

FCPO Daily Commentary

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PALM FCPO SEP17 (2469, +29)

Our Call of The Day:

Mildly Bullish
30 June 2017

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm sees 1st gain in three sessions tracking related edible oils.
- CBOT soybeans ends modestly higher on technical buying ahead of USDA.

Crude Palm Oil

Malaysian palm oil futures charted their first rise in three sessions on Thursday, tracking gains in the performance of rival edible oils on the Chicago Board of Trade (CBOT) and China's Dalian Commodity Exchange.

The benchmark September 17 gained RM29 to RM2,469 per tonne, prices were traded between RM2,472 and RM2,447 with total traded volume for palm stood at 28,485 lots.

Phillip Futures Sdn Bhd Dealer, David Ng said that the better performance was also in tandem with the overnight gains on soyoil futures in the Chicago Board of Trade.

Another trader, however, said the market will be cautious in trade ahead of export data for the full month of June, scheduled for release by cargo surveyors on Friday.

Palm oil shipments from Malaysia are seen declining month-on-month for the June 1-30 period, as buying activity slows during Eid, the Muslim festival that marks the end of the Ramadan fasting month.

Today, palm oil prices might trade slightly higher, supported by the weaker ringgit and overnight gains in the US soyoil market. However, the market may trade cautious ahead of the release of export data.

For the benchmark palm oil contract, we see support levels at RM2,430 and RM2,400 while resistance levels at RM2,490 and RM2,530.

Soybean (Reuters)

Soybean futures on the Chicago Board of Trade closed modestly higher on Thursday on technical buying ahead of key U.S. crop reports due Friday and spillover strength from wheat.

Rallies capped by lackluster weekly export sales. The U.S. Department of Agriculture reported export sales of U.S. soybeans in the latest week at 314,400 tonnes (old and new crop years combined), at the low end of a range of trade estimates for 300,000 to 700,000 tonnes.

Statistics Canada estimated Canada's 2017 canola seedings at 22.8 million acres, up from 20.4 million in 2016 and above an average of trade estimates for 22.2 million.

Traders continued squaring positions ahead of the USDA's acreage and quarterly stocks reports on Friday. Analysts expect the government to raise slightly its estimate of U.S. soybean plantings to 89.750 million acres, from the March forecast of 89.482 million.

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Jul17	2,617	32	2,597	2,617	2,590	4,406	-760	924
Aug17	2,506	29	2,489	2,510	2,441	22,025	-506	2,676
Sep17	2,469	29	2,456	2,472	2,447	53,469	565	12,665
Oct17	2,461	26	2,450	2,463	2,443	24,496	-227	3,061
Nov17	2,466	23	2,459	2,469	2,451	36,088	152	2,742
Dec17	2,485	23	2,474	2,487	2,472	2,481	159	564
Jan18	2,508	24	2,496	2,509	2,492	17,931	722	2,589
Mar18	2,530	23	2,512	2,532	2,509	15,773	-281	1,125
May18	2,548	27	2,534	2,549	2,528	18,528	313	1,579
Jul18	2,520	23	2,512	2,523	2,512	10,422	0	27
Sep18	2,514	26	2,506	2,514	2,505	5,613	-9	304
Nov18	2,505	23	2,496	2,506	2,496	6,959	3	183
Jan19	2,529	23	2,526	2,527	2,526	518	25	25
Mar19	2,536	21	2,536	2,536	2,536	93	9	21
May19	2,543	21	-	-	-	99	0	-
Total						218,901	165	28,485

Spreads

Contract	Open	High	Low	Last	Vol
Jul17 / Aug17	109	112	106	108	400
Aug17 / Sep17	36	39	32	39	1,294
Sep17 / Oct17	5	9	4	8	1,258
Oct17 / Nov17	-8	-5	-8	-6	692

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	NOV17	924.75	3.00
Soybean Oil	DEC17	32.86	0.30
Soybean Meal	DEC17	299.90	0.00
Crude Oil	AUG17	44.93	0.14
DCE Palm Oil	SEP17	5,250	16.00
DCE Soybean Oil	SEP17	5,942	64.00

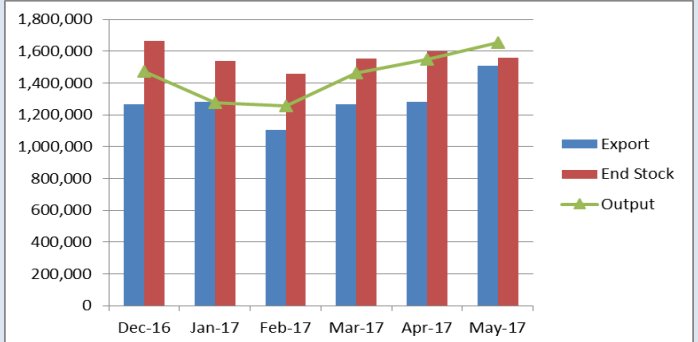
Exchange Rate

Currency	Last
USDMYR	4.3015
USDIDR	13,350
USDCNY	6.7860

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	JUN17	n.a.	4216.32	n.a.
FOB CPO (Indo)	USD/mt	JUL17	647.00	655.00	651.25
FOB RBD Palm Olein (M'sia)	USD/mt	JUL17	n.a.	660.00	657.50
FOB RBD Palm Oil (M'sia)	USD/mt	JUL17	n.a.	655.00	n.a.

MPOB Demand and Supply Analysis (6 Month Comparison)

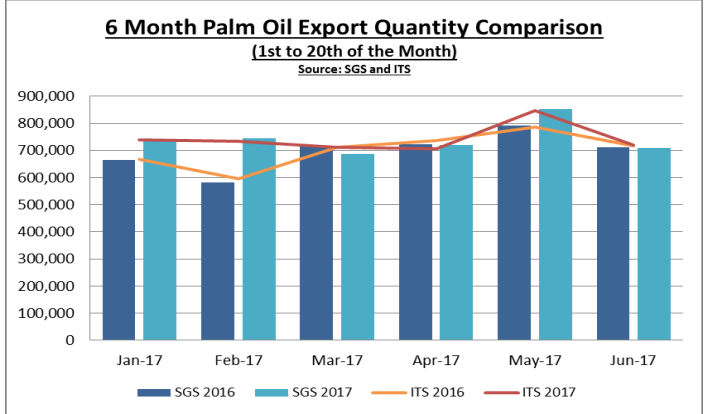


Demand and Supply Data

Date	Cargo Surveyor Figures			SGS (in tonnes)		
	ITS (in tonnes)			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		

(in tonnes)	Malaysia Palm Oil Board Data (MPOB)			PFSB Forecast	
	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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