

# FCPO Daily Commentary

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## PALM FCPO OCT17 (2525, +12)

8 January 19:00

### FCPO 3rd Month Daily Candle Chart



### Market Commentary

#### Highlights:

- Palm rebounds from losses on export expectations
- CBOT soybean gain on hot U.S. weather

#### Crude Palm Oil

Malaysian palm oil futures rebounded on Thursday evening, lifted from an earlier two-week low by expectations of stronger cargo surveyor data due for release on Thursday.

The benchmark October 17 up RM12 to RM2,525 per tonne, prices were traded between RM2,530 and RM2,494 with total traded volume for palm stood at 33,582 lots.

The market had fallen on an expected increase in production, with Malaysia's palm oil output on track to rebound this year from an El Nino-affected 2016, though a Reuters poll of traders, planters and analysts suggested it will miss previous forecasts on a par with 2015's record high.

Phillip Futures Sdn Bhd Analyst David Ng said the better performance came on the back of expectations of better exports in light of a stronger seasonal demand.

Data from Intertek Testing Services and Societe Generale de Surveillance is scheduled to release today.

Today, market will be looking ahead of the exports data. Palm prices are expected to trade in cautious with an upside bias, with a better exports expectations.

For the benchmark palm oil contract, we see support levels at RM2,532 and RM2,513 while resistance levels at RM2,575 and RM2,615.

#### Soybean (Reuters)

Chicago Board of Trade soybean futures climbed about 1 percent on Wednesday, lifted by technical buying and fears that hot U.S. weather could stress the U.S. 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 Bullish**  
20 July 2017

### Crude Palm Oil Futures

#### Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Aug17	2,580	-2	2,550	2,588	2,550	9,663	-410	984
Sep17	2,541	11	2,498	2,545	2,498	40,690	-2,348	6,344
Oct17	2,525	12	2,505	2,530	2,494	35,704	934	14,689
Nov17	2,526	13	2,507	2,528	2,490	39,879	-421	4,192
Dec17	2,540	9	2,524	2,547	2,512	7,928	540	1,506
Jan18	2,562	13	2,541	2,564	2,532	18,806	381	1,284
Mar18	2,582	11	2,561	2,584	2,548	16,073	383	1,234
May18	2,592	12	2,572	2,594	2,555	19,993	436	1,667
Jul18	2,550	10	2,539	2,552	2,525	11,900	258	774
Sep18	2,536	10	2,519	2,536	2,511	5,976	-24	127
Nov18	2,526	11	2,508	2,530	2,500	7,939	276	603
Jan19	2,551	11	2,530	2,540	2,529	973	10	89
Mar19	2,558	11	2,536	2,545	2,535	453	21	65
May19	2,562	11	2,545	2,550	2,545	133	20	24
Jul19	2,562	11	-	-	-	0	0	-
<b>Total</b>						<b>216,110</b>	<b>56</b>	<b>33,582</b>

#### Spreads

Contract	Open	High	Low	Last	Vol
Aug17 / Sep17	51	51	40	39	574
Sep17 / Oct17	17	17	15	16	2,377
Oct17 / Nov17	-1	1	-1	-1	1,245
Nov17 / Dec17	-19	-15	-19	-14	392

#### Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	NOV17	1,012.50	10.75
Soybean Oil	DEC17	33.88	0.29
Soybean Meal	DEC17	334.20	3.30
Crude Oil	SEP17	47.32	0.73
DCE Palm Oil	SEP17	5,342	-52.00
DCE Soybean Oil	SEP17	6,064	-20.00

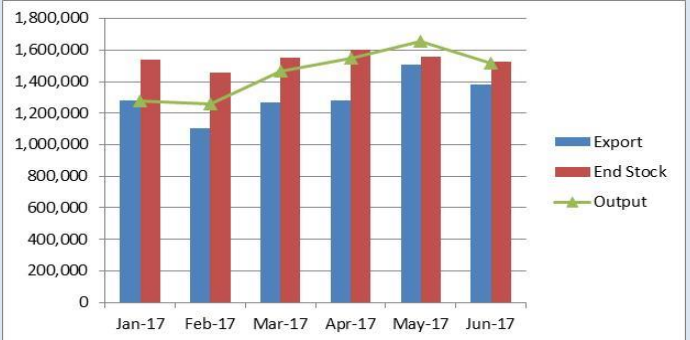
#### Exchange Rate

Currency	Last
USDMYR	4.2865
USDIDR	13,308
USDCNY	6.7505

#### 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	637.50	642.50	640.00
FOB RBD Palm Oil (M'sia)	USD/mt	AUG17	n.a.	637.50	n.a.

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

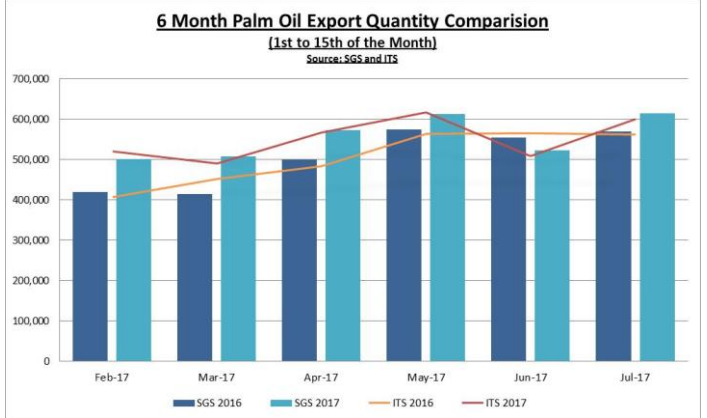


**Demand and Supply Data**

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)	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		

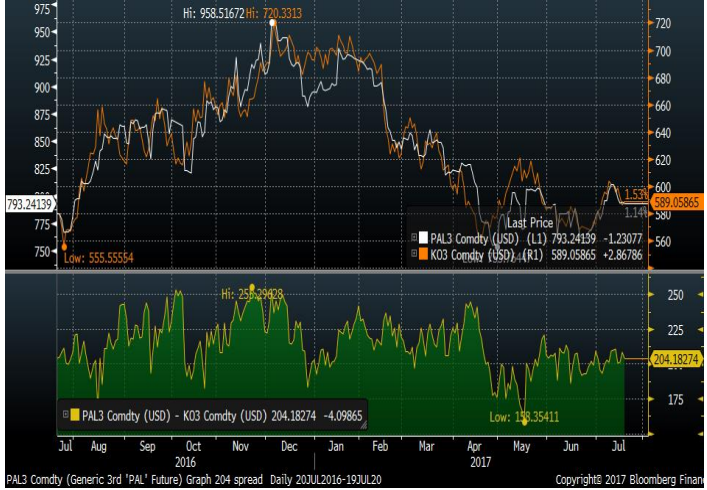
**Export Quantity Analysis**



**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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