

FCPO Daily Commentary

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

PALM FCPO FEB18 (2587,-2)

Our Call of The Day:

Neutral

29 November 2017

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm oil fell on strengthened ringgit.
- CBOT soybean closed lower on wetter weather forecast.

Crude Palm Oil

Malaysian palm oil futures charted a second consecutive day of losses on Tuesday evening despite seeing gains earlier in the day, as a stronger ringgit, which makes the tropical oil more expensive for foreign buyers and aids demand, weighed on prices.

The benchmark palm oil contract for February delivery on the Bursa Malaysia Derivatives Exchange slightly fell 0.1 percent to 2,587 ringgit a tonne at the end of the trading day.

The ringgit, the currency palm oil is traded in, was up 0.3% at Tuesday's close of trade, not far off one-year highs hit on Thursday.

Palm oil exports from Malaysia fell 8.4%-8.6% during Nov 1-25 versus the corresponding period last month, according to cargo surveyors Intertek Testing Services and Societe Generale de Surveillance.

In other related edible oils, the December soybean oil contract on the Chicago Board of Trade rose 0.6%, while the January soybean oil contract on the Dalian Commodity Exchange was down 0.5%.

"We locate support at RM2,550 a tonne and immediate resistance at RM2,650 a tonne," said Phillip Futures Sdn Bhd Derivative Dealer, David Ng.

Today, we expect palm prices to gain support from firmer overnight CBOT soy oil. However, the upsides of the market are mostly limited by remained strong ringgit.

Soybean (Reuters)

Chicago Board of Trade soybean futures drifted lower Tuesday on wetter forecasts for crop areas of Argentina and spillover weakness from declines in corn futures.

Crop weather remains generally favorable in Brazil, the world's top soybean exporter.

Traders await the release of the U.S. Environmental Protection Agency's 2018 mandates for biofuels, including soy-based biodiesel, which are due by Nov. 30.

The U.S. Department of Agriculture released long-term U.S. crop forecasts projecting that U.S. soybean plantings would rise to 91.0 million acres for the 2018-19 marketing year, topping the record high set in 2017-18 at 90.2 million.

The USDA said U.S. soybean stocks at the end of the 2018-19 marketing year, on Aug. 31, 2019, would tighten to 376 million bushels, from 425 million at the end of 2017-18.

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contact	Last	Change	Open	High	Low	Open Interest	Volume
Dec17	2,470	-25	2,500	2,500	2,470	1,381	-307
Jan18	2,552	-1	2,556	2,569	2,546	18,281	-354
Feb18	2,587	-2	2,582	2,604	2,580	37,120	876
Mar18	2,616	-2	2,611	2,631	2,609	38,328	394
Apr18	2,629	-1	2,628	2,642	2,623	32,836	-64
May18	2,629	-5	2,621	2,645	2,621	35,257	-262
Jul18	2,600	-3	2,613	2,617	2,599	24,256	20
Sep18	2,570	-5	2,583	2,585	2,569	19,763	94
Nov18	2,566	-8	2,574	2,580	2,566	17,526	-72
Jan19	2,579	-8	2,590	2,592	2,585	4,076	-4
Mar19	2,587	-8	2,600	2,602	2,589	3,995	40
May19	2,582	-8	2,600	2,601	2,595	5,207	38
Jul19	2,554	-8	-	-	-	718	3
Sep19	2,525	7	2,526	2,526	2,525	172	34
Nov19	2,525	7	2,525	2,525	2,525	30	30
Total						238,946	466

Spreads

Contract	Open	High	Low	Last	Vol
Dec17 /Jan18	-75	-75	-82	-80	128
Jan18 /Feb18	-34	-32	-38	-35	1,672
Feb18 /Mar18	-29	-26	-29	-28	2,260
Mar18 /Apr18	-13	-11	-14	-13	284

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	JAN18	993.00	-3.00
Soybean Oil	JAN18	34.13	0.40
Soybean Meal	JAN18	325.80	-3.50
Crude Oil	JAN18	57.99	-0.12
DCE Palm Oil	MAY18	5,422	-20.00
DCE Soybean Oil	JAN18	5,882	-18.00

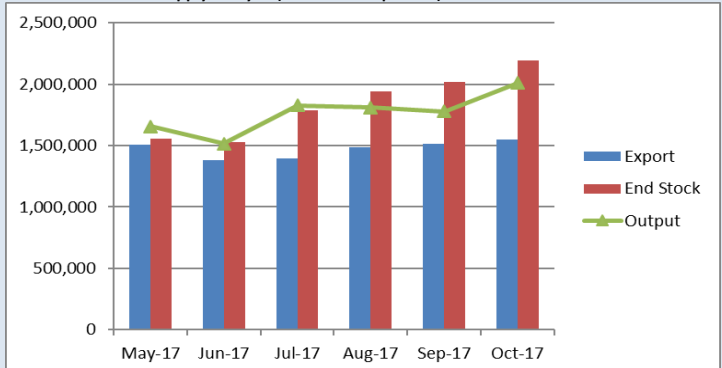
Exchange Rate

Currency	Last
USDMYR	4.1015
USDIDR	13,515
USDCNY	6.5992

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	NOV17	n.a.	5390.28	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)

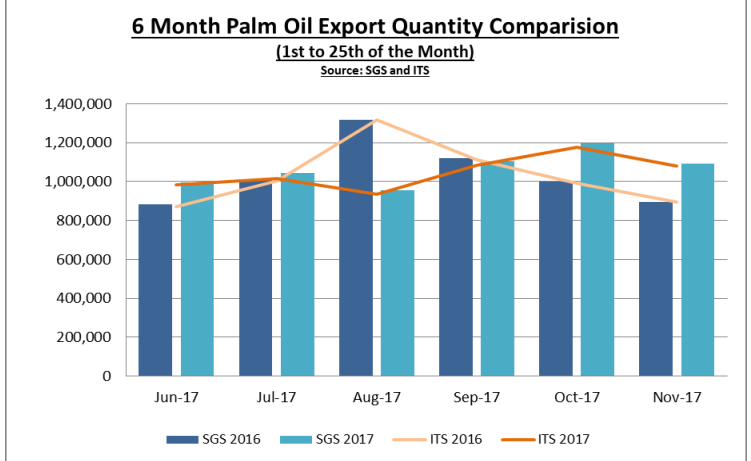


Demand and Supply Data

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

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.