

FCPO Daily Commentary

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

PALM FCPO OCT17 (2513, -24)

8 January 1900

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm eases slightly on higher production outlook
- CBOT soy edge up on U.S. weather

Crude Palm Oil

Malaysian palm oil futures dipped slightly at the midday break on Tuesday, in line for a second straight day of losses, weighed down by expectations of rising production.

The benchmark October 17 down RM24 to RM2,513 per tonne, prices were traded between RM2,553 and RM2,508 with total traded volume for palm stood at 33,201 lots.

Phillip Futures Sdn Bhd Analyst David Ng said the expectations of higher production coupled with sluggish demand might push the country's inventories higher.

While output in June saw an unexpected decline due to lower harvests, as workers went on leave during the Muslim fasting month of Ramadan and the Eid-Al-Fitr holidays, production is seen rebounding in July.

Production in June fell 8.5% to 1.51 million tonnes from the previous month, as Muslim-majority Malaysia and Indonesia produce nearly 90% of the world's palm oil supplies.

Today, palm oil prices is expected to extend its negative sentiment, tracking losses in the China Dalian's market and the recovering production.

For the benchmark palm oil contract, we see support levels at RM2,532 and RM2,507 while resistance levels at RM2,575 and RM2,615.

Soybean (Reuters)

Chicago Board of Trade soybean futures were slightly higher on Tuesday, following small gains in corn, on worries that hot and dry U.S. weather could stress each crop.

Warm temperatures and limited moisture could reduce yield potential for corn. Much of the U.S. corn crop pollinates in July while the key development period for soybeans is August.

Our Call of The Day:

Mildly Bearish

19 July 2017

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Aug17	2,582	-35	2,629	2,635	2,579	10,073	-828	1,328
Sep17	2,530	-27	2,568	2,574	2,527	43,038	-1,967	7,767
Oct17	2,513	-24	2,546	2,553	2,508	34,770	1,465	13,533
Nov17	2,513	-23	2,541	2,552	2,509	40,300	-130	3,443
Dec17	2,531	-22	2,558	2,568	2,527	7,388	215	938
Jan18	2,549	-27	2,579	2,590	2,547	18,425	347	1,527
Mar18	2,571	-21	2,604	2,607	2,565	15,690	132	1,720
May18	2,580	-25	2,614	2,618	2,575	19,557	-263	1,789
Jul18	2,540	-28	2,578	2,581	2,540	11,642	187	666
Sep18	2,526	-19	2,530	2,530	2,526	6,000	-31	101
Nov18	2,515	-25	2,550	2,550	2,514	7,663	25	343
Jan19	2,540	-25	2,550	2,550	2,540	963	1	36
Mar19	2,547	-25	-	-	-	432	0	10
May19	2,551	-25	-	-	-	113	0	-
Jul19	2,551	-25	-	-	-	0	0	-
Total						216,054	-847	33,201

Spreads

Contract	Open	High	Low	Last	Vol
Aug17 / Sep17	59	63	49	52	636
Sep17 / Oct17	20	22	16	17	4,031
Oct17 / Nov17	1	2	-1	-	1,539
Nov17 / Dec17	-18	-17	-19	-18	128

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	NOV17	1,001.75	4.25
Soybean Oil	DEC17	33.59	0.15
Soybean Meal	DEC17	330.90	1.40
Crude Oil	AUG17	46.40	0.46
DCE Palm Oil	SEP17	5,394	-44.00
DCE Soybean Oil	SEP17	6,084	-2.00

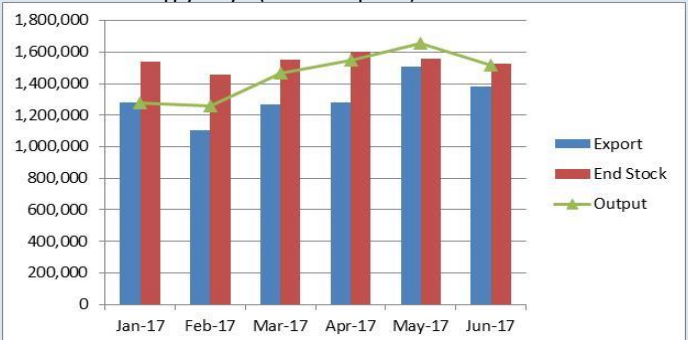
Exchange Rate

Currency	Last
USDMYR	4.2865
USDIDR	13,304
USDCNY	6.7451

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	JUL17	n.a.	4166.72	n.a.
FOB CPO (Indo)	USD/mt	AUG17	627.50	635.00	631.25
FOB RBD Palm Olein (M'sia)	USD/mt	AUG17	640.00	645.00	642.50
FOB RBD Palm Oil (M'sia)	USD/mt	AUG17	n.a.	640.00	n.a.

