



MARKET REPORT

AUGUST
2023



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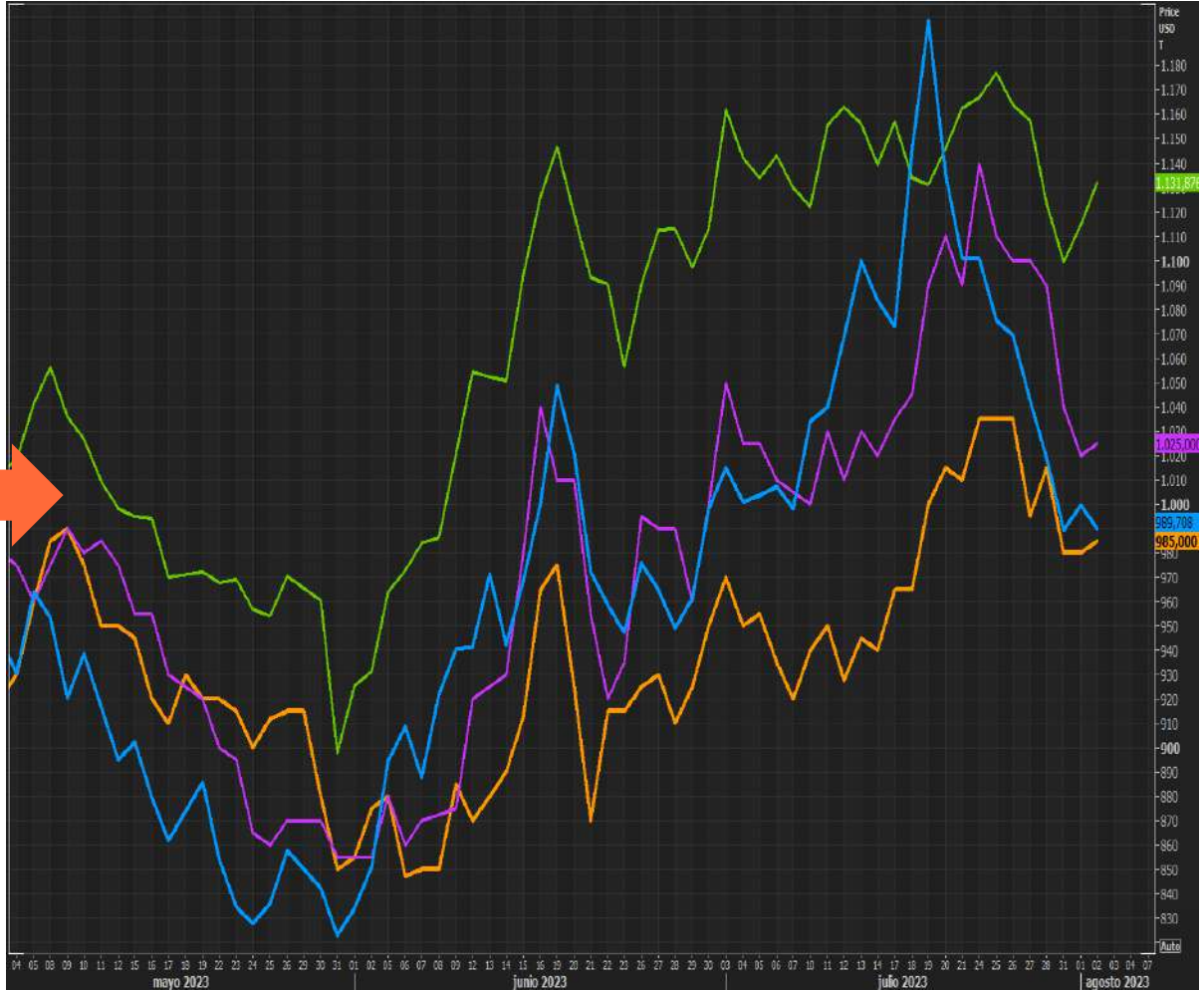
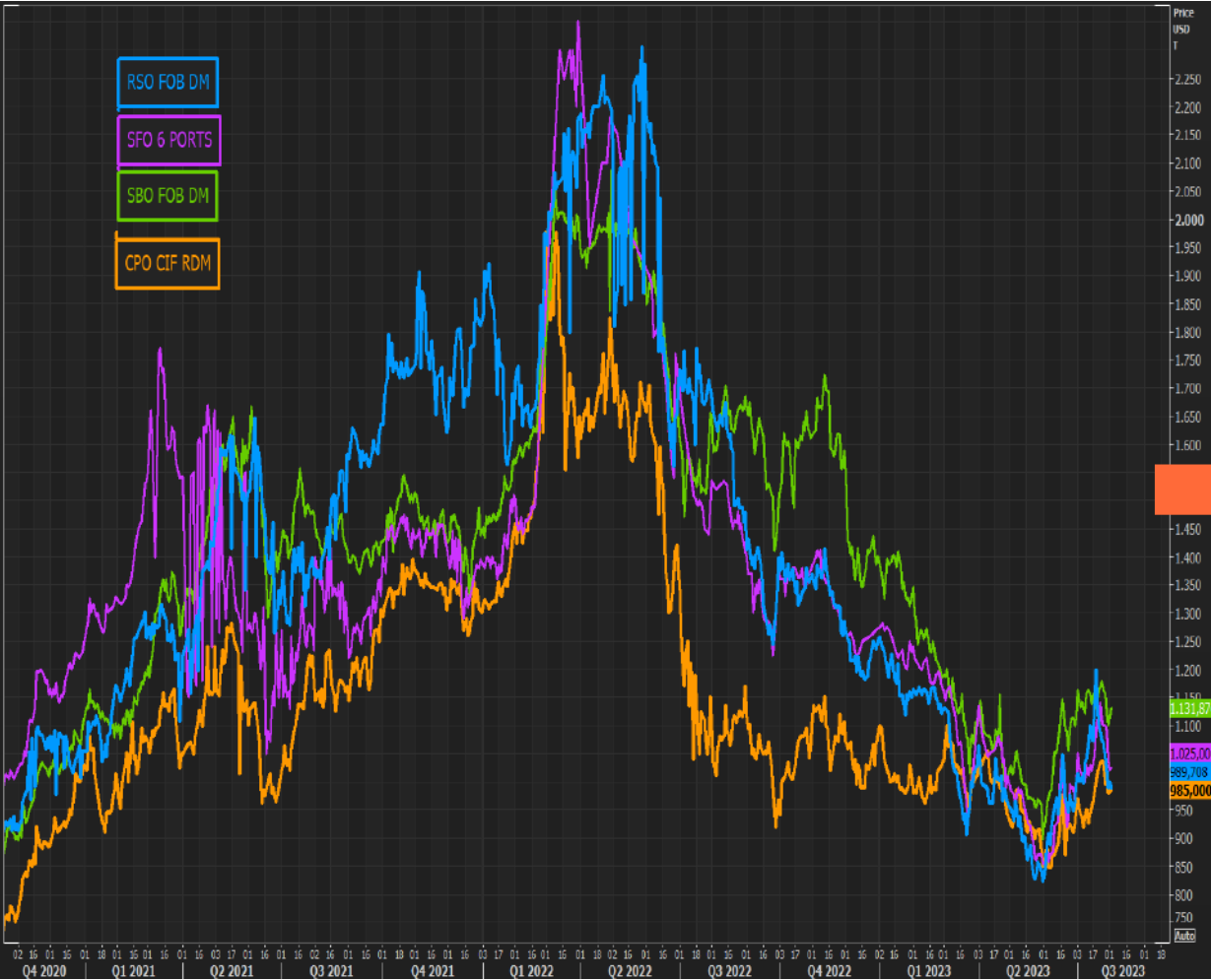
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1.1. VEGETABLE OIL PRICES

		12/07/2023	02/08/2023	Unidad	Dif	Dif %
Crude Palm Oil (3rd Pos)	FOB MALAYSIA	3841	3915	MYR/ MT	74	1,9%
Soya Oil (2nd Pos)	CBOT	61,93	64,66	USD/ MT	3	4,4%
Crude Palm Oil (Sept)	CIF RDM	940	985	USD/ MT	45	4,8%
CCNO Phil/ Indo (Sept/ Oct)	CIF RDM	1050	1110	USD/ MT	60	5,7%
CPKO (Sept/ Oct)	CIF RDM	935	1000	USD/ MT	65	7,0%
Crude Sunflower Oil (OND)	6 PORTS	1010	1025	USD/ MT	15	1,5%
Crude Rape Oil (ASO)	FOB DUTCH MILL	960	925	€/MT	-35	-3,6%
Crude Soya Oil (ASO)	FOB DUTCH MILL	1045	1040	€/MT	-5	-0,5%
EUR/ USD						
	SPOT	1,1128	1,0936		-0,019	-1,7%
Brent Crude						
	SPOT	80,11	83,2	US \$/ BRL	3,09	3,9%
Gas Oils						
	SPOT	754,25	884,5	US \$/ MT	130,25	17,3%

