

# FCPO Daily Commentary

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

## PALM FCPO OCT17 (2626, +73)

8 January 1900

### FCPO 3rd Month Daily Candle Chart



### Market Commentary

#### Highlights:

- Palm hit two-month high as tracking stronger rival soyoil.
- CBOT soybeans fell on good weather forecast.

#### Crude Palm Oil

Malaysian palm oil futures closed near two-month high on Tuesday, as tracking the strong performance by the rival CBOT soyoil.

The benchmark October 17 rose RM73 to RM2,626 per tonne, prices were traded between RM2,631 and RM2,565 with total traded volume for palm stood at 53,471 lots.

Phillip Futures Sdn Bhd Derivatives Product Specialist, David Ng said CPO closed higher in close to two months, amid strong overnight gains on the Chicago bean oil market, and stronger export performance as envisaged by cargo surveyors.

On Monday, cargo surveyor Intertek Testing Services (ITS) reported a MOM 3.2 percent rise on Malaysia's palm oil exports for period July 1-25, while another surveyor Societe Generale de Surveillance (SGS) showed a 4.8 percent increase for the same period.

Palm oil exports from Indonesia probably fell the most in more than a year in June as Muslim holidays curbed harvesting and trading of the commodity. Shipments including palm kernel slumped 23 percent from May to 2.02 million metric tons, the median of eight estimates from analysts, traders and industry officials surveyed by Bloomberg showed.

Today, we expect the palm price to open lower as tracking the overnight weaker soyoil which erased its earlier gains. However, the robust demand from the foreign palm oil buyers may support the local FCPO market.

For the benchmark palm oil contract, we locate the immediate support at RM2,542 while the immediate resistance at RM2,690.

#### Soybean (Reuters)

Chicago Board of Trade soybean futures fell on Tuesday, with a forecast for good weather outweighing a U.S. Agriculture Department report that showed crop conditions deteriorated more than expected in the last week.

The latest weather view calls for cool temperatures and ample rain across broad swaths of the U.S. Midwest as soybeans near their critical development phases. USDA on Monday said that 57 percent of the soybean crop was in good to excellent conditions, down 4 percentage points from a week earlier and below market expectations.

Soymeal and soyoil futures also fell, with soymeal posting the biggest declines in the complex.

Our Call of The Day:

**Mildly Bullish**

26 July 2017

### Crude Palm Oil Futures

#### Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Aug17	2,646	57	2,607	2,650	2,603	5,354	-1,433	1,612
Sep17	2,636	71	2,583	2,640	2,578	34,909	-3,489	7,290
Oct17	2,626	73	2,570	2,631	2,565	41,027	1,514	25,817
Nov17	2,624	72	2,571	2,627	2,567	39,974	1,360	7,859
Dec17	2,635	68	2,582	2,636	2,581	9,801	549	3,292
Jan18	2,652	63	2,605	2,655	2,600	20,676	265	2,542
Mar18	2,668	59	2,619	2,672	2,619	16,573	-301	1,785
May18	2,675	58	2,637	2,681	2,628	19,794	344	1,605
Jul18	2,636	59	2,593	2,642	2,592	12,519	59	530
Sep18	2,609	52	2,572	2,617	2,572	5,968	-10	242
Nov18	2,603	61	2,565	2,610	2,558	8,334	161	722
Jan19	2,628	61	2,593	2,628	2,582	1,011	-50	91
Mar19	2,634	61	2,630	2,630	2,629	473	6	53
May19	2,638	61	2,630	2,630	2,630	153	20	31
Jul19	2,630	53	-	-	-	0	0	-
<b>Total</b>						<b>216,566</b>	<b>-1,005</b>	<b>53,471</b>

#### Spreads

Contract	Open	High	Low	Last	Vol
Aug17 / Sep17	24	27	9	10	654
Sep17 / Oct17	10	11	8	10	4,465
Oct17 / Nov17	1	4	-1	2	2,540
Nov17 / Dec17	-14	-9	-14	-11	1,273

#### Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	NOV17	992.75	-17.25
Soybean Oil	DEC17	33.97	-0.08
Soybean Meal	DEC17	324.90	-7.80
Crude Oil	SEP17	47.89	1.55
DCE Palm Oil	JAN18	5,326	60.00
DCE Soybean Oil	SEP17	6,130	48.00

