

FCPO Daily Commentary

Brought to you by Phillip Futures Sdn Bhd (962533-U) (A member of PhillipCapital)



PALM FCPO SEP17 (2561, +23)

Our Call of The Day:

Mildly Bearish
7 July 2017

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm sees 4th day of gains on Dalian strength, falling output
- CBOT soybeans close firmer for fourth straight session

Crude Palm Oil

Malaysian palm oil futures rose to their highest in over a month on Thursday evening, charting a fourth consecutive day of gains, tracking strength in related edible oils on China's Dalian Commodity Exchange.

The benchmark September 17 up RM23 to RM2,561 per tonne, prices were traded between RM2,563 and RM2,540 with total traded volume for palm stood at 42,267 lots.

Phillip Futures Sdn Bhd Analyst David Ng said the market expected that production would likely fall and sentiment was upbeat ahead of key crop report for June due for release by the Malaysian Palm Oil Board early next week.

Forecasts of falling production has lent support to the sentiment. A Reuters poll had forecast production to fall to 1.62 million tonnes in June, down 2.1% from the previous month. End-stocks however are seen up 0.2% to 1.56 million tonnes, while exports are likely to drop 8.2% to 1.38 million tonnes on-month.

While palm oil production is seen rising during the second half of the year in line with the seasonal trend, June output is seen falling due to the Ramadan and Eid-al-Fitr holidays, as plantation workers go on leave.

Today, palm oil bullish sentiment is expected to soften, taking into consideration of an overnight loss in the soyoil market.

For the benchmark palm oil contract, we see support levels at RM2,541 and RM2,517 while resistance levels at RM2,573 and RM2,584.

Soybean (Reuters)

Chicago Board of Trade soybean futures rose to a 3-1/2-month high on Thursday, their fourth straight gain on a round of technical buying.

Soymeal futures also rose to their highest since March 23, supported by a round of long soybean/short soyoil spreading.

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Jul17	2,688	18	2,670	2,688	2,670	2,429	-695	552
Aug17	2,616	33	2,589	2,620	2,589	17,119	-2,472	4,241
Sep17	2,561	23	2,540	2,563	2,540	53,571	-2,622	17,158
Oct17	2,535	13	2,525	2,540	2,525	23,972	-898	9,167
Nov17	2,536	11	2,531	2,541	2,500	37,855	-79	8,141
Dec17	2,551	11	2,549	2,555	2,543	4,083	381	702
Jan18	2,565	7	2,563	2,570	2,558	17,421	-30	1,258
Mar18	2,584	9	2,582	2,586	2,578	15,757	221	365
May18	2,601	5	2,601	2,605	2,593	18,487	173	277
Jul18	2,563	2	2,570	2,570	2,560	10,583	13	55
Sep18	2,545	-5	2,558	2,558	2,542	5,620	47	127
Nov18	2,547	6	2,548	2,549	2,542	7,065	-22	146
Jan19	2,571	6	-	-	-	614	74	78
Mar19	2,578	6	-	-	-	208	0	-
May19	2,582	6	-	-	-	104	0	-
Total						214,888	-5,909	42,267

Spreads

Contract	Open	High	Low	Last	Vol
Jul17 / Aug17	86	86	71	72	486
Aug17 / Sep17	44	56	44	55	1,889
Sep17 / Oct17	17	26	16	26	3,514
Oct17 / Nov17	-3	2	-3	-1	3,624

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	NOV17	999.25	5.00
Soybean Oil	DEC17	33.38	-0.33
Soybean Meal	DEC17	329.70	4.10
Crude Oil	AUG17	45.52	0.12
DCE Palm Oil	SEP17	5,404	84.00
DCE Soybean Oil	SEP17	5,992	46.00