SOURCE: REUTERS

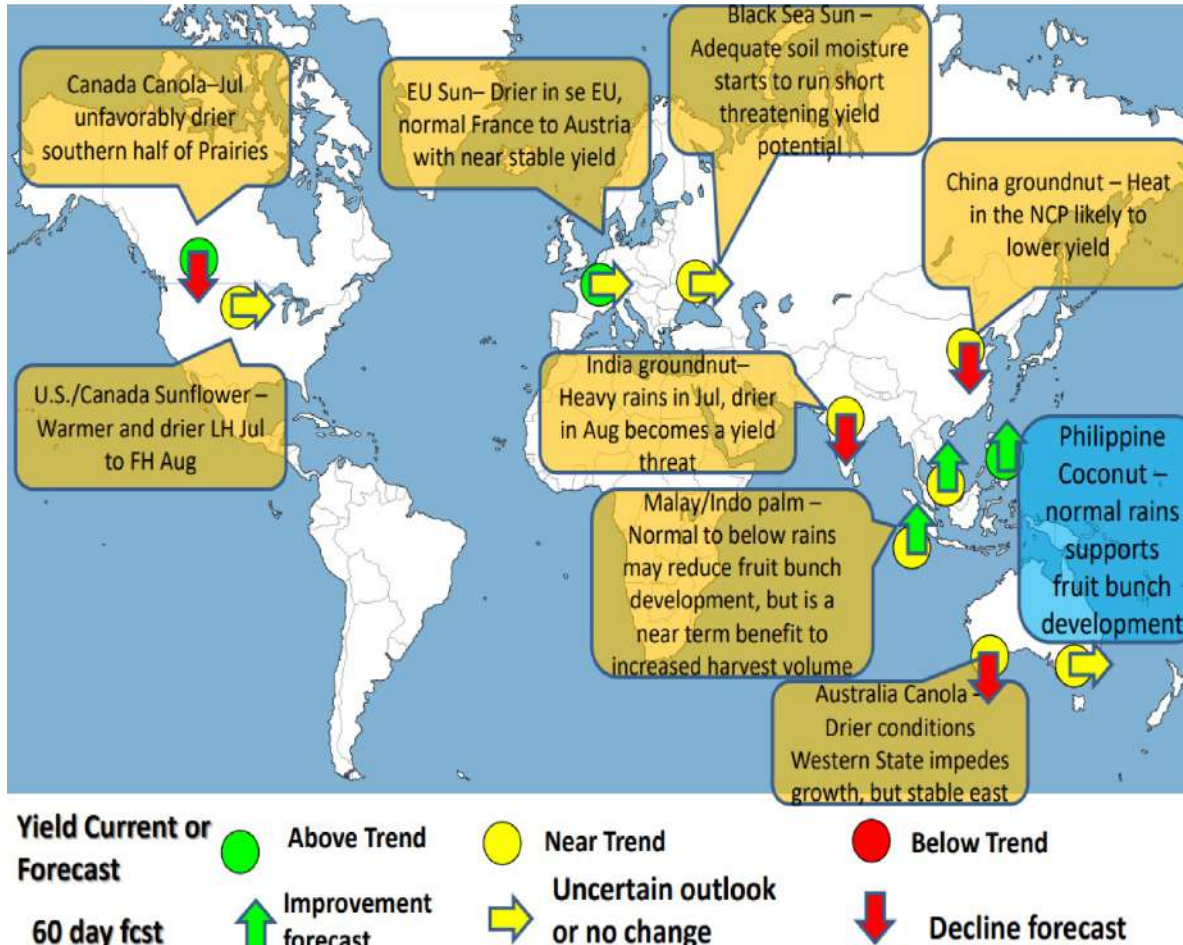
1.2. EUROPEAN VEGETABLE OIL PRICES



SOURCE: REUTERS

2. OILSEEDS + VEGETABLE OILS: The adverse weather continues in Canada, the US, and parts of Europe

Overview / Jul-Aug Wx Risk Outlook:

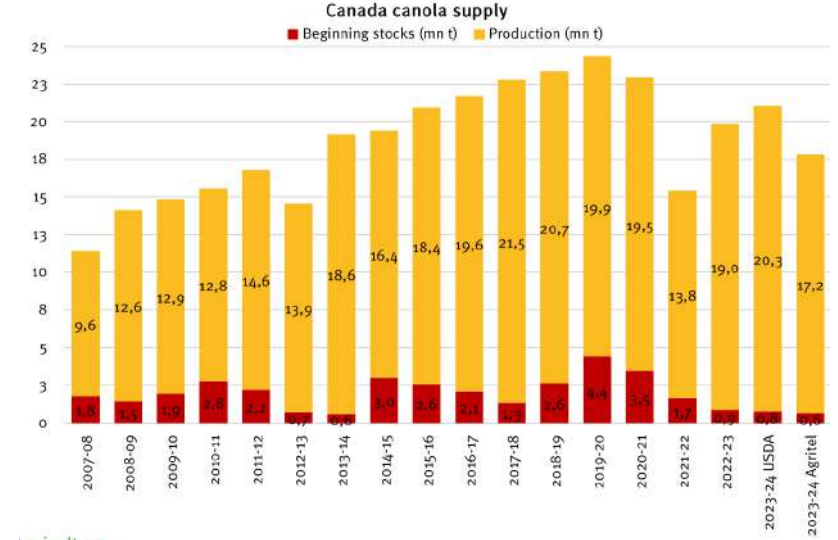
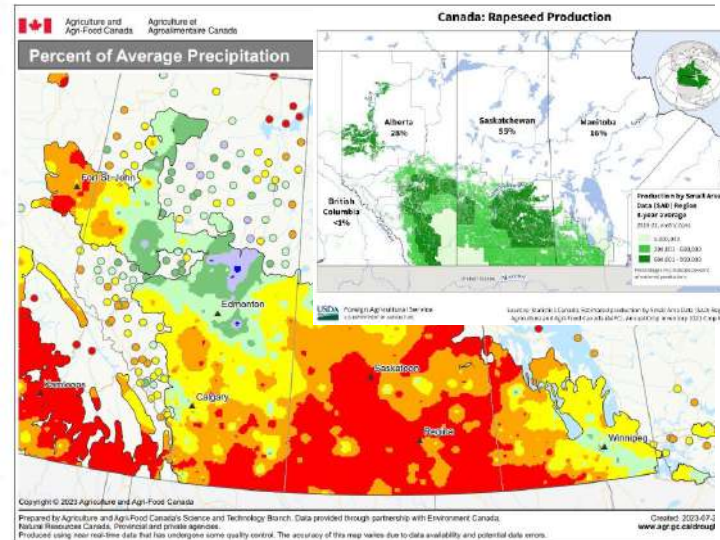
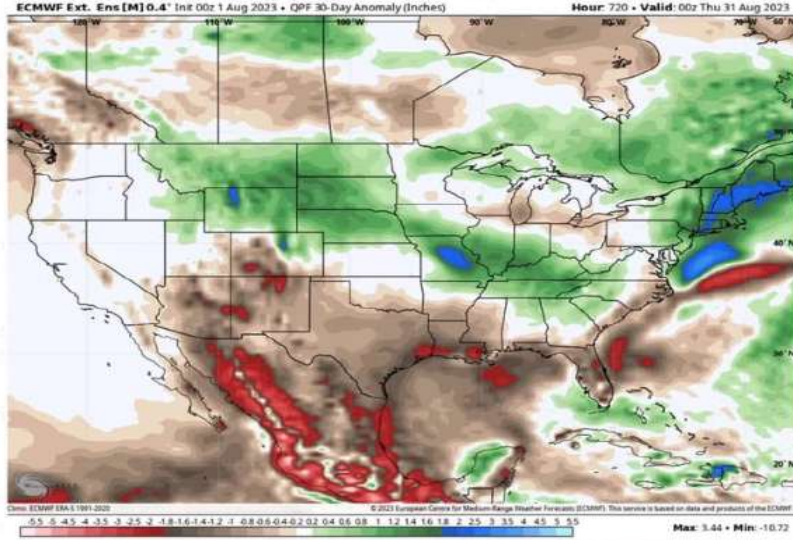


Since the beginning of June:

- World production of SFO and RSO stayed on a high level recently and production of SBO recovered somewhat, except for Argentina.
- Bigger than expected deterioration in US soybean crops.
- Canadian canola was deteriorating.
- Disappointed yields in European rapeseed.
- Favourable weather in Ukraine and Russia for sunflower.
- Uncertainty regarding the escalation of the war in Ukraine and the attacks on port infrastructures.

