

# MALAYSIA-TURKEY PALM OIL SEMINAR

16-17 MAY 2016, ISTANBUL, TURKEY



## Reading the Lines : Palm Oil Technical Price Outlook 2016

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## CONTENTS:

Recap on price forecast made on February 2016 for 1st half 2015	2
1. Short term analysis of crude palm oil futures price	
<i>Trend Analysis</i>	4
<i>Support and resistance levels</i>	6
2. Chart pattern analysis	8
3. Cycle Analysis	10
4. Price forecast Q2 and Q3 2016	12
5. Price forecast Q4 2016 and Q1 2017	14
6. Price average analysis	17
5. Conclusion and forecast	19

Note: Analysis is based on Bursa Malaysia 3<sup>rd</sup> mth contract price, as at 13 May 2016

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## Recap on last POINTERS presentation on February 2016

1. Historically, Bullish price season has always been in the first and last quarter. Hence, the sentiment in the next two months is expected to be bullish
2. Technical indicators are indicating bullish trend that could last until end March/end April.
3. Resistance level to test and break in the next one month is RM2,650 and if this level is broken, target would be RM2,800 to RM2,900 by End April.

**Price climbed from RM2,600 to RM2,793 (peak on 29<sup>th</sup> March)**

## Recap on last POINTERS presentation on February 2016

4. Moving towards end of first half, price could pull back to RM2,450 to RM2,500.

**To-date, price has pulled back to RM2,586 per MT.**

5. The price is expected to average at RM2,500 for the year 2016

**Average price year-to-date – RM2,590**

**52 week average – RM2,400**

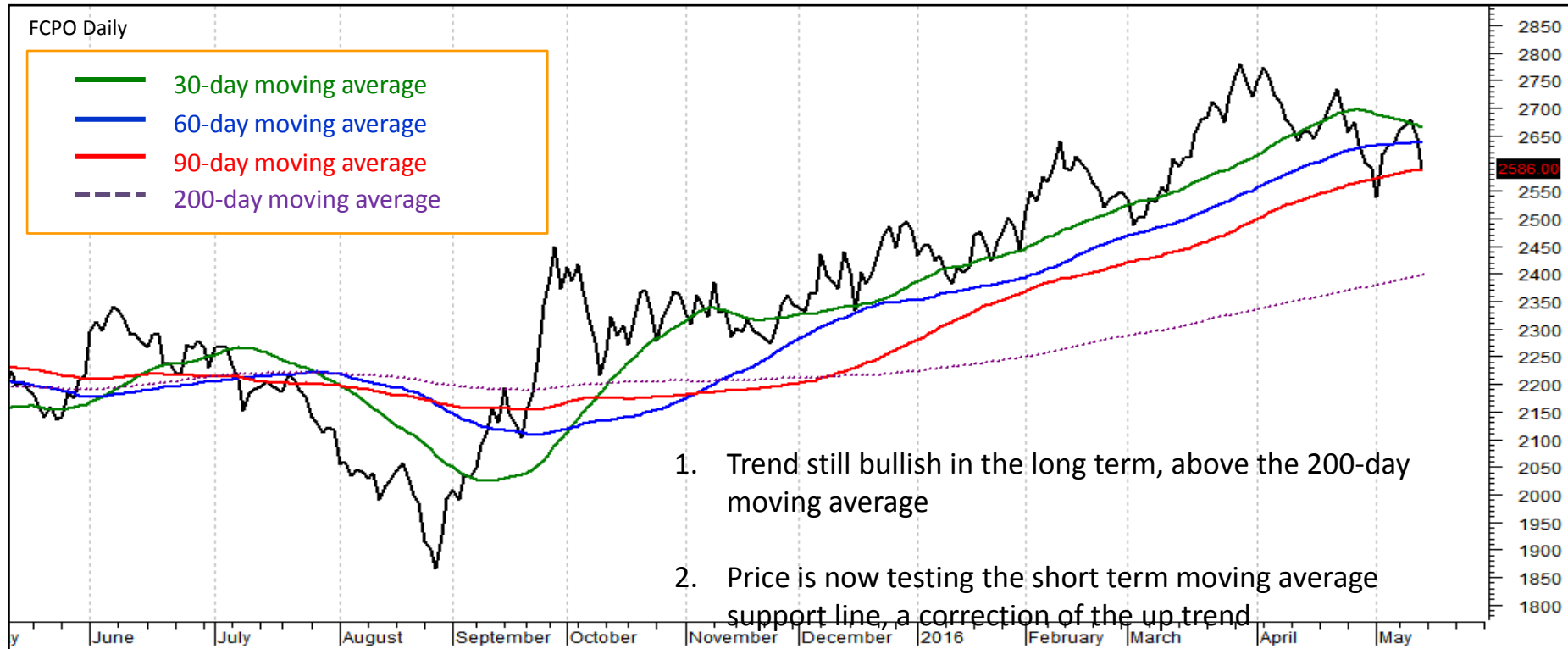
6. Forecast is valid as long as price stays above RM2,450

