

# FCPO Daily Commentary

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## PALM FCPO FEB18 (2609, +35)



### Market Commentary

#### Highlights:

- Strong RM and concern on rising outputs weighed on palm prices.
- CBOT closed for Thanksgiving holiday.

#### Crude Palm Oil

Malaysian palm oil futures fell on Thursday evening, charting a fourth decline in five sessions as the edible oil was weighed down by a stronger ringgit and the prospect of rising production.

The benchmark palm oil contract for February delivery on the Bursa Malaysia Derivatives Exchange was down 1.3 percent at 2,609 ringgit (\$635.57) a tonne at the end of the trading day, its sharpest decline since Monday.

The ringgit rose to its strongest level in over a year on Thursday morning. It gained as much as 0.4 percent to 4.0950 against the dollar, and was slightly up 0.1 percent at 4.1050 in the evening.

Gains in the ringgit, palm's currency of trade, usually make the vegetable oil more expensive for foreign buyers.

Palm output typically declines towards the year-end after peaking in August or September, but the lingering effects of the dry weather El Nino phenomenon in 2015 could have delayed seasonal patterns this year.

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

Today, FCPO market is expected to consolidate in tight range in the absence of fresh news and CBOT market closed on Thursday for national holiday. Meanwhile, market participants will remain cautious ahead of the exports data for first 25 days.

#### Soybean (Reuters)

CBOT markets are closed on Thursday for Thanksgiving Day holiday.

Our Call of The Day:

**Mildly Bearish**

24 November 2017

### Crude Palm Oil Futures

#### Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Dec17	2,530	-55	2,563	2,563	2,530	2,352	-329	677
Jan18	2,582	-39	2,616	2,616	2,580	20,201	-2,537	4,599
Feb18	2,609	-35	2,633	2,635	2,606	33,965	-1,085	18,687
Mar18	2,633	-30	2,648	2,652	2,630	38,154	-1,015	6,570
Apr18	2,642	-28	2,667	2,667	2,639	31,191	794	4,875
May18	2,641	-28	2,656	2,658	2,639	36,115	257	4,088
Jul18	2,609	-25	2,625	2,629	2,605	24,748	300	2,152
Sep18	2,578	-23	2,592	2,595	2,574	19,074	-189	965
Nov18	2,575	-21	2,587	2,590	2,572	17,683	63	188
Jan19	2,592	-21	2,595	2,595	2,591	4,073	7	28
Mar19	2,597	-35	2,610	2,612	2,597	3,732	11	65
May19	2,583	-35	-	-	-	4,854	0	-
Jul19	2,555	-35	-	-	-	710	0	-
Sep19	2,511	-35	-	-	-	137	0	-
Nov19	2,511	-35	-	-	-	0	0	-
<b>Total</b>						<b>236,989</b>	<b>-1,553</b>	<b>42,894</b>

#### Spreads

Contract	Open	High	Low	Last	Vol
Dec17 /Jan18	-47	-47	-60	-53	179
Jan18 /Feb18	-23	-21	-28	-27	2,420
Feb18 /Mar18	-19	-18	-25	-25	2,542
Mar18 /Apr18	-6	-6	-9	-9	1,133

#### 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	0.54
DCE Palm Oil	JAN18	5,506	-2.00
DCE Soybean Oil	JAN18	5,920	0.00

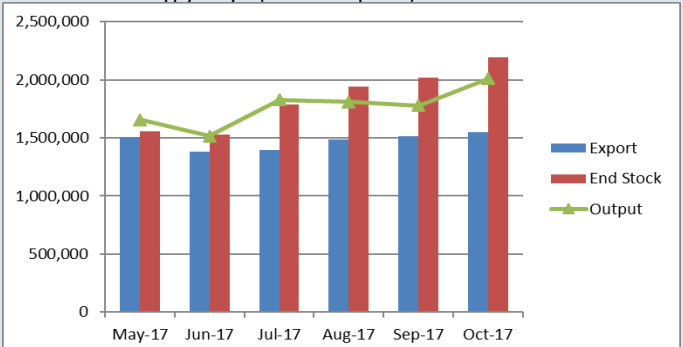
#### Exchange Rate

Currency	Last
USDMYR	4.1082
USDIDR	13,478
USDCNY	6.5835

#### Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	NOV17	n.a.	5456.42	n.a.
FOB CPO (Indo)	USD/mt	DEC17	652.5	655	653.75
FOB RBD Palm Olein (M'sia)	USD/mt	DEC17	645	652.5	648.75
FOB RBD Palm Oil (M'sia)	USD/mt	DEC17	n.a.	647.5	n.a.

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

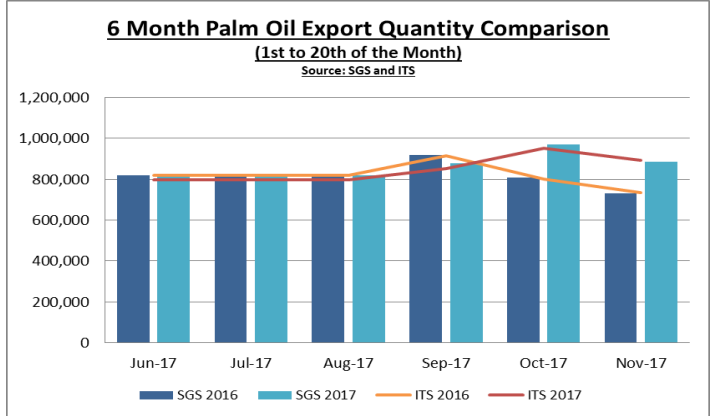


**Demand and Supply Data**

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	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		

(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)**



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