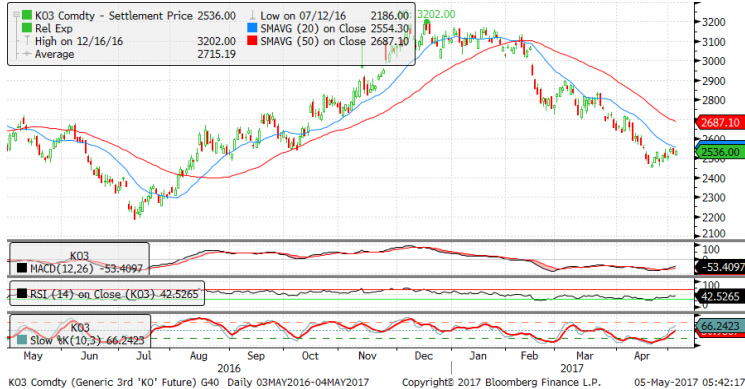


FCPO Daily Commentary

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PALM FCPO JUL17 (2536, +14)

FCPO 3rd Month Daily Candle Chart



K03 Comdty (Generic 3rd 'K0' Future) G40 Daily 03MAY2016-04MAY2017 Copyright© 2017 Bloomberg Finance L.P. 05-May-2017 05:42:17

Market Commentary

Highlights:

- Palm oil rebounds, supported by weak ringgit
- CBOT soy down on commodity selling pressure

Crude Palm Oil

Malaysian palm oil futures closed higher on Thursday on the back of a weaker ringgit and bargain hunting by traders after posting their biggest intraday fall in the previous session.

The benchmark July 17 contract gained RM14 to close at RM2,536 per tonne, prices were traded between RM2,511 and RM2,543 with total traded volume for palm stood at 26,564 lots.

The ringgit closed lower against the dollar at 4.3260 on Thursday as the greenback recovered some lost ground after the US Federal Reserve hinted at the possibility of another interest rate hike in June. A stronger ringgit makes the tropical oil more expensive for holders of foreign currencies.

Malaysia's palm oil stockpiles seen rising to the highest since December as production in the world's second-largest grower rose to a six-month high.

According to a survey by Bloomberg, Malaysia's inventories rose 5.2 percent in April to 1.63 million metric tons, production rose 9.6 percent, the highest since October to 1.6 million tons and exports rose 3.9 percent to 1.32 million tons.

The Malaysian Palm Oil Board April data is scheduled for release on May 11.

Today, palm prices are likely to trade lower tracking weakness in overnight crude oil market with the concerned over oversupply fears.

For the benchmark palm oil contract, we see support levels at RM2,500 and RM2,450 while resistance levels at RM2,600 and RM2,665.

Soybean (Reuters)

Chicago Board of Trade (CBOT) soybean futures settled slightly lower on Thursday on widespread selling pressure.

The U.S. Department of Agriculture reported weekly soybean export sales of 331,300 tonnes (old-crop and new-crop combined), below market forecasts.

The USDA reported weekly soybean export sales at 109,800 tonnes (old and new crop years combined), in line with trade expectations. Soybean showed net export sales of 10,600 tonnes.

Our Call of The Day:

Mildly Bearish
5 May 2017

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
May17	2,730	25	2,735	2,737	2,701	4,600	-386	423
Jun17	2,633	25	2,601	2,634	2,600	19,446	-218	1,359
Jul17	2,536	14	2,518	2,543	2,511	48,208	733	14,614
Aug17	2,477	14	2,460	2,484	2,452	44,071	862	4,797
Sep17	2,454	14	2,434	2,457	2,430	32,245	64	2,534
Oct17	2,452	11	2,441	2,454	2,431	3,855	161	695
Nov17	2,455	12	2,448	2,460	2,432	27,705	287	1,265
Jan18	2,482	10	2,467	2,490	2,461	9,866	-135	634
Mar18	2,510	14	2,496	2,516	2,496	15,127	11	214
May18	2,525	9	2,532	2,536	2,523	12,470	-6	16
Jul18	2,530	6	2,531	2,540	2,511	4,534	-35	10
Sep18	2,531	6	2,531	2,531	2,531	2,853	1	1
Nov18	2,511	-15	2,511	2,511	2,511	1,364	0	2
Jan19	2,518	-15	-	-	-	113	0	-
Mar19	2,518	-15	-	-	-	0	0	-
Total						226,457	1,339	26,564

Spreads

Contract	Open	High	Low	Last	Vol
Jun17 / Jul17	83	97	83	96	878
Jul17 / Aug17	58	63	56	59	2,075
Aug17 / Sep17	23	26	21	24	871
Sep17 / Oct17	3	5	2	4	194

