

FCPO Daily Commentary

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PALM FCPO FEB18 (2588,-15)

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Firmer Ringgit weighed on palm prices
- CBOT Soybean ended higher on concern of dry weather in Argentina

Crude Palm Oil

Malaysian palm oil futures fell from a one-week high on Monday evening, weighed down by a stronger ringgit, which makes the tropical oil more expensive for holders of foreign currencies.

The benchmark palm oil contract for February delivery on the Bursa Malaysia Derivatives Exchange fell 0.6 percent at 2,588 ringgit (\$637.44) a tonne at the end of trading, a fourth day of losses out of five.

Phillip Futures Sdn Bhd Derivative Dealer, David Ng, said demand was also hampered by the stronger ringgit against the greenback, which would make the commodity more expensive for foreign buyers. "We located support at RM2,550 a tonne and immediate resistance at RM2,680 a tonne," he told Bernama.

The ringgit, palm's currency of trade, was trading at over one-year highs on Monday evening, and closed 0.7 percent higher at 4.060 against the dollar.

The market was up earlier in the day, tracking gains in related edible oils and on concerns that floods on the east coast of Peninsular Malaysia could hit production. Year-end monsoon rains which lead to floods could hit palm oil production in the short term by disrupting the harvest.

Production in Malaysia, the world's second largest producer after Indonesia, could see a monthly decline in November after industry regulator data showed output hit the 2 million tonne mark in October, up 12.9 percent on the previous month.

Today, we expect price to trade lower in the early session, tracking losses in overnight CBOT soy oil. However with the current low level, bargain hunting activities may take place to support the market.

Soybean (Reuters)

Chicago Board of Trade soybean futures edged higher on Monday, lifted by steep gains in soymeal futures and concern dry weather could hurt yields in Argentina.

Our Call of The Day:

Mildly Bearish
5 December 2017

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Dec17	2,480	-15	2,519	2,519	2,480	1,170	-74	85
Jan18	2,555	-11	2,576	2,589	2,550	15,594	-1,202	2,562
Feb18	2,588	-15	2,613	2,625	2,583	35,730	-350	17,795
Mar18	2,615	-18	2,642	2,651	2,611	38,457	294	5,772
Apr18	2,625	-19	2,653	2,661	2,621	33,921	346	2,063
May18	2,626	-19	2,655	2,662	2,624	34,656	7	2,933
Jul18	2,593	-20	2,625	2,632	2,593	24,427	196	1,058
Sep18	2,565	-19	2,595	2,606	2,561	19,934	-42	1,019
Nov18	2,567	-11	2,587	2,600	2,564	17,747	46	386
Jan19	2,582	-13	2,603	2,613	2,579	4,048	-20	94
Mar19	2,600	-3	2,613	2,621	2,598	4,057	49	108
May19	2,598	0	2,617	2,621	2,596	5,320	115	165
Jul19	2,574	6	2,586	2,595	2,574	718	2	17
Sep19	2,547	7	2,555	2,567	2,547	172	0	10
Nov19	2,547	7	-	-	-	30	0	-
Total						235,981	-633	34,067

Spreads

Contract	Open	High	Low	Last	Vol
Dec17 /Jan18	-65	-65	-80	-80	11
Jan18 /Feb18	-37	-34	-38	-34	1,430
Feb18 /Mar18	-29	-25	-29	-28	2,897
Mar18 /Apr18	-12	-9	-12	-10	693

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	JAN'18	998.50	4.25
Soybean Oil	JAN'18	33.44	-0.25
Soybean Meal	JAN'18	337.50	7.30
Crude Oil	JAN'18	57.47	-0.91
DCE Palm Oil	MAY18	5,472	32.00
DCE Soybean Oil	MAY18	6,038	2.00

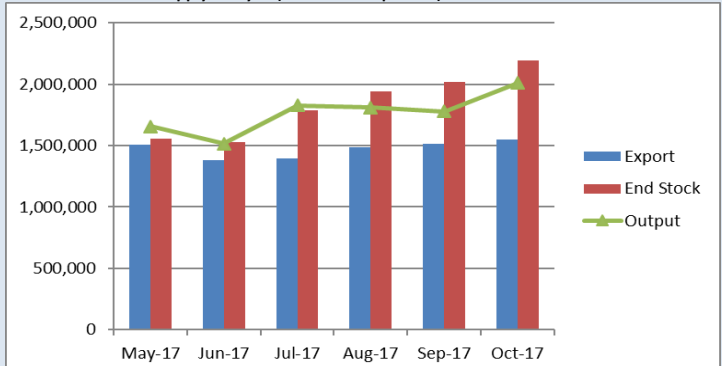
Exchange Rate

Currency	Last
USDMYR	4.0681
USDIDR	13,494
USDCNY	6.6083

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	NOV17	n.a.	5373.75	n.a.
FOB CPO (Indo)	USD/mt	DEC17	647.5	655	651.25
FOB RBD Palm Olein (M'sia)	USD/mt	DEC17	n.a.	652.5	650
FOB RBD Palm Oil (M'sia)	USD/mt	DEC17	n.a.	647.5	n.a.

MPOB Demand and Supply Analysis (6 Month Comparison)

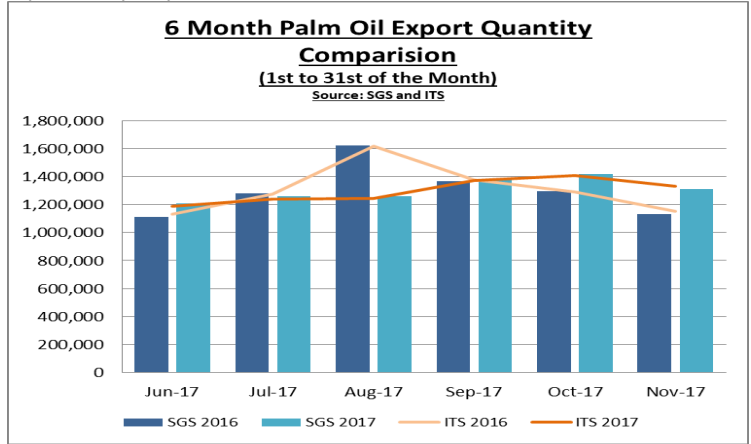


Demand and Supply Data

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		

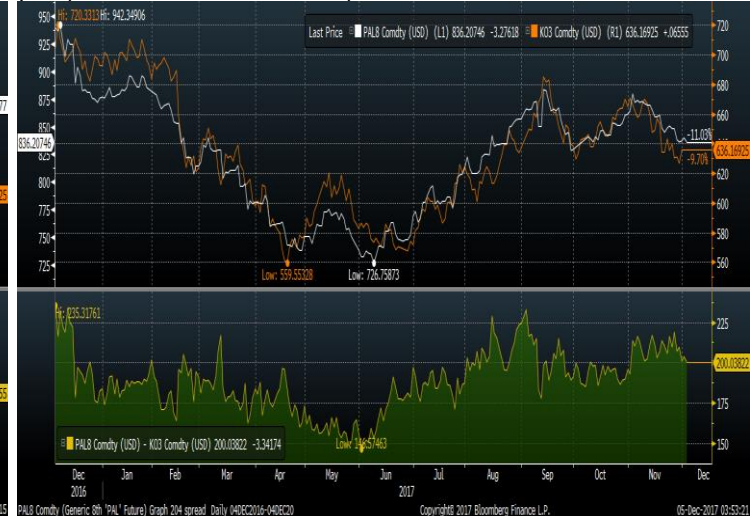
Export Quantity Analysis



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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