

FCPO Daily Commentary

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



PALM FCPO JAN18 (2741, +18)

Our Call of The Day:

Mildly Bullish
23 October 2017

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm climbs following gains in overseas markets
- CBOT soybeans close lower on U.S. harvest pressure

Crude Palm Oil

Malaysian palm oil futures edged higher on Friday after two straight sessions of declines, tracking overnight gains in overseas markets and on cargo surveyor data showing strong exports.

The benchmark contract January 2018 gained RM18 to RM2741, prices were traded between RM2,745 and RM2,721 total traded volume for palm stood at 38,609 lots.

Phillip Futures Sdn Bhd Analyst David Ng said CPO prices were boosted by positive sentiment on the soybean oil market.

Exports of palm oil products during Oct 1-20 rose 11.6% to 951,339 tonnes, from 852,206 tonnes shipped a month earlier, cargo surveyor Intertek Testing Services said on Friday.

While Societe Generale Surveillance (SGS), reported on Friday evening a 10.2% rise in exports, to 967,707 tonnes from 878,422 tonnes shipped during Sep. 1-20.

US oil prices were up slightly on Friday in see-saw trade, ending the week up on support from a sharp decline in Iraqi crude exports due to tensions in the Kurdistan region after contending with weak demand data.

Today, palm prices is expected to trade higher after an almost 1% gain in the CBOT soyoil market, due to the news that US EPA will be backing down on reforms to the nation's renewable fuel program.

For the benchmark palm oil contract, we locate the immediate support at RM2,690 while the immediate resistance at RM2,750.

Soybean (Reuters)

Chicago Board of Trade soybean futures fell on Friday on pressure from the ongoing U.S. harvest following a week of favorable weather for fieldwork in the core Midwest crop belt.

Soyoil rose on news that the U.S. Environmental Protection Agency will keep volume mandates for renewable fuel - including soy-based biodiesel - for next year at or above proposed levels, reversing a previous move to open the door to cuts.

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Nov17	2,724	10	2,716	2,729	2,709	4,217	-182	338
Dec17	2,729	16	2,730	2,733	2,710	22,080	-2,312	4,637
Jan18	2,741	18	2,739	2,745	2,721	46,233	1,652	21,670
Feb18	2,749	15	2,748	2,752	2,729	19,001	127	3,493
Mar18	2,755	16	2,753	2,760	2,736	31,032	978	3,034
Apr18	2,754	16	2,740	2,757	2,735	6,152	390	1,278
May18	2,737	13	2,739	2,745	2,723	29,403	142	1,521
Jul18	2,673	13	2,672	2,684	2,657	20,379	-402	1,262
Sep18	2,623	14	2,618	2,630	2,612	14,689	-754	770
Nov18	2,621	16	2,612	2,626	2,608	12,954	-660	498
Jan19	2,631	16	2,630	2,632	2,630	2,802	-41	61
Mar19	2,633	16	2,632	2,634	2,632	2,714	3	13
May19	2,625	16	2,619	2,625	2,619	4,067	25	33
Jul19	2,603	10	-	-	-	548	0	-
Sep19	2,587	10	2,587	2,587	2,587	66	1	1
Total						216,337	-1,033	38,609

Spreads

Contract	Open	High	Low	Last	Vol
Nov17 / Dec17	-1	-1	-3	-5	37
Dec17 / Jan18	-9	-9	-14	-12	2,868
Jan18 / Feb18	-9	-7	-10	-8	2,067
Feb18 / Mar18	-7	-6	-8	-6	326

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	NOV17	978.34	-7.75
Soybean Oil	DEC17	34.16	0.33
Soybean Meal	DEC17	317.10	-4.30
Crude Oil	NOV17	51.84	0.55
DCE Palm Oil	JAN18	5,546	-2.00
DCE Soybean Oil	JAN18	6,014	-22.00

