

# FCPO Daily Commentary

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## PALM FCPO SEP17 (2484, +35)

Our Call of The Day:

**Mildly Bullish**  
19 June 2017

### FCPO 3rd Month Daily Candle Chart



#### Market Commentary

##### Highlights:

- Palm oil rose more than 1 percent.
- CBOT soybean continue its upward movement on high demand.

#### Crude Palm Oil

Malaysian palm oil futures rose more than 1 percent on Friday evening, charting a third straight day of gains, supported by a weaker ringgit and rising related edible oils.

The benchmark palm oil contract for September delivery on the Bursa Malaysia Derivatives Exchange was up 1.4 percent at 2,484 ringgit a tonne at the close of trade. Traded volumes stood at 42,240 lots of 25 tonnes each.

According to the Malaysian Palm Oil Board, the calculated palm oil reference price will be RM2,890.04 per tonne.

A declining ringgit, palm's traded currency, typically supports the market by making the tropical oil cheaper for holders of foreign currencies. The ringgit fell to a two-week low earlier in the day, and was last down 0.2 percent.

Palm oil prices also track the movements of related edible oils including soyoil, as they compete for a share in the global vegetable oils market.

Today, palm oil prices are most likely to trade higher, tracking gains from soyoil market last Friday.

For the benchmark palm oil contract, we see support levels at RM2,425 and RM2,395 while resistance levels at RM2,475 and RM2,495.

#### Soybean (Reuters)

Chicago Board of Trade soybean futures rose on Friday as technical buyers stepped into the market when prices sank to session lows.

Soymeal and soyoil futures also posted modest gains on Friday.

Soybean oil on the Chicago Board of Trade rose 0.4 percent, in line with a stronger performing soybean due to rising demand in the United States on higher-than-expected crushings in May.

For the week, soybean futures fell 0.2 percent, soymeal futures dropped 1.5 percent and soyoil futures rose 2.6 percent.

### Crude Palm Oil Futures

#### Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Jul17	2,656	47	2,638	2,671	2,630	9,756	-876	2,305
Aug17	2,536	38	2,532	2,545	2,515	30,950	-2,720	10,342
Sep17	2,484	35	2,480	2,492	2,466	50,018	964	15,672
Oct17	2,465	33	2,455	2,471	2,448	22,093	-653	7,047
Nov17	2,468	35	2,460	2,472	2,451	31,941	297	3,064
Dec17	2,483	50	2,470	2,486	2,469	259	259	273
Jan18	2,501	33	2,497	2,505	2,486	18,543	29	1,537
Mar18	2,519	31	2,509	2,525	2,507	15,942	-379	605
May18	2,520	24	2,518	2,533	2,515	15,781	-18	397
Jul18	2,504	19	2,506	2,519	2,501	7,335	147	255
Sep18	2,497	23	2,499	2,513	2,495	4,554	114	363
Nov18	2,502	28	2,498	2,512	2,493	6,016	242	365
Jan19	2,515	28	2,509	2,526	2,509	309	0	15
Mar19	2,520	28	-	-	-	7	0	-
May19	2,527	28	-	-	-	7	0	-
<b>Total</b>						<b>213,511</b>	<b>-2,594</b>	<b>42,240</b>

#### Spreads

Contract	Open	High	Low	Last	Vol
Jul17 /Aug17	112	131	111	120	1,210
Aug17 /Sep17	51	57	46	52	3,657
Sep17 /Oct17	19	22	16	18	2,877
Oct17 /Nov17	-5	-2	-5	-3	1,282

#### Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	NOV17	950.00	6.00
Soybean Oil	DEC17	33.65	0.41
Soybean Meal	DEC17	307.20	0.70
Crude Oil	JUL17	44.74	0.26
DCE Palm Oil	SEP17	5,308	62.00
DCE Soybean Oil	SEP17	5,886	44.00

