

FCPO Daily Commentary

Brought to you by Phillip Futures Sdn Bhd (962533-U) (A member of PhillipCapital)

PALM FCPO DEC17 (2749, +38)

Our Call of The Day:

Mildly Bullish
16 October 2017

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm climbs to 2-week top tracking CBOT soyoil, better demand outlook.
- CBOT soy ends higher on bullish USDA yield, export data.

Crude Palm Oil

Malaysian palm oil futures rose to their strongest levels in two weeks on Friday evening, charting a third consecutive session of gains, tracking a rise in soyoil on the Chicago Board of Trade.

The benchmark contract December 2017 rose RM38 to RM2749, prices were traded between RM2,751 and RM2,690 total traded volume for palm stood at 52,340 lots.

Phillip Futures Sdn Bhd Analyst David Ng said the local market was also on the uptrend on anticipation of stronger export figures coupled with firmer soyabean oil market.

Export data on Malaysian palm oil shipments for the first half of October is scheduled for release on Oct. 16 after 12pm (Malaysia time) by cargo surveyors Intertek Testing Services and Societe Generale de Surveillance.

WTI crude oil closed at their highest level in October on bullish news from strong Chinese oil imports, U.S. President Donald Trump's decision not to certify that Iran is complying with a nuclear agreement and other tensions in the Middle East.

Today, the palm price is likely to trade in a slightly bullish tone, as traders anticipate a positive export figure due later in the day.

For the benchmark palm oil contract, we locate the immediate support at RM2,690 while the immediate resistance at RM2,770.

Soybean (Reuters)

Chicago Board of Trade soybean futures closed higher Friday on follow-through buying a day after the U.S. Department of Agriculture lowered its estimates of the U.S. 2017 soybean yield and 2017-18 soy ending stocks.

For the week, the contract rose 28 cents, or 2.9 percent, the biggest weekly advance in three months.

Better-than-expected weekly export sales lent support. The USDA reported export sales of U.S. soybeans in the latest week at 1,747,300 tonnes, topping a range of trade estimates for 900,000 to 1,200,000 tonnes.

Rains expected in the U.S. Midwest this weekend should slow the harvest but forecasts called for mostly dry weather next week.

CBOT December soy meal settled up \$2.30 on Friday at \$328.60 per short ton while December soyoil rose 0.41 cent to 33.69 cents per pound.

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Oct17	2,716	0	-	-	-	512	-235	-
Nov17	2,750	41	2,708	2,751	2,690	5,441	-405	1,114
Dec17	2,749	38	2,716	2,751	2,690	32,438	-4,089	20,962
Jan18	2,757	38	2,722	2,758	2,696	42,739	-38	15,175
Feb18	2,759	39	2,724	2,760	2,699	17,930	1,483	4,337
Mar18	2,758	36	2,725	2,759	2,701	29,897	-312	3,667
May18	2,744	35	2,709	2,746	2,696	29,872	-464	2,952
Jul18	2,682	27	2,655	2,686	2,643	18,123	-562	1,665
Sep18	2,632	37	2,595	2,634	2,588	18,467	-168	1,056
Nov18	2,627	39	2,591	2,630	2,583	15,884	-272	1,061
Jan19	2,636	39	2,591	2,627	2,589	2,846	-2	125
Mar19	2,642	39	2,598	2,635	2,596	2,617	25	53
May19	2,634	31	2,603	2,633	2,603	3,953	46	98
Jul19	2,618	23	2,603	2,618	2,603	548	0	55
Sep19	2,602	23	2,594	2,594	2,594	65	15	20
Total						221,332	-4,978	52,340

Spreads

Contract	Open	High	Low	Last	Vol
Nov17 / Dec17	-2	1	-3	1	805
Dec17 / Jan18	-7	-3	-8	-8	6,622
Jan18 / Feb18	-2	-2	-4	-2	1,763
Feb18 / Mar18	-1	-1	-2	1	485

