


## MALAYSIAN PALM OIL TRADE FAIR & SEMINAR

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# Reading the Lines: Palm Oil Technical Price Outlook 2014/2015

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i2MATRIX

READING THE LINES – PALM OIL PRICE OUTLOOK

THE INTELLIGENT INVESTORS MATRIX

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**RE-CAP: My price forecast for palm oil in February 2014 in MPOC's POINTERS. (FCPO price was at RM2,600)**

**Crude Palm Oil forecast for the year**

**FORECAST**

Price of FCPO expected to trend upwards with mild strength.

In the next two months (short term), price may climb to RM2,750.

Till June 2014, expect price to trend higher to RM2,900

Price expected to correct sideways after June until November.

Average price this year expected to be RM2,620

**Validity**

As long as price stays above RM2,500

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

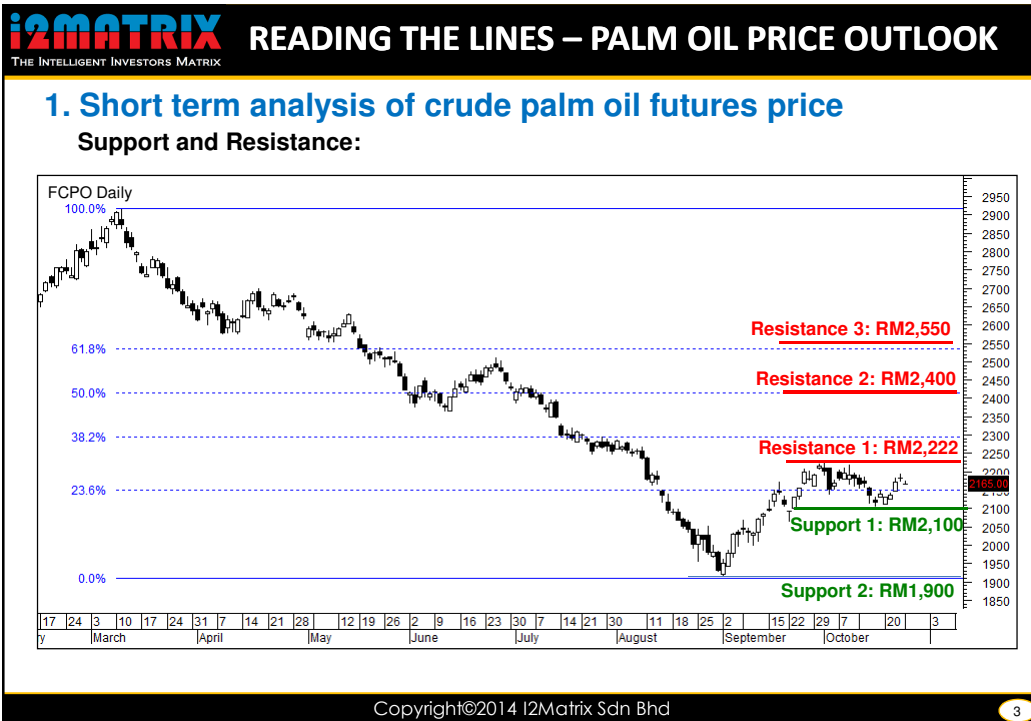
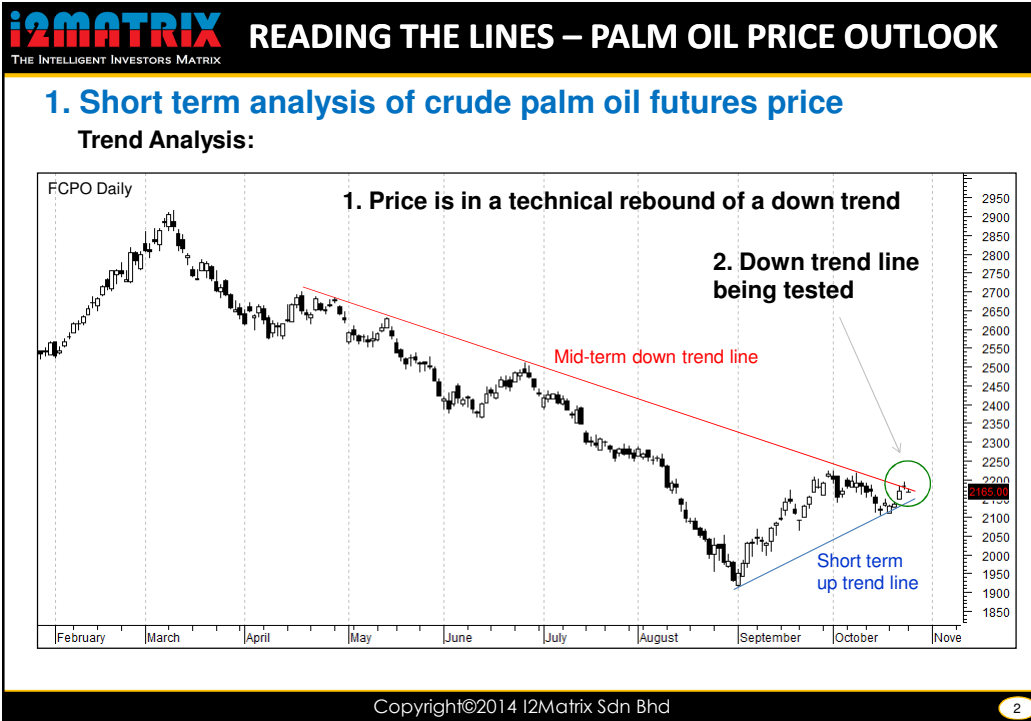
**Trend Analysis:**