**Lowest was 2,470, therefore the forecast is still valid**

**Is price going to continue is bullish trend and set a new high this year?**

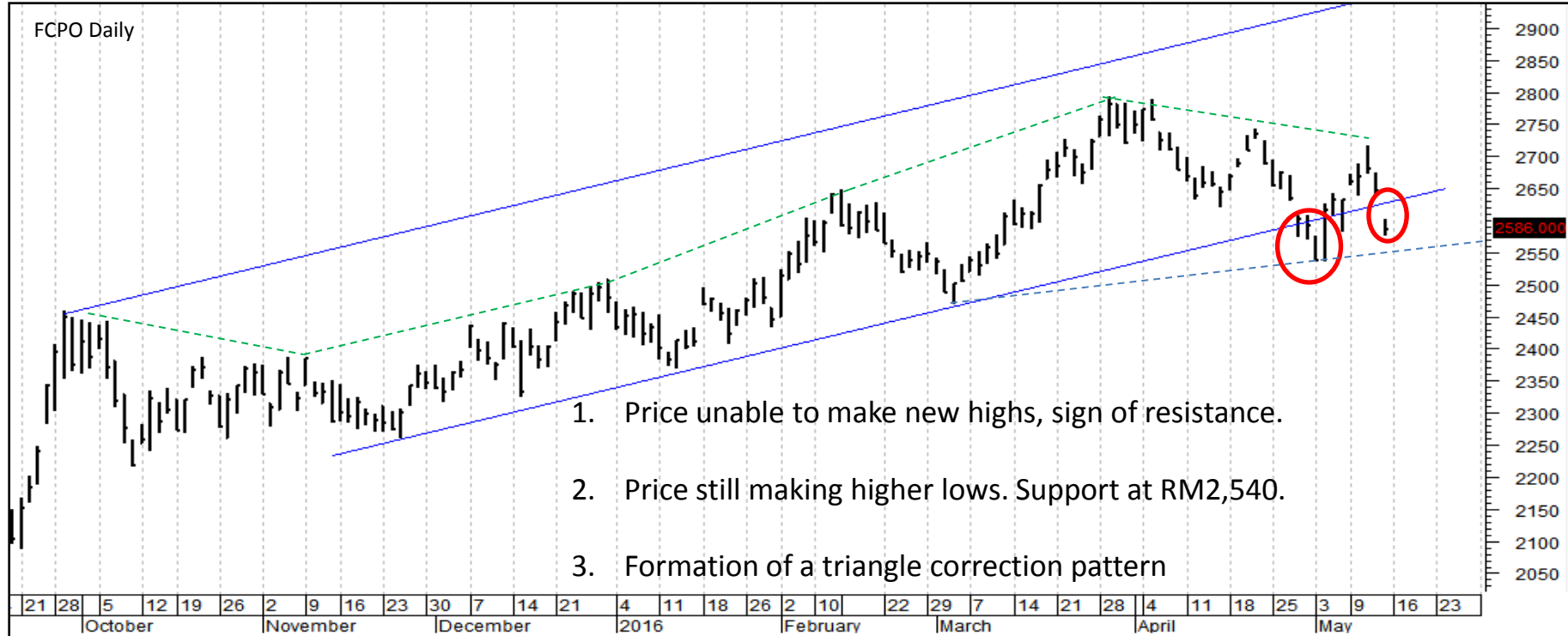
## 1. Short term analysis of crude palm oil futures price

