

# FCPO Daily Commentary

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## PALM FCPO APR18 (2484,-9)

Our Call of The Day:

**Mildly Bullish**  
29 January 2018

### FCPO 3rd Month Daily Candle Chart



### Market Commentary

#### Highlights:

- Palm slips on stronger ringgit, but up for the week.
- Soybeans end lower in setback from rally.

### Crude Palm Oil

Malaysian palm oil futures slipped on last Friday, a second straight session of declines, as a stronger ringgit dented sentiment.

The benchmark April 18 down 9 points to RM2,484 per tonne, prices were traded between RM2,478 and RM2,506 with total traded volume for palm stood at 39,967 lots.

Palm declined over 1 percent in its previous trading session on the back of ringgit's gains. The ringgit strengthened against the dollar following a move by Malaysia's central bank to raise key interest rates for the first time in 3-1/2 years on last Thursday.

Meanwhile, exports of palm oil products from Malaysia fell 7 percent in the Jan. 1-25 period compared with the corresponding period last month, according to data from cargo surveyor Intertek Testing Services on Thursday. Another cargo surveyor, Societe Generale de Surveillance, reported a 6.8 percent decline in the same period.

According to Indonesia Oil Palm Smallholders Association., Indonesians should stop using European Union goods and stop exports of palm oil to the bloc as a response to a plan by European Parliament to halt palm-biofuel imports.

Today, palm oil like to open higher tracking overnight gain in soyoil prices, however, sentiment could weaker due to stronger ringgit will cap demand.

### Soybean (Reuters)

Chicago Board of Trade soybean futures fell on last Friday, pulling back a day after topping \$10 a bushel for the first time in seven weeks.

Prices retreated from a rally that was fueled by weakness in the U.S. dollar and concerns about unfavorable dryness hurting crops in rival exporter Argentina.

More dry weather is expected next week and most of the following week across major growing areas in Argentina, according to U.S.-based weather forecaster Radiant Solutions. The dryness is expected to cause some crop stress, the firm said.

U.S. soybean export sales of 759,300 tonnes for the week ended on Jan. 18 were below analysts' estimates of 850,000 to 1.2 million tonnes.

### Crude Palm Oil Futures

#### Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Feb18	2,482	-8	2,502	2,502	2,479	2,622	-229	215
Mar18	2,483	-10	2,501	2,504	2,478	17,329	-36	1,235
Apr18	2,484	-9	2,498	2,506	2,478	47,536	-848	18,134
May18	2,491	-5	2,500	2,510	2,485	51,765	1,369	8,431
Jun18	2,492	0	2,497	2,508	2,486	19,248	-493	2,596
Jul18	2,485	8	2,490	2,494	2,479	24,839	-971	3,139
Sep18	2,467	9	2,466	2,476	2,461	24,745	412	3,718
Nov18	2,468	12	2,465	2,475	2,460	20,902	-375	1,332
Jan19	2,489	13	2,491	2,495	2,483	6,427	68	174
Mar19	2,507	13	2,510	2,516	2,502	9,404	72	139
May19	2,507	13	2,510	2,517	2,504	9,481	88	266
Jul19	2,509	13	2,510	2,512	2,502	971	17	570
Sep19	2,493	13	2,508	2,508	2,504	276	10	18
Nov19	2,493	13	-	-	-	31	0	-
Jan20	2,493	13	-	-	-	0	0	-
<b>Total</b>						<b>235,576</b>	<b>-916</b>	<b>39,967</b>

#### Spreads

Contract	Open	High	Low	Last	Vol
Feb18 / Mar18	0	1	-3	1	92
Mar18 / Apr18	0	0	-2	-1	436
Apr18 / May18	-3	-2	-6	-5	2,941
May18 / Jun18	3	3	-3	-2	807

#### Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	MAR18	985.50	-6.75
Soybean Oil	MAR18	32.79	0.29
Soybean Meal	MAR18	335.70	-4.70
Crude Oil	MAR18	66.14	0.63
DCE Palm Oil	MAY18	5,228	-4.00
DCE Soybean Oil	MAY18	5,794	18.00

