

# FCPO Daily Commentary

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## PALM FCPO SEP17 (2442, -24)

Our Call of The Day:

**Mildly Bearish**

22 June 2017

### FCPO 3rd Month Daily Candle Chart



#### Market Commentary

##### Highlights:

- Palm falls to one-week low, tracking rival oils.
- CBOT soybean close lower on technical selling, U.S. crop weather.

#### Crude Palm Oil

Malaysian palm oil futures fell to their lowest in a week on Wednesday, their sharpest daily fall in a week, tracking related oils on the Chicago Board of Trade (CBOT) and China's Dalian Commodity Exchange.

The benchmark September 17 pared RM24 to RM2,442 per tonne, prices were traded between RM2,450 and RM2,430 with total traded volume for palm stood at 50,738 lots.

Phillip Futures Sdn Bhd Dealer, David Ng said the CPO futures closed lower in tracking losses on the crude oil market and in anticipation of increased production in the first 20 days of June in line with the seasonal trend.

According to a Kuala Lumpur-based trader, Palm fell in light of the plunge in soybean oil overnight. The CBOT soyoil decline by 2.4 percent on Tuesday.

Another trader commented that production picking up, demand slowing down and stocks building up could be seen after the Eid-al-Fitr holidays.

Today, palm oil prices are expected to continue lower, tracking the weakness in the US soyoil market.

For the benchmark palm oil contract, we see support levels at RM2,420 and RM2,400 while resistance levels at RM2,465 and RM2,500.

#### Soybean (Reuters)

Chicago Board of Trade soybean futures settled down 9 cents at \$9.18-3/4 per bushel on Wednesday on technical selling and forecasts for non-threatening U.S. crop weather.

Talk that China is booking more soybean purchases from Brazil also put pressure on beans.

Grains shipping from Argentina's main port system of Rosario returned to normal after the government ordered dock workers back to work after a week-old strike that slowed soy and corn exports to a trickle.

Ahead of the U.S. Department of Agriculture's weekly export sales report on Thursday, analysts expected the government to report soybean sales at 350,000 to 750,000 tonnes (old and new marketing years combined).

### Crude Palm Oil Futures

#### Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Jul17	2,587	-16	2,590	2,596	2,581	6,671	-1,452	712
Aug17	2,480	-17	2,467	2,490	2,464	25,173	-3,787	7,352
Sep17	2,442	-24	2,435	2,450	2,430	49,922	-1,231	18,486
Oct17	2,433	-25	2,430	2,441	2,422	22,393	547	7,350
Nov17	2,439	-22	2,431	2,445	2,427	33,878	1,216	6,991
Dec17	2,455	-20	2,456	2,461	2,447	1,615	543	821
Jan18	2,479	-23	2,477	2,486	2,470	17,711	-562	2,415
Mar18	2,502	-26	2,498	2,507	2,494	15,887	9	2,285
May18	2,519	-21	2,526	2,526	2,510	17,173	1,049	2,661
Jul18	2,503	-19	2,503	2,507	2,494	10,000	2,432	952
Sep18	2,493	-24	2,498	2,498	2,487	4,847	215	267
Nov18	2,487	-25	2,492	2,492	2,479	7,208	973	445
Jan19	2,511	-25	2,510	2,510	2,510	303	0	1
Mar19	2,520	-25	-	-	-	7	0	-
May19	2,527	-25	-	-	-	7	0	-
<b>Total</b>						<b>212,795</b>	<b>-48</b>	<b>50,738</b>

#### Spreads

Contract	Open	High	Low	Last	Vol
Jul17 / Aug17	110	112	103	107	249
Aug17 / Sep17	29	42	29	38	4,447
Sep17 / Oct17	7	10	5	9	1,965
Oct17 / Nov17	-6	-4	-6	-6	3,305

#### Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	NOV17	927.75	-11.00
Soybean Oil	DEC17	32.37	-0.25
Soybean Meal	DEC17	302.70	-3.50
Crude Oil	JUL17	42.53	-1.00
DCE Palm Oil	SEP17	5,212	-102.00
DCE Soybean Oil	SEP17	5,802	-64.00

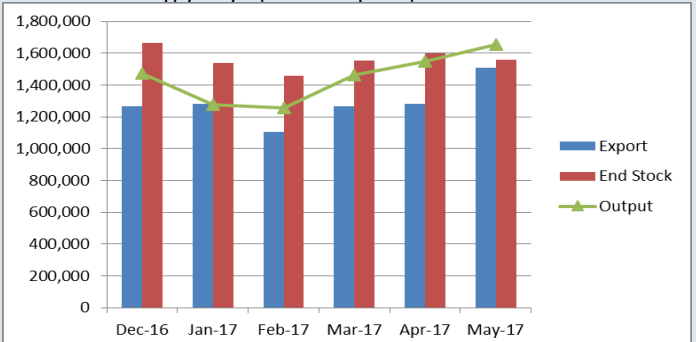
#### Exchange Rate

Currency	Last
USDMYR	4.2887
USDIDR	13,310
USDCNY	6.8166

#### Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	JUN17	n.a.	4183.25	n.a.
FOB CPO (Indo)	USD/mt	JUL17	n.a.	655.00	651.25
FOB RBD Palm Olein (M'sia)	USD/mt	JUL17	652.50	657.50	655.00
FOB RBD Palm Oil (M'sia)	USD/mt	JUL17	n.a.	652.50	n.a.

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

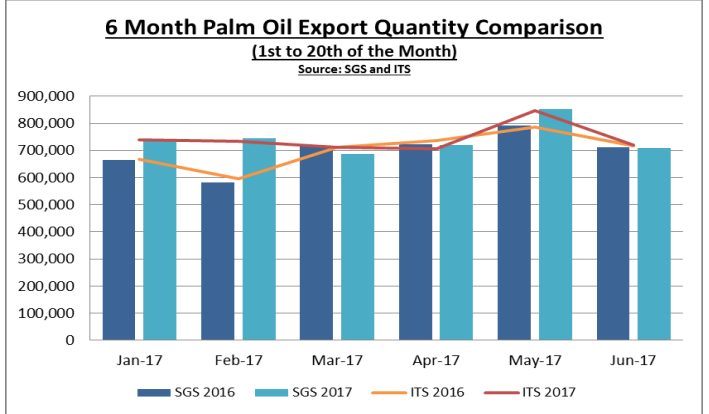


**Demand and Supply Data**

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	721,020	-14.8	852,628	710,322	-16.7
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		

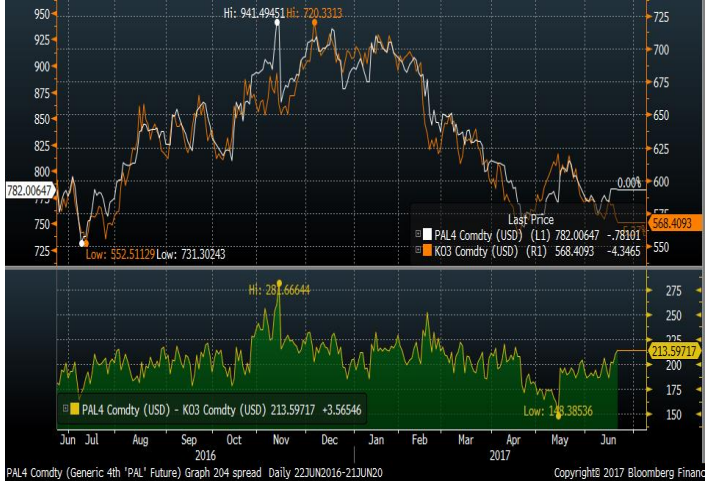
**Export Quantity Analysis**



**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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