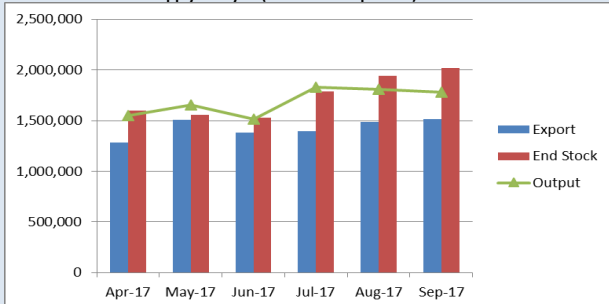
Exchange Rate

Currency	Last
USDMYR	4.2250
USDIDR	13,526
USDCNY	6.6184

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	OCT17	n.a.	5621.76	n.a.
FOB CPO (Indo)	USD/mt	NOV17	675	682.5	678.75
FOB RBD Palm Olein (M'sia)	USD/mt	NOV17	675	680	677.5
FOB RBD Palm Oil (M'sia)	USD/mt	NOV17	n.a.	675	n.a.

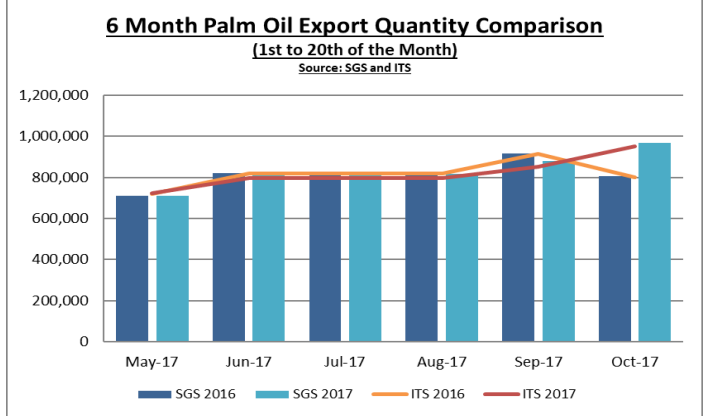
MPOB Demand and Supply Analysis (6 Month Comparison)



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			1,105,555		
Full month	1,372,990			1,384,665		

Export Quantity Analysis

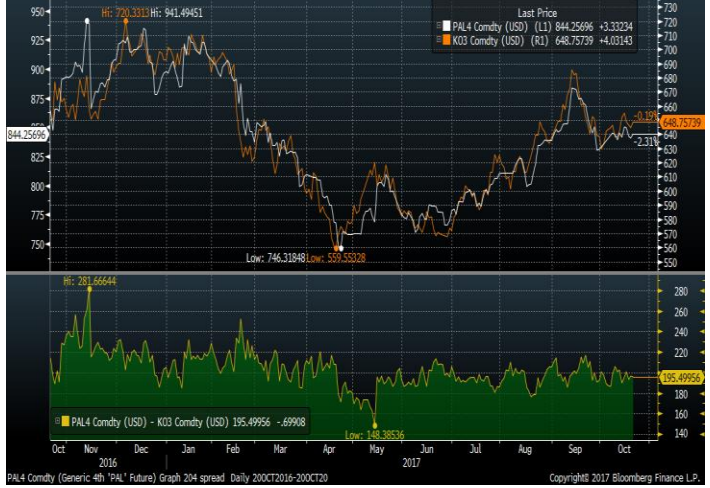


(in tonnes)	Malaysia Palm Oil Board Data (MPOB)			PFSB Forecast	
	Aug'17	Sep'17	MoM (%)	Oct'17	Chg (%)
Production	1,810,551	1,779,924	-1.7	-	-
Export	1,488,194	1,515,304	1.8	-	-
Import	41,661	41,173	-1.2	-	-
Local Disapp	206,577	228,492	10.6	-	-
Stock	1,941,717	2,019,018	4.0	-	-
Stock/Use ratio	1.12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

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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