



MARKET REPORT

November 2023



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1.1. EUROPEAN VEGETABLE OIL PRICES

| | | 08/11/2023 | 28/11/2023 | Unidad | Dif | Dif % |
|---------------------------|----------------|------------|------------|---------|-------|-------|
| Crude Palm Oil (3rd Pos) | FOB MALAYSIA | 3768 | 3897 | MYR/ MT | 129 | 3,4% |
| Soya Oil (2nd Pos) | CBOT | 49,43 | 52,94 | USD/ MT | 3,51 | 7,1% |
| Crude Palm Oil (Jan) | CIF RDM | 933 | 983 | USD/ MT | 50 | 5,4% |
| CCNO Phil/Indo (Jan/Feb) | CIF RDM | 1065 | 1125 | USD/ MT | 60 | 5,6% |
| CPKO (Jan/Feb) | CIF RDM | 920 | 1010 | USD/ MT | 90 | 9,8% |
| Crude Sunflower Oil (JFM) | 6 PORTS | 940 | 980 | USD/ MT | 40 | 4,3% |
| Crude Rape Oil (FMA) | FOB DUTCH MILL | 895 | 900 | €/MT | 5 | 0,6% |
| Crude Soya Oil (FMA) | FOB DUTCH MILL | 1018 | 995 | €/MT | -23 | -2,3% |
| EUR/USD | | | | | 0,028 | 2,6% |
| Brent Crude | | | | | 2,14 | 2,7% |
| Gas Oils | | | | | -5,75 | -0,7% |

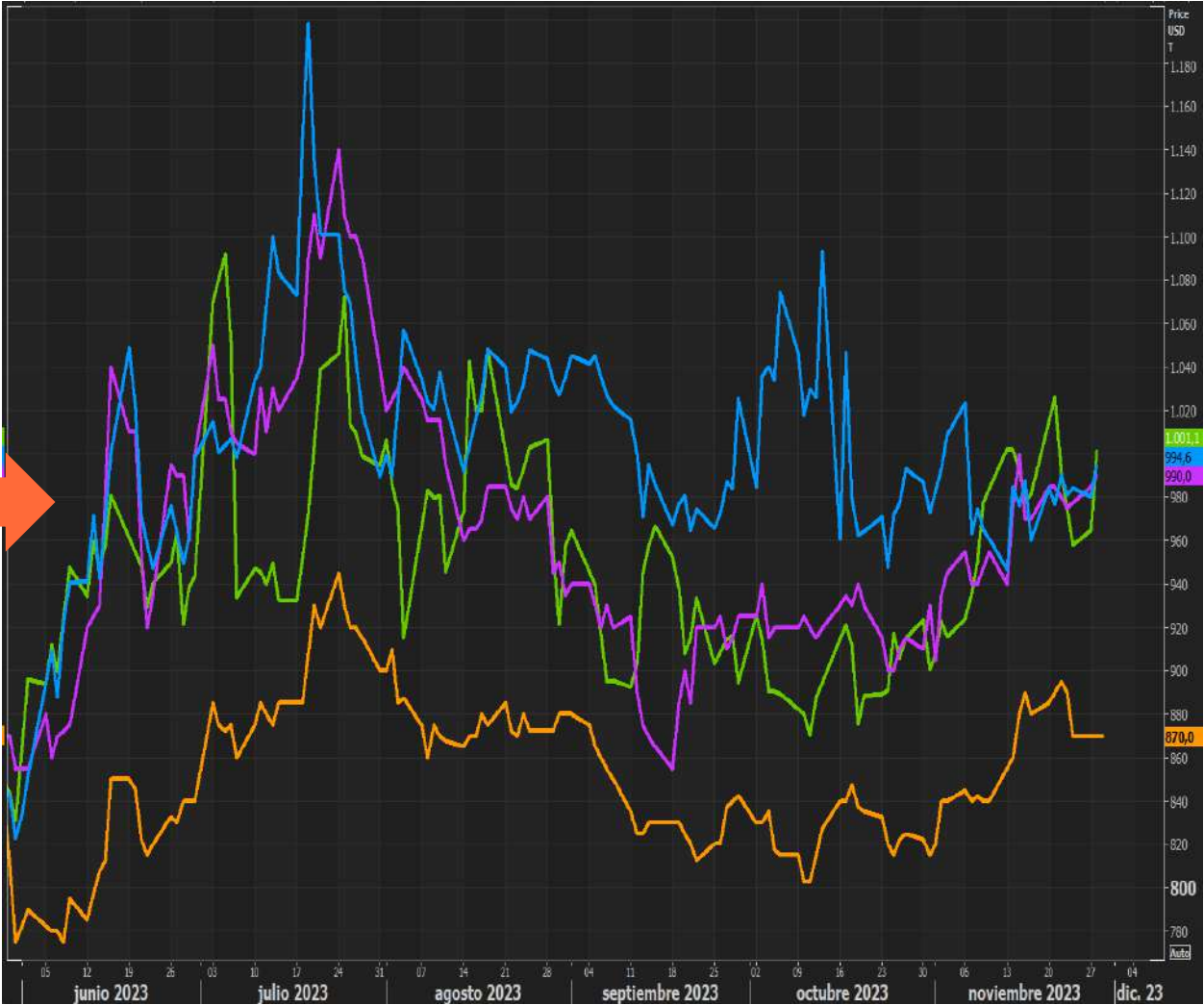
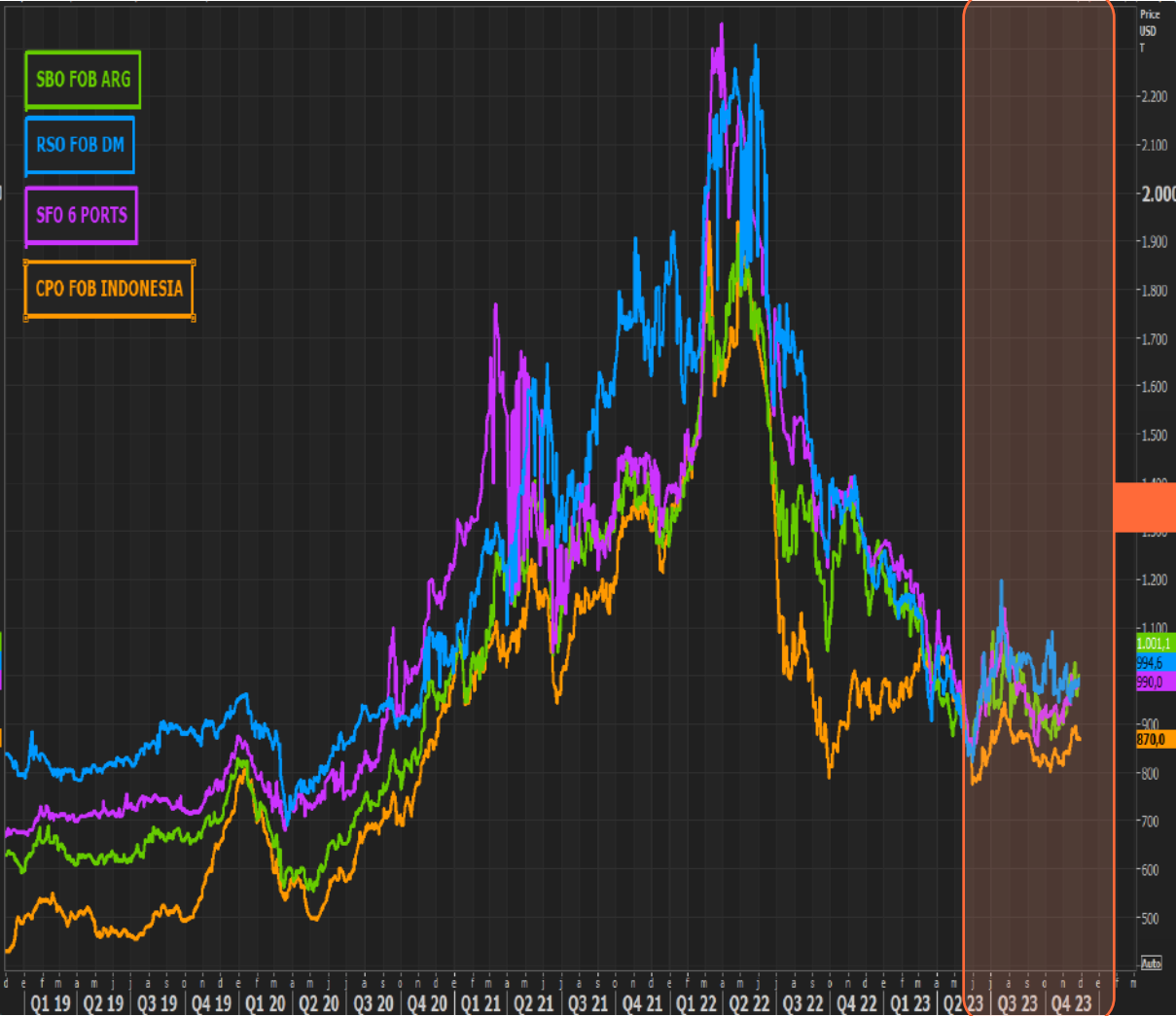
Vegetable oil prices strengthened during the last month.