### Trend Analysis



## 1. Short term analysis of crude palm oil futures price

Trend Analysis:



## 1. Short term analysis of crude palm oil futures price

### Support and Resistance



## 1. Short term analysis of crude palm oil futures price

Trend Analysis from previous pages:

1. Trend is bullish in the long term above 200-day moving average (RM2,400)
2. Price testing short term moving averages – a correction of the up trend.
3. Formation of a triangle chart pattern
4. Immediate support level at RM2,560.
5. Immediate resistance level at RM2,690.
6. Price to remain bullish if stays above RM2,560 and to continue its up trend if it climbs above RM2,690.

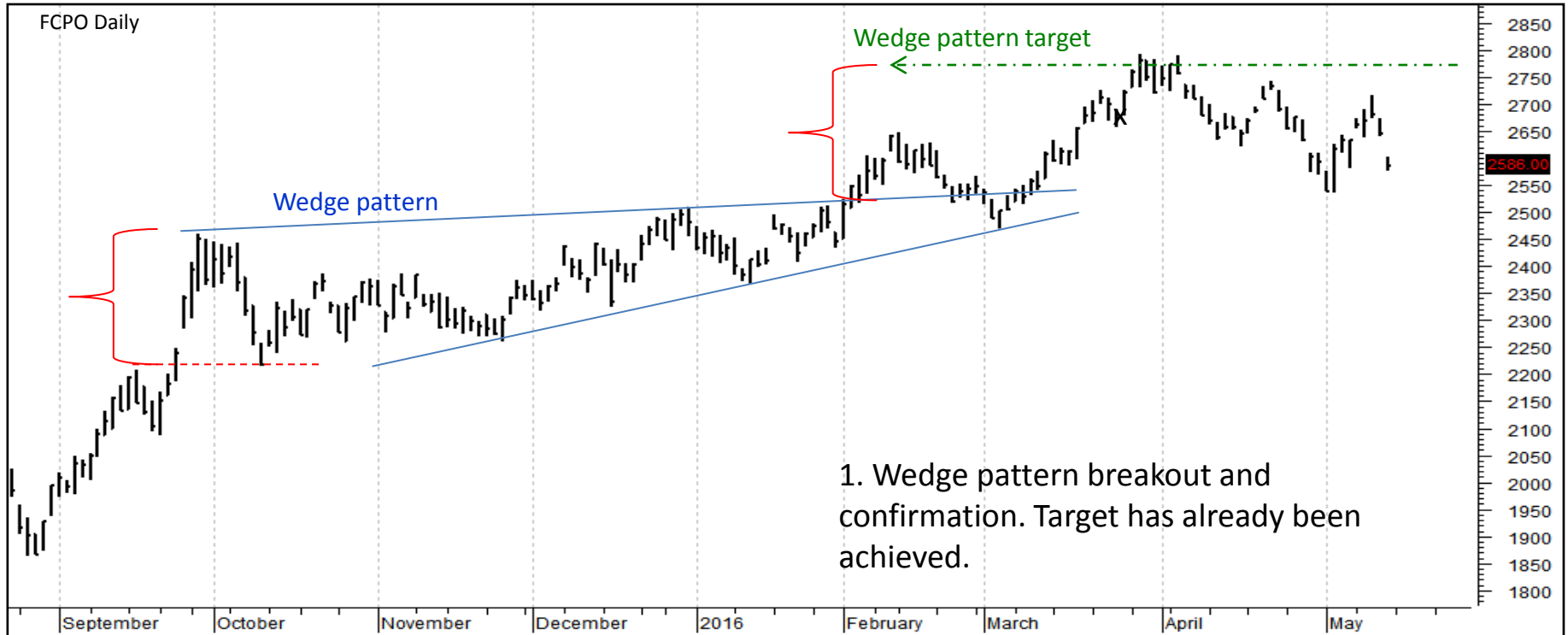
**Can the short term trend continue its bullish trend in the coming months?**