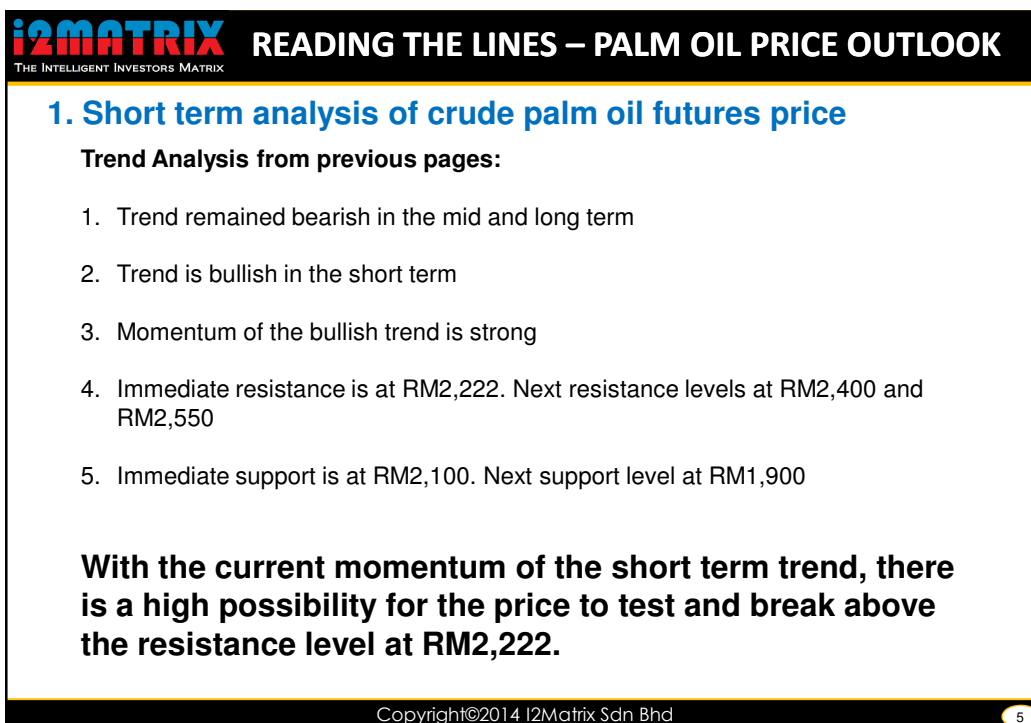
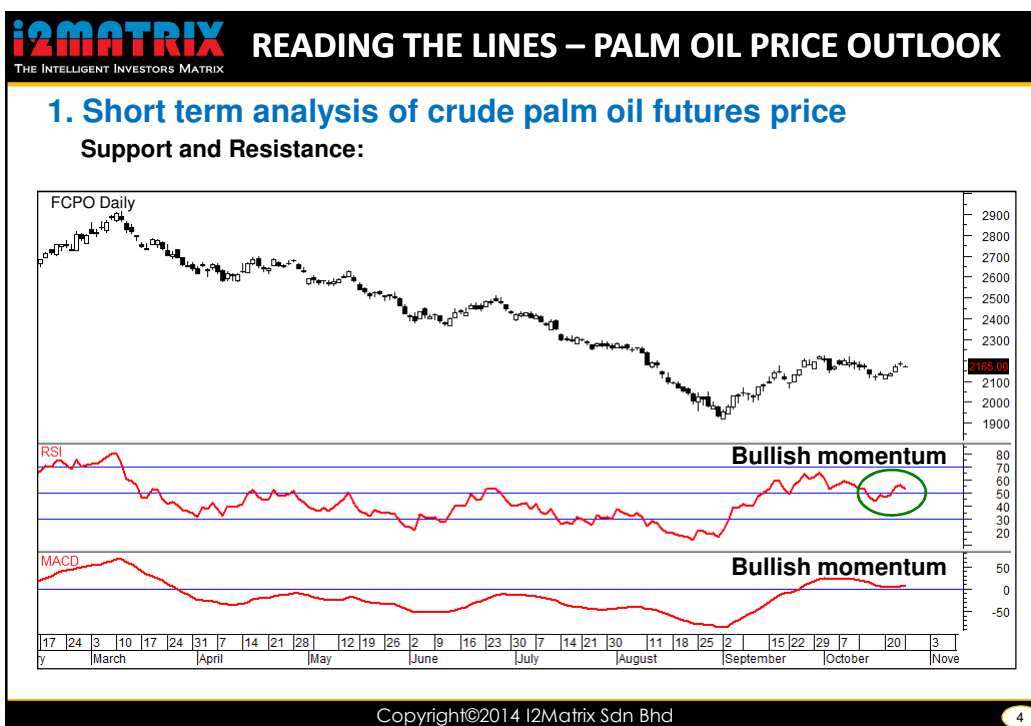
FCPO Daily

