

# FCPO Daily Commentary

Brought to you by Phillip Futures Sdn Bhd (62533-U) (A member of PhillipCapital)

## PALM FCPO NOV17 (2713 -25)

### FCPO 3rd Month Daily Candle Chart



#### Market Commentary

##### Highlights:

- Palm down nearly 1 pct in third daily decline on weaker edible oils.
- CBOT soybeans weaken on ample supply, corn declines.
- Malaysian Palm Oil Board is scheduled to release production data for August on Sept. 11.

#### Crude Palm Oil

Malaysian palm oil futures fell by nearly 1 percent on Tuesday evening, hitting their lowest in a week under pressure from weakness in related edible oils as traders took profits ahead of a long holiday weekend.

The benchmark November 17 dropped RM25 to RM2,713 per tonne, prices were traded between RM2,735 and RM2,711 with total traded volume for palm stood at 34,605 lots.

The market slip on expectations of production growth, adding this would contribute to the country's growing stockpiles. However, traders were uncertain about the extent of production gains.

In the related news, Indonesia's trade ministry announced on Tuesday that they will maintain export taxes for cocoa beans and crude palm oil at zero for September. The unchanged in Indonesia export tax likely to remain their competitiveness, hence could affect Malaysia palm oil export.

We expect the market to be in consolidate with downside bias tracking losses in overnight soyoil market and ringgit strengthening.

For the benchmark palm oil contract, we locate the immediate support at RM2,695 while the immediate resistance at RM2,750.

#### Soybean (Reuters)

Chicago Board of Trade soybean futures eased to a roughly one-week low on Tuesday, declining in tandem with falling corn prices after the U.S. Department of Agriculture unexpectedly boosted U.S. soy crop condition ratings on Monday.

Soybeans eased for the second straight session as traders took profits following modest gains last week.

The U.S. Department of Agriculture said exporters sold 198,000 tonnes of U.S. soybeans to China for delivery in the shipping season that starts on Sept. 1.

Soyoil futures fell nearly 1 percent, further pressuring soybeans, while soymeal futures declined about 0.4 percent.

Our Call of The Day:

**Consolidation**  
30 August 2017

### Crude Palm Oil Futures

#### Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Sep17	2,680	-43	2,711	2,711	2,680	1,989	-642	322
Oct17	2,705	-28	2,719	2,726	2,702	15,078	-246	2,079
Nov17	2,713	-25	2,726	2,735	2,711	47,561	-108	16,925
Dec17	2,721	-29	2,738	2,744	2,719	22,869	423	6,161
Jan18	2,734	-27	2,752	2,757	2,732	26,339	-1,084	3,231
Feb18	2,744	-25	2,759	2,759	2,743	2,687	-17	322
Mar18	2,749	-24	2,763	2,763	2,748	18,990	178	1,022
May18	2,751	-20	2,758	2,761	2,749	27,182	-838	1,533
Jul18	2,724	-20	2,732	2,732	2,721	15,055	-51	1,114
Sep18	2,701	-17	2,712	2,714	2,698	14,483	411	676
Nov18	2,700	-19	2,710	2,713	2,697	16,278	593	883
Jan19	2,715	-19	2,725	2,725	2,725	1,196	-1	1
Mar19	2,728	-20	2,727	2,739	2,726	1,594	157	170
May19	2,727	-24	2,728	2,739	2,725	1,714	147	159
Jul19	2,724	-24	2,730	2,730	2,724	383	7	7
<b>Total</b>						<b>213,398</b>	<b>-1,071</b>	<b>34,605</b>

#### Spreads

Contract	Open	High	Low	Last	Vol
Sep17 / Oct17	-15	-10	-15	-13	106
Oct17 / Nov17	-7	-5	-10	-7	985
Nov17 / Dec17	-10	-7	-11	-8	2,188
Dec17 / Jan18	-13	-12	-14	-14	1,357

#### Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	NOV17	937.25	-4.00
Soybean Oil	DEC17	34.65	-0.31
Soybean Meal	DEC17	299.20	-0.20
Crude Oil	OCT17	46.44	-0.17
DCE Palm Oil	JAN18	5,504	-46.00
DCE Soybean Oil	JAN18	6,336	-44.00

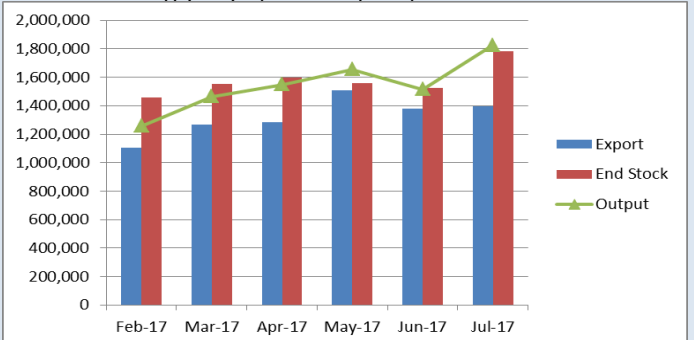
#### Exchange Rate

Currency	Last
USDMYR	4.2666
USDIDR	13,354
USDCNY	6.6090

#### Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	AUG17	n.a.	5241.47	n.a.
FOB CPO (Indo)	USD/mt	SEP17	662.50	672.50	667.50
FOB RBD Palm Olein (M'sia)	USD/mt	SEP17	662.50	670.00	666.25
FOB RBD Palm Oil (M'sia)	USD/mt	SEP17	n.a.	665.00	n.a.