Despite the significant losses in the energy markets, uncertainties regarding palm oil and soybean productions have prompted buyers to become more active.

Additionally, analysts estimate a tighter supply of vegetable oils during the first half of 2024.

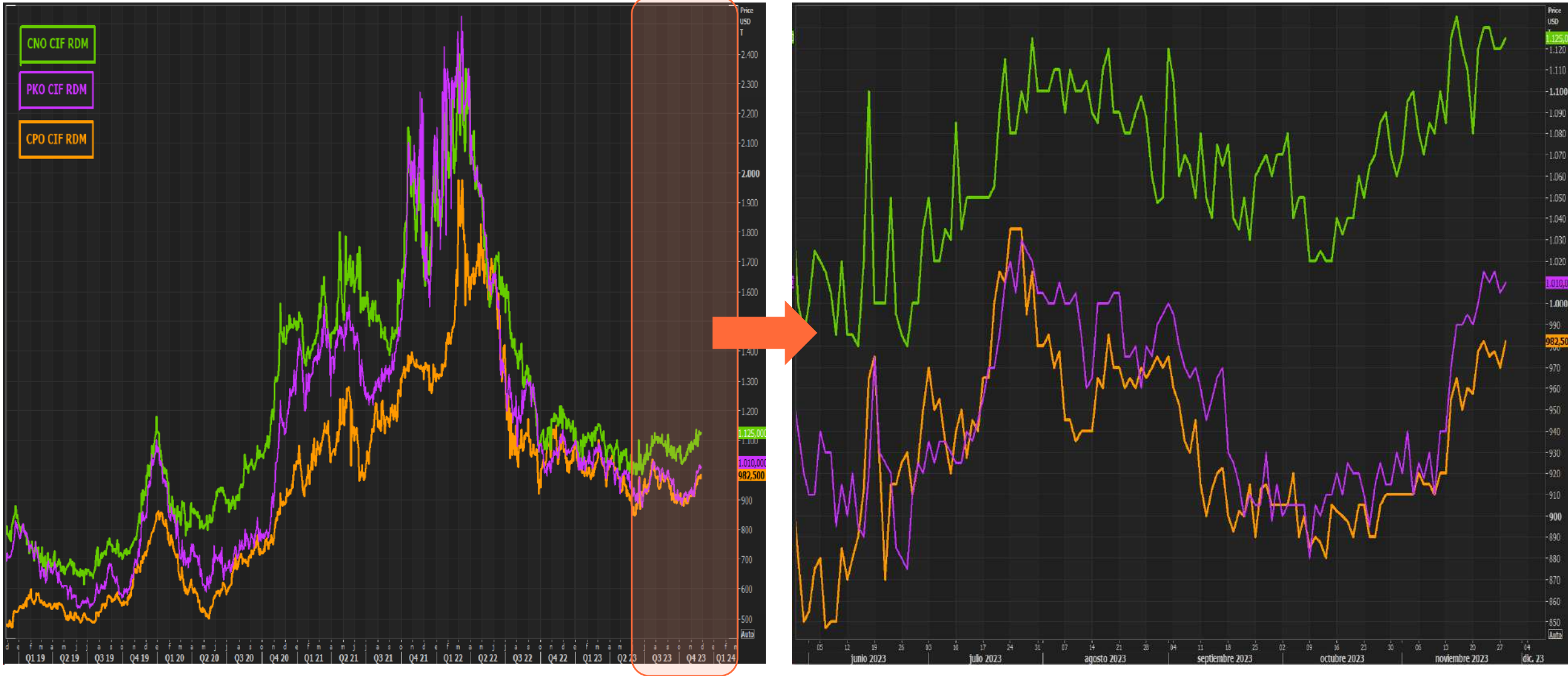
SOURCE: OIL WORLD / REUTERS / RABOBANK

1.2. GLOBAL VEGETABLE OIL PRICES



SOURCE: REUTERS

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SOURCE: REUTERS

2. ENERGY PRICES: Significant Pressure on Prices



Vegetable oil prices faced pressure due to the spill-over weakness resulting from declining energy prices. **Crude oil prices settled a multi-month lows.**

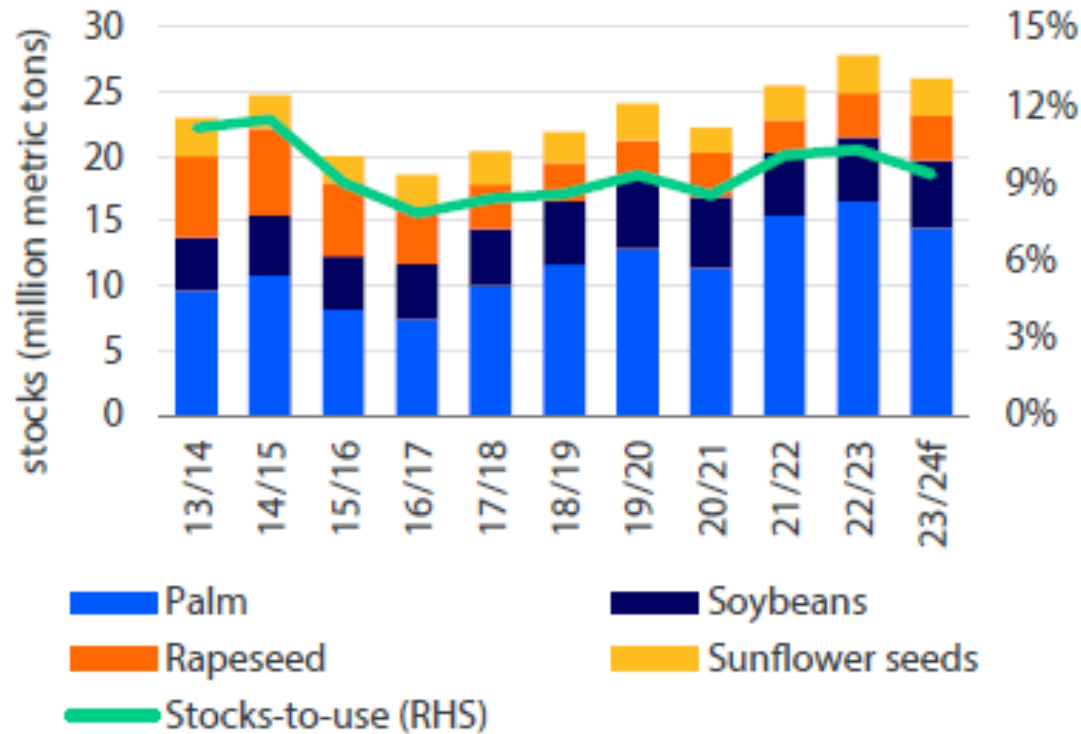


Both crude oil and gas oil prices fell amid weak macroeconomic data, **limiting the competitiveness of PME** (and others).