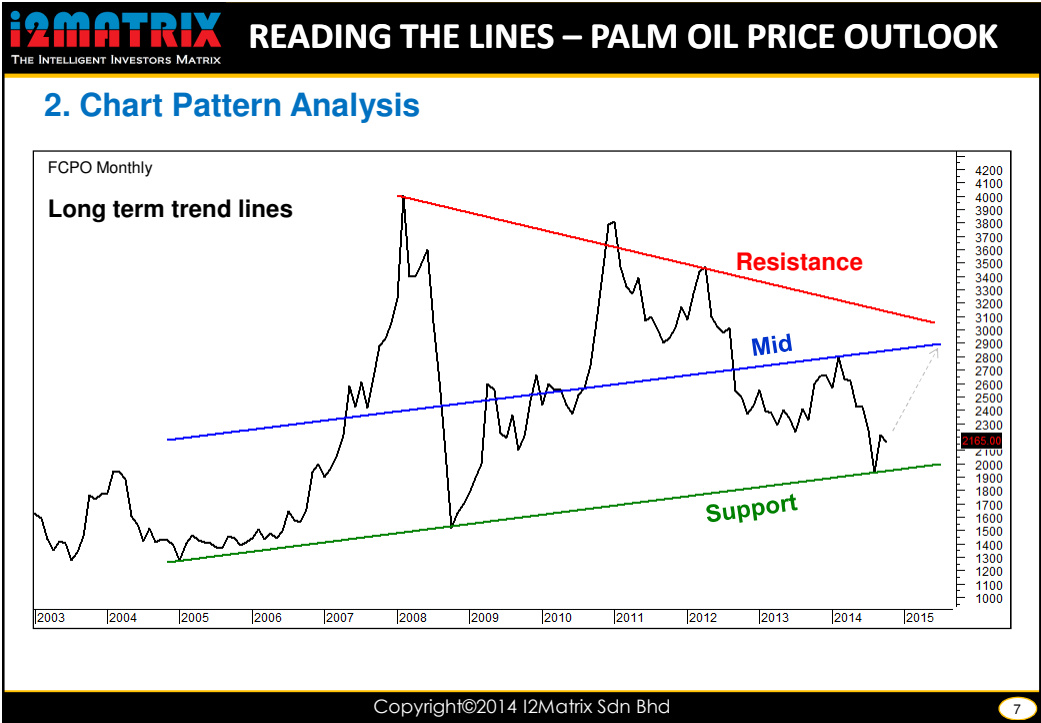
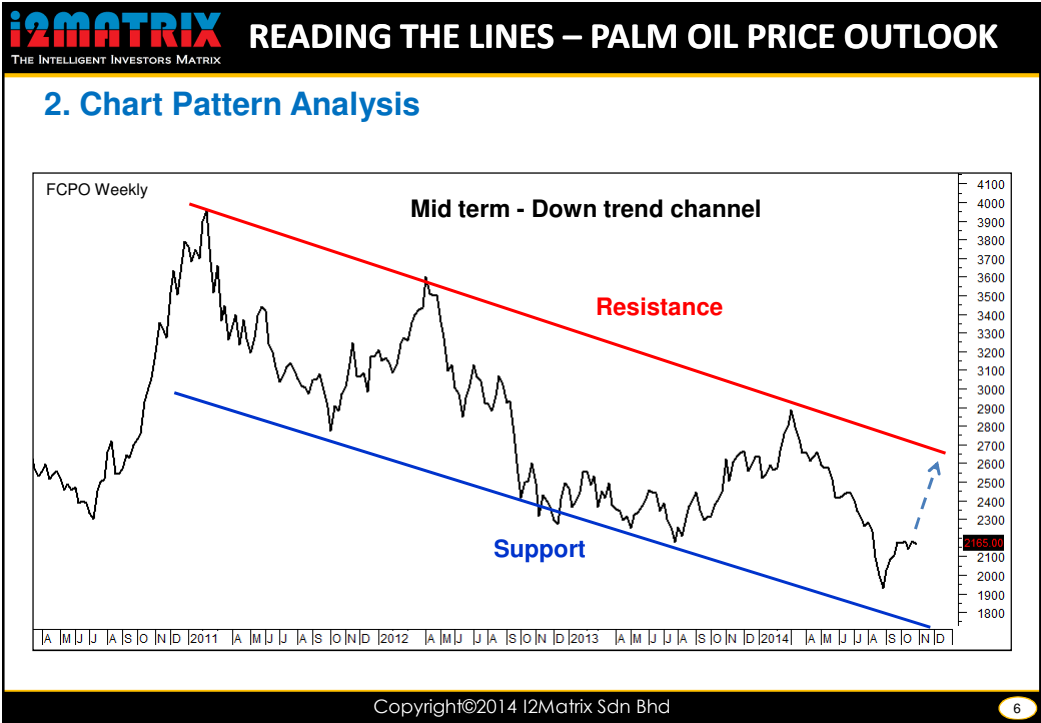
- 30-day moving average
- 60-day moving average
- 90-day moving average
- 200-day moving average

