

MALAYSIA PALM OIL TRADE FAIR & SEMINAR

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Technical Analysis and Outlook of BMD Crude Palm Oil Futures 2016/17

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Note: Analysis is based on Bursa Malaysia 3rd mth contract price, as at 10 Oct 2016

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Recap on last POINTERS presentation in May 2016, Istanbul



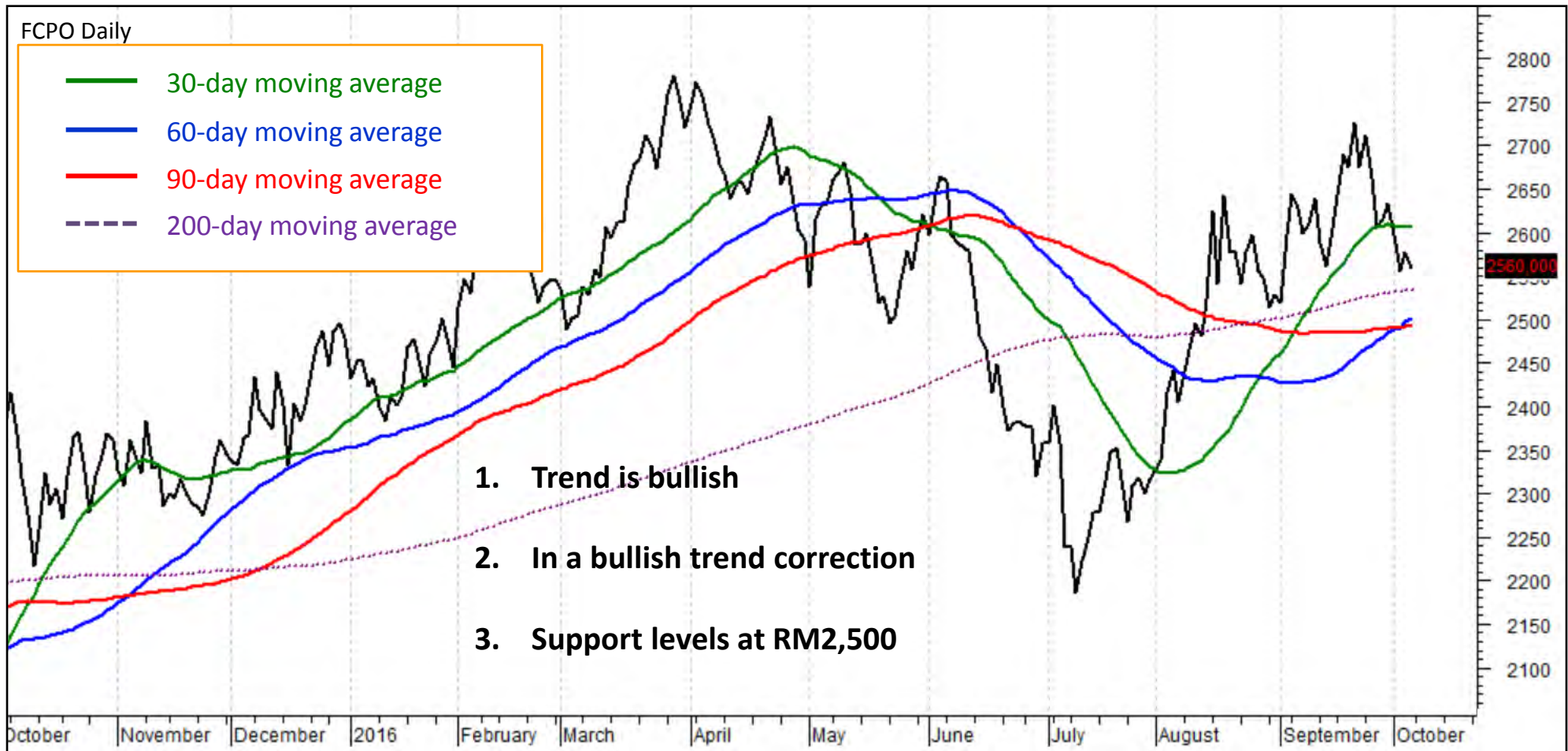
Recap on last POINTERS presentation in May 2016, Istanbul

1. Price to pull back to July/Aug 2016 to RM2,450
Price went to a low of RM2,200
2. Price to climb towards RM2,800 at the end of the year, and possibly peak at RM3,000 by first quarter 2017
Highest level in September - RM2,730
3. Price to average at RM2,650
Average price to date - RM2,540
4. Forecast is valid as long as price stays above RM2,450
The price went as low as RM2,200

Is price still going to stay bullish until end of this year to the first quarter next year?

