

# FCPO Daily Commentary

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## PALM FCPO JAN18 (2761, -36)

### FCPO 3rd Month Daily Candle Chart



#### Market Commentary

##### Highlights:

- Palm in biggest decline in a month on weaker soyoil, stronger ringgit
- CBOT soybeans fall to one-month low on technicals, Brazil rains

#### Crude Palm Oil

Malaysian palm oil futures suffered their sharpest daily decline in over a month on Monday evening, falling for a third consecutive day as they tracked a weaker performing soyoil on the Chicago Board of Trade.

The benchmark contract January 2018 declined RM36 to RM2761, prices were traded between RM2,795 and RM2,759 total traded volume for palm stood at 46,025 lots.

A stronger ringgit, palm's currency of trade, also weighed on the tropical oil, as this makes the oilseed more expensive for foreign buyers.

Phillip Futures Sdn Bhd Derivatives Dealer David Ng said CPO closed lower last week amid renewed concern over production this year with some estimates pointing to an overall increase in terms of production during a palm oil conference in Bali last week.

Malaysia's palm oil stocks at end-October rose 8.4 percent to 2.19 million tonnes from the previous month, industry regulator the Malaysian Palm Oil Board (MPOB) said on Friday. October production gained 12.9 percent from September to 2 million tonnes. Exports rose 2 percent to 1.55 million tonnes.

US oil held steady in a tight range Monday, with support from Middle East tensions and record long bets by fund managers balanced by rising U.S. production.

Today, Malaysia palm oil price is expected to open lower following a weaker soyoil price. The stronger Ringgit would also further pressure the palm market.

For the benchmark palm oil contract, we locate the immediate support at RM2,770 while the immediate resistance at RM2,832.

#### Soybean (Reuters)

Chicago Board of Trade soybean futures fell to a one-month low on Monday on improving crop weather in South America and on chart-based selling.

Widespread rains in northern Brazil are expected to boost crop prospects in the world's top soybean exporting country. However, dry conditions will delay soy planting in neighboring Argentina.

Our Call of The Day:

**Mildly Bearish**

14 November 2017

### Crude Palm Oil Futures

#### Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Nov17	2,702	-38	2,770	2,770	2,750	588	-20	32
Dec17	2,741	-38	2,769	2,774	2,741	7,355	-731	888
Jan18	2,761	-36	2,788	2,795	2,759	51,163	2,645	24,418
Feb18	2,778	-33	2,800	2,807	2,776	28,862	778	6,693
Mar18	2,789	-30	2,805	2,814	2,786	39,535	1,141	5,035
Apr18	2,785	-31	2,799	2,809	2,784	25,202	139	1,378
May18	2,774	-27	2,786	2,798	2,771	35,970	683	3,526
Jul18	2,721	-26	2,740	2,743	2,718	24,175	-16	1,635
Sep18	2,672	-29	2,695	2,699	2,668	17,238	945	1,603
Nov18	2,667	-30	2,693	2,694	2,665	16,731	157	345
Jan19	2,684	-25	2,707	2,707	2,680	3,777	124	244
Mar19	2,692	-28	2,699	2,701	2,689	3,460	98	168
May19	2,690	-27	2,694	2,710	2,689	4,720	-5	37
Jul19	2,665	-27	2,680	2,680	2,665	709	10	22
Sep19	2,610	-27	-	-	-	120	0	1
<b>Total</b>						<b>259,605</b>	<b>5,948</b>	<b>46,025</b>

#### Spreads

Contract	Open	High	Low	Last	Vol
Nov17 / Dec17	-40	-5	-40	-6	23
Dec17 / Jan18	-17	-16	-22	-20	485
Jan18 / Feb18	-13	-12	-17	-17	3,363
Feb18 / Mar18	-8	-7	-10	-10	587

#### Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	JAN18	974.25	-12.75
Soybean Oil	DEC17	34.48	-0.48
Soybean Meal	DEC17	313.40	-3.20
Crude Oil	DEC17	56.76	0.00
DCE Palm Oil	JAN18	5,624	-22.00
DCE Soybean Oil	JAN18	6,080	-28.00

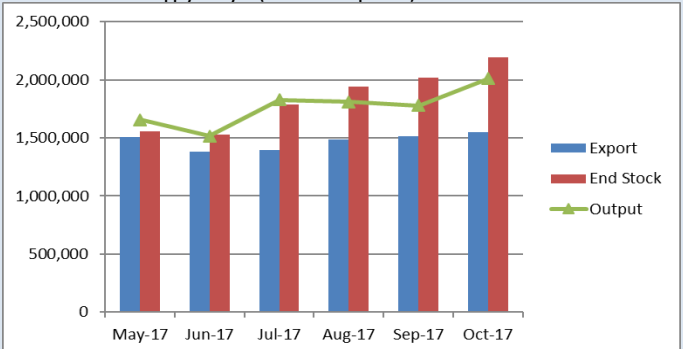
#### Exchange Rate

Currency	Last
USDMYR	4.1910
USDIDR	13,566
USDCNY	6.6434

#### Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	NOV17	n.a.	5638.30	n.a.
FOB CPO (Indo)	USD/mt	NOV17	682.5	687.5	685
FOB RBD Palm Olein (M'sia)	USD/mt	NOV17	n.a.	687.5	681.25
FOB RBD Palm Oil (M'sia)	USD/mt	NOV17	n.a.	682.5	n.a.

