

FCPO Daily Commentary

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PALM FCPO AUG17 (2662, +27)

Our Call of The Day:

Mildly Bullish
23 May 2017

FCPO 3rd Month Daily Candle Chart



K03 Comdty (Generic 3rd 'K0' Future) G40 Daily 23MAY2016-23MAY2017 Copyright© 2017 Bloomberg Finance L.P. 23-May-2017 05:46:48

Market Commentary

Highlights:

- Palm oil rise 1 percent, further gains on strong demand
- CBOT soy close firm on Midwest weather concerns

Crude Palm Oil

Malaysian palm oil climbed over 1 percent to a 1-week high on Monday, underpinned by strong demand of the vegetable oil.

The benchmark August 17 contract rose RM27 to close at RM2,662 per tonne, prices were traded between RM2,654 and RM2,681 with total traded volume for palm stood at 43,548 lots.

Phillip Futures Sdn Bhd Analyst, David Ng said cargo surveyors reported that there was an average of 20 per cent increase in local palm oil exports from key major importing countries namely Pakistan and India in May.

Exports of Malaysian palm oil products for May 1 - 20 rose 20 percent to 846,705 tonnes from 705,372 tonnes shipped a month ago, cargo surveyor Intertek Testing Services said on Saturday.

Meanwhile, Societe Generale de Surveillance said exports during the period rose 18.6 percent to 852,628 tonnes from 719,175 tonnes shipped during May. 1-20.

Palm oil may export are seen rising due to Ramadan demand. The month of Ramadan will start later this month, therefore demand and exports usually rises before the Muslim fasting month of Ramadan as it sees a higher usage of palm oil for cooking, as Muslims end day-long fasts with communal feasting.

Today, we expect crude palm oil continue its upward momentum on the back of tight market supplies and improving export demand.

For the benchmark palm oil contract, we see support levels at RM2,600 and RM2,565 while resistance levels at RM2,675 and RM2,700.

Soybean (Reuters)

Chicago Board of Trade soybean futures rose on Monday on concerns that wet field conditions could lead to a slowdown in the pace of planting and may force some farmers to replant acreage.

Analysts were expecting a U.S. Agriculture Department report on Monday afternoon to show that farmers had planted 52 percent of their soybean acreage, up from 32 percent last week and in line with the five-year average.

USDA said that weekly export inspections of soybeans totaled 348,535 tonnes in the latest week, in line with market forecasts for 250,000 to 400,000 tonnes.

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Jun17	2,900	15	2,915	2,922	2,895	7,973	-1,490	845
Jul17	2,781	22	2,788	2,800	2,775	24,390	-1,849	5,489
Aug17	2,662	27	2,664	2,681	2,654	45,679	-565	16,471
Sep17	2,576	20	2,582	2,590	2,570	37,537	1,080	6,694
Oct17	2,540	13	2,546	2,550	2,536	8,603	-54	4,357
Nov17	2,539	13	2,551	2,551	2,537	28,119	-1,022	4,690
Jan18	2,572	19	2,570	2,582	2,564	10,903	615	3,286
Mar18	2,585	17	2,579	2,593	2,577	15,532	252	977
May18	2,584	16	2,586	2,596	2,578	12,701	124	388
Jul18	2,576	12	2,581	2,586	2,573	5,228	25	148
Sep18	2,570	12	2,575	2,580	2,566	3,103	0	67
Nov18	2,566	11	2,570	2,574	2,566	2,025	19	118
Jan19	2,574	11	2,580	2,580	2,579	226	14	18
Mar19	2,574	11	-	-	-	0	0	-
May19	2,574	11	-	-	-	0	0	-
Total						202,019	-2,851	43,548

Spreads

Contract	Open	High	Low	Last	Vol
Jun17 / Jul17	130	130	118	120	473
Jul17 / Aug17	125	127	116	120	2,345
Aug17 / Sep17	80	90	80	85	1,999
Sep17 / Oct17	31	41	31	36	1,791

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	JUL17	956.50	3.50
Soybean Oil	JUL17	32.94	-0.10
Soybean Meal	JUL17	307.80	0.80
Crude Oil	JUL17	51.13	0.46
DCE Palm Oil	SEP17	5,554	68.00
DCE Soybean Oil	SEP17	6,006	50.00

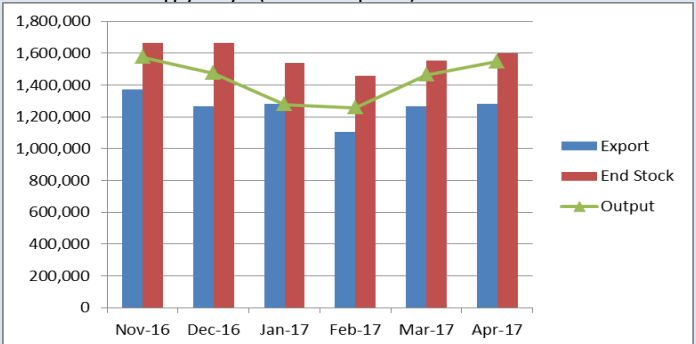
Exchange Rate

Currency	Last
USDMYR	4.2960
USDIDR	13,280
USDCNY	6.8797

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	MAY17	n.a.	4960.38	n.a.
FOB CPO (Indo)	USD/mt	JUN17	702.50	715.00	706.25
FOB RBD Palm Olein (M'sia)	USD/mt	JUN17	n.a.	725.00	723.75
FOB RBD Palm Oil (M'sia)	USD/mt	JUN17	n.a.	720.00	n.a.

