

FCPO Daily Commentary

Brought to you by Phillip Futures Sdn Bhd (362533-U) (A member of PhillipCapital)

PALM FCPO MAR18 (2500,+49)

Our Call of The Day:

Mildly Bullish
27 December 2017

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm prices jumped on stronger export demand.
- Soybeans up 1 pct on short-covering, Argentina weather.

Crude Palm Oil

Malaysian palm oil futures rose for the second consecutive session on Tuesday, sentiment lifted on stronger export demand and expectations of weaker production.

The benchmark March 18 surged RM49 to RM2,500 per tonne, prices were traded between RM2,451 and RM2,505 with total traded volume for palm stood at 20,220 lots.

Exports of Malaysian palm oil products for Dec. 1-25 rose 1 percent from a month earlier, data released by cargo surveyors Intertek Testing Services (ITS) before the midday break on Tuesday showed. While another cargo surveyor, Societe Generale de Surveillance (SGS) reported in the evening a 1.3 percent gain in Malaysian shipments for the same time period.

Derivatives specialist at Phillip Futures, David Ng said market participants watching India, China demand in coming weeks. He added that buying ahead of the Lunar New Year festival expected to resume in the next couple of weeks.

Besides, market are anticipate on declining in production until the first quarter of next year, in line with the seasonal trend.

In other related edible oils, the May soybean oil contract on the Dalian Commodity Exchange was up 0.3 percent, while the Dalian January palm olein contract also rose 0.3 percent.

Today, the palm prices likely to extend it upward trending on anticipate of slower production in coming month, the overnight gained in overseas soyoil market also added support.

Soybean (Reuters)

Chicago Board of Trade soybean futures were about 1 percent higher on Tuesday, buoyed by short-covering and worries that warm and dry weather in Argentina will hamper soy yield potential.

Higher vegetable oil prices further supported soybeans. Palm oil was up 2 percent on stronger export demand while soyoil was up 1.5 percent.

Soymeal futures climbed about 0.6 percent, losing ground slightly to soyoil in soyoil-soymeal spreading.

Both Argentina and Brazil received crop-friendly rainfall over the weekend but conditions in parts of Argentina, the No. 3 soy producer after the United States and Brazil, could remain dry for the next week before another chance of precipitation.

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contact	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Jan18	2,438	31	2,400	2,439	2,397	3,916	-523	623
Feb18	2,472	42	2,437	2,475	2,425	25,062	-1,233	2,534
Mar18	2,500	49	2,464	2,505	2,451	43,854	-1,122	11,438
Apr18	2,519	52	2,481	2,520	2,467	35,852	245	1,434
May18	2,529	48	2,494	2,531	2,480	44,953	-187	1,249
Jun18	2,519	48	2,487	2,525	2,475	5,877	701	1,225
Jul18	2,507	50	2,484	2,514	2,470	26,651	153	1,072
Sep18	2,501	50	2,476	2,505	2,466	21,067	-470	274
Nov18	2,501	52	2,476	2,507	2,466	18,890	-220	364
Jan19	2,530	48	2,528	2,532	2,528	5,754	-1	7
Mar19	2,548	48	-	-	-	5,500	0	-
May19	2,545	48	-	-	-	6,508	0	-
Jul19	2,538	48	-	-	-	804	0	-
Sep19	2,523	48	-	-	-	238	0	-
Nov19	2,523	48	-	-	-	30	0	-
Total						244,956	-2,657	20,220

Spreads

Contract	Open	High	Low	Last	Vol
Jan18 /Feb18	-26	-26	-36	-36	398
Feb18 /Mar18	-26	-25	-29	-29	1,142
Mar18 /Apr18	-16	-15	-17	-16	769
Apr18 /May18	-12	-12	-14	-13	205

