

FCPO Daily Commentary

Brought to you by Phillip Futures Sdn Bhd (622533-U) (A member of PhillipCapital)

PALM FCPO NOV17 (2750 -27)

Our Call of The Day:

Consolidation
28 August 2017

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm heads for first fall in 7 sessions on weak export data.
- CBOT soybeans end lower on profit-taking.

Crude Palm Oil

Malaysian palm oil futures fell 1 percent in first-half trade on Friday on cargo surveyor data that showed weak exports and as investors booked profit following six straight sessions of gains.

The benchmark November 17 lost RM27 to RM2,750 per tonne, prices were traded between RM2,763 and RM2,738 with total traded volume for palm stood at 51,050 lots.

Palm gained 5.3 percent in the previous six sessions, hitting a five-month high on Thursday, on expectations that production growth will be slower than earlier forecasts.

Referring to data from cargo surveyor Intertek Testing Services (ITS), palm oil shipments from Malaysia, the world's second largest producer after Indonesia, fell 8.1 percent on month during Aug. 1-25. Another cargo surveyor Societe Generale de Surveillance said, exports of Malaysian palm oil products for August 1-25 fell 8.4 percent.

David Ng, derivatives specialist at Phillip Futures, said there's concern about weak palm oil exports. He added that market also reacting to losses in soybean oil markets, as well as the stronger ringgit.

Today, the palm prices expect to remain in downside trading on weaker export data and losses in overnight soyoil market. We expect the profit taking activity to be in place as technically the price still have range to retrace.

For the benchmark palm oil contract, we locate the immediate support at RM2,720 while the immediate resistance at RM2,770.

Soybean (Reuters)

Chicago Board of Trade soybean futures drifted lower on Friday on light profit-taking ahead of the weekend and following a three-session climb in the benchmark November contract.

Traders were monitoring the path of Hurricane Harvey, which was forecast to make landfall on the southern Texas coast on Friday and eventually bring rain and localized flooding to the Mississippi River Delta, a minor soy-producing region.

Fresh export demand helped underpin values. The U.S. Department of Agriculture said private exporters sold 132,000 tonnes of U.S. soybeans to China for delivery during the 2017-18 marketing year. The USDA also said private exporters sold 105,500 tonnes of U.S. soybean meal to Thailand for 2017-18 delivery.

After the CBOT close, Farm Journal's Pro Farmer newsletter projected 2017 U.S. soybean production at 4.331 billion bushels, based on a yield of 48.5 bushels per acre.

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Sep17	2,733	-17	2,737	2,780	2,722	3,088	-579	655
Oct17	2,739	-27	2,752	2,753	2,727	16,984	-563	1,711
Nov17	2,750	-27	2,760	2,763	2,738	49,631	-156	25,628
Dec17	2,760	-26	2,767	2,771	2,748	23,401	-1,385	7,262
Jan18	2,772	-28	2,781	2,782	2,760	26,810	-267	3,205
Feb18	2,781	-31	2,789	2,793	2,772	2,718	-38	679
Mar18	2,785	-27	2,794	2,795	2,773	18,950	572	4,228
May18	2,784	-24	2,783	2,788	2,770	28,146	113	2,817
Jul18	2,757	-26	2,760	2,763	2,746	15,704	160	2,614
Sep18	2,737	-20	2,739	2,743	2,725	13,989	212	643
Nov18	2,737	-18	2,738	2,744	2,724	15,334	660	1,005
Jan19	2,752	-18	2,753	2,753	2,742	1,166	-1	69
Mar19	2,762	-18	2,763	2,767	2,747	1,401	115	179
May19	2,766	-17	2,766	2,768	2,748	1,465	313	340
Jul19	2,763	-17	2,763	2,763	2,763	374	-15	15
Total						219,161	-859	51,050

Spreads

Contract	Open	High	Low	Last	Vol
Sep17 /Oct17	-11	-6	-13	-6	212
Oct17 /Nov17	-12	-10	-13	-11	812
Nov17 /Dec17	-9	-7	-10	-10	4,102
Dec17 /Jan18	-13	-11	-13	-12	505

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	NOV17	944.50	-2.00
Soybean Oil	DEC17	34.95	-0.18
Soybean Meal	DEC17	300.00	-0.90
Crude Oil	OCT17	47.87	0.44
DCE Palm Oil	JAN18	5,576	28.00
DCE Soybean Oil	JAN18	6,394	6.00