MOB Demand and Supply Analysis (6 Month Comparison)

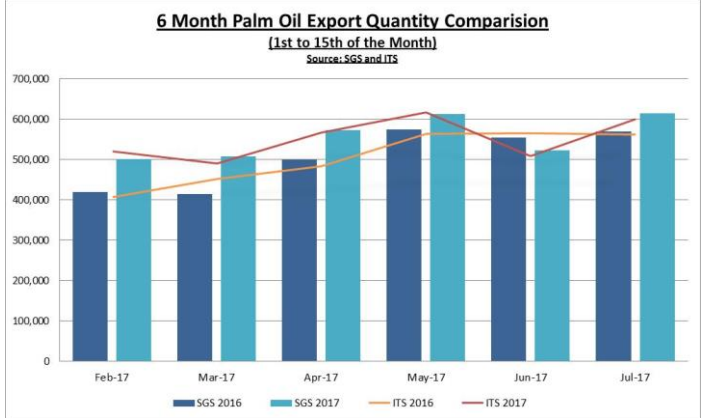


Demand and Supply Data

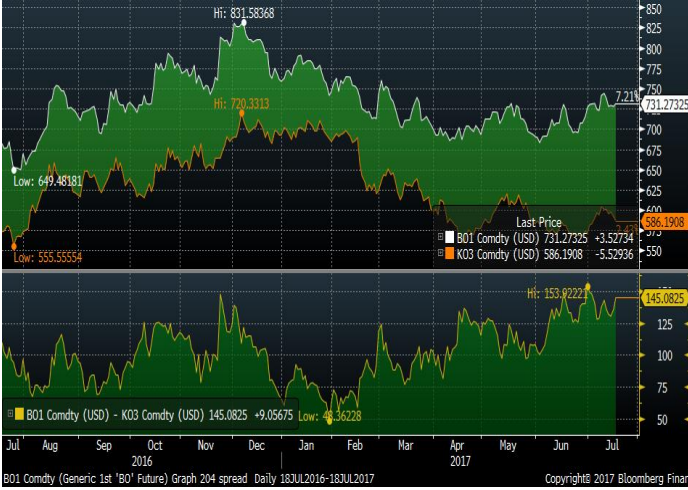
Date	ITS (in tonnes)			SGS (in tonnes)		
	Jun'17	Jul'17	Chg (%)	Jun'17	Jul'17	Chg (%)
First 10 days	366,994	360,114	-1.9	367,165	381,241	3.8
First 15 days	508,960	599,414	17.8	523,505	615,671	17.6
First 20 days	721,020			710,322		
First 25 days	985,534			996,291		
Full month	1,190,583			1,210,359		

(in tonnes)	May'17	Jun'17	MoM (%)	PFSB Forecast	
				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		

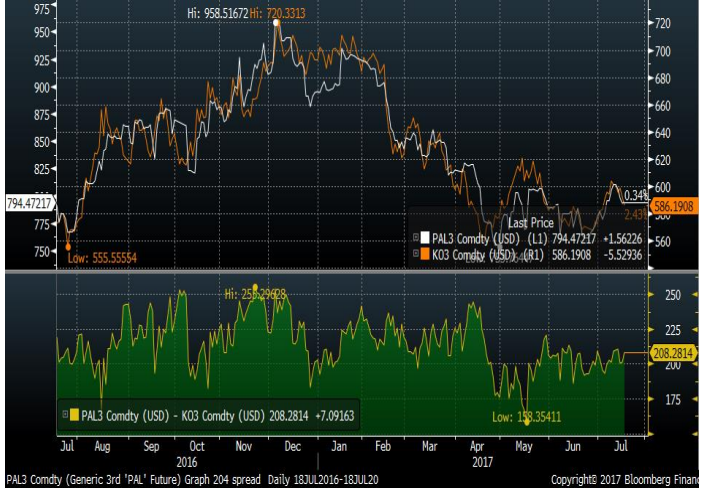
Export Quantity Analysis



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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