

FCPO Daily Commentary

Brought to you by Phillip Futures Sdn Bhd (662533-U) (A member of PhillipCapital)

PALM FCPO AUG17 (2432, -25)

Our Call of The Day:

Mildly Bearish
14 June 2017

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm oil hits 10-month low on stronger ringgit, rising output.
- CBOT soybean end up on bargain buying.

Crude Palm Oil

Malaysian palm oil futures hit a 10-month low in the second half of trade on Tuesday on the back of a stronger ringgit, while expectations of rising output and weaker export growth also weighed on the market.

The benchmark August 17 fell by RM25 to RM2,432 per tonne, prices were traded between RM2,478 and RM2,425 with total traded volume for palm stood at 57,616 lots.

According to a Kuala Lumpur-based trader, the market is not optimistic about forward production as exports are not looking too spectacular, where it should slow down after Ramadan.

Data from industry regulator the Malaysian Palm Oil Board showed May end-stocks falling 2.6 percent from the previous month to 1.56 million tonnes, while production rose 6.9 percent to 1.65 million tonnes.

Malaysian palm oil shipments in the first 10 days of June grew at a smaller rate, 5.8 percent, versus the corresponding period last month according to cargo surveyor Intertek Testing Services, and 2.2 percent based on Societe Generale de Surveillance data.

Today, palm oil prices are most likely to trade lower as the stronger ringgit is expected to weigh. However, the overnight gains in the US soyoil market may support prices.

For the benchmark palm oil contract, we see support levels at RM2,400 and RM2,375 while resistance levels at RM2,453 and RM2,490.

Soybean (Reuters)

Chicago Board of Trade (CBOT) July soybean futures settled up 1-1/4 cents at \$9.32-1/2 per bushel on Tuesday on bargain buying.

Strength in crude oil added more support to soy prices.

High temperatures continue to stress the soy crop as it passes through early development stages.

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Jun17	2,649	-31	2,670	2,670	2,648	2,112	-703	473
Jul17	2,529	-24	2,559	2,566	2,521	11,837	-564	2,594
Aug17	2,432	-25	2,463	2,478	2,425	38,803	-722	23,712
Sep17	2,398	-22	2,421	2,442	2,393	46,985	3,574	13,061
Oct17	2,394	-20	2,419	2,432	2,385	23,994	1,862	8,421
Nov17	2,396	-23	2,425	2,438	2,390	31,182	360	5,463
Jan18	2,439	-25	2,468	2,475	2,436	18,161	-90	1,481
Mar18	2,464	-20	2,491	2,496	2,457	17,497	-529	1,184
May18	2,477	-18	2,506	2,506	2,470	14,921	350	553
Jul18	2,470	-16	2,491	2,496	2,469	6,555	236	394
Sep18	2,460	-20	2,481	2,481	2,456	4,136	-22	81
Nov18	2,458	-17	2,480	2,482	2,452	4,846	16	184
Jan19	2,471	-15	2,486	2,486	2,486	312	-3	15
Mar19	2,476	-15	-	-	-	5	0	-
May19	2,483	-15	-	-	-	7	0	-
Total						221,353	3,765	57,616

Spreads

Contract	Open	High	Low	Last	Vol
Jun17 / Jul17	110	115	92	115	212
Jul17 / Aug17	95	101	85	96	1,757
Aug17 / Sep17	38	41	31	34	6,227
Sep17 / Oct17	7	11	5	5	3,012

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	NOV17	939.00	0.75
Soybean Oil	DEC17	32.53	0.11
Soybean Meal	JUL17	301.50	-0.30
Crude Oil	JUL17	46.46	0.38
DCE Palm Oil	SEP17	5,274	22.00
DCE Soybean Oil	SEP17	5,826	6.00

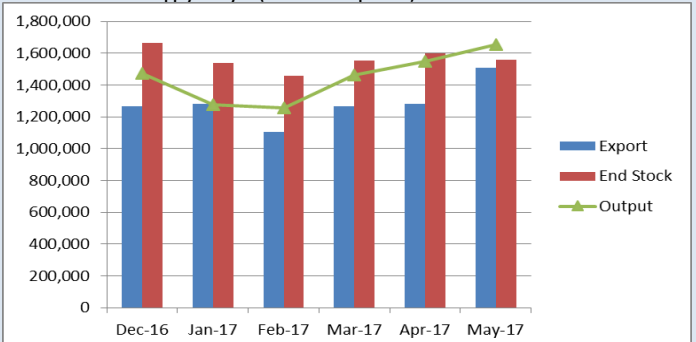
Exchange Rate

Currency	Last
USDMYR	4.2620
USDIDR	13,291
USDCNY	6.7917

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	JUN17	n.a.	4150.18	n.a.
FOB CPO (Indo)	USD/mt	JUN17	n.a.	667.50	663.75
FOB RBD Palm Olein (M'sia)	USD/mt	JUN17	n.a.	682.50	680.00
FOB RBD Palm Oil (M'sia)	USD/mt	JUN17	n.a.	677.50	n.a.

