

# FCPO Daily Commentary

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## PALM FCPO OCT17 (2576, +51)

8 January 19:00

### FCPO 3rd Month Daily Candle Chart



### Market Commentary

#### Highlights:

- Palm jumps 2% on improving export demand, strength in rival oils
- CBOT soy closes firm on outlooks for rising temperatures

#### Crude Palm Oil

Malaysian palm oil futures surged 2% on Thursday, rising to a one-week high and recovering from a two-week low hit in the previous session, on the back of strength in related edible oils.

The benchmark October 17 up RM51 to RM2,576 per tonne, prices were traded between RM2,578 and RM2,437 with total traded volume for palm stood at 33,824 lots.

Phillip Futures Sdn Bhd Analyst David Ng said investors expected the market trend to improve in anticipation of better data coupled with firmer commodity prices for crude oil.

China is expected to import 450,000 tonnes of palm oil per month in August and September, compared with a forecast of 250,000 tonnes for July, according to a report by the China National Grain and Oils Information Center (CNGOIC).

According to cargo surveyor Intertek Testing Services, exports of Malaysian palm oil products for July 1-20 increased 10.50 percent to 796,664 tonnes, up from 721,020 tonnes shipped from June 1-20.

According to another cargo surveyor, Societe Generale de Surveillance, exports of Malaysian palm oil products for July 1-20 rose 15.15 percent to 817,961 tonnes, up from 710,322 tonnes shipped from June 1-20.

Today, palm oil prices are expected to rise in conjunction with an improvement in the exports data and rising demand. The strength in US soyoil and slight weakening in Ringgit would support palm prices.

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 rose 1.5 percent on Thursday, hitting their highest since July 12 on forecasts for scorching temperatures in the U.S. Midwest.

The weather view was growing more important for the soy market as the calendar approaches August, typically the key development month for the crop.

Soybean export sales were 1.932 million tonnes, the U.S. Agriculture Department said on Thursday morning, in line with market expectations.

Our Call of The Day:

**Mildly Bullish**

21 July 2017

### Crude Palm Oil Futures

#### Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Aug17	2,621	41	2,600	2,624	2,590	8,116	-1,547	1,651
Sep17	2,589	48	2,558	2,595	2,552	40,251	-439	4,245
Oct17	2,576	51	2,543	2,578	2,537	37,324	1,620	15,803
Nov17	2,577	51	2,542	2,580	2,537	39,749	-130	4,145
Dec17	2,592	52	2,557	2,593	2,553	8,304	376	1,269
Jan18	2,612	50	2,580	2,613	2,573	19,324	518	1,765
Mar18	2,632	50	2,601	2,635	2,592	17,030	957	1,965
May18	2,643	51	2,607	2,646	2,600	19,904	-89	1,577
Jul18	2,604	54	2,569	2,608	2,562	12,006	106	742
Sep18	2,576	40	2,547	2,580	2,546	6,019	43	346
Nov18	2,571	45	2,538	2,579	2,538	7,968	29	226
Jan19	2,596	45	2,576	2,579	2,576	1,002	29	56
Mar19	2,602	44	2,583	2,602	2,583	463	10	34
May19	2,606	44	-	-	-	133	0	-
Jul19	2,606	44	-	-	-	0	0	-
<b>Total</b>						<b>217,593</b>	<b>1,483</b>	<b>33,824</b>

#### Spreads

Contract	Open	High	Low	Last	Vol
Aug17 / Sep17	40	41	30	32	808
Sep17 / Oct17	16	17	13	13	1,829
Oct17 / Nov17	-	2	-1	-1	1,279
Nov17 / Dec17	-16	-13	-17	-15	321

#### Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	NOV17	1,027.00	14.50
Soybean Oil	DEC17	34.45	0.57
Soybean Meal	DEC17	338.10	3.90
Crude Oil	SEP17	46.92	-0.39
DCE Palm Oil	SEP17	5,406	64.00
DCE Soybean Oil	SEP17	6,120	56.00

#### Exchange Rate

Currency	Last
USDMYR	4.2915
USDIDR	13,312
USDCNY	6.7479

#### 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	AUG17	637.50	645.00	641.25
FOB RBD Palm Olein (M'sia)	USD/mt	AUG17	640.00	647.50	643.75
FOB RBD Palm Oil (M'sia)	USD/mt	AUG17	n.a.	642.50	n.a.

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

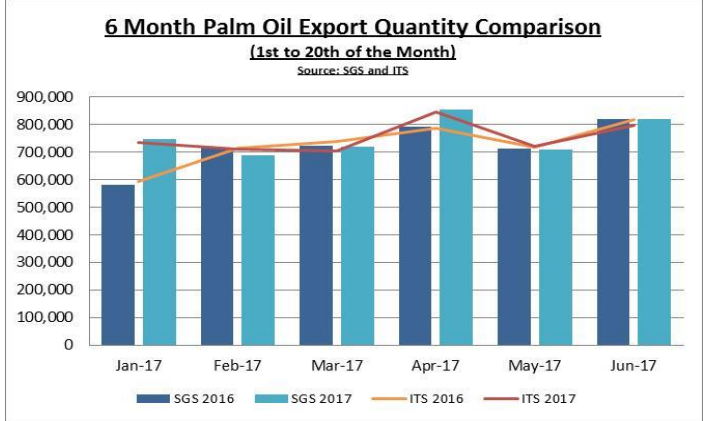


**Demand and Supply Data**

Date	Cargo Surveyor Figures					
	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	796,664	10.5	710,322	817,961	15.15
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
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)**



B01 Comdty (Generic 1st 'B0' Future) Graph 204 spread Daily 20JUL2016-20JUL2017 Copyright© 2017 Bloomberg Finan  
Sources: Thomson Reuters / Bloomberg/ MPOB /ITS/ SGS/ Phillip Futures

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



PAL3 Comdty (Generic 3rd 'PAL' Future) Graph 204 spread Daily 20JUL2016-20JUL2017 Copyright© 2017 Bloomberg Finan

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