Crude Palm Oil Weekly

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Market Commentary

Call of The Week: **Range Bound**

3/11/2025

Market Commentary:

Malaysian palm oil futures extended losses on Monday, weighed down by weaknesses in rival edible oils on the Dalian exchange, while increased production continued to pressure prices.

The benchmark palm oil contract for January delivery on the Bursa Malaysia Derivatives Exchange lost 61 ringgit, or 1.45%, to 4,146 ringgit ($981.53) a metric ton by the midday break.

"Futures were weighed down by weaknesses in the Dalian market. There is also an increase in production, which continued to pressure prices. On the other side of the equation, we see good demand creation, which will eventually lead to better exports in November and December," said Paramalingam Supramaniam, director at Selangor-based brokerage Pelindung Bestari.

Dalian's most-active soyoil contract lost 0.74%, while its palm oil contract shed 1.5%. Soyoil prices on the Chicago Board of Trade (CBOT) gained 0.49%.

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

Exports of Malaysian palm oil products rose 4.3% month-on-month in October, independent inspection company AmSpec Agri Malaysia said, while they rose 5.2%, according to cargo surveyor Intertek Testing Services.

Oil prices climbed on Monday after OPEC+ decided to hold off production hikes in the first quarter of next year, which eased rising fears of a supply glut, but weak factory data in Asia capped the gains.

Stronger crude oil futures make palm a more attractive option for biodiesel feedstock.

U.S. soybean futures hit a 15-month high on Friday, posting their biggest monthly gains in almost five years on hopes of increased Chinese buying, traders said.

Based on <Oil World Report>, in July/Oct 2025 world exports of soybeans to China increadsed by an estimated 6.5-7.0 Mn T from a year earlier, despite no shipments from the USA. This is quite astounding and will lead to a corresponding increase in arrivals in China until end-Nov or mid-Dec, considering the time for shipping and unloading of 4-6 weeks.

For this week, FCPO is likely to trade with a range but mildly bullish bias, supported by stronger rival oils and seasonal supply decline. However, strong Chinese demand for U.S. soybeans may shift a short-term pullback for the market.

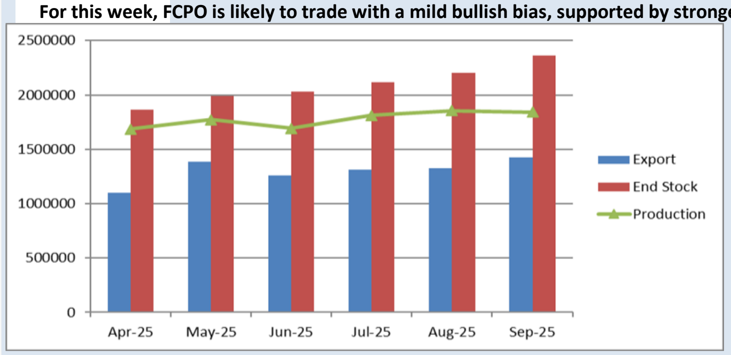
Fundamental Data

Malaysia Palm Oil Board Data ('000 tonnes)

	Sep-25	Aug-25	Diff.	MoM%	Aug-24	YoY%
Opening Stocks	2203	2113	90	4.26%	1829	20.45%
Production	1841	1855	-14	-0.75%	1615	13.99%
Imports	78	49	29	59.18%	12	550.00%
Total Supply	**4122**	**4017**	**105**	**2.61%**	**3456**	19.27%
Exports	1427	1324	103	7.78%	1205	18.42%
Dom Disapp	335	490	-155	-31.63%	4080	-91.79%
Total Demand	**1762**	**1814**	**-52**	**-2.87%**	**5285**	-66.66%
End Stocks	2360	2203	157	7.13%	1829	29.03%
Stock/Usage Ratio	**11.16%**	**9.02%**			**2.88%**	

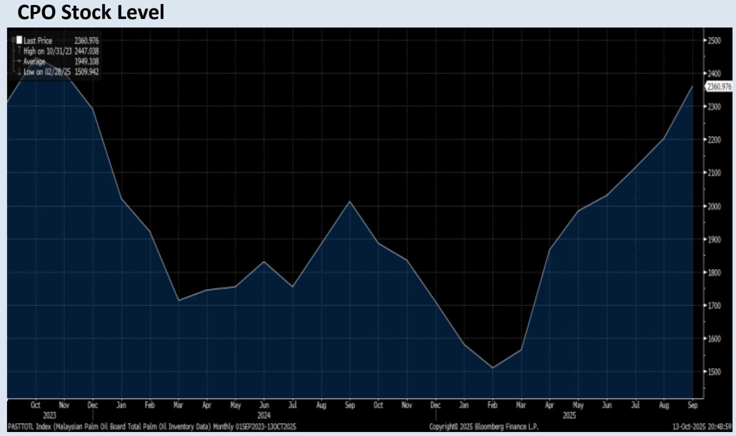
Source: MPOB/ Phillip Capital

For this week, FCPO is likely to trade with a mild bullish bias, supported by stronger



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, the market turned weaker last Monday and shows a downtrend bias. The next strong support level is at 4,150. A break below this level could trigger panic selling. For this week, the FCPO market is expected to trade within the range of 4,400 to 4,100.

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