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

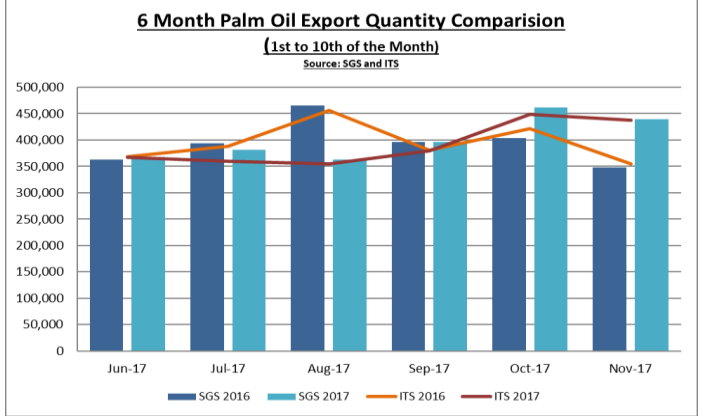


**Demand and Supply Data**

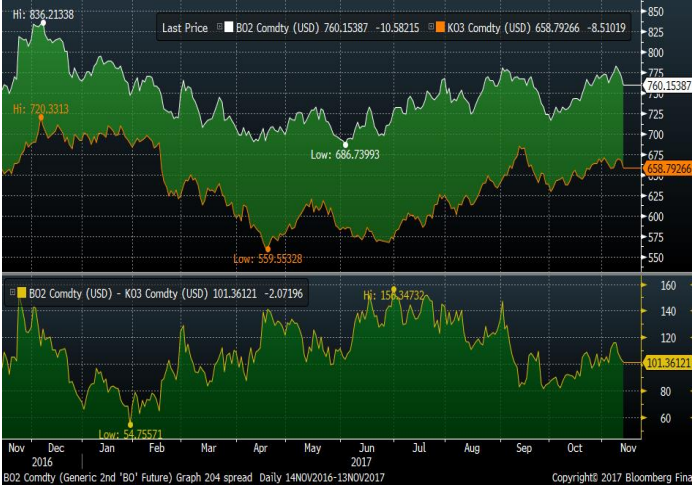
Date	Cargo Surveyor Figures			SGS (in tonnes)		
	ITS (in tonnes)			SGS (in tonnes)		
	Oct'17	Nov'17	Chg (%)	Oct'17	Nov'17	Chg (%)
First 10 days	448,349	436,988	-2.5	462,082	439,879	-4.8
First 15 days	690,074			709,322		
First 20 days	951,339			967,707		
First 25 days	1,177,939			1,197,237		
Full month	1,406,706			1,416,664		

(in tonnes)	Malaysia Palm Oil Board Data (MPOB)			PFSB Forecast	
	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**

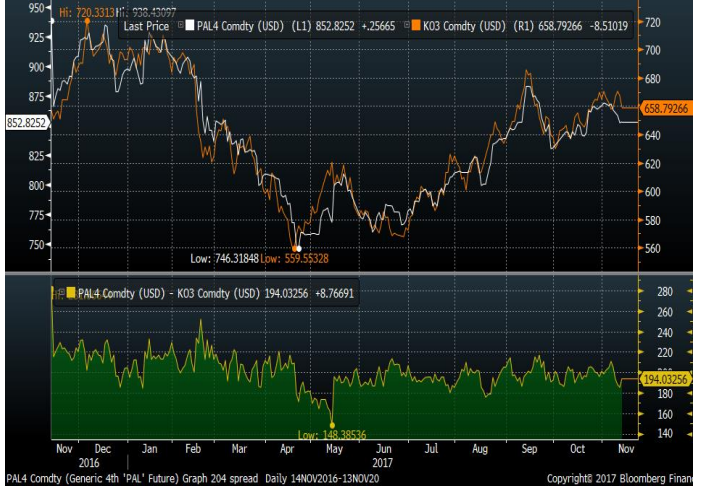


**Spread (CBOT Soyoil - BMD Crude Palm Oil)**



Sources: Thomson Reuters / Bloomberg / MPOB / ITS / SGS / Phillip Futures

**Spread (DCE Palm Olein - BMD Crude Palm Oil)**



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