MPOB Demand and Supply Analysis (6 Month Comparison)

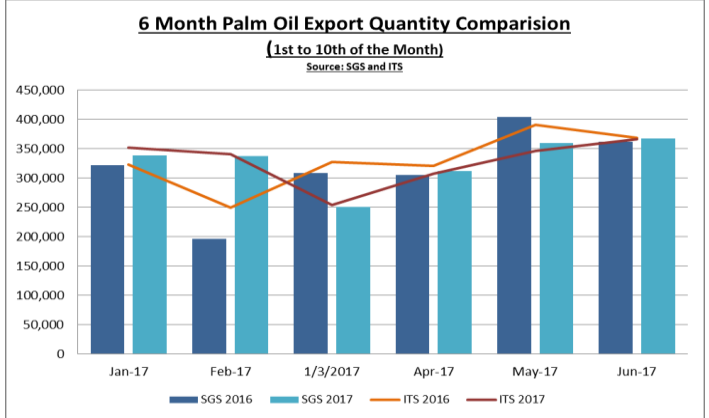


Demand and Supply Data

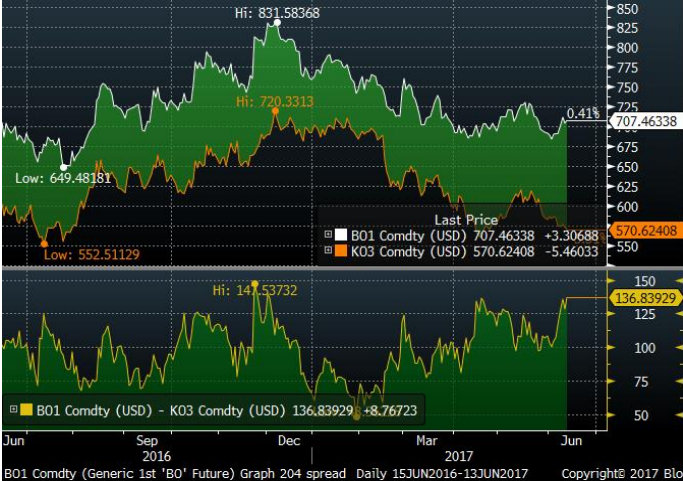
Date	ITS (in tonnes)			SGS (in tonnes)		
	May'17	Jun'17	Chg (%)	May'17	Jun'17	Chg (%)
First 10 days	346,920	366,994	5.8	359,355	367,165	2.2
First 15 days	617,697			613,465		
First 20 days	846,705			852,628		
First 25 days	1,006,757			1,006,853		
Full month	1,306,374			1,310,320		

(in tonnes)	Malaysia Palm Oil Board Data (MPOB)			PFSB Forecast	
	Apr'17	May'17	MoM (%)	May'17	Chg (%)
Production	1,548,053	1,654,494	6.9	1.663	+7.42
Export	1,283,308	1,505,929	17.3	1.425	+11.06
Import	54,475	47,450	-12.9		
Local Disapp	272,314	238,290	-12.5		
Stock	1,599,894	1,557,619	-2.6	1.704	+6.5
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)



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

Dealing Desk
pfsb_dealing@poems.com.my

CONTACT US:
Kuala Lumpur Headquarters:
 (+603) 2711 0026
pfsb_research@poems.com.my

Johor - Taman Sutera Utama Branch:
 (+607) 5572188
pfbj@poems.com.my

Penang Branch:
 (+604) 2616822
pfbg@poems.com.my

Malacca Branch:
 (+606) 2748711
pfbm@poems.com.my

Kota Damansara Branch:
 (+603) 26308688
phillipfutures@poems.com.my

Johor - Taman Molek Branch:
 (+607) 3525999
pfbj@poems.com.my

Kuching Branch:
 (+6082) 247633
pfbk@poems.com.my

Official Website: www.phillipfutures.com.my
Facebook Page: www.facebook.com/PhillipFuturesSdnBhd

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