

FCPO Daily Commentary

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

PALM FCPO JUL17 (2598, +20)

Our Call of The Day:

Mildly Bullish
9 May 2017

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm oil gains on expectation of solid demand ahead of Ramadan
- CBOT soy drops on improving U.S. weather, weakness in corn.

Crude Palm Oil

Malaysian palm oil futures rose for a third consecutive session on Monday, buoyed by stronger demand ahead of the Muslim holy month of Ramadan, which begins at the end of May.

On last Friday, the benchmark July 17 contract gained RM20 to close at RM2,598 per tonne, prices were traded between RM2,583 and RM2,627 with total traded volume for palm stood at 59,572 lots.

The ringgit remained unchanged against the dollar at 4.3350 on Monday amid mixed sentiment in the market against major currencies. A stronger ringgit makes the tropical oil more expensive for holders of foreign currencies.

The month of Ramadan will start later this month. Palm oil demand usually rises before the Muslim fasting month of Ramadan as it sees a higher usage of palm oil for cooking, as Muslims end day-long fasts with communal feasting.

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

Today, we expect palm prices could further higher on the anticipate of higher demand ahead of the Muslim holy month of Ramadan.

For the benchmark palm oil contract, we see support levels at RM2,565 and RM2,500 while resistance levels at RM2,630 and RM2,665.

Soybean (Reuters)

Soybean futures on the Chicago Board of Trade closed lower on Monday on improving U.S. planting weather and spillover weakness from corn.

Ahead of the USDA's weekly crop progress report due later on Monday, analysts surveyed by Reuters expect the government to report the U.S. soybean crop as 16 percent planted.

In related market, CBOT July soyoil rose 0.04 cent on fund short-covering after the U.S. International Trade Commission voted on Friday to continue a U.S. Commerce Department investigation into alleged dumping and unfair subsidies of biodiesel fuels from Argentina and Indonesia.

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
May17	2,800	25	2,787	2,830	2,775	3,626	-443	463
Jun17	2,695	21	2,695	2,724	2,685	18,052	-376	3,748
Jul17	2,598	20	2,597	2,627	2,583	46,440	-2,222	25,130
Aug17	2,539	21	2,536	2,559	2,523	41,568	-2,952	12,930
Sep17	2,502	12	2,514	2,521	2,495	33,481	843	9,913
Oct17	2,492	12	2,507	2,510	2,485	4,209	-219	1,132
Nov17	2,490	9	2,504	2,508	2,484	28,196	39	2,206
Jan18	2,515	5	2,537	2,538	2,511	9,562	-309	2,358
Mar18	2,539	5	2,555	2,560	2,534	15,049	-51	624
May18	2,540	-9	2,573	2,575	2,540	12,487	15	397
Jul18	2,537	-9	2,575	2,575	2,536	4,738	66	339
Sep18	2,538	-7	2,570	2,570	2,530	3,039	149	246
Nov18	2,530	-15	2,570	2,570	2,530	1,678	45	86
Jan19	2,537	-15	-	-	-	113	0	-
Mar19	2,537	-15	-	-	-	0	0	-
Total						222,238	-5,415	59,572

Spreads

Contract	Open	High	Low	Last	Vol
Jun17 / Jul17	95	102	88	97	1,712
Jul17 / Aug17	58	68	58	59	4,372
Aug17 / Sep17	28	40	28	37	4,367
Sep17 / Oct17	8	16	6	10	484

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	JUL17	964.75	-8.25
Soybean Oil	JUL17	32.94	0.04
Soybean Meal	JUL17	313.60	-3.30
Crude Oil	JUN17	46.43	0.28
DCE Palm Oil	SEP17	5,318	108.00
DCE Soybean Oil	SEP17	5,902	78.00

