

FCPO Daily Commentary

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PALM FCPO JAN18 (2820, +35)

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm jumps to one-week top on weather outlook, technical buying
- CBOT soybeans end firm on positioning before USDA report

Crude Palm Oil

Malaysian palm oil futures jumped to a one week top on Wednesday evening, charting a second straight day of gains, over concerns that rainy weather could lower production.

The benchmark contract January 2018 gained RM35 to RM2820, prices were traded between RM2,825 and RM2,784 total traded volume for palm stood at 47,451 lots.

Phillip Futures Sdn Bhd Derivatives Dealer David Ng said the stronger crude oil prices and expectations of a lower soybean production had lifted sentiment in the palm oil complex.

Palm was supported by gains in soyoil earlier in the day, as its spread with rival soyoil on the Chicago Board of Trade widened.

A widening spread between the two edible oils typically prompts buyers to switch to the cheaper palm oil.

The Malaysian Palm Oil Board is set to release official data on Nov 10.

Oil closed lower as surprise crude inventories offsets drop in fuel stockpiles. Crude inventories rose by 2.2 million barrels last week.

Today, Malaysia palm oil price is expected to trade higher on a stronger soyoil price overnight. Market will be anticipating official data from industry regulator the Malaysian Palm Oil Board which will be released on Friday.

For the benchmark palm oil contract, we locate the immediate support at RM2,770 while the immediate resistance at RM2,871.

Soybean (Reuters)

Chicago Board of Trade soybean futures rose for a third straight day on Wednesday on positioning ahead of the U.S. Agriculture Department's monthly crop supply and demand report due out on Thursday.

Our Call of The Day:

Bullish

9 November 2017

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Nov17	2,772	13	2,767	2,772	2,760	1,017	-329	102
Dec17	2,799	32	2,777	2,800	2,767	9,408	-1,588	900
Jan18	2,820	35	2,793	2,825	2,784	49,952	2,109	22,243
Feb18	2,833	36	2,801	2,838	2,795	27,066	-128	6,680
Mar18	2,839	31	2,810	2,845	2,805	38,531	355	6,173
Apr18	2,838	31	2,812	2,841	2,805	23,429	896	3,040
May18	2,825	31	2,796	2,828	2,792	34,186	371	3,525
Jul18	2,769	36	2,736	2,772	2,736	24,052	242	1,868
Sep18	2,733	34	2,703	2,735	2,703	15,537	456	1,438
Nov18	2,730	35	2,699	2,732	2,699	15,349	185	740
Jan19	2,742	33	2,713	2,742	2,713	3,144	61	311
Mar19	2,747	31	2,720	2,749	2,720	3,343	71	211
May19	2,747	30	2,720	2,749	2,720	4,715	66	160
Jul19	2,722	30	2,696	2,696	2,696	698	-1	27
Sep19	2,667	8	2,662	2,667	2,662	120	18	33
Total						250,547	2,784	47,451

Spreads

Contract	Open	High	Low	Last	Vol
Nov17 / Dec17	-10	-10	-15	-15	19
Dec17 / Jan18	-19	-17	-23	-22	588
Jan18 / Feb18	-11	-9	-12	-11	3,316
Feb18 / Mar18	-10	-7	-11	-1	985

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	JAN18	998.50	2.50
Soybean Oil	DEC17	35.37	0.35
Soybean Meal	DEC17	315.20	-0.30
Crude Oil	DEC17	56.81	-0.39
DCE Palm Oil	JAN18	5,624	-24.00
DCE Soybean Oil	JAN18	6,132	6.00