SOURCE: AGRITEL / FUTURES FINVIZ / OIL WORLD

3. VEGETABLE OIL SUPPLY & DEMAND: A Tighter Balance is Expected

The STU of global palm oil and soft oils will decrease to 9.3% in 2023/24



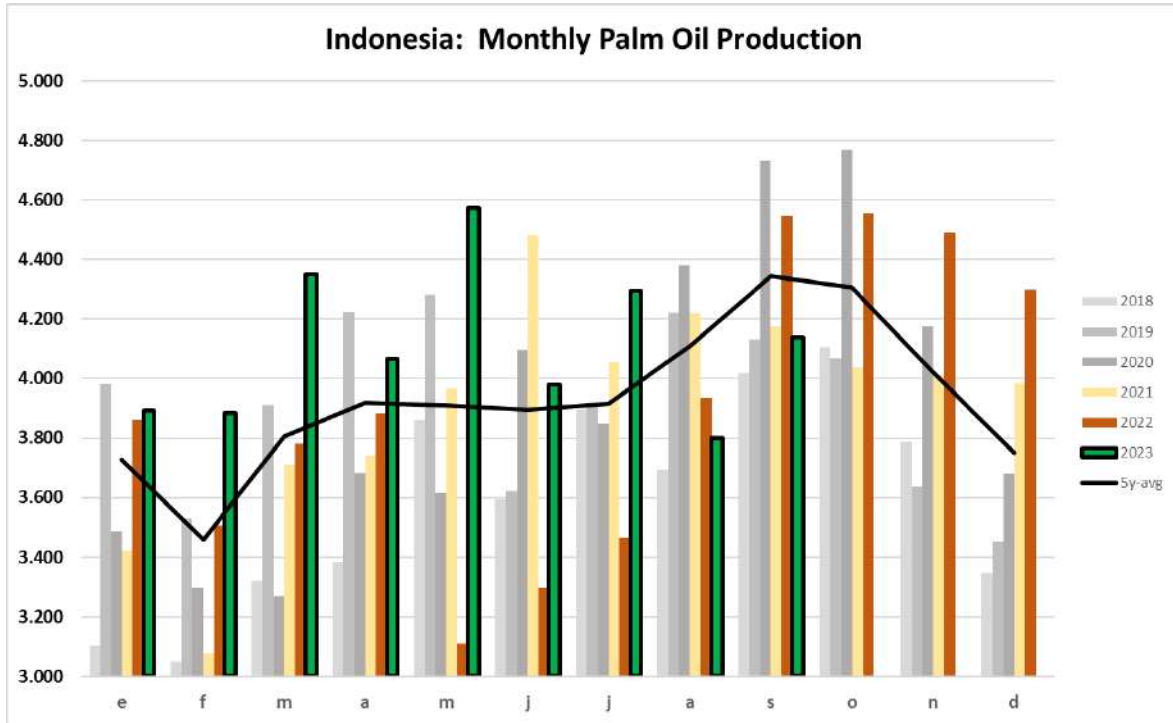
The global oil balance is likely to tighten in coming months.

According to Rabobank, aligning with expectations from Oil World and other private analysts, the total stocks of **CPO + Soft Oil in 2023/24 are expected to decreased by 6,4% YOY.**

The stock-to-use ratio is expected to decline **1% YOY** to 9.3%.

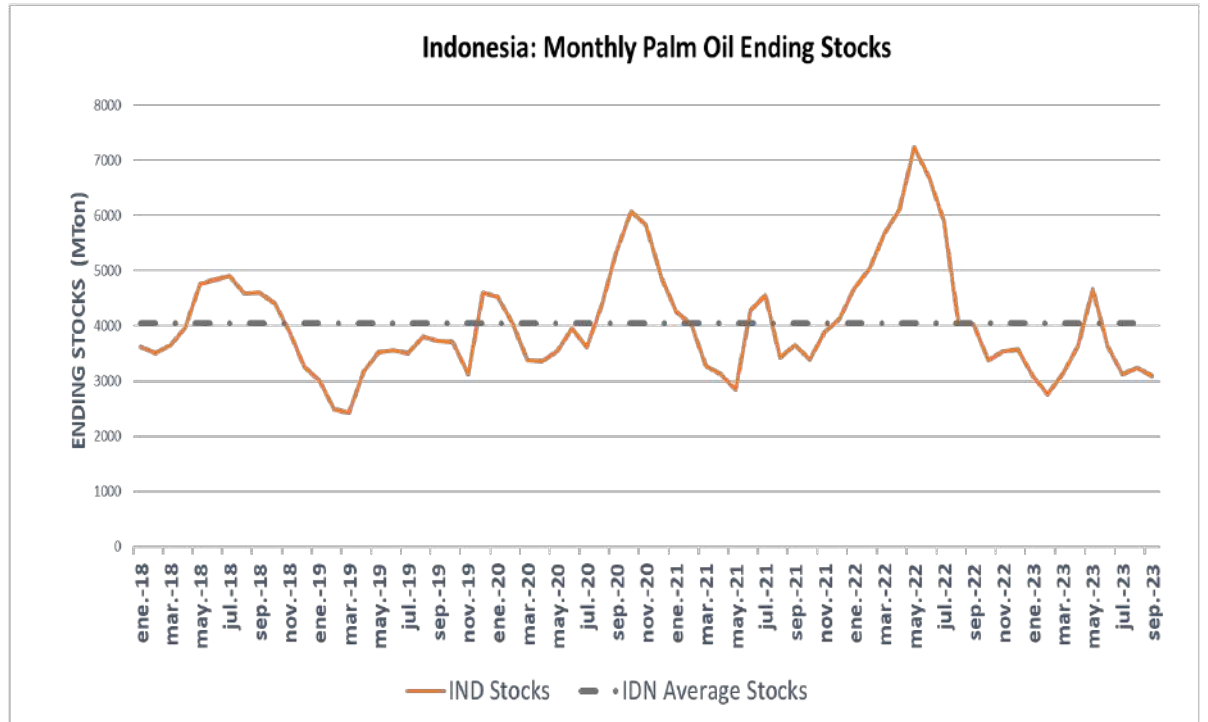
SOURCE: OIL WORLD / RABOBANK / USDA

4.1. PALM OIL (CPO): Deceleration in Indonesian Production



According to GAPKI, Indonesia's palm oil production in September rose by **7.5%** from August. While the level was 17% lower than in September 2022, total CPO production (including CPKO) for January–September outpaced last year's levels by **11.6%**.

However, market analysts expect Indonesian palm oil production to virtually stagnate in calendar year 2024.

