

# FCPO Daily Commentary

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## PALM FCPO JAN18 (2785, +2)

Our Call of The Day:

**Mildly Bullish**  
8 November 2017

### FCPO 3rd Month Daily Candle Chart



### Market Commentary

#### Highlights:

- Palm edged up on stronger overnight CBOT soyoil
- CBOT soybeans rose as USDA seen trimming yield outlook

### Crude Palm Oil

Malaysian palm oil futures rose slightly in evening trade on Tuesday, snapping three sessions of losses as they tracked overnight strength in Chicago Board of Trade (CBOT) soyoil.

The benchmark contract January 2018 gained RM2 to RM2785, prices were traded between RM2,808 and RM2,772 total traded volume for palm stood at 44,571 lots.

Palm was also supported by Monday's surge in crude oil prices, but the market was capped by a stronger Malaysian ringgit.

A stronger ringgit, palm's currency of trade, makes the edible oil more expensive for holders of foreign currencies. It climbed as much as 0.2% on Tuesday, and was last up 0.04% against the U.S. dollar at 4.2285.

The Malaysian Palm Oil Board is set to release official data on Nov 10.

Oil eased on Tuesday after rising to the highest since July 2015 the previous day, while tension flared between Saudi Arabia and Iran and the Saudi crown prince tightened his grip on power.

Today, Malaysia palm oil price is expected to trade slightly lower on a stronger Ringgit and also concerns on a higher palm production on October may put pressure on palm price. However, palm may have some support by a higher overnight soyoil price.

For the benchmark palm oil contract, we locate the immediate support at RM2,770 while the immediate resistance at RM2,871.

### Soybean (Reuters)

Chicago Board of Trade soybean futures rose for a second straight day on Tuesday, buoyed by gains in soyoil and as the U.S. Department of Agriculture is expected to cut its U.S. soy yield outlook in a report later this week.

Traders squaring positions ahead of the USDA's monthly supply/demand reports on Thursday, in which analysts expect the government to trim its estimate of U.S. 2017 soybean production.

### Crude Palm Oil Futures

#### Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Nov17	2,759	-13	2,790	2,794	2,723	1,346	-115	472
Dec17	2,767	-1	2,792	2,792	2,758	10,996	-705	1,682
Jan18	2,785	2	2,805	2,808	2,772	47,843	1,429	20,242
Feb18	2,797	-1	2,820	2,821	2,783	27,194	-53	7,070
Mar18	2,808	1	2,832	2,832	2,793	38,176	568	5,112
Apr18	2,807	3	2,829	2,829	2,792	22,533	2,058	4,226
May18	2,794	3	2,816	2,816	2,783	33,815	592	2,976
Jul18	2,733	5	2,750	2,752	2,725	23,810	579	1,696
Sep18	2,699	3	2,705	2,712	2,695	15,081	137	398
Nov18	2,695	5	2,705	2,705	2,688	15,164	-56	384
Jan19	2,709	5	2,711	2,711	2,710	3,083	0	19
Mar19	2,716	3	2,715	2,715	2,715	3,272	89	100
May19	2,717	2	2,720	2,720	2,715	4,649	100	153
Jul19	2,692	1	2,691	2,694	2,691	699	8	41
Sep19	2,659	1	-	-	-	102	0	-
<b>Total</b>						<b>247,763</b>	<b>4,631</b>	<b>44,571</b>

### Spreads

Contract	Open	High	Low	Last	Vol
Nov17 / Dec17	-2	-	-40	-40	218
Dec17 / Jan18	-15	-13	-19	-19	703
Jan18 / Feb18	-14	-10	-15	-12	3,541
Feb18 / Mar18	-11	-8	-11	-10	704

### Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	JAN18	996.00	2.00
Soybean Oil	DEC17	35.02	0.29
Soybean Meal	DEC17	315.50	-0.60
Crude Oil	DEC17	57.20	-0.11
DCE Palm Oil	JAN18	5,648	22.00
DCE Soybean Oil	JAN18	6,126	36.00

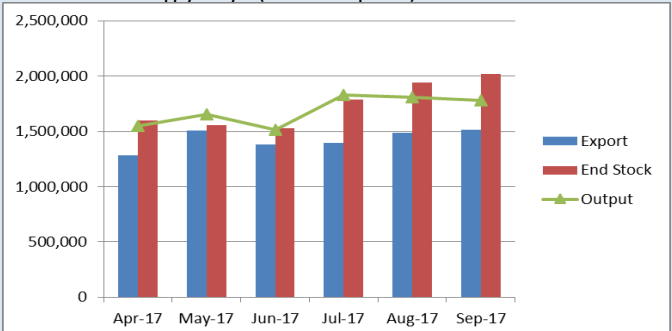
### Exchange Rate

Currency	Last
USDMYR	4.2295
USDIDR	13,545
USDCNY	6.6296

### Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	OCT17	n.a.	5654.83	n.a.
FOB CPO (Indo)	USD/mt	NOV17	685	690	685
FOB RBD Palm Olein (M'sia)	USD/mt	NOV17	n.a.	690	683.75
FOB RBD Palm Oil (M'sia)	USD/mt	NOV17	n.a.	685	n.a.

### MPOB Demand and Supply Analysis (6 Month Comparison)

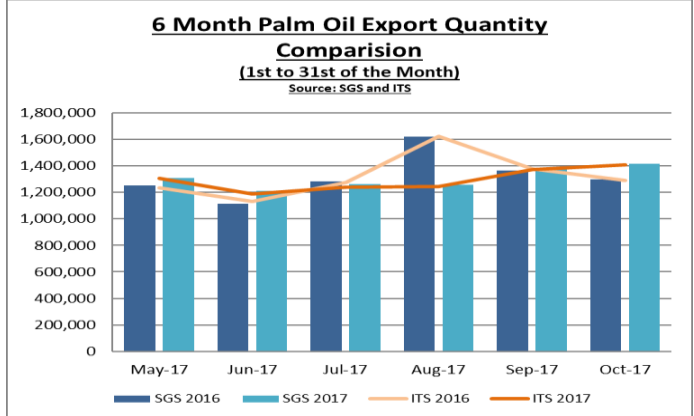


**Demand and Supply Data**

Date	Cargo Surveyor Figures			SGS (in tonnes)		
	ITS (in tonnes)		Chg (%)	Sep'17	Oct'17	Chg (%)
First 10 days	379,652	448,349	18.1	396,672	462,082	16.5
First 15 days	625,655	690,074	10.3	652,350	709,322	8.7
First 20 days	852,206	951,339	11.6	878,422	967,707	10.2
First 25 days	1,085,116	1,177,939	8.6	1,105,555	1,197,237	8.3
Full month	1,372,990	1,406,706	2.5	1,384,665	1,416,664	2.3

(in tonnes)	Malaysia Palm Oil Board Data (MPOB)			PFSB Forecast	
	Aug'17	Sep'17	MoM (%)	Oct'17	Chg (%)
Production	1,810,551	1,779,924	-1.7	1.92	8
Export	1,488,194	1,515,304	1.8	1.59	5
Import	41,661	41,173	-1.2		
Local Disapp	206,577	228,492	10.6		
Stock	1,941,717	2,019,018	4.0	2.16	7
Stock/Use ratio	1.12	1.13	1.0		

**Export Quantity Analysis**



**Spread (CBOT Soyoil - BMD Crude Palm Oil)**



**Spread (DCE Palm Olein - BMD Crude Palm Oil)**



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