

FCPO Daily Commentary

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PALM FCPO FEB18 (2535,-28)

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm Friday extended its losing streak and ended lower on expectation of higher stockpile and sluggish demand.
- CBOT soybean fell on technical sell-off

Crude Palm Oil

Malaysian palm oil futures fell to a near five-month low on Wednesday evening, charting a third straight day of losses, on expectations of rising stockpiles and slowing demand.

The benchmark palm oil contract for February delivery on the Bursa Malaysia Derivatives Exchange was down 1.1 percent at 2,535 ringgit (\$622.39) a tonne at the close of trade, its sharpest daily decline in over a week.

Palm oil inventories in Malaysia are forecast to rise to the highest in nearly two years at the end of November, as a fall in exports outweighs a decline in production, a Reuters poll showed.

Stockpiles are expected to swell 11.4 percent to 2.44 million tonnes from the end of October, while output is expected to fall 3 percent on-month to 1.95 million tonnes.

Exports are seen falling in November, down 6 percent at 1.45 million tonnes, the first monthly decline in five months.

Phillip Futures Sdn Bhd Derivative Dealer, David Ng, said concerns over the higher stockpile affected demand for the commodity, ahead of the release of a key industry report next week. "We locate support at RM2,500 a tonne and immediate resistance at RM2,650 a tonne," he told Bernama.

In other related oils, the January soybean oil contract on the Chicago Board of Trade dropped 0.3 percent, while the January soybean oil contract on the Dalian Commodity Exchange fell 0.1 percent.

Today, palm price is expected to continue its downward momentum, weighed by losses in overnight CBOT soy oil. Moreover, expectation of increasing inventory level and downbeat export demand further dampen market sentiment and may add more woes to the prices.

Soybean (Reuters)

Chicago Board of Trade soybean futures eased 0.5 percent on Wednesday in a technical sell-off after prices earlier climbed to a roughly four-month high.

Front-month CBOT January soybeans failed to surpass Tuesday's session high of \$10.15 per bushel, triggering profit-taking. The contract settled down 5-3/4 cents at \$10.02-3/4.

Soy prices had gained the first two days of the week on worries dry weather could reduce yields in Argentina, the top exporter of soybean and soyoil.

Statistics Canada data showing a bigger-than-expected Canadian canola harvest also weighed on the CBOT soy complex

Our Call of The Day:

Mildly Bearish
7 December 2017

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Dec17	2,435	-21	2,455	2,460	2,445	952	-199	139
Jan18	2,507	-24	2,532	2,540	2,500	12,773	-1,672	3,341
Feb18	2,535	-28	2,564	2,572	2,530	39,615	1,525	18,225
Mar18	2,562	-25	2,588	2,597	2,557	38,402	-418	6,915
Apr18	2,570	-27	2,596	2,607	2,568	35,481	580	3,174
May18	2,572	-23	2,597	2,606	2,570	36,754	1,647	4,183
Jul18	2,540	-20	2,564	2,573	2,540	24,218	-270	1,744
Sep18	2,513	-15	2,536	2,546	2,513	20,628	286	1,870
Nov18	2,509	-16	2,533	2,541	2,509	17,915	56	397
Jan19	2,526	-16	2,550	2,557	2,538	4,018	-29	200
Mar19	2,542	-18	2,550	2,567	2,541	4,051	0	337
May19	2,538	-21	2,565	2,570	2,537	5,294	-33	253
Jul19	2,514	-21	2,537	2,544	2,537	775	57	84
Sep19	2,487	-21	-	-	-	172	0	-
Nov19	2,487	-21	-	-	-	30	0	-
Total						241,078	1,530	40,862

Spreads

Contract	Open	High	Low	Last	Vol
Dec17 /Jan18	-80	-80	-80	-80	1
Jan18 /Feb18	-31	-27	-35	-28	1,829
Feb18 /Mar18	-25	-23	-27	-25	2,817
Mar18 /Apr18	-10	-8	-12	-10	539

