

# FCPO Daily Commentary

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## PALM FCPO APR18 (2492,-27)

Our Call of The Day:

**Market Closed**  
31 January 2018

### FCPO 3rd Month Daily Candle Chart



### Market Commentary

#### Highlights:

- Palm drops more than 1 percent on weaker related oils.
- Soybeans jump on dry Argentina weather.

#### Crude Palm Oil

Malaysian palm oil futures fell more than 1 percent late on Tuesday, charting a third session of losses in four, as they tracked losses in related edible oils.

The benchmark April 18 pared 27 points to RM2,492 per tonne, prices were traded between RM2,484 and RM2,514 with total traded volume for palm stood at 37,189 lots.

Palm oil prices are affected by performances in other oils as they compete for a share in the global vegetable oils market.

According to a Kuala Lumpur-based trader, Overseas markets are all lower, so palm is under pressure but the fall is slow perhaps due to expectations of lower production.

Cargo surveyor data for Malaysia's January exports from Intertek Testing Services is scheduled for release on Wednesday after 0300 GMT, while data from Societe Generale de Surveillance will be released on Friday.

Malaysian markets will be closed on Wednesday and Thursday for national holidays, and will resume trading on Friday.

#### Soybean (Reuters)

Chicago Board of Trade soybean futures rose on Tuesday as persistently dry weather in key production areas of Argentina fueled concerns about the crop in the world's No. 3 soybean exporter and top supplier of soy meal and soy oil.

Key production areas in Argentina are expected to see little rain over the next 10 days to two weeks.

A top Agriculture Ministry official in Argentina said no more planting area losses are expected, but February rains will be crucial for realizing yield potential.

### Crude Palm Oil Futures

#### Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Feb18	2,490	-24	2,500	2,504	2,482	2,187	-264	393
Mar18	2,493	-24	2,506	2,513	2,486	17,253	-17	1,624
Apr18	2,492	-27	2,507	2,514	2,484	46,158	704	18,180
May18	2,497	-24	2,510	2,516	2,488	51,401	486	8,529
Jun18	2,492	-26	2,510	2,513	2,486	20,044	982	3,182
Jul18	2,486	-20	2,502	2,505	2,481	25,081	99	2,318
Sep18	2,470	-18	2,479	2,488	2,467	25,688	270	1,721
Nov18	2,465	-19	2,476	2,484	2,462	21,271	207	909
Jan19	2,492	-19	2,492	2,492	2,489	6,360	-54	96
Mar19	2,515	-18	2,511	2,525	2,511	9,650	67	92
May19	2,515	-18	2,511	2,526	2,508	9,960	123	143
Jul19	2,515	-18	-	-	-	994	0	1
Sep19	2,499	-18	-	-	-	272	0	1
Nov19	2,499	-18	-	-	-	31	0	-
Jan20	2,499	-18	-	-	-	0	0	-
<b>Total</b>						<b>236,350</b>	<b>2,603</b>	<b>37,189</b>

#### Spreads

Contract	Open	High	Low	Last	Vol
Feb18 /Mar18	-7	-3	-8	-6	219
Mar18 /Apr18	-2	2	-2	-	1,095
Apr18 /May18	-2	-1	-6	-4	3,670
May18 /Jun18	3	4	1	3	717

#### Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	MAR18	1,000.25	8.75
Soybean Oil	MAR18	33.08	0.21
Soybean Meal	MAR18	340.50	3.10
Crude Oil	MAR18	64.50	-1.08
DCE Palm Oil	MAY18	5,214	-24.00
DCE Soybean Oil	MAY18	5,762	-50.00