MPOB Demand and Supply Analysis (6 Month Comparison)

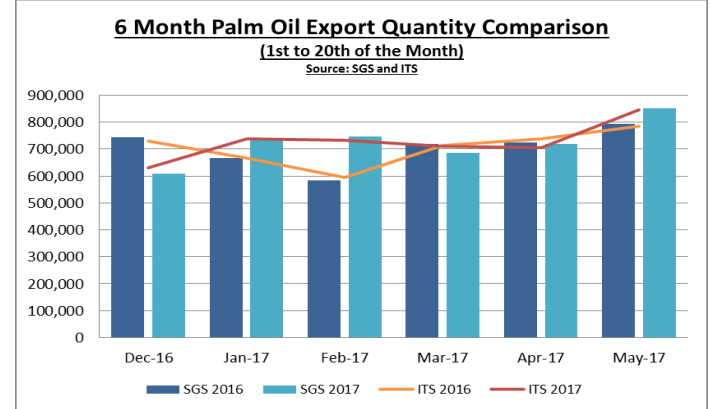


Demand and Supply Data

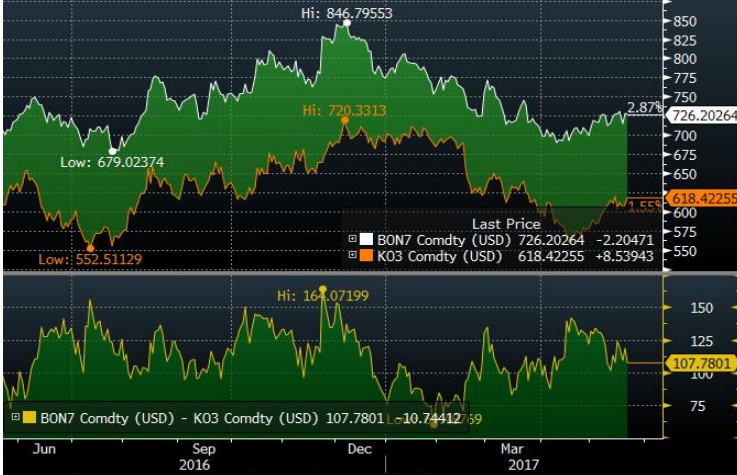
Date	ITS (in tonnes)			SGS (in tonnes)		
	Apr'17	May'17	Chg (%)	Apr'17	May'17	Chg (%)
First 10 days	307,249	346,920	12.9	312,489	359,355	15.0
First 15 days	567,280	617,697	8.9	572,910	613,465	7.1
First 20 days	705,372	846,705	20.0	719,175	852,628	18.6
First 25 days	866,297			891,725		
Full month	1,125,942			1,135,340		

(in tonnes)	Malaysia Palm Oil Board Data (MPOB)			PFSB Forecast	
	Mar'17	Apr'17	MoM (%)	Apr'17	Chg (%)
Production	1,464,021	1,548,053	5.7	1,581	+8%
Export	1,265,771	1,283,308	1.4	1,3926	+10%
Import	101,961	54,475	-46.6		
Local Disapp	205,370	272,314	32.6		
Stock	1,552,988	1,599,894	3.0	1.6472	+6%
Stock/Use ratio	0.99	0.99	0.7		

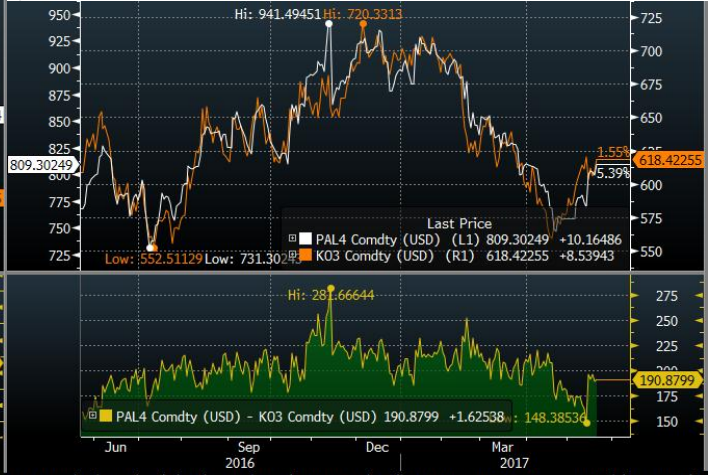
Export Quantity Analysis



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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