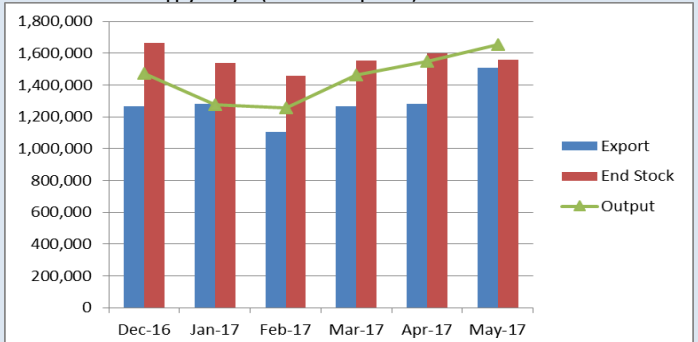
#### Exchange Rate

Currency	Last
USDMYR	4.2755
USDIDR	13,281
USDCNY	6.7955

#### Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	JUN17	n.a.	4299.00	n.a.
FOB CPO (Indo)	USD/mt	JUL17	n.a.	670.00	666.25
FOB RBD Palm Olein (M'sia)	USD/mt	JUL17	n.a.	672.50	670.00
FOB RBD Palm Oil (M'sia)	USD/mt	JUL17	n.a.	667.50	n.a.

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

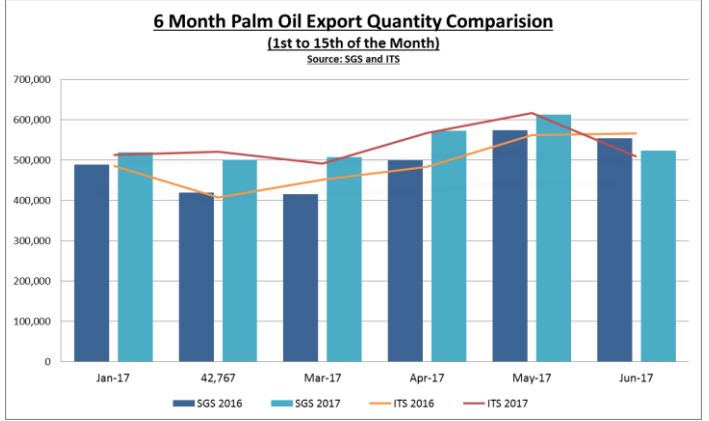


**Demand and Supply Data**

Date	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	508,960	-17.6	613,465	523,505	-14.7
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 (%)	June'17	Chg (%)
Production	1,548,053	1,654,494	6.9	-	-
Export	1,283,308	1,505,929	17.3	-	-
Import	54,475	47,450	-12.9	-	-
Local Disapp	272,314	238,290	-12.5	-	-
Stock	1,599,894	1,557,619	-2.6	-	-
Stock/Use ratio	0.99	0.87	-12.5	-	-

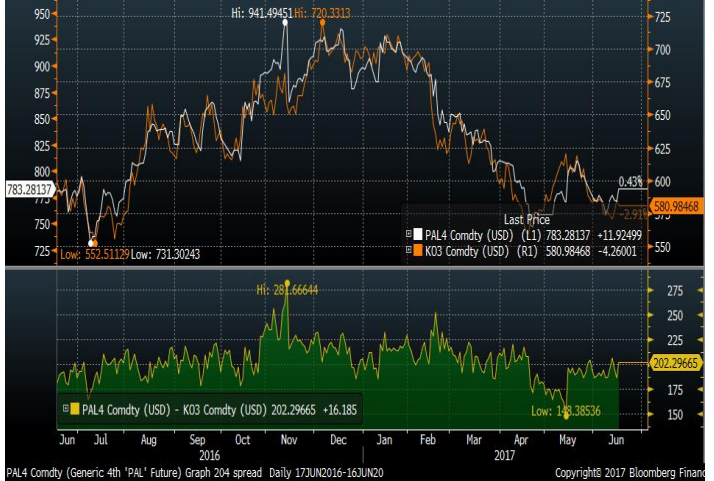
**Export Quantity Analysis**



**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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