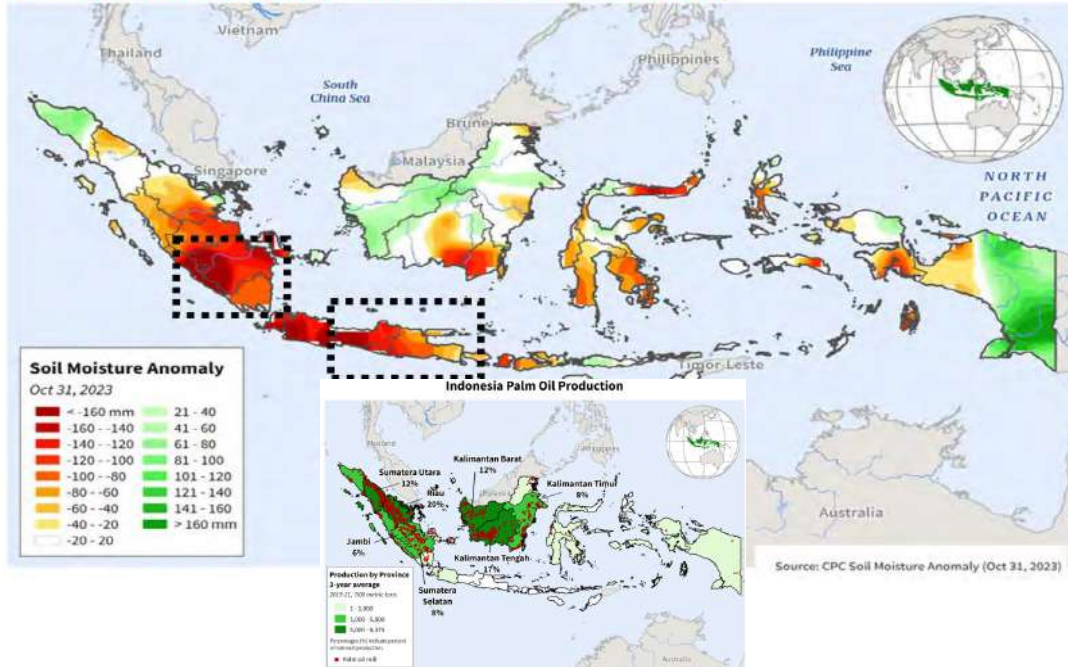


Ending Stocks at the end of September were estimated at 3.1 Mnt, down **4.2%** from August and nearly 1 Mnt less from September 2022.

SOURCES: GAPKI / OIL WORLD / POA

4.2. PALM OIL (CPO): Deceleration in Indonesian Production

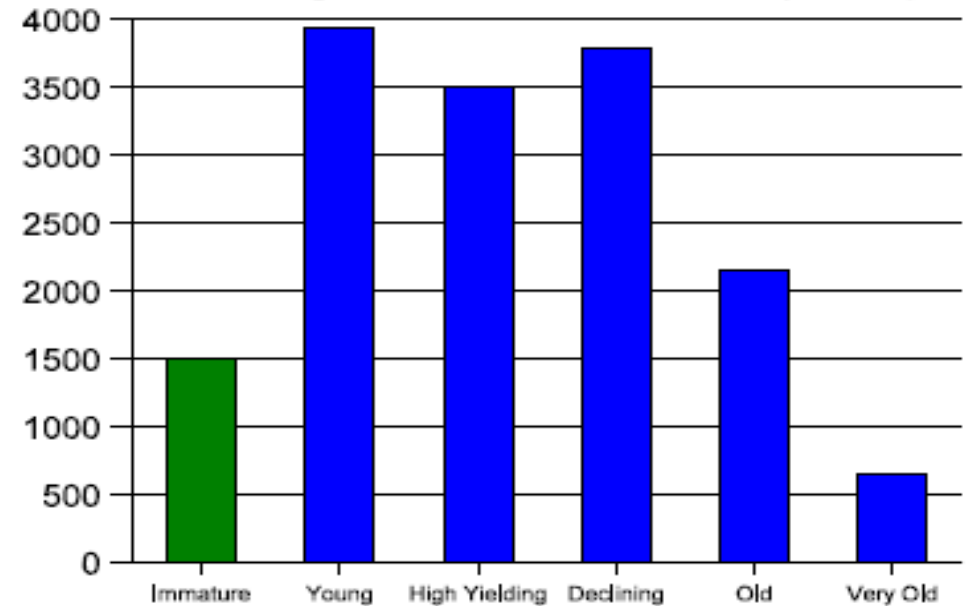
Indonesia Soil Moisture Anomaly



El Niño has led to below-average rainfall in several regions of Sumatra and Kalimantan since August, resulting in a recent decline in palm oil production.

While there have been reported improvements in rainfall in certain areas lately, the deficit remains substantial in various parts of the country.

INDONESIA: Age Profile of the Oil Palm Area (1000 ha)



In addition, CPO production in Indonesia has lost its growth potential for the time being due to the deteriorating age structure of oil palms, primarily resulting from a lack of replanting.

With most forecasts indicating that El Niño is likely to persist until May or even June 2024, monitoring actual rainfall and assessing whether oil palms will experience stress are crucial variables.

SOURCES: GAPKI / OIL WORLD / POA / RABOBANK / USDA

4.3. PALM OIL (CPO): Indonesian 23/24 S&D Will Be Tighter

INDONESIA : Balance of Palm Oil (Mn T)

| | October / September | | | | |
|-------------------|---------------------|--------|--------|--------|--------|
| | 23/24F | 22/23 | 21/22 | 20/21 | 19/20 |
| Open stocks | 5.10* | 6.78* | 4.55* | 5.10* | 5.50* |
| Production . . . | 48.18* | 48.42* | 45.47* | 45.62* | 42.86* |
| Imports | .01* | .01 | .01 | .01 | .01 |
| Exports | 28.00* | 30.66 | 25.02* | 29.25 | 27.59 |
| Dom. usage . . . | 20.39* | 19.45* | 18.23* | 16.92* | 15.69* |
| End'g stocks | 4.90* | 5.10* | 6.78* | 4.55* | 5.10* |

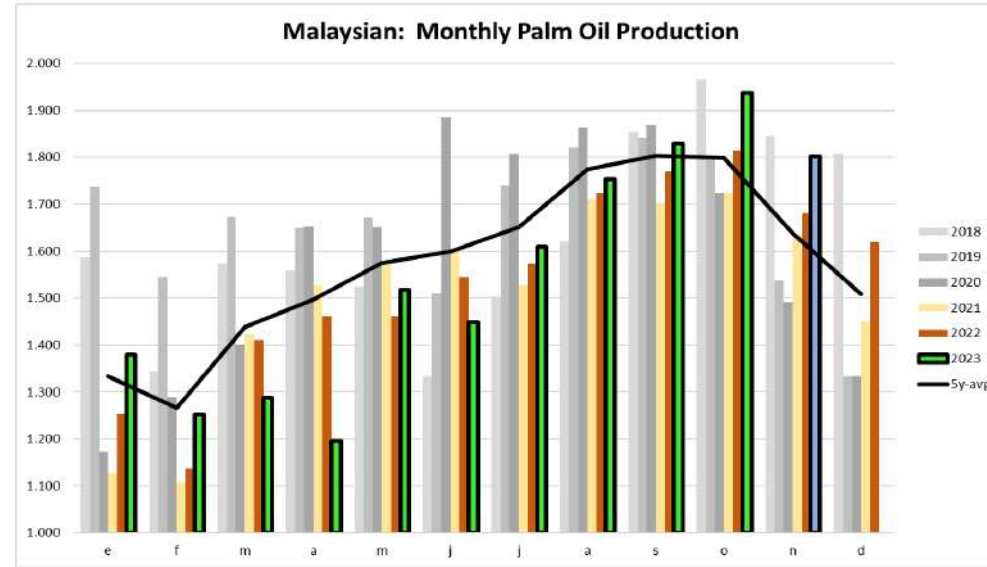
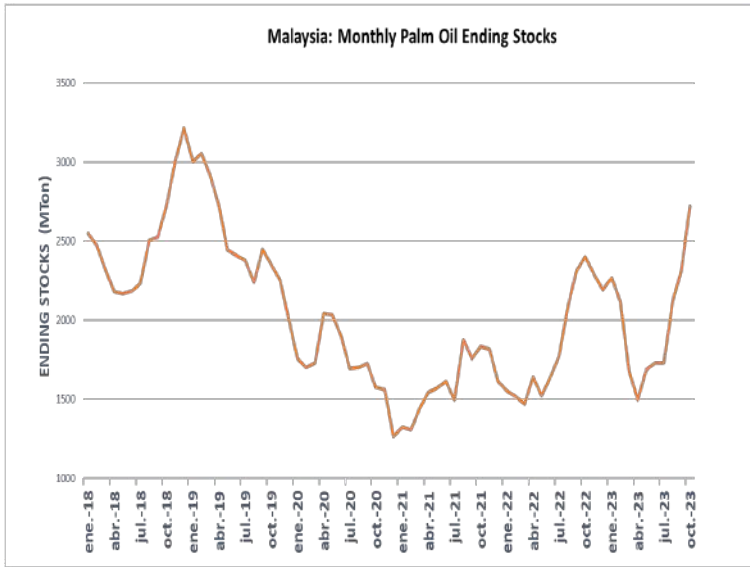
Oil World estimates Oct/Sept 2023/24 Indonesian production at 48.2 MnT, slightly below that of 2022/23. However, in the event of additional rainfall deficit in the coming months, production prospects will further deteriorate for the second half of 2024.

