

# FCPO Daily Commentary

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## PALM FCPO SEP17 (2442, -5)

Our Call of The Day:

**Market Closed**

27 June 2017

### FCPO 3rd Month Daily Candle Chart



### Market Commentary

#### Highlights:

- Palm declines on expectation of higher output.
- CBOT soybeans closes higher on bargain buying.

#### Crude Palm Oil

Malaysian palm oil futures fell in Friday evening trade, charting a third day of losses in four on expectations of rising output.

The benchmark September 17 pared RM5 to RM2,442 per tonne, prices were traded between RM2,451 and RM2,429 with total traded volume for palm stood at 24,646 lots.

Phillip Futures Sdn Bhd Dealer, David Ng said the CPO futures closed marginally lower as the market remained mixed with both negative and positive sentiment interplay.

According to a Kuala Lumpur-based trader, palm prices are in decline as the market expects production to rise, especially after the Raya holidays.

Palm's early losses reflected bearish sentiment about rising output and slowing demand, as traders expect export figures from cargo surveyors to decline further following the Eid-al-Fitr festivities next week.

The Muslim holy month, which fell in June this year, brings down productivity at palm oil plantations and hits harvesting because many workers go on leave.

The Malaysian market is closed for the Eid public holidays on June 26 and 27, reopening on June 28.

For the benchmark palm oil contract, we see support levels at RM2,420 and RM2,400 while resistance levels at RM2,465 and RM2,500.

#### Soybean (Reuters)

Chicago Board of Trade (CBOT) July soybean futures closed up 2-1/4 cents per bushel at \$9.06-3/4 on Monday on bargain buying.

Crop weather in the U.S. Midwest remained mostly benign, with welcome showers expected this week in most of the region.

The USDA reported export inspections of U.S. soybeans in the latest week at 315,099 tonnes, in line with trade expectations for 200,000 to 400,000 tonnes.

CBOT July soybean ended up 50 cents at \$294.10 per short ton while July soyoil finished down 0.09 cent at 31.52 cents per lb.

### Crude Palm Oil Futures

#### Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Jul17	2,589	-8	2,600	2,600	2,580	5,846	-260	287
Aug17	2,479	-10	2,480	2,490	2,470	23,557	-589	2,376
Sep17	2,442	-5	2,439	2,451	2,429	49,751	-234	11,823
Oct17	2,435	-3	2,430	2,440	2,422	22,817	-39	2,205
Nov17	2,441	-4	2,438	2,445	2,429	34,897	1,134	2,690
Dec17	2,454	-7	2,455	2,460	2,453	1,900	-86	699
Jan18	2,478	-6	2,476	2,481	2,473	16,496	-525	1,617
Mar18	2,497	-8	2,496	2,501	2,490	16,145	246	1,298
May18	2,516	-4	2,511	2,518	2,508	17,432	-366	838
Jul18	2,497	-11	2,493	2,501	2,493	10,208	57	84
Sep18	2,490	-15	2,481	2,494	2,481	5,202	134	223
Nov18	2,479	-20	2,474	2,484	2,474	6,690	425	443
Jan19	2,503	-20	2,508	2,508	2,508	298	0	31
Mar19	2,512	-20	2,520	2,520	2,519	9	2	7
May19	2,519	-20	-	-	-	19	12	25
<b>Total</b>						<b>211,267</b>	<b>-89</b>	<b>24,646</b>

#### Spreads

Contract	Open	High	Low	Last	Vol
Jul17 /Aug17	107	113	107	110	108
Aug17 /Sep17	41	43	37	37	1,208
Sep17 /Oct17	8	11	7	7	1,092
Oct17 /Nov17	-8	-5	-8	-6	360

#### Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	NOV17	913.75	2.75
Soybean Oil	DEC17	31.99	-0.10
Soybean Meal	DEC17	298.00	0.80
Crude Oil	AUG17	43.38	0.37
DCE Palm Oil	SEP17	5,204	8.00
DCE Soybean Oil	SEP17	5,794	16.00

