

FCPO Daily Commentary

Brought to you by Phillip Futures Sdn Bhd (362533-U) (A member of PhillipCapital)

PALM FCPO MAR18 (2538,+38)

Our Call of The Day:

Consolidation
28 December 2017

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm prices hits over 1-week high on exports, stronger related oils.
- Soybeans decline on profit-taking, weaker soymeal prices.

Crude Palm Oil

Malaysian palm oil futures firmed on Wednesday closed, hitting their highest in more than a week on improved exports data and tracking stronger related edible oils.

The benchmark March 18 gained RM38 to RM2,538 per tonne, prices were traded between RM2,503 and RM2,541 with total traded volume for palm stood at 31,509 lots.

Exports of Malaysian palm oil products for Dec. 1-25 rose 1 percent from a month earlier, data released by cargo surveyors Intertek Testing Services (ITS) before the midday break on Tuesday showed. While another cargo surveyor, Societe Generale de Surveillance (SGS) reported in the evening a 1.3 percent gain in Malaysian shipments for the same time period.

Market adding expectation on production declining until the first quarter of next year in line with the seasonal trend. It last declined 3.3 percent to 1.94 million tonnes in November.

In other related edible oils, the May18 soybean oil contract on the Dalian Commodity Exchange was up 0.4 percent, while the Dalian Jan18 palm olein contract also rose 0.5 percent.

The sentiment remain firm as market expect on lower production and stronger export in coming months, however, we expect the palm prices to trade slightly lower as overnight losses in soyoil could weigh on sentiment before continue its upward movement.

Soybean (Reuters)

Chicago Board of Trade soybean futures fell from a 1-1/2-week high on Wednesday, declining as investors locked in profits and soymeal prices weakened.

Soybeans had climbed the previous two sessions, buoyed by worries that dry weather could reduce yields in Argentina. But weekend rainfall alleviated some of those concerns and prompted traders to take profits on short positions.

The U.S. Department of Agriculture announced a sale of 110,000 tonnes of U.S. soybeans to China.

There was an explosion at the General San Martin port in Argentina's grains hub of Rosario on Wednesday, affecting shipping activities, the CIARA-CEC chamber of export companies said.

Soyoil futures followed soybeans and soymeal lower, despite Malaysian palm oil prices rising to a one-week high.

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contact	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Jan18	2,474	36	2,443	2,474	2,443	3,588	-328	320
Feb18	2,511	39	2,485	2,514	2,475	24,376	-686	2,387
Mar18	2,538	38	2,515	2,541	2,503	44,976	1,122	19,744
Apr18	2,559	40	2,535	2,560	2,520	35,813	-39	2,410
May18	2,570	41	2,540	2,573	2,534	45,405	452	3,687
Jun18	2,561	42	2,542	2,564	2,537	6,378	501	1,215
Jul18	2,546	39	2,519	2,553	2,519	26,831	180	933
Sep18	2,537	36	2,510	2,544	2,510	21,032	-35	663
Nov18	2,537	36	2,530	2,540	2,523	18,917	27	127
Jan19	2,566	36	2,560	2,560	2,548	5,753	-1	6
Mar19	2,584	36	2,568	2,568	2,568	5,501	1	1
May19	2,581	36	-	-	-	6,508	0	-
Jul19	2,574	36	-	-	-	812	8	8
Sep19	2,559	36	-	-	-	238	0	8
Nov19	2,559	36	-	-	-	30	0	-
Total						246,158	1,202	31,509

Spreads

Contract	Open	High	Low	Last	Vol
Jan18 /Feb18	-36	-35	-40	-40	162
Feb18 /Mar18	-27	-25	-31	-25	1,363
Mar18 /Apr18	-17	-16	-20	-20	1,122
Apr18 /May18	-12	-11	-14	-12	554