SOURCES: ETG/OIL WORLD

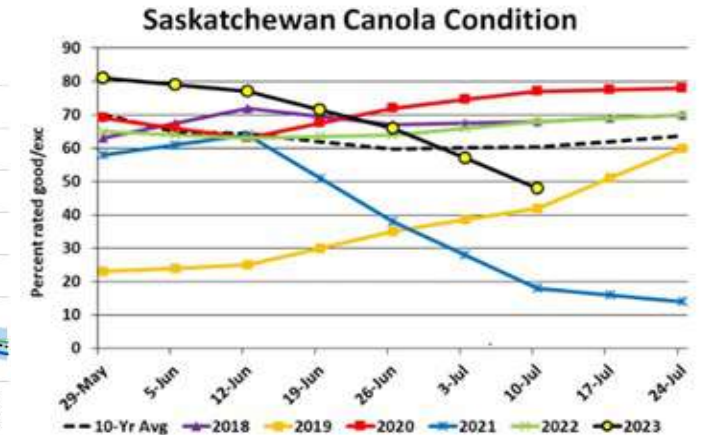
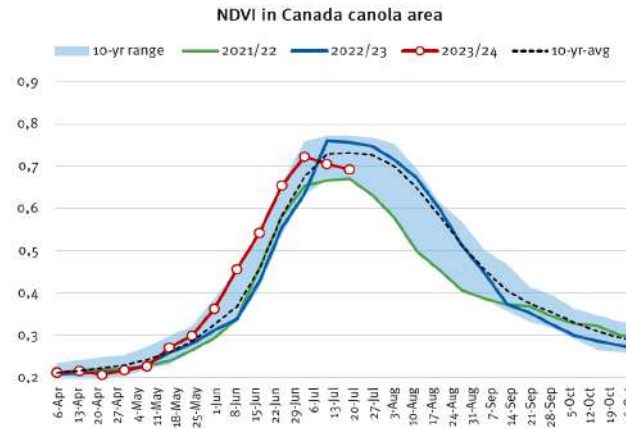
3.1. RAPESEED OIL (RSO): Canada Production Will Be Significantly Lower than Expected



Canada: Several areas in the Prairies still present a significant deficit in soil moisture. The situation appears to be slightly improved in some areas of Alberta but remains critical in Saskatchewan.

Agritel has reduced its estimation from **18.5 MnT** to **17.2 MnT**.

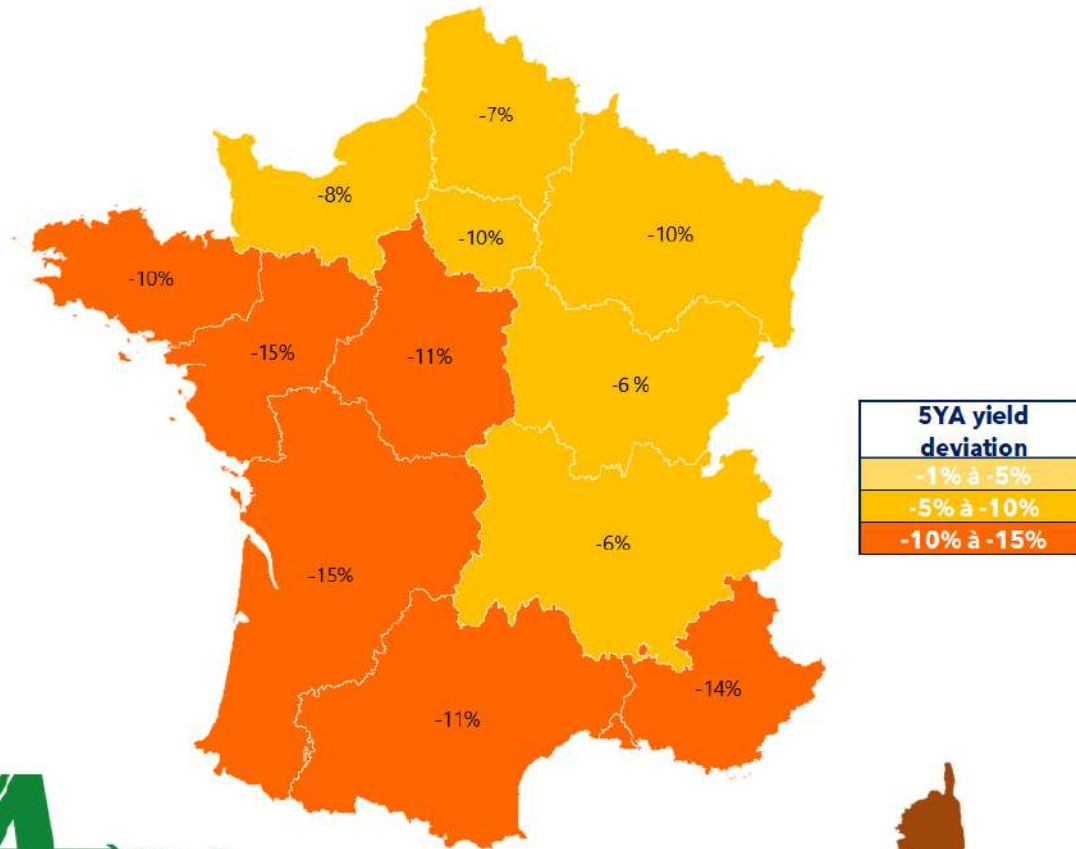
We find a big risk here: August forecast shows below normal precipitation in Canada. The situation bears watching, with crops in the **most affected areas in desperate need of rainfall.**



SOURCES: ARETE PRO/AGRITEL/247AG/ STATCAN/STRATEGIE GRAINS/K BRAUM

3.2. RAPESEED OIL (RSO): Europe yields below expectations

French rapeseed yield deviation vs 5Y AVG
based on Agritel survey conducted mid July



