

FCPO Daily Commentary

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PALM FCPO DEC17 (2694, -41)

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm snaps winning streak on weaker Dalian soyoil, rising stocks.
- CBOT soybeans end slightly lower, retreating from early advances.

Crude Palm Oil

Malaysian palm oil futures declined sharply in late trade on Tuesday after five straight sessions of gains, tracking weakness in related edible oils on China's Dalian Commodity Exchange and also on data from the Malaysian Palm Oil Board (MPOB).

The benchmark contract December 2017 fell RM41 to RM2694, prices were traded between RM2,739 and RM2,686 total traded volume for palm stood at 59,316 lots.

Phillip Futures Sdn Bhd Analyst, David Ng, said demand meanwhile remained resilient.

Inventory levels at the end of September rose 4 percent from a month earlier to 2.02 million tonnes, output had declined 1.7 percent to 1.78 million tonnes, while exports rose 1.8 percent to 1.52 million tonnes, data from industry regulator the Malaysian Palm Oil Board (MPOB) showed on Tuesday.

Both cargo surveyors ITS and SGS had also announced the palm export figure for the first 10 days of October on Monday, which are 18.1% and 16.5% increase respectively compared to the same period in September.

WTI crude oil rose about 2 percent on Tuesday, supported by Saudi Arabian export cuts in November and comments from OPEC and trading companies that the market is rebalancing after years of oversupply.

Today, the palm price is likely to be pressured by the bearish sentiment on the huge palm reserve.

For the benchmark palm oil contract, we locate the immediate support at RM2,653 while the immediate resistance at RM2,746.

Soybean (Reuters)

Chicago Board of Trade soybean futures ended slightly lower on Tuesday, retreating from early advances on technical selling and profit-taking as the November contract climbed to its 200-day moving average.

The U.S. Department of Agriculture reported export inspections of U.S. soybeans in the latest week at 1,484,650 tonnes, topping a range of trade expectations.

Analysts expect the USDA in its monthly supply/demand reports on Thursday to raise its U.S. soybean yield estimate but lower its forecast of U.S. 2017-18 soybean ending stocks.

CBOT December soymeal ended up 70 cents at \$316.20 per short ton and December soyoil fell 0.15 cent at 33.11 cents per pound on meal/oil spreading.

Our Call of The Day:

Mildly Bearish

11 October 2017

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Oct17	2,710	-29	2,711	2,711	2,697	1,452	-144	147
Nov17	2,694	-44	2,738	2,739	2,686	7,174	-918	2,678
Dec17	2,694	-41	2,738	2,739	2,686	39,052	-2,306	21,144
Jan18	2,698	-37	2,734	2,737	2,690	42,956	-693	14,264
Feb18	2,702	-32	2,736	2,736	2,693	16,170	2,370	7,113
Mar18	2,700	-34	2,735	2,735	2,696	28,636	168	4,324
May18	2,690	-28	2,719	2,719	2,688	30,162	163	4,099
Jul18	2,633	-26	2,659	2,659	2,630	17,794	492	2,332
Sep18	2,577	-26	2,607	2,607	2,575	18,165	909	2,354
Nov18	2,569	-27	2,595	2,597	2,569	16,083	878	564
Jan19	2,578	-24	2,593	2,593	2,578	2,818	-16	181
Mar19	2,591	-20	2,604	2,606	2,590	2,533	11	51
May19	2,592	-20	2,609	2,612	2,592	3,853	24	45
Jul19	2,571	-20	2,606	2,606	2,590	547	2	20
Sep19	2,555	-20	-	-	-	50	0	-
Total						227,445	940	59,316

Spreads

Contract	Open	High	Low	Last	Vol
Nov17 / Dec17	2	4	-2	1	1,047
Dec17 / Jan18	1	1	-5	-4	5,824
Jan18 / Feb18	1	1	-4	-4	3,222
Feb18 / Mar18	1	1	-5	-1	1,178

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	NOV17	966.00	-0.75
Soybean Oil	DEC17	33.11	-0.15
Soybean Meal	DEC17	316.20	0.70
Crude Oil	NOV17	50.92	1.34
DCE Palm Oil	JAN18	5,554	-34.00
DCE Soybean Oil	JAN18	6,088	-32.00

