

FCPO Daily Commentary

Brought to you by Phillip Futures Sdn Bhd (62533-U) (A member of PhillipCapital)

PALM FCPO AUG17 (2499, 0)

Our Call of The Day:

Mildly Bullish
7 June 2017

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm oil pares losses to close flat on stronger soyoil.
- CBOT soybean end up, pulling support from corn and wheat.

Crude Palm Oil

Malaysian palm oil futures recovered from earlier losses to end flat on Tuesday, helped by a stronger performance in oilseed soy and lower than expected inventory forecasts.

The benchmark August 17 was unchanged at RM2,499 per tonne, prices were traded between RM2,512 and RM2,474 with total traded volume for palm stood at 43,563 lots.

Phillip Futures Sdn Bhd Dealer David Ng said sentiment was influenced by the expectation of higher production as estimated by cargo surveyors and planters. However, he said the recent robust demand for palm oil managed to cap the downside in prices.

The market fell earlier on a firmer ringgit. The Malaysian currency hit its strongest level in nearly seven months, but retreated to last trade down 0.1 percent at 4.2650 per dollar.

Gains in the ringgit, the currency of trade for palm oil, make the tropical oil less attractive for holders of foreign currencies.

Today, we expect palm oil to trade slightly higher, supported by the weaker ringgit after the close of palm market at 6pm.

For the benchmark palm oil contract, we see support levels at RM2,470 and RM2,445 while resistance levels at RM2,515 and RM2,545.

Soybean (Reuters)

Soybean futures on the Chicago Board of Trade (CBOT) settled up 1-1/2 cents at \$9.23-1/2 per bushel on Tuesday on technical buying and spillover strength from corn and wheat.

Forecasts for warm and dry weather in the U.S. Midwest this week add support, given the dryness emerging in portions of the northern Plains.

The U.S. Department of Agriculture said the U.S. soybean crop was 83 percent seeded as of Sunday, ahead of the five-year average of 79 percent.

Argentina's grains inspectors union delayed a three-day nationwide wage strike that was expected to start just after midnight on Monday, the URGARA trade union said in a statement.

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Jun17	2,738	-5	2,726	2,745	2,720	4,125	-210	320
Jul17	2,611	-6	2,622	2,626	2,590	13,493	-502	2,051
Aug17	2,499	0	2,502	2,512	2,474	42,201	-1,155	22,051
Sep17	2,438	9	2,429	2,446	2,411	41,256	865	9,580
Oct17	2,414	11	2,405	2,422	2,385	18,080	1,287	5,447
Nov17	2,416	12	2,407	2,423	2,388	29,797	452	1,945
Jan18	2,452	7	2,445	2,461	2,427	15,289	-136	1,472
Mar18	2,473	8	2,462	2,482	2,451	17,692	6	388
May18	2,485	6	2,490	2,495	2,485	14,412	11	83
Jul18	2,478	4	2,475	2,492	2,475	6,177	81	138
Sep18	2,472	2	2,481	2,481	2,471	4,095	-3	27
Nov18	2,465	5	2,463	2,476	2,463	4,606	15	50
Jan19	2,476	5	-	-	-	315	0	-
Mar19	2,481	5	-	-	-	5	0	-
May19	2,488	7	2,488	2,494	2,487	7	2	11
Total						211,550	-1,551	43,563

Spreads

Contract	Open	High	Low	Last	Vol
Jun17 / Jul17	110	125	110	119	108
Jul17 / Aug17	120	120	107	112	1,073
Aug17 / Sep17	69	69	61	61	4,653
Sep17 / Oct17	28	28	23	23	2,719

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	JUL17	923.50	1.50
Soybean Oil	JUL17	31.39	0.08
Soybean Meal	JUL17	301.10	0.50
Crude Oil	JUL17	48.19	0.91
DCE Palm Oil	SEP17	5,242	-34.00
DCE Soybean Oil	SEP17	5,714	18.00