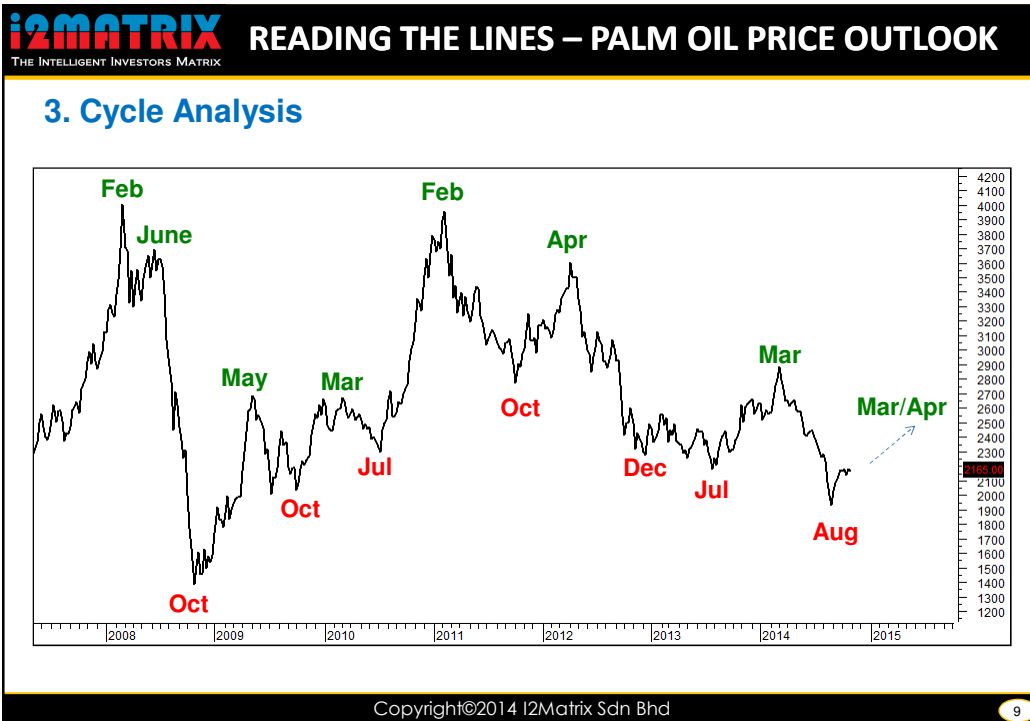
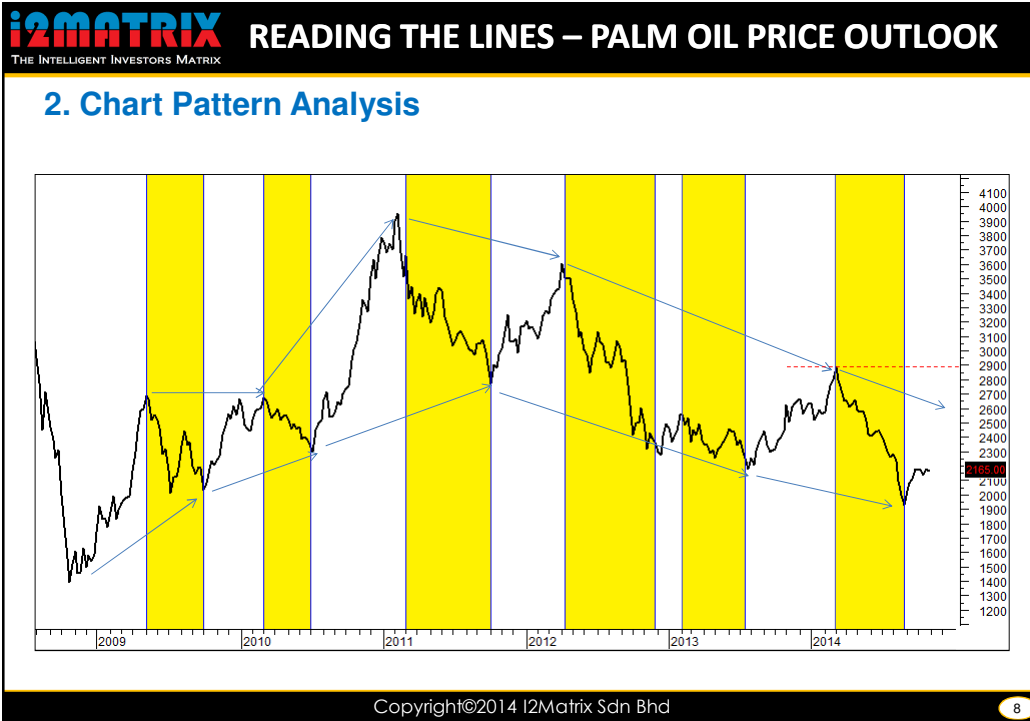
1. Long term trend bearish sine April 2014
2. Short term trend bullish since September 2014

