

FCPO Daily Commentary

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PALM FCPO JAN18 (2815, -24)

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm sees sharpest intraday decline in 3-weeks on weaker soyoil
- CBOT soybeans end mixed after range-bound trade

Crude Palm Oil

Malaysian palm oil futures fell on Tuesday, after four straight sessions of gains on weakness in related edible oils, while shipment data from cargo surveyors did little to support the market.

The benchmark contract January 2018 fell RM24 to RM2815, prices were traded between RM2,830 and RM2,811 total traded volume for palm stood at 35,640 lots.

Malaysian palm oil shipments in October rose 2.5% from the previous month, according to data from cargo surveyor Intertek Testing Services.

Another cargo surveyor, Societe Generale de Surveillance, showed export gains of 2.3% for the same time period.

Gains in exports have been slowing since mid-September, as demand ebbs after the major festivities of Diwali in India and the Mid-Autumn festival in China.

U.S. oil settled higher on Tuesday, with a monthly gain of more than 5 percent, but analysts said bullish sentiment could encourage US producers to export more oil.

Today, following a firm overnight soyoil price, palm oil is expected to trade higher. Traders are also awaiting price outlook from Indonesian palm oil conference this week.

For the benchmark palm oil contract, we locate the immediate support at RM2,770 while the immediate resistance at RM2,871.

Soybean (Reuters)

Chicago Board of Trade soybean futures closed near previous levels on Tuesday after a range-bound trading session featuring moderate soybean-corn spreading.

The market was underpinned by improving export demand and light deliveries against the CBOT November contract of 50 contracts, at the low end of trade expectations for zero to 500 lots.

Soyoil futures firmed while soymeal futures were lower.

Our Call of The Day:

Mildly Bearish

1 November 2017

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Nov17	2,791	-15	2,798	2,798	2,783	1,661	-250	262
Dec17	2,794	-21	2,805	2,807	2,790	13,229	-676	1,256
Jan18	2,815	-24	2,829	2,830	2,811	44,416	-1,884	15,038
Feb18	2,831	-25	2,840	2,845	2,828	25,300	669	3,555
Mar18	2,846	-19	2,852	2,855	2,838	34,104	464	3,132
Apr18	2,841	-19	2,845	2,848	2,834	17,897	1,352	3,309
May18	2,826	-18	2,834	2,834	2,821	33,178	640	3,002
Jul18	2,761	-12	2,764	2,770	2,758	21,783	456	2,889
Sep18	2,711	-10	2,714	2,716	2,705	14,998	602	1,062
Nov18	2,708	-7	2,707	2,710	2,692	15,114	332	1,285
Jan19	2,725	-7	2,703	2,725	2,703	3,143	34	320
Mar19	2,727	-9	2,715	2,728	2,715	2,936	38	289
May19	2,727	-9	2,715	2,727	2,715	4,379	135	230
Jul19	2,690	-9	2,704	2,704	2,696	666	0	11
Sep19	2,657	-9	-	-	-	102	0	-
Total						232,906	1,912	35,640

Spreads

Contract	Open	High	Low	Last	Vol
Nov17 / Dec17	-7	-7	-7	-3	14
Dec17 / Jan18	-25	-19	-25	-21	720
Jan18 / Feb18	-16	-14	-17	-16	1,720
Feb18 / Mar18	-9	-9	-12	-15	617

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	JAN18	984.75	0.25
Soybean Oil	DEC17	34.75	0.07
Soybean Meal	DEC17	311.80	-0.50
Crude Oil	DEC17	54.38	0.52
DCE Palm Oil	JAN18	5,726	4.00
DCE Soybean Oil	JAN18	6,126	-20.00

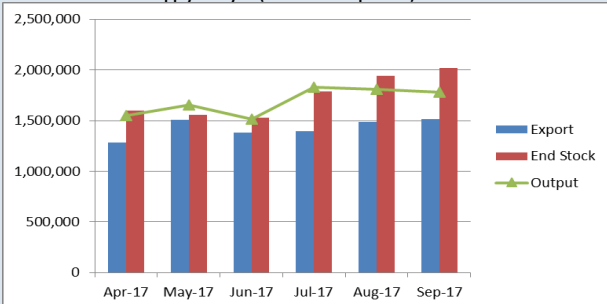
Exchange Rate

Currency	Last
USDMYR	4.2316
USDIDR	13,560
USDCNY	6.6303

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	OCT17	n.a.	5836.71	n.a.
FOB CPO (Indo)	USD/mt	NOV17	690	692.5	691.25
FOB RBD Palm Olein (M'sia)	USD/mt	NOV17	n.a.	697.5	693.75
FOB RBD Palm Oil (M'sia)	USD/mt	NOV17	n.a.	692.5	n.a.

