

FCPO Daily Commentary

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

PALM FCPO SEP17 (2442, -5)

Our Call of The Day:

Mildly Bullish

28 June 2017

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm declines on expectation of higher output.
- CBOT soybeans rose on declining crop ratings.

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.

Today, palm oil prices are expected to trade higher, tracking gains of the US soyoil market since the closing on last Friday.

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)

Soybean futures on the Chicago Board of Trade closed higher on Tuesday after the U.S. Department of Agriculture's weekly crop condition ratings fell below expectations.

The USDA late Monday rated 66 percent of the U.S. soybean crop as good to excellent, down from 67 percent the previous week and surprising analysts who expected a slight improvement.

Analysts expect the USDA in an acreage report due Friday to raise slightly its estimate of U.S. soybean plantings to 89.750 million acres, from the March forecast of 89.482 million.

CBOT July soyoil ended up 0.56 cent at 32.08 cents per lb, gaining against soymeal on oil/meal spreads whereas CBOT July soymeal ended down 10 cents at \$294 per short ton.

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
Total						211,267	-89	24,646

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	917.50	3.75
Soybean Oil	DEC17	32.54	0.55
Soybean Meal	DEC17	297.80	-0.20
Crude Oil	AUG17	44.24	0.86
DCE Palm Oil	SEP17	5,218	14.00
DCE Soybean Oil	SEP17	5,804	10.00

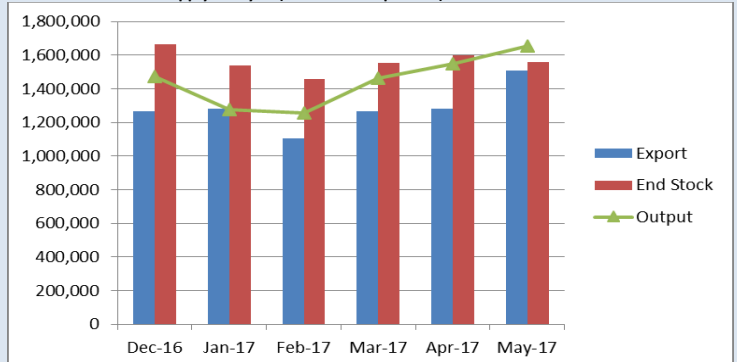
Exchange Rate

Currency	Last
USDMYR	4.2885
USDIDR	13,311
USDCNY	6.8126

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	650.00	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)

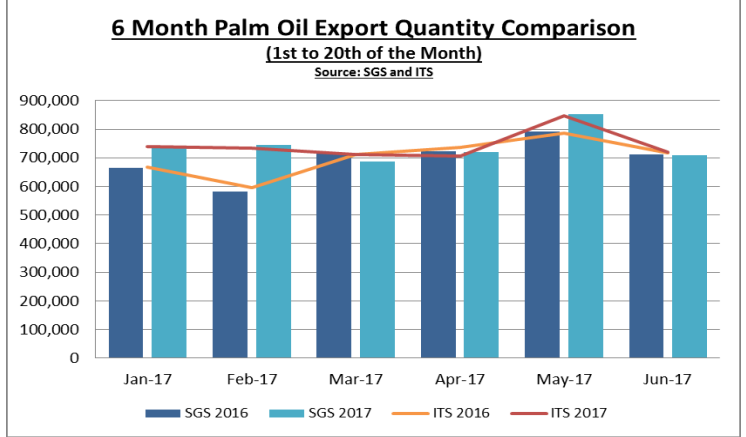


Demand and Supply Data

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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