

## CPO futures rise in anticipation of stock drawdown

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**CPO FUTURES** CRUDE palm oil futures (CPO) on Bursa Malaysia Derivatives closed mostly higher yesterday in anticipation of a drawdown in palm oil inventories, dealer said.

Some investors have raised offer prices due to expectation of bullish data from the Malaysian Palm Oil Board which is scheduled to be released next Wednesday, they said.

The higher prices are supported by expectation of lower output for the January period, said one of the dealers.

Earlier, the Malaysian Palm Oil Council said that CPO was expected to trade between RM2,500 and RM2,700 per tonne over the next three months due to floods in Sabah and strong exports in January.

At today's close, the February 2010 contract gained R156 to RM2,524 per tonne, March 2010 increased RM15 to RM2,519 per tonne, April 2010 added RM12 to RM2,510 per tonne, and May 2010 was RM6 higher at RM2,501 per tonne.

Turnover dropped to 14,814 lots from 19,781 lots on Wednesday and open interest rose to 77,430 contracts from 75,404 contracts previously.

On the physical market, February South declined to RM2,510 per tonne from RM2,520 per tonne on Wednesday. **RUBBER MALAYSIAN** rubber prices closed higher for the third consecutive day amid tight supplies and bad weather in major producers countries, said a dealer.

He said the market has been attracting foreign enquiries from Tokyo and Korea the past few days.

"Today, there were enquiries from Scotland," he said, adding that prices were higher although trading was thin," he added.

He said investors remained sidelined due the downtrend on the influential Tokyo Commodity Exchange.

At noon, the Malaysian Rubber Board's official physical price for SMR 20 was 2.5 sen higher at 1,009 sen per kg from 1,006.50 sen per kg on Wednesday, while latex-in-bulk rose four sen to 696.0 sen per kg from 692.0 sen per kg on Wednesday.

The unofficial sellers' closing price for tyre-grade SMR 20 increased one sen to 1,009 sen per kg from 1,008 sen per kg while latex-in-bulk added 3.5 sen to 698 sen per kg from 694.50 sen per kg on Wednesday.

**TIN** THE tin price on the Kuala Lumpur Tin Market (KLTM) closed firmer yesterday by US\$60 (US\$1.00 = RM3.40) to settle at US\$16,700 per tonne, dealers said. They attributed the uptrend to higher demand and strong tin price on the London Metal Exchange (LME). The tin price on LME increased by US\$130 to settle at US\$16,605 per tonne.

The KLTM turnover was 55 tonnes, unchanged from Wednesday.

A dealer said that the market traded firmer with demand coming from Japanese, European and local traders. At the opening level, bids totalled 65 tonnes while offers 45 tonnes. The price differential between KLTM and LME narrowed to a premium of US\$420 per tonne compared to US\$490 per tonne previously. - Bernama

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