

FCPO Daily Commentary

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

PALM FCPO DEC17 (2683, +17)

Our Call of The Day:

Consolidation
4 October 2017

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm sees first gain in a week, buoyed by weaker ringgit.
- CBOT soybeans end lower on harvest pressure after choppy session.

Crude Palm Oil

Malaysian palm oil futures saw their first daily gain in a week on Tuesday evening, supported by a weaker ringgit.

The benchmark contract December 2017 rose RM17 to RM2683, prices were traded between RM2,689 and RM2,653 total traded volume for palm stood at 34,121 lots.

Phillip Futures Sdn Bhd Analyst David Ng said the weaker ringgit would lead to higher demand in the near-term as it would make the commodity cheaper for foreign buyers.

The ringgit fell as much as 0.3 percent to 4.2425 against the dollar on Tuesday morning, its weakest in a month. It was down 0.1 percent at 4.2375 per dollar in the evening.

China's Dalian Commodity Exchange is closed for the whole week in conjunction with the China's National day holiday. Traders will focus on the CBOT soyoil's performance which may affect the local CPO prices as they compete for a share of the global vegetable oils market.

WTI crude oil dipped on Tuesday as speculators took profits for a second day after big third-quarter gains and on concerns that higher prices might spur increased U.S. shale production.

Today, we expect the palm price to trade in consolidation with upside bias, as supported by the weaker ringgit which may boost the foreign demand.

For the benchmark palm oil contract, we locate the immediate support at RM2,653 while the immediate resistance at RM2,689.

Soybean (Reuters)

Chicago Board of Trade soybean futures closed modestly lower on Tuesday after a choppy, back-and-forth session, pressured by technical selling and the ongoing U.S. harvest.

The USDA said the U.S. soybean harvest was 22 percent complete by Sunday, compared with the five-year average of 26 percent.

CBOT December soybean ended down \$2.10 at \$311.50 per short ton. CBOT December soyoil ended up 0.23 cent at 32.75 cents per pound, rebounding a day after the contract dipped to 32.30, its lowest since June 28.

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Oct17	2,704	15	2,690	2,705	2,690	3,206	-139	145
Nov17	2,686	21	2,665	2,692	2,659	10,256	-143	826
Dec17	2,683	17	2,663	2,689	2,653	42,728	307	14,544
Jan18	2,686	15	2,665	2,690	2,656	42,093	3,047	8,551
Feb18	2,688	16	2,663	2,692	2,663	12,556	-9	3,381
Mar18	2,688	17	2,670	2,694	2,670	24,063	42	3,346
May18	2,672	14	2,651	2,679	2,651	31,590	219	1,441
Jul18	2,613	12	2,605	2,624	2,605	17,190	-84	479
Sep18	2,567	11	2,556	2,578	2,556	17,041	104	771
Nov18	2,563	14	2,549	2,573	2,549	15,509	0	450
Jan19	2,570	14	2,556	2,575	2,556	2,694	11	85
Mar19	2,582	14	2,568	2,583	2,568	2,483	31	45
May19	2,583	14	2,579	2,584	2,576	3,730	26	47
Jul19	2,569	8	2,569	2,569	2,569	544	10	10
Sep19	2,553	8	-	-	-	45	0	-
Total						225,728	3,422	34,121

Spreads

Contract	Open	High	Low	Last	Vol
Oct17 /Nov17	15	20	15	15	27
Nov17 /Dec17	0	5	-1	3	476
Dec17 /Jan18	-4	0	-4	-3	2,934
Jan18 /Feb18	-2	-1	-3	-3	1,060

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	NOV17	955.25	-2.00
Soybean Oil	DEC17	32.75	0.23
Soybean Meal	DEC17	311.50	-2.10
Crude Oil	NOV17	50.42	-0.16
DCE Palm Oil	JAN18	5,512	-8.00
DCE Soybean Oil	JAN18	6,074	-10.00

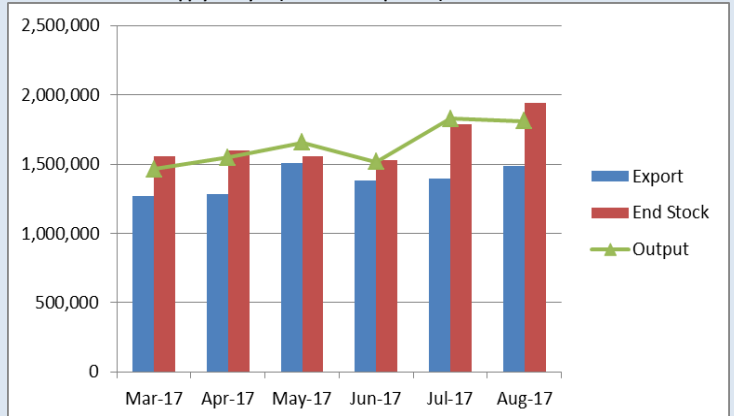
Exchange Rate

Currency	Last
USDMYR	4.2375
USDIDR	13,517
USDCNY	6.6534

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	OCT17	n.a.	5423.35	n.a.
FOB CPO (Indo)	USD/mt	OCT17	672.5	680	676.25
FOB RBD Palm Olein (M'sia)	USD/mt	OCT17	n.a.	677.5	675
FOB RBD Palm Oil (M'sia)	USD/mt	OCT17	n.a.	672.5	n.a.

