

FCPO Daily Commentary

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PALM FCPO SEP17 (2447, +5)

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm rebounds from one-week low on weaker ringgit.
- CBOT soybean close lower on better U.S. weather, technical selling.

Crude Palm Oil

Malaysian palm oil futures rebounded from a one-week low to end the trading day slightly higher, supported by a weaker ringgit which makes the tropical oil cheaper for holders of foreign currencies.

The benchmark September 17 gained RM5 to RM2,447 per tonne, prices were traded between RM2,448 and RM2,426 with total traded volume for palm stood at 28,312 lots.

Phillip Futures Sdn Bhd Dealer, David Ng said the CPO futures closed marginally higher as sentiment remain mixed with concern over rising production in coming months offset by weaker ringgit which may boost short term demand for palm oil.

According to a Kuala Lumpur-based trader, The market rose as the ringgit got weaker during the afternoon session.

Palm's early losses reflected bearish sentiment about rising output and slowing demand, as traders expect export figures from cargo surveyors to decline further following the Eid-al-Fitr festivities next week.

Eid marks the end of Ramadan, the Muslim holy month of fasting, which takes place in June this year. The festivals usually mean higher usage of palm oil for cooking purposes, as Muslims break day-long fasts with communal feasting.

Today, palm oil prices are expected to trade lower, tracking the overnight 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 14-3/4 cents, or 1.4 percent, at \$9.04 per bushel on Thursday on technical selling and forecasts for more favorable weather for U.S. crops.

New-crop November soybeans ended down 14-1/2 cents at \$9.13-1/4, extending declines that began with Monday's downward reversal.

Disappointing U.S. weekly export sales also weighed on soybeans. The U.S. Department of Agriculture reported export sales of U.S. soybeans in the latest week for old and new crop years combined below the range of trade expectations.

Our Call of The Day:

Mildly Bearish

23 June 2017

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Jul17	2,597	10	2,590	2,599	2,576	6,106	-565	654
Aug17	2,489	9	2,473	2,490	2,467	24,146	-1,027	3,646
Sep17	2,447	5	2,433	2,448	2,426	49,985	63	12,801
Oct17	2,438	5	2,423	2,438	2,417	22,856	463	3,715
Nov17	2,445	6	2,433	2,445	2,421	33,763	-115	2,089
Dec17	2,461	6	2,449	2,459	2,436	1,986	371	656
Jan18	2,484	5	2,472	2,485	2,457	17,021	-690	1,390
Mar18	2,505	3	2,492	2,509	2,483	15,899	12	1,972
May18	2,520	1	2,510	2,526	2,501	17,798	625	906
Jul18	2,508	5	2,495	2,509	2,489	10,151	151	188
Sep18	2,505	12	2,486	2,507	2,471	5,068	221	233
Nov18	2,499	12	2,479	2,480	2,464	6,265	-943	49
Jan19	2,523	12	2,496	2,496	2,496	298	-5	13
Mar19	2,532	12	-	-	-	7	0	-
May19	2,539	12	-	-	-	7	0	-
Total						211,356	-1,439	28,312

Spreads

Contract	Open	High	Low	Last	Vol
Jul17 /Aug17	110	112	104	108	263
Aug17 /Sep17	40	45	39	42	2,411
Sep17 /Oct17	8	11	7	9	1,637
Oct17 /Nov17	-5	-4	-8	-7	533

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	NOV17	913.25	-14.50
Soybean Oil	DEC17	32.05	-0.32
Soybean Meal	DEC17	297.40	-5.30
Crude Oil	JUL17	42.74	0.19
DCE Palm Oil	SEP17	5,196	-16.00
DCE Soybean Oil	SEP17	5,796	-6.00

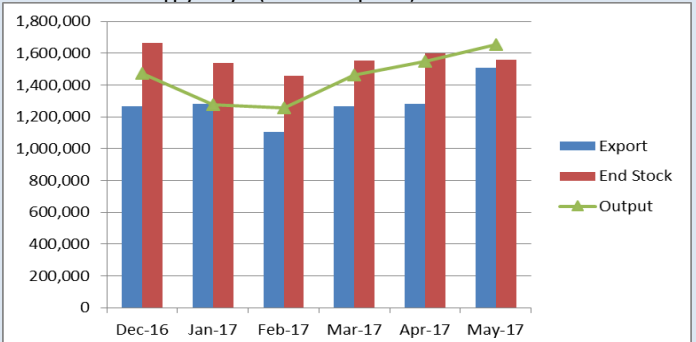
Exchange Rate

Currency	Last
USD/MYR	4.2870
USD/IDR	13,330
USDCNY	6.8235

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	JUN17	n.a.	4199.79	n.a.
FOB CPO (Indo)	USD/mt	JUL17	645.00	652.50	648.75
FOB RBD Palm Olein (M'sia)	USD/mt	JUL17	n.a.	657.50	653.75
FOB RBD Palm Oil (M'sia)	USD/mt	JUL17	n.a.	652.50	n.a.

MOB Demand and Supply Analysis (6 Month Comparison)

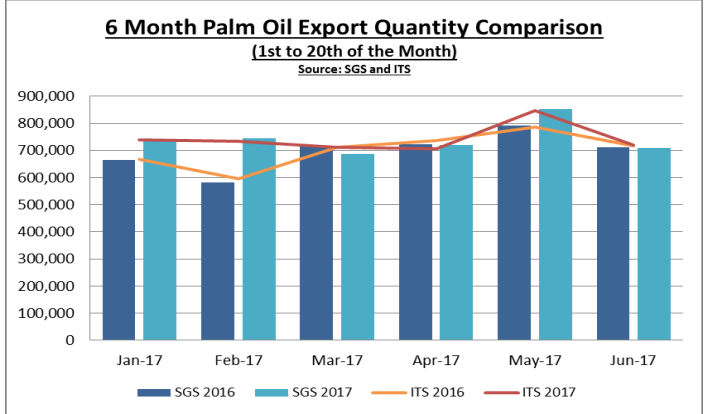


Demand and Supply Data

Date	Cargo Surveyor Figures			Cargo Surveyor Figures		
	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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