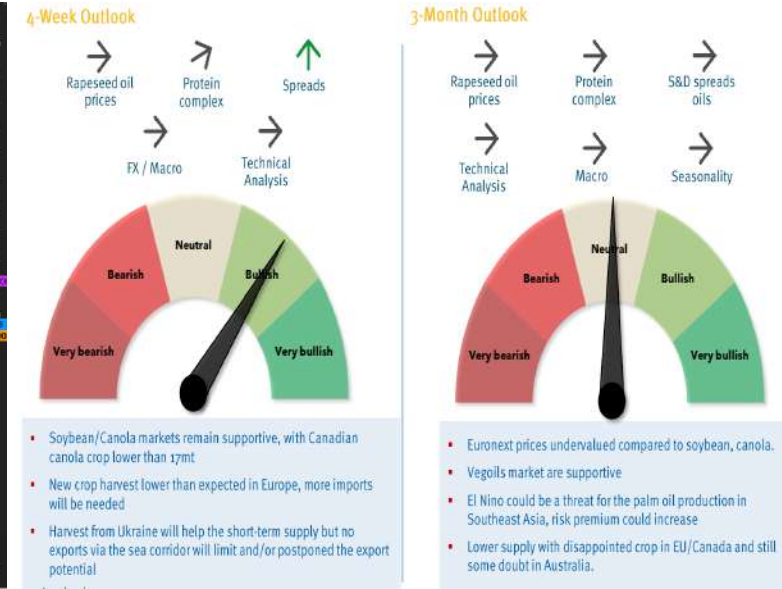
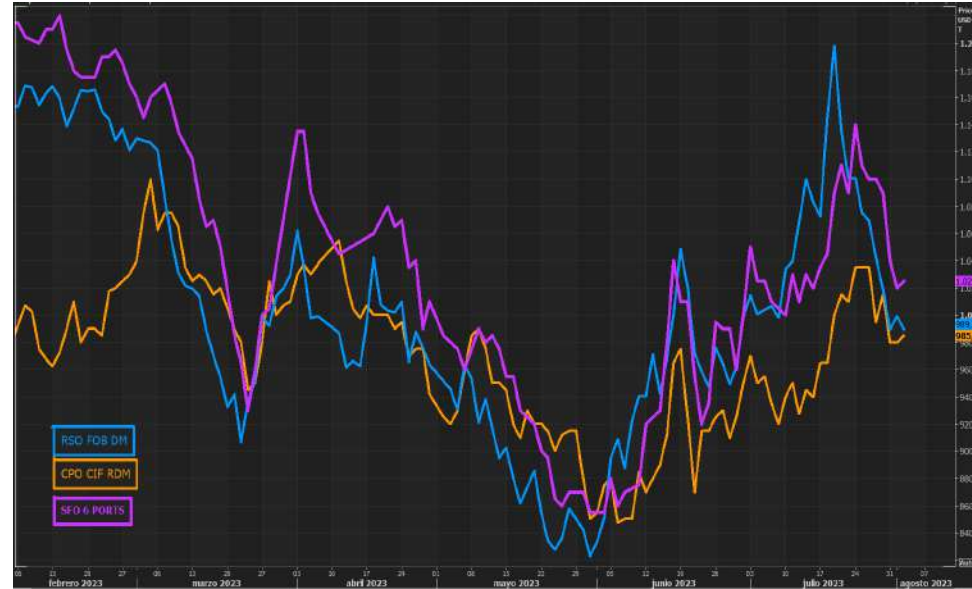
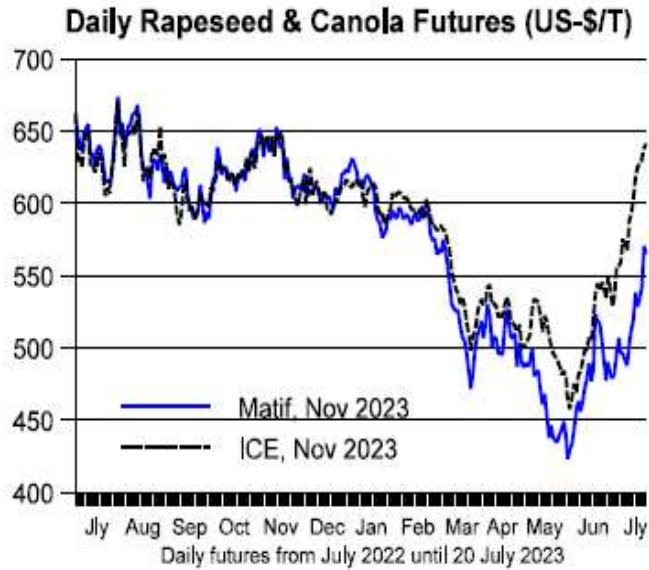
5YA yield deviation
-1% à -5%
-5% à -10%
-10% à -15%

Europe: Strategie Grains estimated the production of rapeseed at **19.3 MMT** this year, down from 19.8 MnT forecast early Jul and 20.4 MnT in early Jun. According to the agency, **rapeseed yields are below expectations, especially in France and Germany.** In Poland, the harvest was just starting at the end of Jul, expected yields are revised lower in response to persistently dry conditions across much of the country.



SOURCE: AGRITEL

3.3. RAPESEED OIL (RSO): RSO Prices Could Strengthen



Rapeseed prices declined significantly since mid-July.

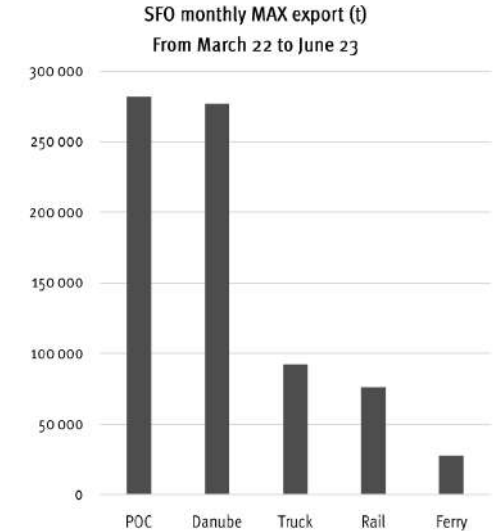
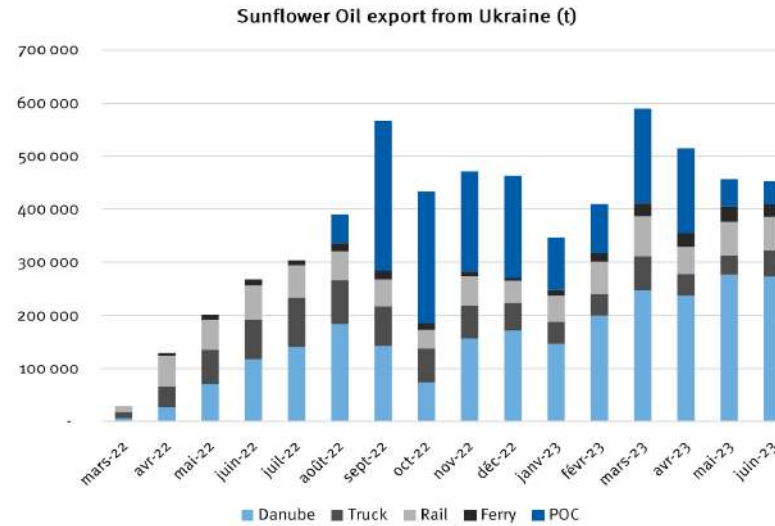
Renewed price pressure is now emanating from ample EU rapeseed supplies and the upcoming large Ukrainian exports, fueled by the prevailing ampleness of sunflower oil in western Europe.

Canola prices continue with a big premium over European prices, evidencing a tighter situation. The dryness in southern Canada in recent weeks and the US demand for biodiesel contributed to the price premium.

Despite Canadian canola crop lower than 17 Mnt, disappointed yields in France and in other important producing countries in Europe and some doubt regarding Australian crop, RSS and RSO prices were under pressure.

The prices of RSO could strengthen in the short term if weather remain unfavorable and energy prices continue appreciating. Regarding the price differential between Europe and Canada, we see greater potential for appreciation in the European market than decreases in the Canadian one.

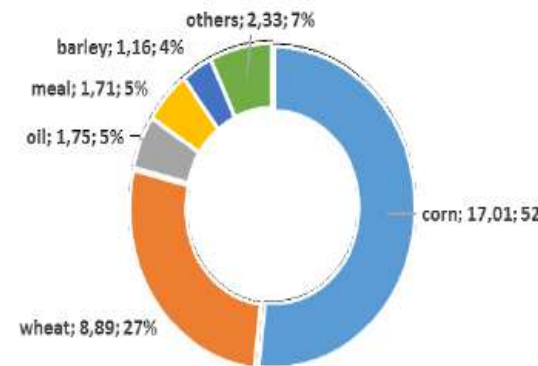
4.1. SUNFLOWER OIL (SFO): Ukrainian Danube's ports under attack



Russia halted its participation in the Black Sea grain export deal. Initially, the market was relatively calm after Ukraine's safe shipping agreement for grain exports ended, with a focus on large supplies from Russia and big Ukrainian exports via the EU.

However, **Ukrainian ports and grain infrastructures were attacked, including the first attack on Danube River grain warehouses.** These attacks had a significant impact on prices, as the ports of Reni and Izmail became very important after the beginning of the war, and they were considered secure due to their proximity to NATO territory. **If these ports continue to be attacked, then once again the Ukrainian sunflower oil supply will be affected.**

The structure of agriproducts export via grain corridor (min tonnes; %)



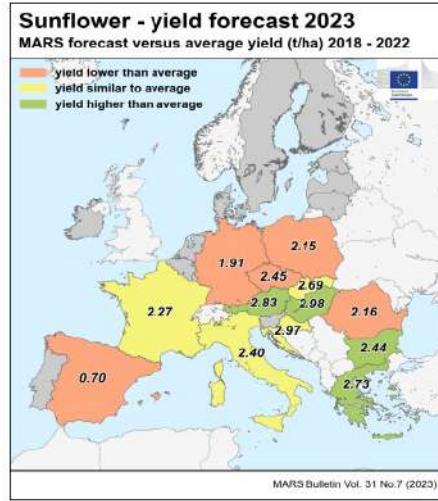
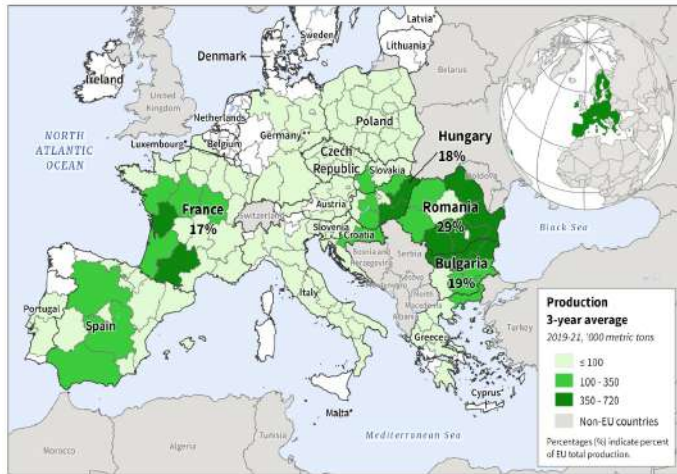
UKRAINE : Exports of Sunseed & Sun Oil (1000 T)

