

# FCPO Daily Commentary

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## PALM FCPO SEP17 (2459, -10)

Our Call of The Day:

**Mildly Bullish**  
3 July 2017

### FCPO 3rd Month Daily Candle Chart



### Market Commentary

#### Highlights:

- Palm falls from near 2-week high on weak exports.
- CBOT soybeans end higher on USDA stocks, plantings data.

#### Crude Palm Oil

Malaysian palm oil futures fell from a near two-week high on Friday, reversing gains made earlier, as they were weighed down by weaker exports and expectations of rising production.

The benchmark September 17 pared RM10 to RM2,459 per tonne, prices were traded between RM2,494 and RM2,453 with total traded volume for palm stood at 50,504 lots.

Palm was up earlier, tracking overnight soyoil on the Chicago Board of Trade (CBOT) and supported by a slightly weaker ringgit, palm's currency of trade, which typically makes the tropical oil cheaper for foreign currency holders.

Traders said although the market had support earlier from firm soyoil on the CBOT, gains were not expected to last and the market fell as export demand remains weak and production is seen rising in coming weeks.

Palm oil shipments from Malaysia fell 8.9 percent for the full month of June from the previous month, according to data from cargo surveyor Intertek Testing Services on Friday.

Another cargo surveyor Societe Generale de Surveillance reported a 7.6 percent drop for the same time period.

Today, palm oil prices might have some upwards momentum following the strength in the US soyoil market that may support prices.

For the benchmark palm oil contract, we see support levels at RM2,430 and RM2,400 while resistance levels at RM2,490 and RM2,530.

#### Soybean (Reuters)

Soybean futures on the Chicago Board of Trade rose about 3 percent on Friday on supportive stocks and acreage figures from the U.S. Department of Agriculture and spillover strength from wheat.

The USDA reported U.S. June 1 soybean stocks at 963 million bushels, below an average of trade expectations.

The USDA put U.S. 2017 soybean plantings at 89.513 million acres, up from its March forecast of 89.482 million but below an average of trade expectations for 89.750 million.

### Crude Palm Oil Futures

#### Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Jul17	2,596	-21	2,619	2,632	2,593	3,485	-921	1,166
Aug17	2,497	-9	2,509	2,529	2,490	21,568	-457	5,101
Sep17	2,459	-10	2,475	2,494	2,453	55,745	2,276	17,422
Oct17	2,448	-13	2,465	2,481	2,445	25,696	1,200	6,676
Nov17	2,455	-11	2,471	2,483	2,449	35,580	-508	8,361
Dec17	2,472	-13	2,491	2,500	2,469	2,801	320	1,348
Jan18	2,502	-6	2,513	2,524	2,497	17,663	-268	2,640
Mar18	2,524	-6	2,534	2,545	2,520	16,320	547	3,075
May18	2,543	-5	2,552	2,569	2,539	17,870	-658	3,562
Jul18	2,515	-5	2,530	2,544	2,511	10,490	68	227
Sep18	2,507	-7	2,518	2,534	2,503	5,599	-14	388
Nov18	2,498	-7	2,511	2,526	2,494	6,972	13	383
Jan19	2,522	-7	2,521	2,525	2,521	529	11	28
Mar19	2,529	-7	2,546	2,551	2,525	208	115	122
May19	2,536	-7	2,533	2,533	2,533	104	5	5
<b>Total</b>						<b>220,630</b>	<b>1,729</b>	<b>50,504</b>

#### Spreads

Contract	Open	High	Low	Last	Vol
Jul17 /Aug17	103	111	99	99	885
Aug17 /Sep17	38	39	34	38	2,483
Sep17 /Oct17	7	14	7	11	2,764
Oct17 /Nov17	-6	-1	-6	-7	2,108

#### Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	NOV17	954.75	30.00
Soybean Oil	DEC17	33.34	0.48
Soybean Meal	DEC17	311.20	11.30
Crude Oil	AUG17	46.04	1.11
DCE Palm Oil	SEP17	5,286	36.00
DCE Soybean Oil	SEP17	5,934	-8.00

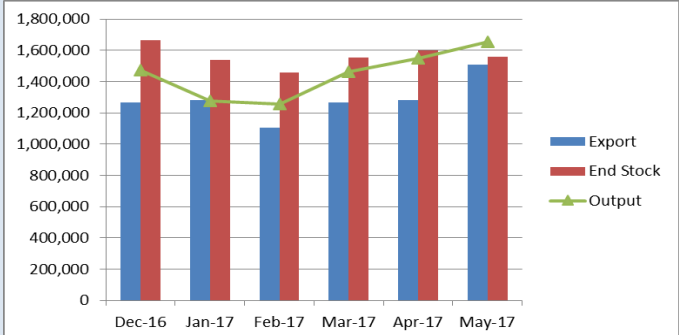
#### Exchange Rate

Currency	Last
USDMYR	4.2960
USDIDR	13,335
USDCNY	6.7682

#### Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	JUN17	n.a.	4166.72	n.a.
FOB CPO (Indo)	USD/mt	JUL17	645.00	650.00	647.50
FOB RBD Palm Olein (M'sia)	USD/mt	JUL17	n.a.	657.50	655.00
FOB RBD Palm Oil (M'sia)	USD/mt	JUL17	n.a.	622.50	n.a.

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

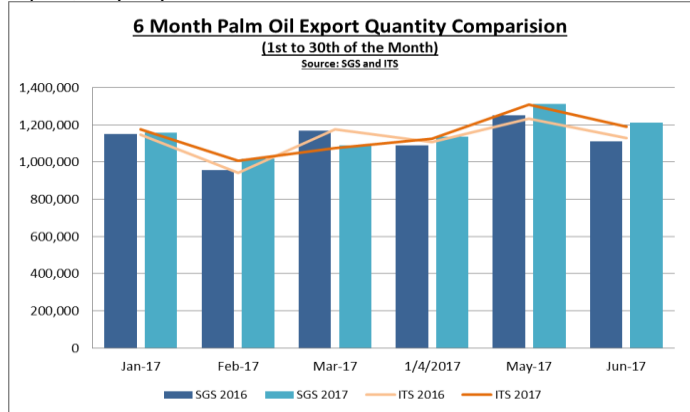


**Demand and Supply Data**

Date	ITS (in tonnes)			SGS (in tonnes)		
	May'17	Jun'17	Chg (%)	May'17	Jun'17	Chg (%)
First 10 days	346,920	366,994	5.8	359,355	367,165	2.2
First 15 days	617,697	508,960	-17.6	613,465	523,505	-14.7
First 20 days	846,705	721,020	-14.8	852,628	710,322	-16.7
First 25 days	1,006,757	985,534	-2.1	1,006,853	996,291	-1.0
Full month	1,306,374	1,190,583	-8.9	1,310,320	1,210,359	-7.6

(in tonnes)	Apr'17	May'17	MoM (%)	PFSB Forecast	
				June'17	Chg (%)
Production	1,548,053	1,654,494	6.9	-	-
Export	1,283,308	1,505,929	17.3	-	-
Import	54,475	47,450	-12.9	-	-
Local Disapp	272,314	238,290	-12.5	-	-
Stock	1,599,894	1,557,619	-2.6	-	-
Stock/Use ratio	0.99	0.87	-12.5	-	-

**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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