

FCPO Daily Commentary

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

PALM FCPO OCT17 (2629, +3)

8 January 1900

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm hit two-month high for second day on stronger rival soy.
- CBOT soybeans rose on bargain buying.

Crude Palm Oil

Malaysian palm oil futures recovered from early session losses to hit a two-month high on Wednesday evening as it tracked gains in rival oilseed soy on the Chicago Board of Trade (CBOT).

The benchmark October 17 rose RM3 to RM2,629 per tonne, prices were traded between RM2,637 and RM2,599 with total traded volume for palm stood at 50,319 lots.

Phillip Futures Sdn Bhd Derivatives Product Specialist, David Ng, said CPO closed higher on expectation that production could be lower than what market anticipated.

Demand for palm oil is seen rising on a widening price differential with soyoil, prompting buyers to switch to palm and as key purchasing market China replenishes its palm oil port stocks. Chinese traders bought three more palm oil cargoes for shipment in October or November, around 35,000 tonnes in total, according to a report by China National Grain and Oils Information Center (CNGOIC).

International oil prices rose to near eight-week highs on Wednesday, with Brent crude futures above \$50 a barrel, as a much steeper than expected decline in U.S. inventories encouraged hopes the global crude glut would recede.

Today, the palm price is likely to trade higher as driven by the strong demand.

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 rose on Wednesday on a round of bargain buying following three straight days of declines.

Analysts expecting weekly a U.S. Agriculture Department report on Thursday morning to show export sales of soybeans between 400,000 and 1.3 million tonnes (old-crop and new-crop combined). A week ago, soybean export sales were 1.932 million tonnes.

Soymeal and soyoil futures also rose.

Our Call of The Day:

Mildly Bullish

27 July 2017

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Aug17	2,652	6	2,635	2,655	2,623	4,707	-647	583
Sep17	2,640	4	2,620	2,647	2,610	31,834	-3,075	5,953
Oct17	2,629	3	2,610	2,637	2,599	42,148	1,121	24,959
Nov17	2,628	4	2,605	2,631	2,598	38,588	-1,386	5,433
Dec17	2,640	5	2,621	2,643	2,610	10,135	334	2,119
Jan18	2,665	13	2,639	2,667	2,627	20,992	316	2,870
Mar18	2,682	14	2,652	2,682	2,647	16,343	-230	2,541
May18	2,695	20	2,663	2,698	2,655	20,080	286	3,242
Jul18	2,647	11	2,620	2,649	2,620	12,213	-306	751
Sep18	2,624	15	2,599	2,628	2,597	5,976	8	340
Nov18	2,616	13	2,593	2,619	2,587	8,270	-64	679
Jan19	2,628	0	2,612	2,630	2,610	1,187	176	420
Mar19	2,632	-2	2,618	2,632	2,618	584	111	223
May19	2,636	-2	2,619	2,637	2,619	250	97	206
Jul19	2,628	-2	-	-	-	0	0	-
Total						213,307	-3,259	50,319

Spreads

Contract	Open	High	Low	Last	Vol
Aug17 / Sep17	13	14	9	12	331
Sep17 / Oct17	11	12	9	11	4,401
Oct17 / Nov17	3	4	1	1	2,427
Nov17 / Dec17	-10	-10	-12	-12	548

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	NOV17	1,000.25	7.50
Soybean Oil	DEC17	34.21	0.24
Soybean Meal	DEC17	326.50	1.60
Crude Oil	SEP17	48.75	0.86
DCE Palm Oil	JAN18	5,374	48.00
DCE Soybean Oil	SEP17	6,126	-4.00

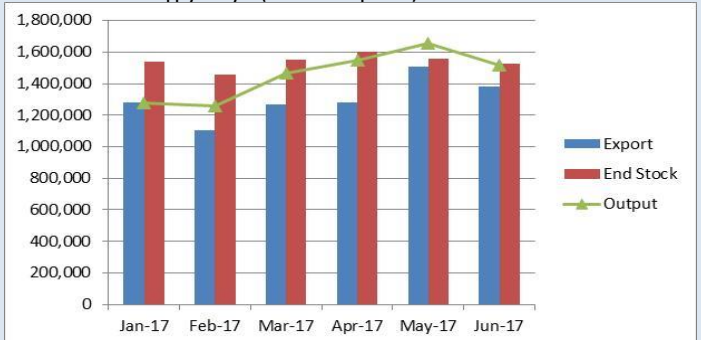
Exchange Rate

Currency	Last
USDMYR	4.2845
USDIDR	13,301
USDCNY	6.7400

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	647.50	643.75
FOB RBD Palm Olein (M'sia)	USD/mt	AUG17	n.a.	652.50	647.50
FOB RBD Palm Oil (M'sia)	USD/mt	AUG17	n.a.	647.50	n.a.

MPOB Demand and Supply Analysis (6 Month Comparison)

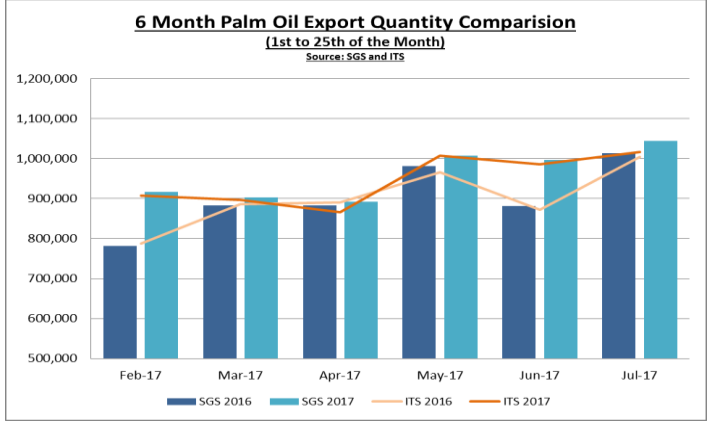


Demand and Supply Data

Date	ITS (in tonnes)			SGS (in tonnes)		
	Jun'17	Jul'17	Chg (%)	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 (%)	Jul'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	-	-

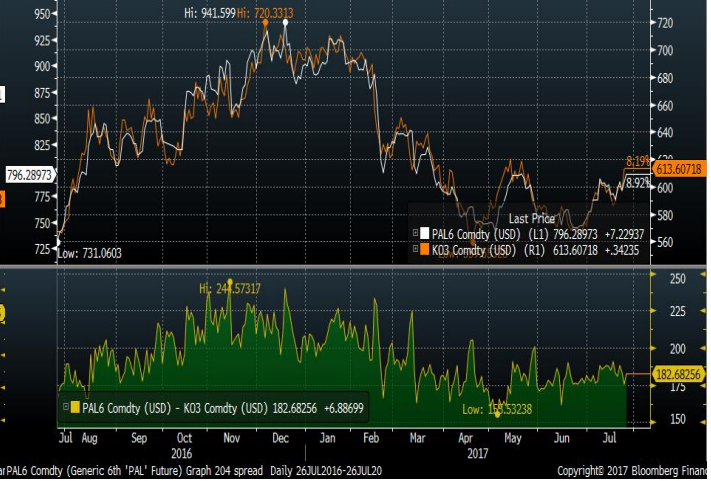
Export Quantity Analysis



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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