

# FCPO Daily Commentary

Brought to you by Phillip Futures Sdn Bhd (62533-U) (A member of PhillipCapital)

## PALM FCPO OCT17 (2573, -3)

8 January 1900

### FCPO 3rd Month Daily Candle Chart



### Market Commentary

#### Highlights:

- Palm falls from more than one-week high, tracks weaker soyoil
- CBOT soybeans close lower on profit-taking

#### Crude Palm Oil

Malaysian palm oil futures fell in late trade on Friday, easing from a more than one-week high reached early in the session, as the market tracked declines in soyoil on the Chicago Board of Trade.

The benchmark October 17 decline RM3 to RM2,573 per tonne, prices were traded between RM2,589 and RM2,562 with total traded volume for palm stood at 33,791 lots.

Expectations of rising production as the month progresses has added to traders' concerns and weighed on prices.

Production in Malaysia is forecast to rise for the full month of July, following a surprise drop in June output which saw a decline in productivity as workers went on leave for the Muslim festivals of Ramadan and Eid-Al-Fitr.

Output is expected to rise in the second half of the year in line with seasonal trends and is expected to peak in October.

Phillip Futures Sdn Bhd Analyst David Ng said concerns about overall rising production in coming months also dampened sentiment.

Today, palm oil prices are expected to open lower tracking weakness in the US soyoil market. The expectation of higher production would also put pressure on palm prices on the whole.

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 dropped on Friday after a round of profit-taking following three straight sessions of gains.

CBOT soyoil and soymeal also fell on Friday, with a sharp drop in crude oil casting a bearish tone over commodities.

Our Call of The Day:

**Mildly Bearish**

24 July 2017

### Crude Palm Oil Futures

#### Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Aug17	2,612	-9	2,624	2,625	2,604	7,355	-761	687
Sep17	2,584	-5	2,596	2,600	2,575	38,827	-1,424	5,960
Oct17	2,573	-3	2,585	2,589	2,562	37,439	115	14,316
Nov17	2,572	-5	2,585	2,585	2,563	38,965	-784	4,524
Dec17	2,589	-3	2,598	2,604	2,582	8,873	569	1,500
Jan18	2,609	-3	2,619	2,619	2,599	20,215	891	2,062
Mar18	2,626	-6	2,641	2,641	2,618	16,668	-362	1,583
May18	2,634	-9	2,640	2,642	2,630	19,487	-417	1,354
Jul18	2,595	-9	2,611	2,611	2,591	12,357	351	947
Sep18	2,579	3	2,589	2,589	2,572	5,864	-155	467
Nov18	2,567	-4	2,580	2,580	2,565	8,063	95	376
Jan19	2,592	-4	-	-	-	1,003	1	8
Mar19	2,598	-4	-	-	-	463	0	7
May19	2,602	-4	-	-	-	133	0	-
Jul19	2,602	-4	-	-	-	0	0	-
<b>Total</b>						<b>215,712</b>	<b>-1,881</b>	<b>33,791</b>

#### Spreads

Contract	Open	High	Low	Last	Vol
Aug17 / Sep17	30	32	26	28	227
Sep17 / Oct17	14	15	11	11	2,291
Oct17 / Nov17	-1	1	-1	1	813
Nov17 / Dec17	-15	-15	-18	-17	271

#### Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	NOV17	1,022.25	-4.75
Soybean Oil	DEC17	34.27	-0.18
Soybean Meal	DEC17	336.80	-1.30
Crude Oil	SEP17	45.77	-1.15
DCE Palm Oil	SEP17	5,432	26.00
DCE Soybean Oil	SEP17	6,148	28.00

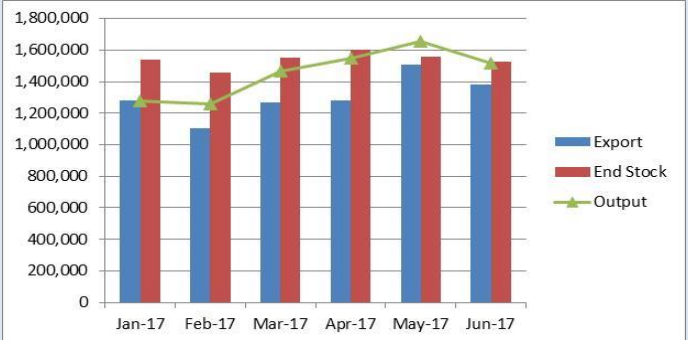
#### Exchange Rate

Currency	Last
USDMYR	4.2850
USDIDR	13,329
USDCNY	6.7457

#### 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	630.00	637.50	633.75
FOB RBD Palm Olein (M'sia)	USD/mt	AUG17	632.50	637.50	635.00
FOB RBD Palm Oil (M'sia)	USD/mt	AUG17	n.a.	632.50	n.a.

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

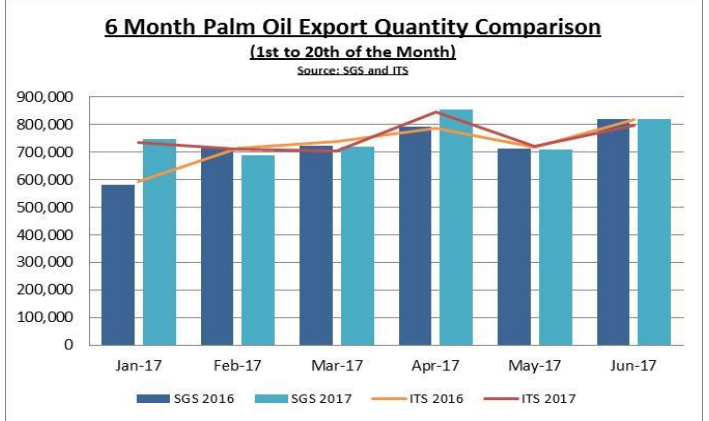


**Demand and Supply Data**

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	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)	May'17	Jun'17	MoM (%)	PFSB Forecast	
				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		

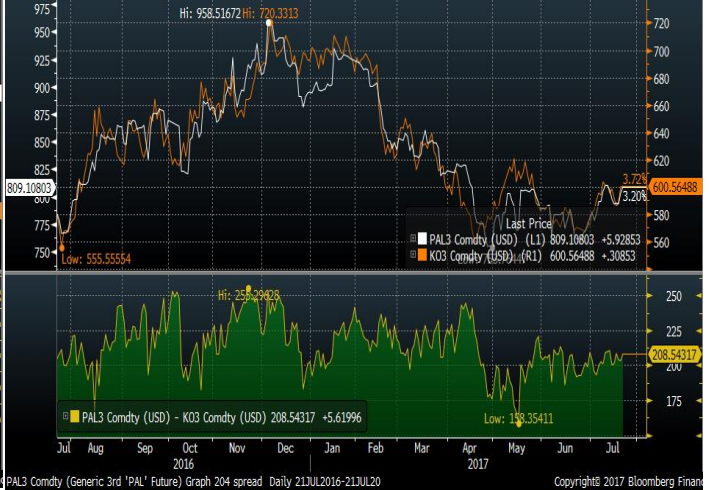
**Export Quantity Analysis**



**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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