

Crude Palm Oil Weekly

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Market Commentary

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Malaysian palm oil futures inched higher on Monday after falling for two straight sessions, driven by anticipated lower output in May, but concerns over Indonesia's B50 biodiesel mandate and its export policies capped the gains.

The contract rose 0.42% last week.

The benchmark palm oil contract for August delivery on the Bursa Malaysia Derivatives Exchange was up 19 ringgit, or 0.42%, at 4,573 ringgit (\$1,123.59) a metric ton at the close.

The market traded higher on anticipation of a bigger-than-expected decline in Malaysian palm oil production in May, a weaker ringgit, and a rebound in energy prices.

The Malaysian Palm Oil Board is expected to release its monthly supply and demand data on June 10.

The recovery in Chicago soyoil futures also helped to prop up prices.

However, a continued lack of clarity around Indonesia's mandatory blending rate for palm-based biodiesel to 50%, or B50, and the prospects of aggressive Indonesian cash market palm oil selling ahead of the full implementation of the new export system may hinder a recovery in Malaysian palm oil prices.

Soyoil prices on the Chicago Board of Trade were up 0.38%. Dalian's most-active soyoil contract fell 0.82%, while its palm oil contract shed 0.49%.

Oil prices rose more than 4%, as renewed Israeli strikes on Iran and fresh attacks on Lebanon soured hopes of an imminent end to the wider war.

The ringgit, palm's currency of trade, weakened 1.12% against the dollar, making the commodity cheaper for buyers holding foreign currencies.

Based on the <Oil World Report>, exports of crude and further processed palm oil recovered sharply to 2.2 million tons in April, reversing the setback registered in March and bring the total to 9.0 million tons in Jan/April 2026. However, it is interesting to note that Indonesian crude palm oil exports almost doubled to 1.0 million tons in Jan/April, almost exclusively earmarked for India.

This week, FCPO might trade higher due to firmer Chicago soyoil prices and a weaker ringgit.

Call of The Week:

Range-Bound

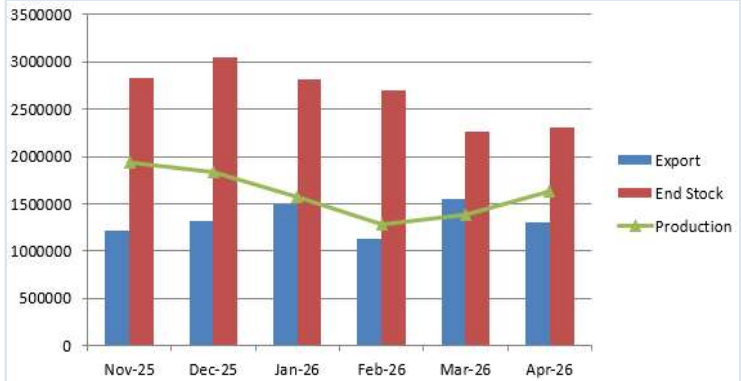
08/06/2026

Fundamental Data

Malaysia Palm Oil Board Data ('000 tonnes)

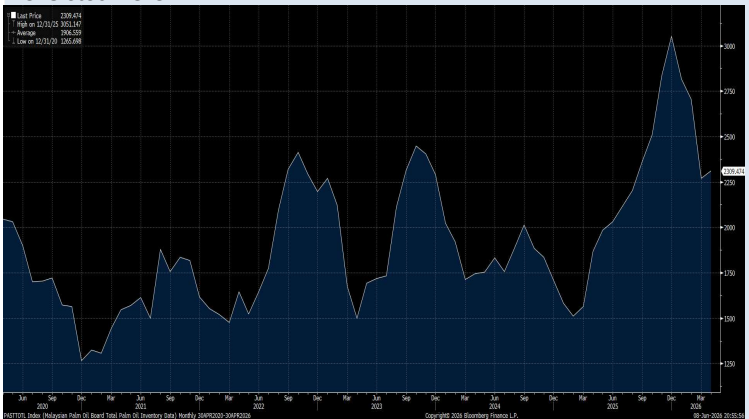
	Apr-26	Mar-26	Diff.	MoM%	Apr-25	YoY%
Opening Stocks	2267	2704	-437	-16.16%	1562	45.13%
Production	1629	1376	253	18.39%	1685	-3.32%
Imports	75	66	9	13.64%	58	29.31%
Total Supply	3971	4146	-175	-4.22%	3020	31.49%
Exports	1302	1151	151	13.12%	1043	24.83%
Dom Disapp	360	728	-368	-50.55%	397	-9.32%
Total Demand	1662	1879	-217	-11.55%	1440	15.42%
End Stocks	2309	2267	42	1.85%	1865	23.81%
Stock/Usage Ratio	11.58%	10.05%			10.79%	

Source: MPOB/ Phillip Capital



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 NOVA daily chart, the FCO market is currently consolidating around the 4,600 pivot zone after failing to sustain momentum above the 4,750 resistance area. The recent price action shows a loss of upside momentum following the prior rally, with repeated rejections from the upper resistance band. However, downside remains relatively supported above the 4,450 level, indicating that the market is still trading within a broad range-bound structure rather than a trending phase. A sustained daily close above 4,750 would signal a resumption of bullish momentum and open upside potential toward 4,900, while a break below 4,600 may shift sentiment toward the downside, exposing 4,450 as the next key support.

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