

FCPO Daily Commentary

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PALM FCPO JAN18 (2762, +5)

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm make further gains on higher crude oil, stronger exports
- CBOT soy drop on profit taking

Crude Palm Oil

Malaysian palm oil futures extended gains on Monday evening, recording a fourth straight day of wins tracking higher crude oil prices and stronger export data from cargo surveyors.

The benchmark contract January 2018 rose RM5 to RM2762, prices were traded between RM2,766 and RM2,747 total traded volume for palm stood at 44,760 lots.

Phillip Futures Sdn Bhd Analyst David Ng said CPO closed marginally higher as stronger export demand from key major consuming countries kept the prices supported.

Malaysian palm oil shipments, the world's second-largest producer after Indonesia, rose in the first-half of October, up 10.3% from the corresponding period last month, showed data from cargo surveyor Intertek Testing Services (ITS)

While Societe Generale Surveillance (SGS), reported on Monday evening a 8.7% rise in exports.

Palm oil demand is expected to remain robust for the rest of the month as key consumer countries India and China rebuild low stock levels, bucking a seasonal trend in which shipments of the tropical oil typically taper off at year-end.

US crude oil rose toward a six-month high on Monday as tensions escalated between Baghdad and Iraqi Kurdistan, a semiautonomous region.

Today, the palm price is likely to retrace a little on weaker soy market on bearish crush report. However, price could be supported by stronger exports data.

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 weakened on Monday, dipping below the \$10-per-bushel threshold the market hit for the first time in 2-1/2 months last week.

A weaker-than-expected report on the pace of crushing at U.S. soy processors added to the bearish tone. The National Oilseed Processors Association said the September soybean crush totalled 136.419 million bushels. Analysts had been expecting 138.071 million bushels.

Declines were kept in check by strong demand. The USDA said weekly export inspections of soybeans totalled 1.770 million tonnes, topping forecasts that ranged from 1.100 million to 1.400 million.

Our Call of The Day:

Mildly Bullish
17 October 2017

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Nov17	2,755	5	2,751	2,755	2,743	4,927	-514	582
Dec17	2,754	5	2,752	2,756	2,741	29,100	-3,338	8,105
Jan18	2,762	5	2,760	2,766	2,747	43,941	1,202	16,930
Feb18	2,764	5	2,762	2,769	2,752	18,431	501	4,884
Mar18	2,765	7	2,762	2,768	2,753	29,543	-354	3,843
Apr18	2,767	9	2,758	2,768	2,754	2,128	2,128	2,723
May18	2,749	5	2,746	2,756	2,742	29,810	-62	2,377
Jul18	2,691	9	2,685	2,702	2,682	19,461	1,338	2,754
Sep18	2,639	7	2,632	2,645	2,631	18,558	91	976
Nov18	2,634	7	2,629	2,639	2,629	15,887	3	1,399
Jan19	2,645	9	2,641	2,645	2,641	2,870	24	40
Mar19	2,650	8	2,643	2,647	2,640	2,662	45	73
May19	2,642	8	2,634	2,647	2,634	4,005	52	74
Jul19	2,626	8	-	-	-	548	0	-
Sep19	2,610	8	-	-	-	65	0	-
Total						221,936	604	44,760

Spreads

Contract	Open	High	Low	Last	Vol
Nov17 /Dec17	-1	2	-2	1	278
Dec17 /Jan18	-7	-7	-11	-8	4,712
Jan18 /Feb18	-2	-1	-4	-2	2,369
Feb18 /Mar18	-	1	-2	-1	907

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	NOV17	991.00	-9.25
Soybean Oil	DEC17	33.59	-0.10
Soybean Meal	DEC17	324.50	-4.10
Crude Oil	NOV17	51.87	0.48
DCE Palm Oil	JAN18	5,602	74.00
DCE Soybean Oil	JAN18	6,100	42.00

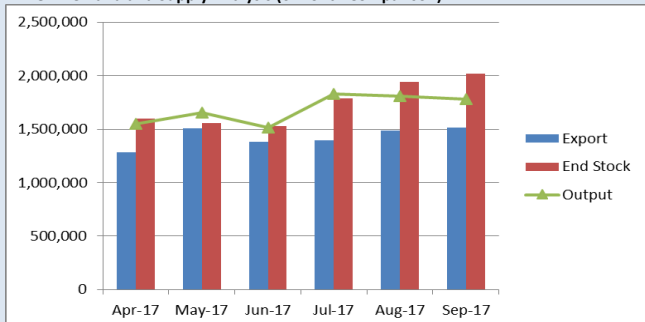
Exchange Rate

Currency	Last
USDMYR	4.2166
USDIDR	13,472
USDCNY	6.5899

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	OCT17	n.a.	5704.44	n.a.
FOB CPO (Indo)	USD/mt	NOV17	680	690	685
FOB RBD Palm Olein (M'sia)	USD/mt	NOV17	680	687.5	683.75
FOB RBD Palm Oil (M'sia)	USD/mt	NOV17	n.a.	682.5	n.a.