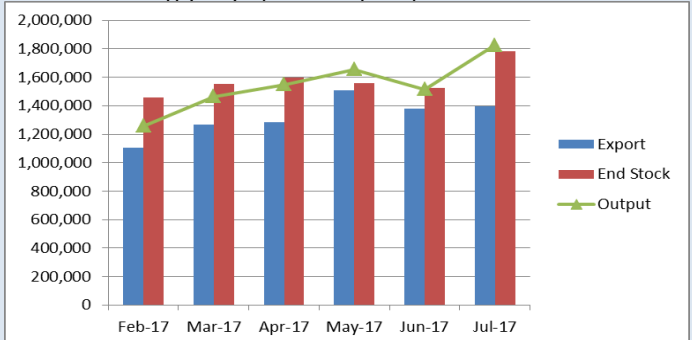
Exchange Rate

Currency	Last
USD/MYR	4.2725
USD/IDR	13,349
USDCNY	6.6466

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	AUG17	n.a.	5307.61	n.a.
FOB CPO (Indo)	USD/mt	SEP17	672.50	677.50	675.00
FOB RBD Palm Olein (M'sia)	USD/mt	SEP17	670.00	677.50	673.75
FOB RBD Palm Oil (M'sia)	USD/mt	SEP17	n.a.	672.50	n.a.

MPOB Demand and Supply Analysis (6 Month Comparison)

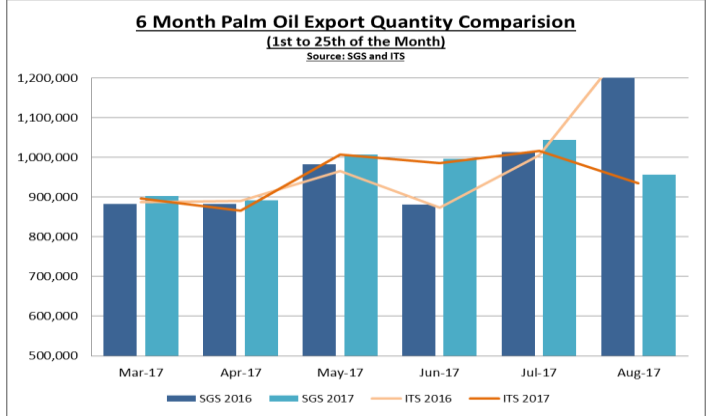


Demand and Supply Data

Date	Cargo Surveyor Figures			SGS (in tonnes)		
	ITS (in tonnes)			Jul'17	Aug'17	Chg (%)
First 10 days	360,114	355,009	-1.4	381,241	363,007	-4.8
First 15 days	599,414	512,039	-14.6	615,671	537,022	-12.8
First 20 days	796,664	679,539	-14.7	817,961	692,662	-15.3
First 25 days	1,016,689	934,544	-8.1	1,044,456	956,547	-8.4
Full month	1,190,583			1,260,143		

(in tonnes)	Malaysia Palm Oil Board Data (MPOB)			PFSB Forecast	
	Jun'17	Jul'17	MoM (%)	Jul'17	Chg (%)
Production	1,514,165	1,827,108	20.7	1.74	15
Export	1,379,720	1,397,846	1.3	1.45	5
Import	45,828	52,962	15.6		
Local Disapp	210,883	225,152	6.8		
Stock	1,527,071	1,784,143	16.8	1.60	5
Stock/Use ratio	0.93	1.06	14.0		

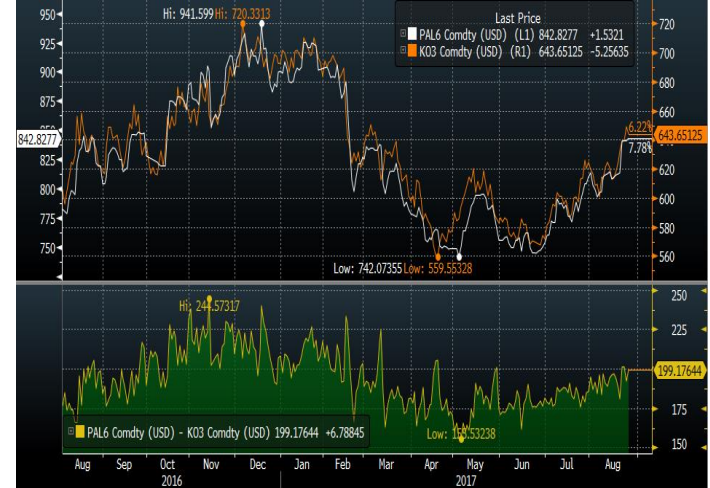
Export Quantity Analysis



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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