Domestic demand is expected to grow in both the food and biodiesel industries, although it is unlikely that B40 will be introduced in 2024.

Considering the reduction in the carry-over, lower production and higher domestic demand, a significant decline in Indonesian palm oil exports is expected for Oct/Sept 2023/24.

SOURCES: AGRINVEST / ARGUS / K BRAUM / OIL WORLD / RJO / STONEX / USDA

4.4. PALM OIL (CPO): Malaysian Stock at Highest Level Since 2019



| MALAYSIA: Balance of Palm Oil (Mn T) | | | | | |
|--------------------------------------|---------------------|-------|-------|-------|-------|
| | October / September | | | | |
| | 23/24F | 22/23 | 21/22 | 20/21 | 19/20 |
| Open stocks | 2.31 | 2.32 | 1.76 | 1.72 | 2.45 |
| Production . . . | 18.59* | 18.39 | 18.15 | 17.86 | 19.26 |
| Imports | .90* | .95 | 1.21 | 1.37 | .79 |
| Exports | 15.80* | 15.39 | 15.54 | 15.88 | 17.22 |
| Dom. usage . . | 3.86* | 3.95 | 3.26 | 3.31 | 3.56 |
| End'g stocks | 2.14* | 2.31 | 2.32 | 1.76 | 1.72 |

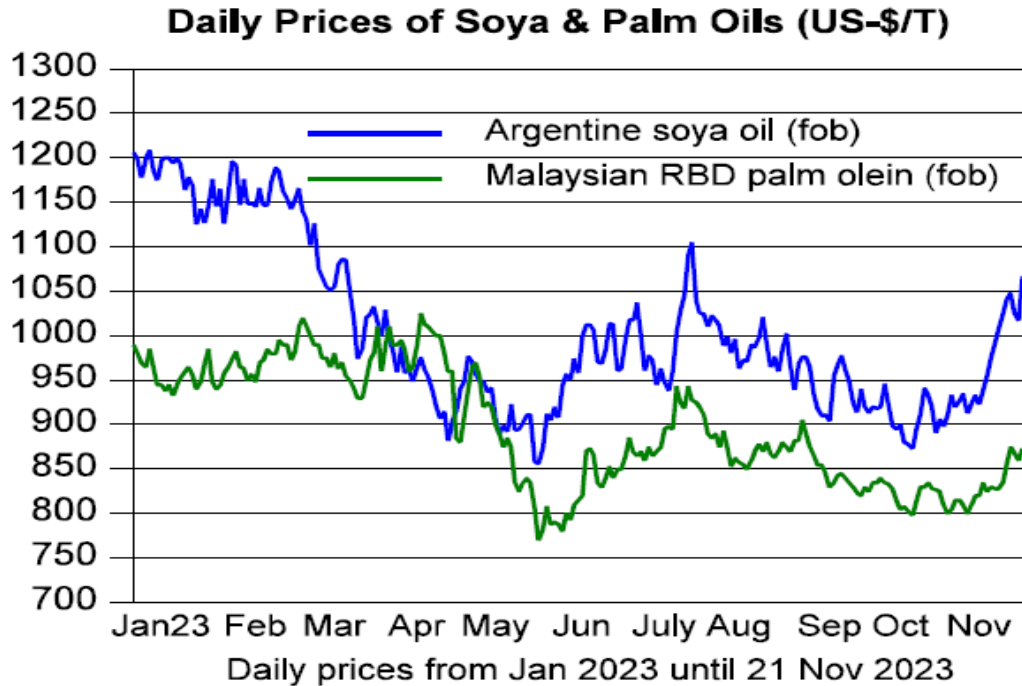
According to MPOB, Malaysian CPO ending stocks in October were at the highest level since 2019.

Total production in Jan/Oct 2023 was practically unchanged from the same period in 2022. Despite the risk of El Niño, CPO production in Malaysia is expected to rise from a year earlier in Oct/Dec 2023 and also stay above the year-ago level in Jan/June next year, helped by an easing shortage of workers.

Malaysian CPO exports are expected to rise to **15.8 MnT** in Oct/Sept 2023/24, due to the prospective sharp decline in shipments from Indonesia. This is likely to reduce Malaysian stocks to a 3-year low of **2.14 MnT** as of end-Sept 2024.

SOURCES: MPOB / OIL WORLD / POA

4.5. PALM OIL (CPO): A Global Deficit Is Expected in Jan / Sept



Palm Oil prices seen rising on El Niño dryness and healthy demand



Source: Bloomberg, Rabobank 2023

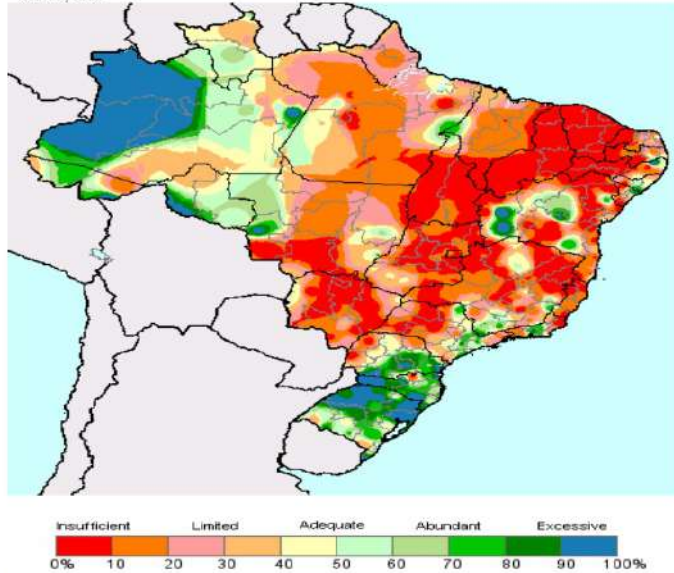
So far, global CPO supplies are sufficiently large. Stocks are currently very high in Malaysia, India, Pakistan and a few other importing countries. Additional pressure is coming from the energy sector and the large production and export supplies of SFO and RSO.

The bullish impact of the sharp decline in Indonesian export supplies will be partly moderated by the prospective decline in imports of India and China, at least in the first 3-4 months of the 2023/24 season.

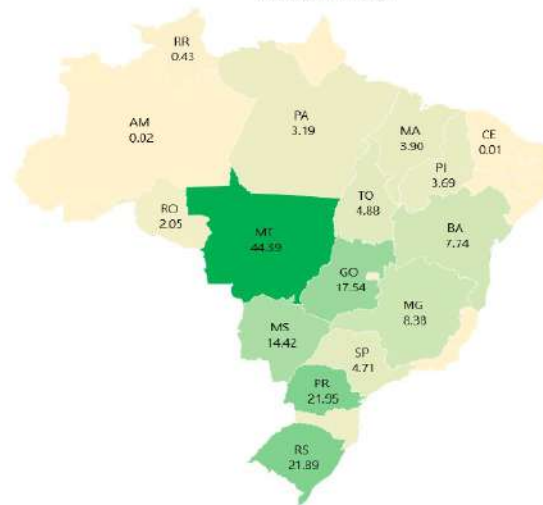
However, the combination of limited YoY total CPO production and stable YoY biodiesel demand growth, mainly in Indonesia and US, will result in a global palm oil deficit in Jan / Sept 2024. Together with the anticipated slowdown in the growth of world production of other vegetable oils, this may drive prices up.

