

Palm flat, remains near one-month high as export data eyed
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Malaysian palm oil futures recovered earlier losses to trade little changed today, flirting at near one-month highs as crude prices eased and traders awaited key export data.

By the midday break, the benchmark September contract on the Bursa Malaysia Derivatives Exchange was 0.2% lower at RM2,476 per tonne. Earlier prices touched RM2,464, but remained close to a near one-month high of RM2,488 touched yesterday.

"The market is waiting for tomorrow's export figure," said a Kuala Lumpur-based trader with a foreign commodities brokerage.

"Today we are trading in a range and awaiting new news."

Looking ahead, cargo surveyors Intertek Testing Services and Societe Generale de Surveillance will release Malaysia's June 1-25 palm oil export data on June 25.

Benchmark palm prices eased late last week, weighed down by poor export data despite expectations of an uptick in demand due to the start of Ramadan, which typically drives up consumption of the vegetable oil.

"There is a slowdown from buying on the Chinese side because of tomorrow's export figure," the trader added. "Tomorrow's export figures may not be as bearish as the earlier (last week) figure."

Total traded volume stood at 14,969 lots of 25 tonnes, higher than the average 12,500 lots.

Brent crude slipped below US\$114 a barrel, as data showing near-record high oil exports from Iraq indicated supplies remained unaffected by the escalating violence at the Opec's No.2 producer.

Higher crude prices can make palm oil a cheaper option for biodiesel feedstock, and this has partly helped palm prices gain 2% this month.

In competing vegetable oil markets, the US soyoil contract was up 0.2% in early Asian trade, while the most active soybean oil contract on the Dalian Commodities Exchange added 0.7%.

Palm typically tracks soyoil, a common fuel and food substitute. – Reuters, June 24, 2014.

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