

Crude Palm Oil Weekly

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Market Commentary

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Malaysian palm oil futures rose for a second session on Monday, tracking Dalian vegetable oils higher, while market participants awaited further direction from Malaysian palm oil exports data for the Jan. 1-20 period.

The benchmark palm oil contract for April delivery on the Bursa Malaysia Derivatives Exchange gained 31 ringgit, or 0.74%, to 4,221 ringgit (\$938.00) a metric ton by 0231 GMT.

The contract fell to its lowest in more than three months earlier in the session, losing 4.51% last week.

Palm oil tracks price movements in rival edible oils as it competes for a share of the global vegetable oils market.

India's palm oil imports are set to plunge to a near five-year low in January, hit by negative refining margins as the tropical oil's premium over rivals drives buyers to more competitively priced soyoil, government and industry officials told Reuters.

Dalian's most-active soyoil contract climbed 1.72%, while its palm oil contract were up 0.99%. The Chicago Board of Trade is closed on Monday for holiday.

Meanwhile, oil prices recovered as supply concerns persisted after Washington imposed two rounds of sanctions in the past two weeks on Russia's energy sector over the Ukraine war.

Cargo surveyors estimated exports of Malaysian palm oil products for Jan. 1-15 are estimated to have fallen between 15.5% and 23.7%.

According to Oil World Report, global import demand of palm oil weakened considerable of late because consumers reacted to the high price premiums and switched to other more attractively priced edible oils.

Malaysian exports of palm oil in January will probably decline as Intertek reports exports during Jan 1-15 down 15% from a month and 10% from a year earlier, subjected to December confirm substantial year-on-year reductions in shipments to India and China, where consumers have switched a large part of their demand from palm oil into edible oils.

Meanwhile in Central America, the palm oil exports continued to decline from a year earlier in Oct/Dec too.

For the week, FCPO market is likely to trade downside, due to weaker demand for palm oil and expected decline in Malaysia palm oil exports.

Call of The Week:

Mildly Bearish

20/01/2025

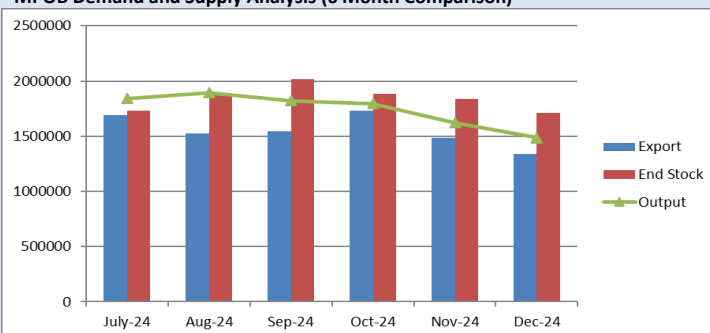
Fundamental Data

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%
Total Supply	3359	3528	-169	-4.79%	4277	-21.46%
Exports	1341	1487	-146	-9.82%	1362	-1.54%
Dom Disapp	310	205	105	51.22%	460	-32.61%
Total Demand	1651	1692	-41	-2.42%	1857	-11.09%
End Stocks	1708	1836	-128	-6.97%	2290	-25.41%
Stock/Usage Ratio	8.62%	8.09%			10.90%	

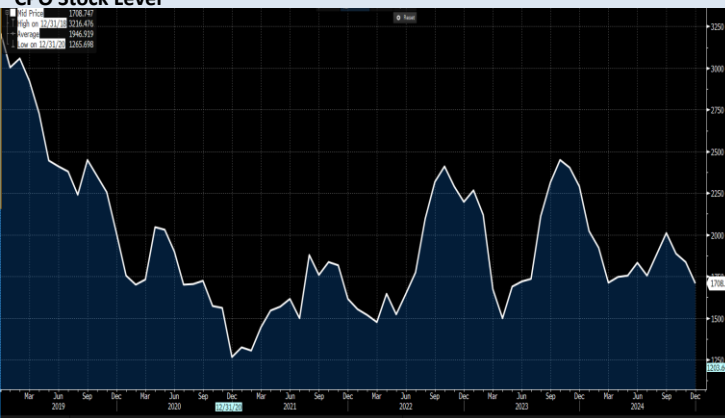
Source: MPOB/ Phillip Capital

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 has surpassed the first minor resistance and is now pushing toward the 38.2% Fibonacci retracement level. Previously, the price experienced a quick rebound after surpassing this level but was rejected at the EMA. We may see a pullback or consolidation if the price rejects this resistance around the 4332 level. For this week, FCPO is likely to trade within the range of 4100 to 4500, with potential for price fluctuations between these

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

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

Darren Leong Kai Xuan
 leong.kaixuan@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
 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

Official Facebook Page: www.facebook.com/PhillipCapitalSdnBhd

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