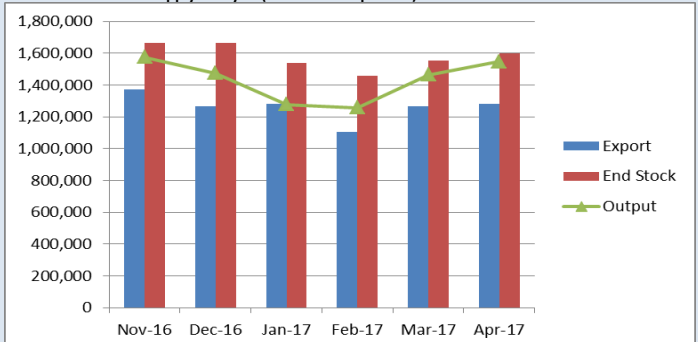
Exchange Rate

Currency	Last
USDMYR	4.2725
USDIDR	13,297
USDCNY	6.7803

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	MAY17	n.a.	4299.00	n.a.
FOB CPO (Indo)	USD/mt	JUN17	675.00	382.50	678.75
FOB RBD Palm Olein (M'sia)	USD/mt	JUN17	n.a.	700.00	696.25
FOB RBD Palm Oil (M'sia)	USD/mt	JUN17	n.a.	695.00	n.a.

MOB Demand and Supply Analysis (6 Month Comparison)

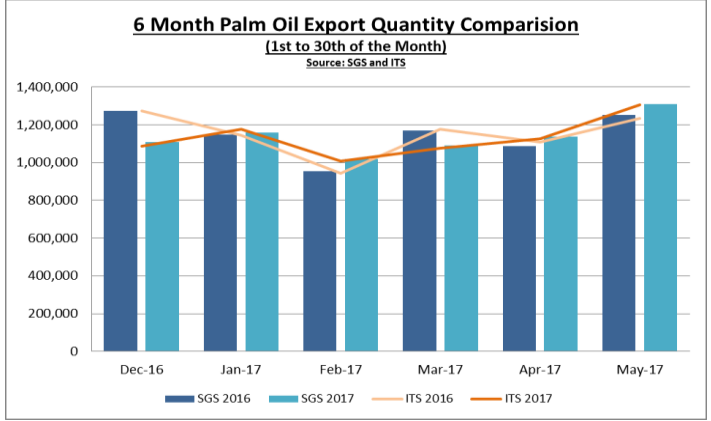


Demand and Supply Data

Date	ITS (in tonnes)			SGS (in tonnes)		
	Apr'17	May'17	Chg (%)	Apr'17	May'17	Chg (%)
First 10 days	307,249	346,920	12.9	312,489	359,355	15.0
First 15 days	567,280	617,697	8.9	572,910	613,465	7.1
First 20 days	705,372	846,705	20.0	719,175	852,628	18.6
First 25 days	866,297	1,006,757	16.2	891,725	1,006,853	12.9
Full month	1,125,942	1,306,374	16.0	1,135,340	1,310,320	15.4

(in tonnes)	Malaysia Palm Oil Board Data (MPOB)			PFSB Forecast	
	Mar'17	Apr'17	MoM (%)	May'17	Chg (%)
Production	1,464,021	1,548,053	5.7	1,663	+7.42
Export	1,265,771	1,283,308	1.4	1,425	+11.06
Import	101,961	54,475	-46.6		
Local Disapp	205,370	272,314	32.6		
Stock	1,552,988	1,599,894	3.0	1,704	+6.5
Stock/Use ratio	0.99	0.99	0.7		

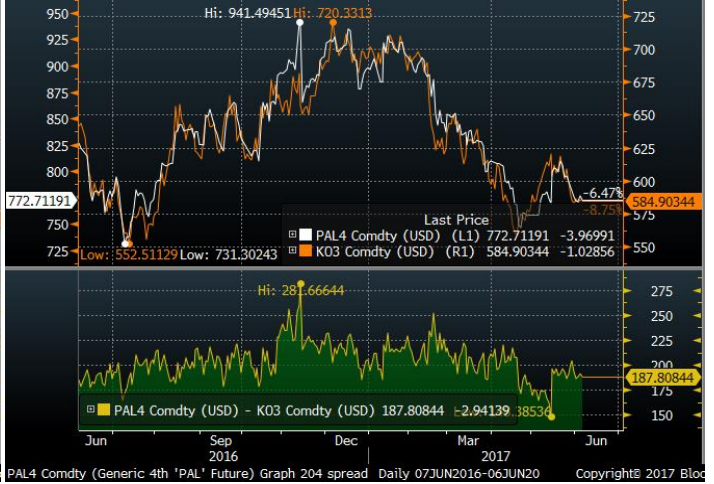
Export Quantity Analysis



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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