

# FCPO Daily Commentary

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## PALM FCPO NOV17 (2873, +44)

### FCPO 3rd Month Daily Candle Chart



#### Market Commentary

##### Highlights:

- Palm rises to 6-month high on industry outlook.
- CBOT soybeans end higher on export demand, technical buying.

#### Crude Palm Oil

Malaysian palm oil futures gained for a third consecutive session to 6th month high on Wednesday, as trading breached a psychological barrier and market was upbeat about the industry outlook.

The benchmark November 17 surged RM44 to RM2,873 per tonne, prices were traded between RM2,828 and RM2,876 with total traded volume for palm stood at 57,600 lots.

David Ng, derivatives specialist at Phillip Futures said sentiment is bullish due to weaker palm production and anticipation of stronger exports in coming weeks. He added that market is also tracking gains in Dalian.

Oilseed production in India, the world's biggest importer of palm oil, may drop in 2017-18 as dry weather in the main growing areas last month will hurt yields. This could probably provide support to palm oil market as India import likely to be increase.

The market is expected to track updates and insights from industry speakers at the three-day Globoil India conference, starting on Wednesday.

Today, we expect palm prices to consolidate in upside bias as bullish sentiment remain on the slower output data and improved in export data. However, losses in overnight soyoil market could cap gain.

For the benchmark palm oil contract, we locate the immediate support at RM2,835 while the immediate resistance at RM2,890.

#### Soybean (Reuters)

Chicago Board of Trade soybean futures rose Wednesday, supported by fresh export demand and a round of technical buying and short-covering following a four-session slide in the November contract.

The U.S. Department of Agriculture said private exporters sold 167,370 tonnes of U.S. soybeans to Mexico for delivery in the 2017/18 marketing year that began Sept. 1.

Rallies were capped by the USDA's forecast on Tuesday of a record-large U.S. soy harvest totaling 4.431 billion bushels, with a larger-than-expected average yield of 49.9 bushels per acre.

Ahead of monthly U.S. soy crushing data due Friday from the National Oilseed Processors Association, analysts surveyed by Reuters on average expected NOPA to report its August crush at 137.501 million bushels.

Our Call of The Day:

**Consolidate**  
14 September 2017

### Crude Palm Oil Futures

#### Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Sep17	2,892	62	-	-	-	786	0	-
Oct17	2,894	62	2,860	2,894	2,849	8,634	-412	550
Nov17	2,873	44	2,839	2,876	2,828	43,174	-540	22,264
Dec17	2,849	37	2,824	2,852	2,810	21,060	127	7,770
Jan18	2,830	31	2,809	2,832	2,793	29,482	1,380	9,960
Feb18	2,813	30	2,799	2,814	2,781	5,088	215	2,870
Mar18	2,802	26	2,782	2,804	2,773	19,534	-802	5,355
May18	2,789	22	2,781	2,789	2,758	29,558	31	3,340
Jul18	2,754	22	2,751	2,754	2,721	15,766	83	1,542
Sep18	2,725	14	2,729	2,735	2,703	16,375	99	1,590
Nov18	2,721	12	2,726	2,732	2,703	17,083	-1,107	2,019
Jan19	2,722	12	2,724	2,731	2,710	2,653	-112	210
Mar19	2,742	16	2,736	2,742	2,723	2,426	25	62
May19	2,744	16	2,727	2,750	2,727	3,275	2	59
Jul19	2,742	16	2,742	2,742	2,742	519	6	9
<b>Total</b>						<b>215,413</b>	<b>-1,005</b>	<b>57,600</b>

#### Spreads

Contract	Open	High	Low	Last	Vol
Oct17 / Nov17	13	23	9	21	304
Nov17 / Dec17	16	27	16	24	2,435
Dec17 / Jan18	16	23	14	20	2,303
Jan18 / Feb18	13	17	10	16	1,189

#### Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	NOV17	960.50	10.00
Soybean Oil	DEC17	35.09	-0.10
Soybean Meal	DEC17	305.40	5.40
Crude Oil	OCT17	49.30	1.07
DCE Palm Oil	JAN18	5,716	74.00
DCE Soybean Oil	JAN18	6,378	22.00

