

Crude Palm Oil Weekly

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Market Commentary

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Malaysian palm oil futures declined on Monday, pressured by weaker rival Dalian oils, while stronger crude oil prices and a softer ringgit capped the fall.

The benchmark palm oil contract for September delivery on the Bursa Malaysia Derivatives Exchange lost 12 ringgit, or 0.29%, to 4,106 ringgit (\$959.79) a metric ton at the midday break.

The contract rose in the last three consecutive sessions.

Shares slipped in Asia on Monday and oil prices briefly hit five-month highs as investors anxiously waited to see if Iran would retaliate against U.S. attacks on its nuclear sites, with resulting risks to global activity and inflation.

Dalian's most-active soybean contract fell 0.81%, while its palm oil contract shed 0.87%. Soybean on the Chicago Board of Trade (CBOT) added 0.88%.

Oil prices jumped to their highest since January as the United States' weekend move to join Israel in attacking Iran's nuclear facilities stoked supply worries. Stronger crude oil futures make palm a more attractive option for biodiesel feedstock.

Meanwhile, the ringgit (MYR), palm's currency of trade, weakened 0.64% against the dollar, making the commodity cheaper for buyers holding foreign currencies.

According to the Oil World Report, Indonesia is expected to remain the leading palm oil supplier due to favourable weather recently, with production rising by 1.2 Mn T to 49 Mn T.

World import demand of palm oil is anticipated to increase in Oct/Sept 2025/26, driven by price discounts relative to soya oil as expecting India may take advantage of the prospective change in relative prices and replenish palm oil stocks from the comparatively low level at the start of next season.

The palm oil market is expected to trade with a range-bound with slightly bearish bias this week, weighed down by weaker Dalian oils and rising Indonesian supply. Strong crude oil prices and a softer ringgit offer some support, but upside remains limited amid mixed global signals.

Call of The Week:

Range Bound

23/06/2025

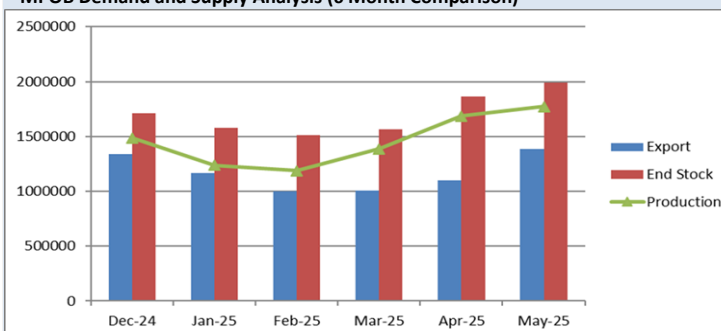
Fundamental Data

Malaysia Palm Oil Board Data ('000 tonnes)

	May-25	Apr-25	Diff.	MoM%	Apr-24	YoY%
Opening Stocks	1865	1562	303	19.40%	1713	8.87%
Production	1771	1685	86	5.10%	1502	17.91%
Imports	68	58	10	17.24%	35	94.29%
Total Supply	3704	3305	399	12.07%	3250	13.97%
Exports	1387	1102	285	25.86%	1234	12.40%
Dom Disapp	327	338	-11	-3.25%	272	20.22%
Total Demand	1714	1440	274	19.03%	1506	13.81%
End Stocks	1990	1865	125	6.70%	1744	14.11%
Stock/Usage Ratio	9.68%	10.79%			9.65%	

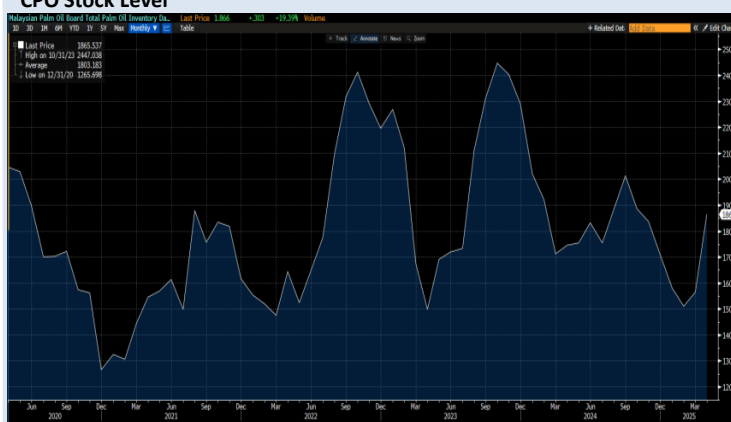
Source: MPOB/ Phillip Capital

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 remains in a short-term uptrend following a bullish gap-up observed last Monday. The price is currently testing a key resistance level at RM4,107, with price action holding constructively above this level. If the price can decisively break and sustain above RM4,220, it could pave the way toward testing the next resistance at RM4,335. However, failure to maintain strength above RM4,107 could trigger a pullback toward the

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