MPOB Demand and Supply Analysis (6 Month Comparison)

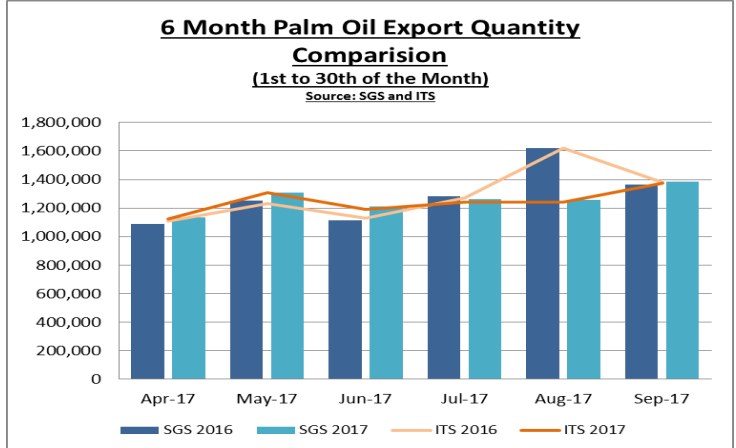


Demand and Supply Data

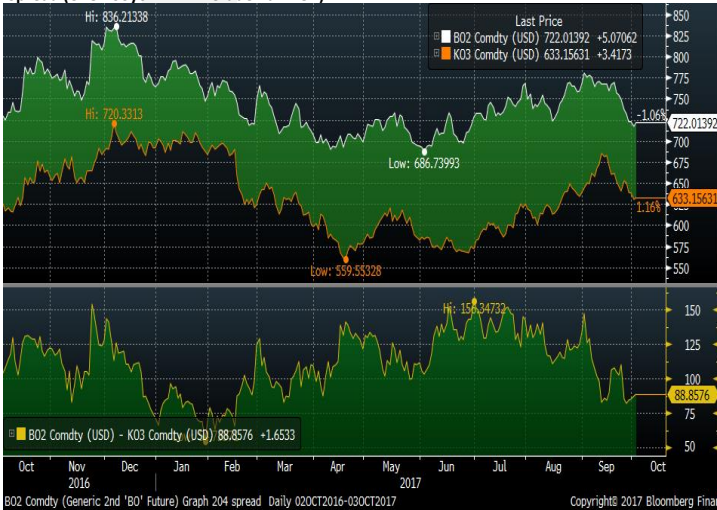
Date	Cargo Surveyor Figures			Cargo Surveyor Figures		
	ITS (in tonnes)			SGS (in tonnes)		
	Aug'17	Sep'17	Chg (%)	Aug'17	Sep'17	Chg (%)
First 10 days	355,009	379,652	6.9	363,007	396,672	9.3
First 15 days	512,039	625,655	22.2	537,022	652,350	21.5
First 20 days	679,539	852,206	25.4	692,662	878,422	26.8
First 25 days	934,544	1,085,116	16.1	956,547	1,105,555	15.6
Full month	1,243,361	1,372,990	10.4	1,259,240	1,384,665	10.0

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	-	-

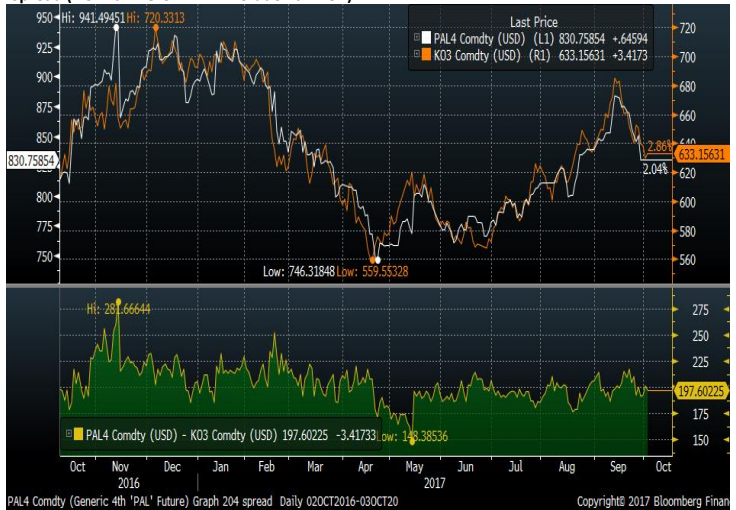
Export Quantity Analysis



Spread (CBOT Soyoil - BMD Crude Palm Oil)



Spread (DCE Palm Olein - BMD Crude Palm Oil)



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

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