

FCPO Daily Commentary

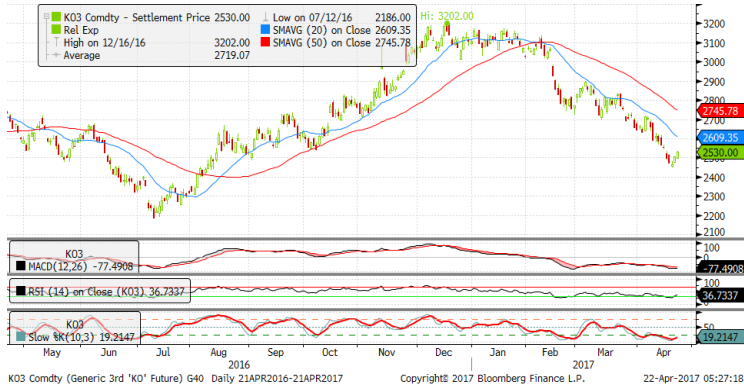
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PALM FCPO JUL17 (2530, +26)

Our Call of The Day:

Mildly Bullish
25 April 2017

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm resumes trading today, posted a rise on last Friday due to demand from Ramadan
- CBOT soy rose on weaker U.S. dollar and supported by short-covering.

Crude Palm Oil

Malaysian palm oil futures closed on Monday in conjunction with the Installation of Yang di-Pertuan Agong holiday. The strong demand ahead of Ramadan gave a boost to palm oil prices on last Friday, following a technical correction after a sharp fall earlier.

On last Friday, the benchmark July 17 contract rose RM26 to close at RM2,530 per tonne, prices were traded between RM2,535 and RM2,492 with total traded volume for palm stood at 56,109 lots.

Market was believed to have technical correction after a consecutive falling for a few sessions. However, the gains may not be able to sustain as the market sentiment remains bearish surrounding the started-to-recover palm production which may result in oversupply.

The Muslim holy month of Ramadan, which begins at the end of May, sees Muslims on day-long fast in countries such as India and the Middle East. The month-long event of fasting and feasting spurs higher palm oil demand for cooking.

Phillip Futures Sdn Bhd Derivative Dealer, David Ng, said the month of Ramadan would see palm oil demand to increase from countries such as India and West Asia as it would boost the demand for cooking oil.

Today, the palm oil is expected to move in a bullish note as the prices may be seen to be supported by festive demand and expected to prompt some buying interest.

For the benchmark palm oil contract, we see support levels at RM2,490 and RM2,450 while resistance levels at RM2,590 and RM2,635.

Soybean (Reuters)

Chicago Board of Trade (CBOT) July soybean futures SN7 closed higher on short-covering Monday and a lower U.S. dollar.

Support for most-active July soybean futures contract noted at 20-day moving average during overnight trading, a level that held during the day session. July soybeans closed up 11-1/4 cents at \$9.71-3/4 per bushel.

The U.S. Department of Agriculture reported weekly export inspections of U.S. soybeans at 634,877 tonnes, above trade expectations of between 400,000 and 600,000 tonnes.

CBOT July soyoil ended down 0.23 cent at 31.93 cents per lb, while July soy meal closed up 7 cents per short ton.

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
May17	2,669	30	2,639	2,670	2,637	7,017	-652	598
Jun17	2,588	30	2,556	2,593	2,550	24,629	-582	6,136
Jul17	2,530	26	2,496	2,535	2,492	48,066	-392	26,506
Aug17	2,492	21	2,471	2,496	2,457	37,293	1,031	9,588
Sep17	2,475	15	2,458	2,481	2,446	29,522	-356	5,072
Oct17	2,475	15	2,462	2,478	2,450	2,468	731	1,868
Nov17	2,471	11	2,460	2,475	2,445	26,890	-334	3,259
Jan18	2,505	11	2,494	2,507	2,478	9,115	116	1,008
Mar18	2,524	11	2,507	2,528	2,500	14,873	201	679
May18	2,524	12	2,515	2,528	2,503	12,388	78	412
Jul18	2,521	9	2,510	2,524	2,506	3,911	94	354
Sep18	2,519	9	2,504	2,522	2,503	2,724	153	365
Nov18	2,514	9	2,505	2,520	2,505	1,293	117	264
Jan19	2,514	9	-	-	-	16	0	-
Mar19	2,514	9	-	-	-	0	0	-
Total						220,205	205	56,109

