

FCPO Daily Commentary

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PALM FCPO DEC17 (2696, +2)

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm edges up on stronger demand, rising output outlook caps gains.
- CBOT soybeans close lower after choppy session ahead of USDA data.

Crude Palm Oil

Malaysian palm oil futures ended slightly higher on Wednesday, supported by a stronger export outlook and technical buying, though gains were capped by expectations of rising production in October.

The benchmark contract December 2017 rose RM2 to RM2696, prices were traded between RM2,706 and RM2,677 total traded volume for palm stood at 42,652 lots.

Phillip Futures Sdn Bhd Analyst, David Ng said this was due to the mixed factors in the market as weaker ringgit against the US dollar was beneficial for boosting CPO demand in the short term.

Rising output could contribute to gains in inventory levels, which hit the 2 million tonne mark at end-September, official data from the Malaysian Palm Oil Board showed.

WTI crude oil rose for the third day on Wednesday as OPEC forecast higher demand for 2018 and heightened tensions in Kurdistan supported prices.

Today, the palm price is likely to be pressured by the bearish sentiment on the huge palm reserve. However, technical rebound may occur at the current level.

For the benchmark palm oil contract, we locate the immediate support at RM2,677 while the immediate resistance at RM2,706.

Soybean (Reuters)

Chicago Board of Trade soybean futures closed fractionally lower on Wednesday after a choppy session as traders adjusted positions a day ahead of monthly supply/demand reports from the U.S. Department of Agriculture.

Fresh export demand helped underpin futures. The USDA said private exporters sold 264,000 tonnes of U.S. soybeans to China and another 132,000 tonnes to unknown destinations, all for delivery in the 2017/18 marketing year.

Analysts expect the USDA in its monthly supply/demand reports on Thursday to raise its estimates of U.S. soybean yield and production.

CBOT December soybean ended down \$1.30 at 314.90 per short ton while December soyoil rose 0.04 cent to 33.15 cents per pound.

Our Call of The Day:

Mildly Bearish
12 October 2017

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Oct17	2,700	-10	2,670	2,670	2,670	1,150	-302	1
Nov17	2,693	-1	2,691	2,702	2,675	6,672	-502	1,363
Dec17	2,696	2	2,692	2,706	2,677	38,143	-909	17,127
Jan18	2,703	5	2,700	2,712	2,685	41,828	-1,128	9,137
Feb18	2,707	5	2,699	2,714	2,690	16,118	-52	3,997
Mar18	2,710	10	2,698	2,716	2,692	29,442	806	4,669
May18	2,695	5	2,688	2,706	2,686	30,924	762	2,746
Jul18	2,635	2	2,634	2,649	2,631	18,223	429	1,701
Sep18	2,577	0	2,580	2,591	2,575	18,441	276	855
Nov18	2,572	3	2,567	2,585	2,567	16,107	24	712
Jan19	2,581	3	2,578	2,578	2,575	2,835	17	222
Mar19	2,587	-4	2,590	2,594	2,585	2,574	41	87
May19	2,587	-5	2,590	2,593	2,585	3,884	31	34
Jul19	2,579	8	2,579	2,579	2,579	548	1	1
Sep19	2,563	8	-	-	-	50	0	-
Total						226,939	-506	42,652

Spreads

Contract	Open	High	Low	Last	Vol
Nov17 / Dec17	-1	-1	-4	-3	749
Dec17 / Jan18	-5	-4	-9	-8	4,122
Jan18 / Feb18	-3	-2	-5	-3	1,317
Feb18 / Mar18	-1	-1	-4	-2	1,107

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	NOV17	965.25	-0.75
Soybean Oil	DEC17	33.15	0.04
Soybean Meal	DEC17	314.90	-1.30
Crude Oil	NOV17	51.30	0.38
DCE Palm Oil	JAN18	5,520	-34.00
DCE Soybean Oil	JAN18	6,048	-40.00

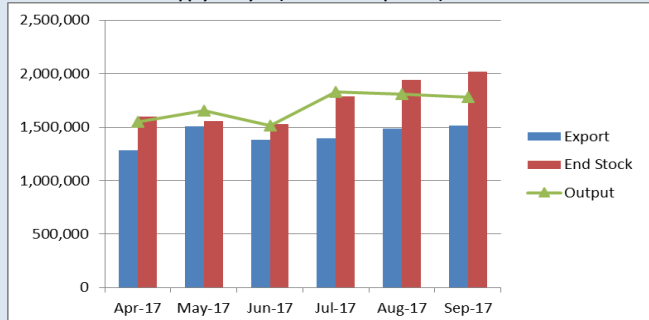
Exchange Rate

Currency	Last
USDMYR	4.2225
USDIDR	13,517
USDCNY	6.5852

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	682.5	678.75
FOB RBD Palm Olein (M'sia)	USD/mt	OCT17	n.a.	680	678.75
FOB RBD Palm Oil (M'sia)	USD/mt	OCT17	n.a.	675	n.a.

