

# FCPO Daily Commentary

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## PALM FCPO AUG17 (2456, +24)

### FCPO 3rd Month Daily Candle Chart



#### Market Commentary

##### Highlights:

- Palm oil achieves biggest daily gain in a month, tracks soyoil.
- CBOT soybean flat on U.S. rains, corn declines.

#### Crude Palm Oil

Malaysian palm oil futures bounced back on Wednesday from a 10-month low hit in the previous session, tracking a stronger performance in soyoil on the Chicago Board of Trade and China's Dalian Commodity Exchange.

The benchmark August 17 gained RM24 to RM2,456 per tonne, prices were traded between RM2,459 and RM2,426 with total traded volume for palm stood at 58,911 lots.

According to a Kuala Lumpur-based trader, the market is up today due to the firm US soyoil prices.

Movements in the soyoil market generally affect palm oil prices as both vegetable oils compete for a share in the global edible oils market.

Soybean oil on the Chicago Board of Trade climbed as much as 0.3 percent, while the September soybean oil contract on the Dalian Commodity Exchange rose 0.1 percent.

Palm oil prices may also take direction from crude oil prices as the tropical oil is used as feedstock to make biodiesel, a fuel substitute.

Today, palm oil prices are most likely to trade lower as the stronger ringgit is expected to pressure prices.

For the benchmark palm oil contract, we see support levels at RM2,427 and RM2,400 while resistance levels at RM2,490 and RM2,528.

#### Soybean (Reuters)

Chicago Board of Trade (CBOT) soybean futures were flat to narrowly mixed on Wednesday, with some contracts trimming earlier gains on forecasts for crop-friendly rains in the United States.

Bear-spreading was noted as investors continued to roll out of front-month contracts. CBOT July soybeans lost ground to the new-crop November contract.

Declines in corn and wheat also weighed on soybeans.

Our Call of The Day:

**Mildly Bearish**

15 June 2017

### Crude Palm Oil Futures

#### Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Jun17	2,675	26	2,660	2,670	2,660	1,972	-140	161
Jul17	2,563	34	2,541	2,569	2,530	11,304	-533	1,460
Aug17	2,456	24	2,440	2,459	2,426	36,411	-2,392	20,451
Sep17	2,419	21	2,408	2,422	2,393	48,564	1,579	12,979
Oct17	2,411	17	2,402	2,414	2,388	24,423	429	7,178
Nov17	2,414	18	2,409	2,417	2,392	31,399	217	5,939
Jan18	2,449	10	2,445	2,450	2,431	19,232	1,071	4,289
Mar18	2,468	4	2,470	2,476	2,455	17,191	-306	1,984
May18	2,478	1	2,482	2,485	2,469	15,322	401	1,657
Jul18	2,466	-4	2,473	2,479	2,458	7,142	587	945
Sep18	2,462	2	2,465	2,472	2,456	4,410	274	406
Nov18	2,460	2	2,461	2,469	2,447	5,356	510	1,404
Jan19	2,473	2	2,486	2,486	2,471	309	-3	55
Mar19	2,478	2	-	-	-	7	2	3
May19	2,485	2	-	-	-	7	0	-
<b>Total</b>						<b>223,049</b>	<b>1,696</b>	<b>58,911</b>

#### Spreads

Contract	Open	High	Low	Last	Vol
Jun17 / Jul17	120	121	120	121	19
Jul17 / Aug17	98	110	95	106	1,144
Aug17 / Sep17	34	39	29	37	5,724
Sep17 / Oct17	5	9	3	8	2,305

#### Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	NOV17	939.00	0.00
Soybean Oil	DEC17	32.56	0.03
Soybean Meal	DEC17	307.70	0.80
Crude Oil	JUL17	44.73	-1.74
DCE Palm Oil	SEP17	5,232	-42.00
DCE Soybean Oil	SEP17	5,828	2.00

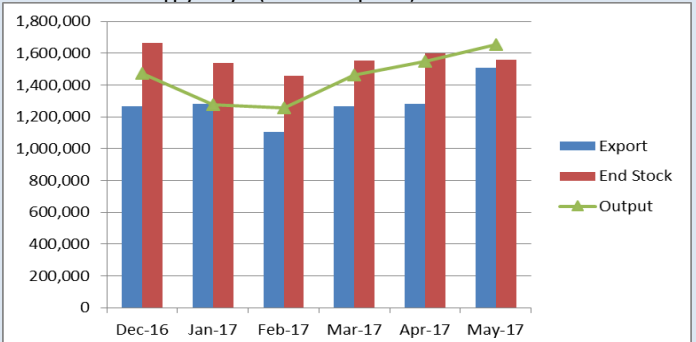
#### Exchange Rate

Currency	Last
USD/MYR	4.2580
USD/IDR	13,283
USDCNY	6.7868

#### 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	665.00	672.50	668.75
FOB RBD Palm Olein (M'sia)	USD/mt	JUN17	n.a.	685.00	682.50
FOB RBD Palm Oil (M'sia)	USD/mt	JUN17	n.a.	680.00	n.a.

#### MPOB Demand and Supply Analysis (6 Month Comparison)

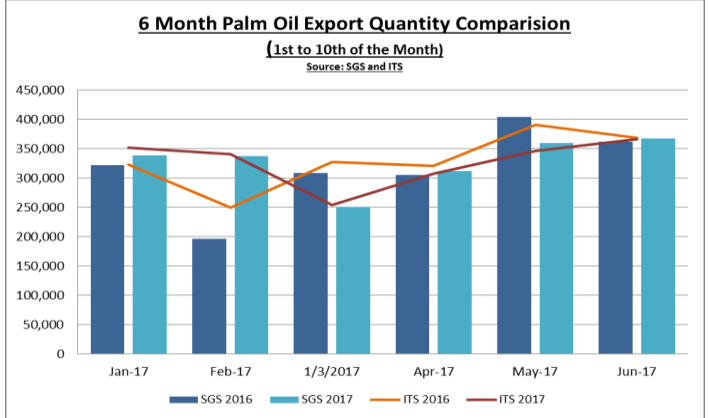


**Demand and Supply Data**

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	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		

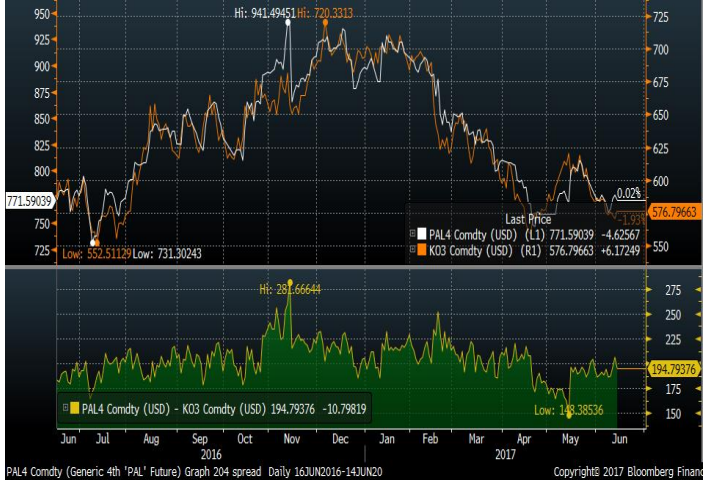
**Export Quantity Analysis**



**Spread (CBOT Soyoil - BMD Crude Palm Oil)**



**Spread (DCE Palm Olein - BMD Crude Palm Oil)**



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

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