

# FCPO Daily Commentary

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

## PALM FCPO FEB18 (2603,+40)

Our Call of The Day:

**Consolidating**  
4 December 2017

### FCPO 3rd Month Daily Candle Chart



### Market Commentary

#### Highlights:

- Palm prices edged up on gains in CBOT soy oil and weaker Ringgit.
- CBOT soybeans end higher on technical buying.

#### Crude Palm Oil

Malaysian palm oil futures made their sharpest daily gains in a month on Thursday, tracking rises in soyoil on the Chicago Board of Trade and supported by a weaker ringgit.

The benchmark palm oil contract for February delivery on the Bursa Malaysia Derivatives Exchange was up 1.6 percent to 2,603 ringgit (\$636.82) a tonne at the close of trade, its strongest daily gain since Oct 23.

The ringgit, which has been trading at one-year highs, eased on Thursday afternoon against the dollar. It was last down 0.2 percent at 4.0875 per dollar.

Phillip Futures Sdn Bhd Derivative Dealer David Ng said the recent low prices attracted buying interest in the near term. "We locate support at RM2,550 a tonne and immediate resistance at RM2,650 a tonne," he added.

But it still recorded a fifth straight week of losses, down 1 percent on the week. It was also down 7.5 percent month-on-month in November, its sharpest monthly fall since February.

Palm oil is affected by moves in other edible oils as they compete for a share of the global vegetable oils market. The December soybean oil contract on the Chicago Board of Trade rose 1 percent.

Palm oil exports from Malaysia fell 5.3 percent for the full month of November, versus the previous month, said cargo surveyor Intertek Testing Services on Thursday.

Another cargo surveyor, Societe Generale de Surveillance, reported a 7.5 percent decline in November's monthly exports from the previous month.

Today, palm prices is expected to consolidate with downwards bias in absences of fresh news in the market. Market sentiment remained weak among investor and they are waiting for official data from industry regulator the Malaysian Palm Oil Board to get a clearer hint.

#### Soybean (Reuters)

Chicago Board of Trade soybean futures rose on Friday on technical buying and broad strength in commodities as the U.S. dollar eased. Market received additional support stemmed from fears that dryness could expand in crop areas of Argentina.

Ahead of the USDA's monthly soybean crush report due later on Friday, analysts surveyed by Reuters on average expected the government to report the October U.S. soy crush at 174.7 million bushels

U.S. President Donald Trump has agreed to meet with representatives of the oil refining industry and their legislative backers to discuss the nation's biofuels program, according to two sources briefed on the matter. Soyoil is the main feedstock for biodiesel fuel.

### Crude Palm Oil Futures

#### Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Dec17	2,495	27	2,503	2,503	2,479	1,244	-109	117
Jan18	2,566	41	2,550	2,568	2,531	16,796	-1,437	2,715
Feb18	2,603	40	2,584	2,606	2,567	36,080	-2,215	18,352
Mar18	2,633	41	2,609	2,635	2,598	38,163	-837	5,968
Apr18	2,644	40	2,620	2,646	2,611	33,575	210	3,235
May18	2,645	38	2,627	2,648	2,615	34,649	-459	4,325
Jul18	2,613	36	2,590	2,619	2,589	24,231	-394	915
Sep18	2,584	37	2,567	2,593	2,560	19,976	37	1,286
Nov18	2,578	30	2,560	2,591	2,556	17,701	43	704
Jan19	2,595	30	2,575	2,585	2,571	4,068	-17	48
Mar19	2,603	30	2,593	2,600	2,593	4,008	-1	4
May19	2,598	30	-	-	-	5,205	-2	10
Jul19	2,568	30	-	-	-	716	0	2
Sep19	2,540	30	-	-	-	172	0	8
Nov19	2,540	30	-	-	-	610	0	-
<b>Total</b>						<b>236,614</b>	<b>-5,181</b>	<b>37,689</b>

#### Spreads

Contract	Open	High	Low	Last	Vol
Jan18 /Feb18	-36	-35	-39	-37	1,498
Feb18 /Mar18	-28	-28	-31	-30	2,533
Mar18 /Apr18	-12	-12	-14	-11	1,036
Apr18 /May18	-4	-1	-5	-1	644

#### Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	Jan18	994.25	8.50
Soybean Oil	Jan18	33.69	-0.16
Soybean Meal	Jan18	330.20	3.70
Crude Oil	Jan18	58.36	0.96
DCE Palm Oil	May18	5,440	20.00
DCE Soybean Oil	May18	6,036	4.00

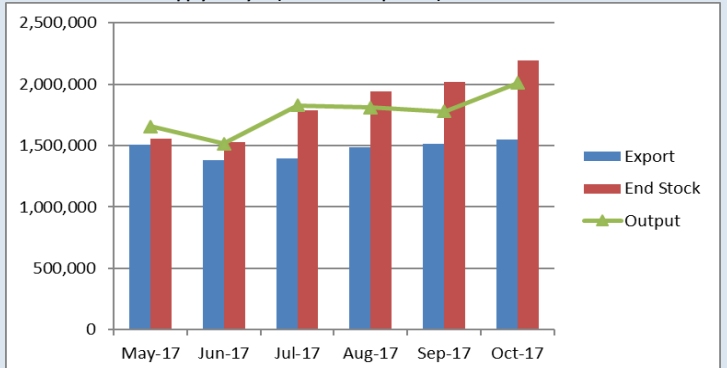
#### Exchange Rate

Currency	Last
USDMYR	4.0900
USDIDR	13,531
USDCNY	6.5851

#### Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	NOV17	n.a.	5406.81	n.a.
FOB CPO (Indo)	USD/mt	DEC17	647.5	652.5	650
FOB RBD Palm Olein (M'sia)	USD/mt	DEC17	n.a.	650	647.5
FOB RBD Palm Oil (M'sia)	USD/mt	DEC17	n.a.	645	n.a.

#### MPOB Demand and Supply Analysis (6 Month Comparison)

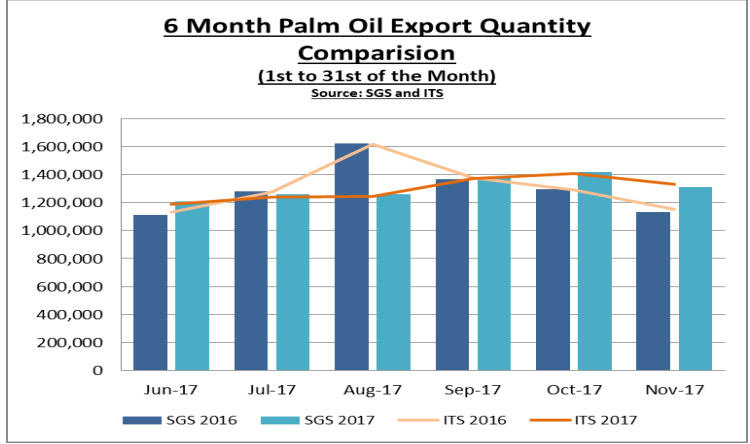


**Demand and Supply Data**

Cargo Surveyor Figures						
Date	ITS (in tonnes)			SGS (in tonnes)		
	Oct'17	Nov'17	Chg (%)	Oct'17	Nov'17	Chg (%)
First 10 days	448,349	436,988	-2.5	462,082	439,879	-4.8
First 15 days	690,074	660,465	-4.3	709,322	650,962	-8.2
First 20 days	951,339	882,943	-7.2	967,707	891,926	-7.8
First 25 days	1,177,939	1,079,427	-8.4	1,197,237	1,094,318	-8.6
Full month	1,406,706	1,332,342	-5.3	1,416,664	1,311,012	-7.5

Malaysia Palm Oil Board Data (MPOB)				PFSB Forecast	
(in tonnes)	Sep'17	Oct'17	MoM (%)	Oct'17	Chg (%)
Production	1,779,924	2,008,841	12.9	1.92	8
Export	1,515,304	1,548,724	2.2	1.59	5
Import	41,173	13,479	-67.3		
Local Disapp	228,492	302,508	32.4		
Stock	2,019,018	2,190,106	8.5	2.16	7
Stock/Use ratio	1.13	1.08	-4.5		

**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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