

FCPO Daily Commentary

Brought to you by Phillip Futures Sdn Bhd (962533-U) (A member of PhillipCapital)

PALM FCPO JAN18 (2717, -44)

Our Call of The Day:

Mildly Bearish
15 November 2017

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm drops to near 4-week low on weaker related oils
- CBOT soybeans drop on improving Brazil weather view

Crude Palm Oil

Malaysian palm oil futures hit their lowest in nearly four weeks on Tuesday evening, weighed down by overnight losses in the Chicago Board of Trade soyoil and weakness in related oils on China's Dalian Commodity Exchange.

The benchmark contract January 2018 declined RM44 to RM2717, prices were traded between RM2,751 and RM2,715 total traded volume for palm stood at 43,804 lots.

Palm oil is impacted by movements in other edible oils as they compete for a share of the global vegetable oils market.

Phillip Futures Sdn Bhd Derivatives Dealer, David Ng said CPO prices plunged below critical support level today as the increase in production, coupled with lower exports, continued to put pressure on prices.

Appetite for palm oil usually slows towards the end of the year in markets with winter seasons such as China and Europe, as the tropical oil solidifies in cold temperatures.

US oil prices fell for a third day in a row on Tuesday on forecasts for rising U.S. crude output and a gloomier outlook for global demand growth in a report from the International Energy Agency (IEA).

Today, palm oil price is expected to trade lower as weaker overnight soyoil and crude oil price would indicate the Malaysia palm market. Market will also be looking at exports data which will be released today.

For the benchmark palm oil contract, we locate the immediate support at RM2,700 while the immediate resistance at RM2,797.

Soybean (Reuters)

Chicago Board of Trade soybean futures weakened for the third time in four sessions on Tuesday on forecasts for favorable growing weather in Brazil.

The National Oilseed Processors Association's October crush report is expected to show that processors crushed 164.475 million bushels of soybeans during the month. The report will be released on Wednesday.

Soymeal and soyoil futures also closed in negative territory.

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Nov17	2,654	-48	-	-	-	588	0	-
Dec17	2,693	-48	2,721	2,726	2,692	5,856	-1,499	2,378
Jan18	2,717	-44	2,743	2,751	2,715	46,913	-4,250	19,718
Feb18	2,737	-41	2,758	2,767	2,734	30,437	1,575	7,503
Mar18	2,747	-42	2,765	2,777	2,745	39,482	-53	4,247
Apr18	2,745	-40	2,765	2,774	2,740	26,214	1,012	2,622
May18	2,733	-41	2,753	2,762	2,730	36,222	252	4,369
Jul18	2,681	-40	2,705	2,711	2,680	24,196	21	1,694
Sep18	2,632	-40	2,654	2,666	2,630	17,683	445	857
Nov18	2,630	-37	2,655	2,658	2,630	16,901	170	392
Jan19	2,647	-37	2,669	2,674	2,666	3,784	7	21
Mar19	2,655	-37	-	-	-	3,460	0	3
May19	2,653	-37	-	-	-	4,720	0	-
Jul19	2,628	-37	-	-	-	709	0	-
Sep19	2,573	-37	-	-	-	120	0	-
Total						257,285	-2,320	43,804

Spreads

Contract	Open	High	Low	Last	Vol
Nov17 / Dec17	-21	-19	-25	-24	1,025
Dec17 / Jan18	-17	-15	-20	-20	3,547
Jan18 / Feb18	-10	-10	-12	-10	646
Feb18 / Mar18	3	3	1	2	585

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	JAN18	967.75	-6.50
Soybean Oil	DEC17	34.16	-0.32
Soybean Meal	DEC17	312.30	-1.10
Crude Oil	DEC17	55.70	-1.08
DCE Palm Oil	JAN18	5,556	-68.00
DCE Soybean Oil	JAN18	6,038	-42.00