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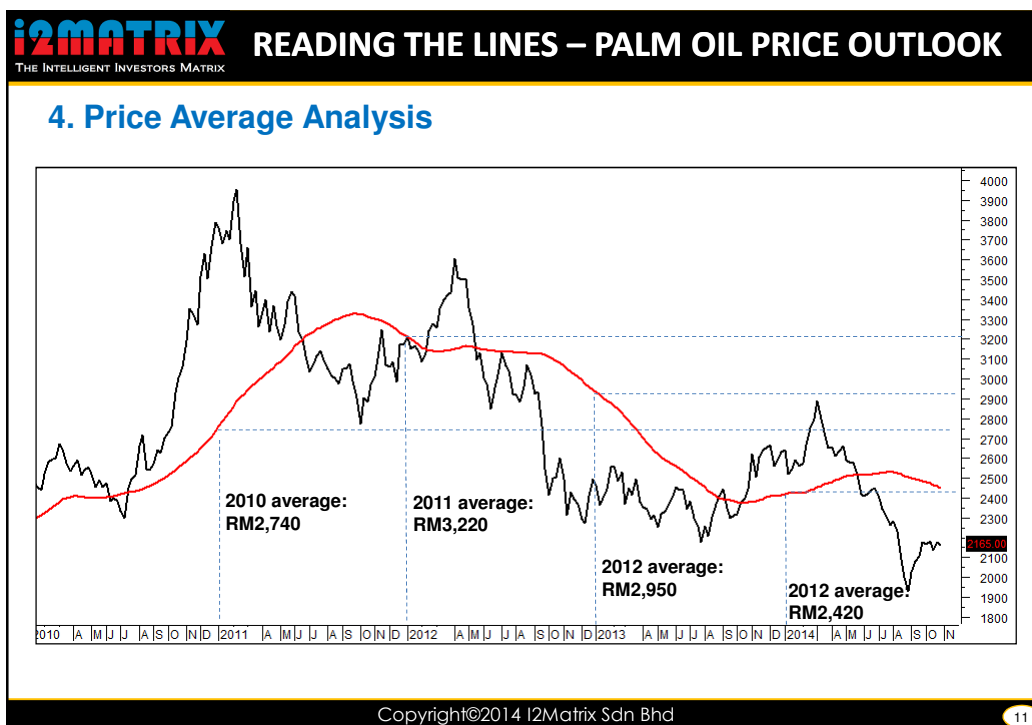
### Chart Pattern and Cycle Analysis

