

Crude Palm Oil Weekly

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Market Commentary

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Malaysian palm oil futures fell on Monday, tracking tracking weakness in Dalian's edible oils, while traders awaited the Malaysian Palm Oil Board (MPOB) data due on Wednesday.

The benchmark palm oil contract for November delivery on the Bursa Malaysia Derivatives Exchange lost 4 ringgit, or 0.09%, to 4,444 ringgit (\$1,053.58) a metric ton by the midday break.

Prices were pressured by a lack of fresh buying, particularly from India, amid concerns that stronger production in Malaysia and Indonesia during August could lift stocks further.

Dalian's most-active soyoil contract dropped 0.1%, while its palm oil contract shed 0.4%. Soyoil prices on the Chicago Board of Trade (CBOT) gained 0.35%.

Malaysia's palm oil inventories are forecast to rise for a sixth consecutive month in August, as production continues to outpace exports despite a recovery in demand, a Reuters survey showed.

Meanwhile, China's soybean imports rose to 12.28 million metric tons, or 1.15% year-on-year, the highest-ever for the month of August, customs data showed on Monday.

Oil prices gained more than 1%, trimming some of last week's losses, as the prospect of more sanctions on Russian crude after an overnight strike on Ukraine offset OPEC+'s planned output increase.

The ringgit (MYR), palm's currency of trade, firmed 0.05% against the dollar, making the commodity slightly expensive for buyers holding foreign currencies.

Based on <Oil World Report>, palm oil exports remain resilient — June–July shipments from Malaysia, Indonesia, Thailand, and Ivory Coast climbed 1.06 Mn T y/y to 8.93 Mn T, with stronger buying from India, China, and the EU, where imports rose 7% y/y for the first time in over two years.

The FCPO market is likely to trade with a cautious but mildly firm bias this week. Upside may be capped ahead of MPOB data that could confirm higher stocks, but resilient export demand and stronger crude oil are likely to provide support on dips.

Call of The Week:

Mildly Bullish

08/09/2025

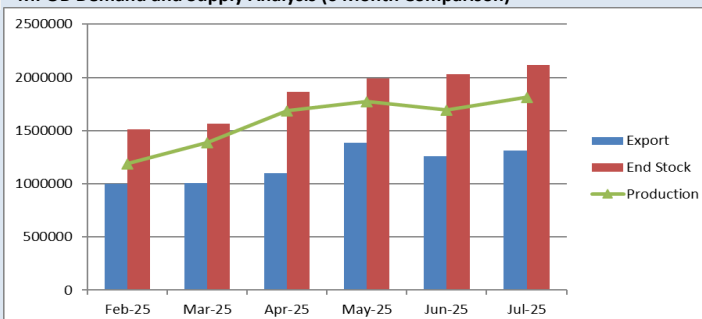
Fundamental Data

Malaysia Palm Oil Board Data ('000 tonnes)

	Jul-25	Jun-25	Diff.	MoM%	Jun-24	YoY%
Opening Stocks	2030	1990	40	2.01%	1829	10.99%
Production	1812	1692	120	7.09%	1615	12.20%
Imports	61	70	-9	-12.86%	12	408.33%
Total Supply	3903	3752	151	4.02%	3456	12.93%
Exports	1309	1259	50	3.97%	1205	8.63%
Dom Disapp	481	463	18	3.89%	4080	-88.21%
Total Demand	1790	1722	68	3.95%	5285	-66.13%
End Stocks	2113	2030	83	4.09%	1829	15.53%
Stock/Usage Ratio	9.84%	9.02%			2.88%	

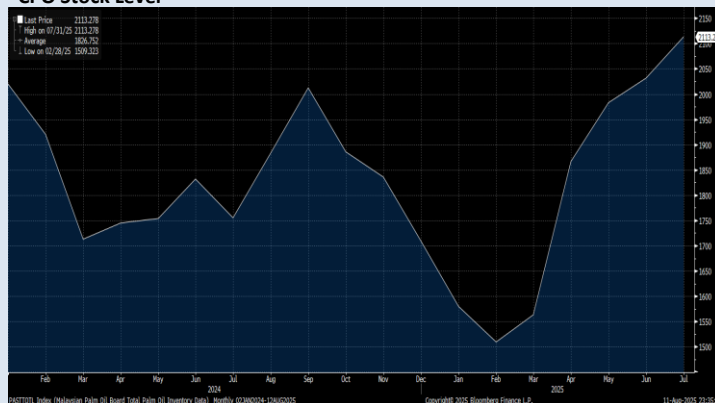
Source: MPOB/ Phillip Capital

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 Nova's daily chart, FCP0 remains in a recovery uptrend since the May lows but momentum has softened after testing 4600, with prices now consolidating near the 0.786 retracement, indicating potential accumulation. A break below this zone could trigger profit-taking towards key support at 4289, while holding above 4447 may revive bullish momentum towards 4600.

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