FCPO Daily Commentary

Brought to you by Phillip Futures Sdn Bhd (362533-U) (A member of PhillipCapital)

PALM FCPO JUL17 (2486, -44)

Our Call of The Day:

Bearish 26 April 2017

Phillip Futures
Bringing Global Markets Closer to You

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm continued downtrending as pressured by strengthening ringgit and weaker export data.
- CBOT soy fell on profit-taking and fast plating progress.

Crude Dalm Oi

Malaysian palm oil futures had their weakest intraday performance in one week, snapping two straight sessions of gains on weaker export, and the stronger ringgit made the tropical oil more expensive and pressured its demand.

The benchmark July 17 contract dropped RM44 to close at RM2,586 per tonne, prices were traded between RM2,501 and RM2,458 with total traded volume for palm stood at 49,303 lots.

The ringgit, the currency in which palm oil is traded, strengthened against the dollar on Tuesday, and was last up 0.7 percent at 4.3690 per dollar. A stronger ringgit makes palm oil more expensive for holders of foreign currencies.

Meanwhile, cargo surveyors' data also showed weaker exports during April 1-25, despite the approach of Ramadan. Intertek Testing Services (ITS) said on Tuesday that shipments from Malaysia fell 3.4 percent from the corresponding period of the previous month, while Societe Generale de Surveillance (SGS) reported a 1.2 percent drop.

According to Oil World, Malaysia palm oil production is estimated at 19.9 million tonnes in 2017, up 2.6 million tonnes from last year but slightly below 2015. The labour shortage and the aggravating age structure of oil palms are curbing palm oil yields below potential in Malaysia.

Today, the palm oil is expected to be bearish on the stronger ringgit and recovering output

For the benchmark palm oil contract, we see support levels at RM2,450 and RM2,400 while resistance levels at RM2,535 and RM2,615.

Soybean (Reuters)

Chicago Board of Trade (CBOT) July soybean futures ended 6-3/4 cents lower at \$9.65 per bushel on Tuesday amid profit-taking and faster-than-expected planting progress.

U.S. farmers had seeded 6 percent of their soy acreage, compared with five-year average of 3 percent, according to the U.S. Department of Agriculture.

China imported 7.7 percent fewer soybeans from the United States during March. In total, China imported 6.3 million metric tons of soy from around the world, a 3.7 percent increase from the year prior.

CBOT July soyoil ended down .08 cent at 31.85 cents per lb, while CBOT July soymeal closed down \$2.90 at \$317.70 per short ton.

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

	Contact	Last	Change	Open	High	High Low	Open Interest		Volume
	Contact	Last	Change	Open	nigii		Lots	Changes	Volume
	May17	2,634	-35	2,629	2,637	2,598	6,859	-158	354
ı	Jun17	2,550	-38	2,551	2,556	2,517	23,775	-854	4,930
	Jul17	2,486	-44	2,495	2,501	2,458	49,238	1,172	24,973
	Aug17	2,441	-51	2,470	2,486	2,421	38,427	1,134	8,111
	Sep17	2,423	-52	2,445	2,471	2,403	30,399	877	4,103
	Oct17	2,423	-52	2,440	2,440	2,408	2,489	21	489
	Nov17	2,424	-47	2,449	2,450	2,405	26,875	-15	3,520
	Jan18	2,456	-49	2,498	2,504	2,437	9,153	38	1,091
	Mar18	2,476	-48	2,526	2,526	2,462	14,876	3	793
	May18	2,479	-45	2,524	2,524	2,464	12,419	31	350
	Jul18	2,475	-46	2,517	2,517	2,466	4,010	99	381
	Sep18	2,473	-46	2,476	2,477	2,467	2,722	-2	124
	Nov18	2,470	-44	2,475	2,475	2,467	1,358	65	82
7	Jan19	2,470	-44	2,486	2,486	2,486	16	0	2
	Mar19	2,470	-44	-	-	-	0	0	-
	Total						222,616	2,411	49,303

Spreads

Contract	Open	High	Low	Last	Vol
May17 /Jun17	73	95	73	87	159
Jun17 /Jul17	59	65	56	62	3,181
Jul17 /Aug17	38	44	29	44	4,780
Aug17 /Sep17	15	19	15	19	1,177

Correlated Commodity Market

correlated commodity warket							
Month	Last	Change					
JUL17	965.00	-6.75					
JUL17	31.85	-0.08					
JUL17	317.70	-2.90					
JUN17	49.56	0.13					
SEP17	5,116	-58.00					
SEP17	5,840	-14.00					
	JUL17 JUL17 JUL17 JUN17 SEP17	JUL17 965.00 JUL17 31.85 JUL17 317.70 JUN17 49.56 SEP17 5,116					

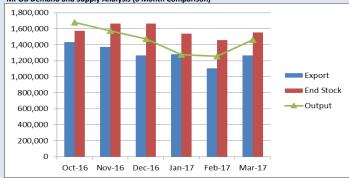
Exchange Rate

Currency	Last	
USDMYR	4.3620	
USDIDR	13,283	
USDCNY	6.8842	

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value			
CPKO Local Delivery (M'sia)	RM/mt	APR17	n.a.	4100.58	n.a.			
FOB CPO (Indo)	USD/mt	MAY17	n.a.	667.50	663.75			
FOB RBD Palm Olein (M'sia)	USD/mt	MAY17	n.a.	675.00	673.75			
FOB RBD Palm Oil (M'sia)	USD/mt	MAY17	n.a.	672.50	n.a.			

MPOB Demand and Supply Analysis (6 Month Comparison)

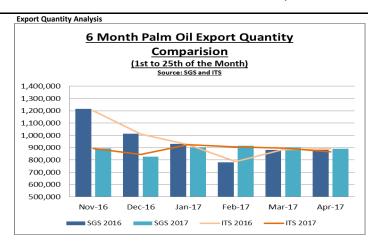


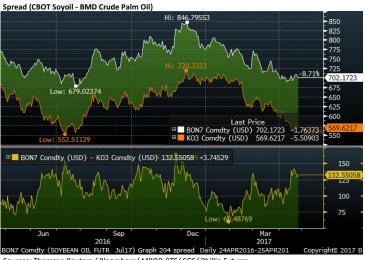




Demand and Supply Data									
Cargo Surveyor Figures									
	ITS (in tonnes) SGS (in tonnes)								
Date	Mar'17	Apr'17	Chg (%)	Mar'17	Apr'17	Chg (%)			
First 10 days	254,141	307,249	20.9	250,481	312,489	24.8			
First 15 days	492,321	567,280	15.2	507,491	572,910	12.9			
First 20 days	711,286	705,372	-0.8	686,741	719,175	4.7			
First 25 days	896,621	866,297	-3.4	902,628	891,725	-1.2			
Full month	1,076,240			1,088,677					

	PFSB Forecast				
(in tonnes)	Feb'17	Mar'17	MoM (%)	FF3D Folecast	
(iii toililes)	reb 17	IVIAI 17	IVIOIVI (76)	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		







Sources: Thomson Reuters / Bloomberg/ MPOB /ITS/ SGS/ Phillip Futures



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