

FCPO Daily Commentary

Brought to you by Phillip Futures Sdn Bhd (362533-U) (A member of PhillipCapital)

PALM FCPO DEC17 (2695, -10)

Our Call of The Day:

Consolidation
2 October 2017

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm slips on weaker overnight soyoil prices and stronger ringgit.
- CBOT soybeans climb on bullish USDA quarterly stocks data.

Crude Palm Oil

Malaysian palm oil futures fell on Friday, tracking losses in overnight soyoil prices on the Chicago Board of Trade (CBOT).

The benchmark contract December 2017 fell RM10 to RM2695, prices were traded between RM2,704 and RM2,686 total traded volume for palm stood at 59,688 lots.

Phillip Futures Sdn Bhd Analyst David Ng said the easier CPO market was also weighed by the stronger ringgit against the US dollar.

Traders also booked profit ahead of the weekend and the release of September cargo surveyor data, amid expectation that exports growth would slow down. Intertek Testing Services (ITS) is scheduled to release palm oil shipment data for the whole September after 0300 GMT on Saturday.

Dalian market will closed for this week in conjunction with the China's National day holiday. Traders will now fully focus on the CBOT soyoil's movement which may affect the local CPO prices.

WTI crude oil prices closed up on Friday after a rally in prices on geopolitical instability in Iraq Kurdistan helped Brent make its strongest third-quarter price performance since 2004.

Today, the palm price is likely to trade in consolidation, with the traders anticipating the export figure for September to be released by cargo surveyors.

For the benchmark palm oil contract, we locate the immediate support at RM2,685 while the immediate resistance at RM2,720.

Soybean (Reuters)

Chicago Board of Trade soybean futures rose Friday after the U.S. Department of Agriculture's quarterly U.S. soybean stocks figure fell below a range of trade estimates.

The USDA reported Sept. 1 soybean stocks at 301 million bushels, below a range of analyst expectations for 321 million to 363 million, but up 53 percent from a year ago.

The USDA also trimmed its estimate of old-crop 2016 soybean production to 4.296 billion bushels, from 4.307 billion previously.

CBOT December soybean meal settled up \$4.30 at \$315.80 per short ton while December soyoil ended flat at 32.82 cents per lb.

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Oct17	2,719	-7	2,726	2,733	2,707	3,472	-88	250
Nov17	2,697	-7	2,691	2,703	2,685	10,697	-1,307	2,031
Dec17	2,695	-10	2,698	2,704	2,686	42,679	1,167	21,337
Jan18	2,695	-13	2,702	2,707	2,689	38,463	2,627	16,592
Feb18	2,697	-18	2,709	2,711	2,692	12,318	1,066	6,115
Mar18	2,698	-20	2,710	2,713	2,694	23,346	508	4,363
May18	2,681	-20	2,693	2,696	2,677	30,783	490	3,021
Jul18	2,626	-20	2,638	2,643	2,625	17,351	19	804
Sep18	2,583	-21	2,588	2,602	2,582	17,190	194	2,570
Nov18	2,580	-20	2,584	2,599	2,578	15,493	13	2,167
Jan19	2,587	-20	2,591	2,605	2,585	2,685	56	374
Jul19	2,599	-20	2,603	2,611	2,595	2,452	2	64
May19	2,600	-20	-	-	-	3,704	0	-
Jul19	2,592	-18	-	-	-	534	0	-
Sep19	2,576	-18	-	-	-	45	0	-
Total						221,212	4,747	59,688

Spreads

Contract	Open	High	Low	Last	Vol
Oct17 /Nov17	35	35	-	22	44
Nov17 /Dec17	-2	2	-4	2	1,606
Dec17 /Jan18	-4	3	-6	0	4,668
Jan18 /Feb18	-6	-2	-6	-2	3,643

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	NOV17	968.25	8.75
Soybean Oil	DEC17	32.82	0.00
Soybean Meal	DEC17	315.80	4.30
Crude Oil	NOV17	51.67	0.11
DCE Palm Oil	JAN18	5,512	-8.00
DCE Soybean Oil	JAN18	6,074	-10.00

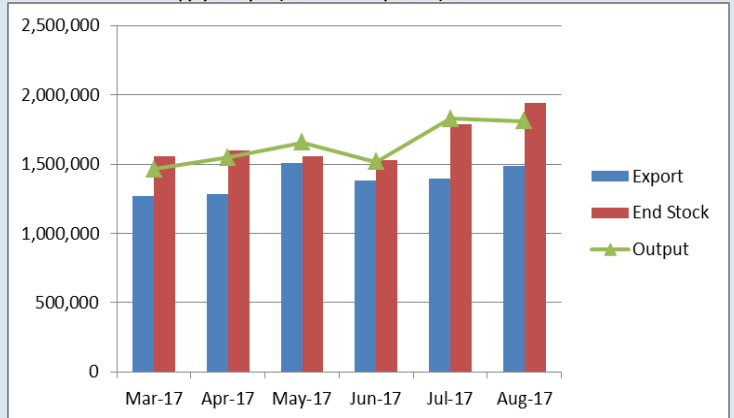
Exchange Rate

Currency	Last
USDMYR	4.2225
USDIDR	13,466
USDCNY	6.6339

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	OCT17	n.a.	5506.02	n.a.
FOB CPO (Indo)	USD/mt	OCT17	680	682.5	681.25
FOB RBD Palm Olein (M'sia)	USD/mt	OCT17	n.a.	680	677.5
FOB RBD Palm Oil (M'sia)	USD/mt	OCT17	n.a.	675	n.a.

