

# FCPO Daily Commentary

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## PALM FCPO MAR18 (2528,-23)

Our Call of The Day:

**Mild Bearish**

19 December 2017

### FCPO 3rd Month Daily Candle Chart



#### Market Commentary

##### Highlights:

- Palm prices fell on profit-taking
- CBOT soybean slid on better weather in parts of Argentina.

#### Crude Palm Oil

Malaysian palm oil futures fell almost 1 percent on Monday evening on profit-taking after recording their biggest daily gain in around five months in the previous trading session.

The benchmark palm oil contract for March delivery on the Bursa Malaysia Derivatives Exchange fell 0.9 percent to 2,528 ringgit (\$619.61) at the end of the trading day.

Palm had seen a downward trend in recent weeks, sliding on bearish sentiment over weak demand and high stockpiles, before jumping almost 3 percent to reach its highest level in a week in the previous session.

Palm oil output sees a seasonal decline at the end of the year before rising in roughly the second quarter. Output in November was last down 3.3 percent on the month at 1.94 million tonnes, according to the most recent official data from industry regulator the Malaysian Palm Oil Board.

In other related oils, the January soybean oil contract on the Chicago Board of Trade rose 0.4 percent, while the January soybean oil contract on the Dalian Commodity Exchange also rose 0.4 percent.

Today, palm prices are expected to trade in sideways with downward bias in the absences of fresh news to give market participants clearer hints.

#### Soybean (Reuters)

Chicago Board of Trade soybean futures fell to three-month lows on Monday as rains in parts of Argentina eased concerns of reduced plantings and lower yields.

Further pressure came from expectations that U.S. farmers will again expand soybean planting next year after private analytics firm raised its 2018 soy acreage forecast on Friday.

Benchmark CBOT January soybeans ended down 5-3/4 cents at \$9.61-1/2 a bushel, the lowest since mid-September.

Weekend rains in Argentina brought relief to parched farm belt and allowed planting to resume in most of the affected areas. Brazilian farmers are expected to produce 114.57 million tonnes of soybeans in the 2017/18 crop cycle, consultancy Safras & Mercado said on Monday, cutting its output forecast for the oilseed.

The U.S. Agriculture Department said private exporters sold 396,000 tonnes of U.S. soybeans to China for 2017/18 delivery, the second large soy sales announcement in as many days.

The supplement to the CFTC's weekly commitments report showed large speculators flipped back to a net short position in CBOT soybeans in the week to Dec. 12, after holding a net long position for the previous two weeks.

### Crude Palm Oil Futures

#### Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Jan18	2,468	-11	2,479	2,479	2,458	6,150	5,875	1,023
Feb18	2,499	-19	2,519	2,525	2,498	32,592	26,079	5,800
Mar18	2,528	-23	2,552	2,557	2,527	38,992	5,073	16,900
Apr18	2,546	-23	2,575	2,575	2,544	34,667	-2,325	2,762
May18	2,555	-22	2,584	2,590	2,554	44,094	9,310	4,023
Jun18	2,545	-32	2,550	2,561	2,545	490	490	849
Jul18	2,531	-18	2,562	2,562	2,530	26,514	61	788
Sep18	2,510	-15	2,532	2,535	2,509	21,216	234	914
Nov18	2,501	-12	2,527	2,535	2,501	18,125	92	549
Jan19	2,533	-12	2,523	2,532	2,523	4,748	-11	66
Mar19	2,545	-14	2,530	2,552	2,530	4,794	170	287
May19	2,545	-16	2,536	2,551	2,536	6,059	104	161
Jul19	2,529	-16	-	-	-	801	0	-
Sep19	2,509	-16	-	-	-	180	0	-
Nov19	2,509	-16	-	-	-	30	0	-
<b>Total</b>						<b>239,452</b>	<b>1,462</b>	<b>34,122</b>

#### Spreads

Contract	Open	High	Low	Last	Vol
Jan18 /Feb18	-41	-32	-41	-31	417
Feb18 /Mar18	-32	-29	-33	-29	2,711
Mar18 /Apr18	-18	-16	-18	-18	1,081
Apr18 /May18	-8	-6	-9	-9	710

#### Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	MAR 18	972.50	-5.50
Soybean Oil	MAR 18	33.18	-0.16
Soybean Meal	MAR 18	322.50	-2.00
Crude Oil	JAN 18	57.16	-0.13
DCE Palm Oil	MAY 18	5,286	48.00
DCE Soybean Oil	MAY 18	5,828	18.00

