

FCPO Daily Commentary

Brought to you by Phillip Futures Sdn Bhd (862533-U) (A member of PhillipCapital)

PALM FCPO FEB18 (2630, +21)

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm prices ended higher on strength from crude oil and softer ringgit
- CBOT soybean fell as improving crop weather weighed on price

Crude Palm Oil

Malaysian palm oil futures rose on Friday evening, marking a second session of gains in five, buoyed by stronger crude oil prices and a weaker ringgit.

The benchmark palm oil contract for February delivery on the Bursa Malaysia Derivatives Exchange rose 0.8 percent to 2,630 ringgit a tonne by the close of trade but was down 3.1 percent on the week, its sharpest weekly decline in two months.

Losses in the ringgit, palm's currency of trade, supported the edible oil by making it cheaper for holders of foreign currencies.

The ringgit weakened 0.3 percent to 4.1155 against the dollar on Friday evening, falling from the more than one-year high reached in the previous session.

Phillip Futures Sdn Bhd Derivative Dealer, David Ng said the higher close was also on the back of a weaker ringgit.

Palm oil prices dropped about 3 percent on last Monday after India announced it was raising import duties on edible oils to their highest in a decade.

Exports of Malaysian palm oil products for November 1 - 25 fell 8.4 percent to 1,079,427 tonnes from 1,177,939 tonnes shipped during October 1 - 25, cargo surveyor Intertek Testing Services said on Saturday.

Today, palm prices are expected to consolidate with downwards bias, tracking weakness in overnight CBOT.

Soybean (Reuters)

Chicago Board of Trade soybean futures closed lower on Friday in a holiday-shortened trading session on outlooks for improving crop weather in Argentina and technical selling after the lead January contract fell short of reaching \$10 a bushel.

The U.S. Department of Agriculture reported export sales of U.S. soybeans in the latest week at 903,600 tonnes (old and new crop years combined), below a range of trade expectations for 1.0 million to 1.5 million tonnes.

Consulting firm Agroconsult left its forecast of Brazil's 2017/18 soybean crop at 111 million tonnes, unchanged from September.

Our Call of The Day:

Mildly Bearish
27 November 2017

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest	Volume
Dec17	2,545	15	2,538	2,555	2,535	1,953	385
Jan18	2,600	18	2,595	2,606	2,586	19,699	2,436
Feb18	2,630	21	2,623	2,637	2,614	35,339	1,374
Mar18	2,654	21	2,645	2,659	2,640	38,525	371
Apr18	2,664	22	2,651	2,666	2,649	32,012	821
May18	2,663	22	2,657	2,668	2,650	36,212	97
Jul18	2,633	24	2,621	2,641	2,621	24,489	-259
Sep18	2,598	20	2,588	2,607	2,588	19,438	364
Nov18	2,595	20	2,595	2,601	2,593	17,742	59
Jan19	2,612	20	2,610	2,616	2,608	4,186	113
Mar19	2,617	20	2,610	2,626	2,610	3,861	129
May19	2,603	20	2,610	2,626	2,610	5,009	155
Jul19	2,575	20	2,585	2,585	2,585	715	5
Sep19	2,531	20	2,473	2,529	2,473	138	1
Nov19	2,531	20	-	-	-	0	0
Total						239,318	2,329

Spreads

Contract	Open	High	Low	Last	Vol
Dec17 / Jan18	-50	-50	-56	-55	147
Jan18 / Feb18	-27	-26	-32	-30	1,251
Feb18 / Mar18	-24	-22	-25	-24	1,914
Mar18 / Apr18	-8	-6	-9	-10	1,274

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	JAN18	993.25	-4.00
Soybean Oil	JAN18	34.08	-0.12
Soybean Meal	JAN18	325.90	-0.80
Crude Oil	JAN18	58.95	0.93
DCE Palm Oil	MAY18	5,496	-10.00
DCE Soybean Oil	JAN18	5,930	10.00