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	NOV17	1,000.25	8.25
Soybean Oil	DEC17	33.69	0.41
Soybean Meal	DEC17	328.60	2.30
Crude Oil	NOV17	51.45	0.82
DCE Palm Oil	JAN18	5,528	-20.00
DCE Soybean Oil	JAN18	6,058	0.00

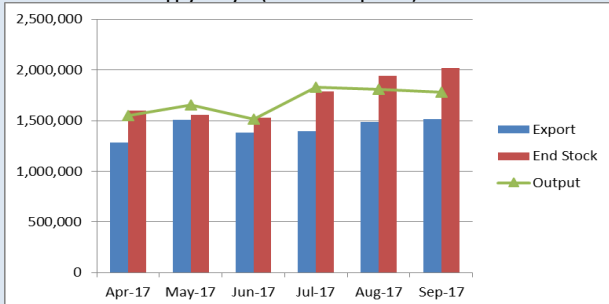
Exchange Rate

Currency	Last
USDMYR	4.2154
USDIDR	13,441
USDCNY	6.5723

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	OCT17	n.a.	5687.90	n.a.
FOB CPO (Indo)	USD/mt	OCT17	682.5	690	686.25
FOB RBD Palm Olein (M'sia)	USD/mt	OCT17	n.a.	687.5	685
FOB RBD Palm Oil (M'sia)	USD/mt	OCT17	n.a.	682.5	n.a.

MPOB Demand and Supply Analysis (6 Month Comparison)

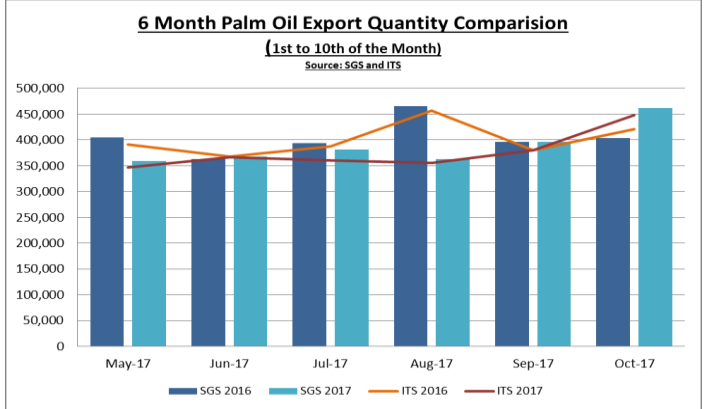


Demand and Supply Data

Date	Cargo Surveyor Figures			SGS (in tonnes)		
	ITS (in tonnes)			SGS (in tonnes)		
	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			652,350		
First 20 days	852,206			878,422		
First 25 days	1,085,116			1,105,555		
Full month	1,372,990			1,384,665		

(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	-	-
Export	1,488,194	1,515,304	1.8	-	-
Import	41,661	41,173	-1.2		
Local Disapp	206,577	228,492	10.6		
Stock	1,941,717	2,019,018	4.0	-	-
Stock/Use ratio	1.12	1.13	1.0		

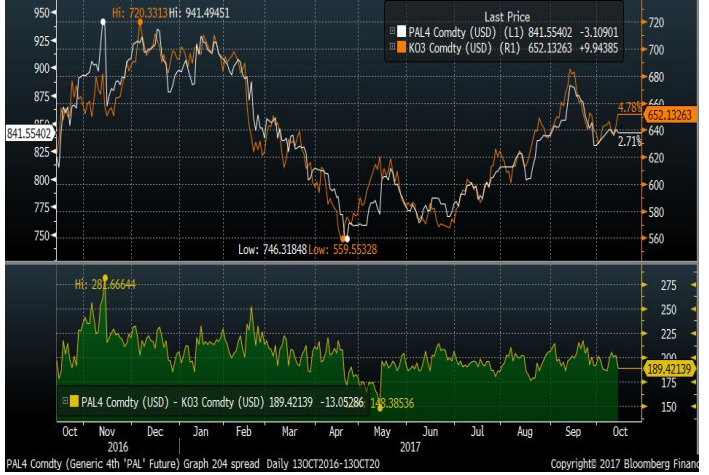
Export Quantity Analysis



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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