

# FCPO Daily Commentary

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

## PALM FCPO SEP17 (2568, +11)

Our Call of The Day:

**Neutral**  
17 July 2017

### FCPO 3rd Month Daily Candle Chart



#### Market Commentary

##### Highlights:

- Palm reverses losses and gains on improving export hopes
- CBOT soy gains on bargain buying, hot U.S. weather

#### Crude Palm Oil

Malaysian palm oil futures snapped three sessions of losses on Friday, rising off a one-week low on expectations that data from cargo surveyors to be released on Saturday and Monday will show higher exports.

The benchmark September 17 up RM11 to RM2,568 per tonne, prices were traded between RM2,573 and RM2,532 with total traded volume for palm stood at 55,116 lots.

Phillip Futures Sdn Bhd Analyst David Ng said CPO futures closed higher, lifted by late buying on expectation that exports might heighten in the near-term, as China was gearing up for their seasonal buying and to replenish depleting stocks.

Palm oil output in Malaysia had declined in June as workers went on leave during Ramadan and Eid-al-Fitr festivities. However, production is seen to recover from July onwards in line with seasonal trend.

Data from Intertek Testing Services and Societe Generale de Surveillance is scheduled for release on Saturday and Monday respectively.

Today, palm oil prices is expected to trade lower as production in July might be seen increasing. Market will be looking at the exports data due to released today. However, good export data released over the weekend may overshadow the higher production in the coming weeks.

For the benchmark palm oil contract, we see support levels at RM2,532 and RM2,517 while resistance levels at RM2,600 and RM2,614.

#### Soybean (Reuters)

Chicago Board of Trade soybean futures rallied about 1.5 percent on Friday, boosted by bargain-buying after steep losses in the previous two sessions and as weather models predicted hot weather next week in the Midwest crop belt.

The U.S. Department of Agriculture said exporters sold 1.3 million tonnes of soybeans to China, an announcement that followed a Thursday signing ceremony between Chinese soy buyers and American sellers in Iowa.

### Crude Palm Oil Futures

#### Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Jul17	2,620	-41	-	-	-	1,153	0	-
Aug17	2,637	27	2,592	2,638	2,585	11,661	-409	1,486
Sep17	2,568	11	2,540	2,573	2,532	49,736	450	24,928
Oct17	2,551	9	2,525	2,555	2,519	33,060	4,989	13,421
Nov17	2,551	9	2,528	2,555	2,520	40,845	717	5,713
Dec17	2,571	12	2,546	2,574	2,538	7,068	1,116	2,899
Jan18	2,589	11	2,557	2,592	2,557	18,098	262	1,922
Mar18	2,609	11	2,578	2,612	2,578	15,888	194	1,267
May18	2,619	7	2,593	2,623	2,585	20,327	534	1,815
Jul18	2,580	4	2,560	2,582	2,558	11,149	275	681
Sep18	2,557	10	2,534	2,559	2,531	6,031	122	308
Nov18	2,552	7	2,530	2,555	2,528	7,640	378	638
Jan19	2,577	8	2,577	2,577	2,577	956	1	34
Mar19	2,584	8	-	-	-	432	-1	3
May19	2,588	8	-	-	-	113	-1	1
<b>Total</b>						<b>224,157</b>	<b>8,627</b>	<b>55,116</b>

#### Spreads

Contract	Open	High	Low	Last	Vol
Jul17 /Aug17	60	62	60	51	37
Aug17 /Sep17	53	70	49	69	829
Sep17 /Oct17	15	19	13	17	9,062
Oct17 /Nov17	-1	1	-1	-	944

#### Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	NOV17	1,001.50	14.00
Soybean Oil	DEC17	33.50	0.09
Soybean Meal	DEC17	331.20	6.10
Crude Oil	AUG17	46.08	0.25
DCE Palm Oil	SEP17	5,398	-68.00
DCE Soybean Oil	SEP17	6,054	-56.00