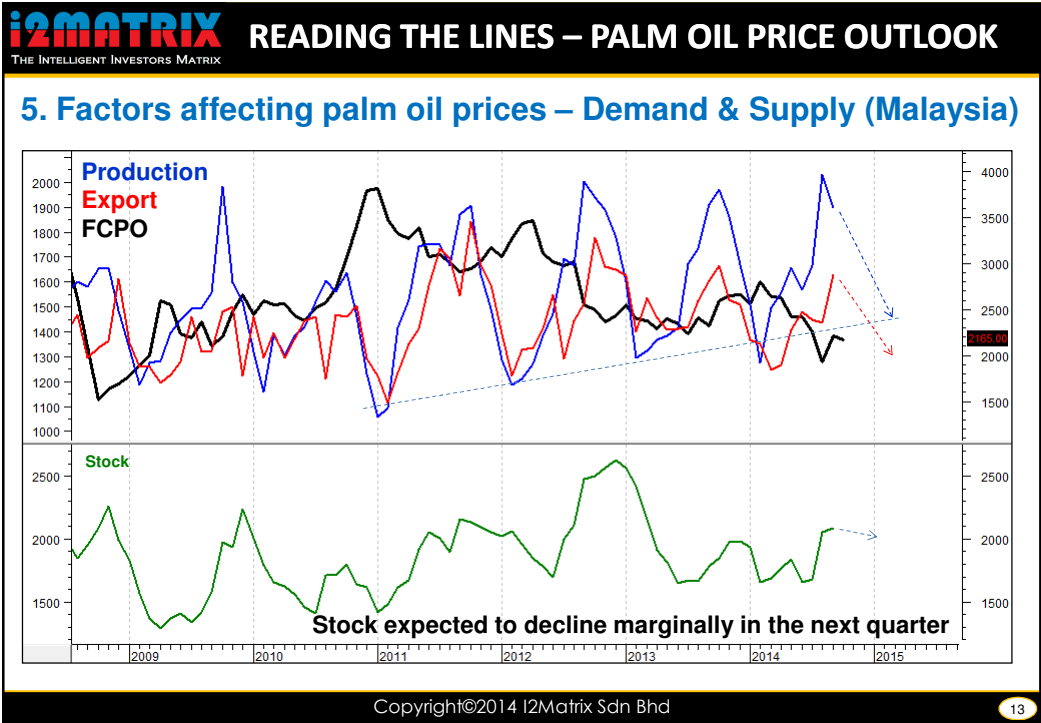
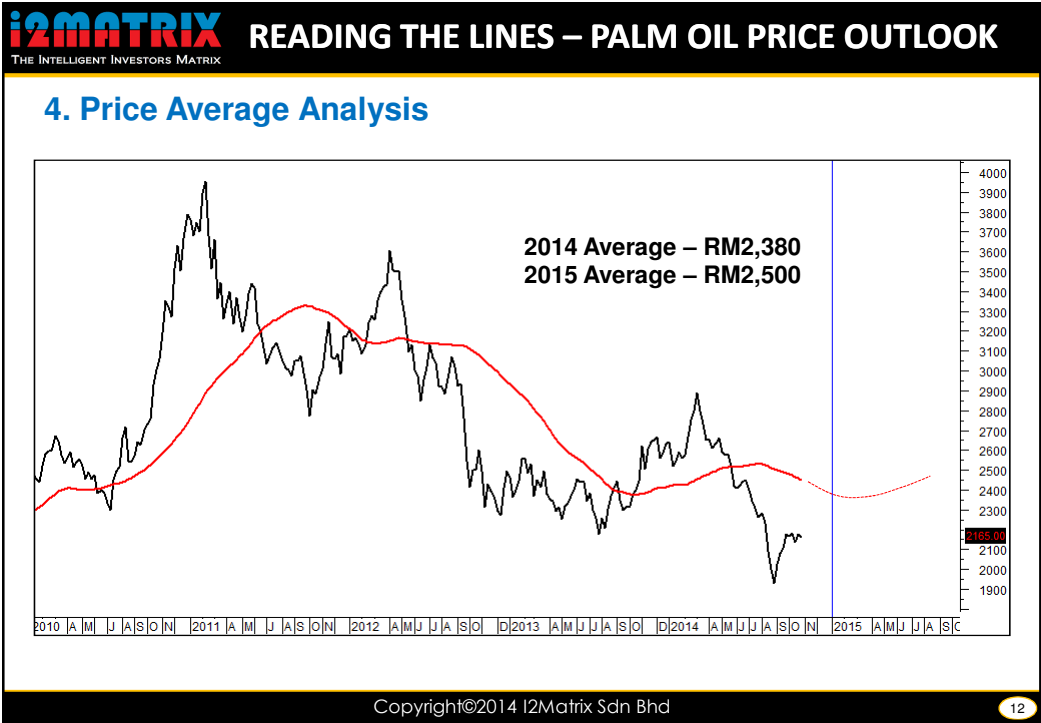
**Pattern Analysis from previous pages:**