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	JUL17	974.25	-1.00
Soybean Oil	JUL17	32.50	-0.06
Soybean Meal	JUL17	318.60	-0.20
Crude Oil	JUN17	45.52	-2.33
DCE Palm Oil	SEP17	5,184	-50.00
DCE Soybean Oil	SEP17	5,846	-44.00

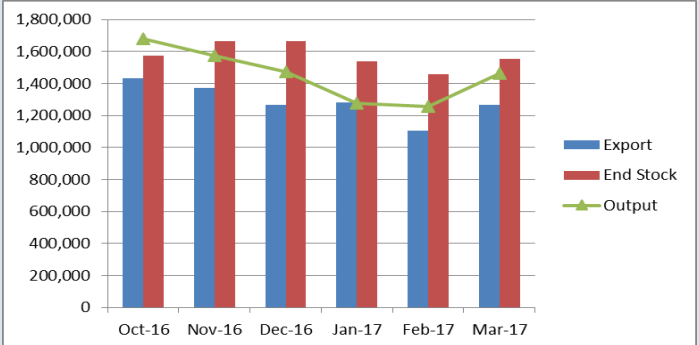
Exchange Rate

Currency	Last
USDMYR	4.3335
USDIDR	13,345
USDCNY	6.8959

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	APR17	n.a.	4381.67	n.a.
FOB CPO (Indo)	USD/mt	MAY17	n.a.	675.00	671.25
FOB RBD Palm Olein (M'sia)	USD/mt	MAY17	n.a.	675.00	672.50
FOB RBD Palm Oil (M'sia)	USD/mt	MAY17	n.a.	670.00	n.a.

MPOB Demand and Supply Analysis (6 Month Comparison)

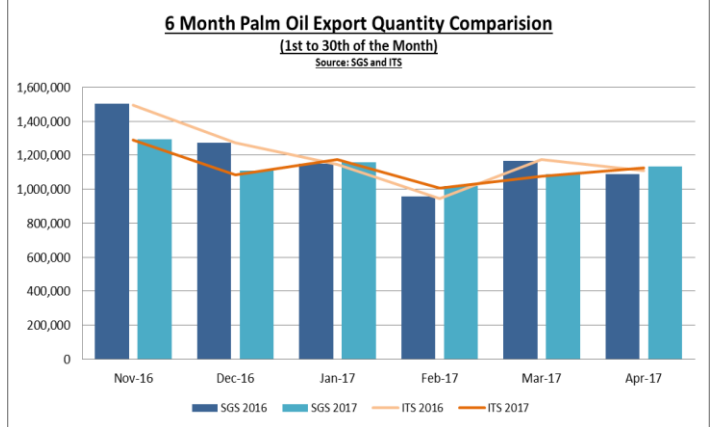


Demand and Supply Data

Date	ITS (in tonnes)			SGS (in tonnes)		
	Mar'17	Apr'17	Chg (%)	Mar'17	Apr'17	Chg (%)
First 10 days	254,141	307,249	20.9	250,481	312,489	24.8
First 15 days	492,321	567,280	15.2	507,491	572,910	12.9
First 20 days	711,286	705,372	-0.8	686,741	719,175	4.7
First 25 days	896,621	866,297	-3.4	902,628	891,725	-1.2
Full month	1,076,240	1,125,942	4.6	1,088,677	1,135,340	4.3

(in tonnes)	Malaysia Palm Oil Board Data (MPOB)			PFSB Forecast	
	Feb'17	Mar'17	MoM (%)	Apr'17	Chg (%)
Production	1,258,539	1,464,021	16.3	1,581	+8%
Export	1,107,018	1,265,771	14.3	1,3926	+10%
Import	40,331	101,961	152.8		
Local Disapp	273,884	205,370	-25.0		
Stock	1,459,265	1,554,106	6.5	1,6472	+6%
Stock/Use ratio	1.06	1.06	0.0		

Export Quantity Analysis



Spread (CBOT Soyoil - BMD Crude Palm Oil)



Spread (DCE Palm Olein - BMD Crude Palm Oil)



BON7 Comdty (SOYBEAN OIL FUTR Jul17) Graph 204 spread Daily 30APR2016-04MAY201 Copyright© 2017 BLPAL6 Comdty (Generic 6th 'PAL' Future) Graph 204 spread Daily 30APR2016-04MAY20 Copyright© 2017 Blo

Sources: Thomson Reuters / Bloomberg/ MPOB /ITS/ SGS/ Phillip Futures

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