	Sunflowerseed			Sunflower Oil		
	22/23	21/22	20/21	22/23	21/22	20/21
Sept . . .	182	3	8	508	277	305
Oct . . .	309	8	69	456	434	525
Nov . . .	399	23	38	485	640	757
Dec . . .	296	4	34	442	690	594
Jan . . .	194	4	12	395	612	482
Feb . . .	166	3	20	409	430	485
Mar . . .	197	23	2	518	106	381
Apr . . .	40	110	2	546	152	391
May . . .	45	376	4	448	193	502
Jun . . .	16	539	1	475	286	326
Jul . . .	20*	367	.	410*	284	328
Aug . . .		154	1		391	202
Sep/Aug		1614	191		4494	5278
Sep/Jly	1864*	1460	190	5093*	4103	5076

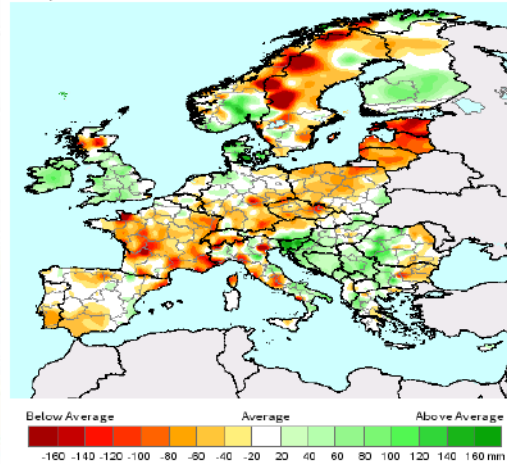
SOURCES: BBC/AFP/APK INFORM/AGRITEL/OIL WORLD

4.2. SUNFLOWER OIL (SFO): crops in Europe in worse conditions

European Union (EU): Sunflowerseed Production



CPCC Soil Moisture Anomaly (Leaky Bucket) Jul. 31, 2023



RUSSIA : Sunseed Supply & Demand (Mn T)

	23/24F	22/23	21/22	20/21	19/20
Op. stocks ..	1.56*	1.22*	.15*	.38*	.50*
Crop.	15.60*	16.40	15.66	13.37	15.38
Imports ....	.08*	.09*	.07*	.06	.06
Exports ....	.22*	.22*	.28*	.56	1.25
Crushings ..	15.70*	15.36*	13.83*	12.62*	13.78*
Other use. . .	.55*	.57*	.56*	.49*	.52*
End. stocks .	.77*	1.56*	1.22*	.15*	.38*

- **Europe:** Strategie Grains cut its sunflower outlook for this year's harvest to **10.5 MnT from 10.9 MnT** earlier, still **13% above 2022**, due to drier-than-usual conditions that occurred for more than one month in large parts of western, central and northern Europe, as well as in eastern Romania. There is a risk of further downward revisions
- **Russia:** Favourable weather improved sunflower crop development in most parts of Russia in recent weeks.
- **Ukraine:** production prospects of grains and oilseeds have improved thanks to beneficial weather conditions. Oil World has raised its production estimate to **13.4 MnT from 12.8 MnT** last month and 11.7 Mn T last year.

Supply and demand balance of sunflower seed in Ukraine

	2021/22	2022/23	2023/24	Changes, %	
	'000 tonnes	'000 tonnes	'000 tonnes	2022/23 - 2021/22	2023/24 - 2022/23
Beginning stocks	230,8	2 835,4	146,4	up 12,3 t.	-94,8%
Planted areas, '000 ha	6 880,0	5 390,0	5 720,0	-21,7%	+6,1%
Harvested areas, '000 ha	6 811,2	5 282,2	5 663,4	-22,4%	+7,2%
Yield in clean weight (APK-Inform), t/ha	2,52	2,27	2,33	-9,9%	+2,6%
Production in clean weight (APK-Inform)	17 164,2	11 990,6	13 195,7	-30,1%	+10,1%
Imports	21,0	30,0	30,0	+42,6%	=
Total supply	17 416,1	14 856,0	13 372,0	-14,7%	-10,0%
Consumption	12 952,8	12 819,6	12 417,8	-1,0%	-3,1%
processing for oil	11 561,3	12 600,0	12 250,0	+9,0%	-2,8%
seeds	27,0	28,6	28,5	+5,9%	-0,3%
others	58,3	57,3	19,0	-1,6%	-66,8%
losses	1 306,2	133,7	120,3	-89,8%	-10,0%
Exports	1 627,8	1 890,0	800,0	+16,1%	-57,7%
General distribution	14 580,6	14 709,6	13 217,8	+0,9%	-10,1%
Ending stocks	2 835,4	146,4	154,2	-94,8%	+5,3%
Stocks-to-distribution ratio	19,4%	1,0%	1,2%		

SOURCES: USDA/EUC/USDA/APK INFORM/OIL WORLD

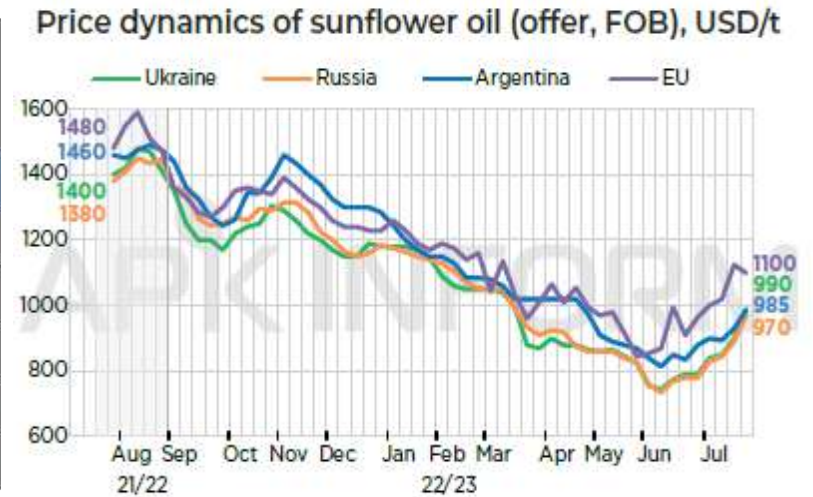
4.3. SUNFLOWER OIL (SFO): High Price Volatility

ARGENTINA: Grain & Oilseed Plantings (Mn ha)						
	23/24F	22/23	21/22	20/21	19/20	12/13
All Grains	18.56*	18.59	19.81	18.41	18.11	12.76
Wheat	5.80*	6.10*	6.90*	6.50*	6.30*	3.16
Corn, total	7.80*	7.40*	7.70*	7.40*	7.60*	4.90*
Barley	1.60*	1.80	1.64	1.24	1.28	1.88
Sorghum .....	.90*	.87	.94	.99	.52	1.16
Other	2.46*	2.42	2.63	2.28	2.41	1.66
All Oilseeds	19.28*	18.87	18.76	19.05	19.35	22.31
Soybeans	16.30*	16.11	16.09	16.65	16.91	19.60*
Sunseed	2.10*	1.92*	1.70*	1.54*	1.58	1.66
Other .....	.88*	.84*	.97	.86	.86	1.05
Total Plantings	37.84*	37.46*	38.57	37.46	37.46	35.07
2nd crop soybeans	4.80*	4.90	5.50	5.36	5.54	2.74
Cultivated Area	33.04*	32.56	33.07	32.10	31.92	32.33

GASC Invitation to offer Import Veg-Oils #4 Arrival 20 Aug - 5 Sep.23 &/Or 6 to 20 Sep.23 - Dated 26 July.23 C&F

Results

#	Supplier	Qty	Type	Position	Price At Sight LC
1	TOI Commodities	12000 MT	SFO	6 - 20 Sep.23	\$ 1,080.00
2	Aston Agro Industrial SA	5500 MT	SFO	6 - 20 Sep.23	\$ 1,080.00
3	Oliva AD	10000 MT	SFO	6 - 20 Sep.23	\$ 1,080.00
4	Aston Agro Industrial SA	5500 MT	SFO	20 Aug to 5-Sep.23	\$ 1,080.00
5	LDC	11875 MT	SBO	20 Aug to 5-Sep.23	\$ 1,150.00



High price volatility after new concerns about the war in Ukraine, mainly after the attacks over Danube's ports. However, the prevailing ampleness of sunflower oil in West Europe, Russia and Argentina limited the bullish sentiment.