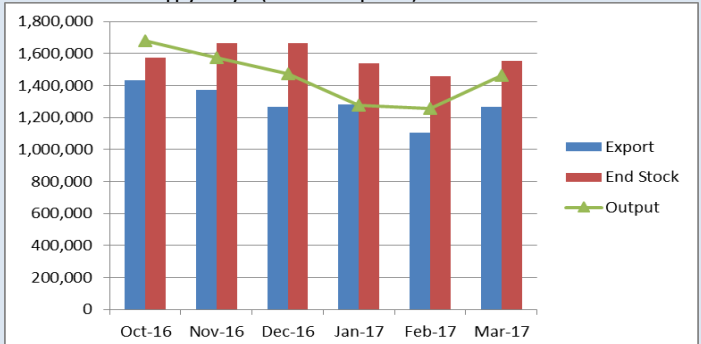
Exchange Rate

Currency	Last
USDMYR	4.3375
USDIDR	13,321
USDCNY	6.9045

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	APR17	n.a.	4480.88	n.a.
FOB CPO (Indo)	USD/mt	MAY17	n.a.	685.00	681.25
FOB RBD Palm Olein (M'sia)	USD/mt	MAY17	n.a.	687.50	685.00
FOB RBD Palm Oil (M'sia)	USD/mt	MAY17	n.a.	682.50	n.a.

MPOB Demand and Supply Analysis (6 Month Comparison)

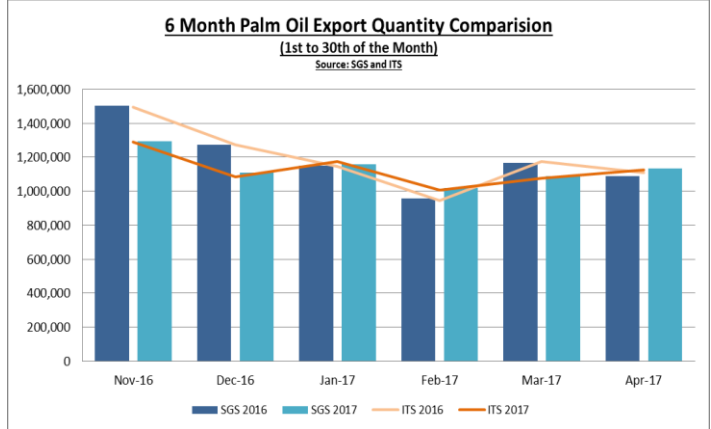


Demand and Supply Data

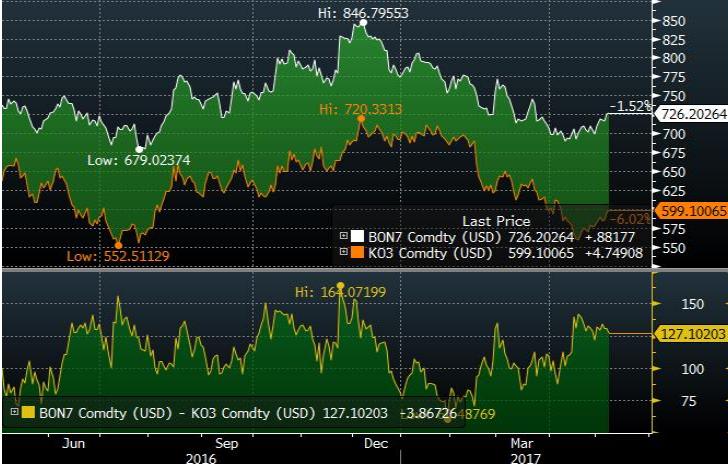
Date	Cargo Surveyor Figures			Cargo Surveyor Figures		
	ITS (in tonnes)			SGS (in tonnes)		
	Mar'17	Apr'17	Chg (%)	Mar'17	Apr'17	Chg (%)
First 10 days	254,141	307,249	20.9	250,481	312,489	24.8
First 15 days	492,321	567,280	15.2	507,491	572,910	12.9
First 20 days	711,286	705,372	-0.8	686,741	719,175	4.7
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)



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

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