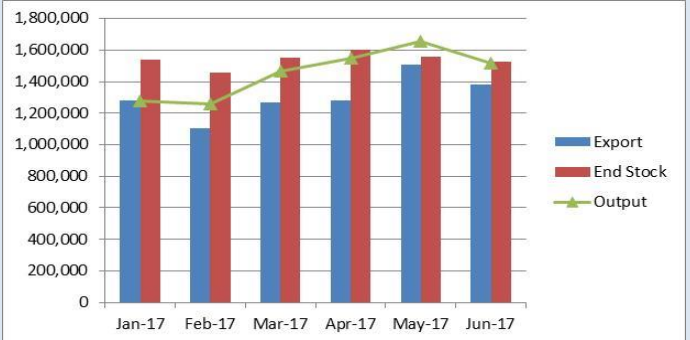
#### Exchange Rate

Currency	Last
USDMYR	4.2926
USDIDR	13,307
USDCNY	6.7621

#### Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	JUL17	n.a.	4249.39	n.a.
FOB CPO (Indo)	USD/mt	JUL17	650.00	657.50	653.75
FOB RBD Palm Olein (M'sia)	USD/mt	JUL17	n.a.	672.50	661.25
FOB RBD Palm Oil (M'sia)	USD/mt	JUL17	n.a.	667.50	n.a.

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

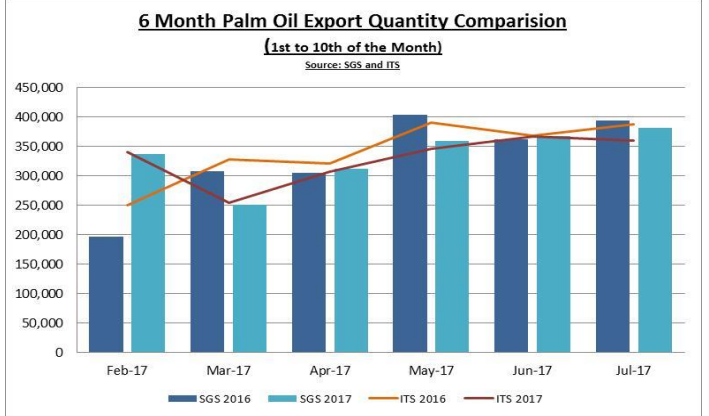


**Demand and Supply Data**

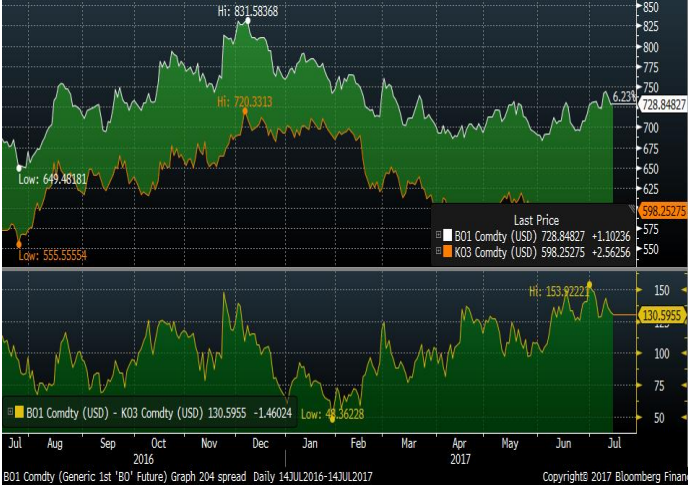
Date	Cargo Surveyor Figures			SGS (in tonnes)		
	ITS (in tonnes)			Jun'17	Jul'17	Chg (%)
First 10 days	366,994	360,114	-1.9	367,165	381,241	3.8
First 15 days	508,960			523,505		
First 20 days	721,020			710,322		
First 25 days	985,534			996,291		
Full month	1,190,583			1,210,359		

(in tonnes)	Malaysia Palm Oil Board Data (MPOB)			PFSB Forecast	
	May'17	Jun'17	MoM (%)	June'17	Chg (%)
Production	1,654,494	1,514,170	-8.5	1.74	+7.0
Export	1,505,929	1,379,691	-8.4	1.32	-12.0
Import	47,450	45,828	-3.4		
Local Disapp	238,290	210,883	-11.5		
Stock	1,557,619	1,527,043	-2.0	1.60	+2.0
Stock/Use ratio	0.87	0.96	10.4		

**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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