Russian SFO is currently offered on the export market at price discounts vs other origins to stimulate purchases. **Old stocks of SFS and SFO are still comparatively large.** In Argentina, the new agro dollar scheme for sunflower stimulates the farmer selling. Expectation for a new increase in the area of sunflower in 2023/24. The improvements in the conditions of Ukraine's crops contrast with reductions of the European crop estimates.

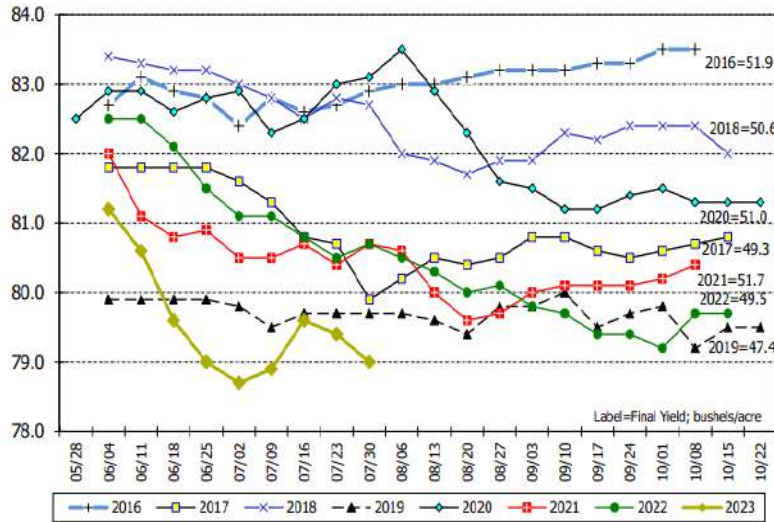
In its last tender, **Egypt bought 33 kmt SFO** while planned to buy only 10k. Price was \$1080, which is not something high, but volume is still impressive comparing to what was initially planned. Same time, **Egypt bought 12kmt SBO \$80 above sunoil.**

The prices of SFO remain highly competitive, especially compared to SBO. Additionally, the deteriorating outlook for global rapeseed, US soybean production and the recent attacks on Ukraine, are major supporting factors. **August is the critical month for global production. From a fundamental perspective, the outlook appears bearish, but there are many uncertainty factors.**

SOURCES: STRATEGIE GRAINS/APK INFORM/OIL WORLD

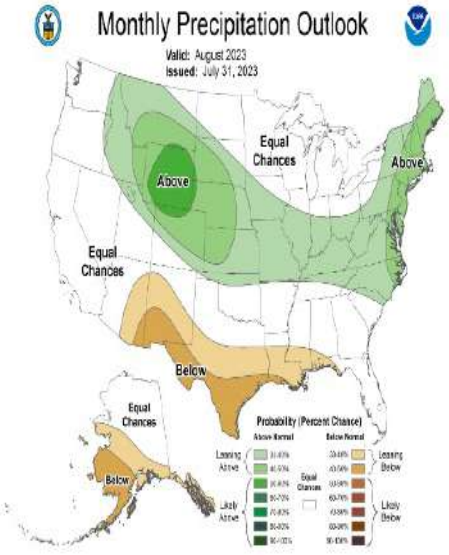
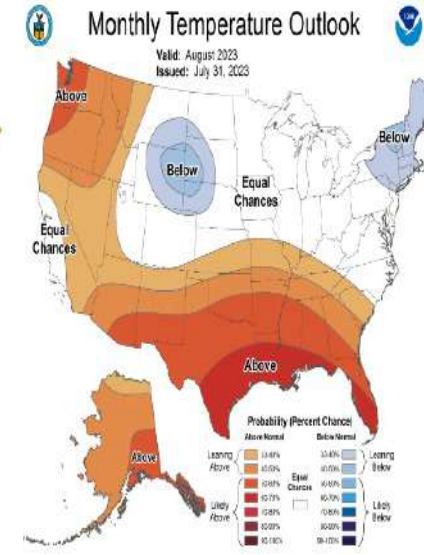
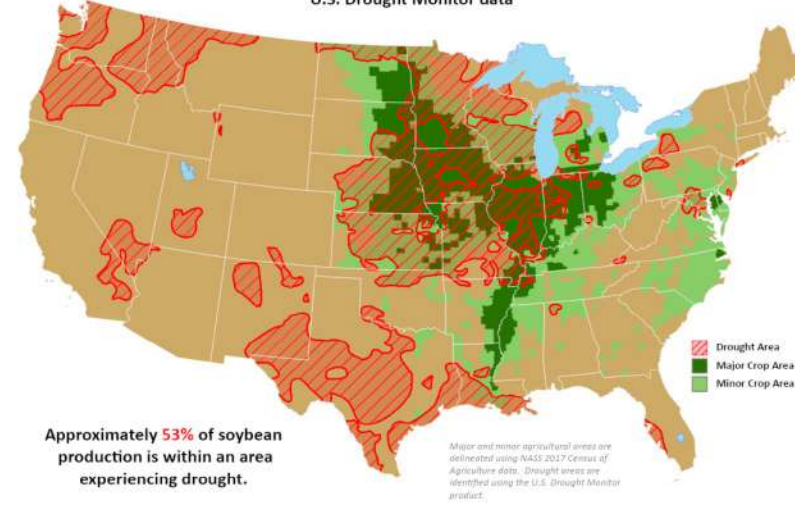
5.1. SOYBEAN OIL (SBO): us Weather in August will be key

RJO Market Insights U.S. Soybean Crop Condition Weighted Index



Soybean Areas in Drought

Reflects July 25, 2023
U.S. Drought Monitor data



Bigger than expected deterioration of US soybean crops: **52% good / excellent vs 54% last week, 60% last year.** Oil World has reduced its estimation from 121.5 MnT in the middle of June to **114 MnT**, reflecting lower than expected area and deficit of rainfall since the beginning of the season.

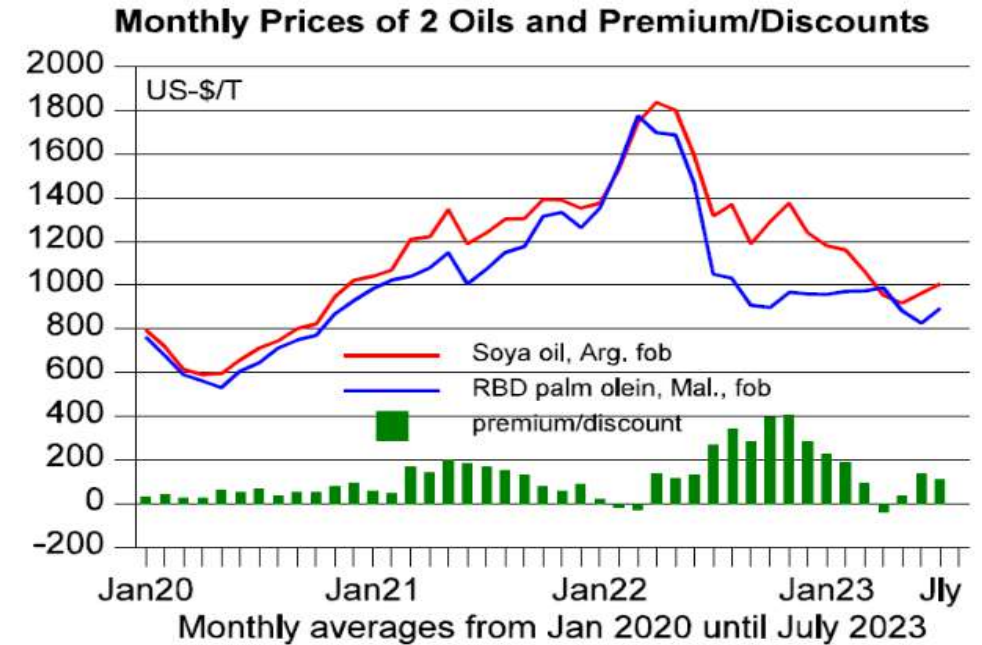
However, favorable rainfall forecasted for the main producing areas during August have pressured prices in recent days. **Oil World expects US soybean stocks to recover and reach 10.0 Mn T, due to less exports than 2022/23.**