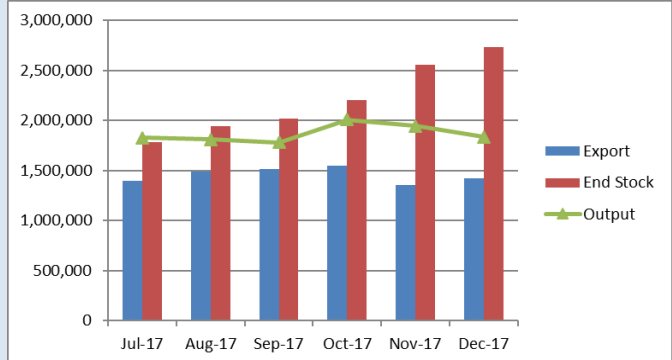
#### Exchange Rate

Currency	Last
USDMYR	3.9005
USDIDR	13,397
USDCNY	6.3233

#### Physical Palm Oil Market

Commodities	Unit	Month	Bid	Ask	Value
CPKO Local Delivery (M'sia)	RM/mt	JAN18	n/a	4828.10	n/a
FOB CPO (Indo)	USD/mt	FEB18	640.00	645.00	642.50
FOB RBD Palm Olein (M'sia)	USD/mt	FEB18	n/a	655.00	652.50
FOB RBD Palm Oil (M'sia)	USD/mt	FEB18	n/a	652.50	n/a

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

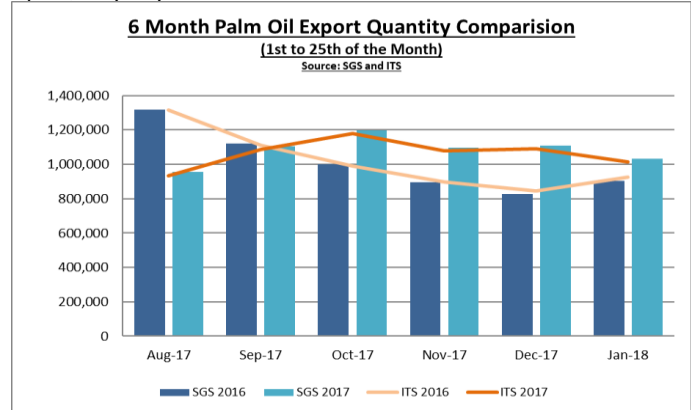


**Demand and Supply Data**

Date	ITS (in tonnes)			SGS (in tonnes)		
	Dec'17	Jan'18	Chg (%)	Dec'17	Jan'18	Chg (%)
First 10 days	364,277	359,346	-1.4	339,289	380,837	12.2
First 15 days	596,862	552,635	-7.4	581,254	564,968	-2.8
First 20 days	874,022	727,958	-16.7	865,309	744,706	-13.9
First 25 days	1,090,622	1,013,897	-7.0	1,108,189	1,032,615	-6.8
Full month	1,422,070			1,439,477		

(in tonnes)	Malaysia Palm Oil Board Data (MPOB)			PFSB Forecast	
	Nov'17	Dec'17	MoM (%)	Jan'18	Chg (%)
Production	1,942,847	1,834,167	-5.6		
Export	1,356,378	1,422,928	4.9		
Import	30,191	14,991	-50.3		
Local Disapp	266,596	248,314	-6.9		
Stock	2,553,773	2,731,689	7.0		
Stock/Use ratio	1.27	1.62	27.6		

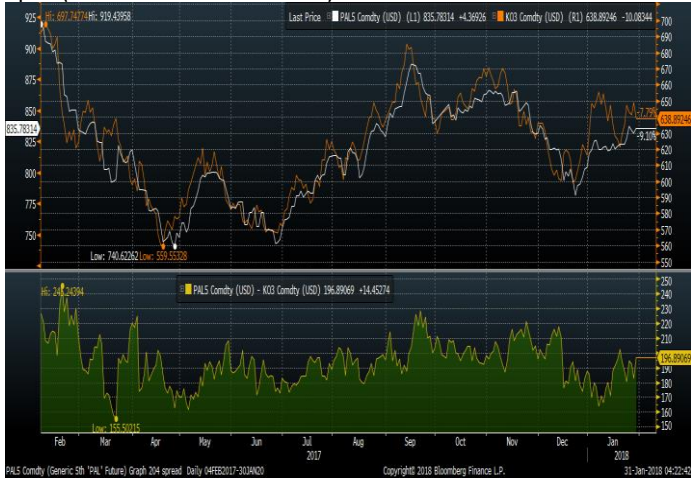
**Export Quantity Analysis**



**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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