

FCPO Daily Commentary

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PALM FCPO NOV17 (2744, -23)

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm futures fall on ringgit strength.
- CBOT soybeans climb on short-covering, U.S weather worries

Crude Palm Oil

Malaysian palm oil futures prices slipped back on Wednesday as traders reacted to a stronger ringgit, reversing on gains made in the previous session.

The benchmark palm oil contract for November delivery on the Bursa Malaysia Derivatives Exchange lost 0.8 percent to 2,744 ringgit a tonne. Traded volumes stood at 48,216 lots of 25 tonnes.

Data released from the Southern Peninsula Palm Oil Millers' Association (SPPOMA) on Wednesday, showing a drop of 33.45 percent in production for September 1-5, did nothing to allay concerns over the ringgit's performance as traders look forward to export and production figures later in the month.

Market participants have been expecting output to rise in the coming months. Demand for palm is also expected to strengthen ahead of October when two key festivities take place in China and India.

Soybean oil on the Chicago Board of Trade (CBOT) rose 0.1 percent. The most active soybean oil contract on the Dalian Commodity Exchange was up 0.2 percent.

We expect palm prices continue to trade in consolidation with downside bias as ringgit continues to strengthen.

For the benchmark palm oil contract, we locate the immediate support at RM2,740 while the immediate resistance at RM2,780

Soybean (Reuters)

Chicago Board of Trade soybean futures rose Wednesday for a fourth straight session, lifted by fund short-covering and worries about potentially stressful dry weather in the heart of the U.S. Midwest as the soybean crop matures.

CBOT November soybeans settled up 2-1/2 cents at \$9.71 per bushel after reaching \$9.76-3/4, its highest since Aug. 10.

Forecast is in monitoring for the path of Hurricane Irma, which could bring flooding rain to crop areas in the U.S. Southeast.

The U.S. Department of Agriculture late Tuesday rated 61 percent of the U.S. soybean crop in good to excellent condition, unchanged from a week earlier and in line with trade expectations.

The USDA said 11 percent of the crop was dropping leaves, a sign of maturity, near the five-year average of 12 percent.

Our Call of The Day:

Consolidation

7 September 2017

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Sep17	2,720	-20	2,733	2,741	2,720	1,988	-29	127
Oct17	2,734	-22	2,746	2,762	2,733	13,341	-343	1,641
Nov17	2,744	-23	2,756	2,775	2,740	45,965	-555	23,972
Dec17	2,753	-23	2,765	2,784	2,750	23,439	-898	7,599
Jan18	2,769	-21	2,779	2,795	2,762	26,492	-95	7,177
Feb18	2,778	-25	2,793	2,805	2,770	3,460	612	1,386
Mar18	2,783	-26	2,798	2,809	2,775	18,923	342	1,715
May18	2,781	-31	2,801	2,809	2,774	27,672	495	1,855
Jul18	2,748	-31	2,776	2,782	2,748	15,822	314	785
Sep18	2,726	-33	2,758	2,763	2,726	15,520	285	770
Nov18	2,726	-31	2,757	2,760	2,725	17,300	99	421
Jan19	2,736	-31	2,750	2,750	2,736	1,425	3	31
Mar19	2,747	-29	2,765	2,766	2,747	2,189	21	68
May19	2,755	-30	2,785	2,785	2,755	2,920	541	644
Jul19	2,748	-32	2,751	2,751	2,748	482	7	25
Total						216,938	799	48,216

Spreads

Contract	Open	High	Low	Last	Vol
Sep17 / Oct17	-15	-12	-15	-14	43
Oct17 / Nov17	-12	-8	-14	-9	1,035
Nov17 / Dec17	-10	-8	-12	-10	4,276
Dec17 / Jan18	-14	-11	-14	-13	1,432

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	NOV17	971.00	2.50
Soybean Oil	DEC17	35.56	0.12
Soybean Meal	DEC17	308.70	0.70
Crude Oil	OCT17	49.16	0.50
DCE Palm Oil	JAN18	5,556	38.00
DCE Soybean Oil	JAN18	6,388	18.00