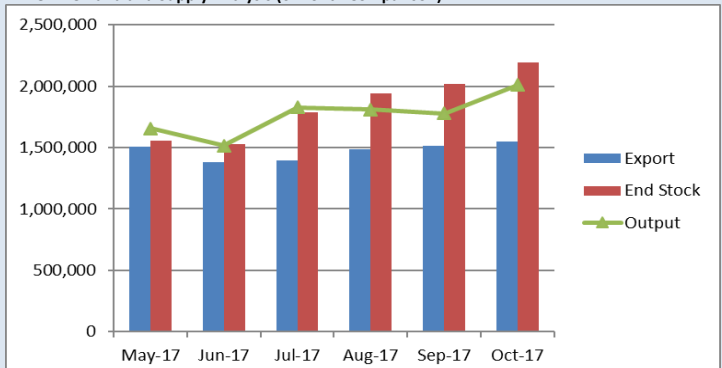
Exchange Rate

Currency	Last
USD/INR	4.1137
USD/IDR	13,507
USD/CNY	6.5851

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	NOV17	n.a.	5489.89	n.a.
FOB CPO (Indo)	USD/mt	DEC 17	655	657.5	656.25
FOB RBD Palm Olein (M'sia)	USD/mt	DEC 17	647.5	652.5	650
FOB RBD Palm Oil (M'sia)	USD/mt	DEC 17	n.a.	647.5	n.a.

MPOB Demand and Supply Analysis (6 Month Comparison)

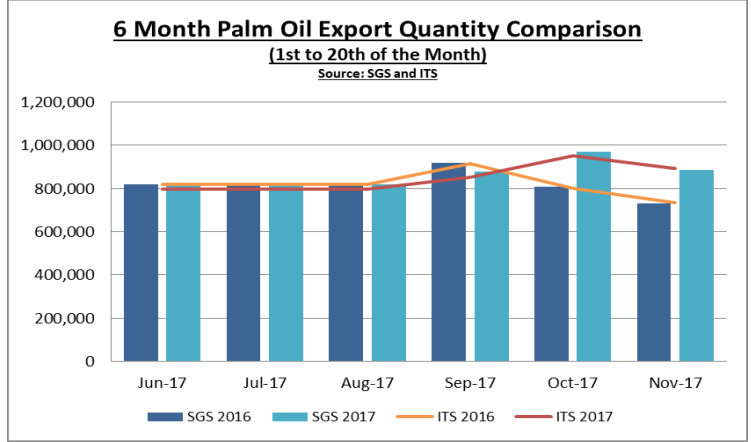


Demand and Supply Data

Cargo Surveyor Figures						
Date	ITS (in tonnes)			SGS (in tonnes)		
	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	660,465	-4.3	709,322	650,962	-8.2
First 20 days	951,339	882,943	-7.2	967,707	891,926	-7.8
First 25 days	1,177,939	1,079,427	-8.4	1,197,237		
Full month	1,406,706			1,416,664		

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



Spread (DCE Palm Olein - BMD Crude Palm Oil)



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

Dealing Desk
pfsb_dealing@poems.com.my

CONTACT US:
Kuala Lumpur Headquarters:
(+603) 2711 0026
pfsb_research@poems.com.my

Kota Damansara Branch:
(+603) 26308688
phillipfutures@poems.com.my

Johor - Taman Sutera Utama Branch:
(+607) 5572188
pfjb@poems.com.my

Johor - Taman Molek Branch:
(+607) 3525999
pfjb@poems.com.my

Penang Branch:
(+604) 2616822
pfpg@poems.com.my

Kuching Branch:
(+6082) 247633
pfkc@poems.com.my

Malacca Branch:
(+606) 2748711
pfmk@poems.com.my

Official Website: www.phillipfutures.com.my
Facebook Page: www.facebook.com/PhillipFuturesSdnBhd

DISCLAIMER
This publication is solely for information only. It should not be construed as an offer or solicitation for the subscription, purchase or sale of the futures contracts mentioned herein. The publication has been prepared by Phillip Futures Sdn Bhd on the basis of publicly available information, internally developed data and other sources believed to be reliable. Whilst we have taken all reasonable care to ensure that the information contained in this publication is accurate and the opinions are fair and reasonable, it does not guarantee the accuracy or completeness of this publication. Accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of any person or group of persons acting on such information and advice. This publication was prepared without regard to your specific investment objectives, financial situation or particular needs. Whilst views and advice given are in good faith, you should not regard the publication as a substitute for the exercise of your own judgement and should seek other professional advice for your specific investment needs or financial situations.