1. Mid term trend lines shows that price towards RM2,600
2. Long term trend lines indicates there is a potential for price to climb to RM2,900
3. Price correction analysis indicates that there is low chance of price breaking the previous pivot high at RM2,900.
4. Price likely to peak in Mar – April 2015

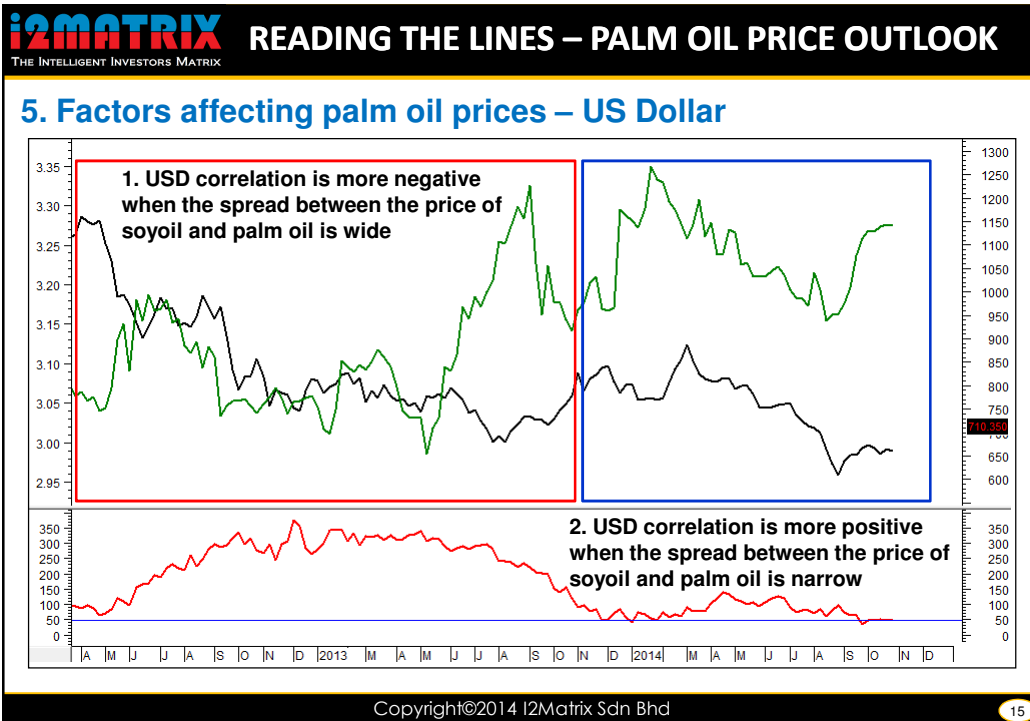
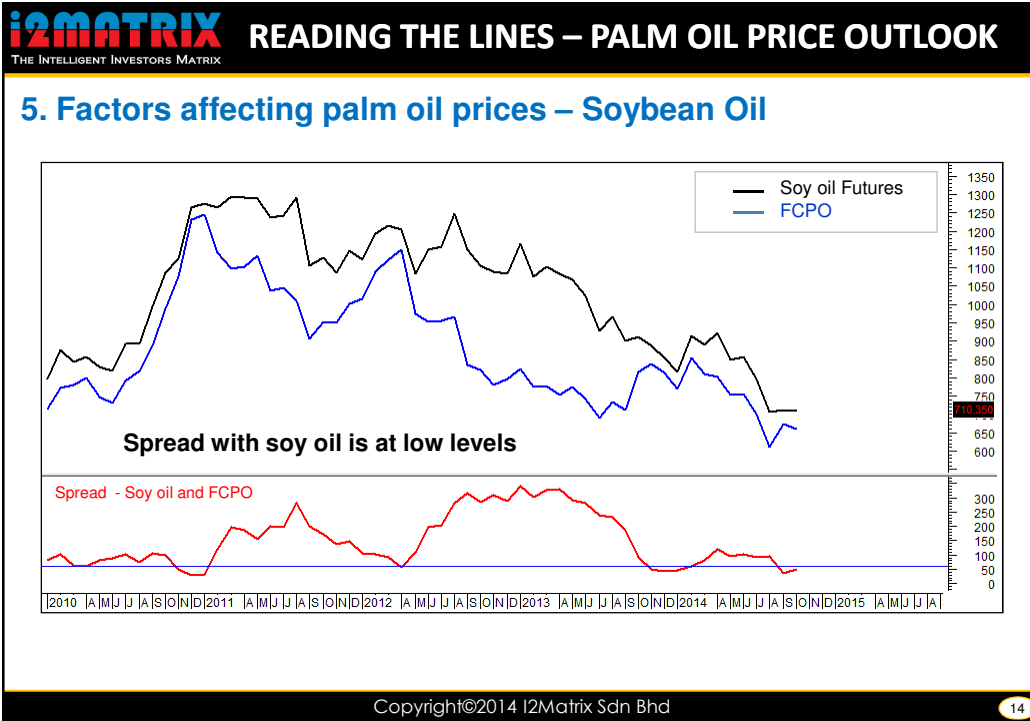
**Price likely going to climb towards the short and mid term resistance levels between RM2,550 and RM2,600**

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### 5. Factors affecting palm oil prices – Analysis

1. Exports normally peaks in October, therefore expect lower exports
2. Production is set to decline
3. Inventories set to decline, but marginal.
4. The implementation of B7 biodiesel may help lower inventories.
5. FCPO prices may be supported by stronger US Dollar
6. US Dollar is expected to grow stronger in the next one quarter as QE measures expected to be fully removed

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### 6. Summary and conclusion

1. The last quarter and first quarter of the year are historically bullish for FCPO
2. Short term trend indicates strong bullish momentum and hence the bullish trend has begun.
3. Fundamentally, the bullish trend may be supported by stronger US Dollar and implementation of B7 bio-diesel program.
4. The bullish trend expected to find resistance at RM2,550 to RM2,600 in the next two quarters.
5. The price is expected to average at 2,380 this year and RM2,500 for year 2015.
6. Forecast is valid as long as price stays above RM2,000

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**THANK  
YOU!**

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