5.1. SOYBEAN OIL (SBO): Brazilian Soybean Cycle Facing Weather Risk

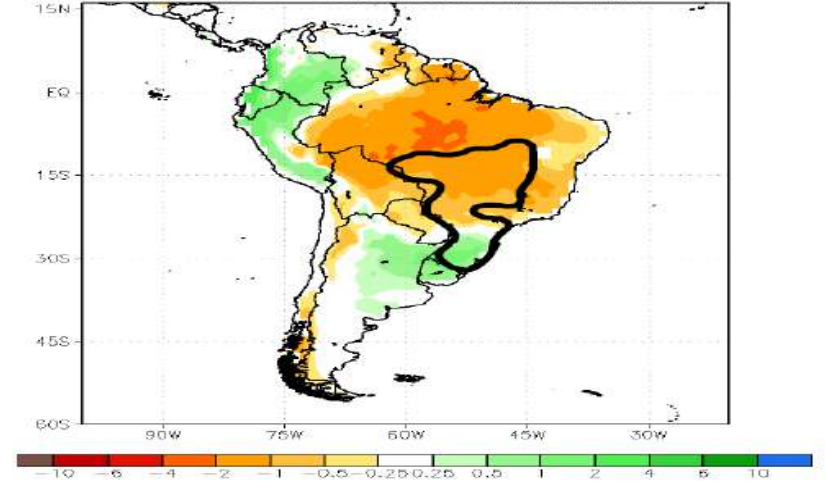
Percent Soil Moisture (WMO)
Nov. 19, 2023



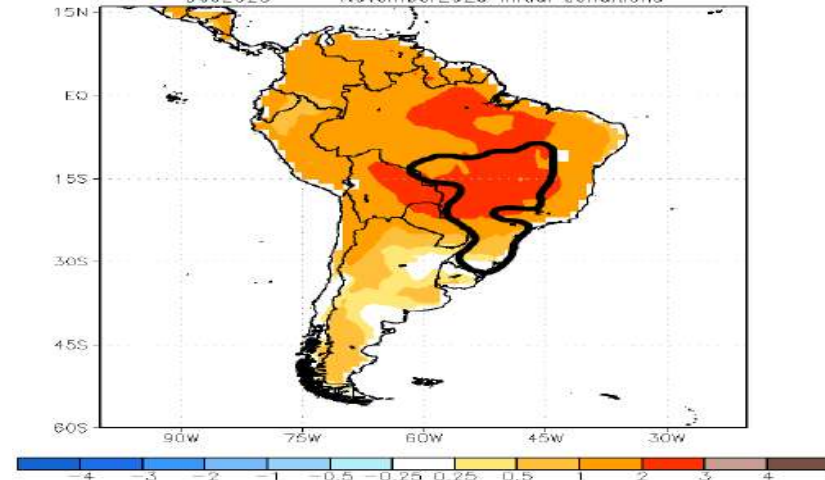
Brazil soybean production distribution for 2023/24
Conab estimates



NMME Precipitation Anomalies (mm/day)
Dec2023 November2023 initial conditions



NMME 2-Meter Air Temp. Anomalies (deg C)
Dec2023 November2023 initial conditions



The Brazilian soybean crop is experiencing dry conditions in Central West regions and wet conditions in the South, with planting at 68%, well behind the average.

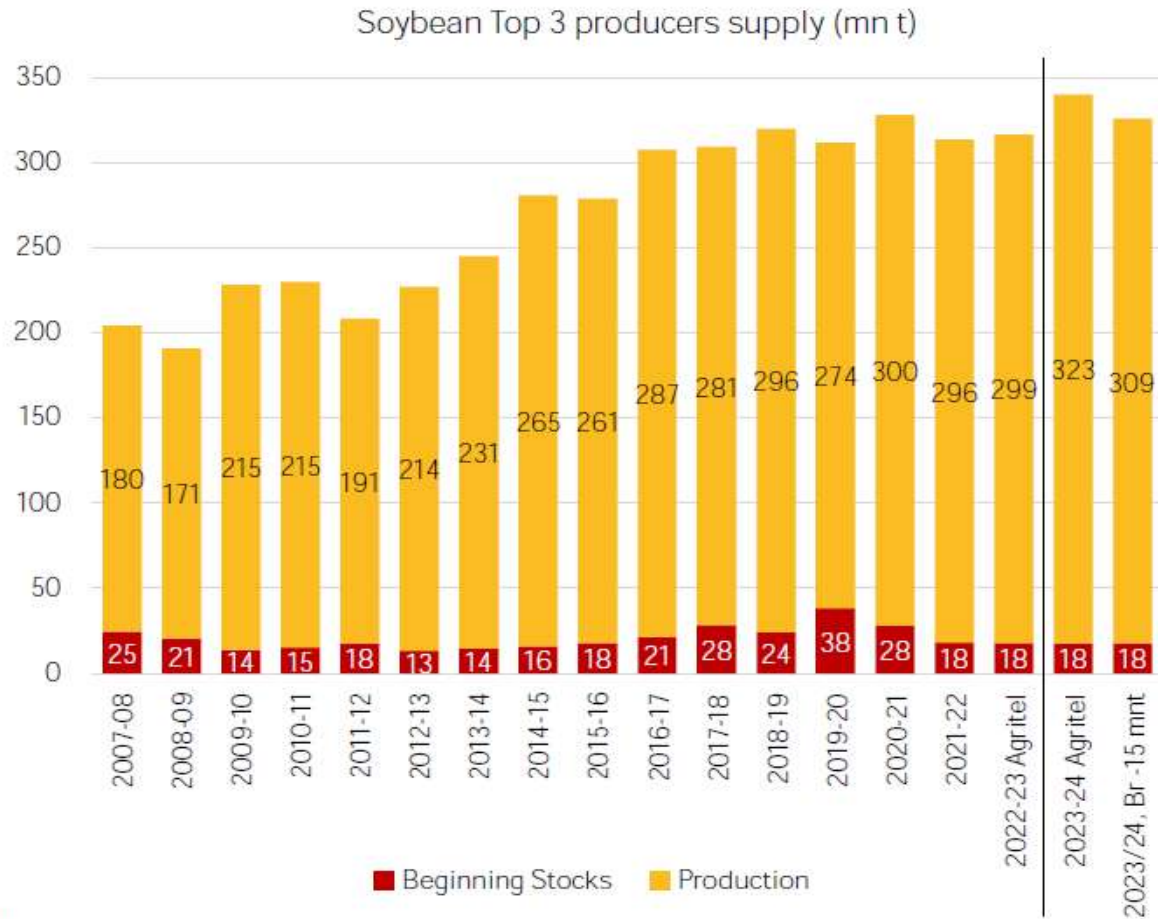
In the North, soybeans have emerged poorly in many fields due to extreme heat and lack of rains. Some damage has already occurred, and replanting needs will be much higher than usual. Meanwhile, excessively wet conditions are expected to persist in Rio Grande do Sul, which is also detrimental to the crop.

The monthly forecast for December is turning drier. There is consensus in the market about an **increasing probability than Brazilian soybean crop will turn out below of 155 MnT.**

Brazilian farmers have become very reserved sellers due to concerns about the crop size.