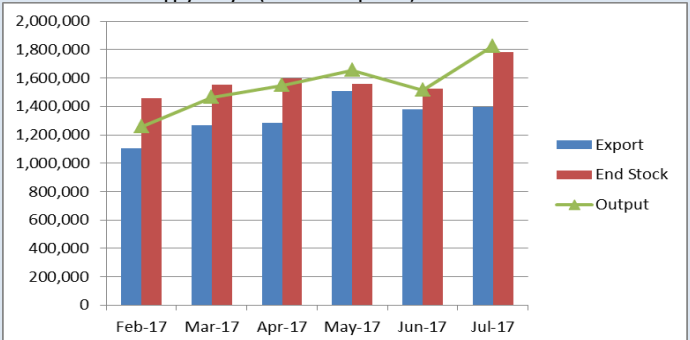
Exchange Rate

Currency	Last
USDMYR	4.2268
USDIDR	13,326
USDCNY	6.5316

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	OCT16	n.a.	5373.75	n.a.
FOB CPO (Indo)	USD/mt	OCT16	675	682.5	678.75
FOB RBD Palm Olein (M'sia)	USD/mt	OCT16	677.5	682.5	680
FOB RBD Palm Oil (M'sia)	USD/mt	OCT16	n.a.	677.5	n.a.

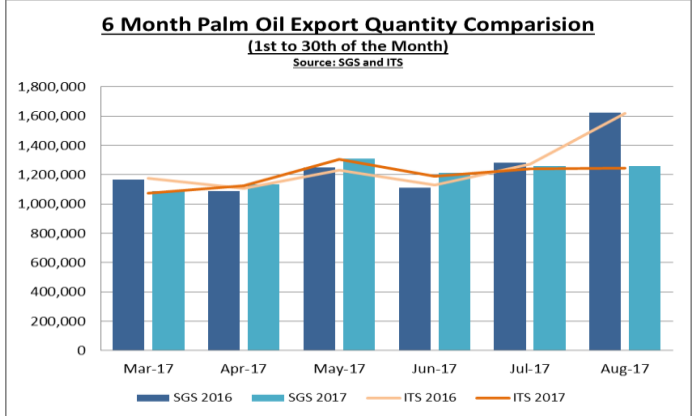
MPOB Demand and Supply Analysis (6 Month Comparison)



Demand and Supply Data

Date	ITS (in tonnes)			SGS (in tonnes)		
	Jul'17	Aug'17	Chg (%)	Jul'17	Aug'17	Chg (%)
First 10 days	360,114	355,009	-1.4	381,241	363,007	-4.8
First 15 days	599,414	512,039	-14.6	615,671	537,022	-12.8
First 20 days	796,664	679,539	-14.7	817,961	692,662	-15.3
First 25 days	1,016,689	934,544	-8.1	1,044,456	956,547	-8.4
Full month	1,239,407	1,243,361	0.3	1,260,143	1,259,240	-0.1

Export Quantity Analysis

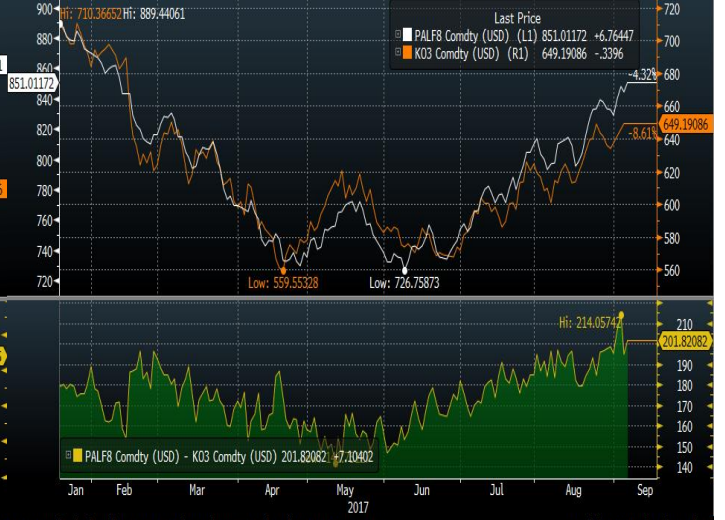


(in tonnes)	Malaysia Palm Oil Board Data (MPOB)			PFSB Forecast	
	Jun'17	Jul'17	MoM (%)	July'17	Chg (%)
Production	1,514,165	1,827,108	20.7	1.74	15
Export	1,379,720	1,397,846	1.3	1.45	5
Import	45,828	52,962	15.6		
Local Disapp	210,883	225,152	6.8		
Stock	1,527,071	1,784,143	16.8	1.60	5
Stock/Use ratio	0.93	1.06	14.0		

Spread (CBOT Soyoil - BMD Crude Palm Oil)



Spread (DCE Palm Olein - BMD Crude Palm Oil)



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