MPOB Demand and Supply Analysis (6 Month Comparison)

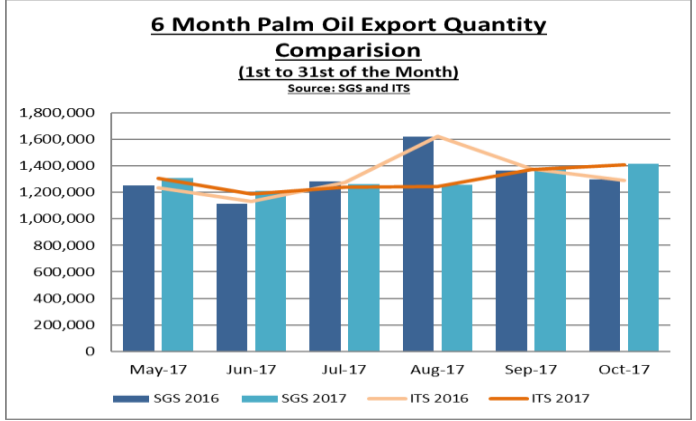


Demand and Supply Data

Date	ITS (in tonnes)			SGS (in tonnes)		
	Sep'17	Oct'17	Chg (%)	Sep'17	Oct'17	Chg (%)
First 10 days	379,652	448,349	18.1	396,672	462,082	16.5
First 15 days	625,655	690,074	10.3	652,350	709,322	8.7
First 20 days	852,206	951,339	11.6	878,422	967,707	10.2
First 25 days	1,085,116	1,177,939	8.6	1,105,555	1,197,237	8.3
Full month	1,372,990	1,406,706	2.5	1,384,665	1,416,664	2.3

(in tonnes)	Malaysia Palm Oil Board Data (MPOB)			PFSB Forecast	
	Aug'17	Sep'17	MoM (%)	Oct'17	Chg (%)
Production	1,810,551	1,779,924	-1.7	-	-
Export	1,488,194	1,515,304	1.8	-	-
Import	41,661	41,173	-1.2	-	-
Local Disapp	206,577	228,492	10.6	-	-
Stock	1,941,717	2,019,018	4.0	-	-
Stock/Use ratio	1.12	1.13	1.0	-	-

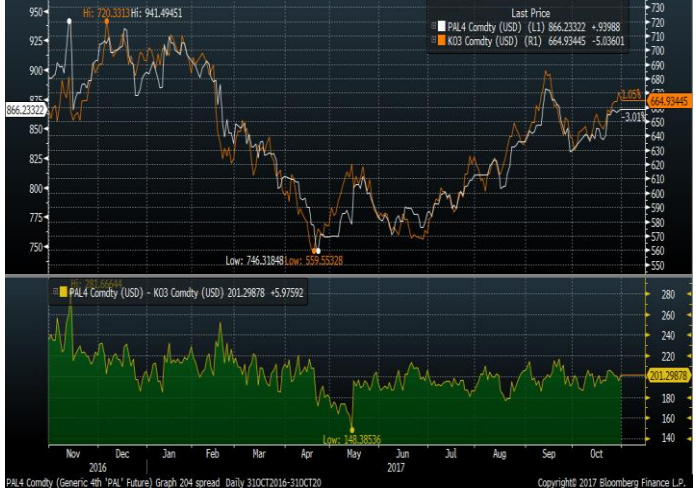
Export Quantity Analysis



Spread (CBOT Soyoil - BMD Crude Palm Oil)



Spread (DCE Palm Olein - BMD Crude Palm Oil)



Sources: Thomson Reuters / Bloomberg / MPOB / ITS / SGS / Phillip Futures

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