U.S.A. : Soybean Supply & Demand Balance (Mn T)

	September / August				
	23/24F	22/23	21/22	20/21	19/20
Op. stocks . . .	8.10*	7.47	6.99	14.28	24.74
Crop.	114.00*	116.38	121.53	114.75	96.67
Imports . . . .	.70*	.73*	.45	.57	.45
Exports	48.00*	53.10*	58.86	61.78	45.87
Crushings . . .	62.20*	60.60*	59.98	58.26	58.91
Other use. . . .	2.60*	2.77*	2.66	2.56	2.81
End. stocks . .	10.00*	8.10*	7.47	6.99	14.28
Stocks/usage	8.9%	7.0%	6.1%	5.7%	13.3%

SOURCES: RJO/USDA/NOAA/OIL WORLD

5.2. SOYBEAN OIL (SBO): Recovery in Prices



Bumper production is expected in South America for 2023/24.

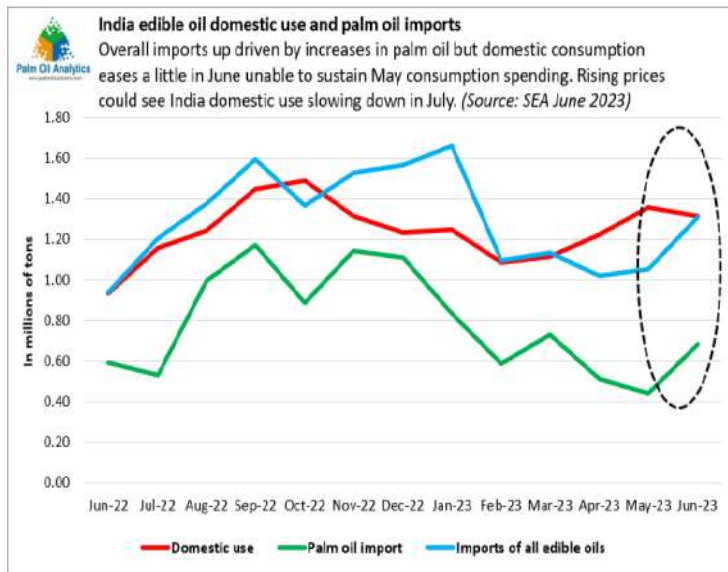
- It is expected that Argentina's production could recover after the failure of the 2022/23 season. Argentinian farmers have not incentive to sell soybean, mainly after the local government decided to exclude soybeans from the agro-dollar scheme that has started past week.
- Brazilian export logistic is limiting exports of soybean and soybean meal, after a record corn crop. Strong demand for soya oil and meal has recently propelled soybean crush margins upward, primarily in the USA and China.

Market participants will primarily be concentrating on the weather conditions in the US. The current conditions are not favorable, but the forecasts for August show improvements.

SOURCES: OIL WORLD/VESPER/REUTERS/AGRITEL

6.1 PALM OIL (CPO): Strong Rise of India and China's Imports

Palm Oil is currently offered at a large discount vs soft oils. CPO prices fell after having lost market share to SBO and SFO, widening the discount and therefore boosting buyer's interest.



India Vegetable Oil Import: June 2023 vs. June 2022

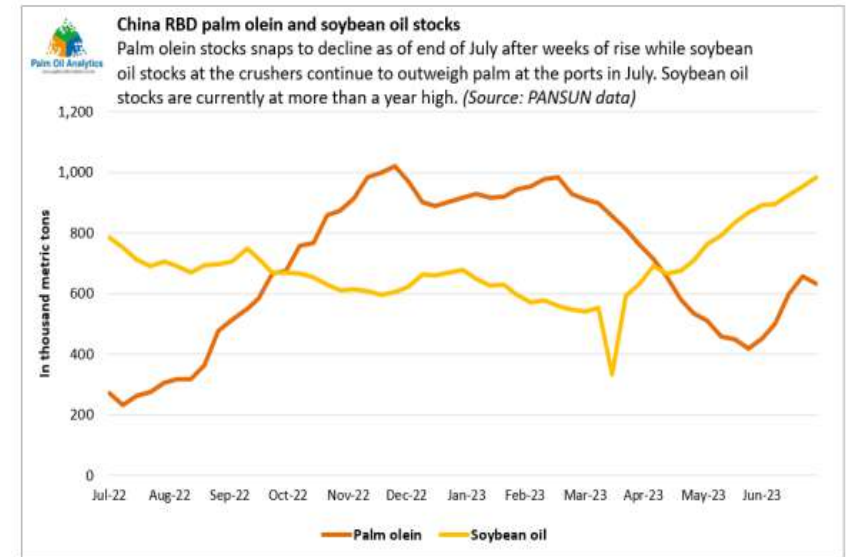
	Jun-23	Jun-22	Change	% Change
Palm oil import	683,133	590,921	92,212	▲ 15.60
RBD Palm olein import	217,029	79,264	137,765	▲ 173.81
CPO import	466,104	507,852	-41,748	▼ -8.22
Soybean oil import	437,658	230,992	206,666	▲ 89.47
Sunflower oil import	190,785	119,558	71,227	▲ 59.58
Percentage share between palm oil : soft oil	52 : 48	51 : 49		

Source: Solvent Extractors Association of India. Unit in metric tons



India's vegetable oils imports rose to **1.3 MnT, +24.5%** in June vs May with strong recovery in CPO imports after falling to its lower level in 27 month in May. For July Reuters anticipated edible oils at record high of 1.76 MnT.

It received a record volume of CPO in June of **0.68 MnT** (+56% in June vs May), replenishing stocks in view of uncertainties from Black Sea Region. Moreover, CPO discount over SBO and SFO widened and prompted refiners to increase purchases for the upcoming festivals. For July, Reuters is anticipating CPO imports at 1.1 MnT, considering the average estimates from the dealers.



China has also been a very active buyer of Palm Oil in the last weeks and increased its stock level for the fourth consecutive week last week. Palm inventories are reported to be **57%** higher than previous month. China imported **119%** more Palm Oil in June-23 than June-22

SOURCES: POA/SEA/PANSUN/REUTERS

6.2 PALM OIL (CPO): Asian Supply & Demand

Indonesia's May S&D:

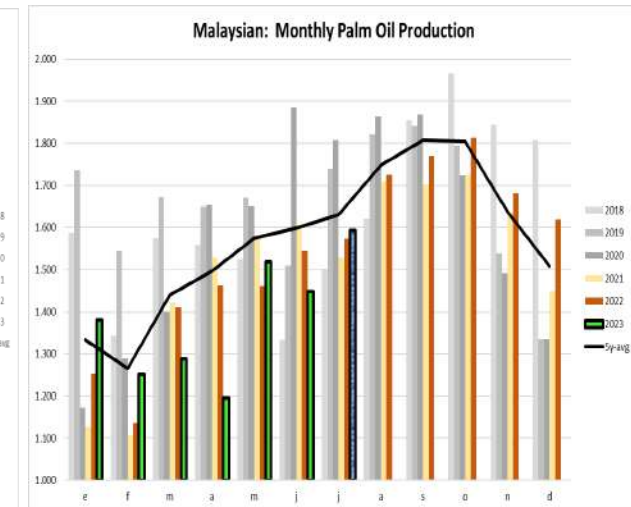
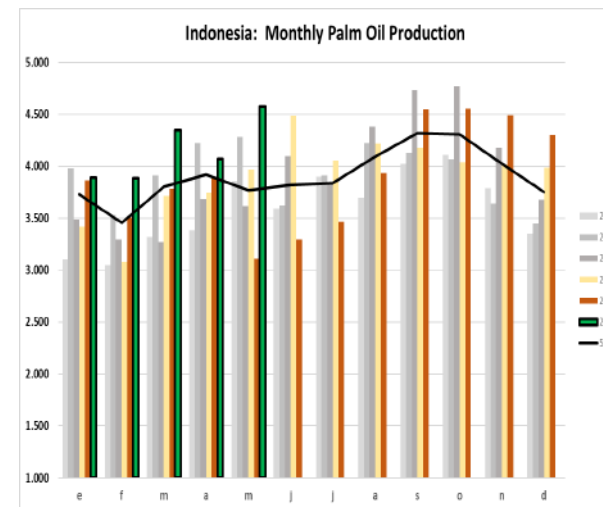
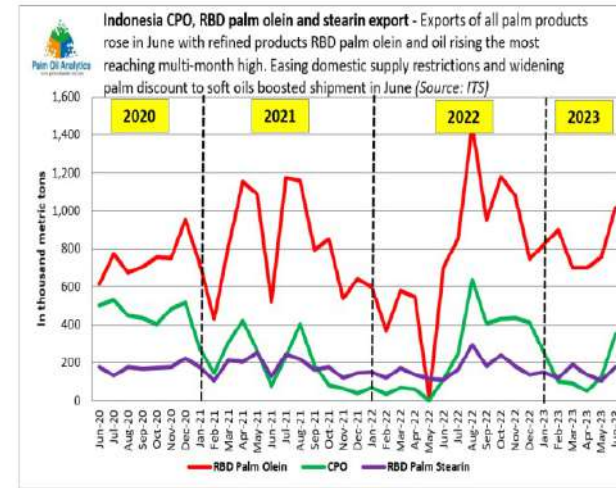
- Production: +12% to 5.1 MnT vs April, and +49% vs May-22.
- Exports: +4,5% vs April, and 229% vs May-22. June exports are estimated +52% vs May, the highest level in 7 month.
- Stocks: 28.6% in May vs April, nevertheless they are -35.4% lower than May-22.

