

FCPO Daily Commentary

Brought to you by Phillip Futures Sdn Bhd (662533-U) (A member of PhillipCapital)

PALM FCPO OCT17 (2553, -20)

8 January 1900

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm drops on weaker soyoil, higher production outlook
- CBOT soybeans close lower as weather outlook improves

Crude Palm Oil

Malaysian palm oil futures posted their worst session in a week on Monday, tracking weaker performances in rival oils, as well as on concerns over higher production in the coming weeks.

The benchmark October 17 decline RM20 to RM2,553 per tonne, prices were traded between RM2,556 and RM2,542 with total traded volume for palm stood at 26,620 lots.

Palm oil production in Malaysia, the second-largest producer after Indonesia, is seen rising in the second half of the year, in line with seasonal trends and is expected to peak in October.

Production for 2017 is estimated to reach between 18.7 million tonnes and 19.5 million tonnes, up around 10% from levels in 2016, but below the record high of 19.96 million tonnes hit in 2015.

Phillip Futures Sdn Bhd Analyst David Ng said CPO closed lower tracking losses in the bean oil market as well as expectation of a stronger recovery in terms of production which may elevate the stocks level in the country.

Today, palm oil prices are expected to continue its sentiment to trade lower, pricing in the expectations of weaker exports data which will be released today. Pressure could be seen on top of the overnight losses in soyoil market and a strengthening of Ringgit.

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 fell 1.2 percent on Monday, with outlooks for rain in the U.S. Midwest ahead of key development periods for the crop weighing on markets.

Analysts were expecting a weekly U.S. Agriculture Department's report to show that good to excellent ratings for the soybean crop fell 1 percentage point to 60 percent in the latest week.

Our Call of The Day:

Mildly Bearish

25 July 2017

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Aug17	2,589	-23	2,587	2,592	2,578	6,787	-568	907
Sep17	2,565	-19	2,562	2,568	2,553	38,398	-429	3,335
Oct17	2,553	-20	2,550	2,556	2,542	39,513	2,074	13,185
Nov17	2,552	-20	2,549	2,557	2,541	38,614	-351	3,219
Dec17	2,567	-22	2,566	2,575	2,556	9,252	379	1,674
Jan18	2,589	-20	2,586	2,592	2,578	20,411	196	1,240
Mar18	2,609	-17	2,606	2,610	2,596	16,874	206	725
May18	2,617	-17	2,616	2,620	2,607	19,450	-37	779
Jul18	2,577	-18	2,580	2,580	2,570	12,460	103	646
Sep18	2,557	-22	2,572	2,573	2,556	5,978	114	471
Nov18	2,542	-25	2,565	2,565	2,541	8,173	110	326
Jan19	2,567	-25	2,590	2,590	2,574	1,061	58	92
Mar19	2,573	-25	-	-	-	467	4	21
May19	2,577	-25	-	-	-	133	0	-
Jul19	2,577	-25	-	-	-	0	0	-
Total						217,571	1,859	26,620

Spreads

Contract	Open	High	Low	Last	Vol
Aug17 / Sep17	26	35	21	24	433
Sep17 / Oct17	12	12	10	12	1,329
Oct17 / Nov17	-	1	-1	1	1,297
Nov17 / Dec17	-18	-13	-18	-15	303

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	NOV17	1,010.00	-12.25
Soybean Oil	DEC17	34.05	-0.22
Soybean Meal	DEC17	332.70	-4.10
Crude Oil	SEP17	46.34	0.57
DCE Palm Oil	SEP17	5,266	-52.00
DCE Soybean Oil	SEP17	6,082	-66.00

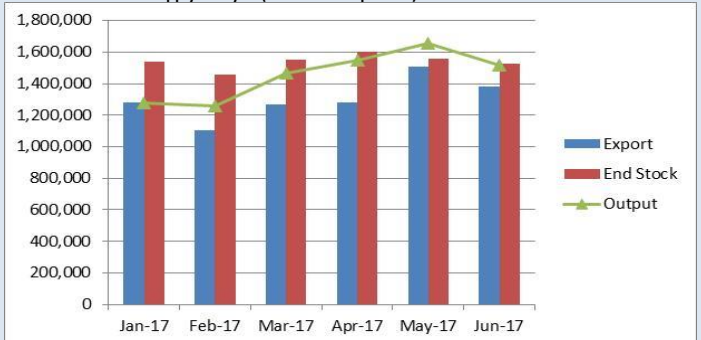
Exchange Rate

Currency	Last
USDMYR	4.2775
USDIDR	13,316
USDCNY	6.7361

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	JUL17	n.a.	4216.32	n.a.
FOB CPO (Indo)	USD/mt	AUG17	n.a.	632.50	628.75
FOB RBD Palm Olein (M'sia)	USD/mt	AUG17	625.00	635.00	630.00
FOB RBD Palm Oil (M'sia)	USD/mt	AUG17	n.a.	630.00	n.a.

MPOB Demand and Supply Analysis (6 Month Comparison)

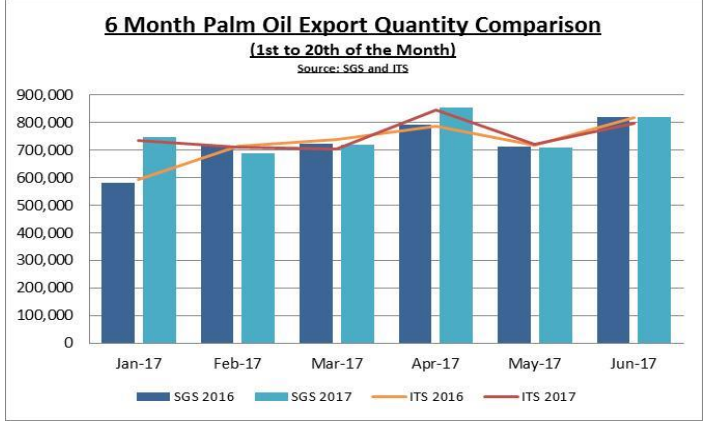


Demand and Supply Data

Date	Cargo Surveyor Figures			SGS (in tonnes)		
	ITS (in tonnes)			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)	Malaysia Palm Oil Board Data (MPOB)			PFSB Forecast	
	May'17	Jun'17	MoM (%)	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		

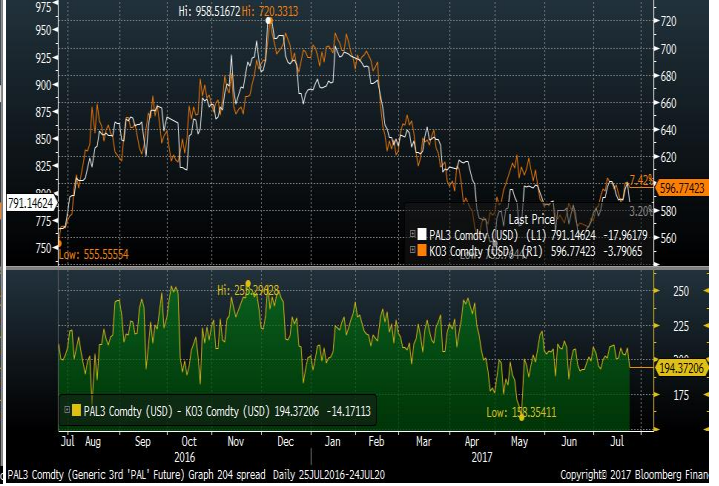
Export Quantity Analysis



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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