

FCPO Daily Commentary

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

PALM FCPO DEC17 (2730, +10)

Our Call of The Day:

Neutral

9 October 2017

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm gains for 4th day on slower-than-forecast output growth.
- CBOT soybeans close higher, buoyed by late technical surge.

Crude Palm Oil

Malaysian palm oil futures traded higher on Friday ahead of the release of official data for September, charting a fourth straight day of gains and finishing the week stronger after two consecutive weeks of decline.

The benchmark contract December 2017 rose RM10 to RM2730, prices were traded between RM2,732 and RM2,706 total traded volume for palm stood at 42,516 lots.

Phillip Futures Sdn Bhd Analyst, David Ng said the better performance was also supported by stronger demand, particularly from China, with the market there resuming trading next week after a week-long National Day holiday.

A Reuters poll showed September end-stocks likely rose 3.2 percent from a month earlier to 2 million tonnes, their highest since February 2016. Output is seen rising to 1.84 million tonnes, the strongest in nearly two years, while exports are forecast to gain 7.8 percent to 1.60 million tonnes.

China's Dalian Commodity Exchange was closed for the entire previous week in conjunction with the China's National day holidays. It will resume trading on today.

WTI crude oil plunged over 2 percent on Friday, and were set to end Brent's longest multi-week rally in 16 months following profit taking and the return of oversupply concerns.

Today, we expect the palm price to trade in consolidation, as traders stay cautious ahead of the release of September MPOB data.

For the benchmark palm oil contract, we locate the immediate support at RM2,706 while the immediate resistance at RM2,746.

Soybean (Reuters)

Chicago Board of Trade soybean futures ended higher on Friday, with the November contract climbing to a one-week high in the final minutes of trade on technical buying and worries about dry weather hampering planting in Brazil.

Updated weather forecasts delayed the return of rains to northern crop areas of Brazil, the Commodity Weather Group said in a daily note.

Rains in the U.S. Midwest this week have slowed the soybean harvest but may help raise low water levels on the Mississippi River.

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Oct17	2,741	12	2,735	2,736	2,730	2,112	-380	236
Nov17	2,733	12	2,710	2,734	2,710	9,275	-567	681
Dec17	2,730	10	2,710	2,732	2,706	41,604	-562	20,418
Jan18	2,730	10	2,710	2,731	2,707	43,146	1,262	9,412
Feb18	2,729	9	2,712	2,729	2,708	13,183	1,694	4,176
Mar18	2,729	10	2,710	2,730	2,708	27,808	1,897	3,473
May18	2,711	9	2,694	2,714	2,690	30,378	-861	1,414
Jul18	2,656	9	2,653	2,658	2,640	16,994	-160	388
Sep18	2,602	3	2,592	2,612	2,592	16,932	1	876
Nov18	2,600	4	2,590	2,607	2,590	15,368	40	1,345
Jan19	2,607	4	2,610	2,610	2,609	3,062	21	54
Mar19	2,619	4	2,615	2,615	2,615	2,502	15	25
May19	2,620	4	2,616	2,616	2,616	3,780	8	18
Jul19	2,599	4	-	-	-	545	0	-
Sep19	2,583	4	-	-	-	48	0	-
Total						226,737	2,408	42,516

Spreads

Contract	Open	High	Low	Last	Vol
Nov17 /Dec17	1	5	2	3	333
Dec17 /Jan18	0	3	-1	0	4,009
Jan18 /Feb18	0	2	-1	1	1,660
Feb18 /Mar18	0	1	-2	0	554

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	NOV17	972.25	4.00
Soybean Oil	DEC17	32.95	-0.05
Soybean Meal	DEC17	319.20	2.30
Crude Oil	NOV17	49.29	-1.50
DCE Palm Oil	JAN18	5,512	-8.00
DCE Soybean Oil	JAN18	6,074	-10.00