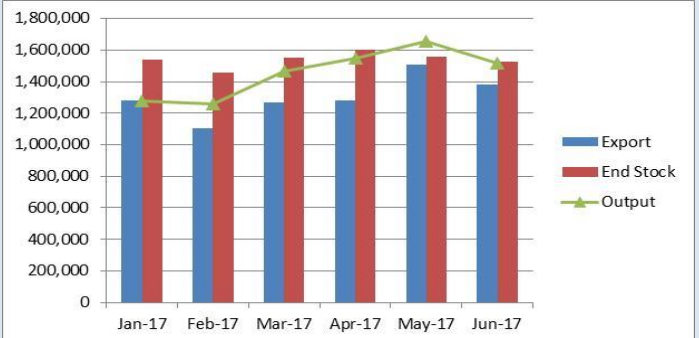
#### Exchange Rate

Currency	Last
USDMYR	4.2820
USDIDR	13,333
USDCNY	6.7511

#### Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	JUL17	n.a.	4431.27	n.a.
FOB CPO (Indo)	USD/mt	AUG17	640.00	645.00	642.50
FOB RBD Palm Olein (M'sia)	USD/mt	AUG17	n.a.	650.00	645.00
FOB RBD Palm Oil (M'sia)	USD/mt	AUG17	n.a.	645.00	n.a.

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

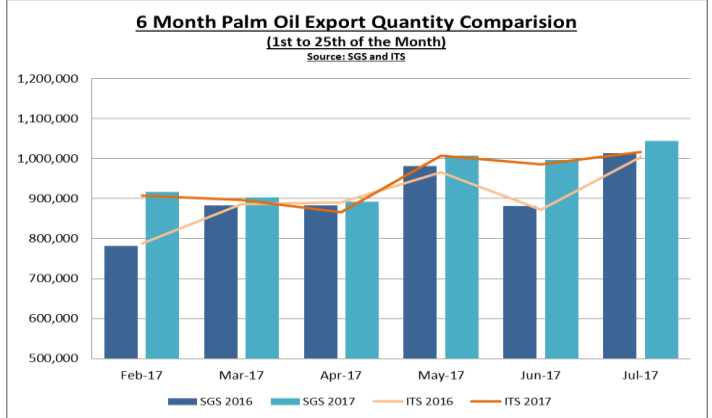


**Demand and Supply Data**

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	15.2
First 25 days	985,534	1,016,689	3.2	996,291	1,044,456	4.8
Full month	1,190,583			1,210,359		

(in tonnes)	Malaysia Palm Oil Board Data (MPOB)			PFSB Forecast	
	May'17	Jun'17	MoM (%)	July'17	Chg (%)
Production	1,654,494	1,514,170	-8.5	-	-
Export	1,505,929	1,379,691	-8.4	-	-
Import	47,450	45,828	-3.4	-	-
Local Disapp	238,290	210,883	-11.5	-	-
Stock	1,557,619	1,527,043	-2.0	-	-
Stock/Use ratio	0.87	0.96	10.4	-	-

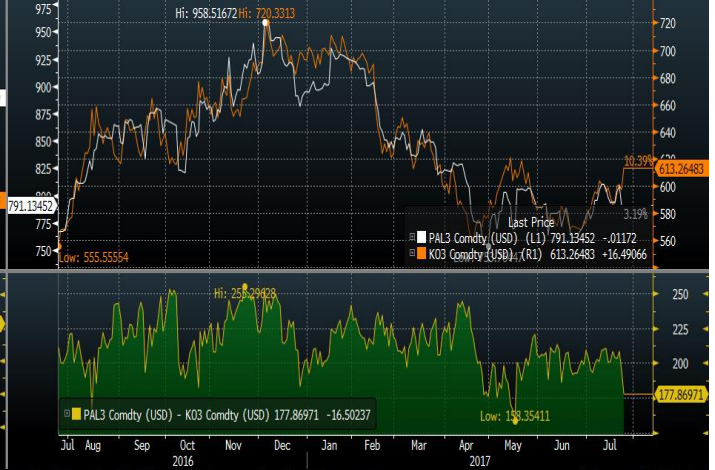
**Export Quantity Analysis**



**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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