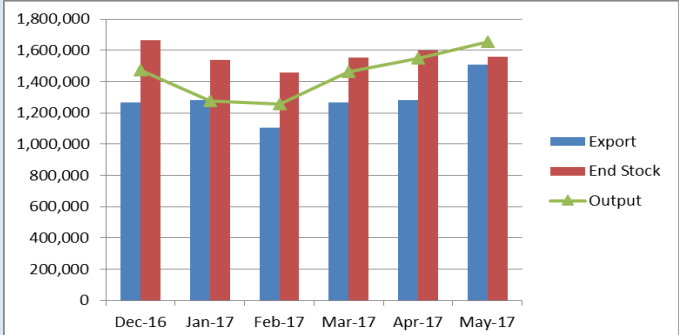
Exchange Rate

Currency	Last
USDMYR	4.2985
USDIDR	13,393
USDCNY	6.7892

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	JUL17	n.a.	4265.93	n.a.
FOB CPO (Indo)	USD/mt	JUL17	657.50	665.00	661.25
FOB RBD Palm Olein (M'sia)	USD/mt	JUL17	n.a.	677.50	676.25
FOB RBD Palm Oil (M'sia)	USD/mt	JUL17	n.a.	672.50	n.a.

MPOB Demand and Supply Analysis (6 Month Comparison)

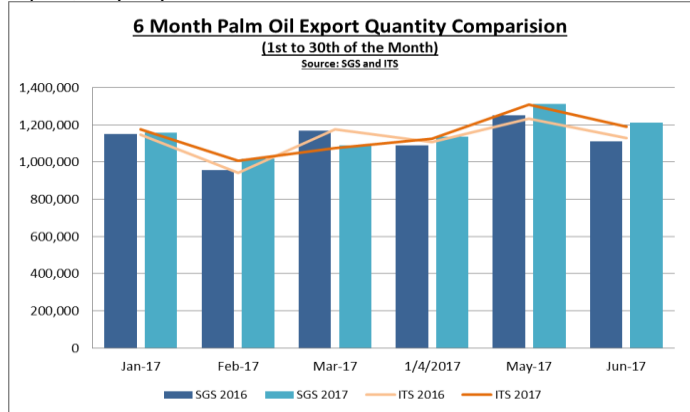


Demand and Supply Data

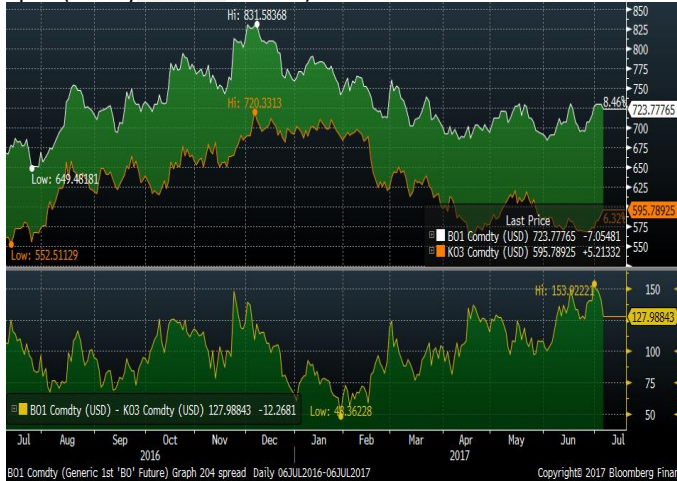
Date	ITS (in tonnes)			SGS (in tonnes)		
	May'17	Jun'17	Chg (%)	May'17	Jun'17	Chg (%)
First 10 days	346,920	366,994	5.8	359,355	367,165	2.2
First 15 days	617,697	508,960	-17.6	613,465	523,505	-14.7
First 20 days	846,705	721,020	-14.8	852,628	710,322	-16.7
First 25 days	1,006,757	985,534	-2.1	1,006,853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

Malaysia Palm Oil Board Data (MPOB)				PFSB Forecast	
(in tonnes)	Apr'17	May'17	MoM (%)	June'17	Chg (%)
Production	1,548,053	1,654,494	6.9	1.74	+7.0
Export	1,283,308	1,505,929	17.3	1.32	-12.0
Import	54,475	47,450	-12.9		
Local Disapp	272,314	238,290	-12.5		
Stock	1,599,894	1,557,619	-2.6	1.60	+2.0
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)



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