MPOB Demand and Supply Analysis (6 Month Comparison)

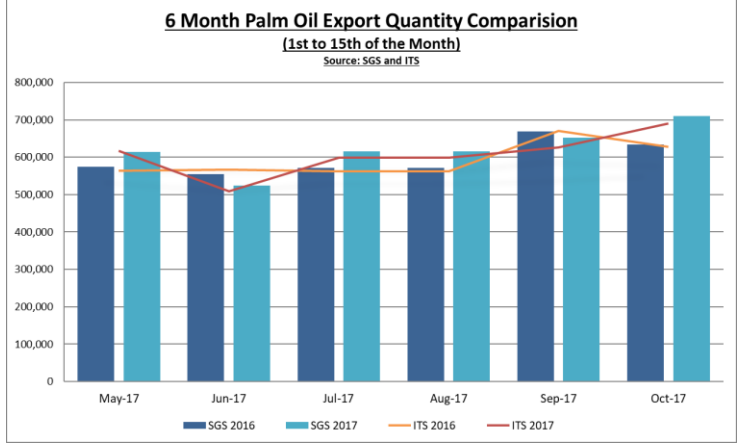


Demand and Supply Data

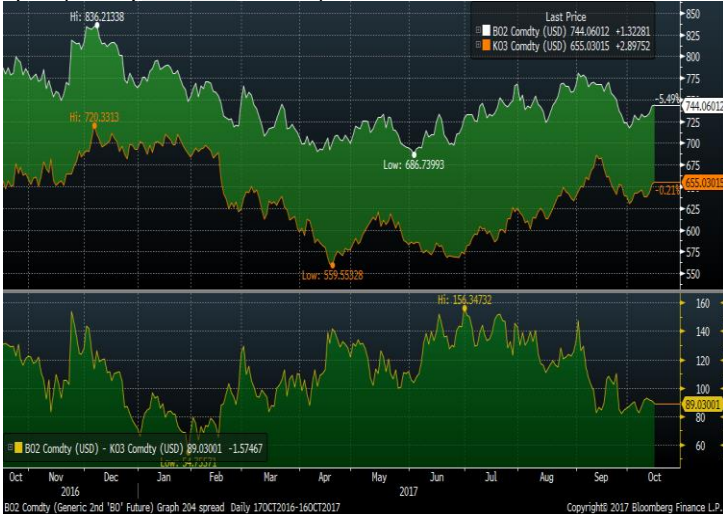
Cargo Surveyor Figures						
Date	ITS (in tonnes)			SGS (in tonnes)		
	Sep'17	Oct'17	Chg (%)	Sep'17	Oct'17	Chg (%)
First 10 days	379,652	448,349	18.1	396,672	462,082	16.5
First 15 days	625,655	690,074	10.3	652,350	709,322	8.7
First 20 days	852,206			878,422		
First 25 days	1,085,116			1,105,555		
Full month	1,372,990			1,384,665		

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

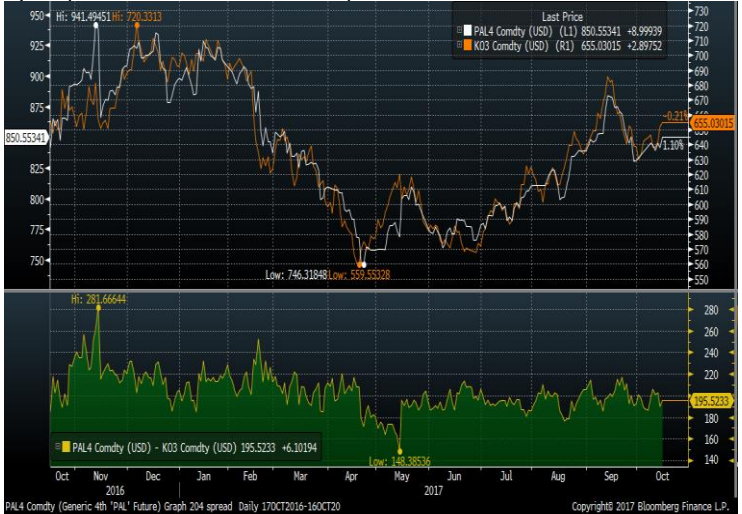
Export Quantity Analysis



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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