SOURCES: AGRITEL / CONAB / OILWORLD / USDA

5.2. SOYBEAN OIL (SBO): A Bumper South America Crop is Needed

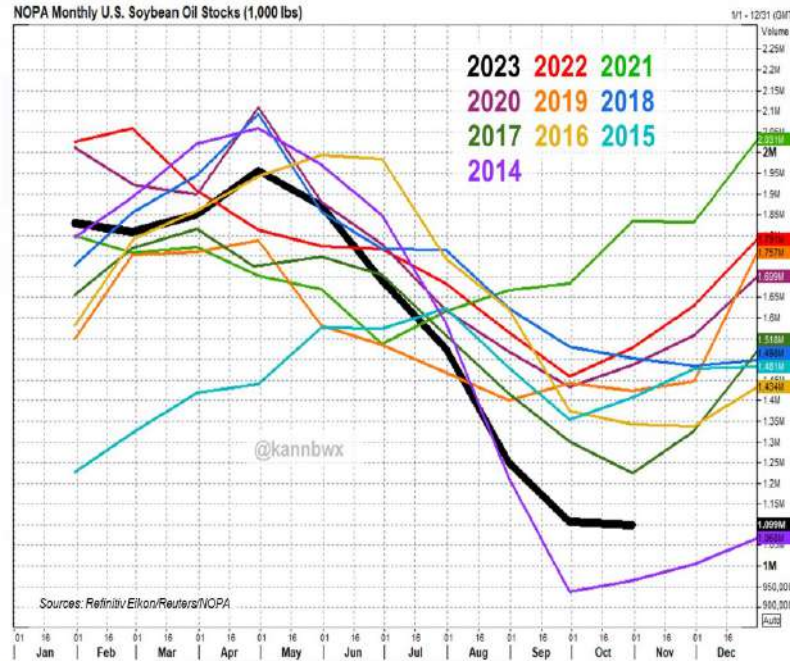
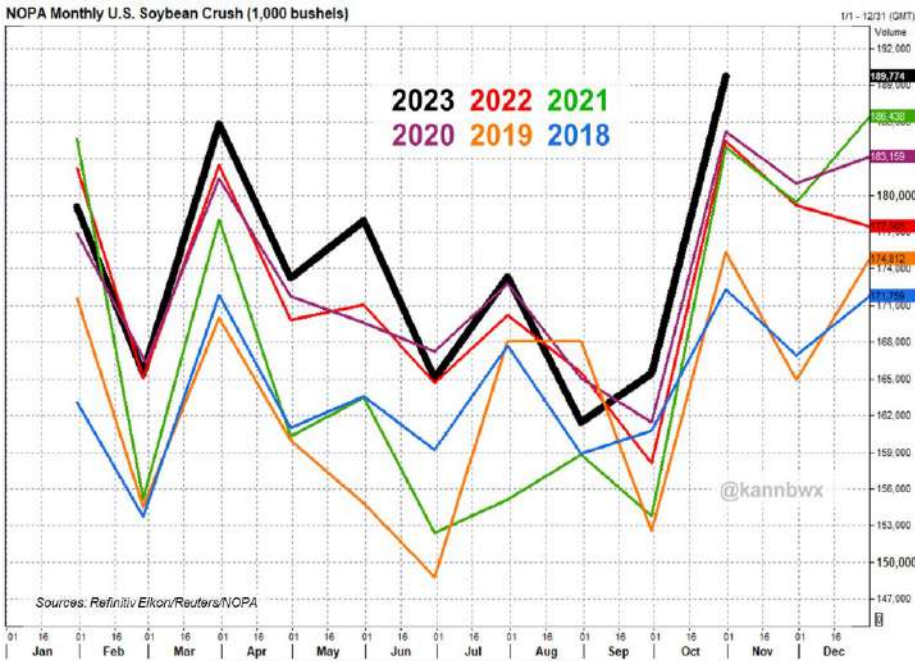


Soybean production losses in Brazil contract with an excellent soybean crop in Argentina. A bumper crop is needed in South America to balance the global soybean and oilseeds S&D.

Market participants will closely monitor the economic situation in Argentina following the elections, in which the liberal candidate Milei has won, and a new economic program is expected.

In the event of losses in Brazil, export demand of soybean will have to be rationed, and the reduction should be partially offset by stronger US and Argentinian exports. The situation in the US could become more complicated. Indeed, China has been accelerating its soybean imports from US lately to prevent against the risk of a late and lower crop in Brazil.

5.3. SOYBEAN OIL (SBO): Record High US Crushing



U.S.A.: Production & Imports of Biodiesel / HVO

| (1000 T) | Oct 2023 | Sep 2023 | Oct 2022 | Jan/Oct 2023 | Jan/Oct 2022 |
|-------------------|-------------|-------------|------------|--------------|--------------|
| Production | 1182 | 1250 | 838 | 11119 | 8205 |
| Biodiesel.. | 479 | 481 | 460 | 4654 | 4442 |
| HVO | 703 | 769 | 378 | 6465 | 3763 |
| Imports | 350 | 169 | 215 | 2610 | 1770 |
| Biodiesel.. | 190 | 142 | 58 | 1321 | 545 |
| HVO | 160 | 27 | 157 | 1289 | 1225 |

Note: Quantities used to generate renewable identification numbers (RINs). Source: EPA.

According to NOPA, **despite crushing in October reaching an all-time high for any month, US SBO stocks continue to decline to at the lowest level since 2014 amid high domestic biofuel demand.**

The anticipated slowdown of biodiesel / HVO production has apparently not yet materialized.

5.4. SOYBEAN OIL (SBO): Prices Have Appreciated Lately

OIL-SHARE NA CBOT
 ÓLEO DE SOJA PERDE VALOR NAS ÚLTIMAS SEMANAS EM %



FARELO DE SOJA VS. OLEO DE SOJA
 FARELO EXPLODE COM APAGÃO NOS EUA E DERRUBA O ÓLEO NA CBOT
 FARELO EM US\$/ST – ÓLEO EM CENTS/LB

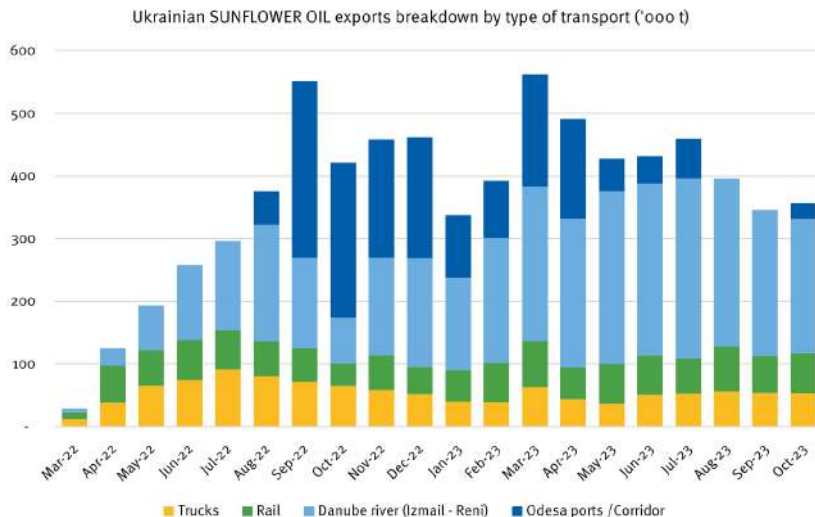
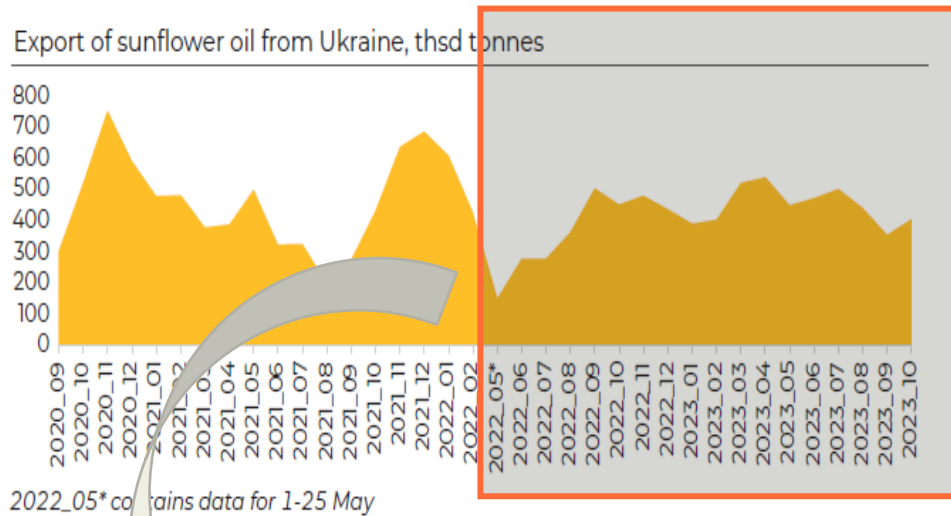


After losses of roughly 25 MnT of soybean this year in Argentina and a lower-than-expected crop in US, Brazil crops are facing weather problems, China is reacting with more purchases, farmer selling in South America is limited and the US domestic demand continues to be very strong.

