kaixuan@phillipcapital.com.my

**Ooi Chea Lie**  
ooi.chealie@phillipcapital.com.my

**Tai Jen Seng**  
tai.jenseng@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  
pccsbu@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)

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