

FCPO Daily Commentary

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PALM FCPO FEB18 (2589, -41)

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm prices ended lower on weakness in CBOT and Dalian market.
- CBOT soybean edged up as dry weather concern lent support to prices.

Crude Palm Oil

Malaysian palm oil futures fell to a four-month low on Monday, tracking softer edible oils on the Chicago Board of Trade and China's Dalian Commodity Exchange.

The benchmark palm oil contract for February delivery on the Bursa Malaysia Derivatives Exchange was down 1.6 percent at 2,589 ringgit (\$629.47) a tonne at the close of trade. It fell to 2,565 ringgit, its lowest in four months and matching the lowest daily levels of July 25.

Phillip Futures Sdn Bhd Derivative Dealer, David Ng, said the higher CPO production would put pressure on inventories.

Production in Malaysia, the world's second largest producer after Indonesia, last rose 12.9 percent by the end of October, according to industry regulator data.

Falling exports could further weigh. Shipments from Malaysia fell 8.4 percent for the Nov. 1-25 period, according to cargo surveyor Intertek Testing Services on Saturday.

Another cargo surveyor Societe Generale de Surveillance had reported a decline of 8.6 percent in Malaysian exports during the same time period.

In other related edible oils, the December soybean oil contract on the Chicago Board of Trade was down 0.4%, while the January soybean oil contract on the Dalian Commodity Exchange fell 0.8%.

Today, palm prices are expected to extend its downwards momentum, tracking weak overnight CBOT soy oil. Moreover, market sentiment further dampened by expectation of higher output and sluggish export data.

Soybean (Reuters)

Chicago Board of Trade soybean futures firmed on Monday amid concerns about dry weather in Argentina hampering crop development in that key production country.

CBOT January soybeans futures briefly topped \$10 a bushel, the first time the most-active contract has traded above that level since Nov. 9. But a wave of profit taking pulled prices below that key psychological threshold.

Soyoil futures closed lower, weakening for the third straight session after the December contract hit resistance at its 100-day moving average. Soyoil prices bottomed out at their lowest since Oct. 19.

Our Call of The Day:

Mildly Bearish
28 November 2017

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contact	Last	Change	Open	High	Low	Open Interest	Volume
Dec17	2,495	-50	2,525	2,525	2,475	1,688	389
Jan18	2,553	-47	2,580	2,580	2,531	18,635	4,310
Feb18	2,589	-41	2,611	2,612	2,565	36,244	905
Mar18	2,618	-36	2,642	2,642	2,592	37,934	8,699
Apr18	2,630	-34	2,640	2,640	2,604	32,900	888
May18	2,634	-29	2,647	2,647	2,609	35,519	693
Jul18	2,603	-30	2,610	2,616	2,589	24,236	253
Sep18	2,575	-23	2,572	2,587	2,560	19,669	231
Nov18	2,574	-21	2,570	2,585	2,558	17,598	144
Jan19	2,587	-25	2,591	2,593	2,572	4,080	106
Mar19	2,595	-22	2,594	2,605	2,578	3,955	94
May19	2,590	-13	2,593	2,606	2,577	5,169	160
Jul19	2,562	-13	2,550	2,551	2,546	715	0
Sep19	2,518	-13	-	-	-	138	0
Nov19	2,518	-13	-	-	-	0	0
Total						238,480	-838

Spreads

Contract	Open	High	Low	Last	Vol
Dec17 /Jan18	-65	-58	-70	-70	104
Jan18 /Feb18	-28	-28	-36	-34	1,845
Feb18 /Mar18	-24	-23	-29	-28	2,893
Mar18 /Apr18	-7	-7	-14	-14	1,851

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	JAN18	996.00	2.75
Soybean Oil	JAN18	33.74	-0.34
Soybean Meal	JAN18	329.30	3.40
Crude Oil	JAN18	58.11	-0.84
DCE Palm Oil	MAY18	5,442	-54.00
DCE Soybean Oil	JAN18	5,900	-30.00

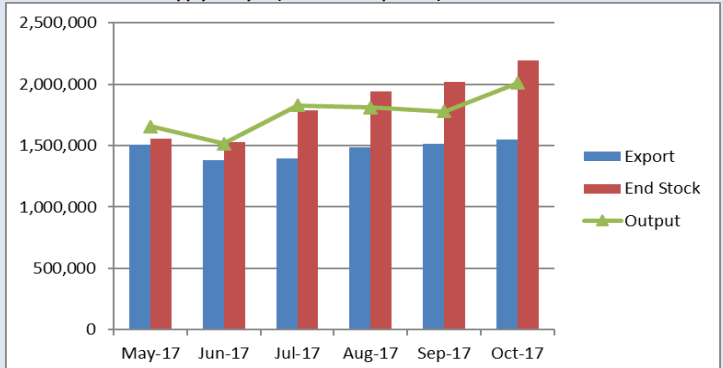
Exchange Rate

Currency	Last
USDMYR	4.1092
USDIDR	13,511
USDCNY	6.5920

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	NOV17	n.a.	5406.81	n.a.
FOB CPO (Indo)	USD/mt	DEC17	645	650	647.5
FOB RBD Palm Olein (M'sia)	USD/mt	DEC17	n.a.	647.5	645
FOB RBD Palm Oil (M'sia)	USD/mt	DEC17	n.a.	642.5	n.a.

MPOB Demand and Supply Analysis (6 Month Comparison)

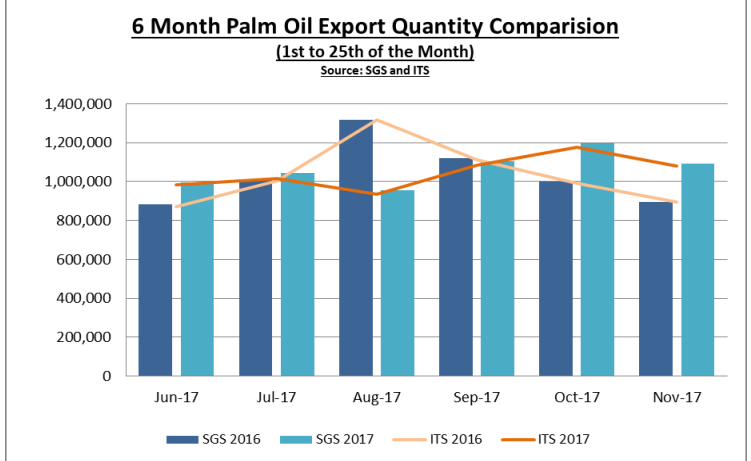


Demand and Supply Data

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	1,094,318	-8.6
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

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