

FCPO Daily Commentary

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PALM FCPO AUG17 (2457, +13)

Our Call of The Day:

Mildly Bullish
13 June 2017

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm oil sees strongest daily gains in a week on stronger soyoil.
- CBOT soybean end down, pressured by wet weather, China GMO news

Crude Palm Oil

Malaysian palm oil futures rose on last Friday, charting its first gain in four sessions, tracking strength in rival oilseed soy.

The benchmark August 17 rose by RM13 to RM2,457 per tonne, prices were traded between RM2,473 and RM2,447 with total traded volume for palm stood at 47,982 lots.

According to a Kuala Lumpur-based trader, the market is up today on U.S. soyoil and Dalian. There's also some short-covering as we head towards the long weekend holiday.

Palm oil prices are typically affected by movements in soyoil, as both vegetable oils compete for a share of the global edible oils market.

According to cargo surveyor Intertek Testing Services, exports of Malaysian palm oil products for June 1-10 rose 5.8 percent to 366,994 tonnes, up from 346,920 tonnes shipped from May 1-10.

Today, expect the palm oil market to trade higher, tracking strength of the US soyoil market since Friday. Meanwhile, the positive export data is also expected to support prices.

For the benchmark palm oil contract, we see support levels at RM2,425 and RM2,400 while resistance levels at RM2,503 and RM2,530.

Soybean (Reuters)

Chicago Board of Trade (CBOT) July soybean futures settled down 10-1/4 cents per bushel on Monday, under pressure from wet weather and news that China will heavily test soybean imports for genetically modified content.

China's soybean futures hit three-month highs on Monday, as talk that the world's top bean buyer has ramped up checks on imports of genetically modified (GMO) beans spurred expectations of tighter supplies even as the market remained awash with supplies.

Ahead of the USDA's weekly crop progress report due later on Monday, analysts predicted the U.S. soybean crop, in the first condition rating of the season, at 70 percent good to excellent. Soybean plantings were seen advancing to 94 percent complete, up from 83 percent planted last week.

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Jun17	2,680	10	2,708	2,708	2,680	2,815	-50	162
Jul17	2,553	9	2,562	2,570	2,548	12,401	-85	1,234
Aug17	2,457	13	2,465	2,473	2,447	39,525	-1,542	19,550
Sep17	2,420	20	2,418	2,427	2,407	43,411	2,634	8,817
Oct17	2,414	26	2,403	2,415	2,396	22,132	1,017	6,241
Nov17	2,419	23	2,412	2,421	2,405	30,822	-774	5,656
Jan18	2,464	31	2,449	2,464	2,442	18,251	1,249	2,924
Mar18	2,484	28	2,473	2,489	2,469	18,026	482	1,874
May18	2,495	28	2,485	2,500	2,482	14,571	32	1,092
Jul18	2,486	28	2,473	2,490	2,468	6,319	108	187
Sep18	2,480	24	2,471	2,482	2,466	4,158	37	74
Nov18	2,475	19	2,471	2,484	2,466	4,830	56	171
Jan19	2,486	19	-	-	-	315	0	-
Mar19	2,491	19	-	-	-	5	0	-
May19	2,498	19	-	-	-	7	0	-
Total						217,588	3,164	47,982

Spreads

Contract	Open	High	Low	Last	Vol
Jun17 / Jul17	150	150	130	127	147
Jul17 / Aug17	102	107	96	96	770
Aug17 / Sep17	46	48	38	37	4,779
Sep17 / Oct17	13	14	5	6	1,646

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	JUL17	931.25	-10.25
Soybean Oil	JUL17	31.94	-0.35
Soybean Meal	JUL17	301.80	-4.10
Crude Oil	JUL17	46.08	0.25
DCE Palm Oil	SEP17	5,252	70.00
DCE Soybean Oil	SEP17	5,820	50.00

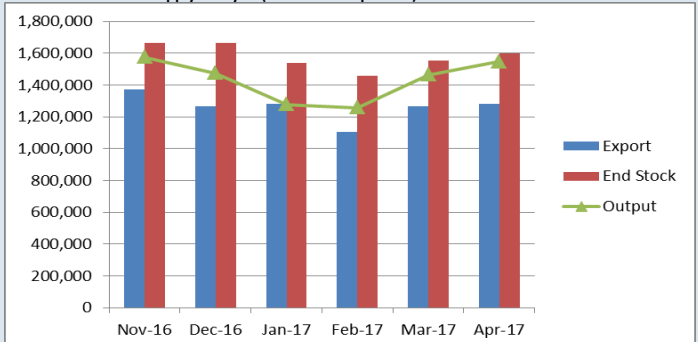
Exchange Rate

Currency	Last
USDMYR	4.2650
USDIDR	13,295
USDCNY	6.7982

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	JUN17	n.a.	4183.25	n.a.
FOB CPO (Indo)	USD/mt	JUN17	n.a.	670.00	666.25
FOB RBD Palm Olein (M'sia)	USD/mt	JUN17	682.50	687.50	685.00
FOB RBD Palm Oil (M'sia)	USD/mt	JUN17	n.a.	682.50	n.a.

MPOB Demand and Supply Analysis (6 Month Comparison)

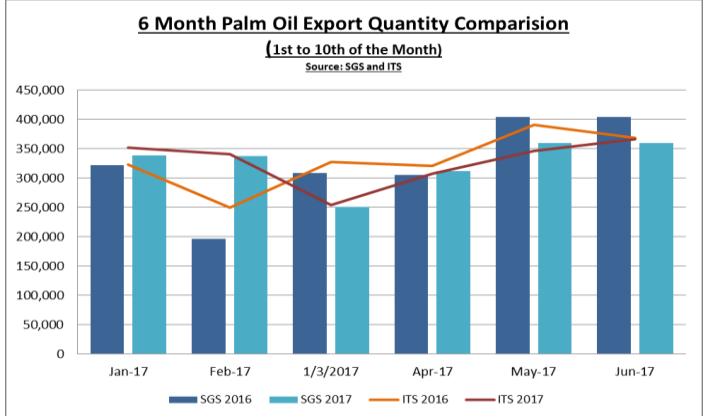


Demand and Supply Data

Date	Cargo Surveyor Figures			SGS (in tonnes)		
	ITS (in tonnes)			May'17	Jun'17	Chg (%)
First 10 days	346,920	366,994	5.8	359,355		
First 15 days	617,697			613,465		
First 20 days	846,705			852,628		
First 25 days	1,006,757			1,006,853		
Full month	1,306,374			1,310,320		

(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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