Crude Palm Oil Weekly

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Market Commentary

Call of The Week: **Mildly Bearish**

21/09/2026

Market Commentary:

Malaysian palm oil futures were muted on Monday, as softer crude and a firmer ringgit curbed buying interest amid thin market participation.

The benchmark palm oil contract for December delivery on the Bursa Malaysia Derivatives Exchange fell 2 ringgit, or 0.04%, to 4,896 ringgit ($1,201.47) a metric ton by the midday break. The contract fell 0.77% in the last session.

The market was pressured by lower oil prices and a stronger ringgit, while last Friday’s decline in open interest also reflected subdued market participation, a Kuala Lumpur-based trader said.

Oil prices slid to their lowest in more than a week on hopes of a diplomatic solutionto the Iran war, amid a UN meet this week, and as investors eyed a partial recovery in shipments from Saudi Arabia, despite ongoing attacks by Yemen's Houthis.

Dalian's most-active soyoil contract rose 0.01%, while its palm oil contract shed 0.21%. Soyoil prices on the Chicago Board of Trade were up 0.07%.

The ringgit, palm's currency of trade, strengthened 0.02% against the dollar, making the commodity slightly expensive for buyers holding foreign currencies.

Cargo surveyor Intertek Testing Services estimated that exports of Malaysian palm oil products for September 1 to 20 fell 12.8% from a month earlier, while AmSpec Agri Malaysia is expected to release its estimates later in the day.

Based on the <Oil World Report>, oil palms have started to suffer from very dry conditions in the past 6-8 weeks in Malaysia, Indonesia and Thailand. Meteorological data now confirm partly severe dryness in many oil palm growing areas for the full month of August as well as first 15 days of September. This will be reflected in reduced yields and production with a timelag of about 10 months. Plam oil production forecast to 83.8 MnT worldwide in Oct/Sept 2026/17 compared with 85.8 MnT a year earlier, with reductions of 1.9 and 0.7 MnT in Indonesia and Malaysia.

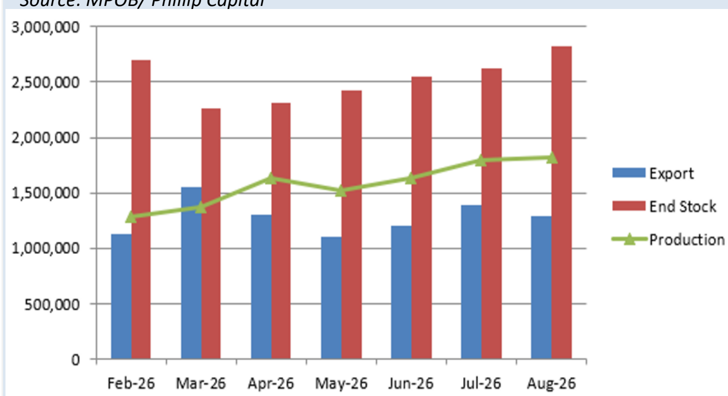
For this week, FCPO may trade within a range with a downside bias, influenced by lower crude oil prices amid the ongoing conflict in the Middle East. In addition, the potential impact of El Niño-related weather conditions on palm oil production may continue to weigh on market sentiment.

Fundamental Data

Malaysia Palm Oil Board Data ('000 tonnes)

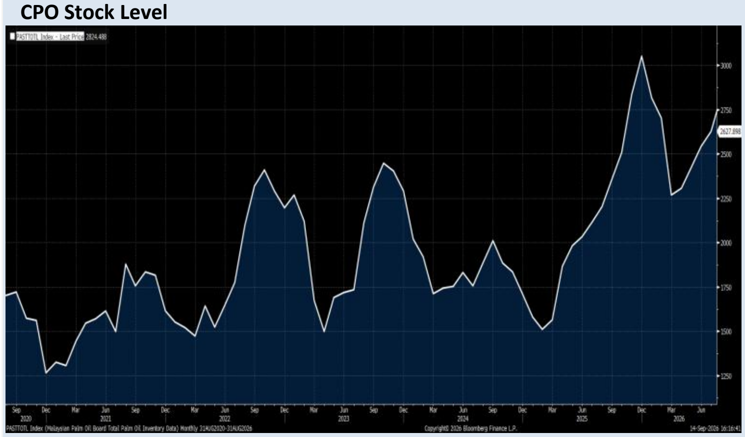
	Aug-26	Jul-26	Diff.	MoM%	Aug-25	YoY%
Opening Stocks	2628	2544	84	3.30%	2113	24.37%
Production	1817	1792	25	1.40%	1855	-2.05%
Imports	49	49	0	0.00%	49	0.00%
Total Supply	**4494**	**4385**	**109**	**2.49%**	**4017**	11.87%
Exports	1294	1392	-98	-7.04%	1324	-2.27%
Dom Disapp	376	365	11	3.01%	490	-23.27%
Total Demand	**1670**	**1757**	**-87**	**-4.95%**	**1814**	-7.94%
End Stocks	2824	2628	196	7.46%	2203	28.19%
Stock/Usage Ratio	**14.09%**	**12.46%**			**10.12%**	

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 the NOVA Daily Chart, the FCPO market may trade within a range with a downside bias and could potentially retest the strong support level at RM4,800, as the market has been under selling pressure since last week.

For this week, FCPO is expected to trade within the range of RM4,745 to RM4,960.

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