As a result, SBO has been the price leader upward in the vegetable oil market in recent weeks, correcting the previous setback, which was apparently overdone. The recovery in the oil share after, to reach at lower level in several time, has helped to see an appreciation of SBO in CBOT.

SOURCES: AGRINVEST / ARGUS / OIL WORLD / REUTERS / RJO / STONEX / USDA

6.1. SUNFLOWER OIL (SFO): Ukrainian Exports Remain High



The flow of SFO from Ukraine remains at very high levels and exceeding expectations.

Shipments of SFO in November are still quite brisk, despite the new export rules and the blocking of some checkpoints on the Polish border. During the first half of November, Ukraine exported 266.000 mts vs 177.000 during the same period of Oct.

Market players will closely monitor the situation in Ukraine.

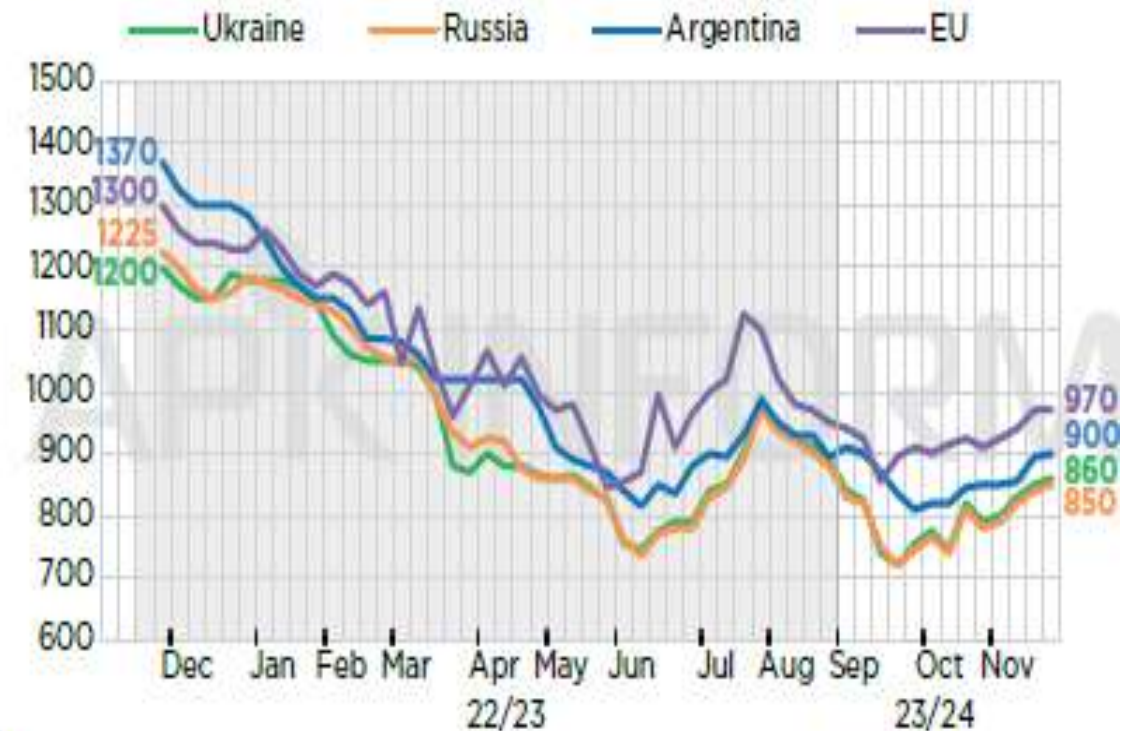
6.2. SUNFLOWER OIL (SFO): Less Price Pressure

The impact on prices from the high stocks and the record production of SFO in Russia is, so far, offset by the active export shipment of this product to India and China. Egypt has also been active in the SFO market lately.

SFO prices have mainly been increasing following the global market. Indeed, the SFO is no longer the cheapest oil in the market, which could affect the demand in the short term. Additionally, the drop in global crude oil prices may put pressure on prices.

Prices of SFO could show a correction in the short term, but they will be highly influenced by the development of soybean crops in South America and palm oil production in Southeast Asia, even more considering the expectation of tighter global oil balance.

Price dynamics of sunflower oil (offer, FOB), USD/t



SOURCES: APK INFORM / ATRIA BROKERS / OIL WORLD / REUTERS

7.1. RAPESEED OIL (RSO): Price Support is Limited

| RAPESEED & CANOLA : World Supply & Demand (Mn T) | | | | | |
|--|--------|--------|--------|-------|-------|
| | 23/24F | 22/23 | 21/22 | 20/21 | 19/20 |
| Open'g stocks | 14.91 | 9.91 | 9.15 | 10.73 | 12.58 |
| Production | 75.39* | 79.08 | 67.50 | 67.00 | 62.96 |
| EU-27 | 19.48 | 19.25 | 17.23 | 17.03 | 15.57 |
| Russia | 4.05* | 4.20* | 2.88* | 2.57 | 2.06 |
| Ukraine | 4.35* | 3.67* | 3.16* | 2.70* | 3.48* |
| Canada | 17.50* | 18.69 | 14.25 | 19.48 | 19.91 |
| U.S.A. | 1.79* | 1.64* | 1.30* | 1.63* | 1.55 |
| China | 7.00* | 6.90* | 6.50* | 6.00* | 5.70* |
| India | 10.30* | 10.80* | 10.70* | 8.55* | 7.40* |
| Australia | 5.40* | 8.10* | 6.82 | 4.76 | 2.30 |
| Total supplies | 90.30* | 88.99 | 76.65 | 77.73 | 75.54 |
| Crush (July/June) | 75.59* | 71.00 | 64.63 | 66.57 | 61.92 |
| Other use | 2.24* | 3.08 | 2.12 | 2.01 | 2.88 |
| End'g stocks | 12.47* | 14.91 | 9.91 | 9.15 | 10.73 |
| EU-27 (Jun 30) | 1.37* | 1.61 | 1.00 | 1.01 | 1.06 |
| Canada (July31) | 1.38* | 1.65* | 1.40* | 1.68* | 3.43 |
| Stocks/usage | 16.0% | 20.1% | 14.8% | 13.3% | 16.6% |



RSO price are supported by higher SFO and CPO prices in Rotterdam. However, the rise potential is very limited, as supply remain high and crop area forecasts for new 2024/25 season are positive in Europe and Ukraine. Also, Australian crop will be sufficient to meet EU demand. There is additional pressure coming from the energy sector.

RSO prices in Europe have been reducing their premium over SFO and CPO since mid-October. Despite this potentially boosting demand, we do not anticipate a significant price appreciation, at least in the short term.

SOURCES: ARGUS / OIL WORLD / REUTERS

“A World of
Vegetable Oils”



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