

FCPO Daily Commentary

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PALM FCPO NOV17 (2706, -7)

FCPO 3rd Month Daily Candle Chart



Market Commentary

Highlights:

- Palm extends decline on expectation of higher inventories.
- CBOT soy grinds lower on technical selling, good crop prospect.

Crude Palm Oil

Malaysian palm oil futures fell for a fourth straight session on Wednesday, ahead of a long weekend in Malaysia, due to expectations of a rise in inventories.

The benchmark palm oil contract for November delivery on the Bursa Malaysia Derivatives Exchange was down 0.3 percent at 2,706 ringgit by market close, after hitting its lowest since Aug. 21 at 2,703 ringgit earlier in the session.

Palm inventories in August are seen higher as exports are expected to fall from the previous month while production is likely to be higher.

The Bursa Malaysia Derivatives Exchange market will be closed on Thursday, Friday and Monday for public holidays.

We expect the CPO market to trade lower next week if soyoil market continue its downward movement during the 3 days of Malaysia public holiday.

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 closed lower for a fourth straight session on Wednesday on technical selling and optimism about U.S. yield prospects.

CBOT November soybeans settled down 4 cents at \$9.33-1/4 per bushel.

Forecasts call for generally benign U.S. crop weather, with low likelihood of a frost in the Midwest through mid-September, agricultural meteorologists said.

The USDA said private exporters sold 131,000 tonnes of U.S. soybeans to China for delivery in the 2017/18 marketing year that begins Sept. 1, 2017. The announcement marked the second sale of U.S. soybeans to China in as many days.

Our Call of The Day:

Consolidation

31 August 2017

Crude Palm Oil Futures

Bursa Malaysia Derivatives FCPO

Contract	Last	Change	Open	High	Low	Open Interest		Volume
						Lots	Changes	
Sep17	2,680	0	2,691	2,694	2,670	1,970	-19	216
Oct17	2,695	-10	2,716	2,718	2,693	14,112	-966	1,878
Nov17	2,706	-7	2,724	2,728	2,703	46,069	-1,492	17,966
Dec17	2,717	-4	2,732	2,735	2,715	22,713	-156	4,895
Jan18	2,731	-3	2,747	2,748	2,729	26,336	-3	3,351
Feb18	2,741	-3	2,756	2,757	2,739	2,679	-8	1,201
Mar18	2,745	-4	2,760	2,760	2,743	18,332	-658	1,743
May18	2,746	-5	2,762	2,762	2,744	26,976	-206	1,022
Jul18	2,721	-3	2,732	2,732	2,718	14,994	-61	758
Sep18	2,703	2	2,711	2,713	2,697	15,127	644	1,535
Nov18	2,701	1	2,705	2,713	2,697	17,030	752	1,880
Jan19	2,717	2	2,719	2,720	2,716	1,188	-8	88
Mar19	2,724	-4	2,727	2,733	2,720	2,069	475	516
May19	2,725	-2	2,730	2,733	2,721	2,112	398	419
Jul19	2,722	-2	2,726	2,726	2,726	384	1	1
Total						212,091	-1,307	37,469

Spreads

Contract	Open	High	Low	Last	Vol
Sep17 / Oct17	-39	-22	-44	-22	73
Oct17 / Nov17	-8	-8	-13	-11	1,126
Nov17 / Dec17	-8	-7	-11	-10	1,484
Dec17 / Jan18	-13	-13	-14	-14	1,341

Correlated Commodity Market

Commodities	Month	Last	Change
Soybeans	NOV17	933.25	-4.00
Soybean Oil	DEC17	34.69	0.04
Soybean Meal	DEC17	297.40	-1.80
Crude Oil	OCT17	45.96	-0.47
DCE Palm Oil	JAN18	5,490	-14.00
DCE Soybean Oil	JAN18	6,314	-22.00

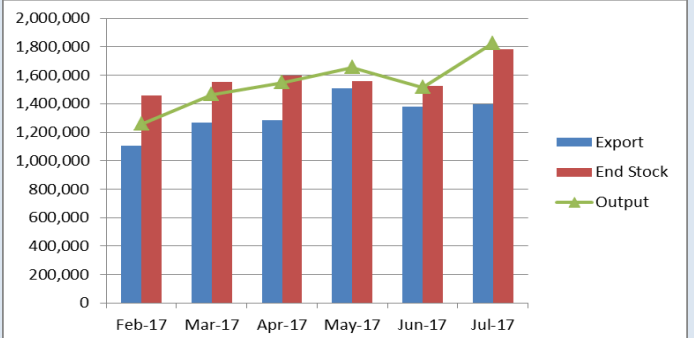
Exchange Rate

Currency	Last
USDMYR	4.2715
USDIDR	13,338
USDCNY	6.5944

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	665.00	670.00	667.50
FOB RBD Palm Olein (M'sia)	USD/mt	SEP17	n.a.	665.00	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)

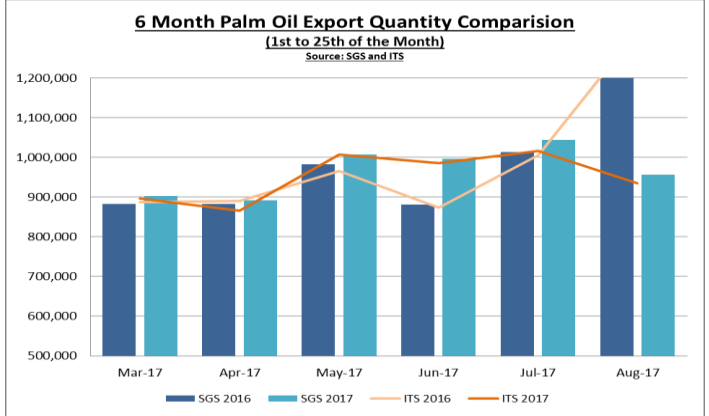


Demand and Supply Data

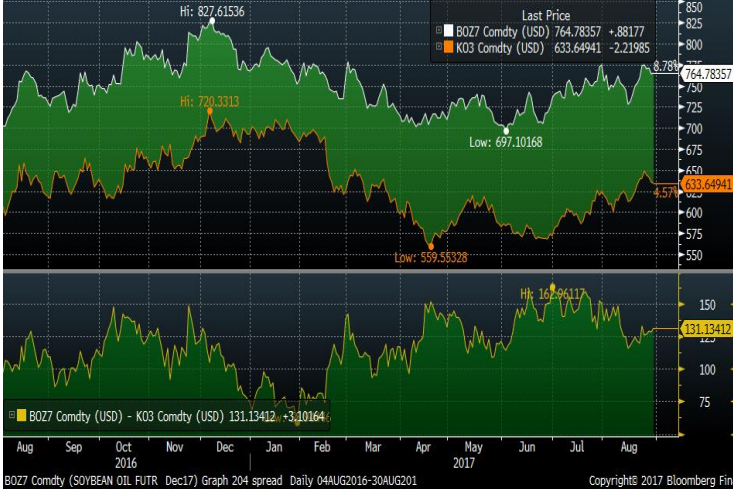
Date	Cargo Surveyor Figures			SGS (in tonnes)		
	Jul'17	Aug'17	Chg (%)	Jul'17	Aug'17	Chg (%)
First 10 days	360,114	355,009	-1.4	381,241	363,007	-4.8
First 15 days	599,414	512,039	-14.6	615,671	537,022	-12.8
First 20 days	796,664	679,539	-14.7	817,961	692,662	-15.3
First 25 days	1,016,689	934,544	-8.1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