## 2. Chart Pattern Analysis



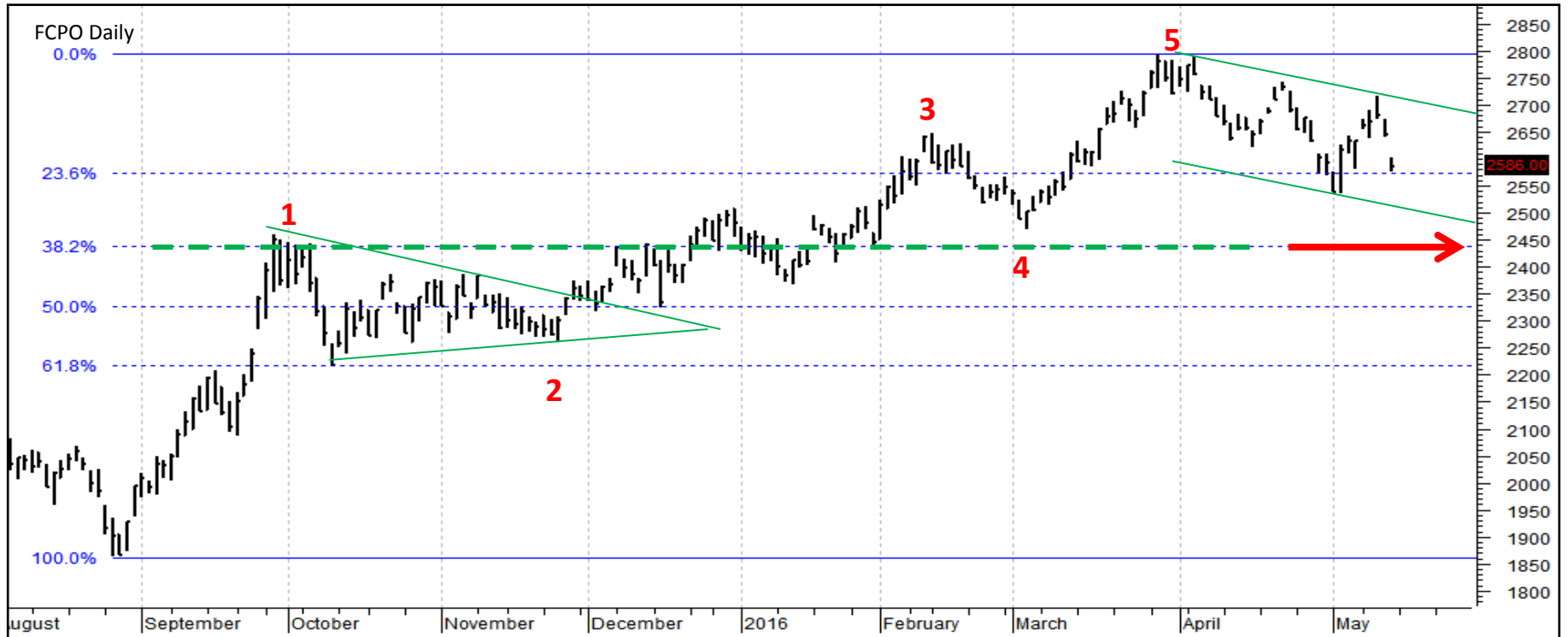
## 2. Chart Pattern Analysis



## 3. Cycle Analysis – Time



## 3. Cycle Analysis – Elliot Wave



## 4. Forecast – Q2 and Q3 2016



## 4. Forecast – Q2 and Q3 2016

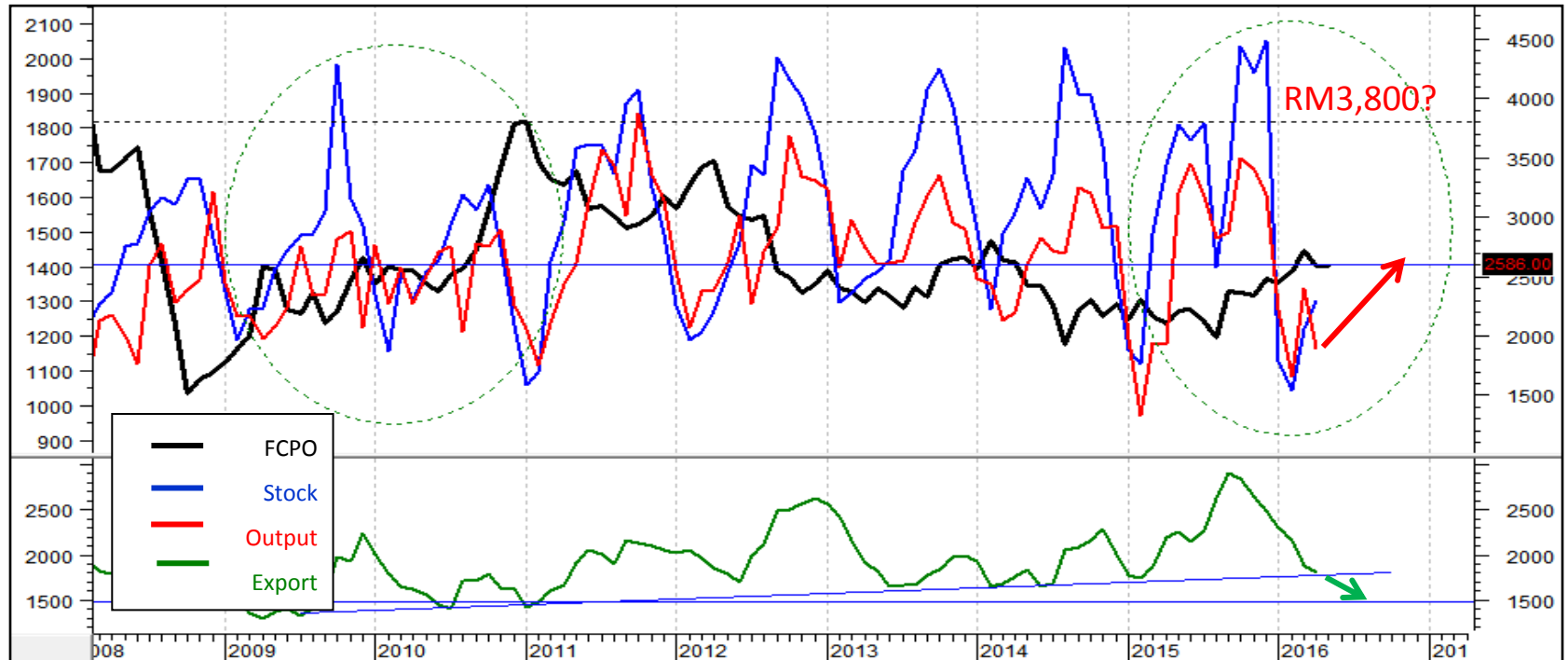
Pattern Analysis from previous pages:

1. Short term trend, based on target patterns, has ended
2. We are moving into a correction phase.
3. From the cycle analysis and Elliot Wave analysis, Price should be trending downwards for a correction.
4. Price should find low in Jul/Aug and be supported above RM2,450
5. Price to trade sideways until September / October.
6. Price to continue its bullish trend in October to 1<sup>st</sup> quarter of the 2017

