

FCPO Daily Commentary

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PALM FCPO FEB18 (2563,-24)

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Stronger Ringgit undermined palm prices.
- CBOT soybean closed marginally lower on technical selling.

Crude Palm Oil

Malaysian palm oil futures fell to a four-month low on Wednesday evening, a third consecutive session of losses as the ringgit strengthened against the dollar, making the tropical oil more expensive for holders of foreign currencies.

The benchmark palm oil contract for February delivery on the Bursa Malaysia Derivatives Exchange fell 0.9 percent to 2,563 ringgit (\$628.19) a tonne at the close of trade. It earlier fell to an intraday low of 2,560 ringgit, its weakest level since July 24.

Phillip Futures Sdn Bhd Derivative Dealer David Ng said strengthened Ringgit might curb short-term demand and push inventories higher.

Palm was also weighed down by related edible oils, such as soybean on the Chicago Board of Trade and China's Dalian Commodity Exchange along with expectations of weaker demand indicated by data from cargo surveyors.

Malaysian palm oil output rose 12.9 percent month-on-month to 2 million tonnes at the end of October. Further gains in production could add to stockpiles and weigh on prices.

Palm oil exports from Malaysia fell 8.4-8.6 percent during Nov. 1-25 compared with 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 fell 0.8 percent, while the January soybean oil contract on the Dalian Commodity Exchange was down 1 percent.

Market sentiment remained weak as strength in Ringgit coupled with expectation of downbeat export figures may continue to hurt palm prices. Today, we expect FCPO market to move lower, mirroring weaker overnight CBOT soy oil.

Soybean (Reuters)

Chicago Board of Trade soybean futures closed fractionally lower on Wednesday after a see-saw trading session as technical selling offset support from worries about dry weather in portions of Argentina.

Brazilian analysts are likely to raise their soybean output forecasts in coming weeks as climate fears have subsided and the crop is developing well, four consultancies told Reuters this week.

The U.S. Department of Agriculture said private exporters sold 263,000 tonnes of U.S. soybeans to China for delivery in the 2017/18 marketing year begun Sept. 1.

Traders await the release of the U.S. Environmental Protection Agency's 2018 mandates for biofuels, including soy-based biodiesel.

Our Call of The Day:

Mild Bearish
30 November 2017

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Dec17	2,468	-2	2,460	2,470	2,450	1,353	-28	175
Jan18	2,525	-27	2,544	2,552	2,524	18,233	-48	1,534
Feb18	2,563	-24	2,587	2,588	2,560	38,295	1,175	16,482
Mar18	2,592	-24	2,614	2,616	2,588	39,000	672	5,421
Apr18	2,604	-25	2,629	2,629	2,602	33,365	529	1,917
May18	2,607	-22	2,626	2,629	2,605	35,108	-149	2,908
Jul18	2,577	-23	2,593	2,598	2,575	24,625	369	1,224
Sep18	2,547	-23	2,570	2,571	2,545	19,939	176	1,370
Nov18	2,548	-18	2,565	2,567	2,546	17,658	132	672
Jan19	2,565	-14	2,567	2,569	2,564	4,085	9	146
Mar19	2,573	-14	-	-	-	4,009	14	29
May19	2,568	-14	-	-	-	5,207	0	-
Jul19	2,538	-16	2,537	2,538	2,535	716	-2	14
Sep19	2,510	-15	2,510	2,510	2,510	172	0	14
Nov19	2,510	-15	-	-	-	30	0	-
Total						241,795	2,849	31,906

Spreads

Contract	Open	High	Low	Last	Vol
Dec17 /Jan18	-79	-54	-81	-54	10
Jan18 /Feb18	-36	-35	-38	-37	997
Feb18 /Mar18	-27	-27	-30	-30	2,177
Mar18 /Apr18	-14	-12	-14	-13	489

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	JAN18	992.50	-0.50
Soybean Oil	JAN18	34.07	-0.06
Soybean Meal	JAN18	327.30	1.50
Crude Oil	JAN18	57.30	-0.69
DCE Palm Oil	MAY18	5,416	-6.00
DCE Soybean Oil	MAY18	6,026	-42.00

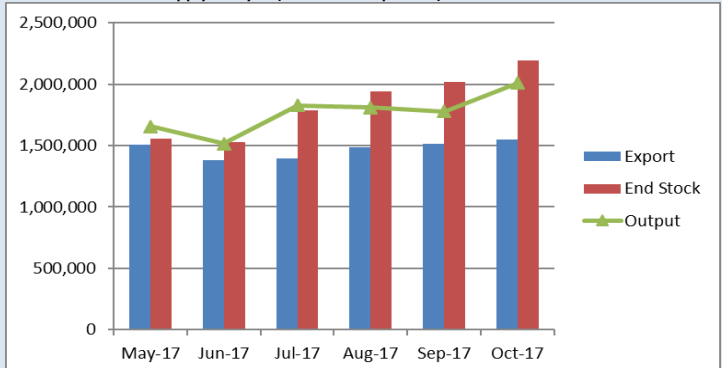
Exchange Rate

Currency	Last
USDMYR	4.0908
USDIDR	13,517
USDCNY	6.6122

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	NOV17	n.a.	5357.21	n.a.
FOB CPO (Indo)	USD/mt	DEC17	642.5	650	642.5
FOB RBD Palm Olein (M'sia)	USD/mt	DEC17	n.a.	645	645
FOB RBD Palm Oil (M'sia)	USD/mt	DEC17	n.a.	640	n.a.

MPOB Demand and Supply Analysis (6 Month Comparison)

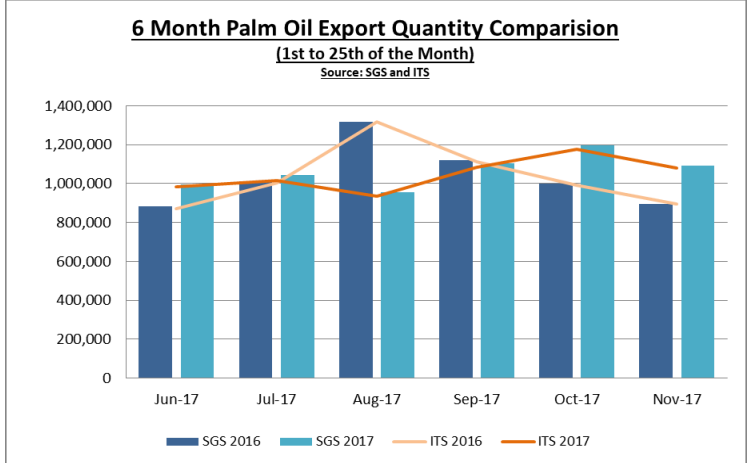


Demand and Supply Data

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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