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	JAN'18	1,002.75	-5.75
Soybean Oil	JAN'18	33.17	-0.33
Soybean Meal	JAN'18	342.30	-1.00
Crude Oil	JAN'18	55.96	-1.62
DCE Palm Oil	MAY18	5,404	-22.00
DCE Soybean Oil	MAY18	5,990	-20.00

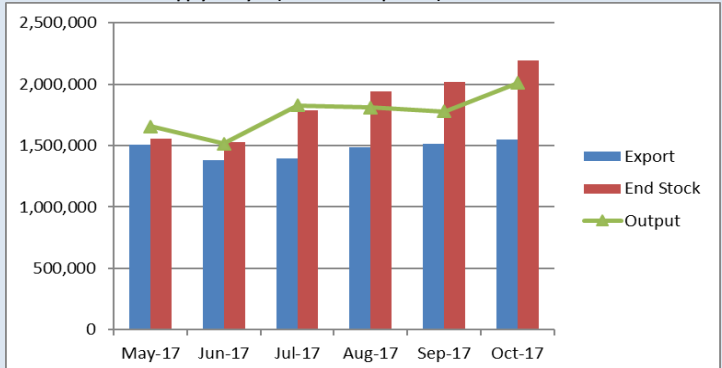
Exchange Rate

Currency	Last
USDMYR	4.0740
USDIDR	13,551
USDCNY	6.6131

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	DEC17	n.a.	5258.00	n.a.
FOB CPO (Indo)	USD/mt	DEC17	640	645	642.5
FOB RBD Palm Olein (M'sia)	USD/mt	DEC17	n.a.	642.5	640
FOB RBD Palm Oil (M'sia)	USD/mt	DEC17	n.a.	637.5	n.a.

MPOB Demand and Supply Analysis (6 Month Comparison)

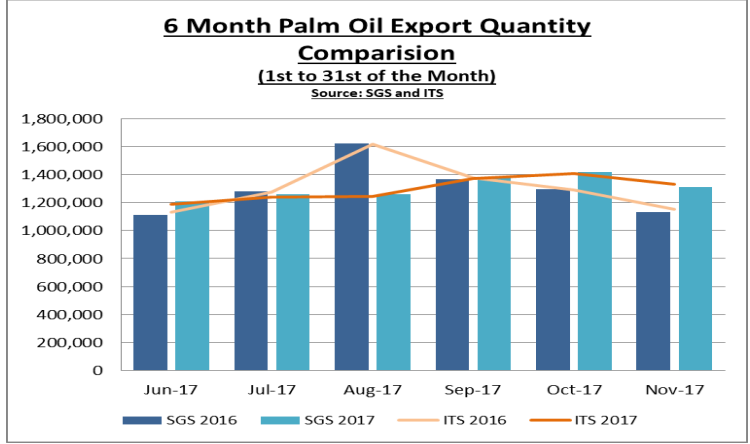


Demand and Supply Data

Cargo Surveyor Figures						
Date	ITS (in tonnes)			SGS (in tonnes)		
	Oct'17	Nov'17	Chg (%)	Oct'17	Nov'17	Chg (%)
First 10 days	448,349	436,988	-2.5	462,082	439,879	-4.8
First 15 days	690,074	660,465	-4.3	709,322	650,962	-8.2
First 20 days	951,339	882,943	-7.2	967,707	891,926	-7.8
First 25 days	1,177,939	1,079,427	-8.4	1,197,237	1,094,318	-8.6
Full month	1,406,706	1,332,342	-5.3	1,416,664	1,311,012	-7.5

Malaysia Palm Oil Board Data (MPOB)				PFSB Forecast	
(in tonnes)	Sep'17	Oct'17	MoM (%)	Oct'17	Chg (%)
Production	1,779,924	2,008,841	12.9	1.92	8
Export	1,515,304	1,548,724	2.2	1.59	5
Import	41,173	13,479	-67.3		
Local Disapp	228,492	302,508	32.4		
Stock	2,019,018	2,190,106	8.5	2.16	7
Stock/Use ratio	1.13	1.08	-4.5		

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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