## 5. Forecast – Q4 2016 and Q1 2017



## 5. Forecast – Q4 2016 and Q1 2017



## Palm oil data analysis



## 5. Forecast – Q4 2016 and Q1 2017

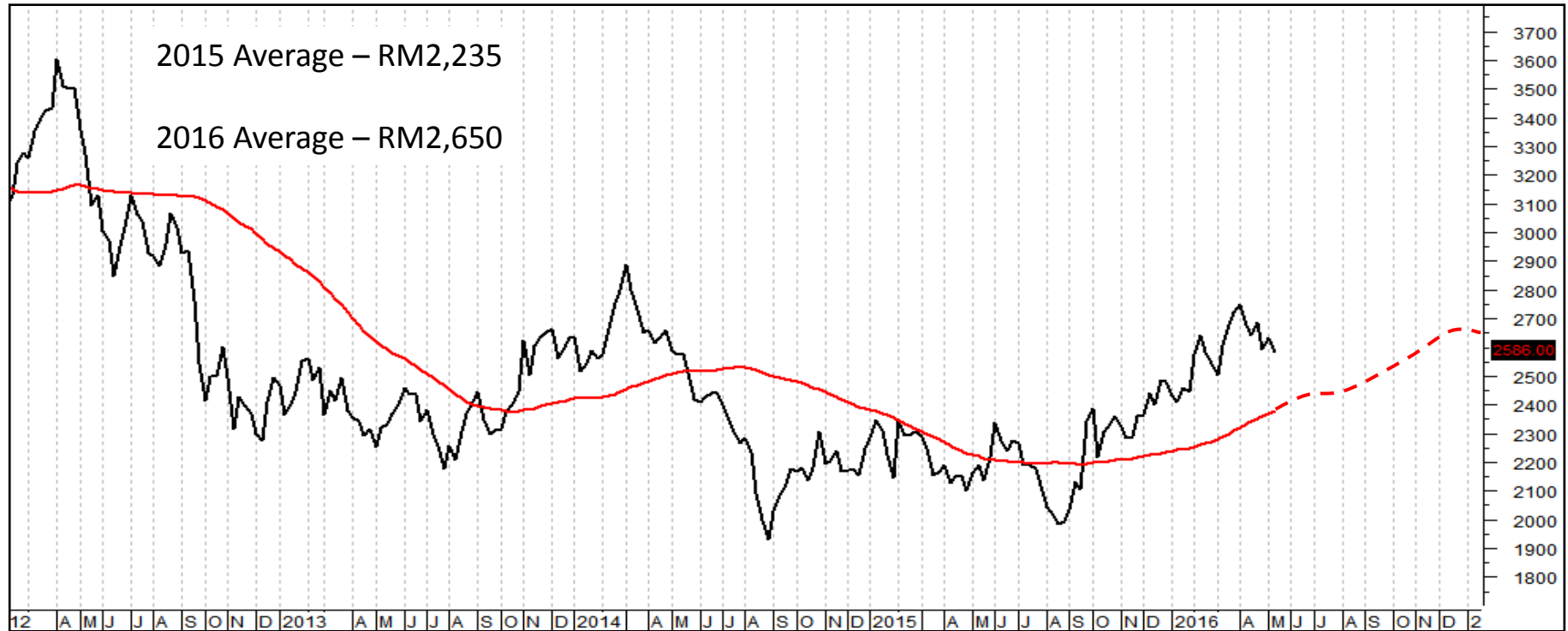
Analysis from previous pages:

1. Price to start trending upwards September onwards till first quarter of 2017.
2. Aggressive/Optimistic Price target is RM3,200. (If inventory can fall to 1.6m tonnes and exports rise above 1.4m tonnes)
3. Conservative target (most likely) RM3,000 if price can stay above RM2,400

## 6. 2016 Price Average Analysis



## 6. 2016 Price Average Analysis



## 7. Summary and conclusion

1. Historically, bearish price season has always been in second and third. Hence, the sentiment in the next two months is expected to be bearish. However, price may be supported on El-nino effect.
2. Price to test support level at RM2,450 and find bottom in July/Aug .
3. Moving towards end of the year, price may climb to RM2,800 and peak at RM3,000 by end of first quarter next year, as long as price stays above RM2,450
4. Price can peak at RM3,200 (aggressive) If inventory can fall to 1.6m tonnes and exports rise above 1.4m tonnes
5. The price is expected to average at RM2,650 for the year 2016, an increase from earlier RM2,500
6. **Forecast is valid as long as price stays above RM2,450**

THANK  
YOU!

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