

FCPO Daily Commentary

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PALM FCPO MAR18 (2622,+25)

Our Call of The Day:

Mildly Bullish

11 January 2018

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm up nearly 1 pct on stronger export data.
- Soy sags ahead of USDA data, improving South America weather.
- Key U.S. government crop reports to be release on Friday.

Crude Palm Oil

Malaysian palm oil futures rose nearly 1 percent on Wednesday, rebounding from a sharp drop in the previous session, as strong export data from a cargo surveyor supported market gains.

The benchmark March 18 up RM25 to RM2,622 per tonne, prices were traded between RM2,587 and RM2,626 with total traded volume for palm stood at 55,050 lots.

The data released in the evening by cargo surveyor Societe Generale de Surveillance, which showed Malaysian palm oil exports rising 12.2 percent during Jan. 1-10 compared with the corresponding period last month boosted sentiment. While Another cargo surveyor, Intertek Testing Services, reported in early trade that exports in the same period fell 1.4 percent month-on-month.

Market fell into red in early trade, industry regulator the Malaysian Palm Oil Board (MPOB) reported that palm oil stocks in Malaysia rose 7 percent on the month to a more than two-year high of 2.7 million tonnes at end-December. Production fell 5.6 percent on the month to 1.8 million tonnes, while exports edged up 4.9 percent to 1.4 million tonnes.

In other related edible oils, the May soybean oil on the Dalian Commodity Exchange was up 0.4 percent. The Dalian January palm oil contract declined 0.3 percent.

Today, the palm prices likely to be in sideway with upside bias, sentiment remain supported on zero export tax implementation and rain fall in few palm-oil producing state could disrupt product in coming months.

Soybean (Reuters)

Chicago Board of Trade soybean futures fell on Wednesday for a third straight session on position-squaring ahead of key U.S. government crop reports due Friday and forecasts for improving crop weather in South America.

Analysts on average expect the U.S. Department of Agriculture (USDA) to raise its forecasts of U.S. 2017/18 soy ending stocks and Brazil's soybean harvest. • Celeres, a consultancy, on Tuesday raised its estimate of Brazil's soybean crop to 111.8 million tonnes, up 1.9 percent from its previous estimate.

The USDA said private exporters sold 260,000 tonnes of U.S. soybeans to unknown destinations, including 65,000 tonnes for delivery in the 2017/18 marketing year and 195,000 tonnes for 2018/19.

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Jan18	2,568	6	2,546	2,570	2,546	1,072	-98	51
Feb18	2,622	25	2,616	2,624	2,588	10,289	-1,177	2,132
Mar18	2,622	25	2,612	2,626	2,587	34,712	-2,001	23,990
Apr18	2,612	26	2,598	2,615	2,576	38,170	-145	9,539
May18	2,596	25	2,585	2,600	2,563	45,630	-1,243	6,784
Jun18	2,575	25	2,570	2,580	2,545	12,799	275	2,569
Jul18	2,546	22	2,547	2,555	2,521	23,728	-149	3,347
Sep18	2,520	19	2,512	2,531	2,496	21,868	397	2,712
Nov18	2,520	20	2,515	2,532	2,495	20,011	413	3,178
Jan19	2,554	27	2,539	2,566	2,539	5,960	86	328
Mar19	2,569	27	2,564	2,580	2,560	5,938	205	307
May19	2,569	27	2,562	2,562	2,562	6,623	50	111
Jul19	2,571	27	-	-	-	819	1	1
Sep19	2,554	27	-	-	-	245	0	1
Nov19	2,554	27	-	-	-	31	0	-
Total						227,895	-3,386	55,050

Spreads

Contract	Open	High	Low	Last	Vol
Feb18 / Mar18	1	2	-3	0	1,863
Mar18 / Apr18	13	15	9	10	4,671
Apr18 / May18	12	15	11	153	1,256
May18 / Jun18	19	22	18	22	339

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	MAR18	955.00	-8.75
Soybean Oil	MAR18	33.45	-0.25
Soybean Meal	MAR18	316.40	-1.80
Crude Oil	FEB18	63.57	0.61
DCE Palm Oil	MAY18	5,340	-4.00
DCE Soybean Oil	MAY18	5,796	18.00

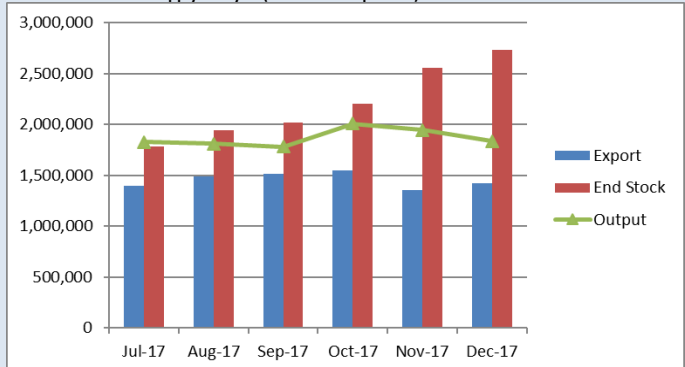
Exchange Rate

Currency	Last
USDMYR	4.0045
USDIDR	13,432
USDCNY	6.5077

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	JAN18	n/a	5175.33	n/a
FOB CPO (Indo)	USD/mt	JAN18	n/a	652.50	650.00
FOB RBD Palm Olein (M'sia)	USD/mt	JAN18	n/a	665.00	662.50
FOB RBD Palm Oil (M'sia)	USD/mt	JAN18	n/a	660.00	n/a

MPOB Demand and Supply Analysis (6 Month Comparison)

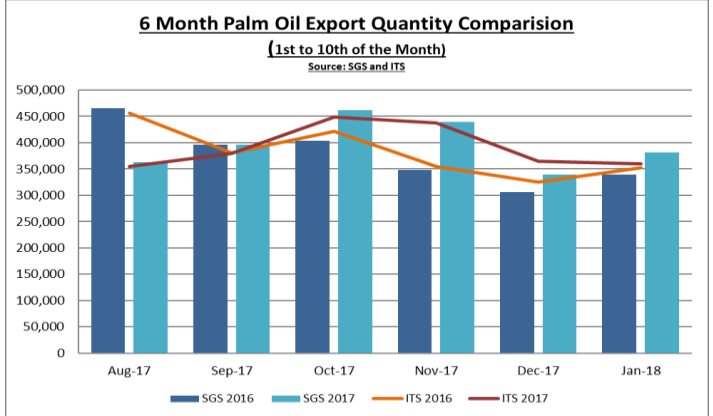


Demand and Supply Data

Cargo Surveyor Figures						
Date	ITS (in tonnes)			SGS (in tonnes)		
	Dec'17	Jan'18	Chg (%)	Dec'17	Jan'18	Chg (%)
First 10 days	364,277	359,346	-1.4	339,289	380,837	12.2
First 15 days	596,862			581,254		
First 20 days	874,022			865,309		
First 25 days	1,090,622			1,108,189		
Full month	1,422,070			1,439,477		

Malaysia Palm Oil Board Data (MPOB)				PFSB Forecast	
(in tonnes)	Nov'17	Dec'17	MoM (%)	Dec'17	Chg (%)
Production	1,942,847	1,834,167	-5.6		
Export	1,356,378	1,422,928	4.9		
Import	30,191	14,991	-50.3		
Local Disapp	266,596	248,314	-6.9		
Stock	2,553,773	2,731,689	7.0		
Stock/Use ratio	1.27	1.62	27.6		

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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