

FCPO Daily Commentary

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PALM FCPO AUG17 (2607, +26)

FCPO 3rd Month Daily Candle Chart



K03 Comdty (Generic 3rd 'K0' Future) G40 Daily 23MAY2016-25MAY2017 Copyright© 2017 Bloomberg Finance L.P. 26-May-2017 05:43:11

Market Commentary

Highlights:

- Palm oil up 1 percent on stronger export data
- CBOT soybean down on sharp drop in crude oil prices

Crude Palm Oil

Malaysia palm oil ended higher and posted their first gain in three sessions on Thursday after export data from cargo surveyor showed strong export demand in May.

The benchmark August 17 contract rose RM26 to close at RM2,607 per tonne, prices were traded between RM2,566 and RM2,611 with total traded volume for palm stood at 38,576 lots.

The ringgit ended higher against the dollar at 4.2770 on Thursday on the back of strong fundamentals. A stronger ringgit makes the tropical oil more expensive for holders of foreign currencies.

According to Cargo surveyor Intertek Testing Services (ITS), exports of Malaysian palm oil products for May. 1-25 rose 16.2 percent to 1,06,757 tonnes from 866,297 tonnes shipped during Apr. 1-25.

While, Cargo surveyor Societe Generale de Surveillance(SGS) reported exports of Malaysian palm oil products for May. 1-25 rose 12.9 percent to 1,006,853 tonnes from 891,725 tonnes shipped during Apr. 1-25.

Oil prices tumbled 5 percent on Thursday as the extension of output curbs by OPEC and other producing countries disappointed investors who had hoped for larger cuts, leading to the biggest daily percentage slide in crude prices since early March.

We expect the palm oil prices to trade lower today tracking overnight weak performance in soyoi and crude oil market.

For the benchmark palm oil contract, we see support levels at RM2,565 and RM2,535 while resistance levels at RM2,645 and RM2,675.

Soybean (Reuters)

Chicago Board of Trade (CBOT) July soybean futures fell 8.75 cents on Thursday on a sharp drop in crude oil prices.

The U.S. Department of Agriculture (USDA) reported weekly export sales of U.S. soybeans at 478,700 tonnes (old and new crop years combined), in line with trade expectations for 200,000 to 550,000 tonnes.

The USDA reported weekly export sales of soymeal at 159,900 tonnes (old and new crop years combined), in line with trade expectations. The USDA reported weekly soyoi export sales at 10,000 tonnes, in line with trade expectations.

Our Call of The Day:

Bearish
26 May 2017

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Jun17	2,876	15	2,864	2,884	2,841	6,745	-220	315
Jul17	2,720	21	2,695	2,728	2,682	19,305	-1,766	3,372
Aug17	2,607	26	2,580	2,611	2,566	48,689	1,273	20,006
Sep17	2,529	19	2,509	2,532	2,496	38,724	488	5,976
Oct17	2,494	9	2,476	2,496	2,469	9,600	374	3,152
Nov17	2,495	12	2,477	2,496	2,467	27,685	162	1,774
Jan18	2,530	16	2,512	2,530	2,505	11,572	238	1,187
Mar18	2,550	17	2,528	2,550	2,523	16,320	682	1,299
May18	2,551	17	2,530	2,551	2,526	13,328	255	667
Jul18	2,549	18	2,530	2,551	2,530	5,594	296	452
Sep18	2,543	18	2,534	2,545	2,534	3,190	80	139
Nov18	2,539	18	2,528	2,542	2,528	2,318	48	135
Jan19	2,547	18	2,542	2,554	2,542	324	98	102
Mar19	2,547	18	-	-	-	0	0	-
May19	2,547	18	-	-	-	0	0	-
Total						203,394	2,008	38,576

Spreads

Contract	Open	High	Low	Last	Vol
Jun17 / Jul17	170	175	153	154	190
Jul17 / Aug17	118	119	112	115	1,926
Aug17 / Sep17	72	79	70	78	2,592
Sep17 / Oct17	30	36	28	34	1,018

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	JUL17	939.50	-8.75
Soybean Oil	JUL17	32.04	-0.24
Soybean Meal	JUL17	304.70	-1.70
Crude Oil	JUL17	48.90	-2.65
DCE Palm Oil	SEP17	5,450	-10.00
DCE Soybean Oil	SEP17	5,926	4.00

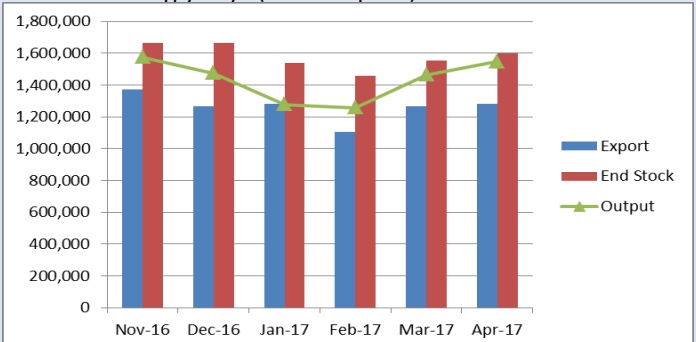
Exchange Rate

Currency	Last
USDMYR	4.2790
USDIDR	13,295
USDCNY	6.8583

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	MAY17	n.a.	4927.31	n.a.
FOB CPO (Indo)	USD/mt	JUN17	n.a.	705.00	702.50
FOB RBD Palm Olein (M'sia)	USD/mt	JUN17	n.a.	722.50	721.25
FOB RBD Palm Oil (M'sia)	USD/mt	JUN17	n.a.	717.50	n.a.