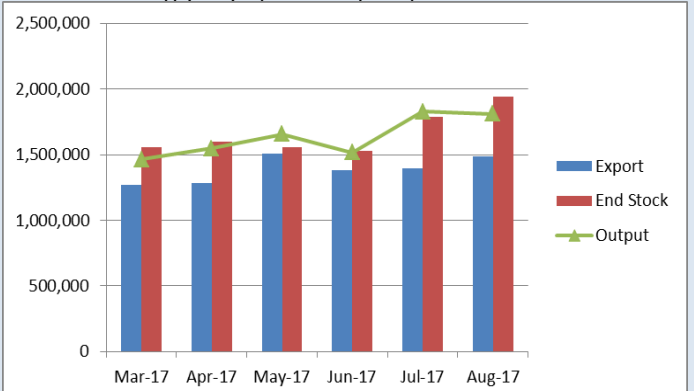
#### Exchange Rate

Currency	Last
USDMYR	4.1960
USDIDR	13,250
USDCNY	6.5475

#### Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	OCT16	n.a.	6299.68	n.a.
FOB CPO (Indo)	USD/mt	OCT16	715	725	720
FOB RBD Palm Olein (M'sia)	USD/mt	OCT16	n.a.	725	718.75
FOB RBD Palm Oil (M'sia)	USD/mt	OCT16	n.a.	720	n.a.

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

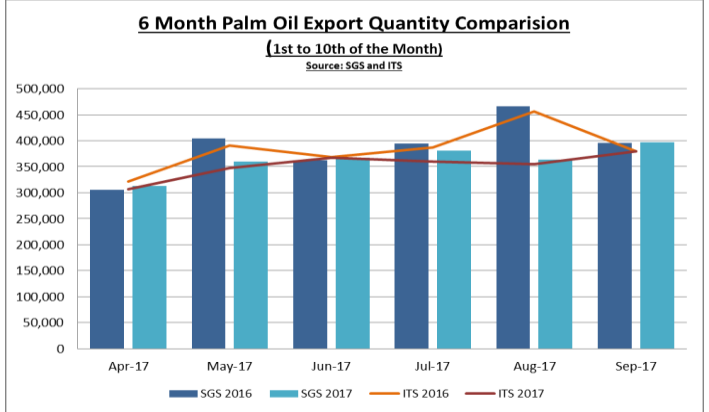


**Demand and Supply Data**

Date	Cargo Surveyor Figures					
	ITS (in tonnes)			SGS (in tonnes)		
	Aug'17	Sep'17	Chg (%)	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			537,022		
First 20 days	679,539			692,662		
First 25 days	934,544			956,547		
Full month	1,243,361			1,259,240		

(in tonnes)	Malaysia Palm Oil Board Data (MPOB)			PFSB Forecast	
	Jul'17	Aug'17	MoM (%)	Jul'17	Chg (%)
	Production	1,827,108	1,810,594	-0.9	1.74
Export	1,397,846	1,487,820	6.4	1.45	5
Import	52,962	41,661	-21.3		
Local Disapp	225,152	206,577	-8.2		
Stock	1,784,143	1,942,001	8.8	1.60	5
Stock/Use ratio	1.06	1.12	5.7		

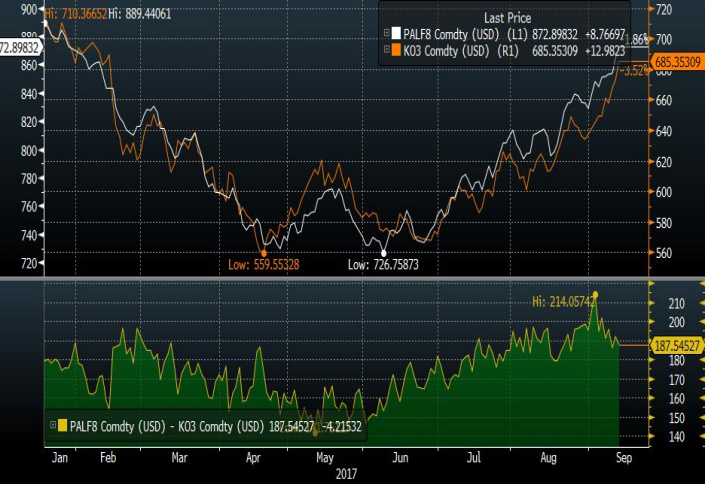
**Export Quantity Analysis**



**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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