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	MAR 18	967.50	-3.00
Soybean Oil	MAR 18	33.27	-0.15
Soybean Meal	MAR 18	318.50	-0.90
Crude Oil	FEB 18	59.64	-0.33
DCE Palm Oil	MAY 18	5,222	48.00
DCE Soybean Oil	MAY 18	5,690	24.00

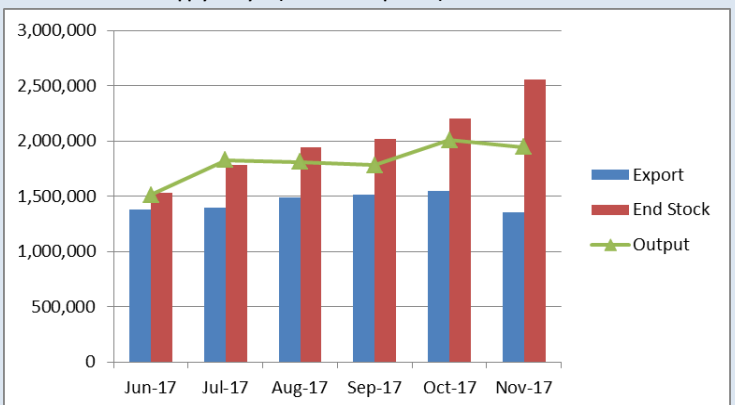
Exchange Rate

Currency	Last
USDMYR	4.0747
USDDIDR	13,562
USDCNY	6.5565

Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	DEC17	n/a	4960.38	n/a
FOB CPO (Indo)	USD/mt	JAN18	627.5	635	631.25
FOB RBD Palm Olein (M'sia)	USD/mt	JAN18	n/a	627.50	621.25
FOB RBD Palm Oil (M'sia)	USD/mt	JAN18	n/a	622.50	n/a

MPOB Demand and Supply Analysis (6 Month Comparison)

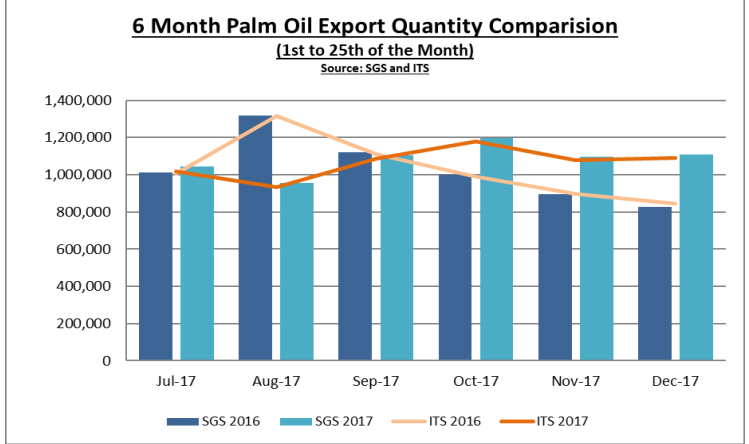


Demand and Supply Data

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	891,926	874,022	-2.0	882,943	865,309	-2.0
First 25 days	1,079,427	1,090,622	1.0	1,094,318	1,108,189	1.3
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

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

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

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

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

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

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

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

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

DISCLAIMER
 This publication is solely for information only. It should not be construed as an offer or solicitation for the subscription, purchase or sale of the futures contracts mentioned herein. The publication has been prepared by Phillip Futures Sdn Bhd on the basis of publicly available information, internally developed data and other sources believed to be reliable. Whilst we have taken all reasonable care to ensure that the information contained in this publication is accurate and the opinions are fair and reasonable, it does not guarantee the accuracy or completeness of this publication. Accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of any person or group of persons acting on such information and advice. This publication was prepared without regard to your specific investment objectives, financial situation or particular needs. Whilst views and advice given are in good faith, you should not regard the publication as a substitute for the exercise of your own judgement and should seek other professional advice for your specific investment needs or financial situations.