

# FCPO Daily Commentary

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

## PALM FCPO FEB18 (2644, +22)

Our Call of The Day:

**Mildly Bearish**  
23 November 2017

### FCPO 3rd Month Daily Candle Chart



### Market Commentary

#### Highlights:

- Palm prices rose as market gained strength from firmer soy oil and crude oil prices.
- CBOT soybean closed higher on technical buying and concern on weather in South America

#### Crude Palm Oil

Malaysian palm oil futures ended higher on Wednesday, tracking buoyant soy oil and crude oil prices, and prompting short covering among traders.

The benchmark palm oil February contract on the Bursa Malaysia Derivatives Exchange was up RM22 (0.8 percent) at 2,644 ringgit a tonne.

Phillip Futures Sdn Bhd Derivatives Dealer, David Ng, said the recent sell-down also attracted buying interests.

Palm futures rose sharply despite a continuing rally in the ringgit. The ringgit has risen to 13-month highs following positive domestic economic growth data. The currency was up 0.68 percent to 4.1100 against the dollar.

A stronger ringgit typically makes palm less attractive to buyers holding other currencies.

Earlier this week, palm futures took a hit after India's decision to raise the tax on crude palm oil imports, suffering the largest one-day loss in eight months on Monday, and sliding to its weakest since Aug. 16 on Tuesday.

Today, palm prices are expected to trade lower following weakness in overnight CBOT soyoil and strengthening RM.

#### Soybean (Reuters)

Chicago Board of Trade soybean futures rose on Wednesday on technical buying ahead of the U.S. Thanksgiving holiday and worries that the La Nina weather phenomenon could cause dry conditions in South America's crop belt.

U.S. markets will be closed on Thursday for Thanksgiving, with CBOT trade resuming Friday at 8:30 a.m. CST (1430 GMT).

Australia's Bureau of Meteorology issued an alert for a La Nina weather event starting next month, saying the chance it would take place was triple the normal likelihood. (Full Story)

Ahead of the U.S. Department of Agriculture's weekly export sales report, which is delayed until Friday, analysts expected the government to report soybean export sales at 1.0 million to 1.5 million tonnes (old and new crop years combined)

### Crude Palm Oil Futures

#### Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Dec17	2,585	5	2,585	2,586	2,560	2,681	-250	557
Jan18	2,621	21	2,613	2,626	2,595	22,738	-1,276	4,537
Feb18	2,644	22	2,635	2,649	2,615	32,880	-1,707	19,108
Mar18	2,663	21	2,653	2,667	2,635	39,169	-504	7,014
Apr18	2,670	25	2,653	2,672	2,641	30,397	581	2,906
May18	2,669	20	2,663	2,670	2,643	35,858	362	2,869
Jul18	2,634	26	2,623	2,638	2,611	24,448	968	1,257
Sep18	2,601	37	2,578	2,603	2,572	19,263	219	1,372
Nov18	2,596	37	2,571	2,597	2,565	17,620	227	713
Jan19	2,613	37	2,590	2,612	2,590	4,066	250	529
Mar19	2,632	37	2,590	2,620	2,590	3,721	204	372
May19	2,618	29	2,579	2,617	2,579	4,854	94	129
Jul19	2,590	29	2,546	2,546	2,546	710	0	1
Sep19	2,546	29	-	-	-	137	0	-
Nov19	2,546	29	-	-	-	0	0	-
<b>Total</b>						<b>238,542</b>	<b>-832</b>	<b>41,364</b>

#### Spreads

Contract	Open	High	Low	Last	Vol
Dec17 /Jan18	-20	-20	-44	-41	446
Jan18 /Feb18	-23	-20	-23	-23	1,838
Feb18 /Mar18	-19	-17	-21	-20	2,026
Mar18 /Apr18	-6	-5	-7	-5	1,184

#### Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	JAN18	997.25	8.25
Soybean Oil	JAN18	34.20	-0.12
Soybean Meal	JAN18	326.70	6.30
Crude Oil	JAN18	58.02	1.11
DCE Palm Oil	JAN18	5,424	18.00
DCE Soybean Oil	JAN18	5,920	24.00

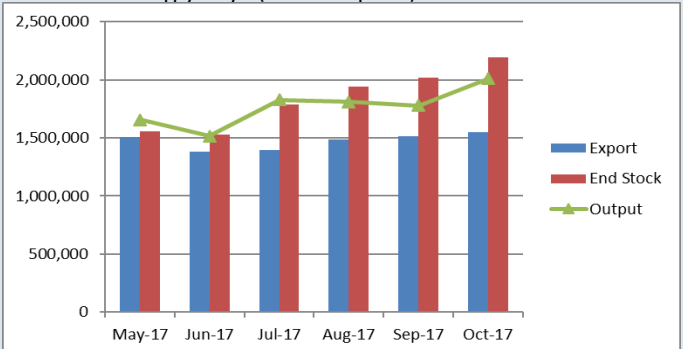
#### Exchange Rate

Currency	Last
USDMYR	4.1115
USDIDR	13,498
USDCNY	6.6010

#### Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	NOV17	n.a.	5539.09	n.a.
FOB CPO (Indo)	USD/mt	DEC17	657.5	665	661.25
FOB RBD Palm Olein (M'sia)	USD/mt	DEC17	655	657.5	656.25
FOB RBD Palm Oil (M'sia)	USD/mt	DEC17	n.a.	652.5	n.a.

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

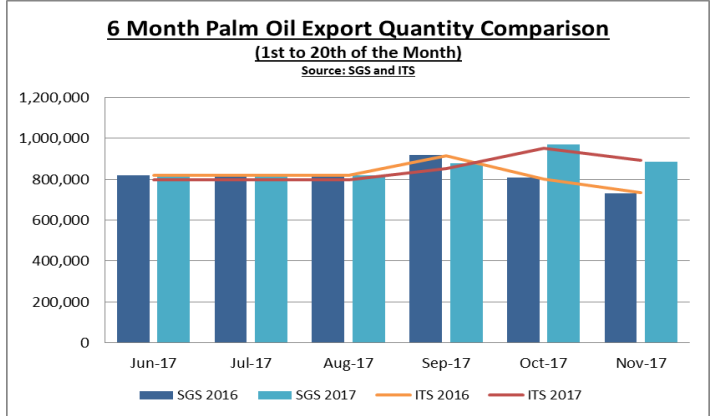


**Demand and Supply Data**

Date	Cargo Surveyor Figures			SGS (in tonnes)		
	ITS (in tonnes)			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	660,465	-4.3	709,322	650,962	-8.2
First 20 days	951,339	882,943	-7.2	967,707	891,926	-7.8
First 25 days	1,177,939			1,197,237		
Full month	1,406,706			1,416,664		

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



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  
[pfbj@poems.com.my](mailto:pfbj@poems.com.my)

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

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