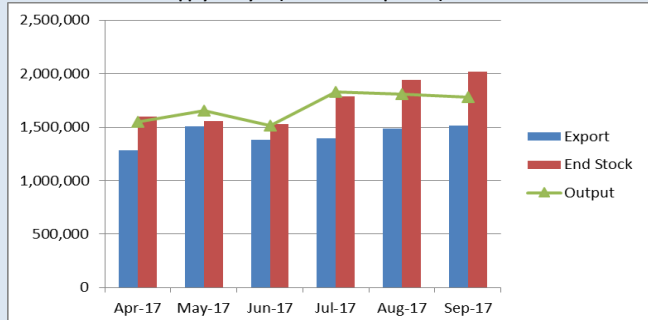
Exchange Rate

Currency	Last
USDMYR	4.2200
USDIDR	13,499
USDCNY	6.5798

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	OCT17	n.a.	5572.16	n.a.
FOB CPO (Indo)	USD/mt	OCT17	675	680	677.5
FOB RBD Palm Olein (M'sia)	USD/mt	OCT17	n.a.	680	677.5
FOB RBD Palm Oil (M'sia)	USD/mt	OCT17	n.a.	675	n.a.

MPOB Demand and Supply Analysis (6 Month Comparison)

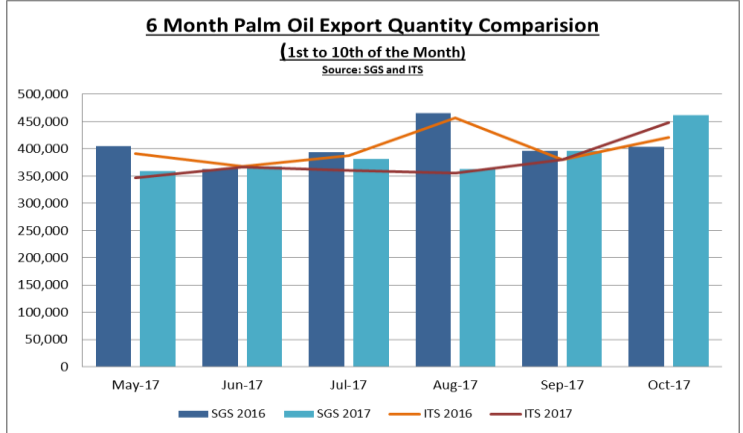


Demand and Supply Data

Date	Cargo Surveyor Figures			Cargo Surveyor Figures		
	ITS (in tonnes)			SGS (in tonnes)		
	Sep'17	Oct'17	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		-100.0	652,350		-100.0
First 20 days	852,206		-100.0	878,422		-100.0
First 25 days	1,085,116		-100.0	1,105,555		-100.0
Full month	1,372,990		-100.0	1,384,665		-100.0

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

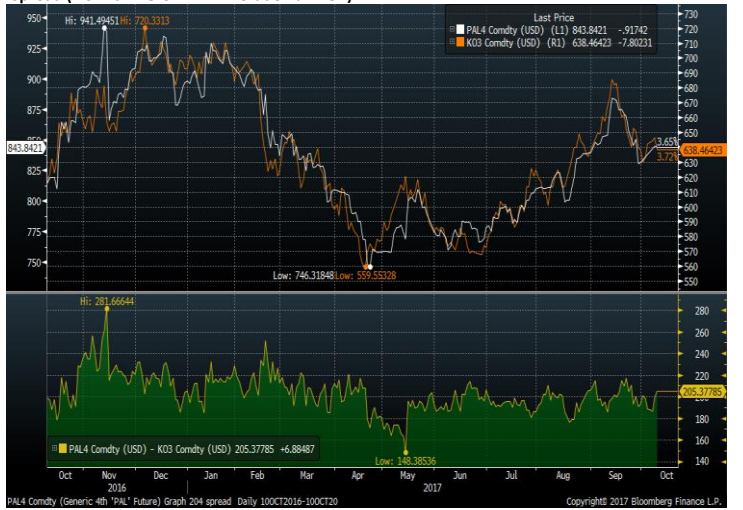
Export Quantity Analysis



Spread (CBOT Soyoil - BMD Crude Palm Oil)



Spread (DCE Palm Olein - BMD Crude Palm Oil)



Sources: Thomson Reuters / Bloomberg/ MPOB/ITS/SGS/Phillip Futures

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