MPOB Demand and Supply Analysis (6 Month Comparison)

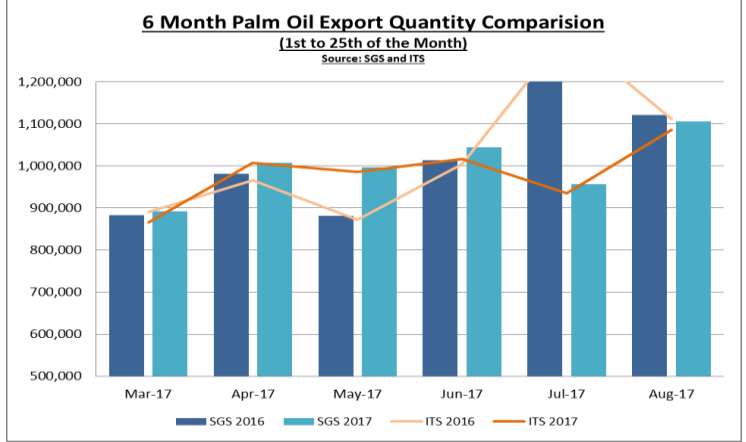


Demand and Supply Data

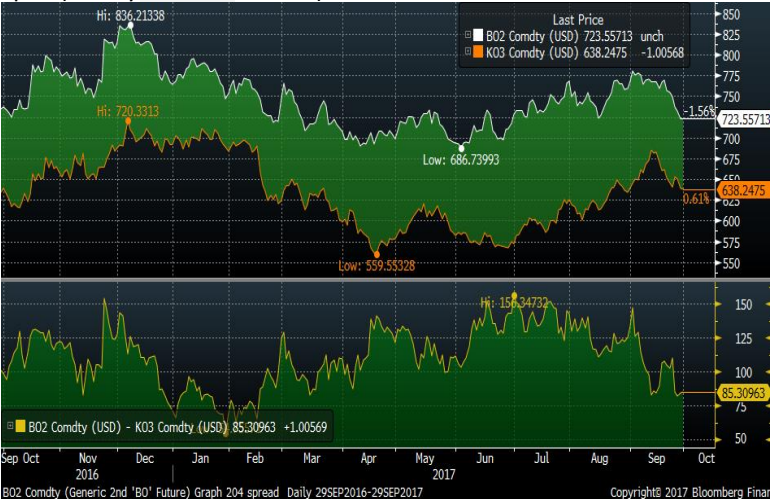
Date	Cargo Surveyor Figures			Cargo Surveyor Figures		
	ITS (in tonnes)			SGS (in tonnes)		
	Aug'17	Sep'17	Chg (%)	Aug'17	Sep'17	Chg (%)
First 10 days	355,009	379,652	6.9	363,007	396,672	9.3
First 15 days	512,039	625,655	22.2	537,022	652,350	21.5
First 20 days	679,539	852,206	25.4	692,662	878,422	26.8
First 25 days	934,544	1,085,116	16.1	956,547	1,105,555	15.6
Full month	1,243,361			1,259,240		

Malaysia Palm Oil Board Data (MPOB)				PFSB Forecast	
(in tonnes)	Jul'17	Aug'17	MoM (%)	Sept'17	Chg (%)
Production	1,827,108	1,810,594	-0.9	-	-
Export	1,397,846	1,487,820	6.4	-	-
Import	52,962	41,661	-21.3		
Local Disapp	225,152	206,577	-8.2		
Stock	1,784,143	1,942,001	8.8	-	-
Stock/Use ratio	1.06	1.12	5.7		

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

Dealing Desk
pfsb_dealing@poems.com.my

CONTACT US:
Kuala Lumpur Headquarters:
(+603) 2711 0026
pfsb_research@poems.com.my

Kota Damansara Branch:
(+603) 26308688
phillipfutures@poems.com.my

Official Website: www.phillipfutures.com.my
Facebook Page: www.facebook.com/PhillipFuturesSdnBhd

Johor - Taman Sutera Utama Branch:
(+607) 5572188
pfbj@poems.com.my

Johor - Taman Molek Branch:
(+607) 3525999
pfbj@poems.com.my

Penang Branch:
(+604) 2616822
pfpj@poems.com.my

Kuching Branch:
(+6082) 247633
pfkc@poems.com.my

Malacca Branch:
(+606) 2748711
pfmk@poems.com.my

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