Easing domestic supply restrictions and discount vs other vegetables oils boosted shipment and reduced elevated stocks level seen last year.

Malaysia:

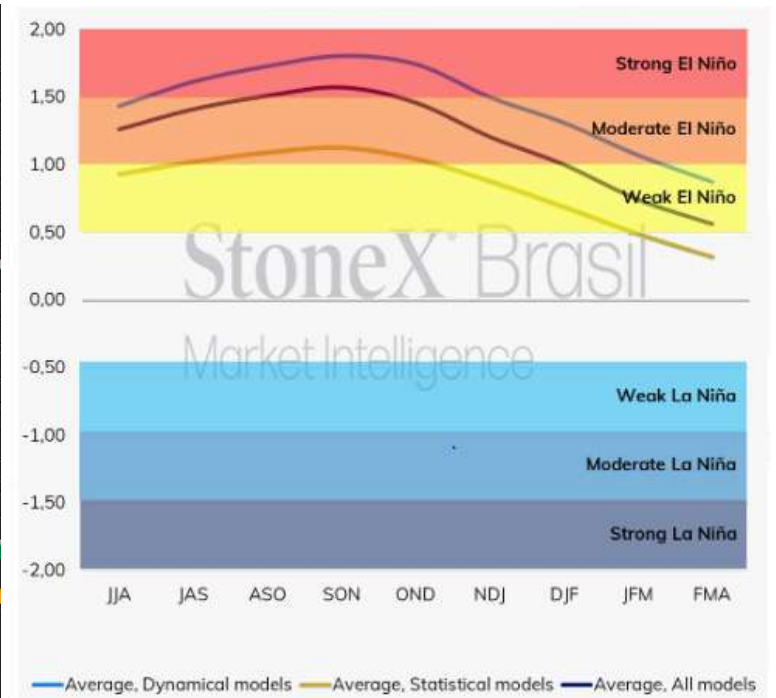
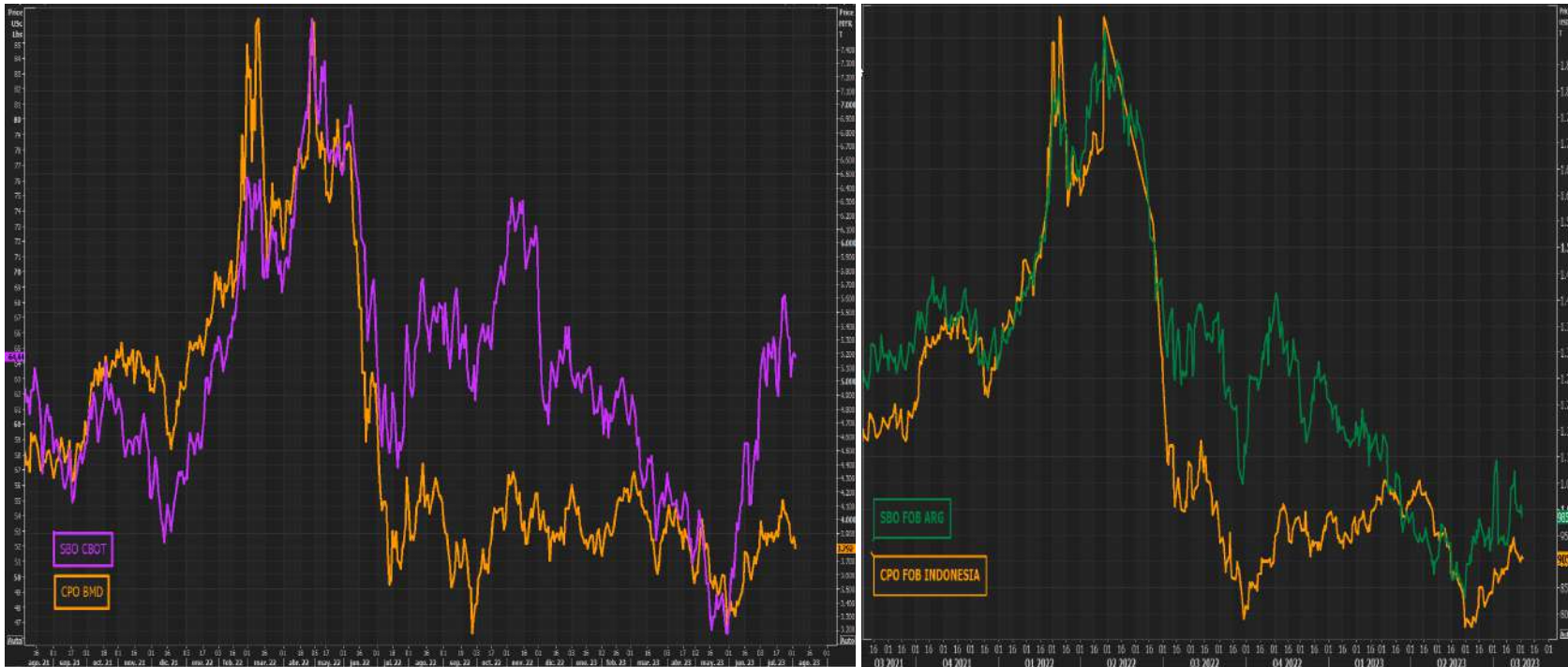
Malaysian July production is expected to rise by 10% from low base in June (-4.6% vs May) and on higher seasonal yield.

Aug and Sept could see a rise by 5% month to month. However, this expected rises are unchanged from the same time last year.



SOURCES: POA/GAPKI/ITS/REUTERS/OIL WORLD/MPOB

6.3 PALM OIL (CPO): El Niño is the main risk



With the seasonal production peak approaching, palm oil is currently still offered at sizable discounts versus seed oils. As a result, import of palm oil are considerably increasing.

Ample rainfall in key areas in both Indonesia and Malaysia were reported in beginning of July, despite the midst of an early El Niño weather phenomenon. Higher than usual rainfall could boost yields from August to October.

We expect palm oil prices to remain competitive in the short term despite the increase in exports, due to good production perspective in the coming months on higher cyclical yield, and a more challenging scenario in the oilseed complex.

However, El Niño is a threat for palm oil production in Southeast Asia and part of Latin America. Prices can react strongly if dry conditions begin to affect production.

SOURCES: REUTERS/OIL WORLD/STONEX

7.1 LAURICS (CPKO & CCNO)



Ample export supplies of lauric oils have contrasted until June with rather subdued global demand from the oleochemical and the food sectors. However, lately prices of lauric oils have developed some independent price strength.

In Rotterdam, CPKO prices have been rising for the fifth consecutive week. CPKO demand is slowly picking up after 6 month of low interest on high prices levels, particularly China has apparently been in the market. CPKO is offered at a premium of around US\$20/40 against CPO.

In the meantime, CCNO prices shows high volatility due to very poor liquidity in Rotterdam market.

Philippines Jan-Jul CCNO exports are trending 32% lower vs same period last year.

SOURCES: REUTERS/OIL WORLD/RACO

“A World of
Vegetable Oils”



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