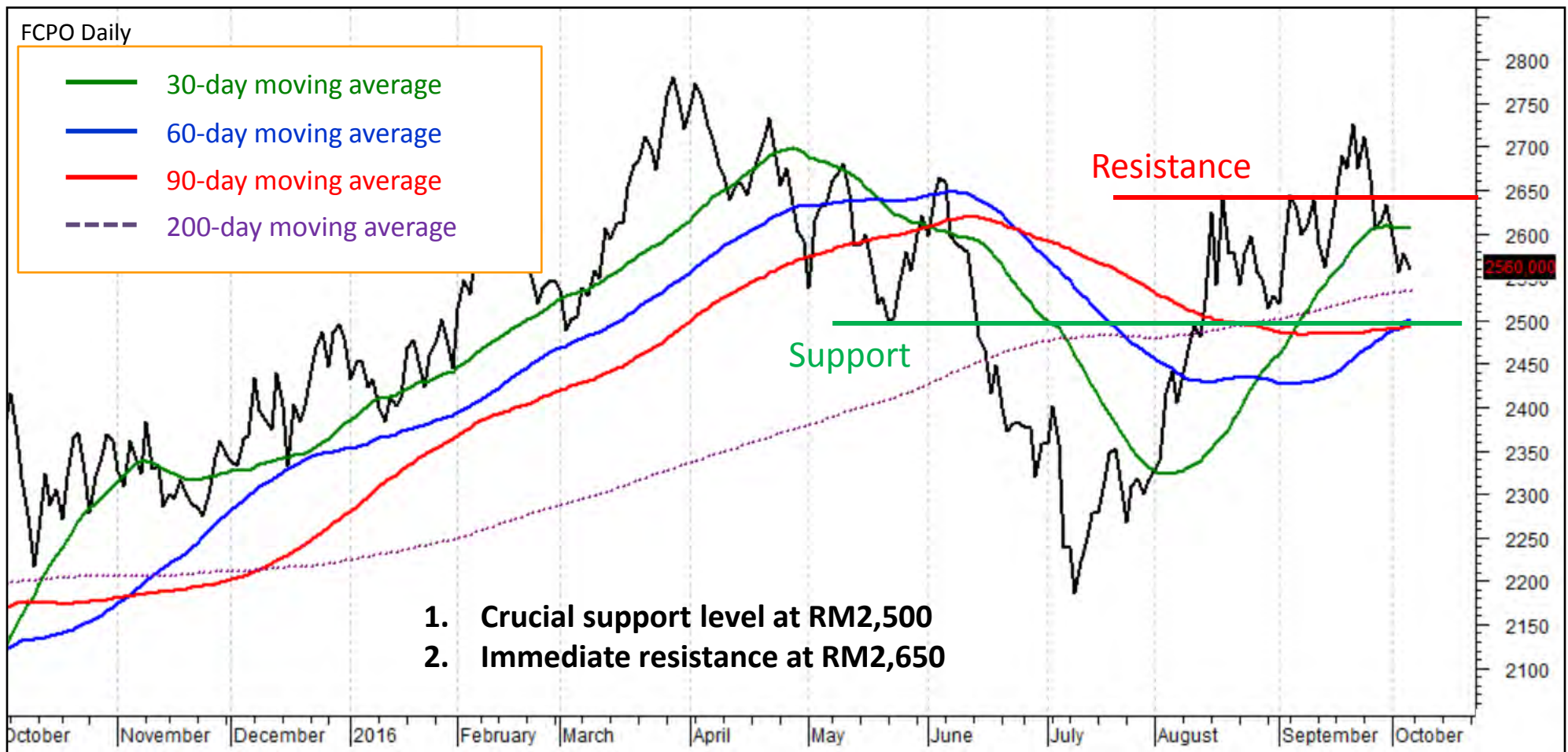
1. Short term analysis of crude palm oil futures price

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 above the 60 to 200 day moving averages
2. The price pull back since mid-Sep caused price to fall below the short term 30-day moving average and this indicates that the price is in a bullish trend correction
3. Support level to maintain the bullish trend is RM2,500, based on historical support levels and the longer term moving averages.
4. Price likely to continue its bullish trend if its immediate resistance at RM2,650 is broken.