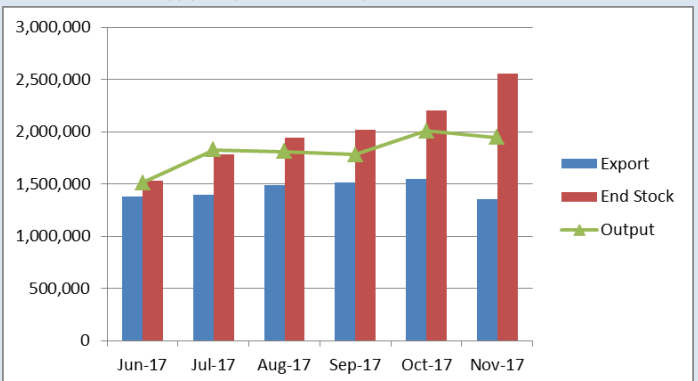
#### Exchange Rate

Currency	Last
USDMYR	4.0820
USDIDR	13,581
USDCNY	6.6106

#### Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	DEC17	n.a.	5076.12	n.a.
FOB CPO (Indo)	USD/mt	DEC17	n.a.	632.5	628.75
FOB RBD Palm Olein (M'sia)	USD/mt	DEC17	n.a.	625	621.25
FOB RBD Palm Oil (M'sia)	USD/mt	DEC17	n.a.	620	n.a.

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

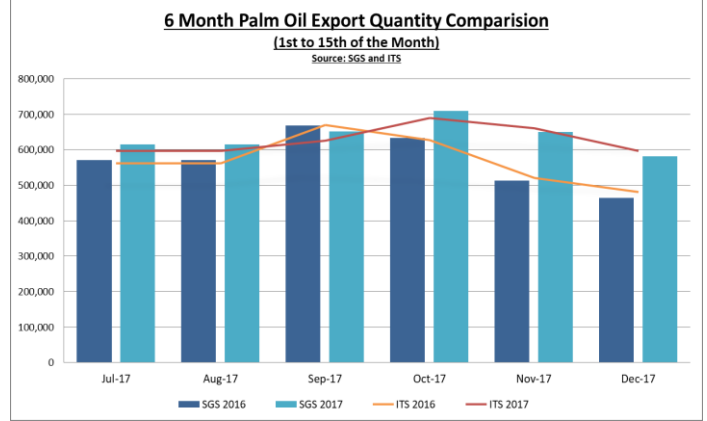


**Demand and Supply Data**

Cargo Surveyor Figures						
Date	ITS (in tonnes)			SGS (in tonnes)		
	Nov'17	Dec'17	Chg (%)	Nov'17	Dec'17	Chg (%)
First 10 days	436,988	364,277	-16.6	439,879	339,289	-22.9
First 15 days	660,465	596,862	-9.6	650,962	581,254	-10.7
First 20 days						
First 25 days						
Full month						

Malaysia Palm Oil Board Data (MPOB)				PFSB Forecast	
(in tonnes)	Oct'17	Nov'17	MoM (%)	Nov'17	Chg (%)
Production	2,008,838	1,942,834	-3.3		
Export	1,538,041	1,354,373	-11.9		
Import	13,479	30,191	124.0		
Local Disapp	302,508	265,725	-12.2		
Stock	2,203,709	2,556,636	16.0		
Stock/Use ratio	1.08	1.55	43.4		

**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

Dealing Desk  
[pfsb\\_dealing@poems.com.my](mailto:pfsb_dealing@poems.com.my)

**CONTACT US:**  
**Kuala Lumpur Headquarters:**  
 (+603) 2711 0026  
[pfsb\\_research@poems.com.my](mailto:pfsb_research@poems.com.my)

**Kota Damansara Branch:**  
 (+603) 26308688  
[phillipfutures@poems.com.my](mailto:phillipfutures@poems.com.my)

**Johor - Taman Sutera Utama Branch:**  
 (+607) 5572188  
[pffb@poems.com.my](mailto:pffb@poems.com.my)

**Johor - Taman Molek Branch:**  
 (+607) 3525999  
[pffb@poems.com.my](mailto:pffb@poems.com.my)

**Penang Branch:**  
 (+604) 2616822  
[pfbg@poems.com.my](mailto:pfbg@poems.com.my)

**Kuching Branch:**  
 (+6082) 247633  
[pfkc@poems.com.my](mailto:pfkc@poems.com.my)

**Malacca Branch:**  
 (+606) 2748711  
[pfmk@poems.com.my](mailto:pfmk@poems.com.my)

**Official Website:** [www.phillipfutures.com.my](http://www.phillipfutures.com.my)  
**Facebook Page:** [www.facebook.com/PhillipFuturesSdnBhd](http://www.facebook.com/PhillipFuturesSdnBhd)

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