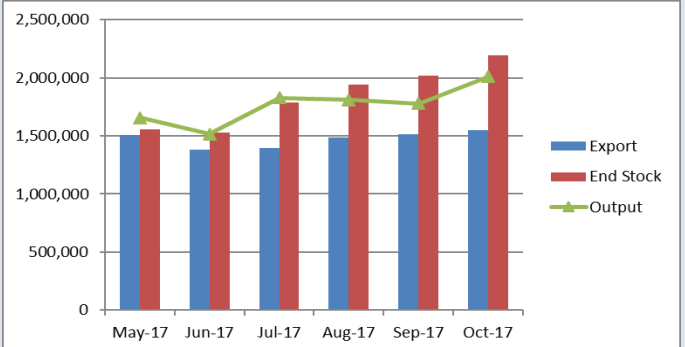
Exchange Rate

Currency	Last
USDMYR	4.1940
USDIDR	13,551
USDCNY	6.6326

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	NOV17	n.a.	5638.30	n.a.
FOB CPO (Indo)	USD/mt	NOV17	675	680	677.5
FOB RBD Palm Olein (M'sia)	USD/mt	NOV17	n.a.	680	673.75
FOB RBD Palm Oil (M'sia)	USD/mt	NOV17	n.a.	675	n.a.

MPOB Demand and Supply Analysis (6 Month Comparison)

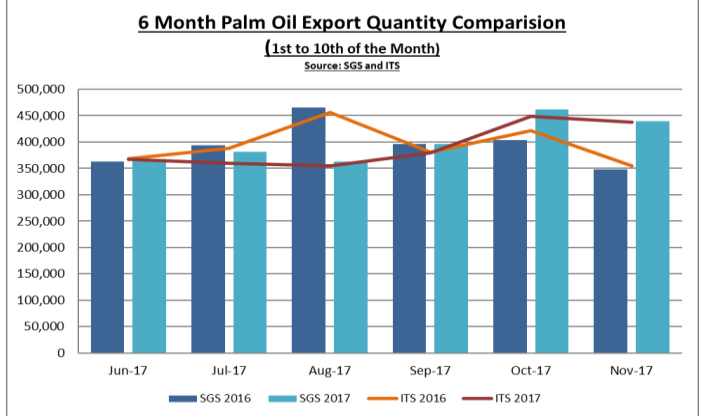


Demand and Supply Data

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			709,322		
First 20 days	951,339			967,707		
First 25 days	1,177,939			1,197,237		
Full month	1,406,706			1,416,664		

(in tonnes)	Malaysia Palm Oil Board Data (MPOB)			PFSB Forecast	
	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		

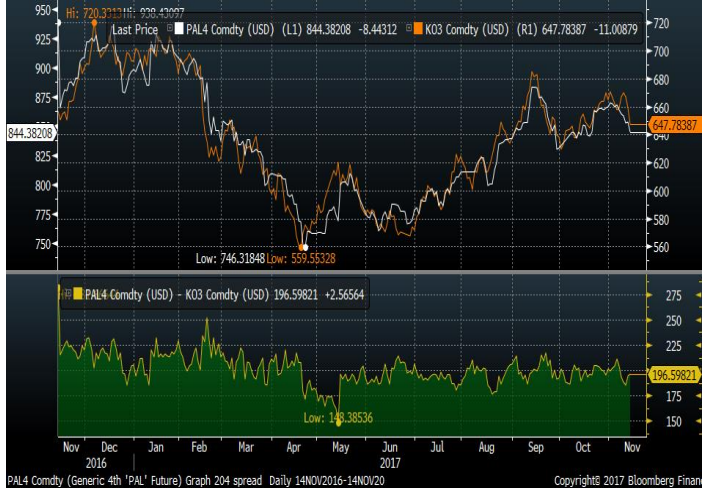
Export Quantity Analysis



Spread (CBOT Soyoil - BMD Crude Palm Oil)



Spread (DCE Palm Olein - BMD Crude Palm Oil)



Dealing Desk
pfsb_dealing@poems.com.my

CONTACT US:
Kuala Lumpur Headquarters:
(+603) 2711 0026
pfsb_research@poems.com.my

Johor - Taman Sutera Utama Branch:
(+607) 5572188
pfjb@poems.com.my

Penang Branch:
(+604) 2616822
pfg@poems.com.my

Malacca Branch:
(+606) 2748711
pfrm@poems.com.my

Kota Damansara Branch:
(+603) 26308688
phillipfutures@poems.com.my

Johor - Taman Molek Branch:
(+607) 3525999
pfjb@poems.com.my

Kuching Branch:
(+6082) 247633
pfkc@poems.com.my

Official Website: www.phillipfutures.com.my
Facebook Page: www.facebook.com/PhillipFuturesSdnBhd

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