MPOB Demand and Supply Analysis (6 Month Comparison)

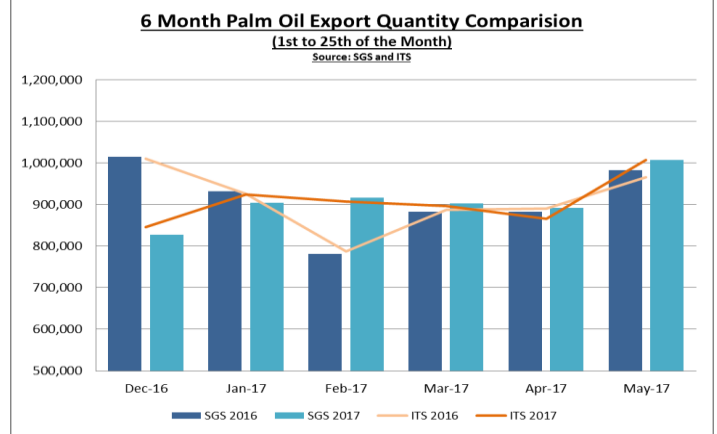


Demand and Supply Data

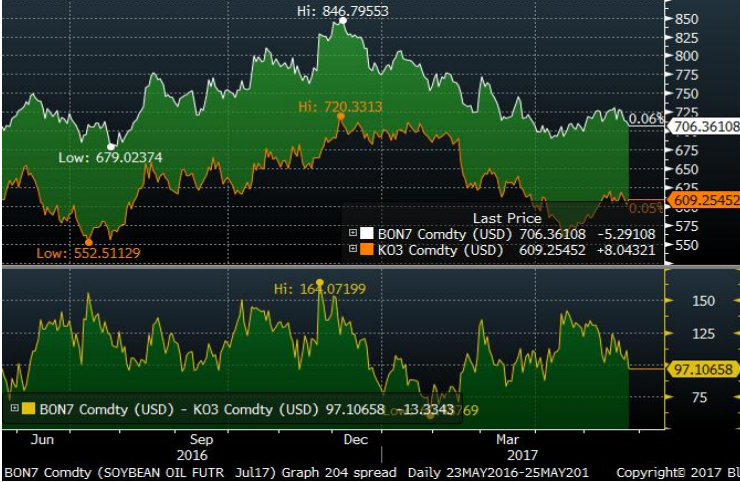
Date	ITS (in tonnes)			SGS (in tonnes)		
	Apr'17	May'17	Chg (%)	Apr'17	May'17	Chg (%)
First 10 days	307,249	346,920	12.9	312,489	359,355	15.0
First 15 days	567,280	617,697	8.9	572,910	613,465	7.1
First 20 days	705,372	846,705	20.0	719,175	852,628	18.6
First 25 days	866,297	1,006,757	16.2	891,725	1,006,853	12.9
Full month	1,125,942			1,135,340		

(in tonnes)	Malaysia Palm Oil Board Data (MPOB)			PFSB Forecast	
	Mar'17	Apr'17	MoM (%)	Apr'17	Chg (%)
Production	1,464,021	1,548,053	5.7	1,581	+8%
Export	1,265,771	1,283,308	1.4	1,3926	+10%
Import	101,961	54,475	-46.6		
Local Disapp	205,370	272,314	32.6		
Stock	1,552,988	1,599,894	3.0	1.6472	+6%
Stock/Use ratio	0.99	0.99	0.7		

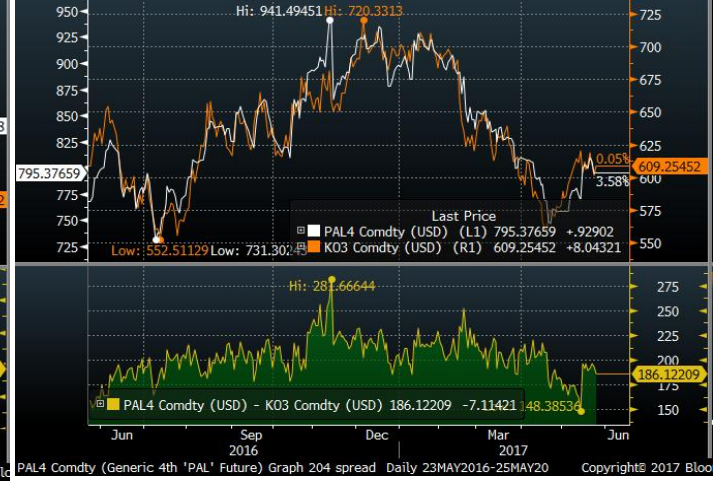
Export Quantity Analysis



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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