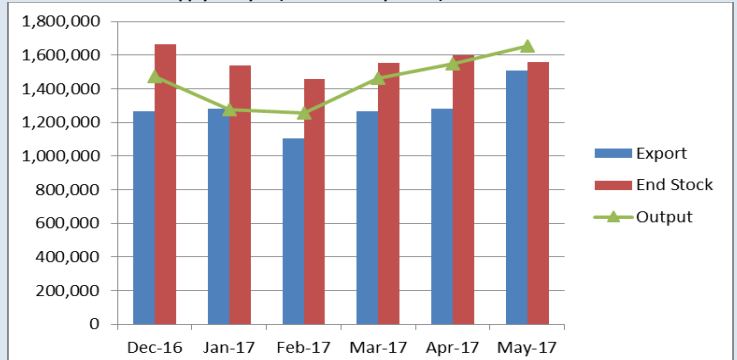
#### Exchange Rate

Currency	Last
USDMYR	4.2885
USDIDR	13,299
USDCNY	6.8294

#### Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	JUN17	n.a.	4183.25	n.a.
FOB CPO (Indo)	USD/mt	JUL17	645.00	350.00	647.50
FOB RBD Palm Olein (M'sia)	USD/mt	JUL17	n.a.	655.00	651.25
FOB RBD Palm Oil (M'sia)	USD/mt	JUL17	n.a.	650.00	n.a.

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

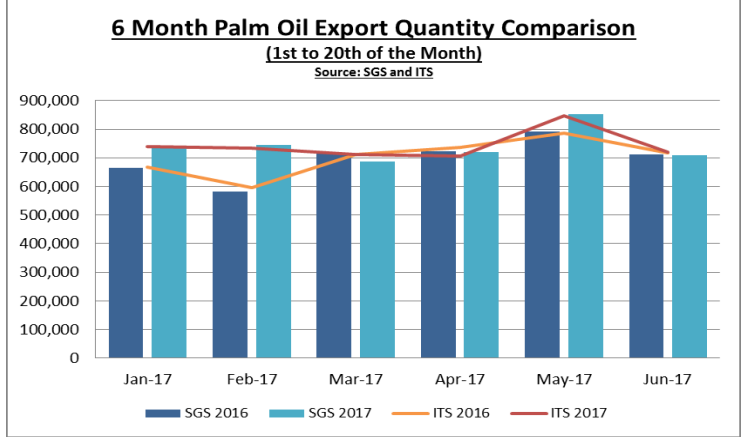


**Demand and Supply Data**

Date	Cargo Surveyor Figures			Cargo Surveyor Figures		
	ITS (in tonnes)			SGS (in tonnes)		
	May'17	Jun'17	Chg (%)	May'17	Jun'17	Chg (%)
First 10 days	346,920	366,994	5.8	359,355	367,165	2.2
First 15 days	617,697	508,960	-17.6	613,465	523,505	-14.7
First 20 days	846,705	721,020	-14.8	852,628	710,322	-16.7
First 25 days	1,006,757	985,534	-2.1	1,006,853		
Full month	1,306,374			1,310,320		

Malaysia Palm Oil Board Data (MPOB)				PFSB Forecast	
(in tonnes)	Apr'17	May'17	MoM (%)	June'17	Chg (%)
Production	1,548,053	1,654,494	6.9	-	-
Export	1,283,308	1,505,929	17.3	-	-
Import	54,475	47,450	-12.9		
Local Disapp	272,314	238,290	-12.5		
Stock	1,599,894	1,557,619	-2.6	-	-
Stock/Use ratio	0.99	0.87	-12.5		

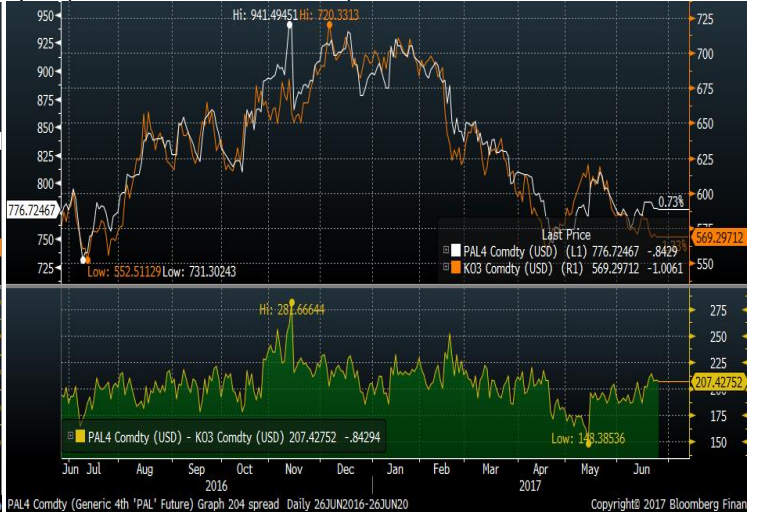
**Export Quantity Analysis**



**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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