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

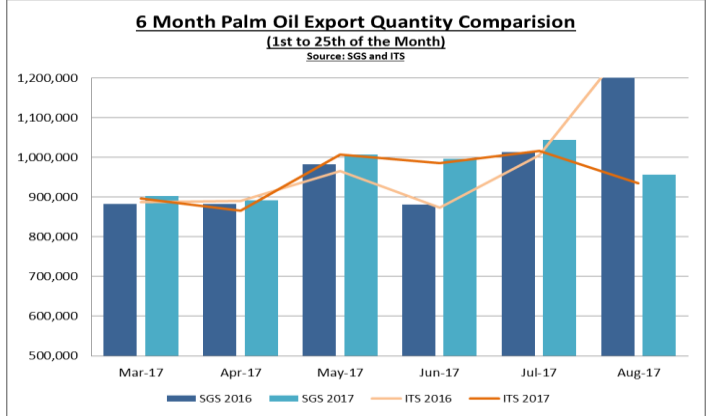


**Demand and Supply Data**

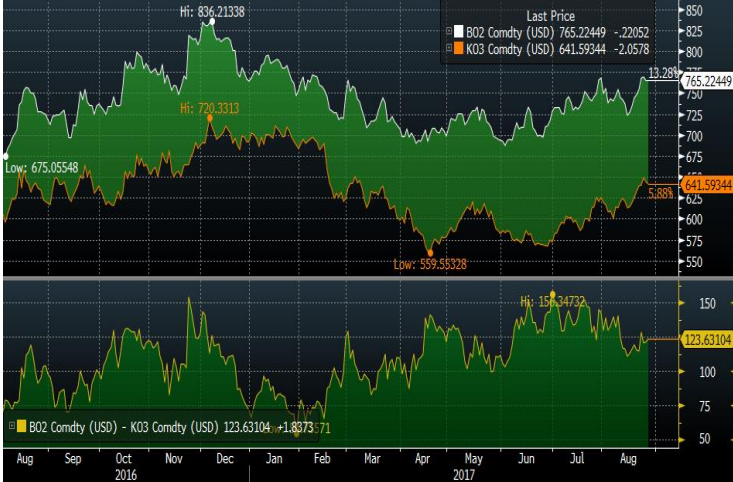
Date	Cargo Surveyor Figures			SGS (in tonnes)		
	ITS (in tonnes)			Jul'17	Aug'17	Chg (%)
First 10 days	360,114	355,009	-1.4	381,241	363,007	-4.8
First 15 days	599,414	512,039	-14.6	615,671	537,022	-12.8
First 20 days	796,664	679,539	-14.7	817,961	692,662	-15.3
First 25 days	1,016,689	934,544	-8.1	1,044,456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

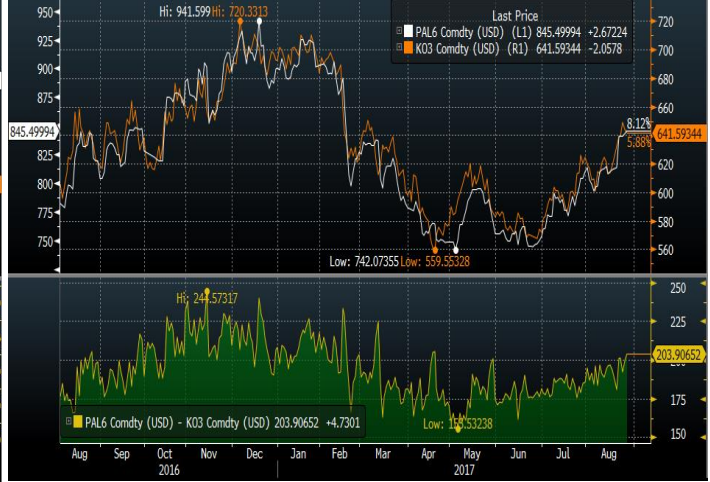
**Export Quantity Analysis**



**Spread (CBOT Soyoil - BMD Crude Palm Oil)**



**Spread (DCE Palm Olein - BMD Crude Palm Oil)**



Sources: Thomson Reuters / Bloomberg/ MPOB /ITS/ SGS/ Phillip Futures

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)

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

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

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

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

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

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

**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.