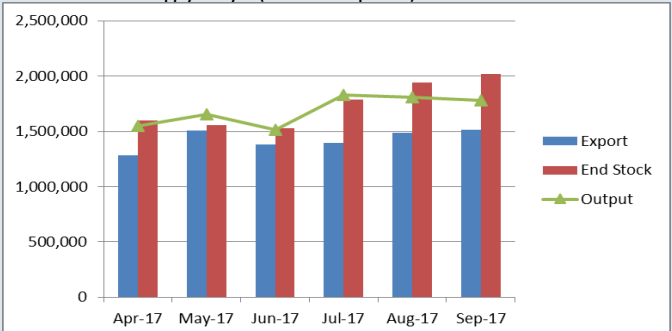
Exchange Rate

Currency	Last
USDMYR	4.2290
USDIDR	13,504
USDCNY	6.6230

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	NOV17	n.a.	5621.76	n.a.
FOB CPO (Indo)	USD/mt	NOV17	682.5	692.5	687.5
FOB RBD Palm Olein (M'sia)	USD/mt	NOV17	n.a.	690	685
FOB RBD Palm Oil (M'sia)	USD/mt	NOV17	n.a.	685	n.a.

MOB Demand and Supply Analysis (6 Month Comparison)

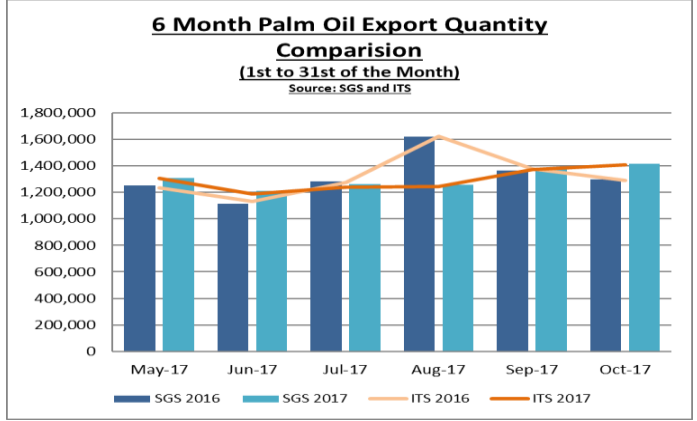


Demand and Supply Data

Date	ITS (in tonnes)			SGS (in tonnes)		
	Sep'17	Oct'17	Chg (%)	Sep'17	Oct'17	Chg (%)
First 10 days	379,652	448,349	18.1	396,672	462,082	16.5
First 15 days	625,655	690,074	10.3	652,350	709,322	8.7
First 20 days	852,206	951,339	11.6	878,422	967,707	10.2
First 25 days	1,085,116	1,177,939	8.6	1,105,555	1,197,237	8.3
Full month	1,372,990	1,406,706	2.5	1,384,665	1,416,664	2.3

(in tonnes)	Malaysia Palm Oil Board Data (MPOB)			PFSB Forecast	
	Aug'17	Sep'17	MoM (%)	Oct'17	Chg (%)
Production	1,810,551	1,779,924	-1.7	1.92	8
Export	1,488,194	1,515,304	1.8	1.59	5
Import	41,661	41,173	-1.2		
Local Disapp	206,577	228,492	10.6		
Stock	1,941,717	2,019,018	4.0	2.16	7
Stock/Use ratio	1.12	1.13	1.0		

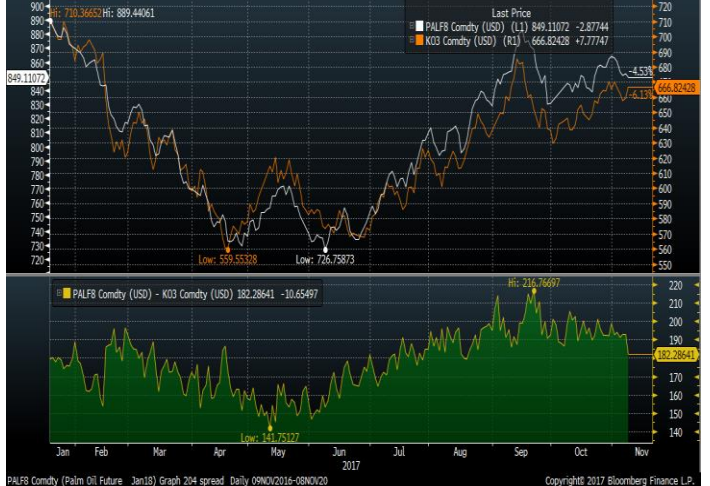
Export Quantity Analysis



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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