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	MAR 18	970.50	10.25
Soybean Oil	MAR 18	33.42	0.48
Soybean Meal	MAR 18	319.40	2.70
Crude Oil	FEB 18	59.97	1.50
DCE Palm Oil	MAY 18	5,174	12.00
DCE Soybean Oil	MAY 18	5,666	18.00

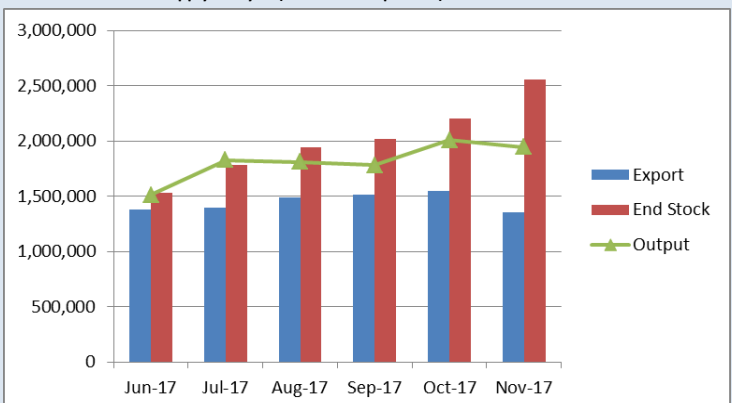
Exchange Rate

Currency	Last
USD/MYR	4.0850
USD/IDR	13,555
USD/CNY	6.5453

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	DEC17	n/a	4910.78	n/a
FOB CPO (Indo)	USD/mt	JAN18	n/a	627.5	626.25
FOB RBD Palm Olein (M'sia)	USD/mt	JAN18	n/a	620.00	613.75
FOB RBD Palm Oil (M'sia)	USD/mt	JAN18	n/a	615.00	n/a

MPOB Demand and Supply Analysis (6 Month Comparison)

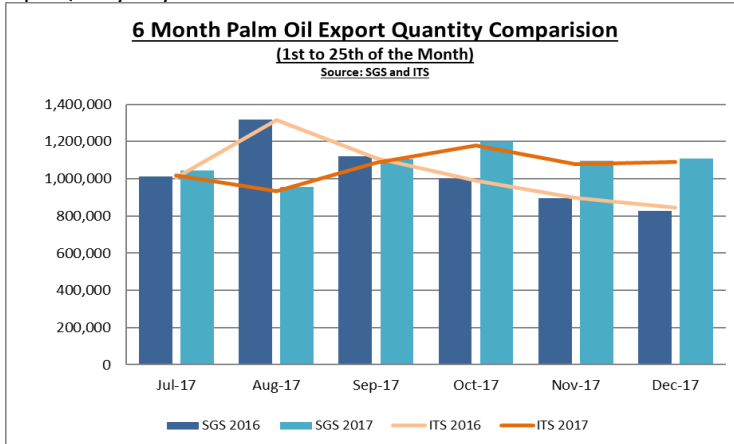


Demand and Supply Data

Date	Cargo Surveyor Figures			SGS (in tonnes)		
	ITS (in tonnes)		Chg (%)	Nov'17	Dec'17	Chg (%)
First 10 days	436,988	364,277	-16.6	439,879	339,289	-22.9
First 15 days	660,465	596,862	-9.6	650,962	581,254	-10.7
First 20 days	891,926	874,022	-2.0	882,943	865,309	-2.0
First 25 days	1,079,427	1,090,622	1.0	1,094,318	1,108,189	1.3
Full month						

Malaysia Palm Oil Board Data (MPOB)				PFSB Forecast	
(in tonnes)	Oct'17	Nov'17	MoM (%)	Nov'17	Chg (%)
Production	2,008,838	1,942,834	-3.3		
Export	1,538,041	1,354,373	-11.9		
Import	13,479	30,191	124.0		
Local Disapp	302,508	265,725	-12.2		
Stock	2,203,709	2,556,636	16.0		
Stock/Use ratio	1.08	1.55	43.4		

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.