MPOB Demand and Supply Analysis (6 Month Comparison)

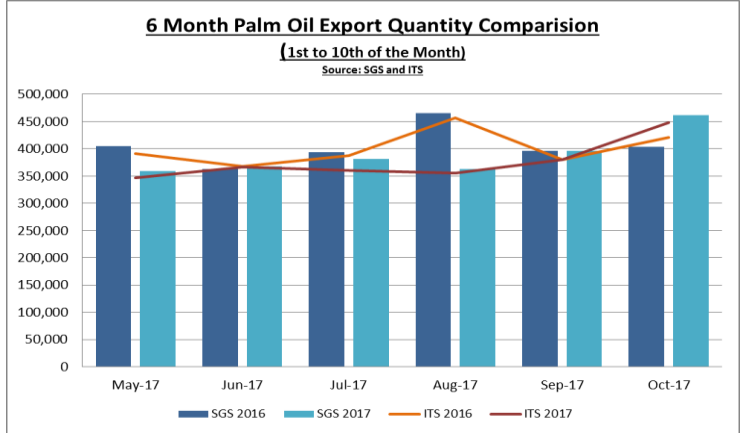


Demand and Supply Data

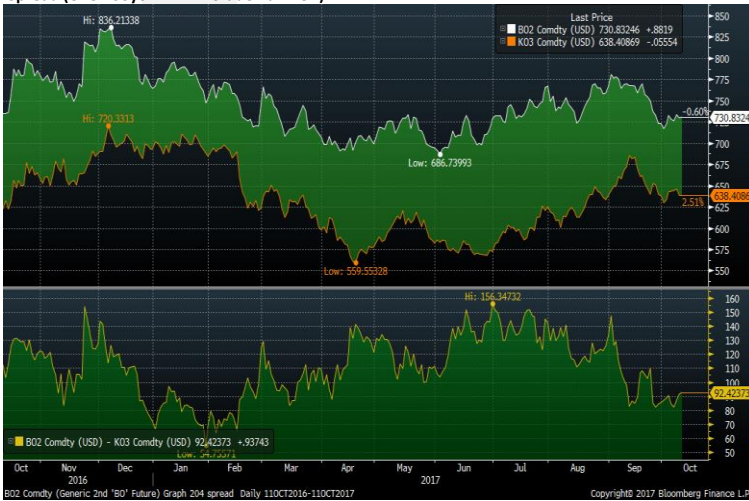
Date	Cargo Surveyor Figures					
	ITS (in tonnes)			SGS (in tonnes)		
	Sep'17	Oct'17	Chg (%)	Sep'17	Oct'17	Chg (%)
First 10 days	379,652	448,349	18.1	396,672	462,082	16.5
First 15 days	625,655		-100.0	652,350		-100.0
First 20 days	852,206		-100.0	878,422		-100.0
First 25 days	1,085,116		-100.0	1,105,555		-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		

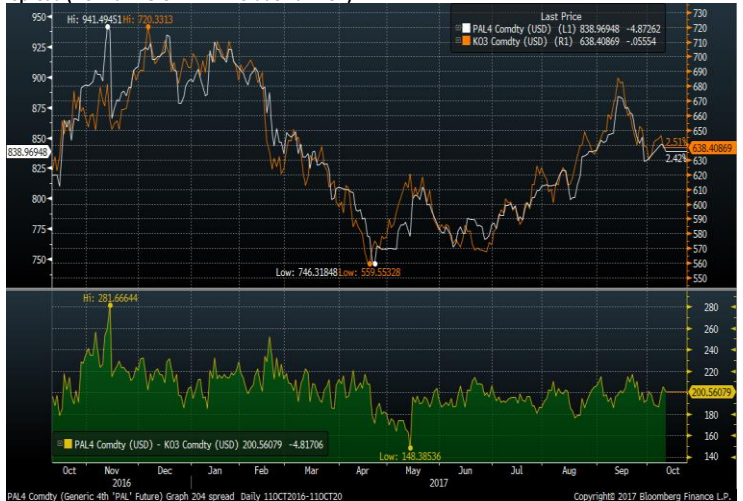
Export Quantity Analysis



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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