Spreads

Contract	Open	High	Low	Last	Vol
May17 / Jun17	87	87	74	81	304
Jun17 / Jul17	54	62	52	58	3,305
Jul17 / Aug17	32	40	32	38	4,733
Aug17 / Sep17	11	17	10	17	1,147

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	JUL17	971.75	11.00
Soybean Oil	JUL17	31.93	-0.23
Soybean Meal	JUL17	320.60	7.00
Crude Oil	JUN17	49.21	-0.41
DCE Palm Oil	SEP17	5,174	48.00
DCE Soybean Oil	SEP17	5,854	54.00

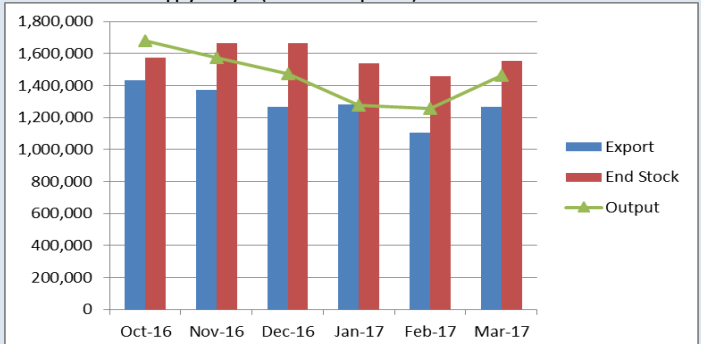
Exchange Rate

Currency	Last
USD/MYR	4.3990
USD/IDR	13,285
USDCNY	6.8764

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	APR17	n.a.	4133.65	n.a.
FOB CPO (Indo)	USD/mt	MAY17	n.a.	672.50	668.75
FOB RBD Palm Olein (M'sia)	USD/mt	MAY17	677.50	680.00	678.75
FOB RBD Palm Oil (M'sia)	USD/mt	MAY17	n.a.	677.50	n.a.

MPOB Demand and Supply Analysis (6 Month Comparison)

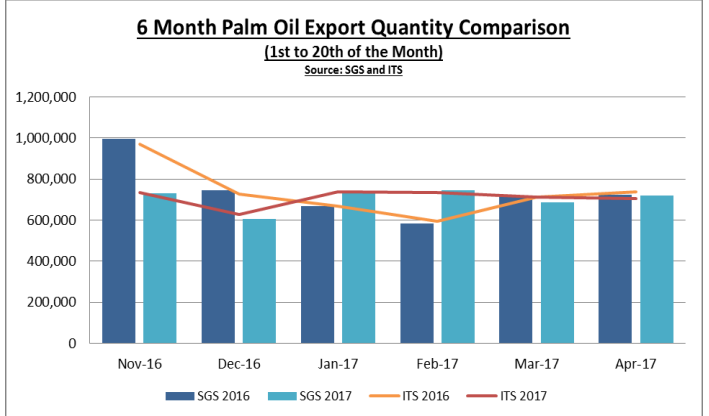


Demand and Supply Data

Date	Cargo Surveyor Figures			SGS (in tonnes)		
	ITS (in tonnes)			Mar'17	Apr'17	Chg (%)
First 10 days	254,141	307,249	20.9	250,481	312,489	24.8
First 15 days	492,321	567,280	15.2	507,491	572,910	12.9
First 20 days	711,286	705,372	-0.8	686,741	719,175	4.7
First 25 days	896,621			902,628		
Full month	1,076,240			1,088,677		

Malaysia Palm Oil Board Data (MPOB)				PFSB Forecast	
(in tonnes)	Feb'17	Mar'17	MoM (%)	Apr'17	Chg (%)
Production	1,258,539	1,464,021	16.3		
Export	1,107,018	1,265,771	14.3		
Import	40,331	101,961	152.8		
Local Disapp	273,884	205,370	-25.0		
Stock	1,459,265	1,554,106	6.5		
Stock/Use ratio	1.06	1.06	0.0		

Export Quantity Analysis



Spread (CBOT Soyoil - BMD Crude Palm Oil)



B0N7 Comdty (SOYBEAN OIL FUTR Jul17) Graph 204 spread Daily 24APR2016-24APR201 Copyright© 2017 B Sources: Thomson Reuters / Bloomberg/ MPOB /ITS/ SGS/ Phillip Futures

Spread (DCE Palm Olein - BMD Crude Palm Oil)



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