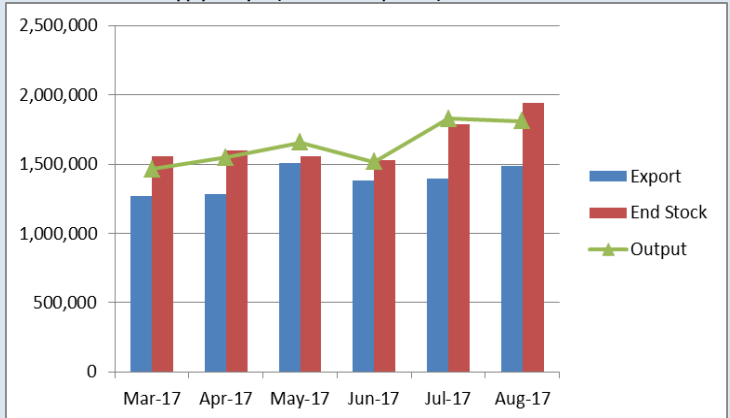
Exchange Rate

Currency	Last
USDMYR	4.2375
USDIDR	13,515
USDCNY	6.6392

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	OCT17	n.a.	5605.23	n.a.
FOB CPO (Indo)	USD/mt	OCT17	680	690	685
FOB RBD Palm Olein (M'sia)	USD/mt	OCT17	n.a.	690	687.5
FOB RBD Palm Oil (M'sia)	USD/mt	OCT17	n.a.	685	n.a.

MPOB Demand and Supply Analysis (6 Month Comparison)

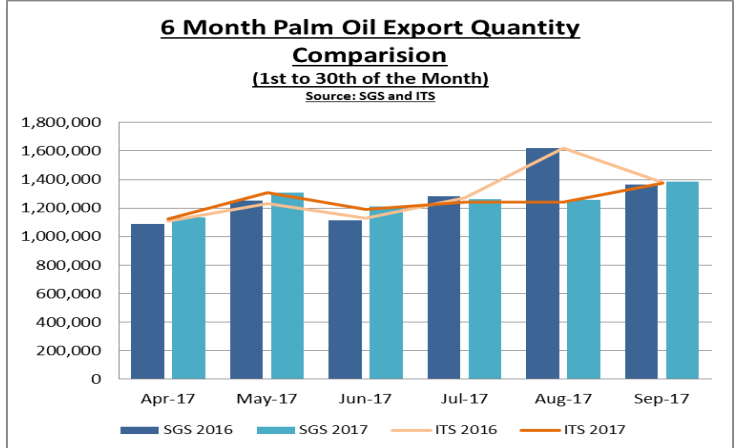


Demand and Supply Data

Date	Cargo Surveyor Figures			SGS (in tonnes)		
	ITS (in tonnes)			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

(in tonnes)	Jul'17	Aug'17	MoM (%)	PFSB Forecast	
				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	-	-

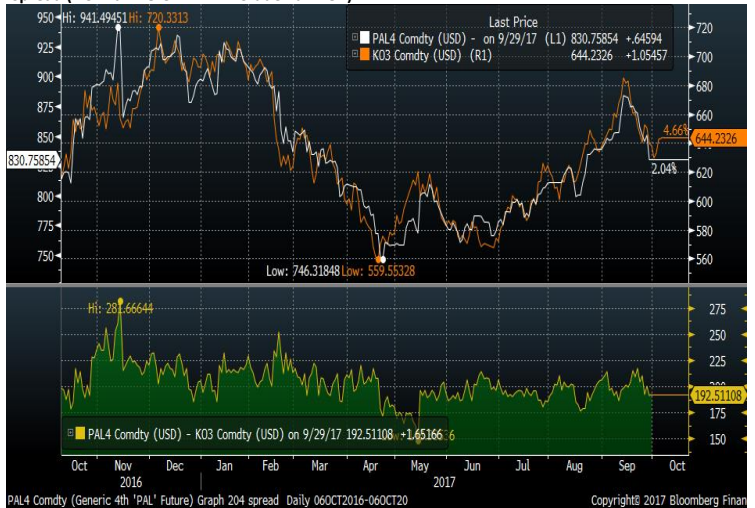
Export Quantity Analysis



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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