**Short term trend is bullish as should remain bullish if price stays above RM2,500.
Can price stay above RM2,500?**

2. Chart Pattern Analysis



2. Chart Pattern Analysis



3. Cycle Analysis – Time



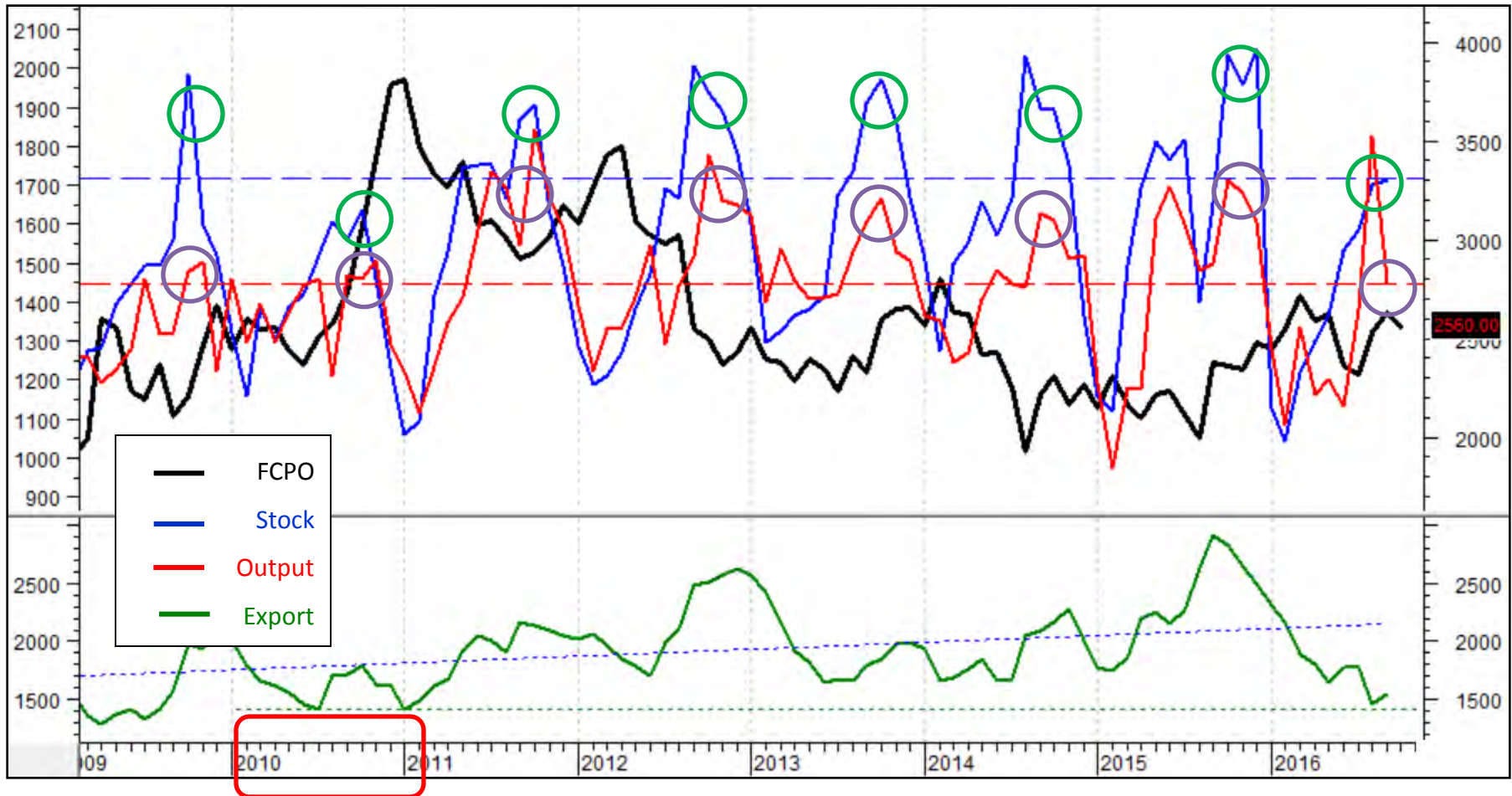
4. Technical Forecast – Q4 2016 and Q1 2017



4. Technical Forecast – Q4 2016 and Q1 2017

1. Price expected to trend sideways towards November, and to be supported above RM2,500
2. Towards December, price to test resistance at RM2,800
3. Pull back for a correction in January 2017
4. Rally towards RM3,000 by March 2017
5. Price to trade sideways until September / October.

5. Can price forecast be fundamentally supported?



Palm oil data analysis

5. Can price forecast be fundamentally supported?

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 stays below 1.6m tonnes and exports rise above 1.6m tonnes)
3. Conservative target (most likely) RM3,000 by 1Q2017 if price can stay above RM2,500

6. 2016/17 Price Average Analysis



6. 2016/17 Price Average Analysis



7. Summary and conclusion

1. Historically, bullish price season has always been in first and last quarter. Now that we are in the last quarter, the price may remain bullish but because the rally already started in August, we expect a weak bullish trend.
2. Price to be supported above RM2,500 till the end of the year
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 RM2,500
4. Price can peak at RM3,200 (aggressive) If inventory stays below 1.6m tonnes and exports rise and stay above 1.6m tonnes
5. The price is expected to average at RM2,580 for the year 2016, a decline from earlier RM2,650 target set in May 2016 because the price fell lower (RM2,200) than expected (RM2,450) in the middle of the year bottom.
6. **Forecast is valid as long as price stays above RM2,500**

THANK
YOU!

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