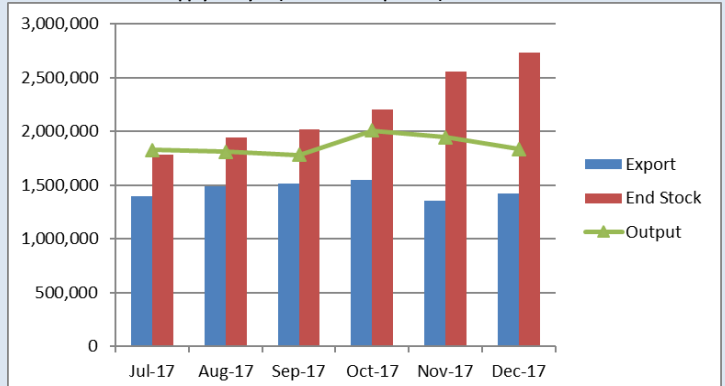
#### Exchange Rate

Currency	Last
USDMYR	3.8743
USDIDR	13,317
USDCNY	6.3154

#### Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	JAN18	n/a	4844.64	n/a
FOB CPO (Indo)	USD/mt	FEB18	n/a	642.50	640.00
FOB RBD Palm Olein (M'sia)	USD/mt	FEB18	642.50	647.50	645.00
FOB RBD Palm Oil (M'sia)	USD/mt	FEB18	n/a	645.00	n/a

#### MPOB Demand and Supply Analysis (6 Month Comparison)

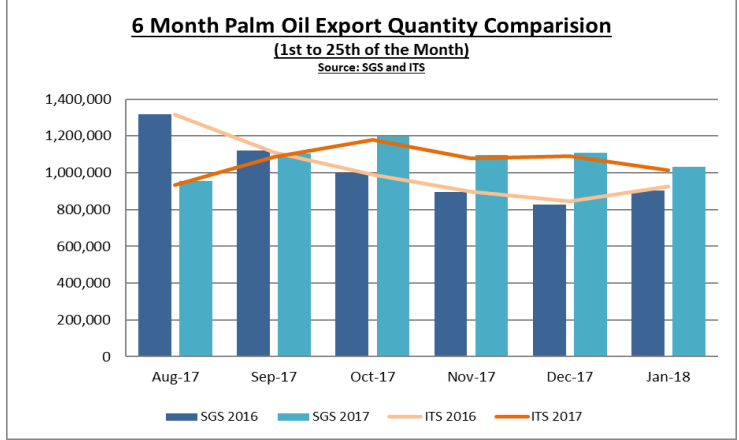


**Demand and Supply Data**

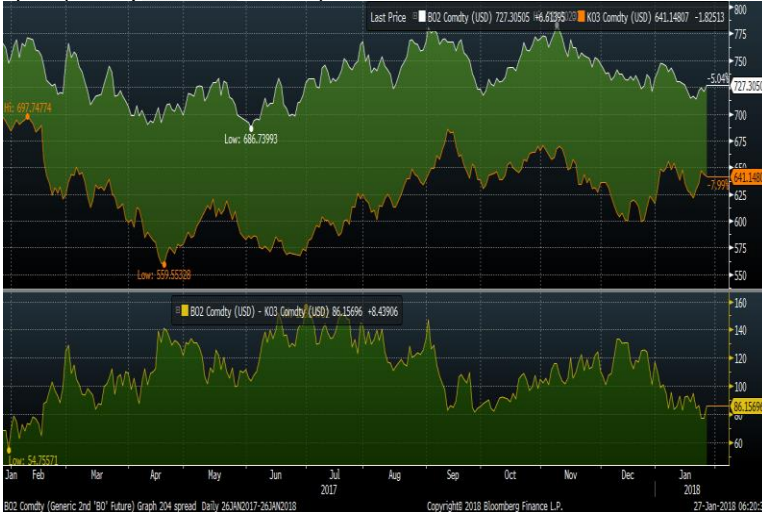
Cargo Surveyor Figures						
Date	ITS (in tonnes)			SGS (in tonnes)		
	Dec'17	Jan'18	Chg (%)	Dec'17	Jan'18	Chg (%)
First 10 days	364,277	359,346	-1.4	339,289	380,837	12.2
First 15 days	596,862	552,635	-7.4	581,254	564,968	-2.8
First 20 days	874,022	727,958	-16.7	865,309	744,706	-13.9
First 25 days	1,090,622	1,013,897	-7.0	1,108,189	1,032,615	-6.8
Full month	1,422,070			1,439,477		

Malaysia Palm Oil Board Data (MPOB)				PFSB Forecast	
(in tonnes)	Nov'17	Dec'17	MoM (%)	Dec'17	Chg (%)
Production	1,942,847	1,834,167	-5.6		
Export	1,356,378	1,422,928	4.9		
Import	30,191	14,991	-50.3		
Local Disapp	266,596	248,314	-6.9		
Stock	2,553,773	2,731,689	7.0		
Stock/Use ratio	1.27	1.62	27.6		

**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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