

FCPO Daily Commentary

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

PALM FCPO FEB18 (2502,-33)

Our Call of The Day:

Mildly Bearish
8 December 2017

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm oil stretched its losing streak to close lower tracking losses in related edible oils.
- CBOT soybean ended lower on sharp drop in soymeal futures.

Crude Palm Oil

Malaysian palm oil futures extended falls into a fourth session on Thursday, hitting their lowest in nearly five months in the evening, tracking weakness in related edible oils.

The benchmark palm oil contract for February delivery on the Bursa Malaysia Derivatives Exchange closed 1.3 percent down at 2,502 ringgit (\$612.33) a tonne, having touched its lowest since July 19 at 2,499 ringgit.

November's palm oil inventory levels are expected to come in at 2.44 million tonnes, up 11.4 percent from the previous month, a Reuters poll showed. Official data from the Malaysian Palm Oil Board is scheduled for release on Dec. 12. That would be Malaysia's highest stock level in two years.

Phillip Futures Sdn Bhd Derivative Dealer, David Ng, said fears of a rising stockpile and higher than expected production level, affected demand for the commodity. "Furthermore, the decline in CPO price was also in line with overnight losses on the Chicago bean oil market. We locate support at RM2,480 a tonne and immediate resistance at RM2,580 a tonne," he told Bernama.

In related oils, the January soybean oil contract on the Chicago Board of Trade fell 0.6 percent and the January soybean oil contract on the Dalian Commodity Exchange retreated by 2 percent.

Today, we expect palm prices to gain support from firmer overnight CBOT soy oil. Furthermore, bargain hunting activities may take place after the past few sessions sell-off.

Soybean (Reuters)

Chicago Board of Trade soybean futures fell on Thursday, led lower by a sharp decline in soymeal futures.

Technical support for the benchmark CBOT January soybean futures contract was noted at the 50-day moving average.

Traders shrugged off bullish export data for soybeans.

The U.S. Agriculture Department on Thursday morning said that weekly export sales of soybeans totaled 2.086 million tonnes in the latest week, topping forecasts that ranged from 1.000 million to 1.650 million tonnes.

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Dec17	2,410	-25	2,435	2,441	2,418	838	-114	94
Jan18	2,475	-32	2,483	2,501	2,471	12,213	-560	1,061
Feb18	2,502	-33	2,515	2,530	2,499	41,522	1,907	16,126
Mar18	2,529	-33	2,540	2,554	2,525	37,671	-731	6,192
Apr18	2,538	-32	2,547	2,564	2,535	35,500	19	2,457
May18	2,541	-31	2,549	2,567	2,539	37,578	824	2,957
Jul18	2,507	-33	2,520	2,536	2,505	24,744	526	1,443
Sep18	2,485	-28	2,496	2,510	2,482	20,385	-243	909
Nov18	2,478	-31	2,497	2,508	2,476	17,978	63	594
Jan19	2,500	-26	2,523	2,527	2,500	4,014	-4	83
Mar19	2,521	-21	2,539	2,542	2,517	4,023	-28	105
May19	2,517	-21	2,540	2,540	2,525	5,309	15	24
Jul19	2,493	-21	-	-	-	775	0	4
Sep19	2,466	-21	2,485	2,485	2,485	172	0	3
Nov19	2,466	-21	-	-	-	30	0	-
Total						242,752	1,674	32,052

Spreads

Contract	Open	High	Low	Last	Vol
Dec17 /Jan18	-55	-55	-55	-55	3
Jan18 /Feb18	-32	-26	-32	-29	801
Feb18 /Mar18	-25	-24	-28	-25	2,741
Mar18 /Apr18	-11	-10	-12	-10	776

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	JAN'18	992.00	-10.75
Soybean Oil	JAN'18	33.33	0.16
Soybean Meal	JAN'18	335.20	-7.10
Crude Oil	JAN'18	56.69	0.70
DCE Palm Oil	MAY18	5,336	-68.00
DCE Soybean Oil	MAY18	5,924	-66.00

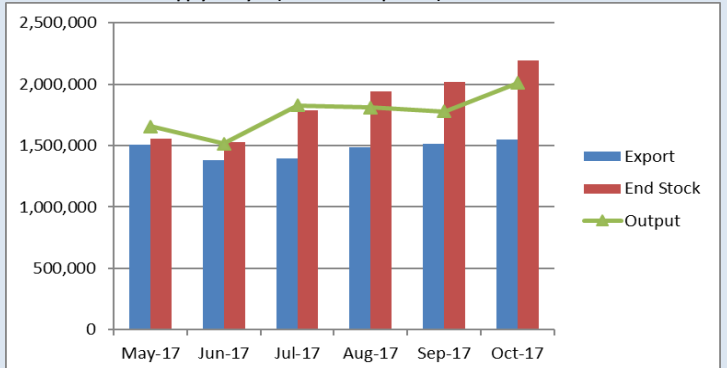
Exchange Rate

Currency	Last
USDMYR	4.0754
USDIDR	13,544
USDCNY	6.6160

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	DEC17	n.a.	5208.40	n.a.
FOB CPO (Indo)	USD/mt	DEC17	n.a.	640	637.5
FOB RBD Palm Olein (M'sia)	USD/mt	DEC17	n.a.	635	632.5
FOB RBD Palm Oil (M'sia)	USD/mt	DEC17	n.a.	630	n.a.

MPOB Demand and Supply Analysis (6 Month Comparison)

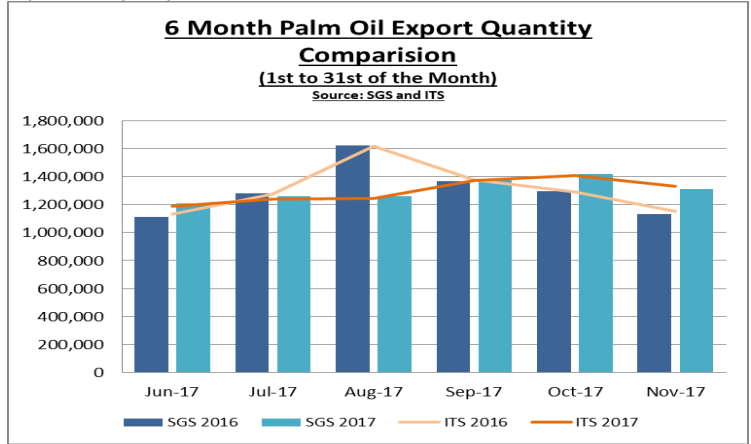


Demand and Supply Data

Date	Cargo Surveyor Figures					
	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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